

KESKO



Q1

2013

Kesko Corporation

INTERIM REPORT

JANUARY–MARCH 2013

KESKO'S INTERIM REPORT FOR THE PERIOD 1 JAN. TO 31 MAR. 2013

Financial performance in brief:

- The Group's net sales for January-March decreased by 6.9%.
- The retail and B2B sales (excl. VAT) of the K-Group (i.e. Kesko and chain stores) for January-March decreased by 7.4%.
- The operating profit excluding non-recurring items was €18.6 million (€22.3 million).
- 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.

KEY PERFORMANCE INDICATORS

	1–3/2013	1–3/2012
Net sales, € million	2,159	2,318
Operating profit excl. non-recurring items, € million	18.6	22.3
Operating profit, € million	19.2	25.1
Profit before tax, € million	15.8	25.0
Capital expenditure, € million	41.5	104.1
Earnings per share, diluted, €	0.11	0.16
Earnings per share excl. non-recurring items, basic, €	0.11	0.14

	31.3.2013	31.3.2012
Equity ratio, %	51.7	52.8
Equity per share, €	22.62	22.56

FINANCIAL PERFORMANCE

NET SALES AND PROFIT FOR JANUARY-MARCH 2013

The Group's net sales in January-March 2013 were €2,159 million, which is 6.9% down on the corresponding period of the previous year (€2,318 million). In Finland, net sales decreased by 6.1% and in other countries by 11.0%. International operations accounted for 14.7% (15.4%) of net sales. Net sales grew in the food trade and declined in the other divisions.

The operating profit excluding non-recurring items for January-March was €18.6 million (€22.3 million), negatively affected by sales decrease in the car trade, the building and home improvement trade and the department store trade. Enhancement measures had a

significant positive impact on profitability performance. Operating expenses decreased by €18 million compared to the previous year.

Operating profit was €19.2 million (€25.1 million). The operating profit includes non-recurring gains on disposal of real estate in the amount of €0.6 million (€2.8 million). The Group's profit before tax for January-March was €15.8 million (€25.0 million).

The Group's earnings per share were €0.11 (€0.16). The Group's equity per share was €22.62 (€22.56).

In January-March, the K-Group's (i.e. Kesko's and the chain stores') retail and B2B sales (VAT 0%) were €2,573 million, down 7.4% compared to the previous year. The K-Plussa customer loyalty programme gained 19,906 new households in January-March. At the end of March, there

was 2,228,234 K-Plussa households and 3.8 million K-Plussa cardholders.

FINANCE

In January-March, the cash flow from operating activities was €-58.7 million (€-5.2 million). The cash flow from investing activities was €-41.9 million (€-91.8 million). It included a €2.5 million (€19.5 million) amount of proceeds from the sale of fixed assets.

The Group's liquidity remained at an excellent level in January-March. At the end of the period, liquid assets totalled €411 million (€293 million). Interest-bearing liabilities were €644 million (€446 million) and interest-bearing net debt €233 million (€154 million) at the end of March. Equity ratio was 51.7% (52.8%) at the end of the period.

1–3/2013	Net sales, € million	Change, %	Operating profit excl. non-recurring items, € million	Change, € million
Food trade	1,045	+3.5	48.2	13.5
Home and speciality goods trade	345	-6.5	-17.8	-4.8
Building and home improvement trade	562	-10.7	-16.6	-7.6
Car and machinery trade	249	-29.3	7.8	-7.7
Common operations and eliminations	-42	-0.5	-3.0	2.9
Total	2,159	-6.9	18.6	-3.7

In January-March, the Group's net finance costs were €3.3 million (€0.1 million). Interest expense was increased by the €250 million bond taken out in September 2012 adding to the gross debt.

TAXES

The Group's taxes for January-March were €4.8 million (€7.3 million). The effective tax rate was 30.3% (29.2%), affected by loss-making foreign operations.

CAPITAL EXPENDITURE

In January-March, the Group's capital expenditure totalled €41.5 million (€104.1 million), or 1.9% (4.5%) of net sales. Capital expenditure in store sites was €31.7 million (€90.3 million), in IT €5.6 million (€6.6 million) and other capital expenditure was €4.2 million (€7.2 million). Capital expenditure in foreign operations represented 36.5% (8.4%) of total capital expenditure.

KESKO'S STRATEGIC FOCUS AREAS AND PROFITABILITY PROGRAMME

The key focus areas in Kesko's business operations are to strengthen sales growth and the return on capital in all divisions, to exploit business opportunities in e-commerce and in Russia, and to maintain good solvency and dividend payment capacity.

As a result of a weakened general economic situation, tightened competition and an increase in the level of costs, Kesko is implementing the profitability programme announced previously, which

aims to ensure price competitiveness and to improve profitability. The profitability programme includes significant measures aimed to increase sales, to enhance purchasing operations and to adjust costs, working capital and capital expenditure.

The Group level cost saving target is a total of around €100 million. Cost savings are implemented in all divisions and in all operating countries. Most of the cost savings are expected to be achieved in 2013. Kesko's operating expenses for the first quarter of 2013 were €438 million, down €-18 million (-4.0%) on the previous year regardless of store site network expansion and cost inflation.

The measures for staff cost enhancement were implemented as announced previously. In addition to terminations, the reductions included reduced working hours and retirement arrangements. In the first quarter, the increasing effect of new store sites on the number of personnel was around 900 person-years compared to the previous year.

Other significant savings are implemented by adjusting especially marketing and store site expenses and by centralising ICT purchases. In addition, special enhancement measures are targeted at operations with low profitability. Anttila's chain concepts are reformed and costs are adjusted, an e-commerce based operating model is implemented in Musta Pörssi and its store site network is strongly adjusted. The chain concept of Intersport's business operations in Russia is reformed and unprofitable store sites are closed. At the end of the reporting period, the store

site network of Intersport Russia comprised 21 (35) stores.

In the next few years, capital expenditure will be aligned with funds generated from operations to some €200-300 million per year.

PERSONNEL

In January-March, the average number of employees in the Kesko Group was 19,126 (19,143) converted into full-time employees. In Finland, the average decrease was 239 people, while outside Finland, there was an increase of 221 people.

At the end of March 2013, the total number of employees was 22,881 (22,909), of whom 12,298 (12,522) worked in Finland and 10,583 (10,387) outside Finland. Compared to the end of March 2012, there was a decrease of 224 people in Finland and an increase of 196 people outside Finland.

