Finnish Grocery Trade in 2007–2008

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Government programme focusing on productivity and employment

Chairman **Antti Sippola** | Finnish Grocery Trade Association

■ In the Government programme for 2007–2011, the main aims from the grocery and department store trade perspective focus on the improved operative conditions of not only the trade sector, but the entire supply chain.

Trade continues to be a rigidly regulated sector. The major constraints are related to opening hours, product offer and town plans. Despite the diverse forms of regulation, trading is expected to be conducted efficiently and responsibly, respecting the rules of open competition. However, the constraints have an opposite impact on the operating conditions of trade.

The grocery trade is something everybody is familiar with, and the decision-makers' personal experience and needs also underpin their opinions. A major actor and part of an even larger delivery chain, the trade depends on the decision-makers' feelings. Decision-making is not based on consumer policy or national economy grounds.

It is the task of the trade sector to provide consumers with products and services at the right time and place for them to run their everyday affairs. The benefits thus created must be seen from the perspective of the entire supply chain and economy.

The operating conditions of trade are best secured by a business policy aiming at an increase in the sector's productivity and the consumers' purchasing power, as well as at the consumers' continual confidence in the future of their own economies. The trend in the volume of trade is directly proportional to the increase in purchasing power. In turn, a favourable development in this sector will have an impact on other economic activities. As shown by the statistics over the past few years, growth in the trade volume is directly linked with an increase in employment rates.

In order to improve the trade's operating conditions and boost the increase in its productivity, the country needs during this Government's mandate a policy targeted at deregulation and opening up the goods market. We have every reason to expect deregulation actions from the Government, because its economic strategy is based on an increase in productivity and employment.

Growth in productivity and employment rate calls for updated approach to regulation of trade

Managing Director **Osmo Laine** | Finnish Grocery Trade Association

■ The economic strategy of Prime Minister Matti Vanhanen's new government is based on an increase in productivity and employment rate. According to the surveys by Professor Matti Pohjola, the productivity of Finnish trade, and that of the other EU countries, shows a slower trend than in the US. This is explained by a slower introduction of new technologies. Delayed introduction of technology is a result of tougher trade regulation.

The programme of Matti Vanhanen's new government also refers to an action plan for improved regulation. The government's programme thus envisages, in principle, the chance to conduct a business policy that would ensure the continued competitiveness of the Finnish grocery trade and the entire food supply chain, insisted on by the grocery trade sector for a number of years.

Updating trade regulations

Retail stores open on Sundays all year round

The government's programme contains a promise to clarify the regulation of the retail stores' opening hours. The Finnish Grocery Trade Association finds that "clarifying" should mean the extension of the Sunday opening hour option for the entire year. All-year Sunday opening will improve customer service and productivity of trade, as well as increase employment and the competitiveness of domestic production.

Extending the all-year Sunday opening opportunity to all stores is also vital for the credibility of the Government's business policy.

Introduction of self-care medicines into grocery stores

Self-care medicines sold without prescription suit the service and offer provided by grocery stores. The experience of the sales of nicotine products further emphasises this view.

Permitting the sales of non-prescription medicines, such as painkillers and gastrointestinal products, in the grocery stores would improve customer service, boost competition and lower the consumer prices of medicines. Self-care medicines have already been introduced to grocery stores in Denmark and Norway, and the experience is positive.

Mild alcoholic beverages to grocery stores

The sales of mild wines in grocery stores would improve customer service and have a positive impact on the productivity and competitiveness of the Finnish grocery trade. Updating the rules that regulate the Finnish licensed sales of alcohol would also safeguard a comprehensive neighbourhood store network to meet the ageing population's needs

The large-scale grocery stores that currently have a state monopoly Alko store operating in the same premises, have increased their sales by 10–15 %, while the small neighbourhood stores do not have access to this purchasing power.

Regulated construction is an obstacle to competition

The stipulations of the legislation on land use and building hamper the construction of Finnish supermarkets and hypermarkets with their vast product offer and inexpensive prices. This also has an impact on the productivity and competition of the retail grocery trade as well as on the competitiveness of the Finnish food industry.

The regulation of retail construction must be updated. Set by the Land Use and Building Act at 2,000 sq m floor area, the minimum limit of a large retail unit must first be increased to 2,500 sq m sales area, today's minimum definition of a hypermarket, which translates into over 3,500 sq m floor area.

High indirect tax rates weaken position of grocery trade and consumers

First step is lowering VAT on food to 12%

The Government programme promises to lower Finland's 17% VAT on food, higher than other EU countries, to 12%. This was the computational tax rate before Finland joined the EU.

According to the survey by Pellervon taloudellinen tutkimuslaitos PTT (research institute) and the Government Institute for Economic Research, the lower income bracket households would gain most from a lower VAT rate as their purchasing power would be directly increased. This would make the Finnish food offer more versatile, improving both the competitiveness of the entire food chain and the rate of employment. The final aim is to lower the VAT on food to a level that would correspond to the average EU tax rate, or 7%.

Finnish tax on medium strength beer should still go down

The calculatory decrease of beer tax by 32% in March 2004 translated to a 15% decrease in retail prices. Due to the tough competition in the grocery trade sector and the pressure from tax-free sales, the price of beer dropped much more than that in practice.

As the Estonian tax on beer is only 18 cents per litre, the Finnish beer tax cannot be increased. Instead, the current tax on medium strength beer must be further lowered from today's 90 euro cent per litre to 60 cents. Any planned increase in alcohol taxes should be targeted at strong alcoholic beverages, restoring the earlier relationship of mild versus strong alcoholic beverages in terms of taxation.

Fact or fiction?

	Right	Wrong
Liberalisation of store opening hours will kill small neighbourhood stores	☐	✗
Selling wine in grocery stores would make sense from a public health perspective	✓	☐
Only pharmacies can sell self-care medicines safely	☐	✗
More liberal commercial construction will cut down local services	☐	✗
Consumers will benefit most from lower VAT on food	✓	☐
Lower tax on beer will decrease tax-free imports	✓	☐

Grocery trade and society

Grocery trade – primary service provider

Finland has a versatile grocery store network which serves the customers in their different life situations and carries its share of the responsibility for national food supply. The Finnish grocery trade is faced with great challenges due to internal immigration and the changes in the age structure and consumption habits of the population. The grocery trade chains develop their services in the cities, smaller population centres, as well as in the country's sparsely populated areas.

Grocery trade as employer

In 2006, the trade sector employed 258,300 on average, 300 more than in 2005. The retail trade employed 135,500, wholesale 82,500, car sales 18,000 and petrol sales 6,000. (Source: Federation of Finnish Commerce)

Central role played by grocery trade

In 2006, the retail grocery trade employed over 50,000 while 22,000 of those were employed by the department stores. About 20,000 were employed in grocery-related wholesale and logistics.

The trade must meet the changing service needs of its customers. Indeed, opening hours have been extended and the staff's work hours increased in the evenings and weekends which have the highest customer volumes.

The great variation in labour need has increased the work hours of part-time workers, in particular.

Among the employees in the grocery trade in 2006, 50% were part-time workers while the corresponding share in department stores was 65%. In the entire retail sector, part-time workers accounted for 38% of the employees in 2006. 50% of the part-time employees work 30–34 hours per week. (Source: Federation of Finnish Commerce/Finnish Grocery Trade Association)

Developing training in sector

The consumers appreciate good service more than ever, and trade can offer new, interesting full or part-time job opportunities to service-minded young people. The development of e-trading and more versatile service in trade further increase job opportunities in this sector.

The Finnish commerce and trade operators have launched a project aiming at a reformed business college diploma to meet the changing needs of the retail sector. The retail-focused training programme started in four pilot institutes in autumn 2002. In 2004, several new institutes adopted the training programme. In future, almost all of the 70 Finnish commercial institutes should provide tailored training for the retail-focused qualification both at the upper secondary level and in adult education.

The Finnish Grocery Trade Association is actively participating in a project for a development centre of commercial training, launched in April 2006. The basic idea is to develop commercial training on a long-term and target-oriented basis. Through a clear division of labour and networking, the operations will comprise business colleges and adult education centres, as well as specialised institutes of learning. All the grocery trade chains are also in the networks.

