



Review by the President & CEO

Timo Lappalainen

Annual General Meeting of Orion
Corporation 19 March 2013

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.

Year 2012 - net sales and pharmaceutical development projects developed well

- 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
- Production capacity utilisation rate up to high level

Development of key figures

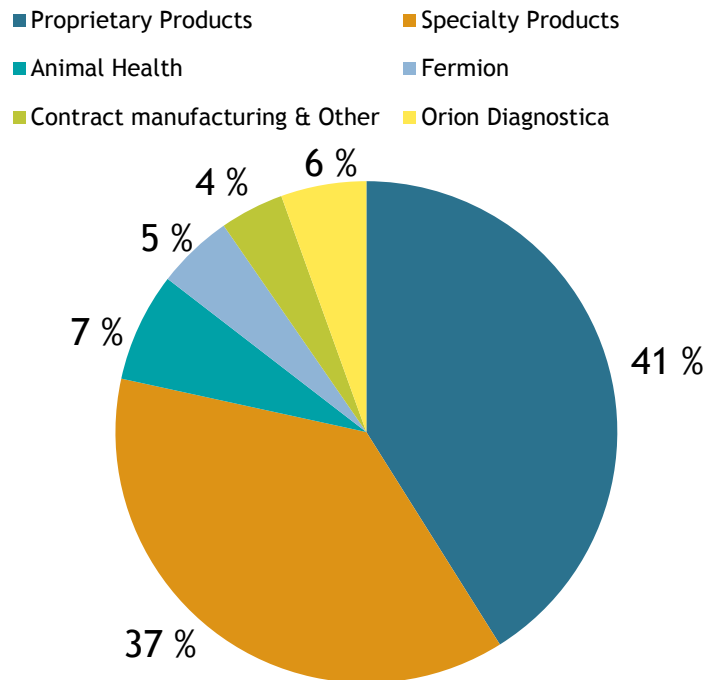
Orion key figures	2011	2012	Change %
Net sales, EUR million	917.9	980.4	+6.8%
Operating profit, EUR million	282.9	280.9	-0.7%
R&D expenses, EUR million	87.5	104.8	+19.8%
Equity ratio, %	64.2%	61.1%	
Basic earnings per share, EUR	1.49	1.48	-0.4%
Cash flow per share before financial items, EUR	1.10	1.23	+12.1%
Dividend per share, €	1.30 + 0.12 ¹⁾	1.30 ²⁾	

¹⁾ A capital repayment

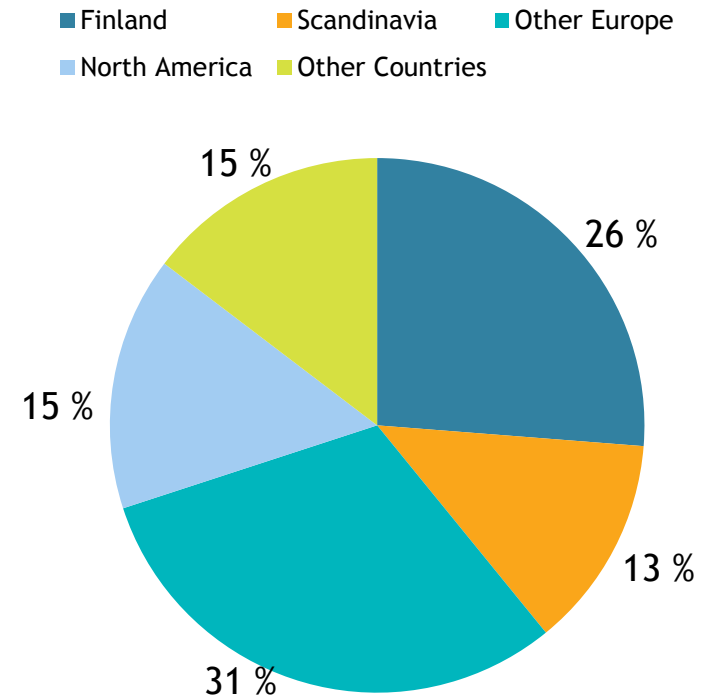
²⁾ Board proposes to AGM that EUR 1.30 dividend per share be distributed.

Breakdown of net sales

By business divisions



By market area



Best-selling pharmaceuticals

Orion's best-selling pharmaceuticals, EUR million

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

 = Products based on Orion's inventions

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

Orion clear market leader in Finland

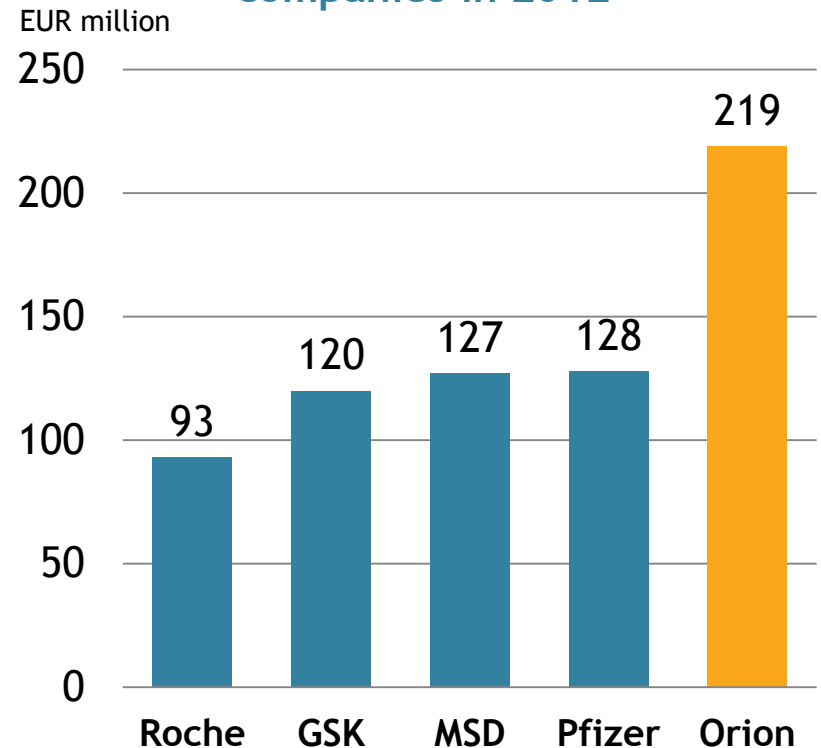
Finnish human pharmaceuticals market in 2012

