



Orion CMD 2012

24 May 2012 in Helsinki

Agenda

Presentations part I

Orion today	Timo Lappalainen, President & CEO
Market access of <i>dexdor</i> ®	Marjo Apajasalo, Director, Market Access & Support
Proprietary Products update	Liisa Hurme, SVP, Proprietary Products
Q&A + coffee break	

Presentations part II

Financial stability is basis for future	Jari Karlson, CFO
R&D pipeline review	Reijo Salonen, SVP, Research & Development
Specialty Products success story in Finland	Markku Huhta-Koivisto, SVP, Specialty Products
Orion Supply Chain key success factors	Virve Laitinen, SVP, Supply Chain
Q&A + closing remarks	

Lunch

Forward-looking statements

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

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

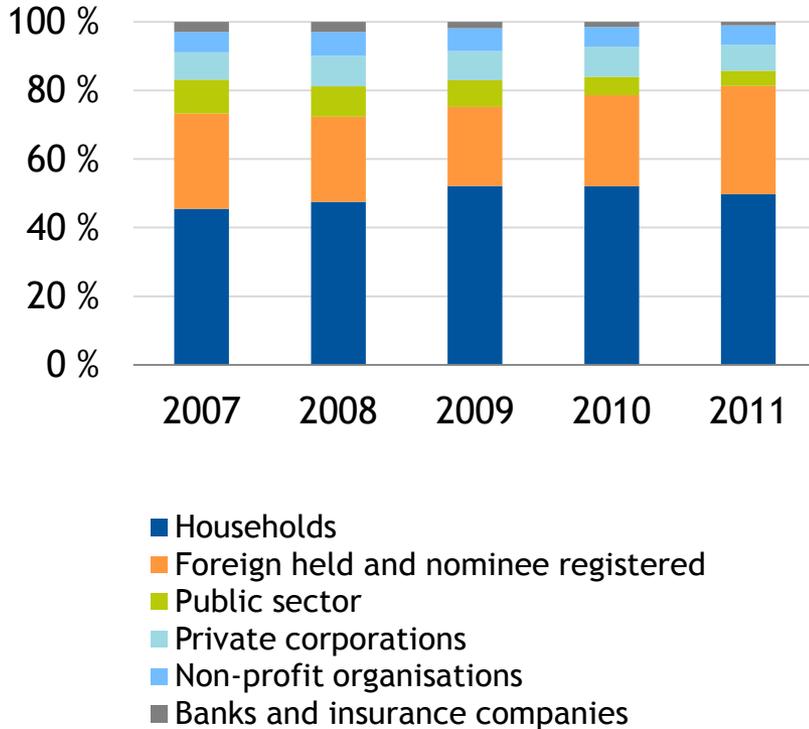


Orion today

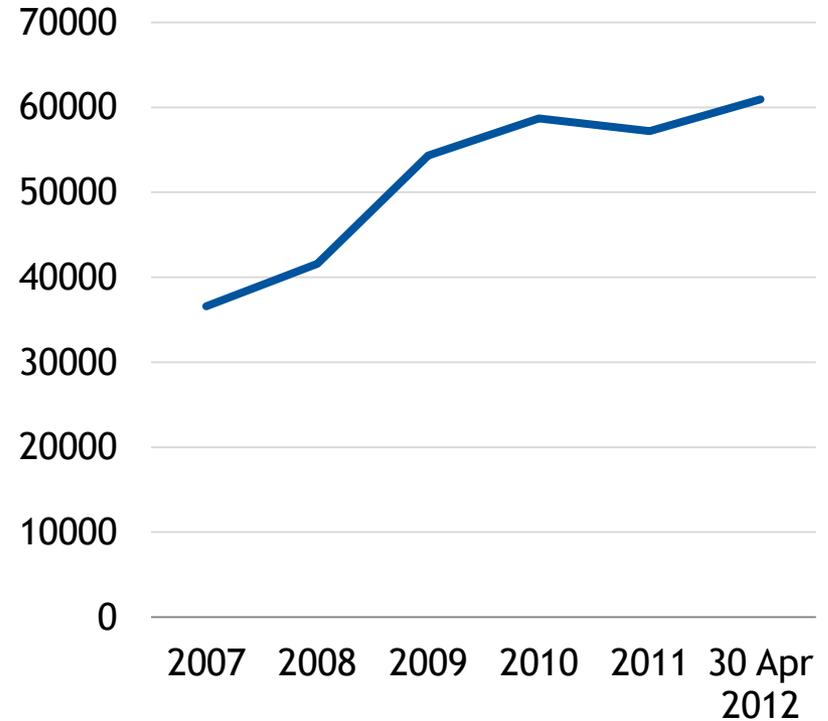
Timo Lappalainen
President & CEO

Ownership base 2007-2011

Ownership structure by number of shares

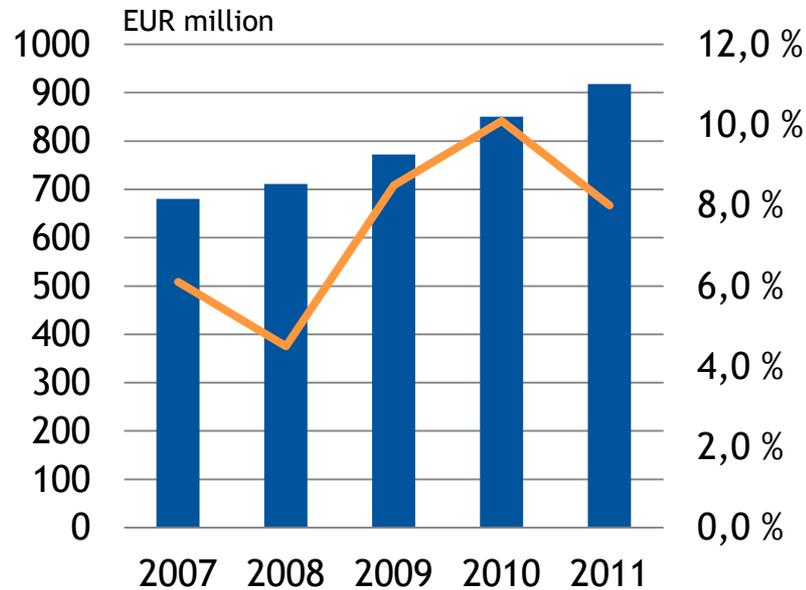


Number of shareholders



Financial performance in 2007-2011

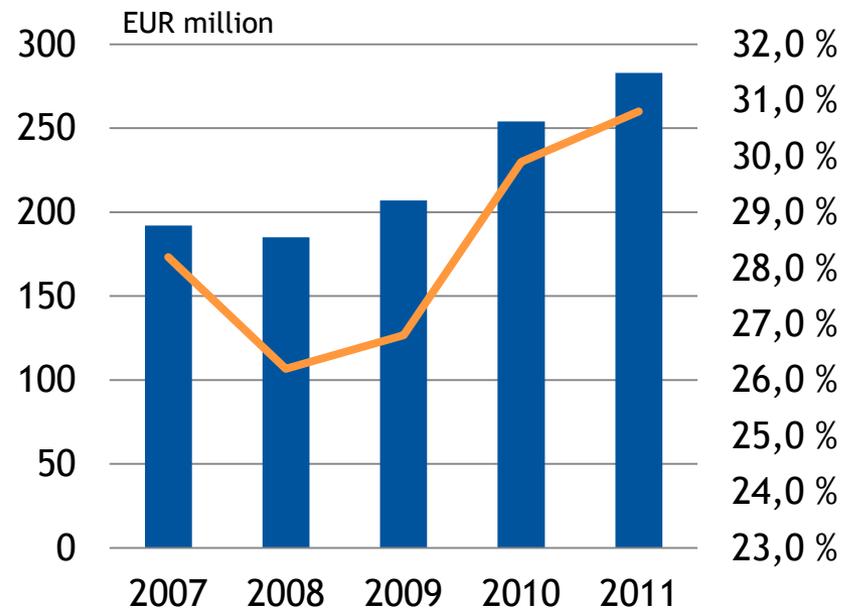
Net Sales 2007-2011



■ Net sales — Annual growth, %

CAGR 7.79%

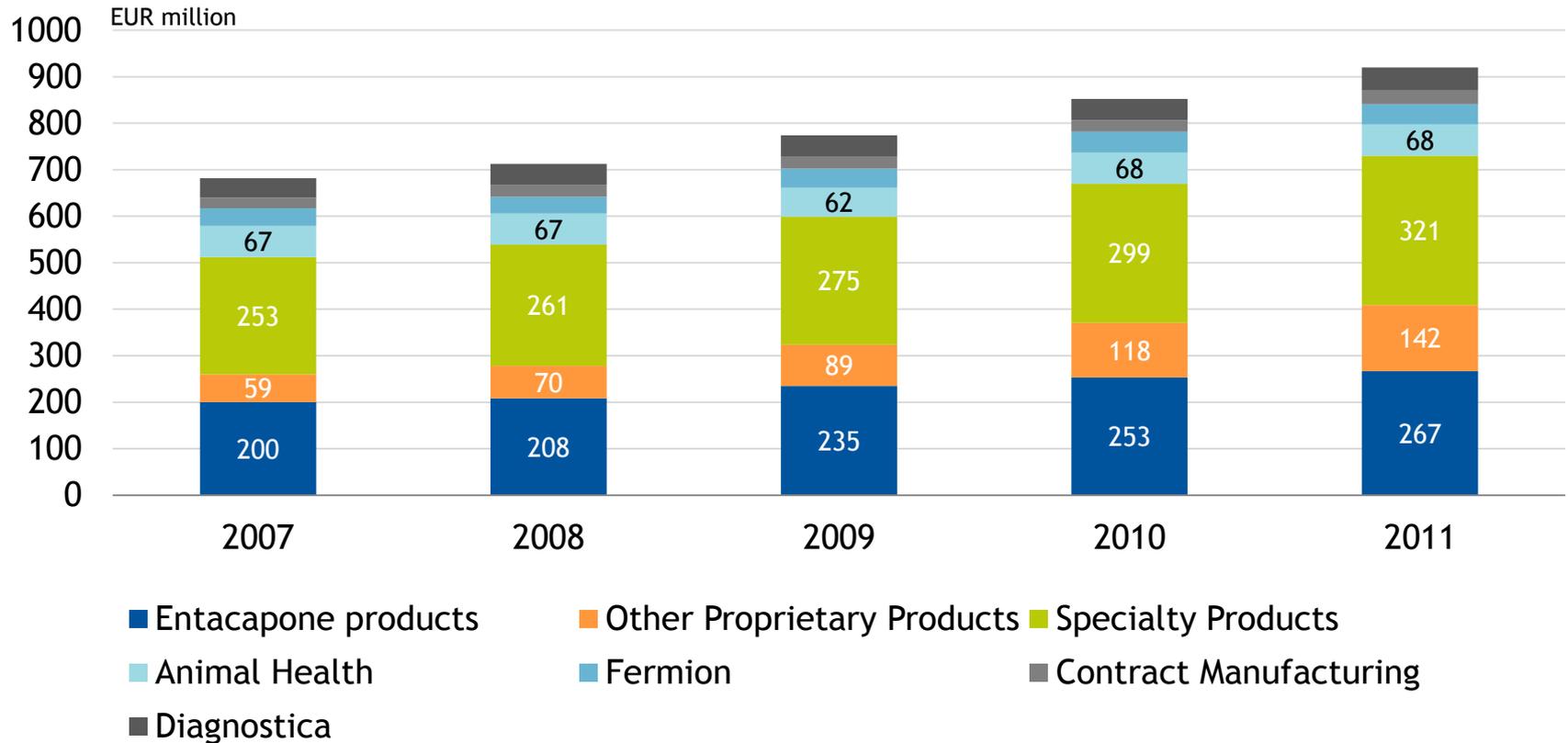
Operating Profit 2007-2011



■ Operating profit
— Operating profit, % of net sales

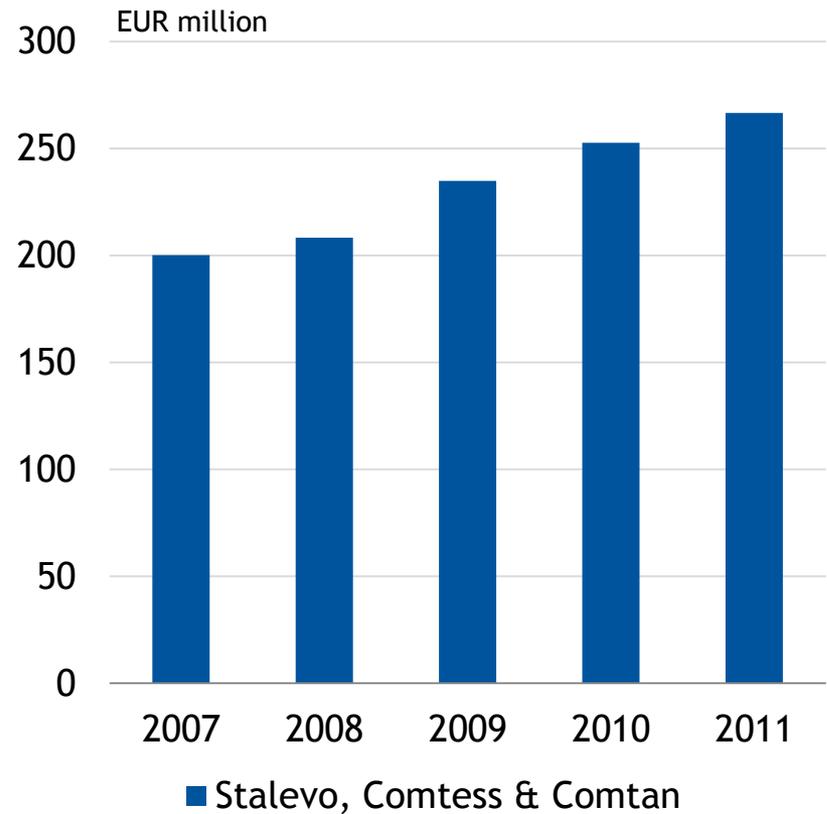
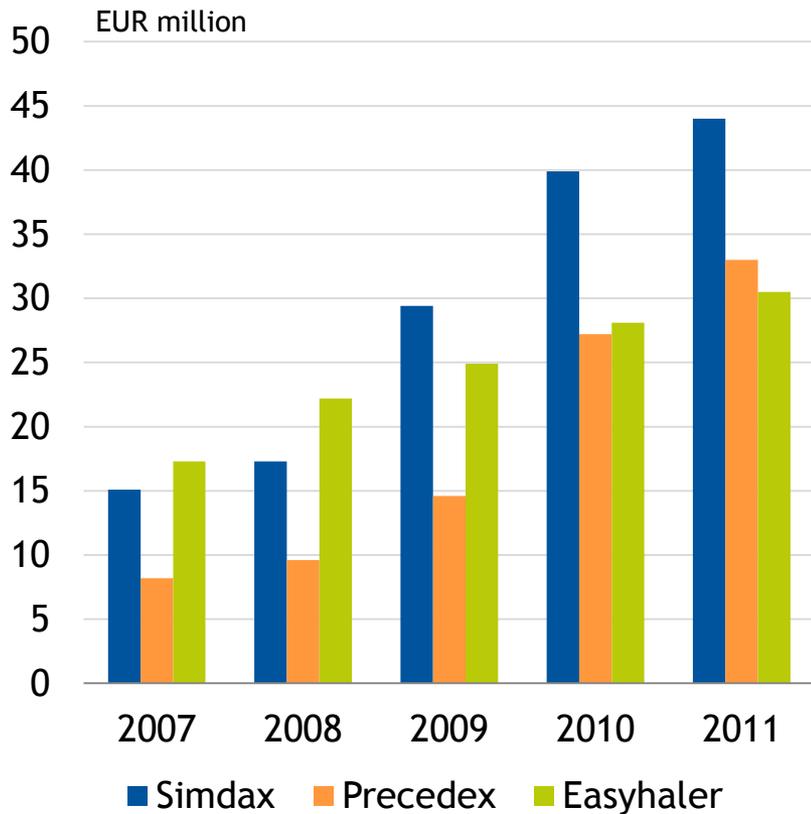
CAGR 10.19%

Net sales by business divisions 2007-2011



Proprietary Products CAGR 12.03%
 Specialty Products CAGR 6.17%

Development of key PP products



Product protection situation of key products

Key patents or data protection expire

Molecule	Product	Indication	Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012 October 2013 ¹⁾	October 2013 ²⁾	2015 ³⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®] <i>dexdor</i> [®]	Intensive care sedative	July 2013 September 2021 ⁴⁾	July 2013	June 2012

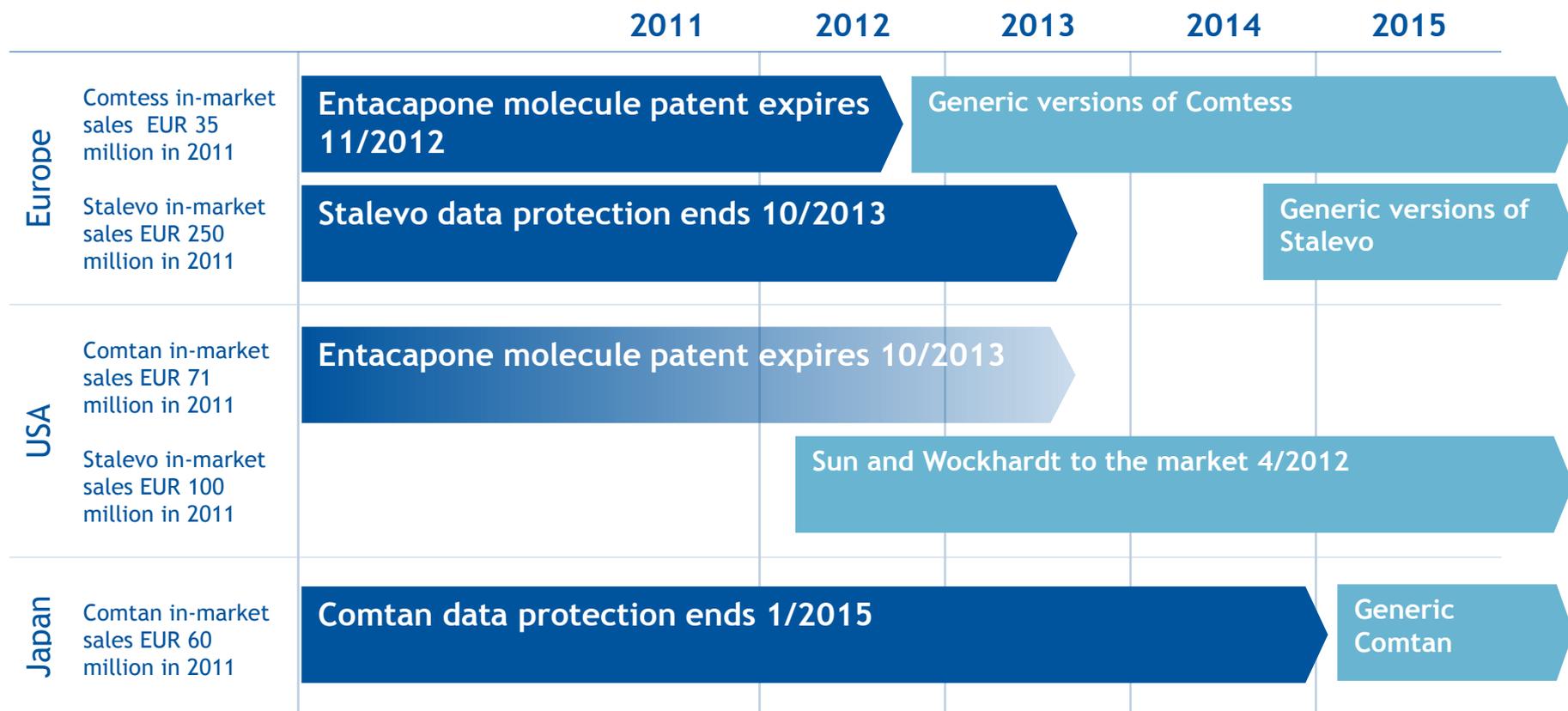
¹⁾ Stalevo data protection expires

²⁾ Wockhardt and Sun companies on markets since April 2012

³⁾ Data protection expires; currently only Comtan available, project to develop Stalevo for Japanese markets ongoing

