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Orion Group Financial Review of 2007

Profits remained on a good level

Orion's net sales for the financial year 2007 were EUR 683.6 (641.1) million, up by 6.6% from the previous year.

- Operating profit was EUR 194.0 (196.7) million.
- Profit before taxes was EUR 195.5 (197.3) million.
- Equity ratio was 75.9% (75.4%).
- Return on capital employed (ROCE) was 43.8% (46.5%).
- Earnings per share were EUR 1.03 (1.03) EUR.
- The proposed dividend is EUR 1.00 per share.

Orion's key figures for the review period*

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Net sales	174.0	162.2	+7.3%	683.6	641.1	+6.6%	311.2
Operating profit (EBIT)	39.1	36.6	+6.9%	194.0	196.7	-1.4%	90.9
% of net sales	22.5%	22.6%		28.4%	30.7%		29.2%
Profit before taxes	39.7	37.1	+7.0%	195.5	197.3	-0.9%	91.4
% of net sales	22.8%	22.9%		28.6%	30.8%		29.4%
R&D expenses	28.5	24.2	+17.9%	97.6	84.1	+16.0%	43.1
% of net sales	16.4%	14.9%		14.3%	13.1%		13.8%
Capital expenditure	11.3	7.5	+50.3%	35.3	25.5	+38.1%	13.4
% of net sales	6.5%	4.6%		5.2%	4.0%		4.3%
Balance Sheet total				589.5	588.1	+0.2%	
Equity ratio, %				75.9%	75.4%		
Gearing, %				-19.3%	-22.6%		
Interest-bearing liabilities				4.0	9.8	-58.9%	
Non-interest-bearing liabilities				138.1	134.8	+2.5%	
Cash and cash equivalents				90.4	110.0	-17.8%	
ROCE (before taxes), %				43.8%	46.5%		
ROE (after taxes), %				32.7%	34.5%		
Earnings per share, EUR	0.22	0.18	+18.4%	1.03	1.03	-0.2%	0.47
Equity per share, EUR				3.17	3.14	+0.9%	
Personnel at the end of the period				3 176	3 061	+3.8%	

*The proforma figures for periods before the demerger on 1 July 2006 are based on comparable ones carved out from the financial statements of the demerged Orion.

Review by President and CEO Timo Lappalainen

"The net sales of the Orion Group have shown steady growth. In the light of the key figures for 2007 the performance was successful and at least as good as the previous year in relation to the comparable figures. All the five business divisions are performing well financially, and their achievements are starting to reflect the chosen strategy.

In the past year we have entered into a number of in-licensing agreements having thereby added about 50 new products mainly into the portfolios of the Specialty Products and Animal Health businesses to accelerate their growth. In the Proprietary Products business, the strong growth is continuing in the sales of Stalevo® and Comtess®/Comtan® for Parkinson's Disease.

All our major clinical research programmes are progressing forward in 2008. The most comprehensive one, STRIDE-PD with Stalevo, is also advancing steadily. FIRST-STEP, a Phase

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III study conducted by our marketing partner Novartis mainly in North America, has been completed with a statistically significant positive outcome of the primary endpoint. The study was made to determine whether treatment with Stalevo provides better symptomatic benefit than conventional treatment in early Parkinson's Disease.

Orion continued showing successful sales performance in Finland where our sales grew more rapidly than the total market. The growth of our operations in 2007 in the Central and Eastern European markets gives us reason to continue our efforts to grow."

Events in the last annual quarter of 2007

In October, an explosion occurred at the Ekokem Oy Ab solvent gas treatment facility in Hanko, in the factory area of the Fermion API plant. One Ekokem employee died in the explosion, which occurred during a test running stage. The facility was restarted at the beginning of February 2008. Ekokem bears an independent responsibility for the investment, operation and operating costs of the treatment plant.

In December, the license for Calcimagon, an osteoporosis drug marketed in Germany, was terminated about one year before the intended expiry of the agreement. In relation to this, Orion received an EUR 5.8 million one-time payment in the last quarter of 2007. The net sales for 2007 of the product amounted to EUR 11.7 million.

In December, Orion established a liaison office in Mumbai, India. The role of the office is to promote co-operation with Indian partners, to assist in assuring the quality of procured products and services and to identify new business opportunities for Orion in India.

The ANDAs concerning entacapone products filed with the US FDA by companies in the generics business, are dealt with separately in the section "Litigations and claims for damages."

New generic products were in-licensed and launched throughout the year. Most of the product launches took place in Eastern Europe and Russia.

Events after the Balance Sheet date

At the end of January 2008, Orion Corporation was informed by its marketing partner Novartis that a statistically significant positive result for the primary endpoint was obtained in the Phase 3 clinical FIRST-STEP study carried out by Novartis. The purpose of the study was to determine whether treatment with Stalevo provides better symptomatic benefit than conventional levodopa/carbidopa treatment in patients requiring to start levodopa treatment. The study in 423 patients with early Parkinson's Disease was conducted in the United States, Canada and six other countries.

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Press conference in Finnish and on-line webcast

A press conference on the full-year 2007 results will be held today, Thursday, 7 February 2008, starting at 10.00 EET, at the Diana Auditorium in Helsinki, address Erottajankatu 5. The presentation will be held by Timo Lappalainen, President and CEO. The language of the conference is Finnish.

The presentation can be followed on-line through the Group's Finnish homepage at www.orion.fi/sijoittajille, as well as via the Kauppalehti Live web service at www.kauppalehti.fi/live.

The on-demand webcast recordings of the presentations will be available at www.orion.fi/investors (in English) and at www.orion.fi/sijoittajille (in Finnish) later in the evening of 7 February 2008. The English webcast can also be accessed via www.earnings.com or Thomson/CCBN's password-protected event management site, StreetEvents at www.streetevents.com.

Conference call in English

A teleconference for questions and answers in English will be arranged today 7 February 2008, starting at 17.00 EET (16.00 GMT). Advice to participate the conference is provided on the front page of www.orion.fi/investors.

In Orion's calendar for 2008

Annual Report 2007 published	week 10/2008
Record date for AGM	15 March 2008
Registration to the AGM at the latest	17 March 2008 at 12.00
AGM	25 March 2008 at 14.00
Record date for dividend payment	28 March 2008
Dividend payment	4 April 2008
Interim Report 1–3/2008	25 April 2008
Interim Report 1–6/2008	5 August 2008
Interim Report 1–9/2008	October 2008

The annual General meeting of the shareholders will be held on Tuesday, 25 March 2008 at 14.00 at the Helsinki Fair Centre, Helsinki. The matters to be handled at the AGM are announced in a separate stock exchange release published today.

The Annual Summary of the stock exchange releases and announcements published by Orion Corporation in 2007 is given in a separate stock exchange release today.

