



Orion Group Interim Report 7-9/2006 and Financial Review (proforma) 1-9/2006

In this release, the Orion Corporation which was listed on the Helsinki Stock Exchange on 3 July 2006, gives an Interim Report of 7-9/2006 as well as a proforma Financial Review of 1-9/2006 which is completely based on figures carved out from the financial statements of the demerged Orion. The operations are reviewed according to the post-demerger Group structure and based on proforma financial figures for 1-9/2006.

- Group net sales were EUR 478.8 (438.4) million, up by 9.2%.
- Operating profit rose by 23.8% to EUR 160.1 (129.3) million.
- Profit before taxes was EUR 160.2 (128.5) million.
- Earnings per share were EUR 0.85 (0.71).
- Equity ratio was 74.6% (65.1%).
- Return on capital employed (ROCE) was 52.0% (44.1%).

Key carve-out figures on Orion Corporation for the review period

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Net sales	149.0	142.8	+4.3%	478.8	438.4	+9.2%	585.6
Operating profit (EBIT)	54.3	45.9	+18.2%	160.1	129.3	+23.8%	155.2
% of net sales	36.5%	32.2%		33.4%	29.5%		26.5%
Profit before taxes	54.3	45.8	+18.7%	160.2	128.5	+24.7%	154.3
% of net sales	36.5%	32.0%		33.5%	29.3%		26.3%
R&D expenses	18.9	18.9	-0.3%	59.9	55.8	+7.5%	80.1
% of net sales	12.7%	13.2%		12.5%	12.7%		13.7%
Capital expenditure	5.8	5.6	+3.4%	18.0	15.9	+13.0%	23.7
% of net sales	3.9%	4.0%		3.8%	3.6%		4.0%
Balance Sheet total	558.6			558.6	585.5	-4.6%	605.1
Equity ratio, %	74.6%			74.6%	65.1%		65.6%
Gearing, %	-16.4%			-16.4%	-15.5%		-28.7%
Interest-bearing liabilities	10.3			10.3	43.0	-76.0%	10.5
Non-interest-bearing liabilities	131.4			131.4	161.6	-18.7%	197.8
Cash and cash equivalents	78.6			78.6	101.8	-22.8%	124.5
ROCE (before taxes), %	54.0%			52.0%	44.1%		40.7%
ROE (after taxes), %	40.6%			38.9%	38.4%		32.9%
Earnings per share, EUR	0.29	0.26	+9.0%	0.85	0.71	+19.0%	0.83
Diluted earnings per share, EUR	0.28	0.26	+9.8%	0.84	0.70	+19.8%	0.82
Equity per share, EUR	2.95			2.95	2.74	+7.6%	2.86
Personnel at the end of the period	3 052			3 052	2 989	+2.1%	3 003

The present Orion Corporation was established on 1 July 2006 as one of the two new listed companies that resulted from the demerger of the former Orion. The new Orion Corporation comprises the pharmaceuticals and diagnostics businesses of the demerged Orion. The wholesale and distribution businesses of the former Orion were incorporated into Oriola-KD Corporation.

- The figures of the Interim Report 7-9/2006 as well as the proforma figures have been prepared in accordance with the IFRS standards. The proforma figures have been carved out from the financial statements of the demerged Orion Group. The review is compliant with the same principles and calculation methods as were applied in the Listing Particulars of Orion Corporation. The principles and calculation methods are available at the Orion homepage www.orion.fi/english/investors.
- The figures are unaudited. Those in the parentheses are for the comparative period. The per-share ratios for the comparative periods have been adjusted.
- The figures have been rounded. Therefore, the total sums of individual figures may differ from the total sums shown. The figures for 1-9/2005 may differ from those presented in the Demerger Prospectus published on 9 December 2005 because the individual figures in this review have not been rounded to adjust the total sums.

Orion Group structure

The parent company of the Orion Group is Orion Corporation. The Group has two businesses and five business divisions:

1) Pharmaceuticals

- Proprietary Products (patented prescription products)
- Specialty Products (off-patent prescription products and self-medication products)
- Animal Health
- Fermion (active pharmaceutical ingredients)

2) Diagnostics

- Orion Diagnostica.

Market overview

A monthly overview of the development of the moving annual total wholesales on the 13 key global pharmaceutical markets is provided by IMS Health. The figures cover the purchases of retail pharmacies from wholesalers and manufacturers and they are reported at constant exchange rates. The leading 5 European markets include Germany, France, Italy, UK and Spain. The leading 3 Latin American markets are Mexico, Brazil and Argentina. In the 12-month period during 8/2005 – 7/2006, the markets developed as follows (the figures have been rounded):

	Sales 8/05 - 7/06 USD billion	Change on comparative period	Share
North America	203.5	+5%	54%
Europe, leading 5	92.4	+4%	24%
Japan	57.5	+3%	15%
Latin America, leading 3	18.3	+22%	5%
Australia and New Zealand	5.7	+4%	2%
13 key markets total	377.4	+5%	100%

The growth has continued on a relatively moderate level in the US, Europe and Japan. The largest therapeutic categories by sales are cardiovasculars, CNS and alimentary. Cytostatics were the fastest growing category, with an annual level sales growth at 13%. Great variations in sales appear between the main therapeutic categories among the countries included in the review. The best-selling single drug was still Lipitor (atorvastatin), a hypolipidemic, with global sales at over USD 11.5 billion.

