



Orion Interim Report Q1/2014

29 April 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.

First marketing authorisations in Europe for Bufomix Easyhaler®

- Net sales similar to comparative period
- Operating profit slightly lower than in previous year as anticipated
- Bufomix Easyhaler® gained first marketing authorisations in Europe
- Generic competition to Precedex not yet started in USA
- First marketing authorisations for generic competitors to Stalevo granted in Germany
- Capital expenditure programme proceeding: first packaging line operational at Salo plant

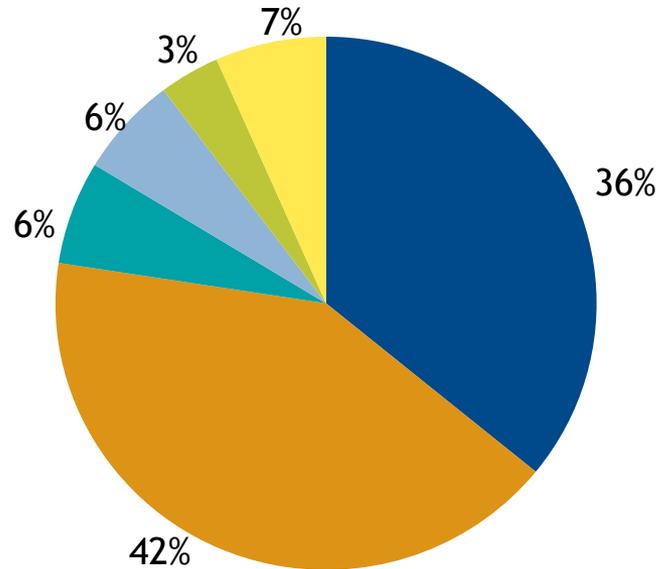
Net sales and operating profit

Group key figures	Q1/2014	Q1/2013	Change %	2013
Net sales, EUR million	245	249	-2%	1,007
Operating profit, EUR million	67	74	-9%	268
Basic earnings per share, EUR	0.37	0.39	-5%	1.46
Cash flow per share before financial items, EUR	0.30	0.07	+319%	1.02

- Net sales similar to previous year
 - Pharmaceuticals business's net sales excluding Parkinson's drugs (Stalevo[®], Comtess[®] and Comtan[®]) up by 5%
- Operating profit decreased slightly as anticipated
 - Gross profit percentage lower than in comparative period as products with lower margins accounted for increasing proportion of sales due to lower sales of Parkinson's drugs and Precedex
- Cash flow from operating activities clearly higher than in previous year
 - Clearly less cash tied up into working capital than in comparative period

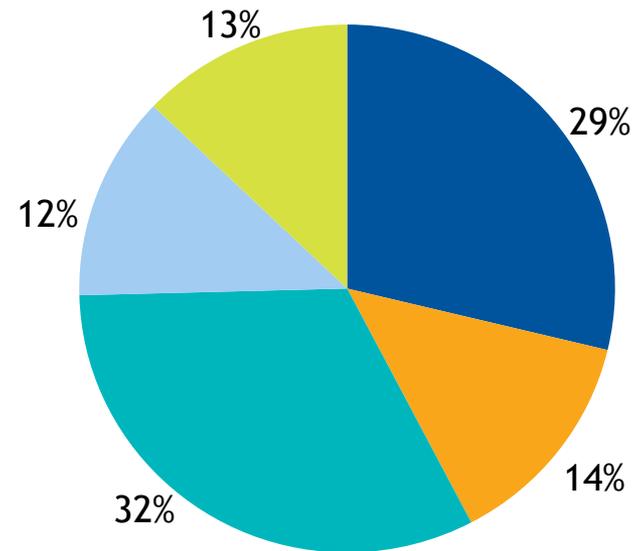
Breakdown of net sales

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

Key figures for Pharmaceuticals business	Q1/2014	Q1/2013	Change %	2013
Net sales of Pharmaceuticals, EUR million	230	234	-2%	953
Proprietary Products	88	100	-12%	390
Specialty Products	102	96	+7%	385
Animal Health	15	15	+4%	71
Fermion	15	13	+11%	64
Contract manufacturing and other	9	10	-12%	43
Pharmaceuticals operating profit, EUR million	67	74	-10%	273

