

Results Q3 2012

Geoffrey McDonough (CEO)

Alan Raffensperger (COO)

Annika Muskantor (Interim CFO)



Stockholm, 30 October, 2012

Highlights Q3 2012

Business

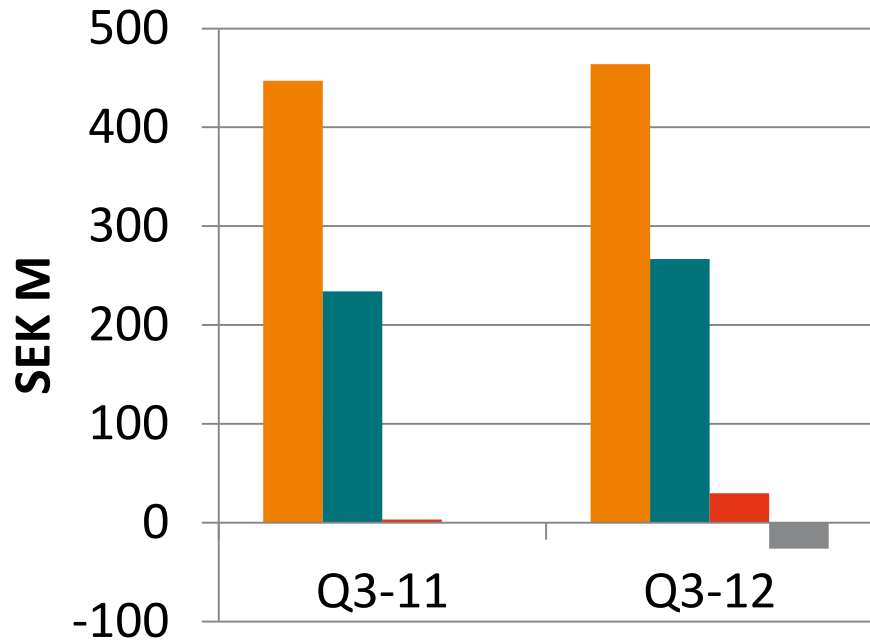
- Positive top-line results from B-LONG phase III program
- Priority review by FDA for application for Kineret for NOMID indication
- Strengthened Partner Product portfolio through extension and expansion of several existing partnerships

Financial

- Total Revenues: SEK 464 M (447)
- Gross Margin: 57.5% (52.3)
- EBITA before non-recurring items: SEK 30 M (3)
- Cash Flow from operating activities: SEK -26 M (0)
- Outlook for 2012 unchanged

