Oriola Corporation's
Half Year Financial Report
1 January – 30 June 2017

Released on 21 July 2017 at 8.30 a.m.

Oriola Corporation Stock Exchange Release 21 July 2017 at 8.30 a.m.

Oriola Corporation's Half Year Financial Report January-June 2017

Financial performance April–June 2017, continuing operations

- Invoicing decreased by 3.4 (increased 7.6) per cent to EUR 844.2 (873.6) million
- Net sales decreased by 4.8 (increased 0.3) per cent to EUR 387.5 (407.0) million
- Adjusted EBITDA decreased by 5.3 (increased 2.8) per cent to EUR 19.9 (21.0) million
- Adjusted EBIT was EUR 13.0 (14.5) million
- Profit for the period totalled EUR 8.3 (9.5) million and earnings per share were EUR 0.05 (0.05)

Financial performance January–June 2017, continuing operations

- Invoicing decreased by 3.1 (increased 6.4) per cent to EUR 1,641.6 (1,693.5) million
- Net sales decreased by 5.0 (decreased 1.2) per cent to EUR 754.9 (794.5) million
- Adjusted EBITDA decreased by 7.1 (increased 4.9) per cent to EUR 37.8 (40.7) million
- Adjusted EBIT was EUR 24.1 (28.1) million
- Profit for the period totalled EUR 15.8 (19.2) million and earnings per share were EUR 0.09 (0.11)

Outlook for 2017

Despite the recent improvements in the performance of the Consumer business, the result of the Business Area in 2017 will remain below 2016 level. The go-live of the IT systems in Finland, planned for June, is postponed to the third quarter of 2017. The delay will result in additional costs in the Services Business Area in 2017. In the Healthcare business the costs for starting the Swedish dose dispensing production for the Norrland region are higher than anticipated, and the result of the Healthcare Business Area will stay negative in 2017.

Oriola has decided to divest its businesses in the Baltic countries. In the Half Year Financial report the Baltic businesses will be classified as discontinued operations and the assets and related liabilities will be classified as Assets for sale. The net sales of the Baltic businesses in 2016 were EUR 54 million and the Adjusted EBIT EUR 1.2 million.

Oriola's and Kesko's joint health and wellbeing store chain was approved by the competition authorities in June 2017, and the joint venture agreement was finalized on June 30. Oriola will report 50 per cent of the result of the joint venture in the Consumer Business Area EBIT. The joint venture is expected to be loss making during the build-up phase 2017 – 2019. Oriola's share of the loss in 2017 is estimated to be EUR 1.5 million.

Oriola revises the guidance for 2017; The Adjusted EBIT of continuing operations on constant currency basis is estimated to decrease from the 2016 level. The adjusted EBIT from continuing operations at comparable currencies, was EUR 59.3 million in 2016.

The previous guidance, published 13 February 2017 and repeated 28 April 2017, was that the Adjusted EBIT on constant currency basis will stay at 2016 level which was EUR 61.1 million.

President and CEO Eero Hautaniemi:

In the second quarter the sales of the Consumer business in Sweden was at previous year's level in local currency, and the market share remained stable compared to the first quarter of 2017. The growth of the online sales during the second quarter reached 91 per cent and exceeded market growth. The joint venture of Oriola and Kesko received the approval of the competition authority in June. For Oriola the joint venture is a strategic entry into the Finnish consumer business.

The new distribution agreement in Sweden with Meda started in the second quarter. The related investment into our Mölnlycke warehouse was completed and taken into operation. The IT system go-live in Finland, planned for June, was postponed to the third quarter. According to our strategy we continued to expand our service offering to pharmaceutical companies and pharmacies. We signed the agreement to acquire a Swedish services provider, ICTHS Health Support AB in July.

The number of people served by our dose dispensing services grew by more than 20,000 in the first half of 2017 and currently our services reach some 67,000 persons in Sweden and Finland. The ramp up of production for Norrland region in Sweden has taken more time than originally anticipated, and that has affected the first half year's business result.

We have chosen to concentrate our resources on developing the Consumer, Services and Healthcare businesses in Sweden and Finland. Consequently, we have decided to divest our assets in the Baltic countries.

Key figures, continuing operations EUR million	**2017 4-6**	**2016 4-6**	**Change %**	**2017 1-6**	**2016 1-6**	**Change %**	**2016 1-12**
Invoicing	844.2	873.6	-3.4	1,641.6	1,693.5	-3.1	3,364.2
Net sales	387.5	407.0	-4.8	754.9	794.5	-5.0	1,588.6
Adjusted EBITDA	19.9	21.0	-5.3	37.8	40.7	-7.1	85.4
Adjusted EBITDA %	5.1	5.2		5.0	5.1		5.4
Adjusted EBIT [1)]	13.0	14.5	-10.1	24.1	28.1	-14.3	59.9
EBIT	12.7	13.7	-7.4	23.2	27.3	-14.8	57.6
Adjusted EBIT %	3.4	3.6		3.2	3.5		3.8
EBIT %	3.3	3.4		3.1	3.4		3.6
Profit for the period	8.3	9.5	-12.1	15.8	19.2	-17.8	41.8
Earnings per share, EUR, continuing operations	0.05	0.05	-12.1	0.09	0.11	-17.8	0.23
Earnings per share, EUR, discontinued operations	0.00	0.00	-67.1	0.00	0.00	7.7	0.01
Net cash flow from operating activities [2)]	51.3	21.7		36.7	-5.1		40.1
Gross capital expenditure				24.8	35.4		88.6
Total assets [2)]				917.5	934.1		925.4
Net interest-bearing debt [2)]				84.4	66.2		72.3
Gearing, % [2)]				43.5	35.8		35.2
Net debt / 12-month EBITDA [2)]				1.0	0.8		0.8
Equity per share, EUR [2)]				1.07	1.02		1.13
Equity ratio, % [2)]				21.7	20.6		22.7
Return on equity (ROE), % [2)]				17.1	21.9		21.4
Return on capital employed (ROCE), % [2)]				15.2	17.6		17.8
Average number of shares, 1000 pcs [3)]				181,389	181,389		181,389
Average number of personnel				2,701	2,260		2,425
Number of personnel at the end of the period				2,741	2,307		2,669

[1)] Adjustment items are specified in table "Adjusting items included in EBIT"

[2)] Includes discontinued operations

[3)] Treasury shares held by the company not included

Disclosure procedure

This stock exchange release is a summary of Oriola Corporation's Half Year Financial Report January–June 2017. The complete report is attached to this release in pdf format and is also available on Oriola's website at www.oriola.com/investors.

Analyst and investor meeting

Oriola Corporation will organize a meeting for investors, analysts and the press on Friday, 21 July 2017 at 10.00 a.m. at Hotel Scandic Simonkenttä, meeting room Tapiola, Simonkatu 9, 00100 Helsinki, Finland.

Next financial report

Oriola Corporation will publish its interim report for January-September 2017 on 25 October 2017.