In January-March, the Group's staff cost was €153.3 million, an increase of 0.6% compared to the previous year.

SEGMENT INFORMATION

SEASONAL NATURE OF OPERATIONS

The Group's operating activities are affected by seasonal fluctuations. The net sales and 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.

FOOD TRADE

	1–3/2013	1–3/2012
Net sales, € million	1,045	1,010
Operating profit excl. non-recurring items, € million	48.2	34.7
Operating margin excl. non-recurring items, %	4.6	3.4
Capital expenditure, € million	16.5	60.2

Net sales, € million	1–3/2013	Change, %
Sales to K-food stores	804	+3.1
Kespro	188	+3.9
Others	54	+9.1
Total	1,045	+3.5

JANUARY-MARCH 2013

In the food trade, the net sales for January-March were €1,045 million (€1,010 million), up 3.5%. During the same period, the grocery sales of K-food stores increased by 1.5% (VAT 0%). In the grocery market, retail prices are estimated to have changed by some 4% compared to the previous year (VAT 0%, Kesko's own estimate based on the Consumer Price Index of Statistics Finland), and the total market (VAT 0%) is estimated to have grown by some 3.5% in January-March compared to the previous year (Kesko's own estimate).

In January-March, the operating profit excluding non-recurring items of the food trade was €48.2 million (€34.7 million), or €13.5 million up on the previous year. Profitability was improved by significant savings achieved from enhanced operations. In addition, operating profit was increased by a €2.3 million (€-1.6 million) gain on measurement of derivatives used for hedging electricity purchases. Operating profit was €48.2 million (€37.4 million). In the comparative year, non-recurring income included €2.7 million of gains on disposals of properties.

The capital expenditure of the food trade was €16.5 million (€60.2 million), of which €14.6 million (€56.5 million) in stores sites.

In January-March 2013, two new K-supermarkets and one K-market were opened. Renovations and extensions were carried out in a total of five stores.

The most significant store sites being built are a K-citymarket in the Puuvilla shopping centre in Pori and a K-supermarket in Espoo, in Pohjois-Haaga, Helsinki, in Jyväskylä, Säkylä and Ikaalinen. The objective in Russia is to open three new food stores in 2013.

Numbers of stores as at 31 March	2013	2012
K-citymarket	80	76
K-supermarket	215	210
K-market (incl. service station stores)	450	456
K-ruoka, Russia	1	0
Others	181	204

HOME AND SPECIALITY GOODS TRADE

	1-3/2013	1-3/2012
Net sales, € million	345	369
Operating profit excl. non-recurring items, € million	-17.8	-12.9
Operating margin excl. non-recurring items, %	-5.2	-3.5
Capital expenditure, € million	8.0	18.5

Net sales, € million	1-3/2013	Change, %
K-citymarket home and speciality goods	140	-4.6
Anttila	89	-17.4
Intersport, Finland	51	+14.1
Intersport, Russia	6	-23.6
Indoor	44	-0.1
Musta Pörssi	10	-22.8
Kenkäkesko	6	-4.7
Total	345	-6.5

JANUARY-MARCH 2013

In the home and speciality goods trade, the net sales for January-March were €345 million (€369 million), down 6.5%. Consumer demand in the home and speciality goods trade weakened during the first months of the year and sales declined especially in the department store trade. The first quarter of the year had three retail

selling days less than in the previous year. Sales performance was also impacted by the change in Musta Pörssi's business model and the adjustment of the Intersport store site network in Russia.

The operating profit excluding non-recurring items of the home and speciality goods trade for January-March was €-17.8 million (€-12.9 million). Profitability was negatively impacted by a decrease

in the sales and gross margin of Anttila and K-citymarket Oy. During the reporting period, significant cost savings were implemented. Operating profit was €-17.7 million (€-12.9 million).

The capital expenditure of the home and speciality goods trade was €8.0 million (€18.5 million) in January-March.

A new Budget Sport opened in Lielahdi, Tampere in March.

Numbers of stores as at 31 March	2013	2012
K-citymarket, home and speciality goods*	81	75
Anttila department stores*	31	31
Kodin1 department stores for home goods and interior decoration*	13	11
Intersport	62	58
Budget Sport*	11	8
Asko and Sotka	84	82
Musta Pörssi*	25	34
Kookenkä*	48	47
Anttila, Baltics (NetAnttila)*	3	3
Intersport, Russia	21	35
Asko and Sotka, Baltics*	10	9

* incl. online stores

BUILDING AND HOME IMPROVEMENT TRADE

	1–3/2013	1–3/2012
Net sales, € million	562	629
Operating profit excl. non-recurring items, € million	-16.6	-9.0
Operating margin excl. non-recurring items, %	-3.0	-1.4
Capital expenditure, € million	12.5	11.7

Net sales, € million	1–3/2013	Change, %
Rautakesko, Finland	281	-6.4
K-rauta, Sweden	38	-13.9
Byggmakker, Norway	101	-30.3
Rautakesko, Estonia	12	+3.9
Rautakesko, Latvia	10	+2.5
Senukai, Lithuania	48	-4.7
Stroymaster, Russia	51	-3.7
OMA, Belarus	21	+35.0
Total	562	-10.7

JANUARY-MARCH 2013

In the building and home improvement trade, the net sales for January-March were €562 million (€629 million), down 10.7%. The trend in construction activity was weak in all of Rautakesko's operating countries. Sales decreased especially in the B2B trade and in basic building materials.

In Finland, the net sales for January-March were €281 million (€300 million), a decrease of 6.4%. The building and home improvement product lines contributed €191 million to the net sales in Finland, a decrease of 10.3%. The agricultural supplies trade contributed €90 million to net sales, up 3.1%.

The retail sales of the K-rauta and Rautakesko chains in Finland decreased by 8.8% to €170 million (VAT 0%). The sales of Rautakesko B2B Service were down 20.8%. The retail sales of the K-maatalous chain were €93 million (VAT 0%), up 4.3%.

