

SHARES AND SHAREHOLDERS

DIVIDEND POLICY

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 into account, however, the company's financial position and operating strategy.

The financial objectives are presented on page 9.

PROPOSED DIVIDENDS FOR THE YEAR 2011

Kesko Corporation's Board of Directors proposes to the General Meeting that a dividend of €1.20 per share be distributed from the net profit for 2011, representing 65% of earnings per share and 65% of earnings per share excluding non-recurring items. In the past five years, 81.4% of earnings per share excluding non-recurring items, on average, has been distributed as dividends.

BASIC INFORMATION ON THE SHARES AS AT 31 DECEMBER 2011

A share

- symbol: KESAV (OMX)
- ISIN code: FI0009007900
- voting rights per share: 10 votes
- number of shares: 31,737,007
- market capitalisation: €788 million

B share

- symbol: KESBV (OMX)
- ISIN code: FI0009000202
- voting rights per share: 1 vote
- number of shares: 66,908,035
- market capitalisation: €1,719 million

Trading unit of both share series: 1 share.

Total share capital: €197,282,584

Total number of shares: 98,645,042

Voting rights carried by all shares: 384,278,105.

Total market capitalisation: €2,506 million

SHARE SERIES AND SHARE CAPITAL

Kesko Corporation's share capital is divided into A and B share series. The company's share capital was €197,282,584.

The minimum number of A shares is one (1) and the maximum number two hundred and fifty million (250,000,000), while the minimum number of B shares is one (1) and the maximum number two hundred and fifty million (250,000,000), provided however that the minimum aggregate number of shares is two (2) and the maximum aggregate number is four hundred million (400,000,000). The total number of shares is 98,645,042, of which 31,737,007 (32.2%) are A shares and 66,908,035 (67.8%) are B shares.

Each A share carries 10 votes and each B share one vote. Both shares have equal dividend rights. The number of votes carried by A shares is 83% and the number of votes carried by B shares is 17% of the total voting rights.

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

The right to receive funds distributed by the company and to subscribe for shares when shares are issued belongs only to those

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

AUTHORISATIONS OF THE BOARD AND TREASURY SHARES

2009 SHARE ISSUE AUTHORISATION

The Annual General Meeting held on 30 March 2009 authorised the company's Board of Directors to decide on the issuance of a maximum of 20,000,000 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 capital expenditures. The company must have a weighty financial reason for deviating from the shareholders' pre-emptive rights.

The Board's authorisation also included 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 subscription price is recorded in the reserve of invested non-restricted equity.

The share issue authorisation will remain valid until 30 March 2012. The authorisation has not been used.

2011 SHARE ISSUE AUTHORISATION

The Annual General Meeting held on 4 April 2011 authorised the company's Board of Directors to decide on the issuance of a maximum of 1,000,000 own B shares held by the company itself. Own B shares held by the company itself can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the company shares, regardless of whether they own A or B shares. Shares can also be issued in a directed issue, deviating from the shareholder's pre-emptive right, for a weighty financial reason of the company, such as using the shares to develop the company's capital structure, to finance possible business acquisitions, capital expenditures or other arrangements within the scope of the company's business operations, and to implement the company's incentive plan.

Own B shares held by the company itself can be delivered either against or without consideration. According to the Finnish Limited Liability Companies' Act, a directed share issue can only be without

consideration, provided that the company, taking into account the best interests of all of its shareholders, has a particularly weighty financial reason. The authorisation also included the authority to make decisions concerning any other issues related to share issuances. The amount possibly paid for the company's own shares is recorded in the reserve of unrestricted equity.

The authorisation will remain valid until 30 June 2014.

AUTHORISATION TO ACQUIRE OWN SHARES

The Annual General Meeting held on 4 April 2011 authorised the company's Board of Directors to decide on the acquisition of a total maximum of 1,000,000 own B shares.

