



Interim report

January-September 2010

26 October 2010

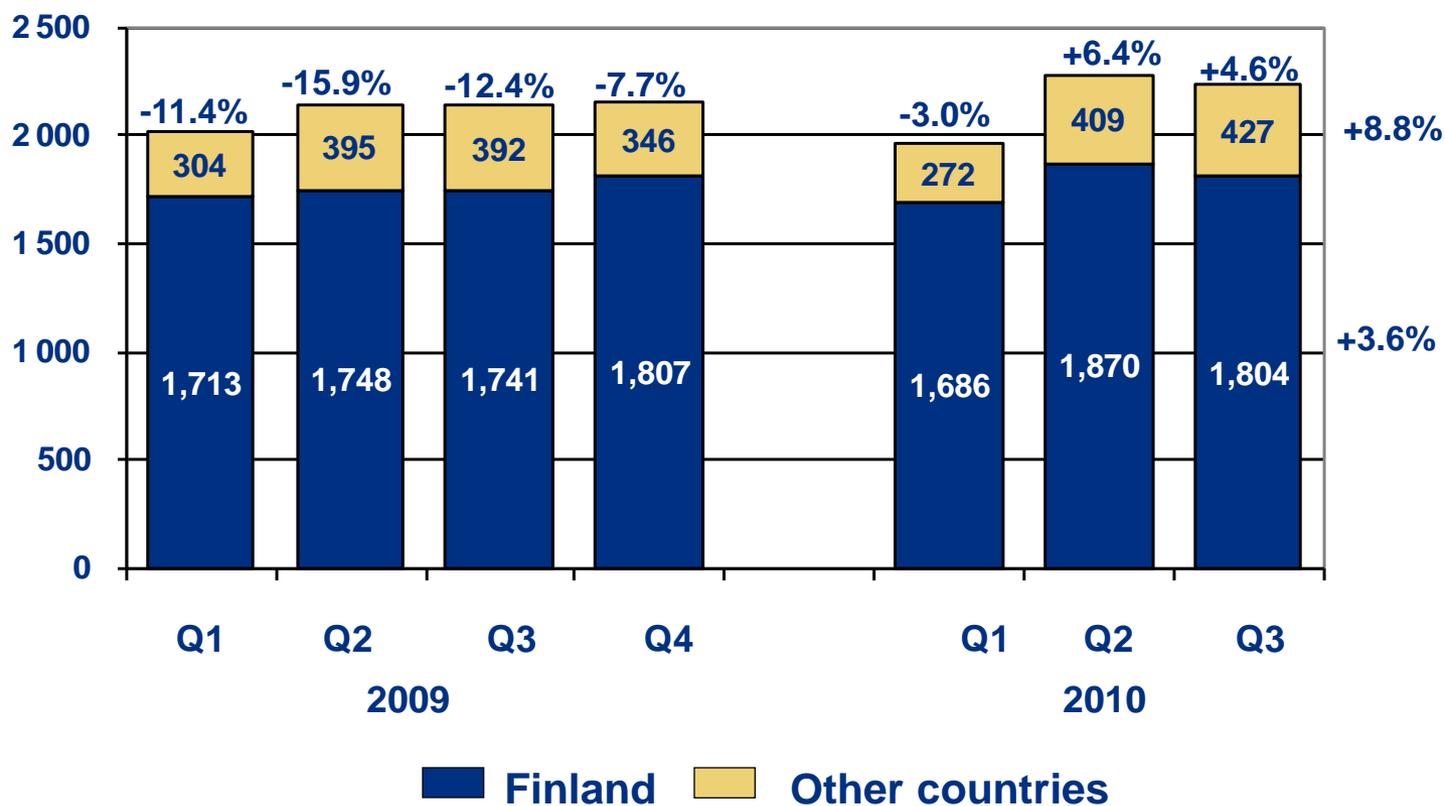
CFO Arja Talma

KESKO

Excellent profit performance in all divisions

- In the food trade, efficiency and profit improvement continued. Sales performance exceeded market growth
- K-citymarket, Anttila, Intersport , Asko and Sotka recorded significant profit improvements
- Rebound in the building and home improvement trade increased sales and has already also improved profit
- The car and machinery trade achieved a profit improvement as expected. The market share of Volkswagen and Audi increased
- Projects for competitive advantage are in progress
- Solvency and liquidity continued to strengthen

Group's net sales by quarter (M€)

