

ANNUAL REPORT 2001

ORION

ORION

ORION GROUP ANNUAL REPORT 2001

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An electronic version of this Annual Report
is available on the Web, homepage www.orion.fi

INFORMATION TO SHAREHOLDERS

General Meeting of the Shareholders on 15 April 2002. The General Meeting of the Shareholders of Orion Corporation will be held on Monday, 15 April 2002 at 5 p.m. at the Länsi-Auto Areena in Espoo, address Urheilupuistontie 3.

The matters to be handled at the Meeting:

1. The matters subject to the decision by the General Meeting of Shareholders, as specified in section 11 of the company's Bylaws.
2. The proposal by the Board of Directors to amend the Bylaws.
The Board of Directors of Orion Corporation proposes to the General Meeting of Shareholders that the Corporate Governance model of the company be amended by removing the provisions concerning the Supervisory Board from the Bylaws. After the amendment there would be a Board of Directors of 5–8 members elected by the General Meeting of the Shareholders. The Chairman of the Board of Directors would be elected by the General Meeting of the Shareholders. The proposed amendment is intended to clarify the governance structure as well as responsibilities and authorities of the corporate bodies.
3. Proposal by the Board of Directors for the decision authorising the Board of Directors to make a decision to acquire the company's own shares.
4. Proposal by the Board of Directors for the decision authorising the Board of Directors to make a decision to convey the acquired own shares of the company.

Registration. A shareholder shall inform the company of his intention to attend the General Meeting of the Shareholders at the latest on Wednesday 10 April 2002 before 4 p.m. Finnish time. Registrations in writing are requested to be addressed to Orion Corporation, Shareholder affairs, P.O. Box 65, FIN-02101 Espoo, Finland. Registrations by phone will be received by Ms. Maarit Lönnberg, phone +358 10 429 3719, or Ms. Lotta Lindström, phone +358 10 429 3718. Registrations via internet can be done at the address www.orion.fi observing the given guidelines. Registrations by letter or telefax or via internet must arrive in Orion Corporation no later than the aforementioned deadline. Possible proxies should be submitted together with the registration.

Payment of dividend. If the General Meeting of the Shareholders approves the proposal by the Board of Directors for the distribution of the profits for the financial year that ended on 31 December 2001, a dividend per share of 1.10 euros shall be paid to Orion Corporation shareholders entered in the shareholder register maintained by the Finnish Central Securities Depository on the record date 18 April 2002. Accordingly, shares acquired no later than 15 April 2002 will entitle the shareholder to dividends for the year 2001. The date of the dividend payment is 25 April 2002.

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.

Financial information in 2002

The publication schedule for the financial reviews by Orion Corporation in 2002:

Interim Report I-3/2002	7 May 2002 at 8.30 a.m.
Interim Report I-6/2002	6 August 2002 at 8.30 a.m.
Interim Report I-9/2002	5 November 2002 at 8.30 a.m.

The reviews are published in Finnish and English. The Annual Report and the Orion Magazine are regularly mailed to the registered shareholders in accordance with the addresses in the Finnish Central Securities Depository. The company announcements and financial reviews are also available on the Orion Group homepage, www.orion.fi. Others than the registered shareholders are advised to register as subscribers for the publications via the homepage www.orion.fi. The publications can alternatively be ordered from the Corporate Communications office of the Orion Group by phone, e-mail or telefax:

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BNP Paribas
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Conventum Securities Ltd
www.conventum.fi

Danske Securities
www.danskecurities.com

D. Carnegie AB Finland
www.carnegie.fi

Enskilda Securities
www.enskilda.fi

Evli Securities Ltd
www.evlinet.com

Handelsbanken Securities
www.handelsbanken.se

Nordea Securities
www.nordea.fi

Opstock Securities
www.opstock.fi

Sampo plc
www.sampo.fi

Analyst contacts are updated on our homepage www.orion.fi
Orion takes no responsibility of the analysts' opinions.

ORION GROUP

Orion is the leading Finnish company specialising in products for the healthcare sector. The parent company Orion Corporation is listed in the Helsinki Stock Exchange.

The Group comprises the business divisions Orion Pharma, Oriola, Orion Diagnostica and Noiro.

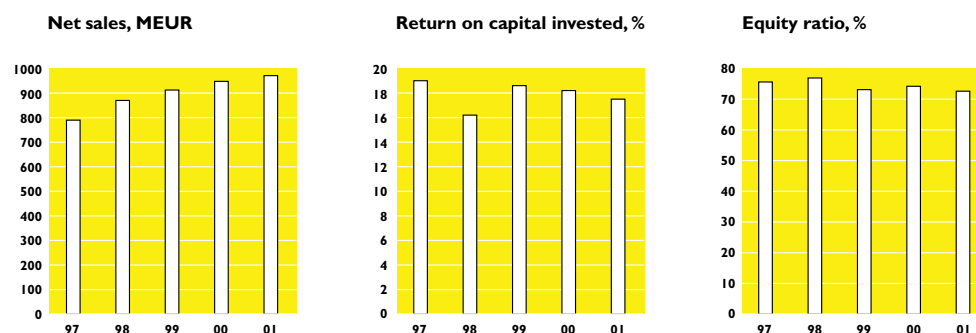


Orion Group Vision. We want to grow into a significant European pharmaceuticals company with a product range mainly based on innovative proprietary drugs.

Orion Group Strategy. At the core of Orion's business operations is Orion Pharma, which generates growth for the Group through innovative drugs resulting from in-house research. The organic growth and expansion is enhanced through product acquisitions, alliances and company acquisitions. Other Orion divisions provide support for the Group's development and expansion.

Orion Group Financial Goals. The Orion Group goal is to increase the consolidated net sales by an average of over 10%. The target for the ROI is at least 20%. Equity Ratio is maintained at 50% or higher.

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



Orion Pharma. With a strong commitment to pharmaceutical research, Orion Pharma develops, manufactures and markets pharmaceuticals. Innovative drugs from own research for global markets account for an increasing share of Orion Pharma's net sales. The underlying potential of new drug discoveries constitutes the basis for Orion Pharma's role as the flagship in the Group and the motor of growth and internationalisation. The leading product is Comtess/Comtan (entacapone), a proprietary drug for Parkinson's disease.

Orion Pharma's research strategy focuses on four therapy areas: central nervous system disorders, cardiovascular diseases and critical care, hormone therapies and respiratory diseases.

Orion Pharma's proprietary products are marketed on international markets increasingly through its own subsidiaries. Global coverage is reached through co-operation with international pharmaceutical companies. Orion Pharma is gradually decreasing its dependence on license agreements. With the 13% market share, Orion Pharma is the leading pharmaceutical company in Finland. The product range provided for the Finnish market is comprehensive and includes also over-the-counter medicines.

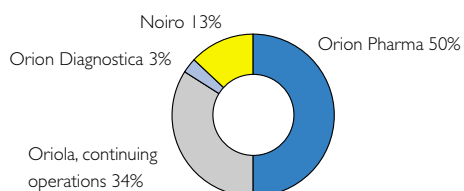
Oriola. Oriola is a pharmaceutical wholesaler and distributor and a marketer of healthcare equipment and supplies. In Finland and in the Baltic countries it is one of the leading players in the sector. Operations are being started in Sweden. Pharmaceutical distribution accounted for 70% of Oriola's invoicing in 2001. Besides Orion Pharma's products, Oriola distributes the products of tens of other pharmaceutical companies. The special healthcare product range marketed by Oriola comprises thousands of instruments, equipment and supplies by renowned producers. The backbone of Oriola's delivery chain is an efficient and agile logistics system that incorporates all product deliveries under complete control.

Orion Diagnostica. Orion Diagnostica, a division focusing on bioscience, specialises in easy-to-use and reliable diagnostic tests and test systems. The focal business areas include diagnostic tests for infectious diseases, protein, hormone and bone metabolism assays as well as hygiene tests. Orion Diagnostica's objective is to become the leading point-of-care testing company in these core areas.

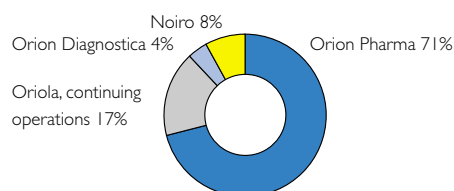
Exports account for over 80% of Orion Diagnostica's operations, with the Nordic countries, Continental Europe, Japan and the USA constituting the main markets.

Noiro. Noiro develops, manufactures and markets cosmetics, products for personal care, hairdressing products, as well as products for institutional cleaning and hygiene. Proprietary brands account for over 80% of Noiro's net sales. The cosmetic and skin care line Lumene is the leading product. Over one-third of Noiro's sales come from exports, mainly to Russia, the Baltic and Nordic countries and Poland. The product concepts, ideas and ingredients are derived from the pure Finnish nature. In-house product development and production guarantee qualified products.

Net sales by Business Division



Operating profit by Business Division



ORION GROUP HIGHLIGHTS IN 2001

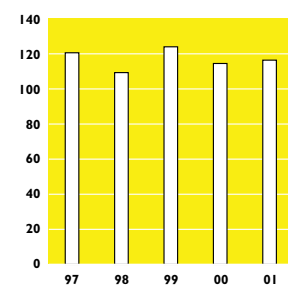
- The overall financial performance of the Group remained strong despite the modest growth in net sales. Profit before extraordinary items and taxes reached last year's level. The profitability of all Divisions was very satisfactory.
- Orion Pharma's net sales showed a satisfactory growth due to received milestone payments. Considerable investments were allocated to international marketing and pharmaceutical research.
- Orion Pharma's role as the strategic core of the Group was further enhanced. Target-oriented and persistent investment in pharmaceutical research will result in innovative proprietary drugs which strengthen the product portfolio and ensure growth in the global marketplace.
- The Parkinson's disease drug Comtess/Comtan was the Group's largest product by sales volume. Its line extension, the so-called triple combination tablet, is progressing towards registration.
- Expenditure on pharmaceutical research and development came to a new record although it remained below the originally planned level. The high rate will continue in 2002 with two massive clinical trial programmes underway: the additional trials with Simdax for heart failure and the vast Phase 3 with deramciclone for anxiety.
- Pharmaceutical research was further enhanced through the establishment of a new UK clinical research centre. The extension of the research centre in Turku will be completed in the summer of 2002.
- Simdax, the drug for acute heart failure, received market authorisations in nine European countries and was also launched in some of them. In some major EU countries, however, the registration was postponed to a later stage. An additional Phase 3 study was started in the US towards the end of the year.
- In its largest single research project, Orion is investigating deramciclone for generalised anxiety disorder. Phase 3 studies with it went on in Europe, and the preparations for the corresponding US trials progressed well.
- In August Orion signed a marketing agreement on deramciclone with Pharmacia, one of the major pharmaceutical companies globally. The agreement comprises all non-European countries. Together with other similar payments, the EUR 34 million paid by Pharmacia improved Orion Pharma's profit considerably.
- The dental imaging business Soredex was sold to Instrumentarium Corporation in the summer. Prior to this, the Finndent business was divested through an MBO arrangement. After these divestments, Oriola sharpened focus on its core competence area: pharmaceutical distribution and healthcare product marketing.
- The volume of Oriola's continuing operations grew as expected and operating profit improved. Punctual and fluent deliveries as well as profitable operations distinguish Oriola from its competitors.

- The importance of the Point-of-Care tests in the strategy of Orion Diagnostica was further underlined. The success of the QuikRead CRP test continued. As a whole, the net sales grew only slightly and operating profit decreased somewhat. The Division's ability to introduce new, innovative and unique diagnostic tests is based on its strong analyte know-how and biotechnical competence.
- Noiro's operating profit improved and the exports of the Lumene cosmetics line continued to grow. The modern production facilities, to be completed shortly in Espoo, will unblock the production bottlenecks and allow increased exports of high-quality Finnish cosmetics.
- Considerable investments were made in information systems for intensifying the overall management of the business operations. Internal processes are being upgraded radically and reporting will be integrated. This is particularly the case with Orion Pharma, and a similar project is actual in Oriola in 2002.
- Orion Group's new values were confirmed in result of corporate-wide discussions that started in the previous year. One of the major challenges in year 2002 is to adopt these values in daily practice on all organisation levels. The example of the superiors plays a major role here.

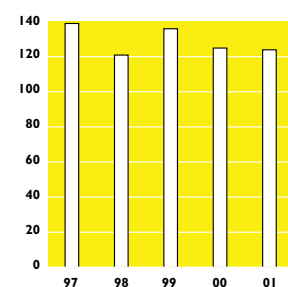
Key figures 2001 and 2000

MEUR	2001	2000	Change
Net sales	970.8	947.5	+2.5%
International operations	422.8	384.0	+10.1%
% of net sales	43.6%	40.5%	
Operating profit	116.4	114.5	+1.6%
% of net sales	12.0%	12.1%	
Profit before extraordinary items and taxes	123.6	125.4	-1.5%
% of net sales	12.7%	13.2%	
Profit after taxes without extraordinary items	84.4	82.6	+2.1%
% of net sales	8.7%	8.7%	
Balance Sheet total	948.5	914.6	+3.7%
Earnings per share (adjusted), euros	1.25	1.22	+2.5%
Payout ratio (adjusted)	88.0%	98.4%	
Return on invested capital before extraordinary items and taxes	17.5%	18.2%	
Return on equity	12.5%	12.4%	
Equity ratio	72.6%	74.2%	

Operating profit, MEUR



Profit before extraordinary items and taxes, MEUR



REVIEW BY THE PRESIDENT AND CEO



Jukka Viinanen
President and CEO
of the Orion Group

A company is just as good as its personnel. For Orion's personnel, the year 2001 was a year of intellectual growth and development.

Our goal is to continue to expand Orion's operations on international markets. This calls for commitment to the new goals and adoption of new practices. The whole personnel has indeed made an excellent effort in this respect.

Orion Pharma is undergoing an extensive transformation in its business processes, affecting everybody in the company. Our aim is to create an atmosphere of continuous development. Everybody at Orion must have an opportunity to influence the development of the company. Through empowerment motivation, excitement and job satisfaction will increase: work will become a matter of heart.

An employee cannot, however, influence the development of the company on his or her own, unless the superior is willing to listen. Already about 150 Orion executives have been trained to be better managers. Our objective is to enhance innovation and motivation. The same applies to Orion's renewed values, and the superiors must set a good example in observing our values.

The results from the reforms will start to show this year: Corresponding development projects have also been started among the personnel of Oriola.

The success of Orion Pharma is closely associated with success in research and development. We have made considerable investments in our R&D, an example of which from last year is the significant reinforcement of the Orion Pharma R&D organisation with the establishment of the Nottingham research centre. The new expertise provided by its people increases our competence and the centre will offer new challenges and opportunities also for our experts in Finland. In addition, the extension of the research centre in Turku will soon be finished.

Last year the resources we allocated to research and development reached an all-time high, and the strong commitment will continue throughout this year. I am convinced that additional resources will increase enthusiasm and innovation among our personnel.

Many of Orion Pharma's research projects advanced considerably, but unfortunately, not all of the marketing authorisations we anticipated were granted in accordance with our plans and schedules. The approval of the heart failure drug Simdax was postponed in several major EU markets, which is why we had to adapt our sales organisation – already well tuned for the launching – to the changed situation.

The efficiency of our sales staff, however, is evidenced by the extremely successful launch and performance of the hormone replacement therapy product Indivina in the Nordic countries.

In selected therapy areas, marketing and sales is the responsibility of Orion's own personnel. We are firmly focusing on the areas where a small but professional sales group can reach all the physicians specialising in the treatment of the selected diseases. In Finland, general practitioners are also direct customers of our sales.

Choosing the right collaboration partner is of great importance to Orion Pharma. Indeed, we need to pay special attention to our partner management in order to integrate the goals of both parties and thus generate the highest possible sales volume for the Orion Pharma products. A good example of a successful partnership is the co-operation agreement signed with Pharmacia Corporation on the development and commercialisation of Orion Pharma's new investigational anxiety drug, deramciclane, in the US and other countries outside Europe. We collaborate with Pharmacia and together we are committed to introduce the product on the markets.

The personnel is behind the achievements. Orion Pharma's result for the last annual quarter weakened because towards the end of the year we boosted our R&D investment by about 4 to 5 million euros above the anticipated. The cost increase was mainly due to a brisk start of additional Phase 3 clinical trials of Simdax in the US, and at the same time the preparations of the large clinical programs on deramciclane were advancing swiftly in the US.

The Finnish sales unit of Orion Pharma made an excellent performance last year, imposing a stop to the past downward trend on sales volumes. I am particularly pleased with the performance of the over-the-counter products marketing group.

In the increasingly competitive situation on the Finnish market Oriola's personnel remained calm and maintained Oriola as the best-operating pharmaceutical wholesaler in Finland. It received special thanks from its clients for accurate and punctual work. After the divestments implemented in 2001, Oriola is now focusing on the development of its core operations.

The entire Noiro staff, and the Lumene marketing group in particular, are demonstrating a genuine drive to do the best possible job. This great spirit is reflected directly in the results. Lumene continues to grow vigorously on both the domestic and the international markets. The new production plant, which will be completed in the summer, will eliminate the bottlenecks in cosmetics exports.

Orion Diagnostica's research and development again completed several innovative products, and the division made a good result. The role of Point-of-Care tests is emphasised in Orion Diagnostica's strategy. The challenge for this year is to rapidly increase the sales of QuikRead tests and other new products.

During 2001 centralisation of the production of pharmaceutical preparations to Espoo and Turku was completed. The closing of three pharmaceutical production plants caused concern in the families of Orion employees, who worked at these units. The company has tried to do its best to alleviate concerns, for example by offering jobs at other Orion's production plants, but moving away from home is never easy.

Orion is in a renewal process. Orion Pharma is the core business of the Orion Group, but all four business units of the Group are in excellent shape. The overall result for the year 2001 remained good, and there is no hurry for restructuring. Any changes in the Group composition will be made in such a way that the Group, its shareholders and the employees of all the four business areas will benefit.

From the beginning of 2001, the Orion Corporation Board of Directors no longer has representatives of the operational management. This change streamlines our corporate governance and helps define the areas of responsibility. In line with the administrative streamlining, in December the Board was given an assignment to look into the possible discontinuation of the Supervisory Board.

Our renewed values no longer specify the shareholders. It is, however, evident that when we all at Orion work in compliance with our values, the new practices and the agreed goals, results will improve and the shareholders will benefit.

I would like to express my warmest gratitude to all our clients and partners, and particularly to all Orion employees for their contribution in the year 2001.

Jukka Viinanen



VALUES OF THE ORION GROUP

In the autumn of 2000 we started discussing the Orion Group values, jointly admitting that the ones confirmed for the Group some years earlier were not very well assumed in practise at Orion. Therefore we initiated a thorough contemplation about the underlying values within the Group. A large number of people representing the employees and managers of each business division participated the discussions in an atmosphere of good cooperation and enthusiasm. Hereby we identified the values that are common to all within the Orion Group, and in November 2001 they were confirmed by the Board of Directors. We strongly believe that the current values express better than the former ones how we can and want to commit ourselves to the things we do. With these values we have jointly defined what we desire from Orion as a working community. They are also very personal in respect of our individual relation to work and the colleagues.

