



Orion Group Interim Report Q1–Q2/2007

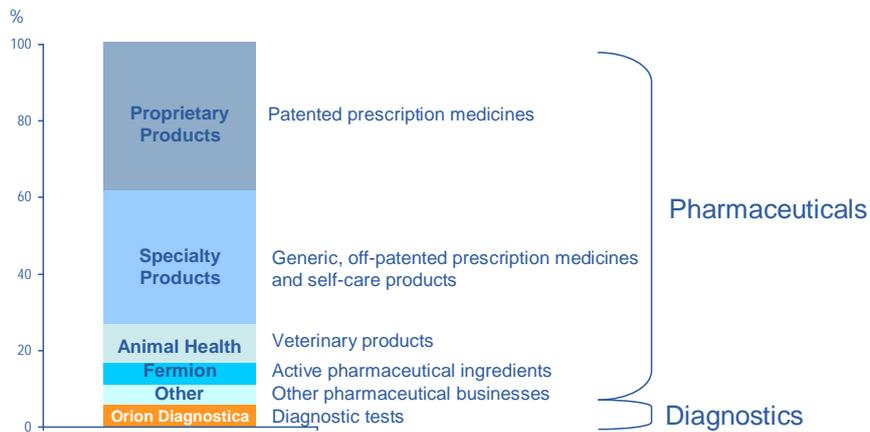
6 August 2007

Q3/2006 was the first financial accounting period of the present Orion Group. The figures for Q1–Q2/2006 and 2005 have been carved out from the financial statements of the demerged Orion.

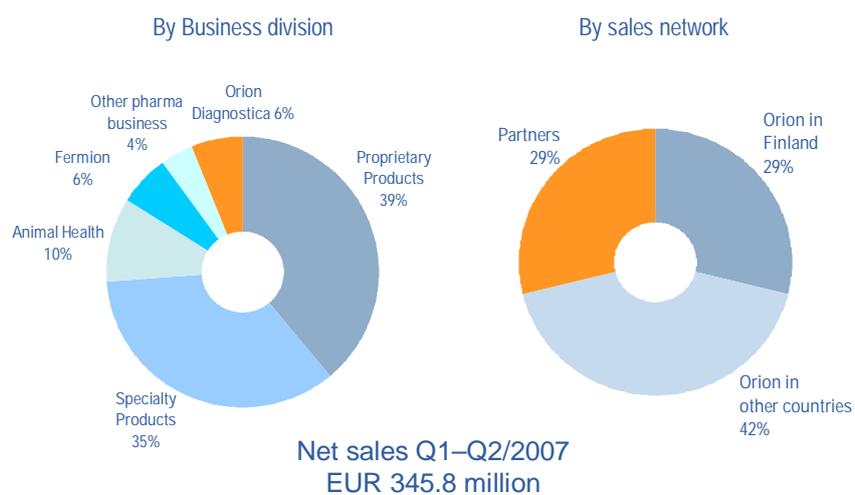
This presentation includes forward-looking statements (statements that are not historical facts and relate to the future activities and performance) that involve risks and uncertainties. These forward-looking statements include statements about future strategies and the anticipated benefits of these strategies, and they are subject to risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of factors, including the possibility that Orion may decide not to implement these strategies, and the possibility that, even if the strategies are implemented, their anticipated benefits are not achieved. Orion assumes no obligation to update or revise any information contained in this presentation.

Former Orion Corporation demerged on 1 July 2006 into two new companies, Orion Corporation and Oriola-KD Corporation. All financial information before that date presented here is based on information that has been carved-out from the financial statements of the demerged Orion Corporation. This historical financial information has, however, been prepared for illustrative purposes only and does not necessarily describe what the results of the Orion Group, or its financial position, changes in equity and cash flows would have been if the Orion Group had operated as a separate legal entity before 1 July 2006.

