



Orion Group Financial Review 1-6/2006

The new Orion Corporation which was listed on the Helsinki Stock Exchange on 3 July 2006, gives a financial review of 1-6/2006 which is completely based on figures carved out from the financial statements of the demerged Orion.

- Group net sales were EUR 329.8 (295.6) million, up by 11.6%.
- Operating profit rose by 26.9% to EUR 105.8 (83.4) million.
- Profit before taxes was EUR 105.9 (82.7) million.
- Earnings per share were EUR 0.56 (0.45).
- Equity ratio was 72.8% (65.2%).
- Return on capital employed (ROCE) was 54.2% (44.4%).

Key carve-out figures on Orion Corporation for the review period

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Net sales	156.3	149.7	+4.4%	329.8	295.6	+11.6%	585.6
Operating profit (EBIT)	42.9	38.1	+12.7%	105.8	83.4	+26.9%	155.2
% of net sales	27.5%	25.4%		32.1%	28.2%		26.5%
Profit before taxes	42.6	37.7	+12.8%	105.9	82.7	+28.0%	154.3
% of net sales	27.2%	25.2%		32.1 %	28.0 %		26.3 %
R&D expenses	20.0	19.0	+5.6%	41.1	36.9	+11.4%	80.1
% of net sales	12.8%	12.7%		12.5 %	12.5 %		13.7 %
Capital expenditure	8.0	6.2	+29.2%	12.2	10.3	+18.2%	23.7
% of net sales	5.1%	4.2%		3.7 %	3.5%		4.0%
Balance Sheet total				517.9	533.8	-3.0%	605.1
Equity ratio, %				72.8%	65.2 %		65.6%
Gearing, %				-5.1%	-1.7%		-28.7%
Interest-bearing liabilities				10.5	43.4	-75.8%	10.5
Non-interest-bearing liabilities				130.6	142.3	-8.2%	197.8
Cash and cash equivalents				29.8	49.3	-39.5%	124.5
ROCE (before taxes), %				54.2%	44.4%		40.7%
ROE (after taxes), %				40.6%	38.1%		32.9%
Earnings per share, EUR	0.23	0.21	+7.8%	0.56	0.45	+24.9%	0.83
Diluted earnings per share, EUR	0.23	0.21	+8.4%	0.56	0.45	+25.5%	0.82
Equity per share, EUR				2.67	2.51	+6.4%	2.86
Personnel at the end of the period				3 178	3 080	+3.2%	3 003

The present Orion Corporation was established on 1 July 2006 as one of the two new listed companies that resulted from the demerger of the former Orion. The new Orion Corporation comprises the pharmaceuticals and diagnostics businesses of the demerged Orion. The wholesale and distribution businesses of the former Orion were incorporated into Oriola-KD Corporation, which also publishes its pro forma financial review today.

- All the figures presented in this financial review have been carved out from the financial statements of the demerged Orion Group and prepared in accordance with the recognition and valuation principles of the IFRS standards. The review is compliant with the same principles and calculation methods as were applied in the Listing Particulars of Orion Corporation.
- The figures in this review have not been audited. Those in the parentheses are for the comparative period. The per-share ratios for the comparative periods have been adjusted.
- The figures have been rounded. Therefore, the total sums of individual figures may differ from the total sums shown.

Orion Group structure

The parent company of the Orion Group is Orion Corporation. The Group has two businesses:

- 1) Pharmaceuticals, comprising the following business areas
 - Proprietary Products (patented prescription products)
 - Specialty Products (off-patent prescription products and self-medication products)
 - Animal Health
 - Fermion (active pharmaceutical ingredients)
- 2) Diagnostics.

Market overview

A monthly overview of the development of the moving annual total wholesales on the 13 key global pharmaceutical markets is provided by IMS Health. The figures cover the purchases of retail pharmacies from wholesalers and manufacturers and they are reported at constant exchange rates. The leading 5 European markets include Germany, France, Italy, UK and Spain. The leading 3 Latin American markets are Mexico, Brazil and Argentina. In the 12-month period during 5/2005 – 4/2006, the markets developed as follows (the figures have been rounded):

	5/05 - 4/06 Sales USD billion	Change on comparative period	Share of key 13 markets
North America	199.5	+4%	54%
Europe, leading 5	90.4	+4%	24%
Japan	58.0	+4%	15%
Latin America, leading 3	17.7	+23%	5%
Australia and New Zealand	5.7	+4%	2%
13 key markets total	371.3	+5%	100%

The growth rate has slowed down both in the US and in Europe. The largest therapeutic categories by sales are cardiovasculars, CNS and alimentary. Great variations in sales appear between the main therapeutic categories among the countries included in the review. The best-selling single drug was Lipitor (atorvastatin), a hypolipidemic, with global sales at over USD 11 billion.

The wholesales of medicines for Parkinson's Disease in the 12-month period to March 2006 were about USD 872 million in the USA, and they grew by almost 16% from the comparative period. In the top 5 European markets, the corresponding sales were EUR 703 million, up by 9%.

