



Orion Financial Review for 2012

5 February 2013

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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.

Significant progress in research projects

- Net sales higher due to sales growth in products other than Parkinson's drugs
- Operating profit at similar level to 2011 despite higher R&D expenses
- Pharmaceutical research projects progressed as planned
 - Orion is preparing an application for marketing authorisation in Europe for an Easyhaler® budesonide-formoterol combined formulation (asthma, COPD)
 - Positive Phase II results from ORM-12741 project (Alzheimer's disease)
 - Positive Phase II results from ODM-101 project (Parkinson's disease)
 - Promising Phase I/II results from ODM-201 project (prostate cancer)
 - New ODM-103 project entered clinical Phase I trials (Parkinson's disease)
- Dividend per share proposed by Board of Directors EUR 1.30

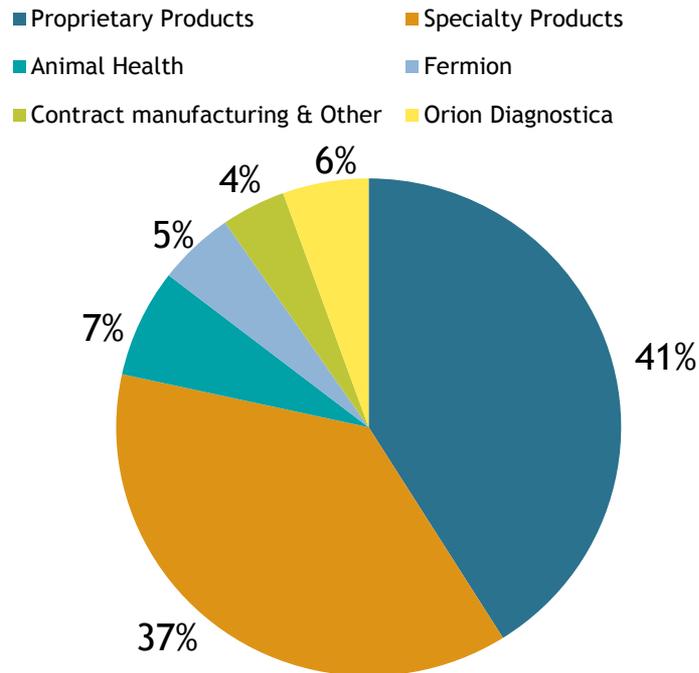
Net sales and operating profit

| Group key figures | 2012 | 2011 | Change % |
|---|------|------|----------|
| Net sales, EUR million | 980 | 918 | +7% |
| Operating profit, EUR million | 281 | 283 | -1% |
| Basic earnings per share, EUR | 1.48 | 1.49 | -0.4% |
| Cash flow per share before financial items, EUR | 1.23 | 1.10 | +12% |

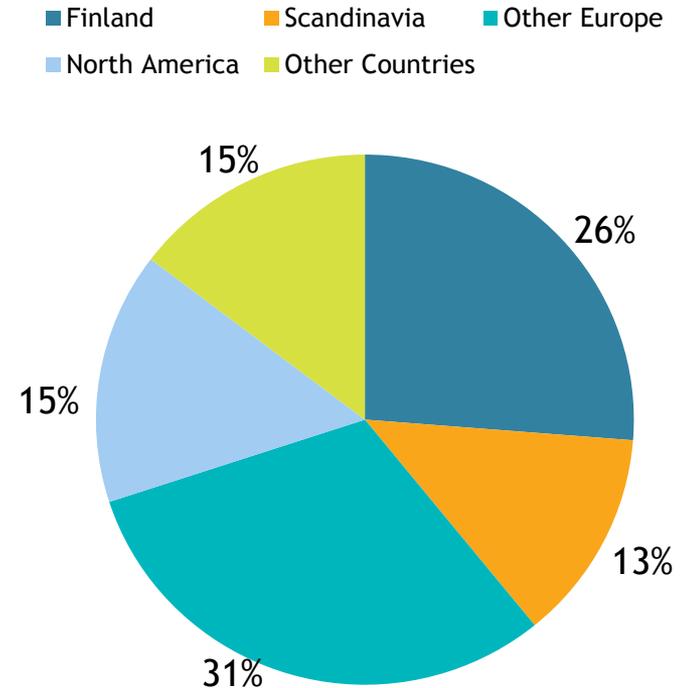
- Net sales up by 7%
 - Sales of branded products based on in-house R&D accounted for 46% (48%) of Pharmaceuticals business's net sales
 - Pharmaceuticals business's net sales excluding Parkinson's drugs (Stalevo®, Comtess® and Comtan®) up by 12%
 - Strong growth in many business divisions
- Operating profit at similar level to 2011
 - Higher proportion of sales from products with lower margins
 - R&D expenses higher as anticipated