In the top 5 European markets, the wholesales of medicines for Parkinson's Disease in the 12-month period to June 2006 were about EUR 715 million, up by 8%. In the USA, the sales were USD 924 million and they grew by 17%. The exceptionally high growth percentage is explained by the broadened indication of one dopamine agonist to the restless legs syndrome.

According to the sales statistics maintained by Finnish Pharmaceutical Data Ltd., wholesales of pharmaceuticals in Finland are growing at a rate just under 1 per cent on an annual level. In the period 1-9/2006, the total sales were EUR 1 272 million, slightly less than in the comparative period. Orion contributed EUR 116.8 million to the total, about 9% less than in the comparative period. Orion's market share in Finland was 8.8% (9.7%), just 0.4 percentage points behind the market leader.

Interim Report 7-9/2006

Net sales and Profit

The Group **net sales** in 7-9/2006 were EUR 149.0 million, of which the sales of pharmaceuticals were EUR 139.9 million. No milestone payments are included in the figures. The products based on in-house R&D accounted for EUR 62.7 million, or 45% of the total. The products for Parkinson's Disease, i.e. Stalevo and Comtess/Comtan, contributed EUR 42.2 million, or 30% of the total net sales

The Pharmaceuticals business generated an **operating profit** of EUR 45.1 million. The Diagnostics business's operating profit was EUR 1.5 million. The consolidated operating profit of EUR 54.3 million includes EUR 9.8 million in capital gain from the sale of rental apartment buildings in August, recorded under other operating income. In the table "Operating profit by business segments" the item is included in the Group items.

The operating expenses were EUR 54.5 million. The biggest item was the selling and distribution expenses, EUR 27.5 million. They include the costs of sales and marketing as well as distribution and logistics, including the related salaries and other personnel expenses.

The Group's R&D expenditure was EUR 18.9 million, representing 12.7% of the Group net sales. The R&D function is discussed in the segment review of the Pharmaceuticals business.

Group profit before taxes was EUR 54.3 million and earnings per share were EUR 0.29. Equity per share was EUR 2.95 (2.74). Group ROCE before taxes was 54.0% and ROE after taxes was 40.6%.

Balance Sheet and financial position

The Group's gearing was -16.4%. Equity ratio was 74.6%.

Total liabilities in the Balance Sheet of 30 September 2006 came to EUR 141.7 million, of which interest-bearing liabilities accounted for EUR 10.3 million. The cash and cash equivalents accounted for EUR 78.6 million. The cash reserves are invested in short-term interest instruments issued by solid financial institutions and corporations.

Cash flows

The cash flows from operations were EUR 44.5 million, and they comprised mainly operating profit and taxes paid. No assets were tied up in the working capital during the period. The net cash used in investing activities was EUR 5.0 million positive, thanks to the divestment of rental apartment buildings in August.

Capital expenditure

The capital expenditure of the Group came to EUR 5.8 million, of which machinery and equipment accounted for EUR 4.0 million.

Financial proforma review for 1-9/2006

Net sales

Orion Group. The Group net sales in 1-9/2006 were EUR 478,8 million (EUR 438.4 in 1-9/2005) million, up by 9.2% from the comparative period. The US dollar's impact was about EUR 0.6 million positive while that of the Swedish krona was EUR 0.2 million negative.

Pharmaceuticals business. The net sales from pharmaceuticals increased by 9.6% to EUR 449.1 (409.7) million. No milestone payments are included in the figures. The products based on in-house R&D accounted for EUR 206.6 (176.8) million, or 46% (43%) of the total. The products for Parkinson's Disease, i.e. Stalevo[®] and Comtess[®]/Comtan[®], contributed EUR 137.2 (112.8) million, or 31% (28%) of the total net sales.

Diagnostics business. Orion Diagnostica's net sales were EUR 31.1 (30.3) million and they grew by 2.6% from the comparative period. QuikRead[®] infection tests continued to show good growth.

Profits

The Pharmaceuticals business generated an operating profit of EUR 150.4 (127.0) million, up by 18.5%. The development was consequence of the increased sales of the proprietary products, especially the entacapone franchise, and the timings of the deliveries, as well as on well managed costs.

The Diagnostics business's operating profit rose by 15.3% to EUR 6.0 (5.2) million. The operational rearrangements and strategy adjustments that were carried out in 2005 have contributed positively to the results.

Operating expenses

The consolidated operating expenses were EUR 180.8 (178.7) million, up by 1.2% from the comparative period. Research and development expenses increased by 7.5%. Selling and distribution expenses decreased by 0.4% to EUR 93.2 (93.6) million. They include the costs of sales and marketing as well as distribution and logistics, including the related salaries and other personnel expenses.

Other operating income includes EUR 9.8 million in capital gains from the sale of the rental apartment buildings in August. In the table "Operating profit by business segments" the item is included in the Group items.

Research and development expenses

The Group's R&D expenditure was EUR 59.9 (55.8) million, representing 12.5% (12.7%) of the Group net sales. Pharmaceutical R&D expenses were EUR 56.9 million, or about 95% of the total. The R&D function is reported in the segment review of the Pharmaceuticals business.

Group profit before taxes was EUR 160.2 (128.5) million. The positive development was mostly consequence of the increased net sales of Stalevo for Parkinson's Disease and the high volumes supplied to Novartis, the marketing partner. Earnings per share were EUR 0.85 (0.71). Equity per share was EUR 2.95 (2.74). Group ROCE before taxes was 52.0% (44.1%) and ROE after taxes was 38.9% (38.4%).

Balance Sheet and financial position

The Group's gearing was -16.4% (-15.5%). Equity ratio was 74.6% (65.1%).

