Oriola-KD Corporation Stock Exchange Release 7 February 2014 at 8:30 a.m.

Oriola-KD Corporation's Financial Statements Release 2013

Financial performance October—December 2013

- Net sales declined by 4.0 per cent to EUR 679.6 (707.8) million.
- EBITDA excluding non-recurring items increased by 25.3 per cent to EUR 19.5 (15.5) million.
- EBITDA was EUR 18.9 (15.5) million.
- Operating profit excluding non-recurring items was EUR 12.4 (10.5) million.
- Operating profit was EUR 10.4 (10.5) million.
- Net cash flow from operations was EUR 50.8 (55.4) million.
- Profit for the period was EUR 5.6 (11.4) million and earnings per share were EUR 0.04 (0.08).

Financial performance in 2013

- Net sales increased by 5.0 per cent to EUR 2,598.5 (2,474.4) million.
- EBITDA excluding non-recurring items increased by 16.7 per cent to EUR 53.2 (45.6) million.
- EBITDA was EUR 46.7 (44.5) million.
- Operating profit excluding non-recurring items was EUR 29.0 (26.8) million.
- Operating profit was EUR 21.0 (25.8) million.
- Net cash flow from operations was EUR 29.8 (46.1) million.
- Profit for the period was EUR 5.8 (16.4) million and earnings per share were EUR 0.04 (0.11).
- Return on equity was 2.0 (5.4) per cent.

Key figures EUR million	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
Net sales	679.6	707.8	-4.0	2,598.5	2,474.4	5.0
EBITDA excluding non-recurring items	19.5	15.5	25.3	53.2	45.6	16.7
EBITDA	18.9	15.5	21.8	46.7	44.5	4.8
Operating profit excluding non-recurring items	12.4	10.5	18.4	29.0	26.8	8.1
Operating profit	10.4	10.5	-0.6	21.0	25.8	-18.5
Operating profit % excluding non-recurring items	1.8	1.5		1.1	1.1	
Operating profit %	1.5	1.5		0.8	1.0	
Profit for the period	5.6	11.4	-50.8	5.8	16.4	-64.7
Earnings per share, EUR	0.04	0.08	-50.8	0.04	0.11	
Net cash flow from operating activities	50.8	55.4		29.8	46.1	
Return on equity (ROE), %				2.0	5.4	
Gearing, %				65.3	2.1	

Outlook for 2014

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

President and CEO Eero Hautaniemi's comments regarding the financial statements release:

"Oriola-KD's net sales increased by 5.0 per cent to EUR 2,598.5 million and operating profit excluding non-recurring items increased from EUR 26.8 million to EUR 29.0 million in 2013. Operating profit excluding non-recurring items includes project costs totalling EUR 2.7 million booked in the first half of 2013 and, based on a court decision received in January 2014, a EUR 1.2 million cancellation of the principal bonus recognised in 2011 concerning the Russian wholesale trade. In addition, EUR 0.7 million in trade receivables related to the efficiency measures carried out in the Russian wholesale business was written off in the final quarter.

Despite the weaker result of the Consumer Health business, operating profit of the Finland and Baltics business was at the previous year's level, at EUR 20.9 (20.8) million, due to the improved efficiency of the wholesale business.

Pharmaceutical Trade Sweden's operating profit excluding non-recurring items increased from EUR 16.2 million to EUR 26.1 million in 2013. Profitability improved in both Swedish operating segments. Integration of the Medstop acquisition proceeded according to plan and the merger of the pharmacy companies was put into effect in the last quarter. Roughly half of the targeted annual synergy benefits of EUR 8–10 million were confirmed by the end of 2013, as planned. An efficiency programme was started in the Swedish wholesale business in the third quarter. The aim is to achieve a significant improvement in operating profit gradually from 2014 onwards.

Pharmaceutical Trade Russia's operating profit excluding non-recurring items decreased from EUR -2.3 million to EUR -8.0 million in 2013. The Russian retail business's operating profit stabilised and was positive for 2013. The delivery issues in the Moscow region related to the implementation of the warehouse management system were solved by the end of the second quarter but sales in the region were significantly short of their annual targets. Regional and hospital sales again increased substantially from the figures for the comparison period. The total cost estimate of the new main logistics centre in Moscow is EUR 25–28 million, of which investments account for EUR 15.7 million. According to our project plan, operations will be gradually transferred to the new facilities and full production capacity will be reached by the end of the first quarter in 2015."

Oriola-KD Group's financial statements release 1 January – 31 December 2013

The text section of this financial statements release focuses on the annual financial statements. Unless otherwise stated, the comparative financial information represents the data for the corresponding period in 2012 in accordance with the International Financial Reporting Standards (IFRS). The figures for the entire year presented in this financial statements release have been audited. The figures in the tables have been rounded independently.

Key Figures	**1-12 2013**	**1-12 2012**
Equity ratio, %	19.2	24.5
Equity per share, EUR	1.84	2.05
Return on capital employed (ROCE), %	4.2	5.9
Return on equity (ROE), %	2.0	5.4
Net interest-bearing debt, EUR million	181.5	6.7
Gearing, %	65.3	2.1
Earnings per share, EUR	0.04	0.11
Average number of shares, 1000 pcs	151,157	151,248

Changes in the Group structure in 2013

Oriola-KD Holding Sverige AB, which is part of the Oriola-KD Group (hereinafter referred to as Oriola-KD) acquired the entire capital stock of Medstop Group Holding AB. The company has been included in the Pharmaceutical Trade Sweden reporting segment since 1 June 2013. Medstop Group Holding AB was merged into Oriola-KD Holding Sverige AB, and Kronans Droghandel Apotek AB was merged into Medstop AB in the last quarter of 2013. Following this, Medstop AB changed its name to Kronans Droghandel Apotek AB.

In the Russian retail business, OOO Farmask was merged into OOO Vitim & Co in September 2013 as a Group-internal subsidiary merger. The change does not have any impact on the Group's result for the period.

The Group's net sales and result for January–December 2013

Oriola-KD's net sales increased by 5.0 per cent to EUR 2,598.5 (2,474.4) million and its operating profit excluding non-recurring items increased by 8.1 per cent to EUR 29.0 (26.8) million in 2013. Operating profit was EUR 21.0 (25.8) million. Oriola-KD's operating profit excluding non-recurring items was reduced by project costs totalling EUR 2.7 million booked in the first half of 2013 and, based on a court decision received in January 2014, the EUR 1.2 million cancellation of the principal bonus recognised in 2011 related to the Russian wholesale trade. In addition, EUR 0.7 million in trade receivables related to the efficiency measures carried out in the Russian wholesale business was written off in the final quarter.

Profit after financial items was EUR 7.4 (20.5) million and profit for the period EUR 5.8 (16.4) million. Oriola-KD's financial expenses increased to EUR 13.6 (5.3) million. Oriola-KD's financial expenses increased as a result of higher interest rate costs resulting from the acquisition of Medstop and the accrued foreign exchange loss of EUR 1.4 million from the change in the fair value of the Group-internal loan granted to the Russian subsidiary. Earnings per share were EUR 0.04 (EUR 0.11).

Return on equity was 2.0 (5.4) per cent in 2013.

The comparative financial figures for 2012 have been revised due to a change in the calculation method for pension liabilities (IAS 19R (revision) Employee benefits). The impact has been itemised under Revision of IAS 19 Employee benefits standard.

The Group's net sales and result for October–December 2013

Fourth-quarter net sales were EUR 679.6 (707.8) million. Operating profit excluding non-recurring items was EUR 12.4 (10.5) million and operating profit was EUR 10.4 (10.5) million for the period. Profit after financial items was EUR 5.9 (12.0) million. Oriola-KD's net financial expenses were EUR 4.5 (+1.5) million. Profit for the October–December period was EUR 5.6 (11.4) million and earnings per share were EUR 0.04 (0.08).

