Report for the Fourth Quarter and Full Year 2012

Stockholm, 21 February 2013

Geoffrey McDonough, CEO: "2012 was a year of significant progress for Sobi. We recorded double digit growth for Kineret® and Orfadin®, revitalized our distribution partnerships and extended our ReFacto® manufacturing agreement through 2020. We made significant progress with our pipeline and released positive top-line data for both of our long-lasting clotting factors for haemophilia in development with Biogen Idec, and with the approval of Kineret in NOMID[1)] by the US FDA. Finally, we have achieved our cost discipline targets for the year, and have executed on our strategy to improve the gross margin. At the outset of 2013 we initiated an important partnership in the Partner Products portfolio with Valeant®/PharmaSwiss, and we have also signed a collaboration with Savient for the co-promotion of Kineret in the United States. Today we will offer an additional placement of up to SEK 200 M against our existing bond to ensure that we can meet the opportunities presented by the pace and scale of our Haemophilia programs."

Fourth quarter

- Total revenues increased by 8% to SEK 471.9 M (436.4). The corresponding period in 2011 included revenues from co-promotion for ReFacto AF/BeneFIX® and discontinued products of SEK 26 M.
- Product revenues[2)] increased by 8% to SEK 356 M (330.1), with double digit growth for Kineret and Orfadin.
- Gross margin increased to 57% (41%) driven by efficiency gains in production, and completion of tech transfer for Kineret.
- FDA approved Kineret for treatment of NOMID.
- Write-down of intangible asset related to Multiferon® in the amount of SEK 162 M.

Full year 2012

- Total revenues increased to SEK 1,923.2 M (1,910.8). 2011 included revenues from co-promotion for ReFacto AF/BeneFIX and discontinued products of SEK 150 M.
- Operating expenses decreased by 5% to SEK 941.2 M (994.6), reflecting the ongoing streamlining of operations.
- Gross margin at 54% (51%).
- Sobi issued a 5-year senior unsecured bond loan in the amount of SEK 600 M.
- Sobi and Biogen Idec announced positive top-line results from A-LONG and B-LONG phase III clinical studies of the companies' long-lasting recombinant coagulation factors, rFVIIIFc and rFIXFc. Both were effective in the control and prevention of bleeding, in routine prophylaxis and perioperative management, and were generally well-tolerated.

Outlook for 2013

- Total revenues for the full year 2013 are expected to be in the range of SEK 2,000 to 2,200 M
- Revenues for
  - Core Products are expected to show high single-digit growth
  - Partner Products portfolio is expected to grow by about one third, and
  - ReFacto manufacturing and royalty are expected to show low single-digit growth.
- Gross margin is expected to be in the range of 57-59%.

1) Neonatal Onset Multi-systemic Inflammatory Disorder (NOMID) is the most severe form of CAPS (Cryopyrin Associated Periodic Syndromes)

2) Product revenues include Core Products and Partner Products

Financial Summary

	Q4			Full year		
Amounts in SEK million	**2012**	**2011**	**Change**	**2012**	**2011**	**Change**
Total revenues	471.9	436.4	8%	1,923.2	1,910.8	1%
Gross profit	267.4	180.3	48%	1,040.4	974.6	7%
Gross margin	57%	41%	37%	54%	51%	6%
Operating profit/loss before amortizations and non-recurring items	37.6	-115.8	>100%	404.1	127.3	>100%
Operating profit/loss	-192.8	-327.7	41%	-54.6	-318.6	83%
Profit/loss for the period	-142.7	11.8	<-100%	-100.9	17.9	<-100%
Earnings/loss per share, SEK	-0.54	0.04	<-100%	-0.38	0.07	<-100%

Significant events after reporting period

- New distribution agreement signed with Valeant/PharmaSwiss.
- New agreement signed with Savient for the co-promotion of Kineret in the United States.
- Sobi offers additional bond up to the amount of SEK 200 M under the current bond loan.

Fourth quarter

Revenues

Total revenues for the fourth quarter 2012 were SEK 471.9 M (436.4). The corresponding period in 2011 included revenues from co-promotion for ReFacto AF/BeneFIX and discontinued products, of SEK 26 M.

