Financial statements for the period 1 Jan.-31 Dec. 2009

In January-December 2009, the Group's net sales from continuing operations were €8,447 million, representing a decrease of 11.9% over the previous year (€9,591 million). The operating profit excluding non-recurring items for January-December 2009 was €155.4 million (€217.0 million). The profit before tax was €216.6 million (€288.5 million). The whole Group's profit for January-December was €125.2 million (€219.8 million). The whole Group's earnings per share were €1.27 (€2.24).

Key performance indicators

Continuing operations	**1-12 /2009**	**1-12 /2008**	**10-12 /2009**	**10-12 /2008**
Net sales, € million	8,447	9,591	2,153	2,333
Operating profit, € million	232	286	118	7
Operating profit excl. non-recurring items, € million	155	217	68	27
Profit before tax, € million	217	289	116	8
Earnings/share, €, diluted	1.27	1.81	0.73	-0.05
Investments, € million	198	338	42	105
Whole Group				
Earnings/share, € , diluted	1.27	2.24	0.73	-0.04
Earnings/share excl. non-recurring items, €, basic	0.71	1.44	0.36	0.15
Cash flow from operating activities, € million	379	131	123	15
Cash flow from investing activities, € million	31	-46	96	-96
Return on equity, %	6.6	12.1	14.7	0.6
Return on capital employed, %	11.0	15.2	22.9	1.4

Whole Group	**31.12.2009**	**31.12.2008**
Equity ratio, %	54.1	52.4
Equity/share, €	20.39	20.09

JANUARY-DECEMBER 2009

CONTINUING OPERATIONS

Net sales and profit

The Group’s net sales in January-December 2009 were €8,447 million, which is 11.9% down on the corresponding period of the previous year (€9,591 million). The net sales decreased by 7.5% in Finland and by 28.1% abroad. Exports and foreign operations accounted for 17.5% (21.5%) of net sales. The deterioration of the general economic situation especially affected the sales performance of the Group's car and machinery trade and building and home improvement trade. The sales performance of the food trade remained steady during the reporting period.

In January-December, the K-Group’s (i.e. Kesko’s and the chain stores’) retail and B2B sales, including VAT, were €12,614 million, a decrease of 9.1% compared with the previous year. The K-Group chains' sales entitling to K-Plussa loyalty award credits were €6,181 million, up 3.8% compared with the previous year. In 2009, the K-Plussa customer loyalty programme gained 101,608 new households. At the end of the year, there were 2,033,884 K-Plussa households.

The Group's profit before tax for January-December was €216.6 million (€288.5 million). The operating profit was €232.3 million (€285.6 million). Non-recurring items excluded, the operating profit was €155.4 million (€217.0 million), representing 1.8% (2.3%) of net sales. The non-recurring income includes a €91.4 million amount of gains on the disposals of real estate to Varma Mutual Pension Insurance Company and the Kesko Pension Fund. The non-recurring expenses include a €14.4 million amount of real estate impairment charges. The non-recurring gains on disposals and impairment charges for the comparable period totalled €68.7 million.

The smaller year-on-year operating profit excluding non-recurring items was due to a decreased demand especially in the building and home improvement trade and the car and machinery trade. Due to cost adjustments, the Group's fixed costs decreased by some €69 million compared with the previous year, regardless of new store site openings.

The Group's earnings per share from continuing operations were €1.27 (€1.81). The Group's equity per share was €20.39 (€20.09).

Investments
In January-December, the Group's investments totalled €198.0 million (€338.4 million), which is 2.3% (3.5%) of net sales. Investments in store sites were €161.2 million (€279.0 million) and other investments €36.7 million (€59.5 million). Investments in foreign operations represented 35.5% (29.0%) of total investments.

Finance
In January-December, the cash flow from operating activities increased by €247.4 million on the comparative year to €378.8 million (€131.4 million). The increase is especially attributable to capital released from inventories. The net cash from investing activities was €31.0 million positive (€-45.8 million). The cash flow from investing activities included a €252.0 million (€281.4 million) amount of proceeds from the sale of fixed assets.

Throughout the reporting period, the Group's liquidity and solvency remained at an excellent level. At the end of the period, liquid assets totalled €715 million (€443 million). Interest-bearing liabilities were €456 million (€491 million) and interest-bearing net liabilities €-259 million (€47 million) at the end of the reporting period. Equity ratio was 54.1% (52.4%) at the end of the period.

In January-December, the Group's net financial expenses were €16.0 million (net financial income €1.0 million). Net financial expenses were increased by €17.9 million for hedging the Baltic and Russian currency exposures resulting from increased interest rate differences between currencies. Interest income on liquid assets decreased following a decline in the market interest rate level.

Taxes
In January-December, the Group's tax expense was €82.4 million (€89.4 million). The effective tax rate was 38.0% (30.9%), affected by loss-making foreign operations.

Personnel

In January-December, the average number of employees in the Kesko Group was 19,184 (21,327) converted into full-time employees. In Finland, the average decrease was 530 employees, while outside Finland, it was 1,613.

At the end of December 2009, the total number of employees was 22,200 (24,668), of whom 12,959 (13,651) worked in Finland and 9,241 (11,017) outside Finland. Compared with the end of 2008, there was a decrease of 692 employees in Finland and 1,776 outside Finland.

As a result of the decline in consumer demand, measures aimed at adjusting the number and cost of staff were continued. During the reporting period, the Group's staff cost decreased by €43.0 million, or 7.4%, compared with the previous year.

Seasonal nature of operations

The Group's operating activities are affected by seasonal fluctuations. The net sales and operating profits of the reportable segments are not earned evenly throughout the year. Instead they vary by quarter depending on the characteristics of each segment.

Segment performances in January-December

Food trade

The food trade comprises the food business based on the K-retailer business model and Kespro Ltd's grocery wholesaling in Finland.

In the food trade, the net sales in January-December were €3,798 million (€3,707 million), up 2.4%. During the same period, the grocery sales of K-food stores increased by 5.6%, adjusted for the change in VAT (4.7% incl. VAT). K-food stores' total retail sales in January-December were €4,891 million (€4,685 million), representing a 5.3% year-on-year growth, adjusted for the change in VAT (4.4% incl. VAT). Good sales performance was achieved especially by Pirkka products and K-citymarket, the retail food sales of which grew by 14.3%, adjusted for the change in VAT. The growth rate of the total grocery trade market in Finland in January-December is estimated at some 3-4% up on the previous year. In January-December, prices increased at an average monthly rate of 3.3%, compared with the previous year (Statistics Finland).

In January-December, the operating profit excluding non-recurring items of the food trade was €133.1 million (€122.5 million), which is about €10.5 million up on the previous year. The operating profit excluding non-recurring items in relation to net sales was 3.5% (3.3%), or 0.2 percentage points higher than in the previous year. The operating profit was €170.6 million (€185.5 million). The non-recurring gains on property sales were €46.4 million in January-December. The comparative year's operating profit was increased by €68.5 million of non-recurring gains on property sale and lease arrangements.

In January-December, investments in the food trade were €69.4 million (€139.7 million), of which investments in store sites were €56.2 million (€116.0 million).

In 2009, five new K-citymarkets, four K-supermarkets and 15 K-markets were opened. In addition, renovations and extensions were carried out.

Home and speciality goods trade

The home and speciality goods trade comprises Anttila, K-citymarket's home and speciality goods trade, Intersport Finland, Indoor Group, Musta Pörssi and Kenkäkesko.

In the home and speciality goods trade, the net sales in January-December were €1,558 million (€1,606 million), down 3.0%. Owing to the deteriorated economic situation and a rise of the unemployment rate, consumer demand in the home and speciality goods trade declined especially for home electronics and interior decoration products.

The operating profit of the home and speciality goods trade excluding non-recurring items in January-December was €29.5 million (1.9% of net sales), a €1.7 million year-on-year decrease due to the fall in sales. In January-December, the operating profit was €66.5 million (€63.6 million). Non-recurring gains on property sales and impairment charges were €37.0 million in January-December and €32.4 million in the comparative period.

Investments in the home and speciality goods trade in January-December were €29.6 million (€60.5 million).

In January-December, Anttila's net sales were €513 million (€558 million), down 8.0%. The sales of the Anttila department stores were €303 million, down 5.7%. The sales of the Kodin Ykkönen department stores for home goods and interior decoration were €132 million, down 10.7%. NetAnttila's sales were €80 million, a decrease of 12.5%, mainly due to the weakened economic conditions in Estonia and Latvia.

