



# Oriola-KD Corporation January-September 2009

---

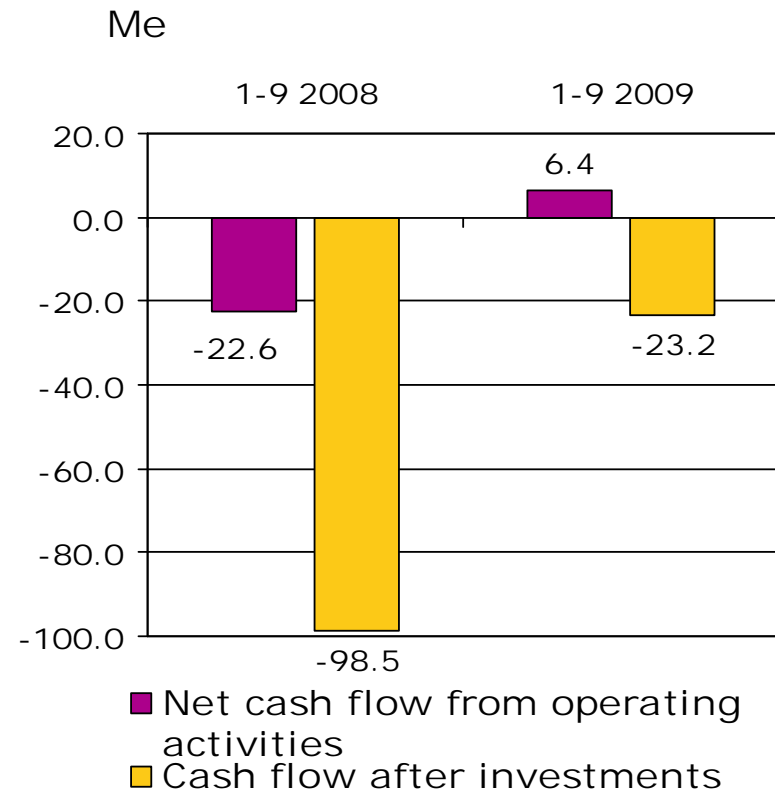
Eero Hautaniemi, President and CEO  
29.10.2009

# Key Figures January-September 2009 and July-September 2009

	1-9/2009	1-9/2008	Change, %	7-9/2009	7-9/2008	Change, %
Net sales, Me	1226.6	1131.7	+8 %	410.8	398.4	+3 %
Operating profit, Me	38.5	20.6	+87 %	12.6	7.9	+60 %
Operating profit, %	3.1 %	1.8 %	-	3.1 %	2.0 %	-
Profit before taxes, Me	36.7	20.2	+82 %	12.6	7.3	+73 %
Net result, Me	28.7	15.1	+90 %	10.0	5.4	+85 %
Earnings per share, Euro	0.20	0.11	-	0.07	0.04	-
ROCE, %	15.5 %	13.4 %	-			
ROE, %	18.9 %	10.0 %	-			
Equity ratio, %	26.4 %	25.3 %	-			
Net gearing, %	44.2 %	19.8 %	-			

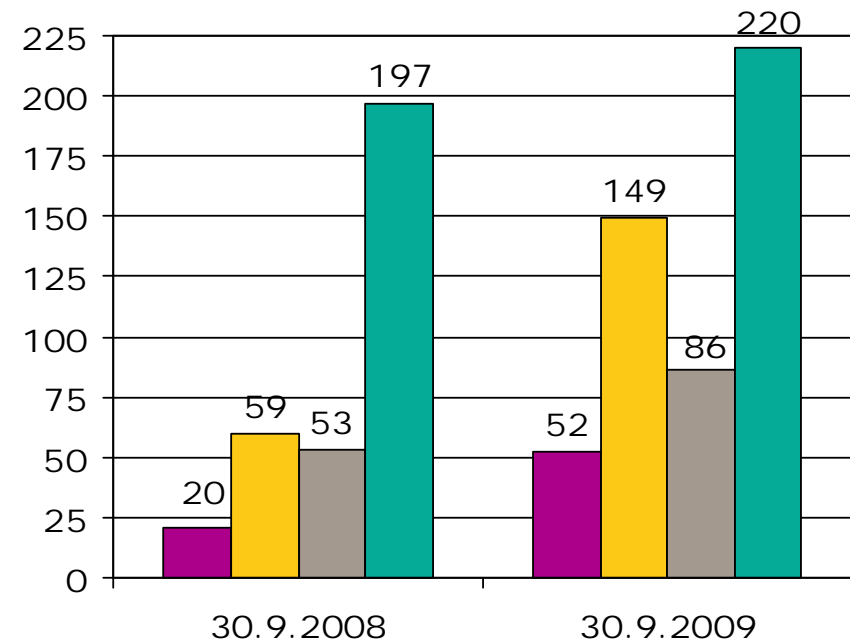
# Cash Flow from Operations and Investments January-September 2009

