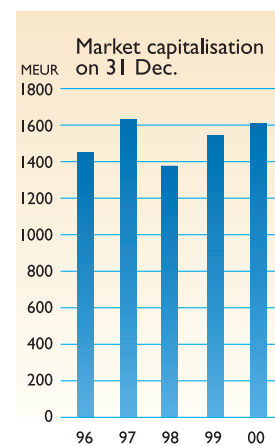
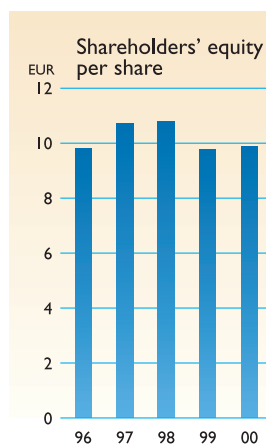
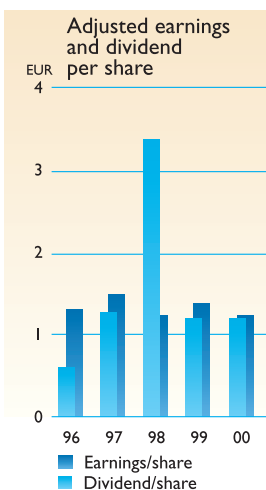
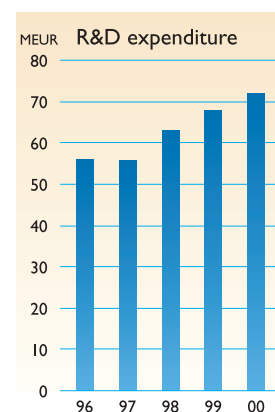
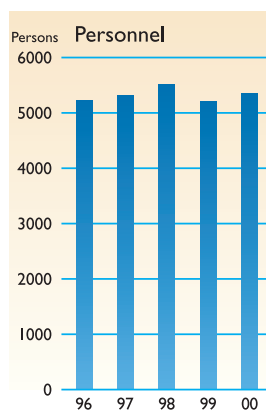
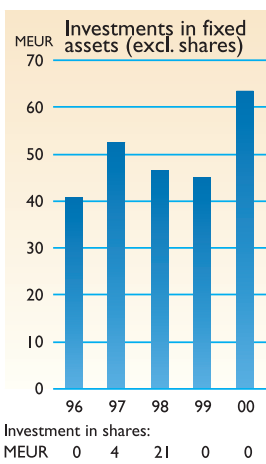
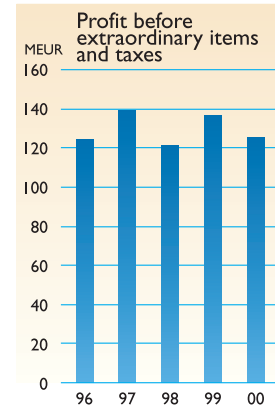
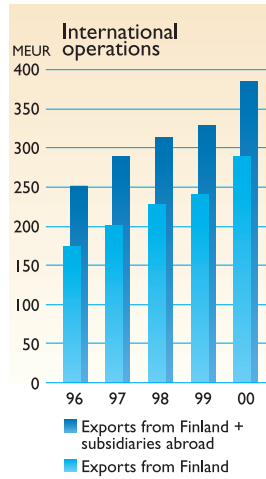
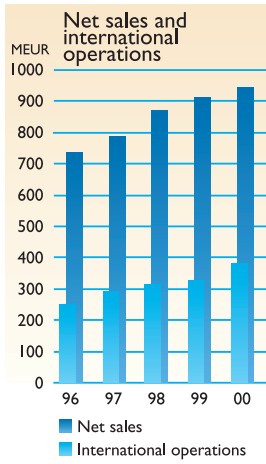




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GRAPHS OF KEY FIGURES



THE ORION GROUP IN 2000

Highlights

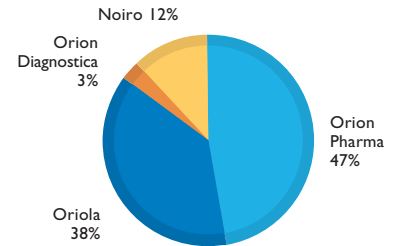
- The financial performance of the Group was strong, despite low net sales growth and decreased operating profit. Profit before extraordinary items and taxes came to MEUR 125.4.
- The profitability of all the four Business Divisions was very satisfactory, although the operating profits for the three largest ones weakened.
- The operating profit of Orion Pharma decreased, due to considerably added investments in pharmaceutical R&D and the launches of products from the own research pipeline.
- Oriola's growth slowed down due to lower volumes in pharmaceutical distribution. In healthcare equipment and supplies, Oriola strengthened its position in Finland. Initial steps to start pharmaceutical wholesale operations in Sweden were taken.
- Orion Diagnostica's operating profit rose by 44.2%. Point-of-care tests are constantly growing, and the *QuikRead CRP* was the best-selling product.
- Noiro's exports grew to a new record. *Lumene* was particularly strong not only in Finland but also in exports.
- The Group strategy was sharpened: Orion Pharma is even more distinctively the core of the Group.
- The best-selling product of the company was *Comtess*, for Parkinson's disease. Also sales of *Fareston* picked up. International operations of Orion Pharma rose by 16.9%.
- *Simdax*, for heart failure, was launched in Sweden in October. Additional authorisations are pending in the EU area.
- *Precedex* was launched by Abbott in the USA, for use as a sedative in intensive care.
- A triple combination tablet is under development by Orion Pharma for Parkinson's disease. A marketing agreement with Novartis was concluded.
- Comprehensive Phase 3 trials with deramciclane in the treatment of anxiety started in Europe.

Key indicators

	2000 MEUR	1999 MEUR	Change
Net sales	947.5	912.2	+3.9%
International operations	384.0	329.9	+16.4%
% of net sales	40.5%	36.2%	
Operating profit	114.5	124.0	-7.7%
% of net sales	12.1%	13.6%	
Profit before extraordinary items and taxes	125.4	136.4	-8.0%
% of net sales	13.2%	15.0%	
Profit after taxes without extraordinary items	82.6	92.7	-10.8%
% of net sales	8.7%	10.2%	
Balance Sheet total	914.6	912.1	+0.3%
Earnings per share (adjusted), euros	1.22	1.37	-10.9%
Payout ratio	98.4%	86.1%	
Return on invested capital before extraordinary items and taxes	18.2%	18.6%	
Return on equity	12.4%	13.3%	
Equity ratio	74.2%	73.1%	

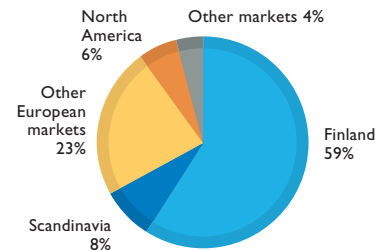
Breakdown of net sales by Division

MEUR 947.5



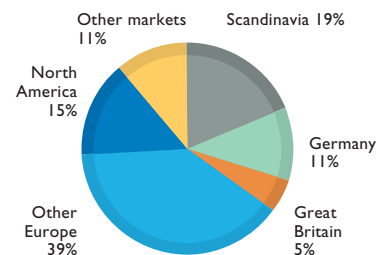
Breakdown of net sales by market area

MEUR 947.5



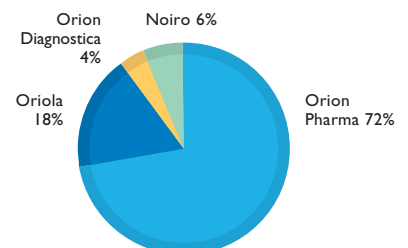
Breakdown of international operations by market area

MEUR 384.0



Breakdown of operating profit by Division

MEUR 114.5



THE ORION GROUP IN BRIEF

Business Divisions Missions, goals and strategies

HEALTHCARE



Orion Pharma

Orion Pharma is an intensively research-oriented pharmaceuticals manufacturer and marketer. With a market share of 15 % Orion is the leading supplier of pharmaceuticals in Finland. In the Nordic region, Orion Pharma operates with a comprehensive product portfolio of medications for most major human therapy categories as well as animal health. In Germany, England and France, where Orion has its largest marketing subsidiaries outside Scandinavia, Orion concentrates on a narrow selection of prescription drugs for selected therapy areas.

Products based on own research constitute a steadily increasing part of Orion Pharma's net sales and drive the growth of international operations, led by Comtess for Parkinson's Disease and Simdax for acute heart failure. The research and development aims at proprietary drug innovations for central nervous system disorders, cardiac failure, hormone therapies for menopausal symptoms, and asthma.



Orion Pharma accounts for almost one half of the Orion Group's consolidated net sales and for almost three-quarters of the operating profit. Powered by the products from the own pipeline, international operations are growing rapidly, already contributing 58% to the total net sales. The original preparations are marketed both through Orion Pharma's own subsidiaries and through the sales networks of international pharmaceutical companies.

Orion Pharma is seeking substantial net sales and operating profit growth, aiming to achieve a global market position for its original drug innovations for the chosen therapy areas.

THE ORION GROUP

The Orion Group is the leading Finnish company specialising in products for the healthcare sector. Operations focusing on healthcare account for 88% of the consolidated net sales. At the core of Orion's business operations is Orion Pharma, its largest business division, which develops, manufactures and markets pharmaceuticals. Oriola is a pharmaceutical wholesaler and distributor and a marketer of a comprehensive range of healthcare equipment, instruments and supplies. Orion Diagnostica specialises in diagnostic point-of-care tests and test systems. Noiro manufactures cosmetics as well as products for personal care and institutional hygiene. The business divisions develop their own strategies and operate independently towards sound profitability targets.

The Group net sales in 2000 were 947.5 million (912.2 million), of which international operations accounted for 384.0 million. The Group profitability continued at a very satisfactory level despite heavy investments in pharmaceutical R&D and marketing, and the solidity is on a solid basis. The number of personnel in the continuing operations was 5,350. Orion shares are listed on the Helsinki Stock Exchange.

Oriola

Oriola is one of the leading pharmaceutical distributors and marketers of healthcare supplies and equipment in Finland and the neighbouring markets. Oriola's comprehensive product and service portfolio comprises the needs of the entire healthcare sector ranging from large hospitals and pharmacies to minor clinics and private healthcare service providers. Oriola also engages in the manufacture and international marketing of dental care



equipment. The company has subsidiaries in the Baltic countries and in Sweden.

The deep-going cost- and time-efficient management of the logistic flows and associated data is the core process of Oriola. This system is the cornerstone upon which the various marketing units of specialty products are built, each with strong product expertise.

Oriola provides for the continuous availability and rapid, reliable and safe deliveries of its principals' products not only in Finland but also in the Baltic countries and in the St. Petersburg area. Oriola accounts for 35% of the Finnish pharmaceutical distribution market while the corresponding share of the Baltic markets varies from 6 to 11 percent.

The wholesale and marketing operations of Oriola comprise thousands of acclaimed branded medical equipment and supplies. In dental equipment and supplies, as well as hospital and laboratory equipment and instruments, as well as medical imaging and health food marketing, Oriola is the leading Finnish company and is now resolutely expanding its operations in Sweden and the Baltic countries.

The main goal of Oriola is to become a pharmaceutical distributor and a marketer of a broad spectrum of healthcare products within its entire home base, i.e. Scandinavia and the area surrounding the Baltic Sea. Oriola aims at product representation agreements that allow it to provide its clients with competitive price and quality benefits as well as technical service and product consultancy.

Orion Diagnostica

Orion Diagnostica is a modern bioscience unit in the Orion Group specialising in the development, manufacture and marketing of easy-to-use and reliable diagnostic assays and test systems. The business operations focus on specific protein assays, on products for diagnosing infectious diseases, on hormone and bone marker assays, as well as on hygiene testing.

Orion Diagnostica's objective is to become the leading point-of-care company in these selected niches of state-of-the-art expertise. Products suitable for POC use account for about 65% of the company's current net sales.

Orion Diagnostica also utilises its special expertise in the centralised laboratory testing market by introducing such new tests for research and routine practice use as also have the potential of becoming POC testing methods. Orion Diagnostica is engaged in selected partnership operations with other diagnostics business companies that manufacture automated test systems.

Exports to different parts of the world account for about 82% of Orion Diagnostica's business operations. The main markets are the Nordic countries, covered by Orion Diagnostica's own marketing subsidiaries, as well as Continental Europe, the US and Japan.



Noiro

Noiro develops, manufactures and markets cosmetics, products for personal and home care, hairdressing products, and products for institutional and industrial cleaning and hygiene. The operations are based on its own strong brands, such as Lumene, Herbina, Cutrin, Favora, Erisan and Farnos. Proprietary brands account for almost 80% of Noiro's net sales. Acclaimed international brands like Wella, Juvena and PizBuin complement the product range.

Noiro develops its products in a manner that differentiates them from the international mass products, highlighting



our particular Nordic characteristics both in the product contents, the design as well as the support material and marketing. The products reflect Nordic functionality and aesthetics combined with the pure Finnish nature. These communicate a message of pure and natural cosmetics and associate the product with freshness and wellbeing.

Noiro emphasises the significance of cleanliness and purity as the basis of beauty and skin care. The products are based on pure raw materials, and the values of nature and environment are consistently considered in product development and manufacturing.

Noiro develops its innovative brands in an environmentally compatible manner to meet the highest international demands. Noiro's product development is inspired by the pureness of the Finnish nature, and the product ideology follows the combined logic of cleanliness, health and beauty. Wellbeing is the common denominator characterising the extensive product range. The product concept based on cleanliness and naturalness is successfully applied by Noiro also in exports.

REVIEW BY THE CEO



The past financial year was one of great challenges for Orion Corporation. In consequence of the structural changes taking place in the international pharmaceutical industry, Orion lost volumes both in Orion Pharma and Oriola in Finland. Also, the recent activities by the Finnish authorities have reduced our sales in Finland. As a result, the Group net sales grew only modestly. The Group profitability decreased due to the added expenditure on research and development as well as on marketing of Orion's proprietary products, but the operating profit still reached a very satisfactory level.

The future of Orion Pharma is to be a European pharmaceutical company with successful proprietary products for global markets and a strong R&D pipeline. During the year, Orion Pharma took some significant steps towards the fulfilment of this objective. Available for the second full year on the market, Orion's Parkinson's disease drug entacapone showed consistent growth. Just a few months after the introduction of entacapone on the U.S. market in late 1999, also another drug discovery by Orion became available there, as dexmedetomidine, the sedative for use in intensive care, was launched by Abbott Laboratories. Simdax (levosimendan), Orion's drug discovery for the treatment of acute heart failure, received marketing authorisation in Sweden in the autumn, and the first experiences are very positive.

Two novel hormone replacement therapies, and the Easyhaler inhalers were launched in selected European markets through our own sales organisation. The first sales have progressed according to expectations. Especially good results were obtained from Indivina in Sweden. During the year we also disclosed several additional research projects. One of them was the combination tablet for Parkinson's disease, for which we also closed a marketing agreement with Novartis. The sales of veterinary drugs grew significantly as a result of a marketing agreement for Pfizer animal health products covering Scandinavia. In order to improve operational efficiency, we decided to shut down three minor plants and to relocate their manufacturing in the remaining facilities.

Oriola maintained a stable position on the Finnish market. Although an authorisation was received to distribute pharmaceuticals in Sweden, Oriola did not yet undertake any major investments to start operations there due to the exceptionally confused local market situation. In the extremely tough competition on the Baltic markets, Oriola continued to strengthen its resources in order to improve its competitiveness and operational profitability.

The Noiro business continued to grow rapidly, and the operating profit came to a satisfactory level. The success of the Lumene brand on the export markets led to

the decision to increase production capacity in Espoo, where a new cosmetics factory is now under construction.

The diagnostics business reached outstanding results for the year. Orion Diagnostica not only increased its net sales but also improved its profitability considerably. Orion Diagnostica is now profiting from the efforts made to modernise the product range. Today, over 80% of the unit's net sales are generated from the proprietary

products based on in-house R&D.

The operations of all the four Business Divisions proved satisfactory in the year 2000. Although the focus is on the increasingly international pharmaceuticals business based on proprietary molecule inventions, the divisions Oriola, Orion Diagnostica and Noiro also play very important roles in the Group. They are under good control and in reliable hands, their operations are standing on a sound financial platform and they are causing no surprises. Hereby they excellently support the overall development of the Group.

I am very pleased to have the opportunity to join Orion and the ongoing transition of the Group. The long-term and persistent contributions made in R&D are now transforming Orion into an international business. Not only will we continue to allocate resources to R&D but we also need to strengthen our marketing network further. We must take care of our partners but also increase our autonomy to avoid dependencies. Orion's competent and committed personnel is our most valuable company asset. Understanding this, we keep on developing our human resources and building up our competence to face the future challenges. We are also continuing our efforts to promote the positive working atmosphere in the company. I am convinced that by doing things in accordance with our corporate values we can achieve most ambitious goals.

The Group earnings per share amounted to 1.22 euros, slightly less than in the previous year. The Board proposes to the Meeting of Shareholders that a dividend of 1.20 euros be distributed, which is in line with Orion's shareholder-friendly dividend policy followed over the past few years.

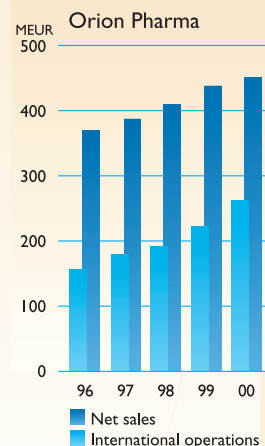
I would like to express my gratitude to our clients, co-operation partners and to the entire Orion Group personnel for their outstanding work during the past year.

Jukka Viinanen
President and CEO

ORION PHARMA

MEUR	2000	1999	Change
Net sales	452.2	437.8	+3.3%
Exports and subsidiaries abroad	261.4	223.6	+16.9%
– % of net sales	57.8%	51.1%	
Exports from Finland	203.5	166.4	+22.3%
R&D expenses	66.1	61.9	+6.9%
Operating profit	87.4	90.6	-3.6%
Investments	49.8	33.1	
Personnel	3 021	2 881	
– abroad	437	362	
Profitability: Very satisfactory			
Share of Group net sales	47%	47%	

www.orionpharma.com



President Jyrki Mattila:

Progress through proprietary products

The world pharmaceutical market has shown strong growth during the past years. The most rapid growth has been seen in the U.S., but also in the EU area, Finland included, the annual growth rate has been ranging from 5 to 10 per cent. Most of the growth has been generated by new product innovations, but also the volume of the trade has increased.

Sales in Orion Pharma's focal therapy sectors have grown rapidly. The fastest growing categories have involved selected drug groups for neurological and cardiac diseases.

The proprietary drug innovations constitute a fast-growing part of

Orion's product portfolio. Thanks to their increased role in the portfolio, we are constantly becoming less dependent of the Finnish pharmaceutical market and of the products licensed from other manufacturers. The proprietary preparations accounting for an increasing share of the sales, also sales of the basic portfolio have continued at a sustained level.

As an evidence of the competitiveness of our proprietary products and our marketing competence, Comtess/Comtan has been one of the most successful new launches on the important European market for the treatment of Parkinson's disease in many years.



Proprietary molecule innovations generate growth in international operations

Orion Pharma's net sales rose by 3.3% to MEUR 452.2. International operations accounted for MEUR 261.4, or 57.8% of the net sales, up 16.9%. Net sales from operations in Finland were MEUR 190.8, down 10.9% due to price reductions and certain discontinued license agreements. Veterinary products accounted for 9.4% of net sales, amounting to MEUR 42.7.

The milestone payments from the marketing partners amounted to MEUR 19.4 (MEUR 19.2 in 1999).

Orion Pharma's operating profit decreased slightly from the previous year, yet exceeding the budgeted level. Counterbalancing the decreased domestic sales, the international sales grew substantially, particularly owing to entacapone. Against these profit factors, marketing expenses grew significantly, mostly due to Comtess and Easyhaler, but also due to expenditure on the preparations for launching Simdax. The factors contributing positively to the profit included the capital

gains from certain product rights sold by Orion Pharma GmbH as well as the income booked from the sale of the LVP (large-volume parenterals) business.

The achievements of the pharmaceutical research aiming at proprietary innovations are starting to materialise in Orion Pharma's net sales. Whilst the proprietary preparations accounted for only 7% of the net sales in 1995, their share in 2000 was up at 28%. During the same period, their share of the international operations rose from 12% to 44%. The strongest growing products were the Parkinson's disease drug Comtess/Comtan (entacapone) and the breast cancer drug Fareston (toremifene).

The largest international products were the proprietary ones Comtess/Comtan, the Divina line of hormone replacement therapies, Fareston and the animal sedatives.

The net sales from preparations from Orion Pharma's research pipeline, shown in the table below, amounted to MEUR 124.5 or 28% of total net sales.

MEUR	2000	1999	Change
Comtess/Comtan (entacapone)	52.5	30.6	71.7%
Simdax (levosimendan)	0.2	-	-
Fareston (toremifene)	17.8	11.3	56.7%
Precedex (dexmedetomidine), royalties	0.3	-	-
Domitor, Domosedan and Antisedan - animal sedatives	18.0	17.2	4.1%
Hormone replacement therapy product line	24.7	26.2	-5.7%
Easyhaler asthma preparations	11.1	9.8	13.3%
Total	124.5	95.5	30.4%

Comtess/Comtan was the major product by sales volume. Of the total net sales at MEUR 52.5, 61% were to Novartis. This was the first full year of market presence for Comtan in the U.S., marketed by Novartis.

Sales of entacapone preparations in 2000 at wholesale prices in selected markets, and market share of the Parkinson's disease drugs by country:

Launched	Sales at wholesale prices in 2000 MEUR	Market share of Parkinson's disease drugs in resp. country	
Comtess/Orion:			
Germany	10/1998	9.3	5.4%
UK and Ireland	11/1998	4.4	4.6%
Sweden	10/1998	2.2	14.1%
Denmark	11/1998	1.1	13.8%
Norway	9/1999	0.3	5.6%
Finland	11/1998	1.5	17.3%
Comtan/Novartis:			
USA	11/1999	29.1	6.0%
France	3/1999	10.1	15.2%
Spain	3/1999	5.8	14.1%
Italy	10/1999	1.0	1.8%

The sales of the breast cancer drug **Fareston** increased, and Orion's net sales from it amounted to MEUR 17.8. A considerable part of Fareston is sold to Japan. The deliveries to Shire, the marketer of the preparation in the U.S., occurred mainly during the first half of the year.

Sales of the **hormone replacement therapies** decreased due to the tough competition in the product sector. The product line includes Divina, Divitren, Divigel, Indivina and Diviseq. Indivina was launched in April in Sweden and somewhat later in Denmark. Further launches will follow in several other European countries in 2001.

The net sales of the **Easyhaler** dry powder inhalers for asthma increased. Sales were particularly boosted by the launch in France, as Bemedrex (beclo-methasone) and Buventol (salbutamol).

Two important milestones were reached in the sectors of cardiology and intensive care. The first market authorisation for **Simdax** for acute heart failure was received, and the drug was introduced in Sweden towards the end of the year. Owing to its unique mechanism, Simdax presents an important improvement in the treatment of acute decompensated heart failure. **Precedex** was launched by Abbott Laboratories in the U.S. The product combines sedative and analgetic properties, providing a new treatment approach in intensive care.



Reinforced operations in Europe

Orion Pharma's sales and marketing organisation comprises Finland, the Nordic countries and Ireland, as well as Germany, UK and France among the major EU member states. Orion Pharma continued to strengthen its sales and marketing force in Europe by building up its operational capacity and competence that is required for rolling out the innovative proprietary products successfully. The sales force of the European subsidiaries increased substantially.

Development of the net sales of the Orion Pharma subsidiaries

MEUR	Net sales		Change
	2000	1999	
Orion Pharma GmbH, Germany	32.6	29.2	11.7%
Orion Pharma S.A., France ^{*)}	4.8	2.3	110.8%
Orion Pharma (UK) Ltd., Britain	16.1	13.4	20.0%
Orion Pharma AB, Sweden	18.8	16.8	11.9%
Orion Pharma A/S, Denmark ^{**))}	11.6	16.9	-31.4%
Other Orion Pharma subsidiaries ^{***))}	8.3	7.6	9.0%
Consolidated total	92.0	86.0	7.1%

^{*)} The French subsidiary started operations in 1999

^{**))} Shows only sales to Denmark. Unconsolidated net sales were MEUR 17.5 (MEUR 23.1), down 24.5%

^{***))} Orion Pharma AS, Norway, Orion Pharma Ireland Ltd., Orion Pharma Kft, Hungary and Orion Pharma AG, Switzerland

The leading product of Orion Pharma's largest subsidiary, Orion Pharma GmbH, Germany, was **Comtess**. Other important products were **Easyhaler** and the osteoporosis drug **Calcimagon**.

The French subsidiary Orion Pharma S.A. launched the **Easyhaler** dry powder inhaler. The Parkinson drug **Eldepryl** (selegiline) was the best-selling product.

The best-selling products of Orion Pharma (UK) Ltd. were **Comtess** and the hormone preparation **Tridestra**.

