



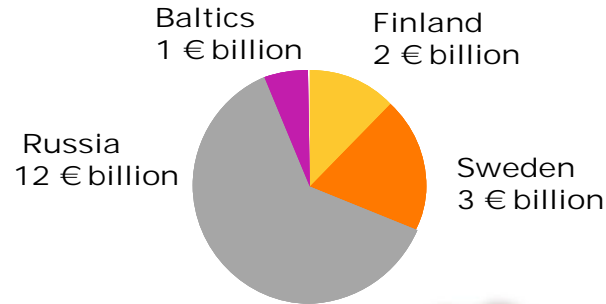
Oriola-KD Corporation

Eero Hautaniemi
President & CEO
Oriola-KD Corporation

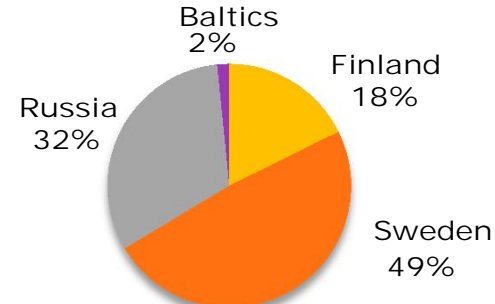
Nomura Healthcare Conference
London, 28 June 2012



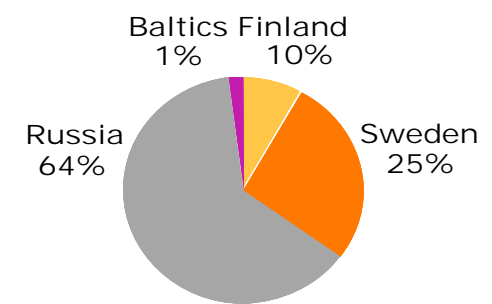
Size of pharma market 2011, 18 € billion



Net sales 2011 EUR 2.1 € billion



4 854 employees end of 2011

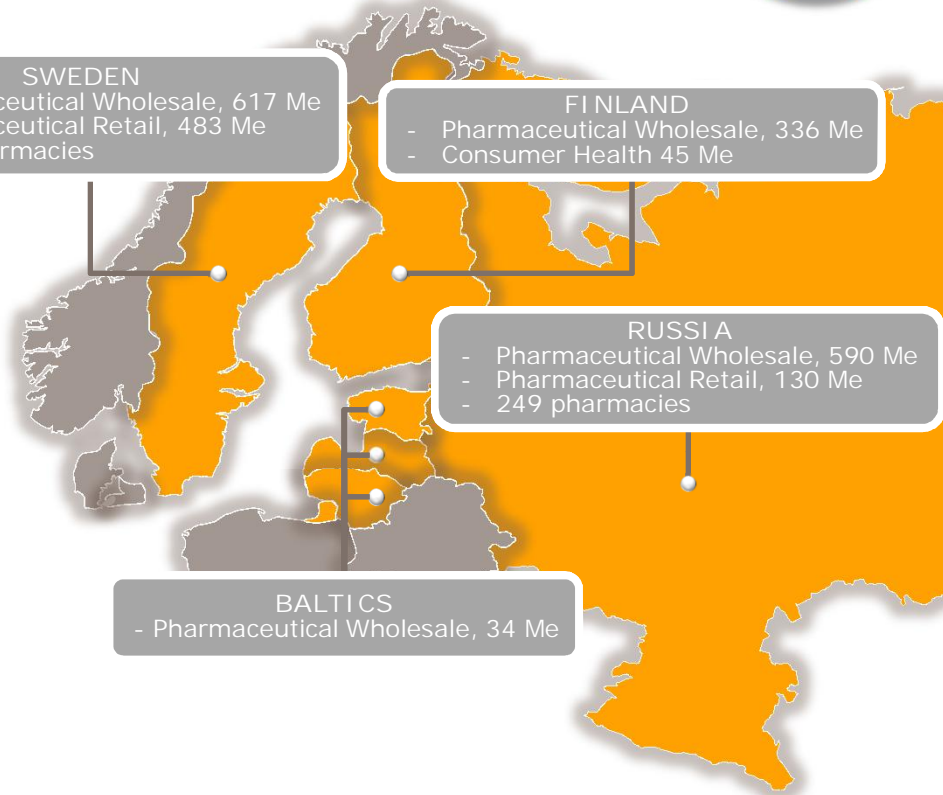


SWEDEN
 - Pharmaceutical Wholesale, 617 Me
 - Pharmaceutical Retail, 483 Me
 - 209 pharmacies

FINLAND
 - Pharmaceutical Wholesale, 336 Me
 - Consumer Health 45 Me

RUSSIA
 - Pharmaceutical Wholesale, 590 Me
 - Pharmaceutical Retail, 130 Me
 - 249 pharmacies

BALTICS
 - Pharmaceutical Wholesale, 34 Me



Wholesale Q1/2012 *



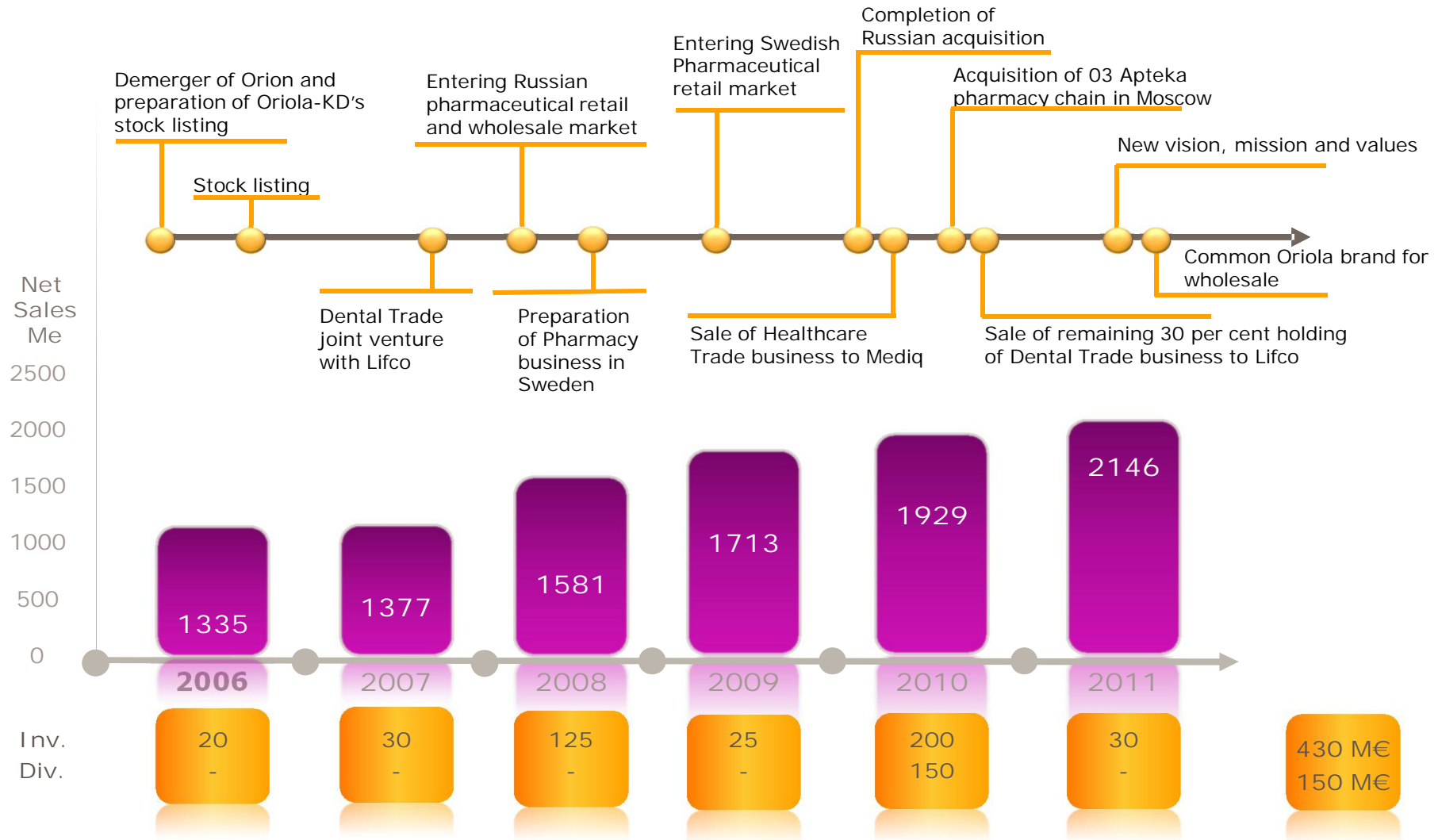
Country	Market Position	Market Share
Finland	No. 2	~47 %
Sweden	No. 2	~36 %
Russia	No. 7	~5 %
Baltics	-	~5-10 %

