

Oriola-KD Corporation Stock Exchange Release 27 October 2011 at 8.30 a.m.

Oriola-KD Corporation's Interim Report for 1 January – 30 September 2011

Key figures for continuing operations for 1 January – 30 September 2011

- Net sales increased by 13.2 per cent to EUR 1,587.2 million (1–9/2010: EUR 1,401.5 million).
- Operating loss came to EUR 26.0 million (1–9/2010: operating profit of EUR 2.4 million), which includes an impairment charge of EUR 33.4 million related to the Russian Stary Lekar brand in the second quarter.
- Operating profit excluding one-off items and impairment charges was EUR 7.4 million (1–9/2010: EUR 14.2 million).
- Net result was EUR -28.2 million (1–9/2010: EUR -2.0 million) and earnings per share were EUR -0.19 (1–9/2010: EUR -0.01) including the impairment charge of Stary Lekar brand.
- Net cash flow from operations was EUR -2.4 million (1–9/2010: EUR 43.2 million).
- Return on equity was -11.8 per cent (1–9/2010: -0.9 per cent).
- Outlook unchanged: Oriola-KD's net sales are expected to increase over 10 per cent in 2011 compared to the previous year. Operating profit excluding one-off items and impairment charges is expected to exceed EUR 20 million in 2011.

Key figures for continuing operations for 1 July – 30 September 2011

- Net sales increased by 4.6 per cent to EUR 521.6 million (7-9/2010: EUR 498.5 million).
- Operating profit was EUR 3.4 million (7-9/2010: operating loss of EUR 5.8 million).
- Operating profit excluding one-off items and impairment charges was EUR 3.4 million (7-9/2010: operating profit of EUR 5.9 million).
- Net result was EUR -0.6 million (7-9/2010: EUR -6.3 million) and earnings per share were EUR 0.00 (7-9/2010: EUR -0.04).

Eero Hautaniemi, President and CEO, in conjunction with the interim report:

“Oriola-KD's third-quarter net sales grew five per cent to EUR 522 million and operating profit excluding one-off items and impairment charges declined to EUR 3.4 million. The new IT system in the Swedish retail business was taken into use according to plan by the end of September. The Swedish retail business started negotiations for reducing workforce. In the Russian retail business, the Stary Lekar and the 03 Apteka pharmacy chains were integrated and 19 unprofitable pharmacies closed. The sales of the Stary Lekar pharmacy chain began to grow as a result of changes in pricing. In Russian wholesale, sales outside Moscow were increased and projects for boosting the efficiency of logistics were continued as planned.”

Financial performance

Net sales generated by the continuing operations of the Oriola-KD Group (hereinafter Oriola-KD) in January–September 2011 were EUR 1,587.2 million (EUR 1,401.5 million), and the operating loss was EUR 26.0 million (operating profit of EUR 2.4 million). The operating loss includes an impairment charge of EUR 33.4 million in the second-quarter related to the value of the intangible assets of the Stary Lekar brand in Russia. Operating profit excluding one-off items and the impairment charge decreased to EUR 7.4 million (1–9/2010: EUR 14.2 million), owing to the weakened profitability of the Swedish retail business and the Russian retail and wholesale businesses.

Profit after financial items was EUR -33.1 million (EUR -1.1 million) and net profit EUR -28.2 million (EUR -2.0 million). Oriola-KD's financial expenses increased to EUR 7.1 million (EUR 3.6 million), mainly due to the exchange differences of loans and increased interest expenses. Taxes were EUR 4.9 million positive (EUR -0.8 million), mostly owing to the change in deferred tax related to the brand write-off. Taxes corresponding to the result for the January–September period 2011 are entered under this figure. Earnings per share were EUR -0.19 (EUR -0.01).

Third-quarter net sales came to EUR 521.6 million (EUR 498.5 million), and the operating profit was EUR 3.4 million (operating loss of EUR 5.8 million). Operating profit excluding one-off items and impairment charges decreased to EUR 3.4 million (EUR 5.9 million), owing to the weakened profitability of the Swedish retail

business. Profit after financial items was EUR 0.3 million (EUR -7.0 million) and net result EUR -0.6 million (EUR -6.3 million). The third-quarter earnings per share came to EUR 0.00 (EUR -0.04).

Return on equity was -11.8 per cent (-0.9 per cent) in January–September 2011.

Balance sheet, financing and cash flow

Oriola-KD's balance sheet total on 30 September 2011 stood at EUR 1,136.6 million (EUR 1,144.3 million). Cash assets were EUR 114.8 million (EUR 89.5 million), equity was EUR 283.8 million (EUR 302.5 million) and the equity ratio was 25.6 per cent (27.1 per cent). During the second quarter of 2011, Oriola-KD recognised an impairment charge of EUR 33.4 million related to the value of the intangible assets of the Stary Lekar brand in Russia. In the changed competitive environment the pricing power of the Stary Lekar brand has essentially declined.

