

Results Q2 2012

Geoffrey McDonough (CEO)

Alan Raffensperger (COO)

Lars Sandström (CFO)



Stockholm, 19 July, 2012

Highlights Q2 2012

Business

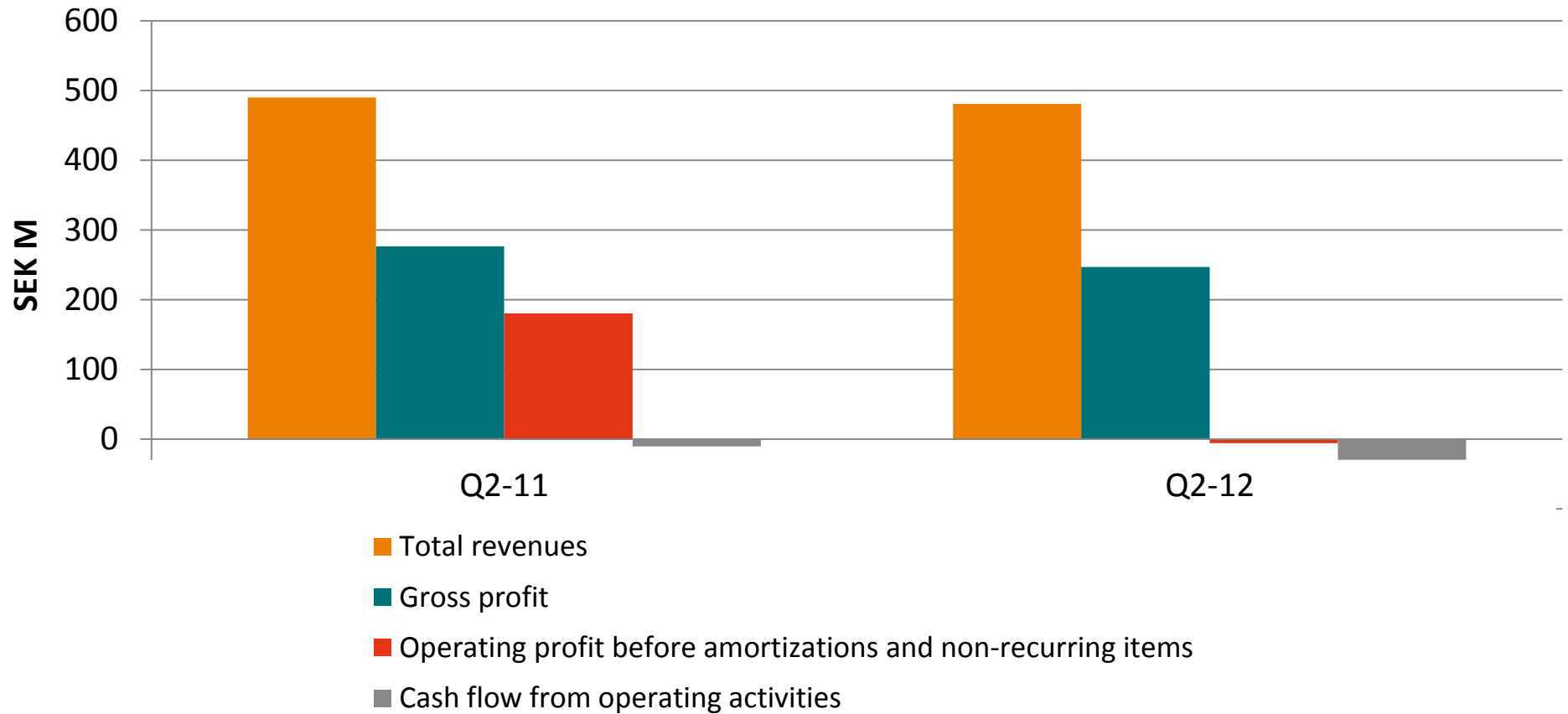
- Start of Hemophilia pediatric trials
 - KIDS A-LONG screening
 - KIDS B-LONG 1st patient dosed
- sBLA submission to extend Kineret label in NOMID in United States
- Collaboration agreement around IL-1 with Affibody
- SEK 600 M bond placement
- CMO, CFO recruitments

Financial

- Total revenues: SEK 481 M (490)
 - Core Products, 5% growth
 - Partner Products, 5%* growth
 - ReFacto Manufacturing + Royalty, 5% growth
- Gross margin: 51.4% (56.4)
 - Milestone revenue Orfadin Japan offset by final quarter of tech transfer costs
- Operating profit: SEK -70 M (127)
 - Tech transfer and Arexis settlement costs
 - Divestment of ReFacto co-promotion
 - Phasing between commercial investments and topline growth
- Outlook for 2012 unchanged