Grocery trade and groceries

The Nordic term for groceries, or päivittäistavara (daglivara), literally "daily goods", refers not only to food but also other consumer goods and groceries used daily, and bought by the consumers together with their food. Thus the term 'groceries' includes food, beverages, tobacco products, detergents and other cleaning products, household paper and tissue products, newspapers and magazines and daily cosmetics.

The term 'grocery store' usually refers to a store, mostly a self-service market offering the entire grocery selection. Food accounts for about 80% of the grocery sales.

In Finland, groceries other than consumer goods are referred to as either specialty goods or consumer goods. 'Specialty goods' is used by the specialised retailers while hypermarkets and department stores refer to 'consumer goods'.

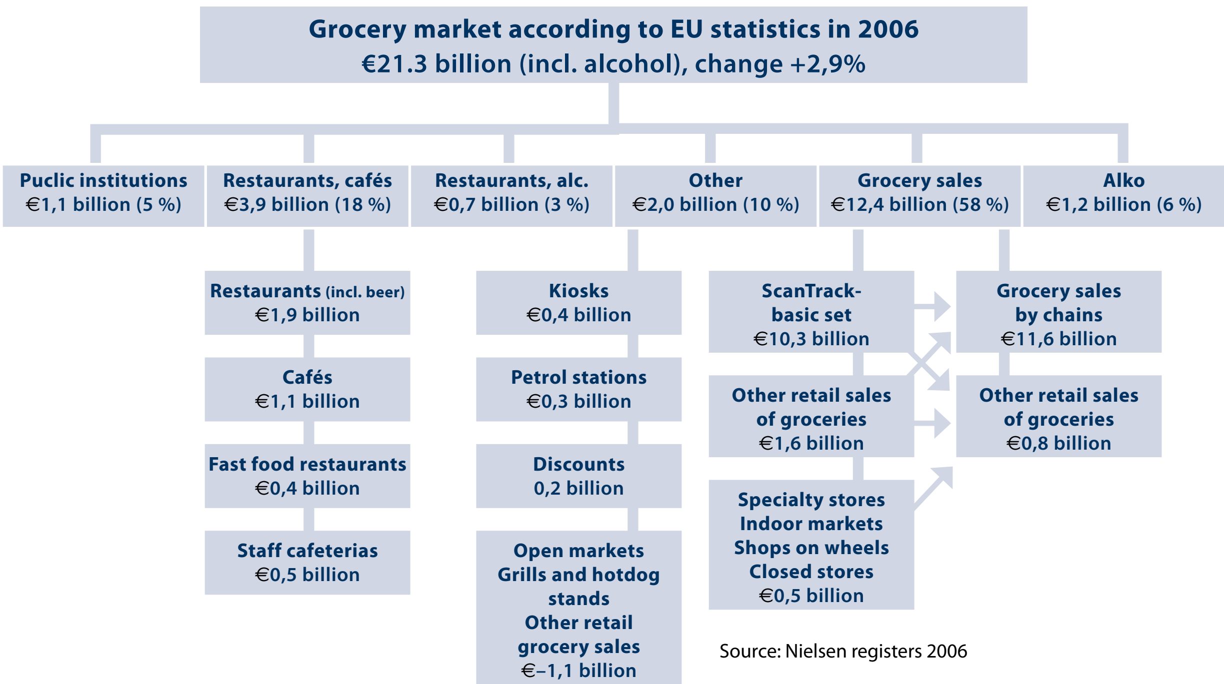
In Sweden, there is also the term 'trade in infrequently purchased goods' (sällanköpsvaruhandel) which includes clothing, furniture, electronics and sports articles. More illustrative than 'consumer goods' and 'specialty goods', the term is consumer-oriented, indicating the importance of the access to these stores from the consumer's point of view. The differences in the meanings should be recognised in the debate on regulation, including opening hours and construction.

Finnish grocery trade market

The Finnish grocery trade market is traditionally described starting from the retail sales of groceries. However, market sales are just part of a wide field characterised by constant change and internal competition.

Besides the full-selection markets, the retail grocery trade (€12.4 billion) comprises the grocery sales of specialised food retail stores, kiosks, petrol stations, discount stores and open-air marketplaces. The grocery market also includes the daily food supplies of the public institutions, typical customers of the hotel, restaurant and catering (HoReCa) wholesalers, as well as the sales by other customers, including the restaurants, cafés and staff cafeterias in the private sector. The retail sales of alcoholic beverages are also classified under grocery trade in the EU statistics.

According to this method of calculation, the value of the Finnish grocery market was over 21 billion euro (€21.3) in 2006.



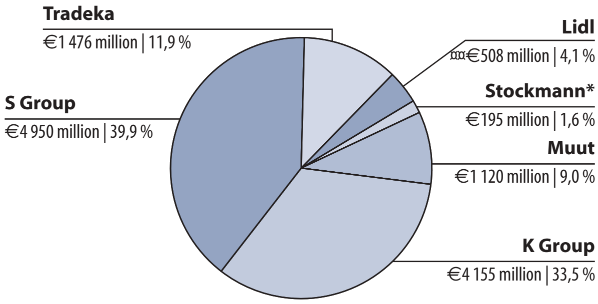
Source: Nielsen registers 2006

Grocery trade groups and chains

The Finnish grocery trade is characterised by a strong presence of chains as well as by centralised purchasing and logistics. The three largest groupings account for 85.3% of the retail grocery market. The situation is the same in other Nordic countries; it is felt that the volumes must be big enough to be sufficiently efficient in the vast, sparsely populated countries. Poorer cost-efficiency would lead to higher prices, smaller selection and poorer service and access.

Foreign competition and the enlargement of the EU to the Baltic countries has made the Finnish grocery trade part of the EU common market. In the future, the consolidation of the Finnish grocery market must be reflected against the Baltic and western Russian market.

Market shares of the Finnish grocery trade groups in 2006, total sales €12,404 million



Source: A.C. Nielsen Finland Oy and FGTA*

S Group

The S Group comprises the co-operative enterprises and Suomen Osuuskauppojen Keskuskunta (SOK Corporation) with its subsidiaries.

The S Group provides services for supermarkets, the petrol station store and fuel trade, department stores and speciality stores, the hotel and restaurant business, the car and car accessories trade as well as the agricultural trade. The S Group has 1,480 points of sale in Finland. Moreover, the Group is involved in market trade, tourism and catering and car sales in the Baltic. At present, the Group has three hotel projects underway in St. Petersburg. The Group's bank, S-pankki Oy, will start up towards the end of 2007.

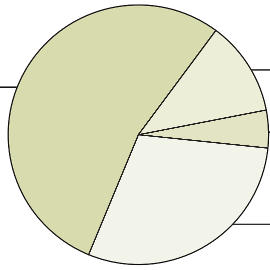
SOK Corporation's subsidiary Inex Partners Oy is a grocery purchasing and logistics company while Intrade Partners Oy, which focuses on consumer goods, is the purchasing and logistics company for the S Group chains. North European Oil Trade Oy is a liquid fuel purchasing company owned by SOK Corporation and Greeni Oy.

