



# Oriola-KD Corporation January-March 2009

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Eero Hautaniemi, President and CEO  
29 April 2009

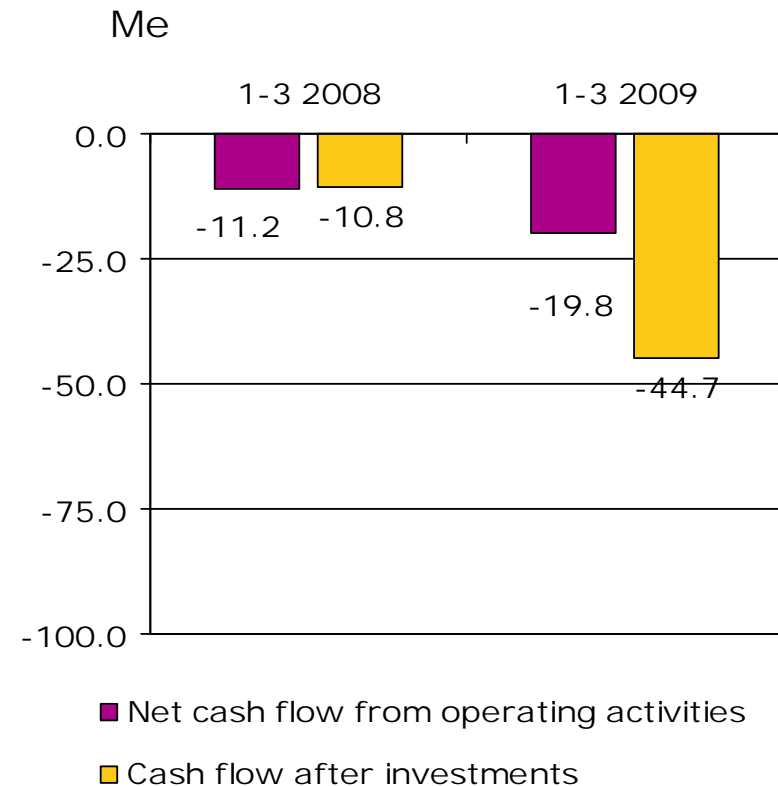


# Key Figure January-March 2009

	1-3/2009	1-3/2008	Change-%
Net sales, Me	403.5	318.0	+27 %
Operating profit, Me	12.4	8.5	+46 %
Profit before taxes, Me	11.6	9.1	+27 %
Net result, Me	8.9	6.9	+28 %
Earnings per share, Euro	0.06	0.05	-
ROCE, %	15.9	17.0	-
ROE, %	19.4	13.8	-

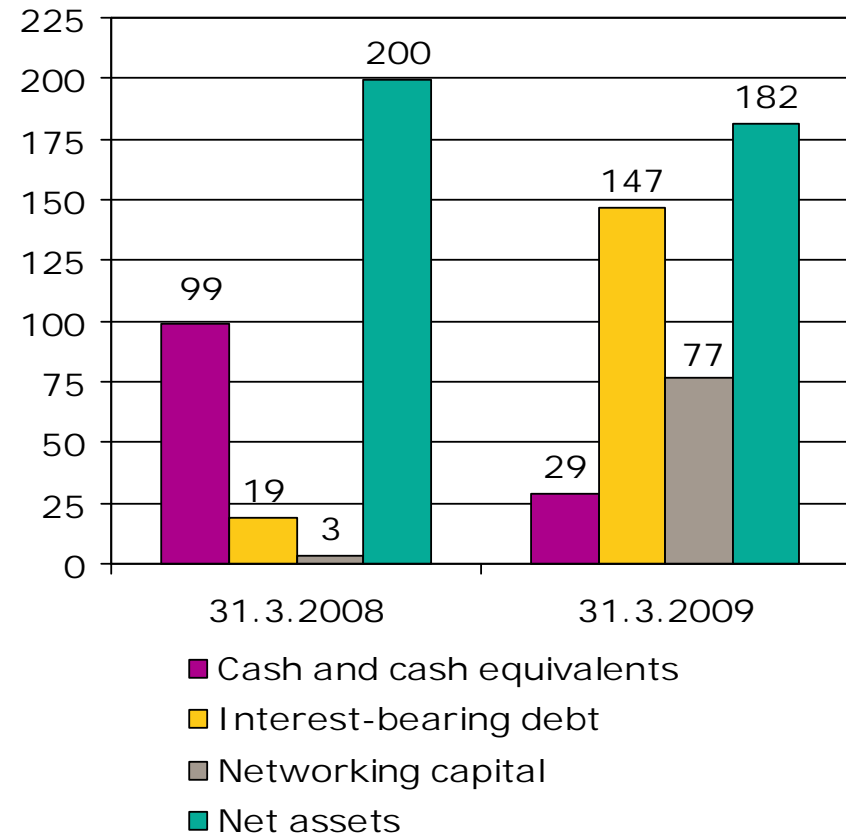
# Cash Flow from Operations and Investments