Of Oriola-KD's group goodwill of EUR 255.5 million, EUR 121.1 million has been allocated in impairment testing to the cash-generating unit of the Russian retail and wholesale companies, EUR 108.2 million to the cash-generating unit of the Swedish pharmaceutical retail business and EUR 26.2 million to the cash-generating unit of the Swedish pharmaceutical wholesale business. According to the impairment tests conducted in October 2011, Oriola-KD has no need for goodwill write-offs.

Interest-bearing debt at the end of September 2011 was EUR 149.9 million (EUR 187.9 million), interest-bearing net debt was EUR 35.1 million (EUR 98.4 million) and the gearing ratio was 12.4 per cent (32.5 per cent). Interest-bearing debt consists of long-term debt financing, advance payments from pharmacies in Finland and the estimated discounted value of the minority share of the Swedish pharmacy company that Oriola-KD is obliged to acquire. Oriola-KD has hedged the interest rate risk of long-term debt financing.

Oriola-KD's committed long-term credit facilities of EUR 102.4 million and EUR 41.6 million in short-term credit account facilities with banks stood unused at the end of the review period. Oriola-KD's EUR 150 million commercial paper programme was not in use at the end of the review period. The terms of the financial covenants were met by a wide margin at the end of September 2011.

Net cash flow from operations in January-September 2011 was EUR -2.4 million (EUR 43.2 million), of which changes in working capital accounted for EUR -6.2 million (EUR 32.1 million). In the Swedish pharmaceutical wholesale business, the trade receivables sales programme was continued during 2011.

Net cash flow from investments was EUR -17.7 million (EUR -166.3 million). During the January–September 2011 period, cash flow after investments was EUR -20.1 million (EUR -123.1 million).

Investments

Gross investments for January–September 2011 came to EUR 20.3 million (EUR 186.1 million). They include operational investments mostly in establishing new pharmacies in Sweden and Russia, improving the efficiency of wholesale operations and information systems.

Personnel

On 30 September 2011, Oriola-KD's continuing operations had a payroll of 4,981 (4,877) employees, 10 per cent (11 per cent) of whom worked in Finland and the Baltic countries, 25 per cent (28 per cent) in Sweden, and 65 per cent (61 per cent) in Russia. Personnel numbers include the members of staff in active employment.

Changes to the Oriola-KD Group Management Team: Anne Kariniemi, Vice President, Logistics and Sourcing, resigned on 23 June 2011 and Cecilia Marlow, Vice President, Pharmaceutical Retail, Sweden, resigned on 15 August 2011. Anne Kariniemi's duties have been distributed among the current organisation, and Jonas Levin is now the acting head of Pharmaceutical Retail in Sweden.

Reporting segments

Oriola-KD's reporting segments are Pharmaceutical Trade Finland and Baltics, Pharmaceutical Trade Sweden and Pharmaceutical Trade Russia.

Pharmaceutical Trade Finland and Baltics

The net sales of Pharmaceutical Trade Finland and Baltics in January–September 2011 were EUR 309.1 million (EUR 336.9 million), and its operating profit was EUR 16.2 million (EUR 16.1 million). Pharmaceutical wholesale Finland's invoicing in January–September was EUR 725.1 million (EUR 713.8 million) and net sales were EUR 249.6 million (EUR 281.9 million). Net sales of pharmaceutical wholesale in the Baltic countries were EUR 25.4 million (EUR 23.0 million) and net sales of the Consumer Health business, i.e. consumer health products sold under Oriola-KD's own brands or exclusive sales rights, was EUR 34.4 million (EUR 32.2 million).

The net sales of Pharmaceutical Trade Finland and Baltics in the third quarter of 2011 were EUR 101.8 million (EUR 111.1 million) and its operating profit was EUR 5.9 million (EUR 6.2 million). Invoicing of Pharmaceutical wholesale Finland in the third quarter came to EUR 239.6 million (EUR 240.0 million) and net sales to EUR 82.7 million (EUR 93.2 million). Net sales of pharmaceutical wholesale in the Baltic countries were EUR 8.2 million (EUR 7.4 million), while net sales of the Consumer Health business were EUR 11.1 million (EUR 10.6 million).

The Finnish pharmaceutical market grew by 1.0 per cent (decrease of 0.9 per cent) in January–September 2011. Oriola-KD's market share in the Finnish pharmaceutical wholesale market was 45.6 per cent (46.5 per cent) in January–September 2011 (source: IMS Health).

Pharmaceutical Trade Finland and Baltics had 496 (497) employees at the end of September 2011.

