

Orion Group Interim Report January–March 2012

Orion's net sales for January–March 2012 totalled EUR 247 million (EUR 244 million for January–March 2011), and were at similar level to the comparative period last year.

- Operating profit was EUR 79 (93) million.
- Profit before taxes was EUR 79 (93) million.
- Equity ratio was 40% (44%).
- ROCE before taxes was 58% (72%).
- ROE after taxes was 55% (66%).
- Basic earnings per share were EUR 0.42 (0.49).
- Cash flow per share before financial items was EUR 0.27 (0.34).
- The outlook estimate for 2012 remains unchanged. Orion estimates that net sales in 2012 will be at similar level to 2011 and operating profit at similar level to 2010.

ORION'S KEY FIGURES FOR THE REVIEW PERIOD

	Q1/12	Q1/11	Change %	2011
Net sales, EUR million	247.4	244.1	+1.3%	917.9
International operations, EUR million	183.4	185.0	-0.9%	677.2
% of net sales	74.1%	75.8%		73.8%
Operating profit, EUR million	79.3	92.9	-14.7%	282.9
% of net sales	32.0%	38.0%		30.8%
Profit before taxes, EUR million	79.3	92.7	-14.4%	282.0
% of net sales	32.1%	38.0%		30.7%
Income tax expense, EUR million	19.7	24.2	-18.6%	72.4
R&D expenses, EUR million	22.8	19.8	+15.3%	87.5
% of net sales	9.2%	8.1%		9.5%
Capital expenditure, EUR million	8.3	7.2	+15.2%	49.5
% of net sales	3.4%	2.9%		5.4%
Assets total, EUR million	905.2	812.3	+11.4%	779.1
Equity ratio, %	39.8%	44.1%		64.2%
Gearing, %	-20.0%	-29.3%		-6.9%
Interest-bearing liabilities, EUR million	163.6	110.1	+48.6%	88.7
Non-interest-bearing liabilities, EUR million	380.9	343.9	+10.8%	190.5
Cash and cash equivalents, EUR million	235.9	214.9	+9.7%	123.0
ROCE (before taxes), %	57.8%	72.1%		49.4%
ROE (after taxes), %	55.4%	66.3%		43.3%
Basic earnings per share, EUR	0.42	0.49	-13.0%	1.49
Diluted earnings per share, EUR	0.42	0.49	-13.0%	1.49
Cash flow per share before financial items, EUR	0.27	0.34	-22.0%	1.10
Equity per share, EUR	2.56	2.54	+0.5%	3.55
Personnel at the end of the period	3,453	3,217	+7.3%	3,425
Average personnel during the period	3,439	3,179	+8.2%	3,328
Personnel expenses, EUR million	52.6	44.4	+18.5%	186.0



President and CEO Timo Lappalainen's review

“Anticipated start for the year”

“Orion’s sales developed well in the first months of the year. Our total net sales were slightly higher, even though sales of our Parkinson’s drugs were as anticipated about 14 per cent lower than in the corresponding period in 2011, which had also included a non-recurring milestone payment of EUR 7 million. Sales of our Specialty Products grew strongly, as did Fermion and Orion Diagnostica sales. During the quarter we also made the first deliveries of generic entacapone products to North America.

“Launching of Dexdor intensive care sedative in Europe has progressed as planned and the product is already available in over ten European countries. The product will be launched in most other European countries in 2012 as pricing and reimbursement processes progress country by country.

“Our delivery capability, especially in Finland, was slightly below normal at the beginning of the year following the fire at the Turku manufacturing plant at the end of 2011, although operations at the plant returned to normal during the first months of the year. However, the financial effects of the incident remained relatively small.

“Our research projects have progressed as planned. The study results on a new Easyhaler budesonide-formoterol formulation received early in 2012 were promising, but not yet sufficient for submission of an application for marketing authorisation. During the year we will continue developing it and an Easyhaler fluticasone-salmeterol formulation, as well as developing other molecules in clinical trial phase.

“Our outlook estimate, which can be found with the basis for it on pages 5–6 of this report, remains unchanged. We estimate that our net sales will be at similar level to 2011 and our operating profit at similar level to 2010. In 2011, our net sales were EUR 918 million and in 2010 our operating profit was EUR 254 million.”



Events during the period

On 7 February Orion announced that study results received early in 2012 on an inhalable budesonide-formoterol formulation product were promising, but not yet sufficient for submission of an application for marketing authorisation. The Company will continue developing the product in 2012.

On 12 March Orion transferred altogether 87,763 Orion Corporation B shares held by the Company as a share bonus for 2011 to the key persons employed by the Group and belonging to the Share-based Incentive Plan of the Group.

On 20 March Orion Corporation's Annual General Meeting was held at the Helsinki Fair Centre.

On 26 March Orion commented on the ANDA filed by Mylan Pharmaceuticals Inc. for a generic version of Orion's proprietary drug Stalevo[®] (carbidopa, levodopa and entacapone) in the United States.

Events after the period

In April the first generic entacapone products licensed by Orion entered the markets in the United States.



News conference and teleconference

A news conference and teleconference on the published results will be held today, Tuesday 24 April 2012, at 13:30 EEST in Hotel Kämp, address: Pohjoisesplanadi 29, Helsinki. President and CEO Timo Lappalainen will give a brief presentation in English on the financial review.

The event can be followed live as a webcast accessible via the Orion website at <http://www.orion.fi/en/>. After the presentation, questions can be asked by telephone in Finnish and English.

The teleconference code is 914103 and to participate in the teleconference, please call:

from United States: +1 334 323 6203

from other countries: +44 (0)20 7162 0125

News conference recordings

A recording of the webcast of the event in English and a recording of the presentation by the President and CEO in Finnish will be available on the Orion website later today.

Financial report material

Financial reports and related presentation material are available at www.orion.fi/en/ promptly after publication. The website also has a form for subscribing to Orion's releases.

Dates in Orion Calendar 2012

Capital Markets Day in Helsinki	Thursday 24 May 2012
Interim Report January–June 2012	Tuesday 31 July 2012
Interim Report January–September 2012	Tuesday 23 October 2012

For additional information about the financial review:

Jari Karlson, CFO, tel. +358 10 426 2883

www.orion.fi/en
www.orion.fi/en/investors/



Financial review Q1/2012

Net sales

The Orion Group's net sales in the first quarter of 2012 totalled EUR 247 million (EUR 244 million in the first quarter of 2011). The net effect of currency exchange rates was plus EUR 3 million.

The Pharmaceuticals business's net sales totalled EUR 233 (231) million. Net sales of Orion's Stalevo[®] (carbidopa, levodopa and entacapone) and Comtess[®]/Comtan[®] (entacapone) Parkinson's drugs were down by 14% at EUR 63 (74) million, which is 27% (32%) of the Pharmaceuticals business's net sales. The net sales of other products in the portfolio totalled EUR 169 (158) million, and were up by 8% on the comparative period. The products based on in-house R&D accounted for EUR 105 (114) million, or 45% (49%) of the Pharmaceuticals business's net sales.