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

Orion in Finnish human pharmaceuticals market

- Sales growth 9%
- Orion clear market leader
 - Market share 11%
- Approx. every third product in Finnish pharmacies is from Orion
- Over 200 prescription drugs
- Almost 100 self care products

Finland's biggest pharmaceutical companies in 2012



Dividend distribution

The Board of Directors proposes that a dividend of EUR 1.30 per share be paid; the payout ratio would be 87.2%

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

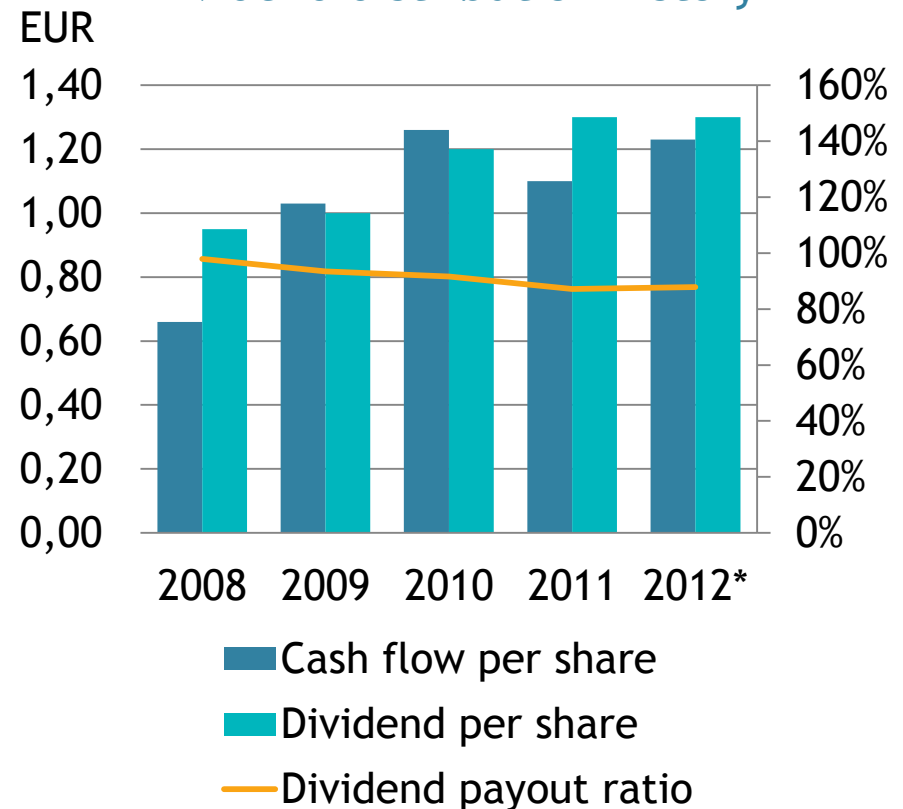
Repayments of capital 2009–2011

2009: EUR 0.10 per share

2010: EUR 0.06 per share

2011: EUR 0.12 per share

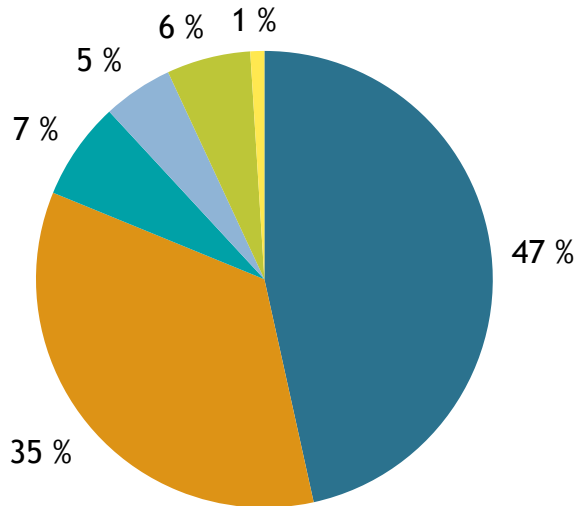
Dividend distribution history



