



 Oriola KD

Growing healthcare professional

The information in this marketing brochure is based on the Prospectus. Further information on Oriola-KD and the Demerger is presented in the Prospectus which will be made available and can be ordered on or about 21 June 2006 from Oriola-KD and Sampo Bank branch offices. The Prospectus will also be available from OMX Way and on the internet at [www.oriola-kd.fi](http://www.oriola-kd.fi) and [www.mandatum.fi](http://www.mandatum.fi)

Orion Corporation will demerge into two independent listed companies, Orion Corporation and Oriola-KD Corporation on or about 1 July 2006. Oriola-KD Corporation will launch operations as an independent listed company on or about 1 July 2006.

Under the Demerger Plan signed on 7 November 2005 by the Board of Directors of Demerging Orion, Orion will be demerged so that all its assets and liabilities will be transferred, without a liquidation procedure, to two new public limited liability companies to be established (Recipient Companies). Oriola-KD will be made up of the present Orion Group's Wholesale and Distribution Division and comprise the present Oriola and KD subgroups while the new Orion Group will comprise the Orion Pharma and Orion Diagnostica divisions.

The business segments of Oriola-KD Corporation arising from the demerger are Pharmaceutical Trade and Healthcare and Dental Trade.

Shareholders of Demerging Orion will receive as demerger consideration shares in the Recipient Companies in proportion to their existing shareholding so that each Class A share of Orion entitles the holder to one Class A share of Oriola-KD and one Class A share of New Orion and each Class B share of Orion entitles the holder to one Class B share of Oriola-KD and one Class B share of New Orion.

Shares in Oriola-KD will be issued within the book-entry system and receipt of the shares will require no measures on the part of shareholders in Demerging Orion.

Oriola-KD has applied for admission of its Class A and B shares to public trading on the main list of the Helsinki Stock Exchange so that they will be admitted to trading on the trading day following the Effective Date of Demerger, i.e. for the first time on or about 3 July 2006. Public trading in the Class A and B shares in Demerging Orion will cease on or about 30 June 2006.

### Shares and shareholders

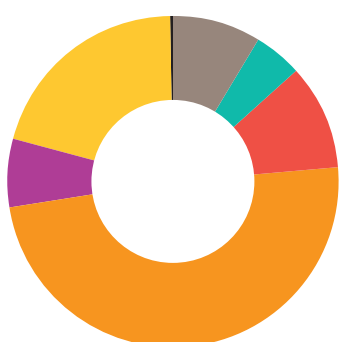
Oriola-KD Corporation has two classes of shares: a maximum of 500,000,000 Class A shares and a maximum of 1,000,000,000 Class B shares. At General Meetings of Shareholders, each Class A share provides twenty (20) votes and each Class B share one (1) vote. Both classes confer equal rights to Company assets and dividends. On the basis of the Articles of Association, a shareholder can demand that Class

A shares be converted into Class B shares. The Demerger will give Oriola-KD Corporation a share capital of EUR 147,899,766.14. The total number of shares on 31 March 2006 was 138,920,328. The final number of shares will be determined upon Demerger.

The Company's ten largest shareholders according to the shareholder register dated 30 April 2006 of Demerging Orion and their holdings and voting rights are presented in the table below.