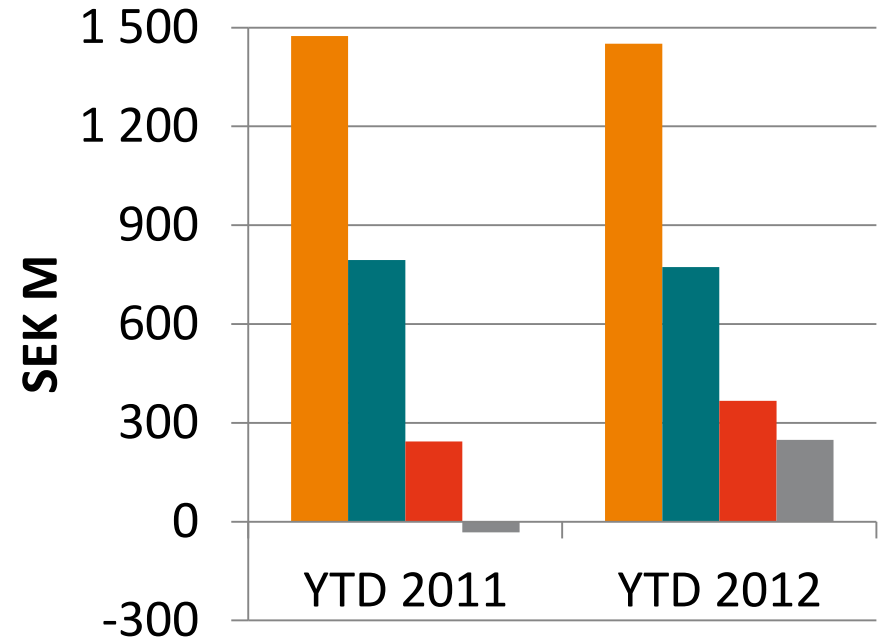
Consolidated Results

Q3



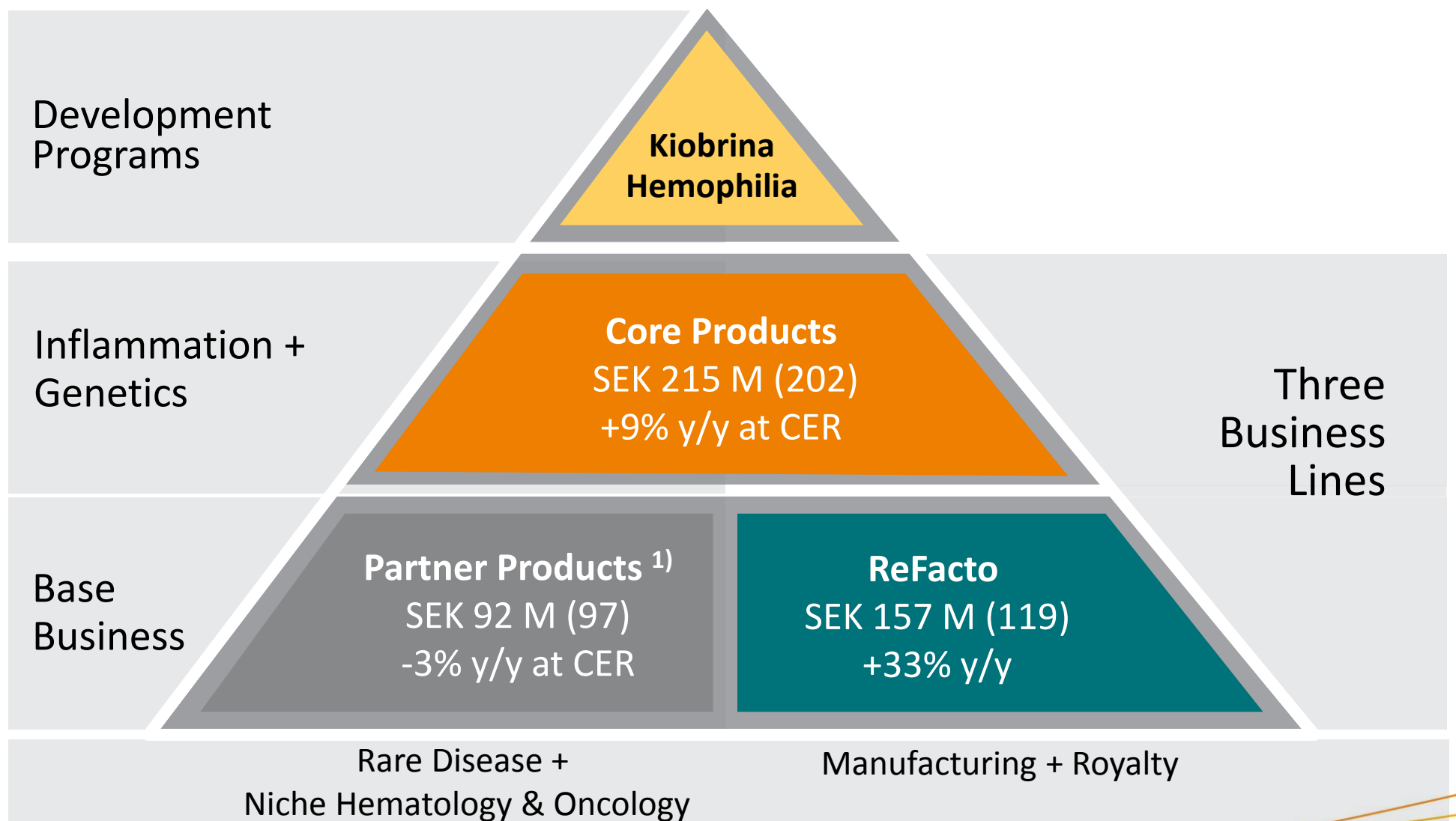
- Total revenues
- Gross profit
- EBITA before non-recurring items
- Cash flow from operating activities

