

KESKO

**Listing of
EUR 250,000,000 Notes due 2018
The Notes are represented by units in denominations of EUR 1,000.**

On 11 September 2012, Kesko Corporation (“**Kesko**”, the “**Issuer**” or the “**Company**”) issued senior unsecured notes with an aggregate nominal amount of EUR 250,000,000 (the “**Notes**”) mainly to certain institutional investors. The Notes are represented by units in denominations of EUR 1,000. The rate of interest of the Notes is 2.75 per cent per annum. This document (this document and the documents incorporated herein by reference jointly referred to as the “**Listing Prospectus**”) has been prepared solely for the purpose of admission to listing of the Notes to public trading on NASDAQ OMX Helsinki Ltd (the “**Helsinki Stock Exchange**”) and does not constitute any offering of the Notes.

This Listing Prospectus has been drawn up in accordance with the Finnish Securities Markets Act (26.5.1989/495, as amended) (the “**Finnish Securities Markets Act**”), the Decree of the Finnish Ministry of Finance on the Prospectus referred to in Chapter 2 of the Finnish Securities Market Act (23.6.2005/452, as amended), the Commission Regulation (EC) No 809/2004, as amended, in application of the Annexes IV, V and XXII thereof, and the regulations and guidelines of the Finnish Financial Supervisory Authority (the “**FIN-FSA**”). The FIN-FSA, which is the competent authority for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”) and relevant implementing measures in Finland, has approved this Listing Prospectus (journal number 87/02.05.04/2012) but assumes no responsibility for the correctness of the information contained herein.

Application has been made for the Notes to be admitted to public trading on the Helsinki Stock Exchange (the “**Listing**”), and the Listing is expected to take place on or about 12 September 2012.

Besides filing this Listing Prospectus with the FIN-FSA and the application to the Helsinki Stock Exchange, neither the Issuer nor the Lead Managers (defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of public offer.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under “*Risk Factors*” below.

Lead Managers



CERTAIN INFORMATION WITH REGARD TO THE LISTING

In this Listing Prospectus, the “Company”, the “Issuer” and “Kesko” refer to Kesko or Kesko and its subsidiaries, on a consolidated basis, as the context may require.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and such documents form part of this Listing Prospectus. See “Documents Incorporated by Reference.”

Danske Bank A/S (“**Danske**”) and Nordea Bank Finland Plc (“**Nordea**”) (jointly the “**Lead Managers**”) are acting for Kesko as arrangers and lead managers of the Listing and for no-one else in connection with the Listing and will not be responsible to anyone other than Kesko for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Listing Prospectus. Investors should rely only on the information contained in this Listing Prospectus. Neither the delivery of this Listing Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Kesko since the date of this Listing Prospectus or that the information herein is correct as of any time subsequent to the date of this Listing Prospectus.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of Kesko and the Terms and Conditions of the Notes, including the risks and merits involved. Neither Kesko, either of the Lead Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by the Company or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Company or the Lead Managers. No representation or warranty, express or implied, is made by either Lead Manager as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by either Lead Manager in this respect, whether as to the past or the future. The Company and the Lead Managers assume no responsibility for the accuracy or completeness of the information and, accordingly, disclaim to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Listing Prospectus or any such statement.

Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Company or the Lead Managers as to the future. Investors are advised to inform themselves of any stock exchange release published by the Company since the date of this Listing Prospectus.

This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. Kesko and the Lead Managers expect persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. Neither Kesko nor the Lead Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular:

- the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, Singapore or any other jurisdiction in which it would not be permissible to offer the Notes; and
- this Listing Prospectus may not be sent to any person in the aforementioned jurisdictions.

The Notes are governed by Finnish law and any dispute arising in relation the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in the summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

| A – Introduction and Warnings | | |
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| A.1 | Warning | The following summary is not intended to be exhaustive and should be read as an introduction to this Listing Prospectus, including the financial statements of the Company and other financial information contained in this Listing Prospectus. Any decision to invest in the Notes should be based on consideration of this Listing Prospectus as a whole. Certain terms used in this summary are defined elsewhere in this Listing Prospectus. Where a claim relating to the information contained in this Listing Prospectus is brought before a court in the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Listing Prospectus or it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes. |
| B – Issuer | | |
| B.1 | Legal and commercial name of the Issuer | Kesko Corporation. |
| B.2 | Domicile and legal form of the issuer, legislation under which the Issuer operates and country of incorporation of the Issuer | A Finnish public limited liability company incorporated and operating under the laws of Finland. |
| B.4b | Known trends affecting the Issuer and the Issuer’s industries | The prevailing uncertainty in the European financial markets is reflected in the considerable range of variation in the forecasts of economic growth for 2012. According to Statistics Finland, Finland’s GDP growth in 2011 was approximately 2.9 per cent, while the Finnish Ministry of Finance forecasts 1.0 per cent growth for 2012. The economic growth in 2012 depends largely on private consumption. According to the Bank of Finland, the export situation continues to be problematic, particularly as economic growth is slowing down in Finland’s key export markets of the Nordic countries, Germany, the Baltic countries and Russia. According to Bank of Finland, Russian economic output and imports have recovered to their 2008 pre-crisis peaks. Further, Bank of Finland |

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| | | estimates that economic growth of around 3.5 per cent p.a. is expected throughout 2012–2014 forecast period in Russia. Growth of the Russian economy is likely to slow towards the end of the forecast period, if the oil price does not rise, and a small decrease is anticipated. |
| B.5 | Description of the group and the Issuer's position within the group | <p>Kesko Group's operations include the food, home and speciality goods, building and home improvement, and car and machinery trade. Kesko is a trading sector parent company managing companies specialising in development and management of retail store concepts, brands and networks as well as producing services for retail store chains' purchasing, logistics, network development and data management. Kesko's division parent companies and chains act in close cooperation with retailer entrepreneurs and other partners. As at 31 December 2011, Kesko and K-retailers had about 2,000 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Russia and Belarus of which 1,643 stores were located in Finland.</p> <p>The Kesko Group comprises the parent company Kesko Corporation and over 120 subsidiaries in different countries. Kesko Corporation is the group parent company, which conducts the group's operations through its subsidiaries. The key subsidiaries are as follows: Kesko Food Ltd in the food trade division, K-Citymarket Oy, Anttila Oy, Indoor Group Ltd, Intersport Finland Ltd, Musta Pörssi Ltd and Kenkäkesko Ltd in the home and speciality goods division, Rautakesko Ltd in the building and home improvement division, and finally, VV-Auto Group Oy and Konekesko Ltd in the car and machinery trade division.</p> |
| B.9 | Profit forecast or estimate | The Kesko Group's net sales are expected to grow during the next twelve months. Owing to the costs involved in the expansion of the store site network and Russian business operations, as well as a sales decrease in the car trade, the Company is prepared for the operating profit excluding non-recurring items for the next twelve months to be lower than the operating profit excluding non-recurring items for the preceding twelve months. Capital expenditure is expected to be lower than the capital expenditure of preceding twelve months. |
| B.10 | Qualifications in audit report on historical financial information | The audit reports on historical financial information do not contain any qualifications. |
| B.12 | No material adverse change and no significant change statements | <p>In 2011, Kesko Group's net sales were EUR 9,460 million (2010: EUR 8,777 million) and the operating profit excluding non-recurring items was EUR 279 million (EUR 268 million). Capital expenditure totaled EUR 425 million (EUR 325 million) (audited figures).</p> <p>In January–June 2012, Kesko Group's net sales were EUR 4,778 million (January–June 2011: EUR 4,575 million) and the operating profit excluding non-recurring items was EUR 84 million (EUR 118 million). Capital expenditure totaled EUR 172 million</p> |

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| | | (EUR 195 million) (unaudited figures). There has been no material adverse change in the future outlook of the Company since the publication of the last audited financial statements. Further, there has been no significant change in the Company's financial or trading position since 30 June 2012. |
| B.13 | Recent events materially relevant to evaluation of the Issuer's solvency | There are no recent events materially relevant to evaluation of the Issuer's solvency. |
| B.14 | Dependency of the Issuer on other entities within the group | The Kesko Group comprises the parent company Kesko Corporation and over 120 subsidiaries in different countries. Kesko Corporation is the group parent company, which conducts the group's operations through its subsidiaries. The key subsidiaries are as follows: Kesko Food Ltd in the food trade division, K-Citymarket Oy, Anttila Oy, Indoor Group Ltd, Intersport Finland Ltd, Musta Pörssi Ltd and Kenkäkesko Ltd in the home and speciality goods division, Rautakesko Ltd in the building and home improvement division, and finally, VV-Auto Group Oy and Konekesko Ltd in the car and machinery trade division. |
| B.15 | Description of the Issuer's principal activities | Kesko's principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in Kesko's chains. The other business models are Kesko's own retailing and B2B sales. In addition, Kesko develops and manages retail store concepts, brands and networks as well as produces services for retail store chains' purchasing, logistics, network development and data management. In 2009, Kesko's organisation was organised in four current business divisions: Food trade, Home and Specialty Goods trade, Building and Home Improvement trade and Car and Machinery trade. |
| B.16 | Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control | To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 1, Section 5 of the Finnish Securities Markets Act, and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer. |
| B.17 | Issuer Ratings | Kesko is not currently rated by any rating agency. |
| C – Securities | | |
| C.1 | Type and class of securities being offered | Senior unsecured notes with an aggregate nominal amount of EUR 250,000,000. The ISIN code of the Notes is FI4000047162. |
| C.2 | Currency | EUR |
| C.5 | Description of restrictions on free transferability of the Securities | Each Note will be freely transferable after it has been registered into the respective book-entry account. |
| C.8 | Ranking of Securities | The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking pari passu among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by |

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| | | mandatory provisions of law. |
| C.9 | Interest and yield; name of representative of debt security holders | <p>The Notes bear fixed interest at the rate of 2.75 per cent, per annum. The interest on the Notes will be paid annually in arrear commencing on 11 September 2013 and thereafter on each 11 September (“Interest Payment Date”) until 11 September 2018 (the “Redemption Date”).</p> <p>Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date.</p> <p>Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of a leap year, 366).</p> <p>The effective yield of the Notes is 2.849 per cent.</p> |
| C.10 | Explanation on how the interest amount is affected by value of the underlying | Not applicable. The Notes have no derivative component in the interest payment. |
| C.11 | Listing | Application has been made for the Notes to be admitted to public trading on the Helsinki Stock Exchange, and the Listing is expected to take place on or about 12 September 2012. |
| D – Risks | | |
| D.2 | Risks relating to the Issuer | <p>Risks Relating to Macroeconomic Conditions</p> <ul style="list-style-type: none"> • Uncertain global economic and financial market conditions could adversely affect Kesko’s business, results of operations, financial condition, liquidity and capital resources • Negative economic developments and conditions in Finland and Europe may affect Kesko’s operations and customers • Negative developments in consumer confidence and/or consumer spending may affect Kesko’s operations <p>Risks Relating to Kesko’s Business Operations</p> <ul style="list-style-type: none"> • Failure of Kesko’s strategy or its implementation may reduce Kesko’s growth and profitability in the future • Kesko’s expansion to abroad may entail risks related to cultural differences between countries, changes in legislation, inconsistent interpretations or practices relating to legislation and/or availability of legal protection • Competition in the retail trading industry could reduce Kesko’s sales and operating profit |

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| | | <ul style="list-style-type: none"> • Kesko’s operations may involve legal and regulatory risks • Failure of Kesko to increase sales in online business may affect Kesko’s operations and profitability • Kesko may fail in the development of its brands or in maintaining its good reputation • Operational disturbances and events may affect Kesko’s business operations • Lack of sufficient insurance cover or product safety liability may affect Kesko’s business operations • Failure of Kesko to establish and maintain supply channels may affect Kesko’s operations and profitability • Failure of Kesko to acquire and maintain attractive store locations may affect Kesko’s operations and profitability • Kesko’s business may be adversely affected by the loss of employees in key positions or by failure to engage apt K-retailers <p>Financial Risks</p> <ul style="list-style-type: none"> • Kesko may not receive financing at competitive terms or at all • Fluctuations in interest rates may adversely affect Kesko’s earnings • Fluctuations in currency exchange rates may adversely affect Kesko’s earnings and balance sheet • Future changes in accounting standards may affect Kesko’s financial position • A global economic downturn and serious dislocation of the financial markets may expose the Company to counterparty risks |
| D.3 | Risks relating to the Securities | <p>Risk Relating to the Notes</p> <ul style="list-style-type: none"> • The Notes may not be a suitable investment for all investors • Possibility to forfeit interest and principle amount invested • No guarantee or security • Active trading market for the Notes may not develop • Fixed interest rate • Absence of rating • The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.’s operations and systems • No assurance on change of laws or practices • The Notes do not, as a rule, contain covenants |

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| | | <p>governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders</p> <ul style="list-style-type: none"> • Right to redeem and purchase the Notes prior to maturity • Amendments to the Notes bind all Noteholders • Prescription • No voting rights • No limitation on issuing additional debt |
| E – Offer | | |
| E.2b | Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks | Use of proceeds: General corporate purposes. |
| E.3 | Terms and conditions of offer | <p>Issue date: 11 September 2012.</p> <p>Maturity date: 11 September 2018.</p> <p>Aggregate nominal amount of the Issue: EUR 250,000,000</p> <p>Interest payment dates: Annually in arrears commencing on 11 September 2013 and thereafter on each 11 September.</p> <p>Interest: 2.75 per cent per annum.</p> <p>Effective yield of the Notes: 2.849 per cent.</p> <p>Redemption: At par, bullet, at maturity.</p> <p>Minimum Subscription Amount: EUR 100,000.</p> <p>Denomination of a book-entry unit: EUR 1,000.</p> <p>Covenants: Change of Control, Negative Pledge, Cross Default</p> <p>Clearing: The Notes are issued dematerialised form in the RM-book-entry securities system of Euroclear Finland Ltd.</p> <p>Applicable law: Finnish Law.</p> |
| E.4 | Interest material to issue including conflicting interests | Interests of the Lead Managers: Business interest normal in the financial markets. |
| E.7 | Estimated expenses charged to investor | No expenses will be charged to the investor by the Company in respect of the Notes issue. |

TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä ”osatekijät”. Nämä osatekijät on numeroitu jaksoittain A–E (A.1 – E.7).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä kuvataan lyhyesti ja sen yhteydessä mainitaan ”ei sovellu”.

