

19 February 2002 at 8.30 am

## ANNOUNCEMENT ON THE YEAR 2001 FINANCIAL STATEMENTS OF THE ORION GROUP

Orion Group net sales for 2001 came to EUR 970.8 million (EUR 947.5 million in 2000), up by 2.5%. Operating profit came to EUR 116.4 million (EUR 114.5 million), up by 1.6% (down 7.7%). Profit before extraordinary items and taxes was EUR 123.6 million (EUR 125.4 million), down by 1.5%. Net sales of continuing operations were EUR 958.0 million, up by 3.5%, and the corresponding operating profit was EUR 115.9 million (EUR 112.6 million), up by 2.9%. Profitability was very satisfactory in all the four business divisions and for the Group. Net sales of the Group's core business division, Orion Pharma, grew by 7.7% while its operating profit decreased by 5.7%. Earnings per share were EUR 1.25. Proposed dividend per share is EUR 1.10.

At its meeting held yesterday, the Board of Directors signed the year 2001 Financial Statements for the Orion Group. Part of this stock exchange release is formed by the Report by the Board of Directors. The figures in this release have not been audited. In this announcement, the percentages showing the changes from the previous year have been calculated from more exact figures than the published ones. The figures in parentheses refer to the comparable ones for the year 2000.

Orion's Annual Report 2001 will be published on 22 March 2002 and will be mailed to the shareholders during week 13/2002.

The Annual General Meeting will be held on Monday, 15 April 2002.

### Orion Group in 2001 in brief

	2001 MEUR	2000 MEUR	Change %	Share of total in 2001
<b>Net sales, continuing operations</b>				
Group total	958.0	926.0	+3.5 %	100 %
- Orion Pharma	487.0	452.2	+7.7 %	50 %
- Oriola	329.3	343.9	-4.2 %	34 %
- Orion Diagnostica	33.5	32.2	+4.1 %	3 %
- Noiro	125.3	114.4	+9.6 %	13 %
<b>Operating profit, continuing operations</b>				
Group total	115.9	112.6	+2.9 %	100 %
- Orion Pharma	82.4	87.4	-5.7 %	71 %
- Oriola	20.3	19.7	+3.2 %	17 %
- Orion Diagnostica	4.9	5.4	-11.0 %	4 %
- Noiro	9.2	7.6	+21.7 %	8 %
- Group items	-0.9	-7.5		
Net gains from ordinary financial operations	7.2	10.9	-34.1 %	
Profit before extraordinary items and taxes	123.6	125.4	- 1.5 %	
Earnings per share	1.25 e	1.22 e	+ 2.3 %	
Dividend per share (proposal for 2001)	1.10 e	1.20 e	-8.3 %	
Return on invested capital (ROI)				
before extraordinary items and taxes	17.5 %	18.2 %		
Return on equity (ROE)	12.5 %	12.4 %		
Equity ratio	72.6 %	74.2 %		
Gearing	- 24.7 %	-26.7 %		

## Group

### Continued growth of operational volume.

### Operating profit at the previous year's level

The core business division, Orion Pharma, contributed 50% of the net sales, 71% of the operating profit of the Group. Consignment trade decreased Oriola's net sales and led to the low growth of the Group net sales by 2.5%. Operating profit for the Orion Group was at the same level as in the previous year, and the profitability of all the four business divisions was very satisfactory.

## Orion Pharma

### Milestone payments contributed to profit

Net sales EUR 487.0 million (EUR 452.2 million), + 7.7% (+3.3%).

International operations EUR 293.3 million (EUR 261.4 million), +12.2% (+16.9%).

Operating profit EUR 82.4 million (EUR 87.4 million), - 5.7% (-3.6%).

The exceptionally high total amount of license agreement-based payments received from marketing partners, total more than EUR 50 million, contributed considerably to the operating profit and the net sales growth of Orion Pharma. Product sales were approximately at the level of the previous year. Net sales from the products resulting from the own R&D pipeline increased by 7.3% and they contributed 27% to the net sales. The sales revenues from these products are shown in the tables section.

Operating profit declined from the previous year due to accelerated research expenditure towards the end of the year. The profit was also burdened by the high spending on new product launches in the first half of the year.

Orion Pharma had devoted a lot of effort in the preparations for a European-wide launch of Simdax (levosimendan), the new proprietary drug for heart failure, with the marketing partner in the course of 2001. In the spring it turned obvious, however, that big EU countries like Germany, France and the UK, which are key markets in Orion Pharma's own sales territory, as well as some minor countries would not have granted marketing authorisation for the product, and the application was withdrawn from them. The product was, however, approved by nine countries, among which Finland, Norway and Iceland are within Orion's own marketing area, as well as Sweden where the product was approved already in late 2000. Simdax was launched in some of the countries having approved it, but sales revenues were fairly low. In the course of the second and third quarter of the year the marketing cost structure was adapted to the changed situation.

Altogether EUR 78.1 million were spent on pharmaceutical research and development, representing 16% of Orion Pharma's net sales. Although the investment was the largest ever in Orion Pharma's history, it remained below the originally planned level, because the start of the additional studies with Simdax was postponed towards the end of the year. One of the two largest single research programs in the year was the investigational drug deramciclane, with which a major clinical Phase 3 study was and still is underway in Europe and with which a corresponding big effort in the USA was being prepared. Another large program in the research pipeline is the tablet combining three active ingredients in one, for the treatment of Parkinson's Disease. More about the research projects is in the Report by the Board of Directors.

A marketing agreement for non-European countries was concluded with Pharmacia Corporation on deramciclane in August. This agreement represents the largest sales potential of all marketing partnerships of Orion Pharma hitherto.

### Comtess, the flagship

The Parkinson's Disease medication Comtess/Comtan (entacapone) was Orion Pharma's largest single product by sales, generating net sales of altogether EUR 56.4 million. The product has been available for three years in Europe and two years in the US. Net sales from it grew by 7.5%. More than half of its sales revenues came from the purchases by Novartis, the marketing partner covering the markets outside Orion's own territory under the product name Comtan. Comtan sales by Novartis came to CHF 165.8 million, or EUR 109.8 million, 67% up on the previous year. The sales of Comtan in the US grew by 95% whilst sales in the rest of the Novartis territory

grew by 31%. Additional markets also opened up for Comtan, and today, products containing entacapone are available in over 40 countries. Sales in 2001 of entacapone-containing preparations in selected countries in wholesale prices are shown in a table in the tables section.

The network of own foreign marketing companies accounted for EUR 92.6 million or almost one-third of Orion Pharma's foreign operations. The development of their net sales is shown in a table found in the tables section. Comtess was the largest selling product for most of the companies.

The development of all the foreign subsidiaries is reflecting sharpened focus on the core therapy areas. The net sales of the core therapy products increased according to plan whereas other sales, mainly generic, decreased. Orion Pharma S.A. in France, increased its net sales by successful sales of the Easyhaler in the first half of the year, but the growth faded towards the end of the year. The low growth of the German subsidiary was largely due to outlicensing of certain products to Galen Pharma in the previous year. The decreased net sales of the UK subsidiary were due to the Fermion API products stepping out from its portfolio.

Orion Pharma's net sales of the domestic pharmaceutical operations returned to growth after two consecutive years of decline. The net sales of self-medication products came to EUR 58.5 million, up by 7.5% while those of prescription drugs were EUR 116.8 million, down by 1.2%.