Reporting segments

Oriola-KD's reporting segments are Pharmaceutical Trade Finland and Baltics, Pharmaceutical Trade Sweden and Pharmaceutical Trade Russia. Oriola-KD has formed the reporting segments by combining its operating segments. The Pharmaceutical Trade Finland and Baltics reporting segment comprises the Finnish pharmaceutical wholesale business, the Consumer Health and the Pharmaceutical Trade Baltics operating segments. The Pharmaceutical Trade Sweden reporting segment comprises the Swedish pharmaceutical retail and Swedish pharmaceutical wholesale operating segments. The Pharmaceutical

Trade Russia reporting segment comprises the Russian pharmaceutical retail and Russian pharmaceutical wholesale operating segments.

Pharmaceutical Trade Finland and Baltics

Key Figures EUR million	**10-12 2013**	**10-12 2012**	**Change %**	**1-12 2013**	**1-12 2012**	**Change %**
Net Sales	109.4	118.3	-7.6	425.3	460.5	-7.6
Pharmaceutical Wholesale in Finland	88.2	97.6	-9.6	342.1	380.7	-10.1
Pharmaceutical wholesale in Baltics	10.8	10.1	6.8	41.0	36.1	13.5
Consumer Health	10.5	10.7	-2.1	42.7	44.2	-3.3
EBITDA	5.7	6.1	-6.5	24.3	23.9	1.8
Operating profit	4.8	5.2	-8.7	20.9	20.8	0.6
Operating profit %	4.4	4.4		4.9	4.5	
Number of personnel at the end of period				505	476	

October–December 2013

Net sales of Pharmaceutical Trade Finland and Baltics in the fourth quarter of 2013 was EUR 109.4 (118.3) million and operating profit EUR 4.8 (5.2) million. Fourth quarter invoicing by the Finnish wholesale business was EUR 257.9 (270.2) million and net sales EUR 88.2 (97.6) million, net sales of the Baltic wholesale business were EUR 10.8 (10.1) million and net sales of the Consumer Health business were EUR 10.5 (10.7) million.

January–December 2013

Net sales of Pharmaceutical Trade Finland and Baltics declined by 7.6 per cent to EUR 425.3 (460.5) million and operating profit grew by 0.6 per cent to EUR 20.9 (20.8) million in 2013. Invoicing by the Finnish wholesale business was EUR 1,022.6 (1,040.2) million and net sales were EUR 342.1 (380.7) million. Net sales of the Baltic wholesale business were EUR 41.0 (36.1) million and net sales of the Consumer Health business were EUR 42.7 (44.2) million. Profitability of the Finnish wholesale business improved as a result of measures taken to improve operating efficiency. As was expected, discontinuation of the distribution of AstraZeneca's products by Oriola-KD caused a drop in the net sales of the Finnish wholesale business in 2013. Oriola-KD's business in the Baltics grew positively during the period and the start of pharmaceutical distribution and marketing cooperation with MSD proceeded as planned.

The Finnish pharmaceutical market grew by 1.8 (+3.0) per cent in 2013. The decrease in drug reimbursements and the 5 per cent cut in the wholesale prices of patented medicines in February 2013 had a negative impact on the growth of the pharmaceutical market in Finland (source: IMS Health). Oriola-KD held a 46.2 (47.0) per cent share of the pharmaceutical wholesale market in Finland in 2013 (source: ATY).

Pharmaceutical Trade Finland and Baltics had 505 (476) employees at the end of 2013.

Pharmaceutical Trade Sweden

Key Figures EUR million	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
Net Sales	300.5	292.4	2.8	1,194.4	1,061.3	12.5
Retail business	192.8	126.3	52.7	669.6	502.5	33.2
Wholsesale business	174.0	204.0	-14.7	743.4	636.7	16.8
EBITDA before non -recurring items	13.3	7.5	76.8	41.6	26.4	57.6
EBITDA	13.1	7.5	73.4	35.3	25.3	39.6
Operating profit before non-recurring items	8.4	4.6	84.1	26.1	16.2	61.6
Operating profit	6.7	4.6	47.0	18.4	15.1	22.1
Operating profit % before non-recurring items	2.8	1.6		2.2	1.5	
Operating profit %	2.2	1.6		1.5	1.4	
Number of personnel at the end of period				1,849	1,324	
Retail business				1,573	1,064	
Wholsesale business				277	260	

October–December 2013

Net sales of Pharmaceutical Trade Sweden in the fourth quarter of 2013 were EUR 300.5 (292.4) million. Operating profit excluding non-recurring items was EUR 8.4 (4.6) million and operating profit was EUR 6.7 (4.6) million. Net sales of the retail business totalled EUR 192.8 (126.3) million, invoicing of the wholesale business was EUR 373.2 (385.4) million and its net sales were EUR 174.0 (204.0) million. Medstop acquisition boosted the net sales of the retail business by EUR 62.7 million during the fourth quarter.

January–December 2013

Pharmaceutical Trade Sweden's net sales increased by 12.5 per cent to EUR 1,194.4 (1,061.3) million in 2013. Operating profit excluding non-recurring items increased by 61.6 percent from EUR 16.2 million to EUR 26.1 million, and operating profit by 22.1 per cent from EUR 15.1 million to EUR 18.4 million in 2013. Profitability improved in both Swedish operating segments. Net sales of the retail business were EUR 669.6 (502.5) million, invoicing of the wholesale business was EUR 1,509.3 (1,401.4) million and net sales EUR 743.4 (636.7) million. Acquisition of Medstop increased net sales of the retail business by EUR 187.1 million. The start of the centralised purchasing, warehousing and pharmacy distribution service offered to pharmacy chains has helped to increase the net sales of the wholesale business.

Development of the product assortment on offer boosted the operating profit of the retail business. In the retail business the share of sales of OTC- and traded goods increased to 26.9 (25.3) per cent. Oriola-KD had 297 (219) pharmacies in Sweden at the end of 2013, operating under the Kronans Apotek name. The Medstop acquisition increased the number of pharmacies by 67. Oriola-KD opened a total of 15 (11) pharmacies in Sweden in 2013. A total of 30 (32) new pharmacies were established on the Swedish pharmacy market during the period. In 2013, Oriola-KD had a market share of 20.5 (13.4) per cent of the retail business per cent according to the company's estimate.

The integration of the Medstop acquisition has progressed to plan. The pharmacy companies were merged in the final quarter of 2013. The total targeted synergy benefit from the acquisition is EUR 8-10 million annually as of 2015. Roughly half of the synergy benefits were confirmed by the end of 2013, as planned.

Net sales and operating profit in the Swedish wholesale business improved as planned in the second half of the year as a result of the consolidation of the centralised purchasing, warehousing and pharmacy distribution service offered to pharmacy chains. The relative share of parallel imports and generic pharmaceuticals has remained high on the Swedish pharmaceutical market, which has slowed down the growth of net sales and operating profit in the wholesale business. At the end of 2013, a programme to improve profitability was carried out in the Swedish wholesale business. In the company's estimate, Oriola-KD's market share of the wholesale trade was 37.1 (35.8) per cent in 2013. Oriola-KD ceased the distribution of Sanofi-Aventis products by the end of 2013. Sanofi-Aventis has a market share of about 0.9 per cent on the Swedish pharmaceutical market (source: IMS Health).

The pharmaceutical market in Sweden decreased by 1.4 (-1.7) per cent (source: IMS Health), while the retail market for OTC products and traded goods increased by 6.1 (+4.8) per cent (source: Nielsen) in 2013.

Pharmaceutical Trade Sweden had 1,849 (1,324) employees at the end of 2013, of whom 1,573 (1,064) were employed in retail and 277 (260) were employed in wholesale.

