



Financial statements
January-December 2009
5 February 2010

KESKO

Kesko's financial statements

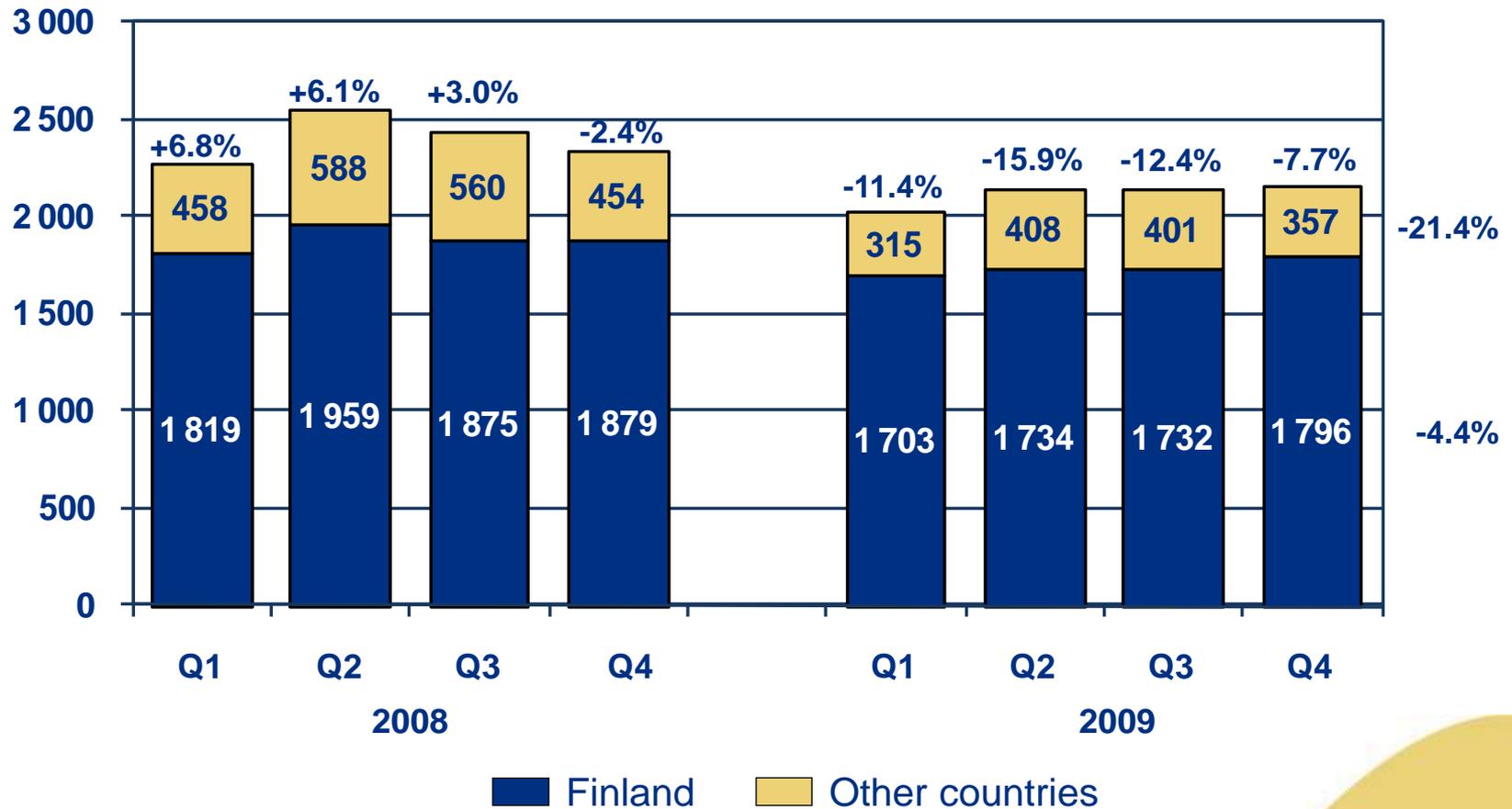
1-12/2009

- Despite the difficult market situation, all divisions achieved positive results
- K-food stores' grocery sales increased by 5.6%. Kesko Food's profitability improved on the previous year
- In the home and speciality goods trade, K-citymarket and Intersport delivered a good profit performance. Anttila's Christmas trading was successful.
- The year was difficult for the building and home improvement trade, a clearly positive result is attributable to lowered cost and inventory levels
- The car trade market declined, but Volkswagen and Audi increased their market share. Higher volume of orders compared with the previous year
- Demand in the machinery trade remained weak
- Costs for hedging currency exposures and a higher tax rate had a negative impact on the profit for the financial year
- Solvency, cash flow and liquidity at excellent levels
- Kesko continues on 'The Global 100 Most Sustainable Corporations in the World' list
- The Board of Directors proposes to the Annual General Meeting that €0.90 per share, or a total of €88,547,166.90, be distributed as dividends