The efforts of the own marketing organisation are increasingly focusing on the products in the core therapy areas and physicians specialising in the treatment of the target disease. In the marketing of products typically prescribed by general practitioners Orion Pharma prefers partnerships with other pharmaceutical companies.

A vast project for upgrading the information systems is in progress in Orion Pharma. The target is to create a uniform integrated system for improved control of the business operations and to incorporate the data flows of the supply chain and financial reporting into one centralised information management system.

## **Oriola**

### **Increased volumes.**

### **Improved profit**

Continuing operations:

Invoicing EUR 622.8 million (EUR 574.0 million), +8.5% (+0.1%)

Net sales EUR 329.3 million (EUR 343.9 million), - 4.2% (+2.3%)

Operating profit EUR 20.3 million (EUR 19.7 million), +3.2% (-19.5%)

Oriola, engaged in the distribution of pharmaceuticals and in the marketing of healthcare equipment and supplies, showed good growth and operations were standing on a strong ground. Product deliveries to pharmacies and hospitals were managed without problems throughout the year. The backbone of all operations in Oriola is an agile and reliable logistics system that helps to manage the rapid flows of goods and related data efficiently.

Invoicing is a figure that reflects Oriola's volumes better than net sales, which declined from the previous year due to the fact that some distribution agreements were changed to apply so-called consignment trade pattern. From drug distribution based on this kind of agreements only the distribution fee paid by the principal is booked as net sales for Oriola.

Pharmaceutical wholesale and distribution accounted for 65% of Oriola's net sales while 35% came from the medico-technical equipment and supplies marketed by Oriola. Operations in Finland accounted for 86% of the net sales and 14% came from the businesses in the Baltic countries and Sweden. The foreign operations showed good growth but profitability continued to be unsatisfactory.

Oriola's share of the Finnish market for pharmaceutical distribution was 32%. Major principals in pharmaceutical distribution included Orion Pharma, Novo Nordisk, Janssen-Cilag, Organon and Boehringer Ingelheim. Merck KGaA and Fujisawa joined Oriola's distribution in early 2002, while Warner Lambert exited at the turn of the year in consequence of a merger. In February 2002, Oriola started pre-wholesaling and logistic co-operation with Aventis, taking care of Aventis' exports to Russia. The products are stored by Oriola in Finland and Oriola also forwards them over the border. Aventis is the largest importer of pharmaceuticals to Russia.

The net sales of the Medical and Technical business grew particularly well for the Medion business unit. Also the other units, i.e. Oriola Medical, Oriola Dental and Prolab developed positively and strengthened Oriola's position further in their specialist market segments.

## **Orion Diagnostica**

### **New tests providing competitive edge**

Net sales EUR 33.5 million (EUR 32.2 million), + 4.1% (+8.3%)  
 International operations EUR 27.4 million (EUR 26.4 million), +3.9% (+13.1%)  
 Operating profit EUR 4.9 million (EUR 5.4 million), -11.0% (+44.2%)

Sales of the QuikRead CRP test, used for the diagnosis of inflammation on the basis of C-reactive protein content in a blood sample, came to a new record. The second best selling product, Uricult maintained its position as the world's leading culture method for the detection of urinary tract infections, although the product lost some market share in the USA. Although operating profit declined from the previous year it still came to a very good level.

Most products of Orion Diagnostica are meant for so-called point-of-care testing which speeds up the diagnosis and the onset of treatment and also facilitates follow-up of the treatment. Also different hygiene tests are important in Orion Diagnostica's portfolio. Own products accounted for 90% of the net sales and exports for 82%. The products are characterised by high degree of innovation and unique operating principles utilising Orion's strong analyte knowhow.

## **Noiro**

### **Lumene generating growth**

Net sales EUR 125.3 million (EUR 114.4 million), +9.6% (+12.8%)  
 International operations EUR 43.9 million (EUR 37.3 million), +17.5% (+35.5%)  
 Operating profit EUR 9.2 million (EUR 7.6 million), +21.7% (-4.8%)

Noiro's net sales continued to show dynamic growth, and operating profit improved excellently. Activity was brisk all over and the production capacity was well in use. Exports reached a new record and accounted for 35% of Noiro's total sales. Lumene, the flagship proprietary brand of Noiro, enhanced its already strong foothold on the Finnish cosmetics market and accounted for more than one-third of Noiro's total net sales. Lumene is the leading product in exports too, constituting almost two-thirds of Noiro's exports. Another strong growth brand both domestically and in exports was Herbina, a product family of daily personal care and hygiene.

## **Outlook for 2002**

### **Group growth on last year's level**

### **Operating profit will decline**

The growth of the Orion Group net sales is anticipated to be at the same level as in the previous year and operating profit is anticipated to decrease. Also net financial income will decrease.

Orion Pharma's net sales are anticipated to grow somewhat. Product sales are expected to grow more rapidly than last year whereas milestone payments will be lower. The most important growth products will be the Parkinson's Disease drug Comtess/Comtan and the hormone replacement therapy Indivina. R&D investments will increase considerably due to the ongoing large Phase 3 clinical studies with Simdax and deramciclane. For these reasons, operating profit is estimated to decline.

Oriola is anticipated to show lower volume growth than last year and its operating profit is estimated to be at the same level as in the previous year. Orion Diagnostica will show stronger growth than last year and its operating

profit will remain at a good level. Noiro is anticipated to continue showing favourable progress both regarding net sales and operating profit.

The budgeted R&D expenditure is EUR 115 million (EUR 83.9 million actual in 2001). Planned investment in fixed assets, excluding possible company and product acquisitions, is EUR 100 million.

## **Orion Group Financial Goals**

The Orion Group goal is to increase the consolidated net sales by over 10% on average.

The target for the ROI is 20% on average.

Equity Ratio will be maintained at a level of over 50%.

## **Dividend policy**

In its proposal for the distribution of dividends, the Board of Directors of Orion Corporation considers not only the amount of distributable profits but also the medium and long-term investment and other financial needs of the Group.

## **Dividend proposal**

The Board of Directors proposes that a dividend of 1.10 euros per share be distributed among the altogether 67,518,421 shares, altogether EUR 74,270,263.10.

## **Annual General Meeting**

### **On Monday 15 April 2002 at 5 pm in the Länsi-Auto Areena, Espoo**

The Annual General Meeting of Orion's shareholders will be held on Monday, 15 April 2002 starting at 5 pm in the Länsi-Auto Areena hall in Espoo. An invitation to the Meeting will be published on the Orion Group homepage [www.orion.fi](http://www.orion.fi) as well as in the 7 March 2002 issue of the Helsingin Sanomat newspaper.