YTD



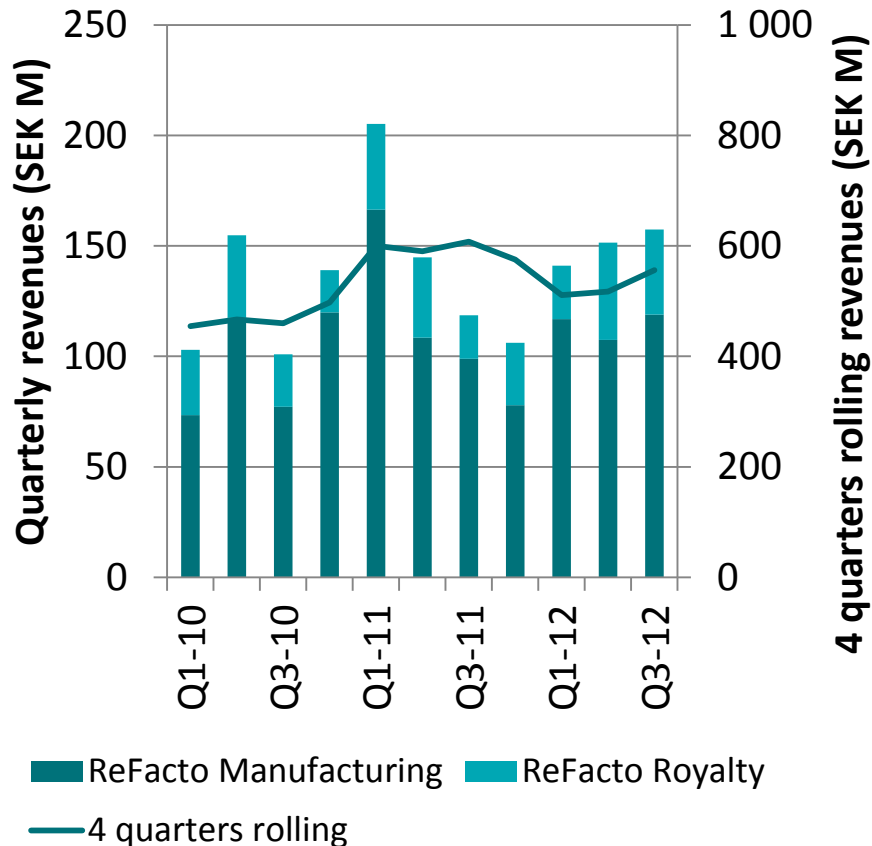
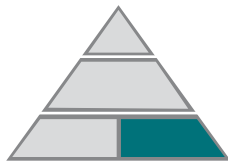
- Total revenues
- Gross profit
- EBITA before non-recurring items
- Cash flow from operating activities

Revenues by Business Line Q3 2012



¹⁾ Partner Products excluding discontinued products and co-promotion revenues

Revenues from ReFacto



- Solid volume growth in ReFacto manufacturing revenues
 - Adjusted for validation batches in 2011 (SEK 42 M), revenues increased 3% YTD
- Higher utilization of production facility compared to last year
- Scale-up of downstream production process will have a positive effect on margin going forward
- ReFacto royalty revenues impacted by difference in timing between quarters

