Orion Group Interim Report 1–3/2008

Orion's net sales for the first quarter of 2008 were EUR 182.2 (179.2) million, up by 1.7% compared to the comparative period of the previous year.

- Operating profit was EUR 63.4 (60.6) million.
- Profit before taxes was EUR 64.1 (61.3) million.
- Equity ratio was 48.4% (78.0%).
- Return on capital employed (ROCE) was 60.7% (53.6%).
- Earnings per share were EUR 0.33 (0.32).

Orion's key figures for the review period

EUR million	**Q1/08**	**Q1/07**	**Change %**	**2007**
Net sales	**182.2**	179.2	+1.7%	683.6
Operating profit (EBIT)	**63.4**	60.6	+4.7%	192.0
% of net sales	**34.8%**	33.8%		28.1%
Profit before taxes	**64.1**	61.3	+4.5%	193.4
% of net sales	**35.2%**	34.2%		28.3%
R&D expenses	**23.7**	21.8	+8.6%	98.5
% of net sales	**13.0%**	12.2%		14.4%
Capital expenditure	**9.4**	6.1	+54.6%	35.3
% of net sales	**5.1%**	3.4%		5.2%
Balance Sheet total	**686.4**	607.1	+13.1%	567.6
Equity ratio, %	**48.4%**	78.0%		76.0%
Gearing, %	**-27.5%**	-28.5%		-20.0%
Interest-bearing liabilities	**86.7**	10.1	+756.3%	4.0
Non-interest-bearing liabilities	**267.3**	123.3	+116.9%	132.4
Cash and cash equivalents	**178.2**	145.1	+22.9%	90.4
ROCE (before taxes), %	**60.7%**	53.6%		44.8%
ROE (after taxes), %	**49.4%**	40.0%		33.5%
Earnings per share, EUR	**0.33**	0.32	+4.4%	1.02
Equity per share, EUR	**2.36**	3.35	-29.7%	3.05
Personnel at the end of the period	**3 202**	3 127	+2.4%	3 176

The considerable changes in the equity ratio, cash and cash equivalents and the interest-bearing liabilities are a consequence of the timing of the dividend payment. More details are provided on pages 4- 5.

The Orion Group has changed the policy of recording the disability pension liability (IAS 19 'Employee benefits'). The effect of the change on the profits and equity are presented in the table 'Consolidated Statement of Changes in Equity'. The adjusted key figures for previous years are presented in the table titled 'Adjusted key figures 2007–2004', on page 23. Due to the change, the operating profit reported for 2007 was reduced by approximately EUR 2.0 million whereas the ROE and ROCE improved slightly. The effect on the equity ratio was insignificant.

CEO Timo Lappalainen's review

Continued strong key figures

– The net sales for the first months of the year were approximately the same as in the comparative period of last year. The operating profit increased, however, thanks to the favourably developed sales of the broad basic product portfolio and new launches, although pressures on the result were induced by the planned expenditure on research and sales activities as well as by the exit of Calcimagon from the German portfolio and the weak US dollar.

– Despite the good performance in the first quarter, our present estimate of the outlook for the full year 2008 remains the same as that given on 6 February when the financial statements were published. The entire outlook estimate and the related preamble are found on page 5 of this report.

Processes initiated for broadening the indication of Stalevo for early-stage Parkinson's Disease

– Based on the positive results from the FIRST STEP study with Stalevo® we have decided to apply for a broader indication for Stalevo in the USA. Based on those results we have already now – about one year ahead – initiated also a European process with an aim to have Stalevo approved as a levodopa treatment of early-stage Parkinson's patients. We are going to update the situation of the progress of the regulatory processes in our future quarterly financial reports.

New in-licensing agreements

– In the early part of 2008, Orion has entered into several new in-licensing agreements which will strengthen our portfolio of urological and oncological products, above all. The agreements will support our long-term European-oriented strategy and they also indicate that Orion is a desired partner looking for active growth. The impacts of the agreements will become visible in our net sales gradually, depending on how the compounds concerned are progressing in the development pipelines and receive marketing authorisations. We are set for determined efforts to develop and restructure our portfolio via partnerships. Our target scope is European-wide markets, which we want to cover with our own, continuously developing sales organisation as comprehensively as possible already in the forthcoming years.

Events in the first quarter of 2008

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.

In February, Orion Corporation filed a patent infringement lawsuit in the United States to enforce its U.S. Patent No. 5,446,194 ("the '194 patent") against Sun Pharmaceutical Industries Limited ("Sun"), who seeks 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 originated by Orion Corporation and marketed in the United States by its exclusive licensee, Novartis, for the treatment of Parkinson's disease.

In February, GTx, Inc. announced positive Phase III clinical data on toremifene, an Orion-originated compound, from a trial in the treatment of advanced prostate cancer patients with androgen deprivation induced osteoporosis. The results show a 50 percent reduction in osteoporosis related vertebral fractures. Positive results were received in other key endpoints too, including bone mineral density, lipid profiles, and gynecomastia. GTx plans to file a New Drug Application (NDA) for Acapodene® (toremifene citrate) in the USA by the summer of 2008.

In March, the collaboration between the Swedish Oasmia Pharmaceutical AB and Orion expanded into veterinary products under a licensing agreement concerning Paclical® Vet, a cancer treatment being developed by Oasmia for dogs. The Animal Health business of Orion received the rights to market the product in the Nordic countries, Poland, the Czech Republic, Slovakia and Hungary. Already in late 2007, Orion received the marketing rights for human Paclical, for ovarian cancer. The active substance in Paclical

and Paclical Vet is paclitaxel, a cytostatic used in the treatment of cancers. Oasmia has developed a new nano particle formulation of paclitaxel which is currently being studied for ovarian cancer in humans in Phase III and with which extensive clinical studies in dogs are being started for the treatment of mastocytoma, a malignant form of skin cancer, the most common treatment form of which is surgery.

