Orion Financial Review for 2014

4 February 2015

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President & CEO

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This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

Good year in pharmaceutical development and commercialisation projects

- Marketing authorisations for Bufomix Easyhaler in Europe and Stalevo in Japan
- Worldwide collaboration with Bayer on ODM-201 development and commercialisation
- Early phase clinical development pipeline boosted
- Specialty Products sales grew well
- Commencement of generic competition to Precedex in USA and to Stalevo in Germany
- Net sales and operating profit include EUR 39 million of milestone payments
- Board’s proposal for dividend per share is EUR 1.30

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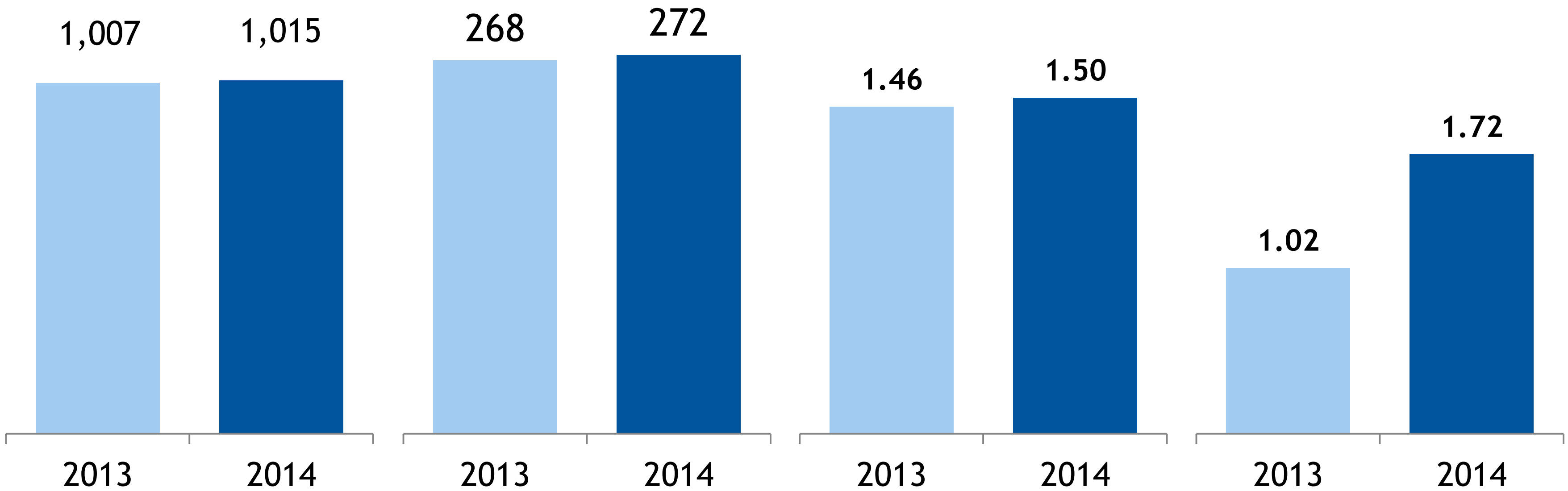
Net sales and operating profit

