

Kesko in brief

Kesko is the leading provider of trading sector services and a highly valued listed company. Through its stores, Kesko offers quality to the daily lives of consumers. Kesko has about 2,000 stores engaged in chain operations in the Nordic and Baltic countries, Russia, and Belarus.

Our core competence areas

- Development and management of store concepts and brands
- Development, ownership and management of the store site network
- International retail expertise
- Combining retailer entrepreneurship and chain operations efficiently
- Leveraging centralised resources and economies of scale

Divisions

KESKO FOOD | PAGE 14

Kesko Food is a strong operator in the Finnish grocery trade. K-retailers, whose operations are based on the K-retailer business model, are responsible for customer satisfaction at the more than 1,000 K-food stores.

Kesko Food manages K-citymarket's food trade and the K-supermarket, K-market and K-extra chains. Kesko Food's main functions include the centralised purchasing of products, selection management, logistics, and the development of chain concepts and the store site network. Chain operations ensure the efficiency and competitiveness of business.

Kesko Food's subsidiary Kespro Ltd is the leading wholesaler in the Finnish HoReCa business. It offers the best sourcing solutions in the sector for its customers.

HOME AND SPECIALITY GOODS TRADE | PAGE 20

Kesko's home and speciality goods trade operates in the clothing, home, leisure, home technology, entertainment and furniture product lines. The home and speciality goods trade comprises Anttila Oy, K-citymarket Oy, Intersport Finland Ltd, Indoor Group Ltd, Musta Pörssi Ltd and Kenkäkesko Ltd. The total number of home and speciality goods stores is 450.

BUILDING AND HOME IMPROVEMENT TRADE | PAGE 26

Rautakesko operates in the building and home improvement supplies trade in Finland, Sweden, Norway, the Baltic countries, Russia, and Belarus and the agricultural supplies trade in Finland. Rautakesko manages and develops its K-rauta, Rautia, K-maatalous, Byggnäring, Senukai and OMA retail chains and B2B sales in its operating area. Rautakesko is responsible for the chains' concepts, marketing, sourcing and logistics services, store network, and retailer resources. There are 330 building and home improvement stores in eight countries and 90 agricultural stores in Finland.

CAR AND MACHINERY TRADE | PAGE 34

VV-Auto and Konekesko make up the car and machinery trade division.

VV-Auto imports and markets Volkswagen, Audi and Seat passenger cars, and Volkswagen commercial vehicles in Finland, and it also imports and markets Seat passenger cars in Estonia and Latvia. VV-Auto is also engaged in car retailing and provides after-sales services at its own outlets in the Greater Helsinki area and Turku.

Konekesko is a service company specialising in the import and sales of construction, environmental and agricultural machinery, trucks and buses, and recreational machinery. Konekesko operates in Finland, the Baltic countries and Russia. Konekesko arranges the manufacture of and sells Yamarin boats in Finland and exports them to several European countries and Russia.



Vision

Kesko is the leading provider of trading sector services and a highly valued listed company.

Values

THE VALUES GUIDE OUR OPERATIONS:

We exceed our customers' expectations

We recognise our customers' needs and expectations. We strive to offer them positive experiences through the continual reform of our operations and emphasis on entrepreneurial activity.

We are the best operator in the trading sector

We offer our customers the best products and services in the market to ensure our competitiveness and success.

We create a good working community

We operate in an open, interactive working community where people are respected and every individual can contribute to the full and use his or her initiative.

We bear our corporate responsibility

Our operations are responsible and we follow ethically acceptable principles in all actions within our working community and in relations with our partners.



Review by the President and CEO

A year for adjustment

In all of Kesko's business divisions and operating countries, the recession had a major impact on the operating environment of the trading sector and on the willingness of customers to consume.

In 2009, we cut costs and adapted our business according to the prevailing market situation. We also had to decrease the number of employees, particularly in the building and home improvement and in the car and machinery trade.

POSITIVE PERFORMANCE IN ALL DIVISIONS

The grocery sales of K-food stores increased by 5.6% and clearly exceeded market growth. The popularity of Pirkka products continued. The full reduction in the value added tax on retail sales of food, which took effect in autumn 2009, was implemented in the prices of K-food stores. Kesko Food's return on capital was the best of all times.

