



ORION CORPORATION / INTERIM REPORT / JANUARY–MARCH 2011 / 27 April 2011 at 12:00 p.m. EEST

Orion Group Interim Report January–March 2011

Orion's net sales for January–March 2011 totalled EUR 244 million (EUR 215 million for January–March 2010), up by 14% on the comparative period last year. Net sales excluding the non-recurring payment of EUR 7 million from Endo Pharmaceuticals were up by 10%.

- Operating profit was EUR 93 (71) million.
- Profit before taxes was EUR 93 (71) million.
- Equity ratio was 44% (44%).
- ROCE before taxes was 72% (56%).
- ROE after taxes was 66% (54%).
- Basic earnings per share were EUR 0.49 (0.37).
- Cash flow per share before financial items was EUR 0.34 (0.22).
- Orion estimates that net sales will be slightly higher and operating profit excluding non-recurring items higher in 2011 than in 2010.

ORION'S KEY FIGURES FOR THE REVIEW PERIOD

	Q1/11	Q1/10	Change %	2010
Net sales, EUR million	244.1	214.5	+13.8%	849.9
International operations, EUR million	185.0	157.5	+17.5%	620.7
% of net sales	75.8%	73.4%		73.0%
Operating profit, EUR million	92.9	71.0	+30.7%	254.2
% of net sales	38.0%	33.1%		29.9%
Profit before taxes, EUR million	92.7	70.8	+30.8%	252.6
% of net sales	38.0%	33.0%		29.7%
Income tax expense, EUR million	24.2	18.5	+31.1%	67.9
R&D expenses, EUR million	19.8	19.2	+3.1%	85.5
% of net sales	8.1%	9.0%		10.1%
Capital expenditure, EUR million	7.2	8.0	-10.4%	39.2
% of net sales	2.9%	3.7%		4.6%
Assets total, EUR million	812.3	771.8	+5.3%	745.8
Equity ratio, %	44.1%	43.8%		62.7%
Gearing, %	-29.3%	-20.9%		-12.2%
Interest-bearing liabilities, EUR million	110.1	131.6	-16.3%	110.0
Non-interest-bearing liabilities, EUR million	343.9	303.6	+13.3%	168.4
Cash and money market investments, EUR million	214.9	201.8	+6.5%	167.2
ROCE (before taxes), %	72.1%	55.5%		45.0%
ROE (after taxes), %	66.3%	54.0%		40.7%
Basic earnings per share, EUR	0.49	0.37	+30.9%	1.31
Diluted earnings per share, EUR	0.49	0.37	+30.9%	1.31
Cash flow per share before financial items, EUR	0.34	0.22	+55.2%	1.26
Equity per share, EUR	2.54	2.39	+6.6%	3.32
Personnel at the end of the period	3,217	3,115	+3.3%	3,131
Average personnel during the period	3,179	3,123	+1.8%	3,137
Personnel expenses, EUR million	44.4	40.1	+10.7%	170.3



President and CEO Timo Lappalainen's review

"Strong growth in sales"

"Our operating profit in the first quarter of the year was clearly higher than a year ago. The good progress was due to strong and better than expected growth in sales, which also includes a non-recurring payment of EUR 7 million from Endo Pharmaceuticals.

"Sales of our Parkinson's drugs were higher than in the comparative period. It is especially promising for Orion's future that sales from our other product ranges continued to grow strongly. Precedex and the Easyhaler product family were the proprietary drugs with the fastest sales growth. Continuing investments in developing the Scandinavian portfolio of self-care products and Eastern European operations, and continual product launches have yielded results in Specialty Products. The year began well for Animal Health and Orion Diagnostica, too.

"Research and development expenses in the first quarter were only slightly higher than in the comparative period because recruitment of patients has just begun for our new clinical trials, such as the alpha 2_c receptor antagonist and androgen receptor antagonist research programmes. Research and development expenses will increase when these trials are fully operational later in the year.

"Processing of the marketing authorisation application for Orion's intensive care sedative dexmedetomidine by the European Medicines Agency is continuing as anticipated and in accordance with the earlier announced schedule. In March the results from clinical trials with the product were presented for the first time in a scientific congress.

"Our net sales growth in the first quarter was better than expected, and as a result our operating profit improved more strongly than anticipated. The good performance in the first quarter raised our expectation for the full year, so on 13 April 2011 we announced in a stock exchange release that we were upgrading our full-year outlook for the current year. According to the new estimate, net sales will increase slightly and operating profit excluding non-recurring items will increase. The full outlook forecast and the basis for it can be found on pages 6–7 of this Interim Report."



Events during the period

On 24 January Orion filed a patent infringement lawsuit in the United States to enforce Orion's US patent covering Comtan[®] against Mylan Pharmaceuticals Inc.

On 28 January Orion and Endo Pharmaceuticals Inc. announced that they had signed a novel collaboration agreement for the discovery, development and commercialisation of assets in oncology.

On 1 March Orion transferred altogether 102,900 Orion Corporation B shares held by the Company as a share bonus for 2010 to the key persons employed by the Group and belonging to the Share-based Incentive Plan of the Group.

On 31 March Orion Corporation's Annual General Meeting was held at the Helsinki Fair Centre.

Events after the period

On 13 April Orion upgraded its full-year outlook for 2011 because sales had developed well in the first quarter.

News conference and teleconference

A news conference and teleconference on the published results will be held today, Wednesday 27 April 2011, at 13:30 EEST in Hotel Kämp, address: Pohjoisesplanadi 29, Helsinki. President and CEO Timo Lappalainen will give a brief presentation in English on the financial review.

The event can be followed live as a webcast accessible via the Orion website at www.orion.fi. After the presentation, questions can be asked by telephone in Finnish and English.

The teleconference code is **891 283** and to participate in the teleconference, please call:
from United States: +1 866 803 8344
from other countries: +44 (0)20 7162 0125

News conference recordings

A recording of the webcast of the event in English will be available later the same day via a link on the Orion website. A recording of the presentation by the President and CEO in Finnish will be available on the Orion website later on the same day.

Financial report material

Financial reviews and related presentation material are available at www.orion.fi/en/ promptly after publication. The website also has a form for subscribing to Orion's releases.

Dates in Orion Calendar 2011

Interim Report January–June 2011

Interim Report January–September 2011

2 August 2011

25 October 2011



Interim Report Q1/2011

27 April 2011

For additional information about the financial review:

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www.orion.fi/en

www.orion.fi/en/investors/



Financial review Q1/2011

Net sales

The Orion Group's net sales in the first quarter of 2011 totalled EUR 244 million (EUR 215 million in the first quarter of 2010), up by 14% on the comparative period of the previous year. The net effect of currency exchange rates was plus EUR 3 million.

The Pharmaceuticals business's net sales were up by 14% at EUR 231 (203) million. The products based on in-house R&D accounted for EUR 114 (101) million, or 49% (49%) of the Pharmaceuticals business's net sales. Net sales of Orion's Stalevo[®] (carbidopa, entacapone and levodopa) and Comtess[®]/Comtan[®] (entacapone) Parkinson's drugs were up by 12% at EUR 74 (66) million, which is 32% (32%) of the Pharmaceuticals business's net sales. The net sales of other products in the portfolio totalled EUR 157 (138) million, and were up by 15% on the comparative period and up by 9% excluding the non-recurring payment of EUR 7 million from Endo Pharmaceuticals Inc.

