



Review by the President and CEO

Timo Lappalainen

Annual General Meeting of Orion
Corporation 31 March 2011

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.



Orion's year 2010

Good progress throughout the year

- Growth in net sales and operating profit remained strong
 - Clear growth in sales of key products based on own R&D
 - Precedex[®] became one of the best-selling products
- Significant progress in R&D
 - Application for marketing authorisation for dexmedetomidine submitted to European Medicines Agency
 - Development of combined formulations to expand the Easyhaler[®] product family proceeding
 - Advances in early-phase research
- Sales developed well in early 2011

Clear growth in net sales and operating profit

Orion's key figures	2007	2008	2009	2010	Change %
Net sales, EUR million	680.0	710.7	771.5	849.9	+10.2%
Operating profit, EUR million	192.0	185.0	207.0	254.2	+22.8%
R&D expenses, EUR million	85.0	90.0	95.2	85.5	-10.2%
Equity ratio, %	76.2%	60.2%	60.6%	62.7%	
Basic earnings per share, EUR	1.02	0.97	1.07	1.31	+22.0%
Cash flow per share before financial items, EUR	0.92	0.66	1.03	1.26	+22.8%
Dividend per share, EUR	1.00	0.95	1.00 + 0.10 ¹⁾	1.20 ²⁾ + 0.06	

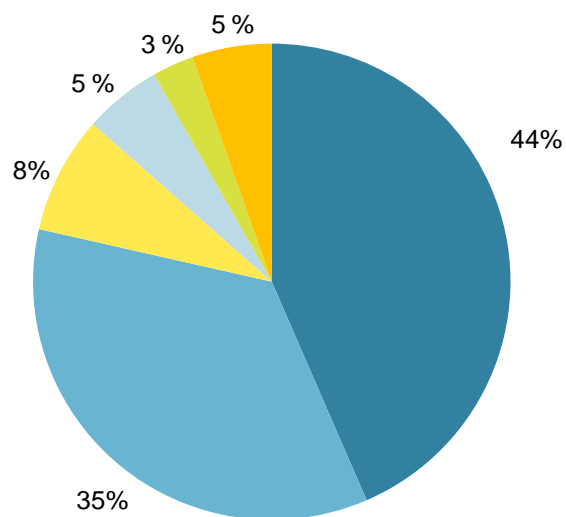
1) Dividend per share for 2009 was EUR 1.00 and capital repayment per share was EUR 0.10.

2) Board will propose to AGM that EUR 1.20 dividend per share and EUR 0.06 capital repayment per share be distributed.

Net sales originate mainly in Europe

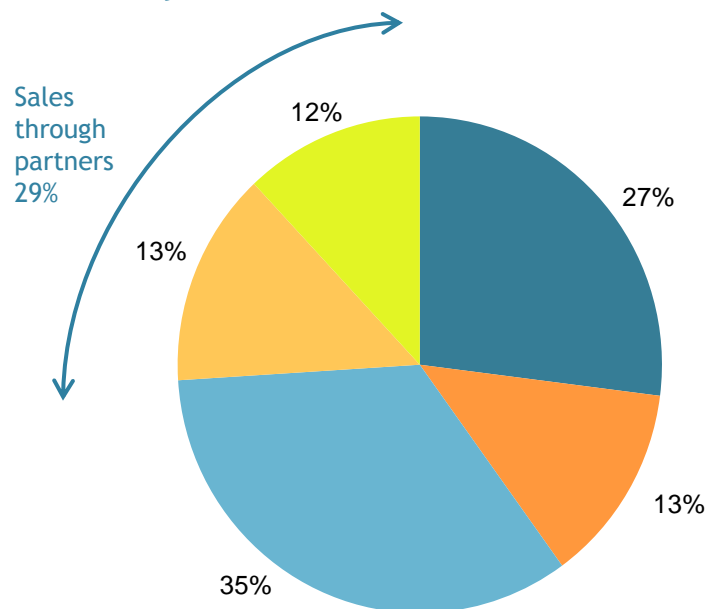
Breakdown of EUR 850 million net sales in 2010

