



Agenda

Presentations part I

Orion's view of the future	Timo Lappalainen, <i>President and CEO</i>
Strengthening the European presence	Satu Ahomäki, <i>SVP, Global Sales</i>
Maximising opportunities in generics	Markku Huhta-Koivisto, <i>SVP, Specialty Products</i>

Q&A + coffee break

Presentations part II

Orion's R&D pipeline review	Reijo Salonen, <i>SVP, R&D</i>
Market access in Europe – recent experiences and future expectations	Liisa Hurme, <i>SVP, Proprietary Products</i>
Solid financial position by continuous focus on efficiency improvements	Jari Karlson, <i>CFO</i>

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's view of
the future

Timo Lappalainen
President and CEO

Orion Capital Markets Day 2010
9 December 2010 in Helsinki

ORION
Building well-being

Estimated pharmaceutical market growth annually 5–8 % through 2014

- By 2014, global pharmaceutical sales to exceed USD 1.1 trillion ¹⁾
- Emerging markets to sustain strong growth up to 17% during the next 5 years ¹⁾
- In 2011, global pharma market is estimated to grow 5–7 % ²⁾, and sales to exceed USD 880 billion
 - Japan forecasted to grow 5–7 %
 - Five largest European markets +1–3 %
 - USA +3–5 %

(1) Source: IMS Health Apr 2010
 (2) Source: IMS Health Oct 2010

NOTE: IMS data does not cover all pharmaceutical markets

Parkinson's drug markets continue growing

Europe (EU5)	2010	2016E	Annual growth
Prevalent population	1,467,000	1,610,000	+2%
Market EUR million	966	1,374	+6%

USA	2010	2016E	Annual growth
Prevalent population	1,063,000	1,176,000	+2%
Market USD million	1,029	1,300	+4%

Japan	2010	2016E	Annual growth
Prevalent population	728,000	856,000	+3%
Market EUR million	416	763	+11%

Source: Decision Resources and IMS Health Moving Annual Total (MAT) 6/2010 (rolling 12 months July 2009 – June 2010)

- Parkinson's disease affects currently more than 6 million people worldwide
 - of which 1 million in the USA alone
- Markets are expected still to grow due to e.g.
 - Aging population
 - Increased standard of living
 - Better access to health care

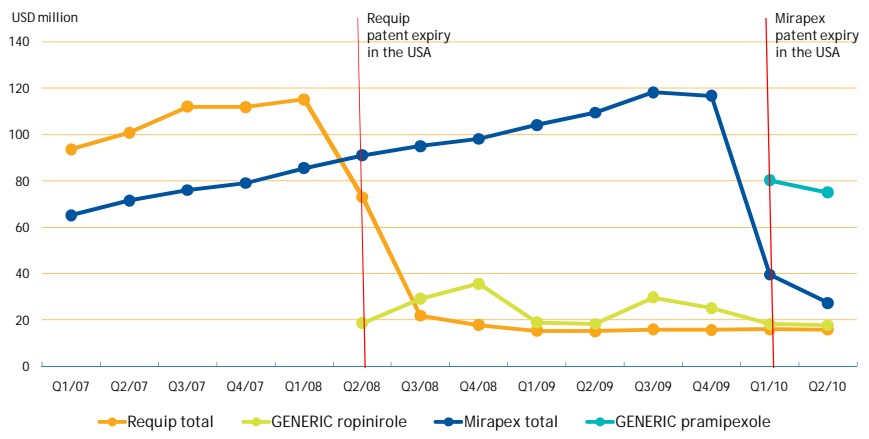
Stalevo outgrows the Parkinson's drug market

	Comtess/ Comtan in-market sales EUR million (growth) ⁽¹⁾	Stalevo in-market sales EUR million (growth) ⁽¹⁾	Timelines for Orion's Parkinson's disease franchise ⁽²⁾				
			2011	2012	2013	2014	2015
EU	30 (-18%)	151 (+15%)		Entacapone molecule patent expires in Nov	Stalevo data protection ends in Oct	Potential launch of generic Stalevo version	
USA	68 (+7%)	101 (+8%)		Sun and Wockhardt market entries starting from April	Entacapone molecule patent expires in Oct		
Japan	42 (+42%)	Not yet on the market	Stalevo filing expected in H2/2011				Comtan data protections 're-examination period' ends in Jan
Rest of the world	37 (-2%)	139 (+14%)					

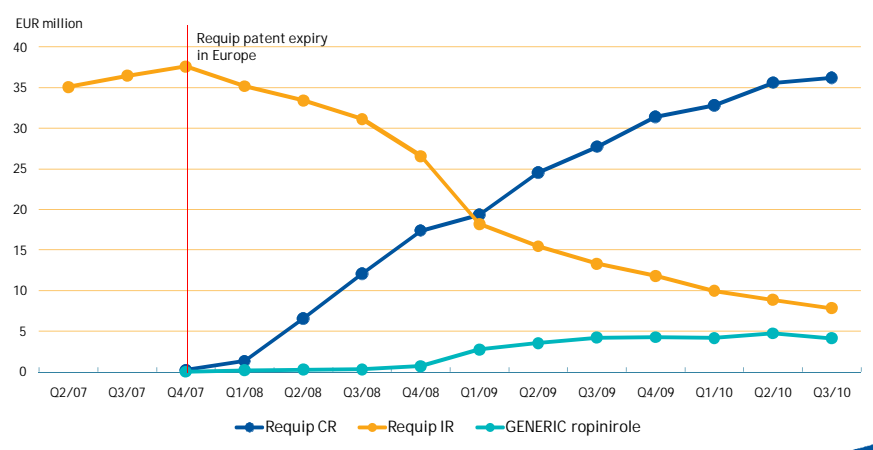
(1) Source: IMS Health MAT 6/2010
 (2) Key patents and data protection



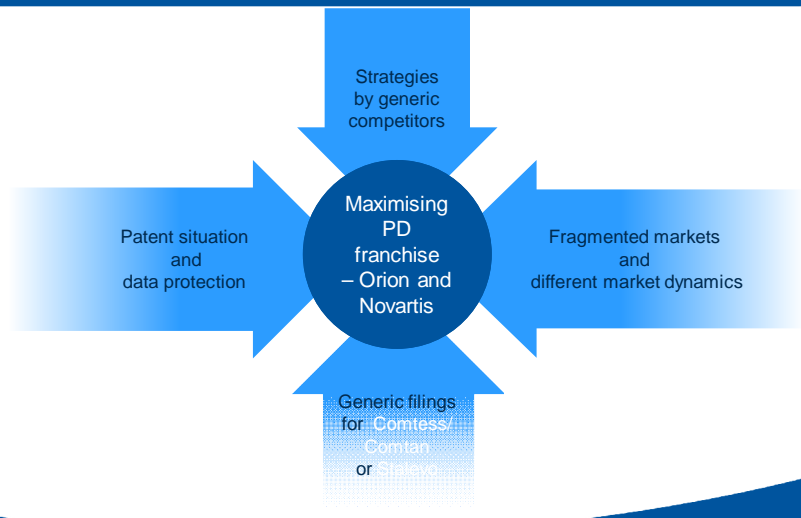
Example of a PD drug market reaction in the USA