Although Orion's values are equally important, we emphasise Mutual Trust and Respect. This value is the cornerstone of our attitudes, whatever we are engaged in. Our values are meant to be part of our daily life, and we are doing our best to work and live up to them.

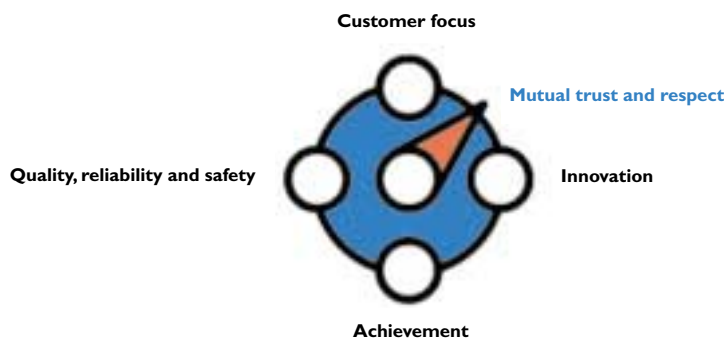
Mutual trust and respect. We want the people in our working community to trust and respect each other. We need to accept diversity, be open to new ways of thinking and be prepared to help one another. The joy of success is shared with others.

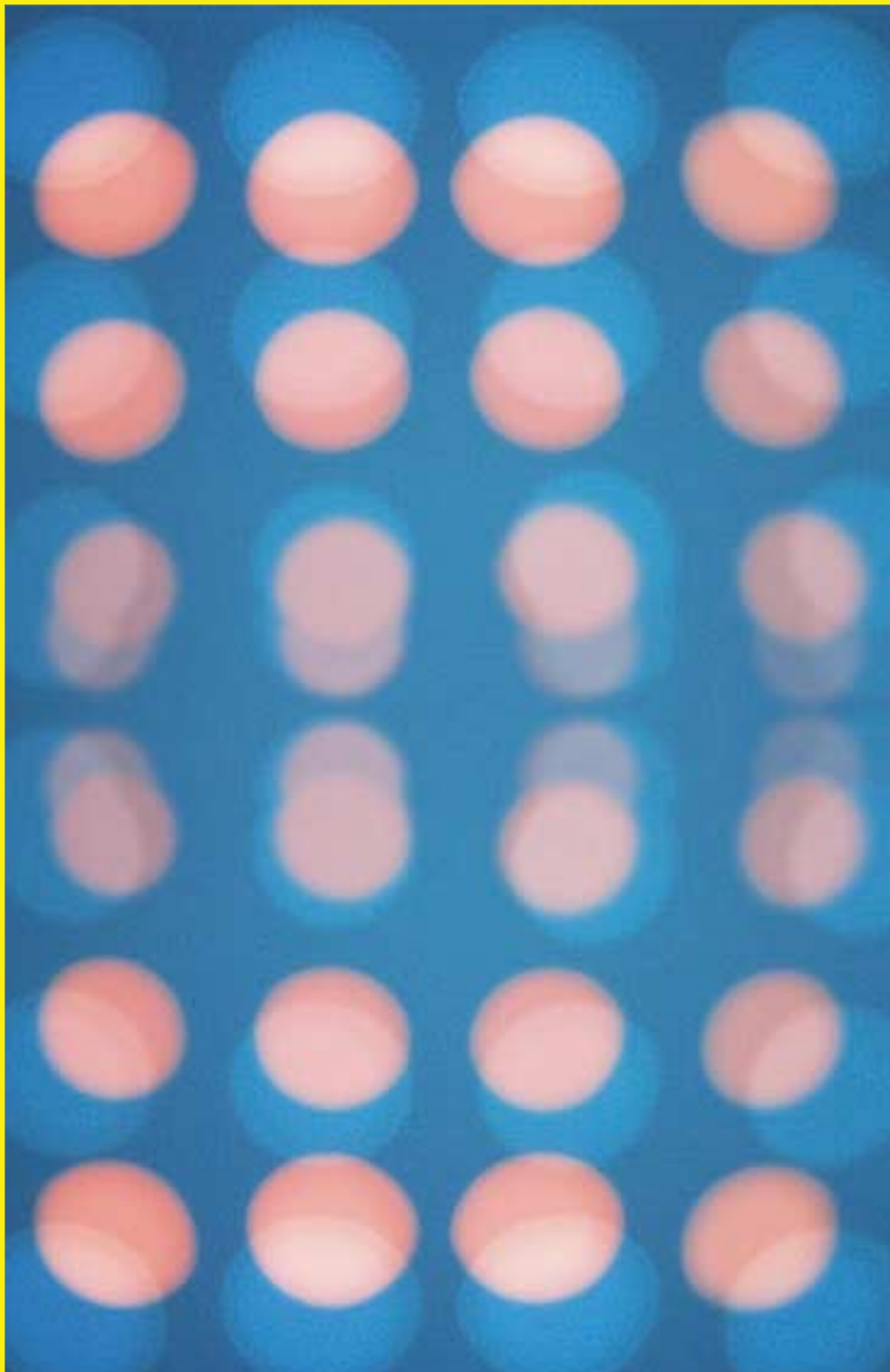
Customer focus. We want to understand, anticipate and meet our customers' present and future needs. Close co-operation with customers will ensure their needs and problems steer both our immediate and long-term actions.

Innovation. We want to create and develop innovative solutions and ways of working. To succeed we need to embrace new challenges in a flexible and creative way. As a prerequisite to success this demands continuous learning and personal development.

Achievement. We want to be the best in our field, developing products, services and solutions that promote wellbeing and health. To achieve this every one of us needs to strive for the best in all that we do.

Quality, reliability and safety. We want high quality, reliability and safety to underline our actions. Accuracy is essential in all.



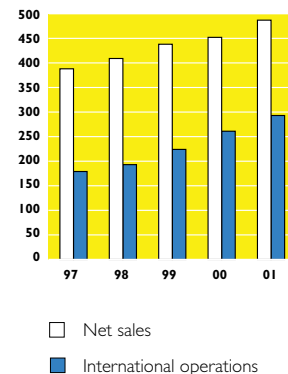


ORION PHARMA

Orion Pharma

	2001	2000	Change
Net sales, MEUR	487.0	452.2	+7.7 %
Exports and subsidiaries abroad, MEUR	293.3	261.4	+12.2 %
- % of net sales	60.2 %	57.8 %	
Exports from Finland, MEUR	236.7	203.5	+16.3 %
R&D expenses, MEUR	78.1	62.9	+24.2 %
Operating profit, MEUR	82.4	87.4	-5.7 %
Investments, MEUR	50.6	49.8	
Personnel	3138	3021	
- abroad	538	475	
Profitability: Very satisfactory			
Share of Group net sales	50 %	47 %	

Net sales and international operations, MEUR



Growing presence on global markets. Orion Pharma has increasingly focused on gaining business growth from markets outside Finland and through sales of its own pharmaceutical innovations. International marketing and sales and R&D efforts have been concentrated on proprietary products in four core therapy areas (CTA), which are central nervous system diseases, cardiovascular diseases, hormonal therapies and respiratory diseases. The strategy has been proven successful: new products have been launched annually and their sales on international markets have grown considerably.

In 2001, strategy was adjusted in such a way that outside Finland Orion Pharma will concentrate its marketing efforts on physicians specialising in the target disease, while products for the general practitioner segments will be marketed by Orion Pharma's partners. Currently, Orion Pharma has its own marketing organisations in the Nordic countries and Germany, the UK and France. In its recent licensing agreements, Orion Pharma has reserved itself the right to expand its own marketing to other large EU countries and the US.

Orion Pharma has developed proprietary drugs also for veterinary use. The product family of animal sedatives is available globally. Fermion, Orion Pharma's business unit for active pharmaceutical ingredients, also delivers its products world-wide.



Jyrki Mattila
President of Orion Pharma
until 24 February 2002.

Risto Miettunen is
President of Orion Pharma
from 1 April 2002 onwards.

ORION PHARMA

Net sales of the Orion Pharma marketing companies abroad

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

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

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

Orion Pharma's sales revenues from products from own research

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

Sales of entacapone preparations in 2001 at whole sale prices in selected markets

	Launched	Sales at wholesale prices in 2001 MEUR	Change on 2000 %
Comtess (entacapone) / Orion Pharma:			
Germany	10/1998	14.3	54.0%
UK and Ireland	11/1998	6.4	30.7%
Sweden	10/1998	2.3	8.0%
Denmark	11/1998	1.3	19.5%
Norway	9/1999	0.5	62.9%
Finland	11/1998	1.9	41.3%
Comtan (entacapone) /Novartis:			
		In 1-11/2001	
USA	11/1999	45.6	58.9%
France	11/1999	9.9	18.2%
Spain	11/1999	6.6	20.6%
Italy	11/1999	1.1	16.0%

Steps forward but also some disappointments in 2001. In 2001, Orion Pharma reached several important milestones. The heart failure drug Simdax and hormone replacement product Indivina were launched in many countries. A marketing and co-development agreement with Pharmacia Corporation on anti-anxiety drug deramciclone was signed in August. Large clinical trial programs of deramciclone and Simdax were started in the US. A significant setback was the delay in launching heart failure medicine Simdax in the UK, Germany and France.

Orion Pharma's net sales increased by 7.7% to EUR 487.0 million. The operating profit was EUR 82.4 million, somewhat less than in the previous year. Very satisfactory profitability has been maintained in spite of a growth strategy that has required significant investments in research, development and marketing of new medicines. Already 60% of the net sales came from international operations. The net sales of international operations include an exceptionally large amount, EUR 50.3 million, in milestone or other agreement-related payments from the marketing partners. Product sales came to the previous year's level.

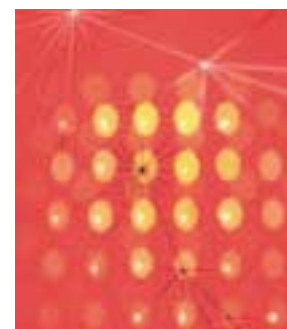
The share of the foreign Orion Pharma marketing companies of the international operations was 32%. The youngest of the subsidiaries, Orion Pharma A.S. in France, increased its net sales by successful sales of the Easyhaler in the first half of the year, but the growth subsided towards the year-end. The flat growth of the German subsidiary Orion Pharma GmbH was largely due to outlicensing of certain products to Galen Pharma last year. The decreased net sales of the UK subsidiary were due to the Fermion API products stepping out from its portfolio. The development of all the foreign subsidiaries is reflecting the sharpened focus on the core therapy areas. The net sales grew according to plan, but the lower sales from the other products, partly generic ones, decreased their total net sales considerably.

Orion Pharma is holding a strong position on the Finnish pharmaceutical market and its operations are an integral part of the Finnish healthcare system. The domestic portfolio consists of prescription drugs for almost all of the most common diseases and, in addition, a versatile selection of over-the-counter products. In 2001 Orion Pharma's net sales of the domestic pharmaceutical operations returned to growth after two consecutive years of decline. The net sales of over-the-counter products came to EUR 58.5 million, up by 7.5% while those of prescription drugs were EUR 116.8 million, down by 1.2%.

According to Finnish Pharmaceutical Data total pharmaceutical sales of human drugs at wholesale prices were EUR 1.3 billion, up by 12.6% from the previous year. The market share of Orion Pharma was 12.7%. The share of Orion Pharma's products among the new market introductions in 2000 and 2001 was clearly bigger than Orion's market share of all products together.

Comtess/Comtan establishing its position. The Parkinson's Disease medication Comtess (entacapone), used for increasing the effectiveness of the basic medication levodopa, was launched in 1998 and sales have been growing continuously. Orion Pharma's own organisation is responsible for marketing the drug in the Nordic countries, Germany and the UK. In other markets it is available as Comtan, marketed by Novartis under license from Orion Pharma.

Comtan sales by Novartis came to CHF 165.8 million, or EUR 109.8 million, 67% up on the previous year. The sales of Comtan in the US grew by 95% whilst sales in the rest of the Novartis territory grew by 31%. Additional markets also opened up for Comtan, and today, products containing entacapone are available in over 40 countries.



ORION PHARMA

Simdax reaching the first markets. Simdax (levosimendan) is an infusion drug used in intensive care for the treatment of severe heart failure and an excellent example of Orion Pharma's aim to develop novel treatments for unmet medical needs. The prevalence of heart failure is increasing due to the ageing of the population and the disease is a growing problem for the health care system. In its most severe forms the disease is among the leading cardiovascular causes of death and no optimal therapy has been available so far.

Simdax infusion drug, which increases the pumping ability of the heart and dilates blood vessels through novel mechanisms, received marketing authorisation in 2001 in nine European countries and in certain countries outside Europe, and it was already launched in some of them. The marketing experience until now shows that Simdax therapy will be started gradually in intensive care units. Shorter drug treatment and less reliance on invasive monitoring are benefits, which will decrease the workload of healthcare personnel, but can only be achieved after new treatment practises have been adopted.

Orion Pharma markets Simdax with its own sales force in the Nordic countries and in the coming years also in Germany, the UK and France. Austria, Luxembourg, Spain, Portugal, Italy and Greece have also granted the marketing authorisation. Here Simdax will be marketed by Abbott Laboratories, whose marketing territory includes also the US and other non-European countries.

New products for hormone replacement therapy. In 2001, two new hormone replacement products were introduced to the market. Indivina, an estrogen-progestin combination product is clearly on its way to become the brightest star in the Divina product family. Indivina alleviates menopausal symptoms and prevents osteoporosis. Its special advantage is individually adjustable dosing of both estrogen and progestin. Indivina has been approved in 16 European countries and has been also launched in many of them.

The other new HRT product is Diviseq, which is a triphasic estrogen-progestin combination product. The product is used continuously since it delivers hormones sequentially over a 28-day cycle mimicking the natural one-month hormonal cycle. Diviseq has been approved in 11 European countries.

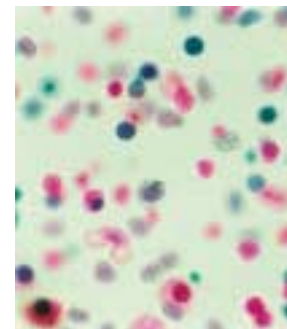
The total sales of breast cancer drug Fareston remained at the level of the previous year in all major markets.

Orion Pharma's HRT sales grew by 10.9% in 2001.

Market sales of the breast cancer drug Fareston came to the same level as in the previous year in all important markets. Orion Pharma's sales to the marketing partner in Japan were at the previous year's level while those to the US decreased by 58%.



Easyhaler – accurate dosing of asthma medications. The Easyhaler dry powder inhaler containing either salbutamol or beclomethasone is available in several countries for asthma. Sales grew particularly in Finland, whereas those in France declined after a promising start. Sales dropped in Germany too. In accordance with a revised strategy, Orion Pharma has established regional partnerships for marketing Easyhaler products in countries outside Finland.



Success is also seen away from the core. Orion Pharma product portfolio contains several successful well selling and growing products that fall outside the core therapy areas. These products are mainly available in Scandinavia. Orion Pharma's position as the leading Nordic marketer of veterinary drugs was strengthened. The net sales from animal medicines were EUR 46 million and they grew by 8%.

A significant plant extension was completed for Fermion in Hanko in May. The new facilities secure the active ingredients production capacity for Orion Pharma's proprietary products for the near future. Fermion supplies APIs also for other pharmaceutical companies. In 2001, the biggest such products were cancer drugs methotrexate and azathioprine. Fermion has made considerable investments in its own R&D.

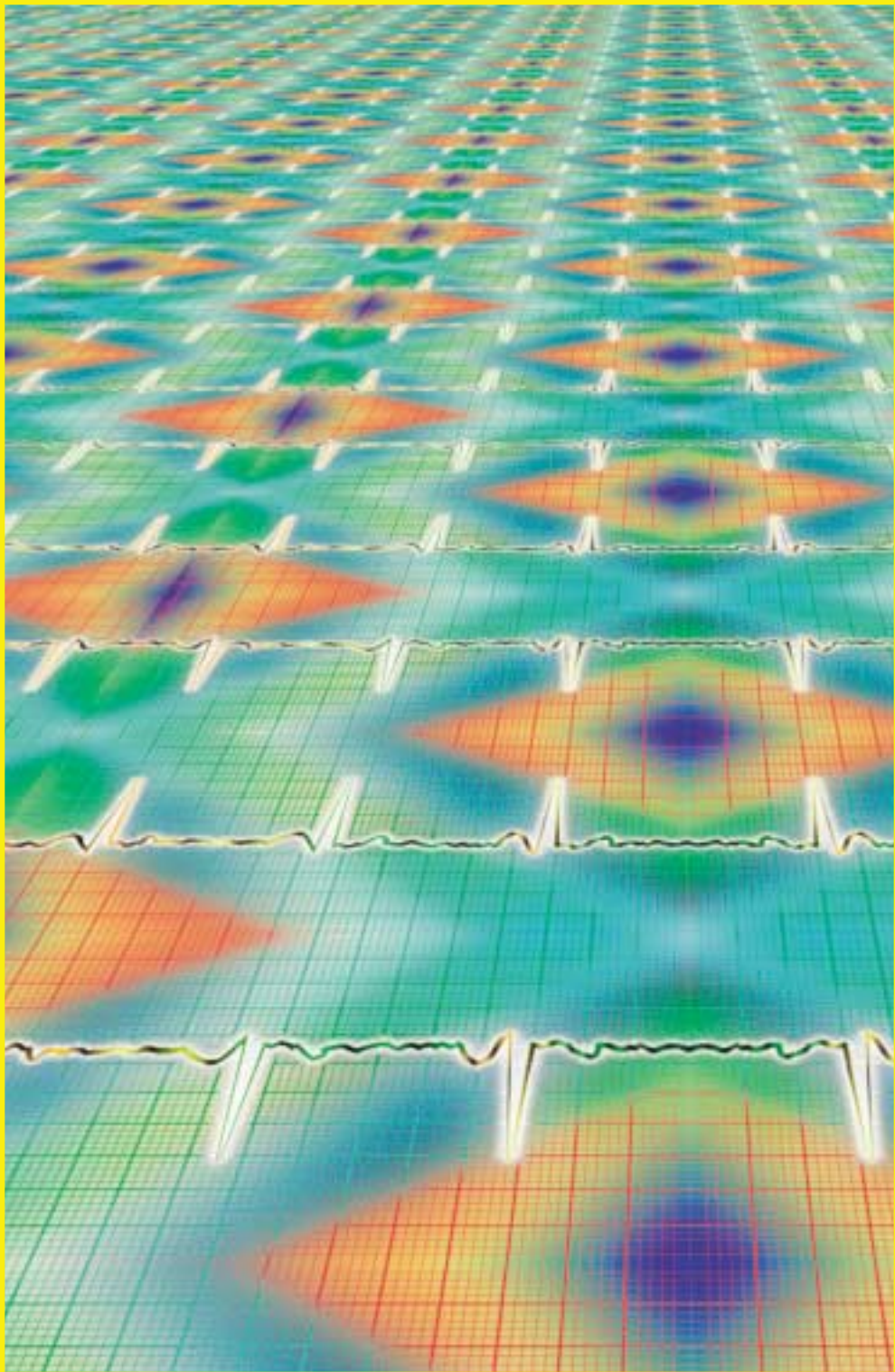
Integration of operations under improved control. Orion Pharma is investing significantly into improving its business processes. In January 2001, an extensive project was started in order to establish a new information system incorporating all Orion Pharma units under a uniform resource planning and management system of the supply chain and related financial and material data.

