January-September 2012

- Net sales grew by 11.3% to 1,766.7 Me and number of employees decreased by 158 to 4,823 people

- Operating profit excluding one-off items increased by 9.8 Me to 17.2 Me
  - One-off item of a receivable write-off of EUR 1.1 million associated with the bankruptcy of Swedish cash transport company Panaxia AB was recognised in the third quarter

- The wholesale business in Finland performed positively

- Pharmaceutical Trade Sweden’s operating profit excluding one-off items improved from 8.0 Me to 11.7 Me

- Pharmaceutical Trade Russia’s operating loss excluding one-off items decreased from 12.8 Me to 5.3 Me
## Key Figures January-September 2012

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>1-9 2012</th>
<th>1-9 2011</th>
<th>Q3/12</th>
<th>Q3/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, Me</td>
<td>1767</td>
<td>1587</td>
<td>586</td>
<td>522</td>
</tr>
<tr>
<td>Operating result excluding one-off items, Me</td>
<td>17.2*</td>
<td>7.4**</td>
<td>7.5*</td>
<td>3.4</td>
</tr>
<tr>
<td>Operating result, Me</td>
<td>16.1</td>
<td>-26.0</td>
<td>6.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Net result, Me</td>
<td>5.5</td>
<td>-28.2</td>
<td>2.3</td>
<td>-0.6</td>
</tr>
<tr>
<td>Earnings/share, Euro</td>
<td>0.04</td>
<td>-0.19</td>
<td>0.02</td>
<td>-0.00</td>
</tr>
</tbody>
</table>

*)  Operating result excluding 1.1 Me write-off of receivable in Sweden  
**) Operating result excluding 33.4 Me impairment charge of the Stary Lekar brand

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity, Me</td>
<td>306</td>
<td>284</td>
<td>299</td>
</tr>
<tr>
<td>Operative working capital, Me</td>
<td>-56</td>
<td>-59</td>
<td>-83</td>
</tr>
<tr>
<td>Interest-bearing net debt, Me</td>
<td>59</td>
<td>35</td>
<td>19</td>
</tr>
<tr>
<td>Balance sheet, total, Me</td>
<td>1277</td>
<td>1137</td>
<td>1273</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>25 %</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Net gearing, %</td>
<td>19 %</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>ROE</td>
<td>2.4 %</td>
<td>-11.8%</td>
<td>-7.4%</td>
</tr>
</tbody>
</table>
### Net Sales and EBIT January-September 2012

<table>
<thead>
<tr>
<th></th>
<th>Net Sales, Me</th>
<th>EBIT, Me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Trade Finland and Baltics</td>
<td>342</td>
<td>309</td>
</tr>
<tr>
<td>Pharmaceutical Trade Sweden</td>
<td>769</td>
<td>784</td>
</tr>
<tr>
<td>Pharmaceutical Trade Russia</td>
<td>656</td>
<td>495</td>
</tr>
<tr>
<td>Group administration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total, excluding one-off items</td>
<td>1767</td>
<td>1587</td>
</tr>
</tbody>
</table>

*) Operating result excluding 1.1 Me write-off of receivable in Sweden
**) Operating result excluding 33.4 Me impairment charge of the Stary Lekar brand
In February 2012, Oriola-KD renewed all long-term external loan agreements
- Maturity of the new committed revolving credit facility April 2014
- New committed revolving credit facility of 100 Me unused at the end of the reporting period

Short-term credit account limits of 44 Me with the banks were unused

101 Me (0 Me) of the 150 Me commercial paper programme was in use

Working capital increased by 14.9 Me (6.2 Me)

Gross investments 15.0 Me (20.3 Me)
- Pharmacy establishments
- Information systems
- Improvements in logistics efficiency