Net sales, EUR million

Operating profit, EUR million

Basic earnings per share, EUR

Cash flow per share before financial items, EUR



+1%

+2%

+3%

+68%

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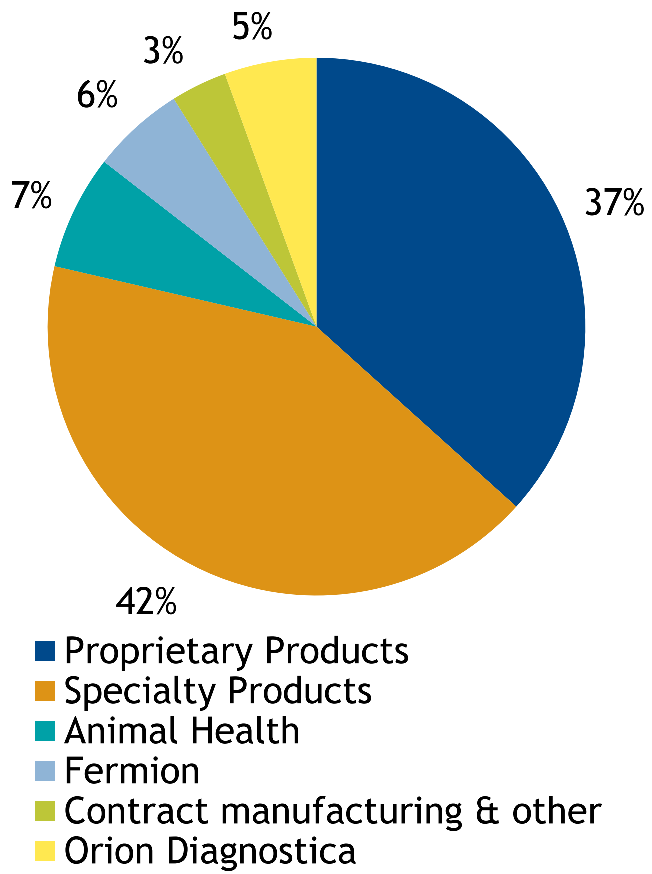
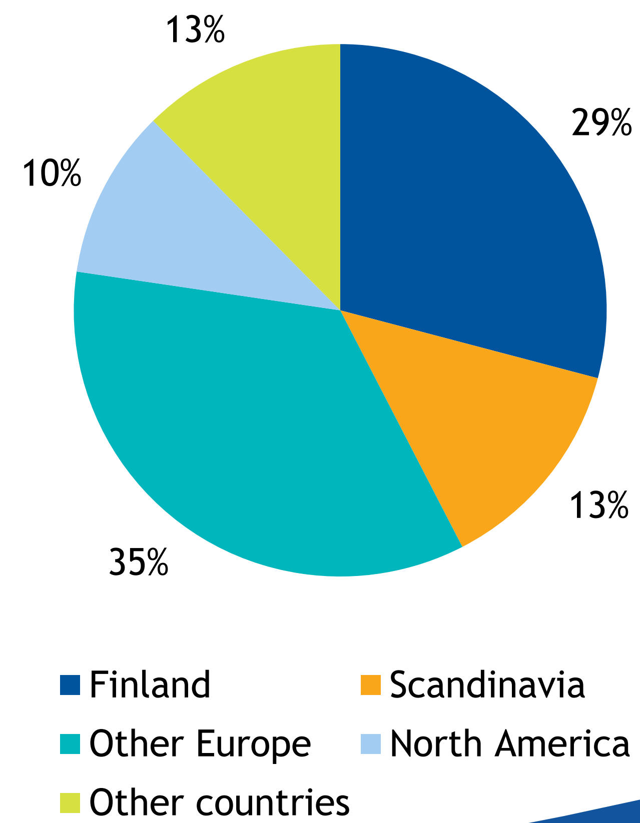
Breakdown of net sales

Group's net sales in 2014 were EUR 1,015 million

By business division



By market area



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Business Reviews

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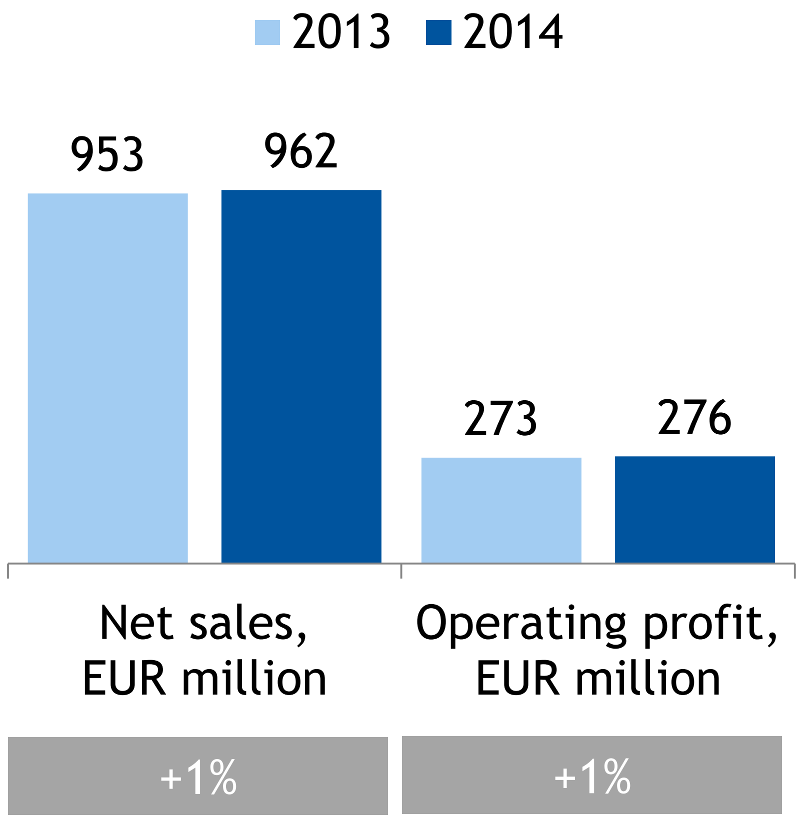
Pharmaceuticals business



