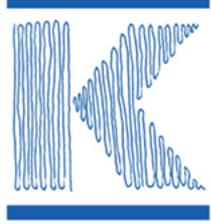




REVIEW 2015 BY THE PRESIDENT AND CEO



MIKKO HELANDER
4.4.2016



KESKO'S DIVISIONS

Grocery trade

- Finland
- Kespro
- Russia



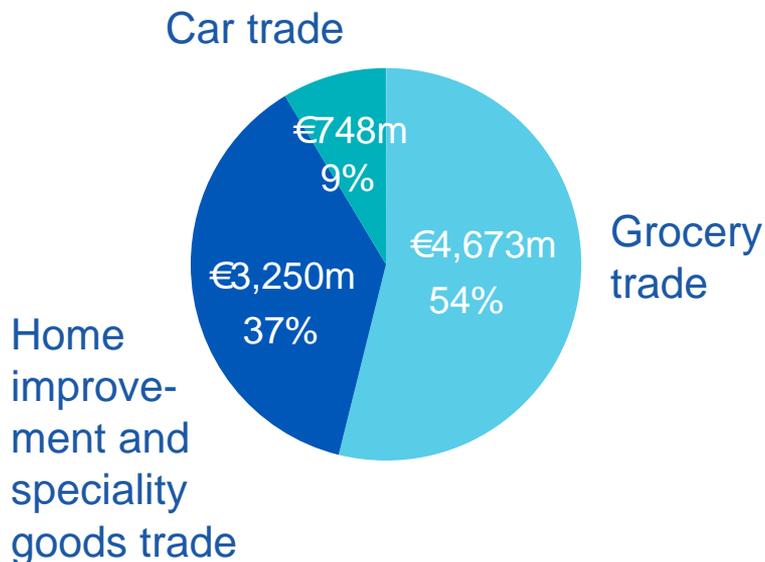
Home improvement and speciality goods trade

- Building and home improvement trade
- Furniture trade
- Leisure goods trade
- Agricultural and machinery trade

