



Interim report
January-June 2010
23 July 2010
CFO Arja Talma

KESKO

Increasing customer satisfaction and efficiency generate results

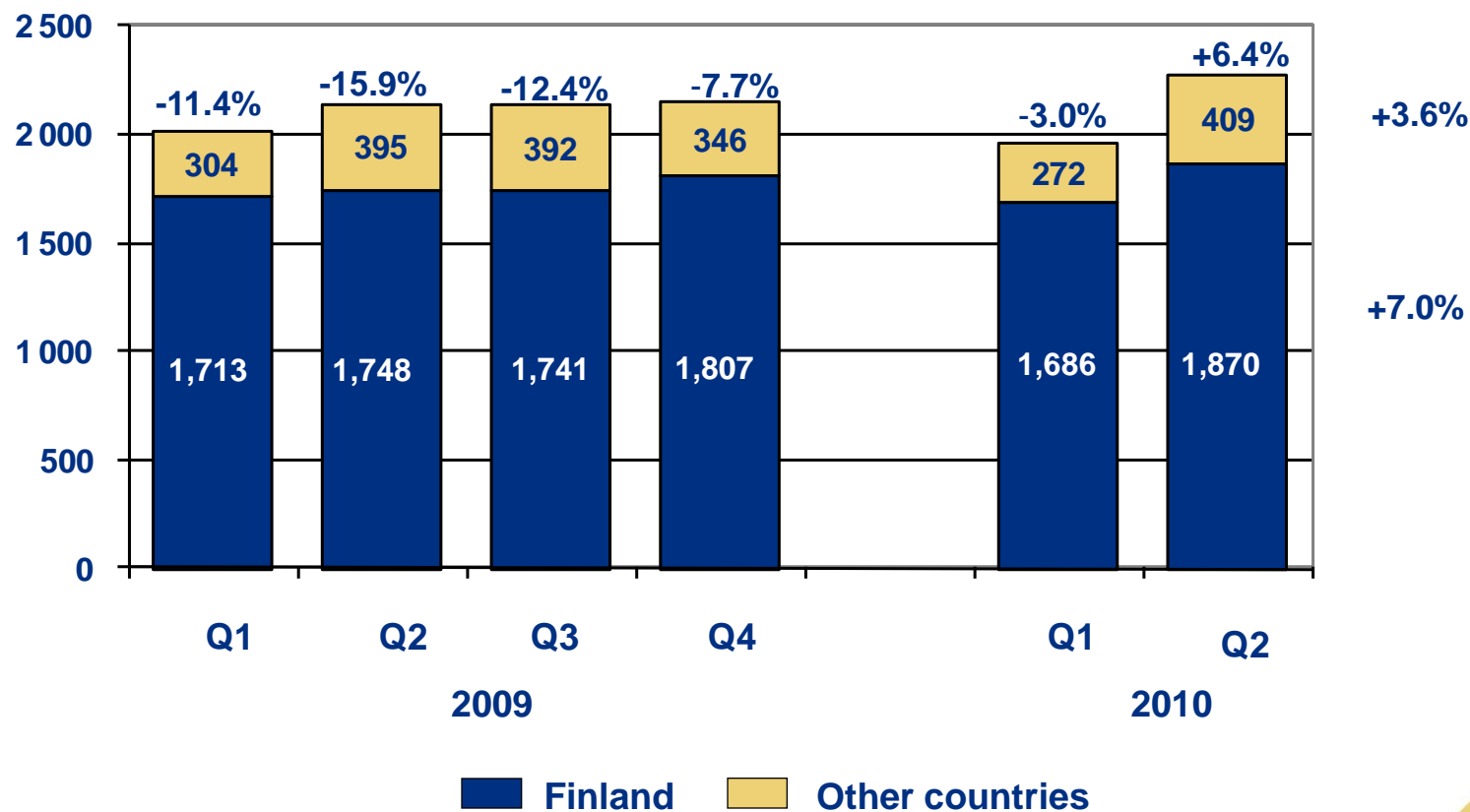
- Positive trend in Kesko's net sales strengthened and profit improved clearly compared to the previous year
- K-citymarket, Anttila, Asko, Sotka and Intersport clearly improved their profitability
- Volkswagen, Audi and Seat achieved record market share at 19.9%
- K-food stores' market share increased. K-food stores' grocery sales grew by 3.3%
- Sales in the building and home improvement trade are growing in Finland, Sweden and Norway
- Solvency and liquidity at excellent level, lower hedging costs and tax rate
- Net sales and operating profit excluding non-recurring items are expected to grow during the next twelve months

Net sales by division

1.4.-30.6. (M€)

	2010	2009	Change,%
Food trade	976	974	0.2
Home and speciality goods trade	334	331	0.9
Building and home improvement trade	712	643	10.6
Car and machinery trade	298	233	27.6
Common operations and eliminations	-41	-39	4.6
Total	2,279	2,143	6.4

Group's net sales by quarter (M€)