Own shares are acquired with the company's unrestricted equity not in proportion to shares held by shareholders but at the market price quoted in public trading organised by NASDAQ OMX Helsinki Ltd ("stock exchange") at the date of acquisition. The shares are acquired and paid in accordance with the rules of the stock exchange.

The shares can be acquired to be used in the development of the company's capital structure, to finance possible business acquisitions, capital expenditures and/or other arrangements within the scope of the company's business operations, and to implement the company's incentive plan.

The Board makes decisions concerning other issues related to the acquisition of own B shares.

The authorisation will remain valid until 30 September 2012.

Kesko Corporation holds 700,000 own B shares. Subsidiaries do not hold Kesko Corporation shares.

SHAREHOLDERS

According to the register of Kesko Corporation's shareholders held by the Euroclear Finland Ltd, there were 41,215 shareholders at the end of 2011 (38,258 at the end of 2010). The total number of shares registered in a nominee name was 18,654,661, accounting for 18.91% of all shares (25,042,687 and 25.39% respectively at the end of 2010). These shares carried 19,305,001 votes, or 5.02% of the total voting rights (25,633,807 or 6.67% respectively at the end of 2010). A list of Kesko Corporation's largest shareholders, updated monthly, is available at www.kesko.fi/investors.

2011–2013 SHARE-BASED COMPENSATION PLAN

Kesko operates the 2011–2013 share-based compensation plan designed for the Group's management personnel and other named key personnel, decided by the company's Board of Directors. The plan allows a total maximum of 600,000 treasury B shares held by the company to be issued over the three-year period.

The share-based compensation plan includes three vesting periods, namely the calendar years 2011, 2012 and 2013. Kesko's Board of Directors determines the target group and vesting criteria separately for each vesting period based on the Remuneration Committee's proposal, and the compensation possibly paid after each vesting period is based on the fulfilment of the vesting criteria determined for the vesting period by the Board. The criteria for the 2011 vesting

period are Kesko's basic earnings per share (EPS) excluding non-recurring items, the 2011 performance of the Kesko Group's sales exclusive of tax, and the percentage by which the total shareholder return (TSR) of a Kesko B share exceeds the OMX Helsinki Benchmark Cap index.

The compensation possibly paid for a vesting period is paid partly in Kesko B shares and partly in cash. The cash compensation is paid to cover the taxes and tax related charges payable on the compensation.

A commitment period of three calendar years following each vesting period is attached to the shares issued in compensation, during which shares must not be transferred. If a person's employment or service relationship terminates prior to the end of the commitment period, he or she must return the shares subject to transfer restriction to Kesko or its designate without consideration.

So far, shares have not been issued under this plan.

2007 OPTION SCHEME

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

Each option entitles its holder to subscribe for one new Kesko Corporation B share. The options were marked with symbols 2007A (KESBVEW107, ISIN code FI0009637201), 2007B (KESBVEW207, ISIN code FI0009637219) and 2007C (KESBVEW307, ISIN code FI0009637227) in units of 1,000,000 options each.

The exercise periods of options are:

- 2007A: 1 April 2010–30 April 2012,
- 2007B: 1 April 2011–30 April 2013 and
- 2007C: 1 April 2012–30 April 2014.

The original share subscription price for 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 (EUR 45.82), for option 2007B, between 1 April and 30 April 2008 (EUR 26.57), and for option 2007C, between 1 April and 30 April 2009 (EUR 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. After the 2010 dividend distribution, the subscription price of a B share subscribed for with option 2007A is €41.02, with option 2007B €23.37 and with option 2007C €14.64. The share subscription price is recognised in the reserve of invested non-restricted equity.

If all of the exercisable share options were exercised, the shares subscribed for with all of the 2007 options would account for 2.95% of all shares and for 0.77% of all votes. The subscriptions made with

SHARES AND SHAREHOLDERS

share options can raise the number of the company's shares to 101,641,292. As a result of the subscriptions, the voting rights carried by all shares could increase to 387,274,355 votes.