The Diagnostics business's net sales were EUR 14 (12) million.

Operating profit

The Orion Group's operating profit was up by 31% at EUR 93 (71) million.

The Pharmaceuticals business's operating profit was EUR 92 (71) million, up by 31% on the comparative period. The gross profit grew faster than net sales due especially to an increase in royalties and milestone payments. The fixed costs of the business operations were as anticipated higher than in the comparative period.

The Diagnostics business's year has started well and the operating profit was up by 23% at EUR 2.8 (2.2) million.

Operating expenses

The Group's sales and marketing expenses were higher, as anticipated, at EUR 52 (44) million. The increase of 19% was mainly due to additional expenditure for enhancing the sales and developing the portfolio in many different business and geographic areas.

R&D expenses were up by 3% at EUR 20 (19) million and accounted for 8% (9%) of the Group's net sales. Pharmaceutical R&D expenses amounted to EUR 18 (18) million. Research projects are reported in more detail under Pharmaceuticals in the Business Reviews.

Administrative expenses were slightly higher at EUR 9 (8) million.

Other operating income and expenses increased profit by EUR 2 million (profit decrease in comparative period EUR 2 million). They comprise items arising mainly from foreign exchange hedges.

Profit before taxes

Group profit before taxes totalled EUR 93 (71) million. Basic earnings per share were EUR 0.49 (0.37) and diluted earnings per share were EUR 0.49 (0.37). Equity per share was EUR 2.54 (2.39). The return on capital employed before taxes (ROCE) was 72% (56%) and the return on equity after taxes (ROE) 66% (54%).

Financial position

The Group's gearing was -29% (-21%) and the equity ratio 44% (44%).

Total liabilities at 31 March 2011 were EUR 454 (435) million. At the end of the period, interest-bearing liabilities amounted to EUR 110 (132) million, including EUR 88 (109) million of long-term loans. The non-



interest-bearing liabilities also include the dividends and repayments of capital paid in April but transferred from equity already in March.

The Group had EUR 215 (202) million of cash and cash equivalents at the end of the period, which are invested in short-term interest-bearing instruments issued by financially solid financial institutions and corporations.

Cash flow

Cash flow from operating activities was clearly higher than in the comparative period at EUR 58 (39) million. Operating profit was clearly higher in the first quarter of 2011, and the additional amount tied up into working capital was the same as in the comparative period at EUR 34 million. The increase in working capital was due to growth in net sales, which led to the increase in trade receivables and stocks.

Cash flow from investing activities was EUR -9 (-8) million and **cash flow from financing activities** was EUR -0.2 (-0.2) million.

Capital expenditure

The Group's capital expenditure totalled EUR 7 (8) million. This comprised EUR 5 (5) million on property, plant and equipment and EUR 3 (3) million on intangible assets.

Outlook for 2011

Net sales will be 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 will be higher than in 2010.

The Group's capital expenditure will be about EUR 45 million excluding substantial corporate or product acquisitions.

Basis for outlook

Price competition in the Finnish market will persist in 2011. However, product launches will continue to support Orion's position as market leader.

In-market sales of the Parkinson's drugs grew by just under 10% in 2010. The pace of growth of sales is forecast to continue to slow in 2011. Deliveries to Novartis have typically been greatest in the first half of the year and least in the last quarter of the year. The generic competition commencing in April 2012 in the United States is not expected to have a material impact on Orion's sales in 2011.

Because the registrations and launches of new products are projects that take more than a year, the increases in resources and other inputs required in 2011 were planned mainly during the previous year.

Research and development costs can be estimated quite accurately in advance. They are partly the Company's internal fixed cost items, such as salaries and maintenance of the operating infrastructure, and partly external variable costs. External costs arise from, among other things, long-term clinical trials, which are typically performed in clinics located in several countries. The most important clinical trials scheduled for 2011 are either ongoing from the previous year or at an advanced stage of planning, therefore their cost level can be estimated rather accurately.



The estimated costs of the ongoing patent litigation in the United States are based on the planned timetables and work estimates. The costs due to the litigation will depend on a number of factors, which are difficult to estimate accurately.

Near-term risks and uncertainties relating to the outlook

The Company is not aware of any significant risk factors relating to the earnings outlook for 2011.

Sales of individual products and also Orion's sales in individual markets may vary slightly depending on the extent to which the ever-tougher price and other competition prevailing in pharmaceutical markets in recent years will specifically affect Orion's products. Deliveries to Novartis are based on timetables that are jointly agreed in advance. Nevertheless, they can change, for example as a consequence of decisions by Novartis concerning adjustments of stock levels.

Most of the exchange rate risk relates to the US dollar. Typically, only less than 15% of Orion's net sales come from the United States. As regards currencies in European countries, the overall effect will be abated by the fact that Orion has organisations of its own in most of these countries, which means that in addition to sales income, there are also costs in these currencies.

Research projects always entail uncertainty factors that may either increase or decrease estimated costs. The projects may progress more slowly or faster than assumed, or they may be discontinued. Nonetheless, changes that may occur in ongoing clinical studies are reflected in costs relatively slowly, and they are not expected to have a material impact on earnings in the current year. Owing to the nature of the research process, the timetables and costs of new studies that are being started are known well in advance. They therefore typically do not lead to unexpected changes in the estimated cost structure.

Financial objectives

Orion's financial objectives are ensuring the Group's financial stability and creating a foundation for long-term profitable growth.

The principal means of achieving these objectives are:

- improving the organic development of net sales and operating profit through product, product portfolio and corporate acquisitions
- increasing the efficiency of operations and cost control
- maintaining a stable financial position, with the equity ratio at least 50%

Sales of Stalevo[®] and Comtess[®]/Comtan[®] currently account for approximately one-third of Orion's net sales. The key patents for these Parkinson's drugs in Orion's main markets will expire in 2012–2013, which is why their sales are expected to decline over the next few years. Orion is continuously bringing new products to the market to replace this drop in net sales.

The development of Orion's net sales and profitability in the next few years will depend on how fast the sales of Parkinson's drugs will decline and, on the other hand, how the sales of other products will increase in the future. This creates a point of discontinuity in the Group's operations.

Dividend policy

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



Shares and shareholders

On 31 March 2011 Orion had a total of 141,257,828 (141,257,828) shares, of which 47,483,699 (51,140,668) were A shares and 93,774,129 (90,117,160) B shares. The Group's share capital was EUR 92,238,541.46 (92,238,541.46). At the end of March 2011 Orion held 413,754 (214,424) B shares as treasury shares. On 31 March 2011 the aggregate number of votes conferred by the A and B shares was 1,043,034,355 (1,112,716,096) excluding treasury shares.

At the end of March 2011, Orion had 60,388 (57,454) registered shareholders

Voting rights conferred by shares

Each A share entitles its holder to twenty (20) votes at General Meetings of Shareholders and each B share one (1) vote. However, a shareholder cannot vote more than 1/20 of the aggregate number of votes from the different share classes represented at the General Meetings of Shareholders. In addition, Orion and Orion Pension Fund do not have the right to vote at Orion Corporation's General Meetings of Shareholders.