Orion's financial reports and related presentation material are available on the Group's homepage at www.orion.fi/investors promptly after the publishing. The homepage also provides a possibility to register on Orion's mailing lists for publications and releases.

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Financial review of the Orion Group in 2007

Net sales

The Orion Group's net sales for the financial year 2007 were EUR 683.6 million (EUR 641.1 million in 2006 and EUR 311.2 million in the period July-December 2006), an increase of 6.6% on the previous year. The net impact of foreign exchange rates, mainly the US dollar, was EUR 9.3 million negative.

The Pharmaceuticals business had net sales of EUR 643.3 million (2006: 601.4; July-Dec. 2006: 292.0), up 7.0% on the figure of the comparative year. Products from in-house R&D accounted for EUR 292.3 million of net sales (2006: 275.2), or 45% (2006: 46%). Net sales from the Parkinson's medicines Stalevo and Comtess/Comtan totalled EUR 200.1 million (2006: 186.0), or about 31% of the net sales by the Pharmaceuticals business (2006: 31%).

Orion Diagnostica's net sales were EUR 42.0 million (2006: 41.5; July-Dec. 2006: 19.9), or at the level of the previous year. QuikRead[®] tests for diagnosing infections were again growth products, but the declined sales of the older product portfolio slowed down overall growth.

Financial performance

The Pharmaceuticals business's operating profit was EUR 199.0 million (2006: 189.9; July-Dec. 2006: 84.6), an increase of 4.8% on the figure of the comparative year. Investments in sales, marketing and research rose as planned. The operating profit includes an EUR 5.8 million item recorded in Other operating income related to the termination of the Calcimagon licensing agreement.

The Diagnostics business's operating profit was EUR 6.5 million (2006: 6.6; July-Dec. 2006: 2.1).

Operating expenses were EUR 279.7 (2006: 253.0; July-Dec. 2006: 126.7), an increase of 10.6% on the previous year. The largest individual item – Selling and marketing expenses – was EUR 143.1 million (2006: 128.9; July-Dec. 2006: 63.2), an increase of 11.0% on the previous year.

The Group's research and development expenditure amounted to EUR 97.6 million (2006: 84.1; July-Dec. 2006: 43.1), rising by 16.0% on the figure of the comparative year and accounting for 14.3% of the consolidated net sales (2006: 13.1%; July-Dec. 2006: 13.8%). Pharmaceutical research accounted for EUR 93.4 million (2006: 79.7) of the total.

Group profit before taxes was EUR 195.5 million (2006: 197.3; July-Dec. 2006: 91.4). Earnings per share were EUR 1.03 (2006: 1.03; July-Dec. 2006: 0.47). Equity per share was EUR 3.17 (2006: 3.14). The return on capital employed before taxes was 43.8% (2006: 46.5%) and the return on equity after taxes was 32.7% (2006: 34.5%). The Group's operating profit in 2006 included EUR 9.8 million in capital gains on the sale of real estate.

Balance Sheet and financial position

The Group's gearing was 19.3% negative (2006: -22.6%) and the equity ratio was 75.9% (2006: 75.4%).

Liabilities in the Balance Sheet at 31 December 2007 totalled EUR 142.1 million (2006: 144.6), of which EUR 4.0 million were interest-bearing liabilities (2006: 9.8). The Group's cash and cash equivalents amounted to EUR 90.4 million (2006: 110.0) and they were invested in short-term fixed-income instruments of financially sound banks and companies.

Cash flows

Cash flows from operating activities totalled EUR 154.7 million (2006: 141.4; July-Dec. 2006: 81.6), improving on the previous year. The operating profit declined somewhat, but it included more non-cash expense items than in the comparative year. Working capital increased by EUR 14.7 (2006: 18.6) million, which was slightly less than in 2006. Cash flows from investing activities were EUR 25.3 million negative

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(2006: EUR 10.9 million negative). Capital expenditure in 2007 was higher than in 2006, in addition to which the previous year's cash flows were improved by the sale of apartment houses. Cash flows from financing activities were EUR 148.5 million negative (2006: EUR 144.9 negative), nearly on a par with the figure of the comparative year, despite paying out higher dividends than a year earlier, and the repayment of long-term loans to the Orion Pension Fund. Cash flows in 2006 were affected by two significant non-recurring items. They were burdened by the repayment of short-term loans to the companies that were transferred to Oriola-KD in the demerger and, on the other hand, they were improved by the share capital increase and share issue due to the exercised stock options.

Capital expenditure

The Group's capital expenditure totalled EUR 35.3 million (2006: 25.5), of which EUR 22.4 million was used for machinery and equipment (2006: 16.6). No major investments are under way in the Group.

Outlook for 2008

Net sales will grow slightly from 2007. Pharmaceutical sales via Orion's own sales network are expected to continue growing moderately in Finland and to continue showing growth outside Finland, where growth will nevertheless be slowed down by the expiry at the end of 2007 of the licence agreement for the Calcimagon osteoporosis drug that was marketed in Germany. In-market sales of Parkinson's drugs will show further growth, but at a slower rate than previously. The volume of Parkinson's drugs to be delivered to Novartis is forecast to grow slightly.

Marketing and research expenditure will increase moderately. Marketing expenses will be added in particular by the product launches by Orion's own units outside Finland. Research expenses will grow mainly due to the clinical studies that were started in the previous year. The patent litigations having started in United States will increase administrative expenses in 2008.

Operating profit excluding non-recurring items is estimated to grow slightly from 2007. Such non-recurring items include the one-off compensation for the termination of the Calcimagon licence agreement in 2007 and the patent litigation expenses in 2008.

R&D expenses will be slightly over EUR 100 million. **Capital expenditure** will be about EUR 40 million.

Preamble

No major regulatory changes affecting the market structure are expected to take place in Finland during 2008, which points to continued moderate market growth. Launches of new products will support Orion's growth in Finland. On the other hand, growth will be retarded by heavy price competition affecting substitutable prescription drugs in particular, which are important for Orion.

The growth in in-market sales of the Parkinson's drugs Stalevo and Comtess/Comtan in 2007 was under 15%, which is lower than in previous years. Growth is expected to slow further down slightly during 2008. Both Orion's own sales and deliveries to its marketing partner Novartis are anticipated to be in line with the overall market development for Parkinson's drugs. On the basis of current information, Novartis's stock levels are expected to remain unchanged in 2008.

Because the registrations and launches of new products are projects taking more than a year, the resources and other material inputs required for them for 2008 have been mostly planned in the previous year.

The majority of the expenses of pharmaceutical research are caused by the clinical phases. They are typically performed in clinics located in several countries. All the main clinical studies that were under way in 2007 will continue in 2008, and their cost level can thus be forecast fairly well.