The share subscriptions made in the review period before the demerger with the options of the demerged Orion's stock option plan that ended in May, induced EUR 21.4 million to the Equity, EUR 17.8 million of which have been recorded in the share premium and the remainder in the share capital.

In June, EUR 23 million were transferred from the share premium fund to the expendable fund, based on the decision by the Extraordinary General Meeting of the demerged Orion held on 19 December 2005.

Total liabilities in the Balance Sheet of 30 September 2006 came to EUR 141.7 (204.6) million, of which interest bearing liabilities accounted for EUR 10.3 (43.0) million. The amount was reduced mainly by loans repaid to Orion's Pension Fund.

Trade payables at the end of the review period were EUR 20.9 million. They decreased from the year start by EUR 56.2 million, which included EUR 46.4 million short-term loans that were included in trade payables and had been repaid to the Oriola-KD companies.

Cash and cash equivalents were EUR 78.6 (101.8) million. The cash reserves are invested in short-term interest instruments issued by solid financial institutions and corporations.

Cash flows

The cash flows from operations were EUR 104.3 (101.0) million, and they grew from the comparative period due to improved profit. The growth was slowed down by the increase in working capital. The increase in the working capital was a consequence of increased sales volumes, enhanced delivery reliability and related inventories, decreased trade payables and reversed provisions after the year-end.

The net cash used in investments was improved by the sale of rental apartment buildings in August.

The share subscriptions made with the stock options 2001 of the demerged Orion in the first half of the year induced EUR 21.4 million to the cash flows of financing activities. The net cash used in financing activities resulted, however, in a negative total of EUR 144.0 million due to the dividends paid for 2005 and repaid loans. Most of the loans repaid were short-term receivables of the present Oriola-KD companies.

Capital expenditure

The capital expenditure of the Group came to EUR 18.0 (15.9) million, of which machinery and equipment accounted for EUR 11.5 (12.0) million.

Personnel

The average number of personnel in the Group was 3,064 (2,997) for the review period. In September 2006, the total number of employees was 3,052 (2,989). Personnel in the Pharmaceuticals business increased by about 85 from September 2005, mainly in production and laboratories. In the Diagnostics business the number of personnel has decreased by around 20.

Financial objectives

The moderate organic growth of the net sales in the next few years is accelerated via product, portfolio and company acquisitions. Operating profit will be increased and Equity ratio is maintained at the level of at least 50%.

Dividend policy

In the dividend distribution Orion takes into account the distributable funds as well as the medium-long and long-term needs of capital expenditure and other financial needs required for the achievement of the financial objectives.

Outlook for 2006 (proforma)

In the **Pharmaceuticals business**, net sales are estimated to increase, thanks to the entacapone product franchise especially. In the first half and especially in the first months of the year, the deliveries to the marketing partner Novartis were exceptionally high. The sales of pharmaceuticals in Finland will be lower than in the previous year.

The full-year operating profit of the Pharmaceuticals business is estimated to improve from the comparative year in the same proportion as in 1-9/2006. The operating expenses will remain on the same level as in 2005.

The **Diagnostics business** will show increased net sales and operating profit.

Due to one-off earnings items, the operating profit resulting from the Group items is anticipated to be better than in the previous year.

The Group's **R&D expenditure** will be about EUR 80 million.

Capital expenditure is estimated to be about EUR 25 million.

The **consolidated net sales and operating profit** are estimated to grow from the previous year at the same rate as in 1-9/2006.

Changes in the Executive Management Board

In the management organisation effective as of 1 November 2006, the Executive Management Board of the Group is composed of the following executives and their respective responsibility areas:

Jukka Viinanen, President and CEO, Orion Corporation, Chairman of the Executive Management Board
 Markku Huhta-Koivisto, Senior Vice President, Specialty Products and Fermion
 Olli Huotari, Senior Vice President, Corporate Functions
 Pekka Kaivola, Senior Vice President, Global Sales
 Jari Karlson, Chief Financial Officer (CFO)
 Pekka Kosi, Senior Vice President, Supply Chain
 Timo Lappalainen, Senior Vice President, Proprietary Products and Animal Health
 Olli Piironen, Project Manager, employee representative
 Jaakko Rissanen, Senior Vice President, Orion Diagnostica
 Reijo Salonen, Senior Vice President, Research and Development
 Riitta Vartiainen, Senior Vice President, Business Development and Support

The Senior Vice Presidents in the Executive Management Board report to Jukka Viinanen, President and CEO.

New members in the Executive Management Board are Dr. Salonen, who joined Orion on 1 November 2006, and Mr. Kosi. The other persons have been members also in the previous composition. Responsibility areas of the members have been re-allocated for the Specialty Products business division and the Supply Chain and Business Development and Support line functions.

Details of the governance and management of Orion Corporation are provided on the homepage www.orion.fi/investors.

Insiders of Orion Corporation

Orion Corporation follows the insider guidelines issued by the Helsinki Stock Exchange. The Group's permanent insiders comprise the insiders with the duty to declare their holdings in Orion in the company's public insider register and other persons defined by the company as permanent company-specific insiders. The insiders with the duty to declare comprise the members of the Board of Directors, the members of the Executive Management Board as well as the Designated Auditor and the Deputy Auditor. The company's own insider register consists of persons defined by the company as permanent company-specific insiders of the Group.

Up-to-date information about the holdings in Orion of the insiders with a duty to declare, as well as changes in the holdings, is provided on Orion's website for investors, www.orion.fi/investors, via a link to the NetSIRE database maintained by the Finnish Central Securities Depository.

