



Review by the  
President & CEO

*Timo Lappalainen*

Annual General Meeting of Orion  
Corporation 25 March 2014

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.

# Orion's net sales over EUR 1 billion

- Net sales exceeded EUR 1 billion
- Operating profit slightly lower than in previous year as anticipated
- Marketing authorisation application for Easyhaler<sup>®</sup> combined budesonide-formoterol formulation in Europe
- Novartis submitted marketing authorisation application for Stalevo in Japan
- Licensing agreement with Janssen Pharmaceuticals for developing and commercialising ORM-12741, among others
- Capital expenditure programme progressed as planned

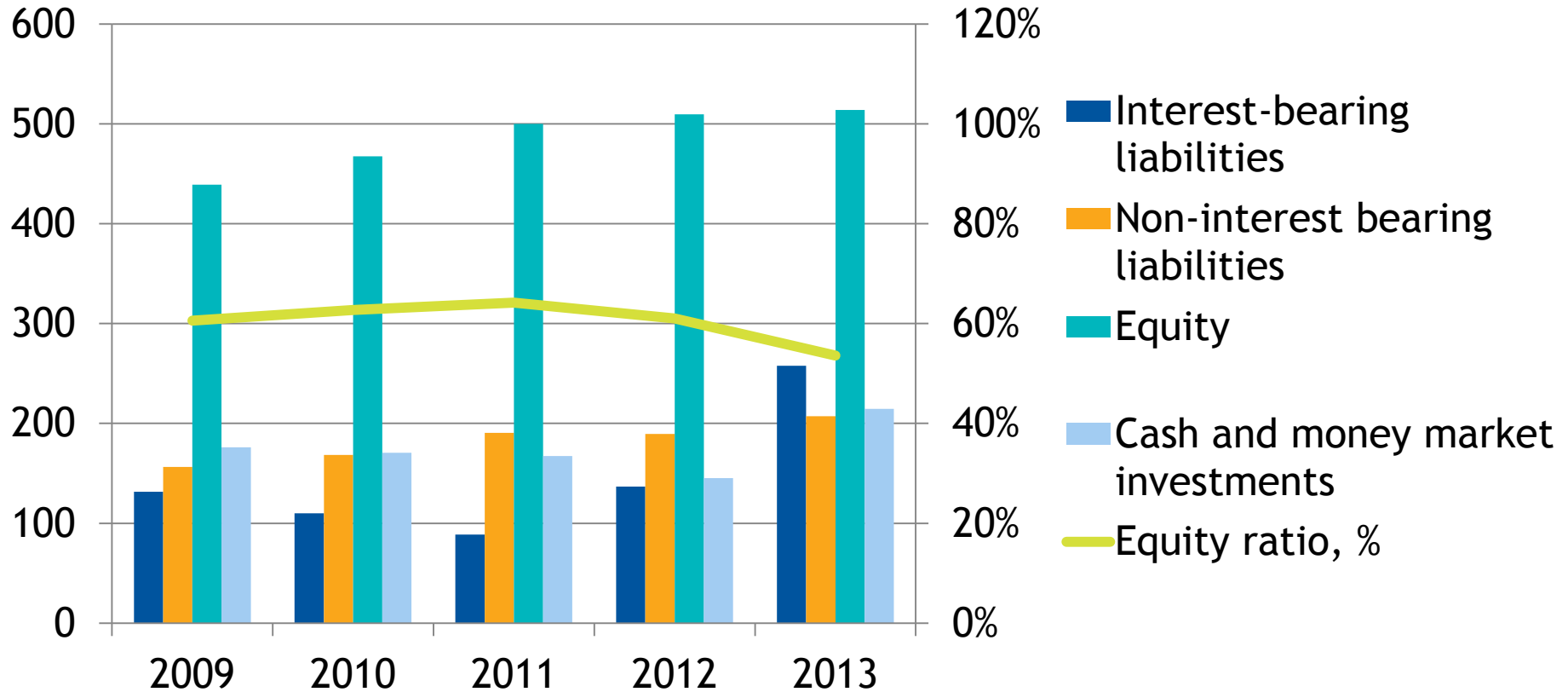
# Development of key figures

Orion's key figures	2013	2012*	Change %
Net sales, EUR million	1 006.9	980.4	+2.7%
Operating profit, EUR million	267.7	278.3	-3.8%
R&D expenses, EUR million	101.9	105.8	-3.7%
Equity ratio, %	53.6%	61.0%	
Basic earnings per share, EUR	1.46	1.47	-0.4%
Cash flow before financial items, EUR	1.02	1.23	-17.3%
Dividend per share, EUR	1.25 <sup>1)</sup>	1.30	-3.8%