In January-March, the net sales from the foreign operations of the building and home improvement trade were €281 million (€329 million), a decrease of 14.6%. In Russia, net sales decreased by 2.2% in terms of roubles. In Norway, net sales decreased by 31.7% in terms of kronas, which was partly attributable to the changes that took place in the Byggmakker chain last year. A decision has been made to introduce new chain agreements in Norway starting from 1 January 2014. In Sweden,

net sales were down 17.3% in terms of kronas. Foreign operations contributed 50.0% (52.3%) to the net sales of the building and home improvement trade.

The operating profit excluding non-recurring items of the building and home improvement trade for January-March was €-16.6 million (€-9.0 million), down €7.6 million compared to the previous year. The fall is due to weak sales performance. Operating profit was €-16.1 million (€-9.0 million).

In January-March, the capital expenditure of the building and home improvement trade totalled €12.5 million (€11.7 million), of which 49.2% (66.0%) abroad. Capital expenditure in store sites represented 97.0% of total capital expenditure.

Numbers of stores as at 31 March	2013	2012
K-rauta*	42	41
Rautia*	99	103
K-maatalous*	83	86
K-rauta, Sweden	21	22
Byggmakker, Norway	89	107
K-rauta, Estonia	8	9
K-rauta, Latvia	8	8
Senukai, Lithuania	17	17
K-rauta, Russia	14	14
OMA, Belarus	9	6

*In 2013, 1 K-rauta store and 48 Rautia stores also operated as K-maatalous stores, in 2012, 1 K-rauta store and 49 Rautia stores also operated as K-maatalous stores.

CAR AND MACHINERY TRADE

	1–3/2013	1–3/2012
Net sales, € million	249	353
Operating profit excl. non-recurring items, € million	7.8	15.5
Operating margin excl. non-recurring items, %	3.1	4.4
Capital expenditure, € million	3.9	12.7

Net sales, € million	1–3/2013	Change, %
VV-Auto	193	-33.3
Konekesko	57	-11.9
Total	249	-29.3

JANUARY-MARCH 2013

In January-March, the net sales of the car and machinery trade were €249 million (€353 million), down 29.3%.

VV-Auto's net sales for January-March were €193 million (€289 million), a decrease of 33.3%. In the previous year, sales were increased by the car tax change effective 1 April 2012. In January-March, the combined market performance of first time registered passenger cars and vans was -43.1%.

In January-March, the combined market share of passenger cars and vans imported by VV-Auto was 19.9% (19.9%).

Konekesko's net sales for January-March were €57 million (€65 million), down 11.9% compared to the previous year. Net sales in Finland were €39 million, down 22.0%. The net sales from Konekesko's foreign operations were €19 million, up 17.2%.

In January-March, the operating profit excluding non-recurring items of the

car and machinery trade was €7.8 million (€15.5 million), down €7.7 million compared to the previous year. Regardless of the difficult market situation, profitability remained at a good level.

The operating profit for January-March was €7.8 million (€15.5 million).

The capital expenditure of the car and machinery trade for January-March was €3.9 million (€12.7 million).

Numbers of stores as at 31 March	2013	2012
VV-Auto, retail trade	10	10
Konekesko	1	2

CHANGES IN THE GROUP COMPOSITION

No significant changes took place in the Group composition during the reporting period.

SHARES, SECURITIES MARKET AND BOARD AUTHORISATIONS

At the end of March 2013, the total number of Kesko Corporation shares was 98,786,940, of which 31,737,007, or 32.1%, were A shares and 67,049,933, or 67.9%, were B shares. At 31 March 2013, Kesko Corporation held 608,591

own B shares as treasury shares. Treasury shares accounted for 0.91% of the number of B shares and 0.62% of the total number of shares, and 0.16% of votes carried by all shares of the company. The total number of votes carried by all shares was 384,420,003. Each A share entitles to ten (10) votes and each B share to one (1) vote. The company cannot vote with treasury shares and no dividend is paid on them. At the end of March 2013, Kesko Corporation's share capital was €197,282,584. During the reporting period, the number of B shares was increased once to account for the shares subscribed for with the options based on the 2007 option

scheme. The increase was made on 11 February 2013 (74,600 B shares) and announced in a stock exchange notification on the same day. The shares subscribed for were listed for public trading on NASDAQ OMX Helsinki (Helsinki Stock Exchange) with the old B shares on 12 February 2013. The subscription price of €1,046,274 received by the company was recorded in the reserve of invested non-restricted equity.

The price of a Kesko A share quoted on NASDAQ OMX Helsinki was €24.39 at the end of 2012, and €25.11 at the end of March 2013, representing an increase of 3.0%. Correspondingly, the price of a B share was

€24.77 at the end of 2012, and €24.37 at the end of March 2013, representing a decrease of 1.6%. In January–March, the highest A share price was €25.99 and the lowest was €24.35. For B share, they were €25.87 and €23.35 respectively. In January–March, the Helsinki stock exchange (OMX Helsinki) All-Share index was up by 5.8% and the weighted OMX Helsinki CAP index by 5.5%. The Retail Index was down by 2.0%.

At the end of March 2013, the market capitalisation of A shares was €797 million, while that of B shares was €1,619 million, excluding the shares held by the parent company. The combined market capitalisation of A and B shares was €2,416 million, a decrease of €2 million from the end of 2012. In January–March 2013, a total of 0.3 (0.6) million A shares were traded on the Helsinki stock exchange, down 55%. The exchange value of A shares was €7 million. The total number of B shares traded was 10.1 (20.6) million, down 51%. The exchange value of B shares was €248 million.

The company operates the 2007 option scheme for management and other key personnel, under which the share subscription period of 2007B share options runs from 1 April 2011 to 30 April 2013, and that of 2007C share options runs from 1 April 2012 to 30 April 2014. The share options have been included on the official list of the Helsinki stock exchange since the beginning of the share subscription periods. During the reporting period, a total of 294,347 2007B share options were traded at a total value of €749,548, and correspondingly, a total of 88,901 2007C share options were traded at a total value of €1,011,589. The share subscription period of 2007A share options under the option scheme and their trading on the official list ended in 2012.

The Board has the authority, granted by the Annual General Meeting of 16 April 2012 and valid until 30 June 2015, to issue a total maximum of 20,000,000 new B shares. The shares can be issued against payment for subscription by shareholders in a directed issue in proportion to their existing shareholdings regardless of whether they consist of A or B shares, or, deviating from the shareholder's preemptive 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, investments or other arrangements within the scope of the company's business operations. The amount paid for the shares is recognised in the reserve of invested non-restricted equity. The authorisation also includes the Board's authority to decide on the share subscription price, the right to issue shares against non-cash consideration and the right to make decisions on other matters concerning share issuances.