National chain brands

Prisma, S-market, Sale and Alepa; Kodin Terra, ABC, Sokos and Emotion; Sokos Hotels and Radisson SAS Hotels and Holiday Club Spa Hotels; Rosso, Rosso Express, Fransmanni, Amarillo, Sevilla, Torero, Buffa, Memphis, Night, Public Corner, Coffee House and Presso; S-Rautamarket, Agrimarket and Multasormi.

www.s-kanava.fi

Breakdown of the grocery sales of the S Group by chain in 2006 (€4,950 million)



Source: A.C. Nielsen Finland Oy

SOK Corporation Management, Market and department store trade

Chairman and CEO **Arto Hiltunen**

Market Chain Management:

Director, Fresh food & Grocery retailing **Jukka Ojapelto**
Director, Prisma Chain **Leena Laitinen**
Director, Information Management **Irja Simola**
Manager, Store Planning **Esa Tötterman**
Manager, Places of Business **Juhani Virtanen**

Sokos Chain Management:

Chain Director, Sokos and Emotion Chains **Heli Uusisuo**
Sales Manager, cosmetics **Tuija Salmi**
Sales Manager, men's clothing, footwear, sports, outdoor, leisure **Ilkka Brander**
Sales Manager, women's fashion, footwear and lingerie **Päivi Juntunen**
Sales Manager, home and children **Juha Thilman**
Ketjupäällikkö, Emotion **Pauliina Heikkilä**
Manager, Information Management and Logistics **Laura Ruuskanen**
Business Controller **Saija Kotkas**

Suomen Spar plc became a SOK Corporation subsidiary on 12 January 2006, and on 18 May 2006 SOK Corporation acquired the full ownership of Spar. After 18 May 2006, the Spar Finland plc's series A and K shares were no longer listed in the I list of the Helsinki Exchange. Through the amendment of the Articles of Association, registered on 30 June 2005, Spar Finland plc changed from a publicly listed company to a limited liability company, Spar Finland Ltd.

The aim of SOK Corporation is to gradually consolidate the Spar stores, partly owned by Spar Finland Ltd and partly managed by private Spar retailers on the basis of co-operation agreements, into the S Group market chain composed of regional co-operatives. Stores excluded from the consolidation process will be sold by Spar Finland Ltd to outsiders, or they will be wound up.

Spar Finland Ltd serves the retail stores operating under the Spar brand as their grocery wholesaler, renting the business premises and store furniture and providing them with marketing, real estate and other support services. The retail stores of the Spar Group use the Spar chain brand. Independent retailer-entrepreneurs run the daily store operations. The logistics company Inex Partners Oy is in charge of the material functions of the Spar Group.

www.spar.fi

Executive Officers

CEO **Jouko Vuoti**
Director of Finance; financing, IT and staff **Timo Säiläkivi**
Field Manager, store operations and product management **Pertti Palosaari**
Manager, places of business **Mikko Ojutkangas**

K Group

Kesko Food is responsible for the development, efficiency and competitiveness of the service concepts, Kesko Food operates in the grocery market. Its main responsibilities include chain management, store concept development, purchasing and logistics services, chain marketing as well as the acquisition of places of business. A K-food storekeeper is responsible for offering the best services locally, and for the efficiency and profitability of the individual store. Kesko Food promotes service competencies in collaboration with the K grocery stores.

Retail chains

Comprising the whole range from hypermarket to neighbourhood stores, the offer of the K-food store concept covers the consumers' divergent needs. K-food stores have about 750,000 customers every day. The main characteristics and customer promises of the K-food store concepts are the following:

K-citymarket is a versatile and low-priced hypermarket, with the extensive offer comprising both groceries as well as home and specialty products. The customer promise of the K-citymarket chain is "Best brands, one-stop shopping at low prices".

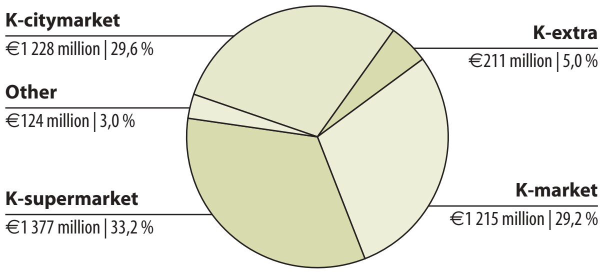
K-supermarkets' competitive advantages include food expertise as well as wide and versatile selections of fresh products. The K-supermarket chain's customer promise is "A better than average food store".

K-markets are high-quality and reliable food stores in or near the customers' neighbourhoods. Shopping at K-markets is easy and fast. Many service and petrol stations have a K-market on their premises. The offering consists of competitively priced groceries. K-market retailers and their staff ensure friendly service. The customer promise is "Retailer takes care of it".

K-extra stores are corner shops in which customers can find daily essentials and which focus on personal service. Additionally, as the name implies, many K-extras located in the countryside offer extra services, such as the sale of agricultural and builders' supplies, fuel distribution, lottery and postal services. The customer promise of the K-extra chain is "Good service for you".

www.kesko.fi

Breakdown of the grocery sales of the K Group by chain in 2006 (€4,155 million)



Source: A.C. Nielsen Finland Oy

Management

President **Terho Kalliokoski**

Vice President, K-citymarket, food products **Mika Rautiainen**

Vice President, Citymarket Oy **Juha Ahtinen**

Vice President, K-supermarket **Minna Kurunsaari**

Vice President, K-market chain unit, K-market and K-extra **Ari Svensk**

Vice President, Commerce **Ari Akseli**

Vice President, Customer Relationship **Pasi Mäkinen**

Vice President, Retail Services **Kari Heiskanen**

Vice President, Logistics and Finance **Petteri Niemi**

K Retailer Federation

The K Retailer Federation is the retailers' co-operation and interest organisation. Its main mission is to develop and improve K-retailer entrepreneurship. Through their sector-specific associations, the K retailers (about 1,300) are members of the K Retailer Federation. Each chain has a Board composed of K retailers, constituting a channel for individual retailers to influence the development of their chain.

www.k-kauppiasliitto.fi

Board of Directors

Chairman **Pentti Kalliala**

Vice Chairman **Tapio Särkilahti**

Chairman, K-food store association **Esa Kiiskinen**

Vice Chairman, K-food store association **Kari Salminen**

Vice Chairman, K-food store association **Olli Runokangas**

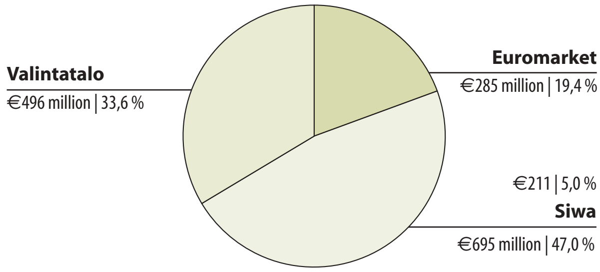
Toimitusjohtaja, K-kauppiasliitto ry **Matti Mettälä**

Tradeka Oy

Tradeka Ltd is a nationwide and centrally managed chain company. With a network of 750 stores, Tradeka's store brands are Siwa, Valintatalo and Euromarket. In addition, Trade runs three stores in St. Petersburg. The purchasing services related to imported and industrial food as well as logistics services are provided by Tuko Logistics Oy.

www.tradeka.fi

Breakdown of the grocery sales of Tradeka by chain in 2006 (€1,476 million)



Source: A.C. Nielsen Finland Oy

Executive Officers

Temporary President and CEO **Antti Remes**
Vice President, Siwa Chain **Veijo Heinonen**
Vice President, Valintatalo Chain **Niclas Ahlbom**
Vice President, Euromarket Chain **Juhani Mast**
Director, Commerce **Jussi Tolvanen**
Vice President, Business Development **Jaana Lehto**
Marketing Director **Kari Luoto**
Vice President, CFO **Timo Purosalo**

Wihuri Oy

Wihuri Group company is an international Finnish multibranch company engaged in industry and trade. Its four divisions are packaging, Wihuri Oy Aarnio, Technical Trade and Specialty Products and Services

Wihuri Oy Aarnio is engaged in the nationwide wholesale of groceries to large-scale kitchens and distributor customers through the Metro chain. One of Finland's leaders in this branch, Metro provides comprehensive supply services throughout the country, using its wholesale units and 31 Metro cash-and-carry outlets. Tuko Logistics Oy is in charge of Wihuri's product purchasing and logistics. Moreover, Wihuri Oy Aarnio manages and develops the Tarmo neighbourhood store and Kymppi chain concepts based on entrepreneur-grocers.

www.wihuri.fi | www.metrotukku.com

Executive Officers

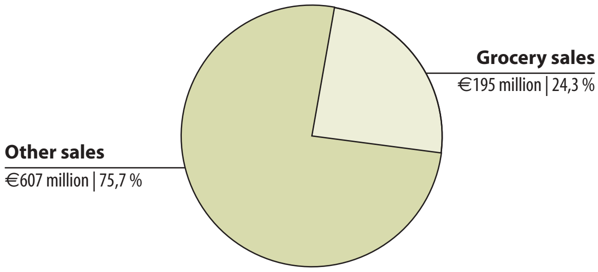
Director of Division **Leena Syrjälä**
Director, Sales **Juha Mattila**
Director, Commerce **Riku Nykänen**
Director of Finance **Tapio Räsänen**
HR Manager **Jaana Kautto**