Net sales split

EUR million	2014	2013	Change %
Proprietary Products	**373**	390	-4%
Specialty Products	**427**	385	+11%
Animal Health	**70**	71	-1%
Fermion	**57**	64	-10%
Contract manufacturing & other	**34**	43	-21%

- Net sales of branded Parkinson's drugs down by 18%, and accounted for 18% of segment's net sales
- Net sales excluding Parkinson's drugs and significant milestone payments up by 2%
- Net sales and operating profit include milestone payments of EUR 39 (5) million from collaboration partners

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Best-selling pharmaceuticals 2014

Product	Change	Net sales, EUR million	2013
Stalevo®, Comtess® & Comtan® (Parkinson's disease)	-18%	169	207
Simdax® (acute decompensated heart failure)	+2%	47	46
Easyhaler® product family (asthma, COPD)	+22%	35	29
dexdor® (intensive care sedative)	+39%	35	25
Precedex® (intensive care sedative)	-50%	30	59
Generic entacapone products (Parkinson's disease)	+151%	26	10
Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	-1%	25	25
Burana® (inflammatory pain)	-0%	23	23
Marevan® (anticoagulant)	+7%	17	16
Divina® range (menopausal symptoms)	-1%	15	15
Total	44% of pharmaceuticals net sales	422	

Products based on Orion's inventions in blue font

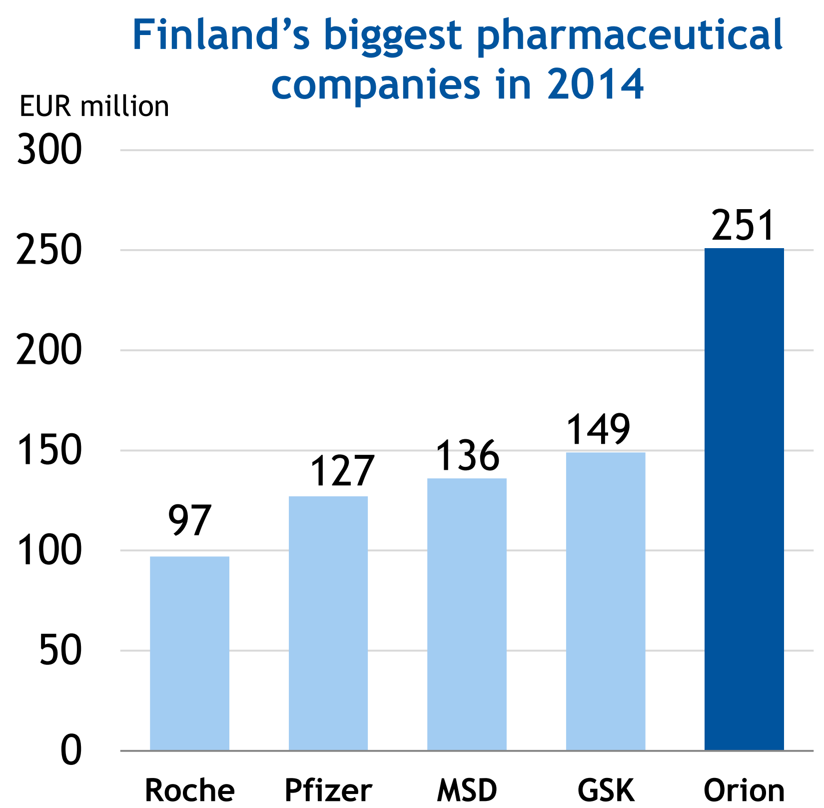
Orion clear market leader in Finland

Finnish human pharmaceuticals market in 2014

- Wholesale EUR 2,167 million (+5%)

Orion in Finnish human pharmaceuticals market

- Sales growth +8%
- Orion clear market leader
  - Market share 12%
- Orion especially strong in self-care products and substitutable prescription drugs



Source: IMS Health January—December 2014

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Review of Parkinson’s drugs markets