- Change in working capital  
-28.7 Me (-20.4 Me)
  - Growth of the Russian companies
  - Seasonal increase in working capital in Finland
- Net cash flow from investments  
-24.9 Me (0.4 Me)
  - Including the additional sum of EUR 21.7 million paid for the 75 per cent holding in the Russian companies
- Investments 16.5 Me (0.9 Me)
  - Anticipated final price of the Russian companies
  - Acquisition of the minority holding in Kronans Droghandel AB in Sweden
  - Operative maintenance and PPE investments



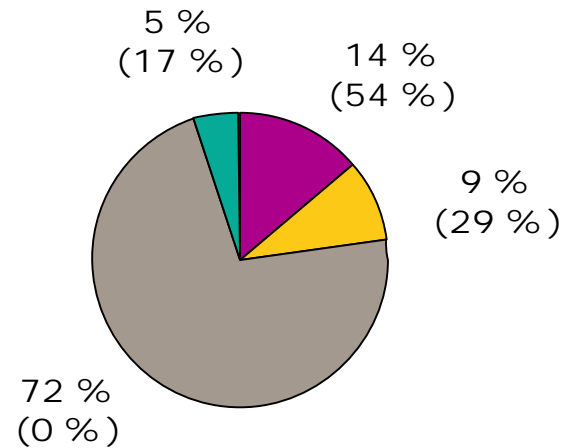
# Balance Sheet on 31 March 2009

- Total assets 772.0 Me (639.1 Me)
- Equity ration 24.3 % (32.3 %)
  - The weakening of the Swedish currency (SEK) and the Russian currency (RUB) decreased Oriola-KD's equity
- Net gearing 64.8 % (-39.8 %)
- Interest-bearing debt
  - Some EUR 87 million from the commercial paper programme
  - Some EUR 22 million from pharmacy advance payments in Finland
  - Debt of approximately EUR 38 million from the anticipated final price of the remaining 25 per cent holding in the Russian companies
- Oriola-KD has a EUR 100 million commercial paper programme
- Approximately EUR 78 million credit facilities with banks stood unused at the end of the review period



# Personnel on 31 March 2009

Personnel by country

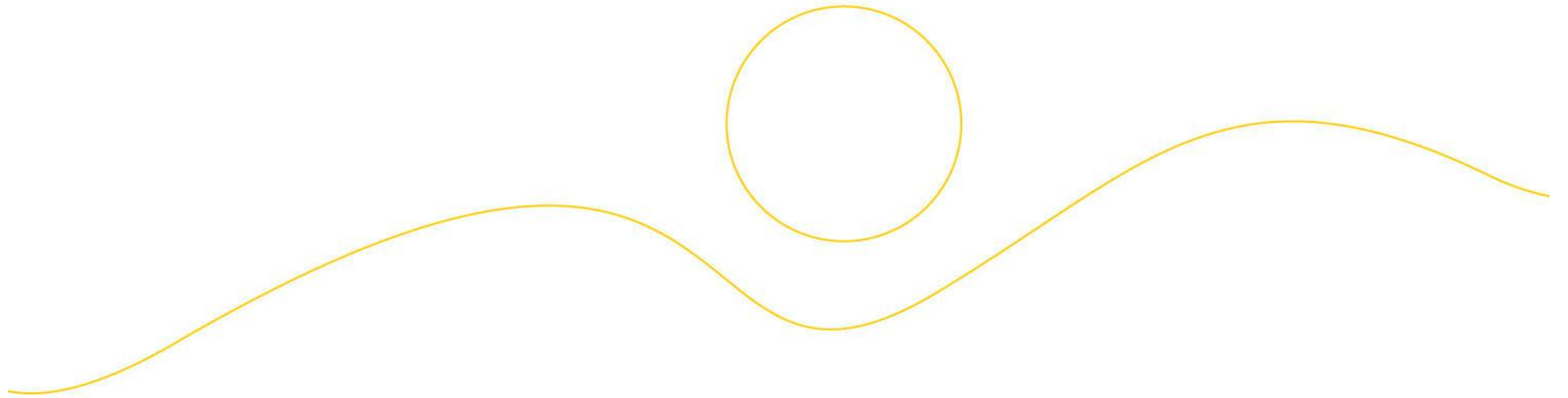


- Finland   ■ Sweden
- Russia   ■ Baltics and Denmark

Personnel by segments

<b>OPERATING SEGMENTS</b>	<b>31.3.2009</b>	<b>31.3.2008</b>
Pharmaceutical Trade Finland	411	462
Pharmaceutical Trade Sweden	262	247
Pharmaceutical Trade Russia	3,239	3,696*
Pharmaceutical Trade Baltics	152	165
Healthcare Trade	396	414
<b>TOTAL</b>	<b>4,461</b>	<b>4,984</b>

