



Oriola KD 2007
FINANCIAL STATEMENTS

Information to Shareholders

THE 2008 ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of Shareholders of Oriola-KD Corporation will be held on Monday, 17 March 2008 at 5pm at Helsinki Fair Centre, address Helsinki Fair Centre, Conference Wing, Messuaukio 1, 00520 Helsinki, Finland. The notice to convene is available on the company's web site at www.oriola-kd.com and it has been published in Helsingin Sanomat on 24 February, 2008.

Eligibility to attend the Annual General Meeting is vested in shareholders who are registered as such by 7 March 2008 in the shareholder register maintained by the Finnish Central Securities Depository Ltd. in the manner provided for in Chapter 4:2 of the Companies Act. Pursuant to Article 11 of the Articles of Association, shareholders wishing to attend the General Meeting should notify the Company of their intention to do so by 11 March, 2008 at 4 pm. The notification is requested to be made on the company's web site at www.oriola-kd.com or by phone to +358 10 429 2756 or by mail to Oriola-KD Corporation, Shareholder Issues, P.O.Box 8, FI-02101 Espoo, Finland. Possible proxies should be delivered in conjunction with the notification.

SHAREHOLDERS REGISTER AND THE INSIDER REGISTER

The company's shareholder register as well as the insider register are available at the Finnish Central Securities Depository Ltd. at the following address:

Finnish Central Securities Depository Ltd.
Urho Kekkosen katu 5 C, 8th Floor
FI-00100 Helsinki, Finland

The shareholders are requested to make their change of address to the Account Operator who attends to the shareholder's bookentry account.

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Oriola-KD Corporation is a leading company in pharmaceutical trade and in healthcare and dental trade. The company operates in Finland, Sweden, Denmark and the Baltic countries. The invoicing of Oriola-KD in 2007 was EUR 2.5 billion and number of personnel is about 1,300. Oriola-KD is listed on OMX Nordic Exchange Helsinki.

December 2006 figures are unaudited pro forma figures.

www.oriola-kd.com

Report of the Board of Directors

Oriola-KD Group (hereinafter Oriola-KD) intensely developed its core business and pruned non-profitable businesses in 2007. Cost efficiency programme was implemented in full and operating profit saw clear improvement from the previous year in keeping with target. Dental Trade business was merged with Lifco Dental AB. The goal of the merger is to make the new company the leading northern European dental trade wholesaler. In addition, Oriola-KD continued active examination of growth ventures and preparations for the possible deregulation of the Swedish pharmacy market. Oriola-KD is poised to capitalise on the opportunities presented by critical changes in the market and to finance potential growth ventures.

Oriola-KD Group for January-December 2007, which have been prepared in accordance with the recognition and valuation principles of the IFRS standards and have been audited. Comparable January-December 2006 figures are unaudited pro forma figures.

INVOICING AND NET SALES

Oriola-KD's invoicing in 2007 was EUR 2,524.5 million (EUR 2,340.1 million) and net sales were EUR 1,377.3 million (EUR 1,334.7 million).

FINANCIAL PERFORMANCE

Oriola-KD's operating profit excluding one-off items was EUR 29.1 million (EUR 22.6 million) and profit after financial income and expenses excluding one-off items was EUR 31.0 million (EUR 23.6 million) in the review period.

Oriola-KD's operating profit including one-off items in the review period was EUR 29.1 million (EUR 17.4 million).

Profit after financial income and expenses and including one-off items came to EUR 31.0 million (EUR 18.4 million) and net profit to EUR 23.7 million (EUR 14.0 million) in the year under review. One-off expenses in the period under review amounted to EUR 0.0 million (EUR 5.2 million).

Oriola-KD had net financing income of EUR 1.9 million (EUR 1.0 million) in the period under review.

Taxes amounted to EUR 7.3 million (EUR 4.4 million). Taxes corresponding to the result for the period under review are accounted as taxes.

Earnings per share were EUR 0.16 (EUR 0.10). Return on capital employed was 14.2 percent (8.6 percent) and return on equity 12.0 percent (7.4 percent).

BALANCE SHEET, FINANCING AND CASH FLOW

Oriola-KD's total assets at 31 December 2007 stood at EUR 645.4 million (EUR 611.2 million). Interest-bearing net debt amounted to EUR -90.0 million (EUR -80.6 million) and the gearing ratio was -44.2 percent (-42.0 percent). Cash assets at the end of December 2007 stood at EUR 131.0 million (EUR 112.9 million). Interest-bearing debt consisted mainly of pharmacies' advance payments in Finland and stood at EUR 41.0 million at 31 December 2007 (EUR 32.3 million).

Oriola-KD has credit facilities of EUR 25 million with banks and a commercial paper programme of EUR 100 million, which remained untapped at the end of the period under review.

Cash flow from operations in 2007 was EUR 39.0 million (EUR 52.7 million), of which changes in working capital accounted for EUR 6.8 million (EUR 25.9 million). Cash flow from investments was EUR -19.1 million (EUR -10.2 million). Cash flow after investments in the period was EUR 19.8 million (EUR 42.5 million). Cash flow from financing includes the EUR 8.5 million in dividends paid on 23 March 2007 to shareholders in Oriola-KD Corporation and the dividend of EUR 0.4 million paid to Kronans Droghandel AB's minority shareholders. Oriola-KD's equity ratio stood at 33.7 percent (33.1 percent).

INVESTMENTS

Investments in the period under review amounted to EUR 32.1 million (EUR 16.6 million) and include an investment of EUR 26.2 million in new dental trade wholesaler Lifco Dental International AB, which sum breaks down into a cash payment of EUR 15.8 million and the transferred business. Maintenance and PPE investments, the Medith business acquisition in Healthcare Trade and other minor investments came to a total of EUR 5.9 million in 2007.

PERSONNEL

At the end of the period under review, Oriola-KD had a payroll of 1302 employees (1495), 54 percent of whom worked in Finland (57 percent), 28 percent in Sweden (26 percent) and a total of 18 percent in the Baltic countries and Denmark (17 percent). The cost efficiency programme and the dental trade merger resulted in a downsizing of personnel in 2007.

MANAGEMENT

At 31 December 2007, the Management Team of the Oriola-KD Group consisted of:

Eero Hautaniemi

President and CEO

Claes von Bonsdorff

CIO

Birgitta Gunneflo

Vice President, Pharmaceutical Distribution, Sweden

Henry Haarla

General Counsel

Pellervo Hämäläinen

Vice President, Corporate Communications and IR

Anne Kariniemi

Vice President, Logistics and Sourcing

Matti Lievonen

Vice President, Pharmaceutical Distribution, Finland

Jukka Niemi

Vice President, Pharmacy and Retail Marketing

Teija Silver

Vice President, Human Resources

Ilari Vaalavirta

Vice President, Healthcare Trade

Kimmo Virtanen

CFO

Anne Kariniemi joined Oriola-KD Corporation as Vice President, Sourcing and Logistics in January 2007. Matti Lievonen was appointed Deputy Managing Director of Oriola-KD Corporation's subsidiary Oriola Oy in February 2007. Senja Tynkkynen, Vice President of Oriola-KD Group's Dental Trade business and member of the Group's management team, resigned from the company in June 2007.

BUSINESS SEGMENTS

Oriola-KD has two business segments: the Pharmaceutical Trade business segment and the Healthcare and Dental Trade business segment. The Healthcare and Dental Trade business segment will be renamed the Healthcare Trade business segment at the beginning of the 2008 financial year but the share of profits from the associated company in dental trade will continue to be recognised for the segment.

Pharmaceutical Trade business segment

The Pharmaceutical Trade business segment's invoicing in January–December 2007 was EUR 2253.4 million (EUR 2,064.7 million) and net sales were EUR 1,135.8 million (EUR 1,098.7 million).

Operating profit excluding one-off items was EUR 17.4 million (EUR 15.6 million). Damage to batches of pharmaceuticals occurring in Sweden, settlement of a claim relating to a Norwegian business transfer of Kronans Droghandel AB in 2002 and the costs arising from strategic investments at Kronans Droghandel AB relating to the potential deregulation of the Swedish pharmacy market eroded profits in 2007 by a combined total of two million euro, of which more than one million euro was recognised in the fourth quarter.

In Finland, the pharmaceutical market grew by 7.2 percent (-0.4 percent). Commensurate growth in the Finnish pharmaceutical market, excluding a single large batch of vaccines in the late part of the year, came to 5.4 percent. In Sweden, the pharmaceutical market grew by 6.8 percent (4.5 percent) (source: IMS Health).

Oriola-KD's market share in pharmaceutical distribution in Finland was 43.7 percent (39.8 percent) in December 2007 and 45.9 percent (41.4 percent) in January–December 2007. Oriola-KD's market share in pharmaceutical distribution in Sweden was 40.3 percent (41.4 percent) in December 2007 and 42.0 percent (43.2 percent) in January–December 2007 (source: ATY and IMS Health).

The streamlining measures implemented in 2006 allowed us to achieve in full our goal of EUR 5 million in cost savings in 2007. These savings enhanced the profitability of the Pharmaceutical Trade business segment in particular in 2007. Kronans Droghandel AB closed down an unprofitable packaging line at Mölnlycke in Sweden in the second quarter of the year.

The number of employees within the Pharmaceutical Trade business segment at year-end 2007 was 856 (925).

New distribution agreements

The pharmaceutical principals moving to Oriola-KD in the period under review hold a total combined share of some six percent of the pharmaceutical market in Finland and some five percent in Sweden.

Oriola-KD took over the distribution of Schering-Plough and Roche pharmaceuticals in Finland at the beginning of 2007. Schering-Plough's share of the Finnish pharmaceutical market is two percent and Roche's four percent (source: IMS Health). In Sweden, Oriola-KD started distributing Meda pharmaceuticals as of 1 January 2007 and assumed responsibility for all Pfizer distribution at the end of May 2007, having before that distributed half of Pfizer's pharmaceutical brands in Sweden. Meda has a one percent share

of the Swedish pharmaceutical market while Pfizer holds nine percent of the market (source: IMS Health).

Negotiations with principals in the year under review resulted in Oriola-KD agreeing to assume responsibility for the distribution of McNeil products in Sweden and of Wyeth products in Finland at the beginning of 2008. McNeil holds some two percent of the market in Sweden and Wyeth some two percent of the Finnish market (source: IMS Health).

In the Pharmacy and Retail Marketing business, Oriola-KD and the Finnish Valio Ltd signed a cooperation agreement in August for Oriola to assume responsibility for the manufacture, distribution, sales and marketing of Valio Gefilus capsules. The cooperation agreement concerns the Finnish, Baltic and Swedish markets.

Transferring distribution agreements

The pharmaceutical principals transferring from Oriola-KD in the period under review hold a total combined share of some two percent of the pharmaceutical market in Finland and some three percent in Sweden. Transferring pharmaceutical principals were Amgen and Leo Pharma in Finland and Schering Nordiska and Amgen in Sweden.

Negotiations initiated by Oriola-KD in Q2 with unprofitable, mainly small and medium-sized pharmaceutical principals on renewing distribution agreements in Finland and Sweden were completed by the end of the year. The new contracts are estimated to contribute to improved profitability starting in 2008.

According to the situation at year-end 2007, Oriola-KD's share of the pharmaceutical distribution market in 2008 is estimated at some 45 percent in Finland and approximately 42 percent in Sweden.

Healthcare and Dental Trade business segment

The Healthcare and Dental Trade business segment's invoicing in January-December 2007 was EUR 271.2 million (EUR 275.4 million) and net sales were EUR 241.5 million (EUR 236.0 million). Operating profit excluding one-off items was EUR 14.9 million (EUR 10.4 million).

Significant changes in principals occurred in the Healthcare Trade business segment. Ties with Teleflex Medical were strengthened in Denmark, Sweden and Finland by including in the product range the Hudson anaesthesia products earlier acquired by the company. The part of Medith Oy's business acquired in early 2007 developed as planned and strengthened market standing in Fin-

land. The product range will be augmented with Carl Zeiss Meditec's ophthalmic surgery products in early 2008. A letter of intent was signed in September on the sale in spring 2008 of the marketing business of Zimmer orthopaedic products, marketed in Finland by Oriola-KD, to a Finnish sales company established by Zimmer. An agreement was also reached, as part of a wider international arrangement, on transferring the sale of Sysmex haematology products in Finland and the Baltics to Roche Diagnostics at the beginning of 2008. During Q2, Kronans Droghandel AB sold its home distribution business in the Swedish province of Skåne to Schenker Dedicated Service AB.

The dental businesses in Sweden and Denmark were merged under an agreement concluded between Oriola-KD Corporation and Lifco AB on 7 June 2007. The merger of the businesses in Finland took place on 1 October 2007 and in the Baltics on 2 January 2008. Approval from the competition authorities was obtained in the third quarter. Subsequent to the merger and the cash contribution paid on 1 October 2007, Oriola-KD holds a 30 percent share of the merged dental business while the remaining 70 percent are held by Lifco. Dental trade invoicing in 2007 came to EUR 36.5 million (EUR 45.0 million), net sales to EUR 35.6 million (EUR 44.0 million) and operating profit excluding one-off items to EUR 2.2 million (EUR 1.4 million). The operating profit in dental trade includes a EUR 1.0 million share of associated company's profit, i.e. 30 percent of the fourth-quarter net profit of associated company Lifco Dental International AB. The merger in the Dental Trade segment resulted in roughly 120 employees transferring to the new joint venture under their current terms and conditions of employment.

The Healthcare and Dental Trade business segment had a payroll of 446 (570) employees at the end of the period under review.

BOARD OF DIRECTORS

According to the company's corporate governance principles, the Chairman of the Board is elected by the General Meeting of Shareholders. The Vice Chairman is elected by the Board. The Board appoints the President and CEO of Oriola-KD and decides on the terms and conditions of his/her employment. The President and CEO has a six-month period of notice and is entitled to severance pay equal to 12 months' salary.

The Annual General Meeting of Oriola-KD held on 13 March 2007 confirmed that the Board of Directors of Oriola-KD shall comprise seven members. Elected to seats on the Board of Directors for the current term of office were Pauli Kulvik, M.Sc. (Eng.), MBA; Outi Raitasuo, attorney-at-law; Antti Remes, Honorary Counsel-

lor; Olli Riikkala, M.Sc. (Eng.), MBA; Jaakko Uotila, President and CEO; and Mika Vidgrén, pharmacist. Harry Brade, M.Sc. (Eng.), MBA, was elected to the Board as a new member. Olli Riikkala was elected as Chairman of the Board. Ernst & Young Oy was elected as Oriola-KD Corporation's auditor for the current term of office and it has designated Rabbe Nevalainen, Authorised Public Accountant, as Principal Auditor. APA Anu Ojala was elected Deputy Auditor.

On 13 March 2007, Oriola-KD Corporation's Board of Directors elected from amongst their number Antti Remes as Vice Chairman and the following to the Audit and Compensation Committees:

Audit Committee:

Antti Remes, Chairman
Harry Brade
Outi Raitasuo
Mika Vidgrén

Compensation Committee:

Olli Riikkala, Chairman
Pauli Kulvik
Jaakko Uotila

On 24 October 2007, the Board of Oriola-KD Corporation elected the following to serve on the company's Nomination Committee:

Into Ylppö, Chairman
Timo Maasilta
Risto Murto
Olli Riikkala

Under the Rules of Procedure of the Nomination Committee adopted by the Board, the Committee is a body which has been established by the Board and tasked with preparing and presenting to the Board a recommendation for a proposal to be put before the Annual General Meeting of Shareholders concerning the composition and remuneration of the Board.

The Board has assessed the independence of its members and determined all members to be independent both of the company and of its majority shareholders.

RELATED PARTIES

Related parties in the Oriola-KD Group are deemed to comprise parent company Oriola-KD Corporation, subsidiaries and associated companies, the members of the Board and the President and CEO of Oriola-KD Corporation, other members of the 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 Foundation. The Group has no significant business transactions with related parties except for pension expenses arising from defined benefit plans with the Oriola Pension Foundation. The notes to the financial statements of Oriola-KD Corporation provide additional information on intra-Group liabilities and guarantees given on behalf of Group companies. Oriola-KD Corporation has given no significant guarantees on behalf of Group companies.

ORIOLA-KD CORPORATION SHARE

Trading volume of Oriola-KD Corporation's Class A and B shares in January–December 2007:

	Class A	Class B
Trading volume, million	12.1	71.6
Trading volume, EUR million	40.2	231.8
High, EUR	3.70	3.68
Low, EUR	2.64	2.57
Close at 31 Dec 2007, EUR	3.00	3.00

The traded volume of Oriola-KD Corporation shares in the review period equalled 59.2 percent of total outstanding shares. The traded volume of Class A shares in the period under review amounted to 23.1 percent of average outstanding stock and that of Class B shares to 80.5 percent.

Oriola-KD Corporation had a market capitalisation of EUR 423.8 million at 31 December 2007.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of Class A shares into Class B shares. During 2007, a total of 5,049,235 Class A shares were converted into Class B shares. At the end of the year under review, the company had 51,245,405 Class A shares and 90,012,423 Class B shares.

On 17 October 2007, the American Deccan Value Advisors L.P. informed Oriola-KD Corporation in accordance with Chapter 2, section 9 of the Finnish Securities Market Act that due to share transactions made on 17 October 2007, the holdings of the companies administered by Deccan Value Advisors L.P. had fallen below one twentieth (1/20) of the share capital of Oriola-KD Corporation.

The Annual General Meeting of 13 March 2007 authorised the Board to decide on a directed acquisition of treasury shares and a bonus issue to the company. The number of Class B shares thus acquired or issued shall not exceed 1,450,000. The authorisation to

acquire remains in force for a period not to exceed eighteen (18) months from the decision taken by the Annual General Meeting. On the same occasion, the AGM authorised the Board to allocate 650,000 B shares to a share incentive scheme for top management in the Oriola-KD Group and to sell no more than 800,000 B shares in public trading organised by OMX Nordic Exchange Helsinki. The authorisations by the AGM of the Board in effect are described in more detail in the Notes to the Financial Statement.

Companies in the Oriola-KD Group held no parent company shares at the end of the review period.

