



# Interim Report January - June 2011

Stockholm, 19 July 2011

Kennet Rooth, CEO and Lars Sandström, CFO

# Summary of Q2 2011

- Good volume growth; total revenues -4% as reported, but +7% adjusted for FX and discontinued products
- Sales of existing product portfolio increased 11%, adjusted for FX
- Gross margin was 56,4%, higher than Q1 ( 52.8%) but lower than Q2 2010 (60.7%)
  - Primarily affected by FX and higher ReFacto<sup>®</sup> volume at lower unit price
- Lower operating expenses as previously decided cost-saving measures are being implemented
- Rights issue successfully completed in June
  - Net debt reduced by SEK 594 M
  - Increased financial flexibility and opportunity for BD activities/new products
- All phase III studies run according to plan
- Geoffrey McDonough appointed new CEO as of August 15

# Summary of H1 2011

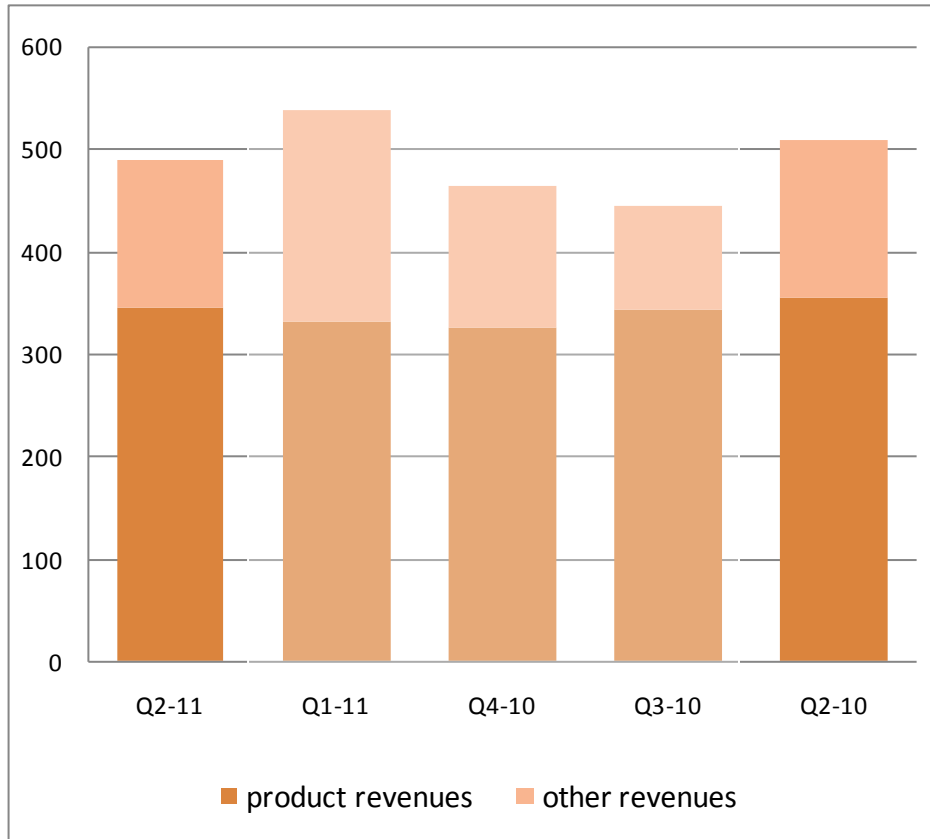
- Good volume growth, revenues +3% as reported and +14% adjusted for FX and discontinued products
- Gross margin was 54.5% (62.4%)
  - Primarily affected by FX
  - Higher production volume and validation batches leading to a lower average unit price for ReFacto®
- Lower operating expenses
- Product launches initiated in several countries
  - Willfact/Wilfactin, Yondelis, Ruconest, Removab, Multiferon
- New distribution deal signed for Removab