Market reactions in Europe are milder



Complexity of estimation in Europe



Sales in Japan have further growth potential

- Currently only **Comtan** available in Japan
 - Launched in 2007
 - Data protection valid until 2015
- Sales in Japan have grown steadily to EUR 40 million (+42%)
- **Stalevo** for the Japanese market is under development in collaboration with Orion and Novartis
 - Novartis intends to submit the marketing authorisation application in H2/2011

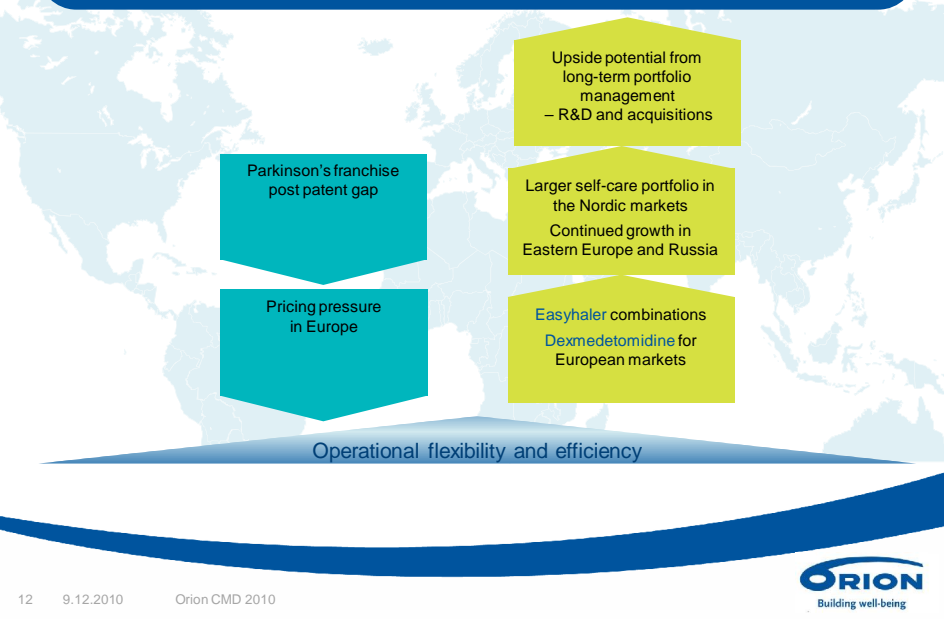
Market shares of Orion's Parkinson's drugs

	6/10	6/09
Japan ^{1) 3)}	9%	7%
United States ^{2) 3)}	18%	18%
Germany ²⁾	15%	15%
UK ²⁾	13%	13%
Sweden ¹⁾	16%	17%
Norway ¹⁾	16%	17%
Denmark ¹⁾	15%	14%
Finland ¹⁾	26%	30%

Source: IMS Health MAT 6/2010

(1) Including sales to hospitals and retail distributors
 (2) Sales to retail distributors only
 (3) Novartis sales area

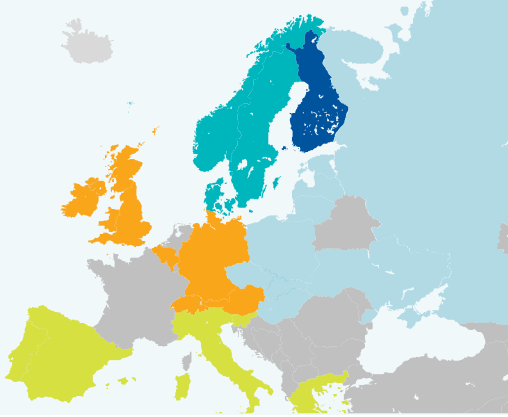
Balancing mid-term – building long-term



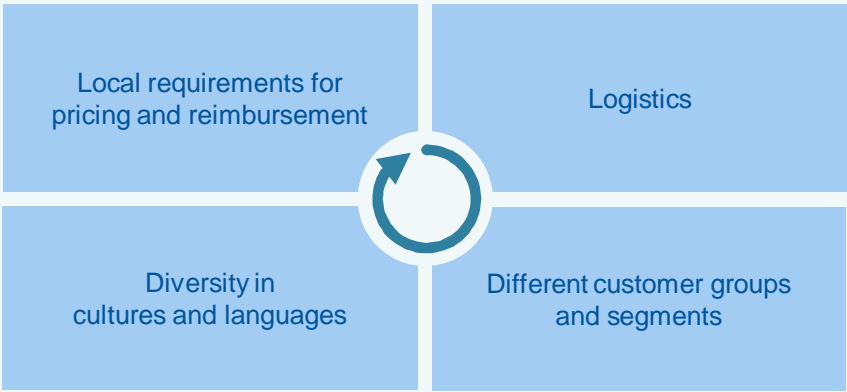


Orion's own operations cover the main markets in Europe

Orion's sales regions	Rough no. of personnel
Finland	100
Scandinavia	70
Western and Central Europe	175
Eastern Europe	270
Southern Europe	40



Europe is very diversified as a market place



Emerging stakeholders and pharma approaches

Traditional model

- Physicians
- Key Opinion Leaders



- Sales Representatives
- Medical Education Programs

Additional stakeholders

- Payers
- Patients
- Trade channels



- Key account management teams

Source: Vision & Reality Study, 7th Edition. Capgemini 2010 The Cegedim Dendrite Market Access Industry Report, 2010



As a result of the complexity
in the European market
Orion adapts its operations
to fit the local circumstances

Orion adapts to the local conditions, while using a centralised approach

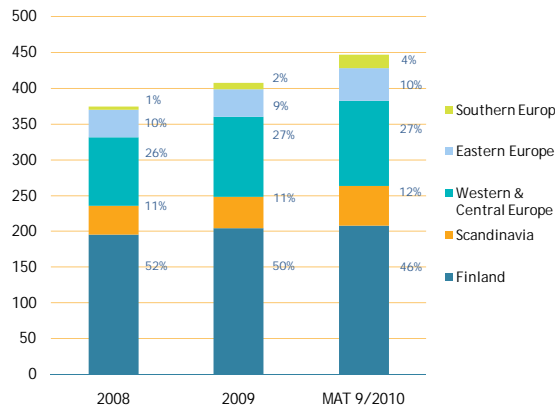
Orion has

- Broad geographical coverage in Europe by own sales force
 - Long experience from each market
 - Knowledge on local regulations and roles of different authorities
 - Connections with different market specific customer groups and segments
 - Best local partners in logistics
 - Flexible regional approaches
 - Lean country organisations and is refocusing field force as needed
 - Strong back up from head quarter functions
 - Profitable operations in all markets
 - Platform that enables successful in-licensing
- Creates a solid foundation for success