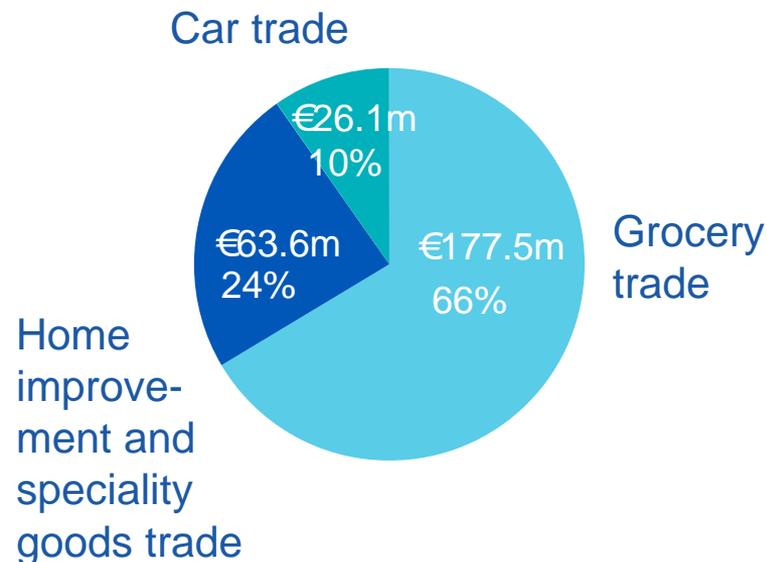
Car trade

- Import
- Dealers

NET SALES €8.7 BILLION

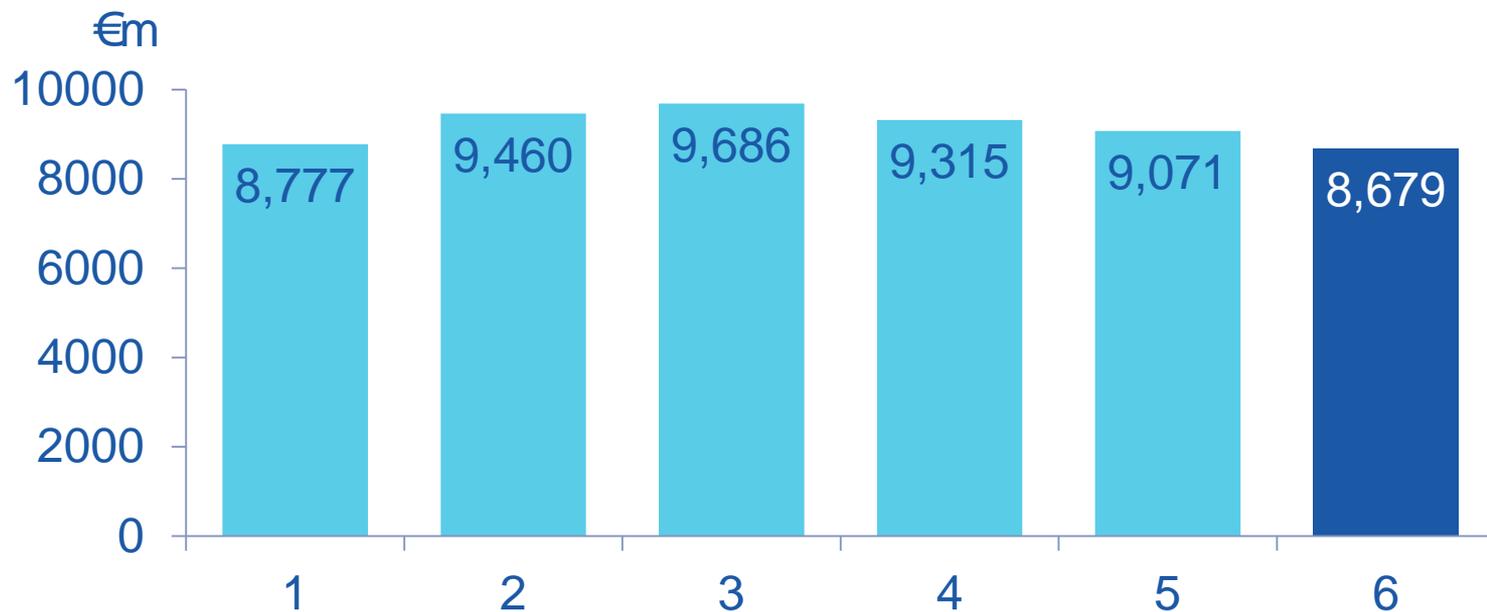


OPERATING PROFIT €244M

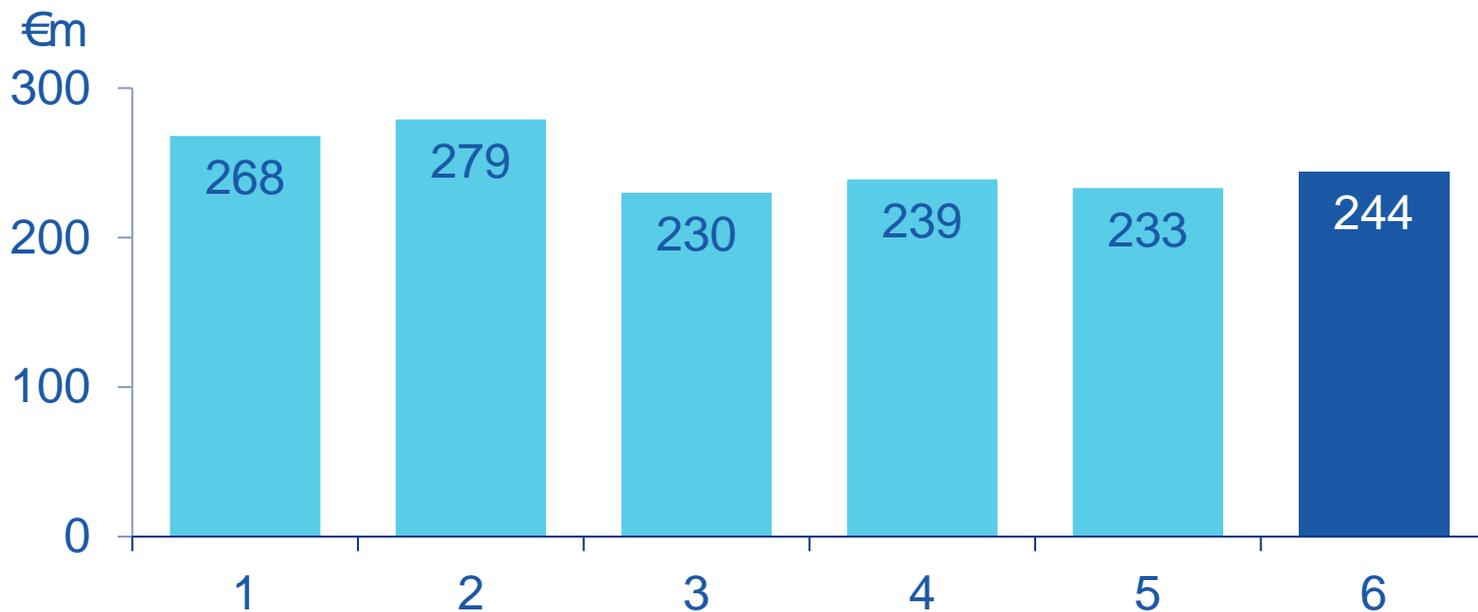


