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Oriola-KD Corporation's interim report for 1 January - 30 September 2009

This review presents the financial information for the Oriola-KD Group (hereinafter Oriola-KD) for the period January–September 2009. As of 1 January 2009, the company has applied the revised IAS 1 standard and the IFRS 8 standard. This interim report was drawn up in accordance with the IAS 34 standard and Oriola-KD's new segmentation. 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. The figures are unaudited.

Key figures for 1 January - 30 September 2009

- Net sales increased 8 per cent to EUR 1226.6 million (Jan-Sep 2008: EUR 1131.7 million).
- Operating profit increased 87 per cent to EUR 38.5 million (Jan-Sep 2008: EUR 20.6 million).
- Net profit increased 90 per cent to EUR 28.7 million (Jan-Sep 2008: EUR 15.1 million).
- Earnings per share were EUR 0.20 (Jan-Sep 2008: EUR 0.11).
- Net cash flow from operations was EUR 6.4 million (Jan-Sep 2008: EUR -22.6 million)
- Return on capital employed was 15.5 per cent (Jan-Sep 2008: 13.4 per cent)
- Oriola-KD's net sales for 2009 is forecast to be higher than in 2008, while its operating profit is forecast to be substantially higher.

Key figures for 1 July - 30 September 2009

- Net sales increased 3 per cent to EUR 410.8 million (Q3/2008: EUR 398.4 million).
- Operating profit increased 60 per cent to EUR 12.6 million (Q3/2008: EUR 7.9 million).
- Net profit increased 83 per cent to EUR 10.0 million (Q3/2008: EUR 5.4 million).
- Earnings per share were EUR 0.07 (Q3/2008: EUR 0.04).

President and CEO Eero Hautaniemi: "Oriola-KD's business developed positively in January-September 2009. Net sales were up by 8 per cent and operating profit increased by 87 per cent on the previous year. In the final quarter of 2009, we will focus especially on developing the Russian business, launching pharmacy operations in Sweden and streamlining the Group structure."

Financial performance

Oriola-KD's net sales in January-September 2009 was EUR 1226.6 million (EUR 1131.7 million) and third quarter net sales were EUR 410.8 million (EUR 398.4 million).

Operating profit for January-September 2009 came to EUR 38.5 million (EUR 20.6 million) and profit after financial items came to EUR 36.7 million (EUR 20.2 million). Third-quarter operating profit came to EUR 12.6 million (EUR 7.9 million) and profit after financial items came to EUR 12.6 million (EUR 7.3 million).

Oriola-KD invested in developing its business in Russia, preparing for the change in Sweden's pharmacy market and improving its operating efficiency. The costs incurred in the preparations made for the change in the pharmacy market in Sweden came to EUR 8.0 million in January-September, of which EUR 2.0 million was recorded in the third quarter.

Oriola-KD's financing expenses in January-September 2009 were EUR 1.8 million. A financing expense of EUR 0.4 million was recorded for the corresponding period in 2008. The increase was mainly due to the execution of the Russian acquisition in April 2008.

Taxes for January-September 2009 came to EUR 8.0 million (EUR 5.1 million). Taxes corresponding to the result for the period are entered under this figure.

Net profit in January-September 2009 was EUR 28.7 million (EUR 15.1 million). Third-quarter net profit was EUR 10.0 million (EUR 5.4 million).

Oriola-KD's earnings per share in January-September 2009 were EUR 0.20 (EUR 0.11), and EUR 0.07 (EUR 0.04) in the third quarter.

Return on capital employed in January-September 2009 was 15.5 per cent (13.4 per cent) and return on equity 18.9 per cent (10.0 per cent).

Balance sheet, financing and cash flow

Oriola-KD's balance sheet total on 30 September 2009 stood at EUR 855.5 million (EUR 796.7 million). Cash assets at the end of September 2009 were at EUR 52.3 million (EUR 20.4 million), and equity was EUR 219.7 million (EUR 196.9 million). Oriola-KD's equity ratio was 26.4 per cent (25.3 per cent). The weakening of the Swedish krona (SEK) and the Russian ruble (RUB) decreased Oriola-KD's equity in comparison on the corresponding period in 2008.

Interest-bearing net debt at the end of September 2009 was EUR 97.1 million (EUR 39.0 million) and the gearing ratio was 44.2 per cent (19.8 per cent). Interest-bearing debt, which at the end of September was EUR 149.4 million (EUR 59.4 million), comprised some EUR 77 million from the commercial paper programme, some EUR 22 million from pharmacy advance payments in Finland and the debt of approximately EUR 49 million from the anticipated final price for the remaining 25 per cent holding in the Russian companies. Oriola-KD has a EUR 150 million commercial paper programme. Oriola-KD's bank credit facilities of approximately EUR 79 million stood unused at the end of the review period.