Depreciations 13.7 Me (11.1 Me)
Personnel 30 September 2012

<table>
<thead>
<tr>
<th>Operating segment</th>
<th>30.9.2012</th>
<th>30.9.2011</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Wholesale Finland and Baltics</td>
<td>476</td>
<td>496</td>
<td>-4%</td>
</tr>
<tr>
<td>Pharmaceutical Retail Sweden</td>
<td>1055</td>
<td>1002</td>
<td>+5%</td>
</tr>
<tr>
<td>Pharmaceutical Wholesale Sweden</td>
<td>259</td>
<td>252</td>
<td>+3%</td>
</tr>
<tr>
<td>Pharmaceutical Retail Russia</td>
<td>1316</td>
<td>1585</td>
<td>-17%</td>
</tr>
<tr>
<td>Pharmaceutical Wholesale Russia</td>
<td>1717</td>
<td>1646</td>
<td>+4%</td>
</tr>
<tr>
<td>Total</td>
<td>4823</td>
<td>4981</td>
<td>-3%</td>
</tr>
</tbody>
</table>
Reporting Segments
Pharmaceutical trade in Finland and Baltics
January-September 2012

- Pharmaceutical market grew by 2.5% (1.0%)*
- The wholesale business in Finland performed positively
  - Invoicing 770 Me (725 Me)
  - Market share 47.2% (45.6%)*
  - The quality and efficiency of the picking automation line that was taken into use at the main distribution centre in Espoo was increased to the target level at the end of the third quarter
- Competition in the Consumer Health business has increased from the previous year
- All operating countries within Pharmaceutical Trade Baltics made an operating profit

*) Source: IMS Health
Pharmaceutical Trade Sweden
January-September 2012

Retail
• Market share 13.6% (13.1%)*
• Pharmacies 216 (202)
  – 7 (13) pharmacies have been opened during 2012
• The growth in the relative share of sales of traded goods, the OTC assortment and parallel imports has increased the gross margin
• Costs related to implementation of IT systems no longer affected profit
• In Q3 was booked one-off item of a receivable write-off of EUR 1.1 million associated with the bankruptcy of cash transport company Panaxia AB

Wholesale
• Invoicing 1016 Me (1084 Me)
• Market share 35.9% (38.7%)**
  – The increase in the share of parallel imports and generic pharmaceuticals decreased the market share
• Delivery of purchasing and logistics services to pharmacies has started according to plan at the beginning of October
  – Burdened Q3 operating result by 0.6 Me
  – Financial benefits of the service will be felt in full as of the second half of 2013
• Pharmaceutical market decreased by 1.6% (grew 2.8%)*

*) Excluding 1.1 Me write-off of receivable in retail business
**) Source: IMS Health
Pharmacies in Sweden

- **Apoteket AB (state)**: 315 pharmacies, 2012 established: 30, 2011 established: 19, total: 370
- **Apotek Hjärtat (Altor)**: 208 pharmacies, 2012 established: 50, 2011 established: 14, total: 275
- **Kronans Droghandel (Oriola-KD)**: 170 pharmacies, 2012 established: 19, 2011 established: 20, total: 216
- **Apoteksgruppen (private/state)**: 150 pharmacies, 2012 established: 41, total: 155
- **MedStop (Segulah)**: 62 pharmacies, 2012 established: 11, total: 66
- **Vårdapotek (Priveq & Investor)**: 24 pharmacies, 2012 established: 1, total: 25
- **DocMorris (Celesio)**: 50 pharmacies, 2012 established: 31, total: 76
- **Cura Apoteket (ICA)**: 30 pharmacies, 2012 established: 11, total: 42
- **Others**: 12 pharmacies, 2012 established: 20, total: 29

Pharmacies +35% = 1254

Source: KPMG report 01/12 and Oriola-KD 10/12
Supply Chain Structure for OTC Products and Traded Goods in Sweden

**Old structure**

- **Pharmaceutical distributors**
  - Pre-wholesale
  - Oriola
  - Pre-wholesale
  - 3PL

- **Pharmacy chains**
  - Wholesale
  - APOTEK
  - 3PL
  - DTP

**Current structure**

- **Pharmaceutical distributors**
  - Pre-wholesale
  - Oriola
  - Pre-wholesale
  - 3PL