The net sales of K-citymarket’s home and speciality goods trade in January-December were €595 million (€566 million), up 5.1%. The net sales performance was affected by the store site network expansion and especially the good year-end sales performance.

Intersport Finland’s net sales in January-December were €165 million (€158 million), up 4.3%, which is especially attributable to the increased sales of winter sports equipment. Indoor’s net sales in January-December were €155 million (€177 million), down 12.4%. The performance was affected by the discontinuation of Indoor’s business activities in Sweden during the first quarter of 2008, and the weakened economic conditions in Estonia and Latvia. Musta Pörssi Ltd’s net sales in January-December were €107 million (€123 million), down 12.5%. Kenkäkesko Ltd’s net sales in January-December were €24 million (€26 million), down 7.9%.

Building and home improvement trade

The building and home improvement trade comprises Rautakesko and the agricultural supplies trade in Finland.

In the building and home improvement trade, the net sales in January-December were €2,312 million (€2,978 million), down 22.4%.

In January-December, the net sales in Finland were €1,041 million, a decrease of 21.1%. The building and home improvement trade contributed €744 million, and the agricultural supplies trade €297 million to the net sales in Finland. The net sales of the building and home improvement trade in Finland were down 15.4%, especially due to a fall in the sales to professional customers. The net sales of the agricultural supplies trade decreased by 32.6%. The net sales from foreign operations in the building and home improvement trade were €1,271 million (€1,659 million), a decrease of 23.4%. In addition to a decline in demand, the sales performance of foreign operations was affected by the weakening of the Swedish krona, the Norwegian krone and the Russian ruble. The net sales from foreign operations dropped by 17.2% in terms of the local currencies. Foreign operations contributed 55.0% to the net sales of the building and home improvement trade.

In Sweden, the net sales of K-rauta AB increased by 0.6% to €187 million in January-December. In terms of the local currency, K-rauta AB's net sales grew by 11.1%. In Norway, Byggmakker's net sales decreased by 16.4% to €477 million. In terms of the local currency, Byggmakker's net sales dropped by 11.2%. In Estonia, Rautakesko's net sales were down 22.1% to €63 million. In Latvia, Rautakesko's net sales decreased by 32.9% to €48 million. In Lithuania, Senukai's net sales fell by 42.1% to €260 million. In Russia, the net sales of the building and home improvement trade decreased by 16.8% to €169 million. In terms of the local currency, the net sales increased by 0.8%. The net sales of the Belarusian OMA were down by 25.5% to €53 million. In terms of the local currency, OMA's net sales decreased by 7.8%.

In January-December, the operating profit excluding non-recurring items of the building and home improvement trade was €11.9 million (0.5% of net sales), which was €44.4 million, or 1.4 percentage points, lower than in the previous year. The profit performance was affected by a substantial contraction in the Nordic, Baltic and Russian construction markets. In Finland, the building and home improvement trade market declined in January-December by some 15%, in Sweden by some 5%, in Norway by some 10%, and in the Baltic countries by some 30-40% (Rautakesko's estimate). The staff cost was down €42.1 million, or 21.9%, on the comparative period. The operating profit of the building and home improvement trade was €19.6 million (€19.4 million) in January-December. The operating profit includes a €7.7 million non-recurring gain on a property sale. The comparative period's operating profit includes a non-recurring €47.0 million impairment charge on Byggmakker Norge's intangible assets, and a €5.4 million non-recurring gain on a property sale.

In January-December, investments in the building and home improvement trade were €84.7 million (€122.7 million), of which 82.8% (79.1%) abroad.

In January-December, two new K-rauta stores were opened in Sweden and one in Russia, Estonia and Latvia. In addition, the store site network was strengthened by other new and replacement stores.

The retail sales of the K-rauta and Rautia chains in January-December decreased by 5.5% to €1,158 million, including VAT, in Finland. The sales of Rautakesko B2B Service decreased by 29.5%. The retail sales of the K-maatalous chain were €448 million, including VAT, down 28.8%.

Car and machinery trade

The car and machinery trade comprises VV-Auto and Konekesko. Konekesko includes, in addition to the machinery trade, the tractor and combine harvester trade in Finland and the agricultural and machinery trade companies in the Baltic countries.

In January-December, the net sales of the car and machinery trade were €947 million (€1,480 million), down 36.0%.

VV-Auto's net sales in January-December were €598 million (€884 million), a decrease of 32.3%. The net sales performance was affected by a decline in consumer demand in the car trade, coupled with the car tax change effective at the beginning of April, causing the car tax levied on cars after 1 April 2009 to be excluded from the net sales. Adjusted for the tax change, the net sales fell by 24.3%. In January-December, the combined market share of passenger cars and vans imported by VV-Auto rose to 18.5% (17.1%).

Konekesko's net sales in January-December were €350 million (€597 million), down 41.3% on the previous year, as a result of the weakened machinery market and the discontinuation of the Baltic grain and agricultural supplies trade. The net sales in Finland were €185 million, a decrease of 31.9%. The net sales from Konekesko's foreign operations were €165 million, down 49.3%. In line with its strategy, Konekesko concentrates on the machinery trade also in the Baltic countries and disposes of its grain and agricultural inputs trade.

In January-December, the operating profit excluding non-recurring items of the car and machinery trade was €0.3 million (0.0% of net sales), which was €30.1 million lower than in the previous year. The profit performance was especially affected by the decline of Konekesko's profitability as a result of the decline in the machinery market and the discontinuation of the Baltic grain and agricultural supplies trade.

Investments in the car and machinery trade were €13.4 million (€15.6 million) in January-December.

Discontinued operations
In the comparative year 2008, the Group's profit from discontinued operations was €41.5 million. Discontinued operations included Kauko-Telko Ltd and the €31 million gain on its disposal, and TähtiOptikko Group Oy, with the about €8.5 million gain on its disposal.

OCTOBER-DECEMBER 2009

CONTINUING OPERATIONS

Net sales and profit
The Group's net sales in October-December 2009 were €2,153 million, which is 7.7% down on the corresponding period of the previous year (€2,333 million). Net sales decreased by 4.4% in Finland and by 21.4% abroad. Exports and foreign operations accounted for 16.6% (19.5%) of net sales. The net sales performance of the food trade was steady. The net sales of the home and speciality goods trade took an upward turn during the reporting period. As a result of the weak market situation, the sales in the building and home improvement trade and in the car and machinery trade decreased compared with the comparative year.

In October-December, the K-Group's (i.e. Kesko's and the chain stores') retail and B2B sales, including VAT, were €3,226 million, a decrease of 5.4% on the corresponding period of the previous year.

The Group's profit before tax for October-December was €116.3 million (€7.7 million). The operating profit was €118.1 million (€6.9 million). The operating profit excluding non-recurring items was €68.0 million (€27.3 million), representing 3.2% of net sales (1.2%). The non-recurring items include a €63.5 million gain on the sale of properties to Varma Mutual Pension Insurance Company. The non-recurring expenses include a €14.4 million amount of impairments on real estate.

The higher year-on-year operating profit excluding non-recurring items was due to increased operational efficiency, cost savings and the fact that the profitability of the comparative year was negatively affected by impairments on trade receivables and inventories. Successful Christmas trading also contributed to the higher operating profit.

The Group's earnings per share from continuing operations were €0.73 (€-0.05). The

Group's equity per share was €20.39 (€20.09).

Investments

The Group’s investments in October-December totalled €41.5 million (€105.2 million), which is 1.9% (4.5%) of net sales. Investments in store sites were €30.0 million (€84.1 million), and other investments €11.5 million (€21.1 million). Investments in foreign operations represented 40.1% (37.8%) of total investments.

Finance

In October-December, the cash flow from operating activities was €123.1 million (€15.1 million), improved by adjustments in costs and inventories. The net cash flow from investing activities was €96.4 million (€-95.7 million). The cash flow from investing activities included a €157.8 million (€3.7 million) amount of proceeds received from the disposal of fixed assets. This amount was increased by a property sale at a debt-free price of €156 million completed in December.

In October-December, the Group’s net financial expenses were €1.8 million (net financial income €0.8 million). They were increased by the costs of currency exposure hedging and the income from liquid assets reduced by lowered Euribor rates.