Pharmaceutical Trade Sweden

Pharmaceutical Trade Sweden's net sales in January–September 2011 were EUR 783.5 million (EUR 661.9 million) and its operating profit excluding one-off items was EUR 8.0 million (EUR 10.9 million). Operating profit in 2010 included EUR 1.7 million in one-off costs in relation to the bankruptcy of a pharmaceutical company in Sweden. Competition in the pharmaceutical retail business in Sweden was stiff and the profitability of business operations was weaker than in the previous year. Invoicing of the pharmaceutical wholesale business in Sweden was EUR 1,083.6 million (EUR 908.5 million) and net sales were EUR 465.9 million (EUR 414.1 million). Net sales of the pharmaceutical retail business in Sweden were EUR 361.6 million (EUR 282.4 million). The pharmaceutical retail business has been consolidated with the Oriola-KD figures as of 19 February 2010.

Third-quarter net sales of Pharmaceutical Trade Sweden came to EUR 249.6 million (EUR 239.5 million), of which retail accounted for EUR 115.3 million (EUR 116.1 million). Wholesale invoicing was EUR 337.8 million (EUR 308.1 million) and net sales were EUR 148.4 million (EUR 137.6 million). The operating profit of Pharmaceutical Trade Sweden excluding one-off items decreased to EUR 3.8 million (EUR 6.6 million), owing to the weakened profitability of the retail business. In the pharmaceutical retail business, the operating profit was weakened by decreased year-on-year sales in Swedish krona as a result of stiff competition, as well as by high fixed costs that were mostly due to the implementation of an IT system. The third-quarter operating profit in 2010 included EUR 1.7 million in one-off costs.

At the end of September, Kronans Droghandel Apotek AB completed the implementation of a new IT system in all of its pharmacies, which will decrease the fixed costs of the retail business starting from the fourth quarter and enable the company to implement its efficiency programme. The company announced in September that it will begin negotiations with labour unions to reduce a maximum of 40 jobs in order to enhance operational efficiency and improve profitability.

The Swedish pharmaceutical market grew by 2.8 per cent (0.8 per cent) in January–September 2011. Oriola-KD's market share in the Swedish pharmaceutical wholesale market was 38.7 per cent (40.5 per cent) and in the retail market 13.5 per cent (14 per cent) in January–September 2011 (source: IMS Health).

Oriola-KD had a total of 202 (176) pharmacies in Sweden at the end of September 2011.

Pharmaceutical Trade Sweden had 1,254 (1,381) employees at the end of September 2011, of whom 1,002 (1,082) were employed in retail and 252 (299) in wholesale.

Pharmaceutical Trade Russia

Pharmaceutical Trade Russia's net sales in January–September 2011 were EUR 494.9 million (EUR 402.8 million) and its operating loss excluding one-off items was EUR 12.8 million (operating loss of EUR 8.2 million). One-off items were EUR 33.4 million caused by impairment charge of EUR 33.4 million related to the value of the intangible assets of the Stary Lekar brand in Russia. (EUR 10.0 million in 2010 related to write-off of trade receivable and stock value write-off). Stiff competition in Russia decreased the retail business's sales margin and changes in the competitive environment substantially weakened the pricing power of the Stary Lekar brand. The net sales of pharmaceutical wholesale in Russia were EUR 426.0 million (EUR 369.5 million) and of retail EUR 96.6 million (EUR 72.9 million). The figures for the 03 Apteka pharmacy chain have been consolidated with Oriola-KD's figures as of 31 August 2010.

In Pharmaceutical Trade Russia, the third-quarter net sales came to EUR 170.3 million (EUR 147.8 million), of which retail accounted for EUR 31.5 million (EUR 25.4 million) and wholesale EUR 145.7 million (EUR 137.5 million). The operating loss excluding one-off items was EUR 5.5 million (operating loss of EUR 5.7 million). The third-quarter operating loss for 2010 included EUR 10.0 million in one-off costs.

The Stary Lekar and 03 Apteka pharmacy chains were integrated, 19 unprofitable pharmacies were closed and the pharmacies' pricing changes were implemented by the end of the third quarter. The sales of the Stary Lekar pharmacy chain began to increase as a result of changes in pricing. In the wholesale business, regional sales outside Moscow were increased, sales margins were raised, a number of unprofitable operations were discontinued, the organisation was strengthened and the project for enhancing the efficiency of logistics was continued in the third quarter. During the fourth quarter, the IT systems of the Stary Lekar and 03 Apteka pharmacy chains will be integrated, more unprofitable pharmacies will be closed and measures to enhance the efficiency of the wholesale business will continue to be carried out.

The Russian Ruble-denominated growth in the commercial pharmaceutical market in Russia was 9.9 per cent (10.0 per cent) in January–September 2011 (source: Pharmexpert). Oriola-KD's net sales increased by 25.9 per cent (about 9 per cent) in Russian Rubles in January–September 2011.

At the end of September 2011, Oriola-KD had 264 (251) pharmacies in the Moscow area, of which 189 (181) operated under the Stary Lekar brand and 75 (70) under the 03 Apteka brand. In addition to the main logistics centre in Moscow, there are twelve regional logistics centres.