Regional breakdown is getting more balanced

Orion sales of human pharmaceuticals in Europe

EUR million



MAT 9/2010 = Rolling 12 months 10/2009 - 9/2010

- Sales of human pharmaceuticals have clearly increased (+20%)
- Orion has been able to grow in declining Finnish market
- Sales from regions outside Finland are growing strongly
 - European-wide coverage
 - Expanded number of product launches

European expansion is proceeding as planned

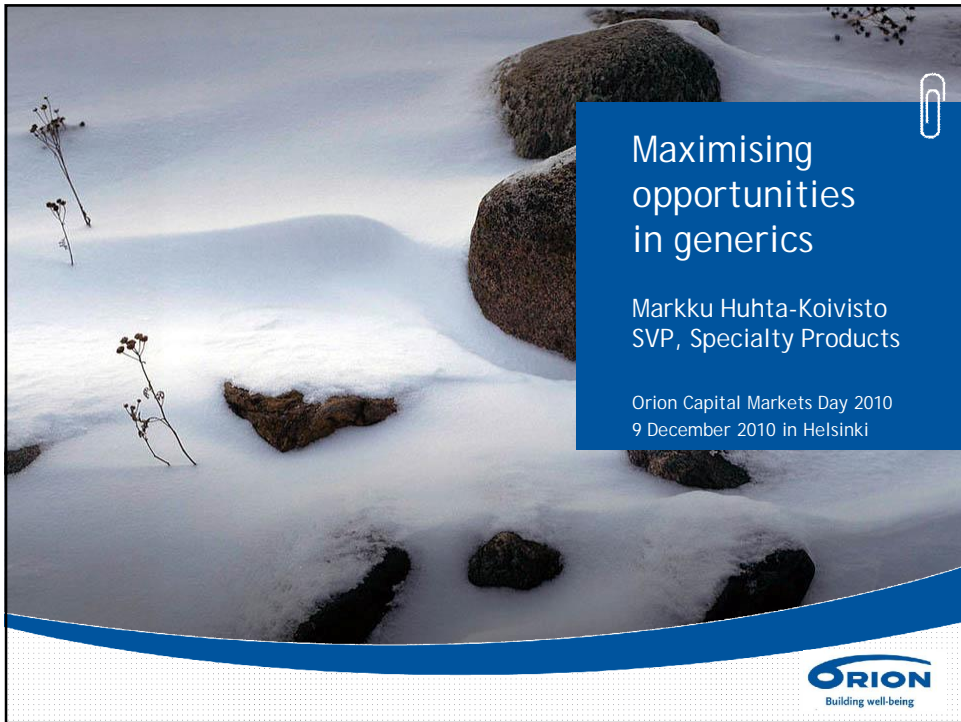
- Orion is prepared for the upcoming changes
- New operations have been successfully established
- Orion applies regional approaches and ensures profitability of operations in all markets
 - Success in tough Finnish market
 - Broadened product offering in Scandinavia to establish home market position
 - Market specific offering in Eastern Europe
 - Western, Central and Southern Europe will remain mainly a region for patent protected proprietary products

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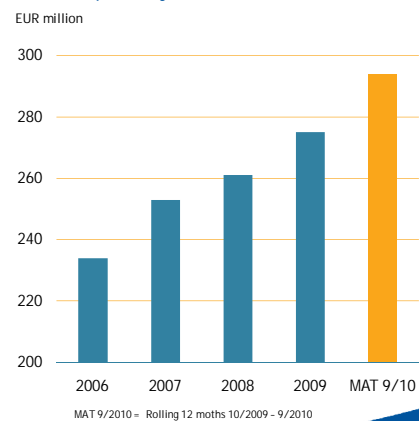




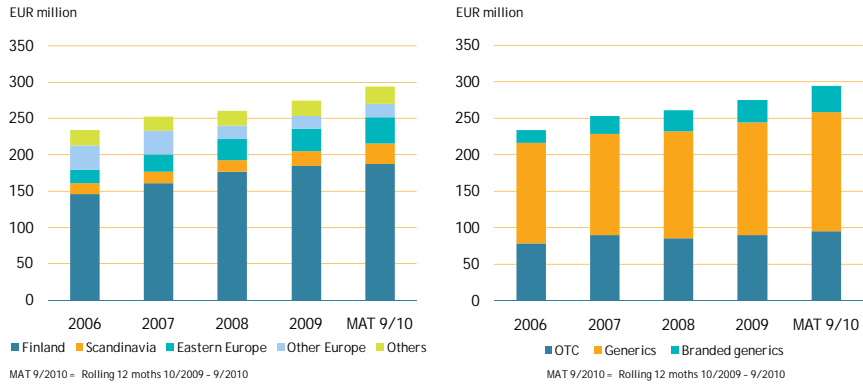
Orion's generic business focuses on Nordic countries and Eastern Europe

- Global generic markets are expanding in volume
- Patent expiries will continue
- Uptake of generic drugs will become swifter
- Emerging markets will drive market growth
- The prevalence of chronic disease will increase
- Price pressure continues
 - Introduction of government price erosion mechanisms
 - Intensified competition
 - Cost cuttings

Orion's Specialty Products net sales



Net sales of Specialty Products continue to grow

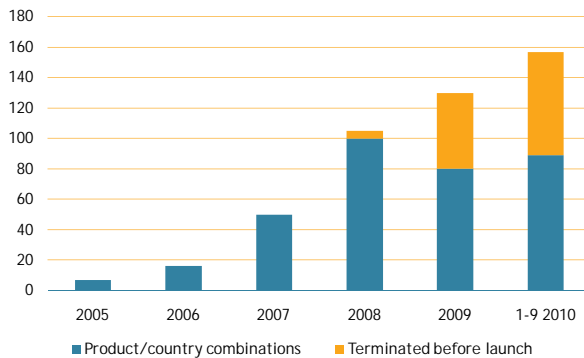


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Launches are basis for future growth

Number of product launches in Specialty Products business unit



Launches in 1-9/2010

By geographical area

- Eastern Europe 47
- Finland 19
- Scandinavia 10
- Other 13

By type of product

- Prescription (Rx) 75
- Self-care 6
- Non-medicine 8

Sourcing of products

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

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Orion, clear market leader in declining Finnish market

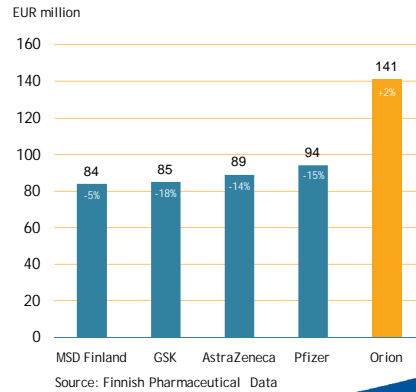
Finnish human pharmaceuticals market in 1-9/2010