- Net sales of branded Parkinson's drugs down by 22%, and accounted for 21% of segment's net sales
- Net sales excluding Parkinson's drugs up by 5%
- Orion clear market leader in Finland
- Specialty Products became biggest business division
 - Sales of generic entacapone products grew strongly
 - Orion has launched its first biosimilar

Best-selling pharmaceuticals

Orion's best-selling pharmaceuticals, EUR million	Business Division	Q1/2014	Q1/2013	Change %	2013
1. Stalevo [®] , Comtess [®] and Comtan [®] (Parkinson's disease)	PP	47.2	60.3	-22%	207
2. Simdax [®] (acute decompensated heart failure)	PP	10.7	10.8	-2%	46
3. Precedex [®] (intensive care sedative)	PP	9.0	12.0	-25%	59
4. dexdor [®] (intensive care sedative)	PP	8.0	5.7	+40%	25
5. Easyhaler [®] product family (asthma, COPD)	PP	7.8	6.2	+27%	29
6. Generic entacapone products (Parkinson's disease)	SpP	6.8	2.6	+165%	10
7. Burana [®] (inflammatory pain)	SpP	5.5	5.8	-5%	23
8. Marevan [®] (anticoagulant)	SpP	4.9	4.0	+21%	16
9. Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®] (animal sedatives)	AH	4.9	4.9	-1%	25
10. Trexan [®] (rheumatoid arthritis, cancer)	SpP	3.4	2.9	+15%	11
Total		108.1	115.2	-6%	452
Share of Pharmaceuticals net sales		47%	49%		47 %

Products based on Orion's inventions in blue

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

Orion clear market leader in Finland

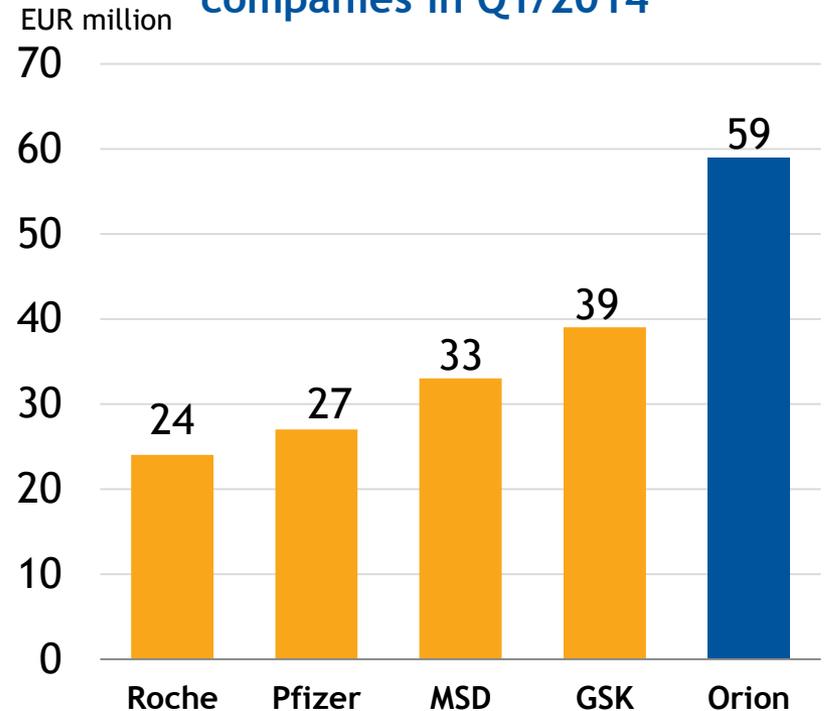
Finnish human pharmaceuticals market in Q1/2014

- Wholesale EUR 513 million (+3%)

Orion in Finnish human pharmaceuticals market

- Sales growth +2%
- Orion clear market leader
 - Market share 11%
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies in Q1/2014