| Jakso A – Johdanto ja varoitukset | | |
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| A.1 | Varoitus | Seuraavaa tiivistelmää ei ole tarkoitettu kattavaksi esitykseksi, vaan se on johdanto tässä Listalleottoesitteessä esitettäviin yksityiskohtaisiin tietoihin, mukaan luettuna Yhtiön tilinpäätöstiedot ja tähän Listalleottoesitteeseen sisältyvät taloudelliset tiedot. Sijoittajien tulee perustaa Velkakirjoja koskeva sijoituspäätöksensä Listalleottoesitteessä esitettyihin tietoihin kokonaisuutena. Tietyt tässä tiivistelmässä käytetyt termit on määritelty muualla tässä Listalleottoesitteessä. Mikäli Euroopan talousalueella nostetaan tähän Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi joutua ennen oikeudenkäynnin vireillepanoa vastaamaan esitteen käännskustannuksista sen jäsenvaltion lainsäädännön mukaisesti, jossa kanne nostetaan. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat laatineet tiivistelmän, sen käännos mukaan luettuna, mutta vain, jos tiivistelmä on harhaanjohtava, epätarkka tai epä johdonmukainen suhteessa Listalleottoesitteen muihin osiin tai jos siinä ei anneta yhdessä Listalleottoesitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista Velkakirjoihin. |
| Jakso B – Liikkeeseenlaskija | | |
| B.1 | Liikkeeseenlaskijan virallinen nimi ja muu liiketoiminnassa käytetty toiminimi | Kesko Oyj. |
| B.2 | Liikkeeseenlaskijan asuinpaikka ja oikeudellinen muoto, Liikkeeseenlaskijaan sovellettava laki ja Liikkeeseenlaskijan perustamismaa | Suomen lain mukaisesti perustettu suomalainen julkinen osakeyhtiö. |
| B.4b | Kuvaus mahdollisista tiedossa olevista suuntauksista, jotka vaikuttavat liikkeeseenlaskijaan ja sen toimialaan | Euroopan rahoitusmarkkinoilla vallitseva epävarmuus näkyy siinä, että vuoden 2012 talouskasvu koskevat ennusteet vaihtelevat huomattavasti. Suomen bruttokansantuote kasvoi Tilastokeskuksen mukaan vuonna 2011 noin 2,9 prosenttia, kun taas valtiovarainministeriön ennusteen mukaan bruttokansantuote kasvaa vuonna 2012 noin 1,0 prosenttia. Vuoden 2012 talouskasvu riippuu pitkälti yksityisestä kulutuksesta. Suomen Pankin mukaan viennin tilanne jatkuu haastavana, varsinkin kun talouskasvu hidastuu Suomen tärkeimmillä vientimarkkinoilla Pohjoismaissa, Saksassa, Baltian maissa ja Venäjällä. |

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| | | <p>Suomen Pankin mukaan Venäjän taloudellinen tuotanto ja tuonti ovat elpyneet kriisiä edeltäneelle vuoden 2008 huipputasolle. Suomen Pankki arvioi lisäksi, että Venäjällä voidaan odottaa noin 3,5 prosentin vuotuista talouskasvua koko ennustejaksolle 2012–2014. Venäjän talouden kasvu hidastuu todennäköisesti ennustejakson lopulla, ellei öljyn hinta nouse. Sen arvioidaan laskevan hieman.</p> |
| B.5 | Kuvaus konsernista, johon Liikkeeseenlaskija kuuluu, ja Liikkeeseenlaskijan asemasta siinä | <p>Kesko-konsernin liiketoimintaan kuuluvat ruokakauppa, käyttötavarakauppa, rautakauppa ja auto- ja konekauppa. Kesko on kaupan alan emoyhtiö. Se johtaa vähittäiskaupan konseptien, brändien ja verkostojen kehittämiseen ja johtamiseen erikoistuneita yhtiöitä, jotka tuottavat myös vähittäiskauppaketjujen ostotoiminnan, logistiikan, verkostokehityksen ja tiedonhallinnan palveluita. Keskon toimialayhtiöt ja ketjut toimivat tiiviissä yhteistyössä kauppiaasyrittäjien sekä muiden kumppaneiden kanssa. Keskon ja K-kauppioiden ketjutoimintaan kuului 31.12.2011 noin 2 000 kauppaa Suomessa, Ruotsissa, Norjassa, Virossa, Latviassa, Liettuassa, Venäjällä ja Valko-Venäjällä. Näistä kaupoista 1 643 sijaitsi Suomessa.</p> <p>Kesko-konserniin kuuluvat emoyhtiö Kesko Oyj ja yli 120 tytäryhtiötä eri maissa. Kesko Oyj on konsernin emoyhtiö, joka harjoittaa konsernin liiketoimintaa tytäryhtiöidensä kautta. Tärkeimmät tytäryhtiöt ovat ruokakaupan Ruokakesko Oy, käyttötavarakaupan K-Citymarket Oy, Anttila Oy, Indoor Group Oy, Intersport Finland Oy, Musta Pörssi Oy ja Kenkäkesko Oy, rautakaupan Rautakesko Oy sekä auto- ja konekaupan VV-Auto Group Oy ja Konekesko Oy.</p> |
| B.9 | Tulosennuste tai -arvio | <p>Kesko-konsernin liikevaihdon ennakoidaan kasvavan seuraavan kahdentoista kuukauden aikana. Kauppapaikkaverkoston ja Venäjän liiketoimintojen laajentamiskustannuksista sekä autokaupan myynnin laskusta johtuen varaudutaan siihen, että liikevoitto ilman kertaluonteisia eriä seuraavan kahdentoista kuukauden aikana alittaa edeltävän kahdentoista kuukauden liikevoiton ilman kertaluonteisia eriä. Investointien ennakoidaan pienentyvän edellisen kahdentoista kuukauden investointeihin verrattuna.</p> |
| B.10 | Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa esitetyt muistutukset | <p>Historiallisia taloudellisia tietoja koskevat tilintarkastuskertomukset eivät sisällä muistutuksia.</p> |
| B.12 | Ei merkittäviä kielteisiä muutoksia eikä merkittäviä muutoksia | <p>Vuonna 2011 Kesko-konsernin liikevaihto oli 9 460 miljoonaa euroa (2010: 8 777 miljoonaa euroa) ja liikevoitto ilman kertaluonteisia eriä oli 279 miljoonaa euroa (2010: 268 miljoonaa euroa). Investoinnit olivat yhteensä 425 miljoonaa euroa (2010: 325 miljoonaa euroa) (tilintarkastettuja lukuja).</p> <p>Vuoden 2012 tammikuun ja kesäkuun välillä Kesko-konsernin liikevaihto oli 4 778 miljoonaa euroa (2011: 4 575 miljoonaa euroa) ja liikevoitto ilman</p> |

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| | | <p>kertaluonteisia eriä oli 84 miljoonaa euroa (2011: 118 miljoonaa euroa). Investoinnit olivat yhteensä 172 miljoonaa euroa (2011: 195 miljoonaa euroa) (tilintarkastamattomia lukuja).</p> <p>Yhtiön tulevaisuuden näkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia viimeksi julkistetun tilintarkastetun tilinpäätöksen jälkeen. Yhtiön taloudellisessa asemassa tai kaupankäyntipositiossa ei ole tapahtunut merkittäviä muutoksia 30.6.2012 jälkeen.</p> |
| B.13 | Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä | Sellaisia viimeaikaisia tapahtumia ei ole, joilla olisi ratkaiseva merkitys arvioitaessa Liikkeeseenlaskijan maksukykyä. |
| B.14 | Liikkeeseenlaskijan riippuvuus muista konserniin kuuluvista yksiköistä | Kesko-konserniin kuuluvat emoyhtiö Kesko Oyj ja yli 120 tytäryhtiötä eri maissa. Kesko Oyj on konsernin emoyhtiö, joka harjoittaa konsernin liiketoimintaa tytäryhtiöidensä kautta. Tärkeimmät tytäryhtiöt ovat ruokakaupan Ruokakesko Oy, käyttötavarakaupan K-Citymarket Oy, Anttila Oy, Indoor Group Oy, Intersport Finland Oy, Musta Pörssi Oy ja Kenkäkesko Oy, rautakaupan Rautakesko Oy sekä auto- ja konekaupan VV-Auto Group Oy ja Konekesko Oy. |
| B.15 | Kuvaus Liikkeeseenlaskijan päätoimialoista | Keskon pääasiallinen liiketoimintamalli Suomen markkinoilla on ketjuliiketoimintamalli, jossa itsenäiset K-kauppiat harjoittavat vähittäiskauppaa Keskon vähittäiskauppaketjuissa. Muut liiketoimintamallit ovat Keskon oma vähittäiskauppa ja ammatti-asiakaskauppa (B2B). Lisäksi Kesko kehittää ja johtaa vähittäiskaupan konsepteja, brändejä ja verkostoja ja tuottaa vähittäiskauppaketjujen osto-toiminnan, logistiikan, verkostokehityksen ja tiedon-hallinnan palveluita. Vuonna 2009 Keskon organisaatio järjestettiin neljäksi liiketoiminnan toimialaksi, jotka ovat ruokakauppa, käyttötavara-kauppa, rautakauppa ja auto- ja konekauppa. |
| B.16 | Kuvaus siitä, onko Liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonteesta | Liikkeeseenlaskijan tietojen mukaan Liikkeeseenlaskija ei ole suoraan tai välillisesti minkään tahon määräysvallassa arvopaperimarkkinalain 1 luvun 5 pykälän tarkoittamalla tavalla, ja Liikkeeseenlaskijan tiedossa ei ole järjestelyjä, jotka saattaisivat toteutuessaan johtaa määräysvallan vaihtumiseen Liikkeeseenlaskijassa. |
| B.17 | Liikkeeseenlaskijan luokitukset | Keskolla ei ole tällä hetkellä luottoluokituslaitoksen antamaa luottoluokitusta. |
| Jakso C – Arvopaperit | | |
| C.1 | Tarjottavien arvopapereiden tyyppi ja laji | Senior-statuksinen vakuudeton velkakirjalaina, jonka kokonaisnimellismäärä on 250 000 000 euroa. Velkakirjojen ISIN-koodi on FI4000047162. |
| C.2 | Valuutta | Euro |
| C.5 | Kuvaus arvopapereiden vapaata luovutettavuutta koskevista rajoituksista | Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille. |
| C.8 | Arvopapereiden etuoikeusjärjestys | Velkakirjat ovat Liikkeeseenlaskijan suorია, vakuudettomia ja takaamattomia velvoitteita, jotka |

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| | | ovat samanarvoisia keskenään ja Liikkeeseenlaskijan kaikkien muiden vakuudettomien ja etuoikeudettomien velvoitteiden kanssa, lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla. |
| C.9 | Korko ja tuotto; velkapaperien haltijoiden edustajan nimi | <p>Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 2,75 prosenttia. Velkakirjoille kertyvä korko maksetaan vuosittain takautuvasti alkaen 11.9.2013 ja tämän jälkeen 11.9. kunakin vuonna ("Koronmaksupäivä") 11.9.2018 saakka ("Lunastuspäivä").</p> <p>Velkakirjojen kulloinkin maksamatta olevalle pääomalle kertyy korkoa kultakin korkokaudelta korkokauden ensimmäinen päivä mukaan lukien ja korkokauden viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä ja päättyy ensimmäisenä Koronmaksupäivänä. Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä ja päättyy seuraavana Koronmaksupäivänä. Viimeinen korkokausi päättyy Lunastuspäivänä.</p> <p>Velkakirjoihin sovellettava koronlaskuperuste on asianomaisella korkokaudella kuluneiden päivien todellinen määrä jaettuna 365:llä (tai karkausvuonna 366:lla).</p> <p>Velkakirjojen efektiivinen tuotto on 2,849 prosenttia.</p> |
| C.10 | Tiedot siitä, kuinka kohde-etuuden arvo vaikuttaa koron määrään | Ei sovellu. Velkakirjoille maksettava korko ei ole yhteydessä johdannaiseen. |
| C.11 | Listalleotto | Liikkeeseenlaskija on tehnyt hakemuksen Velkakirjojen ottamiseksi julkisen kaupankäynnin kohteeksi Helsingin Pörssissä, ja Velkakirjat listataan Helsingin Pörssiin arviolta 12.9.2012. |
| Jakso D – Riskit | | |
| D.2 | Liikkeeseenlaskijaan liittyvät riskit | <p>Makrotaloudelliseen tilanteeseen liittyviä riskejä</p> <ul style="list-style-type: none"> • Kansainvälisen talouden ja rahoitusmarkkinoiden epävarma tilanne saattaa vaikuttaa epäedullisesti Keskon liiketoimintaan, liiketoiminnan tulokseen, taloudelliseen asemaan, likviditeettiin ja pääomavaroihin • Negatiivinen taloudellinen kehitys ja taloustilanne Suomessa ja Euroopassa saattavat vaikuttaa Keskon liiketoimintaan ja asiakkaisiin • Kuluttajien luottamuksen ja/tai kuluttajien rahankäytön negatiivinen kehitys saattaa vaikuttaa Keskon liiketoimintaan <p>Keskon liiketoimintaan liittyviä riskejä</p> <ul style="list-style-type: none"> • Keskon strategian tai sen toteutuksen epäonnistuminen saattaa heikentää Keskon kasvua ja kannattavuutta tulevaisuudessa • Keskon laajentumiseen ulkomaille saattaa liittyä riskejä, jotka liittyvät maiden välisiin kulttuurieroihin, lainsäädännön muutoksiin, lainsäädäntöön liittyvien tulkintojen tai käytäntöjen epäjohtomukaisuuteen ja/tai oikeussuojan saatavuuteen |

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| | | <ul style="list-style-type: none"> • Vähittäiskaupan alan kilpailu voi heikentää Keskon liikevaihtoa ja -voittoa • Keskon liiketoimintaan saattaa liittyä oikeudellisia ja sääntelyyn liittyviä riskejä • Keskon epäonnistuminen verkkokaupan liikevaihdon kasvattamisessa saattaa vaikuttaa Keskon liiketoimintaan ja kannattavuuteen • Kesko saattaa epäonnistua brändiensä kehittämisessä tai hyvän maineensa ylläpitämisessä • Operatiiviset häiriöt ja tapahtumat saattavat vaikuttaa Keskon liiketoimintaan • Riittävän vakuutusturvan puute tai vastuu tuoteturvallisuudesta saattaa vaikuttaa Keskon liiketoimintaan • Keskon epäonnistuminen hankintakanavien perustamisessa ja ylläpitämisessä saattaa vaikuttaa Keskon liiketoimintaan ja kannattavuuteen • Keskon epäonnistuminen vetovoimaisten kauppapaikkojen hankkimisessa ja pitämisessä saattaa vaikuttaa Keskon liiketoimintaan ja kannattavuuteen • Avainhenkilöiden menettäminen tai epäonnistuminen pätevien K-vähittäiskauppioiden rekrytoinnissa saattaa vaikuttaa epäedullisesti Keskon liiketoimintaan <p>Rahoitusriskejä</p> <ul style="list-style-type: none"> • Kesko ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai lainkaan • Korkotason vaihtelut saattavat vaikuttaa epäedullisesti Keskon liiketoiminnan tulokseen • Valuuttakurssien vaihtelut saattavat vaikuttaa epäedullisesti Keskon liiketoiminnan tulokseen ja taseeseen • Tulevat tilinpäätösstandardien muutokset saattavat vaikuttaa Keskon taloudelliseen asemaan • Kansainvälinen talouden taantuma ja rahoitusmarkkinoiden vakavat häiriöt saattavat altistaa Yhtiön vastapuoliriskeille |
| D.3 | Arvopapereihin liittyvät riskit | <p>Velkakirjoihin liittyviä riskejä</p> <ul style="list-style-type: none"> • Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille • Korke ja sijoitettu pääoma saatetaan menettää • Velkakirjoista ei ole asetettu vakuutta tai annettu takausta • Velkakirjoille ei välttämättä muodostu aktiivisia jälkimarkkinoita • Velkakirjoille on asetettu kiinteä korko • Velkakirjoilla ei ole luottoluokitusta |