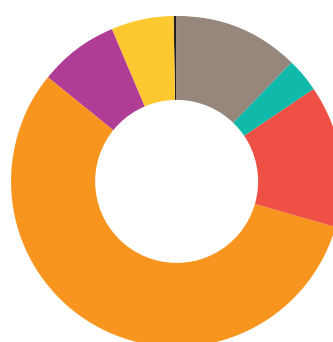
Shareholder	Class A shares	Class B shares	Shareholding %	Vote %	Number of votes
Orion Pension Fund	3,629,408	1,293,568	3.52%	6.09%	78,881,728
Varma Mutual Pension Insurance Company	2,220,000	738,500	2.11%	3.72%	45,138,500
Oy Etra Ab	2,329,720	86,000	1.73%	3.85%	46,680,400
Ilmarinen Mutual Pension Insurance Company	1,577,440	245,450	1.30%	2.62%	31,794,250
Medical Investment Trust Oy	1,300,000	481,300	1.27%	2.18%	26,481,300
The Social Insurance Institution of Finland	-	1,659,568	1.19%	0.14%	1,659,568
Ylppö Jukka	1,247,136	286,992	1.10%	2.08%	25,229,712
Saastamoisen Foundation	1,189,996	-	0.85%	0.14%	23,799,920
Tukinvest Oy	1,048,500	-	0.75%	2.08%	20,970,000
Maa- ja Vesitekniikan Tuki Ry.	1,034,860	-	0.74%	1.96%	20,697,200

### Shares by sector



Private corporations	8.8%
Banks and insurance companies	4.6%
Public sector entities	10.4%
Households	48.8%
Non-profit organisations	6.7%
Foreign and nominee registered	20.5%
Joint and special accounts	0.1%

### Votes by sector



Private corporations	12.3%
Banks and insurance companies	3.5%
Public sector entities	13.8%
Households	56.4%
Non-profit organisations	7.8%
Foreign and nominee registered	6.1%
Joint and special accounts	0.15%



## Independence enhances growth opportunities

Upon launching operations as a listed company, Oriola-KD aims to be the leading company in pharmaceutical distribution and wholesale and healthcare and dental trade both in Finland and Sweden. Becoming an independent company allows us to focus solely on developing and growing these core businesses.

The objective of Orion's demerger has been to create two companies with strong balance sheets and clearly specialising in their particular sectors of industry. Individual strategic considerations and customer requirements provide the platform for business development at each company. A clearer business structure and greater transparency also provide greater opportunities for developing operations and improving profitability.

In pharmaceutical trade, Oriola-KD holds a market share of more than 40 percent in its main markets of Finland and Sweden. Our goal in these regions is to become market leader, with further growth also sought in the Baltic countries, Poland and Russia.

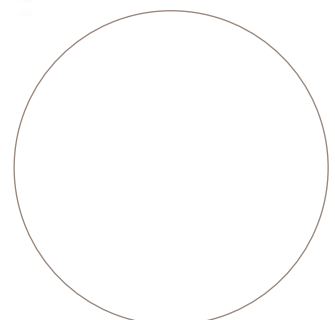
We already lead the market in the sector of healthcare and dental trade in Finland and intend to seek growth in these businesses in Sweden, Denmark and the Baltic countries.

Success demands that we capitalise on market developments supporting company growth in the long term. Higher healthcare expenditure is expected e.g. due to the ageing population. We must also prepare to respond swiftly to any changes in the structures and legislation of pharmaceutical trade. As an independent listed company we will have greater alternatives to develop our structure and business concepts.

Oriola-KD is well established for success. We have a long history on the Nordic healthcare market coupled with expertise, brand recognition and a solid position in our main markets. Our outlook is further bolstered by a strong balance sheet and cash flow. We are prepared to make Oriola-KD the industry leader in Finland and Sweden and to grow our business surrounding regions.

Working together with our customers, shareholders, principals and employees alike we look forward to making Oriola-KD a genuine success story.

**Eero Hautaniemi**  
President and CEO



## Business operations

Oriola-KD is comprised of the Demerging Orion Group's Wholesale and Distribution Division, which is made up of the Oriola Oy and Kronans Droghandel AB with their subsidiaries.

Oriola-KD's operations are divided into two business segments: Pharmaceutical Trade and Healthcare and Dental Trade

Invoicing in Pharmaceutical Trade in 2005 came to EUR 2.1 billion and operating profit was EUR 18 million whilst Healthcare and Dental Trade had invoicing of EUR 267 million and an operating profit of EUR 9 million in 2005. Nearly 60 percent of invoicing is generated in Sweden, slightly under 40 percent in Finland and some two percent in Denmark and the Baltic countries.