The Diagnostics business's net sales were up by 14% at EUR 16 (14) million.

Operating profit

The Orion Group's operating profit was down by 15% at EUR 79 (93) million.

The Pharmaceuticals business's operating profit was EUR 79 (92) million, down by 14% on the comparative period. Net sales and operating profit in the comparative period were enhanced by a non-recurring payment of EUR 7 million. Operating profit was also lower than in the comparative period because products with lower margins accounted for an increasing proportion of sales as sales of Parkinson's drugs declined.

The Diagnostics business's operating profit was down by 9% at EUR 2.5 (2.8) million as costs increased, although sales grew well.

Operating expenses

The Group's sales and marketing expenses were down by 6% at EUR 49 (52) million.

R&D expenses were up by 15% at EUR 23 (20) million and accounted for 9% (8%) of the Group's net sales. Pharmaceutical R&D expenses amounted to EUR 21 (18) million. Research projects are reported in more detail under Pharmaceuticals in the Business Reviews.

Administrative expenses were higher at EUR 11 (9) million.

Other operating income and expenses increased profit by EUR 2 (2) million.

Group's profit

The Group's profit before taxes totalled EUR 79 (93) million. Basic earnings per share were EUR 0.42 (0.49) and diluted earnings per share were EUR 0.42 (0.49). Equity per share was EUR 2.56 (2.54). The return on capital employed before taxes (ROCE) was 58% (72%) and the return on equity after taxes (ROE) 55% (66%).

Financial position

The Group's gearing was -20% (-29%) and the equity ratio 40% (44%). The Group's total liabilities at 31 March 2012 were EUR 545 (454) million. At the end of the period, interest-bearing liabilities amounted to EUR 164 (110) million, including EUR 134 (88) million of long-term loans. The non-interest-bearing liabilities also include the dividends and repayments of capital paid in the beginning of April but transferred from equity already in March.



The Group had EUR 236 (215) million of cash and cash equivalents at the end of the period, which are invested in short-term interest-bearing instruments issued by financially solid financial institutions and corporations.

Cash flow

Cash flow from operating activities was lower than in the comparative period at EUR 50 (58) million. Operating profit was lower in the first quarter of 2012, but the additional amount tied up into working capital was lower than in the comparative period at EUR 23 (34) million.

Cash flow from investing activities was EUR -12 (-9) million and **cash flow from financing activities** was EUR 75 (-0.2) million.

Capital expenditure

The Group's capital expenditure totalled EUR 8 (7) million. This comprised EUR 7 (5) million on property, plant and equipment and EUR 1 (3) million on intangible assets.

Outlook for 2012

Net sales will be at similar level to 2011.

Operating profit will be at similar level to 2010.

The Group's capital expenditure will be about EUR 50 million excluding substantial corporate or product acquisitions.

Basis for outlook

Product launches will continue to support Orion's position as market leader in Finland. However, price competition is expected to continue in 2012.

The generic competition commencing in April 2012 in the United States will decrease sales of Orion's Parkinson's drugs in 2012. In 2011 US markets accounted for about EUR 60 million of the net sales of Orion's Parkinson's drugs. Elsewhere in the world generic competition is not expected to have a material impact on sales of these products in the current year.

Marketing expenditure will be similar to the previous year. Because the registrations and launches of new products are projects that take more than a year, the increases in resources and other inputs required in 2012 were planned mainly during the previous year.

Research and development costs will be slightly higher than in 2011. They are partly the Company's internal fixed cost items, such as salaries and maintenance of the operating infrastructure, and partly external variable costs. External costs arise from, among other things, long-term clinical trials, which are typically performed in clinics located in several countries. The most important clinical trials scheduled for 2012 are either ongoing from the previous year or at an advanced stage of planning, therefore their cost level can be estimated rather accurately.

The estimated costs of the ongoing patent litigation in the United States are based on the planned timetables and work estimates. The costs due to the litigation will depend on a number of factors, which are difficult to estimate accurately.



Near-term risks and uncertainties relating to the outlook

The Company is not aware of any significant risk factors relating to the earnings outlook for 2012. The effects of commencement of generic competition on Orion's Parkinson's drugs have been taken into account in the outlook estimate.

Sales of individual products and also Orion's sales in individual markets may vary, for example depending on the extent to which the ever-tougher price and other competition prevailing in pharmaceutical markets in recent years will specifically affect Orion's products. Deliveries to Novartis are based on timetables that are jointly agreed in advance. Nevertheless, they can change, for example as a consequence of decisions by Novartis concerning adjustments of stock levels.

Most of the exchange rate risk relates to the US dollar. Typically, only less than 15% of Orion's net sales comes from the United States. As regards currencies in European countries, the overall effect will be abated by the fact that Orion has organisations of its own in most of these countries, which means that in addition to sales income, there are also costs in these currencies.

Research projects always entail uncertainty factors that may either increase or decrease estimated costs. The projects may progress more slowly or faster than assumed, or they may be discontinued. Nonetheless, changes that may occur in ongoing clinical studies are reflected in costs relatively slowly, and they are not expected to have a material impact on 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. They therefore typically do not lead to unexpected changes in the estimated cost structure.

Group's financial objectives

Orion's financial objectives are ensuring the Group's financial stability and creating long-term profitable growth.

The principal means of achieving these objectives are:

- improving the organic development of net sales and operating profit through product, product portfolio and corporate acquisitions
- increasing the efficiency of operations and cost control
- maintaining a stable financial position, with the equity ratio at least 50%

Sales of Stalevo[®] and Comtess[®]/Comtan[®] currently account for approximately one-quarter of Orion's net sales. The key patents for these Parkinson's drugs in Orion's main markets will expire in 2012–2013, which is why their sales are expected to decline over the next few years. Orion is continuously bringing new products to the market to replace this drop in net sales.

The development of Orion's net sales and profitability in the next few years will depend on how fast the sales of Parkinson's drugs will decline and, on the other hand, how the sales of other products will increase in the future.

Orion's dividend distribution policy

Orion's dividend distribution takes into account the distributable funds and the capital expenditure and other financial requirements in the medium and long term to achieve the financial objectives.



Shares and shareholders

On 31 March 2012 Orion had a total of 141,257,828 (141,257,828) shares, of which 44,993,218 (47,483,699) were A shares and 96,264,610 (93,774,129) B shares. The Group's share capital was EUR 92,238,541.46 (92,238,541.46). At the end of March 2012 Orion held 325,991 (413,754) B shares as treasury shares. On 31 March 2012 the aggregate number of votes conferred by the A and B shares was 995,802,979 (1,043,034,355) excluding treasury shares.

At the end of March 2012, Orion had 61,442 (60,388) registered shareholders.

Voting rights conferred by shares

Each A share entitles its holder to twenty (20) votes at General Meetings of Shareholders and each B share one (1) vote. However, a shareholder cannot vote more than 1/20 of the aggregate number of votes from the different share classes represented at the General Meetings of Shareholders. In addition, Orion and Orion Pension Fund do not have the right to vote at Orion Corporation's General Meetings of Shareholders.