Further information:

Eero Hautaniemi,
President and CEO
tel. +358 (0)10 429 2109
e-mail: eero.hautaniemi@oriola.com

Sari Aitokallio
CFO
tel. +358 (0)10 429 2112
e-mail: sari.aitokallio@oriola.com

Distribution:
NASDAQ Helsinki Ltd
Key media

Released by:
Oriola Corporation
Orionintie 5, 02200 Espoo
www.oriola.com

Oriola Corporation's Half Year Financial Report January– June 2017

The commentary of this Half Year Financial Report comprises of the continuing operations of the Company unless otherwise stated. The result of the Baltic businesses classified as assets held for sale are presented as discontinued operations separately from the results from continuing operations in 2017 and 2016. The consolidated statement of financial position includes the assets and liabilities of discontinued operations.

The Group's net sales and result for April–June 2017, continuing operations

Oriola's second quarter net sales were EUR 387.5 (407.0) million. Adjusted EBIT was EUR 13.0 (14.5) million. The adjusting items were EUR -0.4 (-0.8) million, and EBIT was EUR 12.7 (13.7) million.

Oriola's net financial expenses were EUR 1.8 (1.5) million. Profit for the period was EUR 8.3 (9.5) million. Earnings per share were EUR 0.05 (0.05).

The Group's net sales and result for January–June 2017, continuing operations

Oriola's net sales decreased by 5.0 (decreased 1.2) per cent to EUR 754.9 (794.5) million and adjusted EBIT decreased by 14.3 (increased 1.6) per cent to EUR 24.1 (28.1) million. The adjusting items were EUR -0.8 (-0.8) million, and EBIT was EUR 23.2 (27.3) million.

Invoicing decreased by 3.1 (increased 6.4) per cent, at comparable currencies invoicing decreased 1.1 per cent. The decrease was mainly due to changes to pharmaceutical distribution agreements in Sweden. The profitability weakened in the Consumer business area and stayed approximately at previous year level in Services and Healthcare businesses.

January–June net sales at comparable exchange rate EUR/SEK were EUR 772.9 million. The depreciation of the Swedish krona from the corresponding period impacted the euro denominated EBIT by EUR -0.4 million, and the adjusted EBIT at comparable currency rate was EUR 24.4 million.

Oriola's net financial expenses were EUR 2.6 (2.5) million. Profit for the period was EUR 15.8 (19.2) million. Income taxes for January–June were 4.8 (5.6) which corresponds to effective tax rate of 23.3 (22.4) per cent. Earnings per share were EUR 0.09 (0.11).

Reporting segments

Oriola's reporting segments are Consumer, Services and Healthcare. The Baltic businesses are classified as discontinued operations from June 2017 onwards and are not included in the segment figures in 2017 and 2016. Previously they were part of the Consumer and Services segments.

Consumer

The Consumer segment focuses on the needs of the consumers' for health and wellbeing related products and services. The business consists of retail business in Sweden and Finland, whereof over 90 per cent of the net sales originates from the Swedish retail business.

Key Figures, continuing operations EUR million	2017 4-6	2016 4-6	Change %	2017 1-6	2016 1-6	Change %	2016 1-12
Invoicing	199.1	207.7	-4.1	395.6	406.0	-2.6	790.2
Net Sales	194.2	202.8	-4.3	386.1	396.6	-2.7	771.9
Adjusted EBIT	8.0	8.8	-9.7	13.2	16.4	-19.5	33.1
Adjusted EBIT %	4.1	4.3		3.4	4.1		4.3
Number of personnel at the end of period	1,581	1,593		1,581	1,593		1,630

April–June 2017

The second quarter net sales in Consumer segment decreased by 4.3 per cent from the comparison period. Sales margin improved slightly, but the costs from the 2016 established pharmacies and online development weakened profitability. The net sales of Consumer Sweden in Swedish krona stayed at previous year’s level.

Net decrease in Oriola’s number of pharmacies in Sweden was 1 in the second quarter 2017.

The competition authorities gave the approval to the joint venture of Oriola Corporation and Kesko Corporation.

January–June 2017

The pharmaceutical retail market in Sweden grew by 2.6 (6.6) per cent in Swedish krona in January–June 2017 (source: Apoteksförening). Parallel imports’ share of the Swedish pharmaceutical market was 11.7 (10.8) per cent (source: QuintilesIMS). The number of pharmacies in Sweden increased by 5 in January–June 2017. At the end of June there were 1,405 (1,375) pharmacies in Sweden.

Oriola’s market share of the pharmaceutical retail market in Sweden in January–June 2017 was 17.8 (18.1) per cent (source: Apoteksförening). The relative share of OTC and traded goods from the net sales was 26.6 (27.1) per cent in the Swedish consumer business. At the end of the reporting period, Oriola had a total of 324 (314) pharmacies in Sweden. Oriola established 3 new pharmacies and closed 3 pharmacies, and the number of pharmacies in January–June was unchanged.

The first half of 2017 was marked by continued intense competition in the Swedish pharmaceutical retail market. The strong growth of online sales continued and the price pressure has lowered the prices of OTC medicines also in physical pharmacies. Oriola has responded to the change in market dynamics by strengthening the Rx offering, improving efficiency of the operation and investing in online marketing.

The net sales decreased by 2.7 (increased 4.6) per cent to EUR 386.1 (396.6) million, and on a constant currency basis, net sales increased by 0.4 (increased 4.2) per cent. Adjusted EBIT decreased by 19.5 (increased 3.9) per cent to EUR 13.2 (16.4) million. On a constant currency basis adjusted EBIT decreased by 16.9 (increased 3.5) per cent. The profitability was weakened by cost of newly established pharmacies and online development and marketing.

Oriola Corporation and Kesko Corporation announced the establishment of a new store chain in Finland, specialising in comprehensive wellbeing in March 2017. The plan for 2017 is to open 10-15 health and wellbeing stores in Finland. During the years 2017–2020 the plan is to establish a chain of 100 stores. The investment in total is estimated to be EUR 25 million and the business is estimated to be loss-making during the build-up phase. The first year estimate is EUR 6 million as an investment and EUR -3.0 million as operative loss. Oriola’s share is 50 per cent of the investment and the result. Oriola has decided to report its share of the result in the Consumer Business Area.

Services

The Services segment offers tailored services to pharmaceutical companies and pharmacies in Sweden and Finland. In addition the Services segment offers sales and marketing services of large assortment of traded goods in Finland.

Key Figures, continuing operations **EUR million**	**2017** **4-6**	**2016** **4-6**	**Change** **%**	**2017** **1-6**	**2016** **1-6**	**Change** **%**	**2016** **1-12**
Invoicing	715.6	753.7	-5.1	1,386.3	1,462.3	-5.2	2,899.8
Net Sales	263.9	292.0	-9.6	509.3	572.6	-11.1	1,142.6
Adjusted EBIT	8.0	7.8	1.5	15.7	16.0	-1.9	33.7
Adjusted EBIT %	3.0	2.7		3.1	2.8		2.9
Number of personnel at the end of period	971	609		971	609		874

April–June 2017

The Services segment's invoicing decreased by 5.1 per cent during the second quarter, mainly due to the discontinuation of the distribution agreement with Abbvie in Sweden. The decline was partly offset by starting of the Meda distribution agreement in May. Profitability improved from the comparison period.