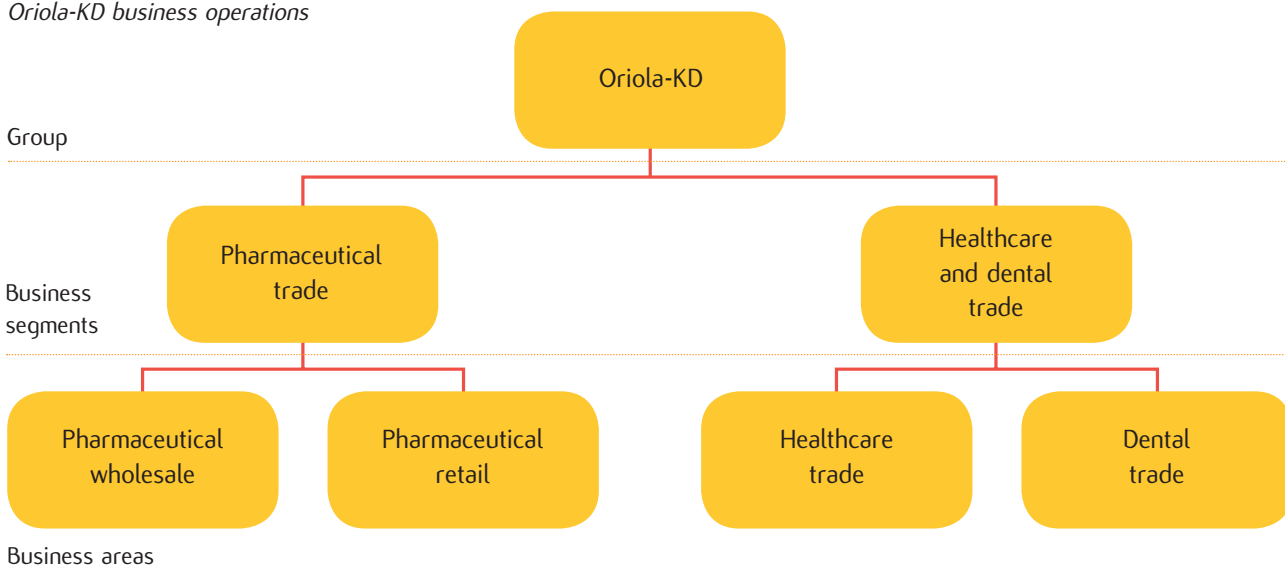
Of Oriola-KD's employees, more than 900 are involved in the Pharmaceutical Trade business and nearly 600 in Healthcare and Dental Trade.

Oriola-KD engages in pharmaceutical trade in Finland, Sweden, Estonia and Latvia. In Lithuania it offers its principals warehousing and other services but does not sell directly to pharmacies.

Oriola-KD carries on the marketing and sale of healthcare and laboratory products in Finland, Sweden, Denmark and the Baltic countries. In Sweden, Oriola-KD furthermore provides healthcare product distribution services to manufacturers, logistics outsourcing services in healthcare products to the public sector and regional home distribution services of healthcare products.

Dental trade for Oriola-KD involves the sale and marketing of equipment and supplies for oral healthcare in Finland, Sweden, Denmark, Estonia, Latvia and Lithuania. The product ranges comprise all items required in dental healthcare and the clientele is made up of both public and private sector dental healthcare providers.

*Oriola-KD business operations*



## Pharmaceutical trade

Oriola-KD engages in pharmaceutical trade through its subsidiaries Oriola and KD. The area of operations of Oriola's pharmaceutical trade business is Finland and the Baltic countries. Oriola is engaged in pharmaceutical trade in Finland, Estonia and Latvia. In Lithuania it offers its principals warehousing and other services but does not sell directly to pharmacies. KD operates in Sweden. Both companies have a decades-long history and experience in their sector, and in their home countries they have a nationally established and integrated role in providing medicinal care and serving the healthcare system.