Actions started already in the previous year to shut down three minor plants for manufacturing pharmaceutical preparations were completed by the end of the year. Production of large-volume parenterals in Oulu and medicines in Seinäjoki ended in mid 2001 while production of penicillin in Kemijärvi ended in January 2002.

Outlook for 2002. Orion Pharma's product sales are expected to grow more rapidly than in the previous year. Total net sales will be less than in the previous year due to lower contribution of milestone payments. The fastest growing products will be Comtan, Indivina and Comtess.

Research and development expenses will be exceptionally high in 2002 due to the large ongoing Phase 3 trials with Simdax and deramciclane. Both research programs are planned to continue in 2003.

Operating profit is expected to decline from the previous year.



PHARMACEUTICAL RESEARCH AND DEVELOPMENT

Orion Pharma spent EUR 78.1 million in pharmaceutical R&D. This was 16% of net sales and 24% more than in the previous year. R&D spending was somewhat less than originally planned, due to delayed start of the large US Phase 3 program of Simdax in consequence of the terrorist attack in the US in September.

New people, new facilities, new organisations. Several important changes were made in Orion Pharma with an aim to improve the long-term productivity of R&D. The big changes included growing internationalisation, significantly improved project management and scaling-up of discovery and preclinical research activities in the main research facilities. An expansion project of the research facilities was started in Turku. The new premises will be in full use in the second half of 2002.

Orion Pharma's efforts to become more international also in R&D reached an important milestone when its first clinical development centre away from Finland was established in Nottingham. The core of the Nottingham centre consists of experienced experts of CNS and cardiovascular clinical development. The centre is part of Orion Pharma's R&D organisation located in Finland and plays an important role in the clinical development of Simdax and in certain CNS projects. At the end of year 2001 also the team co-ordinating research and registration affairs in the US was strengthened.

Clinical development focuses on core products. Orion Pharma's research and development operations range in all four CTAs from discovery to multinational clinical development. Large international multicentre studies are currently ongoing with drug candidates aimed at both CNS and cardiovascular diseases.

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

Entacapone combination tablet progressing towards registration. The development of the tablet combining entacapone with levodopa and carbidopa is advancing rapidly, and the marketing authorisation applications can be submitted to the US and European regulatory authorities towards the end of year 2002. The launch of the new Parkinson's Disease treatment is anticipated approximately at the turn of 2003–2004.

The role of levodopa as the most effective therapy for Parkinson's Disease was recently reiterated at a meeting of opinion leaders in neurology and in scientific publications. This further emphasises the importance of the development of the combination tablet, which will provide all the active ingredients needed in optimal PD medication with every dose. Efficacy and convenient dosing of the combination tablet will provide notable benefit for the patients' quality of life.

The combination tablet will be marketed by Orion Pharma and Novartis. Orion Pharma has exclusive rights to market the drug in the Nordic countries, Germany and the UK while Novartis has the marketing rights in the rest of the world. Orion Pharma has an option for co-promotion in about ten countries.



PHARMACEUTICAL RESEARCH AND DEVELOPMENT



Deramciclane, Orion's response to unmet medical need in anxiety. Multicentre Phase 3 studies started in 2000 with deramciclane in several European countries continued throughout 2001. Deramciclane is being developed to relieve symptoms in patients suffering from generalised anxiety disorder (GAD). The new drug binds in a novel way to 5-HT_{2a} and 5-HT_{2c} serotonin receptors in the brain. Orion Pharma aims at developing deramciclane into a drug with a property profile significantly different and better compared to the currently available GAD therapies.

Orion signed in August with Pharmacia Corporation a development and marketing agreement on deramciclane covering the US and other countries outside Europe. According to the agreement Orion Pharma and Pharmacia will jointly carry out the Phase 3 clinical studies in the US, aiming at marketing authorisations in the US and the EU countries in 2005. Orion Pharma will finance the clinical development program.

Simdax for patients suffering from severe heart failure. Simdax, Orion Pharma's unique discovery, is indicated for in-hospital treatment of acute, severe heart failure. The drug is infused in intensive care units to patients for up to 24 hours. It improves the ability of the failing heart to pump blood by sensitising heart muscle cells to calcium. The drug also dilates blood vessels and thus lowers the resistance of blood flow. Simdax treatment spares the heart muscle because energy consumption and harmful arrhythmias are not markedly increased during the treatment, which is a problem with many older medicines. Recent results published in scientific journals also strongly suggest that Simdax may have long-term benefits in survival of patients.

Simdax's road to the large markets was prolonged as Orion Pharma had to withdraw its marketing authorisation application from the UK, France and Germany, countries not ready to recognise the marketing authorisation already approved by Sweden. Since then, negotiations have been ongoing for several months with the regulatory authorities of these countries on the requirements for the marketing authorisation application. In the US, the registration procedure was discontinued in 1999.

An additional large Phase 3 clinical study is ongoing in the US in tens of hospitals. Experience and results from this study can be used to support the marketing authorisation applications also in those EU countries that have not yet approved Simdax. Applications to these countries and the US are likely to be submitted in two to three years.

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

Zydis-apomorphine for severe Parkinson's Disease. Orion Pharma is developing apomorphine, a dopamine agonist, for patients suffering from freezing episodes in severe Parkinson's Disease. Orion's product is produced using Zydis technology, allowing the medication to dissolve in the mouth quickly and easily. An Orphan Drug Status was granted by the European regulatory authority EMEA for Zydis apomorphine. With this status Orion Pharma can obtain ten years' exclusivity for the product in all EU countries as well as assistance from the EMEA/CPMP for designing the protocol for the development program.

Easyhaler: Budesonide and new device coming. The newest member of the Easyhaler family, Giona, containing budesonide, is waiting for approval in Germany, the reference member state in the mutual recognition procedure (MRP). The initial review in Germany has taken longer than expected, and the approval is anticipated in early 2002. The MRP will begin soon after the approval. Easyhaler with formoterol is also being developed in Phase 3. In early 2002 Orion will introduce a new, improved Easyhaler device to the market.

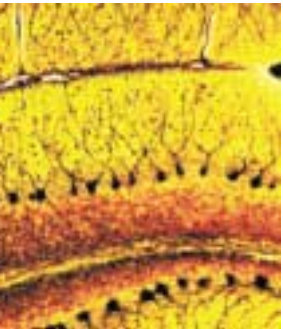
New HRT products reaching the markets. Indivina and Diviseq are hormone replacement products (HRT), which were introduced to wide markets in 2001. Post-marketing studies with Indivina are continuing. The clinical development of synthetic progestin, Nestorone was discontinued due to commercial reasons.

The results from the three-year Phase 3 clinical study aiming at broadening the indication of the breast cancer drug Fareston are positive as such, but the US drug authority requires evidence from five years. Additional indications are not currently planned. An American company Genotherapeutics, Inc. is developing toremifene, the active ingredient in Fareston, for the prevention of prostate cancer under a license from Orion Pharma. Phase 3 studies began in the US in 2001.



PHARMACEUTICAL R&D PROJECTS

Situation 19 February 2002



Category		Active substance
CNS disorders	Comtess	entacapone
		entacapone, levodopa and carbidopa
		apomorphine
		deramciclane
Cardiology and Critical Care	Simdax	levosimendan, intravenously administered
		levosimendan, oral formulation
	Precedex	dexmedetomidine
Hormonal therapies	Fareston	toremifene
	Indivina	Continuous estradiol valerate + medroxyprogesterone acetate
Respiratory disorders	Giona Easyhaler	budesonide
		formoterol
Animal Health		dexmedetomidine

Indication and mode of action**Status**

Parkinson's Disease
COMT inhibitor;
extends the effect of levodopa

Launched in 1998
Phase 4 in the EU and the USA.
Phase 3 for the marketing authorisation
in Japan ongoing

Combination tablet of three active substances for the
treatment of Parkinson's Disease

Phase 3

Late stage Parkinson's Disease
Dopamine agonist

Phase 2

Treatment of Generalised Anxiety Disorder (GAD).
5-HT_{2a/c} receptor antagonist

Phase 3 ongoing in Europe.
Phase 3 starting in the US in 2002

Severe heart failure
Calcium sensitiser

Launched in several EU countries in 2001-02.
Further actions needed for the marketing authori-
sations in other EU countries are in preparation.
Additional Phase 3 started in the US in 2001

Heart failure

Phase 2

Sedative for use in intensive care.
Alpha-2 receptor agonist

Launched in the US by Abbott Laboratories
in 2000

Treatment of advanced breast cancer
Anti-estrogen

Marketed globally

Adjuvant treatment of breast cancer

Phase 3

Menopausal symptoms, prevention of osteoporosis.
Eliminates withdrawal bleedings.

Launched widely in the EU in 2000
Phase 4

Maintenance treatment of asthma.
Corticosteroid

Registration ongoing in Germany

Treatment of asthma and chronic bronchitis.
Long-acting beta-2 receptor agonist

Phase 3

Animal sedative
Alpha-2 receptor agonist

EU marketing authorisation application submitted
in 2001





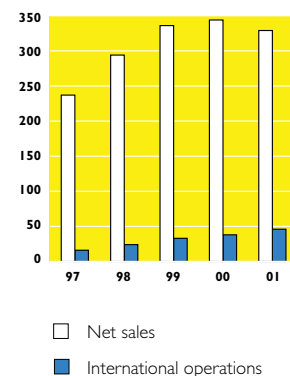
ORIOLA

Oriola

Continuing operations

	2001	2000	Change
Invoicing, MEUR	622.8	574.0	+8.5 %
Net sales, MEUR	329.3	343.9	-4.2 %
Exports and subsidiaries abroad, MEUR	46.0	38.3	+20.2 %
- % of net sales, MEUR	14.0 %	11.1 %	
Exports from Finland, MEUR	9.2	9.1	+1.4 %
Operating profit, MEUR	20.3	19.7	+3.2 %
Investments, MEUR	5.6	5.5	
Personnel	1027	1020	
- abroad	225	195	
Profitability: Very satisfactory			
Share of Group net sales	34 %	36 %	

Net sales and international operations, MEUR



Oriola in brief. Oriola is a pharmaceutical wholesaler and distributor as well as marketer of equipment, supplies and instruments to the healthcare and laboratory sector. Elementary to Oriola is the reliably operating logistics system by means of which the tens of thousands of articles are managed and rapid, reliable and cost-efficient deliveries to the clients are ensured. Oriola operates in Finland and the Baltic countries and it is expanding its territory to Sweden.

Single-channel distribution in Finland and in Sweden. Both in Finland and in Sweden, the mode adopted in pharmaceutical distribution is called single-channel in which the manufacturers entrust the distribution of their products to one single wholesaler. In Finland, single-channel is based on voluntary agreements between the distributor and the principal, and there are three pharmaceutical wholesalers: Oriola, Tamro and KD Tukku. The Swedish single-channel system is based on decisions by authorities, and there are only two market players: Tamro and Kronans Droghandel (KD). Oriola has both the necessary authorisation and the preparedness to start pharmaceutical distribution in Sweden but has not launched operations yet.

Net sales and operating profit. Invoicing, the figure that reflects Oriola's volume grew by 8.5%, and operating profit improved significantly. However, comparable net sales decreased due to modified contract patterns with some principals. In distribution agreements based on consignment trade only the fee received by the distributor is recorded as net sales. Distribution and wholesale accounted for about 80% of the invoicing of the continuing operations while the share of the Medical and Technical Sector was 20%. The profitability of both business sectors was good.



Seppo Morri,
President of Oriola

ORIOLA

Distribution and Wholesale Sector

The Logistics business unit takes care of the entire Oriola goods logistics chain from import forwarding to client deliveries. It also takes care of order handling for pharmaceuticals. The management of the extensive range of items as well as the daily flows of products and related data is a great challenge. On top of the normal quality and efficiency objectives, the system must also address the special requirements inherent to the healthcare sector: there is always the patient at the other end of the supply chain. The rapid tempo of the pharmaceutical distribution provides clear competitive edge to all Oriola business units.

In Finland, the network of four local Oriola outlets delivers the ordered products within 24 hours to any part of Finland. In each Baltic country Oriola has one central warehouse with a comprehensive product range. The unit is ready to launch similar services in Sweden.

Oriola applies state-of-the-art technology to order handling as well as to the warehousing, picking and packaging of products, thereby enabling most secure, reliable and cost-efficient deliveries. The automatic picking lines represent the first in efficiency in the Nordic countries.

The Distribution Services business unit markets distribution services and a comprehensive array of other logistics services. Its principals include over 60 international pharmaceutical manufacturers, such as Orion Pharma, Novo Nordisk, Janssen-Cilag, Organon and Boehringer-Ingelheim. Almost all veterinary drugs sold on the Finnish market are distributed by Oriola. In 2001 Oriola accounted for 32% of the total Finnish pharmaceutical distribution.

A part of the Distribution Services unit, Panfarma provides foreign pharmaceutical companies and healthcare product manufacturers not only with marketing services but also with registration and other administrative services in Finland and in the Baltic countries.

Some principals shifted to consignment-based distribution contracts which led to decreased net sales of Oriola pharmaceutical distribution. However, the respective volume and invoicing increased. As of the beginning of 2002, Merck KGaA and Fujisawa shifted their distribution to Oriola while that of Warner Lambert products ended following a merger.

The sales volume in Latvia and Lithuania grew considerably after the inauguration of Oriola's new premises in both countries.



The Wholesale business unit takes care of Oriola's relationships with pharmacies. The unit also sells and markets its own brands, such as PanAcido and Lysi, certain multi-channel pharmaceutical preparations, pharmaceutical substances and so-called non-restricted products to pharmacies and veterinarians in Finland and in the Baltic countries. The principals include Algol, Beiersdorf, Berner, Cederroth, Fysioline and Suomen 3M.

Reformi-Keskus markets and sells an extensive selection of functional foods and health foods. Reformi-Keskus also has several brands of its own, such as the Pansuola mineral salt, Dexal sports drink and the Femisoija soy preparation as well as a line of organic foods. Reformi products are available from hundreds of groceries and supermarkets, natural food and sports shops and pharmacies in Finland, Sweden and the Baltic countries. Food industry is an important customer sector. Pansuola and Femisoija are exported to many European countries, and Pansuola also to the Far East. In the USA, Pansuola is sold as Cardia Salt.

The traditional market for health foods saw a slight decline in the year 2001 but Reformi-Keskus was able to enhance its market position. Proprietary products account for about one-third of the total sales volume. Major representations include Salus-Haus, Merisant, Risenta, Hübner and Bio-Strath. Functional foods will assume more emphasis in the product portfolio.

Medical and Technical sector

The Medical Products business unit markets supplies, equipment and instruments used in healthcare, as well as associated systems for professional healthcare service providers. The product portfolio also includes a variety of aids for the disabled. The unit has a strong position in the Finnish market. Operations show growth in the Baltic countries while the Swedish business is only just starting and thus very modest.

Due to the five-month strike of Finnish physicians the number of treatments decreased in university hospitals, in particular, which lowered the demand for medical products. However, Oriola was able to strengthen its market leadership both in the supplies and the equipment sectors. The new Trumpf operating tables increased their market share significantly. The Carl Zeiss surgical microscopes and eye examination equipment, the Convatec products for ostomy and wound care as well as the Selefa Trade basic care products also strengthened their market position. As a new item, Oriola introduced powder-free surgical gloves under its proprietary brand MedOla, already comprising ECG electrodes and non-woven swabs.



ORIOLA

Prolab markets and services laboratory equipment, supplies and reagents in Finland and in the neighbouring areas. It represents about 60 manufacturers with a leading or significant position in their particular niches. The clientele includes laboratories involved in healthcare, industry, environmental control as well as education and research. Prolab is one of the leading marketers in its sector in Finland and its Baltic operations are in rapid growth. The operations are based on profound product know-how and cooperation with the final users.



The Finnish laboratory market grew only modestly but Prolab's sales exceeded the average growth. The volume and profitability in the Baltic markets also developed favourably.

The largest sales volumes in the clinical laboratory diagnostics sector were achieved with the Sysmex haematology systems and the Terumo blood sampling products. The marketing of Roche Diagnostics' point-of-care products started in the autumn.

Designed mostly for research and industrial purposes, the Carl Zeiss microscopes, the Dionex ion chromatography products and the Nunc special plastic products for laboratory use were among the best selling products by volume. The marketing of the BioWhittaker cell culture products started in November. The cooperation with Life Technologies and bioMérieux ended due to rearrangements in their businesses.

Oriola Dental is the leading Finnish marketer of dental care supplies and equipment with over 50% market share. The product portfolio comprises all product areas for the sector in Finland, in the Baltic countries and in Sweden. A subsidiary was established in Denmark towards the end of 2001.

The Finnish dental care sector grew exceptionally vigorously, not the least due to extended reimbursement from the public health insurance system. The sales of dental supplies developed favourably and Oriola gained a larger share of the dental equipment market. Good sales performance led to intensified cooperation with the German Sirona Dental Systems particularly.

The best-performing Baltic market was Latvia where Oriola Dental is the market leader in its sector. Profitability in Sweden remained unsatisfactory despite the brisk increase in sales.

Medion markets medical imaging and radiotherapy equipment as well as infrared devices and non-destructive testing (NDT) systems to the industry in Finland. The Graphic Arts department markets DuPont and Agfa materials.

The medical imaging market developed favourably, and Medion enhanced its market leadership. Philips played a significant role in the magnetic resonance imaging equipment and bone imaging radiography systems while Toshiba maintained its strong position in computer tomography and ultrasound equipment sales. Sales to industry also increased.

Comprehensive business management system under construction. Several projects are underway in Oriola to further develop the company's information systems. The main focus is on the renewal of the systems supporting the order-delivery process as well as on a new customer relationship management system. Special efforts are made to implement the changes smoothly and risk-free. Oriola is also actively involved in the development of the sector's information and communications technology, such as the new order placement system for pharmacies.

Outlook for 2002. Oriola anticipates that the lively discussion in Finland on the correct dimensioning and allocation of the resources for healthcare will lead to additional investments and purchases that improve the productivity of healthcare services. Oriola's sales will grow in pace with the market growth. Operating profit is estimated to be at the previous year's level. Oriola is further developing its warehouse management and investing in new control and logistic systems.



