



**Interim financial report**  
January-March 2009  
28 April 2009

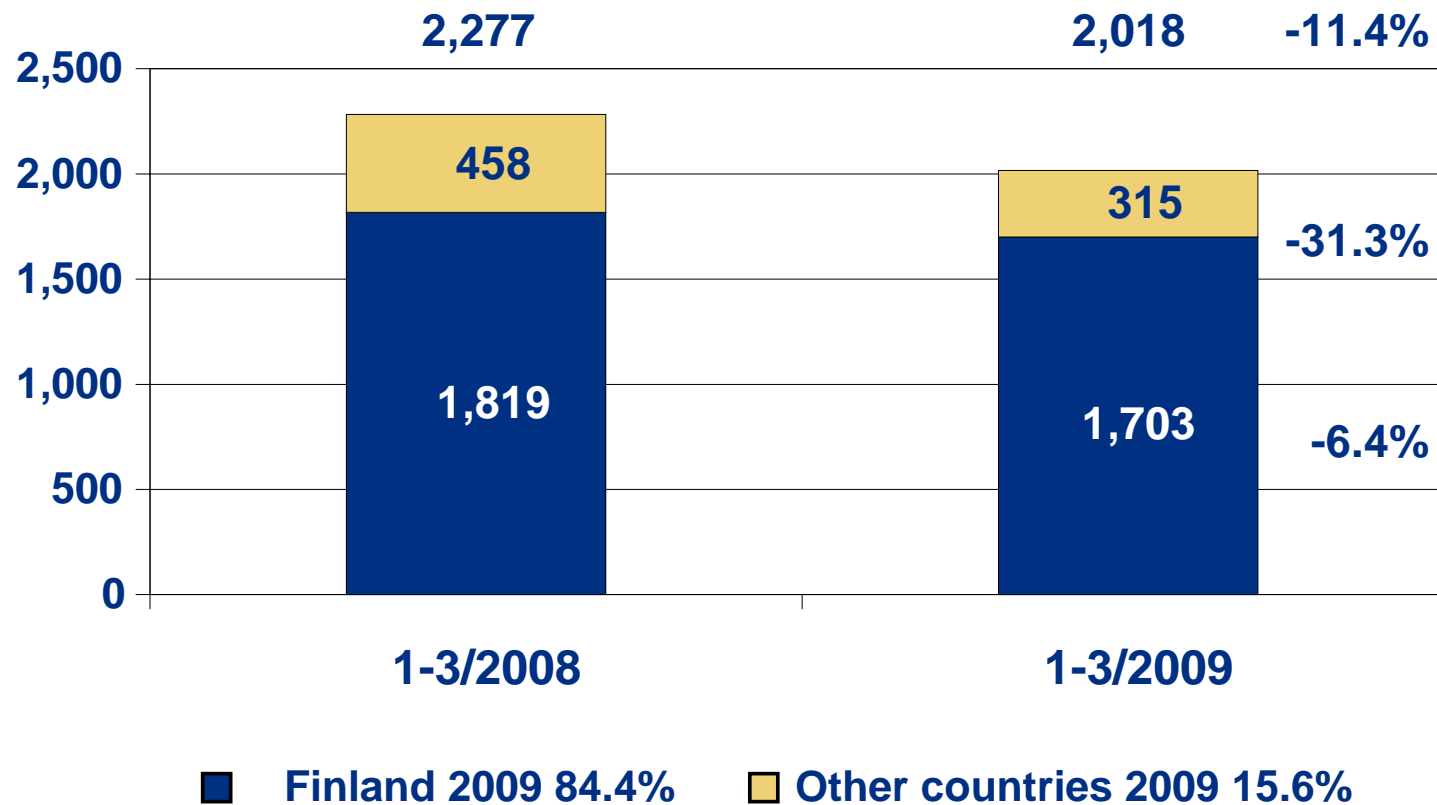
**KESKO**

# Kesko's interim financial report

## 1-3/2009

- Kesko Food shows steady growth and profitability
- Demand declined especially in the building and home improvement trade and the car and machinery trade
- Positive cash flow from operating activities and profit before tax (€18 million) for the first quarter despite the difficult market situation
- Prioritisation of investments and adjustment of fixed costs to be continued
- Solvency and liquidity remained at a good level (equity ratio 50%, liquid assets €458 million)
- Investments €51 million (€60 million)
- Annual General Meeting resolved to distribute €98 million (€1.00 per share) in dividends, effective dividend yield 5.6%