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| | | <ul style="list-style-type: none"> • Velkakirjoihin liittyvien transaktioiden toteutuminen riippuu Euroclear Finland Oy:n toiminnasta ja järjestelmistä • Velkakirjoihin liittyvät lait tai käytännöt saatavat muuttua • Velkakirjat eivät lähtökohtaisesti sisällä Liikkeeseenlaskijan liiketoimintaan liittyviä kovenantteja eivätkä rajoita Liikkeeseenlaskijan oikeutta sulautua, toteuttaa liiketoimintakauppoja tai muutoin toteuttaa merkittäviä transaktioita, joilla saattaa olla olennaisen haitallinen vaikutus Velkakirjoihin ja Velkakirjanhaltijoihin. • Liikkeeseenlaskijalla voi olla oikeus lunastaa ja ostaa Velkakirjat ennen niiden erääntymistä • Velkakirjoihin tehtävät muutokset sitovat kaikkia Velkakirjanhaltijoita • Oikeus maksuun Velkakirjojen perusteella vanhenee • Velkakirjat eivät anna äänioikeutta Liikkeeseenlaskijan yhtiökokouksissa • Lisävelan liikkeeseenlaskua ei ole rajoitettu |
| Jakso E – Tarjous | | |
| E.2b | Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen | Hankittavien varojen käyttö: konsernin yleiset tarpeet. |
| E.3 | Tarjousehdot | <p>Liikkeeseenlaskupäivä: 11.9.2012.</p> <p>Eräpäivä: 11.9.2018.</p> <p>Liikkeeseenlaskun kokonaismäärä: 250 000 000 euroa.</p> <p>Koronmaksupäivät: vuosittain jälkikäteisesti 11.9.2013 alkaen ja tämän jälkeen 11.9. kunakin vuonna.</p> <p>Korko: 2,75 prosenttia vuodessa.</p> <p>Velkakirjojen efektiivinen tuotto: 2,849 prosenttia.</p> <p>Lunastus: nimellisarvosta, kertalyhenteisesti, eräpäivänä.</p> <p>Minimimerkintä: 100 000 euroa.</p> <p>Arvo-osuuden yksikkökoko: 1 000 euroa.</p> <p>Kovenantit: määräysvallan vaihtuminen, panttaamattomuussitoumus, ristiin eräännyttäminen</p> <p>Selvitys: velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n RM-arvo-osuusjärjestelmässä.</p> <p>Sovellettava laki: Suomen laki.</p> |
| E.4 | Liikkeeseenlaskuun liittyvät olennaiset intressit, mukaan lukien eturistiriidat | Pääjärjestäjien intressit: rahoitusmarkkinoilla tavantomaiset liiketoimintaintressit. |

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| E.7 | Arvioidut sijoittajalta veloitettavat kustannukset | Yhtiö ei veloita sijoittajalta Velkakirjojen liikkeenlaskuun liittyviä maksuja. |
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RISK FACTORS

Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below and in the stock exchange releases published by the Company. Factors possibly affecting an investment decision are also discussed elsewhere in this Listing Prospectus. Should one or more of the risk factors described herein materialise, it may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors may lose part or all of their investments. The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on information known and assessed at the time of preparing this Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Notes are not limited to the factors identified below and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.

Risks Relating to Macroeconomic Conditions

Uncertain global economic and financial market conditions could adversely affect Kesko's business, results of operations, financial condition, liquidity and capital resources

The global credit crisis and the subsequent global recession that began in 2008 have had an adverse effect on general business conditions, increased unemployment and lowered business and consumer confidence. Despite the aggressive measures taken by various governmental and regulatory authorities as well as central banks around the world, the economic recovery has been slow. Recently, the general economic and financial market conditions in Europe and other parts of the world have repeatedly undergone significant turmoil due to, among other factors, the on-going sovereign debt crisis in certain European countries, particularly certain eurozone member countries including Greece, Italy, Ireland, Portugal and Spain. A significant risk exists that the global economy could fall back into a recession, or even a depression, that could be deeper and longer lasting than the recession experienced in 2008 and 2009.

Although Kesko's results of operations have remained relatively stable so far, Kesko could, nevertheless, be impacted by the uncertainty in global economy and financial markets. The current uncertainty and lack of visibility in the financial markets and macroeconomic conditions have in general adversely affected access to financing and increased the cost of capital. Although Kesko's management believes that Kesko's capital structure and credit facilities will provide sufficient liquidity, there can be no assurance that the Company's liquidity and access to financing will not be affected by changes in the financial markets or that its capital resources will, at all times, be sufficient to satisfy its liquidity needs. Europe's on-going sovereign debt crisis, potential further adverse developments in macroeconomic conditions, and continued uncertainty in the financial markets could adversely affect Kesko's asset values, future cost of debt and access to bank and capital market financing which could, in turn, have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Negative economic developments and conditions in Finland and Europe may affect Kesko's operations and customers

The Finnish economy, along with other European economies, has been adversely affected by the uncertain global economic and financial market conditions. Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in Finland and/or Europe may affect Kesko's business in a number of ways, including among other things, the income, wealth, liquidity, business and/or financial condition of Kesko, its customers and its suppliers. Further, possible weakness in the global economy may put additional financial stress on Kesko's customers, which may negatively impact Kesko's ability to collect its receivables fully or in a timely manner, which, in turn, could require Kesko to contribute additional capital or obtain alternative financing to meet its obligations under any financing arrangements. Further, Kesko may not be able to utilise the opportunities created by the economic fluctuations and Kesko may not be able to adapt to a long-term economic recession or stagnation. Materialisation of any of the above risks may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Negative developments in consumer confidence and/or consumer spending may affect Kesko's operations

Kesko's result of operations depends on consumer consumption of retail products and is thus sensitive to changes in consumer confidence and consumer spending. Increased taxes and public payments resulting from the indebtedness of the public sector coupled with increasing unemployment could weaken the purchasing power, causing a negative development in consumer confidence and/or consumer spending. Materialisation of any of the above risks may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks Relating to Kesko's Business Operations

Failure of Kesko's strategy or its implementation may reduce Kesko's growth and profitability in the future

Recent and planned capital expenditure to increase market shares may not have desired positive effects on Kesko's future revenues. Kesko's plans to achieve growth, especially in Russia, are partly dependent on acquiring attractive store sites, establishing and maintaining reliable relationships with suppliers, setting up efficient logistics systems and adapting store chain concepts based on demand in foreign markets. It is essential for Kesko in implementing its strategy both in Finland and abroad to execute necessary changes in business operations fast and efficiently, which requires highly skilled employees and increasingly sophisticated resource planning and information systems. Unless Kesko is able to realise its strategy in a way which yields appropriate return on investment, its future growth and profitability may weaken. This could have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Kesko's expansion to abroad may entail risks related to cultural differences between countries, changes in legislation, inconsistent interpretations or practices relating to legislation and/or availability of legal protection

In connection with the expansion abroad, Kesko may face unexpected difficulties, which could be caused by, for example, cultural differences between countries, changes in legislation or possible inconsistent interpretations or practices relating to legislation, administrative difficulties or efficiency and/or availability of legal protection in various countries. This is particularly relevant for Kesko in respect of Russia, where market conditions, business culture and the legal system deviate significantly from what is prevailing in Finland.

Kesko has expanded its business mainly into the St Petersburg and Moscow regions in Russia. As at 30 June 2012, approximately 2.7 per cent of the Company's revenue stems from the Kesko group's operations in Russia. The business environment and political situation in Russia and the differences of Russian legislation and official practices when compared to Finnish, including deficiencies in the legal system, administrative proceedings, corruption, unpredictability of officials and mechanisms of legal enforcement in Russia, may cause significant risks for Kesko. Russia is not party to international investment protection treaties, although it has been accepted as a member of the WTO starting from 22 August 2012. The transparency, operation and practices of the Russian banking system also differ to a large extent from the Finnish banking system, and Russian legislation relating to banks and bank accounts is subject to varying interpretations and inconsistent application. Risks relating to the Russian business environment may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Competition in the retail trading industry could reduce Kesko's sales and operating profit

The retail trading industry is characterised by intense competition between the major actors on the market and hence, the retail trading industry market may be characterised as quite saturated in most countries where Kesko or its group companies operate. Success in intensely competitive markets is based on continual development of chain concepts including prices, product selection, product quality, customer service, location of stores and their reputation, convenience in shopping, online service offering, advertising, customer loyalty systems, availability of consumer credit and the general ambience and atmosphere of the stores. The competition results in challenges to, inter alia, Kesko's ability to maintain the growth development of its chains and sales and to offer to its customers attractive products and services at competitive prices.

Kesko's success is dependent on its ability to react to changes in customer behaviour and in the competitive landscape due to technological advancement as well as its ability to distinguish itself from its competitors based on, among others, convenience of shopping, high-quality product selection and first-class customer service. It cannot be guaranteed that Kesko will be able to compete successfully against its current or new competitors in the future. The competitor's activities, such as launching new brands, increasing the number of stores, innovations in pricing, improvements in promotional and marketing activities, electronic services and business strategies, could reduce Kesko's sales or profitability or increase costs, which could in turn have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Kesko's operations may involve legal and regulatory risks

Kesko has to comply with a wide variety of laws and regulations enacted on both European and national level, most notably increasing regulations restricting competitive trading conditions, health and safety regulations, environmental regulations, labour regulations, competition regulations and corporate and tax laws. Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require Kesko to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities. In the normal course of its business activities, Kesko could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities, penal issues and/or consumer law violations, the latter which may be litigated by individual parties or by the Finnish Consumer Ombudsman on behalf of a consumer group) and is subject to tax and administrative audits. Should Kesko be ordered to sanctions, it may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of Kesko to increase sales in online business may affect Kesko's operations and profitability

Kesko recognises that e-commerce is becoming increasingly popular and decisions to purchase are often made based on online information. Kesko aims to provide both traditional and online concepts attractive to customers in a multi-channel approach as well as customer communications to support sales, but the implementation of development projects of online trade and electronic customer communications may fail or progress more slowly than those of competitors. Materialisation of any of the above risks may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Kesko may fail in the development of its brands or in maintaining its good reputation

Kesko's success is to a considerable extent dependent on the value of Kesko's chain, product and other brands. Kesko's brands hold great significance for both the Company's business operations and implementation of its strategies with corporate responsibility being part of Kesko's normal long-term activities. Kesko has a competitive advantage in offering private label products in its chains and adapting product selections to local demand. Positioning and development of Kesko's brands are dependent on the success of marketing and promotional activities and on the Company's ability to produce customer experiences with a uniformly high quality. Failure to achieve these objectives, impairment of Kesko's corporate image or materialisation of any similar risk could have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Operational disturbances and events may affect Kesko's business operations

Kesko's operational risks result mainly from inadequate or defective internal processes or systems. The importance of said processes and systems is magnified by the increasingly complicated and long supply chains and a dependency on information systems, data communications and external service providers, which characterise the retail trading market. Kesko's operational risks also include risks associated with the legal operating environment and the dependency on IT systems. Operational risks relate, for example, to the functionality of the Company's information systems, the Company's ability to monitor business processes and manage merchandise flows. Regulations concerning, among others, payment card processing in combination with the increasing complexity of IT systems may generate additional risks for the Company.

Operational risks and related losses may result from inadequate internal processes, fraud, human errors by employees and business partners, failure to comply with regulatory requirements and Kesko's internal guidelines, equipment or payment system failures or malfunctions of information systems or external systems as well as natural disasters. Although Kesko has implemented risk controls and loss mitigation actions and strives for continuous development of procedures, it is not certain that such procedures will be effective in controlling each of the operational risks Kesko faces. If the above or any other operational risk materialises, it may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Lack of sufficient insurance cover or product safety liability may affect Kesko's business operations

Kesko's insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. The Company does not have insurance coverage for certain types of catastrophic losses, which are not insurable or for which insurance is unavailable on reasonable economic terms. In addition, there can be no assurance that the Company's current insurance coverage will not be cancelled or become unavailable on reasonable economic terms in the future.

Many of the products sold by Kesko are covered by a statutory product liability and separate provisions have been issued regarding selling of consumer products or production of consumer services. In certain cases, the seller of the product must recall the defective and possibly dangerous product from the market. Even if Kesko invests especially in product safety and quality control of its products by means of, among others, audits of the supplier chain and quality control of the products and services, it cannot be guaranteed that the risk relating to product safety would not materialise in the future. Materialisation of the risk relating to product safety could cause financial losses to Kesko and reduce the value of Kesko's brands.

Materialisation of these risks may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of Kesko to establish and maintain supply channels may affect Kesko's operations and profitability

Kesko's success is to a considerable extent dependent on establishing and maintaining efficient and reliable relationships with suppliers in order to minimise risks of unexpected supply side interruptions and provide customers with reliable services and apt product selections. Certain divisions of Kesko, such as the car and machinery trade, may, however, be partly dependent on individual principals and suppliers, in which case Kesko faces increased risk of supply side disturbances due to, for example, a supplier's change of strategy, product selections, pricing or distribution channel solutions. Materialisation of any of the above risks may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of Kesko to acquire and maintain attractive store locations may affect Kesko's operations and profitability

Acquiring and maintaining attractive store sites are key competitive factors for Kesko in increasing its market share. Acquisition of store sites in Finland or abroad may be delayed by zoning and permit procedures and the availability and pricing of sites. Changes in market conditions or demographics or depopulation of areas may cause store sites to become unprofitable while Kesko's long-term liabilities relating to the store site remain as considerable amounts of capital or lease liabilities are tied up in store properties for years. If the above or any other similar risk materialises, it may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Kesko's business may be adversely affected by the loss of employees in key positions or by failure to engage apt K-retailers

The future operating results of Kesko depend to a large extent upon the continued contributions of the Company's senior management and personnel and, therefore, Kesko depends largely on its ability to recruit, train, motivate and retain highly skilled employees. However, there is fierce competition for employees with the level of experience and qualifications in the retail trading business that Kesko depends upon, which could result in significantly increased personnel costs. Accordingly, it may be increasingly difficult for Kesko to hire and/or retain qualified personnel. Further, the operating result of Kesko depends to a large extent upon how successful independent K-retailers are at running independent stores in Kesko's chains and how well Kesko succeeds in engaging apt K-retailers.

If Kesko cannot recruit, train, retain and/or motivate qualified personnel and engage apt K-retailers, it may be unable to compete effectively in the retail trading business and the successful implementation of Kesko's strategies may be limited, which in each case may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Financial Risks

Kesko's main financial risks are risks relating to the availability of financing, interest rate and currency exchange rate risks, future changes in accounting standards and credit risks.

Kesko may not receive financing at competitive terms or at all

Uncertainty in the financial market may mean that the price of the financing needed to carry out Kesko's business will increase and that it will be less readily available. Kesko aims to reduce the risk relating to the availability of financing by using credit agreements of varying durations, by having a broad base of lenders, by applying committed revolving credit limits and by maintaining the Company's reputation as a trustworthy debtor among its creditors. A part of Kesko's debt financing has standard covenants that apply, among other things, to the equal status of the lenders, certain key financial indicators, and the use of collateral by the Company. The most important covenants in Kesko's loans, namely ratio of net debt to EBITDA and limitations of certain subsidiary loans and collateral, currently have significant headroom towards their limits.