- Change in working capital  
-26.2 Me (-43.3 Me)
  - Growth of the Russian companies
  - Seasonal increase in working capital in Finland during first quarter
- Net cash flow from investments  
-29.6 Me (-76.0 Me)
  - Including the additional sum of EUR 21.7 million paid for the 75 per cent holding in the Russian companies
- Investments 31.5 Me (112.3 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 30 September 2009

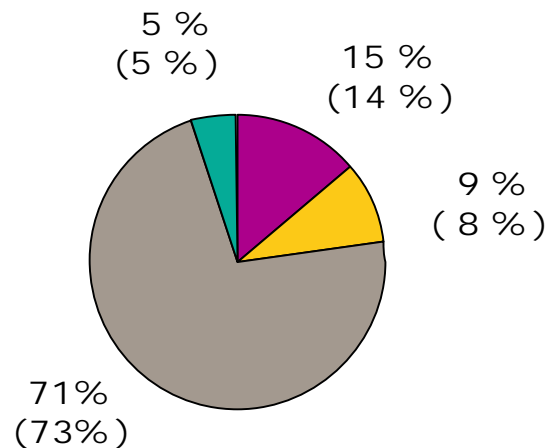
- Total assets 855.5 Me (796.7 Me)
- Equity ratio 26.4 % (25.3 %)
  - The weakening of the Swedish currency (SEK) and the Russian currency (RUB) decreased Oriola-KD's equity
  - Dividend of 11.3 Me paid in May
  - A directed issue completed in June of 20.6 Me
- Net gearing 44.2 % (19.8 %)
- Interest-bearing debt 149.4 Me (59.4 Me)
  - Some 77 Me from the commercial paper programme
  - Some 22 Me from pharmacy advance payments in Finland
  - Debt of approximately EUR 49 million from the anticipated final price of the remaining 25 per cent holding in the Russian companies
- Oriola-KD has a 150 Me commercial paper programme
- Approximately 79 Me credit facilities with banks stood unused at the end of the review period



- Cash and cash equivalents
- Interest-bearing debt
- Net working capital
- Net assets