Lars Sandström, CFO

# Revenue trend

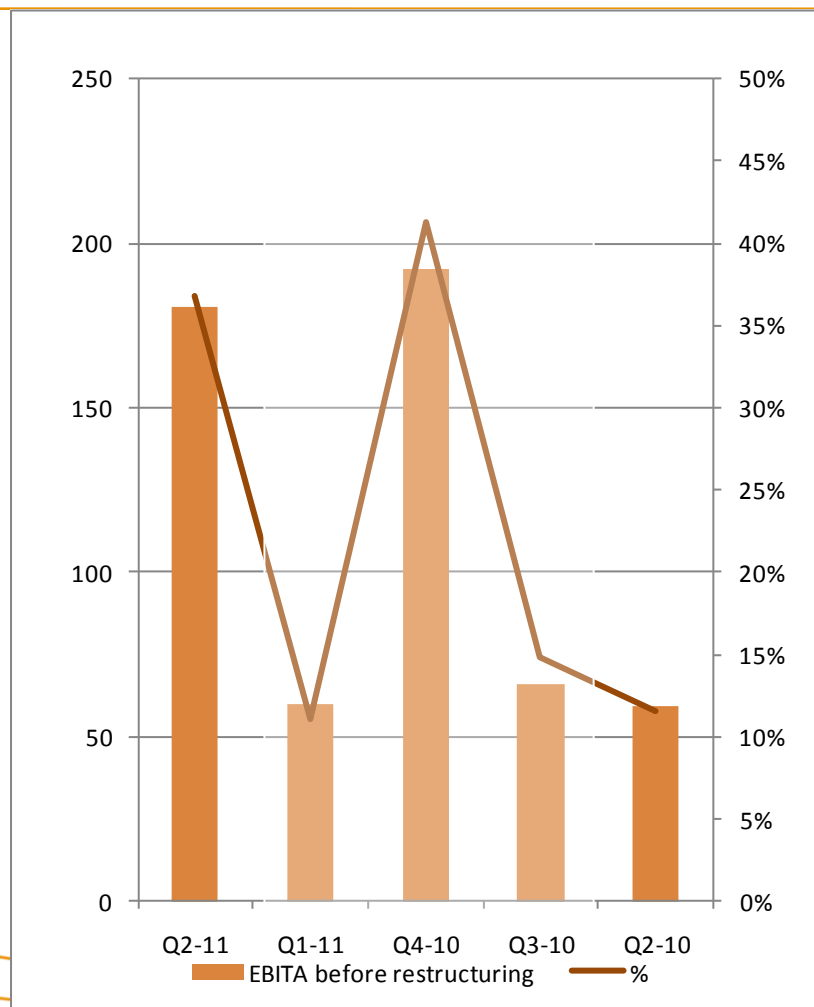
Total revenues Q2 2010 – Q2 2011



- Negative currency effect of SEK 41 M
- Lower average unit price of ReFacto<sup>®</sup> due to higher volumes
- Product sales +11% adjusted for FX and discontinued products