In the of pharmaceutical trade, the established practice in Finland and Sweden is the single-channel model, whereby the manufacturer or importer of a pharmaceutical concludes a distribution agreement for its product range with a single wholesaler. Most other countries have a multi-channel distribution system in which several pharmaceutical wholesalers distribute products of the same pharmaceutical manufacturer. The single-channel pattern is considered effective in terms of logistics and costs owing to the long transport distances in Finland and Sweden.

Oriola-KD's customers in pharmaceutical trade are both pharmaceutical manufacturers and importers who act as principals as well as pharmacies, hospitals, healthcare centres and other parties in the healthcare system acting as retailers and end-users of pharmaceuticals.

Oriola's distribution services are currently used by more than 60 marketers of pharmaceuticals in Finland and more than 70 in Sweden. Oriola's largest principals in Finland are AstraZeneca, Baxter, Boehringer-Ingelheim, Janssen-Cilag, MSD, Novo Nordisk, Organon, Orion Pharma and Paranova. In Sweden, the largest pharmaceutical distribution principals are GlaxoSmithKline, MSD, Novartis, Pfizer, Sanofi-Aventis, Schering-Plough and Wyeth Lederle.

Oriola-KD's pharmaceutical trade business also includes so-called OTC products, nutritional supplements and functional foods that are sold to pharmacies, health food stores and consumer goods retailers in Finland and the Baltic countries. The product ranges also include Oriola's own branded products, such as mineral salts Pansuola® and Pansalt® and the Dexal® product line for sports and fitness enthusiasts.

Pharmaceutical trade	Finland	Sweden	Baltic countries
Market size	EUR 1.7 billion	EUR 2.8 billion	EUR 0.7 billion
Market position	<ul style="list-style-type: none"> <li>- Number two</li> <li>- Market share 42%</li> <li>- Market leader in OTC products to pharmacies</li> </ul>	<ul style="list-style-type: none"> <li>- Number two</li> <li>- Market share 43%</li> </ul>	<ul style="list-style-type: none"> <li>- Number three or four in each country</li> <li>- Appr. 5% in market products</li> </ul>

Source: Estimates of Oriola-KD management and statistical data

## Healthcare trade

In healthcare trade, Oriola-KD markets, sells, installs and provides services for products for healthcare and research in Finland, Sweden, Denmark, Estonia, Latvia and Lithuania. In addition, Oriola-KD provides healthcare product-related logistics services in Sweden. The main product groups are medical procedure products for hospitals, medical products for hospitals and basic healthcare, medical imaging products and laboratory products for healthcare, industry and research institutes.

Healthcare customers are undergoing consolidation in Oriola-KD's markets in their bids to achieve a smaller number of larger and higher-quality healthcare units subject to centralised management also in respect of goods and services procurement.

Consolidation progresses apace also in the healthcare products manufacturing industry and the growing companies are examining distribution channel decisions in a wider geographical framework. These changes in both supply and demand further support the market success of distribution and marketing companies already well-established in terms of both strength and scope.

Market exclusivity is the norm in distribution and representation agreements. Among the major brands represented by Oriola-KD are ConvaTec, Philips, Sysmex Teleflex, Terumo, Zeiss and Zimmer.

Healthcare trade	Finland	Denmark and Sweden	Baltic countries
Market size	EUR 0.6 billion	EUR 2.1 billion	EUR 0.2 billion
Market position	- Market leader - Appr. 15% market share	- Small-scale operations (<EUR 10 million) in operating theatre and anaesthesia products	- Growing market position (<EUR 10 million) in hospital supplies and selected laboratory products

Source: Estimates of Oriola-KD management

## Dental trade

In dental trade, Oriola-KD markets, sells, installs and provides services for dental products in Finland, Sweden, Denmark, Estonia, Latvia and Lithuania.

The number of dentists in Finland, Sweden, Denmark and in the Baltic countries is some 20,000 of whom one third are active in the public sector and two thirds in the private sector.