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The estimated costs of the patent litigations having started in the United States are based on the planned timetables and work. The costs resulting from the litigation will depend on a number of factors, which at the present stage are difficult to estimate precisely.

Near-term risks and factors of uncertainty relating to the outlook estimates

The company is not aware of any significant single risk factors relating to the earnings outlook for 2008.

The sales of individual products and, on the other hand, Orion's sales in individual markets may vary slightly according to the extent to which the ever-tougher price and other competition that has prevailed in the pharmaceutical markets in recent years specifically affects Orion's products. Deliveries to Novartis are based on timetables that are jointly agreed in advance. These can nevertheless change, for example, as a consequence of decisions by Novartis concerning adjustments of stock levels during the year. The litigations having started are not assumed to affect the sales of Comtan or Stalevo in the United States in 2008.

The mostpart of the exchange rate risk is related to the US dollar. Typically, less than 15% of Orion's sales come from North America. Only a small part of other sales is based on the US dollar.

Research projects always involve factors of uncertainty that may either increase or decrease estimated costs. The projects may progress more slowly or faster than assumed or they may be discontinued. Changes that may occur in ongoing clinical studies are nonetheless reflected in costs relatively slowly, and they are not estimated to have a material impact on the earnings in the current year. Owing to the nature of the research process, the timetables and costs of new studies that are being started are known well in advance, and therefore they typically do not lead to unexpected changes in the forecast cost structure.

Group financial objectives and dividend distribution policy

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

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.

Proposed dividend EUR 1.00 per share

The distributable equity of the parent company amounts to EUR 187,390,536.33, of which the profit for the financial year accounts for EUR 145,338,612.40.

The Board of Directors proposes to the AGM that a dividend of EUR 1.00 be paid on the 141.3 million shares, total EUR 141.3 million. The dividend payout ratio for the financial year would thus be 97.3% (97.1%). The dividend payment date is 4 April 2008, and the dividend is payable to shareholders who are entered in the company's Shareholder Register on 28 March 2008.

The Board of Directors also proposes that EUR 120,000.00 be donated to medical research and other non-profit purposes according to a separate decision by the Board, and that EUR 46,012,703.33 be retained on the profit and loss account.

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Changes in the company's management

At the end of January 2007, the Board of Directors of Orion Corporation decided to change the management organisation of the Orion Diagnostica business division to enhance the role of the Board of Directors of Orion Diagnostica Oy in the management and decision-making of the diagnostics business. In the arrangement, Jaakko Rissanen, President of Orion Diagnostica Oy, stepped out from the Executive Management Board of the Orion Group. The President and CEO of Orion Corporation is representing the diagnostics business in the Executive Management Board as the Chairman of the Board of Orion Diagnostica Oy.

Jukka Viinanen, President and CEO of Orion Corporation until the end of 2007, will retire on 29 February 2008, serving as an advisor to the company's Board of Directors as of 1 January 2008 until his retirement. Timo Lappalainen, who previously was Senior Vice President in charge of the Proprietary Products and Animal Health business divisions, was appointed new President and CEO of Orion Corporation and Chairman of the Executive Management Board as of 1 January 2008.

Liisa Hurme, Senior Vice President of the Proprietary Products business division, and Satu Ahomäki, Senior Vice President of the Animal Health business division, were appointed to take over Timo Lappalainen's former duties respectively as of 1 January 2008. Both Liisa Hurme and Satu Ahomäki are members of the Executive Management Board as of the beginning of the year.

Personnel

The average number of employees in the Group in 2007 was 3,160 (3,063). At the end of 2007, the Group had a total of 3,176 employees (3,061), of whom 2,675 worked in Finland (2,586) and 501 outside Finland (475).

Personnel in the Pharmaceuticals business grew by 122 employees from that of the end of December 2006. Personnel in the Diagnostics business decreased by six persons.

Salaries and remuneration paid during the financial year totalled EUR 131.6 million (2006: 123.7; July–Dec. 2006: 62.4).

Shares and shareholders

Orion Corporation has two classes of shares, A and B, which are in the book-entry system maintained by Finnish Central Securities Depository Ltd (APK). APK is the Group's official keeper of the Shareholder Register. Both of Orion's share classes, A and B, are quoted on the OMX Nordic Exchange in Helsinki in the Large Cap group under the Healthcare sector heading. Trading in both of the company's share classes commenced on 3 July 2006 under the trading codes ORNAV and ORNBV. Information on trading in the company's shares has been available since this date.

Each Class A share entitles its holder to twenty (20) votes at General Meetings, whereas each Class B carries one (1) vote. At a General Meeting, a shareholder can nevertheless not vote more than 1/20 of the aggregate number of votes for the shares belonging to different classes and represented at the General Meeting. In addition, the Orion Pension Fund does not have the right to vote at meetings of Orion's shareholders.

Both share classes entitle the shareholder to the same rights to the company's assets and to dividends distributed.

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Share capital

According to the Articles of Association, the minimum amount of all shares in the company is one (1) and the maximum amount is 1,000,000,000. The shares do not have any nominal value. The book counter value of the share is EUR 0.65.

Orion's share capital is EUR 92.2 million and the total number of shares is 141,257,828, of which 52,558,688 belonged to Class A and 88,699,140 to Class B at 31 December 2007. The aggregate number of votes conferred by both share classes was 1,139,872,900 at the end of the year.

Conversion of Class A shares to Class B shares

On the basis of the Articles of Association, a shareholder can demand the conversion of his or her Class A shares to Class B shares. During 2007, 2,995,552 Class A shares were converted to Class B shares, of which 431,347 were converted in the fourth quarter. In the first part of 2008, a total of 98,020 shares have so far been converted.

Authorisations of the Board of Directors

Orion Corporation's Board of Directors has an authorisation granted by the Annual General Meeting on 2 April 2007, to buy back and transfer the company's own shares (treasury shares). On 6 August 2007, Orion's Board of Directors decided to exercise this authorisation to buy back a total of 350,000 Class B shares, but for the time being shares have not been bought back. The Board of Directors' authorisation to buy back and transfer shares is in force up to the close of the 2008 Annual General Meeting.

The Board of Directors does not have an authorisation to increase the share capital or to issue bonds with warrants or convertible bonds or stock options.

Shareholder structure

At the end of 2007, Orion had a total of 36,558 registered shareholders, of whom 94.5% were private individuals. They held 46.0% of the entire shares outstanding and had 57.8% of the total votes. There were 39.3 million nominee-registered shares, representing 27.8% of the shares and 5.7% of the votes. The company does not have treasury shares in its possession.