In addition, the Board has the authority, granted by the Annual General Meeting of 8 April 2013 and valid until 30 September 2014 to decide on the acquisition of a maximum of 500,000 own B shares, and the authority, valid until 30 June 2017, to decide on the issuance of a maximum of 1,000,000 own B shares held as treasury shares by the company.

On 4 February 2013, the Board decided to grant own B shares held as treasury shares by the company to people included in the target group of the vesting period, based on the authority to issue own shares, valid prior to the Annual General Meeting held on 8 April 2013, and the fulfilment of the vesting criteria of the 2012 vesting period of Kesko's three-year share-based compensation plan. The issuance of 66,331 own B shares, referred to above, was announced in a stock exchange release on 5 February 2013 and on 5 April 2013. The latter release also announced that 866 own B shares had been returned to the company without consideration. Further information on the Board's authorisations is available at www.kesko.fi.

At the end of March 2013, the number of shareholders was 44,692, which was 138 more than at the end of 2012. At the end of March, foreign ownership of all shares was 19%. At the end of March, foreign ownership of B shares was 28%.

FLAGGING NOTIFICATIONS

Kesko Corporation did not receive flagging notifications during the reporting period.

KEY EVENTS DURING THE REPORTING PERIOD

Changes, effective 5 February 2013, took place in Kesko's Corporate Management Board. Arja Talma, M.Sc. (Econ.), eMBA, 50, was appointed Senior Vice President responsible for the Kesko Group's store sites and investments. Terho Kalliokoski, M.S. (Econ.), 51, was appointed Rautakesko Ltd's President. Jorma Rauhala, M.Sc. (Econ.), 47, was appointed Kesko Food Ltd's President. Starting from 5 February 2013, Kesko's Corporate Management Board is composed of Matti Halmesmäki, Chair; Jorma Rauhala, food trade; Minna Kurunsaari, home and speciality goods trade and Kesko's customer information and e-commerce projects; Terho Kalliokoski, building and home improvement trade; Pekka Lahti, car and machinery trade; Arja Talma, store sites and investments; Jukka Erlund, CFO, accounting, finance and IT management; and Matti Mettälä, human resources and stakeholder relations. (Stock exchange release on 5 February 2013)

EVENTS AFTER THE REPORTING PERIOD

On 5 April 2013, Kesko transferred a total of 66,331 own B shares (KESBV) held by the company as treasury shares to the about 150 Kesko management employees and other named key persons included in the target group of the 2012 vesting period of Kesko's three-year share-based compensation plan. In the same context, 866 B shares, originally transferred to a person included in the target group of the 2011 vesting period of the share-based compensation plan, were returned to Kesko. After the transfer and return of shares, Kesko holds 543,126 own B shares as treasury shares. (Stock exchange release on 5 April 2013)

With effect from 1 January 2013, the Kesko Group adopted the revised IAS 19 Employee benefits standard. The amendment had an impact on the Kesko Group's pension costs and profit, as well as the pension assets and equity on the balance sheet. Resulting from the amendment, the Kesko's consolidated income statement, consolidated statement of financial position and segment information for 2012 were updated in compliance with the requirements prescribed in the revised standard. (Stock exchange release on 11 April 2013)

RESOLUTIONS OF THE 2013 ANNUAL GENERAL MEETING AND DECISIONS OF THE BOARD'S ORGANISATIONAL MEETING

Kesko Corporation's Annual General Meeting, held after the reporting period of 8 April 2013, adopted the financial statements for 2012 and discharged the Board members and the Managing Director from liability. The General Meeting also resolved, as proposed by the Board, to distribute €1.20 per share, or a total of €117,892,576.80 as dividends. The dividend pay date was 18 April 2013. The General Meeting resolved that the number of Board members is unchanged at seven, elected PricewaterhouseCoopers Oy as the company's auditor, with APA Johan Kronberg as the auditor with principal responsibility, and approved the Board's proposals for amending Article 9 of the Articles of Association concerning the delivery of the notice of a General Meeting, for authorising the Board to acquire a maximum of 500,000 own B shares and to issue a maximum of 1,000,000 own B shares held as treasury shares by the company. The General Meeting also approved the Board's proposal that it be authorised 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 2014.

The organisational meeting of the company's Board of Directors, held after the

Annual General Meeting, kept the compositions of the Audit Committee and the Remuneration Committee unchanged. The Board's Audit Committee is composed of the Board members Maarit Näkyvä (Ch.), Seppo Paatelainen (Deputy Ch., Board Deputy Ch.) and Virpi Tuunainen elected by Kesko's Annual General Meeting of 16 April 2012, and correspondingly, the Remuneration Committee is composed of Board members Esa Kiiskinen (Ch., Board Ch.), Seppo Paatelainen (Deputy Ch., Board Deputy Ch.) and Ilpo Kokkila. In addition to the above, Board members elected by the said meeting include Tomi Korpisaari and Toni Pokela. The term of office of all Board members, provided by Kesko's Articles of Association, will end at the close of the Annual General Meeting of 2015. The Board elects the Board Chair and Deputy Chair for the whole three-year term of the Board members and the Committee Chairs, Deputy Chairs and members for one year at a time.

The resolutions of the Annual General Meeting and the decisions of the Board's organisational meeting were announced in more detail in stock exchange releases on 8 April 2013.

RESPONSIBILITY

In January, Kesko was included on 'The Global 100 Most Sustainable Corporations in the World' list for the ninth time. Kesko was classified into the bronze class in the Food & Drug Retailers sector in RobecoSAM's Sustainability Yearbook 2013.

Kesko announced its updated responsibility programme, which contains both short-term objectives and objectives extending to 2020 for the operations of Kesko and the whole K-Group.

Kesko and K-stores will take active part in the social guarantee for young people initiative, with a view to promoting employment and preventing social exclusion among young people. A tailored programme will be built for the K-Group to employ young people in K-stores and Kesko.

In March, Kesko and K-stores took part in the Earth Hour 2013 event by turning off the illuminated signs and pylons in their remote controlled properties and stores across Finland for one hour.