\*) Pro forma



# Operating Segments

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# New Segments 2009

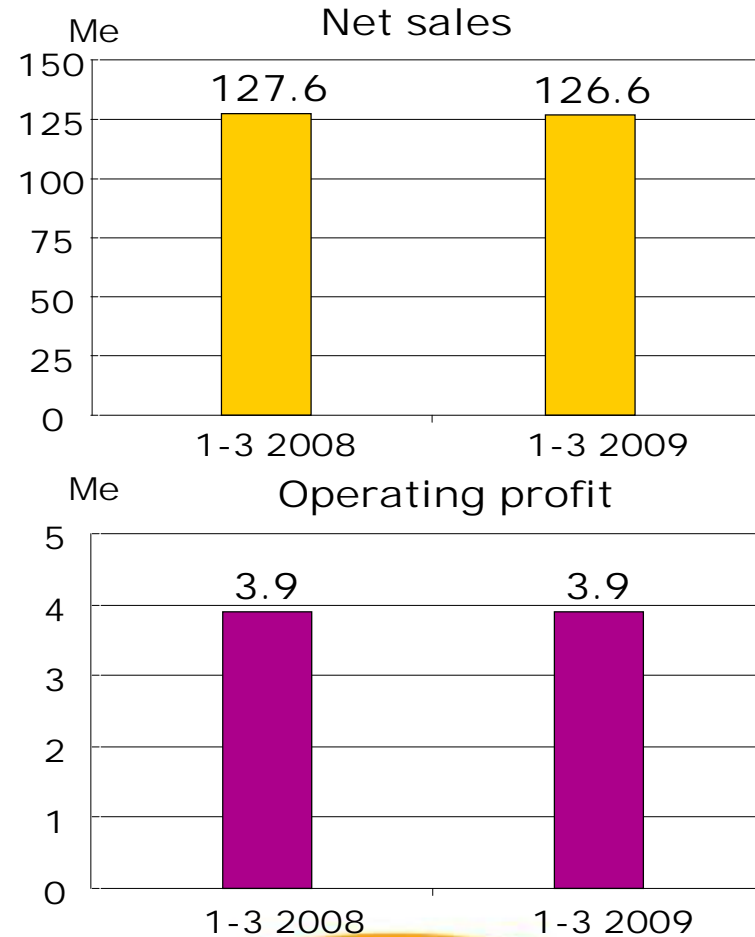
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- On 1 January 2009, Oriola-KD introduced financial reporting that is based on the new segment division
- New segments as of 1 January 2009
  - Pharmaceutical Trade Finland
  - Pharmaceutical Trade Sweden
  - Pharmaceutical Trade Russia
  - Pharmaceutical Trade Baltics
  - Healthcare Trade
  - Dental Trade
- The new segment structure is in line with the Group's new organisation structure and internal reporting
- The retail and wholesale businesses OOO Vitim & Co and OOO Moron, acquired in Russia, have been consolidated into Oriola-KD's accounts since 1 April 2008

# Pharmaceutical Trade Finland 1-3/2009

- Pharmaceutical market declined by 1.2 % (grew by 6,3 %) \*
- Share of pharmaceutical wholesale market 46,8 % (48,1 %) \*
  - No significant changes took place in distribution agreements during the review period
- Market share is estimated to be approximately 47 % in 2009
- Introduction of reference price system on 1 April 2009

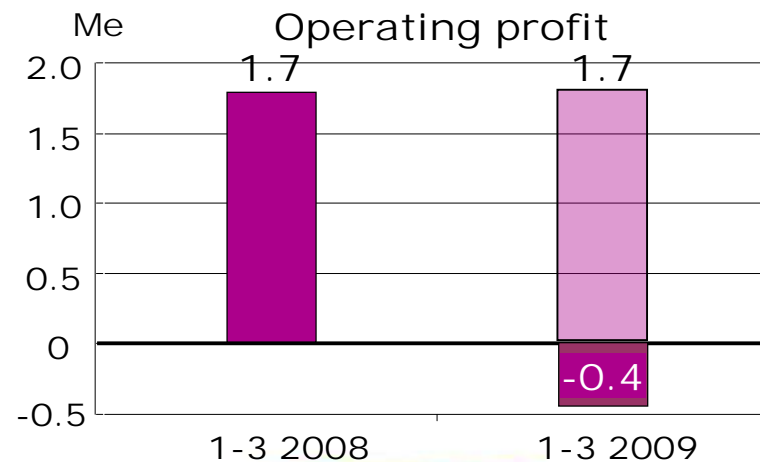
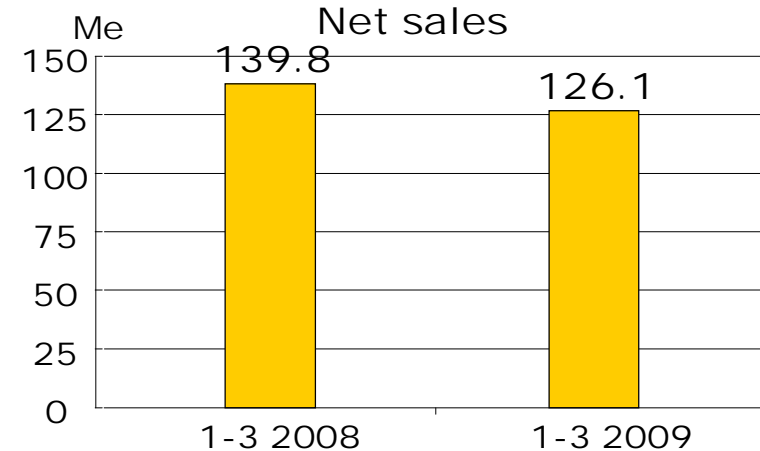
\*) Source: IMS Health





