Q1/2019

Kesko Corporation
Interim report

January-March 2019

25.4.2019

KESKO CORPORATION INTERIM REPORT 25.4.2019 AT 9.00

Kesko's interim report for the period 1 Jan. to 31 March 2019

FINANCIAL PERFORMANCE IN BRIEF, CONTINUING OPERATIONS:

- The Group's net sales in January-March totalled €2,400.8 million (€2,413.2 million), a decrease of 0.6% in comparable terms
- Comparable operating profit was €57.5 million (€63.8 million)
- Comparable operating profit was impacted by acquisitions that increased seasonal profit fluctuations, which had a €-3.6 million impact, and by a decline in car trade sales and operating profit, mainly related to the implementation of WLTP testing, which meant that the division recorded an operating profit of €7.7 million, €3.4 million less than in the comparison period
- Operating profit was €51.6 million (€60.4 million)
- Comparable return on capital employed was 9.5% (9.8% in 1-12/2018) (rolling 12 months)
- Comparable profit before tax was €34.6 million (€38.3 million)
- Comparable earnings per share were €0.33 (€0.34)
- In comparable terms, the net sales for continuing operations for the next 12 months are expected to exceed the level of the previous 12 months. The comparable operating profit for continuing operations for the next 12-month period is expected to exceed the level of the preceding 12 months.

KEY PERFORMANCE INDICATORS

	1-3/2019	1-3/2018
Continuing operations		
Net sales, € million	2,400.8	2,413.2
Operating profit, comparable, € million	57.5	63.8
Operating margin, comparable	2.4	2.6
Operating profit, € million	51.6	60.4
Profit before tax, comparable, € million	34.6	38.3
Profit before tax, € million	28.8	34.9
Cash flow from operating activities, € million	157.0	116.0
Capital expenditure, € million	97.3	54.5
Earnings per share, €, basic and diluted		
Continuing operations	0.28	0.31
Discontinued operations	-0.00	-0.24
Group, total	0.27	0.07
Earnings per share, comparable, €, basic		
Continuing operations	0.33	0.34

	1-3/2019	1-12/2018
Continuing operations		
Return on capital employed, comparable, %, rolling 12 months	9.5	9.8
Group		
Return on equity, comparable, %, rolling 12 months	12.3	12.5

	31.3.2019	31.3.2018
Group		
Equity ratio, %	31.8	31.4
Equity per share, €	19.79	19.81

ADOPTION OF IFRS 16 LEASES

At the start of the financial year, the Group adopted the new standard IFRS 16 Leases, which took effect on 1 January 2019. The Group adopted the standard using a retrospective method, and reporting for the 2018 comparison period has been adjusted to be comparable. The change increases the comparable operating profit and capital employed for the first quarter, and decreases the return on capital employed. At Group level, the change increases the Group's net finance costs and interest-bearing liabilities. The change has a significant impact on the presentation of the Group's cash flows, as cash flow-based lease expenditure is partly presented under cash flow from operating activities and partly under cash flow from financing activities. The change does not have an impact on the Group's cash flows overall.

	1-3/2019, reported	Impact of IFRS 16	1-3/2019 excluding the impact of IFRS 16	1-3/2018, reported comparison period	Impact of IFRS 16	1-3/2018 excluding the impact of IFRS 16
Continuing operations						
EBITDA, comparable, € million	173.4	+102.3	71.1	170.7	+98.9	71.8
Operating profit, comparable, € million	57.5	+22.5	34.9	63.8	+23.8	40.0
Profit before tax, comparable, € million	34.6	-2.0	36.6	38.3	-1.6	39.9
Cash flow from operating activities, € million	157.0	+79.0	77.9	116.0	+76.7	39.3

Kesko Corporation has provided information on the implementation of IFRS 16 Leases in a 19 December 2018 release containing comparison figures for January-September 2018, in the 2018 financial statements release published on 6 February 2019, in the 2018 financial statements published on 8 March 2019, and in a 25 March 2019 release containing comparison figures for the full financial year 2018. Detailed information regarding the impacts of IFRS 16 Leases is provided in the Tables section of this release: information on impacts on the consolidated financial statements on page 31, and on operating profit and EBITDA by segment on page 26 and onwards.

PRESIDENT AND CEO MIKKO HELANDER:

Kesko's good performance continued in the first quarter. In the grocery trade division, sales grew, market share strengthened and profitability improved further. In the building and technical trade division, sales grew markedly and profit was good considering the fact that due to seasonal fluctuation, operating profit tends to be lower in the first quarter than in other quarters. Operating profit for the car trade division was at a good level even though the implementation of the WLTP emissions testing has caused significant disturbances in car trade in Europe.

Changes were made to our financial reporting at the start of the year in line with the new accounting standard IFRS 16 Leases. Our comparable operating profit for the quarter calculated in accordance with the new standard totalled €57.5 million, while under the previous accounting practice, the figure would have been €34.9 million. The adoption of the standard does not, however, have a material impact on our profit before tax, which amounted to €34.6 million for the period.

Our reported operating profit of €57.5 million was down on the comparison period (€63.8 million). This was impacted, in particular, by the acquisitions carried out, which have increased profit seasonality, and by the decline in car trade sales due to the implementation of the WLTP emissions testing.

Net sales performance was good and operating profit grew in the grocery trade division despite the fact that Easter season this year fell on April. Customer numbers continued to grow in all our chains and K Group's retail sales increased by 1.5%. This clearly exceeded the market growth of 0.4%. Online sales growth continued strong and totalled 110%. Operating profit improved thanks to the good sales performance and improved operational efficiency.

In the building and technical trade, net sales grew markedly. Development was particularly good in the Baltics, Finland and Poland. In Norway, growth was boosted by the acquisitions made to strengthen the Byggmakker chain. Operating profit development for the division was good, but as expected, did not reach the level of the comparison period due to the acquisitions in Norway and the Baltics, which have increased seasonality. Their impact on the comparable operating profit was a negative €3.6 million. We continued actions to improve profitability and strengthen market position in Sweden. The acquisition of the Fresks store chain will make Kesko one of the leading building and home improvement trade operators in the country. During the first quarter, we also announced we will divest Onninen's loss-making contractor business in Sweden.

In the car trade division, operating profit was good despite the temporary decline in net sales caused by the implementation of the WLTP emissions testing. Uncertainties regarding car taxation and public debate ahead of the Finnish parliamentary elections over the choice of motive power also dampened consumer demand. At the start of the year, we expanded our dealer network by acquiring businesses from Huittisten Laatuauto and LänsiAuto. We expect the market disturbances to decrease and sales to normalise in the latter half of this year.

As a result of the successful execution of our growth strategy, we have significantly improved our profitability and have been able to meet the 14% target level set for return on capital employed in 2015. Following the adoption of the new standard IFRS 16 Leases, the Board of Directors of Kesko Corporation has approved new medium-term financial targets for the Group. For profitability, the new targets are a comparable operating margin of 5.0% and a comparable return on capital employed of 11.0%. As for financial position, the Group now targets a maximum interest-bearing net debt/EBITDA of 2.5, excluding the impact of IFRS 16.

The outlook for 2019 is good. Economic development in all our eight operating countries continues to be stable. Our growth strategy is working and we will continue its determined execution in an effort to become an even stronger and more customer-oriented company.

FINANCIAL PERFORMANCE OF CONTINUING OPERATIONS

NET SALES AND PROFIT FOR JANUARY-MARCH 2019

The net sales for the Group's continuing operations in January-March 2019 totalled €2,400.8 million, which is 0.5% down on the corresponding period of the previous year (€2,413.2 million). In comparable terms, net sales decreased by 0.6% in local currencies, excluding the impact of acquisitions and divestments. The Group's net sales were impacted by the decrease in the net sales for the car trade division and the timing of Easter, which this year fell on April while in 2018 Easter was in March-April. The Group's net sales in Finland decreased by 3.0%, or 2.0% in comparable terms. In other countries, net sales increased by 10.8%, or 5.9% in comparable terms. International operations accounted for 19.9% (17.8%) of the Group's net sales.

Net sales for the grocery trade decreased by 1.0% due to the timing of Easter. In comparable terms, net sales increased by 0.4%. The comparable change has been calculated by including in the net sales those stores acquired from Suomen Lähikauppa which have been in the store network during both this reporting period as well as the comparison period, and by deducting the impact of Reinin Liha and Kalatukku E. Eriksson, both acquired in 2018.

In the building and technical trade, net sales grew by 6.9%. In comparable terms, net sales increased by 4.5%. Net sales grew in Finland, the Baltics, Belarus and Poland. In Norway, net sales increased due the acquisitions completed. The comparable change % has been calculated in local currencies and by excluding the impact of the acquisitions of Skattum Handel AS, Gipling AS and 1A Group in 2018 and the DIY business of Sørbø on 31 January 2019. The net sales for the building and technical trade excluding the speciality goods trade increased by 8.1%, or 5.6% in comparable terms. Net sales for the speciality goods trade decreased by 6.6%.

In the car trade, net sales decreased by 22.5%, or 21.9% in comparable terms. The performance was impacted by delays in deliveries caused by the implementation of the WLTP emissions testing and by weakened market demand among consumer customers. The comparable change % has been calculated by excluding the impact of the acquisitions of car trade businesses from Huittisten Laatuauto and LänsiAuto on 1 March 2019.

Reinin Liha became part of Kesko Group's foodservice wholesale company Kespro following an acquisition completed on 1 June 2018, and Kalatukku E. Eriksson on 2 July 2018. Kesko Corporation's subsidiary Byggmakker Handel AS took over the Norwegian building and home improvement trade companies Skattum Handel AS and Gipling AS, which previously operated Byggmakker stores under the retailer business model, on 2 July 2018 and

23 July 2018, respectively. Kesko Senukai assumed ownership of 1A Group, an online retail company operating in the Baltic States, on 1 October 2018. On 31 January 2019, Kesko Corporation subsidiaries Skattum Handel AS and Rake Eiendom AS assumed ownership of the DIY retail business and properties of the Sørbø retailer group in Norway, which had been operating Byggmakker stores under the retailer business model. K-Caara assumed ownership over the car trade businesses acquired from Huittisten Laatuauto and LänsiAuto on 1 March 2019.

1-3/2019	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	1,263.9	-1.0	+0.4	56.8	+1.6
Building and technical trade, excl. speciality goods trade	867.5	+8.1	+5.6	3.9	-1.0
Speciality goods trade	70.1	-6.6	-6.6	-0.7	-0.4
Building and technical trade, total	937.6	+6.9	+4.5	3.2	-1.4
Car trade	200.5	-22.5	-21.9	7.7	-3.4
Common functions and eliminations	-1.2	(..)	(..)	-10.3	-3.2
Total	**2,400.8**	**-0.5**	**-0.6**	**57.5**	**-6.3**

(...) Change over 100%

The Group's comparable operating profit for continuing operations for January-March was €57.5 million (€63.8 million). Profitability improved in the grocery trade due to good sales performance and improved operational efficiency especially in the K-Market chain. Comparable operating profit for the building and technical trade grew in Finland, the Baltics and Poland. The acquisitions carried out in Norway have increased seasonal profit fluctuations. The acquisitions carried out in 2018 and 2019 had a €-3.6 million impact on the comparable operating profit. In the car trade, profitability was good despite the decrease in net sales. The comparable operating profit for January-March was €7.7 million (€11.1 million), down by €3.4 million.

Operating profit was €51.6 million (€60.4 million). Items affecting comparability totalled €-5.8 million (€-3.4 million). The most significant items affecting comparability in the building and technical trade were the €5.5 million costs related to the divestment of Onninen's HEPAC contractor business in Sweden. The most significant items affecting comparability the year before were the €3.5 million costs related to the restructuring of Onninen's operations in Sweden and the €2.0 million gains on the disposal of real estate.