In Finland, wholesales of pharmaceuticals are now growing at a rate just under 3 per cent on an annual level. According to the sales statistics for 1-6/2006 maintained by Finnish Pharmaceutical Data Ltd., sales reached EUR 855 million, with no growth from the comparative period. Orion contributed EUR 75.7 million to the total, about 9% less than in the comparative period. Orion's market share in Finland was 8.9% (9.9%), just 0.5 percent units behind the market leader.

Net sales

Orion Group. The Group net sales in 1-6/2006 were EUR 329.8 (295.6) million, up by 11.6% from the comparative period. The US dollar's impact was about EUR 1.3 million positive while that of the Swedish krona was EUR 0.4 million negative.

Pharmaceuticals business. The net sales from pharmaceuticals increased by 12.1% to EUR 309.2 (275.9) million. No milestone payments are included in the figures. The products based on in-house R&D accounted for EUR 143.9 (115.8) million, or 47% (42%) of the total. The products for Parkinson's Disease, i.e. Stalevo and Comtess/Comtan, contributed EUR 94.9 (71.5) million, or 31% (26%) of the total net sales.

Diagnostics business. Orion Diagnostica's net sales were EUR 21.6 (20.8) million and they grew by 3.9% from the comparative period. QuikRead[®] infection tests continued to show good growth.

Profits

The Pharmaceuticals business generated an operating profit of EUR 105.3 (84.3) million, which was up by 25.0%. The development was consequence of the increased sales of the proprietary products, especially the entacapone franchise, and the timings of the deliveries, as well as on well managed costs.

The Diagnostics business's operating profit rose by 20.5% to EUR 4.5 (3.7) million. The operational rearrangements and strategy adjustments that were carried out in 2005 contributed positively to the results.

Operating expenses

The consolidated operating expenses were EUR 126.3 (121.5) million, up by 4.0% from the comparative period. Research and development expenses increased relatively fastest, by 11.4%. Selling and distribution expenses grew by 1.9% to EUR 65.7 (64.5) million. They include the costs of sales and marketing as well as distribution and logistics, including the related salaries and other personnel expenses.

Research and development expenses

The Group's R&D expenditure was EUR 41.1 (36.9) million, representing 12% (12%) of the Group net sales. Pharmaceutical R&D expenses were EUR 39.1 million, or about 95% of the total. The R&D function is reported in more detail in the segment review of the Pharmaceuticals business.

Group profit before taxes was EUR 105.9 (82.7) million. The development was mostly consequence of the increased net sales of the proprietary products for Parkinson's Disease and the high volumes supplied to Novartis, the marketing partner. Earnings per share were EUR 0.56 (0.45). Equity per share was EUR 2.67 (2.51). Group ROCE before taxes was 54.2% (44.4%) and ROE after taxes was 40.6% (38.1%).

Balance Sheet and financial position

The Group's gearing was -5.1% (-1.7%). Equity ratio was 72.8% (65.2%).

The share subscriptions made in the review period with the options of the Stock Option Plan 2001 of the demerged Orion induced EUR 21.4 million to the Equity, EUR 17.8 million of which have been recorded in the share premium and the remainder in the share capital.

The share premium fund was lowered by EUR 23 million and transferred to the expendable fund in June, based on the decision by the Extraordinary General Meeting of the demerged Orion held on 19 December 2005.

Total liabilities in the Balance Sheet of 30 June 2006 came to EUR 141.1 (185.7) million, of which interest-bearing liabilities accounted for EUR 10.5 (43.4) million. The amount was reduced mainly by loans repaid to Orion's Pension Fund.

Trade payables decreased by EUR 55.2 million from the year start. In the review period, a total of EUR 46.4 million in short-term loans, which were included in trade payables, were repaid to the Oriola-KD companies.

Cash and cash equivalents accounted for EUR 29.8 (49.3) million of the Group's total current assets. The cash reserves are invested in short-term interest instruments issued by solid financial institutions and corporations.

Cash flows

The cash flows from operations were EUR 59.8 (66.6) million, and they decreased from the comparative period owing to increased working capital, despite the clearly improved profit. The increase in the working capital was consequence of increased sales volumes, enhanced delivery reliability and related inventories, decreased trade payables and reversed provisions after the year-end.

The share subscriptions made with the stock options 2001 of the demerged Orion in the first half of the year induced EUR 21.4 million to the cash flows of financing activities. The net cash used in financing activities resulted in a negative total of EUR 143.5 million due to the dividends paid for 2005 and repaid loans. Most of the loans repaid were short-term receivables of the present Oriola-KD companies.

Capital expenditure

The capital expenditure of the Group came to EUR 12.2 (10.3) million, of which machinery and equipment accounted for EUR 7.4 (7.7) million.

