



Review by the President & CEO

Timo Lappalainen

Annual General Meeting of Orion
Corporation 22 March 2016

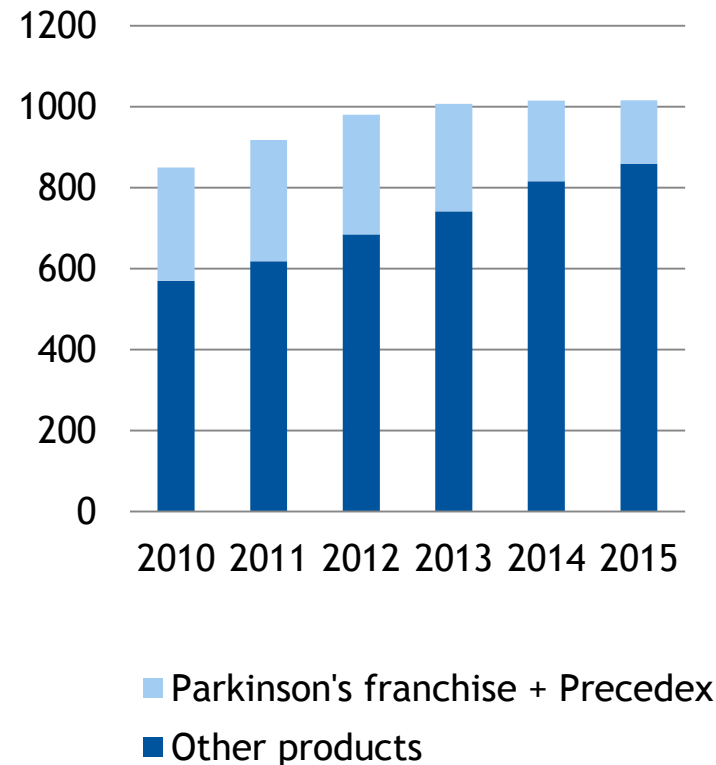
This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

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 year in challenging environment

- Net sales and operating profit at similar level to comparative period
- Product sales grew well and margin level improved
- Specialty Products growing strongly
- In Europe extension of generic competition to Stalevo outside Germany had no material impact yet
- In R&D new projects progressed into clinical development phase