At the end of September 2011, Pharmaceutical Trade Russia had 3,231 (2,999) employees, of whom 1,585 (1,533) were employed in retail and 1,646 (1,466) in wholesale.

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, the 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. Oriola-KD Corporation has given internal loans mainly to the holding companies of the Swedish and Russian businesses. Oriola-KD Corporation has given no significant sureties on behalf of Group companies, with the exception of a parent company guarantee for a loan given to Kronans Droghandel Apotek AB.

Oriola-KD Corporation shares

Trading volume of the Oriola-KD Corporation's class A and B shares in January–September 2011:

Trading volume	Jan-Sept 2011		Jan-Sept 2010	
	class A	class B	class A	class B
Trading volume, million	2.1	58.2	4.5	68.8
Trading volume, EUR million	6.5	163.2	20.5	287.3
Highest price, EUR	3.83	3.74	5.47	5.49
Lowest price, EUR	1.76	1.57	3.30	3.30
Closing quotation, end of period, EUR	1.79	1.69	4.26	4.27

In the review period, the traded volume of Oriola-KD Corporation shares, excluding treasury shares, corresponded to 39.9 per cent (48.6 per cent) of the total number of shares. The traded volume of class A shares amounted to 4.5 per cent (9.5 per cent) of the average stock, and that of class B shares, excluding treasury shares, 56.0 per cent (66.6 per cent) of the average stock.

Oriola-KD Corporation's market capitalisation on 30 September 2011 was EUR 260.3 million (EUR 645.4 million).

At the end of September 2011, the company had a total of 151,257,828 shares (151,257,828), of which 47,163,160 were class A shares (47,217,359) and 104,094,668 were class B shares (104,040,469). Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares. During January–September 2011, no class A shares were converted into class B shares (450,000).

The company has 96,822 treasury shares, all of which are class B shares. These account for 0.06 per cent of the company's shares and 0.009 per cent of the votes.

The Board of Directors of Oriola-KD has further specified the earnings criteria for the share incentive scheme for the Group's key personnel for the years 2010–2012, stating that any payment for the 2011 earnings period will be based on Oriola-KD's earnings per share (EPS) and return on equity (ROE). No payment was made for the 2010 earnings period in the share incentive scheme for 2010–2012.

Decisions of the 2011 Annual General Meeting

The Annual General Meeting of Oriola-KD Corporation, held on 6 April 2011, adopted the 2010 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 2010. According to the decisions of the AGM, the company paid a dividend of EUR 0.05 per share and distributed EUR 0.13 per share as repayment of equity on 19 April 2011.

The AGM re-elected Harry Brade, Per Båtelson, Pauli Kulvik, Outi Raitasuo, Olli Riikkala (Chairman) and Mika Vidgrén as Board members and elected Jukka Alho and Ilkka Salonen as new members. PricewaterhouseCoopers Oy was re-elected as auditor for the company, with APA Heikki Lassila as principal auditor.

The AGM authorised the Board to decide on the payment of an additional dividend from undistributed profits and/or distribution of assets from the company's invested unrestricted equity reserve, or both together, totalling a maximum of EUR 0.10 per share. The authorisation is in force until the next annual general meeting.

The AGM authorised the Board to decide on repurchasing up to fifteen million of the company's own class B shares. Shares may be repurchased also in a proportion other than in which shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen months following the decision of the AGM.

The AGM authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new class B shares or to assign class B shares held by the company. The authorisation covers a combined maximum of fifteen million class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for eighteen months following the decision of the AGM.

At its constitutive meeting held immediately after the AGM, the Board of Directors of Oriola-KD Corporation elected Outi Raitasuo as Vice Chairman of the Board. The Board appointed from among its members Outi Raitasuo (Chairman), Harry Brade, Ilkka Salonen and Mika Vidgrén to the Board's Audit Committee, and Olli Riikkala (Chairman), Per Båtelson and Pauli Kulvik to the Board's Remuneration Committee. The Board of Directors has assessed the independence of its members and determined that all members are independent of both the company and its major shareholders.

Risks

Oriola-KD's Board of Directors 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 Oriola-KD's operations and the achievement of goals set. 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:

- growth in the number of pharmacies outperforms growth in the market, leading to intense competition
- competition for market share in pharmaceutical wholesale in a consolidating market
- ensuring cost efficiency, flexibility and quality
- development of processes and infrastructure required by strategic expansion
- requirements and restrictions on pharmaceutical retail and wholesale imposed by the authorities, especially price control
- commitment of key employees.

The major financial risks for Oriola-KD involve currency exchange rates, liquidity, interest rates and credit. Expansion of operations into new business areas and new markets has increased the financial risks. Currency risks are the most significant financial risks in Russia and Sweden, as any changes in the value of the Russian Ruble or the Swedish Krona will have an impact on Oriola-KD's financial performance and equity.