Flagging notifications

At the end of November, Capital Research and Management Company notified Orion Corporation, in accordance with Chapter 2, Section 9 of the Security Markets Act, that it had acquired for the mutual funds under its management an amount of Orion Corporation shares whereby the proportion of shares under its management had increased to more than one twentieth pursuant to Chapter 2, Section 9 of the Security Markets Act. Capital Research and Management Company stated that, following the purchases, it has under management 7,281,692 Orion Corporation Class B shares and that said shares represent 5.1549% of Orion Corporation's shares outstanding and 0.63161% of the total votes. According to the notification, Capital Research and Management Company is Orion's largest shareholder.

Management's shareholdings

At the end of 2007, the members of the Board of Directors, the President and CEO and the members of the Executive Management Board owned a total of 2,460,742 Orion Corporation shares, or about 1.74% of the entire shares outstanding. The total number of votes conferred by these shares was 40,754,862, or about 3.58% of the total votes. The figures also include the holdings of minor-aged children and controlled entities. The company does not have stock option programmes that are in effect.

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Legal proceedings

Legal proceedings against Wockhardt USA, Inc. and Wockhardt Limited

Orion Corporation has on 13 September 2007 filed a patent infringement lawsuit in the United States to enforce U.S. Patent No. 5,446,194 and U.S. Patent No. 5,135,950 against generic drug companies Wockhardt USA, Inc. and Wockhardt Limited, who seek to market generic entacapone (200 mg tablets) in the United States. Entacapone is the active ingredient in Comtan[®], a product originated by Orion Corporation and marketed in the United States for the treatment of Parkinson's Disease by its exclusive licensee, Novartis.

Orion Corporation and Novartis will vigorously defend the intellectual property rights covering Comtan. By virtue of the legal proceedings, the realisation of generic competition regarding Comtan is neither certain nor imminent.

Legal proceedings against Sun Pharmaceutical Industries Inc. and Sun Pharmaceutical Industries Limited

Orion Corporation has on 13 November 2007 filed a patent infringement lawsuit in the United States to enforce its formulation patent, U.S. Patent No. 6,500,867, against Sun Pharmaceutical Industries Inc. and Sun Pharmaceutical Industries Limited, who seek to market generic versions of Stalevo[®] tablets (25/100/200 and 37.5/150/200 mg strengths of carbidopa/levodopa/entacapone) in the United States. Stalevo is an enhanced levodopa treatment originated by Orion Corporation and marketed in the United States by its exclusive licensee, Novartis, for the treatment of Parkinson's disease.

Orion Corporation and Novartis will vigorously defend the intellectual property rights covering Stalevo. By virtue of the legal proceedings, the realisation of generic competition regarding Stalevo is neither certain nor imminent.

Orion Corporation has been informed that Sun Pharmaceutical Industries Limited (Sun) has amended its Abbreviated New Drug Application (ANDA). Sun's amendment to its ANDA involves a Paragraph IV challenge to Orion's U.S. Patent No. 5,446,194. The ANDA review process has recently just begun and the realisation of generic competition is neither certain nor imminent. Orion is, together with Novartis, currently evaluating its legal options to protect its rights.

Review of the Business Segments

Market review

Finland is Orion's most important single market area for pharmaceuticals. According to statistics collected by Finnish Pharmaceutical Data Ltd, Finnish wholesales of human pharmaceuticals rose by 5.8% to EUR 1,827 (1,727) million in 2007. The sales of self-care products increased by 8.9%, and hospital sales were up 8.4% on the previous year.

Orion's position as the leading marketer of pharmaceuticals in Finland was strengthened further. In 2007, wholesales of Orion's products for human use totalled EUR 163.8 million, up 7.4% on the previous year. This represents faster growth than that of the Finnish pharmaceutical market as a whole (5.8%) and Orion retained its status as market leader with a share of 9.0% (8.8%). Orion bolstered its market-leading position also in terms of the number of packages sold, with a market share of 28.3% (27.3%).

According to IMS Health pharmaceutical sales statistics for the 12-month period ending in September 2007, US wholesales of drugs for Parkinson's Disease – a core therapy area for Orion – totalled USD

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1,188 (948) million, up about 25% on the comparative 12-month period. The exceptionally high growth rate is explained by the broadened indication of one dopamine agonist to the restless legs syndrome.

The five largest European markets for Parkinson's Disease drugs were Germany, Great Britain, France, Spain and Italy. Total sales of Parkinson's Disease drugs in these countries in the same 12-month period totalled EUR 788 (727) million, with an average market growth at about 8%.

The value of the global diagnostics market is estimated at about USD 33 billion. Several large players dominate the market for the equipment and test reagents used in centralised laboratories. The industry as a whole is very fragmented. Orion Diagnostica is a medium sized player, and holds a solid position in certain product areas.

Pharmaceuticals business

The net sales of the Pharmaceuticals business totalled EUR 643.3 (601.4) million in 2007. The approximately 7% rise on the previous year was a result of strategic measures to increase sales through Orion's own sales network. Operating profit amounted to EUR 199.0 (189.9) million, up 4.8% on the previous year. The Pharmaceuticals business' EBIT margin was 30.9% (31.6%).

Proprietary Products

In 2007, net sales of the Proprietary Products business division totalled EUR 270.8 (256.6) million, an increase of 5.5% on the previous year. The sales of the products in focus – Stalevo, Simdax and the intensive care sedative Precedex[®] (dexmedetomidine) showed strong growth.

In 2007, the combined net sales of the Parkinson's Disease drugs Stalevo and Comtess/Comtan totalled EUR 200.1 (186.0) million. This represents a rise of 7.6% on the previous year and, as in 2006, accounts for almost one-third of the total net sales of the Pharmaceuticals business. The net sales from deliveries of Stalevo and Comtan to Novartis totalled EUR 116.2 (112.1) million, up 3.7% on the previous year. The net sales from Stalevo and Comtess generated by Orion's own sales organisation amounted to EUR 83.9 (73.9) million, up 13.6%.

The UK and Germany continued to exhibit especially buoyant growth in the sales of Parkinson's Disease drugs. Orion has achieved a solid market position in these countries. The net sales growth in Scandinavia was withheld by extensive parallel imports of Stalevo from other EU markets. Sales of Stalevo grew rapidly in Lithuania and Latvia once the drug was approved for reimbursement. In the US, a marketing territory of Novartis, the growth rate of the sales of Stalevo has continued stable. The marketing area of Comtan expanded in the summer of 2007 as the product was launched by Novartis in Japan.

In 2007, Upsher-Smith Laboratories, Inc. in the United States and Pola Chemical Industries, Inc. in Japan brought to market Divigel[®], a hormone replacement product. Sales of Enanton[®], which has been particularly successful in the Nordic countries, are boosted by the introduction of a six-month depot formulation.