Market structure varies substantially between countries and in Sweden in particular, the focus in clientele is on large units. Similar developments are evident in Finland as well. Among the major dental care brands represented in Finland by Oriola alone are Sirona, Soredex, Heka, Ultradent, Micro-Mega and Ivoclar.

Dental trade	Finland	Denmark and Sweden	Baltic countries
Market size	EUR 60 million	EUR 160 million	EUR 25 million
Market position	- Market leader - Market share over 50%	- Solid position in selected product areas	- Market leader or number two depending on country

Source: Estimates of Oriola-KD management

## Risks

Certain risk factors also attach to the Oriola KD Group and its business operations as well as the listing of Oriola-KD shares on the stock exchange. Shareholders and investors are urged to study in detail the section on risks in the Prospectus to be published on or about 21 June 2006 in which these risk factors are reviewed in detail.

Although Oriola-KD seeks to identify, measure and manage by available means any risks that may threaten the Company's and the Group's operations and the achievement of the targets set, there can be no guarantees that if a risk materialises, it might not have an adverse effect on the business operations, financial position and/or operational results of Oriola-KD and the Oriola-KD Group.

### Risks related to the business operations of the Oriola-KD Group

The strategic risks facing the Oriola-KD Group include the following factors:

- Changes in the market structure
- Changes in the modes of operation of market participants
- Sustainability of the Corporate Governance model and reporting principles
- Downward pressure on the prices of pharmaceuticals
- Increased competition for principals and strong consolidation in the pharmaceutical sector

The operational risks facing the Oriola-KD Group include the following factors:

- Sales and business risks
- Risks related to information systems
- Risks related to product liability and equipment deliveries
- Property loss and business interruption risks
- Inventory risks
- Credit loss risks
- Legal and regulatory risks
- Dependency on key personnel
- Corporate security risks
- Environmental risks
- Acquisition and M&A risks

The financial risks facing the Oriola-KD Group include the following factors:

- Liquidity risks
- Foreign exchange risks
- Financial risks

### Risks related to listing on the Stock Exchange and certain other risks

The listing of Oriola-KD shares on the Helsinki Stock Exchange and certain other factors may involve the following risks, among others:

- Listing of Oriola-KD's shares on the Helsinki Stock Exchange
- Absence of a history of Oriola-KD as independent companies
- Lack of previous secondary markets and volatility
- Dependence of dividend payout ability on future earnings, financial position, cash flows, working capital requirements, investments and other factors
- New Orion's and Oriola-KD's joint liability for certain obligations after the Demerger
- Potential effect of the Demerger on agreements of the Oriola-KD Group

## Strategy and strengths

Oriola-KD's strategic objective is to be the leading company in the pharmaceutical trade as well as in the marketing and sale of healthcare equipment and supplies in Finland and Sweden, and to grow selectively in the Baltic countries, Denmark, Poland and Russia.

Both of the company's business segments - **Pharmaceutical Trade** and **Healthcare and Dental Trade** - are core businesses. For a number of years now, there has been a major consolidation development involving both customers and competitors in both segments. Oriola-KD will carefully select the market areas and businesses in which it can achieve the critical mass necessary to ensure its long-term development. Oriola-KD is investigating opportunities for expansion primarily in the Baltic countries, Denmark, Poland and Russia, both organically and through acquisitions. In addition, Oriola-KD intends to expand its business to the retail trade in pharmaceuticals and healthcare products in selected markets. Oriola-KD's goal is to be financially strong enough to be able to grow according to its strategy and to respond flexibly to changes in the operating environment.

For both Pharmaceutical Trade and Healthcare and Dental Trade, **good customer service and efficient logistics** are key success factors. Both areas are Oriola-KD's strengths, but in a constantly changing operating environment, the company will increase its efforts to further develop and improve the efficiency of its operations, based on feedback from customers and principals. Moreover, the prevailing competitive situation particularly within pharmaceuticals distribution in Finland and Sweden will call for continuous evaluation and development of logistics structures. Oriola-KD has a long history and solid experience in pharmaceutical distribution and the marketing of healthcare products.

