



Orion Financial Review for 2013

4 February 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.

Orion's net sales over EUR 1 billion

- Net sales exceeded EUR 1 billion
- Operating profit slightly lower than in previous year as anticipated
- Marketing authorisation application for Easyhaler® combined budesonide-formoterol formulation in Europe
- Novartis submitted marketing authorisation application for Stalevo in Japan
- Licensing agreement with Janssen Pharmaceuticals for developing and commercialising ORM-12741, among others
- Capital expenditure programme progressed as planned
- Dividend per share proposed by Board of Directors EUR 1.25

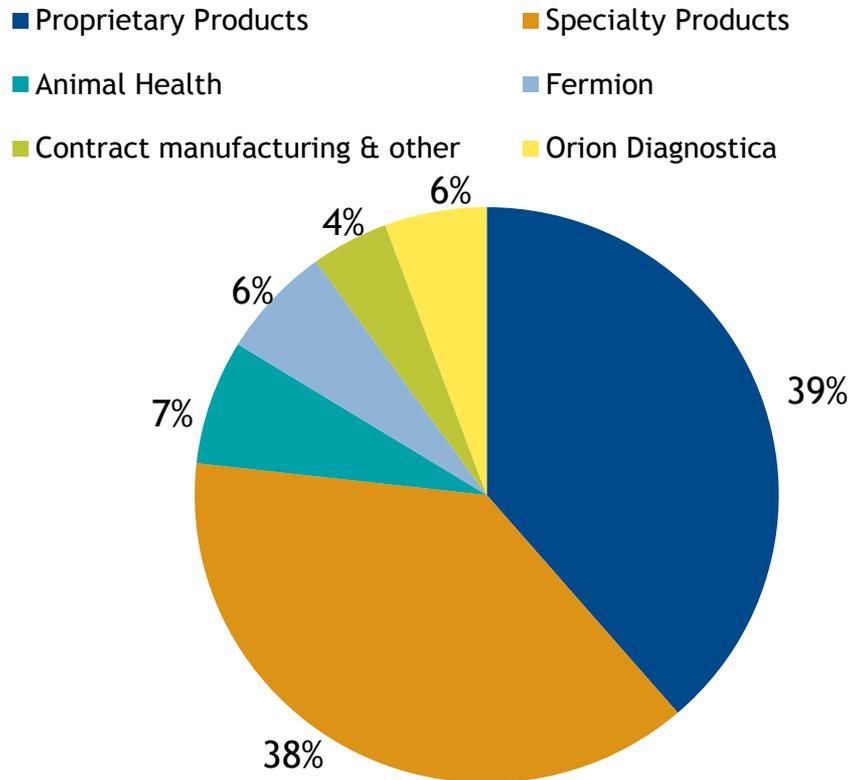
Net sales and operating profit

| Group key figures | 2013 | 2012* | Change % |
|---|-------|-------|----------|
| Net sales, EUR million | 1,007 | 980 | +3% |
| Operating profit, EUR million | 268 | 278 | -4% |
| Basic earnings per share, EUR | 1.46 | 1.47 | - |
| Cash flow per share before financial items, EUR | 1.02 | 1.23 | -17% |

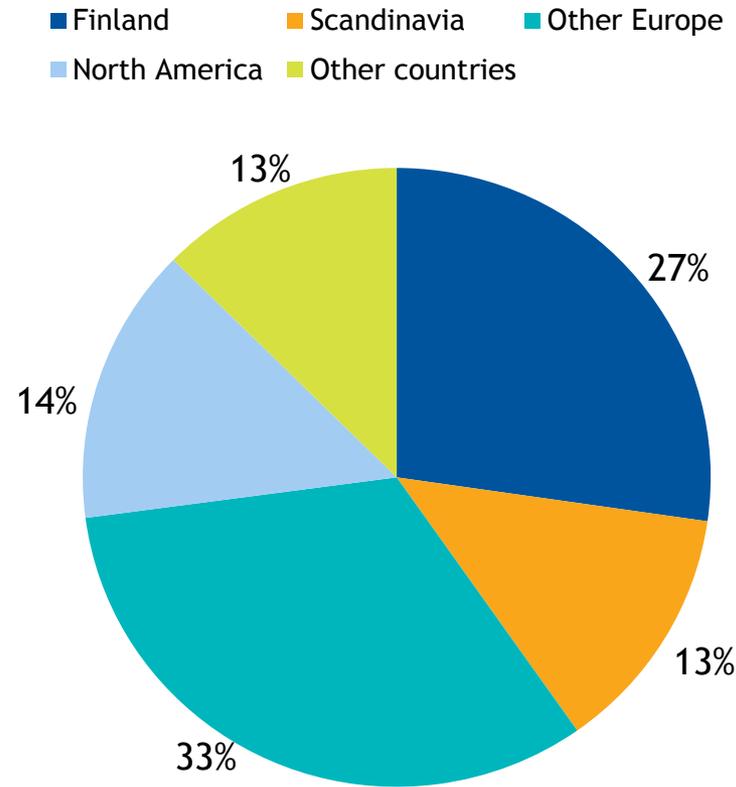
- Net sales up by 3% and exceeded EUR 1 billion
 - Pharmaceuticals business's net sales excluding Parkinson's drugs (Stalevo[®], Comtess[®] and Comtan[®]) up by 10%
- Operating profit decreased slightly as anticipated
 - Margin lower due to higher proportion of sales from lower margin products, lower prices and higher production costs
- Cash flow from operating activities lower than in previous year
 - Operating profit lower and amount tied up into working capital in inventories and other receivables higher than in comparative period

