



Orion Group Financial Review Proforma 1-9/2006

2 November 2006

The figures for 1-6/2006 and the year 2005 have been carved out from the financial statements of the demerged Orion.
7-9/2006 was the first financial accounting period of the present Orion.

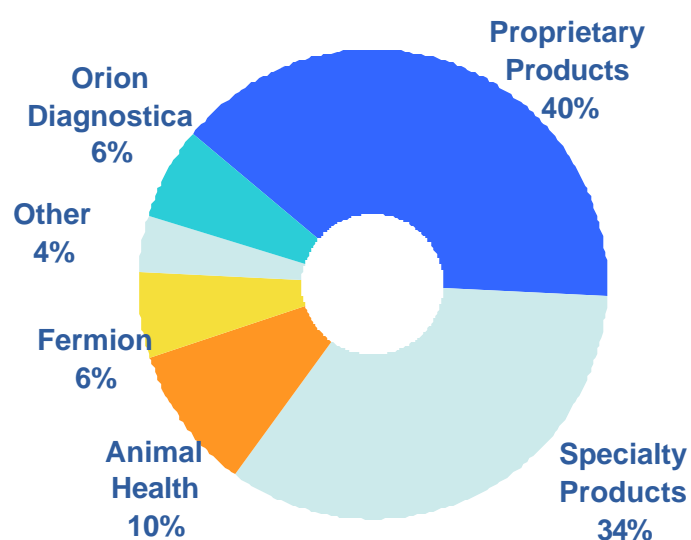


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Orion Group starting from 1 July 2006



Group net sales 1-9/2006
EUR 478.8 million

Orion's Businesses

Pharmaceuticals

- Proprietary Products
- patented prescription products
- Specialty Products
- off-patent prescription products and OTC
- Animal Health
- Fermion

Diagnostics

- Orion Diagnostica



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13 key global pharma markets in 8/2005 – 7/2006

Source: IMS Health Retail Drug Monitor 7/2006

	Pharma sales 8/05 - 7/06 USD billion	Change on comparative period	Break-down
North America	203.5	+5%	54%
Europe top 5	92.4	+4%	24%
Japan	57.5	+3%	15%
Latin America top 3	18.3	+22%	5%
Australia / New Zealand	5.7	+4%	2%
13 key markets total	377.4	+5%	100%



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Big markets continue showing moderate growth

- Growth rate has been slowing down both in the US, Europe and Japan.
- Sales of the largest therapeutic categories in the 13 key global markets in 12 months to July 2006:

– Cardiovascular	USD 74.6 bn	+6%
– Central nervous system	USD 70.3 bn	+6%
– Alimentary/Metabolism	USD 53.7 bn	+6%
- Cytostatics are the fastest growing category, annual rate 13%.
- Great differences between therapeutic categories appear among individual countries.
- The best-selling single medicine is the cholesterol lowering drug Lipitor (atorvastatin), MAT sales USD 11.5 billion.



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Finnish pharmaceutical market in 1-9/2006

- Total pharmaceutical wholesales were EUR 1,272 million, same as in the comparative period (change -0.1%). The annual growth rate is now about +1%.
- Wholesales of Orion's pharmaceutical products were EUR 116.8 million, 9% down from the comparative period. Orion's market share was 8.8% (9.7%)
 - Orion is the 2nd largest marketer, with just 0.4 percentage points behind the leader
 - The value of wholesales is depressed by
 - 5% price cut induced at the year-start on all reimbursable medicines
 - elimination of discounts grantable by manufacturers/marketers to pharmacies
 - aggressive price competition in the group of substitutable products.
- Of the total volume of wholesales, Orion's products account for about one-third.
- In self-medication products, Orion continues to be at the top, with 23% market share in terms of wholesale value.



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Market for Parkinson's Disease products

- Wholesales of Parkinson's Disease medicines in the 12-month period 7/2005 – 6/2006
 - Sales in the USA were about USD 924 million, +17%. The exceptionally rapid growth includes the impact of the use of one dopamine agonist for RLS.
 - Sales in the top 5 European markets were about EUR 715 million, +8%
- Market shares of entacapone products in selected countries,

August 2006:	Combined	Stalevo	Comtess/Comtan
USA	15.6 %	8.5 %	7.1 %
Germany	15.7 %	10.1 %	5.6 %
Sweden	17.5 %	9.2 %	8.3 %
Finland	32.1 %	23.6 %	8.5 %



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Orion key figures 1-9/2006 vs 1-9/2005