Orion is not aware of Abbott's possible decisions or actions for receiving new marketing authorisations for Simdax in Europe. Orion is not aware of that there would have been progress in applying for such marketing authorisations so far.

Specialty Products

The net sales of the Specialty Products division totalled EUR 241.5 (218.7) million in 2007, up 10.4% on the previous year.

Finland is clearly still the division's largest single market area. Sales in Finland increased, and especially favourable performance was seen in self-care products. The painkiller Burana[®] (ibuprofen) was once again the top-selling self-care product and retained its position as market leader in its therapy group.

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The net sales of Easyhaler[®] asthma medicines totalled EUR 17.3 (15.9) million, up 9.1% on the previous year. The sales picked up during the second half of 2007 as the product was gradually launched in new markets, such as Poland. The product is primarily sold through partners.

Expansion of the Speciality Products business to areas in Eastern Europe and Russia has progressed well, and the net sales have grown notably faster than the market on average. Of the major countries, the best sales growth was seen in Ukraine, Russia, the Czech Republic and Poland. The good development stemmed from both the success of existing products and launches of new generic ones. The emphasis of Orion's new launches has been in this region overall.

The licensing agreement concerning the osteoporosis drug Calcimagon in Germany ceased at the end of 2007. The net sales of the product totalled EUR 11.7 million in 2007. In the fourth quarter of 2007, Orion received EUR 5.8 million in compensation for the termination of the license. Orion continues in this therapy area by marketing Calcicare[®] for the same indication.

Orion signed more in-licensing agreements in 2007 than ever before. New products were added to the range of the Speciality Products and Animal Health divisions in particular.

Animal Health

The net sales of the Animal Health division totalled EUR 66.8 (63.3) million, up 5.5% on the previous year. Sales rose both through partners and Orion's own Nordic sales organisation. The establishment of sales and marketing organisations in Eastern Europe continued.

The net sales of animal sedatives – Dexdomitor[®] (dexmedetomidine), Domitor[®] (medetomidine), Domosedan[®] (detomidine) and Antisedan[®] (atipamezole) – continued to grow in 2007 and they were up 4.6%. The animal sedatives accounted for about 41% (42%) of the total net sales of drugs for veterinary use. The marketing of animal sedatives expanded into new areas in 2007. In February, Nippon Zenyaku Kogyo Co., Ltd. started selling Domitor and Antisedan in Japan. A new sedative, Dexdomitor, was also brought to market. Orion is responsible for selling Dexdomitor in the Nordic countries, and Pfizer elsewhere in Europe and in the United States.

Fermion

Fermion, which manufactures active pharmaceutical ingredients, generated EUR 38.1 (38.5) million in net sales in 2007. The net sales were at approximately the same level as in the previous year. The impact of intra-Group transactions, that is, deliveries of active ingredients for Orion's own use, has been eliminated from the net sales. A significant proportion of the division's net sales are generated in the United States, due to which they have suffered from the weakened US dollar. Fermion's deliveries for Orion's internal use have, however, increased significantly from those of 2006.

The ten best-selling pharmaceutical products

The net sales of Orion's ten best-selling drugs increased by 7.6% on the previous year and accounted for about 50% (50%) of the total net sales of the Pharmaceuticals business. The purchases by pharmacies of Burana[®] (ibuprofen) have returned to long-term average levels since the downswing experienced after the amendment of the Finnish Pharmaceuticals Act in 2006. Other growth products include Stalevo (14%), the heart failure drug Simdax (14.5%), the anticoagulant Marevan[®] (warfarin, 19.6%), and Easyhaler (9.1%).

Products from in-house research

In 2007, the net sales of the products from in-house research totalled EUR 292.3 (275.2) million and accounted for 45% (46%) of the total net sales of the Pharmaceuticals business. Sales of almost all of Orion's proprietary products increased on the previous year, with 6.2% total growth for all products. Stalevo, Simdax and Precedex were the major growth products.

Research and development activity

The Group's R&D expenses totalled EUR 97.6 million (2006: 84.1, July–Dec/2006: 43.1), of which the Pharmaceuticals business accounted for EUR 93.4 million (2006: 79.7, Jul-Dec/2006: 40.6). R&D expenses were 14.3% (2006: 13.1%; July–Dec/2006: 13.8%) of the Group net sales.

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In accordance with its strategy, Orion aims to allocate its R&D resources in such a way that the best possible support is given to both the Proprietary Products and the Specialty Products divisions. R&D for Orion's proprietary drugs focuses on three core therapy areas: central nervous system, cardiology and critical care, and urology and oncology.

The emphasis of the Group's R&D being on early-phase research, Orion seeks partnerships for phase three clinical trials, and in particular in areas beyond the scope of European marketing authorisations. Orion expands its research portfolio through networking. Product life-cycle management is also a vital task of R&D.

The ongoing **STRIDE-PD** study is comparing Stalevo treatment with conventional levodopa/carbidopa treatment to determine whether Stalevo can delay the onset of involuntary movements, that is, dyskinesias, in Parkinson's patients. The trial – launched at the end of 2004 in cooperation with Novartis – is being conducted in 14 countries and involves 747 Parkinson's patients for a treatment period of almost three years. Its results are currently expected at the turn of 2008–2009.

FIRST-STEP, a Phase III clinical study conducted by Novartis, has given a statistically significant positive result for the primary endpoint. The aim of the study was to determine whether Stalevo treatment provides better symptomatic benefit than conventional levodopa/carbidopa treatment in patients with symptoms requiring to start taking levodopa. A total of 423 patients with early-stage Parkinson's disease participated in the study in the United States, Canada and six other countries.

In May 2007, Phase III clinical studies began with **dexmedetomidine** (Precedex[®]) in patients in intensive care as an infusion administered for over 24 hours. The programme aims to have the product registered in Europe. The product is already available in, for example, the United States and Japan as a sedative for patients in intensive care and is administrable as an infusion for a maximum of 24 hours. Two parallel studies are comparing dexmedetomidine with midazolam and propofol. Both are planned to involve 500 patients and are estimated to last two years.

Easyhaler[®] is a multi-dose dry-powder inhaler for administering medicines for asthma and chronic obstructive pulmonary disease. Easyhaler products are already available in over 20 countries. Orion is expanding this product family with the development of a new formulation combining budesonide as an anti-inflammatory agent and formoterol as a long-acting bronchodilator.

A research programme is under way in clinical Phase I for the development of a new **COMT enzyme inhibitor** that is even more efficient than entacapone, for Parkinson's disease.

The **LEVET** programme, which is studying the efficacy of levosimendan in the treatment of heart diseases in dogs, has progressed to the final research phase with an aim to receive marketing authorisations. Recruitment began in August 2007 for both the European and US arms of the programme.

In early research phase, Orion is investigating molecules affecting alpha₂ receptors in the central nervous system, and selective androgen receptor modulators (SARM), among others.