⁴⁾ *dexdor*[®] data protection

Turning points of Parkinson's's franchise



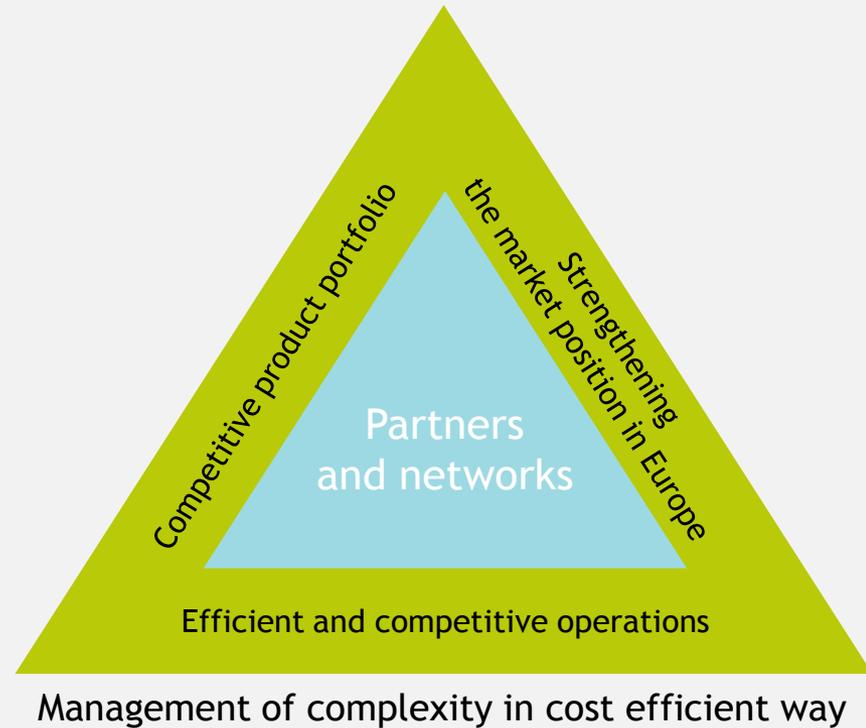
Pharmaceutical market continues to grow

- The austerity measures of governments slow down the pharma market growth
- In 2011, the global pharma market amounted to ca. EUR 600 billion
- In 2012–2015, the global pharma market is estimated to grow 3–6%
 - Sales expected to exceed EUR 780 billion by the end of 2015
- In 2012–2015, the generic pharma market is estimated to grow 11–12%
 - The share of the generic drugs of the total value is 27%

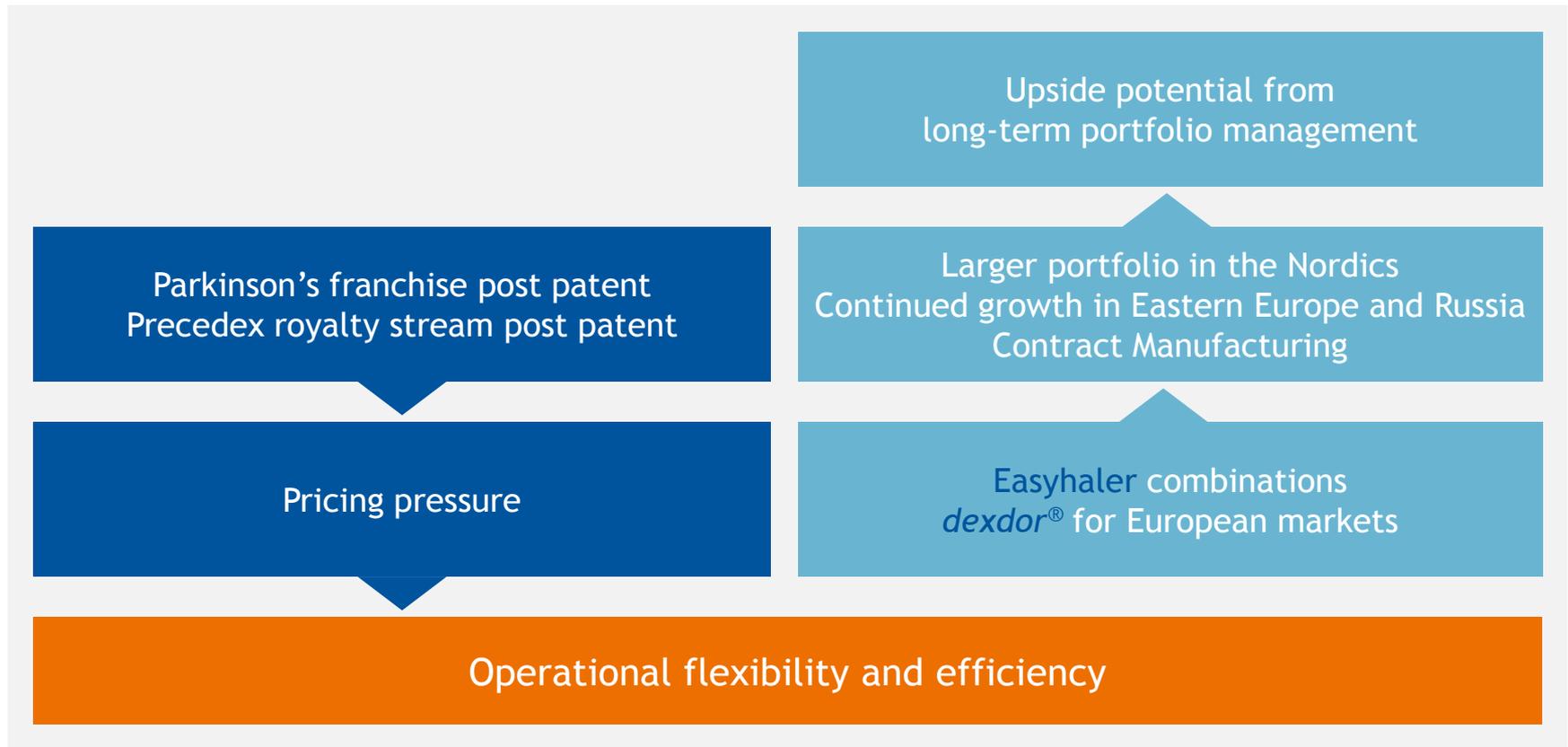
Source : IMS Health

Orion's strategy

Orion's values



Balancing mid-term – building long-term





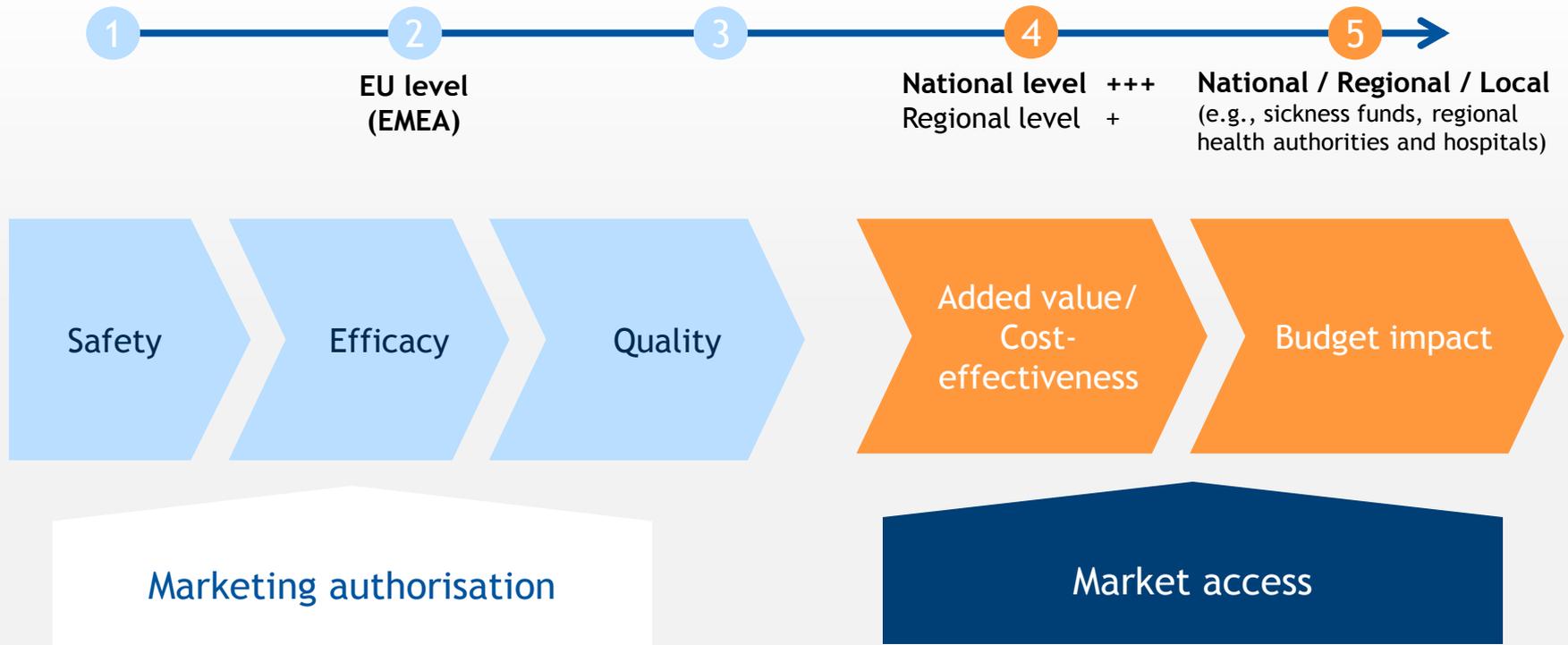


Market access of *dexdor*®

Marjo Apajasalo

Obtaining marketing authorization is no longer the only hurdle on the way to commercial success

On-going Orion commercialisation projects



Source: National P&R submission guidelines, Orion internal analysis



Added value of *dexdor*[®]



The Unmet Need in ICU sedation

There is an unmet need for a sedative that:

- Improves cooperativeness and communication with patients
- Reduces the complications related to current sedatives and mechanical ventilation
- Enables shortening of ICU stay

ICU patients are critically ill

- Patients have an organ failure or a threat of developing an organ failure, that can lead to death if left untreated
- Typical patients
 - Sepsis (infection with multiorgan failure)
 - Respiratory failure, e.g. due to pneumonia/neuromuscular disease
 - Severe cardiac failure
 - Trauma
 - Neurologic diseases, e.g. stroke, vascular, infection
 - Any major surgery

The goals in sedation have changed considerably towards lighter sedation

1981:

- Patients should ideally be “detached from the ICU environment”



Presently:

To have patients who are:

- Calm and rousable
- Able to communicate their needs
- Co-operative and accepting of care

There is convincing evidence that over-sedation results in increased morbidity and perhaps mortality due to the prolongation of mechanical ventilation and ICU stay

Refs: Merriman et al, 1981; Mantz et al, 2011

The burden of ICU care and prolonged ICU stay is high

- There are ≈ 3.7 million ICU admissions/year in EU Big 5 and Nordic
- ICUs can consume up to 20% of hospital budgets
 - Sedation and analgesia represents only a small % of the total ICU costs
- On average, a patient at ICU costs ca EUR 1700/day
 - Invasive mechanical ventilation increase the costs by up to 35% vs. off MV

→ Any intervention that shortens the time of mechanical ventilation has the potential to reduce the ICU costs

Refs: TforG Direct, 2010 ; Wild et al, 1995 ; Dasta et al, 2005 ; Moerer et al, 2007 ; Martin et al, 2008 ; Cheng et al, 1995

Current sedatives contribute to certain complications in ICU patients

Communication and co-operation challenging

→ Suboptimal treatment of pain/assessment of patient status

Delirium

→ Increased mortality, prolongation of ICU and hospital stay, cognitive impairment

Prolonged mechanical ventilation

→ Ventilator associated pneumonia, ICU acquired weakness, PTSD

There is a high unmet need for a sedative that

- Improves cooperativeness and communication with patients
- Reduces the complications related to current sedatives and mechanical ventilation
- Enables shortening of ICU stay

Refs: Whipple et al, 1995; Payen et al, 2007; Jacobi et al, 2002 ; Novaes et al, 1999; Ely et al, 2004; Pandharipande et al, 2006; Pandharipande et al, 2008 ; Pisani et al, 2009 ; Jones et al, 2007; Hopkins et al, 2006 ; Morris et al, 2008; Schweickert et al, 2009; Needham et al, 2010

Therapeutic benefit of *dexdor*® - basic facts

- *dexdor*® is a highly selective α_2 adrenoreceptor agonist
- indicated for sedation of adult ICU patients requiring a sedation level not deeper than arousal in response to verbal stimulation (corresponding to Richmond Agitation-Sedation Scale (RASS) 0 to -3)

Ref: SPC

dexdor® addresses many of the unmet needs

Therapeutic
Benefit

Allows patients to be calm, arousable and communicative

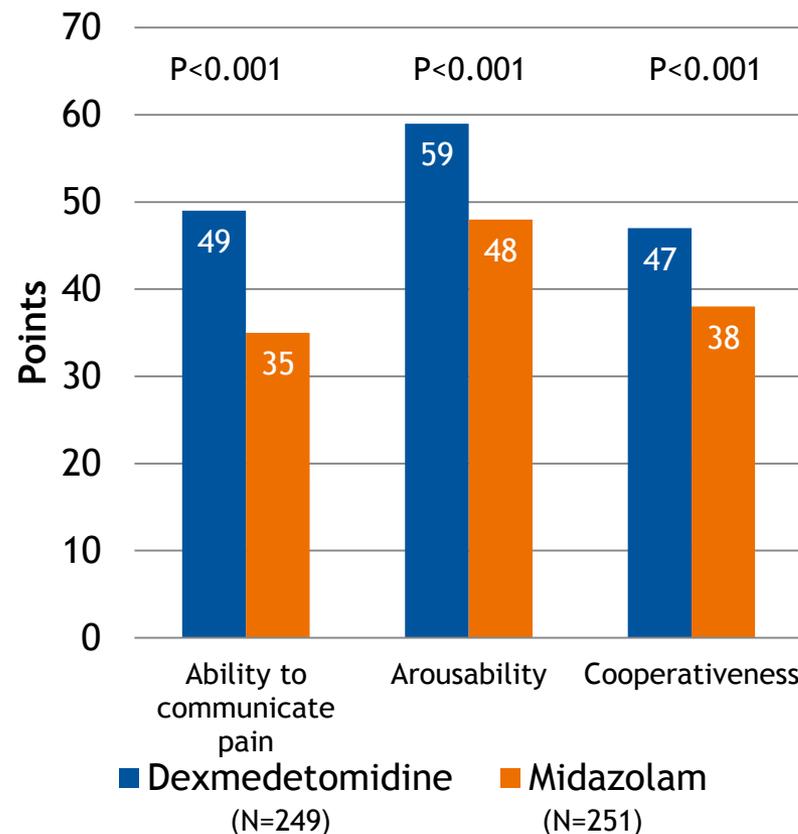
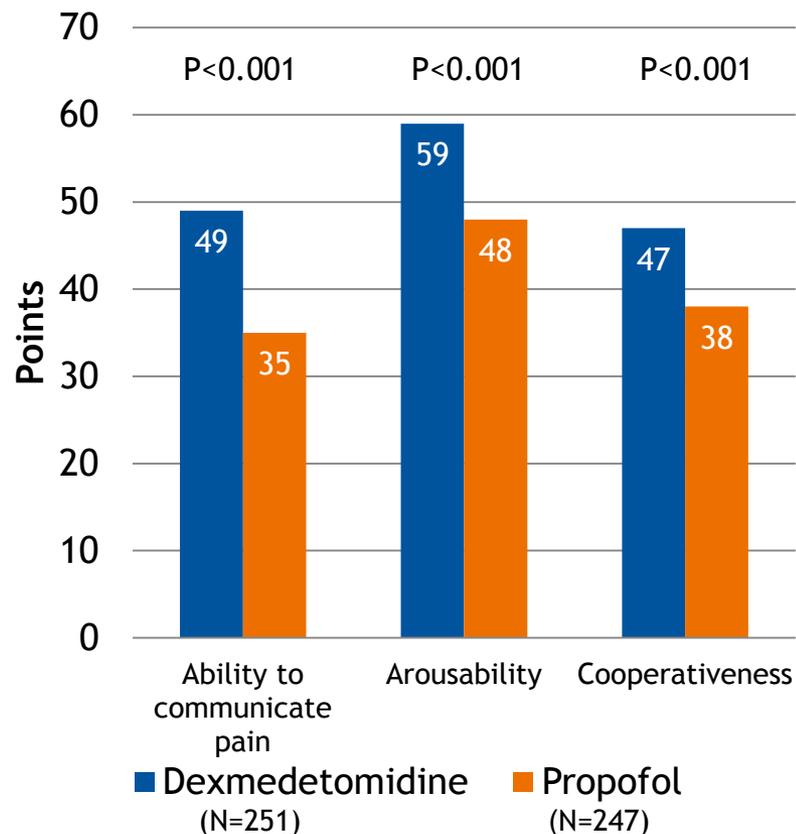
Reduces delirium

Shortens invasive mechanical ventilation



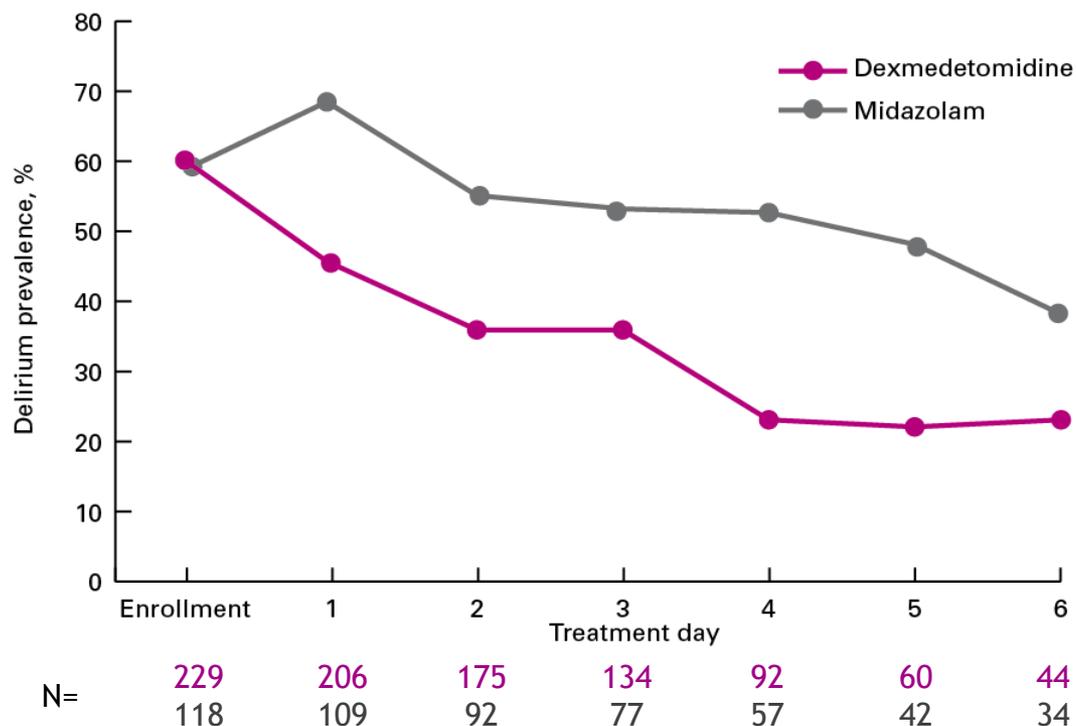
Refs: Whipple et al, 1995; Payen et al, 2007; Jacobi et al, 2002 ; Novaes et al, 1999; Ely et al, 2004; Pandharipande et al, 2006; Pandharipande et al, 2008 ; Pisani et al, 2009 ; Jones et al, 2007; Hopkins et al, 2006 ; Morris et al, 2008; Schweickert et al, 2009; Needham et al, 2010

dexdor[®] treated patients were significantly more arousable, cooperative and better able to communicate than with propofol or midazolam



