Oriola-KD Corporation
January – December 2013

Eero Hautaniemi
President and CEO
7 February 2014
Oriola-KD January – December 2013

• Profitability improved in both Swedish operating segments.
• Operating loss of the Russian wholesale business weakened Oriola-KD’s operating profit.
  • Positive performance in the Russian retail business continued and it posted an operating profit.
• Operating profit for Pharmaceutical Trade Finland and Baltics was EUR 20.9 (20.8) million.
Operating profit excluding non-recurring items 2013

- January-December 2012: 26.8 EUR million
- Pharmaceutical Trade Finland and Baltics: 0.1 EUR million
- Pharmaceutical Trade Sweden: 9.9 EUR million
- Pharmaceutical Trade Russia: 5.7 EUR million
- Group administration: 2.1 EUR million
- January-December 2013: 29.0 EUR million
- Cost related to Swedish pharmacy market: 2.7 EUR million
- January-December 2013 excluding project cost: 31.7 EUR million
## Key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2013 10-12</th>
<th>2012 10-12</th>
<th>Change %</th>
<th>2013 1-12</th>
<th>2012 1-12</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>679.6</td>
<td>707.8</td>
<td>-4.0</td>
<td>2 598.5</td>
<td>2 474.4</td>
<td>5.0</td>
</tr>
<tr>
<td>EBITDA excl. non-recurring items</td>
<td>19.5</td>
<td>15.5</td>
<td>25.3</td>
<td>53.2</td>
<td>45.6</td>
<td>16.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>18.9</td>
<td>15.5</td>
<td>21.8</td>
<td>46.7</td>
<td>44.5</td>
<td>4.8</td>
</tr>
<tr>
<td>Operating profit excl. non-recurring items</td>
<td>12.4</td>
<td>10.5</td>
<td>18.4</td>
<td>29.0</td>
<td>26.8</td>
<td>8.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>10.4</td>
<td>10.5</td>
<td>-0.6</td>
<td>21.0</td>
<td>25.8</td>
<td>-18.5</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5.6</td>
<td>11.4</td>
<td>-50.8</td>
<td>5.8</td>
<td>16.4</td>
<td>-64.7</td>
</tr>
<tr>
<td>Earnings per share (EPS), EUR</td>
<td>0.04</td>
<td>0.08</td>
<td>-50.8</td>
<td>0.04</td>
<td>0.11</td>
<td>-64.7</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td></td>
<td></td>
<td></td>
<td>29.8</td>
<td>46.1</td>
<td></td>
</tr>
</tbody>
</table>
Group finance and key ratios

<table>
<thead>
<tr>
<th>EUR million</th>
<th>31 Dec 2013</th>
<th>31 Dec 2012¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>379.0</td>
<td>276.7</td>
</tr>
<tr>
<td>Equity</td>
<td>278.1</td>
<td>310.5</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>318.8</td>
<td>94.8</td>
</tr>
<tr>
<td>Interest-bearing net debt</td>
<td>181.5</td>
<td>6.7</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>1500.1</td>
<td>1316.2</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>19.2</td>
<td>24.5</td>
</tr>
<tr>
<td>Return on equity (ROE), %</td>
<td>2.0</td>
<td>5.4</td>
</tr>
<tr>
<td>Return on capital employed (ROCE), %</td>
<td>4.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>65.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>3.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Equity per share, EUR</td>
<td>1.84</td>
<td>2.05</td>
</tr>
<tr>
<td>Earnings per share (EPS), EUR</td>
<td>0.04</td>
<td>0.11</td>
</tr>
<tr>
<td>Average number of shares, 1000 pcs</td>
<td>151,157</td>
<td>151,248</td>
</tr>
</tbody>
</table>

¹The financial figures have been revised due to a change in the calculation method for pension liabilities (IAS 19R (revision) Employee benefits) adopted from 1 January 2013.
Progress of the key focus areas in 2013
1. **Continue planned measures to improve profitability**

<table>
<thead>
<tr>
<th>Reporting Segment</th>
<th>Main actions</th>
<th>2013 operating profit excl. non-recurring items (EUR million)</th>
</tr>
</thead>
</table>
| Pharmaceutical Trade Finland and Baltics | • Operational efficiency of the Finnish wholesale business improved.  
• Pharmaceutical distribution and marketing cooperation with MSD started in Baltics. | 20.9 (20.8) |
| Pharmaceutical Trade Sweden | • Integration of the Medstop acquisition progressed according to plan.  
• Share of OTC and traded goods in total retail sales increased to 26.9 (25.3) per cent.  
• Stabilization of the operations of the Swedish wholesale business and improvement in its operational efficiency, especially in second half-year. | 26.1 (16.2) |
| Pharmaceutical Trade Russia | • Improved operational efficiency in retail business and increased share of OTC and traded goods in total retail sales.  
• Delivery problems in wholesale business were solved by the end of the second quarter. | -8.0 (-2.3) |
2. Prepare for successful implementation of new automated distribution centre in Moscow

