

Orion Interim Report Q1–Q2/2010

10 August 2010

Timo Lappalainen
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.



Solid growth continued

- Net sales and operating profit clearly up on previous year despite challenging market situation
 - Sales of Parkinson's drugs continued to grow slightly
 - Sales from other product portfolios grew well throughout first half year
- Patent dispute with Sun companies in United States settled
 - Wockhardt and Sun entering US markets from 1 April 2012
- Key themes of strategy remain the same
- Outlook upgraded in June
 - Net sales and operating profit higher than in 2009

3

10 August 2010

Orion Interim Report Q1-Q2/2010



Clear growth in net sales and operating profit

Group key figures	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	Change %	2009
Net sales, EUR million	207	196	422	386	+9%	772
Operating profit, EUR million	60	50	131	107	+22%	207
Basic earnings per share, EUR	0.31	0.26	0.68	0.55	+23%	1.07
Cash flow per share before financial items, EUR	0.25	0.10	0.48	0.35	+35%	1.03

- Net sales grew by 9%
 - Products based on in-house R&D accounted for 49% of Pharmaceuticals business net sales (sales +12%)
 - Market share in Finland 10%
- Operating profit grew by 22%
 - Sales and marketing expenses increased as forecast
 - R&D expenses decreased due to timing of projects
 - Administrative expenses decreased as litigation costs decreased

4

10 August 2010

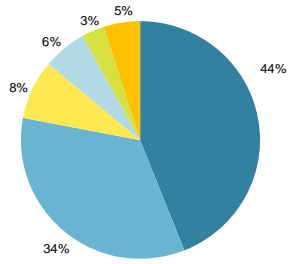
Orion Interim Report Q1-Q2/2010



Net sales originate mainly in Europe

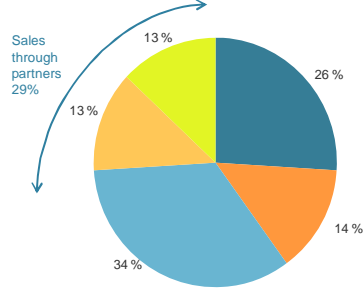
Breakdown of EUR 422 million net sales in Q1–Q2/2010

By business division

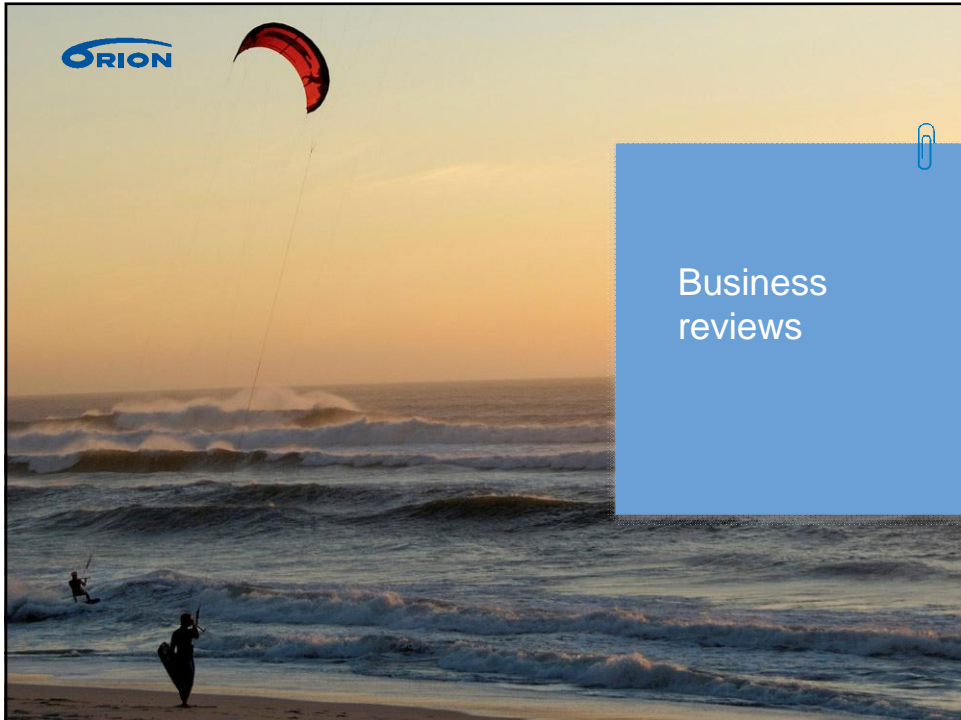


- Proprietary Products
- Specialty Products
- Animal Health
- Fermion
- Contract manufacturing and other
- Orion Diagnostica