In November 2006, the Board of Oriola-KD Corporation decided on a new share incentive scheme for key employees in the Oriola-KD Group. Some twelve key employees are eligible for the scheme. The scheme encourages sustained effort on the part of key employees by strengthening their commitment to the operation and development of the company. Any bonuses are determined on the basis of the development of Oriola-KD's operating profit and return on capital employed (ROCE) in 2007–2009. Bonuses are payable in 2008-2010 in the form of stock, cash or a combination of the two. Except for certain special circumstances, the bonus shares may not be transferred for a period of one year from payment of the bonus. The number of Class B shares included in the scheme may not exceed 650,000. The incentive scheme comprises three earning periods of one year. The Board decides on the target group of the earning period and the bonuses of the key employees in the target group at the beginning of each earning period.

PROPOSAL FOR DISTRIBUTION OF DIVIDEND

The parent company of Oriola-KD is Oriola-KD Corporation, which according to the balance sheet of 31 December 2007 held distributable assets of EUR 63.1 million (EUR 59.7 million). The Board proposes to the AGM that a dividend of EUR 0.08 per share be paid for 2007 (EUR 0.06 per share).

ENVIRONMENT

Oriola-KD supports sustainable development in all its activities and attends to environmental concerns by conforming to an environmental system consistent with its operations and aiming to minimise adverse environmental impacts. Transportation and the logistics management of large flows of goods are an essential part of operations at Oriola-KD. The efficiency and economy of distribution are based on a scheduled route network according to which goods deliveries are timed in a bid to minimise total travel. Deliveries are optimised with information systems developed for this purpose. Deliveries to

established customers are packed in recyclable plastic boxes that can be used hundreds of times. Large volumes of goods are delivered in recyclable packaging or on pallets or rolls.

Waste prevention, reuse, sorting and recycling are essential principles of waste management. Pharmaceutical and other hazardous waste is sorted and delivered to a hazardous waste treatment plant for disposal with the methods required by medical and environmental authorities.

RISKS

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

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

Oriola-KD has identified the following most significant strategic and operative risks in its business:

- changes in bargaining position vis-à-vis suppliers and customers
- impacts on business concepts of potential changes in the structure of the Swedish market
- maintenance of cost-effectiveness and flexibility in costs
- provision of competitive products and services in expanding and consolidating markets
- expansion-related risks in new markets and businesses
- commitment of key employees

The major financial risks for Oriola-KD involve currency exchange rates, interest rates, liquidity and credit.

During the period under review, there were no material changes in the risks and uncertainty factors faced by Oriola-KD in the near future.

EVENTS AFTER THE PERIOD UNDER REVIEW

The Dental Trade businesses of Oriola-KD in Estonia, Latvia and Lithuania were merged with and into Lifco Dental on 2 January 2008.

A government-appointed advisor recommended on 8 January 2008 that the Swedish pharmacy market be deregulated by the year 2009. The decision on deregulation is proposed for 2008. Oriola-KD is preparing for possible changes in the pharmacy market.

The Nomination Committee of Oriola-KD Corporation gave its recommendation to the Board of Directors for the proposal to the Annual General Meeting on 17 March 2008 concerning the composition of the Board of Directors as follows:

- The number of Board members would be seven
- As Board members would be re-elected Mr. Harry Brade, Mr. Pauli Kulvik, Ms. Outi Raitasuo, Mr. Antti Remes, Mr. Olli Riikkala, Mr. Jaakko Uotila and Mr. Mika Vidgrén
- Mr. Olli Riikkala would be re-elected as Chairman of the Board

Following remunerations are recommended to be paid to the Board of Directors:

- Chairman: annual fee EUR 44,000, fee for each meeting EUR 800, telephone as a fringe benefit
- Vice Chairman: annual fee EUR 27,500, fee for each meeting EUR 400
- Other members of the Board: annual fee EUR 22,000, fee for each meeting EUR 400
- The annual fees to be paid in cash no later than 1 April, 2008
- Fees for meetings would be paid respectively also to members of the Corporate or Board Committees
- Travel expenses would be paid in accordance with the travel policy of the company

FUTURE OUTLOOK

Oriola-KD's outlook for 2008 is based on external market forecasts, agreements with principals, cumulative orders and management's estimates.

Long term fundamentals and growth prospects are deemed favourable in the healthcare market. Oriola-KD estimates that the pharmaceutical market in Finland and Sweden will grow by about 3–5 percent annually over the next few years, which is in line with the longer-term average growth rate of these markets. Oriola-KD estimates that growth in the market for healthcare equipment and supplies will outpace that of the pharmaceutical market in Finland and in Sweden.

Oriola-KD's invoicing in 2008 is projected as higher than the previous year's comparable invoicing, mainly due to the growth of the pharmaceutical market. Invoicing in the Healthcare Trade business

segment is projected as lower than in the previous year due to the merger of Dental business with and into Lifco Dental and the sale of the home distribution business in Sweden.

Operating profit in the Pharmaceutical Trade business segment is anticipated to see positive development in 2008. Oriola-KD invests in growth initiatives and to the potential deregulation of the Swedish pharmaceutical market, which may cause additional costs in 2008. The merger in the Dental business is estimated to improve comparable operating profit for 2008. Operating profit for 2008 in the Healthcare Trade business is expected to fall from the previous year due to the reported changes in principals in Finland. Oriola-KD's operating profit excluding one-off items for 2008 is expected to exceed the previous year's comparable operating profit.

Notes to the financial statements and the section on corporate governance contain information supplementing this report of the Board of Directors.

Espoo, 6 February 2008

Board of Directors of Oriola-KD Corporation

Oriola-KD Corporation

Eero Hautaniemi

President and CEO

Invoicing, Net Sales and Operating Profit by Annual Quarters

Invoicing, EUR million	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Pharmaceutical Trade	571.4	543.0	575.9	563.2
Healthcare Trade	67.3	52.1	56.7	58.6
Dental Trade	1.3	10.2	11.8	13.2
Group Total	640.0	605.2	644.4	634.9
	Pro forma	Pro forma	Pro forma	Pro forma
EUR million	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Pharmaceutical Trade	527.7	500.0	529.0	508.1
Healthcare Trade	62.7	52.8	55.5	59.4
Dental Trade	12.6	10.2	10.2	11.9
Group Total	603.0	563.0	594.7	579.4
	Pro forma	Pro forma	Pro forma	Pro forma
EUR million	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Pharmaceutical Trade	278.6	264.9	280.2	275.0
Healthcare Trade	52.8	44.2	45.6	49.4
Dental Trade	12.3	9.9	10.0	11.7
Group total	343.7	319.0	335.8	336.1
	Pro forma	Pro forma	Pro forma	Pro forma
EUR million	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Pharmaceutical Trade	4.0	4.5	1.8	2.7
Healthcare Trade	2.8	2.6	1.1	0.7
Dental Trade	0.1	0.7	-0.2	0.5
Group Administration and others	-1.6	-0.9	-0.6	-0.6
Group total	5.3	6.8	2.1	3.3
	Pro forma	Pro forma	Pro forma	Pro forma
EUR million	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Pharmaceutical Trade	2.7	5.0	4.6	5.1
Healthcare Trade	3.9	3.4	2.8	2.6
Dental Trade	1.0	0.1	0.2	1.1
Group Administration and others	-0.5	-0.5	-1.2	-1.0
Group total	7.0	8.0	6.3	7.8
	Pro forma	Pro forma	Pro forma	Pro forma
EUR million	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Pharmaceutical Trade	4.1	4.9	3.9	2.7
Healthcare Trade	3.0	2.6	1.2	2.1
Dental Trade	0.1	0.7	0.0	0.7
Group Administration and others	-1.7	-0.9	-0.6	-0.2
Group total	5.5	7.2	4.6	5.3

Consolidated Financial Statements (IFRS)

Income Statement, EUR million	Note	1.1.–31.12.2007	1.7.–31.12.2006	Pro forma 1.1.–31.12.2006
Net sales	1)	1,377.3	662.7	1,334.7
Cost of goods sold		-1,232.0	-592.0	-1,195.4
Gross profit		145.2	70.7	139.2
Other operating income	2)	2.3	3.2	4.0
Selling and distribution expenses	3 and 4)	-104.5	-51.3	-105.5
Administrative expenses	3 and 4)	-14.9	-10.4	-20.3
Profit from associated company	10)	1.0	0.0	0.0
Operating profit		29.1	12.2	17.4
Financial income and expenses	5)	1.9	0.5	1.0
Profit before taxes		31.0	12.7	18.4
Tax expense	6)	-7.3	-2.8	-4.4
Profit for the period		23.7	9.9	14.0
of which available for:				
Parent company shareholders		23.3	9.6	13.6
Minority interest		0.4	0.4	0.5
Earnings per share:				
-Basic, EUR	7)	0.16	0.07	0.10
Depreciation total	3)	10.4	5.9	N/A
Employee benefits	4)	54.2	26.7	N/A

Net sales by market area, EUR million	10–12/2007	7–9/2007	4–6/2007	1–3/2007
Finland	143.4	135.3	143.4	148.1
Other Nordic countries	174.9	187.1	199.6	195.0
Other Europe	12.8	11.3	12.5	12.6
Other countries	0.5	0.1	0.7	0.2
Group total	331.6	333.8	356.1	355.8
EUR million	Pro forma 10–12/2006	Pro forma 7–9/2006	Pro forma 4–6/2006	Pro forma 1–3/2006
Finland	139.5	130.7	133.5	134.9
Other Nordic countries	191.8	178.3	191.7	189.5
Other Europe	12.3	9.3	10.1	11.6
Other countries	0.2	0.7	0.5	0.1
Group total	343.7	319.0	335.8	336.2

Consolidated Balance Sheet

EUR million	Note	31.12.2007	31.12.2006
ASSETS			
Non-current assets			
Property, plant and equipment	8)	56.3	63.3
Goodwill	9)	33.9	34.7
Other intangible assets	9)	4.5	7.5
Investments in associated comp.	10)	27.1	0,0
Pension asset	11)	10.1	9.4
Other non-current assets	13)	0.5	0.6
Deferred tax assets	12)	0.2	0.0
Non-current assets total		132.5	115.6
Current assets			
Inventories	14)	180.9	181.0
Trade receivables	15)	194.2	195.3
Other receivables	15)	6.8	6.5
Cash and cash equivalents	16)	131.0	112.9
Current assets total		512.9	495.6
ASSETS TOTAL		645.4	611.2

EUR million	Note	31.12.2007	31.12.2006
EQUITY AND LIABILITIES			
Equity			
Share capital		36.2	36.2
Expendable fund		30.0	30.0
Other funds		0.1	0.1
Retained earnings		129.2	116.9
Equity of the parent company shareholders		195.5	183.2
Minority interest		8.1	8.5
Equity total	17)	203.6	191.8
Non-current liabilities			
Deferred tax liabilities	12)	8.7	9.7
Pension liability	11)	4.4	4.1
Provisions	18)	0.0	0.0
Interest-bearing non-current liabilities	19)	0.3	0.5
Other non-current liabilities	20)	0.4	0.4
Non-current liabilities total		13.8	14.8
Current liabilities			
Trade payables	21)	363.7	352.7
Other current liabilities	21)	23.6	18.2
Provisions	18)	0.0	1.9
Interest-bearing current liabilities	19)	40.7	31.8
Current liabilities total		428.1	404.6
EQUITY AND LIABILITIES TOTAL		645.4	611.2

Consolidated Cash Flow Statement

EUR million	Note	1.1.–31.12.2007	1.7.–31.12.2006
Cash flow from operating activities			
Operating profit		29.1	12.2
Adjustments for:			
Depreciation		10.4	5.9
Income from associates		-1.0	0.0
Gain/loss on sale of property, plant and equipment		0.1	-0.6
Disposals of property, plant and equipment		0.5	0.6
Change in pension asset and pension obligation		-0.3	1.0
Other adjustments		-1.3	-0.1
		8.6	6.8
Change in working capital:			
Change in non-interest-bearing current receivables		-8.5	19.3
Change in inventories		-12.9	-0.2
Change in non-interest-bearing current liabilities		28.2	11.9
		6.8	31.0
Interest paid		-0.2	-0.7
Interest received		2.8	1.3
Income taxes paid		-8.0	-4.5
Net cash from operating activities		39.0	46.1
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets		-5.9	-2.4
Proceeds from sale of property, plant and equipment and intangible assets		2.1	3.7
Purchases of associated company		-15.8	0.0
Proceeds from sale of available-for-sale investments		0.1	0.1
Purchases of Minority interest		0.0	-7.9
Repayment of finance lease assets		0.3	0.1
Net cash used in investing activities		-19.1	-6.4
Cash flow from financing activities			
Repayment of finance lease liabilities		-1.0	-0.5
Repayment of short-term loans		9.3	15.1
Repayment of long-term loans		0.0	-7.1
Dividend paid		-8.9	0.0
Net cash used in financing activities		-0.7	7.4
Net change in cash and cash equivalents		19.1	47.1
Cash and cash equivalents at the beginning of the period	16)	112.9	65.8
Foreign exchange differences		-1.0	0.0
Net change in cash and cash equivalents		19.1	47.1
Cash and cash equivalents at the end of the period	16)	131.0	112.9

Cashflow, EUR million	Pro forma		
	1.1.–31.12.2007	1.7.–31.12.2006	1.1.–31.12.2006
Operating profit	29.1	12.2	17.4
Depreciation	10.4	5.9	11.7
Change in working capital	6.8	31.0	25.9
Cash flow from financial items and taxes	-5.5	-3.9	-6.3
Other adjustments	-1.9	0.9	3.9
Cash flow from operating activities	39.0	46.1	52.7
Cash flow from investing activities	-19.1	-6.4	-10.2
Cash flow from financing activities	-0.7	7.4	35.1
Net change in cash and cash equivalents	19.1	47.1	77.6
Cash and cash equivalents at beginning of period	112.9	65.8	35.0
Foreign exchange difference	-1.0	0.0	0.4
Net change in cash and cash equivalents	19.1	47.1	77.6
Cash and cash equivalents at end of period	131.0	112.9	112.9

Consolidated Statement of Changes in Equity

EUR million	Share capital	Other funds	Translation differences	Retained earnings	Equity of the parent company shareholders	Minority interest	Total
Equity 1.7.2006	36.2	30.1	-1.3	110.3	175.3	17.0	192.3
Translation differences			1.3		1.3		1.3
Dividend paid							
Hedge of net investment in a foreign subsidiary			0.0		0.0		0.0
Change in minority interest						-8.9	-8.9
Other changes							0.0
Share based payments				0.1	0.1		0.1
Taxes related to items booked into equity				0.6	0.6		0.6
Items booked into equity				-3.6	-3.6		-3.6
Profit for the period				9.6	9.6	0.4	9.9
Equity 31.12.2006	36.2	30.1	0.0	116.9	183.3	8.5	191.8
Translation differences			-2.5		-2.5	-0.4	-2.9
Dividend paid				-8.5	-8.5	-0.4	-8.9
Hedge of net investment in a foreign subsidiary							
Change in minority interest							
Other changes				-0.4	-0.4		-0.4
Share based payments				0.4	0.4		0.4
Taxes related to items booked into equity							
Items booked into equity							
Profit for the period				23.3	23.3	0.4	23.7
Equity 31.12.2007	36.2	30.1	-2.5	131.7	195.5	8.1	203.6

Other funds consist mainly of the parent company's expendable fund of EUR 30.0 million, that was created by lowering the Demerging Orion's share premium fund and transferring that to the expendable fund in the non-restricted equity.

Notes to the Consolidated Financial Statements

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Oriola-KD Group was formed from the demerging Orion Group's Wholesale and Distribution Division's companies Oriola Oy and Kronans Droghandel AB along with their subsidiaries. The execution of the demerger of Orion Corporation was entered in the Trade Register on 1 July 2006, at which time the demerging Orion Corporation was dissolved and the new companies Oriola-KD Corporation and Orion Corporation arising from the demerger were entered in the Trade Register. These consolidated financial statements were approved for publishing by the Board of Directors on 6.2.2008. In accordance with the Finnish Limited-liability Companies Act the shareholders have the right to approve or reject the financial statements in the General Meeting held after publication. The General Meeting also has the right to amend the financial statements. The parent company of the Oriola-KD Group is Oriola-KD Corporation, which is domiciled in Espoo. The company's Business ID is 1999215-0. Copies of the Consolidated Financial Statements of the Oriola-KD Group are available from the Head Office of Oriola-KD Corporation, address Orionintie 5, FI-02200 Espoo, Finland.

The Oriola-KD Group Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) including the IAS and their SIC and IFRIC interpretations in force and passed in the EU on the date of the Financial Statements, on 31 December 2007.

The Consolidated Financial Statements have been prepared for the financial year of twelve months duration, 1 January–31 December 2007. Oriola-KD's first financial year was June 1–December 31, 2006. The information in the Consolidated Financial Statements is presented in millions of euros and is based on historical costs, except for the financial assets recorded at their fair value in the Income Statement, the available-for-sale investments, derivatives as well as share-based payments recorded at their fair value.

Oriola-KD has applied the following new and amended standards and interpretations as of January 1, 2007:

- IFRS 7 Financial Instruments disclosure. IFRS 7 requires the acknowledging of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments. New standard has increased disclosure information presented in the notes.
- Amendment to IAS 1 Presentation of Financial Statements – Capital disclosures. This amendment IAS 1 requires entities to disclose information to evaluate the entity's objectives, policies and processes for managing capital. Adoption of this standard introduces new disclosures.

Use of estimates

When compiling the consolidated financial statements, management has to make such assessments and hypotheses of the future as have an impact on the assets and liabilities reported in the financial statements, on the date of the financial statements, on the presentation of conditional assets and liabilities in the notes to the financial statements and the income and expenses reported for the financial year. These assessments are made according to management's best knowledge of the events and actual materialised values may thus differ from the values used in the financial statements. Accounting assessments have mainly been used in determining the magnitude of items reported in the financial statements such as the impairment testing of goodwill and other asset items, determination of receivables and liabilities related, defined pension benefit plans, economic lives of tangible and intangible assets, provisions and taxes. Moreover, the application of accounting policies calls for special consideration.

Consolidation principles

The Consolidated Financial Statements include Oriola-KD Corporation and all companies directly or indirectly owned by it and controlled by the Group. The control originates when the Group owns more than 50% of the company's votes or it is entitled to set the principles for the company's finance and business operations, in order to gain benefits from its operation. Internal shareholding has been eliminated using the cost method.