Personnel

The average number of personnel in the Group was 3,058 (2,987) for the review period. In June 2006, the total number of employees was 3,178 (3,080). Personnel in the Pharmaceuticals business increased by about 115 from June 2005, mainly in production and laboratories. In the Diagnostics business, personnel has declined by around 20.

Outlook for 2006

In the **Pharmaceuticals business**, net sales are estimated to increase, thanks to the entacapone product franchise especially. Their net sales growth will level off in the course of the rest of the year. In the first half and especially in the first months of the year, the deliveries to the marketing partner Novartis were exceptionally high. The changes in the Finnish Pharmaceuticals Act, especially the price cut of reimbursable medicines and the ban on discounts grantable to pharmacies, led to lower domestic net sales in the first half of the year. The domestic pharmaceutical sales in the latter half of the year are anticipated to reach the levels of the corresponding period of 2005.

The operating profit of the **Pharmaceuticals business** is estimated to improve somewhat in consequence of the net sales growth. Selling and distribution costs as well as R&D expenses will slightly increase from the previous year.

The **Diagnostics business** will show increased net sales and improved operating profit from the previous year.

Due to one-off earnings items, the operating profit resulting from the Group items is anticipated to be better than in 2005.

The Group's R&D expenditure is estimated to be about EUR 85 million, of which the Pharmaceuticals business will account for over EUR 80 million. Capital expenditure is estimated to be slightly over EUR 20 million.

The consolidated net sales and operating profit are estimated to grow somewhat from the previous year.

Corporate governance and management

The composition of the Board of Directors of Orion is as follows:

Matti Kavetvuo (Chairman)
 Heikki Vapaatalo (Vice Chairman)
 Eero Karvonen
 Leena Palotie
 Vesa Puttonen.

On 22 May 2006, Erkki Etola, who was elected to the Boards of both the demerged Orion and the new Orion by the AGM of the demerged Orion held on 21 March 2006, resigned from the two Boards and their compensation committees. On 6 June 2006, Professor Heikki Vapaatalo was elected new Vice Chairman of the Board of Directors.

The President and CEO of Orion Corporation is Jukka Viinanen, who was President and CEO of the demerged Orion.

The Executive Management Board of Orion comprises the following persons and responsibility areas:

Jukka Viinanen, President and CEO, Chairman of the Executive Management Board
 Esa Heinonen, Senior Vice President, Research and Development
 Markku Huhta-Koivisto, Senior Vice President, Fermion and Supply Chain
 Olli Huotari, Senior Vice President, Corporate Functions, Secretary to the Board of Directors of Orion
 Pekka Kaivola, Senior Vice President, Global Sales
 Jari Karlson, Chief Financial Officer (CFO)
 Timo Lappalainen, Senior Vice President, Proprietary Products, Animal Health and Business Support
 Jaakko Rissanen, Senior Vice President, Orion Diagnostica
 Riitta Vartiainen, Senior Vice President, Specialty Products
 Olli Piironen, Project Manager, employee representative.

Ernst & Young Oy are the auditors of Orion, with Pekka Luoma, Authorised Public Accountant, as the Designated Auditor, and Päivi Virtanen, Authorised Public Accountant, as the Deputy Auditor.

Details of the governance and management of Orion Corporation are provided on the homepage www.orion.fi/investors.

Insiders of Orion Corporation

Orion Corporation follows the insider guidelines issued by the Helsinki Stock Exchange. The Group's permanent insiders comprise the insiders with the duty to declare their holdings in Orion in the company's public insider register and other persons defined by the company as permanent company-specific insiders. The insiders with the duty to declare comprise the members of the Board of Directors, the members of the Executive Management Board as well as the Designated Auditor and the Deputy Auditor. The company's own insider register consists of persons defined by the company as permanent company-specific insiders of the Group.

Up-to-date information about the holdings in Orion of the insiders with a duty to declare, as well as changes in the holdings, is provided on Orion's website for investors, www.orion.fi/investors, via a link to the NetSIRE database maintained by the Finnish Central Securities Depository.

Share capital and ownership base

The share capital of Orion Corporation is EUR 92,238,541.46. The total number of shares is 141,257,828 shares, consisting of 56,397,540 Class A shares and 84,860,288 Class B shares. The counter book value of each share is approximately EUR 0.65. At General Meetings of Shareholders, each Class A share provides 20 (twenty) votes and each Class B share one (1) vote. Both share classes provide equal rights to the company's

assets and dividends. On the basis of the Articles of Association, a shareholder can demand conversion of his/her Class A shares into Class B shares.

After the demerger in early July 2006, Orion had altogether 39,717 shareholders, of which 37,158 or 94% were private individuals. Their holdings accounted for about 49% of the total number of shares and 57% of the total votes. The number of nominee-registered shares was 29.3 million, representing 20.8% of the total shares and 6.1% of the total votes.

No transactions exceeding the flagging limits set in the Finnish Securities Market Act have been brought to the attention of the company.