By market area



- Finland
- Scandinavia
- Other Europe
- North America
- Other markets



Pharmaceuticals sales continued to grow

Key figures for Pharmaceuticals business

	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	Change %	2009
Net sales of Pharmaceuticals	196	186	399	365	+9%	729
Proprietary Products	91	84	184	166	+11%	324
Specialty Products	71	68	144	134	+7%	275
Animal Health	17	15	33	30	+8%	62
Fermion	12	11	26	22	+18%	41
Contract manufacturing and other	5	8	13	13	-3%	26
Pharmaceuticals operating profit	60	52	131	109	+21%	211

- 31% of segment's net sales from Parkinson's drugs, sales +2%
 - Deliveries of Parkinson's drugs to Novartis +1%
 - Sales of Parkinson's drugs through own sales network +3%
- Sales from rest of portfolio grew well throughout first half year (+13%)
 - Strong market position in Finland, market share 10%
 - Growth in Scandinavia and Eastern Europe continued

7

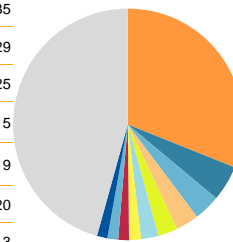
10 August 2010

Orion Interim Report Q1-Q2/2010



Best-selling products performed well

Orion's best-selling pharmaceuticals	Q1-Q2/2010	Q1-Q2/2009	Change %	2009
1. Stalevo®, Comtess® and Comtan® (Parkinson's disease)	126	123	+2%	235
2. Simdax® (acute heart failure)	20	11	+77%	29
3. Easyhaler® product family (asthma, COPD)	15	13	+16%	25
4. Precedex® (intensive care sedative)	13	7	+91%	15
5. Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	11	8	+29%	19
6. Burana® (inflammatory pain)	10	9	+11%	20
7. Divina® range (menopausal symptoms)	7	7	-4%	13
8. Enanton® (prostate cancer)	6	6	+6%	12
9. Marevan® (anticoagulant)	6	5	+22%	11
10. Fareston® (breast cancer)	6	6	-9%	10
Total	220	196	+12%	390
Share of Pharmaceuticals net sales	55%	54%		53%
Total net sales	422	386	+9%	772



■ Parkinson's drugs
■ Simdax
■ Easyhaler
■ Precedex
■ Animal sedatives
■ Burana
■ Divina range
■ Enanton
■ Marevan
■ Fareston
■ Rest of portfolio

8

10 August 2010

Orion Interim Report Q1-Q2/2010



Orion clear market leader in Finland

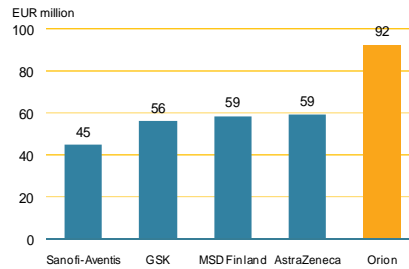
Finnish human pharmaceuticals market Q1–Q2/2010

- Wholesale EUR 937 million (-3%)
- Biggest market decrease in prescription drugs covered by reference price system

Orion in Finnish pharmaceutical market

- Quarter of Orion's net sales from Finland
- Orion's sales in Finland +1%
- Orion remains clear market leader
 - Market share 10%
- Orion especially strong in self-care and substitutable prescription drugs