Ref: Jakob et. al. JAMA 2012
VAS score (scale 1-100) assessed by ICU nurses

ICU patients sedated with *dexdor*® experienced significantly less delirium than patients on standard care



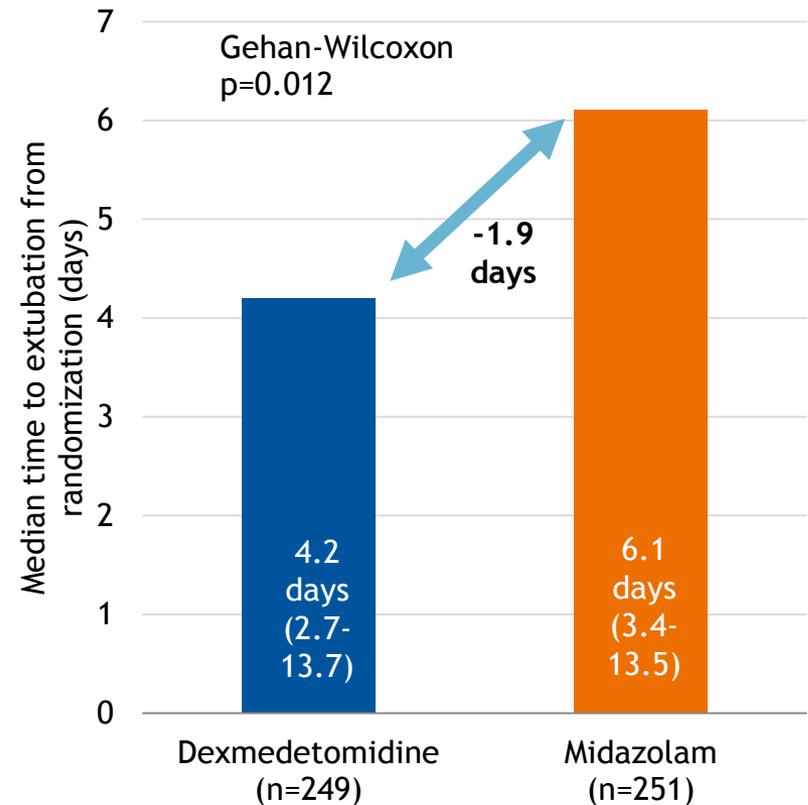
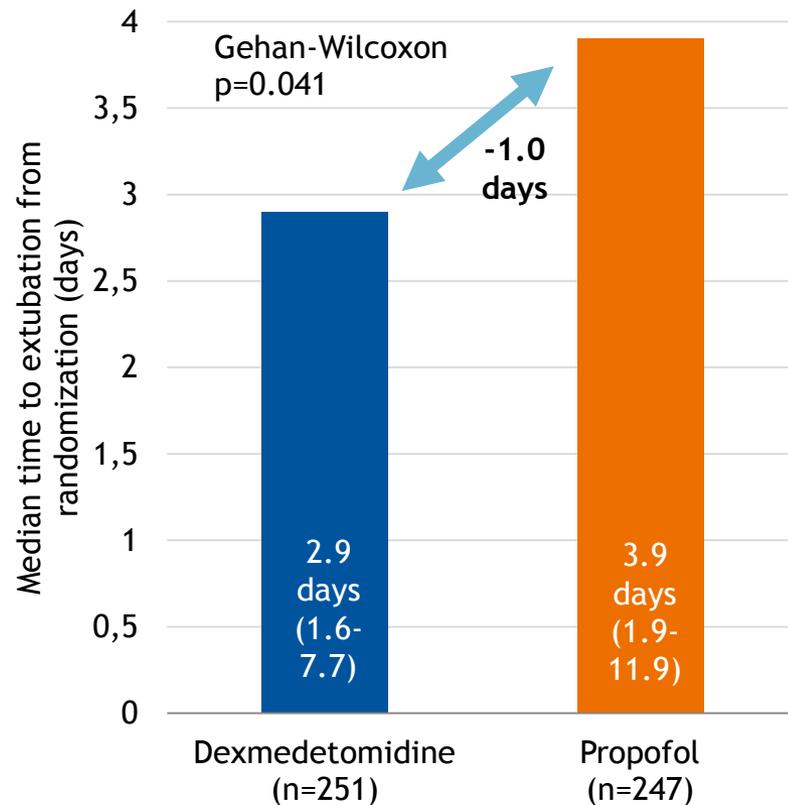
In PRODEX, delirium-related neurocognitive adverse events* were observed in 18.3% of the *dexdor*® and 28.7% of the propofol patients (p=0.008)

The effect of dexmedetomidine treatment was significant in reducing delirium, with a 24.9% decrease (95% confidence interval 16%-34%; P<0.001) relative to midazolam treatment

Refs: Riker RR, et al. JAMA. 2009;301:489-499; Jakob et. al. JAMA 2012

*Agitation, anxiety and delirium were the three most commonly reported delirium-related AEs

dexdor[®] shortened the time to extubation by 1-2 days vs. standard care

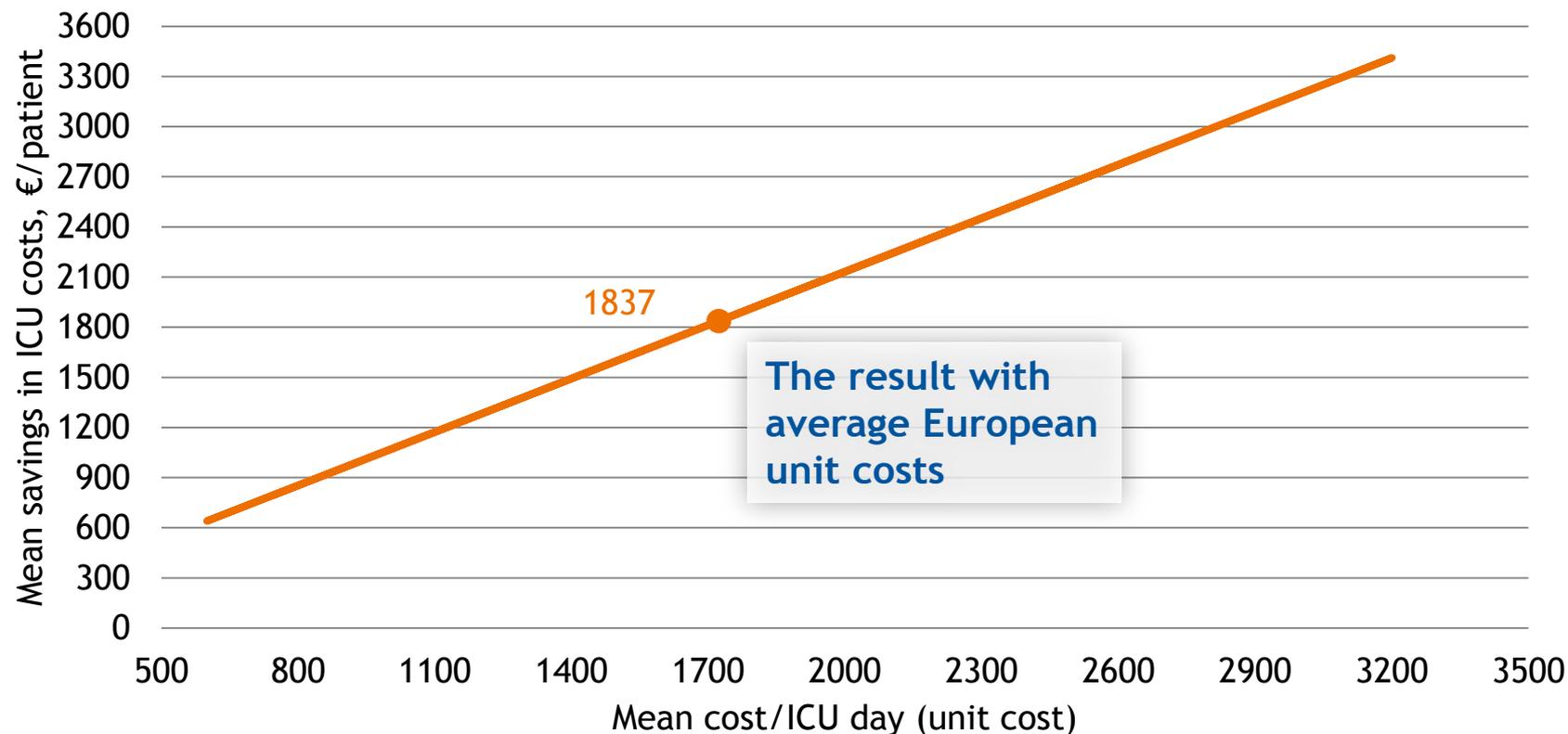


Ref: Jakob et. al, JAMA 2012

Economic benefit of *dexdor*®

→ *dexdor*® provides cost savings to the hospital and society

dexdor® provides ICU savings of over €1800 per patient vs. standard care. Even in countries with low unit costs, *dexdor*® remains clearly cost-saving



Source: Orion internal analysis based on Jakob et al, JAMA 2012

Conclusions from the pharmacoeconomic analysis

- **dexdor®** improves the quality of sedation and facilitates patient management compared to standard care
- **dexdor®** is likely to reduce the total ICU costs significantly compared to standard care
- **dexdor®** has the potential to improve ICU cost-efficiency by allowing the unit to manage more patients with the same staffing

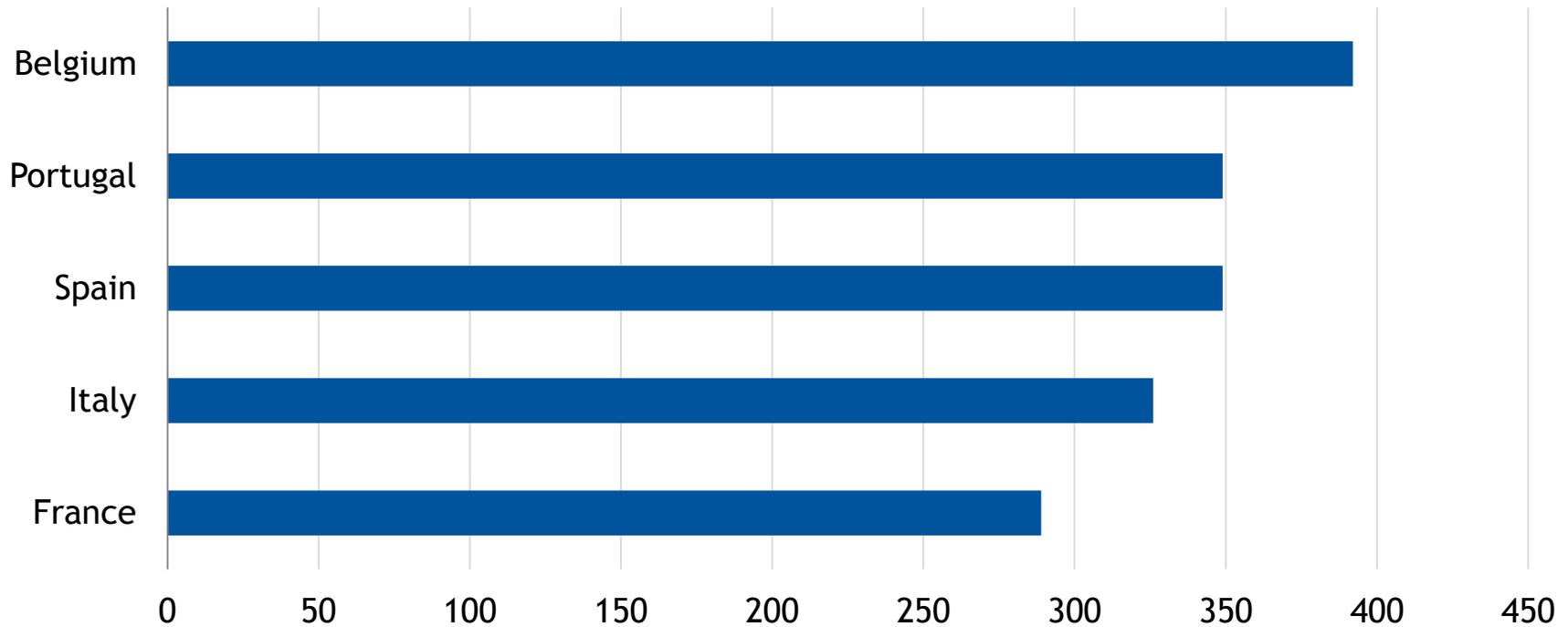
→ **dexdor® is cost-effective**



Market access
status of *dexdor*[®]

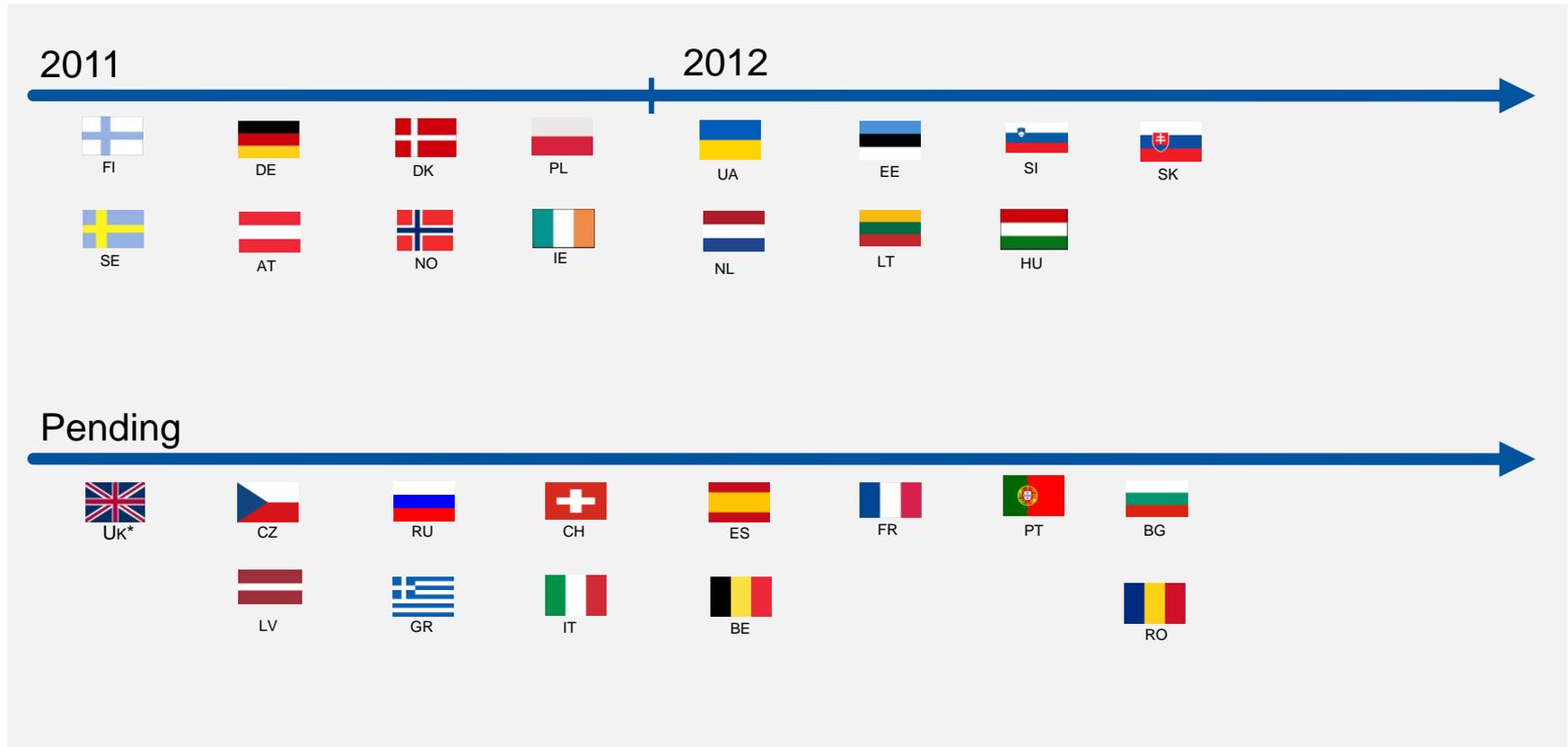
National market access process are lengthy

Average time (days) elapsed between date of market authorisation and "accessibility" date



For new medicines with first EU marketing authorisation in the period 2007-'09
Source: EFPIA, Patients W.A.I.T. Indicator 2010 Report