Items affecting comparability, € million	**1-3/2019**	**1-3/2018**
Operating profit, comparable	**57.5**	**63.8**
Items affecting comparability		
+gains on disposal	+0.0	+2.5
-losses on disposal	-0.0	-0.0
+/-structural arrangements	-5.8	-5.8
Items affecting comparability, total	-5.8	-3.4
Operating profit	**51.6**	**60.4**

The comparable profit before tax for the Group's continuing operations in January-March was €34.6 million (€38.3 million). The profit before tax for the Group's continuing operations in January-March was €28.8 million (€34.9 million). The earnings per share for the Group's continuing operations were €0.28 (€0.31), and the comparable earnings per share €0.33 (€0.34). In July 2018, Kesko agreed to sell its remaining stake in its Baltic machinery trade subsidiaries and Konekesko Finland's agricultural machinery trade operations to Danish Agro Group. The divestment has not been completed according to the estimated timetable due to competition review by authorities. The minority holding in the machinery trade companies had a combined €0.03 (€0.01) impact on earnings per share, divided between the minority holding of January-March 2019 of €0.01 and the €0.02 impact of the previous financial year. The Group's equity per share was €19.79 (€19.81).

K Group's (Kesko and chain stores) retail and B2B sales (VAT 0%) for January-March totalled €2,934.9 million, representing a growth of 0.3 % compared to the previous year (pro forma). The K-Plussa customer loyalty programme added 16,481 new households in January-March 2019. The number of K-Plussa households stood at 2.4 million at the end of March and there were 3.5 million K-Plussa cardholders in total.

FINANCE

In January-March, the Group’s cash flow from operating activities in continuing operations totalled €157.0 million (€116.0 million). The cash flow from operating activities excluding the impact of IFRS 16 was €77.9 million (€39.3 million). Cash flow was strengthened by improved capital efficiency and the €48.3 million (€57.8 million) return of surplus assets paid by Kesko Pension Fund in March 2019. The cash flow from operating activities in discontinued operations was €4.8 million (€33.5 million). The Group’s cash flow from operating activities was €161.7 million (€149.4 million).

The Group’s cash flow from investing activities totalled €-82.7 million (€125.3 million). Cash flow from investing activities for the comparison year includes the €170.8 million transaction price obtained from the divestment of properties in Russia.

The Group had liquid assets of €237.6 million at the end of the reporting period (€599.2 million). Interest-bearing liabilities at the end of March totalled €2,699.3 million (€2,773.9 million), and interest-bearing net debt €2,461.7 million (€2,174.8 million), of which lease liabilities accounted for €2,287.1 million (€2,233.9 million). Interest-bearing net debt excluding lease liabilities totalled €174.6 million (€-59.1 million). Equity ratio was 31.8% (31.4%) at the end of the period.

The net finance costs for the Group’s continuing operations in January-March totalled €23.7 million (€25.3 million), including interests for lease liabilities of €24.6 million (€25.4 million). The share of result of associates and joint ventures was €0.8 million (€-0.1 million). Kesko and Oriola's joint venture, the Hehku wellbeing chain, had an impact of €-1.3 million of the share of result of the previous year.

TAXES

Taxes for the Group's continuing operations totalled €6.1 million (€7.0 million) in January-March. The effective tax rate was 21.2% (20.1%).

CAPITAL EXPENDITURE

The capital expenditure for the Group's continuing operations in January-March totalled €97.3 million (€54.5 million), or 4.1% (2.3%) of net sales. Capital expenditure in store sites was €32.2 million (€27.4 million), in acquisitions €37.7 million, and in IT €6.6 million (€12.6 million) and other capital expenditure totalled €20.7 million (€14.5 million).

PERSONNEL

In January-March, the average number of personnel in the Group’s continuing operations was 19,878 (18,773) converted into full-time employees.

At the end of March 2019, the number of personnel was 23,526 (22,349), of whom 11,845 (11,802) worked in Finland and 11,681 (10,547) outside Finland.

DISCONTINUED OPERATIONS

The Russian building and home improvement trade operations discontinued in 2018 are reported as discontinued operations in the consolidated financial statements, and are not included in the figures for the Group’s continuing operations or the figures for the building and technical trade for the financial year or the comparison period in this interim report.

SEGMENTS

SEASONAL NATURE OF OPERATIONS

The Group's operating activities are affected by seasonal fluctuations. The net sales and the 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. In terms of the level of operating profit, the second and third quarter are the strongest, whereas the impact of the first quarter on the full year profit is the smallest. The acquisitions of Suomen Lähikauppa, Onninen and the Norwegian Skattum Handel AS, Gipling AS and the DIY retail business of Sørbø have increased seasonal fluctuations between quarters. The operating profit levels of these companies are at their lowest in the first quarter.

GROCERY TRADE

	1-3/2019	1-3/2018
Net sales, € million	1,263.9	1,276.2
Operating profit, comparable, € million	56.8	55.2
Operating margin, comparable	4.5	4.3
Return on capital employed, comparable, %, rolling 12 months	13.2	13.1*
Capital expenditure, € million	28.6	28.7
Personnel, average	5,839	5,991

*The return on capital employed, comparable, %, rolling 12 months for the comparison year has been calculated for 1-12/2018.

Net sales, € million	**1-3/2019**	**1-3/2018**	**Change, %**
Sales to K-food stores			
K-Citymarket, food	265.1	270.8	-2.1
K-Supermarket	327.5	327.8	-0.1
K-Market*	299.0	315.2	-5.1
K-Citymarket, non-food	127.8	126.8	+0.8
Kespro	215.7	202.7	+6.4
Others	28.8	32.9	-12.5
Total	**1,263.9**	**1,276.2**	**-1.0**

* The comparable change in net sales attributable to K-Market was +2.1% in January-March.

January-March 2019

Net sales for the grocery trade in January-March amounted to €1,263.9 million (€1,276.2 million), a decrease of 1.0% due to the timing of Easter. Net sales development in the K-Market chain was affected by changes in Suomen Lähikauppa's store site network and the transfer of stores to retailers in the first half of 2018. In comparable terms, net sales increased by 0.4%. The comparable change has been calculated by including in the net sales those stores acquired from Suomen Lähikauppa which have been in the store network during both this reporting period as well as the comparison period, and by deducting the impact of Reinin Liha and Kalatukku E. Eriksson, both acquired in 2018.

The total grocery market in Finland (incl. VAT) is estimated to have grown by approximately 0.4% in January-March (Kesko's own estimate) and retail prices are estimated to have risen by some 2% (incl. VAT, Kesko's own estimate based on the price development estimate of the Finnish Grocery Trade Association). K Group's grocery sales grew by 1.5% (incl. VAT), thus exceeding the market growth. K Group's sales grew in all chains.

The comparable operating profit for the grocery trade in January-March was €56.8 million (€55.2 million), up by €1.6 million. Profitability improved in the grocery trade due to good sales performance and improved operational efficiency, especially in the K-Market chain.

Operating profit for the grocery trade totalled €56.8 million (€54.1 million). Items affecting comparability totalled €-0.0 million (€-1.2 million). Items affecting comparability in the comparison period were mainly related to the restructuring of Suomen Lähikauppa, €-1.1 million.

Capital expenditure for the grocery trade in January-March totalled €28.6 million (€28.7 million), of which €25.9 million (€24.9 million) was in store sites.

Three new K-Markets were opened in January-March (two replacement new buildings) and K-Citymarket Pori Puuvilla was expanded. Remodelling and extensions were made in a total of 23 stores.

The most significant store sites under construction are a K-Citymarket in Seinäjoki (a replacement new building), and K-Supermarkets in Pasila in Helsinki and in Kauklahti in Espoo. K-Citymarket Oulu Rusko is being expanded.

Store numbers at 31.3.	2019	2018
K-Citymarket	81	81
K-Supermarket	244	238
K-Market	780	803
Neste K	72	71
Others	77	82

In addition, several K-food stores offer e-commerce services to their customers.

BUILDING AND TECHNICAL TRADE

	1-3/2019	1-3/2018
Net sales, € million	937.6	877.3
Building and technical trade, excl. speciality goods trade	867.5	802.3
Speciality goods trade	70.1	75.1
Operating profit, comparable, € million	3.2	4.7
Building and technical trade, excl. speciality goods trade	3.9	5.0
Speciality goods trade	-0.7	-0.3
Operating margin, comparable	0.3	0.5
Building and technical trade, excl. speciality goods trade	0.5	0.6
Speciality goods trade	-1.0	-0.4
Return on capital employed, comparable, %, rolling 12 months	7.5	7.9*
Capital expenditure, € million	35.5	6.2
Personnel, average	12,133	11,035

* The return on capital employed, comparable, %, rolling 12 months for the comparison year has been calculated for 1-12/2018.

Net sales, € million	1-3/2019	1-3/2018	Change, %
Building and home improvement trade, Finland	217.2	209.6	+3.6
K-Rauta, Sweden	33.3	34.7	-3.9
Byggmakker, Norway	86.9	74.7	+16.3
Kesko Senukai, the Baltics	144.6	111.2	+30.0
OMA, Belarus	26.7	23.4	+14.1
Onninen, Finland	201.1	189.2	+6.2
Onninen, Sweden	35.5	37.6	-5.7
Onninen, Norway	63.0	63.2	-0.3
Onninen, Baltics	18.0	16.4	+9.9
Onninen, Poland	53.5	50.8	+5.2
Building and technical trade, excl. speciality goods trade, total	**867.5**	**802.3**	**+8.1**
Leisure trade, Finland	49.2	49.8	-1.2
Machinery trade	20.9	25.2	-17.3
Speciality goods trade, total	**70.1**	**75.1**	**-6.6**
Total	**937.6**	**877.3**	**+6.9**

January-March 2019

Net sales for the building and technical trade in January-March totalled €937.6 million (€877.3 million), up by 6.9%. In comparable terms, net sales increased by 4.5%. Net sales grew in Finland, the Baltics, Belarus and Poland. In Norway, net sales increased due to the acquisitions completed. The comparable change % has been calculated in local currencies and by excluding the impact of the acquisitions of Skattum Handel AS, Gipling AS and 1A Group, completed in 2018, and the DIY business of Sørbø in 2019. On 31 January 2019, Kesko Corporation subsidiaries Skattum Handel AS and Rake Eiendom AS assumed ownership of the DIY retail business and related properties of the Sørbø retailer group in Norway, which had been operating Byggmakker stores under the retailer business model.

In Finland, net sales for the building and technical trade in January-March totalled €460.6 million (€446.8 million), up by 3.1%. In comparable terms, net sales increased by 3.2% in Finland. Net sales from foreign operations totalled €477.0 million in January-March (€430.5 million), up by 10.8%. In comparable terms, net sales from foreign operations grew by 5.9%. Foreign operations accounted for 50.9% (49.1%) of the net sales for the building and technical trade.

Net sales for the building and technical trade excluding the speciality goods trade operations totalled €867.5 million (€802.3 million) in January-March, an increase of 8.1%. In comparable terms, net sales increased by 5.6%.

Net sales for the building and home improvement trade in January-March were €507.3 million (€452.5 million), an increase of 12.1%. In comparable terms, net sales increased by 6.7% Net sales in Finland grew by 3.6% and in the Baltics by 30.0%. Net sales increased in local currencies in Belarus by 14.8%, in Norway by 17.6% and in Sweden by 0.4%. In comparable terms, net sales decreased by 2.0% in Norway.

Onninen's net sales in January-March totalled €370.2 million (€356.6 million), up by 3.8%. Net sales in Finland grew by 6.2% and in the Baltics by 9.9%. In Poland, net sales grew by 8.3% and in Norway by 0.8% in local currency. Net sales decreased in local currency in Sweden by 1.5%. The decrease in net sales in Sweden was impacted by the divestment of the HEPAC contractor business, announced during the review period, and by changes in the store site network during the previous financial year.

The market share of K Group's building and technical trade is estimated to have strengthened in Finland. K Group's building and technical trade sales in Finland increased by 4.1% and the total market (VAT 0%) is estimated to have increased by about 4.0% (Kesko's own estimate).

Net sales for the speciality goods trade in January-March totalled €70.1 million (€75.1 million), down by 6.6%. Net sales for the leisure trade were €49.2 million (€49.8 million), down by 1.2%. Net sales for the machinery trade in January-March amounted to €20.9 million (€25.2 million), a decrease of 17.3% from the previous year. Net sales for the machinery trade in Finland totalled €2.2 million (€4.7 million), down by 52.4%. The net sales from foreign operations totalled €18.6 million (€20.5 million), down by 9.3%.

