



Third Quarter 2010

2010-10-26

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Q3 2010 – Weak European performance, offset by continued US sales growth

- Revenues, excluding Tracleer, increased by 5% in Constant Exchange Rate (CER), (unchanged in SEK)
 - North American sales increased by 16% in CER (17% in SEK)
 - European sales decreased by 1% in CER (-10% in SEK)
 - Nordic sales, excluding Tracleer, increased by 10% in CER (4% in SEK)
 - Kineret[®] sales increased by 2% in CER (-2% in SEK)
 - Orfadin[®] sales increased by 21% in CER (14% in SEK)
 - ReFacto[®] revenues increased by 4% in CER (unchanged in SEK)
- Operating expenses, excluding amortization and restructuring decreased by 16%
- EBITA, excluding restructuring costs, was 63.1 MSEK (proforma 34.0)
- Core EPS was SEK 0.19
- Full year guidance has been adjusted

January 1 to September 30, 2010

- Revenues, excluding Tracleer, increased by 4% in Constant Exchange Rate (CER), (-2% in SEK)
 - North American sales increased by 22% in CER (15% in SEK)
 - European sales increased by 5% in CER (-5% in SEK)
 - Nordic sales, excluding Tracleer, increased by 10% in CER (5% in SEK)
 - Kineret[®] sales increased by 8% in CER (unchanged in SEK)
 - Orfadin[®] sales increased by 19% in CER (9% in SEK)
 - ReFacto[®] revenues decreased by 11% in CER (-13% in SEK)
- EBITA, excluding restructuring costs, was 179.4 MSEK (proforma 176.1)
- Core EPS was SEK 0.57
- Liquid funds and short term investments, Sep. 30, were 219.1 MSEK

Revenues by product

<i>Amounts in SEK million</i>	Jul 1 - Sep 30				Jan 1 - Sep 30			
	2010	CER 2010	2009	CER change	2010	CER 2010	2009	CER Change
ReFacto®	124.9	129.9	124.9	4%	429.7	440.9	495.4	-11%
<i>of which Manufacturing revenues</i>	77.3	77.3	63.2	22%	268.2	268.2	294.9	-9%
<i>of which Co-promotion</i>	23.8	24.9	19.5	28%	71.0	74.5	66.6	12%
<i>of which Royalty</i>	23.8	27.7	42.2	-34%	90.5	98.2	133.9	-27%
Kineret®	103.4	107.7	105.9	2%	321.0	345.2	320.3	8%
Orfadin®	84.4	89.4	73.8	21%	246.8	268.6	225.8	19%
Kepivance®	19.5	19.8	27.2	-27%	76.5	82.6	83.7	-1%
Ammonaps®	19.1	21.0	17.6	19%	55.5	61.0	53.9	13%
Yondelis®	9.4	10.0	12.7	-21%	27.2	29.0	31.4	-8%
Willfact®	4.2	4.5	–		8.7	9.1	–	
Other product revenues	79.1	84.3	80.7	4%	246.6	260.7	239.6	9%
Other revenues	–	–	3.4		23.8	23.8	12.9	
Total revenues continued products	444.0	466.6	446.2	5%	1,435.8	1,520.9	1,463.0	4%
Tracleer	–	–	19.2	-100%	5.9	5.9	56.5	-90%
Total revenues	444.0	466.6	465.4	0%	1,441.7	1,526.8	1,519.5	0%

Product revenues by region (excl. ReFacto manufacturing and royalty)

<i>Amounts in SEK million</i>	Jul 1 - Sep 30				Jan 1 - Sep 30			
	2010	CER 2010	2009	CER Change	2010	CER 2010	2009	CER Change
Nordic	112.5	118.1	127.0	-7%	347.5	363.9	381.6	-5%
Europe	125.6	138.7	139.9	-1%	410.8	453.8	431.6	5%
North America	97.5	97.2	83.5	16%	271.2	288.2	235.8	22%
RoW	7.4	7.3	5.8	26%	29.8	30.4	28.4	7%
Total product revenues	343.0	361.3	356.2	1%	1,059.3	1,136.3	1,077.4	5%

Important R&D events and business deals in Q3 2010 and after the period

- A Letter of Intent to form a commercial alliance with the Chinese company Dongbao was announced
- rFIXFc phase I/II results, showing a three-fold increase in half-life, were presented
- A decision to proceed rFVIII Fc into phase III was taken, and rFVIII Fc received orphan drug designation in Europe
- Kineret[®] received orphan drug designation in the US for cryopyrin-associated periodic syndromes (CAPS)
- Xagrid, Fosrenol, and Equasym distribution agreements will sequentially be discontinued during 2011

Events after the period

- Sym001 (rozrolimupab) for ITP received orphan drug designation in the US
- The Exinalda project has been discontinued

Full year guidance has been adjusted

- While US sales growth was strong, sales in Europe has been weaker than expected
 - European countries are facing budget troubles
 - In particular, manifested during the second half of the third quarter
 - Mandatory price cuts or discounts
 - Risk adverse buying pattern at wholesaler and distributor levels
 - Increased level of parallel trade seen during the year
- Launches of growth products delayed or hampered
 - Multiferon, Yondelis
 - Ruconest, Willfact
 - Kepivance

New Outlook 2010

Long term objectives unchanged

- Revenues, excluding milestone revenues, expected to reach 1,900-1,950 MSEK, corresponding to a growth of 1-4% in CER
 - Previous guidance 8-10% in CER
- Operating income, before amortizations and restructuring costs (EBITA*) is expected to be 240-260 MSEK, corresponding to a growth of 10-18% in SEK and 20-28% in CER.
 - Previous guidance 30-35% in CER
- Long term business target by 2015 is to:
 - Grow revenues from SEK 2 B (proforma 2009) to SEK 5 B
 - Reach an EBITA margin >30%

*Revenues and operating income (EBITA) 2009, adjusted by SEK 63 M, related to the out-licensing of Leptin to AstraZeneca

Exciting and emerging development pipeline

Indication	Product/Project	Preclinical	Phase I	Phase II	Phase III	Reg phase
Hemophilia A	rFVIII Fc					
Hemophilia B	rFIX Fc					
Fat malabsorption in premature infants	Kiobrina®					
CAPS	Kineret®					
Rh-Immunization	Sym001					
Autoimmune platelet disorder (ITP)	Sym001					

Development news flow

Activity	Expected timing
rFVIII Fc (hemophilia A): start dosing phase III	H2 2010
Kiobrina (fat malabsorption): start dosing phase III	H1 2011
Sym001 (ITP): report phase II study	H2 2011
rFIX Fc (hemophilia B): report phase III	2012

Summary

- Revenues in the quarter increased by 5% in CER
- Weak European sales performance, in particular during the second half of the quarter
- Continued North American and Orfadin sales growth
- Positive progress of the hemophilia projects
- Letter of Intent to form a commercial alliance formed with Chinese partner
- Guidance for 2010 revised
- Launches underway in Q410 / early 2011
- Long term profitable growth guidance maintained



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