# Group's net sales (M€)

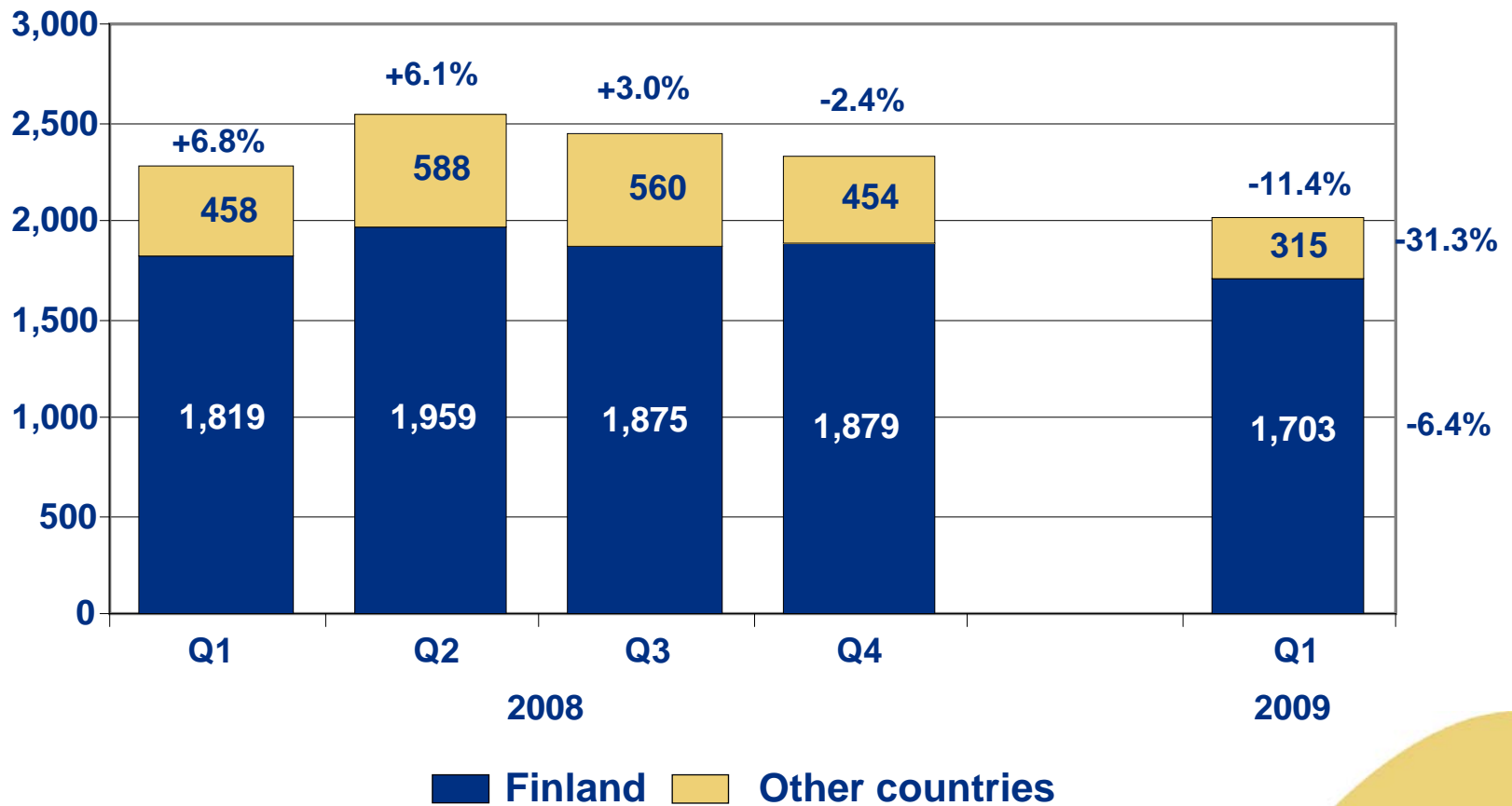


# Net sales by segment

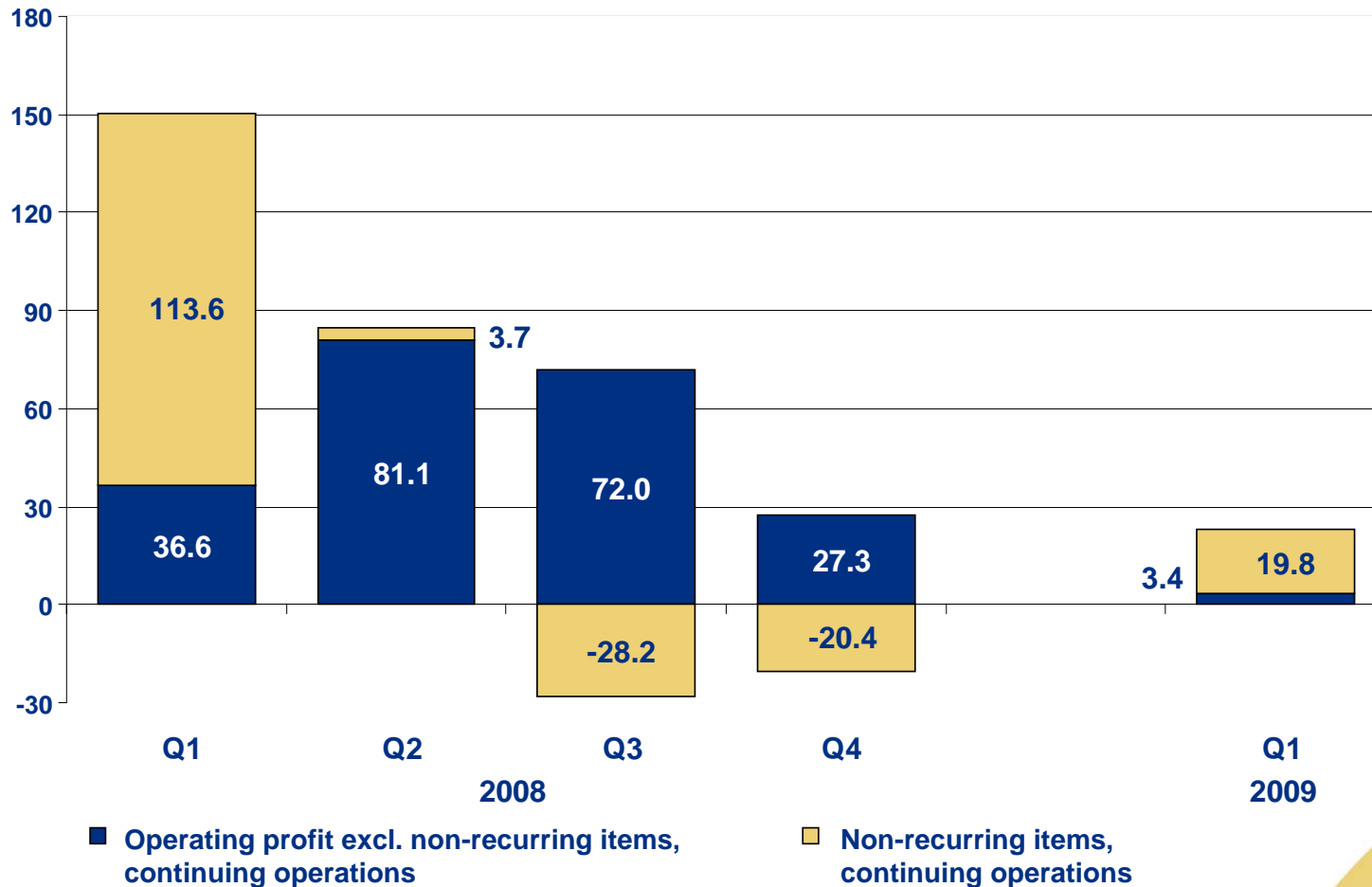
## 1.1.-31.3. (M€)