Group structure



Breakdown of sales



Main events in Q1–Q2/2007

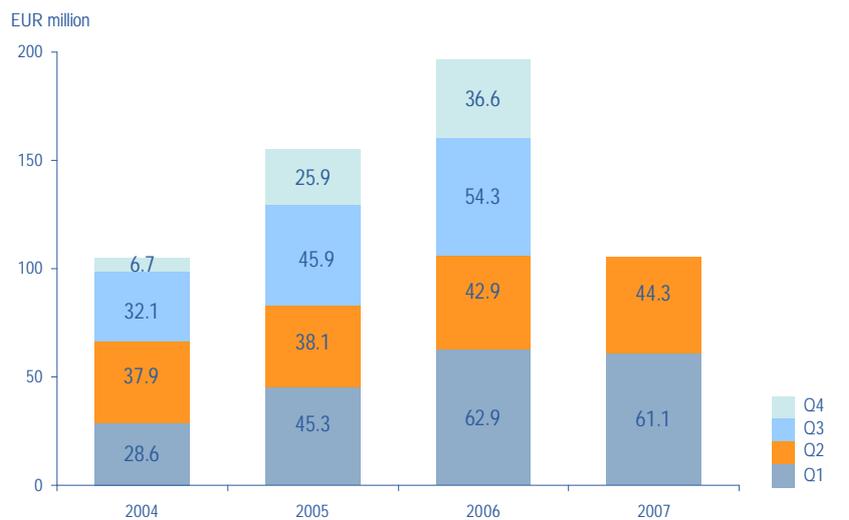
- Net sales increased by about 5%
 - sales of entacapone products via own sales network up by 11%
 - deliveries to Novartis slightly higher as anticipated
 - sales of generic prescription medicines as well as self-care and veterinary products developed also well
- Actions based on the Group's strategy increased the expenses
 - broadening the sales network and product launches
 - two new clinical studies
- Networking in early research continued
 - partnership agreements with Aurigene Discovery Technologies and Medeia Therapeutics

Key figures Q1–Q2/2007

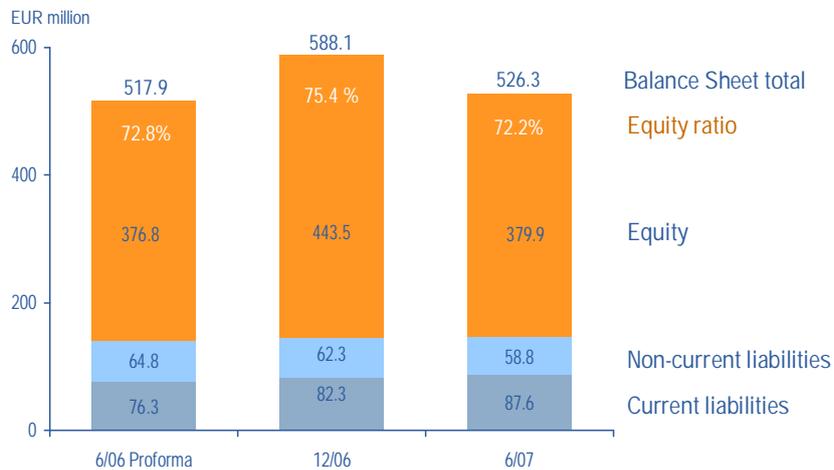
Orion key figures

	Q1-Q2/07	Q1-Q2/06 Proforma	Change %	2006 Proforma
Net sales, EUR million	345.8	329.8	4.9%	641.1
Operating profit (EBIT), EUR million	105.3	105.8	-0.5%	196.7
% of net sales	30.5%	32.1%		30.7%
Profit before taxes, EUR million	106.1	105.9	0.2%	197.3
Earnings per share, EUR	0.55	0.56	-1.8%	1.03
R&D expenses, EUR million	47.1	41.1	14.6%	84.1
ROCE, %	50.3%	54.2%		46.5%
ROE, %	37.8%	40.6%		34.5%
Equity ratio, %	72.2%	72.8%		75.4%
Gearing, %	-5.4%	-5.1%		-22.6%
Personnel at end of the period, persons	3 254	3 178		3 061

