



Oriola-KD Corporation January-June 2012

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President and CEO
26 July 2012





January-June 2012

- Net sales grew by 10.8% to 1,180.6 Me and number of employees decreased by 240 to approximately 4800 people
- Operating profit excluding impairment charges increased by 5.7 Me to 9.7 Me
- The profitability of the Finnish wholesale business remained stable
- Pharmaceutical Trade Sweden's operating profit improved by 2.7 Me to 6.9 Me
- Pharmaceutical Trade Russia's operating loss excluding impairment charges decreased by 4.1 Me to 3.3 Me



Key Figures January-June 2012

Income Statement	1-6 2012	1-6 2011	Q2/12	Q2/11
Net sales, Me	1181	1066	590	536
Operating result excluding one-off costs and impairment charges, Me	9.7	4.0*	4.3	-1.0*
Net result, Me	3.2	-27.5	1.7	-29.7
Earnings/share, Euro	0.02	-0.18	0.01	-0.20

*) Operating result excluding 33.4 impairment charge of the Sary Lekar brand

Balance Sheet	30.6.2012	30.6.2011	31.12.2011
Equity, Me	294	301	299
Operative working capital, Me	-57	-43	-83
Interest-bearing net debt, Me	52	42	19
Balance sheet, total, Me	1199	1142	1273
Equity ratio, %	25%	27%	24%
Net gearing, %	18%	14%	6%
ROE	2.2%	-16.8%	-7.4%

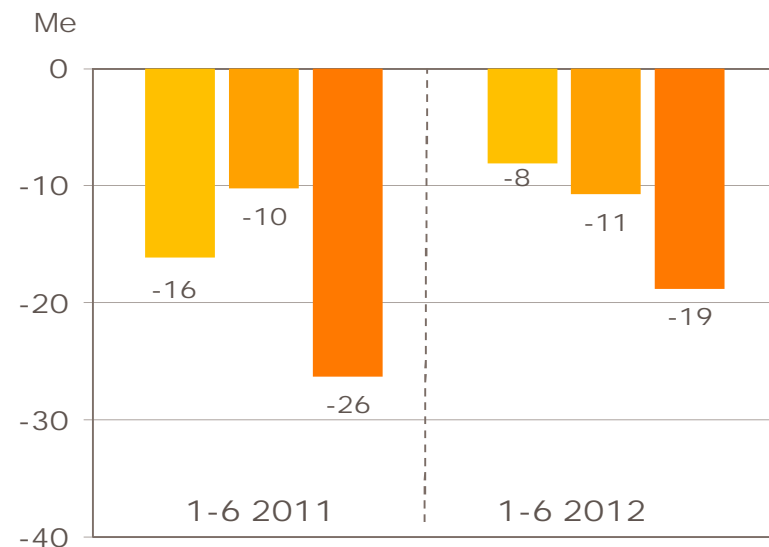
Net Sales and EBIT January-June 2012

	Net Sales, Me				EBIT, Me			
	1-6 2012	1-6 2011	Q2 2012	Q2 2011	1-6 2012	1-6 2011	Q2 2012	Q2 2011
Pharmaceutical Trade Finland and Baltics	233	207	117	105	9.9	10.3	5.0	4.7
Pharmaceutical Trade Sweden	515	534	256	269	6.9	4.2	3.4	1.9
Pharmaceutical Trade Russia	432	325	217	162	-3.3	-7.4*	-2.2	-5.7*
Group administration	-	-	-	-	-3.8	-3.1	-2.0	-1.9
Total, excluding one- off items and impairment charges	1181	1066	590	536	9.7	4.0	4.3	-1.0

*) Operating result excluding 33.4 impairment charge of the Sary Lekar brand

Finance and Cash Flow

- In February 2012, Oriola-KD renewed all long-term external loan agreements
 - Maturity of the new committed revolving credit facility April 2014
 - New committed long-term revolving credit facility of 100 Me unused at the end of the reporting period
- Short-term credit account limits of 43 Me with the banks were unused
- 83 Me (0 Me) of the 150 Me commercial paper programme was in use
- Working capital increased by 19.7 Me (17.9 Me)
- Gross investments 9.4 Me (13.6 Me)
 - Pharmacy establishments
 - Information systems
 - Improvements in logistics efficiency
- Depreciations 8.9 Me (7.3 Me)



