Interim report

January-March 2013
25 April 2013
CFO Jukka Erlund

Sales for the first months of the year as expected, operating profit better than planned

- Kesko's net sales €2.2bn, change -6.9%
- Operating profit excl. non-recurring items €18.6m (€22.3m)
  - Enhancement measures significantly impacted profitability performance, costs down €18m on the comparative period
  - For Kesko, sales and profit level for the first quarter typically lowest
- Kesko's financial position remained strong
  - Thanks to efficient management of capital expenditure and capital employed, liquid assets totalled €411m (dividend distribution €118m on 18 April)
- The operating profit excluding non-recurring items for the next twelve months is expected to exceed the operating profit excluding non-recurring items for the preceding twelve months, unless the overall consumer demand significantly weakens.

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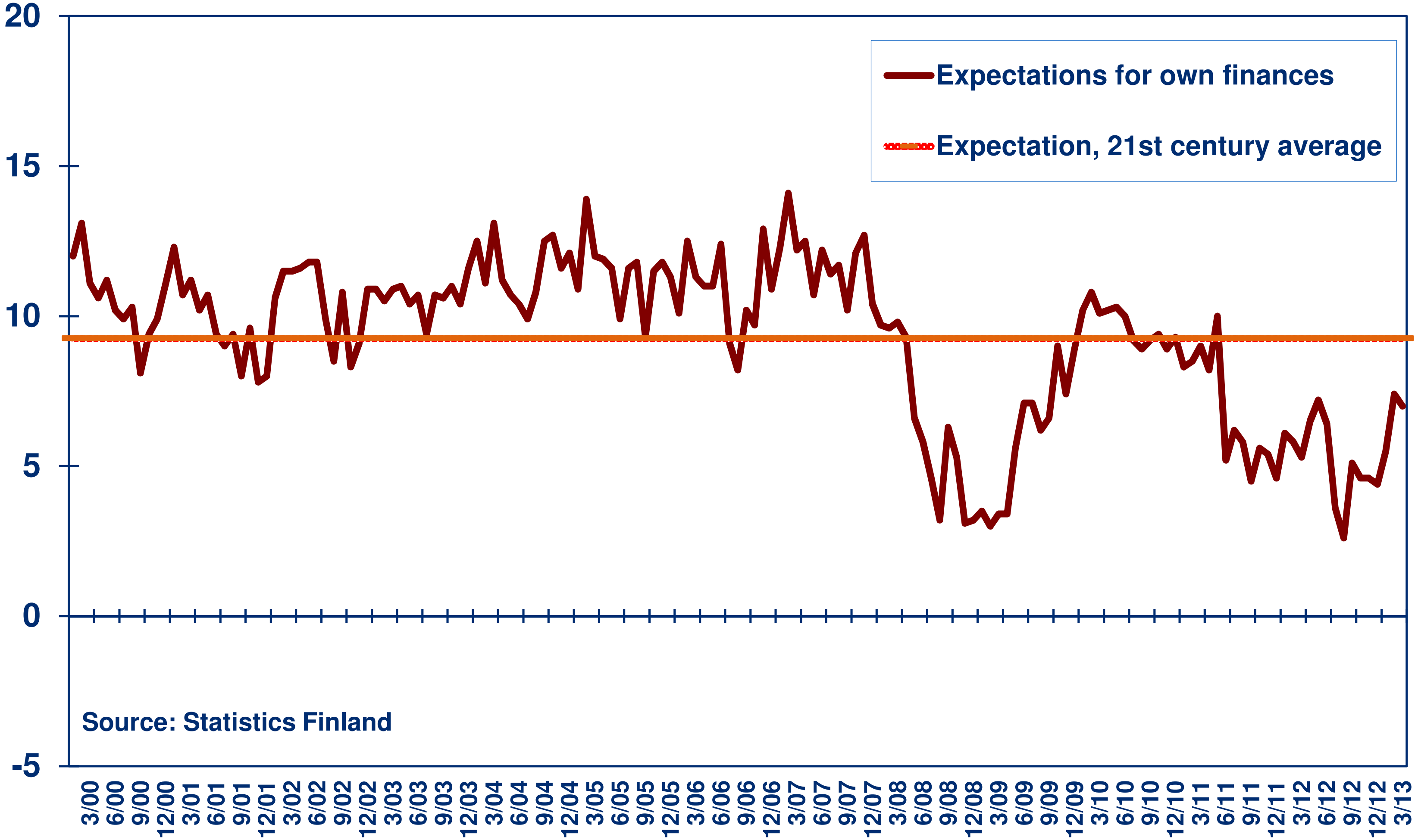
Consumers' expectations for their own finances for the next 12 months

