



Oriola-KD Corporation January – December 2014

Eero Hautaniemi, President and CEO

Tuomas Itkonen, CFO

6th February 2015

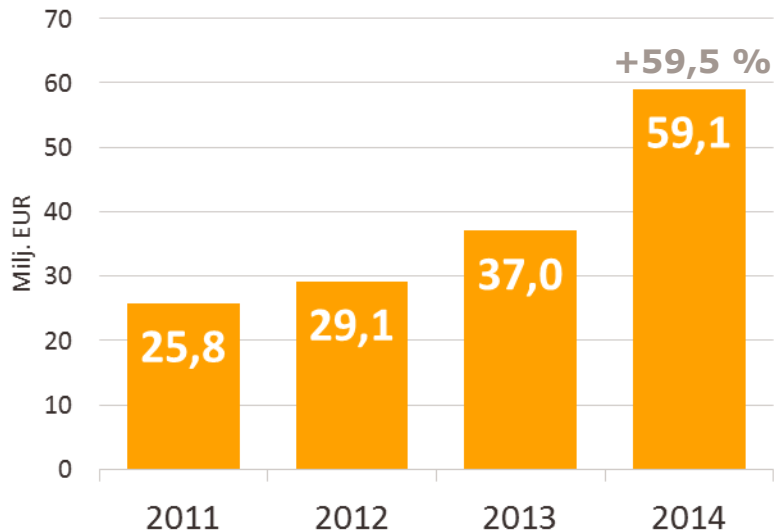


Oriola-KD January – December 2014

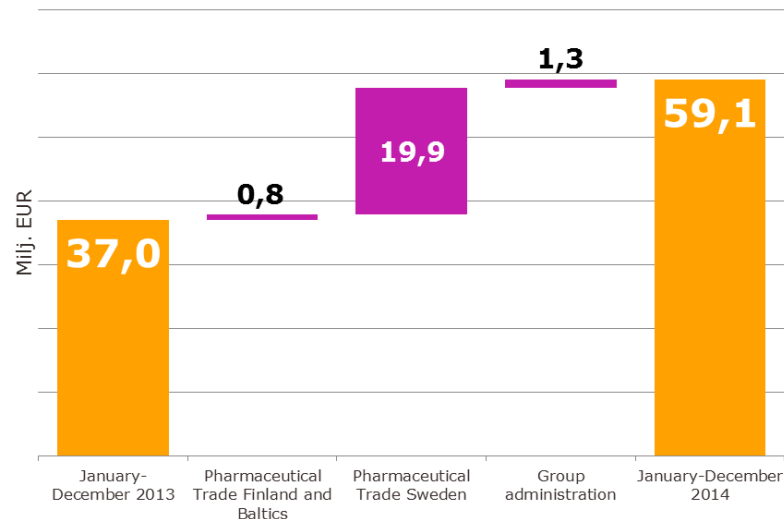
- In the Swedish retail successful integration of Medstop pharmacy chain, development of the product portfolio and customer loyalty program.
- In the Swedish wholesale increased volume of the business and completed efficiency program.
- In Finland and Baltics entry to consumer business via oriolashop.fi and intertnetaptieka.lv online shops.
- The sale of Russian businesses to Russian pharmacy chain CJSC Aptieka 36.6 on December 8, 2014.