Review of Parkinson's drugs markets

Overall markets for Parkinson's drugs in 2013

- United States ³⁾ USD 763 million (+6%)
- Five largest European markets ^{1) 3)} EUR 986 million (+2%)
- Japan ²⁾ EUR 495 million (-17%)

Sales of Orion's Stalevo, Comtess & Comtan Parkinson's drugs in 2013

- United States ³⁾ USD 31 million (-74%)
- Five largest European markets ^{1) 3)} EUR 130 million (-5%)
- Japan ²⁾ EUR 55 million (-10%)

Market shares of Orion's branded Parkinson's drugs	2013	2012
Finland ²⁾	23%	24%
Sweden ²⁾	15%	14%
Norway ²⁾	16%	15%
Denmark ²⁾	16%	19%
Germany ³⁾	15%	16%
UK ³⁾	12%	14%
United States ^{3) 4)}	4%	16%
Japan ^{2) 4)}	11%	11%

¹⁾ Germany, UK, France, Spain and Italy

²⁾ including sales to hospitals and retail distributors

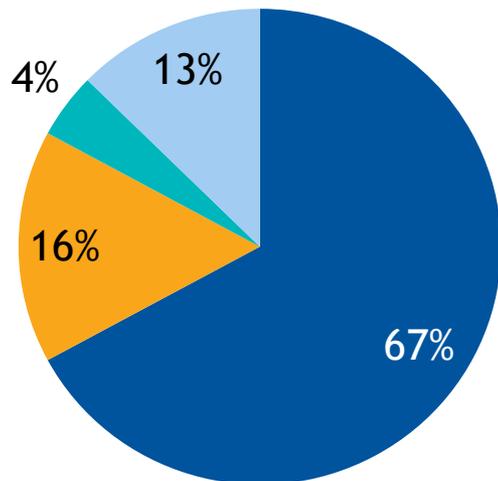
³⁾ sales to retail distributors only

⁴⁾ Novartis sales area

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

European sedative market 2013

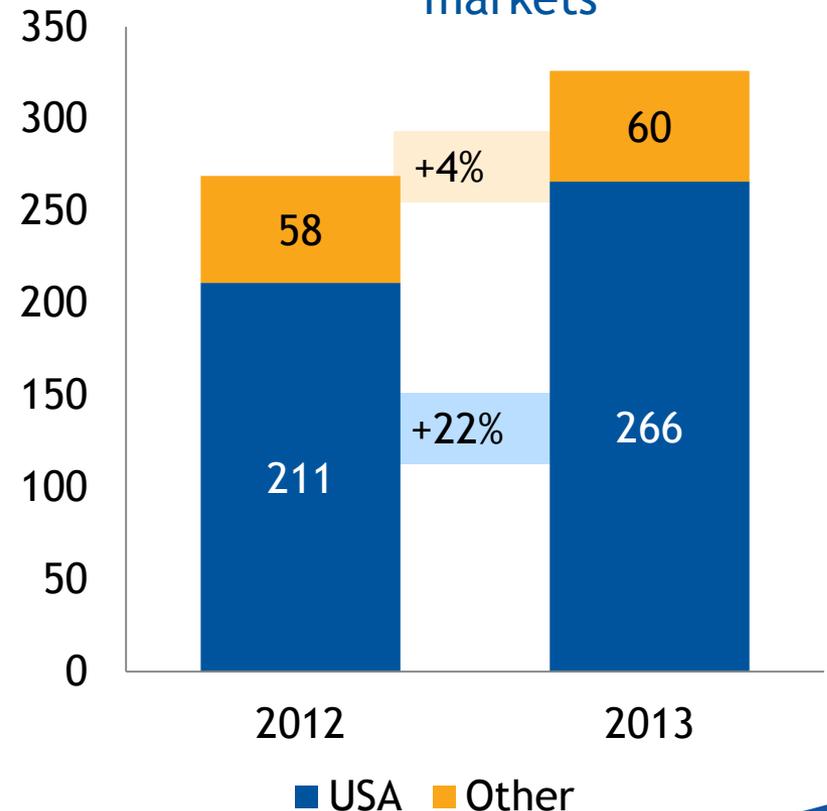
Total market value EUR 475 million (+0.4%)