Balance figure



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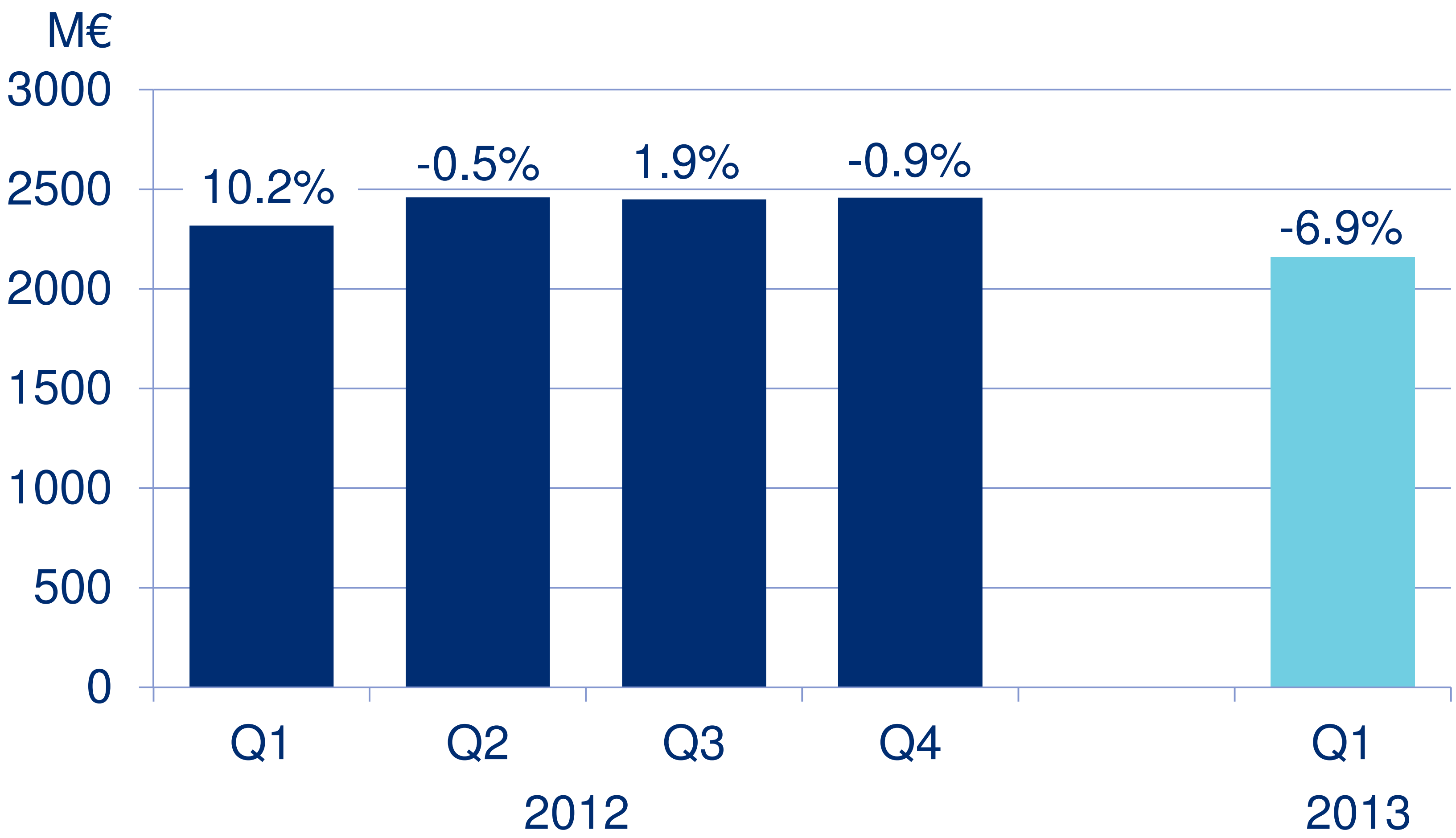
Profit for Q1/2013

	Q1/2013	Q1/2012
Net sales, M€	2,159	2,318
Net sales, change, %	-6.9%	+10.2%
Fixed costs, M€	438	456
Operating profit excl. non-recurring items, M€	19	22
Net financial items, M€	-3	0
Profit before tax, M€	16	25

Financial position

	Q1 2013	Q1 2012	Q1-Q4 2012
Liquid assets, M€	411	293	489
Interest-bearing liabilities, M€	233	154	135
Equity ratio, %	51.7	52.8	52.5
Capital expenditure, M€	41	104	378

Net sales by quarter



Net sales by division (M€)

	Q1/2013	Change
Food trade	1,045	+3.5%
Home and speciality goods trade	345	-6.5%
Building and home improvement trade	562	-10.7%
Car and machinery trade	249	-29.3%
Group total	**2,159**	**-6.9%**

