



Oriola-KD Corporation January-September 2013

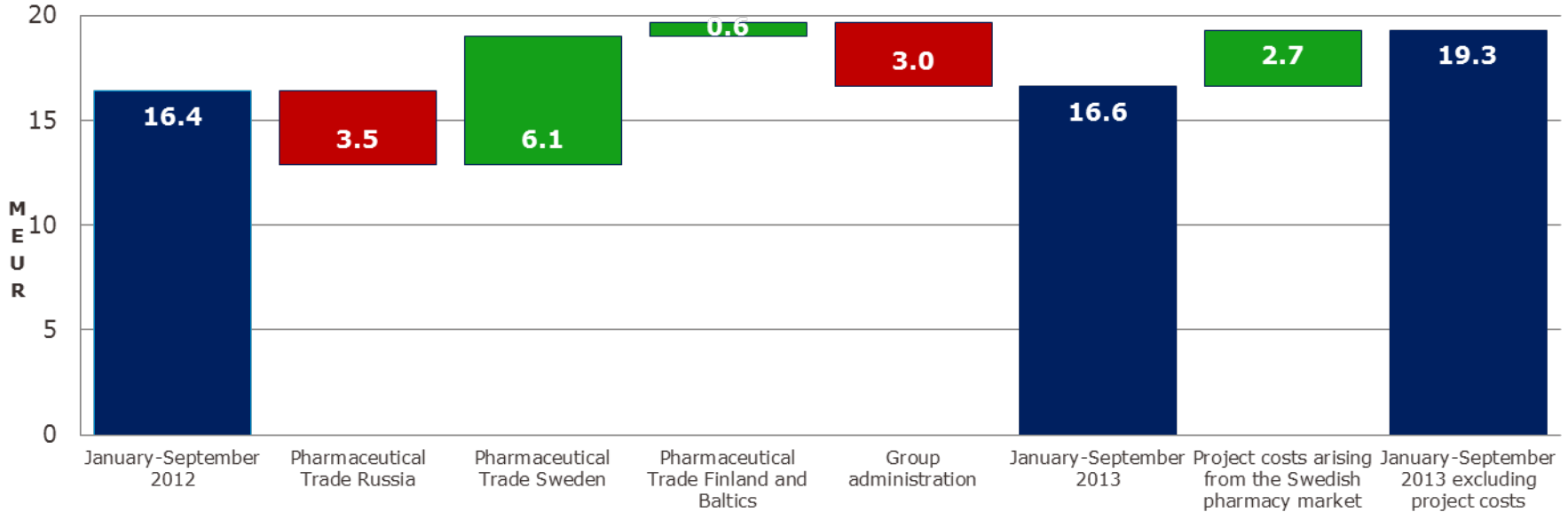
Eero Hautaniemi
President and CEO
24 October 2013



Oriola-KD January-September 2013

- Businesses in Finland and Baltics developed steadily.
- In Sweden Profitability was strengthened in both operating segments.
 - Integration of the Medstop acquisition proceeded according to plan and the merger of the legal companies of the pharmacy chains will be put into effect during the last quarter.
 - An efficiency programme was started in the Swedish wholesale business which aims to achieve a significant improvement in the operating profit from 2014 onwards.
- Positive performance in the Russian retail business continued and business posted a positive operating profit.
- Operating loss of the Russian wholesale business significantly weakened Oriola-KD's operating profit.
 - Intensive efforts continued to gain customers in the Moscow region during the third quarter
 - Increase in regional sales and sales to hospitals continued according to plan.

Operating profit excluding non-recurring items January-September 2013



- Third quarter operating profit excluding non-recurring items increased to EUR 10.6 (7.2) million.