# Personnel on 30 September 2009

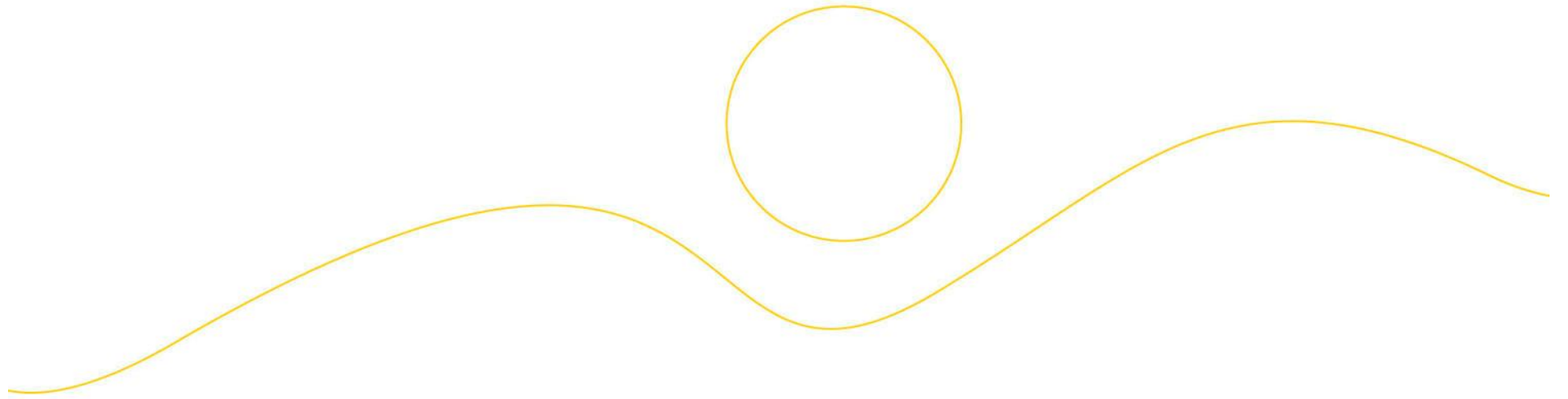
Personnel by country



- Finland
- Sweden
- Russia
- Baltics and Denmark

Personnel by segments

OPERATING SEGMENTS	30.9.2009	30.9.2008	Change, %
Pharmaceutical Trade Finland	460	433	+6 %
Pharmaceutical Trade Sweden	277	241	+15 %
Pharmaceutical Trade Russia	3011	3459	-13 %
Pharmaceutical Trade Baltics	140	164	-15 %
Healthcare Trade	367	399	-8 %
<b>TOTAL</b>	<b>4254</b>	<b>4696</b>	<b>-9 %</b>



# Operating Segments

---

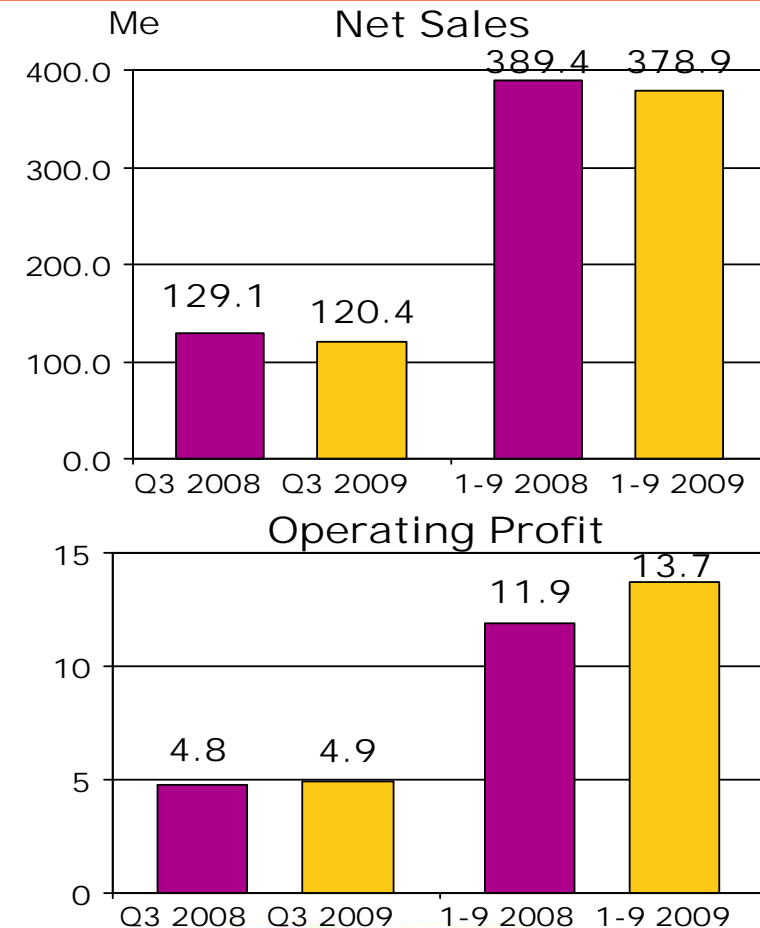
# Changes in Oriola Oy's Company Structure

---

- 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
  - 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 1-9/2009

- Pharmaceutical market grew by 0,0% (6,7 %)\*
- Oriola-KD's share of pharmaceutical wholesale market 46.9 % (47.8 %) \*
  - No significant changes took place in distribution agreements during the review period
- 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