Finland's biggest pharmaceutical companies Q1–Q2/2010



9

10 August 2010

Orion Interim Report Q1–Q2/2010

Source: Finnish Pharmaceutical Data and Statistics Finland



Sales of Parkinson's drugs still growing

Overall markets for Parkinson's drugs April 2009 – March 2010

- United States ³⁾ USD 1,026 million (+6%)
- Five largest European markets ^{1) 3)} EUR 937 million (+7%)

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

- United States ³⁾ USD 179 million (+10%)
- Five largest European markets ^{1) 3)} EUR 152 million (+6%)
- Japan ²⁾ EUR 35 million (+48%)

Market shares of Orion's Parkinson's drugs

	3/10	3/09
Finland ²⁾	27%	30%
Sweden ²⁾	17%	17%
Norway ²⁾	16%	18%
Denmark ²⁾	15%	14%
Germany ³⁾	15%	15%
UK ³⁾	13%	13%
United States ^{3) 4)}	18%	17%
Japan ^{2) 4)}	9%	7%

(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

10

10 August 2010

Orion Interim Report Q1–Q2/2010

Source: IMS Health sales statistics for April 2009 – March 2010

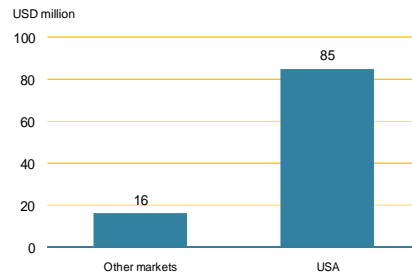


85% of Precedex sales in United States

Precedex intensive care sedative markets in 2009

- Total USD 101 million (+55%)
- United States USD 85 million (+62%)

Precedex market allocation in 2009



11

10 August 2010

Orion Interim Report Q1-Q2/2010

Source: IMS Health sales statistics 2009



Orion's pharmaceutical research pipeline

Project	Indication	Pre-clinical	Clinical phases			Regis- tration
			I	II	III	
Histrelin implant (Vantas®)	Advanced prostate cancer	Endo Pharmaceuticals Solutions				
Dexmedetomidine (intravenous) for European markets	Intensive care sedative					
Easyhaler® combined formulations	Asthma, COPD					
Stalevo® for Japanese market	Parkinson's disease					
Toremifene	Prostate cancer, osteoporosis	GTx				
Paclitaxel for human use (Pacical®)	Women's ovarian cancer	Oasmia				
Paclitaxel for dogs (Paccal®)	Canine mastocytoma (skin cancer)	Oasmia				
Alpha 2 _c receptor pharmacology	Alzheimer's disease, schizophrenia					
Dexmedetomidine (non-intravenous)	Pain management	Rêcro Pharma				
Many projects in early research phase	SARM, prostate cancer etc.					

12

10 August 2010

Orion Interim Report Q1-Q2/2010

Own proprietary drug research
Developed by a partner



Steady growth in Diagnostics

Key figures for Diagnostics business

	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	Change %	2009
Net sales	12	11	24	23	+5%	45
Operating profit	2	1	4	3	+24%	6

- Strong growth in QuikRead® infection test sales
 - Growth in equipment creates basis for future demand for reagents used in tests
- Sales of industrial hygiene products also developed favourably
- Sales continued to grow in for example China and Czech Republic, but in Nordic countries more slowly than in comparative period
- Innovation Award of Chemical Industry Finland for Orion Clean Card PRO® for testing surface cleanliness
 - Jointly developed by Orion Diagnostica and Technical Research Centre of Finland
 - For assessing and monitoring surface cleanliness
 - Uses include hygiene testing in food and drinks industry and hospitals



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

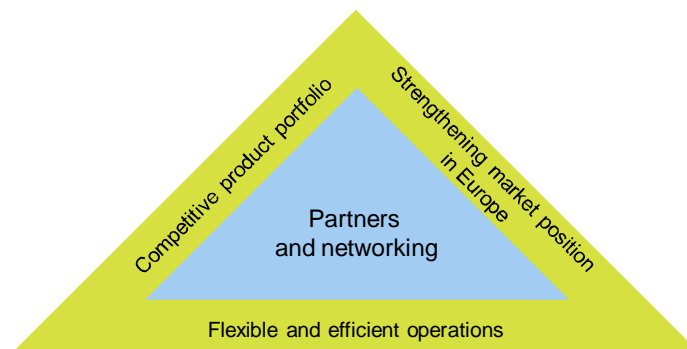
Orion's financial objectives:

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%

Profitable growth and increased shareholder value whilst keeping business risks under control



Outlook for 2010

- Net sales **higher** than 2009
 - ▶ marketing expenses **higher**
 - ▶ R&D expenses **lower**
 - ▶ patent litigation costs in United States **lower**
- Operating profit excluding non-recurring items **higher** than 2009
- Group capital expenditure about EUR 40 million

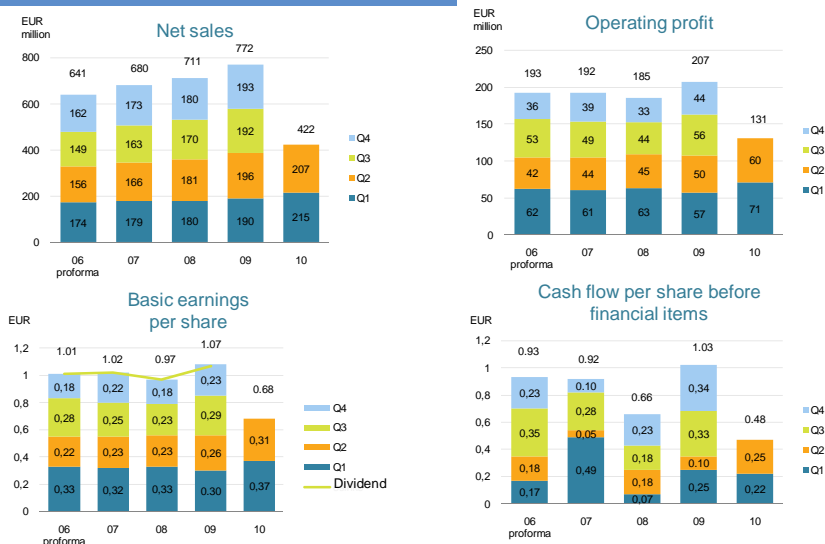
Orion calendar

- Interim Report January–September 2010 26 October 2010
- Capital Markets Day in Helsinki 9 December 2010

- Financial Statements 2010 9 February 2011
- Annual General Meeting 2011 31 March 2011
- Interim Report January–March 2011 27 April 2011
- Interim Report January–June 2011 2 August 2011
- Interim Report January–September 2011 25 October 2011



Key figures by quarter



21

10 August 2010 Orion Interim Report Q1-Q2/2010



Steady growth in net sales

Orion's key figures ¹⁾	proforma 2006	2007	2008	2009	Q1-Q2/10	Q1-Q2/09	Change %
Net sales, EUR million	641.1	680.0	710.7	771.5	421.9	386.4	+9.2%
Operating profit, EUR million	192.7	192.0	185.0	207.0	131.0	107.3	+22.1%
Profit before taxes, EUR million	193.3	193.4	184.2	203.7	130.2	105.6	+23.3%
R&D expenses, EUR million	73.1	85.0	90.0	95.2	39.4	49.1	-19.7%
Equity ratio, %	75.5%	76.2%	60.2%	60.6%	58.7%	55.5%	
Gearing, %	-23.4%	-20.0%	-7.1%	-8.9%	12.6%	14.7%	
ROCE (before taxes), %	47.1%	44.8%	38.5%	37.4%	49.5%	40.4%	
Return on equity, %	34.9%	33.5%	32.1%	35.3%	46.9%	39.9%	
Basic earnings per share, EUR	1.01	1.02	0.97	1.07	0.68	0.55	+23.4%
Cash flow per share before financial items, EUR	0.93	0.92	0.66	1.03	0.48	0.35	+35.0%
Dividend per share, EUR	1.00	1.00	0.95	1.00 + 0.10 ²⁾			

(1) On 1 July 2006 former Orion Corporation demerged into two new companies, Orion Corporation and Oriola-KD Corporation.