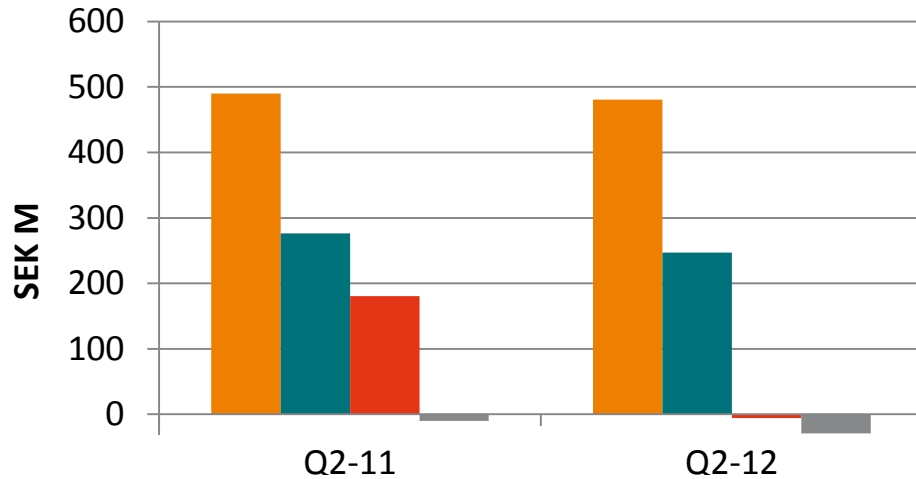
* Partner products excluding discontinued products and co-promotion revenues

Consolidated Results Q2 2012



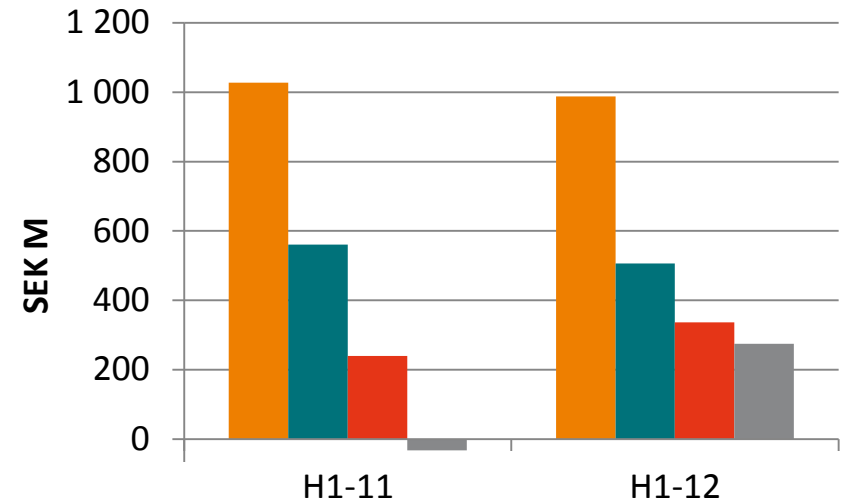
Consolidated Results Q2 and H2 2012

Q2 2012



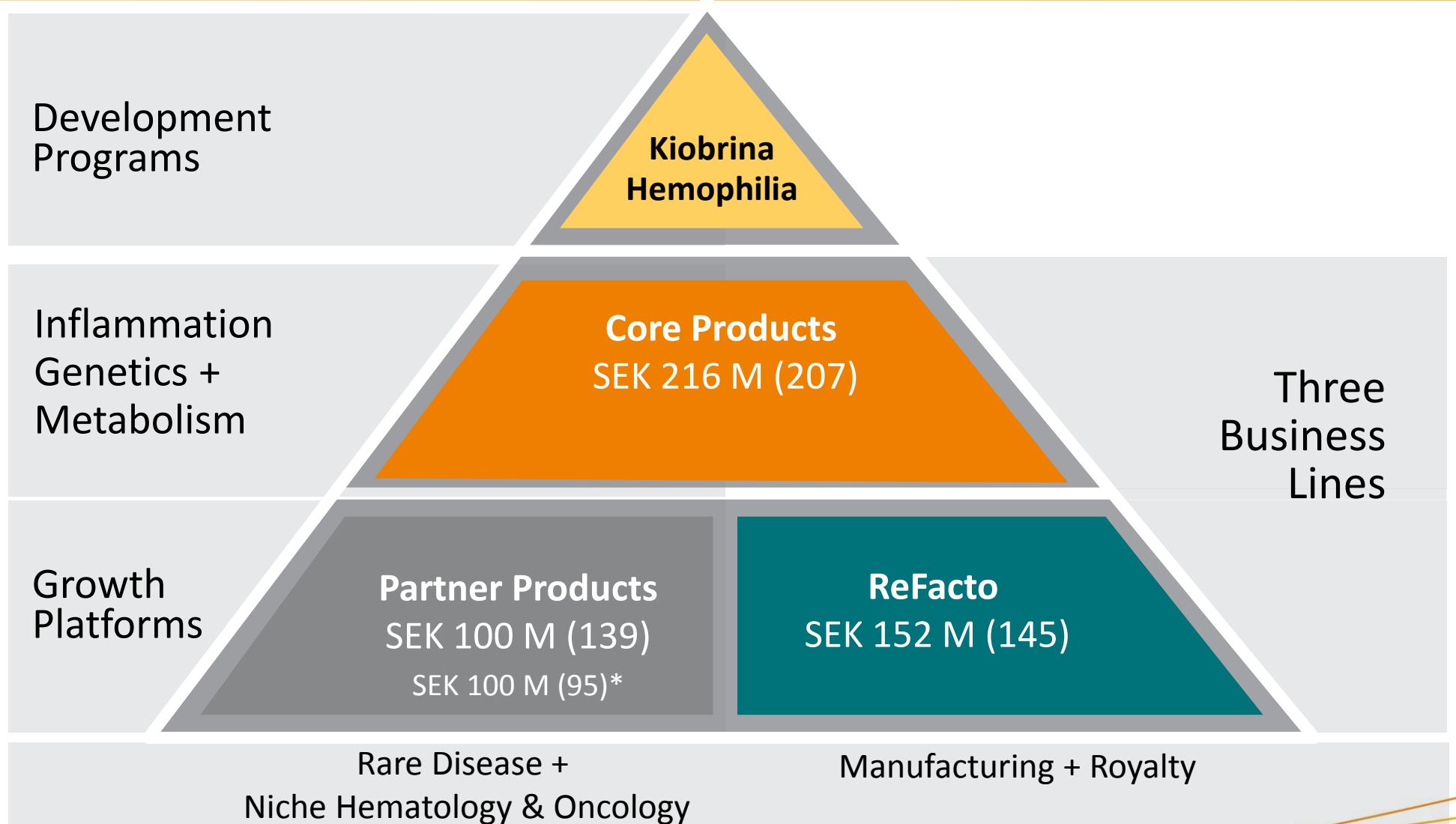
- Total revenues
- Gross profit
- Operating profit before amortizations and non-recurring items
- Cash flow from operating activities