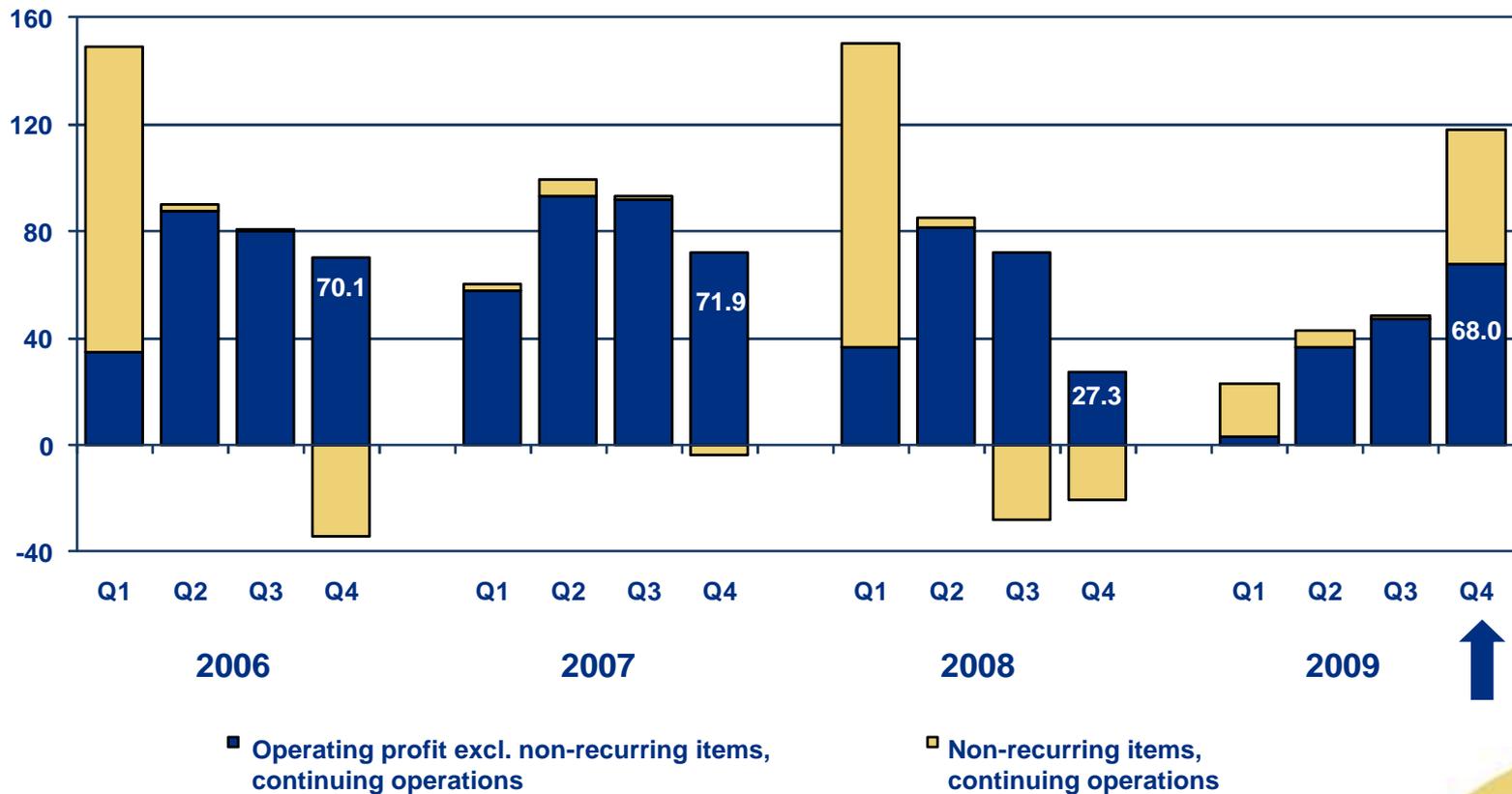
Net sales by division 1.1.-31.12. (M€)

| | 2009 | 2008 | Change, % |
|--|--------------|--------------|------------------|
| Food trade | 3,798 | 3,707 | 2.4 |
| Home and speciality goods trade | 1,558 | 1,606 | -3.0 |
| Building and home improvement trade | 2,312 | 2,978 | -22.4 |
| Car and machinery trade | 947 | 1,480 | -36.0 |
| Common operations and eliminations | -168 | -178 | -5.7 |
| Total | 8,447 | 9,591 | -11.9 |

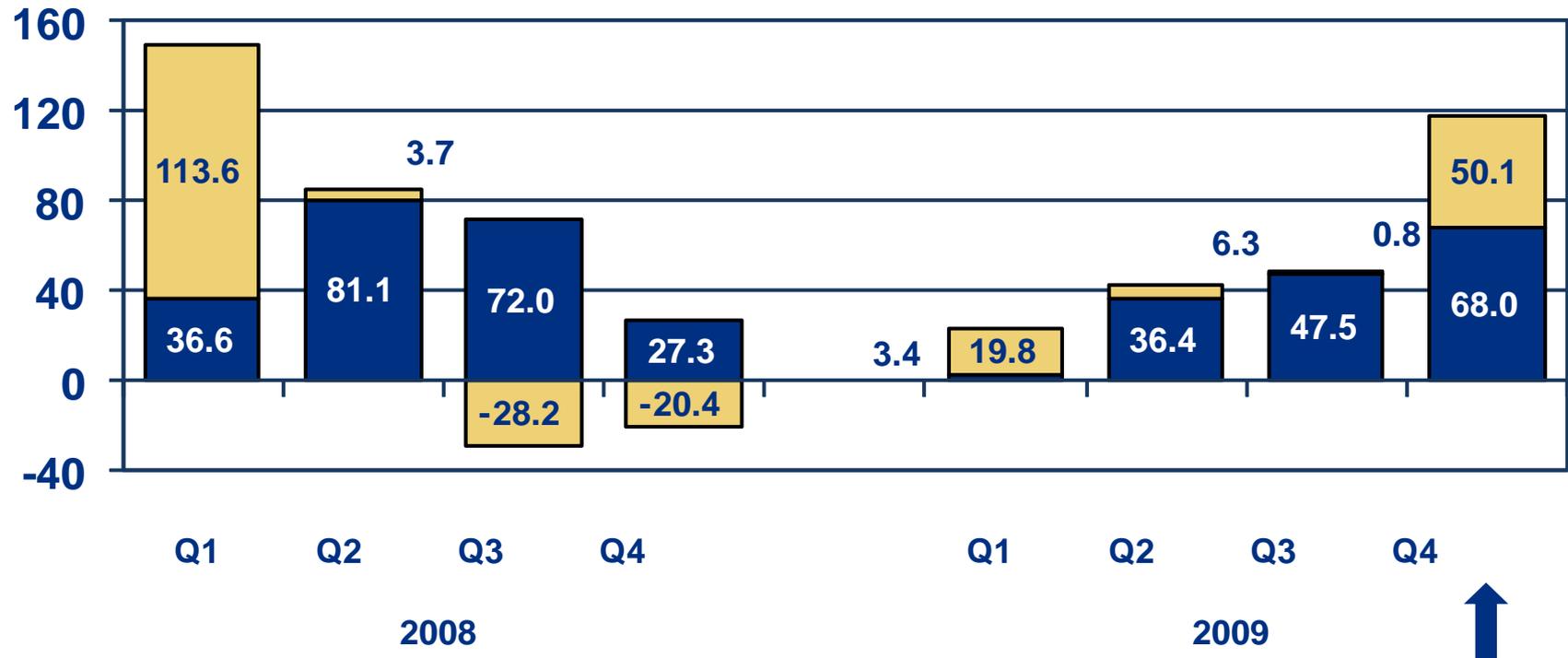
Group's net sales by quarter (M€)