Orion Corporation

Jukka Viinanen  
President and CEO

Pauli Torkko  
Executive Vice President, CFO

## **Contact persons**

Jukka Viinanen, President and CEO, Orion Group, phone +358 10 429 3710

Pauli Torkko, Executive Vice President, CFO, Orion Group, phone +358 10 429 3711

Kari Varkila, SVP, Communications, Orion Pharma, phone +358 10 429 3325, +358 50 429 3325

## REPORT FOR 2001 BY THE BOARD OF DIRECTORS

**Tables**

GROUP INCOME STATEMENT  
GROUP BALANCE SHEET  
GROUP CONTINGENT LIABILITIES  
GROUP CASH FLOW STATEMENT  
GROUP NET SALES, OPERATING PROFIT AND PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES  
BY ANNUAL QUARTERS  
NET SALES BY BUSINESS DIVISION  
OPERATING PROFIT BY BUSINESS DIVISION  
INTERNATIONAL OPERATIONS BY BUSINESS DIVISION  
NET SALES BY MARKET AREA  
GROSS INVESTMENT  
GROSS INVESTMENT BY BUSINESS DIVISION  
GROUP PERSONNEL (average number of employees)  
GROUP PERSONNEL BY BUSINESS DIVISION (average number of employees)  
SHARE CAPITAL  
FACTS ABOUT ORION CORPORATION SHARES DURING 1-12/2001  
PERFORMANCE PER SHARE  
SHAREHOLDING BY TYPE OF OWNER ON 31 JANUARY 2002  
ORION GROUP FINANCIAL DEVELOPMENT 1997-2001

**Orion Pharma figures**

ORION PHARMA'S SALES REVENUES FROM PRODUCTS FROM OWN RESEARCH  
SALES OF ENTACAPONE PREPARATIONS AT WHOLESALE PRICES IN 2001  
IN SELECTED COUNTRIES  
DEVELOPMENT OF THE NET SALES OF THE ORION PHARMA SUBSIDIARIES

**Publication schedule for 2002**

## REPORT FOR 2001 BY THE BOARD OF DIRECTORS

(unaudited)

### Group net sales

The Orion Group net sales for 2001 were EUR 970.8 million (EUR 947.5 million in 2000\*) and they grew by 2.5% (3.9%) from the previous year. The comparable growth of the net sales of the continuing operations was 3.5%.

\*) The figures in the parentheses refer to those for 2000

### Orion Pharma

Orion Pharma's net sales came to EUR 487.0 million (EUR 452.2 million), up by 7.7% (up 3.3%). The products from Orion Pharma's own research pipeline accounted for EUR 92.6 million (EUR 92.0 million) or 27% (28%) of the net sales. Agreement-based payments from marketing partners accounted for EUR 50.3 million (EUR 19.4 million) of the net sales. EUR 34 million were received in September from Pharmacia in association with the conclusion of the marketing agreement on deramciclane, an investigational anxiolytic. Deliveries of pharmaceutical preparations to markets outside Finland decreased from the previous year.

The largest products by sales were the Parkinson's Disease drug Comtess/Comtan (entacapone), the Divina family of hormone replacement therapies, the breast cancer drug Fareston (toremifene) and the animal sedative range. The sales revenues from Comtess within Orion Pharma's own marketing territory grew by 35% and the sales by the marketing partner Novartis to wholesalers within its marketing territory grew by 67%. Orion's deliveries to Novartis were, however, 10% lower than in the previous year.

The heart failure drug Simdax (levosimendan) was launched in selected European countries but sales revenues were still modest. Sales of hormone replacement therapies grew thanks to the success of the new Indivina, in particular.

The marketing strategy has been re-focused so that the own marketing network will increasingly concentrate on physicians specialising in Orion Pharma's core therapy areas.

Orion Pharma's net sales in Finland increased slightly by 1.5% (down 10.9%) and Orion's market share was 12.7% (14.9%). Part of the decline in the market share was due to the divestment of the large-volume parenterals business.

### Oriola

The invoicing of Oriola's continuing operations came to EUR 622.8 million (EUR 574.0 million), up by 8.5% (up 0.1%). The corresponding net sales decreased by 4.2% (up 2.3%) due to the changed pattern of some pharmaceuticals distribution agreements to consignment trade.

Invoicing of the drug distribution and wholesale business was altogether EUR 499.1 million, up by 6.6% (down 0.3%). The corresponding net sales were EUR 214.7 million, down by 12.3% (up 3.1%), and they accounted for 65% of the Oriola total. Invoicing of pharmaceutical wholesale in Finland grew by 3.1% (down 2.1%). Net sales from the operations in the Baltic countries grew satisfactorily.

The net sales of the Medical and Technical business came to EUR 114.7 million, up by 15.7% (up 0.3%), and they accounted for 35 % of Oriola's total net sales. Medion increased net sales particularly well, but also Oriola Medical, Prolab and Oriola Dental in Finland developed favourably.

### Orion Diagnostica

Orion Diagnostica's net sales came to EUR 33.5 million (EUR 32.2 million) and they were up by 4.1% (up 8.3%). The sales of Point-of-Care tests continued showing strong growth, mainly thanks to the success of the QuikRead test. Uricult lost some market share in the US but it is still keeping its position as the world's leading dip-slide urine culture test.

## Noiro

Noiro continued to show good net sales growth, now reaching EUR 125.3 million (EUR 114.4 million), up by 9.6% (up 12.8%). The Lumene cosmetics series already accounted for more than one-third of the net sales. It performed excellently both in Finland and in exports which continued to grow rapidly especially to Russia. Also sales of the Herbina products for daily personal hygiene increased.

## Group profits

The operating profit of the Group was EUR 116.4 million (EUR 114.5 million), almost at the level of the previous year, up 1.6% (down 7.7%). Profitability in all the four business divisions was very satisfactory.

The marketing agreement-based payments received gave a considerable positive contribution to Orion Pharma's operating profit. Investment in research and development grew significantly due to numerous ongoing clinical research projects. Also international marketing expenses grew in the first half of the year in particular, but they were quickly adapted to the market situation. Operating profit declined from the previous year.

Operating profit for Oriola's continuing operations improved from the previous year, mainly thanks to the favourable development of the Medical and Technical sector businesses, even if their results were also slightly influenced by received compensation for terminated product representations. Operations in the Baltic countries and the dental business in Sweden continued showing unsatisfactory results. Orion Diagnostica's operating profit declined yet came to a good level. Noiro's operating profit improved and the development of sales and costs was well balanced.

Consolidated other operating expenses includes EUR +2.7 million in revaluation of the Tamro Corporation shares held by Orion Corporation. Other operating income includes EUR 0.5 million in capital gains from Tamro shares sold. Net gains from ordinary financial operations as a whole were lower than in the previous year. Group profit as a whole was very satisfactory.

In the Group Income Statement, the income from ordinary financial operations were EUR 7.2 million (EUR 10.9 million). Net interest earnings were EUR 5.8 million (EUR 6.8 million). Exchange rates caused a net loss of EUR 0.2 million (net loss of EUR 0.7 million). Net income from securities and dividends was EUR 1.6 million (EUR 4.8 million). Dividend income and earnings from sold assets declined from the previous year.

The Group profit before extraordinary items and taxes came to EUR 123.6 million (EUR 125.4 million), down by 1.5% (down 8.1%). Taxes on ordinary operations for the financial year were EUR 39.2 million (EUR 42.8 million) and those on extraordinary items were EUR 2.2 million (EUR 1.8 million). The change in deferred taxes has been taken into account in the income taxes. The value of the shares in Orion Pharma (UK) Ltd. has been reduced by EUR 15 million due to unprofitable operations, which will lower the parent company's income taxes by EUR 4.4 million.

Extraordinary items include income from the divestment of the Soredex business of Oriola, mainly goodwill from which the costs related to the transaction have been deducted. The item also includes earnings from the sale of unbuilt land areas in Turku, Finland, and in Estonia.

Earnings per share were EUR 1.25 (EUR 1.22), up by 2.3% (down 10.9%). Shareholders' equity per share was EUR 10.04 (EUR 9.90). Group return on investment, ROI, before extraordinary items and taxes was 17.5% (18.2%). Return on shareholders' equity, ROE, after taxes was 12.5% (12.4%).

## Financing

Group solvency and liquidity were good. The Group's finance, investment and currency strategy is to support business operations and to achieve good and solid long-term earnings by avoiding unnecessary risks. A most neutral interest, currency, investment and counter party portfolio as well as good liquidity is maintained by means of a diversified money market portfolio.