Operating Profit for Continuing Operations

Operating profit excluding non-recurring items



Operating profit excluding non-recurring items

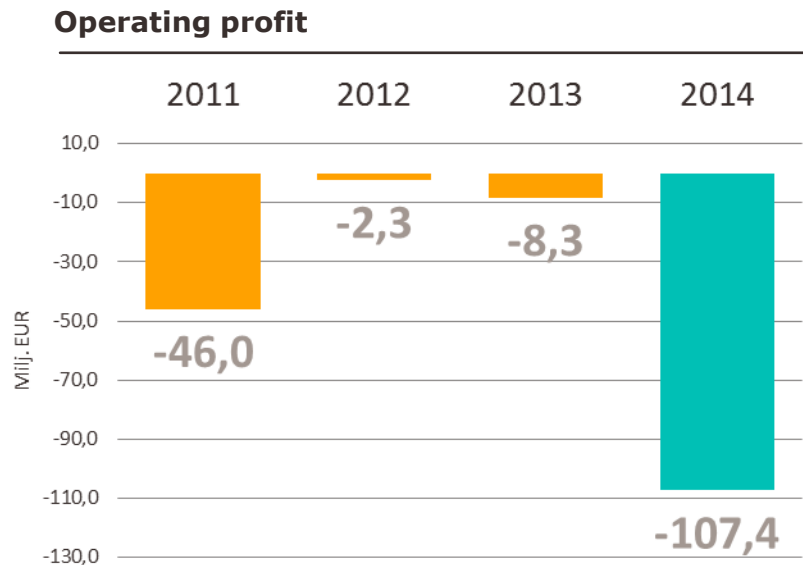




Oriola-KD Discontinued operations – Sold Russian businesses

Sold Russian businesses

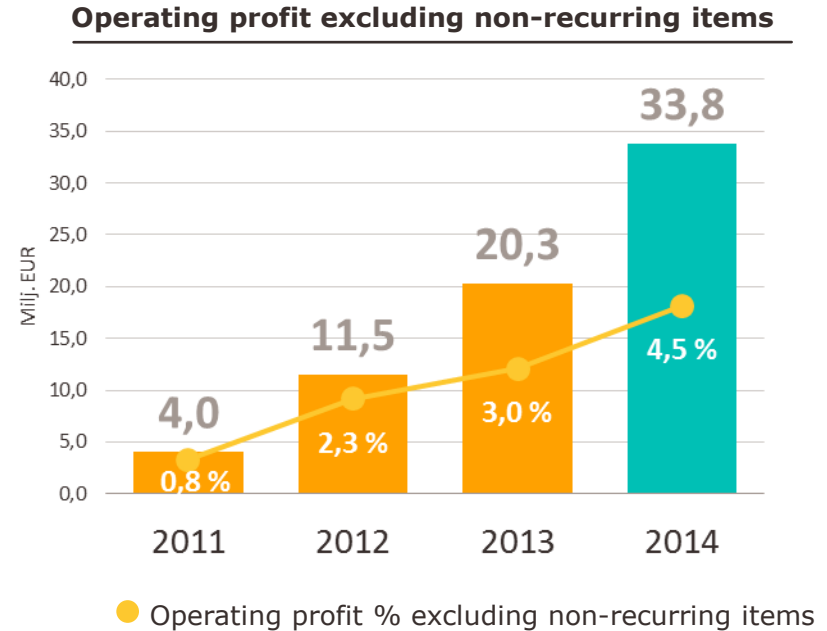
- On 8th of December 2014 Oriola-KD sold its Russian businesses to CJSC Apteki 36.6.
- The decision to sell the Russian businesses was based on estimates on the future outlook of the Russian pharmaceutical markets, on the competitive environment and the further development of profitability of the Oriola-KD Russian businesses.
- The cash and debt free selling price was RUB 3,700 million, equivalent to approximately EUR 56.4 million.
- Profit for the period from discontinued operations in 2014 was EUR -258,8 (-11,4) million.



