



Orion Financial Review for 2010

9 February 2011
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President and 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.

Good progress throughout the year

- Growth in net sales and operating profit remained strong
 - Clear growth in sales of key products based on own R&D
 - Precedex® became one of the best-selling products
- Significant progress in R&D
 - Application for marketing authorisation for dexmedetomidine submitted to European Medicines Agency
 - Development of combined formulations to expand the Easyhaler® product family proceeding
 - Advances in early-phase research

Clear growth in net sales and operating profit

Group key figures	Q4/10	Q4/09	Change %	2010	2009	Change %
Net sales, EUR million	215	193	+11%	850	772	+10%
Operating profit, EUR million	53	44	+20%	254	207	+23%
Basic earnings per share, EUR	0.26	0.23	+11%	1.31	1.07	+22%
Cash flow per share before financial items, EUR	0.45	0.34	+31%	1.26	1.03	+23%
Board's proposed dividend per share, EUR ¹⁾				1.20	1.00	+20.0%

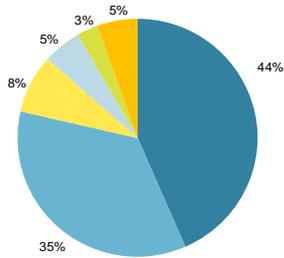
¹⁾ In addition, the Board of Directors proposes to the Annual General Meeting of Orion Corporation that EUR 0.06 per share be distributed from the expendable fund in the distributable equity as a repayment of capital.

- Net sales grew by 10%
 - Products based on in-house R&D accounted for 49% of Pharmaceuticals business's net sales
 - Pharmaceuticals business's net sales of drugs other than Parkinson's drugs grew by 12%
 - Market share in Finland 10%
- Operating profit grew by 23%
 - Sales and marketing expenses increased as forecast as operations expanded
 - R&D expenses decreased due to timing of projects
 - US litigation costs decreased

Net sales originate mainly in Europe

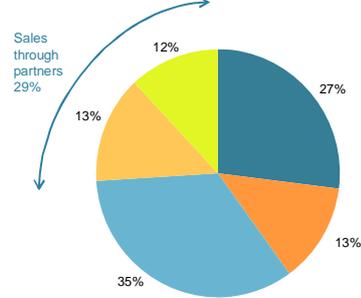
Breakdown of EUR 850 million net sales in 2010

By business division



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

By market area



- Finland
- Scandinavia
- Other Europe
- North America
- Other Markets

Business
Reviews

Pharmaceuticals sales maintained good growth rate

Key figures for Pharmaceuticals business	2010	2009	Change %
Net sales of Pharmaceuticals, EUR million	806	729	+11%
Proprietary Products	371	324	+15%
Specialty Products	299	275	+9%
Animal Health	68	62	+9%
Fermion	45	41	+9%
Contract manufacturing and other	24	26	-7%
Pharmaceuticals operating profit, EUR million	252	211	+20%

- 31% of segment's net sales from Parkinson's drugs, net sales +8%
- Net sales of drugs other than Parkinson's drugs grew by 12%
- Transfer of Simdax rights in Europe proceeded according to plan
 - Net sales growth +36%
- Clear market leader in challenging Finnish market
- Good growth rate maintained in Scandinavia and Eastern Europe

Best-selling products performed well

Orion's best-selling pharmaceuticals, EUR million	2010	2009	Change %
1. Stalevo®, Comtess® and Comtan® (Parkinson's disease)	253	235	+8%
2. Simdax® (acute decompensated heart failure)	40	29	+36%
3. Easyhaler® product family (asthma, COPD)	28	25	+13%
4. Precedex® (intensive care sedative)	27	15	+87%
5. Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	24	19	+25%
6. Burana® (inflammatory pain)	22	20	+8%
7. Divina® range (menopausal symptoms)	13	13	+1%
8. Marevan® (anticoagulant)	13	11	+17%
9. Enanton® (prostate cancer)	13	12	+9%
10. Fareston® (breast cancer)	12	10	+15%
Total	445	390	+14%
Share of Pharmaceuticals net sales	55%	53%	
Group total net sales	850	772	+10%

Orion clear market leader in Finland

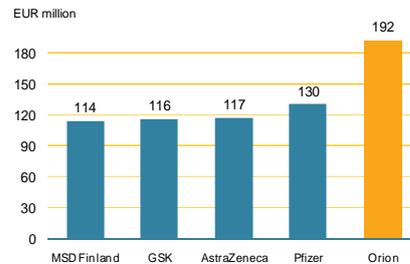
Finnish human pharmaceuticals market in 2010

- Wholesale EUR 1,926 million (-1%)
- Biggest market decrease in prescription drugs covered by reference price system

Orion in Finnish human pharmaceuticals market

- Quarter of Orion's net sales from Finland
- Sales growth 3%
- Orion remains clear market leader
 - Market share 10%
- Orion especially strong in self-care and substitutable prescription drugs
- Orion acquired a stake in Pharmaservice Oy, which provides dispensing support services for pharmacies