Net sales by division

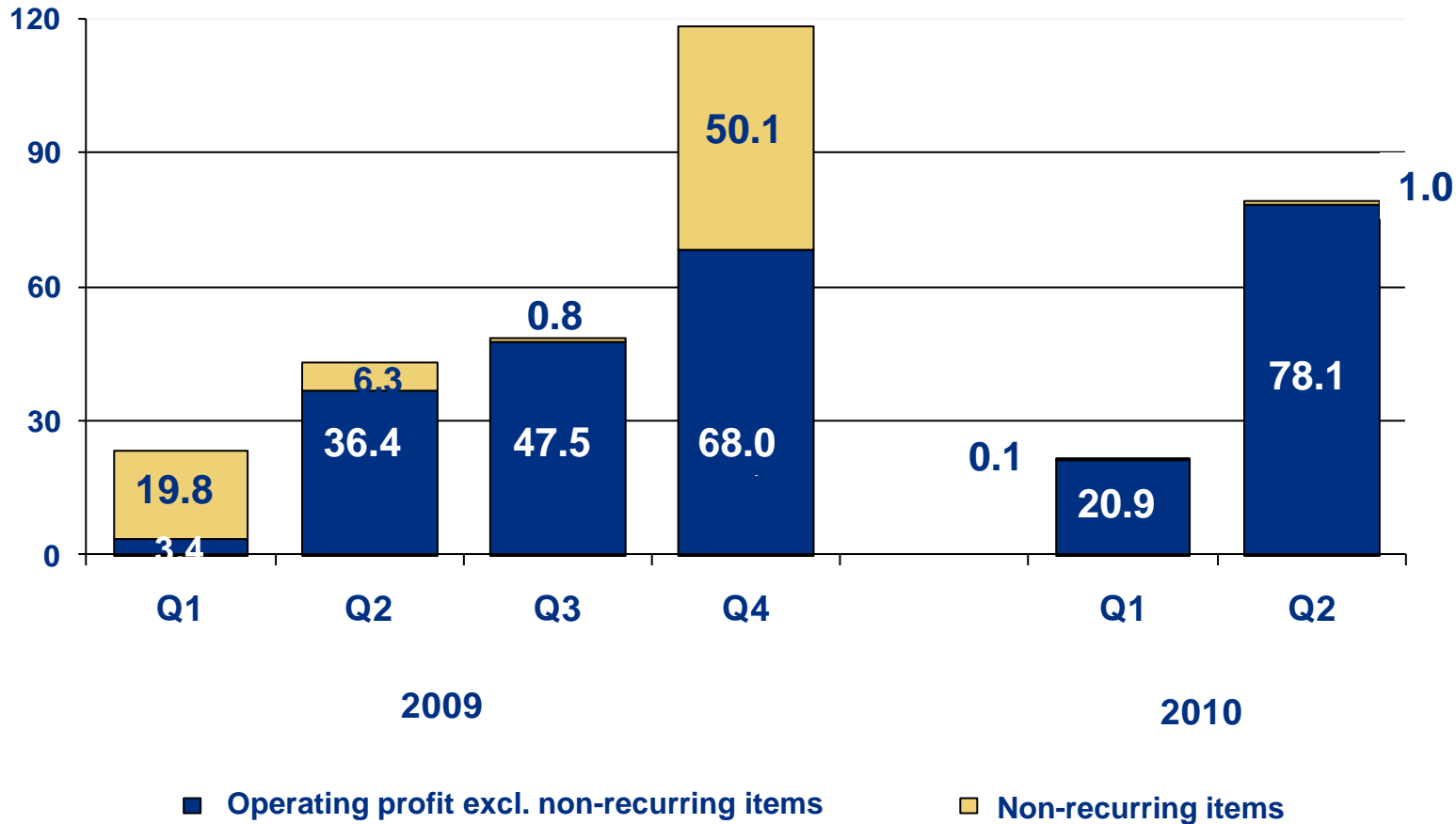
1.1.-30.6. (M€)

	2010	2009	Change,%
Food trade	1,888	1,861	1.4
Home and speciality goods trade	689	677	1.8
Building and home improvement trade	1,207	1,173	2.9
Car and machinery trade	534	529	0.9
Common operations and eliminations	-81	-80	1.5
Total	4,237	4,160	1.8

Operating profit excl. non-recurring items by division 1.4.-30.6. (M€)

	2010	2009	Change
Food trade	42.1	30.1	12.0
Home and speciality goods trade	7.0	-6.0	13.0
Building and home improvement trade	17.9	14.8	3.1
Car and machinery trade	14.1	1.9	12.2
Common operations and eliminations	-3.1	-4.4	1.3
Total	78.1	36.4	41.7