Share capital and ownership base

The share capital of Orion Corporation is EUR 92,238,541.46. The total number of shares is 141,257,828 shares consisting of 56,135,440 Class A shares and 85,122,388 Class B shares, after the conversion registered on 20 October 2006. The counter book value of each share is approximately EUR 0.65. At General Meetings of Shareholders, each Class A share provides 20 (twenty) votes and each Class B share one (1) vote. Both share classes provide equal rights to the company's assets and dividends. On the basis of the Articles of Association, a shareholder can demand conversion of his/her Class A shares into Class B shares. In July – October 2006, a total of 262,100 Class A shares have been converted into Class B shares.

At the end of September 2006, Orion had altogether 39,376 shareholders, of which 36,898 or 94% were private individuals. Their holdings accounted for about 53% of the total number of shares and 63% of the total votes. The number of nominee-registered shares was 29.3 million, representing 20.8% of the total shares and 6.3% of the total votes.

No transactions exceeding the flagging limits set in the Finnish Securities Market Act have been brought to the attention of the company.

Trading in Orion Corporation A and B shares started on the main list of the Helsinki Stock Exchange on 3 July 2006. Facts about the shares as well as trading in the first three months of are presented in the Tables section of this release.

Authorisations of the Board of Directors

The Board of Directors has no existing authorisation by the Shareholders' Meeting to raise the share capital or to issue a bond loan, convertible loan or stock options, or to acquire or convey the company's own shares.

REVIEW OF THE SEGMENTS (PROFORMA)

Pharmaceuticals business

Key figures

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Net sales	139.9	133.8	+4.6%	449.1	409.7	+9.6%	547.0
Operating profit	45.1	42.7	+5.6%	150.4	127.0	+18.5%	154.7
% of net sales	32.2%	31.9%		33.5%	31.0%		28.3%
Capital expenditure	5.1	5.1	-0.2%	16.4	14.2	+15.9%	21.1
Net sales from proprietary products	62.7	60.9	+2.8%	206.6	176.8	+16.9%	227.2
R&D expenditure	17.8	18.1	-1.8%	56.9	53.3	+6.8%	76.5
Personnel at the end of the period				2,732	2,647	+3.2%	2,665

Breakdown of pharmaceutical net sales by business areas

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Proprietary Products	58.3	57.9	+0.7%	191.0	166.0	+15.1%	214.9
Specialty Products	52.6	50.9	+3.4%	163.4	162.1	+0.8%	224.3
Animal Health	15.8	14.8	+7.1%	47.9	44.8	+6.9%	59.5
Fermion	6.5	6.1	+6.4%	28.6	27.3	+4.9%	38.4
Others	6.7	4.1	+64.4%	18.2	9.5	+91.0%	9.9
Group total	139.9	133.8	+4.6%	449.1	409.7	+9.6%	547.0

Positive profitability development continued in the Pharmaceuticals business. Operating profit increased by 18.5% from the comparative period. No milestone payments were received in the review period or the comparative one.

The combined net sales of Orion's proprietary products for Parkinson's Disease, **Stalevo** (levodopa, entacapone, carbidopa) and **Comtess/Comtan** (entacapone) grew by close to 22% and they contributed EUR 137.2 (112.8) million or about 31% (28%) of the total pharmaceutical net sales. Shipments of Stalevo and Comtan to Novartis, the marketing partner, amounted to EUR 83.7 (62.3) million and they increased by 34% from the comparative period. The net sales generated from Stalevo and Comtess by Orion's own sales organisation were EUR 53.5 (50.5) million, up by 6%.

In the IMS sales statistics for July 2006, the combined market share of Stalevo and Comtess/Comtan of the total wholesales of Parkinson's Disease medicines in the USA was about 16%, in Germany about 16%, Sweden 18%, and in Finland 32%.

A decision is anticipated for the Japanese new drug application for Comtan in the first half of 2007.

Net sales from the 10 best-selling pharmaceutical brands of Orion

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Stalevo (Parkinson's disease)	25.0	22.7	+9.9%	80.2	58.1	+38.1%	74.7
Comtess / Comtan (Parkinson's)	17.3	18.7	-7.3%	57.0	54.8	+4.1%	70.6
Domitor, Domosedan, Antisedan (animal sedatives)	6.4	5.9	+9.1%	20.2	20.2	-0.3%	26.0
Divina series (menopausal symptoms)	4.3	4.5	-2.9%	12.4	12.7	-2.7%	10.9
Easyhaler (asthma)	3.5	2.5	+41.6%	12.3	7.9	+54.9%	16.2
Simdax (heart failure)	2.7	2.8	-4.1%	10.3	10.1	+2.1%	13.7
Enanton (prostate cancer)	3.2	3.4	-3.9%	10.0	10.2	-2.2%	10.7
Calcimagon (osteoporosis)	3.8	2.7	+41.0%	9.9	7.5	+32.2%	13.6
Fareston (breast cancer)	1.6	2.7	-39.9%	8.6	9.4	-9.0%	10.2
Burana (inflammatory pain)	3.2	3.6	-11.8%	8.4	11.2	-25.1%	17.4
Total	71.1	69.4	+2.4%	229.2	202.2	+13.4%	264.0
Share of total pharmaceutical net sales	51%	52%		51%	49%		48%

The net sales from the 10 best-selling brands grew by about 13% and they accounted for about 51% (49%) of the total pharmaceutical net sales. Net sales from the proprietary product franchise were EUR 206.6 (176.8) million. They grew by 16.9% from the comparative period and contributed 46% (43%) to the total pharmaceutical net sales. The figures include also the animal sedatives, which belong to the Animal Health business, and Easyhaler[®], which belongs to the Specialty Products business. The net sales from the **Easyhaler** franchise grew by 54.9% from the comparative period, thanks to new product launches and expanded market area.