	1-9/2006 Proforma	1-9/2005 Proforma	Change %	2005 Proforma
Net sales, EUR million	478.8	438.4	+9.2%	585.6
Operating profit, EUR million	160.1	129.3	+23.8%	155.2
% of net sales	33.4%	29.5%		26.5%
Profit before taxes, EUR million	160.2	128.5	+24.7%	154.3
Earnings per share, EUR	0.85	0.71	+19.0%	0.83
R&D expenses, EUR million	59.9	55.8	+7.5%	80.1
ROCE, %	52.0%	44.1%		40.7%
ROE, %	38.9%	38.4%		32.9%
Equity ratio %	74.6%	65.1%		65.6%
Gearing, %	-16.4%	-15.5%		-28.7%
Personnel at end of period, persons	3,052	2,989	+2.1%	3,003



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Group Income Statement for 1-9/2006

EUR million	1-9/2006 Proforma	1-9/2005 Proforma	Change	2005 Proforma
Net sales	478.8	438.4	+9.2%	585.6
Cost of goods sold	-150.7	-140.2	+7.5%	-188.9
Gross profit	328.1	298.2	+10.0%	396.7
Other operating income	12.8	9.8	+30.8%	11.4
Selling and distribution costs	-93.2	-93.6	-0.4%	-129.3
R&D expenses	-59.9	-55.8	+7.5%	-80.1
Administrative expenses	-27.6	-29.3	-5.7%	-43.4
Operating profit, EBIT	160.1	129.3	+23.8%	155.2
Profit before taxes	160.2	128.5	+24.7%	154.3
Profit for the period	118.8	97.7	+21.6%	113.9



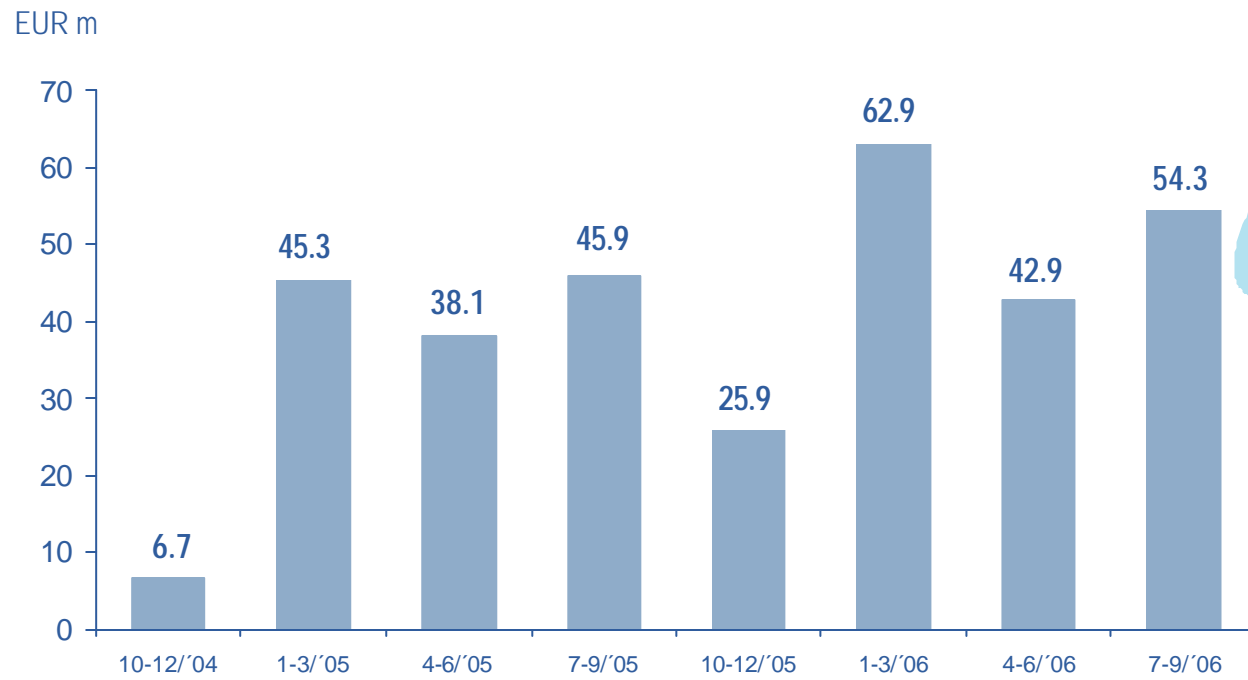
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Group EBIT by annual quarters

No milestone payments have been received in the periods.