Both share classes, A and B, confer equal rights to the Company's assets and dividends.

Conversion of shares

The Articles of Association entitle shareholders to demand the conversion of their A shares to B shares within the limitation on the maximum number of shares of a class. In January–March 2011 a total of 79,866 shares were converted.

Trading in Orion's shares

Orion's A shares and B shares are quoted on NASDAQ OMX Helsinki in the Large Cap group under the Healthcare sector heading under the trading codes ORNAV and ORNBV. Trading in both of the Company's share classes commenced on 3 July 2006, and information on trading in the Company's shares has been available since this date.

On 31 March 2011 the market capitalisation of the Company's shares excluding treasury shares was EUR 2,409 million.

Authorisations of the Board of Directors

Orion's Board of Directors was authorised by the Annual General Meeting on 24 March 2010 to decide on acquisition of shares in the Company and on a share issue in which shares held by the Company can be conveyed. The authorisation to acquire shares is valid for 18 months and the authorisation to issue shares for five years from the respective decision taken by the Annual General Meeting.

On 18 May 2010 the Board of Directors of Orion Corporation decided to repurchase shares as authorised by the Annual General Meeting. Orion acquired in total 300,000 B shares of Orion Corporation on 11–18 August 2010 in accordance with the decision. The shares were acquired for use as part of the long-term incentive plan for the Orion Group's key persons. Following this acquisition, the Board of Directors is not authorised to repurchase any more of the Company's own shares. The terms for repurchasing the Company's own shares under the authorisation were published in a stock exchange release on 24 March 2010.

The Board of Directors is authorised to decide on conveyance of no more than 500,000 Orion Corporation B shares held by the Company. Such shares held by the Company can be conveyed either against or without payment. Such shares held by the Company can be conveyed by selling them in public trading on NASDAQ OMX Helsinki; in a share issue placement to the Company's shareholders in proportion to their holdings at the time of the conveyance regardless of whether they own A or B shares; or in a share issue placement deviating from shareholders' pre-emptive rights if there is a weighty financial reason, such as the development of the capital structure of the Company, using the shares to finance possible corporate acquisitions or other business arrangements of the Company, financing capital expenditure or as part of the



Company's incentive plan. The share issue placement can be without payment only if there is an especially weighty financial reason in the view of the Company and to the benefit of all its shareholders. The amounts paid for shares in the Company conveyed shall be recorded in an unrestricted equity fund. The Board of Directors shall decide on other matters related to the conveyance of shares held by the Company. The authorisation was exercised as described below under the heading "Share-based Incentive Plan".

The Board of Directors is not authorised to increase the share capital or to issue bonds with warrants or convertible bonds or stock options.

Share-based Incentive Plan

In February 2010 the Board of Directors of Orion Corporation decided on a new share-based incentive plan for the Group key persons. The Plan includes earning periods and the Board of Directors will annually decide on the beginning and duration of the earning periods in 2010, 2011 and 2012. The Board of Directors will decide on the earnings criteria and on targets to be established for them at the beginning of each earning period. The target group of the Plan consists of approximately 30 people. The total maximum amount of rewards to be paid on the basis of the Plan is 500,000 Orion Corporation B shares and a cash payment corresponding to the value of the shares.

On 1 March 2011 Orion transferred altogether 102,900 Orion Corporation B shares held by the Company as a share bonus for 2010 to the key persons employed by the Group and belonging to the Share-based Incentive Plan of the Group. The transfer was based on the authorisation by the Annual General Meeting on 24 March 2010. The price per share of the transferred shares was EUR 16.7488, which was the volume weighted average quotation of Orion Corporation B shares on 1 March 2011. The total transaction price of the transferred shares was therefore EUR 1,723,452.

Share ownership

At the end of March 2011 Orion had a total of 60,388 (57,454) registered shareholders, of whom 95% (94%) were private individuals holding 53% (53%) of the entire share stock and 65% (61%) of the total votes. There were altogether 37 (32) million nominee-registered shares, which is 26% (22%) of all shares, and they conferred entitlement to 5% (4%) of the votes.

At the end of March 2011 Orion held 413,754 (214,424) B shares as treasury shares, which is 0.3% (0.2%) of the Company's total share stock and 0.04% (0.02%) of the total votes.

No new transactions exceeding the notification threshold set in the Finnish Securities Markets Act were brought to the attention of the Company during the review period.



Decisions by the Annual General Meeting

The Annual General Meeting of the Shareholders of Orion Corporation was held on 31 March 2011 at the Helsinki Fair Centre. The following matters were handled at the meeting.

Adoption of the financial statements

The Annual General Meeting adopted the financial statements of the Company and Group as per 31 December 2010.

Discharge from liability

The members of the Board of Directors and the President and CEO were discharged from liability for the financial year 1 January to 31 December 2010.

Dividend EUR 1.20 per share

A dividend of EUR 1.20 per share was approved in accordance with the Board's proposal. The record date for dividend distribution was 5 April 2011 and the payment date was 12 April 2011.

Repayment of capital EUR 0.06 per share

It was decided that EUR 0.06 per share be distributed from the expendable fund in distributable equity as repayment of capital to the shareholders. The record date for repayment of capital was 5 April 2011 and the payment date was 12 April 2011.

Remuneration of the members of the Board of Directors

As the annual fees for the term of office of the Board of Directors, the Chairman shall receive EUR 72,000, the Vice Chairman shall receive EUR 49,000 and the other Board members shall receive EUR 36,000 each. Furthermore, as a fee for each meeting attended, the Chairman shall receive EUR 1,200, the Vice Chairman shall receive EUR 900 and the other Board members shall receive EUR 600 each. The travel expenses of all Board members shall be paid in accordance with previous practice. The aforementioned meeting fees shall also be paid to the Chairmen and to the members of the committees established by the Board.

Of the aforementioned annual fees, 60% was to be paid in cash and 40% in Orion Corporation B shares, which were acquired for the Board members in the period 4 April 2011 to 8 April 2011 from the stock exchange in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,600 for the Vice Chairman and EUR 14,400 for each of the other Board members. The part of the annual fee paid in cash, which corresponds to the approximate sum necessary for the payment of the income taxes on the fees, was to be paid no later than 29 April 2011. The annual fees encompass the full term of office of the Board of Directors.

Members and Chairman of the Board of Directors

The number of members in the Board of Directors was confirmed to be six. Sirpa Jalkanen, Eero Karvonen, Matti Kavetvuo, Hannu Syrjänen, Heikki Westerlund and Jukka Ylppö were re-elected as members of the Board of Directors for the following term of office. Hannu Syrjänen was re-elected as the Chairman of the Board of Directors.

Auditor and auditor's fee

Authorised Public Accountants PricewaterhouseCoopers Oy was elected as the auditor for the following term of office. The auditor's fee shall be paid against an invoice approved by the Company.



Share premium fund reduction

It was decided to reduce the share premium fund in Orion Corporation's balance sheet on 31 December 2010 by EUR 17,797,958.60 by transferring all the share premium assets into the reserve for invested unrestricted equity.