Accordingly, the Group's cash reserves were placed in money market instruments and bonds issued by European states and enterprises. Minor amounts were invested in domestic and foreign listed shares and investment funds.

Derivatives were only utilised for hedging against risks involved in foreign currencies and interest instruments. The net currency flows in the US dollar were positive whereas those in GB pounds were slightly negative.

Liabilities in the consolidated Balance Sheet of 31 Dec. 2001 were EUR 267.8 million (EUR 244.2 million) including deferred tax liability. Interest-bearing liabilities were EUR 52.0 million (EUR 51.8 million). Short-term interest-bearing liabilities accounted for 31.3% (29.1%) of total interest-bearing liabilities.

Group equity ratio decreased slightly and was 72.6% (74.2%) at the year-end. Gearing was -24.7% (-26.7%).

### **Investments in fixed assets**

Gross investments by the Group amounted to EUR 79.2 million (EUR 63.6 million), or 8.2% (6.7%) of the Group net sales.

Investment in buildings during the review year was altogether EUR 24.2 million (EUR 20.3 million). The extension of the Fermion active pharmaceutical ingredients plant in Hanko was completed in May and that of the Farnos industrial chemicals plant of Noiro in Turku towards the end of the year. Two major building projects were started. One of them is the extension of the research centre under construction at in Turku, with a total acquisition cost estimated at EUR 12 million. The new cosmetics plant being built for Noiro with an estimated total acquisition cost of EUR 19 million. These two projects will be completed in mid 2002.

Major information system upgrading is underway in Orion Pharma, Oriola and Orion Diagnostica for improving the overall management of the business operations.

### **Changes in the Group structure**

In June, the Finnident business of Soredex was spun off via an MBO arrangement. In July, the dental imaging systems businesses of Soredex and its US subsidiary were sold to Instrumentarium Corporation. Soredex net sales for 2000 were EUR 19.1 million and the number of employees was 165.

In November, a subsidiary Oriola A/S was established in Denmark for the marketing of dental equipment and related services.

Kiinteistö Oy Harmaaparta, a real estate company, was founded in December for the administration of new real estate acquired in Espoo.

In January 2002, the Hiven Oy subsidiary of Orion Pharma Animal Health was divested to Suomen Rehu Oy. The 2001 net sales of Hiven Oy came to EUR 6.4 million and the number of employees was 21.

### **Personnel**

The average number of personnel in the Orion Group was 5,456 (5,351). The average total number of employees in the continuing operations came to 5,371 (5,188) and it increased by 183, or 3.5%. The average number of staff in the foreign Orion Pharma marketing subsidiaries and representative offices rose by 42 to 517, up 8.8% (rose by 75 to 475, up 18.8%). Also personnel engaged in R&D increased. The research centre in Nottingham had an average of 21 persons. On the other hand, the average number of Orion Pharma personnel declined by 57 due to the closure of three minor pharmaceutical plants in Finland. Personnel in Noiro increased by 51, or 6.4% (grew by 44, or 5.9%), mainly in production and marketing. Personnel in the parent company Orion Corporation grew by an average of 78.

### **Board of Directors as of 1 January 2002**

At its meeting in December, the Supervisory Board of Orion Corporation decided upon the composition of the Board of Directors. Eeva Kölli-Jäntti and Heikki Vapaatalo were elected as new members, whereby both resigned from the Supervisory Board. Erkki Etola was appointed Deputy Chairman of the Board. Aatto Prihti and Eero Karvonen stepped down from the Board of Directors. As of 1 January 2002, the composition of the Board of Directors is as follows: Juhani Leikola, Chairman, Erkki Etola, Deputy Chairman, the other members being Petteri Karttunen, Eeva Kölli-Jäntti, Tuomo Lähdesmäki and Heikki Vapaatalo.

## Research and product development

Group spending on research and development, excluding external financial contributions, came to EUR 83,9 million (EUR 68.8 million), and they accounted for 8.6% (7.3%) of the consolidated net sales. The expenditure grew by 21.9% (up 6.2%). Pharmaceutical R&D accounted for 93% (91%) of the total. Correspondingly, the proportion of pharmaceutical R&D of Orion Pharma's net sales was 16.0% (13.9%).

Orion Pharma's biggest single research projects were the development program of the entacapone combination tablet for the treatment of Parkinson's Disease, and the Phase 3 clinical studies with the heart failure drug Simdax and the anxiety drug deramciclane.

The development of the tablet combining entacapone with levodopa and carbidopa advanced as planned, and marketing authorisations will be applied in the US and Europe during 2002. The first launches are anticipated approximately at the turn of 2003-2004.

The European multicentre Phase 3 studies continued with deramciclane, a drug candidate being investigated in patients with generalised anxiety disorder (GAD). In August Orion concluded a development and marketing agreement on the product with Pharmacia Corporation covering the US and all other countries outside Europe. Orion Pharma and Pharmacia will jointly carry out the Phase 3 clinical studies in the US, while Orion Pharma will sponsor the entire clinical development program, which aims at marketing authorisations in the US and the EU in 2005.

Simdax (levosimendan), a hospital treatment for acute severe heart failure, received additional marketing authorisations in nine additional European countries and some non-European markets following the approval of the reference country Sweden, which granted approval already in 2000. The product was also launched in some of the countries. Those having approved the product included Finland, Norway and Iceland, where Orion Pharma will market the product, and Italy, Spain, Greece, Austria, Luxembourg and Portugal where Abbott Laboratories has the marketing rights for it.

The introduction of Simdax to some of the European markets seems to be postponed to around 2005. Orion Pharma had to withdraw its marketing authorisation application from the UK, France and Germany, which were not ready to recognise the Swedish marketing authorisation. A large 2-year Phase 3 clinical study with Simdax started in the US for a US new drug application. The results from this study will be used to support the corresponding applications also Europe.

Clinical follow-up studies are ongoing in Parkinson's Disease patients using Comtess or Comtan, the already widely commercialised product containing plain entacapone. The results published in 2001 highlight the pharmacoeconomic and quality-of-life benefits of the Comtess/Comtan therapy. Orion Pharma and Novartis are designing additional studies addressing the use of COMT inhibition in a broader patient population than currently indicated for.

An Orphan Drug Status was received for the fast-dissolving Zydis formulation of apomorphine that is being developed by Orion Pharma for patients with advanced Parkinson's Disease. With this status Orion Pharma can obtain ten years exclusivity for the product in all EU countries. The development of the product is in Phase 2.

The marketing application for Giona Easyhaler, containing budesonide for asthma, has been under review by the reference member state Germany longer than expected and is still waiting for the decision. The Phase 3 trials with Easyhaler containing formoterol are ongoing. In the beginning of 2002 Orion will introduce a new, improved Easyhaler device to the market.

Post-marketing studies with the new hormone replacement product Indivina are continuing. The clinical development of Nestorone, a synthetic progestin, was discontinued due to commercial reasons.

The results from a three-year Phase 3 clinical study aiming at broadening the indication of the breast cancer drug Fareston (toremifene) were positive as such, but the duration of the studies pointed out to be too short for the US regulatory authority. Plans to try to broaden the indication are not actual for the moment. In 2001, the US-based company Genotherapeutics, Inc. began Phase 3 studies in the US with toremifene in prostate cancer under a license from Orion Pharma.

Further studies with Precedex, a sedative for use in intensive care, for registering it in the EU are not in progress for the time being.

