



Oriola-KD Corporation January-March 2013

Eero Hautaniemi
President and CEO
25 April 2013



Key Figures in January-March 2013

	Q1 2013	Q1 2012	Change %
Net sales, Me	612	591	3.6 %
Operating profit, Me	2.3	5.2	-55.3 %
Profit for the period, Me	0.7	1.3	-46.3 %
Earnings per share, EUR	0.00	0.01	-46.3 %
Net cash flow from operations, Me	-26.1	-27.1	
Return on equity, %	0.9	1.7	
Gearing -ratio, %	12.6	17.5	

Key Focus Areas in 2013

1. Continue planned measures to improve profitability.

	Net sales, Me			Operating profit, Me		
	Q1 2013	Q1 2012	Year 2012	Q1 2013	Q1 2012	Year 2012
Pharmaceutical Trade Finland and Baltics	108	117	460	4.8	4.6	20.8
Pharmaceutical Trade Sweden	274	259	1,061	3.8	3.4	16.2*
Pharmaceutical Trade Russia	231	215	953	-3.6	-1.1	-2.3
Group administration	-	-	-	-2.6	-1.8	-7.8
Total, excluding non-recurring items	612	591	2,474	2.3	5.2	26.8*

*) Operating profit excluding 1.1 Me write-off of receivable in retail Sweden

Key Focus Areas in 2013

2. Prepare for successful implementation of new automated distribution center in Moscow during 2014.

- Oriola-KD has signed a letter of intent on a 10-year lease agreement to transfer a new main logistics centre in Moscow region and on the logistics centre's automation solution.
- The project has been continued according to plan in the first quarter of 2013.

3. Active participation in market change in Sweden.

- Oriola-KD signed an agreement to acquire Medstop pharmacy chain in Sweden on 8 April 2013
 - The total value of the acquisition is approximately 176 Me.
 - Acquisition will increase Oriola-KD's market share up to 22 per cent of the Swedish pharmacy market