Net cash flow from operations in January-September 2009 was EUR 6.4 million (EUR -22.6 million), of which changes in working capital accounted for EUR -26.2 million (EUR -43.3 million). Working capital increased largely because of the growth of the Russian companies and the seasonal increase in working capital in Finland associated with the first quarter. Net cash flow from investments was EUR -29.6 million (EUR -76.0 million), including the additional sum of EUR 21.7 million paid for the 75 per cent holding in the Russian companies. During the January-September 2009 period, cash flow after investments was EUR -23.2 million (EUR -98.5 million). Cash flow from financing includes a dividend of EUR 11.3 million paid in May and the directed issue of EUR 20.6 million carried out in June.

Investments

Investments in January-September 2009 came to EUR 31.5 million (EUR 112.3 million), mostly associated with the increase of the anticipated final price of the Russian companies, the acquisition of the minority holding in Kronans Droghandel AB in Sweden and operating investments in maintenance and PPE.

Staff

On 30 September 2009, Oriola-KD had a payroll of 4254 (4696) employees, 15 per cent (14 per cent) of whom worked in Finland, 9 per cent (8 per cent) in Sweden, 71 per cent (73 per cent) in Russia and 5 per cent (5 per cent) in the Baltic countries and Denmark combined.

Operating segments

In accordance with its organisational structure and internal reporting, Oriola-KD's business segments are Pharmaceutical Trade Finland, Pharmaceutical Trade Sweden, Pharmaceutical Trade Russia, Pharmaceutical Trade Baltic Countries, Healthcare Trade and Dental Trade.

Changes in Oriola Oy's corporate structure

In the third quarter, Oriola-KD started preparations for the partial demerger of Oriola Oy's Nordic business operations. In the demerger, Pharmaceutical Trade will continue under Oriola Oy and the Healthcare Trade business will be transferred to a new company named Oriola-KD Healthcare Oy. The demerger will take place at the beginning of 2010, following which Oriola-KD Corporation will have two fully owned Finnish subsidiaries that are engaged in business: Oriola Oy and Oriola-KD Healthcare Oy. The demerger will simplify the corporate structure and increase the efficiency of managing business operations. It is a follow-on to the structural changes carried out earlier in Sweden. The change will have no impact on Oriola-KD's operating segments.

Pharmaceutical Trade Finland

Pharmaceutical Trade Finland's net sales in January-September 2009 were EUR 378.9 million (EUR 389.4 million) and its operating profit was EUR 13.7 million (EUR 11.9 million). Third-quarter net sales came to EUR 120.4 million (EUR 129.1 million) and operating profit to EUR 4.9 million (EUR 4.8 million).

The Finnish pharmaceutical market expanded by 0.0 per cent (6.7 per cent) in January-September 2009. The introduction of the reference price system in Finland at the beginning of April 2009 is impeding the growth of net sales of the Pharmaceutical Trade Finland business segment in 2009. Oriola-KD's market share in the Finnish wholesale market was 46.9 percent (47.8 per cent) in January-September 2009 (source: IMS Health). No significant changes took place in distribution agreements in Finland during the review period.

At the end of September 2009, 460 (433) people were employed by Pharmaceutical Trade Finland.

Pharmaceutical Trade Sweden

Pharmaceutical Trade Sweden's net sales in January-September 2009 were EUR 388.1 million (EUR 410.0 million) and its operating profit was EUR -2.8 million (EUR 4.7 million). Third-quarter net sales came to EUR 131.8 million (EUR 129.2 million) and operating profit to EUR -0.4 million (EUR 1.4 million).

Net sales were reduced by a decline in Oriola-KD's market share and the weakening of the Swedish krona (SEK). The costs incurred in the preparations made for the change of the pharmacy market in Sweden came to EUR 8.0 million in January-September, of which EUR 2.0 million was recorded in the third quarter. Of the total project costs, EUR 0.6 million has been recorded for the Group. Excluding these project costs, Pharmaceutical Trade Sweden's operating profit in January-September 2009 was EUR 4.6 million.

The pharmaceutical market grew 2.6 per cent (4.9 per cent) in Sweden in January-September 2009. Oriola-KD's market share in the Swedish wholesale market was 41.4 per cent (44.0 per cent) in January-September 2009 (source: IMS Health). The pharmaceutical manufacturers Schering-Plough and Organon discontinued as pharmaceutical principals for Oriola-KD in Sweden during the period under review.

On 29 April 2009, the Swedish Parliament decided that the country's pharmacy monopoly would be dismantled as of 1 July 2009. The deregulation of the pharmacy market makes it possible for other operators than Apoteket AB to engage in the pharmacy business in Sweden. With the deregulation, 466 pharmacies will be sold to large and medium-sized companies, while 150 pharmacies remaining in state ownership will be later sold to small entrepreneurs. Apoteket AB will retain ownership of 330 pharmacies.