Goodwill and intangible rights are subject to impairment testing at least once every year. Changes in cash flow forecasts based on strategic plans, or in the discount rate or perpetuity growth rate, can cause a goodwill write-off, which would weaken Oriola-KD's result. The impairment test of the goodwill of the Russian cash-generating unit, in particular, is more sensitive than before to changes in the discount rate or cash-flow forecasts.

Near-term risks and uncertainty factors

Stiff competition and the number of new pharmacies to be established has an impact on the profitability of Oriola-KD's pharmacy business. Changes in the exchange rate of the Russian Ruble due to uncertainties in the global economy and increasing customer credit risks may have an impact on the profitability of the wholesale business in Russia.

Outlook

Oriola-KD's outlook for 2011 is based on external market forecasts, supplier and customer agreements and management assessments. In the period 2011-2014, the pharmaceutical market is expected to grow annually in average by some 3 per cent in Finland, 2-3 per cent in Sweden, and 11-13 per cent in Russia, measured in local currencies (source: IMS Health). Growth in the Russian pharmaceutical market in 2011 is expected to be lower than the longer term trend and the tough competition is expected to continue. The visibility in the Russian pharmaceutical market development continues to be poor. Competition in the Swedish retail market is expected to continue to be stiff as a result of the deregulation.

Outlook unchanged:

Oriola-KD's net sales are expected to increase over 10 per cent in 2011 compared to the previous year. Operating profit excluding one-off items and impairment charges is expected to exceed EUR 20 million in 2011.

Tables

The interim report for 1 January–30 September 2011 has been prepared in accordance with the recognition policies of the IAS 34 standard. Oriola-KD adopted new IAS/IFRS standards in 2011: IAS 32 (amendment), IAS 24 (revised) and IFRIC 14 (amendment). The figures are unaudited.

Consolidated Statement of Comprehensive Income (IFRS), EUR million	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 July - 30 Sep 2011	1 July - 30 Sep 2010	1 Jan - 31 Dec 2010
Continuing operations					
Net sales	1,587.2	1,401.5	521.6	498.5	1,929.4
Cost of goods sold	-1,355.0	-1,219.5	-447.9	-439.6	-1,668.2
Gross profit	232.2	182.1	73.7	58.9	261.2
Other operating income	2.0	3.2	0.5	1.3	4.8
Selling and distribution expenses	-185.0	-152.7	-58.6	-54.6	-214.7
Administrative expenses	-41.8	-30.1	-12.2	-11.4	-41.5
Operating Profit/Loss before Impairment *	7.4	2.4	3.4	-5.8	9.8
Impairment **	-33.4	-	-	-	-
Operating Profit/Loss	-26.0	2.4	3.4	-5.8	9.8
Financial income	7.5	8.4	2.0	5.0	13.0
Financial expenses	-14.7	-12.0	-5.1	-6.3	-18.3
Profit/Loss before taxes	-33.1	-1.1	0.3	-7.0	4.5
Income taxes ***	4.9	-0.8	-0.9	0.8	-0.9
Profit/Loss for the period from continuing operations	-28.2	-2.0	-0.6	-6.3	3.5
Discontinued operations					
Profit for the period from discontinued operations	-	60.7	-	1.3	98.6
Profit/Loss for the period including discontinued operations	-28.2	58.7	-0.6	-4.9	102.1
Other comprehensive income					
Net investment in a foreign operation	-4.3	3.7	-4.2	-4.5	5.1
Cash flow hedge	-1.2	0.0	-1.7	0.4	1.2
Income tax relating to other comprehensive income	0.9	-0.7	0.8	0.9	-1.0
Translation difference	-8.9	15.2	-11.8	-22.2	20.0
Total comprehensive income for the period including discontinued operations	-41.7	76.8	-17.5	-30.4	127.4
Attribution of Profit/Loss for the period from continuing operations					
To parent company shareholders	-28.2	-2.0	-0.6	-6.3	3.5
To non-controlling interest	-	-	-	-	-

**Attribution of Profit/Loss
for the period
including discontinued
operations**

To parent company shareholders	-28.2	58.7	-0.6	-4.9	102.1
To non-controlling interest	-	-	-	-	-

**Attribution of total
comprehensive
income for the period
(including discontinued
operations)**

To parent company shareholders	-41.7	76.8	-17.5	-30.4	127.4
To non-controlling interest	-	-	-	-	-

**Earnings per share for the
period
from continuing
operations**

Basic earnings per share, EUR	-0.19	-0.01	-0.00	-0.04	0.02
Diluted earnings per share, EUR	-0.19	-0.01	-0.00	-0.04	0.02

**Earnings per share for the
period
(including discontinued
operations)**

Basic earnings per share, EUR	-0.19	0.39	-0.00	-0.04	0.68
Diluted earnings per share, EUR	-0.19	0.39	-0.00	-0.04	0.68