Although Kesko currently generates sufficient funds from operating cash flows to satisfy its debt service requirements and its capacity to obtain new financing is adequate, it is however possible, that Kesko could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs and there can be no assurance that Kesko will be able to meet its financial covenants when required. Should any of the above factors materialise, this may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Fluctuations in interest rates may adversely affect Kesko's earnings

Fluctuations in interest rates can have a significant effect on retail trading business. A substantial increase in interest rates may affect private consumption and the ability of consumers to purchase goods. In addition, an increase in the interest rate level would have a material adverse effect on the cost of financing and some of the Company's current financing expenses. The Company carefully monitors the development of interest rates and actively seeks to hedge its position against changes in the interest rates. Despite these measures, fluctuations in interest rates or a failure to properly manage its position may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Fluctuations in currency exchange rates may adversely affect Kesko's earnings and balance sheet

Kesko group companies' business in other countries than Finland exposes Kesko to currency risk and the parent company bears and hedges currency risks relating to the group companies' activities. As a consequence, Kesko is exposed to various foreign exchange risks arising from net investments in foreign operations (translation-related risks), foreign currency assets, liabilities and forecast transactions (transaction risks).

The balance sheet exposure resulting from Kesko group companies' assets in subsidiaries relating to net investments in foreign currencies has not been hedged. A hedge is activated if equity is repatriated, or if a currency is expected to be exposed to a significant devaluation risk. Kesko's most significant translation risks are currently caused by the Russian rouble, the Lithuanian lita, the Norwegian krone, the Swedish krona and the Latvian lat, while the most significant transaction risks (excluding hedging and exposure resulting from future cash flows) are currently caused by the Swedish krona, the Norwegian krone, the Russian rouble and the Latvian lat. The Belarussian rouble is not a freely convertible currency and hedging against the associated currency risk is therefore not possible. There can be no assurance that currency exchange rates could not in the future have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Future changes in accounting standards may affect Kesko's financial position

Future changes in the IFRS accounting standards, mainly those related to the recognition of operating leases, could lead to increase in the reported gearing and decrease in the reported equity ratio of the Company as a significant amount of Kesko's store network is financed through operating leases. Therefore, potential future changes in IFRS accounting standards related to recognition of operating leases as well as changes in other financial reporting standards could have a substantial effect on the reported gearing and equity ratio of the Company. Although Kesko's current loans provide for debt covenants to be assessed based on current accounting standards, a change in said standards may affect Kesko's position when renewing or acquiring further financing. Should any of the above factors materialise, this may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

A global economic downturn and serious dislocation of the financial markets may expose the Company to counterparty risks

The global financial and economic crisis since 2008 caused a number of the world's largest financial and other corporate institutions significant operational and financial difficulties. Should such difficulties occur in the future, they could inhibit the capability of a counterparty of Kesko to honour its pre-existing lending arrangements, to permit withdrawal of deposits or to provide payment forwarding services. The Company could also face increased credit exposure and incur costs of re-arranging credit transaction, including re-arrangement on less favourable terms, such as with an incremental change in its financing rate. Actions by counterparties who fail to fulfil their obligations to the Company may impact the Company's cash flow and liquidity, which may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

A large number of major international financial institutions are counterparties to the interest rate derivatives and other hedging contracts entered into or deposits made by Kesko. To minimise the counterparty risk in financing operations, Kesko enters into agreements only with leading creditworthy banks and other financial institutions and has ISDA agreements in place with most active banks. In investing activities, the counterparty risk is managed by defining separate risk limits for each counterparty. In the case of default by a counterparty, Kesko could lose all or part of its deposits or may lose the benefit from hedges signed with such counterparties. Furthermore, if a counterparty to a hedge defaults or is otherwise unable to honour its obligations towards Kesko, Kesko may lose the protection provided by the hedge and the possible positive market value, which may lead to a financial loss and increased costs for Kesko. This may then result in an increase in interest rate or currency exposure and could thus have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks Relating to the Notes

The following risk factors are, among other things, material in order to assess the risks associated with the Notes. Words and expressions in this section shall have the meaning defined in Annex A "*Terms and Conditions of the Notes*".

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (iv) be able to evaluate either alone or with the help of a financial adviser possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risk

Possibility to forfeit interest and principle amount invested

Should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principle amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

No guarantee or security

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the holders of the Notes (the “**Noteholders**”) would be unsecured creditors in the event of the Issuer’s bankruptcy. Accordingly, in addition to that any adverse change in the financial condition or prospects of the Issuer may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in their market price, such adverse change may endanger the probability that the Noteholders will receive the prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Noteholders pursuant to the Notes from time to time.

Active trading market for the Notes may not develop

The Notes constitute a new issue of securities by Kesko. Prior to the Listing, there is no public market for the Notes. Although application has been made to list the Notes on the Helsinki Stock Exchange, no assurance can be given that such application will be approved. In addition, listing of the Notes will not guarantee that a liquid public market for the Notes will develop and even if such a market were to develop neither the Issuer nor the Lead Managers are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

There can be no assurance that an active trading market for the Notes will develop, or, if one does, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

Fixed interest rate

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks’ benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

Absence of rating

Neither the Issuer nor the Notes are currently rated by any rating agency.

The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.’s operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd (“**Euroclear Finland**”). Pursuant to the Act on Book-Entry System (826/1991, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the

relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes are likely to be changed materially due to the introduction of the Target 2 securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Company or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

No assurance on change of laws or practices

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Listing Prospectus. Hence, if materialised, such event may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, Kesko's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Such event may also cause material financial losses or damage to the Noteholders.

The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions of the Notes do not, except for the Change of Control condition (see Condition 8 of the Terms and Conditions of the Notes) which grants the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, Noteholders could be materially and adversely affected. Furthermore, the Change of Control condition does not restrict any of the current shareholders of the Issuer from disposing any or all of their shareholdings.

Right to redeem and purchase the Notes prior to maturity

As specified in the terms and conditions of the Notes, the Noteholders are entitled to demand premature repayment of the Notes in case of an Event of Default or a Change of Control. Such premature repayment may have a material adverse effect on Kesko's business, financial condition, results of operations and future prospects and, thereby, on Kesko's ability to fulfil its obligations under the Notes of such Noteholders who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes.

In addition, as specified in the Terms and Conditions of the Notes, Kesko may at any time purchase Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. Kesko is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to Kesko in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

Furthermore, in case at least 75 per cent of the aggregate volume of the Notes has been repaid pursuant to a demand by the Noteholders based on a Change of Control of the Issuer, the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the Noteholders of such prepayment. It should be noted, that such early repayment may not be initiated by the Issuer in case of an Event of Default. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

Amendments to the Notes bind all Noteholders

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions of the Notes contain provisions for Noteholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Prescription

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years.

No voting rights

The Notes carry no voting rights with respect to shareholders meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

No limitation on issuing additional debt

Except for the limitation to secured indebtedness and to issuance, by Kesko or its subsidiaries, of collateralised notes or bonds, debentures, debenture stock or loan stock issued after the issuance of the Notes that are capable of being listed on a stock exchange or subject to trading in a regulated market as provided in the Terms and Conditions of the Notes, there is no restriction on the amount of debt which the Issuer may raise or issue after the issuing of the Notes. Such further debt may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer, or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

RESPONSIBILITY STATEMENT

The Company accepts responsibility for the completeness and accuracy of the information contained in this Listing Prospectus. To the best knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Other than as set forth above, no representation or warranty, express or implied, is made by the Company or the Lead Managers as to the accuracy or completeness of information contained in this Listing Prospectus.

AUDITORS

The consolidated financial statements of the Company for the financial years ended 31 December 2010 and 31 December 2011 incorporated in this Listing Prospectus by reference have been audited by PricewaterhouseCoopers Oy with Johan Kronberg, Authorised Public Accountant, as auditor with principal responsibility. For the financial period commenced 1 January 2012 PricewaterhouseCoopers Oy with Authorised Public Accountant Johan Kronberg as auditor with principal responsibility, were appointed as the auditors. The business address of the auditors and PricewaterhouseCoopers Oy is Itämerentori 2, FI-00100 Helsinki, Finland.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Listing Prospectus, including but not limited to certain statements set forth under the captions “*Risk Factors*”, “*Information about the Issuer*” and “*Financial and Trend Information, Future Outlook*”, are based on the beliefs of Kesko’s management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Kesko, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, the risks described in the section “*Risk Factors*”. The forward-looking statements are not guarantees of the future operational or financial performance of Kesko. In addition to factors that may be described elsewhere in the Listing Prospectus, the factors discussed under “*Risk Factors*” could cause Kesko’s actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Kesko’s actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected. The Company does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation. For additional information that could affect the results, performance or achievements of Kesko, see “*Risk Factors*”.

MARKET AND INDUSTRY INFORMATION

This Listing Prospectus contains information about the Company’s markets and the Company’s competitive position therein. Where certain market data and market estimates contained in this Listing Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. Information compiled and published by A. C. Nielsen Finland Oy, Bank of Finland, Finnish Information Centre of Automobile Sector (AuT), Finnish Ministry of Finance, RaSi ry (Finnish Hardware Association DIY) and Statistics Finland has been referred to in this Listing Prospectus under “*Information about the Issuer*” and/or “*Financial and Trend Information, Future Outlook – Trend Information*”. The Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company or the Lead Managers have not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on the Company management’s estimates.

ADDITIONAL INFORMATION

The Issuer or its debt securities have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

NO INCORPORATION OF WEBSITE INFORMATION

This Listing Prospectus will be published on Kesko's website at www.kesko.fi/sijoittajat and www.kesko.fi/investors. However, the contents of Kesko's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA (OTHER THAN FINLAND)

This Listing Prospectus has been prepared on the basis that all offers of the Notes in the European Economic Area (the "EEA") will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for Kesko or the Lead Managers to publish a prospectus under the Prospectus Directive for such offer. Neither Kesko nor the Lead Managers have authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State"), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive (as amended by Directive 2010/73/EU), if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by Kesko or of the Lead Managers.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this Listing Prospectus may be distributed only to, and may be directed at, (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

INFORMATION ABOUT THE ISSUER

General

The business name of the Company is Kesko Corporation. Kesko is a public limited liability company incorporated in October 1940, and is organised under the laws of the Republic of Finland. The Company is registered in the Finnish Trade Register under the business identity code 0109862-8. Its registered address is Satamakatu 3, FI-00160 Helsinki, Finland and telephone number +358 10 5311.

Kesko is a trading sector parent company managing companies specialising in development and management of retail store concepts, brands and networks as well as producing services for retail store chains' purchasing, logistics, network development and data management. Kesko's division parent companies and chains act in close cooperation with retailer entrepreneurs and other partners. As at 31 December 2011, Kesko and K-retailers had about 2,000 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Russia and Belarus of which 1,643 stores were located in Finland. Kesko Group's net sales in year 2011 totalled EUR 9,460 million and during 2011 Kesko Group had on the average 19,000 employees converted into full-time employees in eight countries. Kesko and K-retailers form the K-Group, whose retail sales totalled approximately EUR 12 billion for the financial year ended 31 December 2011. The K-Group employs approximately 45,000 people.

Kesko's operations include the food, home and speciality goods, building and home improvement, and car and machinery trade. Food trade is the largest division with net sales of EUR 4,182 million for the financial year ended 31 December 2011. According to A. C. Nielsen Finland Oy's annual survey, Kesko Food's retail chains are the second largest in the Finnish grocery market with a market share of 35.3 per cent in 2011. Home and speciality goods trade provides customers with products and services related to clothing, home, sports, leisure, home technology, entertainment as well as interior decoration and furniture. Its net sales were EUR 1,564 million for the financial year ended 31 December 2011. According to RaSi ry (Finnish Hardware Association DIY), the combined market share of Rautakesko's chains in Finland was approximately 38 per cent in 2011, as measured by sales. Building and home improvement trade operates in all eight countries Kesko operates in, and its net sales were EUR 2,716 million for the financial year ended 31 December 2011. In Finland, the market share of Rautakesko's chains in building and home improvement trade was 38 per cent in 2011 according to RaSi ry (Finnish Hardware Association DIY). In other operating countries, the market shares have varied between seven per cent and 30 per cent in 2011. The car and machinery trade consists of VV-Auto Group and Konekesko. Based on Finnish Information Centre of Automobile Sector (AuT), the market share of VV-Auto Group was 20.7 per cent in 2011. For the financial year ended 31 December 2011, net sales of car and machinery trade amounted to EUR 1.174 million.

According to Section 2 of Kesko's articles of association, the Company's line of business is to act as the parent company of the Kesko Group and conduct the operations specified below both by itself and through subsidiaries and joint ventures. The Company carries on wholesale trade in consumer goods and capital goods. The Company has consumer goods and other products made for it, and acts as an intermediary for raw materials, machines and equipment. The Company also engages in distribution, forwarding, department store trade and other retail trade and restaurant business. The Company provides services which support entrepreneurial-based retail trade in particular. The Company develops business and co-operation concepts for the retail trade, arranges the building of business premises and information management systems and sells and leases them, and acts as an intermediary for the products and services needed in retail trading. The Company engages in real estate and securities investment, as well as other investment activity. The Company can also carry out other operations related to the business operations specified in this section.

As at the date of this Listing Prospectus, the Company's share capital amounted to EUR 197,282,584, consisting of 98,650,142 shares and divided into 31,737,007 class A shares and 66,913,135 class B shares. The share capital of the Company is divided into class A shares and class B shares, so that the minimum number of class A shares is one (1) and the maximum number is two hundred and fifty million (250,000,000) and the minimum number of class B shares is one (1) and the maximum number is 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). Class A shares entitle the holder to ten (10) votes and class B shares to one (1) vote. The shares have no par value and both class A shares and class B shares entitle their holders to an equal dividend. Both the class A shares and the class B shares of the Company are recorded in the book-entry system and they are subject to public trading on the official list of the Helsinki Stock Exchange. The trading code of the class A shares is KESAV and the trading code of the class B shares is KESBV.

History and Development of the Issuer

Kesko was formed when four regional wholesaling companies that had been founded by retailers - Savo-Karjalan Tukkuiliike, Keski-Suomen Tukkukauppa Oy, Kauppiaitten Oy and Maakauppiaitten Oy - were merged in October 1940 and the Company was registered in the Finnish trade register on 3 January 1941. The need to purchase goods for the

shareholder-retailers and to support their business operations and start cooperation among them resulted in the forming of the K-retailer group. The active building of the K-store network was started and joint advertising was launched. The K-emblem was introduced as the new group's symbol.

Kesko's class B shares were listed on the Helsinki Stock Exchange in 1960 and listing of the class A shares followed in 1999.

In the 1950's, Kesko developed its own industrial operations including milling, bread, meat, margarine and clothing industries as well as a coffee roaster. These industrial operations were mostly divested between 1960's and 1980's.

In the 1960's, fresh foods were added to stores' selections and the trend was for Kesko's general stores to evolve into food stores. In the middle of the decade, the self-service concept revolutionised this field. During this decade Kesko also opened its first central warehouse, implemented its first IT logistics control system and carried out its first international loan offering of guaranteed debentures.

In the 1970's, Kesko launched a new store format, "the self-service supermarket". Kesko and the K-retailers entered the retail trade in the fields of home and specialty goods and hardware products and the Kesport sports goods chain was established. The first Citymarket hypermarket was opened in Lahti in 1971 and Kesko purchased a training centre to be used by personnel and K-retailers, naming it the K-institute.

In the 1980's, Kesko's share capital was increased to 700 million Finnish marks and the number of shareholders grew by 20,000.