Stockmann Oyj Abp

Stockmann is a Finnish listed company operating in several retail sectors and engaged in grocery retailing through its department stores in Finland, Russia, Estonia and Latvia. The food departments of the Stockmann department stores are known under the name Stockmann Delicatessen. The purchasing channels include Stockmann's own food purchasing and Tuko Logistics Oy.

www.stockmann.com

Combined sales of the Stockmann Group Department Store Division (€802 million)



Source: FGTA

Department Store Division, Management Committee

Executive vice president, responsible for the Department Store Division **Heikki Väänänen**

Marketing Director **Maaret Kuisma**

Development Director for the Group's international operations **Jussi Kuutsa**

Buying Director, International Operations **Kirsti Manninen**

Director of Administration **Risto Penttilä**

Buying Director, fashion **Tiina Railio**

Director for International Operations department stores **Maisa Romanainen**

Director, department stores in Finland and the Helsinki department store **Karl Stockmann**

Buying Director, non-fashion goods **Raija-Leena Söderholm**

Executive assistant, Management Committee's secretary **Johanna Tarkiainen**

Rautakirja Oy

Rautakirja is engaged in grocery retailing through its R-Kiosk chain. The R-Kiosks form a nationwide centrally-administered chain of kiosk/corner shop outlets, offering consumers entertainment, excitement and pleasure alongside basic everyday consumer items and services from morning until late evening.

There are over 700 R-Kiosks in Finland, with about one third operating under the franchising concept while two thirds are run by the company. Moreover, Rautakirja has a subsidiary in Estonia (200 R-Kiosks) and Lithuania (over 500 kiosks), as well as a joint venture in Latvia (over 400 kiosks).

R-Kiosk makes direct product purchases from the industry. In addition to the R-Kiosks, the major Finnish Rautakirja branches are Lehtipiste, Suomalainen Kirjakauppa and Finnkino.

www.rautakirja.fi

Executive Officers

President and CEO **Erkki Järvinen**

Senior Vice President, Kiosk **Markku Pelkonen**

Senior Vice President, Press **Raimo Kurri**

Senior Vice President, Bookstores **Jarmo Oksaharju**

Senior Vice President, Special Trade Division **Timo Mänty**

Senior Vice President, CFO **Hellevi Kekäläinen**

Senior Vice President, Development **Jukka Nikkinen**

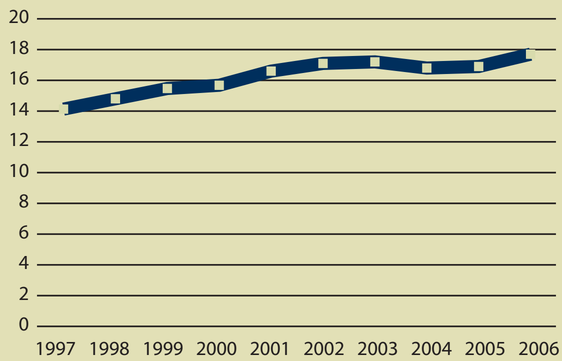
Key indicators for 2006

Grocery retail sales €21,404 million

Value of sales, growth rate	4.2 %
Volume of sales, growth rate	3.0 %
Sales per inhabitant	€2,279
Retail sales of groceries	€5,157
€/household (number of households in 2003)	
Number of stores (markets)	3 364
plus specialty product groceries	549
Total surface of grocery trade	1.9 million sq m
Average sales per sq m	€6,165/ sq m
Inhabitants/grocery store	1,339

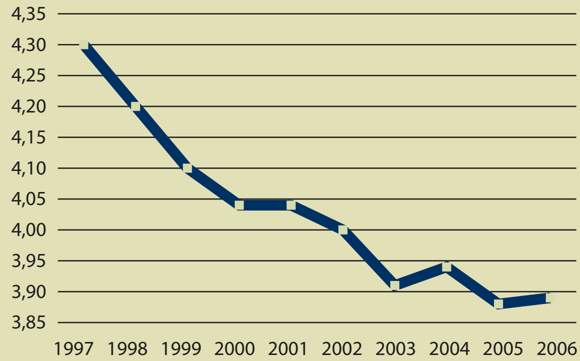
Source: ACNielsen Finland Oy, Statistics Finland

Average purchase (euro/purchase) in 1997–2006



Source: ACNielsen Finland Oy Consumer panel

Grocery store visits/household/week = "buying frequency* in 1997–2006



Source: ACNielsen Finland Oy Consumer panel

Major criteria of choice of main grocery store used (2–3 most important factors)

share in percentage of households

	2006	2005	2004
Proximity	58	56	54
Selection	40	34	37
Loyal customer benefits	38	36	35
Price/quality ratio	37	36	34
Ease/speed of shopping	32	30	26
Price level	29	27	26
Freshness of products	15	18	18
Opening hours	11	14	14
Service-minded staff	10	12	14
Parking facilities	10	11	11
Service counters	8	8	8

Source: ACNielsen Finland Oy Consumer panel

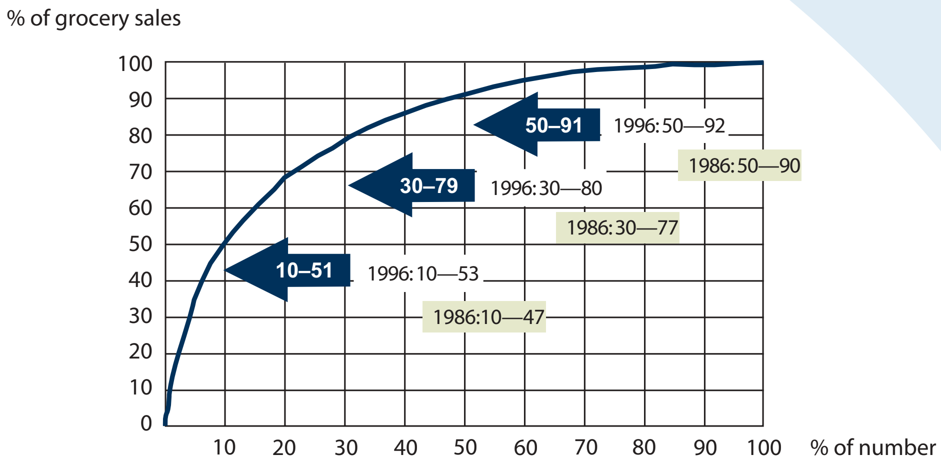
Structural change in grocery trade

The major competitive edge of grocery trade is efficiency. Compared to smaller units, large-scale stores excel in this respect. The efficiency aims at promoting the structural change in the sector, or the growth in store size and decrease in the number of stores. Other factors influencing the structural change are not only the migration within the country towards the cities and the increased use of cars, but foremost the growth in the offer as a reaction to increasing consumption, as well as the IT development that makes it possible to manage such growth.

There were 3,364 market-size stores in 2006 compared to 9,398 in 1978.

The “efficiency curve” of the grocery stores proves how significant the large-scale food stores are for the consumers and for the entire supply chain of groceries. 30% of the stores account for 79% of the grocery sales ‘while half of all stores only sell about 9% of the total sales. Corner shops lose purchasing power to large stores due to the Alko stores and pharmacies operating in the same premises. To maintain the services of the corner shops, the sales of mild alcoholic beverages and self-care medicines in grocery stores should be permitted.