In the home and speciality goods trade, sales development during the latter part of the year clearly improved from the previous year. The sales and profitability of K-citymarket and Intersport improved throughout the year. Anttila, too, had brisk Christmas sales that exceeded expectations.

The halt in construction caused by the recession made 2009 a difficult year for the building and home improvement trade in all the operating countries and particularly in business-to-business trade. The building and home improvement segment managed to reduce costs and stocks and keep trade receivables

under control. This contributed to a clear profit despite the recession.

In the car and machinery trade, sales and profits decreased as demand declined. The market share of Audi, Volkswagen and Seat, the brands imported by VW-Auto, increased during the year and the number of new orders grew clearly towards the end of the year.

AIMING AT PROFITABLE GROWTH

Kesko's solvency, cash flow and liquidity are at an excellent level. A strong balance sheet and good financial standing provide Kesko with opportunities for making investments during recession, too.

When making investment decisions, we take the market situation and customer demand of the particular country into consideration. We will continue to actively develop the store network.

We will continue to investigate opportunities for expanding the food trade into international markets, particularly in Russia.

K-PLUSA PROVIDES CUSTOMERS WITH DIVERSIFIED BENEFITS

The K-Plussa customer loyalty programme provides total services for every K-retailer, store and chain of the K-Group to better cater for their customers and increase customer satisfaction.

More than 3.6 million Finns now have a K-Plussa customer loyalty card. The K-Plussa customer loyalty programme achieved the landmark of two million households in 2009 after more than 100,000 new households had joined. The K-Plussa network comprises over 3,500 outlets throughout Finland.



By concentrating their purchases, K-Plussa customers get diversified benefits. We utilise customer information obtained with the card when planning store-specific selections, targeting our marketing, and planning the store network.

WE WANT TO BE THE MOST ATTRACTIVE WORKPLACE IN THE TRADING SECTOR

Kesko and its chains' K-retailer entrepreneurs employ some 45,000 professionals and experts in trade. The wellbeing, competence and improvements in labour productivity of our employees are important to us. We will continue long-term projects in different companies for promoting wellbeing at work. We will improve labour productivity primarily by enhancing the efficiency of operating practices.

The Master Sales Assistant Training, organised by our own training centre, the K-instituutti, is one of the largest annual vocational training events for adults in Finland. The Master Sales Assistant Training was attended by more than 17,000 students in 2009.

WE CONTINUE OUR SUSTAINABILITY WORK AND ARE COMMITTED TO ENERGY SAVINGS

Kesko has established a top ranking in comparisons measuring the sustainability of international listed companies.

Kesko is included in the Dow Jones sustainability indexes, DJSI World and DJSI STOXX, and also in the FTSE4Good indexes, for example. We also continue on the 'The Global 100 Most Sustainable Corporations'

list published by the World Economic Forum.

We are proud for the appreciation shown by international independent sustainability experts and different assessment institutes towards our work.

This work will continue: we have drawn up a comprehensive responsibility programme for 2008–2012. The programme sets concrete targets, for instance, for combating climate change, wastage reduction, transportation, responsible purchasing and employee wellbeing.

As part of the implementation of the responsibility programme we have signed the trading sector energy efficiency agreement and committed to saving more than 65 GWh by the end of 2016.

THANKS TO EMPLOYEES, SHAREHOLDERS, K-RETAILERS AND ALL BUSINESS PARTNERS

I wish to extend my warmest thanks to all Kesko employees for their diligence and for a job well done. I would also like to thank all shareholders, K-retailers and their staff, and all our business partners for good cooperation during 2009.