The acquisition of Medstop increased the number of personnel in the pharmaceutical retail business by 534.

Pharmaceutical Trade Russia

Key Figures EUR million	**10-12 2013**	**10-12 2012**	**Change %**	**1-12 2013**	**1-12 2012**	**Change %**
Net Sales	269.8	296.9	-9.1	978.8	952.7	2.7
Retail business	33.4	41.3	-19.2	140.3	148.6	-5.6
Wholesale business	241.9	265.2	-8.8	857.2	831.1	3.1
EBITDA before non -recurring items	2.1	4.3	-51.8	-2.7	3.1	-186.5
EBITDA	1.8	4.3	-58.6	-3.0	3.1	-195.8
Operating profit before non-recurring items	0.8	3.1	-73.2	-8.0	-2.3	250.4
Operating profit	0.5	3.1	-82.7	-8.3	-2.3	263.1
Operating profit % before non-recurring items	0.3	1.0		-0.8	-0.2	
Operating profit %	0.2	1.0		-0.8	-0.2	
Number of personnel at the end of period				2,901	3,056	
Retail business				1,219	1,309	
Wholesale business				1,683	1,747	

October—December 2013

The net sales of Pharmaceutical Trade Russia in the fourth quarter of 2013 fell to EUR 269.8 (296.9) million and the operating profit excluding non-recurring items was EUR 0.8 (3.1) million and the operating profit was EUR 0.5 (3.1) million. The net sales of the retail business totalled EUR 33.4 (41.3) million and the net sales of the wholesale business totalled EUR 241.9 (265.2) million.

January—December 2013

The net sales of Pharmaceutical Trade Russia grew from 2.7 per cent to EUR 978.8 (952.7) million. Operating profit excluding non-recurring items fell to EUR -8.0 (-2.3) million in 2013. Operating profit was EUR -8.3 (-2.3) million. The net sales of the retail business totalled EUR 140.3 (148.6) million and the net sales of the wholesale business totalled EUR 857.2 (831.1) million. Oriola-KD booked EUR 0.5 million in accelerated depreciation on the current main logistics centre in Moscow in 2013.

Positive performance in the Russian retail business continued as a result of more efficient operations and the development of the product assortment on offer. The retail business posted a positive operating profit in 2013. At the end of 2013, Oriola-KD had a total of 233 (240) pharmacies in the Moscow region.

Net sales of the Russian wholesale business increased by 3.1 per cent to EUR 857.2 (831.1) million. The net sales grew primarily thanks to regional distribution centres. The delivery problems in the Moscow region which occurred after the implementation of the warehouse management system were solved by the end of the second quarter.

EUR 1.2 (2.7) million credit loss write-offs relating to trade receivables were booked during 2013.

In June 2013 Oriola-KD signed a lease agreement on a new main logistics centre in the Moscow region. The overall project budget of the main logistics centre is EUR 25-28 million. Investments now account for EUR 15.7 million of the overall budget and include a distribution centre automation solution and warehouse machinery and equipment. According to the project plan, operations will be gradually transferred to the new facilities and full production capacity will be reached by the end of the first quarter in 2015. As a result of the investment decision, Oriola-KD will book a total of EUR 0.5 million in 2013 and in 2014 in accelerated depreciation relating to the machinery and equipment in the current main logistics centre.

The ruble-denominated growth in the Russian pharmaceutical market was about 10.7 (+10.7) per cent in 2013 (source: IMS Health). In Russian rubles, the net sales of the Russian retail business were at the level of 2012 (2012: +9.7 per cent) and net sales of the wholesale business grew 9.4 (+37.3) per cent in 2013.

Pharmaceutical Trade Russia had 2,901 (3,056) employees at the end of the year, of whom 1,219 (1,309) were employed in the retail business and 1,683 (1,747) in the wholesale business.

Non-recurring items

A non-recurring item is an income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses on goodwill and other non-current assets are recognised by the Group as non-recurring items.

Non-recurring items EUR million	**10-12 2013**	**10-12 2012**	**1-12 2013**	**1-12 2012**
Pharmaceutical Trade Sweden				
Restructuring costs	-1.7	-	-4.6	-
Write-off of contract-based accrual	-	-	-3.1	-
Receivable write-off	-	-	-	-1.1
Pharmaceutical Trade Russia				
Restructuring costs	-0.3	-	-0.3	-
Total	**-2.0**	**-**	**-8.0**	**-1.1**

In 2013, non-recurring items were related to restructuring costs booked for Pharmaceutical Trade Sweden and the Russian wholesale business. In addition, the non-recurring items include the write-off of the accrual entered in the books in 2009 on the basis of the investment agreement between Oriola-KD and Kooperativa Förbundet.

The 2013 result for Oriola-KD includes EUR 2.7 million in project costs and, under a court decision issued in January 2014, a EUR 1.2 million cancellation of the principal bonus recognised in 2011 related to the Russian wholesale trade. In addition, EUR 0.7 million in trade receivables was written off in the final quarter related to measures carried out in Russia to improve the efficiency of the wholesale business. These expenses have not been treated as non-recurring items.

Balance sheet, financing and cash flow

Oriola-KD's balance sheet total on 31 December 2013 stood at EUR 1,500.1 (1,316.2) million. Cash assets totalled EUR 137.3 (88.1) million and equity EUR 278.1 (310.5) million. The equity ratio was 19.2 (24.5) per cent.

Oriola-KD's goodwill of EUR 379.0 (276.7) million has been allocated in impairment testing to the cash-generating units consisting of the Group's operating segments. Oriola-KD prepares the goodwill impairment testing twice a year, in accordance with the timetable of its strategy and planning process. At the end of 2013, EUR 238.9 (116.7) million of the goodwill was allocated to the Swedish pharmaceutical retail business, EUR 26.9 (27.8) million to the Swedish pharmaceutical wholesale business, EUR 75.9 (88.6) million to the Russian pharmaceutical wholesale business and EUR 37.4 (43.6) million to the Russian pharmaceutical retail business. The acquisition of Medstop increased the goodwill allocated to the Swedish pharmaceutical retail business by EUR 129.9 million in 2013.

At the end of 2013, interest-bearing debt totalled EUR 318.8 (EUR 94.8) million and interest-bearing net debt EUR 181.5 (6.7) million. The gearing ratio was 65.3 (2.1) per cent. Interest-bearing long-term debt consisted mainly of the long-term bank loan taken out for the acquisition of Medstop and the conditional earn-out payment relating to the Medstop acquisition. Most of the interest-bearing short-term debt consisted of the use of the commercial paper programme issued by Oriola-KD Corporation and advance payments by pharmacies in Finland. The trade receivables sales programmes were continued in the retail and wholesale businesses in Sweden. By the end of 2013, the sales of the trade receivables totalled EUR 76.8 (72.1) million.

Oriola-KD signed a new financing agreement of approximately EUR 280 million in May 2013. The financial covenants contained in the financing agreement are based on the ratio between the Group's net debt and rolling 12-month EBITDA and its gearing ratio. The ratio between the Group's net debt and the 12-month rolling EBITDA, adjusted in accordance with the terms and conditions of the financing agreement, stood at 3.27 at the end of 2013, the covenant limit in the agreement being 4.25. Oriola-KD's committed long-term credit facilities of EUR 100.0 million and EUR 42.6 million in short-term credit account facilities with banks were unused at the end of 2013. A total of EUR 83.1 (43.8) million of the commercial paper programme was in use at the end of the review period.

Financial covenants contained in the financing agreement	**31 Dec 2013**	**31 Mar 2014**	**30 Jun 2014**	**30 Sept 2014**
Ratio between net debt and rolling 12-month EBITDA	4.25	4.00	4.00	3.50
Gearing ratio	120%	120%	120%	100%

Net cash flow from operations in 2013 was EUR 29.8 (46.1) million, of which changes in working capital accounted for EUR 3.5 (23.1) million. Net cash flow from investing activities was EUR -97.8 (-34.9) million.