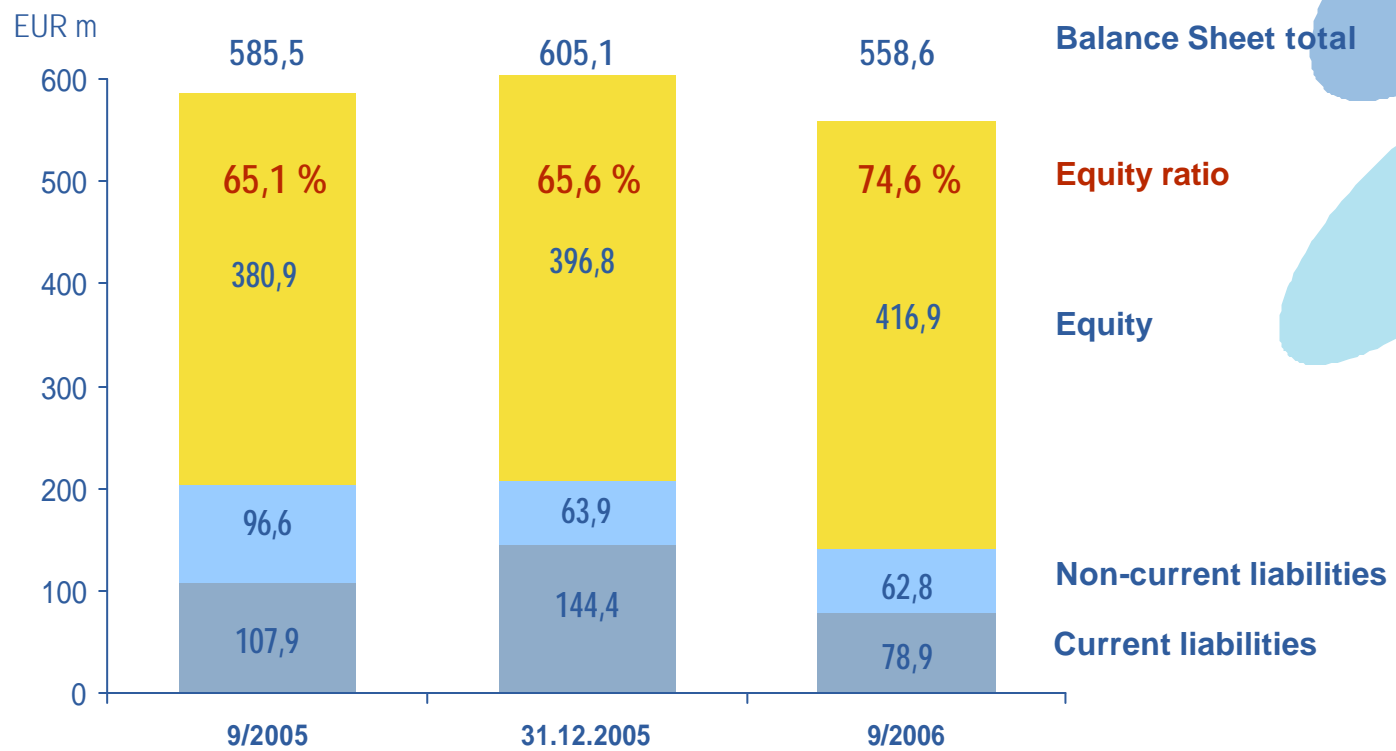
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Balance Sheet



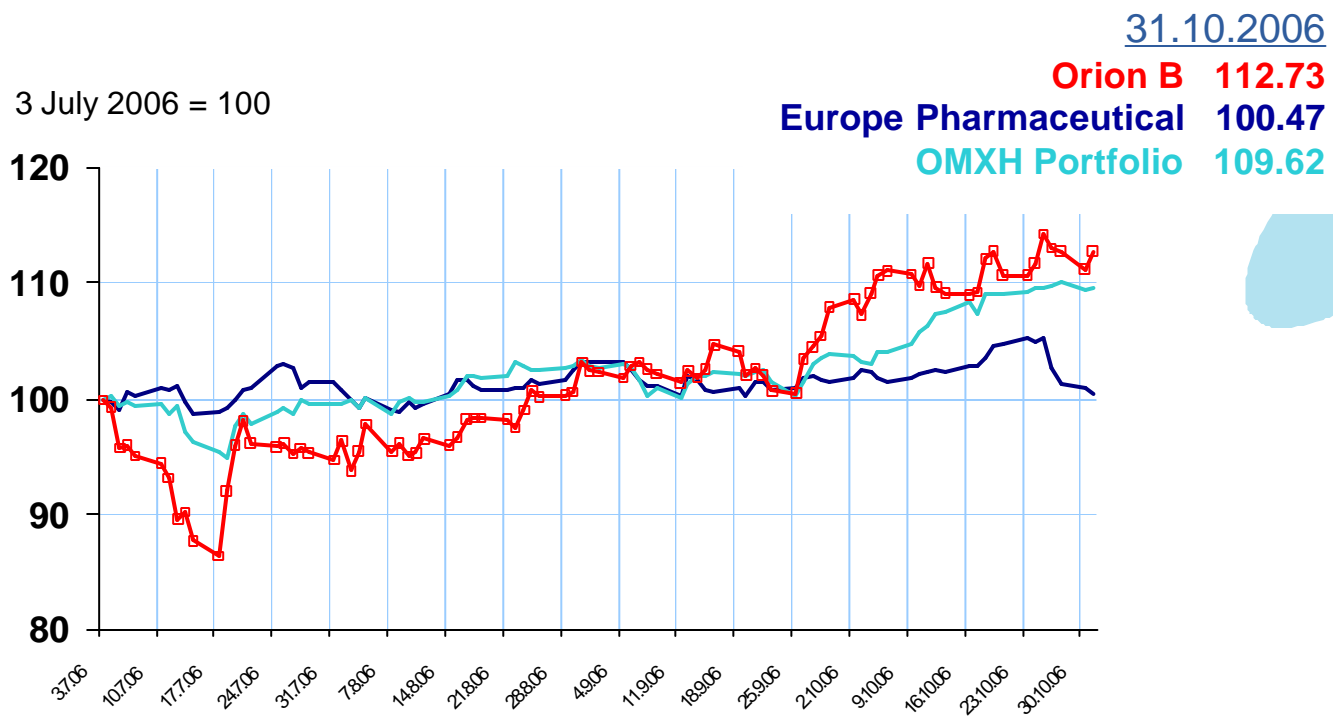
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Orion B in relation to OMX Portfolio and Europe Pharmaceutical indices 3 July – 31 Oct. 2006