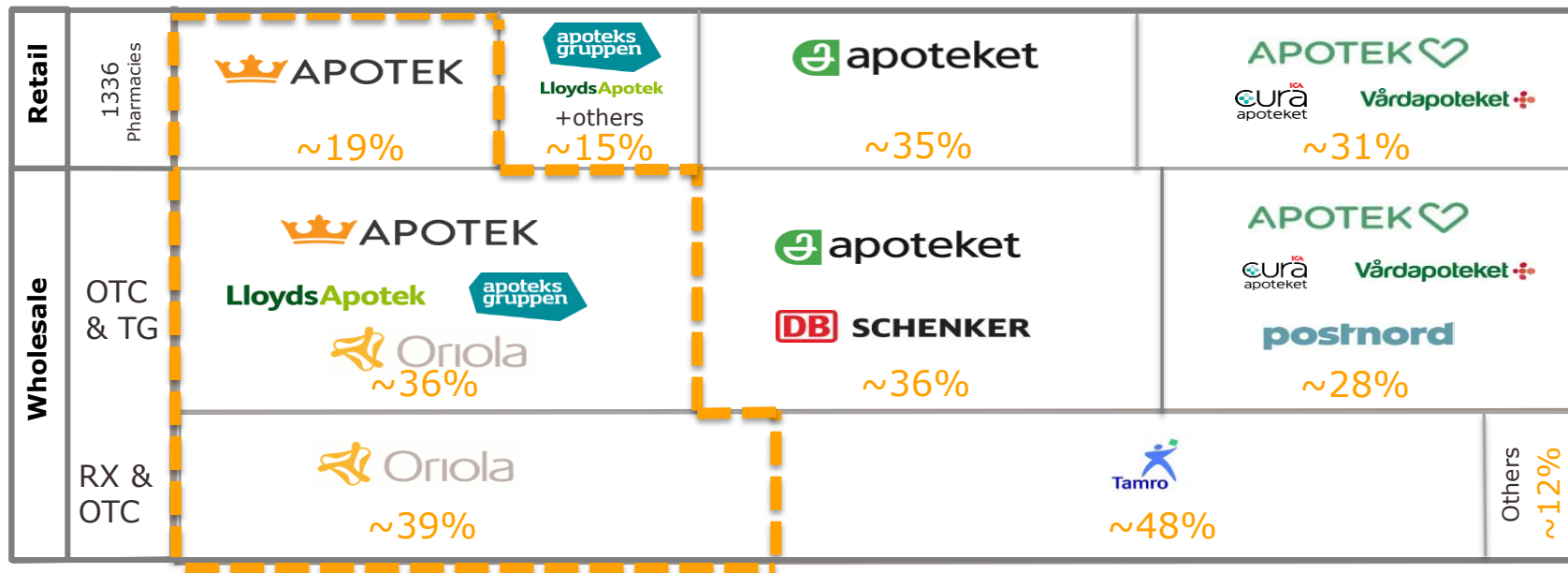
Reporting segments January – December 2014

Strong profitability development in the Swedish retail business

- Development of pharmacy and product portfolio according to the plan.
 - Over one million customers in the Kronans Apotek loyalty program.
 - The share of OTC and traded goods from sales was approximately 27 (26) per cent in 2014.
- The fourth quarter profitability of the Swedish retail business was negatively affected by price reductions of certain prescription medicines.