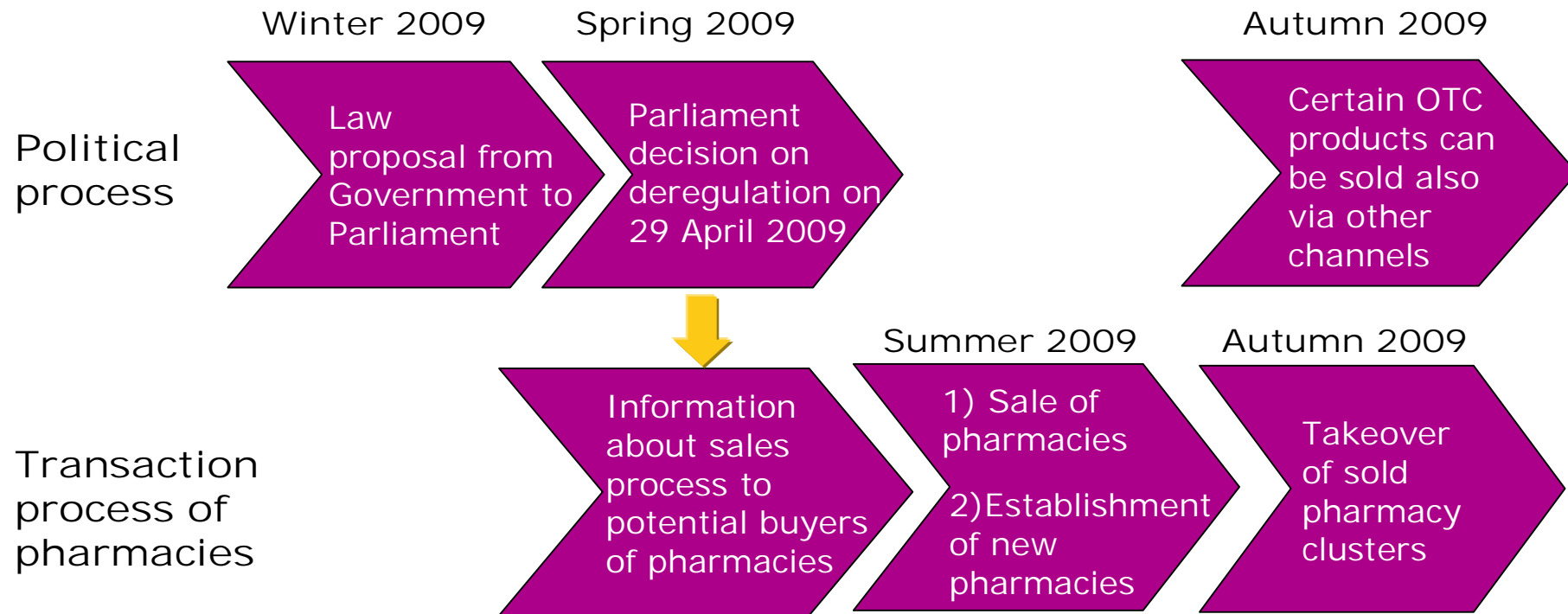
# Pharmaceutical Trade Sweden 1-3/2009

- Pharmaceutical market grew by 1.8 % (5.5 %)\*
- Share of pharmaceutical wholesale market 41.5 % (43,3 %)\*
  - Pharmaceutical manufacturers Schering-Plough and Organon discontinued as pharmaceutical principals in Sweden during the period under review
- Market share is estimated to be approximately 40 % in 2009
- Net sales were reduced by a decline in Oriola-KD's market share and the weakening of the Swedish currency
- Operating profit was reduced by EUR 2.3 million in costs from the strategic program concerning the liberalisation of the Swedish pharmacy market, of which EUR 0.3 million was recorded for the Group
- Oriola-KD increased its shareholding in Kronans Droghandel AB from 98.13 % to 100.00 % cent by acquiring Organon minority holding on 6 March 2009
- The Swedish Parliament is expected to make a decision on the proposed liberalisation of the pharmacy market on 29 April 2009