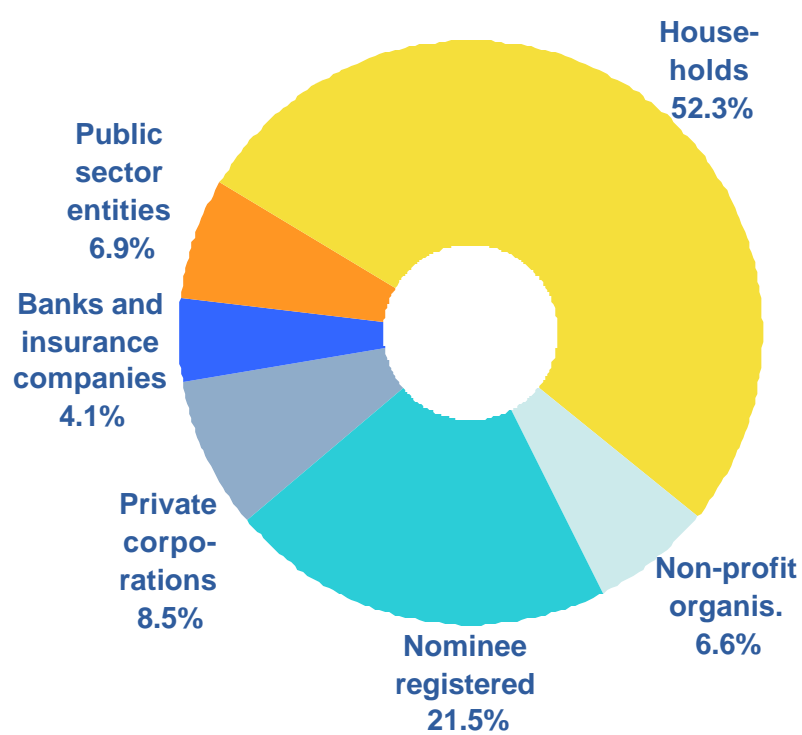


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Ownership base on 31 October 2006



On 31 October 2006:

21.5% of the total shares were in foreign ownership, representing 6.5% of the total votes.

The total number of shares is 141.3 million, of which class A 56.1 million class B 85.2 million.



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Net sales and EBIT 1-9/2006 by business segments

	Net sales Proforma		EBIT Proforma	
	EUR m	Change	EUR m	Change
Pharmaceuticals	449.1	+9.6%	150.4	+18.5%
Diagnostics	31.1	+2.6%	6.0	+15.3%
Group items	-1.4	-10.0%	3.7	-231.5%
Group total	478.8	+9.2	160.1	+23.8%



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Net sales by businesses

EUR million	1-9/2006 Proforma	1-9/2005 Proforma	Change	2005 Proforma
Pharmaceuticals business	449.1	409.7	+9.6%	547.0
Proprietary Products	191.0	166.0	+15.1%	214.9
Specialty Products	163.4	162.1	-0.8%	224.3
Animal Health	47.9	44.8	+6.9%	59.5
Fermion	28.6	27.3	+4.9%	38.4
Other pharmaceuticals business	18.2	9.5	+91.0%	9.9
Diagnostics business	31.1	30.3	+2.6%	40.8
Group items	-1.4	-1.6	-10.0%	-2.1
Group total	478.8	438.4	+9.2%	585.6