The comparable operating profit for the building and technical trade in January-March was €3.2 million (€4.7 million), down by €1.4 million compared to the previous year. The comparable operating profit for the building and technical trade excluding the speciality goods trade operations totalled €3.9 million (€5.0 million), down by €1.0 million. Comparable operating profit for the building and home improvement trade in January-March was €-1.3 million (€-0.4 million), down by €0.9 million. Comparable operating profit grew in the building and home improvement trade in Finland and the Baltics. The acquisitions carried out in Norway have increased seasonal profit fluctuations. The acquisitions carried out in 2018 and 2019 had a €-3.6 million impact on the comparable operating profit. Onninen's comparable operating profit in January-March totalled €5.1 million (€5.3 million). Onninen's comparable operating profit grew in Finland and Poland. In Sweden, Onninen's comparable operating profit decreased due to the announced divestment of the contractor business. The comparable operating profit for the speciality goods trade totalled €-0.7 million (€-0.3 million), down by €0.4 million.

Operating profit for the building and technical trade totalled €-2.1 million (€2.7 million). Items affecting comparability totalled €-5.4 million (€-2.0 million). The most significant items affecting comparability were the €5.5 million costs related to the divestment of Onninen's HEPAC contractor business in Sweden. The most significant items affecting comparability the year before were the €3.5 million costs related to the restructuring of Onninen's operations in Sweden and the €2.0 million gains on the disposal of real estate.

In January-March, capital expenditure for the building and technical trade totalled €35.5 million (€6.2 million), of which €5.2 million (€2.3 million) was in store sites and €25.5 million in acquisitions.

In January-March, one K-Bygg & Grund store was opened in Stockholm, Sweden, and one K-Senukai store in Cēsis, Latvia.

The most significant store sites under construction are a Byggmakker store in Norway, a K-Senukai store in Latvia, a K-Senukai store in Lithuania and a building and home improvement store in Belarus. Onninen's most significant store sites under construction are three Onninen Express stores in Finland, two in Estonia, one in Lithuania and three in Poland.

Store numbers at 31.3.	**2019**	**2018**
Building and technical trade		
K-Rauta, Finland	133	137
K-Rauta, Sweden	18	17
Byggmakker, Norway	65	65
K-Rauta, Estonia	8	8
K-Senukai, Latvia	10	9
K-Senukai, Lithuania	23	22
OMA, Belarus	17	17
Onninen, Finland	56	55
Onninen, Sweden	13	14
Onninen, Norway	24	25
Onninen, Baltics	15	15
Onninen, Poland	36	35
Speciality goods trade		
Intersport, Finland	54	56
Budget Sport	11	11
The Athlete's Foot	7	7
Kookenkä	35	36

In addition, building and technical trade stores offer e-commerce services to their customers.
Two Onninen stores in Finland and one Onninen store in Sweden operate in the same store premises with K-Rauta.

CAR TRADE

	1-3/2019	**1-3/2018**
Net sales, € million	200.5	258.9
Operating profit, comparable, € million	7.7	11.1
Operating margin, comparable	3.8	4.3
Return on capital employed, comparable, %, rolling 12 months	18.1	20.8*
Capital expenditure, € million	26.7	8.7
Personnel, average	929	804

* The return on capital employed, comparable, %, rolling 12 months for the comparison year has been calculated for 1-12/2018.

Net sales, € million	**1-3/2019**	**1-3/2018**	**Change, %**
K-Auto	194.1	242.9	-20.1
AutoCarrera	6.5	16.2	-60.0
Total	**200.5**	**258.9**	**-22.5**

January-March 2019

Net sales for the car trade in January-March totalled €200.5 million (€258.9 million), a decrease of 22.5%. In comparable terms, net sales were down by 21.9%. The performance was impacted by delays in deliveries caused by the implementation of the WLTP emissions testing and by weakened market demand among consumer customers. The combined market performance of first registrations of passenger cars and vans was -14.6% (3.3%)

in January-March. The combined market share of the Volkswagen, Audi, SEAT and Porsche passenger cars and Volkswagen and MAN vans imported by the car trade division was 16.5% (19.0%) in January-March.

K-Caara assumed ownership of the car trade businesses acquired from Huittisten Laatuauto and LänsiAuto on 1 March 2019.

Profitability in the car trade was good despite the decrease in net sales. The comparable operating profit for January-March was €7.7 million (€11.1 million), down by €3.4 million. The comparable operating profit for AutoCarrera was €-0.4 million (€1.4 million). Operating profit for the car trade in January-March totalled €7.6 million (€11.1 million).

Capital expenditure for the car trade in January-March totalled €26.7 million (€8.7 million). Acquisitions amounted to €12.3 million. Capital expenditure includes cars obtained for the leasing fleet and rental cars sold with repurchase commitments.

Store numbers at 31.3.	2019	2018
K-Auto	23	13
AutoCarrera	3	3

CHANGES IN GROUP COMPOSITION

Kesko Corporation's subsidiary Byggmakker completed the acquisition of the DIY retail business of Sørbø Trelast AS and Tau & Jørpeland Bygg AS. The acquisition comprises two Byggmakker stores and a B2B logistics centre in Norway. (31.1.2019)

Kesko Group company K Caara Oy completed the acquisition of the Volkswagen and SEAT businesses of Huittisten Laatuauto Oy in Forssa and Huittinen, and the Volkswagen, Audi and SEAT businesses of LänsiAuto Oy in Kotka, Kouvola and Lappeenranta. (1.3.2019)

SHARES, SECURITIES MARKET AND BOARD AUTHORISATIONS

At the end of March 2019, the total number of Kesko Corporation shares was 100,019,752, of which 31,737,007, or 31.7%, were A shares and 68,282,745, or 68.3%, were B shares. On 31 March 2019, Kesko Corporation held 930,342 of its own B shares as treasury shares. These treasury shares accounted for 1.36% of the total number of B shares, 0.93% of the total number of shares, and 0.24% of votes attached to all shares in the Company. The total number of votes attached to all shares was 385,652,815. Each A share carries ten (10) votes and each B share one (1) vote. The Company cannot vote with own shares held by it as treasury shares and no dividend is paid on them. At the end of March 2019, Kesko Corporation's share capital was €197,282,584.

The price of a Kesko A share quoted on Nasdaq Helsinki was €43.60 at the end of 2018, and €49.30 at the end of March 2019, representing an increase of 13.1%. Correspondingly, the price of a B share was €47.10 at the end of 2018, and €54.24 at the end of March 2019, representing an increase of 15.2%. In January-March 2019, the highest A share price was €50.20 and the lowest €43.60. The highest B share price was €55.08 and the lowest €47.06. The Nasdaq Helsinki All-Share index (OMX Helsinki) was up by 8.5% and the weighted OMX Helsinki Cap index by 9.2% in January-March 2019. The Retail Sector Index was up by 14.3%.

The market capitalisation of the A shares was €1,564.6 million at the end of March 2019. The market capitalisation of the B shares was €3,653.2 million, excluding the shares held by the parent company. The combined market capitalisation of the A and B shares was €5,217.8 million, an increase of €665.1 million from the end of 2018.

In January-March 2019, a total of 0.5 million A shares were traded on Nasdaq Helsinki. The exchange value of the A shares was €22.1 million. Meanwhile, 10.6 million B shares were traded, with an exchange value of €552.1 million. Nasdaq Helsinki accounted for approximately 39.9% of the trading of Kesko’s A and B shares in January-March 2019. Kesko shares were also traded on multilateral trading facilities, the most significant of which was Cboe (source: Fidessa).

The Board holds a valid authorisation to decide on the transfer of a maximum of 1,000,000 own B shares held by the Company as treasury shares (2016 Share issue authorisation). On 5 February 2019, the Board decided, based on this authorisation and the fulfilment of the performance criteria for the 2017-2018 performance period of Kesko’s share-based commitment and incentive plan (PSP), to transfer own B shares held by the Company as treasury shares to persons included in the target group for the plan. This transfer of a total of 71,432 own B shares was communicated in stock exchange releases on 6 February 2019 and 20 March 2019.

Kesko Corporation's Annual General Meeting on 8 April 2019 resolved that approximately 30% of the annual fees to the members of Kesko's Board of Directors be paid in B series shares in the Company (Stock exchange release 8 April 2019). According to the resolution by the Annual General Meeting, the shares will be acquired or transferred to the Board members on the first working day to follow the publication of the interim report for the first quarter of 2019. A Board member cannot transfer shares obtained in this manner until either three years have passed from the day the member has received the shares or their membership on the Board has ended, whichever comes first.

On 1 February 2017, Kesko Corporation's Board of Directors made a decision to establish a new share-based long-term incentive scheme for Kesko's top management and key persons selected separately. The scheme consists of a performance share plan (PSP) as the main structure, and of a restricted share pool (RSP), which is a complementary share plan for special situations. Besides the PSP, the Board made a decision to establish a share-based Bridge Plan to cover the transitional phase during which Kesko transfers from a one-year performance period to a longer performance period in its long-term incentive scheme structure. The new share-based compensation scheme was communicated in a stock exchange release on 2 February 2017, and the realisation of the Bridge Plan in a stock exchange release on 1 February 2018.

The Board of Directors of Kesko Corporation decided on 20 March 2018 to initiate a performance share plan (PSP) for 2018-2021. The Board of Directors also decided that the target group for the plan will comprise some 130 members of Kesko's management and other specified key persons. The Board of Directors decided to set the development of Kesko Group's comparable tax free sales (%), Kesko Group's comparable return on capital employed (ROCE, %) and the absolute total shareholder return (TSR, %) of a Kesko B share as the performance criteria for the 2018 calendar year. A maximum total of 340,000 Kesko B shares may be granted in relation to the PSP 2018-2021. This number of shares represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. Kesko Corporation's Board of Directors also decided on initiating an RSP (Restricted Share Pool) plan for 2018–2020. The plan includes a three-year commitment period, after which the potentially granted share awards for an individual plan will be paid to the participants in Kesko B shares, provided that their employment or service relationships with Kesko Group continue until the payment of the awards. The purpose of the restricted share plan is to serve as a complementary long-term share plan to be used as a commitment instrument for selected key persons in special situations. In addition to the above employment precondition, Kesko may set participant-specific or company-specific criteria, the fulfilment of which is a precondition for the payment of restricted share awards. The total maximum amount of share awards payable under the RSP 2018–2020 is 20,000 Kesko B shares. This number of shares represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. Any potential share awards from the RSP initiated in 2018 will be paid out in the spring of 2021. The PSP 2018-2021 and RSP 2018-2020 share plans were communicated in a stock exchange release on 21 March 2018.

The Board of Directors of Kesko Corporation decided on 19 March 2019 to initiate a performance share plan (PSP) for 2019-2022. The Board of Directors also decided that the target group for the plan will comprise some 130 members of Kesko's management and other specified key persons. The Board decided to set the development of Kesko Group's comparable tax free sales (%), Kesko Group's comparable return on capital employed (ROCE, %) and the absolute total shareholder return (TSR, %) of a Kesko B share as the performance criteria for the 2019 calendar year, matching the 2018 criteria. The performance criteria concern the performance year 2019 of the PSP 2018-2021 and PSP 2019-2022. A maximum total of 310,000 Kesko B shares may be granted in relation to the PSP 2019-2022. This number of shares represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. Kesko Corporation's Board of Directors also decided on initiating an RSP (Restricted Share Pool) plan for 2019–2021. The plan includes a three-year commitment period, after which the potentially granted share awards for an individual plan will be paid to the participants in Kesko B shares, provided that their employment or service relationships with Kesko Group continue until the payment of the awards. The purpose of the RSP plan is to serve as a complementary long-term share plan to be used as a commitment instrument for selected key persons in special situations. In addition to the above employment precondition, Kesko may set participant-specific or company-specific criteria, the fulfilment of which is a precondition for the payment of restricted share awards. The total maximum amount of share awards payable under the RSP 2019–2021 is 20,000 Kesko B shares. This number of shares represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. Any potential share awards from the RSP beginning in 2019 will be paid out in the spring of 2022. The new PSP 2019-2022 and RSP 2019-2021 share plans were communicated in a stock exchange release on 20 March 2019.

In January-March, a total of 375 shares granted based on the transitional Bridge Plan 2017-2020 were returned to the Company in accordance with the terms and conditions of the plan. The returns during the reporting period were communicated in a stock exchange release on 8 March 2019. The Bridge Plan was announced in a stock exchange release on 2 February 2017.