|                                     | <b>2009</b>  | <b>2008</b>  | <b>Change, %</b> |
|-------------------------------------|--------------|--------------|------------------|
| Food trade                          | 888          | 853          | 4.0              |
| Home and speciality goods trade     | 346          | 364          | -5.0             |
| Building and home improvement trade | 529          | 695          | -23.9            |
| Car and machinery trade             | 296          | 402          | -26.3            |
| Common operations and eliminations  | -41          | -37          | 9.7              |
| <b>Total</b>                        | <b>2,018</b> | <b>2,277</b> | <b>-11.4</b>     |

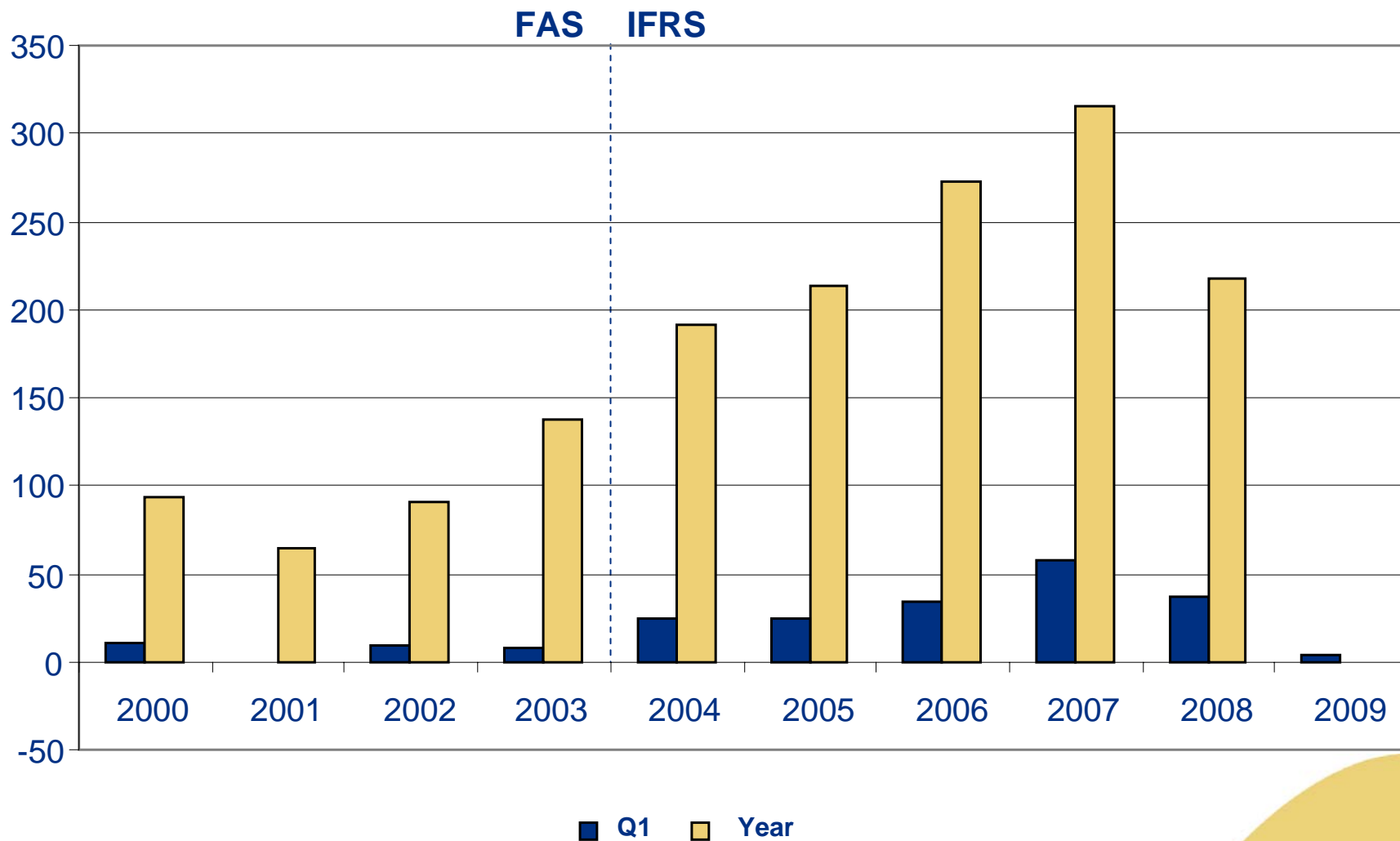
# Group's net sales by quarter (M€)