H1 2012



- Total revenues
- Gross profit
- Operating profit before amortizations and non-recurring items
- Cash flow from operating activities

Revenues by Business Lines

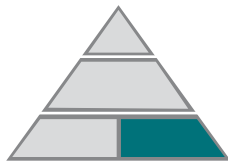


* Partner products excluding discontinued products and co-promotion revenues

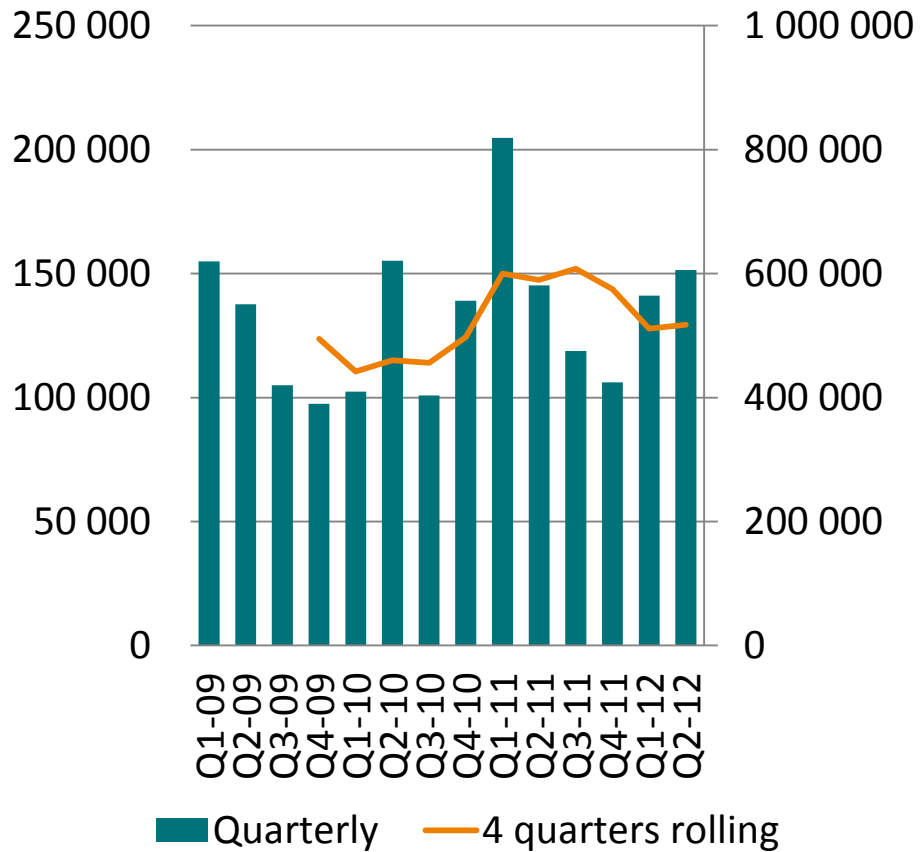
Revenues by Business Line

<i>Amounts in SEK million</i>	Q2		Change	Change	Full year
	2012	2011	%	% at CER	2011
Kineret	104.5	102.9	2%	-2%	422.0
Orfadin	89.1	85.2	5%	3%	315.7
Other core products	22.8	18.7	22%	22%	74.6
Core Products	216.4	206.8	5%	2%	812.3
Current portfolio	99.7	95.3	5%	3%	373.6
Discontinued products	0.0	17.1	-100%	-100%	45.0
Co-promotion revenues	0.0	26.2	-100%	-100%	105.0
Partner Products	99.7	138.5	-28%	-29%	523.6
Partner products excl Discontinued and Co-promotion products	99.7	95.3	5%	3%	373.6
Manufacturing revenues	107.5	108.5	-1%	-1%	451.7
Royalty revenues	44.0	36.3	21%	11%	123.3
ReFacto	151.5	144.8	5%	2%	575.0
Milestone revenue	13.1	-	n/a	n/a	-
Total revenues	480.7	490.0	-2%	-4%	1,910.9

Revenues from ReFacto



Sales (SEK '000): ReFacto



- Volumes on track
- Higher royalties due to difference in timing between quarters

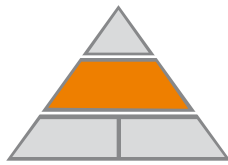
Note: ReFacto includes manufacturing and royalty revenues