The wholesales of Orion's products **in Finland** were about EUR 112 million, down by about 9% from the comparative period, according to the Finnish wholesale statistics for 1-9/2006. With a market share of 8.8% Orion maintained its Nr. 2 position in Finland. The declined domestic sales were consequence of the impacts of the 5% price cut imposed on the wholesale prices of all reimbursed prescription drugs at the start of the year, the tightened regulations concerning discounts grantable to pharmacies, as well as aggressive price competition in the group of substitutable prescription products. In this product category, the number of product packages purchased by pharmacies grew by about 2%, but the value of wholesales decreased by almost 9% from the comparative period. The number of sold packages of non-substitutable products remained the same as in the comparative period but the corresponding wholesale value grew by over 7%. In self-medication products, the volumes purchased by pharmacies were down by over 18%, corresponding to a drop of 12% in euros. In self-medication products Orion continued to have the highest market share, which was 23% of the wholesale value and over 35% of the volume. The products marketed by Orion in Finland belong dominantly to the Specialty Products business.

Animal Health's net sales grew by 6.9% from the comparative period and accounted for about 11% (11%) of the total pharmaceutical net sales. The growth came from Orion's own marketing organization, whereas the contribution of marketing partners remained on the level of the comparative period. The net sales of the animal sedatives Domitor®, Domosedan® and Antisedan® remained on the level of the comparative period and accounted for about 42% (45%) of the total net sales of animal health products.

Fermion's net sales grew by 4.9% from the comparative period, due to increased supply to external customers. The impact of intra-Group transactions has been eliminated from Fermion's net sales. Deliveries for Orion's own use have kept on growing in the wake of the continued favourable sales of Stalevo and Comtess/Comtan.

Pharmaceutical research and development

R&D expenses were EUR 56.9 (53.3) million for the review period, and they represented 12.7% (13.0%) of the pharmaceutical net sales.

The largest ongoing study, **STRIDE-PD**, is a major Phase 3 study on Parkinson's Disease, seeking to investigate if Stalevo medication can delay the onset of motor complications, i.e. dyskinesias. In the study, Stalevo is compared with conventional levodopa/carbidopa medication. The study, under way since late 2004, is being carried out in collaboration with Novartis in 14 countries. It involves altogether 740 patients, each being treated at least two years. Results can be anticipated in the first half of 2008.

The results presented at the Movement Disorders congress in Japan at the turn of October-November from a Phase 4 study made in four Asian Pacific countries demonstrate for their part that early started treatment with Stalevo significantly improves quality of life in patients with Parkinson's Disease when compared to traditional levodopa therapy.

A Phase 2 study in Switzerland and Finland with **dexmedetomidine** (Precedex®) as a long-term infusion for the sedation of patients in intensive care has been completed with encouraging results. The project is proceeding into Phase 3 with an objective to have the product registered in the EU. The product is already available in the USA and Japan as a sedative for patients in intensive care, administrable for up to 24 hours.

Orion and Abbott Laboratories are discussing a possible additional Phase 3 clinical study with the heart failure drug **levosimendan** and its financing. Orion will inform about the solutions as soon as reached.

The **CLEVET** programme, which is studying the efficacy of levosimendan in the treatment of heart diseases in dogs, is progressing to the last research phase with an aim to receive marketing authorisations.

In early research phases, Orion is investigating a new COMT enzyme inhibitor for Parkinson's Disease, molecules affecting alpha 2 receptors in the central nervous system, and selective androgen receptor modulators (SARM), among others.

Diagnostics business

Key figures

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Net sales	9.5	9.5	-0.1%	31.1	30.3	+2.6%	40.8
Operating profit	1.5	1.4	+2.0%	6.0	5.2	+15.3%	6.3
% of net sales	15.6%	15.2%		19.2%	17.1%		15.4%
Capital expenditure	0.4	0.4	-1.3%	1.0	1.3	-19.7%	1.8
Personnel at the end of the period				290	308	-5.8%	304

Orion Diagnostica showed flat net sales growth, but an increasing part of the sales is generated by the new-generation products with better profitability. The best growth is shown by the QuikRead[®] CRP infection tests. As a whole, the financial performance was good and the operating profit margin increased from the comparative period.

Espoo, 2 November 2006

Board of Directors of Orion Corporation

Orion Corporation

Jukka Viinanen
President and CEO

Jari Karlson
CFO

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Press conference in Finnish

A Finnish press conference for the media and institutional investors will be held today, **Thursday 2 November 2006, starting at 14.30 p.m.** at the Adams hall in Helsinki. The language of the event is Finnish.

The Finnish presentation can be followed on-line via the Internet homepage www.orion.fi/sijoittajille, or via the Kauppalehti Live web service, www.kauppalehti.fi/live.

Teleconference in English

A teleconference in English for questions and answers will be arranged today, **Thursday 2 November 2006 starting at 17.00 p.m. Finnish time (15.00 GMT)**. Advice for participating in the conference is provided on the front page of www.orion.fi.