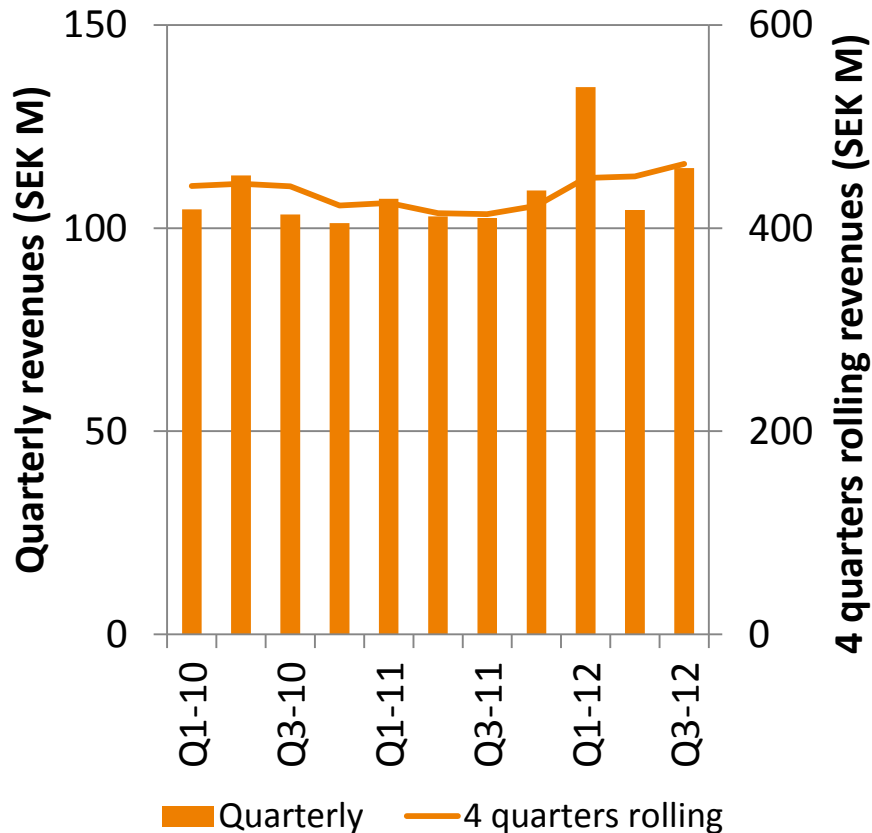
Results Q3 2012

Alan Raffensperger (COO)



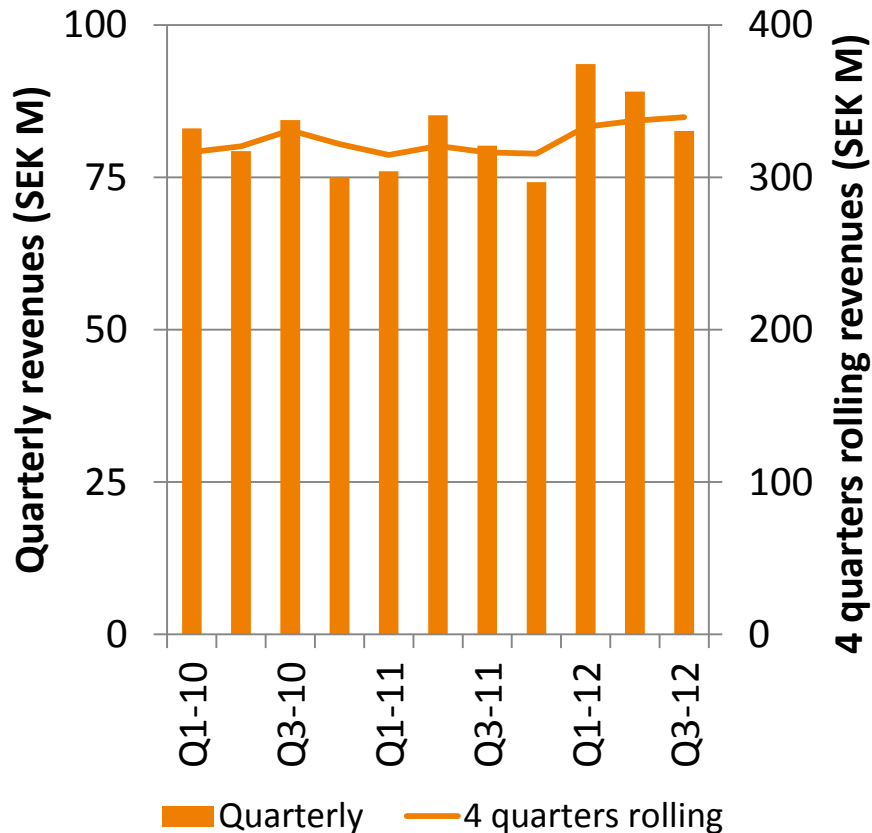
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Kineret[®] – Progress