SHARE SUBSCRIPTIONS WITH OPTIONS

During 2011, the number of shares was increased twice corresponding to share subscriptions with the share options of the 2007 option plan. The increases were made on 31 May 2011 (2,750 B shares) and 1 August 2011 (1,000 B shares). The number of shares was raised by a total of 3,750 shares in 2011.

By the end of 2011, a total of 3,750 B shares have been subscribed for with 2007B options under the 2007 series option scheme. So far, 2007A share options have not been exercised. The exercise period of 2007C share options will begin on 1 April 2012.

The shares subscribed for in 2011 were included on the main list of NASDAQ OMX Helsinki (the Helsinki stock exchange) for public trading.

OTHER SPECIAL RIGHTS ENTITLING TO SHARES

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

SHARES AND OPTIONS HELD BY THE MANAGEMENT

At the end of 2011, the members of Kesko Corporation's Board of Directors, the President and CEO and the corporations under their control held 229,720 Kesko Corporation A shares (224,720 at the end of 2010) and 109,420 Kesko Corporation B shares (105,820), or a total of 339,140 shares (330,540), which represents 0.34% (0.34%) of the company's total share capital and 0.63% (0.61%) of the voting rights.

At the end of 2011, the company's President and CEO held a total of 130,000 Kesko Corporation share options (150,000 at the end of 2010), which represents 0.13% (0.15%) of the company's total share capital and 0.03% (0.04%) of voting rights, presuming that shares have been subscribed for with all of the options. The Board members did not hold options at the end of 2011 (nor at the end of 2010).

Detailed information on shares and options held by the management at the beginning and at the end of 2011 is given on pages 56–59.

TRADING IN KESKO CORPORATION'S SHARES AND SHARE OPTIONS IN 2011

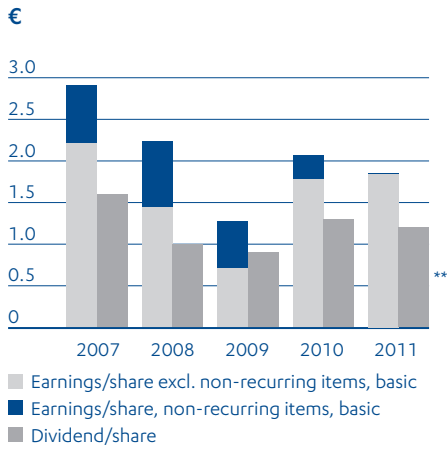
Kesko Corporation's shares are listed on the Helsinki stock exchange NASDAQ OMX Helsinki Ltd. Key information on share trading in 2011 is given in the graphs on the following double page spread. The price trends of both shares followed the general share price trend. The price of liquid B shares decreased by 26% and those of less liquid A shares by 28%, while the NASDAQ OMX Helsinki All Share Index decreased by 30%. The number and value of B shares traded on the Helsinki stock exchange rose by about one fifth. At the end of the year, the market capitalisation of A shares was €788million and that of B shares €1,719 million. The total market capitalisation of the company was €2,506 million, a decrease of €932 million, or 27% during the year.

FLAGGING NOTIFICATIONS

Kesko Corporation did not receive any flagging notifications in 2011. The company is not aware of any agreements concerning its shareholding and voting rights.