Webcasting

A webcast presentation of this financial review will become **available in English later in the evening of 2 November** on www.orion.fi/investors, on www.kauppalehti.fi/live, as well as via Thomson/CCBN's web service www.fulldisclosure.com or Thomson's extranet service for institutional investors, www.streetevents.com.

Capital Markets Day Presentations on Wednesday, 22 November 2006 starting at 09.00 a.m. (07.00 GMT). The presentations will be made on the web only, and they will be available on the Internet homepage www.orion.fi. A **teleconference** for questions and answers will be held on 22 November 2006 starting at 14.00 p.m. (12.00 GMT). Details of the event are available on www.orion.fi.

Schedule for Orion's financial reporting in 2007

Due to the demerger which took effect on 1 July 2006, the first financial reporting period of the present Orion Corporation is 1 July – 31 December 2006.

Orion will publish a proforma report for 1-12/2006 as well as the Financial Statements from the accounting period 1 July – 31 December 2006 on Tuesday, 6 February 2007. The Annual Report will be published during week 10/2007.

The Annual General Meeting of the Shareholders is planned to be held on Monday, 2 April 2007 at 17.00 p.m. in Helsinki.

The publication dates of the Interim Reports in 2007 are as follows:

Interim Report 1-3/2007	Wednesday, 25 April 2007
Interim Report 1-6/2007	Monday, 6 August 2007
Interim Report 1-9/2007	Wednesday, 24 October 2007

The financial reviews, reports and the related presentation material of Orion are available on the homepage www.orion.fi/investors as of publication. The homepages also provide a facility for registration on the respective companies' mailing lists for publications and news releases.

TABLES

GROUP INCOME STATEMENT

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Net sales	149.0	142.8	+4.3%	478.8	438.4	+9.2%	585.6
Cost of goods sold	-50.7	-44.6	+13.9%	-150.7	-140.2	+7.5%	-188.9
Gross profit	98.2	98.2	-0.0%	328.1	298.2	+10.0%	396.7
Other operating income	10.6	4.9	+114.6%	12.8	9.8	+30.8%	11.4
Selling and distribution expenses	-27.5	-29.1	-5.5%	-93.2	-93.6	-0.4%	-129.3
Research and development expenses	-18.9	-18.9	-0.3%	-59.9	-55.8	+7.5%	-80.1
Administrative expenses	-8.1	-9.2	-11.7%	-27.6	-29.3	-5.7%	-43.4
Operating profit	54.3	45.9	+18.2%	160.1	129.3	+23.8%	155.2
Financial income	0.7	0.7	-6.5%	2.5	2.1	+19.7%	3.0
Financial expenses	-0.7	-0.9	-26.5%	-2.4	-2.9	-17.3%	-4.0
Profit before taxes	54.3	45.8	+18.7%	160.2	128.5	+24.7%	154.3
Income tax expense	-14.1	-9.4	+48.8%	-41.4	-30.8	+34.4%	-40.4
Profit for the period	40.3	36.3	+10.9%	118.8	97.7	+21.6%	113.9
of which attributable to:							
Parent company shareholders	40.3	36.3	+10.9%	118.8	97.7	+21.6%	113.9
Minority	0.0	0.0		0.0	0.0		0.0
Earnings per share*							
Basic, EUR	0.29	0.26	+9.0%	0.85	0.71	+19.0%	0.83
Diluted, EUR	0.28	0.26	+9.8%	0.84	0.70	+19.8%	0.82
Depreciation and amortisation	8.6	8.8	-2.3%	26.1	26.5	-1.2%	35.4
Employee benefit expenses	31.2	30.7	+1.5%	103.6	99.9	+3.7%	140.1

*) The earnings per share have been calculated from the profit attributable to the parent company shareholders.

**GROUP BALANCE SHEET:
ASSETS**

EUR million	9/2006	9/2005 Proforma	Change %	2005 Proforma
Non-current assets				
Property, plant and equipment	188.0	198.2	-5.1%	196.4
Goodwill	13.5	13.5	-	13.5
Other intangible assets	22.3	25.9	-13.9%	24.5
Investments in associates	0.1	0.1	-	0.1
Available-for-sale investments	1.0	1.0	-1.7%	1.0
Pension asset	50.3	44.1	+13.9%	46.3
Deferred tax assets	1.5	1.6	-7.6%	1.5
Other non-current receivables	4.4	4.5	-1.1%	4.2
Non-current assets total	281.1	289.0	-2.7%	287.5
Current assets				
Inventories	107.7	92.9	+15.9%	99.4
Trade receivables	78.3	76.7	+2.1%	78.7
Other receivables	12.9	25.1	-48.8%	14.9
Cash and cash equivalents	78.6	101.8	-22.8%	124.5
Current assets total	277.5	296.5	-6.4%	317.5
Assets total	558.6	585.5	-4.6%	605.1