Authorisations of the Board of Directors

The Board of Directors has no existing authorisation by the Shareholders' Meeting to raise the share capital or to issue a bond loan, convertible loan or stock options, or to acquire or convey the company's own shares.

Trading in Orion shares in July 2006

In the GICS-based (Global Industry Classification Standard) classification of companies on the Helsinki Stock Exchange, Orion Corporation belongs to the industry class of Healthcare, under the code 35202010 – Pharmaceuticals. Trading in Orion Corporation A and B shares started on the main list of the Helsinki Stock Exchange on 3 July 2006. Facts about the shares as well as trading in July 2006, the first month, are provided in the Tables section of this release.

Acquisition costs of Orion and Oriola-KD shares

In a stock exchange release published on 13 July 2006, Orion Corporation informed about the principle confirmed by the Finnish National Board of Taxes, according to which the acquisition costs of the Class A and Class B shares in Orion Corporation and Oriola-KD Corporation shall be determined on the basis of the proportion of their fair values, which are regarded to be the weighted average prices of the shares during the first trading day, 3 July 2006. Accordingly, the acquisition cost of the Class A share of the new Orion Corporation is 87.24% of the original acquisition cost of the demerged Orion's Class A share. Respectively, the acquisition cost of the Class A share of Oriola-KD is 12.76% of the original acquisition cost of the demerged Orion's Class A share. The acquisition cost of the Class B share of the new Orion Corporation is 87.70% of the original acquisition cost of the demerged Orion's Class B share, and, respectively, that of the Class B share of Oriola-KD is 12.30% of the original acquisition cost of the demerged Orion's Class B share.

REVIEW OF THE SEGMENTS

Pharmaceuticals business

Key figures

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Net sales	146.4	140.0	+4.5%	309.2	275.9	+12.1%	547.0
Operating profit	43.3	39.1	+10.8%	105.3	84.3	+25.0%	154.7
% of net sales	29.6%	27.9%		34.1%	30.5%		28.3%
Capital expenditure	7.5	5.9	+28.7%	11.3	9.0	+25.1%	21.1
Net sales from proprietary products	63.4	58.0	+9.3%	143.9	115.8	+24.3%	227.2
R&D expenditure	19.0	18.0	+5.1%	39.1	35.2	+11.3%	76.5
Personnel at the end of the period				2 846	2 731	+4.2%	2 665

Breakdown of pharmaceutical net sales by business areas

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Proprietary Products	55.7	52.7	+5.7%	132.7	108.1	+22.8%	214.9
Specialty Products	55.6	56.4	-1.4%	110.8	111.1	-0.3%	224.3
Animal Health	16.7	14.9	+12.0%	32.1	30.1	+6.8%	59.5
Fermion	9.9	11.0	-10.5%	22.1	21.2	+4.5%	38.4
Others	8.4	4.9	+71.4%	11.5	5.4	+110.8%	9.9
Group total	146.4	140.0	+4.5%	309.2	275.9	+12.1%	547.0

Positive profitability development continued in the Pharmaceuticals business. Operating profit increased by 25.0% from the comparative period. No milestone payments were received in the review period or the comparative one.

The favourable progress was driven by the flagship products, **Stalevo** (levodopa, entacapone, carbidopa) and **Comtess/Comtan** (entacapone), Orion's proprietary products for Parkinson's Disease. Their combined net sales grew by close to 33% and they contributed EUR 94.9 (71.5) million or about 31% (26%) of the total pharmaceutical net sales. Shipments to Novartis, the marketing partner, amounted to EUR 58.1 (38.9) million and they increased by 49% from the comparative period. The net sales generated from Stalevo and Comtess by Orion's own sales organisation were EUR 36.8 (32.5) million, up by 13%.

In the IMS sales statistics for May 2006, the combined market share of Stalevo and Comtess/Comtan of the total wholesales of Parkinson's Disease medicines in the USA was about 16%, in Germany about 15%, Sweden 20%, and in Finland 32%. A decision is anticipated for the Japanese new drug application for Comtan in the first half of 2007.

Net sales from the 10 best-selling pharmaceutical brands of Orion

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Stalevo (Parkinson's disease)	23.1	18.2	+26.9%	55.2	35.4	+56.1%	74.7
Comtess / Comtan (Parkinson's)	17.6	18.5	-4.9%	39.7	36.1	+10.0%	70.6
Domitor, Domosedan, Antisedan (animal sedatives)	6.8	6.2	+9.9%	13.7	14.3	-4.1%	26.0
Easyhaler (asthma)	4.0	2.9	+39.1%	8.8	5.4	+61.0%	10.9
Divina series (menopausal symptoms)	4.1	4.2	-1.7%	8.1	8.3	-2.5%	16.2
Simdax (heart failure)	3.4	4.1	-18.1%	7.6	7.3	+4.4%	13.7
Fareston (breast cancer)	3.2	2.8	+13.7%	6.9	6.7	+3.4%	10.7
Enanton (prostate cancer)	3.3	3.5	-5.5%	6.8	6.9	-1.4%	13.6
Calcimagon (osteoporosis)	2.5	2.0	+28.6%	6.1	4.8	+27.3%	10.2
Burana (inflammatory pain)	3.0	3.8	-21.8%	5.2	7.6	-31.3%	17.4
Total	71.0	66.2	+7.3%	158.1	132.8	+19.1%	264.0
Share of total pharmaceutical net sales	49%	47%		51%	48%		48 %