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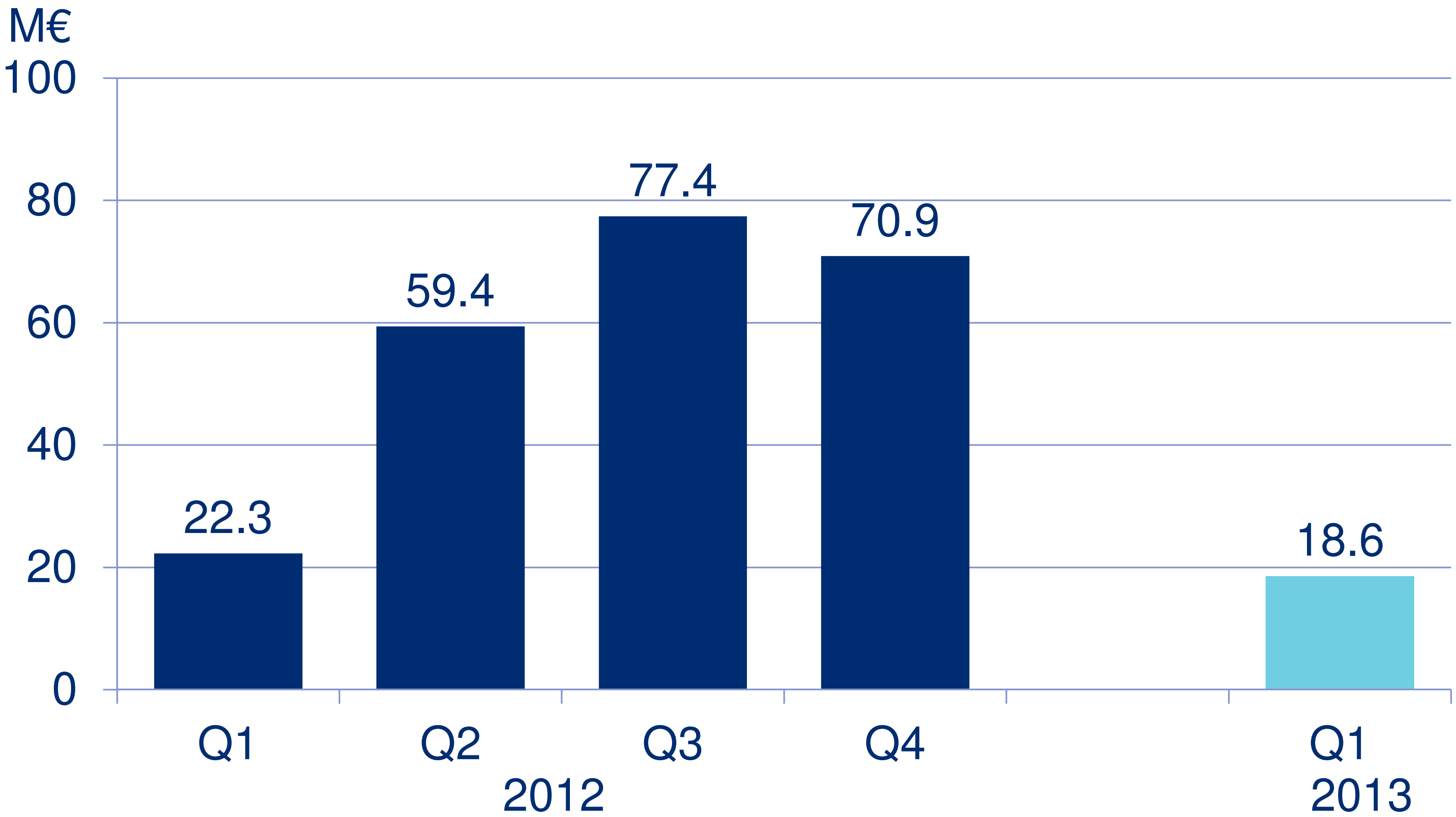
Operating profit excl. non-recurring items by quarter



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Operating profit excl. non-recurring items by division (M€)

	Q1/2013	Change
Food trade	48.2	13.5
Home and speciality goods trade	-17.8	-4.8
Building and home improvement trade	-16.6	-7.6
Car and machinery trade	7.8	-7.7
Group total	**18.6**	**-3.7**

