



President and
CEO's Review
Timo Lappalainen

Annual General Meeting
of Orion Corporation
24 March 2010

This presentation contains forward-looking statements which involve risks and factors of uncertainty. These statements are not based on historical facts but relate to the company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies, and they are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

Orion Group changed its accounting policy regarding product development costs as of 1 January 2009. Costs relating to the support of products already on the market (mainly generic products) are now recognised in cost of goods sold instead of R&D expenses in the Statement of Comprehensive Income. This change has no effect on reported key figures, operating profit and Statement of Financial Position, but it reduces the R&D expenses previously reported for 2008 by EUR 13.4 million and correspondingly increases the cost of goods sold.

On 1 January 2009, the [Easyhaler®](#) business was transferred from the Specialty Products to Proprietary Products division. At the same time hormone replacement products, such as the [Divina®](#) range, and toremifene products, such as [Fareston®](#), were transferred to Specialty Products.

Steady growth in net sales

Orion's key figures (1)	Pro forma 2006	2007	2008	2009	Change %
Net sales, EUR million	641.1	680.0	710.7	771.5	+8.5%
Operating profit, EUR million	192.7	192.0	185.0	207.0	+11.9%
R&D expenses, EUR million	73.1	85.0	90.0	95.2	+5.7%
Equity ratio, %	75.5%	76.2%	60.2%	60.6%	
Earnings per share, EUR	1.01	1.02	0.97	1.07	+11.1%
Cash flow per share before financial items, EUR	0.93	0.92	0.66	1.03	+56.9%
Dividend per share, EUR	1.00	1.00	0.95	1.00 ²⁾	+5.3%

(1) On 1 July 2006, former Orion Corporation demerged into two new companies, Orion Corporation and Oriola-KD Corporation

(2) The Board's proposal to AGM that dividend would be EUR 1.00 per share and that EUR 0.10 per share be distributed from the expendable fund in the distributable equity as a repayment of capital.

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Market leadership in Finland strengthened

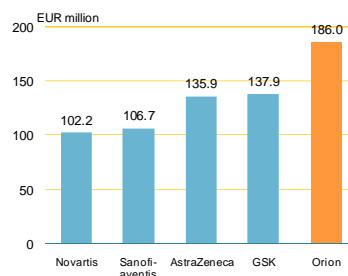
Finnish pharmaceutical market

- The reference price system implemented in Finland in April 2009
 - Reverse auction four times / year
 - Reimbursement based on the cheapest reference price
- Pharmaceutical prices in Finland decreased by 3.6% in 2009
- Finnish wholesale of human pharmaceuticals down 0.5% on previous year
- Packages sold down by 2.3%

Orion in Finnish pharmaceutical market

- Orion's sales grew by 3.2%
- Orion market leader with 9.6% market share
- Orion especially strong in self-care and substitutable prescription drugs

Finland's biggest pharmaceutical companies in 2009



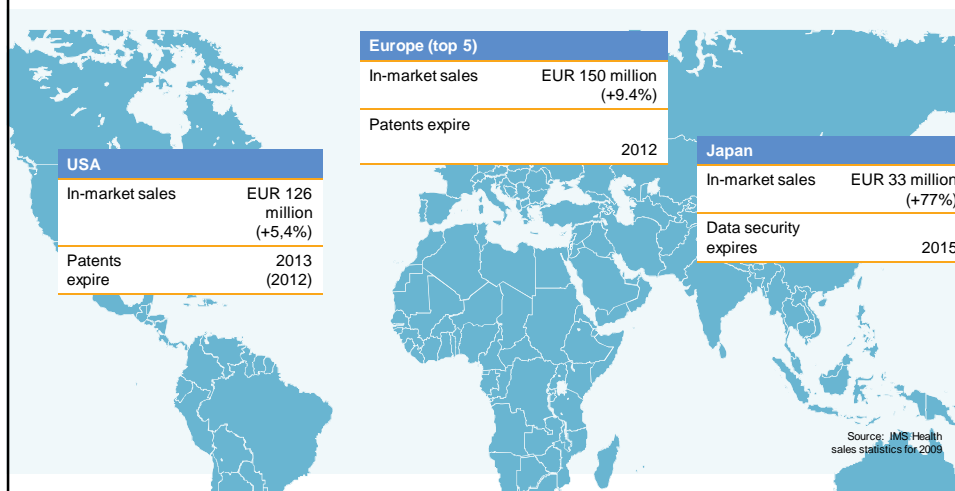
Source: Finnish Pharmaceutical Data and Statistics Finland