# Operating profit by quarter (M€), continuing operations

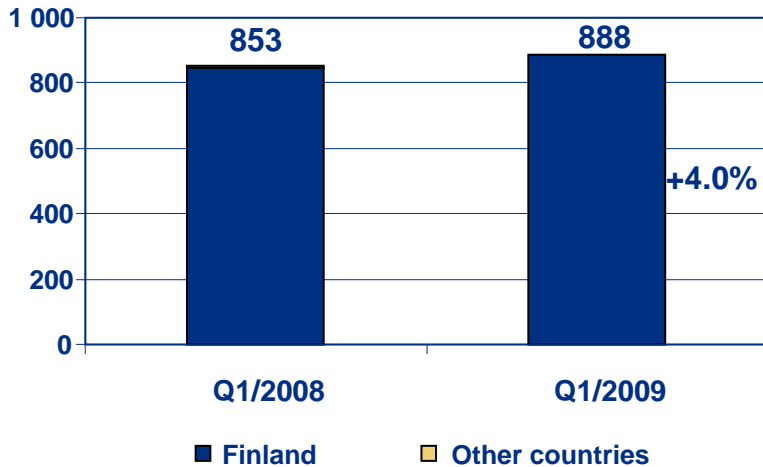


# Operating profit excluding non-recurring items 2000 - 2009 (€million)



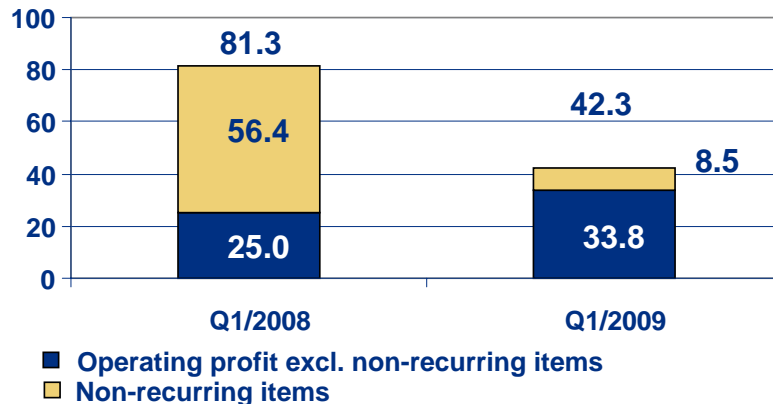
# Food trade 1-3/2009

## Net sales 1-3, M€



- K-food stores' grocery sales grew by 5.3%
- Especially the K-citymarket chain and Pirkka products recorded a good sales growth, up 14% and 12% respectively
- Investments in the store site network were €17.4 million (€21.5 million)