The warehouse and automation extension in Mölnlycke, Sweden, was completed and taken into production in June. The go-live of the IT system in Finland was postponed to the third quarter 2017.

January–June 2017

The pharmaceutical market at wholesale prices in Sweden grew by 4.1 (5.5) per cent in Swedish krona in January–June 2017 (source: Reveal). Oriola's share of the Swedish pharmaceutical wholesale market was approximately 34 (40) per cent (Oriola estimate).

The Finnish pharmaceutical market at wholesale prices grew by 1.9 (3.3) per cent in January–June 2017 (source: LTK). Oriola's share of the Finnish pharmaceutical wholesale market was 47 (46) per cent (source: ATY).

The invoicing of the Services segment decreased from the previous year by 5.2 (increased 6.5) per cent to EUR 1,386.3 (1,462.3) million. On a constant currency basis invoicing decreased by 3.4 (increased 6.2) per cent. Net sales decreased by 11.1 (decreased 3.6) per cent to EUR 509.3 (572.6) million, and on a constant currency basis, net sales decreased by 9.2 (decreased 3.9) per cent. Adjusted EBIT decreased by 1.9 (increased 6.6) per cent to EUR 15.7 (16.0) million. On a constant currency basis adjusted EBIT decreased by 0.5 (increased 6.4) per cent. The costs caused by the implementation of the new IT platform burdened the half year result of the Services business by approximately EUR 0.7 million. The costs are for additional personnel, overtime and external services during the project.

Healthcare

The Healthcare segment offers services to hospitals, healthcare centres and other healthcare sector operators. The business offers pharmaceutical delivery and dispensing services for public and private healthcare customers in Sweden, and dose dispensing services for Finnish pharmacies.

Key Figures **EUR million**	**2017** **4-6**	**2016** **4-6**	**Change** **%**	**2017** **1-6**	**2016** **1-6**	**Change** **%**	**2016** **1-12**
Invoicing	17.0	8.1	109.5	31.2	13.1	138.7	36.3
Net Sales	16.8	8.1	107.9	30.9	13.1	136.9	36.2
Adjusted EBIT	-0.8	-0.6	-16.3	-1.2	-1.2	0.9	-1.0
Adjusted EBIT %	-4.5	-8.0		-3.9	-9.4		-2.7
Number of personnel at the end of period	134	61		134	61		120

April–June 2017

The second quarter net sales of Healthcare business were EUR 16.8 (8.1) million. Adjusted EBIT was EUR -0.8 (-0.6) million. The result of the dose dispensing business in Sweden was below expectations due to higher than anticipated ramp-up costs for Norrland region in Sweden.

January–June 2017

The net sales of Healthcare business were EUR 30.9 (13.1) million. Adjusted EBIT was EUR -1.2 (-1.2) million. Amortisation related to acquisition of Svensk Dos and PharmaService affected Healthcare EBIT by EUR -0.9 (-0.7) million.

Dose dispensing for Norrland region started in February 2017 and covers service for approximately 19,000 persons. At the end of June 2017 Oriola served approximately 67,000 persons with dose dispensing in Sweden and Finland.

Balance sheet, cash flow and financing

Oriola's total assets at 30 June 2017 were EUR 917.5 (934.1) million. Equity attributable to the equity holders was EUR 194.1 (184.9) million. Cash and cash equivalents totalled EUR 27.6 (85.7) million. Net cash flow from operations in January–June 2017 was EUR 36.7 (-5.1) million, of which changes in working capital accounted for EUR 13.1 (-47.1) million. Net cash flow from investing activities was EUR -24.6 (-29.2) million. Net cash flow from financing activities was EUR -45.2 (-2.0) million. The dividend of EUR 25.4 million was distributed to the shareholders in April 2017.

At the end of June 2017, interest-bearing debt was EUR 112.0 (151.9) million. On 30 June 2017, long-term interest-bearing liabilities were EUR 62.0 (60.2) million and short-term interest-bearing liabilities were EUR 49.9 (91.7) million. Short-term liabilities mainly consist of commercial paper issues of EUR 26.0 (45.0) million and advance payments from Finnish pharmacies EUR 22.6 (34.5) million. Short term liabilities at the end of June 2016 included also syndicated loans EUR 10.6 million. Interest-bearing net debt was EUR 84.4 (66.2) million, and gearing 43.5 (35.8) per cent.

The non-recourse trade receivables sales programmes were continued in Sweden in January–June 2017. At the end of June 2017, a total of EUR 111.8 (116.3) million in trade receivables had been sold. Including the sold trade receivables, the adjusted gearing was 101.1 (98.7) per cent. The average interest rate on the interest bearing liabilities was 1.23 (1.35) per cent.

During the second quarter Oriola Corporation rearranged its long-term revolving credit facility and term loan agreement. The new revolving credit facility of EUR 100 million will replace the existing financing agreement that was signed on 11 June 2015. The revolving credit facility will mature in five years from the signing of the agreement. The agreement includes financial covenants that are maximum Net Debt to EBITDA -ratio of 3.0 and maximum Net Debt to Equity ratio of 100 per cent. The covenants are the same as in the previous credit facility. Danske Bank, Handelsbanken, OP Corporate Bank and SEB were acting as Mandated Lead Arrangers. OP acted as the coordinator and agent in the transaction. In the same context, the company paid off the loan of SEK 550 million, which was due in 2018, and raised a new three-year SEK 290 million bilateral loan.

The committed long-term revolving credit facility of EUR 100.0 million and EUR 15.2 million of short-term credit limit were unused at the end of June.

At the end of June 2017 Oriola's equity ratio was 21.7 (20.6) percent. Return on capital employed was 15.2 (17.6) per cent.

Investments and depreciation, continuing operations

Gross investments in January–June 2017 totalled EUR 24.8 (35.4) million and consisted of investments into opening of new pharmacies, information and dose dispensing systems and improvements in logistics efficiency as well as investment in the new health and wellbeing store chain established with Kesko. Depreciation, amortisation and impairment amounted to EUR 13.7 (12.6) million.

The Board of directors decided in June 2017 to continue IT platform investment with the implementation in the Swedish Services business. The investment of EUR 11 million will be realised during 2017 and 2018.

The capital expenditure in 2017 is estimated to be approximately EUR 50 million.

The investments into IT platform and logistics efficiency will increase the depreciation and amortization in the future, from the EUR 26 million in 2016 up to EUR 32 million by 2020.

Personnel, continuing operations

At the end of June 2017, Oriola had a payroll of 2,741 (2,307) employees, 58 (69) per cent of whom worked in the Consumer segment, 35 (26) per cent in Services segment, and 5 (3) per cent in Healthcare segment. The group administration employed 2 (2) percent of the total number of employees. Personnel numbers consist of members of staff in active employment in continuing operations.