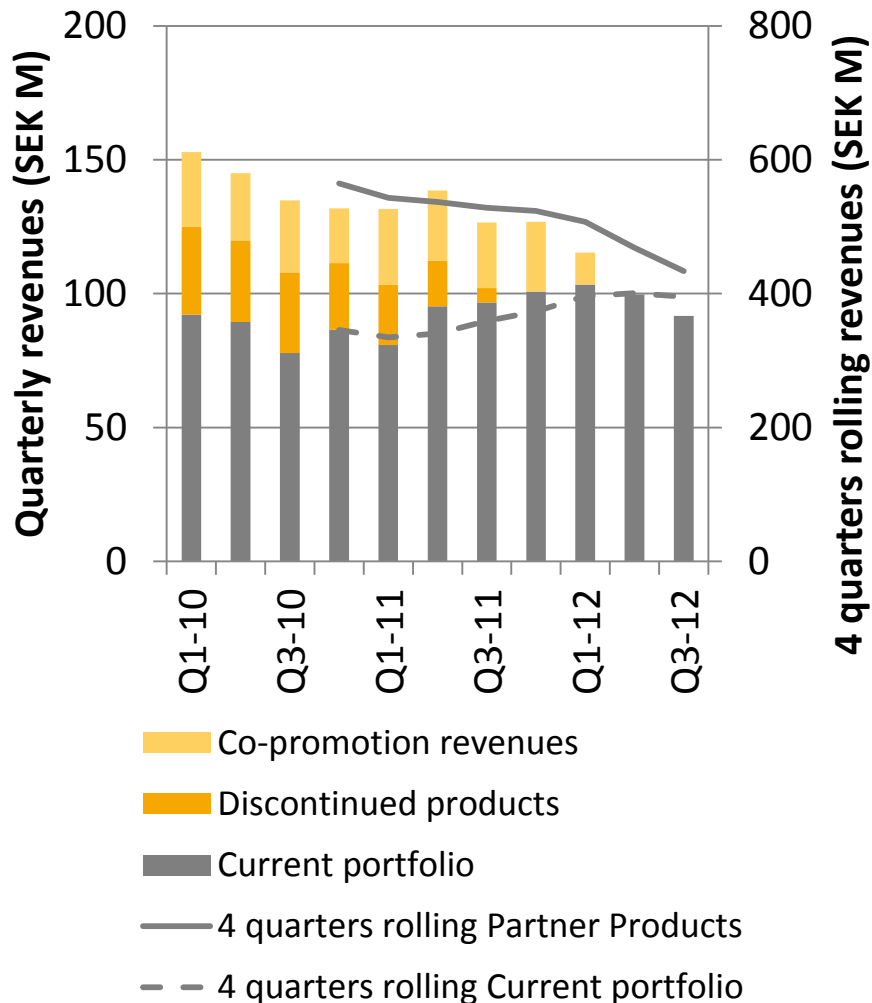
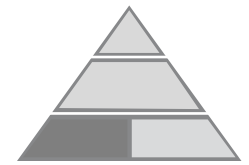
- Sales of Kineret in the third quarter were SEK 114 M, an increase of 12%
 - No impact from currency y/y
- Priority review by FDA for application for Kineret for NOMID indication
- Increased efficiency in the production following tech transfer will improve gross margins going forward