The Swedish subsidiary Orion Pharma AB launched **Simdax** and **Indivina**. The largest sales in Sweden came from **Comtess** and **Enanton** (leuproreline), a licensed cancer drug. The net sales of the Danish subsidiary decreased considerably, due to license agreements discontinued in 1999. Major products in Denmark were **Comtess** as well as the cardiac drugs **Cardopax** and **Cardil** (both diltiazem).

Finnish pharmaceutical market up 8.9%

The Finnish pharmaceutical market grew by 8.9% to MEUR 1,163.2 at wholesale prices. Sales of human pharmaceuticals to pharmacies rose by 9.1% to MEUR 903.0 while sales to hospitals were MEUR 240.1, up 10.1%. The market growth is boosted by novel drugs. Mergers and acquisitions in the international pharmaceutical sector are reflected in the Finnish market. Global companies operate with increasingly large marketing and research organisations in Finland, investing heavily in market penetration. Minor companies are also establishing themselves in Finland, and so do many of the major generic companies. Orion's share of the Finnish market was 14.9%.

The total impact of the first round of wholesale price cuts during 1999-2001 of off-patent drugs was MEUR 25. The sales-cutting influence on Orion Pharma was altogether MEUR 8.7, of which MEUR 3.1 were actual in 2000.

In 2000, the Minister for Social Affairs and Health assigned a working group to review the current Finnish drug reimbursement system. The working group is expected to give its proposal in the spring of 2001.

Domestic net sales of human pharmaceuticals decreased

Orion Pharma's domestic net sales of human preparations were MEUR 172.7, in line with the objectives. Certain terminated marketing agreements, the wholesale price reductions imposed by the authorities, tough price competition and the divestment of the LVP business in the summer were the main reasons for the net sales decrease. Orion Pharma aims to strengthen its product portfolio in areas offering good growth potential. Special attention is paid to well-selling products approaching patent expiry.

Prescription drugs

Orion Pharma's prescription drugs generated MEUR 118.3 in domestic net sales, accounting for 13.4% of the Finnish prescription drug market. The operational and marketing focus is on selected products showing notable growth.

Among Orion Pharma's pipeline products, the largest sales in Finland are created by the **Easyhaler** asthma preparations. Their sales increased despite extremely tough competition.

The Parkinson's disease drug **Comtess** continued to grow, reaching a 21% share of the Parkinson drug market. **Comtess**' market was strong, considering that it was still without the special reimbursement status. The product will be fully reimbursed as of April 2001, which will further boost future sales.

The hormone replacement therapy **Indivina** was



launched towards the end of the year. Much was also done to prepare for the launch of **Simdax**, and the brand is already highly recognised among the experts.

Major in-licensed products include the ACE inhibitor **Lisipril** (lisinopril) and **Coversyl** (perindopril) as well as the urology preparations **Enanton** (leuprorelin) and **Expros** (tamsulosine), which all continued to grow vigorously. The antibiotics range is complemented by **Zeclar** (clarithromycin) and **Clavurion** (amoxicillin + clavulanic acid), launched towards the end of the year and already developing favourably.

The non-patented preparations constitute the major part of Orion Pharma's product range. The cardiac drug **Ormox** (isosobide-5-mononitrate) and the diabetes drug **Origliucon** (glibenclamide) were introduced to replace former in-licensed preparations, and during the first year on the market, they achieved a good 40% share of their market segment. The cardiac drug **Orloc** (bisoprolol) was introduced in the beginning of 2001. The psychiatric drug **Froidir** (clozapine) also grew rapidly, reaching an important market position.

The co-promotion agreement on the gastric ulcer drug Lanzo terminated at year's end. The impact on Orion Pharma's net sales was insignificant, in contrast to a higher impact on market share; owing to the nature of the co-promotion agreement, the entire market sales of the product were recorded under Orion Pharma in the whole sales statistics.

Over-the-counter (OTC) products

The sales of the OTC drugs were MEUR 54.4, slightly down from the previous year. Orion's share of the OTC market was 28.2%. The operational focus was on measures aiming at growth and improved profitability, such as the development of pharmacy shelf management systems, and the creation of electronic B-to-B information systems.

Painkillers play an important role for net sales. The **Burana** product line, as well as the other preparations **Ibusal**, **Ketorin** and **Disperin**, performed well in the tough competitive situation. Ointments did also reasonably well. The sales of both influenza and gastric drugs progressed according to expectations while the vitamin sales failed to meet the targets.

Fermion, the manufacturer of active pharmaceutical ingredients

Fermion develops, manufactures and sells active pharmaceutical ingredients both to Orion and to other companies. The major products were the active substances for Orion's proprietary drugs, mainly entacapone, but also for the cancer drugs methotrexate and azathioprine, as well as the psychiatric drug



trazodone. Exports of methotrexate grew most while the sales of azathioprine came notably down from the previous year.

The plant extension project underway in Hanko, aimed to secure the availability of the proprietary drug ingredients, will be completed by the end of the summer of 2001.

Orion Pharma Animal Health

Orion Pharma develops, manufactures and markets an extensive selection of drugs for the Nordic market, for both livestock and pet animals.

In March, Orion Pharma obtained the exclusive marketing rights for the entire Pfizer Inc. Animal Health product range in Sweden, Denmark and Norway while the Finnish marketing rights were regained by Pfizer's own sales organisation.

Orion's net sales from veterinary drugs rose by 28.4% to MEUR 42.7. Domestic net sales were MEUR 14.4, down 5.7% whereas international operations grew by 57.4% to MEUR 28.3. The development was very favourable on all international markets. Orion's original patented drugs, the animal sedatives **Domosedan** (detomidine) and **Domitor** (medetomidine) as well as their antagonist **Antisedan** (atipamezole), accounted for a total of MEUR 18.0 of the net sales from veterinary drugs, and their sales grew by 4.1%.

The Finnish market for veterinary drugs grew by 4% to MEUR 17.8, and Orion Pharma's share of that market was 47%. The major products groups were animal antibiotics as well as pet animal parasiticides.

The net sales of Hiven Oy grew in pace with the

market by 3% to MEUR 5.9. The best performing product groups were vitamin powders, minerals as well as gastric and intestinal preparations.

Consolidation of the pharmaceutical production

In order to improve cost and investment efficiency, Orion will shut down the Oulu, Seinäjoki and Kemijärvi production facilities for pharmaceutical preparations by the end of year 2001. The manufacturing operations will be concentrated in the Turku and Espoo facilities. The market authorisations, trademarks and stocks of finished goods of the LVPs manufactured in Oulu were sold to Baxter Oy in July. The divestment did not include any production facilities, machinery or equipment, and no personnel transferred to the buyer in the transaction. Fermion continues to produce pharmaceutical ingredients in Oulu.

Outlook for 2001

Growing products for Orion Pharma will be the ones from the own pipeline, especially Comtess/Comtan, Simdax, Easyhaler, Indivina, Fareston and Precedex. Boosted by these products, international operations are anticipated to grow substantially. A slight increase in the net sales from domestic operations is also anticipated.

The research expenses will increase notably due to the many drug development projects ongoing in Phase 3. Also marketing expenditure will grow further due to the many products that are being rolled out to the international markets.

As a whole, Orion Pharma's net sales are expected to show accelerated growth whereas the operating profit is anticipated to decline from the previous year. The operating profit is, however, awaited to turn upward in 2002.

PHARMACEUTICAL RESEARCH AND PRODUCT DEVELOPMENT

Long-term commitment to a global growth strategy that is based on proprietary drug innovations is evidenced both in the accomplishments and in the investments in research. In year 2000 Orion Pharma spent MEUR 66.1 in research, which was 15.3% of the pharmaceutical net sales, up by 6.9% from the previous year. By the end of the year, 868 persons were directly engaged in research and development.

Research at Orion Pharma focuses on therapies for central nervous system (CNS) disorders, cardiovascular and respiratory diseases and menopausal symptoms. In practice, research is even more focused. Cardiological research aims at discovering therapies for heart failure, and the most efforts in CNS research are directed towards drug therapies for Parkinson's disease and anxiety.

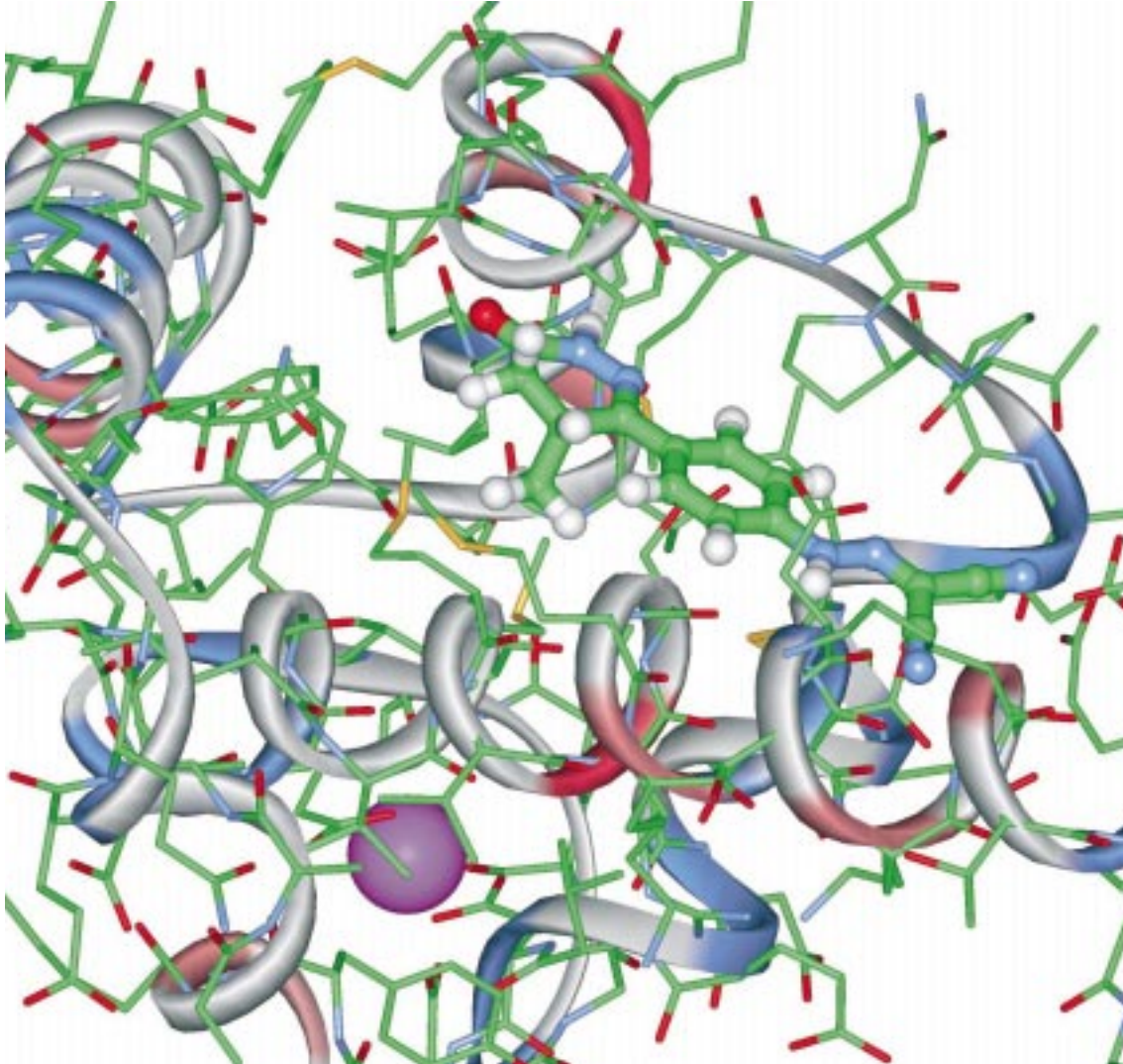
The research activity encompasses the entire drug development process from the discovery all the way up to the clinical trials before and after marketing authorisation. Methods in biotechnology are effectively used for example in the identification and production of target proteins. Orion Pharma is also prepared to do clinical research with biotech drugs. Orion Pharma also

collaborates with many universities.

During the past few years Orion Pharma has updated its research organisation to meet the demands of the global work environment and to support the strategy of international growth. The research and development employs experts from all essential fields together with a large group of people providing support services. Recruitment of experienced staff and research management has been a continuous challenge for the business for some time. As a solution, a clinical research centre was established in Nottingham, England in early 2001 and experienced researchers were recruited from the local markets. The new unit will focus on clinical trials in cardiology and CNS therapies.

The researchers at Orion Pharma are working in up-to-date facilities and with modern equipment. The extension of the research building in Espoo was taken into use in the spring 2000 and most of the old laboratories were renovated.





● *Levosimendan binds to the calcium saturated form of cardiac troponin C. In the figure levosimendan is shown as a stick model, calcium ion as a magenta ball, and troponin C as a line model.*

Clinical development projects

Several product candidates from Orion's own discovery process or licensed from other companies are progressing in clinical trials.

Simdax (levosimendan) **A unique drug innovation for heart failure**

Simdax (levosimendan), a product of Orion Pharma's own R&D, works through a novel pharmacological mechanism, calcium sensitisation. It increases the contractility of the heart muscle and dilates blood vessels. Its development from the discovery to the first marketing authorisation took about ten years.

In clinical trials, levosimendan infusion has been

studied in patients with acute and severe heart failure. It has been shown to increase the contractility of the heart, to decrease capillary pressure in the lungs, to decrease blood pressure and to decrease the symptoms of heart failure. Moreover, in two clinical trials patients treated with Simdax had a lower mortality than the ones treated with placebo or dobutamine. This effect was found in later analysis of the study results; additional studies are needed to verify this significant and likely benefit of Simdax therapy.

In September, Simdax received marketing authorisation in Sweden, the reference member state in the EU Mutual Recognition Procedure. The registration of Simdax in other EU countries is based on the Swedish approval. The process started in early 2001 and decisions are expected during the first half of 2001.

In the U.S., Orion withdrew its new drug application in 1999 and has since concentrated on advancing the European registration procedure. After the Swedish marketing authorisation, the details for the additional clinical trial were agreed upon with the FDA. The study program will begin in the first half of 2001 and the studies are likely to take two years.

Orion Pharma markets Simdax in the Nordic countries, UK, Germany and France. Abbott Laboratories will market intravenous Simdax in the other EU countries and elsewhere in the world.

The Phase 3 clinical trial program on the use of oral levosimendan as a therapy for milder stages of heart failure is being designed. The number of patients with this disease is larger and the treatment periods are longer than those for acute heart failure.

Comtess/Comtan (entacapone) **A new therapy for Parkinson patients** **that improves quality of life**

Comtess (entacapone) is Orion Pharma's original proprietary drug innovation that improves the effect of levodopa, the basic medication for Parkinson's disease. Comtess inhibits COMT, an enzyme that breaks down levodopa in gut and liver. Comtess slows down the degradation of levodopa and improves the availability and efficacy of each levodopa dose.

Entacapone is available as Comtess/Comtan in the EU, the U.S. and over 50 other countries. By the end of last year, more than 80,000 patients had been treated with it and the drug has been proven safe. Additional clinical studies are ongoing in Europe and in the U.S.

- *The winter garden of the new research centre in Espoo is a pleasant place for the personnel to relax and to exchange ideas.*





● The new systems for mass screening of molecules increase the throughput and considerably accelerate the development process of new chemical entities.

New triple combination tablet facilitates the treatment of Parkinson patients

Orion Pharma is developing a tablet that combines levodopa, the basic therapy for Parkinson's disease, with two drugs that reduce the breakdown of levodopa, carbidopa and entacapone. Three most commonly used doses of levodopa will be provided. The combination tablet is likely to increase patients' compliance because fewer tablets are taken per day. The pharmacokinetic studies on the triple combination are proceeding as planned, and the aim is to complete the new drug application by the end 2002.

In September, Orion signed a marketing and distribution agreement with Novartis on the combination treatment. With the agreement, Novartis received both exclusive and co-marketing rights for the preparation. Orion retained exclusive marketing rights for the product in Germany, the UK, Ireland, the Nordic and the Baltic countries, and some other countries. Orion reserved the rights to promote the product to-

gether with Novartis in the U.S., France, Spain, Italy and ten other countries. Novartis has exclusive marketing rights for the product elsewhere in the world, except in Japan, which is not covered in the agreement.

Zydis Apomorphine Rescue medication for severely ill Parkinson patients

Apomorphine is a drug that effectively binds to dopamine receptors in the brain. It is used for treating late stage Parkinson's disease when other medications no longer provide satisfactory response. Apomorphine is only dosed subcutaneously or through continuous infusion. On the basis of the favourable results from the Phase 2 clinical studies, Orion acquired the rights for the further development of the fast-soluble Zydis formulation of apomorphine and is now designing the next steps of the studies. Orion has Europe-wide rights for the product.



Precedex (dexmedetomidine) **Redefining sedation in intensive care**

Precedex, a sedative used in intensive care units, is Orion Pharma's molecule innovation that was licensed to Abbott Laboratories after Phase 2 clinical trials. Abbott launched the product in the U.S. in the spring 2000. According to the agreement with Orion, Abbott is the world-wide marketer, except for the Nordic countries, which are Orion's territory. In Europe, Abbott has started the additional clinical study program required for the application for European marketing authorisation of Precedex.

Dexmedetomidine is a unique and novel drug allowing safe sedation of patients in intensive care. It is an alfa-2-agonist that decreases the release of nor-adrenaline from synapsis, thereby reducing alertness. The drug belongs to the same molecule family as the animal sedatives Domosedan and Domitor. Precedex has been proven useful in patients who, for example, need sedation after heart surgery. Precedex also has analgesic properties, and it does not cause respiratory depression. During the sedation, the patient can respond to the questions of the nursing staff, which is a unique and favourable feature of the product.

Deramciclanc **A potential therapy for anxiety?**

Anxiety is a vast health problem for which there are currently no satisfactory therapies. The efficacy of the current medications is poor, and their adverse effects complicate the therapy. Having identified this unmet medical need and the market opportunities, Orion Pharma started to investigate deramciclanc, a molecule originally developed by the Hungarian Egis Pharmaceuticals. The compound binds to the 5-HT₂ serotonin receptor in the brain. The studies so far suggest that the drug may have favourable anti-anxiety properties. In March 2000, Orion acquired exclusive rights for the further development of deramciclanc, and almost worldwide marketing rights. Comprehensive clinical trials in ten European countries have begun, and the program is progressing as planned. The basic patent on the molecule expired at the end of last year, but several patent applications are pending to protect the product.

Fareston (toremifene) **A safe breast cancer drug**

Fareston is an anti-estrogen discovered at Orion Pharma and registered worldwide as a therapy for advanced breast cancer. A multi-year, multi-centre Finnish clinical study suggests that toremifene is at least as effective and safe as tamoxifen as an adjuvant therapy for early stage breast cancer. The clinical trials that have lasted for several years and aim to extend the indication to earlier stages of breast cancer are being completed in early 2001. Based on the results from these studies, Orion Pharma will likely submit an application for an extended indication both in the U.S and in Europe in 2001.

Indivina and Diviseq, **new hormone replacement therapies**

Diviseq and Indivina, Orion Pharma's new hormone replacement products, received marketing authorisations in many European countries through the Mutual Recognition Procedure. Diviseq is a sequential hormone product mimicking the normal menstrual cycle. It is suitable for women in early menopause.

Indivina is a combined estrogen-progestin therapy that eliminates the menstrual bleedings. The therapy can be started a few years after the beginning of the menopause. Indivina is also indicated for the prevention of osteoporosis.

Easyhaler **An easy and accurate freon-free inhaler for asthma**

Easyhaler is a patented, freon-free dry powder inhaler that was developed at Orion Pharma for the treatment of asthma. As advantages, it provides accurate doses and is easy to use. In most European countries, Easyhaler formulations are already available for the basic asthma medication salbutamol (Buventol Easyhaler), which is used for asthma attacks, and for beclomethasone (Beclomet Easyhaler), which is used as a maintenance therapy for asthma.

Budesonide and formoterol are newer-generation substances formulated for Easyhaler. Budesonide is a maintenance therapy for asthma, whereas formoterol is a long-acting bronchodilator. The marketing authorisation application for Budesonide Easyhaler was filed last year with the regulatory drug authority of Germany, the reference member state. The Phase 3 clinical trials with the Formoterol Easyhaler are planned to begin in 2001.

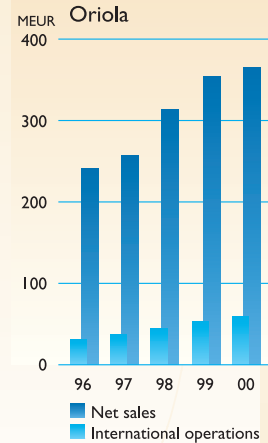
Pharmaceutical Research and Development projects of Orion Pharma, status on 21 February 2001

Category and product	Active substance	Indication	Status	
<i>CNS disorders</i> Comtess/Comtan	entacapone	Parkinson's disease. Adjunct to levodopa	Launched in 1998. Phase 4	
	entacapone, levodopa and carbidopa	Combination tablet of three active substances, in Parkinson's disease	Phase 3	
	apomorphine	Late stage Parkinson's disease	Phase 2	
	deramciclane	Anxiety	Phase 3	
<i>Cardiology and Critical Care</i> Simdax	levosimendan, intravenously administered	Severe heart failure	Launched in Sweden in 2000, MR in EU during 2001. Additional Phase 3 studies in the U.S. starting in 2001	
	Simdax	levosimendan, oral formulation	Heart failure	Phase 2
	Precedex	dexmedetomidine	Sedative for use in intensive care	Launched in the U.S. in 2000. Additional Phase 3 clinical program ongoing in Europe. Licensed to Abbott Laboratories
<i>Hormone therapies</i> Fareston	toremifene	Adjuvant treatment of breast cancer	Phase 3	
	Diviseq	3-phasic, 1-month cycle estradiol valerate + medroxyprogesterone acetate	Menopausal symptoms	Marketing authorisations in several EU countries in 2000
	Indivina	Continuous estradiol valerate + medroxyprogesterone acetate	Menopausal symptoms, prevention of osteoporosis. Eliminates withdrawal bleedings	Launched widely in the EU in 2000
		Nestorone synthetic progestin	Menopausal symptoms	Phase 2
<i>Asthma</i>	budesonide	Prevention of asthma symptoms	Registration procedure ongoing (MR)	
	formoterol	Treatment of asthma and chronic bronchitis	Phase	

MR = Mutual Recognition, a registration procedure in which the new drug application is reviewed by one EU country, and registration is sought in the other EU countries on the basis of the first approval.

MEUR	2000	1999	Change
Invoicing	595.7	593.3	+0.4%
Net sales	365.5	356.0	+2.7%
Exports and subsidiaries abroad	59.9	52.5	+14.2%
– % of net sales	16.4%	14.7%	
Exports from Finland	28.5	26.9	+6.1%
R&D expenses	1.6	1.7	-7.8%
Operating profit	21.7	24.4	-11.3%
Investments	5.9	4.5	
Personnel	1 182	1 191	
– abroad	216	202	
Profitability: Very satisfactory			
Share of Group net sales	38%	39%	

www.oriola.com



President Seppo Morri:

Quality, cost-efficiency and marketing are the key issues

Oriola's success is based on efficient pharmaceutical distribution and marketing of healthcare products. In particular, the comprehensive distribution system covering the entire healthcare sector provides added value through synergy. Oriola is making strong progress in developing the same business concept in the Baltic countries. In Sweden we have started operations in dental business, but we are committed to long-term efforts to introduce here the same comprehensive Oriola concept that covers the entire field of healthcare.

Oriola was authorised to distribute pharmaceuticals in Sweden and will start deliveries of certain pharmaceuticals and semi-medical products to Apoteket AB in 2001. The single-channel distribution system was granted an extension in Sweden until the end of 2003. The Baltic



market for healthcare supplies and equipment declined, and the growth rate of pharmaceutical sales slowed down somewhat. Oriola is presently revising its Baltic operations to improve profitability.

In Finland, Oriola enhanced its market position in hospital supplies and equipment, in dental care products as well as in health foods and functional foods. Sales of products marketed by Oriola for pharmacy sales and veterinary care also strengthened. Increased automation, high efficiency and the quality of operations are the key issues in the Finnish market competition. After many years of strong development, the past year was one of slower growth. Today, Oriola accounts for about 35% of pharmaceutical distribution. Oriola is prepared to face the competition which is expected to assume new forms in the Finnish market.

Oriola in 2000

Oriola's invoicing was MEUR 595,7 and it was almost at the same level as in the previous year. Net sales grew by 2.7% to MEUR 365.5 which was slower than planned. Operating profit came to MEUR 21.7, down 11.3%. The factors contributing to the decreased profit

included the drop in the volume of pharmaceutical distribution, the unsatisfactory development of the dental business in Sweden, as well as the exit of some important laboratory products from the Prolab portfolio.

The net sales of the Distribution and Wholesale Sector were MEUR 251.3, up 3.6%. Net sales of the Medical and Technical Sector decreased by 0.9% to MEUR 93.6.