Changes in Group Management

Stig Tornell, Vice President of the Consumer Business area and a member of the Group Management Team left the company on March 31, 2017.

Anders Torell was appointed Vice President, Consumer Business area and member of the Group Management Team and will start latest January 8, 2018. Eero Hautaniemi, President and CEO, acts as the leader of the Consumer Business Area in the interim.

The Corporate Governance Statement and the Remuneration Statement for 2016 can be viewed on the company's website at: http://www.oriola.com/CorporateGovernance. The Corporate Governance Statement and the Remuneration Statement for 2016 have been prepared in accordance with the Finnish Corporate Governance Code 2015.

Resolutions of the Annual General Meeting

The Annual General Meeting (AGM), held on 14 March 2017 adopted the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2016.

The AGM resolved that a dividend of EUR 0.14 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2016. The payment date of the dividend was 12 April 2017.

The AGM confirmed that the Board of Directors is composed of seven members. Current members of the Board of Directors Anja Korhonen, Mariette Kristenson, Kuisma Niemelä, Eva Nilsson Bågenholm, Lena Ridström, Staffan Simberg and Anssi Vanjoki were re-elected to the Board of Directors. Anssi Vanjoki was re-elected Chairman of the Board of Directors.

The AGM confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 48,400, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 30,250 and the fee for the term of office of other members of the Board of Directors is EUR 24,200. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent in Oriola Corporation's class B shares. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairmen and members of Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

In its constitutive meeting convening after the AGM, the Board of Directors of Oriola Corporation elected Eva Nilsson Bågenholm, as Vice Chairman of the Board of Directors.

The Board also appointed Ms Anja Korhonen (Chairman), Mr Kuisma Niemelä and Mr Staffan Simberg to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Ms Mariette Kristenson, and Ms Lena Ridström to the Board's Remuneration Committee.

The Board of Directors has assessed the independence of the members of the Board, and determined that all members of the Board are independent of the company and its major shareholders.

Authorised Public Accountants PricewaterhouseCoopers Oy, who has nominated authorized public accountant Ylva Eriksson as principal auditor, was re-elected as the auditor of the company.

The AGM resolved to amend Article 1 of the company's Articles of Association in accordance with the proposal of the Board of Directors as follows: the corporate name of the company is Oriola Oyj, Oriola Abp in Swedish and Oriola Corporation in English. According to this decision the new name of the company has been entered into the trade register on 30 March 2017.

All decisions of the Annual General Meeting are available on the company's website www.oriola.com.

Authorizations

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new shares or assign treasury shares held by the company. The authorisation covers a maximum of 5,650,000 Class A shares and 12,500,000 Class B shares representing approximately 10.00 per cent of all shares in the company and includes the right to derogate from the shareholders' pre-emptive subscription right. Pursuant to the authorisation, shares held by the company as treasury shares may also be sold through trading on a regulated market organised by NASDAQ Helsinki Ltd. The authorisation is in effect for a period of eighteen months from the decision of the AGM.

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company, representing approximately 9.92 per cent of all shares in the company and includes the right to derogate from the shareholders' pre-emptive subscription right. Pursuant to the authorisation, class B shares held by the Company as treasury shares may also be sold on regulated market organised by NASDAQ Helsinki Ltd. The authorisation is in effect for a period of eighteen months from the decision of the AGM.

The authorisations revoke all previous share issue authorisations given to the Board of Directors apart from the authorisation given to the Board of Directors by the Annual General Meeting held on 20 March 2013, pursuant to which the Board of Directors may decide upon directed share issues against or without a payment concerning no more than 1,715,000 class B shares in order to execute the share-based incentive plan for the Oriola Group's executives and the share savings plan for the Oriola Group's key personnel.

The AGM also authorised the Board of Directors to decide on repurchasing of the company's own class B shares. The authorisation entitles the Board of Directors to decide on the repurchase of no more than 18,000,000 of the company's own class B shares, representing approximately 9.92 per cent of all shares in the company. The authorisation may only be used in such a way that in total no more than one tenth of all shares in the company may from time to time be in the possession of the company and its subsidiaries. Shares may be repurchased also in a proportion other than in which shares are owned by the Shareholders. Shares may be repurchased to develop the company's capital structure, to execute corporate transactions or other business arrangements, to finance investments, to be used as a part of the company's incentive schemes or to be otherwise relinquished, held by the company or cancelled. The authorisation to repurchase own shares is in force for a period of not more than eighteen months from the decision of the AGM. This authorisation revokes the authorisation given to the Board of Directors by the AGM on 14 March 2016 in respect of repurchase of the company's own class B shares.

Oriola Corporation shares

Trading volume of the Oriola Corporation's class A and B shares in January–June 2017:

	Jan-Jun 2017		Jan-Jun 2016	
Trading volume	**class A**	**class B**	**class A**	**class B**
Trading volume, million	1.5	16.9	0.9	10.3
Trading volume, EUR million	5.9	66.2	3.7	42.5
Highest price, EUR	4.53	4.43	4.50	4.65
Lowest price, EUR	3.69	3.61	3.70	3.65
Closing quotation, end of period, EUR	3.78	3.66	4.06	4.08

Oriola Corporation's market capitalisation on 30 June 2017 was EUR 670.9 (739.4) million.

In the review period, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 10.1 (6.2) per cent of the total number of shares.

At the end of June 2017, the company had a total of 181,486,213 (181,486,213) shares, of which 55,434,273 (55,484,648) were class A shares and 126,051,940 (126,001,565) were class B shares. The company has 96,822 (96,822) treasury shares, all of which are class B shares. They account for 0.05 (0.05) per cent of the company's shares and 0.01 (0.01) per cent of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A-shares into class B shares. During the period 1 January–30 June 2017, Oriola Corporation's 50,375 (0) A-shares were converted into B-shares. The conversion was entered into the Trade Register on 4 January 2017. After the conversion there are 55,434,273 A-shares and 126,051,940 B-shares in the company. The total number of shares is 181,486,213 and the total number of votes is 1,234,737,400.

Share–based incentive plans

On 19 December 2012, Oriola Corporation's Board of Directors decided on a share incentive scheme for the Group's senior management for the years 2013-2015. The scheme covers five persons. The reward for the 2015 earning period was based on the Oriola Group’s earnings per share (EPS) calculated from the adjusted earnings excluding taxes. The rewards to be paid in 2018 on the basis of the performance period 2015 correspond to the value of 247,541 Oriola Corporation class B shares, including the proportion to be paid in cash.

On 4 December 2015 the Board of Directors of Oriola Corporation established a share-based incentive plan directed to the Group key personnel. The plan covers three performance periods, 2016–2018, and three vesting periods, 2017–2019. The prerequisite for participation in the plan is that a key person has enrolled in the share saving plan, OKShares, and makes monthly saving from his or her fixed gross monthly salary.