Net sales 2010-2015, EUR million



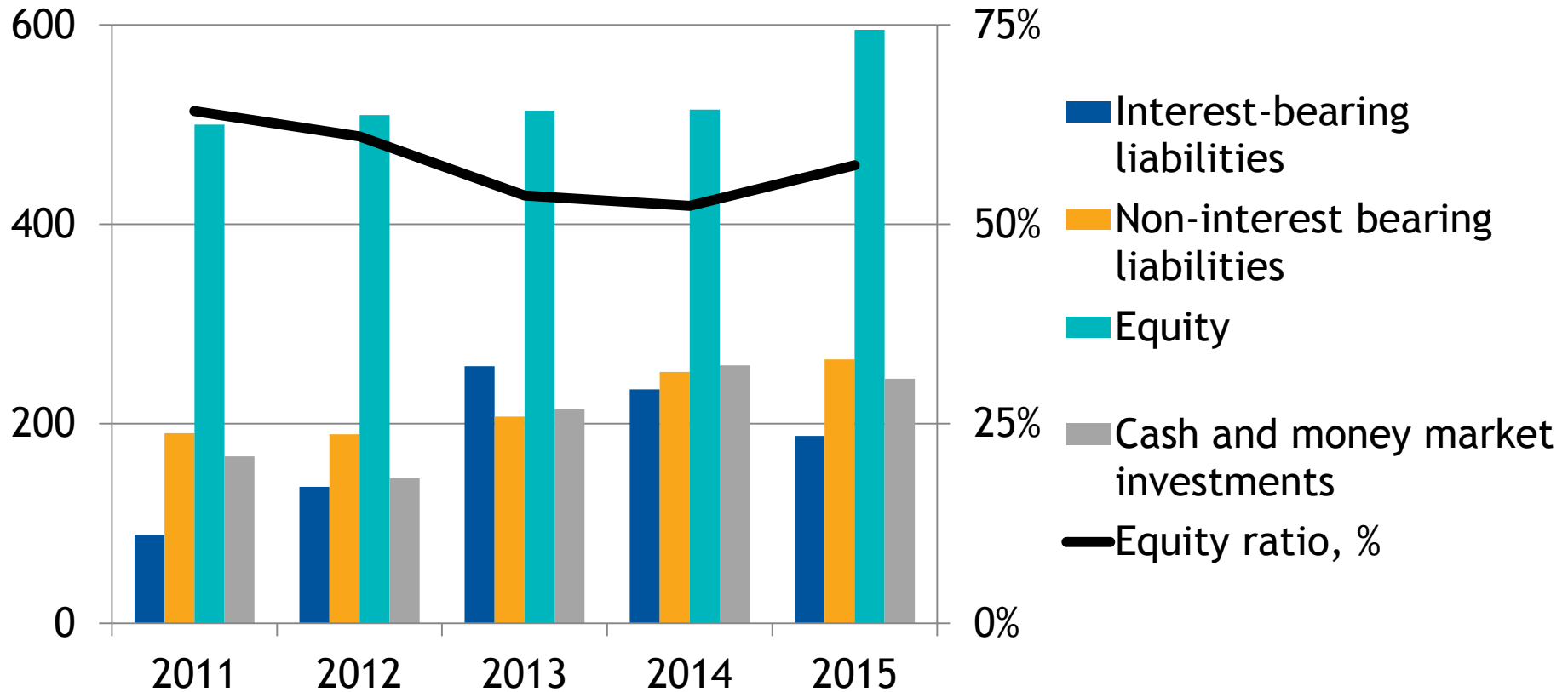
Development of key figures

Orion's key figures	2015	2014	Change %
Net sales, EUR million	1 015.6	1 015.3	
Operating profit, EUR million	266.6	272.4	-2.2%
R&D expenses, EUR million	108.1	106.2	+1.8%
Equity ratio, %	57.4%	52.3%	
Basic earnings per share, EUR	1.48	1.50	-1.6%
Cash flow before financial items, EUR	1.51	1.72	-12.1%
Dividend per share, EUR	1.30 ¹⁾	1.30	

¹⁾ Board of Directors' proposal to the AGM that dividend per share would be EUR 1.30