<sup>1)</sup> Board of Directors' proposal to the AGM that dividend per share would be EUR 1.25

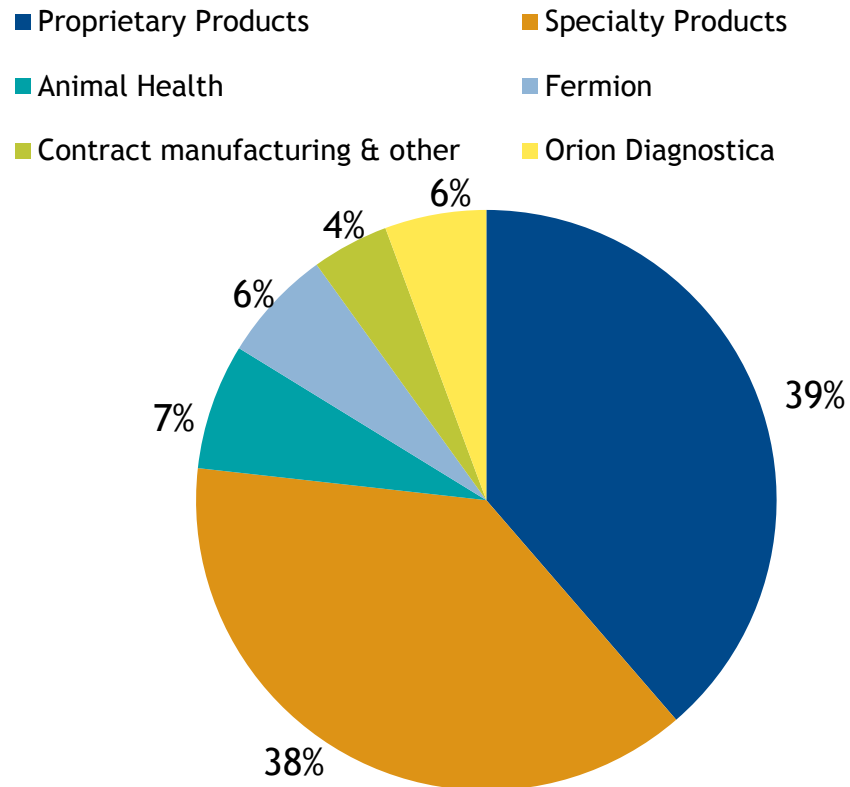
# Structure of the balance sheet

EUR million

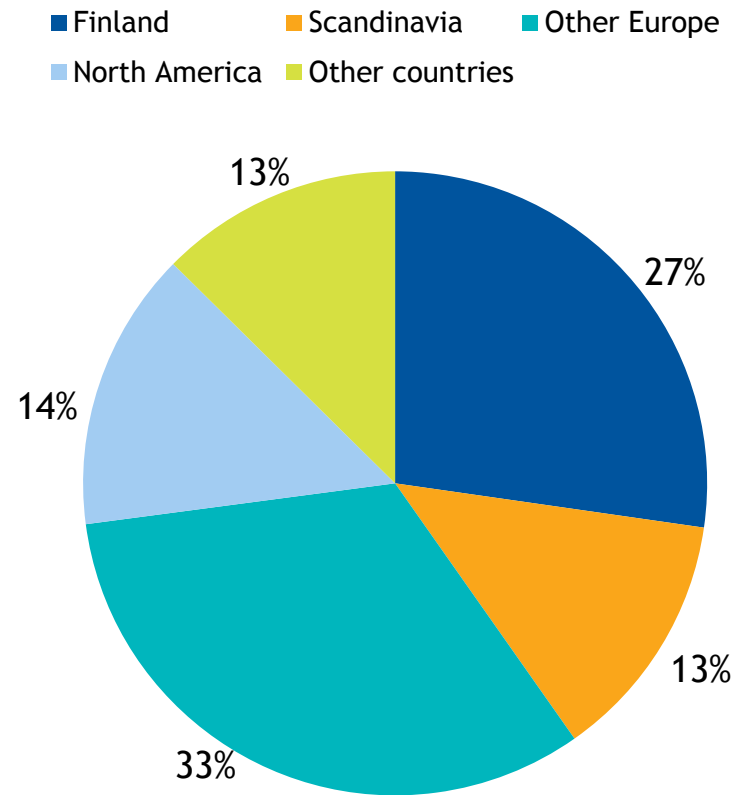


# Breakdown of net sales in 2013

## By business division



## By market area



# Best-selling pharmaceuticals

Orion's best-selling pharmaceuticals, EUR million	Business Division	2013	2012	Change %
1. Stalevo <sup>®</sup> , Comtess <sup>®</sup> and Comtan <sup>®</sup> (Parkinson's disease)	PP	207	250	-17%
2. Precedex <sup>®</sup> (intensive care sedative)	PP	59	45	+30%
3. Simdax <sup>®</sup> (acute decompensated heart failure)	PP	46	44	+6%
4. Easyhaler <sup>®</sup> product family (asthma, COPD)	PP	29	27	+8%
5. dexdor <sup>®</sup> (intensive care sedative)	PP	25	13	+95%
6. Dexdomitor <sup>®</sup> , Domitor <sup>®</sup> , Domosedan <sup>®</sup> and Antisedan <sup>®</sup> (animal sedatives)	AH	25	23	+9%