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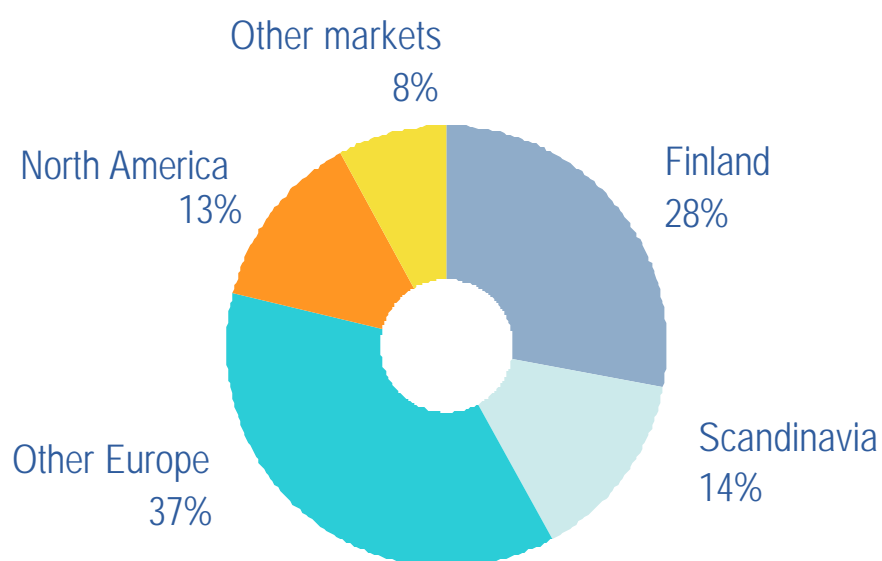
Pharmaceuticals business in 1-9/2006

EUR million	1-9/2006 Proforma	1-9/2005 Proforma	Change	2005 Proforma
Net sales	449.1	409.7	+9.6%	547.0
Operating profit, EBIT	150.4	127.0	+18.5%	154.7

- Favourable profit development continued
 - Sales of products from in-house R&D generated EUR 206.6 (176.8) million, +16.9%, accounting for 46% (43%) of the net sales
 - Entacapone franchise generated EUR 137.2 (112.8) million in net sales, +22%
 - Supply of Stalevo and Comtan to Novartis amounted to EUR 83.7 (62.3) million, up by 34%
 - R&D expenditure was EUR 56.9 (53.3) million, representing 12.7% (13.0%) of the net sales



Net sales by geographic segments in 1-9/2006



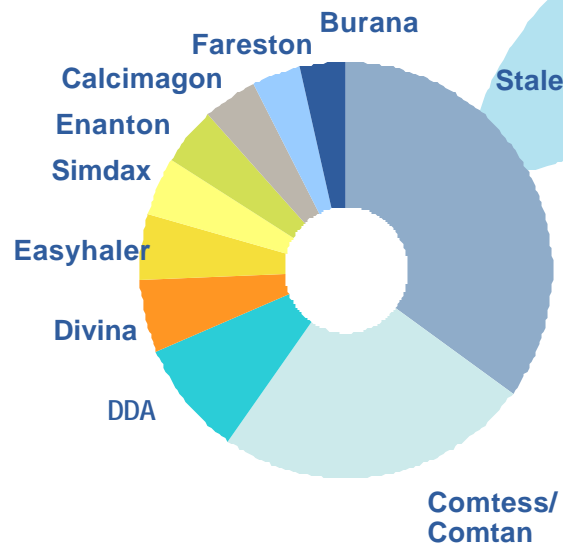
Net sales total EUR 478.8 million



10 best-selling drugs of Orion

Net sales, EUR million	1-9/2006 Proforma	Change on comp. period
Stalevo (Parkinson's Disease)	80.2	+38.1%
Comtess / Comtan (Parkinson's)	57.0	+4.1%
Domitor, Domosedan and Antisedan (animal sedatives)	20.2	-0.3%
Divina-series (menopause)	12.4	-2.7%
Easyhaler (asthma)	12.3	+54.9%
Simdax (heart failure)	10.3	+2.1%
Enanton (prostate cancer)	10.0	-2.2%
Calcimagon (osteoporosis)	9.9	+32.2%
Fareston (breast cancer)	8.6	-9.0%
Burana (inflammatory pain)	8.4	-25.1%
Total	229.2	+13.4%