Matti Halmesmäki
President and CEO

*A 12-year-old genetically Finnish red oak was planted in Katajanokka Park, next to Kesko's main office building, at the Fiskars Orange Thumb charity event in October 2009. Kesko's President and CEO **Matti Halmesmäki**, Helsinki Mayor **Jussi Pajunen**, and Fiskars Group President and CEO **Kari Kauniskangas**, the host of the event, all did their part with spades.*

Year 2009 in brief

- The Kesko Group's net sales from continuing operations totalled €8,447 million (€9,591 million)
- Operating profit excluding non-recurring items was €155.4 million (€217.0 million)
- Profit before tax was €216.6 million (€288.5 million)
- The Kesko Group's earnings per share were €1.27 (€2.24)
- Earnings per share excluding non-recurring items were €0.71 (€1.44)
- The Board of Directors proposes to the Annual General Meeting that €0.90 per share be distributed as dividends for 2009

Net sales and profit

The deterioration in the general economic situation in 2009 affected sales particularly in Kesko's car and machinery trade and in the building and home improvement trade. Sales growth remained stable in the food trade.

Net sales decreased by 11.9% from the previous year. In Finland, net sales dropped by 7.5% and in other countries by 28.1%.

The K-Group's sales (incl. VAT) to retail and B2B customers were €12,614 million, representing a decrease of 9.1% from the previous year.

Net sales in the food segment increased by 2.4% and the grocery sales of K-food stores increased by 5.6% (VAT 0%) from the previous year. The sales growth of Pirkka products was particularly good. The K-citymarket's sales also performed well and showed an increase of 14.3% in food sales.

Net sales in the home and speciality goods segment decreased by 3.0%. Sales of home electronics and interior decoration items suffered from the weaker economic situation and growing unemployment. Towards the end of the year, however, sales started to pick up. Sales of clothing and sports items increased in particular and Christmas sales were very successful.

In the building and home improvement segment, net sales dropped by 22.4%. In Finland, the decline in net sales can be mainly attributed to the drop in B2B sales. In other countries, the decrease in net sales resulted from lower demand and the weakening of the Swedish krona, the Norwegian krone, and the Russian rouble. The construction market declined substantially in the Nordic and Baltic countries, and in Russia.

In the car and machinery trade, the market remained difficult and net sales decreased by 36.0%. The demand for cars dropped, but Audi, Volkswagen and Seat succeeded in increasing their market share to 18.5% (17.1%). The number of

orders grew towards the end of the year. Konekesko's net sales dropped due to the weakened machinery market and the discontinuation of the Baltic grain and agricultural supplies trade.

Operating profit well short of the previous year

Operating profit excluding non-recurring items amounted to €155.4 million (€217.0 million). Non-recurring items totalled €77 million and they include a €93 million gain on the sale of properties. Non-recurring expenses include a €14.4 million impairment charge on properties.

The decrease in the operating profit excluding non-recurring items compared with the previous year can be attributed to weakened demand in the building and home improvement trade in particular and in the car and machinery trade.

Kesko is transferring statutory employee pension insurance to Ilmarinen

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

Number of shareholders increased

The number of shareholders totalled 38,888 at the end of 2009, an increase of 808 from the beginning of the year. Foreign shareholders owned 30% of the B shares at the end of 2009.

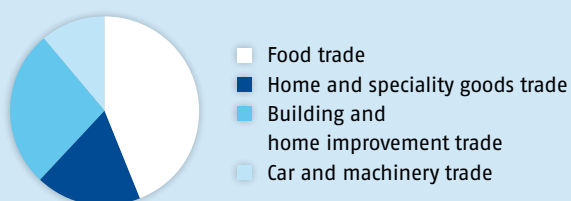
Performance indicators for 2009

Key figures

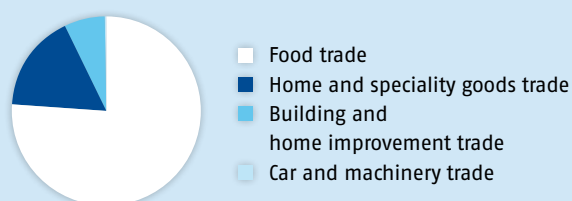
		2009	2008	Changes
Net sales*	€ million	8,447	9,591	-11.9%
Operating profit*	€ million	232	286	-18.7%
Operating profit excl. non-recurring items*	€ million	155	217	-28.4%
Profit before tax*	€ million	217	289	-24.9%
Return on capital employed	%	11.0	15.2	-4.2 pp
Return on equity	%	6.6	12.1	-5.5 pp
Cash flow from operating activities	€ million	379	131	(..)
Investments*	€ million	198	338	-41.5%
Equity ratio	%	54.1	52.4	1.8 pp
Gearing	%	-12.5	2.3	-14.8 pp
Dividend per share	€	0.90**	1.00	-10.0%
Earnings per share, diluted	€	1.27	2.24	-43.1%
Equity per share, adjusted	€	20.39	20.09	1.5%
Personnel, average*		19,184	21,327	-10.0%