# EBITA trend

## Q2 2010 – Q2 2011

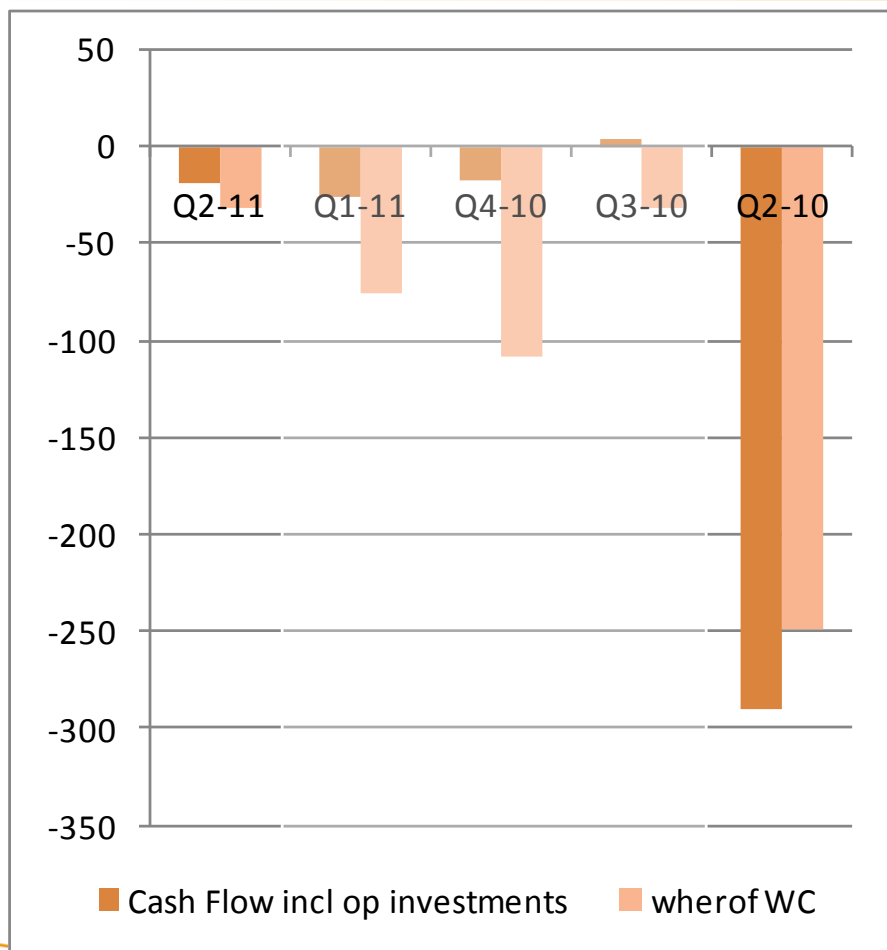


- EBITA before non-recurring items: SEK 180.4\* M (58.9)
- EBITA margin: 36.8%\* (11.6%)

\* EBITA excluding impact of Multiferon®: SEK 31.4 M and margin 6.4%

# Cash Flow before financing (excl acq.)

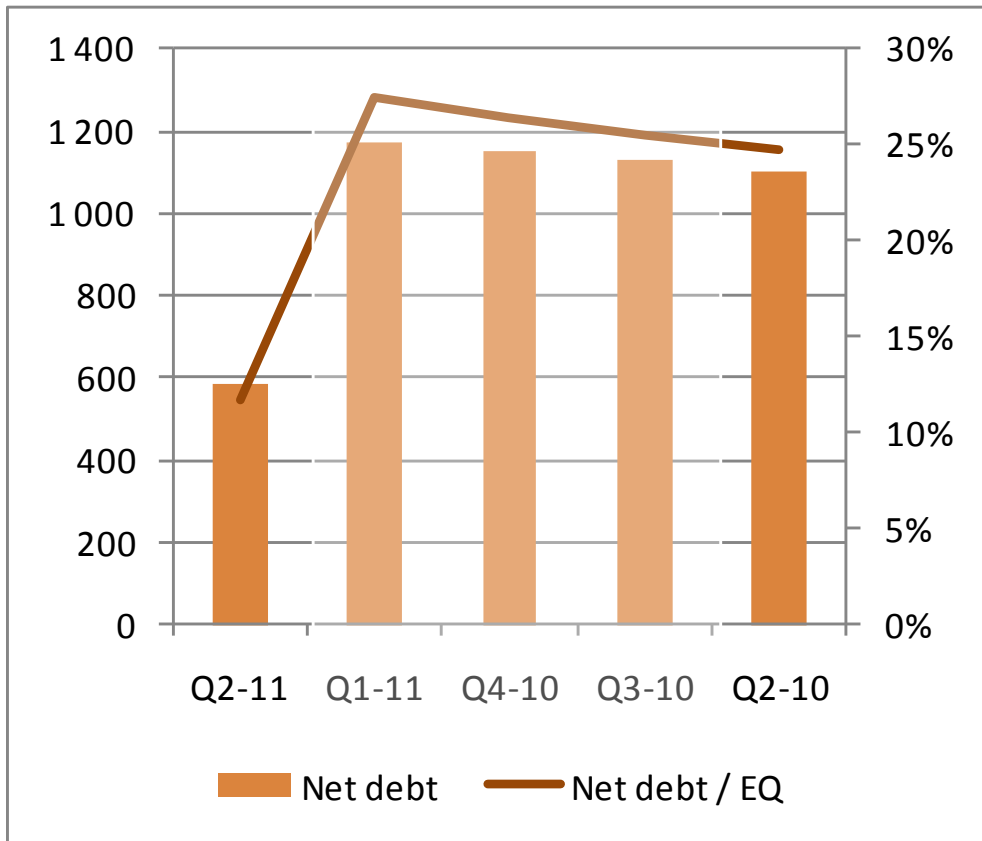
Q2 2010 – Q2 2011



- Cash flow before financing (excl. acquisitions): SEK -18,5 M (-289,7)
- Net investments: SEK 8,3 M (47,4)
- Working Capital: SEK -31,4 M (-249,3)