Overall markets for Parkinson’s drugs

USD / EUR million		MAT9/2014	MAT9/2013	Change %
USA	USD	**810**	751	**+8%**
EU TOP 5	EUR	**996**	978	**+2%**
Japan	EUR	**497**	523	**-5%**

Source: IMS Health sales statistics MAT9/2014

Sales of Orion’s branded Parkinson’s drugs

USD / EUR million		MAT9/2014	MAT9/2013	Change %
USA	USD	**20**	37	**-47%**
EU TOP 5	EUR	**127**	131	**-4%**
Japan	EUR	**53**	59	**-10%**

Source: IMS Health sales statistics MAT9/2014

Market shares of Orion’s branded Parkinson’s drugs	MAT9 2014	MAT9 2013
Finland [2)]	21%	23%
Sweden [2)]	14%	15%
Norway [2)]	15%	15%
Denmark [2)]	14%	18%
Germany [3)]	14%	15%
UK [3)]	12%	13%
United States [3) 4)]	2%	5%
Japan [2) 4)]	11%	11%

[1)] Germany, UK, France, Spain and Italy
[2)] including sales to hospitals and retail distributors
[3)] sales to retail distributors only
[4)] Novartis sales area

Source: IMS Health sales statistics MAT9/2014

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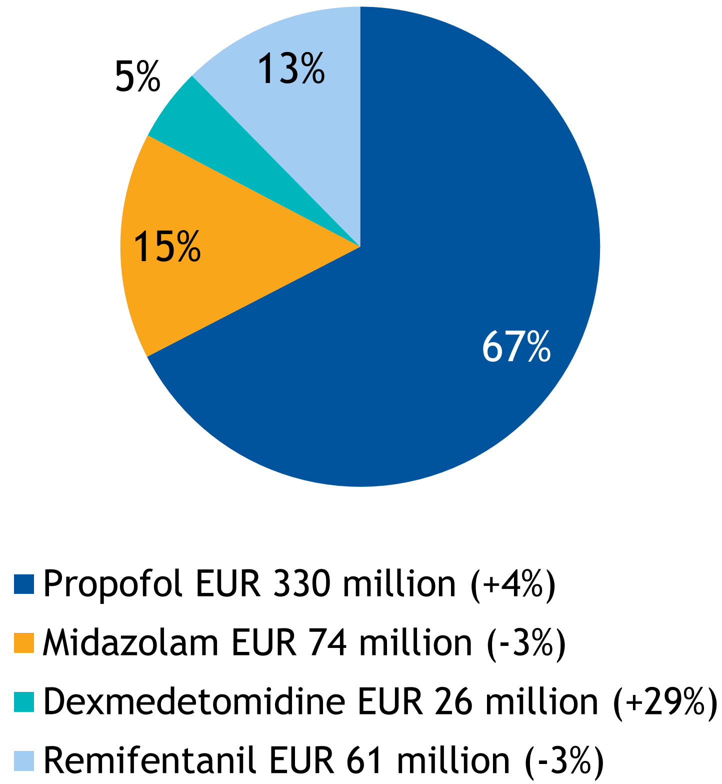
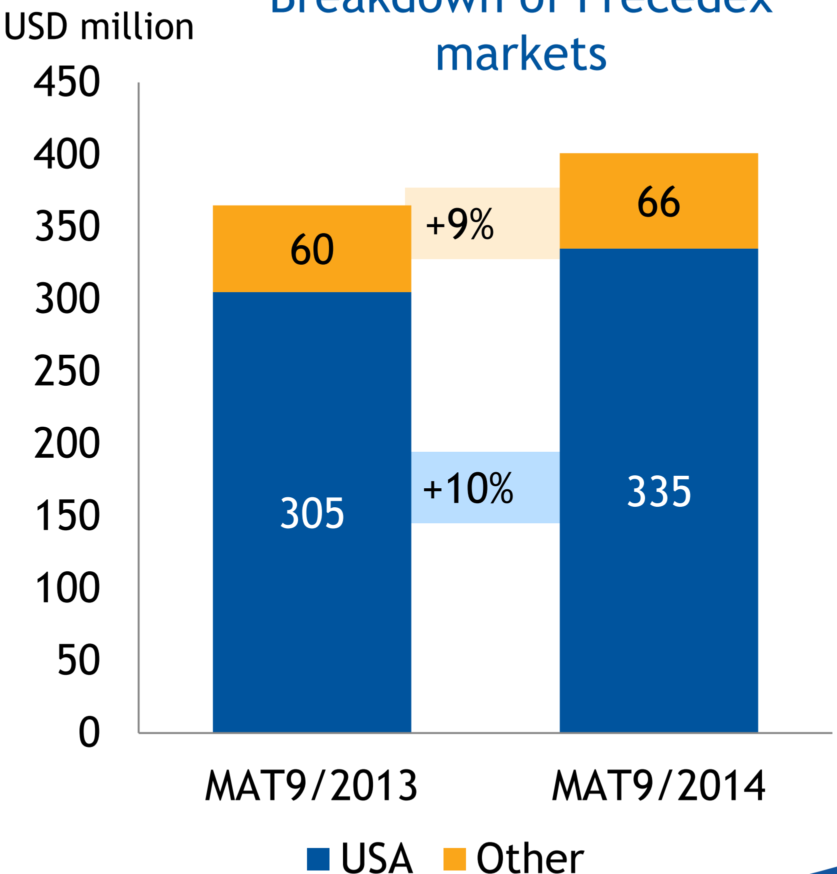
Precedex® and *dexdor®* intensive care sedatives