*) Including depreciation,
EUR million

	-11.1	-8.0	-3.9	-2.9	-11.1
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**) Stary Lekar -brand
impairment, EUR million

	-33.4	-	-	-	-
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***) The tax expense for the
period
corresponds to the taxes
calculated from the
profit/loss for the financial
year and a change in
deferred tax caused by
impairment of Stary Lekar -
brand

**Consolidated Balance Sheet (IFRS),
EUR million**

ASSETS	30 Sep 2011	30 Sep 2010	31 Dec 2010
Non-current assets			
Property, plant and equipment	69.2	62.8	68.0
Goodwill	255.5	260.3	266.1

Other intangible assets	51.1	74.6	79.3
Investments in associated companies	0.0	32.1	0.0
Other non-current assets	9.3	9.1	10.6
Deferred tax assets	5.2	8.6	3.3
Non-current assets total	390.4	447.6	427.2
Current assets			
Inventories	309.4	308.3	287.5
Trade and other receivables	322.1	298.9	290.1
Cash and cash equivalents	114.8	89.5	187.8
Current assets total	746.2	696.7	765.4
ASSETS TOTAL	1,136.6	1,144.3	1,192.6
EQUITY AND LIABILITIES	30 Sep 2011	30 Sep 2010	31 Dec 2010
Equity			
Share capital	36.2	36.2	36.2
Other funds	31.2	50.9	52.1
Retained earnings	216.4	215.4	264.5
Equity of the parent company shareholders	283.8	302.5	352.7
Non-controlling interests	-	-	-
Equity total	283.8	302.5	352.7
Non-current liabilities			
Deferred tax liabilities	14.5	23.8	22.2
Pension obligations	5.9	5.3	5.7
Provisions	-	-	-
Interest-bearing non-current liabilities	121.5	121.8	124.5
Other non-current liabilities	0.0	-	-
Non-current liabilities total	142.0	150.9	152.5
Current liabilities			
Trade payables and other current liabilities	682.4	624.8	633.6
Interest-bearing current liabilities	28.4	66.1	53.7
Current liabilities total	710.8	690.9	687.4
EQUITY AND LIABILITIES TOTAL	1,136.6	1,144.3	1,192.6

**Consolidated Statement
of Changes in
Equity (IFRS)**

EUR million	Share capital	Hedge fund	Other funds	Translation differences	Retained earnings	Equity of the parent company shareholders	Non-controlling interest	Total
Equity								
1 Jan 2010	36.2	-	50.9	-30.4	186.8	243.4	10.8	254.2
Dividends paid	-	-	-	-	-18.1	-18.1	-	-18.1

Change in non-controlling interest	-	-	-	-	-	-	-10.8	-10.8
Share-based payments	-	-	-	-	0.3	0.3	-	0.3
Net profit/loss for the period	-	-	-	-	58.7	58.7	-	58.7
Other comprehensive income:								
Net investment in a foreign operation	-	-	-	3.7	-	3.7	-	3.7
Cash flow hedge	-	0.0	-	-	-	0.0	-	0.0
Income tax relating to other comprehensive income	-	-	-	-0.7	-	-0.7	-	-0.7
Translation difference	-	-	-	15.2	-	15.2	-	15.2
Equity								
30 Sep 2010	36.2	0.0	50.9	-12.3	227.7	302.5	-	302.5

Equity								
1 Jan 2011	36.2	1.2	50.9	-6.3	270.8	352.7	-	352.7
Dividends paid and return of equity	-	-	-19.7	-	-7.6	-27.2	-	-27.2
Net profit/loss for the period	-	-	-	-	-28.2	-28.2	-	-28.2
Other comprehensive income:								
Net investment in a foreign operation	-	-	-	-4.3	-	-4.3	-	-4.3
Cash flow hedge	-	-1.2	-	-	-	-1.2	-	-1.2
Income tax relating to other comprehensive income	-	-	-	0.9	-	0.9	-	0.9
Translation difference	-	-	-	-8.9	-	-8.9	-	-8.9
Equity								
30 Sep 2011	36.2	0.0	31.2	-18.6	235.0	283.8	-	283.8

Consolidated Cash Flow Statement * (IFRS), EUR million	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Operating profit /loss	-26.0	9.7	17.1
Depreciation	11.1	8.4	11.5
Impairment	33.4	-	-
Change in working capital	-6.2	32.1	73.4
Cash flow from financial items and taxes	-14.8	-12.7	-18.1
Other adjustments	0.1	5.8	4.8
Net cash flow from operating activities	-2.4	43.2	88.7
Net cash flow from investing activities	-17.7	-166.3	-104.7
Net cash flow from financing activities	-52.5	71.5	61.2
Net change in cash and cash equivalents	-72.5	-51.6	45.2
Cash and cash equivalents at the beginning of the period	187.8	133.7	133.7
Foreign exchange rate differences	-0.5	7.4	8.9
Net change in cash and cash equivalents	-72.5	-51.6	45.2

Cash and cash equivalents at the end of the period	114.8	89.5	187.8
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*) Includes net cash flow of Healthcare Trade until 31 May 2010 and net cash flow of Dental Trade until 28 October 2010.

