



Oriola-KD Corporation

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Carnegie Healthcare Seminar
12th March 2015



Oriola-KD Continuing Operations 2014



Net sales

EUR 1.6 billion

- Sweden 73 %
- Finland & Baltics 27 %



Operating profit
excl. non recurring itemes

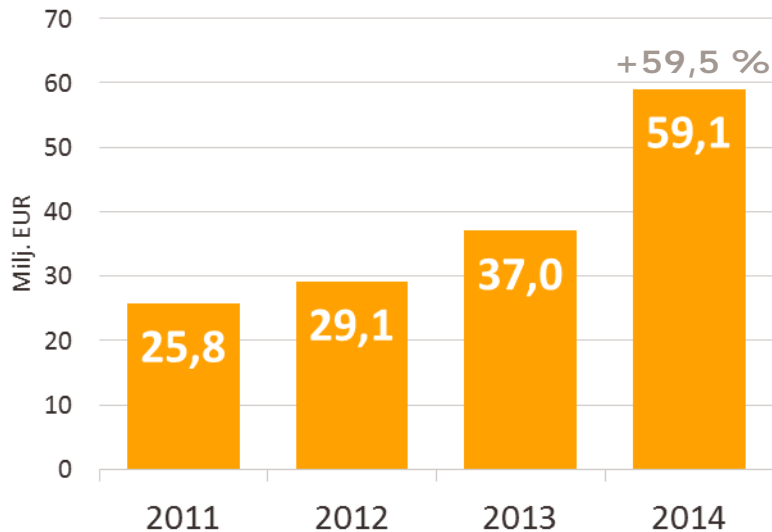
EUR 59.1 million

- Retail 53 %
- Wholesale 47 %

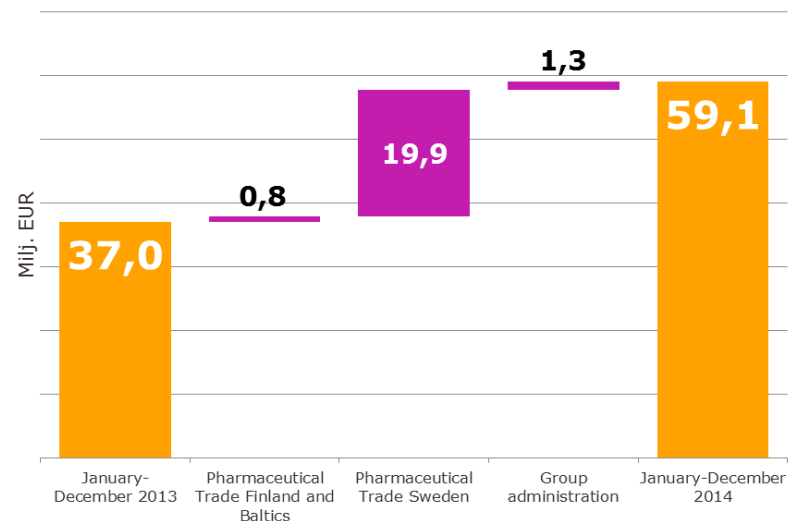


Operating Profit for Continuing Operations 2014

Operating profit excluding non-recurring items

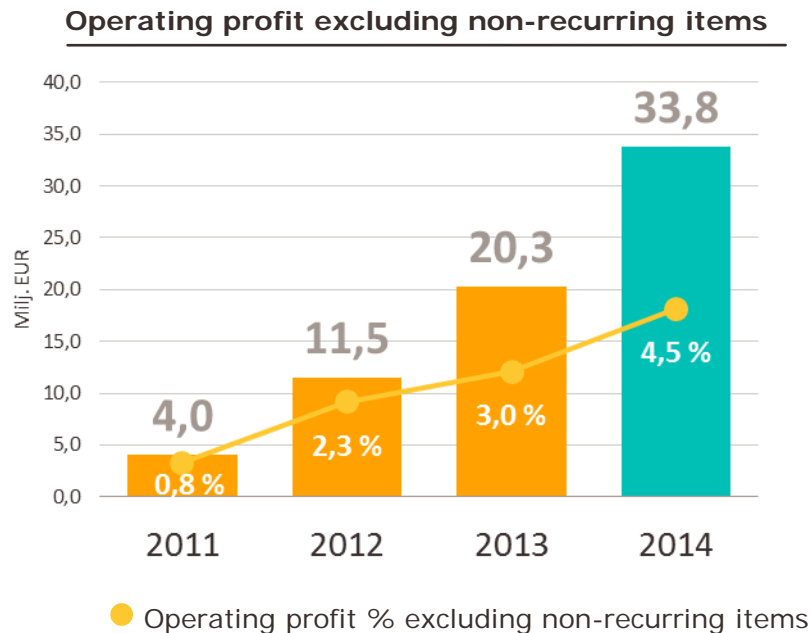