- Wholesales EUR 1,415 million (-1%)
- Biggest market decrease in prescription drugs covered by reference price system

Orion in Finnish pharmaceutical market

- Quarter of Orion's net sales from Finland
- Orion remains clear market leader
 - Market share 10 %
 - Volume share 28 %
- Orion especially strong in self-care and substitutable prescription (Rx) drugs

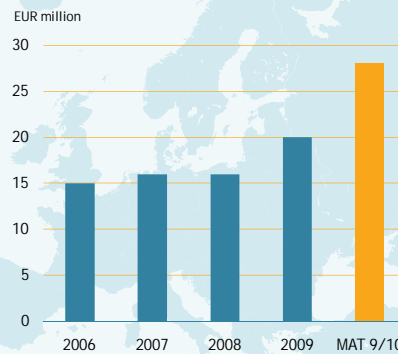
Finland's biggest pharmaceutical companies 1-9/2010



Strong growth in all Scandinavian countries

Specialty Products net sales in Scandinavia

		Sales EUR million	Growth ⁽¹⁾ %
Sweden	Prescription	4.3	+10 %
	Self-care	2.8	+91 %
	Total	7.1	+32 %
Denmark (excl. Iceland)	Prescription	8.2	+58 %
	Self-care	2.2	+10 %
	Total	10.4	+44 %
Norway	Prescription	2.8	+120 %
	Self-care	2.9	+144 %
	Total	5.8	+131 %
Total Scandinavia	Prescription	15.3	+47 %
	Self-care	7.8	+70 %
	Total	23.2	+54 %

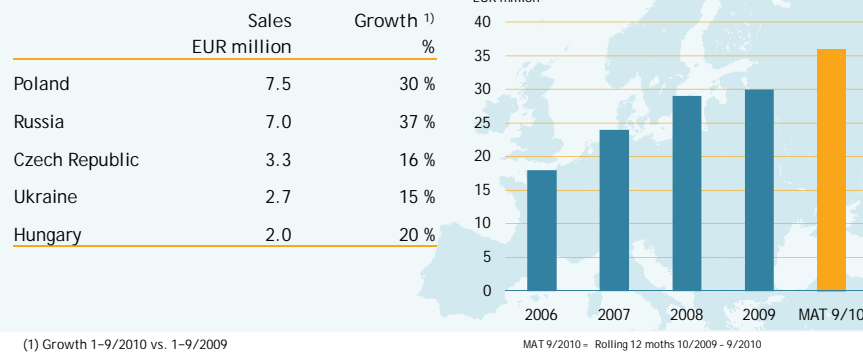


(1) Growth 1-9/2010 vs. 1-9/2009

MAT 9/2010 - Rolling 12 months 10/2009 - 9/2010

Steady growth also throughout Eastern Europe

Specialty Products net sales
in top 5 Eastern European countries



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Orion has outperformed the market growth in all regions

Orion will

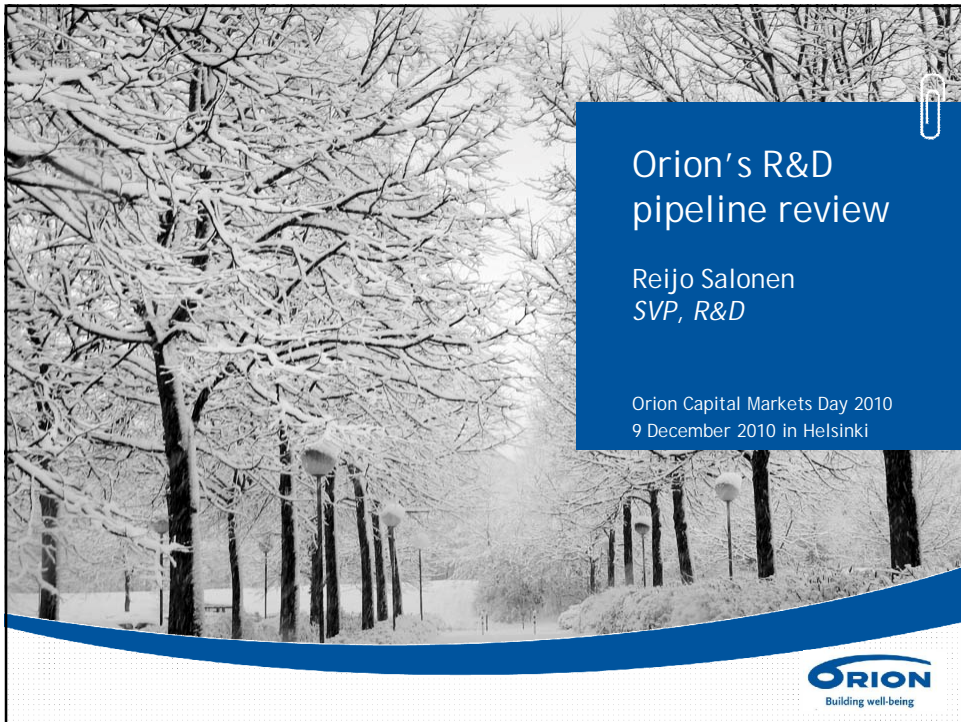
- Strengthen the market leadership position in Finland
- Continue to build the self-care platform in Scandinavia
- Continue to grow with new products targeting the key customer groups in Eastern Europe
- Exceed the market growth in Russia

By

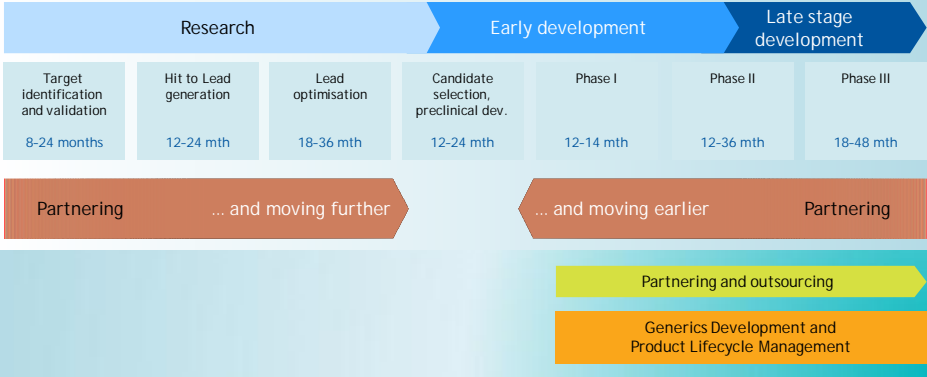
- Maintaining the current level of profitable launches at >120 launches/a
- Managing efficiently the increasing complexity of business
 - Focusing on key umbrella brands
 - Utilising multi-country packages
 - Improving processes by standards and new methods
- Improving efficiency in own operations and using external networks and partners to manage profitability