Breakdown of net sales

By business divisions



By market area





Business Reviews

Pharmaceuticals business continued to grow

| Key figures for Pharmaceuticals business | 2012 | 2011 | Change % |
|---|------|------|----------|
| Net sales of Pharmaceuticals, EUR million | 929 | 871 | +7% |
| Proprietary Products | 404 | 409 | -1% |
| Specialty Products | 367 | 321 | +14% |
| Animal Health | 69 | 68 | +2% |
| Fermion | 48 | 43 | +12% |
| Contract manufacturing and other | 41 | 30 | +36% |
| Pharmaceuticals operating profit, EUR million | 289 | 288 | +1% |

- Parkinson's drugs accounted for 27% (31%) of segment's net sales
- Net sales excluding Parkinson's drugs grew by 12%
 - *dexdor*[®] entered list of top ten best-selling pharmaceuticals
- Orion clear market leader in Finland
- Strong growth in Specialty Products, Fermion and Contract Manufacturing

Best-selling pharmaceuticals

Orion's best-selling pharmaceuticals, EUR million

| | 2012 | 2011 | Change % |
|--|------------|------------|------------|
| 1. Stalevo®, Comtess® and Comtan® (Parkinson's disease) | 250 | 267 | -6% |
| 2. Precedex® (intensive care sedative) | 45 | 33 | +38% |
| 3. Simdax® (acute decompensated heart failure) | 44 | 44 | -1% |
| 4. Easyhaler® product family (asthma, COPD) | 27 | 31 | -12% |
| 5. Burana® (inflammatory pain) | 23 | 24 | -1% |
| 6. Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives) | 23 | 23 | -2% |
| 7. Generic entacapone products (Parkinson's disease) | 17 | 0.3 | |
| 8. Marevan® (anticoagulant) | 16 | 16 | +1% |
| 9. Divina® range (menopausal symptoms) | 16 | 13 | +17% |
| 10. dexdor® (intensive care sedative) | 13 | 1 | |
| Total | 473 | 451 | +5% |
| Share of Pharmaceuticals net sales | 51% | 52% | |

Orion clear market leader in Finland

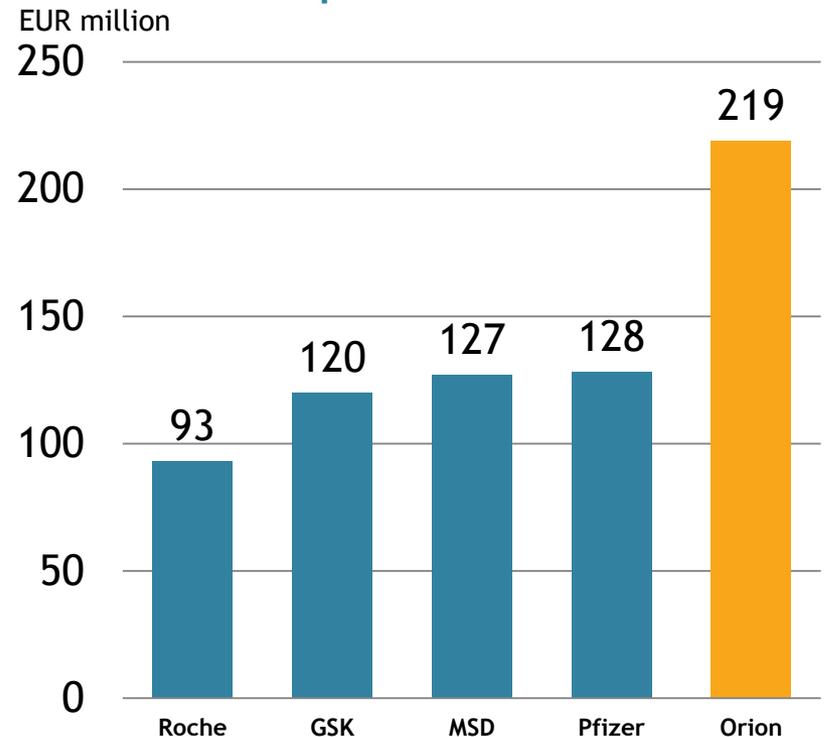
Finnish human pharmaceuticals market in 2012