Efficiency curve of grocery stores



Source: ACNielsen Finland Oy

Grocery store sales, change in value and volume in 1993–2006

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of markets	5195	4818	4597	4351	4184	4026	3858	3697	3555	3533	3529	3584	3532	3364
Total number	6013	5661	5384	4966	4714	4678	4511	4325	4165	4163	4129	4192	4109	3942
Sales € million	8372	8520	8388	8599	8904	9277	9466	9681	10364	10948	11265	11529	11601	12028
Change in value, %	0,2 %	1,8 %	-1,6 %	2,5 %	3,5 %	4,2 %	2,0 %	2,3 %	7,1 %	5,1 %	3,3 %	1,7 %	2,3 %	4,2%
Change in volume, %	-1,0 %	1,5 %	4,3 %	2,6 %	2,0 %	2,0 %	2,0 %	1,2 %	2,6 %	2,4 %	2,7 %	3,3 %	2,4 %	3,0%

Source: ACNielsen Finland Oy

Number of stores broken down by type and group in 2006

Type of store	K Group	Other private	S Group	Tradeka	Total 1 Jan 2007
Hypermarkets	54	0	47	26	127
Department stores	32	75	18	0	125
Supermarkets, large	168	126	222	6	522
Supermarkets, small	175	32	191	59	457
Self-service markets, large	356	93	300	335	1084
Self-service markets, small	127	158	68	225	578
Small stores	106	246	23	96	471
Specialty stores	0	549	0	0	549
Stores in indoor markets	0	29	0	0	29
Total on 1 Jan 2007	**1018**	**1308**	**869**	**747**	**3942**
Shops on wheels and boats	14	27	5	0	46
Wound up (factual)	38	186	12	43	279
Wound up (change of group)	13	153	2	2	170

Source: ACNielsen Finland Oy

Sales of groceries by type of store in 1999–2006 (in € million)

Type of store	1999	2000	2001*	2002	2003	2004	2005**	2006
Hypermarkets	1962	2092	2338	2534	2618	2692	2772	2984
Department stores	712	691	443	509	549	585	611	615
Supermarkets, large	2415	2661	3118	3275	3458	3718	3789	3984
Supermarkets, small	2121	2006	1944	1913	1838	1665	1648	1615
Self-service markets, large	1370	1410	1693	1879	1921	1986	1916	1950
Self-service markets, small	520	485	512	513	536	515	490	481
Small stores	210	191	172	173	194	212	216	238
Specialty stores, indoor markets	156	145	144	152	151	155	158	160
Total on 1 Jan 2006	9466	9681	10364	10948	11265	11529	11600	12028
Shops on wheels and boats	37	33	31	27	23	20	18	16
Wound up	102	141	119	72	120	90	289	359
Total	**9605**	**9855**	**10515**	**11047**	**11407**	**11639**	**11907**	**12404**

Source: ACNielsen Finland Oy

* ot comparable with previous years
** As concerns hypermarkets, classification of store types has been adapted and is now based on chains, including Citymarket, Prisma and Euromarket. The criteria of other types remains unvaried. The table has been adapted retroactively.

Sales of groceries by chain in 2006
Total sales €12,404 million, 3,942 stores (including closed stores)

Group	Chain	Number of stores	Grocery sales in percentage	Grocery sales in € million	Average sales/ store, € million
K Group	K-citymarket	54	9,9 %	1228	23
	K-extra	222	1,7 %	211	1
	K-market	428	9,8 %	1215	3
	K-supermarket	152	11,1 %	1377	9
	Others	162	1,0 %	124	1
K Group, total		1018	33,5 %	4155	4
S Group	Prisma	47	11,8 %	1464	31
	S-market	414	21,5 %	2667	6
	Alepa + Sale	297	4,7 %	583	2
	Others	111	1,9 %	236	2
S Group, total		869	39,9 %	4950	6
Tradeka	Euromarket	26	2,3 %	285	11
	Siwa	538	5,6 %	695	1
	Valintatalo	183	4,0 %	496	3
	Ruokavarasto	0	0,0 %	0	0
	Sesto	0	0,0 %	0	0
Tradek, total		747	11,9 %	1476	2
Lidl		107	4,1 %	508	5
Stockmann*	Grocery sales, dpt stores	7	1,6 %	195	28
Others		1194	9,0 %	1120	1
All recorded in store register, total		**3942**	**100,0 %**	**12404**	**3**

Source: ACNielsen Finland Oy,*FGTA

Group	Chain	Number of stores	Grocery sales in € million	Average sales/ store, € million
Rautakirja	R-kioskit	720	258	0,3

Source: FGTA

Store types and definitions

1. Definition by size

Determining the sales area of stores

As the Act on Opening Hours entered into force in 2001, the current definition was ratified: sales area comprises the premises in which sales operations are conducted. The sales area is calculated according to the store walls so that it includes the service counters and the space behind them. The other end limiting the sales area is behind the cashier lines. Thus the sales area does not include the area behind the cashier line or draught lobby area at the entrance, nor the spaces with access to staff only, such as their locker rooms, or storage or warehouse areas.

Department store

A department store is a retail store selling a variety of articles in different categories, with a minimum sales area of 2,500 sq m. In a department store, no goods category accounts for over 50% of the total sales area. The departments carry a selection corresponding to that of a specialty store in the particular sector. A department store offers a high level of service, and the cash points are at the departments.
A department store can be located in city centres, outlying business centres or in shopping centres located elsewhere.

Hypermarket

A hypermarket is a retail store selling a variety of goods in different categories, operating mainly on self-service, with the sales area exceeding 2,500 sq m. Food accounts for less than half of the total area but the focus of sales is on groceries. A hypermarket can be located in or near city centres, in a shopping centre or in other areas with good traffic access.

Supermarket

A supermarket is a mainly self-service-oriented grocery store focusing on food, with at least 400 sq m sales area and food accounting for over half of the sales area. In the practical statistics of the sector, the supermarket stores are divided into the large ones with over 1,000 sq m and small with 400–1,000 sq m, generally also called markets.

Self-service store

Large self-service shops are grocery stores of 200–399 sq m while the small stores in this category have 100–199 sq m. The Sunday opening of a self-service store is permitted also in the areas covered by a town plan during the times defined in the Act. The term "corner shop" or "neighbourhood store" often refers to self-service stores.

Small store and kiosk

Small store and kiosk are grocery stores with less than 100 sq m sales area. The sales of a food kiosk can take place through a window or in the similar way as in a self-service store or one with a sales attendant.
The selection of a kiosk is limited under the Kiosk Statute but the opening hours are free in an area covered with a town plan.

Sources: Finnish grocery trade association and Kauppa 2005

2. Definition by mode of operation or location

Corner shop

A corner shop, or neighbourhood store, is normally small, close to the consumers and easily accessible on foot. These grocery stores are located in a residential neighbourhood. Although there is no actual minimum limit of sales area, a corner shop is normally a self-service store with less than 400 sq m. The corner shops normally comprise self-service stores, village grocery stores, soft discounts and kiosks.

Village grocery store

Village grocery stores are located in sparsely populated areas or small population centres, and their sales area is under 400 sq m and annual sales €2 million. Located outside the areas covered by town plans, these stores were liberated from any opening hour regulations in 1990.
(Source: Finnish Grocery Store Association)

Soft discount

Soft discounts are fully self-service-operated stores, and their selection is more limited than in other self-service stores (Alepa, Lidl, Sale, Siwa).

Convenience stores and service stations

Located in population centres and especially along the highways, the grocery sales of the convenience stores have significantly grown during the past few years. The principal reason for this trend is the advantageous location in population centre close to voluminous traffic flows, as well as the free opening hours granted to service stations and convenience stores.

Specialty shops

Product-specific specialty shops, indoor markets, direct sales, outdoor markets, shops on wheels or in boats are losing their share of the total market.

E-shopping

The sales of groceries over the Internet has not developed as expected, due to the unsolved logistics problems related to the distribution of food as well as the ban of the sales of medium strength beer over the Internet. The annual volume of e-sales of groceries is presently only € 10 million.

3. Definitions under the Land Use and Building Act

According to the Land Use and Building Act, a large-scale retail unit is a store with over 2,000 sq m floor area which, translated into sales area, is practically the same as a store with 1,300 sq m. The construction of a large-scale unit as referred to in the Land Use Act calls for a respective marking in the town plan, however, not if the unit in question is specialty store requiring a lot of space, such as a furniture or care store.