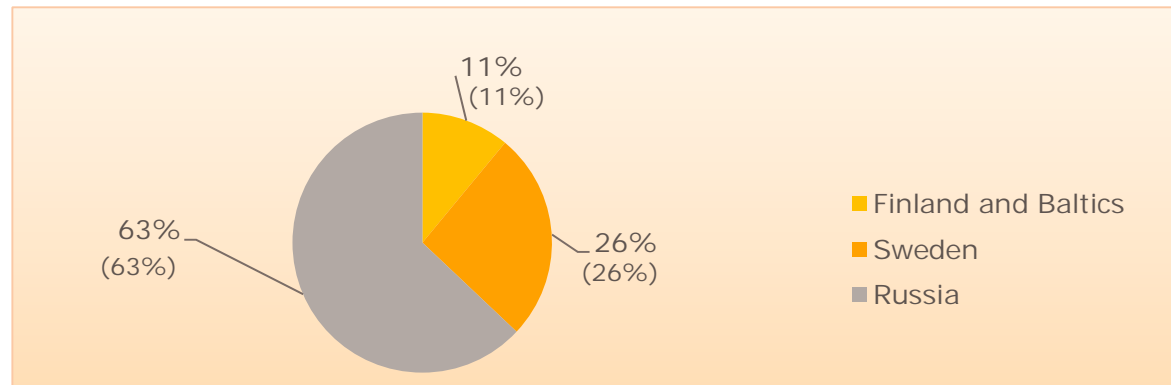
- Net cash flow from operating activities
- Net cash flow from investing activities
- Net cash flow after investing activities





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Personnel 30 June 2012



Operating segment	30.6.2012	30.6.2011	Change, %
Pharmaceutical Wholesale Finland and Baltics	523	509	+3%
Pharmaceutical Retail Sweden	994	1064	-7%
Pharmaceutical Wholesale Sweden	252	241	+5%
Pharmaceutical Retail Russia	1306	1613	-19%
Pharmaceutical Wholesale Russia	1701	1589	+7%
Total	4776	5017	-5%



Reporting Segments

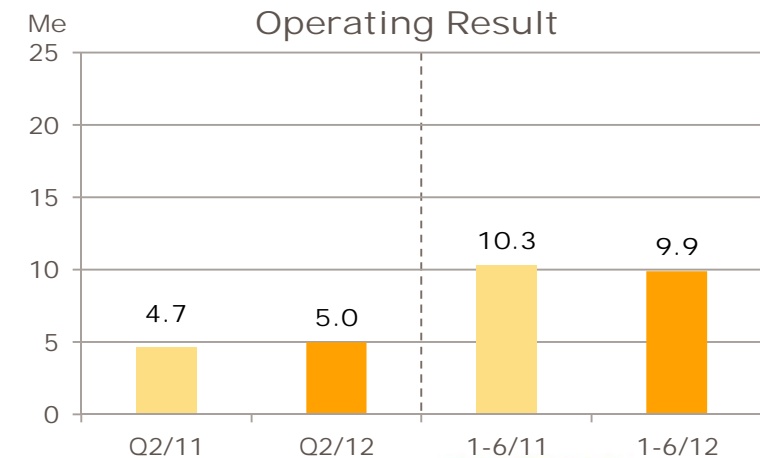
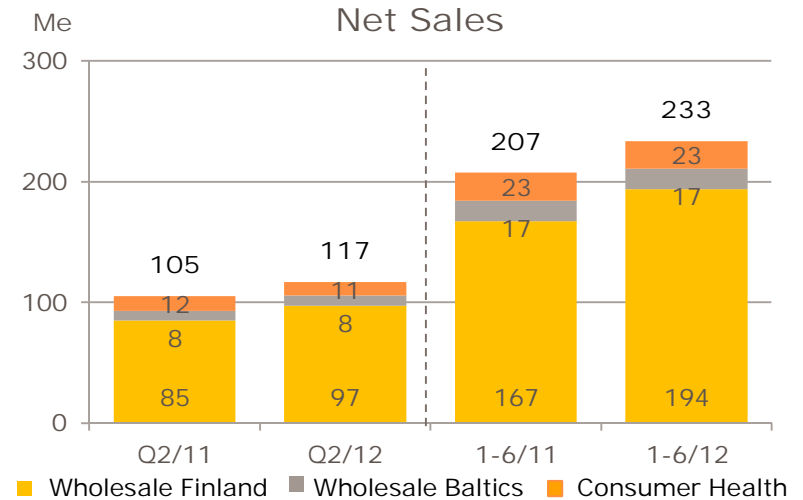




