



Orion Interim Report January—September 2014

21 October 2014

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President & CEO

This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

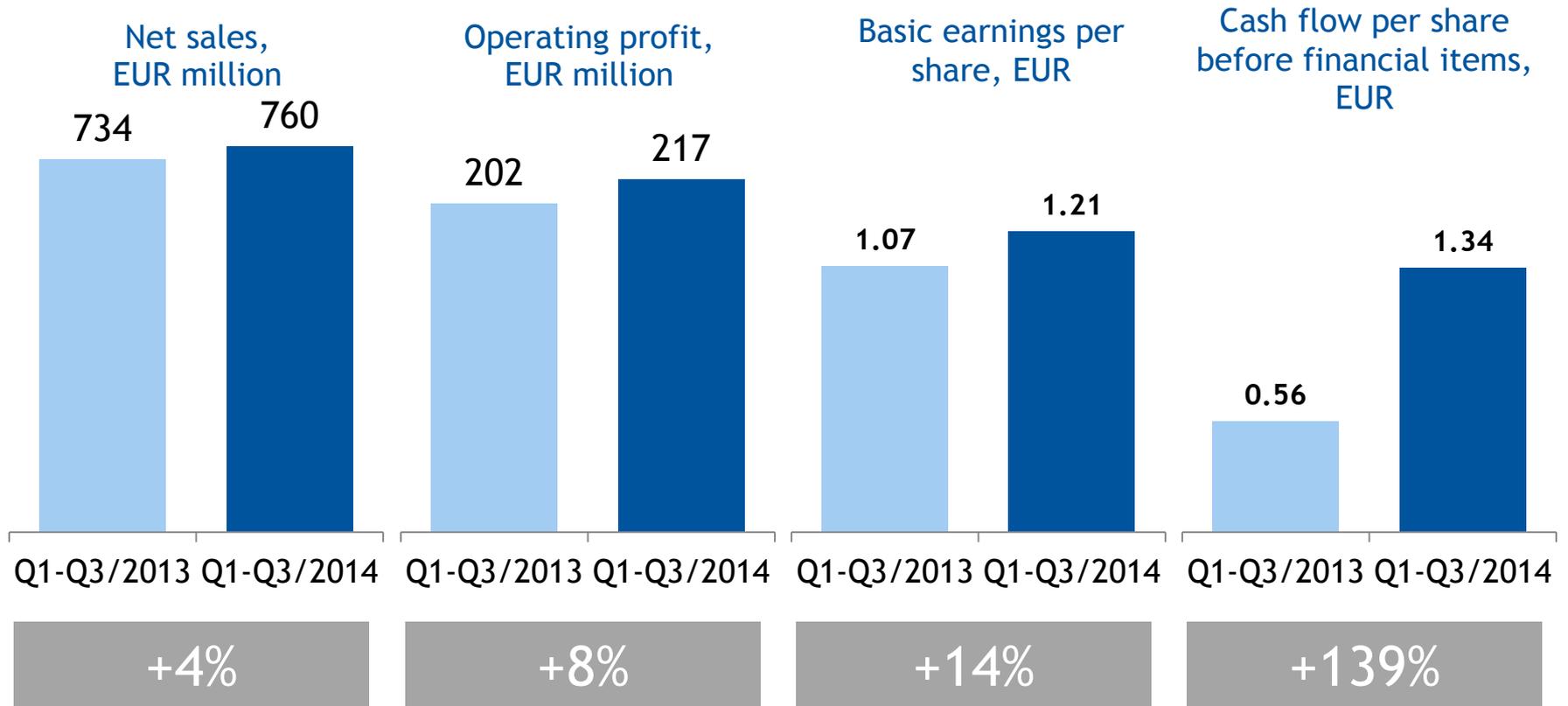
These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

Advances in pharmaceutical development projects

- Net sales and operating profit include significant milestone payments received from collaboration partners that were higher than in previous year
- Good growth in Specialty Products sales
- First generic competitors to Precedex entered US markets
- Recruiting of patients for ODM-201 Phase III clinical trial started (ARAMIS)
- Out of two COMT inhibitors, ODM-104 was selected for further development
- Phase I clinical trial of new FGFR+VEGFR inhibitor (ODM-203) for treatment of cancers started