Structure of the balance sheet

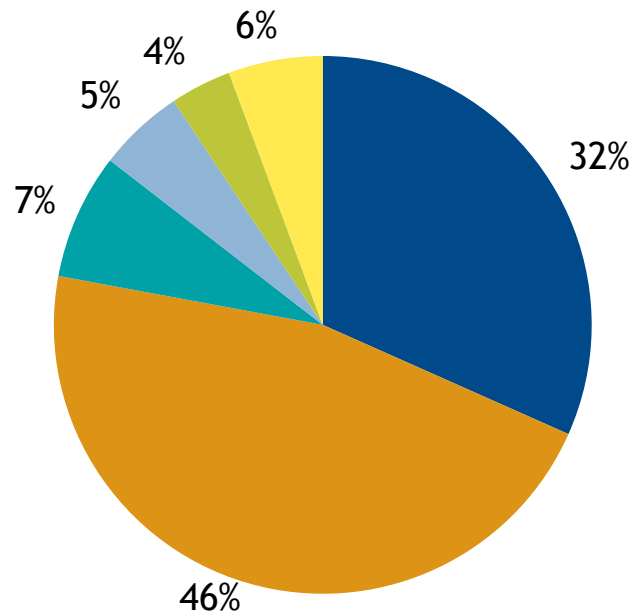
EUR million



Breakdown of net sales

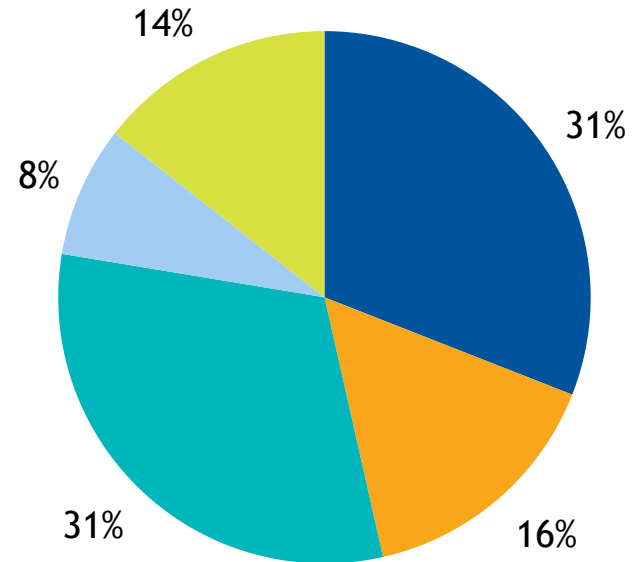
Group's net sales in 2015 were EUR 1,016 million

By business division

















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

By market area



- Finland
- Scandinavia
- Other Europe
- North America
- Other countries

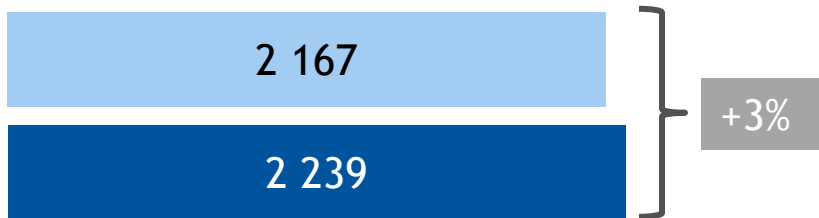
Best-selling pharmaceuticals 2015

Product	Indication	Net sales 2015 EUR million	Change vs. 2014
 <i>Stalevo</i>  <i>Comtess</i>  <i>COMTan</i>	Parkinson's disease	138	-19%
 <i>Easyhaler</i> [®]	Asthma, COPD	51	+45%
 <i>SIMDAX</i> [®] levosimendan	Acute decompensated heart failure	51	+9%
 <i>dexdor</i>	Intensive care sedative	45	+26%
 <i>Remsima</i> [™] Infliximab	Rheumatoid arthritis, inflammatory bowel diseases	28	+404%
 <i>DEXDOMITOR</i> [®]  <i>DOMITOR</i> [®]  <i>DOMOSEDAN</i> [®]  <i>ANTISEDAN</i> [®]	Animal sedatives	27	+10%
Generic entacapone products	Parkinson's disease	25	-2%
 <i>burana</i> [®]	Inflammatory pain	23	-2%
 <i>Marevan</i> [®]	Anticoagulant	19	+11%
 <i>Precedex</i> [®] (dexmedetomidine HCl Injection)	Intensive care sedative	18	-40%