Investments

Gross investments in 2013 totalled EUR 193.7 (22.6) million and consisted of the acquisition of the Medstop pharmacy chain at EUR 165.9 million, the establishment of new pharmacies, information technology investments and investments aimed at improving the efficiency of logistics. Oriola-KD has booked EUR 0.5 (0.0) million in accelerated depreciation due to the investment plan concerning to the logistics centre in Moscow in 2013.

Personnel

At the end of 2013, Oriola-KD had a payroll of 5,256 (4,856) employees, 10 (10) per cent of whom worked in Finland and the Baltics, 35 (27) per cent in Sweden, and 55 (63) per cent in Russia. Personnel numbers consist of members of staff in active employment.

Administration

The Annual General Meeting (AGM) of Oriola-KD Corporation held on 20 March 2013 elected the following persons as members of the company’s Board of Directors: Jukka Alho (Chair), Harry Brade, Per Båtelson, Outi Raitasuo and Mika Vidgrén, and elected Karsten Slotte as a new member. At its constitutive meeting held immediately after the AGM, the Board of Oriola-KD Corporation elected Outi Raitasuo as Vice Chair of the Board. The Board of Directors appointed from its members Outi Raitasuo (Chair), Harry Brade, Karsten Slotte and Mika Vidgrén to the Board’s Audit Committee, and Jukka Alho (Chair), Per Båtelson and Harry Brade to the Board’s Remuneration Committee.

The Board of Directors has assessed the independence of its members and determined that all members are independent of both the company and its major shareholders.

The AGM elected PricewaterhouseCoopers Oy as the auditor for the company.

Oriola-KD’s Group Management Team:

* Eero Hautaniemi, President and CEO
* Lars Birkeland, Vice President, pharmaceutical retail, Sweden
* Tuomas Itkonen, CFO
* Konstantin Minin, Vice President, pharmaceutical wholesale and retail business, Russia
* Jukka Mäkelä, Vice President, Development (as of 1 April 2013)
* Teija Silver, Vice President, HR
* Kimmo Virtanen, Executive Vice President, Pharmaceutical Wholesale, Finland, Sweden and Baltics

Henry Fogels, Vice President, pharmaceutical wholesale, Russia, retired from the Group Management Team in 2013Konstantin Minin was appointed Vice President, pharmaceutical wholesale and retail, Russia, on 19 December 2013. Minin has previously held the positions of Vice President, pharmaceutical retail, Russia, and acting General Director of OOO Oriola Russia. He is a member of Oriola-KD’s Management Team.

Oriola-KD applies the Finnish Corporate Governance Code which was issued by the Securities Market Association on 15 June 2010 and which entered into force on 1 October 2010, with the exception that the company’s Nomination Committee may also have members who are not members of the company’s Board of Directors. The purpose of this deviation from Recommendation 22 of the Corporate Governance Code (Appointment of members to the committees) is to allow the election of major shareholders in the company to the Nomination Committee and thus to ensure that their opinions are heard well before the Annual General Meeting. The Nomination Committee is a body established by the Board for the purpose of preparing and presenting to the Board a recommendation for the proposal to be put to the Annual General Meeting concerning the composition and remuneration of the Board. The Corporate Governance Statement and the Remuneration Statement for 2013 can be viewed on the company's website at: http://www.oriola-kd.com/en/Corporate-Governance/.

Board authorisations

The AGM, held on 20 March 2013, authorised the Board to decide on repurchasing up to fifteen million of the company’s own class B shares, which may also be carried out in a manner other than in proportion to
the holdings of the shareholders. The authorisation is in force for eighteen months following the decision of the AGM.

The AGM, held on 20 March 2013, authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new class B shares or to assign class B treasury shares held by the company. The authorisation covers a combined maximum of thirty million class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for eighteen months following the decision of the AGM.

On 20 March 2013, the Board was also authorised to decide on a bonus issue of class B shares to the company in one or more issues, and on a directed issue of class B shares to implement the new share incentive scheme for the Oriola-KD Group's management and the share savings plan for its key employees. The maximum amount of the company's new class B shares issued under this authorisation is 1,715,000, which is 1.13 per cent of the company's total shares. The authorisation will remain in force for a maximum of five (5) years following the decision of the AGM.

Dividend distribution

In accordance with a Board proposal, the AGM decided to distribute EUR 0.05 per share in dividend from the 2012 financial year and EUR 0.04 per share in repayment of equity, totalling EUR 13.6 (12.1) million. The dividend and repayment of equity was paid to those who, on the record date of 25 March 2013, were entered as shareholders of Oriola-KD Corporation in the company's shareholder register maintained by Euroclear Finland Ltd.

Oriola-KD Corporation shares

Trading volume of the Oriola-KD Corporation's class A and B shares in January-December 2013:

Trading volume	January–December 2013		January–December 2012	
	Class A	Class B	Class A	Class B
Trading volume, million shares	3.2	28.6	5.7	29.5
Trading volume, EUR million	7.7	68.3	11.5	57.3
Highest price, EUR	2.69	2.73	2.44	2.25
Lowest price, EUR	2.24	2.18	1.77	1.70
Closing quotation, end of period, EUR	2.60	2.55	2.27	2.23

Oriola-KD Corporation's market capitalisation on 31 December 2013 was EUR 388.1 (EUR 339.2) million.

In the review period, the traded volume of Oriola-KD Corporation shares, excluding treasury shares, corresponded to 21.1 (23.3) per cent of the total number of shares. The traded volume of class A shares amounted to 6.8 (12.0) per cent of the average stock, and that of class B shares, excluding treasury shares, 27.5 (28.4) per cent of the average stock.

At the end of December 2013, the company had a total of 151.257.828 shares (151.257.828), of which 47.148.710 were class A shares (47.148.710) and 104.109.118 were class B shares (104.109.118). The company has 115.902 treasury shares, all of which are class B shares. These account for 0.06 per cent of the company's shares and 0.011 per cent of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares. During the period 1 January—30 December 2013, 0 (0) class A shares were converted into class B shares.

On 19 December 2012, Oriola-KD Corporation's Board of Directors decided on a new share incentive scheme for the Group's senior management for the years 2013–2015. The scheme covers eight persons. The company's Board of Directors will determine the earnings criteria for the earning period and the targets to be set for these at the start of each earning period. The bonus for the 2013 earning period is based on the Oriola-KD Group's earnings per share (EPS) and return on capital employed (ROCE). The maximum bonus for the 2013 earning period is 1,077,500 shares.

The Board of Oriola-KD Corporation approved the terms and conditions of the key employees' share savings plan on 28 May 2013. A total of about 50 key employees are participating in the plan. The savings period will start on 1 October 2013 and end on 30 September 2014. The maximum and minimum monthly savings amount to 10 and 2 per cent, respectively, of each participant's fixed gross monthly salary. The accumulated savings will be used for purchasing Oriola-KD's class B shares for the participants at market prices. About two years after the start of the programme, the company will give the participants two class B shares for every three shares purchased as part of the programme. The shares given to the participants will be partially used for paying taxes.

Liquidity guarantee

There is no liquidity guarantee in effect for the shares of Oriola-KD Corporation.

Flagging announcements

After the purchasing of shares by Ilmarinen Mutual Pension Insurance Company on 25 April 2013, its portion of the votes conferred by the shares of Oriola-KD Corporation exceeded the one twentieth (1/20) limit referred to in Chapter 9, section 5 of the Securities Markets Act. On 25 April 2013, the direct shareholding of Ilmarinen Mutual Pension Insurance Company totalled 4.14 per cent of Oriola-KD Corporation’s shares and 5.07 per cent of the votes conferred by the shares.