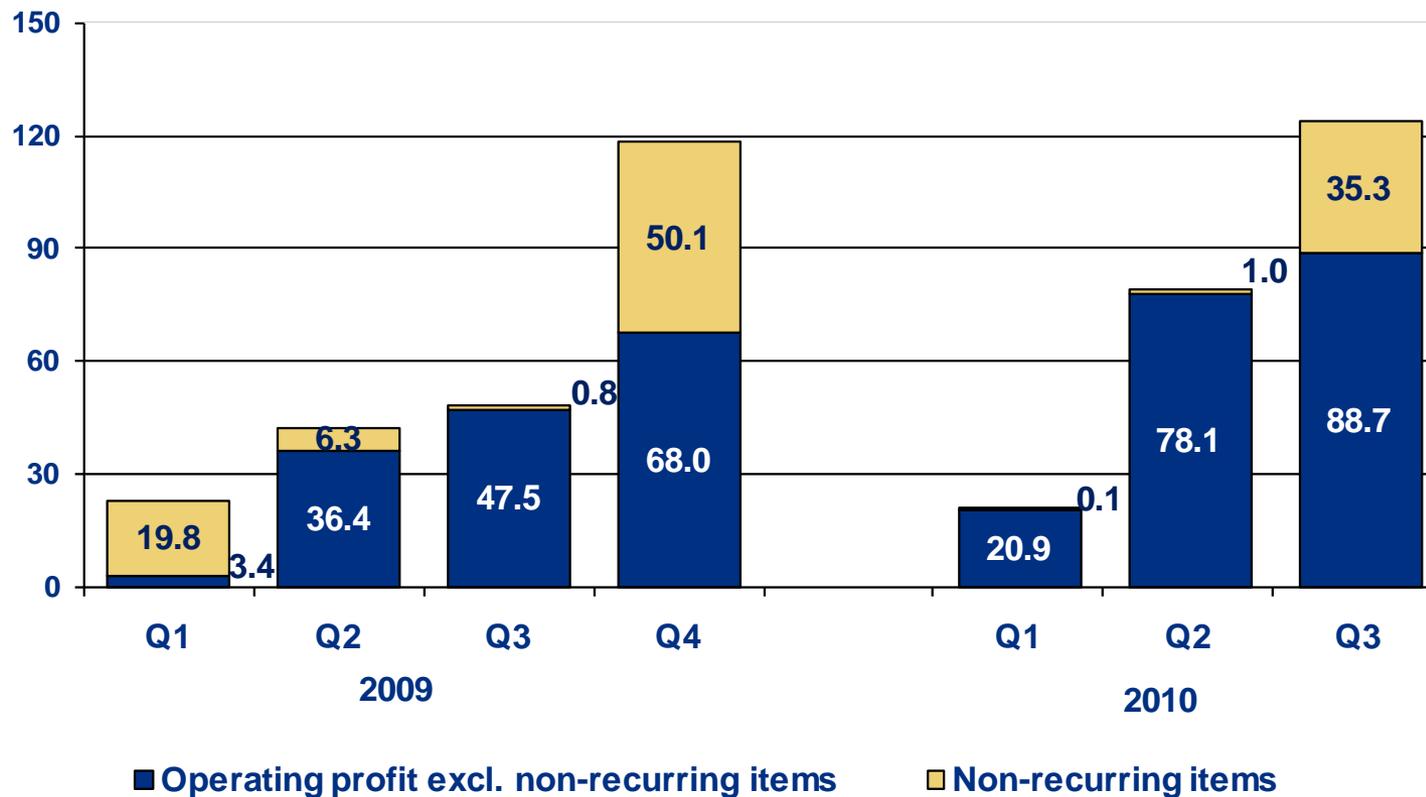


Net sales by division

1.1.-30.9. (M€)

	2010	2009	Change,%
Food trade	2,874	2,827	1.7
Home and speciality goods trade	1,068	1,058	0.9
Building and home improvement trade	1,894	1,787	6.0
Car and machinery trade	752	743	1.2
Common operations and eliminations	-120	-121	-0.3
Total	6,467	6,294	2.8

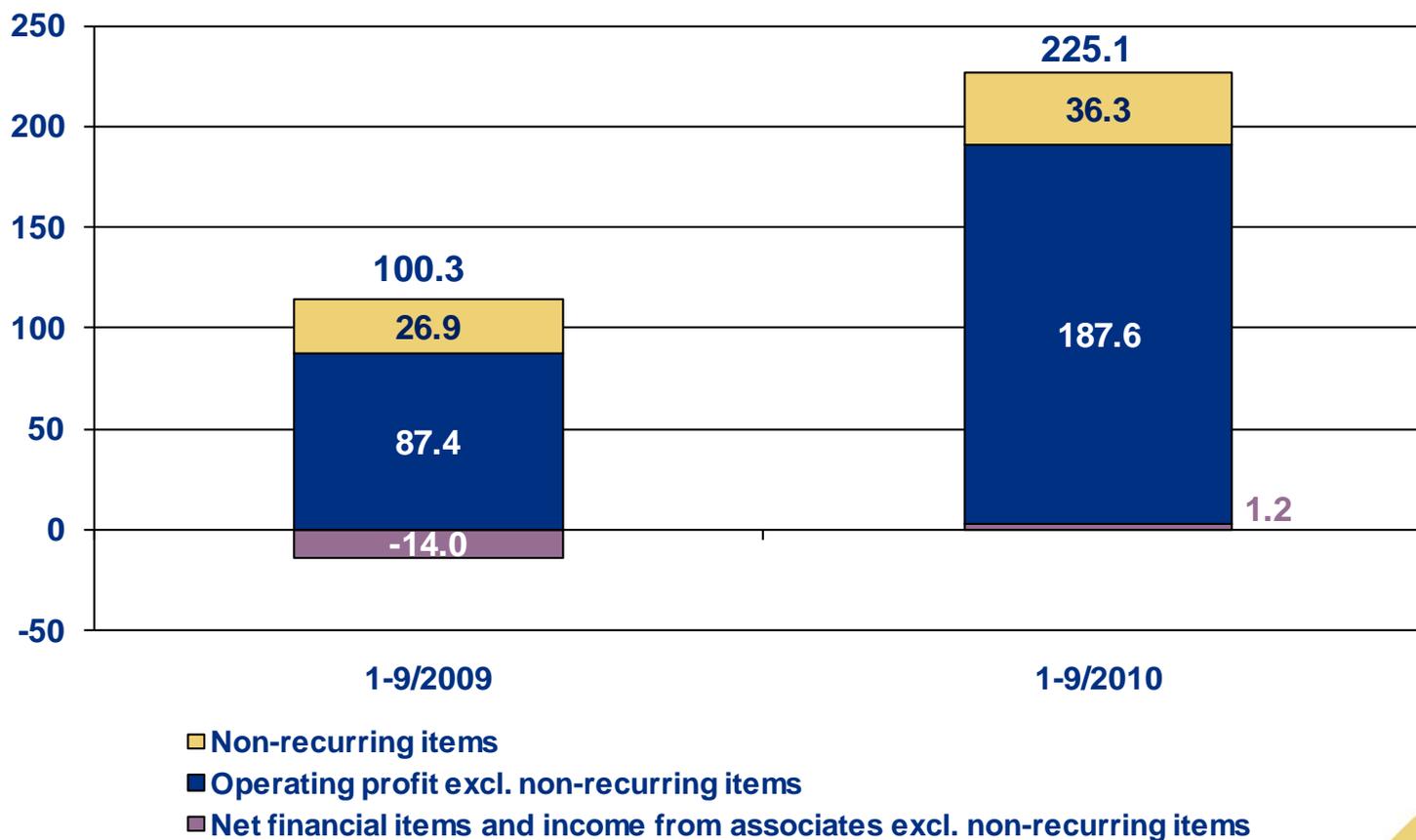
Operating profit by quarter (M€)