Orfadin[®] – On Track Year to Date



- Sales of Orfadin in the third quarter were SEK 83 M, an increase of 3%
- Adjusted for currency:
 - Revenues increased by 6% y/y
 - Revenues increased by 10% YTD
- North America and Central Eastern Europe contributing to growth
- Development in EMENA affected by negative currency effects and purchasing pattern
- Geographic expansion
 - Sobi Middle East established in Dubai
 - New orphan legislation in Russia in place

Revenues from Partner Products



- Revenues for Partner Products ¹⁾ decreased by 5% in the quarter
- Adjusted for currency:
 - Revenues declined by 3% y/y
 - Revenues grew by 8% YTD
- Portfolio update
 - Promixin and Buronil extended
 - New agreement based on new Aloxi combination product (netupitant-palonosetron)
 - Willfact rights to be returned (Germany only)

¹⁾ Partner Products excluding discontinued products and co-promotion revenues

Results Q3 2012

Annika Muskantor (Interim CFO)



Stockholm, 30 October, 2012

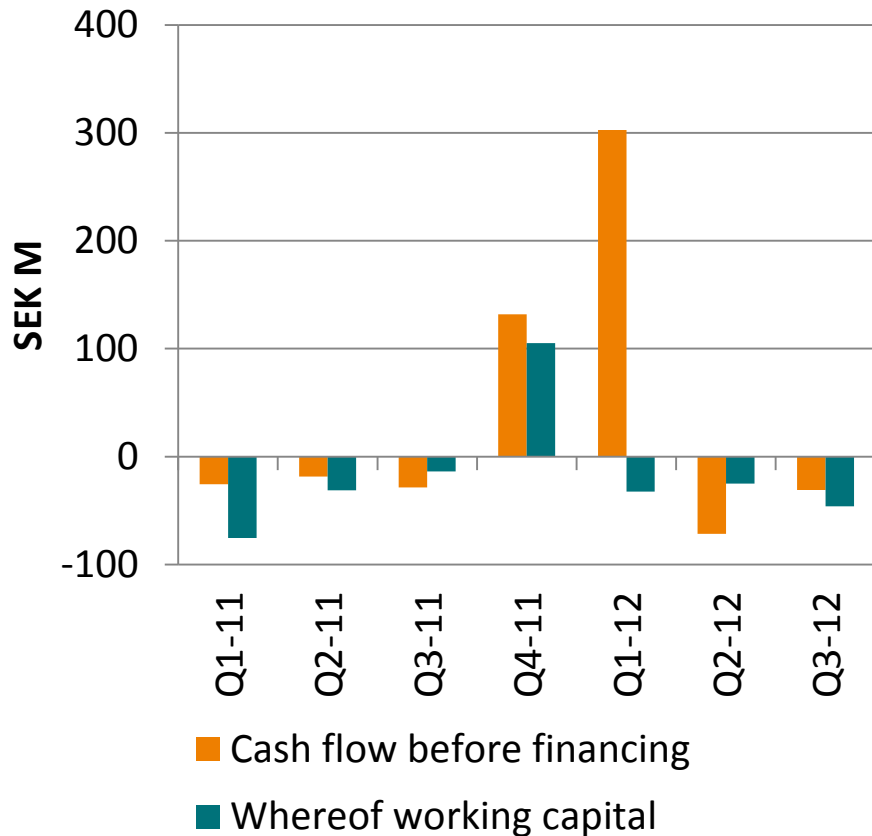
Income Statement

SEK M	Q3 2012	Q3 2011	Change
Total revenues	464	447	4%
Gross profit	267	234	14%
Gross margin	57,5%	52,3%	
OPEX	-227	-228	
Other operating revenues/expenses	-10	-3	
EBITA before non-recurring items	30	3	>100%
Non-recurring items	0	0	
Amortizations	-65	-58	
EBIT	-35	-54	36%
Net financial items	-15	5	
Tax	4	11	
Profit/loss	-45	-38	-18%