Risks

Oriola-KD's Board of Directors has approved the company's risk management policy in which the risk management operating model, principles, responsibilities and reporting are specified. The Group's risk management seeks to identify, measure and manage risks that may threaten Oriola-KD's operations and the achievement of goals set. The roles and responsibilities relating to risk management have been determined in the Group.

Oriola-KD's risks are classified as strategic, operational and financial. Risk management is a key element of the strategic process, operational planning and daily decision-making at Oriola-KD.

Oriola-KD has identified the following principal strategic and operational risks in its business:

- Amendments to pharmaceutical market regulations may weaken Oriola-KD’s profitability.
- In the Swedish retail business, the free establishment of pharmacies has led to an increase in the number of pharmacies. The number of pharmacies may continue to grow, which could further increase the fierce competition.
- In the Russian retail business, tough competition resulting from the large number of pharmacies may lead to a further decrease in the gross margin and a rapid turnover rate of key personnel.
- Extra capacity ensuing from a change made in the Swedish wholesale market will intensify competition, which may weaken the profitability of operations. The share of single channel distribution in the pharmaceutical wholesale market may decline rapidly, which may weaken the profitability of operations and lead to the restructuring of wholesale operations.
- As a result of the tough competition in the Russian wholesale business, the gross margin may decline further, which will lead to a continued need to intensify operations and restructure wholesale operations over the long term. The payment behaviour that is typical to the Russian market, combined with the regional expansion of operations may increase credit risks.
- Strategic development projects involve operational risks.

The main financial risks for Oriola-KD involve currency rate, liquidity, interest rate and credit risks. Currency risks are the most significant financial risks in Russia and Sweden as any changes in the value of the Russian ruble and the Swedish krona will have an impact on Oriola-KD’s earnings and equity.

Oriola-KD prepares goodwill impairment testing twice a year, in accordance with the timetable of its strategy and planning process. Changes in cash flow forecasts based on strategic plans, or in the discount rate or perpetuity growth rate, can cause a goodwill write-off, which would weaken Oriola-KD's result. The impairment test on the goodwill of the cash-generating wholesale unit in Russia is particularly sensitive to changes in the discount rate or cash-flow forecasts.

Near-term risks and uncertainty factors

The slowing down in the economic growth of Russia as well as the continuing weakening of the external value of the Russian rubble may have an effect on the profitability of the Oriola-KD Russian businesses in 2014. A decrease in gross margin resulting from intense competition and an increase in credit risks concerning customers may have an impact on the profitability of the wholesale business in Russia.

Oriola-KD’s strategic development projects in the Russian wholesale business and the operations in Sweden involve operational risks which may have an effect on Oriola-KD’s profitability.

Oriola-KD’s long-term financing agreement contains financial covenants concerning the ratio between Oriola- KD's net debt and rolling 12-month EBITDA and the Group’s gearing ratio. Weakening profitability of Oriola- KD’s business operations may affect Oriola-KD's ability to meet the financial covenants contained in the financing agreement.

Outlook

Oriola-KD’s outlook for 2014 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.
During the five year period from 2013 to 2017, the Finnish pharmaceutical market is expected to grow at an annual rate of 1.4 per cent and decline an average of 1.3 per cent in Sweden per year while
During the five year period from 2013 to 2017, the Finnish pharmaceutical market is expected to grow at an annual rate of 1.4 per cent and decline by an annual average of 1.3 per cent in Sweden, while the Russian pharmaceutical market is expected to grow by an average of almost 10 per cent annually in the local currencies (source: IMS Health Market Prognosis 2013–2017).

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 to class A shareholders without payment to be included on the agenda of the Annual General Meeting to be held on 24 March 2014.

Distribution proposal

Oriola-KD's parent company is Oriola-KD Corporation, whose distributable assets based on the balance sheet on 31 December 2013 were EUR 226.7 (225.3) million. Oriola-KD Corporation's net profit in 2013 was EUR 15.7 (15.5) million.

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

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.

Next interim report

Oriola-KD Corporation will publish its results for the first quarter of 2014 on Thursday 24 April 2014 at about 8.30 am.

Oriola-KD Corporation's Financial Statements Release January – December 2013, audited

Consolidated Statement of Comprehensive Income (IFRS), EUR million	**10-12 2013**	**10-12 2012 revised*** **	**1-12 2013**	**1-12 2012 revised*** **
Net sales	679.6	707.8	2,598.5	2,474.4
Cost of goods sold	-567.3	-608.9	-2,199.4	-2,117.8
Gross profit	112.3	98.9	399.0	356.6
Other operating income	1.9	0.5	5.7	2.3
Selling and distribution expenses	-86.9	-75.3	-313.7	-277.1
Administrative expenses	-15.0	-13.6	-62.0	-54.9
Operating Profit before Non-recurring items	12.4	10.5	29.0	26.8
Non-recurring items*	-2.0	-	-8.0	-1.1
Operating Profit	10.4	10.5	21.0	25.8
Financial income	6.5	7.1	14.1	22.7
Financial expenses	-11.0	-5.6	-27.7	-28.0
Profit before taxes	5.9	12.0	7.4	20.5
Income taxes **	-0.3	-0.6	-1.6	-4.1
Profit for the period	5.6	11.4	5.8	16.4
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Translation difference	-9.8	-2.6	-29.7	11.4
Cash flow hedge	-0.3	-0.2	0.8	-0.9
Income tax relating to other comprehensive income	0.1	0.3	0.3	-0.2
	-4.3	8.9	-22.9	26.7
Items which are not reclassified subsequently to profit or loss:				
Actuarial gains/losses on defined benefit plan	5.9	1.6	5.9	1.6
Income tax relating to other comprehensive income	-1.3	-0.4	-1.3	-0.4
Total comprehensive income				

for the period	0.3	10.1	-18.3	27.9
Attribution of Profit for the period				
To parent company shareholders	5.6	11.4	5.8	16.4
Attribution of total comprehensive income for the period				
To parent company shareholders	0.3	10.1	-18.3	27.9
Earnings per share for the period				
Basic earnings per share, EUR	0.04	0.08	0.04	0.11
Diluted earnings per share, EUR	0.04	0.08	0.04	0.11

*) Pharmaceutical Trade Sweden restructuring expenses EUR -1.7 million and Pharmaceutical Trade Russia restructuring expenses EUR -0,3 million in Q4/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -2,0 million in Q3/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -0,8 million and a write-off of contract-based accrual EUR -3.2 million in Q2/2013 and a receivable write-off EUR -1.1 million in Q3/2012.