Finland's biggest pharmaceutical companies in 2010



Sales of Parkinson's drugs still growing

Overall markets for Parkinson's drugs October 2009-September 2010

- United States ³⁾ USD 1,005 million (+2%)
- Five largest European markets ^{1) 3)} EUR 993 million (+11%)

Sales of Orion's Stalevo, Comtess and Comtan Parkinson's drugs

- United States ³⁾ USD 181 million (+6%)
- Five largest European markets ^{1) 3)} EUR 156 million (+6%)
- Japan ²⁾ EUR 43 million (+39%)

Market shares of Orion's Parkinson's drugs

	9/10	9/09
Finland ²⁾	25%	29%
Sweden ²⁾	16%	17%
Norway ²⁾	16%	16%
Denmark ²⁾	15%	14%
Germany ³⁾	15%	15%
UK ³⁾	13%	13%
United States ^{3) 4)}	18%	17%
Japan ^{2) 4)}	10%	8%

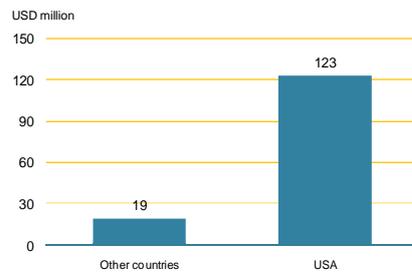
(1) Germany, UK, France, Spain and Italy
 (2) including sales to hospitals and retail distributors
 (3) sales to retail distributors only
 (4) Novartis sales area

86% of Precedex sales in United States

Markets for intensive care sedative Precedex October 2009–September 2010

- Total USD 142 million (+61%)
- United States USD 123 million (+67%)

Breakdown of Precedex markets



Orion's pharmaceutical R&D pipeline

Project	Indication	Pre-clinical	Clinical phases			Regis- tration
			I	II	III	
Dexmedetomidine (intravenous) for European markets	Intensive care sedative		Own proprietary drug research			
Paclitaxel for dogs (Paccal® Vet)	Canine mastocytoma (skin cancer)	Oasmia	Developed by a partner			
Easyhaler® combined formulations	Asthma, COPD		Own proprietary drug research			
Stalevo® for Japanese market	Parkinson's disease		Own proprietary drug research			
Toremifene 80 mg	Side effects of prostate cancer treatment	GTx	Developed by a partner			
Paclitaxel for human use (Paical®)	Women's ovarian cancer	Oasmia	Developed by a partner			
Alpha 2 _c receptor pharmacology	Alzheimer's disease and Raynaud's phenomenon		Own proprietary drug research			
Androgen receptor antagonist	Advanced prostate cancer		Own proprietary drug research			
More effective levodopa product	Parkinson's disease		Own proprietary drug research			
Dexmedetomidine (non-intravenous)	Pain management	Récro Pharma	Developed by a partner			
Many projects in early research phase	Prostate cancer, neuropathic pain, Parkinson's disease, Alzheimer's disease		Own proprietary drug research			

Diagnostics business's operating profit grew

Key figures for Diagnostics business

	2010	2009	Change %
Net sales, EUR million	46	45	+2%
Operating profit, EUR million	6.1	5.6	+11%

- QuikRead® tests remained main product
 - Growth in sales of equipment and reagents
 - Growth in equipment creates basis for future demand for reagents used in tests
- Sales in Nordic countries similar to previous year, sales in China and Czech Republic higher than previous year
- Orion Diagnostica launched new products in the markets
 - Sales of new QuikRead CRP test started in summer
 - QuikRead go® testing instrument launched at the end of September

Objectives and outlook

Orion's financial objectives

Net sales and profitability in next few years depend on rate of:

- Decline in sales of Parkinson's drugs
- Growth in sales of other products

Orion's financial objectives:

1. Ensuring financial stability
2. Creating foundation for long-term profitable growth

Principal means of achieving objectives:

- Improving organic growth of net sales and operating profit through product, product portfolio and corporate acquisitions
- Increasing efficiency of operations and cost control
- Maintaining stable financial position; equity ratio at least 50%

Outlook for 2011

- Net sales will be slightly higher than in 2010
 - ▶ marketing expenditure will be slightly higher due to the increased number of product launches
 - ▶ R&D expenditure will be clearly higher than in 2010
- Operating profit excluding non-recurring items will be slightly higher than in 2010
- The Group's capital expenditure will be about EUR 45 million excluding substantial corporate or product acquisitions

Orion calendar

- Annual Report 2010 published on Company's website In week beginning 7 March 2011
- Deadline for registering for AGM 28 March 2011 at 10:00 EET
- Annual General Meeting in Helsinki 31 March 2011 at 14:00 EET

Dividend payment

- Record date 5 April 2011
- Dividend payment date 12 April 2011

Interim Reports

- Interim Report January-March 2011 27 April 2011
- Interim Report January-June 2011 2 August 2011
- Interim Report January-September 2011 25 October 2011