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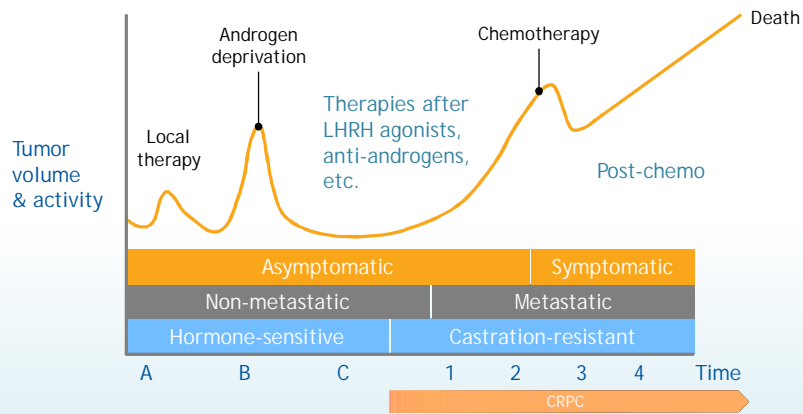


Focus on own strengths and active partnering



Antiandrogen

High unmet need for Castration Resistant Prostate Cancer



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Antiandrogen for treatment of CRPC

- **Pharmacology:** has proven efficacy in CRPC models in vitro and inhibits efficiently tumour growth in mice
 - No testosterone increase in animal models
 - Does not enter brain in preclinical models
- **Safety pharmacology:** is well tolerated at pharmacological exposure level
- **Toxicology:** no target organs of toxicity identified
- Combined Phase I/II study in patients in planning

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

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Alpha_{2C}
receptor
antagonist
platform



Orion has strong knowledge in alpha₂ adreno receptors

a_{2A}-AR

- the “major subtype”
- universally expressed
- mediates most of the prominent effects of subtype- nonselective a₂-agonists



a_{2B}-AR

- expressed mainly in the periphery, but also in the thalamus
- role in peripheral vasoconstriction

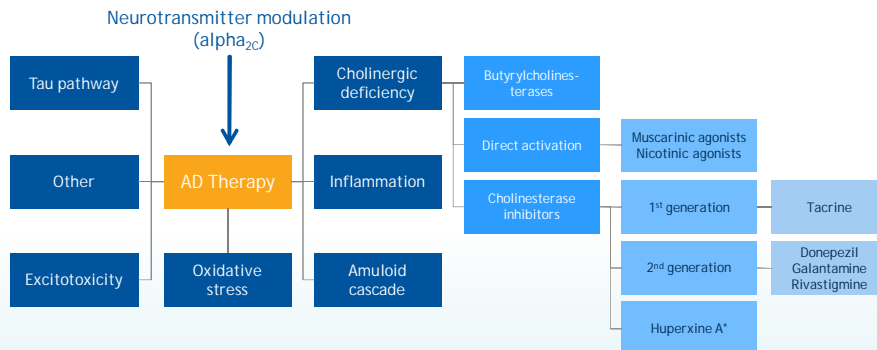


a_{2C}-AR

- expressed mainly in the CNS (striatum and hippocampus) in the rat
- physiological fine tuner of neurotransmission



Alpha_{2C} antagonists have a unique profile



- The preclinical findings can be expected to translate into beneficial treatment effects in various neuropsychiatric conditions, such as Alzheimer's disease, schizophrenia and depression

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Phase I studies with alpha_{2C} receptor antagonist

Phase I completed

- Single ascending dose (first-in-man) study
- 2 multiple ascending dose studies
- Positron emission tomography (PET) occupancy study (brain penetration)
- Bioavailability/food interaction study
- Mass balance and characterisation of main metabolites

Planned:

- Phase 2a study to evaluate safety and to obtain preliminary efficacy signal in treatment of Alzheimer's disease

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Easyhaler combinations

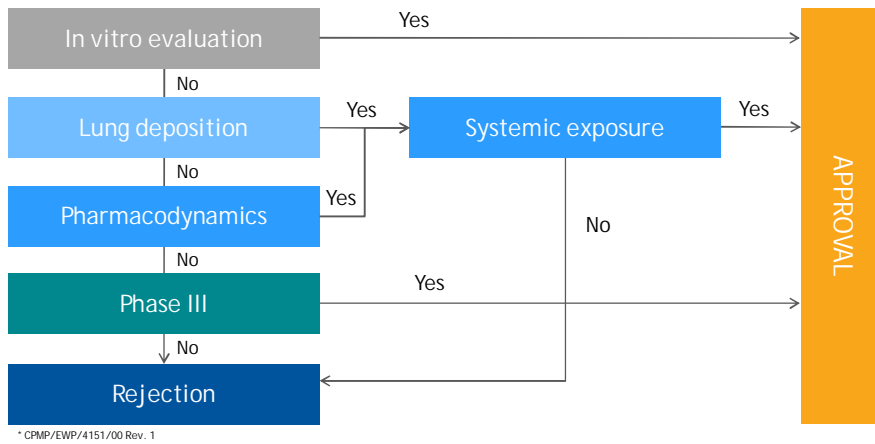


Orion's has two Easyhaler® combinations under development

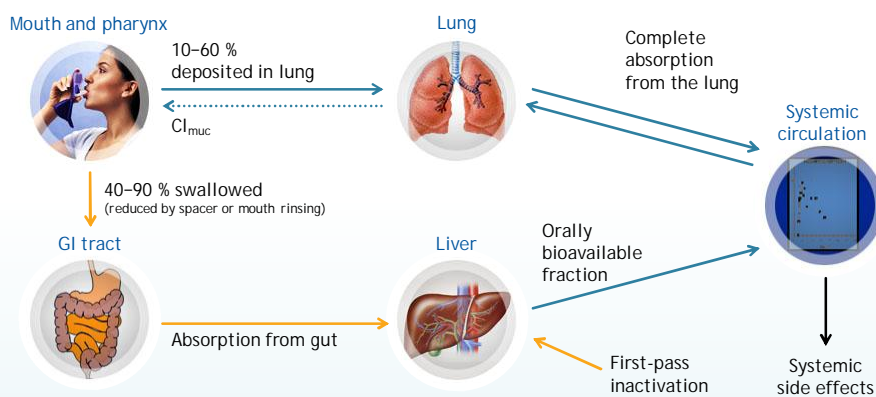
- Both **budesonide/formoterol** and **fluticasone/salmeterol** programmes are in clinical development (pharmacokinetics)
- Indication in both combinations is asthma (adults and children) and COPD (chronic obstructive pulmonary disease)
- Objective is to develop similar dry powder inhaler products in **Easyhaler** as Symbicort Turbuhaler and Seretide Diskus
- Target regions are EU and rest of the world excluding USA and Japan