Operating profit excluding non-recurring items



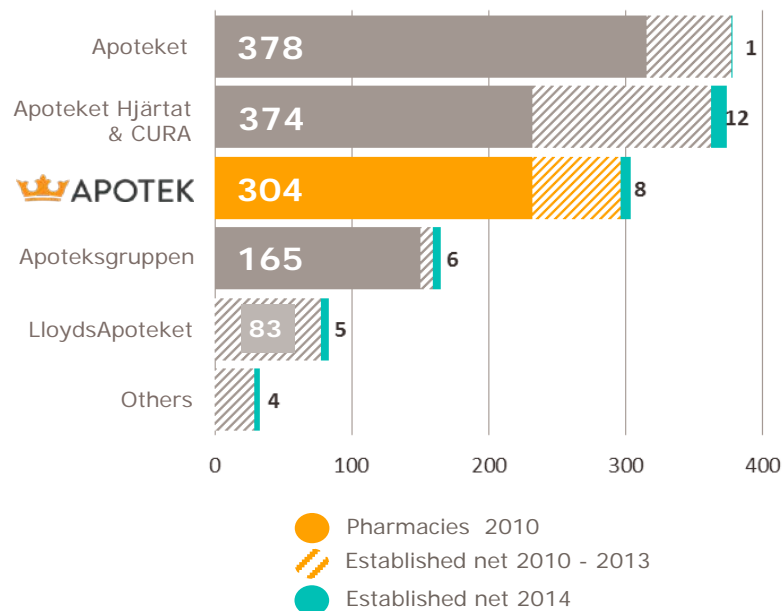
Strong profitability development in the Swedish retail business

- Development of pharmacy and product portfolio according to the plan.
 - Over one million customers in the Kronans Apotek loyalty program.
 - The share of OTC and traded goods from sales was approximately 27 (26) per cent in 2014.
- The fourth quarter profitability of the Swedish retail business was negatively affected by price reductions of certain prescription medicines.