- Wholesale EUR 2,031 million (+3%)

Orion in Finnish human pharmaceuticals market

- Sales growth 9%
- Orion clear market leader
 - Market share 11%
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies in 2012



Sales of Parkinson's drugs growing in Japan

Overall markets for Parkinson's drugs October 2011–September 2012

- United States ³⁾ USD 751 million (+3%)
- Five largest European markets ^{1) 3)}
EUR 954 million (-3%)
- Japan ²⁾ EUR 584 million (+16%)

Sales of entacapone drugs October 2011–September 2012

- United States ³⁾ USD 195 million (+3%)
- Five largest European markets ^{1) 3)}
EUR 157 million (-0.4%)
- Japan ²⁾ EUR 66 million (+23%)

| Market shares of entacapone drugs | MAT9 2012 | MAT9 2011 |
|-----------------------------------|-----------|-----------|
| Finland ²⁾ | 25% | 24% |
| Sweden ²⁾ | 14% | 14% |
| Norway ²⁾ | 16% | 15% |
| Denmark ²⁾ | 19% | 19% |
| Germany ³⁾ | 16% | 15% |
| UK ³⁾ | 15% | 14% |
| United States ^{3) 4)} | 26% | 26% |
| Japan ^{2) 4)} | 11% | 11% |

¹⁾ Germany, UK, France, Spain and Italy

²⁾ including sales to hospitals and retail distributors

³⁾ sales to retail distributors only

⁴⁾ Novartis sales area

Precedex and *dexdor*[®] growing strongly

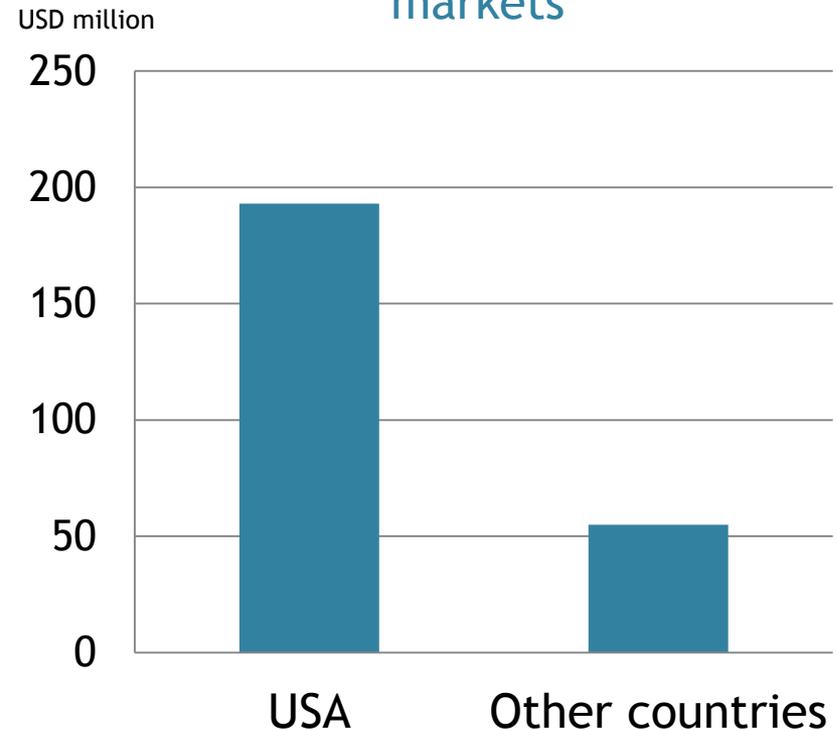
Markets for intensive care sedative Precedex Oct 2011—Sept 2012*

- Total USD 248 million (+27%)
- United States USD 193 million (+27%)