Revenues by Business Area

	Q4		Change	Change %	Full year		Change	Change %
Amounts in SEK million	**2012**	**2011**	**%**	**at CER[3)]**	**2012**	**2011**	**%**	**at CER[3)]**
Core Products								
Kineret	130.7	109.3	20%	23%	484.7	422.0	15%	14%
Orfadin	91.3	74.2	23%	27%	356.7	315.7	13%	14%
Other core products	21.5	19.8	9%	13%	83.7	74.6	12%	15%
Total	**243.5**	**203.3**	**20%**	**23%**	**925.1**	**812.3**	**14%**	**14%**
Partner Products								
Current portfolio	112.5	100.8	12%	14%	407.2	373.6	9%	10%
Discontinued products	0.0	0.0	n/a	n/a	0.0	45.0	n/a	n/a
Co-promotion revenues	0.0	26.0	-100%	-100%	12.0	105.0	-89%	-89%
Total	**112.5**	**126.8**	**-11%**	**-10%**	**419.2**	**523.6**	**-20%**	**-20%**
ReFacto								
Manufacturing revenues	92.7	77.9	19%	19%	436.0	451.7	-3%	-3%
Royalty revenues	23.2	28.3	-18%	-15%	129.8	123.3	5%	1%
Total	**115.9**	**106.2**	**9%**	**10%**	**565.8**	**575.0**	**-2%**	**-2%**
Other revenues	–	–	n/a	n/a	13.1	–	n/a	n/a
Total revenues	**471.9**	**436.4**	**8%**	**10%**	**1,923.2**	**1,910.8**	**1%**	**1%**
Total revenues excl co-promotion, discontinued products and other revenues	471.9	410.4	15%	17%	1,898.1	1,760.8	8%	8%

[3)] Constant Exchange Rates

Core Products
Sales of Core Products for the fourth quarter increased by 20% to SEK 243.5 M (203.3). Sales of Kineret for the fourth quarter increased by 20% to SEK 130.7 M (109.3) . Sales of Orfadin for the fourth quarter increased by 23% to SEK 91.3 M (74.2), in part reflecting differences in year-end order pattern.

Partner Products
Sales of Partner Products for the fourth quarter were SEK 112.5 M (126.8). Revenues for the previous year include co-promotion for ReFacto AF/BeneFIX amounting to SEK 26.0 M. Adjusted for these items, total sales increased by 12%. Sales of Kepivance® for the fourth quarter increased by 3% to SEK 21.7 M (21.0). Sales of Yondelis® for the fourth quarter increased by 22% to SEK 17.5 M (14.4).

ReFacto
Revenues for ReFacto manufacturing and royalties for the fourth quarter increased by 9% to SEK 115.9 M (106.2). Manufacturing revenues for the fourth quarter increased by 19% to SEK 92.7 M (77.9). Royalties for the fourth quarter decreased by 18% to SEK 23.2 M (28.3), due to phasing.

Revenues by Region[4)]

	Q4			Change	Full year			Change
Amounts in SEK million	**2012**	**2011**	**Change**	**% at CER**	**2012**	**2011**	**Change**	**% at CER**
Nordic [5)]	78.7	102.2	-23%	-21%	304.3	427.9	-29%	-28%
Europe	169.5	140.6	21%	25%	630.1	540.9	16%	19%
North America	101.6	78.3	30%	30%	383.1	328.2	17%	12%
RoW	6.2	9.0	-31%	-31%	26.8	38.9	-31%	-33%
Total revenues	**356.0**	**330.1**	**8%**	**11%**	**1,344.3**	**1,335.9**	**1%**	**1%**

[4)] Excluding ReFacto manufacturing and royalty revenues
[5)] Revenues in the Nordic region include co-promotion for ReFacto AF/BeneFIX and discontinued products

Gross profit
Gross profit for the fourth quarter increased to SEK 267.4 M (180.3), corresponding to a gross margin of 57% (41). The gross margin increase was due to efficiency improvements following the scale-up of the downstream production process for ReFacto, and to completion of tech transfer process for Kineret. Gross profit for the previous year includes co-promotion revenues of SEK 26.0 M.

Operating profit
Operating profit before amortization of intangible assets and non-recurring items (EBITA before non-recurring items) for the fourth quarter increased to SEK 37.6 M (-115.8).

Overall operating expenses for the fourth quarter decreased to SEK 228.7 M (296.2) [6)]. Operating expenses for sales and administration for the fourth quarter were SEK 130.1 M (192.5) [7)]. Increased investment in the phase III program for Kiobrina® was offset by savings within R&D from the restructuring measures implemented in 2011.

Amortization of intangible assets amounted to SEK -227.3 M (-203.9). Other operating revenues and expenses amounted to SEK -1.1 M (0.2). The company has evaluated the future potential of Multiferon, and deemed it prudent to write down the full value (SEK 162 M) of the relevant intangible asset. Current annual revenues from Multiferon are SEK 8 M.

Operating profit (EBIT) amounted to SEK -192.8 M (-327.7).

[6)] Excluding amortization of intangible assets, non-recurring items, and other operating revenues and expenses
[7)] Excluding amortization of intangible assets

Net financial items and tax

Net financial items for the fourth quarter amounted to SEK -16.8 M (-19.1).

Tax for the fourth quarter amounted to SEK 66.9 M (358.6).

Profit for the period

Profit for the fourth quarter amounted to SEK -142.7 M (11.8). Earnings per share amounted to SEK -0.54 (0.04).