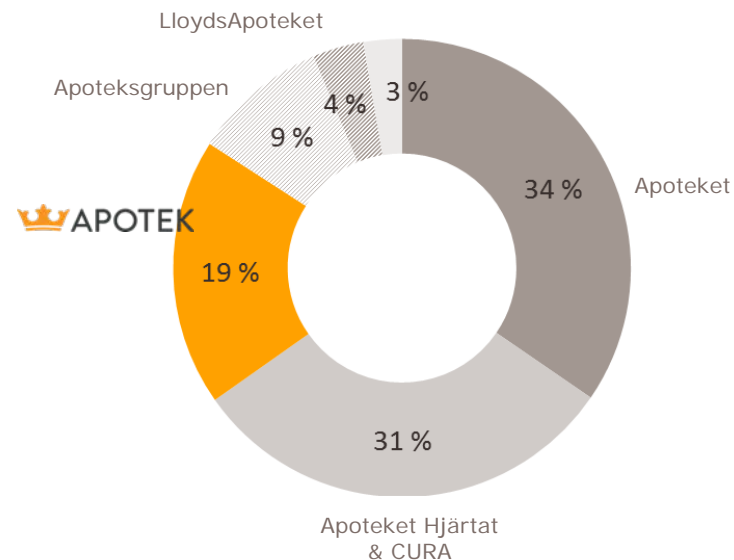


Pharmacy Chains in Sweden

Pharmacies

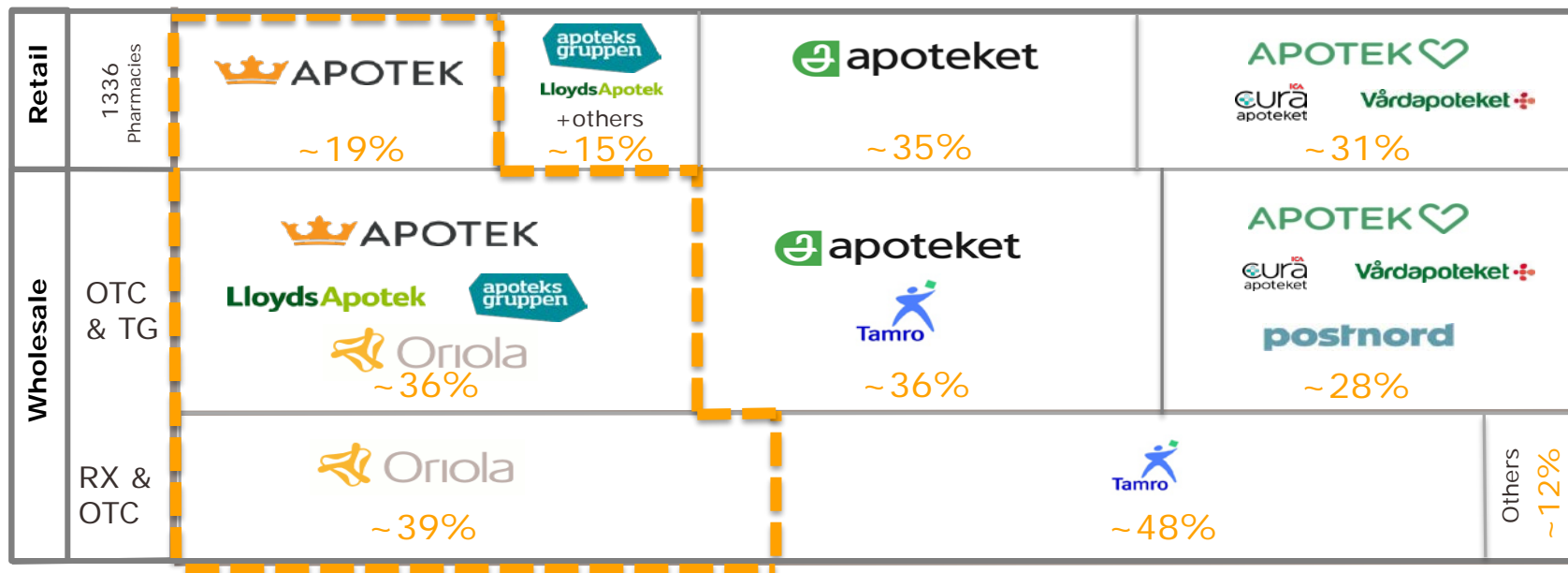


Market Share



Source: Apoteksförening and Oriola-KD

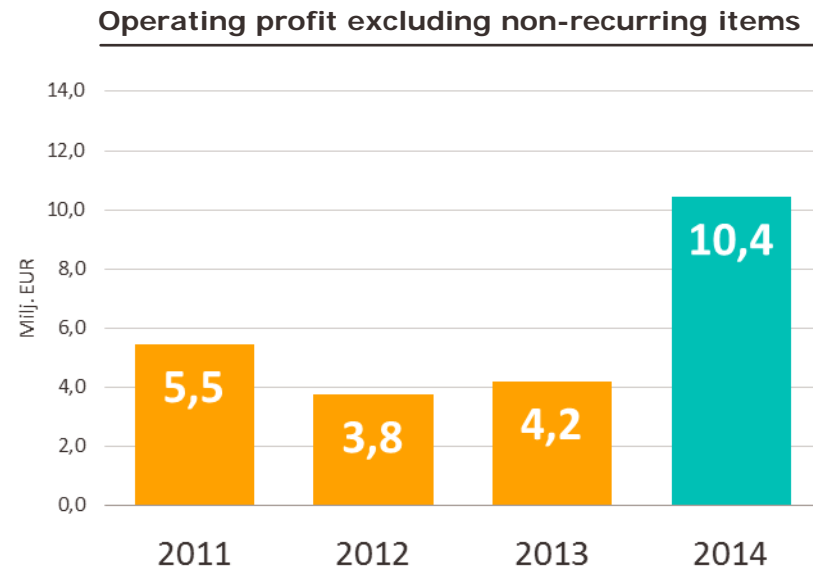
Swedish Pharma Market Structure



Source: Apoteksforening, IMS Health and Oriola-KD

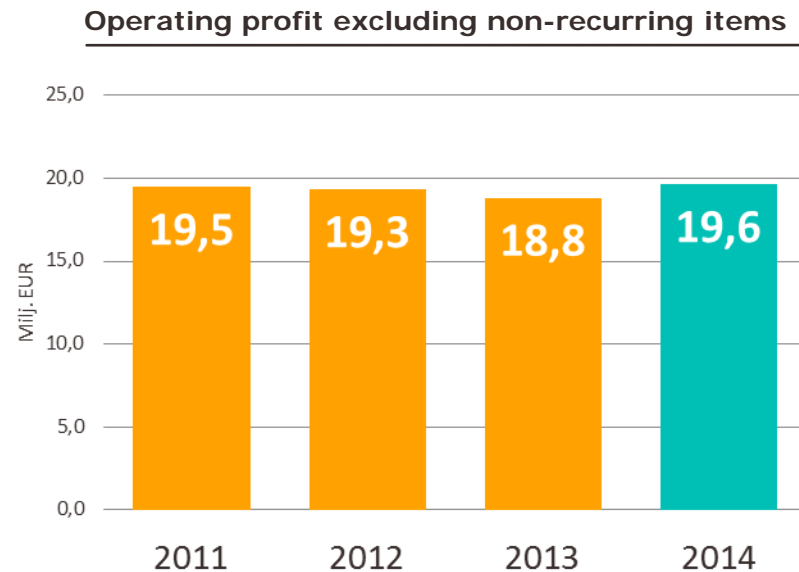
Significant profitability improvement in the Swedish wholesale business

- Increased business volumes and completed efficiency program.
- Several new small and medium size agreements with pharmaceutical companies.
- Share of parallel imports of the total Swedish pharmaceutical market was approximately 13 (21) percent at end of 2014.



Stable Performance in Finland and Baltics

- Agreements with AbbVie, Novo and Roche prolonged for several years.
- Significant increase in sales of the main Consumer Health brands Avène, Gefilus, Lysi and Pharmacare.
- In Finland and Baltics entry to consumer business via oriolashop.fi and intertnetaptieka.lv online shops.