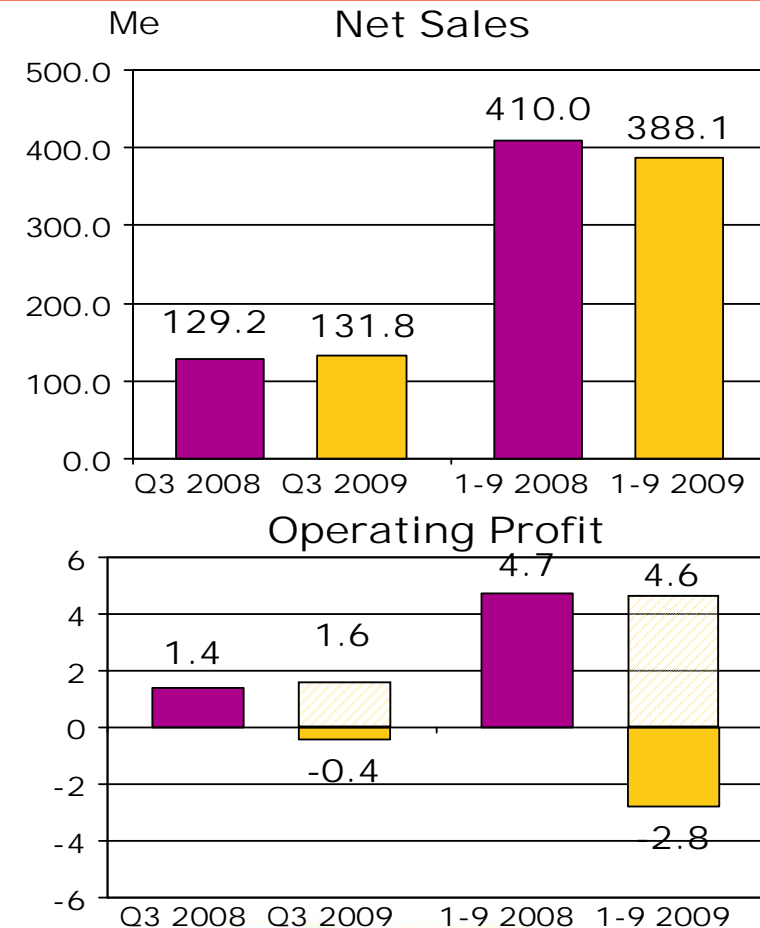


\*) Source: IMS Health



# Pharmaceutical Trade Sweden 1-9/2009

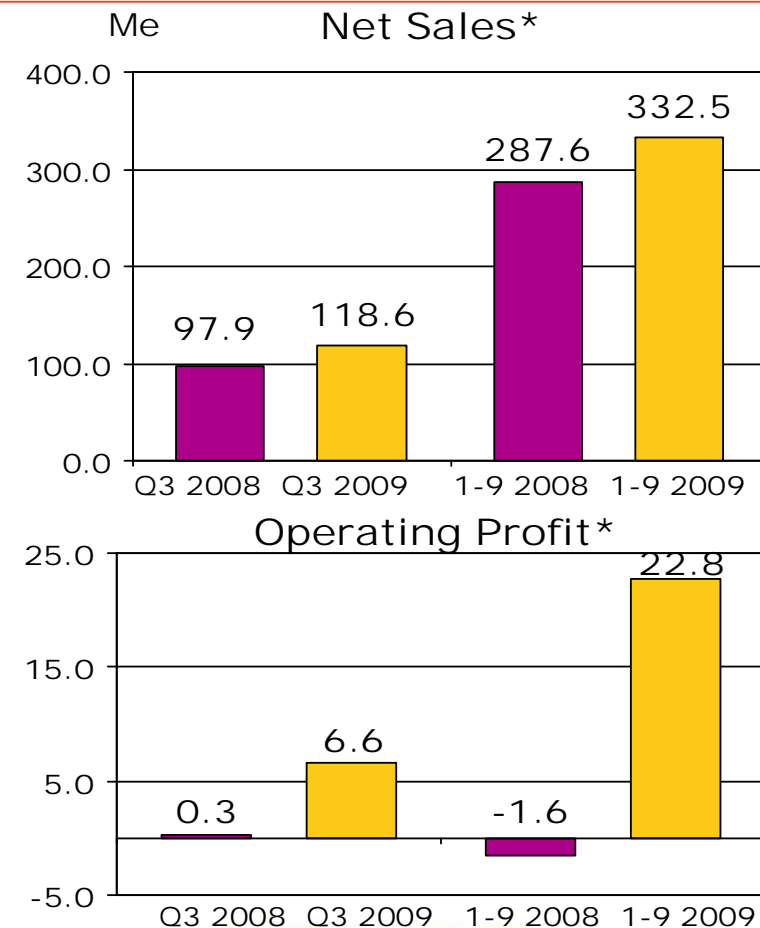
- Pharmaceutical market grew by 2.6 % (4.9 %)\*
- Oriola-KD's share of pharmaceutical wholesale market 41.4 % (44.0 %)\*
  - Pharmaceutical manufacturers Schering-Plough and Organon discontinued as pharmaceutical principals in Sweden during the period under review
- Net sales were reduced by
  - Decline in Oriola-KD's market share
  - Weakening of the Swedish currency
- Operating profit was reduced by
  - The costs incurred in the preparations made for the market change 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 costs 0.6 Me has been recorded for the Group
  - Operating profit of Pharmaceutical Trade Sweden excluding project costs was in January-September 2009 was 4.6 Me
- On 29 April 2009, the Swedish Parliament decided to deregulate pharmacy monopoly as of 1 July 2009
- Oriola-KD and Swedish KF announced on 15 June 2009 of co-operation in the deregulated Swedish pharmacy market