Operating profit excl. non-recurring items by division 1.1.-30.9. (M€)

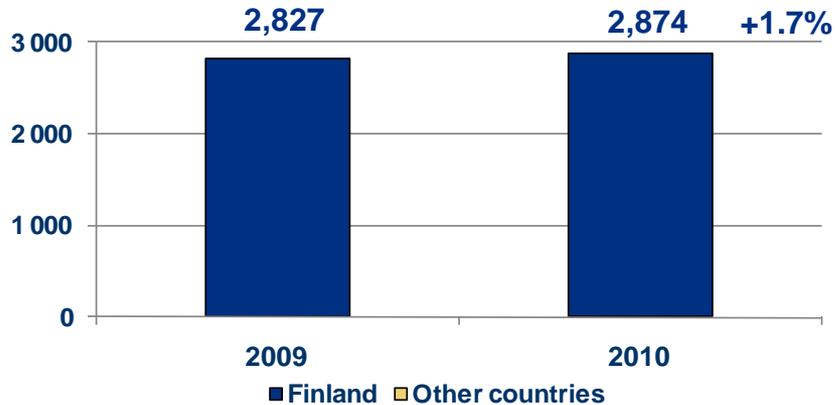
	2010	2009	Change
Food trade	123.3	99.4	23.9
Home and speciality goods trade	20.3	-10.2	30.5
Building and home improvement trade	24.2	14.0	10.2
Car and machinery trade	29.2	-2.4	31.6
Common operations and eliminations	-9.4	-13.4	4.1
Total	187.6	87.4	100.3

Group's profit before tax 1-9/2010 (M€)

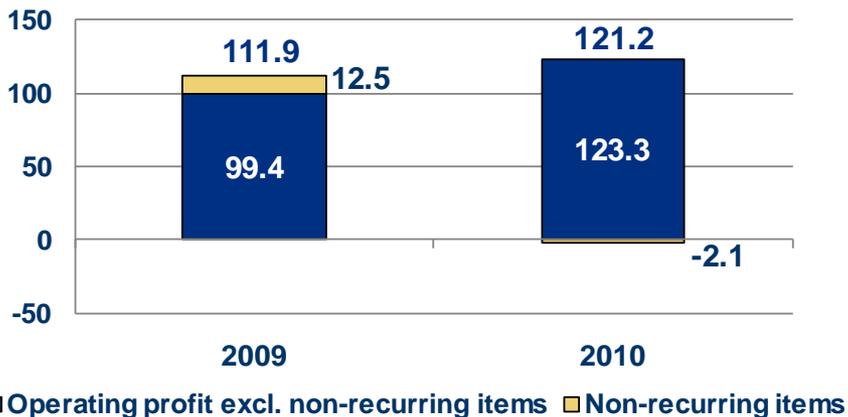


Food trade 1-9/2010

Net sales 1-9, M€



Operating profit 1-9, M€

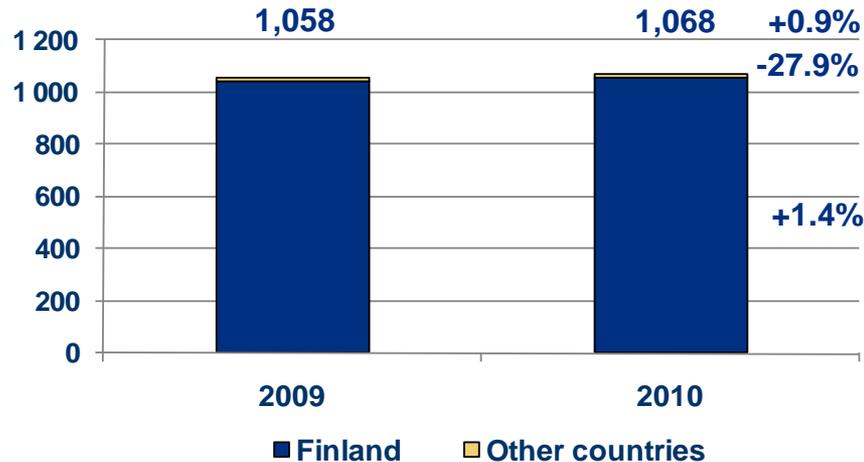


- K-food stores' grocery sales growth rate exceeded that of the market (3.5%, VAT 0%)
- Operating efficiency and profit continued to improve
 - Stores opened in recent years have rapidly reached their target level sales
- Five new K-supermarkets and eight K-markets were opened
- Investments in store site network were €48.5 million (€49.9 million)
- Seven K-citymarkets and 13 K-supermarkets are being built