*) Dividend per share proposed by Board of Directors

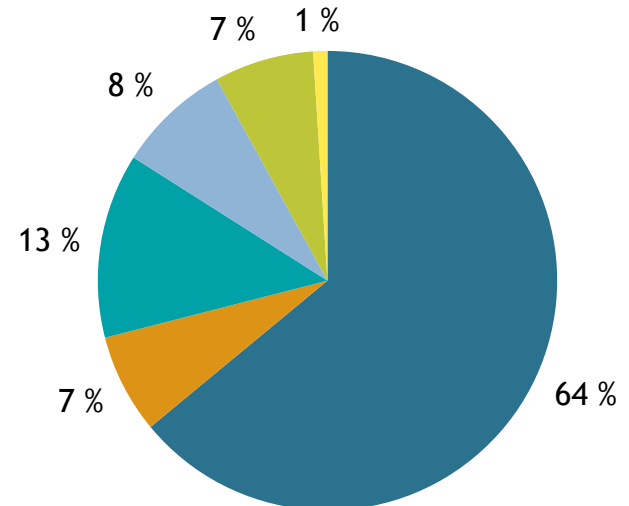
Orion strongly Finnish-owned

By number of shares*



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

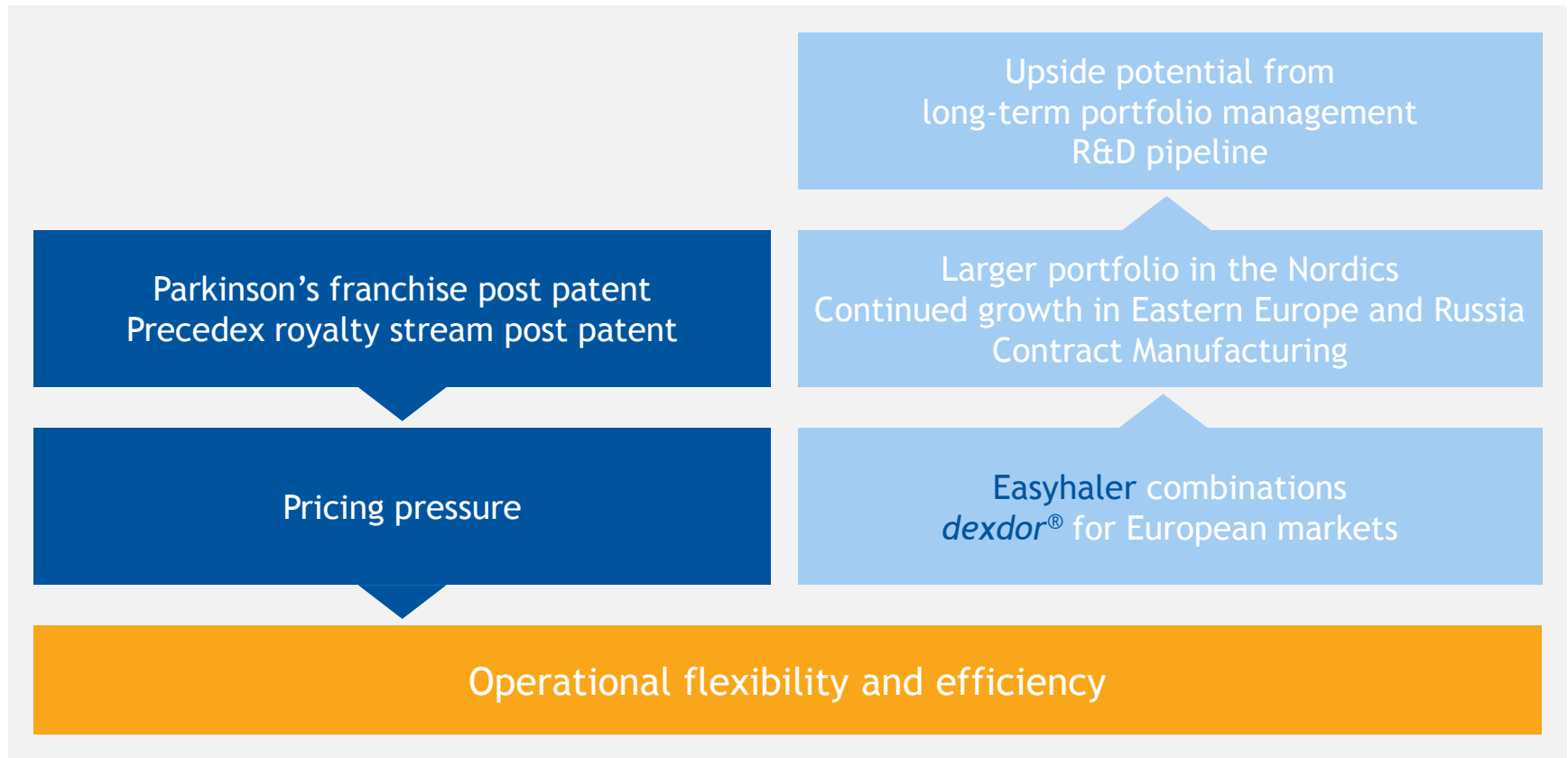
By number of votes*



- Households
- Non-Finnish holders and nominee registered
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- Public sector
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*) Ca. 55,000 shareholders on 28 February 2013. 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.

Balancing mid-term – building long-term



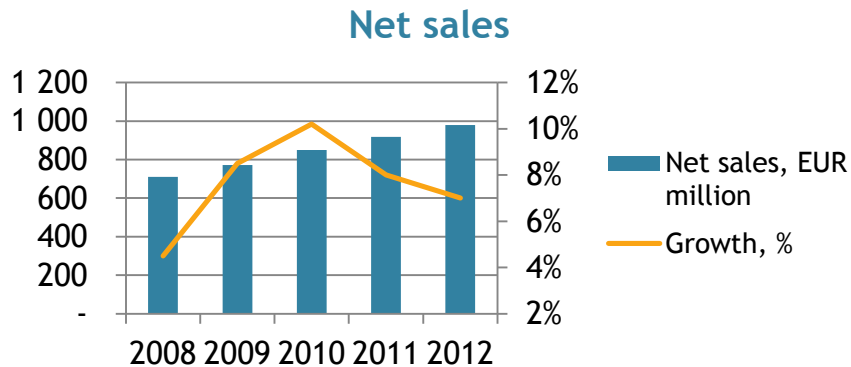
Orion's financial objectives

Orion's financial objectives are:

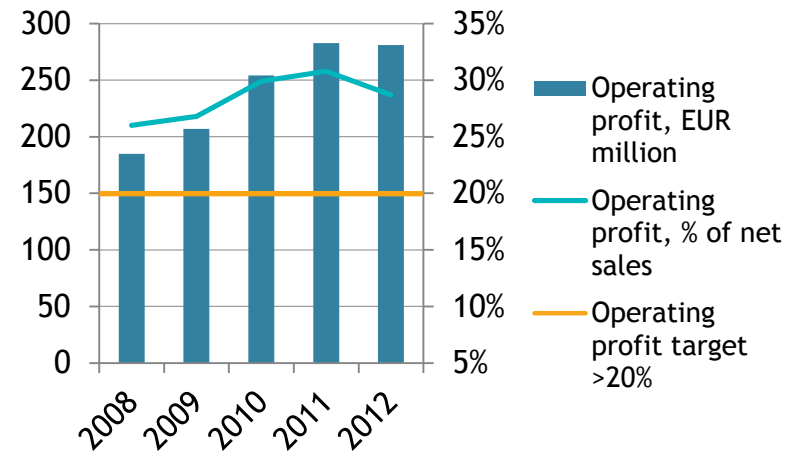
- Ensuring financial stability
- Profitable growth