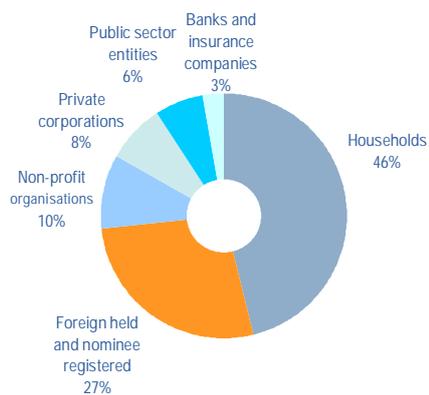
EBIT by annual quarters



Balance Sheet



Ownership base on 31 July 2007



- 26.6% of the total number of shares were in foreign ownership
 - representing 5.8% of the total votes
- The number of shares is 141.3 million, of which
 - 53.4 million in Class A
 - 87.9 million in Class B

Orion B-share

in relation to OMXH Portfolio and Europe Pharmaceuticals -indexes

3 August 2007
Orion B 138.56
OMXH Portfolio 129.07
Europe Pharmaceuticals 90.79



3 July 2006 = 100

Segment reviews

Net sales by business divisions

EUR million	Q1-Q2/07	Q1-Q2/06 Proforma	Change %	2006 Proforma
Pharmaceuticals business	324.7	309.2	5.0%	601.4
Proprietary Products	135.0	132.7	1.7%	256.6
Specialty Products	120.6	110.8	8.9%	218.7
Animal Health	36.2	32.1	12.6%	63.3
Fermion	20.8	22.1	-6.1%	38.5
Other pharmaceuticals business	12.1	11.5	5.9%	24.2
Diagnostics business	22.1	21.6	2.1%	41.5
Group items	-1.0	-1.1	-8.0%	-1.8
Group total	345.8	329.8	4.9%	641.1



Orion Corporation

Interim Report Q1-Q2/2007

6 August 2007

13

Review on pharmaceutical markets



Orion Corporation

Interim Report Q1-Q2/2007

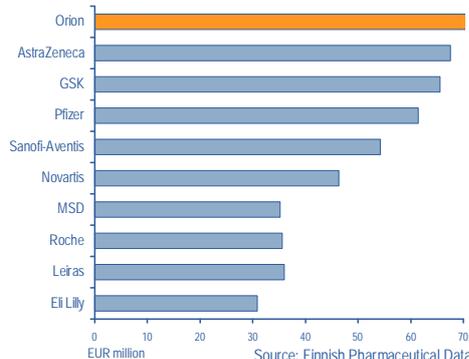
6 August 2007

14

Finnish pharmaceutical market

- Pharmaceutical wholesales in Q1–Q2/07 were about EUR 896 million, +4.7%
 - Sales of self-care products increased by 15%
- Wholesales of Orion's products were EUR 81.0 million, +9.0%
- Orion is clearly the market leader with 9.0% market share
 - The second biggest marketer is 1.5%-points behind

Top 10 pharma marketers in Finland Q1–Q2/2007



Market for the Parkinson's Disease products

Moving annual total (MAT) 4/06–3/07

- Total sales of Parkinson's Disease medicines in MAT 4/06–3/07
 - in the USA was USD 1 080 (880) million, +23% compared to previous 12 months
 - Top 5 European markets were in total EUR 760 (700) million, +8% as a general growth

Source: IMS Health
Market shares for entacapone products of total sales of Parkinson's Disease medicines

%	MAT 12 mth 4/06–3/07	pre. 12 mth 4/05–3/06
USA	16%	17%
Finland	30%	32%
Ireland	26%	26%
Denmark	24%	26%
Germany	16%	15%
Sweden	18%	20%
UK	12%	10%

Pharmaceuticals business

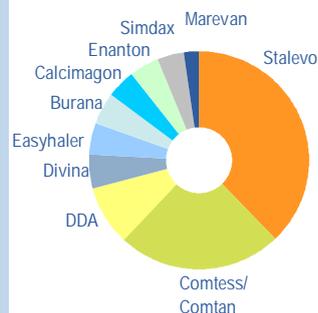
EUR million	Q1-Q2/07	Q1-Q2/06 Proforma	Change %	2006 Proforma
Net sales	324.7	309.2	5.0%	601.4
EBIT	106.3	105.3	0.9%	189.9