Results Q2 2012

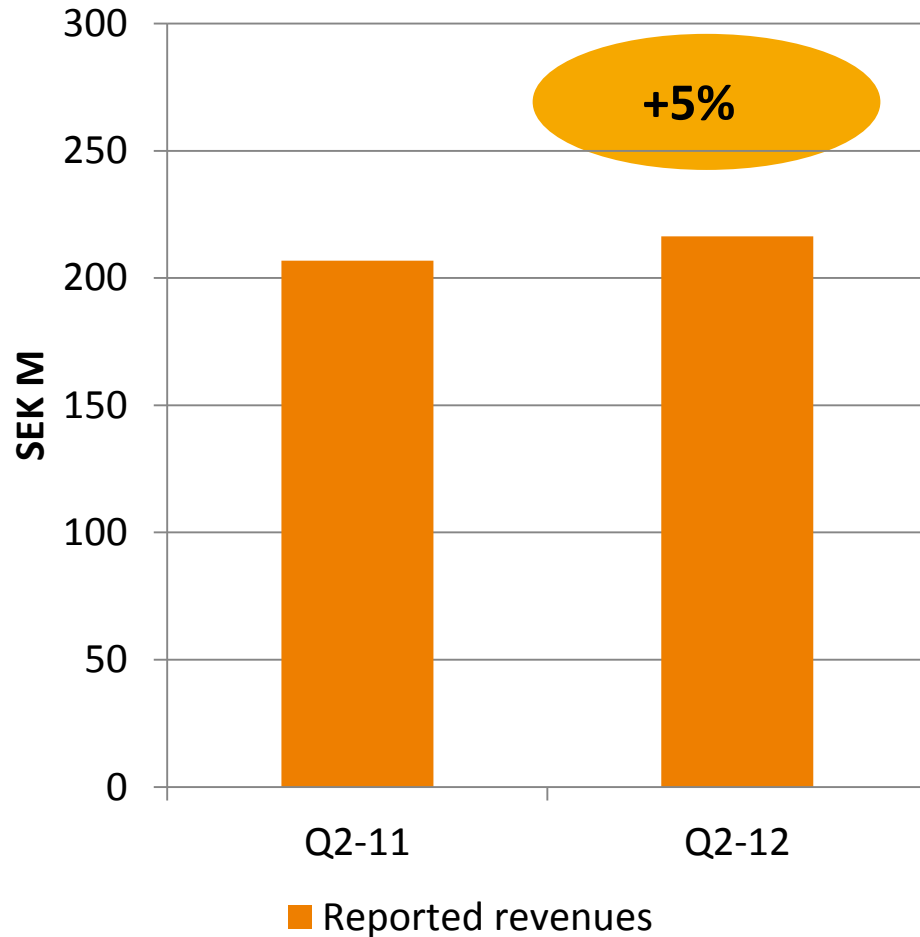
Alan Raffensperger (COO)



