

## Oriola-KD Corporation Stock Exchange Release 22 April 2016 at 8.30 a.m.

### Oriola-KD Corporation's Interim Report for 1 January–31 March 2016

#### Financial performance January–March 2016

- Invoicing, indicating volume of the business, increased by 5.2 (7.9) per cent to EUR 834.4 (793.3) million
- Net sales decreased by 2.4 (increased by 3.0) per cent to EUR 401.3 (411.3) million
- Net sales at comparable exchange rate was EUR 399.6 million
- Adjusted EBITDA increased by 7.6 (decreased by 0.7) per cent to EUR 20.1 (18.7) million
- Adjusted operating profit was EUR 13.9 (13.1) million
- Adjusted operating profit at comparable exchange rate was EUR 13.9 million
- Profit for the period totalled EUR 10.1 (7.4) million and earnings per share were EUR 0.06 (0.05)

Key figures EUR million	2016 1-3	2015 1-3 <sup>1)</sup>	Change %	2015 1-12
<b>Continued operations</b>				
Invoicing	834.4	793.3	5.2	3,262.2
Net sales	401.3	411.3	-2.4	1,626.3
Adjusted EBITDA <sup>2)</sup>	20.1	18.7	7.6	83.4
EBITDA	20.1	17.3	16.2	85.1
Adjusted operating profit <sup>2)</sup>	13.9	13.1	6.2	60.8
Operating profit	13.9	11.7	18.8	62.6
Adjusted operating profit %	3.5	3.2		3.7
Operating profit %	3.5	2.9		3.8
Profit for the period	10.1	7.4	35.4	44.5
Earnings per share, EUR	0.06	0.05	22.3	0.25
Net cash flow from operating activities	-26.8	13.3		85.6
Return on equity (ROE), %	23.2	24.2		29.1
Gearing, %	28.2	41.7		3.4

<sup>1)</sup> Equity-related key figures restated as a result of correction of an error relating to previous financial periods. Correction was made in 2015 Financial Statements.

<sup>2)</sup> Adjustments to EBITDA and operating profit exclude gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events and, changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

#### Outlook for 2016

Oriola-KD estimates its full-year net sales to remain at the 2015 level on constant currency basis. Adjusted operating profit is estimated to remain at 2015 level or to increase, on a constant currency basis. Full-year net sales in 2015 were EUR 1,626.3 million and adjusted operating profit was EUR 60.8 million.

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

The markets both in Finland and Sweden grew at healthy pace. In Consumer business our growth continued to be slightly below market, but the sales mix developed favorably supporting the profitability despite the costs related to new pharmacy openings in Sweden and start-up costs in Finland. Services performed well helped by volume growth and efficiency improvement. In Healthcare the Svensk Dos acquisition was successfully closed and integration started according to the plan. In general, the year started with a solid performance across the board.

## Oriola-KD Corporation's interim report 1 January–31 March 2016

The commentary of this interim report focuses on the January-March 2016 result. A comparison in accordance with the International Financial Reporting Standards (IFRS) has been carried out on the figures for the corresponding period in 2015, unless otherwise stated. The figures in this interim report are unaudited. The figures in the tables have been rounded independently.

<b>Key Figures</b>	<b>2016 1-3</b>	<b>2015 1-3 <sup>1)</sup></b>	<b>2015 1-12</b>
Goodwill, EUR million	269.9	253.7	256.5
Equity, EUR million	180.9	150.6	194.6
Interest-bearing debt, EUR million	146.6	199.9	128.6
Net interest-bearing debt, EUR million	50.9	62.7	6.6
Total assets, EUR million	950.5	961.6	946.9
Equity ratio, %	19.6	16.0	21.1
Return on equity (ROE), %	23.2	24.7	29.1
Return on capital employed (ROCE), %	18.3	15.1	19.9
Gearing, %	28.2	41.7	3.4
Net debt / 12-month EBITDA	0.6	0.7	0.1
Equity per share, EUR	1.00	0.83	1.07
Earnings per share, continuing operations, EUR	0.06	0.05	0.25
Earnings per share, incl. discontinued operations, EUR	0.06	0.04	0.25
Average number of shares, 1000 pcs <sup>2)</sup>	181,362	158,504	177,502
Average number of personnel	2,404	2,301	2,327
Number of personnel at the end of the period	2,425	2,256	2,353
Gross investments, EUR million	25.6	3.4	20.4

<sup>1)</sup> Equity-related key figures restated as a result of correction of an error relating to previous financial periods. Correction was made in 2015 Financial Statements.

<sup>2)</sup> Treasury shares held by the company not included

## Changes in the Group Structure in January–March 2016

Oriola-KD completed the acquisition of the Swedish dose dispensing company Svensk Dos AB on 8 February 2016. Svensk Dos is reported as part of Oriola-KD Healthcare Business.

## The Group's net sales and result for January–March 2016

Oriola-KD's net sales decreased by 2.4 (increased by 3.0) per cent to EUR 401.3 (411.3) million and adjusted operating profit increased by 6.2 (decreased 2.5) per cent to EUR 13.9 (13.1) million. Operating profit was EUR 13.9 (11.7) million. January-March net sales at comparable exchange rate EUR/SEK was EUR 399.6 million.

The decrease in net sales was due to changes in volumes between ownership and consignment stock, the volume of the business (measured by invoicing) as whole increased by 5.2 per cent. Profitability was supported by positive margin development, whereas the operative and amortization costs increased due to new businesses and pharmacies.

The appreciation of the Swedish krona from the corresponding period positively affected the euro denominated operating profit by approximately EUR 0.1 million. In the comparative period the depreciation of the Swedish krona negatively affected the euro denominated operating profit by approximately EUR 0.6 million.

Profit after financial items was EUR 12.9 (9.8) million and profit for the period was EUR 10.1 (7.4) million. Oriola-KD's net financial expenses were EUR 1.0 (2.0) million. Income taxes were 2.8 (2.3) which corresponds to effective tax rate of 22.0 (23.8) per cent. Earnings per share were EUR 0.06 (0.05).

### Reportable segments

Oriola-KD's reportable segments as of 1 January 2016 are Consumer, Services and Healthcare.

#### Consumer

The Consumer segment focuses on the needs of the consumers' for health and wellbeing related products and services. The business consists of retail business in Sweden, Finland and Latvia, whereof over 90 per cent of the net sales originates from the Swedish retail business.