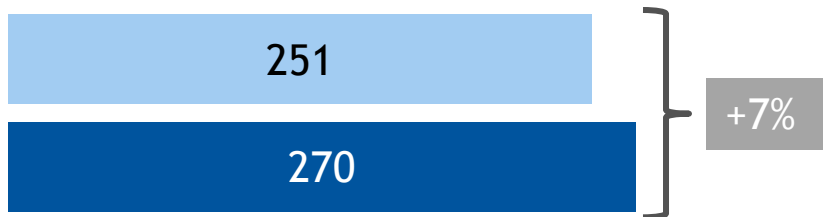
Orion clear market leader in Finland

Finnish human pharmaceuticals market in 2015

Wholesale, EUR million

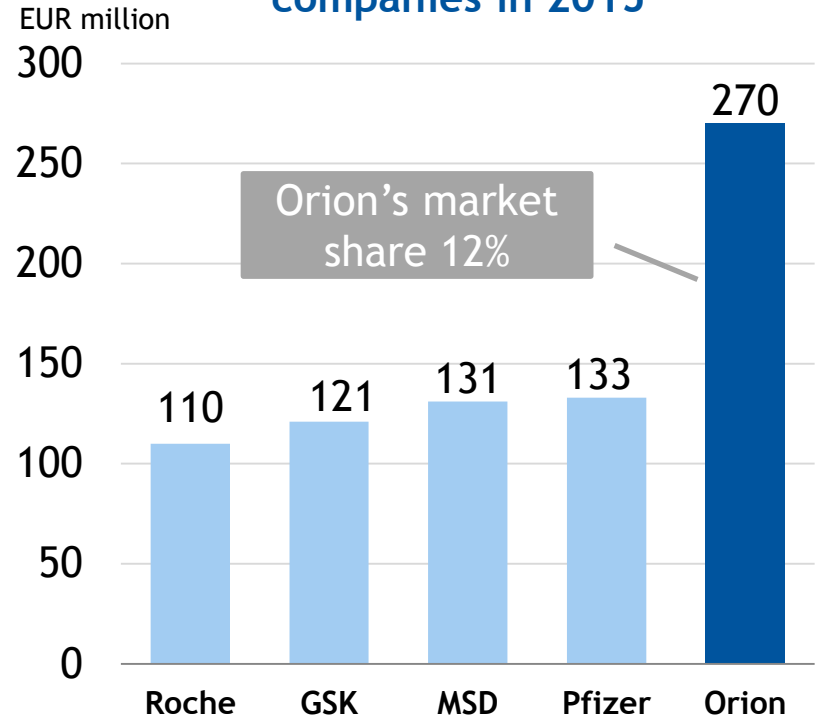


Orion in Finnish human pharmaceuticals market, EUR million

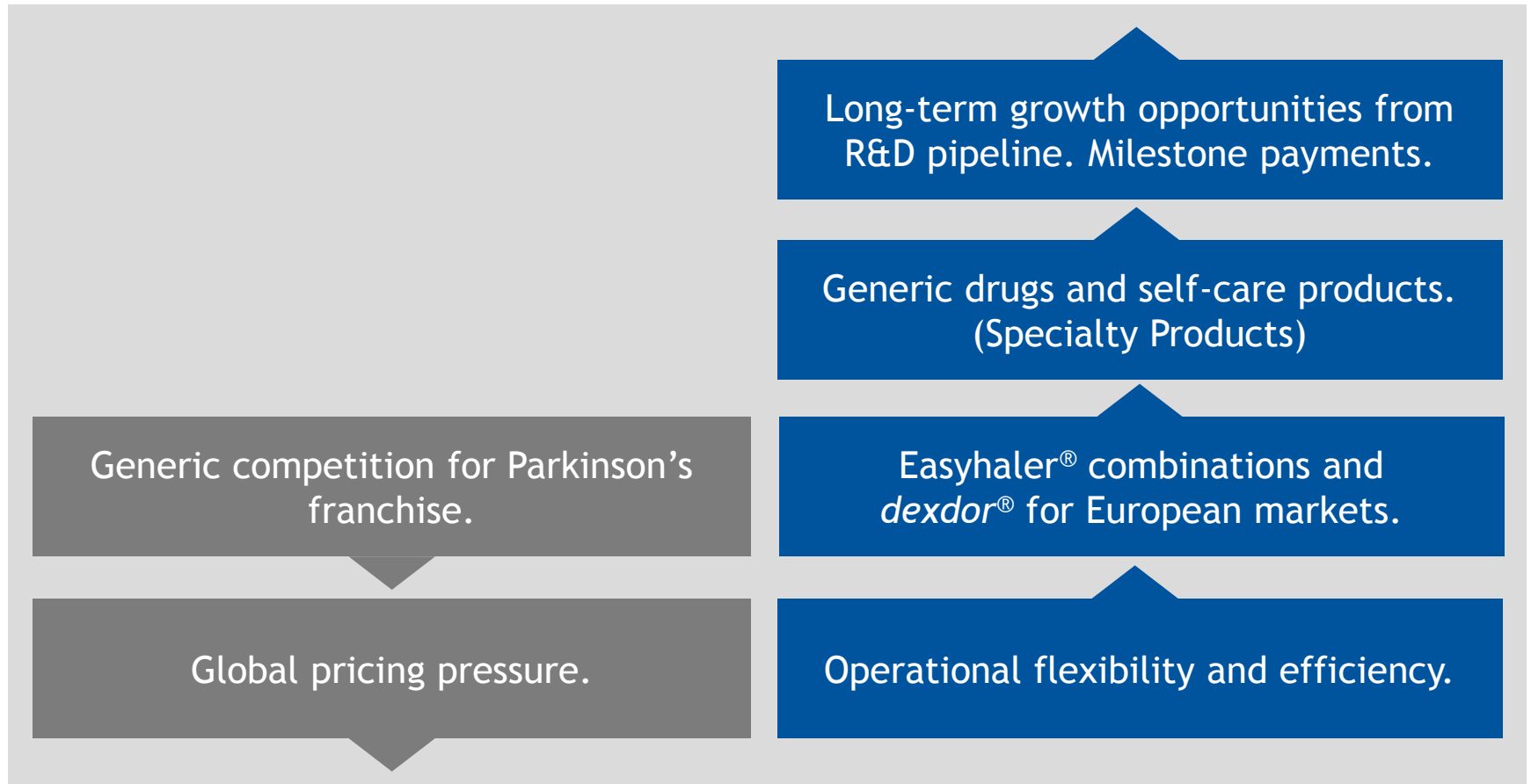


■ 2014 ■ 2015

Finland's biggest pharmaceutical companies in 2015



Balancing mid-term – building long-term

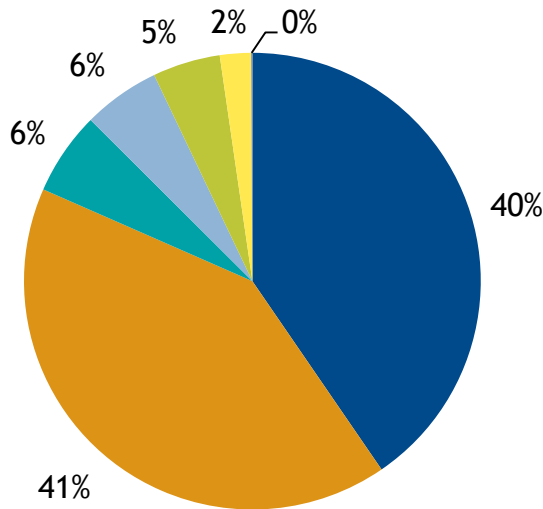