The net sales from the 10 best-selling brands grew by about 19% and they accounted for about 51% (48%) of the total pharmaceutical net sales. Net sales from the proprietary product franchise were EUR 143.9 (115.8) million. They grew by 24.3% from the comparative period and contributed 47% (42%) to the total pharmaceutical net sales. The figures include also the animal sedatives, which belong to the Animal Health business, and Easyhaler[®], which belongs to the Specialty Products business.

In the Finnish wholesale statistics for 1-6/2006, the sales of Orion's products in Finland were about EUR 76 million, down by about 9% from the comparative period. With a market share of 8.9% Orion maintained its Nr. 2 position in Finland. In the wholesales of self-medication products, Orion continued to have the highest market share, 22.2%. The declined domestic sales were consequence of the impacts of the 5% price cut imposed on the wholesale prices of all reimbursed prescription drugs at the start of the year, the tightened regulations concerning discounts grantable to pharmacies, as well as increasingly aggressive price competition in the group of substitutable prescription products. In this product category, the number of packages purchased by pharmacies grew by about 3%, but measured in euros the wholesales decreased by almost 8% from the comparative period. The number of sold packages of non-substitutable products grew by about 3.5% but in euros they grew by almost 9%. In self-medication products, the volumes purchased by pharmacies were down by over 22%, while in terms of euros the corresponding drop was 12%.

Animal Health's net sales growth was boosted after the fairly flat first months and contributed about 10% (11%) of the total pharmaceutical net sales. Supply of the animal sedatives Domitor[®], Domosedan[®] and Antisedan[®] to the marketing partners picked up, and Orion's own marketing organisation in Denmark continued to show strong net sales growth, too.

Fermion's net sales decreased in the second quarter owing to timings of deliveries to external customers, but the total sales in the first half of the year grew somewhat from the comparative period. Deliveries of entacapone for Orion's own use have kept on growing in the wake of the continued favourable sales of Stalevo and Comtess/Comtan. The impact of intra-Group transactions has been eliminated from Fermion's net sales.

Towards the end of June, Orion entered a **marketing agreement** with the Japanese company Pola Chemical Industries, Inc., concerning **Divigel[®]**, a proprietary hormone replacement therapy of Orion. The license gives Pola the rights to market and sell the product in Japan.

Pharmaceutical research and development

R&D expenses were EUR 39.1 (35.2) million for the review period, and they represented 12.7% (12.8%) of the pharmaceutical net sales.

The largest ongoing study, **STRIDE-PD**, is a major Phase 3 study on Parkinson's Disease, seeking to investigate if Stalevo medication can delay the onset of motor complications, i.e. dyskinesias. In the study, Stalevo is compared with conventional levodopa/carbidopa medication. The study, under way since late 2004, is being carried out in collaboration with Novartis in 14 countries. It involves altogether 740 patients, each being treated at least two years. Results can be anticipated in the first half of 2008.

A Phase 2 study is underway in Switzerland and Finland with **dexmedetomidine** (Precedex[®]) as a long-term infusion for the sedation of patients in intensive care. The objective of the programme is to have the product registered in the EU. Results from this study are anticipated in the latter half of 2006. The product is already available in the USA and Japan as a sedative for patients in intensive care, administrable for up to 24 hours.

Orion and Abbott Laboratories have started the discussions that were meant by the stock exchange release of 18 May 2006 concerning a possible additional Phase 3 clinical study with the heart failure drug **levosimendan** and its financing. Orion will inform about the solutions as soon as reached.

As communicated in the stock exchange release of 6 June 2006, the results from **PERSIST**, a Phase 2 study in about 300 patients with orally administered levosimendan are not sufficient for starting Phase 3 clinical trials in severe chronic heart failure.

In the **CLEVET** programme that is aiming for international marketing authorisations, the efficacy of levosimendan is being studied in the treatment of heart diseases in dogs.

In non-clinical research, Orion is investigating a new COMT enzyme inhibitor for Parkinson's Disease, molecules affecting alpha 2 receptors in the central nervous system, and selective androgen receptor modulators (SARM), among others.