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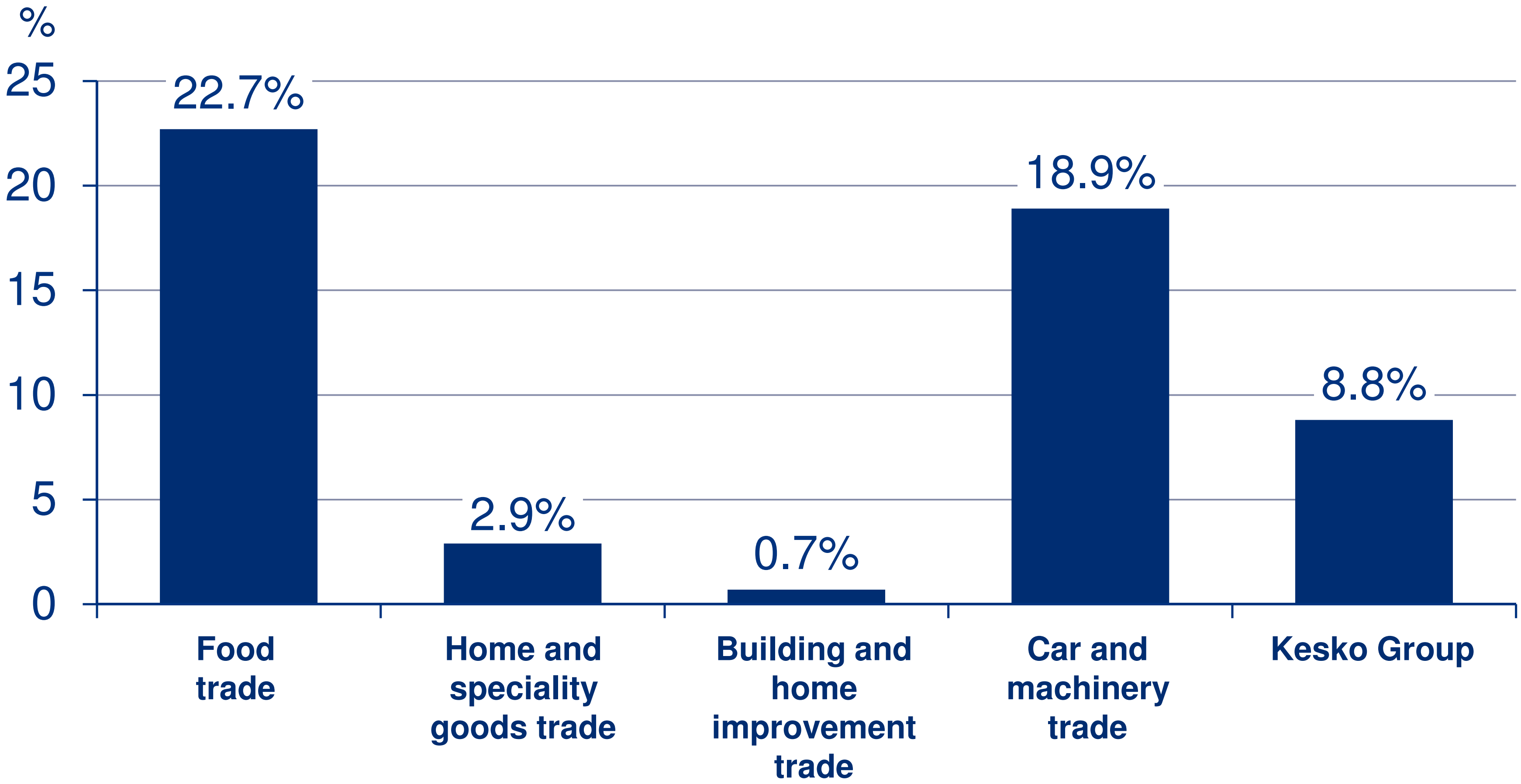
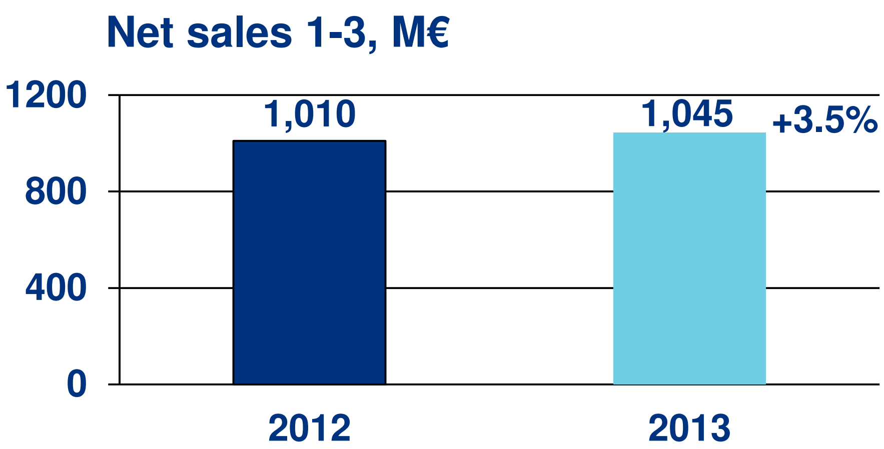
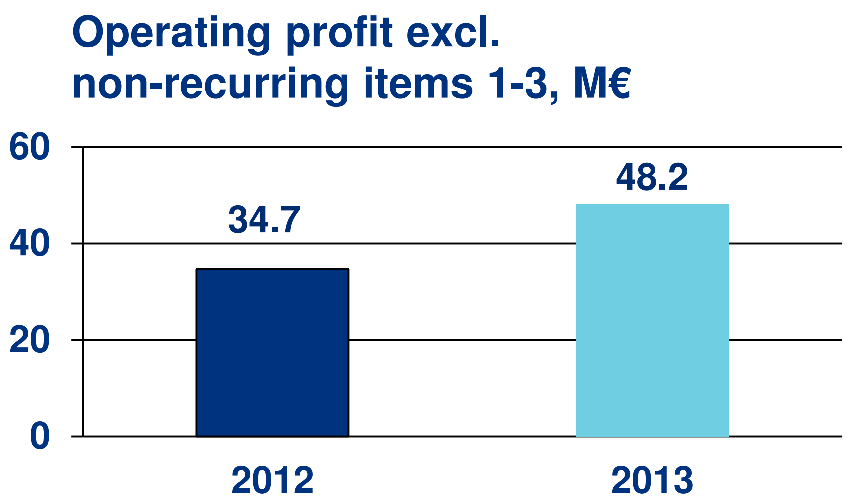
Return on capital employed
moving 12 mo, excl. non-recurring items