Constitution of the Board of Directors

At its constitutive meeting following the Annual General Meeting, the Board of Directors re-elected Matti Kavetvuo as its Vice Chairman.

Personnel

The average number of employees in the Orion Group in January–March 2011 was 3,179 (3,123). At the end of March 2011 the Group had a total of 3,217 (3,115) employees, of whom 2,515 (2,491) worked in Finland and 702 (624) outside Finland.

Salaries and other personnel expenses in January–March 2011 totalled EUR 44 (40) million.

Significant legal proceedings

Legal proceedings against the Sandoz companies

On 4 September 2009 Orion Corporation and Hospira, Inc. filed together a patent infringement lawsuit in the United States against Sandoz International GmbH and Sandoz Inc. to enforce their patents valid in the United States. Sandoz Canada Inc. has since been added as a defendant in the lawsuit. The legal proceedings concern Orion's US Patent No. 4,910,214 and Orion's and Hospira's commonly owned US Patent No. 6,716,867.

Sandoz Inc. has sought authorisation to produce and market in the United States a generic version of Orion's proprietary drug Precedex[®] (dexmedetomidine hydrochloride 100 µg/ml), which is marketed in the United States by Orion's licensee Hospira.

Orion expects the costs of the legal proceedings against the Sandoz companies to be substantially less than the costs of the entacapone patent litigation that had previously been pending in the United States.

Legal proceedings against Caraco Pharmaceutical Laboratories, Ltd.

On 12 November 2010 Orion Corporation and Hospira, Inc. jointly filed a patent infringement lawsuit in the United States against Caraco Pharmaceutical Laboratories, Ltd. to enforce Orion's and Hospira's joint patent No. 6,716,867 valid in the United States.

Caraco had submitted an application for authorisation to produce and market in the United States a generic version of Orion's proprietary drug Precedex[®] (dexmedetomidine hydrochloride 100 µg/ml), which is marketed in the United States by Orion's licensee Hospira.

Orion expects the costs of the legal proceedings against Caraco to be substantially less than the costs of the entacapone patent litigation that had previously been pending in the United States. According to the schedule confirmed by the court, the main hearing of the case will commence on 13 November 2012.

Legal proceedings against Mylan Pharmaceuticals Inc.

On 24 January 2011 Orion Corporation filed a patent infringement lawsuit in the United States against Mylan Pharmaceuticals Inc. to enforce its US patent No. 5,446,194.

Mylan intends to market in the United States a generic version of entacapone tablets with strength 200 mg like Orion's Comtan[®] proprietary drug. Comtan is used as an adjunct to levodopa/carbidopa therapy to treat patients with idiopathic Parkinson's disease who experience the signs and symptoms of end-of-dose "wearing-off." Novartis is Orion's exclusive licensee for marketing the drug Comtan in the United States.



Business Reviews

Pharmaceuticals

Review of human pharmaceuticals market

According to statistics collected by Finnish Pharmaceutical Data Ltd, **Finnish wholesale of human pharmaceuticals** in January–March 2011 totalled EUR 474 (464) million, up by 2% on the comparative period of the previous year.

Finland is the most important individual market for Orion, generating about one-quarter of the total net sales. Orion was able to increase its sales faster than the markets as a whole, so strengthened its position as leader in marketing pharmaceuticals in Finland. According to statistics collected by Finnish Pharmaceutical Data Ltd, **Orion's wholesale of human pharmaceuticals in Finland** in January–March amounted to EUR 49 (47) million, up by 4% compared with the previous year. Orion's market share was 10% (10%), which was over four percentage points higher than the second-largest company's market share.

According to IMS Health pharmaceutical sales statistics, in the 12-month period ending in December 2010 the **total sales of Parkinson's drugs** in the United States were down by 7% at USD 928 million (USD 1,001 million in the previous 12-month period). The five largest European markets for Parkinson's disease drugs were Germany, the United Kingdom, France, Spain and Italy. In these countries, the combined sales of Parkinson's drugs in the 12-month period ending in December totalled EUR 1,017 (907) million, and the average market growth was 12%.

The most important individual therapy area for Orion is still the treatment of Parkinson's disease. Orion's Parkinson's drugs account for just under one-third of the Group's net sales. Sales of Orion's Parkinson's drugs continued to grow well and clearly faster than the market as a whole in the United States and in Japan. According to IMS Health pharmaceutical sales statistics, in the 12-month period ending December 2010, **sales of Orion's Parkinson's drugs** were up by 3% at USD 181 (175) million in the United States, up by 6% at a total of EUR 158 (149) million in the five largest markets in Europe, and up by 43% at EUR 47 (33) million in Japan. The market share of Orion's Parkinson's drugs was 20% in the United States, on average 16% in the five largest European markets and 10% in Japan.

According to IMS Health pharmaceutical sales statistics, sales of Orion's **Precedex[®] intensive care sedative (dexmedetomidine)** were up by 59% at USD 160 million in the 12-month period ending December 2010 (USD 101 million in the previous 12-month period). About four-fifths of the sales amounting to USD 132 (85) million were in the United States, where Precedex[®] sales grew by 55%.

Net sales and operating profit of the Pharmaceuticals business

Net sales of the Pharmaceuticals business in January–March 2011 were EUR 231 (203) million, up by 14% on the comparative review period of the previous year. The operating profit of the Pharmaceuticals business was up by 31% at EUR 92 (71) million. The operating profit of the Pharmaceuticals business including a non-recurring payment of EUR 7 million from Endo Pharmaceuticals was 40% (35%) of the segment's net sales.

Net sales of Orion's top ten pharmaceuticals in January–March 2011 were up by 13% at EUR 127 (112) million. They accounted for 55% (55%) of the total net sales of the Pharmaceuticals business. Among these best-sellers, the clearly fastest-growing product was the intensive care sedative Precedex[®].

Net sales of the products based on own in-house R&D were up by 14% at EUR 114 (101) million in January–March 2011. These products accounted for about 49% (49%) of the net sales of the Pharmaceuticals business.



Proprietary Products

The product portfolio of Proprietary Products consists of patented prescription products in three therapy areas: central nervous system diseases, oncology and critical care, and Easyhaler[®] pulmonary drugs.

Net sales of Proprietary Products in January–March 2011 were up by 21% at EUR 113 (94) million.

Orion's drugs for treatment of Parkinson's disease are Stalevo[®] (active ingredients carbidopa, levodopa, entacapone) and Comtess[®]/Comtan[®] (entacapone), and their net sales in January-March 2011 totalled EUR 74 (66) million. The net sales of Parkinson's drugs were up by 12% and accounted for 32% (32%) of the total net sales of the Pharmaceuticals business. Net sales from deliveries of Stalevo[®] and Comtan[®] to Novartis were up by 18% at a total of EUR 49 (42) million. Deliveries of Stalevo[®] to Novartis increased by 27%, and deliveries of Comtan[®] by 7%. Total net sales generated by Stalevo[®] and Comtess[®] in Orion's own sales organisation totalled EUR 24 (24) million. Sales through Orion's own sales organisation totalled EUR 20 (20) million for Stalevo[®] and EUR 4 (5) million for Comtess[®].