Stockholm, 19 July, 2012



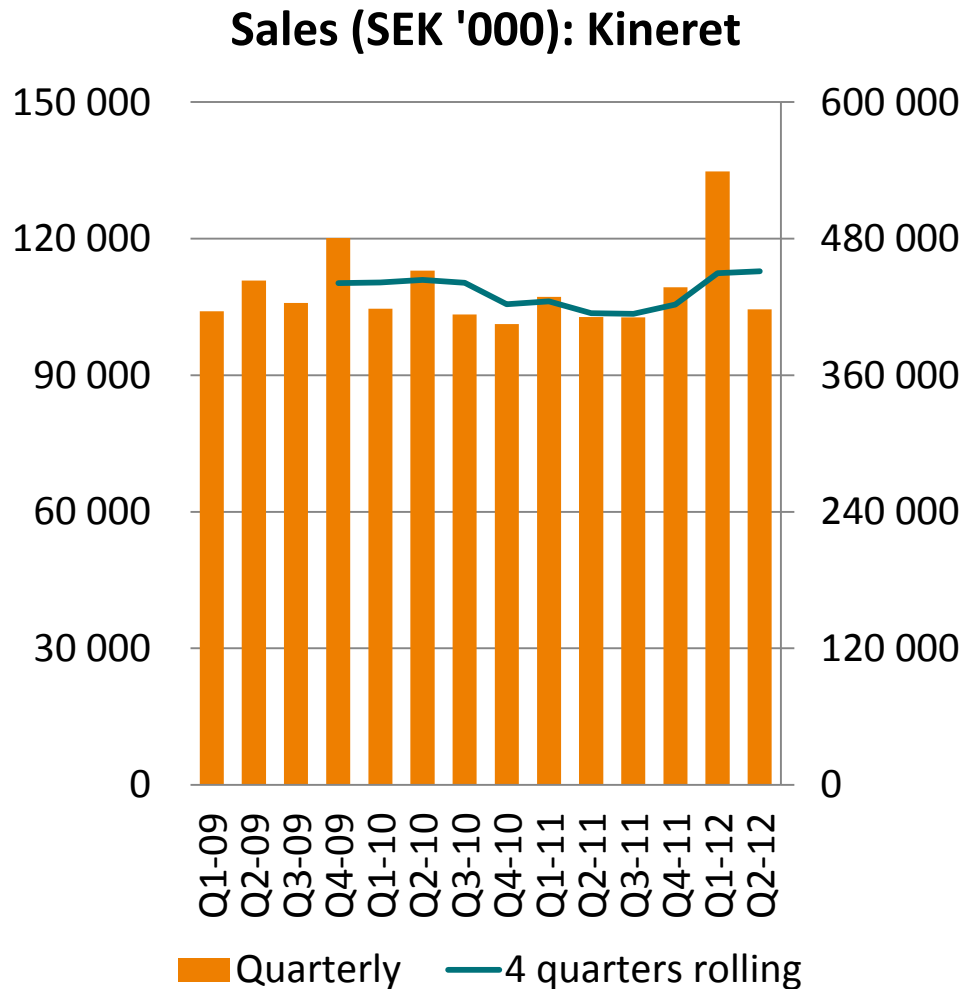
Revenues from Core Products



- Solid growth for all products
- Growth during first half 2012 was 14% compared to H1 2011
- Progress in geographical expansion
 - US fully operational
 - Sobi Middle East Free Zone established, regional leader recruited
- First reimbursed sales in Europe of Ruconest®

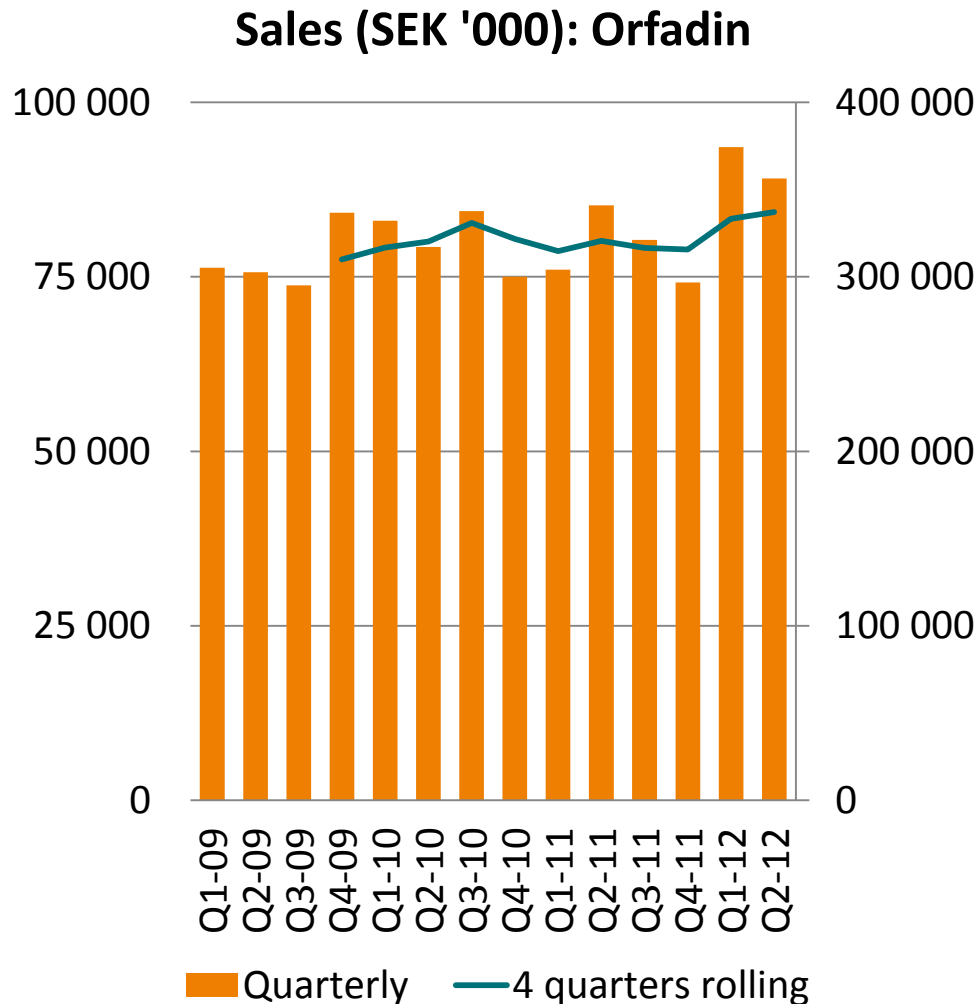
Note: Core Products include Kineret, Orfadin, Ammonaps, Ammonul and Ruconest