Excl. non-recurring items

NET SALES

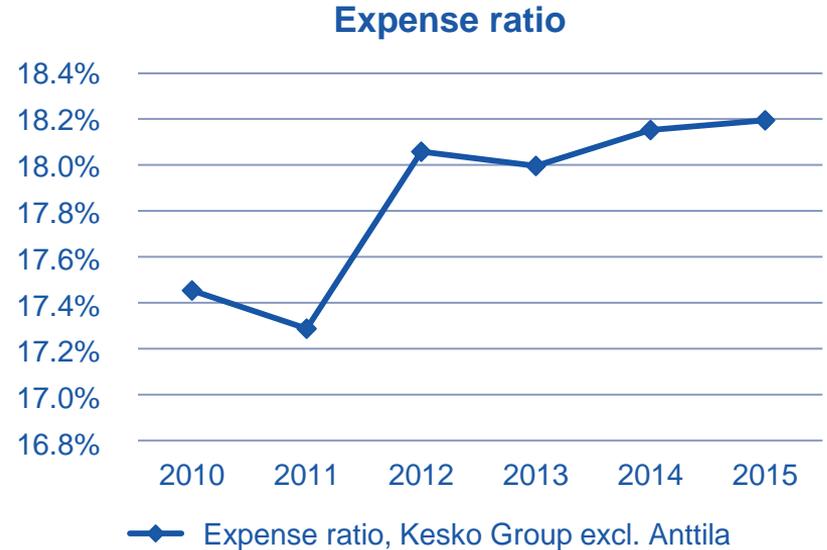


OPERATING PROFIT EXCL. NON-RECURRING ITEMS



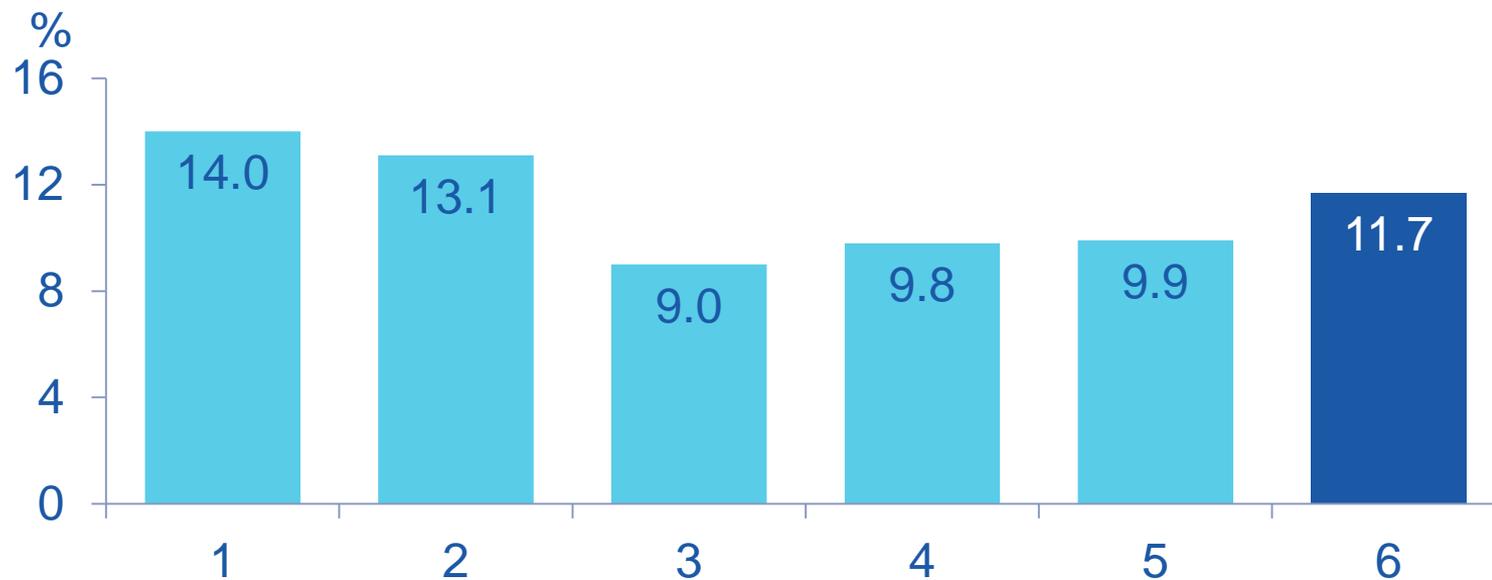
OPERATIONS TO BE FURTHER ENHANCED

- The €50 million savings programme is progressing as planned
- Enhancement of operations continues
- The expense ratio is also improved by increasing sales