The objectives are achieved through:

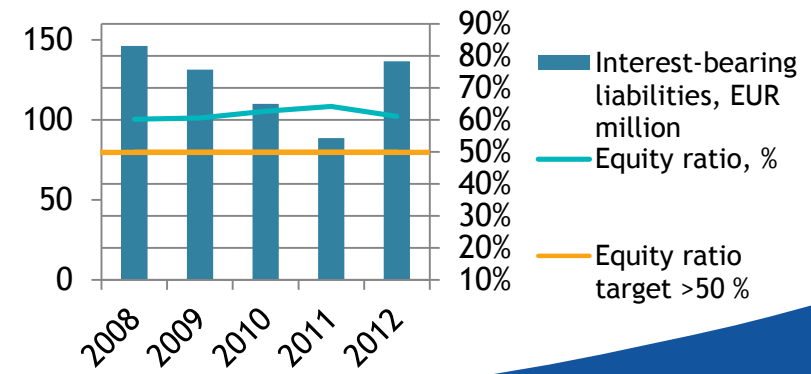
- Increasing net sales. Achievement of this objective requires continuous investment in development of the product portfolio.
- Maintaining profitability at a good level, the aim being operating profit that exceeds 20% of net sales.
- Keeping the equity ratio at least 50%.



Operating profit



Equity ratio and interest-bearing liabilities



The Executive Management Board

Timo Lappalainen

President and CEO

Satu Ahomäki

Global Sales

Markku Huhta-Koivisto

Specialty Products and Fermion

Olli Huotari

Corporate Functions

Liisa Hurme

Proprietary Products

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.



A look into the future

Challenges and opportunities of pharma industry

- Productivity of pharmaceutical R&D?
- Unpredictable development of European drug pricing systems
- Consolidation of production and transfer to Asia
- + Science produces new treatment possibilities
- + Extended life expectancy and better quality of life
- + Emerging markets

We at Orion believe in

- Values - the hard core
- Investment in people - High tech industry
- Looking for growth - not giving up in present markets
- Renewal of product portfolio - investment for future

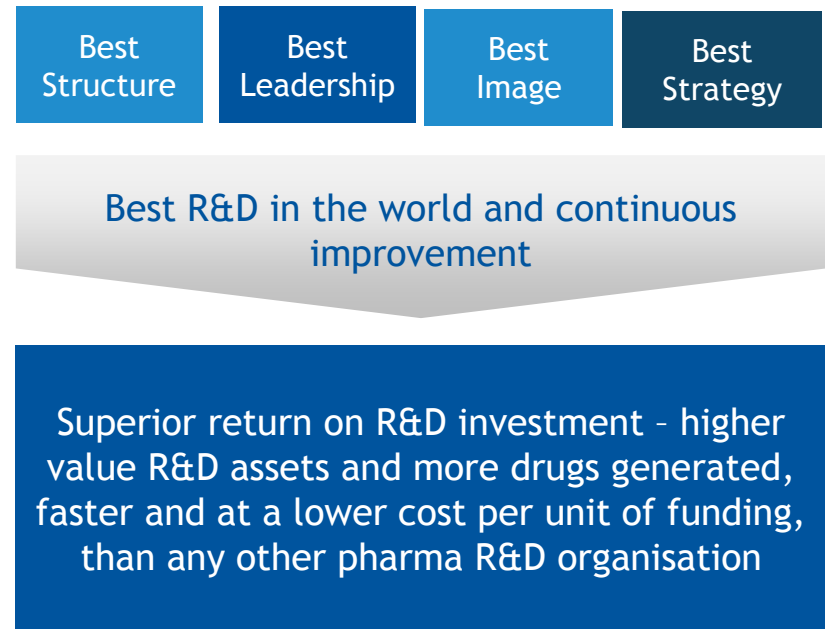
Committed Orion people implementing strategy