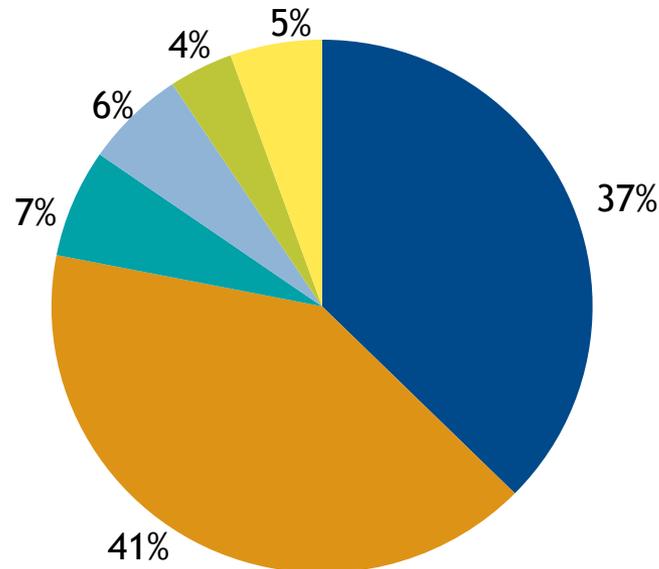
Net sales and operating profit



Breakdown of net sales

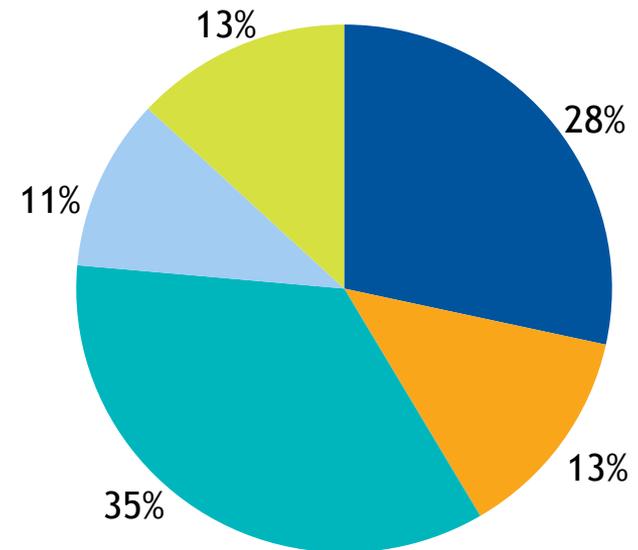
Group's net sales in Q1–Q3/2014 were EUR 760 million

By business division



- Proprietary Products
- Specialty Products
- Animal Health
- Fermion
- Contract manufacturing & other
- Orion Diagnostica