In March, Kesko was awarded by World Finance Magazine for 'the Best Corporate Governance in Finland' in terms of corporate governance development and reporting, as in two previous years.

RISK MANAGEMENT

The Kesko Group has an established and comprehensive risk management process. Risks and their management are assessed in the Group regularly and they are reported to the Group's management. Kesko's

risk management and risks associated with business operations are described in more detail on Kesko's website in the section Corporate Governance.

The most significant near-future risks in Kesko's business operations are related to the general economic development, the financial market situation in the euro zone and low consumer confidence in Kesko's operating area and their impact on the Kesko Group's sales and profit performance. During the first months of the year, no material changes are estimated to have taken place in the risks described in the 2012 report by Kesko's Board of Directors and the financial statements, or in the risks described on Kesko's website.

The risks and uncertainties related to financial performance are described in the section future outlook of this release.

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.

Helsinki, 24 April 2013
Kesko Corporation
Board of Directors

The information in the interim report release are unaudited.

Further information is available from Jukka Erlund, Senior Vice President, Chief Financial Officer, telephone +358 1053 22113, and Eva Kaukinen, Vice President, Corporate Controller, telephone +358 1053 22338. A Finnish-language webcast from the media and analyst briefing on the interim report can be accessed at www.kesko.fi at 11.00. An English-language web conference on the interim report will be held today at 14.30 (Finnish time). The web conference login is available on Kesko's website at www.kesko.fi.

Kesko Corporation's interim report for January-June will be released on 24 July 2013. In addition, the 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

Merja Haverinen
Vice President,
Corporate Communications

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ACCOUNTING POLICIES

This interim report has been prepared in accordance with the IAS 34 standard. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2012, with the exception of the following changes due to the adoption of new and revised IFRS standards and IFRIC interpretations:

The amendment to the IAS 19 Employee benefits standard changes the determination of the return on defined benefit pen-

sion plan assets. According to the revised standard, the rate used to discount the retirement benefit obligation is used as the return on assets in place of the expected long-term return on the assets used previously. Due to the amendment, the net return on defined benefit pension plans recognised in the consolidated income statement decreases. In addition, the amendment to the IAS 19 Employee benefits standard eliminates the possibility to apply the so-called "corridor approach" to the calculation of retirement benefits classified as defined benefit pension plans, which follows that the changes in the cal-

ulation assumptions used for measuring the pension obligation and the covering assets are recognised in pension assets and equity in the balance sheet. The impact of the amendment was announced in a separate stock exchange release on 11 April 2013.

In addition, the Group has adopted the following standards and amendments to standards issued for application:

- IAS 1 Presentation of financial statements (amendment)
- IFRS 13 Fair value measurement
- IFRS 7 Financial instruments: Disclosures (amendment)

CONSOLIDATED INCOME STATEMENT (€ MILLION), CONDENSED

	1–3/2013	1–3/2012	Change,%	1–12/2012
Net sales	2,159	2,318	-6.9	9,686
Cost of goods sold	-1,875	-2,007	-6.6	-8,367
Gross profit	284	311	-8.6	1,319
Other operating income	173	170	1.6	747
Staff cost	-153	-152	0.6	-608
Depreciation and impairment charges	-37	-36	3.2	-158
Other operating expenses	-248	-268	-7.5	-1,088
Operating profit	19	25	-23.2	212
Interest income and other finance income	3	5	-37.4	21
Interest expense and other finance costs	-5	-4	39.2	-17
Exchange differences	-1	-2	-9.9	-5
Income from associates	0	0	(..)	-1
Profit before tax	16	25	-36.8	210
Income tax	-5	-7	-34.5	-75
Net profit for the period	11	18	-37.8	136
Attributable to				
Owners of the parent	11	16	-29.4	124
Non-controlling interests	0	2	(..)	11
Earnings per share (€) for profit attributable to equity holders of the parent				
Basic	0.11	0.16	-29.5	1.27
Diluted	0.11	0.16	-29.6	1.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ MILLION)

	1–3/2013	1–3/2012	Change,%	1–12/2012
Net profit for the period	11	18	-37.8	136
Items that will not be reclassified to profit or loss				
Actuarial gains and losses	-	9	-	1
Actuarial gains and losses, tax	-	-2	-	0
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	3	4	-20.8	0
Adjustment for hyperinflation	2	1	(..)	4
Cash flow hedge revaluation	0	-2	83.5	-3
Revaluation of available-for-sale financial assets	0	0	(..)	9
Other items	-	-	-	0
Comprehensive income that may be reclassified subsequently to profit or loss, tax	0	0	-91.2	1
Total other comprehensive income for the period, net of tax	4	10	-55.7	11
Total comprehensive income for the period	15	28	-44.3	147
Attributable to				
Owners of the parent	14	27	-46.6	133
Non-controlling interests	1	1	1.1	14

(..) Change over 100%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€ MILLION), CONDENSED

	31.3.2013	31.3.2012	Change,%	31.12.2012
ASSETS				
Non-current assets				
Tangible assets	1,685	1,555	8.4	1,678
Intangible assets	190	190	0.0	192
Investments in associates and other financial assets	106	70	51.8	105
Loans and receivables	90	78	15.9	91
Pension assets	154	162	-4.6	154
Total	2,225	2,054	8.4	2,220
Current assets				
Inventories	859	909	-5.4	814
Trade receivables	805	804	0.1	703
Other receivables	198	289	-31.6	153
Financial assets at fair value through profit or loss	98	75	31.3	137
Available-for-sale financial assets	218	163	33.1	249
Cash and cash equivalents	95	54	74.7	103
Total	2,273	2,294	-0.9	2,160
Non-current assets held for sale	2	1	95.4	2
Total assets	4,500	4,349	3.5	4,382
EQUITY AND LIABILITIES				
Equity	2,221	2,210	0.5	2,206
Non-controlling interests	68	59	14.2	67
Total equity	2,289	2,269	0.8	2,272
Non-current liabilities				
Interest-bearing liabilities	438	205	(..)	450
Non-interest-bearing liabilities	10	20	-47.2	10
Deferred tax liabilities	78	91	-14.0	81
Pension obligations	2	2	-5.5	2
Provisions	20	11	76.0	21
Total	547	329	66.4	564
Current liabilities				
Interest-bearing liabilities	206	241	-14.3	174
Trade payables	955	1,001	-4.6	808
Other non-interest-bearing liabilities	463	486	-4.8	524
Provisions	41	23	76.9	40
Total	1,664	1,751	-5.0	1,546
Total equity and liabilities	4,500	4,349	3.5	4,382