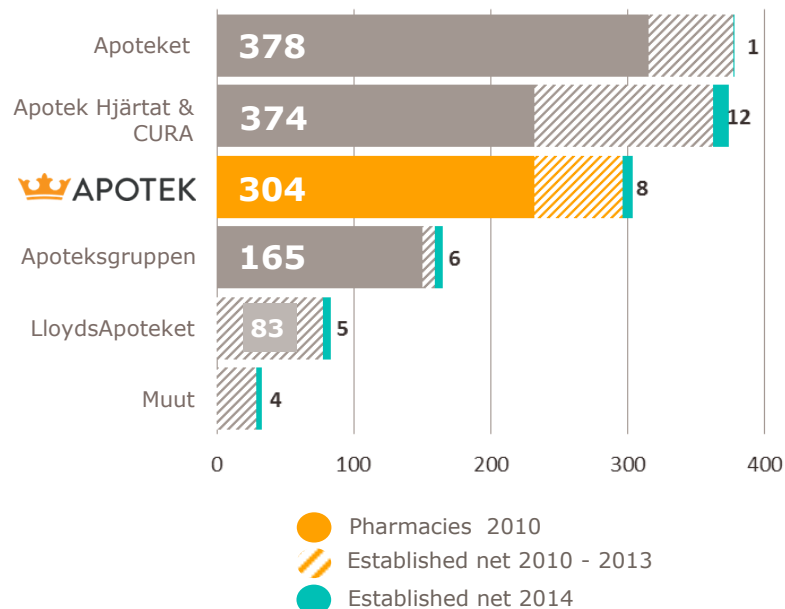
Swedish Pharma Market Structure



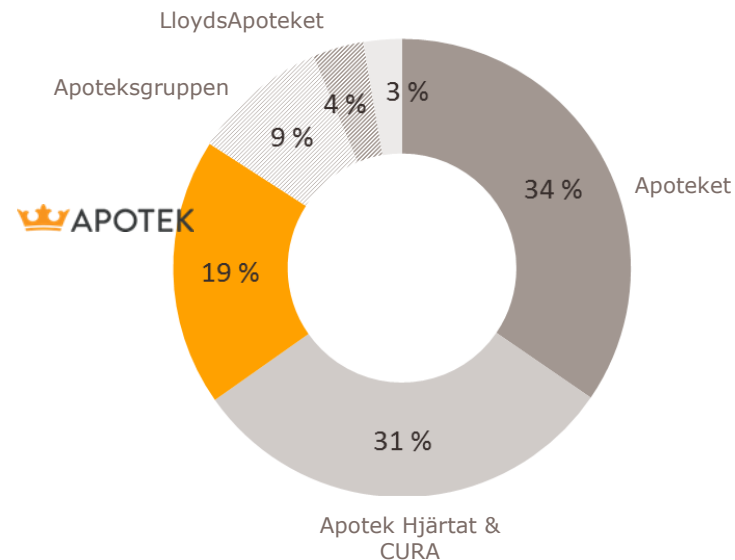
Source: Apoteksörening, IMS Health and Oriola-KD