dexdor[®] market access timelines



*SMC and AWMSG assessment processes on-going





Proprietary Products Update

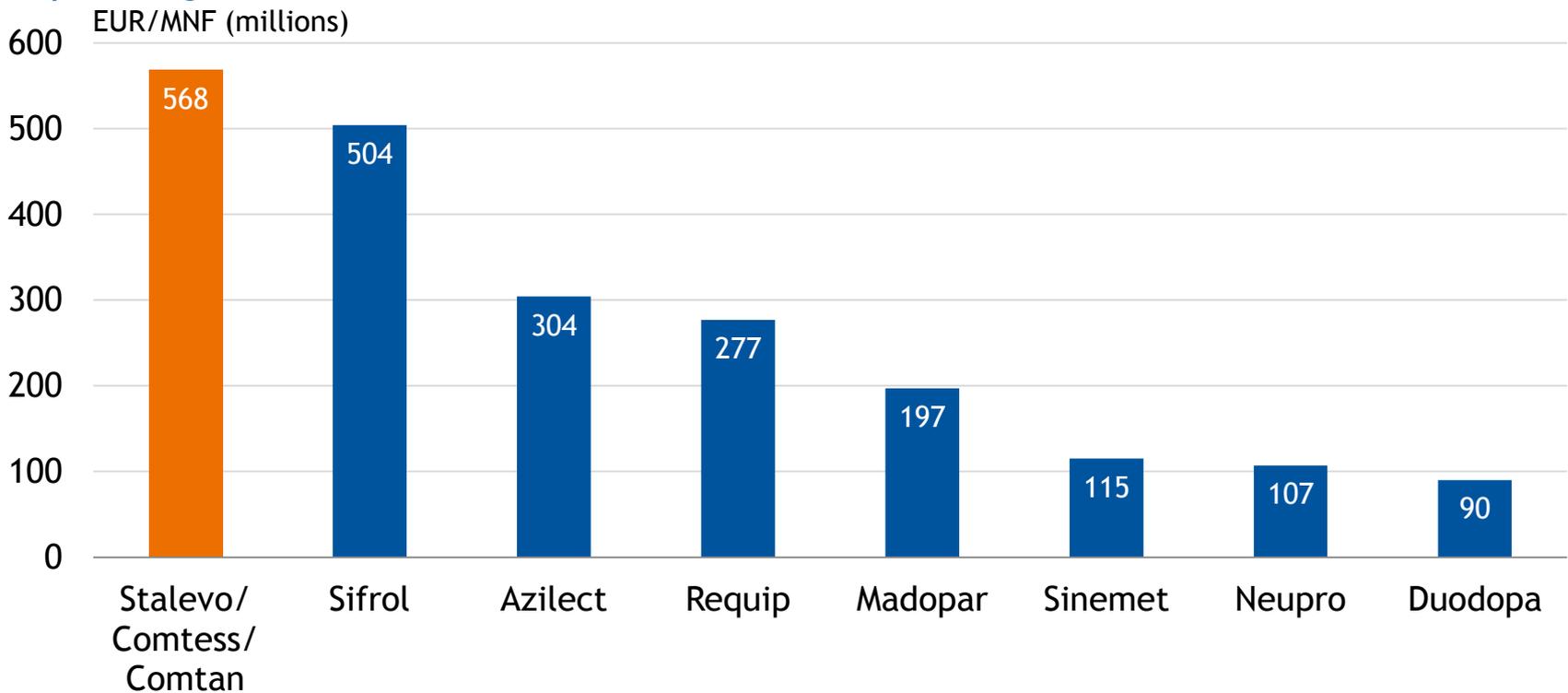
Liisa Hurme
Senior Vice President



Entacapone franchise update

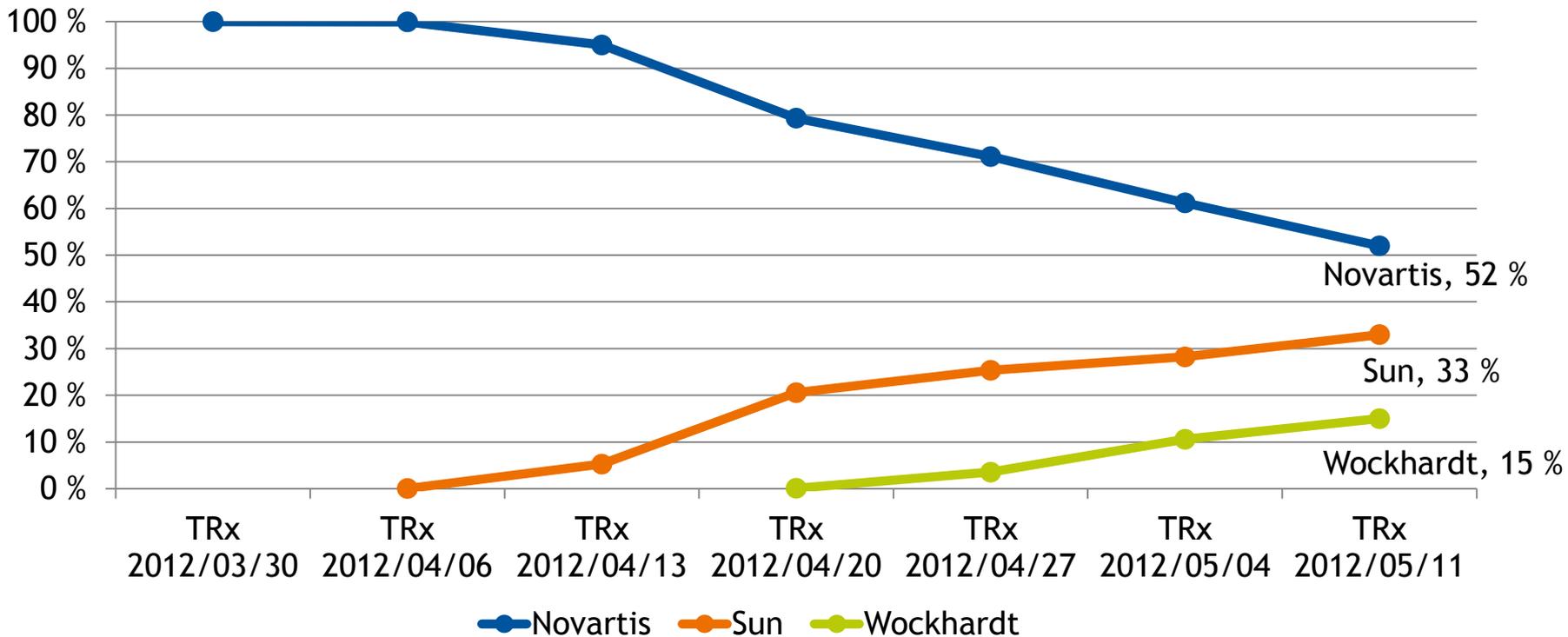
Entacapone brands are the leading global anti-PD drugs

Top-selling anti-PD franchise in the world



Prescription shares in USA after generic launches

Stalevo (levodopa/carbidopa/entacapone) - MS% of TRx



Growth potential in Europe and Rest of the World

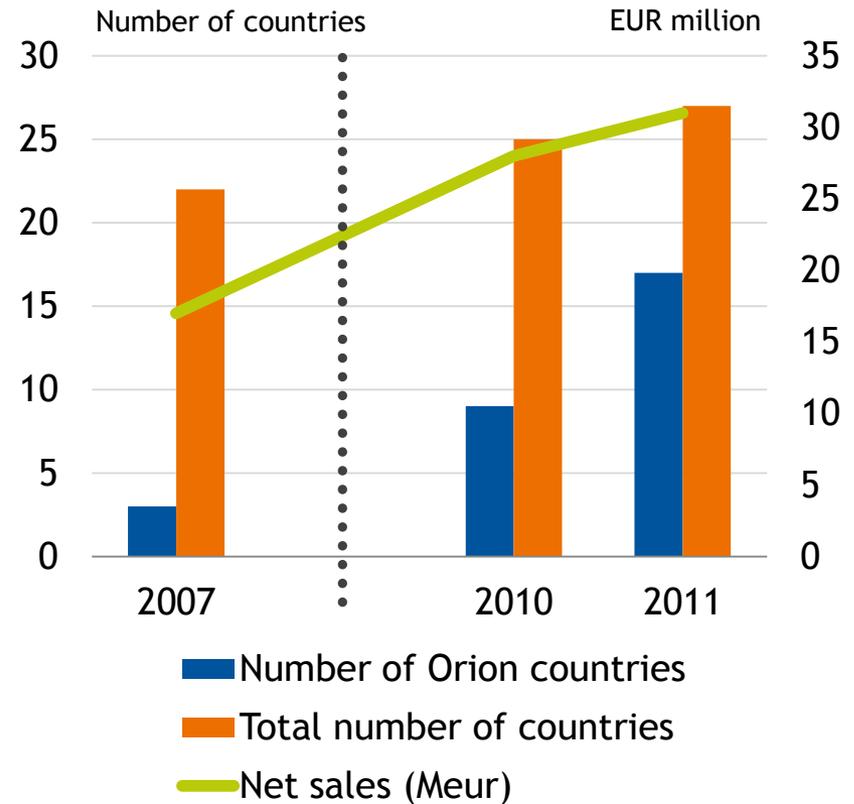
- Stalevo volume growth in Europe 3,8% (2011 vs. 2010, IMS Health, EUR/MNF)
- Stalevo protection in Europe
 - Data protection until October 2013 (first launches expected H2/2014)
- RoW region is growing both in volume and value 13,1 % and 5,9% (2011 vs. 2010, IMS Health, EUR/MNF)
 - Japan Comtan in-market growth +18 %
 - Countries with pending marketing authorisation applications or under development



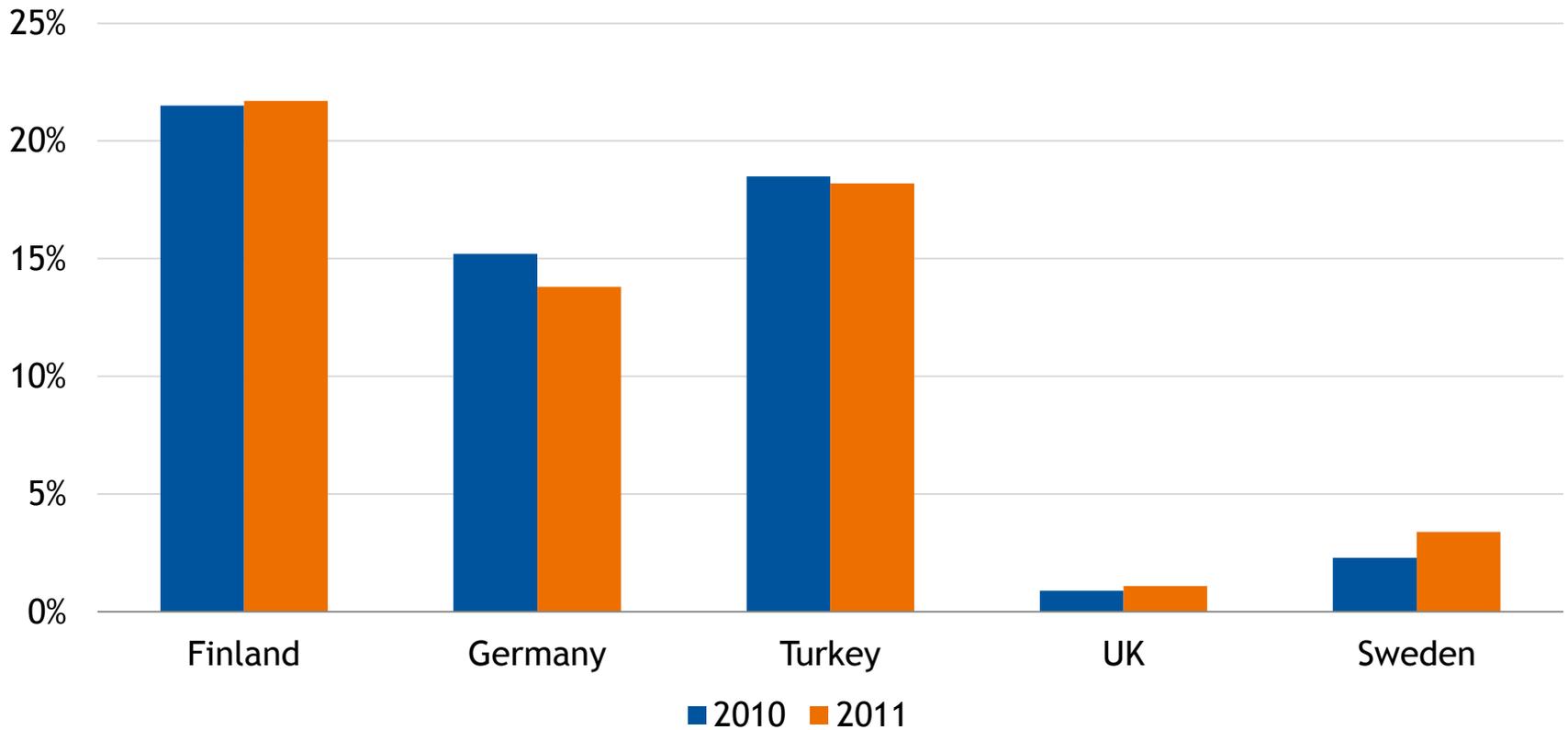
Paving the way for new Easyaler products

Preparing for Easyhaler combination product launches

- Orion is repatriating countries as license agreements expire
 - YTD growth in Orion territory +12%
- Customers and market access dynamics in Orion hands
 - Repeating Simdax acquisition model before dexdor® launch
- New partnerships for current EH products in China, Canada, Australia
- Broad collaboration agreement with Takeda



Easyhaler market share in some key markets



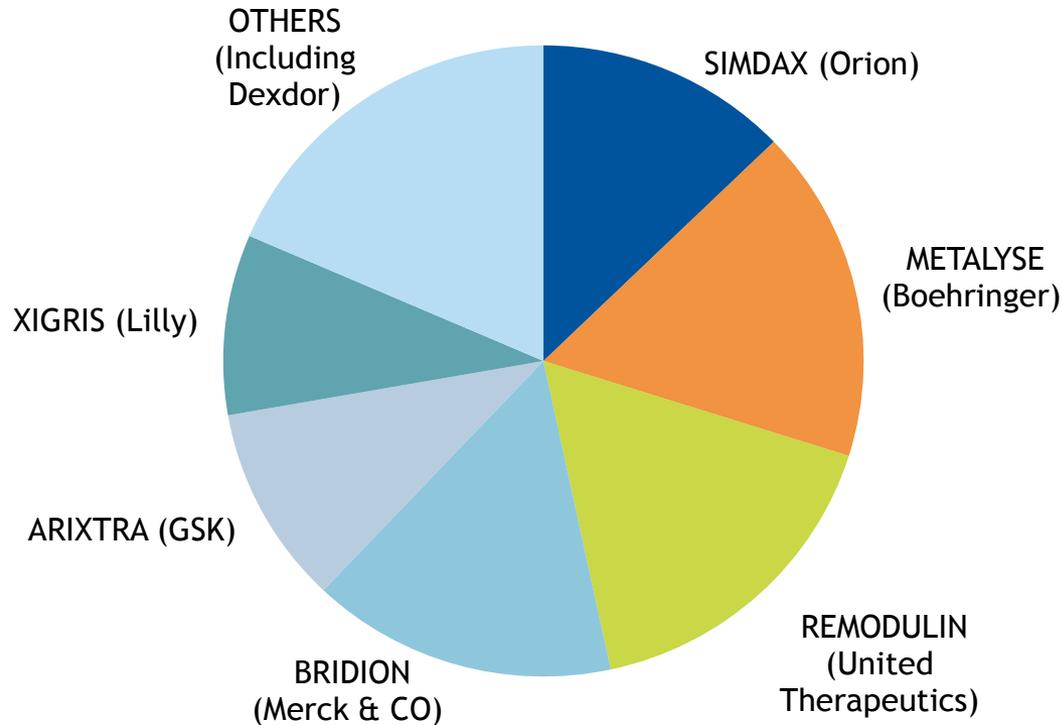
Source: IMS Health 2011, Market share Easyhaler corticosteroid products of the total inhaled corticosteroid market



Orion is a unique
player in
European Critical
Care market

Orion is a unique provider of innovative treatments in Critical Care

Major Critical Care Products Launched in Europe since 2000



- Total number of 17 new products were launched in critical care sector between 2000-2011 including
 - Simdax in 2000
 - *dexdor*® in 2011

Source: IMS Health, non-generic, injectable hospital sector products launched in more than one country in Europe since year 2000 excluding antibiotics and oncology products. Split by sales in 12/2011.



European sales force in evolution

Expansion of Orion brands and sales force in Europe provides flexibility of resourcing

2008



2012



Proprietary Products way forward

- Evolution from neurology focused Northern European company into multi product European company
- Entacapone franchise will be significant part of the Proprietary Division in mid and long term perspective
- Key areas in addition to neurology will be respiratory diseases, oncology and critical care although more balanced in size
- All new products targeted to global markets with partner companies outside Europe



ORION

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Building well-being



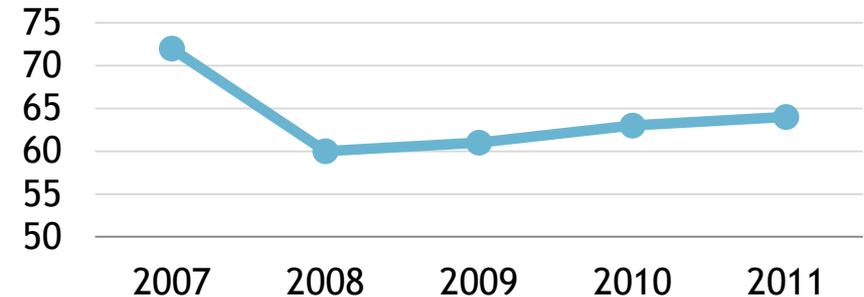
Financial stability is basis for future success

Jari Karlson
CFO

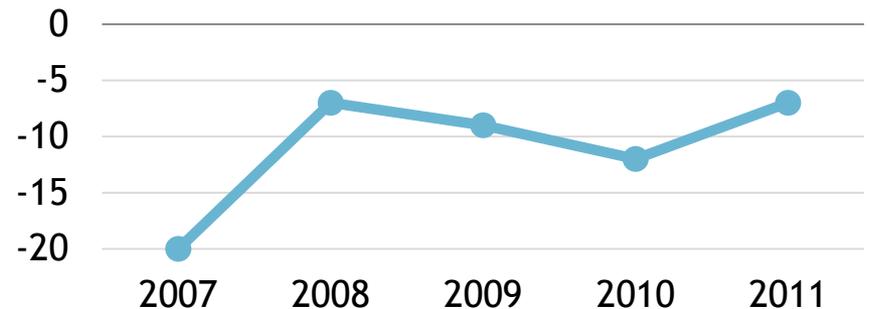
Orion has solid financial position

- Orion has solid financial position which provides good basis for future development of the company
- Maintaining financial strength is an important goal for Orion
 - Capacity to take required R&D risks
 - Capacity to act when good opportunities are identified (organic growth, licensing, M&A)
 - Capability to continue long term development of the company also during volatile periods
 - Maintaining high dividend level

Equity ratio



Gearing



Efficiency has been part of financial objectives and strategy for years

Net sales and profitability in next few years depend on rate of:

- Decline in sales of Parkinson's drugs
- Growth in sales of other products

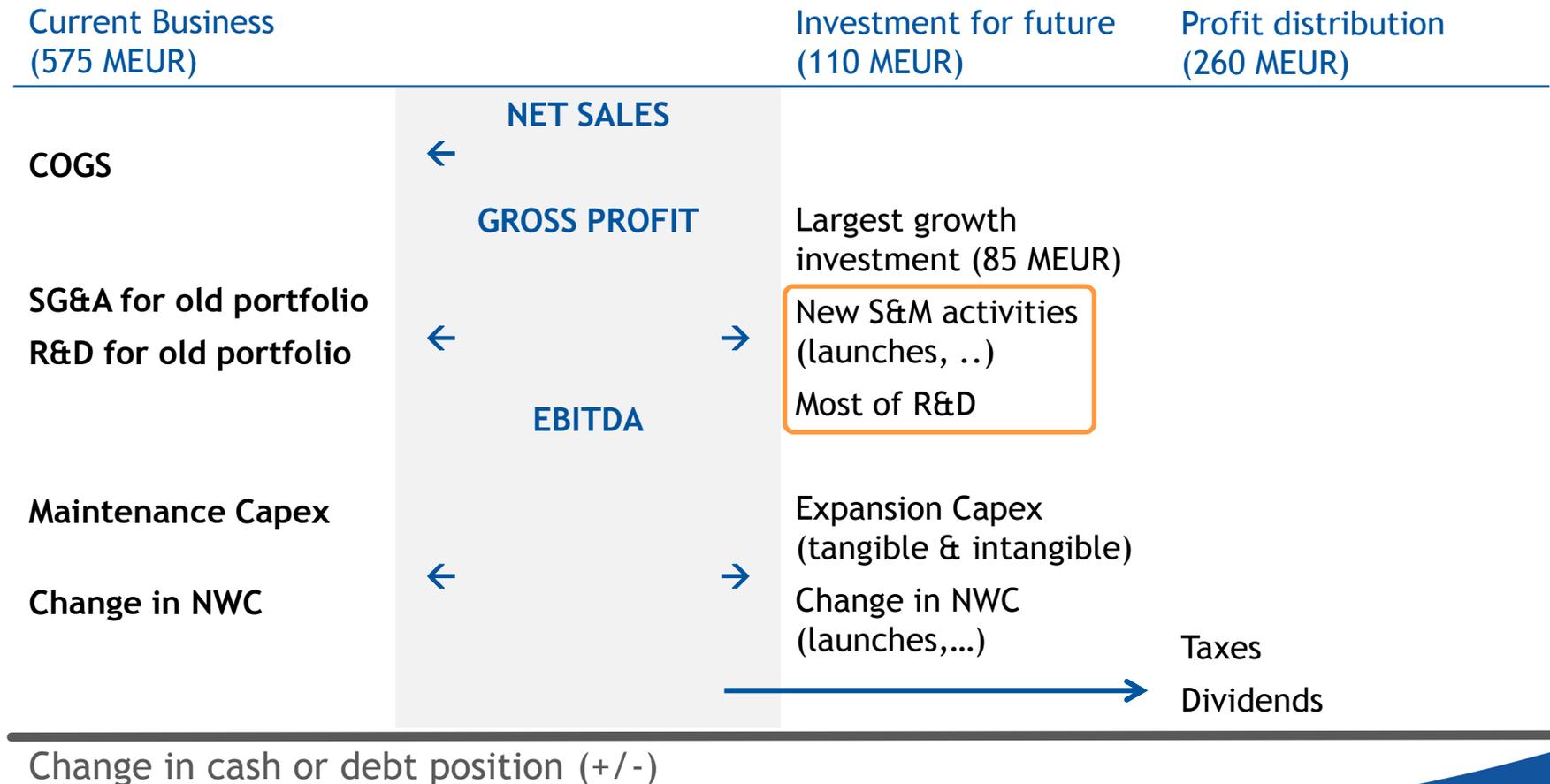
Orion's financial objectives:

- Ensuring financial stability
- Creating foundation for long-term profitable growth

Principal means of achieving objectives:

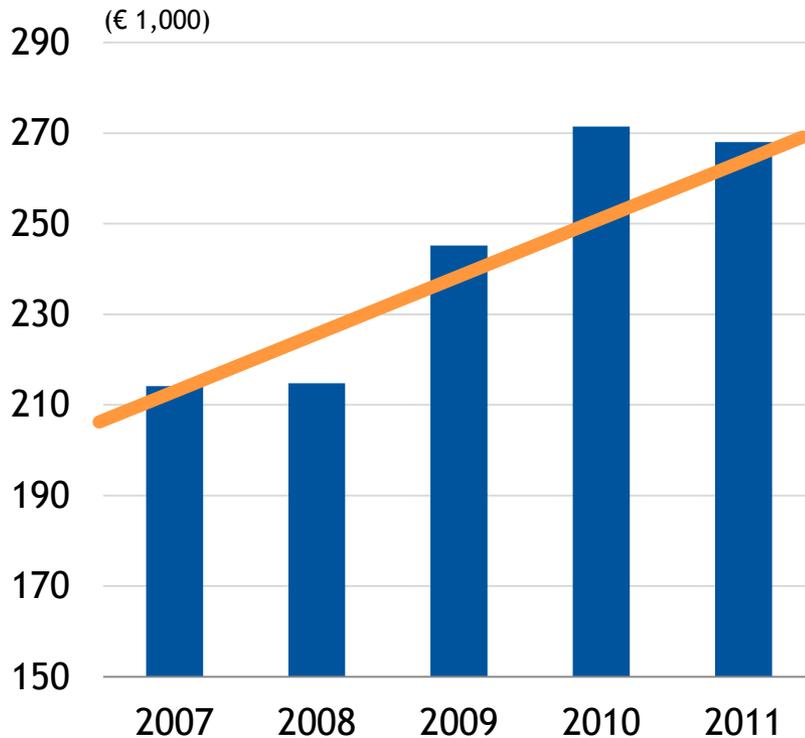
- Improving organic growth of net sales and operating profit through product, product portfolio and corporate acquisitions
- Increasing efficiency of operations and cost control
- Maintaining stable financial position; equity ratio at least 50%

Use of cash (during 2011)



Orion's productivity has improved

Sales per person

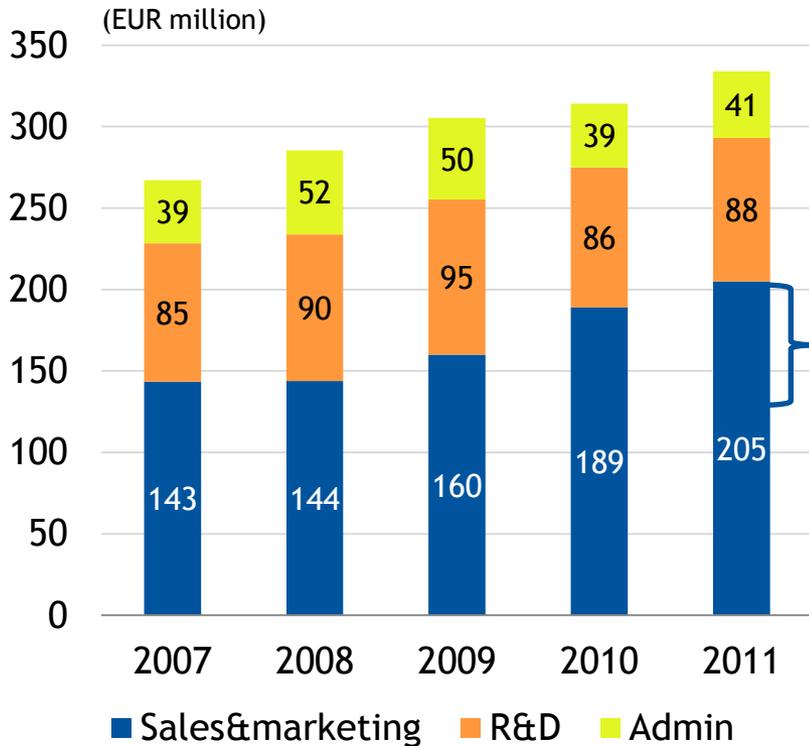


	2007	2012	Change %
Net sales (EUR million)	680	918	+25%
Personnel	3,176	3425	+8%
Sales/person (EUR thousand)	184	268	+35%

- Economics of scale
- Networking
- Continuous improvement
- Cost control

Re-allocation of resources support growth

Resources by function



→ Automation, centralization, standadization

→ R&D networking
→ More with same cost
Timing of phase III studies

→ **Growth drivers:**

Geographical expansion and other growth iniatives

+25

Increased sales volume

+20

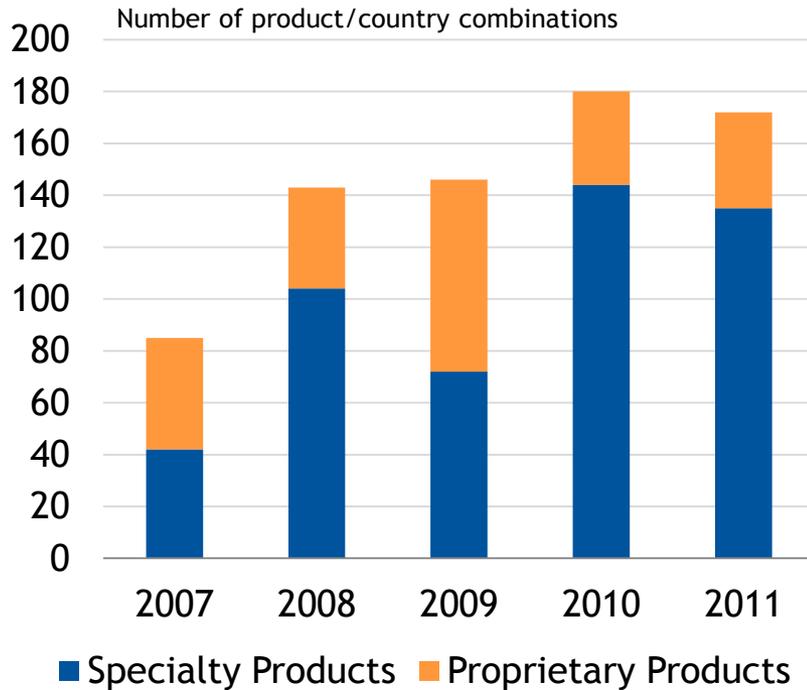
Inflation

+15

Product launches

- Investments for future
- Increase complexity → Impact on costs and net working capital

Orion's product launches of human pharmaceuticals



Specialty product launches in 2011

By geographical area

- Eastern Europe 57
- Finland 21
- Scandinavia 38
- Other 19

By type of product

- Prescription (Rx) 104
- Self-care 31

Sourcing of products

- In-licensing
- Developed for Orion
- Co-development
- Orion's own development

Proprietary Product launches in 2011

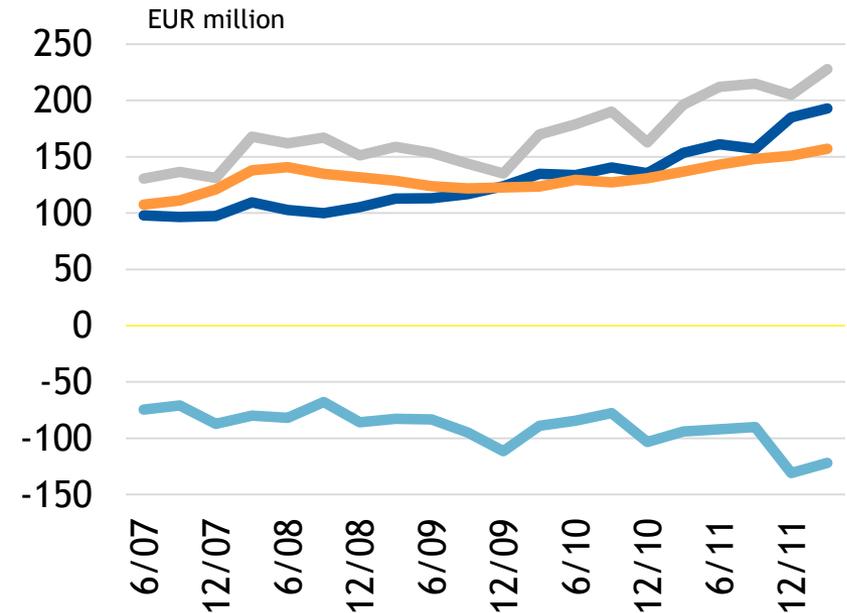
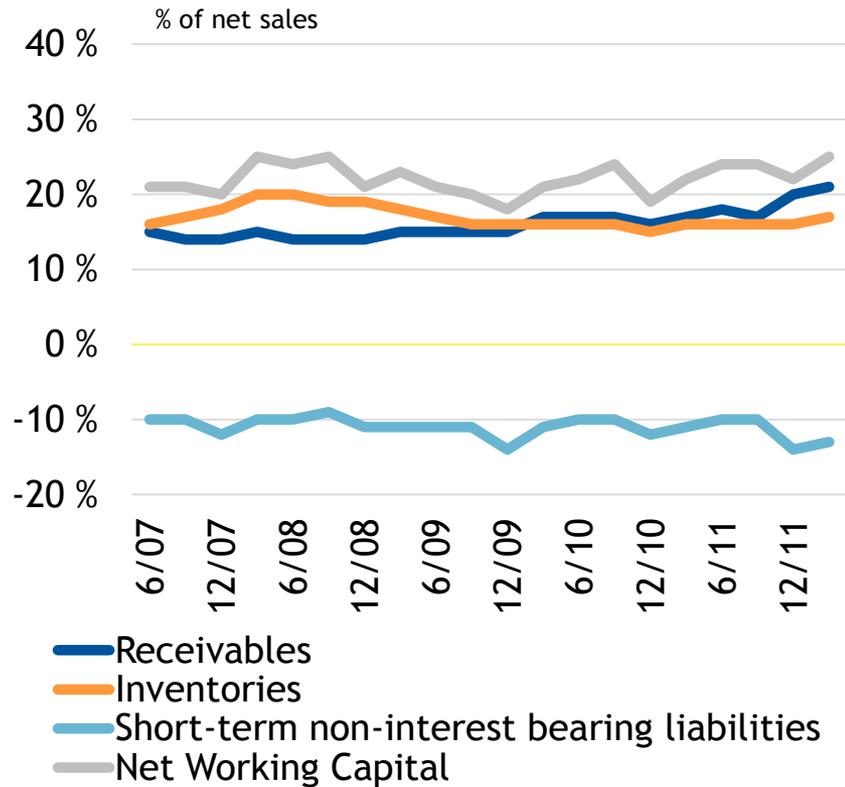
By geographical area

- Eastern Europe 16
- Finland 2
- Scandinavia 9
- Other 10

By type of product

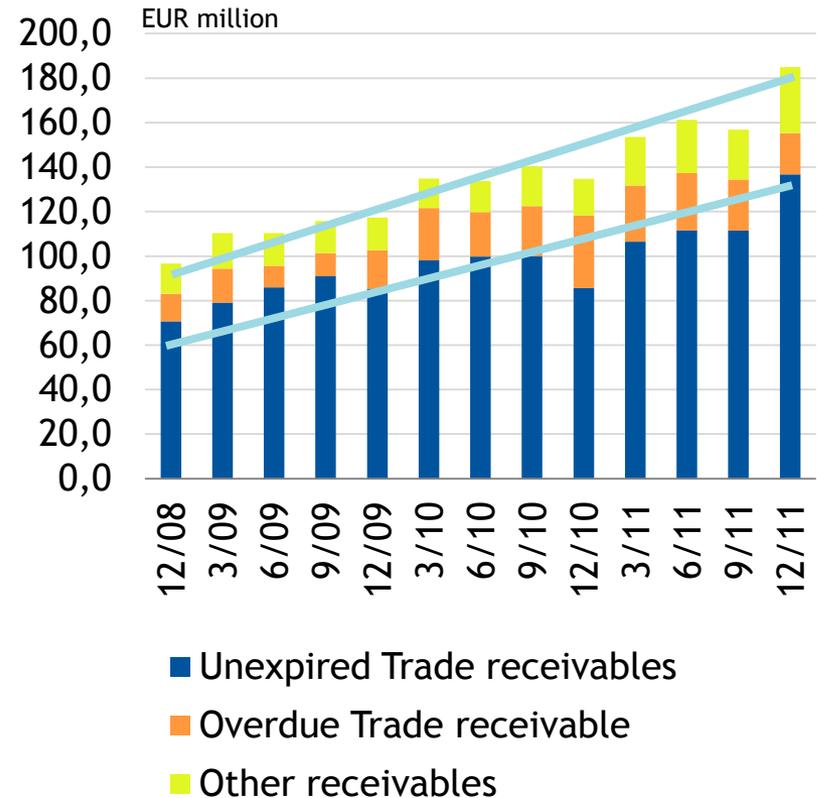
- Prescription (Rx) 37
- Self-care -

Development of Net working capital



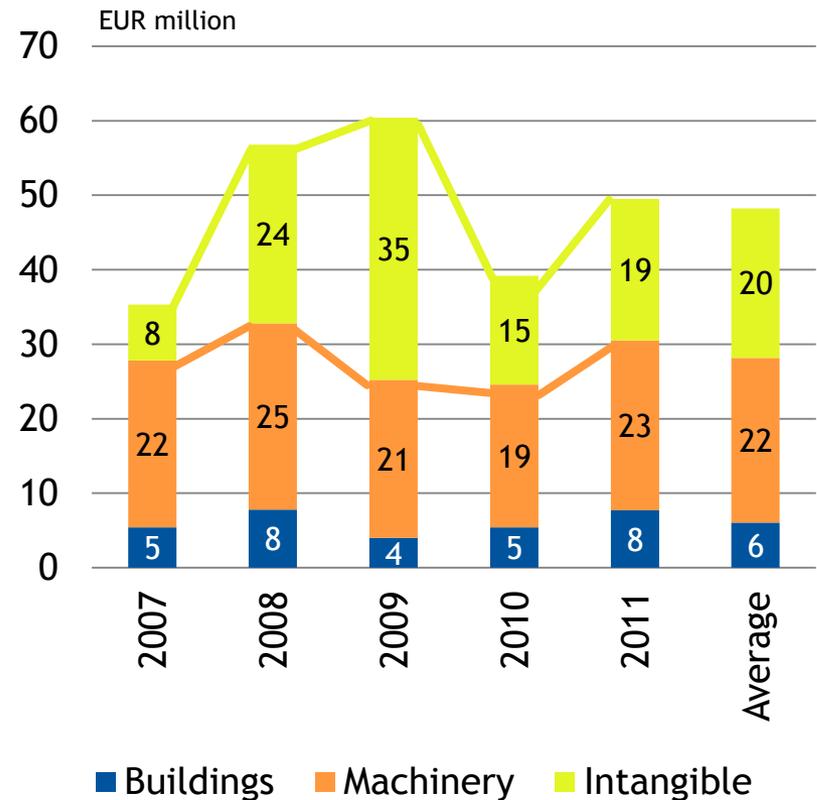
Development of Receivables

- Growth mainly from unexpired trade receivables which have increased clearly faster than sales
 - About 25 million of the growth is due to small change in one distribution agreement
 - Growth in sales in regions with significantly longer payments terms than in Northern Europe
- Also other receivables (mainly accruals) have been growing



Capital expenditure

- Tangible capex has been relatively consistent over the last years
- Volatility in the overall capex has been due to investments to intangible assets which are mainly generated by in-licensing of products
- In-tangible asset investments almost half of average capex during 2007-2011



Dividend distribution

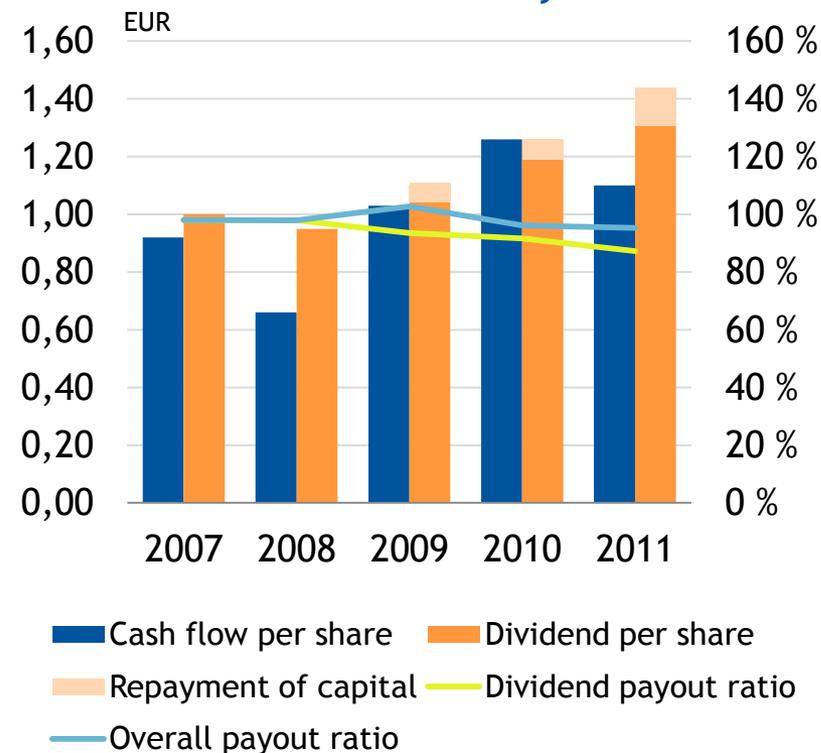
Dividend distribution policy

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

Taxes

- High payout ratio limits tax planning opportunities because annual profits are needed in parent company Orion Corporation for dividends
- most of profits are generated in parent company

Dividend distribution history



Equity structure and Profit distribution

31 Dec 2011 (EUR million)	Orion Corporation	Orion Group
Share capital	92.2	92.2
Reserves	18.3	18.1
Retained earnings		
Orion Corporation	229.4	229.4
Subsidiaries		37.0
Consolidation and IFRS adjustments		130.4
Translation adjustments		-7.2
Non-controlling interests		0.0
Total equity	339.9	500.0

Of these 200 million was distributed in April 2012 → left EUR 0,34/share

IFRS and consolidation items not available for profit distribution

Summary

Increasing complexity of the on-going business makes it challenging to improve the cash conversion

- More countries, larger product portfolios, large number of product launches
- challenge to manage inventories and trade receivables

Capital allocation decisions are increasingly important

- Allocation between current business, new initiatives and profit distribution
- Capacity utilization currently very high
 - **Capacity expansion only in specific areas**
 - **Needs to support both current and future business**
- Make or buy decisions in all parts of organization but especially in:
 - **Manufacturing (i.e. continuous analysis to define in which areas own competencies and scale are world class)**
 - **R&D (internal work - networking - in-licensing)**

No easy short cuts

- Tights management of numerous initiatives in all region and functions
- One needs to run fast just keep the current position