Events after the review period

With an in-licensing agreement signed in early April with the US-based Indevus Pharmaceuticals, Inc., Orion Corporation received European-wide marketing rights for Vantas®, for the treatment of advanced prostate cancer. The active ingredient in Vantas is histrelin, an LHRH agonist administered via a 12-month implant. The product is already marketed in the USA, among others. A Mutual Recognition Procedure for European approvals is under way, based on the marketing authorisation already granted by the UK in 2007. The product considerably strengthens Orion's portfolio of urological and oncological products.

In April, Orion Corporation initiated the regulatory processes for seeking an expanded indication for Stalevo (levodopa, carbidopa, entacapone) in the USA and Europe for patients with early Parkinson's Disease, based on the favourable results received from FIRST STEP, a Phase III clinical study conducted in North America and Europe. The aim is to extend the indication of Stalevo to those early-stage patients whose Parkinson's Disease impairment requires the initiation of levodopa medication. Currently, Stalevo is indicated for patients with advanced Parkinson's Disease experiencing end-of-dose motor fluctuations, known as "wearing-off". At this stage it is not yet possible to estimate the schedule for the review and decisions by the medicinal authorities.

For further information, kindly contact:
Timo Lappalainen, President and CEO, tel. +358 10 426 3692
Jari Karlson, CFO, tel. +358 10 426 2883 or mobile +358 50 966 2883

www.orion.fi/english
www.orion.fi/investors

Teleconference (in English)

A conference call on the Q1/2008 results will be held **today, Friday, 25 April 2008, starting at 14.00 EET,** for analysts and the media. The language of the teleconference and the presentation to be held at the start is English. The slide set of the Q1 report is available on www.orion.fi/investors soonest possible after the publication of this Interim Report.

The phone numbers to the conference call are:
+1 866 583 1035 for US participants
+44 208 196 1998 for others.

The guidance for joining the teleconference is provided on the font page of www.orion.fi/investors.
The on-demand recording of the teleconference will be accessible on the homepage later on Friday.
It can also be accessed via www.earnings.com or Thomson/CCBN's password-protected event management site, StreetEvents at www.streetevents.com.

The publication dates of the later Interim Reports for 2008 are as follows:

Interim Report 1–6/2008	Tuesday, 5 August 2008
Interim Report 1–9/2008	Tuesday, 28 October 2008

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.

Financial performance of the Orion Group in 1–3/2008

Net sales

The Orion Group's net sales for the first quarter in 2008 were EUR 182.2 (179.2) million, up by 1.7% from the comparative period of last year. The net impact of the currency exchange rates, mainly the US dollar, was EUR 4.3 million negative.

The net sales of the ***Pharmaceuticals business*** were EUR 170.5 (167.9) million, up by 1.6%. The products based on the in-house R&D accounted for EUR 77.6 (77.0) million, or 46% (46%) of the business segment's total net sales. The medicines for Parkinson's Disease, i.e. Stalevo and Comtess®/Comtan®, contributed EUR 52.3 (54.6) million, or about 31% (33%) of the total net sales of the business segment.

The net sales of the ***Diagnostics business*** were EUR 12.2 (11.8) million and they grew by 3.5% from the comparative period. The growth came mainly from the good sales performance of the QuikRead® tests.

Operating profit

The ***Pharmaceuticals business*** generated an EBIT of EUR 63.1 (60.2) million, up by 4.8%. The gross margin increased more rapidly than the net sales due to proportionally greater sales of high-margin products than in the comparative period. The investments in sales and research increased slightly, as anticipated. The patent litigations initiated in the USA have not caused essential costs affecting the results for the first quarter.

The ***Diagnostics business*** generated an EBIT of EUR 2.3 (3.2) million, down by 26.6%. The gross margin declined in consequence of the higher proportion of low-margin products of the net sales than in the comparative period. Investments in the sales and product development activities were clearly added from the comparative period.

Operating expenses

The consolidated operating expenses were EUR 69.2 (65.2) million and they increased by 5.8%. Selling and marketing expenses were EUR 35.1 (33.7) million, up by 4.1%. The Group's R&D expenses were EUR 23.7 (21.8) million, up by 8.6% and representing 13.0% (12.2%) of the Group net sales. Pharmaceutical R&D expenses were EUR 22.6 million, representing about 95% of the total. The R&D function is reported in the segment review of the Pharmaceuticals business.

Profit before taxes

Group profit before taxes was EUR 64.1 (61.3) million. Earnings per share were EUR 0.33 (0.32). Equity per share was EUR 2.36 (3.35). Group ROCE was 60.7% (53.6%) and ROE was 49.4% (40.0%).

Balance Sheet and financial position

Gearing was -27.5% (-28.5%) and equity ratio was 48.4% (78.0%). The declined equity ratio is primarily due to the impact of the dividend payment which in 2008 was recorded in March whereas in 2007 it was recorded in April.

Total liabilities in the Balance Sheet of 31 March 2008 came to EUR 354.0 (133.4) million, of which interest-bearing liabilities accounted for EUR 86.7 (10.1) million. Most of this was short-term loan taken for financing

the dividend payment. The non-interest-bearing liabilities also include EUR 141.3 million comprising the dividends paid in early April but transferred from the equity in March.

The Group's cash and cash equivalents were EUR 178.2 (145.1) million. The cash reserves are invested in short-term interest-bearing instruments issues by solid financial institutions and corporations.

Cash flows

The cash flow from operations was EUR 19.2 (42.4) million. Operating profit improved slightly from the comparative period, but EUR 24.7 million more funds were tied to the working capital than in Q1/2007. The majority of the change derived from the increased inventories, which grew by EUR 16.8 million from those of the end of 2007 and by EUR 31.3 million from those of the end of March 2007. The level of inventories has been increased primarily for securing a good continuity of supply.