Diagnostics business

The net sales of Orion Diagnostica totalled EUR 42.0 (41.5) million in 2007. QuikRead[®] tests continued to exhibit strong sales growth. These tests are used for the detection of infections on the basis of the CRP content in a blood sample. Sales of dipslides, the Uricult[®] test for detecting urinary tract infections, and the industrial hygiene tests Hygicult[®] and Easicult[®] also progressed favourably during the year.

Sales continued to increase in Orion's Finnish and Scandinavian sales networks, as did exports to the Czech Republic and Slovakia in particular. Outside the Nordic countries, sales growth was hampered by both the weakened US dollar and the international trade restrictions placed on Iran.

The operating profit amounted to EUR 6.5 (6.6) million, representing an EBIT margin of 15.4% (15.9%).



Stock Exchange Release

13 (23)

7 February 2008 at 8.30 am

Espoo, 6 February 2008

Board of Directors of Orion Corporation

Orion Corporation

Timo Lappalainen
President and CEO

Jari Karlson
CFO

7 February 2008 at 8.30 am

Tables

GROUP INCOME STATEMENT

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Net sales	174.0	162.2	+7.3%	683.6	641.1	+6.6%	311.2
Cost of goods sold	-58.8	-54.5	+7.8%	-218.8	-205.2	+6.6%	-105.2
Gross profit	115.2	107.7	+7.0%	464.8	435.8	+6.6%	205.9
Other operating income	6.7	1.0	+540.0%	9.0	13.8	-35.0%	11.6
Selling and marketing expenses	-41.8	-35.7	+17.3%	-143.1	-128.9	+11.0%	-63.2
R&D expenses	-28.5	-24.2	+17.9%	-97.6	-84.1	+16.0%	-43.1
Administrative expenses	-12.5	-12.3	+1.3%	-39.0	-39.9	-2.2%	-20.4
Operating profit	39.1	36.6	+6.9%	194.0	196.7	-1.4%	90.9
Financial income	1.4	1.1	+29.4%	3.9	3.5	+10.9%	1.8
Financial expenses	-0.8	-0.6	+43.2%	-2.5	-3.0	-16.7%	-1.2
Profit before taxes	39.7	37.1	+7.0%	195.5	197.3	-0.9%	91.4
Income tax expense	-8.5	-10.8	-20.8%	-50.0	-52.2	-4.1%	-24.8
Profit for the period	31.1	26.3	+18.4%	145.4	145.1	+0.3%	66.6
of which attributable to:							
Parent company shareholders	31.1	26.3	+18.4%	145.4	145.1	+0.3%	66.6
Minority interest	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR*	0.22	0.18	+18.4%	1.03	1.03	-0.2%	0.47
Depreciation and amortisation	7.8	8.6	-9.1%	31.6	34.7	-8.9%	17.2
Personnel expenses	45.0	42.1	+6.7%	154.2	145.8	+5.8%	73.3

* The figure has been calculated from the profit attributable to the parent company shareholders.

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BALANCE SHEET

Assets:

EUR million	2007	2006	Change %
Non-current assets:			
Property, plant and equipment	186.6	187.1	-0.3%
Goodwill	13.5	13.5	
Other intangible assets	23.0	21.9	+5.0%
Investments in associates	0.1	0.1	
Available-for-sale investments	0.9	1.0	-7.7%
Pension asset	48.6	52.7	-7.7%
Deferred tax assets	3.9	1.4	+180.7%
Other non-current assets	4.0	3.8	+6.3%
Non-current assets total	280.6	281.4	-0.3%
Current assets:			
Inventories	121.1	107.2	+13.0%
Trade receivables	82.9	75.0	+10.5%
Other receivables	14.4	14.4	+0.1%
Cash and cash equivalents	90.4	110.0	-17.8%
Current assets total	308.9	306.6	+0.7%
ASSETS TOTAL	589.5	588.1	+0.2%

Equity and liabilities:

EUR million	2007	2006	Change %
Equity:			
Share capital	92.2	92.2	
Share premium	17.8	17.8	
Expendable fund	23.0	23.0	
Other reserves	0.5	0.5	+2.3%
Retained earnings	313.8	309.9	+1.2%
Equity of the parent company shareholders	447.3	443.5	+0.9%
Minority interest	0.0	0.0	+16.7%
Equity total	447.3	443.5	+0.9%
Non-current liabilities:			
Deferred tax liabilities	47.6	51.5	-7.6%
Pension liability	1.0	0.9	+13.3%
Provisions	0.2	0.6	-67.2%
Interest-bearing non-current liabilities	1.2	7.5	-84.5%
Other non-current liabilities	2.1	1.8	+17.2%
Non-current liabilities total	52.0	62.3	-16.5%
Current liabilities:			
Trade payables	34.3	29.2	+17.3%
Income tax liabilities	3.4	2.8	+24.1%
Other current liabilities	49.5	47.1	+5.1%
Provisions	0.0	0.9	-99.7%
Interest-bearing current liabilities	2.9	2.3	+26.4%
Current liabilities total	90.1	82.3	+9.5%
EQUITY AND LIABILITIES TOTAL	589.5	588.1	+0.2%

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium	Expendable fund	Other reserves	Translation differences	Retained earnings	Equity of the parent company shareholders	Minority interest	In total
Equity on 1 Jul 06	92.2	17.8	23.0	0.5	-3.5	246.8	376.8	0.0	376.8
Translation differences					0.1		0.1		0.1
Profit for the period						66.6	66.6	-0.0	66.6
Recognised income and expenses in total					0.1	66.6	66.7	-0.0	66.7
Other changes				-0.0			-0.0		-0.0
Equity on 31 Dec 06	92.2	17.8	23.0	0.5	-3.4	313.3	443.5	0.0	443.5
Available-for-sale investments and cash flow hedges				0.0			0.0		0.0
Translation differences					-0.7		-0.7		-0.7
Net unrealised gains recognised directly in equity				0.0	-0.7		-0.7		-0.7
Profit for the period						145.4	145.4		145.4
Recognised income and expenses in total				0.0	-0.7	145.4	144.8		144.7
Dividend						-141.3	-141.3		-141.3
Share-based incentive plan						0.4	0.4		0.4
Other changes				-0.0		-0.1	-0.1	0.0	-0.1
Equity on 31 Dec 07	92.2	17.8	23.0	0.5	-4.1	317.9	447.3	0.0	447.3