Operating profit by quarter (M€), continuing operations



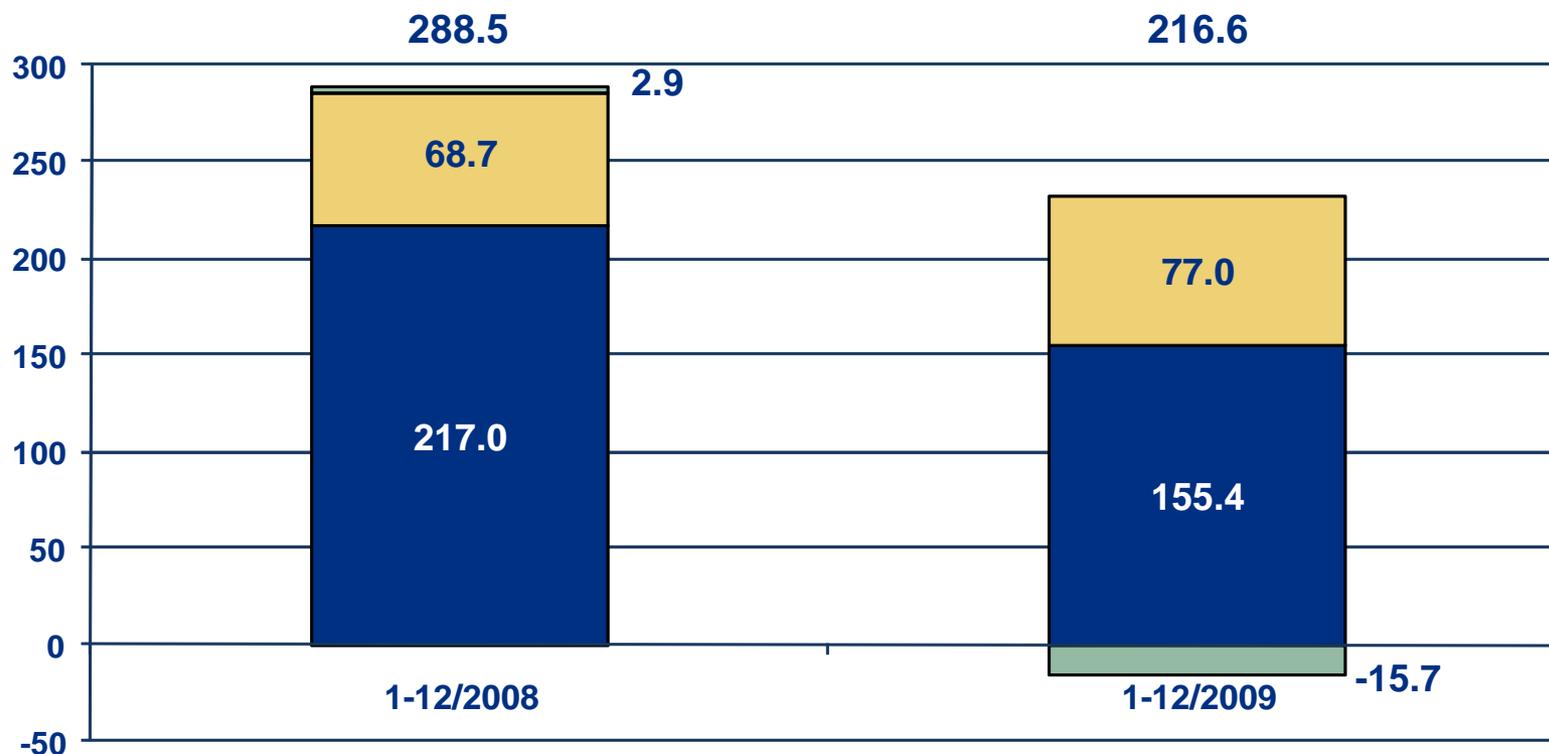
Operating profit by quarter (M€), continuing operations