Breakdown of net sales

By business division



By market area





Business Reviews

Pharmaceuticals business

| Key figures for Pharmaceuticals business | 2013 | 2012* | Change % |
|---|------|-------|----------|
| Net sales of Pharmaceuticals, EUR million | 953 | 929 | +3% |
| Proprietary Products | 390 | 404 | -3% |
| Specialty Products | 385 | 367 | +5% |
| Animal Health | 71 | 69 | +2% |
| Fermion | 64 | 48 | +31% |
| Contract manufacturing and other | 43 | 41 | +7% |
| Pharmaceuticals operating profit, EUR million | 273 | 287 | -5% |

- Net sales of branded Parkinson's drugs down by 17%, and accounted for 22% of segment's net sales
- Net sales excluding Parkinson's drugs up by 10%
- Orion further strengthened its position as market leader in Finland
- Specialty Products already as big a division as Proprietary Products
- Fermion's sales grew strongly

Best-selling pharmaceuticals

| Orion's best-selling pharmaceuticals, EUR million | Business Division | 2013 | 2012 | Change % |
|--|-------------------|------------|------------|------------|
| 1. Stalevo [®] , Comtess [®] and Comtan [®] (Parkinson's disease) | PP | 207 | 250 | -17% |
| 2. Precedex [®] (intensive care sedative) | PP | 59 | 45 | +30% |
| 3. Simdax [®] (acute decompensated heart failure) | PP | 46 | 44 | +6% |
| 4. Easyhaler [®] product family (asthma, COPD) | PP | 29 | 27 | +8% |
| 5. dexdor [®] (intensive care sedative) | PP | 25 | 13 | +95% |
| 6. Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®] (animal sedatives) | AH | 25 | 23 | +9% |
| 7. Burana [®] (inflammatory pain) | SpP | 23 | 23 | -1% |
| 8. Marevan [®] (anticoagulant) | SpP | 16 | 16 | +2% |
| 9. Divina [®] range (menopausal symptoms) | SpP | 15 | 16 | -4% |
| 10. Fareston [®] (breast cancer) | SpP | 13 | 12 | +6% |
| Total | | 458 | 468 | -2% |
| Share of Pharmaceuticals net sales | | 48% | 50% | |

