



Oriola-KD Corporation Annual General Meeting 2011

Review of President & CEO

Eero Hautaniemi
6 April 2011

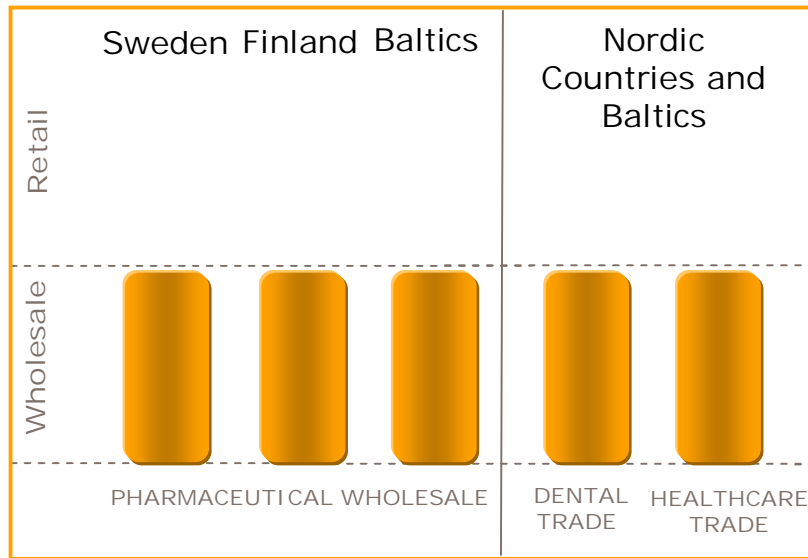




Oriola KD

Focusing on Pharmaceutical Retail and Wholesale businesses

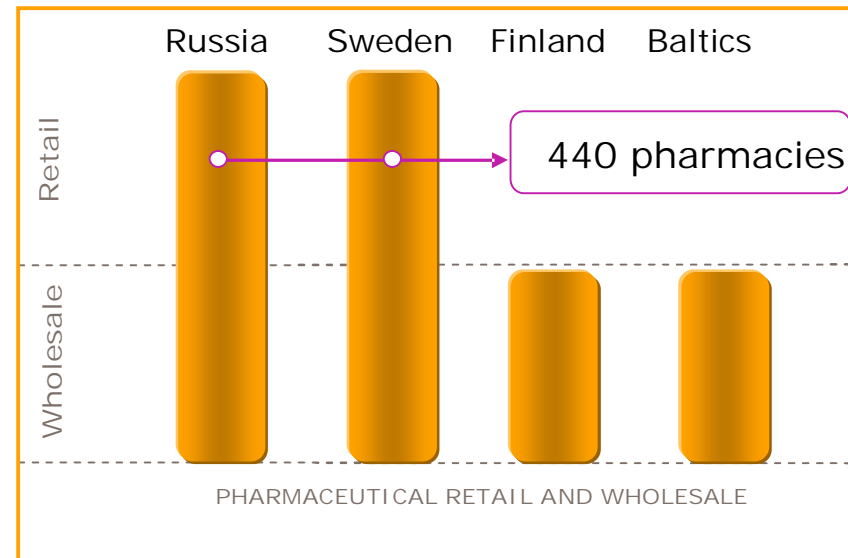
2006



Personnel 1500

100 % of personnel in wholesale

2011



Personnel 5400

Over 80 % joined Oriola-KD after year 2006

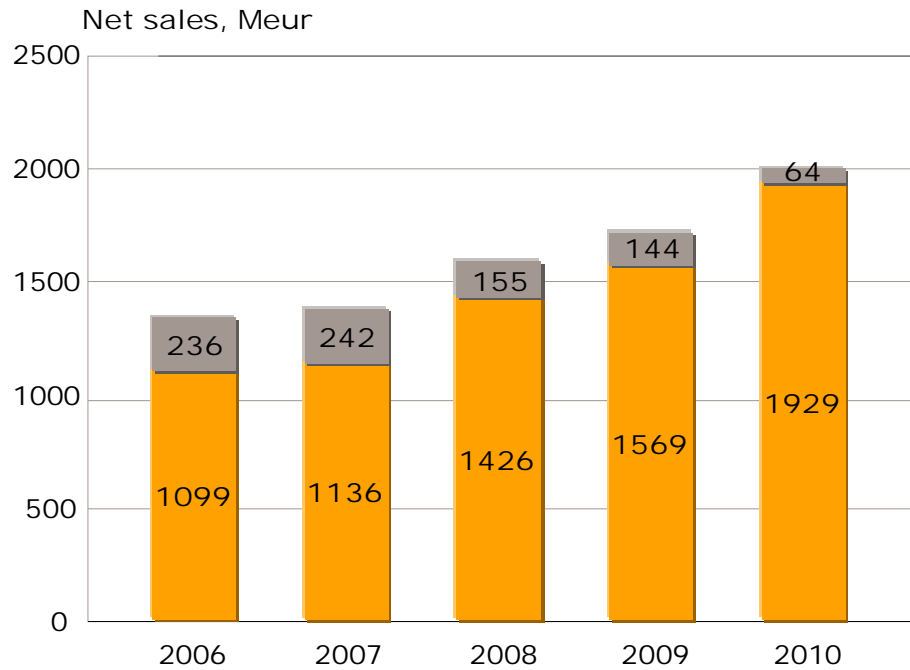
60 % in retail



40 % in wholesale



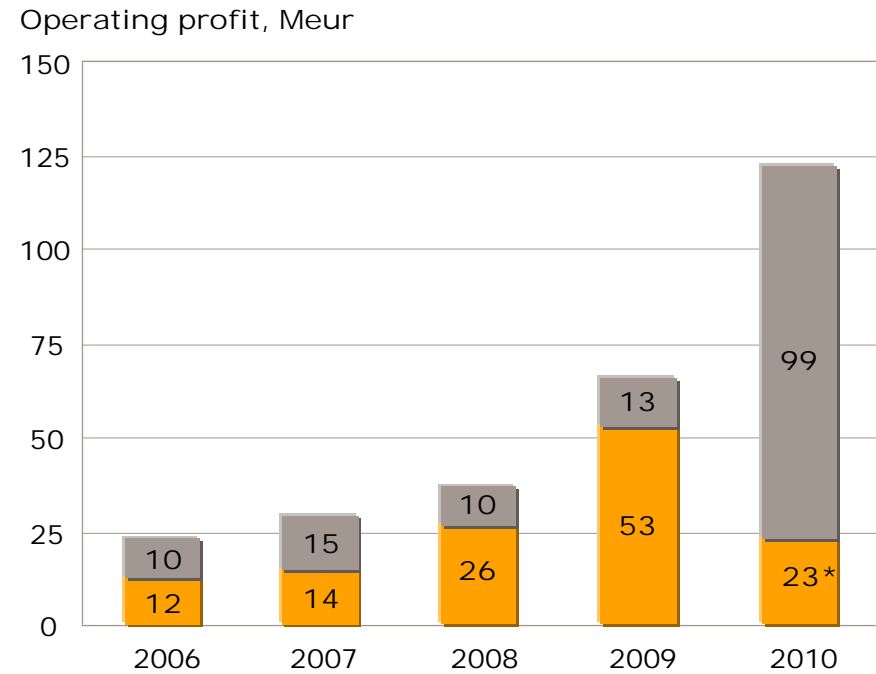
Net Sales and Operating Profit



Net sales



 Net sales: Discontinued operations