Investments in associated companies (20–50% of the voting rights or significant influence in the company) are accounted for in the consolidated financial statements under the equity method. Financial statements of associated companies have been adjusted to IFRS standards in material respects. Subsidiaries are fully consolidated from the date of the acquisition being the date when the Group obtains factual control, while the divested subsidiaries are consolidated into the financial statements until the date that such control expires. All internal transactions, receivables and liabilities, distribution of profit and unrealised internal margins are eliminated at the compilation of the consolidated financial statements. The consolidated profit for the financial year is divided into portions allocable to the parent company shareholders and to the minority. Minority share of equity is included in Group equity and is itemised in the calculation regarding the changes in equity.

Items in foreign currencies

The items included in the financial statements of the subsidiaries will be valued in the currency which best describes the financial operating conditions of each subsidiary. The consolidated financial statements are in euro, which is the operating and reporting currency of the Group parent company.

Items in foreign currencies are converted into euro using the exchange rate of the date of the transaction. Outstanding monetary receivables and liabilities in foreign currencies have been measured using the exchange rates quoted on the date of the financial statements. The translation gains and losses related to the items in foreign currencies are recognised in the Income Statement. Exchange rate gains and losses related to business operations are included in the corresponding items above the operating profit line. Exchange rate gains and losses related to loans and receivables in foreign currencies are included in financial income and expenses.

The Income Statements of the Group companies domiciled outside the EMU area are converted into euro using the average exchange rate of the reporting period while the Balance Sheets are converted using the exchange rate quoted on the date of the Financial Statements. Using different exchange rates in the Income Statement and Balance Sheet for the translation of the financial result for the financial year results in a translation difference, and is recorded under translation conversion differences under equity. The receivables from foreign subsidiaries, recorded in the Balance Sheet of the parent company, are considered to constitute part of the net investment if no plan for their payment has been made and payment cannot be reasonably anticipated in the future. Exchange differences caused by receivables will be recognised under equity. The accumulated conversion differences related to divested Group companies, recorded under equity, are recognised as the gains or losses from transfers under the Income Statement.

Property, plant and equipment

Tangible assets are measured at their historical cost, less accumulated depreciation and impairment. The assets are depreciated over their useful life using the straight-line depreciation method. The useful life of assets is reviewed if necessary, adjusting it to correspond to eventual changes in the expected economic use. The assessed useful lives are as follows:

- Buildings 20 to 50 years
- Machinery and equipment 5 to 10 years
- Other tangible assets 10 years

Land areas are not subject to depreciation. Repair and maintenance costs are recognised as expenses for the period. Improvement investments are capitalised if they will generate future economic benefits. Capital gains and losses resulting from the transfer of tangible assets are recognised in the Income Statement.

Intangible assets

Goodwill

Subsidiaries acquired are consolidated using the cost method, according to which the assets and liabilities of the acquired company

are measured at their fair value at the time of acquisition. The cost of goodwill is the amount by which the acquisition cost of the subsidiary exceeds the fair net value of the identifiable assets, liabilities and conditional liabilities of the acquired company. Goodwill is tested for impairment at least annually by using a cash flow based valuation method. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill is stated at cost less any accumulated impairment losses. Impairment losses are recognised as expenses in the Income Statement.

Other intangible assets

Intangible assets include, for example, sales licences, trademarks, patents, software licences as well as product and marketing rights. Acquired intangible assets are measured at their historical cost, less depreciation and impairment. The assets are depreciated over their useful life, normally three to ten years, using the straight-line depreciation method.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Should there be such indication, the respective recoverable amount will be assessed. The recoverable amount represents the net sales price or a higher value in use, obtained by discounting the present value of the future cash flows from that asset item.

The impairment loss will be recognised in the Income Statement if the carrying amount of the asset item exceeds the recoverable amount. An impairment loss will be reversed if there is a change in the circumstances and the sum of cash that can be generated with the asset item exceeds its book value. The impairment loss will not be reversed beyond the value that the carrying amount of the asset would have been, had there been no impairment loss.

The test of impairment of goodwill will be made on an annual basis or more frequently if there is indication of impairment. Impairment is recognised in the Income Statement under other operating expenses which includes expenses not allocable to specific operations. The impairment loss of goodwill is not reversible.

Leases

Group as lessee

Lease contracts, on the basis of which the Group takes over a material part of the risks and benefits characteristic of ownership of such assets, are classified as finance lease agreements. Finance lease agreements are recorded in the Balance Sheet under assets and liabilities, mainly at the time when the lease period starts, either at the fair value of the asset or the lower present value of the minimum lease payments.

The assets acquired through finance lease agreements will be depreciated as any non-current assets, either over the useful life of the assets or over a shorter lease term. Finance lease liabilities are recorded under the non-current and current interest-bearing liabilities in the Balance Sheet.

If the lessor maintains the ownership risks and benefits, the lease agreement is treated as an operating lease, and the lease paid on the basis of such agreement is recognised as an expense, allocated it evenly over the entire lease term.

Group as lessor

The Group acts as a distributor and rents out assets, with the risks and benefits associated with ownership for the material part transferred to the lessee. Such leases are treated as finance leases. These leased assets are recognised as receivables in the Balance Sheet, corresponding to the present value of the leases under the lease agreement. Capital gains will be recognised upon the entrance into force of the agreement. The financial income from the agreements will be determined so that the remaining net investment generates the same percentage of return over the entire lease period. Financial income is recognised in financial items.

Assets leased under arrangements other than the finance lease agreements are included under property, plant and equipment in the Balance Sheet. Lease income is recognised in the Income Statement in even allotments over the entire lease term. The depreciation on these items is made during the economic life of the asset, in the same way as is the case for corresponding non-current assets in own use.

Employee benefits

Pension liabilities

The Group's pension arrangements are in line with each country's local regulations and practices. The pension arrangements of the Group companies comprise both defined contribution plans and defined benefit plans. The payments to the contribution plans are recognised as expenses in the Income Statement, allocating them to the financial year in question. In defined benefit plan arrangements, the Group's obligation is not limited to the payments made under the arrangement only, but the Group also covers actuarial and investment risks related to the pension arrangement in question.

The Group's major defined benefit arrangements are made in Finland where the Group's clerical employees have a statutory pension security under the Finnish Employees' Pension Act (TyEL) arranged through the Oriola Pension Fund, with some of the employees enjoying a supplementary pension scheme. The defined benefit obligations have been calculated separately for each individual

arrangement. The TyEL-related national disability pension obligation is recognised on the basis of employment while it was earlier recognised when the disability event has taken place.

The pension expenses related to defined benefits have been calculated using the projected unit credit method. Pension expenses are recognised as expenses by distributing them over the whole estimated period of service of the person concerned. The amount of the pension obligation is the present value of the estimated future pensions payable and the discount rate of interest is the interest rate applied to low-risk financial instruments with a maturity that corresponds to that of the pension liability as closely as possible.

Swedish Kronans Droghandel AB has recognised the obligations in full in the Balance Sheet.

At the transition to IFRS standards, all actuarial gains and losses have been recognised in the equity of the opening Balance Sheet in accordance with the exemption under IFRS 1 standard. After this, any actuarial gains and losses, to the extent that they exceed the variation defined in IAS 19, will be recognised in the Income Statement, allocated over the average remaining term of service of the personnel. The variation is the larger of the following: 10% of the present value of the obligation resulting from the arrangement, or 10% of the present value of the funds involved in the arrangement.

Inventories

Inventories are presented in the Balance Sheet as the value of the expenses caused by purchase or production, or the lower net realisable value. The net realisable value is the estimated sales price obtainable through normal business, less the estimated expenses incurred for finalising the product and selling it. The cost is either based on the FIFO principle or computed using a standard cost calculation that is sufficiently close to the factual cost calculated on FIFO basis.

Financial assets and liabilities

The financial assets and liabilities of the Oriola-KD Group are classified in accordance with the IAS 39 standard "Financial instruments: recognition and measurement" as follows:

- Financial assets and liabilities recognised in the Income Statement at their fair value
- Loans and other receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortized cost

The classification is based on the acquisition purpose of the financial asset or liability and takes place upon the original acquisition. The financial instruments are recognised in the Balance Sheet on the trade date.

Cash and cash equivalents and derivatives that do not meet the IAS 39 criteria for hedge accounting are classified as *financial assets recognised in the Income Statement at fair value*. Assets in this category are classified as short term assets which are expected to be realized within 12 months of the balance sheet date. The items within the Group are measured at fair value using market rates on the balance sheet date. Both realised and unrealised gains and losses arising from changes in fair value are recognised in the Income Statement for the financial period during which they are born.

Liquid assets include short term money market investments, bank deposits and cash at bank and in hand. Money market investments are characterised by low risk and maturity which is primarily less than three months. The fair values of liquid assets do not significantly differ from their book values. Oriola-KD has not applied IAS 39 hedge accounting at the 31st of December 2007.

Loans and other receivables are non-derivative financial assets with fixed or determinable payments. Assets in the category are not quoted in an active market and are not held for trading purposes. Assets in this category are classified as current assets except for maturities greater than 12 months after the balance sheet date. Trade and other receivables are also classified as assets in this category. Trade and other receivables are initially measured at cost. An impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect the amount due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, default or significant delay of the payments are considered as indicators that a trade receivable is impaired. The amount of the impairment is expensed in the Income Statement.

Available-for-sale financial assets are non-derivative financial assets that are especially classified into this category or assets that cannot be classified into any other category. They are included in non-current assets unless the intention is to hold them for less than 12 months from the balance sheet date. Oriola-KD has no assets in this category at the 31st of December 2007.

In the Balance Sheet *financial liabilities* are initially recognised as net proceeds and subsequently at amortized cost. Interest costs are recognised in the Income Statement using the effective interest method. The assets leased by Oriola-KD under finance lease

agreements are booked in interest-bearing non-current liabilities if the leased asset does not expire in less than 12 months from the balance sheet date. The credit account limits in use as well as the commercial paper programme issued and advances received are included under interest-bearing current liabilities. The fair value of financial liabilities does not significantly differ from their book value.

Derivative financial instruments and hedge accounting

Oriola-KD measures derivative contracts in accordance with the standard IAS 39 Financial Instruments: Recognition and Measurement. Oriola-KD has categorised all derivatives as derivatives held for trading, as it does not apply hedge accounting in accordance with the IAS 39 standard. All derivative financial instruments are carried at fair value using market rates on the balance sheet date. Derivative assets are recognised under trade and other receivables and derivative liabilities are recognised under trade payables and other current liabilities in the Balance Sheet. Oriola-KD has not applied IAS hedge accounting to derivatives hedging of Balance Sheet items in foreign currencies or forecast cash flows, although they have been acquired for hedging purposes in accordance with the Group's treasury policy. The change in the value of these derivative instruments has been measured at their fair value, and the result has been recognised in the Income Statement either as a purchases adjustment item or under financial income and expenses, depending on the operative hedging of the item in question.

Provisions

A provision is recognised in the Balance Sheet when the Group has a legal or constructive obligation resulting from an earlier event and such obligation can be reliably quantified.

A restructuring provision is made when the Group has compiled a detailed restructuring plan, launched its implementation or informed the parties concerned.

Income taxes

The Group income taxes include taxes based on the Group companies' operating profit for the financial year, tax adjustments for earlier financial years, as well as changes in deferred tax assets and liabilities. The income tax based on the taxable income of the financial period will be calculated on the basis of the valid tax rate in force in each country.

Deferred tax is computed on all temporary differences between carrying amount and taxable value. The deferred tax assets on adopted taxable losses of the Group companies are imputed only to the extent that they can be exploited in the future. The largest

temporary differences are caused by the depreciation of property, plant and equipment and the defined pension benefit plans. The deferred taxes are computed using the tax rates defined by the authorities by the reporting date.

Recognition of sales

In contracts wherein the distributor owns the entire inventory of its principal, sales income from products is recognised in invoicing and net sales. In contracts based on trading on commission and agency agreements, only the share of distribution fee is recognised in the distributor's net sales.

Consolidated net sales include income from the sale of goods and services, with adjustments for indirect taxes, discounts and translation differences resulting from sales in foreign currencies.

Income from the sale of goods is recognised when the major risks and benefits from the ownership of the goods have been taken over by the buyer. Income from services is recognised when the service has been performed.

Contents of function-specific Income Statement

Cost of goods sold

The cost of goods sold includes the materials, procurement and other costs related to the manufacturing and procurement.

Selling and distribution expenses

The expenses of Selling & Distribution function include the costs related to the distribution of the products, to the field sales force operations, as well as marketing, advertising and other promotional activities, including wages and salaries. Selling and distribution expenses include those incurred for the dispatch and distribution of the products.

Administrative expenses

Administrative expenses include general administrative expenses and those related to the corporate administration and the Group management. The functions are also carrying the depreciation and amortisation of the assets they are using, as well as some allocated administrative expenses in accordance with the matching principle.

Operating profit

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. Oriola-KD Group has defined operating profit as follows; from the net sales is deducted cost of goods sold, selling and distribution expenses, administrative expenses and other operating expenses and other operating income is added. Exchange rate gains and losses and changes in the derivative instruments related to business operations are included in the corresponding items above the operating profit line. If they don't relate to business operations they are included in the financial items. Associated company Lifco Dental International AB forms material part of the Healthcare and Dental Trade business segments and therefore income from associated company is included in the operating profit.

Application of the new and revised IFRS norms

IASB has issued the following new or revised standards and interpretations, that are not effective and which Oriola-KD Group has not applied. Oriola-KD group will apply each new standard and interpretation from the date effective and if the date is other than the first day of the financial year, from the beginning of the following financial year.

- IFRS 8 Operating Segments (effective from 1 January 2009) According to the new standard segment reporting is based on the management internal reporting and the accounting principles used. Oriola-KD Group assumes that adoption of IFRS 8 will mainly affect on the notes of the financial statements. IFRS 8 standard has not been accepted by EU.
- IAS 1 Presentation of financial statements – standard (effective from 1 January 2009). Renewed standard changes the presentation of the financial statements. Oriola-KD Group assumes that adoption of the change will affect mainly on the way that the changes in the equity is presented. Renewed standard has not been accepted by EU.

1. SEGMENT INFORMATION

The Group's primary Segment Reporting form corresponds to its business segments. The business segments are based on the Group's internal organisational structure and intra-Group financial reporting. The business segments are Pharmaceutical Trade and Healthcare and Dental Trade.

The assets and liabilities include items directly attributable to a segment and items which can be allocated. Group items include

tax and financial items as well as items related to corporate functions. Investments are constituted by increases in property, plant and equipment and intangible assets.

The geographical segments correspond to the Groups' main markets. Net sales are divided by the countries in which the clients are located. Assets and liabilities are divided according to the country in which they are located.

Business segments, EUR million

1.1.-31.12.2007	Pharmaceutical Trade	Healthcare and Dental Trade	Group items	Group total
Sale of goods	1,125.3	233.7		1,359.0
Sale of services	10.1	7.8		17.9
Royalties	0.3	0.0		0.4
Sales to external customers	1,135.8	241.5		1,377.3
Operating profit	17.4	14.9	-3.2	29.1
Assets	409.1	100.4	135.9	645.4
Liabilities	345.1	31.7	65.0	441.8
Capital expenditure	2.1	29.1	0.8	32.1
Depreciation and amortisation	6.3	3.0	1.1	10.4
Average number of personnel	887	529	17	1,432
1.7.-31.12.2006				
Sale of goods	538.7	116.2		654.9
Sale of services	4.6	3.0		7.6
Royalties	0.2	0.0		0.2
Sales to external customers	543.5	119.2	0.0	662.7
Operating profit	8.6	6.1	-2.6	12.2
Assets	408.8	82.7	119.7	611.2
Liabilities	336.9	27.8	54.7	419.4
Capital expenditure	0.8	1.8	0.3	2.9
Depreciation and amortisation	3.8	1.6	0.5	5.9
Average number of personnel	967	575	13	1,556

Geographical segments, EUR million

1.1.-31.12.2007	Finland	Other Nordic countries	Other Europe	Other countries	Group total
Sales to external customers	570.1	756.5	49.2	1.4	1,377.3
Assets	356.5	270.5	18.4		645.4
Capital expenditure	30.7	0.5	0.9		32.1
1.7.-31.12.2006					
Sales to external customers	270.7	369.6	21.6	0.8	662.7
Assets	270.5	322.8	17.9		611.2
Capital expenditure	2.3	0.2	0.4		2.9

2. OTHER OPERATING INCOME

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Gains on sales of tangible and intangible assets	0.4	2.2
Rental income	0.3	0.1
Other operating income	1.6	0.8
Total	2.3	3.2

3. DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation and amortisation by function, EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Selling and distribution expenses	9.1	5.1
Administrative expenses	1.3	0.8
Total	10.4	5.9

Depreciation and amortisation by type of asset, EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Property, plant and equipment		
Buildings	1.8	1.0
Machinery and equipment	5.4	3.0
Other tangible asset	0.1	0.0
Total	7.3	4.0
Intangible asset		
Intangible asset	1.7	1.1
Other capitalised expenditure	1.5	0.8
Total	3.1	1.9

During the financial year no material write-offs have been booked.
For the criteria applied ofr the planned depreciations, please see the policies for the financial statements.

4. EMPLOYEE BENEFITS

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Wages and salaries	44.3	21.0
Pension costs		
Defined contribution plans	1.6	0.6
Defined benefit plans	0.6	1.8
Other social security plans	7.7	3.3
Total	54.2	26.7
Averagen number of personnel	1,432	1,556

Number of personnel by segment is shown under Note 1. Segment information
Management's employee benefits are shown under Note 27. Related party transactions.