7. Burana <sup>®</sup> (inflammatory pain)	SpP	23	23	-1%
8. Marevan <sup>®</sup> (anticoagulant)	SpP	16	16	+2%
9. Divina <sup>®</sup> range (menopausal symptoms)	SpP	15	16	-4%
10. Fareston <sup>®</sup> (breast cancer)	SpP	13	12	+6%
<b>Total</b>		<b>458</b>	<b>468</b>	<b>-2%</b>
Share of Pharmaceuticals net sales		<b>48%</b>	<b>50%</b>	

Products based on Orion's inventions written in blue

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

# Orion clear market leader in Finland

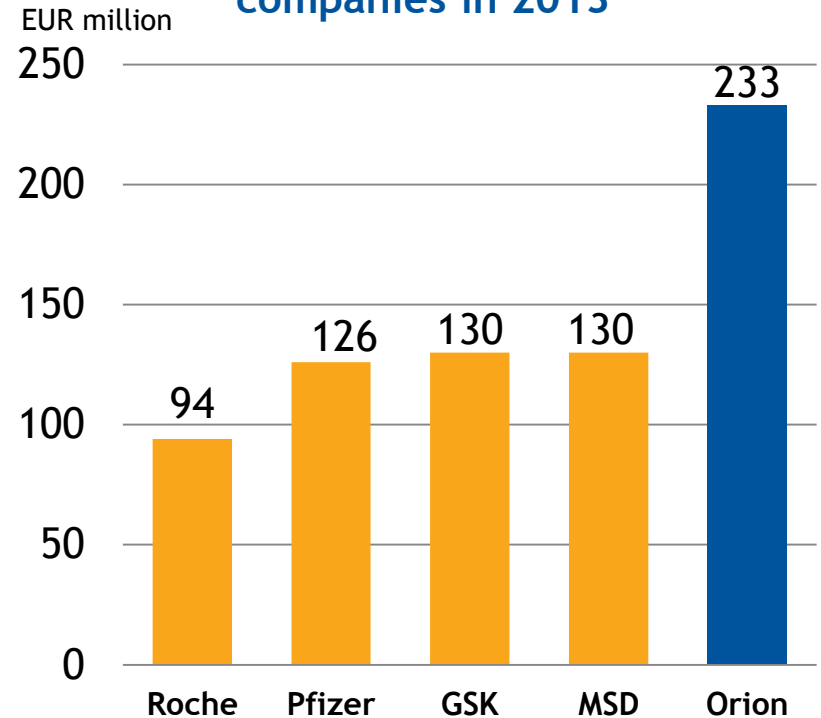
## Finnish human pharmaceuticals market in 2013

- Wholesale EUR 2,067 million (+2%)

## Orion in Finnish human pharmaceuticals market

- Sales growth 6%
- Orion clear market leader
  - Market share 11%
- Orion especially strong in self-care products and substitutable prescription drugs