• In June 2013 Oriola-KD signed a leasing agreement for its new main logistics centre.
• Operations will be gradually transferred to the new facilities and full production capacity will be reached by the end of Q1/2015.
• The estimated total project cost is EUR 25-28 million, of which total investments EUR 15.7 million.
3. Active participation in market changes in Sweden

• Integration of the Medstop acquisition proceeded according to plan.
• About half of the targeted EUR 8-10 million in synergy benefits were secured by the end of 2013.
• Kronans Droghandel and Medstop were combined to become Kronans Apotek.
Reporting segments January – December 2013
Pharmaceutical Trade Finland and Baltics

- Finnish pharmaceutical market grew by 1.8 (3.0) per cent*.
- Profitability of Finnish wholesale business improved as a result of improvements in operating efficiency.
- Net sales of the Consumer Health business were EUR 42.7 (44.2) million; profit fell short of the target.
- Improvement in the Baltics was supported by start of pharmaceutical distribution and marketing cooperation with MSD.

*Source: IMS Health
Pharmaceutical Trade Sweden

- Pharmaceutical market in Sweden decreased by 1.4 (-1.7) per cent*.
- Centralised services offered to pharmacy chains improved net sales in the Swedish wholesale business.
- Share of OTC and traded goods in total retail sales increased to 26.9 (25.3) per cent. The relative share of parallel imports has remained high.
- Roughly half of the synergy benefits from the Medstop acquisition were secured by the end of 2013.

*Source: IMS Health
Pharmacy Chains in Sweden

- **Apoteket (State)**: 315 pharmacies, 30 established in 2010, 20 in 2011, 10 in 2012, and 2 in 2013.
  - Total: 377 pharmacies.

- **Apotek Hjärtat & Vårdapoteket (Altor)**: 232 pharmacies, 48 established in 2010, 14 in 2011, 10 in 2012.
  - Total: 308 pharmacies.

  - Total: 297 pharmacies.

- **Apoteksgruppen (Private & State)**: 150 pharmacies, 5 established in 2010, 3 in 2011.
  - Total: 158 pharmacies.

- **Lloyds (Celesio)**: 50 pharmacies, 31 established in 2011, 4 in 2012, and 2 in 2013.
  - Total: 79 pharmacies.

- **CURA Apoteket (ICA)**: 30 pharmacies, 12 established in 2012, 6 in 2013, and 9 in 2014.
  - Total: 57 pharmacies.

- **Others**: 14 pharmacies, 18 established in 2011, 4 in 2012, and 1 in 2013.
  - Total: 29 pharmacies.

Pharmacies +40%: 1305

Swedish retail and wholesale market structure

Oriola-KD’s market share

Retail 1,305 pharmacies

- APOTEK ~21%
- Apoteket ~34%
- Apoteke ~25%
- Others ~20%

OTC & TG

- Oriola ~36%
- Lloyds Apotek ~34%
- Medstop ~36%
- Others ~4%

RX

- Oriola DTP + GRO ~37%
- Tamro ~24%
- Others ~6%
- DTP ~57%

Market share %

Oriola-KD’s market share
Pharmaceutical Trade Russia

- Russian pharmaceutical market grew by 10.7 (10.7) per cent in Russian rubles*.
- Positive performance in the Russian retail business continued as a result of more efficient operations.
- The delivery problems in the Moscow region, which had a negative effect on the result for the Russian wholesale business, were solved by the end of the second quarter, but sales fell short of the target.
- Net sales of the Russian wholesale business grew primarily thanks to regional distribution centres.

*Source: IMS Health
Finance and cash flow

- Interest-bearing debt was EUR 318.8 (94.8) million.
- Interest-bearing net debt was EUR 181.5 (6.7) million.
- Group’s net debt / EBITDA was 3.9 (0.1) at the end of 2013.
- Net debt / EBITDA (adjusted in accordance with terms and conditions of the financing agreement) was 3.27. The covenant limit was 4.25.

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

Personnel by country

- Finland and Baltics: 55%
- Sweden: 35%
- Russia: 10%

Personnel at the end of the period

- 2013: 5256
- 2012: 4856
Key focus areas in 2014

• Successful implementation of the new main logistics centre in Russia in spring 2015.
• Improvement of the performance in pharmaceutical wholesale Russia.
• Completing the integration of the Swedish retail business by the end of the second quarter.
Outlook for 2014

- Oriola-KD estimates that net sales and operating profit excluding non-recurring items will increase compared to 2013 actual.
Events after the review period

- On 28 January 2014, the Board of Directors of Oriola-KD Corporation received a demand in accordance with Chapter 5, section 5, of the Limited Liability Companies Act from a group of shareholders representing more than 10 per cent of Oriola-KD shares and more than 15 per cent of the votes conferred by these shares to include the merging of share classes and a direct issue of shares without payment to be included on the agenda of the Annual General Meeting to be held on 24 March 2014.
Distribution proposal