Distribution and Wholesale Sector

The Distribution unit provides comprehensive import, warehousing and distribution services for Finnish and international pharmaceuticals and healthcare companies. The services provided for the principals include internet-based reporting tools as well as

telemarketing, data and information services. The unit provides distribution services to 60 international pharmaceutical manufactures. Panfarma provides foreign pharmaceutical companies and healthcare product manufactures not only with marketing services but also with registration and other administrative services in Finland and in the Baltic countries.

• *Thousands of transportation totes leave Oriola's highly automated distribution outlets daily, delivering the ordered products to pharmacies and hospitals.*

• *The Axiocvert 200 microscope of Zeiss, marketed by Prolab, is a high-tech tool for the biotechnical research of living cells and micro-organisms.*



Distribution contracts with ALK and Roche/Boehringer Mannheim were discontinued in early 2000 and the one with Zeneca in June, resulting in decreased distribution volume. The distribution contracts with Hoechst (Aventis) and Amgen terminated as of the beginning of 2001.

The Wholesale unit sells and markets products and services to pharmacies, veterinarians, hospitals as well as to healthcare professionals. The products marketed by Oriola Wholesale did quite well, strengthening their market position in pharmacies. The major brands are the PanAcido lactobacillus preparation and the Lysi cod-liver oil. Provided for pharmacy sale only, Oriola's proprietary product line includes magnesium and chrome preparations, an ovulation and pregnancy test as well as the "Apteekin Puhtaat" wound treatment line.

International Distribution is engaged in full-service healthcare wholesale and distribution operations in Estonia, Latvia and Lithuania. Besides marketing, it provides the principles with importing, warehousing and nation-wide distribution services. Oriola's market position developed satisfactorily in the product sectors of dental care and hospital supplies. In all Baltic countries, the profitability of pharmaceutical distribution remained unsatisfactory. However, the new premises inaugurated in all the three countries will contribute to improve Oriola's competitiveness and profitability is aimed to be improved through increased sales volume. For business operations targeted to the Russian market, Oriola's International Distribution is able to offer reliable pre-wholesale warehousing and distribution services.

Reformi-Keskus markets and sells an extensive selection of health foods and functional foods through all major distribution channels. Reformi-Keskus has several brands of its own, such as the Pansuola mineral salt, Dexal sports drink for active exercisers, as well as

Femisoija. Pansuola and Reformi Femisoija are also exported to many countries. In the United States, Pansuola is manufactured under license by AMBI Inc. and sold in pharmacies under the name Cardia Salt. Reformi-Keskus strengthened its position in the Finnish and the Baltic markets. The retail and industrial sales of Pansuola developed particularly favourably.

Medical and Technical Sector

Oriola Dental (Hammasväline) comprises all the sectors of dental care products and is the leader in Finland with over 50% share of the market. Determined development of the operations is also taking place in Sweden and the Baltic countries.

Hammasväline continued to increase its sales in excess of the average development of the branch. The strongest growth was seen in dental equipment, especially in the Sirona Dental Systems product lines. The sales of dental care supplies also showed a very favourable trend. The principals represented by Oriola Dental include Ultradent, Bisco and Komet, all leaders in their specific product niches.

The subsidiary Oriola AB Dental focused on the launching in Sweden of the dental units, instruments and X-ray systems manufactured by Sirona Dental Systems and Soredex, and extended its operations to cover all client groups. However, profitability in Sweden remained at an unsatisfactory level, and measures to remedy the situation have started by concentrating the Oriola logistics in the Stockholm region. Sales developed briskly in all Baltic countries, Lithuania in particular.

Prolab markets, sells and services the laboratory equipment, supplies and reagents in its product portfolio, both in Finland and in the neighbouring areas. The focal clientele is constituted by laboratories involved in healthcare, industry, environmental control as well as in teaching and research.

The sales of all products represented by Prolab developed favourably. The previous year's net sales were diminished by the exit of important laboratory products, but the portfolio was complemented during the year in all operative sectors. The new biotechnology principals include Life Technologies, the manufacturer of cell culture and molecular biology reagents, Nunc which produces plastic products needed in cell culture, as well as New Brunswick Scientific, Integra Biosciences and L'air Liquide, all three manufacturers of biotechnology equipment. The product portfolio was also reinforced with diagnostic products from Olympus Diagnostica, Byk Sangtec, Wako and Nova Biomedical, the microscopes manufactured by Carl Zeiss and the microtomes by Microm.

Medical Products unit (Sairaalaväline) markets supplies, equipment and instruments used in health-care, as well as associated systems and maintenance services. The target client group includes healthcare professional in hospitals, healthcare centres and clinics, occupational health stations, homes for the elderly, pharmacies, teaching and research institutions as well as in other units providing healthcare services.

In Finland and in the Baltic countries, the unit enhanced its share of the healthcare product markets considerably. The record high sales to Finnish hospitals included surgical diathermy equipment, lamps, suction equipment, intubation tubes, and non-powder surgical gloves. Wound treatment, urological and hygiene product sales also grew substantially. The new service concept applied to the marketing of orthopaedic implants proved successful. The product selection was complemented with the Carl Zeiss surgical microscopes and eye examination equipment. The use of the Internet-based ordering and information system increased remarkably.

The sales of anaesthetic and ICU products through Oriola AB were started in Sweden.

Kuulolaittekeskus markets hearing, seeing and alternative communication aids, as well as audiological diagnostics. **Apuväline Oriola** markets mobility, hygiene, lifting and children's therapy aids. Progress in excess of market growth was seen in the sale of audiological diagnostics and hearing aids. Pressure sore products and special geriatric wheelchairs were added to the product range.

Medion markets medical imaging and radiotherapy equipment to the healthcare sector and infrared devices and non-destructive testing (NDT) systems to the industry. It markets also DuPont and Agfa materials and equipment to the graphic and packaging industry.

The development of the medical imaging market



• *The Stannah stairlift is a helpful and safe aid for people having difficulty in moving up and down the stairs.*

was slow, and major equipment deliveries were fewer than in the previous year. Philips' market share was high in bone imaging radiography systems. Toshiba maintained its strong position in computerised tomography and ultrasound equipment sales. Sales of industrial NDT equipment increased.

Industrial Sector

Soredex develops, manufactures and markets dental X-ray equipment as well as Finndent dentist's chairs and dental care units. The X-ray product family comprises the Cranex panoramic X-ray equipment, Cranex TOME and Scanora multidimensional tomography equipment for dentomaxillofacial imaging and the Digora X-ray imaging systems.

Net sales increased slightly, and operating profit rose as a result of the revised marketing concept and improved cost management of Soredex Inc., in particular. Exports accounted for over 98% of Soredex net sales, with the major markets in the US, Germany, rest of Continental Europe and Korea.

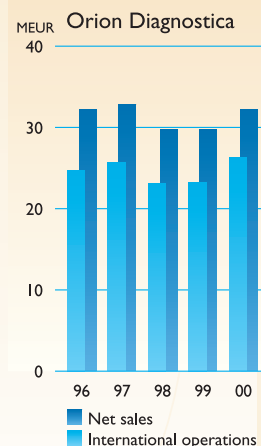
• *A view of the operating theatre of the Turku City Surgical Hospital, where Oriola delivered the operating lights and the ceiling pendant systems.*

Outlook for 2001

Oriola is making a reservation for continued slow net sales development. Measures for improved efficiency and profitability are being taken in the Baltic markets and Sweden. Operating profit is anticipated to improve slightly.

MEUR	2000	1999	Change
Net sales	32.2	29.7	+8.3%
Exports and subsidiaries abroad	26.4	23.3	+13.1%
– % of net sales	82.0%	78.4%	
Exports from Finland	19.5	17.4	+12.1%
R&D expenses	2.6	2.6	+0.8%
Operating profit	5.4	3.8	+44.2%
Investments	1.4	2.2	
Personnel	330	326	
– abroad	30	30	
Profitability: Very satisfactory			
Share of Group net sales	3%	3%	

www.oriondiagnostica.fi



President Matti Vaheri:

The diagnostics market is picking up

Throughout the 1990s, the diagnostics market was characterised by strong turbulence that was reflected as poor profitability and feeble growth of the business. The radical changes in healthcare – general cost containment policies, reorganisations and changes in reimbursement systems – have influenced the business. However, diagnostic testing accounts for less than 1% of all healthcare expenditure while it plays a vital role in the overall efficiency of healthcare. This is the very factor that is now turning the market towards a new growth.

Within the framework of the generally slack growth over the past few years, however, the trend is increasingly towards decentralised diagnostics, point-of-care (POC) testing. Looking at overall efficiency, it is in many cases more rational to test the patient during the first appointment and to start the appropriate treatment without delay.



In fact, it is estimated that in the course of the next ten years, point-of-care testing will be one of the fastest growing sectors of the diagnostics market.

Orion Diagnostica has a long track record in POC testing. The changes in the marketplace are supporting our clear focus on POC testing and our objective to become the leading company in selected niches of POC.

Orion Diagnostica has long been the pioneer company to introduce new innovative products on the market. Our success is based on a profound and versatile mastery of analyte technology and on the discovery, development and manufacture of various analytes. Applying this expertise and utilising the modern methods of biotechnology, Orion Diagnostica develops and produces new, original and easy-to-use tests and test systems to meet the changing needs of the market.

Orion Diagnostica's net sales of MEUR 32.2 took a clear upward turn and exceeded the expectations. The restructuring of the product range over the past few years as well as the sharpened focus on POC testing are factors contributing to this. The new growing export markets, such as China and Iran, also had a positive impact. Among the traditional export markets, the US continued to grow. All the Nordic subsidiaries developed favourably.

Profitability followed the development of the net sales, and operating profit improved from the previous year and was better than planned.

Among the individual products, the **QuikRead** system, a method for quantitative detection of C-reactive protein (CRP) from whole blood grew most vigorously and became Orion Diagnostica's best-selling product. The blood CRP concentration increases due to bacterial infections, tissue damage and surgical

operations. CRP provides rapid information to distinguish bacterial infections from viral infections, and for possible need of antibiotic treatment and for the follow-up of the patients' response to treatment. So far, CRP is utilised as a routine means of diagnostics of acute infections only in the Nordic countries, Switzerland and Japan but its use is spreading in Continental Europe, China and in some South-American countries. CRP is now also penetrating the US market. Orion Diagnostica will not only expand the geographic market but also develop new QuikRead tests to complement the existing CRP assay.

The bone metabolism markers developed favourably. Orion Diagnostica's long-term pioneering work in developing assays for bone metabolism and its disorders has born fruit. During 2000, scientific evidence was obtained to show the unique value of the ICTP method in detecting pathological bone degradation. The ICTP test is primarily applicable for the early detection of bone metastases and treatment



follow-up. The method is routine use in Japan, and it is becoming increasingly popular also in Europe.

The product family for the detection of anaemia continued to grow rapidly. In addition to the world's first 'in vitro' assay **IDEAsTfR** for the detection of iron deficiency anaemia, introduced in 1997, the routine test version launched last year for clinical chemistry analyses has established its position on the market. The soluble transferrin receptor has proved to be the most reliable marker for the detection of iron deficiency anaemia: when the body's iron content is insufficient, the sTf receptor concentration in blood increases, which takes place much earlier than any detectable changes in the blood haemoglobin content.

The entire **Turbox** protein assay range was adapted to Turbox plus, the new version of the Turbox protein analyser. Following the launch of the revised system, the sales of the Turbox kits took an upward turn.

The **Pyloriset** product family was complemented towards the end of the year through the introduction



• Just a small drop of blood from a fingertip, then a few easy steps, and the CRP test is complete. QuikRead provides the CRP result in a simple numerical form in two minutes.

of the new Pyloriset Urease test. The same tube used for the rapid detection of the *Helicobacter pylori* bacterium from biopsy samples can be used to send the positive samples for cultivation and further examination. Orion Diagnostica is a forerunner with tests for the detection of the *H. pylori* infection, causing, among other things, duodenal ulcer. There was a particularly noteworthy increase in the sales of the Pyloriset products intended for POC testing.

Uricult continued to strengthen its position as the world's leading dip-slide test for the detection of urinary tract infections, especially in the US and in South America. Uricult is Orion Diagnostica's second best selling product. The Uricult test has been available for more than 30 years. Thanks to continued development and high quality, it is still the world's leading dip-slide

method for demonstrating urinary tract infections.

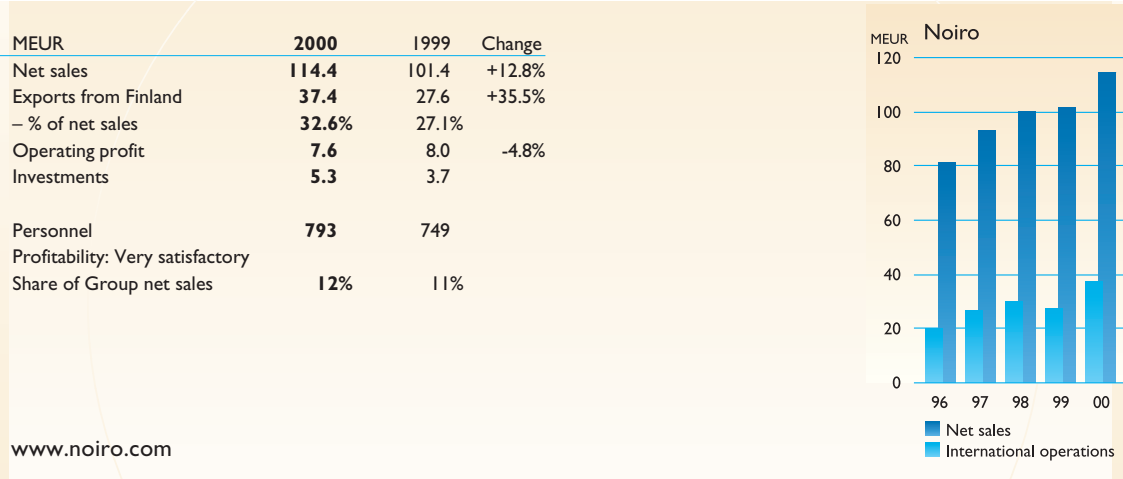
The industrial hygiene tests **Hygicult** and **Easicult** showed substantial growth, especially in the US, German and Finnish markets. Hygicult TPC was the first hygiene dip-slide product in the world to obtain the validation for surface hygiene microbe assays from the US international validation organisation AOAC (Association of Official and Analytical Chemists).

• The SprayCult reagent used along with the Hygicult test guarantees reliable results in the self-control of microbiological hygiene.



Outlook for 2001

The market is expected to show continued positive development in Orion Diagnostica's focus areas. Both net sales and operating profit are anticipated to develop favourably.



President Pekka Rautala:
Noiro in strong expansion

The major Noiro brands are reinforcing their position in the increasingly competitive Finnish market for cosmetics, personal hygiene and hair-dressing products. During the past few years, Noiro's internationalisation process has truly taken off. From a few million euros in the early 1990s, our annual exports have grown to today's EUR 37 million.

A new plant for cosmetics is now under construction in Espoo. When completed in the summer of 2002 it will replace most of our present production facilities. The additional capacity and the modern production, laboratory and office premises provided by the new building will give us unforeseen opportunities to improve our service of the present customers. Also the delivery capacity and service required



by our new customers will be ensured.

Our institutional and industrial products group Farnos has started a considerable plant expansion investment in Turku. When completed in the summer of 2002, we can concentrate the entire production of institutional and industrial hygiene and cleaning products in Turku.

By investing in state-of-the-art production facilities and technology, Noiro will be increasingly prepared to face the production challenges set by future consumers and the process of internationalisation. At the same time, these investments reflect our strong faith in the success of our top products both on the domestic and the international markets, guaranteeing the continuous triumph of Finnish cosmetics in the new millennium.

Export-driven year 2000

Noiro's share of the Finnish market strengthened. Cosmetics, especially Lumene, and hairdressing products showed the most favourable development.

Through its goal-oriented efforts to reinforce the penetration and recognisable brand image of Lumene,

Noiro has continued to enhance its competitive position both in the Nordic countries, Poland, the Baltic countries and Russia.

Net sales rose by 12.8% to MEUR 114.4 and exceeded expectations. Domestic net sales also exceeded the budgeted level. Exports rose by 35.5% and accounted for 32.6% of the net sales. Exports to Rus-

sia came to a new record and the exports to Sweden and Norway proceeded according to plan. The leading export brand is Lumene. Another important export brand is Herbina, for skin care and personal hygiene.

Operating profit decreased somewhat from the previous year. Increased expenditure on advertising and product display was necessitated by the tough competition, and had a greater than expected impact on the operating profit.

Lumene strengthened its position on the Finnish market. Exports are brisk

Lumene, Noiro's proprietary cosmetics line, continued to strengthen its leadership to an almost 25% share of the Finnish market. Lumene products accounted for more than one-third of Noiro's net sales and almost two-thirds of the exports. Today, Lumene products are exported to more than 25 markets.



Noiro also represents international brands of selective cosmetics, such as Juvena, Piz Buin, and Babor.

The Nanoel cosmetics line did well, and also the Favors skin care line, developed by Noiro for pharmacy distribution, developed favourably.

Both the domestic and export sales of Noiro's own hairdressing product line Cutrin grew, and sales to hairdressers of the internationally acclaimed Wella hair cosmetic brand also developed favourably. Trendy and innovative, the American line of Sebastian hair care products for professionals was launched.

Upward sales of daily personal care products

In the personal daily care and home care product sector, the focus was on the in-house Herbina, Anytime and Erisan brands. The retail sales of the Wella hair cosmetics line continued to grow. Exports of the Herbina products grew considerably.

Sluggish development in institutional cleaning and hygiene products

The Finnish market for institutional cleaning and hygiene products, represented by Noiro's Farnos group, grew modestly. The sales of the Erisan hospital hygiene products and the Farnos industrial hygiene products remained at the previous year's level, whereas sales of the Farnos institutional hygiene products and the Karkone cleaning machines dropped slightly.



● Exclusively in Lumene products: cloudberry seed oil is the unique active substance in the new Lumene Vitamin+ face creams, launched by Noiro in the spring 2001.

Production plant investments in Espoo and in Turku

Noiro has two major factory investment projects underway, and both are expected to be completed in the summer of 2002. The institutional and industrial product group Farnos is expanding its Turku facilities in order to concentrate all its production there. The new cosmetics factory is under construction in Espoo. The facility will meet the highest standards of modern production technology as well as the future capacity requirements of export products. The acquisition cost of the two investments is MEUR 21.5.



● The new cosmetics plant of Noiro will be completed in mid 2002.

Outlook for 2001

Both domestic sales and exports are expected to develop positively. Operating profit is estimated to improve from the previous year's level in result of improved control of marketing and other fixed costs.

PERSONNEL

• The personnel representatives and the management have a joint meeting four times per year. The Group values are handled as one of the key themes for the meetings in 2001.



In 2000, the average number of the Orion Group personnel was 5,351. The Group personnel in the continuing operations increased by 179 persons.

The Group operated in 13 Finnish localities and in 17 countries outside Finland. A total of 4,668 persons, or 87.2% of the total staff were employed in Finland while the foreign subsidiaries employed 683 persons, or 12.8% of the entire personnel.

Clerical employees accounted for 72.8% and blue-collar for 27.2% of the personnel, 3,898 and 1,453 persons, respectively.

Healthcare sector (Finland) and Noiro

Of the personnel employed in the healthcare sector businesses as well as cosmetics and detergents, 2,947 or 63.1% were women, and 1,721 or 36.9% were men.

The level of education of the clerical employees was as follows:

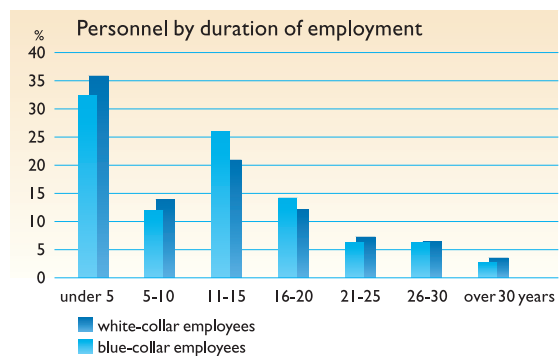
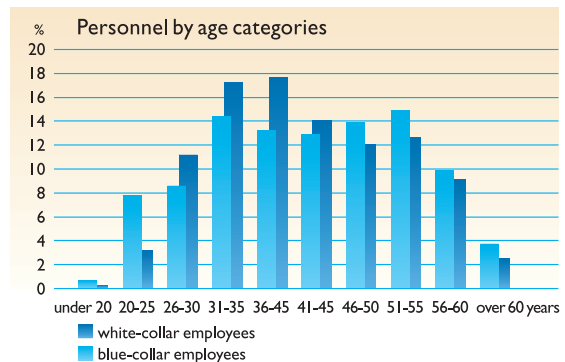
Secondary school level	655 persons	20.5%
Vocational or post-secondary level	1,377 persons	43.1%
University level	1,160 persons	36.4%
Clerical employees total	3,192 persons	100.0%

New personnel were recruited mainly in international sales and marketing as well as in research and development. Recruitment took place through various channels, with the Intranet and Internet playing an increasingly important role. The Orion Pharma R&D organi-

sation employed a total of 868 persons.

The average age of the Group personnel was 41 years, and the average duration of employment with the Group was 10 years.

Personnel turnover remained virtually unchanged, while the total absence rate increased slightly from the previous years' level.



Development of competence and well-being

The Orion Group operates in the healthcare sector where special expertise is required from the personnel. Moreover, growth is sought in the strongest competence areas. The Divisions are becoming increasingly international in their core business areas, and a customer-oriented approach is emphasised. It is therefore necessary to develop not only the human resources but also common operative models in these areas.

In addition to conventional professional training, the Group paid particular attention to management skills and co-operation training as well as career appraisal discussions. A total of 5 000 employees participated in in-house training. In 2000, the Group expense for outside training, not accounting for the training day salaries, amounted to about EUR 4.2 million. The average number of training days per clerical employee was 4.

Task rotation is an integral part of competence development. Internal mobility within and between the Divisions continues to be encouraged, not only to promote multi-skilled competence and broad insights, but also to streamline the operative processes and increase flexibility among the personnel.

The practical materialisation of the Group values – customer satisfaction, appreciation of personnel, continuous development and shareholder value – is promoted in the Divisions as well as in Group personnel co-operation meetings through various presentations and discussions. The process to review the values was launched at a separate meeting of the management teams of the Divisions, held in the autumn of 2000.

For continuous maintenance of the employees' working ability, the Group objective is to create a healthy and productive working community, as well as to encourage the individuals to take personal responsibility for their well-being. The activities focus on maintaining the individual's physical, psychological and social working ability, as well as on the working environment and the functioning of the working community. The Group level steering committee for the activity outlines the efforts focusing on maintained working ability, supports and monitors the implementation of the plans in the Business Divisions, and provides the framework for versatile possibilities. More detailed objectives and plans are set out by local teams, providing the necessary information and encouragement. The company aims to incorporate the working ability maintenance activities into the daily work of each part of the organisation, in parallel with work safety and occupational healthcare work.

Working climate surveys were conducted systematically in various Business Divisions in order to secure regular and updated feedback from the personnel.

Orion Pharma has two special tools to support



management training: the "Management Tree" and the Management Guide. The latter focuses on the managerial responsibilities and skills while the Management Tree describes the training programmes that support the personal growth and development of the manager. Annual personal appraisal discussions lay the foundations for all development work.

Orion Pharma was involved in a large Finnish nation-wide project for "Good working place with equal opportunities". As an outcome of the project, an Equal Opportunities Policy was adopted for the Group, ensuring all staff members independent and equal success opportunities, irrespective of gender, age or other factors.

Personnel of the Orion Group by countries 2000
(Average number of personnel)

	Orion Pharma	Oriola	Orion Diag- nostica	Noiro	Corporate Adminis- tration	Total
Finland						
Helsinki region	1445	798	206	497	25	2971
Hanko	138					138
Turku region	531	9	40	160		740
Oulu	235	43	49			327
Kuopio	138	44				182
Other localities	59	72		136		267
Finland total	2546	966	295	793	25	4625
Foreign countries						
Sweden	70	33	14			117
Denmark	104		6			110
Norway	21		10			31
Germany	121					121
UK	52					52
Ireland	5					5
Switzerland	10					10
France	42					42
Estonia		54				54
Latvia	4	49				53
Lithuania	3	54				57
Russia	11	5				16
USA	3	21				24
Other countries	29		5			34
Foreign countries total	475	216	35	0	0	726
Group total	3021	1182	330	793	25	5351

CORPORATE VALUES

Customer satisfaction

We must understand and fulfil our customers' needs and expectations better than our competitors do. Our customers are both the internal and the external clients of each Division. A successful customer relationship is based on the willingness to listen to and understand the customer's needs, products that offer the customer clear advantages, fast service, and strict adherence to commitments. Our operational processes are guided by quality that ensures customer satisfaction. We measure customer satisfaction by comparing it with what our main competitors can offer and utilise the feedback in readjusting and developing our internal operations to suit our customers' needs better.

