

Kesko Acquires AutoCarrera



Porsche Representation to the K-Group

- Porsche representation transfers to Kesko subsidiary VV-Auto
- 2015 net sales €49 million
- 2015 operating profit €3.3 million
- Acquisition price €27 million
- Outlets in Helsinki, Turku and Tampere
- AutoCarrera is a family business whose owners include private persons, Four P&P Consulting Oy and Oy Olisystems Ab



Porsche as Part of Volkswagen Group

- Porsche manufacturer, Porsche AG, is a Volkswagen Group subsidiary
- Porsche's global sales in 2015 were €21.5 billion, up 25%
- Porsche is Volkswagen Group's relatively most profitable brand – operating profit in 2015 was €3.4 billion

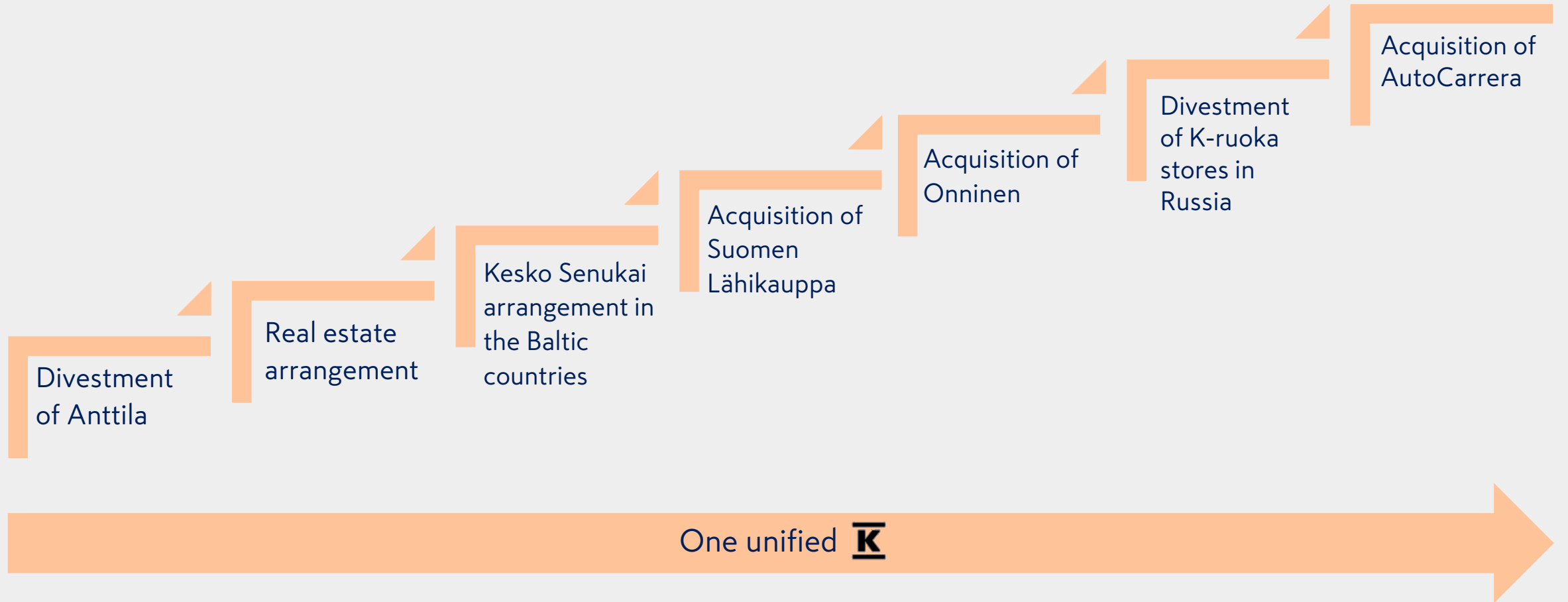


Kesko's Growth Strategy

- Growth of the grocery trade particularly in Finland
- Growth of the building and technical trade and expansion in Europe
- Growth of the car trade particularly in Finland
- The best omni-channel customer experience of the trading sector
- One unified Kesko, harvesting synergies