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



Inhaled drugs are absorbed both through lungs and guts

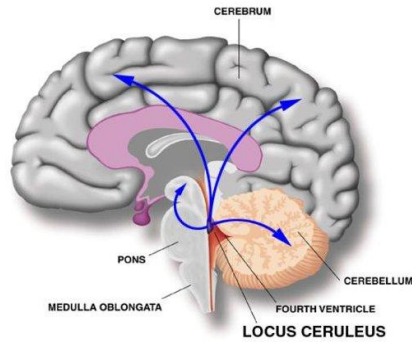




Dexmedetomidine to be used in sedation of long-stay intensive care patients

- Treatment period in Orion's phase III study was at least 24 h with a maximum **dexmedetomidine** dose of 1.4 µg/kg/hour
- **Dexmedetomidine** is the only alpha₂ agonist approved in the USA for continuous IV sedation of initially intubated and mechanically ventilated patients at maximum dose of 0.7 µg/kg/h for up to 24 h
 - Also indicated for sedation of non-intubated patients prior to and/or during surgical and other procedures, at maximum dose of 1.0 µg/kg/hour since 2008
- Application for marketing authorisation submitted to the European Medicines Agency in October
 - Centralised procedure generally takes more than a year

Dexmedetomidine is a relatively selective α_2 agonist



α_2 -adrenoceptors in locus coeruleus in the brain stem activated

Ca²⁺ channel inhibition and K⁺ channel opening

Hyperpolarisation of excitable neural cells

Sedation

Positive results from dexmedetomidine Phase III programme

		Dexmedetomidine vs. midazolam	Dexmedetomidine vs. propofol
Efficacy	Effectiveness of sedation in intensive care	X	X
	Shorter time to end mechanical ventilation	X	-
Safety	Safety findings consistent with the known effects of dexmedetomidine	X	X
	No significant new safety concerns	X	X

Plan is to publish main results in ISICEM* in March 2011

Secondary efficacy objectives

Nurses' assessment of rousability, ability to communicate the presence of pain
Length of stay in ICU

Additional efficacy objectives

Time to extubation
Length of hospital stay
Use of rescue treatment
Costs of care in ICU
Total costs of hospitalization
Assessment of pharmacokinetics

*International Symposium on Intensive Care and Emergency Medicine



Market access in Europe – recent experiences and future expectations

Liisa Hurme
SVP, Proprietary Products
Orion Capital Markets Day 2010
9 December 2010 in Helsinki

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Proprietary Products growth accelerates beyond Parkinson's franchise

Growth % of net sales

Year	Parkinson franchise (%)	Other PP sales (%)
2007	~7.5	~7.5
2008	~4.0	~22.5
2009	~12.5	~31.5
MAT 9/2010	~4.5	~26.5

MAT 9/2010 – Rolling 12 months 10/2009 - 9/2010

EUR million

Year	Novartis sales (EUR million)	Own PD drug sales (EUR million)	Other PP sales (EUR million)
2007	~115	~85	~55
2008	~118	~90	~65
2009	~138	~95	~85
MAT 9/2010	~145	~100	~110

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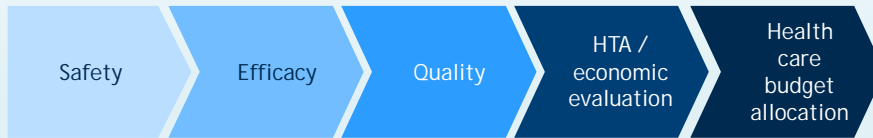
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Five steps to markets access in Europe

On-going Orion commercialisation projects



Several Levels exist



Dexmedetomidine i.v.

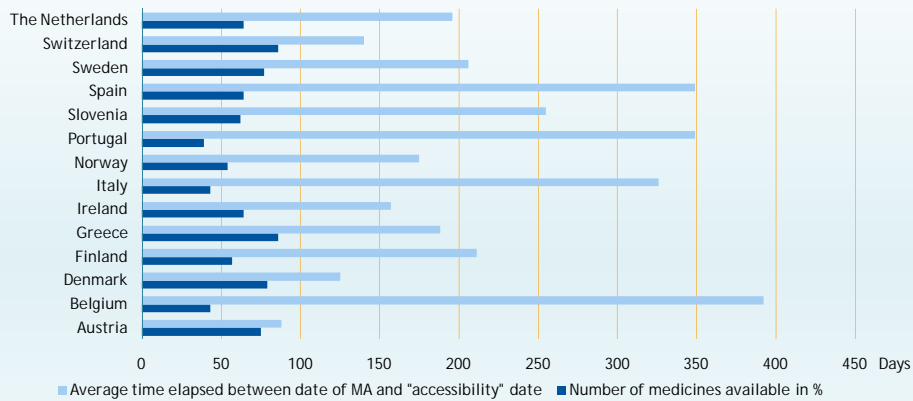
Vantas >20 European countries

Vantas DE, DK, IR, SPA, UK, SE, UA

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Substantial delays in market access in Europe

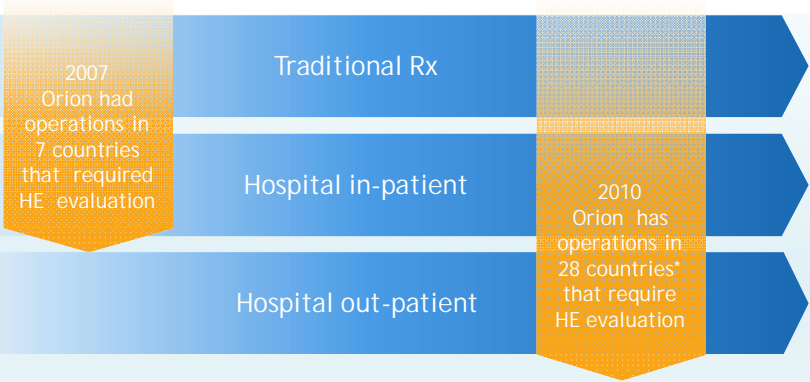


Note: For new medicines with first EU marketing authorisation in the period 2007-2009
Source: EFPIA, Patients W.A.I.T. Indicator 2010 Report

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Complexity of Orion's business has increased



>50 different market access processes to master in Europe

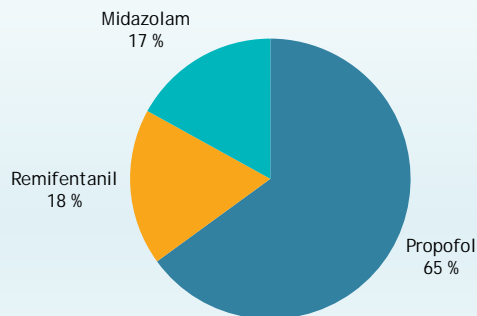
HE = Health Economics

* Germany to require as of Jan 2011



European sedation market is dominated by three products

European sedation market
Total market value EUR 491million, growth +4.0%



Source: IMS MAT 6/2010



Efficacy of sedation on a satisfactory level, but...