■ Operating profit excl. non-recurring items,
continuing operations

■ Non-recurring items,
continuing operations

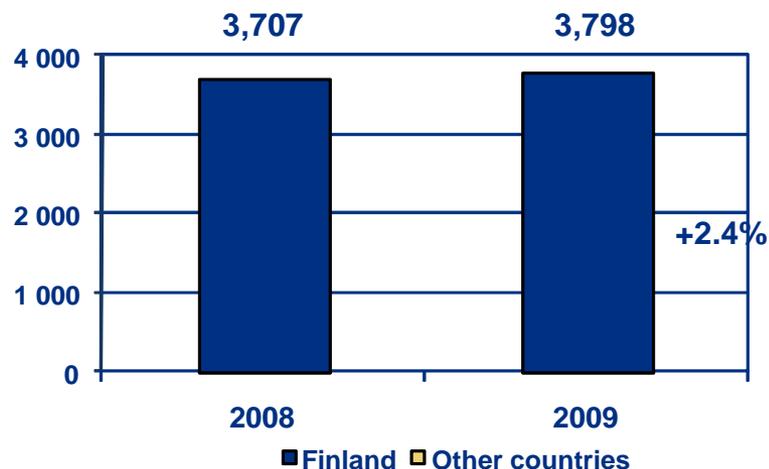
Group's operating profit before tax 1-12/2009 (M€), continuing operations



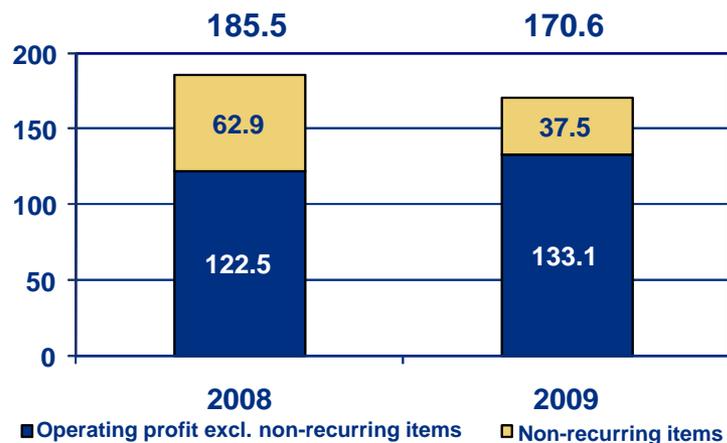
- Operating profit excl. non-recurring items, continuing operations
- Non-recurring items, continuing operations
- Net financial items and income associates excl. non-recurring items

Food trade 1-12/2009

Net sales 1-12, M€



Operating profit 1-12, M€

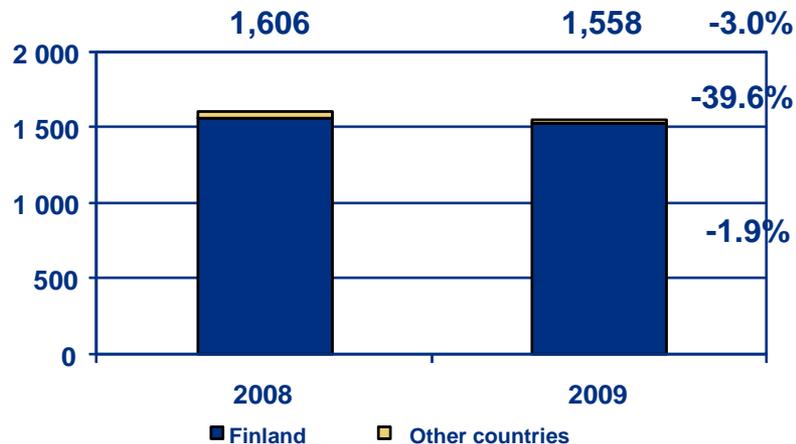


- K-food stores' grocery sales increased by 5.6%, (VAT 0%)
 - K-citymarket's sales growth 14.3%
- Pirkka products recorded a good sales performance
- In the food trade, profitability and efficiency improved on the previous year
- A new K-citymarket was opened in Turku, Ylöjärvi, Kirkkonummi, Tampere and Vantaa, and four K-supermarkets and 15 K-markets were opened

Home and speciality goods trade

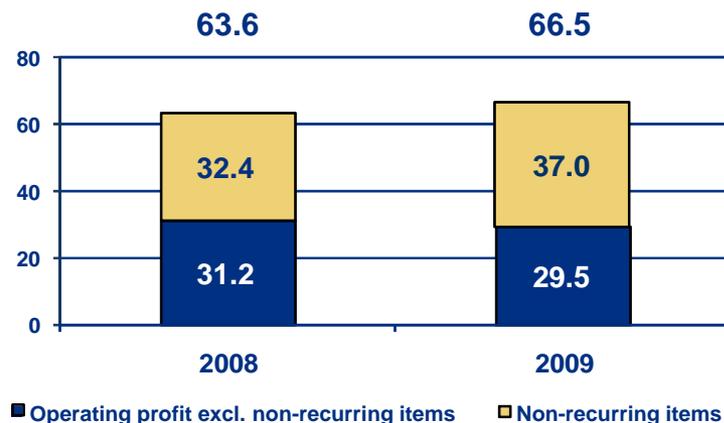
1-12/2009

Net sales 1-12, M€



- K-citymarket and Intersport had good sales and profitability performance throughout the year
- At year end, Anttila's profitability was improved by successful Christmas trading. Indoor also clearly improved its year-on-year profitability
- Musta Pörssi's sales and profitability performance deteriorated

