



Orion Interim Report Q1/2011

27 April 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.

Strong growth in sales

- Growth in net sales and operating profit better than expected
 - Sales grew well in almost all business divisions
 - Includes EUR 7 million non-recurring payment from Endo Pharmaceuticals
 - Good profit was supported by lower than expected growth in R&D expenses due to timing and high deliveries to Novartis in first quarter
- Continued clear growth in sales of key products based on own research
 - Precedex[®] continued to grow strongly
- Outlook upgraded in April
 - Net sales slightly higher and operating profit excluding non-recurring items higher than in 2010

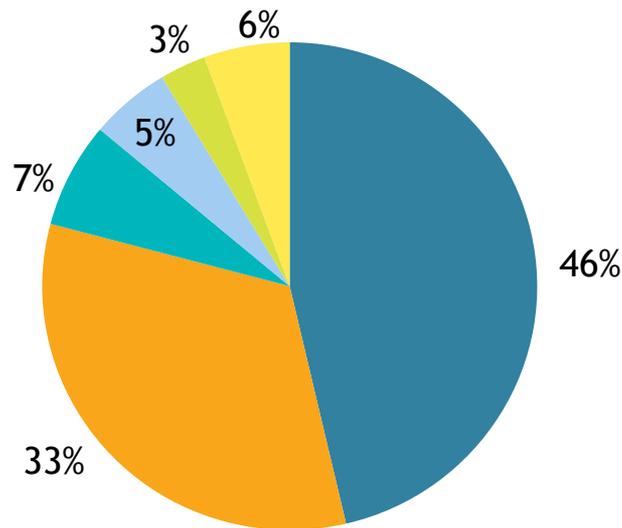
Operating profit grew strongly

Group key figures	Q1/11	Q1/10	Change %	2010
Net sales, EUR million	244	215	+14%	850
Operating profit, EUR million	93	71	+31%	254
Basic earnings per share, EUR	0.49	0.37	+31%	1.31
Cash flow per share before financial items, EUR	0.34	0.22	+55%	1.26

- Net sales grew by 14%
 - Sales of products based on in-house R&D, which accounted for 49% of Pharmaceuticals business's net sales, grew by 14%
 - Sales of Parkinson's drugs grew by 12%
 - Market share in Finland 10%
- Operating profit grew by 31%
 - Profit includes EUR 7 million milestone payment from Endo
 - R&D expenses grew more slowly than expected
 - Sales and marketing expenses grew

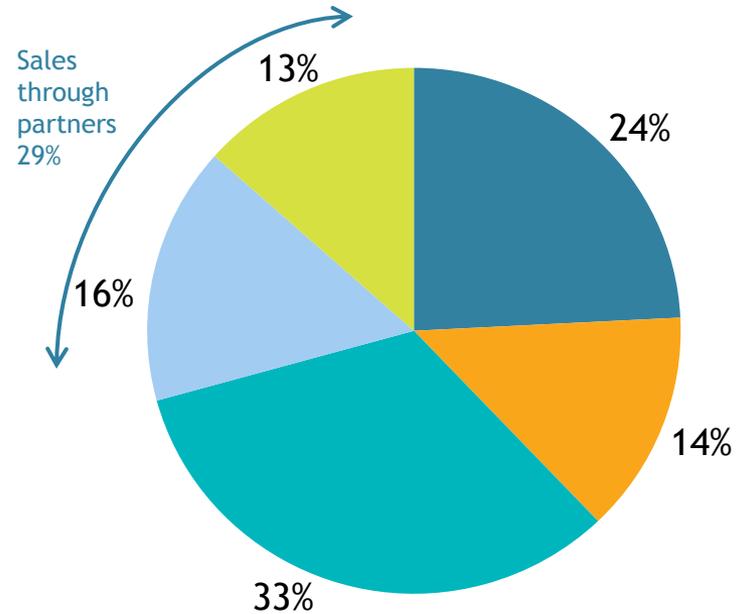
Breakdown of net sales

By business divisions



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

By market area



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



Business Reviews

Pharmaceuticals sales continued to grow strongly

Key figures for Pharmaceuticals business	Q1/2011	Q1/2010	Change %	2010
Net sales of Pharmaceuticals, EUR million	231	203	+14%	806
Proprietary Products	113	94	+21%	371
Specialty Products	80	73	+10%	299
Animal Health	17	15	+12%	68
Fermion	13	14	-5%	45
Contract manufacturing and other	7	8	-6%	24
Pharmaceuticals operating profit, EUR million	92	71	+31%	252