Taxes

In October-December, the Group’s tax expense was €41.8 million (€5.5 million). The effective tax rate was 35.9% (71.2%), affected by foreign companies' loss-making performances.

Personnel

In October-December, the average number of personnel in the Kesko Group was 18,126 (20,920) converted into full-time employees. In Finland, the average decrease was 626 employees, while outside Finland, it was 2,168 employees.

Segment performances in October-December

<u>Food trade</u>

In the food trade, the net sales in October-December were €970 million (€982 million), down 1.2%. During the same period, the grocery sales of K-food stores increased by 3.6%, adjusted for the change in VAT (0.7% incl. VAT). Good sales performance was achieved especially by the K-citymarket chain and the Pirkka products. There were 1,030 K-food stores at the end of December.

In October-December, the operating profit excluding non-recurring items of the food trade was €33.7 million (€31.6 million), which is €2.1 million up on the previous year. The operating profit excluding non-recurring items in relation to net sales was 3.5% (3.2%), or 0.3 percentage points higher than in the previous year. The operating profit of the food trade was €58.7 million (€27.4 million). The non-recurring gains on property sales were €33.1 million.

In October-December, investments in the food trade were €9.9 million (€31.8 million), of which investments in store sites were €6.4 million (€21.9 million).

Kesko Food continued to develop the K-food store network. In October, a K-citymarket was opened in Kirkkonummi and a K-supermarket in Eurajoki and Porvoo. In November, a K-citymarket was opened in Linnainmaa, Tampere, and in Koivukylä, Vantaa. In addition, several new K-markets were opened.

The most significant store sites being built are the K-supermarkets in Kotka, in Koivuhaka, Vantaa, in Kangasala, Rovaniemi, Kouvola and in Paloheinä, Helsinki. K-citymarket Keljo in Jyväskylä is being extended.

Home and speciality goods trade

In the home and speciality goods trade, the net sales in October-December were €500 million (€490 million), up 2.0%. The growth is attributable to the good sales performance of clothing and sports goods, coupled with successful Christmas trading.

The operating profit of the home and speciality goods trade excluding non-recurring items in October-December was €39.7 million (7.9% of net sales), a €12.0 million year-on-year increase due to increased operational efficiency, cost savings and successful Christmas trading (€27.7 million, or 5.7%, of net sales). In October-December, the operating profit was €66.5 million (€10.6 million). Non-recurring gains on property sales and impairment charges were €26.8 million (€-17.1 million).

Investments in the home and speciality goods trade in October-December were €6.8 million (€20.6 million).

In October-December, Anttila's net sales were €179 million (€183 million), down 2.0%. The sales of the Anttila department stores were €110 million, down 2.5%. The sales of the Kodin Ykkönen department stores for home goods and interior decoration were €46 million, up 0.9%. NetAnttila's sales were €24 million, a decrease of 4.7%. The decline was sharp in Estonia and Latvia. In October, a new Kodin Ykkönen store was opened in Lielahti, Tampere. Kodin Ykkönen in Kaisaniemi, Helsinki will be closed down in early 2010, due to the termination of the lease. The Anttila department store in Jyväskylä will relocate to a new site in spring 2010.

The net sales of K-citymarket's home and speciality goods trade in October-December were €198 million (€187 million), up 5.5%. The net sales performance was affected by store site network expansions and an increased number of customers. In October, a K-citymarket was opened in Kirkkonummi and an extended K-citymarket in Mikkeli. In November, K-citymarkets were opened in Koivukylä, Vantaa, and in Linnainmaa, Tampere.

Intersport Finland's net sales in October-December were €46 million (€40 million), up 14.8% owing to the good sales performance of winter sports equipment. Indoor's net sales in October-December were €39 million (€42 million), down 7.0%. Indoor's net sales in Finland matched the level of the comparative period. Musta Pörssi Ltd's net sales in October-December were €35 million (€35 million), up 0.7%. Kenkäkesko Ltd's net sales in October-December were €4 million (€4 million), down 7.5%.

Building and home improvement trade

In the building and home improvement trade, the net sales in October-December were €525 million (€617 million), down 14.9%.

In October-December, the net sales in Finland were €223 million, a decrease of 14.9%. The building and home improvement trade contributed €159 million and the agricultural supplies trade €63 million to the net sales in Finland. The net sales of the building and home improvement trade in Finland were down 3.6%, and the net sales of the agricultural supplies trade decreased by 34.7%.

The net sales from foreign operations in the building and home improvement trade were €302 million (€356 million), a decrease of 15.0%. In addition to a decline in demand, the sales performance of foreign operations was affected by the weakening of the Russian ruble. The net sales from foreign operations dropped by 14.9% in terms of the local currencies. Foreign operations contributed 57.6% to the net sales of the building and home improvement trade.

In Sweden, the net sales of K-rauta AB increased by 16.3% to €43 million in October-December. In terms of the local currency, K-rauta AB’s net sales grew by 14.7%. In Norway, Byggmakker's net sales increased by 11.9% to €120 million. In terms of the local currency, Byggmakker’s net sales grew by 1.5%. In Estonia, Rautakesko's net sales were down 22.4% to €14 million. In Latvia, Rautakesko's net sales decreased by 31.6% to €10 million. In Lithuania, Senukai's net sales fell by 45,2% to €57 million. In Russia, the net sales of the building and home improvement trade decreased by 22.7% to €42 million. In terms of the local currency, the net sales decreased by 6.5%. The net sales of the Belarusian OMA were down by 32.4% to €13 million. In terms of the local currency, OMA’s net sales decreased by 2.9%.

In October-December, the operating loss excluding non-recurring items of the building and home improvement trade was €2.1 million, or -0.4% of net sales, compared to €7.5 million (-1.2% of net sales) in the previous year. Regardless of net sales decrease, profitability improved as a result of cost adjustments, and the impairments on inventories and trade receivables negatively affecting the profit of the comparative year. The operating profit of the building and home improvement trade was €1.6 million (€-6.5 million) in October-December.

In October-December, investments in the building and home improvement trade were €19.4 million (€44.9 million), of which 85.6% (87.5%) abroad.

The retail sales of the K-rauta and Rautia chains in October-December increased by 0.2% to €266 million, including VAT, in Finland. The sales of Rautakesko B2B Service decreased by 14.1%. The retail sales of the K-maatalous chain were €96 million, including VAT, down 37.3%.

In October-December, a new Rautia store was opened in Kiiminki, and a replacement K-rauta store in Vaasa.

Rautakesko is building a new K-rauta store in Jyväskylä, Finland, another in Stockholm, Sweden, and two new K-rauta stores in Russia, one in Tula and the other in Kaluga. OMA is building a new store in Minsk, Belarus.

Car and machinery trade

In October-December, the net sales of the car and machinery trade were €205 million (€295 million), down 30.5%.

VV-Auto’s net sales in October-December were €125 million (€161 million), a decrease of 22.2%. The net sales performance was affected by a decline in demand in the car trade, coupled with the car tax change effective at the beginning of April, causing the car tax levied on cars after 1 April 2009 to be excluded from the net sales. The comparable net sales, adjusted for the tax change, decreased by 7.4% in October-December. However, the number of new customer orders in October-December was clearly up on the previous year. The combined market share of passenger cars and vans imported by VV-Auto rose to 18.8% (18.4%) in October-December.

Konekesko's net sales in October-December were €80 million (€134 million), down 40.5% on the corresponding period of the previous year, as a result of the weakened machinery market and the discontinuation of the Baltic grain and agricultural supplies trade. The net sales in Finland were €36 million, a decrease of 29.5%. The net sales from Konekesko’s foreign operations were €44 million, down 47.2%.

In October-December, the operating profit excluding non-recurring items of the car and machinery trade was €2.7 million (1.3% of net sales), which was €19.8 million, or 7.1 percentage points, higher than in the corresponding period of the previous year. The profit performance was affected by substantial cost adjustments and the impairments on the inventories and trade receivables of the machinery and agricultural trade negatively affecting the profitability of the comparative year.

Changes in the Group composition
Effective 1 January 2009, the Kesko Group’s segments are the food trade, the home and speciality goods trade, the building and home improvement trade, and the car and machinery trade (stock exchange release on 12 December 2008).