Key figures by quarter



Key figures for 2006-2010

Orion's key figures	proforma 2006 ¹⁾	2007	2008	2009	2010	Change %
Net sales, EUR million	641.1	680.0	710.7	771.5	849.9	+10.2%
Operating profit, EUR million	192.7	192.0	185.0	207.0	254.2	+22.8%
Profit before taxes, EUR million	193.3	193.4	184.2	203.7	252.6	+24.0%
R&D expenses, EUR million	73.1	85.0	90.0	95.2	85.5	-10.2%
Equity ratio, %	75.5%	76.2%	60.2%	60.6%	62.7%	
Gearing, %	-23.4%	-20.0%	-7.1%	-8.9%	-12.2%	
ROCE (before taxes), %	47.1%	44.8%	38.5%	37.4%	45.0%	
Return on equity, %	34.9%	33.5%	32.1%	35.3%	40.7%	
Basic earnings per share, EUR	1.01	1.02	0.97	1.07	1.31	+22.0%
Cash flow per share before financial items, EUR	0.93	0.92	0.66	1.03	1.26	+22.8%
Dividend per share, EUR	1.00	1.00	0.95	1.00 + 0.10 ²⁾	1.20 ³⁾ + 0.06	

(1) On 1 July 2006 former Orion Corporation demerged into two new companies, Orion Corporation and Oriola-KD Corporation.
 (2) Dividend per share for 2009 was EUR 1.00 and capital repayment per share was EUR 0.10.
 (3) Board will propose to AGM that EUR 1.20 dividend per share and EUR 0.06 capital repayment per share be distributed.

Growth in sales of own proprietary products

Net sales of proprietary products, EUR million	Indication	2010	2009	Change %
Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	252.7	234.9	+7.6%
Simdax [®]	Acute decompensated heart failure	39.9	29.4	+35.5%
Easyhaler [®] product family	Asthma, COPD	28.1	24.9	+12.8%
Precedex [®]	Intensive care sedative	27.2	14.6	+86.7%
Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®]	Animal sedatives	24.2	19.3	+25.0%
Divina [®] range	Menopausal symptoms	13.3	13.2	+1.0%
Fareston [®]	Breast cancer	11.7	10.2	+14.6%
Total		397.1	346.5	+14.6%
% of pharmaceutical net sales		49%	48%	

Income Statement 2006-2010

Formation of profits, EUR million	proforma					Change %
	2006	2007	2008	2009	2010	
Net sales	641.1	680.0	710.7	771.5	849.9	+10.2%
Cost of goods sold	-218.8	-232.8	-243.4	-265.2	-283.2	+6.8%
Gross profit	422.3	447.2	467.4	506.3	566.8	+11.9%
Other operating income and expenses	13.4	12.0	3.1	6.0	1.2	-80.7%
Sales and marketing expenses	-129.6	-143.4	-143.9	-160.0	-188.9	+18.1%
R&D expenses	-73.1	-85.0	-90.0	-95.2	-85.5	-10.2%
Administrative expenses	-40.4	-38.8	-51.5	-50.2	-39.3	-21.7%
Operating profit	192.7	192.0	185.0	207.0	254.2	+22.8%
Profit before taxes	193.3	193.4	184.2	203.7	252.6	+24.0%
Profit for the period	142.1	143.9	136.3	151.4	184.7	+22.0%

Orion's main R&D programmes

- European Medicines Agency initiated the review of Orion's *dexmedetomidine* marketing authorisation application in October 2010
 - Centralised procedure for marketing authorisation applications usually takes over a year
- Expansion of *Easyhaler* product family. Under development are new *combined formulations* of *budesonide* with *formoterol*, and *fluticasone* with *salmeterol* for treatment of asthma and COPD
 - Results of research, with the objective of a budesonide-formoterol formulation marketing authorisation application, expected during 2011
- Orion and Novartis developing Parkinson's drug *Stalevo* for Japanese markets
 - Novartis intends to submit marketing authorisation application during 2011
- *Alpha 2c receptor antagonist* in Phase II clinical studies
 - Possible indications are treatment of Alzheimer's disease and Raynaud's phenomenon
- Orion has in clinical development a new more effective *levodopa product* including optimized doses and formulations of existing active ingredients.
- Development of *androgen receptor antagonist* for treatment of advanced prostate cancer has moved to clinical trials in co-operation with Endo Pharmaceuticals Inc.
- Early-phase studies include
 - Prostate cancer, neuropathic pain, Parkinson's disease and Alzheimer's disease

Patent situation of key products

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⁾	2015 ⁽²⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®]	Intensive care sedative	Not marketed	July 2013	June 2012

(1) Wockhardt and Sun companies entering markets from 1 April 2012

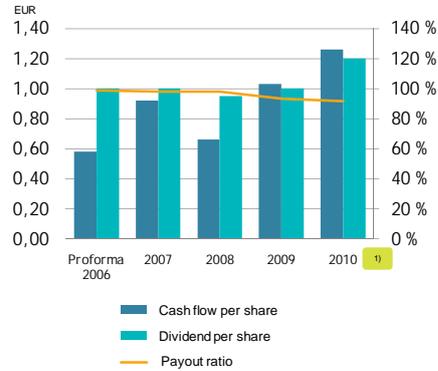
(2) Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

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

Dividend distributions



Board's proposals to AGM:

1) EUR 1.20 dividend per share, and in addition EUR 0.06 capital repayment per share

