



General Meeting

7 April 2014

President and CEO

Matti Halmesmäki

Welcome to the General Meeting

The official notice convening Kesko Corporation's general meeting was published on 24 February 2014 on www.kesko.fi/en/Investors/General-Meeting/Annual-General-Meeting-2014/

In addition, notifications were published in 37 newspapers, including:

- Helsingin Sanomat
- Kauppalehti
- Hufvudstadsbladet
- Demokraatti
- Aamulehti
- Ilkka
- Kaleva
- Savon Sanomat
- Turun Sanomat
- Etelä-Suomen Sanomat
- Keski-suomalainen

10 SAVON SANOMAT

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Tervetuloa

KESKO OYJ:N VARSINAISEEN YHTIÖKOKOUKSEEN maanantaina 7.4.2014 klo 13.00.

Kokous pidetään Helsingissä Messukeskuksen Kokoustamossa, Messuaukio 1 (Kokoustamon sisäänkäynti).

Kokoukseen ilmoittautuneiden vastaanottaminen, äänilippujen jakaminen ja kahvitarjoilu alkavat klo 12.00.

Yhtiökokouksessa käsitellään ja päätetään yhtiöjärjestyksen mukaan varsinaiselle yhtiökokoukselle kuuluvista asioista, mm. tilinpäätöksen vahvistamisesta ja osingonjaosta.

Virallinen yhtiökokouskutsu on yhtiöjärjestyksen mukaisesti julkaistu Kesko Oyj:n internet-sivuilla osoitteessa www.kesko.fi/yhtiokokous/. Samasta osoitteesta löytyvät myös tarkemmat tiedot ja ohjeet yhtiökokousta koskien.

Osakkeenomistajan, joka haluaa osallistua yhtiökokoukseen, tulee olla merkittynä yhtiön osakasluetteloon keskiviikkona 26.3.2014 ja

hän tulee ilmoittautua kokoukseen viimeistään keskiviikkona 2.4.2014 klo 16.00 mennessä.

Yhtiökokoukseen voi ilmoittautua

a) internet-sivujen kautta osoitteessa www.kesko.fi/yhtiokokous/ noudattaen siellä annettuja ohjeita,

b) sähköpostitse osoitteeseen keskoyhtiokokous@kesko.fi,

c) puhelimitse numeroon 01053 23211 (maanantaista perjantaihin klo 9-16),

d) faksilla numeroon 01053 23421, tai

e) kirjeitse osoitteella Kesko Oyj/Lakiasiat, Satamakatu 3, 00016 Kesko.

KESKO

Kesko's year 2013



Kesko's profit improved on previous year

- Kesko's net sales €9.3 billion, change -3.8%
- Profit improved clearly on the previous year
 - Net profit €185 million, increased by €49 million
 - The savings measures of the profitability programme were implemented in all divisions, cost savings €100 million
 - Operating profit excl. non-recurring items rose to €239 million (€230 million)
 - Return on capital employed excl. non-recurring items was 9.8% (9.0%)
- Kesko's financial position very strong
 - Capital expenditure was prioritised, and the amounts of inventories and receivables decreased by €200 million
 - Liquid assets €681 million
 - Equity ration 54.5% (52.5%)
- Dividend proposal €1.40 per share, effective dividend yield 5.2%
- Kesko Group's net sales and operating profit excluding non-recurring items for the next 12 months is expected to remain at the level of the preceding 12 months, unless the overall consumer demand weakens significantly.

Development in Kesko's divisions

Food trade

- Sales in Finland lower than market performance
- Enhancement measures: significant positive impact on profit (€+36 million)
- K-ruoka stores in St Petersburg started better than expected
- Implementing the new customer strategy of K-food stores
 - Fruit and vegetable departments, bread, service counters
 - Pirkka and K-Menu



Home and speciality goods

- K-citymarket home and speciality goods, Indoor and Intersport well profitable
- The sales and profit of Anttila weakened clearly
 - Decision has been made to close eight Anttila department stores
 - Plans are being made to close four Kodin1 department stores
 - The option of selling Anttila Oy under consideration
- The selections of NetAnttila and Musta Pörssi to be greatly expanded



Development in Kesko's divisions

Building and home improvement trade

- Market situation remains difficult
- Profitability improved
- Sales, customer relationships and the efficiency of operations are developed with resolve
- K-rauta a clear market leader in Finland