The cash flow used in investments was EUR -9.0 (-6.7) million.

The cash flow used in financing activities was EUR 82.8 (-0.5) million. The increase relates to the short-term loan taken in March 2008 for financing the dividend payment. In 2007, all the cash flows related to the dividends occurred in April.

Capital expenditure

The Group's capital expenditure was EUR 9.4 (6.1) million, of which machinery and equipment accounted for EUR 4.6 (3.6) million.

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 osteoporosis drug Calcimagon 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 received due to 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, not including substantial product or company acquisitions.

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. The growth of the euro-denominated value of the

deliveries is, however, hampered by the continued deterioration of the exchange rate of the US dollar. 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.

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, of which a precise estimate can not be provided at the present stage.

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 essential changes in the forecast cost structure.

The risks identified by the company are described more comprehensively in the Financial Statements 2007 as well as on www.orion.fi/investors, section Corporate Governance.

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.

Changes in the Company's management

Jukka Viinanen, former President and CEO, retired on 29 February 2008, serving as an advisor to the company's Board of Directors as of 1 January 2008 until his retirement. His successor as the new President and CEO and the chairman of the Executive Management Board of Orion Corporation is Timo Lappalainen, as of 1 January 2008. Previously he was Senior Vice President in charge of the Proprietary Products and Animal Health business divisions.

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

Personnel

The average number of personnel in the Group during the first quarter of 2008 was 3,194 (3,096). At the end of March 2008, Orion had altogether 3,202 (3,127) employees, of which 2,695 persons were employed in Finland and 508 persons were working in other countries.

The number of employees in the Pharmaceuticals business increased by 84 persons from March 2007, mainly in the Global Sales and the Supply Chain organisations. The number of employees in the Diagnostics business decreased by 7 persons from March 2007.

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 share classes are quoted on the OMX Nordic Exchange Helsinki in the Large Cap group under the Healthcare sector heading. Trading in the two share classes of the company commenced on 3 July 2006 under the trading codes ORNAV and ORNBV. Information on trading in the company's shares is 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 General Meetings, a shareholder can, however, not vote with 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 General Meetings of Orion's shareholders.

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

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 52,460,668 belong to Class A and 88,797,160 to Class B at the date of this Interim Report. The aggregate number of votes conferred by both share classes at the same date is 1,138,010,520.

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. In the first quarter of 2008, a total of 98,020 shares were converted.

Authorisations of the Board of Directors

Orion Corporation's Board of Directors has an authorisation granted by the Annual General Meeting on 25 March 2008 to buy back and transfer the company's own shares. 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.

Own shares acquired and conveyed

In March 2008, the Board of Directors of Orion Corporation exercised the authorisation granted by the AGM held on 2 April 2007 to repurchase a total of 350,000 Class B shares to be used for the company's share-based incentive system 2007. The shares were acquired in public trade from the OMX Nordic Exchange Helsinki during 17-20 March 2008.

By decision of the Board of Directors, altogether 25,164 Orion Corporation B-shares held by the company were conveyed on 20 March 2008 as a share bonus for 2007 to persons employed by the company and belonging to the Share-based Incentive Plan of the Orion Group. The transfer price of the shares conveyed is EUR 14.0869 per share, which is the weighted average price of the B-share on 20 March 2008. The total transfer price of the B-shares conveyed was EUR 354,482.75.

Shareholder structure

At the end of March 2008, Orion had a total of 38,855 registered shareholders, of whom 94.4% were private individuals. They held 47.3% of the entire share stock and had 58.2% of the total votes. There were 34.9 million nominee-registered shares, representing 24.7% of the shares and 5.3% of the votes. At the date of this Interim Report, the number of treasury shares held by the company is 324,836 Class B shares. The proportion of the treasury shares is 0.2% of the company's total share stock and 0.02% of the total votes.

No transactions exceeding the flagging limits set in the Finnish Securities Market Act have been brought to the attention of the company in the review period or until the publication of this report.

Decisions by the AGM

The Annual General Meeting of Orion Corporation held on 25 March 2008 in Helsinki handled the matters in accordance with section 10 of the Articles of Association and Section 3 of Chapter 5 of the Companies Act, the proposals concerning authorisations to the Board of Directors to acquire and convey the company's own shares, and the election and remuneration of the Board of Directors and the auditors.

Adoption of the Financial Statements for 1 January – 31 December 2007
The AGM confirmed the Financial Statements of the parent company and the Group as per 31 December 2007. The members of the Board of Directors and the President were discharged from liability for the financial period of 1 January – 31 December 2007.

Dividend EUR 1.00 per share
A dividend of EUR 1.00 per share was approved for 2007. The record date for the dividend payment was 28 March 2008 and the payment date was 4 April 2008.

Authorisations concerning the acquisition and conveyance of the company's own shares
The Board of Directors was authorised by the AGM to decide on the acquisition and conveyance of the company's own shares on the proposed terms and conditions.

The members of the Board were re-elected, Matti Kavetvuo was re-elected as Chairman
The number of members in the Board of Directors was confirmed to be six. Eero Karvonen, Matti Kavetvuo, Leena Palotie, Vesa Puttonen, Hannu Syrjänen and Jukka Ylppö were re-elected to the Board of Directors for the next term of office. Matti Kavetvuo was re-elected as Chairman. At its organising meeting, the Board elected Jukka Ylppö as Vice Chairman.

Remunerations of the Board of Directors
As an annual fee for the term of office of the Board of Directors, the Chairman shall receive EUR 72,000, the Vice Chairman shall receive EUR 49,000 and the other members shall receive EUR 36,000 each. As a fee for each meeting attended, the Chairman shall receive EUR 1,200, the Vice Chairman shall receive EUR 900 and the other members shall receive EUR 600 each. In accordance with previously adopted practice, the Chairman shall have a telephone as a fringe benefit, and the travel expenses of all Board members shall be paid in accordance with the travel policy of the company. The afore-mentioned fees shall also be paid to the

Chairmen and to the members of the committees established by the Board, for each committee meeting attended.