Kineret® – Continued Growth



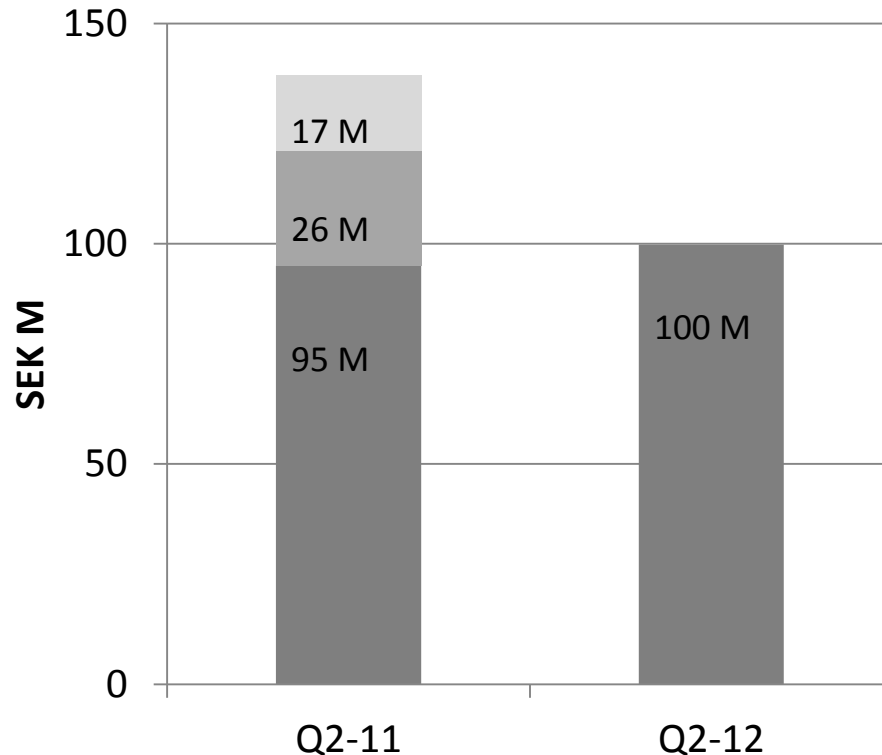
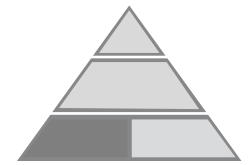
- Sales of Kineret in the second quarter were SEK 104.5 M, an increase of 2%
 - Exceptional first quarter for Kineret partly due to inventory build in US
- Sales for the first half increased by 14% as compared with H1 2011
- Sobi filed for NOMID in US during Q2
- Final process validation work for the tech transfer completed on time in Q2
 - Will drive gross margin improvement in H2 2012

Orfadin[®] – Continued Growth



- Sales in the quarter were SEK 89.1 M (85.2), an increase of 5%
- First half sales were up 13% compared with H1 2011
- Sales growth continues to be driven by performance in both mature and developing markets

Revenues from Partner Products



- Discontinued portfolio
- Co-promotion revenues
- Current portfolio

- Revenues for Partner Products increased by 5%*
- Growth during first half 2012 was 15%* compared to H1 2011
- Yondelis® were SEK 12.9 M (12.2), an increase of 6%
- Sales of Aloxi® were SEK 6.7 M (4.6), an increase of 46%

* Partner products excluding discontinued products and co-promotion revenues

Results Q2 2012

Lars Sandström (CFO)