Kesko's Board of Directors holds a valid authorisation granted by the Annual General Meeting held on 4 April 2016 to transfer of a total maximum of 1,000,000 own B shares held by the Company as treasury shares (2016 Share issue authorisation). Based on the authorisation, own B shares held by the Company as treasury shares can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the Company’s shares, regardless of whether they own A or B shares. Shares can also be issued in a directed issue, departing from the shareholder's pre-emptive right, for a weighty financial reason of the Company, such as using the shares to develop the Company's capital structure, to finance possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations, and to implement the Company's commitment and incentive scheme. Own B shares held by the Company as treasury shares can be issued either against or without payment. A share issue can only be without payment if the Company, taking into account the best interests of all of its shareholders, has a particularly weighty financial reason for it. The authorisation also includes the Board's authority to make decisions concerning any other matters related to the share issues. The amount possibly paid for the Company's own shares is recorded in the reserve of unrestricted equity. The authorisation is valid until 30 June 2020.

The Annual General Meeting of 11 April 2018 approved the Board's proposal for its authorisation to decide on the acquisition of a maximum of 1,000,000 of the Company’s own B shares (2018 Authorisation to acquire own shares). The B shares will be acquired with the Company's distributable unrestricted equity, not in proportion to the shareholdings of shareholders, at the market price quoted in public trading organised by Nasdaq Helsinki Ltd ("the exchange") at the time of acquisition. The shares will be acquired and paid for in accordance with the rules of the exchange. The acquisition of own shares reduces the amount of the Company's distributable unrestricted equity. The B shares will be acquired for use in the development of the Company's capital structure, to finance possible acquisitions, capital expenditure and/or other arrangements within the scope of the Company's business operations, and to implement the Company's commitment and incentive scheme for management and other personnel. The Board will make decisions concerning any other issues related to the acquisition of B shares. The authorisation is valid until 30 September 2019.

The Board of Directors of Kesko Corporation decided in its meeting on 24 April 2018 to use the authorisation granted by the General Meeting of 11 April 2018 to acquire B shares in the Company, and established a temporary share buy-back programme for the purpose. The shares were acquired to fulfil obligations related to the Company’s share-based commitment and incentive schemes. The acquisitions of the shares began on 26 April 2018 and ended on 18 May 2018. During that time, Kesko acquired 500,000 of its own B series shares for an average price per share of €48.83. Following the acquisitions, Kesko held a total of 996,325 of its own B shares, which represents approximately 1.00 per cent of all shares in Kesko Corporation and 1.46 per cent of Kesko Corporation’s B series shares. (Stock exchange releases 25.4.2018 and 21.5.2018)

Kesko’s Annual General Meeting of 11 April 2018 also approved the Board's proposal for its authorisation to decide on the issuance of a maximum of 10,000,000 new B shares (2018 Share issue authorisation). The new shares can only be issued against payment. The new shares can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the Company’s shares regardless of whether they hold A or B shares, or, departing from the shareholder's pre-emptive right, in a directed issue if there is a weighty financial reason for the Company, such as using the shares to develop the Company's capital structure and financing possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations. The Board of Directors will decide the subscription price for the issued shares. The Board will also have the right to issue shares for a non-cash consideration. The subscription price is recognised in the reserve of invested non-restricted equity. The Board will make decisions regarding any other matters related to the share issues. The authorisation will be valid until 30 June 2021, and it cancelled the authorisation given to the Board by the General Meeting of 13 April 2015 to issue a total maximum of 20,000,000 new B shares, which the Board did not use.

At the end of March 2019, the number of shareholders was 40,855, which is 110 more than at the end of 2018. At the end of March, foreign ownership of all shares was 35.3%, and foreign ownership of B shares 50.6%.

FLAGGING NOTIFICATIONS

There were no flagging notifications during the reporting period.

KEY EVENTS DURING THE REPORTING PERIOD

Kesko Corporation's subsidiary Byggmakker completed the acquisition of the DIY retail business of Sørbø Trelast AS and Tau & Jørpeland Bygg AS. The acquisition comprises two Byggmakker stores and a B2B logistics centre in Norway. (31.1.2019)

Kesko Group company K Caara Oy completed the acquisition of the Volkswagen and SEAT businesses of Huittisten Laatuauto Oy in Forssa and Huittinen, and the Volkswagen, Audi and SEAT businesses of LänsiAuto Oy in Kotka, Kouvola and Lappeenranta. (1.3.2019)

Kesko Corporation has signed an agreement to sell Onninen AB’s HEPAC business segment to Solar A/S. (Press release 12.3.2019)

Kesko Group company K-rauta AB has signed an agreement to acquire Fresks Group, one of the leading building material retailers in Sweden. (Press release 29.3.2019)

KEY EVENTS AFTER THE REPORTING PERIOD

The new medium-term financial targets for profitability, as approved by the Board of Directors of Kesko Corporation, are a comparable operating margin of 5.0% and a comparable return on capital employed of 11.0%. The profitability targets take into account the impacts of IFRS 16 Leases. In terms of financial position, as before the Group uses interest-bearing net debt/EBITDA and targets a maximum level of 2.5, excluding the impact of IFRS 16. (Stock exchange release 25.4.2019)

Kesko Group company K Caara Oy has agreed to acquire the Volkswagen, Audi and SEAT businesses of Laakkonen Group. The combined pro forma net sales of the businesses to be acquired totalled some €259 million in 2018 and operating profit €5.4 million. The 470 employees of the businesses to be acquired will transfer to Kesko. (25.4.2019)

RESOLUTIONS OF THE 2019 ANNUAL GENERAL MEETING AND DECISIONS OF THE BOARD'S ORGANISATIONAL MEETING

Kesko Corporation's Annual General Meeting was held on 8 April 2019. The meeting adopted the financial statements and consolidated financial statements for 2018 and discharged the Board members and the Managing Director from liability. The Annual General Meeting resolved to distribute a dividend of €2.34 per share on shares held outside the Company. The dividend will be paid in two instalments of €1.17. The first dividend instalment record date is 10 April 2019 and pay date 17 April 2019. The second dividend instalment record date is 10 October 2019 and pay date 17 October 2019.

The General Meeting resolved that the number of Board members be seven (7). Retailer Esa Kiiskinen (Chairman), Peter Fagernäs, Master of Laws (Deputy Chairman), Jannica Fagerholm, Master of Science (Economics), Piia Karhu, Doctor of Science (Economics and Business Administration), Matti Kyytsönen, Master of Science (Economics), retailer Matti Naumanen, and retailer Toni Pokela, eMBA continue as Board members. The Board members were elected by the 2018 Annual General Meeting to serve the three-year terms provided in the Company’s Articles of Association, ending at the close of the 2021 Annual General Meeting. The Annual General Meeting resolved to keep the Board members' fees unchanged.

The Annual General Meeting elected Authorised Public Accountants PricewaterhouseCoopers Oy as the Company’s Auditor, with Mikko Nieminen, APA, as the auditor with principal responsibility.

The Annual General Meeting resolved to amend section 6 “Auditor”, section 9 “Notice of the General Meeting”, and section 10 “Annual General Meeting” of the Company’s Articles of Association in accordance with the Board’s proposal.

The General Meeting also approved the Board's proposal to authorise the Board to decide on the donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual General Meeting to be held in 2020, and to decide on the donation recipients, purposes of use and other terms of the donations.

The Board of Kesko Corporation elects its Chairman and Deputy Chairman for the Board's whole three-year term of office, and the Chairmen, Deputy Chairmen and members of the Committees for one year at a time. In the organisational meeting held by the Board after the Annual General Meeting of 11 April 2018, the Board elected Esa Kiiskinen as Chairman of the Board and Peter Fagernäs as Deputy Chairman. The Board of did not make changes to the compositions of its Audit Committee or Remuneration Committee in its organisational meeting held after the Annual General Meeting on 8 April 2019. Jannica Fagerholm was elected as Chairman of the Board's Audit Committee, Matti Kyytsönen as Deputy Chairman, and Piia Karhu as a Committee member. Esa Kiiskinen was elected as Chairman of the Board's Remuneration Committee, Peter Fagernäs as Deputy Chairman, and Matti Kyytsönen as a Committee member.

The resolutions of the Annual General Meeting and the decisions of the Board's organisational meeting were communicated in more detail in stock exchange releases on 8 April 2019.

SUSTAINABILITY

Kesko ranked 88th overall and, for the fifth year in a row, the most sustainable trading sector company in the world on the Global 100 list, published in January.

K Group's 'Thank the Producer' operating model expanded in February to include selected branded products by five Finnish companies. In total, the operating model has resulted in additional support of nearly €1.7 million for Finnish food producers.

In February, K Group joined the food sector commitment to material efficiency, and committed to promoting its own material efficiency with various actions and targets.

The K-Ostokset service, launched in March, allows customers to view all their purchases from K-food stores and the impact of those purchases. During the first stage, the service tells the customers how much Finnish products they are buying.

One action in line with K Group's plastics policy is to remove plastic from Pirkka cotton buds, which will save 30 tonnes of plastic a year.

Kesko's Annual Report 2018, published in March, describes the progress made in Kesko's strategy execution and sustainability work, with comprehensive performance indicators.

Pirkka's organic range will grow from nearly 120 products to nearly 200 products before the end of 2019.

RISK MANAGEMENT

Risk management in Kesko Group is guided by the risk management policy approved by Kesko's Board of Directors. The policy defines the goals and principles, organisation, responsibilities and practices of risk management in Kesko Group. In the management of financial risks, the Group's treasury policy, confirmed by Kesko's Board of Directors, is observed. The management of business operations and common functions are responsible for the execution of risk management. Kesko Group applies a business-oriented and comprehensive approach to risk assessment and management. This means that key risks are systematically identified, assessed, managed, monitored and reported as part of business operations at Group, division, company and function levels throughout the Group.

The Group's risk map, the most significant risks and uncertainties, as well as material changes in and responses to them are reported to the Kesko Board's Audit Committee quarterly in connection with the review of interim reports, half year financial report and financial statements. The Audit Committee Chairman reports on risk management to the Board as part of the Audit Committee report. The most significant risks and uncertainties are reported to the market by the Board in the Report by the Board of Directors and any material changes in them in the interim reports and the half year financial report.

OUTLOOK

Estimates for the outlook for the net sales and comparable operating profit for Kesko Group's continuing operations are given for the 12-month period following the reporting period (4/2019-3/2020) in comparison with the 12 months preceding the end of the reporting period (4/2018-3/2019). The outlook is based on the IFRS standards that took effect on 1 January 2019, and includes the impact of IFRS 16 Leases on the Group’s comparable operating profit for both the 12-month period following the reporting period as well as the 12-month period preceding the reporting period.

The general economic situation and the expected trend in consumer demand vary in Kesko's different operating countries. In Finland, the trading sector is expected to grow. In the Finnish grocery trade, intense competition is expected to continue, although, as purchasing power increases, the importance of quality will be emphasised more than previously. In the building and technical trade, the growth in B2B sales is expected to continue stronger than the growth in the retail market. The market is expected to grow in the Nordic and Baltic countries, but at a somewhat slower rate.

In comparable terms, the net sales for continuing operations for the next 12 months are expected to exceed the level of the previous 12 months. The comparable operating profit for continuing operations for the next 12-month period is expected to exceed the level of the preceding 12 months.

Helsinki, 24 April 2019
Kesko Corporation
Board of Directors

The information in this interim report is unaudited.

Further information is available from Jukka Erlund, Executive Vice President, Chief Financial Officer, telephone +358 105 322 113, Kia Aejmelaeus, Vice President, Investor Relations, telephone +358 105 322 533, and Eva Kaukinen, Vice President, Group Controller, telephone +358 105 322 338. A Finnish-language webcast of the results briefing can be viewed at 11.00 at www.kesko.fi. An English-language audio conference on the results briefing will be held today at 14.00 (Finnish time). The audio conference login is available on Kesko's website at www.kesko.fi.

Kesko Corporation's half year financial report for January-June 2019 will be published on 24 July 2019. In addition, Kesko Group's sales figures are published each month. News releases and other Company information are available on Kesko's website at www.kesko.fi.

KESKO CORPORATION

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DISTRIBUTION
Nasdaq Helsinki Oy
Main news media
www.kesko.fi

TABLES SECTION

Accounting policies

This interim report has been prepared in accordance with IAS 34. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2018, except for the impact of the new standard IFRS 16 Leases, which took effect on 1 January 2019. The standard has been adopted using a retrospective method. Due to the adoption of the standard, the opening balance of 1 January 2018 and the reporting for the 2018 comparison period have been adjusted and the figures restated.
The impact of the change in standard on the consolidated financial statements have been presented under 'Impact of new and amended standards'.