Car and machinery trade

- The market share of Audi, Volkswagen and Seat strengthened to 20.6%
- The profit of car sales at an excellent level
- In machinery trade, the market situation is difficult in Finland



Kesko's net sales and profit

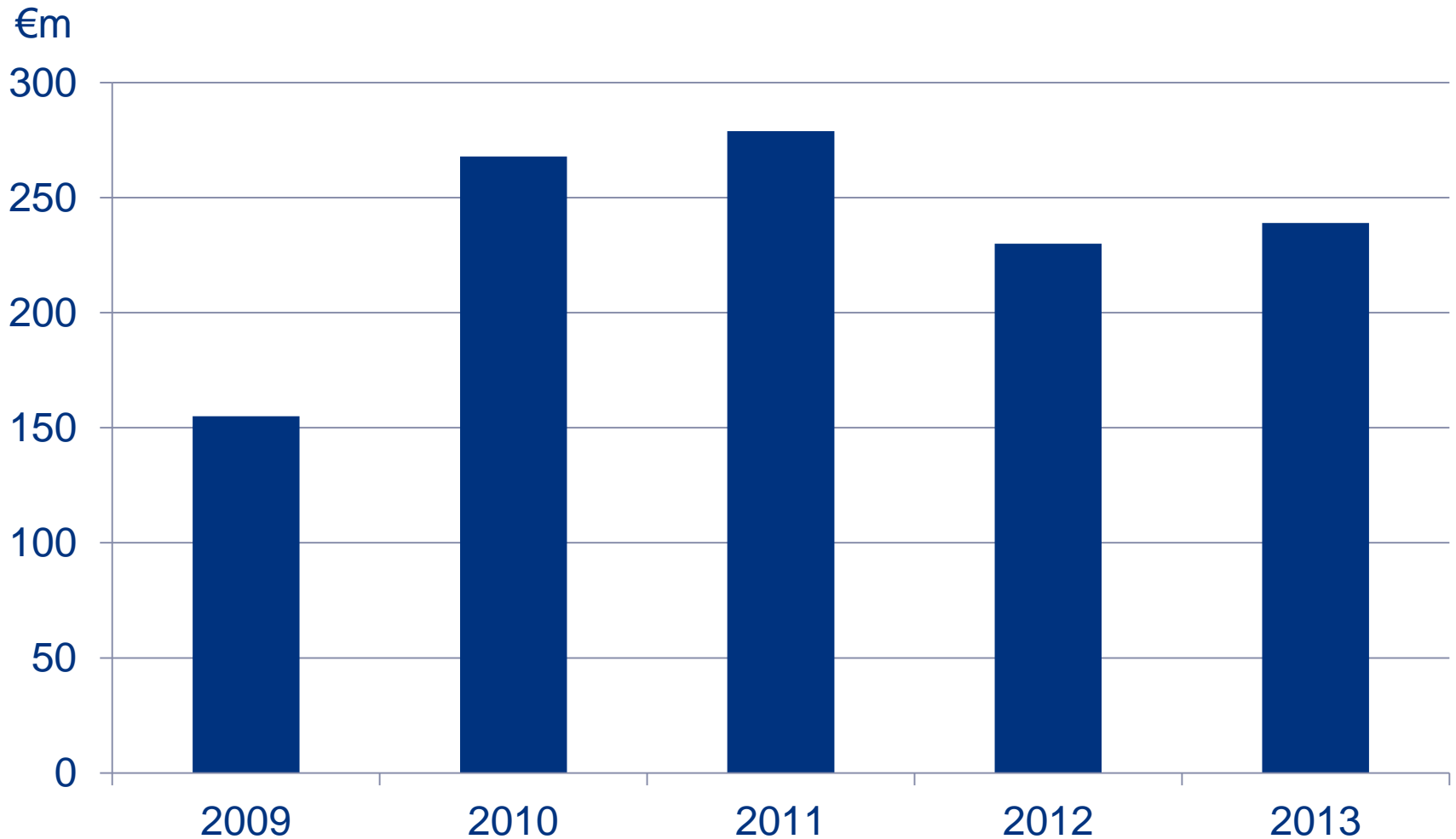
K-Group's retail sales €11.6 billion in 2013