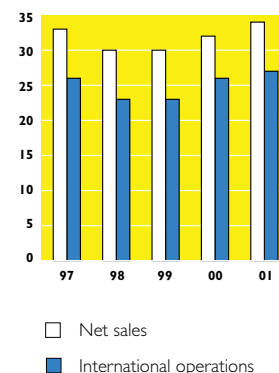


ORION DIAGNOSTICA

Orion Diagnostica

	2001	2000	Change
Net sales, MEUR	33.5	32.2	+4.1 %
Exports and subsidiaries abroad, MEUR	27.4	26.4	+3.9 %
- % of net sales	81.8 %	82.0 %	
Exports from Finland, MEUR	20.0	19.5	+2.6 %
R&D expenses, MEUR	3.1	2.6	+17.4 %
Operating profit, MEUR	4.9	5.4	-11.0 %
Investments, MEUR	1.5	1.4	
Personnel	336	330	
- abroad	37	35	
Profitability: Very satisfactory			
Share of Group net sales	3 %	3 %	

Net sales and international operations, MEUR



Product portfolio. The Orion Diagnostica product range comprises tests and small test systems for diagnosing infectious diseases and inflammation, as well as hormone and bone marker assays and hygiene tests. The majority of the products are designed for point-of-care testing which is a rapid and uncomplicated way – both for the patient and the doctor – to have reliable results for facilitated diagnosis, for an earlier onset of treatment and for easier follow-up. Orion Diagnostica's proprietary products account for about 90% of net sales.

Net sales and operating profit. The products for Point-of-Care or Point-of-Site testing accounted for 65% of Orion Diagnostica's net sales. The category includes all small-size tests, such as Uricult and hygiene tests. The sales continued to show vigorous growth, mainly thanks to the success of the QuikRead test. The Uricult test for urinary tract infections lost some of its share of the US market but retained its firm position as the world's leading dip slide urine culture test.

The net sales of products for centralised testing grew slightly, accounting for almost 30% of Orion Diagnostica's total net sales. Modest but sustained growth continued in the industrial hygiene product sector.

Operating profit was according to plan and at a very satisfactory level although it declined slightly from the previous year.



Matti Vaehri
President of Orion
Diagnostica

ORION DIAGNOSTICA

Point-of-Care testing

QuikRead is Orion Diagnostica's innovative testing method for quantitative detection of C-reactive protein (CRP) from whole blood. A new application area is the follow-up of diabetes through the detection of albumin in urine (U-Alb). For the time being, the main markets are the Nordic countries, Switzerland, China and Slovenia. In other markets, point-of-care testing of CRP is only just beginning. This offers a considerable growth potential once the method is taken into wider use.

Turbox is a system for the quantitative assessment of 17 different proteins from plasma, blood or urine samples. Launched in 2001 in an upgraded version, the sales of Turbox took an upward swing.

Designed for the diagnosis of gastrointestinal disorders caused by the *Helicobacter Pylori*, the **Pyloriset** tests detect the H. Pylori antibodies from serum or the actual bacteria from a biopsy sample.

Diarlex is a rapid test for the detection of rota and adeno viruses from stool samples.

Uricult, a culture method for the detection of urinary tract infections, was Orion Diagnostica's leading product for several years. In its own niche, it still retains the world market leader position.

Centralised testing

Centralised testing products are designed mainly for the use of large and medium-sized hospital laboratories which require an extensive product range and which employ many different types of analyses. Orion Diagnostica meets these client needs by providing tests based on several techniques, such as hormone, bone marker and connective tissue assays and those used for gastroenterological and specific protein assessments. Orion Diagnostica's technical competence and supply is complemented by partnership products developed and manufactured for other diagnostic companies.

Within the business unit for centralised testing, the area with steadiest growth and most demanding special competence needs is constituted by the bone and connective tissue markers, a product family comprehensively protected by Orion Diagnostica's patents. The products for the detection of iron deficiency anaemia are gaining in importance.

The knowhow accumulating from the field of centralised testing is utilised for the development of new product applications for point-of-care testing.



Hygiene testing

Orion Diagnostica's hygiene tests for microbe detection are designed for several different uses characterised by demanding hygiene requirements and a need to ensure the efficiency of cleaning methods.

The Easicult test is used for industrial and liquid fuel microbe assessments in order to optimise the usable and storage times of the liquids as well as to determine the required dosage of biocides. Typical product users include the metal, woodworking and paper industries, airline companies and oil refineries.

The Hygicult and SprayCult tests are used to verify the microbiological efficacy of the cleaning, disinfecting and manufacturing processes within the food industry, large-scale institutional kitchens and cosmetics industry. The combined use of SprayCult and Hygicult constitutes the world's only standardised microbiological surface sampling method.

DryCult TPC is a new, sensitive method for the in-situ analysis of the total microbe content of water. Its versatile range of potential applications includes many uses in which the quality and purity of water is of critical importance. With promising global success potential, the product is currently being introduced to the European markets.

Product development. A new application of the QuikRead system introduced by Orion Diagnostica in 2001, the uses of QuikRead U-ALB test include the monitoring of micro albumin in the urine. Especially in diabetes patients, increased albumin levels may be a sign of initial stages of kidney damage as well as of increased risk of cardiovascular disease.

The newly introduced hygiene test DryCult TPC is an inexpensive and convenient "pocket-sized water laboratory". It can be used for an uncomplicated and reliable on-site water quality test and result analysis, even in quite modest field conditions.

Outlook for 2002. Net sales are expected to increase both through the introduction of new products and the expansion of the QuikRead markets. An improvement of the operating profit is also anticipated, although costs will increase due to added development expenditure.



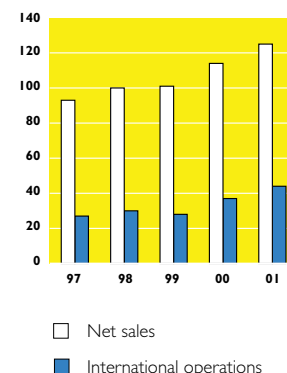


NOIRO

Noiro

	2001	2000	Change
Net sales, MEUR	125.3	114.4	+9.6%
Exports from Finland, MEUR	43.9	37.4	+17.5%
- % of net sales	35.0%	32.6%	
Operating profit, MEUR	9.2	7.6	+21.7%
Investments MEUR	18.0	5.3	
Personnel	844	793	
Profitability: Very satisfactory			
Share of Group net sales	13%	12%	

Net sales and international operations, MEUR



Product portfolio. Noiro's operations comprise cosmetics, hairdressing products, personal hygiene products as well as products for institutional cleaning and hygiene. The proprietary product lines account for over 80% of net sales. Noiro's major brands are the skin care and cosmetics line Lumene, the personal hygiene line Herbina and the hair salon product Cutrin. For a number of years, Lumene has been the market leader in Finland, and it is also Noiro's largest export product. The Farmos product group develops, produces and markets detergents, cleaning agents and disinfectants as well as chemicals for professional use in industry and institutions. It also includes the hospital hygiene product family Erisan.

Distinguishable among the international mass brands, Noiro promotes its own products by highlighting their unique Nordic character and features in product composition, package design, advertising and promotion. The products combine Nordic functionality and aesthetics with the pure Finnish nature and its raw materials.

Growth in net sales and operating profit. Noiro's net sales grew dynamically and operating profit showed an excellent improvement. Production capacity was in full use and exports reached a new record, accounting for 35% of total net sales.

The operations were boosted especially by the strong performance of the cosmetics line Lumene both in the domestic market and in exports. The exports of the Herbina personal care products also grew considerably. Lumene, Herbina and the hairdressing product line Cutrin were the largest export products, and Russia continued to be the largest export market.



Pekka Rautala
President of Noiro

NOIRO



Growth spearheaded by Lumene. Lumene accounted for over one-third of Noiro's net sales and almost two-thirds of its exports. With a share of over 25%, the brand dominates the domestic market. The line is exported to around 30 countries. In the autumn, Lumene was introduced to the British consumers through the House of Fraser department store chain.

In early 2001, Noiro acquired the rights for **Nanoel**, a high-quality, premium priced skin care product line for adult women.

Anytime, a completely reborn makeup line for teenagers was launched. Sales took a very positive start, and export launches are being prepared.

The skin care line **Favora**, available from pharmacies only, enhanced its position.

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

Developed by Noiro, **Cutrin** is a versatile hair cosmetics line for professional hair salon use. The sales increase was mainly due to favourably developing exports, mostly to Finland's neighbouring countries. Main export articles are colour and finishing products.

The market position of Wella, internationally acclaimed hair cosmetics brand represented by Noiro in Finland, strengthened further. Noiro also distributes Sebastian and Kadus hairdressing products in Finland.

Demand of hygiene products grew. In the personal care product group, the main focus was on Noiro's proprietary brands. The sales of the **Herbina** personal hygiene products to the neighbouring countries continued to grow. The sales of the Wella and Lumene Kindai hair care products through consumer goods stores increased further.

Modest growth in institutional and industrial products. The market for institutional cleaning and hygiene products continued to grow slowly. However, the sales of the Farnos industrial chemicals and personal hygiene products grew more rapidly than average in the sector. The Erisan hospital hygiene products also showed good growth, and the sales of cleaning machines also took an upward turn.

Large investments soon completed in Espoo and Turku. The high-tech production facilities under construction in Espoo will be completed in the summer of 2002. The new plant will raise Noiro's cosmetics production conditions to a level which will justify challenging growth objectives for several years to come. The new plant will replace most of Noiro's current production facilities in Espoo.

Farnos will centralise production in Turku once the plant extension there is completed in the summer of 2002.

Outlook for 2002. Noiro looks forward to a year of lively activity and dynamic trading. The objective is to increase net sales in the previous year's manner by means of novel products, by further enhancing exports as well as by sharpening the focus of marketing efforts. Operating profit is expected to improve. The completion of the large production plant investments provides the conditions for increasingly cost-effective operations.





PERSONNEL

Orion's success is generated by its personnel, professional people working and learning together in an open atmosphere that encourages creativity. Orion needs to invest in the continuous development of its personnel in order to implement the strategies, to keep up an efficient level of business operations and to improve client satisfaction.

Orion also invests in the enhancement of its employer image among the important target groups to ensure that the qualified and skilled people will maintain their commitment to the company and that new employees can be recruited competitively.

Structure of Orion personnel. The average number of personnel in the Orion Group was 5,456. Orion Pharma's domestic and international research units recruited new staff. On the other hand, the closing of the plants for manufacturing pharmaceutical preparations in Seinäjoki and Oulu, as well as the divestment of Oriola's Soredex business had an opposite effect. Personnel in Noiro increased in production and marketing. Personnel turnover remained at the previous years' level.

Competence development. In early 2001, a long-term executive development and training programme was introduced within the Group. The "Leadership Development" project involves the definition of the strategic intent of leadership, with the description of the responsibilities of the superiors and the leadership requirements within the Orion Group. The project will also involve the development of tools for the continuous evaluation of the competence of the superiors. The training of superiors in line with this particular programme started in the autumn of 2001.

In the Orion Group, the development of competence plays an important role in the enhancement of the professional skills of the personnel to meet the operational requirements of the company. The methods are varied, including different courses, self-study programmes, on-the-job orientation and learning, task rotation and tutoring.

The central themes for internal training in Orion Pharma dealt with the further development of leadership and managerial skills. In Orion Diagnostica, laboratory personnel was the main target group of the year 2001 professional training programme. In Oriola, training focused on sales, sales management and product-related issues as well as on versatile language training. The focal areas of Noiro's training were sales and marketing skills, working community development issues, and on-the-job courses for the orientation of the personnel in the operations.

The Orion spirit. In 2000 we elaborated on the Orion values, with representative of the entire personnel and all divisions involved in the effort. In November 2001, the Group's new values were confirmed. The new values will express what we can and want to be committed to. They also tell about our expectations of Orion as a working community. Moreover, they are very personal in view of every employee's attitude to work and the colleagues.

Our five values are equally important. However, at the core is mutual trust and respect, the very basis of all Orion operations. These values are meant for everyday, to improve the work and the working community. The values are mutual trust and respect, customer focus, innovation, achievement as well as quality, reliability and safety.

The objective for the year 2002 is to root these values into every Orion employee's daily work.

Wellbeing of the personnel. The development of a healthy and productive working community is monitored by surveying the working climate in the business divisions. The focus is on the wellbeing of the staff as well as on the atmosphere in the division. The results are benchmarked against other companies with comparable staff.



PERSONNEL

Personnel of the Orion Group by countries, 2001 (Average number of personnel, continuing operations)

	Orion		Orion		Corporate		Total
	Pharma	Oriola	Diagnostica	Noiro	Administration		
Helsinki region	1544	666	205	568	26	3009	
Hanko	143					143	
Turku region	578	6	41	183		808	
Northern Finland	185	44	53			282	
Kuopio	150	44				194	
Other localities		42		91		133	
Finland total	2600	802	299	842	26	4569	
Sweden	68	37	15			120	
Denmark	102		6			108	
Norway	23		11			34	
Germany	114					114	
UK and Ireland	93					93	
Switzerland	9					9	
France	66					66	
Baltic countries	8	186				194	
Other countries	55	2	5	2		64	
Foreign countries total	538	225	37	2	0	802	
Group total	3138	1027	336	844	26	5371	

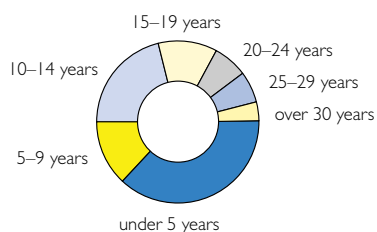
Educational basis of clerical and managerial staff

Basic education	18%
Business or commerce	16%
Mathematics and natural sciences	14%
Medicine, pharmacy and healthcare	23%
Technical	27%
Other	2%

The number of persons with a degree of PhD was 95. Those with the degree of a Licentiate was 55.

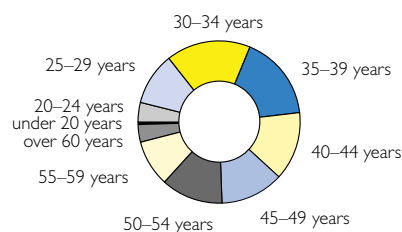
Personnel by duration of employment

(Finland)



Personnel by age groups

(Finland)



In 2000 the survey was conducted in Orion Pharma, the other divisions following in 2001. The reply rate varied between 82 and 95%. For the entire Orion Group, the results show a good general level. The findings will help to design further development programmes for the divisions and individual departments and sites. The materialisation of the programmes is followed, too.

One of Orion Pharma's strengths is the commitment of its personnel to their work and to corporate objectives. The people are also willing to work hard to promote the shared success. Orion Pharma still needs to promote the adoption of the values, and the exchange of information between the management and the staff must also be improved.

Oriola's strength factors include the personnel's solid knowledge of their personal tasks and objectives as well as those of the company. The employees are also committed to work. Improved exchange of information, a more encouraging climate, fluency of team work as well as the opportunities for personal growth and development can be listed as challenges still to work for.

Also in Orion Diagnostica the personnel is well aware of their own work, tasks and objectives. People are committed and they trust the management and the future of the business. Areas requiring attention include inciveness of the working atmosphere, team work performance and the opportunities for personal growth and development.

In Noiro, the staff is very committed to work and people are well aware of their personal objectives and those of their unit. More attention should be paid to the work of superiors as well as to the creation of an open atmosphere that promotes development. One of the most important areas calling for improvement is the exchange of information between the management and the staff.

The maintenance of personal working ability. In Orion, the activities to maintain working ability (the so-called Tyky activities) are focused on the personnel, the work contents, the working environment and the working community. The objective of these activities is to have a healthy and productive working community as well as to encourage the personnel to take continuous personal responsibility of their working ability. The corporate objective is to incorporate these activities into the daily work of each unit.

The local teams in the business divisions implement and assess – together with the respective units and departments – the kind of activities needed in each area to promote the maintenance of good working ability. In order to promote work-related wellbeing, health and coping with the work, Orion organises physical activity events and weight management groups as well as various surveys related to the working conditions. In addition, lectures and debates are held on various themes, such as personal relationships at work or development of the working atmosphere. Practical assistance for the implementation of these events has been offered by particular teams dedicated for the purpose, as well as by corporate occupational health care, occupational safety organisation, training and development and human resources departments.

The Orion Group offers a versatility of off-work recreational activity, also thereby promoting the wellbeing as well as the mental and physical coping of the staff.

Warrants programmes. The Orion Group has two warrants programmes. In both of them, each warrant entitles the holder to subscribe for one Orion B-share.

The year 1998 Warrants programme involves about half of the Group personnel. In order to join the programme, the employees were supposed to subscribe for a bond loan, repaid in June 2001. The first half of the warrants in this scheme were released in May 2001 while the other half will be released in May 2003. The warrants will be valid until 30 April 2005.

In spring 2001 the Orion Group issued a new warrants programme to key persons. Most of the 113 persons involved are engaged in research and development. The warrants in this scheme will be released in four stages and can be utilised between 1 October 2003 and 31 October 2007.





ORION AND THE ENVIRONMENT

The management of environmental issues in the Orion Group is also in accordance with the jointly adopted values. Orion will bear its responsibility for the safety and wellbeing of the environment, the working community, its co-operation partners and clients. Quality, reliability, safety and sustainable development are the leading operational principles.

Due to the varying nature of the operations of each business division, the environmental management responsibility has been decentralised to the business divisions. Orion Pharma and Orion Diagnostica have agreed upon joint environmental management principles while Oriola and Noiro have defined their environmental objectives to meet their own operational demands. The environmental competence of the personnel is constantly improved through information and training sessions and internal communication means.

The laws, bills and regulations define only the minimum level of environmental management at Orion. The objective is to go beyond the legislative requirements and develop the operations so that the environmental consequences are minimal. Making its own initiatives, Orion works in the spirit of open co-operation with the regulatory authorities.

In order to increase the recycling of packaging materials, all Orion divisions have joined the Environmental Register of Packaging PYR Ltd. Environmental aspects are considered during every step of Orion operations, from office premise design to transportation.

Starting from the product development stage, the primary objectives of Orion Pharma and Orion Diagnostica include the efficacy of the final drug, the reliability of the test systems and the safety of the patient. An equally important objective is to minimise the environmental load.

Orion Pharma. In order to develop and monitor the environmental management issues, Orion Pharma has a dedicated environmental officer for each factory unit. The materialisation of our environmental objectives is monitored through annual internal audits.

The development of a new drug is a multi-phase process extending over several years. From the very start it will take about 5 to 10 years until the first trial batch can be produced. The development work must address questions relating to the efficacy of the drug, safety of the patients, occupational safety and environmental impacts. The authorities also control the creation of new pharmaceutical preparations and the further development of already commercial products.

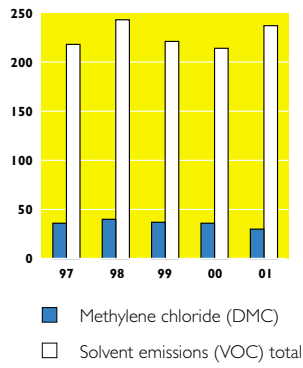
Standards and commitments. The environmental management system constitutes a part of Orion Pharma's quality system. The environmental management principles date back to 1998 while the current quality policy was adopted in 2001.