European sedative market MAT9/2014

Total market value EUR 490 million (+3%)



Breakdown of Precedex markets



Source: IMS Health sales statistics MAT9/2014

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Key clinical pharmaceutical development projects

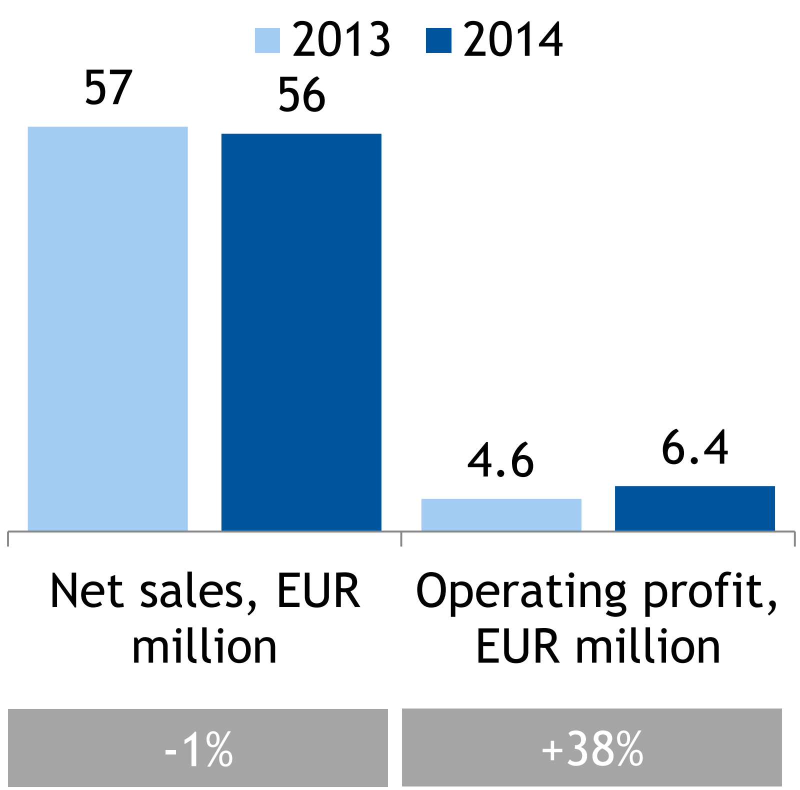
Project	Indication	PHASE			Registration
Bufomix Easyhaler® (budesonide-formoterol) [1]	Asthma, COPD	I	II	III	
Easyhaler® salmeterol-fluticasone	Asthma, COPD	I	II	III	
ODM-201 (androgen receptor inhibitor) [2]	Prostate cancer	I	II	III	
Levosimendan [3]	Low Cardiac Output Syndrome	I	II	III	
ORM-12741 (alpha-2c adrenoceptor antagonist) [4]	Alzheimer's disease	I	IIa		
Dexmedetomidine (intranasal) [5]	Treatment of pain	I	IIb		
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I			
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I			
ODM-204 (CYP17 enzyme and androgen receptor inhibitor)	Prostate cancer	I			
ODM-106 (GABA-B receptor positive allosteric modulator)	Essential tremor	I			

= Phase completed

= Phase ongoing

[1] Aim is to obtain marketing authorisation for product in at least some European countries not included in decentralised marketing authorisation application process.
[2] In collaboration with Bayer [3] Partner: Tenax Therapeutics, Inc.
[4] In collaboration with Janssen Pharmaceuticals [5] Partner: Recro Pharma, Inc.