Both share classes, A and B, confer equal rights to the Company's assets and dividends.

Conversion of shares

The Articles of Association entitle shareholders to demand the conversion of their A shares to B shares within the limitation on the maximum number of shares of a class. In January–March 2012 there were no conversions.

Trading in Orion's shares

Orion's A shares and B shares are quoted on NASDAQ OMX Helsinki in the Large Cap group under the Healthcare sector heading under the trading codes ORNAV and ORNBV. Trading in both of the Company's share classes commenced on 3 July 2006, and information on trading in the Company's shares has been available since this date.

On 31 March 2012 the market capitalisation of the Company's shares excluding treasury shares was EUR 2,089 million.

Orion shares are also traded on various alternative trading platforms in addition to NASDAQ OMX Helsinki.

Authorisations of the Board of Directors

Orion's Board of Directors was authorised by the Annual General Meeting on 24 March 2010 to decide on a share issue in which shares held by the Company can be conveyed. The authorisation to issue shares is valid for five years from the decision taken by the Annual General Meeting.

The Board of Directors is authorised to decide on conveyance of no more than 500,000 Orion Corporation B shares held by the Company. Such shares held by the Company can be conveyed either against or without payment. Such shares held by the Company can be conveyed by selling them in public trading on NASDAQ OMX Helsinki; in a share issue placement to the Company's shareholders in proportion to their holdings at the time of the conveyance regardless of whether they own A or B shares; or in a share issue placement deviating from shareholders' pre-emptive rights if there is a weighty financial reason, such as the development of the capital structure of the Company, using the shares to finance possible corporate acquisitions or other business arrangements of the Company, financing capital expenditure or as part of the Company's incentive plan. The share issue placement can be without payment only if there is an especially weighty financial reason in the view of the Company and to the benefit of all its shareholders. The amounts paid for shares in the Company conveyed shall be recorded in a distributable equity fund. The Board of Directors shall decide on other matters related to the conveyance of shares held by the Company. The authorisation was exercised as described below under the heading "Share-based Incentive Plan". On 31



March 2012 the Board of Directors had outstanding authorisation to convey 309,337 Orion Corporation B shares held by the Company.

The Board of Directors is not authorised to increase the share capital or to issue bonds with warrants or convertible bonds or stock options.

Share-based Incentive Plan

In February 2010 the Board of Directors of Orion Corporation decided on a new share-based incentive plan for the Group key persons. The Plan includes earning periods and the Board of Directors will annually decide on the beginning and duration of the earning periods in 2010, 2011 and 2012. The Board of Directors will decide on the earnings criteria and on targets to be established for them at the beginning of each earning period. The target group of the Plan consists of approximately 30 people. The total maximum amount of rewards to be paid on the basis of the Plan is 500,000 Orion Corporation B shares and a cash payment corresponding to the value of the shares.

On 12 March 2012 Orion transferred altogether 87,763 Orion Corporation B shares held by the Company as a share bonus for 2011 to the key persons employed by the Group and belonging to the Share-based Incentive Plan of the Group. The transfer was based on the authorisation by the Annual General Meeting on 24 March 2010. The price per share of the transferred shares was EUR 16.3848, which was the volume weighted average quotation of Orion Corporation B shares on 12 March 2012. The total transaction price of the transferred shares was therefore EUR 1,437,979.20.

Share ownership

At the end of March 2012 Orion had a total of 61,442 (60,388) registered shareholders, of whom 95% (95%) were private individuals holding 52% (53%) of the entire share stock and 65% (65%) of the total votes. There were altogether 41 (37) million nominee-registered shares, which is 29% (26%) of all shares, and they conferred entitlement to 6% (5%) of the votes.

At the end of March 2012 Orion held 325,991 (413,754) B shares as treasury shares, which is 0.2% (0.3%) of the Company's total share stock and 0.03% (0.04%) of the total votes.

Decisions by the Annual General Meeting

The Annual General Meeting of the Shareholders of Orion Corporation was held on 20 March 2012 at the Helsinki Fair Centre. The following matters were handled at the meeting.

Adoption of the financial statements for financial year 1 January to 31 December 2011

The Annual General Meeting adopted the financial statements of the Company and Group as per 31 December 2011.

Dividend EUR 1.30 per share

A dividend of EUR 1.30 per share was approved in accordance with the Board's proposal. The record date for dividend distribution was 23 March 2012 and the payment date was 4 April 2012.

Repayment of capital EUR 0.12 per share

It was decided that EUR 0.12 per share be distributed from distributable equity as repayment of capital to the shareholders. The record date for repayment of capital was 23 March 2012 and the payment date was 4 April 2012.



Discharge from liability

The members of the Board of Directors and the President and CEO were discharged from liability for the financial year 1 January to 31 December 2011.

Remuneration of the members of the Board of Directors

As the annual fees for the term of office of the Board of Directors, the Chairman shall receive EUR 76,000, the Vice Chairman shall receive EUR 51,000 and the other Board members shall receive EUR 38,000 each. Furthermore, as a fee for each meeting attended, the Chairman shall receive EUR 1,200, the Vice Chairman shall receive EUR 900 and the other Board members shall receive EUR 600 each. The travel expenses of Board members shall be paid in accordance with previous practice. The aforementioned meeting fees shall also be paid to the Chairmen and to the members of the committees established by the Board.

Of the aforementioned annual fees, 60% was to be paid in cash and 40% in Orion Corporation B shares acquired for the Board members in the period 26–30 March 2012 from the stock exchange in amounts corresponding to EUR 30,400 for the Chairman, EUR 20,400 for the Vice Chairman and EUR 15,200 for each of the other Board members. The part of the annual fee paid in cash, which corresponds to the approximate sum necessary for the payment of the income taxes on the fees, was to be paid no later than 30 April 2012. The annual fees encompass the full term of office of the Board of Directors.

Members and Chairman of the Board of Directors

The number of members in the Board of Directors was confirmed to be six. Sirpa Jalkanen, Eero Karvonen, Hannu Syrjänen, Heikki Westerlund and Jukka Ylppö were re-elected as members of the Board of Directors for the following term of office, and Timo Maasilta was elected as a new member. Hannu Syrjänen was re-elected as the Chairman of the Board of Directors.

Auditor and auditor's fee

Authorised Public Accountants PricewaterhouseCoopers Oy were elected as the auditor for the following term of office. The auditor's fee shall be paid against an invoice approved by the Company.

Constitution of the Board of Directors

At its constitutive meeting following the Annual General Meeting, the Board of Directors elected Jukka Ylppö as its Vice Chairman.

Personnel

The average number of employees in the Orion Group in January–March 2012 was 3,439 (3,179). At the end of March 2012 the Group had a total of 3,453 (3,217) employees, of whom 2,740 (2,515) worked in Finland and 713 (702) outside Finland.

Salaries and other personnel expenses in January–March 2012 totalled EUR 53 (44) million.