**BALANCE SHEET:
EQUITY AND LIABILITIES**

EUR million	9/2006	9/2005 Proforma	Change %	2005 Proforma
Equity				
Share capital	92.2	88.2	+4.6%	88.2
Share issue	-	-	-	0.3
Share premium	17.8	23.0	-22.8%	23.2
Expendable fund	23.0	-	-	-
Other reserves	0.5	0.6	-28.4%	0.7
Retained earnings	283.4	269.0	+5.3%	284.3
Equity of the parent company shareholders	416.9	380.9	+9.5%	396.7
Minority interest	0.0	0.0	+11.9%	0.0
Equity total	416.9	380.9	+9.5%	396.8
Non-current liabilities				
Deferred tax liabilities	51.7	51.9	-0.4%	51.3
Pension liability	0.9	0.7	+20.9%	0.7
Provisions	0.9	2.8	-67.2%	2.4
Interest-bearing non-current liabilities	7.9	40.2	-80.5%	8.3
Other non-current liabilities	1.4	1.0	+39.5%	1.2
Non-current liabilities total	62.8	96.6	-35.0%	63.9
Current liabilities				
Trade payables	20.9	43.0	-51.3%	77.1
Other current liabilities	55.2	62.1	-11.2%	64.7
Provisions	0.3	0.0	+1226.1%	0.3
Interest-bearing current liabilities	2.5	2.8	-12.3%	2.2
Current liabilities total	78.9	107.9	-26.9%	144.4
Equity and liabilities total	558.6	585.5	-4.6%	605.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN 7-9/2006

EUR million	Share capital	Share premium	Expendable fund	Other reserves	Change in translation differences	Retained earnings	Equity of the parent company shareholders	Minority interest	Total
Equity 1 July 2006	92.2	17.8	23.0	0.5	-3.5	246.8	376.8	0.0	376.8
Change in translation differences					-0.2		-0.2		-0.2
Profit for the period						40.3	40.3	0.0	40.3
Recognised income and expenses total					-0.2	40.3	40.1	0.0	40.1
Other changes				-0.0			-0.0		-0.0
Equity 30 September 2006	92.2	17.8	23.0	0.5	-3.7	287.0	416.9	0.0	416.9

CASH FLOW STATEMENT

EUR million	7-9/06	1-9/06 Proforma	1-9/05 Proforma	2005 Proforma
Cash flow from operating activities				
Operating profit	54.3	160.1	129.3	155.2
Adjustments	-2.2	9.4	16.0	22.3
Change in working capital	1.3	-39.9	-23.3	-5.1
Interest paid	-0.7	-2.8	-2.1	-4.5
Interest received	0.6	2.4	3.3	5.0
Income taxes paid	-8.7	-24.9	-22.3	-39.1
Net cash from operating activities	44.5	104.3	101.0	133.8
Cash flow from investing activities				
Purchases of property, plant and equipment and intangible assets	-6.5	-17.0	-16.0	-21.7
Acquisition of subsidiary, net of cash	-	-1.2	-	-
Proceeds from sale of property, plant and equipment, intangible assets and available-for-sale investments	11.6	12.2	7.4	7.9
Net cash used in investing activities	5.0	-5.9	-8.6	-13.8
Cash flow from financing activities				
Share issue and share capital increase based on the use of stock options	-	21.4	42.9	43.4
Change in short-term loans	-0.3	-46.7	-44.3	-17.7
Change in long-term loans	-0.2	-0.5	-0.5	-32.3
Dividends paid to parent company and minority shareholders	0.0	-118.2	-56.6	-56.7
Net cash used in financing activities	-0.5	-144.0	-58.5	-63.3
Net change in cash and cash equivalents	49.0	-45.6	33.9	56.7
Cash and cash equivalents at the beginning of the period	29.8	124.5	68.4	68.4
Foreign exchange adjustments	-0.2	-0.2	-0.4	-0.6
Net change in cash and cash equivalents	49.0	-45.6	33.9	56.7
Cash and cash equivalents at the end of the period	78.6	78.6	101.8	124.5

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	7-9/2006	1-9/2006 Proforma	1-9/2005 Proforma	1-12/2005 Proforma
Carrying amount at the beginning of the period	191.2	196.4	204.0	204.0
Additions	4.9	13.3	15.5	20.7
Disposals	-1.7	-2.4	-1.7	-2.0
Depreciation	-6.4	-19.3	-19.6	-26.2
Carrying amount at the end of the period	188.0	188.0	198.2	196.4

CONTINGENT LIABILITIES

EUR million	9/2006	9/2005 Proforma	2005 Proforma
Contingent for own liabilities:			
Mortgages on land and buildings of which those on behalf of the Orion Pension Fund	27.9	56.2	27.9
Guarantees	1.9	2.1	2.0
Contingent for liabilities of other parties:			
Mortgages on land and buildings	-	10.0	9.9
Guarantees	-	6.8	7.2
Leasing liabilities (excl. finance leasing contracts)	3.6	3.1	3.8
Other liabilities	0.3	0.3	0.3
Currency forward contracts:			
- fair value	0.1	-0.4	-0.3
- nominal value	77.1	77.1	80.0

Legal proceedings and claims

In November 2005, a failure was detected in the methotrexate manufacturing equipment at the Oulu plant of Fermion Oy. As a result of the failure, certain commercial batches had been contaminated with small amounts of water containing ethylene-glycol. The competent authorities as well as customers who had been supplied with methotrexate batches containing ethylene-glycol water were informed of the incident. The incident has resulted in recalls of certain defective methotrexate products as well as claims for damages related to the defective methotrexate batches. The total amount of the damage claims possibly resulting from the incident has at this point been estimated not to exceed approximately EUR 6 million. The damages resulting from the incident are at least for the most part covered by the company's liability insurance, such that the amount to be covered by the company itself, including the deductible and invoiced materials and amounts possibly not covered by liability insurance, are estimated to be limited to approximately EUR 2.5 million. At the year end closing for 2005, a cost reservation of EUR 800,000 was recorded in the demerged Orion's financial statements for the incident, after which an additional reservation of EUR 1.5 million has been made.