5. FINANCIAL INCOME AND EXPENSES

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Financial income		
Interest income	2.9	1.1
Exchange gains	1.2	0.2
Other financial income	0.0	0.0
Total	4.2	1.4
Financial expenses		
Interest expenses	0.8	0.5
Exchange losses	1.4	0.4
Total	2.3	0.9
Financial income and expenses total	1.9	0.5

6. INCOME TAX EXPENSE

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Current taxes	8.3	5.8
Adjustments for current taxes of previous financial years	0.2	0.0
Deferred taxes	-1.1	-3.0
Total	7.3	2.8
Income tax reconciliation		
EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Profit before taxes	31.0	12.7
Consolidated income taxes at Finnish tax rate	8.1	3.3
Losses of subsidiaries which no deferred tax is recognised	0.2	0.2
Effect of different tax rate of foreign subsidiaries	0.1	0.0
Group items	-1.2	-0.2
Non-deductible expenses and tax exempt income	0.1	-0.5
Other items	-0.1	-0.1
Income taxes total	7.3	2.8
Effective tax rate	23.6 %	22.2 %

7. EARNINGS PER SHARE

Earnings per share	1.1.-31.12.2007	1.7.-31.12.2006
Profit for the financial year available for parent company shareholders, EUR million	23.3	9.6
Average number of shares during the financial year (1,000)	141,258	141,258
Earnings per share, EUR	0.16	0.07

8. PROPERTY, PLANT AND EQUIPMENT

EUR million	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
2007						
Historical cost Jan 1, 2007	6.2	64.5	59.4	0.6	0.0	130.7
Additions	0.0	0.0	4.2	0.0	0.9	5.1
Disposals	-0.1	-2.7	-6.9	-0.2	0.0	-9.9
Transfers between Balance Sheet items	0.0	0.1	0.6	0.0	-0.6	0.0
Business transfer	0.0	0.0	-1.2	0.0	0.0	-1.2
Translation differences	-0.3	-1.3	-1.1	0.0	0.0	-2.6
Historical cost Dec 31, 2007	5.9	60.6	55.0	0.4	0.3	122.1
Accumulated depreciation Jan 1, 2007		-28.8	-38.4	-0.3		-67.5
Accumulated depreciation related to transfers and disposals		1.6	5.4	0.2		7.1
Depreciation for the financial year		-1.8	-5.4	-0.1		-7.3
Business transfer		0.0	0.5	0.0		0.5
Translation differences		0.5	0.8	0.0		1.3
Accumulated depreciation Dec 31, 2007		-28.6	-37.1	-0.2		-65.9
Carrying amount Jan 1, 2007	6.2	35.7	21.0	0.3	0.0	63.3
Carrying amount Dec 31, 2007	5.9	32.0	17.9	0.2	0.3	56.3
2006						
Historical cost July 1, 2006	6.6	70.4	59.6	0.6	0.8	138.0
Additions	0.0	0.0	2.6	0.1	0.1	2.7
Disposals	-0.6	-6.7	-3.8	-0.1	-0.3	-11.4
Transfers between Balance Sheet items	0.0	0.1	0.4	0.0	-0.6	0.0
Translation differences	0.1	0.7	0.5	0.0	0.0	1.4
Historical cost Dec 31, 2006	6.2	64.5	59.4	0.6	0.0	130.7
Accumulated depreciation July 1, 2006		-30.1	-36.8	-0.3		-67.2
Accumulated depreciation related to transfers and disposals		2.6	1.8	0.1		4.4
Depreciation for the financial year		-1.0	-3.0	0.0		-4.0
Translation differences		-0.2	-0.4	0.0		-0.6
Accumulated depreciation Dec 31, 2006		-28.8	-38.4	-0.3		-67.5
Carrying amount July 1, 2006	6.6	40.2	22.8	0.3	0.8	70.7
Carrying amount Dec 31, 2006	6.2	35.7	21.0	0.3	0.0	63.3

Assets leased through finance lease agreements

Property, plant and equipment include assets leased through finance lease agreements::

EUR million	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Total
31.12.2007					
Historical cost Dec 31, 2007			2.7		2.7
Accumulated depreciation			-2.6		-2.6
Carrying amount			0.1		0.1
31.12.2006					
Historical cost Dec 31, 2006			2.6		2.6
Accumulated depreciation			-1.9		-1.9
Carrying amount			0.7		0.7

The addition of historical cost of property, plant and equipment includes EUR 0.4 million in assets leased through finance lease agreements in financial year 2007.

9. INTANGIBLE ASSETS

EUR million 2007	Intangible assets	Goodwill	Group Goodwill	Other capitalised expenditure	Total
Historical cost Jan 1, 2007	22.6	3.4	33.7	12.2	71.9
Additions	0.3	0.5	0.0	0.0	0.8
Disposals	-3.5	-0.6	0.0	-0.5	-4.6
Transfer between Balance Sheet items	0.0	0.0	0.0	0.0	0.0
Business transfer	-0.2	0.0	0.0	0.0	-0.2
Translation differences	-0.7	0.0	-1.3	0.0	-2.0
Historical cost Dec 31, 2007	18.5	3.3	32.3	11.8	65.8
Accumulated depreciation Jan 1, 2007	-19.1	-2.4		-8.3	-29.7
Accumulated depreciation related to transfers and disposals	3.5	0.6		0.5	4.5
Depreciation for the financial year	-1.7	0.0		-1.5	-3.1
Business transfer	0.2	0.0		0.0	0.2
Translation differences	0.7	0.0		0.0	0.7
Accumulated depreciation Dec 31, 2007	-16.5	-1.8		-9.2	-27.5
Carrying amount Jan 1, 2007	3.5	1.1	33.7	4.0	42.2
Carrying amount Dec 31, 2007	2.0	1.5	32.3	2.5	38.3
2006					
Historical cost July 1, 2006	22.9	3.4	34.2	12.2	72.7
Additions	0.2	0.0	0.0	0.0	0.2
Disposals	-0.8	0.0	-1.2	0.0	-2.0
Transfer between Balance Sheet items	0.0	0.0	0.0	0.0	0.0
Translation differences	0.4	0.0	0.7	0.0	1.1
Historical cost Dec 31, 2006	22.6	3.4	33.7	12.2	71.9
Accumulated depreciation July 1, 2006	-18.5	-2.4		-7.5	-28.3
Accumulated depreciation related to transfers and disposals	0.8	0.0		0.0	0.8
Depreciation for the financial year	-1.1	0.0		-0.8	-1.9
Translation differences	-0.3	0.0		0.0	-0.3
Accumulated depreciation Dec 31, 2006	-19.1	-2.4		-8.3	-29.7
Carrying amount July 1, 2006	4.4	1.1	34.2	4.8	44.4
Carrying amount Dec 31, 2006	3.5	1.1	33.7	4.0	42.2

Impairment testing of goodwill

In the impairment test, from the EUR 32.3 million group goodwill EUR 30.3 million has been allocated to the Kronans Droghandel AB (KD) cash generating unit, which is part of the Pharmaceutical Trade business segment and EUR 2.0 million to the cash generating unit of Healthcare and Dental Trade business segment. The recoverable amount of the above goodwill is defined on the basis of the value-in-use calculations. The cash flow forecasts used in the calculations are based on the detailed 5-year plans adopted by management. The cash flows after the forecast period, adopted by the management, have been calculated assuming that the trend continues unchanged. The plans, in turn, are based on the growth of the pharmaceutical markets, as well as to the market share of the Pharmaceutical Trade and healthcare equipment and supplies expected market growth.

The growth of KD's future cash flows is influenced by low investments needs. The test is based on the current, app. 40–43% market share, situation in the pharmaceutical markets in Sweden and that those markets will grow by about 3–5 percent annually. The discount rate used is the weighted average pre-tax cost of capital 7.6% (WACC), defined for the divisions. Based in the impairment testing, there was no need to recognise any impairment of goodwill during this financial year. Based on the sensitivity analysis, 2% increase of the interest rates or a considerable (25%) decrease of the EBIT will not create a need for impairment of goodwill.

If these fundamentals are changed during a longer term, it could lead to a need to impairment.

10. INVESTMENTS IN ASSOCIATED COMPANY

EUR million	2007
Carrying amount Jan 1	0.0
Additions	26.2
Decreases	0.0
Share of results after tax	1.0
Dividend Income	0.0
Transfer assets held for sale	0.0
Translation difference	0.0
Carrying amount Dec 31	27.1

Associated company**Dec 31, 2007**

EUR million	Country	Assets	Liabilities	Net sales	Profit for the period	Group holding %
Lifco Dental International AB	Sweden	70.5	26.8	38.9	3.2	30%

Net sales and net result has been calculated for the period 1.10–31.12.2007 which is the period Oriola-KD has owned the associated company.

The financial statements for the associated company for the financial year 2007 are unaudited.

11. PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Finland**The funded status and amounts recognised in the balance sheet for the defined benefit plans:**

EUR million	2007	2006
Present value of obligations	38.8	35.9
Effect of business transfer	-0.6	0.0
Fair value of plan assets	-56.7	-57.3
Deficit /surplus	-18.4	-21.4
Effect of business transfer	-0.6	0.0
Unrecognised net actuarial gains (+) or losses (-)	9.0	11.9
Liability (+) / assets (-) recognised in the balance sheet	-10.1	-9.4

The benefit expense recognised in the income statement for the defined benefits plans:

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Current service cost	1.1	0.4
Interest cost	1.6	0.7
Expected return on plan assets	-3.7	-1.3
Effect of business transfer	-1.2	0.0
Net actuarial losses (-) or gains (+) recognised in year	-1.2	-0.4
Total	-3.2	-0.5

During the financial year 2007 the actual return on plan assets was EUR 2.9 million, which consists EUR 3.7 million related to expected return on plan asset and actuarial loss of EUR 0.8 million.

Changes in present value of obligations:

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Present value of obligation at beginning	35.9	31.4
Current service cost	1.6	0.4
Interest cost	1.6	0.7
Effect of business transfer	-0.6	0.0
Actuarial gains (+) or losses (-) on obligation	0.6	3.9
Benefits paid	-0.9	-0.4
Present value of obligation at period end	38.2	35.9

11. Pension and other post-employment benefit plans

Changes in plan asset:

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Fair value of plan assets at beginning	57.3	51.8
Expected return on plan asset	4.1	1.3
Actuarial gains (+) or losses (–) on plan assets	–1.2	5.8
Employer pension contribution	–3.6	–1.4
Employee pension contribution	1.0	0.2
Benefits paid	–0.9	–0.4
Fair value of plan assets at period end	56.7	57.3

Plan assets per asset category, as a percentage of the total fair values.

%	2007	2006
Money-market instruments, Bonds and Deposit	57.6%	44.7%
Equities and Funds	42.4%	55.3%
Others	0.0%	0.0%
Total	100.0%	100.0%

The benefit expense recognised in the income statement by function:

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Selling and distribution expenses	–2.5	–0.4
Administrative expenses	–0.7	–0.1
Total	–3.2	–0.5

The plan assets include shares issued by Oriola-KD Corporation with a fair value of EUR 3.5 million at the end of 2007.

Background Information	31.12.2007	31.12.2006
Discount rate	5.0%	4.5%
Expected return on plan assets	6.5%	6.5%
Future salary increases	3.5%	3.5%
Turnover	5.0%	5.0%

Expected long-term return on plan assets	31.12.2007	31.12.2006
Money-market instruments, Bonds and Deposit	3–5%	3–5%
Equities and Funds	8%	8%
Others	5–8%	5–8%

Expected return on shares is correlating the long-term actual returns at the said market. Expected return on obligations is based on their agreements.

Amounts during the financial year are as follows:

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Present value of obligations	–38.2	–35.9
Fair value of plan assets	56.7	57.3
Surplus (+) or deficit (–) in plan	18.4	21.4
Experience based adjustments on plan assets, gain (+) or loss (–)	–0.8	5.8
Experience based adjustments on plan liabilities, gain (+) or loss (–)	0.3	0.0

Oriola-KD estimates to pay in Finland to benefit plan EUR 0.5 million during financial year 2008.

11. Pension and other post-employment benefit plans

Outside Finland

The funded status and amounts recognised in the balance sheet for the defined benefit plans:

EUR million	2007	2006
Present value of obligations	5.3	4.9
Fair value of plan assets	0.0	0.0
Deficit / Surplus	5.3	4.9
Unrecognised net actuarial gains (+) or losses (-)	-0.9	-0.8
Liability (+) / assets (-) recognised in the balance sheet	4.4	4.1

The group do not have plan assets outside Finland.

The benefit expense recognised in the income statement for the defined benefits plans:

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Current service cost	0.3	0.4
Interest cost	0.2	0.2
Actuarial gains (-) or losses (+) recognised	0.0	0.0
Total	0.4	0.6

Changes of the fair value of the obligation:

EUR million	2007	2006
Present value of obligation at beginning	4.9	4.3
Current service cost	0.3	0.4
Interest cost	0.2	0.2
Actuarial losses (+) or gains(-)	0.2	0.1
Difference in exchange	-0.2	0.0
Benefits paid	-0.1	-0.1
Present value of obligations at 31 December	5.3	4.9

The benefit expense recognised in the income statement by function:

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Selling and distribution expenses	0.2	0.3
Administrative expenses	0.2	0.3
Total	0.4	0.6

Background Information

	31.12.2007	31.12.2006
Discount rate	3.70%	3.90%
Future salary increases	2.75%	2.75%
Turnover	2.00%	2.00%

Amounts during the financial year:

EUR million	1.1.-31.12.2007	1.7.-31.12.2006
Present value of obligations	-5.3	-4.9
Fair value of plan assets	0.0	0.0
Surplus (+) or deficit (-) in the plan	-5.3	-4.9
Experience based adjustments on plan liabilities, gain (+) or loss (-)	-0.5	0.1

Oriola-KD estimates to pay in Sweden to benefit plan EUR 0.5 million during financial year 2008.

12. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred tax assets

EUR million	2007	2006
Pension obligation	0.0	0.0
Internal inventory margin	0.0	0.0
Tax losses carried forward	0.0	0.0
Other deductible temporary differences	0.2	0.0
Total	0.2	0.0

Deferred tax liabilities

EUR million	2007	2006
Depreciation difference and other untaxed reserves	5.5	6.3
Pension assets	2.6	2.5
Effects of consolidation and eliminations	0.6	0.9
Other taxable temporary differences	0.0	0.0
Total	8.7	9.7

Change in deferred tax arises from:

EUR million	2007	2006
Pension asset/obligation	0.2	-0.3
Depreciation difference and other untaxed reserves	-0.8	-2.4
Consolidation measures	-0.5	-0.2
Total	-1.1	-3.0

On 31 December 2007, the Group had a total of EUR 4.6 million of temporary taxes with no ensuing deferred tax asset recording in the Balance Sheet. These unrecognised deferred tax assets relate to tax losses from foreign subsidiaries and the tax benefit included in assets is not probable.

13. OTHER NON-CURRENT RECEIVABLES

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Finance lease receivables	0.5	0.5	0.5	0.5
Other receivables	0.0	0.0	0.2	0.2
Total	0.5	0.5	0.6	0.6
Maturity of finance lease receivables				
EUR million			2007	2006
Within one year			0.3	0.2
Within 1–5 years			0.6	0.5
Total			0.9	0.7
Present value of minimum lease receivables				
EUR million			2007	2006
Within one year			0.4	0.2
Within 1–5 years			0.5	0.5
Total			0.9	0.7
Unearned financial income			0.0	0.0
Finance lease receivables total			0.9	0.7

14. INVENTORIES

EUR million	2007	2006
Raw materials and consumables	0.1	0.2
Work in progress	0.0	0.0
Finished products/goods	180.8	180.8
Total	180.9	181.0

During the financial year 2007 no material write-offs were booked.

15. TRADE AND OTHER RECEIVABLES

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Trade receivables	194.2	194.2	195.3	195.3
Finance lease receivables	0.4	0.4	0.2	0.2
Prepaid expenses and accrued income	3.3	3.3	1.9	1.9
Derivative asset	0.0	0.0	0.0	0.0
Other receivables	3.1	3.1	4.3	4.3
Total	201.0	201.0	201.8	201.8

Aging and impairment of trade receivables at the closing date

EUR million	2007 Gross	2007 Impairment	2006 Gross	2006 Impairment
Not past due	185.8	0.0	180.3	0.0
Past due 1–30 days	6.8	0.0	11.5	0.0
Past due 31–180 days	1.5	0.0	3.1	0.0
Past due more than 181 days	0.1	–0.1	0.5	–0.1
Total	194.3	–0.1	195.4	–0.1

Material items included in prepaid expenses and accrued income

EUR million	2007	2006
Income tax receivable	0.0	0.0
Compensation not received	0.2	0.3
Accrued interest income	0.2	0.1
Other	3.0	1.5
Total	3.3	1.9

16. CASH AND CASH EQUIVALENTS

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Cash at bank and in hand	12.0	12.0	12.6	12.6
Interest bearing short term investments	119.0	119.0	100.2	100.2
Total	131.0	131.0	112.9	112.9

17. NOTE CONCERNING EQUITY

Share capital

	A shares	B shares	Shares total
Number of shares 1.7.2006	56,397,540	84,860,288	141,257,828
Conversion of A shares to B shares	-102,900	102,900	
Number of shares 31.12.2006	56,294,640	84,963,188	141,257,828
Votes 31.12.2006	1,125,892,800	84,963,188	1,210,855,988
Share capital per share class 31.12.2006, EUR million	58.9	89.0	147.9
Percentage from the total shares	39.9%	60.1%	100.0%
Percentage from the total votes	93.0%	7.0%	100.0%
Number of shares 1.1.2007	56,294,640	84,963,188	141,257,828
Conversion of A-shares to B-shares	-5,049,235	5,049,235	
Number of shares 31.12.2007	51,245,405	90,012,423	141,257,828
Votes 31.12.2007	1,024,908,100	90,012,423	1,114,920,523
Share capital per share class 31.12.2007, EUR million	53.7	94.2	147.9
Percentage from the total shares	36.3%	63.7%	100.0%
Percentage from the total votes	91.9%	8.1%	100.0%
EUR million		2007	2006
Parent company share capital 31.12.		147.9	147.9
Elimination of the revaluation of subsidiary shares in the consolidated		-111.7	-111.7
Consolidated share capital 31.12.		36.2	36.2

Oriola-KD Corporation's minimum authorised share capital is EUR 50.0 million and maximum authorised share capital EUR 2.0 billion, within which limits the share capital may be increased or decreased without amending the Articles of Association. The company shall have at least one (1) share and at most 1,000,000,000 shares. Of the shares, a maximum of 500,000,000 shall be Class A shares and a maximum of 1,000,000,000 Class B shares.

Oriola-KD Corporation's share capital at 31 December 2007 stood at EUR 147.9 million and the counter book value of the shares is approximately EUR 1.05 each. All issued shares have been paid up in full.

Each Class A share entitles its holder to 20 votes and each Class B share entitles its holder to one vote at General Meetings of Shareholders. No shareholder may vote with more than 1/20 of the total number of votes in the different-class shares represented at the General Meeting.