Village grocery stores by province

Over the past few years, the survival of village grocery stores has been promoted through investment subsidies granted by the Ministry of Trade and Industry, as well as the consultation project entitled "Vitality to Villages" run by the Ministry of Agriculture and Forestry. The aim is to pursue these projects and complement them with new village grocer training.

Store register 2006
Village grocery stores (excluding closed stores)

Province	Name of province	Number	Grocery sales in 2006, € million
1	Uusimaa	19	15,1
2	Varsinais-Suomi	51	23,4
3	Itä-Uusimaa (Eastern Uusimaa)	16	7,2
4	Satakunta	25	8,2
5	Kanta-Häme	15	7,4
6	Pirkanmaa	39	18,7
7	Päijät-Häme	12	4,8
8	Kymenlaakso	16	6,0
9	Etelä-Karjala (Southern Karelia)	17	7,9
10	Etelä-Savo (Southern Savo)	29	8,8
11	Pohjois-Savo (Northern Savo)	38	11,7
12	Pohjois-Karjala (Northern Karelia)	31	13,5
13	Keski-Suomi (Central Finland)	23	7,7
14	Etelä-Pohjanmaa (Southern Ostrobothnia)	45	13,3
15	Pohjanmaa (Ostrobothnia)	45	27,4
16	Keski-Pohjanmaa (Central Ostrobothnia)	13	9,7
17	Pohjois-Pohjanmaa (Northern Ostrobothnia)	47	27,9
18	Kainuu	18	5,9
19	Lappi (Lapland)	48	24,9
20	Ahvenanmaa (Åland islands)	16	9,2
Total		**563**	**258,7**

Source: ACNielsen Finland Oy

Grocery trade sector's joint self-regulating solutions

Ari Virnes

■ The vision of the Finnish Grocery Trade Association is to efficiently represent the interests of its member companies and the grocery trade sector in business policy and political decision-making. The aims of lobbying can only be reached when the interests are shared.

The retail group seeks to materialise this vision by promoting various projects. The main principle is very clear: to improve the trade operating conditions and eliminate unnecessary cost through deregulation in collaboration with the authorities and the entire food supply chain. 'An illustrative example of the joint interest and joint projects of the member companies are the self-regulating solutions developed for retail stores.

The food safety legislation requires that retailers must be aware of the health risks associated with the food products and their handling, as well as the critical food safety elements in their own operation. The food sector operators must compile a written plan of action, an auto-control plan, describing the measures needed to safeguard food safety and avoid health risks.

With reference to the quality strategy of the Ministry of Agriculture and Forestry, Finnish Grocery Trade Association published in 2005 uniform web-based auto-control instructions comprising the best practices in the sector, to be used by the member company stores. 'The instructions were compiled in collaboration with the authorities, and therefore they contain consistent legislative interpretations, thus harmonising the auto-control functions and requirements.

After 'issuing the instructions, the gathering of information and reporting related to auto-control procedures were developed and complemented by an auto-control databank which was also produced in collaboration with the authorities. 'The electronic database of the databank will replace the former "pen and paper" model used for the entry of auto-control recordings. The recordings stored in the system can be retrieved to constitute comprehensive reports on the level of auto-control not only for the stores and chains but also for the authorities. Financed by the Ministry's quality strategy funds, the databank became accessible for the stores in early 2007. The project continues at member company level so that the handheld terminals at the stores will be connected to the database which will make the entry of the auto-control result increasingly smooth and easy.

The most recent challenge faced by the reshuffled work group under Evira, the Finnish Food Safety Authority, is to develop a reporting and follow-up solution for the authorities. After the new Food Act became law, the control visits made by the authorities in the stores are no longer free. 'The web-based follow-up tool would make it possible for the authorities to carry out part of their supervision tasks at their offices, focusing their visits on stores that need particular support and instruction in the auto-control procedures. The work group is expected to complete its project by mid-2008.

In addition to food safety, the Finnish Grocery Trade Association is currently preparing two other auto-control plans. The work on the joint security instructions is well underway, while the work group focusing on slot machines, lotteries and pool betting started work in June 2007.

Ari Virnes was the head of the Kesko Food unit entitled "Joint efforts", chairing the Finnish Grocery Trade Association's retail group until summer 2007.

Kiosk trade

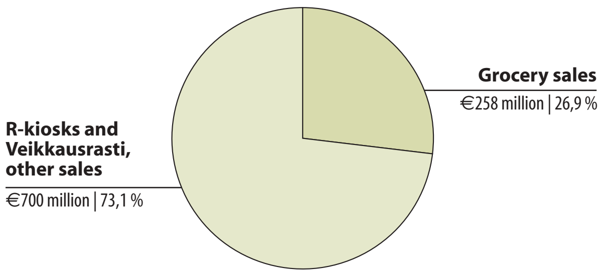
R-kiosks

The R-Kiosks form a nationwide kiosk chain which spearheads the kiosk-like convenience store operations. The strong competitive edge of the chain is the versatility of its product and service offer which distinguishes it from the competitors. According to a survey made by AC Nielsen, R-Kiosks account for almost 40% of kiosks, while their sales account for over 60% of the sales in the sector. In its size category, the chain is the Finland's busiest store chain by customer visits.

Serving people on the move has become one of the focal areas of R-Kiosks. For years, R-Kiosk has been the most important point of sale of commuter traffic season tickets. In spring 2006, the operations expanded as R-Kiosks started to sell Finnish Rail's (VR) tickets to long-distance trains. Matkahuolto's single bus tickets became available at R-Kiosks in spring 2007.

R-Kiosk will also become a neighbourhood point of service; through the ÄrräExpress operations, the consumer can pick up the goods ordered from mail catalogues from the closest R-Kiosk. Early in 2007, the ÄrräExpress system was complemented by the Ärräpaketti (paketti = package) concept whereby consumers can send a set-sized package from any R-Kiosk to another.

R-Kiosk and Veikkausrastit (pool betting) total sales €958 million



Source: FGTA

www.r-kioski.fi

Kymppi

Kymppi is a convenience store chain comprised of independent retailers, focusing on expertise and personal service. The Kymppi chain is managed and the concept is developed by Wihuri Oy Aarnio, one of the Wihuri Group's four division.

The points of sale of the Kymppi kiosks provide the customers with a versatile service selection, a product offer typical of the category, as well as fresh cafeteria products made from domestic ingredients. As the name suggests (Kymppi = ten), the kiosks are open from 10 am to 10 pm, and the majority of the outlets also offer the Veikkaus (Finnish lottery) online gaming products. Some of the Kymppi premises also have postal services.

Other non-group stores

Not part of any of the above groups, there were 1,301 other grocery stores in 2006, 369 more than in 2005. * Their sales were €1,628 million and share of the overall retail market 13.1%.

With the exception of Lidl and discount store chains, the main purchasing channels of the non-group stores are the HoReCa wholesalers or the cash-and-carry outlets.

* Comparison with 2005 is made difficult due to the winding up of the Spar Group chains (Spar and Eurospar) and their ongoing transfer to the S Group.

Department stores

Department stores account for a significant share of the market for consumer goods, especially in the clothing, home and leisure product categories.

Department store trade has faced increasingly tough competition from the foreign clothing chains opening in Finland. In the rapidly changing competitive situation, the department stores in city centres have a particular need to revise their business idea regarding consumer goods.

Finnish department store trade has been up to the renewal requirement, maintaining its competitiveness, unlike the European department stores in general. The growth of the sales of department stores and hypermarkets was 7.1% in 2006. Sales of clothing grew by 4.2%, home and leisure products by 7.4% and groceries by 8.1%.