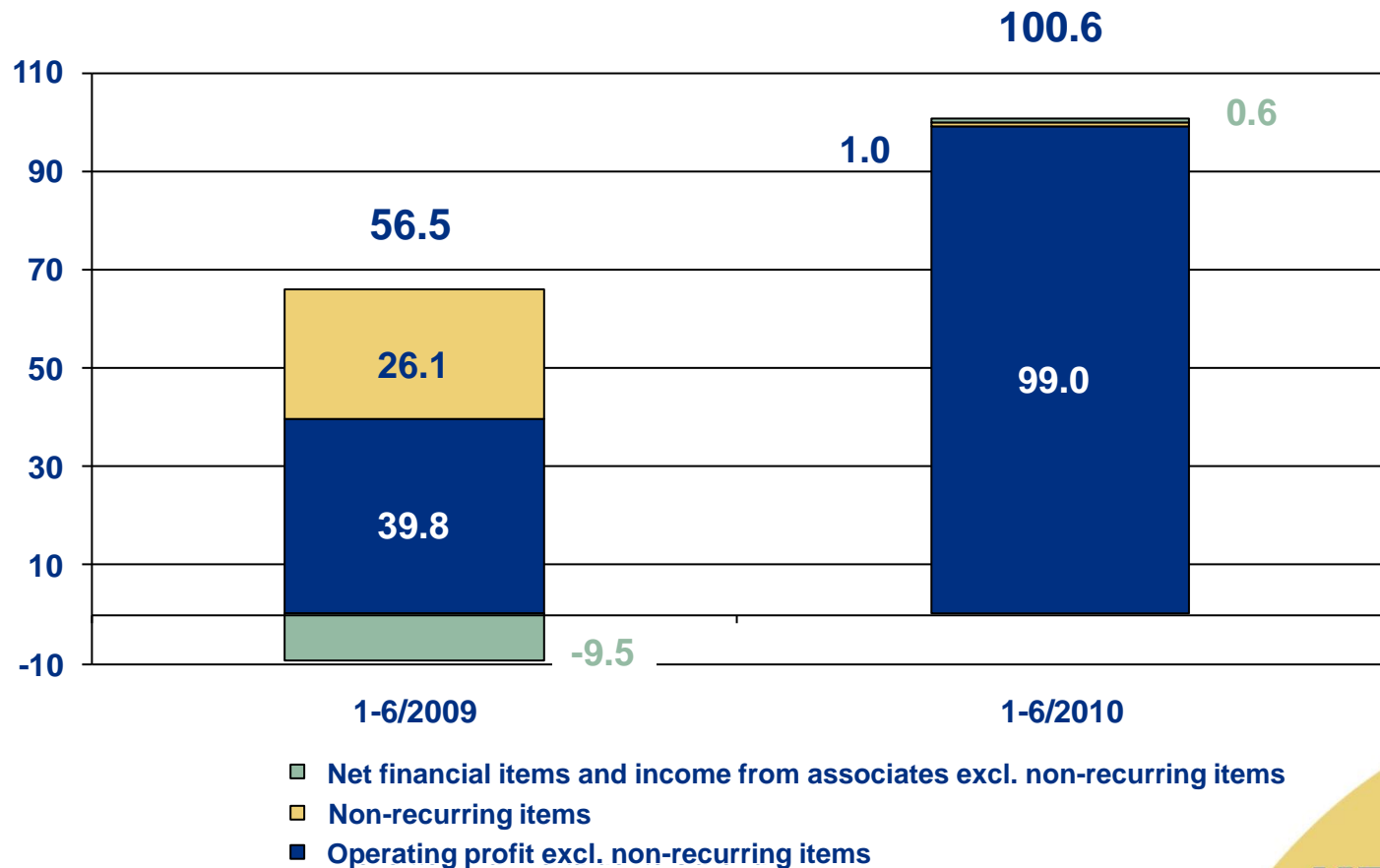
Operating profit by quarter (M€)



Operating profit excl. non-recurring items by division 1.1.-30.6. (M€)

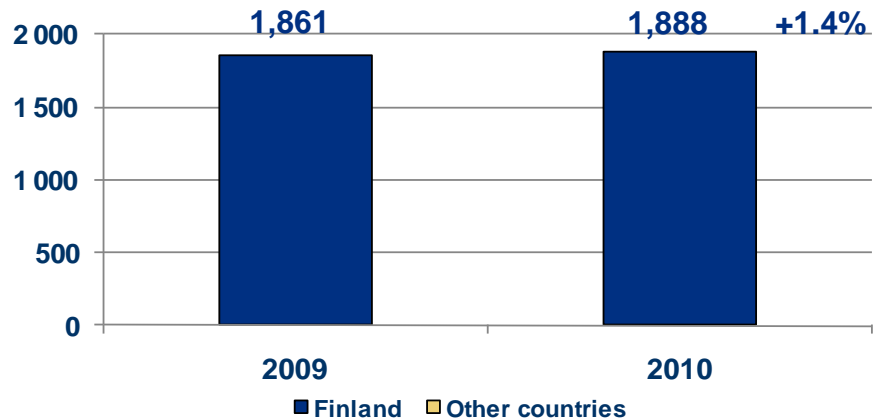
	2010	2009	Change
Food trade	73.7	63.9	9.9
Home and speciality goods trade	7.1	-16.7	23.8
Building and home improvement trade	4.2	5.6	-1.5
Car and machinery trade	20.5	-4.1	24.6
Common operations and eliminations	-6.5	-9.0	2.4
Total	99.0	39.8	59.2

Group's profit before tax 1-6/2010 (M€)