*continuing operations **proposal to the AGM (..) change over 100%

Net sales by division*



Operating profit excl. non-recurring items by division*



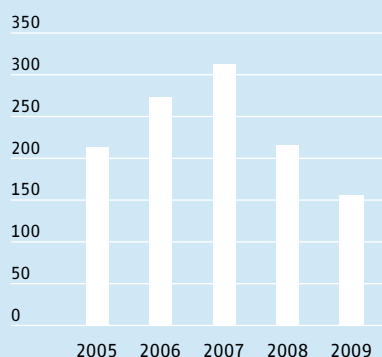
Group's net sales*

€ million



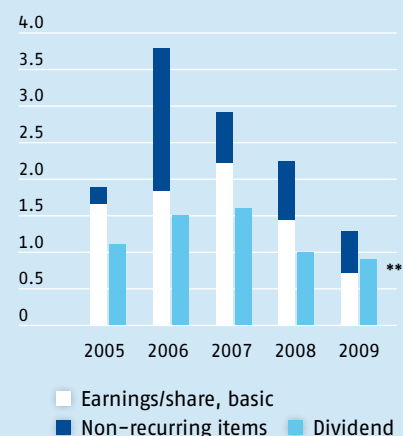
Group's operating profit*

excl. non-recurring items, € million



Earnings/share and dividend/share,

€



*continuing operations **proposal to the AGM



09

Strategic objectives

Kesko is a highly valued listed trading sector company. It manages retail store chains that are valued by customers and efficiently produces services for retail store chains' purchasing, logistics, network development and data management. Kesko's operations include food, home and speciality goods, building and home improvement, and car and machinery trade. Its division parent companies and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko operates in the Nordic and Baltic countries, Russia, and Belarus.

Strategic objectives

HEALTHY, PROFITABLE GROWTH

- Our targeted sales growth exceeds that of the market
- We increase the shareholder value by improving profit
- We implement the strategy of selective internationalisation
- We expand our store network

SALES AND SERVICES FOR CONSUMER CUSTOMERS

- Our customer satisfaction exceeds that of competitors
- Retailers' knowledge of local customers' needs is our competitive asset
- We use loyal customer information efficiently in our customer programmes
- We develop e-commerce and services

RESPONSIBLE AND COST-EFFICIENT BUSINESS MODELS

- Our operating practices are responsible
- We efficiently combine retailer entrepreneurship and chain operations
- We leverage our economies of scale and competence to the benefit of customers
- We guide our business through efficient data management

Customer-driven business models



Objectives include customer satisfaction exceeding that of competitors

Healthy, profitable growth OBJECTIVES INCLUDE CUSTOMER SATISFACTION EXCEEDING THAT OF COMPETITORS AND INCREASING SHAREHOLDER VALUE

Kesko's key strategic objectives in all store chains include achieving a level of customer satisfaction and sales growth that exceeds the level achieved by competitors. Shareholder value is increased by long-term profitable growth. Objectives also include maintaining good solvency and liquidity in all market conditions. The target return on equity is 12%, while the target return on capital employed is 14%.

KESKO IMPLEMENTS A STRATEGY OF SELECTIVE INTERNATIONALISATION

The objective is to invest in healthy, profitable growth, while taking the market situation and customer demand into consideration.

Investments in the food trade are directed at expanding and refurbishing the store network in Finland. In addition, expanding business to the Russian market is studied.

In the building and home improvement trade, the international store network will be expanded in the next few years mainly in Russia, with the focus on the retailing markets of the St. Petersburg and Moscow regions. In addition to investments in new store sites, business growth may also be achieved through acquisitions. The Russian market in particular is considered to offer significant long-term growth potential in the home building and decoration trade. Synergy benefits are achieved through joint cat-

egory management and sourcing, which are supported by investments in the joint enterprise resource planning system and centrally directed logistics network.