Pharmacy Chains in Sweden

Pharmacies



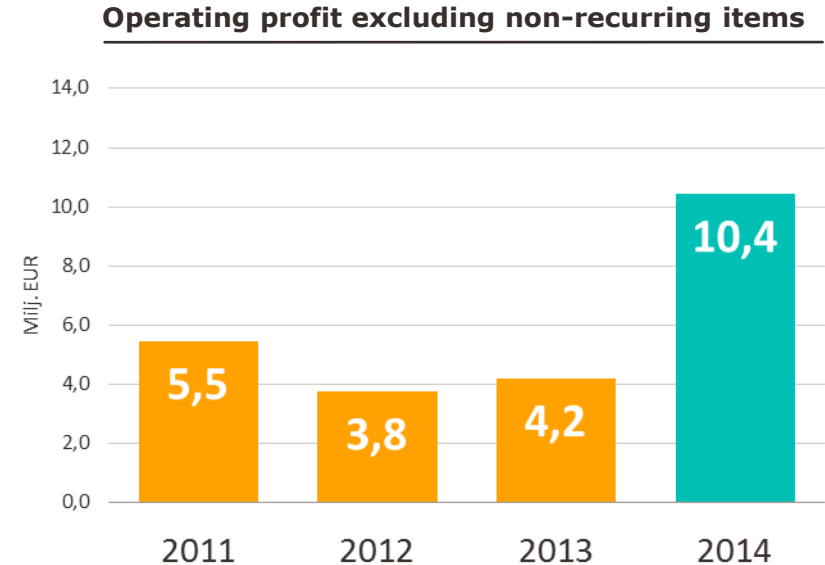
Market Share



Source: Apoteksförening and Oriola-KD

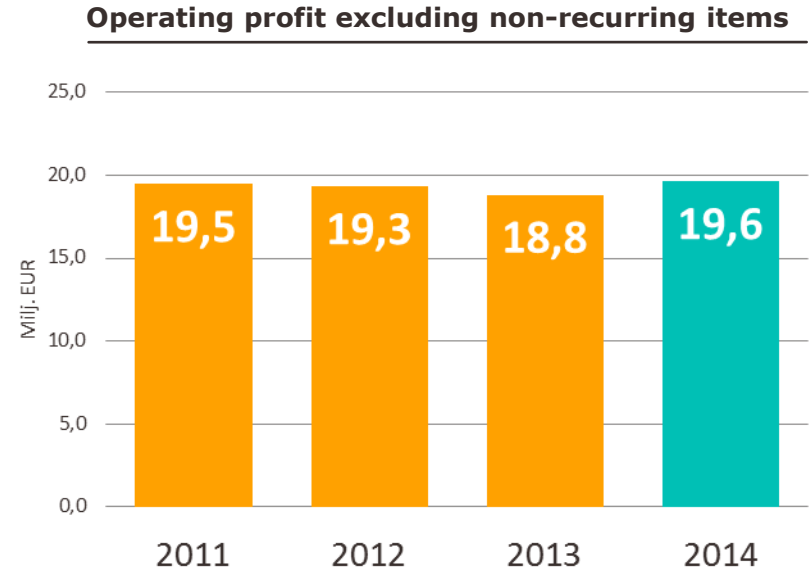
Significant profitability improvement in the Swedish wholesale business

- Increased business volumes and completed efficiency program.
- Several new small and medium size agreements with pharmaceutical companies.
- Share of parallel imports of the total Swedish pharmaceutical market was approximately 13 (21) percent at end of 2014.



Stable Performance in Finland and Baltics

- Agreements with AbbVie, Novo and Roche prolonged for several years.
- Significant increase in sales of the main Consumer Health brands Avène, Gefilus, Lysi and Pharmacare.
- In Finland and Baltics entry to consumer business via oriolashop.fi and intertnetaptieka.lv online shops.



Key Focus Areas in 2015



Development of digital channels.



Improving service businesses and expanding to healthcare B2B market.



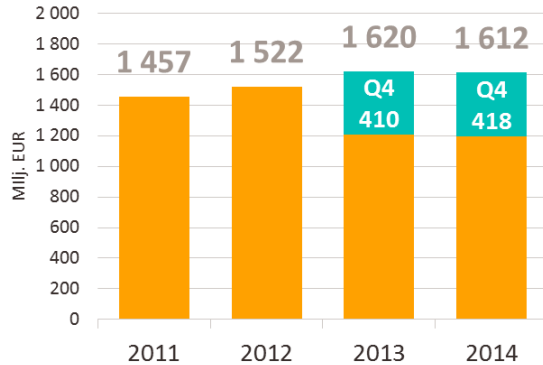
Improving efficiency by exploiting group synergies.