Both classes of shares give shareholders the same rights to Company assets and distribution of dividends.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of Class A shares into Class B shares.

Authorisation to the Board to decide on private repurchase of own shares and bonus issue to the Company

The Annual General Meeting of 13 March 2007 authorised the Board to decide on a directed acquisition of treasury shares and a bonus issue to the Company.

The Board is authorised to acquire for the Company its own Class B shares. The number of B shares to be acquired pursuant to this authorisation shall not exceed 1,450,000.

The shares to be acquired pursuant to the authorisation shall be purchased in public trading organised by OMX Nordic Exchange Helsinki. The maximum consideration payable for each B share acquired pursuant to the authorisation is the highest publicly quoted price of the B share in the month of acquisition. The purpose of the authorisation is to enable the use of treasury shares in the

incentive scheme for the Company's top management and to hedge against the risk of taxes and other similar expenditure arising from the incentive scheme.

The Board shall decide on all other matters relating to the acquisition of B shares.

This authorisation shall remain in force for a period not to exceed eighteen (18) months from the decision taken by the Annual General Meeting.

The Board was authorised to decide on a bonus issue to the Company itself in one or more instalments. The number of B shares to be issued pursuant to this authorisation shall not exceed 1,450,000.

The Board shall decide on all other matters relating to the issue of B shares.

The purpose of the authorisation is to enable the creation of own shares for use in the incentive scheme for the Company's top management and to hedge against the risk of taxes and other similar expenditure arising from the incentive scheme.

This authorisation shall remain in force for a period not to exceed four (4) years from the decision taken by the Annual General Meeting.

The number of shares coming into the possession of the Company pursuant to both the aforementioned authorisations shall not exceed 1,450,000 B shares, which represents 1.03% of all Company shares and 0.13% of total votes.

Authorisation to the Board of Directors to decide on a directed share issue for the purposes of creating a share incentive scheme for management and selling B shares on the stock exchange

The Annual General Meeting convening on 13 March 2007 authorised the Board of Directors to decide on a directed share issue for the purposes of creating a share incentive scheme for management and selling B shares on the stock exchange.

The Board was authorised to disapply shareholders' pre-emption rights and issue Class B shares in the Company. The B shares to be issued may be either new or B shares held by the Company's as treasury shares. This authorisation shall remain in force for a period not to exceed four (4) years from the decision taken by the Annual General Meeting. The authorisation concerns a total of 1,450,000 shares. The share issue may be a bonus issue.

The Board may execute this authorisation in the share incentive scheme for top management in the Oriola-KD Group in respect of 650,000 B shares. The share incentive scheme is intended as a part of the incentive scheme for the President and CEO and other top management. The incentive scheme comprises three earning periods of one year. The Board decides on the target group of the earning period and the bonuses of the key employees in the target group at the beginning of each earning period. Subject to a decision by the Board, shares would be granted to the aforementioned persons on the basis of the development of the Oriola-KD Group's operating profit and return on capital employed (ROCE) in the years 2007–2009. Any B shares to be granted as part of the share incentive scheme shall be issued between 1 January 2008 and 31 December 2010. The said shares represent 0.46% of all Company shares and 0.06% of total votes.

In addition to the incentive scheme described above, the Board may sell no more than 800,000 B shares in public trading organised by the OMX Nordic Exchange Helsinki. The purpose of the sale of B shares on the stock exchange is to enable the use of the Company's treasury shares to hedge against the risk arising from the taxes and other similar expenditure arising from the share incentive scheme.

The Board shall decide on all other matters relating to the share issues and the incentive scheme for top management.

Other authorisations

The Board of the Company holds no other authorisations to issue shares or to grant share options or other equity instruments.

18. PROVISIONS

EUR million	Restructuring provision	Other provisions	Total
1.1.2007	1.2	0.7	1.9
Increase / decrease	-1.2	-0.7	-1.9
31.12.2007	0.0	0.0	0.0

EUR million	Restructuring provision	Other provisions	Total
1.7.2006	1.0	0.7	1.7
Increase / decrease	0.2	0.0	0.2
31.12.2006	1.2	0.7	1.9

EUR million	2007	2006
Current provisions	0.0	0.0
Non-current provisions	0.0	1.9
Total	0.0	1.9

The restructuring and other provisions booked during the previous financial year has been fully used in 2007. At the end of the financial year 2007, there was no need for restructuring nor other provisions.

19. INTEREST-BEARING LIABILITIES

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Non-current				
Loans from financial institutions	0.0	0.0	0.0	0.0
Pension loans	0.0	0.0	0.0	0.0
Finance lease liabilities	0.3	0.3	0.5	0.5
Total	0.3	0.3	0.5	0.5

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Current				
Loans from financial institutions	0.0	0.0	0.0	0.0
Advances received	40.1	40.1	30.9	30.9
Finance lease liabilities	0.6	0.6	0.9	0.9
Other non-current liabilities	0.0	0.0	0.0	0.0
Total	40.7	40.7	31.8	31.8

Repayment schedule	2007	2006
Within one year	0.0	0.0
1-5 years	0.3	0.5
More than five years	0.0	0.0
Total	0.3	0.5

19. Interest-bearing liabilities

Maturity of finance lease liabilities

EUR million	2007	2006
Within one year	0.6	0.9
Within 1–5 years	0.3	0.6
Total	0.9	1.5

Present value of minimum lease payments

EUR million	2007	2006
Within one year	0.6	0.9
Within 1–5 years	0.3	0.5
Total	0.9	1.4

Unearned financial expense	0.1	0.1
Finance lease liabilities total	0.9	1.5

20. OTHER NON-CURRENT LIABILITIES

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Pension deposit on behalf of personnel	0.0	0.0	0.0	0.0
Other non-current liabilities	0.4	0.4	0.4	0.4
Total	0.4	0.4	0.4	0.4

21. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

EUR million	2007 Fair value	2007 Carrying amount	2006 Fair value	2006 Carrying amount
Trade payables	363.7	363.7	352.7	352.7
Accrued liabilities and deferred income	13.1	13.1	8.8	8.8
Derivative liability	0.0	0.0	0.4	0.4
Other current liabilities	10.5	10.5	8.9	8.9
Total	387.4	387.4	370.9	370.9

Material items included in accrued liabilities and deferred income

	2007	2006
Accrued wage, salary and social security payments	5.8	6.3
Income tax liability	2.6	0.3
Other	4.7	2.2
Total	13.1	8.8

22. FINANCIAL RISK MANAGEMENT

The financial risks relating to the business operations of the Oriola-KD Group (hereinafter Oriola-KD) are managed in accordance with the treasury policy adopted by the Board of Directors of Oriola-KD Corporation. Oriola-KD's treasury policy provides the framework for the Group's financing activities. Detailed operational instructions defining the principles of financial risk management and liquidity management have been prepared for the financial management of the Group. Group treasury is responsible for the implementation, monitoring and communication of the policy in the Group. The treasury policy is updated as necessary and once a year at the least.

The objective of financial risk management is to ensure financial position and to secure daily liquidity, to optimise balance sheet of the Group, to eliminate currency, interest rate, market price and credit risks as much as possible and to ensure cost-effective operations. The treasury identifies, assesses and hedges financial risks in close cooperation with the business segments.

CURRENCY RISKS

Fluctuations in currency exchange rates impact on Oriola-KD's operations although the significance of currency risks is limited by the geographical scope of operations. The most important operational currencies for Oriola-KD are the euro and the Swedish krona. Currency risk is divided into transaction risk arising from income and expenditure denominated in foreign currencies and translation risk arising from equity investments and profit denominated in foreign currencies.

Transaction risk

Currency positions are reported at 12-month intervals at Oriola-KD. Hedging decisions are taken on the basis of the 12-month currency position reports. The net position of trade receivables and trade payables denominated in all important currencies is hedged to the full amount. Forecasted items can be hedged for the coming three months at a maximum of 100% of forecasted cash flow. The hedging instruments permitted are currency forwards and swaps. The treasury is responsible for hedging the net positions in foreign currencies.

Hedge accounting is not used at Oriola-KD because of that result of foreign exchange gains and losses has been recognised in the Income Statement.

EUR million	31.12.2007	USD risk	31.12.2006
Trade receivables	0		0.0
Trade payables	-1.6		-1.1
Net risk in balance sheet	-1.6		-1.1
Forecasted sales (3 mo.)	0.0		0.0
Forecasted purchases (3 mo.)	-1.3		-2.4
Forecasted net risk	-1.3		-2.4
Hedging			
Currency forwards (3 mo.)	1.7		1.0
Total net risk	-1.2		-2.5

Translation risk

The equities of foreign subsidiaries outside the Euro zone are subject to foreign exchange risks that may give rise to deferred translation differences in the equity of Oriola-KD. The currency risk in the Group companies' equity may be hedged only by separate decision, in which case permitted hedging instruments are foreign currency denominated loans as well as currency swaps and forwards contracts.

Oriola-KD had not hedged the foreign exchange currency risk of Group companies' equities at 31 December 2007.

Loans in foreign currencies

Oriola-KD has no interest-bearing liabilities denominated in foreign currencies. Internal loans and deposits are made in the local currency of the subsidiaries. Oriola-KD uses currency swaps to hedge Kronans Droghandel AB's internal loans and deposits to Oriola-KD Corporation maturing in less than one month. The volatility of the local currencies of the subsidiaries is low against the euro and accordingly, other internal loans have not been hedged.

LIQUIDITY RISK

Liquidity risk management ensures that Oriola-KD can meet its financial obligations at all times. Liquidity development is monitored on the basis of cash flow estimates and risk is managed by diversifying a sufficient proportion of investments into liquid money market instruments. Liquidity management and monitoring is centralised to the treasury. Group liquidity is further secured by credit facilities EUR 25 million with banks and Oriola-KD Corporations' commercial paper programme of EUR 100 million. At 31 December 2007, Oriola-KD had neither short nor long term financing from financial institutions and the credit facilities and corporate paper programme remained untapped.

INTEREST RATE RISK

Oriola-KD aims to minimise interest rate risk and the effect of interest rate fluctuations on the Group's income statement. Interest rate risk management and monitoring is centralised to the treasury.

Oriola-KD's interest-bearing liabilities stood at EUR 41.0 million at 31 December 2007 and consisted mainly of short-term advance payments denominated in euro. Fluctuation in the interest rates of these has no significant impact on the Group's financial performance.

Oriola-KD's cash and cash equivalents stood at EUR 131.0 million at 31 December 2007. The liquid assets were invested in short-term financial instruments. Changes in interest rates have no significant impact on the fair value of the investment portfolio due to the short maturity of the investments.

CREDIT RISKS AND OTHER COUNTERPARTY RISKS

Credit risk arises from the possibility of a counterparty failing to meet its contractual payment obligations or financial institutions failing to meet their obligations relating to deposits and derivatives trading. Both treasury policy and customer credit policy at Oriola-KD seek to minimise credit risks and other counterparty risks.

Oriola-KD's treasury policy provides the framework for credit risk management, cash management and counterparties in financial transactions. The aim of treasury policy is to ensure that assets are invested at low credit risk and diversified counterparty risk. Credit lines are determined for counterparties in investments and derivative financial instruments on the basis of their creditworthiness and solvency and the credit lines are monitored and updated on a regular basis. Money market investments are made in marketable financial instruments primarily of less than three months' duration and in deposits. The creditworthiness requirements of commercial counterparties are defined in the customer credit policy. The business segments are each responsible for the credit risk arising from commercial receivables within the limits of the principles they have defined. The Group's most important individual customer is the Swedish state-owned pharmacy chain Apoteket AB. The amount of credit losses recognised in the Income Statement for the financial year was insignificant (Note 15, Trade and other receivables).

CAPITAL RISK MANAGEMENT

The aim of the Group is an efficient capital structure that safeguards operational prerequisites under all circumstances. Return on capital employed (ROCE) and gearing ratio are the means of monitoring capital structure.

The long-term financial goals and dividend policy for the Oriola-KD Group have been confirmed by the Board of Directors of Oriola-KD Corporation. The Group's long-term financial goals are based on the development of its operating profit and ROCE. The Group has set the target of return on capital employed (ROCE) shall be at least 13 per cent in 2010. In addition, Oriola-KD will seek to pay out as dividends approximately 50 percent of earnings per share annually. The company's financial position and operating strategy shall be taken into consideration when determining annual dividend.

	2007	2006
Return on capital employed, %	14.2%	12.1% *)
Gearing ratio, %	-44.2%	-42.0%

*) Annualized. 1-12/2006 Pro forma return on capital employed was 8.6%.

23. COMMITMENTS AND CONTINGENCIES

EUR million	2007	2006
Contingent for own liabilities		
Mortgages on land and buildings	2.0	1.0
Mortgages on company assets	21.9	22.9
Guarantees	3.1	4.8
Other	2.2	3.1
Contingent for liabilities of other parties		
Guarantees	0.0	0.0

24. DERIVATES

2007			
EUR million	Positive fair value	Negative fair value	Nominal values
Hedge of net investments in foreign operations			
Currency forwards/swap		-0.0	53.0
2006			
EUR million	Positive fair value	Negative fair value	Nominal values
Hedge of net investments in foreign operations	0.0	-0.3	26.5
Currency forwards/swap	0.0	0.0	4.6

25. CARRYING AMOUNTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES CLASSIFIED

EUR million	Note	2007 Fair value	2007 Carrying amount	2006 Fair value	2007 Carrying amount
Financial assets recognised at recognised at fair value through profit or loss					
Cash and cash equivalents	16)	131.0	131.0	112.9	112.9
Derivative asset	15)	0.0	0.0	0.0	0.0
Loans and other receivables					
Other non-current receivables	13)	0.5	0.5	0.6	0.6
Trade and other receivables	15)	201.0	201.0	201.8	201.8
Available-for-sale financial assets					
Financial assets total		332.5	332.5	315.3	315.3
Financial liabilities at fair value through profit or loss					
Derivative liability	21)	0.0	0.0	-0.4	-0.4
Financial liabilities measured at amortised cost					
Non-current interest-bearing liabilities	19)	-0.3	-0.3	-0.5	-0.5
Other non-current liabilities	20)	-0.4	-0.4	-0.4	-0.4
Current interest-bearing liabilities	19)	-40.7	-40.7	-31.8	-31.8
Trade payables and other current liabilities	21)	-387.4	-387.4	-370.5	-370.5
Financial liabilities total		-428.7	-428.7	-403.6	-403.6

26. OPERATING LEASES

Group as lessee		
Minimum lease payments payable on the basis of other non-terminable leases		
EUR million	2007	2006
Within one year	2.7	2.9
Within 1-5 years	2.2	3.6
Total	5.0	6.5

27. RELATED-PARTY TRANSACTIONS

In the Oriola-KD Group, the related parties are deemed to include the parent company Oriola-KD Corporation, the subsidiaries as well as associated companies, the President of Oriola-KD, the

Oriola-KD Corporation Board members, the immediate family members of the above persons, the companies controlled by the above persons, as well as the Oriola Pension fund.

	Group		Parent company	
	Ownership %	Share of votes %	Ownership %	Share of votes %
Parent company Oriola-KD Corporation				
Oriola Oy (Finland)	100%	100%	100%	100%
Oriola-KD Holding Sverige AB (Sweden)	100%	100%	100%	100%
Oriola Oy	100%	100%	100%	100%
Meteko Instrument AB (Sweden)	100%	100%		
Oriola A/S (Denmark)	100%	100%		
Oriola AB (Sweden)	100%	100%		
AS Oriola (Estonia)	100%	100%		
SIA Oriola Riga (Latvia)	100%	100%		
UAB Oriola Vilnius (Lithuania)	100%	100%		
Panfarma AB (Sweden *)	100%	100%		
Panpharmacy Oy (Finland)	100%	100%		
Panpharmacy Oü (Estonia)	100%	100%		
SIA Panpharmacy (Latvia)	100%	100%		
Oriola-KD Holding Sverige AB (Sweden)	100%	100%	100%	100%
Kronans Droghandel AB (Sweden)	85.62%	85.62%		
KD Pharma Distribution AB (Sweden *)	85.62%	85.62%		
Lifco Dental International AB	30%	30%		

*) The companies are not engaged in any operating activities.

Transactions with the related parties

The Group has had no significant business transactions with the related parties, except for the pension expenses resulting from the defined benefit plans with the Oriola Pension Fund.

Management benefits

EUR million	1.1.–31.12.2007	1.7.–31.12.2006
Salaries and other benefits	1.8	0.8
Post employment benefits	0.0	0.1

Wages and salaries

1,000 EUR	1.1.–31.12.2007	1.7.–31.12.2006
President of the Oriola-KD Corporation	426.3	122.3

Members of the Board

Olli Riikkala, Chairman	59.2	35.6
Antti Remes, Vice Chairman	35.8	25.2
Harry Brade	28.0	-
Pauli Kulvik	28.4	18.6
Outi Raitasuo	28.8	20.2
Jaakko Uotila	29.6	19.4
Mika Vidgrén	29.2	19.8
Total	239.0	138.8

27. Related-party transactions

In November 2006, the Board of Oriola-KD Corporation decided on a new share incentive scheme for key employees in the Oriola-KD Group. Some twelve key employees are eligible for the scheme. The scheme encourages sustained effort on the part of key employees by strengthening their commitment to the operation and development of the company. Any bonuses are determined on the basis of the development of Oriola-KD's operating profit and return on capital employed (ROCE) in 2007–2009. Bonuses are payable in 2008-2010 in the form of stock, cash or a combination of the two. Except for certain special circumstances, the bonus shares may not be transferred for a period of one year from payment of the bonus. The number of Class B shares

included in the scheme may not exceed 650,000. The incentive scheme comprises three earnings periods of one year. The Board decides on the target group of the earning period and the bonuses of the key employees in the target group at the beginning of each earning period.

Share-based payment were in 1–12/2007 EUR 1.1 million (7–12/2006 EUR 0.1 million).

Additional information of the share ownership can be found in shares and shareholders section.