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Pharmaceutical Trade Finland and Baltics January-June 2012

- Pharmaceutical market grew by 3.4% (0.8%)*
- Wholesale Finland
 - Invoicing 518 Me (486 Me)
 - Market share 47.2% (45.8%)*
 - No major changes in agreements with pharmaceutical companies
 - The profitability of the Finnish wholesale business remained stable
- During 2012, pharmaceutical wholesale in Finland will focus on improving quality and efficiency and on the development of value added services for pharmacies and pharmaceutical companies



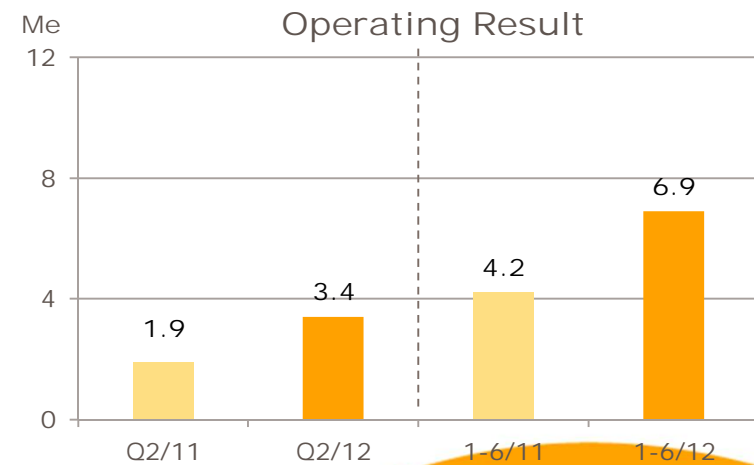
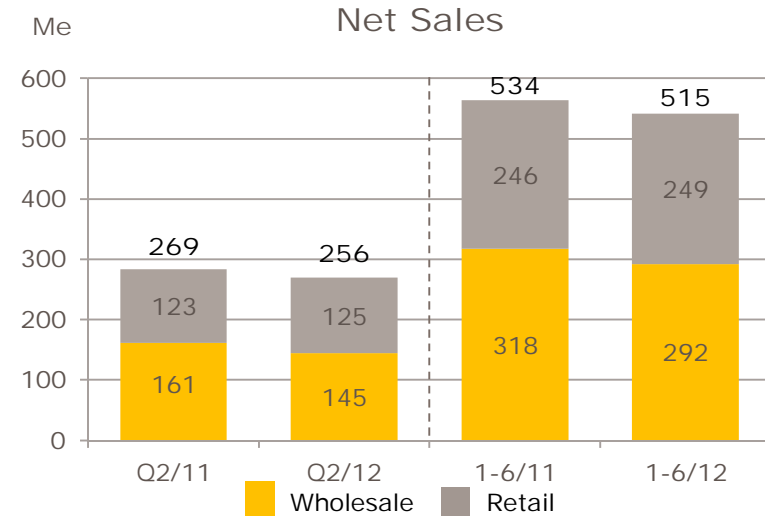