\*) Source: IMS Health

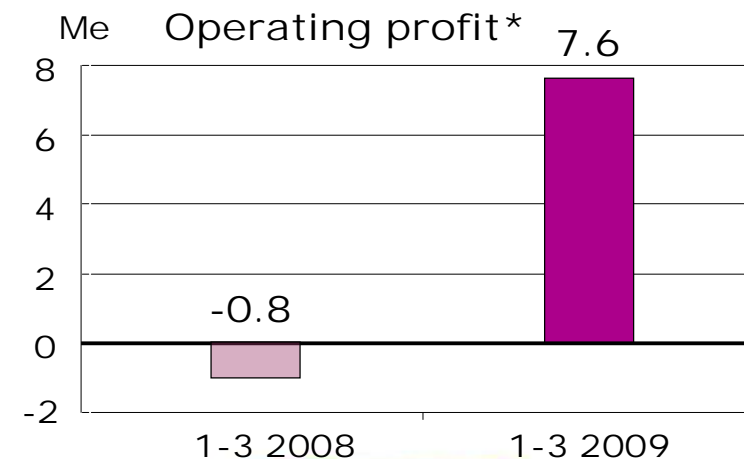
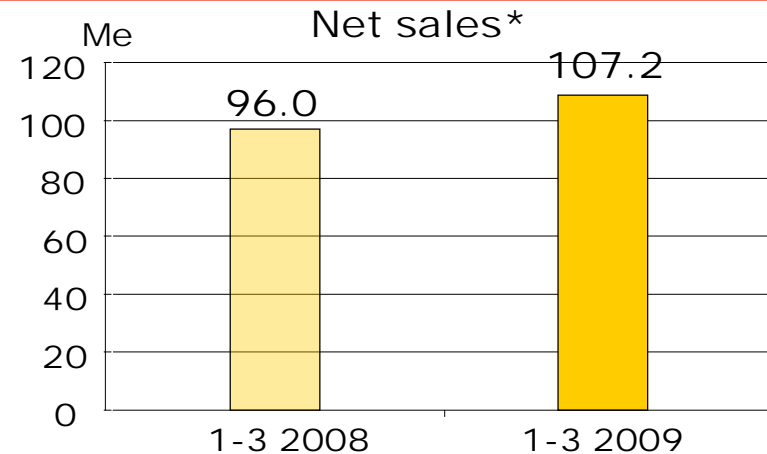
# Oriola-KD's Preparation for Pharmacy Deregulation in Sweden



Oriola-KD has prepared for market change by creating alternative scenarios

# Pharmaceutical Trade Russia 1-3/2009

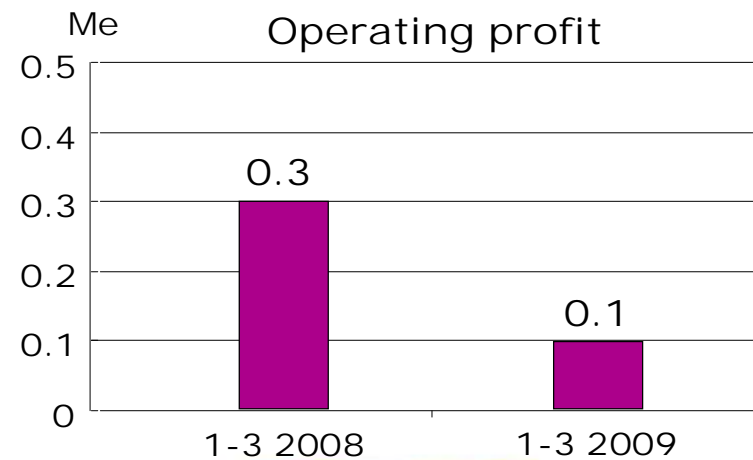
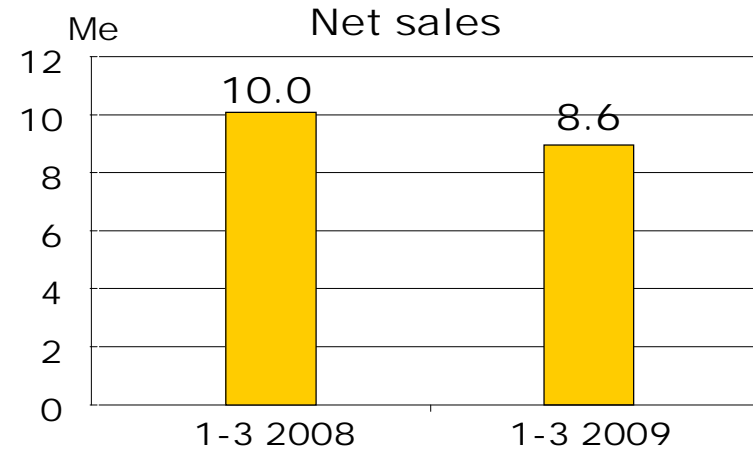
- In Russian ruble (RUB) terms, the pharmaceutical market in Russia grew almost 30 per cent
- Oriola-KD has continued to develop business operations and increase efficiency
  - The expansion and improving efficiency of the business in Russia and investments in the development of the business had a positive impact on the first quarter operating profit
  - At the end of March, competition became tighter in the Russian pharmaceutical market
- Number of pharmacies at the end of March was 156 (133)
- New managing directors were appointed to Russian companies
  - Henrijs Fogels: Retail
  - Vladimir Kniazev: Wholesale
- As has been agreed, Igor and Oleg Yankov will resign from their posts as managing directors of the companies and continue as members of the boards of Vitim and Moron



\*) The retail and wholesale businesses in Russia have been consolidated into Oriola-KD's accounts since 1 April 2008. The figures in Russia during 1-3 2008 are pro forma figures.