The potential reward from the performance period 2016 is based on the Group's EPS. The rewards to be paid in 2018 on the basis of the performance period 2016 correspond to the value of 166,605 Oriola Corporation class B shares, including the proportion to be paid in cash. Similarly the potential reward from the performance period 2017 will be based on the Group´s EPS.

Approximately 45 key employees participate in the Oriola Corporation key personnel share savings plan, OKShares, during savings period 1 October 2015–31 December 2016. The matching shares to be transferred to eligible participants in 2018 on the basis of the savings period 1.10.2015–31.12.2016 correspond to the value of 53,684 Oriola Corporation class B shares, including the proportion to be paid in cash.

A total of 48 key employees participate in the Oriola Corporation key personnel share savings plan for the savings period 1 January–31 December 2017. The accumulated savings will be used for purchasing Oriola’s class B shares for the participants at market prices. In return, each participant will receive two free class B matching shares for every three acquired savings shares. Matching shares will be paid partly in Oriola’s class B shares and partly in cash. The matching shares will be transferred to eligible participants in 2019.

Purchase of own shares for the incentive programs

The Board of Directors of Oriola Corporation has resolved in its meeting on 20 June 2017 to use the authorization granted by the Annual General Meeting held on 14 March 2017 to acquire Oriola's class B shares and initiate a share repurchase programme. The repurchase of shares is carried out in order to fulfil obligations pertaining to the company's share-based incentive schemes. The repurchasing of shares will commence on 24 July 2017 at the earliest, and end at the latest on 22 September. The maximum number of class B shares to be repurchased is 145 000, which corresponds to approximately 0,08 per cent of the total number of all issued Oriola shares at the moment.

The company's own class B shares shall be acquired using the company's non-restricted shareholders' equity at the market price valid at the time of purchase of the shares through trading in a regulated market arranged by Nasdaq Helsinki Oy, and the shares are purchased otherwise than in proportion to shareholders' current holdings. The shares are acquired and paid for according to the rules and instructions of Nasdaq Helsinki Oy and Euroclear Finland Ltd.

Changes in Group Structure January–June 2017

There were no changes in the Group Structure during the period.

A decision to complete the following subsidiary mergers has been made in order to simplify Oriola Group structure:

Farenta 3 Oy will merge into Farenta Oy. Farenta 4 Oy will merge into Farenta Oy. The mergers are expected to be completed by 31.10.2017.

Flagging announcements

No flagging announcements were received during the period.

Risks and uncertainty factors

Oriola's risk management seeks to identify, measure and manage risks that may threaten Oriola's operations and the achievement of set goals.

Oriola operates in regulated pharmaceutical distribution and retail markets. The main trends impacting Oriola's business environment are aging of the population, increased spending on health and well-being, growth in specialty pharmaceuticals, the efforts to control the growth in the costs of the public healthcare, and the digitalization of the retail trade and services.

Oriola has identified the following principal strategic risks that can have an adverse impact on the results: Changes in the pharmaceutical market regulation, pricing, parallel import and public reimbursement; increased competition through growing number of pharmacies and companies in e-commerce; loss of several key pharmaceutical company agreements; and decreasing share of single channel distribution in public healthcare.

The main financial risks for Oriola involve currency rate, liquidity, interest rate and credit risks. Changes in the value of the Swedish krona has an impact on Oriola's net sales, earnings and consolidated statement of financial position. Changes in cash flow forecasts can cause impairment of goodwill.

Near-term risks and uncertainty factors

Oriola's strategic development projects involve operational risks which may have an effect on Oriola's profitability. The commissioning of the new Group IT platform in Finland has been planned in the third quarter of 2017.

Oriola is from time to time involved in legal actions, claims and other proceedings. It is Oriola's policy to provide for amounts related to the proceedings if liability is probable and amount thereof can be estimated with a reasonable certainty. Taking into account all available information to date, the legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

Market outlook

Oriola's outlook for 2017 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments. The Finnish pharmaceutical market is expected to grow during 2016–2021, at an average rate of 1.5 per cent. Swedish pharmaceutical market is expected to grow an average rate of 3.9 per cent per year in the local currencies (source: QuintilesIMS).

Outlook for 2017

Despite the recent improvements in the performance of the Consumer business, the result of the Business Area in 2017 will remain below 2016 level. The go-live of the IT systems in Finland, planned for June, is postponed to the third quarter of 2017. The delay will result in additional costs in the Services Business Area in 2017. In the Healthcare business the costs for starting the Swedish dose dispensing production for the Norrland region are higher than anticipated, and the result of the Healthcare Business Area will stay negative in 2017.

Oriola has decided to divest its businesses in the Baltic countries. In the Half Year Financial report the Baltic businesses will be classified as discontinued operations and the assets and related liabilities will be classified as Assets for sale. The net sales of the Baltic businesses in 2016 were EUR 54 million and the Adjusted EBIT EUR 1.2 million.

Oriola's and Kesko's joint health and wellbeing store chain was approved by the competition authorities in June 2017, and the joint venture agreement was finalized on June 30. Oriola will report 50 per cent of the result of the joint venture in the Consumer Business Area EBIT. The joint venture is expected to be loss making during the build-up phase 2017–2019. Oriola's share of the loss in 2017 is estimated to be EUR 1.5 million.

Oriola revises the guidance for 2017; The Adjusted EBIT of continuing operations on constant currency basis is estimated to decrease from the 2016 level. The adjusted EBIT from continuing operations at comparable currencies, was EUR 59.3 million.

The previous guidance, published 13 February 2017 and repeated 28 April 2017, was that the Adjusted EBIT on constant currency basis will stay at 2016 level which was EUR 61.1 million.

Events after the period

Oriola has signed an agreement to acquire the Swedish company ICTHS Health Support AB. ICTHS Health Support, founded in 2007, provides services to pharmacies, pharmaceutical companies and healthcare operators. In 2016, the company's net sales were approximately 5 million euros. The company employs 60 people in Sweden.