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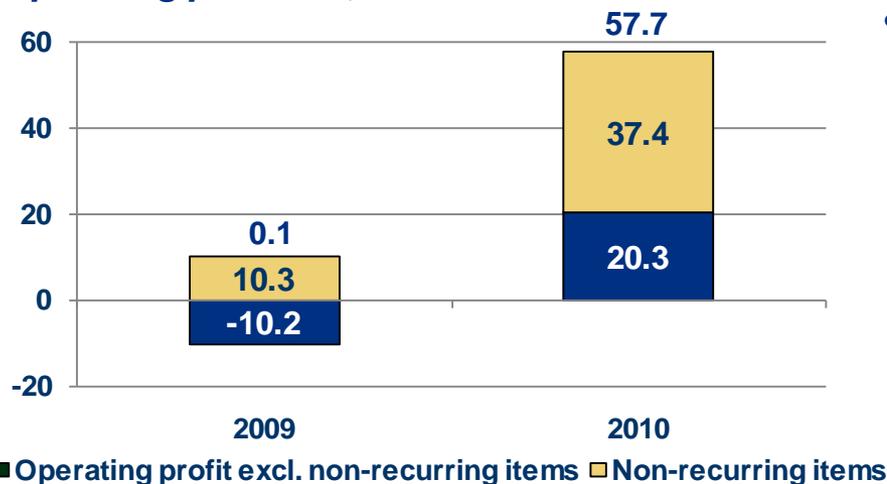
Home and speciality goods trade 1-9/2010

Net sales 1-9, M€



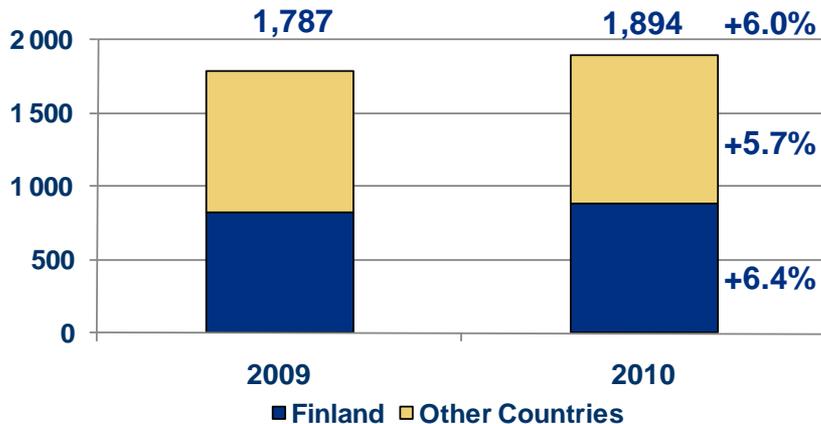
- K-citymarket and Budget Sport achieved best sales performances
- Sunday opening increased sales
- K-citymarket, Asko and Sotka, Anttila and Intersport recorded significant profit improvements
- Investments in the home and speciality goods trade were €16.9 million (€22.8 million)
- Anttila's automated logistics centre being built in Kerava
 - Materially improves also e-commerce logistics

Operating profit 1-9, M€



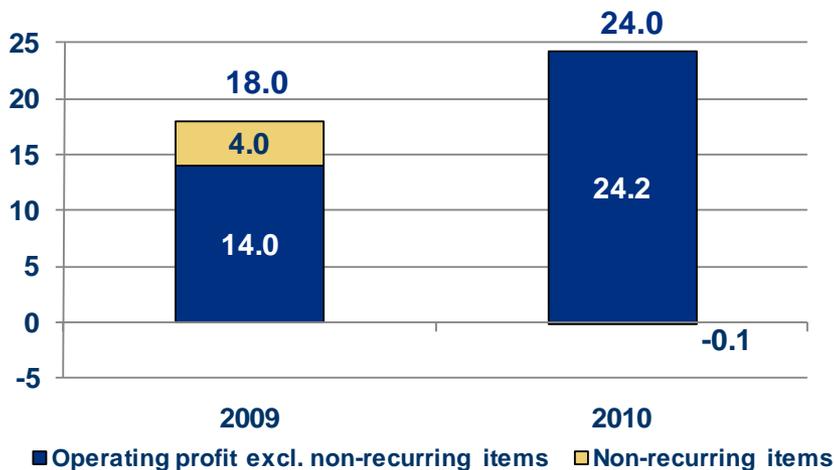
Building and home improvement trade 1-9/2010

Net sales 1-9, M€



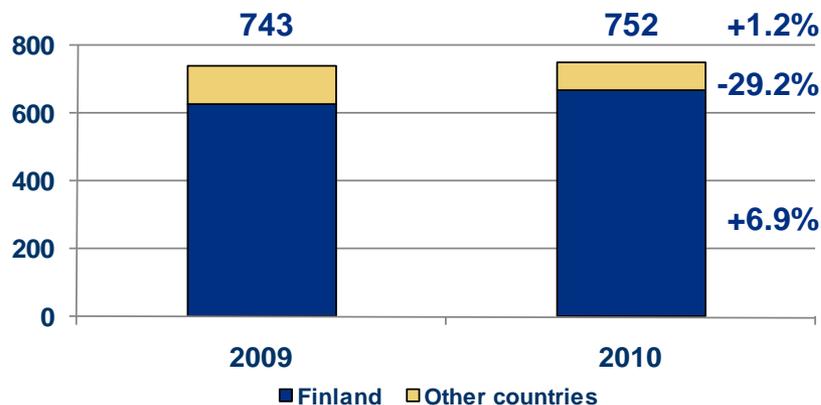
- The building and home improvement market saw a positive trend, except for Latvia and Estonia
- Rebound in the building and home improvement trade increased sales and has already also improved profit
- New K-rauta stores were opened in Jyväskylä, Stockholm, Tula, Kaluga and Minsk
- Investments were €33.3 million (€65.3 million)
- K-rauta stores are being built in Kouvola, Uppsala, Haaparanta, St. Petersburg, and two in Moscow