Reporting Segments

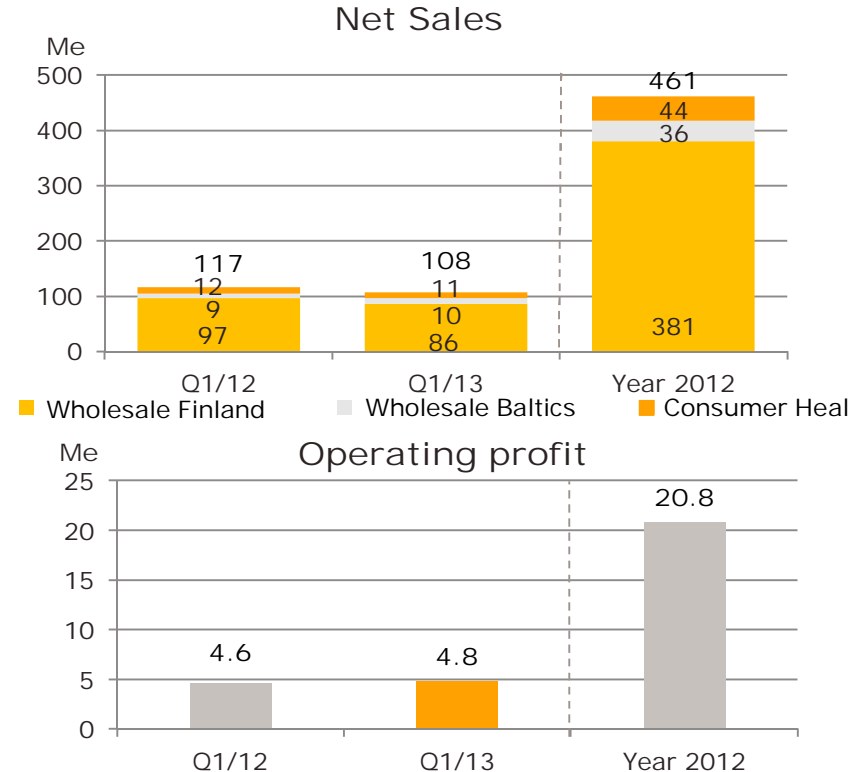


Pharmaceutical Trade Finland and Baltics

January-March 2013

- Pharmaceutical market grew by 1.0 (3.9) per cent in Finland.*
 - The decrease in pharmaceutical reimbursements and the 5 per cent cut in the wholesale prices of patented pharmaceuticals in February 2013 had a negative impact on the growth of the pharmaceutical market.
 - The distribution of AstraZeneca's products (market share roughly 3.2 per cent) will be discontinued in 2013.
 - Oriola-KD's market share of the Finnish pharmaceutical wholesale market was 47.3 (47.1) per cent.
- The profitability of the Finnish wholesale business improved as a result of improvements in operating efficiency and growth in service sales
- The profitability of the Consumer Health business was affected in the first quarter by a low customer flow at pharmacies and investments in developing the product assortment.
- Business in the Baltics developed as planned.
 - The warehousing and distribution of Novartis' products since February 2013.
 - Oriola-KD and MSD have signed an agreement on the marketing and distribution of medicines in the Baltic countries since September 2013.

*) Source: IMS Health



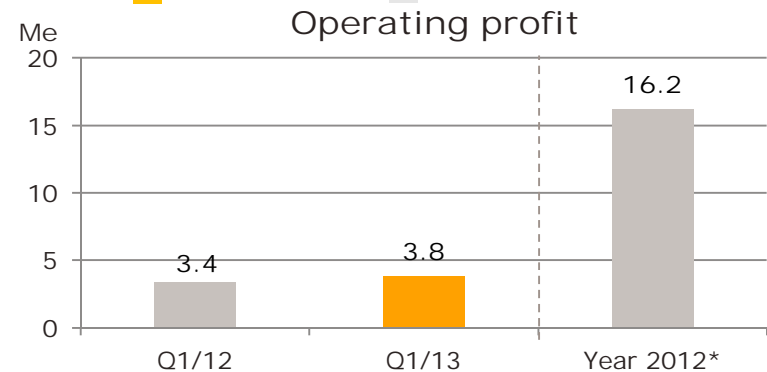
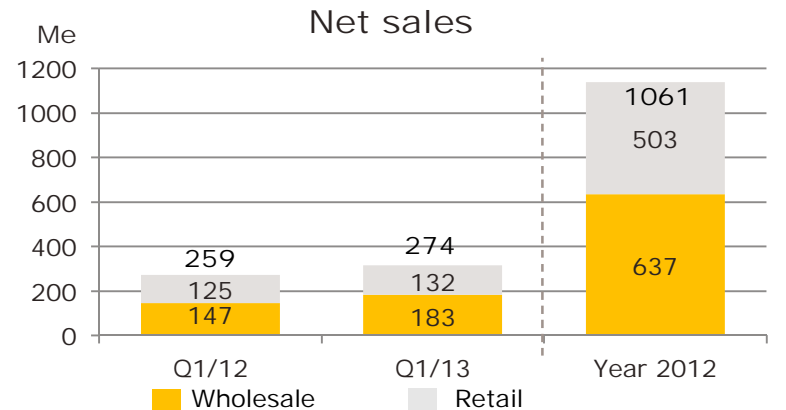
Pharmaceutical Trade Sweden

January-March 2013

- The pharmaceutical market decreased by 4.2 (grew 2.0) per cent.*
 - Oriola-KD's market shares: wholesale 34.5 (36.9) per cent and retail 13.4 (13.5) per cent.*
 - The retail market of OTC products and traded goods products increased 5.8 (3.8) per cent.**
- The operating profit of the retail business grew.
 - Net sales of the retail business were 132 (125) Me.
 - Pharmacies 222 (212).
 - Relative share of sales of parallel imports, the OTC assortment and traded goods increased.
- The net sales of the wholesale business 183 (147) Me.
 - Purchasing, warehousing and pharmacy distribution of OTC products and traded goods increased net sales.
 - The continued growth in the share of parallel imports and generic medicines decreased market share.
- The ramp-up of the centralised purchasing, warehousing and pharmacy distribution was completed by the end of the first quarter.