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

Structure of the balance sheet



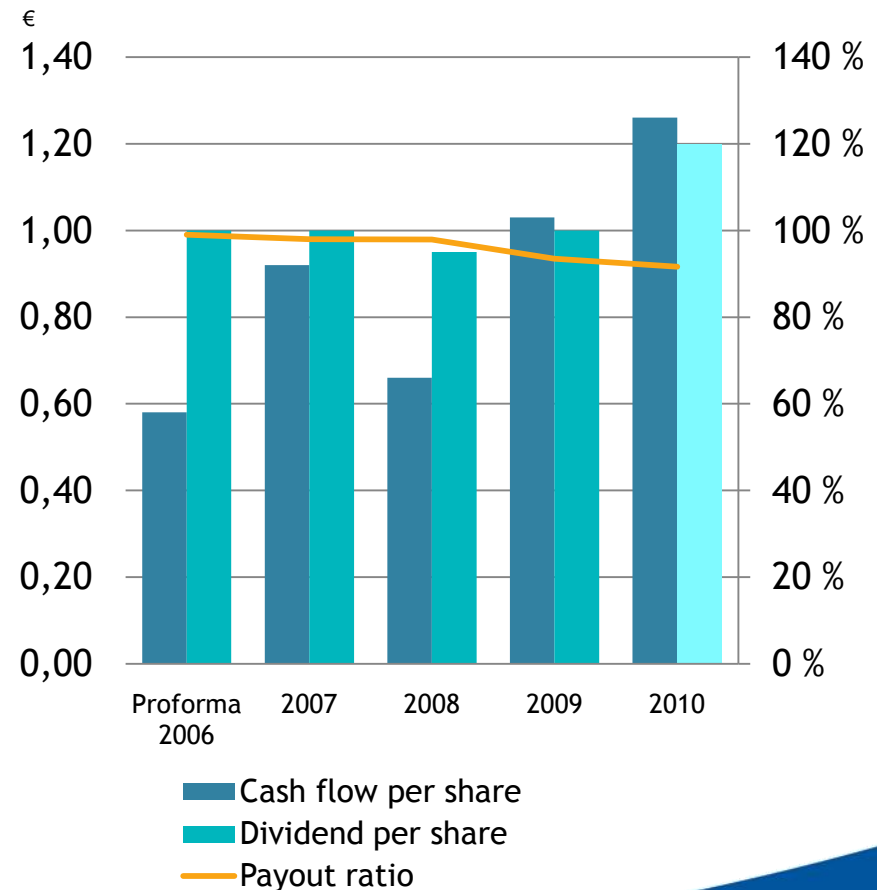
Dividend and capital repayment

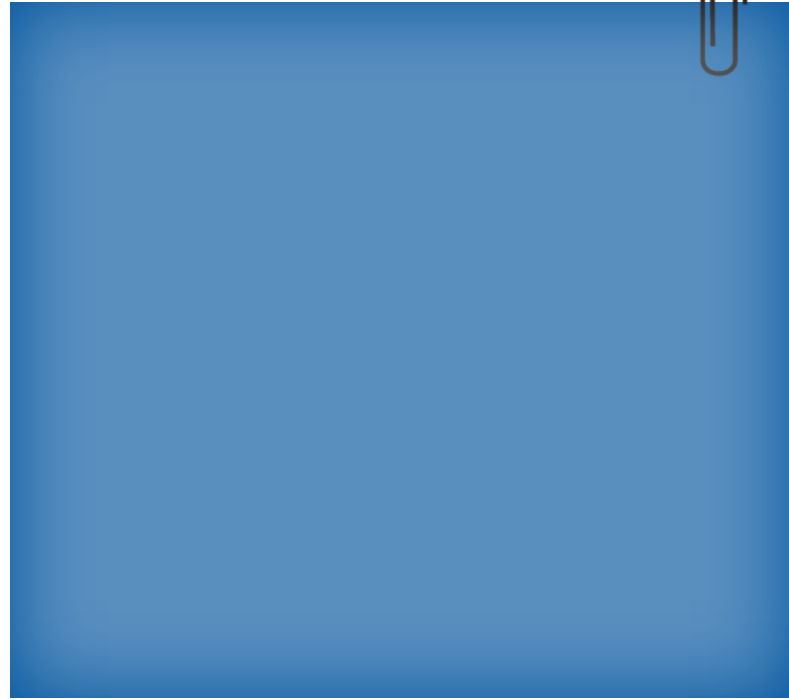
- Board's proposal for dividend is EUR 1.20. Thus the payout ratio would be 92%.
- In addition, the Board proposes that EUR 0.06 per share be distributed from the expendable fund in the distributable equity as a repayment of capital.