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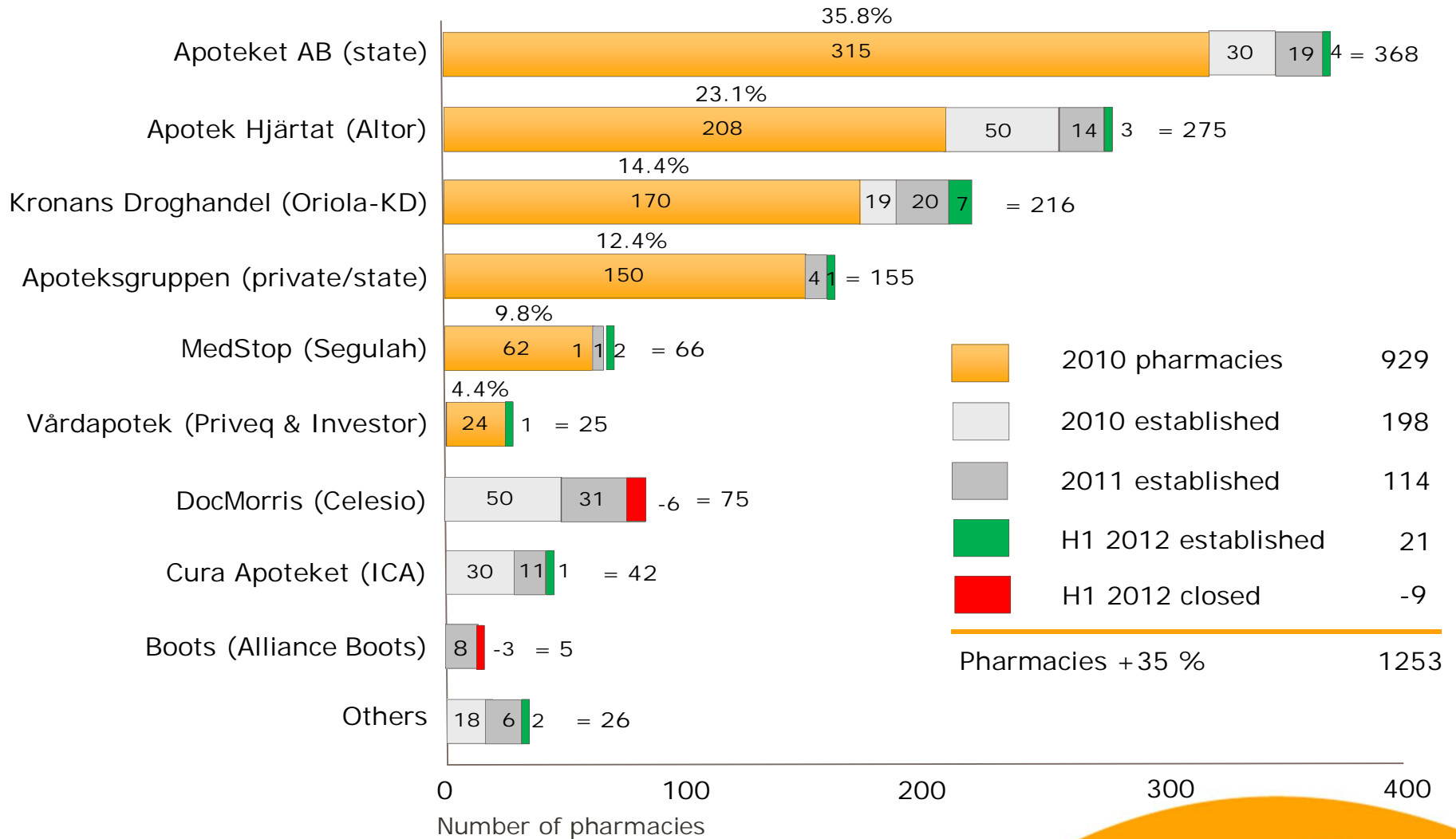
Pharmaceutical Trade Sweden

January-June 2012

- Pharmaceutical market grew by 4.1% (4.1%)*
- Retail
 - Market share 13.5% (13.1%)*
 - Pharmacies 216 (199)
 - 7 pharmacies have been opened (10) during 2012
 - The share of traded goods, OTC products and parallel imported products sales increased
 - Costs related to implementation of IT systems did not affect the profit of the retail business
- Wholesale
 - Market share 36.3% (39.5%)*
 - Invoicing 680 Me (746 Me)
 - The increase in the share of parallel imports and generic pharmaceuticals in the Swedish market
 - The wholesale company has signed agreements with Apoteksgruppen, DocMorris, Medstop and Vårdapoteket on the purchasing, warehousing and pharmacy distribution of OTC products and traded goods
 - New freight agreement will reduce freight costs and improve the service provided to pharmacies