*) Source: IMS Health

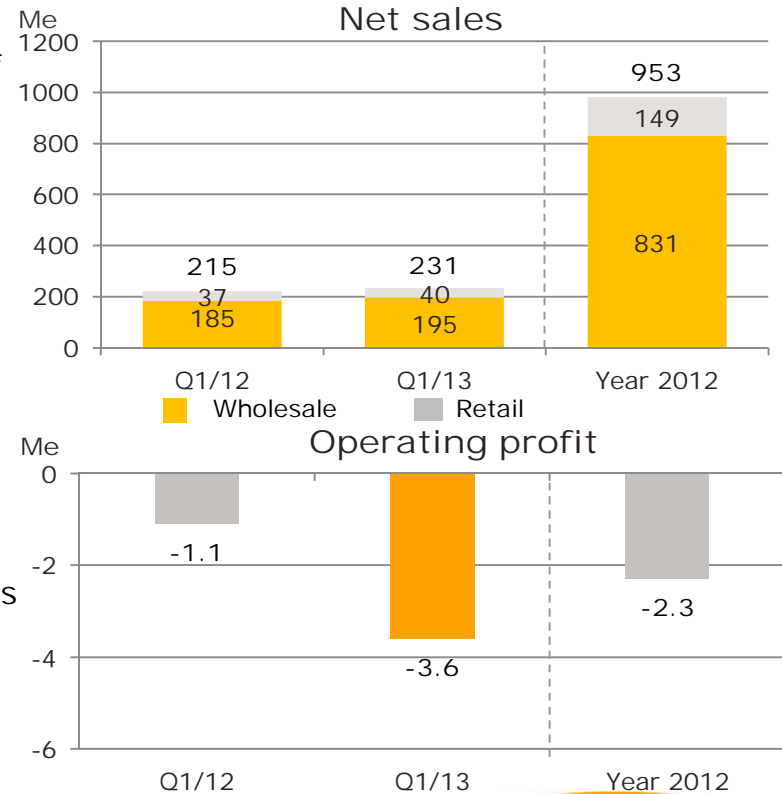
***) Source: Nielsen



*) Excluding 1.1 Me receivable write-off booked in retail in Q3/2012

Pharmaceutical Trade Russia January-March 2013

- Russian pharmaceutical market grew 20.5 (4.5) per cent.*
- The retail business made an operating profit.
 - The sales of traded goods and pharmacy-specific sales grew on the previous year.
 - Pharmacies 239 (243) in Moscow.
- Operating loss in wholesale increased due to difficulties with deliveries in the Moscow region associated with the implementation of the warehouse management system.
 - Growth of the net sales in wholesale slowed as forecasted.
 - The net sales of the distribution centres outside Moscow continued to grow as planned.
- Project to establish a new main logistics centre in Moscow region and on the logistics centre's automation solution has been continued according to plan.



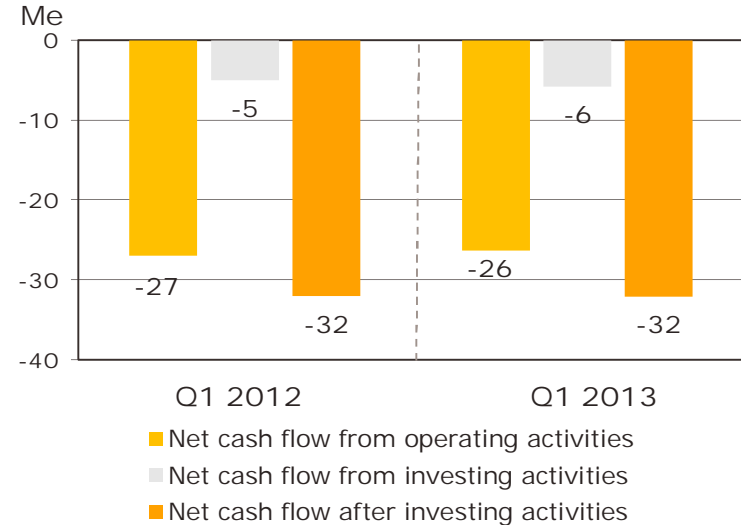
Cash Flow and Finance

- Cash flow

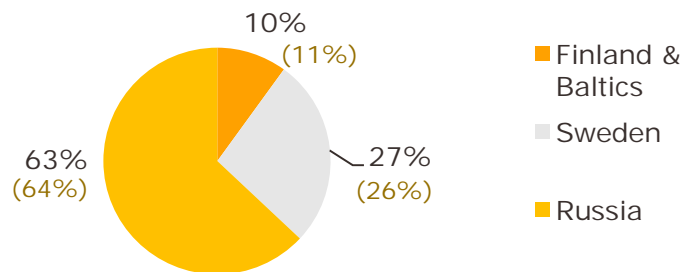
- Working capital increased by 30.6 Me (33.1 Me).
- Gross investments 5.8 Me (4.3 Me).
 - Pharmacy establishments.
 - Information systems.
 - Improvements in logistics efficiency.
- Depreciations 5.1 Me (4.4 Me).