Of the annual fee, 60% shall be paid in cash and 40% in Orion Corporation B-shares, which shall be acquired from the stock exchange, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,600 for the Vice Chairman and EUR 14,400 for each of the other members. The part of the annual fee that is to be paid in cash corresponds to the approximate sum necessary for the payment of the income taxes on the fees. The annual fees encompass the full term of office of the Board of Directors.

Auditors and their remuneration
PricewaterhouseCoopers Oy, Authorised Public Accountant Firm, was elected as Auditor for the next term, with Janne Rajalahti, Authorised Public Accountant, being the designated auditor. Kati Malmivuori, Authorised Public Accountant, was elected as Deputy Auditor. The remuneration of the auditors shall be based on invoicing.

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 Limited

Orion Corporation has on 13 November 2007 and 7 February 2008 filed patent infringement lawsuits in the United States to enforce U.S. Patent No. 6,500,867 (formulation patent) and U.S. Patent No. 5,446,194 against Sun Pharmaceutical Industries Limited, who seeks 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.

Review of the Business Segments

Pharmaceuticals business

Market review

According to statistics for the first quarter of 2008 collected by Finnish Pharmaceutical Data Ltd, Finnish wholesales of human pharmaceuticals rose by 6.5% to EUR 471.7 (442.9) million. Hospital sales non-reimbursable medicines showed higher growth than the total average, up by 8.7% and 12.5% respectively. The wholesales of self-care products grew by 0.7%, and those of substitutable prescription medicines decreased by 0.4% from the comparative period. Orion's own sales development was positive in these two product segments.

Orion's position as the leading marketer of pharmaceuticals in Finland continued to be strong. In the first quarter of 2008, wholesales of Orion's human pharmaceuticals totalled EUR 45.3 million, up 8.7% on the comparative period. The sales of self-care products and reimbursable prescription medicines developed particularly well, thereby counterbalancing their sluggish total sales in the period. Orion's market share was further bolstered: in the first quarter it was 9.6% (9.2%), and 2.0 percentage units higher than that of the second largest marketer. On an annual level, Orion's domestic market share continued to be 9%.

Wholesales of drugs for Parkinson's Disease – a core therapy area for Orion – totalled USD 1,250 (1,003) million in the US in 2007, according to IMS Health pharmaceutical sales statistics, up about 24.5% on 2006. 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 2007 came to EUR 842 (771) million, with an average growth of about 9.3%.

Net sales and operating profit of the Pharmaceuticals business

The net sales of the Pharmaceuticals business totalled EUR 170.5 (167.9) million for the first quarter of 2008, up by a slight 1.6%. Operating profit amounted to EUR 63.1 (60.2) million, up 4.8% on the previous year. The EBIT margin of the Pharmaceuticals business was 37.0% (35.9%).

Proprietary Products

The net sales of the Proprietary Products business division totalled EUR 73.3 (71.3) million, up by 2.8% on the comparative period.

The combined net sales of the Parkinson's Disease drugs Stalevo and Comtess/Comtan totalled EUR 52.3 (54.6) million, down by 4.2% from the comparative period and accounting for 31% (33%) of the total net sales of the Pharmaceuticals business. The lower net sales were due to the lower Comtan purchases by the marketing partner Novartis, whose total procurement of the franchise was 11.1% less than in the comparative period. The net sales from deliveries of Stalevo and Comtan to Novartis totalled EUR 29.3 (32.9) million. Those generated by Orion's own sales organisation from Stalevo and Comtess amounted to EUR 23.0 (21.7) million, up 6.1%. Stalevo's sales grew by about 7%.

The in-market sales of Stalevo and Comtan developed as anticipated, although the weak US dollar is reflected in the euro-denominated sales.

In April, an EU marketing authorisation was received for Stalevo 200/50/200 mg, which became available in the USA already in autumn 2007. The higher dose strength provides greater dosing flexibility in the treatment of Parkinson's Disease patients with Stalevo.

The launch activities have been under way for the 6-month depot formulation of Enanton® (leuproreline acetate) in the Nordic sales organisation of Orion following the marketing authorisations granted in 2007.

Specialty Products

The net sales of the Specialty Products division totalled EUR 63.7 (61.7) million, up 3.3% on the comparative period. The product range comprises generic prescription medicines and self-care products. The total development was hampered by the termination of the license agreement for Calcimagon in late 2007, which has cut off about EUR 12 million from the annual net sales of the German sales organisation.

Orion's business in the eastern markets of Europe has continued showing good growth. The generics product range has been intensely upgraded and supplemented through in-house product development and in-licensing activity. Orion has also been strongly committed to strengthening its own sales organisations. The most important recent launches include quetiapine in Poland, the Czech Republic, Slovakia, Hungary and the Baltic countries, and warfarine in Poland, Hungary and Russia, as well as several other launches of anti-psychotics and anti-epileptics.

In Finland, the engines of Orion's growth were self-care products and generic medicines, the selection of which has received a number of additional new reimbursable products.

The net sales of Easyhaler® asthma medicines totalled EUR 4.5 (3.7) million, up 19.8%. The most outstanding new market for the product range is Turkey, where the reimbursement decisions received in early 2008 for Budesonide Easyhaler and Formoterol Easyhaler allow a full roll-out to start in the second quarter.

Animal Health

The net sales of the Animal Health division totalled EUR 16.6 (17.5) million, down by 5.4% from the comparative period. About 45% of the total net sales derive from the animal sedatives – Dexdomitor® (dexmedetomidine), Domitor® (medetomidine), Domosedan® (detomidine) and Antisedan® (atipamezole) – whose sales declined by 7.5%. The difference was mainly due to the timings of deliveries. The comparative period also included deliveries to the inventories of the new distributor in Japan. Sales in Europe are starting to be slackened by the entry of generic versions.