Outlook for 2016

Net sales	Net sales are estimated to be at similar level to 2015 (net sales were EUR 1,016 million in 2015).
Operating profit	Operating profit is estimated to exceed EUR 240 million.

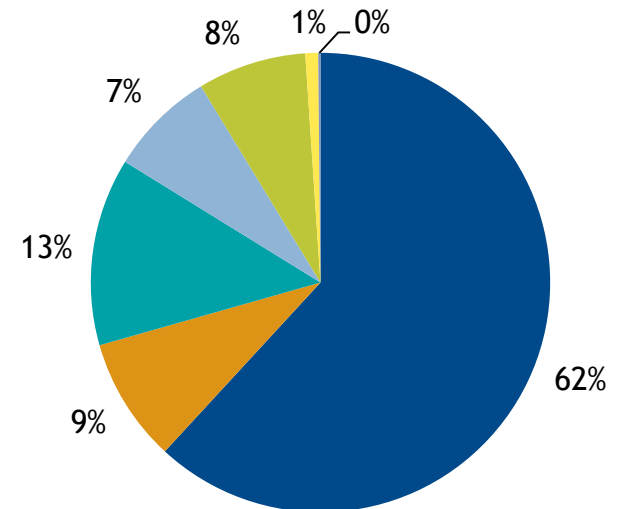
Orion strongly under Finnish ownership

By number of shares*



- Households (Finnish retail investors)
- Non-Finnish holders and nominee registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations
- Other