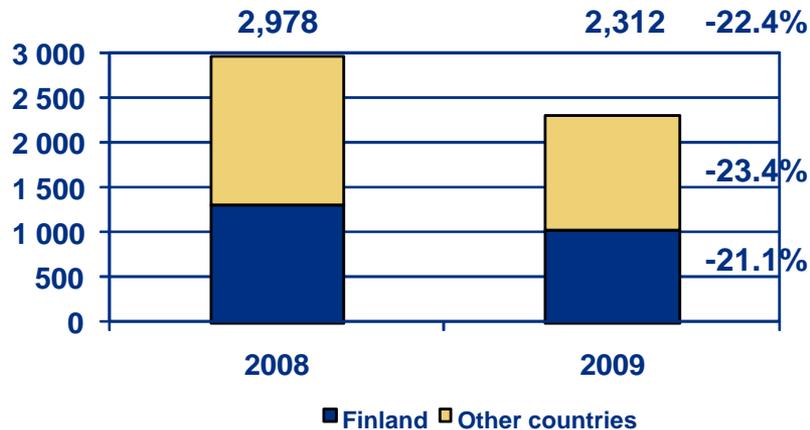
Operating profit 1-12, M€



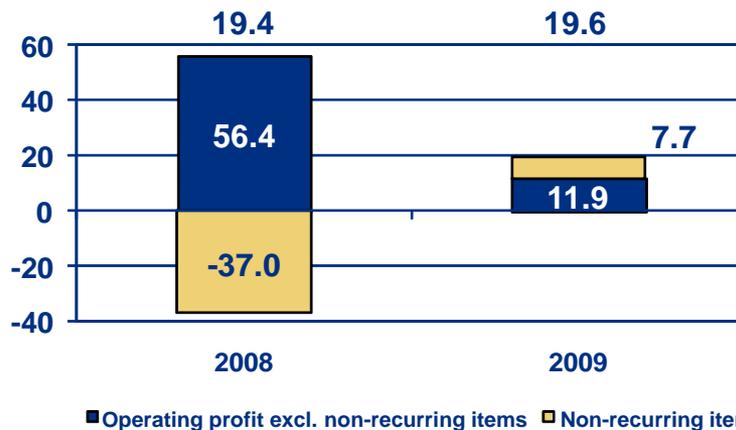
Building and home improvement trade

1-12/2009

Net sales 1-12, M€



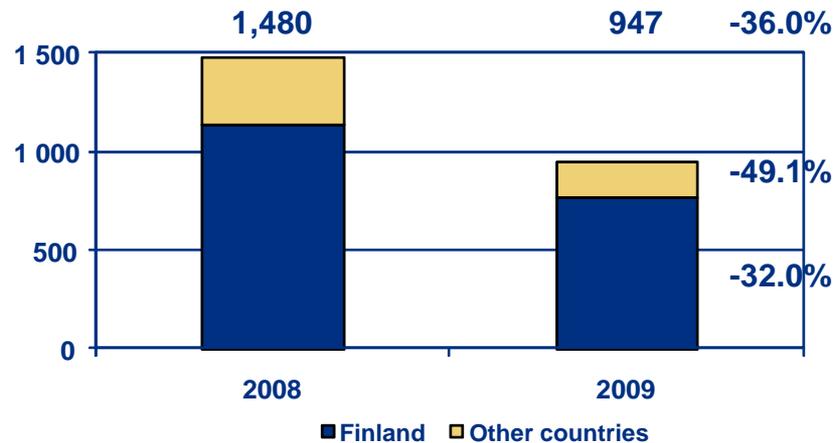
Operating profit 1-12, M€



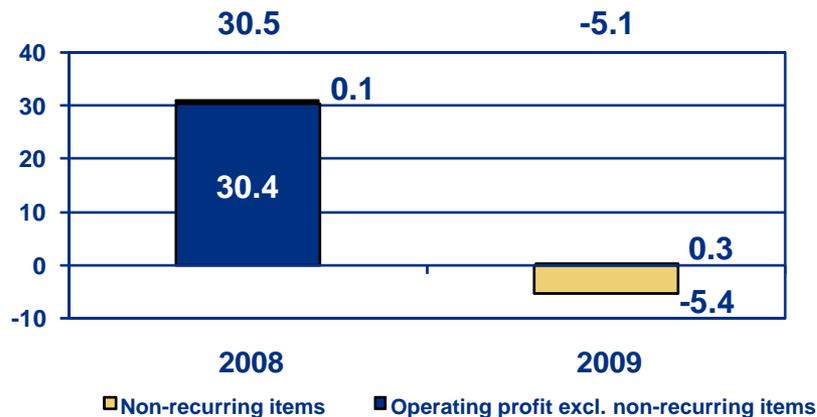
- Difficult year in the building and home improvement trade, and especially in the B2B trade
 - In Sweden, sales clearly returned to growth, up 11% in terms of the local currency
 - Situation in the Baltic market remained weak
- Due to lowered costs and inventories, and trade receivables management, the result was clearly positive
- Staff cost decreased by 22%
- Five new K-rauta stores were opened

Car and machinery trade 1-12/2009

Net sales 1-12, M€



Operating profit 1-12, M€



- The sharp decline in the car trade market eased at the end of the year
- Audi's, Volkswagen's and Seat's market share rose to 18.5% (17.1%) the order book was higher compared with the previous year
- The difficult market situation in the machinery trade continued. Konekesko's profitability was also weakened by the discontinuation of the Baltic grain and agricultural supplies trade
- VV-Auto and Konekesko improved their operating efficiencies and achieved significant cost savings