Key figures January - September 2013

	Q3 2013	Q3 2012	Change %	1-9 2013	1-9 2012	Change %
Net sales, EUR million	654.4	586.1	11.6	1,918.8	1,766.7	8.6
EBITDA excluding non-recurring items, EUR million*	17.1	12.0	42.8	33.8*	30.1	12.3
EBITDA, EUR million*	15.1	10.9	38.5	27.8*	29.0	-4.3
Operating profit excluding non-recurring items, EUR million*	10.6	7.2	47.0	16.6*	16.4	1.5
Operating profit, EUR million*	8.6	6.2	40.2	10.6*	15.3	-30.7
Profit for the period, EUR*	2.3	2.1	6.4	0.2*	5.0	-96.8
Earnings per share, EUR	0.01	0.01		0.00	0.03	
Net cash flow from operations, EUR million				-21.0	-9.3	
Return on equity, %				0.1	2.2	
Gearing-ratio, %				80.9	19.7	

*) Includes project costs EUR 2.7 million relating to the transformation of the Swedish pharmacy market

Balance sheet 30 September 2013

Consolidated balance sheet (IFRS). EUR million	30 Sep 2013	30 Sep 2012	31 Dec 2012	Consolidated balance sheet (IFRS). EUR million	30 Sep 2013	30 Sep 2012	31 Dec 2012
ASSETS				EQUITY AND LIABILITIES			
Property, plant and equipment	93.9	78.9	81.4	Equity total	278.5	300.4	310.5
Goodwill	389.4	279.7	276.7	Borrowings	171.0	16.4	0.4
Other intangible assets	76.3	53.5	52.3	Other non-current liabilities	28.7	23.3	24.8
Other non-current assets	6.3	3.8	6.6	Non-current liabilities total	199.7	39.8	25.2
Deferred tax assets	11.5	7.3	6.1	Trade payables and other liabilities	836.2	800.2	886.1
Non-current assets total	577.5	423.3	423.1	Provisions	2.7	-	-
Inventories	361.9	362.2	389.8	Borrowings	150.1	131.3	94.3
Trade and other receivables	432.0	397.5	415.2	Current liabilities total	989.0	931.5	980.5
Cash and cash equivalents	95.7	88.6	88.1	EQUITY AND LIABILITIES TOTAL	1,467.2	1,271.7	1,316.2
Current assets total	889.7	848.4	893.1				
ASSETS TOTAL	1,467.2	1,271.7	1,316.2				

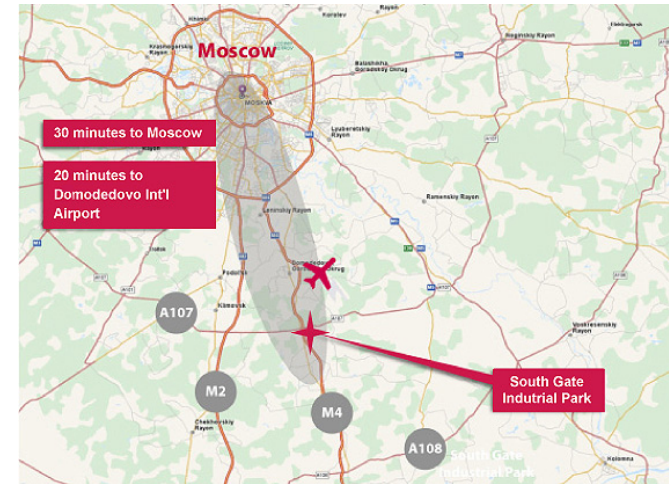
The progress of the key focus areas in 2013

1. Continue planned measures to improve profitability

	Net sales, EUR million				Operating profit excl. non- recurring items, EUR million			
	Q3 2013	Q3 2012	1-9 2013	1-9 2012	Q3 2013	Q3 2012	1-9 2013	1-9 2012
Pharmaceutical Trade Finland and Baltics	96	109	316	342	5.7	6.1	16.1	15.6
Pharmaceutical Trade Sweden	316	254	894	769	8.6	4.8	17.7	11.6
Pharmaceutical Trade Russia	243	223	709	656	-1.9	-2.0	-8.8	-5.3
Group administration					-1.8	-1.6	-8.4	-5.4
Total excluding non-recurring items	654	586	1,919	1,767	10.6	7.2	16.6	16.4

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

- Oriola-KD has signed a 10 years leasing agreement on a new main logistic center to the south of Moscow.
- The total floor space of approximately 30 000 square meters and targeted level of automation approximately 40 per cent.
- Operations gradually transferred to the new facilities and full production capacity will be reached by the end of Q1/2015.
- The goal is to increase the capacity, to improve the delivery quality and to increase the picking efficiency.
- The total project cost estimate increased to EUR 25-28 (17) million of which total investments has increased to EUR 15.7 (12.0) million.