- Propofol EUR 318 million (+2%)
- Midazolam EUR 75 million (-7%)
- Dexmedetomidine EUR 21 million (+82%)
- Remifentanyl EUR 60 million (-13%)

Breakdown of Precedex markets

USD million



Key clinical pharmaceutical development projects

Project	Indication	PHASE			Registration
Easyhaler® budesonide-formoterol	Asthma, COPD	I	II	III	Registration
Stalevo® for Japanese markets ¹⁾	Parkinson's disease	I	II	III	Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	I	II	III	
ORM-12741 (alpha-2c adrenoceptor antagonist) ²⁾	Alzheimer's disease	I	IIa		
ODM-201 (androgen receptor inhibitor)	Prostate cancer	I	II		
Levosimendan ³⁾	Low Cardiac Output Syndrome	I	II		
ODM-103 (more effective COMT inhibitor)	Parkinson's disease	I			
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I			

¹⁾ Partner: Novartis

²⁾ In collaboration with Janssen Pharmaceuticals

³⁾ Partner: Oxygen Biotherapeutics, Inc. is preparing to commence Phase III

 = Phase completed

 = Phase ongoing

Diagnostics business

Key figures for Diagnostics business	Q1/2014	Q1/2013	Change %	2013
Net sales, EUR million	16	16	+3%	57
Operating profit, EUR million	2.6	2.3	+14%	4.6

- Operating profit grew mainly due to lower operating expenses
- QuikRead® tests remained main product

Outlook for 2014 (unchanged)

- **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

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



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Orion's financial objectives

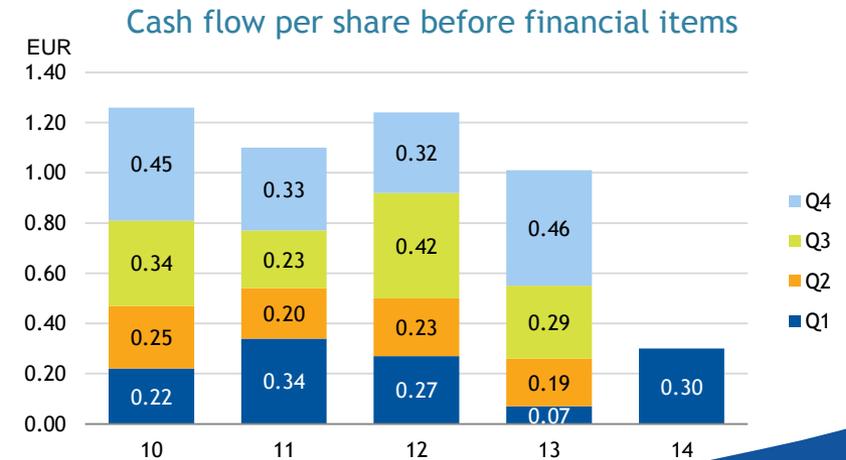
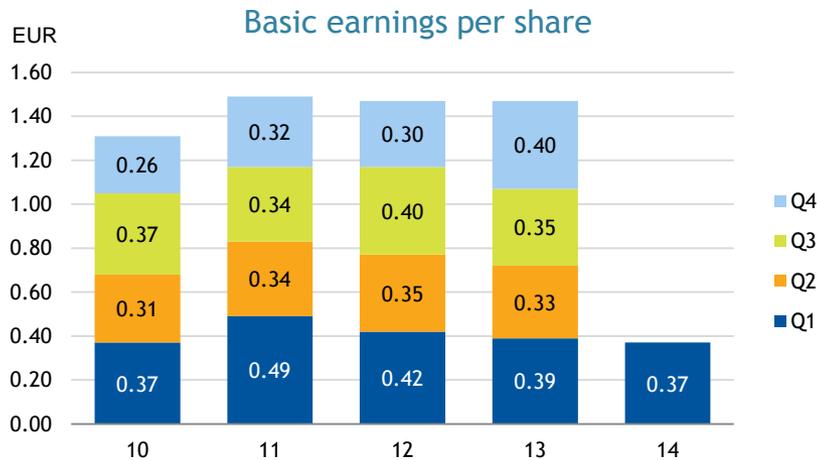
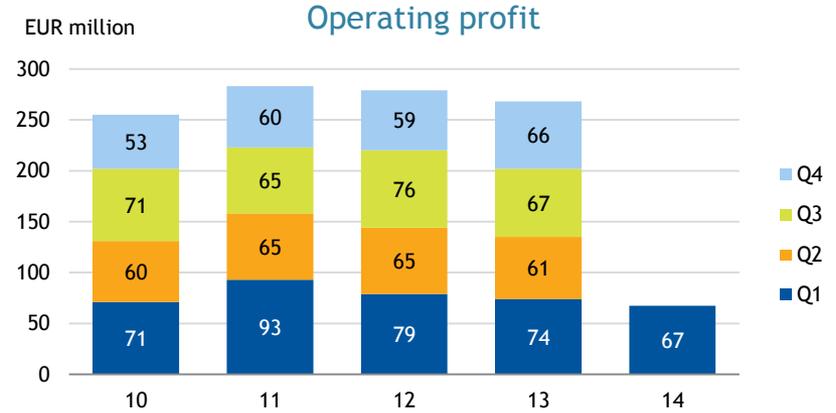
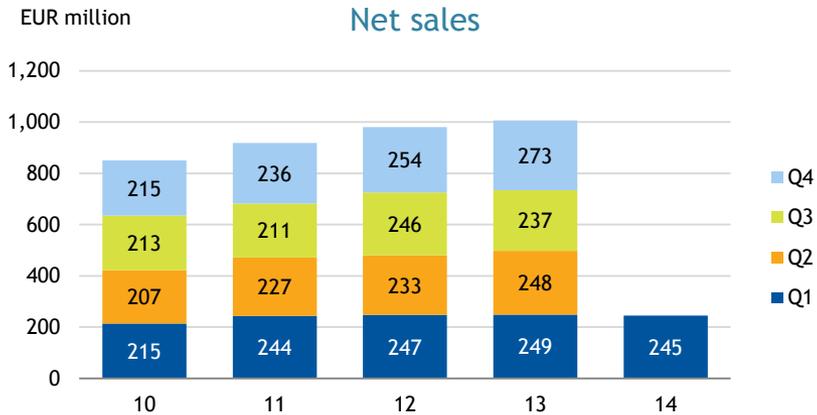
Orion's financial objectives are:

- 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 2010–Q1/2014

Orion's key figures	2010	2011	2012	2013	Q1/2014	Q1/2013	Change %
Net sales, EUR million	849.9	917.9	980.4	1,006.9	245.0	249.4	-1.8%
Operating profit, EUR million	254.2	282.9	278.3	267.7	67.4	74.1	-9.1%
Profit before taxes, EUR million	252.6	282.0	276.6	264.0	66.5	73.8	-9.9%
R&D expenses, EUR million	85.5	87.5	105.8	101.9	26.3	24.6	+6.8%
Equity ratio, %	62.7%	64.2%	61.0%	53.6%	38.9%	41.2%	
Gearing, %	-12.2%	-6.9%	-1.7%	8.4%	-0.1%	-4.6%	
ROCE (before taxes), %	45.0%	49.4%	45.9%	38.5%	38.9%	50.6%	
Return on equity, %	40.7%	43.3%	41.0%	40.3%	46.5%	49.8%	
Basic earnings per share, EUR	1.31	1.49	1.47	1.46	0.37	0.39	-5.1%
Cash flow per share before financial items, EUR	1.26	1.10	1.23	1.02	0.30	0.07	+319.4%
Dividend per share, EUR	1.20	1.30	1.30	1.25			
Capital repayment per share, EUR	0.06	0.12					