\*) Source: IMS Health

# Pharmaceutical Trade Russia 1-9/2009

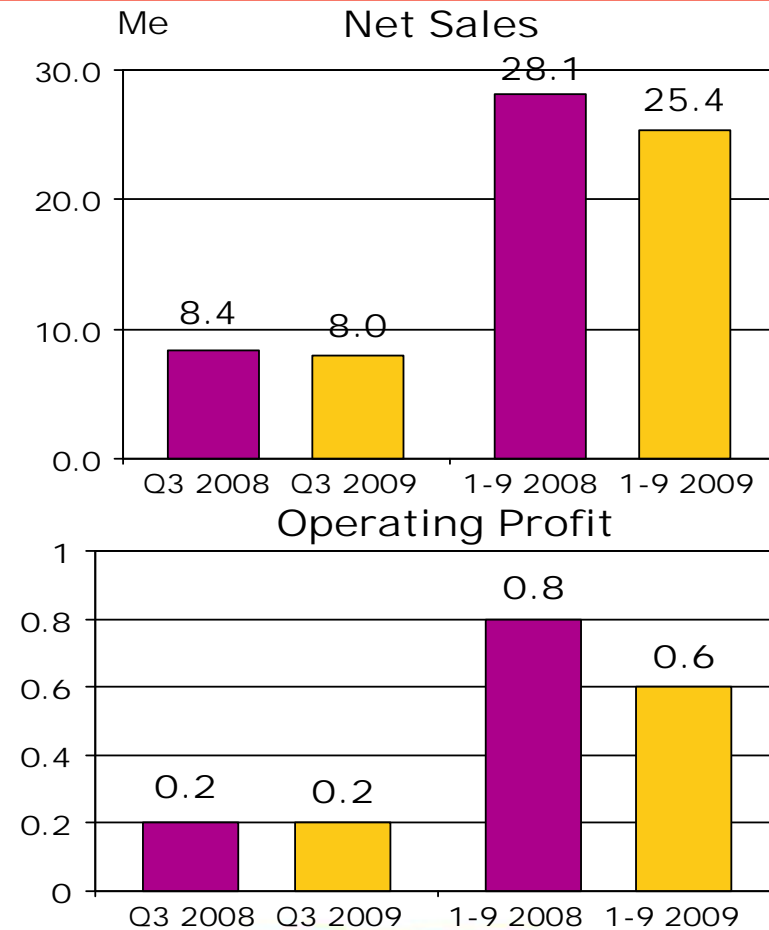
- In Russian rouble (RUB) terms, the pharmaceutical market in Russia grew some 20 per cent in January-September 2009
- In Russian rouble (RUB) terms, Oriola-KD's net sales grew over 40 per cent in January-September 2009
- Operating profit improved thanks to the focus on
  - Growth
  - Efficiency
  - Development of operations
- Number of pharmacies at the end of June was 170 (140)
- Pharmaceutical wholesale operations were launched in the third quarter in Rostov-on-Don in southern Russia
- New managing directors of Russian companies
  - Henry Fogels: Pharmaceutical retail
  - Vladimir Kniazev: Pharmaceutical Wholesale



\*) The retail and wholesale businesses in Russia have been consolidated into Oriola-KD's accounts since 1 April 2008. The figures in Russia during 1-9 2008 are pro forma figures.