On 15 June 2009, Oriola-KD and the Swedish KF (Kooperativa Förbundet) announced that they will be joining forces on the deregulated pharmacy market. This will include preparation for the sales process of the pharmacy clusters owned by Apoteket AB and the founding of new pharmacies mostly in connection with the Coop hypermarkets and supermarkets owned by KF. The purpose is to set up a joint venture in which Oriola-KD would hold a simple majority and be responsible for the development and management of the pharmacy chain. The joint venture would engage in the pharmacy business under the Kronans Droghandel brand.

Pharmaceutical Trade Sweden had 277 (241) employees at the end of September 2009.

Pharmaceutical Trade Russia

Pharmaceutical Trade Russia's net sales in January-September 2009 were EUR 332.5 million (pro forma EUR 287.6 million) and its operating profit was EUR 22.8 million (pro forma EUR -1.6 million). Third-quarter net sales came to EUR 118.6 million (EUR 97.9 million) and operating profit to EUR 6.6 million (EUR 0.3 million). 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. The investments in expansion, efficiency improvements and development of the business in Russia had a positive impact on the January-September 2009 operating profit.

The Russian pharmaceutical market expanded by some 20 per cent and Oriola-KD's net sales by more than 40 per cent in Russian rubles (RUB) in January-September 2009 compared with the corresponding period in 2008. Oriola-KD maintained 170 (140) pharmacies in the Moscow region at the end of September 2009. Pharmaceutical wholesale operations were launched in the third quarter in Rostov-on-Don in southern Russia.

In April 2009, Henry Fogels was appointed managing director of the pharmaceutical retail company (OOO Vitim & Co), and Vladimir Kniazev was appointed managing director of the pharmaceutical wholesale company (OOO Moron). Igor and Oleg Yankov, the founders and current minority shareholders of the two companies, will continue as members of the Boards of Vitim and Moron.

Pharmaceutical Trade Russia had 3011 (3459) employees at the end of September 2009.

Pharmaceutical Trade Baltic Countries

Pharmaceutical Trade Baltic Countries' net sales in January-September 2009 were EUR 25.4 million (EUR 28.1 million) and the operating profit was EUR 0.6 million (EUR 0.8 million). Third-quarter net sales came to EUR 8.0 million (EUR 8.4 million) and operating profit to EUR 0.2 million (EUR 0.2 million). The Baltic market was challenging, which had a negative effect on net sales and operating profit.

Pharmaceutical Trade Baltic Countries had 140 (164) employees at the end of September 2009.

Healthcare Trade

Healthcare Trade net sales in January-September 2009 were EUR 101.7 million (EUR 112.6 million) and operating profit was EUR 6.6 million (EUR 6.2 million). Third-quarter net sales came to EUR 31.9 million (EUR 33.8 million) and operating profit to EUR 1.9 million (EUR 1.8 million). The sale of the Finnish ConvaTec wound and stoma care business to the manufacturer of the products in the second quarter improved the January-September operating profit. Healthcare Trade's business in Sweden has developed favourably in 2009.

The Healthcare Trade business segment had a payroll of 367 (399) employees on 30 September 2009.

Dental Trade

Dental Trade operating profit in January-September 2009 came to EUR 2.6 million (EUR 1.3 million) and in the third quarter to EUR 0.8 million (EUR 0.3 million). The operating profit improved mainly as a result of the positive trend in the Finnish, Swedish and Danish businesses.

The dental trade businesses of Oriola-KD Corporation and Lifco AB were combined in 2007. Oriola-KD's holding in the Dental Trade business is 30 per cent, while that of Lifco is 70 per cent.

Related parties

Related parties in the Oriola-KD Group are deemed to comprise the parent company Oriola-KD Corporation, the subsidiaries and associated companies, the members of the Board and the President and CEO of Oriola-KD Corporation, other members of the Group Management Team of the Oriola-KD Group, the immediate family of the aforementioned persons, the companies controlled by the aforementioned persons, and the Oriola Pension Foundation. The Group has no significant business transactions with related parties, except for pension expenses arising from defined benefit plans with the Oriola Pension Foundation. The notes to the financial statements of Oriola-KD Corporation provide additional information on intra-Group liabilities and sureties given on behalf of Group companies. Oriola-KD Corporation has given no significant sureties on behalf of Group companies.

Oriola-KD Corporation shares

Trading volume of the Oriola-KD Corporation's Class A and B shares in January-September 2009:

Trading volume	Jan-Sep 2009		Jan-Sep 2008	
	Class A	Class B	Class A	Class B
Trading volume, million	6.1	83.6	3.2	28.7
Trading volume, EUR million	15.0	214.4	8.5	79.1
Highest, EUR	4.15	4.20	3.03	3.10
Lowest, EUR	1.29	1.30	2.00	1.94
Closing quotation, end of period, EUR	4.10	4.13	2.00	2.00

In the review period, the traded volume of Oriola-KD Corporation shares, excluding treasury shares, corresponded to 61.7 per cent (22.5 per cent) of the total number of shares. The traded volume of class A shares amounted to 12.6 per cent (6.3 per cent) of the average stock, and that of class B shares, excluding treasury shares, 86.1 per cent (31.4 per cent).