 Net sales: Continuing operations

Operating profit

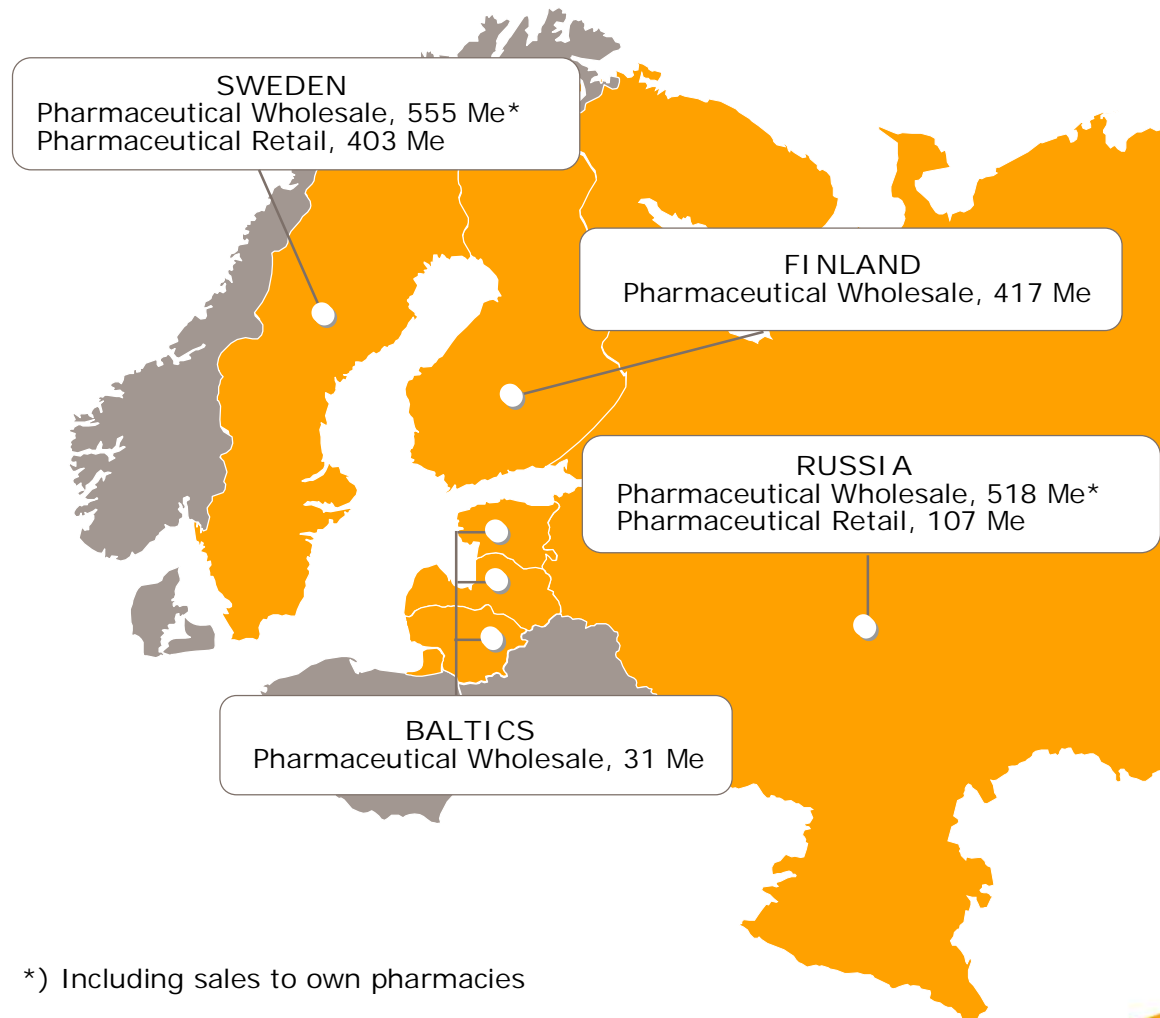


 Operating profit: Discontinued operations, *Including the profit booked from divested businesses in 2010*
 Operating profit: Continuing operations

*) Excluding one-off items



Oriola-KD's businesses and market position



Oriola-KD's businesses and market position

Wholesale		
		
Country	Market position	Market share
Finland	No. 2	46 %
Sweden	No. 2	40 %
Russia	No. 6	7 %, <i>commercial market</i>
Baltics	-	5-10 %

Retail		
  		
Country	Market position	Market share
Sweden	No. 3	14 %
Russia	No. 2-3	6-8 %, <i>Moscow</i>
	No. 6	~2 %, <i>Russia</i>



Key figures 2010 - 2009

	2010	2009	Change %
Net sales, continuing, Me	1929	1569	23 %
Operating profit, continuing, Me	9.8	52.6	-81 %
Operating profit excl. one-off items, Me	22.5	52.6	-57 %
Profit before taxes, continuing, Me	4.5	50.6	-91 %
Profit from period, continuing, Me	3.5	39.1	-91 %
Earnings/share, continuing, Euro	0.02	0.27	-91 %
ROE, continuing, %	1.2 %	22.1 %*	
Profit from period, discontinued, Me	98.6	9.5	940 %
Profit from period, total, Me	102.1	48.6	110 %
Earnings/share, incl. discontinued, Euro	0.68	0.34	100 %
ROE, total, %	33.7 %	22.1 %	