Pharmacies in Sweden





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Supply Chain Structure for OTC Products and Traded Goods in Sweden

Current structure

Pharmaceutical distributors

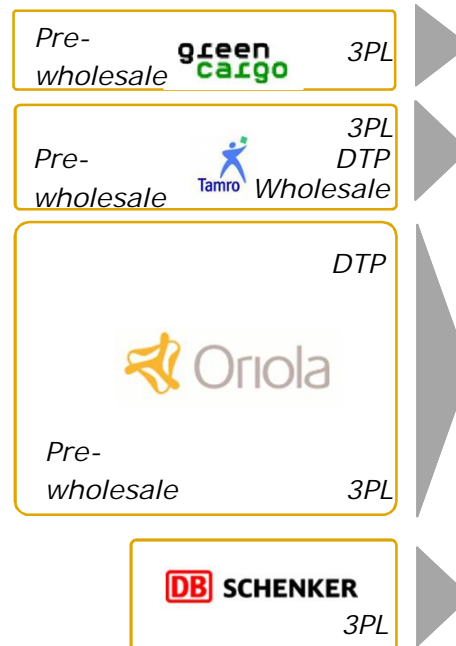


Pharmacy chains



Future structure*

Pharmaceutical distributors



Pharmacy chains



Approximate market share**

~22%

~4%

Total market share of 4 pharmacy chains ~25%

~14%

~35%

*) Including purchasing, warehousing and pharmacy distribution of OTC products and traded goods



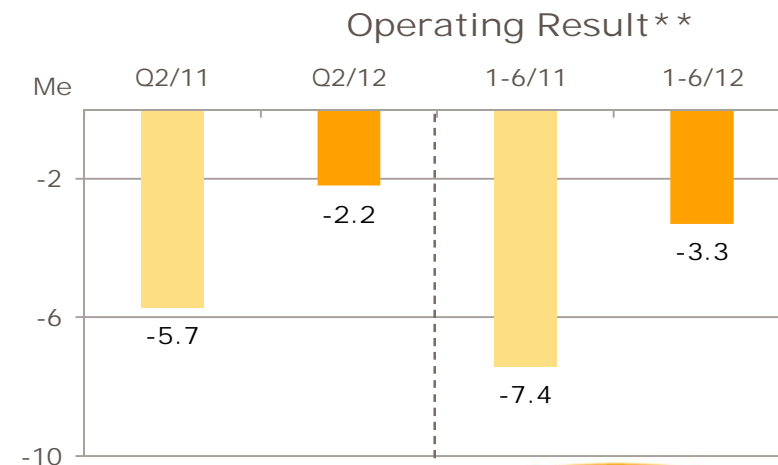
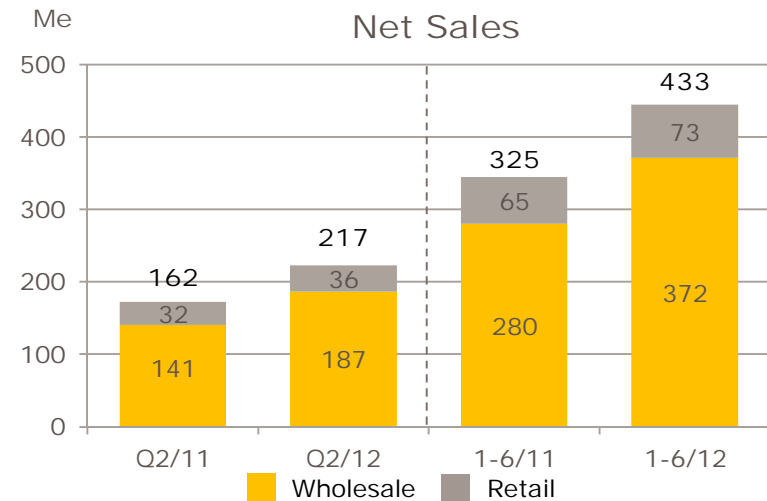