Key Financial Figures

Consolidated Income Statement

EUR million

	1.1.–31.12.2007	1.7.–31.12.2006
Net sales	1,377.3	662.7
International operations	807.1	392.0
% of net sales	58.6%	59.1%
Operating profit	29.1	12.2
% of net sales	2.1%	1.8%
Financial income and expenses	1.9	0.5
% of net sales	0.1%	0.1%
Profit before taxes	31.0	12.7
% of net sales	2.3%	1.9%
Profit for the period	23.7	9.9
% of net sales	1.7%	1.5%
Profit available for parent company shareholders	23.3	9.6
Return on capital employed (ROCE)*)	14.2%	12.1%
Return on equity (ROE)*)	12.0%	10.3%

*) Annualized

Consolidated Balance Sheet

EUR million

	31.12.2007	31.12.2006
Non-current assets	132.5	115.6
Current assets	512.9	495.6
Equity of the parent company shareholders	195.5	183.2
Minority interest	8.1	8.5
Non-current provisions	0.0	0.0
Liabilities	441.8	419.4
Interest-bearing liabilities	41.0	32.3
Non-interest-bearing liabilities	400.8	387.1
Total assets	645.4	611.2
Equity ratio	33.7%	33.1%
Gearing	-44.2%	-42.0%

Other key figures

	1.1.–31.12.2007	1.7.–31.12.2006
Average number of employees	1,432	1,556
Gross capital expenditure, EUR million	32.1	10.8

Key figures

	31.12.2007	Pro forma 31.12.2006
Equity ratio, %	33.7%	33.1%
Equity per share, EUR	1.38	1.30
Return on capital employed (ROCE), %	14.2%	8.6%
Return on equity, %	12.0%	7.4%
Net interest bearing debt, Me	-90.0 Me	-80.6 Me
Gearing, %	-44.2%	-42.0%
Earnings per share, EUR	0.16	0.10
Average number of share, tpcs *)	141,258	141,258

*) In the calculation for the share related key figures of 2006, number of shares at the end of period has been used.

Share-related key figures

			1.1.-31.12.2007	1.7.-31.12.2006
Earnings per share		EUR	0.16	0.07
Equity per share		EUR	1.38	1.30
Total dividends		MEUR	11.3*	8.5
Dividend per share		EUR	0.08*	0.06
Payout ratio		%	50.0*	85.7
Dividend yield	A	%	2.7*	1.9
Dividend yield	B	%	2.7*	1.9
P/E ratio	A		18.75	44.71
P/E ratio	B		18.75	44.43
Share price on Dec 31,	A	EUR	3.00	3.13
Share price on Dec 31,	B	EUR	3.00	3.11
Average share price	A	EUR	3.32	2.42
Average share price	B	EUR	3.24	2.24
Lowest share price	A	EUR	2.64	1.90
Lowest share price	B	EUR	2.57	1.81
Highest share price	A	EUR	3.70	3.13
Highest share price	B	EUR	3.68	3.14
Market capitalisation		MEUR	423.80	440.4
Trading volume				
A-Shares		1 000 pc	12,099	8,085
% of average number of A-shares		%	23.1%	14.3%
B-shares		1 000 pc	71,595	57,750
% of average number of B-shares		%	80.5%	68.0%
% of average number of all shares		%	59.2%	46.6%
Number of shares Dec 31,	A	pc	51,245,405	56,294,640
	B	pc	90,012,423	84,963,188
Total number of shares Dec 31,		pc	141,257,828	141,257,828
Total number of A-shares, annual average		pc	52,319,911	56,391,592
Total number of B-shares, annual average		pc	88,937,917	84,866,236
Total number of shares, annual average		pc	141,257,828	141,257,828
Total number of share Dec 31,		pc	141,257,828	141,257,828

* Proposal by Board of Directors

Calculation of Key Figures are on page 41.

Calculation of Key Indicators (IFRS)

Return on capital employed (ROCE), % =

$$\frac{\text{Profit before taxes + interest expenses and other financial expenses}}{\text{Total assets – non-interest bearing liabilities (year's average)}} \times 100$$

Return on equity (ROE), % =

$$\frac{\text{Profit for the period}}{\text{Shareholders' equity + minority interest (year's average)}} \times 100$$

Equity ratio, % =

$$\frac{\text{Shareholders' equity}}{\text{Total assets – advances received}} \times 100$$

Gearing ratio, % =

$$\frac{\text{Interest-bearing liabilities – cash assets}}{\text{Shareholders' equity + minority interest}} \times 100$$

Earnings per share (EPS), EUR =

$$\frac{\text{Profit attributable to shareholders of the parent company}}{\text{Average number of shares during the financial year}}$$

Equity per share, EUR =

$$\frac{\text{Equity attributable to shareholders of the parent company}}{\text{Number of shares at 31 December}}$$

Dividend per share, EUR =

$$\frac{\text{Dividend distributed for the financial year}}{\text{Number of shares at 31 December}}$$

Payout ratio, % =

$$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, % =

$$\frac{\text{Dividend per share}}{\text{Closing price on the last trading day of the financial year}} \times 100$$

Price per earnings ratio (P/E) =

$$\frac{\text{Closing price on the last trading day of the financial year}}{\text{Earnings per share}}$$

Average share price, EUR =

$$\frac{\text{Trading turnover}}{\text{Average number of shares traded during the financial year}}$$

Market capitalisation, EUR million =

$$\text{Number of shares at the end of the financial year} \times \text{closing price on the last trading day of the financial year}$$

Parent Company Income Statement (FAS)

EUR	1.1.-31.12.2007	1.7.-31.12.2006
Other operating income	3,943,613.13	1,848,879.00
Personnel expenses	-2,435,115.38	-1,076,046.37
Other operating expenses	-1,378,581.47	-1,332,565.25
OPERATING PROFIT	129,916.28	-559,732.62
Financial income and expenses	+12,289,022.99	+30,279,924.55
PROFIT BEFORE APPROPRIATIONS AND TAXES	12,418,939.27	29,720,191.93
Taxes	-524,959.19	-34,329.81
PROFIT FOR THE FINANCIAL YEAR	11,893,980.08	29,685,862.12

Parent Company Balance Sheet

EUR	31.12.2007	31.12.2006
ASSETS		
NON-CURRENT ASSETS		
Tangible assets		
Land and water area	149,185.67	149,185.67
Investments		
Shares in Group companies	175,750,580.47	175,750,580.47
Receivables from Group companies	10,678,041.68	16,090,694.74
	186,428,622.15	191,841,275.21
CURRENT ASSETS		
Receivables		
Short-term		
Other receivables	120,033,315.98	61,731,983.03
Accrued receivables	1,794,534.35	112,932.27
	121,827,850.33	61,844,915.30
Cash and bank	5,047,667.04	644,663.72
ASSETS TOTAL	313,453,325.19	254,480,039.90

EUR	31.12.2007	31.12.2006
LIABILITIES		
EQUITY		
Share capital	147,899,766.14	147,899,766.14
Other funds	30,000,000.00	30,000,000.00
Retained earnings	21,210 392.44	
Profit for the financial year	11,893 980.08	29,685,862.12
	211,004,138.66	207,585,628.26
LIABILITIES		
Current liabilities		
Trade payables	34,192.23	212,226.64
Liabilities to other Group companies	101,174,355.06	45,683,321.61
Other current liabilities	588,870.80	239,456.27
Accrued liabilities	651,768.44	759,407.12
	102,449,186.53	46,894,411.64
LIABILITIES TOTAL	313,453,325.19	254,480,039.90

Shares and Shareholders

Oriola-KD Corporation's share capital is EUR 147,899,766.14 and the counter book value of the shares is about EUR 1.05 each. At year-end 2007, the company had a total of 141,257,828 shares, of which there were 51,245,405 Class A shares and 90,012,423 Class B shares.

Oriola-KD Corporation's Class A and Class B shares are quoted on the Main List of OMX Nordic Exchange Helsinki in the sub-industry Health Care Distributors of the Health Care sector. The trading code for Class A shares is OKDAV and for Class B shares OKDBV.

SHARE TRADING AND DEVELOPMENT OF SHARE PRICE

A total of 83.7 million Oriola-KD Corporation shares, corresponding to 59.2% of all outstanding shares, were traded between 1 January and 31 December 2007. The traded volume of Class A shares amounted to 23.1 percent of average outstanding stock while that of Class B shares came to 80.5 percent of average outstanding stock.

The average share price of Oriola-KD Corporation's Class A shares was EUR 3.32 and of Class B shares EUR 3.24. The market value of all shares at 31 December 2007 was EUR 423.8 million, of which the market value of Class A shares was EUR 153.7 million and that of Class B shares EUR 270.0 million.

SHAREHOLDERS

At 31 December 2007, Oriola-KD Corporation had a total of 30,963 registered shareholders. There were 47,788,218 nominee-registered shares at 31 December 2007, corresponding to 33.8% of all shares and 11.6% of all votes.

Private individuals accounted for 95.3% of all shareholders and their holdings accounted for 42.3% of all shares and 55.5% of all votes.

DISCLOSURES OF HOLDINGS

On 22 October 2007, the American Deccan Value Advisors L.P. informed Oriola-KD Corporation in accordance with Chapter 2, section 9 of the Finnish Securities Market Act that due to share transactions made on 17 October 2007, the holdings of the companies administered by Deccan Value Advisors L.P.

had fallen below one twentieth (1/20) of the share capital of Oriola-KD Corporation.

SHARE CONVERSIONS

Under Article 3 of the Articles of Association, a shareholder may demand conversion of Class A shares into Class B shares. During the financial year, a total of 5,049,235 Class A shares have been converted into Class B shares.

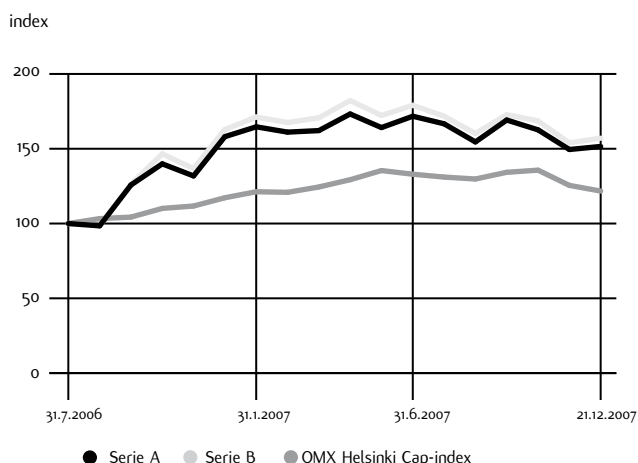
MANAGEMENT SHAREHOLDINGS

The members of the Board of Directors and the President and CEO and the companies controlled by them hold a total of 57,757 Oriola-KD Corporation shares, corresponding to 0.04% of total outstanding stock and 0.04% of votes.

DIVIDEND POLICY AND DIVIDEND PROPOSAL

Oriola-KD Corporation seeks to distribute approximately 50 percent of earnings per share in annual dividends. The Company's financial position and operating strategy are taken into consideration in determining annual dividend. The Board proposes that a dividend of EUR 0.08/share be paid for the financial year 1 January–31 December 2007.

MONTHLY AVERAGE SHARE PRICE



Shareholders by type of owner on 31 December 2007

A shares

	Shareholders	% of shareholders	% of shares
Individuals	11,374	95.9	57.4
Corporations and partnerships			
Government and municipal corporations	0	0.0	0.0
Private corporations and partnerships	299	2.5	10.3
Housing associations	3	0.0	0.0
Banks and insurance companies	12	0.1	2.1
Public entities	11	0.1	16.4
Associations and foundations	119	1.0	4.5
Foreign shareholders	45	0.4	0.8
Total	11,863	100.0	91.5
Nominee registrations			8.4
In the joint book-entry account			0.1
			100.0

B shares

	Shareholders	% of shareholders	% of shares
Individuals	23,245	95.3	33.8
Corporations and partnerships			
Government and municipal corporations	0	0.0	0.0
Private corporations and partnerships	656	2.7	3.4
Housing associations	5	0.0	0.0
Banks and insurance companies	34	0.1	4.5
Public entities	27	0.1	5.5
Associations and foundations	348	1.4	4.0
Foreign shareholders	94	0.4	0.4
Total	24,409	100.0	51.6
Nominee registrations			48.3
In the joint book-entry account			0.1
			100.0

A shares and B shares total

	Shareholders	% of shareholders	% of shares
Individuals	29,481	95.3	42.3
Corporations and partnerships			
Government and municipal corporations	0	0.0	0.0
Private corporations and partnerships	876	2.8	6.0
Housing associations	6	0.0	0.0
Banks and insurance companies	42	0.1	3.6
Public entities	30	0.1	9.5
Associations and foundations	409	1.3	4.2
Foreign shareholders	119	0.4	0.5
Total	30,963	100.0	66.1
Nominee registrations			33.8
In the joint book-entry account			0.1
			100.0

Shareholders by number of shares held on 31 December 2007

A shares

Shares pc	% of share-		Shares	% of shares
	Shareholders	holders		
1–100	1,679	14.2	103,668	0.2
101–500	4,022	33.9	1,129,289	2.2
501–1,000	2,105	17.7	1,592,223	3.1
1,001–5,000	3,096	26.1	6,906,028	13.5
5,001–10,000	519	4.4	3,672,520	7.2
10,001–50,000	343	2.9	6,983,922	13.6
50,001–100,000	45	0.4	2,999,496	5.9
100,001–500,000	42	0.4	7,556,492	14.7
over 500,000	12	0.1	15,952,592	31.1
Total	11,863	100.0	46,896,230	91.5
Nominee registrations			4,282,253	8.4
In the joint book-entry account			66,922	0.1
			51,245,405	100.0

B shares

Shares pc	% of share-		Shares	% of shares
	Shareholders	holders		
1–100	3,303	13.5	240,864	0.3
101–500	9,096	37.3	2,619,223	2.9
501–1,000	5,125	21.0	3,961,705	4.4
1,001–5,000	5,685	23.3	12,484,861	13.9
5,001–10,000	740	3.0	5,185,496	5.8
10,001–50,000	393	1.6	7,452,405	8.3
50,001–100,000	31	0.1	2,038,790	2.3
100,001–500,000	30	0.1	5,839,773	6.5
over 500,000	6	0.0	6,618,289	7.4
Total	24,409	100.0	46,441,406	51.6
Nominee registrations			43,505,965	48.3
In the joint book-entry account			65,052	0.1
			90,012,423	100.0

A shares and B shares total

Shares pc	% of share-		Shares	% of shares
	Shareholders	holders		
1–100	4,179	13.5	298,195	0.2
101–500	11,190	36.1	3,222,471	2.3
501–1,000	5,987	19.3	4,613,412	3.3
1,001–5,000	7,368	23.8	16,829,849	11.9
5,001–10,000	1,248	4.0	8,771,943	6.2
10,001–50,000	821	2.7	15,723,182	11.1
50,001–100,000	92	0.3	6,218,609	4.4
100,001–500,000	68	0.2	12,597,485	8.9
over 500,000	22	0.1	25,062,490	17.7
Total	30,975	100.0	93,337,636	66.1
Nominee registrations			47,788,218	33.8
In the joint book-entry account			131,974	0.1
			141,257,828	100.0

Major shareholders on 31 December 2007

By number of shares held	A shares	B shares	Total shares	% of total shares	Votes	% of total votes	By number of votes
1. Varma Mutual Pension Insurance Company	2,493,000	696,600	3,189,600	2.26%	50,556,600	4.53%	1.
2. Mutual Insurance Company Pension-Fennia	2,300,000	200,000	2,500,000	1.77%	46,200,000	4.14%	2.
3. Ilmarinen Mutual Pension Insurance Company	2,264,256	122,836	2,387,092	1.69%	45,407,956	4.07%	3.
4. Equity Fund Nordea Nordic Small Cap	0	2,189,197	2,189,197	1.55%	2,189,197	0.20%	
5. Medical Investment Trust Oy	1,300,000	425,450	1,725,450	1.22%	26,425,450	2.37%	5.
6. The Social Insurance Institution	0	1,659,568	1,659,568	1.17%	1,659,568	0.15%	
7. Ylppö Jukka	1,247,136	286,992	1,534,128	1.09%	25,229,712	2.26%	6.
8. Special Mutual Fund Avenir	1,500,000	0	1,500,000	1.06%	30,000,000	2.69%	4.
9. Evli-Select Equity Fund	800,000	562,704	1,362,704	0.96%	16,562,704	1.49%	9.
10. Oriola Pension Fund*	863,804	305,685	1,169,489	0.83%	(17,581,765)	(1.58%)	
11. Tukinvest Oy	1,048,500	0	1,048,500	0.74%	20,970,000	1.88%	7.
12. The Land and Watertechnology Foundation	1,034,860	0	1,034,860	0.73%	20,697,200	1.86%	8.
13. The Finnish Cultural Foundation	321,946	610,220	932,166	0.66%	7,049,140	0.63%	
14. The State Pension Fund	0	900,000	900,000	0.64%	900,000	0.08%	
15. Ylppö Into	577,936	240,200	818,136	0.58%	11,798,920	1.06%	10.
16. Etera Mutual Pension Insurance Company	231,100	357,400	588,500	0.42%	4,979,400	0.45%	
17. Relander Gustaf	523,100	0	523,100	0.37%	10,462,000	0.94%	
18. Salonen Maritza	448,046	0	448,046	0.32%	8,960,920	0.80%	
19. Laakkonen Yrjö	420,000	25,000	445,000	0.32%	8,425,000	0.76%	
20. Equity Fund SEB Gyllenberg Finlandia	10,000	367,500	377,500	0.27%	567,500	0.05%	
The above total	17,383,684	8,949,352	26,333,036	18.6%	356,623,032	32.0%	
Nominee registrations	4,282,253	43,505,965	47,788,218	33.8%	129,151,025	11.6%	
Other	29,579,468	37,557,106	67,136,574	47.5%	629,146,466	56.4%	
All shareholders total	51,245,405	90,012,423	141,257,828	100.0%	1,114,920,523	100.0%	

* The shares held by the Oriola Pension Fund are not entitled to vote at shareholders' meetings.

Proposal by the Board of Directors for the Distribution of Profits for 2007

PROPOSAL BY THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFITS FOR 2007

The parent company's distributable equity on balance sheet is EUR 63,104,372.52, of which profit for the period is EUR 11,893,980.08.

The Board of Directors proposes to the Annual General Meeting that the distributable equity of the Parent Company be used as follows:

• A dividend of EUR 0.08 per share be distributed on 141,257,828 shares	11,300,626.24 EUR
• To be retained on the equity	51,803,746.28 EUR
	<hr/>
	63,104,372.52 EUR

There has not been any material changes in the financial position of the company after the end of financial year. Company's liquidity situation is good, and the proposal for distribution of profits does not danger the company's liquidity situation according to the Board of Directors.