In the food trade, subdued sales performance, profit improvement from enhanced operations





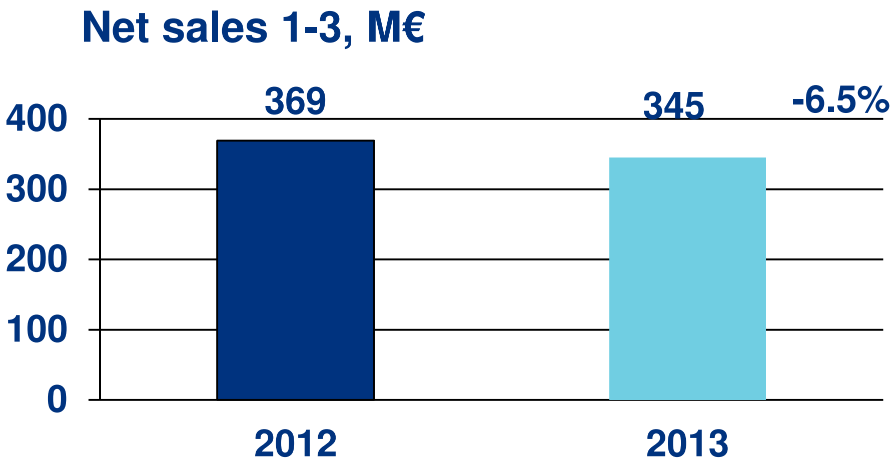
- Kesko Food's net sales growth +3.5%
  - K-food stores' grocery sales in Finland were up +1.5%
  - Sales and customer numbers in the Russian K-food store in St. Petersburg higher than expected

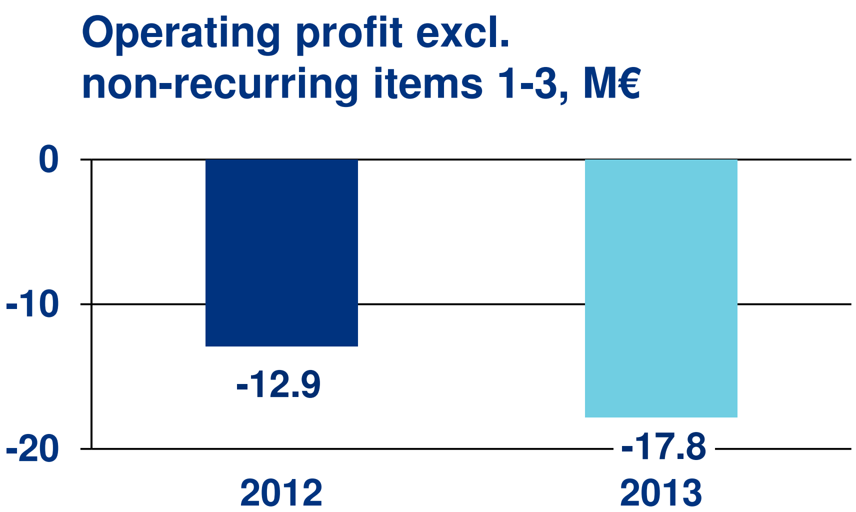
- Profitability improved
  - Significant savings achieved through enhanced operations

- Capital expenditure €17m (€60m)

- Two K-supermarkets opened in Finland

First months of the year difficult in the department store trade





- Weak consumer demand in the first months of the year, sales decreased especially in the department store trade
- Good sales performance in Intersport and Budget Sport in Finland
- Profitability negatively impacted by weak sales performance in the department store trade. Significant cost savings implemented.
- Musta Pörssi's business model revised and Russian Intersport network adjusted for improved profitability
- Capital expenditure €8m (€18m)