Retail Q1/2012 *



Country	Market Position	Market Share
Sweden	No. 3	~13 %
Russia	No. 3	~6-8 % Moscow
	No. 8	~1 % Russia

Transformation



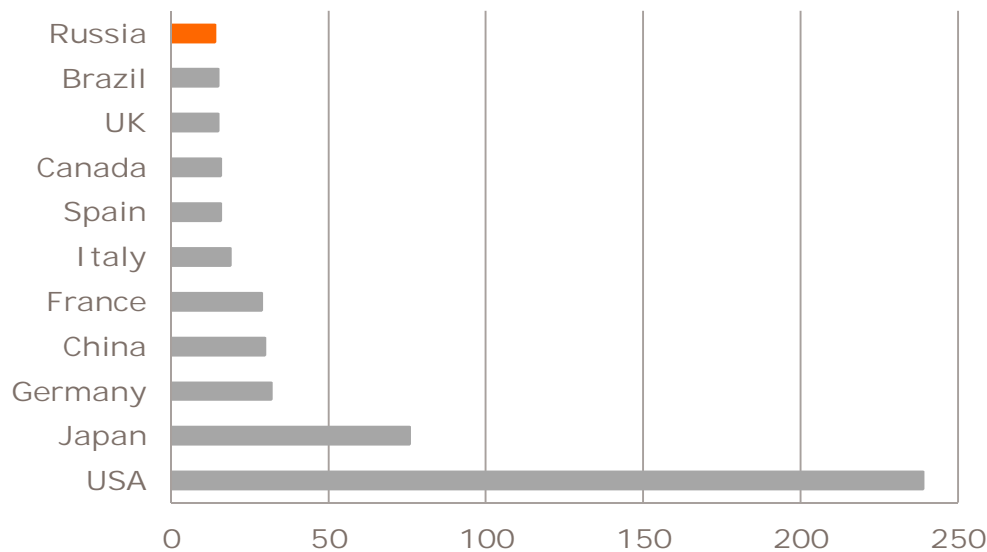
World Pharmaceutical Market Update

World market 2011	650 BEUR
Specialty pharma 5 years growth	+92 BEUR
Patent expiration 5 years impact	- 92 BEUR
Generics 5 years growth	+ 36 BEUR
Pharmerging markets 5 years growth	+115 BEUR
World market 2016	810 BEUR

Orphan drugs
Biopharmaceuticals
Bio-similars

CAGR 3-6%

Largest Pharmaceutical Markets 2011 MEUR

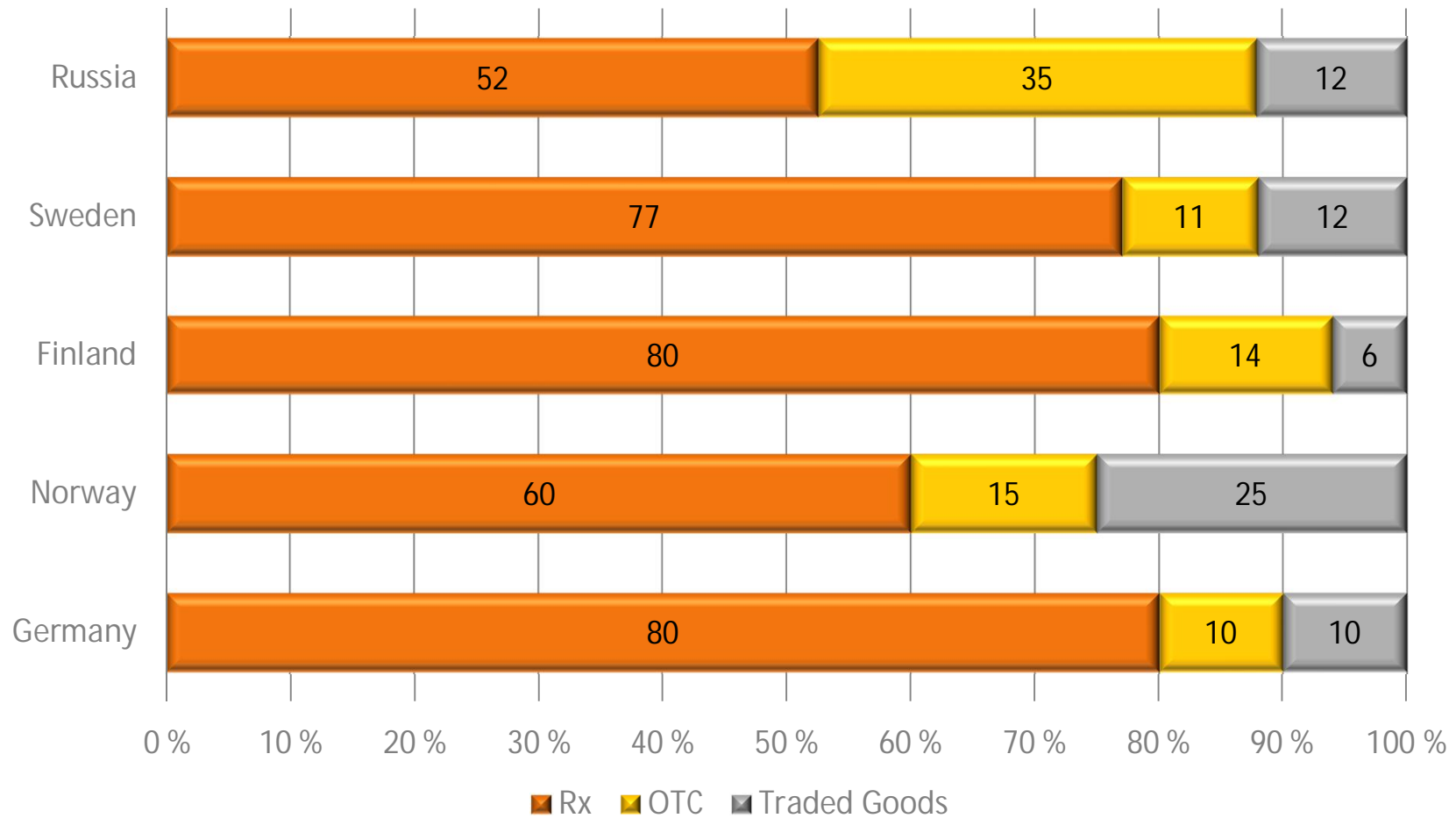


In the period 2012- 2016, the pharmaceutical market is expected to grow:
0.5% in Finland
1% in Sweden
11.5% in Russia