Income Statement 2010–Q1/2014

Formation of profits, EUR million	2010	2011	2012	2013	Q1/2014	Q1/2013	Change %
Net sales	849.9	917.9	980.4	1,006.9	245.0	249.4	-1.8%
Cost of goods sold	-283.2	-305.1	-350.8	-393.5	-95.8	-91.8	+4.4%
Gross profit	566.8	612.8	629.6	613.4	149.2	157.6	-5.3%
Other operating income and expenses	1.2	3.0	6.3	5.6	0.2	0.3	-38.9%
Sales and marketing expenses	-188.9	-204.8	-206.1	-204.9	-46.3	-48.5	-4.6%
R&D expenses	-85.5	-87.5	-105.8	-101.9	-26.3	-24.6	+6.8%
Administrative expenses	-39.3	-40.6	-45.7	-44.5	-9.4	-10.6	-12.0%
Operating profit	254.2	282.9	278.3	267.7	67.4	74.1	-9.1%
Profit before taxes	252.6	282.0	276.6	264.0	66.5	73.8	-9.9%
Profit for the period	184.7	209.5	206.9	206.2	52.6	55.6	-5.3%

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

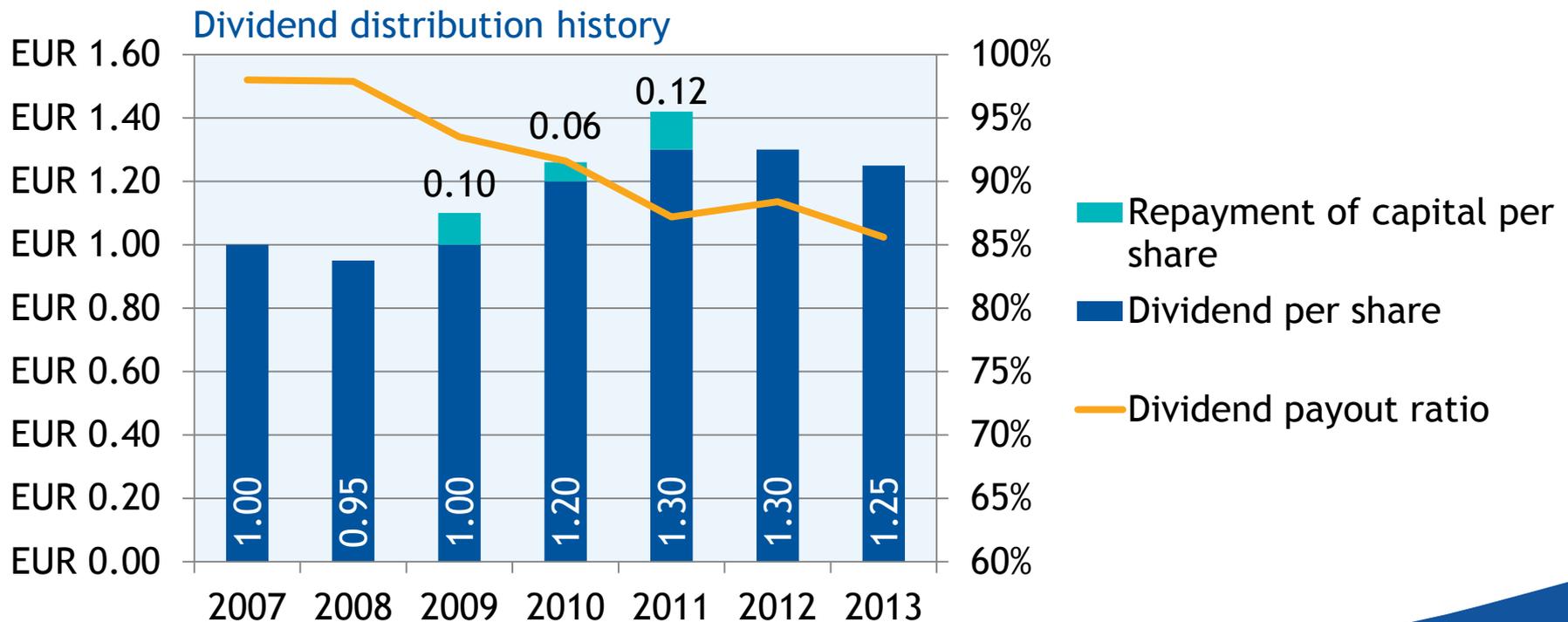
²⁾ Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

³⁾ Dexdor data protection expires

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

Dividend distribution policy

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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