Fermion

Fermion, which manufactures active pharmaceutical ingredients, generated EUR 8.9 (11.1) million in net sales for the first annual quarter. Mainly affected by the weak US dollar, they were down by 19.5%. The impact of intra-Group transactions, that is, deliveries of active ingredients for Orion's own use, has been eliminated from the net sales. These have increased considerably from those of the comparative period.

The ten best-selling pharmaceutical products

The net sales of Orion's ten best-selling drugs were EUR 85.6 (85.2) million, almost the same as in the comparative period, and they accounted for about 50% (51%) of the total net sales of the Pharmaceuticals business. The net sales of Stalevo grew by 5.3% from the comparative period and they accounted for about 20% of the total pharmaceutical net sales. Deliveries of Comtan to Novartis were almost 30% less than in the comparative period. The fastest growth rates were shown by the Easyhaler® franchise for asthma, the painkilling Burana®, the heart failure drug Simdax® and the breast cancer drug Fareston®.

Products from in-house research

The net sales of the products from in-house research totalled EUR 77.6 (77.0) million and accounted for 46% (46%) of the total net sales of the Pharmaceuticals business. Precedex®, Fareston, Simdax and Easyhaler were the products showing the best proportional growth.

Research and development activity

The Group's R&D expenses totalled EUR 23.7 (21.8) million of which the Pharmaceuticals business accounted for EUR 22.6 (20.9) million. R&D expenses were 13.0% (12.2%) of the Group net sales.

Orion's R&D focuses on three core therapy areas: central nervous system, cardiology and critical care, and urology and oncology. In addition to in-house activities, Orion is engaged in several research collaboration partnerships with other pharmaceutical companies and numerous academic communities. The licensing agreements with these instances provide Orion with rights for the further development and marketing of the candidate compounds possibly resulting from the research efforts.

As stated in the sections on the first pages of this Interim Report and announced in a stock exchange release on 15 April 2008, Orion has initiated actions for broadening the indication of Stalevo for the treatment of early Parkinson's Disease, based on the positive results received from the ***FIRST STEP*** study conducted by Novartis. The FIRST STEP study is complemented by the ***STRIDE-PD*** study in which, too, the comparative medication is the conventional combination of levodopa/carbidopa. This study is to determine whether Stalevo can delay the onset of involuntary movements, that is, dyskinesias, in Parkinson's patients. The trial is being conducted in cooperation with Novartis in 14 countries and it involves 747 Parkinson's patients. Its results are currently expected at the turn of 2008–2009.

The research programme with the candidate compound for a ***new COMT enzyme inhibitor*** is progressing as planned in clinical Phase I.

An alpha 2$_c$ receptor antagonist has been decided to be forwarded into Phase I clinical studies from the preclinical stage. The preclinical profile of this compound fits for the treatment of the symptoms of schizophrenia, for example. Other possible indications are Alzheimer's Disease and depression.

Phase III clinical studies are under way 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. Dexmedetomidine is compared with midazolam in the MIDEX study and with propofol in PRODEX. Both studies are planned to involve 500 patients. The programme was started in the summer of 2007 and it is estimated to last two years. Precedex is already available in, for example, the United States and Japan as a sedative for patients in intensive care and administrable as an infusion for a maximum of 24 hours.

For the ***Easyhaler*** product family, a new formulation is being developed combining budesonide as an anti-inflammatory agent and formoterol as a long-acting bronchodilator.

The ***LEVET*** programme is studying the efficacy of levosimendan in the treatment of heart diseases in dogs, with an aim to receive marketing authorisations.

In early research phase, Orion has several research projects investigating selective androgen receptor modulators (SARM) and Parkinson's Disease, among others.

Diagnostics business

The net sales of the Diagnostics business were EUR 12.2 (11.8) million and they grew by 3.5%. Operating profit declined by 26.6% to EUR 2.3 (3.2) million from the exceptionally good comparative period but was still relatively good in comparison with the other earlier quarters.

Orion Diagnostica devotes its sales efforts to the products with the best profitability. The foremost products are the QuikRead® tests which are used for the determination of infections on the basis of the CRP concentration in a blood sample. The QuikRead sales continued showing good performance. The penetration of the instrument in the doctors' offices and clinical laboratories is preparing firm ground for a growing demand for reagents, too.

The sales of dip slide tests developed steadily. Launch activities are under way for Hygicult® On, the new member introduced in late 2007 into the hygiene product range.

Espoo, 25 April 2008

Board of Directors of Orion Corporation

Orion Corporation

Timo Lappalainen
President and CEO

Jari Karlson
CFO

Tables

GROUP INCOME STATEMENT

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**182.2**	179.2	+1.7%	683.6
Cost of goods sold	**-50.2**	-54.1	-7.2%	-219.3
Gross profit	**132.1**	125.1	+5.6%	464.3
Other operating income	**0.5**	0.7	-29.8%	9.0
Selling and marketing expenses	**-35.1**	-33.7	+4.1%	-143.4
R&D expenses	**-23.7**	-21.8	+8.6%	-98.5
Administrative expenses	**-10.4**	-9.7	+7.2%	-39.4
Operating profit	**63.4**	60.6	+4.7%	192.0
Financial income	**1.5**	1.3	+14.5%	3.9
Financial expenses	**-0.8**	-0.5	+51.2%	-2.5
Profit before taxes	**64.1**	61.3	+4.5%	193.4
Income tax expense	**-17.0**	-16.2	+4.8%	-49.5
Profit for the period	**47.1**	45.1	+4.4%	143.9
of which attributable to:				
Parent company shareholders	**47.1**	45.1	+4.4%	143.9
Minority interest	**0.0**	0.0		0.0
Earnings per share, EUR*	**0.33**	0.32	+4.4%	1.02
Depreciation and amortisation	**7.6**	8.5	-10.7%	31.6
Personnel expenses	**40.0**	36.6	+9.3%	156.3