## Finland's biggest pharmaceutical companies in 2013





# 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

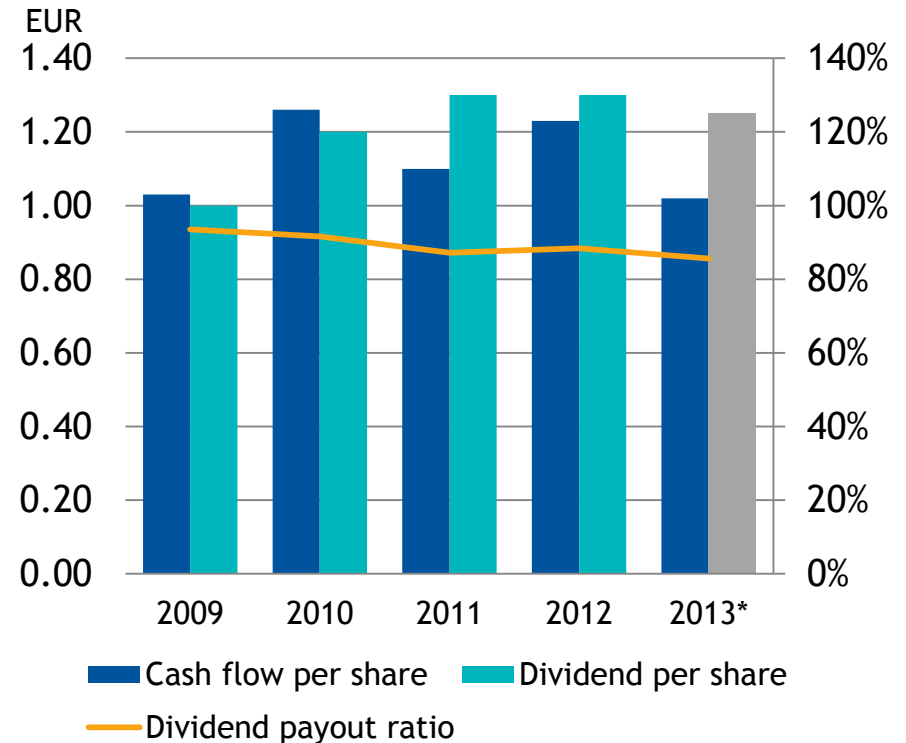
## Repayments of capital 2009–2011

2009: EUR 0.10 per share

2010: EUR 0.06 per share

2011: EUR 0.12 per share

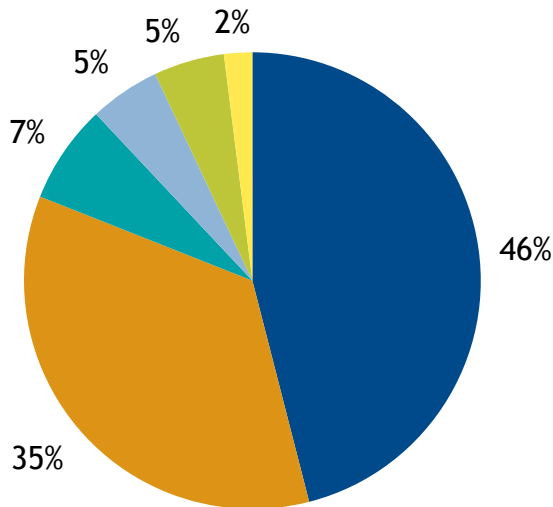
## Dividend distribution history



\*) Dividend per share proposed by the Board of Directors

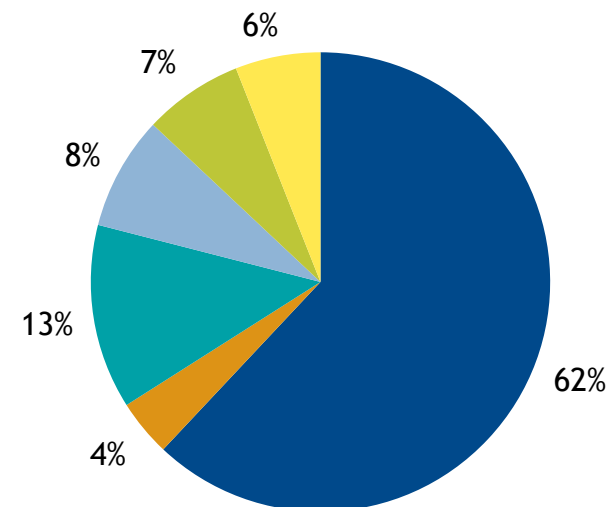
# Orion shares are broadly held

## By number of shares on 28 Feb



- Households
- Non-Finnish holders and nominee registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations

## By number of votes on 28 Feb



- Households
- Non-Finnish holders and nominee registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations

Altogether 141.3 million shares and 56,755 shareholders. Both share classes, A and B, are listed on NASDAQ OMX Helsinki since 1 July 2006. A share (ORNAV) has 20 votes/share and B share (ORNBV) has 1 vote/share in the AGM, but they have equal rights to assets and dividends.