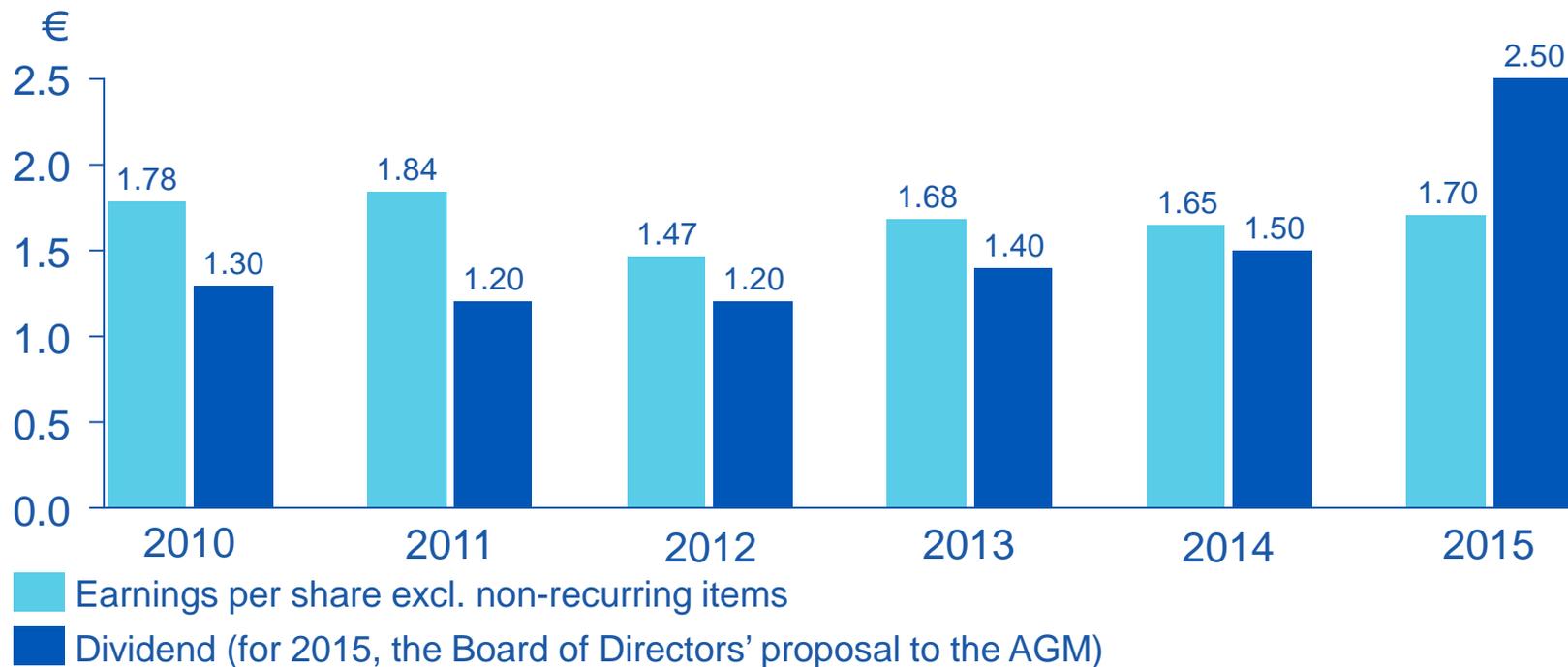


RETURN ON CAPITAL EMPLOYED

EXCL. NON-RECURRING ITEMS



EARNINGS PER SHARE AND DIVIDEND



SHARE PRICE DEVELOPMENT



A young boy with brown hair, wearing a grey t-shirt, is sitting at a wooden dining table. He is smiling and using a knife to cut a lemon on a white plate. The plate contains a salad with green leafy vegetables, red tomatoes, and white chicken pieces. In the foreground, the back of a person's head and shoulders is visible, looking towards the boy. The background is a bright, modern kitchen with white walls and a blue cushioned chair. A white horizontal bar is at the top of the image.

RENEWING K-GROUP

MEGATRENDS GUIDE RENEWAL

Consumers' increased ability to make analytical decisions

Ageing of population, urbanisation, and the growth of single households

Responsibility and the strong brand are increasingly important

International retail companies concentrating on a single product line are challenging local operators

Digital services play a key role

GROWTH STRATEGY

- Growth in the grocery trade particularly in Finland
- Growth and expansion in the building and technical trade in Europe
- Growth in the car trade particularly in Finland



SIGNIFICANT ARRANGEMENTS



A close-up photograph of a person's hand in a yellow long-sleeved shirt pushing a red shopping cart. The cart is a metal wire basket with a red handle. The background is a blurred grocery store aisle with shelves of various products. The text "RENEWALS IN THE GROCERY TRADE" is overlaid in white, bold, sans-serif capital letters across the center of the image.

RENEWALS IN THE GROCERY TRADE

UNIQUE CHAIN OF NEIGHBOURHOOD STORES

- Our key strategic choice is growing our network of neighbourhood stores
- All the current over 400 K-market stores will be refurbished
- New stores will complement the existing network



AQUISITION OF SUOMEN LÄHIKAUPPA WILL ACCELERATE THE IMPLEMENTATION OF OUR NEIGHBOURHOOD MARKET STRATEGY

- Suomen Lähikauppa has good store sites in cities and population centres
- More than 600 Siwa and Valintatalo stores will complement our network

We will bring the new era neighbourhood store closer to every Finn than ever before



"TACTICS FOR BETTER STOPS"

- Kesko and Neste are leading Finnish service stations to a new era
- Nearly 100 Neste K service stations
- High-quality and personalised services to customers quickly and easily