Consolidated income statement (€ million), condensed

	1-3/2019	1-3/2018	Change, %	1-12/2018
Continuing operations				
Net sales	2,400.8	2,413.2	-0.5	10,382.8
Cost of goods sold	-2,081.3	-2,107.7	-1.3	-8,989.5
Gross profit	**319.6**	**305.5**	**4.6**	**1,393.2**
Other operating income	188.7	182.2	3.5	789.8
Employee benefit expense	-184.0	-168.0	9.5	-694.1
Depreciation and impairment charges	-35.3	-31.0	13.9	-142.1
Depreciation and impairment charges for right-of-use assets	-80.8	-77.9	3.8	-320.3
Other operating expenses	-156.5	-150.6	3.9	-622.3
Operating profit	**51.6**	**60.4**	**-14.5**	**404.3**
Interest income and other finance income	3.1	3.4	-7.9	14.1
Interest expense and other finance costs	-2.8	-2.8	-0.5	-12.4
Interest expense for lease liabilities	-24.6	-25.4	-3.0	-98.6
Foreign exchange differences	0.6	-0.5	(..)	-2.8
Share of result of associates and joint ventures	0.8	-0.1	(..)	-10.1
Profit before tax	**28.8**	**34.9**	**-17.6**	**294.5**
Income tax	-6.1	-7.0	-12.9	-62.1
Net profit for the period from continuing operations	22.7	27.9	-18.8	232.4
Discontinued operations				
Net profit for the period from discontinued operations	-0.5	-23.4	-98.0	-55.9
Net profit for the period	**22.2**	**4.5**	**(..)**	**176.5**
Attributable to				
Owners of the parent	26.9	7.3	(..)	158.0
Non-controlling interests	-4.7	-2.9	66.2	18.5
Earnings per share (€) for profit attributable to owners of the parent				
Basic and diluted, continuing operations	0.28	0.31	-10.5	2.16
Basic and diluted, discontinued operations	-0.00	-0.24	-98.0	-0.56
Basic and diluted, Group total	0.27	0.07	(..)	1.59

Consolidated statement of comprehensive income (€ million)				
	1-3/2019	1-3/2018	Change, %	1-12/2018
Net profit for the period	22.2	4.5	(..)	176.5
Continuing operations				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains/losses	13.0	-0.5	(..)	-1.9
Items that may be reclassified subsequently to profit or loss				
Currency translation differences related to a foreign operation	5.7	0.0	(..)	-10.1
Cash flow hedge revaluation	-0.3	0.5	(..)	2.1
Other items	-	-	-	-0.1
Total other comprehensive income for the period, net of tax, continuing operations	18.4	0.0	(..)	-10.1
Total other comprehensive income for the period, net of tax, discontinued operations	0.0	-2.4	-100.0	35.1
Total comprehensive income for the period	**40.5**	**2.0**	**(..)**	**201.5**
Attributable to				
Owners of the parent	44.3	5.4	(..)	184.5
Non-controlling interests	-3.8	-3.4	12.1	17.0

(..) Change over 100 %

Consolidated statement of financial position (€ million), condensed				
	31.3.2019	**31.3.2018**	**Change, %**	**31.12.2018**
ASSETS				
Non-current assets				
Tangible assets	1,239.4	1,139.4	7.9	1,191.1
Right-of-use assets	2,057.4	2,025.4	2.1	2,062.2
Intangible assets	499.4	365.0	36.8	492.1
Shares in associates and joint ventures and other financial assets	143.6	144.5	-0.6	144.3
Loans and receivables	73.6	72.6	1.4	73.8
Pension assets	115.6	149.0	-22.4	148.0
Total	4,129.1	3,895.9	6.0	4,111.5
Current assets				
Inventories	972.0	938.0	3.6	913.0
Trade receivables	910.6	929.6	-2.0	820.3
Other receivables	182.1	239.2	-23.8	197.3
Financial assets at fair value through profit or loss	41.0	191.2	-78.6	50.9
Financial assets at amortised cost	58.5	122.0	-52.1	59.1
Cash and cash equivalents	137.9	249.9	-44.8	139.2
Total	2,302.1	2,669.9	-13.8	2,179.7
Non-current assets held for sale	92.5	233.1	-60.3	75.6
Total assets	**6,523.8**	**6,798.9**	**-4.0**	**6,366.8**

	31.3.2019	31.3.2018	Change, %	31.12.2018
EQUITY AND LIABILITIES				
Equity	1,961.1	1,971.7	-0.5	1,914.1
Non-controlling interests	103.2	89.6	15.2	107.0
Total equity	2,064.4	2,061.3	0.1	2,021.1
Non-current liabilities				
Interest-bearing liabilities	176.3	127.0	38.8	177.8
Lease liabilities	1,974.8	1,936.7	2.0	1,979.6
Non-interest-bearing liabilities	29.3	31.4	-6.7	29.4
Deferred tax liabilities	3.2	-	-	5.4
Pension obligations	0.4	0.5	-22.6	0.4
Provisions	23.2	24.8	-6.5	23.6
Total	2,207.2	2,120.4	4.1	2,216.2
Current liabilities				
Interest-bearing liabilities	235.9	413.1	-42.9	231.4
Lease liabilities	312.3	297.2	5.1	311.5
Trade payables	1,120.3	1,116.6	0.3	982.7
Other non-interest-bearing liabilities	531.2	524.1	1.4	569.4
Provisions	18.8	23.0	-18.6	19.2
Total	2,218.5	2,374.0	-6.5	2,114.2
Liabilities related to non-current assets held for sale	33.8	243.0	-86.1	15.4
Total equity and liabilities	**6,523.8**	**6,798.9**	**-4.0**	**6,366.8**

Consolidated statement of changes in equity (€ million)								
	Share capital	Reserves	Currency translation differ-ences	Re-valuation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
Balance at 1.1.2019	197.3	464.7	-23.7	1.7	-36.9	1,311.0	107.0	2,021.1
Share-based payments					2.8			2.8
Other changes						-0.0		-0.0
Transactions with owners, total					2.8	-0.0		2.7
Comprehensive income								
Profit for the period, continuing operations						27.4	-4.7	22.7
Profit for the period, discontinued operations						-0.5		-0.5
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						16.2		16.2
Items that may be reclassified subsequently to profit or loss								
Translation differences on foreign operations			4.7			0.0	1.0	5.7
Cash flow hedge revaluation				-0.4				-0.4
Tax related to comprehensive income				0.1		-3.2		-3.1
Comprehensive income, discontinued operations			0.1			-0.1		0.0
Total comprehensive income for the period			4.7	-0.3		39.9	-3.8	40.5
Balance at 31.3.2019	197.3	464.7	-19.0	1.3	-34.1	1,350.9	103.2	2,064.4

	Share capital	Reserves	Currency translation differ-ences	Re-valuation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
Balance at 1.1.2018	**197.3**	**464.7**	**-50.1**	**-0.6**	**-14.2**	**1,538.3**	**98.7**	**2,234.1**
Impact of IFRS 16 adoption						-169.3	-5.7	-175.0
Adjusted opening balance 1 Jan.	**197.3**	**464.7**	**-50.1**	**-0.6**	**-14.2**	**1,369.0**	**93.0**	**2,059.1**
Share-based payments					0.2			0.2
Other changes						0.0	0.0	0.0
Transactions with owners, total					0.2	0.0		0.2
Comprehensive income								
Profit for the period, continuing operations						30.7	-2.9	27.9
Profit for the period, discontinued operations						-23.4		-23.4
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						-0.6		-0.6
Items that may be reclassified subsequently to profit or loss								
Translation differences on foreign operations			0.2			0.1	-0.5	-0.2
Cash flow hedge revaluation				0.8				0.8
Income taxes related to comprehensive income				-0.2		0.1		-0.0
Comprehensive income, discontinued operations			-2.4					-2.4
Total comprehensive income for the period			-2.2	0.7		6.9	-3.4	2.0
Balance at 31.3.2018	**197.3**	**464.7**	**-52.3**	**0.1**	**-14.0**	**1,375.9**	**89.6**	**2,061.3**

Consolidated statement of cash flows (€ million), condensed				
	1-3/2019	**1-3/2018**	**Change, %**	**1-12/2018**
Cash flows from operating activities				
Profit before tax, continuing operations	28.8	34.9	-17.6	294.5
Depreciation according to plan	116.1	108.9	6.7	459.0
Finance income and costs	23.7	25.3	-6.5	99.7
Other adjustments	46.5	53.2	-12.5	54.0
Change in working capital				
Current non-interest-bearing receivables, increase (-)/decrease (+)	-75.6	-142.8	-47.1	46.7
Inventories, increase (-)/decrease (+)	-67.1	-36.1	86.1	-33.9
Current non-interest-bearing liabilities, increase (+)/decrease(-)	132.7	100.2	32.4	-24.5
Financial items and tax	-48.1	-27.7	74.0	-147.1
Net cash from operating activities, continuing operations	157.0	116.0	35.3	748.4
Net cash from operating activities, discontinued operations	4.8	33.5	-85.8	-23.3
Net cash from operating activities, total	**161.7**	**149.4**	**8.2**	**725.2**
Cash flows from investing activities				
Investing activities	-87.8	-53.3	64.7	-398.1
Proceeds from sale of tangible and intangible assets	1.6	7.4	-78.4	26.2
Increase in non-current receivables	0.2	0.5	-63.0	-1.5
Net cash used in investing activities, continuing operations	-86.0	-45.4	89.4	-373.3
Net cash used in investing activities, discontinued operations	3.3	170.8	-98.0	164.3
Net cash used in investing activities, total	-82.7	**125.3**	**(..)**	**-209.0**
Cash flows from financing activities				
Interest-bearing liabilities, increase (+)/decrease (-)	-4.6	8.2	(..)	-97.6
Lease liabilities, increase (+) / decrease (-)	-79.7	-78.0	2.2	-315.6
Current interest-bearing receivables, increase (-)/ decrease (+)	1.1	-1.4	(..)	0.1
Dividends paid	-	-	-	-225.4
Acquisition of treasury shares	-	-	-	-24.4
Short-term money market investments, increase (-)/ decrease (+)	10.9	-37.6	(..)	116.5
Other items	-8.5	-0.5	(..)	0.8
Net cash used in financing activities, continuing operations	-80.8	-109.3	-26.1	-545.7
Net cash used in financing activities, discontinued operations	-	-	-	-
Net cash used in financing activities, total	**-80.8**	**-109.3**	**26.1**	**-545.7**
Change in cash and cash equivalents	**-1.7**	**165.5**	**(..)**	**-29.5**
Cash and cash equivalents at 1 Jan., continuing operations	139.2	163.7	-15.0	163.7
Cash and cash equivalents at 1 Jan., discontinued operations	0.4	6.5	-93.5	6.5
Exchange differences and cash and cash equivalents related to assets held for sale	0.3	-0.9	(..)	-1.1
Cash and cash equivalents at 31 Mar., continuing operations	137.9	298.7	-53.8	139.2
Cash and cash equivalents at 31 Mar., discontinued operations	0.3	36.1	-99.3	0.4

(..) Change over 100%

Cash flow from operating activities in continuing operations excluding the impact of IFRS 16 (€ million)				
	1-3/2019	1-3/2018	Change, %	1-12/2018
Cash flows from operating activities, IFRS	**157.0**	**116.0**	**35.3**	**748.4**
Interest expense for lease liabilities	24.6	25.4	-3.0	98.6
Cash flow based lease expenditure	-103.6	-102.0	1.6	-410.0
Cash flows from operating activities excluding the impact of IFRS 16	**77.9**	**39.3**	**98.3**	**437.1**

Cash flow from financing activities in continuing operations excluding the impact of IFRS 16 (€ million)				
	1-3/2019	1-3/2018	Change, %	1-12/2018
Cash flows from financing activities, IFRS	**-80.8**	**-109.3**	**-26.1**	**-545.7**
Lease liabilities increase (-) / decrease (+)	79.0	76.7	3.1	311.3
Cash flows from financing activities excluding the impact of IFRS 16	**-1.7**	**-32.6**	**-94.7**	**-234.3**