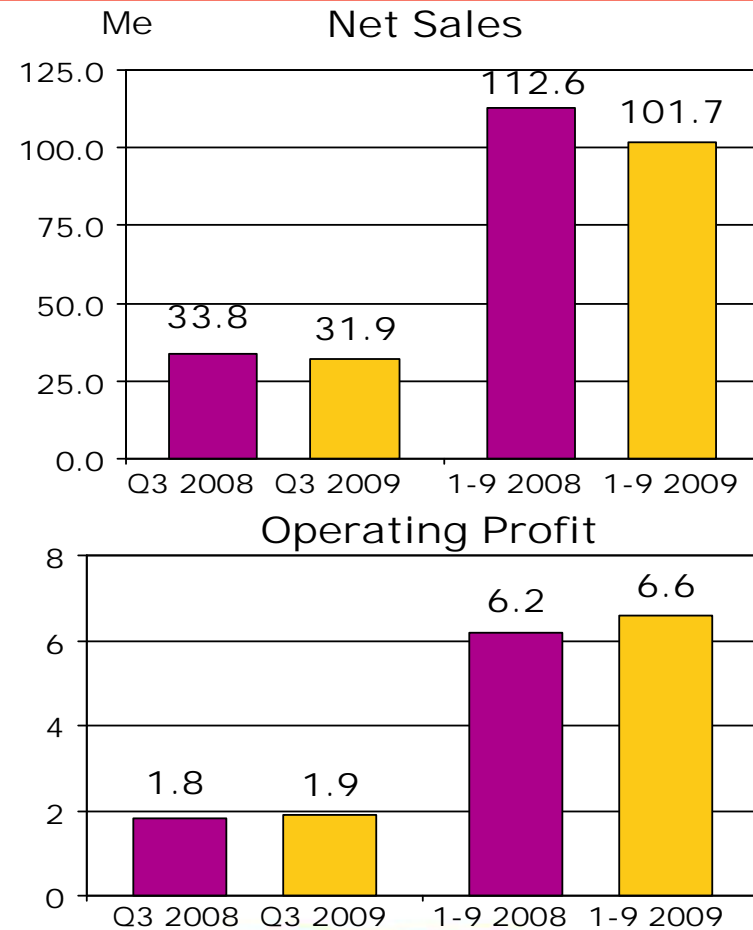
# Pharmaceutical Trade Baltics 1-9/2009

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



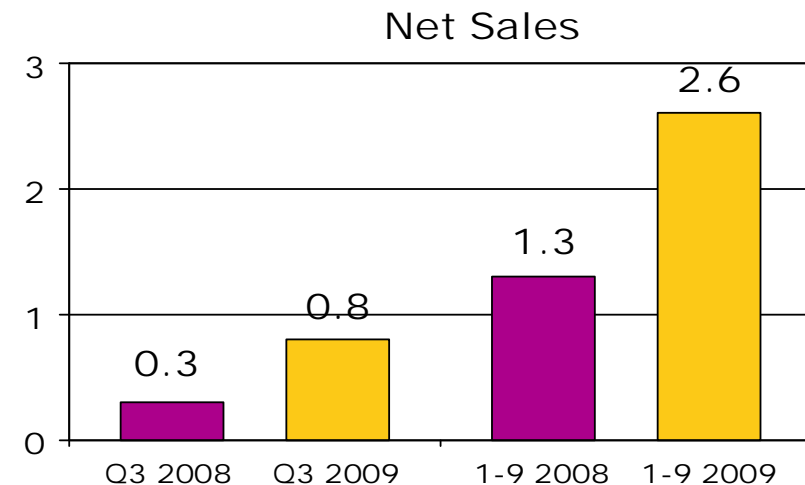
# Healthcare Trade 1-9/2009

- In Finland, the sales of ConvaTec's wound and stoma care business improved the second quarter operating profit
- Business operations in Sweden have been developed positively during 2009



# Dental Trade 1-9/2009

- Operating profit improved due to positive business development in Finland, Sweden 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 – 30 September 2009

- Market capitalisation at 30 September 2009 was 623.3 Me (283.8 Me)
- The traded volume of all shares amounted to 61.7 % (22.5 %)\*
- Number of shares at the end of the period in total 151,257,828 (141,907,828)
  - Number of A-shares 47,967,359 (48,692,203)
  - Number of B-shares 103,290,469 (93,215,625)
  - In the review period 724,844 A-shares were transferred to B-shares (2,553,202)
- The company held 343,472 B-shares on 30 September 2009 (493,952)