Cash Flow

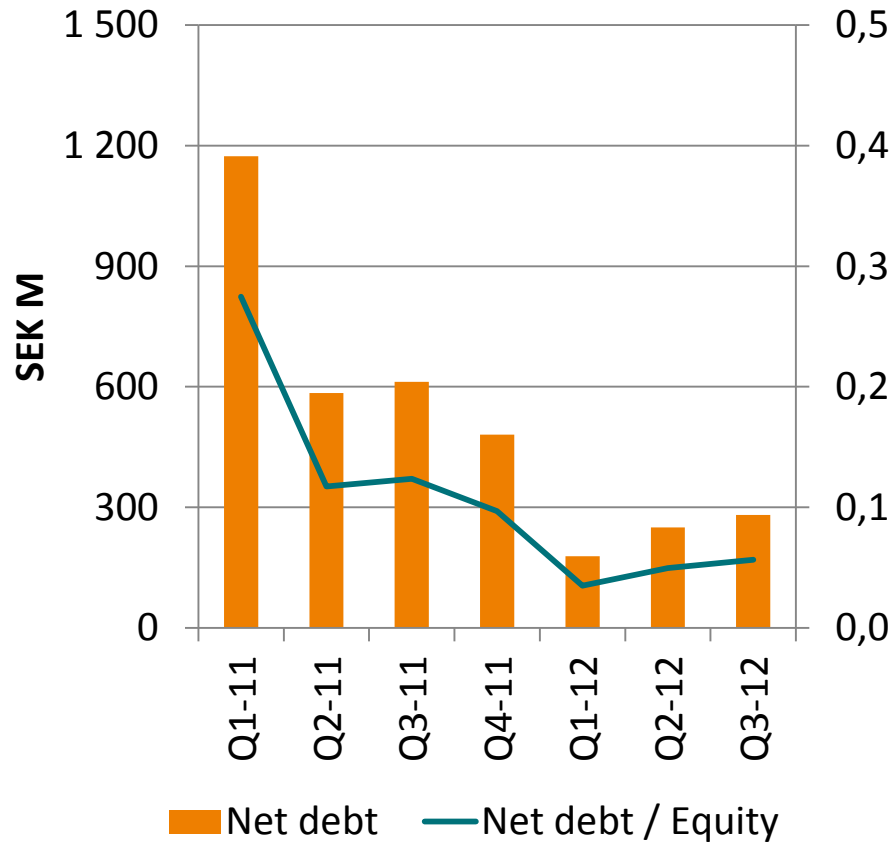
SEK M	Q3 2012	Q3 2011	Change
Net results	-45	-38	
Non cash items	65	52	
Cash flow from operations before change in working capital	20	14	42%
Change in working capital	-46	-14	
Cash flow from operating activities	-26	0	
Cash flow from investing activities	-5	-29	
Cash flow from financing activities	0	-13	
Period cash flow	-31	-42	26%

Cash Flow



- Continued decline in inventories, mainly relating to ReFacto and Kineret
- Phasing of current liabilities, mainly trade payables
- Somewhat higher receivables

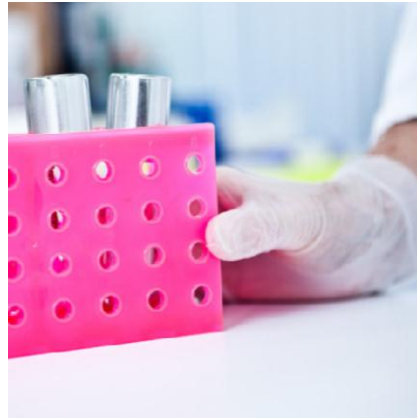
Net Debt



- Cash position at SEK 319 M
- Milestone payment to Amgen of USD 55 M estimated to come due in Q4-12 or in Q1-13

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.

Calendar Highlights 2012

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