<b>Key Figures</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>2015</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>%</b>	<b>1-12</b>
Invoicing	203.9	196.9	3.6	794.4
Net Sales	199.2	192.8	3.3	777.1
Adjusted operating profit	7.7	7.6	0.9	33.7
Operating profit	7.7	7.6	0.9	33.7
Adjusted operating profit %	3.9	3.9		4.3
Operating profit %	3.9	3.9		4.3
Number of personnel at the end of period	1,616	1,515		1,574

### January–March 2016

The pharmaceutical retail market in Sweden grew by 5.2 (9.6) per cent in Swedish krona (source: Apoteksförening) in January–March 2016. Parallel imports' share of the Swedish pharmaceutical market was approximately 10.5 (10.9) per cent (source: IMS Health). Based on Oriola-KD's estimate the number of pharmacies in Sweden increased by 14 pharmacies in the first quarter, at the end of March there were 1,372 pharmacies in Sweden.

Oriola-KD's market share of the pharmaceutical retail market in Sweden in January–March 2016 was 18 (19) per cent (source: Apoteksförening). At the end of the reporting period, Oriola-KD had a total of 314 (306) pharmacies of which 312 (304) were in Sweden and 2 (2) were in Latvia. Oriola-KD established three new pharmacies, and agreed to take over two pharmacies from Apotek Hjärtat in January-March 2016. The take-over is estimated to be completed during the second quarter of 2016. In Sweden and Latvia, Oriola-KD has internet pharmacies and in Finland the webshop Oriolashop.fi selling traded goods to healthcare professionals.

The relative share of OTC and traded goods from the net sales was 27.0 (25.7) per cent in the Swedish consumer business. The net sales increased by 3.3 (0.7) per cent to EUR 199.2 (192.8) million, and on a constant currency basis, net sales increased by 2.8 (6.4) per cent. Adjusted EBITDA was EUR 12.0 (11.7) million and EBITDA was EUR 12.0 (11.7) million. Adjusted operating profit increased by 0.9 (3.8) per cent to EUR 7.7 (7.6) million. On a constant currency basis adjusted operating profit increased by 0.4 (10.0) per cent. Operating profit increased by 0.9 (13.3) per cent to EUR 7.7 (7.6) million.

Majority of the growth in Oriola-KD's Consumer business in Sweden came from OTC medicines and traded goods, which also supported the profitability. The costs increased from comparison period due to establishment of new pharmacies.

## Services

The Services segment offers tailored services to pharmaceutical companies and pharmacies in Sweden, Finland and in the Baltic countries. In addition Oriola-KD Services offers sales and marketing services of large assortment of traded goods in Finland and in the Baltic countries.

<b>Key Figures</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>2015</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>%</b>	<b>1-12</b>
Invoicing	717.5	679.7	5.6	2,802.0
Net Sales	289.1	301.7	-4.2	1,183.4
Adjusted operating profit	8.5	7.1	19.6	33.2
Operating profit	8.5	6.2	36.6	32.2
Adjusted operating profit %	2.9	2.3		2.8
Operating profit %	2.9	2.1		2.7
Number of personnel at the end of period	715	705		745

## January–March 2016

The pharmaceutical market at wholesale prices in Sweden grew by 3.8 (10.3) per cent in Swedish krona (source: IMS Health) in January–March 2016. Oriola-KD's share of the Swedish pharmaceutical wholesale market was approximately 40 (39) per cent (Oriola-KD estimate).

The Finnish pharmaceutical market at wholesale prices grew by 2.4 (1.6) per cent in January – March 2016 (source: IMS Express). Oriola-KD's share of the Finnish pharmaceutical wholesale market was 46 (46) per cent (source: ATY).

Oriola-KD's invoicing increased from the previous year by 5.6 (8.9) per cent to EUR 717.5 (679.7) million. On a constant currency basis invoicing increased by 5.2 (12.8) per cent. The net sales decreased by 4.2 (increased by 3.5) per cent to EUR 289.1 (301.7) million, and on a constant currency basis, net sales decreased by 4.6 (increased 7.6) per cent. Adjusted EBITDA was EUR 9.9 (8.5) million and EBITDA was EUR 9.9 (7.6) million. Adjusted operating profit increased by 19.6 (decreased 7.2) per cent to EUR 8.5 (7.1) million. On a constant currency basis adjusted operating profit increased by 19.3 (decreased by 5.3) per cent. Operating profit increased by 36.6 (decreased 18.7) per cent to EUR 8.5 (6.2) million.

The profitability of Oriola-KD Services improved through increased margin in services as well as lower operating costs. In Finland cooperative negotiations were started regarding plan to close company's Oulu distribution center. The negotiations concern 18 employees. In Sweden a new long-term cooperation agreement with pharmaceutical company Shire Sweden AB was signed.

## Healthcare

The Healthcare segment offers services to hospitals, healthcare centres and other healthcare sector operators. The business participates in large tenders covering e.g. pharmaceutical delivery and dispensing services in Sweden.

<b>Key Figures</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>2015</b>
--------------------	-------------	-------------	---------------	-------------

EUR million	1-3	1-3	%	1-12
Invoicing	5.0	-	-	-
Net Sales	5.0	-	-	-
Adjusted operating profit	-0.6	-	-	-
Operating profit	-0.6	-	-	-
Adjusted operating profit %	-11.7	-	-	-
Operating profit %	-11.7	-	-	-
Number of personnel at the end of period	55	-	-	-

The net sales of Healthcare business were EUR 5.0 (-) million in the first quarter. Adjusted EBITDA was EUR -0.1 (-) million and EBITDA was EUR -0.1 (-) million. Adjusted operating profit was EUR -0.6 (-) million and operating profit was EUR -0.6 (-) million. Amortization related to acquisition of Svensk Dos affected Healthcare operating profit by EUR -0.3 million in the first quarter of 2016; the whole year amortization is estimated to be EUR 1.5 million.

Oriola-KD's Healthcare business started operation as of Jan 1, 2016. Svensk Dos AB acquisition was completed on Feb 8, 2016. Svensk Dos managed to successfully renew the contract for dose dispensing in the region Skåne. The Sjuklövern tender process was ruled as non-compliant with legal requirements. The decision has been appealed to the Supreme Administrative Court by the Sjuklövern county councils. Oriola-KD has been awarded a contract for hospital services for Dalarna county council. Contract is currently under appeal. Healthcare digital platform for veterinarians was successfully launched in Sweden and first deliveries were made.