By market area

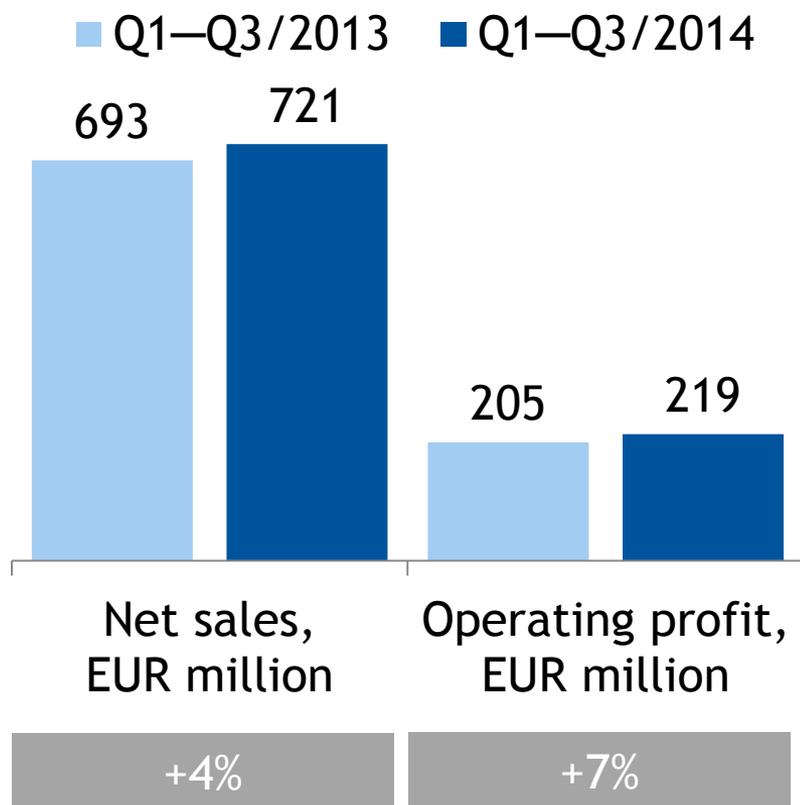


- Finland
- Scandinavia
- Other Europe
- North America
- Other countries



Business Reviews

Pharmaceuticals business

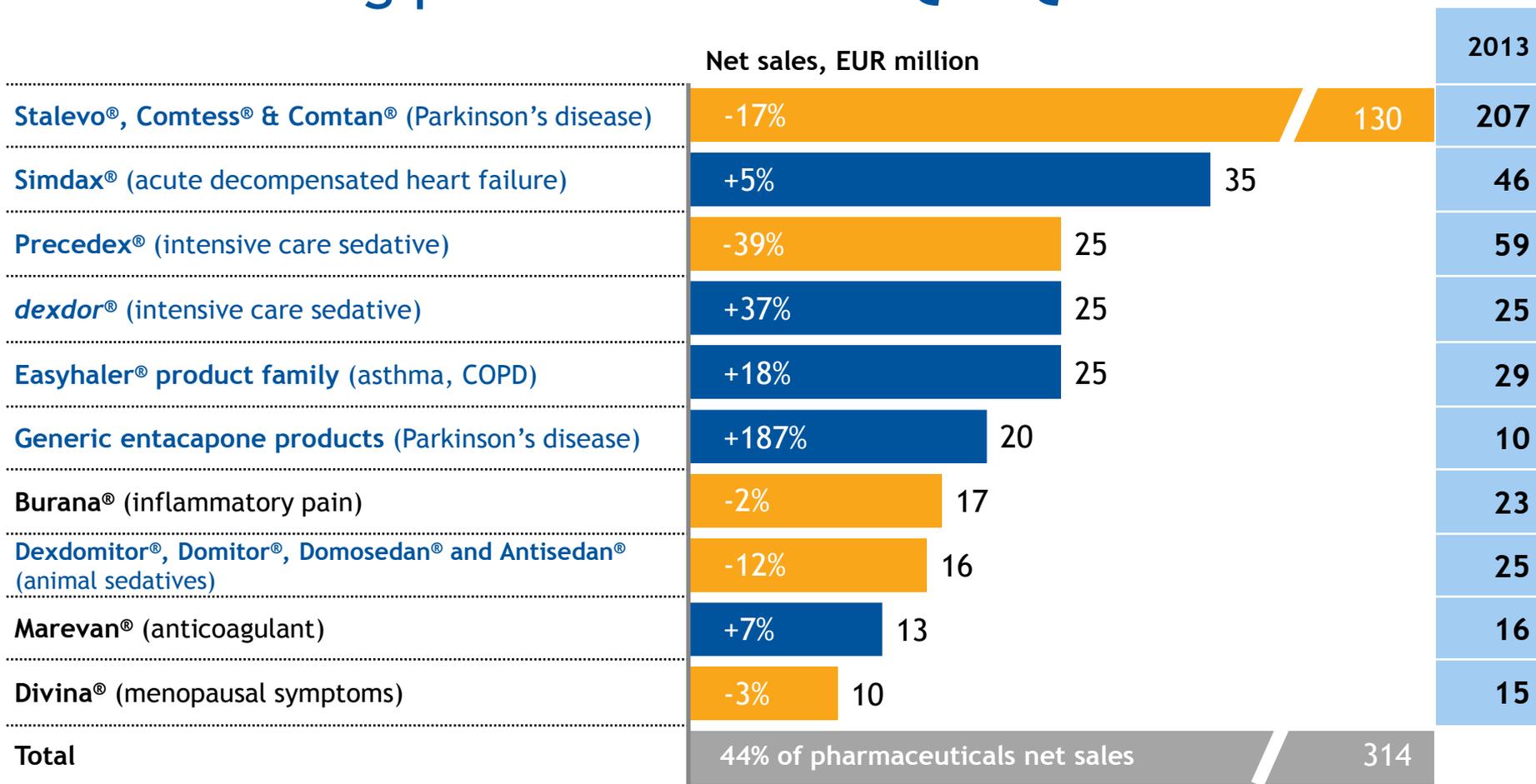


Net sales split

	Q1–Q3/2014	Q1–Q3/2013	Change %
Proprietary Products	285	285	-0%
Specialty Products	310	279	+11%
Animal Health	50	53	-5%
Fermion	46	46	-1%
Contract manufacturing & other	29	31	-5%

- Net sales of branded Parkinson's drugs down by 17%, and accounted for 18% of segment's net sales
- Net sales excluding Parkinson's drugs and significant milestone payments up by 4%
- Net sales and operating profit include milestone payments from collaboration partners clearly higher than in previous year at EUR 32 million

