



Announcement of rights issue

29 March, 2011

Integration completed

- Successful merger of Biovitrum and Swedish Orphan
 - Complementary operations/good fit
- Synergies of SEK 100 million achieved on an annualized basis
 - 55 overlapping positions eliminated
 - Support systems streamlined
 - Move into one common head office
 - Alignment of global distribution network

Implementation of strategy

- Seven ongoing product launches
- All phase III studies run according to plan
- Five new business development deals; continued intensive BD-activities
- Cost structure being addressed – downsizing of early research and CMC
- Sobi's organization strengthened
 - Resources for business development significantly increased
 - Marketing and sales expanded in Europe and established in USA
 - The Board of Directors and certain management functions have been reinforced
- Long term objectives (2015) unchanged
 - Revenue SEK 5 billion
 - EBITA margin > 30 %

Announcement of cost reductions

- Cost reductions of approx. SEK 100 million on an annual basis
 - Generated gradually during 2011 with full effect as of 2012
- Implemented in all functions
 - Reduction of approx. 70 positions, mostly within preclinical development, CMC and Manufacturing and Quality Control/Quality Assurance
- The goal is to retain expertise and competence with the option to increase resources in the future
 - External resources will be used when needed – increases flexibility and reduces fixed costs
 - The changes will not affect current clinical development projects

Reasons for rights issue

- Improves capacity to implement strategy and reach financial goals
 - Expansion of the product portfolio through additional in-licensing, distribution agreements and product acquisitions
 - Commercialization of new products
 - Continued geographical expansion through extension of the marketing organization and through cooperation with external partners
- Limited current financial flexibility
 - Weaker than expected sales development
 - FX/delayed pricing approvals /challenging market sentiment in Europe
 - Strong development for Kineret requires capital
 - Move of production/procurement of supply/past and future milestones

Rights issue terms

Offering type	<ul style="list-style-type: none">• Fully underwritten rights issue of common shares
Size	<ul style="list-style-type: none">• Gross proceeds of SEK 600 million
Envisaged timetable	<ul style="list-style-type: none">• Rights issue announced: 29 March• Q1 report: changed from 28 April to 20 April• Rights issue terms announced: 27 April• AGM decision on proposed transaction: 28 April• Subscription period: 11 May–26 May
Joint lead managers	<ul style="list-style-type: none">• Carnegie Investment Bank and Handelsbanken Capital Markets
Commitment and underwriting process	<ul style="list-style-type: none">• Transaction fully committed and underwritten• Initial underwriting on “stand-by” basis, with terms being decided by the Company (and approved by the joint lead managers) just before the AGM (Nordic market practice)

Rare disease strategy with strong platform for profitable growth

- Attractive market
 - Well-defined market segment with attractive growth opportunities
- Diversified portfolio
 - Diversified portfolio of orphan and niche specialist pharmaceuticals
- Strong commercial presence
 - Strong European and emerging US presence
 - ROW distributor network to be expanded
- Strong late stage pipeline
- Compelling product development and manufacturing capabilities
- Business development capabilities
 - Strong business development track record and strengthened team in place