- 32% of segment's net sales from Parkinson's drugs, which grew by 12%
 - Deliveries to Novartis grew by 18%
 - Deliveries to Novartis have typically been greatest in first half of the year and least in last quarter of the year
- Net sales of drugs other than Parkinson's drugs grew by 14%
 - Precedex sales grew by 52%, Easyhaler product family sales grew by 18%
 - Growth in Specialty Products remained strong, growth outside Finland 20%

Best-selling pharmaceuticals

Orion's best-selling pharmaceuticals, EUR million	Q1/2011	Q1/2010	Change %	2010
1. Stalevo [®] , Comtess [®] and Comtan [®] (Parkinson's disease)	73.6	65.8	+12%	253
2. Simdax [®] (acute decompensated heart failure)	10.6	10.3	+3%	40
3. Easyhaler [®] product family (asthma, COPD)	8.5	7.2	+18%	28
4. Precedex [®] (intensive care sedative)	8.3	5.4	+52%	27
5. Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®] (animal sedatives)	6.6	5.6	+18%	24
6. Burana [®] (inflammatory pain)	5.8	5.0	+15%	22
7. Marevan [®] (anticoagulant)	3.8	3.1	+19%	13
8. Divina [®] range (menopausal symptoms)	3.4	3.3	+4%	13
9. Fareston [®] (breast cancer)	3.2	3.0	+7%	12
10. Enanton [®] (prostate cancer)	3.0	3.1	-1%	13
Total	126.7	111.8	+13%	445
Share of Pharmaceuticals net sales, %	55%	55%		55%
Group total net sales	244.1	214.5	+14%	850

Orion's market leadership in Finland strengthened

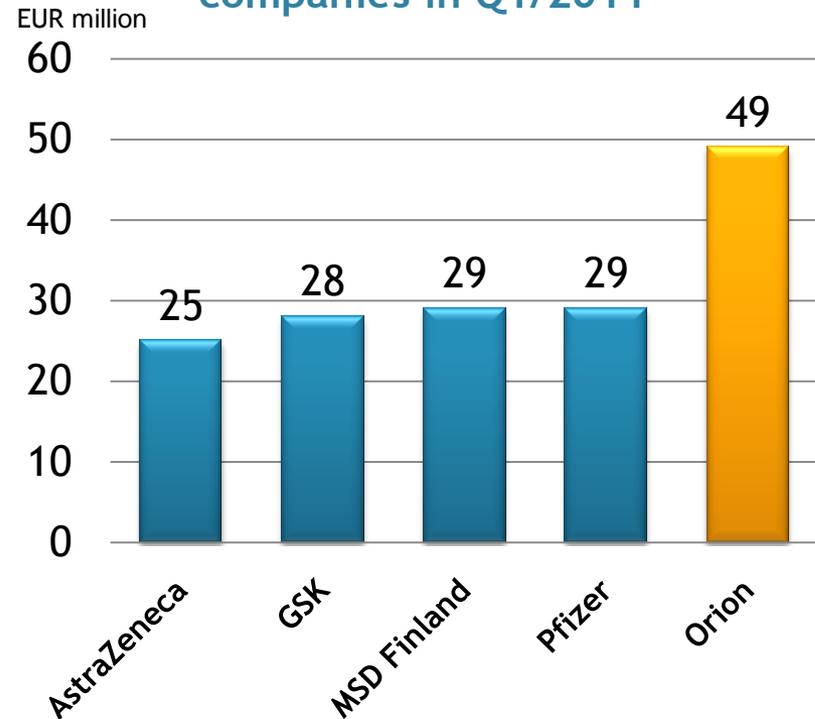
Finnish human pharmaceuticals market in Q1/2011