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CASH FLOW STATEMENT

EUR million	2007	2006 Proforma	Financial period Q3-Q4/06
Cash flow from operating activities:			
Operating profit	194.0	196.7	90.9
Adjustments	29.2	16.0	4.3
Change in working capital	-14.7	-18.6	22.5
Interest paid	-2.1	-3.8	-1.5
Interest received	3.8	3.5	1.7
Income taxes paid	-55.5	-52.5	-36.3
Net cash from operating activities	154.7	141.4	81.6
Cash flow from investing activities:			
Purchases of property, plant, equipment and intangible assets	-34.6	-22.8	-12.3
Acquisition of subsidiary, net of cash	-	-1.2	-
Proceeds from sale of property, plant, equipment, intangible assets and available-for-sale investments	9.3	13.0	12.3
Net cash used in investing activities	-25.3	-10.9	0.0
Cash flow from financing activities:			
Share issue and share capital increase based on the use of stock options	0.0	21.4	-
Net change in short-term loans	-0.8	-47.5	-1.0
Repayment of non-current liabilities	-6.4	-0.6	-0.4
Dividends paid and other distribution of profits	-141.3	-118.2	0.0
Net cash used in financing activities	-148.5	-144.9	-1.4
Net change in cash and cash equivalents	-19.1	-14.4	80.2
Cash and cash equivalents at the beginning of the period	110.0	124.5	29.8
Foreign exchange adjustments	-0.5	-0.1	0.0
Net change in cash and cash equivalents	-19.1	-14.4	80.2
Cash and cash equivalents at the end of the period	90.4	110.0	110.0

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CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	2007	2006 Proforma	Financial period Q3-Q4/06
Carrying amount at the beginning of the period	187.1	196.4	191.2
Additions	27.7	19.0	10.5
Disposals	-3.2	-2.7	-1.9
Depreciation	-25.0	-25.6	-12.7
Carrying amount at the end of the period	186.6	187.1	187.1

COMMITMENTS AND CONTINGENCIES

EUR million	12/07	12/06
Contingent for own liabilities:		
Mortgages on land and buildings	25.5	25.5
of which those to Orion Pension Fund	9.0	9.0
Guarantees	1.4	1.8
Other liabilities:		
Leasing liabilities (excl. finance lease contracts)	4.5	5.2
Other liabilities	0.3	0.3

DERIVATES

EUR million	12/07	12/06
Currency forward contracts:		
- fair value	0.3	0.3
- nominal value	66.7	58.5
Electricity forward contracts		
- fair value	0.0	-
- nominal value	0.6	-

RELATED PARTY TRANSACTIONS

EUR million	2007	2006 Proforma	Financial period Q3-Q4/06
Management benefits	3.1	2.1	1.2
Non-current liabilities to Orion Pension Fund at the end of the period	-	6.0	6.0

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Performance by segment

NET SALES BY BUSINESS SEGMENT

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Pharmaceuticals	163.9	152.1	+7.7%	643.3	601.4	+7.0%	292.0
Proprietary Products	67.3	65.6	+2.5%	270.8	256.6	+5.5%	123.9
Specialty Products	63.2	55.3	+14.3%	241.5	218.7	+10.4%	107.9
Animal Health	15.3	15.4	-0.2%	66.8	63.3	+5.5%	31.2
Fermion	11.4	9.9	+15.4%	38.1	38.5	-1.0%	16.4
Other	6.8	6.0	+11.6%	26.1	24.2	+7.9%	12.6
Diagnostics	10.5	10.4	+0.8%	42.0	41.5	+1.2%	19.9
Group items	-0.4	-0.4	+13.7%	-1.7	-1.8	-4.6%	-0.7
Group total	174.0	162.2	+7.3%	683.6	641.1	+6.6%	311.2

OPERATING PROFIT BY BUSINESS SEGMENT

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Pharmaceuticals	42.1	39.5	+6.7%	199.0	189.9	+4.8%	84.6
Diagnostics	0.1	0.6	-84.4%	6.5	6.6	-1.9%	2.1
Group items	-3.1	-3.5	-11.5%	-11.4	0.2		4.2
Group total	39.1	36.6	+6.9%	194.0	196.7	-1.4%	90.9

NET SALES BY ANNUAL QUARTERS

EUR million	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma	Q1/06 Proforma
Pharmaceuticals	163.9	154.7	156.8	167.9	152.1	139.9	146.4	162.9
Diagnostics	10.5	9.4	10.3	11.8	10.4	9.5	10.4	11.2
Group items	-0.4	-0.3	-0.5	-0.5	-0.4	-0.4	-0.5	-0.5
Group total	174.0	163.8	166.6	179.2	162.2	149.0	156.3	173.5

OPERATING PROFIT BY ANNUAL QUARTERS

EUR million	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma	Q1/06 Proforma
Pharmaceuticals	42.1	50.6	45.6	60.7	39.5	45.1	43.3	62.0
Diagnostics	0.1	1.3	1.8	3.2	0.6	1.5	1.7	2.8
Group items	-3.1	-2.2	-3.2	-2.9	-3.5	7.7	-2.1	-1.9
Group total	39.1	49.6	44.3	61.1	36.6	54.3	42.9	62.9

GEOGRAPHICAL BREAKDOWN OF NET SALES BY ANNUAL QUARTERS

EUR million	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma	Q1/06 Proforma
Finland	53.7	48.6	48.6	50.1	49.0	45.2	45.4	44.8
Scandinavia	24.3	23.8	25.3	24.1	23.4	21.2	24.2	22.5
Other Europe	57.5	56.0	57.5	63.7	58.4	52.8	52.7	69.6
North America	16.6	20.4	20.1	24.1	22.0	20.1	20.5	20.4
Other markets	21.9	15.0	15.1	17.1	9.4	9.7	13.4	16.2
Group total	174.0	163.8	166.6	179.2	162.2	149.0	156.3	173.5

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Review of the segments

Pharmaceuticals business

KEY FIGURES

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Net sales	163.9	152.1	+7.7%	643.3	601.4	+7.0%	292.0
Operating profit	42.1	39.5	+6.7%	199.0	189.9	+4.8%	84.6
% of net sales	25.7%	26.0%		30.9%	31.6%		29.0%
Capital expenditure	10.5	6.7	+56.9%	32.5	23.1	+40.7%	11.8
Net sales from proprietary products	72.1	68.4	+5.4%	292.3	275.2	+6.2%	131.3
R&D expenses	27.0	22.8	+18.3%	93.4	79.7	+17.1%	40.6
Personnel at the end of the period				2 864	2 742	+4.4%	2 742