Diagnostics business



- Net sales in 2013 include sales of products discontinued in 2013
- Comparative period operating profit included costs related to contraction of product portfolio, Turku manufacturing plant closure and personnel reductions
- QuikRead® tests remained main product
- First GenRead® products for sale

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Outlook for 2015

Net sales	Net sales will be slightly lower than in 2014 (net sales were EUR 1,015 million in 2014).
Operating profit	Operating profit is estimated to exceed EUR 200 million.
Group’s capital expenditure	The Group’s capital expenditure will be about EUR 50 million excluding substantial corporate or product acquisitions (The Group’s capital expenditure was EUR 57 million in 2014).

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Orion's financial objectives

Increasing net sales.
Achievement of this objective requires continuous investment in development of the product portfolio.

Maintaining profitability at a good level.
The aim is operating profit that exceeds 20% of net sales.

Keeping the equity ratio at least 50%.

Distributing an annual dividend that in the next few years will be at least EUR 1.20 per share, and increasing the dividend in the long term.

Challenges and opportunities in next few years

Long-term growth opportunities from R&D pipeline. Milestone payments.

Generic drugs and self-care products.

Generic competition for Parkinson's franchise and Precedex.

Timing of milestone payments.

Easyhaler® combinations and *dexdor*® for European markets.

Global pricing pressure, especially on new products.

Operational flexibility and efficiency.

Orion Calendar 2015

Annual General Meeting 2015	24 March 2015
Interim Report January—March 2015	29 April 2015
Capital Market Day in Helsinki	26 May 2015
Interim Report January—June 2015	28 July 2015
Interim Report January—September 2015	27 October 2015

The Financial Statements and Report by the Board of Directors for 2014 will be published on the Company's website at latest in week 10/2015