(..) Change over 100%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (€ MILLION)

	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
Balance at 1 Jan. 2012	197	441	-3	3	-22	1,567	58	2,241
Shares subscribed with options								
Share-based payments					0	0	0	1
Dividends								
Other changes					0	0		0
Net profit for the period						16	2	18
Other comprehensive income								
Items not classified to profit or loss								
Actuarial gains/losses						9		9
Actuarial gains and losses, tax						-2		-2
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations		0	5				-1	4
Adjustment for hyperinflation						0	1	1
Cash flow hedge revaluation				-2				-2
Revaluation of available-for-sale financial assets				0				0
Tax relating to other comprehensive income				0				0
Total other comprehensive income		0	5	-1	0	7	-1	10
Balance at 31 Mar. 2012	197	441	1	1	-22	1,600	59	2,269
Balance at 1 Jan. 2013	197	442	-2	10	-19	1,578	67	2,272
Shares subscribed with options		1						1
Share-based payments					0		0	0
Dividends								
Other changes						0		0
Net profit for the period						11	0	11
Other comprehensive income								
Items not classified to profit or loss								
Actuarial gains/losses								
Actuarial gains and losses, tax								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations		0	3				0	3
Adjustment for hyperinflation						0	2	2
Cash flow hedge revaluation				0				0
Revaluation of available-for-sale financial assets				0				0
Tax relating to other comprehensive income				0				0
Total other comprehensive income		0	3	0	0	0	2	4
Balance at 31 Mar. 2013	197	443	1	10	-19	1,590	68	2,289

CONSOLIDATED STATEMENT OF CASH FLOWS (€ MILLION), CONDENSED

	1–3/2013	1–3/2012	Change, %	1–12/2012
Cash flows from operating activities				
Profit before tax	16	25	-36.8	210
Planned depreciation	37	36	3.2	155
Finance income and costs	3	0	(.)	1
Other adjustments	-1	9	(.)	103
Change in working capital				
Current non-interest-bearing operating receivables, increase (-)/decrease (+)	-144	-120	20.2	5
Inventories, increase (-)/decrease (+)	-43	-37	16.1	57
Current non-interest-bearing liabilities, increase (+)/decrease (-)	87	100	-13.6	-70
Financial items and tax	-13	-18	-28.0	-79
Net cash from operating activities	-59	-5	(.)	382
Cash flows from investing activities				
Investing activities	-44	-111	-59.8	-411
Sales of fixed assets	2	20	-87.4	24
Increase in non-current receivables	0	-1	(.)	-4
Net cash used in investing activities	-42	-92	-54.4	-391
Cash flows from financing activities				
Interest-bearing liabilities, increase (+)/decrease (-)	22	49	-54.9	230
Current interest-bearing receivables, increase (-)/decrease (+)	1	-21	(.)	37
Dividends paid	-	-	-	-123
Equity increase	1	-	-	1
Short-term money market investments, increase (-)/ decrease (+)	21	32	-34.5	-2
Other items	-2	-6	-72.9	-14
Net cash used in financing activities	43	53	-20.3	130
Change in cash and cash equivalents	-58	-44	32.9	121
Cash and cash equivalents and current portion of available-for-sale financial assets at 1 Jan.	352	231	52.5	231
Currency translation difference adjustment and revaluation	0	0	-17.6	0
Cash and cash equivalents and current portion of available-for-sale financial assets at 31 Mar.	294	187	57.0	352

(.) Change over 100%

GROUP'S PERFORMANCE INDICATORS

	1–3/2013	1–3/2012	Change, pp	1–12/2012
Return on capital employed, %	3.1	4.1	-1.0	8.3
Return on capital employed, %, moving 12 mo	8.0	12.0	-4.0	8.3
Return on capital employed excl. non-recurring items, %	3.0	3.6	-0.7	9.0
Return on capital employed excl. non-recurring items, %, moving 12 mo	8.8	11.9	-3.1	9.0
Return on equity, %	1.9	3.1	-1.2	6.0
Return on equity, %, moving 12 mo	5.7	8.4	-2.8	6.0
Return on equity excl. non-recurring items, %	1.8	2.8	-0.9	6.9
Return on equity excl. non-recurring items, %, moving 12 mo	6.6	8.3	-1.7	6.9
Equity ratio, %	51.7	52.8	-1.1	52.5
Gearing, %	10.2	6.8	3.4	6.0

	1–3/2013	1–3/2012	Change, %	1–12/2012
Capital expenditure, € million	41.5	104.1	-60.2	378.3
Capital expenditure, % of net sales	1.9	4.5	-57.2	3.9
Earnings per share, basic, €	0.11	0.16	-29.5	1.27
Earnings per share, diluted, €	0.11	0.16	-29.6	1.26
Earnings per share excl. non-recurring items, basic, €	0.11	0.14	-23.2	1.47
Cash flow from operating activities, € million	-59	-5	(.)	382
Cash flow from investing activities, € million	-42	-92	-54.4	-391
Equity per share, €	22.62	22.56	0.2	22.48
Interest-bearing net debt	233.2	153.6	51.8	135.3
Diluted number of shares, average for reporting period	98,724	98,413	0.2	98,472
Personnel, average	19,126	19,143	-0.1	19,741

(..) Change over 100%

Group's performance indicators by quarter	1–3/2012	4–6/2012	7–9/2012	10–12/2012	1–3/2013
Net sales, € million	2,318	2,460	2,449	2,459	2,159
Change in net sales, %	10.2	-0.5	1.9	-0.9	-6.9
Operating profit, € million	25.1	57.7	77.4	51.8	19.2
Operating margin, %	1.1	2.3	3.2	2.1	0.9
Operating profit excl. non-recurring items, € million	22.3	59.4	77.4	70.9	18.6
Operating margin excl. non-recurring items, %	1.0	2.4	3.2	2.9	0.9
Finance income/costs, € million	-0.1	-0.3	-1.3	1.1	-3.3
Profit before tax, € million	25.0	57.3	76.1	52.1	15.8
Profit before tax, %	1.1	2.3	3.1	2.1	0.7
Return on capital employed, %	4.1	8.9	11.9	8.0	3.1
Return on capital employed excl. non-recurring items, %	3.6	9.2	11.9	10.9	3.0
Return on equity, %	3.1	7.0	9.6	4.4	1.9
Return on equity excl. non-recurring items, %	2.8	7.3	9.6	8.0	1.8
Equity ratio, %	52.8	51.2	51.3	52.5	51.7
Capital expenditure, € million	104.1	67.8	102.6	103.8	41.5
Earnings per share, diluted, €	0.16	0.37	0.50	0.23	0.11
Equity per share, €	22.56	21.72	22.33	22.48	22.62