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Pharmaceutical Trade Russia

January-June 2012

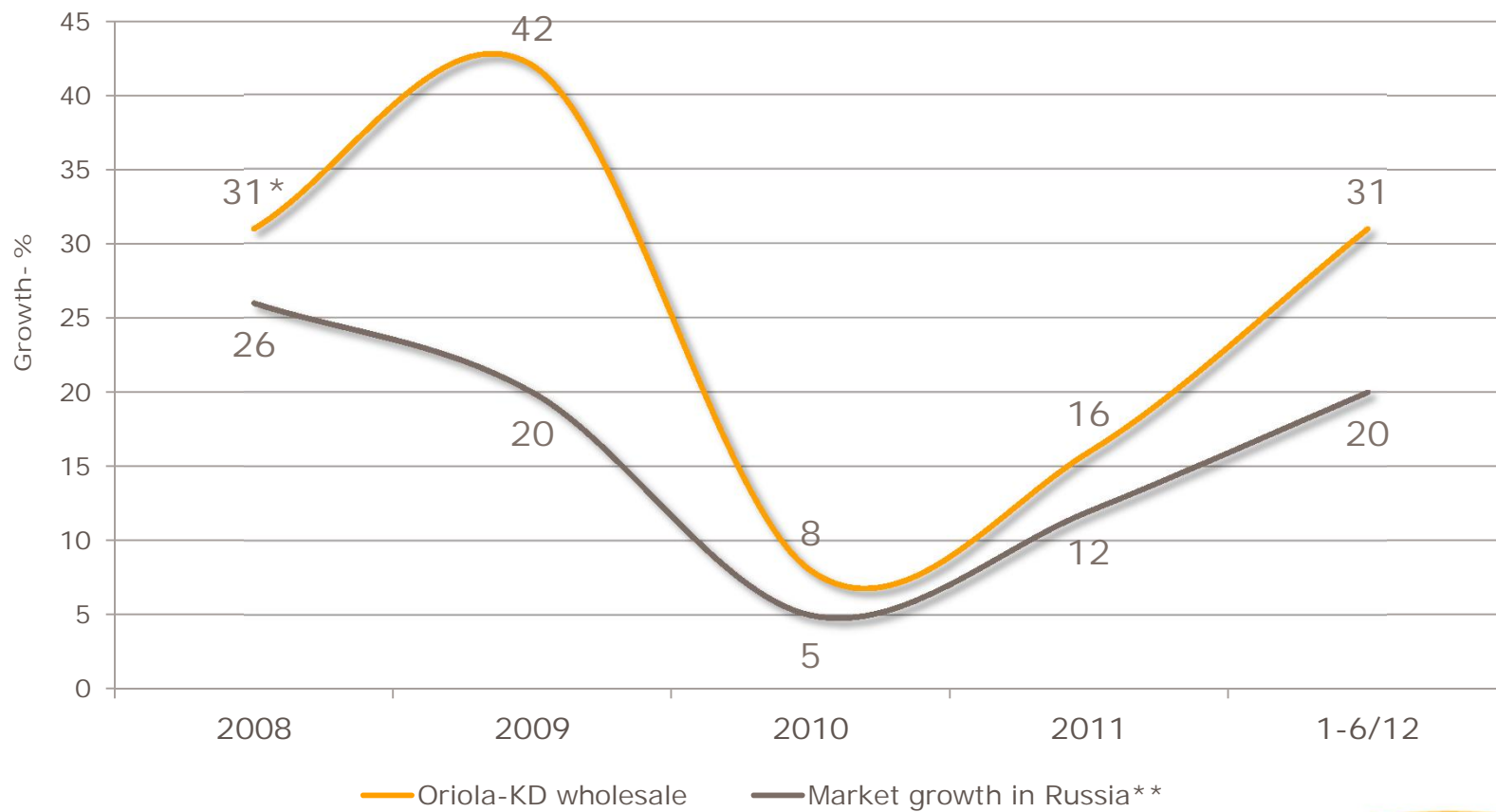
- Pharmaceutical market grew by 20.4% (6.8%)* in rubles
- Retail
 - Pharmacies 235 (262) in Moscow
 - Stary Lekar 167 (189) and 03 Apteka 68 (73)
 - 5 pharmacies have been opened and 19 closed during 2012
 - The project to close down unprofitable pharmacies completed
 - During the years 2011 and 2012, a total of 56 pharmacies were closed down
 - The profitability of the retail business improved as a result of the growth in sales due to the actions to boost efficiency and the changes in pricing implemented in summer 2011
- Wholesale
 - The operating loss of the wholesale business decreased as a result of increased sales, increased efficiency of operations and improved delivery reliability
 - Net sales of the regional distribution centres increased by some 79%
 - During 2011 started sales to hospitals increased strongly
 - In 2012 the following projects have been initiated:
 - Implementation of the new warehouse management system at the start of 2013
 - Establishment of the new automated main logistics centre in Moscow at the beginning of 2014