# Net debt

## Q2 2010 – Q2 2011



- Net debt: SEK 585 M
- Net debt to equity: 12%
- Rights issue: SEK 594 M



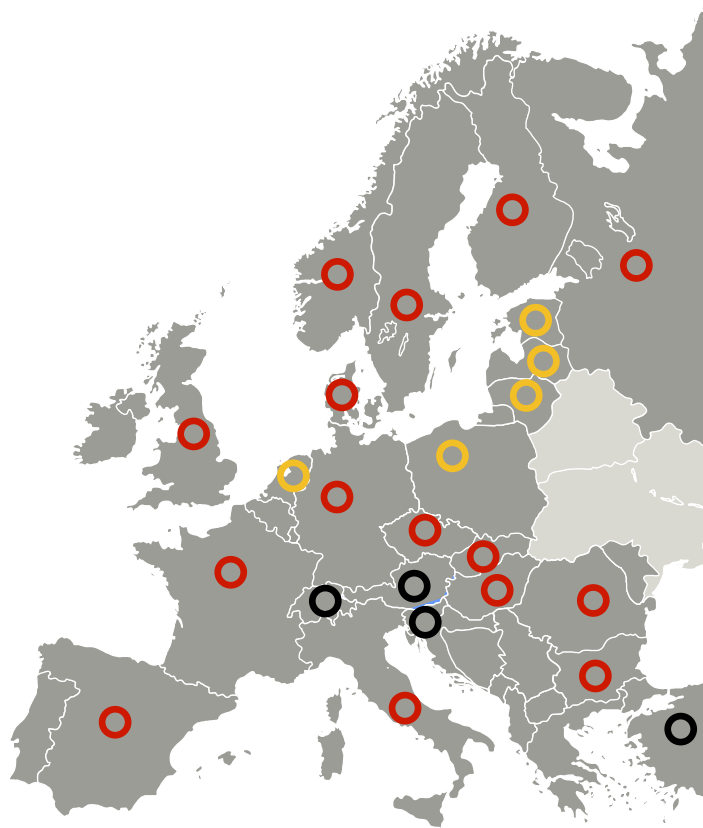


Kennet Rooth, CEO

# Product revenues

- Orfadin: strong growth +7% as reported (+19% FX adj.)
- Kineret: - 9% as reported after strong Q1 (+3% FX adj.)
- Yondelis: strong growth +39% as reported (+45% FX adj.)
- Multiferon: strong growth +104% as reported (+120% FX adj.)
- Ammonaps: -1% as reported (+7% FX adj.), supply situation resolved during the quarter