	1-12/2013	1-12/2012
Net sales, €m	9,315	9,686
Fixed costs, €m	1,767	1,854
Operating profit excl. non-recurring items, €m	239	230
Non-recurring items, €m	10	-18
Net financial items, €m	-6	-1
Income tax, €m	-58	-75
Net profit for the period, €m	185	136

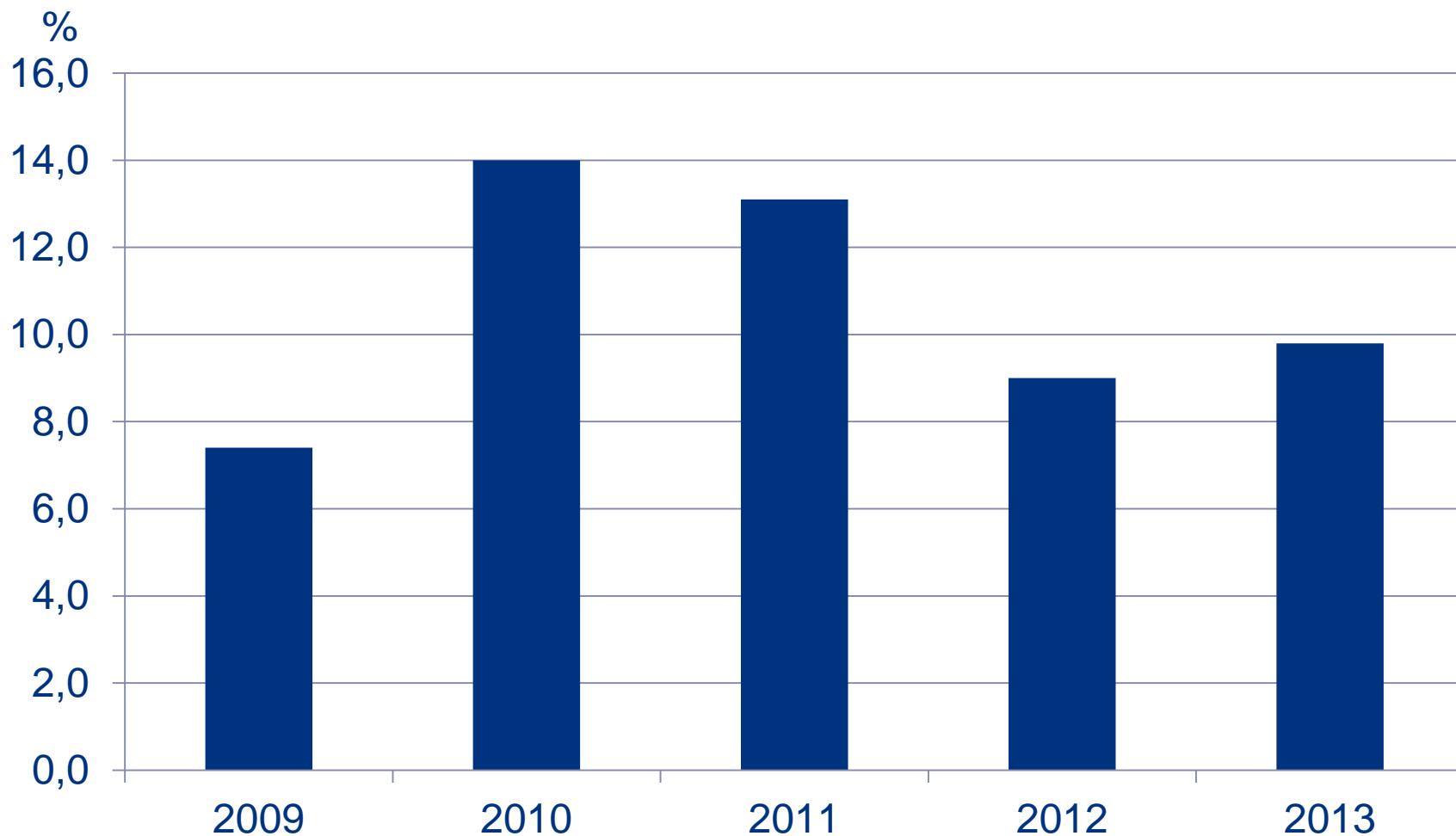
Kesko's financial position strengthened

	1-12/2013	1-12/2012
Cash flow after investing activities, €m	262	-9
Capital expenditure, €m	171	378
Equity ratio, %	54.5	52.5
Interest-bearing net debt, €m	-126	135
Liquid assets, €m	681	489
Inventories, €m	797	814