Personnel appreciation

We want our working environment to be based on fairness, mutual trust and respect, and equality between the sexes. We put great emphasis on skills and commitment to the company, and want to encourage our employees to train further to develop their job skills. We perceive each individual job to be an important link in achieving the company's overall goals. An open exchange of ideas lays the foundation for a positive working atmosphere. It also prepares us for the necessary changes and helps to generate positive results.

Constant development

Our operating environment is in constant flux, creating both opportunities and threats. However, we want to view change as a challenge, offering us something new. As we face fierce competition in both the international and the domestic marketplace, we must constantly develop our products and improve our services and cooperative skills to stay ahead of the competition. Development projects play a key role in our strategic thinking. We must also develop our individual capabilities and our organisation and management systems, emphasising skills and trying to avoid hierarchic structures.

Shareholder value

The best possible return on the shareholders' capital investments, that is our relative profitability, creates the basis for their long-term commitment to the company and for increasing shareholder value.

REPORT BY THE BOARD OF DIRECTORS

Group net sales

The Orion Group net sales for 2000 were MEUR 947.5 (MEUR 912.2 in 1999) and they grew by 3.9% (4.9%) from the previous year. Net sales from operations in Finland declined 3.2% (grew 4.7%) whereas international operations grew by 16.4% (5.2%). The impact of changes in foreign currency exchange rates on the growth of international operations was 6 percentage units. The comparable growth of the net sales from the continuing business operations was 4.3%.

International operations, i.e. exports from Finland and net sales of the foreign subsidiaries accounted for MEUR 384.0 (MEUR 329.9), or 40.5% (36.2%) of the consolidated net sales. The most important markets were Scandinavia, Germany, the UK and the USA.

Orion Pharma's net sales grew 3.3% (7.0%), the weak development of domestic sales pressing down the rate. Net sales from international operations grew by 16.9% (15.6%) and they accounted for 57.8% (51.1%) of the total. Major export products were Comtess (entacapone) for Parkinson's Disease, the Divina family of hormone replacement therapies, the breast cancer drug Fareston (toremifene) and the animal sedatives, all based on Orion's own research. The products resulting from own research totally contributed 28% (22%) to Orion Pharma's net sales.

The marketing subsidiaries altogether covering nine European countries generated MEUR 92.0 (MEUR 86.0) in net sales, and their share of Orion Pharma's international operations was 35.2%. Orion Pharma continued to build up the operational readiness and competence of its marketing organisation in order to manage the launches of the novel proprietary products. The sales force in the subsidiaries increased substantially. International operations were organised into six operational sales areas. The subsidiaries in Sweden, Denmark and Norway were linked together to constitute one sales area, Scandinavia.

The most rapidly growing products were the Parkinsonian drug Comtess and the breast cancer drug Fareston. Sales of the Easyhaler multi-dose dry-powder inhalers for asthma medicines increased as the sales started in France. The sales of the hormone replacement therapy products decreased due to heavy competition in the sector. Sales of Simdax, for heart failure, started in Sweden towards the end of the year.

The milestone payments from marketing partners accounted for MEUR 19.4 (MEUR 19.2) of Orion Pharma's international operations.

The Finnish market for pharmaceuticals grew by 8.9% (8.9%). The domestic net sales for Orion Pharma decreased 10.9% (down 0.6%). The market share was 14.9% and it declined by 4.1 percentage units, due to public price cuts together with increased price competition as well as the discontinued marketing

licenses for Boehringer Mannheim pharmaceuticals at the start of the year.

Oriola's invoicing, a figure that describes the operational volume, was MEUR 595.7 (MEUR 593.3), only slightly up from the previous year, by 0.4% (8.6%). The slackened growth rate resulted from the termination of certain distribution contracts at the start of the year. The development in the wholesale business has levelled off in the Baltic states. Preparations to start pharmaceutical distribution activity in Sweden were started. The development of the medical instruments and supplies sector as a whole slowed down somewhat from the previous year, but the dental and hospital businesses showed strong growth in Finland. Soredex's business progressed positively as a whole.

Positive performance continued for Orion Diagnostica, a unit applying modern biotechnology. Sales of proprietary products grew 12%. The sales of the QuikRead CRP test for point-of-care assessment of infections continued to show strong growth. Other, more established products were also increasingly exported, especially to the USA, China and Iran.

Noiro continued particularly strong sales performance in Finland and Russia, again mainly driven by the Lumene cosmetics series and the Herbina family of personal hygiene products.

The development of net sales and international operations by business area, by Division and by market area, as well as the operating profit by business are presented in tables shown on the latter pages of this announcement. Due to eliminations of intra-Group transactions, the consolidated sums cannot be derived from the divisional figures.

Net sales of the parent company

The net sales of the Group parent company Orion Corporation were MEUR 552.0 (MEUR 536.5), up 2.9% (1.3%).

Group profits

Group operating profit came to MEUR 114.5, and it declined by MEUR 9.5 from the previous year. Operating profit for Orion Pharma decreased due to the opposite development of the domestic and the international business, and due to increased expenditure on research and development as well as international marketing operations. The particularly high increase in marketing expenditure was related to the international launches of the parkinsonian drug Comtess and the Easyhaler inhaler, as well as to the preparations for launching the heart failure drug Simdax and the novel hormone replacement therapy products. Expenses also cutting down the profit include MEUR 4.1 in expenses

The figures in the parentheses refer to those of 2000. The percentages reflecting changes on the previous year have been calculated from more precise figures than the published ones.

and impairment written down due to the decisions to shut down the pharmaceutical plants in Oulu, Kemijärvi and Seinäjoki. Income from the divestment of the LVP (large-volume parenterals) business and the repayment of surplus funds from a Swedish pension insurance company, altogether MEUR 5.9, counterbalanced these expenses. The net gains at MEUR 4.8 from the sale of certain product rights also contributed positively. The improved cost management of Soredex had

a positive impact on Oriola's profit which was, however, pressed down by the decreased volume in the distribution business and the unsatisfactory development of the dental business in Sweden. Orion Diagnostica's profit was good. Increased advertising expenditure pushed down Noiro's profits. Other operating expenses in the consolidated Income Statement include a reduction in the value of the Tamro Corporation shares by MEUR 2.7.

Net sales and international operations by Division

	Net sales			International operations		
	2000 MEUR	1999 MEUR	Change	2000 MEUR	1999 MEUR	Change
HEALTHCARE						
Orion Pharma	452.2	437.8	+3.3%	261.4	223.6	+16.9%
Oriola	365.5	356.0	+2.7%	59.9	52.5	+14.2%
Orion Diagnostica	32.2	29.7	+8.3%	26.4	23.3	+13.1%
Healthcare total	835.7	809.6	+3.2%	346.8	299.7	+15.7%
COSMETICS AND DETERGENTS, Noiro	114.4	101.4	+12.8%	37.3	27.5	+35.5%
Continuing operations	947.5	908.3	+4.3%	384.0	327.1	+17.4%
Normet		3.9			2.8	
Group total	947.5	912.2	+3.9%	384.0	329.9	+16.4%

International operations by market area

	2000		1999		Change
	MEUR	Share	MEUR	Share	
Scandinavia	71.4	18.6 %	61.0	18.5%	+16.9%
Other Europe	215.5	56.1 %	174.2	52.8%	+23.7%
North America	56.1	14.6 %	56.5	17.1%	-0.6%
Other markets	41.0	10.7 %	35.4	10.7%	+16.0%
Continuing operations	384.0	100.0 %	327.1	99.1%	+17.4%
Normet			2.8	0.9 %	
Group total	384.0	100.0 %	329.9	100.0 %	+16.4%

Operating profit by Division

	2000		1999		Change
	MEUR	Share	MEUR	Share	
HEALTHCARE					
Orion Pharma	87.4	76.3%	90.6	73.1%	-3.6%
Oriola	21.7	18.9%	24.4	19.7%	-11.3%
Orion Diagnostica	5.4	4.8%	3.8	3.0%	+44.2%
Healthcare total	114.5	100.0%	118.8	95.8 %	-3.7%
COSMETICS AND DETERGENTS, Noiro	7.6	6.6%	8.0	6.4 %	-4.8%
Group items	-7.6	-6.6%	-2.8	-2.2 %	
Continuing operations	114.5	100.0%	124.0	100.0 %	-7.7%
Normet					
Group total	114.5	100.0%	124.0	100.0 %	-7.7%

Net sales and operating profit by quarters

	7-9/99	10-12/99	1-3/00	4-6/00	7-9/00	10-12/00
	MEUR	MEUR	MEUR	MEUR	MEUR	MEUR
Net sales	221.2	240.6	236.8	227.4	238.0	245.3
Operating profit	44.2	21.1	31.9	14.9	45.0	22.7

Net income from ordinary financial operations was altogether greater than for the previous year. The profit for the entire Group was very satisfactory.

The consolidated other operating income includes net gains from the sale of diverse fixed assets at MEUR 1.1 (MEUR 1.5), income received from the sold LVP trademarks at MEUR 5.2, and net gains at MEUR 4.8 from certain product rights sold by the German subsidiary (in the previous year, MEUR 1.8 were received in R&D-related refundings and damages).

Group operating profit came to MEUR 114.5 (MEUR 124.0), down 7.7% (up 13.5%). Orion Diagnostica improved its operating profit. The profitability of all Business Divisions was at a very satisfactory level.

The operating profit of Orion Pharma includes value reductions in MEUR 2.2, booked as additional depreciation, associated with the shutting down of the three pharmaceutical plants (an extra depreciation of MEUR 2.0 on product rights, and a non-recurrent additional depreciation of MEUR 5.4 included in the Group items in the previous year).

Net consolidated income from ordinary financial operations was MEUR 10.9 (MEUR 10.5). Net interest income was MEUR 6.8 (MEUR 3.9). The net loss from foreign exchange rate changes was MEUR 0.7 (net gain of MEUR 2.1). Net income from securities, including dividends, came to MEUR 4.8 (MEUR 4.5). The financial income no more included associate company contribution of Instrumentarium Corporation (MEUR 1.9).

Group profit before extraordinary items and taxes was MEUR 125.4 (MEUR 136.4), down by 8.1% (up by 12.7%). Income taxes on ordinary operations for the financial year were MEUR 42.8 (MEUR 43.7), and income taxes on extraordinary items were MEUR 1.8 (MEUR 34.0). The income taxes include the change in deferred taxes.

The extraordinary income includes a net income of MEUR 6.9 from the Instrumentarium shares that were transferred as dividends to Orion's shareholders. The net income results from the market value of the shares less their acquisition cost and the related property transfer tax paid by Orion Corporation. (In 1999, a net gain of MEUR 74.7 was booked from that year's dividend payment correspondingly, MEUR 10.9 related to the divestment of the Normet business, and MEUR 5.3 from sold land areas.) Associate company consolidation had no impact on the extraordinary items (MEUR 6.6 in extraordinary income).

Earnings per share came to EUR 1.22 (EUR 1.37), down 10.9% (up 9.6%). Shareholders equity per share was EUR 9.90 (EUR 9.78). Group return on invested capital, ROI, before extraordinary items and taxes was 18.2% (18.6%). Return on shareholders' equity, ROE, after taxes was 12.4% (13.3%).

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 in all conditions by avoiding unnecessary capital risks. A most neutral interest, currency, investment and counterparty 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 approved counterparties. Minor amounts were invested in listed shares and investment funds.

The cash flows from exports were greater than the corresponding cash flows from imports. Derivatives were only utilised for hedging against risks involved in foreign currencies and interest instruments.

Liabilities in the consolidated Balance Sheet of 31 Dec. 2000 were MEUR 244.2 (MEUR 250.1) deferred tax liability included. Interest-bearing liabilities were MEUR 51.8 (MEUR 51.3). Short-term interest-bearing liabilities accounted for 29.1% (22.1%) of total interest-bearing liabilities, up due to increased advance payments received.

Group equity ratio grew slightly, being 74.2% at the year-end (73.1%). Gearing was -26.7% (-28.0%).

Investments in fixed assets

Gross investments by the Group came to MEUR 63.6 (MEUR 45.0), or 6.7% (4.9%) of the Group net sales. Gross investments, excluding securities, were MEUR 63.5 (MEUR 45.0), or 6.7% (4.9%) of the Group net sales.

Gross investments:

	2000 MEUR	1999 MEUR
Land areas	0.1	0.0
Buildings	20.3	15.2
Machinery and equipment	34.8	25.4
Shares	0.1	0.0
Other fixed assets	8.3	4.4
Group total	63.6	45.0

Gross investments by Business Division:

	2000 MEUR	1999 MEUR
Orion Pharma	49.8	33.1
Oriola	5.9	4.5
Orion Diagnostica	1.4	2.2
Noiro	5.3	3.7
Corporate Administration	1.2	1.5
Group total	63.6	45.0

The most important ongoing investment for Orion Pharma was the enlargement of the Fermion plant for active pharmaceutical ingredients in Hanko. Investment projects were started for expanding production capacity for entacapone and Easyhaler preparations. Oriola started the creation of a customer relations management system. Noiro's investments include initial costs for constructing a new cosmetics plant in Espoo and for expanding the production facility for detergents and industrial chemicals in Turku.

Acquisitions and Group structure

Oriola Oy acquired business operations related to healthcare and laboratory products and associated services from Instrumentarium Corporation in March. The net sales from these operations were about MEUR 5. A related staff of 24 persons also joined Oriola.

In accordance with an agreement with Pfizer International Inc., Orion Corporation took over the marketing and sales of Pfizer's animal health products in Norway, Sweden and Denmark as of March. The net sales from these operations were about MEUR 10, and 15 persons joined Orion.

In April, plans were introduced to improve the cost- and investment-efficiency in Orion's pharmaceutical production. This led to the decision to shut down the Oulu, Kemijärvi and Seinäjoki plants for manufacturing pharmaceutical preparations in 2001 and to relocate their production in Espoo and Turku.

In July, Orion Corporation sold the product licenses and trademarks as well as the inventories of its LVP products to Baxter Oy. In result of the transaction, the production of LVPs in Oulu will end by the end of April 2001.

As an intra-Group transaction in November, Oriola Oy acquired the Medion business, i.e. medical imaging systems and radio therapy equipment, from Orion Corporation.

Transfer of Instrumentarium shares to Orion's shareholders

Altogether 1,416,170 Instrumentarium Corporation shares held by Orion Corporation were transferred to Orion's shareholders as dividends for 1999 in accordance with the decision by the ordinary Shareholders' Meeting. The transaction took place at the average price of 27.66 euros, quoted for the share on 14 April 2000 on the Helsinki Stock Exchange. Accordingly, one Instrumentarium share per every 47.69 Orion Corporation A- or B-shares was received by the shareholders. Those shareholders whose book-entry

accounts included less than 300 Orion A- or B-shares on the record date received the corresponding dividend, EUR 0.58 per one Orion share, in cash.

Personnel

The average number of personnel was 5,351 in 2000. The number of personnel increased by 141 employees, mainly due to increased human resources in Orion Pharma's research and development as well as in international sales and marketing. For the continuing operations, the personnel increased by 179 persons, or 3.5%. The personnel in the parent company Orion Corporation grew by 107 persons. The personnel in the foreign locations for pharmaceuticals marketing increased by 18.8% and came to 475 persons.

Orion Group personnel (average number of employees):

	2000	%	1999	%
Orion Corporation	3842	71.8%	3735	71.7%
Subsidiaries in Finland	826	15.4%	844	16.2%
Finland total	4668	87.2%	4579	87.9%
Foreign subsidiaries	683	12.8%	593	11.3%
Continuing operations	5351	100.0%	5172	99.2%
Normet			38	0.8%
Group total	5351	100.0%	5210	100.0%

Group personnel by Business area and by Division (average number of employees):

	2000	1999
HEALTHCARE		
Orion Pharma	3021	2881
Oriola	1182	1191
Orion Diagnostica	330	326
Healthcare total	4533	4398
COSMETICS AND DETERGENTS, Noiro		
Corporate Administration	793	749
	25	25
Continuing operations	5351	5172
Normet		38
Group total	5351	5210

Jukka Viinanen appointed President and CEO

On 16 June 2000 Jukka Viinanen joined Orion as the new President for Orion Corporation and the CEO of the Orion Group, following Markku Talonen who joined Sonera Corporation as full-time Chairman of the Board.

Board of Directors as of 1 Jan. 2001

In accordance with the decision by the Supervisory Board in December 2000, Aatto Prihti was re-elected to continue as Deputy Chairman of the Board of Directors, and Erkki Etola and Eero Karvonen were re-elected as members. Petteri Karttunen, and Tuomo Lähdesmäki were elected as new members. Jukka Viinanen, President of Orion Corporation and Group CEO, and Pauli Torkko, Executive Vice President and CFO, stepped down from the Board.

As of 1 January 2001, the composition of the Board of Directors of Orion Corporation is as follows:

Chairman: Professor Juhani Leikola. Deputy Chairman: Aatto Prihti. Members: Erkki Etola, Petteri Karttunen, Eero Karvonen and Tuomo Lähdesmäki.

Research and product development

Group expenditure on research and development, excluding received financial contributions, were MEUR 72.1 (MEUR 67.9), or 7.6% (7.4%) of the net sales. The parent company's share of the total Group R&D expenses was MEUR 69.5 (MEUR 66.1) or 12.6% (12.3%) of the net sales. The Group R&D expenditure grew by 6.2% (7.5%), due to costs mainly associated with drug research projects. Orion Pharma R&D expenditure corresponded to 15.3% (14.9%) of the net sales of pharmaceuticals.

Simdax (levosimendan), the innovative drug discovered and developed by Orion Pharma for severe heart failure received the first marketing authorisation in Sweden. The registration process for the other EU countries started in early 2001. Decisions are awaited during the first half of the year.

The additional clinical trial program with intravenously administered Simdax for the US new drug application will start during the first half of 2001, and the trials are estimated to take about two years. The planning of the Phase 3 clinical trial program for the oral formulation of levosimendan has started.

The registration process of the Parkinsonian treatment entacapone continued, and by the end of the year, more than 50 countries had already granted a marketing

authorisation for the product. Further studies with entacapone are underway in Europe and the USA.

Orion Pharma is developing a combination treatment for Parkinson's Disease combining levodopa, the basic medication, together with karbidopa and entacapone, both inhibiting the breakdown of levodopa. The studies with the preparation are progressing according to plan with a target to complete the new drug application documentation by the end of 2002. A marketing agreement for the product was signed with Novartis in September, providing Orion Pharma with marketing exclusivity in Germany, the UK and Ireland, the Nordic and the Baltic countries, and certain other areas. Orion also retained the possibility to co-promote or co-market the product with Novartis in the USA, France, Spain, Italy and ten other markets. Novartis has marketing exclusivity in the rest of the world. Japan is not covered by the agreement.

The Phase 2 clinical trial with the fast-soluble Zydis tablet formulation of apomorphine for late-stage Parkinson's Disease have been completed, and the further development program is being planned.

The additional trial program for the European new drug application for Precedex (dexmedetomidine), a sedative for use in intensive care, is being prepared by Abbott Laboratories. The product was launched by Abbott in the USA in the spring of 2000.

In March, Orion acquired the rights for the further development and for marketing of deramciclone, a compound discovered by the Hungarian Egis Pharmaceuticals but already having been studied by Orion Pharma for some years. Deramciclone shows favourable properties for the treatment of anxiety disorders. In the spring, Orion Pharma started comprehensive Phase 3 clinical trials in ten European countries with a target to register the product globally as an anxiolytic. The program is progressing to plan.

The clinical trials with Fareston (toremifene) for extending the indication to the treatment of earlier stages of breast cancer are being completed. An application for the broader indication could possibly be filed in the USA and Europe in 2001.

The novel products Diviseq and Indivina for menopausal hormone replacement therapy received marketing authorisations in many EU countries through the mutual recognition procedure.

The formulations of budesonide and formoterol, both representing a newer generation of respiratory drugs, have been developed as additional substances for the Easyhaler inhaler. The new drug application for the budesonide Easyhaler, for use in the prevention of the symptoms of asthmatic inflammation, is under review by the German drug authority. The Phase 3 clinical trials with formoterol, a long-acting bronchodilator, may possibly start in 2001.

In early 2001, a clinical research centre was estab-

lished in Nottingham, England, particularly focusing on the treatment of cardiovascular and neurological diseases. Experienced research professionals have been recruited from the local markets.

Outlook for 2001

The growth of Orion Pharma's international operations is expected to continue. The most important growth generators will be the patented products from Orion's own research, particularly the Parkinsonian drug Comtess/Comtan but also Fareston, Precedex, and Simdax following receipt of marketing authorisations, as well as the animal sedatives. Growth opportunities are also seen for the hormone replacement therapies and Easyhaler. Domestic sales are anticipated to grow slightly. Investment in pharmaceutical R&D and international marketing will be increased remarkably, as many research projects are in the clinical development phase and many new products are being launched. The operating profit for Orion Pharma as a whole is estimated to be less than in the previous year, but in 2002, it is anticipated to turn to growth.

Oriola's net sales are estimated to show low growth and the operating profit is anticipated to improve somewhat. The operating profits for Orion Diagnostica and Noiro are estimated to improve from the previous year.

The Group net sales growth is forecasted to accelerate, but the Group operating profit is estimated to be lower than in the previous year. Net gains from ordinary financial operations are awaited to increase slightly.

The budgeted R&D expenditure is MEUR 100 (MEUR 72.1). Planned investment in fixed assets, excluding possible company and product acquisitions, is MEUR 95.

Share capital and shares of Orion Corporation

The share capital of Orion Corporation is MEUR 114.8, and each share has a nominal value of EUR 1.70.

The minimum share capital is MEUR 85.0 and the maximum share capital is MEUR 340.0. The share capital can be increased or decreased within these limits without amending the Bylaws.

At the Annual General Meeting held on 30 March 2000, a decision was made to lower the share capital by invalidating the altogether 2,453,208 Orion Corporation A-shares held by the subsidiary Oriola, whereby the share capital declined by EUR 4,170,453.60, the total nominal value of these shares. Oriola's holding in Orion Corporation corresponded to 3.51% of the total share stock and for 6.34% of the total votes. The lowering of the share capital was entered in the trade register on 14 April 2000.

According to the Bylaws of Orion Corporation, the shareholder can request the conversion of his A-shares into B-shares. During 2000, altogether 348,250 A-shares were converted to B-shares.

On 31 December 2000, the total stock of 67,518,421 shares divided into 34,217,297 A-shares representing 50.7%, and 33,301,124 B-shares representing 49.3% of the stock.

At Shareholders' Meetings, each A-share entitles the shareholder to twenty (20) votes and each B-share to one (1) vote. Both A- and B-shares provide the shareholder with equal rights with respect to company assets and dividends.

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 bonds or option rights.

	2000 MEUR	1999 MEUR	1998 MEUR	1997 MEUR	1996 MEUR
Share capital	114.8	119.0	117.7	117.7	84.1
A-shares	58.2	63.0	62.3	62.3	44.5
B-shares	56.6	56.0	55.4	55.4	39.6
Share issues:					
Bonus issue	-	1.3	-	(5:2) 33.6	-
Shareholders	26 674	24 515	21 783	19 001	17 933

1998 Bond Loan with Warrants to the personnel

The Annual General Meeting of 1998 decided upon a bond loan with warrants for subscription to the Group personnel. The nominal value of each bond certificate was FIM 300, with 100 warrants attached to each. The total bond loan capital on 31 December 2000 was FIM 9,774,900, of which Oriola Oy's share was FIM 232,500. The loan period is three years, and no interest will be paid for the loan. The loan will be repaid in one instalment on 22 May 2001.

On the basis of the bond certificates, up to 3,180,800 new B-shares, each with EUR 1.70 nominal value, can be subscribed during 2 May 2001 – 30 April 2005, corresponding to 4.7% of the total stock and 0.4% of the total votes. In accordance with the terms of the loan, half of the shares can be subscribed during 2 May 2001 – 30 April 2005, and the other half during 2 May 2003 – 30 April 2005. The subscription price of the shares is EUR 30.11 or FIM 179.00, after the deduction of the dividends paid in 2000. In result of the subscriptions based on the warrant certificates, the share capital can increase by up to EUR 5,407,360.

Trading in Orion Corporation shares

The Orion Corporation A- and B-shares are quoted on the Helsinki Exchanges. During January – December 2000, 17.8 million Orion Corporation shares were traded on the Helsinki Exchanges, representing 26.3% of the total number of free-floating shares, i.e. excluding the A-shares held by Oriola Oy. The total trading value was MEUR 414.3. Altogether 5,941,725 A-shares were exchanged, corresponding to 17.4% of the A-share stock. The highest quotation was EUR 28.60 and the lowest one EUR 17.80. The exchange of B-shares was 11,814,914 corresponding to 35.5% of the B-share stock, the highest price being EUR 28.50 and the lowest one EUR 17.70. On the first trading day of the year, the closing quotation of the A-share was EUR 24.30 and EUR 24.60 for the B-share. On the last trading day of the year, the closing quotation of the A-share was EUR 24.00 and EUR 23.80 for the B-share, and the market value of the total share stock was MEUR 1,613.8.