## Outlook for 2002

Orion Pharma's net sales are anticipated to grow somewhat. Product sales are expected to grow more rapidly than last year whereas milestone payments are anticipated to remain lower. The most important growth products will be Comtess/Comtan for Parkinson's and the hormone replacement therapy Indivina. R&D investment will increase considerably due to the ongoing large Phase 3 clinical studies with Simdax and deramciclane. For these reasons, Orion Pharma's operating profit is estimated to decline from the previous year.

Oriola is anticipated to show lower volume growth than last year whereas its operating profit is estimated to be at the same level as in the previous year.

Orion Diagnostica will show stronger growth than last year and its operating profit will remain at a good level.

Noiro will continue showing favourable progress both regarding net sales and operating profit.

The growth of the Orion Group net sales is estimated to be at the last year's level same level and operating profit is estimated to decrease. Also net financial income will decrease.

The budgeted R&D expenditure is EUR 115 million (EUR 83,9 million actual in 2001). Planned investment in fixed assets, excluding possible company and product acquisitions, is EUR 100 million.

## Share capital and shares of Orion Corporation

The share capital of Orion Corporation is EUR 114.8 million, and the nominal value of each share is 1.70 euros. The minimum share capital is EUR 85.0 million and the maximum is EUR 340.0 million, and it can be increased or decreased within these limits without amending the Bylaws. The total number of Orion Corporation shares is about 67.5 million and they divide among the series A and B. Both shares are quoted on the Helsinki Exchanges. At shareholders' meetings, each A-share provides 20 (twenty) votes and each B-share one (1) vote. Both series provide equal rights to company assets and dividends.

A shareholder can require the conversion of his A-shares into B-shares. In 2001, altogether 803,134 A-shares were converted to B-shares.

The Board of Directors has no existing authorisation by the Shareholders' Meeting to acquire or sell the company's own shares, to raise the share capital or to issue a bond loan, convertible loan or option rights.

## Warrants Program 1998

The first half, the so-called A-warrants, of the warrants attached to the 1998 Warrants Program for the entire personnel of the Orion Group were released for trading on 2 May 2001. The three-year interest-free bond loan relating to the program was repaid to the participants on 22 May 2001. The loan capital on the repayment day was EUR 1.6 million. The A-warrants are quoted on the Helsinki Exchanges. On the basis of the A-warrants, altogether as many as 1,581,600 new Orion B-shares can be subscribed for during 2 May 2001 - 30 April 2005 representing 2.3% of the total Orion shares and 0.2% of the total votes. The nominal value of each is 1.70 euros and the share subscription price before the next dividend payment is 28.91 euros. The B-warrants of this program will be released on 2 May 2003 and their subscription period will also end on 30 April 2005. The share capital can increase by up to EUR 5,377,440 in result of the subscriptions. No share subscriptions with the warrants occurred during the year.

## Warrants Program 2001

The Annual General Meeting held on 29 March 2001 approved the Board of Directors' proposal to issue warrants to the key persons of Orion Corporation and its subsidiaries and to a wholly-owned subsidiary. The program contains altogether 1,800,000 warrants, each entitling to subscribe for one Orion B-share, nominal value 1.70 euros each. The subscription period shall begin for warrant 2001A on 1 October 2003, for warrant 2001B on 1 October 2004, for warrant 2001C on 1 October 2005 and for warrant 2001D on 1 October 2006. The share subscription period shall, for all warrants, end on 31 October 2007.

The warrants were allocated in accordance with the decision by the Board of Directors to 113 key persons of the Group in June, with emphasis on those engaged in research and development.

The share subscription price before the next dividend payment is 28.91 euros for the warrants 2001A and 2001B and it will decline by each future dividend paid per share before the record date for dividend payment until shares are subscribed for. For warrants 2001C the share subscription price will be the trade-volume-weighted average quotation of the B-share in the Helsinki Exchanges between 1 and 31 March 2002, and for warrants 2001D it will be the corresponding quotation between 1 and 30 September 2002. The share subscription price of warrants 2001C and 2001D can only be reduced by possible special dividends per share that differ from the company's normal dividend distribution policy. Dividend rights of the shares will commence when the increase of the share capital has been registered with the Trade Register.

The share capital can increase by up to EUR 3,060,000 and the number of shares by up to 1,800,000 B-shares. The shares subscribable on the basis of the Year 2001 Warrants Program represent 2.67% on the total number of Orion shares and 0.26% on the total number of votes.

### **Notification in 2001 in accordance with Securities Market Act section 9 of chapter 2**

On 31 December 2001, the Varma-Sampo Mutual Pension Insurance Company notified Orion Corporation that its ownership in Orion Corporation exceeded the 1/20 (one of twenty) limit in consequence of the conversion other shareholders' shares that was entered in the Trade Register on 28 December 2001. The holding of Varma-Sampo in Orion Corporation rose hereby to 2.661% of the total number of the A- and B-shares and to 5.013% of the total votes.

### **Management interests on 31 January 2002**

The members of the Supervisory Board and the Board of Directors, the President and the Executive Vice President and the Presidents of the four business divisions own altogether 2,098,527 Orion shares (including those held by under-age children and by organisations or foundations of which the person has control). These represent 3.1% of the total number of shares and provide altogether 39,235,205 votes, or 5.6% of the total votes. The President, the Executive Vice President and the division Presidents are holding altogether 180,000 warrants in the Year 1998 programme and 240,000 warrants of the Year 2001 programme. With these amounts their shareholding in the Company can increase by up to 420,000 shares, or 0.6% of the current total share stock and 0.1% of the total votes.

### **Insider Guidelines**

The Insider Guidelines of the Orion Group are in accordance with those recommended by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry.

### **Proposal by the Board of Directors for the distribution of profits for 2001**

The non-restricted equity in the consolidated Balance Sheet on 31 December 2001 amounts to EUR 558.0 million, of which EUR 431.7 million are distributable. The non-restricted equity of the Parent Company is EUR 357,064,863.95, profit for the financial year accounting for EUR 137,161,724.04.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.10 per share be distributed on the 67,518,421 shares, altogether EUR 74,270,263.10, that EUR 100,800.00 be donated to medical research and that EUR 282,693,800.85 be retained on the profit and loss account.

Espoo, 18 February 2002

Board of Directors of Orion Corporation

## TABLES

### GROUP INCOME STATEMENT

	2001 MEUR	2000 MEUR	Change %
NET SALES	970.8	947.5	+2.5%
of which international operations	422.8	384.0	+10.1%
Other operating income	+13.0	+17.3	-24.5%
Operating expenses	-824.8	-807.3	+2.2%
Depreciation and reduction in value	-42.6	-43.0	-0.7%
OPERATING PROFIT	116.4	114.5	+1.6%
Financial income and expenses	+7.2	+10.9	-34.1%
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	123.6	125.4	-1.5%
Extraordinary items	+7.8	+6.9	+13.2%
PROFIT BEFORE TAXES	131.4	132.3	-0.7%
Income taxes on ordinary operations	-39.2	-42.8	-8.7%
Income taxes on extraordinary items	-2.2	-1.8	
PROFIT FOR THE FINANCIAL YEAR	90.0	87.7	+2.7%
PROFIT AFTER TAXES WITHOUT EXTRAORDINARY ITEMS	84.4	82.6	+2.3%