Oriola has been in the pharmaceutical wholesaling business since 1948 and KD since 1907. Oriola-KD has well-established, profitable operations and good recognition in its home markets Finland, Sweden, Denmark and the Baltic countries.

The company's good performance derives from its in-depth knowledge of the businesses and markets, the high quality of its operations and efficient logistics solutions.

An important competitive advantage enjoyed by Oriola-KD is its **substantial market share in pharmaceutical trade in Finland and Sweden**, in which cost-effectiveness calls for high volumes. Cost-effectiveness and the reliability of logistics systems are furthermore boosted by applying Oriola's and KD's best practices as well as by better leveraging the cross-border synergy benefits between the companies. The service concept for healthcare logistics can be utilised cost-effectively for the products of both of the company's divisions. A further cost advantage derives from the fact that the clientele of the business areas consists in part of the same customers.

Oriola-KD focuses on the topics that are key to its strategy and creates for the company optimal ways of working supported by the best suited corporate governance and management model. The company's management can focus on developing operations and services that produce added value whilst exploiting the growth potential in the healthcare sector through organic growth and acquisitions. The company's experience of integrating businesses will further enhance its ability to actively participate in consolidation development in its businesses.

The comprehensive spectrum of Oriola-KD's services extends across the entire supply chain: from import forwarding and warehousing to deliveries to customers, including the cash and information flows. In different countries there are expectations of changes in the structures and legislation of pharmaceutical trade. If these changes are realised it will have a major impact on the operating environment and Oriola-KD is prepared to respond swiftly to these changes. As an independent listed company with a strong balance sheet, it will have more freedom and alternatives to develop its own structure and business concepts.

## Financial development

Certain key figures for the Oriola-KD Group based on the financial statement information extracted from Demerging Orion's consolidated financial statements are presented in the tables and graphs below:

Key indicators for the Group (unaudited)	IFRS 1-3/06	IFRS 1-3/05	IFRS 2005	IFRS2
EUR million				
Invoicing	579.5	582.9	2,392.2	2,468.4
Net sales	336.2	323.2	1,330.7	1,406.7
Operating profit	3.4	5.5	25.8	27.0
- % of net sales	1.0%	1.7%	1.9%	1.9%
Profit for the financial year	2.4	3.9	18.1	19.0
Cash flow from operating activities *)	-10.6	-19.9	39.5	45.0
Return on capital employed, ROCE, %	6%	11%	12%	12%
Equity ratio, %	34%	-	-	-
Earnings per share, EUR	0.02	0.03	0.12	0.13

\*) Group cash flow in the first quarter is severely reduced by a change in working capital, particularly a drop from the turn of the year in advance payments from customers, typically seen in the early part of the year and attributable to the nature of Oriola-KD's business.

### Accounting principles for the key figures and ratios (IFRS)

$$\text{Return on capital employed (ROCE), \%} = \frac{\text{Profit before taxes + interests and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities (annual average)}} \times 100$$

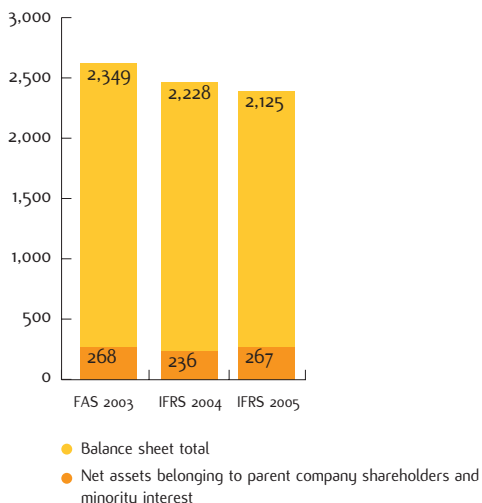
$$\text{Equity ratio, \%} = \frac{\text{Net assets (incl. minority interest)}}{\text{Total assets - advances received}} \times 100$$

$$\text{Earnings per share, EUR} = \frac{\text{Profit available for parent company shareholders}}{\text{Average adjusted number of shares excluding treasury shares}}$$