Sales and services to consumer customers

CUSTOMER SATISFACTION EXCEEDING THAT OF COMPETITORS

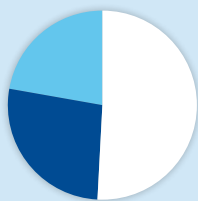
The strategic emphasis lies on sales to consumer customers. The objective is to achieve a level of customer satisfaction and sales growth that exceeds the level achieved by competitors. Success in the consumer customer trade requires clear customer and brand promises and the fulfilment of these promises during every store visit.

Customer promises are fulfilled through high-quality and competitively-priced products, a comprehensive store network and good service.

Kesko has dozens of successful chain and product brands that are managed and developed according to customer needs. The objective of brand development work is to increase the value of brands and to improve the efficiency of marketing.

The creation of customer-driven selections and targeted marketing are supported by the K-Plussa customer loyalty system, whose reward and payment card features have undergone reforms in recent years. The K-Plussa customer loyalty programme operates on three levels: benefits granted to customers are either store-specific, chain-specific or provided across the entire K-Plussa network. The objective of the system is to offer significant prod-

Breakdown of Kesko's net sales by business model, %



- Retailer entrepreneurs' retailing 51%
- Kesko's own retailing 27%
- B2B sales 22%

Financial objectives and their realisation

The objectives announced on 5 Feb. 2009	Target level	Realised in 2009	Realised in 2008
Net sales growth	Growth rate exceeding that of the market	Realised*: Food trade, sports trade, building and home improvement trade (Finland), car and machinery trade	Realised: VV-Auto, Intersport Finland, Kenkäkesko
Return on equity	12%	6.6%, excl. non-recurring items 3.8%	12%, excl. non-recurring items 8.1%
Return on capital employed	14%	11.0%, excl. non-recurring items 7.3%	14%, excl. non-recurring items 10.0%
Interest-bearing net debt/EBITDA	< 3	-0.7	0.1
Equity ratio	40-50%	54%	52%
Economic value added	Growing positive EVA as internal indicator	Not realised	Not realised

*Kesko's own estimate

uct and service benefits to customers, encouraging them to centralise their purchases in the K-Group. The use of customer information has been enhanced in key business areas. Chains and stores utilise customer information in their selection planning, pricing, marketing and store network planning, for example.

CUSTOMER-DRIVEN BUSINESS MODELS

The business models applied in Kesko's sales to consumer customers are retailing through retailer entrepreneurs and Kesko's own retailing. Kesko is also engaged in B2B sales.

1) Retailer entrepreneurs' retailing

The principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in chains managed by Kesko. In Finland, all food and building and home improvement stores in the K-Group are run by retailer entrepreneurs. Through its chain operations, Kesko provides a first-class setting for its retailer entrepreneurs to provide the best possible service to their customers. The K-retailer entrepreneur is responsible for his or her store's customer satisfaction, personnel and business profitability. Good service and knowledge of customer needs provide the K-Group with a competitive edge.

At the end of 2009, Kesko had 1,302 K-retailer entrepreneurs as partners and, in addition, about 250 other retailer partners in the Asko, Sotka, Byggmakker and Senukai chains. Kesko's sales to retailer partners accounted for 51% of net sales in 2009.

2) Kesko's own retailing

Kesko acts as a retailer in business operations where the competitive advantage derives from the centrally managed chain concept and large units. Kesko's own retail stores in Finland include the Anttila and Kodin Ykkönen department stores. In addition, Kesko is also responsible for retailing home and speciality goods in the K-citymarket chain. Kesko's own retailing is also the model mainly used in expanding business operations outside Finland. In 2009, Kesko's own retailing accounted for 27% of net sales.

3) B2B sales

Kesko is engaged in B2B sales in those business operations in which B2B sales support consumer customer sales. Typical business customers include construction companies, agricultural entrepreneurs, the manufacturing industry, institutional kitchens and the public sector. In 2009, Kesko's B2B sales accounted for 22% of net sales.