## Operating profit 1-3, M€

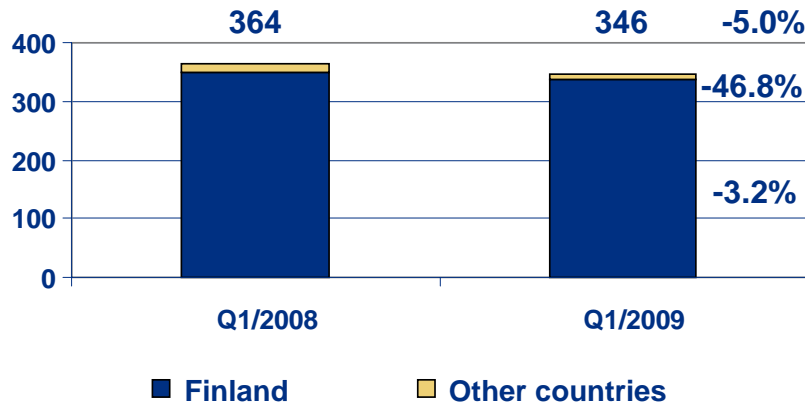




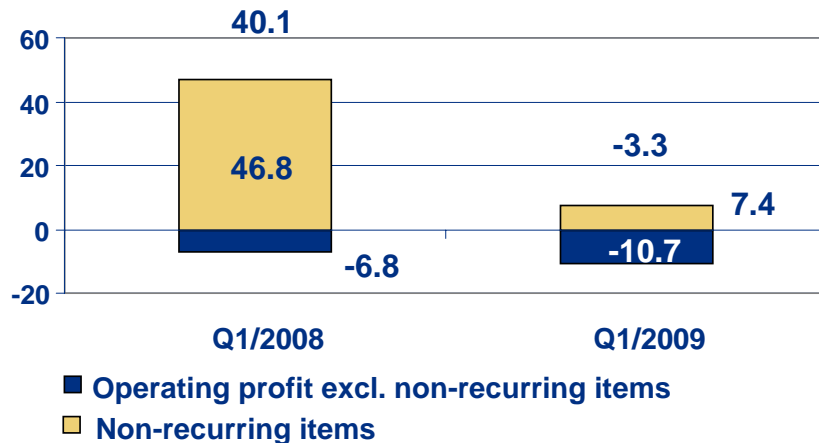
# Home and speciality goods trade

## 1-3/2009

Net sales 1-3, M€



Operating profit 1-3, M€

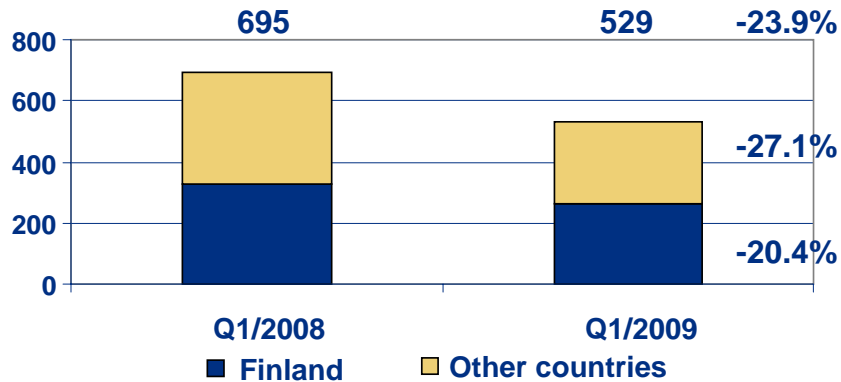


- Increased consumer uncertainty reflected especially in the home electronics and interior decoration trade
  - Anttila's sales decreased especially in the Kodin Ykkönen stores
- Sales grew in Intersport and in K-citymarket's home and speciality goods trade
- Home and speciality goods trade investments were €9.8 million (€10.6 million)

# Building and home improvement trade

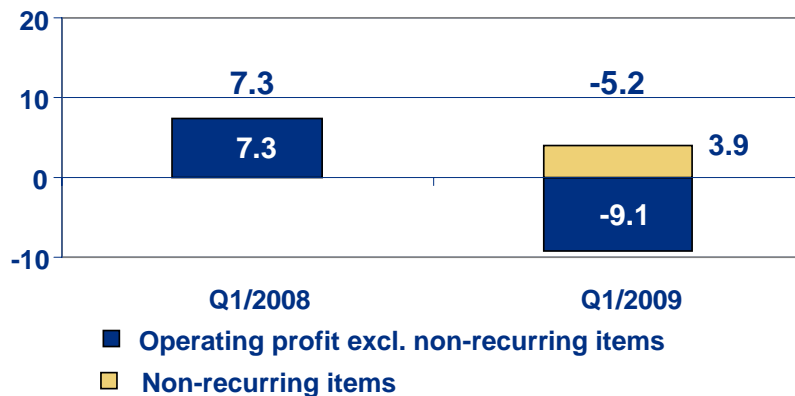
## 1-3/2009

Net sales 1-3, M€



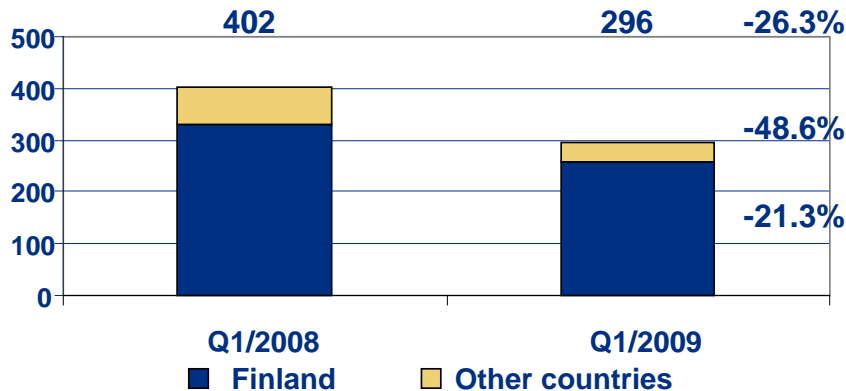
- Profit performance was affected by the substantial decline in the Nordic and Baltic construction markets
- Sales performance was also affected by the weakening of the Swedish krona, the Norwegian krone and the Russian ruble
- Integration of the K-maatalous chain into Rautakesko was implemented
- Investments €19.5 million (€22.7 million)
- During the reporting period, a new K-rauta store opened in Jaroslavl, Halmstad, Eskilstuna and Seinäjoki