Oriola-KD Corporation's market capitalisation on 30 September 2009 was EUR 623.3 million (EUR 283.8 million).

On 19 March 2009, pursuant to the authorisation granted to it by the Annual General Meeting of 13 March 2007, the Board of Directors of Oriola-KD Corporation resolved that a directed bonus issue be made, in which a total of 150,480 class B shares held by the company were assigned to the company's President and CEO and to certain other members of Oriola-KD Corporation's Group Management Team and of its extended Group Management Team, as part of the Group's share-based incentive scheme for senior management. These shares represent approximately 0.11 per cent of the total number of company shares and approximately 0.01 per cent of the total number of votes.

Following the share issues, the company has 343,472 treasury shares, all of which are class B shares. These account for 0.23 per cent of the company's shares and 0.03 per cent of the votes.

On 3 June 2009, Oriola-KD Corporation's Board of Directors decided on a directed issue of shares under an authorisation granted by the Annual General Meeting of 16 April 2009, issuing 9,350,000 new class B shares to institutional investors. The new class B shares in the directed issue have been entered in the Trade Register and they were listed for public trading on NASDAQ OMX Helsinki Ltd on 8 June 2009 with the old class B shares. Following the share issue the company had a total of 151,257,828 shares, of which class A shares account for 48,392,203 and class B shares for 102,865,625.

On 26 June 2009, Varma Mutual Pension Insurance Company executed share transactions as a result of which the votes conferred by its Oriola-KD Corporation shares exceeded one twentieth (1/20) of the total votes as referred to in Chapter 2, section 9, of the Securities Markets Act. The direct share holding of Varma Mutual Pension Insurance Company by share class on 26 June 2009 was 3.56 per cent of Oriola-KD Corporation shares and 5.21 per cent of the votes conferred by the shares.

At the end of September 2009, the company had a total of 151,257,828 (141,907,828) shares, of which 47,967,359 (48,692,203) were class A shares and 103,290,469 were class B shares (93,215,625). Pursuant to article 3 of the Articles of Association, a shareholder can request that class A shares be converted to class B shares. During January-September 2009, a total of 724,844 (2,553,202) Class A shares have been converted into Class B shares

Decisions of the Annual General Meeting

The Annual General Meeting of Oriola-KD Corporation, held on 16 April 2009, confirmed the 2008 financial statements and discharged the Board members and the President and CEO from liability for the financial year ending 31 December 2008.
The Annual General Meeting resolved that the sum of EUR 0.08 per share be paid as dividend on the basis of the balance sheet adopted for the financial year ending 31 December 2008. The dividend was paid to those who, on the dividend distribution record date of 21 April 2009, were entered as shareholders of the company in the company's shareholder register kept by Euroclear Finland Ltd. The dividend payment date was 15 May 2009.

The Annual General Meeting confirmed that the Board would continue to comprise seven members. Harry Brade, Pauli Kulvik, Outi Raitasuo, Antti Remes, Olli Riikkala, Jaakko Uotila and Mika Vidgrén were re-elected to the Board. Olli Riikkala continued as Chairman of the Board. The Annual General Meeting confirmed that the Chairman of the Board will receive EUR 44,000 in remuneration for his term of office, the Vice Chairman EUR 27,500 and the other members of the Board EUR 22,000 each. The Board's remuneration will be paid in cash. The Chairman of the Board will receive an attendance fee of EUR 800 for each meeting, and the other Board members EUR 400 per meeting. Meeting fees will also be paid in the same manner to members of any committees set up by the Board of Directors or the company. The Chairman of the Board will also have a company-paid phone. Travel expenses will be paid in accordance with the travel policy of the company.

The Annual General Meeting re-elected PricewaterhouseCoopers Oy as auditor for the company, with Heikki Lassila APA as principal auditor. The auditor will be remunerated according to invoice.

The Annual General Meeting resolved that articles 3, 4, 7, 9, 10 and 12 of the Articles of Association be amended. The main content of the amendments is as follows: The references to minimum and maximum authorised share capital were removed from article 3; the definition in article 4 concerning the book-entry system was simplified and the references concerning the record date procedure were removed; an amendment was made to the wording of article 7 on the right to sign on behalf of the company, ensuring that it is consistent with the terminology used in the Limited Liability Companies Act; the references to deputy auditor were removed from article 9. Following this amendment the company has just one auditor, which must be a firm of authorised public accountants; the phrases in article 10 concerning the AGM were amended to ensure consistency with the terminology used in the Limited Liability Companies Act and with the newly amended article 9; the definition in article 12 concerning the notice of the annual general meeting was amended such that the notice must be given at least 21 days prior to the meeting.