**) Year 2011: excluding impairment charge of 33.4 Me



Pharmaceutical Market Growth and Oriola-KD Wholesale's Net Sales Growth in Russia in Russian Rubles



Traded Volume of Shares January-June 2012

- Market capitalisation on 30 June 2012 was 298 Me (425 Me)
- The traded volume of all shares amounted to 15.7% (28.6%)*
- Number of shares at the end of June 2012 in total 151,257,828 (151,257,828)
 - Number of class A shares 47,148,710 (47,163,160)
 - Number of class B shares 104,109,118 (104,094,668)
 - In January-June 2012 no class A shares were converted to class B shares
 - The company held 96,822 class B treasury shares

Share class	1-6 2012		1-6 2011	
	Class A	Class B	Class A	Class B
Trading volume, million shares	3.7	20.1	1.5	41.7
Trading volume, Me	7.2	38.3	5.1	131.3
Highest, EUR	2.44	2.15	3.83	3.74
Lowest, EUR	1.77	1.70	2.50	2.28
Closing, EUR	2.03	1.94	3.13	2.66
Traded volume, %*	7.8%	19.3%	3.2%	40.1%

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

- Oriola-KD has identified the following principal strategic and operational risks in its business
 - Growth in 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 regulation
 - Commitment of key employees
- The major financial risks for Oriola-KD involve currency rate, liquidity, interest rate and credit risks
 - 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
 - Changes in the value of the Russian ruble or the Swedish crown will have an impact on Oriola-KD's financial performance and equity
- Goodwill and intangible rights are subject to impairment testing made at least once a year
 - Changes in cash flow forecasts based on strategic plans, or in the discount rate or perpetuity growth rate, can cause a goodwill write-down, which would weaken Oriola-KD's profit
 - Especially the impairment test of the goodwill of the Russian cash-generating units is more sensitive than before to changes in the discount rate or cash-flow forecasts
- Near-term risks and uncertainty factors
 - A decrease in gross margin resulting from intense competition and an increase in credit risks concerning customers may have an impact on the profitability of the wholesale business in Russia



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Outlook 2012

Market Development

- Oriola-KD's outlook for 2012 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments
- In the period 2012-2016, the pharmaceutical market is expected to grow annually in average by 0.5 per cent in Finland, 1 per cent in Sweden, and 11.5 per cent in Russia, measured in local currencies (source: IMS Health 04/2012)





Outlook for 2012

- Oriola-KD's outlook for 2012 unchanged:
 - Oriola-KD's net sales are expected to increase 10–15 per cent and operating profit excluding one-off items is expected to come to EUR 23–33 million in 2012



Focus Areas in 2012

Wholesale

Finland

- Improving quality and efficiency
- Development of value added services for pharmacies and pharmaceutical companies

Sweden

- Development of new logistics services for pharmacy chains

Russia

- Increase of regional and hospital sales
- Implementation of the new warehouse management system at the start of 2013
- Establishment of the new automated main logistics centre in Moscow at the beginning of 2014

Retail

Sweden

- Opening some 15 new pharmacies
- Improving the competitiveness of individual pharmacies
- Purchasing
- Increase of traded goods and OTC assortment

Russia

- Development of pharmacy portfolio
- Improving the competitiveness of individual pharmacies
- Strengthening the product assortment





- 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