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

Dividend distributions





Pharmaceutical market continues to grow

- In 2011, global pharma market is estimated to grow 5–7%¹⁾
 - Sales expected to exceed EUR 630 billion by the end of 2011
- Estimated pharmaceutical market growth annually 5–8% through 2014²⁾
 - Sales expected to exceed EUR 780 billion by the end of 2014

1) Source: IMS Health 10/2010

2) Source: IMS Health 4/2010

Generics market in Europe

Area	2010 EUR million	Growth	Share in volume	Share in value
All Europe	27 300	+8%	47%	19%
Sweden	324	+17%	47%	12%
Denmark	345	+21%	56%	18%
Finland	283	+11%	44%	17%
Norway	180	+16%	39%	14%

Source: IMS Health 2010, RX products

Patent situation of key products

Key patents or data protection expire

Molecule	Product	Indication	Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012 October 2013 ¹⁾	October 2013 ²⁾	2015 ³⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®]	Intensive care sedative	Not marketed	July 2013	June 2012

1) Data protection of Stalevo expires

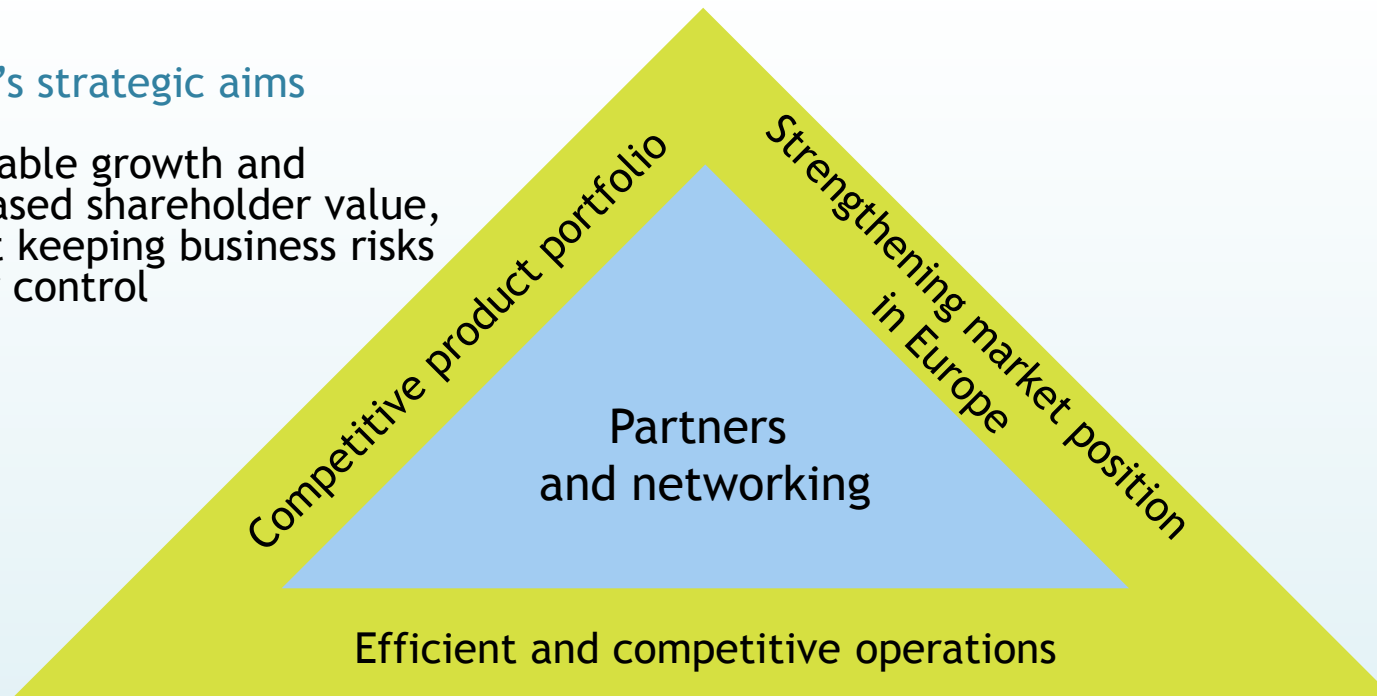
2) Wockhardt and Sun companies entering markets from 1 April 2012

3) Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

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

Orion's strategic aims

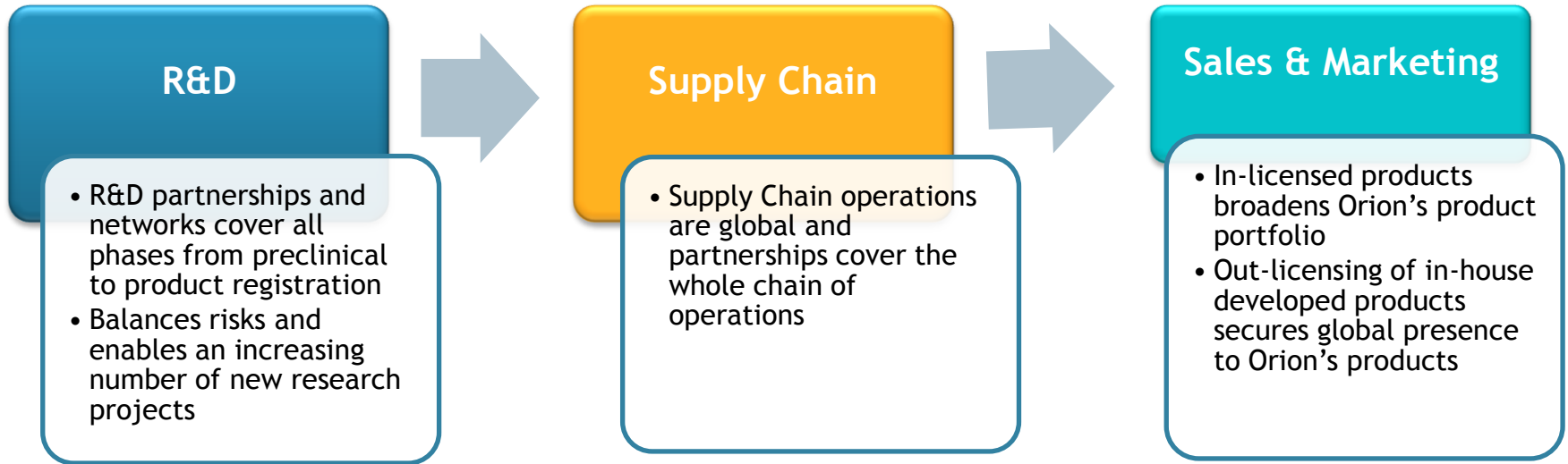
Profitable growth and increased shareholder value, whilst keeping business risks under control



Orion's pharmaceutical R&D pipeline

Project	Indication	Pre-clinical	Clinical phases			Registration
			I	II	III	
Dexmedetomidine (intravenous) for European markets	Intensive care sedative					
Paclitaxel for dogs (Paccal® Vet)	Canine mastocytoma (skin cancer)	Partner: Oasmia				
Easyhaler® combined formulations	Asthma, COPD					
Stalevo® for Japanese market	Parkinson's disease					
Toremifene 80 mg	Side effects of prostate cancer treatment	Partner: GTx				
Paclitaxel for human use (Paclical®)	Women's ovarian cancer	Partner: Oasmia				
Alpha 2 C receptor pharmacology	Alzheimer's disease and Raynaud's phenomenon					
Androgen receptor antagonist	Advanced prostate cancer					
More effective levodopa product	Parkinson's disease					
Dexmedetomidine (non-intravenous)	Pain management	Partner: Récro Pharma				
Many projects in early research phase	Prostate cancer, neuropathic pain, Parkinson's disease, Alzheimer's disease					

Partners in the business chain



Balancing mid-term - building long-term

Parkinson's franchise
post patent gap

Pricing pressure
in Europe

Upside potential from
long-term portfolio
management
- R&D and acquisitions

Larger self-care portfolio in
the Nordic markets
Continued growth in
Eastern Europe and Russia

Easyhaler combinations
Dexmedetomidine for
European markets

Efficient and competitive operations

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%

Outlook for 2011

- Net sales will be **slightly higher** than in 2010
 - ▶ marketing expenditure will be **slightly higher** due to the increased number of product launches
 - ▶ R&D expenditure will be **clearly higher** than in 2010
- Operating profit excluding non-recurring items will be **slightly higher** than in 2010
- The Group's capital expenditure will be about EUR 45 million excluding substantial corporate or product acquisitions

Orion calendar

Dividend payment

- Record date 5 April 2011
- Dividend payment date 12 April 2011

Interim Reports

- Interim Report January-March 2011 27 April 2011
- Interim Report January-June 2011 2 August 2011
- Interim Report January-September 2011 25 October 2011