Resolutions of the Annual General Meeting 2009 and decisions of the Board’s organisational meeting
Kesko Corporation’s Annual General Meeting held on 30 March 2009 adopted the financial statements for 2008 and discharged the Board of Directors’ members and the Managing Director from liability. The Annual General Meeting also resolved to distribute a dividend of €1.00 per share, or a total amount of €97,851,050, as proposed by the Board. The dividend pay date was 9 April 2009. The Annual General Meeting elected PricewaterhouseCoopers Oy as the company’s auditor, with APA Johan Kronberg as the auditor with principal responsibility, and approved the Board’s proposal to amend the article of the Articles of Association providing for the convocation period so that the notice of the General Meeting shall be given at the latest 21 days before the General Meeting, and the Board’s proposal to authorise the Board to decide on the issuance of a maximum of 20,000,000 new B shares. The share issue authorisation is valid until 30 March 2012.

The Annual General Meeting resolved to leave the number of members of the Board of Directors unchanged at seven, and elected Heikki Takamäki, Seppo Paatelainen, Maarit Näkyvä, Ilpo Kokkila, Esa Kiiskinen (new member), Mikko Kosonen (new member) and Rauno Törrönen (new member) as members of the company’s Board of Directors for a three-year term defined in the Articles of Association, which will expire at the close of the 2012 Annual General Meeting.

The resolutions of the Annual General Meeting were announced in more detail in a stock exchange release on 30 March 2009.

The organisational meeting of Kesko Corporation’s Board of Directors, held after the Annual General Meeting on 30 March 2009, elected Heikki Takamäki as its Chair and Seppo Paatelainen as its Deputy Chair. Maarit Näkyvä (Ch.), Seppo Paatelainen and Mikko Kosonen were appointed to the Board of Directors’ Audit Committee. Heikki Takamäki (Ch.), Seppo Paatelainen and Ilpo Kokkila were appointed to the Board of Directors’ Remuneration Committee. The terms of the Committees expire at the close of the next Annual General Meeting. The decisions of the Board’s organisational meeting were announced in a stock exchange release on 30 March 2009.

Shares, securities market and Board authorisations
At the end of December 2009, Kesko Corporation's share capital totalled €196,643,058. Of all shares 31,737,007, or 32.3%, were A shares and 66,584,522, or 67.7%, were B shares. The aggregate number of shares was 98,321,529. Each A share entitles to ten (10) votes and each B share to one (1) vote. During the reporting period, the share capital was increased four times corresponding to share subscriptions with the stock options of the year 2003 option scheme. The increases were made on 11 February 2009 (€52,392), 5 May 2009 (€51,250), 5 June 2009 (€673,146) and 17 December 2009 (€216,562), and announced in stock exchange notifications on the same days. The subscribed shares were included on the main list of the Helsinki stock exchange for public trading with the old B shares on 12 February 2009, 6 May 2009, 8 June 2009 and 18 December 2009.

The price of a Kesko A share quoted on NASDAQ OMX Helsinki (the Helsinki stock exchange) was €22.00 at the end of 2008, and €23.60 at the end of 2009, representing an increase of 7.3%. The price of a B share was €17.80 at the end of 2008, and €23.08 at the end of 2009, representing an increase of 29.7%. In January-December, the highest A share quotation was €25.00 and the lowest was €18.73. For B shares, they were €24.00 and €14.99 respectively. In January-December, the OMX Helsinki All Share index of the Helsinki stock exchange rose by 19.5%, the weighted OMX Helsinki CAP index by 36.2%, while the Consumer Staples Index was up 30.8% during the same period.

At the end of 2009, the market capitalisation of A shares was €749 million, while that of B shares was €1,537 million. Their combined market capitalisation was €2,286 million, an increase of €411 million compared with the end of 2008. In 2009, 993,444 A shares were traded on the Helsinki stock exchange at a total value of €22 million, while 78.2 million B shares were traded at a total value of €1,501 million.

The 2003E stock options of the year 2003 option scheme were available for trading until the end of April 2009, and a total of some 116,000 options were traded at a total value of €981,000. A total of some 153,000 2003F stock options were traded during the reporting period at a total value of €1,122,000.

The Board of Directors was authorised by the Annual General Meeting of 30 March 2009 to issue a maximum of 20,000,000 new B shares against payment or other consideration. The authorisation also includes a rights issue. The authorisation has not been used. In addition to the 2003 stock option scheme, the company operates the 2007 scheme of stock options 2007A, 2007B and 2007C. Their exercise period has not started. Further information on the Board’s authorisations is available at www.kesko.fi.

At the end of the reporting period, the number of shareholders was 38,888. In 2009, it increased by 808 shareholders. At the end of 2009, foreign ownership of all shares was 20%, and foreign ownership of B shares was 30%.

Flagging notifications
Kesko Corporation did not receive flagging notifications during the reporting period.

Main events during the reporting period
Kesko Corporation’s Board of Directors approved the Group’s revised financial objectives. The objective for return on investment has been replaced by the objective for return on capital employed. The new objective for return on equity has been set at 12% (previously

14%) and the objective for return on capital employed has been set at 14%. The objective range of the equity ratio has been broadened to 40-50% (previously 40-45%). The Board of Directors also revised Kesko's dividend policy, published on 6 April 2005. In accordance with the new dividend policy, Kesko Corporation distributes at least 50% of its earnings per share excluding non-recurring items as dividends, taking however the company's financial position and operating strategy into account (stock exchange release on 5 February 2009).

On 31 March 2009, Kesko sold four store properties to the Kesko Pension Fund. The debt-free selling price was about €50 million. The Kesko Group's gain on the sale was €19.7 million, which was treated as a non-recurring item in the operating profit for the first quarter (stock exchange release on 31 March 2009).

The Annual General Meeting was held on 30 March 2009 (stock exchange releases on 30 March 2009).

The Supreme Administrative Court decided not to grant leave to appeal against the Helsinki Administrative Court's prior decision not to accept the €22.5 million write-down made by Rautakesko Ltd on the shares of its Swedish subsidiary, K-rauta AB, in its taxation for the year 2001. The Supreme Administrative Court also decided not to grant leave to appeal against the Helsinki Administrative Court's prior decision to dismiss Kesko Corporation's appeal concerning the deductibility of expenses added to its taxable income for the years 1997-1999 (stock exchange release on 11 June 2009).

Kesko sold 13 retail store properties in different parts of Finland to Varma Mutual Pension Insurance Company. The debt-free selling price of the properties was €156 million. The Kesko Group's gain on the sale was €63 million, which was treated as a non-recurring item in Kesko's fourth quarter operating profit (stock exchange release on 22 December 2009).

Kesko decided to transfer the management of the statutory pension provision and the insurance portfolio to Ilmarinen Mutual Pension Insurance Company in two phases, starting from 1 June 2010. The Kesko Pension Fund's statutory employee pension insurance (department B) covers about 8,700 people. The first phase of the transfer will concern some 3,600 people. The transfer is estimated to have a positive effect on Kesko's cash flow. The transfer is subject to the approval of the Financial Supervisory Authority and the Finnish Competition Authority. The second phase will be implemented at the beginning of 2012 at the earliest.

An agreement has also been made to sell store sites and shares owned by the Kesko Pension Fund and Kesko, in a total value of some €440 million, partly to Ilmarinen and partly to a joint venture owned by Kesko, the Kesko Pension Fund and Ilmarinen, in connection with the transfer of pension liabilities. The completion of the arrangements will have a positive non-recurring income statement impact for Kesko and the Kesko Pension Fund. The implementation of the arrangements under the letter of intent is subject to the approval of the bodies of the contracting parties (stock exchange release on 30 December 2009).

Risk management

The Kesko Group has established a risk management process, based on the risk management policy confirmed by the Board. The divisions have made risk assessments and updated them in accordance with the strategy process and the rolling planning framework. The divisions' risks and their management responses have been discussed by the division parent companies' and the Group's management. In their respective responsibility areas, the Group units have assessed the risks threatening the Group's objectives and the management of such risks.

On the basis of the divisions' and Group units' risk analyses, the Corporate Risk Management Unit has prepared summaries of major risks and their management on a quarterly basis. The resulting risk report has been handled by Kesko Corporation's Board of Directors' Audit Committee. The main risks and uncertainties have been reported in the interim financial reports. The following is a description of the risks and uncertainties assessed to be significant.

Significant risks and uncertainties

The general economic development continues to involve significant uncertainties. Developments in the employment situation, tax increases resulting from the debt burden of the public sector, and consumers' confidence in the future have an essential impact on consumers' purchasing power, consumer demand and businesses' investment readiness. The biggest uncertainty relates to the building and home improvement trade, and the car and machinery trade, as well as the consumer demand trends in Kesko's operating countries, especially in Latvia, Lithuania, Estonia and Russia.