By number of votes*

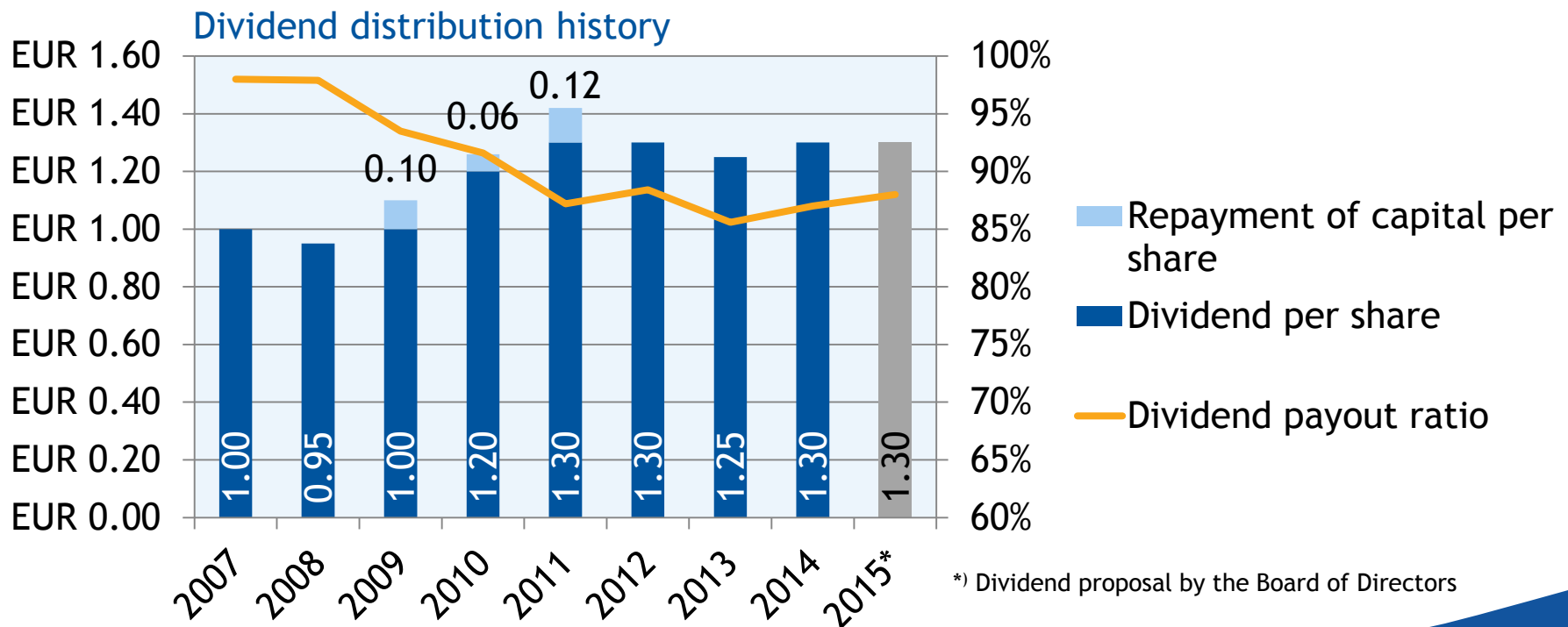


- Households (Finnish retail investors)
- Non-Finnish holders and nominee registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations
- Other

*) On 29 February 2016 Orion had altogether 49,107 shareholders. Both share classes, A and B, are listed on Nasdaq Helsinki. 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.

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 is responsible member of the Finnish society

EUR million	2011	2012	2013	2014	2015
Income taxes paid in Finland from operating profit	67	62	55	45	45
Tax deductions from salaries in Finland	35	37	39	41	42
Tax deductions from dividends paid to Finnish shareholders	22	27	26	27	27
TOTAL	124	126	120	113	114



Orion's strategy and financial objectives

Orion's strategy - Mission to build well-being



Orion's financial objectives



Increasing net sales.

Achievement of this objective requires continuous investment in development of the product portfolio.



Maintaining profitability at a good level.

The aim is operating profit that exceeds 20% of net sales.