Notifications made to the Company in accordance with Chapter 2 of Section 9 of the Securities Markets Act

Due to the invalidation of the Orion Corporation A-shares held by Oriola Oy, the holding in Orion Corporation of the Orion Corporation Pension Fund exceeded 1/20 (one of twenty) limit on 14 April 2000. The Pension Fund's ownership in Orion Corporation is 3.6% of the shares and 5.2% of the votes.

The Varma-Sampo Mutual Pension Insurance Company notified on 29 May 2000 that its holding in Orion Corporation has exceeded the one-of-twenty limit following a transaction on 26 May, whereby the ownership of Varma-Sampo in Orion Corporation came to 3.6% of the shares and 6.3% of the total votes.

On 1 December 2000, Varma-Sampo notified that its ownership had decreased below 1/20 following a transaction on 30 November.

Management interests on 31 January 2001

Members of the Supervisory Board and the Board of Directors, and the President and the Executive Vice President (including the companies in which they hold control) own altogether 2,350,518 shares, or 3.5% of the total stock, entitling to altogether 43,520,041 votes, or 6.1% of the total number of votes. On the basis of the 1998 bond loan subscriptions, the President and the Executive Vice President are holding altogether 80,000 bond certificates which entitle them to increase their shareholding in the Company by altogether 80,000 shares, or 0.12% of the current total share stock and 0.01% of the total votes.

Insider Guidelines

The Insider Guidelines prepared by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry were introduced on 1 September 2000, with some changes and adjustments, for use in the Orion Group.

Shareholders by type of owner on 31 January 2001

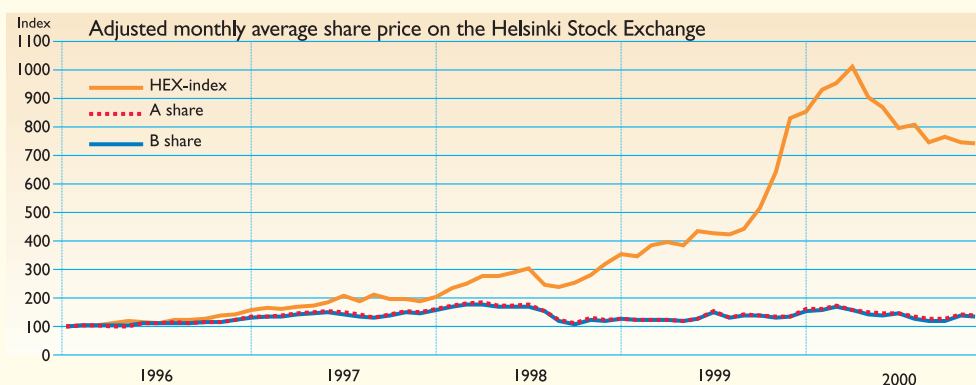
	A shares			B shares			Total		
	Share-holders	% of share-holders	% of shares	Share-holders	% of share-holders	% of shares	Share-holders	% of share-holders	% of shares
Individuals	11 406	94.7	50.3	18 843	93.1	43.5	24 893	93.3	46.9
Corporations and partnerships									
Government and municipal corporations	-	-	-	8	0.0	0.2	8	0.0	0.1
Private corporations and partnerships	385	3.2	11.0	766	3.9	8.6	1 035	3.9	9.8
Banks and insurance companies	29	0.2	11.7	88	0.4	9.3	97	0.4	10.5
Public entities	20	0.2	15.8	69	0.3	13.6	72	0.3	14.7
Associations and foundations	138	1.1	6.2	382	1.9	7.7	447	1.7	7.0
Foreign shareholders	71	0.6	0.8	83	0.4	0.4	122	0.4	0.6
Total	12 049	100.0	95.8	20 239	100.0	83.3	26 674	100.0	89.6
Nominee registrations			4.1			16.6			10.3
Shares not transferred to the book-entry securities system or not subscribed to			0.1			0.1			0.1
			100.0			100.0			100.0

Shareholders by number of shares held on 31 January 2001

	A shares				B shares				Total			
	Shares	Share-holders	% of share-holders	% of shares	Share-holders	share-holders	Shares	% of shares	Share-holders	share-holders	Shares	% of shares
1-100	2 964	24.6	181 200	0.5	4 933	24.4	334 530	1.0	6 453	24.2	437 695	0.6
101-500	4 481	37.2	1 192 862	3.5	8 547	42.2	2 392 002	7.2	10 628	39.8	2 929 108	4.3
501-1000	1 924	16.0	1 452 801	4.2	3 161	15.6	2 380 876	7.1	3 767	14.1	2 845 347	4.2
1001-10000	2 387	19.8	6 741 776	19.7	3 314	16.4	8 187 103	24.6	5 226	19.6	14 242 437	21.1
10001-50000	223	1.8	4 775 281	14.0	220	1.1	4 367 968	13.1	477	1.8	9 621 015	14.3
50001-100000	33	0.3	2 384 447	7.0	39	0.2	2 690 321	8.1	58	0.2	4 192 004	6.2
100001-500000	25	0.2	5 655 056	16.5	20	0.1	4 259 012	12.8	48	0.2	10 095 037	15.0
over 500000	12	0.1	11 799 242	34.5	5	0.0	8 653 687	26.0	17	0.1	23 085 521	34.2
Total	12 049	100.0	34 182 665	99.9	20 239	100.0	33 265 499	99.9	26 674	100.0	67 448 164	99.9
Shares not transferred to the book-entry securities system or not subscribed to			34 632	0.1			35 625	0.1			70 257	0.1
			34 217 297	100.0			33 301 124	100.0			67 518 421	100.0

Orion Corporation had a total of 26,674 registered shareholders in the book-entry securities system on 31 Jan. 2001.

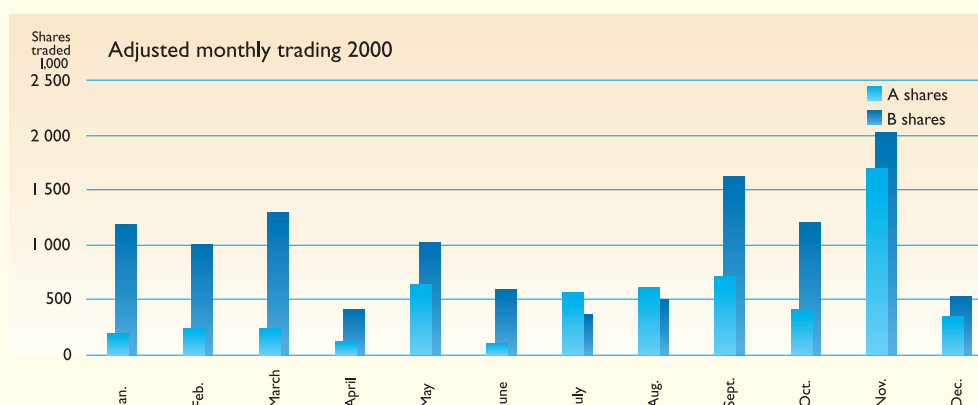
There were 6,938,225 nominee registered Orion Corporation shares in the book-entry securities system on 31 Jan. 2001. This is 10.3 % of the total shares and 4.7 % of the total votes.



Major shareholders on 31 January 2001

By number of shares	A shares	B shares	Total	% of shares	Votes	% of votes	By number of votes
1. Orion Corporation Pension Fund*	1 814 602	646 674	2 461 276	3.65%	36 938 714	5.15%	1.
2. Brade Jouko	21 100	0			422 000		
Lamy Oy	407 900	29 100			8 187 100		
Medical Investment Trust Oy	710 000	799 500			14 999 500		
	1 139 000	828 600	1 967 600	2.91%	23 608 600	3.29%	5.
3. Varma-Sampo Mutual Pension Insurance Company	1 758 500	38 300	1 796 800	2.66%	35 208 300	4.91%	2.
4. Pohjola Non-Life Insurance Company Limited	755 420	95 000			15 203 400		
Pohjola Life Assurance Company	620 264	0			12 405 280		
Pohjola Group	1 375 684	95 000	1 470 684	2.18%	27 608 680	3.85%	3.
5. Tapiola General Mutual Insurance Company	233 080	537 136			5 198 736		
Tapiola Corporate Life Insurance Company	88 800	68 000			1 844 000		
Tapiola Mutual Life Assurance Company	129 000	268 480			2 848 480		
Tapiola Insurance Group	450 880	873 616	1 324 496	1.96%	9 891 216	1.38%	
6. Etola Erkki	50 114	58			1 002 338		
Oy Etra Ab	1 164 860	43 000			23 340 200		
	1 214 974	43 058	1 258 032	1.86%	24 342 538	3.39%	4.
7. Tapiola Mutual Pension Insurance Company	524 300	630 320	1 154 620	1.71%	11 116 320	1.55%	10.
8. Pension Insurance Company Ilmarinen Ltd	815 820	315 500	1 131 320	1.68%	16 631 900	2.32%	7.
9. The Land and Watertechnology Foundation	517 430	0			10 348 600		
Tukinvest Oy	494 250	8 398			9 893 398		
	1 011 680	8 398	1 020 078	1.51%	20 241 998	2.82%	6.
10. The Social Insurance Institution	0	829 784	829 784	1.23%	829 784	0.12%	
11. Ylppö Jukka	623 568	142 248	765 816	1.13%	12 613 608	1.76%	8.
12. Saastamoinen Foundation	619 998	0	619 998	0.92%	12 399 960	1.73%	9.
13. Sampo Life Insurance Company Limited	373 716	260 000	633 716	0.94%	7 734 320	1.08%	
14. Suomi Mutual Life Assurance Company	500 680	115 500	616 180	0.91%	10 129 100	1.41%	
15. Aho Juhani	27 596	1 000			552 920		
Kliinisen Kemian Tutkimussäätiö	46 236	0			924 720		
Helsingin Lääkärikeskus Oy	329 115	2			6 582 302		
Yhtyneet Laboratoriot Oy	148 389	0			2 967 780		
	551 336	1 002	552 338	0.82%	11 027 722	1.54%	
Total	12 774 738	4 828 000	17 602 738	26.07%	260 322 760	36.27%	
Nominee registrations	1 400 307	5 537 918	6 938 225	10.28%	33 544 058	4.68%	
Other	20 042 252	22 935 206	42 977 458	63.65%	423 780 246	59.05%	
All shareholders total	34 217 297	33 301 124	67 518 421	100.00%	717 647 064	100.00%	

* Not entitled to vote at General Shareholders' Meetings



Data per share

			2000	1999	1998	1997	1996
Earnings per share (EPS), adjusted		EUR	1.22	1.37	1.25	1.48	1.29
Shareholders' equity per share, adjusted		EUR	9.90	9.78	10.80	10.75	9.82
Total dividends		MEUR	81.0¹⁾	82.6	235.1	88.3	42.0
Dividend per share		EUR	1.20¹⁾	1.18	1.09	1.26	0.84
Extra dividend per share		EUR	-	-	2.27	-	-
Dividend per share, adjusted		EUR	1.20¹⁾	1.18	1.09	1.26	0.60
Extra dividend per share, adjusted		EUR	-	-	2.27	-	-
Payout ratio, adjusted		%	98.4%¹⁾	86.1%	268.8%	85.1%	46.5%
Payout ratio excl. extra dividend, adjusted		%	98.4%¹⁾	86.1%	87.2%	85.1%	46.5%
Dividend yield, adjusted	A	%	5.0%¹⁾	5.2%	16.6%	5.2%	2.7%
Dividend yield, adjusted	B	%	5.0%¹⁾	5.1%	16.3%	5.2%	2.8%
P/E ratio, adjusted	A		19.67	16.64	16.22	16.36	16.95
P/E ratio, adjusted	B		19.51	16.79	16.47	16.36	16.48
Share price on 31 Dec.	A	EUR	24.00	22.80	20.27	24.22	30.61
Share price on 31 Dec.	B	EUR	23.80	23.00	20.59	24.22	29.77
Share price on 31 Dec, adjusted	A	EUR	24.00	22.80	20.27	24.22	21.86
Share price on 31 Dec, adjusted	B	EUR	23.80	23.00	20.59	24.22	21.26
Average share price, adjusted	A	EUR	22.87	21.84	23.67	23.08	18.18
Average share price, adjusted	B	EUR	23.56	21.39	24.61	22.87	17.46
Lowest share price, adjusted	A	EUR	17.80	19.00	16.77	20.66	15.38
Lowest share price, adjusted	B	EUR	17.70	18.65	15.98	20.60	14.78
Highest share price, adjusted	A	EUR	28.60	26.95	31.79	26.43	22.22
Highest share price, adjusted	B	EUR	28.50	26.80	31.11	25.83	21.50
Market capitalisation on 31 Dec. ²⁾		MEUR	1 613.8	1 546.0	1 379.1	1 635.3	1 456.5
Number of shares traded, adjusted % of A shares ²⁾	A	000s	5 942	3 230	4 026	7 380	6 071
Number of shares traded, adjusted % of B shares	B	000s	11 815	15 389	17 165	17 113	13 944
Shares traded % of total share capital ²⁾		%	26.3%	27.6%	31.4%	36.3%	29.6%
Number of shares on 31 Dec. shares owned by the Group	A	no.	-	2 453 208	2 453 208	2 453 208	1 752 292
Number of shares ²⁾	A	no.	34 217 297	34 565 547	34 565 547	34 610 119	24 721 510
	B	no.	33 301 124	32 952 874	32 952 874	32 908 302	23 505 930
Total number of the shares ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	48 227 440
Number of shares, adjusted, annual average ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	67 518 417
Number of shares, adjusted, at the end of the financial year ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	67 518 417
Diluted number of the shares, annual average		no.	66 634 633				
Diluted number of the shares at the end of the financial year		no.	66 634 633				

¹⁾ Proposed

²⁾ Shares owned by the Group are not included.

The formulas for calculating the key indicators are on page 39

Key indicators

Return on investment (ROI), %	=	$\frac{\text{Profit before extraordinary items and taxes} + \text{interest and other financial expenses}}{\text{Balance Sheet total} - \text{interest-free liabilities (annual average)}} \times 100$
Return on equity (ROE), %	=	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest (annual average)}} \times 100$
Equity ratio, %	=	$\frac{\text{Shareholders' equity} + \text{minority interest}}{\text{Balance Sheet total} - \text{advances received}} \times 100$
Gearing, %	=	$\frac{\text{Interest-bearing liabilities} - \text{investments held as current assets} - \text{cash in banks and at hand}}{\text{Shareholders' equity} + \text{minority interest}} \times 100$
Earnings per share (EPS), EUR	=	$\frac{\text{Profit before extraordinary items} -/+ \text{minority interest} - \text{income taxes}}{\text{Average adjusted number of shares}}$
Diluted earnings per share, EUR	=	$\frac{\text{Profit before extraordinary items} -/+ \text{minority interest} - \text{income taxes}}{\text{Adjusted number of shares} + \frac{\text{Number of shares assuming full exercise of warrants outstanding} - \text{Number of shares assuming full exercise of warrants outstanding}}{\text{Market price of share}} \times \text{Subscription price of share through warrant}}$
Shareholders' equity per share, EUR	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on 31 December}}$
Dividend per share, EUR	=	$\frac{\text{Dividend for the financial year}}{\text{Adjusted number of shares on 31 December}}$
Payout ratio, %	=	$\frac{\text{Adjusted dividend per share}}{\text{Adjusted earnings per share}} \times 100$
Dividend yield, %	=	$\frac{\text{Adjusted dividend per share}}{\text{Adjusted closing quotation of the financial year}} \times 100$
Price per earnings ratio (P/E)	=	$\frac{\text{Adjusted closing quotation of the financial year}}{\text{Adjusted earnings per share}}$
Average share price, EUR	=	$\frac{\text{Total trade in the shares, EUR}}{\text{Adjusted average number of shares traded during the financial year}}$
Market capitalisation, MEUR	=	$\text{Number of shares at the end of the financial year} \times \text{Adjusted closing quotation of the financial year}$

The key indicators have been calculated in accordance with the general instructions issued on 17 December 1999 by the Accounting Board. The impact of the invalidation of own shares on the key figures has been taken into account in the comparative figures.

FINANCIAL DEVELOPMENT OF THE ORION GROUP

	2000 MEUR	1999 MEUR	1998 MEUR	1997 MEUR	1996 MEUR
Net sales and profit					
Net sales	947.5	912.2	869.8	789.6	737.0
Change on the previous year, %	+3.9%	+4.9%	+10.2%	+7.1%	+5.7%
Exports from Finland	288.9	241.0	229.1	200.0	174.6
Change on the previous year, %	+19.9%	+5.2%	+14.5%	+14.6%	+6.1%
International operations	384.0	329.9	313.5	290.3	251.4
% of net sales	40.5%	36.2%	36.0%	36.8%	34.1%
Change on the previous year, %	+16.4%	+5.2%	+8.0%	+15.5%	+5.8%
Depreciation according to plan	43.0	46.5	39.2	38.0	37.0
Operating profit	114.5	124.0	109.3	120.6	106.3
% of net sales	12.1%	13.6%	12.6%	15.3%	14.4%
Change on the previous year, %	-7.7%	+13.5%	-9.3%	+13.4%	+6.0%
Financial income and expenses	+10.9	+12.4	+11.8	+18.5	+17.9
% of net sales	+1.2%	+1.4%	+1.4%	+2.3%	+2.4%
Profit before extraordinary items and taxes	125.4	136.4	121.1	139.1	124.2
% of net sales	13.2%	15.0%	13.9%	17.6%	16.8%
Change on the previous year, %	-8.1%	+12.7%	-13.0%	+12.0%	+10.3%
Extraordinary income and charges (net)	+6.9	+97.6	+3.9	+0.0	+3.6
Income taxes on ordinary operations *)	42.8	43.7	36.5	38.9	37.0
Profit after taxes without extraordinary items	82.6	92.7	84.6	100.2	87.2
Return on invested capital					
before extraordinary items and taxes (ROI)	18.2%	18.6%	16.2%	19.0%	18.1%
Return on equity (ROE)	12.4%	13.3%	11.6%	14.4%	13.7%
Balance sheet					
Current assets	550.7	527.0	493.1	524.4	499.2
Non-current assets	363.9	385.1	462.8	438.1	412.8
Liabilities	244.2	250.1	224.7	234.6	247.4
Interest-free liabilities	192.4	198.8	173.0	187.8	168.5
Interest-bearing liabilities	51.8	51.3	51.6	46.7	78.9
Provisions	1.6	0.3	0.9	1.1	1.2
Shareholders' equity	668.8	661.7	730.2	726.8	663.4
Balance Sheet total	914.6	912.1	955.9	962.4	912.0
Equity Ratio **)	74.2%	73.1%	76.9%	75.6%	72.8%
Gearing **)	-26.7%	-28.0%	-20.7%	-28.2%	-27.3%
Investments in fixed assets					
Gross investments	63.6	45.0	67.3	56.0	40.8
% of net sales	6.7%	4.9%	7.7%	7.1%	5.5%
Gross investments excluding shares	63.5	45.0	46.4	52.5	40.6
Investments excluding shares, % of net sales	6.7%	4.9%	5.3%	6.6%	5.5%
Research and development expenditure					
Research and development expenditure	72.1	67.9	63.2	55.8	56.0
% of net sales	7.6%	7.4%	7.3%	7.1%	7.6%
Personnel					
Wages and salaries paid	151.1	140.2	140.3	131.4	130.4
Number of employees	5 351	5 210	5 517	5 322	5 244
Net sales per employee, EUR thousand	177.1	175.1	157.7	148.4	140.5

*) 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.

INCOME STATEMENT

MEUR	Notes	Orion Group		Orion Corporation	
		2000	1999	2000	1999
Net Sales	1)	947.5	912.2	552.0	536.5
Other operating income	2)	+17.3	+8.4	+11.9	+7.8
Operating expenses	3,4)	-807.3	-750.1	-436.9	-406.4
Depreciation and reduction in value	4)	-43.0	-46.5	-35.6	-36.9
Operating profit		114.5	124.0	91.4	101.0
Financial income and expenses:	5)				
Ordinary operations		+10.9	+10.5	+14.8	+110.5
Share of associated companies' profits		+0.0	+1.9	-	-
Profit before extraordinary items		125.4	136.4	106.2	211.5
Extraordinary income	6)	+6.9	+91.0	+23.5	+94.5
Share of associated companies' extraordinary items		-	+6.6	-	-
Profit before appropriations and taxes		132.3	234.0	129.7	306.0
Appropriations	7)	-	-	+6.3	+5.7
Income taxes:	8)				
Ordinary operations		-42.8	-43.7	-33.5	-62.1
Extraordinary items		-1.8	-34.0	-6.9	-25.9
Minority interest		0.0	0.0	-	-
Profit for the financial year		87.7	156.3	95.6	223.7

BALANCE SHEET

ASSETS 31 December MEUR	Notes	Orion Group		Orion Corporation	
		2000	1999	2000	1999
Non-current assets	9)				
Intangible assets					
Intangible rights		16.9	18.3	14.8	12.9
Goodwill		24.5	28.0	31.0	35.3
Group goodwill		0.5	0.7	-	-
Other capitalised expenditure		6.0	6.9	5.1	6.1
		47.9	53.9	50.9	54.3
Tangible assets					
Land and water		8.2	8.0	5.7	5.5
Buildings		160.3	160.0	121.9	120.4
Machinery and equipment		103.4	97.0	88.4	82.8
Other tangible assets		1.3	1.1	1.1	0.9
Advance payments and construction in progress		19.4	5.9	17.9	5.6
		292.6	272.0	235.0	215.2
Investments					
Shares and holdings in Group companies		-	-	31.0	24.8
Shares and holdings in associated companies		0.1	0.1	-	-
Own shares		-	1.3	-	-
Other investments		23.3	57.8	20.3	36.4
		23.4	59.2	51.3	61.2
Current assets					
Stocks	10)	168.6	169.0	90.2	85.9
Deferred tax asset	8)	3.3	3.6	-	-
Non-current receivables	11)	8.4	0.6	6.5	0.4
Current receivables	11)	140.4	117.6	104.6	122.3
Investments	12)	203.9	202.8	186.0	188.0
Cash in hand and at banks		26.1	33.4	7.9	14.3
		914.6	912.1	732.4	741.6

LIABILITIES 31 December MEUR	Notes	Orion Group		Orion Corporation	
		2000	1999	2000	1999
Shareholders' equity	13)				
Share capital		114.8	119.0	114.8	119.0
Premium fund		4.2	-	4.2	-
Reserve for own shares		-	1.3	-	-
Reserve fund		0.6	0.6	-	-
Retained earnings		461.5	384.5	205.4	64.4
Profit for the financial year		87.7	156.3	95.6	223.7
		668.8	661.7	420.0	407.1
Minority Interest		0.0	0.0	-	-
Appropriations	14)	-	-	145.9	152.1
Provisions	15)	1.6	0.3	1.6	0.3
Liabilities					
Deferred tax liability	8)	53.2	55.4	-	-
Non-current liabilities	16)				
Pension loans		32.1	35.0	17.8	17.8
Other non-current liabilities		5.0	6.6	11.8	13.7
		37.1	41.6	29.6	31.5
Current liabilities	17)				
Advances received		12.9	9.3	0.0	0.0
Trade payables		87.4	81.6	38.3	38.6
Other current liabilities		53.6	62.2	97.0	112.0
		153.9	153.1	135.3	150.6
		914.6	912.1	732.4	741.6

CASH FLOW STATEMENT

MEUR	Orion Group		Orion Corporation	
	2000	1999	2000	1999
Cash flow from operating activities				
Operating profit	114.5	124.0	91.4	101.0
Adjustments:				
Depreciation according to plan and reduction in value	43.0	46.5	35.6	36.9
Other adjustments	-3.3	-3.9	0.2	-3.0
Operating profit before working capital changes	154.2	166.6	127.2	134.9
Changes in working capital				
Increase (-)/ decrease (+) in trade and other receivables	-24.9	2.0	-14.5	9.0
Increase (-)/ decrease (+) in stocks	0.5	6.2	-4.3	9.2
Increase (+)/ decrease (-) in trade and other payables	10.6	2.8	-14.7	41.5
Cash flow from operating activities before financial items and taxes	140.4	177.6	93.7	194.6
Interest paid	-4.8	-2.8	-6.8	-4.2
Dividends received	-	-	7.1	76.2
Interest received	8.2	6.8	7.1	4.9
Income taxes paid	-45.1	-46.5	-32.9	-57.3
Net cash from operating activities	98.7	135.1	68.2	214.2
Cash flow from investing activities				
Investments in tangible and intangible assets	-62.7	-46.1	-53.0	-38.0
Proceeds from sale of tangible and intangible assets	3.4	31.3	7.9	28.5
Loans made (-)/ payments of loan receivables (+)	-	-	-4.1	0.1
Investments in subsidiary shares	-	-	-6.2	-5.8
Investments in other shares and securities not included in cash equivalents	-19.8	-29.6	-21.0	-28.0
Proceeds from sale of other shares and securities not included in cash equivalents	21.8	31.2	19.6	31.2
Interest received	3.1	5.2	3.0	4.8
Dividends received	2.3	5.1	1.2	2.1
Net cash used in investing activities	-51.9	-2.9	-52.6	-5.1
Cash flow from financing activities				
Proceeds from (+)/ payments of (-) short-term loans	3.6	2.3	-0.1	0.0
Proceeds from long-term loans	1.1	0.4	1.1	1.7
Payments of long-term loans	-4.3	-1.6	-1.6	-1.5
Group contribution received	-	-	51.4	19.0
Taxes related to financing activities	-10.7	-20.4	-13.8	-
Shares bought from subsidiaries for dividend distribution	-	-	-20.2	-112.0
Dividends paid and other distribution of profits	-42.5	-80.5	-44.1	-83.2
Net cash used in financing activities	-52.8	-99.8	-27.3	-176.0
Change in cash and cash equivalents according to the cash flow statement	-6.0	32.4	-11.7	33.1
Foreign exchange adjustment	-1.9	4.2	-	-
Net increase (+)/ decrease (-) in cash and cash equivalents	-7.9	36.6	-11.7	33.1
Cash and cash equivalents at beginning of period	179.7	143.1	153.9	120.8
Cash and cash equivalents at end of period	171.8	179.7	142.2	153.9
	-7.9	36.6	-11.7	33.1

1) The changes in the loans and receivables between the parent company and the Finnish subsidiaries are recorded in the change of the parent company working capital at their gross value.