ORION

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Building well-being



Orion R&D pipeline review

Reijo Salonen, SVP, Research &
Development

The Best R&D in the World by 2017 - a goal set in 2008

Best Structure

Best Leadership

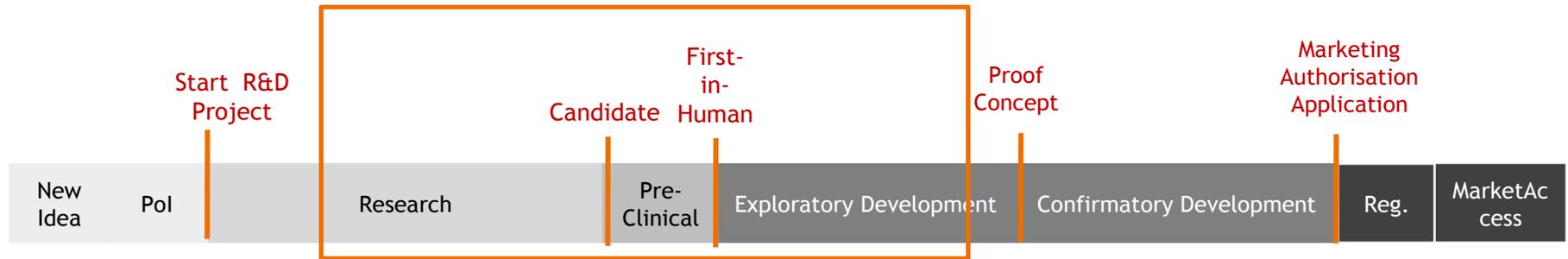
Best Image

Best Strategy

Best R&D in the world
and continuous improvement

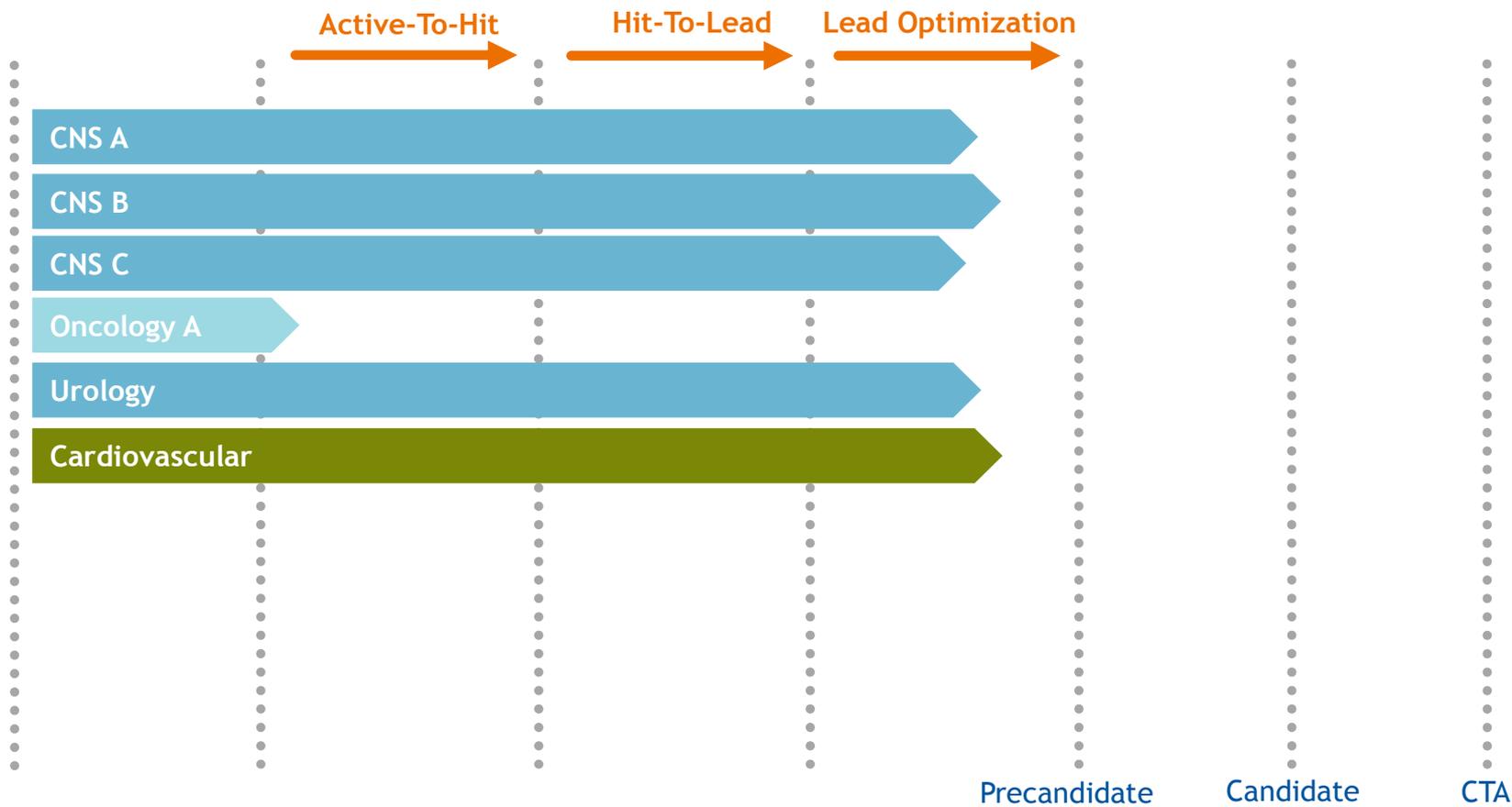
Superior return on R&D Investment - higher value R&D assets and more drugs generated, faster and at lower cost per unit of funding, than any other Pharma R&D organisation

Internal R&D capability: optimized to bring products to Proof of concept (POC)

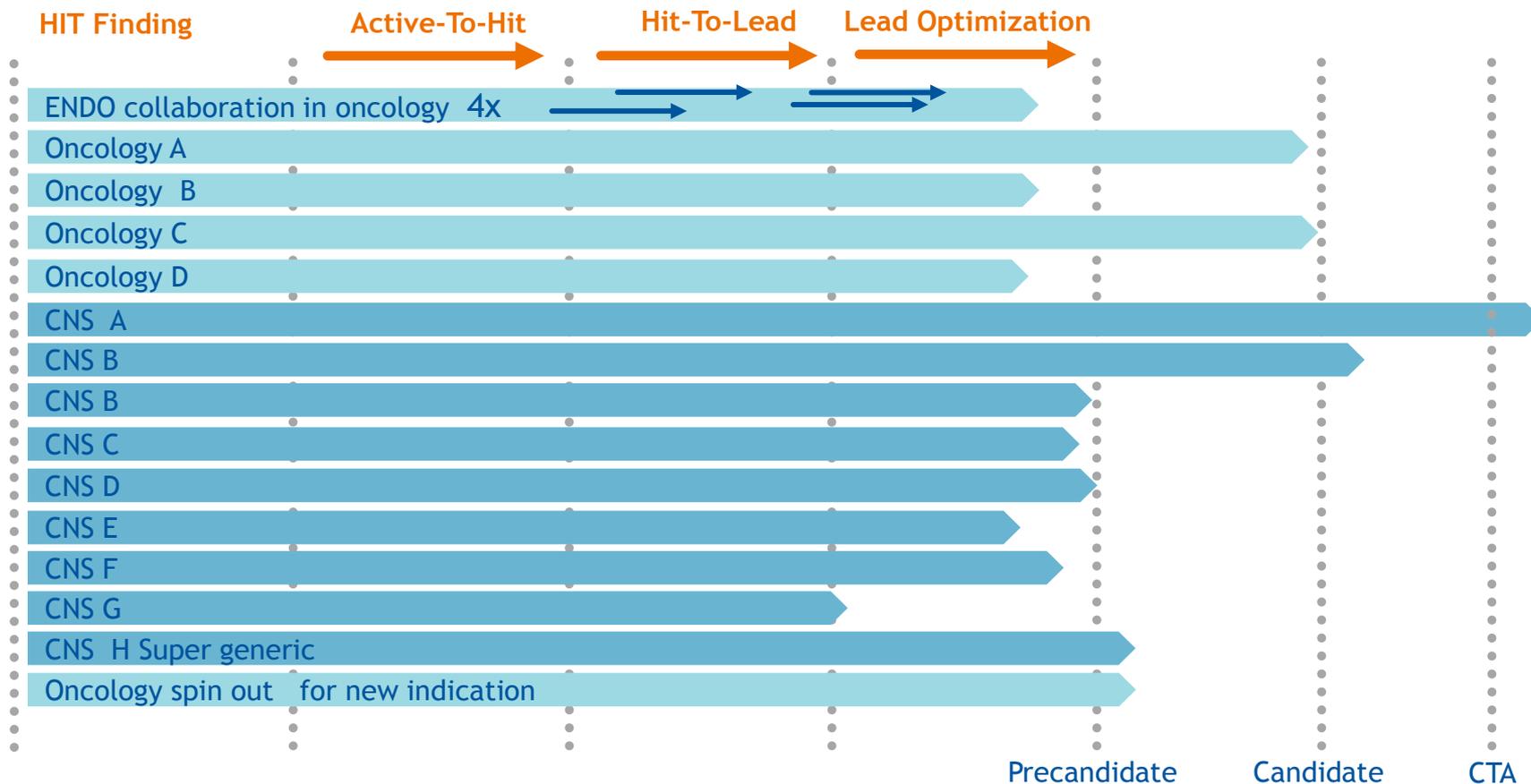


R&D partnerships and networks cover all phases from discovery to product registration. Balances risks and enables an increasing number of new research projects

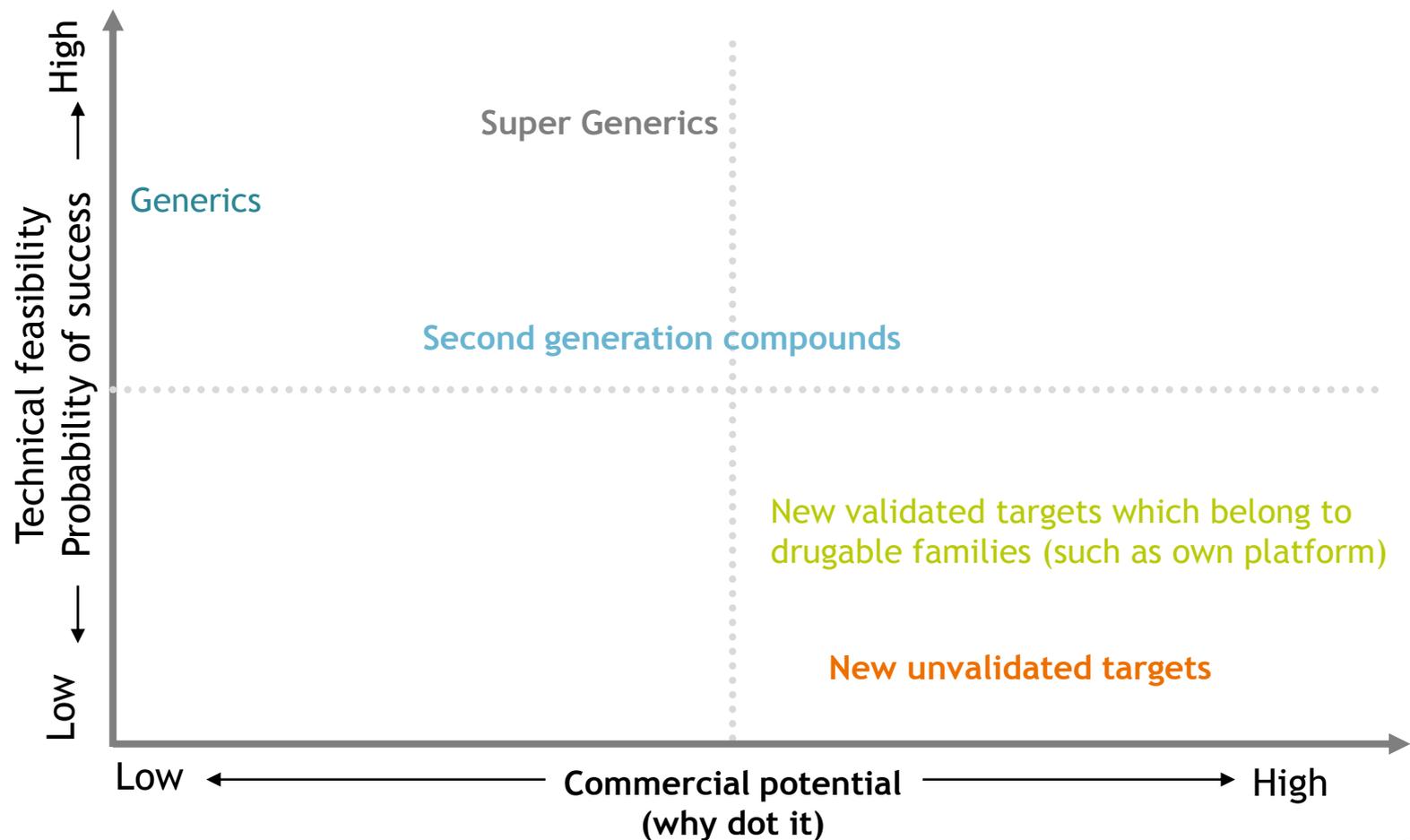
Research projects 2006 (6)



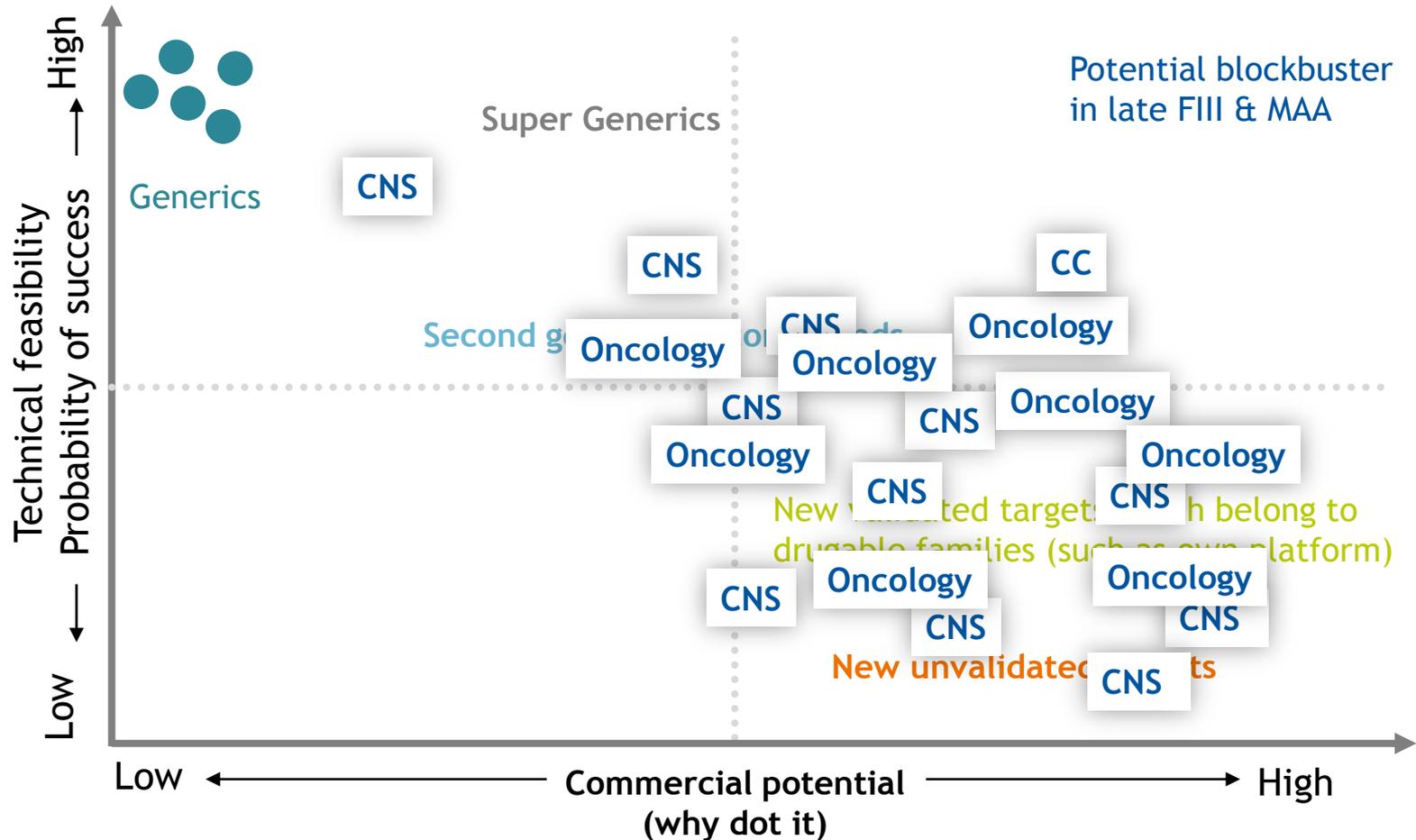
Research projects 2012 (18)