**) The tax expense for the period corresponds to the taxes calculated from the profit for the financial period

***) Revised standard IAS 19 Employyee benefits has been applied as of 1 January 2013

Consolidated Balance Sheet (IFRS), EUR million

ASSETS	**31 Dec 2013**	**31 Dec 2012 revised***
Non-current assets		
Property, plant and equipment	93.2	81.4
Goodwill	379.0	276.7
Other intangible assets	72.0	52.3
Other shares and shareholdings	0.0	0.0
Pension assets	9.3	6.6
Other non-current assets	0.0	0.0
Deferred tax assets	8.3	6.1
Non-current assets total	561.8	423.1
Current assets		
Inventories	391.4	389.8
Trade and other receivables	337.9	352.7
Other receivables	71.8	62.6
Cash and cash equivalents	137.3	88.1
Current assets total	938.3	893.1

ASSETS TOTAL	**1,500.1**	**1,316.2**
EQUITY AND LIABILITIES		
Equity of the parent company shareholders		
Share capital	36.2	36.2
Hedging reserve	-0.2	-0.7
Contingency fund	19.4	25.5
Other reserves	1.2	1.2
Other equity	221.5	248.4
Equity total	278.1	310.5
Non-current liabilities		
Deferred tax liabilities	17.7	14.1
Pension obligations	7.6	9.7
Borrowings	176.2	0.4
Other non-current liabilities	0.3	1.0
Non-current liabilities total	201.7	25.2
Current liabilities		
Trade payables	834.9	851.3
Provisions	3.0	-
Borrowings	142.6	94.3
Other current liabilities	39.8	34.9
Current liabilities total	1,020.3	980.5
EQUITY AND LIABILITIES TOTAL	**1,500.1**	**1,316.2**

*) Revised standard IAS 19 Employyee benefits has been applied as of 1 January 2013

Consolidated Statement of Changes in Equity (IFRS)

	Equity of the parent company shareholders				
EUR million	**Share capital**	**Funds**	**Trans-lation diffe-rences**	**Re-tained earn-ings**	**Equity total**
Equity 31 Dec 2011	**36.2**	**31.2**	**-7.2**	**239.1**	**299.3**
Change in accounting policy (IAS19)	**-**	**-**	**-**	**-4.8**	**-4.8**

Equity, revised*					
1 Jan 2012	**36.2**	**31.2**	**-7.2**	**234.3**	**294.5**
Comprehensive income for the period					
Net profit for the period	-	-	-	16.4	16.4
Other comprehensive income:					
Cash flow hedge	-	-0.9	-	-	-0.9
Actuarial gains and losses	-	-	-	1.6	1.6
Income tax relating to other comprehensive income	-	0.2	-0.4	-0.4	-0.6
Translation difference	-	-	11.4	-	11.4
Comprehensive income for the period total	-	-0.7	11.0	17.6	27.9
Owners related transactions					
Dividends paid and return of equity	-	-4.5	-	-7.6	-12.1
Share-based payments	-	-	-	0.2	0.2
Owners related transactions total	-	-4.5	-	-7.3	-11.9
Equity					
31 Dec 2012	**36.2**	**26.0**	**3.8**	**244.5**	**310.5**

Equity					
31 Dec 2012	**36.2**	**26.0**	**3.9**	**248.9**	**314.9**
Change in accounting policy (IAS19)	-	-	-0.0	-4.3	-4.4
Equity, revised*					
1 Jan 2013	**36.2**	**26.0**	**3.8**	**244.5**	**310.5**
Comprehensive income for the period					
Net profit for the period	-	-	-	5.8	5.8
Other comprehensive income:					
Cash flow hedge	-	0.8	-	-	0.8
Actuarial gains and losses	-	-	-	5.9	5.9
Income tax relating to other comprehensive income	-	-0.3	0.6	-1.3	-1.0
Translation difference	-	0.0	-29.7	-	-29.7
Comprehensive income for the period total	-	0.5	-29.1	10.4	-18.3
Owners related transactions					
Dividends paid and return of equity	-	-6.0	-	-7.6	-13.6
Share-based incentive		-	-	0.2	0.2
Purchase of own shares	-	-	-	-0.7	-0.7
Owners related transactions total	-	-6.0	-	-8.1	-14.2
Equity					
31 Dec 2013	**36.2**	**20.4**	**-25.3**	**246.8**	**278.1**

*) Revised standard IAS 19 Employyee benefits has been applied as of 1 January 2013

Comprised Consolidated Cash Flow Statement (IFRS), EUR million	**1-12 2013**	**1-12 2012**
Operating profit	21.0	25.8
Depreciation	25.7	18.8
Change in working capital	3.5	23.1
Cash flow from financial items and taxes	-13.8	-20.3
Other adjustments	-6.7	-1.2
Net cash flow from operating activities	29.8	46.1
Net cash flow from investing activities	-97.8	-34.9
Net cash flow from financing activities	118.4	-77.3
Net change in cash and cash equivalents	50.4	-66.2
Cash and cash equivalents at the beginning of the period	88.1	153.8
Foreign exchange rate differences	-1.2	0.4
Net change in cash and cash equivalents	50.4	-66.2
Cash and cash equivalents at the end of the period	137.3	88.1

Notes

Principal accounting policies as of 1 January 2013 (IFRS)

This interim report has been prepared in accordance with IFRS standards (IAS 34).
The accounting policies and calculation methods applied in the interim report are the same as those in the 31 December 2012 annual financial statements, excluding the standards and interpretation applied as of 1 January 2013 and presented below. However, the interim report does not include all of the information and notes present in the annual financial statements. Consequently, the interim report should be read with the company's financial statements for 2012. The accounting policies of the 2012 and 2013 financial years are comparable. The company has not discontinued any operations in 2012 or 2013 that it should report.

The same principles of calculation have been used for the indicators in this interim report as for those of the annual financial statements.

The figures in the interim report have been rounded independently.

New amendments that have been applied since 1 January 2013:

- Amendment to the standard IAS1 Presentation of Financial Statements (effective in financial years beginning on or after 1 January 2013).
- Amendment to the standard IAS 19R (revised) Employee Benefits (effective in financial years beginning on or after 1 January 2013).
- IFRS 13 Fair Value Measurement (effective in financial years beginning on or after 1 January 2013).

The impact of the amendment of standard IAS 19 Employee benefits on the consolidated result has been itemised below. The amendments of the other new standards referred to above have had minor impact on the Group.

Two new indicators have been introduced in the second quarter of 2013: EBITDA excluding non-recurring items and EBITDA. EBITDA excluding non-recurring items is calculated as follows: operating profit excluding non-recurring items plus depreciation and impairment excluding non-recurring items. EBITDA is calculated as follows: operating profit plus depreciation and impairment. The quarterly indicator for return on investment (ROI) and return on equity (ROE) is annualised as follows: ((1+quarterly earnings)^4)-1).

The figures in this interim report are unaudited.

Amendment of the IAS 19 standard Employee benefits

The Oriola-KD Group has applied the standard IAS 19 Employee benefits as of 1 January 2013. The amendment impacts the Oriola-KD Group's pension costs and result and the pension assets and obligations and equity on the balance sheet. As a consequence of the amendment, the 2012 consolidated profit and loss account and balance sheet have been updated as required by the revised standard.

The key amendments of the standards IAS 19R (revised) Employee benefits are that all actuarial gains and losses must be recognised immediately in other comprehensive income and that expected yield from assets no longer depends on investment distribution. The discount rate used in the calculation of pension debt is used as the expected yield of investments. The corridor method will no longer be used and financing expenditure will be the sum of net interest rates. The net interest rate is the difference between the interest rate costs of pension debt and the interest rate income from assets. Despite the amendment, the Group has decided to recognise the sum of net interest rate in personnel expenses.

With the implementation of the revised standard IAS 19 Employee benefits, the Oriola-KD Group's operating profit excluding non-recurring items, operating profit and profit for the financial year 2012 and, on the balance sheet, the pension assets and equity are smaller and pension obligation is larger than when calculated in accordance with the standard in force up to 31 December 2012. The impact of the implementation on consolidated operating profit excluding non-recurring items and operating profit for 2012 is EUR 1.0 million. The impact on Group equity on the 2012 opening balance sheet is EUR -4.8 million and EUR -4.4 million on the 31 December 2012 balance sheet due to the recognition of actuarial gains and losses and their tax effect on equity on the consolidated balance sheet. The following tables present a summary of the key figures following the amendment of the accounting policy.