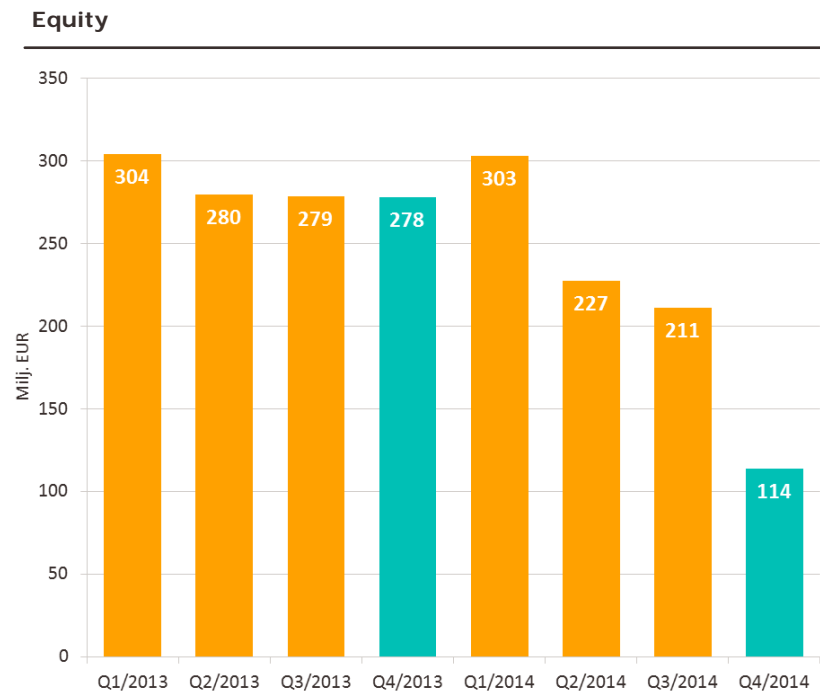
Divested Russian businesses

- Oriola-KD sold its Russian businesses to CJSC Apteki 36.6. on 8th of December 2014.
- The decision to sell the Russian businesses was based on estimates on the future outlook of the Russian pharmaceutical markets, on the competitive environment and the further development of profitability of the OriolaKD Russian businesses.
- The cash and debt free selling price was RUB 3,700 million, equivalent to approximately EUR 56.4 million.
- Result for the period from discontinued operations in 2014 was EUR -258.8 (-11.4) million.



Successful EUR 75.6 million rights offering

- The purpose of the offering was to strengthen Oriola-KD's balance sheet.
- Approximately 97 per cent of all offered shares were subscribed for on the basis of subscription rights.
- The rights offering was oversubscribed by approximately 146 per cent.



Key Focus Areas in 2015



Development of digital channels.



Improving service businesses and expanding to healthcare B2B market.



Improving efficiency by exploiting group synergies.



Thank You

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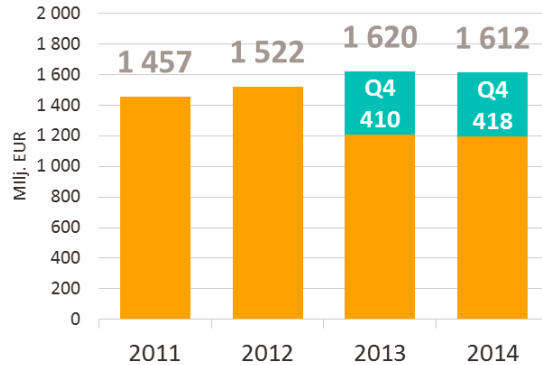