2) The dividends and interests paid by the subsidiaries are included in the cash flow from operating activities of the parent company.

3) 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR 2000

Principles for the financial statements

The consolidated financial statements of the Orion Group have been drawn up in accordance with the valid regulations contained in the Finnish Accounting Act and Companies Act. The currency used in the financial statements is the euro.

Scope and consolidation principles in the Group financial statements

The Group financial statements consolidate the parent company Orion Corporation as well as all Group companies with over 50 % of the voting rights controlled directly or indirectly by the parent company.

All internal business transactions, receivables and liabilities, internal profit distribution as well as internal margins included in stocks have been eliminated in consolidation. Internal margins with material impact on non-current assets have also been eliminated, and the depreciation has been adjusted accordingly in the Income Statement. Minority interest has been separated from Group profit and shareholders' equity and is shown as separate items in the consolidated Income Statement and Balance Sheet.

Internal share ownership has been eliminated according to the past-equity method. When calculating the subsidiary shareholders' equity at the time of acquisition, the impact of untaxed reserves and accumulated accelerated depreciation in shareholders' equity have also been taken into account. A part of the difference between the historical cost of the subsidiary shares and shareholders' equity at the moment of the acquisition has been allocated to the non-current assets of the subsidiaries while the other part is shown in the Balance Sheet as Group goodwill. Group goodwill is depreciated according to the straight-line depreciation method over 5 years. The goodwill allocated to non-current asset items will be depreciated in accordance with the depreciation rules applied to the asset group in question. As concerns the items allocated to non-current assets, the consolidated Balance Sheet per 31 December 2000 includes MEUR 0.6 in land areas and MEUR 2.2 in buildings.

Associated companies (20 – 50 % interest in shares and votes) have been consolidated according to the equity method. The impact of untaxed reserves and accumulated accelerated depreciation in shareholders' equity has been taken into account when calculating the associated company shareholders' equity at the time of acquisition. In case of the exit of an associated company, the consolidated Income Statement includes the associated company's profit for the period ending at the divestment.

The Group share of the profit before extraordinary items and after taxes of the associated companies, as adjusted with the depreciation of goodwill resulting from acquisition, is shown under consolidated financial items. The Group share of the extraordinary items of the associated companies is shown under consolidated extraordinary items. The dividends from associated companies have been eliminated from the consolidated dividend income. The Group share of the profit and loss accumulated after the acquisition has been entered in the consolidated Balance Sheet under the acquisition cost of the shares of associated companies.

The financial statements of foreign Group companies have been converted to correspond to the Finnish accounting practice. Income Statements of the Group companies domiciled outside the euro area have been translated into euro according to the mean exchange rate of the financial year while the Balance Sheets have been converted according to the exchange rate quoted on the day in which the accounts were closed.

The translation differences arising from exchange rate differences have been entered under consolidated shareholders' equity. The translation differences arising from the elimination of internal share ownership are similarly entered under consolidated shareholders' equity.

Intangible and tangible assets

The balance sheet values of intangible and tangible assets are based on their historical costs, depreciated according to plan. The depreciation according to plan is based on the economic life of the assets, following the straight-line depreciation method. The acquisition cost includes all assets with remaining economic life at the beginning of the financial year.

The economic lives of various assets categories are as follows:

- Intangible rights and other capitalised expenditure	5 - 10 years
- Goodwill and Group goodwill	5 - 20 years
- Buildings and constructions	20 - 40 years
- Machinery, equipment and furniture	3 - 10 years
- Vehicles	6 years
- Other tangible assets	10 years

As a rule, goodwill is depreciated over 5 years. In certain cases, however, the estimated economic life of the goodwill is longer, maximum 20 years. Other long-term expenditure which generate or maintain income for three years or longer, has been capitalised and will normally be depreciated over 5 years.

Land areas and revaluations have not been depreciated according to plan. Production and office facilities have been revaluated in 1984 or prior to that, and the revaluations are based on separate valuation of the real estate items.

Research and development expenses

R&D expenses have been entered as expenses during the financial year in which they are incurred.

Stocks

The stocks of the parent company and subsidiaries are presented in the Balance Sheet according to the FIFO principle. The stocks are valued at the lowest of variable acquisition or production costs, or probable sales price or reacquisition cost.

Investments held as current assets

The investments include interest instruments and listed shares. The securities are valued at their historical cost or at a lower market value.

Receivables and liabilities denominated in foreign currencies

For both the parent company and domestic subsidiaries, valuation of receivables and liabilities denominated in the national currencies of euro countries is based on the fixed conversion rates while those denominated in other currencies is based on the rate quoted by the European Central Bank on the day in which the accounts were closed. The resulting translation gains or losses have bearing on the profit for the financial year, with the exception of the non-materialised exchange rate gains from non-current receivables and liabilities which have been recorded in the Balance Sheet. Translation gains and losses related to business operations are recorded as sales and purchase adjustments while those related to financing are under financial income and expenses. The exchange rate gains recorded in the Balance Sheet will be recognised as income, at the latest, during the financial year in which the respective receivable or liability will be paid.

Provisions

Future expenses to which Group companies have committed and which are likely not to generate corresponding revenue, have been deducted as provisions from income. Similarly, the future losses which are likely to materialise, have been deducted from income.

Net sales

Net sales includes the sales proceeds less discounts and sales taxes.

Pension arrangements

Personnel employed by the Finland-based Orion Group companies are provided with pension security through the Orion Corporation Pension Fund, and through pension insurance companies. The employees whose employment began prior to 25 June, 1990 and continues until retirement, are provided with additional pension security through a pension fund. Pension liabilities are covered in full. The pension arrangements of the personnel employed by the foreign subsidiaries comply with the practices in each particular country.

Income taxes

The item income taxes refers to the taxes imposed on the basis of taxable profit, including the tax adjustments pertaining to previous financial years. In the consolidated Income Statement the income taxes also include deferred taxes which are calculated by using the tax rate adopted by the authorities for the following financial years as known on the day in which the financial statements were drawn.

The deferred tax liability and asset are calculated on the basis of the material timing differences between the taxation periods and accounting periods which are contained in the financial statements of the Group companies, or which result from such consolidation measures as have a bearing to the profit. The undistributed retained earnings of the subsidiaries, included in the consolidated shareholders' equity, are used to calculate the deferred tax liability resulting from a probable profit distribution. In accordance with the prudence principle, the losses of the Group companies have not been taken into account when calculating the deferred tax asset.

The accumulated appropriations, included in the financial statements of the Group companies, have been presented under shareholders' equity and deferred tax liability in the consolidated statements. The accumulated appropriations include untaxed reserves, permissible under the tax regimes of several countries, as well as the accumulated difference between accelerated depreciation, made for taxation purposes, and planned depreciation. However, the accumulated appropriations have not been divided into deferred tax liability and shareholders' equity in the Balance Sheet of the parent company.

The avoiron fiscal based on the distribution of dividends of Group and associated companies has been deducted from Group income taxes. In the parent company the avoiron fiscal resulting from the internal distribution of dividends is included in financial income whereas the respective income tax is recorded under the income taxes for the financial year.

Since the revaluated factory and office premises are not going to be realised in the foreseeable future, the eventual tax impacts of the revaluations have not been taken into account.

Notes to the Income Statement

MEUR	Group		Parent company	
	2000	1999	2000	1999

I. NET SALES

Net sales by business area	Group	Group	Parent company	Parent company
	2000	1999	2000	1999
Healthcare	835.7	809.6	440.1	433.2
Cosmetics and detergents	114.4	101.4	111.9	99.4
Engineering	-	3.9	-	3.9
Corporate administration and internal net sales	-2.6	-2.7	-	-
Total	947.5	912.2	552.0	536.5

Internal sales between Group companies, included in net sales by business area, are eliminated under Corporate administration and internal net sales.

Net sales by market area	Group	Group	Parent company	Parent company
	2000	1999	2000	1999
Finland	563.5	582.3	271.6	318.7
Scandinavia	71.4	61.2	36.9	22.3
Other European markets	215.5	175.8	149.0	111.4
North America	56.1	56.5	53.7	49.2
Other markets	41.0	36.4	40.8	34.9
Total	947.5	912.2	552.0	536.5

2. OTHER OPERATING INCOME

Profits from sales of non-current assets	1.4	1.9	1.0	1.4
Profits from sales of trademarks and product rights	9.9	0.3	5.2	0.3
Damages	-	0.8	-	-
Non-collected product development loans	-	1.0	-	1.0
Service charges from Group companies	-	-	2.7	2.5
Rents received	1.4	1.3	1.1	1.1
Compensation for dissolved contracts	0.8	1.1	0.2	0.3
Income from previous financial years	1.3	0.3	-	0.3
Other	2.5	1.7	1.7	0.9
Total	17.3	8.4	11.9	7.8

3. CHANGES IN PROVISIONS

The following items were entered in the Income Statement as income or expenses for the financial year, and in the Balance Sheet as an increase or decrease in the provisions

Obligatory pension fund liability deficit in staff expenses	+0.2	+0.2	+0.2	+0.1
Provision for expenses related to factory closes	-1.5	-	-1.5	-
Change in guarantee provision in operating expenses	+0.0	-0.0	+0.0	-0.0
Reversed guarantee provision in extraordinary income	-	+0.4	-	+0.4
Provision for eventually adjudged damages in operating expenses	-0.0	-0.0	-	-
Total (increase - / decrease +)	-1.3	+0.6	-1.3	+0.5

MEUR	Group		Parent company	
	2000	1999	2000	1999

4. OPERATING EXPENSES AND DEPRECIATION

Operating expenses	Group	Group	Parent company	Parent company
	2000	1999	2000	1999
Increase (-) or decrease (+) in stocks of finished products	0.2	8.4	0.0	5.0
Production for own use	-2.5	-2.1	-2.1	-1.9
Raw materials and services				
Purchases during the financial year	406.4	392.3	143.6	132.4
Increase (-) or decrease (+) in stocks	0.1	-3.2	-4.4	4.2
External services	23.9	21.3	23.6	24.4
Total	430.4	410.4	162.8	161.0
Staff expenses				
Wages and salaries	151.1	140.2	103.9	98.0
Pension expenses	21.8	13.6	16.4	10.0
Other social security expenses	14.4	13.9	8.6	9.0
Total	187.3	167.7	128.9	117.0
Other operating expenses	191.9	165.7	147.3	125.3
Total	807.3	750.1	436.9	406.4

Voluntary staff expenses are recorded under other operating expenses.

Depreciation and reduction in value

Depreciation according to plan	40.5	46.3	33.4	36.9
Reduction in value of tangible assets	2.2	-	2.2	-
Depreciation on Group goodwill	0.3	0.2	-	-
Total	43.0	46.5	35.6	36.9

Depreciation by Balance Sheet items for the financial year is presented under item 9.

Principles used for depreciation according to plan are presented under Principles for the financial statements.

Average number of personnel	5 351	5 210	3 842	3 773
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5. FINANCIAL INCOME AND EXPENSES

Dividend income from Group companies	-	-	7.1	103.2
Dividend income from associated companies	-	-	-	1.5
Income from other investments held as non-current assets:				
Dividend income from other shares and holdings	2.9	2.5	1.5	1.1
Interest income from Group companies	-	-	0.3	0.1
Other interest and financial income:				
Interest income from Group companies	-	-	0.9	0.2
Interest income from other companies	8.8	7.3	7.3	5.9
Dividend income from securities held as current assets	0.2	0.2	0.2	0.2
Other financial income	3.6	4.7	3.3	3.7
Share of associated companies' profits	0.0	1.9	-	-
Change in the reduction in value of investments held as current assets	0.3	-1.4	0.3	-1.2
Interest and other financial expenses:				
Interest expenses to Group companies	-	-	-3.3	-2.6
Interest expenses to other companies	-2.2	-1.9	-1.0	-0.9
Other financial expenses	-2.7	-0.9	-1.8	-0.7
Financial income and expenses total	10.9	12.4	14.8	110.5

MEUR	Group		Parent company	
	2000	1999	2000	1999
Financial income and expenses include:				
Total dividend income	3.1	2.7	8.8	106.0
Total interest income	8.8	7.3	8.5	6.2
Total interest expenses	-2.2	-1.9	-4.3	-3.5
6. EXTRAORDINARY INCOME				
Income recorded from the Instrumentarium shares transferred as dividends to Orion Corporation shareholders in 1999 and 2000				
	6.9	74.7	0.9	27.9
Capital gain from the sale of the Orion Corporation Medion business operations to Oriola Oy				
	-	-	2.6	-
Profit and reversed guarantee provision related to the divestment of the Normet division				
	-	10.9	-	10.8
Profit from sales of land areas				
	-	5.4	-	5.4
Share of associated companies' extraordinary items				
	-	6.6	-	-
Group contributions				
	-	-	20.0	50.4
Total	6.9	97.6	23.5	94.5

7. APPROPRIATIONS

Change in accumulated accelerated depreciation	-	-	+4.1	+14.9
Change in untaxed employee housing reserve	-	-	+0.4	-0.5
Change in untaxed replacement reserve	-	-	+1.8	-8.7
Total (increase - / decrease +)	-	-	+6.3	+5.7

Notes to the Balance Sheet

9. GROUP NON-CURRENT ASSETS 31 DECEMBER 2000

MEUR	Intangible rights	Good-will	Group good-will	Other capital-ised expendi-ture	Land and water	Build-ings and construc-tions	Machin-ery and equip-ment	Other tangible assets	Advance payments and construction in progress	Shares and holdings in asso-ciated companies	Own shares	Other shares and holdings
Acquisition cost, 1 Jan. (*)	32.7	74.2	1.2	11.7	8.0	245.7	182.9	1.8	5.9	0.1	1.3	59.7
Increase	6.5	0.5	-	1.0	0.2	10.7	26.6	0.3	17.9	0.0	-	0.1
Decrease	-5.7	-	-	-0.5	-0.0	-0.1	-7.7	0.0	-0.2	-	-1.3	-32.1
Transfers between Balance Sheet items (**)	-0.3	-	-	0.3	-	0.4	3.9	0.0	-4.2	-0.0	-	-1.7
Acquisition cost, 31 Dec.	33.2	74.7	1.2	12.5	8.2	256.7	205.7	2.1	19.4	0.1	-	26.0
Accumulated depreciation, 1 Jan. (*)	14.4	46.2	0.5	4.9	-	85.7	85.9	0.7	-	-	-	-
Accumulated reduction in value, 1 Jan.	-	-	-	-	-	-	-	-	-	-	-	1.9
Accumulated depreciation related to transfers and decreases, 31 Dec.	-2.7	-	-	-0.4	-	-0.1	-4.8	-	-	-	-	-
Depreciation for the financial year	4.6	4.0	0.2	2.0	-	8.6	21.2	0.1	-	-	-	-
Reduction in value for the financial year	-	-	-	-	-	2.2	-	-	-	-	-	2.7
Restoration of previously effected reductions in value	-	-	-	-	-	-	-	-	-	-	-	-1.9
Accumulated depreciation and reduction in value, 31 Dec.	16.3	50.2	0.7	6.5	-	96.4	102.3	0.8	-	-	-	2.7
Book value, 31 Dec.	16.9	24.5	0.5	6.0	8.2	160.3	103.4	1.3	19.4	0.1	-	23.3

(*) The values do not include any assets the economic life of which expired during the previous financial years.

(**) Shares have been transferred to investments held as current assets.

On 31 Dec., production machines accounted for EUR 16.9 million of book value of machinery and equipment.

Revaluation included in the acquisition cost of land and water areas is EUR 0.1 million, and EUR 16.5 million in the acquisition cost of buildings.

MEUR	Group		Parent company	
	2000	1999	2000	1999
8. INCOME TAXES				
Current tax on ordinary operations	-44.7	-45.3	-33.0	-62.1
Deferred tax on ordinary operations	+2.4	+1.6	-	-
Current tax on extraordinary items	-1.3	-33.6	-6.9	-25.9
Deferred tax on extraordinary items	-0.5	-0.4	-	-
Adjustments for current tax of previous financial years	-0.5	-0.0	-0.5	+0.0
Total	-44.6	-77.7	-40.4	-88.0

Deferred tax is calculated by using the tax rate adopted by the authorities for the following financial years as known on the day in which the financial statements were prepared.

Change in deferred tax arises from

Appropriations	2.2	1.2		
Consolidation measures	-0.6	0.1		
Timing differences	0.3	-0.1		
Total	1.9	1.2		

Deferred tax asset and liability

Deferred tax asset and liability of the parent company are not presented in its Balance Sheet.

Deferred tax asset arises from

Timing differences	0.5	0.1	0.5	0.1
Consolidation measures	2.8	3.5	-	-
Total	3.3	3.6	0.5	0.1

Deferred tax liability arises from

Consolidation measures	-1.0	-1.1	-	-
Accumulated appropriations	-52.2	-54.3	-42.3	-44.1
Total	-53.2	-55.4	-42.3	-44.1

PARENT COMPANY NON-CURRENT ASSETS 31 DECEMBER 2000

MEUR	Intangible rights	Goodwill	Other capitalised expenditure	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Shares in Group companies	Receivables from Group companies	Shares and holdings in associated companies	Other shares and holdings
Acquisition cost, 1 Jan. (*)	20.5	73.1	9.8	5.5	186.9	152.9	1.4	5.5	28.5	4.3	0.1	33.9
Increase	5.6	-	0.4	0.2	10.1	21.6	0.3	16.4	6.2	4.1	-	20.3
Decrease	-0.4	-	-0.1	-0.0	-	-4.9	-0.0	-0.0	-3.7	-0.0	-	-39.2
Transfers between Balance Sheet items (**)	-0.3	-	0.3	-	0.4	3.6	0.0	-4.0	-	-	-0.0	-0.5
Acquisition cost, 31 Dec.	25.4	73.1	10.4	5.7	197.4	173.2	1.7	17.9	31.0	8.4	0.1	14.5
Accumulated depreciation, 1 Jan. (*)	7.6	37.8	3.7	-	66.5	70.1	0.5	-	-	-	-	-
Accumulated reduction in value, 1 Jan.	-	-	-	-	-	-	-	-	3.7	-	-	1.9
Accumulated depreciation related to transfers and decreases, 31 Dec.	-0.1	-	-0.1	-	-	-2.7	-	-	-	-	-	-
Depreciation for the financial year	3.1	4.3	1.7	-	6.8	17.4	0.1	-	-	-	-	-
Reduction in value for the financial year	-	-	-	-	2.2	-	-	-	-	-	-	2.7
Restoration of previously effected reductions in value	-	-	-	-	-	-	-	-	-3.7	-	-	-1.9
Accumulated depreciation and reduction in value, 31 Dec.	10.6	42.1	5.3	-	75.5	84.8	0.6	-	-	-	-	2.7
Book value, 31 Dec.	14.8	31.0	5.1	5.7	121.9	88.4	1.1	17.9	31.0	8.4	0.1	11.8
Accumulated accelerated depreciation, 1 Jan.	6.9	0.3	0.7	-	68.7	65.9	0.2	-	-	-	-	-
Increase	-	-	0.1	-	-	-	-	-	-	-	-	-
Decrease	-1.1	-0.0	-	-	-1.1	-1.9	-0.0	-	-	-	-	-
Accumulated accelerated depreciation, 31 Dec.	5.8	0.3	0.8	-	67.6	64.0	0.2	-	-	-	-	-

(*) The values do not include any assets the economic life of which expired during the previous financial years.

(**) Shares have been transferred to investments held as current assets.

On 31 Dec., production machines accounted for EUR 14.1 million of book value of machinery and equipment.

Revaluation included in the acquisition cost of land and water areas is EUR 0.1 million, and EUR 16.5 million in the acquisition cost of buildings.

The difference between market value and book value of listed shares and holdings

MEUR	Group's share of ownership %	Group		Parent company	
		2000	1999	2000	1999
Own shares					
Market value		-	55.9		
Corresponding book value		-	-1.3		
Difference		-	54.6		
Other listed shares					
Market value; Tamro Oyj	5.96 %	11.4	20.8	5.1	9.2
Market value; other shares and holdings		1.9	49.5	1.6	27.8
Corresponding book value		-20.5	-55.0	-9.2	-29.4
Difference		-7.2	15.3	-2.5	7.6

Besides listed shares, the other shares and holdings include, among others, a 10.6% interest in Kronans Droghandel AB, a Swedish pharmaceutical distributor company.

MEUR	Group		Parent company	
	2000	1999	2000	1999
10. STOCKS				
Raw materials and consumables	40.0	36.9	38.0	34.1
Work in progress	15.0	15.1	14.8	14.9
Finished products/goods	113.0	116.2	36.9	36.3
Other stocks	0.5	0.5	0.4	0.5
Advance payments	0.1	0.3	0.1	0.1
Total	168.6	169.0	90.2	85.9

11. RECEIVABLES

Non-current receivables				
Trade receivables	0.1	0.2	-	-
Trade receivables from Group companies	-	-	6.0	-
Loan receivables from associated companies	0.1	0.0	0.0	0.0
Loan receivables	0.5	0.4	0.5	0.4
Other receivables	7.7	0.0	-	-
Total	8.4	0.6	6.5	0.4

Current receivables

Trade receivables	110.6	89.7	50.3	39.9
Receivables from Group companies				
Trade receivables	-	-	27.6	33.9
Loan receivables	-	-	1.0	32.0
Other receivables	-	-	1.7	1.0
Prepaid expenses and accrued income	-	-	0.5	0.8
	-	-	30.8	67.7
Receivables from associated companies	0.0	0.0	0.0	0.0
Loan receivables	0.1	0.1	0.1	0.1
Other receivables	8.0	4.9	5.0	1.8
Prepaid expenses and accrued income	21.7	22.9	18.4	12.8
Total	140.4	117.6	104.6	122.3

MEUR	Group		Parent company	
	2000	1999	2000	1999
Material items included in prepaid expenses and accrued income				
Accrued interest income	2.2	2.4	2.0	2.2
Income tax receivable	4.8	7.5	4.2	-
Accrued royalties and provisions	1.9	1.2	2.0	1.2
Pending R&D contributions	3.0	1.9	2.9	1.9
Orion Corporation Pension Fund contribution paid in advance	-	2.7	-	2.7
Pending compensations	3.9	3.3	3.9	3.0
Other	5.9	3.9	3.4	1.8
Total	21.7	22.9	18.4	12.8

12. INVESTMENTS HELD AS CURRENT ASSETS

Shares and holdings	15.0	8.0	15.0	8.0
Other securities: interest instruments	188.9	194.8	171.0	180.0
Total	203.9	202.8	186.0	188.0

Difference between market value and book value

Market value	206.2	204.0	188.3	189.2
Corresponding book value	-203.9	-202.8	-186.0	-188.0
Difference	2.3	1.2	2.3	1.2

13. SHAREHOLDERS' EQUITY

Share capital, 1 Jan.	119.0	117.7	119.0	117.7
Decrease in share capital through invalidation of shares held by the company, 14 Apr. 2000	-4.2	-	-4.2	-
Bonus issue, 23 Apr. 1999	-	1.3	-	1.3
Share capital, 31 Dec.	114.8	119.0	114.8	119.0
Premium fund, 1 Jan.	0.0	0.0	0.0	0.0
Transferred from share capital, 14 Apr. 2000	4.2	-	4.2	-
Premium fund, 31 Dec.	4.2	0.0	4.2	0.0
Own shares reserve, 1 Jan.	1.3	1.3	-	-
Invalidation of shares, 14 Apr. 2000	-1.3	-	-	-
Own shares reserve, 31 Dec.	-	1.3	-	-
Reserve fund, 1 Jan.	0.6	1.4	-	-
Transferred from retained earnings	0.0	0.1	-	-
Transferred to retained earnings	-0.0	-1.0	-	-
Exchange rate differences	0.0	0.1	-	-
Reserve fund, 31 Dec.	0.6	0.6	-	-
Retained earnings, 1 Jan.	540.8	609.8	288.1	300.9
By decision of shareholders' meeting				
dividends distributed	-79.7	-226.9	-82.6	-235.1
donations made	-0.1	-0.1	-0.1	-0.1
bonus issue, 23 Apr. 1999	-	-1.3	-	-1.3
Transferred from reserve fund	0.0	1.1	-	-
Transferred to reserve fund	-0.0	-0.1	-	-
Increase arising from consolidation	0.0	1.0	-	-
Exchange rate differences	0.5	1.0	-	-
Profit for the financial year	87.7	156.3	95.6	223.7
Retained earnings, 31 Dec.	549.2	540.8	301.0	288.1

MEUR	Group		Parent company	
	2000	1999	2000	1999
Share of accumulated appropriations allocated to the shareholders' equity	127.7	132.8		
	2000		1999	
Parent company share capital by share type	Number of shares	MEUR	Number of shares	MEUR
A shares (20 votes per share)	34 217 297	58.2	37 018 755	63.0
B shares (1 vote per share)	33 301 124	56.6	32 952 874	56.0
Total	67 518 421	114.8	69 971 629	119.0

During the year 2000, a total of 2,453,208 Orion Corporation A shares were invalidated; moreover, 348,250 were converted to B-shares.