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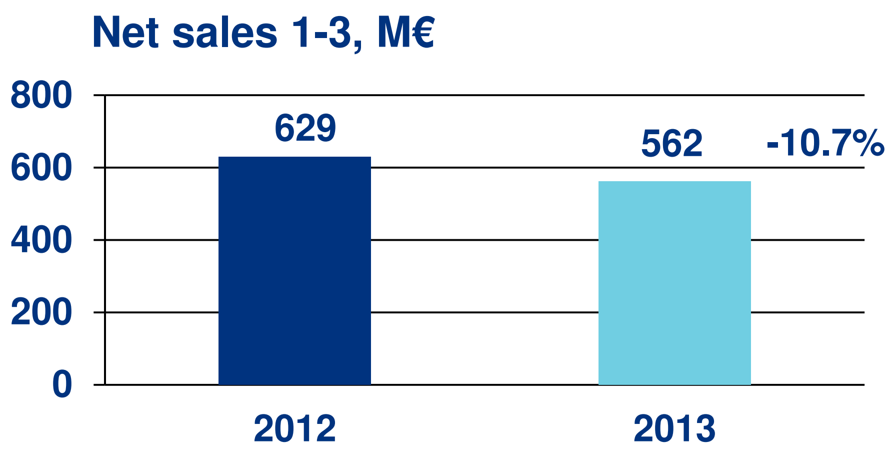
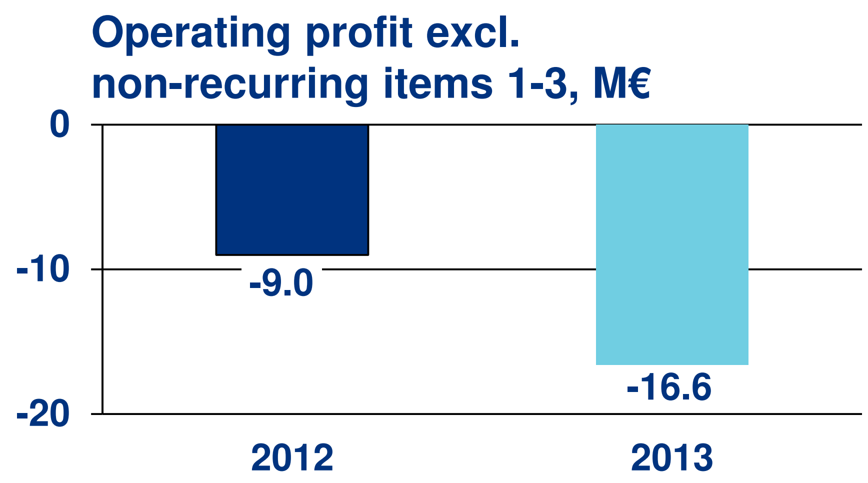
In the building and home improvement trade, sales fell





- Market situation of the building and home improvement trade deteriorated in all operating countries
- Net sales performance of the building and home improvement trade -10.7%
  - Biggest sales decline in B2B trade
  - A decision has been made to introduce new chain agreements in Norway starting from 1 January 2014
- Profitability declined owing to sales decrease in the first months of the year
  - Costs lower than in the previous year regardless of new store sites
- Capital expenditure €13m (€12m)