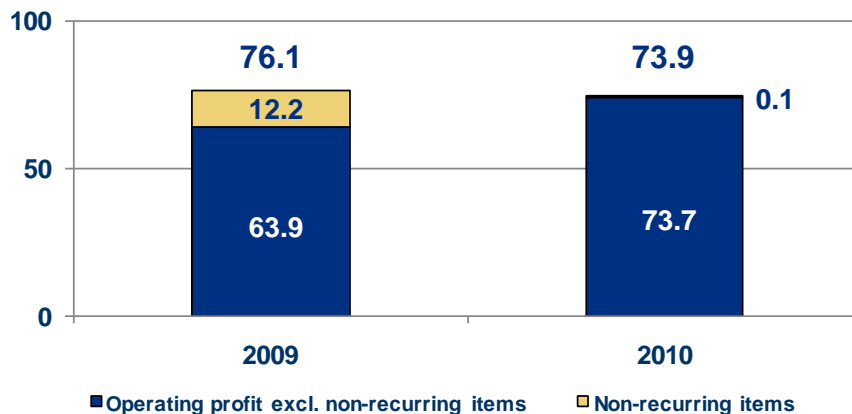
Food trade 1-6/2010

Net sales 1-6, M€



- K-food stores' grocery sales grew by 3.3% (VAT 0%)
- Growing customer satisfaction and efficiency reflected in sales and profit growth
- Four new K-supermarkets and six K-markets were opened during the first part of the year
 - Stores opened during the last few years have rapidly achieved targeted sales levels
- Investments in store site network were €28.2 million (€34.2 million)

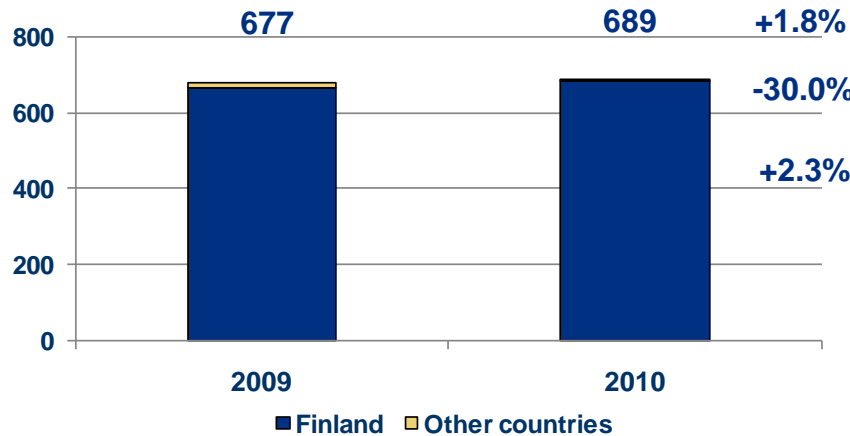
Operating profit 1-6, M€



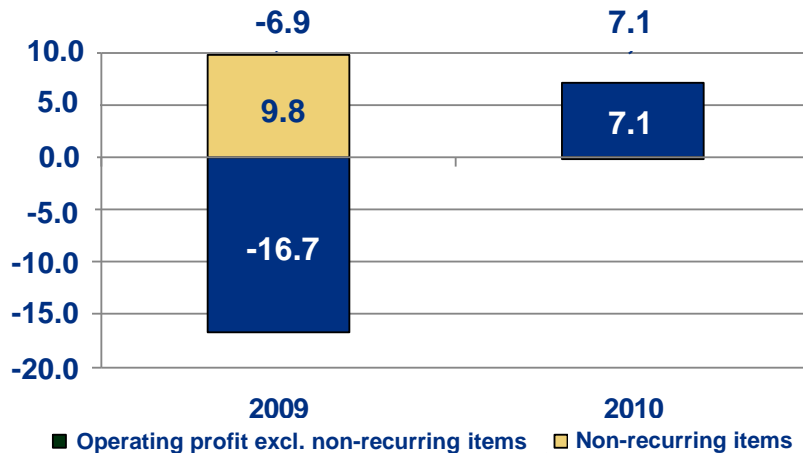
Home and speciality goods trade

1-6/2010

Net sales 1-6, M€



Operating profit 1-6, M€



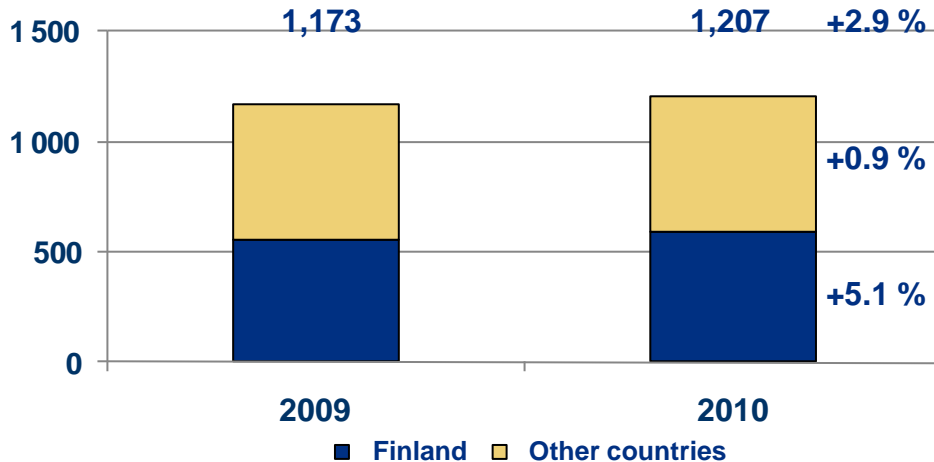
- K-citymarket's sales clearly increased and new hypermarkets have performed better than expected
- Asko's and Kodin Ykkönens' sales grew especially in interior decoration products
- Budget Sport achieved excellent sales performance
- Sunday opening increased sales especially in the first part of the year
- Profitability improved significantly resulting from sales growth, higher productivity and more efficient purchasing
- Investments in the home and speciality goods trade were €12.8 million (€16.9 million)