Russia is one of the fastest growing pharmaceutical markets in the world



Pharmacy Sales Split





Pharmaceutical Trade Finland and Baltics



Pharmaceutical Wholesale Finland

Retail market

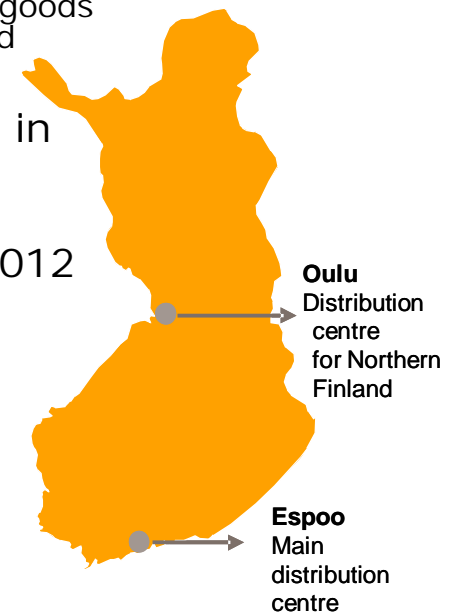
- Only private persons can own and run pharmacies
 - Exception: University Pharmacy
- ~ 800 pharmacies nationwide

Wholesale market

- Single channel model
- Two wholesalers
 - Oriola-KD
 - Tamro (Phoenix)

Oriola-KD's wholesale operations

- Over 60 years of experience
- Wide assortment of trade goods for pharmacies
 - Second largest provider of trade goods products for pharmacies in Finland
- Strong cash-flow
- 47,1% market share (Q1/2012) in pharmaceutical distribution
- New picking automation line to improve efficiency from Q2/2012





Pharmaceutical Trade Sweden



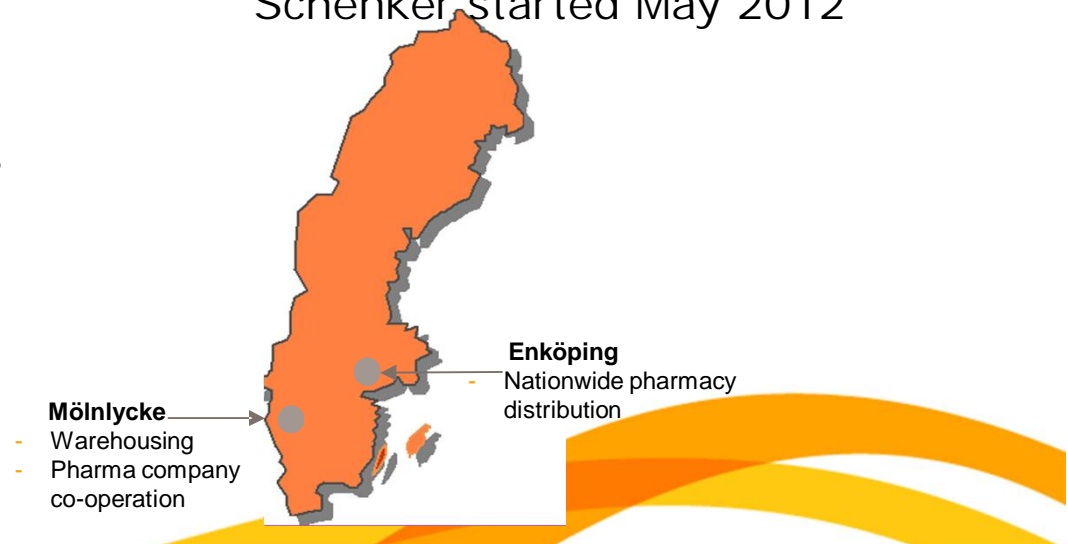
Pharmaceutical Wholesale Sweden

Wholesale market

- Several wholesalers
 - Wide pharmacy chains creating own logistics operations, started in OTC products and traded goods distribution
 - Apoteket AB
 - Apotek Hjärtat
 - Four pharmacy chain collaboration
 - Apoteksgruppen
 - DocMorris
 - Medstop
 - Vårdapoteket
 - Two main companies in pharmaceutical wholesale
 - Oriola-KD
 - Tamro (Phoenix)
- Big pharmaceutical companies prefer DTP (single channel) model

Oriola-KD's wholesale operations

- Pharmacy distribution centralised at the Enköping distribution centre
- Pharmaceutical storage and cooperation with pharmaceutical manufacturers centralised at Mölnlycke
- 36,9% market share Q1/2012 in pharmaceutical distribution
- New transportation set-up with Schenker started May 2012





New Pharmacy Supply Chain Structure for OTC Products and Traded Goods in Sweden

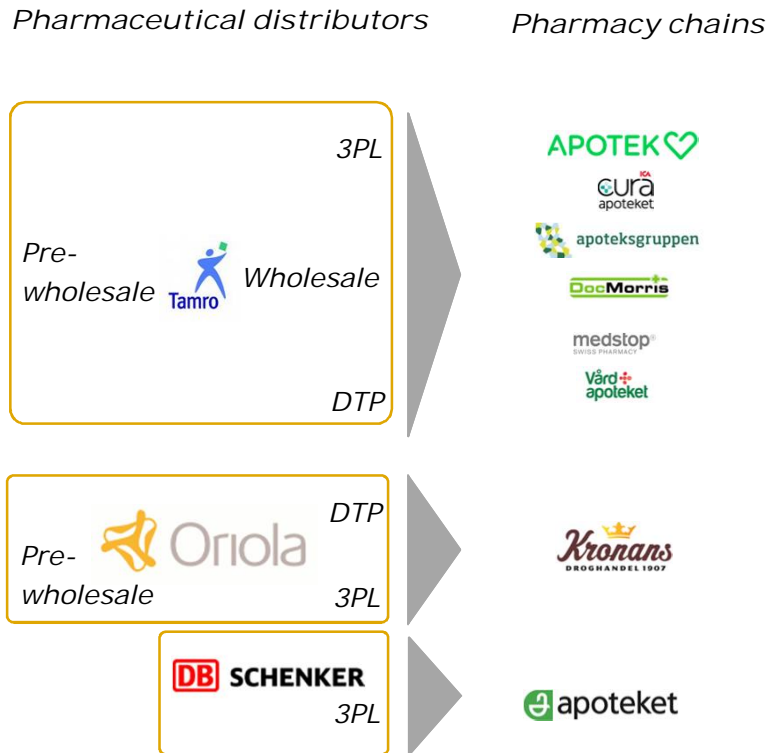
- Oriola AB has signed a letter of intent on purchasing, warehousing and pharmacy distribution of OTC products and traded goods for four pharmacy chains in Sweden
 - Apoteksgruppen, DocMorris, Medstop and Vårdapoteket
 - Combined market share of some 25 percent
 - Estimated purchases ~1 200 MSEK in twelve months
 - Full assortment distribution of OTC products and traded goods to all ~320 pharmacies within the collaboration
- Timetable
 - Letter of intent signed 9 May 2012
 - Signing of the co-operation agreement during Q2/2012
 - Co-operation estimated to start gradually in the autumn of 2012
- Oriola AB will continue to provide and develop high quality services for pharmaceutical companies and pharmacies in Sweden