Unmet needs in ICU sedation	Relevance rating
Short half-life, low risk of accumulation	High
Fast onset of action	High
Haemodynamic stability	High
No respiratory depression	Moderate
Shorter time on mechanical ventilator	Moderate
Improved pain management	Moderate
Easier patient management in ICU (Communication, Co-operation)	High
Lack of sedative for pediatric use	Moderate

Riker and Fraser. Crit Care Clin 2009;25:527-538; Venn et al. Crit Care 2000;4:302-308;
 Martin et al. J Intensive Care Med 2003;18:29-41, Westcott C. Intensive Crit Care Nurse 1995;11:26-31

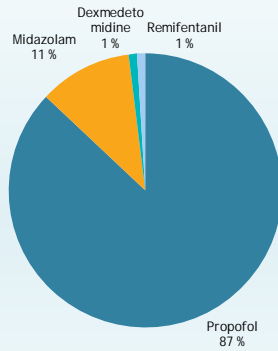
Dexmedetomidine is targeted for mild to moderate sedation in mechanically ventilated patients

Sedation of artificially ventilated patients in the ICU in EU top 5		Level of sedation		
		Mild	Moderate	Deep
Duration of sedation	Short < 48 hrs			
	Mid 48-72 hrs			
	Long > 72 hrs			

Precedex has captured a significant market share in the USA

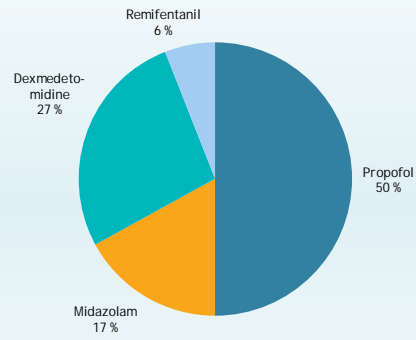
Sedation market in USA in 2003

Total market value 594 million USD in 2003



Sedation market in USA in 2009

Total market value 312 million USD in 2009



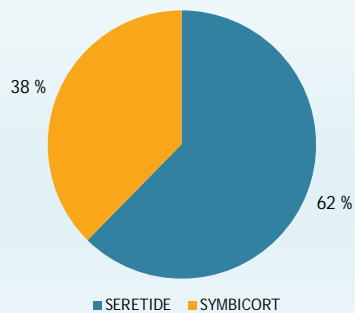
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Mid-term opportunity in Easyhaler product family – good performance in selected markets with current offering

Seretide and Symbicort sales in top 5 European countries

Total sales EUR 1.9 billion, growth +5%



Source: IMS MAT6/2010

Budesonide Easyhaler's market share of inhaled corticosteroids

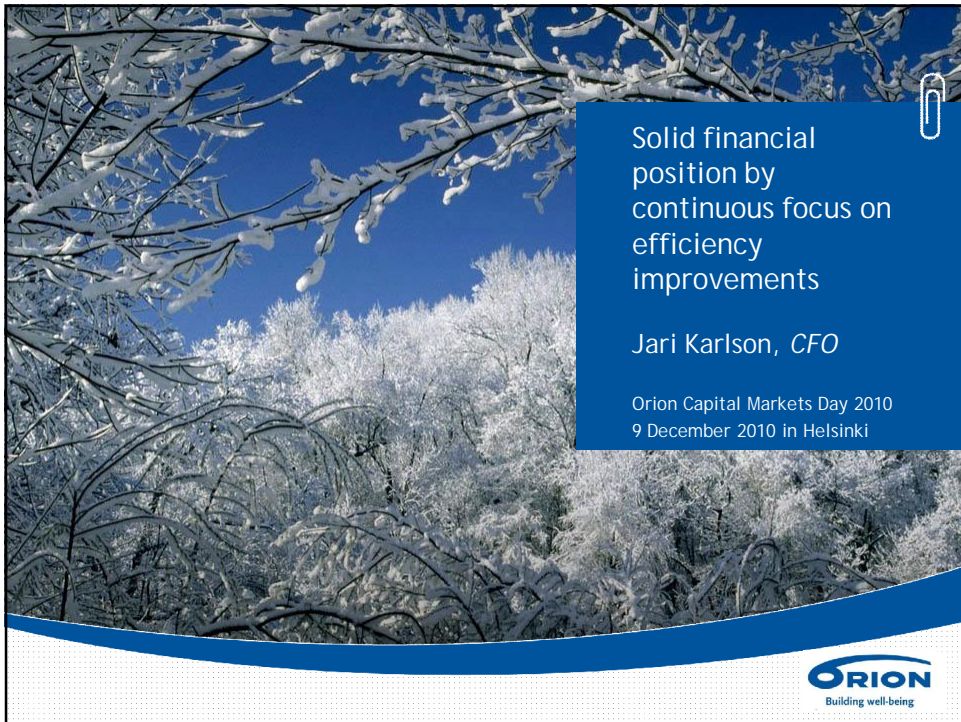
Budesonide Easyhaler market share %

Germany	13%
Finland	7%
Turkey	20%

MAT 9/2010 – Rolling 12 months 10/2009 – 9/2010

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Orion has solid financial position

- For years Orion has had very solid financial position, which provides good basis for future development of the company
 - 9/2010 equity ratio 62% and gearing 2%
 - 12/2009 equity ratio 58% and gearing -9%
- Maintaining financial strength is important for Orion
 - Capability to take required R&D risks
 - Capability 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

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:

1. Ensuring financial stability
2. 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%

Cost cuttings only will not be enough

Challenges:

- Deliveries to Novartis cover >50% of total Parkinson's business
 - EBIT margin of the business is high
- Lower volumes will not substantially reduce the total amount of work
- New business is more work intensive
- Prices are declining in most markets
 - pressure on margins

Thus:

- Cost management must not endanger the sales growth
- Capability to manage complexity needs to be improved
- Continuous focus to improve efficiency and prioritisation capabilities

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Orion focuses on long-term improvements

- Key measures for the cost efficiency programs
 - Fixed costs to grow more slowly than net sales (i.e. reduction in fixed costs/revenue ratio)
 - Increase in cost flexibility (i.e. increase in variable costs/fixed costs ratio)
 - Allocation of resources to areas that are driving the growth
- Quarter to quarter comparison is not relevant, more essential is the longer-term trend
 - Volatility very likely in e.g. R&D costs due to timing of the clinical studies

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On-going cost efficiency initiatives

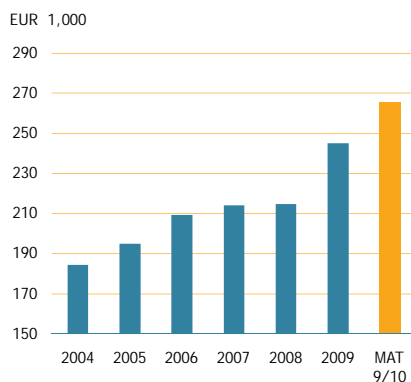
- Continuous decrease in costs of goods manufactured
 - Develop own manufacturing processes
 - Outsource manufacturing when appropriate
 - Improve purchasing processes
- Improved efficiency of in-direct purchasing
- Further development of R&D partnership model
- Flexible allocation of personnel and other internal resources
 - Different functions and business areas
 - Different geographical regions