Change in Property, Plant and Equipment, EUR million	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Carrying amount at the beginning of the period	68.0	53.3	53.3
Increases through acquisitions of subsidiary shares	-	9.3	9.7
Increases	9.9	7.0	14.3
Decreases	-0.5	-4.1	-5.2
Depreciation	-6.8	-5.6	-7.6
Foreign exchange rate differences	-1.4	2.9	3.4
Carrying amount at the end of the period	69.2	62.8	68.0

Key Figures	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Equity ratio, %	25.6	27.1	30.8
Equity per share, EUR	1.88	2.00	2.33
Return on capital employed (ROCE) from continuing operations, %	-7.2	0.7	2.1
Return on capital employed (ROCE) incl. discontinued operations, %	-7.2	19.0	23.3
Return on equity from continuing operations, %	-11.8	-0.9	1.2
Return on equity incl. discontinued operations, %	-11.8	28.1	33.7
Net interest-bearing debt, EUR million	35.1	98.4	-9.5
Gearing, %	12.4	32.5	-2.7
Earnings per share from continuing operations, EUR	-0.19	-0.01	0.02
Earnings per share incl. discontinued operations, EUR	-0.19	0.39	0.68
Average number of shares, 1000 pcs	151,161	151,256	151,164

Derivatives, Commitments and Contingent Liabilities

30 Sep 2011

EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	-0.0	108.0
Derivatives measured at fair value through profit or loss			
Foreign currency forward and swap contracts	-	-0.0	2.2

30 Sep 2010

EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised			

as cash flow hedges

Interest rate swaps	-	-0.0	109.4
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Derivatives measured at**fair value through profit or loss**

Foreign currency forward and swap contracts	0.5	-	56.0
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Contingencies for Own Liabilities,**EUR million**

	30 Sep 2011	30 Sep 2010	31 Dec 2010
Guarantees given	117.0	123.3	125.4
Mortgages on land and buildings	2.0	2.0	2.0
Mortgages on company assets	2.3	2.3	2.3
Other guarantees and liabilities	0.6	0.1	0.5
Total	121.8	127.7	130.3

Leasing-liabilities (operating liabilities)	0.7	1.3	0.9
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Rent contingencies	61.9	59.9	66.5
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NUMBER OF PERSONNEL

	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Average number of personnel			
Continuing operations	4,992	4,362	4,512
Group	4,992	4,580	4,675

Number of personnel at the end of the period

	30 Sep 2011	30 Sep 2010	31 Dec 2010
Continuing operations	4,981	4,877	4,954
Group	4,981	4,877	4,954

SEGMENT INFORMATION

	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Net Sales, EUR million			
Pharmaceutical Trade			
Finland and Baltics	309.1	336.9	448.3
Pharmaceutical Trade Sweden	783.5	661.9	908.7
Pharmaceutical Trade Russia	494.9	402.8	572.4
Net sales to other segments	-0.2	-0,0	-0,0
Continuing operations total	1,587.2	1,401.5	1,929.4

	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Operating Profit/Loss, EUR million			
Pharmaceutical Trade			
Finland and Baltics	16.2	16.1	21.4
Pharmaceutical Trade Sweden	8.0	9.1	12.5
Pharmaceutical Trade Russia	-46.2	-18.1	-18.1
Group Administration and Others	-4.0	-4.6	-6.0
Continuing operations total	-26.0	2.4	9.8

	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
One-off costs and Impairment, EUR million			
Pharmaceutical Trade			
Finland and Baltics	-	-	-
Pharmaceutical Trade Sweden *	-	-1.7	-2.8

Pharmaceutical Trade Russia **	-33.4	-10.0	-10.0
Group Administration and Others	-	-	-
One-off costs and Impairment total	-33.4	-11.7	-12.7

*) Write-off of a receivable relating to the bankruptcy of a pharmaceutical company EUR -1.7 million and a provision related to restructuring of the pharmaceutical wholesale operations EUR -1.1 million

**) Stary Lekar -brand impairment EUR -33.4 million and a write-off of a trade receivable relating to the bankruptcy of a pharmaceutical chain EUR -2.1 million and purchase-related discounts booked in stock value EUR -7.9 million