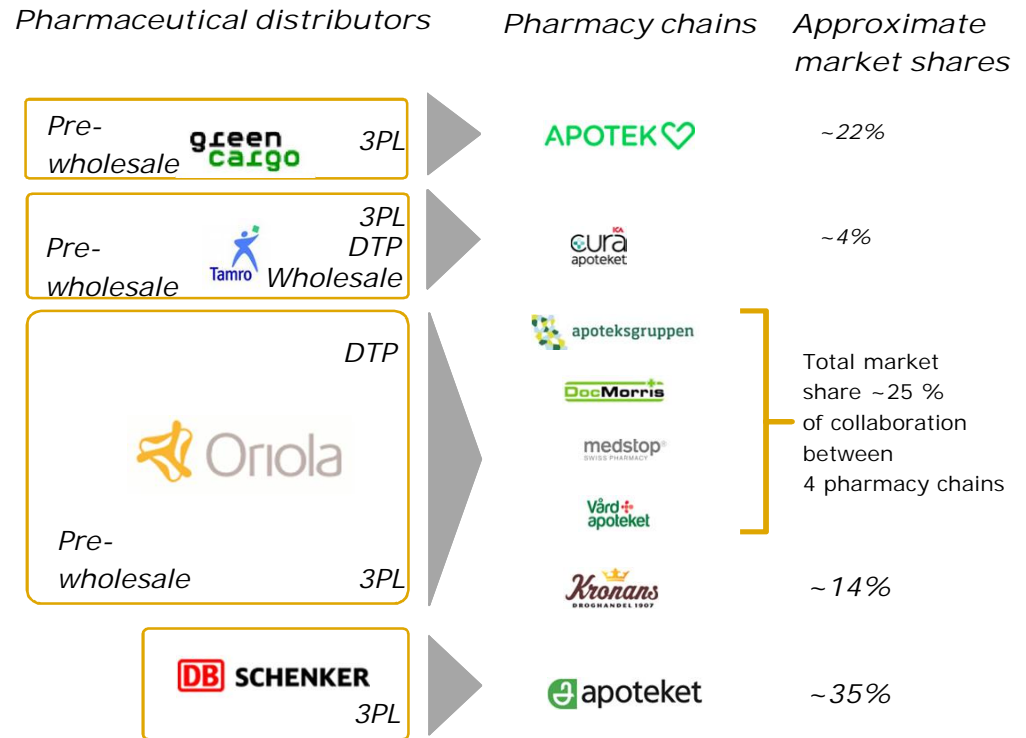


New Pharmacy Supply Chain Structure for OTC Products and Traded Goods in Sweden

Current structure



Future structure *)

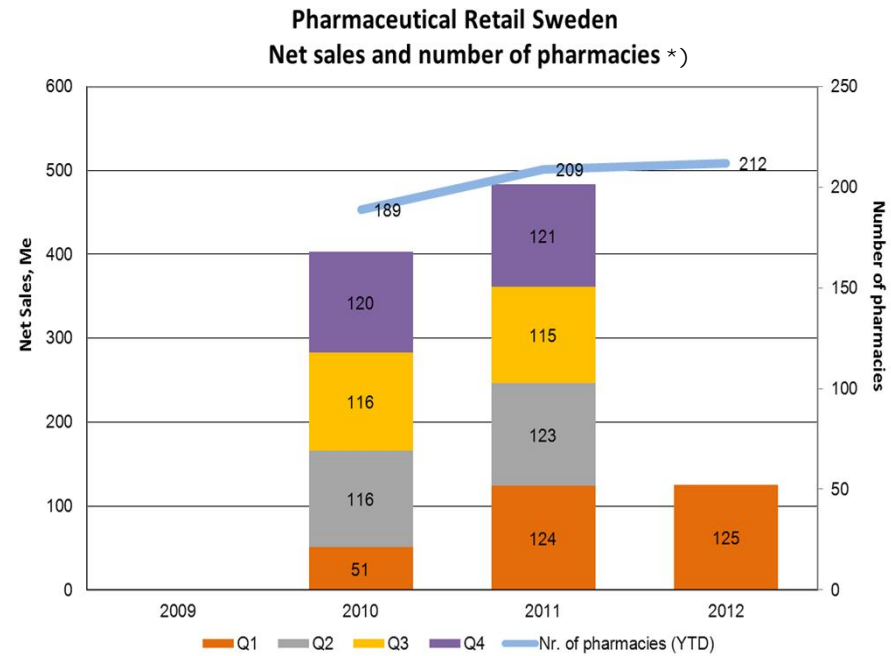


*) Including purchasing, warehousing and pharmacy distribution of OTC products and traded goods



Oriola KD Pharmaceutical Retail Sweden

- Kronans Droghandel is the third largest pharmacy chain in Sweden
- 212 pharmacies nationwide with 13,5 per cent market share
 - 3 pharmacies opened in Q1/2012
- Co-operations with KF (COOP) providing excellent new pharmacy locations and access to MedMera loyalty program