RELATED-PARTY TRANSACTIONS

EUR million	7-9/2006	1-9/2006 Proforma	1-9/2005 Proforma	1-12/2005 Proforma
Management benefits	0.7	1.7	1.5	1.9
Non-current liabilities to the pension fund at the end of the period	6.0	6.0	37.7	20.1

NET SALES BY BUSINESS SEGMENTS

EUR million	7-9/06	7-9/05 Proforma	Change %	1-9/06 Proforma	1-9/05 Proforma	Change %	2005 Proforma
Pharmaceuticals	139.9	133.8	+4.6%	449.1	409.7	+9.6%	547.0
Diagnostics	9.5	9.5	-0.1%	31.1	30.3	+2.6%	40.8
Group items	-0.4	-0.4	-17.1%	-1.4	-1.6	-10.0%	-2.1
Group total	149.0	142.8	+4.3%	478.8	438.4	+9.2%	585.6

OPERATING PROFIT BY BUSINESS SEGMENTS

EUR million	7-9/06	7-9/05	Change	1-9/06	1-9/05	Change	2005
		Proforma	%	Proforma	Proforma	%	Proforma
Pharmaceuticals	45.1	42.7	+5.6%	150.4	127.0	+18.5%	154.7
Diagnostics	1.5	1.4	+2.0%	6.0	5.2	+15.3%	6.3
Group items	7.7	1.8	+334.5%	3.7	-2.8	-231.5%	-5.7
Group total	54.3	45.9	+18.2%	160.1	129.3	+23.8%	155.2

REVIEW BY ANNUAL QUARTERS**Net sales by business segments by annual quarters**

EUR million	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06	7-9/06
	Proforma							
Pharmaceuticals	119.7	135.9	140.0	133.8	137.2	162.9	146.4	139.9
Diagnostics	10.9	10.5	10.3	9.5	10.5	11.2	10.4	9.5
Group items	-0.5	-0.5	-0.6	-0.4	-0.5	-0.5	-0.5	-0.4
Group total	130.1	145.9	149.7	142.8	147.2	173.5	156.3	149.0

Operating profit by business segments by annual quarters

EUR million	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06	7-9/06
	Proforma							
Pharmaceuticals	8.4	45.2	39.1	42.7	27.7	62.0	43.3	45.1
Diagnostics	1.3	1.7	2.0	1.4	1.1	2.8	1.7	1.5
Group items	-3.0	-1.6	-3.0	1.8	-2.9	-1.9	-2.1	7.7
Group total	6.7	45.3	38.1	45.9	25.9	62.9	42.9	54.3

Net sales by geographic segments by annual quarters

EUR million	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06	7-9/06
	Proforma							
Finland	49.9	48.0	46.9	44.8	52.6	44.8	45.4	45.2
Scandinavia	22.8	20.6	22.7	21.3	22.4	22.5	24.2	21.3
Other Europe	33.7	42.7	44.7	51.4	46.1	69.6	52.7	52.8
North America	11.1	21.3	21.8	14.2	15.6	20.4	20.5	20.1
Other markets	12.7	13.4	13.6	11.2	10.4	16.2	13.4	9.7
Group total	130.1	145.9	149.7	142.8	147.2	173.5	156.3	149.0

The share of North American sales presented in the above table is slightly larger and that of Other Europe slightly smaller than in the proforma review of 1-6/2006. This is because the sales by European partners to North American markets are now classified under North America and not Europe, as previously.

FACTS ABOUT ORION CORPORATION SHARES
as on 30 September 2006

	Class A		Class B		A and B total	
Share capital	36.5	MEUR	55.7	MEUR	92.2	MEUR
Total number of shares	56,186,540	pcs	85,071,288	pcs	141,257,828	pcs
Minimum share capital					50	MEUR
Maximum share capital					2,000	MEUR
Share of total share stock	39.8	%	60.2	%	100.0	%
Counter book value of share	ca 0.65	EUR	ca 0.65	EUR		
Votes per share	20	votes	1	votes		
Trading code on the Helsinki Stock Exchange	ORNAV		ORNBV			

Both share classes provide equal rights to the company assets and dividends. After the review period, 51,100 Class A shares have been converted into Class B shares on 20 October 2006. After the conversion there are 56,135,440 Class A shares and 85,122,388 Class B shares in the company.

Trading in Orion Corporation shares in 7-9/2006

	Class A		Class B		A and B total	
Total number of shares traded	715,235	pcs	20,314,909	pcs	21,030,144	pcs
Share of total stock	1.3	%	23.9	%	14.9	%
Lowest quotation	11.45	EUR	11.51	EUR		
Highest quotation	15.19	EUR	15.27	EUR		
Closing quotation on 3 July 2006	13.35	EUR	13.90	EUR		
Closing quotation on 30 Sept. 2006	15.00	EUR	15.00	EUR		
Market capitalisation on 30 Sept. 2006	842.8	MEUR	1,276.1	MEUR	2,118.9	MEUR

Performance per share

	7-9/06	7-9/05	Change	1-9/06	1-9/05	Change	2005
		Proforma	%	Proforma	Proforma	%	Proforma
Earnings per share, EUR	0.29	0.26	+9.0%	0.85	0.71	+19.0%	0.83
Diluted earnings per share, EUR	0.28	0.26	+9.8%	0.84	0.70	+19.8%	0.82
Equity per share, EUR	2.95			2.95	2.74	+7.6%	2.86
Average number of shares, 1,000 pcs	141,258	138,864		140,326	137,259		137,670

Distribution:

Helsinki Exchanges
Media

Publisher:

Orion Corporation
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Homepage: www.orion.fi