Kesko aims to achieve growth also through international expansion in selected business areas. Failures in these projects may put growth and profitability at risk. On the other hand, business and stores site acquisitions may be easier to complete and with better terms. Expansion and operations in Russia involve both opportunities and risks. The unpredictability of officials and sudden changes in the interpretation and application of laws may complicate operating activities or delay expansion in Russia.

Changes in consumer behaviour, technological developments and an increasing supply of electronic services are significantly changing the operating systems of trade. Kesko's challenge is to combine the possibilities of online trading, electronic customer communication and the retailer business model into an efficient system.

The automation of financial administration routines may be delayed by suppliers' and retailers' technical facilities and abilities to adopt new operating systems. Kesko is carrying out several significant information system projects. There is a risk that the expected benefits are delayed or that the project costs are exceeded.

The trading sector is characterised by increasingly complicated and long supply chains and a dependency on information systems, telecommunications and external service providers. Disturbances in the supply chain can cause major losses in sales and profit.

Failure in the protection of personal information and card payments could cause losses, claims for damages and the degrading of reputation.

Shrinkage causes significant financial losses for the retail trade. Shrinkage results, for example, from spoiled or damaged goods, theft or other malpractice, and unsuccessful purchasing. Recession entails a growing risk of financial malpractice.

In business divisions that are strongly dependent on individual principals and suppliers, such as the car and machinery trade, ownership arrangements, changes in a principal's or supplier's strategy concerning the product selection, pricing and distribution channel solutions can mean a reduction in competitiveness or sales or loss of business.

Considerable amounts of capital or lease liabilities are tied up in store properties for years. As a result of the recession or changes in local competitive situations, the operations in a store site can run risk of becoming unprofitable and the operation ends while non-current liabilities remain.

A failure in product control or in the quality assurance of the supply chain may result in financial losses, the loss of customer confidence or, in the worst case, a health hazard.

Compliance with legislation, agreements and Kesko's responsibility guidelines or ethical principles is an important basic value. Non-compliance may result in fines, compensation for damages and other financial losses, and a loss of confidence or reputation.

Further information about the risks, uncertainties and management responses relating to Kesko's operating activities, and about Kesko's risk management system and principles is available on the company's website at www.kesko.fi.

Other risks and uncertainties relating to profit performance are described in the Group’s future outlook.

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.

Proposal for profit distribution

The parent's distributable profits are €1,051,861,023.07, of which the profit for the period is €138,776,973.11.

The Board of Directors proposes to the Annual General Meeting to be held on 29 March 2010 that the distributable profits be used as follows:

€0.90 per share, or a total of €88,547,166.90, be distributed as dividends.

€1,300,000.00 are reserved for charitable donations at the discretion of the Board of Directors.

€962,013,856.17 are carried forward in equity.

Annual General Meeting
The Board of Directors decided to convene the Annual General Meeting at the Helsinki Fair Centre on 29 March 2010 at 13.00. Kesko Corporation will publish a notice of the Annual General Meeting at a later date.

Annual Report 2009 and corporate governance statement
Kesko will publish the 2009 Annual Report, which contains the report by Kesko's Board of Directors and the financial statements for 2009, and a separate Corporate Governance Statement on week 9 on its website at www.kesko.fi.

Helsinki, 4 February 2010
Kesko Corporation
Board of Directors

The information in the financial statements report is unaudited.

Further information is available from Arja Talma, Senior Vice President, CFO, telephone +358 1053 22113, and Jukka Erlund, Vice President, Corporate Controller, telephone +358 1053 22338. A Finnish-language webcast from the media and analyst briefing on the financial statements can be accessed at www.kesko.fi at 11.00. An English-language web conference on the financial statements will be held today at 14.30 (Finnish time). The web conference login is available at www.kesko.fi.

KESKO CORPORATION

Paavo Moilanen
Senior Vice President, Corporate Communications and Responsibility

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Kesko Corporation's interim report for January-March will be released on 27 April 2010. In addition, the Kesko Group's sales figures will be published each month. News releases and other company information are available on Kesko’s website at www.kesko.fi.

DISTRIBUTION
NASDAQ OMX Helsinki
Main news media
www.kesko.fi

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ATTACHMENTS:

Accounting policies

This financial statements report has been prepared in accordance with the IAS 34 standard. The interim financial report has been prepared in accordance with the same principles as the annual financial statements for 2008, with the exception of the following changes due to the adoption of new and revised IFRS standards and IFRIC interpretations.

IFRS 8 Operating segments
The Kesko Group's reportable segments are the same as its business divisions, which, effective 1 January 2009, are the food trade, the home and speciality goods trade, the building and home improvement trade, and the car and machinery trade (stock exchange release on 12 December 2008). The segment information for the 2008 financial period has been restated accordingly (stock exchange release on 26 March 2009). The adoption of the IFRS 8 has not changed the Group's reportable segments, because the Group's prior segment information was already based on the management's internal reporting, with the measurement principles of assets and liabilities complying with the IFRS regulations.

The food trade comprises the food business based on the K-retailer business model and Kespro Ltd's grocery wholesaling in Finland. The home and speciality goods trade comprises Anttila's department store business, K-citymarket's home and speciality goods business, Intersport Finland's sports business, Indoor Group's furniture and interior decoration business, Musta Pörssi's home technology business, and Kenkäkesko's shoe business. The building and home improvement trade includes, in addition to the previously reported Rautakesko, the K-maatalous chain and the agricultural business in Finland. The car and machinery trade comprises the previously reported VV-Auto and Konekesko. Konekesko includes, in addition to the previously reported machinery business, the tractor and combine harvester business in Finland and the agricultural and machinery business entities in the Baltic countries.

Segment assets and liabilities comprise items used by a segment in its business activities or items that can be allocated to segments. Unallocated items consist of the Group's common items.

IAS 1 Presentation of financial statements
At the beginning of 2009, the Kesko Group adopted the revised IAS 1 standard. Consequently, the interim financial report presents a statement of comprehensive income specifying non-owner changes in equity. At the same time, the statement of changes in equity has been modified to comply with the requirements of the revised standard.

IFRIC 13 Customer Loyalty Programmes
At the beginning of 2009, the Kesko Group adopted a new IFRIC interpretation, IFRIC 13 Customer Loyalty Programmes. According to the interpretation, the loyalty award credits

relating to the K-Plussa customer loyalty programme are recognised in sales adjustment items. In consequence, the net sales figures for 2008 of certain retail companies of the Group have been restated to comply with the new interpretation. The adoption of the interpretation does not impact the Group's operating profit.

IAS 23 Borrowing Costs, capitalisation of borrowing costs attributable to a qualifying asset
The amended standard removes the option of immediately expensing borrowing costs attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. These borrowing costs are eligible for capitalisation as part of the cost of the asset. The Group previously expensed borrowing costs in the accounting period in which they incurred. The amendment has not impacted the profit for the reporting period.

In addition, the Group has adopted the following revised or amended IFRS standards and IFRIC interpretations endorsed by the EU as from 1 January 2009:
- IAS 32 Financial Instruments: presentation, and IAS 1 Presentation of Financial Statements - Puttable financial instruments and obligations arising on liquidation (amendment)
- IFRS 1 First-time adoption of IFRS, and IAS 27 Consolidated and Separate Financial Statements - Cost of an investment in a Subsidiary, Jointly controlled Entity or Associate (amendment)
- IFRS 2 Share-based Payments - Vesting conditions and cancellations (amendment)
- Annual amendments to the IFRSs (Annual Improvements 2007)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The following standards became effective on 1 January 2009, but have not yet been endorsed by the EU:
- IFRS 7 Financial Instruments: Disclosures (amendment)
- IFRIC 9 Reassessment of Embedded Derivatives (amendment) and IAS 39 Financial Instruments: Recognition and Measurement (amendment)
- IFRIC 15 Agreements for the Construction of Real Estate

The above amendments to standards and interpretations have not had a material impact on the reported income statement, statement of financial position or notes.

Other changes
The credit entry corresponding to granted share options in compliance with IFRS 2 is presented in retained earnings instead of share premium. The change was made retrospectively for the first quarter and does not impact the Group's equity.