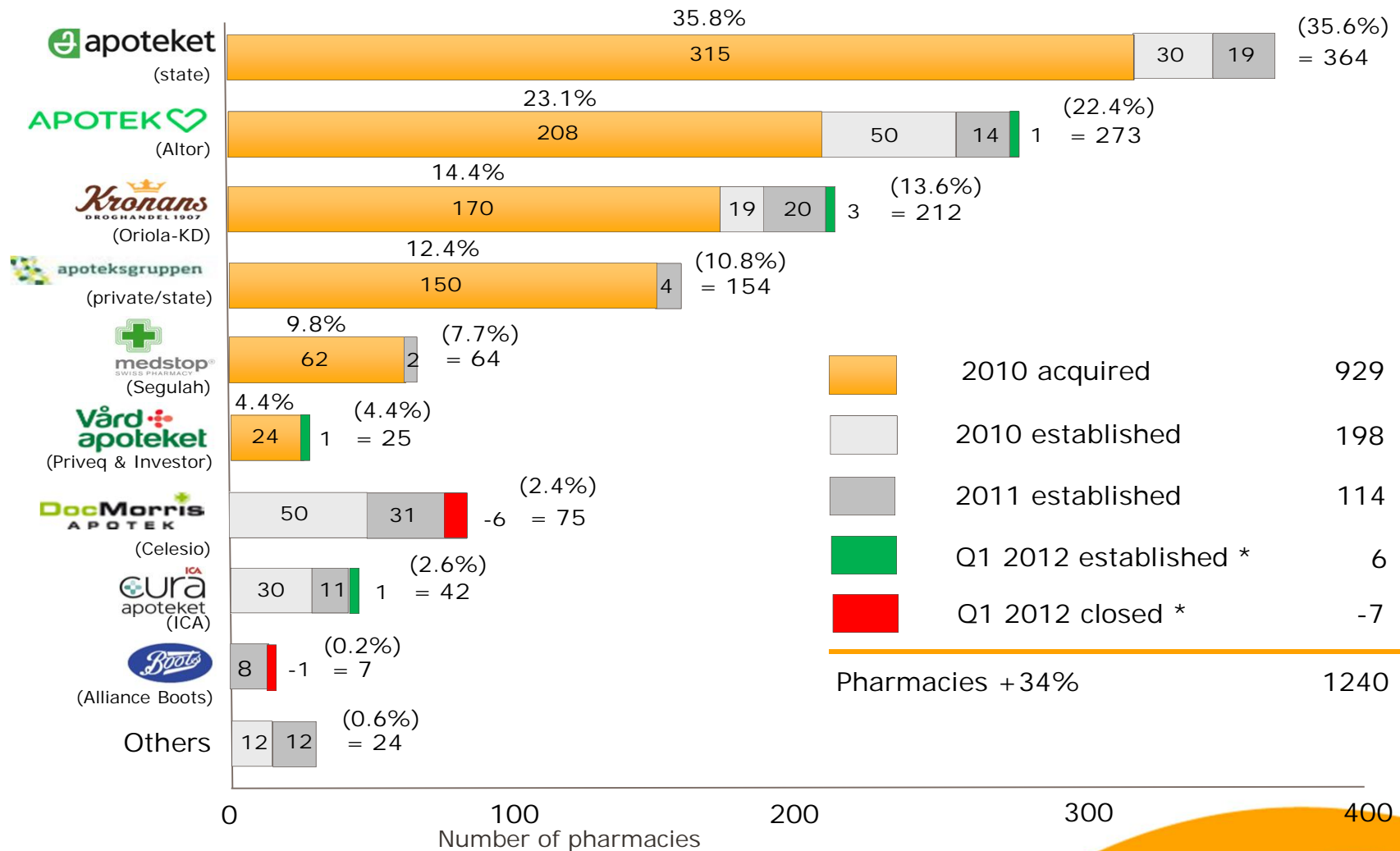


*) Retail starting from 19 February 2010

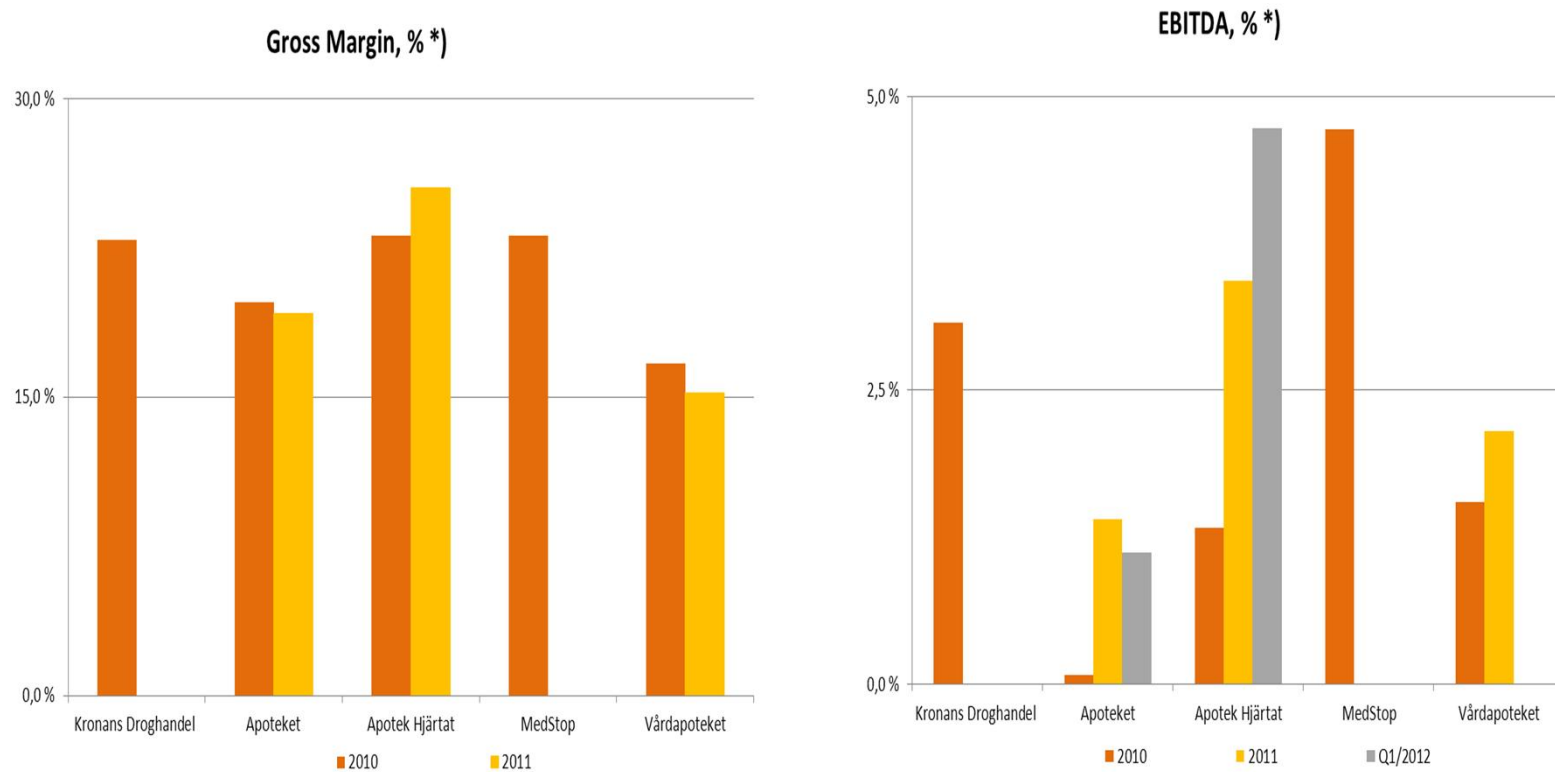

Kronans
DROGHANDEL 1907



Development of Pharmacy Market in Sweden

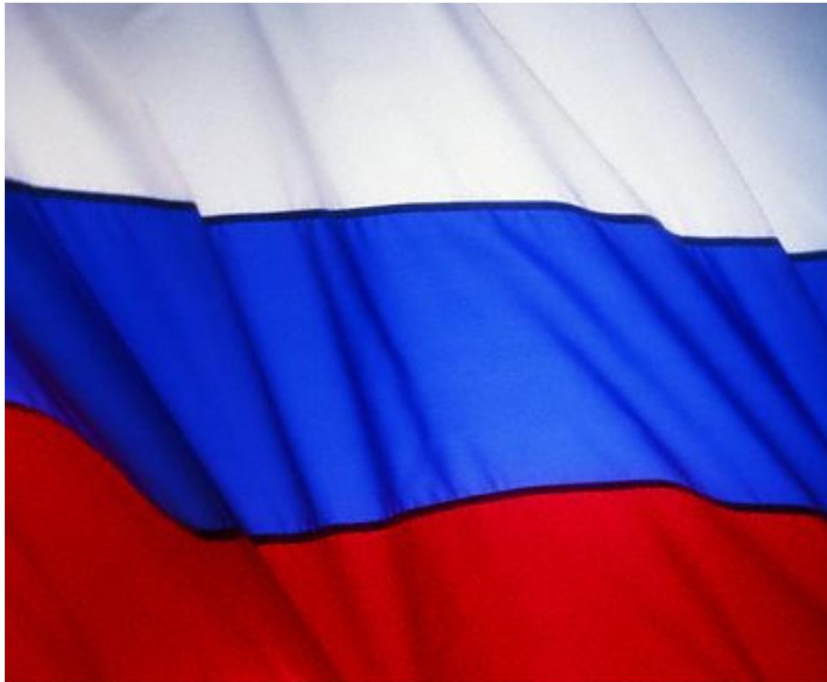


Profitability by Pharmacy Chains in Sweden



*) 2010 based on proforma sales





Pharmaceutical Trade Russia



Pharmaceutical Market in Russia

- Russia will become one of the largest pharmaceutical markets in Europe
 - Pharmaceutical market is expected to grow in average 11.5% per year during the next four years
 - Pharmaceutical market has been growing in average 15% per year during the past four years
 - Growth driven by the increased access to pharmaceuticals by the consumers
- Consumption of pharmaceuticals per capita is significantly lower than in Europe in average
 - Western pharmaceuticals represent some 70% of value
 - Russian and East European pharmaceuticals represent some 70% of volume
- Commercial market is some 75% of total pharmaceutical market in value term
- Government has announced pharmaceutical strategy for 2020
 - Increase the share of local manufacturing from the current 20% to 50%
 - Improve local research and development premises
 - Increase the share of manufactures who fulfil the Good Manufacturing Practices
 - Budget of some RUB 177 billion
- Currently price regulated pharmaceuticals represent some 42% of all pharmaceuticals
 - List of regulated pharmaceuticals unchanged in 2013



Wholesale and Retail Market in Russia

Wholesale market

- Fast consolidation of wholesale market and fierce price competition