Strategy Implementation Is Progressing

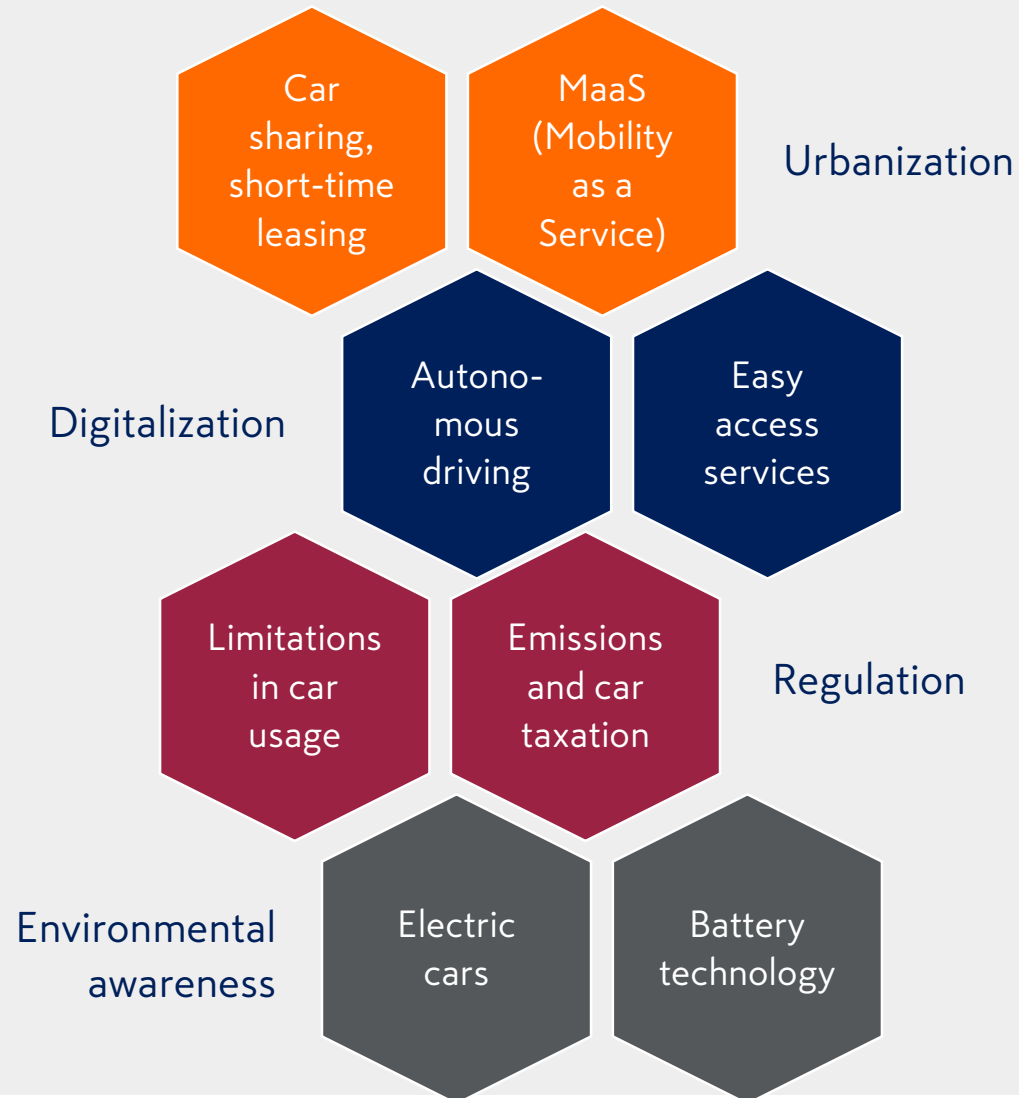




Car Trade Renewal



Megatrends in Car Industry



Volkswagen Group Strategy: "Together 2025"

“New Group strategy will clear the way for transforming one of the world’s best carmakers into one of the world’s leading providers of sustainable mobility.” (M. Müller)

“VW to invest billions over the coming years in a major electrification initiative second to none in the industry as well as in autonomous driving, digitalization and new business fields such as mobility services.”