Operating profit excl. non-recurring items

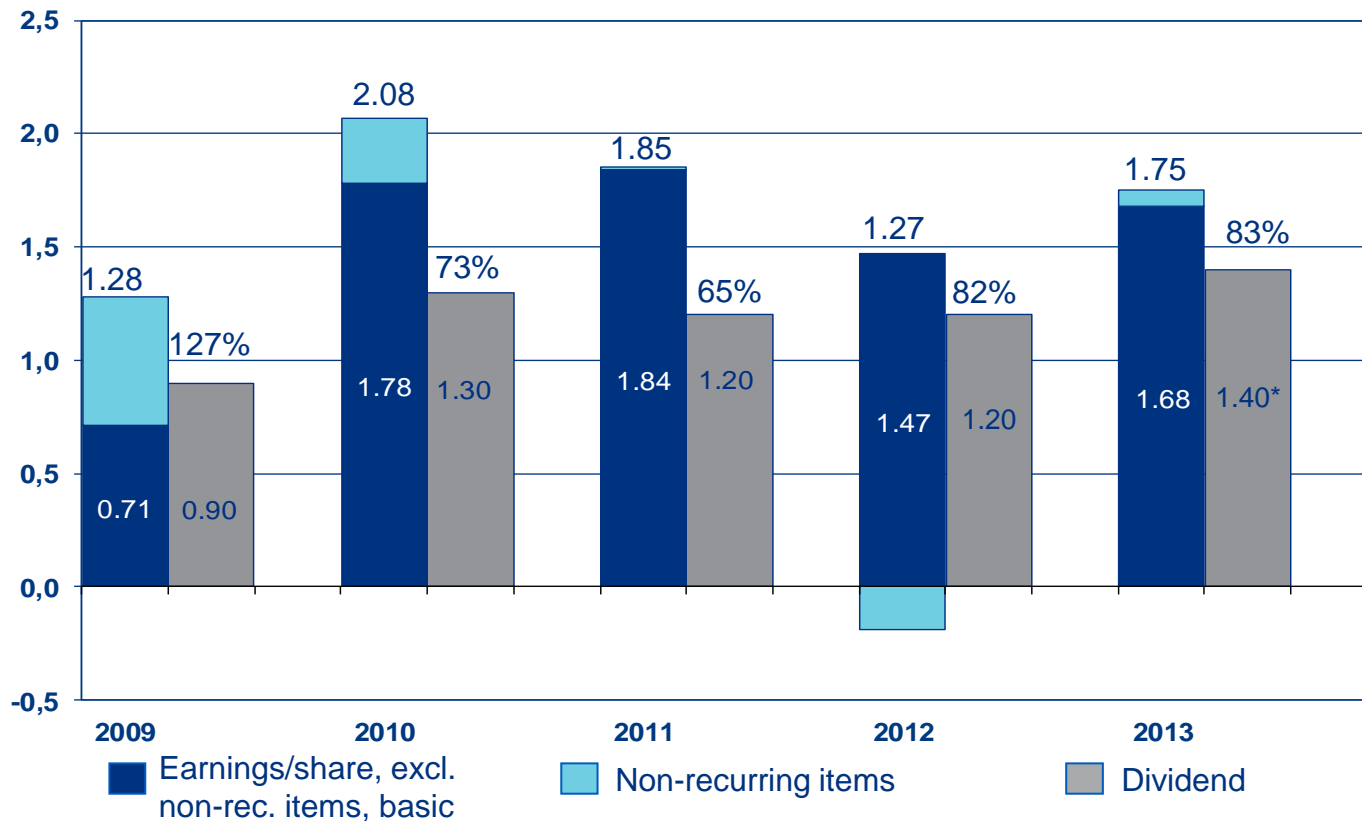


Return on capital employed (%) excl. non-recurring items



Dividend policy

Kesko Corporation distributes at least 50% of its earnings per share excluding non-recurring items as dividends, taking however the company's financial position and operating strategy into account.