Sales of *dexdor*[®] intensive care sedative in 2012

- EUR 13 (1) million

Breakdown of Precedex markets



Key clinical pharmaceutical development projects

| Project | Indication | Clinical phases | | | Registration |
|---|--|-----------------|-------------------|-----|--------------|
| | | I | II | III | |
| Easyhaler® budesonide-formoterol | Asthma, COPD | ■ | ■ | ■ | |
| Easyhaler® salmeterol-fluticasone | Asthma, COPD | ■ | ■ | ■ | |
| Stalevo® for Japanese markets ¹⁾ | Parkinson's disease | ■ | ■ | ■ | |
| ODM-101 (more effective levodopa product) | Parkinson's disease | ■ | ■ | | |
| ORM-12741 (alpha-2c adrenoceptor antagonist) | Alzheimer's disease | ■ | ■ | | |
| ODM-201 ²⁾ (androgen receptor antagonist) | Advanced prostate cancer | ■ | ■ | | |
| ODM-103 (more effective COMT inhibitor) | Parkinson's disease | ■ | | | |
| androgen receptor antagonist and alpha-2c adrenoceptor antagonist | Molecule ready for transfer to clinical phase trials if required | | | | |
| ¹⁾ Conducted by partner Novartis | | ■ | = Phase completed | | |
| ²⁾ Jointly with Endo Pharmaceuticals | | ■ | = Phase ongoing | | |

Net sales grew in Diagnostics business

| Key figures for Diagnostics business | 2012 | 2011 | Change % |
|--------------------------------------|------|------|----------|
| Net sales, EUR million | 54 | 50 | +9% |
| Operating profit, EUR million | 2.6 | 4.9 | -47% |

- QuikRead® tests remained main product
 - Sales of more user-friendly prefilled QuikRead 101 system and QuikRead go®, a new generation testing instrument, developed well
- New product launches commenced during the review period
 - QuikRead 101 system for FOB (Faecal Occult Blood) quantitative test launched
 - QuikRead go CRP+Hb and QuikRead go Strep A tests launched
- Profit development was affected among others by higher expenditure on product development and marketing
 - Strong focus on taking early-phase technology acquired in 2011 into full use in research and product development programmes

Outlook for 2013

- **Net sales** will be at similar level to 2012 (net sales in 2012 were EUR 980 million)
- **Operating profit** will be slightly lower than in 2012 (operating profit in 2012 was EUR 281 million)
- **Group's capital expenditure** will be about EUR 80 million excluding substantial corporate or product acquisitions (Group's capital expenditure in 2012 was EUR 47 million)

Orion Calendar

- Deadline for registering for AGM 14 March 2013 at 10:00
- Annual General Meeting in Helsinki 19 March 2013 at 14:00

- Record date for dividend distribution 22 March 2013
- Dividend payment date 4 April 2013

- Interim Report January—March 2013 23 April 2013
- Interim Report January—June 2013 30 July 2013
- Interim Report January—September 2013 22 October 2013
- Capital Markets Day in Helsinki 20 November 2013

- The Annual Report 2012 will be published on the Company's website at the latest in week 9/2013.



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Orion's financial objectives