Appendix

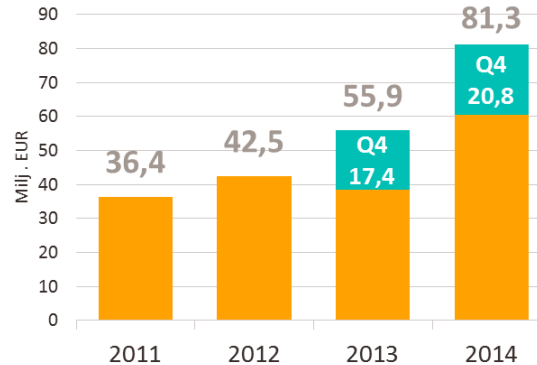


Oriola-KD, Continuing Operations

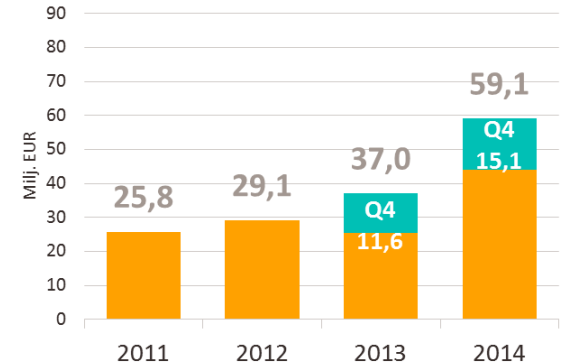
Net Sales



EBITDA excl. non-recurring items

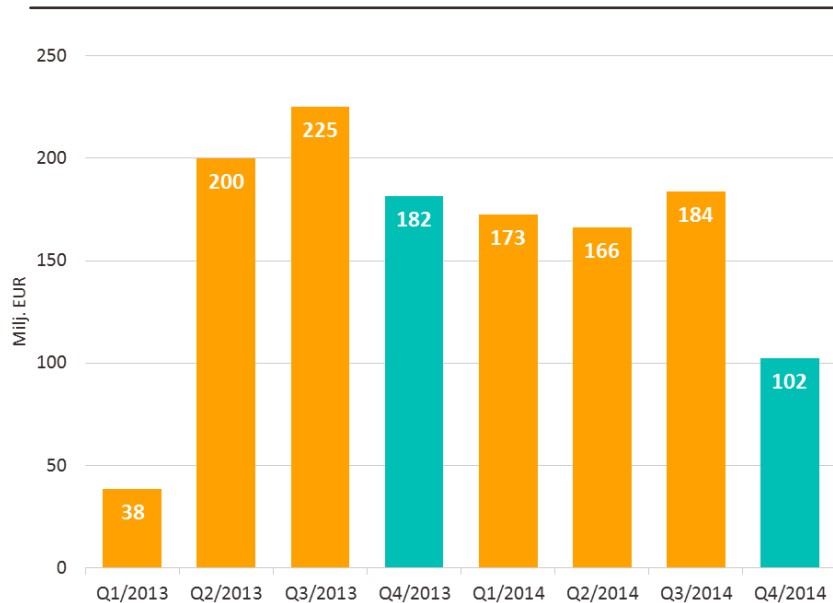


Operating profit excl. non-recurring items



Interest-Bearing Debt

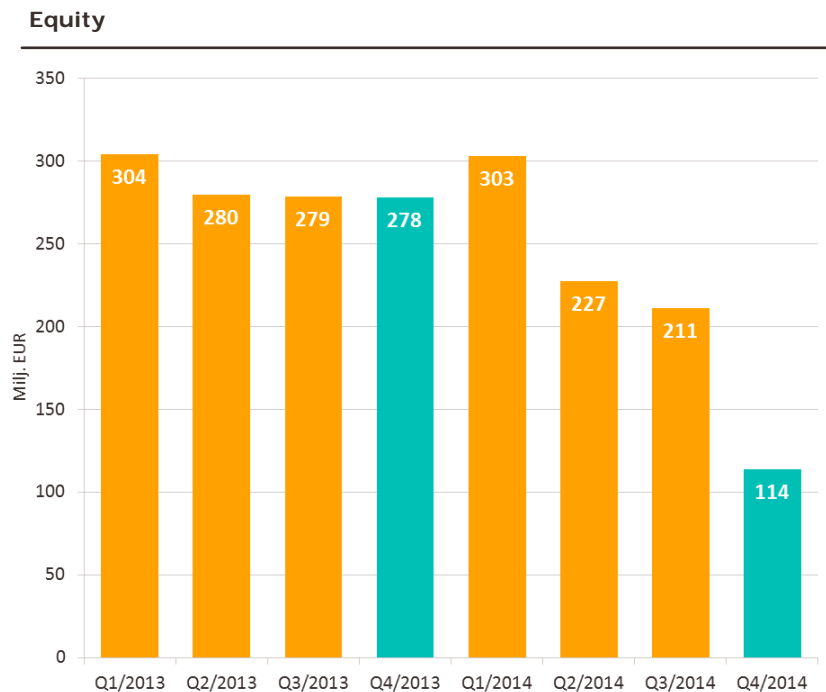
Interest-Bearing Net Debt



Milj. EUR	31 Dec 2014	31 Dec 2013
Syndicated bank loans	102.2	172.4
Commercial papers	51.8	83.1
Advance payment from pharmacies	20.6	47.8
Finance lease	4.5	0.8
Other ¹⁾	14.7	14.6
Cash and cash equivalents	91.5	137.3
Interest-bearing net debt	102.4	181.5
Sold trade receivables	100.1	79.8
Hybrid bond	39.6	-