Significant legal proceedings

Legal proceedings against the Sandoz companies

On 4 September 2009 Orion Corporation and Hospira, Inc. filed together a patent infringement lawsuit in the United States against Sandoz International GmbH and Sandoz Inc. to enforce their patents valid in the United States. Sandoz Canada Inc. has since been added as a defendant in the lawsuit. The legal proceedings concern Orion's US Patent No. 4,910,214 and Orion's and Hospira's commonly owned US Patent No. 6,716,867.



Sandoz Inc. has sought authorisation to produce and market in the United States a generic version of Orion's proprietary drug Precedex[®] (dexmedetomidine hydrochloride 100 µg/ml), which is marketed in the United States by Orion's licensee Hospira.

Orion expects the costs of the legal proceedings against the Sandoz companies to be substantially less than the costs of the entacapone patent litigation that had previously been pending in the United States. The main hearing of the case has been held, and next a ruling will be issued in the case. Orion does not have any information as to when the court will issue its ruling on this matter.

Legal proceedings against Caraco Pharmaceutical Laboratories, Ltd.

On 12 November 2010 Orion Corporation and Hospira, Inc. jointly filed a patent infringement lawsuit in the United States against Caraco Pharmaceutical Laboratories, Ltd. to enforce Orion's and Hospira's joint patent No. 6,716,867 valid in the United States. Gland Pharma Ltd. has since been added as a defendant in the lawsuit.

Caraco had submitted an application for authorisation to produce and market in the United States a generic version of Orion's proprietary drug Precedex[®] (dexmedetomidine hydrochloride 100 µg/ml), which is marketed in the United States by Orion's licensee Hospira.

Orion expects the costs of the legal proceedings against Caraco to be substantially less than the costs of the entacapone patent litigation that had previously been pending in the United States. According to the schedule confirmed by the court, the main hearing of the case has been rescheduled to commence on 19 February 2013.

Legal proceedings against Mylan Pharmaceuticals Inc.

On 24 January 2011 Orion Corporation filed a patent infringement lawsuit in the United States against Mylan Pharmaceuticals Inc. to enforce its US patent No. 5,446,194.

Mylan intends to market in the United States a generic version of entacapone tablets with strength 200 mg like Orion's Comtan[®] proprietary drug. Comtan is used as an adjunct to levodopa/carbidopa therapy to treat patients with idiopathic Parkinson's disease who experience the signs and symptoms of end-of-dose "wearing-off." Novartis is Orion's exclusive licensee for marketing the drug Comtan in the United States.

ANDA filed by Mylan Pharmaceuticals Inc. for a generic version of Orion's proprietary drug Stalevo[®] in the United States

Orion Corporation has been informed that an Abbreviated New Drug Application (ANDA) has been filed by Mylan Pharmaceuticals Inc. (Mylan) with the US Food and Drug Administration (FDA) seeking authorisation to produce and market generic tablets (strengths 12.5/50/200 mg; 18.75/75/200 mg; 25/100/200 mg; 31.25/125/200 mg; 37.5/150/200 mg and 50/200/200 mg) in the United States, with carbidopa, levodopa and entacapone as active ingredients in the same proportion as in Orion's proprietary drug Stalevo[®] for treatment of Parkinson's disease. Stalevo is an enhanced levodopa treatment which is marketed in the United States by Orion's exclusive licensee, Novartis.

At this point, the process of reviewing Mylan's ANDA is just beginning in the United States, so generic competition based on this application is not imminent. Orion is evaluating together with Novartis its legal options to protect its rights.



Business Reviews

Pharmaceuticals

Review of human pharmaceuticals market

According to statistics collected by Finnish Pharmaceutical Data Ltd, **Finnish wholesale of human pharmaceuticals** in January–March 2012 totalled EUR 493 (474) million, up by 4% on the comparative period of the previous year.

Finland is the most important individual market for Orion, generating about one-quarter of the total net sales. Orion was able to increase its sales faster than the markets as a whole, so strengthened its position as leader in marketing pharmaceuticals in Finland. According to statistics collected by Finnish Pharmaceutical Data Ltd, **Orion's wholesale of human pharmaceuticals in Finland** in January–March amounted to EUR 54 (49) million, up by 10% compared with comparative period of the previous year. Orion's market share of Finnish pharmaceuticals markets was 11% (10%).

According to IMS Health pharmaceutical sales statistics, in the 12-month period ending in December 2011 the **total sales of Parkinson's drugs** in the United States were down by 28% at USD 669 million (USD 922 million in the previous 12-month period). The decrease in in-market sales was due to commencement of generic competition in certain products. The five largest European markets for Parkinson's disease drugs were Germany, the United Kingdom, France, Spain and Italy. In these countries, the combined sales of Parkinson's drugs in the 12-month period ending in December 2011 totalled EUR 955 (1,043) million, and the average market decline was 8%.

The most important individual therapy area for Orion is still the treatment of Parkinson's disease. Orion's Parkinson's drugs account for one-quarter of the Group's net sales. Sales of Orion's Parkinson's drugs in the United States remained stable despite a clear decrease in the market as a whole. In Japan sales continued to grow well and clearly better than the market as a whole. According to IMS Health pharmaceutical sales statistics, in the 12-month period ending in December 2011, **sales of Orion's Parkinson's drugs** in the United States totalled USD 181 (USD 180 million in the previous 12-month period) million. Sales remained stable at a total of EUR 156 (158) million in the five largest markets in Europe, and up by 18% at EUR 56 (47) million in Japan. The market share of Orion's Parkinson's drugs was 27% in the United States, on average 16% in the five largest European markets and 11% in Japan.

According to IMS Health pharmaceutical sales statistics, sales of Orion's **Precedex® intensive care sedative** (dexmedetomidine) were up by 33% at USD 206 million in the 12-month period ending in December 2011 (USD 155 million in the previous 12-month period). About four-fifths of the sales amounting to USD 161 (132) million were in the United States, where Precedex sales grew by 22%.

Net sales and operating profit of the Pharmaceuticals business

Net sales of the Pharmaceuticals business in January–March 2012 were EUR 233 (231) million, up by 1% on the comparative period of the previous year. The operating profit of the Pharmaceuticals business was down by 14% at EUR 79 (92) million. The operating profit of the Pharmaceuticals business was 34% (40%) of the segment's net sales.

Net sales of Orion's top ten pharmaceuticals in January–March 2012 were down by 4% at EUR 119 (124) million. They accounted for 51% (54%) of the total net sales of the Pharmaceuticals business.

Net sales of the products based on own in-house R&D were down by 8% at EUR 105 (114) million in January–March 2012. These products accounted for about 45% (49%) of the net sales of the Pharmaceuticals business.



Proprietary Products

The product portfolio of Proprietary Products consists of patented prescription products in three therapy areas: central nervous system diseases, oncology and critical care, and Easyhaler[®] pulmonary drugs.

Net sales of Proprietary Products in January–March 2012 were down by 13% at EUR 99 (113) million.