Key Figures January – December 2014

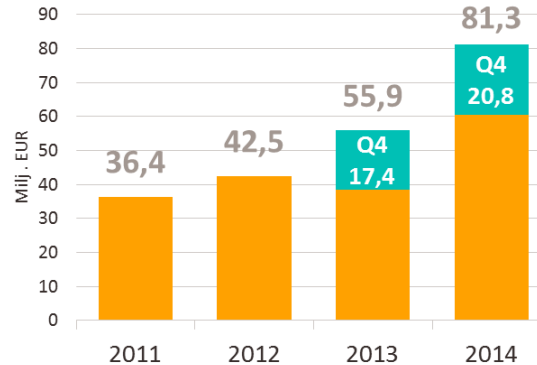


Oriola-KD, Continuing Operations

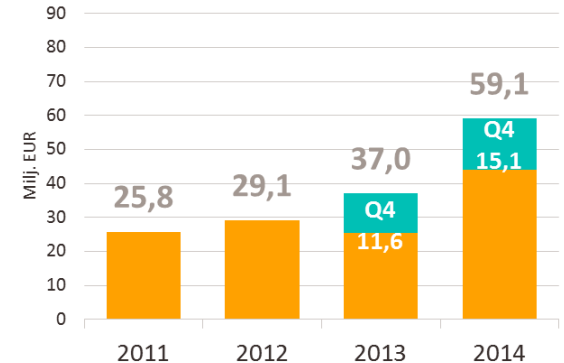
Net Sales



EBITDA excl. non-recurring items

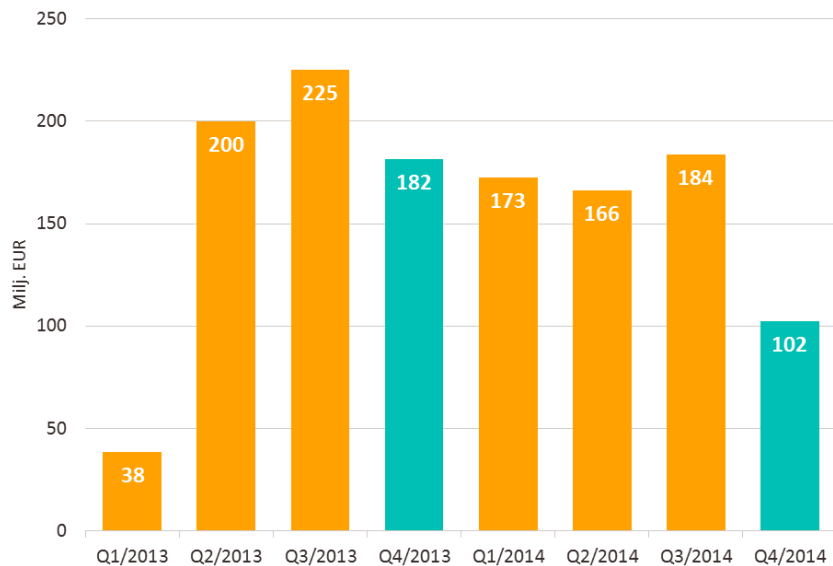


Operating profit excl. non-recurring items



Interest-Bearing Debt

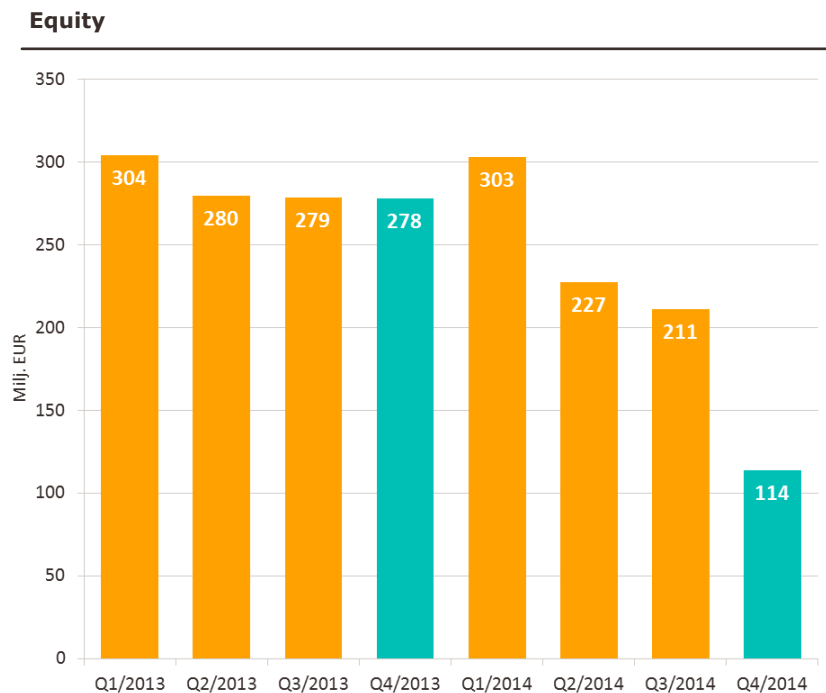
Interest-Bearing Net Debt



Milj. EUR	31 Dec 2014	31 Dec 2013
Syndicated bank loans	102.2	172.4
Commercial papers	51.8	83.1
Advance payment from pharmacies	20.6	47.8
Finance lease	4.5	0.8
Other ¹⁾	14.7	14.6
Cash and cash equivalents	91.5	137.3
Interest-bearing net debt	102.4	181.5
Sold trade receivables	100.1	79.8
Hybrid bond	39.6	-
Gearing, %	90.1 %	65,3 %