ELECTRONIC CUSTOMER COMMUNICATIONS AND E-COMMERCE

The importance of electronic customer communications in trading has increased continuously. Kesko is developing online customer communications and the chains' online trading sites. The objective is to improve customer satisfaction and to increase sales. Kesko has gained a strong position in online sales of home and speciality goods through the NetAnttila, Kodin1.com, Konebox.fi and Budget Sport online stores.

Responsible and cost-efficient business models

SUSTAINABLE DEVELOPMENT AND RESPONSIBLE OPERATING PRACTICES

The principles of sustainable development and responsible operating practices are a central part of Kesko's and its chains' daily activities. Consumer customers require the trading sector to take responsibility for products' safety and health effects, and for the environmental and social impact of business operations. The results of responsible operations are reported annually in Kesko's Corporate Responsibility Report.

EFFICIENT COMBINATION OF RETAILER ENTREPRENEURSHIP AND CHAIN OPERATIONS AND BENEFITTING FROM ECONOMIES OF SCALE

The strategic objective is to efficiently combine K-retailer entrepreneurship and chain operations. K-retailers are responsible for customer service, local selections and fulfilling the customer promise in their stores.

Kesko's efficient chain operations and joint processes provide support to retailers. Chain operations offer the retailer a joint business concept which includes, among other things, chain control related to chain selection, pricing and marketing, and business management support. Joint

chain operations carried out by retailers and Kesko are further enhanced by developing increasingly better tools and business models for the stores. The most important of these are regional and store-specific selections and pricing guidance as well as tools for customer relationship and store personnel management.

Kesko participates in international purchasing cooperation in various product lines, which increases purchasing volumes and efficiency. The most important partnership organisations in which Kesko participates include AMS Sourcing B.V. in the grocery trade, tooMax-x in the building and home improvement trade, Intersport International Corporation in the sports trade, and Electronic Partner International in the home technology trade.

WORK AND PRODUCTIVITY PROGRAMME

Cost-efficient operations build price competitiveness and customer satisfaction in the retailing sector. Cost-efficiency is also a basic requirement for increasing Kesko's profitability and shareholder value.

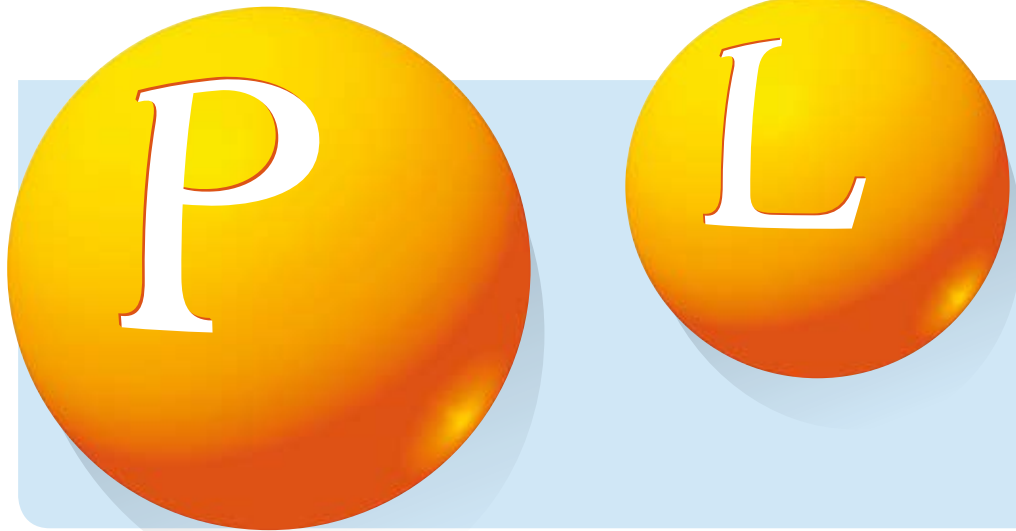
One of the key objectives of the work and productivity programme launched is to increase employees' work productivity in Kesko and the chain stores. The most important tools for improving productivity include increasing personnel competence and the efficiency of operating practices. Promoting the wellbeing of employees has also become an increasingly important factor. Retail stores also focus on enhancing the productivity of store space and inventories.