Group's performance indicators				
	1-3/2019	1-3/2018	Change, pp	1-12/2018
Continuing operations				
Return on capital employed, %	4.6	5.6	-1.0	9.2
Return on capital employed, %, rolling 12 mo	8.9	-	-	9.2
Return on capital employed, comparable, %	5.1	5.9	-0.8	9.8
Return on capital employed, comparable, %, rolling 12 mo	9.5	-	-	9.8
			Change, %	
Capital expenditure, € million	97.3	54.5	78.4	417.6
Capital expenditure, % of net sales	4.1	2.3	79.4	4.0
Cash flow from operating activities, € million	157.0	116.0	35.3	748.4
Cash flow from investing activities, € million	-86.0	-45.4	89.4	-373.3
Cash flow from operating activities/share, €	1.58	1.17	35.4	7.55
Group				
Return on equity, %	4.3	0.9	3.5	8.7
Return on equity, %, rolling 12 mo	9.4	-	-	8.7
Return on equity, comparable, %	5.4	5.7	-0.3	12.5
Return on equity, comparable, %, rolling 12 mo	12.3	-	-	12.5
Equity ratio, %	31.8	31.4	0.4	31.9
Gearing, %	119.2	105.5	13.7	121.3
Interest-bearing net debt/EBITDA excluding lease liabilities, rolling 12 mo	0.4	-0.1	0.5	0.4
Equity per share, €	19.79	19.81	-0.0	19.33
Interest-bearing net debt, € million	2,461.7	2,174.8	13.2	2,450.7
Interest-bearing net debt excluding lease liabilities, € million	174.6	-59.1	(..)	161.6
Diluted number of shares, average for the reporting period, 1,000 pcs	99,027	99,468	-441	99,182
Personnel, average, continuing operations	19,878	18,773	1,105	19,579
Earnings per share, basic and diluted, €				
Continuing operations	0.28	0.31	-10.5	2.16
Discontinued operations	-0.00	-0.24	-98.0	-0.56
Group total	0.27	0.07	(..)	1.59

Earnings per share, comparable, basic, €				
Continuing operations	0.33	0.34	-1.4	2.45

(..) Change over 100%

Group's performance indicators by quarter	**1-3/2018**	**4-6/2018**	**7-9/2018**	**10-12/2018**	**1-3/2019**
Continuing operations					
Net sales, € million	2,413.2	2,672.7	2,641.8	2,655.1	2,400.8
Change in net sales, %	-5.7	-3.3	1.8	3.1	-0.5
EBITDA, comparable, € million	170.7	221.6	251.0	232.1	173.4
Operating profit, € million	60.4	105.8	134.3	103.8	51.6
Operating margin, %	2.5	4.0	5.1	3.9	2.1
Operating profit, comparable, € million	63.8	113.2	137.0	114.5	57.5
Operating margin, comparable, %	2.6	4.2	5.2	4.3	2.4
Finance income/costs, € million	-25.3	-26.1	-25.3	-23.1	-23.7
Interest expense for lease liabilities	-25.4	-25.2	-25.0	-23.1	-24.6
Profit before tax, € million	34.9	77.5	108.5	73.6	28.8
Profit before tax, %	1.4	2.9	4.1	2.8	1.2
Return on capital employed, %	5.6	9.9	12.2	9.2	4.6
Return on capital employed, comparable, %	5.9	10.6	12.5	10.2	5.1
Cash flow from operating activities/share, €	1.17	2.17	2.10	2.11	1.58
Capital expenditure, € million*	54.5	74.2	221.2	67.7	97.3
Group					
Return on equity, %	0.9	6.8	17.0	11.2	4.3
Return on equity, comparable, %	5.7	13.5	17.9	14.5	5.4
Equity ratio, %	31.4	29.3	30.8	31.9	31.8
Equity per share, €	19.81	18.14	19.04	19.33	19.79
Earnings per share, basic and diluted, €					
Continuing operations	0.31	0.51	0.79	0.55	0.28
Discontinued operations	-0.24	-0.28	-0.03	-0.02	-0.00
Group total	0.07	0.23	0.76	0.53	0.27
Earnings per share, comparable, basic and diluted, €					
Continuing operations	0.34	0.60	0.81	0.70	0.33

Segment information, continuing operations

Net sales by segment, € million	1-3/2019	1-3/2018	Change, %	1-12/2018	Rolling 12 mo 3/2019
Grocery trade, Finland	1,263.9	1,276.2	-1.0	5,385.7	5,373.4
Grocery trade total	**1,263.9**	**1,276.2**	**-1.0**	**5,385.7**	**5,373.4**
- of which intersegment trade	2.7	1.4	95.7	5.8	7.1
Building and technical trade, Finland	460.6	446.8	3.1	1,972.0	1,985.8
Building and technical trade, other countries*	477.0	430.5	10.8	2,130.6	2,177.1
Building and technical trade total	**937.6**	**877.3**	**6.9**	**4,102.6**	**4,162.8**
- of which intersegment trade	-0.1	-0.3	-58.0	0.1	0.3
Car trade, Finland	200.5	258.9	-22.5	893.1	834.7
Car trade total	**200.5**	**258.9**	**-22.5**	**893.1**	**834.7**
- of which intersegment trade	0.5	0.2	(..)	1.6	1.9
Common functions and eliminations	-1.2	0.8	(..)	1.4	-0.6
Finland total	**1,923.9**	**1,982.7**	**-3.0**	**8,252.2**	**8,193.3**
Other countries total*	**477.0**	**430.5**	**10.8**	**2,130.6**	**2,177.1**
Continuing operations, total	**2,400.8**	**2,413.2**	**-0.5**	**10,382.8**	**10,370.4**

(..) Change over 100%

* Net sales in countries other than Finland

Operating profit by segment, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	56.8	54.1	2.7	285.9	288.6
Building and technical trade	-2.1	2.7	-4.8	113.3	108.5
Car trade	7.6	11.1	-3.5	35.1	31.6
Common functions and eliminations	-10.7	-7.5	-3.2	-30.0	-33.1
Continuing operations, total	**51.6**	**60.4**	**-8.7**	**404.3**	**395.6**

Operating profit by segment, comparable, € million	1-3/2019	1-3/2018	Muutos	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	56.8	55.2	1.6	294.5	296.1
Building and technical trade	3.2	4.7	-1.4	126.8	125.4
Car trade	7.7	11.1	-3.4	35.2	31.8
Common functions and eliminations	-10.3	-7.2	-3.0	-28.1	-31.1
Continuing operations, total	**57.5**	**63.8**	**-6.3**	**428.5**	**422.2**

Operating margin by segment, %, comparable	1-3/2019	1-3/2018	Change, pp	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	4.5	4.3	0.2	5.5	5.5
Building and technical trade	0.3	0.5	-0.2	3.1	3.0
Car trade	3.8	4.3	-0.5	3.9	3.8
Continuing operations, total	**2.4**	**2.6**	**-0.2**	**4.1**	**4.1**

Operating profit by segment excluding the impact of IFRS 16, comparable, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	41.3	38.7	2.6	228.0	230.6
Building and technical trade	-3.5	-2.2	-1.3	98.4	97.1
Car trade	7.5	11.0	-3.4	34.5	31.1
Common functions and eliminations	-10.4	-7.4	-3.0	-28.7	-31.8
Continuing operation, total	**34.9**	**40.0**	**-5.1**	**332.2**	**327.1**

Operating margin by segment excluding the impact of IFRS 16, %, comparable	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	3.3	3.0	0.2	4.2	4.3
Building and technical trade	-0.4	-0.3	-0.1	2.4	2.3
Car trade	3.8	4.2	-0.5	3.9	3.7
Continuing operation, total	**1.5**	**1.7**	**-0.2**	**3.2**	**3.2**

EBITDA by segment, comparable, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	123.9	119.1	4.9	557.9	562.8
Building and technical trade	39.6	38.3	1.4	267.0	268.4
Car trade	12.4	14.3	-1.9	50.6	48.7
Common functions and eliminations	-2.6	-0.9	-1.7	0.2	-1.5
Continuing operation, total	**173.4**	**170.7**	**2.6**	**875.8**	**878.4**

EBITDA by segment excluding the impact of IFRS 16, comparable, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	57.8	54.1	3.8	294.5	298.3
Building and technical trade	5.1	6.0	-0.9	133.5	132.6
Car trade	11.3	13.3	-2.0	46.7	44.8
Common functions and eliminations	-3.2	-1.6	-1.7	-2.4	-4.1
Continuing operation, total	**71.1**	**71.8**	**-0.8**	**472.4**	**471.6**

Capital employed by segment, cumulative average, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	2,232.7	2,253.4	-20.7	2,243.5	2,239.3
Building and technical trade	1,770.3	1,520.8	249.6	1,611.2	1,673.5
Car trade	202.8	181.2	21.6	169.6	175.5
Common functions and eliminations	331.6	368.2	-36.6	359.5	347.2
Continuing operation, total	**4,537.4**	**4,323.5**	**213.9**	**4,383.8**	**4,435.4**

Return on capital employed by segment, %, comparable	1-3/2019	1-3/2018	Change, pp	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	10.2	9.8	0.4	13.1	13.2
Building and technical trade	0.7	1.2	-0.5	7.9	7.5
Car trade	15.2	24.6	-9.4	20.8	18.1
Continuing operations, total	**5.1**	**5.9**	**-0.8**	**9.8**	**9.5**

Capital expenditure by segment, € million	1-3/2019	1-3/2018	Change	1-12/2018	Rolling 12 mo 3/2019
Grocery trade	28.6	28.7	-0.1	124.1	123.9
Building and technical trade	35.5	6.2	29.4	200.7	230.0
Car trade	26.7	8.7	18.0	49.0	67.0
Common functions and eliminations	6.5	11.0	-4.5	43.8	39.4
Continuing operations, total	**97.3**	**54.5**	**42.8**	**417.6**	**460.4**

Segment information by quarter, continuing operations

Net sales by segment, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	1,276.2	1,327.3	1,352.4	1,429.8	1,263.9
Building and technical trade	877.3	1,101.7	1,089.0	1,034.6	937.6
Car trade	258.9	243.6	200.3	190.2	200.5
Common functions and eliminations	0.8	0.1	0.1	0.5	-1.2
Continuing operations, total	**2,413.2**	**2,672.7**	**2,641.8**	**2,655.1**	**2,400.8**

Operating profit by segment, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	54.1	65.0	80.2	86.7	56.8
Building and technical trade	2.7	38.2	52.0	20.4	-2.1
Car trade	11.1	8.9	8.0	7.0	7.6
Common functions and eliminations	-7.5	-6.3	-5.9	-10.3	-10.7
Continuing operations, total	**60.4**	**105.8**	**134.3**	**103.8**	**51.6**

Items in operating profit affecting comparability, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	-1.2	-4.5	-1.1	-1.9	0.0
Building and technical trade	-2.0	-2.4	-1.3	-7.8	-5.4
Car trade	-	-	-	-0.1	-0.1
Common functions and eliminations	-0.3	-0.5	-0.3	-0.8	-0.4
Continuing operations, total	**-3.4**	**-7.5**	**-2.7**	**-10.7**	**-5.8**

Operating profit by segment, comparable, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	55.2	69.5	81.3	88.6	56.8
Building and technical trade	4.7	40.6	53.3	28.3	3.2
Car trade	11.1	8.9	8.0	7.2	7.7
Common functions and eliminations	-7.2	-5.7	-5.6	-9.5	-10.3
Continuing operations, total	**63.8**	**113.2**	**137.0**	**114.5**	**57.5**

Operating margin by segment, %, comparable	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	4.3	5.2	6.0	6.2	4.5
Building and technical trade	0.5	3.7	4.9	2.7	0.3
Car trade	4.3	3.7	4.0	3.8	3.8
Continuing operations, total	**2.6**	**4.2**	**5.2**	**4.3**	**2.4**

Operating profit by segment excluding the impact of IFRS 16, comparable, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	38.7	52.8	64.7	71.8	41.3
Building and technical trade	-2.2	33.4	45.9	21.3	-3.5
Car trade	11.0	8.7	7.8	7.0	7.5
Common functions and eliminations	-7.4	-5.9	-5.8	-9.6	-10.4
Continuing operations, total	**40.0**	**89.0**	**112.6**	**90.5**	**34.9**

Operating margin by segment excluding the impact of IFRS 16, %, comparable	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	3.0	4.0	4.8	5.0	3.3
Building and technical trade	-0.3	3.0	4.2	2.1	-0.4
Car trade	4.2	3.6	3.9	3.7	3.8
Continuing operations, total	**1.7**	**3.3**	**4.3**	**3.4**	**1.5**

EBITDA by segment, comparable, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	119.1	134.6	147.8	156.5	123.9
Building and technical trade	38.3	74.7	88.7	65.4	39.6
Car trade	14.3	12.3	12.3	11.7	12.4
Common functions and eliminations	-0.9	0.4	2.2	-1.5	-2.6
Continuing operations, total	**170.7**	**221.9**	**251.0**	**232.1**	**173.4**

EBITDA by segment excluding the impact of IFRS 16, comparable, € million	1-3/2018	4-6/2018	7-9/2018	10-12/2018	1-3/2019
Grocery trade	54.1	69.4	81.1	90.0	57.8
Building and technical trade	6.0	42.2	54.9	30.4	5.1
Car trade	13.3	11.4	11.4	10.7	11.3
Common functions and eliminations	-1.6	-0.3	1.6	-2.1	-3.2

Continuing operations, total	71.8	122.6	148.9	129.0	71.1

Acquisitions

The DIY business of the Sørbø retailer group

In January, Kesko Corporation subsidiaries Skattum Handel AS and Rake Eiendom AS acquired the DIY retail business and related properties of the Norwegian Sørbø retailer group as well as a B2B logistics centre. The acquired stores previously operated Byggmakker stores under the retailer business model. The debt-free price of the transaction, structured as a share purchase and business acquisition, totalled NOK 237.7 million (€24.4 million).