A manufacturer of active pharmaceutical ingredients (API), Fermion adopted its own environmental management policy in 1997. The year 2000 saw the adoption of the operational instructions for the Espoo pharmaceutical production plant and laboratories. The instructions focus on the management of an eventual crisis situation involving material assets and humans.

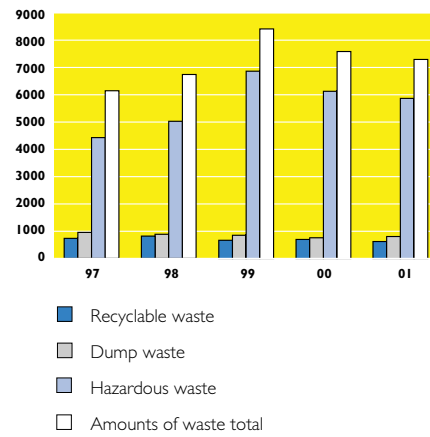
ORION AND THE ENVIRONMENT

Orion Pharmas's environmental impacts

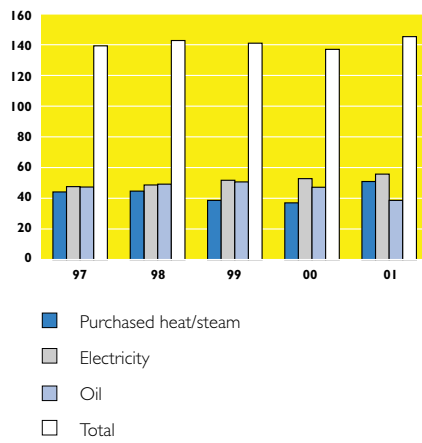
Solvent emissions to air, t/a



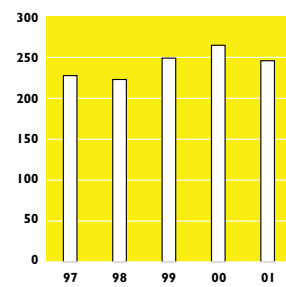
Amounts of waste, t/a



Energy consumption, GWh/a



Water consumption, 1000 m³/a



Emission control. The production facilities in a pharmaceutical plant must comply with very strict cleanliness requirements. The input air flows through many multi-stage filters, and the air in the production rooms is compensated tens of times every hour. The outlet air also passes through filters. In order to ensure the physical and microbiological purity of the pharmaceutical preparation, the production process must be as closed as possible. The dust content in the outlet air is minimal. In chemical processes the emissions are controlled by means of efficient condensers and washers.

Solvent emissions remained at the previous years' level. Solvent emissions in 2001 remained at the level of the previous years. Due to growth in the volume of operations, ethanol emissions have increased whereas methylene chloride emissions have decreased. Over the past three years, the amount of hazardous waste has decreased, mainly as a consequence of the changes implemented at the Fermion production facilities in Hanko.

The decreased water consumption is due to the closing of the large-volume parenterals production in Oulu. Energy consumption rose, mainly due to increased operations and to the air conditioning requirements imposed on new production premises. The supply of steam in Oulu was outsourced as of September 2001. For this reason, there is a significant change in the figures for purchased heat and oil consumption.

Environmental operations in 2001. Inaugurated in the summer of 2001, the extension of the Fermion plant in Hanko meets the highest standards for pharmaceutical production. Fermion shifted to a seawater cooling system which intensifies the recovery of solvents. During 2002, a plan for the utilisation of condensing water will be made for the Hanko plant.

The Oulu plant of Fermion has experimented with the use of liquid nitrogen for the condensing of methylene chloride. The changes implemented during the year 2002 will decrease the methylene chloride emissions by over 50% on an annual basis.

In product development, particular efforts are made to decrease the use of methylene chloride. This is in line with the principles of sustainable development on the long term.

During the energy audit conducted at the Turku site, a 10% energy saving potential was discovered. The results will be exploited in future years in connection with other investments.

Attempts to further reduce consumption of solvents. In Orion Pharma, the total consumption of solvents is about 4,000 tonnes annually, 95% of which is used during the chemical processes in the production of active pharmaceutical ingredients. Most of the solvents can be recycled, while the undisposable solvent waste is sent to a treatment plant for hazardous waste. In particular, the use of methylene chloride is addressed, with attempts to decrease its consumption through modified processes.

More information about Orion Pharma environmental management issues is available on the website www.orion.fi. The site also provides environmental information on Oriola, Orion Diagnostica and Noiro.



REPORT BY THE BOARD OF DIRECTORS

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

Orion Pharma. Orion Pharma's net sales came to EUR 487.0 million (EUR 452.2 million), up by 7.7% (up 3.3%). The products from Orion Pharma's own research pipeline accounted for EUR 133.5 million (EUR 124.5 million) or 27% (28%) of the net sales. Agreement-based payments from marketing partners accounted for EUR 50.3 million (EUR 19.4 million) of the net sales. EUR 34 million were received in September from Pharmacia in association with the conclusion of the marketing agreement on deramciclone, an investigational anxiolytic. Deliveries of pharmaceutical preparations to markets outside Finland decreased from the previous year.

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

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

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

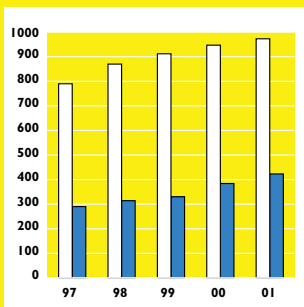
Orion Pharma's net sales in Finland increased slightly by 1.5% (down 10.9%) and Orion's market share was 12.7% (14.9%). Part of the decline in the market share was due to the divestment of the large-volume parenterals business.

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

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

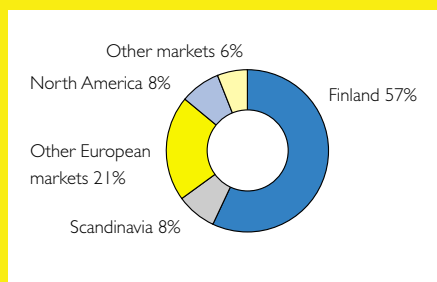
The net sales of the Medical and Technical business came to EUR 114.7 million, up by 15.7% (up 0.3%), and they accounted for 35% of Oriola's total net sales. Medion increased net sales particularly well, but also Oriola Medical, Prolab and Oriola Dental in Finland developed favourably.

Net sales and International operations, MEUR

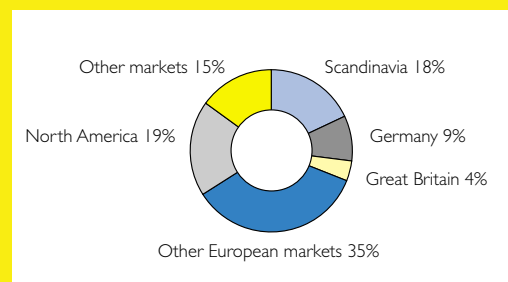


□ Net sales
■ International operations

Net sales by market area



International operations by market area



*) 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.

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

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

Net sales of the parent company. The net sales of the Group parent company Orion Corporation were EUR 578.2 million (EUR 552.0 million), up 4.75 % (2.9%).

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

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

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

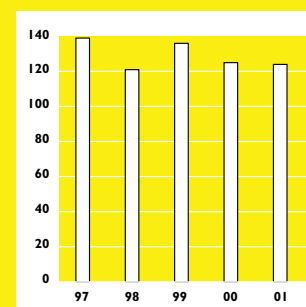
Consolidated other operating expenses includes EUR +2.7 million in revaluation of the Tamro Corporation shares held by Orion Corporation. Other operating income includes EUR 0.5 million in capital gains from Tamro shares sold. Net gains from ordinary financial operations as a whole were lower than in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

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

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

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

Profit before extraordinary items and taxes, MEUR



REPORT BY THE BOARD OF DIRECTORS

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

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

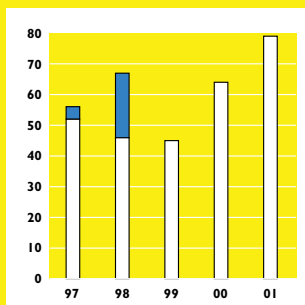
Accordingly, the Group's cash reserves were placed in money market instruments and bonds issued by European states and enterprises. Minor amounts were invested in domestic and foreign listed shares and investment funds.

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

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

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

Investments in fixed assets, MEUR



□ Investments in fixed assets
 ■ Investments in shares

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

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

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

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

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

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

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

Personnel. The average number of personnel in the Orion Group was 5,456 (5,351). The average total number of employees in the continuing operations came to 5,371 (5,188) and it increased by 183, or 3.5%. The average number of staff in the foreign Orion Pharma marketing subsidiaries and representative offices

rose by 42 to 517, up 8.8% (rose by 75 to 475, up 18.8%). Also personnel engaged in R&D increased. The research centre in Nottingham had an average of 21 persons. On the other hand, the average number of Orion Pharma personnel declined by 57 due to the closure of three minor pharmaceutical plants in Finland. Personnel in Noiro increased by 51, or 6.4% (grew by 44, or 5.9%), mainly in production and marketing. Personnel in the parent company Orion Corporation grew by an average of 78.

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

Research and product development. Group spending on research and development, excluding external financial contributions, came to EUR 83.9 million (EUR 68.8 million), and they accounted for 8.6% (7.3%) of the consolidated net sales. The expenditure grew by 21.9% (up 6.2%). Pharmaceutical R&D accounted for 93% (91%) of the total. Correspondingly, the proportion of pharmaceutical R&D of Orion Pharma's net sales was 16.0% (13.9%).

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

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

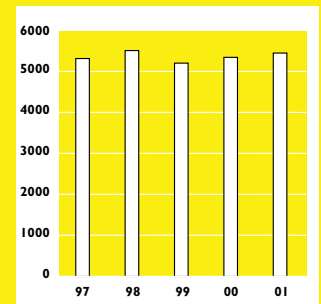
The European multicentre Phase 3 studies continued with deramciclane, a drug candidate being investigated in patients with generalised anxiety disorder (GAD). In August Orion concluded a development and marketing agreement on the product with Pharmacia Corporation covering the US and all other countries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

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

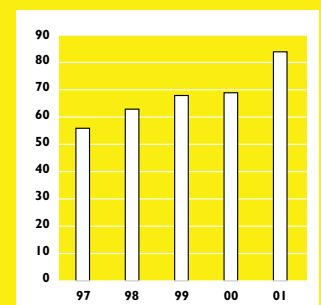
The introduction of Simdax to some of the European markets seems to be postponed to around 2005. Orion Pharma had to withdraw its marketing authorisation application from the UK, France and Germany, which were not ready to recognise the Swedish marketing authorisation. A large 2-year Phase 3 clinical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

Clinical follow-up studies are ongoing in Parkinson's Disease patients using Comtess or Comtan, the already widely commercialised product containing plain entacapone. The results published in 2001 highlight the pharmacoeconomic and quality-of-life benefits of the Comtess/Comtan therapy. Orion

Personnel, persons



R&D expenditure, MEUR



REPORT BY THE BOARD OF DIRECTORS

Pharma and Novartis are designing additional studies addressing the use of COMT inhibition in a broader patient population than currently indicated for:

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

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

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

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

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

Outlook for 2002. Orion Pharma's net sales are anticipated to grow somewhat. Product sales are expected to grow more rapidly than last year whereas milestone payments are anticipated to remain lower. The most important growth products will be Comtess/Comtan for Parkinson's and the hormone replacement therapy Indivina. R&D investment will increase considerably due to the ongoing large Phase 3 clinical studies with Simdax and deramciclane. For these reasons, Orion Pharma's operating profit is estimated to decline from the previous year.

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

Orion Diagnostica will show stronger growth than last year and its operating profit will remain at a good level. Noiro will continue showing favourable progress both regarding net sales and operating profit.

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

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

Net sales and International operations by Business Division

	Net sales			International operations		
	2001 MEUR	2000 MEUR	Change %	2001 MEUR	2000 MEUR	Change %
Healthcare						
Orion Pharma	487.0	452.2	+7.7%	293.3	261.4	+12.2%
Oriola, continuing operations	329.3	343.9	-4.2%	46.0	38.3	+20.2%
Orion Diagnostica	33.5	32.2	+4.1%	27.4	26.4	+3.9%
Healthcare total	835.7	814.3	+2.6%	366.4	325.4	+12.6%
Cosmetics and detergents, Noiro	125.3	114.4	+9.6%	43.9	37.3	+17.5%
Group total, continuing operations	958.0	926.0	+3.5%	410.1	362.6	+13.1%
Soredex *)	13.0	22.4		12.5	21.8	
Group total	970.8	947.5	+2.5%	422.8	384.0	+10.1%

Net sales by market area

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

Operating profit by Business Division

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

Net sales, operating profit and profit before extraordinary items and taxes by quarters

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

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

REPORT BY THE BOARD OF DIRECTORS

Gross investments	2001	2000
	MEUR	MEUR
Land areas	2.3	0.1
Buildings	24.2	20.3
Machinery and equipment	31.8	34.5
Shares	0.0	0.1
Other fixed assets	20.4	8.2
Group total, continuing operations	78.7	63.2
Soredex	0.5	0.4
Group total	79.2	63.6

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

Group personnel (average number of employees):

	2001	Share	2000	Share	Change
Orion Corporation	3 779	69.2%	3 701	69.2%	+2.1%
Subsidiaries in Finland	846	15.5%	826	15.4%	+2.4%
Finland total	4 625	84.7%	4 526	84.6%	+2.2%
Foreign subsidiaries	746	13.7%	662	12.4%	+12.8%
Group total, continuing operations	5 371	98.4%	5 188	97.0%	+3.5%
Soredex	85	1.6%	162	3.0%	
Group total	5 456	100.0%	5 351	100.0%	+2.0%

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

	2001	2000
Healthcare		
Orion Pharma	3 138	3 021
Oriola, continuing operations	1 027	1 020
Orion Diagnostica	336	330
Healthcare total	4 501	4 371
Cosmetics and detergents, Noiro	844	793
Corporate Administration	26	25
Group total, continuing operations	5 371	5 188
Soredex	85	162
Group total	5 456	5 351

INCOME STATEMENT

MEUR	Notes	Orion Group		Orion Corporation	
		2001	2000	2001	2000
Net Sales	1)	970.8	947.5	578.2	552.0
Other operating income	2)	+13.0	+17.3	+12.7	+11.9
Operating expenses	3,4)	-824.8	-807.3	-457.3	-436.9
Depreciation and reduction in value	4)	-42.6	-43.0	-35.4	-35.6
Operating profit		116.4	114.5	98.2	91.4
Financial income and expenses	5)	+7.2	+10.9	+83.7	+14.8
Profit before extraordinary items		123.6	125.4	181.9	106.2
Extraordinary income	6)	+7.8	+6.9	+6.4	+23.5
Profit before appropriations and taxes		131.4	132.3	188.3	129.7
Appropriations	7)	-	-	+2.9	+6.3
Income taxes:	8)				
Ordinary operations		-39.2	-42.8	-52.1	-33.5
Extraordinary items		-2.2	-1.8	-2.0	-6.9
Profit for the financial year		90.0	87.7	137.1	95.6

BALANCE SHEET

Assets MEUR	Notes	Orion Group		Orion Corporation	
		2001	2000	2001	2000
Non-current assets	9)				
Intangible assets					
Intangible rights		22.9	16.9	21.0	14.8
Goodwill		20.8	24.5	27.3	31.0
Group goodwill		0.3	0.5	-	-
Other capitalised expenditure		12.3	6.0	9.7	5.1
		56.3	47.9	58.0	50.9
Tangible assets					
Land and water		9.5	8.2	6.9	5.7
Buildings		167.5	160.3	129.0	121.9
Machinery and equipment		116.6	103.4	99.9	88.4
Other tangible assets		1.3	1.3	1.0	1.1
Advance payments and construction in progress		19.4	19.4	18.8	17.9
		314.3	292.6	255.6	235.0
Investments					
Shares and holdings in Group companies		-	-	32.9	31.0
Shares and holdings in associated companies		0.1	0.1	-	-
Other investments		14.3	23.3	12.5	20.3
		14.4	23.4	45.4	51.3
Current assets					
Stocks	10)	185.6	168.6	97.2	90.2
Deferred tax asset	8)	3.3	3.3	-	-
Non-current receivables	11)	9.4	8.4	0.8	6.5
Current receivables	12)	145.7	140.4	106.1	104.6
Investments	13)	189.5	203.9	170.9	186.0
Cash in hand and at banks		30.0	26.1	10.5	7.9
		948.5	914.6	744.5	732.4

BALANCE SHEET

Liabilities MEUR	Notes	Orion Group		Orion Corporation	
		2001	2000	2001	2000
Shareholders' equity	14)				
Share capital		114.8	114.8	114.8	114.8
Premium fund		4.2	4.2	4.2	4.2
Reserve fund		0.6	0.6	-	-
Retained earnings		468.0	461.5	219.9	205.4
Profit for the financial year		90.0	87.7	137.1	95.6
		677.6	668.8	476.0	420.0
Minority interest		0.0	0.0	-	-
Appropriations	15)	-	-	143.0	145.9
Provisions	16)	3.1	1.6	1.6	1.6
Liabilities					
Deferred tax liability	8)	52.5	53.2	-	-
Non-current liabilities	17)				
Pension loans		32.1	32.1	17.8	17.8
Other non-current liabilities		4.2	5.0	8.2	11.8
		36.3	37.1	26.0	29.6
Current liabilities	18)				
Advances received		14.7	12.9	0.1	0.0
Trade payables		104.9	87.4	42.0	38.3
Other current liabilities		59.4	53.6	55.8	97.0
		179.0	153.9	97.9	135.3
		948.5	914.6	744.5	732.4

CASH FLOW STATEMENT

MEUR	Orion Group		Orion Corporation	
	2001	2000	2001	2000
Cash flow from operating activities				
Operating profit	116.4	114.5	98.2	91.4
Adjustments:				
Depreciation according to plan and reduction in value	42.6	43.0	35.4	35.6
Other adjustments	-3.3	-3.3	0.8	0.2
Operating profit before working capital changes	155.7	154.2	134.4	127.2
Changes in working capital	1)			
Increase (-)/ decrease (+) in trade and other receivables	-7.9	-24.9	-2.0	-14.5
Increase (-)/ decrease (+) in stocks	-16.9	0.5	-7.0	-4.3
Increase (+)/ decrease (-) in trade and other payables	20.7	10.6	-39.1	-14.7
Cash flow from operating activities before financial items and taxes	151.6	140.4	86.3	93.7
Interest paid	-3.9	-4.8	-3.7	-6.8
Dividends received	2) -	-	70.0	7.1
Interest received	2) 7.0	8.2	6.4	7.1
Income taxes paid	-42.3	-45.1	-31.9	-32.9
Net cash from operating activities	112.4	98.7	127.1	68.2
Cash flow from investing activities				
Investments in intangible and tangible assets	-75.9	-62.7	-66.9	-53.0
Proceeds from sale of intangible and tangible assets	16.8	3.4	14.5	7.9
Loans made (-)/ payments of loan receivables (+)	-	-	-1.1	-4.1
Investments in subsidiary shares	-	-	-16.9	-6.2
Investments in other shares and securities not included in cash equivalents	-9.1	-19.8	-9.2	-21.0
Proceeds from sale of other shares and securities not included in cash equivalents	29.6	21.8	29.6	19.6
Interest received	2.8	3.1	2.6	3.0
Dividends received	0.7	2.3	0.5	1.2
Net cash used in investing activities	-35.1	-51.9	-46.9	-52.6
Cash flow from financing activities				
Proceeds from (+)/ payments of (-) short-term loans	1.3	3.6	-0.5	-0.1
Proceeds from long-term loans	0.4	1.1	0.4	1.1
Payments of long-term loans	-1.5	-4.3	-4.2	-1.6
Group contribution received	-	-	-	51.4
Taxes related to financing activities	-	-10.7	-	-13.8
Shares bought from subsidiaries for dividend distribution	-	-	-	-20.2
Dividends paid and other distribution of profits	3) -81.0	-42.5	-81.0	-44.1
Net cash used in financing activities	-80.8	-52.8	-85.3	-27.3
Change in cash and cash equivalents according to the cash flow statement	-3.5	-6.0	-5.1	-11.7
Foreign exchange adjustment	0.1	-1.9	-	-
Net increase (+)/ decrease (-) in cash and cash equivalents	-3.4	-7.9	-5.1	-11.7
Cash and cash equivalents at beginning of period	4) 171.7	179.7	142.2	153.9
Cash and cash equivalents at end of period	4) 168.3	171.8	137.1	142.2
	-3.4	-7.9	-5.1	-11.7

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 in 2000. 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

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 2001 includes MEUR 0.6 in land areas and MEUR 2.1 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 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.