Operating profit 1-9, M€

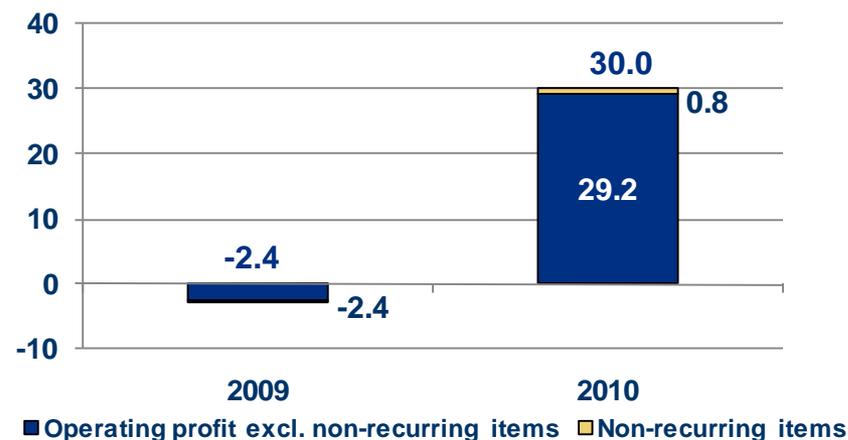


Car and machinery trade 1-9/2010

Net sales 1-9, M€

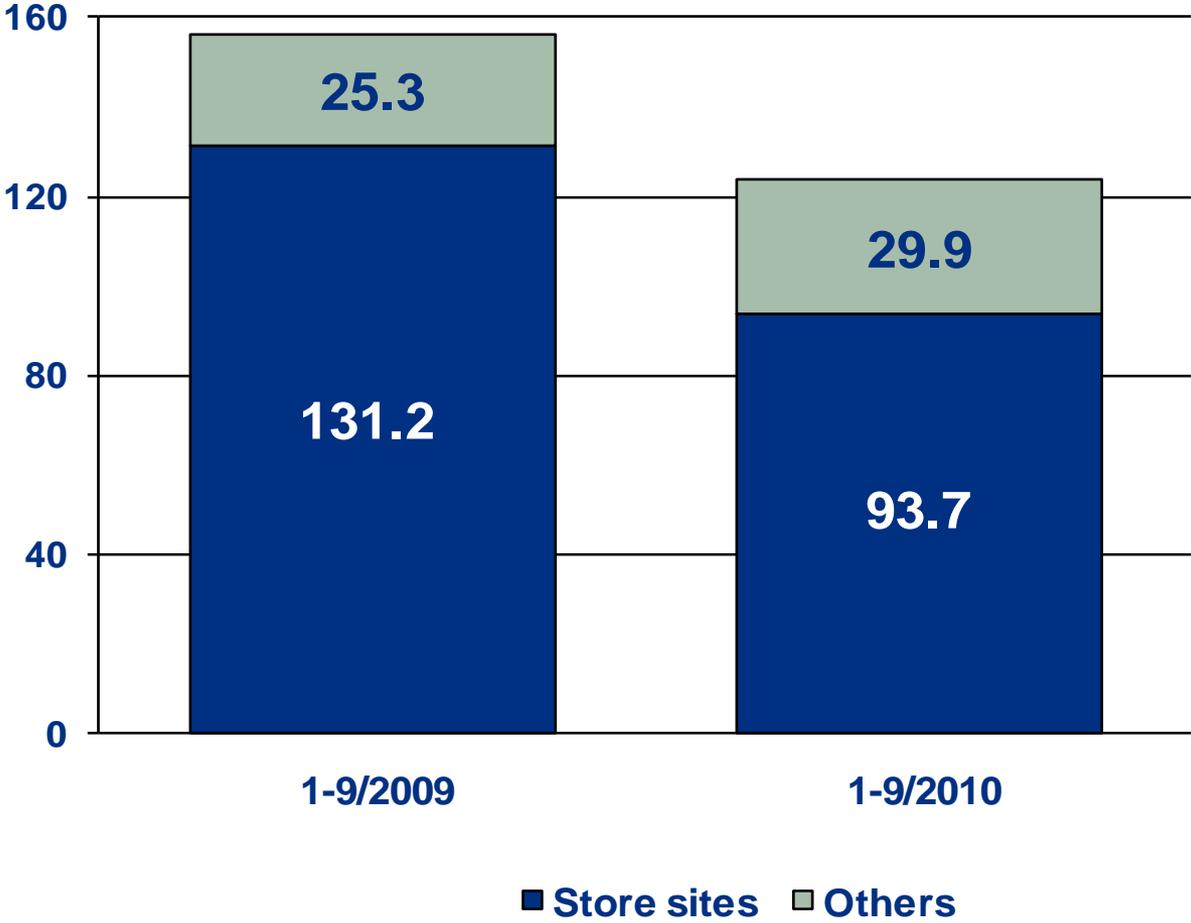


Operating profit 1-9, M€

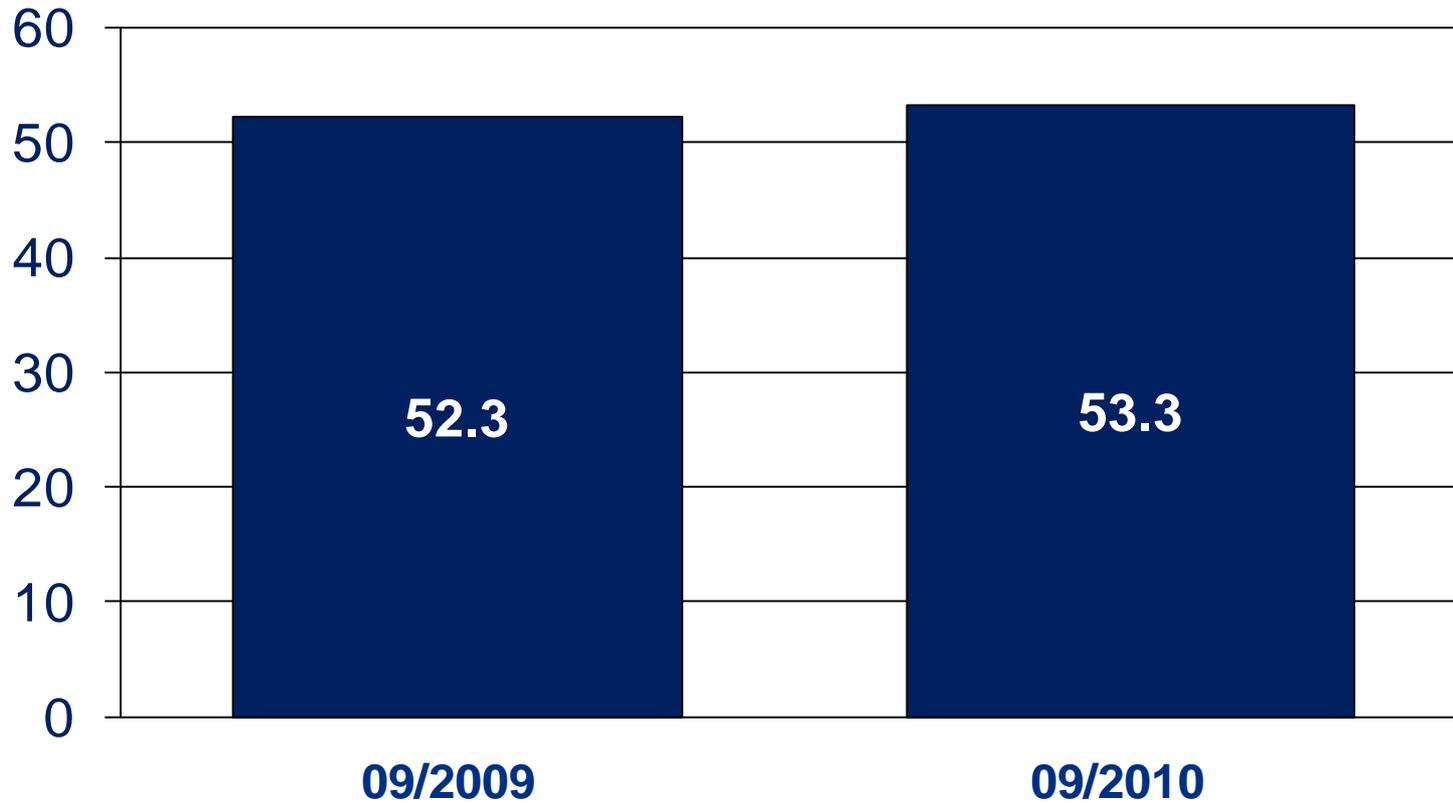


- Comparable net sales of the car and machinery trade grew by 14%
 - VV-Auto's comparable net sales increased by 19%
 - Konekesko's net sales decreased due to the disposal of the Baltic agricultural supplies trade