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

BALANCE SHEET

Assets

EUR million	3/08	3/07	Change %	2007
Non-current assets				
Property, plant and equipment	**186.3**	184.6	+0.9%	186.6
Goodwill	**13.5**	13.5		13.5
Other intangible assets	**24.7**	21.9	+12.8%	23.0
Investments in associates	**0.1**	0.1		0.1
Available-for-sale investments	**0.9**	1.0	-7.7%	0.9
Pension asset	**27.6**	33.9	-18.5%	26.8
Deferred tax assets	**3.6**	1.2	+208.9%	3.9
Other non-current assets	**3.9**	3.8	+3.5%	4.0
Non-current assets total	**260.7**	259.9	+0.3%	258.7
Current assets				
Inventories	**137.9**	106.6	+29.4%	121.1
Trade receivables	**90.7**	82.8	+9.6%	82.9
Other receivables	**18.9**	12.8	+47.5%	14.4
Cash and cash equivalents	**178.2**	145.1	+22.9%	90.4
Current assets total	**425.7**	347.2	+22.6%	308.9
Assets total	**686.4**	607.1	+13.1%	567.6

Equity and liabilities

EUR million	3/08	3/07	Change %	2007
Equity				
Share capital	**92.2**	92.2		92.2
Share premium	**17.8**	17.8		17.8
Expendable fund	**23.0**	23.0		23.0
Other reserves	**0.5**	0.5	+5.0%	0.5
Retained earnings	**198.8**	340.2	-41.6%	297.6
Equity of the parent company shareholders	**332.3**	473.7	-29.8%	431.1
Minority interest	**0.0**	0.0	+33.1%	0.0
Equity total	**332.4**	473.7	-29.8%	431.2
Non-current liabilities				
Deferred tax liabilities	**42.7**	45.7	-6.6%	41.9
Pension liability	**1.0**	0.9	+13.6%	1.0
Provisions	**0.1**	0.4	-58.9%	0.2
Interest-bearing non-current liabilities	**1.4**	7.8	-82.2%	1.2
Other non-current liabilities	**2.1**	1.8	+16.7%	2.1
Non-current liabilities total	**47.3**	56.5	-16.2%	46.4
Current liabilities				
Trade payables	**34.1**	26.2	+30.3%	34.3
Income tax liabilities	**6.6**	5.6	+17.7%	3.4
Other current liabilities	**180.7**	42.0	+330.0%	49.5
Provisions	**0.0**	0.7	-99.6%	0.0
Interest-bearing current liabilities	**85.3**	2.4		2.9
Current liabilities total	**306.7**	76.9	+298.8%	90.1
Equity and liabilities total	**686.4**	607.1	+13.1%	567.6

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	Total
Equity on 31 Dec 2006	**92.2**	**17.8**	**23.0**	**0.5**	**-3.4**	**313.3**	**443.5**	**0.0**	**443.5**
Effect of change in accounting Policy						**-14.6**	**-14.6**		**-14.6**
Equity on 31 Dec 2006	**92.2**	**17.8**	**23.0**	**0.5**	**-3.4**	**298.7**	**428.8**	**0.0**	**428.8**
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
Effect of change in accounting Policy						-1.5	-1.5		-1.5
Profit for the period						145.4	145.4		145.4
Recognised income and expenses total				0.0	-0.7	143.9	143.2		143.2
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 2007 before change of accounting principle	92.2	17.8	23.0	0.5	-4.1	317.9	447.3	0.0	447.3
Effect of change in accounting Policy						-16.2	-16.2		-16.2
Equity on 31 Dec 2007	**92.2**	**17.8**	**23.0**	**0.5**	**-4.1**	**301.7**	**431.1**	**0.0**	**431.2**
Available-for-sale-investments and cash flow hedges				-0.0			-0.0		-0.0
Translation differences					-0.3		-0.3		-0.3
Net unrealised gains recognised directly in equity				-0.0	-0.3		-0.3		-0.3
Profit for the period						47.1	47.1	0.0	47.1
Recognised income and expenses total				-0.0	-0.3	47.1	46.8	0.0	46.8
Dividend						-140.9	-140.9		-140.9
Repurchase of own shares						-4.8	-4.8		-4.8
Share-based incentive plan						0.2	0.2		0.2
Other changes				0.0			0.0		0.0
Equity on 31 March 2008	**92.2**	**17.8**	**23.0**	**0.5**	**-4.4**	**203.2**	**332.3**	**0.0**	**332.4**

CASH FLOW STATEMENT

EUR million	Q1/08	Q1/07	2007
Cash flow from operating activities:			
Operating profit	**63.4**	60.6	192.0
Adjustments	**5.7**	6.7	31.2
Change in working capital	**-37.6**	-12.9	-14.7
Interest paid	**-0.4**	0.1	-2.1
Interest received	**1.3**	1.1	3.8
Income taxes paid	**-13.2**	-13.0	-55.5
Net cash from operating activities	**19.2**	42.4	154.7
Cash flow from investing activities:			
Purchases of property, plant, equipment and intangible assets	**-9.3**	-6.8	-34.6
Proceeds from sale of property, plant, equipment, intangible assets and available-for-sale investments	**0.4**	0.1	9.3
Net cash used in investing activities	**-9.0**	-6.7	-25.3
Cash flow from financing activities:			
Change in short-term loans	**82.8**	-0.3	-0.8
Repayments of long-term loans	**-0.2**	-0.2	-6.4
Repurchase of own shares	**-4.8**	-	-
Dividends paid and other distribution of profits	**0.0**	0.0	-141.3
Net cash used in financing activities	**77.7**	-0.5	-148.5
Net change in cash and cash equivalents	**88.0**	35.3	-19.1
Cash and cash equivalents at the beginning of the period	**90.4**	110.0	110.0
Foreign exchange adjustments	**-0.2**	-0.2	-0.5
Net change in cash and cash equivalents	**88.0**	35.3	-19.1
Cash and cash equivalents at the end of the period	**178.2**	145.1	90.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	Q1/08	Q1/07	2007
Carrying amount at the beginning of the period	**186.6**	187.1	187.1
Additions	**6.3**	4.0	27.7
Disposals	**-0.5**	-0.2	-3.2
Depreciation	**-6.1**	-6.3	-25.0
Carrying amount at the end of the period	**186.3**	184.6	186.6