Best-selling pharmaceuticals Q1–Q3/2014



Products based on Orion's inventions in blue font

Orion clear market leader in Finland

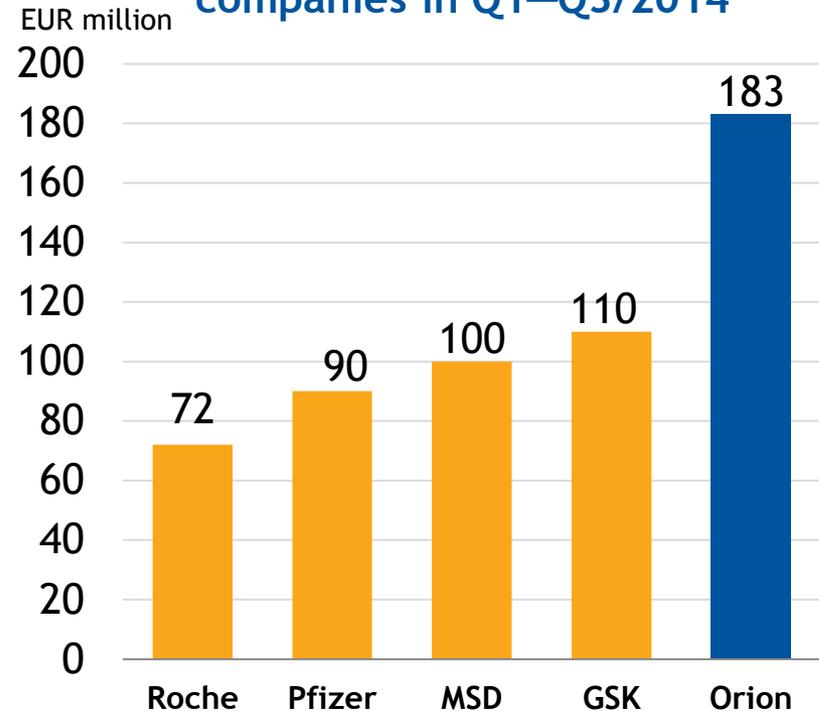
Finnish human pharmaceuticals market in January–September 2014

- Wholesale EUR 1,581 million (+4%)

Orion in Finnish human pharmaceuticals market

- Sales growth +6%
- Orion clear market leader
 - Market share 12%
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies in Q1–Q3/2014



Review of Parkinson's drugs markets

Overall markets for Parkinson's drugs MAT6/2014

- United States ³⁾ USD 805 million (+9%)
- Five largest European markets ^{1) 3)} EUR 995 million (+3%)
- Japan ²⁾ EUR 491 million (-11%)

Sales of Orion's Stalevo, Comtess & Comtan Parkinson's drugs MAT6/2014

- United States ³⁾ USD 23 million (-60%)
- Five largest European markets ^{1) 3)} EUR 129 million (-3%)
- Japan ²⁾ EUR 53 million (-16%)

Market shares of Orion's branded Parkinson's drugs	MAT6 2014	MAT6 2013
Finland ²⁾	22%	23%
Sweden ²⁾	14%	15%
Norway ²⁾	15%	15%
Denmark ²⁾	14%	19%
Germany ³⁾	15%	16%
UK ³⁾	12%	14%
United States ^{3) 4)}	3%	8%
Japan ^{2) 4)}	11%	11%

¹⁾ Germany, UK, France, Spain and Italy

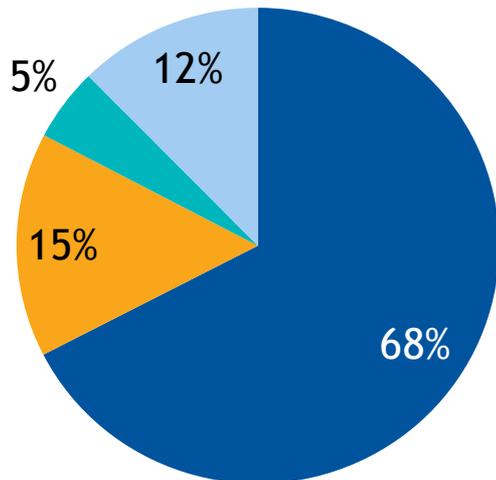
²⁾ including sales to hospitals and retail distributors