Orion's drugs for treatment of Parkinson's disease are Stalevo[®] (active ingredients carbidopa, levodopa, entacapone) and Comtess[®]/Comtan[®] (entacapone), and their net sales in January–March 2012 totalled EUR 63 (74) million. The net sales of Parkinson's drugs were down by 14% and accounted for 27% (32%) of the total net sales of the Pharmaceuticals business. The decrease in sales is mainly due to commencement of generic competition in the United States in April 2012, which decreased deliveries to Novartis in January–March. Net sales from deliveries of Stalevo[®] and Comtan[®] to Novartis were down by 20% at a total of EUR 40 (49) million. Deliveries of Stalevo[®] to Novartis decreased by 22%, and deliveries of Comtan[®] by 16%. Total net sales generated by Stalevo[®] and Comtess[®] in Orion's own sales organisation remained at similar level to the previous year at EUR 24 (25) million. Sales through Orion's own sales organisation totalled EUR 21 (20) million for Stalevo[®] and EUR 3 (4) million for Comtess[®].

The US Food and Drug Administration (FDA) has an ongoing safety review of Stalevo, which began in spring 2009. Orion is assisting the FDA in undertaking the safety review. The FDA has requested additional data based on databases concerning the significance of the results of the STRIDE-PD study, and consequently Orion and Novartis have decided to undertake two epidemiological studies, which must be completed by July 2012 and will be reported to authorities in the third quarter of the year.

Net sales of Simdax[®], a drug for treatment of acute decompensated heart failure, totalled EUR 10 (11) million in January–March 2012.

Net sales of the Easyhaler[®] product family for treatment of asthma and chronic obstructive pulmonary disease were down by 19% in January–March 2012 at EUR 7 (9) million. Net sales were down mainly because sales to partners were less than in the comparative period due to the timing of deliveries. Sales of Easyhaler products through Orion's own sales organisation in Europe maintained further growth.

Net sales of the Precedex[®] intensive care sedative (dexmedetomidine) were up by 25% in January–March 2012 at EUR 10 (8) million. In the United States and markets outside Europe the sedative is sold by Orion's partner Hospira. US markets account for about four-fifths of net sales of Precedex.

Launching of Orion's *dexdor*[®] intensive care sedative (dexmedetomidine) is progressing as planned, and the product is already available in over ten European countries. The product will be launched in most other European countries in 2012 as pricing and reimbursement processes progress country by country. In early 2012 Orion entered into a collaboration agreement with Baxter concerning marketing of *dexdor*[®] intensive care sedative in France.

Specialty Products

Net sales of the Specialty Products business division's off-patent, i.e. generic, prescription drugs and self-care products in January–March 2012 were up by 13% at EUR 90 (80) million. The growth was enhanced by Orion's generic entacapone products, sales of which commenced at the beginning of the year and will be reported as part of the net sales of the Specialty Products business division.

Net sales of the division in markets outside Finland grew strongly compared with January–March 2011. The number of launches of generic prescription drugs and self-care products was at similar level to January–March in the previous year.

As expected, the halt in production at Orion's manufacturing plant in Turku due to a fire in November 2011 was still causing some delivery problems in early 2012, especially in Finnish markets. However, the financial effects of the incident remained relatively small.



Net sales of Orion's human pharmaceuticals in Finland were up by 9% at EUR 59 (54) million in January–March 2012. Specialty Products accounted for the majority of sales. Orion managed to increase its market share, especially in prescription drugs.

Net sales of Orion's human pharmaceuticals in Eastern Europe in January–March were up by 15% at EUR 14 (12) million. Specialty Products account for the majority of sales in the region.

Animal Health

Net sales of the Animal Health business division in January–March were up by 6% at EUR 18 (17) million. Sales of the animal sedatives at EUR 6 (7) million accounted for 35% (39%) of the division's net sales. Orion's animal sedatives are Dexdomitor[®] (dexmedetomidine), Domitor[®] (medetomidine), Domosedan[®] (detomidine) and Antisedan[®] (atipamezole).

According to statistics collected by Pharma Industry Finland, the Finnish market for veterinary drugs was up by 7% at about EUR 12 (11) million in January–March 2012. Orion was the second-largest marketer, with a market share of 17% (19%).

Fermion

Fermion manufactures active pharmaceutical ingredients for Orion and other pharmaceutical companies. Its product range comprises nearly 30 pharmaceutical ingredients. Fermion's net sales in January–March 2012 excluding pharmaceutical ingredients supplied for Orion's own use were EUR 16 (13) million and accounted for about two-thirds of Fermion's entire net sales. Several key products performed well, even though competition in the markets remained intense. Capacity utilisation at Fermion's plants was very high during the period under review. Capacity utilisation was increased by manufacturing active ingredients required for development work on Orion's own proprietary drugs, in addition to the normal product range.

Research and development projects

The Group's **R&D expenses** in January–March 2012 totalled EUR 23 (20) million, of which the Pharmaceuticals business accounted for EUR 21 (18) million. The Group's R&D expenses accounted for 9% (8%) of the Group's net sales. R&D expenses also include expenses relating to development of the current portfolio.

Orion has ongoing projects to broaden the range of the inhalable **Easyhaler[®] drugs** product family. Orion is developing a **budesonide-formoterol formulation** that combines budesonide as an anti-inflammatory agent and formoterol as a long-acting bronchodilator. The study results received early in 2012 were promising, but not yet sufficient for submission of an application for marketing authorisation. The Company will continue development of the product in 2012. In addition, Orion has another Easyhaler research programme in progress to develop a **fluticasone-salmeterol formulation**. In this formulation fluticasone acts as an anti-inflammatory agent and salmeterol acts as a long-acting bronchodilator.

Orion is collaborating with Novartis to develop **Stalevo[®] drug** for the Japanese markets. The timeline for regulatory submission is under further evaluation by Novartis.

Orion is continuing to develop an **androgen receptor antagonist** for the treatment of advanced prostate cancer jointly with Endo Pharmaceuticals Inc. with the objective of approval of the drug globally. The development is in Phase I/II clinical trials.

Orion has Phase II clinical trials with the **alpha 2_c receptor antagonist** in progress. The trials are investigating the efficacy and safety of the drug candidate in treating Alzheimer's disease.

Orion is developing a new more **effective levodopa product** based on optimised new formulations and doses of known compounds. Product development is in the clinical trials phase.

In addition, Orion has several projects in the early research phase investigating prostate cancer, neuropathic pain, Parkinson's disease and Alzheimer's disease, among others.



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Diagnostics

Orion Diagnostica manufactures convenient and quick in vitro diagnostic tests and testing systems suitable for point-of-care testing. Net sales of the Diagnostics business in January–March 2012 were up by 14% at EUR 16 (14) million. Sales progressed well in China and the Nordic countries, the main markets.

Sales of QuikRead[®] infection tests remained strong during the review period, and sales of the new more user-friendly prefilled QuikRead 101 system developed well. Launching of QuikRead go[®], a new generation testing instrument, progressed as planned during the review period.