Business segment figures	IFRS 1-3/06	IFRS 1-3/05	IFRS 2005	IFRS 2004
EUR million				
Invoicing				
Pharmaceutical trade	508.1	521.3	2,124.8	2,228.2
Healthcare and dental trade	71.3	61.6	267.4	236.1
Net sales				
Pharmaceutical trade	275.0	269.2	1,093.3	1,197.1
Healthcare and dental trade	61.1	54.0	237.5	209.3
Operating profit				
Pharmaceutical trade	2.7	3.9	18.1	21.1
Healthcare and dental trade	1.2	1.8	8.8	7.8
Group items	-0.6	-0.2	-1.1	-1.9

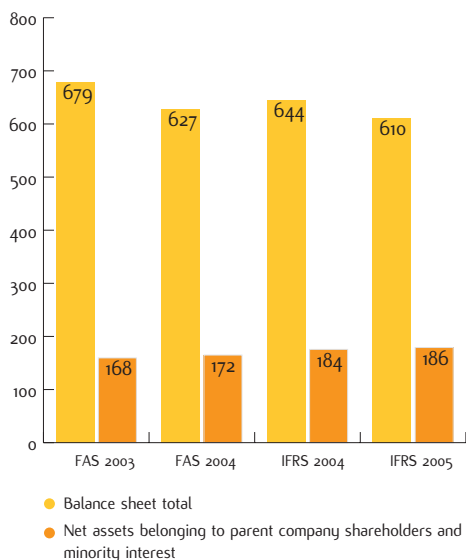
## Invoicing

EUR million



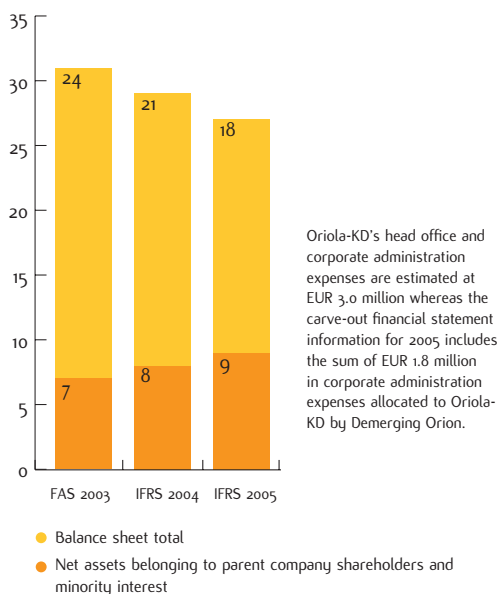
## Balance sheet

EUR million



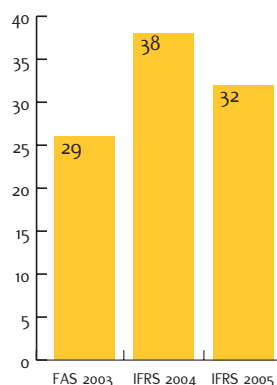
## Operating profit

EUR million



## Cash flow after investments

EUR million



The combined carve-out financial statement information from Demerging Orion's consolidated financial statements is presented in this marketing brochure for illustrative purposes only. It should be read in conjunction with the combined carve-out financial statement information from Demerging Orion's consolidated financial statements presented in Appendix 3 of the Prospectus and Appendix 9 of the Demerger Prospectus and with Orion's financial statements and Interim Reports published earlier.

The combined carve-out financial information from Demerging Orion's consolidated financial statements does not as such necessarily give an accurate view of the future result, financing position, changes in equity and cash flow of Oriola-KD nor does it present a view of what these would have been if Oriola-KD had operated as a separate legal entity during the periods represented.