³⁾ sales to retail distributors only

⁴⁾ Novartis sales area

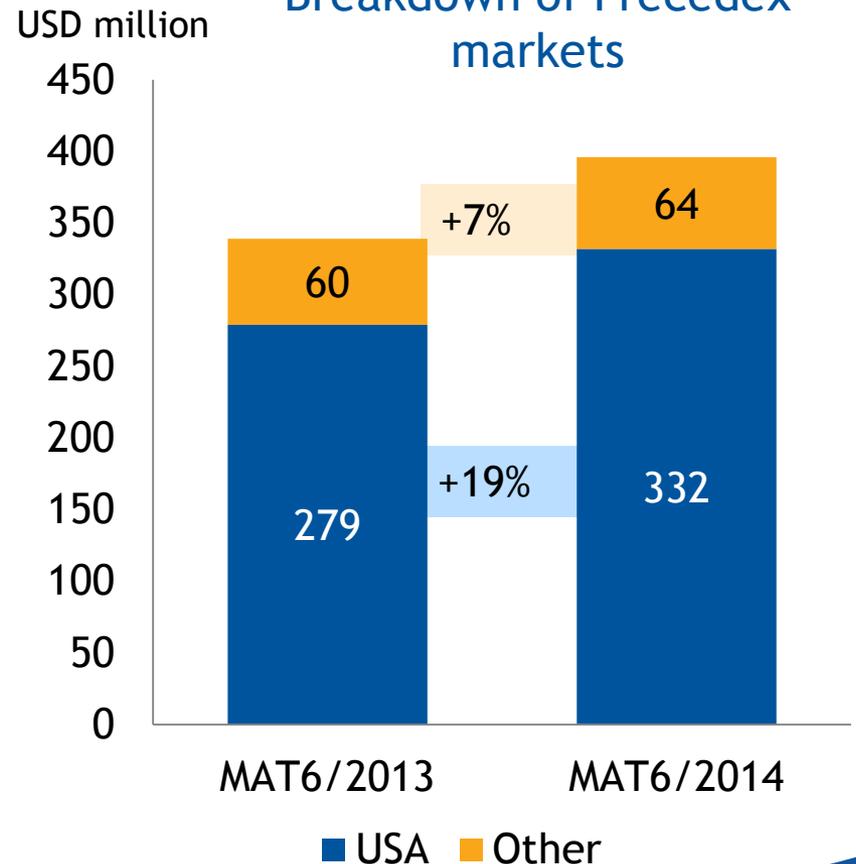
Precedex[®] and dexdor[®] intensive care sedatives

European sedative market MAT6/2014
Total market value EUR 485 million (+2.4%)



- Propofol EUR 327 million (+4%)
- Midazolam EUR 74 million (-4%)
- Dexmedetomidine EUR 24 million (+34%)
- Remifentanyl EUR 60 million (-8%)

Breakdown of Precedex markets



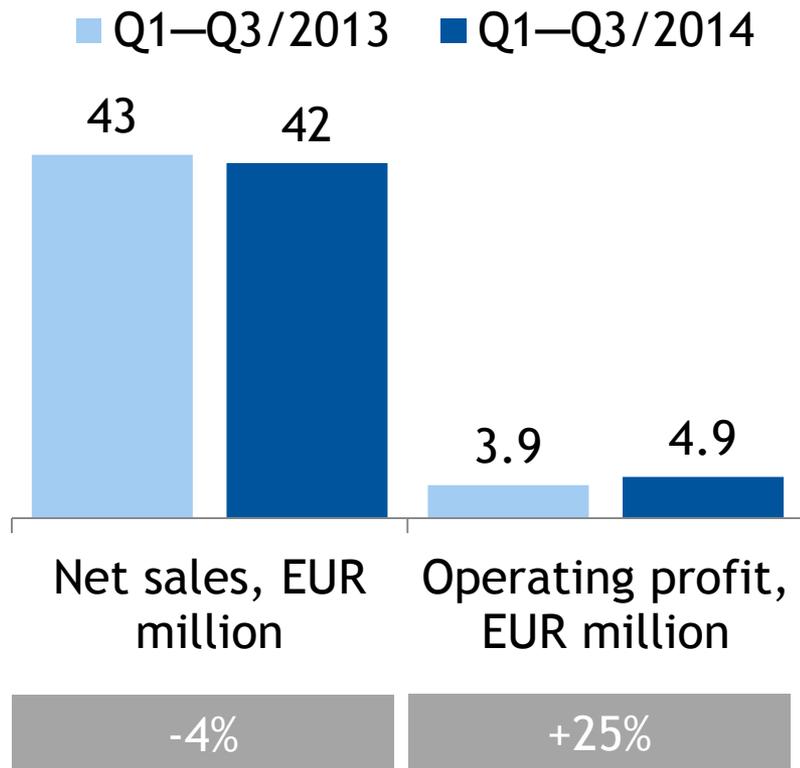
Key clinical pharmaceutical development projects