### GROUP BALANCE SHEET

ASSETS	2001 MEUR	2000 MEUR	Change %
NON-CURRENT ASSETS			
Intangible assets:			
Intangible rights	22.9	16.9	+35.1%
Goodwill	20.8	24.5	-14.9%
Group goodwill	0.3	0.5	-49.3%
Other capitalised expenditure	12.3	6.0	+107.2%
Tangible assets:			
Land and water	9.5	8.2	+16.9%
Buildings	167.5	160.3	+4.5%
Machinery and equipment	116.6	103.4	+12.8%
Other tangible assets	1.3	1.3	-2.7%
Advance payments and construction in progress	19.4	19.4	-0.3%
Investments:			
Shares in associated companies	0.1	0.1	-0.9%
Other investments	14.3	23.3	-38.6%

	2001 MEUR	2000 MEUR	Change %
<b>CURRENT ASSETS</b>			
Stocks	185.6	168.6	+10.1%
Deferred tax asset	3.3	3.3	-1.4%
Non-current receivables	9.4	8.4	+12.7%
Current receivables	145.7	140.4	+3.8%
Investments	189.5	203.9	-7.1%
Cash in hand and at banks	30.0	26.1	+14.6%
<b>ASSETS TOTAL</b>	<b>948.5</b>	<b>914.6</b>	<b>+3.7%</b>

## LIABILITIES

### SHAREHOLDERS' EQUITY

Share capital	114.8	114.8	0.0%
Premium fund	4.2	4.2	0.0%
Reserve fund	0.6	0.6	+2.1%
Retained earnings	468.0	461.5	+1.4%
Profit for the financial year	90.0	87.7	+2.7%

<b>PROVISIONS</b>	<b>3.1</b>	<b>1.6</b>	<b>+90.9%</b>
-------------------	------------	------------	---------------

## LIABILITIES

Deferred tax liability	52.5	53.2	-1.2%
------------------------	------	------	-------

### Non-current liabilities:

Pension loans	32.1	32.1	0.0%
Other non-current liabilities	4.2	5.0	-16.5%

### Current liabilities:

Advances received	14.7	12.9	+13.8%
Trade payables	104.9	87.4	+20.0%
Other current liabilities	59.4	53.6	+10.8%

<b>LIABILITIES TOTAL</b>	<b>948.5</b>	<b>914.6</b>	<b>+3.7%</b>
--------------------------	--------------	--------------	--------------

## GROUP CONTINGENT LIABILITIES

	2001 MEUR	2000 MEUR
Mortgages on land and buildings	29.5	29.5
Pledges	22.5	25.4
Guarantees	3.6	2.3
Leasing liabilities	4.6	4.0
Other liabilities	0.3	0.2
Repurchase liabilities		
- repurchase price	0.3	0.6
- market value less/more than repurchase price	-0.2	0.2
Currency derivatives		
Forward contracts:		
- market value	-0.1	0.4
- counter value in EUR for currency sold	6.6	4.8

## Pending legal proceedings

The decision by the Espoo City Court of 3 December 1999 where the Court rejected all essential parts of the claims by Dr. P. Jackson against Orion Corporation, is still not final. Dr. Jackson has claimed that Orion Corporation had failed to commercially utilise the patent rights to a certain protection solution for animal feedstuffs.

The legal proceedings which started in 1999 between Orion Corporation as the plaintiff, and BioTie Therapies Oyj and Mr. Markku Jalkanen and Mrs. Sirpa Jalkanen as the defendants, concerning certain patent and utilisation rights, are still pending at the Helsinki District Court.

<b>GROUP CASH FLOW STATEMENT</b>	<b>2001 MEUR</b>	<b>2000 MEUR</b>	<b>Change %</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Operating profit	116.4	114.5	+1.6%
Adjustments	39.3	39.7	-0.9%
Changes in working capital	-4.1	-13.8	-70.5%
Cash flow from operating activities before financial items and taxes	151.6	140.4	+8.0%
Interest paid	-3.9	-4.8	-17.4%
Interest received	7.0	8.2	-14.4%
Income taxes paid	-42.3	-45.1	-6.1%
Net cash from operating activities	112.4	98.7	+13.9%
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in intangible and tangible assets	-75.9	-62.7	+21.2%
Proceeds from sale of intangible and tangible assets	16.8	3.4	+389.9%
Investments in other shares and securities	-9.1	-19.8	-53.8%
Proceeds from sale of other shares and securities	29.6	21.8	+36.3%
Interest received	2.8	3.1	-9.8%
Dividends received	0.7	2.3	-68.5%
Net cash used in investing activities	-35.1	-51.9	-32.4%
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from (+)/			
payments of (-) short-term loans	1.3	3.6	-63.9%
Proceeds from long-term loans	0.4	1.1	-65.0%
Payments of long-term loans	-1.5	-4.3	-65.2%
Taxes related to financing activities	-	-10.7	
Dividends paid and other distribution of profits	-81.0	-42.5*	+90.6%
Net cash used in financing activities	-80.8	-52.8	+53.0%
Change in cash and cash equivalents according to the cash flow statement	-3.5	-6.0	-41.5%
Foreign exchange adjustment	0.1	-1.9	-105.2%
Net increase (+)/ decrease (-) in cash and cash equivalents	-3.4	-7.9	-56.7%
Cash and cash equivalents at the beginning of the period	171.7	179.7	-4.4%
Cash and cash equivalents at the end of the period	168.3	171.8	-2.0%

\*The item "Dividends paid and other distribution of profits" includes the profit distribution in cash and the property transfer tax paid on the shares distributed as dividends.

Besides cash in hand and at banks, the cash equivalents include marketable securities with a very low risk of change in value.

#### **GROUP NET SALES, OPERATING PROFIT AND PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES BY ANNUAL QUARTERS**

	7-9/00 MEUR	10-12/00 MEUR	1-3/01 MEUR	4-6/01 MEUR	7-9/01 MEUR	10-12/01 MEUR
Net sales	238.0	245.3	231.0	244.3	244.7	250.8
Operating profit	45.0	22.7	14.3	33.2	52.8	16.1
Profit before extraord. items and taxes	47.8	24.8	17.7	34.7	53.5	17.7

#### **NET SALES BY BUSINESS DIVISION**

	2001 MEUR	2000 MEUR	Change %	Share in 2001
Orion Pharma	487.0	452.2	+7.7 %	50 %
Oriola, continuing operations	329.3	343.9	-4.2 %	34 %
Orion Diagnostica	33.5	32.2	+4.1 %	3 %
Noiro	125.3	114.4	+9.6 %	13 %
Group total, continuing operations	958.0	926.0	+3.5 %	100 %
Soredex *)	13.0	22.4		
Group total	970.8	947.5	+2.5 %	

\*) Soredex is included in the 2001 figures for 6 months.