PP = Proprietary Products
 SpP = Specialty Products
 AH = Animal Health

Orion clear market leader in Finland

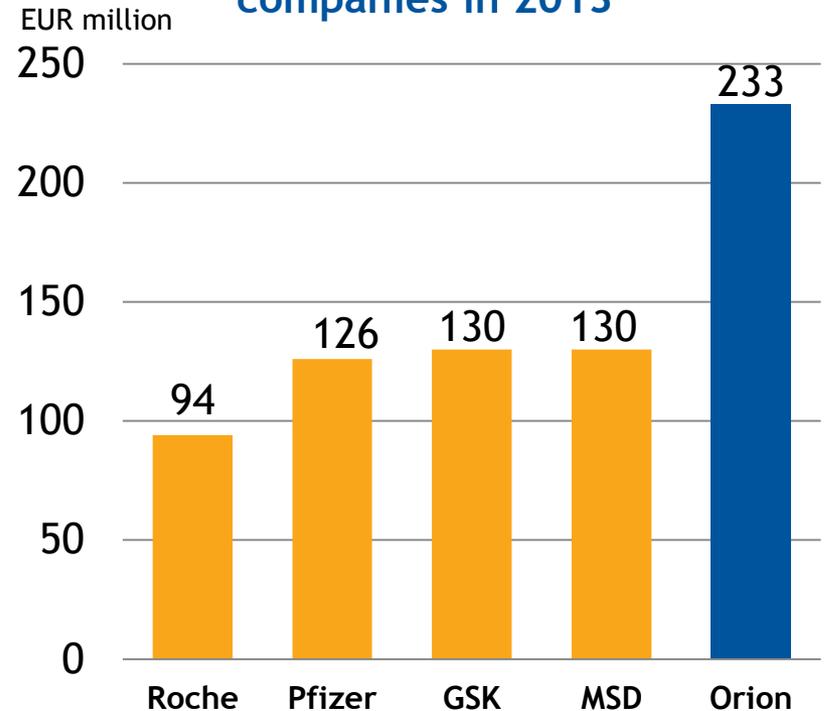
Finnish human pharmaceuticals market in 2013

- Wholesale EUR 2,067 million (+2%)

Orion in Finnish human pharmaceuticals market

- Sales growth 6%
- Orion clear market leader
 - Market share 11%
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies in 2013



Review of Parkinson's drugs markets

Overall markets for Parkinson's drugs October 2012 – September 2013

- United States ³⁾ USD 791 million (+5%)
- Five largest European markets ^{1) 3)}
EUR 979 million (+3%)
- Japan ²⁾ EUR 523 million (-11%)

Sales of Orion's Stalevo, Comtess & Comtan Parkinson's drugs October 2012 – September 2013

- United States ³⁾ USD 48 million (-71%)
- Five largest European markets ^{1) 3)}
EUR 151 million (-3%)
- Japan ²⁾ EUR 59 million (-10%)

| Market shares of Orion's branded Parkinson's drugs | MAT9 2013 | MAT9 2012 |
|---|--------------|--------------|
| Finland ²⁾ | 23% | 25% |
| Sweden ²⁾ | 15% | 14% |
| Norway ²⁾ | 15% | 16% |
| Denmark ²⁾ | 18% | 19% |
| Germany ³⁾ | 15% | 16% |
| UK ³⁾ | 14% | 14% |
| United States ^{3) 4)} | 6% | 22% |
| 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

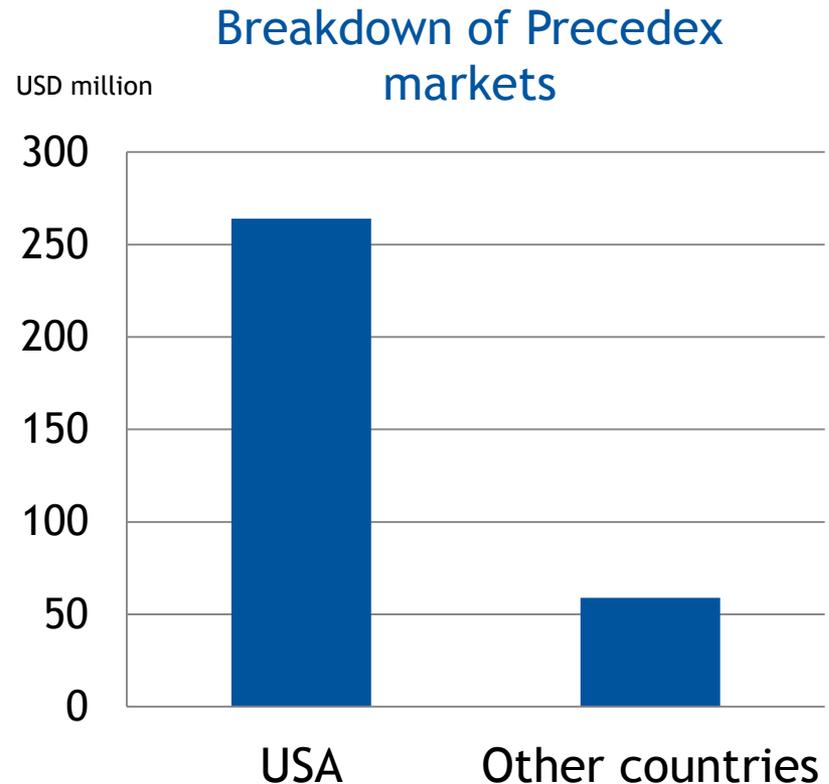
Precedex[®] and *dexdor*[®] growing strongly