The operating profit of the Diagnostics business was down by 9% at EUR 2.5 (2.8) million and accounted for 16% (20%) of the segment's net sales. The profit decreased because expenditure on product development and marketing increased.

Espoo, 24 April 2012

Board of Directors of Orion Corporation

Orion Corporation

Timo Lappalainen
President and CEO

Jari Karlson
CFO



Tables

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1/12	Q1/11	Change %	2011
Net sales	247.4	244.1	+1.3%	917.9
Cost of goods sold	-86.6	-72.7	+19.1%	-305.1
Gross profit	160.8	171.4	-6.2%	612.8
Other operating income and expenses	1.5	2.1	-26.2%	3.0
Selling and marketing expenses	-49.2	-52.1	-5.7%	-204.8
R&D expenses	-22.8	-19.8	+15.3%	-87.5
Administrative expenses	-11.1	-8.7	+27.4%	-40.6
Operating profit	79.3	92.9	-14.7%	282.9
Finance income	1.1	1.3	-14.0%	5.0
Finance expenses	-1.1	-1.5	-25.4%	-6.0
Share of associated companies' results	0.1	0.0		0.0
Profit before taxes	79.3	92.7	-14.4%	282.0
Income tax expense	-19.7	-24.2	-18.6%	-72.4
Profit for the period	59.6	68.5	-12.9%	209.5
OTHER COMPREHENSIVE INCOME INCLUDING TAX EFFECTS				
Change in value of cash flow hedges	-0.1	-0.5		-1.4
Change in value of available-for-sale financial assets		-0.1		-0.3
Translation differences	0.3	-0.6		0.6
Other comprehensive income net of tax	0.2	-1.2		-1.1
Comprehensive income for the period including tax effects	59.9	67.3	-11.0%	208.4
PROFIT ATTRIBUTABLE TO:				
Owners of the parent company	59.6	68.5	-12.9%	209.5
Non-controlling interests	0.0	0.0		0.0
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent company	59.9	67.3	-11.0%	208.4
Non-controlling interests	0.0	0.0		0.0
Basic earnings per share, EUR ¹⁾	0.42	0.49	-13.0%	1.49
Diluted earnings per share, EUR ¹⁾	0.42	0.49	-13.0%	1.49
Depreciation, amortisation and impairment	8.9	12.9	-30.8%	42.5
Personnel expenses	52.6	44.4	+18.5%	186.0

1) The figure has been calculated from the profit attributable to the owners of the parent company.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR million	3/12	3/11	Change %	12/11
Property, plant and equipment	191.5	185.1	+3.5%	190.7
Goodwill	13.5	13.5		13.5
Intangible rights	65.0	61.0	+6.5%	66.6
Other intangible assets	4.6	4.4	+4.6%	4.8
Investments in associates	1.4	1.4	+4.8%	1.4
Available-for-sale investments	1.1	1.3	-18.7%	1.1
Pension asset	38.0	32.7	+16.4%	37.4
Deferred tax assets	1.2	2.7	-56.3%	1.4
Other non-current assets	1.6	2.3	-30.1%	1.8
Non-current assets total	318.0	304.4	+4.5%	318.6
Inventories	156.9	136.9	+14.6%	151.4
Trade receivables	165.1	131.7	+25.4%	155.3
Other receivables	29.3	24.5	+19.7%	30.8
Cash and cash equivalents	235.9	214.9	+9.7%	123.0
Current assets total	587.2	507.9	+15.6%	460.5
Assets total	905.2	812.3	+11.4%	779.1

EQUITY AND LIABILITIES

EUR million	3/12	3/11	Change %	12/11
Share capital	92.2	92.2		92.2
Share premium		17.8		
Expendable fund	0.5	0.5		0.5
Other reserves	0.7	0.9	-28.3%	17.6
Retained earnings	267.1	246.9	+8.2%	389.6
Equity attributable to owners of the parent company	360.5	358.3	+0.6%	499.9
Non-controlling interests	0.0	0.0	+20.6%	0.0
Equity total	360.5	358.4	+0.6%	500.0
Deferred tax liabilities	41.6	44.3	-6.1%	42.2
Pension liability	0.5	0.7	-30.5%	0.5
Provisions	0.2	0.3	-16.8%	0.3
Interest-bearing non-current liabilities	134.0	87.5	+53.1%	66.0
Other non-current liabilities	0.4	0.1	+248.1%	0.3
Non-current liabilities total	176.8	132.9	+33.0%	109.3
Trade payables	52.1	41.4	+25.8%	66.3
Current tax liabilities	11.2	23.9	-53.4%	6.4
Other current liabilities	274.9	233.1	+17.9%	74.5
Provisions		0.0		0.0
Interest-bearing current liabilities	29.6	22.6	+31.3%	22.7
Current liabilities total	367.8	321.1	+14.6%	169.9
Liabilities total	544.6	454.0	+20.0%	279.1
Equity and liabilities total	905.2	812.3	+11.4%	779.1



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- a. Share capital
- b. Share premium
- c. Expendable fund
- d. Other reserves
- e. Translation differences
- f. Retained earnings
- g. Non-controlling interests
- h. Equity total**

EUR million	Equity attributable to owners of the parent company							
	a.	b.	c.	d.	e.	f.	g.	h.
Equity at 1 January 2011	92.2	17.8	8.9	1.6	-4.4	351.2	0.0	467.4
Profit for the period						68.5		68.5
Other comprehensive income:								
Change in value of cash flow hedges				-0.5				-0.5
Change in value of available-for-sale financial assets				-0.1				-0.1
Translation differences					-0.6			-0.6
Transactions with owners:								
Dividend and capital repayment			-8.5			-169.0		-177.5
Share-based incentive plan						1.3		1.3
Other adjustments						-0.2		-0.2
Equity at 31 March 2011	92.2	17.8	0.5	0.9	-5.0	251.9	0.0	358.4
Equity at 1 January 2012	92.2		0.5	17.6	-3.8	393.4	0.0	500.0
Profit for the period						59.6		59.6
Other comprehensive income:								
Change in value of cash flow hedges				-0.1				-0.1
Translation differences					0.3			0.3
Transactions with owners:								
Dividend and capital repayment				-16.9		-183.2		-200.1
Share-based incentive plan						1.1		1.1
Other adjustments						-0.3		-0.3
Equity at 31 March 2012	92.2		0.5	0.7	-3.4	270.5	0.0	360.5