- Wholesale EUR 474 million (+2%)

Orion in Finnish human pharmaceuticals market

- Quarter of Orion's net sales from Finland
- Sales growth 4%
- Orion remains clear market leader
 - Market share 10%
- Orion especially strong in self-care and substitutable prescription drugs

Finland's biggest pharmaceutical companies in Q1/2011



Sales of Parkinson's drugs still growing

Overall markets for Parkinson's drugs January-December 2010

- United States ³⁾ USD 928 million (-7%)
- Five largest European markets ^{1) 3)}
EUR 1,017 million (+12%)

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

- United States ³⁾ USD 181 million (+3%)
- Five largest European markets ^{1) 3)}
EUR 158 million (+6%)
- Japan ²⁾ EUR 47 million (+43%)

Market shares of Orion's Parkinson's drugs

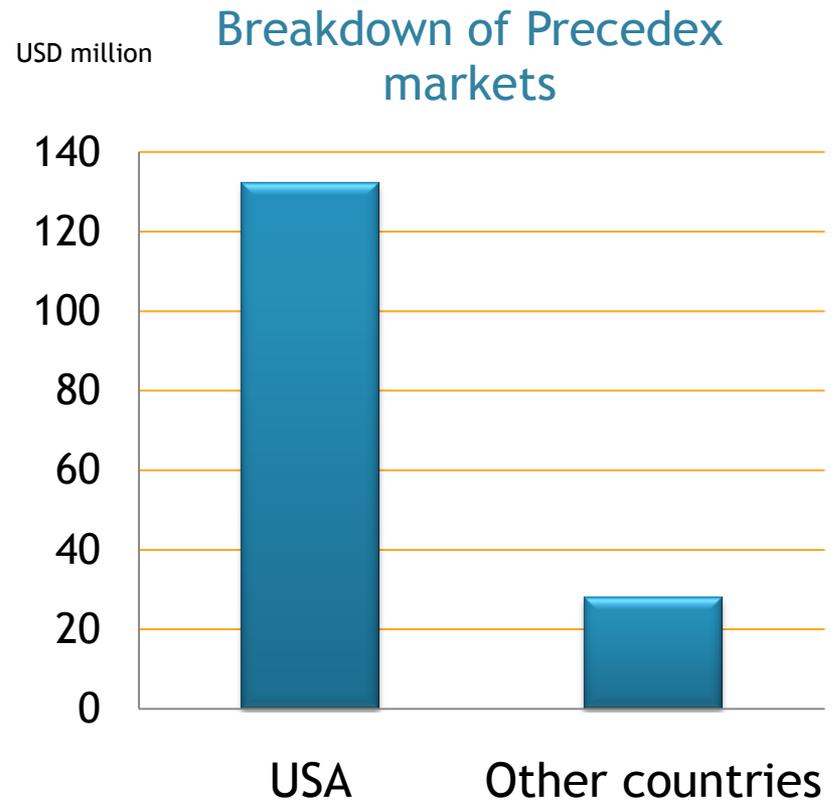
	2010	2009
Finland ²⁾	24%	28%
Sweden ²⁾	16%	17%
Norway ²⁾	16%	16%
Denmark ²⁾	16%	16%
Germany ³⁾	14%	15%
UK ³⁾	13%	13%
United States ^{3) 4)}	20%	18%
Japan ^{2) 4)}	10%	8%

- (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

Precedex maintains strong growth

Markets for intensive care sedative Precedex January-December 2010

- Total USD 160 million (+59%)
- United States USD 132 million (+55%)



Orion's pharmaceutical research pipeline

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

Clear growth in Diagnostics business

Key figures for Diagnostics business	Q1/2011	Q1/2010	Change %
Net sales, EUR million	14	12	+17%
Operating profit, EUR million	2.8	2.2	+23%

- QuikRead® tests remained main product
 - Launches of QuikRead go new generation testing instrument progressed as planned in first quarter
- Sales in Nordic countries stronger than in comparative period, and sales continued to grow in China and the Czech Republic, for example