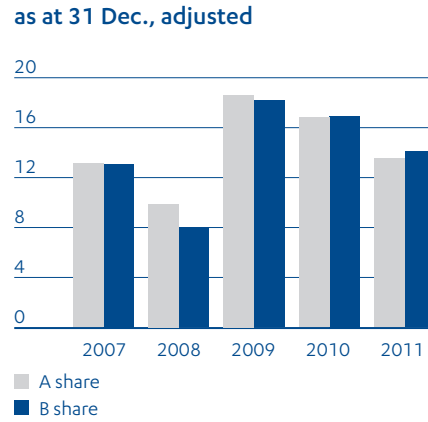
SHARE PERFORMANCE INDICATORS

EARNINGS/SHARE AND DIVIDEND/SHARE

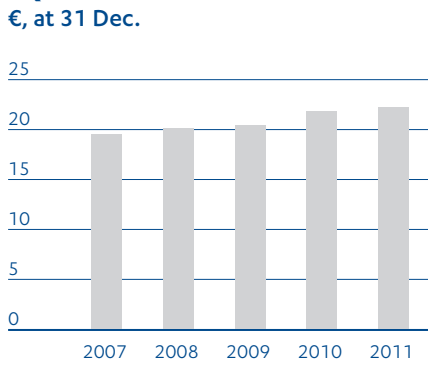


** proposal to the General Meeting

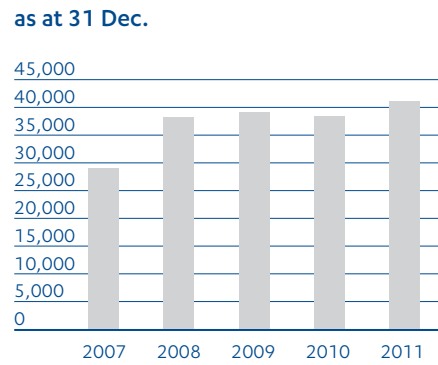
SHARE PRICE/PROFIT, P/E



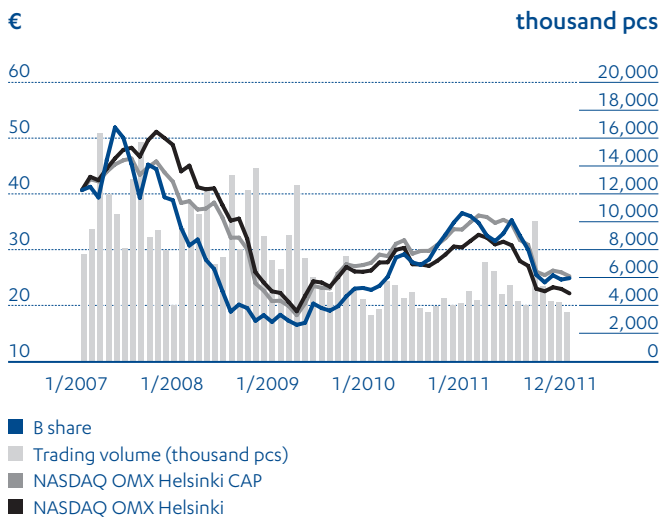
EQUITY/SHARE



NUMBER OF SHAREHOLDERS



TRENDS IN KESKO B SHARE PRICE



READ MORE

More share performance indicators on page 71.

SHARES AND SHAREHOLDERS

Price and turnover of Kesko Corporation A and B share on the Helsinki stock exchange NASDAQ OMX Helsinki Ltd in 2011

Share	Share price, € at 31 Dec. 2010	Share price, € at 31 Dec. 2011	Change, %	Lowest price, €	Highest price, €	Trading volume, pcs	Total value traded, €
A share	34.70	24.82	-28.5	22.35	36.00	2,098	61,671
B share	34.93	25.96	-25.7	22.21	35.97	63,304	1,856,087

During the year, the NASDAQ OMX Helsinki All Share Index decreased by 30.1% and the NASDAQ OMX Helsinki CAP Index by 28.0% and the Helsinki Stock Exchange Consumer Staples Index by 24.3%. Up-to-date information on share and shareholders is available at www.kesko.fi.