• The Board proposes to the Annual General Meeting that no dividend be distributed (EUR 0.05 per share was distributed on 2012) and that no funds from the invested non-restricted equity fund (EUR 0.04 per share on 2012) be distributed as return of equity.
Annual General Meeting and the annual report

• Annual General Meeting
  • Oriola-KD Corporation's Annual General Meeting will be held on 24 March 2014 at 5.00 p.m. at the Helsinki Fair Centre. The matters specified in article 10 of the Articles of Association and other proposals of the Board of Directors, if any, will be dealt with at the meeting. The Board of Directors will decide on the notice of the Annual General Meeting and the proposals contained in it at a later date. The full notice of the Annual General Meeting will be published on 25 February 2014.

• Publication of the annual report
  • Oriola-KD Corporation will publish its 2013 annual report on 7 February 2014. The financial statements in their entirety will be published by 26 February 2014.
Financials by quarter
## Quarterly Net Sales

<table>
<thead>
<tr>
<th>EUR million</th>
<th>10-12 2013</th>
<th>7-9 2013</th>
<th>4-6 2013</th>
<th>1-3 2013</th>
<th>10-12 2012</th>
<th>7-9 2012</th>
<th>4-6 2012</th>
<th>1-3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Trade Finland and Baltics</td>
<td>109.4</td>
<td>96.0</td>
<td>112.5</td>
<td>107.5</td>
<td>118.3</td>
<td>108.7</td>
<td>116.6</td>
<td>116.8</td>
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<tr>
<td>Pharmaceutical Trade Sweden</td>
<td>300.5</td>
<td>315.7</td>
<td>304.5</td>
<td>273.7</td>
<td>292.4</td>
<td>254.1</td>
<td>255.9</td>
<td>258.9</td>
</tr>
<tr>
<td>Pharmaceutical Trade Russia</td>
<td>269.8</td>
<td>242.7</td>
<td>235.2</td>
<td>231.1</td>
<td>296.9</td>
<td>223.3</td>
<td>217.3</td>
<td>215.2</td>
</tr>
<tr>
<td>Net sales to other segments</td>
<td>-0.0</td>
<td>0.0</td>
<td>-0.0</td>
<td>-0.0</td>
<td>0.2</td>
<td>-0.0</td>
<td>-0.1</td>
<td>-0.0</td>
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<tr>
<td><strong>Group total</strong></td>
<td><strong>679.6</strong></td>
<td><strong>654.4</strong></td>
<td><strong>652.1</strong></td>
<td><strong>612.3</strong></td>
<td><strong>707.8</strong></td>
<td><strong>586.1</strong></td>
<td><strong>589.7</strong></td>
<td><strong>590.8</strong></td>
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Quarterly Operating Profit excl. non-recurring items

<table>
<thead>
<tr>
<th>Milj. eur</th>
<th>10-12 2013</th>
<th>7-9 2013</th>
<th>4-6 2013</th>
<th>1-3 2013</th>
<th>10-12 2012</th>
<th>7-9 2012</th>
<th>4-6 2012</th>
<th>1-3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Trade Finland and Baltics</td>
<td>4.8</td>
<td>5.7</td>
<td>5.7</td>
<td>4.8</td>
<td>5.2</td>
<td>6.1</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Pharmaceutical Trade Sweden</td>
<td>8.4</td>
<td>8.6</td>
<td>5.4</td>
<td>3.8</td>
<td>4.6</td>
<td>4.8</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Pharmaceutical Trade Russia</td>
<td>0.8</td>
<td>-1.9</td>
<td>-3.4</td>
<td>-3.6</td>
<td>3.1</td>
<td>-2.0</td>
<td>-2.2</td>
<td>-1.1</td>
</tr>
<tr>
<td>Group Administration and Others</td>
<td>-1.6</td>
<td>-1.8</td>
<td>-4.0</td>
<td>-2.6</td>
<td>-2.4</td>
<td>-1.6</td>
<td>-2.0</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>Group total excl. non-recurring items</strong></td>
<td><strong>12.4</strong></td>
<td><strong>10.6</strong></td>
<td><strong>3.7</strong></td>
<td><strong>2.3</strong></td>
<td><strong>10.5</strong></td>
<td><strong>7.2</strong></td>
<td><strong>4.0</strong></td>
<td><strong>5.2</strong></td>
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<tr>
<td>Non-recurring items</td>
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<td>-2.0</td>
<td>-4.0</td>
<td>-</td>
<td>-</td>
<td>-1.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td><strong>10.4</strong></td>
<td><strong>8.6</strong></td>
<td><strong>-0.3</strong></td>
<td><strong>2.3</strong></td>
<td><strong>10.5</strong></td>
<td><strong>6.2</strong></td>
<td><strong>4.0</strong></td>
<td><strong>5.2</strong></td>
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