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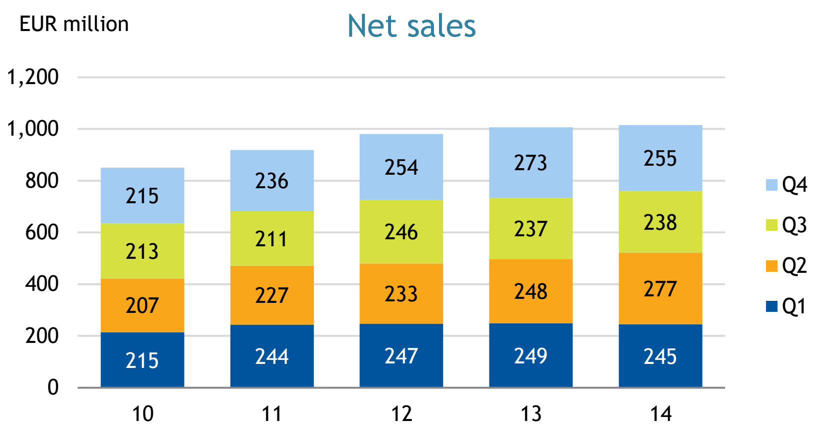
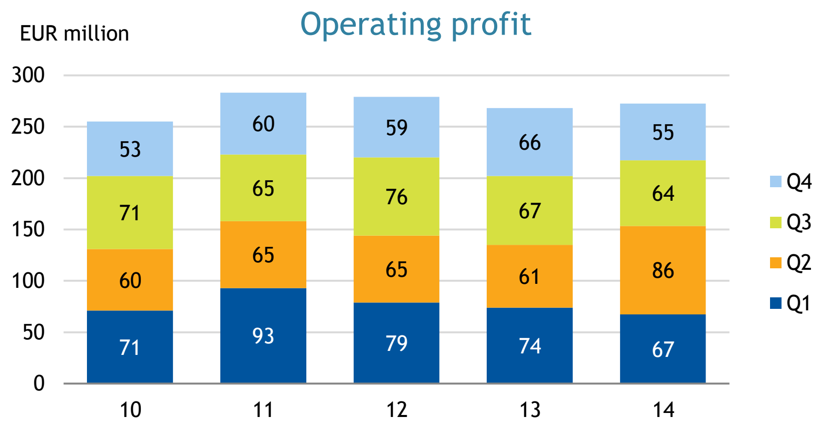
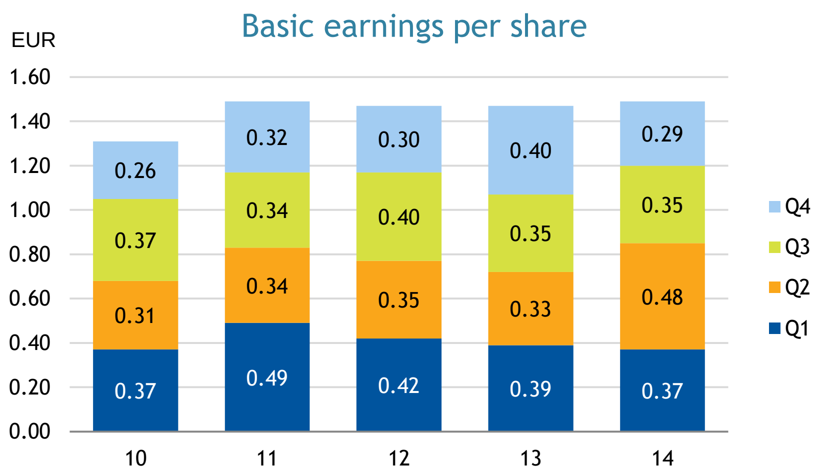
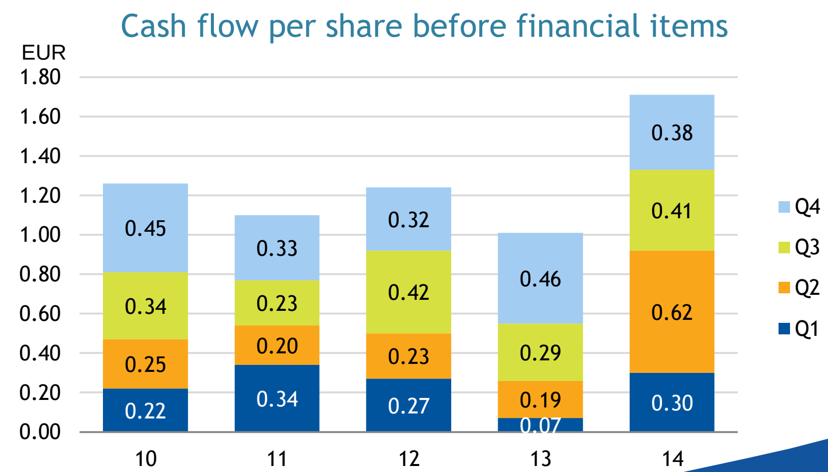
Key figures by quarter









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Key figures for 2010—2014

Orion's key figures	2010	2011	2012	2013	2014	Change %
Net sales, EUR million	849.9	917.9	980.4	1,006.9	**1,015.3**	+0.8%
Operating profit, EUR million	254.2	282.9	278.3	267.7	**272.4**	+1.8%
Profit before taxes, EUR million	252.6	282.0	276.6	264.0	**267.8**	+1.4%
R&D expenses, EUR million	85.5	87.5	105.8	101.9	**106.2**	+4.2%
Equity ratio, %	62.7%	64.2%	61.0%	53.6%	**52.3%**	
Gearing, %	-12.2%	-6.9%	-1.7%	8.4%	**-4.7%**	
ROCE (before taxes), %	45.0%	49.4%	45.9%	38.5%	**36.6%**	
Return on equity, %	40.7%	43.3%	41.0%	40.3%	**41.1%**	
Basic earnings per share, EUR	1.31	1.49	1.47	1.46	**1.50**	+2.7%
Cash flow per share before financial items, EUR	1.26	1.10	1.23	1.02	**1.72**	+68.4%
Dividend per share, EUR	1.20	1.30	1.30	1.25	**1.30***	
Capital repayment per share, EUR	0.06	0.12				

*) Dividend proposal by the Board of Directors

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Income Statement 2010—2014

Formation of profits, EUR million	2010	2011	2012	2013	2014	Change %
Net sales	849.9	917.9	980.4	1,006.9	**1,015.3**	+0.8%
Cost of goods sold	-283.2	-305.1	-350.8	-393.5	**-401.7**	+2.1%
Gross profit	566.8	612.8	629.6	613.4	**613.6**	
Other operating income and expenses	1.2	3.0	6.3	5.6	**1.7**	-68.8%
Sales and marketing expenses	-188.9	-204.8	-206.1	-204.9	**-193.4**	-5.6%
R&D expenses	-85.5	-87.5	-105.8	-101.9	**-106.2**	+4.2%
Administrative expenses	-39.3	-40.6	-45.7	-44.5	**-43.3**	-2.7%
Operating profit	254.2	282.9	278.3	267.7	**272.4**	+1.8%
Profit before taxes	252.6	282.0	276.6	264.0	**267.8**	+1.4%
Profit for the period	184.7	209.5	206.9	206.2	**211.3**	+2.5%