As from 1 January 2001, the Group adopted a depreciation system based on individual asset items. The historical cost now includes the non-current assets with remaining economic life and, contrary to earlier financial periods, also the fully depreciated non-current assets which are still in operative use. The accumulated depreciation has been changed accordingly. For this reason, the opening Balance Sheet values as per 1 January 2001 of the non-current asset acquisition costs as well as that of the accumulated depreciation differ from the corresponding closing Balance Sheet values as per 31 December 2000.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 avoir fiscal based on the distribution of dividends of Group and associated companies has been deducted from Group income taxes. In the parent company the avoir 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.

MEUR	Group		Parent company	
	2001	2000	2001	2000
I. Net sales				
Net sales by business area				
Healthcare	848.5	835.7	457.3	440.1
Cosmetics and detergents	125.3	114.4	120.9	111.9
Corporate administration and internal net sales	-3.0	-2.6	-	-
Total	970.8	947.5	578.2	552.0
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				
Finland	547.9	563.5	266.6	271.6
Scandinavia	76.1	71.4	40.8	36.9
Other European markets	204.1	215.5	131.0	149.0
North America	80.9	56.1	78.8	53.7
Other markets	61.8	41.0	61.0	40.8
Total	970.8	947.5	578.2	552.0
2. Other operating income				
Profits from sales of trademarks and product rights	0.5	9.9	-	5.2
Profits from sales of other non-current assets	1.6	1.4	1.2	1.0
Compensation for discontinued business contracts and other similar payments	5.9	0.8	4.9	0.2
Service charges from Group companies	-	-	3.0	2.7
Rents received	1.7	1.4	1.6	1.1
Other	3.3	3.8	2.0	1.7
Total	13.0	17.3	12.7	11.9
3. Changes in provisions				
Provision for expenses related to factory closes	-	-1.5	-	-1.5
Provision for operative reorganisation in France	-1.5	-	-	-
Change in other provisions	+0.0	+0.2	+0.0	+0.2
Total (increase - / decrease +)	-1.5	-1.3	+0.0	-1.3
4. Operating expenses and depreciation				
Operating expenses				
Increase (-) or decrease (+) in stocks of finished products	-3.8	0.2	-3.9	0.0
Production for own use	-3.2	-2.5	-2.9	-2.1
Raw materials and services				
Purchases during the financial year	408.8	406.4	146.0	143.6
Increase (-) or decrease (+) in stocks	-13.1	0.1	-3.0	-4.4
External services	24.4	23.9	22.5	23.6
	420.1	430.4	165.5	162.8
Staff expenses				
Wages and salaries	163.9	151.1	109.6	103.9
Pension expenses	23.6	21.8	17.2	16.4
Other social security expenses	17.9	14.4	10.9	8.6
	205.4	187.3	137.7	128.9
Other operating expenses	206.3	191.9	160.9	147.3
Total	824.8	807.3	457.3	436.9
Voluntary staff expenses are recorded under other operating expenses.				
Depreciation and reduction in value				
Depreciation according to plan	42.4	40.5	35.4	33.4
Reduction in value of tangible assets	-	2.2	-	2.2
Depreciation on Group goodwill	0.2	0.3	-	-
Total	42.6	43.0	35.4	35.6
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	5 456	5 351	3 854	3 842

NOTES TO THE FINANCIAL STATEMENTS

MEUR	Group		Parent company	
	2001	2000	2001	2000
5. Financial income and expenses				
Dividend income from Group companies	-	-	93.1	7.1
Dividend income from associated companies	-	-	-	-
Income from other investments held as non-current assets:				
Dividend income from other shares and holdings	0.6	2.9	0.3	1.5
Interest income from Group companies	-	-	0.4	0.3
Other interest and financial income:				
Interest income from Group companies	-	-	0.1	0.9
Interest income from other companies	7.5	8.8	5.8	7.3
Dividend income from securities held as current assets	0.3	0.2	0.3	0.2
Other financial income	2.1	3.6	1.7	3.3
Share of associated companies' profits	-0.0	0.0	-	-
Reduction in value of investments held as non-current assets	-	-	-15.0	-
Change in the reduction in value of investments held as current assets	0.7	0.3	0.6	0.3
Interest and other financial expenses:				
Interest expenses to Group companies	-	-	-1.4	-3.3
Interest expenses to other companies	-2.3	-2.2	-1.0	-1.0
Other financial expenses	-1.7	-2.7	-1.2	-1.8
Financial income and expenses total	7.2	10.9	83.7	14.8
Financial income and expenses include:				
Total dividend income	0.9	3.1	93.7	8.8
Total interest income	7.5	8.8	6.3	8.5
Total interest expenses	-2.3	-2.2	-2.4	-4.3
6. Extraordinary income				
Sales of divested business operations	6.6	-	5.8	2.6
Sales of real estate	1.2	-	0.6	-
Income recorded from the Instrumentarium shares transferred as dividends to Orion Corporation shareholders in 2000				
	-	6.9	-	0.9
Group contributions	-	-	-	20.0
Total	7.8	6.9	6.4	23.5
7. Appropriations				
Change in accumulated accelerated depreciation	-	-	-4.3	+4.1
Change in untaxed employee housing reserve	-	-	+0.3	+0.4
Change in untaxed replacement reserve	-	-	+6.9	+1.8
Total (increase - / decrease +)	-	-	+2.9	+6.3
8. Income taxes				
Current tax on ordinary operations	-38.7	-44.7	-50.9	-33.0
Deferred tax on ordinary operations	+0.8	+2.4	-	-
Current tax on extraordinary items	-2.0	-1.3	-2.0	-6.9
Deferred tax on extraordinary items	-0.2	-0.5	-	-
Adjustments for current tax of previous financial years	-1.3	-0.5	-1.2	-0.5
Total	-41.4	-44.6	-54.1	-40.4
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	0.6	2.2		
Consolidation measures	-0.1	-0.6		
Timing differences	0.1	0.3		
Total	0.6	1.9		
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	0.6	0.5	0.5	0.5
Consolidation measures	2.7	2.8	-	-
Total	3.3	3.3	0.5	0.5
Deferred tax liability arises from				
Consolidation measures	-0.9	-1.0	-	-
Accumulated appropriations	-51.6	-52.2	-41.5	-42.3
Total	-52.5	-53.2	-41.5	-42.3

9. Group non-current assets on 31 December 2001

MEUR	Intangible rights	Good-will	Group good-will	Other capitalised expenditure	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Shares and holdings in associated companies	Other shares and holdings
Acquisition cost, 1 Jan. *)	39.1	73.9	1.2	13.9	8.1	268.7	256.6	2.8	19.4	0.1	26.0
Increase	10.8	-	-	9.3	2.3	8.2	30.2	0.1	18.1	-	0.0
Decrease	-4.9	-0.1	-	-1.2	-0.9	-1.9	-12.3	-0.0	-0.1	-0.0	-11.7
Transfers between Balance Sheet items	-	-	-	-	-	9.5	8.5	-	-18.0	-	-
Acquisition cost, 31 Dec.	45.0	73.8	1.2	22.0	9.5	284.5	283.0	2.9	19.4	0.1	14.3
Accumulated depreciation, 1 Jan. *)	22.1	49.4	0.7	7.9	-	108.5	153.2	1.5	-	-	-
Accumulated reduction in value, 1 Jan.	-	-	-	-	-	-	-	-	-	-	2.7
Accumulated depreciation related to transfers and decreases	-4.0	-0.0	-	-0.7	-	-1.2	-9.2	-	-	-	-
Depreciation for the financial year	4.0	3.6	0.2	2.5	-	9.7	22.4	0.1	-	-	-
Restoration of previously effected reductions in value	-	-	-	-	-	-	-	-	-	-	-2.7
Accumulated depreciation and reduction in value, 31 Dec.	22.1	53.0	0.9	9.7	-	117.0	166.4	1.6	-	-	-
Book value, 31 Dec.	22.9	20.8	0.3	12.3	9.5	167.5	116.6	1.3	19.4	0.1	14.3

On 31 Dec., production machines accounted for EUR 73.8 million of the 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.

Parent company non-current assets on 31 December 2001

MEUR	Intangible rights	Good-will	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. *)	30.0	72.4	11.0	5.7	206.8	221.1	2.4	17.9	31.0	8.4	0.1	14.5
Increase	10.4	-	7.2	1.9	7.8	24.0	0.1	17.5	16.9	1.2	-	0.0
Decrease	-4.8	-	-0.8	-0.7	-2.9	-11.5	-0.0	-0.1	-	-	-	-11.7
Transfers between Balance Sheet items	-	-	-	-	8.3	8.3	-	-16.5	-	-	-	-
Acquisition cost, 31 Dec.	35.6	72.4	17.4	6.9	220.0	241.9	2.5	18.8	47.9	9.6	0.1	2.8
Accumulated depreciation, 1 Jan. *)	15.2	41.4	5.9	-	84.9	132.7	1.4	-	-	-	-	-
Accumulated reduction in value, 1 Jan.	-	-	-	-	-	-	-	-	-	-	-	2.7
Accumulated depreciation related to transfers and decreases	-4.0	-	-0.4	-	-1.7	-8.9	-0.0	-	-	-	-	-
Depreciation for the financial year	3.4	3.7	2.2	-	7.8	18.2	0.1	-	-	-	-	-
Reduction in value for the financial year	-	-	-	-	-	-	-	-	15.0	-	-	-
Restoration of previously effected reductions in value	-	-	-	-	-	-	-	-	-	-	-	-2.7
Accumulated depreciation and reduction in value, 31 Dec.	14.6	45.1	7.7	-	91.0	142.0	1.5	-	15.0	-	-	-
Book value, 31 Dec.	21.0	27.3	9.7	6.9	129.0	99.9	1.0	18.8	32.9	9.6	0.1	2.8
Accumulated accelerated depreciation, 1 Jan.	5.8	0.3	0.7	-	67.6	64.0	0.1	-	-	-	-	-
Increase (+)/ decrease (-)	-0.1	-0.3	0.9	-	4.3	-0.3	-0.0	-	-	-	-	-
Accumulated accelerated depreciation, 31 Dec.	5.7	0.0	1.6	-	71.9	63.7	0.1	-	-	-	-	-

On 31 Dec., production machines accounted for EUR 58.5 million of the 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 opening values include the non-current assets with remaining economic life, and, contrary to earlier financial periods, also the fully-depreciated non-current assets which are still in operative use. The accumulated depreciation balances have been changed accordingly.

NOTES TO THE FINANCIAL STATEMENTS

MEUR	Group's share of ownership %	Group		Parent company	
		2001	2000	2001	2000
The difference between market value and book value of listed shares and holdings					
Other listed shares					
Market value; Tamro Oyj	3.32 %	13.7	11.4	0.0	5.1
Market value; other shares and holdings		1.2	1.9	1.1	1.6
Corresponding book value		-11.6	-20.5	-0.3	-9.2
Difference		3.3	-7.2	0.8	-2.5
Besides listed shares, the other shares and holdings include, among others, a 10.6% interest in Kronans Droghandel AB, a Swedish pharmaceutical distributor company.					
10. Stocks					
Raw materials and consumables		41.5	40.0	39.1	38.0
Work in progress		16.7	15.0	16.5	14.8
Finished products/goods		126.9	113.0	41.2	36.9
Other stocks		0.3	0.5	0.3	0.4
Advance payments		0.2	0.1	0.1	0.1
Total		185.6	168.6	97.2	90.2
11. Non-current receivables					
Trade receivables		0.0	0.1	-	-
Trade receivables from Group companies		-	-	-	6.0
Loan receivables from associated companies		0.0	0.1	0.0	0.0
Loan receivables		0.4	0.5	0.4	0.5
Other receivables		9.0	7.7	0.4	-
Total		9.4	8.4	0.8	6.5
12. Current receivables					
Trade receivables		113.0	110.6	46.1	50.3
Receivables from Group companies					
Trade receivables		-	-	31.0	27.6
Loan receivables		-	-	0.8	1.0
Other receivables		-	-	1.4	1.7
Prepaid expenses and accrued income		-	-	0.5	0.5
		-	-	33.7	30.8
Receivables from associated companies		0.0	0.0	0.0	0.0
Loan receivables		0.1	0.1	0.1	0.1
Other receivables		5.9	8.0	2.5	5.0
Prepaid expenses and accrued income		26.7	21.7	23.7	18.4
Total		145.7	140.4	106.1	104.6
Material items included in prepaid expenses and accrued income					
Accrued interest income		1.7	2.2	1.5	2.0
Income tax receivable		2.4	4.8	2.2	4.2
Other tax receivables		8.2	1.9	8.2	1.9
Pending R&D contributions		2.4	3.0	2.4	2.9
Orion Corporation Pension Fund contribution paid in advance		2.9	-	2.9	-
Outstanding considerations due from agreements		4.6	3.9	4.1	3.9
Other		4.5	5.9	2.4	3.5
Total		26.7	21.7	23.7	18.4
13. Investments held as current assets					
Shares and holdings		8.4	15.0	8.4	15.0
Other securities: interest instruments		181.1	188.9	162.5	171.0
Total		189.5	203.9	170.9	186.0
Difference between market value and book value					
Market value		190.2	206.2	171.7	188.3
Corresponding book value		-189.4	-203.9	-170.9	-186.0
Difference		0.8	2.3	0.8	2.3

MEUR	Group		Parent company	
	2001	2000	2001	2000
14. Shareholders' equity				
Share capital, 1 Jan.	114.8	119.0	114.8	119.0
Decrease in share capital through invalidation of shares held by the company, 14 Apr. 2000	-	-4.2	-	-4.2
Share capital, 31 Dec.	114.8	114.8	114.8	114.8
Premium fund, 1 Jan.	4.2	0.0	4.2	0.0
Transferred from share capital, 14 Apr. 2000	-	4.2	-	4.2
Premium fund, 31 Dec.	4.2	4.2	4.2	4.2
Own shares reserve, 1 Jan.	-	1.3	-	-
Invalidation of shares, 14 Apr. 2000	-	-1.3	-	-
Own shares reserve, 31 Dec.	-	-	-	-
Reserve fund, 1 Jan.	0.6	0.6	-	-
Transferred from retained earnings	-	0.0	-	-
Transferred to retained earnings	-	-0.0	-	-
Exchange rate differences	+0.0	0.0	-	-
Reserve fund, 31 Dec.	0.6	0.6	-	-
Retained earnings, 1 Jan.	549.2	540.8	301.0	288.1
By decision of shareholders' meeting				
dividends distributed	-81.0	-79.7	-81.0	-82.6
donations made	-0.1	-0.1	-0.1	-0.1
Transferred from reserve fund	-	0.0	-	-
Transferred to reserve fund	-	-0.0	-	-
Translation and exchange rate differences	-0.1	0.5	-	-
Profit for the financial year	90.0	87.7	137.1	95.6
Retained earnings, 31 Dec.	558.0	549.2	357.0	301.0
Share of accumulated appropriations allocated to the shareholders' equity	126.3	127.7		

Parent company share capital by share class	2001		2000	
	Number of shares	MEUR	Number of shares	MEUR
A shares (20 votes per share)	33 414 163	56.8	34 217 297	58.2
B shares (1 vote per share)	34 104 258	58.0	33 301 124	56.6
Total	67 518 421	114.8	67 518 421	114.8

During the year 2001, a total of 803,134 Orion Corporation A shares, and during the year 2000, a total of 348,250 Orion Corporation A shares were converted to B shares. Moreover, a total of 2,453,208 Orion Corporation A shares were invalidated during the year 2000.

	Group		Parent company	
	2001	2000	2001	2000
15. Appropriations				
Accumulated accelerated depreciation	-	-	143.0	138.7
Untaxed reserves	-	-	-	7.2
Total	-	-	143.0	145.9
16. Provisions				
Provision for pensions	1.0	1.0	1.0	1.0
Other provisions	2.1	0.6	0.6	0.6
Total	3.1	1.6	1.6	1.6

NOTES TO THE FINANCIAL STATEMENTS

MEUR	Group		Parent company	
	2001	2000	2001	2000
17. Non-current liabilities				
Deferred tax liability	52.5	53.2	-	-
Loans from credit institutions	-	0.0	-	0.0
Pension loans	32.1	32.1	17.8	17.8
Liabilities to Group companies	-	-	4.6	7.1
Other non-current liabilities	3.6	4.7	3.6	4.7
Accrued liabilities and deferred income	0.6	0.3	-	-
Total	36.3	37.1	26.0	29.6
Liabilities falling due in five years' time or later				
Pension loans	32.1	32.1	17.8	17.8
Other liabilities	0.8	1.4	0.8	1.4
Total	32.9	33.5	18.6	19.2
18. Current liabilities				
Loans from credit institutions	0.0	0.0	0.0	0.0
Advances received	14.7	12.9	0.1	0.0
Trade payables	104.9	87.4	40.4	36.8
Liabilities to Group companies				
Trade payables	-	-	1.6	1.5
Other current liabilities	-	-	24.1	66.2
Accrued liabilities and deferred income	-	-	0.1	0.0
	-	-	25.8	67.7
Liabilities to associated companies	-	0.0	-	-
Other current liabilities	17.9	18.8	9.1	9.1
Accrued liabilities and deferred income	41.5	34.8	22.5	21.7
Total	179.0	153.9	97.9	135.3
Bond loan with warrants to the Group personnel	-	1.6	-	1.6
The bond loan was included in the current liabilities in the Balance Sheet of 31 December 2000. The loan was interest-free and was repaid in one lot on 22 May 2001.				
Material items included in accrued liabilities and deferred income				
Accrued wage, salary and social security payments	24.5	22.9	17.9	17.0
Accrued royalties	2.2	1.3	2.1	1.3
Income tax liability	2.7	2.8	-	-
Other	12.1	7.8	2.6	3.4
Total	41.5	34.8	22.6	21.7
Liabilities comprise				
Non-current interest-bearing liabilities	35.7	36.7	26.0	29.6
Non-current interest-free liabilities	53.1	53.6	-	-
Current interest-bearing liabilities	16.3	15.0	21.2	63.8
Current interest-free liabilities	162.7	138.9	76.6	71.5
Total	267.8	244.2	123.8	164.9

19. 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	3.6	3.2	0.9	0.8
Members of the Supervisory Board	0.1	0.1	0.1	0.1
Total	3.7	3.3	1.0	0.9

Loans granted to the Group company Presidents

Loan receivables	-	0.0	-	-
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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.