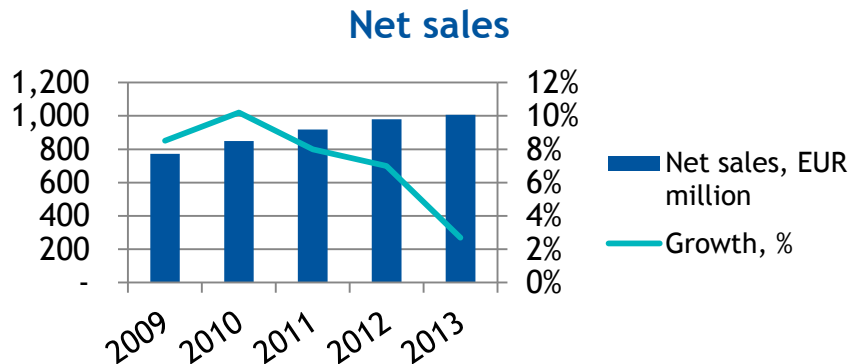
# Orion's financial objectives

## Orion's financial objectives are:

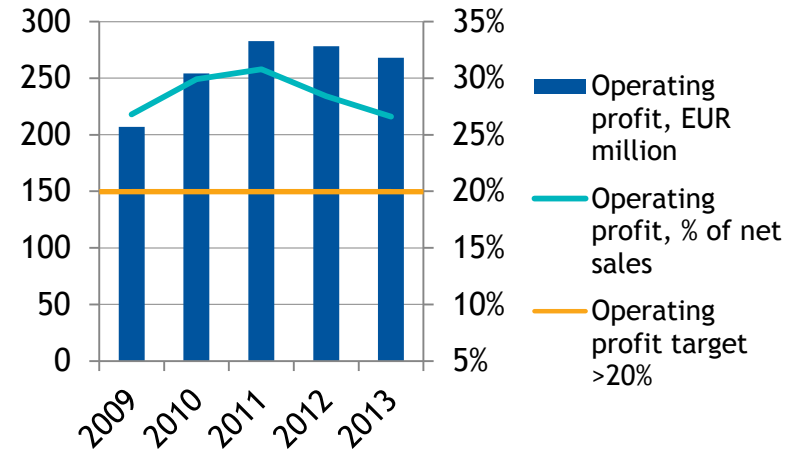
- Ensuring financial stability
- Profitable growth

## The objectives are achieved through:

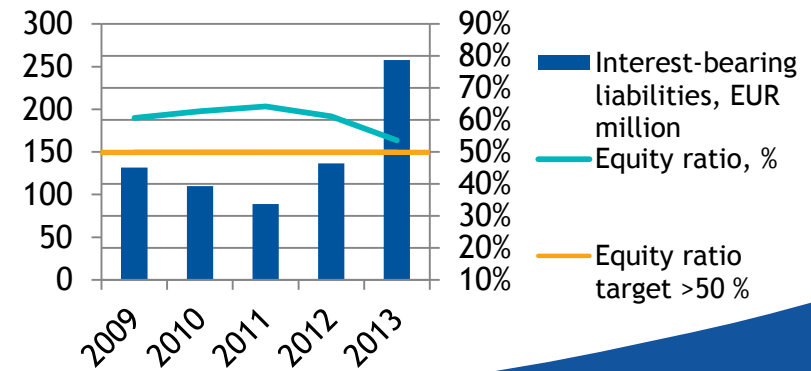
- Increasing net sales. Achievement of this objective requires continuous investment in development of the product portfolio.
- Maintaining profitability at a good level, the aim being operating profit that exceeds 20% of net sales.
- Keeping the equity ratio at least 50%.