The cost for hedging foreign currency denominated items of the statement of financial position is presented in the cash flow from operating activities instead of the cash flow from financing activities. The change has been made retrospectively.

Previously, retained earnings included the currency translation differences of retained earnings, but the item has been retrospectively presented in currency translation differences (€0.7 million transferred from retained earnings to currency translation differences on 1 Jan. 2008).

Consolidated income statement (€ million)

	1-12/ 2009	**1-12/ 2008**	**Change, %**	**10-12/ 2009**	**10-12/ 2008**	**Change, %**

Net sales	8,447	9,591	-11.9	2,153	2,333	-7.7
Cost of sales	-7,298	-8,293	-12.0	-1,832	-2,012	-9.0
Gross profit	**1,149**	**1,299**	**-11.5**	**321**	**321**	**0.2**
Other operating income	710	730	-2.7	232	153	51.6
Staff cost	-535	-578	-7.4	-137	-145	-5.6
Depreciation and impairment charges	-131	-178	-26.3	-43	-44	-2.2
Other operating expenses	-961	-987	-2.7	-255	-278	-8.1
Operating profit	**232**	**286**	**-18.7**	**118**	**7**	**(..)**
Interest income	21	36	-41.0	5	10	-52.9
Interest expenses	-20	-30	-33.0	-5	-7	-38.6
Exchange differences and other financial items	-17	-4	(..)	-2	-1	30.6
Income from associates	0	2	-88.6	0	0	(..)
Profit before tax	**217**	**289**	**-24.9**	**116**	**8**	**(..)**
Income tax	-82	-89	-7.9	-42	-5	(..)
Profit for the period from continuing operations	**134**	**199**	**-32.6**	**75**	**2**	**(..)**
Profit for the period from discontinued operations	**-**	**42**	**(..)**	**-**	**1**	**(..)**
Net profit for the period	**134**	**241**	**-44.2**	**75**	**3**	**(..)**
Attributable to						
Owners of the parent	125	220	-43.0	71	-4	(..)
Non-controlling interests	9	21	-56.8	3	7	-52.0
Earnings per share (€) for profit attributable to equity holders of the parent						
Continuing operations						
Basic	1.28	1.82	-29.9	0.73	-0.05	(..)
Diluted	1.27	1.81	-29.8	0.73	-0.05	(..)
Whole Group						
Basic	1.28	2.25	-43.2	0.73	-0.04	(..)
Diluted	1.27	2.24	-43.1	0.73	-0.04	(..)

Consolidated statement of comprehensive income (€ million)

	1-12/ 2009	1-12/ 2008	Change, %	10-12/ 2009	10-12/ 2008	Change, %
Net profit for the period	134	241	-44.2	75	3	(..)
Other comprehensive income						
Exchange differences on translating foreign operations	-3	-6	60.0	0	-6	(..)
Cash flow hedge revaluation	-4	-13	69.6	6	-15	(..)
Revaluation of available-for-sale financial assets	-2	2	(..)	-2	2	(..)
Tax relating to other comprehensive income	2	3	-45.5	-1	4	(..)

Total other comprehensive income for the period, net of tax	-7	-14	(..)	3	-17	(..)
Total comprehensive income for the period	**127**	**226**	**(..)**	**78**	**-14**	**(..)**
Attributable to						
Owners of the parent	123	205	-39.9	75	-20	(..)
Non-controlling interests	4	21	(..)	3	7	(..)

(..) Change over 100%

Consolidated statement of financial position (€ million), condensed

	31.12.2009	31.12.2008	Change,%
ASSETS			
Non-current assets			
Intangible assets	185	170	9.0
Tangible assets	1,111	1,210	-8.2
Interests in associates and other financial assets	36	34	5.5
Loans and receivables	71	76	-6.6
Pension assets	315	300	5.0
Total	1,717	1,789	-4.0
Current assets			
Inventories	665	871	-23.6
Trade receivables	594	633	-6.2
Other receivables	150	152	-1.7
Financial assets at fair value through profit or loss	213	94	(..)
Available-for-sale financial assets	428	291	47.0
Cash and cash equivalents	74	58	27.8
Total	2,124	2,100	1.1
Non-current assets held for sale	1	3	-68.8
Total assets	**3,842**	**3,892**	**-1.3**

	31.12.2009	31.12.2008	Change,%
EQUITY AND LIABILITIES			
Equity	2,005	1,966	2.0
Non-controlling interests	64	61	6.3
Total equity	2,069	2,026	2.1
Non-current liabilities			
Pension obligations	2	2	-5.0
Interest-bearing liabilities	262	197	33.0
Non-interest-bearing liabilities	6	12	-52.1
Deferred tax	128	132	-3.3
Provisions	14	20	-27.9
Total	412	363	13.5
Current liabilities			

Interest-bearing liabilities	194	294	-33.9
Trade payables	704	756	-6.9
Other non-interest-bearing liabilities	434	430	0.9
Provisions	29	24	24.2
Total	1,361	1,503	-9.4
Total equity and liabilities	**3,842**	**3,892**	**-1.3**

(..) Change over 100%

Consolidated statement of changes in equity (€ million)

	Share capital	Issue of share capital	Share premium	Other reserves	Currency translation differences	Revaluation surplus	Retained earnings	Non controlling interests	Total
Balance at 1.1.2008	196	0	190	247	-3	10	1,269	55	1,964
Shares subscribed for with options	0	0	0						0
Option cost							6		6
Subsidiary sales				-4			4		0
Dividends							-156	-16	-172
Other changes							2		2
Total comprehensive income for the period				0	-7	-8	220	21	226
Balance at 31.12.2008	**196**	**0**	**191**	**243**	**-10**	**2**	**1,344**	**61**	**2,026**
Balance at 1.1.2009	**196**	**0**	**191**	**243**	**-10**	**2**	**1,344**	**61**	**2,026**
Shares subscribed for with options	1	0	4						5
Option cost							8		8
Dividends							-98	0	-98
Other changes							2		
Total comprehensive income for the period					2	-4	125	4	127

Balance at 31.12.2009	**197**	**0**	**194**	**243**	**-7**	**-3**	**1,381**	**64**	**2,069**

Consolidated cash flow statement (€ million), condensed

	1-12/ 2009	**1-12/ 2008**	**Change %**	**10-12/ 2009**	**10-12/ 2008**	**Change %**
Cash flow from operating activities						
Profit before tax	217	331	-34.5	116	8	(..)
Planned depreciation	117	118	-1.0	31	30	2.2
Financial income and expenses	16	-1	(..)	2	-1	(..)
Other adjustments	-74	-130	-43.2	-50	31	(..)
Working capital						
Current non-interest-bearing trade and other receivables, increase (-)/ decrease (+)	39	-10	(..)	43	93	-53.2
Inventories increase (-)/ decrease (+)	207	2	(..)	40	41	-2.8
Current non-interest-bearing liabilities, increase (+)/decrease (-)	-84	-78	7.0	-47	-156	-70.0
Financial items and tax	-59	-100	-41.1	-12	-31	-61.6
Net cash from operating activities	**379**	**131**	(..)	**123**	**15**	(..)
Cash flow from investing activities						
Investments	-223	-320	-30.4	-61	-97	-37.0
Sales of fixed assets	252	281	-10.5	158	4	(..)
Increase of non-current receivables	0	-7	(..)	0	-2	(..)
Decrease of non-current receivables	2	0	(..)	0	0	(..)
Net cash used in investing activities	**31**	**-46**	**(..)**	**96**	**-96**	**(..)**
Cash flow from financing activities						
Increase (+)/ decrease (-) in interest-bearing liabilities	-33	-53	-37.4	-27	-27	-1.3
Increase (-)/decrease (+) in current interest-bearing receivables	-14	216	(..)	-13	3	(..)
Dividends paid	-98	-172	-42.9	0	0	(..)
Equity increase	5	0	(..)	2	0	(..)
Short-term money market investments	-98	-17	(..)	-78	37	(..)
Other items	4	11	-68.2	-3	10	(..)
Net cash used in financing	**-234**	**-14**	**(..)**	**-119**	**23**	**(..)**

activities						
Change in cash and cash equivalents	**175**	**71**	**(..)**	**100**	**-58**	**(..)**
Cash and cash equivalents and current portion of available-for-sale financial assets at 1 Jan.	319	245	30.1	391	377	3.8
Exchange difference and revaluation	-3	1	(..)	0	0	-94.8
Cash and cash equivalents relating to available-for-sale assets	0	-2	(..)	0	0	(..)
Cash and cash equivalents and current portion of available-for-sale financial assets at 31 Dec.	491	319	53.9	491	319	53.9