ELECTRONIC AND AUTOMATED PROCESSES

A project to automate processes and routines with the goal of improving cost-efficiency is underway in Kesko. Key areas in process automation include logistics automation projects, the forecast systems and automated orders that improve the availability of products in stores, the adoption of electronic purchase and sales invoices, and the automation of financial management routines in the shared services centre of the Kesko Group.

More detailed information on each division's strategic emphases and projects is provided in the division-specific presentations starting on page 14.

K-Plussa is the biggest customer loyalty programme in Finland



The widest and most diverse customer loyalty programme in Finland provides K-Plussa customers with benefits from more than 3,500 outlets and over 40 cooperation partners. Local K-retailers and the K-Group chains offer special benefits and services targeted to their K-Plussa customers. K-Plussa customers also get special benefits that are always at least 10% of the normal price. The benefit received in the form of K-Plussa points is up to 5%. In 2009, the K-Plussa customer loyalty programme gained 190,596 new customers and reached the landmark of two million households.

By concentrating their purchases, K-Plussa customers get benefits and services that are based on their needs and shopping behaviour. The K-Plussa customer loyalty system operates on three levels: benefits granted to customers are either store-specific, chain-specific or provided across the entire K-Plussa network. Targeted marketing communications and special offers as well as electronic channels gained more importance in 2009 at all three levels of the K-Plussa customer loyalty programme.

Retailer cater for customers

Research has shown that special benefits and services provided by stores for K-Plussa customers increase customer satisfaction and store visits.

Customer information obtained via the K-Plussa card is used in planning store-specific selections and services and in targeting the store's marketing messages. Targeted marketing both in electronic and traditional media is more cost-efficient and often attracts more attention. For example, results obtained from special benefits and events targeted to customers have been extremely good.

K-Group chains' operations are based on customer information

At the chain level, customer information obtained via K-Plussa is leveraged in network planning and concept development, for example. Chain-level customer information is also useful when building the chains' selections and services to meet the needs of customers as well as possi-

ble. Many chains have built loyalty schemes for their important customer groups, such as Kodin Ykköinen's Ykkösasiakas programme.