Markets for Precedex[®] intensive care sedative October 2012 – September 2013

- Total USD 323 million (+30%)
- United States USD 264 million (+36%)

Sales of *dexdor*[®] intensive care sedative October 2012 – September 2013

- EUR 20 million (+143%)



Key clinical pharmaceutical development projects

| Project | Indication | Clinical phases | | | Registration |
|--|---------------------|-----------------|------|-----|--------------|
| | | I | II | III | |
| Easyhaler® budesonide-formoterol | Asthma, COPD | ● | ● | ● | ○ |
| Stalevo® for Japanese markets ¹⁾ | Parkinson's disease | ● | ● | ● | ○ |
| Easyhaler® salmeterol-fluticasone | Asthma, COPD | ● | ● | ○ | |
| ORM-12741 (alpha-2c adrenoceptor antagonist) ²⁾ | Alzheimer's disease | ● | ●IIa | | |
| ODM-201 (androgen receptor inhibitor) | Prostate cancer | ● | ● | | |
| ODM-103 (more effective COMT inhibitor) | Parkinson's disease | ○ | | | |
| ODM-104 (more effective COMT inhibitor) | Parkinson's disease | ○ | | | |

- 1) Conducted by partner Novartis
 2) In collaboration with Janssen Pharmaceuticals

● Completed ○ Ongoing

Diagnostics business

| Key figures for Diagnostics business | 2013 | 2012* | Change % |
|--------------------------------------|------|-------|----------|
| Net sales, EUR million | 57 | 54 | +5% |
| Operating profit, EUR million | 4.6 | 2.3 | +97% |

- Good growth in sales and measures to improve cost efficiency increased profit. Profit includes EUR 1.4 million of expenses related to contraction of the product portfolio, closure of Turku manufacturing plant and personnel reductions.
- QuikRead® tests remained main product
- Technology licensing agreement with Eurofins Medigenomix GmbH concerning Orion Diagnostica's SIBA® isothermal nucleic acid detection technology

Outlook for 2014

- **Net sales** will be at similar level to 2013 (net sales in 2013 were EUR 1,007 million)
- **Operating profit** will be slightly lower than in 2013 (operating profit in 2013 was EUR 268 million)
- **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 2014

- Deadline for registering for AGM 20 March 2014 at 10:00
- Annual General Meeting 25 March 2014 at 14:00
- Record date for dividend distribution 28 March 2014
- Dividend payment date 4 April 2014

- Interim Report January—March 2014 29 April 2014
- Interim Report January—June 2014 29 July 2014
- Interim Report January—September 2014 21 October 2014

- Financial Statements for 2013 and Corporate Governance Statement will be published on the Company's website at the latest on 4 March 2014



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Orion's financial objectives