### Operating profit



### Equity ratio and interest-bearing liabilities



# The Executive Management Board

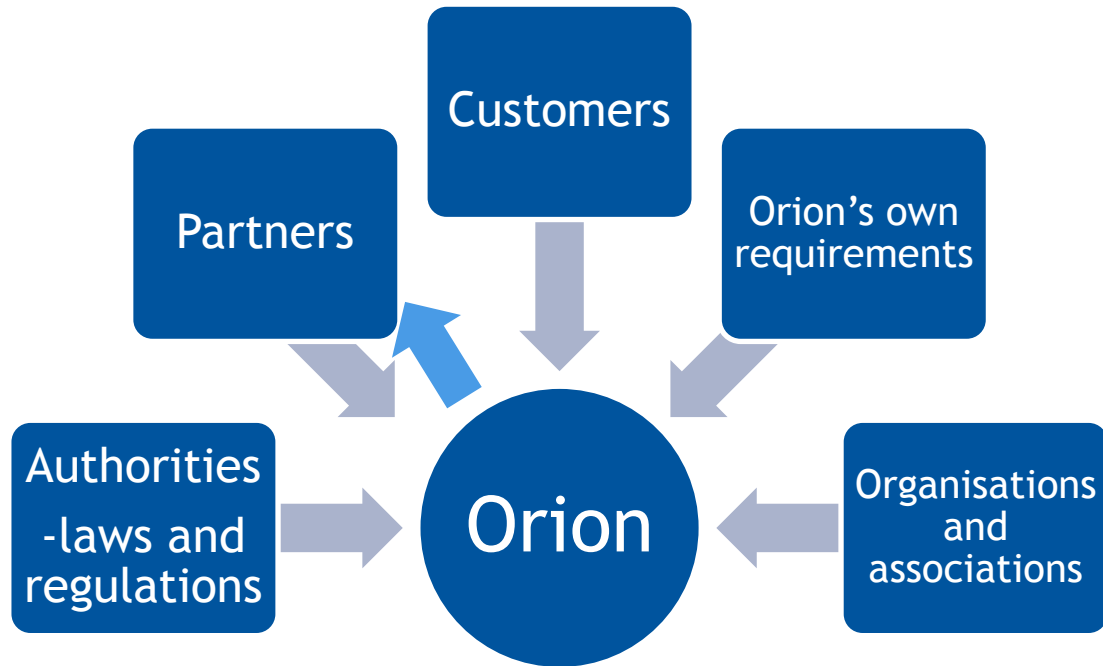
Timo Lappalainen	President and CEO
Satu Ahomäki	Global Sales
Markku Huhta-Koivisto	Proprietary Products
Olli Huotari	Corporate Functions
Liisa Hurme	Specialty Products and Fermion
Jari Karlson	Chief Financial Officer, Animal Health
Virve Laitinen	Supply Chain
Reijo Salonen	Research and Development

Liisa Remes is the employee representative in the Executive Management Board.