	1-9 2009		1-9 2008	
Class A/B	Class A	Class B	Class A	Class B
Trading volume, million	6.1	83.6	3.2	28.7
Trading volume, Me	15.0	214.4	8.5	79.1
High, EUR	4.15	4.20	3.03	3.10
Low, EUR	1.29	1.30	2.00	1.94
Close at 30 September, EUR	4.10	4.13	2.00	2.00
Traded volume, % *)	12.6	86.1	6.3	31.4

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

# Risks

---

- 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 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 49 million final price for the remaining 25 per cent
  - 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

# Future Outlook 2009: Market Development

---

- 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

---

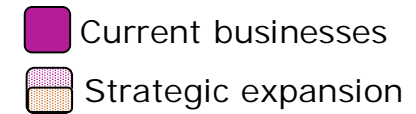
- The introduction of the reference price system in Finland in April 2009 will hamper the growth of net sales of the Pharmaceutical Trade Finland business segment in 2009
- It is too early to foresee the development of net sales in Pharmaceutical Trade Sweden because of the effects of the possible liberalisation of Sweden's pharmacy market
- The Pharmaceutical Trade Russia business segment is expected to continue growing

# Future Outlook 2009: Net Sales and Operating Profit

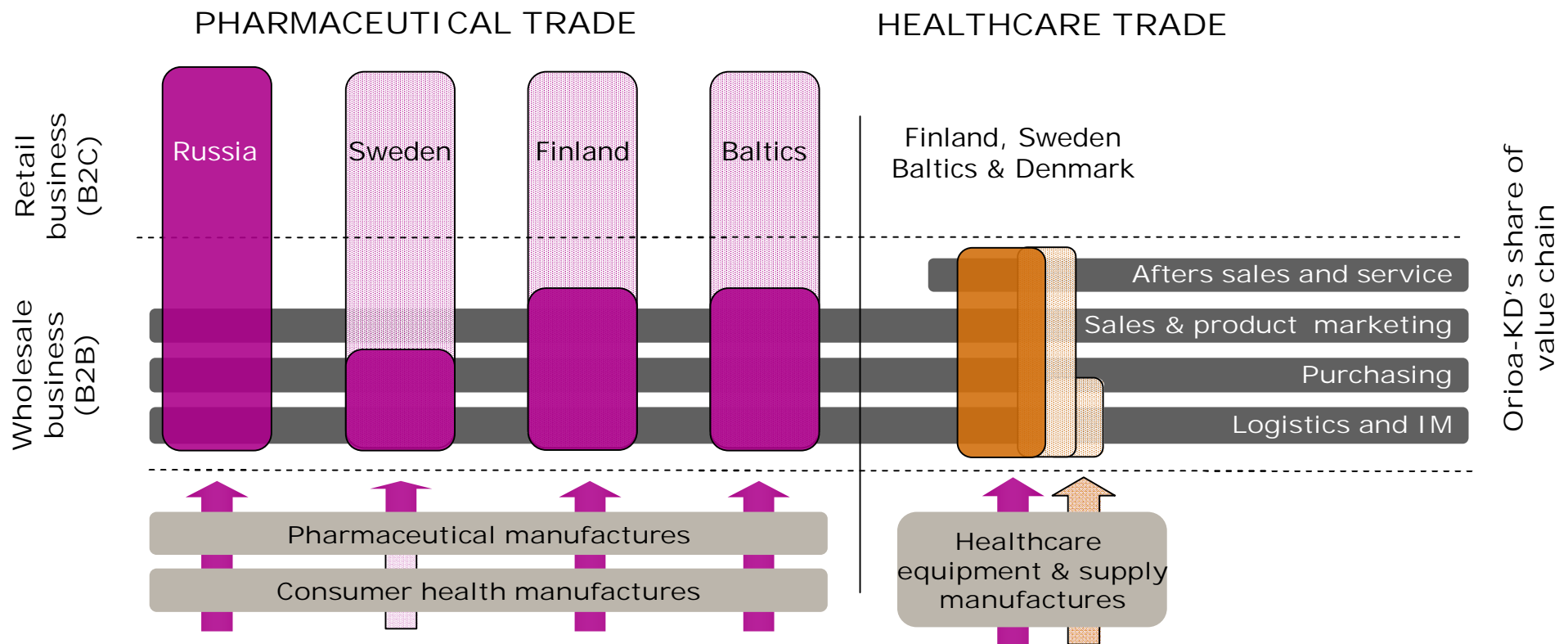
---

- 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

# Oriola-KD 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





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



# Disclosure Aspects

---

- 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