3. Active participation in market change in Sweden

- Oriola-KD has completed the acquisition of Medstop pharmacy chain in June 2013.
- Market share in the Swedish retail grew to 20-21 per cent.
- Synergies of the acquisition are estimated to reach EUR 8-10 million annually from 2015 onwards.
- The total value of the acquisition was EUR 176 million.
- Medstop key financial figures 2012:
 - Net sales EUR 260 million
 - EBITDA, excluding non-recurring items, EUR 11.3 million



Reporting Segments

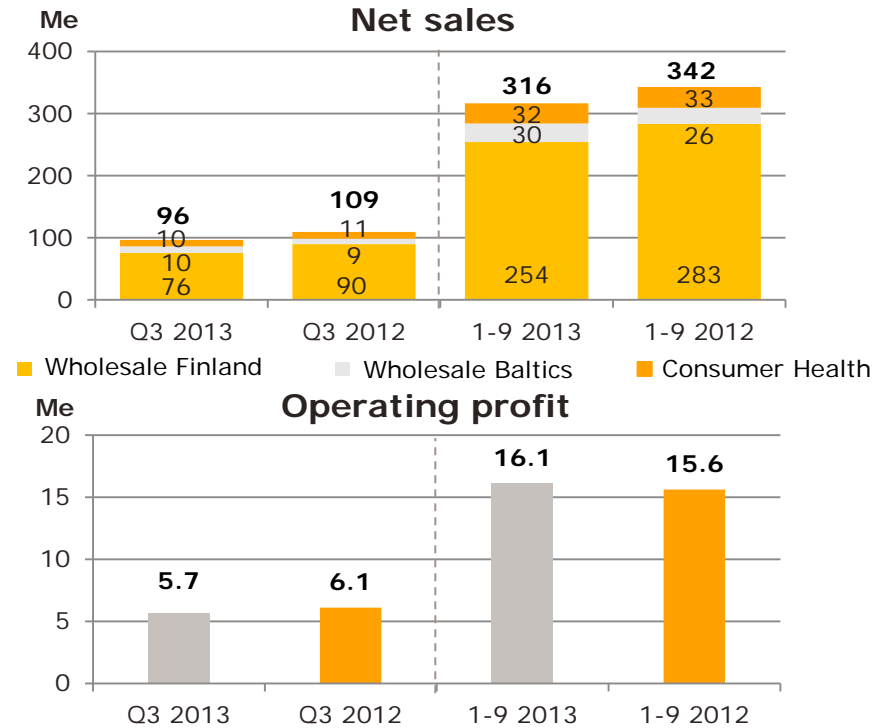


Pharmaceutical Trade Finland and Baltics

January-September 2013

- Pharmaceutical market grew by 2.1 (+2.5) per cent in Finland.*
 - The decrease in pharmaceutical reimbursements and the 5 per cent cut in the wholesale prices of patented pharmaceuticals had a negative impact on the growth of the pharmaceutical market.
- Profitability of Finnish wholesale business improved as a result of improvements in operating efficiency and growth in service sales.
 - End of distribution of AstraZeneca's products decreased Q3 net sales according to plan.
 - Market share was 46.6 (47.2) per cent.*
- Profitability of Consumer Health -business improved during third quarter.
 - A slowdown in the growth of the Finnish retail business has decreased the net sales of the Consumer Health business in relation to the comparison period.
- Business in the Baltics developed positively.
 - Distribution and marketing cooperation with MSD proceeded according to plan.