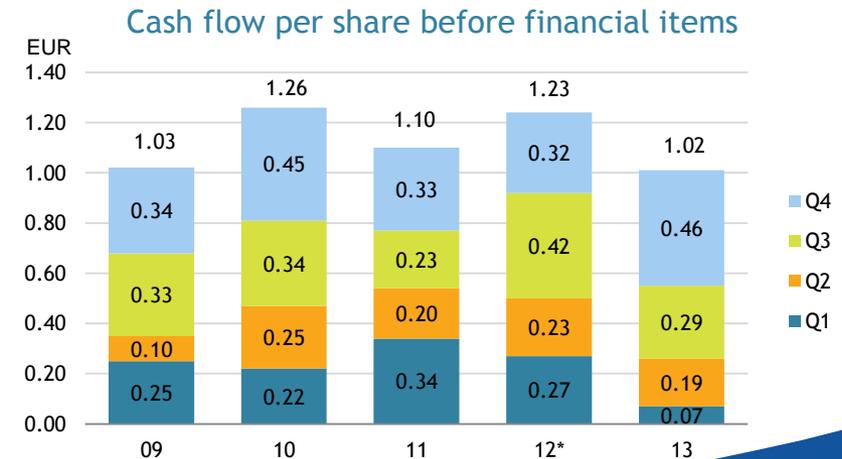
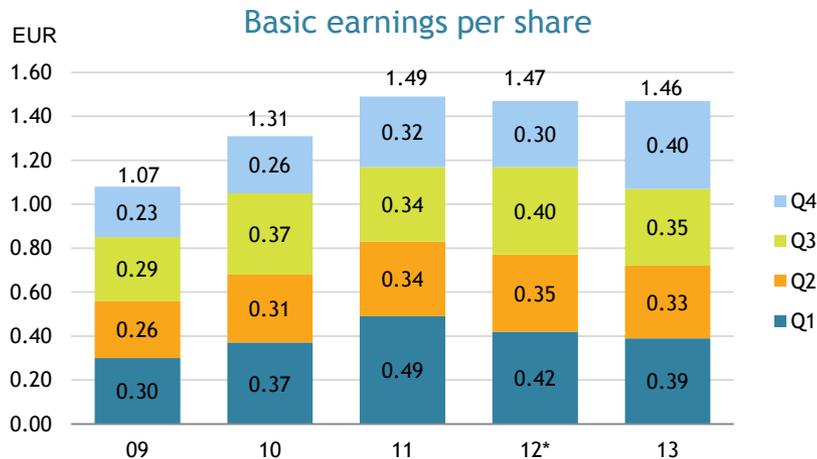
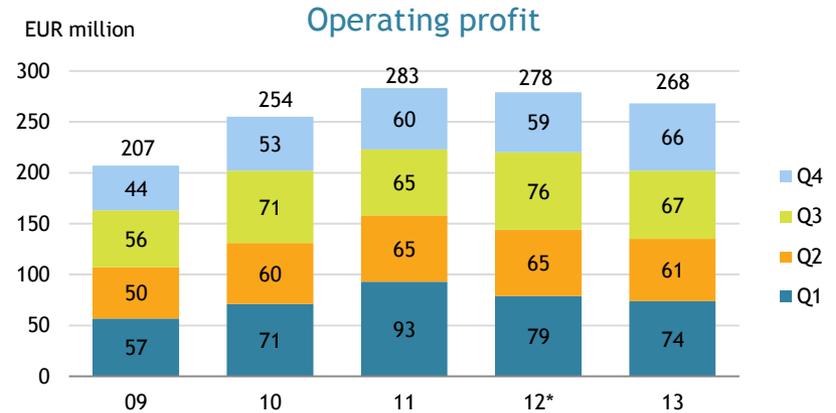
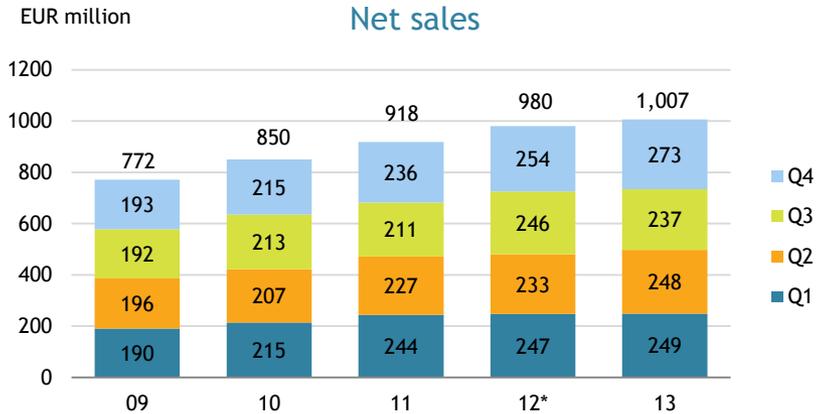
Orion's financial objectives are:

- 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 2009–2013

| Orion's key figures | 2009 | 2010 | 2011 | 2012* | 2013 | Change % |
|---|-------|--------|-------|-------|---------|----------|
| Net sales, EUR million | 771.5 | 849.9 | 917.9 | 980.4 | 1,006.9 | +2.7% |
| Operating profit, EUR million | 207.0 | 254.2 | 282.9 | 278.3 | 267.7 | -3.8% |
| Profit before taxes, EUR million | 203.7 | 252.6 | 282.0 | 276.6 | 264.0 | -4.6% |
| R&D expenses, EUR million | 95.2 | 85.5 | 87.5 | 105.8 | 101.9 | -3.7% |
| Equity ratio, % | 60.6% | 62.7% | 64.2% | 61.0% | 53.6% | |
| Gearing, % | -8.9% | -12.2% | -6.9% | -1.7% | 8.4% | |
| ROCE (before taxes), % | 37.4% | 45.0% | 49.4% | 45.9% | 38.5% | |
| Return on equity, % | 35.3% | 40.7% | 43.3% | 41.0% | 40.3% | |
| Basic earnings per share, EUR | 1.07 | 1.31 | 1.49 | 1.47 | 1.46 | -0.4% |
| Cash flow per share before financial items, EUR | 1.03 | 1.26 | 1.10 | 1.23 | 1.02 | -17.3% |
| Dividend per share, EUR | 1.00 | 1.20 | 1.30 | 1.30 | 1.25 | -3.8% |
| Capital repayment per share, EUR | 0.10 | 0.06 | 0.12 | | | |