Espoo, 20 July 2017

Oriola Corporation
Board of Directors

Oriola's Half Year Financial Report January–June 2017

Consolidated Statement of Comprehensive Income (IFRS), EUR million	2017 4-6	2016 4-6	2017 1-6	2016 1-6	2016 1-12
Continuing operations					
Net sales	387.5	407.0	754.9	794.5	1,588.6
Other operating income	4.4	2.6	7.4	7.5	20.2
Cost of goods sold	-297.7	-320.7	-576.7	-626.7	-1,248.5
Employee benefit expenses	-42.6	-38.7	-84.5	-75.2	-150.2
Other operating expenses	-32.0	-30.0	-64.0	-60.2	-120.5
Gross profit	19.5	20.2	37.0	39.9	89.6
Depreciation, amortisation and impairments	-6.8	-6.5	-13.7	-12.6	-32.0
EBIT	12.7	13.7	23.2	27.3	57.6
Financial income and expenses	-1.8	-1.5	-2.6	-2.5	-4.7
Profit before taxes	10.9	12.2	20.6	24.8	52.9
Income taxes	-2.6	-2.8	-4.8	-5.6	-11.1
Profit for the period from continuing operations	**8.3**	**9.5**	**15.8**	**19.2**	**41.8**
Profit for the period from discontinued operations	0.1	0.2	0.6	0.5	1.0
Profit for the period	**8.4**	**9.7**	**16.4**	**19.8**	**42.8**
Other comprehensive income					
Items which may be reclassified subsequently to profit or loss:					
Translation differences recognised in comprehensive income during the reporting period	-3.0	-5.7	-2.5	-6.1	-9.1
Cash flow hedge	0.4	0.3	0.3	0.2	0.8
Income tax relating to other comprehensive income	-0.1	-0.0	-0.1	-0.0	-0.2
	-2.7	**-5.4**	**-2.3**	**-5.9**	**-8.5**
Items which will not be reclassified to profit or loss:					
Actuarial gains/losses on defined benefit plan	-	-	-	-	-0.5
Income tax relating to other comprehensive income	-	-	-	-	0.1
	-	**-**	**-**	**-**	**-0.4**
Total comprehensive income for the period	**5.7**	**4.3**	**14.1**	**13.8**	**34.0**
Profit attributable to					
Parent company shareholders	8.4	9.7	16.4	19.8	42.8
Total comprehensive income attributable to					
Parent company shareholders	5.7	4.3	14.1	13.8	34.0
Earnings per share attributable to parent company shareholders: EUR					
Basic					
Continuing operations	0.05	0.05	0.09	0.11	0.23
Discontinued operations	0.00	0.00	0.00	0.00	0.01
Group total	0.05	0.05	0.09	0.11	0.24
Diluted					
Continuing operations	0.05	0.05	0.09	0.11	0.23
Discontinued operations	0.00	0.00	0.00	0.00	0.01
Group total	0.05	0.05	0.09	0.11	0.24

Consolidated Statement of Financial Position (IFRS), EUR million

ASSETS	30 Jun 2017	30 Jun 2016	31 Dec 2016
Non-current assets			
Property, plant and equipment	77.6	71.4	71.5
Goodwill	284.6	264.7	286.8
Other intangible assets	77.8	73.2	76.2
Investments in joint ventures	1.6	-	-
Other non-current assets	0.3	0.2	0.3
Deferred tax assets	3.1	4.8	2.4
Non-current assets total	**445.1**	**414.3**	**437.2**
Current assets			
Inventories	193.2	200.2	199.4
Trade receivables	205.1	203.3	192.6
Other receivables	28.5	30.7	35.4
Cash and cash equivalents	27.6	85.7	60.8
Current assets total	**454.4**	**519.9**	**488.3**
Assets held for sale	**18.0**	**-**	**-**
ASSETS TOTAL	**917.5**	**934.1**	**925.4**

EQUITY AND LIABILITIES			
Equity			
Share capital	36.2	36.2	36.2
Hedging reserve	-0.4	-1.1	-0.6
Contingency fund	19.4	19.4	19.4
Invested unrestricted equity reserve	74.8	74.8	74.8
Other reserves	0.1	0.2	0.1
Translation differences	-11.1	-5.6	-8.6
Retained earnings	75.0	61.0	83.8
Equity attributable to the parent company shareholders	**194.1**	**184.9**	**205.2**
Non-current liabilities			
Deferred tax liabilities	15.2	16.1	16.2
Pension obligations	10.7	9.9	10.6
Borrowings	62.0	60.2	84.6
Other non-current liabilities	3.8	2.0	3.4
Non-current liabilities total	**91.8**	**88.2**	**114.8**
Current liabilities			
Trade payables	490.8	508.5	504.3
Provisions	-	0.1	-
Borrowings	49.9	91.7	48.5
Other current liabilities	81.1	60.8	52.7
Current liabilities total	**621.9**	**661.1**	**605.4**
Liabilities related to assets held for sale	**9.8**	**-**	**-**
EQUITY AND LIABILITIES TOTAL	**917.5**	**934.1**	**925.4**

Consolidated Statement of Changes in Equity (IFRS)

	Equity attributable to the parent company shareholders				
EUR million	**Share capital**	**Funds**	**Translation differences**	**Retained earnings**	**Equity total**
Equity 1 Jan 2016	**36.2**	**93.1**	**0.5**	**64.7**	**194.6**
Comprehensive income for the period					
Net profit for the period	-	-	-	19.8	**19.8**
Other comprehensive income:					
Cash flow hedge	-	0.2	-	-	**0.2**
Income tax relating to other comprehensive income	-	-0.0	-	-	**-0.0**
Translation difference	-	-	-6.1	-	**-6.1**
Comprehensive income for the period total	-	0.2	-6.1	19.8	**13.8**
Transactions with owners					
Dividend distribution	-	-	-	-23.6	**-23.6**
Share-based incentive	-	-	-	0.2	**0.2**
Purchase of own shares	-	-	-	-0.1	**-0.1**
Transactions with owners total	-	-	-	-23.5	**-23.5**
Equity 30 Jun 2016	**36.2**	**93.3**	**-5.6**	**61.0**	**184.9**
Equity 1 Jan 2017	**36.2**	**93.7**	**-8.6**	**83.8**	**205.2**
Comprehensive income for the period					
Net profit for the period	-	-	-	16.4	**16.4**
Other comprehensive income:					
Cash flow hedge	-	0.3	-	-	**0.3**
Income tax relating to other comprehensive income	-	-0.1	-	-	**-0.1**
Translation difference	-	-	-2.5	-	**-2.5**
Comprehensive income for the period total	-	0.2	-2.5	16.4	**14.1**
Transactions with owners					
Dividend distribution	-	-	-	-25.4	**-25.4**
Share-based incentive	-	-	-	0.2	**0.2**
Purchase of own shares	-	-	-	-0.1	**-0.1**
Transactions with owners total	-	-	-	-25.2	**-25.2**
Equity 30 Jun 2017	**36.2**	**94.0**	**-11.1**	**75.0**	**194.1**

Condensed Consolidated Statement of Cash Flows (IFRS), EUR million [1)]	**2017 1-6**	**2016 1-6**	**2016 1-12**
EBIT	23.9	27.9	58.8
Depreciation and amortisation	13.9	12.7	25.8
Impairment	-	-	6.4
Change in working capital	13.1	-47.1	-43.7
Cash flow from financial items and taxes	-13.7	-2.2	-15.1
Other adjustments	-0.4	3.6	7.9
Net cash flow from operating activities	36.7	-5.1	40.1
Net cash flow from investing activities	-24.6	-29.2	-80.7
Net cash flow from financing activities	-45.2	-2.0	-20.4
Net change in cash and cash equivalents	-33.2	-36.3	-61.0
Cash and cash equivalents at the beginning of the period	60.8	121.9	121.9
Foreign exchange rate differences	0.0	0.1	-0.1
Net change in cash and cash equivalents	-33.2	-36.3	-61.0
Cash and cash equivalents at the end of the period	27.6	85.7	60.8

[1)] Includes the cash flows from discontinued operations

Notes to the Half Year Financial Report

Principal accounting policies as of 1 January 2017 (IFRS)

This Half Year Financial Report has been prepared in accordance with IFRS standards (IAS 34). The accounting policies and calculation methods applied in the report are the same as those in the 31 December 2016 annual financial statements. The Half Year Financial Report does not include all of the information and notes presented in the annual financial statements.