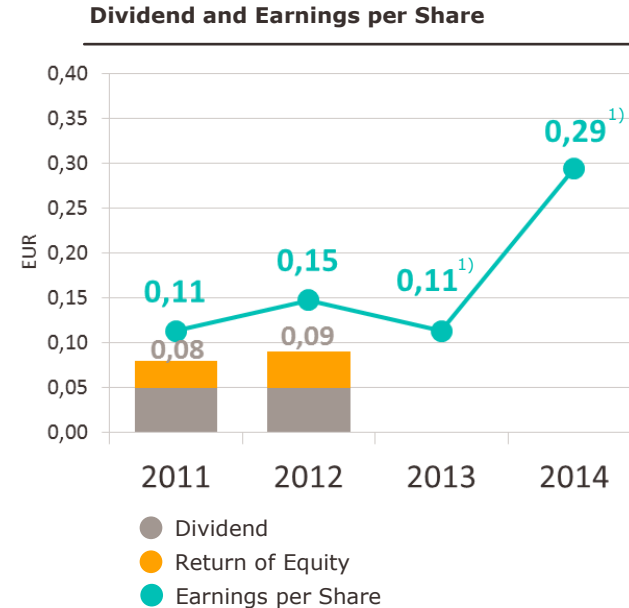
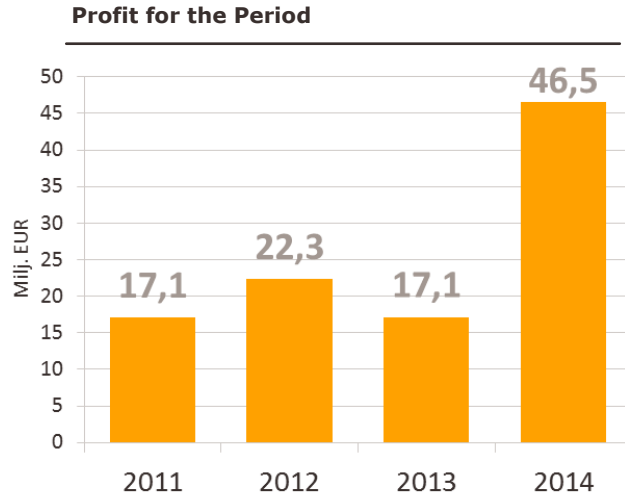
¹⁾ Contingent consideration related to Medstop-acquisition

Equity



Milj. EUR	31 Dec 2014	31 Dec 2013
Share capital	36,2	36,2
Hedging reserve	-1,3	-0,2
Contingency fund	19,4	19,4
Hybrid bond	39,6	-
Other reserves	1,2	1,2
Translation difference	-3,1	-25,3
Retained earnings	21,6	246,8
Equity total	113,6	278,1
Equity ratio, %	13,3 %	19,2 %
Gearing, %	90,1 %	65,3 %

Profit for the Period for Continuing Operations



¹⁾ Earnings per share including discontinued operations was EUR -1.42 (0.04)

Discontinued Operations

- On 8th of December 2014 Oriola-KD sold its Russian businesses to CJSC Apteki 36.6
- The cash and debt free selling price was RUB 3,700 million, equivalent to approximately EUR 51.8 million at the final conversion fx rate.
- Profit for the period from discontinued operations was EUR -258.8 (-11.4) million.
 - Profit for the period was EUR -111.1 (-11.4) million.
 - Impairment loss, cumulative translation differences, foreign exchange difference and cost of disposal totaled EUR -147.7 million

Profit for the Period from Discontinued Operations (Milj. eur)	2014	2013
Net sales	677.8	978.8
Gross profit	-32.4	-3.0
Impairment	-71.1	-
Operating profit	-107.4	-8.3
Profit for the period	-111.1	-11.4
Impairment loss resulting from re-measurement of assets	-64.7	-
Cumulative translation differences recognized trough profit and loss	-74.3	-
Foreign exchange differences	-4.8	-
Cost of disposal	-3.8	-
Profit for the period from discontinued operations	-258.8	-11.4