The US Food and Drug Administration (FDA) has an ongoing safety review of Stalevo, which began in spring 2009. Orion is assisting the FDA in undertaking the safety review, but does not have precise information on when the safety review will be completed.

Net sales of Simdax[®], a drug for acute decompensated heart failure, totalled EUR 11 (10) million in January–March 2011.

Net sales of the Easyhaler[®] product family for treatment of asthma and chronic obstructive pulmonary disease were up by 18% in January–March 2011 at EUR 9 (7) million. Sales of Easyhaler products through Orion's own sales organisation in Europe continued to grow strongly in the first quarter of the year. Sales through partners also grew, especially in Germany, which is one of the largest markets for the product family.

Net sales of the Precedex[®] intensive care sedative (active ingredient dexmedetomidine) were up by 52% in January-March 2011 at EUR 8 (5) million. In-market sales grew strongly in all markets. In the United States and markets outside Europe the sedative is sold by Orion's partner Hospira. US markets account for about four-fifths of net sales of Precedex.

Specialty Products

Net sales of the Specialty Products business division's off-patent, i.e. generic, prescription drugs and self-care products in January–March 2011 were up by 10% at EUR 80 (73) million. Net sales of the business division in markets outside Finland were up by 20% compared with the corresponding period in the previous year. Growth was especially strong in Scandinavia, which Orion aims to make its domestic market. There was also growth in Russia and Eastern Europe. The number of generic prescription drug and self-care product launches remained high in the first quarter of the year.

Net sales Orion's human pharmaceuticals in Finland were up by 4% at EUR 54 (52) million in January–March 2011. Specialty Products accounted for the majority of sales in Finland. Orion has a broad product portfolio, particularly in substitutable prescription drugs, and a competitive self-care product portfolio in Finland.

Net sales of Orion's human pharmaceuticals in Eastern Europe in January–March 2011 were up by 35% at EUR 14 (10) million. Specialty Products account for the majority of sales in the region. The robust growth in net sales is the result of prolonged work to strengthen the market position through a competitive product portfolio.



Animal Health

Net sales of the Animal Health business division in January–March 2011 were up by 12% at EUR 17 (15) million. Net sales of the animal sedatives were up by 18% and accounted for 39% (37%) of the division's net sales. Orion's animal sedatives are Dexdomitor[®] (dexmedetomidine), Domitor[®] (medetomidine), Domosedan[®] (detomidine) and Antisedan[®] (atipamezole)

Product launches and new distribution agreements in the first quarter strengthened Orion's position in the Nordic veterinary drug market, where Orion is one of the three largest marketers of veterinary drugs.

According to statistics collected by Pharma Industry Finland, the Finnish market for veterinary drugs totalled about EUR 11 (11) million in the first quarter of 2011. Orion was the second-largest marketer, with a market share of 19% (19%). Orion was the only one of the five largest veterinary drug companies that increased its sales compared with the corresponding period last year.

Fermion

Fermion manufactures active pharmaceutical ingredients for Orion and other pharmaceutical companies. Its product range comprises nearly 30 pharmaceutical ingredients. Fermion's net sales in January–March 2011 excluding pharmaceutical ingredients supplied for Orion's own use were EUR 13 (14) million and accounted for about two-thirds of Fermion's entire net sales. Several key products performed well, even though competition in the markets remained intense.

Research and development projects

The Group's R&D expenses in January–March 2011 totalled EUR 20 (19) million, of which the Pharmaceuticals business accounted for EUR 18 (18) million. The Group's R&D expenses accounted for 8% (9%) of the Group's net sales. R&D expenses also include expenses relating to development of the current portfolio.

In January, Orion and Endo Pharmaceuticals Inc. announced that they had signed a novel collaboration agreement for the discovery, development and commercialisation of assets in oncology. The companies will begin development of altogether eight drug candidates, four from each of them. One of the programmes is in the clinical phase. The companies are sharing the clinical research costs. For products arising from the development work, Orion will have the marketing rights in Europe and Russia, and Endo Pharmaceuticals in North America.

Concurrently with the establishment of the partnership, Endo Pharmaceuticals exercised its option to license the lead asset in this collaboration discovered at Orion, a novel **androgen receptor antagonist** for the treatment of advanced prostate cancer. The companies will now jointly continue developing this drug candidate with the objective of approval globally. Endo Pharmaceuticals has made a non-recurring payment of EUR 7 million to Orion. Clinical trials commenced in the first quarter of the current year in Europe.

Processing of the marketing authorisation application for Orion's intensive care sedative **dexmedetomidine** by the European Medicines Agency is continuing as anticipated and in accordance with the earlier announced schedule. In March the results from clinical trials with the product were presented for the first time at the International Symposium on Intensive Care and Emergency Medicine (ISICEM) in Brussels.

Orion has ongoing projects to broaden the range of the inhalable **Easyhaler[®] drugs** product family. Orion is developing a **budesonide-formoterol formulation** that combines budesonide as an anti-inflammatory agent and formoterol as a long-acting bronchodilator. The results of research with the objective of a marketing authorisation application are expected during 2011. In addition, Orion has another Easyhaler[®] research programme in progress to develop a **fluticasone-salmeterol formulation**. In this formulation fluticasone acts as an anti-inflammatory agent and salmeterol acts as a long-acting bronchodilator.

Orion is collaborating with Novartis to develop **Stalevo[®] drug for the Japanese market**. Novartis intends to submit a marketing authorisation application during 2011.



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Orion has Phase II clinical trials with the **alpha 2_c receptor antagonist** in progress. In early research, this compound has been found to be possibly suitable for the treatment of Alzheimer's disease and Raynaud's phenomenon.

Orion is developing a new more effective **levodopa product** based on optimised new formulations and doses of known compounds. Product development is in the clinical trials phase.

In addition, Orion has several projects in the **early research phase** investigating prostate cancer, neuropathic pain, Parkinson's disease and Alzheimer's disease, among others.

In March the US pharmaceutical company GTx announced that GTx and French pharmaceutical company Ipsen had ended their collaboration that focused on the use of 80 mg doses of toremifene for treating the adverse effects of prostate cancer treatment. Orion originally developed toremifene for treatment of breast cancer.

Diagnostics

Orion Diagnostica manufactures convenient and quick in vitro diagnostic tests and testing systems suitable for point-of-care testing. Net sales of the Diagnostics business in January–March 2011 were up by 17% at EUR 14 (12) million.

Sales of QuikRead[®] infection tests remained strong. Sales of collagen tests that measure bone and connective tissue metabolism also developed well. Progress in the Nordic countries was stronger than in the comparative period, and sales continued to grow in China and the Czech Republic, for example.

The launching of the new more user-friendly prefilled QuikRead 101 system and QuikRead go[®], a new generation testing instrument, which began in 2010, progressed as planned in the first quarter of this year.

The operating profit of the Diagnostics business was up 23% at EUR 2.8 (2.2) million and accounted for 20% (19%) of the segment's net sales.