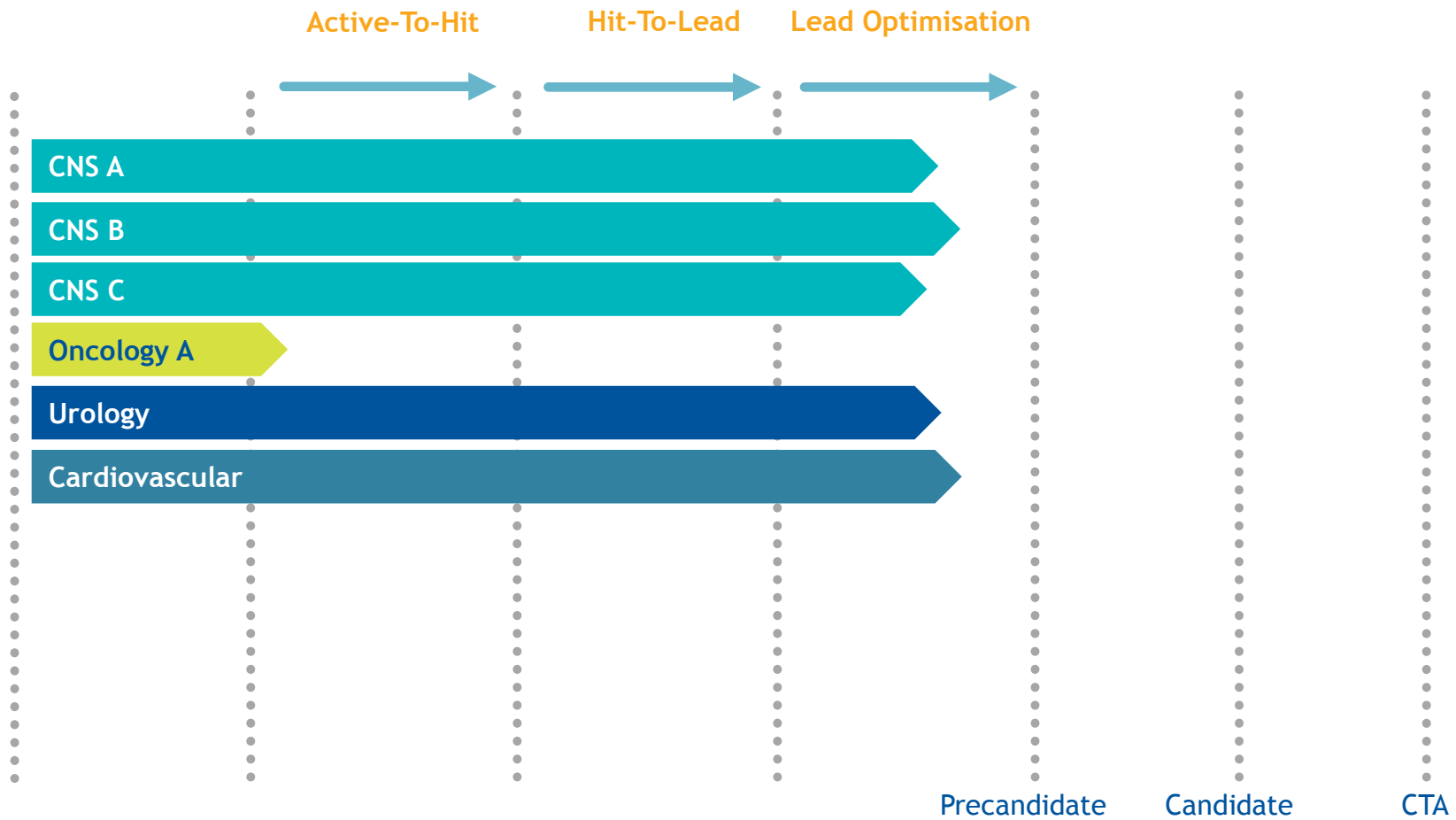
Set the bar high!

- **Productivity of pharmaceutical R&D?**
- Unpredicted development of European drug pricing systems
- Consolidation of production and transfer to Asia
- + **Science produces new treatment possibilities**
- + Prolonged life expectancy and better quality of life
- + Emerging markets

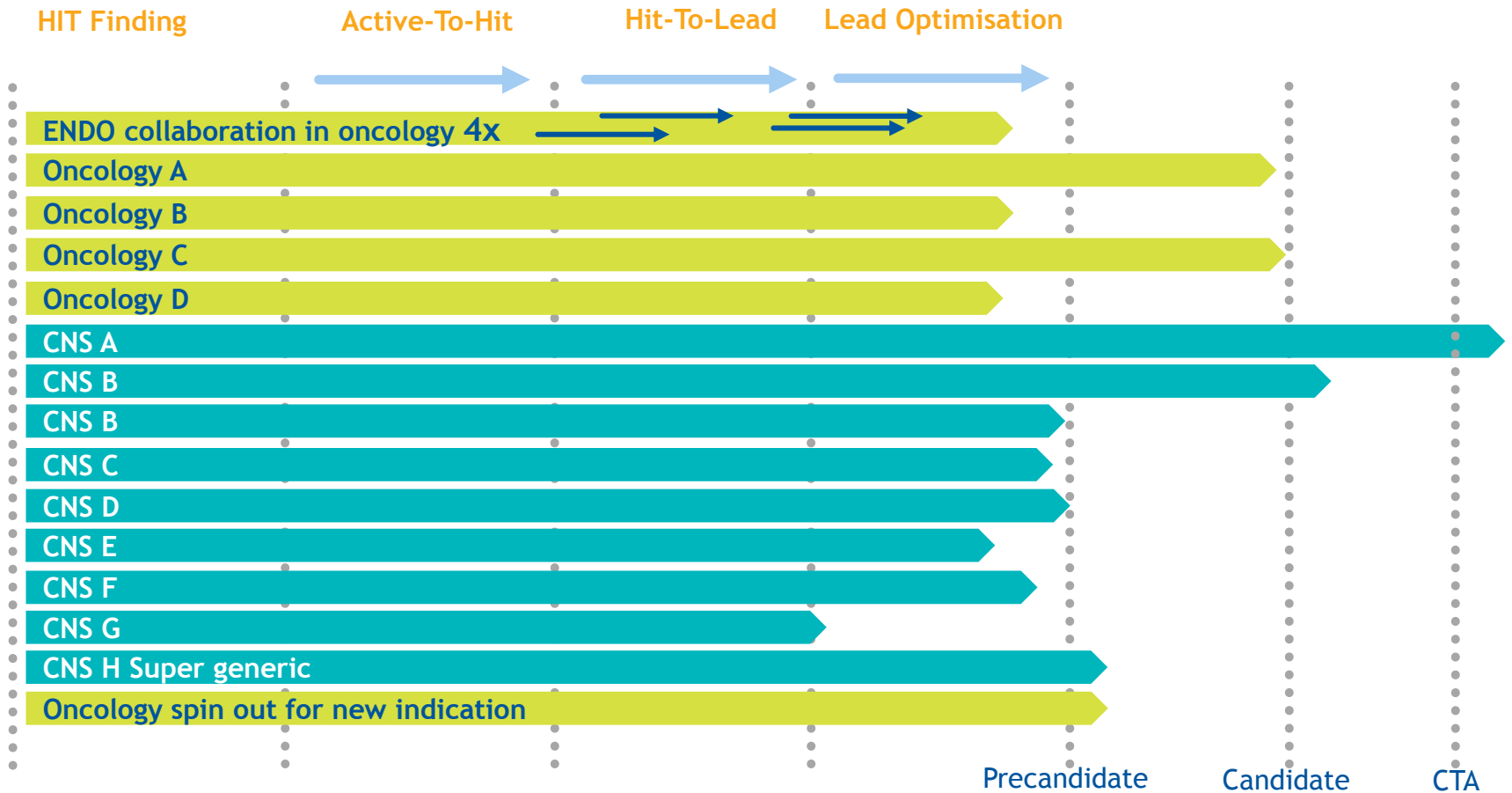
The Best R&D in the World by 2017
– a goal set in 2008