Optimized R&D portfolio balance



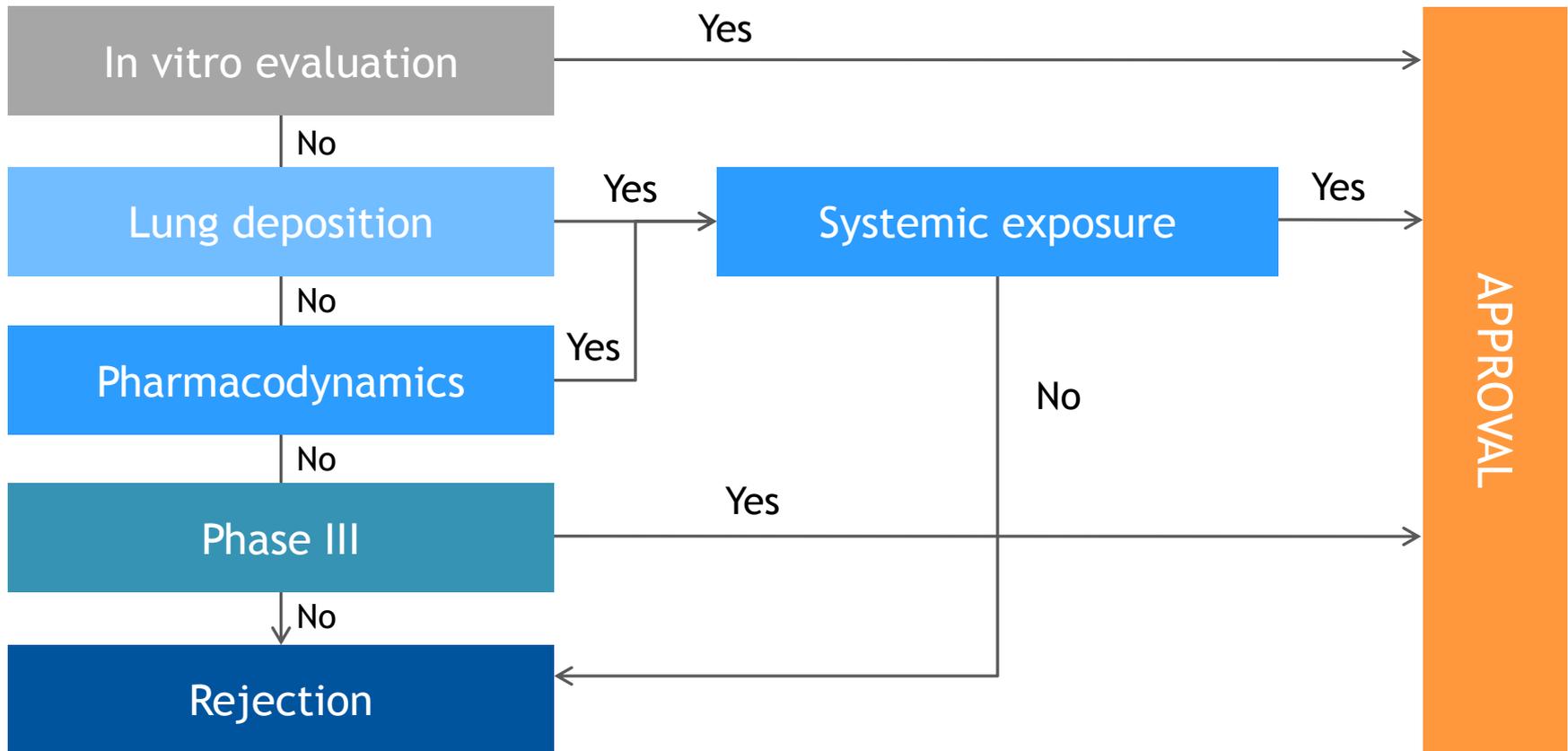
Optimized R&D portfolio balance





Easyhaler combinations

Stepwise approach as outlined in EMA guidelines on orally inhaled products*

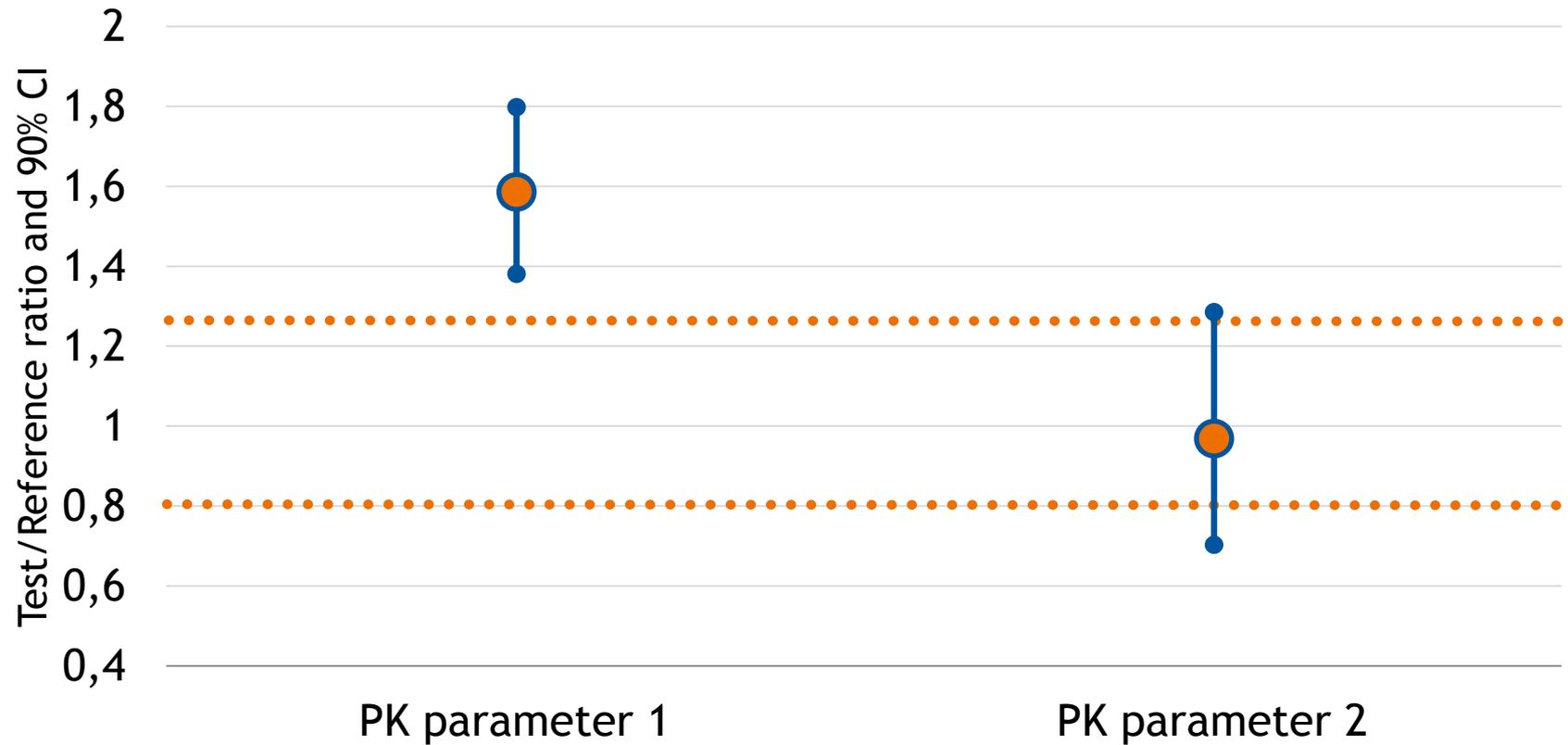


* CPMP/EWP/4151/00 Rev. 1

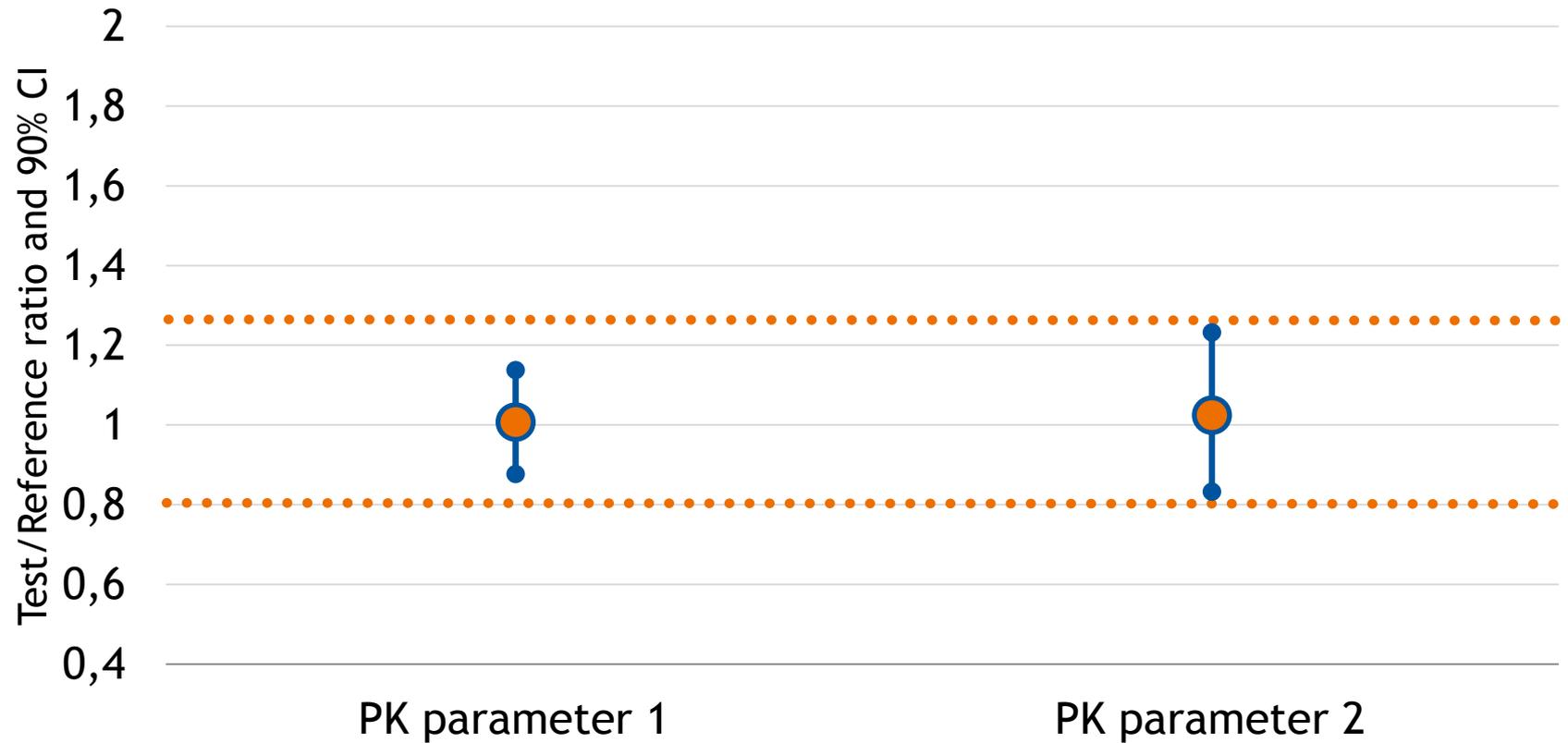
Key features of the studies

- Acceptance criteria in step 2: classical bioequivalence criteria 0.8 - 1.25 for a test/reference product ratio of the primary parameters (C_{max}, AUC)
- To meet the criteria studies need to demonstrate not only small mean differences but also a low variability in results
- Factors causing variability with dry powder inhalers
 - Inherent variability in the dose delivered
 - Differences in device resistance
 - Differences in flow-rate dependence
 - Differences in patient/device interface

Examples of product comparisons - start point

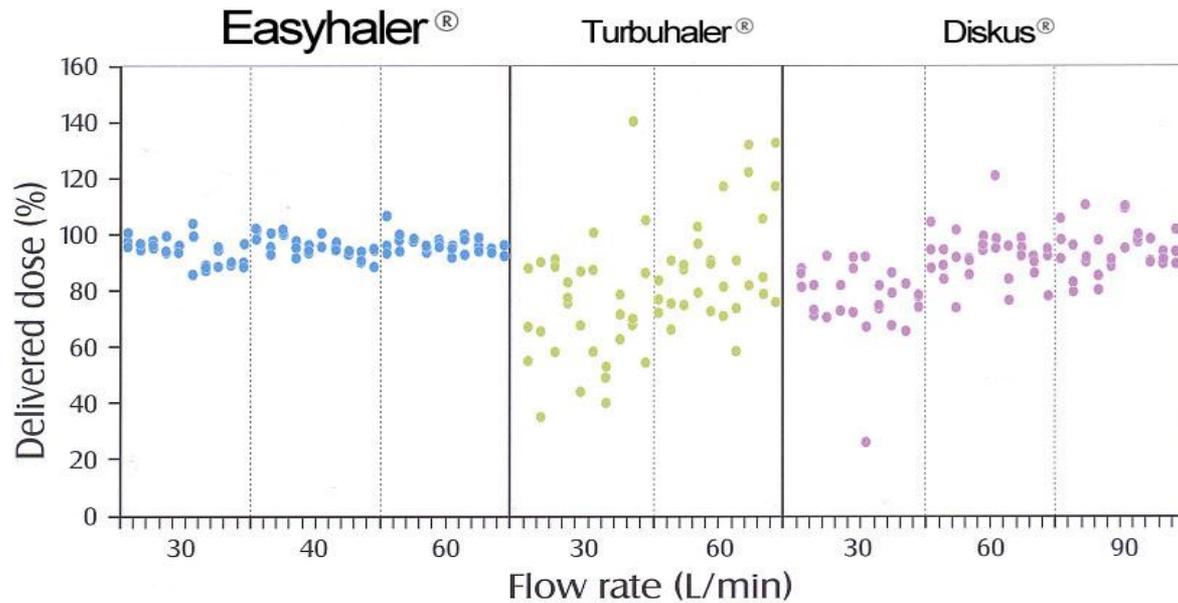


Examples of product comparisons - end point



Easyhaler®

Accurate and Consistent Dosing



Easyhaler® consistently achieves close to 100% of the delivered dose across a wide range of inspiratory flow rates.

Palander et al. Clin Drug Invest 2000; 20:25-33



ODM-101

Background for ODM-101 project

Product	APIs	Target indications	Formulation
Stalevo	levodopa, carbidopa, entacapone	Parkinson´s disease and end- of-dose motor fluctuations	Currently seven different strenghts
ODM-101	levodopa, carbidopa, entacapone	Parkinson´s disease and end- of-dose motor fluctuations	The ratios, strengths and pharmaceutical formulations of levodopa, carbidopa and entacapone have been optimized

Status of development of ODM-101

Phase I

Pharmacokinetics studies completed

Phase II

Efficacy and safety study ongoing with Parkinson's disease patients



Alpha-2_c adrenoceptor antagonist

Background for Alpha-2_c project

- Alpha-2 adrenoceptors (AR) are promising drug targets having key modulatory role in adrenergic neurotransmission
- Orion has built a successful proprietary Alpha-2 adrenoceptor Platform (Domosedan[®] , Domitor[®] , Precedex[®] , dexdor[®] , Antisedan[®]) which has generated exciting novel development ready leads (e.g. ORM-12741) for human CNS therapeutics
- Alpha-2_c AR subtype is expressed mainly in the CNS (striatum and hippocampus) and has a role as physiological fine tuner of synaptic neurotransmission
- Possible indications for Alpha-2_c AR antagonists are e.g. Alzheimer's disease and schizophrenia

Status of development of ORM-12741 in cognition enhancement in Alzheimer's disease

Phase I

Completed and reported

Phase II

Efficacy and safety study
ongoing with Alzheimer's
disease patients



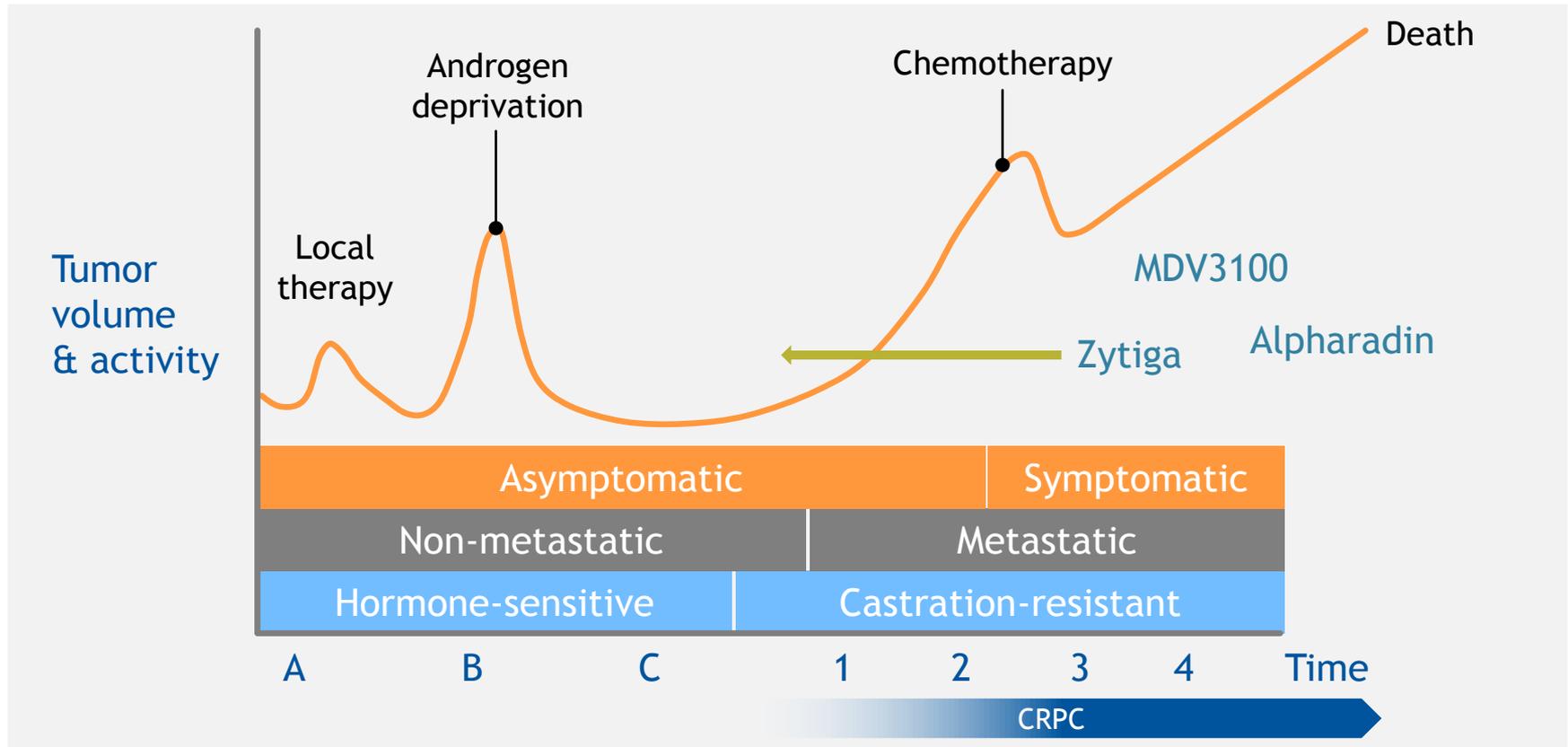
ODM-201
a new generation
antiandrogen, for
the treatment of
CRPC

Orion Corporation and Endo Pharmaceuticals R&D collaboration strengthens further oncology presence

- Collaboration agreement for the discovery, development and commercialization of assets in Oncology between North Americas and Europe
- R&D collaboration partnership allows to bring forward a total of eight (8) “discovery phase” candidates by combining an equal number of programs
- This brings both companies in strong position in developing new cancer therapies for the benefit of patients
- First-runner: ODM-201



High unmet need for Castration Resistant Prostate Cancer



Abbreviations:
 CRPC castration resistant prostate cancer
 LHRH luteinising-hormone-releasing hormone

ODM-201, a new generation antiandrogen, for the treatment of CRPC

- Potentially best-in-class antiandrogen
- Does not enter brain in preclinical models
 - No testosterone increase in animal models
- Well tolerated

(1) Foster & al .: Drug Safety Is a Barrier to the Discovery and Development of New Androgen Receptor Antagonists. The Prostate 2010

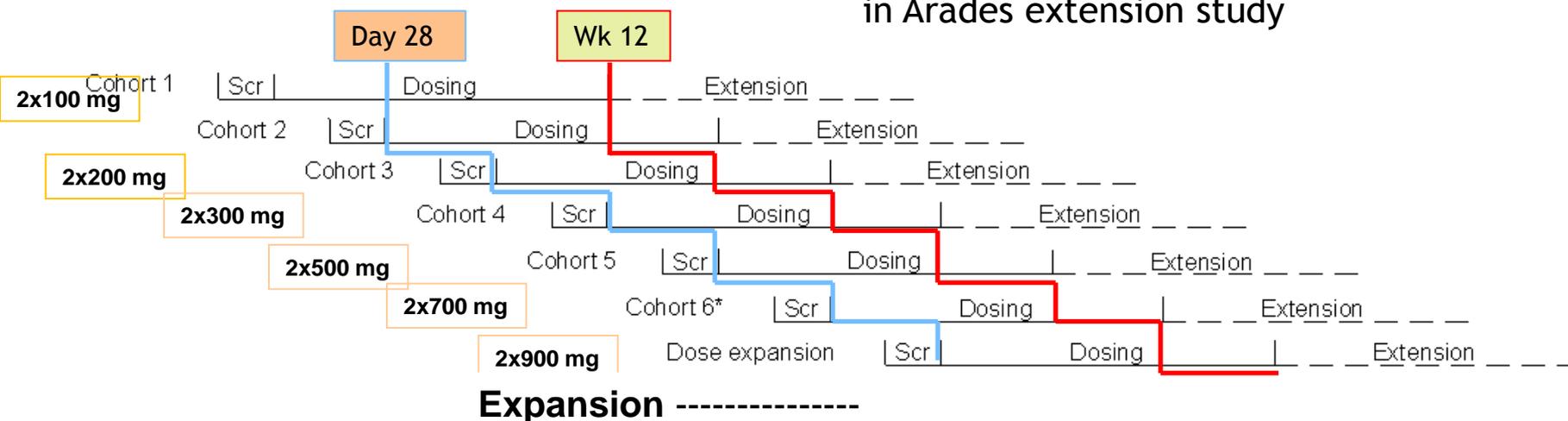
Study design

ARADES 3104001 Phase I dose escalation component ongoing at 700 mg dose level

- 3+3 rule-based design

ARADES-EXT 3104002

After 12 weeks patients with stable disease can continue study treatment in Arades extension study



ARADES 3104001 phase II expansion component

- 105 enrolled patients
- 3 dose levels to be expanded

Status of development of ODM-201

Phase I/II study ongoing

Phase I/II study results will be presented in a major scientific meeting in 2012 or 2013