Key Figures

Milj. EUR	2014 Q4	2013 ¹⁾ Q4	Change %	2014 ¹⁾ 1-12	2013 1-12	Change %
Continuing operations						
Net sales	417.7	409.8	1.9	1,612.3	1 619.7	-0.5
EBITDA excl. non-recurring items	20.8	17.4	19.3	81.3	55.9	45.3
EBITDA	27.7	17.1	61.6	87.2	49.7	75.6
Operating profit excl. non-recurring items	15.1	11.6	30.7	59.1	37.0	59.5
Operating profit	22.1	9.9	123.5	65.0	29.3	121.7
Profit for the period from continuing operations	18.0	6.6	248.4	46.5	17.1	200.6
Profit for the period from discontinued operations	-149.2	-1.0		-258.8	-11.4	
Profit for the period	-131.1	5.6		-212.3	5.8	

¹⁾ The comparative figures have been revised as a result of the sale of reporting segment Pharmaceutical Trade Russia

Balance Sheet and Key Ratios

Milj. eur	31 Dec 2014	31 Dec 2013 ¹⁾
Goodwill	250.9	379.0
Equity	113.6	278.1
Interest-bearing debt	193.9	318.8
Interest-bearing net debt	102.4	181.5
Balance sheet total	874.0	1 500.1
Equity ratio, %	13.3	19.2
Return on equity (ROE), %	23.7	2.0
Return on capital employed (ROCE), %	14.4	4.2
Gearing, %	90.1	65.3
Net debt / 12 month EBITDA, continuing operations	1.2	3.7
Equity per share, EUR	0.75	1.84
Earnings per share (EPS), continuing operations EUR	0.29	0.11
Earnings per share (EPS), inc. discontinued operations EUR	-1.42	0.04
Average number of shares, 1000 pcs	151 130	151 157

¹⁾ Comparative balance sheet items include discontinued operations

Outlook for 2015

- Oriola-KD estimates its full-year net sales to remain at the 2014 level. Operating profit excluding non-recurring items is estimated to increase from the 2014 level. Full-year net sales for continuing operations were EUR 1,612.3 million and operating profit excluding non-recurring items was EUR 59.1 million.

Events after the review period

- Oriola-KD begin co-operation negotiations in Finland on 28 January 2015. The negotiations concern the planned efficiency programme of Oriola-KD Corporation and Oriola Oy and possible impacts on personnel due to the restructuring of operations in accordance with the planned programme as well as production-related reasons. Approximately 500 people fall within the scope of the negotiations. According to the company's preliminary estimate, the negotiations could result in a need to reduce the workforce by 50-65 people in Finland, which would be equivalent to an annual cost saving of approximately 2 million euros.
- On January 20, 2014 Oriola-KD Corporation renewed the agreement to provide centralized sourcing services for Apoteksgruppen and Lloyds Apotek pharmacy chains in Sweden. The renewed contract has been agreed to be valid until end of 2017.
- On 28 January 2015 the Nomination Committee of Oriola-KD presented to the Board of Directors its recommendation on the proposal to the 2015 Annual General Meeting concerning the composition of the Board of Directors as follows:
 - The number of members of the Board of Directors would be eight
 - The present members of the Board of Directors Jukka Alho, Per Bätelson, Anja Korhonen, Kuisma Niemelä and Matti Rihko would be re-elected
 - Eva Nilsson Bågenholm, Staffan Simberg and Anssi Vanjoki would be elected new members of the Board of Directors
 - Anssi Vanjoki would be elected as Chairman of the Board of Directors
- Member of the Board of Directors Harry Brade will leave the office of Board of Directors after the 2015 Annual General Meeting.

Distribution Proposal

- The Board proposes to the Annual General Meeting that no dividend be distributed on 2014 (no dividend distributed on 2013) and that no funds from the invested non-restricted equity fund be distributed as return of equity (no return of equity 2013).

Annual General Meeting and Annual Report

- Annual General Meeting
 - Oriola-KD Corporation's Annual General Meeting will be held on 30 March 2015 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 6 March 2015.
- Publication of the annual report
 - Oriola-KD Corporation will publish its 2014 annual summary on 6 February 2015. The financial statements in their entirety will be published by 9 March 2015.



Oriola KD

The Channel for Health