# Markets - Europe



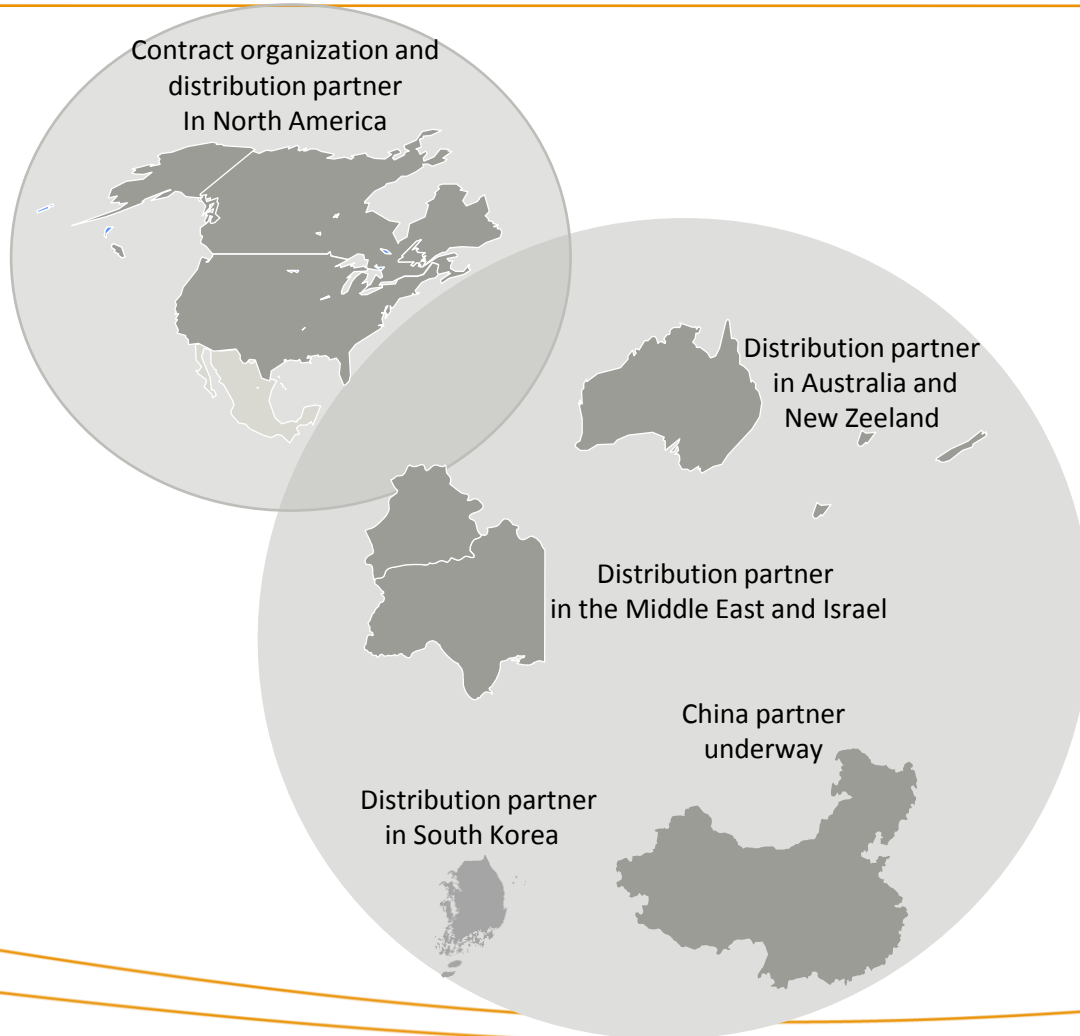
- Strong growth in Nordic countries + 5% as reported and +23% adjusted for FX and discontinued products
- Sales in rest of Europe flat as reported (-1%) and +6% adjusted for FX, despite 2010 price decreases
- No further mandatory price decreases, timelines for pricing approvals "normalizing"
- Kineret<sup>®</sup> - strong volume growth in most countries
- Kepivance<sup>®</sup> - sales stabilizing

# Kineret® in Germany

## Example of volume growth vs reported sales

- German region our largest European sales region
- Kineret is Sobi's largest selling product (excluding ReFacto®)
- 26% volume growth in German region Q2 2011 vs Q2 2010
  - FX effect ~ -10%
  - Price effect ~ -10% ( 10% increase of mandatory discount August 1, 2010)
  - Reported revenue growth ~6%
- Increased distribution cost due to higher volume

# Markets – Americas and RoW



- After a strong Q1 in North America, sales decreased by 21% in Q2 (+5% FX adj.).
- Sales started in Russia and additional countries in Middle East.
- After period of zero sales to Northern Africa, first order received in June.
- Sales in RoW +127% (+194% FX adj.)

# Research & Development

Indication	Product/Project	Partner	Phase I	Phase II	Phase III	Reg phase
Hemophilia A	rFVIII Fc	BiogenIdec				
Hemophilia B	rFIX Fc	BiogenIdec				
Prevent growth retardation in premature infants	Kiobrina®					
CAPS	Kineret®					
Pernicious anemia	Nascobal®	Strativa				

Activity	Expected timing
Kiobrina® (prevent growth retardation): phase III data	2013
Nascobal® (pernicious anemia): European registration application	H2 2011
rFIX Fc (hemophilia B): report phase III data	2012
rFVIII Fc (hemophilia A): report phase III data	2012

# Outlook for full year 2011

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- Uncertainty remains about the recovery in the global economy and currencies
- Good growth in volume, revenues expected to increase by 1-5%
- Increased manufacturing and shipments of ReFacto<sup>®</sup> during 2011
- Gross margin lower than 2010
- Continued focus on decreasing internal cost base

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