K-CITYMARKETS REFURBISHED

- Refurbishment of the over 80 K-citymarket stores has started
- Work for revising the chain's home and speciality goods selections and concepts is progressing
 - sales development was 6.2 percentage points ahead of other operators in 2015*



*Source: Finnish Grocery Trade Association

RETAILER ENTREPRENEURS IN THE CENTRE

- Strengthening the retailer entrepreneurship as K-food stores' competitive asset
- Store-specific business idea based on customer data
- It is also possible for the retailer to run several stores



BEST DIGITAL SERVICES IN THE TRADING SECTOR: K-RUOKA MOBILE APP

- Helps in shopping
- Knows the user and transmits individual offers
- Rose to the number one position on the App Store's download list on the week it was launched
- The app and digital services are further improved every day



A woman with blonde hair, wearing a grey tank top and a white apron, is painting a wall yellow. She is using a blue roller to apply the paint. In her left hand, she holds a blue paint tray filled with white paint and a wooden-handled brush. The wall is partially painted yellow, with some white areas still visible. The background is a bright, sunny outdoor setting.

RENEWALS IN THE BUILDING AND HOME IMPROVEMENT TRADE

STRONG DEVELOPMENT AND GOOD RESULTS

- Good profit development
- Market shares are increasing
- The fifth largest in Europe
- Kesko Senukai accelerates growth in the Baltic countries and Belarus
- Pro Centers as growth drivers



B2B SALES ARE GROWING FASTER THAN CONSUMER SALES

Building and renovation become more technical

Consumers more often outsource construction to professionals

Growing need for renovation construction

Rising standard of living increases the use of services

BUSINESS CUSTOMERS ARE ALREADY NOW KESKO'S LARGEST CUSTOMER GROUP

- Business customers already account for 40% of sales
- B2B sales have long developed better than consumer sales



ACQUISITION OF ONNINEN WILL RAISE THE SHARE OF B2B SALES FROM 40% TO 60%

€ billion

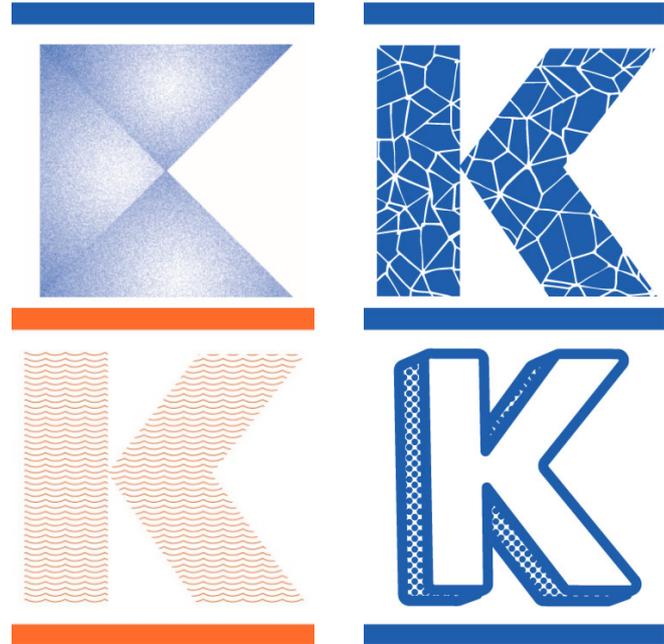




ONE UNIFIED K-GROUP

ONE UNIFIED K-GROUP

- Synergy benefits will be exploited in customer relationship management across business boundaries
- Ever closer cooperation with retailers
- Efficient use of internal synergy benefits, too
- One unified K-identity



THE MOST RESPONSIBLE RETAILER IN THE WORLD

Both in 2015 and 2016, the World Economic Forum in Davos published Kesko's inclusion in 'the Global 100 Most Sustainable Corporations in the World' list.

We will continue our long-term responsibility work.





FOR SHOPPING TO BE FUN