According to a preliminary acquisition cost calculation, assets acquired for Kesko Group amounted to €26.4 million and liabilities assumed to €7.3 million. The acquisition cost calculation will be updated during the first year-half. The Group profit for January-March 2019 includes minor acquisition-related costs, which are presented as items affecting comparability. The impact of the acquired businesses on the Group's net sales and operating profit for February-March was minor.

Car trade businesses of Huittisten Laatuauto and LänsiAuto

In March, Kesko Group company K Caara Oy completed the acquisitions of the Volkswagen and SEAT businesses of Huittisten Laatuauto Oy in Forssa and Huittinen, and the Volkswagen, Audi and SEAT businesses of LänsiAuto Oy in Kotka, Kouvola and Lappeenranta. The debt-free price of the transactions, carried out as business acquisitions, totalled €12.3 million.

According to a preliminary acquisition cost calculation, assets acquired for Kesko Group amounted to €7.4 million and liabilities assumed to €0.4 million. The acquisition cost calculation will be updated during the first year-half. The Group profit for January-March 2019 includes minor acquisition-related costs, which are presented as items affecting comparability. The impact of the acquired businesses on the Group's net sales and operating profit for March was minor.

Discontinued operations

The Russian building and home improvement trade operations discontinued in 2018 are reported as discontinued operations in the consolidated financial statements, and are not included in this interim report in the figures for the Group's continuing operations or the figures for the building and technical trade for the financial year or the comparison period.

Result for the Russian building and home improvement trade (€ million)			
	1-3/2019	**1-3/2018**	**1-12/2018**
Income	-	48.9	46.2
Expense	-	-50.4	-47.6
Profit/loss before tax	-	-1.5	-1.4
Income tax	-	-0.4	-0.3
Net profit/loss after tax	-	-1.8	-1.7
Loss on discontinued Russian building and home improvement trade before tax	-0.2	-21.6	-46.2
Income tax	-0.3	-0.4	-7.9
Loss on discontinued Russian building and home improvement trade after tax	-0.5	-21.6	-54.1
Net loss for the period from discontinued operations	**-0.5**	**-23.4**	**-55.1**
Comprehensive income for the period, net of tax	0.0	-2.4	35.1
Comprehensive income from discontinued operations	**-0.5**	**-25.9**	**-20.8**

Assets and liabilities of the Russian building and home improvement trade (€ million)	
	31.3.2019
ASSETS	
Non-current assets	
Tangible assets	0.5
Total	0.5
Current assets	
Trade receivables	0.0
Other receivables	-
Cash and cash equivalents	0.3
Total	0.4
Total assets	**0.9**

	31.3.2019
LIABILITIES	
Current liabilities	0.0
Trade payables	0.0
Other non-interest-bearing liabilities	0.3
Provisions	0.2
Total	0.5
Total liabilities	**0.9**

Impact of new and amended standards, IFRS 16 Leases

At the start of the financial year, the Group adopted the new standard IFRS 16 Leases, which took effect on 1 January 2019. The Group adopted the standard using a retrospective method, and reporting for the 2018 comparison period has been adjusted to be comparable.

Kesko Corporation has provided information on the adoption of IFRS 16 Leases in a 19 December 2018 release containing comparison figures for January-September 2018, in the 2018 financial statements release published on 6 February 2019, in the 2018 financial statements published on 8 March 2019, and in a 25 March 2019 release containing comparison figures for the whole financial year 2018.

IFRS 16 Leases took effect on 1 January 2019. The standard addresses the definition, recognition and measurement of lease agreements and other information given in relation to lease agreements in financial statements. According to the standard, the lessee recognises in its balance sheet right-of-use assets and financial liabilities.

Kesko Group leases store sites and other properties for use in its business operations in all of its operating countries. Kesko has a significant number of lease agreements that before the implementation of IFRS 16 Leases were categorised as operating leases and were recognised as lease expenditure in the income statement on a time apportionment basis. According to the new standard that took effect on 1 January 2019, assets and liabilities corresponding to the present value of minimum lease payments of most of these leases are recognised in the balance sheet at the commencement date of the leases, meaning assets and liabilities recognised in the balance sheet increase significantly.

According to IFRS 16, the measurement of the right-of-use assets and the lease liabilities is determined by discounting the minimum future lease payments. The Group adopted the standard using a retrospective method, and the impact on the date of transition (1 January 2018) has been calculated as if the standard had always been in effect. The discount rate should primarily be the interest rate implicit in the lease, if available. An interest rate implicit in the lease is not available for all lease agreements. In such cases, the Group will use the incremental borrowing rate, which comprises the reference rate, credit spread for the incremental borrowing, and a potential country and currency risk premium. With the retrospective method, the incremental borrowing rate has been determined and the minimum lease payments discounted at the commencement date of each lease agreement. IFRS 16 Leases includes exemptions for lease agreements with a term of less than 12 months and for asset items of low value, which the Group has adopted. The lessor's reporting remains unchanged, meaning lease agreements are still divided into finance lease agreements and operating leases.

The new standard had a significant impact on the Group's income statement and balance sheet and on some performance indicators. The adoption of IFRS 16 increased significantly the Group's EBITDA and comparable EBITDA and operating profit and comparable operating profit, when the lease expenditure recognised in the income statement was replaced by depreciation of right-of-use assets and interest expenses for liability recognised in finance costs. In addition, change in deferred tax was recognised in income taxes. Assets in the consolidated statement of financial position increased by the right-of-use asset calculated for the commencement date of each lease agreement, to be depreciated over their lease term. The amount of interest-bearing liabilities in the consolidated statement of financial position increased by the discounted amount of lease liabilities. In addition, the implementation of the new standard affected the cash flow from operating activities and cash flow from financing activities in the consolidated statement of cash flows, as realised rent payments were allocated to cash flow from operating activities for the portion corresponding to finance costs and to cash flow from financing activities for the portion corresponding to part payment of debt. The new standard does not have a practical impact on Kesko Group's cash flows, and the Group's cash flows as a whole will not change. The standard only changes the way different items in the statement of cash flows are presented. The retrospective implementation of the new accounting standard resulted in an equity recording at the date of transition on 1 January 2018 as the values of assets and liabilities recognised in the balance sheet differed at the date of transition.

Change in tangible and intangible assets (€ million)

	31.3.2019	31.3.2018
Opening net carrying amount	**1,683.5**	**1,659.1**
Depreciation, amortisation and impairment charges	-35.3	-31.6
Investments in tangible and intangible assets	87.9	50.8
Deductions	-6.2	-8.1
Acquisitions	5.2	-
Transfers to non-current assets held for sale	-0.9	-164.4
Exchange differences	4.7	-1.5
Closing net carrying amount	**1,738.8**	**1,504.5**

Right-of-use assets (€ million)

	31.3.2019	31.3.2018
Opening net carrying amount	**2,062.2**	**-2,006.2**
Depreciation, amortisation and impairment charges	-80.9	-77.9
Net increases	73.4	98.2
Exchange differences	2.7	-1.2
Closing net carrying amount	**2,057.4**	**2,025.4**

Related party transactions (€ million)

The Group's related parties include its management (the Board of Directors, the Managing Director and the Group Management Board) and the companies controlled by them, the Group's subsidiaries, associates and joint ventures as well as Kesko Pension Fund.

The following transactions were carried out with related parties:		
	1-3/2019	**1-3/2018**
Sales of goods and services	21.9	21.5
Purchases of goods and services	2.1	1.7
Other operating income	3.7	3.7
Other operating expenses	15.2	15.3
Finance income and costs	1.4	1.4
	31.3.2019	**31.3.2018**
Receivables	70.4	70.3
Liabilities	35.1	39.9

Fair value hierarchy of financial assets and liabilities (€ million)

	Level 1	Level 2	Level 3	31.3.2019
Financial assets at fair value through profit or loss	**41.0**		**19.5**	**60.5**
Derivative financial instruments at fair value through profit or loss				
Derivative financial assets		3.3		3.3
Derivative financial liabilities		-3.6		-3.6

	Level 1	Level 2	Level 3	31.3.2018
Financial assets at fair value through profit or loss	**180.0**		**15.6**	**195.6**
Derivative financial instruments at fair value through profit or loss				
Derivative financial assets		1.7		1.7
Derivative financial liabilities		-1.2		-1.2

Level 1 instruments are traded in active markets and their fair values are directly based on quoted market prices. The fair values of level 2 instruments are derived from market data. The fair values of level 3 instruments are not based on observable market data.

Personnel, average and at 31.3.

Personnel average by segment	1-3/2019	1-3/2018	Change
Grocery trade	5,839	5,991	-152
Building and technical trade	12,133	11,035	1,098
Car trade	929	804	125
Common functions	977	943	34
Continuing operations. total	19,878	18,773	1,105

Personnel at 31.3.*by segment	**2019**	**2018**	**Change**
Grocery trade	7,668	7,914	-246
Building and technical trade	13,812	12,583	1,229
Car trade	1,005	828	177
Common functions	1,041	1,024	17
Continuing operations. total	23,526	22,349	1,117

* Total number including part-time employees

Group's commitments (€ million)

	31.3.2019	**31.3.2018**	**Change. %**
Own commitments	384.1	241.8	58.8
For others	52.8	20.0	(..)
Lease liabilities for leases not recognised in the balance sheet	239.4	197.2	21.4
Liabilities arising from derivative instruments (€ million)			
			Fair value
Values of underlying instruments at 31.3.	**31.3.2019**	**31.3.2018**	**31.3.2019**
Interest rate derivatives			
Interest rate options	70.0	70.0	0.09
Interest rate swaps	280.2	180.2	-3.16
Currency derivatives			
Forward and future contracts	120.9	81.3	0.55
Currency swaps	20.1	20.1	1.28
Commodity derivatives			
Electricity futures	11.3	5.9	0.92

(..) Change over 100%

Lease liabilities not recognised in the balance sheet include primarily the nominal amount of liability for agreements that will enter into force in the future.

Calculation of performance indicators

Kesko uses alternative performance measures to reflect business performance and profitability. These indicators should be examined together with the IFRS-compliant performance indicators.

Change in comparable net sales is used to reflect changes in the Group's business volume between periods. The indicator reflects the change in net sales excluding the impact of acquisitions and divestments, in local currencies. The comparable net sales have been calculated by including in the net sales the business operations that have been part of Kesko Group in both the reporting period as well as the comparison period. Other structural arrangements related to acquisitions and divestments have been adjusted in the same manner as acquisitions.

Performance indicators reflecting comparable profit and profitability are used to improve the comparability of operational performance between periods. Gains and losses on disposal of real estate, shares and business operations, impairment charges and significant restructuring costs are identified as items affecting comparability. Gains on disposal have been presented within other operating income, and losses on disposal within other operating expenses in the income statement.