Volkswagen Group Strategy: "Together 2025"

Electric and autonomous vehicles

- 30 new pure-electric vehicles by 2025
- 20-25% of total sales electric vehicles by 2025
- Full autonomous vehicles with self driving system (SDS) developed in-house from 2021

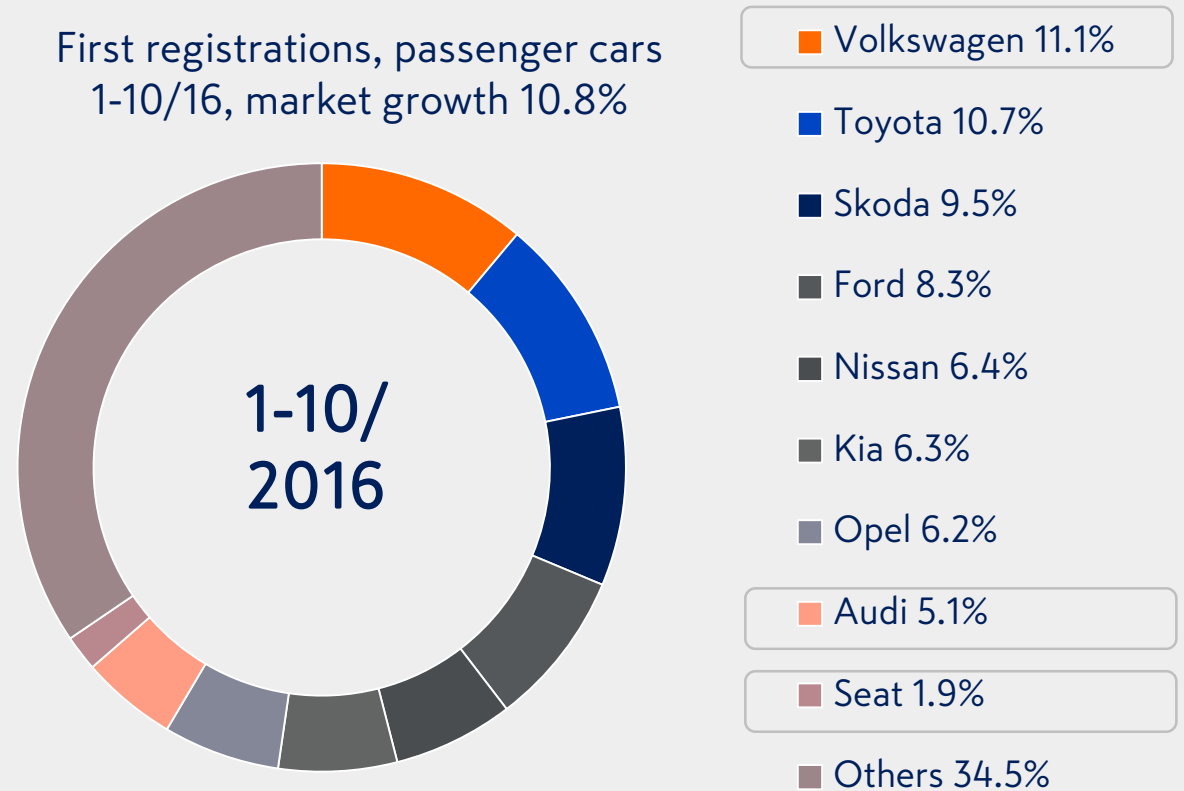
New Mobility Services

- Strategic partnership with GETT, a ride hailing service
- New services such as robo-taxis, car sharing and on-demand transport



Car Trade and Finnish Car Market

- Kesko car trade sales €800m
 - Own retailing 52%
 - Import sales to dealers 48%
 - New cars app. 23,000
 - Used cars app. 7,000
- Kesko car trade market share app. 20%
 - High market share ensures well-performing after sales
- Profitable growth from used car sales, including e-commerce