#### Adjusting items to EBITDA and Operating Profit

Adjusting items include gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events and, changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

Adjusting items included in Operating Profit	2016	2015	2015
EUR million	1-3	1-3	1-12
Services			
Restructuring costs	-	-0.9	-0.9
Group items			
Restructuring costs	-	-0.5	-0.5
Revaluation of contingent consideration	-	-	3.4
Service award arrangement	-	-	-0.3
Pensions	-	-	-0.3
Other	-	-	-0.1
<b>Total</b>	<b>-</b>	<b>-1.4</b>	<b>1.8</b>

Adjusting items reported in the first quarter of 2015 relate to restructuring charges in the Services segment and in the Group.

#### Balance sheet, financing and cash flow

Oriola-KD's total assets at 31 March 2016 were EUR 950.5 (961.6) million. Cash and cash equivalents totalled EUR 95.6 (137.1) million and equity was EUR 180.9 (150.6) million. The equity ratio was 19.6 (16.0) per cent and gearing was 28.2 (41.7) per cent. The comparative information includes an expense of EUR 0.1 million from discontinued operations.

Oriola-KD has EUR 176 million long-term revolving credit facility and term loan agreement. The financing agreement consists of EUR 100 million revolving credit facility and Swedish Krona denominated

approximately EUR 76 million amortized term loan agreement. Revolving credit facility and term loan agreements will mature in May 2018.

Oriola-KD's goodwill of EUR 269.9 (253.7) million has been allocated in impairment testing to the cash-generating units. In Oriola-KD goodwill is tested annually, in accordance with the timetable of its strategy and planning process. At the end of March 2016, EUR 229.6 (228.0) million of the goodwill was allocated to the Consumer segment, EUR 26.0 (25.7) million to the Services segment and EUR 14.3 (-) million to the Healthcare segment.

At the end of March 2016, interest-bearing debt was EUR 146.6 (199.9) million of which syndicated bank loans totalled EUR 75.9 (83.1) million, commercial papers EUR 40.0 (32.8) million, advance payments from pharmacies EUR 26.0 (23.0) million, and finance lease liabilities EUR 4.1 (4.2) million. Long-term interest bearing-liabilities were EUR 67.2 (79.3) million and short-term interest-bearing liabilities were EUR 79.4 (120.6) million. Interest-bearing net debt was EUR 50.9 (62.7) million. The non-recourse trade receivables sales programmes were continued in Sweden in the first quarter. At the end of March 2016, a total of EUR 115.5 (106.4) million in trade receivables had been sold. Including the sold trade receivables, the adjusted gearing was 92 (112) per cent. Oriola-KD's long term revolving credit facility and term loan agreement include financial covenants that are based on the Net Debt to EBITDA –ratio and on Gearing.

Oriola-KD's has committed long-term revolving credit facility of EUR 100.0 million and EUR 35.4 million of short-term credit limit with the banks. Of such limits EUR 0.7 million was used at the end of the reporting period.

Net cash flow from operations in the first quarter was EUR -26.8 (13.3) million, of which changes in net working capital accounted for EUR -46.0 (-0.5) million. Net cash flow from investing activities was EUR -16.2 (-3.9) million. Net cash flow from financing activities was EUR 16.6 (36.2) million.

## **Investments**

Gross investments in the first quarter of 2016 totalled EUR 25.6 (3.4) million and consisted of the acquisition of Svensk Dos and investments related to the opening of new pharmacies, information systems and improvements in logistics efficiency.

## **Personnel**

At the end of March 2016, Oriola-KD had a payroll of 2,425 (2,256) employees, 67 (67) per cent of whom worked in the Consumer segment, 29 (31) per cent in Services segment, and 2 (-) in Healthcare segment. The group administration employed 2 (2) percent of the total number of employees. Personnel numbers consist of members of staff in active employment.

## **Administration**

Oriola-KD's Group Management Team:

- Eero Hautaniemi, President and CEO
- Sari Aitokallio, CFO
- Thomas Gawell, Vice President, Healthcare Business
- Jukka Mäkelä, Vice President, Development
- Teija Silver, Vice President, HR
- Stig Tornell, Vice President, Consumer Business (from 12.4.2016)
- Kimmo Virtanen, Executive Vice President, Services Business
  
- Lars Birkeland, Vice President, Consumer Business (until 12.4.2016)

Oriola-KD applies the Finnish Corporate Governance Code which was issued by the Securities Market Association on 1 October 2015 and which entered into force on 1 January 2016, with the exception that the Company deviates from recommendation 15 of the Corporate Governance Code as 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 the Corporate Governance Code 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 2015 can be viewed on the company's website at: <http://www.oriola-kd.com/CorporateGovernance>. The Corporate Governance Statement and the Remuneration Statement for 2015 have been prepared in accordance with the Corporate Governance Code 2010.

### **Resolutions of the Annual General Meeting**

The Annual General Meeting (AGM), held on 14 March 2016 adopted the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2015.

The AGM resolved that a dividend of EUR 0.13 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2015. The dividend was paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 16 March 2016. The payment date of the dividend was 5 April 2016.

The AGM confirmed that the Board of Directors is composed of eight members. Current members of the Board of Directors Anja Korhonen, Kuisma Niemelä, Eva Nilsson Bågenholm, Matti Rihko, Staffan Simberg and Anssi Vanjoki were re-elected to the Board of Directors, and Mariette Kristenson and Lena Ridström were elected new members of the Board of Directors. Anssi Vanjoki was re-elected Chairman of the Board of Directors.

The AGM confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 48,400, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 30,250 and the fee for the term of office of other members of the Board of Directors is EUR 24,200. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent shall be used to acquire Oriola-KD Corporation's class B shares for the Board members on the NASDAQ Helsinki Stock Exchange within two weeks from the release of the Interim Report 1 January - 31 March 2016 of the company. The Chairman of the Board of Directors receives an attendance fee of EUR 1000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairmen and members of Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

In its constitutive meeting convening after the AGM, the Board of Directors of Oriola-KD Corporation elected Eva Nilsson Bågenholm as Vice Chairman of the Board of Directors.