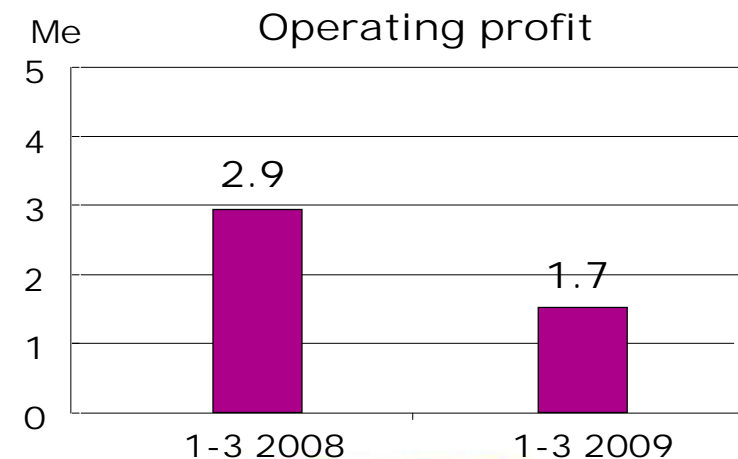
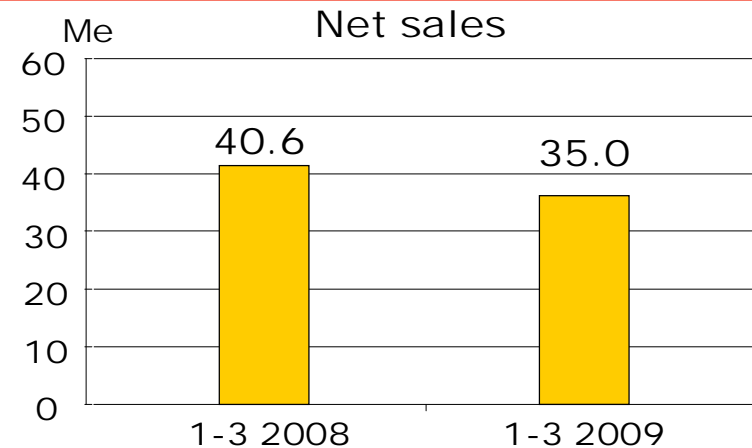
# Pharmaceutical Trade Baltics 1-3/2009

- The Baltic market was challenging, which had a negative effect on net sales and operating profit



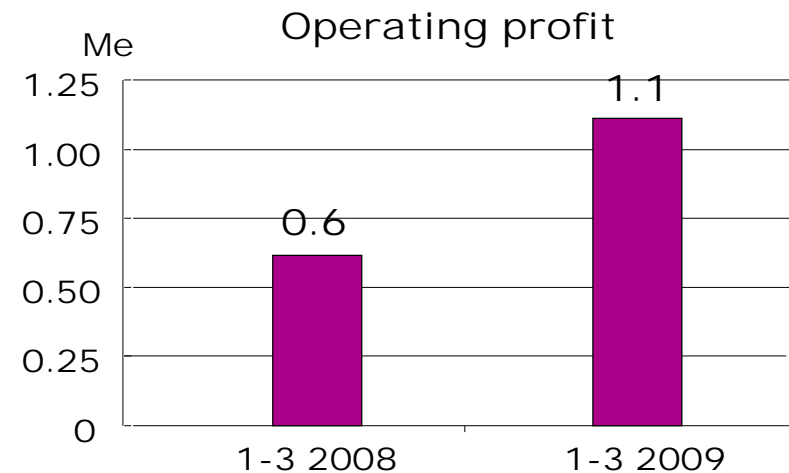
# Healthcare Trade 1-3/2009

- Two important suppliers discontinued with Oriola-KD as a result of international distribution channel reorganisation in 2008, which weakened net sales and operating profit
- In Finland, ConvaTec's wound and stoma care business, including associated personnel, was moved on 1 April 2009 from Oriola's representation to Oy Unomedical Ab as a part of an international distribution channel solution



# Dental Trade 1-3/2009

- Operating profit improved largely due to the development of the business in Finland and Denmark
- Oriola-KD Corporation and Lifco AB merged their Dental Trade businesses in 2007
- Oriola-KD holds a 30 per cent share of the Dental Trade business, while Lifco has a 70 per cent holding