Outlook for 2011

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

Orion calendar

Interim Reports

- Interim Report January-June 2011 2 August 2011
- Interim Report January-September 2011 25 October 2011



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Building well-being

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

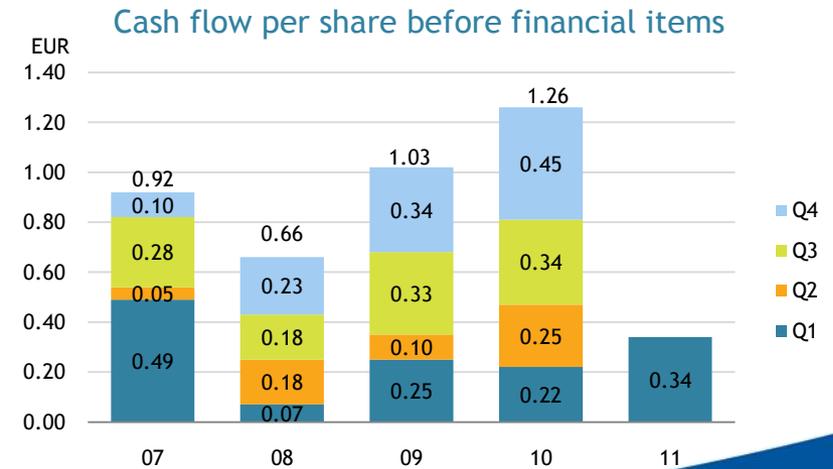
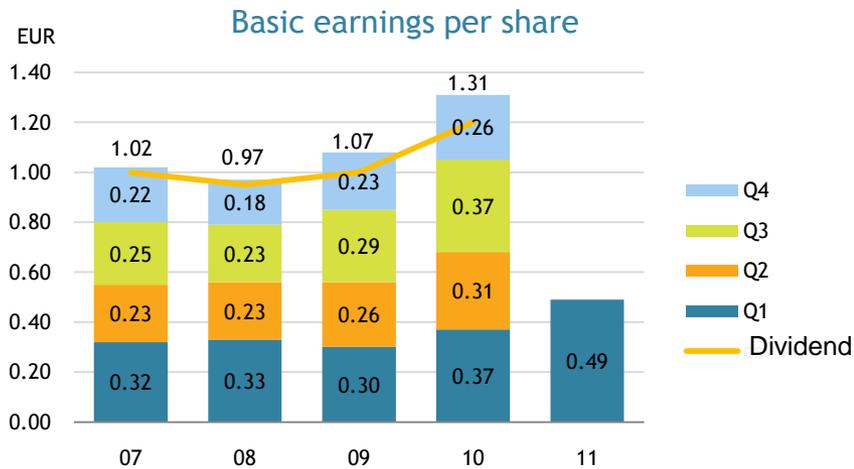
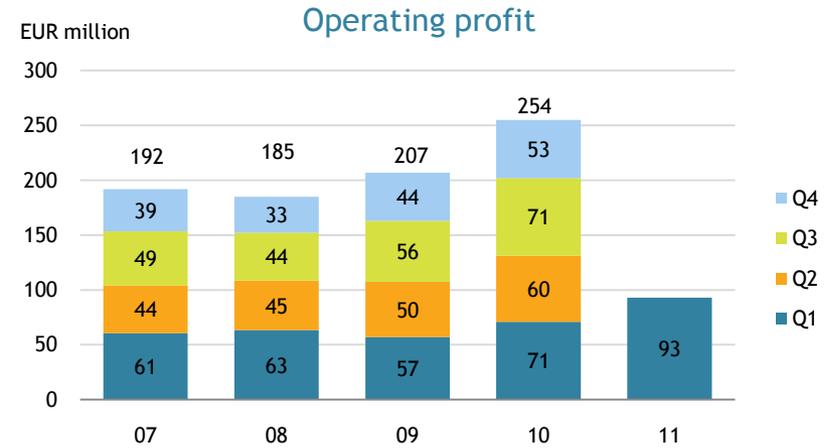
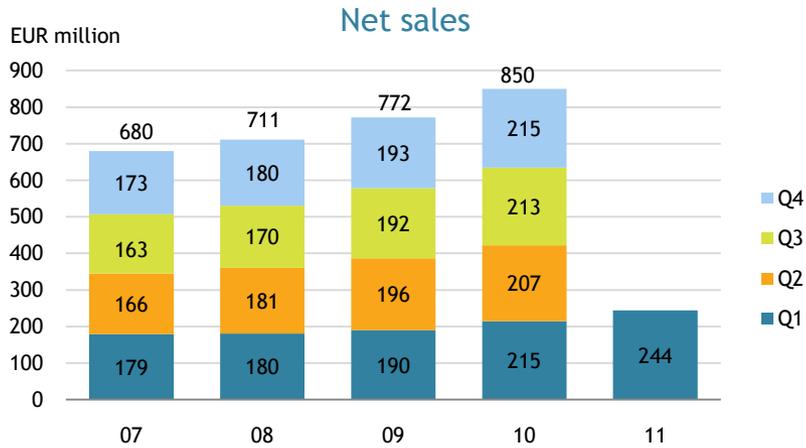
Orion's financial objectives:

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%

Key figures by quarter



Key figures for 2007-Q1/2011

Orion's key figures	2007	2008	2009	2010	Q1/2011	Q1/2010	Change %
Net sales, EUR million	680.0	710.7	771.5	849.9	244.1	214.5	+13.8%
Operating profit, EUR million	192.0	185.0	207.0	254.2	92.9	71.0	+30.7%
Profit before taxes, EUR million	193.4	184.2	203.7	252.6	92.7	70.8	+30.8%
R&D expenses, EUR million	85.0	90.0	95.2	85.5	19.8	19.2	+3.1%
Equity ratio, %	76.2%	60.2%	60.6%	62.7%	44.1%	43.8%	
Gearing, %	-20.0%	-7.1%	-8.9%	-12.2%	-29.3%	-20.9%	
ROCE (before taxes), %	44.8%	38.5%	37.4%	45.0%	72.1%	55.5%	
Return on equity, %	33.5%	32.1%	35.3%	40.7%	66.3%	54.0%	
Basic earnings per share, EUR	1.02	0.97	1.07	1.31	0.49	0.37	+30.9%
Cash flow per share before financial items, EUR	0.92	0.66	1.03	1.26	0.34	0.22	+55.2%
Dividend per share, EUR	1.00	0.95	1.00 + 0.10 ¹⁾	1.20 + 0.06 ²⁾			

¹⁾ A capital repayment of EUR 0.10 per share was paid for 2009.

²⁾ A capital repayment of EUR 0.06 per share was paid for 2010.

Growth in sales of own proprietary products

Net sales of proprietary products, EUR million

	Indication	Q1/2011	Q1/2010	Change %	2010
Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	73.6	65.8	+11.8%	252.7
Simdax [®]	Acute decompensated heart failure	10.6	10.3	+3.1%	39.9
Easyhaler [®] product family	Asthma, COPD	8.5	7.2	+18.2%	28.1
Precedex [®]	Intensive care sedative	8.3	5.4	+52.4%	27.2
Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®]	Animal sedatives	6.6	5.6	+18.2%	24.2
Divina [®] range	Menopausal symptoms	3.4	3.3	+4.2%	13.3
Fareston [®]	Breast cancer	3.2	3.0	+6.7%	11.7
Total		114.1	100.6	+13.5%	397.1
% of pharmaceutical net sales		49%	49%		49%