The Board also appointed Ms Anja Korhonen (Chairman), Mr Kuisma Niemelä and Mr Staffan Simberg to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Ms Mariette Kristenson, Ms Lena Ridström and Mr Matti Rihko to the Board's Remuneration Committee.

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

PricewaterhouseCoopers Oy, who has nominated authorized public accountant Ms Ylva Eriksson as principal auditor, was re-elected as the auditor of the company.

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new shares or assign treasury shares held by the company. The authorisation covers a maximum of 5,650,000 Class A shares and 12,500,000 Class B shares representing approximately 10.00 per cent of all shares in the company and includes the right to derogate from the shareholders' pre-emptive subscription right. Pursuant to the authorisation, shares held by the company as treasury shares may also be sold through trading on a regulated market organised by NASDAQ Helsinki Ltd. The authorisation is in effect for a period of eighteen months from the decision of the AGM.

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the

company, representing approximately 9.92 per cent of all shares in the company and includes the right to derogate from the shareholders' pre-emptive subscription right. Pursuant to the authorisation, class B shares held by the Company as treasury shares may also be sold on regulated market organised by NASDAQ Helsinki Ltd. The authorisation is in effect for a period of eighteen months from the decision of the AGM.

The authorisation revokes all previous share issue authorisations given to the Board of Directors apart from the authorisation given to the Board of Directors by the Annual General Meeting held on 20 March 2013, pursuant to which the Board of Directors may decide upon directed share issues against or without a payment concerning no more than 1,715,000 class B shares in order to execute the share-based incentive plan for the Oriola-KD Group's executives and the share savings plan for the Oriola-KD Group's key personnel.

The AGM also authorised the Board of Directors to decide on repurchasing of the company's own class B shares. The authorisation entitles the Board of Directors to decide on the repurchase of no more than 18,000,000 of the company's own class B shares, representing approximately 9.92 per cent of all shares in the company. The authorisation may only be used in such a way that in total no more than one tenth of all shares in the company may from time to time be in the possession of the company and its subsidiaries. Shares may be repurchased also in a proportion other than in which shares are owned by the Shareholders. Shares may be repurchased to develop the company's capital structure, to execute corporate transactions or other business arrangements, to finance investments, to be used as a part of the company's incentive schemes or to be otherwise relinquished, held by the company or cancelled. The authorisation to repurchase own shares is in force for a period of not more than eighteen months from the decision of the AGM. This authorisation revokes the authorisation given to the Board of Directors by the AGM on 30 March 2015 in respect of repurchase of the company's own class B shares.

The AGM resolved to amend the following Articles of the company's Articles of Association in accordance with the proposal of the Board of Directors:

- The age limit of Board member elects was removed from § 5.
- A possibility to deliver the notice to the Annual General Meeting by publishing the notice on the company's website was added to § 12.

### **Oriola-KD Corporation shares**

Trading volume of the Oriola-KD Corporation's class A and B shares in the first quarter of 2016:

<b>Trading volume</b>	<b>Jan-Mar 2016</b>		<b>Jan-Mar 2015</b>	
	<b>class A</b>	<b>class B</b>	<b>class A</b>	<b>class B</b>
Trading volume, million	0.4	5.3	1.2	15.5
Trading volume, EUR million	1.6	21.9	4.6	56.5
Highest price, EUR	4.35	4.40	4.15	4.10
Lowest price, EUR	3.70	3.65	3.11	3.05
Closing quotation, end of period, EUR	4.32	4.33	3.82	3.79

Oriola-KD Corporation's market capitalisation on 31 March 2016 was EUR 785.3 (689.5) million.

In the review period, the traded volume of Oriola-KD Corporation shares, excluding treasury shares, corresponded to 3.2 (10.6) per cent of the total number of shares. The traded volume of class A shares amounted to 0.7 (2.5) per cent of the average stock, and that of class B shares, excluding treasury shares, to 4.2 (14.3) per cent of the average stock.

At the end of March 2016, the company had a total of 181,486,213 (181,486,213) shares, of which 55,484,648 (56,578,452) were class A shares and 126,001,565 (124,907,761) were class B shares. The company has 124,024 (148,338) treasury shares (including shares held by third-party service provider), all of which are class B shares. They account for 0.07 (0.08) per cent of the company's shares and 0.01 (0.01) 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 – 31 March 2016, no class A shares were converted into class B shares (0 shares).

On 19 December 2012, Oriola-KD Corporation's Board of Directors decided on a share incentive scheme for the Group's senior management for the years 2013-2015. The scheme covered six persons. The reward for the 2015 earning period was based on the Oriola-KD Group's earnings per share (EPS) calculated from the adjusted earnings excluding taxes. The rewards to be paid in 2018 on the basis of the performance period 2015 corresponded to the value of 292,098 Oriola-KD Corporation class B shares (including the proportion to be paid in cash).

On 4 December 2015 the Board of Directors of Oriola-KD Corporation resolved to establish a share-based incentive plan directed to the Group key personnel (the Plan). 14 key persons, including the members of the Group Management Team, participate in the Plan. The Plan includes three performance periods, calendar years 2016, 2017 and 2018, and three vesting periods, calendar years 2017, 2018 and 2019, respectively. The Board of Directors of the Company will resolve on the Plan's performance criteria and on the required performance level for each criterion at the beginning of each performance period.

The prerequisite for participation in the Plan and for receipt of reward on the basis of the Plan is that a key person has enrolled in the share saving plan, OKShares, and makes the monthly saving from his or her fixed gross monthly salary, in accordance with the Rules of the OKShares in force. The aim is also to harmonise the Company's incentive plans into a One-Platform Plan where the Company's Key Personnel Share Savings Plan (the OKShares) and Long-Term Incentive Plan are combined.

The potential reward from the performance period 2016 will be based on the Group's Earnings per Share (EPS). The rewards to be paid on the basis of the performance period 2016 correspond to the value of an approximate maximum total of 800,000 Oriola-KD Corporation Class B shares (including also the proportion to be paid in cash). The potential reward will be paid partly in Oriola-KD Corporation Class B shares and partly in cash in 2018. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to a key person.

The member of the Group Management Team must hold 50 per cent of the net shares given on the basis of the entire Plan, until his or her shareholding in the Company in total equals the value of his or her gross annual salary. Such number of shares must be held as long as the key person holds a position as a Group Management Team member.