- Favourable profit development continued
 - The net sales of the products from own pipeline was EUR 147.0 (143.9) million, +2.2%. Their share of the net sales of the Pharmaceuticals business was 45% (47%).
 - The net sales of entacapone products were EUR 102.0 (94.9) million, slightly up from the comparative period. The share of the entacapone products of the Group net sales continued to be one-third.
 - The net sales from the deliveries of Stalevo and Comtan to the marketing partner Novartis were EUR 61.3 (58.1) million, +5.4%.
 - The net sales generated from Stalevo and Comtes by Orion's own sales organisation were EUR 40.7 (36.8) million, +10.8%.
 - R&D expenses were EUR 45.2 (39.1) million, accounting for 13.9% (12.7%) of the Pharmaceuticals business's net sales.

Orion's top 10 pharma brands

Moving annual total (MAT) 7/06–6/07

EUR million	MAT 12 mth	MAT pre 12 mth	Change %
Stalevo (Parkinson's Disease)	118.0	92.8	27%
Comtess/Comtan (Parkinson's Disease)	75.2	74.4	1%
Domitor, Domosedan and Antisedan (animal sedatives)	28.2	25.4	11%
Divina series (menopause)	15.4	16.0	-4%
Easyhaler (asthma)	14.7	14.3	3%
Burana (inflammatory pain)	14.5	15.0	-3%
Calcimagon (osteoporosis)	13.5	11.6	16%
Enanton (prostate cancer)	13.1	13.5	-3%
Simdax (heart failure)	12.2	14.1	-13%
Marevan (anticoagulant)	7.3	7.1	2%
In total	312.2	284.1	10%
Share of pharmaceutical net sales	51%	49%	



R&D projects and research portfolio

Orion's research programmes

- **STRIDE-PD** with **Stalevo** in 747 patients with Parkinson's Disease, is progressing in Phase 3. The timeline for the collection of patient treatment data has been extended to ensure the adequate statistical coverage. The results from the research program are expected at the turn of 2008–2009.
- A research programme is under way in clinical Phase 1 for the development of a new **COMT inhibitor**.
- **LEVET**-programme with levosimendan in the treatment of heart diseases in dogs is progressing into the last research phase with an aim to receive market authorisations. Recruitments in Europe are being started.
- **In early research** Orion is investigating molecules affecting alpha-2 receptors in the central nervous system, and selective androgen receptor modulators (SARM), among others.
- Orion entered into a **research agreement with Medeia Therapeutics** with an aim to develop new types of medicinal substances for neurodegenerative diseases.

Dexmedetomidine (Precedex®)

- The clinical Phase 3 studies have started with **dexmedetomidine** (Precedex®) in patients in intensive care as a long-term infusion administered for over 24 hours.
- The objective is 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.
- The programme consists of two studies, one comparing dexmedetomidine with midazolam, the other with propofol.
- Both studies are planned to involve 500 patients.
- The study is estimated to be completed in about two years.

Pharmaceutical R&D portfolio

Note: The right end of each bar represents the status of current developments

Project	Indication	Preclinical phase	Clinical phase			Registration
			1	2	3	
<i>Central nervous system research:</i>						
COMT inhibition	Parkinson's Disease					
Alpha-2 receptor pharmacology	Schizophrenia					
Life cycle-management (LCM) of entacapone (Stalevo)	Parkinson's Disease					
<i>Cardiology and intensive care research:</i>						
Calcium handling in myocardium	Heart failure					
Dexmedetomidine (European development)	Sedation in intensive care					
Intravenous levosimendan (Simdax)	Acute heart failure					
<i>Urology and oncology research:</i>						
Steroid receptor pharmacology	Prostate cancer, SARM					
Toremifene (Acapodene)	Prostate cancer, osteoporosis					
Hormone replacement therapy (Divigel, Japan)	Menopause					
<i>Veterinary research:</i>						
Oral levosimendan	Chronic heart failure					
<i>Specialty Products:</i>						
Easyhaler	Asthma					
Several products (ca. 20) in LCM development	Several indications					
Several in-licensed (ready) products (> 30/a)	Several indications					

Diagnosics business

EUR million	Q1-Q2/07	Q1-Q2/07 Proforma	Change %	2006 Proforma
Net sales	22.1	21.6	2.1%	41.5
EBIT	5.1	4.5	13.0%	6.6

- Favourable development continued in Orion Diagnostica.
 - QuikRead® CRP infection tests continued to show the best growth.
 - In the export markets the best growth percentages were achieved in China, Germany, Czech and Spain.
 - The good performance is mainly consequence of the strong focus of the sales efforts on the most profitable products.