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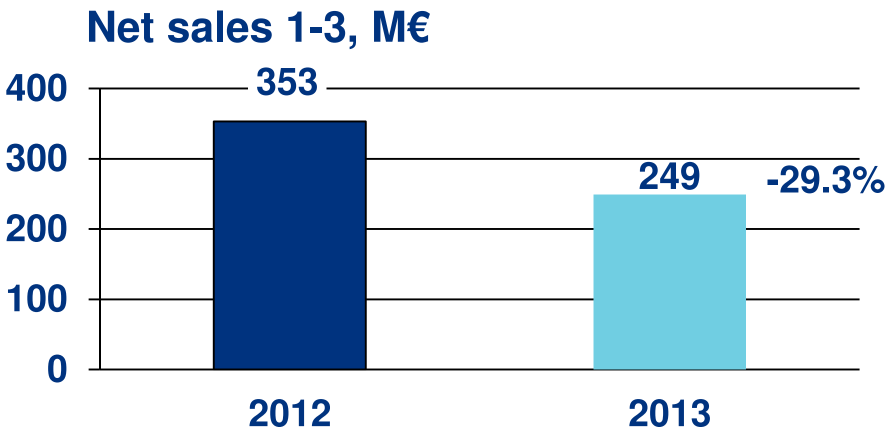
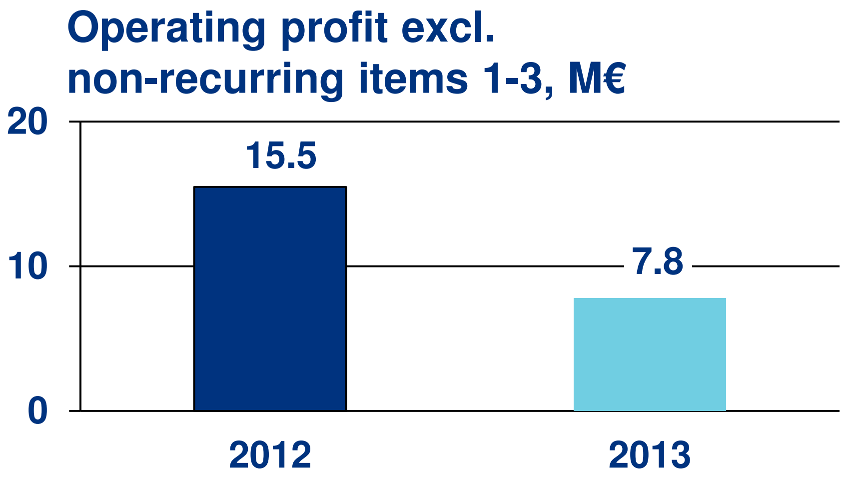
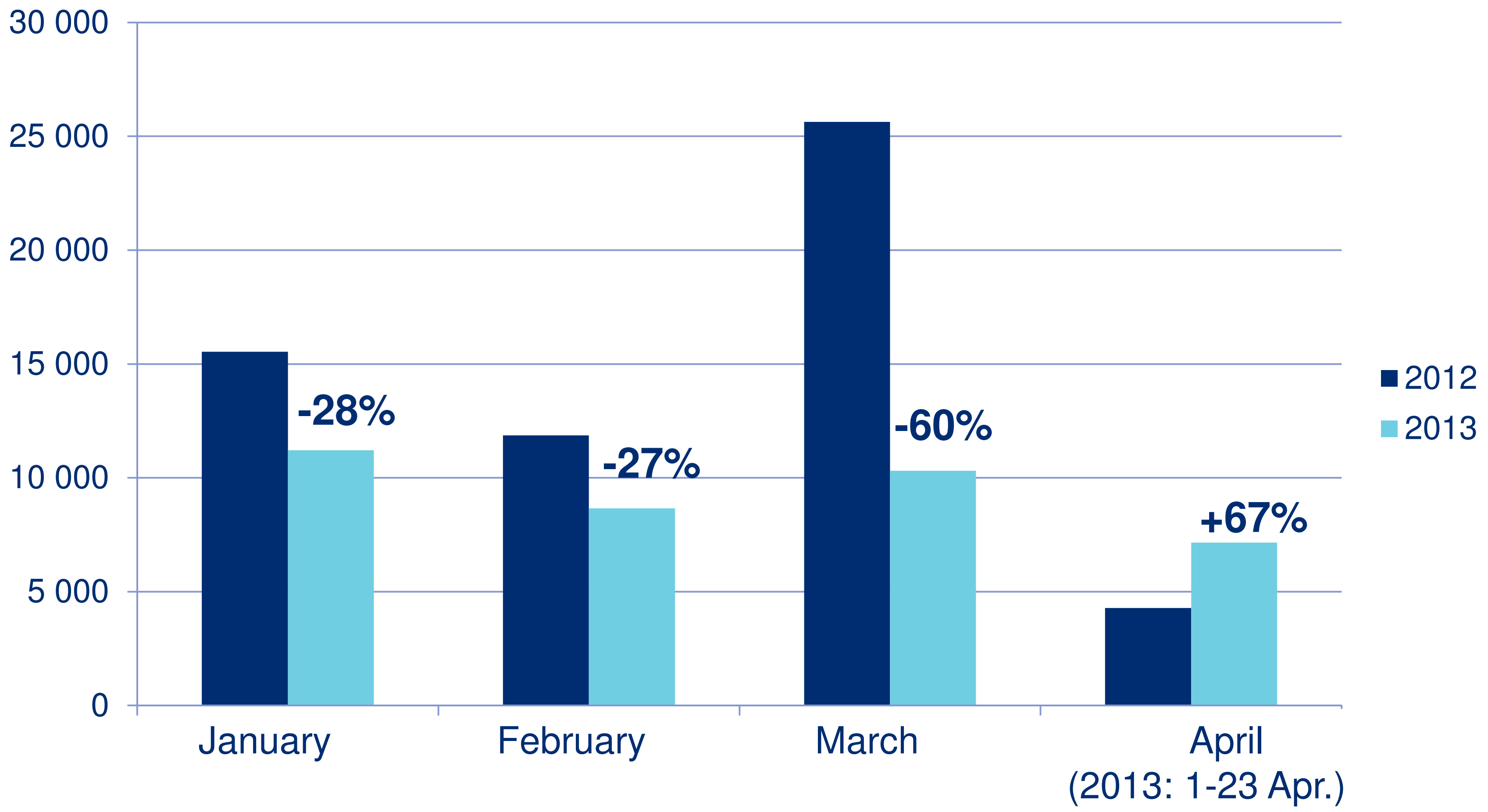
In the car trade, market fell as expected





- VV-Auto's sales performance -33.8%
  - Combined market performance of first time registered passenger cars and vans -43%
  - Market share of Audi, Volkswagen and Seat continued at the previous year's level of 19.9%
- Konekesko's sales performance -11.9%
  - In Finland -22%, in the Baltics +17%
- Regardless of the difficult market situation, profitability remained at a good level
  - Operating margin 3.1%
  - Adjustment of costs and inventories implemented according to plan

First time registrations of passenger cars and vans in the first months of 2012 and 2013