SEGMENT INFORMATION

Net sales by segment (€ million)	1–3/2013	1–3/2012	Change %	1–12/2012
Food trade total	1,045	1,010	3.5	4,311
- of which intersegment trade	43	45	-4.9	172
Home and speciality goods trade, Finland	335	356	-6.1	1,557
Home and speciality goods trade, other countries*	10	13	-19.3	45
Home and speciality goods trade total	345	369	-6.5	1,603
- of which intersegment trade	3	4	-9.7	18
Building and home improvement trade, Finland	281	300	-6.4	1,229
Building and home improvement trade, other countries*	281	329	-14.6	1,598
Building and home improvement trade total	562	629	-10.7	2,827
- of which intersegment trade	0	0	37.0	0
Car and machinery trade, Finland	231	337	-31.5	998
Car and machinery trade, other countries*	19	16	17.8	116
Car and machinery trade total	249	353	-29.3	1,114
- of which intersegment trade	0	0	-31.2	1
Common operations and eliminations	-42	-42	-0.5	-169
Finland total	1,841	1,961	-6.1	7,924
Other countries total*	318	357	-11.0	1,762
Group total	2,159	2,318	-6.9	9,686

* net sales in countries other than Finland

Operating profit by segment (€ million)	1–3/2013	1–3/2012	Change	1–12/2012
Food trade	48.2	37.4	10.8	170.2
Home and speciality goods trade	-17.7	-12.9	-4.8	0.0
Building and home improvement trade	-16.1	-9.0	-7.0	11.6
Car and machinery trade	7.8	15.5	-7.7	41.9
Common operations and eliminations	-3.0	-5.9	2.9	-11.8
Group total	19.2	25.1	-5.8	212.0

Operating profit excl. non-recurring items by segment (€ million)	1–3/2013	1–3/2012	Change	1–12/2012
Food trade	48.2	34.7	13.5	167.5
Home and speciality goods trade	-17.8	-12.9	-4.8	19.6
Building and home improvement trade	-16.6	-9.0	-7.6	13.3
Car and machinery trade	7.8	15.5	-7.7	41.9
Common operations and eliminations	-3.0	-5.9	2.9	-12.2
Group total	18.6	22.3	-3.7	230.0

Operating margin excl. non-recurring items by segment	1–3/2013	1–3/2012	Change, pp	1–12/2012	Moving 12 mo 3/2013
Food trade	4.6	3.4	1.2	3.9	4.2
Home and speciality goods trade	-5.2	-3.5	-1.6	1.2	0.9
Building and home improvement trade	-3.0	-1.4	-1.5	0.5	0.2
Car and machinery trade	3.1	4.4	-1.3	3.8	3.4
Group total	0.9	1.0	-0.1	2.4	2.4

Capital employed by segment, cumulative average (€ million)	1–3/2013	1–3/2012	Change	1–12/2012
Food trade	854	706	148	763
Home and speciality goods trade	477	479	-3	514
Building and home improvement trade	762	754	8	760
Car and machinery trade	170	199	-29	188
Common operations and eliminations	258	315	-57	327
Group total	2,520	2,453	67	2,552

Return on capital employed excl. non-recurring items by segment, %	1–3/2013	1–3/2012	Change, pp	1–12/2012	Moving 12 mo 3/2013
Food trade	22.6	19.6	2.9	21.9	22.7
Home and speciality goods trade	-14.9	-10.8	-4.1	3.8	2.9
Building and home improvement trade	-8.7	-4.8	-3.9	1.7	0.7
Car and machinery trade	18.3	31.2	-12.9	22.3	18.9
Group total	3.0	3.6	-0.7	9.0	8.8

Capital expenditure by segment (€ million)	1–3/2013	1–3/2012	Change	1–12/2012
Food trade	17	60	-44	200
Home and speciality goods trade	8	18	-10	61
Building and home improvement trade	13	12	1	63
Car and machinery trade	4	13	-9	27
Common operations and eliminations	1	1	0	28
Group total	41	104	-63	378

SEGMENT INFORMATION BY QUARTER

Net sales by segment (€ million)	1–3/2012	4–6/2012	7–9/2012	10–12/2012	1–3/2013
Food trade	1,010	1,091	1,078	1,132	1,045
Home and speciality goods trade	369	352	395	487	345
Building and home improvement trade	629	782	759	657	562
Car and machinery trade	353	274	259	227	249
Common operations and eliminations	-42	-41	-41	-45	-42
Group total	2,318	2,460	2,449	2,459	2,159

Operating profit by segment (€ million)	1–3/2012	4–6/2012	7–9/2012	10–12/2012	1–3/2013
Food trade	37.4	38.6	49.4	44.8	48.2
Home and speciality goods trade	-12.9	-0.7	0.9	12.8	-17.7
Building and home improvement trade	-9.0	13.5	17.9	-10.8	-16.1
Car and machinery trade	15.5	10.3	11.4	4.7	7.8
Common operations and eliminations	-5.9	-4.0	-2.2	0.3	-3.0
Group total	25.1	57.7	77.4	51.8	19.2

Operating profit excl. non-recurring items by segment (€ million)	1–3/2012	4–6/2012	7–9/2012	10–12/2012	1–3/2013
Food trade	34.7	38.6	49.4	44.8	48.2
Home and speciality goods trade	-12.9	-0.7	0.9	32.3	-17.8
Building and home improvement trade	-9.0	15.2	17.9	-10.8	-16.6
Car and machinery trade	15.5	10.3	11.4	4.7	7.8
Common operations and eliminations	-5.9	-4.0	-2.2	-0.1	-3.0
Group total	22.3	59.4	77.4	70.9	18.6