Diagnostics business

Key figures

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Net sales	10.4	10.3	+1.6%	21.6	20.8	+3.9%	40.8
Operating profit	1.7	2.0	-17.6%	4.5	3.7	+20.5%	6.3
% of net sales	15.9%	19.7%		20.8%	17.9%		15.4%
Capital expenditure	0.4	0.3	+40.1%	0.7	0.9	-27.2%	1.8
Personnel at the end of the period				294	315	-6.6%	304

Orion Diagnostica showed low net sales growth in the second quarter, which together with the costs and accruals allocated to the period led to dampened profit development. Operating profit for the first half of the year was good as a whole, however. New-generation products are generating an increasing part of the net sales, with the QuikRead[®] infection tests showing the best growth.

Espoo, 7 August 2006

Board of Directors of Orion Corporation

Orion Corporation

Jukka Viinanen
President and CEO

Jari Karlson
CFO

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Press conference in Finnish

A Finnish press conference for the media and institutional investors will be held today, **Monday, 7 August 2006, starting at 14.30** p.m. at the VR Auditorium, Helsinki. The language of the event is Finnish.

The Finnish presentation can be followed on-line via the Internet homepage www.orion.fi/sijoittajille, or via the Kauppalehti Live web service, www.kauppalehti.fi/live.

Teleconference in English

A teleconference in English for questions and answers will be arranged today, **Monday, 7 August 2006 starting at 17.00 p.m. Finnish time (15.00 GMT)**. Advice for participating the conference is provided on the front page of www.orion.fi.

Webcasting

A webcast presentation of this proforma financial review will become **available in English later in the evening of 7 August** on www.orion.fi/investors, on www.kauppalehti.fi/live, as well as via Thomson/CCBN's

web service www.fulldisclosure.com or Thomson's extranet service for institutional investors, www.streetevents.com.

In Orion's calendar for rest of 2006:

Meeting of the shareholders
of the demerged Orion

Monday, 16 October 2006 at 16.00 p.m. (18.00 GMT),
Helsinki Fair Center

Interim Report 7-9/2006
(proforma figures for 1-6/2006 and 1-12/2005)

Thursday, 2 November 2006

Wednesday, 22 November 2006 at 13.00 p.m. GMT,
London

Capital Markets Day

The financial reviews, reports and the related presentation material of Orion are available on the homepage www.orion.fi/investors as of publication. The homepages also provide a facility for registration on the respective companies' mailing lists for publications and news releases.

TABLES

The figures have been carved out from the financial statements of the demerged Orion.

GROUP INCOME STATEMENT

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Net sales	156.3	149.7	+4.4%	329.8	295.6	+11.6%	585.6
Cost of goods sold	-50.2	-49.0	+2.4%	-99.9	-95.6	+4.5%	-188.9
Gross profit	106.0	100.6	+5.4%	229.9	200.0	+14.9%	396.7
Other operating income	0.7	1.5	-53.7%	2.2	4.8	-54.3%	11.4
Selling and distribution expenses	-33.3	-33.1	+0.5%	-65.7	-64.5	+1.9%	-129.3
Research and development expenses	-20.0	-19.0	+5.6%	-41.1	-36.9	+11.4%	-80.1
Administrative expenses	-10.5	-12.0	-12.4%	-19.5	-20.1	-3.0%	-43.4
Operating profit	42.9	38.1	+12.7%	105.8	83.4	+26.9%	155.2
Financial income	0.5	0.8	-33.4%	1.8	1.3	+34.2%	3.0
Financial expenses	-0.9	-1.2	-21.0%	-1.7	-2.0	-13.2%	-4.0
Profit before taxes	42.6	37.7	+12.8%	105.9	82.7	+28.0%	154.3
Income tax expense	-11.1	-9.1	+22.6%	-27.4	-21.4	+28.0%	-40.4
Profit for the period	31.4	28.6	+9.7%	78.5	61.3	+28.0%	113.9
of which attributable to:							
Parent company shareholders	31.4	28.6	+9.7%	78.5	61.3	+28.0%	113.9
Minority	0.0	0.0	+99.4%	0.0	0.0	-76.7%	0.0
Earnings per share*							
Basic, EUR	0.23	0.21	+7.8%	0.56	0.45	+24.9%	0.83
Diluted, EUR	0.23	0.21	+8.4%	0.56	0.45	+25.5%	0.82
Depreciation and amortisation	8.7	8.8	-1.2%	17.5	17.6	-0.6%	35.4
Employee benefit expenses	37.7	36.5	+3.3%	72.4	69.2	+4.7%	140.1

*) The earnings per share have been calculated from the profit attributable to the parent company shareholders.