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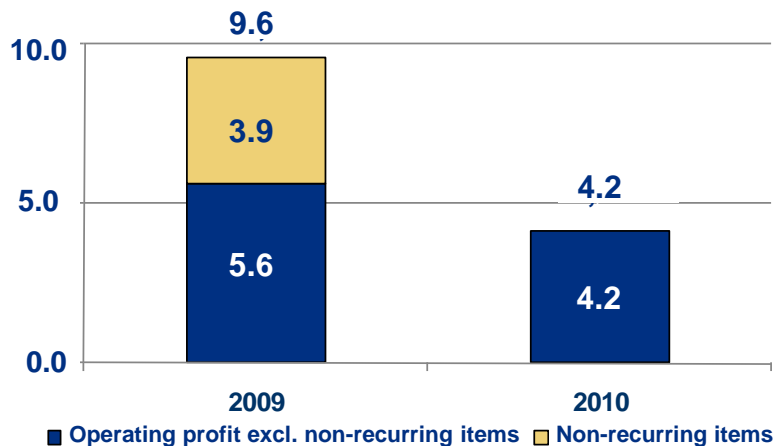
Building and home improvement trade

1-6/2010

Net sales 1-6, M€



Operating profit 1-6, M€

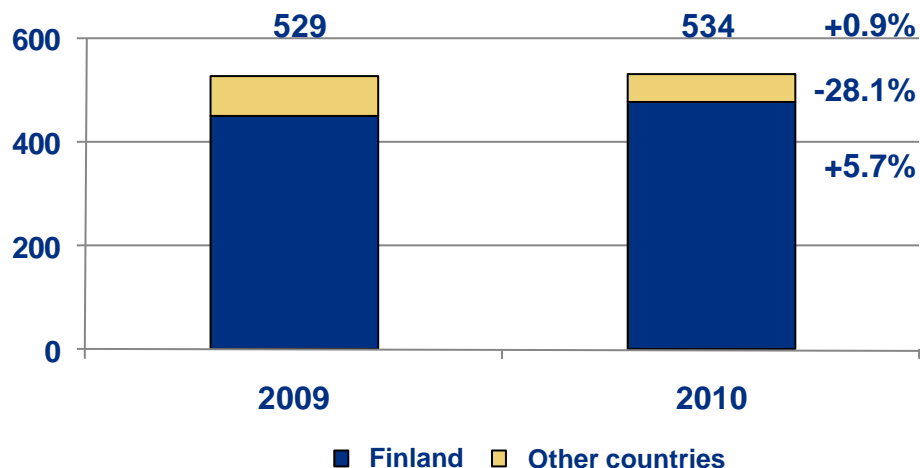


- Building and home improvement trade market returned to growth in Finland, Sweden and Norway. Weak market situation continues in the Baltic countries
- Profit for the first part of the year matched the previous year's level. Profit improved over the spring
- Investments were €28.4 million (€46.3 million)
- New building and home improvement stores were opened in Jyväskylä, Stockholm, Tula, Kaluga and Minsk

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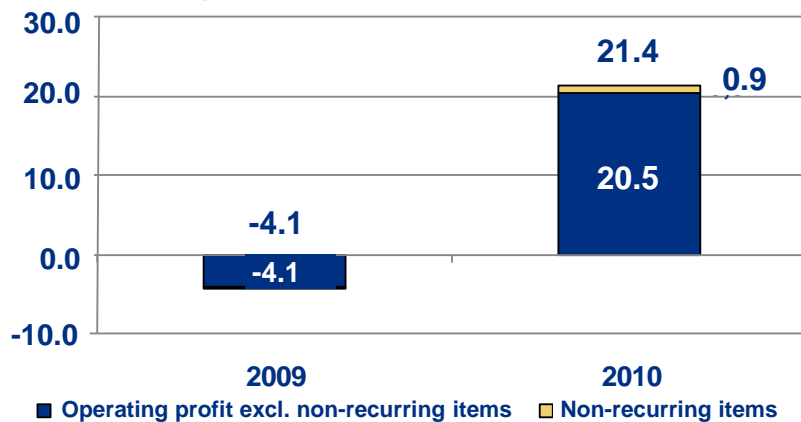
Car and machinery trade 1-6/2010