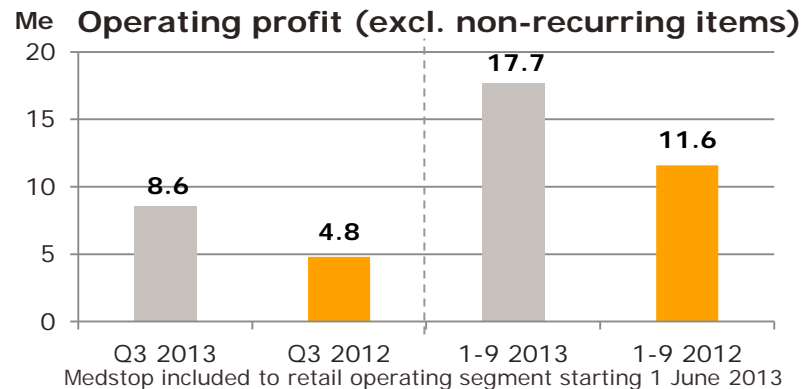
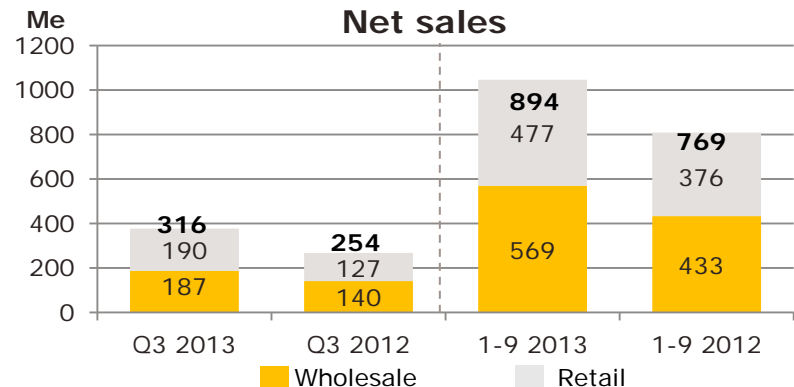
*) Source: IMS Health