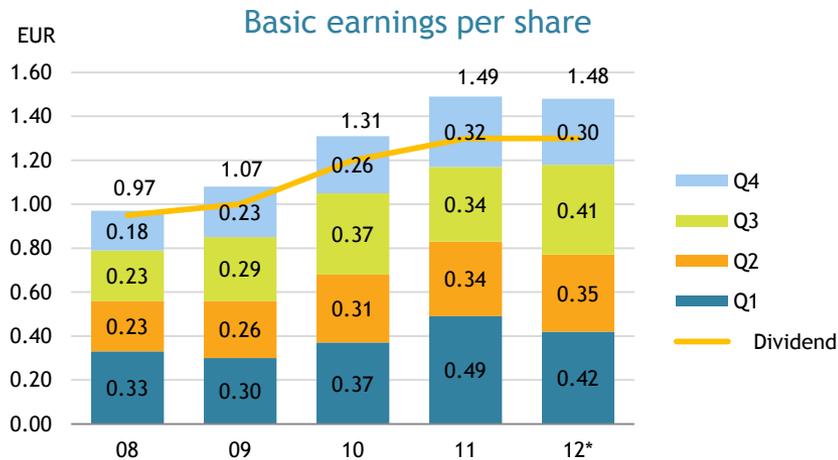
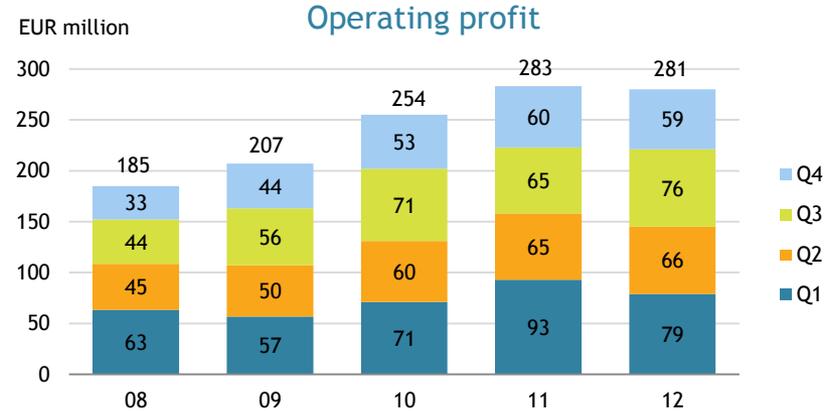
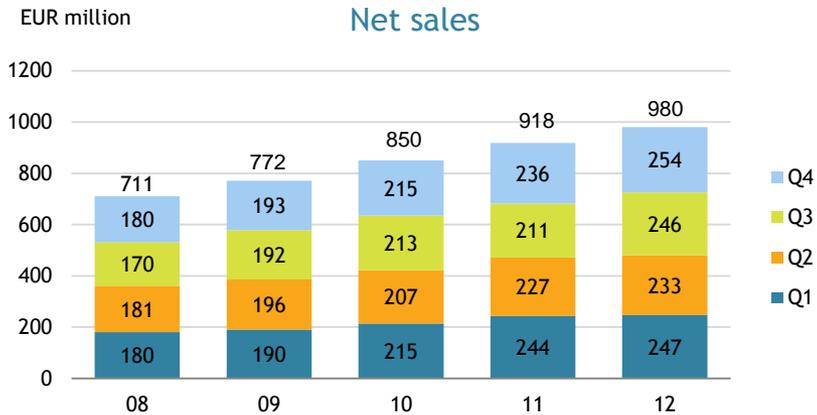
Orion's financial objectives are:

- Ensuring financial stability
- Profitable growth

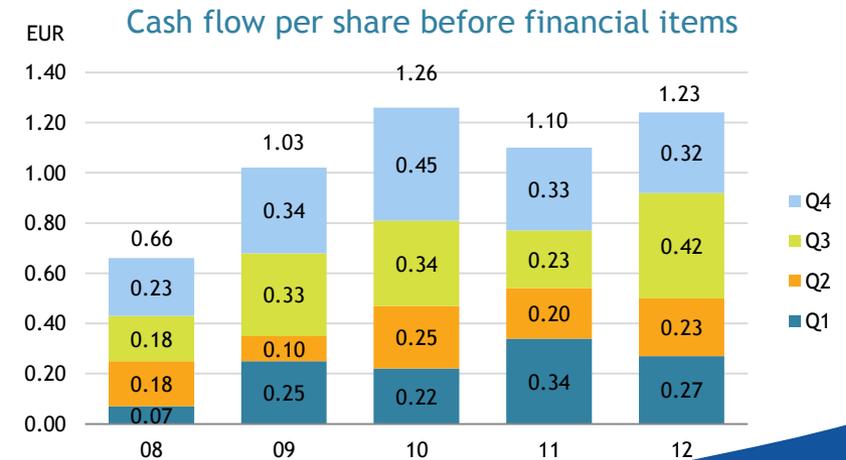
The objectives are achieved through:

- 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



*) Dividend per share proposed by Board of Directors



Key figures for 2008–2012

| Orion's key figures | 2008 | 2009 | 2010 | 2011 | 2012 | Change % |
|---|-------|-------|--------|-------|--------------|----------|
| Net sales, EUR million | 710.7 | 771.5 | 849.9 | 917.9 | 980.4 | +6.8% |
| Operating profit, EUR million | 185.0 | 207.0 | 254.2 | 282.9 | 280.9 | -0.7% |
| Profit before taxes, EUR million | 184.2 | 203.7 | 252.6 | 282.0 | 279.3 | -0.9% |
| R&D expenses, EUR million | 90.0 | 95.2 | 85.5 | 87.5 | 104.8 | +19.8% |
| Equity ratio, % | 60.2% | 60.6% | 62.7% | 64.2% | 61.1% | |
| Gearing, % | -7.1% | -8.9% | -12.2% | -6.9% | -1.7% | |
| ROCE (before taxes), % | 38.5% | 37.4% | 45.0% | 49.4% | 46.2% | |
| Return on equity, % | 32.1% | 35.3% | 40.7% | 43.3% | 41.3% | |
| Basic earnings per share, EUR | 0.97 | 1.07 | 1.31 | 1.49 | 1.48 | -0.4% |
| Cash flow per share before financial items, EUR | 0.66 | 1.03 | 1.26 | 1.10 | 1.23 | +12.1% |
| Dividend per share, EUR | 0.95 | 1.00 | 1.20 | 1.30 | 1.30* | |
| Capital repayment per share, EUR | | 0.10 | 0.06 | 0.12 | | |

*) Dividend per share proposed by Board of Directors

Development of sales of own proprietary products

Net sales of proprietary products,
EUR million

| | Indication | 2012 | 2011 | Change % |
|--|-----------------------------------|--------------|--------------|--------------|
| Stalevo [®] , Comtess [®] and Comtan [®] | Parkinson's disease | 250.1 | 266.7 | -6.2% |
| Precedex [®] | Intensive care sedative | 45.3 | 33.0 | +37.5% |
| Simdax [®] | Acute decompensated heart failure | 43.6 | 44.0 | -0.9% |
| Easyhaler [®] product family | Asthma, COPD | 26.8 | 30.5 | -12.1% |
| Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®] | Animal sedatives | 22.8 | 23.2 | -1.9% |
| Divina [®] range | Menopausal symptoms | 15.5 | 13.2 | +17.2% |
| <i>dexdor</i> [®] | Intensive care sedative | 13.0 | 0.9 | |
| Fareston [®] | Breast cancer | 11.9 | 9.6 | +24.9% |
| Total | | 429.0 | 421.1 | +1.9% |
| % of pharmaceutical net sales | | 46% | 48% | |

Income Statement 2008–2012

| Formation of profits, EUR million | 2008 | 2009 | 2010 | 2011 | 2012 | Change % |
|-------------------------------------|--------|--------|--------|--------|---------------|----------|
| Net sales | 710.7 | 771.5 | 849.9 | 917.9 | 980.4 | +6.8% |
| Cost of goods sold | -243.4 | -265.2 | -283.2 | -305.1 | -350.0 | +14.7% |
| Gross profit | 467.4 | 506.3 | 566.8 | 612.8 | 630.4 | +2.9% |
| Other operating income and expenses | 3.1 | 6.0 | 1.2 | 3.0 | 6.3 | +108.8% |
| Sales and marketing expenses | -143.9 | -160.0 | -188.9 | -204.8 | -205.7 | +0.4% |
| R&D expenses | -90.0 | -95.2 | -85.5 | -87.5 | -104.8 | +19.8% |
| Administrative expenses | -51.5 | -50.2 | -39.3 | -40.6 | -45.3 | +11.5% |
| Operating profit | 185.0 | 207.0 | 254.2 | 282.9 | 280.9 | -0.7% |
| Profit before taxes | 184.2 | 203.7 | 252.6 | 282.0 | 279.3 | -0.9% |
| Profit for the period | 136.3 | 151.4 | 184.7 | 209.5 | 208.9 | -0.3% |