Alternative performance measures that have been adjusted for the impact of IFRS 16 are used to illustrate continuity in business profitability and financial position and the achievement of certain financial targets. The EBITDA excluding the impact of IFRS 16 corresponds to EBITDA before the adoption of IFRS 16, and the interest-bearing net debt excluding lease liabilities correspond to interest-bearing net debt before the adoption of the standard. These restated indicators are included as components in the Group's financial targets' performance indicators. Cash flows from operating activities and from financing activities excluding the impact of IFRS 16 are used to illustrate the presentation of the Group's cash flows before the accounting standard changes took effect. The alternative presentation of cash flows is necessary for following the Group's cash flows.

In addition, the financial performance indicators required by the Decree of the Ministry of Finance on obligation of securities issuers to disclose periodic information have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Operating profit, comparable	Operating profit +/– items affecting comparability
Items affecting comparability	– gains on disposal + losses on disposal + impairment charges +/- structural arrangements
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, %, rolling 12 months	Operating profit for the preceding 12 months x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for 12 months
Return on capital employed*, %, comparable	Comparable 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, %, comparable. rolling 12 months	Comparable operating profit for the preceding 12 months x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for 12 months
Return on equity*, %	(Profit/loss before tax - Income tax) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity, %, rolling 12 months	(Profit/loss for the preceding 12 months before tax - Income tax for the preceding 12 months) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity*, %, comparable	(Profit/loss adjusted for items affecting comparability before tax - Income tax adjusted for the tax effect of items affecting comparability) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity, %, comparable, rolling 12 months	(Profit/loss for the preceding 12 months adjusted for items affecting comparability before tax - Income tax for the preceding 12 months adjusted for the tax effect of items affecting comparability) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Equity ratio, %	Shareholders' equity x 100 / (Total assets – Advances received)
Gearing, %	Interest-bearing net liabilities x 100 / Shareholders' equity

Interest-bearing net debt	Interest-bearing liabilities + Lease liabilities – Current financial assets at fair value through profit or loss – Current financial assets at amortised cost – Cash and cash equivalents
Interest-bearing net debt excluding lease liabilities	Interest-bearing net debt – Lease liabilities
EBITDA	Operating profit + Depreciation and amortisation + Impairments
EBITDA excluding the impact of IFRS 16	EBITDA – Rents for right-of-use assets
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16
Capital expenditure	Investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares
Earnings/share, basic	(Profit/loss - Non-controlling interests) / Average number of shares
Earnings/share, diluted	(Profit – Non-controlling interest) / Average diluted number of shares
Earnings/share, basic, comparable	(Profit/loss adjusted for items affecting comparability - Non-controlling interests) / Average number of shares
Equity/share	Equity attributable to owners of the parent / Basic number of shares at the balance sheet date
Cash flow from operating activities/share	Cash flow from operating activities / Average number of shares

* Indicators for return on capital have been annualised.

Reconciliation of performance indicators to IFRS financial statements

€ million	1-3/ 2018	4-6/ 2018	7-9/ 2018	10-12/ 2018	1-12/ 2018	1-3/ 2019
Continuing operations						
Items affecting comparability						
Gains on disposal	2.5	4.3	0.0	0.0	6.7	0.0
Losses on disposal	0.0	-	0.0	-	-0.1	-0.0
Impairment charges	-	-3.4	-	-2.2	-5.6	-
Structural arrangements	-5.8	-8.4	-2.6	-8.5	-25.3	-5.8
Items in operating profit affecting comparability	**-3.4**	**-7.5**	**-2.7**	**-10.7**	**-24.2**	**-5.8**
Items in financial items affecting comparability	-	-	-	-6.5	-6.5	-
Items in income taxes affecting comparability	0.4	2.0	0.3	1.8	4.5	0.1
Items in net profit attributable to non-controlling interests affecting comparability	-	-3.7	0.5	-	-3.2	-
Total items affecting comparability	**-3.0**	**-9.2**	**-1.8**	**-15.4**	**-29.4**	**-5.8**
Items in EBITDA affecting comparability	**-1.5**	**-1.2**	**-2.5**	**-4.0**	**-9.2**	**-5.6**

Operating profit, comparable						
Operating profit	60.4	105.8	134.3	103.8	404.3	51.6
Net of						
Items in operating profit affecting comparability	-3.4	-7.5	-2.7	-10.7	-24.2	-5.8
Operating profit, comparable	**63.8**	**113.2**	**137.0**	**114.5**	**428.5**	**57.5**
Operating profit excluding the impact of IFRS 16, comparable						
Operating profit, comparable	63.8	113.2	137.0	114.5	428.5	57.5
Net of						
Rents for right-of-use assets	-98.9	-99.3	-102.1	-103.1	-403.4	-102.3
Plus						
Depreciation and impairment charges for right-of-use assets	75.1	75.1	77.7	79.0	307.0	79.7
Operating profit excluding the impact of IFRS 16, comparable	**40.0**	**89.0**	**112.6**	**90.5**	**332.2**	**34.9**
EBITDA						
Operating profit	60.4	105.8	134.3	103.8	404.3	51.6
Plus						
Depreciation and impairment charges	31.0	36.3	34.5	40.2	142.1	35.3
Depreciation and impairment charges for right-of-use assets	77.9	78.7	79.7	84.0	320.3	80.8
EBITDA	**169.2**	**220.7**	**248.6**	**228.1**	**866.6**	**167.8**
EBITDA, comparable						

EBITDA	169.2	220.7	248.6	228.1	866.6	167.8
Net of						
Items in EBITDA affecting comparability	-1.5	-1.2	-2.5	-4.0	-9.2	-5.6
EBITDA, comparable	**170.7**	**221.9**	**251.0**	**232.1**	**875.8**	**173.4**
EBITDA excluding the impact of IFRS 16						
EBITDA	169.2	220.7	248.6	228.1	866.6	167.8
Net of						
Rents for right-of-use assets	-100.2	-101.7	-102.3	-107.7	-411.8	-102.5
EBITDA excluding the impact of IFRS 16	**69.1**	**119.1**	**146.3**	**120.4**	**454.8**	**65.2**
EBITDA excluding the impact of IFRS 16, comparable						
EBITDA, comparable	170.7	221.9	251.0	232.1	875.8	173.4
Net of						
Rents for right-of-use assets	-98.9	-99.3	-102.1	-103.1	-403.4	-102.3
EBITDA excluding the impact of IFRS 16, comparable	**71.8**	**122.6**	**148.9**	**129.0**	**472.4**	**71.1**
Profit before tax, comparable						
Profit before tax	34.9	77.5	108.5	73.6	294.5	28.8
Net of						
Items in operating profit affecting comparability	-3.4	-7.5	-2.7	-10.7	-24.2	-5.8
Items in financial items affecting comparability	-	-	-	-6.5	-6.5	-
Profit before tax, comparable	**38.3**	**85.0**	**111.2**	**90.8**	**325.2**	**34.6**
Profit before tax excluding the impact of IFRS 16, comparable						
Profit before tax, comparable	38.3	85.0	111.2	90.8	325.2	34.6
Net of						
Rents for right-of-use assets	-98.9	-99.3	-102.1	-103.1	-403.4	-102.3
Plus						
Depreciation and impairment charges for right-of-use assets	75.1	75.1	77.7	79.0	307.0	79.7
Interest expense for lease liabilities	25.4	25.2	25.0	23.1	98.6	24.6
Profit before tax excluding the impact of IFRS 16, comparable	**39.9**	**86.0**	**111.8**	**89.8**	**327.5**	**36.6**
Net profit, comparable						
Profit before tax, comparable	38.3	85.0	111.2	90.8	325.2	34.6
Net of						
Income tax	7.0	16.1	23.4	15.5	62.1	6.1
Items in income tax affecting comparability	0.4	2.0	0.3	1.8	4.5	0.1
Net profit, comparable	**30.9**	**66.9**	**87.5**	**73.4**	**258.7**	**28.4**

Net profit attributable to owners of the parent, comparable						
Net profit, comparable	30.9	66.9	87.5	73.4	258.7	28.4
Net of						
Net profit attributable to non-controlling interests	-2.9	10.7	6.7	3.9	18.5	-4.7
Items in net profit attributable to non-controlling interests affecting comparability	-	-3.7	0.5	-	-3.2	-
Net profit attributable to owners of the parent, comparable	**33.8**	**59.9**	**80.2**	**69.5**	**243.4**	**33.2**
Earnings per share, comparable, €						
Net profit attributable to the owners of the parent, comparable	33.8	59.9	80.2	69.5	243.4	33.2
Average number of shares, basic, 1.000 pcs	99,468	99,347	99,237	99,182	99,182	99,027
Earnings per share, comparable, €	**0.34**	**0.60**	**0.81**	**0.70**	**2.45**	**0.33**
Return on capital employed, %						
Operating profit	60.4	105.8	134.3	103.8	404.3	51.6
Capital employed, average	4,323.5	4,291.1	4,396.5	4,490.3	4,383.8	4,537.4
Return on capital employed, %	**5.6**	**9.9**	**12.2**	**9.2**	**9.2**	**4.6**

Return on capital employed, comparable, %						
Operating profit, comparable	63.8	113.2	137.0	114.5	428.5	57.5
Capital employed, average	4,323.5	4,291.1	4,396.5	4,490.3	4,383.8	4,537.4
Return on capital employed, comparable, %	**5.9**	**10.6**	**12.5**	**10.2**	**9.8**	**5.1**
Group						
Return on equity, %						
Net profit	4.5	33.5	82.4	56.2	176.5	22.2
Equity, average	2,059.2	1,977.1	1,940.9	2,005.0	2,039.0	2,042.7
Return on equity, %	**0.9**	**6.8**	**17.0**	**11.2**	**8.7**	**4.3**
Return on equity, comparable, %						
Net profit, comparable	29.1	66.9	87.0	72.7	255.8	27.6
Equity, average	2,059.2	1,977.1	1,940.9	2,005.0	2,039.0	2,042.7
Return on equity, comparable, %	**5.7**	**13.5**	**17.9**	**14.5**	**12.5**	**5.4**
Equity ratio, %						
Shareholders' equity	2,061.3	1,892.9	1,989.0	2,021.1	2,021.1	2,064.4
Total assets	6,798.9	6,486.7	6,494.0	6,366.8	6,366.8	6,523.8
Advances received	239.7	28.0	29.7	26.0	26.0	35.4
Equity ratio, %	**31.4**	**29.3**	**30.8**	**31.9**	**31.9**	**31.8**

K Group's retail and B2B sales, VAT 0% (preliminary data, pro forma*):		
	1.1.-31.3.2019	
K Group's retail and B2B sales	**€ million**	**Change, %**
K Group's grocery trade		
K-Citymarket, food	393.3	0.6
K-Citymarket, non-food	128.3	0.8
K-Supermarket	476.8	3.2
K-Market	426.2	0.4
Neste K	30.2	0.3
Others	8.7	-6.8
Retail sales, total	**1,463.5**	**1.4**
Kespro	216.4	4.6
Grocery trade, total	**1,679.9**	**1.8**
K Group’s building and technical trade		
K-Rauta	192.3	4.5
Rautakesko B2B Service	60.0	2.8
Onninen, Finland	204.2	6.3
Machinery trade, Finland	2.2	-52.0
Leisure trade, Finland	70.0	0.6
Finland, total	**528.7**	**3.9**
K-Rauta, Sweden	33.5	-3.6
Onninen, Sweden	36.7	-5.6
Byggmakker, Norway	101.2	-0.9
Onninen, Norway	68.1	-0.7
Kesko Senukai, Baltic countries	151.0	22.8
Onninen, Baltic countries	18.0	10.1
Machinery trade, Baltic countries	19.0	-9.2
OMA, Belarus	26.7	14.1
Onninen, Poland	53.6	5.2
Other countries, total	**507.9**	**6.0**
Building and technical trade, total	**1,036.6**	**5.0**
K Group's car trade		
K-Caara	98.8	-32.6
K-Auto, import	113.3	-9.4
AutoCarrera	6.4	-59.8
Car trade, total	**218.5**	**-24.0**
Finland, total	**2,427.2**	**-0.8**
Other countries, total	**507.9**	**6.0**
Retail and B2B sales, total	**2,935.0**	**0.3**

* Pro forma comparison figures have been calculated to illustrate a situation in which the acquisition of 1A Group, which took place in 2018, and the acquisitions in the car trade division, which took place in March 2019, would have taken place on 1 January 2018.