- **Pharmacy chains**
  - Wholesale
  - APOTEK
  - 3PL
  - DTP

**Approximate market share**

- ~22%
- ~4%
- ~14%
- ~35%

Total market share of 4 pharmacy chains ~25%

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

**) source: KPMG report 01/12
Retail

- Pharmacies 237 (264) in Moscow
  - Stary Lekar 167 (189) and 03 Apteka 70 (75)
- 8 (20) pharmacies opened and 20 (9) closed
- Efficiency boosted and sales of individual pharmacies increased
- EBITDA positive during 2012

Wholesale

- The operating loss decreased as a result of increased sales, increased efficiency and improved delivery reliability
  - Net sales of the regions increased by some 67%
  - Sales to hospitals almost tripled on the previous year
- Payment times from the customers have increased which has led to an increase in credit loss risks
  - Credit loss accruals of 1.9 Me have been booked of the trade receivables, the collection is actively continuing
  - Payment terms shortened to the customers, collection process of trade receivables clarified and collection department strengthened
- 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
- Pharmaceutical market grew by 22.5% (9.9%)** in rubles

*) Year 2011: excluding impairment charge of 33.4 Me

**) Source: Pharmexpert
Pharmaceutical Market Growth and Oriola-KD Wholesale’s Net Sales Growth in Russia in Russian Rubles

*) Oriola-KD’s net sales growth in April-December 2008

**) Source: Pharmexpert
Traded Volume of Shares January-September 2012

- Market capitalisation on 30 September 2012 was 311 Me (260 Me)
- The traded volume of all shares amounted to 36.6% (39.9%)*
- Number of shares at the end of September 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-September 2012 no class A shares were converted to class B shares
  - The company held 96,822 class B treasury shares

<table>
<thead>
<tr>
<th>Share class</th>
<th>1-9 2012</th>
<th>1-9 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Class A</td>
<td>Class B</td>
</tr>
<tr>
<td>Trading volume, million shares</td>
<td>4.3</td>
<td>24.4</td>
</tr>
<tr>
<td>Trading volume, Me</td>
<td>8.5</td>
<td>46.7</td>
</tr>
<tr>
<td>Highest, EUR</td>
<td>2.44</td>
<td>2.15</td>
</tr>
<tr>
<td>Lowest, EUR</td>
<td>1.77</td>
<td>1.70</td>
</tr>
<tr>
<td>Closing, EUR</td>
<td>2.08</td>
<td>2.05</td>
</tr>
<tr>
<td>Traded volume, %*</td>
<td>18.1 %</td>
<td>44.9 %</td>
</tr>
</tbody>
</table>

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

- Amendments to pharmaceutical market regulations may weaken Oriola-KD’s profitability.
- In the Swedish retail business, the free establishment of pharmacies has led to a rapid increase in the number of pharmacies. The number of pharmacies may continue to grow, which means that the fierce competition could continue.
- In the Russian retail business, tough competition resulting from the large number of pharmacies may lead to a further decrease in the gross margin and a rapid turnover rate of key personnel.
- Extra capacity ensuing from a change in the Swedish wholesale market will intensify competition, which may weaken the profitability of operations. The share of single channel distribution in the pharmaceutical wholesale market may decline rapidly, which may weaken the profitability of operations and lead to the restructuring of wholesale operations.
- As a result of the tough competition in the Russian wholesale business, the gross margin may decline further, which will lead to a continued need to intensify operations and restructure wholesale operations over the long term. The payment behaviour that is typical to the Russian market, combined with the regional expansion of operations may increase credit risks.
- Strategic development projects involve operational risks.
Other risks

• The major financial risks for Oriola-KD involve currency rate, liquidity, interest rate and credit 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
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 0.3 per cent in Finland, 0.5 per cent in Sweden, and 11.1 per cent in Russia, measured in local currencies (source: IMS Health 09/2012)
Revised Outlook of Net Sales and Operating Profit for 2012

Revised outlook for 2012 issued on 25 October 2012
• 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 24–28 million in 2012

Previous outlook for 2012 issued on 26 July 2012
• 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.