EUR million	**1-3 2012**	**1-6 2012**	**1-9 2012**	**1-12 2012**
Operating profit excluding non-recurring items	5.2	9.2	16.4	26.8
Operating profit	5.2	9.2	15.3	25.8
Profit before taxes	2.5	4.5	8.4	20.5
Profit for the period	1.3	2.8	5.0	16.4
Comprehensive profit for the period	15.5	6.6	17.8	27.9

Earnings per share to shareholders of the parent company on the profit for the period, EUR				
Diluted, EUR	0.01	0.02	0.03	0.11
Adjusted for the dilution effect, EUR	0.01	0.02	0.03	0.11

EUR million	1-3 2012	4-6 2012	7-9 2012	10-12 2012	1-12 2012
Operating profit excluding non-recurring items	5.2	4.0	7.2	10.5	26.8
Operating profit	5.2	4.0	6.2	10.5	25.8
Profit before taxes	2.5	2.0	4.0	12.0	20.5
Profit for the period	1.3	1.5	2.1	11.4	16.4
Comprehensive profit for the period	15.5	-8.8	11.2	10.1	27.9
Earnings per share for shareholders of the parent company on the profit for the period, EUR					
Diluted, EUR	0.01	0.01	0.01	0.08	0.11
Adjusted for the dilution effect, EUR	0.01	0.01	0.01	0.08	0.11

EUR million	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Non-current pension assets	4.3	4.1	3.8	6.6
Non-current pension obligations	7.8	7.9	8.3	9.7
Equity of the parent company's shareholders	297.9	289.2	300.4	310.5

Change in Property, Plant and Equipment, EUR million	1-12 2013	1-12 2012
Carrying amount at the beginning of the period	81.4	74.0
Increases through acquisitions of subsidiary shares	8.0	-
Increases	22.4	16.6
Decreases	-1.4	-0.5
Depreciation	-14.8	-11.1
Foreign exchange rate differences	-2.4	2.4
Carrying amount at the end of the period	93.2	81.4

Derivatives, Commitments and Contingent Liabilities

31 Dec 2013

EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	-0.3	45.2
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.8	-	159.3

31 Dec 2012 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	-1.0	46.6
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	3.2	-	139.3
Interest rate swaps	-	-0.0	116.5

Derivatives measured at fair value through profit and loss are mainly related to hedging of the Group's internal transactions. Fair values of the derivatives have been booked to balance sheet in gross amount as the derivatives contracts are related to credit events and cannot be netted in financial statements. The Group has not given nor received collateral to/from derivatives counterparties.

Fair value hierarchy

EUR million 31 Dec 2013	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	1.1	-	1.1
Liabilities				
Derivatives designated as hedges	-	0.3	-	0.3
Derivatives measured at fair value through profit and loss	-	0.4	-	0.4
Contingent consideration	-	-	14.6	14.6

EUR million 31 Dec 2012	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	3.2	-	3.2
Liabilities				
Derivatives designated as hedges	-	1.0	-	1.0
Derivatives measured at fair value through profit and loss	-	0.1	-	0.1

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Reconciliation of financial liabilities recognised at fair value through profit and loss according to the level 3 in the year 2013

EUR million	
Carrying amount 31 Dec 2012	-
Bookings from contingent consideration	14.1
Bookings to financial expenses	0.5
Carrying amount 31 Dec 2013	**14.6**

Financial liabilities recognised at fair value through profit and loss (level 3) include estimated discounted fair value of a contingent consideration related to the Medstop acquisition. Payment of the contingent consideration will be based on 2015 EBITDA of Oriola-KD's combined Swedish retail businesses and will be paid in first quarter of 2016. The fair value of the contingent consideration has been calculated using discounted cash flow method. The discount rate used in the valuation is determined using the weighted average cost of capital of the Group.

Contingencies for Own Liabilities

EUR million	31 Dec 2013	31 Dec 2012
Guarantees given	21.3	21.4
Mortgages on land and buildings	-	2.0
Mortgages on company assets	2.4	2.4
Other guarantees and liabilities	0.9	0.8
Total	24.6	26.7
Leasing liabilities (operating liabilities)	2.6	2.8
Rent liabilities	77.0	66.9

The most significant guarantees are bank guarantees against trade payables in wholesale companies in Russia and Sweden. In addition, Oriola-KD Corporation has granted parent company guarantees of EUR 26.4 (14.2) million against subsidiaries' trade payables and EUR 153.6 million against Oriola-KD Holding Sverige AB’s external loan.

Provisions

On 31 December 2013 Oriola-KD had restructuring provisions totalling EUR 3,0 (0.0) million related to restructuring costs incurred by the Swedish wholesale business in connection with the integration and efficiency programme of the Medstop acquisition.

Related parties

Related parties in the Oriola-KD Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola-KD Corporation, the other members of the Group Management Team of the Oriola-KD Group, the immediate family of the aforementioned persons, the companies controlled by the aforementioned persons, and the Oriola Pension Fund. The Group has no significant business transactions with related parties, except for pension expenses arising from defined benefit plans with the Oriola Pension Fund.

Number of personnel	1-12 2013	1-12 2012
Average number of personnel	5,135	4,818
Number of personnel at the end of the period	5,256	4,856

SEGMENT INFORMATION

Net Sales, EUR million	1-12 2013	1-12 2012
Pharmaceutical Trade Finland and Baltics	425.3	460.5
Pharmaceutical Trade Sweden	1,194.4	1,061.3
Pharmaceutical Trade Russia	978.8	952.7
Net sales to other segments	-0.0	-0.0
Group total	2,598.5	2,474.4

Operating Profit, EUR million	1-12 2013	1-12 2012
Pharmaceutical Trade Finland and Baltics	20.9	20.8
Pharmaceutical Trade Sweden	18.4	15.1
Pharmaceutical Trade Russia	-8.3	-2.3
Group Administration and Others	-10.0	-7.8
Group total	21.0	25.8

Operating Profit excl. Non-recurring items, EUR million	1-12 2013	1-12 2012
Pharmaceutical Trade Finland and Baltics	20.9	20.8
Pharmaceutical Trade Sweden	26.1	16.2
Pharmaceutical Trade Russia	-8.0	-2.3
Group Administration and Others	-10.0	-7.8
Operating Profit excl. Non recurring items	29.0	26.8
Non-recurring items *	-8.0	-1.1
Group total	21.0	25.8

*) Pharmaceutical Trade Sweden restructuring expenses EUR -1.7 million and Pharmaceutical Trade Russia restructuring expenses EUR -0,3 million in Q4/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -2,0 million in Q3/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -0,8 million and a write-off of contract-based accrual EUR -3.2 million in Q2/2013 and a receivable write-off EUR -1.1 million in Q3/2012.

Quarterly Net Sales, EUR million	Q4/ 2013	Q3/ 2013	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012
Pharmaceutical Trade Finland and Baltics	109.4	96.0	112.5	107.5	118.3	108.7	116.6	116.8
Pharmaceutical Trade Sweden	300.5	315.7	304.5	273.7	292.4	254.1	255.9	258.9
Pharmaceutical Trade Russia	269.8	242.7	235.2	231.1	296.9	223.3	217.3	215.2
Net sales to other segments	0.0	0.0	0.0	0.0	0.2	0.0	-0.1	0.0
Group total	679.6	654.4	652.1	612.3	707.8	586.1	589.7	590.8

Quarterly Operating Profit, EUR million	Q4/ 2013	Q3/ 2013	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012
Pharmaceutical Trade Finland and Baltics	4.8	5.7	5.7	4.8	5.2	6.1	4.8	4.6
Pharmaceutical Trade Sweden	6.7	6.6	1.3	3.8	4.6	3.7	3.4	3.4
Pharmaceutical Trade Russia	0.5	-1.9	-3.4	-3.6	3.1	-2.0	-2.2	-1.1
Group Administration and Others	-1.6	-1.8	-4.0	-2.6	-2.4	-1.6	-2.0	-1.8
Group total	10.4	8.6	-0.3	2.3	10.5	6.2	4.0	5.2