# Quality as a cornerstone of operations

# Good quality is a matter of common interest



SAFE, EFFECTIVE AND RELIABLE  
DRUG FOR THE PATIENT

# Quality in Pharmaceuticals Industry

DOCUMENTATION





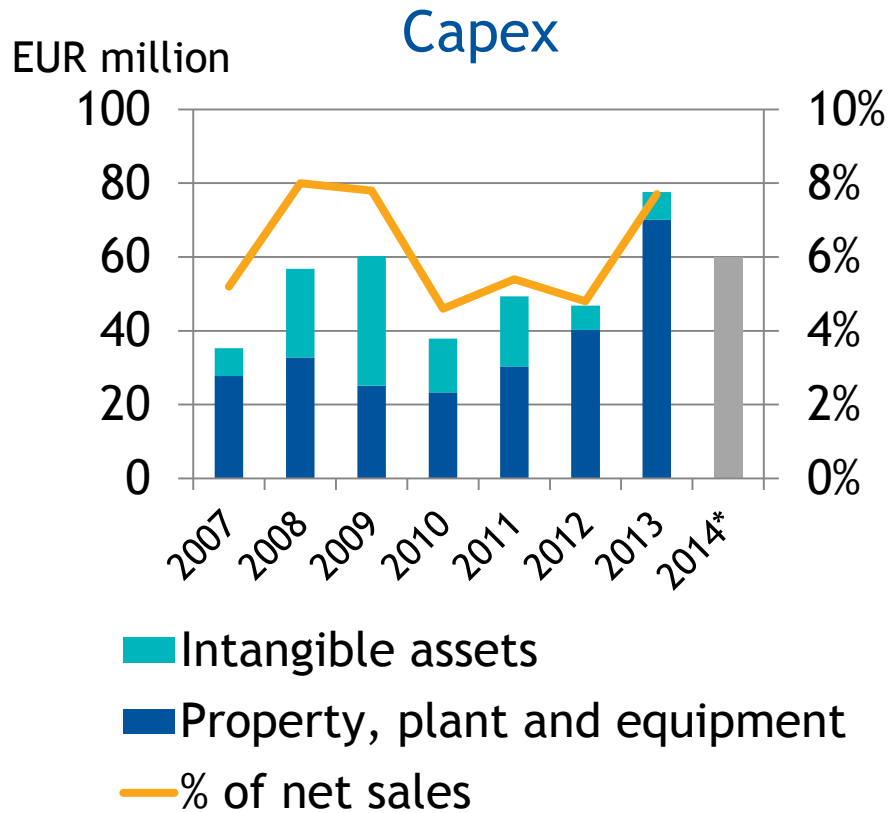
# Investments for the future



# Orion is responsible member of the Finnish society

<b>EUR million</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Income taxes paid in Finland from operating profit	52	59	67	62	55
Tax deductions from salaries in Finland	33	33	35	37	39
Tax deductions from dividends paid to Finnish shareholders	16	18	22	27	26
<b>TOTAL</b>	<b>101</b>	<b>110</b>	<b>124</b>	<b>126</b>	<b>120</b>

# Orion's capex programme is proceeding



\*) Outlook for 2014

New facility in Salo



Gel department in Turku



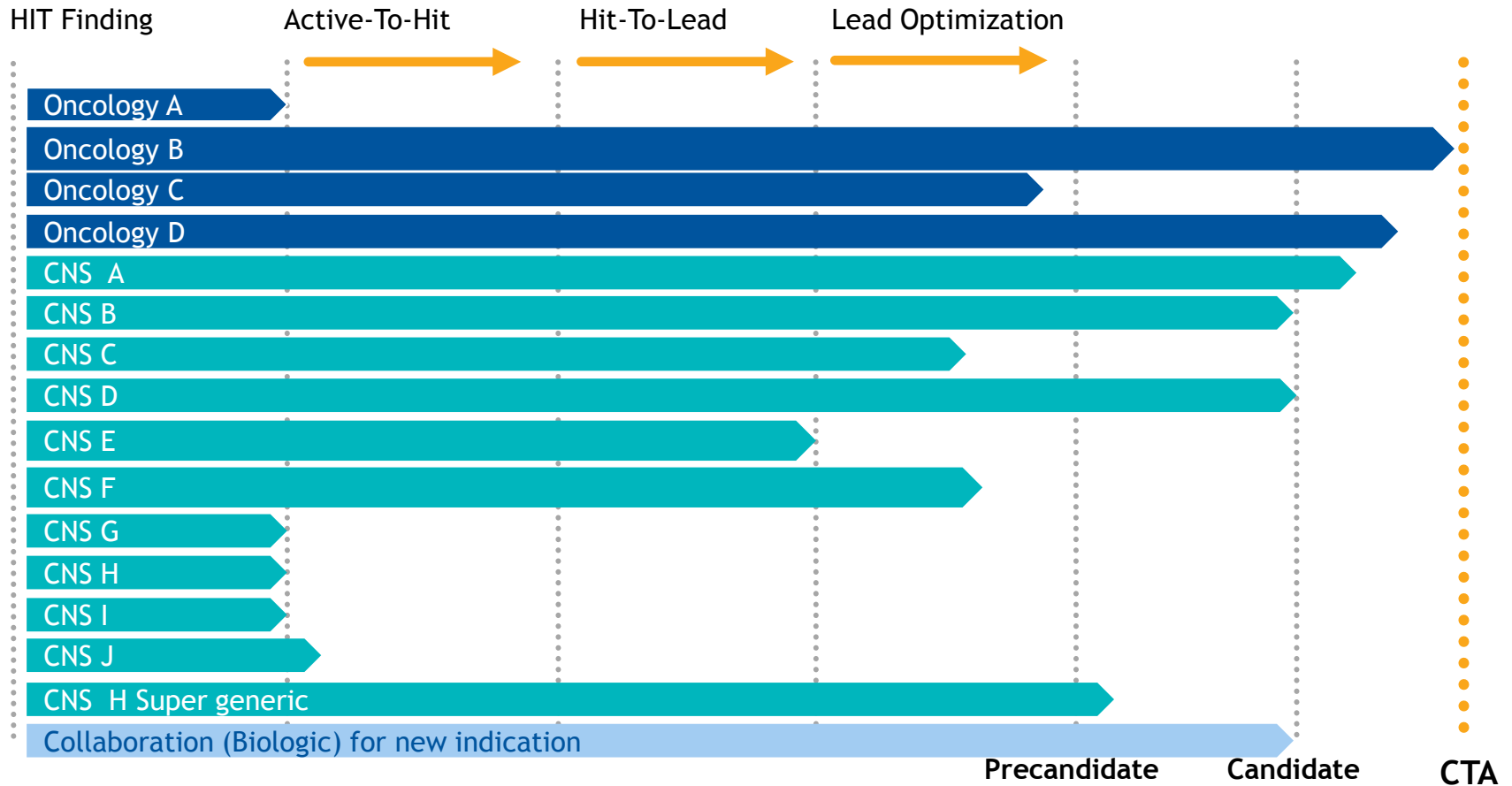
Tablet production in Espoo



Fermion in Oulu



# Research projects in 2013 (16)



Snapshot of Orion's preclinical pipeline presented at Orion Capital Markets Day on 20 November 2013.