Net sales 1-6, M€

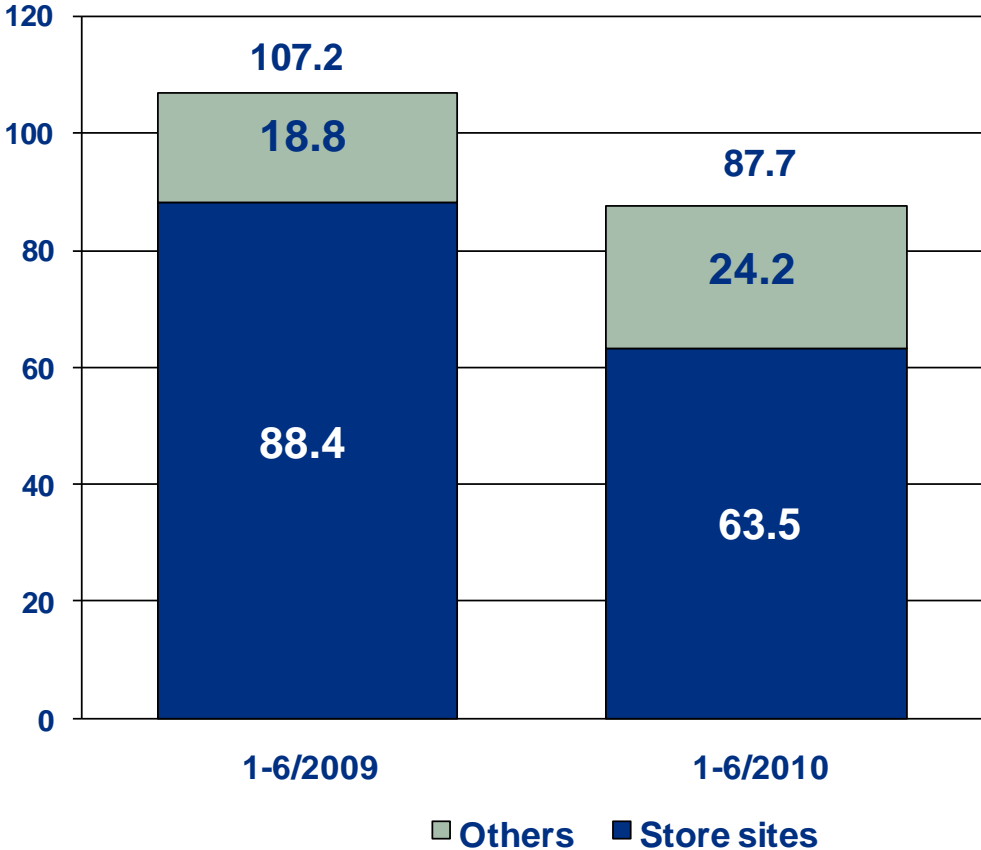


- VV-Auto's comparable net sales grew by 17%
 - Record level market share of Audi, Volkswagen and Seat at 19.9% (18.4%)
- Konekesko's net sales growth was dampened by the disposal of agricultural supplies trade in the Baltic countries
- Operating profit was improved by car sales growth and cost reductions
 - Previous year's profit included €9 million in expense provisions on the Baltic agricultural supplies trade
- Investments in the car and machinery trade were €8.1 million (€3.6 million)