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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1/12	Q1/11	2011
Operating profit	79.3	92.9	282.9
Adjustments	9.2	12.0	39.0
Change in working capital	-22.7	-33.9	-42.6
Interest paid	-1.0	-1.3	-6.2
Interest received	1.1	1.4	5.0
Dividends received			0.1
Income taxes paid	-15.7	-13.4	-79.3
Total net cash flow from operating activities	50.2	57.7	198.9
Investments in property, plant and equipment	-11.3	-6.0	-25.6
Investments in intangible assets	-1.3	-3.7	-19.9
Acquisition of an associate		-0.0	-0.0
Sale of a subsidiary less cash and cash equivalents at sale date		0.3	0.3
Sales of property, plant and equipment and available-for-sale investments	0.2	0.1	1.2
Sales of intangible assets		0.0	0.0
Total net cash flow from investing activities	-12.3	-9.2	-43.9
Short-term loans raised	0.1	0.1	0.8
Repayments of short-term loans	-0.3	-0.3	-2.1
Long-term loans raised	75.0		19.1
Repayments of long-term loans			-40.1
Dividends paid and other distribution of profits	0.0	-0.0	-177.5
Total net cash flow from financing activities	74.9	-0.2	-199.7
Net change in cash and cash equivalents	112.7	48.3	-44.7
Cash and cash equivalents at the beginning of the period	123.0	167.2	167.2
Foreign exchange differences	0.2	-0.5	0.5
Net change in cash and cash equivalents	112.7	48.3	-44.7
Cash and cash equivalents at the end of the period	235.9	214.9	123.0



CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	3/12	3/11	12/11
Carrying amount at the beginning of the period	190.7	187.1	187.1
Additions	7.0	4.7	30.3
Disposals	-0.2	-0.3	-1.4
Depreciation and impairments	-6.0	-6.4	-25.3
Carrying amount at the end of the period	191.5	185.1	190.7

CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

EUR million	3/12	3/11	12/11
Carrying amount at the beginning of the period	71.3	69.5	69.5
Additions	1.3	2.5	19.1
Disposals		-0.0	-0.0
Amortisation and impairments	-2.9	-6.5	-17.2
Carrying amount at the end of the period	69.6	65.4	71.3

COMMITMENTS AND CONTINGENCIES

EUR million	3/12	3/11	12/11
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CONTINGENCIES FOR OWN LIABILITIES

Mortgages on land and buildings	41.0	41.0	41.0
of which those to Orion Pension Fund	9.0	9.0	9.0
Guarantees	1.5	1.2	1.6

OTHER LIABILITIES

Leasing liabilities (excluding finance lease contracts)	5.7	3.8	4.5
Other liabilities	0.3	0.3	0.3

DERIVATIVES

EUR million	3/12	3/11	12/11
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CURRENCY FORWARD CONTRACTS AND CURRENCY SWAPS

Fair value, EUR million	0.3	0.7	-0.4
Nominal value, EUR million	44.7	49.4	40.7

CURRENCY OPTIONS

Fair value, EUR million	0.2	0.6	-0.2
Nominal value, EUR million	49.9	41.2	63.1

CROSS CURRENCY SWAPS

Fair value, EUR million	-0.1		0.3
Nominal value, EUR million	19.1		19.1

ELECTRICITY DERIVATIVES

Fair value, EUR million	-0.5	1.2	-0.4
Nominal value, GWh	151	183	153

RELATED PARTY TRANSACTIONS

EUR million	Q1/12	Q1/11	12/11
Management's employment benefits	2.7	3.0	4.8



Operating segment performance

NET SALES BY BUSINESS DIVISION

EUR million	Q1/12	Q1/11	Change %	2011
Pharmaceuticals	232.5	231.0	+0.6%	870.6
Proprietary Products	99.0	113.4	-12.7%	408.9
Specialty Products	90.2	80.2	+12.5%	320.8
Animal Health	18.2	17.1	+6.3%	67.8
Fermion	16.0	12.9	+24.0%	43.3
Contract manufacturing and other	9.2	7.4	+23.7%	29.7
Diagnostics	15.5	13.7	+13.6%	49.5
Group items	-0.6	-0.6	+16.3%	-2.2
Group total	247.4	244.1	+1.3%	917.9

OPERATING PROFIT BY BUSINESS AREA

EUR million	Q1/12	Q1/11	Change %	2011
Pharmaceuticals	79.4	92.3	-13.9%	287.6
Diagnostics	2.5	2.8	-9.1%	4.9
Group items	-2.7	-2.1	+23.7%	-9.5
Group total	79.3	92.9	-14.7%	282.9

NET SALES BY ANNUAL QUARTERS

EUR million	2012		2011			2010		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Pharmaceuticals	232.5	223.8	199.8	215.9	231.0	203.7	203.2	196.0
Diagnostics	15.5	12.9	11.3	11.7	13.7	11.8	10.5	12.1
Group items	-0.6	-0.6	-0.5	-0.6	-0.6	-0.6	-0.5	-0.7
Group total	247.4	236.1	210.7	227.0	244.1	214.9	213.2	207.4

OPERATING PROFIT BY ANNUAL QUARTERS

EUR million	2012		2011			2010		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Pharmaceuticals	79.4	61.4	66.8	67.1	92.3	49.9	71.5	60.4
Diagnostics	2.5	0.7	0.8	0.7	2.8	1.0	1.0	1.9
Group items	-2.7	-2.5	-2.1	-2.7	-2.1	1.7	-1.8	-2.3
Group total	79.3	59.6	65.4	65.1	92.9	52.6	70.6	60.0

GEOGRAPHICAL BREAKDOWN OF NET SALES BY ANNUAL QUARTERS

EUR million	2012		2011			2010		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Finland	64.0	61.7	60.1	59.8	59.1	61.0	57.6	53.7
Scandinavia	32.4	28.5	28.1	30.3	33.4	28.6	28.4	28.1
Other Europe	78.7	79.6	71.5	77.2	80.2	77.4	70.0	72.7
North America	38.4	36.0	24.0	29.2	38.7	22.1	31.1	26.3
Other markets	33.9	30.3	26.9	30.6	32.8	25.8	26.0	26.7
Group total	247.4	236.1	210.7	227.0	244.1	214.9	213.2	207.4



Business reviews

KEY FIGURES FOR PHARMACEUTICALS BUSINESS

EUR million	Q1/12	Q1/11	Change %	2011
Net sales	232.5	231.0	+0.6%	870.6
Operating profit	79.4	92.3	-13.9%	287.6
% of net sales	34.2%	39.9%		33.0%
R&D expenses	21.0	18.2	+15.3%	81.1
% of net sales	9.0%	7.9%		9.3%
Capital expenditure	7.2	6.8	+6.6%	38.8
% of net sales	3.1%	2.9%		4.5%
Sales revenue from proprietary products	104.5	114.1	-8.4%	420.2
Assets	605.6	542.4		597.5
Liabilities	117.5	88.8		132.2
Personnel at the end of the period	3,095	2,884		3,079