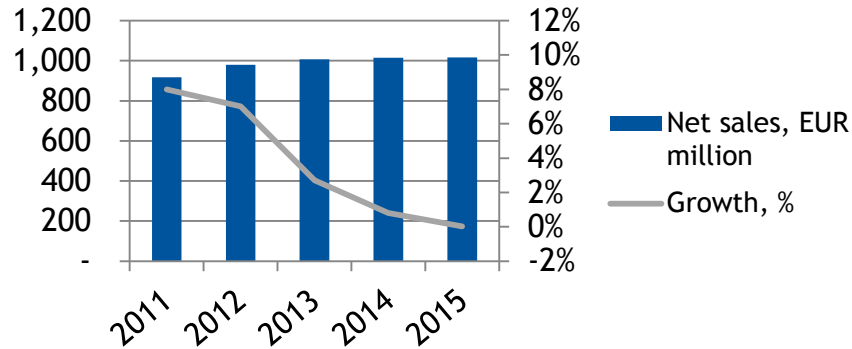
Keeping the equity ratio at least 50%.



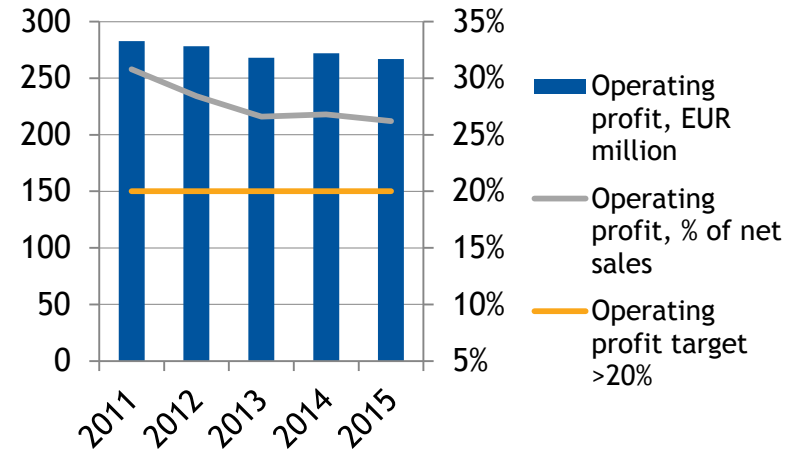
Distributing an annual dividend that in the next few years will be at least EUR 1.20 per share, and increasing the dividend in the long term.

Orion's financial objectives

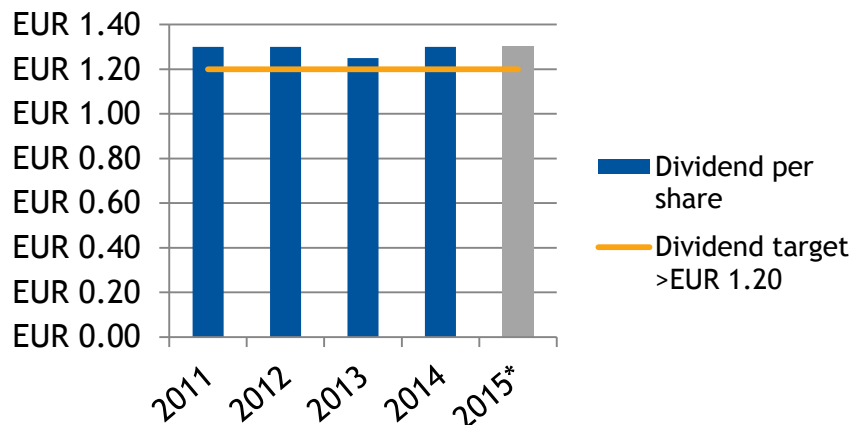
Net sales



Operating profit

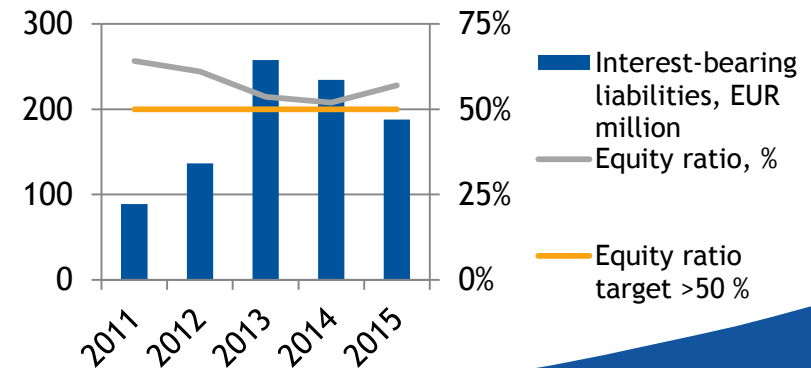


Dividend



*) Dividend proposal by the Board of Directors

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

Marko Torppala is the employee representative in the Executive Management Board.