(..) Change over 100%

Group performance indicators

	1-12/2009	**1-12/2008**	**Change, pp**
Return on capital employed, %	11.0	15.2	-4.2
Return on capital employed, %, excl. non-recurring items	7.3	10.2	-2.9
Return on equity, %	6.6	12.1	-5.5
Return on equity, excl. non-recurring items, %	3.8	8.1	-4.3
Equity ratio, %	54.1	52.4	1.8
Gearing, %	-12.5	2.3	-14.8
			Change,%
Investments, € million*	198	338	-41.5
Investments, % of net sales*	2.3	3.5	-33.6
Earnings per share, basic, €*	1.28	1.82	-29.9
Earnings per share, diluted, €*	1.27	1.81	-29.8
Earnings per share, basic, €**	1.28	2.25	-43.2
Earnings per share, diluted, €**	1.27	2.24	-43.1
Earnings per share excl. non-recurring items, basic, €**	0.71	1.44	-50.8
Cash flow from operating activities, € million**	379	131	(..)
Cash flow from investing activities, € million**	31	-46	(..)
Equity per share, €	20.39	20.09	1.5
Personnel, average*	19,184	21,327	-10.0

* Continuing operations
** Whole Group

Group performance indicators by quarter	**1-3/ 2008**	**4-6/ 2008**	**7-9/ 2008**	**10-12/ 2008**	**1-3/ 2009**	**4-6/ 2009**	**7-9/ 2009**	**10-12/ 2009**

Net sales, € million	2,277	2,547	2,435	2,333	2,018	2,143	2,133	2,153
Change in net sales, %	6.8	6.1	3.0	-2.4	-11.4	-15.9	-12.4	-7.7
Operating profit, € million	150.1	84.8	43.8	6.9	23.2	42.7	48.3	118.1
Operating margin, %	6.6	3.3	1.8	0.3	1.1	2.0	2.3	5.5
Operating profit excl. non-recurring items, € million	36.6	81.1	72.0	27.3	3.4	36.4	47.5	68.0
Operating margin excl. non-recurring items, %	1.6	3.2	3.0	1.2	0.2	1.7	2.2	3.2
Financial income/expenses, € million	-1.4	-0.2	1.8	0.8	-5.1	-4.4	-4.7	-1.8
Profit before tax, € million	148.6	84.3	48.0	7.7	18.2	38.2	43.8	116.3
Profit before tax, %	6.5	3.3	2.0	0.3	0.9	1.8	2.1	5.4
Return on capital employed, %	30.1	22.2	8.2	1.4	4.2	8.0	9.4	22.9
Return on capital employed excl. non-recurring items, %	7.3	15.6	13.6	4.9	0.6	6.8	9.2	13.2
Return on equity, %	25.1	19.1	4.2	0.6	2.4	4.6	5.2	14.7
Return on equity excl. non-recurring items, %	5.6	12.3	10.4	4.3	-0.6	3.7	5.0	7.7
Equity ratio, %	46.3	49.0	50.2	52.4	49.8	51.0	52.3	54.1
Investments, € million*	60.3	83.0	89.9	105.2	51.5	55.8	49.2	41.5
Earnings per share, diluted, €*	1.11	0.58	0.17	-0.05	0.12	0.19	0.24	0.73
Equity per share, €	19.13	20.17	20.29	20.09	19.16	19.36	19.60	20.39

* Continuing operations

Segment information

Net sales by segment, continuing operations (€ million)	**1-12/ 2009**	**1-12/ 2008**	**Change, %**	**10-12/ 2009**	**10-12/ 2008**	**Change, %**
Food trade, Finland	3,790	3,696	2.6	968	979	-1.1
Food trade, other countries*	7	11	-33.1	2	3	-15.6
Food trade total	**3,798**	**3,707**	**2.4**	**970**	**982**	**-1.2**
- of which intersegment trade	161	177	-8.9	43	45	-4.7
Home and speciality goods trade, Finland	1,530	1,560	-1.9	494	480	2.8
Home and speciality goods trade, other countries*	28	46	-39.6	6	10	-36.6
Home and speciality goods trade total	**1,558**	**1,606**	**-3.0**	**500**	**490**	**2.0**
- of which intersegment trade	26	25	6.2	10	9	8.7
Building and home improvement trade, Finland	1,041	1,319	-21.1	223	262	-14.9
Building and home improvement trade, other countries*	1,271	1,659	-23.4	302	356	-15.0
Building and home improvement trade total	**2,312**	**2,978**	**-22.4**	**525**	**617**	**-14.9**

- of which intersegment trade	2	2	-31.7	0	0	-52.1
Car and machinery trade, Finland	773	1,137	-32.0	159	209	-24.1
Car and machinery trade, other countries*	175	343	-49.1	46	86	-46.1
Car and machinery trade total	**947**	**1,480**	**-36.0**	**205**	**295**	**-30.5**
- of which intersegment trade	1	1	-46.0	0	0	(..)
Common operations and eliminations	-168	-178	-5.7	-47	-51	-7.5
Finland total	**6,966**	**7,533**	**-7.5**	**1,796**	**1,879**	**-4.4**
Other countries total*	**1,481**	**2,059**	**-28.1**	**357**	**454**	**-21.4**
Group total	**8,447**	**9,591**	**-11.9**	**2,153**	**2,333**	**-7.7**

* exports and net sales in countries other than Finland

Operating profit by segment, continuing operations (€ million)	**1-12/ 2009**	**1-12/ 2008**	**Change**	**10-12/ 2009**	**10-12/ 2008**	**Change**
Food trade	170.6	185.5	-14.9	58.7	27.4	31.3
Home and speciality goods trade	66.5	63.6	3.0	66.5	10.6	55.9
Building and home improvement trade	19.6	19.4	0.2	1.6	-6.5	8.1
Car and machinery trade	-5.1	30.5	-35.6	-2.7	-17.0	14.3
Common operations and eliminations	-19.3	-13.3	-6.0	-5.9	-7.6	1.6
Total	**232.3**	**285.6**	**-53.3**	**118.1**	**6.9**	**111.2**

Segments' operating profits excl. non-recurring items, continuing operations (€ million)	**1-12/ 2009**	**1-12/ 2008**	**Change**	**10-12/ 2009**	**10-12/ 2008**	**Change**
Food trade	133.1	122.5	10.5	33.7	31.6	2.1
Home and speciality goods trade	29.5	31.2	-1.7	39.7	27.7	12.0
Building and home improvement trade	11.9	56.4	-44.4	-2.1	-7.5	5.4
Car and machinery trade	0.3	30.4	-30.1	2.7	-17.1	19.8
Common operations and eliminations	-19.4	-23.6	4.1	-6.0	-7.5	1.5
Total	**155.4**	**217.0**	**-61.6**	**68.0**	**27.3**	**40.7**

Segments' operating margins excl. non-recurring items, continuing operations	**1-12/ 2009 % of net sales**	**1-12/ 2008 % of net sales**	**Change pp**	**10-12/ 2009 % of net sales**	**10-12/ 2008 % of net sales**	**Change pp**

Food trade	3.5	3.3	0.2	3.5	3.2	0.3
Home and speciality goods trade	1.9	1.9	-0.1	7.9	5.7	2.3
Building and home improvement trade	0.5	1.9	-1.4	-0.4	-1.2	0.8
Car and machinery trade	0.0	2.1	-2.0	1.3	-5.8	7.1
Total	**1.8**	**2.3**	**-0.4**	**3.2**	**1.2**	**2.0**

Capital employed by segment, cumulative average (€ million)	**1-12/ 2009**	**1-12/ 2008**	**Change**	**10-12/ 2009**	**10-12/ 2008**	**Change**
Food trade	636	635	1	642	654	-7
Home and speciality goods trade	510	507	2	493	536	-43
Building and home improvement trade	645	629	16	624	620	4
Car and machinery trade	244	281	-37	225	309	-83
Common operations and eliminations	80	83	-21	80	88	-13
Group total	**2,115**	**2,135**	**-37**	**2,064**	**2,207**	**-143**