Operating profit 1-3, M€

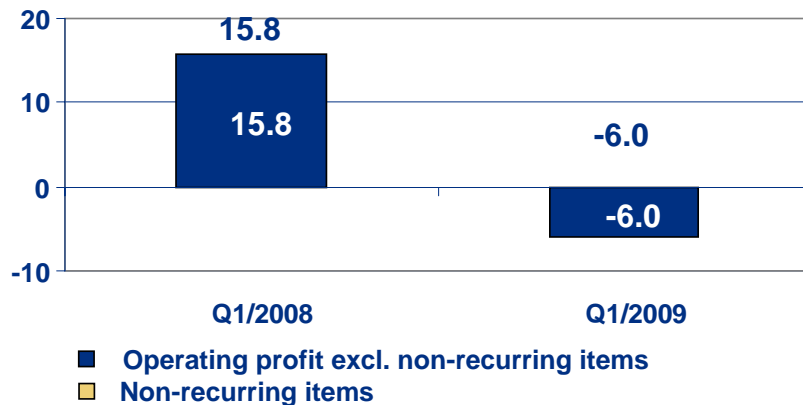


# Car and machinery trade 1-3/2009

Net sales 1-3, M€

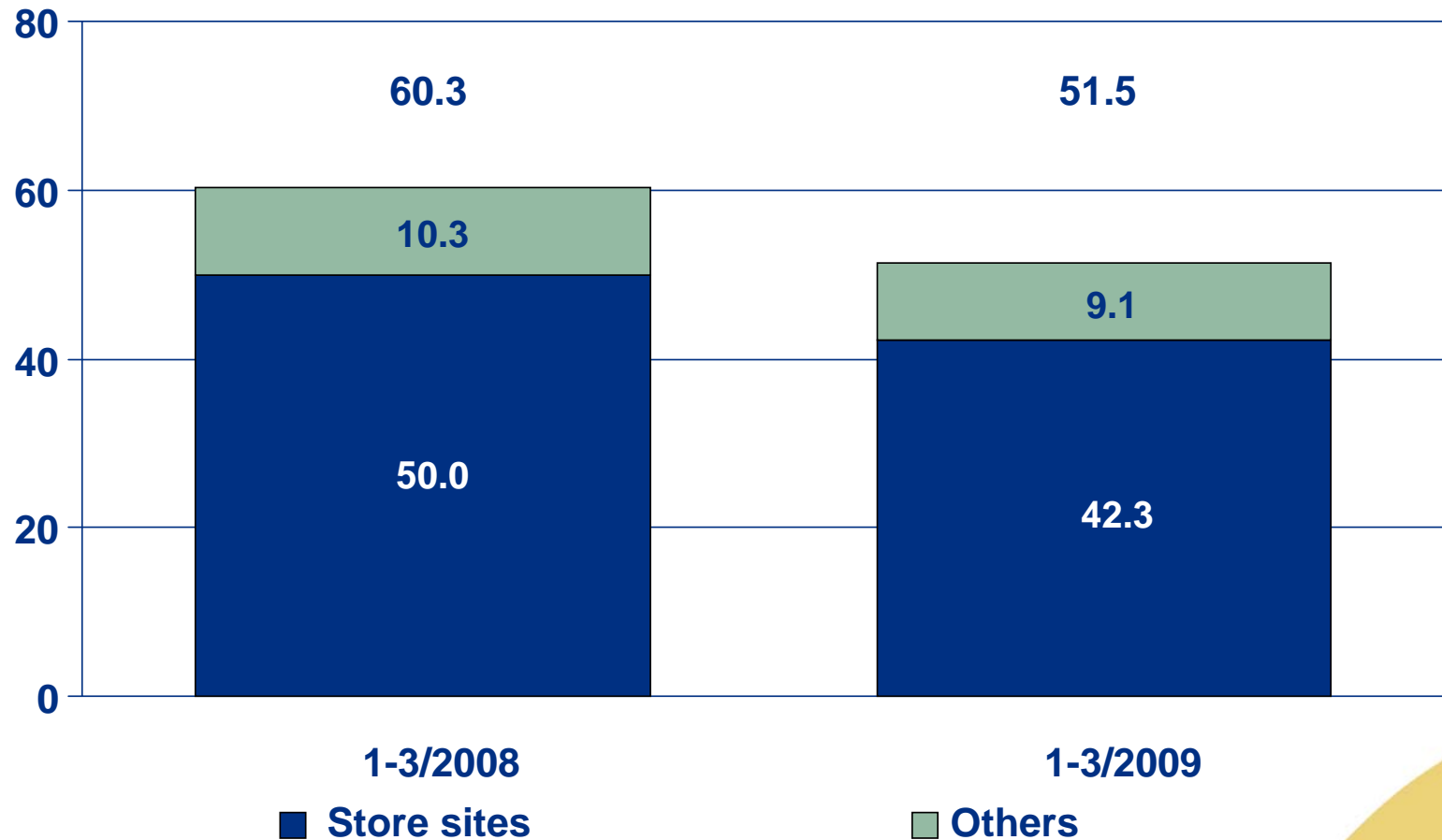


Operating profit 1-3, M€

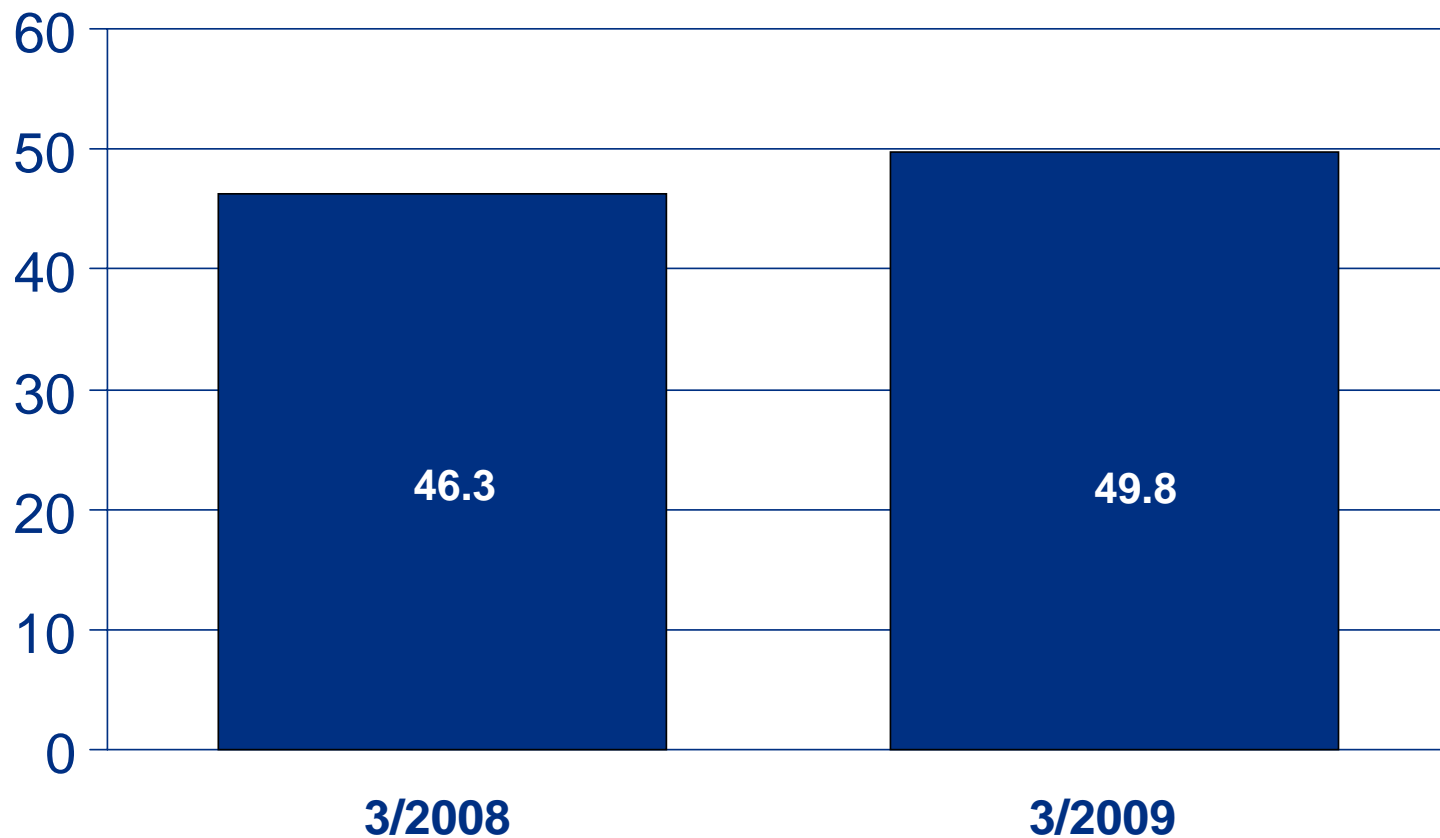


- VV-Auto's net sales and profit were decreased by the declined demand in the car trade
  - Profit remained at a good level
- Audi's, Volkswagen's and Seat's combined market share reached 19.0% (16.4%)
- Konekesko's net sales and profit decreased as a result of the weakened machinery market
  - a €9 million amount in write-downs and expense provisions was recognised due to the downsizing of the Baltic agricultural trade
- Car and machinery trade investments were €1.8 million (€3.0 million)