(2) On 24 March 2010 AGM approved dividend of EUR 1.00 per share and capital repayment of EUR 0.10 per share.

22

10 August 2010 Orion Interim Report Q1-Q2/2010



Continued growth in own proprietary products

Net sales of proprietary products, EUR million	Indication	Q1-Q2/10	Q1-Q2/09	Change %	2009
Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	125.6	123.3	+1.8%	234.9
Simdax [®]	Acute heart failure	20.2	11.4	+77.4%	29.4
Easyhaler [®] product family	Asthma, COPD	14.6	12.6	+16.0%	24.9
Precedex [®]	Intensive care sedative	12.9	6.8	+90.5%	14.6
Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®]	Animal sedatives	10.9	8.4	+28.6%	19.3
Divina [®] range	Menopausal symptoms	6.8	7.1	-3.5%	13.2
Fareston [®]	Breast cancer	5.6	6.2	-8.6%	10.2
Total		196.6	175.7	+11.9%	346.5
% of pharmaceutical net sales		49%	48%		48%

23

10 August 2010

Orion Interim Report Q1-Q2/2010



Focus on sales and marketing continued

Formation of profits, EUR million	proforma				Q1-Q2/10	Q1-Q2/09	Change %
	2006	2007	2008	2009			
Net sales	641.1	680.0	710.7	771.5	421.9	386.4	+9.2%
Cost of goods sold	-218.8	-232.8	-243.4	-265.2	-137.8	-129.9	+6.1%
Gross profit	422.3	447.2	467.4	506.3	284.0	256.5	+10.7%
Other operating income and expenses	13.4	12.0	3.1	6.0	-4.6	2.2	-307.6%
Sales and marketing expenses	-129.6	-143.4	-143.9	-160.0	-88.7	-75.3	+17.8%
R&D expenses	-73.1	-85.0	-90.0	-95.2	-39.4	-49.1	-19.7%
Administrative expenses	-40.4	-38.8	-51.5	-50.2	-20.3	-27.0	-24.9%
Operating profit	192.7	192.0	185.0	207.0	131.0	107.3	+22.1%
Profit before taxes	193.3	193.4	184.2	203.7	130.2	105.6	+23.3%
Profit for the period	142.1	143.9	136.3	151.4	96.4	78.0	+23.5%

24

10 August 2010

Orion Interim Report Q1-Q2/2010



Clear growth in intangible assets

Changes in intangible assets (excluding goodwill), EUR million	6/2010	6/2009	2009
Carrying amount at beginning of period	67.0	40.4	40.4
Additions	6.7	30.7 ⁽¹⁾	35.2
Disposals			-0.3
Depreciation	-4.5	-3.8	-8.3
Carrying amount at end of period	69.2	67.3	67.0

(1) Main individual addition was Simdax repurchase for EUR 26.2 million in May 2009

Orion's main research programmes in brief


- Initial results of *dexmedetomidine* studies were positive
 - As effective as standard comparative products midazolam and propofol; compared with midazolam also decreased duration of treatment in a ventilator
 - Orion plans to apply for European marketing authorisation for dexmedetomidine by the end of 2010
- 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
 - More information on the budesonide-formoterol research programme will be given during 2010
- Orion and Novartis developing *Stalevo for Japanese markets*
 - Aim is to submit market authorisation application during 2011
- **Alpha 2c receptor antagonist** in clinical Phase I
 - Possible indications are treatment of Alzheimer's disease or schizophrenia symptoms
- Early-phase studies include
 - selective androgen receptor modulators (SARM), prostate cancer, neuropathic pain, Parkinson's disease and various possible indications within intensive care

Key patent expiries in next few years

Molecule	Brand	Indication	Key patents or data protection expire		
			Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012	October 2013 ¹⁾	2015 ²⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®]	Intensive care sedative	Not marketed	July 2013	June 2012

(1) Wockhardt and Sun companies entering markets from 1 April 2012
(2) Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

27 10 August 2010 Orion Interim Report Q1-Q2/2010



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

Orion dividend distributions