Return on capital employed by segment excl. non-recurring items, %	**1-12/ 2009**	**1-12/ 2008**	**Change pp**	**10-12/ 2009**	**10-12/ 2008**	**Change pp**
Food trade	20.9	19.3	1.6	21.0	19.3	1.6
Home and speciality goods trade	5.8	6.2	-0.4	32.2	20.7	11.5
Building and home improvement trade	1.8	9.0	-7.1	-1.3	-4.8	3.5
Car and machinery trade	0.1	10.8	-10.7	4.8	-22.2	27.0
Group total	**7.3**	**10.2**	**-2.9**	**13.2**	**4.9**	**8.2**

Investments by segment, continuing operations (€ million)	**1-12/ 2009**	**1-12/ 2008**	**Change**	**10-12/ 2009**	**10-12/ 2008**	**Change**
Food trade	69	140	-70	10	32	-22
Home and speciality goods trade	30	60	-31	7	21	-14
Building and home improvement trade	85	123	-38	19	45	-25
Car and machinery trade	13	16	-2	5	5	-1
Group total	**198**	**338**	**-140**	**42**	**105**	**-64**

Segment information by quarter

Net sales by segment, continuing operations (€ million)	**1-3/ 2008**	**4-6/ 2008**	**7-9/ 2008**	**10-12/ 2008**	**1-3/ 2009**	**4-6/ 2009**	**7-9/ 2009**	**10-12/ 2009**
Food trade	853	939	933	982	888	974	966	970

Home and speciality goods trade	364	355	396	490	346	331	381	500
Building and home improvement trade	695	870	795	617	529	643	614	525
Car and machinery trade	402	426	357	295	296	233	213	205
Common operations and eliminations	-37	-44	-46	-51	-41	-39	-41	-47
Group total	**2,277**	**2,547**	**2,435**	**2,333**	**2,018**	**2,143**	**2,133**	**2,153**

Segments' operating profits, continuing operations (€ million)	**1-3/ 2008**	**4-6/ 2008**	**7-9/ 2008**	**10-12/ 2008**	**1-3/ 2009**	**4-6/ 2009**	**7-9/ 2009**	**10-12/ 2009**
Food trade	81.3	31.5	45.3	27.4	42.3	33.8	35.8	58.7
Home and speciality goods trade	40.1	3.7	9.2	10.6	-3.3	-3.6	7.0	66.5
Building and home improvement trade	7.3	34.6	-16.1	-6.5	-5.2	14.8	8.5	1.6
Car and machinery trade	15.8	21.3	10.4	-17.0	-6.0	1.9	1.7	-2.7
Common operations and eliminations	5.6	-6.3	-4.9	-7.6	-4.6	-4.3	-4.5	-5.9
Group total	**150.1**	**84.8**	**43.8**	**6.9**	**23.2**	**42.7**	**48.3**	**118.1**

Segments' operating profits excl. non-recurring items, continuing operations (€ million)	**1-3/ 2008**	**4-6/ 2008**	**7-9/ 2008**	**10-12/ 2008**	**1-3/ 2009**	**4-6/ 2009**	**7-9/ 2009**	**10-12/ 2009**
Food trade	25.0	31.5	34.4	31.6	33.8	30.1	35.5	33.7
Home and speciality goods trade	-6.8	3.5	6.8	27.7	-10.7	-6.0	6.5	39.7
Building and home improvement trade	7.3	31.0	25.5	-7.5	-9.1	14.8	8.4	-2.1
Car and machinery trade	15.8	21.3	10.4	-17.1	-6.0	1.9	1.7	2.7
Common operations and eliminations	-4.8	-6.2	-5.1	-7.5	-4.6	-4.4	-4.5	-6.0
Group total	**36.6**	**81.1**	**72.0**	**27.3**	**3.4**	**36.4**	**47.5**	**68.0**

Personnel average and at 31 Dec.

Personnel, average by segment, continuing operations	**1-12/2009**	**1-12/2008**	**Change**
Food trade	3,035	3,440	-405
Home and speciality goods trade	5,666	5,801	-135
Building and home improvement trade	8,789	10,400	-1,611
Car and machinery trade	1,291	1,451	-160
Common operations	403	236	167

Group total	**19,184**	**21,327**	**-2,143**

Personnel at 31 Dec.* by segment, continuing operations	**2009**	**2008**	**Change**
Food trade	3,288	3,830	-542
Home and speciality goods trade	8,073	8,229	-156
Building and home improvement trade	9,219	10,972	-1,753
Car and machinery trade	1,196	1,402	-206
Common operations	424	235	189
Group total	**22,200**	**24,668**	**-2,468**

* total number incl. part-time employees

Group contingent liabilities (€ million)

	31.12.2009	**31.12.2008**	**Change,%**
For own commitments	214	125	70.6
For shareholders	0	0	0.0
For others	7	8	-21.3
Lease liabilities for machinery and fixtures	22	25	-11.5
Lease liabilities for real estate	2,337	2,084	12.1

Contingent liabilities arising from derivative financial instruments

			Fair value
Values of underlying instruments at 31 Dec.	**31.12.2009**	**31.12.2008**	**31.12.2009**
Interest rate derivatives			
Forward and future contracts	12	-	-0.08
Interest rate swap contracts	207	205	0.63
Currency derivatives			
Forward and future contracts	441	333	-6.81
Currency swap contracts	100	100	-17.20
Commodity derivatives			
Electricity derivatives	40	46	-5.02
Grain derivatives	-	1	-

Calculation of performance indicators

Return on capital employed, %	Operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets – Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed, excluding non-recurring items, %	Operating profit excl. non-recurring items x 100 / (Non-current assets + Inventories + Receivables + Other current assets – Non-interest-bearing liabilities) on average for the reporting period
Return on equity, %	(Profit/loss before tax - income tax) x 100 / Shareholders' equity

Return on equity excluding non-recurring items, %	(Profit/loss adjusted for non-recurring items before tax - income tax adjusted for the tax effect of non-recurring items) x 100 / Shareholders' equity
Equity ratio, %	Shareholders' equity x 100 / (Statement of financial position total - advances received)
Earnings/share, diluted	(Profit - non-controlling interests) / Average number of shares adjusted for the dilutive effect of options
Earnings/share, basic	(Profit - non-controlling interests) / Average number of shares
Earnings/share excl. non-recurring items, basic	(Profit adjusted for non-recurring items – non-controlling interests)/ Average number of shares
Equity/share	Equity attributable to equity holders of the parent / Basic number of shares at reporting date
Gearing, %	Interest-bearing net liabilities x 100 / Shareholders' equity

K-Group's retail and B2B sales in euros, incl. VAT (preliminary data):

	1.1.-31.12.2009		1.10.-31.12.2009	
K-Group retail and B2B sales	**€ million**	**Change, %**	**€ million**	**Change, %**
K-Group food trade				
K-food stores, Finland	4,891	4.4	1,245	1.0
Kespro	811	-3.0	199	-6.7
Food trade total	**5,703**	**3.3**	**1,444**	**-0.2**
K-Group home and speciality goods trade				
Home and speciality goods stores, Finland	2,026	-2.1	643	2.5
Home and speciality goods stores, Baltic countries	24	-45.4	5	-43.7
Home and speciality goods trade total	**2,050**	**-3.0**	**648**	**1.8**
K-Group building and home improvement trade				
K-rauta and Rautia	1,158	-5.5	266	0.2
Rautakesko B2B Service	197	-29.5	51	-14.1
K-maatalous	448	-28.8	96	-37.3
Finland total	**1,803**	**-15.5**	**413**	**-13.6**
Building and home improvement stores, other Nordic countries	1,198	-11.3	317	12.5
Building and home improvement stores, Baltic countries	447	-37.5	99	-39.2

Building and home improvement stores, other countries	262	-19.2	64	-25.3
Building and home improvement trade total	**3,710**	**-18.0**	**893**	**-11.4**
K-Group car and machinery trade				
VV-Autotalot	374	-23.5	83	-22.5
VV-Auto, import	372	-38.5	73	-19.6
Konekesko, Finland	230	-34.4	44	-27.3
Finland total	**977**	**-32.4**	**200**	**-22.6**
Konekesko, Baltic countries	175	-36.7	42	-33.2
Car and machinery trade total	**1,152**	**-33.1**	**242**	**-24.7**
Finland total	**10,509**	**-5.9**	**2,700**	**-3.9**
Other countries total	**2,105**	**-22.3**	**527**	**-12.4**
Retail and B2B sales total	**12,614**	**-9.1**	**3,227**	**-5.4**