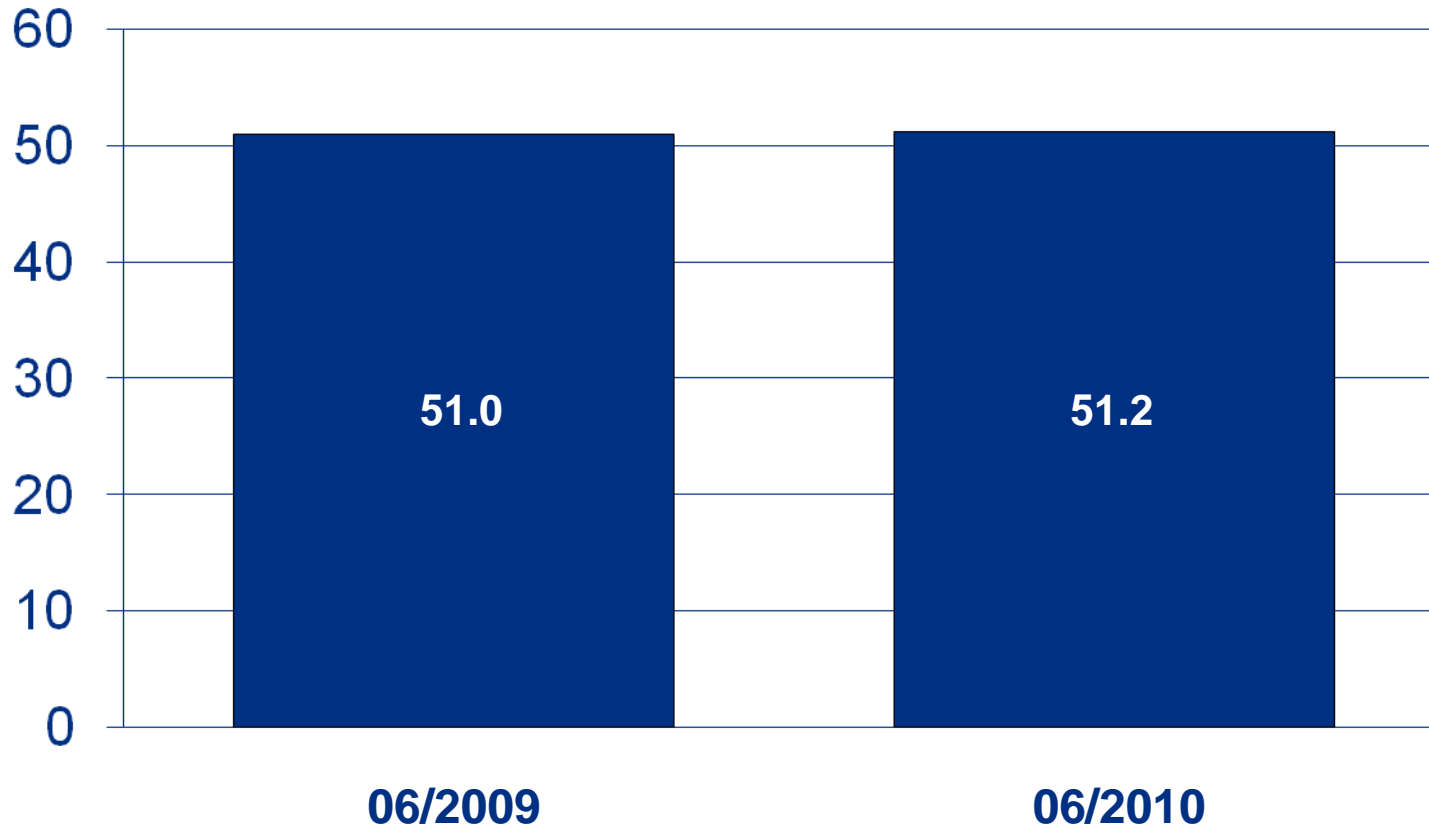
Operating profit 1-6, M€



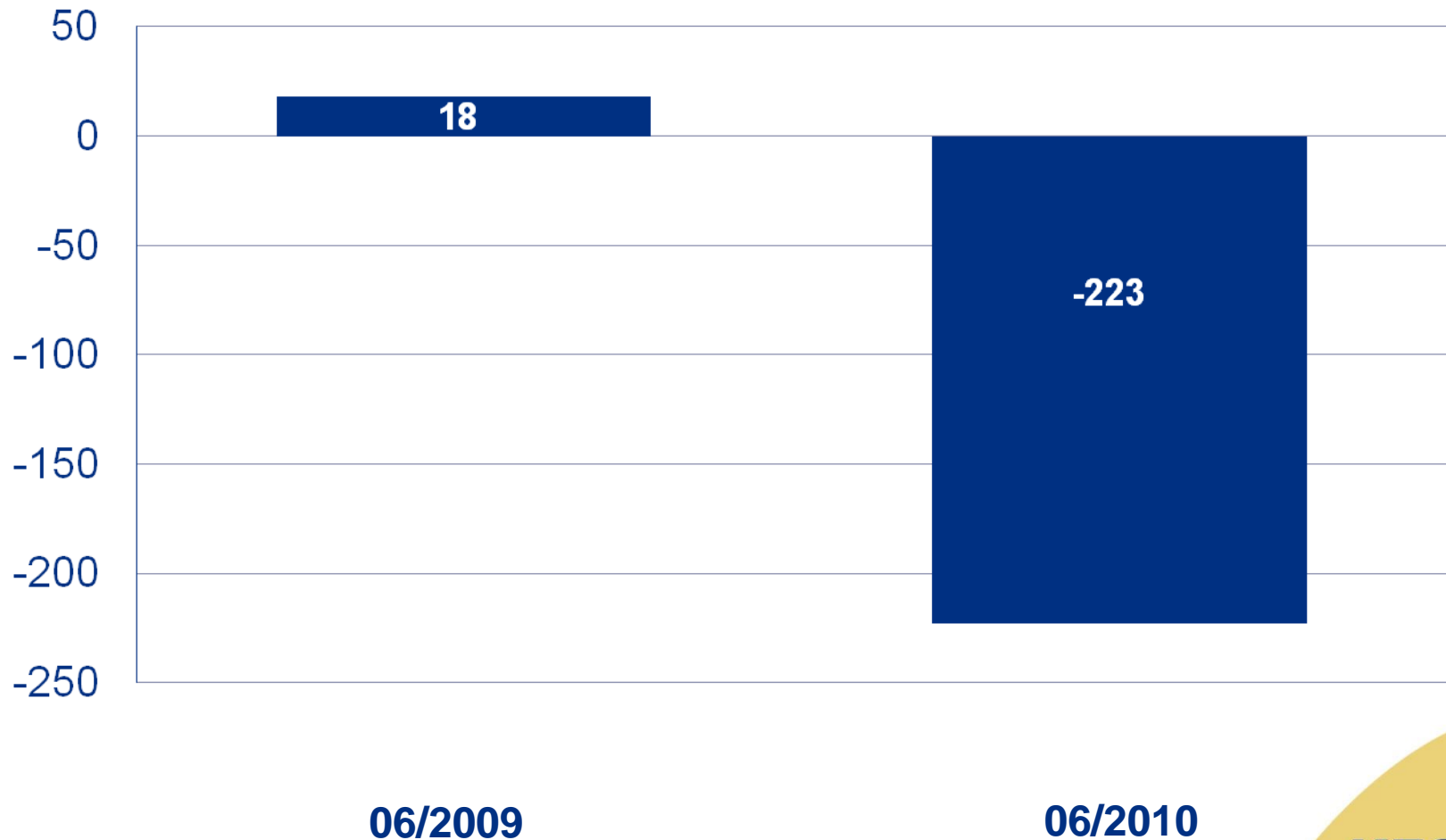
Group's investments (M€)



Equity ratio, %



Interest-bearing net liabilities (M€)