- Wholesalers are widening their operations to retail and production
- Top 10 wholesalers covering some 98% of pharmaceutical purchases from manufacturers
- Some 85% of sales from top 10 wholesalers goes directly to pharmacies and 15% to regional wholesalers
- Macro economical factors like GDP and oil price will effect market growth in Russia

Retail market

- Retail market is still very fragmented
- 30 000 – 60 000 pharmacies in Russia
- Top 10 pharmacy chains covering less than 20% of the market
 - Provides long-term consolidation and growth opportunity
- New tax legislation scheme for the regions outside of Moscow started in 2011
 - Increased tax rates in the regions
- New business models evolving franchise and discounter pharmacies
- OTC & Traded Goods categories driving the growth



Oriola KD

Major Pharmaceutical Wholesale and Retail Companies in Russia

Rank	Wholesalers	Share 2011 *		Rank	Pharmacy chain	Share 2011 **
1	SIA International	17.0%		1	Rigla	2.6%
2	Protek	15.7%		2	36.6	2.3%
3	Katren	13.2%		3	A5	2,0%
4	Rosta	10.5%		4	Pharmacor	1.6%
5	Alliance Healthcare	7.6%		5	Implozia	1.3%
6	R-Pharm	~5,0%		6	Pharmimpex	1.2%
7	Oriola-KD	~5,0%		7	Raduga	1.0%
8	Pulse	~2,5%		8	Oriola-KD	0.9%
9	Biotec	~2,5%		9	Samson Pharma	0.8%
10	Imperia Pharma	~2,0%		10	Doctor Stoletov	0.8%



Oriola KD Pharmaceutical Wholesale Russia

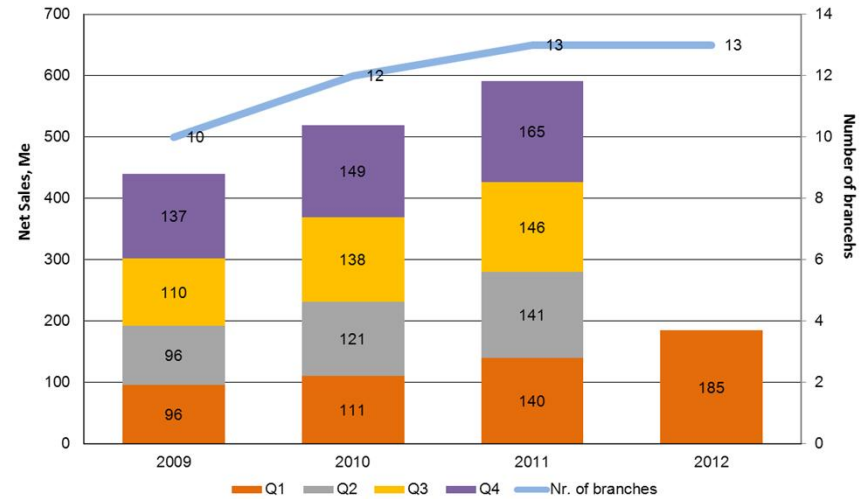
Key figures for 2011:

- The 7th largest wholesaler in Russia
- All operations under Oriola brand
- 13 logistics centres
- Net sales EUR 591 million
- Personnel 1,675