- Market share of Audi, Volkswagen and Seat 19.2% (18.3%)
- Increase in car trade and cost savings in the machinery trade contributed to the improvement of operating profit
 - profit improved as expected
- Investments in the car and machinery trade were €13.1 million (€8.5 million)
- Audi and Volkswagen Center Airport outlets were opened in Aviapolis, Vantaa

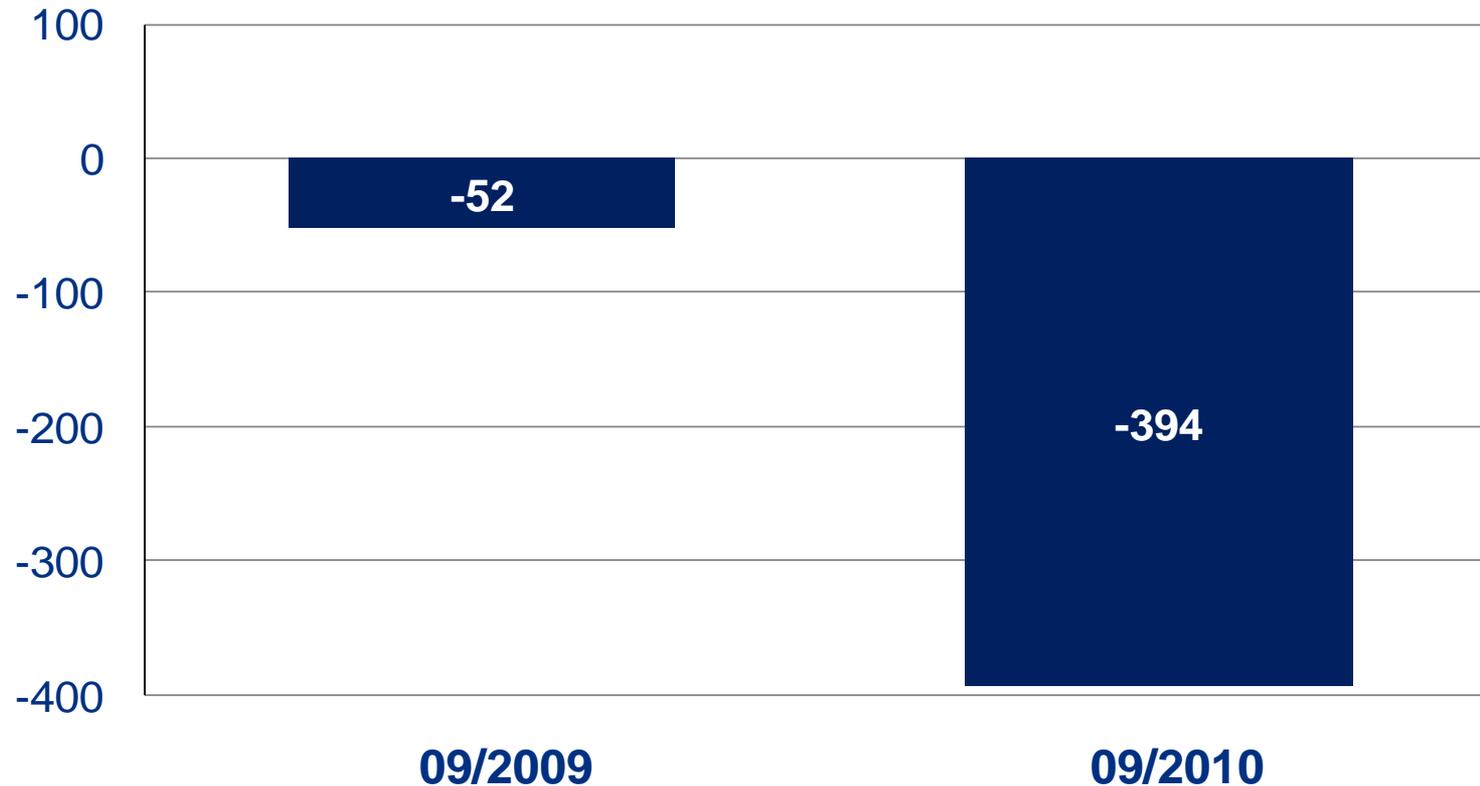
Group's investments (M€)