ORION



Specialty Products Success Story in Finland

Markku Huhta-Koivisto
Senior Vice President

Orion clear market leader in Finland MAT 4/2012 pharmacy and hospital market

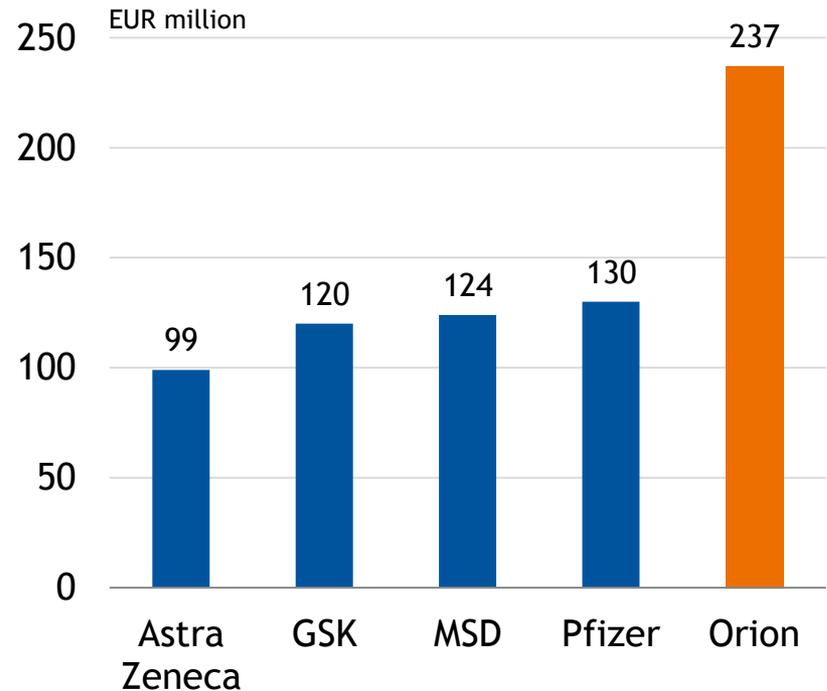
Finnish human pharmaceuticals and self care market MAT 4/2012

- Wholesale EUR 2105 million (+3%)

Orion in Finnish human pharmaceuticals and self care market

- Sales growth 6%
- Orion clear market leader
 - Market share 11,3%
 - Volume share 29 %
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies MAT 4/2012



Finnish market features and changes

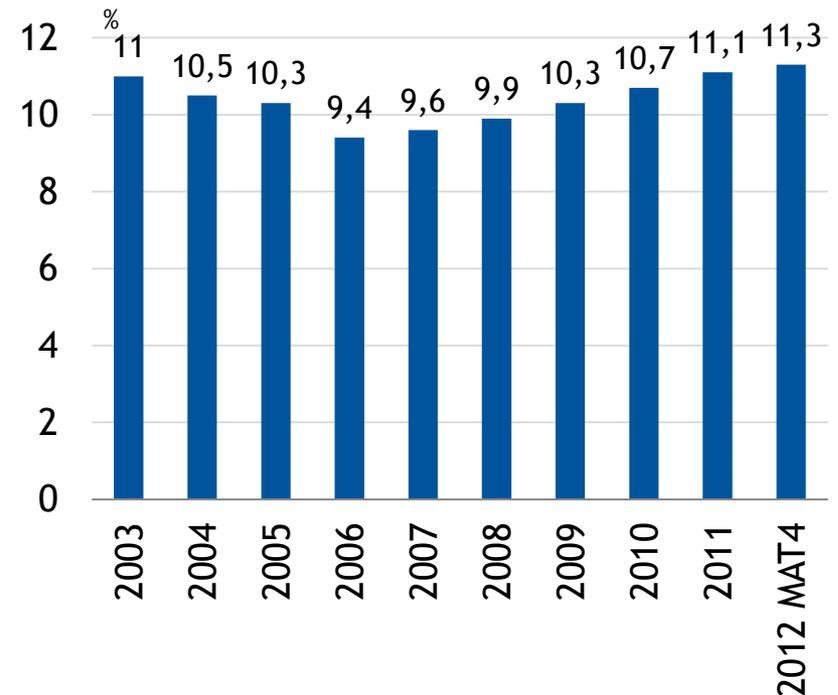
Some special features in the structure

- efficient exclusive single channel wholesales distribution system
- pharmacies are private businesses, no pharmacy chains

The most important changes

- 1.4.2003 generic substitution started
- 1.1.2006 it was not legal any more to give rebates in Rx or OTC
- 1.1.2006 general price cut of 5 %
- 1.4.2009 reference price system with price corridor
- suggestion to cut none substitution Rx product prices 5 % 1.1.2013

Orion's market share in Finland in pharmacies and hospitals MAT4/2012



Orion Pharma in Finland MAT 4/2012

Finnish pharmacy and hospital market in MAT 4/2012

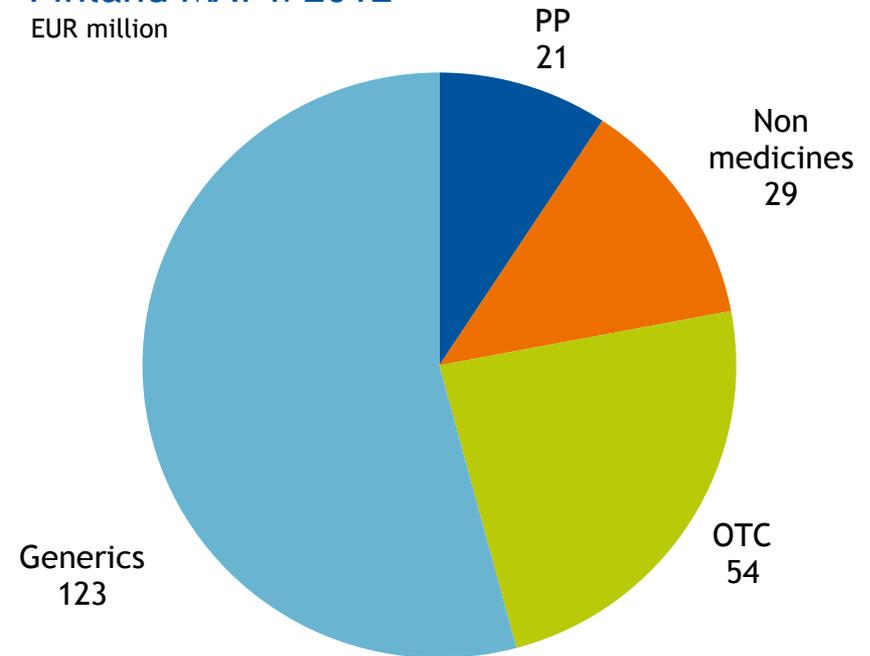
- Wholesale EUR 2105 million (+2,7%)

Orion in Finnish pharmacy and hospital Market in MAT 4/2012

- Sales growth 6%
 - Rx sales growth +8,9% (market +3,0%)
 - OTC sales growth +1,3% (market +1,7%)
 - Non-medicine growth +2,4% (market -1,3%)
- Orion clear market leader
 - Market share 11,3 %
 - Rx market share 8,3 %
 - OTC market share 26,4 %
 - Non-medicine market share 26,6 %

Orion Pharma's human products sales in Finland MAT4/2012

EUR million



Orion's Best-selling brands in Finland

Orion's best-selling brands, EUR million	MAT4/2012	Change %
1. Burana, OTC & Rx (Inflammatory pain)	21.4	+8%
2. Primaspan, OTC (Antiplatelet)	7.2	+7%
3. Kefexin, Rx (Antibiotic)	5.6	+3%
4. Aqualan, OTC & Rx (Basic ointment series)	5.2	+1%
5. Stalevo, Rx, Proprietary Product (Parkinson's disease)	5.0	+5%
6. Ketipinor, Rx (Antipsychotic)	4.8	+18%
7. Atorvastatin Orion, Rx (Anticholestrol)	4.6	+20%
8. Devisol, OTC - non-med (Vitamin)	4.6	+25%
9. Cefuroxime Orion Pharma, Rx - hospital product (Antibiotic)	4.5	-10%
10. Metforem, Rx (Antidiabetic)	4.5	+2%

Source: Finnish Pharmaceutical Data 4/2012

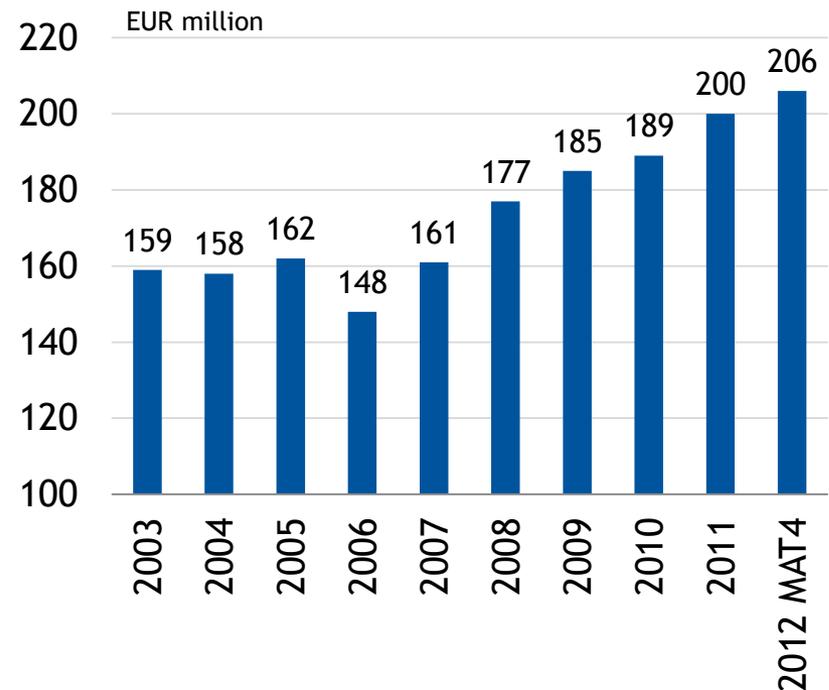
Orion clear market leader in Finland MAT 4/2012

2003 Specialty Products Business started in Orion

2005 Very high sales at the end of the year due to the changes 1.1.2006

- 2005 SpP made 4 launches
- 2007 SpP made 12 launches
- 2009 SpP made 21 launches
- 2011 SpP made 21 launches
- Orion launched eg.
 - Ketipinor 1.6.2007
 - Atorvastatin 1.3.2009

Specialty products sales in Finland
MAT4/2012

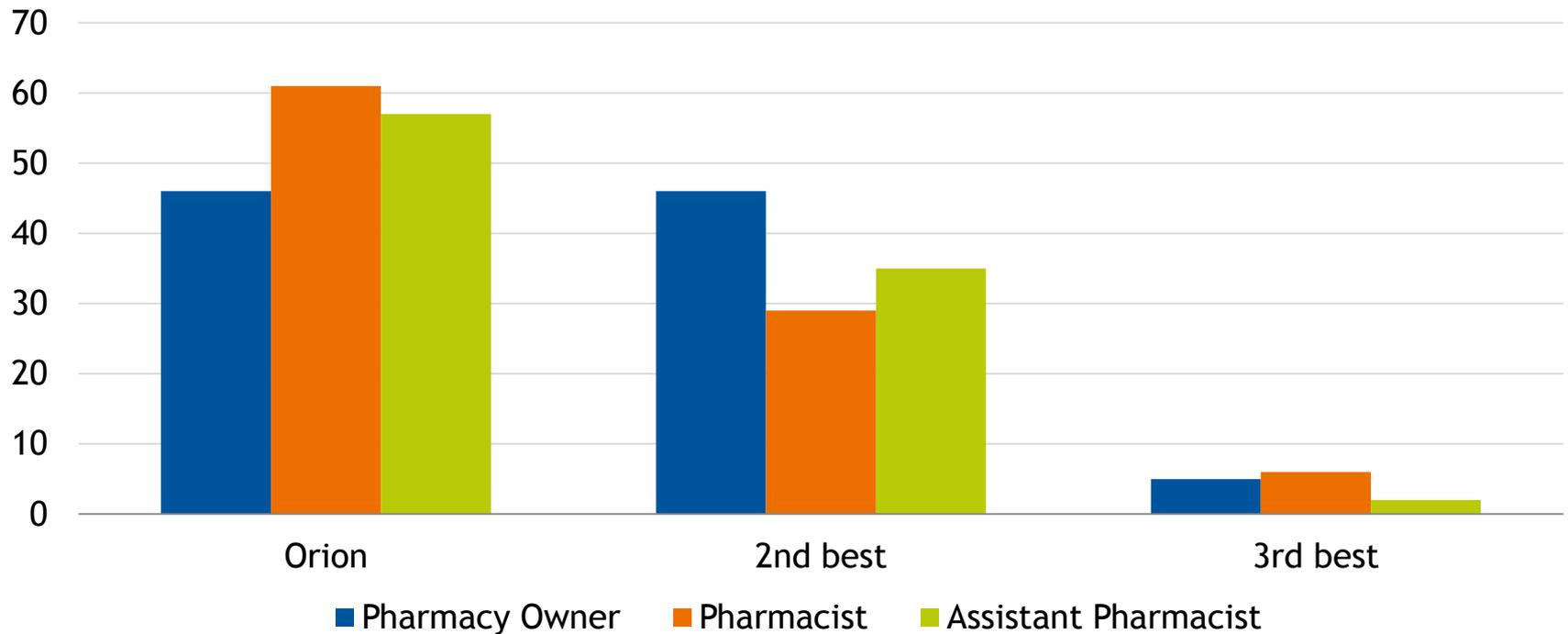


Key Success Factors

- Continuous development and renewal of product portfolio.
- Very high volume share
- Service: availability, volume, variability and demand integration within supply chain, Pharmaservice
- Long term commitment to the market and distribution channel
- Lean and mean organisation up to the top: cross functional work
- Excellent sales and marketing organisation understanding the customer need

The best pharmaceutical companies within substitution

What pharmaceutical company working within substitution products, you consider overall the best?



Source: Orion Pharma Pharmacy Study by Success Clinic 2011

Summary of the development of key ratios

	2010	2009
Aided awareness (knows at least to some extent)		
Orion	97 % (1.)	99 % (1.)
Median	80 % (7.)	93 % (5.)
The worst	31 % (16.)	22 % (16.)
Overall appreciation (excellent or average)		
Orion	90 % (1.)	95 % (1.)
Median	85 % (3.)	87 % (3.)
The worst	52 % (16.)	25 % (16.)
Has met with a company representative		
Orion	62 % (1.)	50 % (1.)
Median	36 % (6.)	38 % (4.)
The worst	8 % (16.)	6 % (16.)

Source: Finnish Pharmaceutical Companies Image Study 2010



ORION

ORION
Building well-being



Orion Supply Chain Key success factors

Virve Laitinen
SVP, Supply Chain

Orion Pharma Supply Chain network

Suppliers



- 2 own API plants by Fermion
- Suppliers for API+excipients
- Suppliers for packaging materials

Production Sites



- 3 own final product manufacturing sites
- External manufacturers
- In-licensed products partners and suppliers

Partners & own sales



- Orion subsidiaries
- European wide wholesalers and distributors network
- Strategic partners
- Key customers

Customers



- Human products
- Veterinary products
- app. 400 products in portfolio
- app. 150 new launches annually

EU, US and Japan GMP

Key priorities for Supply Chain

Service level

- High service level: products on time delivery
- Wide product portfolio in Finland, - every third package sold out is from Orion
- Continuous flow of new product launches

Quality

- Compliance quality: EU, USA and Japan GMP approved
- Right first time - Operations quality improvement initiatives

Complexity management

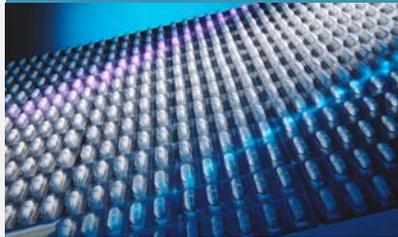
- Integrated supply chain planning
- Different operating models
- Operations end to end process optimisation
- Product portfolio renewal process with businesses

Operations efficiency

- Continuous operations make or buy evaluations
- High use of capacity in in-house manufacturing operations
- Operations excellence improvement programs
- Low cost Indian based resources
- Contract manufacturing capabilities

Orion - Supply Chain operating models

Fully integrated Supply Chain



- Fermion API + Orion Final product
- proprietary and other strategic products in-house

Orion Own production supplies



- Lean bulk manufacturing and agile packaging operations building

In-licensed product supplies



- Strategic network building

Contract Manufacturing partners



Orion - Special production capabilities



Inhalation production

- Easyhaler specific manufacturing technology in-house
- Investment program on-going to increase capacity



Hormone gel production

- Own expertise build through Divigel product portfolio
- Contract manufacturing partner for Axiron Eli Lilly

Orion - Production capabilities



Tablet production

- Tablet manufacturing capacity
- Espoo: large scale manufacturing
- Turku: small scale manufacturing



Small volume parenteral production

- Ampouls and injections



Turku plant

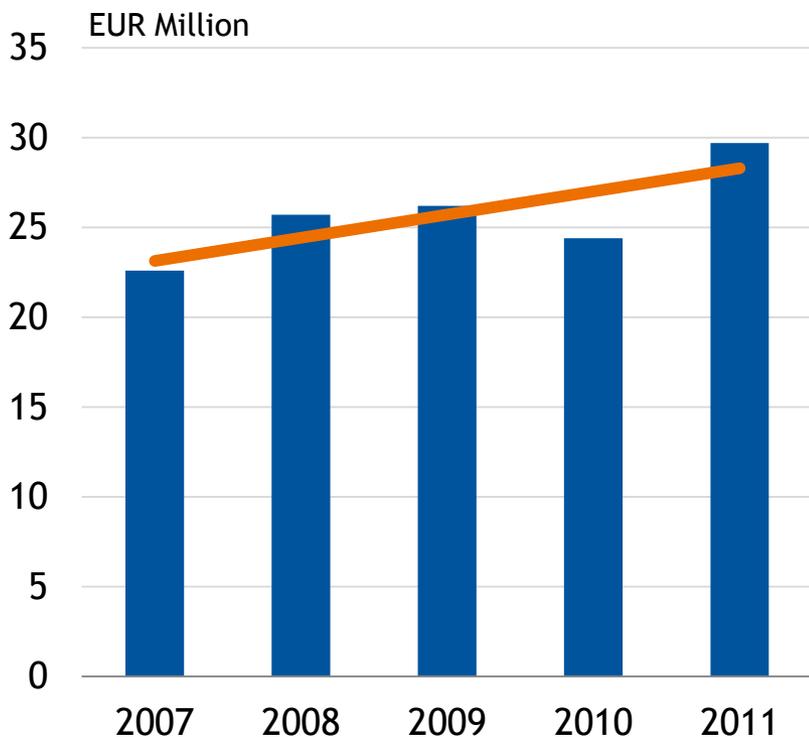
- Sytostatics tablets
- Hormone tablets
- Cream and ointments

Kuopio plant

- Liquids and solutions

Orion as a Contract Manufacturing partner

CM Net Sales



Contract manufacturing offering



How do we improve our operations ?

Total Quality Management

- Quality techniques in use: green belt and black belt tools
- Key measures : Right First Time, losses, quality costs

Efficiency

- Productivity improvement ; TPM, 5S, SMED tools
- Optimised capacity utilisation level
- Key measures: Productivity

Costs

- In-direct purchasing
- Streamlined processes and operations
- Key measures: Savings

Agility

- Sales and operation planning with integrated planning tools
- Cross functional co-operation
- Complexity management tools

Key success factors for Orion Supply Chain



Continuous improvement : quality and efficiency



High service level



End to end supply chain optimisation



Networking and partnerships



ORION

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Building well-being



ORION