MEUR	Group		Parent company	
	2001	2000	2001	2000
20. Guarantees				
Mortgaged loans				
Non-current pension loans	11.3	10.1	5.9	4.5
Real estate mortgaged as security for the above	12.8	11.7	6.5	5.4
Other non-current liabilities	0.0	0.0	-	-
Other current liabilities	-	0.0	-	-
Real estate mortgaged as security for the above	0.2	0.2	-	-
Total mortgages as security for loans	13.0	11.9	6.5	5.4
Pledged loans				
Non-current pension loans	14.2	15.4	10.2	11.6
Book value of marketable securities pledged for the above	15.8	17.2	11.3	13.0
Total pledges as security for loans	15.8	17.2	11.3	13.0
Other guarantees for own liabilities				
Pledges, book value	6.7	8.2	6.7	8.2
Mortgages on real estate	16.5	17.6	14.0	15.1
Total	23.2	25.8	20.7	23.3
Guarantees on behalf of Group companies				
Pledges, book value	-	-	4.5	4.2
Mortgages on real estate	-	-	6.3	6.3
Guarantees	3.3	0.3	8.8	5.8
Total	3.3	0.3	19.6	16.3
Guarantees on behalf of third parties				
Guarantees on behalf of others	0.3	2.0	0.1	1.9
Mortgage on real estate on behalf of others	-	-	-	-
Total	0.3	2.0	0.1	1.9
Total guarantees				
Total mortgages on real estate	29.5	29.5	26.8	26.8
Total pledges	22.5	25.4	22.5	25.4
Total guarantees	3.6	2.3	8.9	7.7
21. Contingent liabilities				
Outstanding payments pertinent to leasing agreements				
Beginning financial year	2.5	2.0	0.3	0.3
Following financial years	2.1	2.0	0.2	0.2
Total	4.6	4.0	0.5	0.5
The leasing agreements are made on customary terms.				
Repurchase liabilities				
Repurchase price	0.3	0.6	-	-
Market value less (-)/ more (+) than repurchase price	-0.2	0.2	-	-
Other company liabilities				
Drug damage liability	0.3	0.2	0.2	0.1

Legal proceedings

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

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

22. Derivative instruments

Currency derivatives

Forward contracts				
Market value, 31 Dec.	-0.1	0.4	-0.1	0.4
Counter value in EUR for currency sold, 31 Dec.	6.6	4.8	6.6	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.

NOTES TO THE FINANCIAL STATEMENTS

23. Shares and holdings in other companies

	Group		Parent company	
	Share of ownership %	Share of votes %	Share of ownership %	Share of votes %
Group companies				
Alnitak Oy, Espoo	100.00	100.00	90.00	90.00
Hiven Oy, Paimio	100.00	100.00	100.00	100.00
Interiorion 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 Nilsiäkatu 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
Kiinteistö Oy Harnaaparta, 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 Farnos SPb, Russia (former ZAO Oriola SPb)	100.00	100.00	-	-
Panfarma AB, Sweden	100.00	100.00	-	-
Oriola AB, Sweden	100.00	100.00	-	-
Oriola A/S, Denmark	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 AS, 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	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
Xederos, Inc., USA (former Soredex Inc.)	100.00	100.00	100.00	100.00
Suomen Rohdos Oy, Espoo	100.00	100.00	100.00	100.00
Associated companies				
Hangon Puhdistamo Oy, Hanko	50.0	50.0	50.0	50.0
Medidata Oy, Helsinki	33.3	33.3	-	-
Planeetankadun Paikoitus 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.

SHARES AND SHAREHOLDERS OF ORION CORPORATION

Share capital and shares of Orion Corporation. The share capital of Orion Corporation is EUR 114.8 million, and the nominal value of each share is 1.70 euros. The minimum share capital is EUR 85.0 million and the maximum is EUR 340.0 million, and it can be increased or decreased within these limits without amending the Bylaws. The total number of Orion Corporation shares is about 67.5 million and they divide among the series A and B. Both shares are quoted on the Helsinki Exchanges.

At shareholders' meetings, each A-share provides 20 (twenty) votes and each B-share one (1) vote. Both series provide equal rights to company assets and dividends. A shareholder can require the conversion of his A-shares into B-shares. In 2001, altogether 803,134 A-shares were converted to B-shares.

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

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

Warrants Program 2001. The Annual General Meeting held on 29 March 2001 approved the Board of Directors' proposal to issue warrants to the key persons of Orion Corporation and its subsidiaries and to a wholly-owned subsidiary. The program contains altogether 1,800,000 warrants, each entitling to subscribe for one Orion B-share, nominal value 1.70 euros each. The subscription period shall begin for warrant 2001A on 1 October 2003, for warrant 2001B on 1 October 2004, for warrant 2001C on 1 October 2005 and for warrant 2001D on 1 October 2006. The share subscription period shall, for all warrants, end on 31 October 2007. The warrants were allocated in accordance with the decision by the Board of Directors to 113 key persons of the Group in June, with emphasis on those engaged in research and development.

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

Dividend rights of the shares will commence when the increase of the share capital has been registered with the Trade Register. The share capital can increase by up to EUR 3,060,000 and the number of shares by up to 1,800,000 B-shares. The shares subscribable on the basis of the Year 2001 Warrants Program represent 2.67% on the total number of Orion shares and 0.26% on the total number of votes.

Notification in 2001 in accordance with Securities Market Act section 9 of chapter 2. On 31 December 2001, the Varma-Sampo Mutual Pension Insurance Company notified Orion Corporation that its ownership in Orion Corporation exceeded the 1/20 (one of twenty) limit in consequence of the

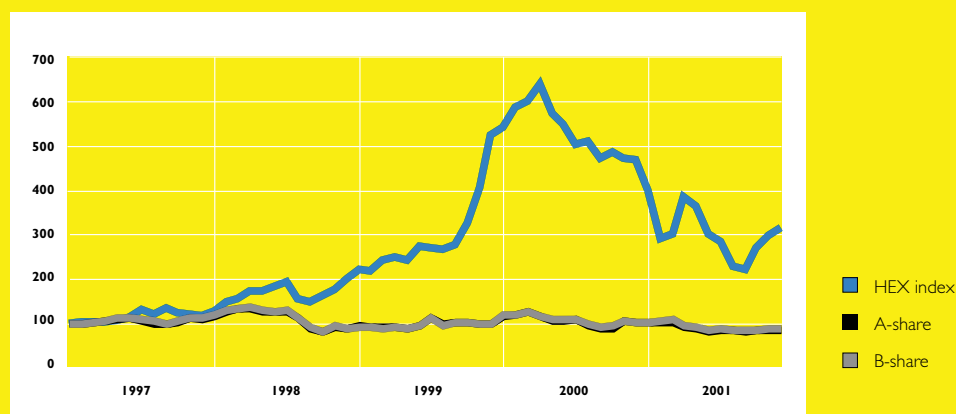
SHARES AND SHAREHOLDERS OF ORION CORPORATION

conversion other shareholders' shares that was entered in the Trade Register on 28 December 2001. The holding of Varma-Sampo in Orion Corporation rose hereby to 2.661% of the total number of the A- and B-shares and to 5.013% of the total votes.

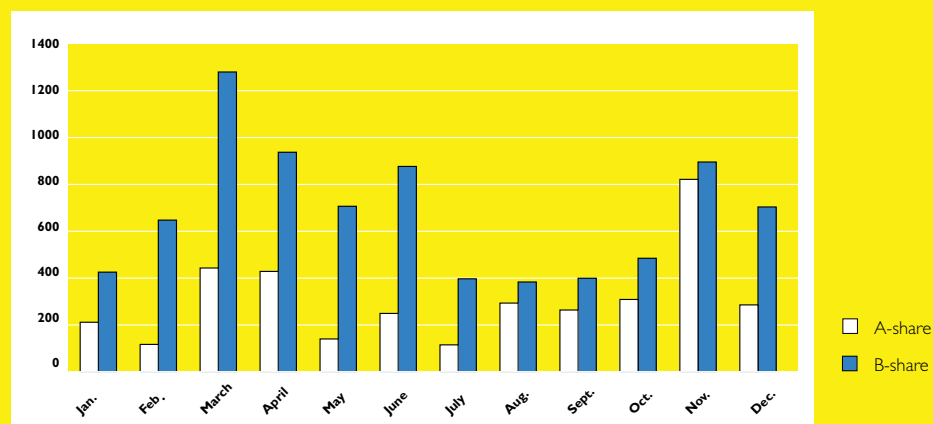
Management interests on 31 January 2002. The members of the Supervisory Board and the Board of Directors, the President and the Executive Vice President and the Presidents of the four business divisions own altogether 2,098,527 Orion shares (including those held by under-age children and by organisations or foundations of which the person has control). These represent 3.1% of the total number of shares and provide altogether 39,235,205 votes, or 5.6% of the total votes. The President, the Executive Vice President and the division Presidents are holding altogether 180,000 warrants in the Year 1998 programme and 240,000 warrants of the Year 2001 programme. With these amounts their shareholding in the Company can increase by up to 420,000 shares, or 0.6% of the current total share stock and 0.1% of the total votes.

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

Adjusted monthly average share price on the Helsinki Exchanges



Adjusted monthly trading in 2001, 1000s



Shareholders by type of owner on 31 January 2002

	A-share			B-share			Total		
	Share-holders	% of share-holders	% of shares	Share-holders	% of share-holders	% of shares	Share-holders	% of share-holders	% of shares
Individuals	11 856	94.7	50.9	19 996	93.4	43.4	26 488	93.5	47.1
Corporations and partnerships									
Government and municipal corporations	3	0.0	0.0	5	0.0	0.0	8	0.0	0.0
Private corporations and partnerships	404	3.2	11.5	792	3.7	7.8	1 087	3.8	9.6
Banks and insurance companies	25	0.2	10.7	88	0.4	5.5	97	0.3	8.1
Public entities	18	0.2	16.4	58	0.3	12.5	62	0.2	14.5
Associations and foundations	151	1.2	6.3	392	1.8	7.3	471	1.7	6.8
Foreign shareholders	64	0.5	0.8	92	0.4	0.4	127	0.5	0.6
Total	12 521	100.0	96.6	21 423	100.0	76.9	28 340	100.0	86.7
Nominee registrations			3.3			23.0			13.2
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

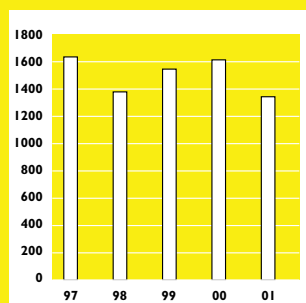
Shareholders by number of shares held on 31 January 2002

	A-share				B-share				Total			
	Shares	Share-holders	% of share-holders	% of shares	Shares	Share-holders	% of share-holders	% of shares	Shares	Share-holders	% of share-holders	% of shares
1–100	3 216	25.7	201 370	0.6	5 423	25.3	374 901	1.1	7 156	25.2	493 286	0.7
101–500	4 670	37.3	1 252 600	3.7	9 125	42.6	2 580 574	7.6	11 382	40.2	3 168 602	4.7
501–1000	1 969	15.7	1 488 729	4.5	3 239	15.1	2 447 040	7.2	3 902	13.8	2 957 352	4.4
1001–10000	2 378	19.0	6 637 303	19.9	3 381	15.8	8 434 639	24.7	5 319	18.8	14 389 629	21.3
10001–50000	219	1.7	4 633 040	13.9	201	0.9	3 900 935	11.4	464	1.6	9 207 209	13.6
50001–100000	35	0.3	2 539 196	7.6	31	0.2	2 245 998	6.6	57	0.2	3 958 978	5.9
100001–500000	22	0.2	4 928 996	14.7	19	0.1	3 577 386	10.5	44	0.1	8 738 073	12.9
over 500000	12	0.1	11 698 771	35.0	4	0.0	10 508 445	30.8	16	0.1	24 536 794	36.4
Total	12 521	100.0	33 380 005	99.9	21 423	100.0	34 069 918	99.9	28 340	100.0	67 449 923	99.9
Shares not transferred to the book-entry securities system or not subscribed to			34 158	0.1			34 340	0.1			68 498	0.1
			33 414 163	100.0			34 104 258	100.0			67 518 421	100.0

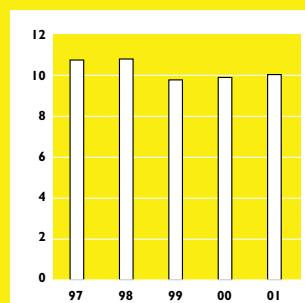
Orion Corporation had a total of 28,340 registered shareholders in the book-entry securities system on 31 Jan. 2002.

There were 8,920,169 nominee registered Orion Corporation shares in the book-entry securities system on 31 Jan. 2002. This is 13.2% of the total shares and 4.2% of the total votes.

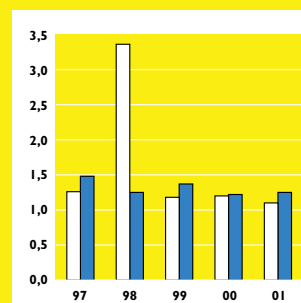
Market capitalisation, MEUR



Shareholders' equity per share, euros



Adjusted earnings and dividend per share, euros



□ Dividend per share
■ Earnings per share

MAJOR SHAREHOLDERS ON 31 JANUARY 2002

By number of shares	A-shares	B-shares	Total	% of shares	Votes	% of votes	By number of votes
1. Orion Corporation Pension Fund *)	1 814 618	646 682	2 461 300	3.65%	36 939 042	5.26%	1.
2. Brade Jouko Lamy Oy Medical Investment Trust Oy	21 100 425 000 750 000	0 0 803 000			422 000 8 500 000 15 803 000		
	1 196 100	803 000	1 999 100	2.96%	24 725 000	3.52%	3.
3. Varma-Sampo Mutual Pension Insurance Company	1 758 500	38 300	1 796 800	2.66%	35 208 300	5.01%	2.
4. Pension Insurance Company Ilmarinen Ltd	968 420	364 650	1 333 070	1.97%	19 733 050	2.81%	7.
5. Etola Erkki Oy Etra Ab	50 114 1 164 860	58 43 000			1 002 338 23 340 200		
	1 214 974	43 058	1 258 032	1.86%	24 342 538	3.47%	4.
6. Suomi Mutual Life Assurance Company Suomi Insurance Company Ltd Suomi Group	500 680 620 264 1 120 944	115 500 0 115 500			10 129 100 12 405 280 22 534 380		
	1 120 944	115 500	1 236 444	1.83%	22 534 380	3.21%	5.
7. Tapiola Mutual Pension Insurance Company	524 300	574 920	1 099 220	1.63%	11 060 920	1.57%	
8. The Land and Watertechnology Foundation Tukinvest Oy	517 430 494 250	0 8 398			10 348 600 9 893 398		
	1 011 680	8 398	1 020 078	1.51%	20 241 998	2.88%	6.
9. Tapiola General Mutual Insurance Company Tapiola Corporate Life Insurance Company Tapiola Mutual Life Assurance Company Tapiola Insurance Group	181 480 68 700 101 900 352 080	334 236 10 700 154 380 499 316	851 396	1.26%	3 963 836 1 384 700 2 192 380 7 540 916	1.07%	
10. Pohjola Non-Life Insurance Company Limited	755 420	85 000	840 420	1.24%	15 193 400	2.16%	8.
11. The Social Insurance Institution	0	829 784	829 784	1.23%	829 784	0.12%	
12. Ylppö Jukka	623 568	142 248	765 816	1.13%	12 613 608	1.80%	9.
13. Saastamoinen Foundation	619 998	0	619 998	0.92%	12 399 960	1.77%	10.
14. Aho Juhani Klinisen Kemian Tutkimussäätiö Helsingin Lääkärikeskus ja Laboratoriot Oy Yhtyneet Laboratoriot Oy	27 596 46 236 329 115 148 389	1 000 0 2 0			552 920 924 720 6 582 302 2 967 780		
	551 336	1 002	552 338	0.82%	11 027 722	1.57%	
15. Sampo Life Insurance Company Limited	373 716	148 800	522 516	0.77%	7 623 120	1.09%	
Total	12 885 654	4 300 658	17 186 312	25.45%	262 013 738	37.30%	
Nominee registrations	1 099 113	7 821 056	8 920 169	13.21%	29 803 316	4.24%	
Other	19 429 396	21 982 544	41 411 940	61.34%	410 570 464	58.46%	
All shareholders total	33 414 163	34 104 258	67 518 421	100.0%	702 387 518	100.0%	

*) Not entitled to vote at General Shareholders' Meetings

ADJUSTED DATA PER SHARE

			2001	2000	1999	1998	1997
Earnings per share (EPS)	EUR		1.25	1.22	1.37	1.25	1.48
Shareholders' equity per share	EUR		10.04	9.90	9.78	10.80	10.75
Total dividends	MEUR		74.3 ¹⁾	81.0	82.6	235.1	88.3
Dividend per share	EUR		1.10 ¹⁾	1.20	1.18	1.09	1.26
Extra dividend per share	EUR		-	-	-	2.27	-
Payout ratio	%		88.0% ¹⁾	98.4%	86.1%	268.8%	85.1%
Payout ratio excl. extra dividend	%		88.0% ¹⁾	98.4%	86.1%	87.2%	85.1%
Dividend yield	A	%	5.5% ¹⁾	5.0%	5.2%	16.6%	5.2%
Dividend yield	B	%	5.5% ¹⁾	5.0%	5.1%	16.3%	5.2%
P/E ratio	A		15.92	19.67	16.64	16.22	16.36
P/E ratio	B		15.92	19.51	16.79	16.47	16.36
Share price on 31 Dec.	A	EUR	19.90	24.00	22.80	20.27	24.22
Share price on 31 Dec.	B	EUR	19.90	23.80	23.00	20.59	24.22
Average share price	A	EUR	19.86	22.87	21.84	23.67	23.08
Average share price	B	EUR	20.43	23.56	21.39	24.61	22.87
Lowest share price	A	EUR	17.25	17.80	19.00	16.77	20.66
Lowest share price	B	EUR	17.60	17.70	18.65	15.98	20.60
Highest share price	A	EUR	25.00	28.60	26.95	31.79	26.43
Highest share price	B	EUR	25.20	28.50	26.80	31.11	25.83
Market capitalisation on 31 Dec. ²⁾	MEUR		1 343.6	1 613.8	1 546.0	1 379.1	1 635.3
Number of A-shares traded	A	1 000s	3 677	5 942	3 230	4 026	7 380
% of A-shares ²⁾		%	11.0%	17.4%	9.3%	11.6%	21.3%
Number of B-shares traded	B	1 000s	8 137	11 815	15 389	17 165	17 113
% of B-shares		%	23.9%	35.5%	46.7%	52.1%	52.0%
Shares traded							
% of total share capital ²⁾	%		17.5%	26.3%	27.6%	31.4%	36.3%
Number of shares on 31 Dec.							
shares owned by the Group	A-shares	no.	-	-	2 453 208	2 453 208	2 453 208
Number of shares ²⁾	A-shares	no.	33 414 163	34 217 297	34 565 547	34 565 547	34 610 119
	B-shares	no.	34 104 258	33 301 124	32 952 874	32 952 874	32 908 302
Total number of the shares ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	67 518 421
Number of shares annual average ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	67 518 421
Number of shares							
at the end of financial year ²⁾		no.	67 518 421	67 518 421	67 518 421	67 518 421	67 518 421
Diluted number of the shares, annual average		no.	66 034 883				
Diluted number of the shares at the end of the financial year		no.	65 927 139				

¹⁾ Proposed

²⁾ Shares owned by the Group are not included.