Outlook and objectives

Outlook for 2007

- **Net sales**
 - Net sales will grow slightly from those of 2006.
 - Sales of pharmaceuticals via Orion's own sales network will grow moderately in Finland and the markets outside Finland will continue showing growth.
 - In-market sales of the entacapone product franchise will continue showing steady, although slower growth than in the previous years. Deliveries to Novartis are anticipated to be at the same level as in 2006, in which they increased considerably, partly because of higher reserve stockpile levels of Novartis.
- **Operating profit**
 - Operating profit, one-off earnings excluded, is estimated to grow slightly from 2006, despite increased investments in marketing and pharmaceutical research.
 - Marketing expenses will grow especially due to product launches by Orion's own European marketing units outside Finland.
- **Research and development**
 - R&D expenditure will be about EUR 95 million, of which pharmaceutical R&D will account for about EUR 90 million.
 - The higher R&D expenditure is mainly caused by the new clinical studies that have been started in 2007.
- **Capital expenditure** will be about EUR 35 million.

Financial objectives and dividend policy

- **Financial objectives**
 - The moderate organic growth of the net sales in the next few years is accelerated via product, product portfolio and company acquisitions.
 - Operating profit will be increased .
 - 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.

Orion's growth strategy continues

Building European presence



Mid-long term

- Best growth opportunity in products from own pipeline
- R&D focus on early development
 - partnering in Phase 3, especially in marketing approval cases outside Europe
- Networking to enhance pipeline
- Life-cycle management

Short term

- Strengthening current operations in Europe
- Partnering in new territories
- Maximising current portfolio
 - in-licensing, product, portfolio and company acquisitions
- Securing sales in Finland

Synergies between business divisions

- European sales coverage for new future proprietary products
 - enable successful in-licensing of developmental molecules and/or products

Orion's calendar for investors in 2007

Interim Report for Q3/2007

Wednesday, 24 October 2007

Capital Markets Day in London

Wednesday, 21 November 2007

For more information on Orion and Orion's calendar for investors, please visit: www.orion.fi/english/investors



**BUILDING WELL-BEING
SINCE 1917**

Appendixes

Group's income statement

EUR million	Q1-Q2/07	Q1-Q2/06 Proforma	Change %	2006 Proforma
Net sales	345.8	329.8	4.9%	641.1
Cost of goods sold	-107.1	-99.9	7.2%	-205.2
Gross profit	238.7	229.9	3.9%	435.8
Other operating income	1.3	2.2	-39.7%	13.8
Selling and marketing expenses	-69.0	-65.7	5.1%	-128.9
R&D expenses	-47.1	-41.1	14.6%	-84.1
Administrative expenses	-18.7	-19.5	-4.3%	-39.9
Operating profit, EBIT	105.3	105.8	-0.5%	196.7
Profit before taxes	106.1	105.9	0.2%	197.3
Profit for the period	77.9	78.5	-0.8%	145.1

Net sales from proprietary franchise

By products

EUR million		Q1-Q2/07	Q1-Q2/06 Proforma	Change %	2006 Proforma
Stalevo	Parkinson's Disease	61.7	55.2	11.7%	111.3
Comtess/Comtan	Parkinson's Disease	40.3	39.7	1.6%	74.7
Domito, Domosedan and Antisedan	Animal sedatives	16.0	13.7	16.4%	26.0
Easyhaler	Asthma	7.6	8.8	-13.2%	15.9
Divina-series	Hormone replacement therapy	7.3	8.1	-9.6%	16.2
Simdax	Heart failure	6.6	7.6	-12.8%	13.2
Fareston	Breast cancer	3.9	6.9	-43.6%	10.3
Precedex	Sedation in intensive care	3.6	3.9	-7.6%	7.5
In total		147.0	143.9	2.2%	274.9

Quarterly net sales of entacapone franchise By products