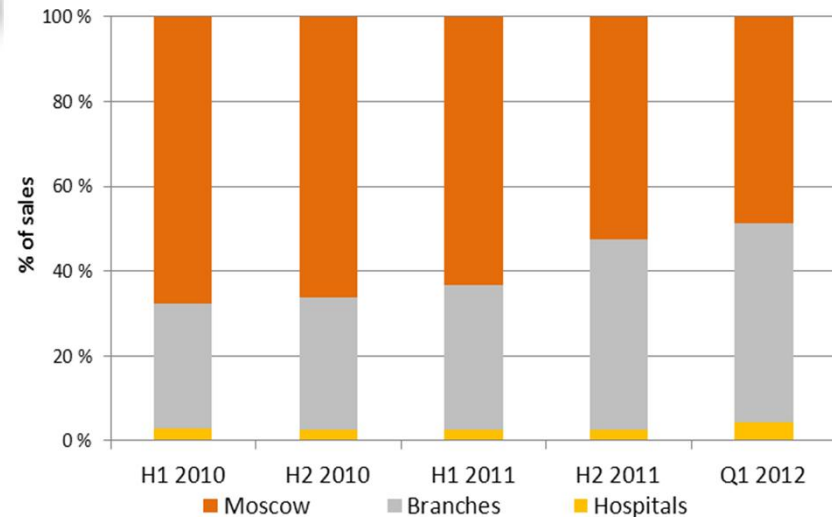


Regional branches established by Oriola-KD

Pharmaceutical wholesale Russia
Net sales

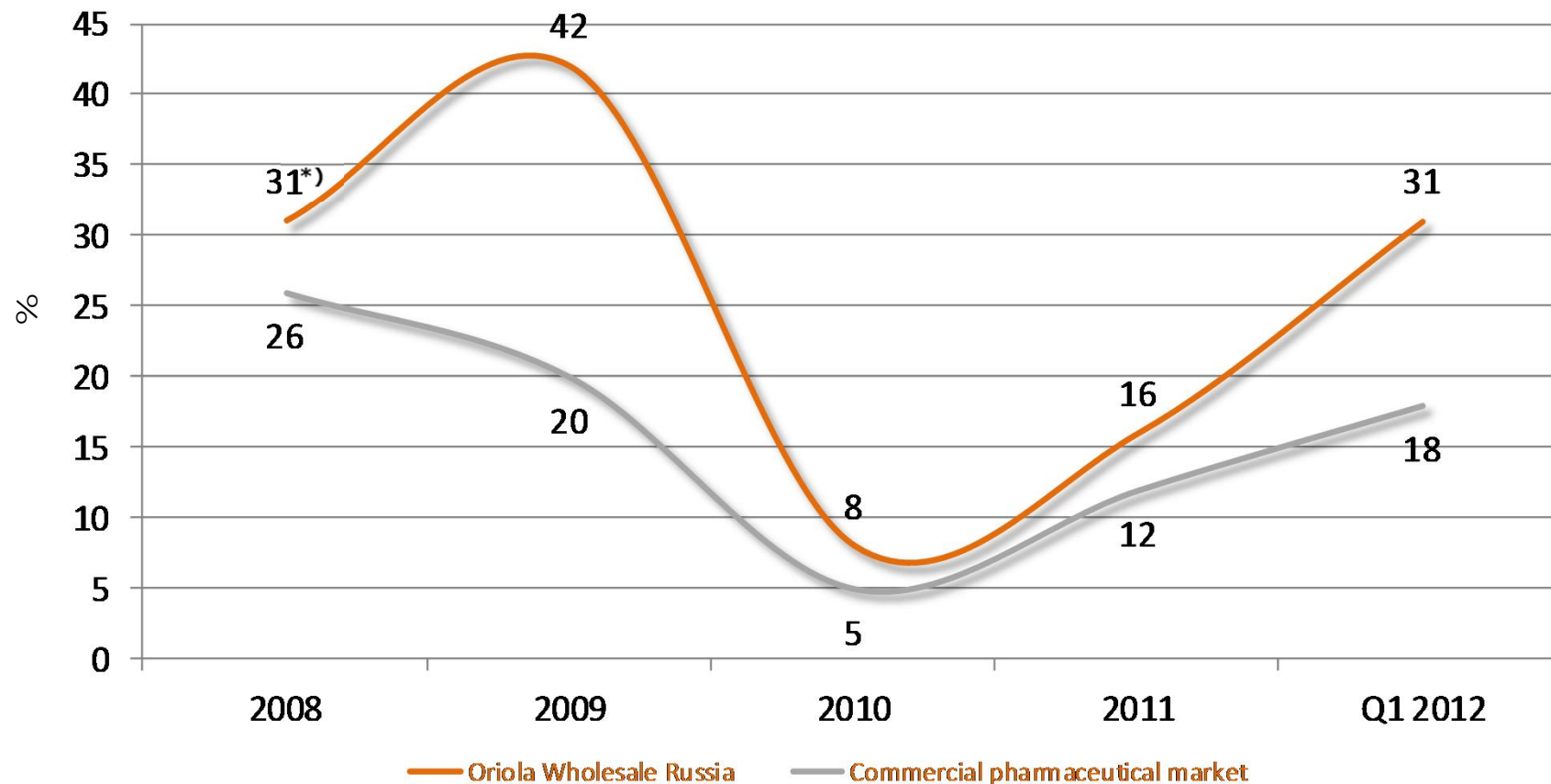


Net sales split by channel





Pharmaceutical Market Growth and Oriola Wholesale Russia's Net Sales Growth in Russian Roubles



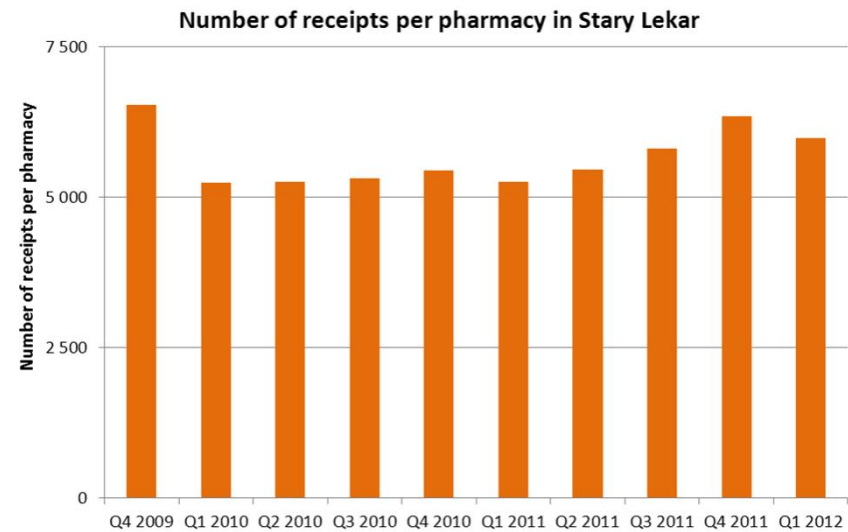
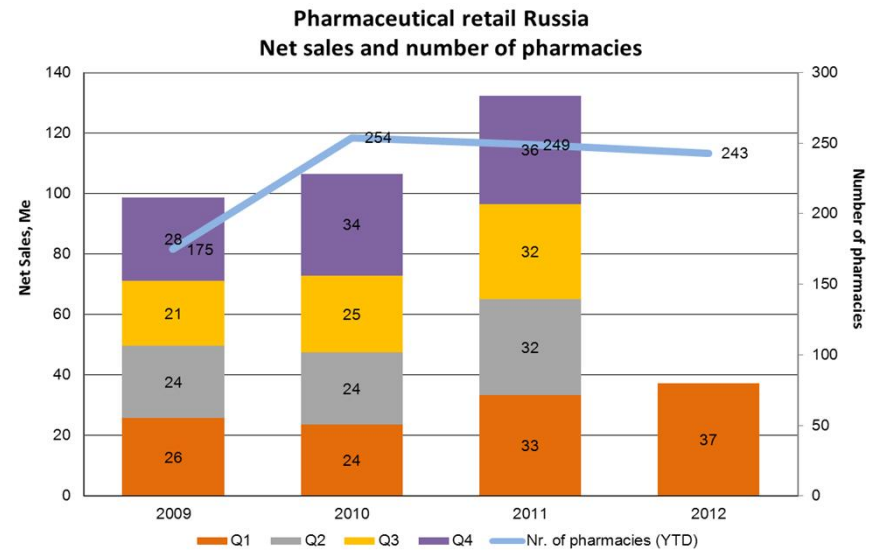
*) Oriola Wholesale Russia's net sales growth in April-December 2008



Oriola KD Pharmaceutical Retail Russia

Key figures for 2011

- The 3rd largest pharmacy chain in Moscow
- Operations under Sary Lekar and O3 brands
- 249 pharmacies
- Net sales EUR 132 million
- Personnel 1,464



Financials Q1 2012



Q1 2012

- Net sales grew by 11.5% to 591 Me
 - Net sales in Russia grew by 31% in Russian Rubles
- Operating profit was 5.4 Me (5.0)
 - Operating profit of Pharmaceutical Trade Sweden increased from previous year
 - Operating loss of Pharmaceutical Trade Russia decreased from previous year
- Oriola-KD systematically continues to work on projects in order to improve profitability in 2012