A total of 39 key employees participated in the Oriola-KD Corporation key personnel share savings plan during a savings period 1 October 2014 – 30 September 2015 that was approved 27 August 2014. The maximum and minimum monthly savings amounted to 10 and 2 per cent, respectively, of each participant's fixed gross monthly salary. Approximately 50 key employees participate in the savings period 1 October 2015 – 31 December 2016 that was approved on 18 June 2015. The maximum monthly saving is 8.3 percent and the minimum is 2 percent of each participant's fixed monthly gross salary.

The accumulated savings will be used for purchasing Oriola-KD's class B shares for the participants at market prices. In return, each participant will receive two free class B matching shares for every three acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the savings period until the end of the designated holding period and the employment has not terminated by the last day of the holding period. Matching shares will be paid partly in Oriola-KD's class B shares and partly in cash. The cash proportion is intended for covering taxes and tax-related payments arising from the reward to a key person.

The savings of plan 2014-2015 correspond to approximately 46,835 savings shares and 31,206 matching shares estimated at the share price level of the year end.

Oriola-KD Corporation has an agreement with a third-party service provider concerning administration of the share-based incentive program. At the end of the reporting period, the amount of shares held by the third-party service provider was 27,202 (27,202).

## **Liquidity guarantee**

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

### **Flagging announcements**

No flagging announcements were received during the period.

### **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, pricing of pharmaceuticals and reimbursements may weaken Oriola-KD's net sales and profitability.
- In the Swedish pharmaceutical 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.
- Extra capacity ensuing from a change 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.
- Changes in share of parallel imports in Swedish pharmaceutical market may affect profitability of the Swedish wholesale and retail businesses.
- Loss of several key pharmaceutical company agreements would have an adverse effect on net sales and profitability.
- Strategic development projects involve operational risks.

The main financial risks for Oriola-KD involve currency rate, liquidity, interest rate and credit risks. Currency risk is the most significant financial risks in Sweden, as any changes in the value of the Swedish krona will have an impact on Oriola-KD's net sales, earnings and consolidated statement of financial position.

Oriola-KD prepares goodwill impairment testing annually, 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.

### **Near-term risks and uncertainty factors**

Oriola-KD's strategic development projects involve operational risks which may have an effect on Oriola-KD's profitability.

### **Outlook**

Oriola-KD's outlook for 2016 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments. The Finnish pharmaceutical market is expected to grow during 2015-2020, at an annual rate of 0-3 per cent. Swedish pharmaceutical market is expected to grow an annual rate of 4-7 per cent per year in the local currencies (source: IMS Health).

### **Outlook for 2016**

Oriola-KD estimates its full-year net sales to remain at the 2015 level on constant currency basis. Adjusted operating profit is estimated to remain at 2015 level or to increase, on a constant currency basis. Full-year net sales in 2015 were EUR 1,626.3 million and adjusted operating profit was EUR 60.8 million.

## Events after the review period

Stig Tornell was appointed Vice President, Consumer Business Area and member of the Oriola-KD's Group Management Team as of April 12, 2016, as Lars Birkeland, Vice President of Consumer Business Area, left the company.

The co-operation negotiations affecting the logistics personnel in the distribution centre in Oulu were completed. Oriola-KD transfers the operations that are carried out at the distribution centre in Oulu to Espoo and terminates operations at the Oulu distribution centre. The restructuring may lead to a maximum of 18 redundancies. The restructuring costs are expensed during the second quarter.

## Next interim report

Oriola-KD Corporation will publish its results for the second quarter of 2016 on 19 July 2016 approximately at 8.30 am.

## Oriola-KD's Interim Report January – March 2016

<b>Consolidated Statement of Comprehensive Income (IFRS), EUR million</b>	<b>2016 1-3</b>	<b>2015 1-3</b>	<b>2015 1- 12</b>
<b>Continuing operations</b>			
Net sales	401.3	411.3	1,626.3
Other operating income	5.0	3.1	14.9
Cost of goods sold	-317.2	-331.9	-1,298.4
Employee benefit expenses	-37.7	-37.8	-143.8
Other operating expenses	-31.2	-27.4	-113.9
<b>Gross profit</b>	<b>20.1</b>	<b>17.3</b>	<b>85.1</b>
Depreciation and amortization	-6.2	-5.6	-22.6
<b>Operating profit</b>	<b>13.9</b>	<b>11.7</b>	<b>62.6</b>
Financial income and expenses	-1.0	-2.0	-6.5
<b>Profit before taxes</b>	<b>12.9</b>	<b>9.8</b>	<b>56.1</b>
Income taxes	-2.8	-2.3	-11.5
<b>Profit for the period from continuing operations</b>	<b>10.1</b>	<b>7.4</b>	<b>44.5</b>
Profit for the period from discontinued operations	-	-0.1	0.1
<b>Profit for the period</b>	<b>10.1</b>	<b>7.3</b>	<b>44.6</b>
<b>Other comprehensive income</b>			
<b>Items which may be reclassified subsequently to profit or loss:</b>			
Translation differences recognised in comprehensive income during the reporting period	-0.4	1.5	3.6
Cash flow hedge	-0.1	-0.4	0.1
Income tax relating to other comprehensive income	0.0	0.1	0.0
	<b>-0.5</b>	<b>1.2</b>	<b>3.7</b>
<b>Items which will not be reclassified to profit or loss:</b>			
Actuarial gains/losses on defined benefit plan	-	-	5.6
Income tax relating to			

other comprehensive income	-	-	-1.1
	-	-	<b>4.4</b>
<b>Total comprehensive income for the period</b>	<b>9.6</b>	<b>8.5</b>	<b>52.8</b>

**Profit attributable to**

Parent company shareholders	10.1	7.3	44.6
-----------------------------	------	-----	------

**Total comprehensive income attributable to**

Parent company shareholders	9.6	8.5	52.8
-----------------------------	-----	-----	------

**Earnings per share attributable to parent company shareholders:**

**Basic earnings per share, EUR**

Continued operations	0.06	0.05	0.25
Discontinued operations	-	-0.00	0.00
From profit of the year	0.06	0.04	0.25

**Diluted earnings per share, EUR**

Continued operations	0.06	0.05	0.25
Discontinued operations	-	-0.00	0.00
From profit of the year	0.06	0.04	0.25