The Annual General Meeting authorised the Board to decide on the purchase of Oriola-KD Corporation class B shares. Pursuant to the authorisation, the Board is authorised to decide on the purchase of no more than 14,000,000 of the company's own class B shares, corresponding to approximately 9.9 per cent of the total number of company shares. The authorisation can only be used in such a way that the company and its subsidiaries together would hold no more than one tenth (1/10) of the total number of company shares at any one time. In accordance with the Board's decision, the company's shares can be purchased in a manner other than in proportion to the existing holdings of shareholders using assets belonging to the company's non-restricted equity at the class B share's market price in public trading arranged by the NASDAQ OMX Helsinki Ltd exchange at the time of purchase. The shares will be paid for in accordance with the rules and regulations of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The Board will decide how the shares are purchased. Derivatives may also be used in the purchase. The purchase of the shares will reduce the company's distributable non-restricted equity. The shares can be purchased for the purpose of developing the company's capital structure, implementing any corporate transactions or other business arrangements, financing investments, inclusion in the company's incentive schemes or to be otherwise assigned, held by the company or annulled. The Board will decide on all other matters related to the purchase of class B shares. The purchase authorisation remains in force no longer than eighteen (18) months following the decision of the General Meeting. The authorisation repeals the Annual General Meeting's decision of 17 March 2008 authorising the Board to decide on the purchase of Oriola-KD Corporation class B shares.

The Annual General Meeting authorised the Board to decide on a share issue of the company's class B shares against payment in one or more batches. The authorisation includes the right to issue new class B shares or to assign class B shares held by the company. The authorisation covers no more than 28,000,000 of the company's class B shares in total, which corresponds to approximately 19.8 per cent of the total number of company shares. The authorisation granted to the Board includes the right to deviate, by means of a directed issue, from the pre-emptive subscription right of shareholders, provided that there are financial grounds considered important from the company's perspective for such a deviation. Subject to the restrictions presented above, the authorisation can be used for purposes such as payment of consideration in corporate transactions or other business arrangements and financing and carrying out investments, expansion of the company's ownership base, development of the capital structure, or as part of incentive and commitment programmes for personnel. On the basis of the authorisation, class B shares held by the company can also be sold in public trading arranged by the NASDAQ OMX Helsinki Ltd exchange. The authorisation includes the right of the Board to determine the terms of the share issue as specified in the Limited Liability Companies Act, including the right to decide whether the subscription price will be partially or fully entered in the invested non-restricted equity fund or in the share capital. The authorisation will remain in force for eighteen (18) months following the decision of the General Meeting. The authorisation cancels the share issue authorisations previously received by the Board, with the exception of the authorisation granted to the Board by the Annual General Meeting of 13 March 2007, under which the Board may decide on arranging a directed bonus issue of no more than 650,000 class B shares for the purpose of implementing the share-based incentive scheme for management.

Decisions of the Board's organisational meeting

At the organisational meeting held immediately after the AGM, the Board resolved to elect Antti Remes to continue serving as Vice Chairman of the Board. The composition of the Audit and Compensation Committees was confirmed as follows.

Audit Committee:

Antti Remes, Chairman
Harry Brade
Outi Raitasuo
Mika Vidgrén

Compensation Committee:

Olli Riikkala, Chairman
Pauli Kulvik
Jaakko Uotila

All members of the Board are independent of the company and its major shareholders.

Risks

The Board of Directors of Oriola-KD has approved the company's risk management policy in which the risk management operating model, principles, responsibilities and reporting are specified. The Group's risk management seeks to identify, measure and manage risks that may threaten the operations of the company and the achievement of goals set for them. The roles and responsibilities relating to risk management have been determined in the Group.

Oriola-KD's risks are classified as strategic, operational and financial. Risk management is a key element of the strategic process, operational planning and daily decision-making at Oriola-KD.

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 as a result of 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; and
- 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 ruble (RUB) will have an impact on Oriola-KD's financial performance and equity. Oriola-KD has used some EUR 90 million to acquire a 75 per cent holding in the Russian companies and anticipates that final price for the remaining 25 per cent will be roughly EUR 49 million. In addition, by the end of September it had provided the companies with long-term financing amounting to approximately EUR 61 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 in Russia are the completion of the Russian acquisition, the price control system that will come into effect in the beginning of 2010 and increasing competition. The change in the Swedish pharmacy market is subject to uncertainty that may have a substantial effect on Oriola-KD's Swedish business.

Outlook

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.

The introduction of the reference price system in Finland in 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 deregulation of Sweden's pharmacy market. The Pharmaceutical Trade Russia business segment is expected to continue growing.

Guidelines issued on 13 August 2009 concerning net sales and operating profit

Oriola-KD's net sales and operating profit for 2009 are forecast to be higher than in 2008.

New guidelines concerning net sales and operating profit

Oriola-KD's net sales for 2009 is forecast to be higher than in 2008, while its operating profit is forecast to be substantially higher.