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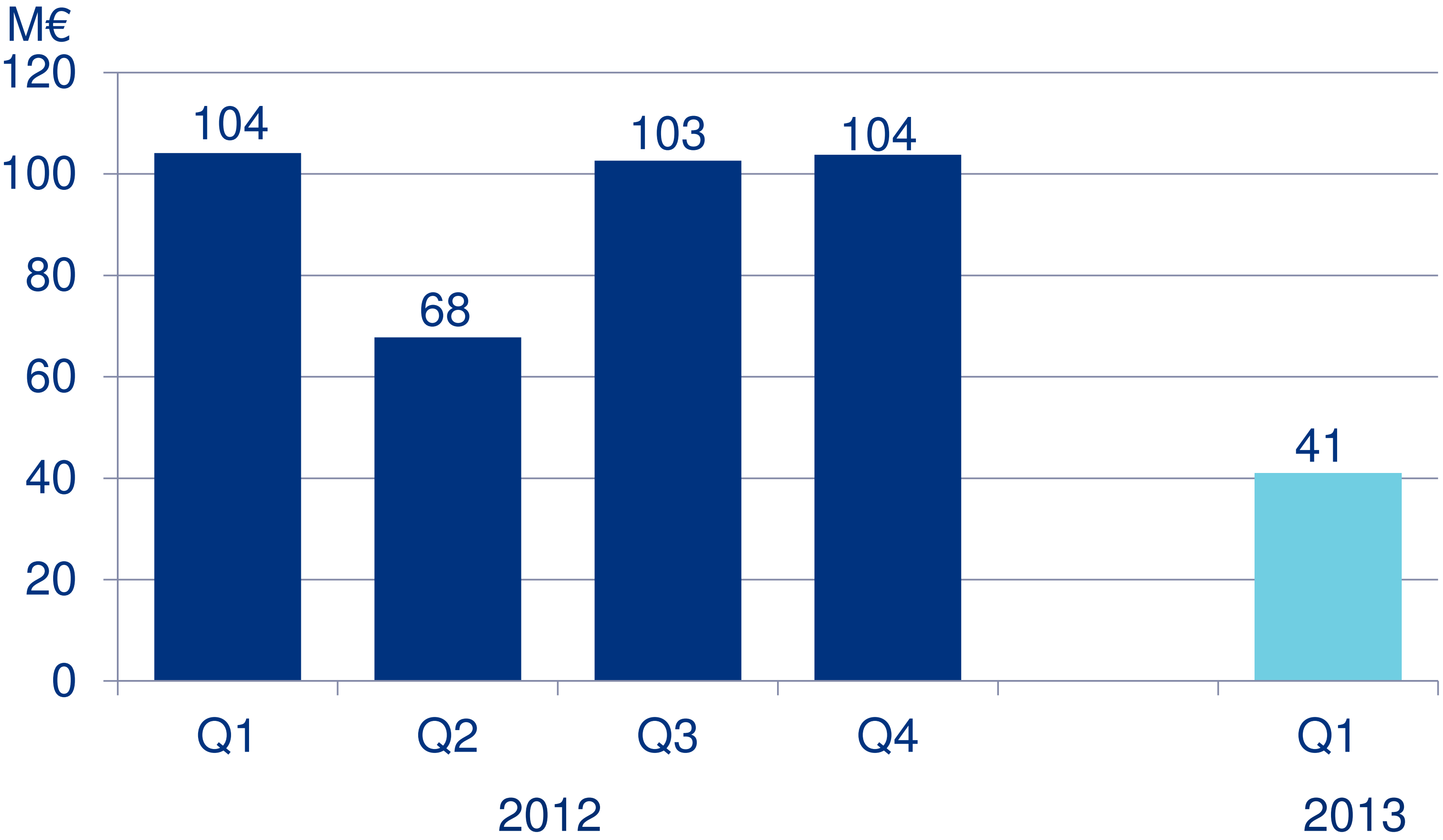
Capital expenditure will be adjusted to annual level of €200-300 million



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Future outlook

Estimates of the future outlook for the Kesko Group's net sales and operating profit excluding non-recurring items are given for the 12 months following the reporting period (4/2013-3/2014) in comparison with the 12 months preceding the reporting period (4/2012-3/2013).

Resulting from the problems of European national economies, the future prospects for the general economic situation and consumer demand continue to be characterised by significant uncertainty. In consequence of weakened employment and consumers' purchasing power, the growth prospects for the trading sector have deteriorated.

In the Finnish grocery trade, the market is expected to remain stable. As a result of the weakened economic situation, the markets for the home and speciality goods trade, the building and home improvement trade and the car and machinery trade in Finland are expected to fall.

The Kesko Group's net sales for the next twelve months are expected to match the level of the preceding twelve months. As a result of measures taken to enhance business operations and cost savings, the operating profit excluding non-recurring items for the next twelve months is expected to exceed the operating profit excluding non-recurring items for the preceding twelve months, unless the overall consumer demand significantly weakens. Capital expenditure is expected to be lower compared to the capital expenditure for the preceding twelve months.

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Thank you!