The future is built
now

Partners are important to Orion

R&D

- Risk and reward sharing model
- Own focus on late-stage research and early-stage development

S&M

- Ex-European sales through partners
- Orion has extensive sales network in Nordic countries and Eastern Europe



- Orion's own sales organisation's areas
- Sales areas of partners

Latest partners in R&D



The German Center for Neurodegenerative Diseases and Orion Corporation start strategic collaboration



Orion signs cooperation agreement with HUCH Comprehensive Cancer Center

26 Mar 2015 | Orion Corporation and the HUCH Comprehensive Cancer Center have entered into an extensive cooperation agreement. The agreement will bring all the clinical cancer drug studies launched by Orion to HUCH and

[Read more](#)




Key clinical pharmaceutical development projects 1/2

Project	Indication	PHASE			Registration
Easyhaler® budesonide-formoterol ¹⁾	Asthma, COPD	I	II	III	Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	I	II	III	
ODM-201 (androgen receptor inhibitor) ²⁾	Prostate cancer (nm-CRPC)	I	II	III	
Levosimendan ³⁾	Low Cardiac Output Syndrome	I	II	III	
ORM-12741 (alpha-2c adrenoceptor antagonist) ⁴⁾	Alzheimer's disease	I	IIa		
Dexmedetomidine (intranasal) ⁵⁾	Treatment of pain	I	IIb		
ODM-109 (oral levosimendan)	ALS	I	II		

¹⁾ Aim is to obtain marketing authorisation for product in at least some European countries not included in decentralised marketing authorisation application process.

²⁾ In collaboration with Bayer ³⁾ Partner: Tenax Therapeutics, Inc.


⁴⁾ In collaboration with Janssen Pharmaceuticals ⁵⁾ Partner: Recro Pharma, Inc.

	= Phase completed
	= Phase ongoing
	= Status changed

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

Key clinical pharmaceutical development projects 2/2

Project	Indication	PHASE		Registration
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I		
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I		
ODM-204 (CYP17 enzyme and androgen receptor inhibitor)	Prostate cancer	I		
ODM-108 (negative allosteric modulator of TRPA1 ion channel)	Neuropathic pain	I		

 = Phase completed

 = Phase ongoing

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

Orion invests in Finland



2012-2015: Expansion of Espoo's pharmaceutical manufacturing plant



2012-2014: New logistics and packaging center in Salo



2011-2014: Expansion of Fermion's Oulu site



2012-2014: Expansion of Turku's pharmaceutical manufacturing plant



2015: Expansion of Fermion's Bench Scale in Espoo



2016-2018: Expansion of Fermion's Hanko site



2016-2018: Expansion of Easyhaler production capacity in Espoo

Orion's investments

EUR million	2011	2012	2013	2014	2015
Orion Finland	30	46	77	57	44
Orion Group total	49	47	78	57	45

Fermion is a world-class Finnish export company

- Fermion manufactures active pharmaceutical ingredients (APIs) to global markets
- In practice 100% of production goes to export
- Fermion is the global market leader or second largest supplier in many APIs
- For example in azathioprine the global market share ~50%
 - Used e.g. in organ transplantations to inhibit rejection and in the treatment of rheumatism. Is on the WHO's list of essential medicines
- Global market share of methotrexate ~50%
 - Used in treatment of rheumatoid arthritis and cancer



Fermion is developing its production capabilities

HANKO 2018

- 6,000-square-meter factory building, the machinery and the equipment
- Construction work begins in spring 2016 and facility scheduled for completion in 2018
- Investment valued at more than EUR 30 million
- Highly automated high-tech unit
- Expands the capacity of Hanko factory

New Bench Scale production in Espoo

- High potency APIs
- Laboratory → Bench Scale → industrial production
- APIs for clinical studies





ORION

Building of well-being
continues....