**Consolidated Statement of Financial Position (IFRS),**

EUR million

<b>ASSETS</b>	<b>31 Mar 2016</b>	<b>31 Mar 2015 <sup>1)</sup></b>	<b>31 Dec 2015</b>
<b>Non-current assets</b>			
Property, plant and equipment	73.0	73.8	72.7
Goodwill	269.9	253.7	256.5
Other intangible assets	70.6	61.6	63.2
Other non-current assets	0.4	0.0	0.3
Deferred tax assets	4.6	5.8	3.7
<b>Non-current assets total</b>	<b>418.4</b>	<b>395.0</b>	<b>396.4</b>
<b>Current assets</b>			
Inventories	204.3	194.3	201.1
Trade receivables	205.7	194.3	194.0
Other receivables	26.6	40.9	33.4
Cash and cash equivalents	95.6	137.1	121.9
<b>Current assets total</b>	<b>532.1</b>	<b>566.7</b>	<b>550.5</b>
<b>ASSETS TOTAL</b>	<b>950.5</b>	<b>961.6</b>	<b>946.9</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	36.2	36.2	36.2
Hedging reserve	-1.3	-1.7	-1.2
Contingency fund	19.4	19.4	19.4

Invested unrestricted equity reserve	74.8	75.0	74.8
Other reserves	0.2	0.1	0.2
Translation differences	0.1	-1.5	0.5
Retained earnings	51.5	22.9	64.7
<b>Equity attributable to the parent company shareholders</b>	<b>180.9</b>	<b>150.6</b>	<b>194.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	16.6	15.9	15.8
Pension obligations	10.0	15.2	10.0
Borrowings	67.2	79.3	66.9
Other non-current liabilities	2.1	2.6	2.1
<b>Non-current liabilities total</b>	<b>95.9</b>	<b>113.0</b>	<b>94.7</b>
<b>Current liabilities</b>			
Trade payables	515.6	525.1	547.7
Provisions	-	1.9	-
Borrowings	79.4	120.6	61.7
Other current liabilities	78.8	50.5	48.1
<b>Current liabilities total</b>	<b>673.7</b>	<b>698.0</b>	<b>657.5</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>950.5</b>	<b>961.6</b>	<b>946.9</b>

<sup>1)</sup> Comparative figures restated as a result of correction of an error relating to previous financial periods  
Correction was made in 2015 Financial Statements.

### Consolidated Statement of Changes in Equity (IFRS)

EUR million	Equity attributable to the parent company shareholders					
	Share capital	Funds	Translation differences	Retained earnings	Hybrid bond	Equity total
<b>Equity</b>						
<b>1 Jan 2015</b>	<b>36.2</b>	<b>19.3</b>	<b>-3.1</b>	<b>19.5</b>	<b>39.6</b>	<b>111.5</b>
Comprehensive income for the period						
Net profit for the period	-	-	-	7.3	-	7.3
Other comprehensive income:						
Cash flow hedge	-	-0.4	-	-	-	-0.4
Actuarial gains and losses	-	-	-	-0.0	-	-0.0
Income tax relating to other comprehensive income	-	0.1	-	0.0	-	0.1
Translation difference	-	0.0	1.5	-	-	1.5
Comprehensive income for the period total	-	-0.3	1.5	7.3	-	8.5
Transactions with owners						
Share issue	-	74.0	-	-	-	74.0
Hybrid bond paid interest	-	-	-	-2.2	-	-2.2
Hybrid bond redemption	-	-	-	-1.6	-39.6	-41.2
Share-based incentive	-	-	-	0.0	-	0.0

Purchase of own shares	-	-	-	-0.0	-	<b>-0.0</b>
Transactions with owners total	-	74.0	-	-3.8	-39.6	<b>30.5</b>
<b>Equity</b>						
<b>31 Mar 2015 <sup>1)</sup></b>	<b>36.2</b>	<b>92.9</b>	<b>-1.5</b>	<b>22.9</b>	<b>-</b>	<b>150.6</b>
<b>Equity</b>						
<b>1 Jan 2016</b>	<b>36.2</b>	<b>93.1</b>	<b>0.5</b>	<b>64.7</b>	<b>-</b>	<b>194.6</b>
Comprehensive income for the period						
Net profit for the period	-	-	-	10.1	-	<b>10.1</b>
Other comprehensive income:						
Cash flow hedge	-	-0.1	-	-	-	<b>-0.1</b>
Income tax relating to other comprehensive income	-	0.0	-	-	-	<b>0.0</b>
Translation difference	-	-	-0.4	-	-	<b>-0.4</b>
Comprehensive income for the period total	-	-0.1	-0.4	10.1	-	<b>9.6</b>
Transactions with owners						
Dividend distribution	-	-	-	-23.6	-	<b>-23.6</b>
Share-based incentive	-	-	-	0.3	-	<b>0.3</b>
Transactions with owners total	-	-	-	-23.3	-	<b>-23.3</b>
<b>Equity</b>						
<b>31 Mar 2016</b>	<b>36.2</b>	<b>93.1</b>	<b>0.1</b>	<b>51.5</b>	<b>-</b>	<b>180.9</b>

<sup>1)</sup> Comparative figures restated as a result of correction of an error relating to previous financial periods. Correction was made in 2015 Financial Statements.

#### Condensed Consolidated Statement of Cash Flows (IFRS),

EUR million	2016	2015	2015
	1-3	1-3	1- 12
Operating profit	13.9	11.6	62.7
Depreciation and amortization	6.2	5.6	22.6
Change in working capital	-46.0	-0.5	11.2
Cash flow from financial items and taxes	-3.6	-1.3	-16.9
Other adjustments	2.7	-2.2	6.2
Net cash flow from operating activities	-26.8	13.3	85.6
Net cash flow from investing activities	-16.2	-3.9	-19.9
Net cash flow from financing activities	16.6	36.2	-35.2
Net change in cash and cash equivalents	-26.3	45.6	30.6
Cash and cash equivalents at the beginning of the period	121.9	91.5	91.5
Foreign exchange rate differences	0.0	0.0	-0.1
Net change in cash and cash equivalents	-26.3	45.6	30.6
Cash and cash equivalents at the end of the period	95.6	137.1	121.9

## Notes to financial statements

### Principal accounting policies as of 1 January 2016 (IFRS)

These financial statements release 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 2015 annual financial statements, excluding the standards and interpretations applied as of 1 January 2016 as presented below. However, the interim report does not include all of the information and notes presented in the annual financial statements. Consequently, the interim report should be read together with the company's financial statements for 2015.