# Key clinical pharmaceutical development projects

Project	Indication	Clinical phases			Registration
		I	II	III	
Easyhaler® budesonide-formoterol	Asthma, COPD	●	●	●	○
Stalevo® for Japanese markets <sup>1)</sup>	Parkinson's disease	●	●	●	○
Easyhaler® salmeterol-fluticasone	Asthma, COPD	●	●	○	
ORM-12741 (alpha-2c adrenoceptor antagonist) <sup>2)</sup>	Alzheimer's disease	●	IIa		
ODM-201 (androgen receptor inhibitor)	Prostate cancer	●	●		
ODM-103 (more effective COMT inhibitor)	Parkinson's disease	○			
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	○			

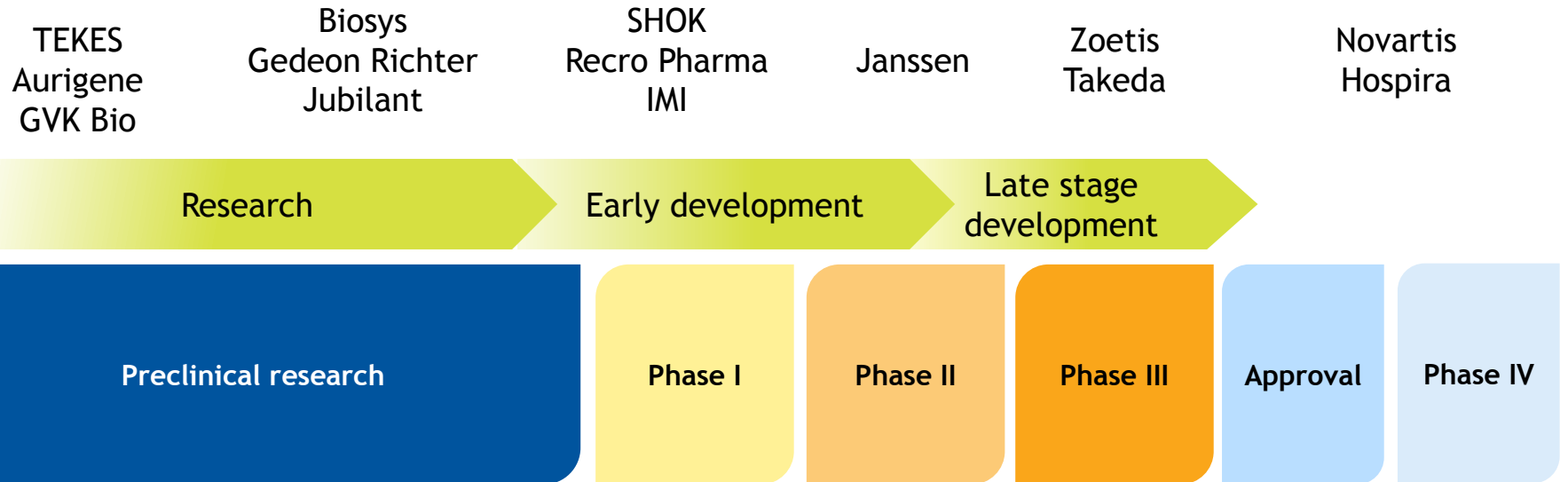
- 1) Conducted by partner Novartis  
 2) In collaboration with Janssen Pharmaceuticals

● Phase completed    ○ = Phase ongoing

# Together we can achieve more on R&D front

## Some of Orion's essential partners

### Universities and research institutes



# Outlook for 2014

- **Net sales** will be at similar level to 2013 (net sales in 2013 were EUR 1,007 million)
- **Operating profit** will be slightly lower than in 2013 (operating profit in 2013 was EUR 268 million)
- **Group's capital expenditure** will be about EUR 60 million excluding substantial corporate or product acquisitions (Group's capital expenditure in 2013 was EUR 78 million)



**ORION**

**ORION**  
Building well-being