NET SALES OF ORION'S 10 BEST-SELLING MEDICINALS

milj. EUR		Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %
Stalevo	Parkinson's Disease	32.3	31.1	+3.8%	126.9	111.3	+14.0%
Comtess/Comtan	Parkinson's Disease	15.2	17.7	-13.9%	73.3	74.7	-1.9%
Dexdomitor*, Domitor, Domosedan and Antisedan	animal sedatives	5.5	5.9	-7.4%	27.5	26.3	+4.6%
Easyhaler	asthma	5.2	3.6	+44.5%	17.3	15.9	+9.1%
Divina-series	menopausal symptoms	4.3	3.8	+14.6%	15.9	16.2	-1.8%
Burana	inflammatory pain	4.0	3.6	+9.6%	15.6	12.0	+29.2%
Simdax	heart failure	4.9	2.8	+71.5%	15.1	13.2	+14.5%
Enanton	prostate cancer	3.2	3.3	-1.2%	12.9	13.3	-2.9%
Calcimagon	osteoporosis	1.5	1.8	-13.9%	11.7	11.7	-0.4%
Marevan	anticoagulant	2.4	1.5	+59.2%	8.3	7.0	+19.6%
In total		78.5	75.1	+4.5%	324.3	301.4	+7.6%
Share of total pharmaceutical net sales		48%	49%		50%	50%	

* Dexdomitor is included as a new product in the animal sedatives franchise. The comparative figures have been adjusted accordingly.

Diagnostics business

KEY FIGURES

EUR million	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Net sales	10.5	10.4	+0.8%	42.0	41.5	+1.2%	19.9
Operating profit	0.1	0.6	-84.4%	6.5	6.6	-1.9%	2.1
% of net sales	0.9%	6.1%		15.4%	15.9%		10.6%
Capital expenditure	1.0	0.4	+139.6%	1.6	1.4	+7.5%	0.8
Personnel at the end of the period				283	289	-2.0%	289

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Information on Orion Corporation's shares on 31 December 2007

BASIC INFORMATION ON SHARE CLASSES ON 31 DEC 2007

	Class A*	Class B*	A and B in total
ISIN code	F10009014369	F10009014377	-
Trading code on OMX Nordic Exchange Helsinki	ORNAV	ORNBV	-
Reuters code	ORNAV.HE	ORNBV.HE	-
Bloomberg code	ORNAV.FH	ORNBV.FH	-
Share capital, EUR million	34.3	57.9	92.2
Counter book value of the share, EUR	0.65	0.65	-
Total number of shares	52 558 688	88 699 140	141 257 828
% of the total number of shares	37%	63%	100%
Minimum number of shares	-	-	1
Maximum number of shares	500 000 000	1 000 000 000	1 000 000 000
Votes per share	20	1	-
Total number of votes	1 051 173 760	88 699 140	1 139 872 900
% of total number of votes	92%	8%	100%
Total number of shareholders	13 237	29 091	36 558

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

TRADING IN ORION'S A AND B SHARES DURING 1 JAN-31 DEC 2007

	Class A	Class B	A and B in total
Total number of shares traded	3 886 499	96 266 224	100 152 723
% of the total number of shares	7.2%	110.5%	70.9%
Closing quotation on 2 Jan 07, EUR	16.50	16.50	
Lowest quotation, EUR	15.07	15.22	
Average quotation, EUR	16.57	16.12	
Highest quotation, EUR	20.49	20.53	
Closing quotation on 31 Dec 07, EUR	16.10	16.03	
Market capitalisation on 31 Dec 07, EUR million	846.2	1 421.8	2 268.0

PERFORMANCE PER SHARE

	Q4/07	Q4/06	Change %	2007	2006 Proforma	Change %	Financial period Q3-Q4/06
Earnings per share (EPS), EUR	0.22	0.18	+18.4%	1.03	1.03	-0.2%	0.47
Equity per share, EUR				3.17	3.14	+0.9%	3.14
Dividend per share, EUR				1.00 *	1.00		
Dividend payout ratio, %				97.1 % *	97.1%		
Total dividends, EUR million				141.3 *	141.3		
Dividend yield for Class A, %				6.2 % *	6.1 %		
Dividend yield for Class B, %				6.2 % *	6.1 %		
P/E ratio for Class A				15.63	15.94		
P/E ratio for Class B				15.56	15.97		
Average number of shares, 1 000 shares	141 258	141 258		141 258	140 561		141 258

* Proposal by the Board of Directors

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Appendices

Orion Group structure

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 parent company of the Orion Group, Orion Corporation consists of two businesses and five business divisions:

- Pharmaceuticals
 - Proprietary Products (patented prescription products)
 - Specialty Products (off-patent, generic prescription products and self-medication products)
 - Animal Health
 - Fermion (active pharmaceutical ingredients)
- Diagnostics
 - Orion Diagnostica (diagnostic tests).

Accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards, IFRS), applying those standards in force and passed in the EU at the Balance Sheet date, 31 December 2007.

The following standards and interpretations that came into force in 2007, or amendments to them, which are of significance to the Group have been applied during the financial year. Application of these standards and interpretations has not, however, had material effects on the Consolidated Financial Statements:

- IFRS 7 *Financial Instruments: Disclosures*
- IAS 1 (amendment to standard) *Presentation of Financial Statements: Capital Disclosures*
- IFRIC 9 *Re-assessment of Embedded Derivatives*
- IFRIC 10 *Interim Financial Reporting and Impairment*

The principles and calculation methods are available on the Group's homepage at www.orion.fi/english/investors.

This Release has not been audited. Those in the parentheses are for the comparative period of the previous year. The per-share ratios have been adjusted.

The figures have been rounded. Therefore, the total sums of individual figures may differ from the total sums shown.

7 February 2008 at 8.30 am

Calculation of the key figures

Return on capital employed (ROCE), %	=	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total assets – non-interest-bearing liabilities (annual average)}} \times 100$
Return on equity (ROE), %	=	$\frac{\text{Profit for the period}}{\text{Equity total (annual average)}} \times 100$
Equity ratio, %	=	$\frac{\text{Equity total}}{\text{Total assets – advances received}} \times 100$
Gearing, %	=	$\frac{\text{Interest-bearing liabilities – Cash and cash equivalents}}{\text{Equity total}} \times 100$
Earnings per share, EUR	=	$\frac{\text{Profit available for the parent company shareholders}}{\text{Average number of shares}}$
Equity per share, EUR	=	$\frac{\text{Equity of the parent company shareholders}}{\text{Number of shares at the end of the period}}$
Market capitalisation, EUR million	=	Number of shares at the end of the period x Closing quotation of the period

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Orion is a European pharmaceutical and diagnostics company which emphasises the development of innovative medicinal treatments and diagnostic tests for global markets. Orion develops, manufactures and markets pharmaceuticals for humans and animals, active pharmaceutical ingredients as well as diagnostic tests. Orion's clientele consists mainly of healthcare service providers and professionals. The Group's net sales in 2007 were EUR 683.6 million and in the end of 2007 there were 3 176 employees working for the Group. Orion's stocks are listed in OMX Nordic Exchange Helsinki.