Research projects in 2006 (6)



Research projects in 2012 (18)



News from Orion's pharmaceutical R&D


Orion is collaborating with Novartis to develop **Stalevo® drug** for the Japanese markets. Novartis will initiate the necessary clinical bioavailability study in November 2012. (*Orion Interim Report 23 Oct 2012*)

Orion has begun Phase I clinical safety trials with a **new COMT inhibitor (ODM-103)**. It is a new molecule that enhances the therapeutic effects of levodopa used to treat Parkinson's disease by blocking the COMT enzyme. The pre-clinical study results indicated that the new molecule is more effective than the COMT inhibitor entacapone, which is already in the markets. (*Orion Interim Report 23 Oct 2012*)

Press Release Oct 23rd 2012 |  Print

Orion receives positive Phase II study results of a new levodopa product for Parkinson's disease

ODM-101, a new levodopa product currently developed by Orion for the treatment of Parkinson's disease, has successfully completed Phase II Proof of Concept trial. The key results indicate that ODM-101 was more efficacious than the reference product Stalevo® in the treatment of advanced Parkinson's disease patients. The study included more than 100 patients in Europe.

Stock Exchange Release Nov 30th 2012 |  Print

Orion is planning to apply for a marketing authorisation for combined budesonide-formoterol formulation of the Easyhaler® product family

ORION CORPORATION STOCK EXCHANGE RELEASE 30 NOVEMBER 2012 at 1:10 PM EET

Orion Corporation is developing a budesonide-formoterol formulation combining budesonide as an anti-inflammatory agent and formoterol as a long-acting bronchodilator to expand the range of the inhalable Easyhaler® drug product family for treatment of asthma and COPD.

Press Release Sep 30th 2012 |  Print

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 from Phase II clinical trials in 2012 were positive. (*Orion Financial Statements Release 5 Feb 2013*)

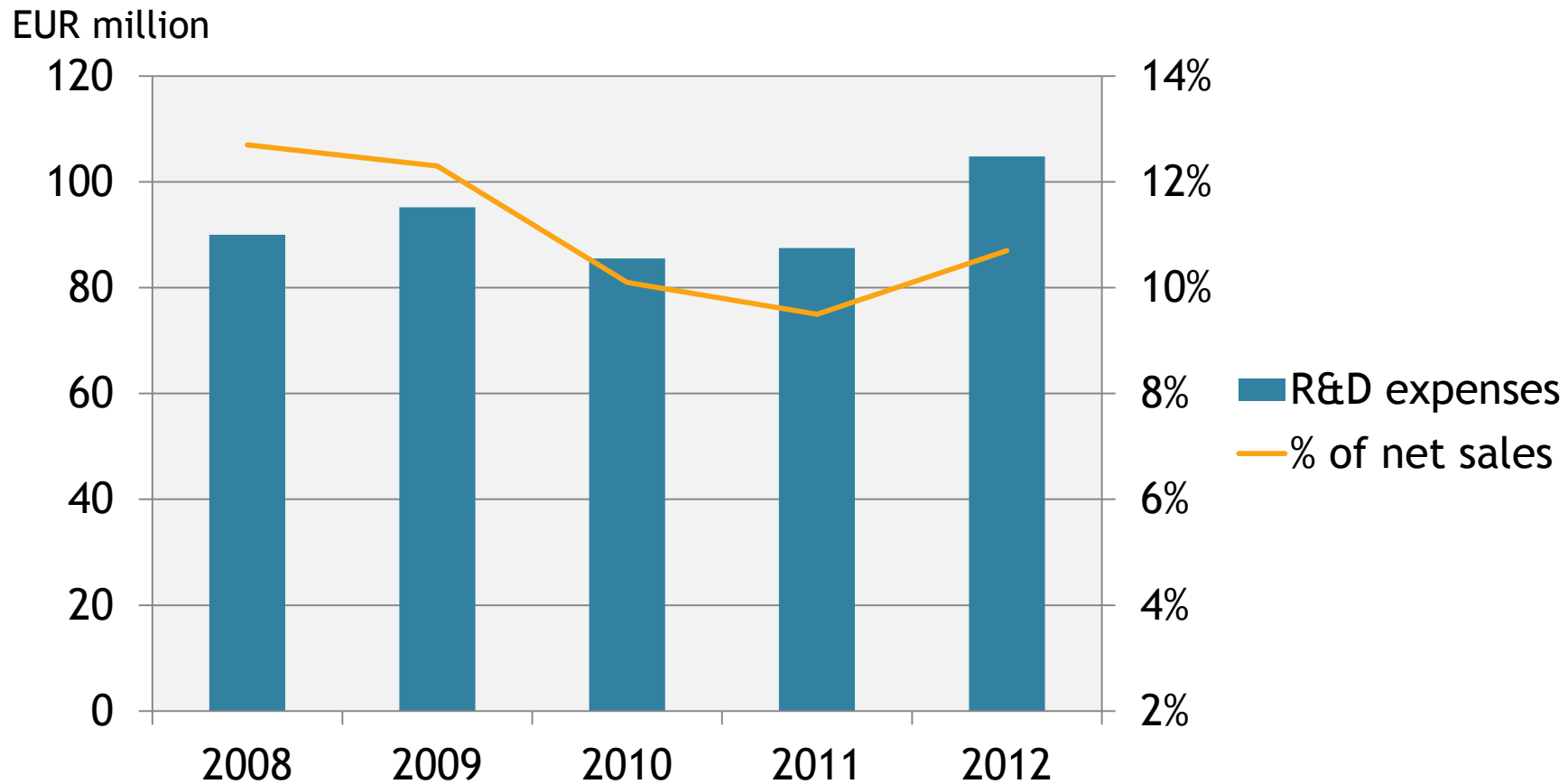
Phase I/II ARADES trial of a new generation anti-androgen, ODM- 201, presented at ESMO 2012 congress

Dr. Christophe Massard, M.D., investigator in ODM-201 ARADES trial presented initial results from the Phase I component of the Arades trial at the ESMO 2012 Congress (European Society for Medical Oncology), in Vienna 30th September 2012.