Espoo, 27 April 2011

Board of Directors of Orion Corporation

Orion Corporation

Timo Lappalainen
President and CEO

Jari Karlson
CFO



Tables

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1/11	Q1/10	Change %	2010
Net sales	244.1	214.5	+13.8%	849.9
Cost of goods sold	-72.7	-69.7	+4.3%	-283.2
Gross profit	171.4	144.8	+18.4%	566.8
Other operating income and expenses	2.1	-2.4	+185.8%	1.2
Selling and marketing expenses	-52.1	-43.9	+18.6%	-188.9
R&D expenses	-19.8	-19.2	+3.1%	-85.5
Administrative expenses	-8.7	-8.2	+6.4%	-39.3
Operating profit	92.9	71.0	+30.7%	254.2
Finance income	1.3	1.0	+32.6%	4.2
Finance expenses	-1.5	-1.2	+26.0%	-5.9
Profit before taxes	92.7	70.8	+30.8%	252.6
Income tax expense	-24.2	-18.5	+31.1%	-67.9
Profit for the period	68.5	52.4	+30.7%	184.7

OTHER COMPREHENSIVE INCOME INCLUDING TAX EFFECTS

Change in value of cash flow hedges	-0.5	-0.2	+131.3%	1.6
Change in value of available-for-sale financial assets	-0.1			
Translation differences	-0.6	0.4	-230.5%	1.3
Other comprehensive income net of tax	-1.2	0.2	-692.4%	2.9
Comprehensive income for the period including tax effects	67.3	52.6	+27.9%	187.6

PROFIT ATTRIBUTABLE TO:

Owners of the parent company	68.5	52.4	+30.7%	184.7
Non-controlling interests	0.0	0.0		0.0

COMPREHENSIVE INCOME ATTRIBUTABLE TO:

Owners of the parent company	67.3	52.6	+27.9%	187.6
Non-controlling interests	0.0	0.0		0.0

Basic earnings per share, EUR ¹⁾	0.49	0.37	+30.9%	1.31
Diluted earnings per share, EUR ¹⁾	0.49	0.37	+30.9%	1.31
Depreciation, amortisation and impairment	12.9	8.7	+48.2%	38.9
Personnel expenses	44.4	40.1	+10.7%	170.3

1) The figure has been calculated from the profit attributable to the owners of the parent company.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR million	3/11	3/10	Change %	2010
Property, plant and equipment	185.1	190.9	-3.0%	187.1
Goodwill	13.5	13.5		13.5
Intangible rights	61.0	63.7	-4.3%	65.3
Other intangible assets	4.4	3.7	+19.2%	4.2
Investments in associates	1.4	0.1		1.3
Available-for-sale investments	1.3	1.0	+35.7%	1.0
Pension asset	32.7	29.8	+9.7%	31.6
Deferred tax assets	2.7	5.5	-50.9%	2.9
Other non-current assets	2.3	0.8	+212.9%	2.4
Non-current assets total	304.4	308.9	-1.5%	309.3
Inventories	136.9	123.8	+10.5%	131.1
Trade receivables	131.7	121.6	+8.3%	118.3
Other receivables	24.5	15.6	+56.4%	20.0
Money market investments				77.7
Cash and cash equivalents	214.9	201.8	+6.5%	89.5
Current assets total	507.9	462.9	+9.7%	436.5
Assets total	812.3	771.8	+5.3%	745.8

EQUITY AND LIABILITIES

EUR million	3/11	3/10	Change %	2010
Share capital	92.2	92.2		92.2
Share premium	17.8	17.8		17.8
Expendable fund	0.5	8.9	-94.5%	8.9
Other reserves	0.9	-0.2	+525.3%	1.6
Retained earnings	246.9	217.8	+13.3%	346.8
Equity attributable to owners of the parent company	358.3	336.6	+6.5%	467.4
Non-controlling interests	0.0	0.0	+18.8%	0.0
Equity total	358.4	336.6	+6.5%	467.4
Deferred tax liabilities	44.3	41.9	+5.8%	44.8
Pension liability	0.7	0.8	-13.7%	0.7
Provisions	0.3	0.4	-43.7%	0.4
Interest-bearing non-current liabilities	87.5	108.8	-19.5%	87.5
Other non-current liabilities	0.1	0.4	-72.9%	0.1
Non-current liabilities total	132.9	152.3	-12.7%	133.6
Trade payables	41.4	40.5	+2.3%	49.0
Income tax liabilities	23.9	10.7	+123.3%	12.7
Other current liabilities	233.1	208.8	+11.7%	60.6
Provisions	0.0	0.0		
Interest-bearing current liabilities	22.6	22.8	-1.1%	22.5
Current liabilities total	321.1	282.8	+13.5%	144.8
Liabilities total	454.0	435.2	+4.3%	278.4
Equity and liabilities total	812.3	771.8	+5.3%	745.8



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- a. Share capital
- b. Share premium
- c. Expendable fund
- d. Other reserves
- e. Translation differences
- f. Retained earnings
- g. Non-controlling interests
- h. Equity total**

EUR million	Equity attributable to owners of the parent company							
	a.	b.	c.	d.	e.	f.	g.	h.
Equity at 1 January 2010	92.2	17.8	23.0	0.0	-5.7	311.7	0.0	439.1
Profit for the period						52.4		52.4
Other comprehensive income:								
Change in value of cash flow hedges				-0.2				-0.2
Translation differences					0.4			0.4
Transactions with owners and non-controlling interests:								
Dividend and capital repayment			-14.1			-141.0		-155.1
Share-based incentive plan						0.1		0.1
Equity at 31 March 2010	92.2	17.8	8.9	-0.2	-5.3	223.2	0.0	336.6
Equity at 1 January 2011	92.2	17.8	8.9	1.6	-4.4	351.2	0.0	467.4
Profit for the period						68.5		68.5
Other comprehensive income:								
Change in value of cash flow hedges				-0.5				-0.5
Change in value of available-for-sale financial assets				-0.1				-0.1
Translation differences					-0.6			-0.6
Transactions with owners and non-controlling interests:								
Dividend and capital repayment			-8.5			-169.0		-177.5
Share-based incentive plan						1.3		1.3
Other adjustments						-0.2		-0.2
Equity at 31 March 2011	92.2	17.8	0.5	0.9	-5.0	251.9	0.0	358.4



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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1/11	Q1/10	2010
Operating profit	92.9	71.0	254.2
Adjustments	12.0	10.1	33.7
Change in working capital	-33.9	-34.7	-27.6
Interest paid	-1.3	-0.9	-5.7
Interest received	1.4	1.0	4.3
Income taxes paid	-13.4	-7.2	-49.9
Net cash generated from operating activities, total	57.7	39.4	209.1
Investments in property, plant and equipment	-6.0	-6.4	-22.1
Investments in intangible assets	-3.7	-2.0	-13.3
Acquisition of an associate	-0.0		-1.3
Sale of a subsidiary less cash and cash equivalents at sale date	0.3		4.5
Sales of property, plant and equipment and available-for-sale investments	0.1	0.1	1.2
Sales of intangible assets	0.0	0.2	0.2
Net cash used in investing activities, total	-9.2	-8.1	-30.8
Short-term loans raised	0.1	0.1	0.6
Repayments of short-term loans	-0.3	-0.3	-2.0
Repayments of long-term loans			-21.0
Repurchase of own shares			-4.6
Dividends paid and other distribution of profits	-0.0	-0.0	-155.3
Total net cash flow from financing activities	-0.2	-0.2	-182.2
Net change in cash, cash equivalents and money market investments	48.3	31.1	-4.0
Cash, cash equivalents and money market investments at the beginning of the period	167.2	170.5	170.5
Foreign exchange differences	-0.5	0.3	0.7
Net change in cash, cash equivalents and money market investments	48.3	31.1	-4.0
Cash, cash equivalents and money market investments at the end of the period	214.9	201.8	167.2
Reconciliation of cash and cash equivalents in Statement of Financial Position			
Cash and cash equivalents at 31 March in Statement of Financial Position	214.9	201.8	89.5
Money market investments at 31 March			77.7
Cash and cash equivalents in Statement of Cash Flows	214.9	201.8	167.2



CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	3/11	3/10	2010
Carrying amount at the beginning of the period	187.1	192.0	192.0
Additions	4.7	5.4	23.3
Sale of real estate limited company			-0.5
Other disposals	-0.3	-0.1	-1.1
Depreciation and impairments	-6.4	-6.5	-26.6
Carrying amount at the end of the period	185.1	190.9	187.1

CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

EUR million	3/11	3/10	2010
Carrying amount at the beginning of the period	69.5	67.0	67.0
Additions	2.5	2.6	14.6
Disposals	-0.0		-0.0
Depreciation and impairments	-6.5	-2.2	-12.3
Carrying amount at the end of the period	65.4	67.4	69.5

COMMITMENTS AND CONTINGENCIES

EUR million	3/11	3/10	2010
CONTINGENCIES FOR OWN LIABILITIES			
Mortgages on land and buildings	41.0	41.0	41.0
of which those to Orion Pension Fund	9.0	9.0	9.0
Guarantees	1.2	1.1	1.3
OTHER LIABILITIES			
Leasing liabilities (excluding finance lease contracts)	3.8	4.2	4.1
Other liabilities	0.3	0.3	0.3

DERIVATIVES

EUR million	3/11	3/10	2010
FORWARD EXCHANGE CONTRACTS AND CURRENCY SWAPS			
Fair value, EUR million	0.7	-1.8	-0.8
Nominal value, EUR million	49.4	70.5	56.1
CURRENCY OPTIONS			
Fair value, EUR million	0.6		-0.0
Nominal value, EUR million	41.2		33.4
ELECTRICITY FORWARD CONTRACTS			
Fair value, EUR million	1.2	-0.5	1.9
Nominal value, GWh	183	156	171

RELATED PARTY TRANSACTIONS

EUR million	Q1/11	Q1/10	2010
Management's employment benefits	3.0	2.6	4.4



Operating segment performance

NET SALES BY BUSINESS DIVISION

EUR million	Q1/11	Q1/10	Change %	2010
Pharmaceuticals	231.0	203.3	+13.6%	806.2
Proprietary Products	113.4	93.5	+21.3%	370.9
Specialty Products	80.2	73.1	+9.6%	298.6
Animal Health	17.1	15.3	+11.9%	67.5
Fermion	12.9	13.5	-4.8%	44.9
Contract manufacturing and other	7.4	7.9	-5.7%	24.4
Diagnostics	13.7	11.7	+16.7%	46.1
Group items	-0.6	-0.6	-2.4%	-2.4
Group total	244.1	214.5	+13.8%	849.9

OPERATING PROFIT BY BUSINESS AREA

EUR million	Q1/11	Q1/10	Change %	2010
Pharmaceuticals	92.3	70.5	+30.8%	252.2
Diagnostics	2.8	2.2	+23.4%	6.1
Group items	-2.1	-1.7	+24.0%	-4.1
Group total	92.9	71.0	+30.7%	254.2

NET SALES BY ANNUAL QUARTERS

EUR million	2011		2010			2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Pharmaceuticals	231.0	203.7	203.2	196.0	203.3	181.9	181.8	185.9
Diagnostics	13.7	11.8	10.5	12.1	11.7	12.0	10.5	11.0
Group items	-0.6	-0.6	-0.5	-0.7	-0.6	-0.6	-0.5	-0.5
Group total	244.1	214.9	213.2	207.4	214.5	193.3	191.8	196.4

OPERATING PROFIT BY ANNUAL QUARTERS

EUR million	2011		2010			2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Pharmaceuticals	92.3	49.9	71.5	60.4	70.5	45.5	56.6	51.6
Diagnostics	2.8	1.0	1.0	1.9	2.2	1.2	1.0	1.1
Group items	-2.1	1.7	-1.8	-2.3	-1.7	-2.8	-1.9	-2.3
Group total	92.9	52.6	70.6	60.0	71.0	43.9	55.7	50.4

GEOGRAPHICAL BREAKDOWN OF NET SALES BY ANNUAL QUARTERS

EUR million	2011		2010			2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Finland	59.1	61.0	57.6	53.7	56.9	59.2	55.6	55.0
Scandinavia	33.4	28.6	28.4	28.1	29.0	25.9	24.5	25.8
Other Europe	80.2	77.4	70.0	72.7	72.1	72.8	68.9	71.8
North America	38.7	22.1	31.1	26.3	30.3	12.1	18.1	18.2
Other markets	32.8	25.8	26.0	26.7	26.1	23.4	24.7	25.6
Group total	244.1	214.9	213.2	207.4	214.5	193.3	191.8	196.4



Business reviews

KEY FIGURES FOR PHARMACEUTICALS BUSINESS

EUR million	Q1/11	Q1/10	Change %	2010
Net sales	231.0	203.3	+13.6%	806.2
Operating profit	92.3	70.5	+30.8%	252.2
% of net sales	39.9%	34.7%		31.3%
R&D expenses	18.2	17.9	+2.2%	79.5
% of net sales	7.9%	8.8%		9.9%
Capital expenditure	6.8	7.5	-9.2%	36.2
% of net sales	2.9%	3.7%		4.5%
Sales revenue from proprietary products	114.1	100.6	+13.5%	397.1
Personnel at the end of the period	2,885	2,795		2,803

NET SALES OF ORION'S TOP 10 PHARMACEUTICAL PRODUCTS

EUR million	Q1/11	Q1/10	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
Burana® (inflammatory pain)	5.8	5.0	+15.2%	21.5
Marevan® (anticoagulant)	3.8	3.1	+19.3%	13.1
Divina® range (menopausal symptoms)	3.4	3.3	+4.2%	13.3
Fareston® (breast cancer)	3.2	3.0	+6.7%	11.7
Enanton® (prostate cancer)	3.0	3.1	-1.4%	13.0
Total	126.7	111.8	+13.3%	444.6
Share of pharmaceutical net sales	55%	55%		55%

KEY FIGURES FOR DIAGNOSTICS BUSINESS

EUR million	Q1/11	Q1/10	Change %	2010
Net sales	13.7	11.7	+16.7%	46.1
Operating profit	2.8	2.2	+23.4%	6.1
% of net sales	20.2%	19.1%		13.3%
R&D expenses	1.6	1.4	+14.9%	6.0
% of net sales	11.5%	11.7%		13.1%
Capital expenditure	0.3	0.5	-35.1%	2.5
% of net sales	2.5%	4.4%		5.5%
Personnel at the end of the period	308	293		301