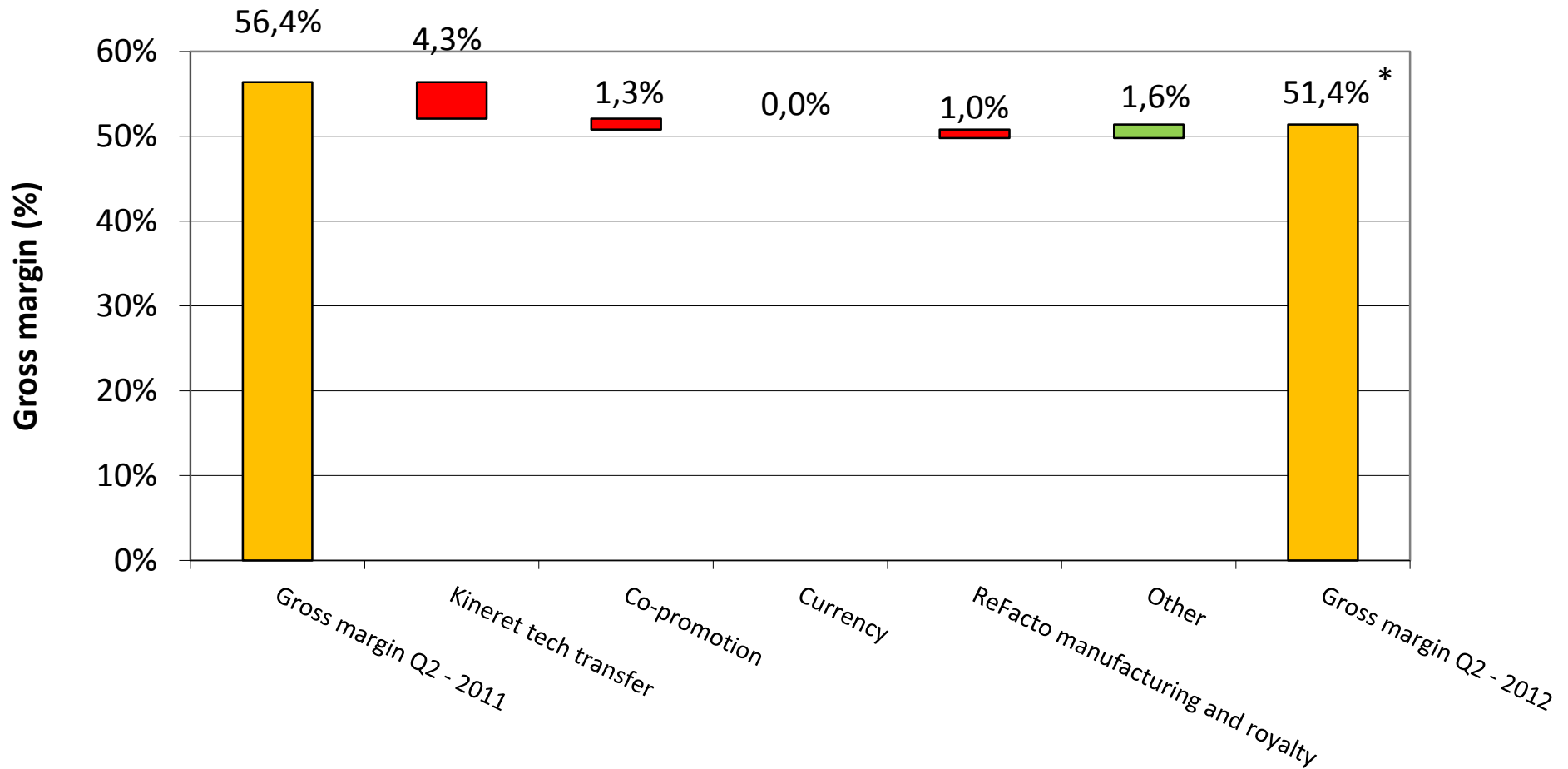
Stockholm, 19 July, 2012

Income Statement

SEK M	Reported Q2 2011	Reported Q2 2012
Total revenues	490	481
Gross profit	276	247
Gross margin	56.4%	51.4%
OPEX	-252	-260
Other operating revenues/expenses	155	8
EBITA before non-recurring items	180	-6
Non-recurring items	0	0
Amortizations	-53	-64
EBIT	127	-70
Net financial items	-21	-6
Tax	7	8
Profit/loss	113	-68

* Positive impact from the agreement regarding Multiferon of SEK 149 M.

Gross Margin

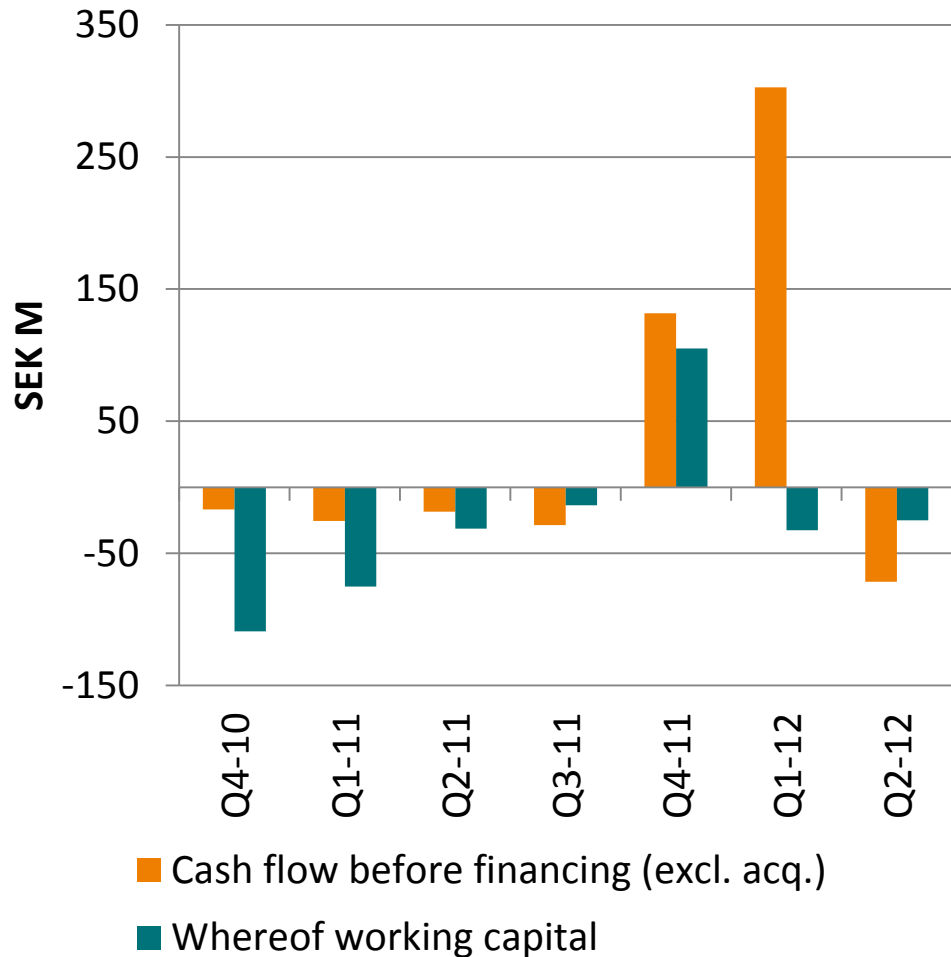


*Adjusted for Kineret tech transfer SEK -33 M and Milestone SEK 13 M, gross margin was 57.1%