14. APPROPRIATIONS

Accumulated accelerated depreciation	-	-	138.7	142.8
Untaxed reserves	-	-	7.2	9.3
Total	-	-	145.9	152.1

15. PROVISIONS

Obligatory pension fund liability deficit	1.0	0.2	1.0	0.2
Other provisions	0.6	0.1	0.6	0.1
Total	1.6	0.3	1.6	0.3

16. NON-CURRENT LIABILITIES

Deferred tax liability	53.2	55.4	-	-
Loans from credit institutions	0.0	0.0	0.0	0.0
Pension loans	32.1	35.0	17.8	17.8
Liabilities to Group companies	-	-	7.1	7.0
Other non-current liabilities	4.7	6.6	4.7	6.7
Accrued liabilities and deferred income	0.3	-	-	-
Total	37.1	41.6	29.6	31.5

Liabilities falling due in five years' time or later

Pension loans	32.1	35.0	17.8	17.8
Other liabilities	1.4	1.0	1.4	1.0
Total	33.5	36.0	19.2	18.8

MEUR	Group		Parent company	
	2000	1999	2000	1999

17. CURRENT LIABILITIES

Loans from credit institutions	0.0	0.1	0.0	0.0
Advances received	12.9	9.3	0.0	0.0
Trade payables	87.4	81.6	36.8	37.6
Liabilities to Group companies				
Trade payables	-	-	1.5	1.0
Other current liabilities	-	-	66.2	82.6
Accrued liabilities and deferred income	-	-	0.0	0.7
	-	-	67.7	84.3
Liabilities to associated companies	0.0	-	-	-
Other current liabilities	18.8	14.6	9.1	6.9
Accrued liabilities and deferred income	34.8	47.5	21.7	21.8
Total	153.9	153.1	135.3	150.6

Bond loan with warrants to the Group personnel

	1.6	1.6	1.6	1.8
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The bond loan is included in the current liabilities in the Balance Sheet. The loan is interest-free and will be repaid in one lot on 22 May 2001. The bond certificates give subscription rights to a total of 3,180,800 of B shares, with the combined nominal value amounting to EUR 5.4 million. The report of the Board of Directors gives more detailed information on the subscription conditions and validity of the bond certificates. Upon a consent given by the Orion Corporation Board of Directors, the 77,500 bond certificates held by Oriola Oy on 31 December 2000 could have been transferred to the personnel. The EUR 39,000 loan corresponding to the Oriola bond certificates has been eliminated in the consolidated Balance Sheets.

Material items included in accrued liabilities and deferred income

Accrued wage, salary and social security payments	22.9	20.8	17.0	15.7
Income tax liability	2.8	18.7	-	2.6
Other	9.1	8.0	4.7	3.5
Total	34.8	47.5	21.7	21.8

Liabilities comprise

Non-current interest-bearing liabilities	36.7	40.0	29.6	29.8
Non-current interest-free liabilities	53.6	57.1	-	1.8
Current interest-bearing liabilities	15.0	11.3	63.8	80.4
Current interest-free liabilities	138.9	141.7	71.5	70.1
Total	244.2	250.1	164.9	182.1

Other notes

MEUR	Group		Parent company	
	2000	1999	2000	1999

18. INFORMATION RELATED TO ADMINISTRATIVE BODY MEMBERS OF GROUP COMPANIES

Salaries and remunerations to members of administrative bodies

Group company Presidents, Vice Presidents, members of the Boards of Directors	3.2	3.0	0.8	0.6
Members of the Supervisory Board	0.1	0.1	0.1	0.1
Total	3.3	3.1	0.9	0.7

Loans granted to the Group company Presidents

Loan receivables	0.0	0.0	-	-
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The interest rate on the loans exceeds the base rate, and the repayment terms are standard.

Management pension commitments

The Board of Directors of the parent company may, in each individual case, determine 60 years as the retirement age of the executives. Depending on the years of service, the maximum pension level is 60% of the salary earned. With the exception of the parent company President and Executive Vice President, there are no pension commitments or agreements in force. An additional pension insurance scheme has been taken for the President, with the retirement age at 60 with 66% of the current salary. The pension commitment related to the Executive Vice President a gradual pension accumulation up to the retirement age of 60 years with the pension amounting to 60% of the salary.

19. GUARANTEES

Mortgaged loans

Non-current pension loans	10.1	13.2	4.5	7.8
Real estate mortgaged as security for the above	11.7	15.4	5.4	8.4
Other non-current liabilities	0.0	0.0	-	-
Other current liabilities	0.0	0.0	-	-
Real estate mortgaged as security for the above	0.2	0.2	-	-
Total mortgages as security for loans	11.9	15.6	5.4	8.4

Pledged loans

Non-current pension loans	15.4	14.4	11.6	8.3
Book value of marketable securities pledged for the above	17.2	16.0	13.0	9.3
Total pledges as security for loans	17.2	16.0	13.0	9.3

Other guarantees for own liabilities

Pledges, book value	8.2	6.2	8.2	6.2
Mortgages on real estate	17.6	17.6	15.1	15.1
Total	25.8	23.8	23.3	21.3

Guarantees on behalf of Group companies

Pledges, book value	-	-	4.2	6.7
Mortgages on real estate	-	-	6.3	6.9
Guarantees	0.3	0.1	5.8	6.5
Total	0.3	0.1	16.3	20.1

MEUR	Group		Parent company	
	2000	1999	2000	1999
Guarantees on behalf of third parties				
Guarantees on behalf of others	2.0	0.2	1.9	-
Mortgage on real estate on behalf of others	-	-	-	-
Total	2.0	0.2	1.9	-

Total guarantees

Total mortgages on real estate	29.5	33.2	26.8	30.5
Total pledges	25.4	22.2	25.4	22.2
Total guarantees	2.3	0.3	7.7	6.4

20. CONTINGENT LIABILITIES

Outstanding payments pertinent to leasing agreements

Beginning financial year	2.0	1.5	0.3	0.2
Following financial years	2.0	1.3	0.2	0.2
Total	4.0	2.8	0.5	0.4

The leasing agreements are made on customary terms.

Repurchase liabilities

Repurchase price	0.6	0.8	-	0.8
Market value exceeds repurchase price	0.2	0.2	-	0.2

Other company liabilities

Drug damage liability	0.2	0.2	0.1	0.2
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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.

21. DERIVATIVE INSTRUMENTS

Currency derivatives

Forward contracts				
Market value, 31 Dec.	0.4	-	0.4	-
Counter value in EUR for currency sold, 31 Dec.	4.8	-	4.8	-

The currency derivatives have been recorded at their market value at the closure of the books.

Their market value is the difference between the original derivative rates and the indicative derivative rates quoted on the day of the closure of the books.

22. SHARES AND HOLDINGS IN OTHER COMPANIES

Group companies	Group's share of ownership %	Group's share of votes %	Parent company's share of ownership %	Parent company's share of votes %
Alnitak Oy, Espoo	100.00	100.00	90.00	90.00
Hiven Oy, Paimio	100.00	100.00	100.00	100.00
Interorion AG., Switzerland	100.00	100.00	100.00	100.00
Karkone Oy, Espoo	100.00	100.00	100.00	100.00
Kiinteistö Oy Kapseli, Hanko	99.93	99.93	99.93	99.93
Kiinteistö Oy Kalkkipellontie 2, Espoo	100.00	100.00	-	-
Kiinteistö Oy Nilsinäkatu 10, Helsinki	100.00	100.00	99.84	99.84
Kiinteistö Oy Pilleri, Hanko	70.39	70.39	70.39	70.39
Kiinteistö Oy Tonttuvainio, Espoo	100.00	100.00	100.00	100.00
Kuulolaitakeskus Oy, Espoo	100.00	100.00	-	-
Oriola Oy, Espoo	100.00	100.00	100.00	100.00
AS Oriola, Estonia	100.00	100.00	-	-
SIA Oriola Riga, Latvia	100.00	100.00	-	-
UAB Oriola Vilnius, Lithuania	100.00	100.00	-	-
ZAO Oriola, Russia	100.00	100.00	-	-
ZAO Oriola SPb, Russia	100.00	100.00	-	-
Panfarma AB, Sweden (former Oriola AB)	100.00	100.00	-	-
Oriola AB, Sweden (former Oriola Dental AB)	100.00	100.00	-	-
Oriola Polska Sp.z.o.o., Poland	100.00	100.00	-	-
Orion Diagnostica AB, Sweden	100.00	100.00	100.00	100.00
Orion Diagnostica A/S, Norway	100.00	100.00	100.00	100.00
Orion Diagnostica Danmark A/S, Denmark	100.00	100.00	100.00	100.00
Orion Export Oy, Espoo	100.00	100.00	90.00	90.00
Orion Pharma, Inc., USA	100.00	100.00	100.00	100.00
Orion Pharma AB, Sweden	100.00	100.00	-	-
Orion Pharma AG, Switzerland	100.00	100.00	-	-
Orion Pharma AS, Norway	100.00	100.00	100.00	100.00
Orion Pharma A/S, Denmark	100.00	100.00	-	-
Orion Pharma GmbH, Germany	100.00	100.00	100.00	100.00
Orion Pharma Kft, Hungary (former Finorion Kft)	100.00	100.00	100.00	100.00
Orion Pharma (Ireland) Ltd., Ireland	100.00	100.00	100.00	100.00
Orion Pharma (UK) Ltd., UK	100.00	100.00	100.00	100.00
Orion Pharma SA, France	100.00	100.00	100.00	100.00
Panfarma Oy, Espoo	100.00	100.00	-	-
Oy Pharmacal Ab, Helsinki	100.00	100.00	100.00	100.00
Soredex, Inc., USA	100.00	100.00	100.00	100.00
Suomen Rohdos Oy, Espoo	100.00	100.00	100.00	100.00

Shares and holdings in associated companies	Group's share of ownership %	Group's share of votes %	Parent company's share of ownership %	Parent company's share of votes %
Hangon Puhdistamo Oy, Hanko	50.0	50.0	50.0	50.0
Medidata Oy, Helsinki	33.3	33.3	-	-
Planeetankadun Paikotus Oy, Espoo	29.5	29.5	29.5	29.5
Regattalämpö Oy, Hanko	42.6	42.6	-	-

There are no such companies in which the Group's ownership is in excess of 1/5 as would not have been consolidated as associated companies or subsidiaries.

PROPOSAL FOR DISTRIBUTION OF PROFITS

Proposal by the Board of Directors for the distribution of profits for 2000

The non-restricted equity in the Consolidated Balance Sheet on 31 December 2000 amounts to MEUR 549.2, of which MEUR 421.5 are distributable. The non-restricted equity of the Parent Company is EUR 301,017,845.11, profit for this financial year accounting for EUR 95,560,898.27.

The Board of Directors proposes to the Annual General Meeting that the non-restricted equity of the Parent Company be used as follows:

	EUR
- dividend of EUR 1.20 per share on altogether 67,518,421 shares	81,022,105.20
- donations to medical research:	
The Orion Corporation Research Foundation	EUR 25,200.00
The Farnos Foundation for Research and Science	EUR 25,200.00
other medical research	EUR 50,400.00
- to be retained on the profit and loss account	<u>219,894,939.91</u>
	301,017,845.11

We submit these financial statements to the Annual General Meeting for approval.

Espoo, 20 February 2001

Juhani Leikola
Chairman

Aatto Prihti
Deputy Chairman

Jukka Viinanen
President and CEO

Erkki Etola

Eero Karvonen

Petteri Karttunen

Tuomo Lähdesmäki

AUDITORS' REPORT

To the shareholders of Orion Corporation

We have audited the accounting, the financial statements and the corporate administration of Orion Corporation for the period 1 January - 31 December 2000. The financial statements, which include the report of the Board of Directors, and the consolidated and parent company income statements, balance sheets and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express our opinion on these financial statements and on the company's administration.

We have conducted our audit in accordance with Finnish generally accepted auditing standards. Those standards require, that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as

well as evaluating the overall financial statement presentation. The purpose of our audit of corporate administration is to examine that the members of the Supervisory Board, the Board of Directors and the Managing Director have complied with the rules of the Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's results of operations and financial position. The financial statements and consolidated financial statements can be adopted and the members of the Supervisory Board, the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors to the meeting of shareholders regarding the distribution of earnings is in compliance with the Companies Act.

Espoo, 26 February 2001

Pekka Luoma
Authorised Public Accountant
Tilintarkastajien Oy – Ernst & Young

Päivi Virtanen
Authorised Public Accountant
Tilintarkastajien Oy – Ernst & Young

STATEMENT BY THE SUPERVISORY BOARD

We have examined the Statement of Accounts and the Auditors' Report for 2000.

We recommend that the Income Statements and the Balance Sheets for Orion Corporation and the Orion Group be approved as proposed by the Board of Directors and that the profit for the year be utilised in the manner proposed by the Board of Directors.

We also recommend that the proposals by the Board of Directors concerning the amendment of the Bylaws and the issuance of warrants be approved.

Timo Estola, Tatu Miettinen, Seppo Salonen, Erkki Tammissalo and Ahti Tarkkanen are in turn to retire from the Supervisory Board. Tatu Miettinen and Ahti Tarkkanen cannot be re-elected due to having turned 70 years. Also Juhani Aho and Juha Kyttilä are retiring from the Supervisory Board having also turned 70 during the term for which they have been elected. Petteri Karttunen resigned from the Supervisory Board as he was elected member of the Board of Directors as of 1 January 2001.

Espoo, 5 March 2001

Juhani Aho
Chairman of the Supervisory Board

MANAGEMENT AND SUPERVISION

Supervisory Board

		Present term	Member since
Juhani Aho , M.D., b. 1930 Helsingin Lääkärikeskus Group, Chief Physician, Chairman of the Board, Yhtyneet Laboratoriot Oy, President	Chairman	2000 - 2001	1978 -
	Member	1999 - 2001	
Ahti Tarkkanen , M.D., b. 1930 Professor	Deputy Chairman	2000 - 2001	1997 -
	Member	1998 - 2001	
Pekka Elovaara , M.Sc. (Pharm.), b. 1949 Luumäen apteekki, Pharmacist		2000 - 2003	1994 -
Timo Estola , D.V.M., b. 1931 Professor		1998 - 2001	1992 -
Heikki Hakala , M.Sc. (Econ.), b. 1941 Dr. Tech., h.c.		2000 - 2003	2000 -
Juha Kyttilä , M.D., b. 1930		1999 - 2002	1978 -
Eeva Kölli-Jäntti , M.Sc. (Pharm.), b. 1941 Pukinmäen Apteekki, Pharmacist		1999 - 2002	1996 -
Jouko K. Leskinen , LL.M., b. 1943		2000 - 2003	1997 -
Timo Maasilta , M.Sc. (Tech.), b. 1954 The Land and Water Technology Foundation, Managing Director		2000 - 2003	1991 -
Tatu Miettinen , M.D., b. 1930 Professor		1998 - 2001	1968 -
Seppo Salonen , M.D., b. 1959 Medivire Työterveyspalvelut Oy, Occupational Health Physician		1998 - 2001	1995 -
Ilkka Sipilä , M.D., b. 1942 Helsinki University Central Hospital, Hospital for children and adolescents, Assistant Chief Physician		1999 - 2002	1995 -
Erkki Tammissalo , D.D.S., b. 1932 Professor		1998 - 2001	1980 -
Antti Tanskanen , Ph.D. (Econ.), b. 1946 OKOBANK (Osuuspankkien Keskuspankki Oyj), Chairman		1999 - 2002	1997 -
Heikki Vapaatalo , M.D., b. 1939 Professor		2000 - 2003	2000 -



The Board of Directors of Orion Corporation, and the Chairman of the Supervisory Board. From the left: Tuomo Lähdesmäki, Eero Karvonen, Erkki Etola, Aatto Prihti, Juhani Leikola, Juhani Aho, and Petteri Karttunen.

Board of Directors of Orion Corporation as of 1 January 2001

Chairman

Juhani Leikola, b. 1941

Professor

Finnish Red Cross Blood Transfusion Services, Director

Board Member 1994-

Chairman 1997-

Present term as Chairman 2000-2002

Finnish Red Cross Blood Transfusion Service, Director 1988-

Member of the Supervisory Board of Orion Corporation 1971-1994.

Holdings in Orion Corporation: 129 632 A-shares, 14 843 B-shares

Deputy Chairman

Aatto Prihti, b. 1939

D.Sc. (Econ.)

President of Sitra, the Finnish National Fund for Research and Development, and Chancellor of the Helsinki School of Economics and Business Administration

Board Member 1984-

Present term 2001-2002

Sitra, President 1997-

Helsinki School of Economics and Business Administration,

Chancellor 1996-

Orion Corporation, President and CEO 1991-1996

University of Helsinki, Professor 1981-1991

Helsinki Research Institute for Business Economics,

Managing Director 1976-1980

Member of the Board of Directors of Teknikum-yhtiöt Oy, the

Foundation for Economic Education, the Uuden Päivän Säätiö

Foundation and the Finnish 4H Federation. Chairman of the

Board of the Jenny and Antti Wihuri Foundation, Vice Chairman

of the Board of the Paulo Foundation, and Member of the

Supervisory Board of the Finnish Fair Corporation.

Holdings in Orion Corporation: 1 110 A-shares, 1 684 B-shares

Erkki Etola, b. 1945

M.Sc. (Eng.)

Chairman of the Board of Directors of Etola-yhtiöt,

Managing Director of Tiiviste-Group Oy

Board member 1995-

Present term 2001-2002

Etola-yhtiöt, President 1974-1999

Deputy Chairman of the Board of Directors of Oyj Stockmann

Abp. Member of the Board of Instrumentarium Corporation.

Member of the Supervisory Board of Varma-Sampo Mutual

Pension Insurance Company.

Holdings in Orion Corporation: 1 214 974 A-shares,

43 058 B-shares

Petteri Karttunen, b. 1960

M.Sc. (Econ.)

Managing Director of Ane Gyllenberg Oy and Gyllenberg Asset Management Oy, responsible for the SEB Group asset management activities in Finland

Board Member 2001-

Present term 2001-2002

SEB Invest & Fonder, Member of the Executive Group 2000-

Ane Gyllenberg Oy, Managing Director 1999-

Gyllenberg Asset Management Oy, Managing Director 1996-

Gyllenberg Securities Oy, Senior Portfolio Manager, 1990-1996

Gyllenberg Securities Oy, Portfolio Manager 1988-1990

Unitas Oy, Department Manager 1987-1988

Unitas Oy, Institutional Broker 1986-1987

Member of the Supervisory Board of Eesti Ühispank. 2000-

Orion Corporation, Member of the Supervisory Board 1989-2000

Chairman of the Board of Gyllenberg Funds Ltd, Saastamoinen

Foundation and the 100th Anniversary Foundation of the Finnish

Society of Arts and Crafts.

Holdings in Orion Corporation: 0 shares

Eero Karvonen, b. 1948

M.Sc. (Eng.)

Managing Director of EVK-Capital Oy

Board Member 1997-

Present term 2001-2002

EVK-Capital Oy, Managing Director 1986-

Member of the Supervisory Board of Orion Corporation 1988-

1997. Member of the Supervisory Board of Instrumentarium

Corporation 1996-1999.

Holdings in Orion Corporation: 100 314 A-shares,

28 936 B-shares

Tuomo Lähdesmäki, b. 1957

M.Sc. (Eng.), MBA

President of Elcoteq Network Oyj

Board Member 2001-

Present term 2001-2002

Elcoteq Network Oyj, President 1997-

Leiras Oy, President and CEO 1991-1997

Huhtamäki Group, Board Member 1992-1996

Swatch Group, General Manager 1990-1991

Nokia Mobile Phones, various executive posts 1983-1989

Chairman of the Board of Directors of the University of Turku

Foundation, Member of the Board of Amer Group PLC

Holdings in Orion Corporation: 0 shares

Auditors

Auditors

Pekka Luoma, B.Sc. (Econ.), APA

Päivi Virtanen, M.Sc. (Econ.), APA

Deputy auditors

Pekka Kiljunen, B.Sc. (Econ.), APA

Juha Nenonen, M.Sc. (Econ.), APA

Orion Group Management Team

Jukka Viinanan, b. 1948. Master of Science (Chemical Engineering) President of Orion Corporation, CEO of the Orion Group



Before joining Orion, Jukka Viinanan made a long career in the Finnish oil and petrochemical industry. He started in Pekema Oy as a production engineer in 1973. Since then he held several senior line management positions in Neste Corporation, and in 1990 he was elected Member of the Board of Directors. In 1997-1999 Mr. Viinanan was President and Chief Operating Officer of Neste Corporation. Jukka Viinanan has been President of Orion Corporation and the Group CEO as of 16 June 2000.

Jukka Viinanan is Chairman of the Board of Directors of the Technical Research Centre of Finland (VTT) and a member of the Board of Directors of Huhtamäki van Leer Oyj. During his career he has been a member and Chairman of the Board of Directors of several companies. Moreover he has held assignments in several Finnish and international associations of the chemical and petrochemical industry.

Jukka Viinanan owns 50 000 Orion B-share options.

Jyrki Mattila, b. 1955. M.D., Ph.D., MBA President of Orion Corporation Orion Pharma



Jyrki Mattila came to the service of Orion Corporation as an expert physician in 1978. He completed his doctoral thesis in 1981 at the University of Helsinki. In 1981-1984 he practised as a hospital and healthcare centre physician, and as assistant professor in the Department of Pharmacology of the Helsinki University Medical School. In 1984, Dr. Mattila was appointed Docent of Pharmacology. The years 1984-1986 he spent in the U.S. as a Post-Doctoral Research Fellow. In 1986-1989 he headed the Medical Department of Orion

Pharma R&D, in 1989-1995 he was Vice President of Product Planning and In-licensing. Dr. Mattila graduated as MBA from the Helsinki School of Economics in 1990. In 1995, he was appointed Senior Vice President for Orion Pharma International. Dr. Mattila has been President of Orion Corporation Orion Pharma since 1996. Jyrki Mattila owns 2 350 Orion B-shares and 30 000 B-share options.

Pekka Rautala, b. 1951. Master of Science (Economics) President of Orion Corporation Noiro



Pekka Rautala joined the Orion Group in 1973 when he started as an accountant in Noiro. In 1974 he was appointed Accounting Manager and Financial Manager in 1978. In 1984 he advanced to Assistant Vice President. In 1988 he was appointed Vice President, Finance, and Senior Vice President in 1990. Pekka Rautala has been President of Noiro as of 1993. Pekka Rautala is a member of the Board of the Finnish Cosmetic and Detergent Association. He owns 1 046 Orion A-shares and 25 000 Orion B-share options.

Pauli Torkko, b. 1947. Licentiate of Science (Economics) Executive Vice President of Orion Corporation, Finance and Administration



Pauli Torkko joined Orion Corporation from the position of Senior Assistant at the Helsinki School of Economics and Business Administration in 1977. He started as Senior Manager for economic planning, and from 1980 to 1983 he was Vice President, Finance. As of 1983, he has been Executive Vice President of Orion Corporation, with the responsibility of Group Finance and Administration. In 1987-2000, Mr. Torkko was Member of the Board of Directors of Orion Corporation.

Pauli Torkko is a member of the Board of Directors and the executive committee of the Chemical Industry Federation of Finland, and Chairman of the labour market committee of the Federation. He is also a member of the Board of Directors of Tapiola Mutual Pension Insurance Company, and Chairman of the Orion Corporation Pension Fund. Pauli Torkko owns 2 216 Orion A-shares and 30 000 B-share options.