Tables

Consolidated Statement of Comprehensive Income (IFRS), EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 July - 30 Sep 2009**	**1 July - 30 Sep 2009**	**1 Jan -31 Dec 2008**
Net sales	1226.6	1131.7	410.8	398.4	1580.8
Cost of goods sold	-1052.9	-990.0	-356.6	-346.7	-1370.0
Gross profit	173.7	141.8	54.2	51.7	210.8
Other operating income	3.8	2.6	0.7	0.5	3.4
Selling and distribution expenses	-120.1	-102.9	-38.4	-36.2	-146.7
Administrative expenses	-21.6	-22.2	-4.6	-8.5	-33.3
Profit from associated company	2.7	1.3	0.8	0.3	2.2
Operating profit	38.5	20.6	12.6	7.9	36.4
Financial income					

and expenses	-1.8	-0.4	0.0	-0.5	-1.8
Profit before taxes	36.7	20.2	12.6	7.3	34.6
Tax expense*)	-8.0	-5.1	-2.7	-1.9	-7.2
Profit for the period	28.7	15.1	10.0	5.4	27.5
Other comprehensive income:					
Translation differences	-2.9	-3.7	4.1	-2.8	-27.6
Total comprehensive income for the period	25.8	11.4	14.0	2.6	-0.1
Profit attributable to:					
Parent company shareholders	28.7	15.0	10.0	5.4	27.4
Minority interest	0.0	0.1	0.0	0.0	0.1
Total comprehensive income attributable to:					
Parent company shareholders	25.8	11.3	14.0	2.6	-0.2
Minority interest	0.0	0.1	0.0	0.0	0.1
Earnings per share:					
Basic earnings per share (EUR)	0.20	0.11	0.07	0.04	0.19
Diluted earnings per share (EUR)	0.20	0.11	0.07	0.04	0.19

*) The tax expense for the period has been calculated as the proportional share of the total estimated taxes for the financial year.

Consolidated Statement of Financial Position (IFRS), EUR million

ASSETS	**30 Sep 2009**	**30 Sep 2008**	**31 Dec 2008**
Non-current assets			
Tangible assets	53.6	58.2	54.5
Goodwill	127.7	104.3	105.1
Other intangible assets	38.6	46.3	41.9
Investments in associates	29.5	27.8	28.5
Other non-current receivables	8.0	9.7	9.8
Deferred tax assets	2.9	1.8	0.8
Non-current assets total	260.3	248.0	240.5
Current assets			
Inventories	261.2	251.5	250.7
Trade and other receivables	281.8	276.9	252.9
Cash and cash equivalents	52.3	20.4	46.5
Current assets total	595.3	548.8	550.1
ASSETS TOTAL	**855.5**	**796.7**	**790.6**

EQUITY AND LIABILITIES	30 Sep 2009	30 Sep 2008	31 Dec 2008
Equity			
Share capital	36.2	36.2	36.2
Other funds	50.8	30.1	30.1
Retained earnings	132.7	129.5	118.1
Equity of the parent company shareholders	219.7	195.8	184.4
Minority interest	0.0	1.1	1.0
Equity total	219.7	196.9	185.5
Non-current liabilities			
Deferred tax liabilities	13.8	18.7	16.5
Pension liability	4.5	4.3	4.2
Provisions	0.0	0.0	0.0
Interest-bearing non-current liabilities	0.2	0.2	27.9
Other non-current liabilities	0.0	28.9	0.0
Non-current liabilities total	18.6	52.1	48.5
Current liabilities			
Trade payables and other current liabilities	468.1	488.5	475.8
Provisions	0.0	0.0	0.0
Interest-bearing current liabilities	149.2	59.2	80.8
Current liabilities total	617.3	547.8	556.6
EQUITY AND LIABILITIES TOTAL	**855.5**	**796.7**	**790.6**

Consolidated Statement of Changes in Equity (IFRS):

EUR million	Share capital	Other funds	Translation differences	Retained earnings	Equity of the parent company share-holders	Minority interest	Total
Equity 1 Jan 2008	36.2	30.1	-2.5	131.7	195.5	8.1	203.6
Dividends				-11.3	-11.3	0.0	-11.3
Change in minority interest					0.0	-7.1	-7.1
Share based payments				0.3	0.3		0.3
Total comprehensive income for the period			-3.7	15.0	11.3	0.1	11.4
Equity 30 Sep 2008	36.2	30.1	-6.2	135.7	195.8	1.1	196.9

Equity 1 Jan 2009	36.2	30.1	-30.1	148.2	184.4	1.1	185.5
Dividends				-11.3	-11.3		-11.3
Share issue		20.6			20.6		20.6
Change in minority interest					0.0	-1.1	-1.1
Share based payments				0.2	0.2		0.2
Total comprehensive income for the period			-2.9	28.7	25.8		25.8
Equity 30 Sep 2009	36.2	50.8	-33.0	165.8	219.7	0.0	219.7