In the 1990's Kesko acquired the trading company Kaukomarkkinat, the home and specialty goods retail trade company Anttila and the Do It Yourself (DIY) stores Rautia while expanding into Sweden and Baltic countries. Further, Kesko divested clothing chains Alekski 13 and Vaatehuone in 1999.

In 2000, it was decided to incorporate Kesko's profit divisions responsible for goods trading in various sectors. The companies responsible for the food trade and the home and speciality goods trade, Kesko Food Ltd and Keswell Ltd started operations on 1 April 2001, and the companies responsible for the hardware and builders' supplies trade and the agricultural trade, Rautakesko Ltd and Kesko Agro Ltd, started operations on 1 October 2001. Kesko's current segmenting was introduced in 2009.

In the mid-1990s, Kesko's internationalisation started by establishing the K-rauta building and home improvement store chains in the Swedish and Baltic markets. Kesko also expanded its agricultural business to all Baltic countries. Expansion to the Baltic countries in food retailing was mainly made through two store types: hypermarkets and hard discounters. In 2005, Kesko Food and the Swedish ICA combined their food trade operations in the Baltic countries. In 2006, Kesko Food sold its 50 per cent shareholding in Rimi Baltic AB to ICA Baltic.

In 2005, Rautakesko expanded into Norway and Russia by acquiring Byggmakker, the leading building and home improvement chain in Norway, and Stroymaster, a St Petersburg DIY store chain (operating and expanded under the K-rauta name since 2006). In 2007, Kesko's subsidiary the Senukai Group acquired the majority of voting rights in the Lithuanian UAB Romos Holdingas, which owns OMA, a Belarussian DIY operator. Further, Kesko acquired Indoor Group which strengthened Kesko's overall position in furniture retailing in Finland at the time of the acquisition.

In 2008, Kesko focused its businesses by divesting certain non-core businesses including K-Rahoitus, a financing company, Tähti Optikko, operator of an opticians chain, and Kauko-Telko (former Kaukomarkkinat). In 2009, Baltic grain and agricultural inputs trade was discontinued.

At the date of this Listing Prospectus, Kesko is expanding the operations of its selected divisions especially in the Russian market. Kesko Food's objective is to achieve EUR 500 million in net sales in Russia in 2017. Russian operations in food trade start in St. Petersburg, and during 2012 and 2013, the Company's target is to open in total three stores in St. Petersburg. The Company's net sales target in Russia for the building and home improvement trade for 2017 is EUR 800 million. At the date of this Listing Prospectus, Rautakesko's Stroymaster operates 14 K-rauta stores in Russia, nine of which are located in St. Petersburg and five in the city or nearby areas of Moscow. For the financial year ended 31 December 2011, Kesko's net sales from Russia were EUR 237 million, showing approximately a 16.4 per cent increase compared to the previous year.

In 2011, Kesko's new subsidiary for Intersport sports retailing in Russia, in which the Company held 80 per cent of the shares, started its operations. The Intersport chain in Russia was completely transferred to Kesko's ownership in April 2012 operating 35 sports stores mainly in the St. Petersburg and Moscow regions.

Ongoing and Future Investments

During the first two quarters of 2012, Kesko's aggregate investments amounted to EUR 171.9 million. Investments in store sites amounted to EUR 148.1 million and other investments were EUR 23.8 million. Investments in food trade amounted to EUR 95.7 million, in home and speciality goods trade EUR 29.3 million, in building and home improvement trade EUR 26.0 million and in car and machinery trade EUR 18.7 million. During 7/2012-6/2013, capital expenditure is expected to be lower than the capital expenditure for the preceding twelve months.

As at the date of this Listing Prospectus, Kesko's focus in investments is expanding the store site network in Finland as well as utilising the Russian market potential by starting food business in Russia and expanding DIY store network in St. Peteresburg and Moscow area. Kesko also invests in IT systems, online trade and electronic customer communications to further develop multichannel customer approach.

Kesko's management estimates that the investments in 2012 will be financed primarily through cash flow from operations and unused credit facilities.

Business Overview

Kesko's business models and business operations

The business models applied in Kesko's sales to consumers are retailing through retailer entrepreneurs and Kesko's own retailing. Kesko is also engaged in Business-to-Business (B2B) sales. The principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in Kesko's chains. In Finland, all food as well as building and home improvement stores in the K-Group are run by K-retailers. Through its chain operations, Kesko provides a setting for its retailers to provide service to their customers. Kesko is responsible for the constant development of the business model and the store concepts, for chain operations management and for sourcing and purchasing the products included in the chain selections. The K-retailer implements the chain concept and is responsible for store management, customer satisfaction, personnel and business profitability. The K-Group's competitive edge is based on its selections, service and knowledge of customer needs.

At the end of 2011, Kesko had 1,102 independent K-retailers and approximately 130 other retailers in the Asko, Sotka, Byggnakker and Senukai chains as partners. Kesko's sales to the retailers accounted for approximately 52 per cent of Kesko's total sales in 2011.

Kesko acts as a retailer in business operations where its competitive advantage is based on having a centrally managed chain concept and large units. Kesko's own retail stores in Finland include the Anttila and Kodin Ykkönen department stores. Kesko is also responsible for retailing home and speciality goods in the K-citymarket chain. Kesko's own retailing is the model mainly used in business operations outside Finland. In 2011, Kesko's own retailing accounted for approximately 26 per cent of total sales.

As to the B2B sales, typical B2B customers include construction companies, agricultural entrepreneurs, the manufacturing industry, retail dealers, hotels, restaurants and catering firms and the public sector. In 2011, Kesko's B2B sales accounted for approximately 22 per cent of total sales.

In addition, Kesko develops and manages retail store concepts, brands and networks as well as produces services for retail store chains' purchasing, logistics, network development and data management. In 2009, Kesko's organisation was organised in four current business divisions: Food trade, Home and Specialty Goods trade, Building and Home Improvement trade and Car and Machinery trade. A brief description of the operations of each division and the principal markets in which they operate is presented below.

Real Estate Operations

The store site network is a strategic competitive factor for Kesko. For the management of Kesko's real estate assets and liabilities, the retail stores and other real estate properties are classified as strategic properties, standard properties, realisation properties and development properties. Strategic properties are large retail stores which involve important business interests related to the continuity of management, the flexibility of change and the financial value of the premises. In order to protect such interests, Kesko usually prefers to own these properties. Standard properties are premises owned by the Kesko Group. They can be sold and leased back for use in the Group's business operations. Realisation properties are those for which Kesko has no further use. Development properties are those in need of further development for their intended use.

Kesko's real estate operations are based on the life-cycle affordability and eco-efficiency of store sites. This means optimising the costs and environmental burden across the entire life cycle of a store site. The aim is the lowest life cycle costs in the trading sector. Maintenance services production of the properties managed by Kesko has been outsourced.

At the end of 2011, Kesko's total real estate lease liability was EUR 2,313 million, while the annual operational lease payments for all operating leases in 2011 were EUR 398 million.

Personnel

In 2011, Kesko had on the average 19,000 employees converted into full-time employees in eight countries: in the Nordic and Baltic countries, Russia and Belarus. During January – June 2012, Kesko had on the average 19,600 employees converted into full-time employees and, at the end of June 2012, the total number of employees was approximately 24,500. Approximately 52 per cent of the employees work in Finland and approximately 48 per cent in the other countries.

Customer loyalty program

Kesko runs a customer loyalty system "K-Plussa" for the K-Group in Finland. The system is designed to promote the creation of long-term customer relationships and to improve the quality of the service offered to the customers. Customer information collected through the customer loyalty system plays a key role in business planning. Customers receive benefits from K-Plussa from more than 3,000 outlets and over 40 business partners. Approximately 2.2 million households – approximately 84 per cent of all Finnish households – participate in the K-Plussa customer loyalty system.

Food trade

Food trade is Kesko's largest division and is operated by Kesko Food. Kesko's main functions include the centralised purchasing of products included in the chain selection, selection management, logistics, and the development of chain concepts and the store site network. In 2011, Food trade's net sales were EUR 4,182 million and operating profit excluding non-recurring items was EUR 172.2 million. At the end of 2011, there were 964 stores: 75 hypermarkets, 205 large supermarkets and 684 smaller neighbourhood stores. According to A. C. Nielsen Finland Oy's annual survey, Kesko Food's retail chains' market share in Finland was 35.3 per cent in 2011, as measured by sales.

Kesko's business model in food trade in Finland is the chain business model, where independent K-retailers run retail stores in Kesko's chains. Cooperation between Food trade and K-retailers is based on the chain operations, which seek the customer-orientation of operations, efficiency and achievement of competitive advantages. Local retailers are responsible for the customer service, competence of personnel, product quality and profitability of business in individual stores. The retailers use customer data to put together a selection and services that meet customer needs. The common selection of the chain is complemented with, for example, local food from local producers. At the date of this Listing Prospectus, Food trade is currently expanding its operations to Russia, and the target is to open a total of three food stores in St. Petersburg during 2012–2013. The first store is currently under construction. Food trade in Russia will be Kesko's own retailing.

Kesko Food's subsidiary Kespro is a wholesaler in the Finnish hotel, restaurant and catering business. It provides delivery and cash&carry services to its customers.

Home and Specialty Goods trade

Kesko's Home and Specialty Goods trade provides customers with products and services related to clothing, home, sports, leisure, home technology, entertainment, as well as interior decoration and furniture in close to 450 physical stores and six online stores. In 2011, the net sales of this division were EUR 1,564 million and operating profit excluding non-recurring items EUR 36.6 million.

Anttila department stores offer wide selections of casual clothing, entertainment and home goods while Kodin Ykkönen department stores provide products and services for home decoration. NetAnttila online store operates in Finland, Estonia and Latvia. K-citymarket is a hypermarket chain, which provides wide selections of groceries and home and speciality goods. In addition, the cmstore.fi download store provides music and talking books. K-citymarket Oy, a Kesko Group company, is responsible for the home and speciality goods business in the K-citymarket stores, while K-retailers are responsible for the food business provided in the same premises. Intersport is part of the international sports trade chain, in which Kesko is a partner and which, according to management estimate, is the market leader by sales in the Finnish sports retailing at the date of this Listing Prospectus. In Russia, Intersport is starting its operations anew. The stores of the chain provide customers with clothing and equipment needed for active sports, keeping fit and leisure purposes. Asko and Sotka are Indoor's retail store chains selling furniture and interior decoration items. Asko

provides home decorators with a wide range of furniture and interior decoration items combined with service. Sotka's main target group consists of customers who value low prices and easy shopping. Musta Pörssi Ltd has two retail chains: Musta Pörssi and Konebox. Musta Pörssi chain offers its customers home technology products and related services. Konebox online store competes with quality products and low prices. In June 2012, the plan was announced to renovate the Musta Pörssi concept and business model and to integrate Konebox in Musta Pörssi. Kenkäkesko's retail store chains are Andiamo and Kookenkä.

Building and Home Improvement trade

Kesko's subsidiary Rautakesko operates itself and through its subsidiaries in the building and home improvement segment in Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Russia and Belarus. Its core functions include the centralised development of chain selections and services, purchasing and logistics, and the development of chain concepts and the store network. Building and Home Improvement division's net sales in 2011 were EUR 2,716 million and operating profit excluding non-recurring items EUR 26.6 million. At the date of this Listing Prospectus, Rautakesko has approximately 360 building and home improvement stores in eight countries and approximately 90 agricultural stores in Finland. All stores in Finland are run by retailers in accordance with the chain business model. There are also several retailer-run stores in Norway. Rautakesko's operations are based on chain concepts which in turn are based on customer needs, the retail company's best practices, and on centralised sourcing. Rautakesko's international business model combines the category management, purchasing, logistics, information system control and network improvements of the chains which operate in different countries.

K-rauta is Rautakesko's international concept used in Finland, Sweden, Estonia, Latvia and Russia. Its key elements are product selections, total solutions and services. The concept combines the services and selections for consumers, builders and professional customers. The Rautia chain's selections in Finland are targeted at builders, renovators and building professionals in particular. The K-maatalous chain, selling grain and agricultural inputs, operates in Finland through K-maatalous retailers. According to RaSi ry (Finnish Hardware Association DIY), the K-rauta chain was the market leader in Finland, and the combined market share of Rautakesko's chains in Finland was approximately 38 per cent in 2011, as measured by sales. According to management estimate, Rautakesko's market share in Sweden was approximately seven per cent, in Estonia approximately 18 per cent, in Latvia approximately 16 per cent and in North-Western and Central Russia approximately five per cent in 2011. According to management estimate, as measured by sales in 2011, Bygghälsan was the largest building and home improvement store chain in Norway with a market share of approximately 18 per cent, the Senukai chain was the market leader in Lithuania with a market share of approximately 30 per cent, and OMA was the largest building and home improvement store chain in Belarus with a market share of approximately nine per cent.

Rautakesko's B2B sales operates in Finland and serves building professionals in cooperation with the K-rauta and Rautia chains. Its customers include nationwide construction companies, the manufacturing industry, municipalities and other professional customers.

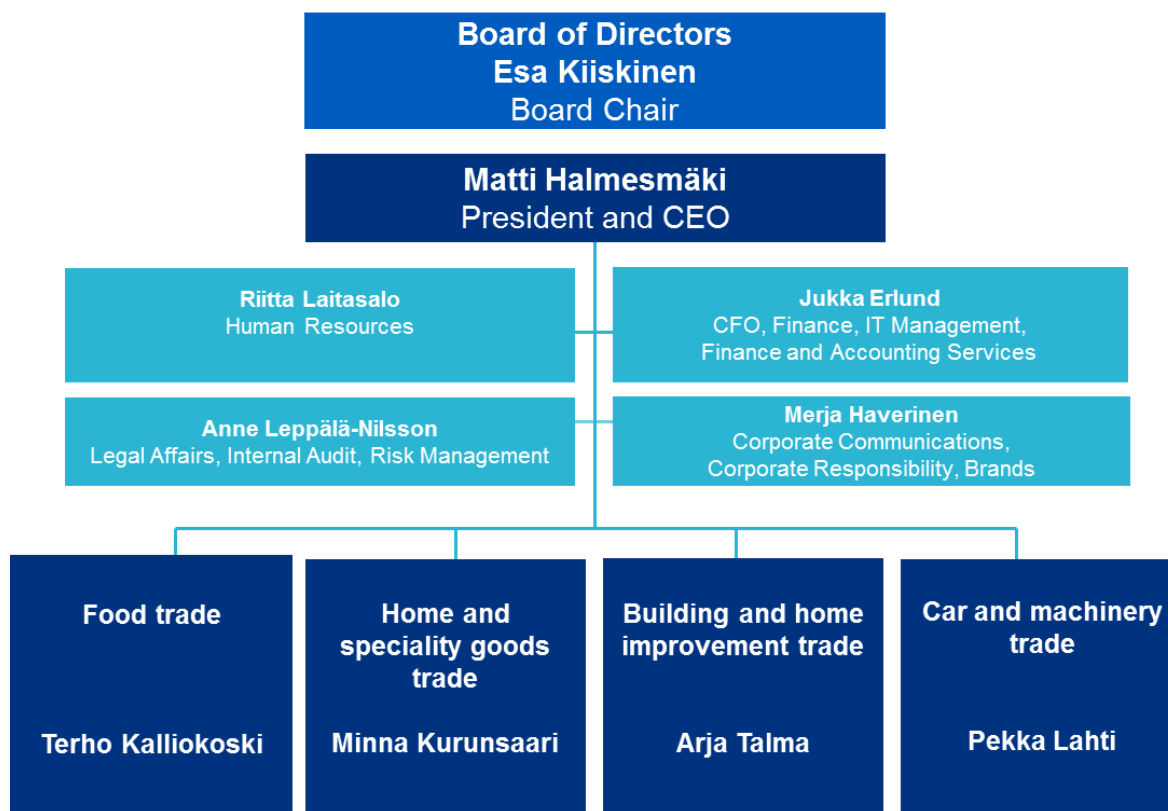
Car and Machinery trade

The Car and Machinery trade is operated through VV-Auto Group and Konekesko with their subsidiaries. VV-Auto imports and markets Volkswagen, Audi and Seat passenger cars, and Volkswagen commercial vehicles in Finland. It also imports and markets Seat passenger cars in Estonia and Latvia. In Greater Helsinki area and Turku, VV-Auto retails cars and provides after-sales services at its own outlets. Car and machinery trade's net sales in 2011 were EUR 1.174 billion and operating profit excluding non-recurring items EUR 51.8 million. Based on Finnish Information Centre of Automobile Sector (AuT), VV-Auto's combined market share for passenger cars and vans in Finland in 2011 was 20.7 per cent, as measured by the amount of new registrations. Konekesko is a service company specialising in the import and sale of construction, materials handling, environmental and agricultural machinery, trucks and buses, and recreational machinery. At the date of this Listing Prospectus, Konekesko operates in Finland, Estonia, Latvia, Lithuania and Russia.