Orion's main research projects

- Expansion of *Easyhaler*[®] product family. Under development are *new budesonide-formoterol* and *fluticasone-salmeterol combined formulations* for treatment of asthma and COPD.
 - Plans to submit application for marketing authorisation for the budesonide-formoterol formulation in Europe in the first quarter of 2013
- Orion and Novartis are developing Parkinson's drug *Stalevo*[®] for Japanese markets.
 - Novartis initiated the necessary clinical bioavailability study in November 2012
- *Androgen receptor antagonist (ODM-201)* for treatment of advanced prostate cancer is in Phase II clinical trials undertaken jointly with Endo Pharmaceuticals. Negotiations to find a suitable partner for markets outside Europe and North America are ongoing.
- Orion has completed Phase II clinical trials with an *alpha-2c adrenoceptor antagonist (ORM-12741)*. The trials investigated the efficacy and safety of the drug candidate in treatment of cognitive and behavioral symptoms relating to Alzheimer's disease. The results were positive, and negotiations to find a suitable partner for the next development phase are ongoing.
- Orion is developing a new more effective *levodopa product (ODM-101)* based on optimised new formulations and doses of known compounds. The results from Phase II clinical trials on efficacy were positive, and negotiations to find a suitable partner for the next development phase are ongoing.
- Orion has begun Phase I clinical safety trials with a *COMT inhibitor (ODM-103)*.
 - New molecule enhances the effects of levodopa used to treat Parkinson's disease
 - Pre-clinical study results indicated that new molecule is more effective than entacapone
- Orion has completed pre-clinical studies with another *androgen receptor antagonist molecule* and another *alpha-2c adrenoceptor antagonist molecule*.
 - Progress of these drug candidates into clinical trials will depend on the results of the ongoing androgen receptor antagonist and alpha-2c adrenoceptor antagonist clinical trials
- Pre-clinical studies include:
 - Prostate cancer, neuropathic pain, Parkinson's disease and Alzheimer's disease

Product protection 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⁾ | October 2013 ²⁾ | 2015 ³⁾ |
| Levosimendan | Simdax [®] | Acute decompensated heart failure | September 2015 | Not marketed | Not marketed |
| Dexmedetomidine | Precedex [®] <i>dexdor</i> [®] | Intensive care sedative | July 2013 September 2021 ⁴⁾ | July 2013 | June 2012 |

¹⁾ Stalevo data protection expires

²⁾ Entry of Wockhardt and Sun companies into markets in April 2012, Mylan in April 2013

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

⁴⁾ Dexdor data protection expires

Dividend distribution policy

Dividend distribution policy

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

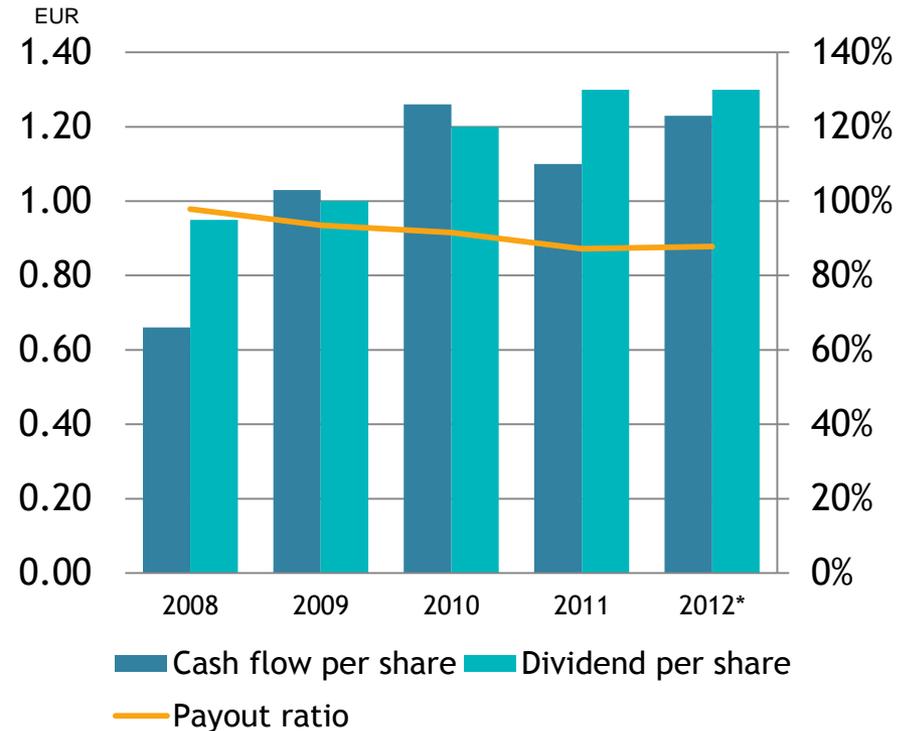
Repayments of capital 2009–2011

2009: EUR 0.10 per share

2010: EUR 0.06 per share

2011: EUR 0.12 per share

Dividend distribution history



*) Dividend per share proposed by Board of Directors



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