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The patent situation of Orion's Parkinson's disease drugs



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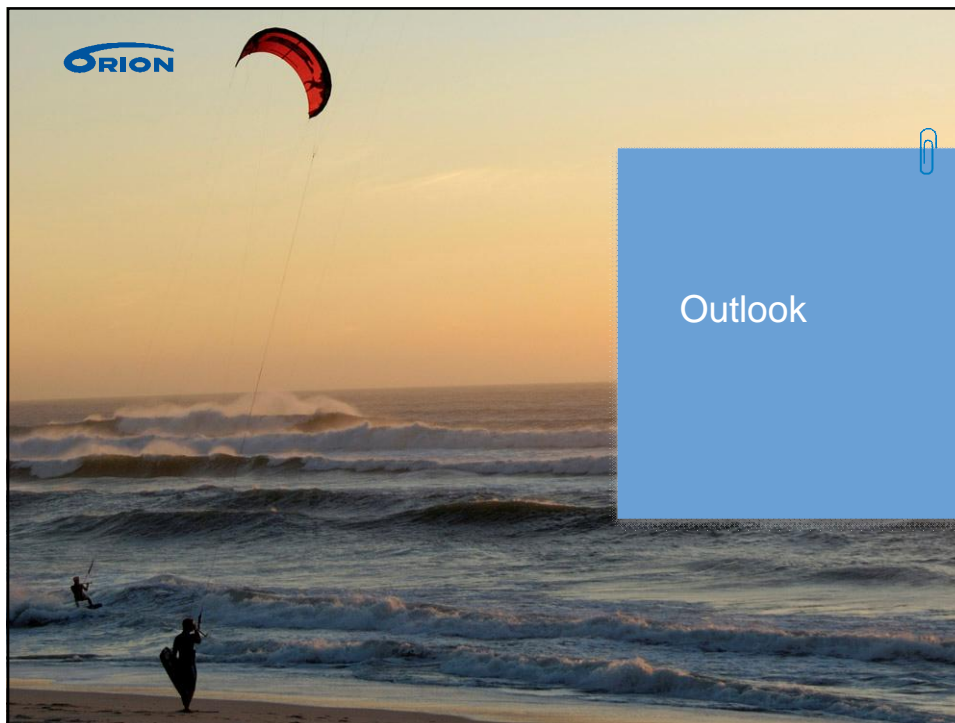
Strategy pursued across a broad front

Proprietary Products	Specialty Products	Animal Health	Fermion	Contract Manufacturing and other	Orion Diagnostica
<ul style="list-style-type: none"> Re-acquisition of rights to heart failure drug Simdax Final stage in development of dexmedetomidine sedative for critical care patients Progress in developing Easyhaler combined formulation 5 proprietary drugs for human use developed in-house Several patent-protected in-licensed drugs 	<ul style="list-style-type: none"> Growth on Finnish pharmaceuticals market despite reference price system Growth in Eastern Europe Numerous new product launches 200 generic prescription drugs 100 self-care products 	<ul style="list-style-type: none"> European distribution rights for animal sedative product family to return to Orion 4 proprietary drugs for animal use developed in-house Numerous veterinary prescription drugs and care products 	<ul style="list-style-type: none"> Production capacity fully utilised and large volume of outstanding orders Orion's own production of active pharmaceutical ingredients Also in production are more than 20 other APIs 	<ul style="list-style-type: none"> Growing business for Orion Contract manufacturing included hormone products and cancer drugs Numerous products, such as testosterone products, pain relievers and drugs for brain cancer, prostate cancer and critical care 	<ul style="list-style-type: none"> Significantly greater focus on product development China was the biggest market Infection tests Tests for microbial loading Tests for use by paper industry, airlines and oil companies Analysers for protein determination

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Outlook for 2010

- **Net sales** slightly higher than 2009
 - higher marketing expenditure
 - slightly lower R&D expenditure
 - patent litigation costs in USA similar to 2009
- **Operating profit** excluding non-recurring items slightly higher than 2009
- **Group capital expenditure** about EUR 40 million



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BUILDING WELL-BEING