We submit these financial statements to the General Meeting of Shareholders for approval.

Espoo, February 6, 2008

Olli Riikkala, Chairman

Antti Remes, Vice Chairman

Harry Brade

Pauli Kulvik

Outi Raitasuo

Jaakko Uotila

Mika Vidgrén

Eero Hautaniemi, President and CEO

Auditor's Report

TO THE SHAREHOLDERS OF ORIOLA-KD OYJ

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Oriola-KD Oyj for the period 1.1.–31.12.2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

CONSOLIDATED FINANCIAL STATEMENTS

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

PARENT COMPANY'S FINANCIAL STATEMENTS, REPORT OF THE BOARD OF DIRECTORS AND ADMINISTRATION

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Directors of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Espoo, February 6, 2008

Ernst & Young Oy
Authorized Public Accountant Firm

Rabbe Nevalainen
Authorized Public Accountant

Corporate Governance

The administration and management of Oriola-KD Corporation (hereinafter "Oriola-KD" or "the Company") are based on the Finnish Companies Act and Securities Market Act, regulations issued pursuant thereto and decisions taken by the Company.

Decision-making power in the Company is exercised by General Meetings of Shareholders, the Board of Directors and the President and CEO.

The Company complies with the corporate governance recommendation of OMX Nordic Exchange Helsinki (hereinafter Helsinki Exchange), the Central Chamber of Commerce and the Confederation of Finnish Industries EK for companies listed on the Helsinki Stock Exchange which entered into force on 1 July 2004 with the exception that the Company's Nomination Committee may also be composed of persons other than members of the Board.

Oriola-KD was entered in the Trade Register on 1 July 2006 as a result of the demerger of Orion Corporation taking effect on that date and it was formed from the demerging Orion Corporation's Wholesale and Distribution Division's companies Oriola Oy and Kronans Droghandel AB and their subsidiaries.

GENERAL MEETING OF SHAREHOLDERS

The Company's highest decision-making authority is vested in the General Meeting of Shareholders where Company shareholders exercise their powers in compliance with the Companies Act and the Articles of Association. General Meetings of Shareholders are convened by the Board of Directors. Under the Articles of Association, the Annual General Meeting of Shareholders shall be held annually by the end of May on a date to be determined by the Board of Directors. Extraordinary Meetings of Shareholders may be convened in the manner provided for in the Companies Act.

Decisions taken by the Annual General Meetings of Shareholders shall include the adoption of the financial statements, distribution of dividend, discharge from liability to liable parties, and the election and remuneration of the Chairman and other members of Board of Directors and the auditors.

Decisions to amend the Articles of Association are also taken by a General Meeting of Shareholders. Amendments call for a resolution that must be supported by at least $\frac{2}{3}$ of the votes cast and the shares represented.

Notice of General Meetings shall be published in one daily newspaper in the capital city no earlier than two months and no later than seventeen days prior to the meeting. The notice shall announce the

meeting's agenda including the proposal of the Board of Directors for members of the Board.

Shareholders shall notify of their intent to attend the General Meeting in the manner required in the notice of the meeting.

At General Meetings, each Class A share has 20 votes and each Class B share one vote.

No shareholder may vote with more than $\frac{1}{20}$ of the total number of votes in the different-class shares represented at the General Meeting. Amending this provision calls for a resolution that must be supported by at least $\frac{4}{5}$ of the votes cast and the shares represented.

Ideally, the Annual General Meeting of Shareholders is attended by all members of the Board of Directors and the President and CEO as well as by those put forward as candidates for Board membership.

BOARD OF DIRECTORS

Under the Articles of Association, the Board of Directors shall consist of no fewer than five and no more than eight members. The term for Board members expires at the end of the Annual General Meeting following their election.

Persons aged 67 and above may not be elected to the Board of Directors. The Chairman of the Board is elected by the General Meeting of Shareholders and the Vice Chairman is elected by the Board.

The Annual General Meeting held on 13 March 2007 confirmed that the number of members of the Board of Directors of Oriola-KD was to be set at seven. Olli Riikkala was elected Chairman of the Board and Harry Brade, Pauli Kulvik, Outi Raitasuo, Antti Remes, Jaakko Uotila and Mika Vidgrén as other members of the Board. On the same date, the Board of Directors elected Antti Remes as Vice Chairman. With the exception of Brade, the elected members also served on the outgoing Board.

The members of the Board are independent of the Company and its major shareholders.

The personal details, key experience and concurrent elected positions as well as shareholdings in the Company of Board members are presented on pages 56–57.

The Board is tasked with managing the Company's operations in accordance with law and the Articles of Association. The Board of Oriola-KD also functions as the so-called Group Board of Directors. It handles and decides all the most important issues relating to the operations of the whole Group or the divisions irrespective of whether the issues legally require a decision of the Board of Directors. The Board also ensures compliance with good governance practices in the Oriola-KD Group. The Board's rules of procedure contain a list of the most important matters to be dealt with by the Board. Accordingly, the Board is responsible i.a. for confirming the Company's strategy, financial targets, budgets, major investments and risk management principles. The Board appoints and dismisses the Company's President and CEO.

In 2007, the Board convened for 20 meetings of which seven were conference call meetings. The attendance rate was 93.5%.

The Board has conducted internal self-assessment of its activities.

COMMITTEES OF THE BOARD AND THE COMPANY

The Board of Directors has an Audit Committee and a Compensation Committee. In addition, the Company has a Nomination Committee.

The Committees' rules of procedure are confirmed by the Board. The Committees are preparatory bodies that submit proposals to the Board on matters within their purview.

Minutes are kept of the Committees' meetings. The Committees report to the Board at regular intervals.

Audit Committee

The purpose of the Audit Committee is to promote the supervision of the Company's operations and financial reporting. Among other things, the Committee reviews the annual and quarterly financial reports of the Group together with the Company's principal auditor before the Board convenes; reviews the deficiencies observed in the control systems in control inspections during the financial year and other shortcomings reported by the auditors together with the Company's principal auditor; reviews the deficiencies observed in the internal audit during the financial year and other observations and recommendations made; reviews the activity plans for the control inspection and internal audit and submits recommendations to Company management on areas of emphasis in internal audits; evaluates the appropriateness of the supervision of Company administration and risk management; and reviews changes in the principles observed in Company accounting and external reporting prior to their introduction. In addition, the Audit

Committee prepares the decision to elect the auditor, evaluates the advisory services provided by the auditor and carries out other tasks assigned to it by the Board.

The Audit Committee consists of four members. Effective 13 March 2007, the Chairman of the Committee is Antti Remes, with Harry Brade, Outi Raitasuo and Mika Vidgrén serving as members. With the exception of Brade, the appointed members also served on the outgoing Committee. The Committee held five meetings.

Compensation Committee

The Compensation Committee deals with and prepares matters concerning compensation and remuneration of the management and the personnel of the Oriola-KD Group as well as certain matters relating to nominations of executives and submits proposals on such matters to the Board. The Committee deals with, evaluates and submits proposals on the compensation structure as well as compensation and incentive schemes of Group management and personnel; monitors the functioning of the compensation schemes to ensure that management compensation schemes promote achievement of the Company's goals and are based on personal performance; deals with and prepares other matters relating to the compensation of management and personnel and submits proposals on these to the Board; and deals with and prepares nominations of executives subject to decision by the Board.

The Compensation Committee consists of three members. In 2007, the Chairman of the Committee was Olli Riikkala, with Pauli Kulvik and Jaakko Uotila as other members. The Committee held five meetings.

Nomination Committee

The Nomination Committee of Oriola-KD is a body which has been established by the Board and tasked with preparing and presenting to the Board a recommendation for the proposal to be put before the Annual General Meeting of Shareholders concerning the composition and remuneration of the Board. The members of the Committee are appointed by the Board, which also designates the Chairman of the Committee. Members of the Committee need not serve on the Board of Directors. Prior to appointing the members, the Chairman of the Board arranges a meeting with the Company's twenty largest shareholders. The purpose of the meeting is to consult the majority shareholders on their views as to the composition of the Committee. The Committee presents its recommendation for the proposal concerning the composition and remuneration of the Board to be put before the Annual General Meeting of Shareholders at a meeting to be held by the end of January preceding the AGM, to which meeting the Company's twenty largest shareholders are invited by the Chairman of the Board.

Subsequent to the meeting, the Committee notifies the Board of the recommendation it has prepared. The recommendation of the Committee does not affect the Board's independent decision-making powers or its right to put proposals before the General Meeting.

In the early part of 2007, the Chairman of the Committee was Jukka Ylppö with Eero Karvonen, Timo Maasilta, Antti Remes, Olli Riikkala and Harri Sailas as other members. The Committee held three meetings. On 24 October 2007, the Board appointed Timo Maasilta, Risto Murto, Olli Riikkala and Into Ylppö to the Committee, with Into Ylppö serving as Chairman. The Committee held one meeting in 2007.

PRESIDENT AND CEO AND MANAGEMENT TEAM

The Board appoints the President and CEO of Oriola-KD and decides on the terms and conditions of his/her employment. The current President and CEO of the Company is Eero Hautaniemi, M.Sc. (Econ.).

Under the Companies Act, the President and CEO manages the Company's day-to-day business affairs in accordance with guidelines and instructions issued by the Board of Directors. In addition, the President and CEO ensures that the Company's accounting procedures comply with Finnish legislation and that its capital management is organised in a reliable way. The terms and conditions of the President and CEO's employment have been determined in a written service contract.

The Group management team consists of the President and CEO of the Group's parent company as Chairman and persons appointed by the Board. The management team meets at least once a month to address matters concerning the whole Group. The management team is not a decision-making body but is rather tasked with assisting the President and CEO in implementing the Group's strategy and in operative management and with furthering the dissemination of information concerning the whole Group within the Group. The personal details and shareholdings in the Company of management team members are presented on pages 58–59.

REMUNERATION

Remuneration of the Board is decided by the General Meeting of Shareholders. The salaries and other remuneration to the President and CEO and management team are decided by the Board on the basis of the Compensation Committee's proposal.

Board members were paid the following compensation for the term of office commencing on 13 March 2007: the Chairman of the

Board a fee of EUR 40,000 for the term, the Vice Chairman EUR 25,000 and other Board members EUR 20,000. Forty percent of the remuneration is used to acquire the Company's Class B shares on the stock exchange and 60% is paid in cash. The Chairman of the Board receives an attendance fee of EUR 800 for each meeting while other members are paid EUR 400. These attendance fees are also paid to the Chairmen and members of Committees appointed by the Board. The Chairman of the Board has a company-paid phone. The travel expenses of all members of the Board of Directors are reimbursed in accordance with the Company's travel regulations. In 2007, remuneration paid to the Board amounted to EUR 239,000

Salaries and remuneration paid to Board Members, the President and CEO and members of the management team in the financial year totalled EUR 2,052,138. Salaries and remuneration are itemised on page 37.

The salary of the President and CEO and other members of the management team consists of a fixed base salary and bonus payable upon achievement of personal and financial Oriola-KD targets. The maximum bonus in 2007 for the President and CEO is 50% of annual salary and for other management team members 25% of annual salary. Decisions on bonuses are taken by the Board.

The President and CEO and other members of the management team are covered by the share incentive scheme decided by the Board. The scheme encourages sustained effort on the part of key employees by strengthening their commitment to the operation and development of the company. Any bonuses are determined on the basis of the development of the Oriola-KD Group's operating profit and return on capital employed (ROCE) in 2007–2009. Bonuses are payable in 2008–2010 in the form of stock, cash or a combination of the two. Except for certain special circumstances, the bonus shares may not be transferred for a period of one year from payment of the bonus. The number of Class B shares included in the scheme may not exceed 650,000. The incentive scheme comprises three earning periods of one year. The Board decides on the target group of the earning period and the bonuses of the key employees in the target group at the beginning of each earning period.

The salary and benefits paid to President and CEO Hautaniemi in the financial period came to EUR 426,300.

The President and CEO has a six-month period of notice and is entitled to severance pay equal to 12 months' salary. The retirement age of the President and CEO is set at 63 years and pension is determined in accordance with the Finnish Employee Pensions Act.

Two members of the management team are entitled to take retirement before the usual retirement age of 63 years.

The Company has granted no loans to members of the Board or the management team nor given guarantees on their behalf.

The Company has no warrant scheme in place.

AUDITS

Statutory audits comprise the auditing of the accounts, financials statements and administration for the financial year. In addition to the auditor's report submitted annually, the auditors report their observations to the Board at regular intervals. The financial year of Oriola-KD runs from 1 January to 31 December each year.

Under the Articles of Association, the Company has one auditor and one deputy auditor. The auditor shall be a corporation of authorised public accountants.

The auditor is elected annually by the Annual General Meeting of Shareholders for a term of office expiring at the end of the Annual General Meeting of Shareholders first following the election. Ernst & Young Oy, corporation of authorised public accountants, was elected as Oriola-KD's auditor for the term of office commencing on 13 March 2007. It has designated Råbbe Nevalainen, Authorised Public Accountant, as principal auditor. APA Anu Ojala was elected deputy auditor. APA Juha Nenonen served as deputy auditor in the early part of 2007.

The auditing corporation was paid a fee of EUR 193,000 in 2007 for the audit proper. An additional sum of EUR 66,000 was paid for other consultation to the Group companies.

INTERNAL SUPERVISION

The purpose of internal supervision at Oriola-KD is to ensure the efficiency and appropriateness of operations, the reliability of financial reporting and compliance with legislation and operating principles. Internal supervision is a vital part of governance and management. Responsibility for organising internal supervision lies with the Company's Board and management. The practical functioning of internal supervision within the organisation is the responsibility of management in each division or sector. The Oriola-KD Group has in place a corporate governance manual that contains a description of the Group's management and supervision systems.

The functioning of internal supervision is monitored by supervisors in their performance of operative management. The Audit Committee has a duty to promote the monitoring of the Company's

operations and financial reporting. The Group also has an internal auditor whose sphere of activities encompasses all the companies belonging to the Oriola-KD Group. The task of the Internal Audit is to assess whether the Group's risk management, control, general management and administrative processes function in such a way that

- risks threatening the business are identified and appropriately managed;
- financial information is correct and reliable;
- operational principles and guidelines concerning the Group as well as laws and regulations are observed;
- resources are used appropriately and efficiently;
- the goals and objectives of operations are achieved; and
- the Group's control systems promote the continuous improvement of quality and operations.

Internal Audit reports to the Audit Committee and, in terms of functions, to the President and CEO.

RISK MANAGEMENT

Goal and approach

Risk management at Oriola-KD is a part of internal supervision. Business activities always entail risk. Accordingly, an optimal balance must be struck between the risk and the opportunity it presents. Effective risk management requires continual data on the risks observed in different parts of the organisation. Oriola-KD has a built-in risk management process which makes risk management an integral part of decision-making. As a rule, the goal of risk management is to support the achievement of strategic and operative targets alike. Awareness and management of risks helps the organisation identify business opportunities correctly and avoid unwanted risk.

Risk management policy

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

Roles and responsibilities

Risk management at Oriola-KD is a constantly evolving process that will see further development in 2008. Business risks and their reporting as well as the comprehensiveness of risk management is assessed by the Board's Audit Committee. The Group's risk management team is tasked with providing support to management

and the Board in implementing the risk management policy. The risk management and quality assurance function in the Group provides practical coordination and guidance in the risk management process. The divisions have independent responsibility for managing risks relating to their activities and they thus support business activities. Internal Audit is tasked with evaluating the risk management process.

Strategic risks

Changes in market structure. Legislative changes in market structure may rapidly alter the Oriola-KD Group's operational fundamentals. Factors of this kind might include a dismantling of the pharmacy monopoly in Sweden entirely or in part. Oriola-KD seeks to allocate the resources available to it in a manner that best allows it to prepare for and benefit from any future changes in market structure. Substantial downward pressure on the prices of pharmaceuticals is also a risk factor. Oriola-KD seeks to control this risk by offering new extra services to its principals and customers. In addition, cost efficiency and cost flexibility are subject to constant improvement.

Intense consolidation in the pharmaceutical sector. Consolidation in healthcare has led to decisions being made on a Europe-wide or global scale. Oriola-KD seeks to prevent risk from arising by strengthening its bargaining position through solid partnerships with suppliers and by developing local business concepts.

Expansion-related risks in new markets and businesses. The main means for managing expansion-related risk is calculated risk-taking. All decisions are based on careful assessment and consideration of factors such as risk-reward ratio.

Operational risks

Sales and business risks. Pharmaceutical wholesaling is a business that in practice is wholly based on contractual relationships with principals. The agreement periods in pharmaceutical wholesaling as well as trade in healthcare equipment and supplies are generally short, lasting only for about a calendar year at a time, though business relationships with many principals have in fact been of long standing. Customer agreements for healthcare products, particularly those for consumer goods products, involve risk factors relating to the fact that the agreement periods with customers are typically longer than the corresponding periods with suppliers, in addition to which the customer agreements can contain, among other things, terms and conditions relating to pricing changes, which may differ from the corresponding terms and conditions in the agreements made with suppliers. Oriola-KD seeks to share this risk with suppliers by matching it with customer agreements.

Property loss and business interruption risks. In addition to statutory insurance policies, Oriola-KD has property, liability and business interruption insurance to cover risks that are judged to be material in importance and can be limited by taking out an appropriate policy.

Risks related to product liability and equipment deliveries. Oriola-KD's operations involve a certain degree of product liability because in its area of operations Oriola-KD markets a number of products under its own trademarks and/or outsources the manufacture of these products as a brand owner. In addition, Oriola-KD imports products from outside the EU area. In supplying equipment, the equipment is delivered to the customer installed ready for operation and as a rule, Oriola-KD is responsible for carrying out the installation work. Compared with the volume of goods delivered by Oriola-KD, the risk shall, in the estimation of management, be considered relatively minor.

Commitment of key employees The key employees of the Company are covered under the share incentive scheme decided by the Board of Directors. The scheme encourages sustained effort on the part of key employees by strengthening their commitment to the operation and development of the company.

Risks related to information systems. Information systems are a central part of Oriola-KD's business operations and the distribution and logistics services it provides. Oriola-KD endeavours, through means related both to ways of working and technology, to ensure the undisturbed operation of its systems and the integrity and reliability of its data. Information security policy, backup procedures and continuity planning are examples of risk management in this sector.