*) Including discontinued operations

Divestment of Healthcare Trade business

- 85 Me purchase price
- 54 Me profit

Divestment of Dental Trade business

- 69 Me purchase price
- 38 Me profit



Net sales and operational profit by segments

	Net sales, Me		Operational profit, Me		Growth of pharmaceutical market, %	
	2010	2009	2010	2009	2010	2009
Pharmaceutical Trade Finland	417	505	20.3	18.1	-1.5 %	0.0 %
Pharmaceutical Trade Sweden*	909	548	12.5 (15.3)	-5.0	1.1 %	2.4 %
Pharmaceutical Trade Russia**	572	481	-18.1 (-8.1)	44.5	~3 %	~20 %
Pharmaceutical Trade Baltics	31	36	1.1	0.9		

- * Operating profit including 2.8 Me one-off costs
- ** Operating profit including 10.0 Me one-off costs

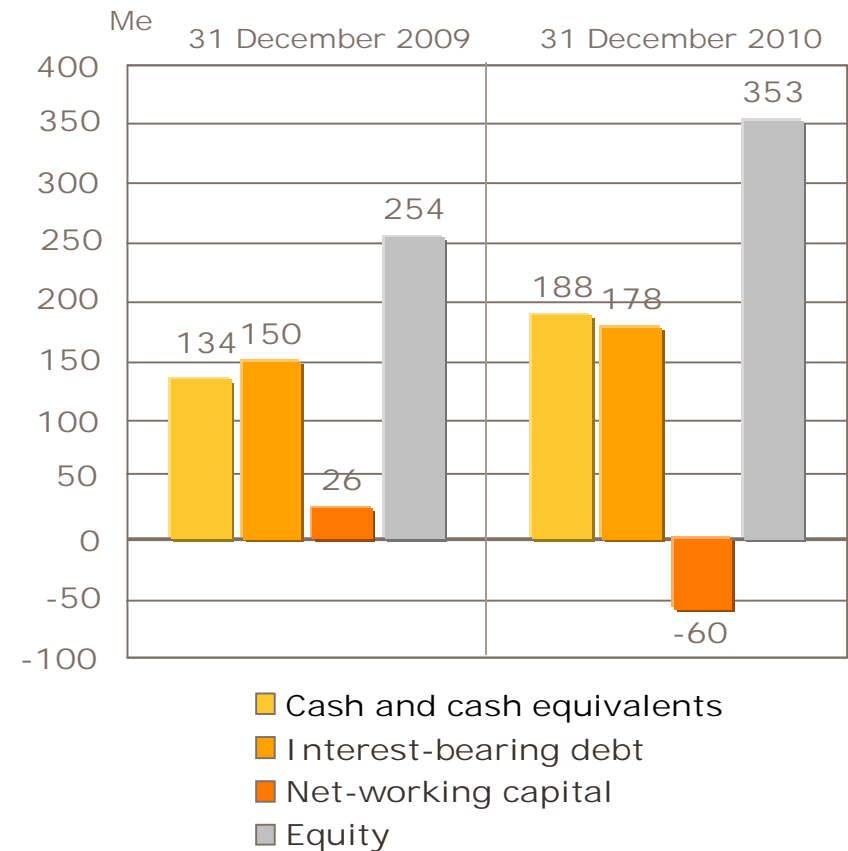
Balance sheet and cash flow

Balance sheet

- Total assets 1193 Me (923 Me)
- Equity ratio 30,8 % (29,2 %)
- Net gearing -2.7 % (6.3 %)
- Interest bearing net debt -9.5 Me (16.0 Me)

Net cash flow from investments

- Acquisition of pharmacy chain in Sweden, 162 Me
- Acquisition of 25% minority holding in the Russian companies, 65 Me
- Acquisition of 03 Apteka pharmacy chain in Russia, 12 Me
- Divestment of Healthcare Trade business, 85 Me
- Divestment of Dental Trade business, 69 Me
- Operative investments, 20 Me