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Product protection situation of key products

			Key patents or data protection expire		
Molecule	**Product**	**Indication**	**Europe**	**USA**	**Japan**
Entacapone	Stalevo®, Comtess® and Comtan®	Parkinson's disease	November 2012 October 2013 [1)]	October 2013	January 2015 [2)]
Levosimendan	Simdax®	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex® *dexdor®*	Intensive care sedative	July 2013 September 2021 [3)]	January 2014 [4)]	June 2012

[1)] Stalevo data protection expired
[2)] Data protection of Comtan expires
[3)] Dexdor data protection expires
[4)] Six months paediatric exclusivity granted for Precedex in the United States expired

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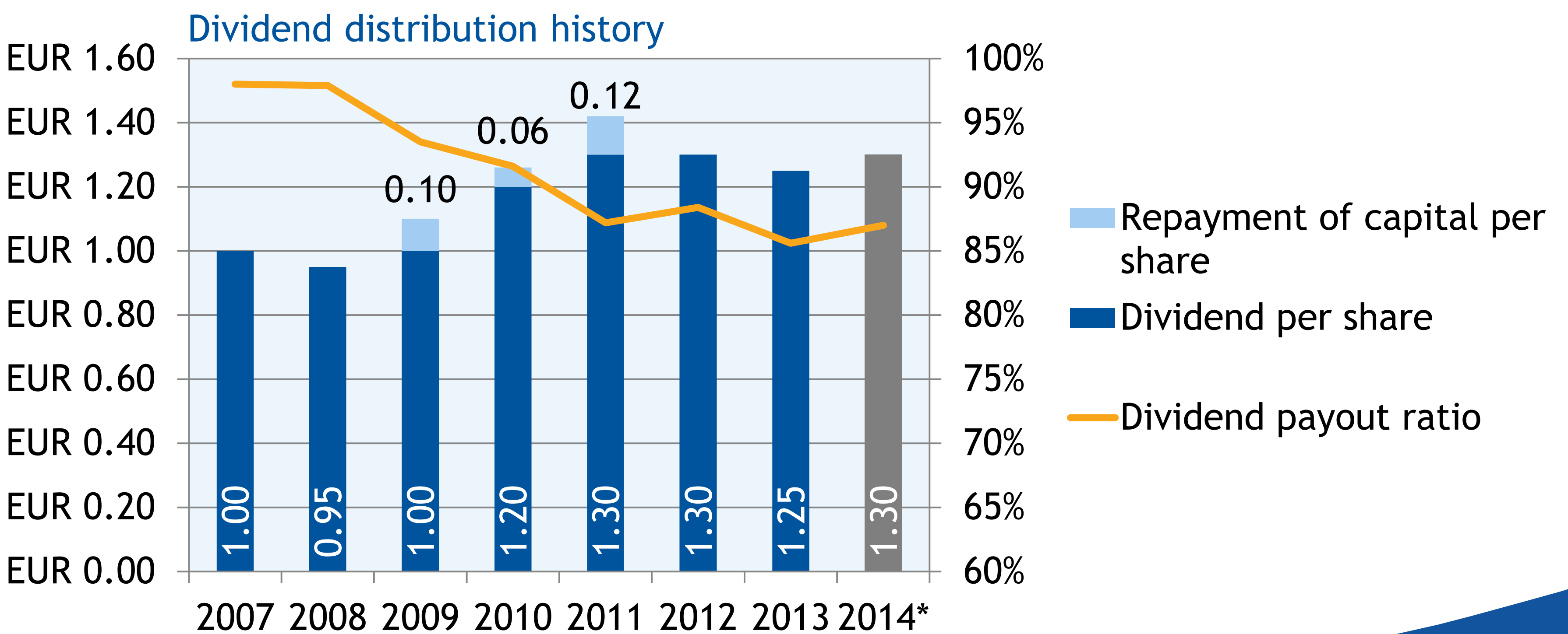
Dividend distribution policy

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



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