The formulas for calculating the key indicators are on page 73.

SHARE CAPITAL

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

ORION GROUP FINANCIAL DEVELOPMENT 1997–2001

Figures in MEUR	2001	2000	1999	1998	1997
Net sales and profit					
Net sales	970.8	947.5	912.2	869.8	789.6
Change on the previous year %	+2.5%	+3.9%	+4.9%	+10.2%	+7.1%
Exports from Finland	320.7	288.9	241.0	229.1	200.0
Change on the previous year %	+11.0%	+19.9%	+5.2%	+14.5%	+14.6%
International operations	422.8	384.0	329.9	313.5	290.3
% of net sales	43.6%	40.5%	36.2%	36.0%	36.8%
Change on the previous year %	+10.1%	+16.4%	+5.2%	+8.0%	+15.5%
Depreciation according to plan	42.6	43.0	46.5	39.2	38.0
Operating profit	116.4	114.5	124.0	109.3	120.6
% of net sales	12.0%	12.1%	13.6%	12.6%	15.3%
Change on the previous year %	+1.6%	-7.7%	+13.5%	-9.3%	+13.4%
Financial income and expenses	+7.2	+10.9	+12.4	+11.8	+18.5
% of net sales	+0.7%	+1.2%	+1.4%	+1.4%	+2.3%
Profit before extraordinary items and taxes	123.6	125.4	136.4	121.1	139.1
% of net sales	12.7%	13.2%	15.0%	13.9%	17.6%
Change on the previous year %	-1.5%	-8.1%	+12.7%	-13.0%	+12.0%
Extraordinary income and expenses, net	+7.8	+6.9	+97.6	+3.9	+0.0
Income taxes on ordinary operations *)	39.2	42.8	43.7	36.5	38.9
Profit after taxes without extraordinary items	84.4	82.6	92.7	84.6	100.2
Return on invested capital before extraordinary items and taxes	17.5%	18.2%	18.6%	16.2%	19.0%
Return on equity (**)	12.5%	12.4%	13.3%	11.6%	14.4%
Balance sheet					
Current assets	563.5	550.7	527.0	493.1	524.4
Non-current assets	385.0	363.9	385.1	462.8	438.1
Liabilities	267.8	244.2	250.1	224.7	234.6
Interest-free liabilities	215.8	192.4	198.8	173.0	187.8
Interest-bearing liabilities	52.0	51.8	51.3	51.6	46.7
Provisions	3.1	1.6	0.3	0.9	1.1
Shareholders' equity	677.6	668.8	661.7	730.2	726.8
Balance Sheet total	948.5	914.6	912.1	955.9	962.4
Equity ratio (**)	72.6%	74.2%	73.1%	76.9%	75.6%
Gearing (**)	-24.7%	-26.7%	-28.0%	-20.7%	-28.2%
Investments in fixed assets					
Gross investments	79.2	63.6	45.0	67.3	56.0
% of net sales	8.2%	6.7%	4.9%	7.7%	7.1%
Gross investments excluding shares	79.2	63.5	45.0	46.4	52.5
% of net sales	8.2%	6.7%	4.9%	5.3%	6.6%
Research and development expenditure					
Research and development expenditure	83.9	68.8	67.9	63.2	55.8
% of net sales	8.6%	7.3%	7.4%	7.3%	7.1%
Personnel					
Wages and salaries paid	163.9	151.1	140.2	140.3	131.4
Number of employees, annual average	5 456	5 351	5 210	5 517	5 322
Net sales per employee, (1000 EUR)	177.9	177.1	175.1	157.7	148.4

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

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

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	=	$\frac{\text{Profit before extraordinary items} - /+ \text{minority interest} - \text{income taxes}}{\text{Adjusted number of shares} + \frac{\text{Number of shares of warrants outstanding} \times \text{Subscription price of share through warrant}}{\text{Market price of share}}}$
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.

PROPOSAL FOR DISTRIBUTION OF PROFITS

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

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

	EUR
- dividend of EUR 1.10 per share on altogether 67,518,421 shares	74,270,263.10
- donations to medical research:	
The Orion Corporation Research Foundation	25,200.00
The Farnos Foundation for Research and Science	25,200.00
other medical research	50,400.00
- to be retained on the profit and loss account	282,693,800.85
	357,064,863.95

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

Espoo, 18 February 2002

Juhani Leikola
Chairman

Erkki Etola
Deputy Chairman

Petteri Karttunen

Eeva Kölli-Jäntti

Tuomo Lähdesmäki

Heikki Vapaatalo

Jukka Viinanen
President and CEO

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 2001. 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, 25 February 2002

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 Financial Statements and the Auditors' Report for 2001.

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 authorisation of the Board of Directors to decide upon the acquisition and the conveyance of own shares be approved.

Seppo Pellinen, Kari Raivio, Ilkka Sipilä and Antti Tanskanen are in turn to retire from the Supervisory Board. Timo Estola is retiring from the Supervisory Board having turned 70 during the term for which he has been elected. Eeva Kölli-Jäntti and Heikki Vapaatalo resigned from the Supervisory Board on 31 December 2001 as they were elected Members of the Board of Directors as of 1 January 2002.

Espoo, 4 March 2002

Heikki Hakala
Chairman of the Supervisory Board

CORPORATE GOVERNANCE

This chapter describes the management system of the Orion Group valid until the Annual General Meeting of 2002. If the AGM on 15 April 2002 approves the proposal by the Board of Directors to discontinue the Supervisory Board and the related amendments to the Bylaws, also the Group's management system will be modified accordingly. The new Corporate Governance principles to be possibly confirmed for the Group will be updated on the homepage www.orion.fi.

Parent company. 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 Annual 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 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. Matters to be decided upon by the Board include the Group strategy, the basic organisation of the Group, annual operational plans and major investments. The Board of Directors may additionally 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 takes centrally care of the Group's financing operations (including cash management, foreign exchange management, investments, creditor relations and collaterals), the planning and reporting system co-ordination, 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, as well as tasks relating to income taxation and other taxation matters.

Division Management Boards. Each Division has a Division Management Board comprising the President and CEO of the Group, the Executive Vice President of the Group and the President of the Division. 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. 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. The President of the Division reports to the President and CEO of the Group.

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.

CORPORATE GOVERNANCE

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 co-operation 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 1,649,202 in 2001. 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 420,000 warrants entitling to subscribe altogether 420,000 Orion B-shares.

Salaries and remunerations to members of administrative bodies. The salaries, remunerations and bonuses paid to the President and CEO of the Group in 2001 came to EUR 389,704. An additional pension insurance scheme has been taken for the President, the retirement age being 60 years and the pension amounting to 66% of the salary.

The remunerations paid to the members of the Board of Directors and the Supervisory Board were altogether EUR 340,932. The salaries and remunerations to the Executive Vice President of the parent company and the Presidents of the business divisions were altogether EUR 974,657. The pension commitment to the Executive Vice President is a gradually accumulating scheme up to the retirement age of 60, the pension amounting to 60% of the salary.

Management shareholding and warrants (pcs) on 31 January 2002

	A-shares	B-shares	Warrants 1998	Warrants 2001
Supervisory Board total	597 716	76 656	0	0
Board of Directors total	1 352 960	64 795	0	0
President and CEO	0	0	50 000	50 000
Executive Vice President	2 216	0	30 000	40 000
Division Presidents total	1 670	2 514	100 000	150 000
Total	1 954 562	143 965	180 000	240 000

Each warrant of the Warrants Programs 1998 and 2001 entitle to subscribe for one Orion Corporation B-share. Half of the warrants 1998 were released in May 2001 and the other half will be released on 2 May 2003. The 1998 program will end on 30 April 2005. The year 2001 warrants will be released sequentially in four batches during 1 October 2003–31 October 2007.

Insiders in the Orion Group. The Insider Guidelines of the Orion Group are 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.

SUPERVISORY BOARD AS OF 29 MARCH 2001

		Present term	Member since
Heikki Hakala b. 1941 Dr. Tech., h.c., M.Sc. (Econ.)	Chairman	2001–2002	2000–
	Member	2000–2003	
Kari Jussi Aho b. 1960, M.Sc. (Econ.) Pyhätunturi Oy, Managing Director		2001–2004	2001–
Pekka Elovaara b. 1949, M.Sc. (Pharm.) Luumäen apteekki, Pharmacist		2000–2003	1994–
Timo Estola b. 1931, D.V.M. Professor		2001–2004	1992–
Asmo Kalpala b. 1950, M.Sc. (Econ.) Tapiola Insurance Group, Chairman and President		2001–2004	2001–
Jouko K. Leskinen b. 1943, LL.M.		2000–2003	1997–
Timo Maasilta b. 1954, M.Sc. (Tech.) The Land and Water Technology Foundation, Managing Director		2000–2003	1991–
Seppo Pellinen b. 1952, Managing Director		2001–2002	2001–
Kari Raivio b. 1940, M.D. Professor, University of Helsinki, Rector		2001–2002	2001–
Seppo Salonen b. 1959, M.D. Medivire Työterveyspalvelut Oy, Occupational Health Physician		2001–2004	1995–
Ilkka Sipilä b. 1942, M.D. Helsinki University Central Hospital, Hospital for children and adolescents, Assistant Chief Physician		1999–2002	1995–
Erkki Tammissalo b. 1932, D.D.S. Professor		2001–2004	1980–
Antti Tanskanen b. 1946, Ph.D. (Econ.) OKOBANK (Osuuspankkien Keskuspankki Oyj), Chairman		1999–2002	1997–

Members **Eeva Kölli-Jäntti** and **Heikki Vapaatalo** resigned from the Supervisory Board on 31 December 2001 as they were elected Members of the Board of Directors of Orion Corporation as of 1 January 2002.

Auditors

Pekka Luoma B.Sc. (Econ.), APA and **Päivi Virtanen** M.Sc. (Econ.), APA Deputy Auditors
Pekka Kiljunen B.Sc. (Econ.), APA and **Juha Nenonen** M.Sc. (Econ.), APA

BOARD OF DIRECTORS OF ORION CORPORATION AS OF 1 JANUARY 2002

Chairman Juhani Leikola b. 1941, Professor.

Member of the Board of Directors of Orion Corporation 1994–. Chairman 1997–. Present term as Chairman 2000–2002.

Finnish Red Cross Blood Transfusion Service, Director 1988–2001. Member of the Supervisory Board of Orion Corporation 1971–1994.

Holdings in Orion Corporation: 129,622 A-shares and 14,843 B-shares.

Deputy Chairman Erkki Etola b. 1945, M.Sc. (Eng.).

Managing Director of Etola-yhtiöt and Managing Director of Tiiviste-Group Oy.

Member of the Board of Orion Corporation 1995–. Present term 2001–2002.

Oyj Stockmann Abp, Deputy Chairman of the Board of Directors. Varma-Sampo Mutual Pension Insurance Company, Member of the Supervisory Board.

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

Member of the Board of Directors of Orion Corporation 2001–. Present term 2001–2002.

SEB Invest, 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.

Eeva Kölli-Jäntti b. 1941, M.Sc. (Pharm.).

Member of the Board of Directors of Orion Corporation 2002–. Present term 2002–2003.

Pukinmäki pharmacy, Pharmacy owner 1985–. Alppila pharmacy, Pharmacist 1975–1985. Orion Corporation, Product Manager 1970–1975. Lappeenranta II pharmacy, Pharmacist 1969.

Society of Pharmacy Owners in Helsinki, Chairman 1988–1989. The Association of Finnish Pharmacies, Member of the Board 1988–1989. Deputy Chairman 1989 and 1991–1995. Helsinki Chamber of Commerce, goods inspector 1989–1996. Oriola Oy, member of the Advisory Committee of Pharmacists 1985–. Nordea, Malmi bank office, supervisor 1985–. Supervisory Commission for the Marketing of Medicinal Products, Inspection Board for Consumer Advertising, Deputy Member 1995–2001. Orion Corporation, Member of the Supervisory Board 1996–2001.

Holdings in Orion Corporation: 8,114 A-shares and 6,890 B-shares.



The Board of Directors of Orion Corporation as of 1 January 2002, and the Chairman of the Supervisory Board. From the left: Heikki Vapaatalo, Erkki Etola, Deputy Chairman of the Board of Directors, Heikki Hakala, Chairman of the Supervisory Board, Tuomo Lähdesmäki, Juhani Leikola, Chairman of the Board of Directors, Petteri Karttunen and Eeva Kölli-Jänntti.

Tuomo Lähdesmäki b. 1957, M.Sc. (Eng.), MBA.

Member of the Board of Directors of Orion Corporation 2001–. Present term 2001–2002.

Elcoteq Network Oyj, President 1997–2001. 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 Turku University Foundation, Member of the Board of Amer Group PLC.

Holdings in Orion Corporation: 0 shares.

Heikki Vapaatalo b. 1939, Professor; MD, Specialist in clinical pharmacology.

Member of the Board of Directors of Orion Corporation 2002–. Present term 2002–2003.

Professor of Pharmacology, University of Helsinki 1992–. Professor of Pharmacology, University of Tampere 1975–1992. Associate Professor of Pharmacology, University of Oulu 1972–1974. Senior Lecturer in Pharmacology, University of Helsinki 1969–1971. Assistant in Pharmacology, University of Helsinki 1965–1968. University of Tampere, Medical Faculty, Vice Dean 1983–1984, Dean 1985–1986. University of Helsinki, Medical Faculty, Vice Dean 1995–. Finnish Pharmacological Society, Chairman 1983–1985. Finnish Medical Society Duodecim, Delegation Vice Chairman 1989–1992, Delegation Chairman 1992–1994, Vice Chairman of the Board 2001–. Orion Corporation, Member of the Supervisory Board 2000–2001.

Holdings in Orion Corporation: 250 A-shares and 4 B-shares.

ORION GROUP MANAGEMENT TEAM



Jukka Viinanen b. 1948, Master of Science (Chemical Engineering).

President of Orion Corporation, CEO of the Orion Group.

Before joining Orion, Jukka Viinanen 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. Viinanen was President and Chief Operating Officer of Neste Corporation. Jukka Viinanen has been President of Orion Corporation and the Group CEO as of 16 June 2000.

Jukka Viinanen is Chairman of the Board of Directors of Rautaruukki Oyj and a member of the Board of Directors of Huhtamäki Oyj. He is also a member of the Board of Directors and the executive committee of the Chemical Industry Federation of Finland.

Orion B-share options: warrants programme 1998: 50,000 and warrants programme 2001: 50,000.



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 Chairman of the labour market committee of the Chemical Industry Federation of Finland. He is also a member of the Board of Directors of Tapiola Mutual Pension Insurance Company, and Chairman of the Orion Corporation Pension Fund.

Holdings in Orion Corporation: 2,216 Orion A-shares. Orion B-share options: warrants programme 1998: 30,000 and warrants programme 2001: 40,000.



Jyrki Mattila b. 1955, M.D., Ph.D., MBA.

Responsible Manager of Orion New Ventures as of 25 February 2002.

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 was President of Orion Corporation Orion Pharma from 1996 until 24 Feb. 2002.

Holdings in Orion Corporation: 2,350 Orion B-shares. Orion B-share options: warrants programme 1998: 30,000 and warrants programme 2001: 50,000.

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 Senior 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 Tukkukauppioiden Liitto and the Finnish Association of Pharmaceutical Distributors. Mr. Morri is President of the GIRP (Groupement International de la Répartition Pharmaceutique), the European association of pharmaceutical wholesalers.

Holdings in Orion Corporation: 350 Orion A-shares. Orion B-share options: warrants programme 1998: 30,000 and warrants programme 2001: 40,000.



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).

Holdings in Orion Corporation: 274 A-shares and 164 B-shares. Orion B-share options: warrants programme 1998: 15,000 and warrants programme 2001: 30,000.



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. He is a member of the Board of the Finnish Cosmetic and Detergent Association.

Holdings in Orion Corporation: 1,046 Orion A-shares. Orion B-share options: warrants programme 1998: 25,000 and warrants programme 2001: 30,000.



DIVISION MANAGEMENT TEAMS

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
Teppo Sinisalo	Shift foreman, personnel representative
Olli Piironen	Assistant Vice President, Project Manager, personnel representative

*) As of 1 April 2002 the President of Orion Pharma is Dr. Risto Miettunen.

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
Marja Huhtala	System Specialist, personnel representative
Pekka Poutiainen	Car driver, personnel representative

Orion Diagnostica

Matti Vaheri	President
Markku Tilus	Senior Vice President, Business Administration
Sirkku Holttinen	Vice President, Operations
Markus Sivonen	Vice President, Export
Ossi Hiltunen	Vice President, Business Unit Point-of-care
Paul Mundill	Vice President, R&D
Jukka Nykänen	Vice President, Clinical laboratory and hygiene testing
Jaakko Rissanen	Vice President, OD Finland
Gabriella von Flittner	Product Manager, personnel representative
Tiina Oittinen	Product Assistant, personnel representative

Noiro

Pekka Rautala	President
Harri Mäntynen	Vice President, Marketing, Personal Care and Household products, Selective Cosmetics
Tiina Isohanni	Vice President, Marketing, Lumene cosmetics and Cutrin hairdressing products
Jari Suominen	Vice President, Marketing, Farnos Institutional and Industrial Cleaning Products
Juha Koivukoski	Vice President, Finance and Administration, Strategic Planning
Leena Kolonen	Vice President, Product Development and Quality Assurance
Carl-Gustav Malmström	Vice President, International Division
Pekka Perttilä	Vice President, Material Administration
Juha Suikkanen	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
Elina Penttilä-Räty	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

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