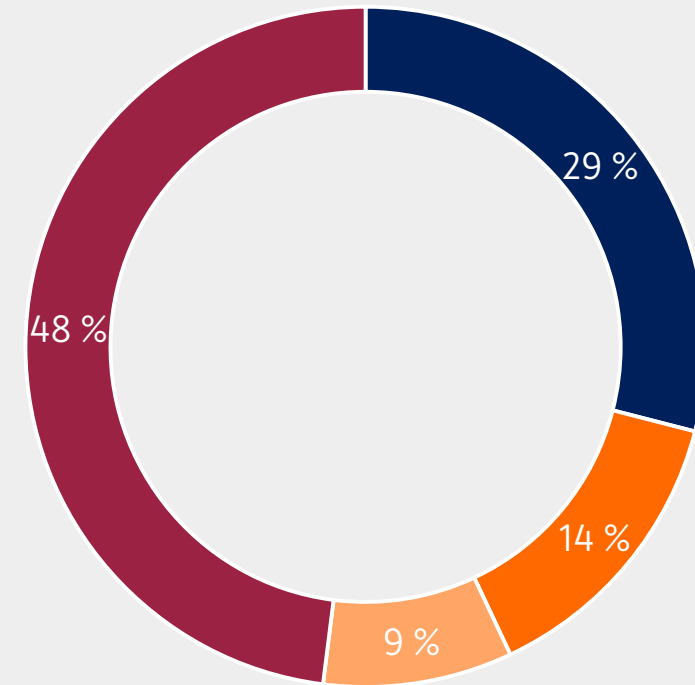


K-Group's car trade

Q4/2015-Q3/2016

Net sales	€805m
Operating profit*	€26m
Operating margin*	3.2%
Return on capital employed*	22.0%

* Comparable



■ New car retailing

■ Used car retailing

■ After sales

■ Importing / sales to dealers

Strategy in Car Trade



Deepening cooperation with Volkswagen Group



Increasing the services business



Developing the multichannel customer experience

VV-Auto on Growth Path

- VV-Auto's sales growth +10%, retail sales growth +13%
- Used car sales growth +20%
- After sales growth in sales +8%
- Increase in SEAT registrations +38%
- Increase in MAN truck registrations +63%



All figures 1-10/2016 compared to the previous year

Car Trade Is Omnichannel Business

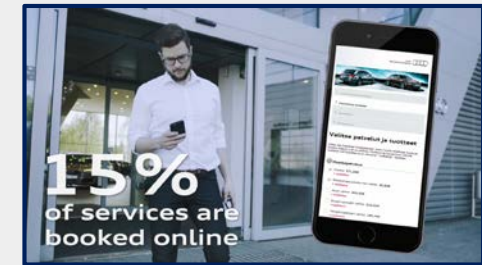
+40%

Growth of new cars sold via chat service



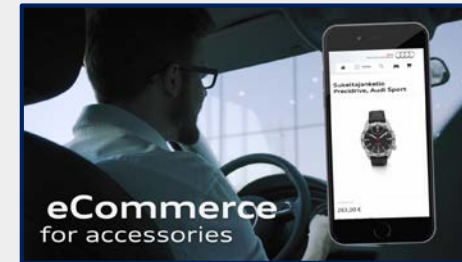
€10m

Sales value of services via online bookings



25%

Share of totally new customers in accessories e-commerce



300

Number of used cars sold in e-commerce caara.fi. Modern and innovative mobility solutions to follow





Financial Impacts of Acquisition



Financial Impacts of the Acquisition

- 2015 net sales of the business being acquired were €49 million and the operating profit was €3.3 million
- Acquisition price, structured as a share purchase, is app. €27 million
- The acquisition to be paid in cash will be funded by Kesko's liquid assets and available debt financing reserves
- The addition of Porsche to the selection will increase sales and improve car trade profitability
- The acquisition does not have an impact on Kesko Group's outlook
- The completion of the acquisition is subject to the approval of the competition authorities and the fulfilment of the other terms and conditions of the transaction. The acquisition is estimated to be completed within 2016



For shopping
to be fun