Organisation

At the date of this Listing Prospectus, the Kesko Group comprises the parent company Kesko Corporation and over 120 subsidiaries in different countries. Kesko Corporation is the group parent company, which conducts the group's operations through its subsidiaries. The key subsidiaries are as follows: Kesko Food Ltd in the food trade division, K-Citymarket Oy, Anttila Oy, Indoor Group Ltd, Intersport Finland Ltd, Musta Pörssi Ltd and Kenkäkesko Ltd in the home and speciality goods division, Rautakesko Ltd in the building and home improvement division, and finally, VV-Auto Group Oy and Konekesko Ltd in the car and machinery trade division.

Kesko's organisation, showing only the four business divisions, is as follows:



Agreements Outside the Ordinary Course of Business

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Kesko Group company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of the Kesko Group's unaudited interim report as at and for the six months ended 30 June 2012 and 30 June 2011 and the audited consolidated financial statements as at and for the financial years ended 31 December 2011 and 31 December 2010. The Kesko Group's interim report and the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

| | As at and for the six months ended 30 June | | As at and for the year ended 31 December | |
|--|---|---------------------|---|-------------------|
| | 2012 (unaudited) | 2011 (unaudited) | 2011 (audited) | 2010 (audited) |
| | (EUR, in millions) | | | |
| CONSOLIDATED INCOME STATEMENT, CONDENSED | | | | |
| Net sales | 4,778 | 4,575 | 9,460 | 8,777 |
| Cost of goods sold | -4,138 | -3,951 | -8,163 | -7,547 |
| Gross profit | 640 | 624 | 1,297 | 1,230 |
| Other operating income | 368 | 343 | 705 | 699 |
| Staff cost | -308 | -283 | -571 | -521 |
| Depreciation amortisation and impairment | -76 | -59 | -125 | -121 |
| Other operating expenses | -538 | -506 | -1,026 | -981 |
| Operating profit | 85 | 120 | 281 | 307 |
| Interest income and other finance income | 10 | 10 | 22 | 23 |
| Interest expense and other finance costs | -8 | -8 | -18 | -15 |
| Foreign exchange differences | -2 | -2 | -3 | -1 |
| Income from associates | 0 | 1 | 1 | 0 |
| Profit before tax | 85 | 120 | 282 | 312 |
| Income tax | -26 | -37 | -85 | -97 |
| Net profit for the period | 59 | 83 | 197 | 216 |
| Attributable to | | | | |
| Owners of the parent | 54 | 79 | 182 | 205 |
| Non-controlling interests | 5 | 4 | 15 | 11 |
| Earnings per share (EUR) for profit attributable to equity holders of the parent | | | | |
| Basic | 0.55 | 0.80 | 1.85 | 2.08 |
| Diluted | 0.55 | 0.79 | 1.84 | 2.06 |

| As at and for the six months ended 30 June | | As at and for the year ended 31 December | |
|---|-------------|---|-----------|
| 2012 | 2011 | 2011 | 2010 |
| (unaudited) | (unaudited) | (audited) | (audited) |

(EUR, in millions)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | | | |
|---|----|-----|-----|-----|
| Net profit for the period | 59 | 83 | 197 | 216 |
| Other comprehensive income | | | | |
| Exchange differences on translating foreign operations | 3 | -11 | -17 | 5 |
| Adjustment for hyperinflation | 1 | | 6 | - |
| Cash flow hedge revaluation | -1 | -10 | -15 | 21 |
| Revaluation of available-for-sale financial assets | -1 | -1 | 0 | 1 |
| Other items | 0 | 0 | 0 | -1 |
| Tax relating to other comprehensive income | 0 | 3 | 4 | -6 |
| Total other comprehensive income for the period, net of tax | 3 | -18 | -22 | 20 |
| Total comprehensive income for the period | 62 | 65 | 175 | 236 |
| Attributable to | | | | |
| Owners of the parent | 55 | 71 | 170 | 224 |
| Non-controlling interests | 7 | -6 | 4 | 12 |

| As at 30 June | | As at 31 December | |
|---------------|-------------|-------------------|-----------|
| 2012 | 2011 | 2011 | 2010 |
| (unaudited) | (unaudited) | (audited) | (audited) |

(EUR, in millions)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED

| ASSETS | | | | |
|---|-------|-------|-------|-------|
| Non-current assets | | | | |
| Tangible assets | 1,579 | 1,383 | 1,490 | 1,261 |
| Intangible assets | 190 | 179 | 189 | 180 |
| Investments in associates and other financial assets | 72 | 67 | 69 | 61 |
| Loans and receivables | 82 | 74 | 80 | 72 |
| Pension assets | 146 | 180 | 200 | 186 |
| Total | 2,069 | 1,883 | 2,029 | 1,759 |
| Current assets | | | | |
| Inventories | 869 | 780 | 868 | 757 |
| Trade receivables | 803 | 769 | 700 | 620 |
| Other receivables | 322 | 137 | 218 | 183 |
| Financial assets at fair value through profit or loss | 51 | 148 | 98 | 242 |
| Available-for-sale financial assets | 141 | 323 | 186 | 549 |
| Cash and cash equivalents | 61 | 74 | 84 | 56 |
| Total | 2,248 | 2,230 | 2,153 | 2,406 |

| | | | | |
|----------------------------------|-------|-------|-------|-------|
| Non-current assets held for sale | 1 | 1 | 8 | 1 |
| Total assets | 4,318 | 4,114 | 4,190 | 4,167 |

EQUITY AND LIABILITIES

| | | | | |
|---|-------|-------|-------|-------|
| Equity attributable to the owners of the parent | 2,117 | 2,077 | 2,175 | 2,152 |
| Non-controlling interests | 65 | 49 | 58 | 59 |
| Total equity | 2,182 | 2,126 | 2,233 | 2,210 |
| Non-current liabilities | | | | |
| Interest-bearing liabilities | 210 | 219 | 210 | 235 |
| Non-interest-bearing liabilities | 10 | 7 | 18 | 5 |
| Deferred tax liabilities | 87 | 83 | 91 | 87 |
| Pension obligations | 2 | 2 | 2 | 2 |
| Provisions | 11 | 10 | 10 | 12 |
| Total | 321 | 321 | 332 | 340 |
| Current liabilities | | | | |
| Interest-bearing liabilities | 353 | 256 | 190 | 242 |
| Trade payables | 993 | 939 | 886 | 838 |
| Other non-interest-bearing liabilities | 445 | 446 | 526 | 507 |
| Provisions | 24 | 26 | 24 | 29 |
| Total | 1,815 | 1,667 | 1,625 | 1,616 |
| Total equity and liabilities | 4,318 | 4,114 | 4,190 | 4,167 |

| As at and for the six months ended 30 June | | As at and for the year ended 31 December | |
|---|-------------|---|-----------|
| 2012 | 2011 | 2011 | 2010 |
| (unaudited) | (unaudited) | (audited) | (audited) |

(EUR, in millions, unless otherwise indicated)

KEY PERFORMANCE INDICATORS

| | | | | |
|---|-------|-------|-------|-------|
| Net sales | 4,778 | 4,575 | 9,460 | 8,777 |
| Operating profit | 85.3 | 119.6 | 280.6 | 306.7 |
| Operating profit excl. non-recurring items | 84.3 | 118.3 | 278.9 | 268.1 |
| Profit before tax | 84.8 | 120.1 | 282.1 | 312.4 |
| Return on capital employed excl. non-recurring items, %, moving 12 mo | 10.4 | 14.6 | 13.1 | 14.0 |
| Return on equity excl. non-recurring items, %, moving 12 mo | 8.0 | 9.6 | 8.8 | 8.7 |
| Net cash generated from operating activities | 57 | 43 | 216 | 438 |
| Capital expenditure | 171.9 | 194.6 | 425.4 | 325.3 |
| Interest-bearing net debt | 310 | -70 | 33 | -371 |
| Equity ratio, % | 51.1 | 52.1 | 53.9 | 53.5 |
| Gearing, % | 14.2 | -3.3 | 1.5 | -16.8 |

| | | | | |
|----------------------------------|--------|--------|--------|--------|
| Dividend per share, EUR | - | - | 1.20 | 1.30 |
| Earnings per share, diluted, EUR | 0.55 | 0.79 | 1.84 | 2.06 |
| Equity per share, EUR | 21.59 | 21.21 | 22.20 | 21.81 |
| Personnel, average number | 19,574 | 18,644 | 18,960 | 18,215 |

CALCULATION OF PERFORMANCE INDICATORS

Profitability

Return on equity
excl. non-recurring items, % = $\frac{\text{(Profit/loss adjusted for non-recurring items before tax – income tax adjusted for the tax effect of non-recurring items)}}{\text{Shareholders' equity}} \times 100$

Return on capital employed
excluding non-recurring items, % = $\frac{\text{Operating profit excluding non-recurring items}}{\text{(Non-current assets + inventories + receivables + other current assets – non-interest-bearing liabilities) for a 12 month average}} \times 100$

Funding and financial position

Equity ratio, % = $\frac{\text{Shareholders' equity}}{\text{(Balance sheet total – prepayments received)}}$

Gearing, % = $\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity}}$

Share performance indicators

Earnings/share, diluted = $\frac{\text{Profit/loss – non-controlling interests}}{\text{Average number of shares adjusted for the dilutive effect of options}}$

Earnings/share, basic = $\frac{\text{Profit/loss – non-controlling interests}}{\text{Average number of shares}}$

Equity/share = $\frac{\text{Equity attributable to equity holders of the parent}}{\text{Basic number of shares at balance sheet date}}$

FINANCIAL AND TREND INFORMATION, FUTURE OUTLOOK

Historical Financial Information

Kesko's consolidated audited financial statements as of and for the financial years ended 31 December 2011 and 2010 (IFRS) and the unaudited interim reports as of and for the six months periods ended 30 June 2012 and 2011 (IFRS) have been incorporated into this Listing Prospectus by reference. Except for the two financial statements mentioned above, the information included in this Listing Prospectus has not been audited.

Legal and Arbitration Proceedings

There are no governmental, legal, arbitration or administrative proceedings against or affecting Kesko or any of its subsidiaries (and no such proceedings are pending or threatened of which Kesko is aware) during a period covering at least the previous 12 months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of Kesko or of Kesko and its subsidiaries taken as a whole.

No Significant Change in the Issuer's Financial or Trading Position

The Company's interim report as of and for the six months period ended 30 June 2012 has been incorporated into this Listing Prospectus by reference.

There has been no significant change in Kesko's financial or trading position since 30 June 2012.

Trend Information

Business conditions

The prevailing uncertainty in the European financial markets is reflected in the considerable range of variation in the forecasts of economic growth for 2012. According to Statistics Finland, Finland's GDP growth in 2011 was approximately 2.9 per cent, while the Finnish Ministry of Finance forecasts 1.0 per cent growth for 2012. The economic growth in 2012 depends largely on private consumption. According to the Bank of Finland, the export situation continues to be problematic, particularly as economic growth is slowing down in Finland's key export markets of the Nordic countries, Germany, the Baltic countries and Russia. According to Bank of Finland, Russian economic output and imports have recovered to their 2008 pre-crisis peaks. Further, Bank of Finland estimates that economic growth of around 3.5 per cent p.a. is expected throughout 2012–2014 forecast period in Russia. Growth of the Russian economy is likely to slow towards the end of the forecast period, if the oil price does not rise, and a small decrease is anticipated.

Future Outlook

In its interim report 1 January – 30 June 2012, the Company provided the following information on the future outlook:

“Estimates of the future outlook for the Kesko Group's net sales and operating profit excluding non-recurring items are given for the 12 months following the reporting period (7/2012-6/2013) in comparison with the 12 months preceding the reporting period (7/2011-6/2012).

Resulting from the problems of European national economies, the outlook for the general economic situation is characterised by significant uncertainty. In addition, cuts in public finances and tightening taxation increase the uncertainty about the development of consumer demand.

The market is expected to remain stable in the grocery trade and home and speciality goods trade. Growth in the building and home improvement trade is expected to slow down as the growth of building construction slows down especially in Finland and Sweden. In the car and machinery trade, the market is expected to decrease.

The Kesko Group's net sales are expected to grow during the next twelve months. Owing to the costs involved in the expansion of the store site network and Russian business operations, as well as a sales decrease in the car trade, the Company is prepared for the operating profit excluding non-recurring items for the next twelve months to be lower than the operating profit excluding non-recurring items for the preceding twelve months. Capital expenditure is expected to be lower than the capital expenditure of preceding twelve months.”

There has been no material adverse change in the future outlook of the Company since the publication of the last audited financial statements.

Influence of management on factors affecting the estimates

The assumptions on bases for future outlook upon which the management can influence for its part include measures that the Company is capable of implementing in Kesko's chain operations to certain extent, such as product and service selection, pricing, campaigns and sales network, as well as Kesko's cost structure and amount and timing of investments. The other factors expressed in section "*Future Outlook*" are generally outside of the influence of the management.

DIRECTORS, MANAGEMENT AND SIGNIFICANT SHAREHOLDERS

Board of Directors

Esa Kiiskinen (born 1963) has been a member of Kesko's Board of Directors since 2009 and the Chairman of the Board of Directors since 2012. Mr Kiiskinen has acted as a K-food retailer since 1990. On 30 June 2012 Mr Kiiskinen owned (directly or through his controlled company) 107,350 class A shares in Kesko.

Seppo Paatelainen (born 1944) has been a member of Kesko's Board of Directors since 2006 and the Deputy Chairman of the Board of Directors since 2009. Mr Paatelainen has acted as Chief Executive Officer of Atria Group plc from 1991 to 2006, as Chief Executive Officer of Itikka Co-operative and Itikka Lihabotnia Oy from 1988 to 1991, as Director for Luja-Yhtiöt from 1973 to 1987 and as Director for Itikka Co-operative from 1970 to 1973. On 30 June 2012 Mr Paatelainen owned no shares in Kesko.