The figures in this half year financial report are unaudited.

Application of IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue from contracts with customers is effective for periods beginning on or after 1 January 2018. The new standard replaces all revenue standards and interpretations in IFRS including IAS 11 Construction Contracts and IAS 18 Revenue and related Interpretations.

Oriola has made assessment of the effects of the new standard. According to the Group's current assessment, the new standard will not significantly change the timing of revenue that the Group will recognise. However, the Group will continue the assessment of the control principle during 2017, evaluating whether the Group is acting as a principal or an agent in wholesale contracts. This will have an effect whether revenue will be recorded on a gross basis or net basis as fee or commission. The outcome of the evaluation may have significant effect in the amount of revenue the Group will record.

The Group will continue implementation of IFRS 15 during 2017 in order to ensure that the Group has appropriate systems, processes, controls and policies in place in order to efficiently disclose required information.

Earnings per share

EUR million	2017 4-6	2016 4-6	2017 1-6	2016 1-6	2016 1-12
Profit attributable to equity owners of the parent					
Continuing operations	8.3	9.5	15.8	19.2	41.8
Discontinued operations	0.1	0.2	0.6	0.5	1.0
Group total:	8.4	9.7	16.4	19.8	42.8
Average number of outstanding shares (1000 shares)					
Basic	181,389	181,389	181,389	181,389	181,389
Diluted	181,389	181,389	181,389	181,389	181,389
Earnings per share (EUR)					
Basic					
Continuing operations	0.05	0.05	0.09	0.11	0.23
Discontinued operations	0.00	0.00	0.00	0.00	0.01
Group total:	0.05	0.05	0.09	0.11	0.24
Diluted					
Continuing operations	0.05	0.05	0.09	0.11	0.23
Discontinued operations	0.00	0.00	0.00	0.00	0.01
Group total:	0.05	0.05	0.09	0.11	0.24

Business combinations

There were no business combinations during the first half of 2017.

Oriola acquired on 8 February 2016 the Swedish pharmacy company Svensk Dos. The statement of profit and loss and the statement of financial position have been consolidated into the Healthcare segment as of 1 February 2016.

Oriola completed the acquisition of PharmaService Oy, a Finnish company offering dose dispensing supporting services from the Association of Finnish Pharmacies and Orion Corporation on 18 July 2016. The statement of profit and loss and the statement of financial position have been consolidated into the Healthcare segment as of 18 July 2016.

On 1 September 2016 Oriola acquired 70.9 per cent of Farenta, a Finnish company offering services for pharmaceutical companies and pharmacies. Additionally, Oriola agreed on the right to acquire the remaining share of Farenta. The statement of profit and loss and the statement of financial position have been consolidated into the Services segment as of 1 September 2016.

During 2016 Oriola acquired eight pharmacies from Apotek Hjärtat in Sweden. Pharmacies are consolidated into Consumer segment as part of Kronans Apotek AB.

Discontinued operations

Oriola has decided to divest its businesses in the Baltic countries. From June 2017 onwards the Baltic businesses are classified as discontinued operations and the assets and related liabilities are classified as Assets held for sale.

Profit for the period from discontinued operations EUR million	**2017 4-6**	**2016 4-6**	**2017 1-6**	**2016 1-6**	**2016 1-12**
Net sales	14.2	13.4	28.6	27.3	54.1
Other operating income	0.0	0.1	0.1	0.1	0.2
Cost of goods sold	-11.6	-10.7	-23.1	-22.0	-43.6
Employee benefit expenses	-1.1	-1.1	-2.1	-2.2	-4.3
Other operating expenses	-1.3	-1.3	-2.6	-2.5	-5.0
Gross profit	0.2	0.3	0.8	0.7	1.4
Depreciation, amortisation and impairments	-0.1	-0.1	-0.1	-0.1	-0.2
EBIT	0.2	0.3	0.7	0.6	1.2
Financial income and expenses	-0.0	-0.0	-0.0	-0.0	-0.0
Profit before taxes	0.2	0.3	0.7	0.6	1.2
Income taxes	-0.1	-0.1	-0.1	-0.1	-0.2
Profit for the period from discontinued operations	**0.1**	**0.2**	**0.6**	**0.5**	**1.0**

Cash flows from discontinued operations EUR million	**2017 1-6**	**2016 1-6**	**2016 1-12**
Net cash flow from operating activities	1.0	-0.6	-0.6
Net cash flow from investing activities	-0.1	-0.1	-0.2
Net cash flow from financing activities	-0.7	0.8	0.7
Total cash flows	**0.2**	**0.1**	**-0.0**

Tangible and intangible assets

Changes in Property, Plant and Equipment, EUR million	**2017 1-6**	**2016 1-6**	**2016 1-12**
Carrying amount at the beginning of the period	71.5	72.7	72.7
Business combinations	-	1.4	1.9
Increases	15.6	6.5	16.0
Decreases	-0.2	-0.3	-2.1
Reclassifications	-0.5	-	-
Transferred to non-current assets as held for sale	-0.6	-	-
Depreciation, continuing operations	-7.7	-7.6	-15.1
Depreciation, discontinued operations	-0.1	-0.1	-0.2
Foreign exchange rate differences	-0.4	-1.2	-1.8
Carrying amount at the end of the period	**77.6**	**71.4**	**71.5**

Changes in Intangible assets, EUR million	**2017 1-6**	**2016 1-6**	**2016 1-12**
Carrying amount at the beginning of the period	363.0	319.7	319.7
Business combinations	-	1.1	1.6
Increases	7.7	29.0	69.2
Decreases	-0.0	-	-0.0
Reclassifications	0.5	-	-
Transferred to non-current assets as held for sale	-0.3	-	-
Amortisation and impairments, continuing operations	-6.0	-5.0	-16.9
Amortisation and impairments, discontinued operations	-0.0	-0.0	-0.0
Foreign exchange rate differences	-2.4	-7.0	-10.5
Carrying amount at the end of the period	**362.4**	**337.9**	**363.0**

Derivatives

30 Jun 2017 EUR million	Positive fair value	Negative fair value	values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	0.7	95.4
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.1	-	21.0

30 Jun 2016 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	1.5	55.2
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	-	0.0	44.5

Derivatives measured at fair value through profit and loss are mainly related to hedging of group's internal transactions. Fair values of the derivatives have been recognised to balance sheet in gross amount as the derivatives contracts are related to credit events and cannot be netted in financial statements. The group has not given nor received collateral to/from derivatives counterparties.