COMMITMENTS AND CONTINGENCIES

EUR million	3/08	3/07	2007
Contingent for own liabilities:			
Mortgages on land and buildings	**19.0**	25.5	25.5
of which those to Orion Pension Fund	**9.0**	9.0	9.0
Guarantees	**1.4**	1.8	1.4
Other liabilities:			
Leasing liabilities (excl. finance lease contracts)	**4.0**	4.8	4.5
Other liabilities	**0.3**	0.3	0.3

DERIVATIVES

EUR milllion	3/08	3/07	2007
Currency forward contracts:			
- fair value	**1.0**	0.5	0.3
- nominal value	**64.8**	65.9	66.7
Electricity forwards contracts:			
- fair value	**0.0**		0.0
- nominal value	**2.3**		0.6

RELATED PARTY TRANSACTIONS

EUR million	3/08	3/07	2007
Management benefits	**0.8**	0.9	3.1
Non-current liabilities to Orion Pension Fund at the end of the period		6.0	

Review of the segments

Pharmaceuticals business

KEY FIGURES

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**170.5**	167.9	+1.6%	643.3
Operating profit	**63.1**	60.2	+4.8%	197.1
% of net sales	**37.0%**	35.9%		30.6%
R&D expenses	**22.6**	20.9	+8.1%	94.2
% of net sales	**13.3%**	12.5%		14.6%
Capital expenditure	**9.0**	5.7	+59.7%	32.5
% of net sales	**5.3%**	3.4%		5.1%
Net sales from proprietary products	**77.6**	77.0	+0.8%	292.3
Personnel at the end of the period	**2 889**	2 805	+3.0%	2 864

NET SALES FROM THE 10 BEST-SELLING PHARMACEUTICAL PRODUCTS

EUR million	Q1/08	Q1/07	Change %	2007
Stalevo (Parkinson's Disease)	**34.8**	33.0	+5.3%	126.9
Comtess / Comtan (Parkinson's Disease)	**17.5**	21.6	-18.9%	73.3
Domitor, Dexdomitor, Domosedan and Antisedan (animal sedatives)	**7.4**	8.0	-7.5%	27.5
Burana (inflammatory pain)	**5.2**	4.1	+25.2%	15.6
Simdax (heart failure)	**4.7**	3.5	+35.1%	15.1
Easyhaler (asthma)	**4.5**	3.7	+19.8%	17.3
Divina series (menopausal symptoms)	**3.4**	3.6	-6.1%	15.9
Enanton (prostate cancer)	**3.2**	3.3	-3.1%	12.9
Fareston (breast cancer)	**2.8**	2.1	+36.2%	8.2
Solomet (inflammatory diseases)	**2.1**	2.3	-6.4%	7.6
Total	**85.6**	85.2	+0.4%	320.2
Share of total pharmaceutical net sales	**50%**	51%		50%

Diagnostics business

KEY FIGURES

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**12.2**	11.8	+3.5%	42.0
Operating profit	**2.3**	3.2	-26.6%	6.3
% of net sales	**19.3%**	27.2%		15.0%
Capital expenditure	**0.2**	0.1	+13.4%	1.6
% of net sales	**1.3%**	1.2%		3.7%
Personnel at the end of the period	**285**	292	-2.3%	283

Performance by segment

NET SALES BY BUSINESS SEGMENT

EUR million	Q1/08	Q1/07	Change %	2007
Pharmaceuticals business	**170.5**	167.9	+1.6%	643.3
Proprietary Products	**73.3**	71.3	+2.8%	270.8
Specialty Products	**63.7**	61.7	+3.3%	241.5
Animal Health	**16.6**	17.5	-5.4%	66.8
Fermion	**8.9**	11.1	-19.5%	38.1
Other	**8.0**	6.3	+27.5%	26.1
Diagnostics business	**12.2**	11.8	+3.5%	42.0
Group items	**-0.5**	-0.5	-10.5%	-1.7
Group total	**182.2**	179.2	+1.7%	683.6

OPERATING PROFIT BY BUSINESS SEGMENT

EUR million	Q1/08	Q1/07	Change %	2007
Pharmaceuticals business	**63.1**	60.2	+4.8%	197.1
Diagnostics business	**2.3**	3.2	-26.6%	6.3
Group items	**-2.1**	-2.9	-27.7%	-11.4
Group total	**63.4**	60.6	+4.7%	192.0

NET SALES BY ANNUAL QUARTERS

EUR million	Q1/08	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma
Pharmaceuticals business	**170.5**	163.9	154.7	156.8	167.9	152.1	139.9	146.4
Diagnostics business	**12.2**	10.5	9.4	10.3	11.8	10.4	9.5	10.4
Group items	**-0.5**	-0.4	-0.3	-0.5	-0.5	-0.4	-0.4	-0.5
Group total	**182.2**	174.0	163.8	166.6	179.2	162.2	149.0	156.3

OPERATING PROFIT BY ANNUAL QUARTERS

EUR million	Q1/08	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma
Pharmaceuticals business	**63.1**	41.7	50.1	45.1	60.2	38.8	43.4	42.6
Diagnostics business	**2.3**	0.1	1.2	1.8	3.2	0.6	1.4	1.6
Group items	**-2.1**	-3.1	-2.2	-3.2	-2.9	-3.5	7.7	-2.1
Group total	**63.4**	38.6	49.1	43.7	60.6	35.8	52.6	42.2