Equity ratio, %

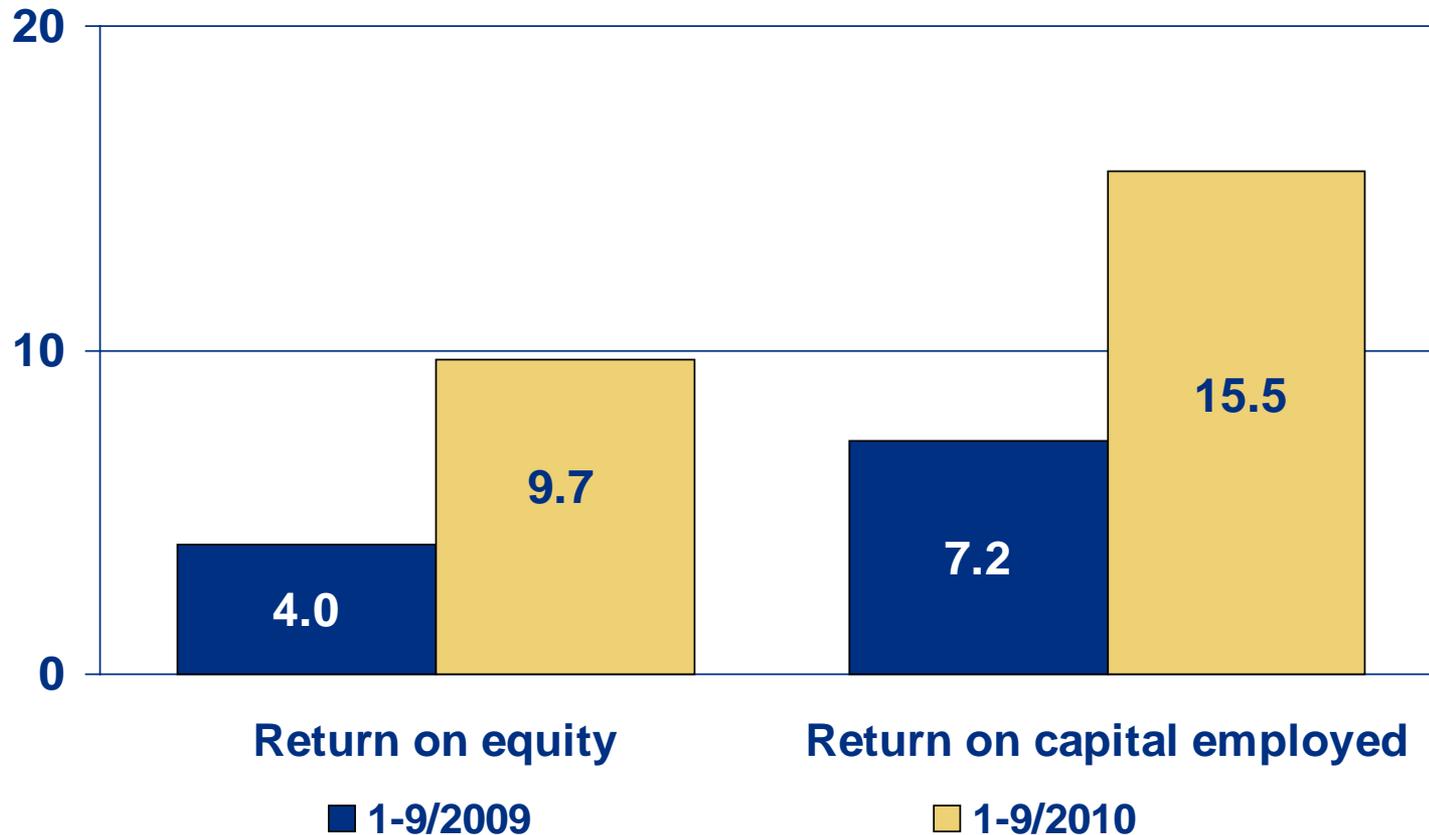


Interest-bearing net liabilities (M€)



Liquid assets 9/2010 850 M€ (9/2009 536 M€)