Ilpo Kokkila (born 1947) has been a member of Kesko's Board of Directors since 2006. Mr Kokkila has acted as Chair of the Board of Directors of SRV Yhtiöt Oyj since 1987, Chair of the Board of Directors of Pontos Oy since 2002, director at Perusyhtymä Oy between 1974 and 1987 and as a constructor for Betoni Oy from 1972 to 1974. On 30 June 2012 Mr Kokkila owned 16,100 class B shares in Kesko.

Tomi Korpisaari (born 1968) has been a member of Kesko's Board of Directors since 2012. Mr Korpisaari has acted as a retailer since 1995. On 30 June 2012 Mr Korpisaari owned (directly or through his controlled company) 87,211 class A shares and 500 class B shares in Kesko.

Maarit Näkyvä (born 1953) has been a member of Kesko's Board of Directors since 2001. Mrs Näkyvä has acted as Board member of Sampo Fund Management between 2007 and 2008, Board member of Sampo Bank plc between 2001 and 2008 and as Executive Vice President between 2007 and 2008, as Executive Vice President of Sampo plc between 2001 and 2006, as Board member of Leonia Bank plc between 1998 and 2000, as President of Merita Fund Management Ltd. between 1996 and 1997, as Director of Merita Bank Ltd. between 1995 and 1996 and as Director of United Bank Ltd. between 1990 and 1995. On 30 June 2012 Mrs Näkyvä owned no shares in Kesko.

Toni Pokela (born 1973) has been a member of Kesko's Board of Directors since 2012. Mr Pokela has acted as K-food retailer since 1997. On 30 June 2012 Mr Pokela owned (through his controlled company) 179,400 class A shares.

Virpi Tuunainen (born 1967) has been a member of Kesko's Board of Directors since 2012. Mrs Tuunainen's principal occupation is as Professor at the Department of Information and Service Economy at Aalto University and as Director of Aalto Service Factory. Prior to this she has acted as professor at the Helsinki School of Economics between 2004 and 2009, as Scientific Leader for the INFORTE Programme at the University of Jyväskylä between 2008 and 2011 and since 1995 as Visiting Researcher, Visiting Professor and Professor at Finnish and foreign universities and higher education institutions. On 30 of June 2012 Mrs Tuunainen owned no shares in Kesko.

Kesko's Corporate Management Board

Matti Halmesmäki (born 1952) has been a member of the Corporate Management Board since 2001 and acted as the President and Chief Executive Officer of Kesko since 2005. Mr Halmesmäki is the Chairman of the Corporate Management Board. Prior to this Mr Halmesmäki has acted amongst others as President of Rautakesko Ltd and Kesko Agro Ltd between 2001-2004. Mr Halmesmäki has been employed by Kesko Corporation since 1980. Mr Halmesmäki's other major duties include being a Board member and Deputy Board Chair of the Confederation of Finnish Industries EK between 2005 and 2011, Board member of the Finnish Fair Corporation since 2005, Board member of the Federation of Finnish Commerce since 2005 and Chair since 2012, Board member of Ilmarinen Mutual Pension Insurance Company since 2010, Supervisory Board member of Luottokunta since 2005 and chair between 2007 and 2010, Board member of the Foundation for Economic Education since 2005, Board member of Finnish Business and Policy Forum EVA since 2005, Delegation member of the Association for Promoting Voluntary National Defence of Finland since 2005, member of the Board of Trustees of Savonlinna Opera Festival Patrons' Association since 2006, Board member of the East Office of Finnish Industries since 2008, Board member of the Central Chamber of Commerce in Finland between 2006 and 2010, Delegation member of the Helsinki Region Chamber of Commerce between 2006 and 2010, Executive Board member of ICC Finland – the Finnish Section of International Chamber of Commerce between 2005 and 2010, Supervisory Board Member of Varma Mutual Pension Insurance Company between 2005 and 2010, Deputy Chair of the Board of Neste Marketing Ltd during 1995 and 1997 and Board member and Deputy Chair of the Board of Neste Liikennepalvelu Oy between 1989 and 1995. On 30 June 2012 Mr Halmesmäki owned 2,000 class A shares and 17,794 class B shares as well as 30,000 class 2007B share options and 50,000 class 2007C share options in Kesko.

Terho Kalliokoski (born 1961) has been a member of the Corporate Management Board and the President of Kesko Food Ltd. since 2005. Prior to this Mr Kalliokoski has been employed by Kesko Corporation since 1985. Mr Kalliokoski's other major duties include being a Board member of the Finnish Grocery Trade Association since 2006, deputy chair of the board between 2006 and 2007 and Chair of the board between 2008 and 2009, Board member of the Association of Finnish Advertisers since 2005, Board member of the Helsinki Region Chamber of Commerce since 2009 and Deputy Chair of the board since 2012, member of the Supervisory board of the Finnish 4H Federation between 2009 and 4/2012, Council member of the Association for the Finnish Work between 2006 and 2009 and Board member in 2010, Board member of the Federation of Finnish Commerce in 2006, Board member of Efficient Consumer Response Finland 2006, Board member of the Finnish Association of Building Owners and Construction Clients between 2002 and 2003, Board member of Oulu Chamber of Commerce between 2000 and 2002 and Delegation member between 1997 and 2002. On 30 June 2012 Mr Kalliokoski owned 9,464 class B shares and 9,750 class 2007B share options and 30,000 class 2007C share options in Kesko.

Minna Kurunsaari (born 1965) has been a member of the Corporate Management Board since December 2011. Mrs Kurunsaari was appointed to Senior Vice President for Home and Speciality Goods Trade and Director Responsible for Kesko's Customer Information and e-commerce projects in 2011. Prior to this Mrs Kurunsaari has been employed by Kesko Corporation since 1995 and acted amongst others as Vice President for Kesko Food's Commerce between 2008 and 2011. Mrs Kurunsaari's other major duties include being Vice Chair of Pro Luomu ry since 2011, Board member of Finfood – Finnish Food Information between 2008 and 2011, Purchasing and Logistics Group member of the Finnish Grocery Trade Association between 2008 and 2011. On 30 June 2012 Mrs Kurunsaari owned 12,532 class B shares, 10,000 class 2007B share options and 12,500 class 2007C share options in Kesko.

Arja Talma (born 1962) has been a member of the Corporate Management Board since 2005 and is currently the President of Rautakesko Ltd. Further, Mrs Talma has acted as Senior Vice President, CFO, of Kesko Corporation between 2005 and 2011. Mrs Talma has been employed by Kesko Corporation since 2004. Further, Mrs Talma has acted as Executive Vice President, Finance and Administration, of Oy Radiolinja Ab between 2001 and 2003 and as APA for KPMG Wideri Oy Ab between 1992 and 2001 and as partner between 2000 and 2001. Mrs Talma's other major duties include being Board member and Chair of the Audit Committee of Sponda Plc since 2007, Board member of Eurobuy GmbH since 2012, Board member Eurogroup Far East Ltd since 2011, Board member and Chair of the Audit Committee of VR-Group between 2006 and 2012, Board member of Luottokunta between 2008 and 2012 and a member of the Supervisory Board of the Finnish Scout Foundation since 2010. On 30 June 2012 Mrs Talma owned 4,598 class B shares, 25,000 class 2007B share options and 25,000 class 2007C share options in Kesko.

Pekka Lahti (born 1955) has been a member of the Corporate Management Board since 2005 and acted as the President of VV-Auto Group Oy since 2006. Mr Lahti has been employed by Kesko Corporation since 1981. Mr Lahti's other major duties include being Board member of the Finnish Information Centre of Automobile Sector (AUT) between 2009 and 2012 and Chair of the Board between 2010 and 2012, Board member of Finnish Car Recycling Ltd between 2007 and 2012, Board member of the Association of Automobile Importers in Finland between 2007 and 2012 and Deputy chair of the board between 2010 and 2012, Board member of the Federation of Finnish Commerce between 2010 and 2012. On 30 June 2012 Mr Lahti owned 2,165 class B shares, 20,000 class 2007B share options and 20,000 class 2007C share options in Kesko.

Riitta Laitasalo (born 1955) has been a member of the Corporate Management Board since 2001 and acted as the Senior Vice President responsible for Human Resources since 2005. Mrs Laitasalo has been employed by Kesko Corporation since 1979. Mrs Laitasalo's other major duties include being member of the Supervisory Board Varma Mutual Pension Insurance Company since 2012, member of the Board of Senate Properties since 2012, member of the Supervisory Board of The Unemployment Insurance Fund of the Ministry of Social Affairs and Health since 2005, member of the Board of JTO Management Cooperative since 2005, Board member of Edita Plc between 2005 and 2012 and Chair of the Audit Committee between 2005 and 2012, Board member of the Foundation for Vocational Training in the Retail Trade since 1998, Chair of the board of the Kesko Sickness Fund between 1995 and 1997 and since 2005, Board member of the Kesko Pension Fund between 1996 and 1997 and Chair of the board since 1998, Board member of the Federation of Finnish Commerce in 2004, Board member of the Finnish Business & Society between 2003 and 2007 and being Deputy chair of the board of the Pension Foundation for Trade between 1995 and 1997. On 30 June 2012 Mrs Laitasalo owned 12,949 class B shares, 15,000 class 2007B share options and 15,000 class 2007C share options in Kesko.

Merja Haverinen (born 1962) has been a member of the Corporate Management Board and acted as the Senior Vice President responsible for Corporate Communications and Responsibility since 2011. Mrs Haverinen has been employed by Kesko Corporation since 2008. Prior to her current position, Mrs Haverinen acted as Kesko's Finnish Lakeland District Director between 2008 and 2011. Mrs Haverinen has also been employed by TeliaSonera Oyj between 1996 and 2007, Ministry for Foreign Affairs between 1995 and 1996 and Helsinki Mediat Oy between 1984 and 1995. On 30 June 2012 Mrs Haverinen owned 1,516 class B shares and 2,730 class 2007B share options in Kesko.

Jukka Erlund (born 1974) has been a member of the Corporate Management Board and acted as Senior Vice President, CFO, since 2011. Prior to this Mr Erlund acted as Vice President for Finance of Kesko Food Ltd between 2010 and 2011 and he has been employed by Kesko Corporation since 2004. Mr Erlund's other major duties include being member of the Finance and Taxation Committee of the Confederation of Finnish Industries EK since 2012, Chair of the Tax and Economic Policy Committee of the Federation of Finnish Commerce since 2011, Board member of Luottokunta since 2012 and Board member of Suomen Luotto-osuuskunta since 2012. On 30 June 2012, Mr Erlund owned 1,576 class B shares, 2,000 class 2007B share options and 8,000 class 2007C share options in Kesko.

Business Address

The business address of the members of the Board of Directors, the President and Chief Executive Officer and the Corporate Management Board is Satamakatu 3, FI-00160 Helsinki, Finland.

Conflicts of Interest

Apart from Esa Kiiskinen, Tomi Korpisaari and Tomi Pokela who control companies which have chain agreements with a Kesko Group company, the members of the Board of Directors, the Corporate Management Board or the President and Chief Executive Officer do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

Corporate Governance

In its decision making and administration, Kesko applies the Finnish Companies Act and other legal provisions governing public limited companies in Finland, and the Company's articles of association. Kesko also adheres to the insider guidelines of NASDAQ OMX Helsinki Ltd and the Finnish Corporate Governance Code 2010 of the Finnish Securities Market Association. Kesko's Corporate Governance Statement is available on Kesko's website.

The Board of Directors assesses that, of its members, Seppo Paatelainen, Ilpo Kokkila, Maarit Näkyvä, and Virpi Tuunainen are independent of the Company and its significant shareholders and Esa Kiiskinen, Tomi Korpisaari and Toni Pokela are independent of the Company's significant shareholders. The companies controlled by Esa Kiiskinen, Tomi Korpisaari and Tomi Pokela have chain agreements with a Kesko Group company.

Board Committees and the Nomination Board

The Board of Directors has established two permanent committees, the Audit Committee and the Remuneration Committee, to assist it in preparing matters for which the Board of Directors is responsible. The Board is responsible for carrying out the duties it assigns to the committees. The committees report regularly to the Board of Directors on their work. The Board confirms written rules of procedure for the committees. If required, the Board of Directors may appoint other committees and working groups from among its members to prepare matters for the Board's consideration.

The Audit Committee comprises three members of the Board of Directors who are independent of the Company and its significant shareholders and have sufficient knowledge of accounting and financial statement practise. As of the date of this Listing Prospectus, the Audit Committee comprises of Maarit Näkyvä as Chair, Seppo Paatelainen as Deputy Chair and Virpi Tuunainen as an ordinary member. The main duties of the Audit Committee are to monitor Kesko Group's financial and funding situation and the process of the Company's financial statements reporting, supervising the Company's financial reporting process and evaluating the efficiency of the Company's internal control, internal audit and risk management systems.

The Remuneration Committee comprises three members of the Board of Directors who are independent of the Company's significant shareholders and the majority of which is independent of the Company. The Remuneration Committee comprises Esa Kiiskinen as Chair, Seppo Paatelainen as Deputy Chair and Ilpo Kokkila as an ordinary member. The main duties of the Remuneration Committee are to prepare matters pertaining to the compensation and other financial benefits of the Company's President and Chief Executive Officer and to prepare the managing director's service contract to the Board of Directors, to prepare matters pertaining to the compensation and other financial benefits of the Corporate Management Board members responsible for lines of business and to prepare matters pertaining to the appointment of the President and CEO and the Corporate Management Board members responsible for lines of business, and identification of their possible successors.

Significant shareholders

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 1, Section 5 of the Finnish Securities Markets Act, and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus. They will be published on the Company's website at www.kesko.fi/sijoittajat and www.kesko.fi/investors.

| Document | Information Incorporated by Reference |
|---|---|
| Interim Report 1 January – 30 June 2012 | Kesko's unaudited consolidated interim report as of and for the six months ended 30 June 2012 |
| Annual Report 2011, pages 61–133 | Financial Statements as of and for the year ended 31 December 2011 |
| Annual Report 2011, page 133 | Auditor's Report for the year 2011 |
| Annual Report 2010, pages 80–151 | Financial Statements as of and for the year ended 31 December 2010 |
| Annual Report 2010, page 151 | Auditor's Report for the year 2010 |

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, Kesko's Articles of Association and Extract from the Finnish Trade Register concerning Kesko may be inspected during the loan period at the head office of the Company, Satamakatu 3, FI-00160 Helsinki, Finland on weekdays from 9:00 am to 4:00 pm. In order to ensure the best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify the Company of their visit in advance by telephone (+358 10 5311).

The Company publishes annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by the Helsinki Stock Exchange. All annual reports, interim reports and stock exchange releases are published in Finnish and English. Copies of these documents can be obtained from Kesko, Satamakatu 3, FI-00160 Helsinki, tel. +358 10 5311 or by email at IR@kesko.fi.

ANNEX A: TERMS AND CONDITIONS OF THE NOTES

KESKO CORPORATION EUR 250,000,000 NOTES DUE 2018

TERMS AND CONDITIONS OF THE NOTES

The Board of Directors of Kesko Corporation (the “**Issuer**”) has at its meeting on 29 May 2012 authorised the issue of notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended in 746/1993) (*Velkakirjalaki*) (the “**Notes**”) and authorised President and CEO or a person authorised by him to decide on the definitive terms and conditions of the Notes, which are as specified below.