Gearing, %	90.1 %	65,3 %

¹⁾ Contingent consideration related to Medstop-acquisition

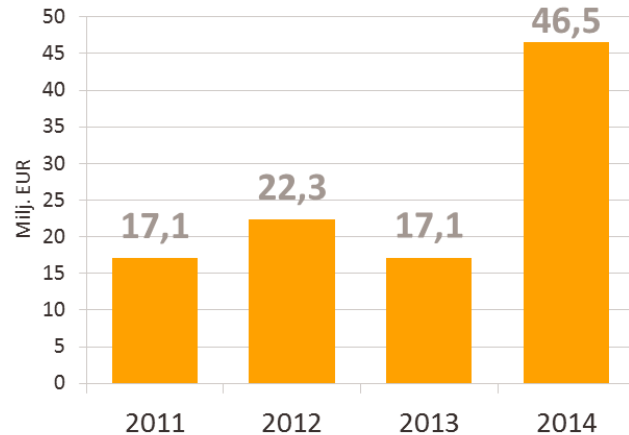
Equity



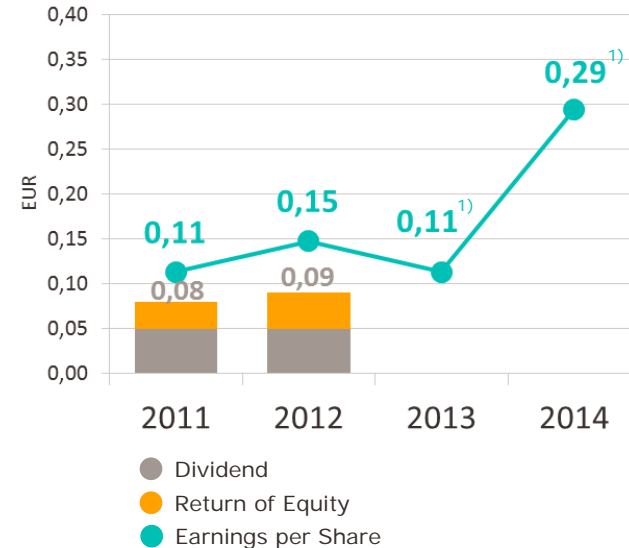
Milj. EUR	31 Dec 2014	31 Dec 2013
Share capital	36,2	36,2
Hedging reserve	-1,3	-0,2
Contingency fund	19,4	19,4
Hybrid bond	39,6	-
Other reserves	1,2	1,2
Translation difference	-3,1	-25,3
Retained earnings	21,6	246,8
Equity total	113,6	278,1
Equity ratio, %	13,3 %	19,2 %
Gearing, %	90,1 %	65,3 %

Profit for the Period for Continuing Operations

Profit for the Period



Dividend and Earnings per Share



¹⁾ Earnings per share including discontinued operations was EUR -1.42 (0.04)