Operating margin excl. non-recurring items by segment	1–3/2012	4–6/2012	7–9/2012	10–12/2012	1–3/2013
Food trade	3.4	3.5	4.6	4.0	4.6
Home and speciality goods trade	-3.5	-0.2	0.2	6.6	-5.2
Building and home improvement trade	-1.4	1.9	2.4	-1.6	-3.0
Car and machinery trade	4.4	3.7	4.4	2.1	3.1
Group total	1.0	2.4	3.2	2.9	0.9

CHANGE IN TANGIBLE AND INTANGIBLE ASSETS (€ MILLION)

	31.3.2013	31.3.2012
Opening net carrying amount	1,870	1,680
Depreciation, amortisation and impairment	-37	-36
Investments in tangible and intangible assets	43	106
Disposals	-6	-18
Currency translation differences	5	13
Closing net carrying amount	1,875	1,745

RELATED PARTY TRANSACTIONS

The Group's related parties include its key management (the Board of Directors, the President and CEO and the Corporate Management Board), subsidiaries, associates and the Kesko Pension Fund.

The following transactions were carried out with related parties:

	1–3/2013	1–3/2012
Sales of goods and services	22	18
Purchases of goods and services	7	3
Other operating income	0	0
Other operating expenses	7	6
Finance costs	0	0
Receivables	9	67
Liabilities	28	38

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES (€ MILLION)

	Level 1	Level 2	Level 3	31.03.2013
Financial assets at fair value through profit or loss		98		98
Derivative financial instruments at fair value through profit or loss				
Derivative financial assets		3		3
Derivative financial liabilities		12		12
Available-for-sale financial assets	18	199	7	225

	Level 1	Level 2	Level 3	31.03.2012
Financial assets at fair value through profit or loss		75		
Derivative financial instruments at fair value through profit or loss				75
Derivative financial assets		4		4
Derivative financial liabilities		21		21
Available-for-sale financial assets	30	133	7	170

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 MARCH

Personnel average by segment	1–3/2013	1–3/2012	Change
Food trade	2,856	2,652	204
Home and speciality goods trade	5,786	5,983	-197
Building and home improvement trade	8,836	8,869	-33
Car and machinery trade	1,223	1,210	13
Common operations	425	429	-4
Group total	19,126	19,143	-18

Personnel at 31 March*by segment	2013	2012	Change
Food trade	3,183	3,007	176
Home and speciality goods trade	8,030	8,128	-98
Building and home improvement trade	9,931	10,008	-77
Car and machinery trade	1,263	1,280	-17
Common operations	474	486	-12
Group total	22,881	22,909	-28

*total number incl. part-time employees

GROUP'S COMMITMENTS (€ MILLION)

	31.3.2013	31.3.2012	Change, %
Own commitments	181	181	-0.1
For associates	65	-	-
For others	10	8	33.2
Lease liabilities for machinery and equipment	25	26	-3.9
Lease liabilities for real estate	2,274	2,265	0.4

LIABILITIES ARISING FROM DERIVATIVE INSTRUMENTS

Values of underlying instruments at 31 March	31.3.2013	31.3.2012	Fair value 31.3.2013
Interest rate derivatives			
Interest rate swaps	203	205	1.24
Currency derivatives			
Forward and future contracts	234	334	-1.81
Option agreements	10	7	-0.02
Currency swaps	100	100	-6.71
Commodity derivatives			
Electricity derivatives	40	30	-2.09

CALCULATION OF PERFORMANCE INDICATORS

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, %, moving 12 mo	Operating profit for prior 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 excl. non- recurring items*, %	Operating profit excl. non-recurring items x 100 / (Non-current assets + Inventories + Receivables + Other current assets – Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed excl. non- recurring items, %, moving 12 months	Operating profit excl. non-recurring items for prior 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
Return on equity, %, moving 12 months	(Profit/loss for prior 12 months before tax - income tax for prior 12 months) x 100 / Shareholders' equity
Return on equity excl. non-recurring items*, %	(Profit/loss adjusted for non-recurring items before tax - income tax adjusted for the tax effect of non-recurring items) x 100 / Shareholders' equity
Return on equity excl. non-recurring items, %, moving 12 months	(Profit/loss for prior 12 months adjusted for non-recurring items before tax - income tax for prior 12 months adjusted for the tax effect of non-recurring items) x 100 / Shareholders' equity
Equity ratio, %	Shareholders' equity x 100 / (Balance sheet total - prepayments received)
Earnings/share, diluted	(Profit/loss – non-controlling interests) / Average diluted number of shares
Earnings/share, basic	(Profit/loss - non-controlling interests) / Average number of shares
Earnings/share excl. non-recurring items, basic	(Profit/loss adjusted for non-recurring items – non-controlling interests) / Average number of shares
Equity/share	Equity attributable to equity holders of the parent / Basic number of shares at the balance sheet date
Gearing, %	Interest-bearing net liabilities x 100 / Shareholders' equity
Interest-bearing net debt	Interest-bearing liabilities – money market investments – cash and cash equivalents

* Indicators for return on capital have been annualised.

K-GROUP'S RETAIL AND B2B SALES, VAT 0% (PRELIMINARY DATA):

	1.1.–31.3.2013	
K-Group's retail and B2B sales	€ million	Change, %
K-Group's food trade		
K-food stores	1,140	2.1
Kespro	186	3.9
Food trade total	1,326	2.4
K-Group's home and speciality goods trade		
Home and speciality goods stores, Finland	366	-8.5
Home and speciality goods stores, other countries	10	-24.0
Home and speciality goods trade total	376	-9.0
K-Group's building and home improvement trade		
K-rauta and Rautia	170	-8.8
Rautakesko B2B Service	38	-20.8
K-maatalous	93	4.3
Finland total	301	-7.0
Building and home improvement stores, other Nordic countries	174	-28.6
Building and home improvement stores, Baltic countries	70	-2.2
Building and home improvement stores, other countries	72	4.8
Building and home improvement trade total	616	-12.8
K-Group's car and machinery trade		
VV-Autotalot	90	-35.2
VV-Auto, import	107	-32.6
Konekesko, Finland	39	-21.7
Finland total	235	-32.1
Konekesko, other countries	19	12.8
Car and machinery trade total	254	-30.0
Finland total	2,220	-6.2
Other countries total	353	-14.6
Retail and B2B sales total	2,573	-7.4