Project	Indication	PHASE			Registration
		I	II	III	
Bufomix Easyhaler® (budesonide-formoterol) ¹⁾	Asthma, COPD	I	II	III	
Easyhaler® salmeterol-fluticasone	Asthma, COPD	I	II	III	
ODM-201 (androgen receptor inhibitor) ²⁾	Prostate cancer	I	II	III	
Levosimendan ³⁾	Low Cardiac Output Syndrome	I	II	III	
ORM-12741 (alpha-2c adrenoceptor antagonist) ⁴⁾	Alzheimer's disease	I	IIa		
Dexmedetomidine ⁵⁾ (intranasal)	Treatment of pain	I	IIb		
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I			
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I			

¹⁾ Aim is to obtain marketing authorisation for product in at least some European countries not included in decentralised marketing authorisation application process. ²⁾ In collaboration with Bayer ³⁾ Partner: Tenax Therapeutics, Inc. ⁴⁾ In collaboration with Janssen Pharmaceuticals ⁵⁾ Partner: Recro Pharma, Inc.

 = Phase completed
 = Phase ongoing

Diagnostics business



- Decrease in net sales mainly due to ending of sales of products discontinued in 2013
- Comparative period operating profit included costs related to contraction of product portfolio, Turku manufacturing plant closure and personnel reductions
- QuikRead® tests remained main product

Outlook for 2014 (unchanged)

Net sales	Net sales will be at similar level to 2013 (net sales in 2013 were EUR 1,007 million)
Operating profit	Operating profit will be at similar level to 2013 (operating profit in 2013 was EUR 268 million)
Group's capital expenditure	Group's capital expenditure will be about EUR 60 million excluding substantial corporate or product acquisitions (Group's capital expenditure in 2013 was EUR 78 million)

Orion Calendar 2015

Financial Statement Release for 2014	4 February 2015
Annual General Meeting 2015 planned to be held on	24 March 2015
Interim Report January—March 2015	29 April 2015
Interim Report January—June 2015	28 July 2015
Interim Report January—September 2015	27 October 2015
The Financial Statements and Report by the Board of Directors for 2014 will be published on the Company's website at latest in week 10/2015	



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Orion's financial objectives

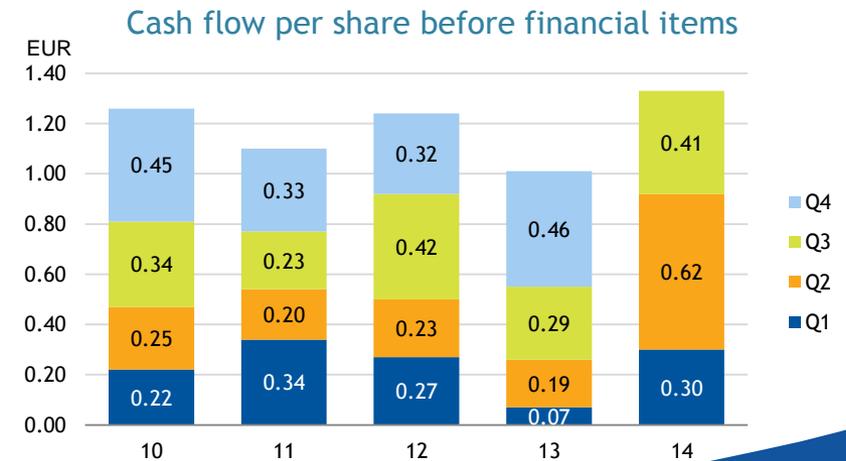
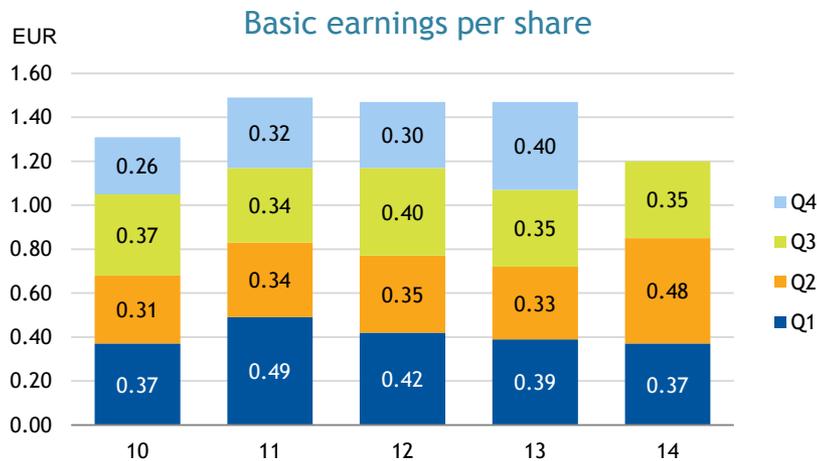
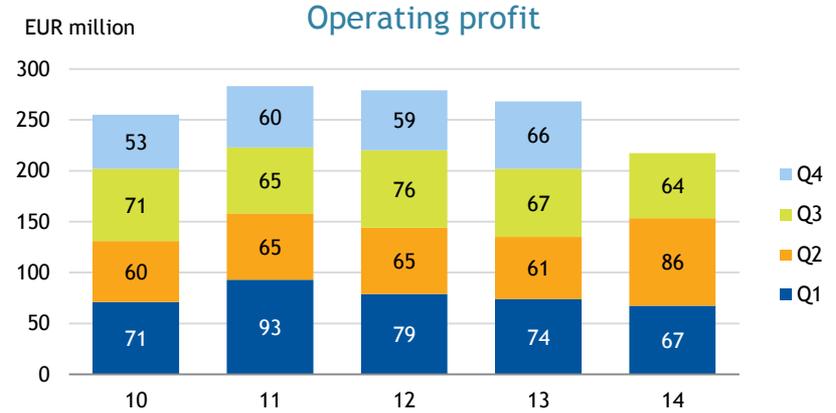
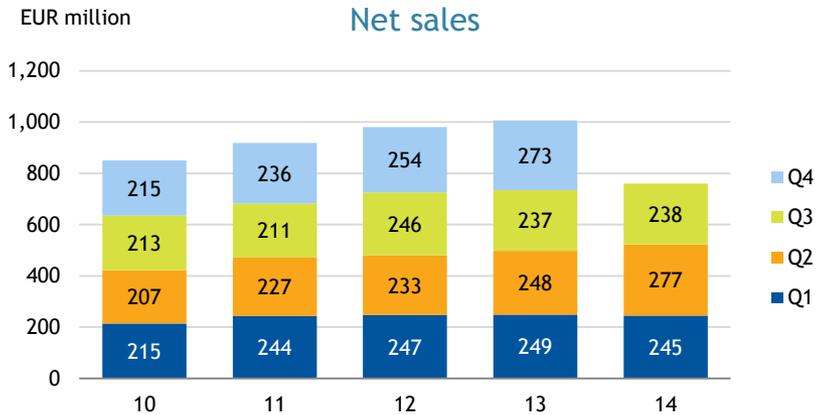
Orion's financial objectives are:

- Ensuring financial stability
- Profitable growth

The objectives are achieved through:

- Increasing net sales. Achievement of this objective requires continuous investment in development of the product portfolio.
- Maintaining profitability at a good level, the aim being operating profit that exceeds 20% of net sales.
- Keeping the equity ratio at least 50%.

Key figures by quarter



Key figures for 2010–Q3/2014

Orion's key figures	2010	2011	2012	2013	Q1–Q3/2014	Q1–Q3/2013	Change %
Net sales, EUR million	849.9	917.9	980.4	1,006.9	760.0	734.3	+3.5%
Operating profit, EUR million	254.2	282.9	278.3	267.7	217.2	201.8	+7.6%
Profit before taxes, EUR million	252.6	282.0	276.6	264.0	214.0	199.6	+7.2%
R&D expenses, EUR million	85.5	87.5	105.8	101.9	77.9	72.2	+8.0%
Equity ratio, %	62.7%	64.2%	61.0%	53.6%	55.3%	51.5%	
Gearing, %	-12.2%	-6.9%	-1.7%	8.4%	5.7%	20.5%	
ROCE (before taxes), %	45.0%	49.4%	45.9%	38.5%	38.7%	39.4%	
Return on equity, %	40.7%	43.3%	41.0%	40.3%	44.1%	40.7%	
Basic earnings per share, EUR	1.31	1.49	1.47	1.46	1.21	1.07	+13.6%
Cash flow per share before financial items, EUR	1.26	1.10	1.23	1.02	1.34	0.56	+138.6%
Dividend per share, EUR	1.20	1.30	1.30	1.25			
Capital repayment per share, EUR	0.06	0.12					