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Orion's productivity continues to improve

Net sales per person



MAT 9/2010 = Rolling 12 months 10/2009 - 9/2010

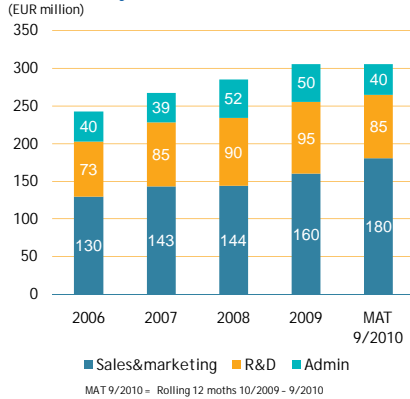
	2004	MAT 9/2010	Change %
Net sales (EUR million)	553	828	+50%
Personnel	2,997	3,124	+4%
Sales/person (EUR thousand)	184	265	+44%

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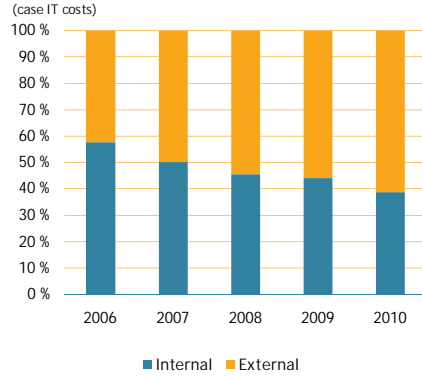


Re-allocation of resources support growth

Resources by function



Ratio between internal and external costs



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Cash conversion

Challenges:

- Complexity of business increases
 - More countries, larger product portfolios, greater number of product launches
- Challenge to manage inventories and trade receivables
- Growth focuses on countries with longer payment terms
- Cost base mainly in Northern Europe

Thus:

- Requires numerous small initiatives in all regions and functions
- Process improvements will not immediately improve reported numbers, but will prevent them from getting worse

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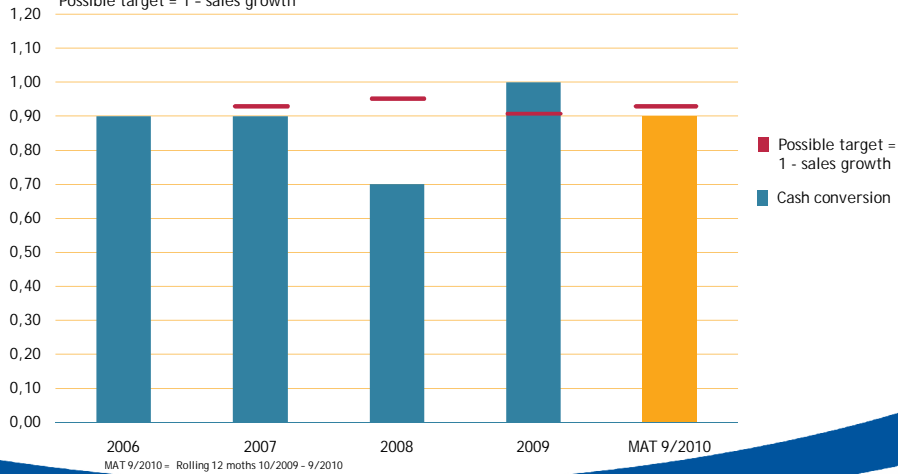
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Cash needs to be reserved also for growth

Cash conversion = Cash flow before financial items / net profit
Possible target = 1 - sales growth



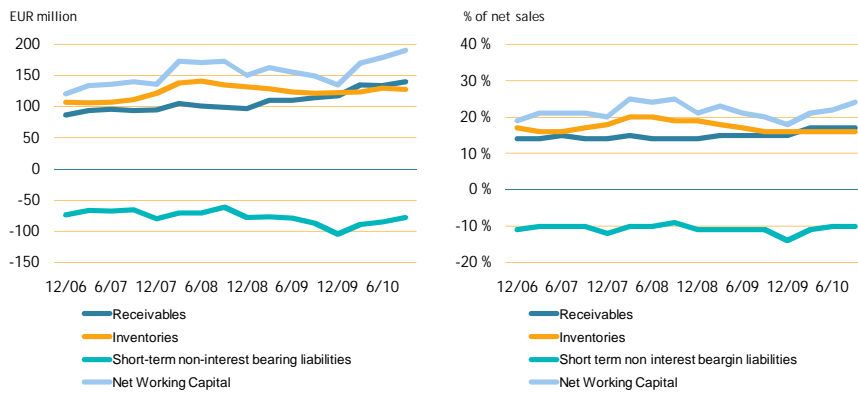
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ORION
Building well-being

Development of Net working capital



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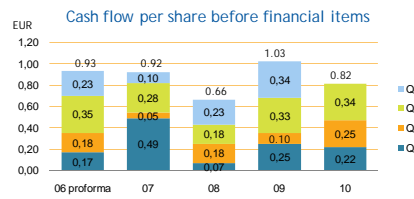
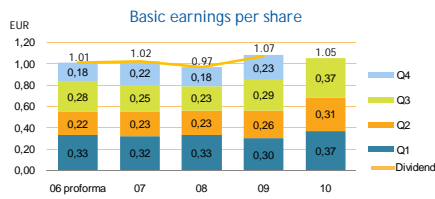
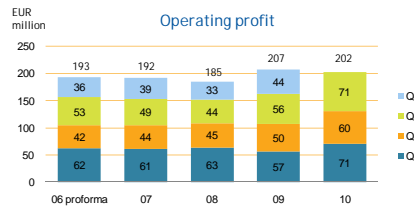
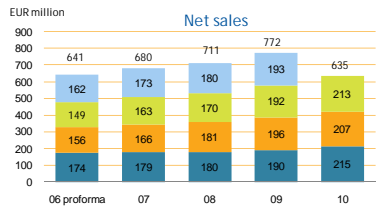
Complexity of business has increased

- Amount of net working capital has increased, but not on average as % of net sales
 - Trade receivables have increased due to growth in net sales and larger share of business in Southern Europe
 - Seasonal variances in short-term non-interest bearing liabilities are due to changes in various accruals (especially personnel related)
- Key measure: Decrease in net working capital as % of net sales

On-going cash conversion initiatives

- Credit management to avoid bad debt
 - Active collection processes
- Improved management of in-direct purchasing by developing both processes and purchasing tools
- Inventory control as part of the overall development of supply chain processes
 - Purchasing
 - Balance between inventory levels and payment times
 - Logistics structures especially for purchased products
- Improved management of product life-cycle information and product launches by developing both processes and tools

Good performance today creates good basis for future



Balancing mid-term – building long-term