#### **OPERATING PROFIT BY BUSINESS DIVISION**

	2001 MEUR	2000 MEUR	Change %	Share in 2001
Orion Pharma	82.4	87.4	-5.7 %	71 %
Oriola, continuing operations	20.3	19.7	+3.2 %	17 %
Orion Diagnostica	4.9	5.4	-11.0 %	4 %
Noiro	9.2	7.6	+21.7 %	8 %
Group items	-0.9	-7.5		
Group total, continuing operations	115.9	112.6	+2.9 %	100 %
Soredex*	0.5	2.0		
Group total	116.4	114.5	+1.6 %	

**INTERNATIONAL OPERATIONS BY BUSINESS DIVISION**

	2001 MEUR	2000 MEUR	Change %	Share of 2001 net sales of resp. Division
Orion Pharma	293.3	261.4	+12.2 %	60.2 %
Oriola, continuing operations	46.0	38.3	+20.2 %	14.0 %
Orion Diagnostica	27.4	26.4	+3.9 %	81.8 %
Noiro	43.9	37.3	+17.5 %	35.0 %
Group total, continuing operations	410.1	362.6	+13.1 %	42.8 %
Soredex*	12.5	21.8		
Group total	422.8	384.0	+10.1 %	43.6 %

**NET SALES BY MARKET AREA**

	2001 MEUR	2000 MEUR	Change %	Share in 2001
Finland	547.8	563.4	-2.8 %	57 %
Scandinavia	75.7	70.5	+7.3 %	8 %
Other Europe	198.0	204.7	-3.3 %	21 %
North America	77.0	50.2	+53.4 %	8 %
Other markets	59.5	37.2	+59.7 %	6 %
Group total, continuing operations	958.0	926.0	+3.5 %	100 %
Soredex	13.0	22.4		
Group total	970.8	947.5	+2.5 %	

**GROSS INVESTMENTS**

	2001 MEUR	2000 MEUR
Land areas	2.3	0.1
Buildings	24.2	20.3
Machinery and equipment	31.8	34.5
Shares	0.0	0.1
Other fixed assets	20.4	8.2
Group total, continuing operations	78.7	63.2
Soredex	0.5	0.4
Total	79.2	63.6
Investments in proportion to net sales	8.2 %	6.7 %

**GROSS INVESTMENTS BY BUSINESS DIVISION**

	2001 MEUR	2000 MEUR
Orion Pharma	50.6	49.8
Oriola, continuing operations	5.6	5.5
Orion Diagnostica	1.5	1.4
Noiro	18.0	5.3
Corporate Administration	3.0	1.2
Group total, continuing operations	78.7	63.2
Soredex	0.5	0.4
Group total	79.2	63.6

**GROUP PERSONNEL (average number of employees)**

	2001	Share	2000	Share
Orion Corporation	3 779	69.2 %	3 701	69.2 %
Subsidiaries in Finland	846	15.5 %	826	15.4 %
Finland total	4 625	84.7 %	4 526	84.6 %
Foreign subsidiaries	746	13.7 %	662	12.4 %
Group total, continuing operations	5 371	98.4 %	5 188	97.0 %
Soredex*	85	1.6 %	162	3.0 %
Group total	5 456	100.0 %	5 351	100.0 %

**PERSONNEL BY DIVISION (average number of employees)**

	2001	2000	Change	Share in 2001
Orion Pharma	3 138	3 021	+4.0 %	58.5 %
Oriola, continuing operations	1 027	1 020	+0.6 %	19.1 %
Orion Diagnostica	336	330	+1.9 %	6.2 %
Noiro	844	793	+6.4 %	15.7 %
Corporate Administration	26	25	+4.4 %	0.5 %
Group total, continuing operations	5 371	5 188	+3.5 %	100.0 %
Soredex*	85	162		
Group total	5 456	5 351		

**SHARE CAPITAL**

	2001 MEUR	2000 MEUR	1999 MEUR	1998 MEUR	1997 MEUR
Share capital	114.8	114.8	119.0	117.7	117.7
A-shares	56.8	58.2	63.0	62.3	62.3
B-shares	58.0	56.6	56.0	55.4	55.4
Share issues:					
Bonus issue	-	-	1.3	-	(5:2) 33.6
Shareholders	28 340	26 674	24 515	21 783	19 001

**FACTS ABOUT ORION CORPORATION SHARES DURING 1-12/2001**

	Series A	Series B	A and B total
Total number of shares	33 414 163	34 104 258	67 518 421
Share of total stock	49.5 %	50.5 %	100.0 %
Nominal value of share	1.70 EUR	1.70 EUR	
Votes per share	20 votes	1 vote	
Lot size at least	100	100	
Trading code on the Helsinki Stock Exchange	ORIAS	ORIBS	

**TRADING IN THE A- AND B-SHARES DURING 1-12 /2001**

Total number of shares traded	3 676 815	8 136 586	11 813 401
Share of total stock	11.0 %	23.9 %	17.5 %
Lowest quotation	17.25 EUR	17.60 EUR	
Highest quotation	25.00 EUR	25.20 EUR	
Closing quotation on 1 January	22.80 EUR	23.00 EUR	
Closing quotation on 31 December	19.90 EUR	19.90 EUR	
Market value on 31 December	664.9 MEUR	678.7 MEUR	1 343.6 MEUR

**PERFORMANCE PER SHARE**

	2001	2000	Change
Earnings per share	1.25 EUR	1.22 EUR	+2.3 %
Shareholders' equity per share	10.04 EUR	9.90 EUR	+1.3 %
Total dividends paid, proposed for 2001	74.3 MEUR	81.0 MEUR	
Dividend per share, proposed	1.10 EUR	1.20 EUR	-8.3 %
Dividend per earnings, proposed	88.0 %	98.4 %	
Dividend yield, A-share, proposed	5.5 %	5.0 %	
Dividend yield, B-share, proposed	5.5 %	5.0 %	
Price/earnings (P/E), A-share	15.92	19.67	
Price/earnings (P/E), B-share	15.92	19.51	
Average total number of shares (1000)	67 518	67 518	

The warrants had no dilutive effect on the earnings per share for 1-12/2001.

**SHAREHOLDING BY TYPE OF OWNER ON 31 JANUARY 2002**

		<b>A-shares</b>			<b>B-shares</b>	
	Share- holders	% of share- holders	% of shares	Share- holders	% of share- holders	% of shares
Individuals	11 856	94.7 %	50.9 %	19 996	93.4 %	43.4 %
Government and municipal Sector corporations	3	0.0 %	0.0 %	5	0.0 %	0.0 %
Private corporations	404	3.2 %	11.5 %	792	3.7 %	7.8 %
Banks and insurance companies	25	0.2 %	10.7 %	88	0.4 %	5.5 %
Public entities	18	0.2 %	16.4 %	58	0.3 %	12.5 %
Associations and foundations	151	1.2 %	6.3 %	392	1.8 %	7.3 %
Foreign shareholders including nominee registrations	64	0.5 %	4.1 %	92	0.4 %	23.4 %
Total	12 521	100.0 %	99.9 %	21 423	100.0 %	99.9 %

**A-shares and B-shares total**

	Share- holders	% of shareholders	% of shares
Individuals	26 488	93.5 %	47.1 %
Government and municipal sector corporations	8	0.0 %	0.0 %
Private corporations	1087	3.8 %	9.6 %
Banks and insurance companies	97	0.3 %	8.1 %
Public entities	62	0.2 %	14.5 %
Associations and foundations	471	1.7 %	6.8 %
Foreign shareholders including nominee registrations	127	0.5 %	13.8 %
Total	28 340	100.0 %	99.9 %

Shares not transferred to the book-entry securities systems or not subscribed to represent 0.1% of the total number of shares.

Orion Corporation had a total of 28,340 registered shareholders in the book-entry securities system on 31 January 2002.

As per 31 January 2002, the number of nominee registered Orion Corporation shares in the book-entry securities system was 8,920,169, corresponding to 13.2% of the total number of shares and 4.2% of the total votes.