Discontinued Operations

- On 8th of December 2014 Oriola-KD sold its Russian businesses to CJSC Apteki 36.6
- The cash and debt free selling price was RUB 3,700 million, equivalent to approximately EUR 51.8 million at the final conversion fx rate.
- Profit for the period from discontinued operations was EUR -258.8 (-11.4) million.
 - Profit for the period was EUR -111.1 (-11.4) million.
 - Impairment loss, cumulative translation differences, foreign exchange difference and cost of disposal totaled EUR -147.7 million

Profit for the Period from Discontinued Operations (Milj. eur)	2014	2013
Net sales	677.8	978.8
Gross profit	-32.4	-3.0
Impairment	-71.1	-
Operating profit	-107.4	-8.3
Profit for the period	-111.1	-11.4
Impairment loss resulting from re-measurement of assets	-64.7	-
Cumulative translation differences recognized trough profit and loss	-74.3	-
Foreign exchange differences	-4.8	-
Cost of disposal	-3.8	-
Profit for the period from discontinued operations	-258.8	-11.4

Key Figures

Milj. EUR	2014 Q4	2013 ¹⁾ Q4	Change %	2014 ¹⁾ 1-12	2013 1-12	Change %
Continuing operations						
Net sales	417.7	409.8	1.9	1,612.3	1 619.7	-0.5
EBITDA excl. non-recurring items	20.8	17.4	19.3	81.3	55.9	45.3
EBITDA	27.7	17.1	61.6	87.2	49.7	75.6
Operating profit excl. non-recurring items	15.1	11.6	30.7	59.1	37.0	59.5
Operating profit	22.1	9.9	123.5	65.0	29.3	121.7
Profit for the period from continuing operations	18.0	6.6	248.4	46.5	17.1	200.6
Profit for the period from discontinued operations	-149.2	-1.0		-258.8	-11.4	
Profit for the period	-131.1	5.6		-212.3	5.8	

¹⁾ The comparative figures have been revised as a result of the sale of reporting segment Pharmaceutical Trade Russia

Balance Sheet and Key Ratios

Milj. eur	31 Dec 2014	31 Dec 2013 ¹⁾
Goodwill	250.9	379.0
Equity	113.6	278.1
Interest-bearing debt	193.9	318.8
Interest-bearing net debt	102.4	181.5
Balance sheet total	874.0	1 500.1
Equity ratio, %	13.3	19.2
Return on equity (ROE), %	23.7	2.0
Return on capital employed (ROCE), %	14.4	4.2
Gearing, %	90.1	65.3
Net debt / 12 month EBITDA, continuing operations	1.2	3.7
Equity per share, EUR	0.75	1.84
Earnings per share (EPS), continuing operations EUR	0.29	0.11
Earnings per share (EPS), inc. discontinued operations EUR	-1.42	0.04
Average number of shares, 1000 pcs	151 130	151 157

¹⁾ Comparative balance sheet items include discontinued operations

Outlook for 2015

- Oriola-KD estimates its full-year net sales to remain at the 2014 level. Operating profit excluding non-recurring items is estimated to increase from the 2014 level. Full-year net sales for continuing operations were EUR 1,612.3 million and operating profit excluding non-recurring items was EUR 59.1 million.

Distribution Proposal

- The Board proposes to the Annual General Meeting that no dividend be distributed on 2014 (no dividend distributed on 2013) and that no funds from the invested non-restricted equity fund be distributed as return of equity (no return of equity 2013).

Annual General Meeting and Annual Report

- Annual General Meeting
 - Oriola-KD Corporation's Annual General Meeting will be held on 30 March 2015 at 5.00 p.m. at the Helsinki Fair Centre. The matters specified in article 10 of the Articles of Association and other proposals of the Board of Directors, if any, will be dealt with at the meeting. The Board of Directors will decide on the notice of the Annual General Meeting and the proposals contained in it at a later date. The full notice of the Annual General Meeting will be published on 6 March 2015.
- Publication of the annual report
 - Oriola-KD Corporation will publish its 2014 annual summary on 6 February 2015. The financial statements in their entirety will be published by 9 March 2015.