In connections with the new operating model, the chief operating decision maker of Oriola-KD is the President and CEO of Oriola-KD Corporation, who makes strategic decisions, allocates resources to the operating segments and assesses their performance.

The figures in the interim report have been rounded independently.

New standards or amendments to the existing ones that have been applied as of 1 January 2016:

- Amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets
- Annual improvements in IFRS standards 2012-2014

The new standards have not had a material impact on the Group's financial position.

The figures in this interim review are unaudited.

#### Earnings per share

<b>EUR million</b>	<b>2016 1-3</b>	<b>2015 1-3</b>	<b>2015 1- 12</b>
Profit attributable to equity owners of the parent from continuing operations	10.1	7.4	44.5
Accumulated interest on hybrid bond net of tax	-	-0.2	-
<b>Adjusted profit for the period from continuing operations</b>	<b>10.1</b>	<b>7.2</b>	<b>44.5</b>

<b>EUR million</b>	<b>2016 1-3</b>	<b>2015 1-3</b>	<b>2015 1- 12</b>
Profit incl. discontinued operations attributable to equity owners of the parent	10.1	7.3	44.6
Accumulated interest on hybrid bond net of tax	-	-0.2	-
<b>Adjusted profit for the period including discontinued operations</b>	<b>10.1</b>	<b>7.1</b>	<b>44.6</b>

#### Average number of outstanding shares (1000 shares)

Basic	181,362	158,504	177,502
Diluted	181,362	158,504	177,502

#### Earnings per share (EUR)

##### Basic

Continuing operations	0.06	0.05	0.25
Discontinuing operations	-	-0.00	0.00
<b>Total</b>	<b>0.06</b>	<b>0.04</b>	<b>0.25</b>

##### Diluted

Continuing operations	0.06	0.05	0.25
-----------------------	------	------	------

Discontinuing operations	-	-0.00	0.00
<b>Total</b>	<b>0.06</b>	<b>0.04</b>	<b>0.25</b>

## Business combinations

Oriola-KD has on 8 February 2016 acquired the entire capital stock of the Swedish pharmacy company Svensk Dos. The acquisition is related to Healthcare business area. Svensk Dos is specialized in dose dispensing of pharmaceuticals. Today Svensk Dos provides dose dispensed medicines to 25,000 people via extradition locations and nursing homes in the region of Skåne and direct to the Swedish Prison and Probation Service all over Sweden. In 2014, the net sales of Svensk Dos were approximately EUR 25.0 million and estimated market share was 13 per cent. Svensk Dos has approximately 60 employees and is based in Uppsala.

The acquisition cost calculation is based on the company's preliminary statement of financial position as at 31 January 2016, the essential parts of which have been prepared in accordance with IFRS's accounting principles. The acquisition has been recognised on a preliminary basis, as permitted under IFRS 3. Oriola-KD will make the necessary adjustments to these preliminary assessments during the 12 months following the acquisition date.

The preliminary recognised goodwill of EUR 14.0 million is the value of Svensk Dos AB's experienced personnel, dose dispensing system and process, and synergy benefits that can be achieved in purchasing operations, storage and growth expectations.

The statement of profit and loss and the statement of financial position have been consolidated in Oriola-KD as of 1 February 2016.

From the time of its acquisition, Svensk Dos AB has contributed from the ordinary business net sales for the reporting period of EUR 5.0 million and profit for the period of EUR 0.0 million to the Oriola-KD Group. If the acquisition had taken place on January 1, 2016, net sales for the reporting period would have amounted to EUR 7.2 million and profit for the period to EUR -0.1 million.

## Tangible and intangible assets

<b>Changes in Property, Plant and Equipment, EUR million</b>	<b>2016 1-3</b>	<b>2015 1-3</b>	<b>2015 1- 12</b>
Carrying amount at the beginning of the period	72.7	75.2	75.2
Business combinations	1.4	-	-
Increases	3.0	1.8	11.9
Decreases	-0.2	-0.1	-0.6
Reclassifications	-	-	0.0
Depreciation	-3.8	-3.7	-14.8
Foreign exchange rate differences	-0.2	0.6	1.0
<b>Carrying amount at the end of the period</b>	<b>73.0</b>	<b>73.8</b>	<b>72.7</b>

<b>Changes in Intangible assets, EUR million</b>	<b>2016 1-3</b>	<b>2015 1-3</b>	<b>2015 1- 12</b>
Carrying amount at the beginning of the period	319.7	312.3	312.3
Business combinations	1.1	-	-
Increases	22.6	1.5	8.5
Reclassifications	-	-	0.0
Impairments and Amortization	-2.4	-1.9	-7.8
Foreign exchange rate differences	-0.6	3.4	6.7
<b>Carrying amount at the end of the period</b>	<b>340.4</b>	<b>315.3</b>	<b>319.7</b>

## Derivatives



31 Mar 2016

EUR million	Positive fair value	Negative fair value	Nominal values on contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	-	1.7	56.4
<b>Derivatives measured at fair value through profit and loss</b>			
Foreign currency forward and swap contracts	0.4	-	38.6

**Derivatives**

31 Mar 2015

EUR million	Positive fair value	Negative fair value	Nominal values on contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	-	2.1	56.6
<b>Derivatives measured at fair value through profit and loss</b>			
Foreign currency forward and swap contracts	-	1.3	108.5

Derivatives measured at fair value through profit and loss are mainly related to hedging of 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	Level 1	Level 2	Level 3	Total
<b>31 Mar 2016</b>				
<b>Assets</b>				
Derivatives measured at fair value through profit and loss	-	0.4	-	<b>0.4</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	1.7	-	<b>1.7</b>
Derivatives measured at fair value through profit and loss	-	0.0	-	<b>0.0</b>
Contingent consideration	-	-	9.8	<b>9.8</b>

EUR million	Level 1	Level 2	Level 3	Total
<b>31 Mar 2015</b>				
<b>Assets</b>				
Derivatives measured at fair value through profit and loss	-	0.3	-	<b>0.3</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	2.1	-	<b>2.1</b>
Derivatives measured at fair value through profit and loss	-	1.6	-	<b>1.6</b>
Contingent consideration	-	-	15.1	<b>15.1</b>

**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 is 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

EUR million

<b>Book value 31 Dec 2015</b>	<b>12.4</b>
Recognised in financial expenses	0.2
Decrease in the fair value of financial liabilities	-12.4
Increase in the fair value of financial liabilities	9.5
Translation differences	0.1
<b>Book value 31 Mar 2016</b>	<b>9.8</b>

Financial liabilities recognised at fair value through profit and loss (level 3) include estimated value of a contingent consideration related to the Svensk Dos acquisition. The contingent considerations recognised relates to successful execution of certain distribution agreements. The contingent consideration is expected to be realised in 2016. The decrease in fair value of financial liabilities relates to the payment of Medstop acquisition on 17 Mar 2016.