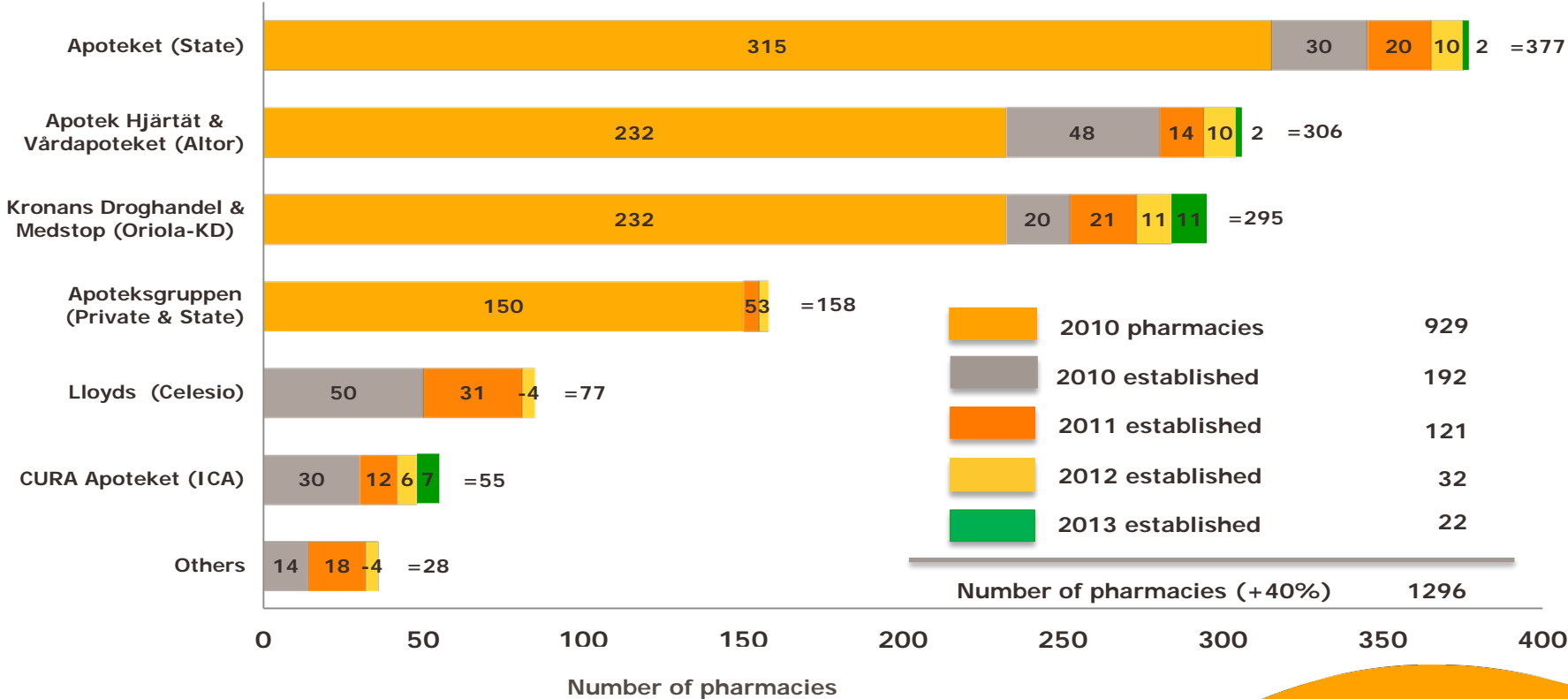
Pharmaceutical Trade Sweden

January-September 2013

- The pharmaceutical market decreased 2.1 (-1.6) per cent* and the retail market of OTC pharmaceuticals and traded goods increased 6.1 (+3.9) per cent**.
- Market share according to management estimates: wholesale 41 (36) per cent and in retail 21 (14) per cent.
- Operating profit excluding non-recurring items of the retail business grew under the review period.
- Operating profit grew as a result of development of product assortment on offer.
- Medstop increased net sales by EUR 82 million.
- Number of pharmacies 295 (216).
- Operating profit excluding non-recurring items of the wholesale business improved under the review period.
- The purchasing, warehousing and logistics service to pharmacy chains stabilized during third quarter and strengthened the operating profit.
- An efficiency programme was started in the wholesale business which aims to achieve a significant improvement in the operating profit gradually from 2014 onwards.