Consolidated Statement of Cash Flows (IFRS), EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Operating profit	38.5	20.6	36.4
Depreciation	7.1	7.3	9.8
Change in working capital	-26.2	-43.3	-52.2
Cash flow from financial items and taxes	-13.1	-7.3	-6.8
Other adjustments	0.1	0.1	-5.2
Net cash from operating activities	6.4	-22.6	-18.1
Net cash used in investing activities	-29.6	-76.0	-75.3
Net cash used in financing activities	28.6	-10.9	10.5
Net change in cash and cash equivalents	5.5	-109.4	-82.9
Cash and cash equivalents at beginning of period	46.5	131.0	131.0
Foreign exchange difference	0.3	-1.2	-1.6
Net change in cash and cash equivalents	5.5	-109.4	-82.9
Cash and cash equivalents at end of period	52.3	20.4	46.5

Change in Tangible Assets EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Carrying amount at the beginning of the period	54.5	56.3	56.3
Increase through acquisition of subsidiary share	0.0	6.8	6.9
Additions	4.4	3.0	4.0
Disposals	-1.1	-1.7	-2.2
Depreciation	-4.8	-5.1	-6.7
Translation differencies	0.5	-1.0	-3.7
Carrying amount at the end of the period	53.6	58.2	54.5

Key Figures	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Equity ratio, %	26.4%	25.3%	25.1%
Equity per share, EUR	1.46	1.38	1.30
Return on capital employed (ROCE), %	15.5%	13.4%	13.5%
Return on equity, %	18.9%	10.0%	14.1%

Net interest bearing debt, Me	97.1 Me	39.0 Me	62.2 Me
Gearing, %	44.2%	19.8%	33.5%
Earnings per share, EUR	0.20	0.11	0.19
Average number of share, tpcs	145 812	141 385	141 393

Forward Contracts and Contingent Liabilities

30 Sep 2009

EUR million	**Positive fair value**	**Negative fair value**	**Nominal values of contracts**
Currency forward and swap contracts under hedge accounting	0.5		45.2
Other forward and currency swap contracts		-0.0	23.1

30 Sep 2008

EUR million	**Positive fair value**	**Negative fair value**	**Nominal values of contracts**
Currency forward and swap contracts under hedge accounting			35.2
Other forward and currency swap contracts		-0.3	28.8
FX options purchased			

Contingent for Own Liabilities

EUR million	**30 Sep 2009**	**30 Sep 2008**	**31 Dec 2008**
Guarantees given	32.5	35.1	37.8
Real-estate mortgages given	2.0	2.0	2.0
Mortgages on company assets	2.1	21.1	2.2
Other guarantees and liabilities	1.4	2.6	1.2
Total	37.9	60.9	43.2

Guarantees given on behalf of external parties	0.0	0.0	0.0
Leasing-liabilities (operating liabilities)	0.3	0.5	0.4
Rent contingent	32.3	30.4	33.3

Net Sales by Operating Segments, EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Pharmaceutical Trade Finland	378.9	389.4	533.4
Pharmaceutical Trade Sweden	388.1	410.0	535.9
Pharmaceutical Trade Russia	332.5	191.6	318.9
Pharmaceutical Trade Baltics	25.4	28.1	37.4
Healthcare Trade	101.7	112.6	155.2

Dental Trade	0.0	0.0	0.0
Group Total	1226.6	1131.7	1580.8

Operating Profit by Operating Segments, EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Pharmaceutical Trade Finland	13.7	11.9	16.6
Pharmaceutical Trade Sweden	-2.8	4.7	6.0
Pharmaceutical Trade Russia	22.8	-0.8	8.2
Pharmaceutical Trade Baltics	0.6	0.8	1.1
Healthcare Trade	6.6	6.2	7.9
Dental Trade	2.6	1.3	2.1
Group Administration and Others	-5.1	-3.6	-5.6
Group total	38.5	20.6	36.4
Average number of personnel	4 403	3 513	3 807
Number of personnel at the end of the period	4 254	4 696	4 709

Net Sales by Operating Segments, EUR million	**Q3/2009**	**Q2/2009**	**Q1/2009**	**Q4/2008**	**Q3/2008**	**Q2/2008**	**Q1/2008**
Pharmaceutical Trade Finland	120.4	131.9	126.6	144.0	129.1	132.7	127.6
Pharmaceutical Trade Sweden	131.8	130.2	126.1	125.9	129.2	141.0	139.8
Pharmaceutical Trade Russia	118.6	106.6	107.2	127.3	97.9	93.8	0.0
Pharmaceutical Trade Baltics	8.0	8.8	8.6	9.2	8.4	9.8	10.0
Healthcare Trade	31.9	34.9	35.0	42.7	33.8	38.1	40.6
Dental Trade	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Total	410.8	412.3	403.5	449.1	398.4	415.4	318.0