Total sales (in € million), number and trend in sales in 2005 and 2006 of department stores owned by the Finnish Grocery Trade Association's member companies (VAT 0%)

KESKO	Number in 2005	Number in 2006	Sales in 2005	Sales in 2006	Change in %
Anttila	27	27	437	461	5,6
Citymarket	53	54	1353	1423	5,2
S GROUP					
Sokos	20	20	412	439	6,6
Prisma	47	47	1753	1928	10,0
TRADEKA					
Euromarket	21	21	295	320	8,4
STOCKMANN					
Stockmann	7	7	651	680	4,5
Total	**175**	**176**	**4 901**	**5 251**	**7,1**

Source: FGTA

Breakdown of sales (in € million) of the department stores owned by the Finnish Grocery Store Association's member companies in 2005 and 2006 (VAT 0%)

	Clothing			Home, leisure			Food			Total sales		
	2005	2006	Change%	2005	2006	Change%	2005	2006	Change%	2005	2006	Change%
KESKO												
Anttila	122	125	2,5	315	336	6,6				437	461	5,5
Citymarket	134	135	1,0	340	362	6,5	879	926	5,3	1353	1423	5,2
S GROUP												
Sokos	189	201	6,4	64	69	7,8	159	169	6,2	412	439	6,6
Prisma	121	127	4,9	507	564	11,2	1125	1238	10,0	1753	1928	10,0
TRADEKA												
Euromarket	29	28	-3,4	41	44	7,3	225	247	9,8	295	320	8,5
STOCKMANN												
Stockmann	296	312	5,4	218	219	0,5	136	149	9,5	651	680	4,5
Total	**891**	**928**	**4,2**	**1485**	**1594**	**7,3**	**2524**	**2729**	**8,1**	**4901**	**5251**	**7,1**

Source: FGTA

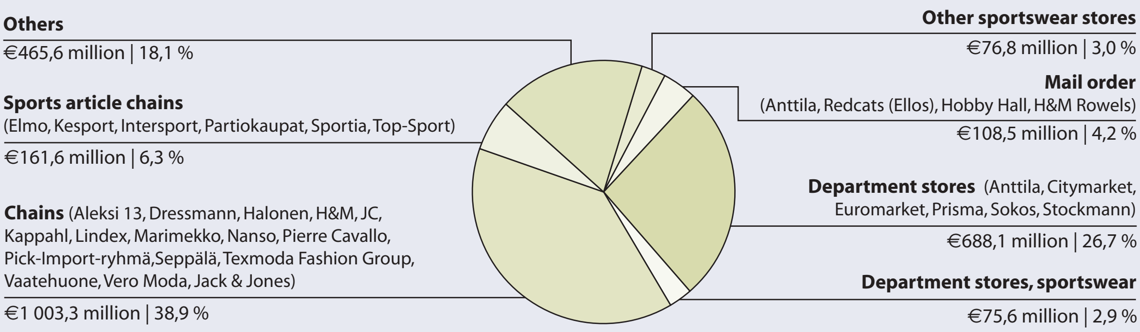
Clothing

According to the Association of Textile and Footwear Importers and Wholesalers, the clothing retails grew by 4.0% in Finland in 2006 although the contemporary price level drop was 2.3% as shown by Statistics Finland.

Footwear retails also grew by 4.0% in 2006. The sales of clothing articles by the department stores owned by the Finnish Grocery Trade Association's member companies increased by 29.6% in 2006.

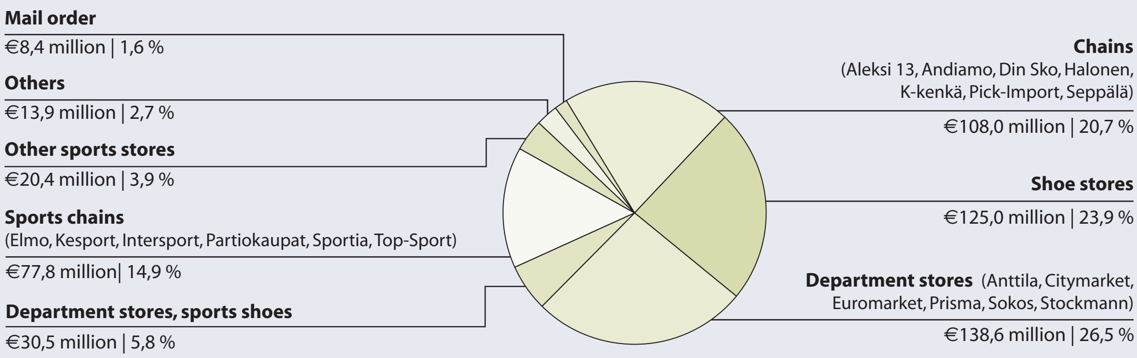
Department stores play a significant role not only in other consumer goods but also in the clothing and footwear trade.

Clothing sales in 2006
€2,579.2 million



Source: Association of Textile and Footwear Importers and Wholesalers

Footwear sales in 2006
€522.6 million



Source: Association of Textile and Footwear Importers and Wholesalers

International purchasing organisations in procurement of groceries

Finnish companies participate in several European joint purchasing organisations. The member companies of the Finnish Grocery Trade Association are involved in the following purchasing and procurement organisations:

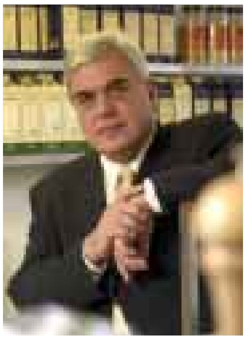
AMS Marketing Service BV

AMS Marketing Service By is the most important consortium of trading companies. Through efficient co-operation, such as joint purchases, AMS aims at creating synergies for its shareholders. Incorporated in 1988, AMS is domiciled in the Netherlands. The Finnish trade sector is represented in AMS by Kesko Food. Examples of the outcome of this co-operation include the Euro Shopper products.
www.ams-marketing.com

Coop Norden

Inex Partners Oy co-operates with Coop Norden.
www.coopnorden.com

HoReCa wholesale sector wants to rationalise service in supply of alcohol to customers



2006 marked a favourable year for the HoReCa sector. The growth in the consumers' purchasing power was reflected in the increase in meals consumed outside the home. According to statistics published by ACNielsen, the number of meals grew by 2% from 2005 while the combined supplies by the HoReCa wholesalers increased by about 3%. The favourable trend seems to persist in the early months of 2007: the demand outlook of food-serving restaurants remains reasonably good.

The 2007 development action plan of the HoReCa wholesaler group envisages various projects aiming at improved quality and efficiency of the entire HoReCa operating chain, in collaboration with other organisations in the sector. A special EFR or Efficient Foodservice Response work group has been instituted at ECR Finland to promote co-operation in the HoReCa sector.

Another important development project focuses on the liberalisation of B2B sales of alcoholic beverages. Most wines and strong alcoholic beverages destined for consumption in licensed premises are today delivered to the restaurants through the HoReCa wholesalers' distribution channels. However, Finnish legislation interprets B2B wholesales as part of the Alko retail monopoly. HoReCa wholesalers aim at providing a diversified service to their business customers, also with regard to alcoholic beverages delivered together with groceries.

Jouni Nurmi, CEO of Meira Nova Oy, chairs the HoReCa wholesaler group of the Finnish Grocery Trade Association.

HoReCa wholesale

HoReCa refers to Hotels, Restaurants and Catering. HoReCa is a growing segment of modern food and beverage offer targeted at consumers. HoReCa wholesale constitute an important element of the comprehensive services provided by the grocery trade. The sector is responsible for the supplies of non-retail deliveries of goods to about 19,000 customers. The diversified service offer helps 'customers focus on their own operations.

Heinon Tukku Oy

is a family enterprise with three delivery wholesale units and two cash-and-carry outlets and two office supply units. The delivery wholesale units are located in Espoo, Tampere and Turku while the cash-and-carry outlets are in Helsinki and Vantaa.

Kespro Oy

is the subsidiary of Kesko Food, with delivery sales units in Vantaa, Turku, Tampere, Lahti, Kuopio and Oulu, and 16 wholesale units in various parts of Finland.

Meira Nova Oy

is a subsidiary of Inex Partners Oy, owned by SOK Corporation. The supply network comprises the logistics centre in Vantaa and five sales offices, with respective terminals, in Vantaa, Turku, Lempäälä, Jyväskylä and Oulu.

Metro

is a Wihuri Group company, an international Finnish multibranch company engaged in industry and trade. Among the four divisions of Wihuri Oy, Wihuri Oy Aarnio is engaged in the wholesale of groceries through the Metro chain. Metro provides its nationwide services to both HoReCa and distributor customers, offering comprehensive goods supplies through the wholesale system that comprises a nationwide delivery unit and 31 Metro cash-and-carry outlets.