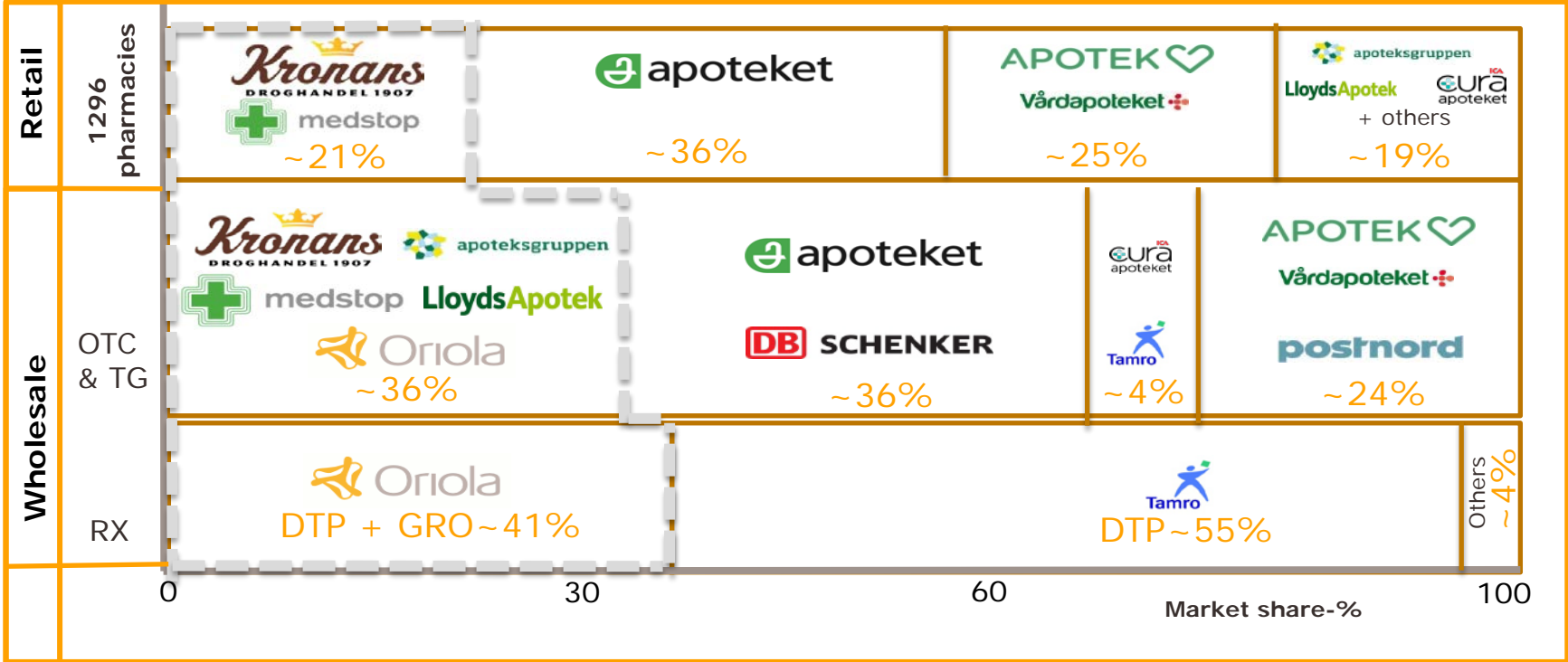


Pharmacies in Sweden



Source: Sweden Pharmacy Association 2010, 2011, 2012 and Oriola-KD 1-9/2013

Swedish retail and wholesale market structure

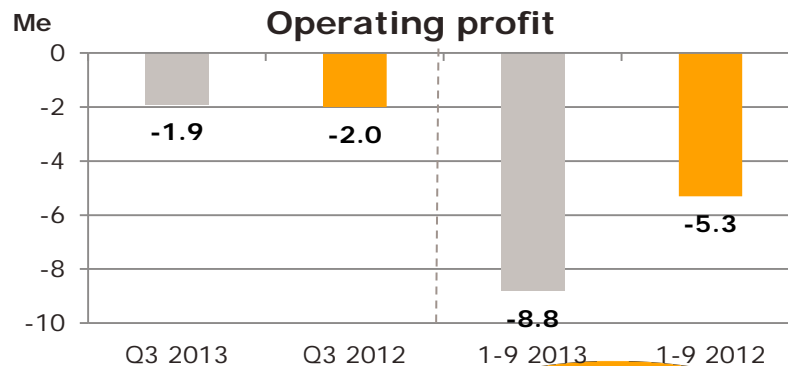
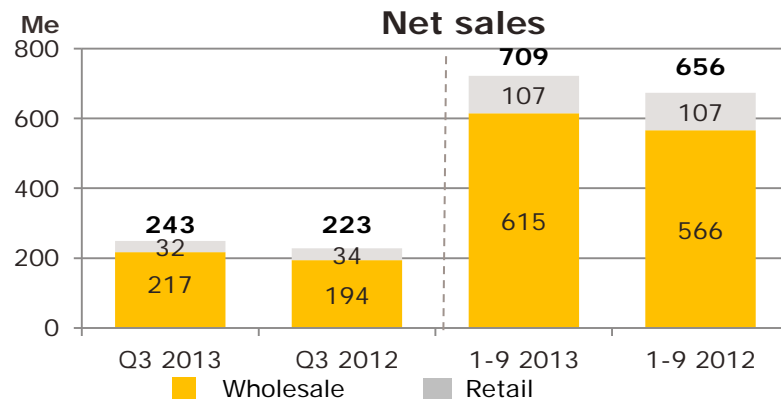


-- Oriola-KD's market share

Pharmaceutical Trade Russia

January-September 2013

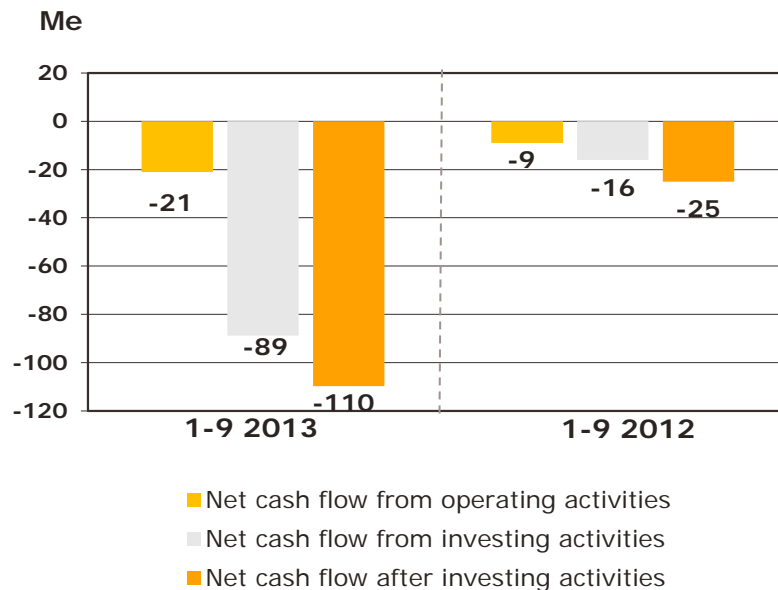
- Russian pharmaceutical market grew 12.5 (+9.7) per cent.*
- The retail business made an positive operating profit.
 - Operations more efficient and development of the product assortment on offer.
 - Pharmacies 233 (237) in Moscow region.
- Growth of net sales slowed down and operating loss increased in the wholesale.
 - Operating loss increased as a result of the delivery problems in the Moscow region following the implementation of the warehouse management system and due to the challenging market conditions.
 - The problems concerned to the logistic delivery capacity has been resolved by end of the second quarter.
 - Intensive efforts continued to gain customers in Moscow region and in addition increase of regional sales and sales to hospitals continued during the third quarter.
 - The sales of the distribution centres outside Moscow increased by 49 per cent in Russian rubles under review period.