Operating Profit by Operating Segments, EUR million	**Q3/2009**	**Q2/2009**	**Q1/2009**	**Q4/2008**	**Q3/2008**	**Q2/2008**	**Q1/2008**
Pharmaceutical Trade Finland	4.9	4.9	3.9	4.7	4.8	3.2	3.9
Pharmaceutical Trade Sweden	-0.4	-2.0	-0.4	1.3	1.4	1.6	1.7
Pharmaceutical Trade Russia	6.6	8.6	7.6	8.9	0.3	-1.0	0.0
Pharmaceutical Trade Baltics	0.2	0.2	0.1	0.3	0.2	0.3	0.3
Healthcare Trade	1.9	3.0	1.7	1.7	1.8	1.5	2.9
Dental Trade	0.8	0.7	1.1	0.8	0.3	0.4	0.6
Group Administration and Others	-1.5	-2.0	-1.6	-1.9	-1.0	-1.8	-0.8
Group total	12.6	13.5	12.4	15.8	7.9	4.2	8.5

Net Sales by Market, EUR million	**1 Jan - 30 Sep 2009**	**1 Jan - 30 Sep 2008**	**1 Jan -31 Dec 2008**
Finland	428.3	443.8	618.2
Sweden	429.0	457.8	568.9
Russia	332.5	191.7	319.0
Baltics countries	31.9	36.1	48.2
Other countries	4.9	2.4	26.5
Total	1226.6	1131.7	1580.8

Net Sales by Market, EUR million	Q3/ 2009	Q2/ 2009	Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008	Q1/ 2008
Finland	139.2	146.2	143.0	174.5	144.6	150.5	148.7
Sweden	140.0	147.5	141.5	111.1	144.4	157.8	155.7
Russia	118.6	106.6	107.2	127.3	97.9	93.8	0.0
Baltics countries	9.8	11.1	11.0	12.1	10.9	12.5	12.7
Other countries	3.2	1.0	0.8	24.1	0.8	0.8	0.8
Total	410.8	412.3	403.5	449.1	398.4	415.4	318.0

Consolidated Proforma net sales for the he retail and wholesale businesses acquired in Russia was 96 EUR million and consolidated Proforma EBIT -0.8 EUR million for the period January to March 2008.

Corporate acquisitions

Acquisition of Vitim & Co and Moron Ltd

Oriola-KD announced in March 2008 that it would acquire 75 percent of a Moscow-based pharmacy company (Vitim & Co) and of a pharmaceutical wholesaler (Moron Ltd.) The transaction was executed in April 2008. In addition, Oriola-KD has agreed to buy out the remaining 25-percent holding in 2010 for a consideration based on the companies' performance in 2009. The purchase of the remaining 25-percent holding is recognized as a liability, the magnitude of which is based on the best estimate of management.

The initial purchase price allocation as of 31 March 2008 has been finalised during Q1 2009 as permitted by International Financial Reporting Standards. No material changes have been made compared to the information disclosed in the Consolidated Financial statements for 2008, with the exception of the estimated purchase price for the remaining 25-percent holding. The initial purchase price allocation calculated in rubles have been translated into euros by using the exchange rate from acquisition date. The balance sheets of the acquired companies have been consolidated into the Oriola-KD Group as of 1 April 2008 and the calculation below includes the acquisition of both companies.

Details on the net assets and goodwill acquires are as follows:

	Carrying amount EUR million	Fair value allocations EUR million	**Fair value EUR million**
Tangible assets	5.0	1.8	**6.9**
Other intangible assets	5.4	41.5	**46.9**
Deferred tax assets	0.7	0.0	**0.7**
Inventories, advances paid	69.2	0.0	**69.2**
Trade receivables	39.6	0.0	**39.6**
Other receivables	5.0	0.0	**5.0**
Cash and cash equivalents	3.0	0.0	**3.0**
Deferred tax liabilities	0.0	-10.4	**-10.4**
Interest-bearing non-current liabilities	-8.8	0.0	**-8.8**
Trade payables and other current liabilities	-108.5	0.0	**-108.5**
Interest-bearing current liabilities	-8.9	0.0	**-8.9**
Net indentifiable assets	1.7	32.9	**34.7**
Acquisition price			
Purchase price			**-64.0**
Additional purchase price and purchase of the remaining 25%			**-70.8**

Costs related to acquisition	**-4.4**	
Goodwill	**104.6**	
Purchase price settled in cash	**-64.0**	
Paid additional purchase price	**-21.7**	
Costs related to acquisition	**-4.4**	
Cash and cash equivalents acquired	**3.0**	
Cash outflow on acquisition as per 30 September 2009		**-87.1**
Estimated purchase price payable	**-49.1**	
Total cash outflow on acquisition	**-136.3**	

The remaining goodwill arising from the acquisition, is based
on synergy benefits and widened new market area possibilities and benefits.

Espoo 28 October 2009

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