Financial risks are described on page 34–35.

INSIDERS

Oriola-KD complies with the insider holding guidelines of the Helsinki Exchanges, which serve as the basis for the Company's internal insider guidelines adopted by the Board.

The public insiders of Oriola-KD comprise the members of the Company's Board, its auditors, President and CEO and other members of the management team. Persons in the employ of the Company who have regular access to insider information by virtue of their position or duties make up the Company's company-specific insiders. In addition, the Company maintains a project-specific register of insiders. Persons privy to insider information concerning a specific project are entered in this register. The public and company-specific

registers of insiders are kept in the Finnish Central Securities Depository's SIRE system.

Under the Company's insider guidelines, the Company's insiders are prohibited from trading in the Company's book-entry securities for one month prior to the publication of the financial statement bulletin and for three weeks prior to publication of interim reports.

COMMUNICATION

Up-to-date information in keeping with the corporate governance recommendation is available on the Oriola-KD website at www.oriola-kd.com.

An summary of the Company's stock exchange releases appears on page 60.

Members' of the Board of Directors, CEO's and Members' of the Group Management Team (incl. companies controlled by them) shareholdings 31.12.2007

	A shares	B shares	Shares total
The Board of Directors			
Harry Brade	15,676	0	15,676
Pauli Kulvik	0	0	0
Outi Raitasuo	0	0	0
Antti Remes	0	0	0
Olli Riikkala	6,000	1,081	7,081
Jaakko Uotila	0	0	0
Mika Vidgren	0	0	0
Apotrade Consulting Oy	0	20,000	20,000
CEO			
Eero Hautaniemi	0	15,000	15,000
Group Management Team			
Claes von Bonsdorff	0	0	0
Birgitta Gunneflo	0	0	0
Henry Haarla	7,276	132	7,408
Pellervo Hämäläinen	0	0	0
Anne Kariniemi	0	0	0
Matti Lievonen	968	11,640	12,608
Jukka Niemi	1,000	0	1,000
Teija Silver	0	0	0
Ilari Vaalavirta	0	0	0
Kimmo Virtanen	0	0	0

Board of Directors

Mr. Olli Riikkala, Chairman, b. 1951

M.Sc. (Eng.), M.Sc. (Econ.), MBA (Claremont Graduate University, California, USA)

Chairman of the Compensation Committee

An independent member since 2006

Shares in Oriola-KD Corporation: 6,000 Class A shares, 1,081 Class B shares

Primary career

2004–2006, GE Healthcare — Information Technologies, Senior Advisor

2003, GE Healthcare, Senior Executive

1997–2004, Instrumentarium Corporation, Managing Director
1979–, employed with Instrumentarium Corporation, holding several management positions involving profit responsibility from 1982 onwards

Other current key positions of trust

Chairman of the Board of Helvar Merca Oy Ab, Comptel Corporation, PaloDex Group Oy, Fastems Oy Ab, Helvar Oy Ab
Member of the Board of Tietoenator Corporation, Clinical Research Institute Helsinki University Central Hospital Ltd, Biomedicum Helsinki Foundation

Mr. Harry Brade, b. 1969

M.Sc. (Eng.), MBA (London Business School)

An independent member since 2007

Shares in the Oriola-KD Corporation: 15,676 Class A shares, 0 Class B shares

Primary career

2002– Lamy Corporation, Investment Director

2004– GE Health Care, Regional Leader

2003–2004 GE Health Care, Intergration Manager and Business Development Leader

2000–1999 Nokia Networks, Austria, Manager, Marketing and Sales

1996–1999 Nokia Networks, Finland, Marketing Manager

1994–1996 Datex-Ohmeda, Product Specialist

Other current key positions of trust

Chairman of the Board of Lamy Corporation

Member of the Board of Medical Investment Trust Oy

Mr. Pauli Kulvik, b. 1951

M.Sc. (Eng.), MBA (Centre des Études Industrielles, Geneva, Switzerland)

An independent member since 2006

Shares in the Oriola-KD Corporation: 0 Class A shares, 0 Class B shares

Primary career

2002– Helmet Capital, partner

1998–2002 Group CEO, Tamro Group

1977–1998 Neste plc:

1994–1998 Director, Group auxiliary staff and EU affairs

1990–1994 Director, Oil sector

1986–1989 Vice President, Marketing companies

1979–1980 Director, Oil prospecting and Commercial coordination unit

1977–1979 Corporate Planning

Other current key positions of trust

Chairman of the Board of Elektromet-Yhtiöt Oy, Kultajousi Oy, L-Fashion Group Oy, Termorak Oy, Helmet Venture Management Oy, Firecon Oy, Tomi-Steel Oy
Member of the Board of Euracon Oy, IVK-Tuote Oy, Rumtec Oy, Hyrles Oy

Ms. Outi Raitasuo, b. 1959

Advocate, Master of Laws (LL.M.), Toronto University

An independent member since 2006

Shares in the Oriola-KD Corporation: 0 Class A shares, 0 Class B shares

Primary career

1989– Attorneys at Law Hannes Snellman Ltd, advocate, partner since 1997

1986–1987 Hollola district court, trainee district judge

Other current key positions of trust

Member of the Board of Efore Plc, RF Micro Devices (Finland) Oy, Mundipharma Oy

Mr. Antti Remes, Vice Chairman, b. 1947

Honorary Counselor

M.Sc. (Econ.)

An independent member since 2006

Chairman of the Audit Committee

Shares in the Oriola-KD Corporation: 0 Class A shares, 0 Class B shares

Primary career

2007– Tradeka, President, Senior Advisor

1994–2007 Cooperative Tradeka Corporation, President

1991–1994 Tradeka, President

1989–1990 Tradeka, Vice President

1990–1991 Cooperative Eka Corporation, Vice President, Business Development,

1984–1988 Rautakirja Group, member of the Executive Board

1979–1988 Suomalainen Kirjakauppa Oy, Managing Director

1974–1979 Oy Stockmann Ab

Department store Manager 1976–1979

Planner 1974–1976

1971–1973 Kemira Oy, Accountant

Other current key positions of trust

Chairman of the Board of Tradeka Oy, Restel Oy, Taskukirja Loisto Oy

Member of the Board of Metsä-Tissue Oy, Federation of Finnish Commerce

Member of the Supervisory Board of Varma Mutual Pension Insurance company

Member of the Elections Committee of the Confederation of Finnish Industries EK

Mr. Jaakko Uotila, b. 1949

Pharmacist, Master of Science in Management (California American University)

An independent member since 2006

Shares in the Oriola-KD Corporation: 0 Class A shares, 0 Class B shares

Primary career

2001– Alko Oy, CEO

1996–2001 University Pharmacy, Pharmacist/Managing Director

1977–1996 Orion Corporation, gaining extensive experience of the pharmaceutical industry in positions involving production, R&D and marketing, most recently Vice President of then Orion-Farmos with responsibility for business development.

Other current key positions of trust

Vice Chairman of the Federation of Finnish Commerce

Member of the Board of the Finnish Foundation for Alcohol Studies, Helsinki Region Chamber of Commerce

Member of the Executive Board of Luottokunta

Mr. Mika Vidgrén, b. 1960

Pharmacist, Doctor of Pharmacy, Adjunct Professor (Universities of Helsinki and Kuopio)

An independent member since 2006

Shares in the Oriola-KD Corporation: 0 Class A shares, 0 Class B shares

Primary career

2006– Espoonlahden Apteekki pharmacy, pharmacist

2002–2005 Savonlinnan III Apteekki pharmacy, pharmacist

1982–2001 Between 1982 and 2001 Mr Vidgrén has been involved in the Finnish and international pharmaceutical industry as well as held the highest research and teaching positions in pharmacy at the Universities of Helsinki and Kuopio. He has also worked at such renowned international research institutes as Baylor College of Medicine in Houston, TX and the Harvard School of Public Health in Boston, MA.

Other current key positions of trust

Chairman of the Board of the Association of Finnish Pharmacies, Medifon Oy, Pharmadata Oy, Pharmadomus Oy.

Member of the Board of Pharmaservice oy

President at the Pharmaceutical Group at the European Union

Group Management Team

Mr. Eero Hautaniemi, b. 1965

President and CEO

M.Sc. (Econ.)

Shares in Oriola-KD Corporation: Class A shares 0,
Class B shares 15,000

President of the Wholesale and Distribution Division of the Orion Group as of 2 January 2006. At its meeting of 10 October 2005, the Board of Directors of Orion Corporation appointed Eero Hautaniemi President of the Wholesale and Distribution Division of the Orion Group as of 2 January 2006. In 2003–2004, Mr Hautaniemi was General Manager of the Oximetry, Supplies and Accessories Business Area of GE Healthcare IT. Mr Hautaniemi has held positions in financial and operational business management with Instrumentarium Group in Finland and the United States since 1990.

Mr. Claes von Bonsdorff, b. 1962

CIO

Shares in Oriola-KD Corporation: Class A shares 0,
Class B shares 0

Mr. von Bonsdorff was appointed Chief Information Officer of the Wholesale and Distribution Division of the Orion Group on 12 June 2006. Mr von Bonsdorff joined the Orion Group from the position of CIO at Uponor plc, which he held in 2004–2006. In 1994–2004 Mr von Bonsdorff worked for GE Healthcare IT and the Datex-Ohmeda group of Instrumentarium Plc, holding various management positions in information management and business process development both in Finland and the US. From 1987, he was with software and consultancy company Datatrans Oy, most recently serving as President.

Ms. Birgitta Gunneflo, b. 1957

Managing Director, Kronans Droghandel AB

B.Sc. (Biochemistry)

Shares in Oriola-KD Corporation: Class A shares 0,
Class B shares 0

Ms. Gunneflo joined Oriola-KD Corporation in September 2006 as Managing Director of Kronans Droghandel AB and will be responsible of Oriola-KD's Pharmaceutical Trade business in Sweden. Until 2006, Ms. Gunneflo served in Phadia AB (previously Pharmacia Diagnostics AB) where she held a position of Marketing Director being responsible for the company's global marketing operations.

Mr. Henry Haarla, b. 1948

General Counsel, Board Secretary

LL.M. with court training

Shares in Oriola-KD Corporation: Class A shares 7 276,
Class B shares 132

Mr. Haarla joined Orion Group in 1977 as Legal Counsel in Corporate Administration and Secretary to the Board after holding various positions in business since 1972. He served as General Counsel in Orion Group in 1984–2002 and as Senior Legal Counsel in the Group's mergers and acquisitions unit in 2002–2005.

Mr. Pellervo Hämäläinen, b. 1966

Vice President, Corporate Communications and IR

Business college graduate (marketing), Student of Social Sciences (communications)

Shares in Oriola-KD Corporation: Class A shares 0,
Class B shares 0

Mr. Hämäläinen was appointed Vice President, Communications and IR in the Wholesale and Distribution Division of Orion Group on 1 May 2006. Mr Hämäläinen joined Orion from Comptel Corporation where he served in Corporate Communications and IR since 2001. Before that, he served in global communications at Nokia Networks (1998–2001) and corporate communications at Sonera Corporation (1995–1998).

Ms. Anne Kariniemi, b.1970

Vice President, Sourcing and Logistics

M.Sc. (Eng.)

Shares in Oriola-KD Corporation: Class A shares 0,
Class B shares 0

Ms. Kariniemi joined Oriola-KD Corporation in January 2007 as Vice President, Sourcing and Logistics. She joined Oriola-KD from Onninen Oy where she has worked as Senior Vice President, Logistics (2002–2006). Before that she has worked for Nokia Mobile Phones as Logistics Manager.

Ms. Kariniemi is a Board member of Finnipilot, Finnish State Pilotage Enterprise and has been Board member of Finnish Association of Logistics in 2004–2006.

Mr. Matti Lievonen b. 1946

Vice President, Pharmaceutical Distribution, Finland
 M.Sc. (Econ.), LL.M

Shares in Oriola-KD Corporation: Class A shares 968,
 Class B shares 11 640

Mr. Matti Lievonen joined the Orion Group in 1975. He has been working as assistant for CEO, Marketing Director (1976–1978), Chief Operating Officer (1978–1980), Vice President in Product Acquisition, Licencing and Regulatory Affairs (1980–1992). He has also worked as a CEO for Orion-Farmos business unit (1993–1998) and as CEO in KD-Tukku Oy (1998–2004). He has been working as Vice President of Pharmaceutical Distribution in Finland since 2004.

Mr. Lievonen has been a Board member of Apteekkitavaratukku-kauppa ry (Finnish Association of Pharmaceutical Distributors) since 1999. He has also many other positions of trust in Pharmaceutical Business.

Mr. Jukka Niemi b. 1964

Vice President, Pharmacy and Retail Marketing
 Master of Pharmacy (Biopharmacy)

Shares in Oriola-KD Corporation: Class A shares 1 000,
 Class B shares 0

Mr. Jukka Niemi joined the Orion Group Oriola in 1993. He has had several positions in sales and marketing, pharmaceutical distribution and head of business area. Since year 1999 he has worked as an assistant Vice President in OTC-Marketing at Orion Pharma till 2003 and as an assistant Vice President in internal consultant for business development in Baltic market area in Oriola Oy. Since year 2004 he has been working as a Vice President in Pharmacy and Retail Marketing.

Mr. Niemi has been a Board member Pharmaceutical Wholesale Association.

Ms. Teija Silver, b. 1964

Vice President, Human Resources
 M.Sc. (Econ.)

Shares in Oriola-KD Corporation: Class A shares 0,
 Class B shares 0

Teija Silver joined Oriola-KD Corporation 2 October 2006. Ms. Silver has a long and wide background of human resources and she joins Oriola-KD from GE Healthcare Finland where she held the position of Director, Human Resources. Before that she served in Nokia Networks as Director and Manager, Human Resources.

Mr. Ilari Vaalavirta, b. 1967

Vice President, Healthcare Trade
 M.Sc. (Eng.)

Shares in Oriola-KD Corporation: Class A shares 0,
 Class B shares 0

Mr Vaalavirta joined Oriola-KD in 2000 as Assistant Vice President, Oriola Prolab. In 2003, he assumed responsibility also for the Hospital Supplies unit of Oriola. He was appointed Vice President, Healthcare and Research upon formation of the Division on 1 January 2005. Mr Vaalavirta served ABB Asea Skandia Oy in 1993–1995, holding positions in financial administration and business development. He held supervisory and management positions in business development, marketing and sales in the Instrumed unit of Instrumentarium Plc in 1995–2000, most recently serving as President of the business unit for hospital and laboratory supplies.

Mr Vaalavirta sits on the Board of Directors of Laboratorio- ja terveydenhuoltoalan tavarantoimittajien yhdistys Sai-Lab ry (Association of Suppliers in the Laboratory and Healthcare Sectors Sai-Lab)

Mr. Kimmo Virtanen, b. 1968

CFO
 M.Sc. (Econ.)

Shares in Oriola-KD Corporation: Class A shares 0,
 Class B shares 0

Mr Virtanen was appointed CFO for the Wholesale and Distribution Division of Orion Group on 1 June 2006. He joined Orion from Componenta Plc where he was CFO in 2003–2006. Before that, he worked in financial administration in the Cultor Group (1995–1999) and served as CFO of the Danisco Sweeteners Division in the UK and Finland (1999–2003).

Stock Exchange Releases and Announcements in 2007

02.01.2007	Oriola-KD Corporation's 100,000 A-shares converted into B-shares	24.04.2007	Oriola-KD Corporation's interim report for 1 January– 31 March 2007
02.01.2007	The sick leave of Chairman of the Board Mr. Riikkala continued until the end of January 2007	21.05.2007	Oriola-KD Corporation's 438,707 A-shares converted into B-shares
12.01.2007	Oriola-KD Corporation's 1,172,100 A-shares converted into B-shares	07.06.2007	Oriola-KD and Lifco to create a new market leader in dental wholesale business
17.01.2007	Publishing of Oriola-KD Corporation's financial statements for 2006	12.06.2007	Oriola-KD Corporation's 1,225,364 A-shares converted into B-shares
26.01.2007	Oriola-KD Corporation's 700,000 A-shares converted into B-shares	10.07.2007	Publishing of Oriola-KD Corporation's Interim Report January-June 2007
30.01.2007	Recommendation by the Nomination Committee concerning Proposals by the Board of Directors to the AGM	24.07.2007	Oriola-KD Corporation's interim report for 1 January–30 June 2007
30.01.2007	Correction to the Oriola-KD Corporation Stock Exchange Release announced 30 January 2007 at 4.30 pm.	30.07.2007	Competition authorities approve merger of Oriola-KD's and Lifco AB's dental businesses
01.02.2007	Oriola-KD pro forma review 1 January–31 December 2006	14.08.2007	Oriola-KD Corporation's 150,000 A-shares converted into B-shares
01.02.2007	Oriola-KD financial statement 1 July–31 December 2006	25.09.2007	Oriola-KD Corporation's 236,382 A-shares converted into B-shares
01.02.2007	Notice of the 2007 Annual General Meeting of Oriola-KD Corporation	15.10.2007	Publishing of Oriola-KD Corporation's Interim Report January-September 2007
12.02.2007	Oriola-KD Corporation's 200,000 A-shares converted into B-shares	23.10.2007	Oriola-KD Corporation's interim report for 1 January – 30 September 2007
16.02.2007	Mr. Matti Lievonon Appointed as Deputy Managing Director, Oriola Oy	23.10.2007	Announcement in accordance with Section 10 of Chapter 2 of the Finnish Securities Market Act
21.02.2007	Oriola-KD Corporation's Financial Statements for 2006	24.10.2007	Composition of the Oriola-KD Corporation Nomination Committee
22.02.2007	Addition to the Stock Exchange Release of 21 February 2007, Financial Statements 2006	12.11.2007	Publication schedule for Oriola-KD's financial reporting in 2008
13.03.2007	Resolutions Passed by Oriola-KD Corporation's Annual General Meeting	19.11.2007	Oriola-KD Corporation's 99,553 A-shares converted into B-shares
10.04.2007	Publishing of Oriola-KD Corporation's Interim Report January-March 2007		
10.04.2007	The authorisation decisions of the AGM registered in the trade register		
13.04.2007	Oriola-KD Corporation's 827,129 A-shares converted into B-shares		

Stock Exchange Releases will be found in Oriola-KD Corporation's website www.oriola-kd.com

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