# Group's investments, continuing operations



# Equity ratio, %



# Financial indicators

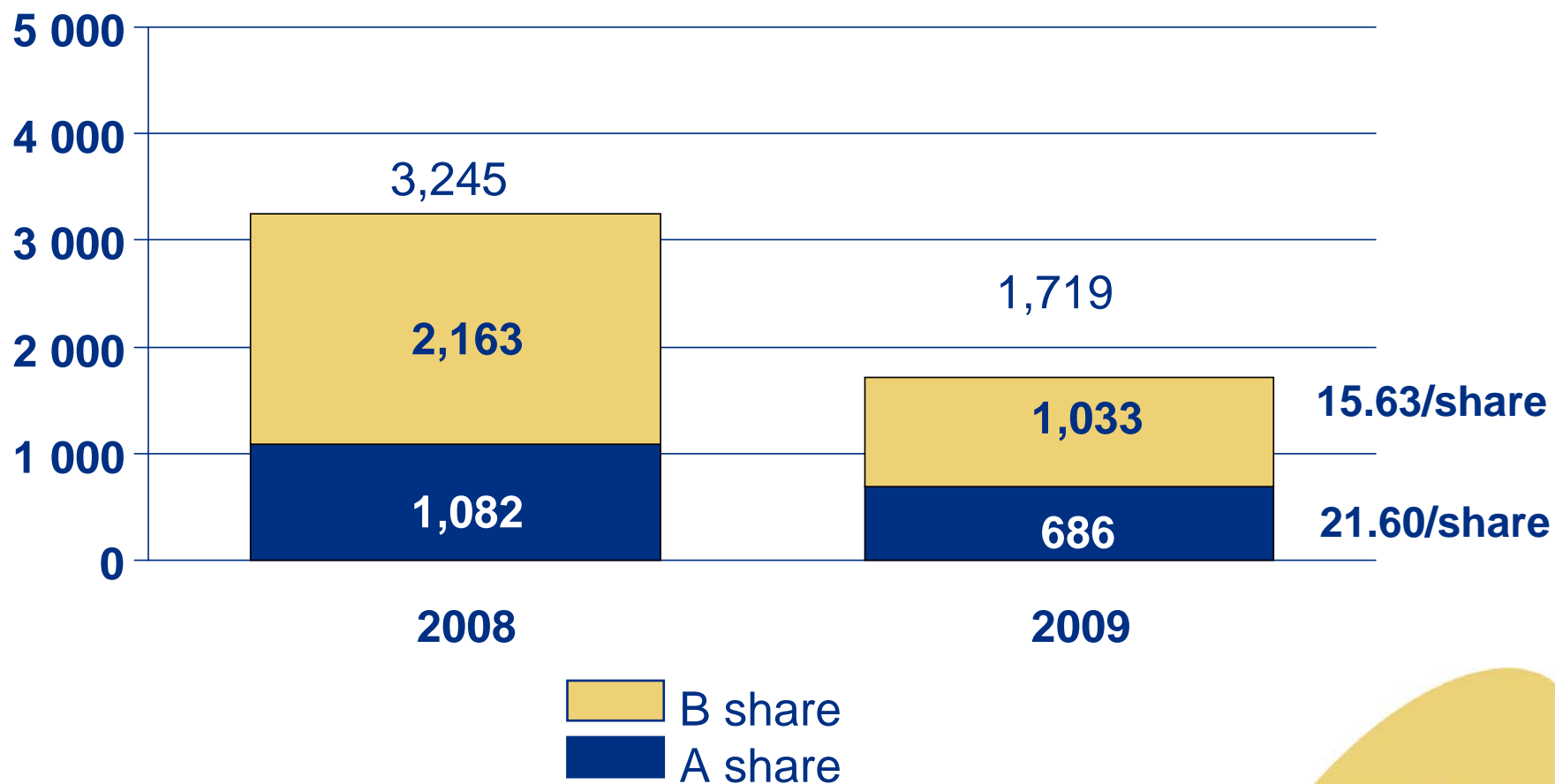
| <b>Continuing operations</b>                          | <b>1-3/2009</b> | <b>1-3/2008</b> |
|---|-----------------|-----------------|
| Net sales, € million                                  | 2,018           | 2,277           |
| Operating profit, € million                           | 23.2            | 150.1           |
| Operating profit excl. non-recurring items, € million | 3.4             | 36.6            |
| Group's profit before tax, € million                  | 18.2            | 148.6           |
| Investments, € million                                | 51.5            | 60.3            |
| <br><b>Whole Group</b>                                |                 |                 |
| Earnings/share, €, diluted                            | 0.12            | 1.22            |
| Earnings/share excl. non-recurring items, € basic     | -0.03           | 0.25            |
| Equity/share, €                                       | 19.16           | 19.13           |
| Equity ratio, %                                       | 49.8            | 46.3            |
| Cash flow from operating activities, € million        | 6.8             | -35.5           |
| Cash flow from investing activities, € million        | -4.4            | 52.6            |

# Share price trend, 12 months



# Market capitalisation

at 31 March (M€)



**KESKO**



# 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 (4/2009-3/2010) in comparison with the 12 months preceding the reporting period (4/2008-3/2009).

The development of the Group's operating activities is affected by the economic outlook in its different market areas and especially by the growth rate of private consumption. As a result of the problems in the financial market and the contraction of the real economy, the outlook for the near future remains dim. During the next twelve months, the overall consumer demand is expected to remain clearly below the normal level owing to increasing unemployment and problems relating to the availability of business and consumer finance.

The steady development of the grocery trade is expected to continue. The market situation is expected to remain difficult in the building sector, in the car and machinery trade, and in the home and speciality goods trade.

Uncertainty about the economic outlook continues to make any statement about the Group's future outlook significantly more difficult. In consequence of the weakening economic development, the Kesko Group's net sales and operating profit excluding non-recurring items from continuing operations in the next twelve months are expected to remain at a lower level compared with the net sales and operating profit excluding non-recurring items of the comparative period. The Group's liquidity and solvency are expected to remain good.



***Thank you!***

**KESKO**