- Finance

- Oriola-KD s committed revolving credit facility of 100 Me and short-term credit account limits of 44 Me with the banks were unused.
- 90 (86) Me of the 150 Me commercial paper programme was in use.
- A total of EUR 68.0 (56.6) million of trade receivables had been sold at the end of the review period.



Personnel 31 March 2013



Operating segments	31 March 2013	31 March 2012	Change-%
Pharmaceutical Wholesale Finland and Baltics	470	503	-7%
Pharmaceutical Retail Sweden	1,014	991	+2%
Pharmaceutical Wholesale Sweden	277	241	+15%
Pharmaceutical Retail Russia	1,326	1,382	-4%
Pharmaceutical Wholesale Russia	1,722	1,666	+3%
Total	4,809	4,783	+1%

Outlook of Net Sales and Operating Profit 2013


- Oriola-KD estimates that net sales and operating profit excluding non-recurring items will increase from 2012 level.
 - Growth of the net sales of Pharmaceutical Trade Russia will slow down in the first part of the year and operating profit will be weaker than the previous year, as a result of challenges related to the implementation of the warehouse management system started in January 2013.



Medstop Acquisition

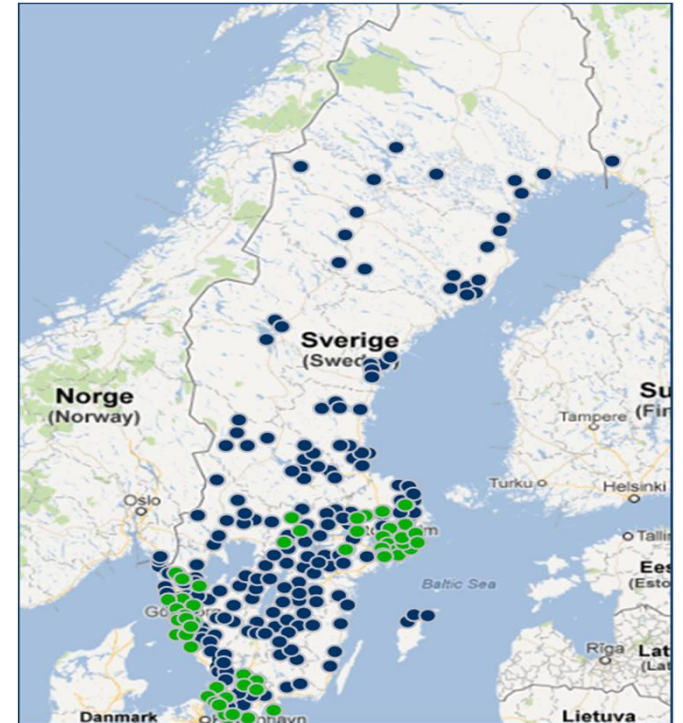




Medstop Acquisition