EUR 229.2 million,
51% of total pharmaceutical
net sales

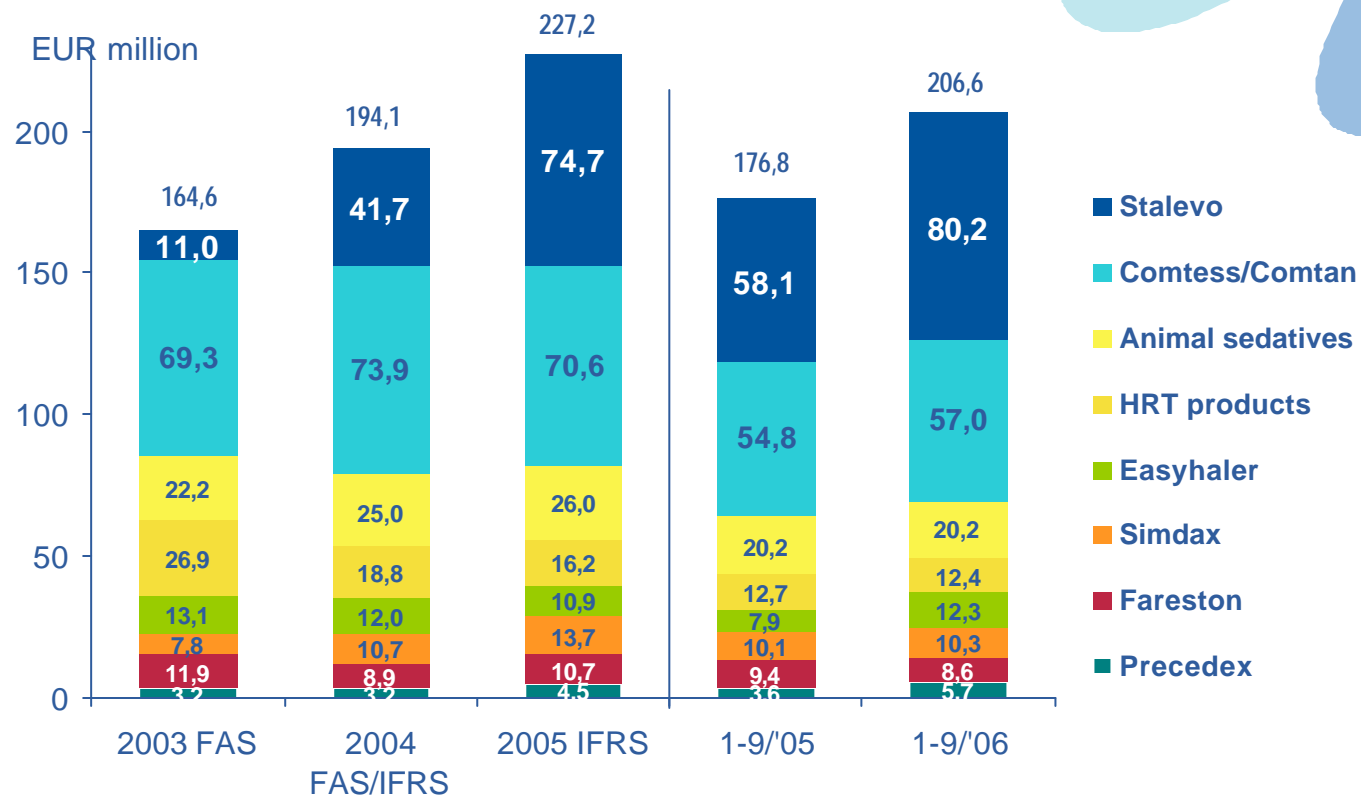


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Net sales from the proprietary franchise, by product