Effective dividend yield	
2009	3.9%
2010	3.7%
2011	4.6%
2012	4.8%
2013	5.2%

* Board's proposal to the AGM

Kesko looks into setting up a real estate investment fund - stock exchange release

29 November 2013

- Kesko is looking into selling some of its store sites to a fund to be set up with Kesko as one of its major investors. Kesko Group would continue its operations in the store sites under long-term leases signed in connection with their sales to the fund.
- Kesko's objective is to set up a fund of mainly Kesko-owned store sites and shopping centres in Finland, Sweden and Russia with a maximum fair value of approximately €750 - 950 million. The fund is planned also to be made available to private investors. Listing of units is also being assessed.
- The possible fund is expected to be launched in the course of 2014.
- If realised, the sale of store sites to the fund is estimated to generate a significant non-recurring gain, the amount of which depends on the properties sold and return requirements applied to them. These will be specified at a later stage in the assessment.
- In addition to investor interest, launching the real estate investment fund depends on whether it is possible for Kesko to achieve such terms and conditions in the arrangement that are economically justified, taking into account the Group's strong financial position. Moreover, starting a real estate investment fund is subject to the authorisation of the Financial Supervisory Authority.

Kesko's operations in Russia

- Changes in the operating environment
 - Slowing economic development
 - Weakening ruble
 - Political situation
- Approximately 4% of Kesko's net sales come from Russian operations
- Total capital in Russian operations some €340 million
- Kesko has 13 K-rauta stores, net sales in 2013 some €300 million
- Kesko has 4 K-ruoka stores in St Petersburg, net sales in 2013 some €70 million
- Kesko had 21 Intersport stores at the end of 2013
- Russian initiatives are continued, taking into account changes in operating environment

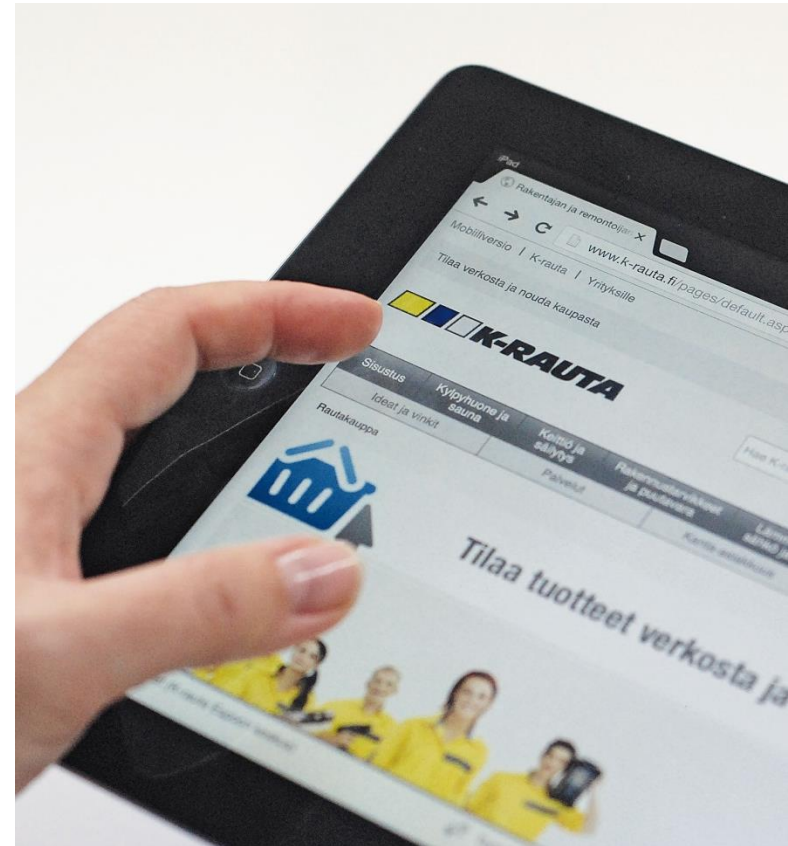


E-services and e-commerce benefit customers

- Rapid change in customer behaviour a big challenge to the trading sector
- All K-stores aim to serve customers both in stores and online
- Product and availability information and prices from all K-stores to be found online

NETANTILA.COM

citymarket.fi



K-Group's customer-specific selections and e-services



Kesko and K-stores forerunners in sustainable development



- Economic wellbeing
- Taxes
- Capital expenditure
- Comprehensive store network
- Donations and sponsorship



- Waste management and recycling
- Logistics with an environmental certificate
- Eco-efficient construction
- Energy saving
- Emission calculation

- Ethical principles in purchasing
- Wellbeing at work
- Labour protection and trade union activities
- K-Group's Youth Guarantee



Thank you!

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