Income Statement 2007-Q1/2011

Formation of profits, EUR million	2007	2008	2009	2010	Q1/2011	Q1/2010	Change %
Net sales	680.0	710.7	771.5	849.9	244.1	214.5	+13.8%
Cost of goods sold	-232.8	-243.4	-265.2	-283.2	-72.7	-69.7	+4.3%
Gross profit	447.2	467.4	506.3	566.8	171.4	144.8	+18.4%
Other operating income and expenses	12.0	3.1	6.0	1.2	2.1	-2.4	+185.8%
Sales and marketing expenses	-143.4	-143.9	-160.0	-188.9	-52.1	-43.9	+18.6%
R&D expenses	-85.0	-90.0	-95.2	-85.5	-19.8	-19.2	+3.1%
Administrative expenses	-38.8	-51.5	-50.2	-39.3	-8.7	-8.2	+6.4%
Operating profit	192.0	185.0	207.0	254.2	92.9	71.0	+30.7%
Profit before taxes	193.4	184.2	203.7	252.6	92.7	70.8	+30.8%
Profit for the period	143.9	136.3	151.4	184.7	68.5	52.4	+30.7%

Orion's main research programmes

- Processing of marketing authorisation application for intensive care sedative *dexmedetomidine* by European Medicines Agency continues as anticipated and in accordance with earlier announced schedule.
- 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 are developing Parkinson's drug *Stalevo* for Japanese markets.
 - Novartis intends to submit marketing authorisation application during 2011
- **Alpha 2_c receptor antagonist** in Phase II clinical studies
 - Possible indications are treatment of Alzheimer's disease and Raynaud's phenomenon
- Orion's development of a new more effective **levodopa product** based on optimised new formulations and doses of known compounds has progressed to clinical phase.
- Development of **androgen receptor antagonist** for treatment of advanced prostate cancer jointly with Endo Pharmaceuticals has progressed to clinical phase studies.
- Early-phase studies include:
 - Prostate cancer, neuropathic pain, Parkinson's disease and Alzheimer's disease.

Patent situation of key products

Key patents or data protection expire

Molecule	Product	Indication	Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012 October 2013 ¹⁾	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⁾ Stalevo data protection expires

²⁾ Wockhardt and Sun companies entering markets from 1 April 2012

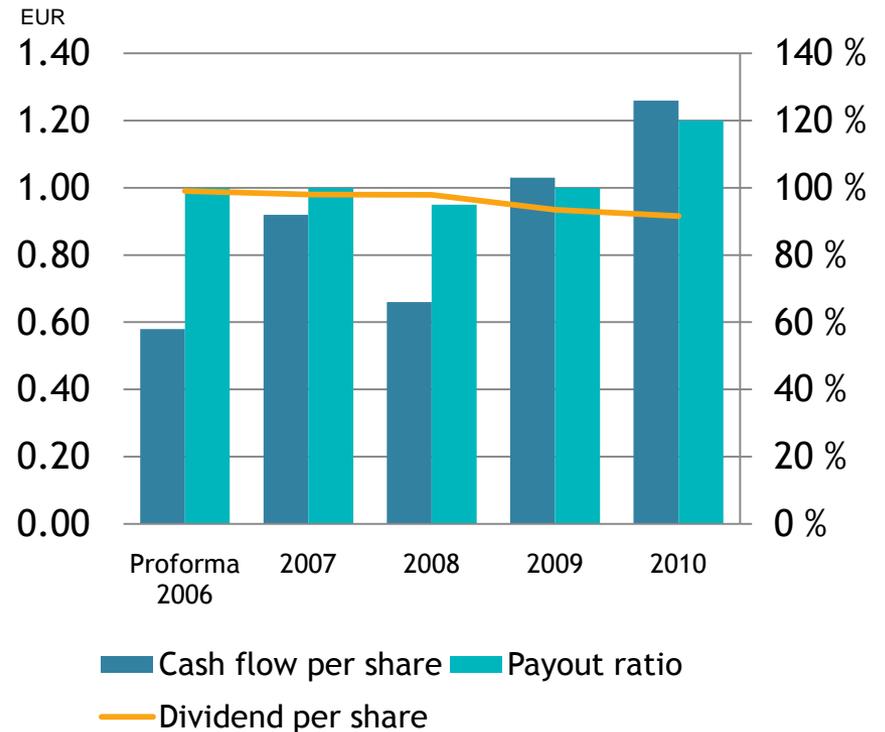
³⁾ Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

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 distribution policy





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