Danske Bank A/S and Nordea Bank Finland Plc will act as arrangers in connection with the offer and issue of the Notes (the “**Arrangers**”).

1. Principal Amount and Issuance of the Notes

The principal amount of the Notes is two-hundred and fifty million euros (EUR 250,000,000) or a higher amount, as may later be determined by the Issuer.

The Notes will be issued in dematerialised form in the RM book-entry securities system of Euroclear Finland Ltd (“**Euroclear Finland**”) (or any system replacing or substituting the RM book-entry securities system in accordance with the decisions and regulations of Euroclear Finland), address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland, in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland.

The issue administrator (in Finnish *liikkeeseenlaskun hoitaja*) of the Notes referred to in the regulations of Euroclear Finland (the “**Issue Administrator**”) and the paying agent of the Notes (the “**Paying Agent**”) is Sampo Bank plc.

The issue date of the Notes is 11 September 2012 (the “**Issue Date**”).

The Notes will be offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit relating to the Notes (in Finnish *arvo-osuuden yksikkökoko*) is EUR 1,000. The maximum number of the Notes is 250 000, or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

2. Subscription of the Notes

The Notes shall be offered for subscription mainly to institutional investors through a book-building procedure (*private placement*). The subscription period shall commence and end on 4 September 2012 (the “**Subscription Period**”).

Bids for subscription shall be submitted to Danske Bank A/S, Fixed Income Sales, Hiililaiturinkuja 2, Helsinki, FI-00075 SAMPO BANK, Finland, telephone +358 10 513 8756 or +358 10 513 8750, or, Nordea Bank Finland Plc, Nordea Markets/Institutional Sales, Aleksis Kiven katu 9, Helsinki, FI-00020 NORDEA, Finland, telephone +358 9 369 50880, during the Subscription Period and within regular business hours.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Subscriptions shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be entered by the Issue Administrator to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland.

3. Issue Price

The issue price of the Notes is 99.461 per cent.

4. Interest

The Notes bear fixed interest at the rate of 2.75 per cent, per annum. The interest on the Notes will be paid annually in arrear commencing on 11 September 2013 and thereafter on each 11 September (“**Interest Payment Date**”) until the Redemption Date (as defined below).

Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date (as defined below).

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of a leap year, 366).

5. Redemption

The Notes shall be repaid in full at their nominal principal amount on 11 September 2018 (the “**Redemption Date**”), unless the Issuer has prepaid the Notes in accordance with Clause 8 (*Change of Control*) or 10 (*Events of Default*) below.

6. Status and Security

The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking *pari passu* among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

The Notes involve a risk of the Issuer's repayment ability.

7. Payments

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland.

Should any Interest Payment Date or the Redemption Date fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these terms and conditions, “**Business Day**” means a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

8. Change of Control

If, after the Issue Date, any person or group of persons acting in concert, other than the K-Retailers and the associations thereof, directly or indirectly, gains control of the Issuer, upon becoming aware of that event, the Issuer shall promptly notify the holders of Notes (the “**Noteholders**”) of such event in accordance with Clause 13 (*Notices*).

Upon occurrence of a change of control, the Issuer shall, on the Prepayment Date (as defined below), prepay the nominal principal amount of and the interest accrued on the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

If Notes representing more than seventy-five (75) per cent. of the aggregate nominal principal amount of the Notes have been prepaid on the Prepayment Date pursuant to this Clause 8, the Issuer is entitled to prepay also the remaining outstanding Notes at their principal amount with accrued interest but without any premium or penalty by notifying the relevant Noteholders in accordance with Clause 13 no later than 15 Business Days after the Prepayment Date. Such prepayment may be effected at the earliest on the tenth (10th) Business Day following the date of publication of such notice.

“**K-Retailers**” means persons who enter into long-term contractual agreements with the Issuer or its direct or indirect subsidiary to operate retail stores.

“**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate control of the Issuer;

“**control**” means either:

- (a) ownership of shares of the Issuer representing more than 50 per cent. of the total voting rights represented by the shares of the Issuer; or
- (b) capability of appointing the majority of the board of directors of the Issuer.

“**Prepayment Date**” means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Clause 8.

9. Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its subsidiaries will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes or bonds, debentures, debenture stock or loan stock issued after the issuance of the Notes that are capable of being listed on a stock exchange or subject to trading in a regulated market (or create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the granting of such security interest is required under Finnish law or other law governing such notes or bonds, debentures, debenture stock or loan stock, or unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either (a) are secured equally and rateable therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Clause 12 (h) (*Noteholders’ Meeting*)).

10. Events of Default

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer *provided* that an Event of Default is continuing on the date of receipt of the notice by the Issuer and on the specified early repayment date. Interest accrues until the early repayment date (excluding the early repayment date).

Each of the following events shall constitute an Event of Default:

- (a) **Non-Payment:** Any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Clause 14 (*Force Majeure*).
- (b) **Cross Default:** Any outstanding Indebtedness (including guarantees given by the Issuer) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of twenty-five million euros (EUR 25,000,000) or its equivalent in any other currency is accelerated prematurely because of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof or within any applicable grace period after the due date, or if any security given by the Issuer for any such Indebtedness becomes enforceable by reason of default. A Noteholder shall not be entitled to demand repayment under this sub-Clause (b) if the Issuer has *bona fide* disputed the existence of the occurrence of an Event of Default under this sub-Clause (b) in the relevant court or in arbitration as long as such dispute has not been finally and adversely adjudicated against the Issuer without any appeal period.

“**Indebtedness**” means, for the purposes of these terms and conditions, interest bearing debt (whether principal, premium, interest or other amounts) in respect of any notes, bonds, debentures, debenture stock, loan stock or any borrowed money of the Issuer or any of its Material Subsidiaries.

- (c) **Negative Pledge:** the Issuer does not comply with its obligations under Clause 9 (*Negative Pledge*).
- (d) **Cessation of Business:** The Issuer ceases to carry on its current business in its entirety.

- (e) **Winding-up:** An order is made or an effective resolution is passed for the winding-up (in Finnish “selvitystila”), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (in Finnish “perusteeton”) or vexatious (in Finnish “oikeuden väärinkäyttö”), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis.
- (f) **Insolvency:** (i) The Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts (as described under Indebtedness under Cross Default) having an aggregate value of EUR 25,000,000 or its equivalent in any other currency as they fall due; (ii) or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness or (iii) an application is filed for it being subject to bankruptcy or re-organisation proceedings, or for the appointment of an administrator or liquidator of any of the Issuer’s or its Material Subsidiaries’ assets, save for any such applications that are contested in good faith and as long as such application has not been finally and adversely adjudicated against the Issuer or its Material Subsidiary without any appeal period.

“**Material Subsidiary**” means for the purposes of these terms and conditions, at any time, any subsidiary of the Issuer:

- (a) whose sales or total assets represent not less than ten (10) per cent. of the consolidated sales or the consolidated total assets of the Issuer’s group taken as a whole, all as calculated by reference to the then most recent audited financial statements of the Issuer’s group; or
- (b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

“**subsidiary**” and “**group**” mean a subsidiary and a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended) (in Finnish: “*Kirjanpitolaki*”).

11. Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of Finland or any political subdivision or authority of Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

12. Noteholders’ Meeting

- (a) The Issuer may convene a meeting of Noteholders (a “**Noteholders’ Meeting**”) to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland must be notified of the Noteholders’ Meeting in accordance with the regulations of Euroclear Finland.
- (b) Notice of a Noteholders’ Meeting shall be published in accordance with Clause 13 (*Notices*) no later than ten (10) calendar days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting as well as any action required on the part of a Noteholder to attend the meeting. No matters other than those referred to in the notice may be resolved upon at the Noteholders’ Meeting.
- (c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as holders of Notes on the fifth (5th) Business Day prior to the Noteholders’ Meeting on the list of holders of Notes to be provided by Euroclear Finland in accordance with Clause 13 (*Notices*), or proxies authorised by such holders of Notes, shall, if holding any of the principal amount of the Notes at the time of the meeting, be entitled to vote at the meeting and shall be recorded in the list of the holders of Notes present in the Noteholders’ Meeting.
- (d) Noteholders’ Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer.
- (e) Noteholders’ Meeting shall constitute a quorum only if two (2) or more Noteholders holding fifty (50) per cent. or more of the principal amount of the Notes outstanding are present in the meeting.
- (f) If, within thirty (30) minutes after the time specified for the start of the Noteholders’ Meeting, a quorum is not present, any consideration of the matters to be dealt with at the meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than fourteen (14) calendar days and no later than twenty-eight (28) calendar days after the original meeting at a place to be determined by the Issuer.

The adjourned Noteholders' Meeting shall constitute a quorum if two (2) or more Noteholders holding ten (10) per cent. or more of the principal amount of the Notes outstanding are present.

- (g) Notice of an adjourned Noteholders' Meeting shall be given in the same manner as notice of the original meeting. The notice shall also state the requirements for the constitution of a quorum.
- (h) Voting rights of Noteholders shall be determined according to the principal amount of the Notes held. The Issuer and any companies belonging to its group shall not hold voting rights at the Noteholders' Meeting.
- (i) Resolutions shall be carried by a majority of two-thirds (2/3) of the votes cast.
- (j) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders' Meeting.
- (k) A Noteholders' Meeting is entitled to make the following decisions that are binding on all Noteholders:
 - (i) to change the terms and conditions of the Notes; and
 - (ii) to grant a temporary waiver on the terms and conditions of the Notes.

However, consent of ninety-five (95) per cent of the aggregate principal amount of the outstanding Notes is required to:

- (i) decrease the principal amount of or interest on the Notes;
- (ii) extend the maturity of the Notes;
- (iii) amend the requirements for the constitution of a quorum at a Noteholders' Meeting; or
- (iv) amend the majority requirements of the Noteholders' Meeting.

The consents can be given at a Noteholders' Meeting or by other verifiable means.

The Noteholders' Meeting can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting.

- (l) Resolutions passed at a Noteholders' Meeting shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting.
- (m) Resolutions passed at a Noteholders' Meeting shall be notified to the Noteholders in accordance with Clause 13. In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders or a Noteholders' Meeting.

13. Notices

Noteholders shall be advised of matters relating to the Notes by a notice published in Helsingin Sanomat or any other daily newspaper selected by the Issuer. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Clause 13.

In order to facilitate giving of notices to the Noteholders pursuant to this Clause 13, the Issue Administrator is entitled to obtain information necessary for such purpose from Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issue Administrator.

Address for notices to the Issuer is as follows:

Kesko Corporation
Group Treasury
Satamakatu3
FI-00016 Kesko

14. Force Majeure

The Issuer, the Arrangers, the Issue Administrator or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

- (a) action of any authorities, war or threat of war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Arrangers, the Issue Administrator or the Paying Agent and that materially affect operations of any of them;
- (c) any interruption of or delay in any functions or measures of the Issuer, the Arrangers, the Issue Administrator or the Paying Agent as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Arrangers, the Issue Administrator or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, the Arrangers, the Issue Administrator or the Paying Agent.

15. Time Bar

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by the Noteholder and the Issuer shall be permanently free from such payment.

16. Listing and Secondary Market

An application has been made to have the Notes listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd.

Offers to purchase and sell Notes may be submitted to the Arrangers, but the Arrangers are under no obligation to maintain a secondary market for the Notes.

The Issuer shall be entitled to repurchase Notes from the secondary market. The repurchased Notes may be resold or nullified.

17. Purchases

The Issuer may at any time purchase Notes in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

The Issuer shall be entitled to cancel, dispose of or hold the Notes purchased in accordance with the first paragraph of this Clause 17.

18. Further Issues

The Issuer may from time to time, without the consent of and notice to the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the issued and, if needed, also the maximum aggregate principal amount of the Notes or otherwise. For the avoidance of doubt, this Clause 18 shall not limit the Issuer's right to issue any other notes.

19. Information

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Satamakatu 3, FI-00160 Helsinki, Finland, at Danske Bank A/S, Hiililaiturinkuja 2, Helsinki, FI-00075 SAMPO BANK, Finland, and at Nordea Bank Finland Plc / Nordea Markets, Aleksis Kiven katu 9, Helsinki, FI-00020 NORDEA, Finland.

20. Applicable Law and Jurisdiction

The Notes are governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (*Helsingin käräjäoikeus*). However, any plaintiff that qualifies under Finnish law as a consumer is entitled to proceed at the district court of the plaintiff's domicile.

21. ISIN Code

The ISIN code of the Notes is FI4000047162.

ANNEX B: ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

| | |
|---------------------------------------|---|
| Decisions and authorisations: | Authorisation of the Board of Directors of the Issuer dated 29 May 2012. |
| Type of the Issue: | Individual issue of Notes offered mainly to institutional investors. The maximum principal amount of the Notes (EUR 250,000,000) was issued on 11 September 2012. |
| Interests of the Lead Managers: | Business interest normal in the financial markets. |
| Form of Notes: | Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Finland. |
| Depository and Settlement System: | Euroclear Finland, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland, RM system of Euroclear Finland. |
| Listing: | Application has been made to have the Notes listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd. |
| Estimated time of listing: | On or about 12 September 2012. |
| Estimated net amount of the proceeds: | Approximately EUR 248.2 million. |
| Estimated cost of issue and listing: | Approximately EUR 0.9 million. |
| Rate of interest of the Notes: | 2.75 per cent per annum. |
| Effective yield of the Notes: | 2.849 per cent. |
| Taxation: | <p>If the recipient of interest paid on the Notes is an individual residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is subject to preliminary withholding tax in accordance with the Finnish Withholding Tax Act (Fi: <i>ennakkoperintälaki</i>) (1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (Fi: <i>tuloverolaki</i>) (1535/1992, as amended). The current rate of withholding tax is 30 per cent. The capital income tax is 30 per cent (32 per cent of the capital income exceeding EUR 50,000). The Finnish Act on Source Tax on Interest Income (Fi: <i>laki korkotulon lähdeverosta</i>) (1341/1990, as amended) is not applicable to the Notes.</p> <p>If the recipient of interest paid on the Notes is a corporation further defined in Finnish Income Tax Act (Fi: <i>tuloverolaki</i>) (1535/1992, as amended) residing in Finland, such interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (Fi: <i>laki elinkeinotulon verottamisesta</i>) (360/1968, as amended). The current rate of corporate income tax is 24.5 per cent. In case the subscriber is liable to pay the interest accrued from the Issue Date until the payment date of the subscription, the subscriber is entitled to deduct the paid interest from the taxable income of the year of subscription.</p> <p>Payment of interest to a Noteholder, who is neither a resident in Finland nor engaged in trade or business in Finland through a permanent establishment, is not subject to Finnish withholding tax.</p> |

The Noteholders are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

ISIN Code of the Notes:

FI4000047162

Use of proceeds:

General corporate purposes.

THE COMPANY

Kesko Corporation
Satamakatu 3
FI-00160 Helsinki
Finland

LEAD MANAGERS

Danske Bank A/S
Hiililaiturinkuja 2, Helsinki
FI-00075 SAMPO BANK
Finland

Nordea Bank Finland Plc
Satamaradankatu 5, Helsinki
FI-00020 NORDEA
Finland

LEGAL ADVISER TO THE COMPANY

Castrén & Snellman Attorneys Ltd
Eteläesplanadi 14
FI-00130 Helsinki
Finland

AUDITOR

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00100 Helsinki
Finland