# Traded Volume of Shares

## 1 January – 31 March 2009

- Market capitalisation at 31 March 2009 was 242.2 Me (418.4 Me)
- The traded volume of all shares amounted to 10.8 % (7.4 %)\*
- Number of shares at the end of the period 141,907,828 in total (141,907,828)
  - Number of A-shares 48,392,203 (50,778,807)
  - Number of B-shares 93,515,625 (91,129,021)
  - In the review period 300,000 A-shares were transferred to B-shares (466,598)
- The company held 343,472 B-shares on 31 March 2009 (493,952)

	1-3 2009		1-3 2008	
	Class A	Class B	Class A	Class B
Trading volume, million	1.2	14.1	1.1	9.4
Trading volume, Me	1.9	23.1	3.0	26.8
High, EUR	1.90	1.90	2.96	3.00
Low, EUR	1.29	1.30	2.50	2.60
Close at 31 March , EUR	1.72	1.70	2.92	2.98
Traded volume, % *)	2.5	15.2	2.2	10.4

\*) The traded volume of shares in the review period excluding treasury shares of average outstanding stock

# Risk Factors

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- Oriola-KD has identified the following principal strategic and operational risks in its business
  - changes in bargaining position vis-à-vis suppliers and customers
  - Impact on business concepts from potential changes in the structure of the Swedish market
  - maintenance of cost-effectiveness and flexibility in costs
  - provision of competitive products and services in expanding and consolidating markets
  - expansion-related risks in new markets and businesses
  - commitment of key employees
- The major financial risks for Oriola-KD involve currency exchange rates, interest rates, liquidity and credit
  - The anticipated USD-denominated purchase price of the remaining 25 per cent holding in the Russian business acquisition has been hedged in accordance with the Group's treasury policy
- Oriola-KD's exposure to risks relating to new markets and businesses as well as financial risks has increased as a result of the company's expansion into the Russian pharmaceutical retail and wholesale market
  - Currency risks are the most significant of Oriola-KD's financial risks in Russia, as any changes in the value of the Russian ruble (RUB) will have an impact on Oriola-KD's financial performance and equity
  - Oriola-KD has invested some EUR 90 million to acquire a 75 per cent holding in the Russian companies and anticipates a roughly EUR 38 million final price for the remaining 25 per cent
  - In addition, by the end of March it had provided the companies with long-term financing amounting to approximately EUR 49 million
  - The Russian companies have no loans external to the Group
  - Goodwill and intangible rights are subject to annual impairment testing, which may have a negative effect on Oriola-KD's financial performance
- Near-term risks and uncertainty factors
  - Factors significantly affecting Oriola-KD's outlook in the short term are the completion of the processes involved in the Russian acquisition, the realisation of the growth potential of the Russian businesses, general market trends in Russia and the uncertainty of the financial market
  - The potential changes in the Swedish pharmacy market are subject to a number of uncertainties that could have a substantial effect on Oriola-KD's business



# Events after Review Period: Decisions of the AGM on 16 April 2009

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- Dividend EUR 0.08 per share
- The Board would continue to comprise seven members
  - Harry Brade, Pauli Kulvik, Outi Raitasuo, Antti Remes, Olli Riikkala (Chairman), Jaakko Uotila and Mika Vidgrén were re-elected to the Board
- PricewaterhouseCoopers Oy re-elected as auditor
- Articles 3, 4, 7, 9, 10 and 12 of the Articles of Association be amended
- The Annual General Meeting authorised the Board to decide on the purchase no more than 14,000,000 of company's class B shares
  - Corresponding to approximately 9.9 per cent of the total number of company shares
  - The purchase authorisation remains in force no longer than eighteen months following the decision of the Annual General Meeting
- The Annual General Meeting authorised the Board the right to issue no more than 28,000,000 new class B shares
  - Corresponding to approximately 19.8 per cent of the total number of company shares
  - The purchase authorisation remains in force no longer than eighteen months following the decision of the Annual General Meeting
- Decisions of the Board's organisational meeting
  - Antti Remes to continue serving as Vice Chairman of the Board
  - Audit Committee: Antti Remes (Chairman), Harry Brade, Outi Raitasuo and Mika Vidgrén
  - Compensation Committee: Olli Riikkala (Chairman), Pauli Kulvik and Jaakko Uotila

# Future Outlook 2009: Market Development

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- Oriola-KD's outlook for 2009 is based on external market forecasts, agreements with principals, the order intake and management assessments
- Long-term fundamentals and growth prospects are deemed to remain favourable in the healthcare market
  - Oriola-KD expects that the pharmaceutical market in Finland and Sweden will grow by about 3-5 per cent annually over the next few years, which is in line with the longer-term average growth rate of these markets
  - The Russian pharmaceutical market is expected to see annual growth of approximately 15-20 per cent in Russian rubles (RUB) in the next few years
  - Growth in the market for healthcare equipment and supplies in Finland and Sweden is expected to outpace that of the pharmaceutical market

# Future Outlook 2009: Net Sales

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- The introduction of the reference price system in Finland at the beginning of April 2009 will hamper the growth of net sales of the Pharmaceutical Trade Finland business segment in 2009
- It is too early to foresee the development of net sales in Pharmaceutical Trade Sweden because of the effects of the possible liberalisation of Sweden's pharmacy market
- The Pharmaceutical Trade Russia business segment is expected to continue growing
- Oriola-KD's net sales for 2009 are forecast to be higher than the net sales for 2008