**GROUP BALANCE SHEET:
ASSETS**

EUR million	6/2006	6/2005	Change %	2005
Non-current assets				
Property, plant and equipment	191.2	201.0	-4.9%	196.4
Goodwill	13.5	13.5	-0.0%	13.5
Other intangible assets	23.7	27.7	-14.5%	24.5
Investments in associates	0.1	0.1	-17.8%	0.1
Available-for-sale investments	1.0	1.0	-0.1%	1.0
Pension asset	49.2	43.8	+12.3%	46.3
Deferred tax assets	1.7	1.9	-0.7%	1.5
Other non-current receivables	4.3	4.4	-9.0%	4.2
Non-current assets total	284.6	293.3	-3.0%	287.5
Current assets				
Inventories	110.4	88.9	+24.2%	99.4
Trade receivables	75.4	90.6	-16.8%	78.7
Other receivables	17.7	11.7	+51.5%	14.9
Cash and cash equivalents	29.8	49.3	-39.5%	124.5
Current assets total	233.3	240.5	-3.0%	317.5
Assets total	517.9	533.8	-3.0%	605.1

**BALANCE SHEET:
EQUITY AND LIABILITIES**

EUR million	6/2006	6/2005	Change %	2005
Equity				
Share capital	92.2	88.2	+4.6%	88.2
Share issue	-	-	-	0.3
Share premium	17.8	23.0	-22.8%	23.2
Expendable fund	23.0	-	-	-
Other reserves	0.5	0.6	-22.6%	0.7
Retained earnings	243.2	236.3	+2.9%	284.3
Equity of the parent company shareholders	376.8	348.1	+8.2%	396.7
Minority interest	0.0	0.0	+6.0%	0.0
Equity total	376.8	348.1	+8.2%	396.8
Non-current liabilities				
Deferred tax liabilities	53.2	52.3	+1.7%	51.3
Pension liability	0.8	0.7	+16.4%	0.7
Provisions	1.4	2.6	-45.4%	2.4
Interest-bearing non-current liabilities	7.9	40.3	-80.3%	8.3
Other non-current liabilities	1.4	1.0	+33.7%	1.2
Non-current liabilities total	64.8	97.0	-33.2%	63.9
Current liabilities				
Trade payables	21.9	23.4	-6.3%	77.1
Other current liabilities	51.5	62.2	-17.1%	64.7
Provisions	0.3	0.0	+833.1%	0.3
Interest-bearing current liabilities	2.5	3.0	-16.1%	2.2
Current liabilities total	76.3	88.6	-13.9%	144.4
Equity and liabilities total	517.9	533.8	-3.0%	605.1

CASH FLOW STATEMENT

EUR million	1-6/06	1-6/05	2005
Cash flow from operating activities			
Operating profit	105.8	83.4	155.2
Adjustments	11.7	13.4	22.3
Change in working capital	-41.2	-21.6	-5.1
Interest paid	-2.2	-1.2	-4.5
Interest received	1.8	2.7	5.0
Income taxes paid	-16.2	-10.0	-39.1
Net cash from operating activities	59.8	66.6	133.8
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	-10.5	-10.3	-21.7
Acquisition of subsidiary, net of cash	-1.2	-	-
Proceeds from sale of property, plant and equipment, intangible assets and available-for-sale investments	0.7	2.5	7.9
Net cash used in investing activities	-11.0	-7.7	-13.8
Cash flow from financing activities			
Share issue and share capital increase based on the use of stock options	21.4	42.9	43.4
Change in short-term loans	-46.5	-64.0	-17.7
Change in long-term loans	-0.2	-0.1	-32.3
Dividends paid to parent company and minority shareholders	-118.2	-56.7	-56.7
Net cash used in financing activities	-143.5	-77.9	-63.3
Net change in cash and cash equivalents	-94.6	-19.1	56.7
Cash and cash equivalents at the beginning of the period	124.5	68.4	68.4
Foreign exchange adjustments	0.0	0.0	-0.6
Net change in cash and cash equivalents	-94.6	-19.1	56.7
Cash and cash equivalents at the end of the period	29.8	49.3	124.5

CONTINGENT LIABILITIES

EUR million	6/2006	6/2005	2005
Contingent for own liabilities:			
Mortgages on land and buildings	27.9	56.2	27.9
of which those on behalf of the Orion Pension Fund	11.4	39.7	11.9
Guarantees	1.9	1.8	2.0
Contingent for liabilities of other parties:			
Mortgages on land and buildings	9.5	9.9	9.9
Guarantees	7.1	6.7	7.2
Leasing liabilities (operating leases)	3.8	3.6	3.8
Other liabilities	0.3	0.3	0.3

EUR million	6/2006	6/2005	2005
Currency forward contracts:			
- fair value	0.7	-1.3	-0.3
- nominal value	75.6	79.2	80.0

Legal proceedings and claims

In November 2005, a failure was detected in the methotrexate manufacturing equipment at the Oulu plant of Fermion Oy. As a result of the failure, certain commercial batches had been contaminated with small amounts of water containing ethylene-glycol. The competent authorities as well as customers who had been supplied with methotrexate batches containing ethylene-glycol water were informed of the incident. The incident has resulted in recalls of certain defective methotrexate products as well as claims for damages related to the defective methotrexate batches. The total amount of the damage claims possibly resulting from the incident has at this point been estimated not to exceed approximately EUR 6 million. The damages resulting from the incident are at least for the most part covered by the company's liability insurance, such that the amount to be covered by the company itself, including the deductible and invoiced materials and amounts possibly not covered by liability insurance, are estimated to be limited to approximately EUR 2.5 million. At the year end closing for 2005, a cost reservation of EUR 800,000 was recorded in the demerged Orion's financial statements for the incident, after which an additional reservation of EUR 1.0 million has been made.