- The total value of the acquisition is estimated to be 176 Me, comprising of three separate items:
 - EUR 82 million cash payment.
 - Net debt of the acquired company.
 - Conditional earn-out payment payable on the basis of the consolidated 2015 EBITDA.
 - Oriola-KD will finance the acquisition in full with a bank loan.
 - The consolidated operating profit for the first quarter was reduced by a 1.0 Me expense associated with acquisitions in Sweden.
 - The transaction is expected to be completed in the second quarter of 2013 subject to the Swedish Competition Authority (Konkurrensverket) and Medical Products Agency (Läkemedelsverket) approvals.
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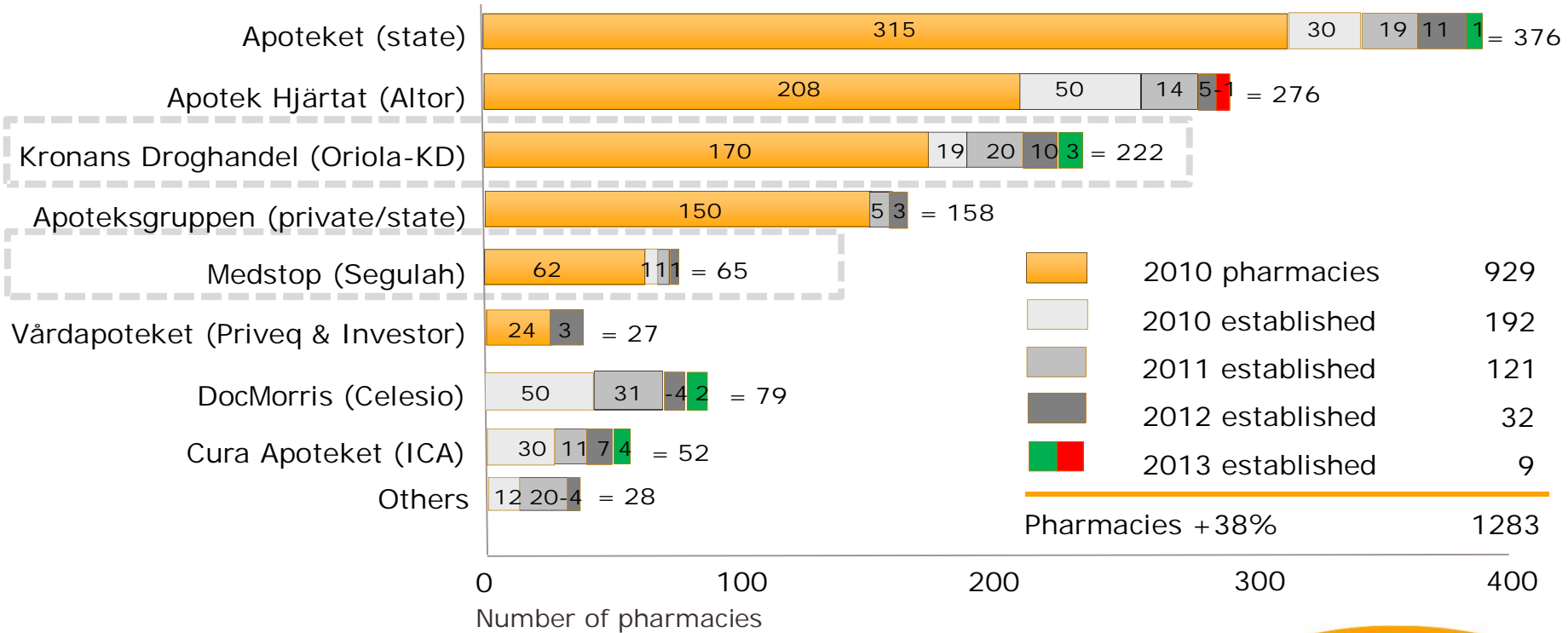
Medstop in Brief

- Medstop has 65 pharmacies.
 - Located in shopping centres and city centre locations in the Stockholm, Gothenburg and Malmö areas.
- Average sales per pharmacy is 34 MSEK p.a.
 - Kronans pharmacies average sales 20 MSEK p.a.
- Average distance from a Kronans pharmacy to a Medstop pharmacy is 14 km.
- Key financial figures in 2012:
 - Medstop's market share ~7.5 per cent.
 - Net Sales 273 Me.
 - EBITDA, excluding non-recurring items, 11.6 Me.
 - The net debt 75 Me end of December 2012.
 - Employees 578 people.