Income Statement 2010–Q3/2014

Formation of profits, EUR million	2010	2011	2012	2013	Q1–Q3/2014	Q1–Q3/2013	Change %
Net sales	849.9	917.9	980.4	1,006.9	760.0	734.3	+3.5%
Cost of goods sold	-283.2	-305.1	-350.8	-393.5	-295.5	-286.9	+3.0%
Gross profit	566.8	612.8	629.6	613.4	464.5	447.4	+3.8%
Other operating income and expenses	1.2	3.0	6.3	5.6	-0.3	3.4	-109.4%
Sales and marketing expenses	-188.9	-204.8	-206.1	-204.9	-137.9	-144.7	-4.7%
R&D expenses	-85.5	-87.5	-105.8	-101.9	-77.9	-72.2	+8.0%
Administrative expenses	-39.3	-40.6	-45.7	-44.5	-31.2	-32.1	-2.8%
Operating profit	254.2	282.9	278.3	267.7	217.2	201.8	+7.6%
Profit before taxes	252.6	282.0	276.6	264.0	214.0	199.6	+7.2%
Profit for the period	184.7	209.5	206.9	206.2	170.4	150.5	+13.2%

Product protection situation of key products

Key patents or data protection expire

Molecule	Product	Indication	Key patents or data protection expire		
			Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012 October 2013 ¹⁾	October 2013	January 2015 ²⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®] <i>dexdor</i> [®]	Intensive care sedative	July 2013 September 2021 ³⁾	January 2014 ⁴⁾	June 2012

¹⁾ Stalevo data protection expired

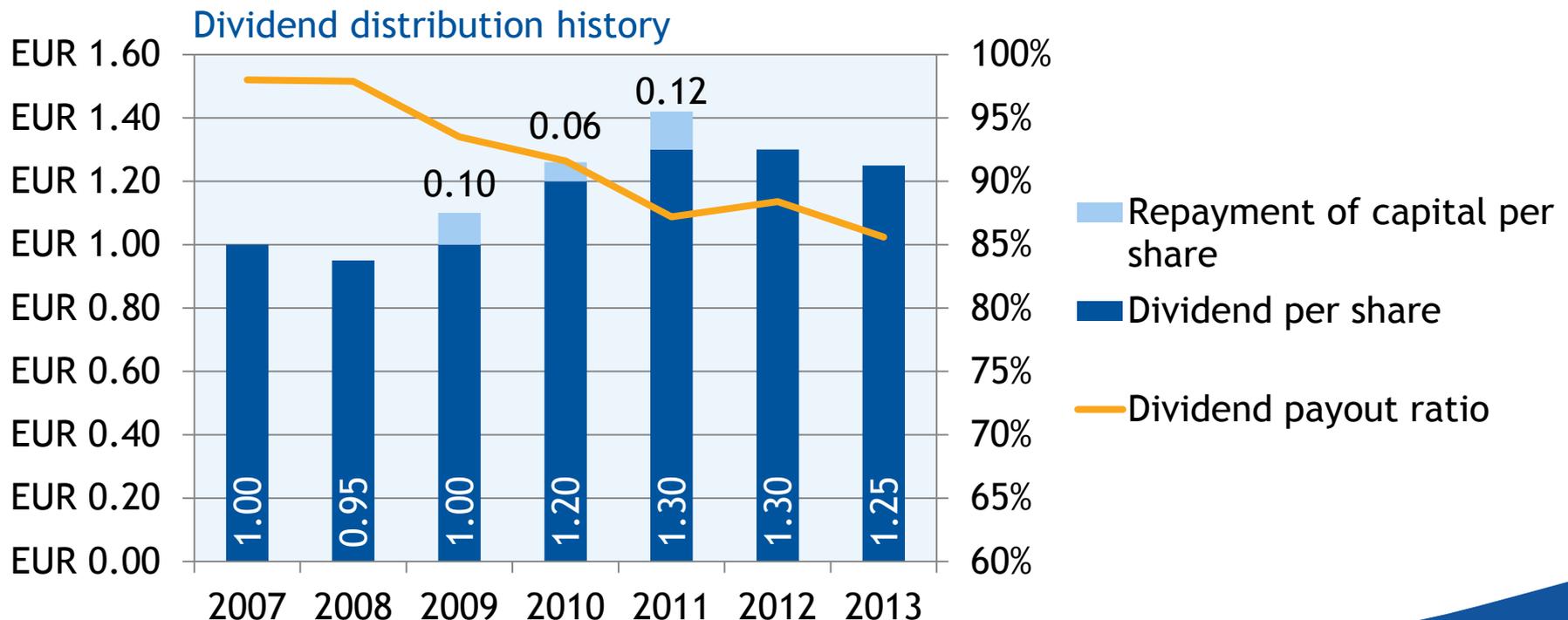
²⁾ Data protection of Comtan expires

³⁾ Dexdor data protection expires

⁴⁾ Six months paediatric exclusivity granted for Precedex in the United States expired

Dividend distribution policy

Orion's dividend distribution takes into account distributable funds and capital expenditure and other financial requirements in medium and long term to achieve the financial objectives.





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