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 market 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 (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		

Development of Orion's R&D expenses



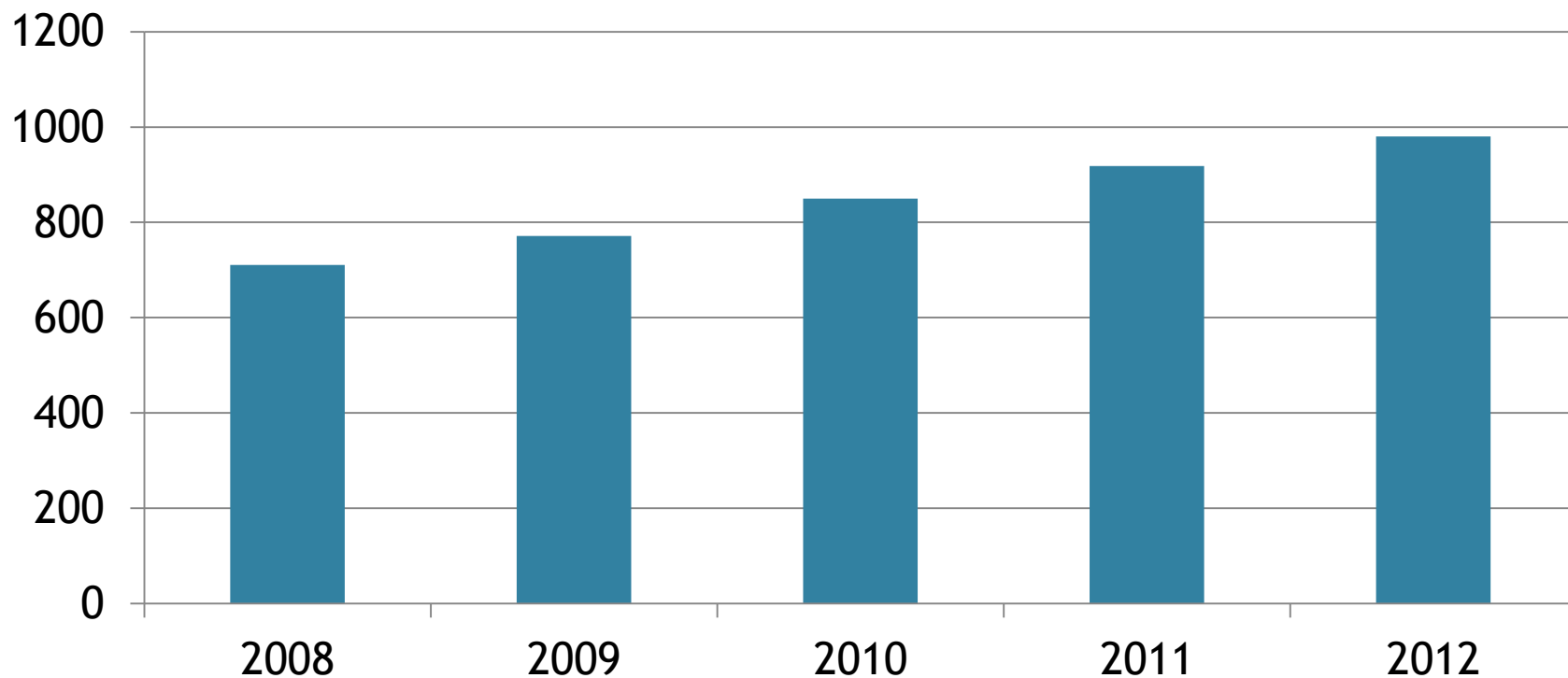


Building future with investments

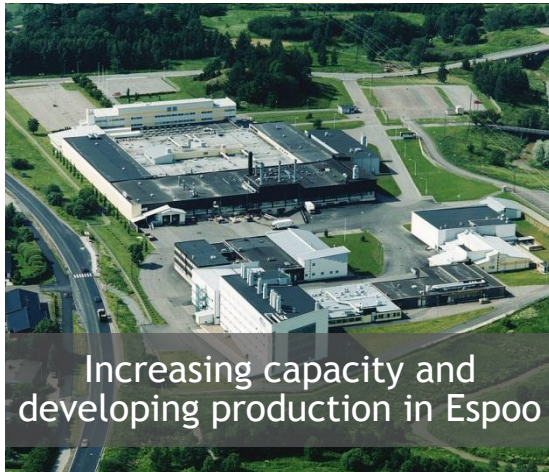
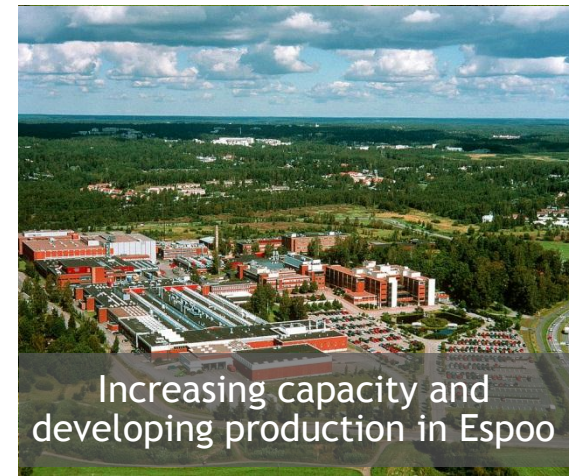
Capacity utilisation rate at high level due to growth