New technology boosting productivity of trade

The grocery trade is rapidly internationalising. Besides domestic operators, the suppliers serving the grocery trade sector can be foreign or Finland-based international companies. ‘Whilst the consumer clientele is increasingly fragmented, new consumption trends are gaining ground, including various responsible consumption movements. The rapid technical development in the sector is a particular challenge. The purchasing and logistics group of the Finnish Grocery Trade Association places special emphasis on these rapidly developing segments – without ever losing sight of the need to improve the efficiency of basic operations.

For its part, the grocery trade brings a strong contribution to the development and efficiency of the domestic food chain. The developed value chain benefits all links in the chain – from primary production to the consumer. Imports play a significant role in complementing and balancing the domestic food production. As a sector, the Finnish grocery trade wants to work for a freer mobility of food products, focusing on more efficient purchases that make such mobility possible. More efficient purchases benefit the consumer through better selections and more competitive prices

The grocery trade sector has a proactive approach to the recent environmental debate and challenges. Elaborated in collaboration with Helsinki University of Technology, the waste management and energy consumption self-regulating instructions for the retail sector will be completed by the beginning of 2008. Later, these self-regulating instructions will constitute the basis for a databank solution. The retail stores will accept refundable and recyclable plastic bottles as of the beginning of 2008, another challenge for logistics and the stores. Moreover, the EU directive on batteries and accumulators and the ensuing product liability will increase the stores’ responsibility to act as sales and recycling points for these products. The grocery trade will support the operation of various producer organisations and wants to promote the trade-producer relationship.

New technology will also be used to develop the operation of the supply chain. Developed in the framework of the quality strategy of the Ministry of Agriculture and Forestry in collaboration with the respective industry, the project for a xml-based message template for order and delivery data has now been completed. ‘The Finnish Grocery Trade Association collaborates with the Finnish Food and Drink Industries’ Federation on a project to prepare the introduction of an electronic pallet label, aiming at better utilisation and transfer of tracking data. Moreover, the Finnish Grocery Trade Association is involved in the preparations for the introduction of RFID, now looking for suitable pilot projects.

The sector follows the international developments and trends closely, in order to keep up with the vanguard, continually developing its own purchasing and logistics. In this way, the trade sector contributes to ensuring a safe, high-quality and efficient food chain for Finnish consumers.

Jukka Koivunen , Director of fresh product purchases at Kesko Food, chairs the purchasing and logistics group of the Finnish Grocery Trade Association.

Inex Partners Oy

The net warehouse sales of groceries by Inex Partner Oy, the purchasing and logistics company of the retail chains of the S Group, were €1,863 in 2006. The supply network is constituted by the logistics centre in Kilo, Espoo, the distribution centres in Lempäälä and Oulu as well as the terminals in Kouvola and Kuopio. The specialty product logistics centre is located in Hakkila, Vantaa.

Kesko Food

With warehouse net sales of €1,683 million in 2006, Kesko Food is responsible for the purchasing, logistics and chain management of the K-food stores. The central warehouses are in Hakkila, Vantaa while Turku has a regional warehouse.

Tuko Logistics Oy

Tuko Logistics Oy is in charge of the grocery purchasing for Wihuri Oy, Tradeka Oy, Stockmann Group and Heinon Tukku Oy. The warehouse net sales were €703.6 million in 2006. The company’s places of business are in Kerava and Sompasaari, Helsinki.

Private Labels

According to surveys and research, the most frequent aims attached to private labels are:

- Increased customer loyalty
- Enhanced and diversified chain brand
- Differentiation vis-à-vis the competitors
- Stronger market position
- Increased retail margins
- Improved product quality
- Ensured control of the supply chain

Private labels account for 20–40% of the European grocery markets. In 2006, the growth was particularly marked in fruit and vegetables, owing to a strong inflationary trend in the market. Therefore, the exclusion of a large product category is strongly reflected in the overall growth figures.

Trend of private labels in Finland

	2001	2002	2003	2004*	2005*	2006*
Share of value of sales in %	6,6 %	6,7 %	7,6 %	8,4 %	9,2 %	9,0 %

Fruit and vegetables are not included.
* Meira is not included as an individual brand.
Not comparable withearlier years.

Source: Nielsen ScanTrack

Growth in sales value in 2003–2006

	2003	2004	2005*	2006*
Overall growth	1,9 %	2,2 %	2,8 %	4,1 %
Private labels	15,9 %	18,5 %	12,5 %	1,6 %

Fruit and vegetables are not included.
* Excluding Meira

Source: Nielsen ScanTrack

Kesko Food	
SOK Corporation	
Spar Finland	
Wihuri Oy **Heinon Tukku Oy** **Stockmann Group** **Tradeka Oy** (Maistuva)	

Trend in sales by different product groups

TOP20 product groups in 2006

	Product group	Sales €1000 2006	Share of total sales (%) 2006
1	Bakery products	697 259	5,6
2	Beers	666 915	5,4
3	Meat products	662 857	5,3
4	Cheeses	553 636	4,5
5	Cigarettes	500 892	4,0
6	Milks	441 191	3,6
7	Convenience foods	425 282	3,4
8	Candies, total	395 469	3,2
9	Meats	336 993	2,7
10	Soft drinks and mineral waters	300 166	2,4
11	Wines, ciders and mixed drinks (max 4,7 %)	208 776	1,7
12	Yoghurts	201 343	1,6
13	Coffee, incl. coffee drinks	193 139	1,6
14	Yellow fats	185 208	1,5
15	Poultry	166 301	1,3
16	Juices and juice drinks	153 607	1,2
17	Ice-creams	152 770	1,2
18	Biscuits	103 926	0,8
19	Creams (incl. vegetable fat compounds	90 204	0,7
20	Toilet papers	80 577	0,6

Source: Nielsen Market Trends 2007

Fastest growing product groups in 2006

		Change in % 06/05
1	Waters, bottled	29,8
2	Band-aids	22,5
3	Curd and curd desserts	15,5
4	Frozen berries	15,5
5	Sun screen lotions	15,3
6	Wines, ciders and mixed drinks (max 4,7%)	15,0
7	Skin care products	14,3
8	Meats	13,0
9	Rice cakes	12,8
10	Sports drinks (ready)	12,1

Source: Nielsen Market Trends 2007

Fastest growing products in euro, in 2006

		Growth in euro (€1,000)	Trend in sales (%) 06/05
1	Meats	38 695	13,0
2	Wines, ciders and mixed drinks (max 4,7%)	27 305	15,0
3	Cigarettes	24 170	5,1
4	Convenience foods	23 238	5,8
5	Yoghurts	20 590	11,4
6	Milks	17 277	4,1
7	Cheeses	16 459	3,1
8	Beers	15 731	2,4
9	Juices and juice drinks	15 521	11,2
10	Soft drinks and mineral waters	14 901	5,2

Source: Nielsen ScanTrack

Success stories and trends in 2006

- **Wines, ciders and mixed drinks (max. 4.7%)**
- **Meats**
- **Yoghurts**
- **Juices and juice-based drinks**
- **Convenience foods**
- **Soft drinks and mineral waters**
- **Cigarettes**
- **Milks**
- **Cheeses**
- **Beers**

Source: Nielsen ScanTrack and Markkinatrendit 2007

Organisation of Finnish Grocery Trade Association in 2007

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Markus Luhtala, Stockmann Group
Tiina Luoma, Inex Partners Oy
Mika Timonen, K Retailer Federation

Secretary Anna Savisalo, FGTA

Division of responsibilities in the Finnish Grocery Trade Association

Osmo Laine, Managing Director
business policy

Ilkka Nieminen, Manager, Organisational affairs
supply chain developments projects
retail

Miikka Lumme, Legal Counsel
legislation, EU issues
purchasing and logistics
HoReCa wholesales

Anna Savisalo, Food Specialist
food safety
product safety

Marjut Vartiainen, Executive Assistant
finances

Riitta-Mari Laakkonen, Assistant
statistics, publications

Elina Sojonen, Press Officer
communications

Member companies

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www.r-kioski.fi

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Member organisations

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