Non-recurring items

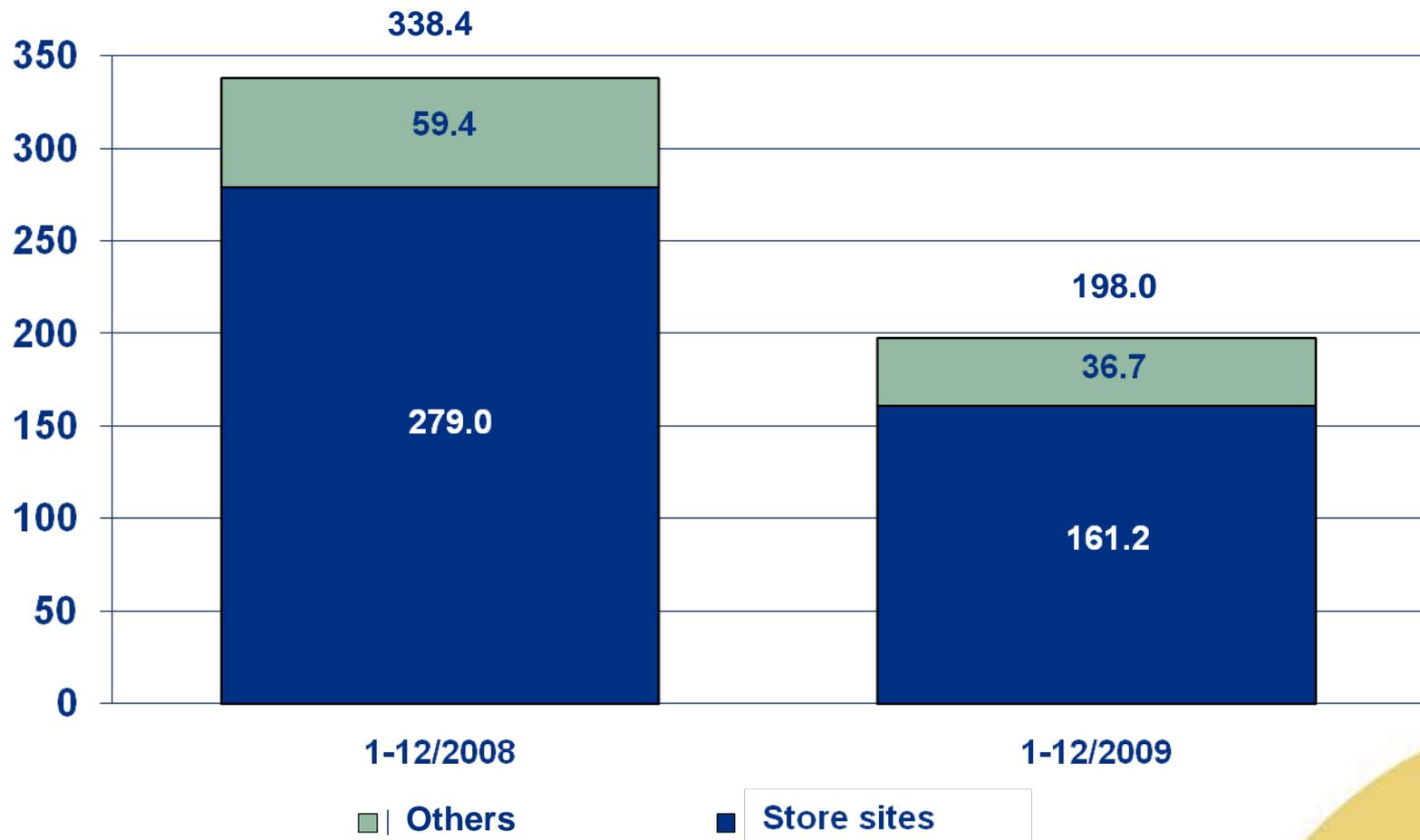
1-12/2009, a total amount of €77 million

- Continuing operations
 - Gain on the disposal of real estate to Varma, €72 million, and gain on the disposal of real estate to the Kesko Pension Fund, €20 million
 - Impairment charges on real estate, €14 million

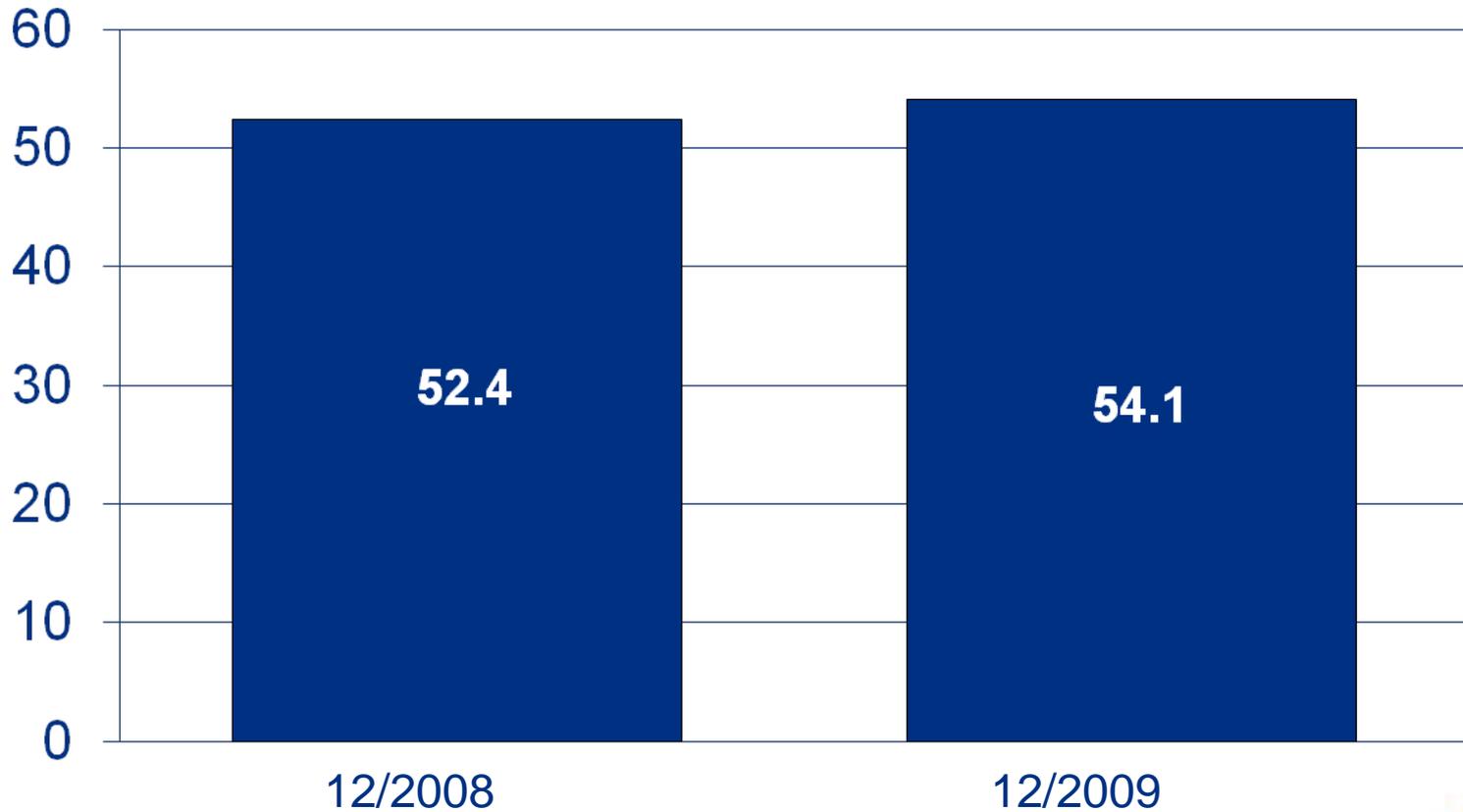
1-12/2008 , a total amount of €128 million