10 largest shareholders by number of shares (A and B series) as at 31 Dec. 2011

	Number of shares, pcs	% of shares	Number of votes	% of votes
1 Ilmarinen Mutual Pension Insurance Company	3,573,257	3.62	6,182,915	1.61
2 The K-Retailers' Association	3,514,958	3.56	34,781,930	9.05
3 Vähittäiskaupan Takaus Oy	3,491,771	3.54	27,148,568	7.06
4 Kruunuvuoren Satama Oy	2,635,046	2.67	26,350,460	6.86
5 Valluga-sijoitus Oy	1,340,439	1.36	13,404,390	3.49
6 Kesko Pension Fund	1,288,839	1.31	8,523,390	2.22
7 Varma Mutual Pension Insurance Company	1,130,986	1.15	1,130,986	0.29
8 Tapiola Mutual Pension Insurance Company	1,100,000	1.12	1,100,000	0.29
9 Oy The English Tearoom Ab	1,008,400	1.02	1,008,400	0.26
10 Foundation for Vocational Training in the Retail Trade	975,547	0.99	8,384,518	2.18

Ownership structure as at 31 Dec. 2011

All shares	Number of shares	% of all shares
Non-financial corporations and housing corporations	28,785,760	29.18
Financial and insurance corporations	5,238,693	5.31
General Government*	10,085,573	10.22
Households	28,439,926	28.83
Non-profit institutions serving households**	6,478,763	6.57
Rest of the world	961,666	0.97
Nominee registered	18,654,661	18.91
Total	98,645,042	100.00

A shares	Number of shares	% of A shares	% of all shares
Non-financial corporations and housing corporations	20,574,728	64.83	20.86
Financial and insurance corporations	1,433,430	4.52	1.45
General Government*	1,204,419	3.79	1.22
Households	6,750,236	21.27	6.84
Non-profit institutions serving households**	1,694,523	5.34	1.72
Rest of the world	7,411	0.02	0.01
Nominee registered	72,260	0.23	0.07
Total	31,737,007	100.00	31.74

B shares	Number of shares	% of B shares	% of all shares
Non-financial corporations and housing corporations	8,211,032	12.27	8.32
Financial and insurance corporations	3,805,263	5.69	3.86
General Government*	8,881,154	13.27	9.00
Households	21,689,690	32.42	21.99
Non-profit institutions serving households**	4,784,240	7.15	4.85
Rest of the world	954,255	1.43	0.97
Nominee registered	18,582,401	27.77	18.84
Total	66,908,035	100.00	67.83

* General government, for example, municipalities, the provincial administration of Åland, authorised pension provider and social security funds.

** Non-profit institutions, for example, foundations awarding scholarships, organisations safeguarding certain interests and various charitable associations.

10 largest shareholders by number of votes at 31 Dec. 2011

	Number of shares, pcs	% of shares	Number of votes	% of votes
1 The K-Retailers' Association	3,514,958	3.56	34,781,930	9.05
2 Vähittäiskaupan Takaus Oy	3,491,771	3.54	27,148,568	7.06
3 Kruunuvuoren Satama Oy	2,635,046	2.67	26,350,460	6.86
4 Valluga-sijoitus Oy	1,340,439	1.36	13,404,390	3.49
5 Kesko Pension Fund	1,288,839	1.31	8,523,390	2.22
6 Foundation for Vocational Training in the Retail Trade	975,547	0.99	8,384,518	2.18
7 Ilmarinen Mutual Pension Insurance Company	3,573,257	3.62	6,182,915	1.61
8 Food Paradise Oy	389,541	0.39	3,895,410	1.01
9 The K-Food Retailers' Club	384,617	0.39	3,846,170	1.00
10 Heimo Välinen Oy	362,000	0.37	3,431,000	0.89

Distribution of share ownership at 31 Dec. 2011

All shares Number of shares	Number of shareholders	% of shareholders	Shares total	% of shares
1-100	12,319	29.89	703,127	0.71
101-500	15,691	38.07	4,273,662	4.33
501-1 000	5,675	13.77	4,456,910	4.52
1 001-5 000	5,814	14.11	12,849,184	13.03
5 001-10 000	910	2.21	6,503,551	6.59
10 001-50 000	660	1.60	13,503,073	13.69
50 001-100 000	80	0.19	5,780,765	5.86
100 001-500 000	50	0.12	10,685,107	10.83
500 001-999 999 999 999	16	0.04	39,889,663	40.44
Total	41,215	100.00	98,645,042	100.00