Return on capital, %, 1-9/2010



Excl. non-recurring items 1-9/2010 8.0%
1-9/2009 2.6%

Excl. non-recurring items 1-9/2010 13.0%
1-9/2009 5.5%

Performance indicators

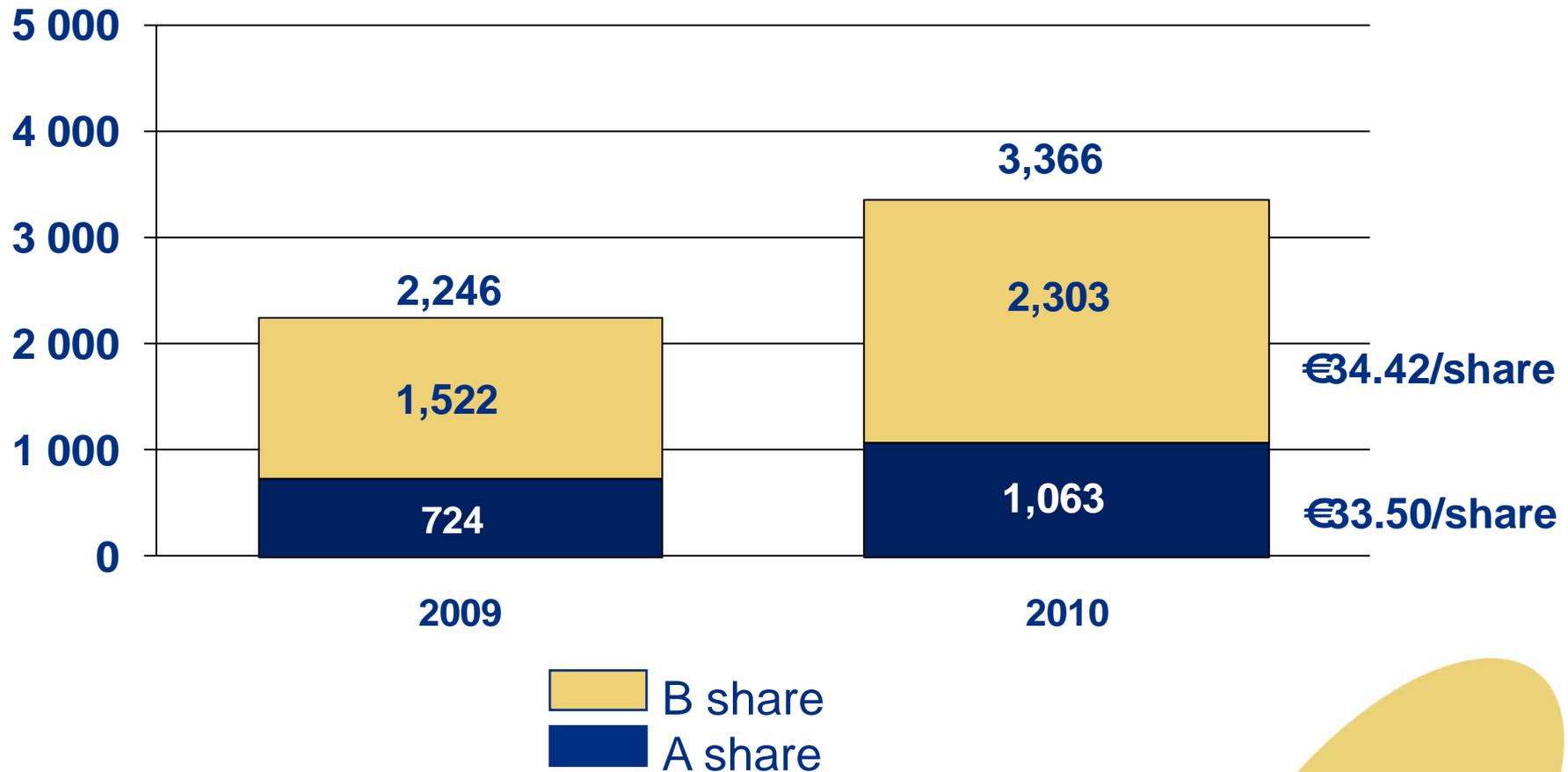
	1-9/2010	1-9/2009
Net sales, € million	6,467	6,294
Operating profit, € million	223.9	114.3
Operating profit excl. non-recurring items, € million	187.6	87.4
Group's profit before tax, € million	225.1	100.3
Investments, € million	123.6	156.5
Earnings/share, €, diluted	1.48	0.55
Earnings/share excl. non-recurring items, €, basic	1.21	0.35
Equity/share, €	21.10	19.60
Equity ratio, %	53.3	52.3
Cash flow from operating activities, € million	268.8	255.6
Cash flow from investing activities, € million	-46.8	-65.4

Share price trend 12 mo



Market capitalisation

30.9. (M€)



Future outlook

Estimates of the future outlook for the Kesko Group's net sales and operating profit excluding non-recurring items are given for the 12 months following the reporting period (10/2010-9/2011) in comparison with the 12-month period preceding the reporting period (10/2009-9/2010).

The outlook for trends in consumer demand has remained steady, especially as a result of higher consumer confidence and continuously low interest rate levels. Nevertheless, the trend in economic development continues to involve significant uncertainties relating to the evolution of total production, tightening taxation and ramifications of possible disturbances in the financial market.

The trend in the grocery trade is expected to continue steadily. In the home and speciality goods trade, the market recovery is expected to continue as a result of higher consumer confidence. As house building activity increases, the building and home improvement market is expected to continue strengthening in the Nordic countries, and the decline is expected to ease in the other operating countries. In the car and machinery trade, new car sales are expected to increase, and the market situation in the machinery trade is expected to recover gradually.

The Kesko Group's net sales are expected to grow during the next twelve months.

Kesko's operating profit excluding non-recurring items has more than doubled during the past twelve months. During the next twelve months, the operating profit excluding non-recurring items is expected to remain at the achieved level, despite a significant expansion of the store site network.

70 years of Kesko

Four provincial retailer-owned wholesale companies, Oy Savo-Karjalan Tukkuoliike, Keski-Suomen Tukkukauppa Oy, Kauppiainen Oy and Maakauppiainen Oy established Kesko in October 1940.

Kesko Corporation was entered in the Trade Register on 3 January 1941 and it started business operations.



Thank you!

KESKO