Performance indicators

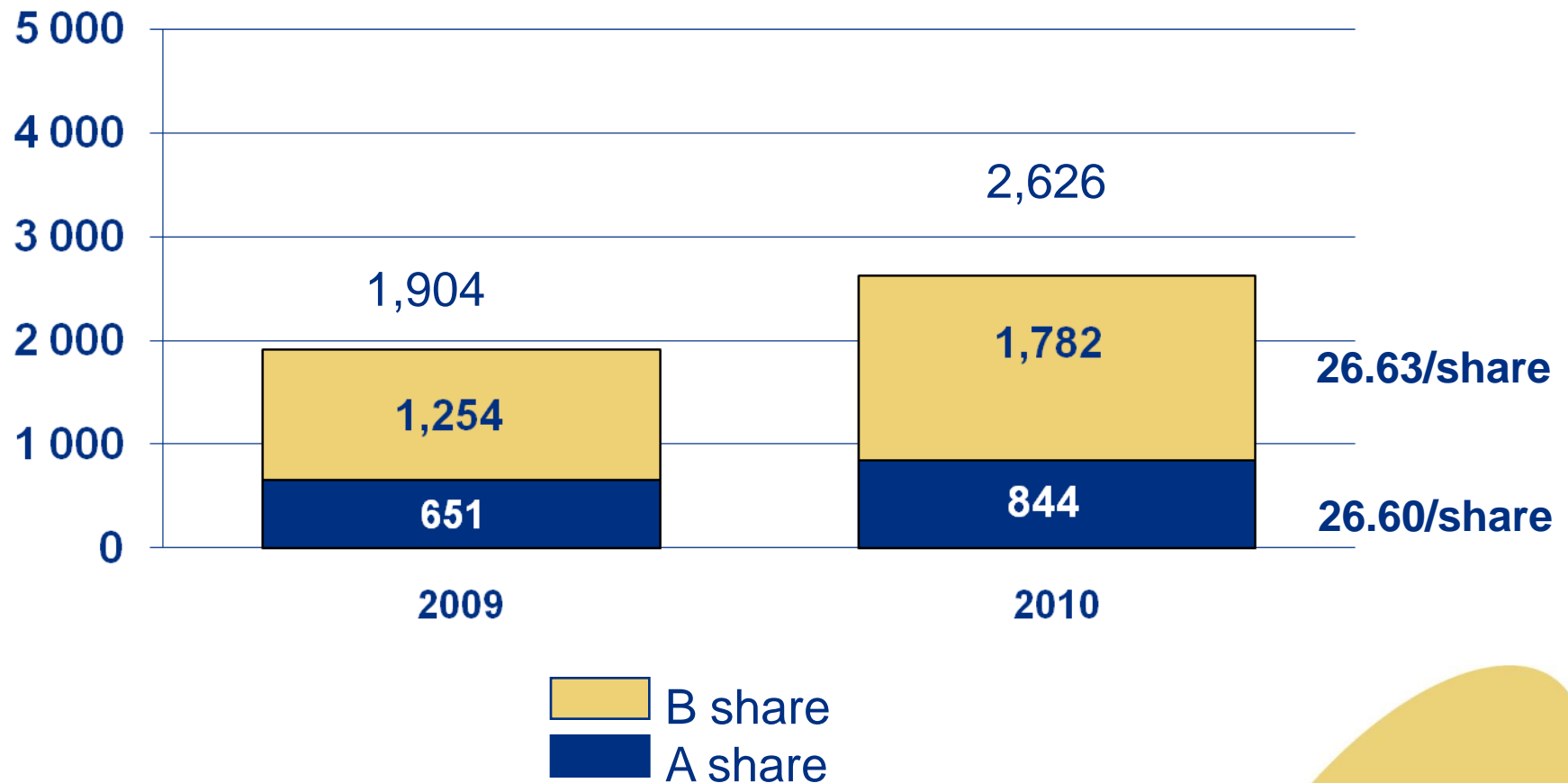
	1-6/2010	1-6/2009
Net sales, € million	4,237	4,160
Operating profit, € million	100.0	65.9
Operating profit excl. non-recurring items, € million	99.0	39.8
Group's profit before tax, € million	100.6	56.5
Investments, € million	87.7	107.2
Earnings/share, €, diluted	0.67	0.31
Earnings/share excl. non-recurring items, €, basic	0.66	0.11
Equity/share, €	20.30	19.36
Equity ratio, %	51.2	51.0
Cash flow from operating activities, € million	135.4	136.3
Cash flow from investing activities, € million	-85.7	-19.5

Share price trend 12 mo



Market capitalisation

30.6. (M€)



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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 (7/2010-6/2011) in comparison with the 12-month period preceding the reporting period (7/2009-6/2010).

The outlook for trends in consumer demand has improved somewhat, especially as a result of higher consumer confidence and continuously low interest rate levels. Nevertheless, the trend in economic development continues to involve significant uncertainties relating to the evolution of total production, tightening taxation and ramifications of possible disturbances in the financial market.

Reduced grocery prices continue to dampen market growth in terms of euros, although otherwise the trend in the grocery trade is expected to continue steadily. In the home and speciality goods trade, the market recovery is expected to continue as a result of higher consumer confidence. As house building activity increases, the building and home improvement market is expected to continue strengthening in the Nordic countries and the decline is expected to ease in the other operating countries. In the car and machinery trade, new car sales are expected to increase, and the market situation in the machinery trade is expected to recover slowly.

The Kesko Group's net sales and operating profit excluding non-recurring items are expected to grow during the next twelve months.



Thank you!

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