Cash flow, investments and finance

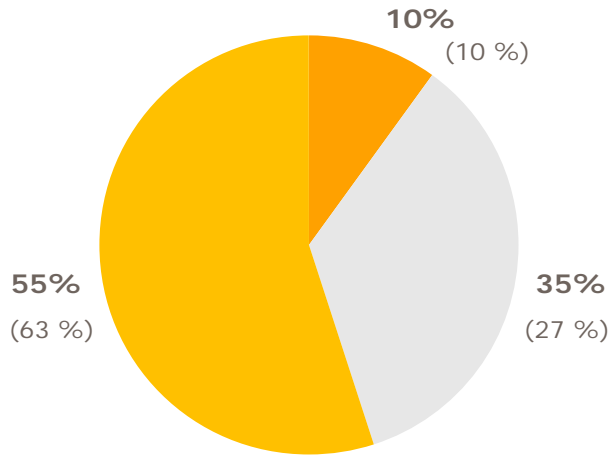
January-September 2013

- Working capital increased by EUR 35.2 (14.9) million.
- Depreciations were EUR 17.1 (13.7) million.
- Gross investments were EUR 184.6 (15.0) million
 - Medstop acquisition was EUR 165.9 million
- Interest-bearing net debt was EUR 225 (59) million at the end of review period.
- Sales of the trade receivables totalled EUR 80 (49) million.
- Financial covenants contained in the long-term financing agreement are based on the ratio between Oriola-KD's net debt and rolling 12-month EBITDA and Oriola's gearing ratio.
 - The ratio between Oriola-KD's net debt and the 12-month rolling EBITDA, adjusted in accordance with the terms and conditions of the financing agreement, stood at 4.22 while the covenant according to the agreement was 4.50.
- Committed long-term credit facilities of EUR 120 million and EUR 43 million short-term credit account limits were unused at the end of the review period.



Personnel 30 September 2013

Split of personnel by country



■ Finland and Baltics ■ Sweden ■ Russia

Operating segments	30 September 2013	30 September 2012	Change %
Pharmaceutical Wholesale Finland and Baltics	511	476	+7
Pharmaceutical Retail Sweden	1,598	1,055	+51
Pharmaceutical Wholesale Sweden	273	259	+5
Pharmaceutical Retail Russia	1,261	1,316	-4
Pharmaceutical Wholesale Russia	1,684	1,717	-2
Total	5,327	4,823	+13


Outlook of Net Sales and Operating Profit 2013

Outlook for 2013

- Oriola-KD estimates that net sales and operating profit excluding non-recurring items will increase from the 2012 level. Pharmaceutical Trade Russia's operating profit is estimated to be lower than the 2012 level.

Events after the review period

- The Board of Directors of Oriola-KD Corporation has investigated possibilities for developing Oriola-KD's capital structure.
 - Combining the current two share classes of Oriola-KD.
 - Strengthening Oriola-KD's balance sheet with equity financing.
- Based on its investigations, the Board of Directors estimates that:
 - It could not secure the consent from the majority of shares in the share class whose rights would be reduced even if the shareholders with multiple votes would be offered a market-term premium in conjunction with the combination.
 - Currently Oriola-KD could not secure commitments from its largest shareholders to take part, for example, in a rights issue during the year 2013.

- 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
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Oriola KD

The Channel for Health