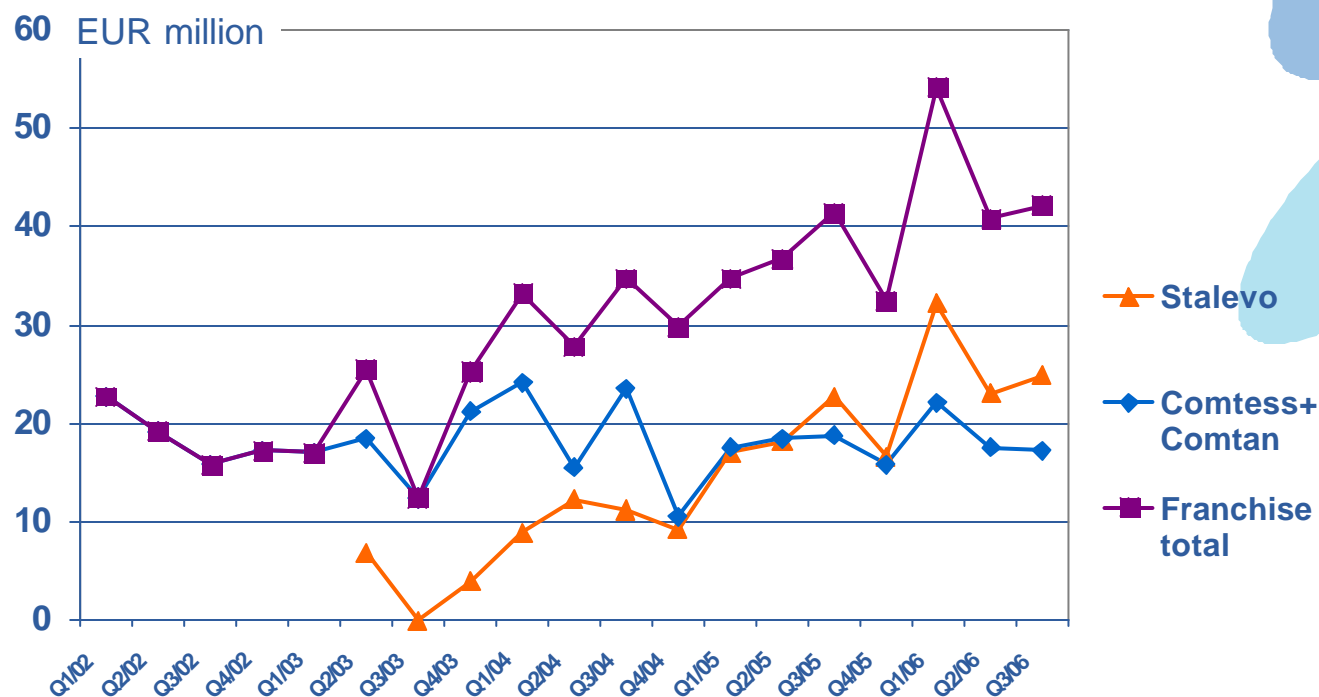


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Quarterly net sales from the entacapone franchise 2002–Q3/2006, by products



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Pharmaceutical research projects

- **STRIDE-PD** with Stalevo in 740 patients with Parkinson's Disease, is progressing in Phase 3 as planned. Results will be reported in 2008.
- **Dexmedetomidine** (Precedex) is studied as a long-term infusion in the sedation of patients in intensive care. With encouraging results from Phase 2 the project is proceeding into Phase 3. The purpose is to receive European marketing approvals.
- the **CLEVET** programme with **levosimendan** in the treatment of heart diseases in dogs is progressing to the last research phase with an aim to receive marketing authorisations.
- **In early research**, 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) are studied, among others.



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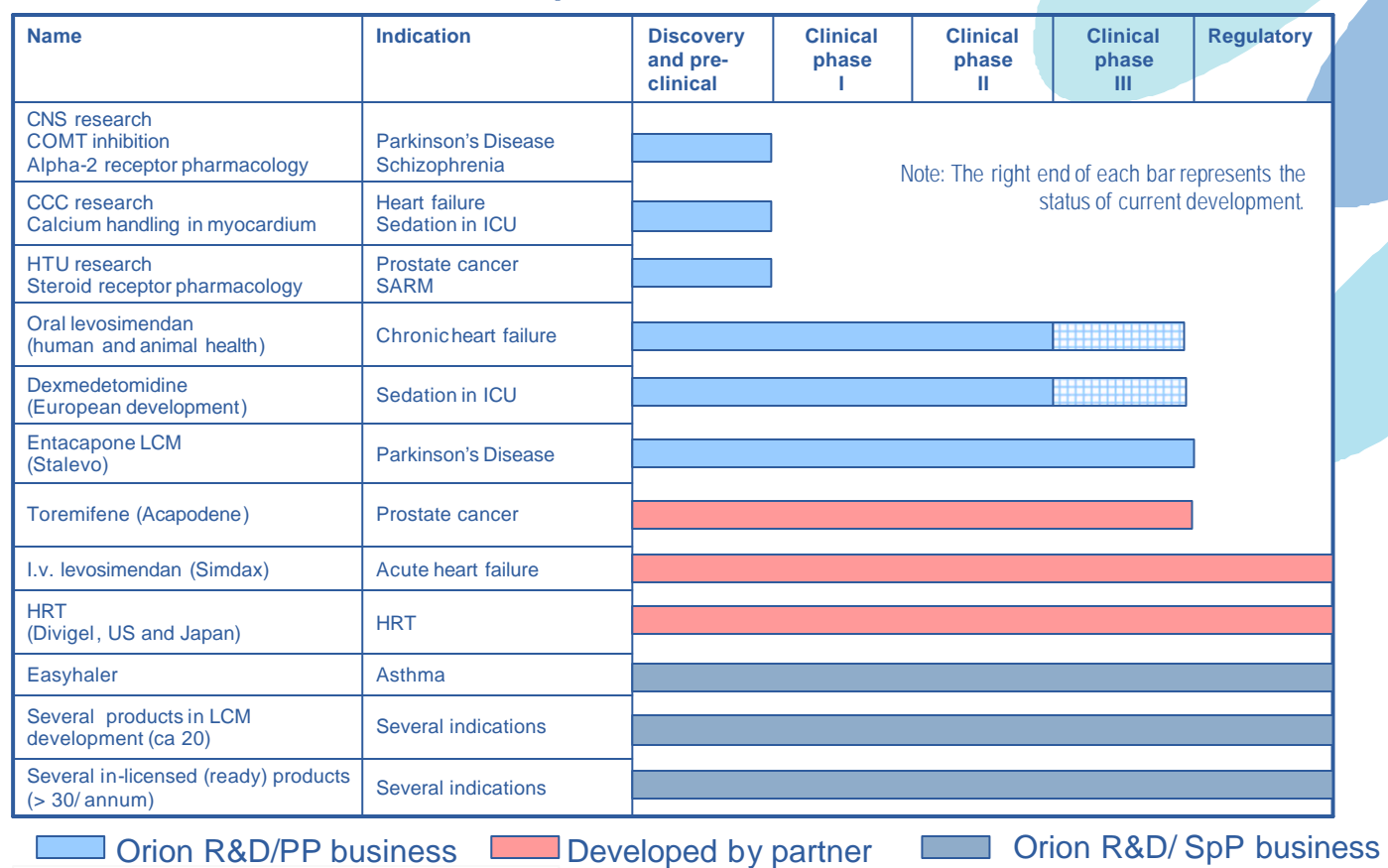
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Situation of the Simdax (i.v. levosimendan) project