Long term targets and Dividend policy

Long Term Targets

- Growth
 - To grow faster than relevant market
- Profitability
 - ROE target over 15 per cent
- Balance sheet
 - Long-term average gearing ratio target is between 40–60 per cent

Dividend policy

- Oriola-KD will seek to pay out annually as dividends approximately 50 per cent of earnings per share
- The company's strategy and financial position shall be taken into consideration when determining the annual dividend payout ratio





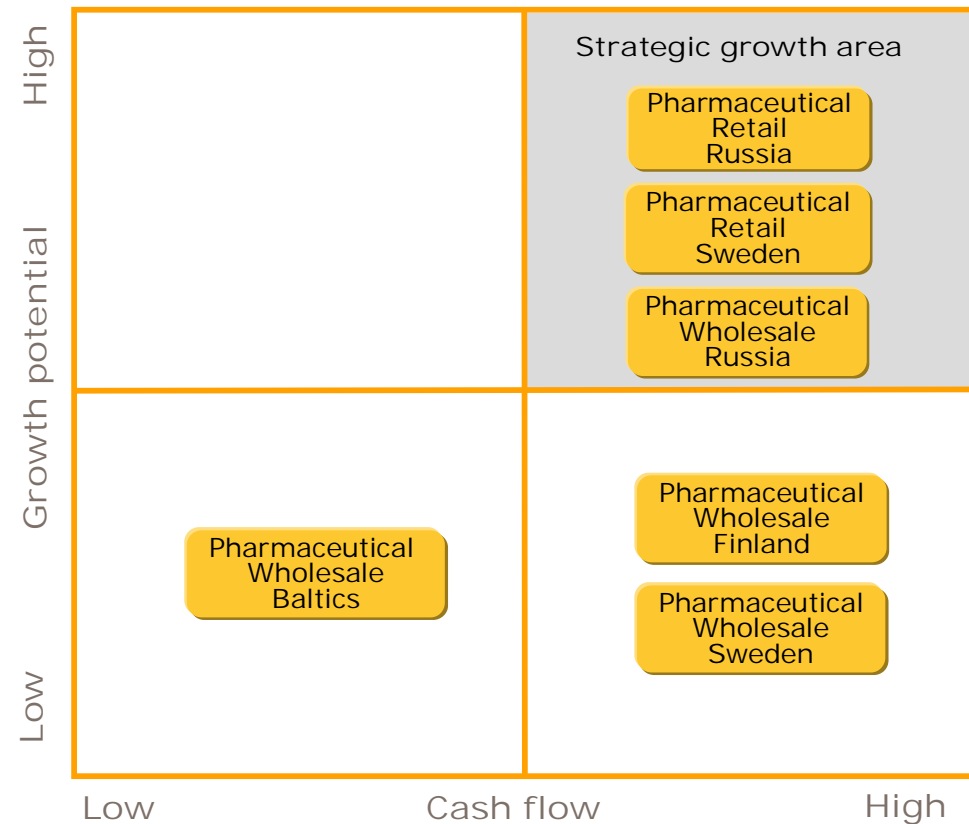
Outlook 2011

- Oriola-KD's outlook for 2011 is based on external market forecasts, supplier and customer agreements and management assessments
 - In the period 2011-2014 the pharmaceutical market is expected to grow by about 3 per cent in Finland, 2–3 per cent in Sweden, and 11–13 in Russia, measured in local currencies (source: IMS Health)
 - The Russian pharmaceutical market is expected to show growth below the longer term trend in 2011 and the tough competition to continue. However, the visibility in Russian pharmaceutical market development is still poor
 - Competition in the Swedish retail market is expected to continue to be stiff as a result of the deregulation
- Oriola-KD's net sales is expected to be higher and operating profit from continuing operations excluding one-off items clearly better than in 2010



Strategy and focus of businesses

- **Russia**
 - Growth of the retail business and improving efficiency
 - In wholesale business concentration on selected pharmaceutical companies, improving wholesale efficiency
- **Sweden**
 - Growth and efficiency of the retail business
 - Quality program and improving efficiency in wholesale business
- **Finland**
 - Value added services
 - Quality program and efficiency





Oriola KD

The Channel for Health