Seppo Morri, b. 1944. Master of Science (Pharm.) President of Oriola Oy



Seppo Morri joined the Orion Group in 1971, having graduated. He started as a pharmacist in distribution and marketing in Oriola. In 1974-1979 he was Local Manager for Oriola's pharmaceutical distribution operations in eastern Finland, and in 1980-1984 he headed Oriola's wholesale business. In 1984 he was appointed Executive Vice President of the Distribution and Wholesale Sector of Oriola, whereby he was also Managing Director of Panfarma Oy. Seppo Morri has been President of Oriola as of 1988.

Seppo Morri is a member of the Board of Directors of Federation of Finnish Commerce and Trade and Chairman of the Board of Directors of Suomen Tukkukauppiain Liitto and the Finnish Association of Pharmaceutical Distributors. Mr. Morri is Vice President of the GIRP (Groupement International de la Répartition Pharmaceutique), a pan-European association of pharmaceutical wholesalers. Seppo Morri owns 350 Orion A-shares and 30,000 Orion B-share options.

Matti Vaheri, b. 1948. Licentiate of Science (Technology) President of Orion Corporation Orion Diagnostica



Matti Vaheri's career in the Orion Group started as Production Manager of Orion Diagnostica in 1979. In 1982 he was appointed Vice President, Production, and in 1985 Vice President, Operations. Matti Vaheri has been President of Orion Corporation Orion Diagnostica as of 1989.

Matti Vaheri is Chairman of the Finnish Bioindustries, and a Finnish representative in the EuropaBio Operation and Policy Council (EPOC). Matti Vaheri owns 274 Orion A-shares, 164 Orion B-shares and 15 000 Orion B-share options.

Options: In accordance with the terms of the 1998 Bond Loan with Warrants, one warrant option entitles to subscribe for one Orion B-share.

Corporate Governance

The management system of the Orion Group consists of the Group level and the Division level. In addition, the system includes the organisation of the administration of the legal entities. For the steering and supervision of operations, the Group has a control system functioning on all the levels.

Group level Management areas include, among others, the determination and follow-up of the Group strategy, the basic organisation and the steering and supervision of the operations of the Divisions, the budgets and the largest investment decisions as well as issues concerning the entire parent company and the Group.

The business operations of the Group take place in the Divisions. In accordance with the Group strategy and Group-level steering, the Divisions operate as separate units responsible for their own profitability, developing their own strategy and utilising the Group entity. Management of the business operations of a Division and responsibility for its operations belong to the President of the Division, who reports to the President and CEO of the Group.

Group Level

The parent company of the Group is Orion Corporation, whose shareholders exercise their decision-making power at the General Meeting of the Shareholders in accordance with the Companies Act and the Bylaws.

Supervisory Board

The parent company has a Supervisory Board elected by the General Meeting of the Shareholders with at least 12 and at most 21 members. The regular term of the members is three years. The beginning and end of a term shall be the Ordinary General Meeting of the Shareholders. A person who has reached the age of 70 cannot be elected member of the Supervisory Board.

The Supervisory Board makes decisions on issues belonging to it under the Companies Act and the Bylaws. It is the duty of the Supervisory Board to supervise that the affairs of the company are conducted in accordance with sound general business principles and in compliance with the provisions of the Bylaws and the decisions made by the General Meeting of the Shareholders. Where necessary, it issues instructions on matters that are of a far-reaching nature or of importance in principle. The Supervisory Board confirms the number of the members of the Board of Directors as well as elects the Chairman, the Vice Chairman and the other members of the Board of Directors as well as the President of the company, and determines their salaries and benefits. It also examines the Financial Statements and the Audit Report as well as issues a statement thereon as well as on other matters provided for in the Companies Act to the General Meeting of the Shareholders, as well as decides on the convocation of the General Meeting of the Shareholders.

Board of Directors

The Board of Directors of the parent company Orion Corporation comprises at least five and at most eight members elected by the Supervisory Board. The Chairman of the Board of Directors is elected for three and the other members for two calendar years at a time. A person who has reached the age of 65 may not be elected member of the Board.

The Board of Directors manages the operations of the company in accordance with the provisions of the law and the Bylaws as well as with the instructions issued by the Supervisory Board. The Board of Directors of the parent company also functions as the so-called Group Board of Directors. It handles and decides all the most important issues relating to the operations of the whole Group or the Divisions irrespective of whether the issues legally require a decision of the Board of Directors. The Board of Directors may handle any issue relating to a company, Division or unit of the Orion Group if deemed appropriate by the Board of Directors or the President of the parent company.

President

The President of the parent company is appointed by the Supervisory Board. In accordance with the Companies Act, the President is in charge of the day-to-day management of the company in accordance with instructions and orders issued by the Board of Directors. In addition the President ensures that the bookkeeping of the company complies with the law and that its asset management is arranged in a reliable way. The President of the parent company also functions as President and CEO of the Group. The President and CEO carries out the steering and supervision of the operations of the Divisions with the assistance of the Division Management Boards and the Corporate Administration.

Executive Vice President

The Executive Vice President of the Group appointed by the Supervisory Board functions as the Deputy to the President of the parent company. His tasks include, among other things, Group-level responsibility for finance and administration as well as, in co-operation with the President and CEO, Investor Relations.

Group Management Team

The Group Management Team includes the President and CEO as Chairman and the Executive Vice President of the Group and the Presidents of the Divisions as members. The Group Management Team meets at least once a month to handle issues relating to the whole Group. The Group Management Team is not a decision-making body; its purpose is to promote and improve the transfer of information relating to the whole Group between the Group Management and the Divisions.

Corporate Administration

The Corporate Administration functions as part of the management and control system of the Group participating in the steering and supervision of the operations of the Divisions and, in this task, assisting the President and

CEO in the management of the Group. The Corporate Administration participates in the balancing of profits and financing of the Group, the development of human resources policy as well as the direction and the timing of investments. At the Group level it is, among other things, in charge of the following areas: co-ordination of the planning and reporting system, financing operations (including cash management, foreign exchange management, investments, creditor relations and collaterals), legal affairs administration, insurance policy and the covering of certain common risks, investor relations, insider administration, internal audit and corporate communications. It is also responsible for the correctness of the Financial Statements of the parent company and the Group, tasks relating to income taxation as well as consulting in other taxation matters.

Division Level

Division Management Boards

Each Division has a Division Management Board comprising the President and CEO of the Group as Chairman, the Executive Vice President of the Group as Vice Chairman and the President of the Division as member and introducer of matters. The Board of Directors of the parent company may appoint additional members. The Division Management Board functions as a body assisting the President and CEO in decision-making. The Division Management Board handles all the most important issues relating to the operations of the Division, including all issues relating to the Division that will be handled by the Board of Directors of the parent company.

Presidents of the Divisions

In accordance with the Division organisation, each Division has a President, who is responsible for the operations of the Division and its operative management. The President of the Division is also responsible for the implementation of the Orion Group Corporate Governance Manual and compliance with it in his Division.

Each Division has a Division Management Team as a body assisting the President of the Division. The Division Management Team is chaired by the President of the Division and it meets when necessary.

Administration of the Legal Entities

As to the business operations, the Group subsidiaries operate in accordance with the Division organisation. As to legal structure, the administration and operations of the subsidiaries are arranged in accordance with the company legislation in question and the Bylaws of the companies. The Board of Directors and the Managing Director of the subsidiary are responsible to ensure that the administration of the company is arranged and the operations take place in accordance with the law and the Bylaws.

Control systems

The steering and supervision of the business operations and administration of the Group primarily take place by means of the management system described above.

The aim of the financial reporting system is to provide the management of the Group and the Divisions with sufficient and timely information to plan and manage the operations.

For the purpose of the supervision and steering of operations, the Corporate Administration further has an internal audit department subordinate to the President and CEO with the central task of examining and evaluating the effectiveness and credibility of the internal control of the companies, Divisions and units belonging to the Group, as well as to identify business risks.

The external audit of the Group companies is carried out in accordance with the laws and Bylaws in question. The Supervisory Auditor of the parent company co-ordinates the audit of the subsidiaries of the Group in cooperation with the Group Management and the Internal Audit of the Group.

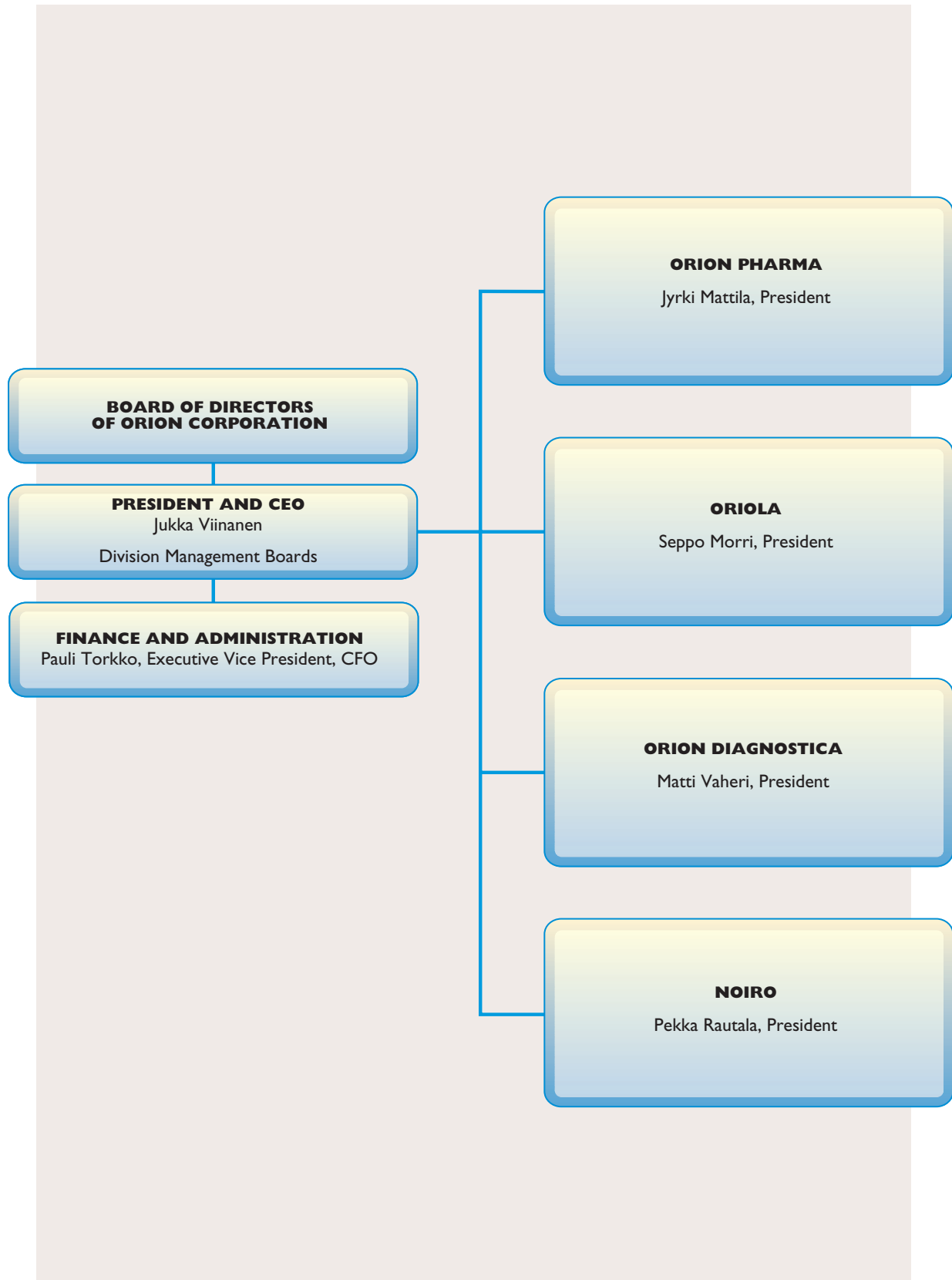
Remuneration of the Group Management

The salaries, fees and benefits paid to the members of the Supervisory Board and the Board of Directors, the President and CEO, the Executive Vice President, The Presidents of the Divisions and the Managing Directors of the subsidiaries amounted to MEUR 3.3 in 2000. The performance-related bonuses paid to the Presidents of the Divisions are based on the financial performance of the Group and the Divisions, as well as on the achievement of other business goals. At the year-end, the President and CEO, the Executive Vice President and the Presidents of the Divisions held altogether 6,400 Orion A- or B-shares and altogether 180,000 options entitling to subscribe altogether 180,000 Orion B-shares.

Insiders in the Orion Group

Within the Orion Group, Insider Guidelines were introduced on 1 September 2000, based on the guidelines of the Helsinki Stock Exchange. The permanent insiders of the Group comprise the statutory insiders and the insiders by definition. The members of the Supervisory Board and the Board of Directors, the President and CEO, the Executive Vice President, the auditors and the deputy auditors are statutory insiders. Other persons defined by the company as permanent insiders in accordance with the Group's Insider Guidelines are insiders by definition.

ORGANISATION AND DIVISIONS OF THE ORION GROUP, 1 JANUARY 2001



Division Management Boards

Orion Pharma

Jyrki Mattila	President
Anders Heierson	Senior Vice President, International Marketing & Sales
Esa Heinonen	Senior Vice President, Preclinical and Clinical R&D
Pekka Kaivola	Senior Vice President, Marketing & Sales, Finland
Timo Lappalainen	Senior Vice President, Business Development & Finance
Ulla Lövhölm	Vice President, Human Resources
Christer Mangs	Senior Vice President, Animal Health and Fermion
Pasi Salokangas	Vice President, Pharmaceutical Operations
Markku Huhta-Koivisto	Vice President, ORp Program
Liisa Remes	Laboratory Assistant, personnel representative
Olli Piironen	Assistant Vice President, Project Manager, personnel representative

Oriola

Seppo Morri	President
Merja Lairila	Vice President, Human Resources
Risto Kanerva	Senior Vice President, Distribution and Wholesale Sector
Timo Halttunen	Vice President, Finance
Jouni Pohjonen	Vice President, Medical and Technical Sector
Pekka Poutiainen	Car driver, personnel representative
Irene Zharkevich	Export assistant, personnel representative

Orion Diagnostica

Matti Vaheri	President
Markku Tilus	Senior Vice President, Business Administration
Veli Hänninen	Vice President, R&D
Sirkku Holttinen	Vice President, Operations
Markus Sivonen	Vice President, Export
Ossi Hiltunen	Vice President, Business Unit Point-of-care
Jukka Nykänen	Vice President, Business Unit Centralised testing
Timo Raines	Vice President, Business Unit Hygiene testing
Gabriella von Flittner	Product Manager, personnel representative
Jarmo Ramberg	Biochemist, R&D, personnel representative

Noiro

Pekka Rautala	President
Jouko Heinonen	Vice President, Marketing, Lumene Cosmetics and Cutrin Hairdressing products
Harri Mäntynen	Vice President, Marketing, Personal Care and Household products, Selective Cosmetics
Jari Suominen	Vice President, Marketing, Farnos Institutional and Industrial Cleaning Products
Juha Koivukoski	Vice President, Finance and Administration, Strategic Planning
Leena Kolunen	Vice President, Product Development and Quality Assurance
Carl-Gustav Malmström	Vice President, Exports
Pekka Perttilä	Vice President, Material Administration
Juha Suiikkanen	Vice President, Production and Logistics
Kirsti Kettunen	Assistant Purchasing Manager, personnel representative
Mika Tammisaari	Technical Planner, personnel representative

Corporate Administration

Jukka Viinanen, President, Group CEO

Pauli Torkko, Executive Vice President, Finance and Administration

Merja Elo, Senior Manager, Accounting
Jarno Oksanen, Group Controller
Brita Kivimäki, Senior Manager, Treasury
Henry Haarla, General Counsel, Legal Affairs

Heikki Salo, Senior Manager, Corporate Internal Audit

Anne Allo, Corporate Vice President, Corporate Communications and Investor Relations

Ulla Lövhölm, Corporate Vice President, Human Resources Development (aux. resp.)

ADDRESSES

Registered office:

Orion Corporation

Corporate Administration
Address Orionintie 1
02200 Espoo
P.O.Box 65
FIN-02101 ESPOO
Postal address
Tel. +358-10-4291
Fax +358-10-429 2801
Homepage www.orion.fi

Orion Pharma

Address Orionintie 1
02200 Espoo
Postal Address P.O.Box 65
FIN-02101 Espoo
Tel. +358-10 4291
Fax +358-10 429 3815
Homepage www.orionpharma.com

Pharmaceutical manufacturing

ESPOO SITE
Address Orionintie 1
02200 Espoo
Postal Address P.O.Box 65
FIN-02101 Espoo
Tel. +358-10 4291
Fax +358-10 429 3131

TURKU SITE
Address Tengströminkatu 8
20360 Turku
Postal Address P.O.Box 425
FIN-20101 Turku
Tel. +358-10 42992
Fax +358-10 429 7547

KUOPIO SITE
Address Volttikatu 8
70700 Kuopio
Postal Address P.O.Box 1780
FIN-70701 Kuopio
Tel. +358-10 428 611
Fax +358-10 428 6444

Marketing subsidiaries

ORION PHARMA AB
Address Djupdalsvägen 7
Postal Address P.O.Box 334
S-19230 Sollentuna
Sverige
Tel. +46-8-623 6440
Fax +46-8-623 6480

ORION PHARMA AS
Address Ulvenveien 84
Postal Address P.O.Box 52
Okern
0508 Oslo
Norway
Tel. +47-22-887 300
Fax +47-22-653 378

ORION PHARMA A/S
Address Bogeskovvej 9
DK-3490 Kvistgård
Denmark
Tel. +45-49-126 600
Fax +45-49-126 612

ORION PHARMA GMBH
Address Notkestrasse 9
D-22607 Hamburg
Germany
Tel. +49-40-899 6890
Fax +49-40-899 68996

ORION PHARMA S.A.
Address 60 ter rue de
Bellevue
92100 Boulogne-
Billancourt
France
Tel. +33-1-5560 7580
Fax +33-1-5560 7581

ORION PHARMA AG
Address Untermuli 11
CH-6300 Zug
Switzerland
Tel. +41-41-761 9120
Fax +41-41-761 9800

ORION PHARMA KFT.
Address Katona Jozsef u. 14
FSZT. 4
H-1137 Budapest
Hungary
Tel. +36-1-239 9095
Fax +36-1-239 9096

ORION PHARMA (UK) LTD.
Address 1st Floor - Leat House
Overbridge Square
Hambridge Lane
Newbury, Berkshire
RG14 5UX
England
Tel. +44-1635-520 300
Fax +44-1635-520 319

ORION PHARMA, INC.
Address c/o Target Research
Assoc., Inc.
554 Central Avenue
New Providence
N.J. 07974
USA
Tel. +1-908-464 7500
Fax +1-908-464 3529

Active substance production

FERMION
Address Koivu-Mankkaan tie 6 A
02200 Espoo
Postal Address P.O. Box 28
FIN-02101 Espoo
Tel. +358-10 4291
Fax +358-9-452 1764

Hanko site
Postal Address P.O.Box 50
FIN-10901 Hanko
Tel. +358-10 428 311
Fax +358-10 428 3223

Oulu site
Address Lääketehtaantie 2
FIN-90650 Oulu
Tel. +358-10 42993
Fax +358-10 429 7101

Animal Health

Address Tengströminkatu 8
20360 Turku
Postal Address P.O.Box 425
FIN-20101 Turku
Tel. +358-10 42992
Fax +358-10 429 7771

Oriola

Address Orionintie 5
02200 Espoo
Postal Address P.O.Box 8
FIN-02101 Espoo
Tel. +358-10 42999
Fax +358-10 429 3415
Homepage www.oriola.fi

Regional wholesale centres

ORIOLA OY/KUOPIO
Address Volttikatu 7
FIN-70700 Kuopio
Tel. +358-10 428 610
Fax +358-10 428 6230

ORIOLA OY/OULU
Address Iskontie 3
FIN-90550 Oulu
Tel. +358-10 428 810
Fax +358-10 428 8220

ORIOLA OY/SEINÄJOKI
Address Teollisuustie 18
FIN-60100 Seinäjoki
Tel. +358-10 428 710
Fax +358-10 428 7230

Subsidiaries abroad

AS ORIOLA
Address Saku 8
EE0013 Tallinna
Viro
Tel. +372-6-515 115
Fax +372-6-515 111

SIA ORIOLA RIGA
Address Sentu iela 4
LV-1012 Riika
Latvia
Tel. +371-7-339 103
+371-7-339 104
Fax +371-7-339 127

UAB ORIOLA VILNIUS
Address Nemenčines plentas 4
2016 Vilna
Liettuva
Tel. +370-2-768 736
+370-2-763 408
Fax +370-2-768 709

ZAO ORIOLA SPb
Address Vasilevsky Ostrov
18 Linia Building 47
19978 St. Petersburg
Russia
Tel. +7-812-118 7534
Fax +7-812-118 7656

ORIOLA AB DENTAL
Address Gårdsfogdevägen 2,
16102 Bromma
PL 20029
16102 Bromma
Sweden
Tel. +46-8-799 8200
Fax +46-8-799 8282

SOREDEX INC.
Address 2150 Newmarket
Parkway, Suite 110
Marietta, GA 30067
USA
Tel. +1-770-226 0500
Fax +1-770-226 0511

Orion Diagnostica

Address Koivu-Mankkaan tie 6 B
02200 Espoo
Postal Address P.O.Box 83
FIN-02101 Espoo
Tel. +358-10 42995
Fax +358-10 429 2794
Homepage www.oriondiagnostica.fi

ORION DIAGNOSTICA AB
Address Industrigatan 8
S-61933 Trosa
Sweden
Tel. +46-156-53360
Fax +46-156-17355

ORION DIAGNOSTICA AS
Address Solbråveien 43
1372 Asker
Norway
Postal Address P.O.Box 321
1372 Asker
Norway
Tel. +47-6678 5630
Fax +47-6678 5659

ORION DIAGNOSTICA A/S
Address Ndr. Strandvej 119 A
3150 Hellebæk
Denmark
Tel. +45-49-755 050
Fax +45-49-755 055

Noiro

Address Lasihytti 1
02780 Espoo
Postal Address P.O.Box 27
FIN-02781 Espoo
Tel. +358-204 877 100
Fax +358-204 877 426
Homepage www.noiro.com

TURKU (Farmos)
Address Tengströminkatu 6
20100 Turku
Postal Address P.O.Box 425
FIN-20101 Turku
Tel. +358-204 877 110
Fax +358-204 877 720

More addresses and contact
information are available on
the Group homepage
www.orion.fi

SHAREHOLDER INFORMATION

Annual General Meeting 29 March 2001 Financial information in 2001

The Annual General Meeting of Orion Corporation will be held on Thursday, 29 March 2001 at 5 p.m. at the company's premises in Espoo, at Orionintie 1.

The matters to be handled at the Annual General Meeting:

1) The matters subject to the decision by the Annual General Meeting, as specified in paragraph 11 of the company's Bylaws

2) The proposal by the Board of Directors to amend paragraphs 12 and 13 of the Bylaws. The main contents of the proposal are as follows:

The shareholder shall inform the company of his intention to attend a General Meeting of Shareholders at the latest on a date specified in the notice to convene, which date may not be earlier than ten days prior to the meeting. A notice to convene a General Meeting of Shareholders shall be issued no later than seventeen days prior to the meeting.

3) The proposal by the Board of Directors to grant option rights.

The registration period for the AGM will close on Monday, 26 March 2001 at 9.00 a.m., phone +358 10 429 3719 or +358 10 429 3718.

Payment of dividends

If the Annual General Meeting approves the proposal by the Board of Directors for the distribution of the profits for the financial year that ended on 31 December 2000, a dividend per share of 1.20 euros shall be paid to Orion Corporation shareholders entered in the shareholders' register maintained by the Finnish Central Securities Depository on the record date, i.e. on 3 April 2001. Accordingly, shares acquired no later than 29 March 2001 will entitle the shareholder to dividends for the year 2000. The date of the dividend payment is 10 April 2001. Shareholders having not registered their shares in the book-entry securities system by the record date for dividend payment shall receive the dividend payment only after registration of their shares in the system.

The publication schedule for the financial reviews by Orion Corporation in 2001:

Annual Report 2000	16 March 2001	
Interim Report 1-3/2001	8 May 2001	at 8.30 a.m.
Interim Report 1-6/2001	8 August 2001	at 8.30 a.m.
Interim Report 1-9/2001	6 November 2001	at 8.30 a.m.

The reviews are published in Finnish and English. The Annual Report, the Interim Reports and the Orion Magazine are regularly mailed to the registered shareholders in accordance with the addresses in the Finnish Central Securities Depository. Others than the registered shareholders are advised to register as subscribers for the publications through the homepage www.orion.fi where the subscription facility is found on the first page of chapter 'Bulletins and Publications'. The publications can alternatively be ordered from the Corporate Communications office of the Orion Group by e-mail, phone or telefax:

Orion Corporation
Corporate Communications
P.O.Box 65
FIN-02101 Espoo
Phone +358 10 429 3504/Minna Lyhykäinen
Fax +358 10 429 2801
corpcom@orion.fi

The company announcements and financial reviews are also available on the Orion Group homepage, www.orion.fi.