NET SALES OF ORION'S TOP 10 PHARMACEUTICAL PRODUCTS

EUR million	Q1/12	Q1/11	Change %	2011
Stalevo [®] , Comtess [®] and Comtan [®] (Parkinson's disease)	63.2	73.6	-14.1%	266.7
Simdax [®] (acute decompensated heart failure)	10.4	10.6	-1.8%	44.0
Precedex [®] (intensive care sedative)	10.3	8.3	+24.5%	33.0
Easyhaler [®] product family (asthma, COPD)	7.0	8.5	-18.5%	30.5
Dexdomitor [®] , Domitor [®] , Domosedan [®] and Antisedan [®] (animal sedatives)	6.4	6.6	-4.0%	23.2
Burana [®] (inflammatory pain)	5.8	5.8	+0.2%	23.5
Marevan [®] (anticoagulant)	4.4	3.8	+16.0%	15.6
Generic entacapone products (Parkinson's disease)	4.2			
Divina [®] range (menopausal symptoms)	3.8	3.4	+12.9%	13.2
Fareston [®] (breast cancer)	3.5	3.2	+9.6%	9.6
Total	118.8	123.6	-3.9%	459.3
Share of pharmaceutical net sales	51%	54%		53%

KEY FIGURES FOR DIAGNOSTICS BUSINESS

EUR million	Q1/12	Q1/11	Change %	2011
Net sales	15.5	13.7	+13.6%	49.5
Operating profit	2.5	2.8	-9.1%	4.9
% of net sales	16.2%	20.2%		9.9%
R&D expenses	1.8	1.6	+14.6%	6.4
% of net sales	11.6%	11.5%		12.9%
Capital expenditure	1.1	0.3	+217.6%	10.4
% of net sales	6.9%	2.5%		21.1%
Assets	47.5	36.6		44.4
Liabilities	16.3	7.7		17.4
Personnel at the end of the period	335	309		322



Information on Orion's shares

BASIC SHARE INFORMATION 31 MARCH 2012

	A shares	B shares	Total
Trading code on NASDAQ OMX Helsinki	ORNAV	ORNBV	
Listing day	1 Jul 2006	1 Jul 2006	
ISIN code	FI0009014369	FI0009014377	
ICB code	4500	4500	
Reuters code	ORNAV.HE	ORNBV.HE	
Bloomberg code	ORNAV.FH	ORNBV.FH	
Share capital, EUR million	29.4	62.8	92.2
Counter book value per share, EUR	0.65	0.65	
Total number of shares	44,993,218	96,264,610	141,257,828
% of total share stock	32%	68%	100%
Number of treasury shares		325,991	325,991
Total number of shares excluding treasury shares	44,993,218	95,938,619	140,931,837
Minimum number of shares			1
Maximum number of A and B shares, and maximum number of all shares	500,000,000	1,000,000,000	1,000,000,000
Votes per share	20	1	
Number of votes excluding treasury shares	899,864,360	95,938,619	995,802,979
% of total votes	90%	10%	100%
Total number of shareholders	19,907	48,239	61,442

A shares and B shares confer equal rights to the Company's assets and dividends.

INFORMATION ON TRADING ON NASDAQ OMX HELSINKI 1 JANUARY – 31 MARCH 2012

	A shares	B shares	Total
Shares traded	1,231,394	26,754,150	27,985,544
% of the total number of shares	2.7%	27.8%	19.8%
Trading volume, EUR million	19.2	414.9	434.1
Closing quotation on 31 Dec 2011, EUR	15.18	15.05	
Lowest quotation, EUR (A and B 17 Jan 2012)	14.59	14.45	
Average quotation, EUR	15.60	15.51	
Highest quotation, EUR (A 19 and 20 March, B 16 March 2012)	17.00	16.82	
Closing quotation on 31 March 2012, EUR	14.83	14.82	
Market capitalisation on 31 March 2012 excluding treasury shares, EUR million	667.2	1,421.8	2,089.1

PERFORMANCE PER SHARE

	Q1/12	Q1/11	Change %	2011
Basic earnings per share, EUR	0.42	0.49	-13.0%	1.49
Diluted earnings per share, EUR	0.42	0.49	-13.0%	1.49
Cash flow per share before financial items, EUR	0.27	0.34	-22.0%	1.10
Equity per share, EUR	2.56	2.54	+0.5%	3.55
Average number of shares excluding treasury shares, 1,000 shares	140,862	140,775		140,827



Appendices

Reporting

Orion Corporation is the parent company of the Orion Group. The Group consists of two business areas, or operating segments, and five business divisions. Orion reports on its operations segmentally.

- Pharmaceuticals business
 - Proprietary Products (patented prescription products for three therapy areas)
 - Specialty Products (off-patent, generic prescription products and self-care products)
 - Animal Health (veterinary products for pets and production animals)
 - Fermion (active pharmaceutical ingredients for Orion and other companies)
- Diagnostics business
 - Orion Diagnostica (diagnostic test systems for point-of-care in healthcare and hygiene tests for industry).

Contract manufacturing and other, i.e. manufacturing for other companies, is included in the Pharmaceuticals business segment, but it is not a separate business division, it is part of the Group's Supply Chain organisation.

Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting standard. The same accounting policies as for the Financial Statements 2011 have been applied in preparing the Interim Report, except for amendments to existing IFRS standards endorsed by the EU that have been adopted as of 1 January 2012. The amendments to standards had no effects on the Consolidated Financial Statements.

The policies and calculation methods applied during the period can be found on the Orion website at www.orion.fi/en/investors.

Other matters

The data in this financial review are not audited.

The figures in parentheses are for the comparative period of the previous year. All the figures in this report have been rounded, which is why the total sums of individual figures may differ from the total sums shown.



CALCULATION OF THE KEY FIGURES

$$\text{Return on capital employed (ROCE), \%} = \frac{\text{Profit before taxes + Interest and other finance expenses}}{\text{Total assets - Non-interest-bearing liabilities (average during the period)}} \times 100$$

$$\text{Return on equity (ROE), \%} = \frac{\text{Profit for the period}}{\text{Total equity (average during the period)}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity}}{\text{Total assets - Advances received}} \times 100$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Equity}} \times 100$$

$$\text{Earnings per share, EUR} = \frac{\text{Profit available for the owners of the parent company}}{\text{Average number of shares during the period, excluding treasury shares}}$$

$$\text{Cash flow per share before financial items, EUR} = \frac{\text{Cash flow from operating activities + Cash flow from investing activities}}{\text{Average number of shares during the period, excluding treasury shares}}$$

$$\text{Equity per share, EUR} = \frac{\text{Equity of the owners of the parent company}}{\text{Number of shares at the end of the period, excluding treasury shares}}$$

$$\text{Average share price, EUR} = \frac{\text{Total EUR value of shares traded}}{\text{Average number of traded shares during the period}}$$

$$\text{Market capitalisation, EUR million} = \text{Number of shares at the end of the period} \times \text{Closing quotation of the period}$$

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Orion is a globally operating Finnish company developing pharmaceuticals and diagnostic tests - a builder of well-being. Orion develops, manufactures and markets human and veterinary pharmaceuticals, active pharmaceutical ingredients and diagnostic tests. The company is continuously developing new drugs and treatment methods. Pharmaceutical R&D focuses on central nervous system drugs, oncology and critical care drugs, and Easyhaler® pulmonary drugs.

Orion's net sales in 2011 amounted to EUR 918 million and the company had about 3,400 employees. Orion's A and B shares are listed on NASDAQ OMX Helsinki.