NET SALES BY BUSINESS SEGMENTS

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Pharmaceuticals	146.4	140.0	+4.5%	309.2	275.9	+12.1%	547.0
Diagnostics	10.4	10.3	+1.6%	21.6	20.8	+3.9%	40.8
Group items	-0.5	-0.6	-13.5%	-1.1	-1.2	-7.4%	-2.1
Group total	156.3	149.7	+4.4%	329.8	295.6	+11.6%	585.6

OPERATING PROFIT BY BUSINESS SEGMENTS

EUR million	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Pharmaceuticals	43.3	39.1	+10.8%	105.3	84.3	+25.0%	154.7
Diagnostics	1.7	2.0	-17.6%	4.5	3.7	+20.5%	6.3
Group items	-2.1	-3.0	-32.3%	-4.0	-4.6	-13.2%	-5.7
Group total	42.9	38.1	+12.7%	105.8	83.4	+26.9%	155.2

REVIEW BY ANNUAL QUARTERS**Net sales by business segments by annual quarters**

EUR million	7-9/04	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06
Pharmaceuticals	130.3	119.7	135.9	140.0	133.8	137.2	162.9	146.4
Diagnostics	9.1	10.9	10.5	10.3	9.5	10.5	11.2	10.4
Group items	-0.6	-0.5	-0.5	-0.6	-0.4	-0.5	-0.5	-0.5
Group total	138.7	130.1	145.9	149.7	142.8	147.2	173.5	156.3

Operating profit by business segments by annual quarters

EUR million	7-9/04	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06
Pharmaceuticals	29.7	8.4	45.2	39.1	42.7	27.7	62.0	43.3
Diagnostics	1.9	1.3	1.7	2.0	1.4	1.1	2.8	1.7
Group items	0.5	-3.0	-1.6	-3.0	1.8	-2.9	-1.9	-2.1
Group total	32.1	6.7	45.3	38.1	45.9	25.9	62.9	42.9

Net sales by geographic segments by annual quarters

EUR million	7-9/04	10-12/04	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06
Finland	45.3	49.9	48.0	46.9	44.8	52.6	44.8	45.4
Scandinavia	20.8	22.8	20.6	22.7	21.3	22.4	22.5	24.2
Other Europe	45.6	37.9	52.8	55.8	59.0	53.4	83.5	66.0
North America	15.2	11.1	15.1	14.7	10.2	12.5	11.9	9.8
Other markets	11.8	8.5	9.4	9.6	7.6	6.3	10.8	10.8
Group total	138.7	130.1	145.9	149.7	142.8	147.2	173.5	156.3

**Facts about Orion Corporation shares
As on 31 July 2006**

	Class A		Class B		A and B total	
Share capital	37.0	MEUR	55.2	MEUR	92.2	MEUR
Total number of shares	56 397 540	pcs	84 860 288	pcs	141 257 828	pcs
Minimum share capital					50	MEUR
Maximum share capital					2 000	MEUR
Share of total share stock	39.9	%	60.1	%	100.0	%
Counter book value of share	ca 0.65	EUR	ca 0.65	EUR		
Votes per share	20	votes	1	votes		
Lot size	100	pcs	100	pcs		
Trading code on the Helsinki Stock Exchange	ORNAV		ORNBV			

Both share classes provide equal rights to the company assets and dividends.

Trading in Orion Corporation shares in July 2006

	Class A		Class B		A and B total	
Total number of shares traded	207 439	pcs	5 579 339	pcs	5 786 778	pcs
Share of total stock	0.4	%	6.6	%	4.1	%
Lowest quotation	11.45	EUR	11.51	EUR		
Highest quotation	13.89	EUR	14.10	EUR		
Closing quotation on 3 July 2006	13.35	EUR	13.90	EUR		
Closing quotation on 31 July 2006	13.10	EUR	13.17	EUR		
Market capitalisation on 31 July 2006	738.8	MEUR	1 117.6	MEUR	1 856.4	MEUR

Performance per share

	4-6/06	4-6/05	Change %	1-6/06	1-6/05	Change %	2005
Earnings per share, EUR	0.23	0.21	+7.8%	0.56	0.45	+24.9%	0.83
Diluted earnings per share, EUR	0.23	0.21	+8.4%	0.56	0.45	+25.5%	0.82
Equity per share, EUR				2.67	2.51	+6.4%	2.86
Average number of shares, 1,000 pcs	140,594	138,177		139,852	136,444		137,670

Distribution:

Helsinki Exchanges
Media

Publisher:

Orion Corporation
Corporate Administration
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Homepage: www.orion.fi