GEOGRAPHICAL BREAKDOWN OF NET SALES BY ANNUAL QUARTERS

EUR million	Q1/08	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06 Proforma
Finland	**55.7**	53.7	48.6	48.6	50.1	49.0	45.2	45.4
Scandinavia	**28.1**	24.3	23.8	25.3	24.1	23.4	21.2	24.2
Other Europe	**64.4**	57.5	56.0	57.5	63.7	58.4	52.8	52.7
North America	**16.4**	16.6	20.4	20.1	24.1	22.0	20.1	20.5
Other markets	**17.6**	21.9	15.0	15.1	17.1	9.4	9.7	13.4
Group total	**182.2**	174.0	163.8	166.6	179.2	162.2	149.0	156.3

Information on Orion Corporation's shares on 31 March 2008

BASIC INFORMATION ON ORION'S SHARE CLASSES ON 31 March 2008

	Class A	Class B	A and B total
ISIN code	FI0009014369	FI0009014377	-
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	34.1	58.1	92.2
Counter book value of the share, EUR	0.65	0.65	-
Total number of shares	52 460 668	88 797 160	141 257 828
% of total share stock	37%	63%	100%
Number of treasury shares	-	324 836	324 836
Total number of shares excluding treasury shares	52 460 668	88 472 324	140 932 992
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	1 049 213 360	88 472 324	1 137 685 684
% of total votes	92%	8%	100%
Total number of shareholders	13 480	31 265	38 855

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

TRADING IN ORION'S A AND B SHARES DURING 1 JAN – 31 MARCH 2008

	Class A	Class B	A and B total
Total number of shares traded, excl. treasury shares	677 933	18 818 890	19 496 823
Proportion of total share stock, %	1.3%	21.2%	13.8%
Closing quotation on 2 Jan 2008, EUR	16.00	16.08	
Lowest quotation, EUR (A and B: 26 March 2008)	13.69	13.16	
Average quotation, EUR	14.66	14.49	
Highest quotation, EUR (A: 2 Jan 2008, B: 4 Jan 2008)	16.40	16.44	
Closing quotation on 31 March 2008, EUR	14.14	13.72	
Market capitalisation on 31 March 2008, excluding treasury shares, EUR million	741.8	1 213.8	1 955.6

PERFORMANCE PER SHARE

	Q1/08	Q1/07	Change %	2007
Earnings per share, EUR	**0.33**	0.32	+4.4%	**1.02**
Equity per share, EUR	**2.36**	3.35	-29.7%	**3.05**
Average number of shares, excluding treasury shares, 1 000 pcs	**141 213**	141 258		**141 258**

Appendices

Orion Group structure

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

This Interim Report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Statements for 2007, with the exception of defined-benefit pension plans. Further, the following new interpretations have been applied as of 1 January 2008

- *IFRIC 11, IFRS 2 - Group and treasury share transactions*
- IFRIC 14, *IAS 9 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

These new interpretations do not have a substantial impact on the Group's Interim Report nor the reported figures.

The policies and calculation methods applied in this Interim Report are available on the Group's homepage at www.orion.fi/english/investors.

Change in accounting policy of the defined-benefit pension obligation

For the defined-benefit pension plans arranged through the Orion Pension Fund, the Orion Group applies, as of 1 January 2008, the accounting treatment according to IAS 19 'Employee benefits', according to which a liability for the disability pension obligation is recorded to cover future events.

Before the financial year 2008, the item was treated according to Paragraph 130 of IAS 19 'Employee Benefits' so that the cost of disability benefit obligation was recognised when an event causing the disability had occurred.

The change in the accounting policy has been applied retrospectively, as provided in Paragraph 19 (b) and 22 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Thus, the comparative information for each prior period has been adjusted in accordance with the new accounting policy.

The effects of the change in the accounting policy on the profit and equity of the comparative year are provided in the Statement of Changes in Equity. The adjusted key figures for the earlier periods are presented in the table below.

ADJUSTED KEY FIGURES 2007–2004

EUR million	**Q1/07** Earlier reported	**Q1/07** Adjusted	**2007** Earlier reported	**2007** Adjusted	**2006** Proforma Adjusted	**2005** Proforma Adjusted	**2004** Proforma Adjusted
Operating profit	61.1	**60.6**	194.0	192.0	192.7	153.4	102.9
Profit before taxes	61.9	**61.3**	195.5	193.4	193.3	152.5	101.7
Balance Sheet total	627.4	**607.1**	589.5	567.6	568.3	589.2	537.3
Equity ratio, %	77.9%	**78.0%**	75.9%	76.0%	75.5%	65.3%	53.6%
Gearing, %	-27.6%	**-28.5%**	-19.3%	-20.0%	-23.4%	-29.6%	2.3%
ROCE (before taxes), %	52.4%	**53.6%**	43.8%	44.8%	47.1%	41.4%	25.8%
ROE (after taxes), %	39.1%	**40.0%**	32.7%	33.5%	34.9%	33.5%	19.7%
Earnings per share, EUR	0.32	**0.32**	1.03	1.02	1.01	0.82	0.54
Equity per share, EUR	3.46	**3.35**	3.17	3.05	3.04	2.77	2.15

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*

The figures in this Interim Report have not been audited. Those in the parentheses are for the comparative period of the previous year. The per-share ratios have been adjusted.

All the figures have been rounded, which is why the total sums of individual figures may differ from the total sums shown.

Distribution:
OMX Nordic Exchange Helsinki
Media

Publisher:
Orion Corporation
Orionintie 1A
02200 Espoo, FINLAND
www.orion.fi

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 human and veterinary pharmaceuticals, 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 about 3 170 employees working for the Group. Orion's shares are listed on the OMX Nordic Exchange Helsinki.