**ORION GROUP FINANCIAL DEVELOPMENT 1997-2001**

	2001 MEUR	2000 MEUR	1999 MEUR	1998 MEUR	1997 MEUR
<b>NET SALES AND PROFIT</b>					
Net sales	970.8	947.5	912.2	869.8	789.6
Change on the previous year, %	+2.5%	+3.9%	+4.9%	+10.2%	+7.1%
Exports from Finland	320.7	288.9	241.0	229.1	200.0
Change on the previous year, %	+11.0%	+19.9%	+5.2%	+14.5%	+14.6%
International operations	422.8	384.0	329.9	313.5	290.3
% of net sales	43.6%	40.5%	36.2%	36.0%	36.8%
Change on the previous year, %	+10.1%	+16.4%	+5.2%	+8.0%	+15.5%
Depreciation according to plan	42.6	43.0	46.5	39.2	38.0
Operating profit	116.4	114.5	124.0	109.3	120.6
% of net sales	12.0%	12.1%	13.6%	12.6%	15.3%
Change on the previous year, %	+1.6%	-7.7%	+13.5%	-9.3%	+13.4%
Financial income and expenses	+7.2	+10.9	+12.4	+11.8	+18.5
% of net sales	+0.7%	+1.2%	+1.4%	+1.4%	+2.3%
Profit before extraordinary items and taxes	123.6	125.4	136.4	121.1	139.1
% of net sales	12.7%	13.2%	15.0%	13.9%	17.6%
Change on the previous year, %	-1.5%	-8.1%	+12.7%	-13.0%	+12.0%
Extraordinary income and expenses, net	+7.8	+6.9	+97.6	+3.9	+0.0
Income taxes on ordinary operations *)	39.2	42.8	43.7	36.5	38.9
Profit after taxes without extraordinary items	84.4	82.6	92.7	84.6	100.2
Return on invested capital					
before extraordinary items and taxes (ROI)	17.5%	18.2%	18.6%	16.2%	19.0%
Return on equity (ROE)	12.5%	12.4%	13.3%	11.6%	14.4%
<b>BALANCE SHEET</b>					
Current assets	563.5	550.7	527.0	493.1	524.4
Non-current assets	385.0	363.9	385.1	462.8	438.1
Liabilities	267.8	244.2	250.1	224.7	234.6
Interest-free liabilities	215.8	192.4	198.8	173.0	187.8
Interest-bearing liabilities	52.0	51.8	51.3	51.6	46.7
Provisions	3.1	1.6	0.3	0.9	1.1
Shareholders' equity	677.6	668.8	661.7	730.2	726.8
Balance Sheet total	948.5	914.6	912.1	955.9	962.4
Equity Ratio **)	72.6%	74.2%	73.1%	76.9%	75.6%
Gearing **)	-24.7%	-26.7%	-28.0%	-20.7%	-28.2%
<b>INVESTMENTS IN FIXED ASSETS</b>					
Gross investments	79.2	63.6	45.0	67.3	56.0
% of net sales	8.2%	6.7%	4.9%	7.7%	7.1%
Gross investments excluding shares	79.2	63.5	45.0	46.4	52.5
Investments excluding shares, % of net sales	8.2%	6.7%	4.9%	5.3%	6.6%
<b>RESEARCH AND DEVELOPMENT EXPENDITURE</b>					
Research and development expenditure	83.9	68.8	67.9	63.2	55.8
% of net sales	8.6%	7.3%	7.4%	7.3%	7.1%
<b>PERSONNEL</b>					
Wages and salaries paid	163.9	151.1	140.2	140.3	131.4
Number of employees	5 456	5 351	5 210	5 517	5 322
Net sales per employee, EUR 1,000	177.9	177.1	175.1	157.7	148.4

\*) The change in deferred tax liability and deferred tax asset has been taken into account in calculating the income taxes. Also the comparative figures have been adjusted.

\*\*) The impact of the invalidation of own shares on the equity ratio and gearing has been taken into account in the comparative figures.

## ORION PHARMA FIGURES

### ORION PHARMA'S SALES REVENUES FROM PRODUCTS FROM OWN RESEARCH

	2001 MEUR	2000 MEUR	Change %
Comtess (entacapone) / Orion Pharma	27.4	20.3	+34.8 %
Comtan (entacapone) / sales to Novartis	29.0	32.2	-10.0 %
Simdax (levosimendan)	3.3	0.2	-
Fareston (toremifene)	15.8	17.8	-11.3 %
Domitor, Domosedan ja Antisedan	17.7	18.0	-1.5 %
Hormone replacement therapies	27.3	24.7	+10.9 %
Easyhaler asthma preparations	11.6	11.1	+3.9 %
Precedex (dexmedetomidine), royalties	1.4	0.3	-
Total	133.5	124.5	+7.3 %
Share of Orion Pharma's net sales	27 %	28 %	

### SALES OF ENTACAPONE PREPARATIONS AT WHOLESALE PRICES IN 2001 IN SELECTED COUNTRIES

	Launched	Sales at wholesale prices in 2001 MEUR	Change on the previous year
<b>Comtess/Orion Pharma</b>			
Germany	10/1998	14.3	+54.0%
UK and Ireland	11/1998	6.4	+30.7%
Sweden	10/1998	2.3	+8.0%
Denmark	11/1998	1.3	+19.5%
Norway	9/1999	0.5	+62.9%
Finland	11/1998	1.9	+41.3%
<b>Comtan/Novartis</b>			
		<b>11 months/2001</b>	
USA	11/1999	45.6	+58.9%
France	11/1999	9.9	+18.2%
Spain	11/1999	6.6	+20.6%
Italy	11/1999	1.1	+16.0%

### DEVELOPMENT OF THE NET SALES OF THE ORION PHARMA SUBSIDIARIES

EUR million	Net sales 2001	Net sales 2000	Change %
Orion Pharma GmbH, Germany	33.1	32.6	+1.7%
Orion Pharma S.A., France	5.5	4.8	+13.9%
Orion Pharma (UK) Ltd., UK	14.4	16.1	-10.3%
Orion Pharma AB, Sweden	19.4	18.8	+2.9%
Orion Pharma A/S, Denmark*)	11.3	11.6	-2.3%
Other Orion Pharma subsidiaries**)	8.9	8.3	+6.2%
Consolidated total	92.6	92.0	+0.7%

\*) Intra-Group sales have been eliminated from the net sales of the Danish subsidiary. Unconsolidated net sales came to EUR 19.6 million (EUR 17.5 million), +12.2 %.

\*\*) Orion Pharma companies in Norway, Ireland, Hungary and Switzerland.

**PUBLICATION SCHEDULE FOR 2002**

The Annual Report 2001 of the Orion Group will be mailed in week 13/2002. At that time also a largely upgraded homepage [www.orion.fi](http://www.orion.fi) will be introduced, providing an electronic version of the Annual Report 2001, among other things.

Interim Report 1-3/2002	Tuesday	7 May 2002	at 8.30 am
Interim Report 1-6/2002	Tuesday	6 August 2002	at 8.30 am
Interim Report 1-9/2002	Tuesday	5 November 2002	at 8.30 am

Printed Interim Reports will no more be mailed.

The Interim Reports will be available on the Group homepage [www.orion.fi](http://www.orion.fi) instantly upon publication.

**Distribution:**

Helsinki Exchanges  
Media

**Publisher:****Orion Corporation**

Corporate Administration  
Orionintie 1, 02200 Espoo  
Homepage: [www.orion.fi](http://www.orion.fi)

Corporate communications and investor relations:

Anne Allo, Corporate VP, Communications ad IR

Phone +358 10 429 3735

Fax +358 10 429 2801

Mailto: [anne.allo@orion.fi](mailto:anne.allo@orion.fi)