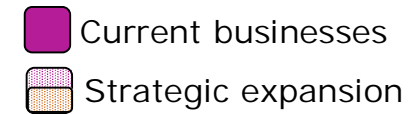
# Future Outlook 2009: Operating Profit

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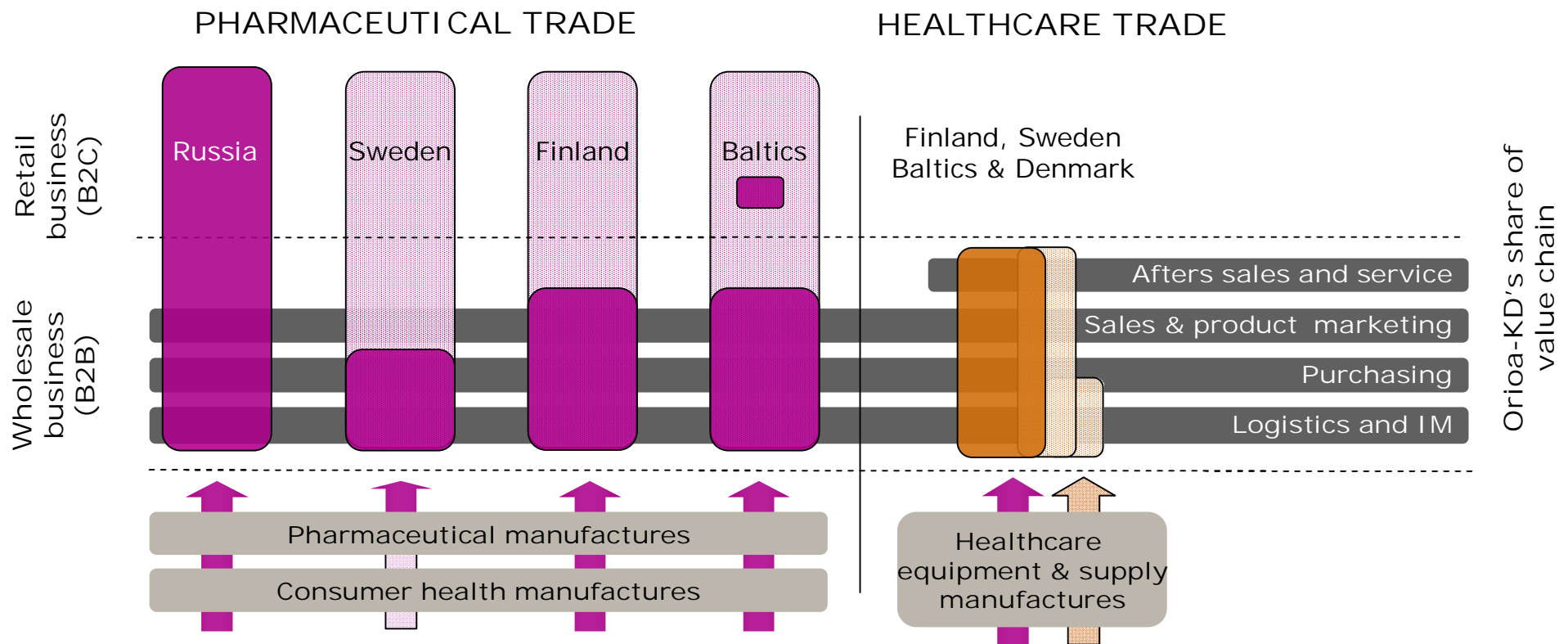
- Future outlook for operating profit given on 12 February 2009
  - Due to the changes in the market environment it is too early to estimate Oriola-KD's operating profit in 2009
- New future outlook for operating profit
  - Oriola-KD's operating profit in 2009, without the costs of the Swedish strategic program preparations, is expected to be higher than in 2008

# Oriola-KD in Brief

## Strategy



- Integrate and expand wholesale and retail business in Russia
- Transform into integrated pharmaceutical retail in Sweden
- Prepare into pharmaceutical wholesale and retail in Finland
- Implement wholesale business model for healthcare trade
- Operational Excellence



# Interim Reports in 2009

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- Interim report 1-6/2009
  - 13 August 2009
- Interim report 1-9/2009
  - 29 October 2009



Oriola-KD is a leading pharmaceutical retail & wholesale and healthcare trade company in Finland, Sweden, Russia and the Baltics



# Disclosure Aspects

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- The assumptions, opinions, estimates and views expressed in this presentation are solely the opinions and views of the company unless a reference to the source of the information is stated
- They reflect the current view of the company with regard to the discussed issues. Several factors can however cause changes to these opinions and views
- Neither the company nor its management can answer for any future accuracy of the opinions or views expressed in this presentation or the actual occurrence of any forecasts