### Commitments and Contingent Liabilities

EUR million	31 Mar 2016	31 Mar 2015
<b>Commitments for own liabilities</b>		
Guarantees on behalf of own companies	8.4	8.2
Guarantees on behalf of other companies	0.8	21.2
Mortgages on company assets	2.3	2.3
Other guarantees and liabilities	1.0	1.0
<b>Total</b>	<b>12.5</b>	<b>32.7</b>
Leasing liabilities (operating liabilities)	0.8	0.8
Rent liabilities	43.7	44.4

Guarantees on behalf of other companies include parent company guarantees given to third parties on behalf of sold Russian entities commercial agreements and rent contracts. In accordance of framework agreement the buyer undertakes to compensate Oriola-KD for any claim against the guarantees. In addition the buyer's bank has given Oriola-KD in aggregate EUR 0.8 (18.8) million counter guarantee mainly subject to parent company guarantees of the commercial agreements. The guarantees on behalf of other companies will expire in 2016.

The most significant guarantees are bank guarantees against trade payables in Sweden. In addition, Oriola-KD Corporation has granted parent company guarantees of EUR 2.8 (2.8) million against subsidiaries' trade payables.

### Provisions

On 31 March 2016 Oriola-KD had no recognised provisions. On 31 March 2015 Oriola-KD had recognised a restructuring provisions totalling EUR 1.4 million. The restructuring provision in the comparative period relates to the co-operation negotiations concerning Oriola-KD's personnel in Finland and integration of Medstop acquisition. In addition, at 31 March 2015 group items included a provision of EUR 0.5 million related to the sale of Russian businesses.

### 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 and the companies controlled by the aforementioned persons. The Group has no significant business transactions with related parties.

## Segment information

### Reportable segments

1-3/2016

EUR million	Consumer	Services	Healthcare	Group items	Total
External Invoicing	203.9	625.6	5.0	-	834.4
Internal Invoicing	-	91.9	-	-91.9	-
<b>Invoicing</b>	<b>203.9</b>	<b>717.5</b>	<b>5.0</b>	<b>-91.9</b>	<b>834.4</b>
External Net Sales	199.2	197.1	5.0	-	401.3
Internal Net Sales	-	91.9	-	-91.9	-
<b>Net Sales</b>	<b>199.2</b>	<b>289.1</b>	<b>5.0</b>	<b>-91.9</b>	<b>401.3</b>
Operating profit	7.7	8.5	-0.6	-1.6	13.9
Adjusted operating profit	7.7	8.5	-0.6	-1.6	13.9
Assets	458.0	350.0	27.0	115.5	950.5
Liabilities	74.2	507.8	6.2	181.3	769.6
Investments	3.3	0.8	19.0	2.5	25.6
Depreciation	4.3	1.4	0.4	0.1	6.2
Average number of personnel	1,607	722	36	38	2,404

1-3/2015

EUR million	Consumer <sup>1)</sup>	Services	Healthcare	Group items	Total
External Invoicing	196.9	596.5	-	-	793.3
Internal Invoicing	-	83.2	-	-83.2	-
<b>Invoicing</b>	<b>196.9</b>	<b>679.7</b>	<b>-</b>	<b>-83.2</b>	<b>793.3</b>
External Net Sales	192.8	218.5	-	-	411.3
Internal Net Sales	-	83.2	-	-83.2	-
<b>Net Sales</b>	<b>192.8</b>	<b>301.7</b>	<b>-</b>	<b>-83.2</b>	<b>411.3</b>
Operating profit	7.6	6.2	-	-2.1	11.7
Adjusted operating profit	7.6	7.1	-	-1.6	13.1
Assets	459.0	356.5	-	146.1	961.6
Liabilities	74.2	530.0	-	206.8	811.1
Investments	2.4	0.9	-	0.1	3.4
Depreciation	4.1	1.4	-	0.1	5.6
Average number of personnel	1,523	734	-	44	2,301

<sup>1)</sup> Comparative figures restated as a result of correction of an error relating to previous financial periods

## Geographical information

1-3/2016

<b>EUR million</b>	<b>Sweden</b>	<b>Finland</b>	<b>Baltic countries</b>	<b>Other countries</b>	<b>Total</b>
Net Sales	288.0	82.9	12.8	17.6	<b>401.3</b>
Assets	685.7	246.1	18.7	-	<b>950.5</b>
Investments	22.2	3.3	0.1	-	<b>25.6</b>

1-3/2015

<b>EUR million</b>	<b>Sweden</b>	<b>Finland</b>	<b>Baltic countries</b>	<b>Other countries</b>	<b>Total</b>
Net Sales	291.0	91.1	11.7	17.5	<b>411.3</b>
Assets	655.4	290.7	15.5	-	<b>961.6</b>
Investments	2.6	0.7	0.1	-	<b>3.4</b>

Espoo, 21 April 2016

Board of Directors of Oriola-KD Corporation

Further information:

Eero Hautaniemi  
President and CEO  
tel. +358 (0)10 429 2109  
e-mail: eero.hautaniemi@oriola-kd.com

Sari Aitokallio  
CFO  
tel. +358(0)10 429 2112  
e-mail: sari.aitokallio@oriola-kd.com

Distribution:  
NASDAQ OMX Helsinki Ltd  
Key media

Released by:  
Oriola-KD Corporation  
Corporate Communications  
Orionintie 5  
02200 Espoo  
www.oriola-kd.com