Income Statement 2009–2013

| Formation of profits, EUR million | 2009 | 2010 | 2011 | 2012* | 2013 | Change % |
|--------------------------------------|--------|--------|--------|--------|---------|----------|
| Net sales | 771.5 | 849.9 | 917.9 | 980.4 | 1,006.9 | +2.7% |
| Cost of goods sold | -265.2 | -283.2 | -305.1 | -350.8 | -393.5 | +12.2% |
| Gross profit | 506.3 | 566.8 | 612.8 | 629.6 | 613.4 | -2.6% |
| Other operating income and expenses | 6.0 | 1.2 | 3.0 | 6.3 | 5.6 | -12.1% |
| Sales and marketing expenses | -160.0 | -188.9 | -204.8 | -206.1 | -204.9 | -0.6% |
| R&D expenses | -95.2 | -85.5 | -87.5 | -105.8 | -101.9 | -3.7% |
| Administrative expenses | -50.2 | -39.3 | -40.6 | -45.7 | -44.5 | -2.7% |
| Operating profit | 207.0 | 254.2 | 282.9 | 278.3 | 267.7 | -3.8% |
| Profit before taxes | 203.7 | 252.6 | 282.0 | 276.6 | 264.0 | -4.6% |
| Profit for the period | 151.4 | 184.7 | 209.5 | 206.9 | 206.2 | -0.4% |

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 expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

³⁾ Dexdor data protection expires

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

Dividend distribution policy

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

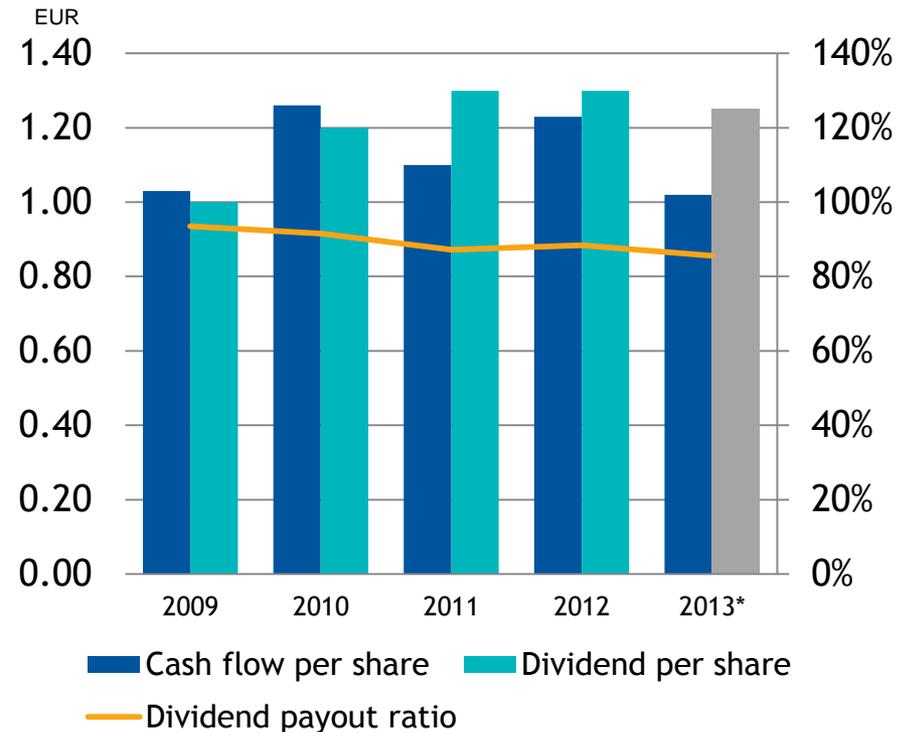
Repayments of capital 2009–2011

2009: EUR 0.10 per share

2010: EUR 0.06 per share

2011: EUR 0.12 per share

Dividend distribution history



*) Dividend per share proposed by the Board of Directors



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