Fair value hierarchy

30 Jun 2017 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	0.1	-	**0.1**
Liabilities				
Derivatives designated as hedges	-	0.5	-	**0.5**
Derivatives measured at fair value through profit and loss	-	0.1	-	**0.1**
Contingent consideration	-	-	2.8	**2.8**

30 Jun 2016 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	-	-	**-**
Liabilities				
Derivatives designated as hedges	-	1.5	-	**1.5**
Derivatives measured at fair value through profit and loss	-	0.0	-	**0.0**
Contingent consideration	-	-	6.4	**6.4**

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Reconciliation of financial liabilities recognised at fair value through profit and loss according to the level 3

EUR million	
Book value 31 Dec 2016	**2.7**
Recognised in financial expenses	0.1
Book value 30 Jun 2017	**2.8**

Financial liabilities recognised at fair value through profit and loss (level 3) include estimated value of contingent and deferred considerations for acquisitions.

Commitments and Contingent Liabilities

EUR million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Commitments for own liabilities			
Guarantees on behalf of own companies	8.1	8.2	8.3
Guarantees on behalf of other companies	-	0.9	1.0
Mortgages on company assets	3.4	2.2	3.4
Other guarantees and liabilities	0.9	1.1	1.0
Total	**12.3**	**12.4**	**13.6**
Leasing liabilities (operating liabilities)	1.6	0.7	0.9
Rent liabilities	48.6	41.9	59.2

The most significant guarantees are bank guarantees against trade payables in Sweden. In addition, Oriola Corporation has granted parent company guarantees of EUR 2.9 (2.8) million against other subsidiaries' trade payables.

Related parties

Related parties in the Oriola Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola Corporation, the other members of the Group Management Team of the Oriola Group, the immediate family of the aforementioned persons and the companies controlled by the aforementioned persons. The Group has no significant business transactions with related parties.

Segment information, continuing operations

1-6/2017

EUR million	Consumer	Services	Healthcare	Group items	Total
External Invoicing	395.6	1,214.9	31.2	-	**1,641.6**
Internal Invoicing	0.0	171.4	-	-171.4	**-**
Invoicing	**395.6**	**1,386.3**	**31.2**	**-171.4**	**1,641.6**
External Net Sales	386.0	337.9	30.9	-	**754.9**
Internal Net Sales	0.0	171.4	-	-171.4	**-**
Net Sales	**386.1**	**509.3**	**30.9**	**-171.4**	**754.9**
EBIT	12.4	15.7	-1.2	-3.6	**23.2**
Adjusted EBIT	13.2	15.7	-1.2	-3.6	**24.1**
Assets 1)	443.8	365.5	46.3	61.9	**917.5**
Liabilities 1)	73.8	528.7	5.6	115.3	**723.4**
Investments	4.5	9.6	3.7	7.0	**24.8**
Depreciation, amortisation and impairments	9.1	2.7	1.8	0.2	**13.7**
Average number of personnel	1,608	910	136	48	**2,701**

1-6/2016

EUR million	Consumer	Services	Healthcare	Group items	Total
External Invoicing	406.0	1,274.5	13.1	-	**1,693.5**
Internal Invoicing	-	187.8	-	-187.8	**-**
Invoicing	**406.0**	**1,462.3**	**13.1**	**-187.8**	**1,693.5**
External Net Sales	396.6	384.8	13.1	-	**794.5**
Internal Net Sales	-	187.8	-	-187.8	**-**
Net Sales	**396.6**	**572.6**	**13.1**	**-187.8**	**794.5**
EBIT	15.9	15.7	-1.3	-3.1	**27.3**
Adjusted EBIT	16.4	16.0	-1.2	-3.1	**28.1**
Assets 1)	457.4	347.3	25.6	103.9	**934.1**
Liabilities 1)	75.2	508.5	5.4	160.2	**749.2**
Investments	7.9	2.1	19.0	6.5	**35.4**
Depreciation, amortisation and impairments	8.6	2.8	1.1	0.1	**12.6**
Average number of personnel	1,576	596	48	40	**2,260**

1) Includes discontinued operations

Geographical information, continuing operations

1-6/2017

EUR million	Sweden	Finland	Baltic countries	Other countries	Total
Net Sales	530.1	182.5	4.5	37.8	**754.9**
Assets [1)]	679.6	219.9	18.0	0.0	**917.5**
Investments	15.6	9.2	-	-	**24.8**
Average number of personnel	1,959	740	-	2	**2,701**

1-6/2016

EUR million	Sweden	Finland	Baltic countries	Other countries	Total
Net Sales	587.2	173.2	0.3	33.9	**794.5**
Assets [1)]	673.1	243.7	17.4	-	**934.1**
Investments	26.8	8.6	-	-	**35.4**
Average number of personnel	1,892	368	-	-	**2,260**

[1)] Includes discontinued operations

Alternative performance measurement reconciliation table

Invoicing, continuing operations **EUR million**	**2017** **4-6**	**2016** **4-6**	**2017** **1-6**	**2016** **1-6**	**2016** **1-12**
Net sales	387.5	407.0	754.9	794.5	1,588.6
+ Acquisition cost of consignment stock	451.6	461.7	877.0	889.6	1,757.1
+ Cash discounts	5.1	4.9	9.8	9.4	18.6
Invoicing, continuing operations	**844.2**	**873.6**	**1,641.6**	**1,693.5**	**3,364.2**

Adjusted EBITDA, continuing operations **EUR million**	**2017** **4-6**	**2016** **4-6**	**2017** **1-6**	**2016** **1-6**	**2016** **1-12**
EBIT	12.7	13.7	23.2	27.3	57.6
Depreciations and impairments	6.8	6.5	13.7	12.6	32.0
EBITDA	19.5	20.2	37.0	39.9	89.6
Adjusting items included in EBITDA	0.4	0.8	0.8	0.8	-4.2
Adjusted EBITDA, continuing operations	**19.9**	**21.0**	**37.8**	**40.7**	**85.4**

Adjusting items

Adjustments to EBITDA and EBIT exclude gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events and, changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

Adjusting items included in EBIT **EUR million**	**2017** **4-6**	**2016** **4-6**	**2017** **1-6**	**2016** **1-6**	**2016** **1-12**
Restructuring costs	-0.1	-0.8	-0.3	-0.8	-1.4
Impairments	-	-0.0	-	-0.0	-6.4
Revaluation of contingent consideration	-	0.0	-	0.0	6.3
Other	-0.2	-	-0.5	-	-0.7
Adjusting items total	**-0.4**	**-0.8**	**-0.8**	**-0.8**	**-2.2**

Adjusting items in January–June 2017 relate to restructuring charges, and preparation costs incurred before the joint venture with Kesko was established in Consumer. Adjusting items in January–June 2016 relate to restructuring charges in Consumer and Services. The impairment and revaluation items in 2016 relate to Svensk Dos.