EUR, million

Net sales



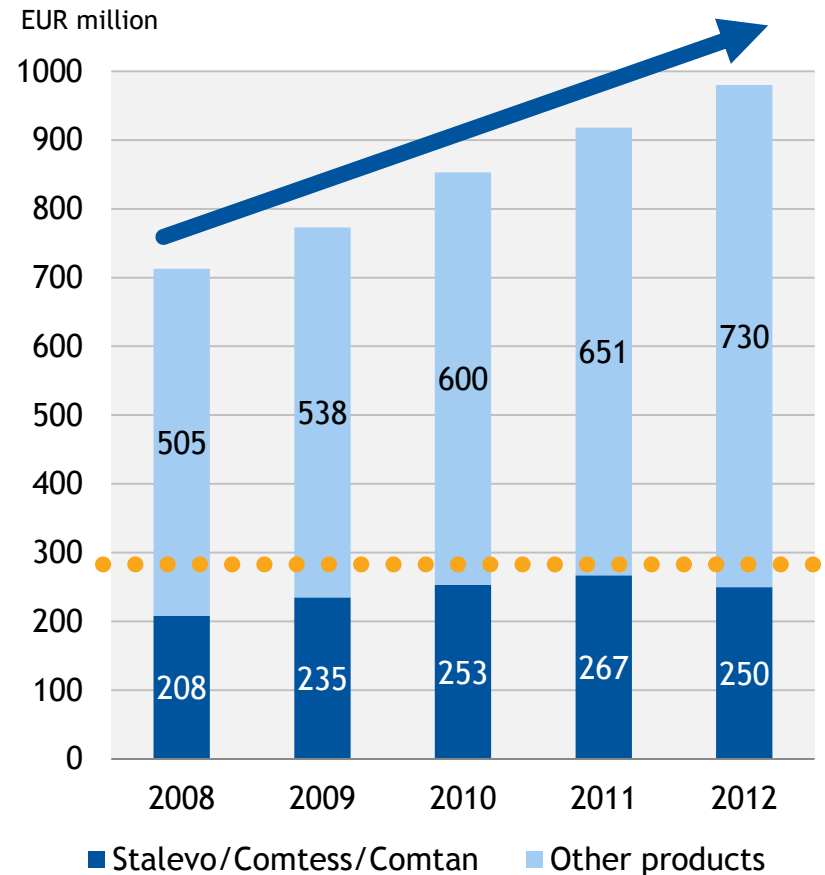
Orion invests and develops special know-how



EUR million	2010	2011	2012	Outlook 2013
Orion Finland	23	30	40	
Orion Group total	38	49	50	80

Do not give up – but develop new

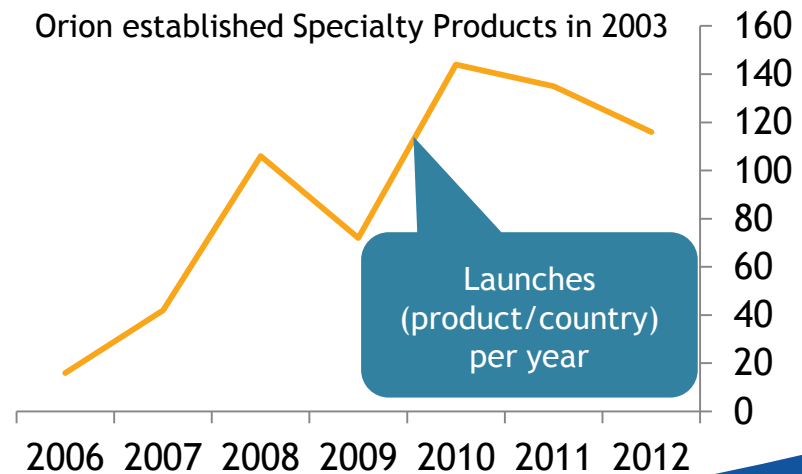
- Productivity of pharmaceutical R&D?
- **Unpredicted development of European drug pricing systems**
- Consolidation of production and transfer to Asia
- + Science produces new treatment possibilities
- + **Prolonged life expectancy and better quality of life**
- + Emerging markets



Grow in present AND new markets

- Productivity of pharmaceutical R&D?
- **Unpredicted development of European drug pricing systems**
- Consolidation of production and transfer to Asia
- + Science produces new treatment possibilities
- + Prolonged life expectancy and better quality of life
- + **Emerging markets**

2012 growth	Orion	Market
Finland	9%	3%
Sweden	17%	-1%
Norway	18%	4%
Denmark	7%	1%
Eastern Europe	5%	
Russia and CIS	32%	



Orion is responsible member of the Finnish society

EUR million	2008	2009	2010	2011	2012
Income taxes from operating profit	48	52	59	67	61
Tax deductions from salaries	33	33	33	35	38
Tax deductions from dividends paid to shareholders	16	18	22	27	26
TOTAL	97	103	114	129	125

Corner stones of future success

- Successful global commercialisation of innovations
 - P² (people, products)
- Overall cost efficient operating model
 - Sharing risks and rewards with partners
 - Focusing - what is NOT done
- Persistent ownership steering
 - Demand for results in short AND long term

How will Orion succeed?

Many competitors have competent and committed employees

Some of them have more resources than Orion

We have

- 1) Best leadership structure
- 2) Best partner arrangements
- 3) Mutually agreed and functional values
- 4) Culture of succeeding together



Pharmaceutical industry = P²
(#1 people * #2 products)

99.9% of the pharmaceutical market yet to be conquered

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

ORION
Building well-being