- Orion and Abbott Laboratories are continuing discussions 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.



Pharmaceutical R&D portfolio



Diagnostics business in 1-9/2006

EUR million	1-9/2006 Proforma	1-9/2005 Proforma	Change	2005 Proforma
Net sales	31.1	30.3	+2.6%	40.8
Operating profit, EBIT	6.0	5.2	+15.3%	6.3

- Orion Diagnostica showed flat net sales growth, but an increasing part of the sales is composed of new product generations
- The QuikRead® CRP infection tests continued to show the best growth.
- As a whole, the financial performance was good, and the operating profit margin improved from the comparative period.



Outlook for full-year 2006 (Proforma) 1 (2)

Pharmaceuticals business

- **Net sales** are estimated to increase, thanks to the entacapone product franchise especially. In the first half and especially in the first months of the year, the deliveries to the marketing partner Novartis were exceptionally high. The sales of pharmaceuticals in Finland will be lower than in the previous year.
- The full-year **operating profit** is estimated to improve from the comparative year in the same proportion as in 1-9/2006. The operating expenses will remain on the same level as in 2005.

Diagnostics business

- Net sales and operating profit will improve from the previous year.



Outlook for full-year 2006 (Proforma) 2 (2)

Orion Group

- 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** will be about EUR 80 million
- **Capital expenditure** is estimated to be about EUR 25 million.
- The consolidated **net sales and operating profit** are estimated to grow from the previous year at the same rate as in 1-9/2006.



Financial objectives and Dividend policy

Financial objectives

- The moderate organic growth of the net sales in the next few years is accelerated via product, portfolio and company acquisitions.
- Operating profit will be increased
- Equity ratio is maintained at the level of at least 50%.

Dividend policy

- In the dividend distribution Orion takes into account the distributable funds as well as the medium-long and long-term needs of capital expenditure and other financial needs required for the achievement of the financial objectives.



Executive Management Board of the Orion Group as of 1 November 2006

Jukka Viinanen, President and CEO, Chairman of the EMB
Markku Huhta-Koivisto, Senior VP, Specialty Products and Fermion
Olli Huotari, Senior VP, Corporate Functions
Pekka Kaivola, Senior VP, Global Sales
Jari Karlson, Chief Financial Officer (CFO)
Pekka Konsi, Senior VP, Supply Chain
Timo Lappalainen, Senior VP, Proprietary Products and Animal Health
Jaakko Rissanen, Senior VP, Orion Diagnostica
Olli Piironen, Project Manager, employee representative
Reijo Salonen, Senior VP, Research and Development
Riitta Vartiainen, Senior VP, Business Development and Support



Capital Markets Presentation on the web as of 22 November 2006

- Instead of a traditional Capital Markets Day seminar, Orion will provide the presentations on the web only:
 - Video webcast and presentation materials will be available at www.orion.fi/investors as of Wednesday, 22 November 2006 starting from 09.00 a.m. (07.00 a.m. GMT)
 - Teleconference for questions and answers will be held on 22 November 2006 starting at 14.00 p.m. (12.00 GMT)
 - The programme is available on www.orion.fi/investors



Orion's reporting schedule in 2007

Due to the demerger on 1 July 2006, the first accounting period of Orion Corporation is 1 July – 31 December 2006.

Proforma financial review of 2006 and Financial Statements for 7-12/2006	Tuesday	6 February 2007
Annual Report		week 10/2007
AGM	Monday	2 April 2007
Interim Report 1-3/2007	Wednesday	25 April 2007
Interim Report 1-6/2007	Monday	6 August 2007
Interim Report 1-9/2007	Wednesday	24 October 2007



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