Key Figures Q1 2012

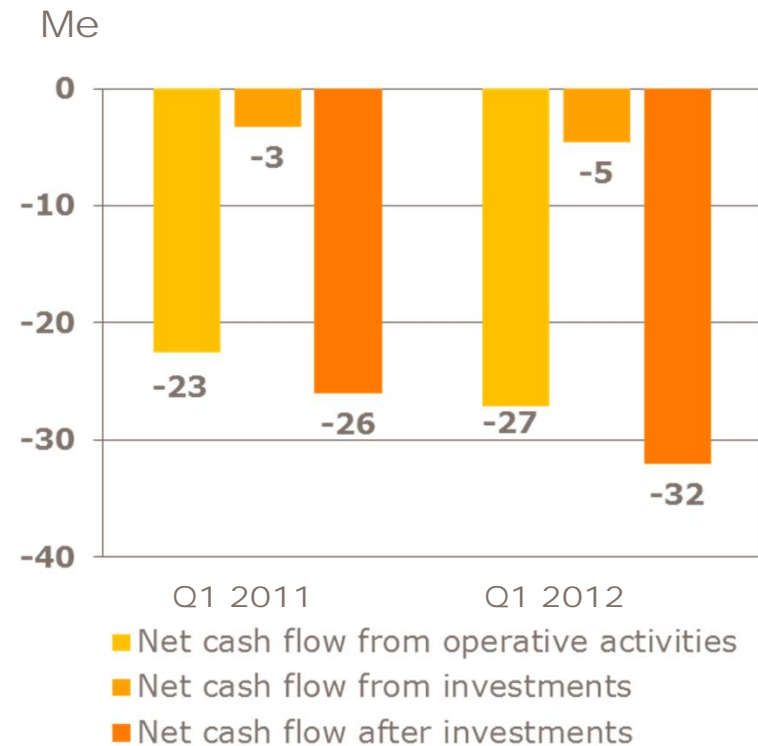
Income Statement	Q1 2012	Q1 2011	2011
Net sales, Me	591	530	2146
Operating result excluding one-off costs and impairment charges, Me	5.4	5.0	13.2
Net result, Me	1.5	2.1	-24.1
Earnings/share, Euro	0.01	0.01	-0.16

Balance Sheet	31.3.2012	31.3.2011	31.12.2011
Equity, Me	303	362	299
Operative working capital, Me	-35	-34	-83
Interest-bearing net debt, Me	52	17	19
Balance sheet, total, Me	1218	1228	1273
Equity ratio, %	25%	30%	24%
Net gearing, %	17%	5%	6%
ROE	2.0%	2.4%	-7.4%



Finance and Cash Flow

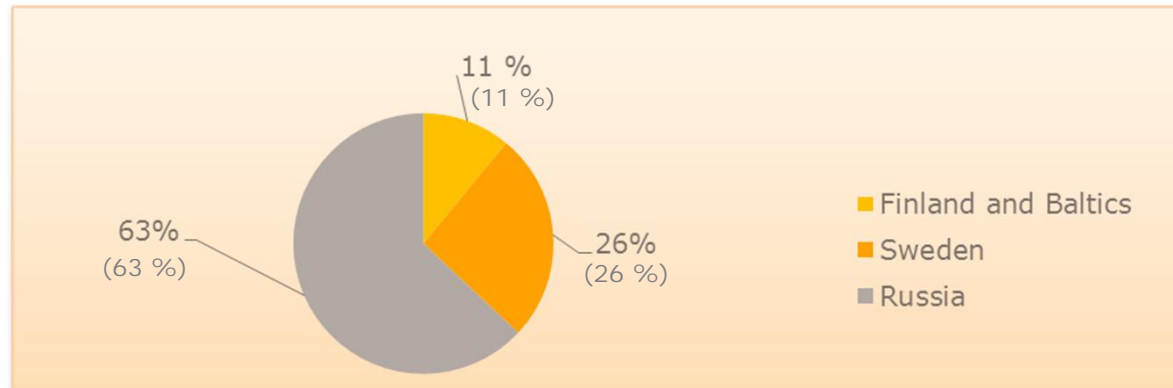
- In February 2012, Oriola-KD renewed all long-term external loan agreements
 - 100.0 Me multi-currency revolving credit agreement
 - Maturity April 2014
 - Financial covenants are based on ratio of net debt to EBITDA and on the gearing ratio
 - The terms of the financial covenants were met with a wide margin at the end of March 2012
- New committed long-term revolving credit facility of 100 Me and short-term credit account facilities of 43 Me stood unused at the end of March 2012
- Of the 150 Me commercial paper programme 86 Me (0 Me) was used at the end of March 2012



- Changes in working capital -33.1 Me (-26.2 Me)
- Depreciations 4.4 Me (3.5 Me)
- Gross investments 4.3 Me (5.6 Me)
 - Pharmacy establishment
 - Information systems
 - Improvements in logistics efficiency



Personnel 31 March 2012



Operating segment	31.3.2012	31.3.2011	Change, %
Pharmaceutical Wholesale Finland and Baltics	503	486	+3%
Pharmaceutical Retail Sweden	991	1022	-3%
Pharmaceutical Wholesale Sweden	241	282	-15%
Pharmaceutical Retail Russia	1381	1582	-13%
Pharmaceutical Wholesale Russia	1666	1549	+8%
Total	4783	4921	-3%



Risks

- Oriola-KD has identified the following principal strategic and operational risks in its business
 - Growth in number of pharmacies outperforms growth in the market, leading to intense competition
 - Competition for market share in pharmaceutical wholesale in a consolidating market
 - Ensuring cost efficiency, flexibility and quality
 - Development of processes and infrastructure required by strategic expansion
 - Requirements and restrictions on pharmaceutical retail and wholesale imposed by the authorities, especially price regulation
 - Commitment of key employees
- The major financial risks for Oriola-KD involve currency rate, liquidity, interest rate and credit risks
 - Expansion of operations into new business areas and new markets has increased the financial risks
 - Currency risks are the most significant financial risks in Russia and Sweden
 - Changes in the value of the Russian Ruble or the Swedish Krona 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 unit is more sensitive than before to changes in the discount rate or cash-flow forecasts
- Near-term risks and uncertainty factors
 - Intense competition and the number of new pharmacies to be established will have an impact on the profitability of Oriola-KD's pharmacy business in Sweden and Russia
 - Changes in the exchange rate of the Russian Ruble, a potential increase in credit risks concerning customers and changes in the competitive environment 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, supplier and customer agreements and management assessments
- In the period 2012-2016, the pharmaceutical market is expected to grow annually in average by 0.5 per cent in Finland, 1 per cent in Sweden, and 11.5 per cent in Russia, measured in local currencies (source: IMS Health 04/2012)
- Competition is expected to remain very tough in the Russian pharmaceutical retail and wholesale business and the Swedish pharmaceutical retail business





Outlook 2012

- Outlook for 2012 unchanged
 - Oriola-KD's net sales are expected to increase 10–15 per cent and operating profit excluding one-off items is expected to be EUR 23–33 million in 2012



Focus Areas in 2012

Wholesale

Finland

- New picking automation line taken in use increases efficiency of logistics

Sweden

- Development of new logistics services for pharmacy chains

Russia

- Increase of regional and hospital sales
- Implementation of new warehouse management system at the start of 2013
- Investigate opportunities to establish a new automated main logistics centre in Moscow

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



Long Term Targets and Dividend Policy

Growth

- To grow faster than the relevant markets

Profitability

- ROE (Return on Equity) target is over 15 per cent

Balance sheet

- Long-term average gearing ratio target is between 40 - 60 per cent

Dividend Policy

- Oriola-KD will seek to pay out annually as dividends approximately 50 per cent of earnings per share
- The Company's strategy and financial position shall be taken into consideration when determining the annual dividend payout ratio





Disclosure Aspects

- 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