- Continuing operations
 - Gain on real estate arrangement between Kesko and Nordisk Renting, €103 million
 - Gain on the disposal of K-Rahoitus, €10 million
 - Gain on real estate transactions between Kesko and Aberdeen Property Fund Finland, €16 million
 - Impairment charge on Bygghem Norge's consolidated goodwill and trademark, €47 million
- Discontinued operations
 - Gain on the disposal of Kauko-Telko, €30 million
 - Gain on the disposal of Tähti Optikko, €9 million

Group's investments, continuing operations (M€)



Equity ratio,%



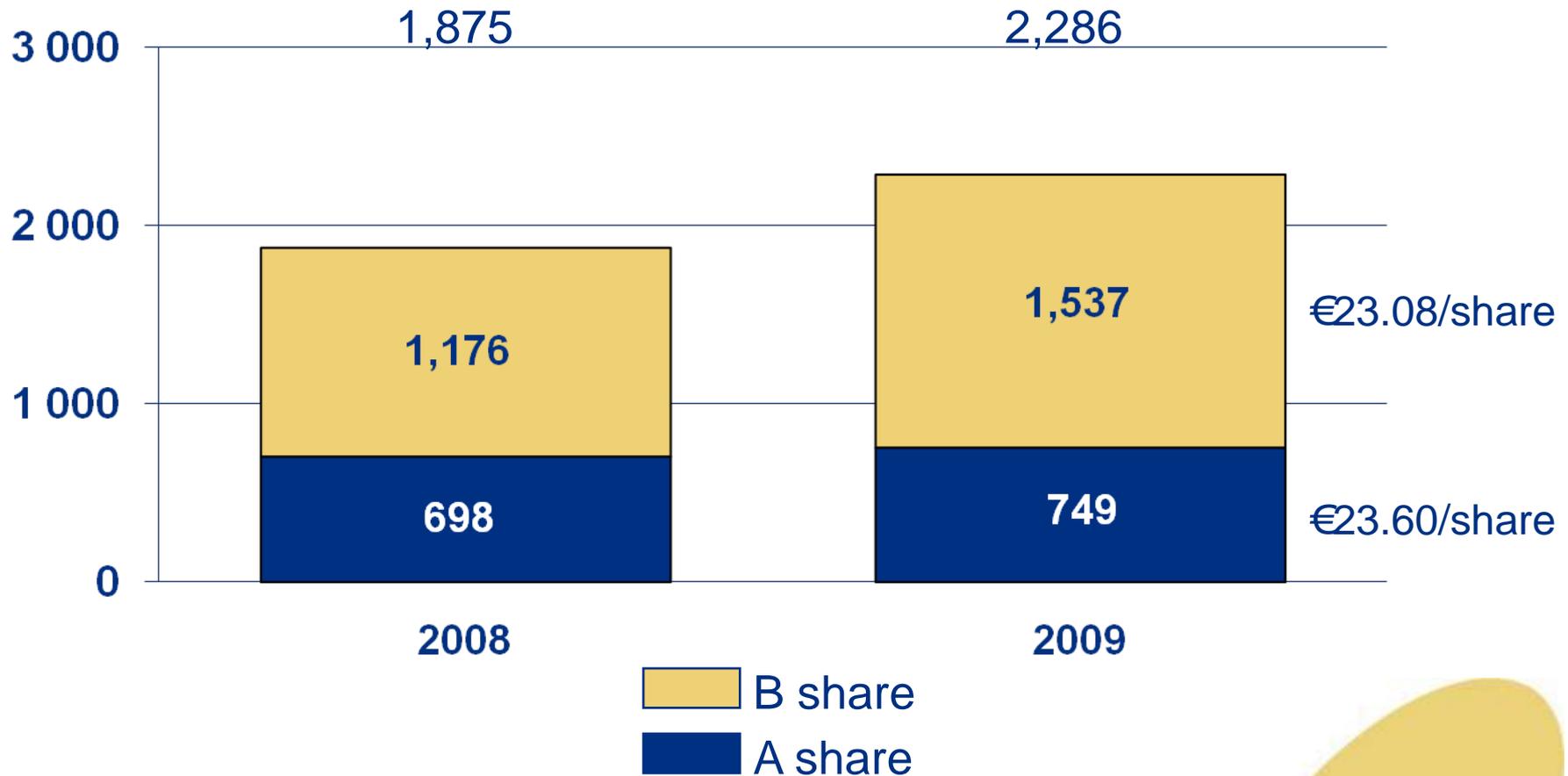
Performance indicators

| Continuing operations | 1-12/2009 | 1-12/2008 |
|---|------------------|------------------|
| Net sales, € million | 8,447 | 9,591 |
| Operating profit, € million | 232.4 | 285.7 |
| Operating profit excl. non-recurring items, € million | 155.4 | 217.0 |
| Profit before tax, € million | 216.6 | 288.5 |
| Investments, € million | 198.0 | 338.4 |
| Whole Group | | |
| Earnings/share, €, diluted | 1.27 | 2.24 |
| Earnings/share, excl. non-recurring items, €, basic | 0.71 | 1.44 |
| Equity/share, € | 20.39 | 20.09 |
| Equity ratio, % | 54.1 | 52.4 |
| Cash flow from operating activities, € million | 379 | 131 |
| Cash flow from investing activities, € million | 31 | -46 |

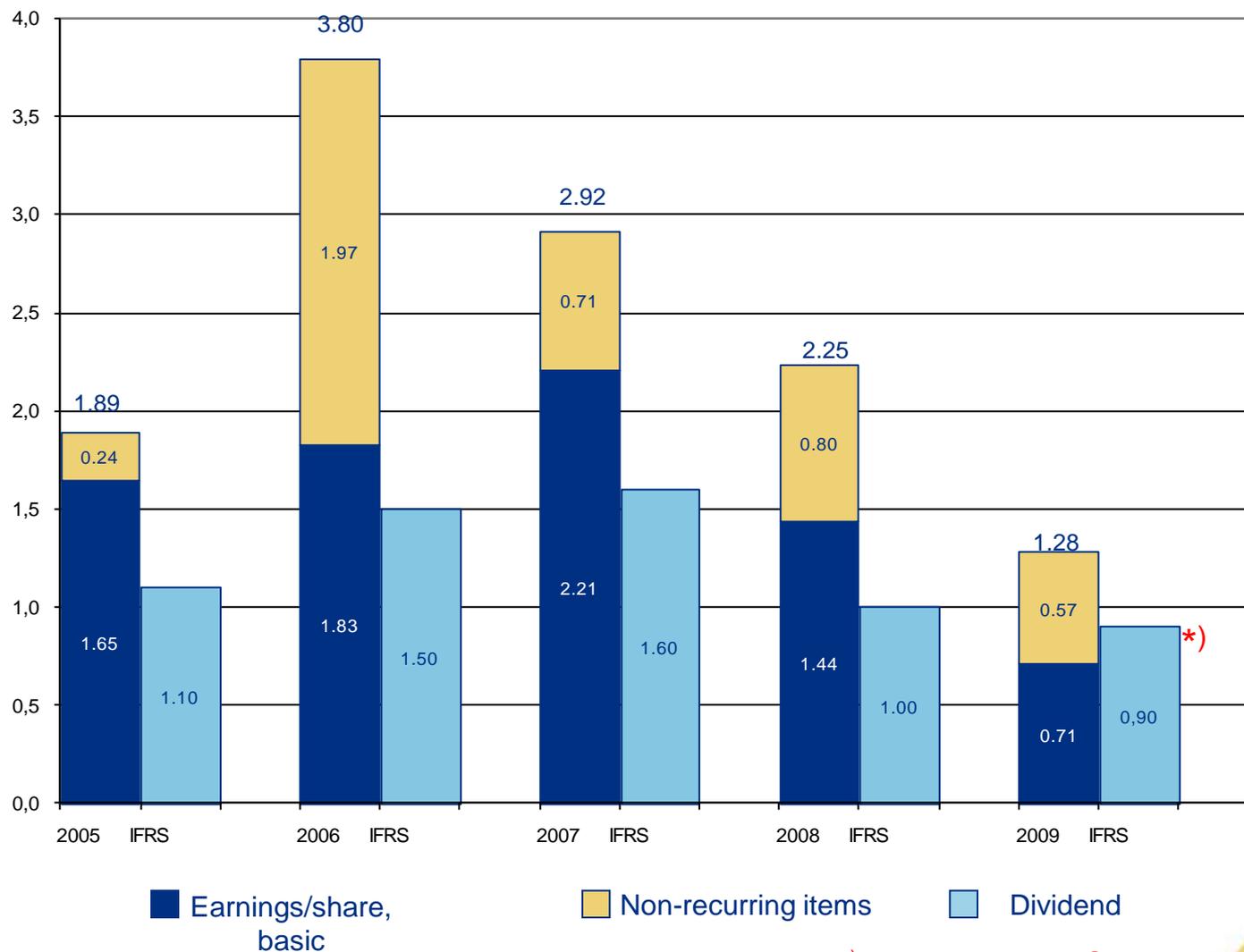
Share price trend 12 mo



Market capitalisation 31 Dec. (M€)



Earnings/share, € and dividend/share, €



*) Proposal to the AGM

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 (1/2010-12/2010) in comparison with the 12 months preceding the reporting period (1/2009-12/2009). The performance of the Group's operating activities is affected by the economic outlook in its different market areas and especially by the growth rate of private consumption. Substantial uncertainties are related to the economic outlook and developments in the real economy in the near future. In Finland, the unemployment rate is expected to rise further, which is why private consumer demand is not expected to return to growth during the next twelve months.

The steady development of the grocery trade is expected to continue, although grocery prices are expected to turn down. The market situation is expected to remain difficult in the building sector and in the car and machinery trade.

Making any statement about the Group's future outlook continues to be impacted by the economic outlook and the increasing unemployment. In 2010, the Kesko Group's net sales and operating profit excluding non-recurring items from continuing operations are expected to match the level of 2009. The Group's liquidity and solvency are expected to remain excellent.

Thank you!