Quarterly Operating Profit, excl. Non-recurring items, EUR million	Q4/ 2013	Q3/ 2013	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012
Pharmaceutical Trade Finland and Baltics	4.8	5.7	5.7	4.8	5.2	6.1	4.8	4.6
Pharmaceutical Trade Sweden	8.4	8.6	5.4	3.8	4.6	4.8	3.4	3.4
Pharmaceutical Trade Russia	0.8	-1.9	-3.4	-3.6	3.1	-2.0	-2.2	-1.1
Group Administration and Others	-1.6	-1.8	-4.0	-2.6	-2.4	-1.6	-2.0	-1.8
Group total excl. Non-recurring items	12.4	10.6	3.7	2.3	10.5	7.2	4.0	5.2
Non-recurring items *	-2.0	-2.0	-4.0	-	-	-1.1	-	-
Group total	10.4	8.6	-0.3	2.3	10.5	6.2	4.0	5.2

*) Pharmaceutical Trade Sweden restructuring expenses EUR -1.7 million and Pharmaceutical Trade Russia restructuring expenses EUR -0,3 million in Q4/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -2,0 million in Q3/2013, Pharmaceutical Trade Sweden restructuring expenses EUR -0,8 million and a write-off of contract-based accrual EUR -3.2 million in Q2/2013 and a receivable write-off EUR -1.1 million in Q3/2012.

Net Sales by Market, EUR million	1-12 2013	1-12 2012
Finland	382.9	422.4
Sweden	1135.0	1028.8
Russia	978.8	952.7
Baltic countries	38.8	34.6
Other countries	63.0	35.9
Group total	2,598.5	2,474.4

Quarterly Net Sales by Market, EUR million	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Finland	98.2	85.3	102.5	96.8	107.8	99.7	107.6	107.4
Sweden	283.0	303.5	289.5	259.0	282.6	244.7	249.3	252.2
Russia	269.8	242.7	235.2	231.1	296.9	223.3	217.3	215.2
Baltic countries	10.0	9.1	9.6	10.0	9.4	8.6	8.1	8.4
Other countries	18.7	13.7	15.3	15.4	11.0	10.0	7.4	7.5

Group total	679.6	654.4	652.1	612.3	707.8	586.1	589.7	590.8

ACQUIRED BUSINESSES 2013

Medstop pharmacy chain

Oriola-KD acquired the entire capital stock of Medstop Group Holding AB, Sweden's fifth biggest pharmacy chain, on 3 June 2013. The Medstop pharmacy chain had a total of 67 pharmacies located in shopping centres and city centre locations in Stockholm, Gothenburg and Malmö. The business operations of the pharmacy chain acquired by Oriola-KD only involve pharmaceutical retail business and they are reported in the Pharmaceutical Trade Sweden segment.

The acquisition cost calculation is based on the company's preliminary balance sheet on 31 May 2013, the essential parts of which have prepared in accordance with the IFRS's accounting principles.
The acquisition has been entered in the books on a preliminary basis, as permitted under IFRS 3R (revised). Oriola-KD will make the necessary adjustments to these preliminary assessments during the 12 months following the acquisition date.

The preliminary booked goodwill of EUR 129.9 million is the value of Medstop's experienced personnel, synergy benefits that can be achieved in purchasing operations, storage and pharmacy distribution and growth expectations. The goodwill entered in the books is not tax-deductible.

The original acquisition cost calculation made in Swedish krona (SEK) has been converted into euros on the basis of the exchange rate of 31 May 2013. The results and balance sheet of Medstop have been consolidated into Oriola-KD as of 1 June 2013.

The table below provides a summary of the consideration paid for the pharmacy chain and the fair values of the assets and liabilities entered in the books on the acquisition date.

AQUISITIONS 2013

Aquisition cost, EUR million	
Cash	79.2
Contingent liability	14.5
Total aquisition cost	**93.7**

Recognized amounts of identifiable assets aquired and liabilities assumed, EUR million	**Fair value**
Property,plant and equipment	7.4
Intangible assets	28.0
Deferred tax assets	3.9
Inventories	18.3
Trade and other receivables	18.4
Cash and cash equivalents	8.9
Assets total	**85.0**
Deferred tax liabilities	6.2
Trade payables and other current liabilities	30.3
Provisions	0.9

Borrowings	83.8
Liabilities total	**121.1**
Total identifiable net assets	**-36.1**
Goodwill	**129.9**
Total	**93.7**

EUR 1.7 million in acquisition-related costs are included in administrative expenses in the 2013 consolidated income statement.

The contingent consideration will be paid in the first quarter of 2016. Payment of the contingent consideration is based on the estimate on Oriola-KD's combined Swedish retail businesses 2015 EBITDA made by the management.

The contingent consideration has been booked in the balance sheet as financial liability recognised at fair value through profit and loss and the fair value of the contingent consideration has been calculated using discounted cash flow method. The discount rate used in the valuation is determined using the weighted average cost of capital of the Group.

The estimated net sales of the Group in the period 1 January—31 December 2013 would have been EUR 2,707.4 (reported 2,598.5) million and the operating profit EUR 25.7 (reported 21.0) million if the acquisition had been made at the start of 2013.

The impact of the acquired business on the Group's net sales in the period 1 June-31 December 2013 is EUR 144.4 million and on the operating profit EUR -4,8 million.

The following tables include certain illustrative unaudited financial information of Oriola-KD Corporation and Pharmaceutical Trade Sweden assuming that the acquisition had taken place 1 January, 2012.

The unaudited illustrative financial information have been derived from the audited Oriola-KD Corporation and Medstop Group Holding AB financial statements for the period 1 January—31 December 2012 and from the Oriola-KD Corporation interim report 1 January—31 December 2013 and from Medstop Group Holding AB unaudited financial information for the five month period ending 30 May 2013.

Income Statement, EUR million	**Pharmaceutical Trade Sweden excluding Medstop, revised ***		**Medstop Group Holding AB**		**Adjustments to acquisition**		**Pharmaceutical Trade Sweden including Medstop**	
	1-12 2013	**1-12 2012**	**1-12 2013**	**1-12 2012**	**1-12 2013**	**1-12 2012**	**1-12 2013**	**1-12 2012**
Net sales	1,050.0	1,061.3	253.3	260.2	-	-	1,303.3	1,321.5
EBITDA excluding non-recurring items	36.5	26.4	10.4	11.3	2.3	-2.3	49.2	35.4
Operating Profit excluding non-recurring items	30.9	16.2	-0.8	8.4	1.5	-4.1	31.7	20.5

Operating Profit	23.2	15.2	-1.6	7.2	1.5	-4.1	23.1	18.4

Income Statement, EUR million	**Oriola-KD Group excluding Medstop, revised ***		**Medstop Group Holding AB**		**Adjustments to acquisition**		**Oriola-KD Group including Medstop**	
	1-12 2013	**1-12 2012**	**1-12 2013**	**1-12 2012**	**1-12 2013**	**1-12 2012**	**1-12 2013**	**1-12 2012**
Net sales	2,454.0	2,474.4	253.3	260.2	-	0.0	2,707.4	2,734.6
EBITDA excluding non-recurring items	48.2	45.6	10.4	11.3	2.3	-2.3	60.8	54.6
Operating Profit excluding non-recurring items	33.8	26.8	-0.8	8.4	1.5	-4.1	34.5	31.1
Operating Profit	25.8	25.8	-1.6	7.2	1.5	-4.1	25.7	29.0

*) Revised standard IAS 19 Employyee benefits has been applied as of 1 January 2013

Adjustments to acquisition include the additional depreciation charge relating to the fair value adjustments of identifiable assets acquired as well as the realisation of inventory fair value step-up in one month following the period of acquisition. In addition, acquisition related costs have been considered in the adjustments.

Espoo 6 February 2014

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