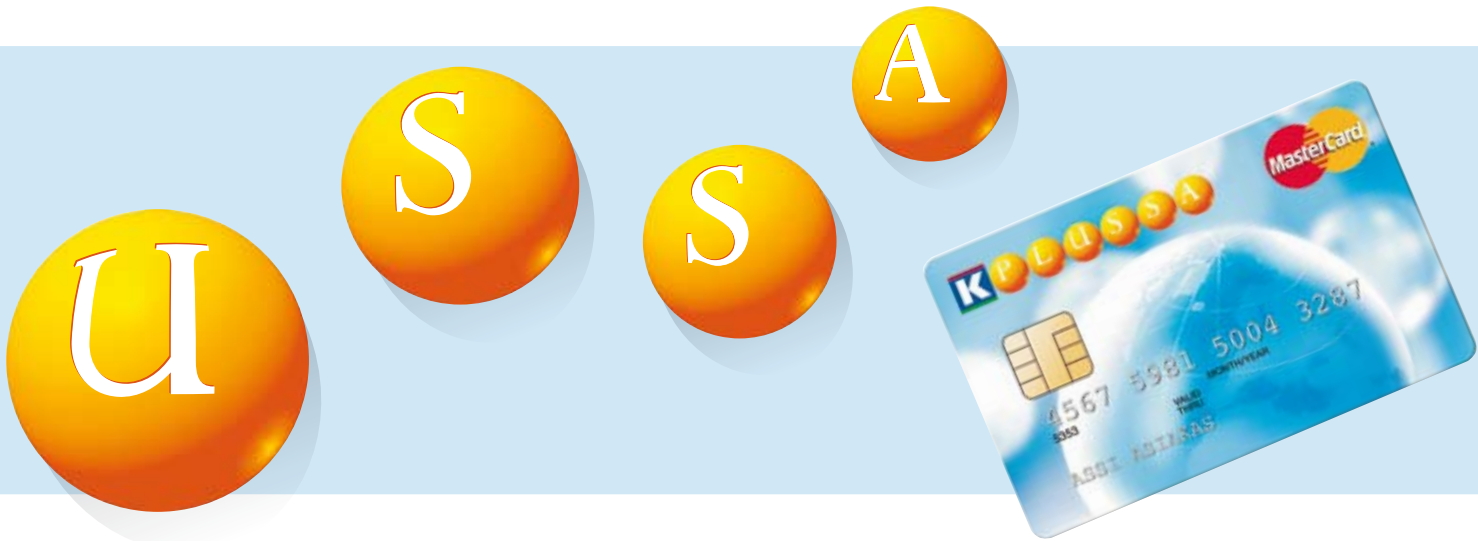
Benefits for all K-Plussa customers

K-Plussa offers significant benefits available for all customers: each month hundreds of topical K-Plussa offers, which always reward customers with a discount of at least 10%, provided at the checkout. By centralising their purchases in the K-Plussa network, customers receive a reward of up to 5% in the form of K-Plussa points.

A joint benefit launched for all K-Plussa customers shopping at K-food stores in 2009 is the new electronic Nutritioncode service, which enables customers to monitor, free of charge, how healthy their purchases are. The electronic service registers the purchases made by the household in K-food stores and provides the users with information and hints on the nutrition values of the groceries purchased.

The importance of targeted electronic communications continues to grow. Customers who have agreed to electronic marketing receive a K-Plussa e-newsletter once a month. K-Group chains and stores also approach their customers with personal e-mail offers. Customers can deposit their K-Plussa points into their account with any bank.

As a customer benefit, K-Plussa customers receive Pirkka, the most widely read magazine in Finland. Readership of



the Pirkka magazine continued to increase in 2009 (source: the National Readership Survey).

Andiamo Club's electronic customer loyalty card was launched in 2009. Andiamo Club members can download their electronic membership cards to their mobile phones. The card works like a normal plastic loyalty card and the customer's personal K-Plus data may also be combined with it. Customers can opt to receive new benefits and special offers direct to their mobile phones.

New partners to the K-Plus network

The K-Plus network became increasingly diversified during 2009. In April, more than 100 Instrumentarium outlets throughout Finland joined the K-Plus network. In addition to the K-stores and the K-Group chains, the K-Plus network includes over 40 leading operators in their sectors. K-Plus customers' total benefits have improved considerably during the year and the number of cooperation partners will continue to grow.

2009 brought more K-Plus card benefits for leisure activities for the whole family. Visits to all Finnish HopLop indoor adventure parks now accrue K-Plus points. HopLop is the biggest chain of year-round children's adventure parks in the Nordic countries.

Cooperation started between K-Plus and Flamingo Spa. The Spa, located in the Greater Helsinki Area, comprises a large water park for the whole family and a spa & wellness world for adults. Since the

beginning of 2009, customers have also been able to accrue K-Plus points from food and beverages served by Center Inn restaurants in Helsinki.

More than 100,000 new K-Plus households

In 2009, the K-Plus customer loyalty programme reached the landmark figure of two million households. More than 3.6 million Finns already have a K-Plus card. There are nearly 850,000 K-Plus co-branding cards with OP-Pohjola and Nordea. In 2009, the K-Plus customer loyalty programme gained 190,596 new customers.

To enable us to develop rewarding and customer programmes, we need a sufficient amount of information about customer relationships and the competence to analyse and leverage this information. K-Plus Oy collects and analyses this information in the K-Group.

Customers' privacy protection is ensured when customer information is collected and made use of. K-Plus Oy processes customers' purchasing data on the sum total or product group level. Anonymous receipt line level purchasing data may also be used. Customer information and programmes play a key role in business planning.

Wellbeing in the K-Plus network

The K-Plus network became increasingly diversified in April 2009, when consumer customers started to receive K-Plus points from over one hundred Instrumentarium outlets throughout Finland. Thanks to this cooperation, K-Plus benefits were extended to include wellbeing products and expertise.