A shares Number of shares	Number of shareholders	% of holders of A shares	A shares total	% of A shares
1-100	2,169	30.11	104,680	0.33
101-500	1,622	22.52	419,964	1.32
501-1 000	1,049	14.56	900,509	2.84
1 001-5 000	1,604	22.27	3,928,052	12.38
5 001-10 000	386	5.36	2,741,092	8.64
10 001-50 000	322	4.47	6,883,026	21.69
50 001-100 000	33	0.46	2,370,201	7.47
100 001-500 000	13	0.18	2,684,299	8.46
500 001-999 999 999 999	6	0.08	11,705,184	36.88
Total	7,204	100.00	31,737,007	100.00

B shares Number of shares	Number of shareholders	% of holders of B shares	B shares total	% of B shares
1-100	11,091	30.41	647,475	0.97
101-500	14,933	40.94	4,080,459	6.10
501-1 000	4,905	13.45	3,791,808	5.67
1 001-5 000	4,577	12.55	9,741,907	14.56
5 001-10 000	535	1.47	3,885,864	5.81
10 001-50 000	351	0.96	6,988,437	10.44
50 001-100 000	39	0.11	2,866,307	4.28
100 001-500 000	34	0.09	7,755,704	11.59
500 001-999 999 999 999	11	0.03	27,150,074	40.58
Total	36,476	100.00	66,908,035	100.00

SHAREHOLDER INFORMATION

FINANCIAL REPORTING CALENDAR AND KEY DATES IN 2012

Year 2011 financial statements release	2 Feb. 2012
Year 2011 Annual Report (incl. the financial statements and the report by the Board of Directors)	Week 12
Annual General Meeting	16 April 2012
Year 2012 3-month interim report	26 April 2012
Year 2012 6-month interim report	25 July 2012
Year 2012 9-month interim report	24 Oct. 2012

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

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 16 April 2012 at 13.00.

Shareholders included in Kesko Corporation's shareholder register, kept by Euroclear Finland Ltd, on 2 April 2012 (Annual General Meeting record date) are entitled to attend the Annual General Meeting. Shareholders whose shares are registered in their personal Finnish book-entry account are included in the company's shareholder register.

Shareholders wishing to attend the meeting should notify, not later than 11 April 2012 at 16.00, either by post addressed 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 website at www.kesko.fi/investors. The notification 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 postal 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. The account operator of the custodian bank reports the information on the owner of a nominee registered share wishing to attend the Annual General Meeting for entry into the company's temporary shareholder register not later than 11 April 2012 at 10.00.

More information about the Annual General Meeting, attendance and decision-making is given at 'Corporate Governance' on pages 46–55.

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 €1.20 per share be paid for 2011. The dividend will be paid to all shareholders included in the register of Kesko Corporation's shareholders kept by Euroclear Finland Ltd on 19 April 2012 (record date for the payment of dividend). The registration 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 16 April 2012. Dividends on 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 26 April 2012.

FINANCIAL PUBLICATIONS

Kesko publishes a printed Annual Report in Finnish and English.

The company maintains an Annual Report mailing list. To be added to the mailing list, please go to the company's website www.kesko.fi/media.

The Annual Report, 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/media

CHANGES OF ADDRESS

Shareholders should notify changes of address to the bank, brokerage firm 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 website in Finnish and English.

Kesko publishes the printed Annual Report in Finnish and English. The financial statements release and three interim financial reports are available on Kesko's website. 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/media. Kesko's stock exchange and press releases sent by e-mail can also be ordered at www.kesko.fi/media.

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 three-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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**READ MORE**www.kesko.fi/Company.

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 major European food chains in AMS.

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.

FAIRTRADE 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 avoiding 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 selfservice 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 looks after the interests and promotes the cooperation of the K-retailers. Its key function is to enhance and strengthen K-retailer entrepreneurship and promote the interests of its members. All the K-retailers – about 1,230 – 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 selfservice 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.