Information on Orion's shares

BASIC SHARE INFORMATION 31 MARCH 2011

	A shares	B shares	Total
Trading code on NASDAQ OMX Helsinki	ORNAV	ORNBV	
Listing day	1 Jul 2006	1 Jul 2006	
ISIN code	FI0009014369	FI0009014377	
GICS code	35202010	35202010	
Reuters code	ORNAV.HE	ORNBV.HE	
Bloomberg code	ORNAV.FH	ORNBV.FH	
Share capital, EUR million	31.0	61.2	92.2
Counter book value per share, EUR	0.65	0.65	
Total number of shares	47,483,699	93,774,129	141,257,828
% of total share stock	34%	66%	100%
Number of treasury shares		413,754	413,754
Total number of shares excluding treasury shares	47,483,699	93,360,375	140,844,074
Minimum number of shares			1
Maximum number of A and B shares, and maximum number of all shares	500,000,000	1,000,000,000	1,000,000,000
Votes per share	20	1	
Number of votes excluding treasury shares	949,673,980	93,360,375	1,043,034,355
% of total votes	91%	9%	100%
Total number of shareholders	19,875	47,192	60,388

A shares and B shares confer equal rights to the Company's assets and dividends.

INFORMATION ON TRADING 1 JANUARY – 31 MARCH 2011

	A shares	B shares	Total
Shares traded	1,098,793	18,296,686	19,395,479
% of the total number of shares	2.3%	19.5%	13.7%
Trading volume, EUR million	18.4	305.6	323.9
Closing quotation on 31 Dec 2010, EUR	16.40	16.37	
Lowest quotation, EUR (A and B 15 March 2011)	16.04	16.08	
Average quotation, EUR	16.70	16.70	
Highest quotation, EUR (A 13 April, B 9 and 23 March 2011)	17.14	17.13	
Closing quotation on 31 March 2011, EUR	17.08	17.12	
Market capitalisation on 31 March 2011 excluding treasury shares, EUR million	811.0	1,598.3	2,409.4

PERFORMANCE PER SHARE

	Q1/11	Q1/10	Change %	2010
Basic earnings per share, EUR	0.49	0.37	+30.9%	1.31
Diluted earnings per share, EUR	0.49	0.37	+30.9%	1.31
Cash flow per share before financial items, EUR	0.34	0.22	+55.2%	1.26
Equity per share, EUR	2.54	2.39	+6.6%	3.32
Average number of shares excluding treasury shares, 1,000 shares	140,775	141,000		140,917



Appendices

Reporting

Orion Corporation is the parent company of the Orion Group. The Group consists of two business areas, or operating segments, and five business divisions. Orion reports on its operations segmentally.

- Pharmaceuticals business
 - Proprietary Products (patented prescription products for three therapy areas)
 - Specialty Products (off-patent, generic prescription products and self-care products)
 - Animal Health (veterinary products for pets and production animals)
 - Fermion (active pharmaceutical ingredients for Orion and other companies)
- Diagnostics business
 - Orion Diagnostica (diagnostic test systems for point-of-care in healthcare and hygiene tests for industry).

Contract manufacturing and other, i.e. manufacturing for other companies, is included in the Pharmaceuticals business segment, but it is not a separate business division, it is part of the Group's Supply Chain organisation.

Accounting policies

This Interim Report has been prepared in accordance with IAS 34 *Interim Financial Reporting* standard applying the same accounting policies as for the Financial Statements 2010. In addition, the following new standards, interpretations and amendments to existing standards and interpretations endorsed by the EU have been adopted as of 1 January 2011. However, they do not have material effects on the Consolidated Financial Statements:

- IAS 24 (Revised), *Related Party Disclosures*
- IAS 32 (Amendment), *Financial Instruments: Presentation – Classification of Rights Issues*
- IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments*
- IFRIC 14 (Amendment), *IAS 19, Prepayments of a Minimum Funding Requirement*

IASB published changes to seven standards or interpretations in 2010 as part of the annual improvements to standards. As of 1 January 2011 the Group has adopted the following changes endorsed by the EU, but they do not have material effects on the Consolidated Financial Statements.

- IFRS 3 (Amendments), *Business Combinations*
- IFRS 7 (Amendment), *Financial Instruments: Financial Statement Disclosures*
- IAS 1 (Amendment), *Presentation of Financial Statements – Statement of Changes in Equity*
- IAS 27 (Amendment), *Consolidated and Separate Financial Statements*
- IAS 34 (Amendment), *Interim Financial Reporting*
- IFRIC 13 (Amendment), *Customer Loyalty Programmes*

The policies and calculation methods applied during the period can be found on the Orion website at www.orion.fi/en/investors.

Other matters

The data in this financial review are not audited.

The figures in parentheses are for the comparative period of the previous year. All the figures in this report have been rounded, which is why the total sums of individual figures may differ from the total sums shown.



CALCULATION OF THE KEY FIGURES

$$\text{Return on capital employed (ROCE), \%} = \frac{\text{Profit before taxes + Interest and other finance expenses}}{\text{Total assets - Non-interest-bearing liabilities (average during the period)}} \times 100$$

$$\text{Return on equity (ROE), \%} = \frac{\text{Profit for the period}}{\text{Total equity (average during the period)}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity}}{\text{Total assets - Advances received}} \times 100$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - Cash and cash equivalents - Money market investments}}{\text{Equity}} \times 100$$

$$\text{Earnings per share, EUR} = \frac{\text{Profit available for the owners of the parent company}}{\text{Average number of shares during the period, excluding treasury shares}}$$

$$\text{Cash flow per share before financial items, EUR} = \frac{\text{Cash flow from operating activities + Cash flow from investing activities}}{\text{Average number of shares during the period, excluding treasury shares}}$$

$$\text{Equity per share, EUR} = \frac{\text{Equity of the owners of the parent company}}{\text{Number of shares at the end of the period, excluding treasury shares}}$$

$$\text{Average share price, EUR} = \frac{\text{Total EUR value of shares traded}}{\text{Average number of traded shares during the period}}$$

$$\text{Market capitalisation, EUR million} = \text{Number of shares at the end of the period} \times \text{Closing quotation of the period}$$

Publisher:
Orion Corporation
www.orion.fi/en

Orion is an innovative European R&D-based pharmaceutical and diagnostic company with a special emphasis on developing medicinal treatments and diagnostic tests for global markets. Orion develops, manufactures and markets human and veterinary pharmaceuticals, active pharmaceutical ingredients and diagnostic tests. Orion's pharmaceutical R&D focuses on the following core therapy areas: central nervous system drugs, oncology and critical care drugs, and Easyhaler® pulmonary drugs.

The Group's net sales in 2010 amounted to EUR 850 million. The Company invested EUR 86 million in research and development. At the end of 2010, the Group had about 3,100 employees, of whom 2,500 worked in Finland and the rest in other countries. Orion's A and B shares are listed on NASDAQ OMX Helsinki.