Cash Flow

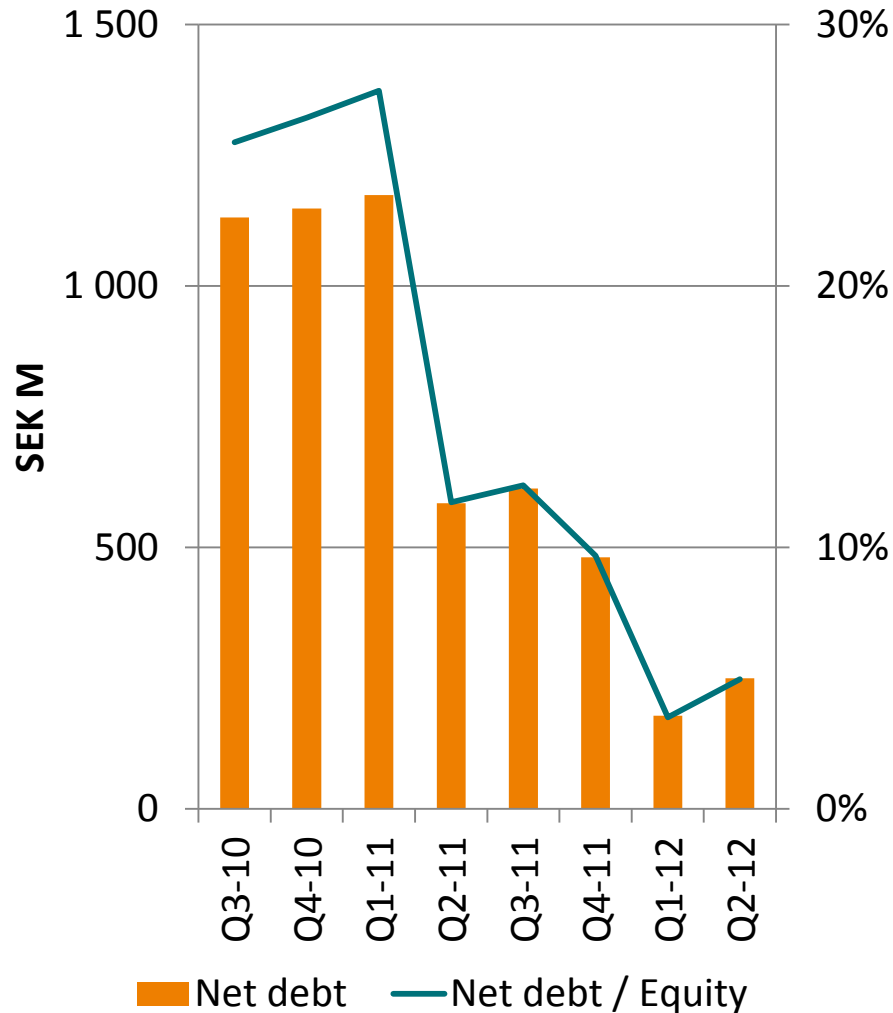
SEK M	Reported Q2 2011	Reported Q2 2012
Net results	113	-68
Non cash items	-92	63
Cash flow from operations before change in working capital	21	-5
Change in working capital	-31	-25
Cash flow from operating activities	-10	-30
Cash flow from investing activities	-8	-42
Cash flow from financing activities	96	108
Period cash flow	78	36

Cash Flow



- Tech transfer costs and divested co-promotion rights reduced cash flow from operations
- Working capital increased as lower inventories were more than offset by lower liabilities
- Agreement regarding Arexis increased net investments by SEK 43 M

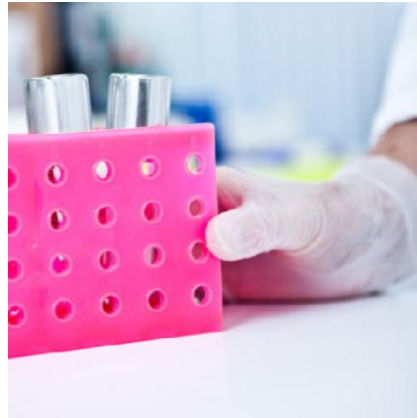
Net Debt



- Rights issue in June 2011 substantially improved financial position
- Positive impact from divestment of co-promotion rights (SEK 307 M) in Q1
- Bond issue of SEK 600 M replaced existing bank debt in Q2
- Cash position SEK 350 M

Outlook

Geoffrey McDonough (CEO)



We provide valuable medicines to patients with rare diseases

Outlook 2012 Unchanged

Revenues

Total revenues expected to be about SEK 100 M lower than 2011, reflecting the divestment of the co-promotion rights.

Gross Margin

Gross margin expected to be in line with 2011 margin of 54% after adjustment for the balance sheet write-downs and the divestment of co-promotion rights.

Costs related to the transfer of Kineret production are estimated at SEK 60 M impacting gross margin primarily in the first half of the year.

Opex

Operating expenses estimated at or below SEK 950 M.

Milestone Payment

Milestone payment to Amgen of USD 55 M expected in Q4 2012 or in Q1 2013.

*The outlook was first published in the Q4 report on 23 February 2012.
See the Q1 report for the full outlook 2012.*

2012 Calendar Highlights

Event	H1 2012	H2 2012
Orfadin Liquid Formulation PIP Response	✓	
Kineret CAPS PIP Response	✓	
Complete Tech Transfer Kineret Manufacturing	✓	
Kineret NOMID Filing FDA	✓	
Kineret CAPS Filing EMA		<input type="checkbox"/>
Top-Line Data for rFVIII Fc + rFIX Fc Programs (BIIB)		<input type="checkbox"/>
Kiobrina Complete Phase 3 Enrollment		<input type="checkbox"/>

Summary

1. Diversified commercial portfolio focused on **improving cash flow and profitability**
2. Working to efficiently commercialize **our proprietary innovative medicines** for rare disease patients globally
3. Business model oriented to **building value through partnerships** from global early stage biologics development to late stage specialty distribution in Europe