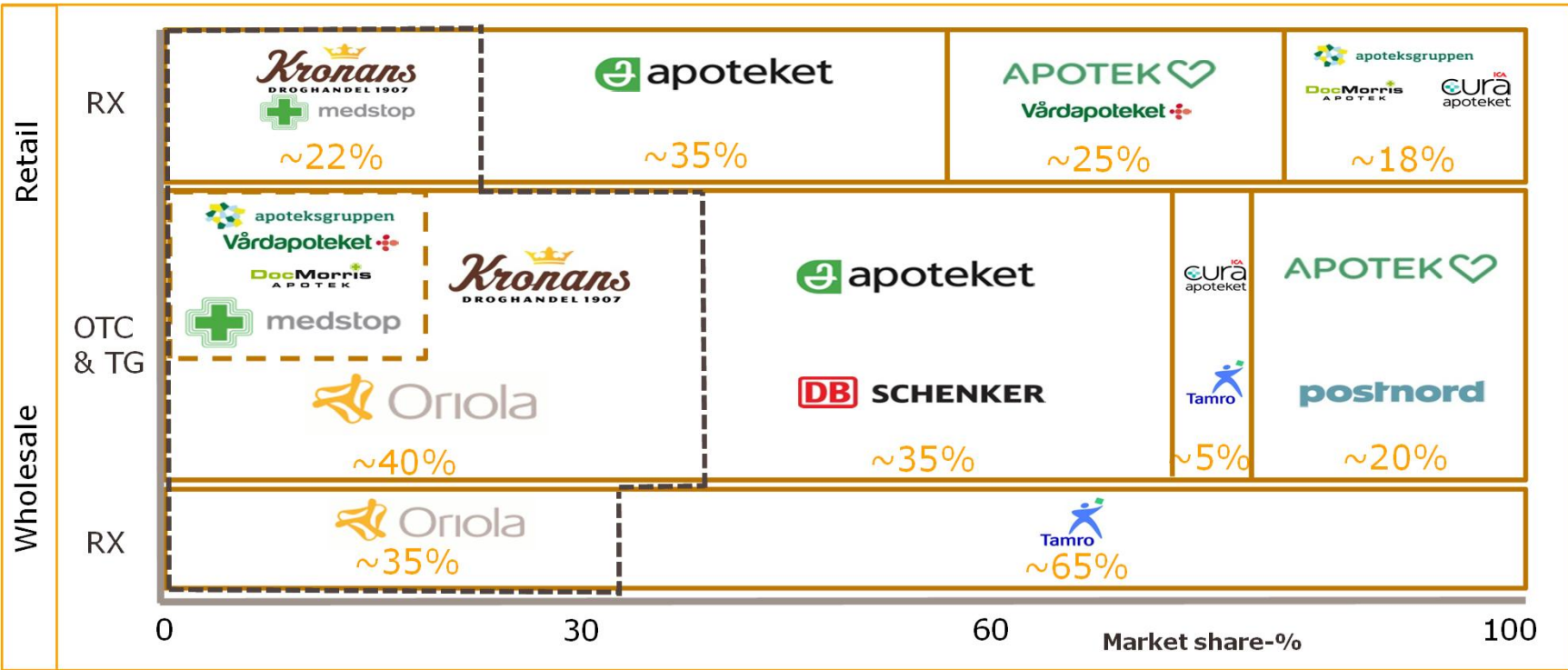


-  Medstop pharmacy
-  KD pharmacy

Pharmacies in Sweden



Swedish retail and wholesale market structure



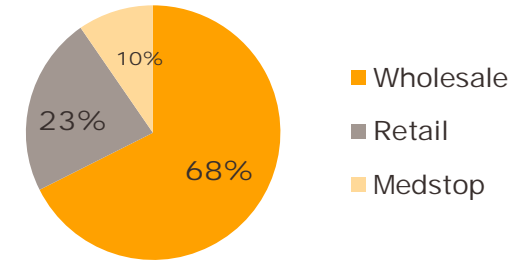
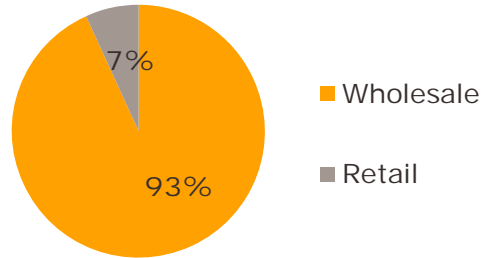
-- Oriola-KD's market share

Significance of retail and Sweden will grow

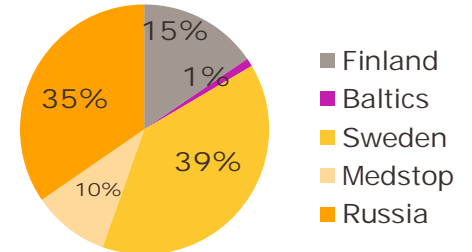
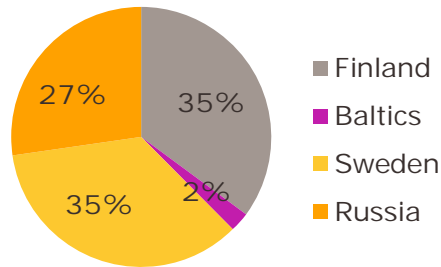
2008*

Pro-forma 2012 (including Medstop)

Split of net sales



Split of net sales by country



* Continuing operations pro-forma net sales

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- 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





Oriola KD

The Channel for Health