Operating Profit/Loss excl. One-off costs and Impairment, EUR million	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Pharmaceutical Trade			
Finland and Baltics	16.2	16.1	21.4
Pharmaceutical Trade Sweden	8.0	10.9	15.3
Pharmaceutical Trade Russia	-12.8	-8.2	-8.2
Group Administration and Others	-4.0	-4.6	-6.0
Continuing operations total excl. One-off costs and Impairment	7.4	14.2	22.5
One-off costs and impairment	-33.4	-11.7	-12.7
Continuing operations total	-26.0	2.4	9.8

Quarterly Net Sales, EUR million	Q3/ 2011	Q2/ 2011	Q1/ 2011	Q4/ 2010	Q3/ 2010	Q2/ 2010	Q1/ 2010
Pharmaceutical Trade							
Finland and Baltics	101.8	104.8	102.5	111.5	111.1	113.1	112.6
Pharmaceutical Trade Sweden	249.6	268.6	265.3	246.8	239.5	241.4	181.0
Pharmaceutical Trade Russia	170.3	162.2	162.4	169.6	147.8	132.8	122.1
Net sales to other segments	-0.0	-0.1	-0.1	-0.0	-0.0	-0.0	-0.0
Continuing operations total	521.6	535.5	530.1	527.8	498.5	487.3	415.7

Quarterly Operating Profit/Loss, EUR million	Q3/ 2011	Q2/ 2011	Q1/ 2011	Q4/ 2010	Q3/ 2010	Q2/ 2010	Q1/ 2010
Pharmaceutical Trade							
Finland and Baltics	5.9	4.7	5.6	5.3	6.2	5.2	4.8
Pharmaceutical Trade Sweden	3.8	1.9	2.3	3.3	4.9	5.6	-1.4
Pharmaceutical Trade Russia	-5.5	-39.1	-1.6	0.1	-15.7	-2.0	-0.4
Group Administration and Others	-0.9	-1.9	-1.2	-1.4	-1.2	-1.9	-1.6
Continuing operations total	3.4	-34.4	5.0	7.3	-5.8	6.9	1.3

One-off costs and Impairment, EUR million	Q3/ 2011	Q2/ 2011	Q1/20 11	Q4/ 2010	Q3/ 2010	Q2/ 2010	Q1/ 2010
Pharmaceutical Trade							
Finland and Baltics	-	-	-	-	-	-	-
Pharmaceutical Trade Sweden *	-	-	-	-1.1	-1.7	-	-
Pharmaceutical Trade Russia **	-	-33.4	-	-	-10.0	-	-

Group Administration and Others	-	-	-	-	-	-	-
One-off costs and Impairment total	-	-33.4	-	-1.1	-11.7	-	-

*) Write-off of a receivable relating to the bankruptcy of a pharmaceutical company EUR

-1.7 million (Q3/2010) and a provision related to restructuring of the pharmaceutical wholesale operations EUR -1.1 million (Q4/2010)

**) Stary Lekar -brand impairment EUR -33.4 million (Q2/2011) and a write-off of a trade receivable relating to the bankruptcy of a pharmaceutical chain EUR -2.1 million (Q3/2010) and purchase-related discounts booked in stock value EUR -7.9 million (Q3/2010)

Quarterly Operating Profit/Loss,

excl. One-off costs and Impairment, EUR million	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Pharmaceutical Trade							
Finland and Baltics	5.9	4.7	5.6	5.3	6.2	5.2	4.8
Pharmaceutical Trade Sweden	3.8	1.9	2.3	4.5	6.6	5.6	-1.4
Pharmaceutical Trade Russia	-5.5	-5.7	-1.6	0.1	-5.7	-2.0	-0.4
Group Administration and Others	-0.9	-1.9	-1.2	-1.4	-1.2	-1.9	-1.6
Continuing operations total excl. One-off costs and Impairment	3.4	-1.0	5.0	8.4	5.9	6.9	1.3
One-off costs and impairment	-	-33.4	-	-1.1	-11.7	-	-
Continuing operations total	3.4	-34.4	5.0	7.3	-5.8	6.9	1.3

Net Sales by Market, EUR million	1 Jan - 30 Sep 2011	1 Jan - 30 Sep 2010	1 Jan - 31 Dec 2010
Finland	283.3	314.1	417.6
Sweden	762.3	643.0	882.6
Russia	494.9	402.8	572.4
Baltic countries	24.4	22.6	30.5
Other countries	22.4	19.0	26.4
Continuing operations total	1,587.2	1,401.5	1,929.4

Quarterly Net Sales by Market, EUR million	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Finland	93.6	96.5	93.1	103.5	102.6	106.5	105.0
Sweden	241.8	262.1	258.4	239.6	233.5	235.3	174.2
Russia	170.3	162.2	162.4	169.6	147.8	132.8	122.1
Baltic countries	8.0	7.7	8.7	7.8	7.0	7.3	8.3
Other countries	8.0	6.9	7.5	7.4	7.4	5.4	6.2
Continuing operations total	521.6	535.5	530.1	527.8	498.5	487.3	415.7

Espoo, 26 October 2011

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