Cash flow and investments

Cash flow from operations before changes in working capital in the fourth quarter amounted to SEK 15.8 M (29.9). Non-cash items amounted to SEK 158.5 M (18.1) and were mainly due to amortization of product rights and licenses.

Working capital impacted cash flow in the fourth quarter by SEK 141.5 M (105.1). The decline can be explained by decreased inventories, mainly for ReFacto and Kineret, as well as by reduction in accounts receivable and current receivables.

Cash flow from investing activities amounted to SEK -19.1 M (-3.1).

Full year 2012

Revenues

Total revenues increased by 1% to SEK 1,923.2 M (1,910.8). 2011 included revenues from co-promotion for ReFacto AF/BeneFIX and discontinued products, of SEK 150 M. Adjusted for these items and for currency effects, total revenues increased by 8%.

Core Products

Sales of Core Products increased by 14% to SEK 925.1 M (812.3).

Total sales of Kineret increased by 15% to SEK 484.7 M (422.0), as a result of growth in both North America and Europe.

Total sales of Orfadin increased by 13% to SEK 356.7 M (315.7). Sales were driven by growth in North America, most European markets, and in Middle East, Russia, and North Africa. Currency fluctuations for the full year were negligible for Kineret as well as for Orfadin, as the negative impact on EUR-based sales was balanced by a positive impact from USD-based sales.

Partner Products

Total sales of Partner Products amounted to SEK 419.2 M (523.6). 2012 includes revenues from co-promotion of ReFacto AF/BeneFIX and discontinued products of SEK 12 M (150). Adjusted for these items and for currency effects, total revenues increased by 9%.

Total sales of Kepivance increased by 6% to SEK 82.3 M (77.9). In 2012 Kepivance was launched in Canada. Total sales of Yondelis increased by 12% to SEK 55.4 M (49.4).

The Partner Product portfolio was expanded in 2012 with new agreements for Promixin® in the Nordic countries, Germany and Central and Eastern Europe, for Buronil® in the Baltic States, Austria, the Czech Republic and Portugal, and for a new product based on Netupitant-Palonosetron in the Nordic countries. On 1 January, 2013 Sobi returned the rights for Willfact® in Germany to LFB but will retain the rights for the Nordic markets.

ReFacto
Total ReFacto manufacturing and royalty revenues amounted to SEK 565.8 M (575.0). Total manufacturing revenues declined by 3% to SEK 436.0 M (451.7). The figure for 2011 includes validation batch deliveries in the amount of SEK 42 M. Total royalties increased by 5% to SEK 129.8 M (123.3). In February 2012 Sobi and Pfizer extended their supply agreement for ReFacto AF/XYNTHA® until 31 December 2020, with an option to renew.

Gross profit
Gross profit increased to SEK 1,040.4 M (974.6) and includes one-time costs of SEK 64 M relating to the transfer of Kineret production, a milestone payment of SEK 13.1 M received for Orfadin and co-promotion revenues of SEK 12.0 M.

The gross margin increased to 54% (51) as a result of higher utilization of the plant in Stockholm (which was closed for scheduled maintenance in July and August of 2011), efficiency improvements following the scale-up of the downstream production process for ReFacto, and of the completion of tech transfer process for Kineret.

Operating profit
Operating profit before amortization of intangible assets and non-recurring items (EBITA before non-recurring items) increased to SEK 404.1 M (127.3).

Operating expenses decreased to SEK -941.2 M (-994.6) [6)] for the full year. Sales and administration expenses were SEK -539.6 M (-567.4) [7)]. Increased investment in the phase III program for Kiobrina was offset by savings within R&D from the restructuring measures implemented in 2011.

Operating profit for the full year includes non-recurring items of SEK -34 M related to the amended purchase agreement with the sellers of Arexis on 30 March 2012.

Amortization of intangible assets amounted to SEK -421.6 M (-368.1). Other operating revenues and expenses amounted to SEK 304.9 M (147.4).

Operating profit (EBIT) improved to SEK -54.6 M (-318.6).

Net financial items and tax
Net financial expense amounted to SEK -50.5 M (-52.2). The net financial items for the previous year were positively impacted by currency effects.

Tax expense for the full year amounted to SEK 4.2 M (388.8).

Profit for the period
Profit/loss for the period excluding write-downs amounted to SEK -100.9 M (17.9). Earnings per share amounted to SEK -0.38 (0.07).

Cash flow and investments
Cash flow from operations before changes in working capital amounted to SEK 367.7 M (118.3). Non-cash items amounted to SEK 468.6 M (100.4) and were mainly due to amortization of product rights and licenses.

Working capital impacted cash flow by SEK 37.9 M (-15.4). Inventories declined, mainly for ReFacto and Kineret, and this was offset by a reduction of current liabilities, mainly trade payables, which had a negative impact on working capital.

Cash flow from investing activities increased to SEK -67.3 M (-43.7).

Financial position
Cash and cash equivalents and short-term investments as of 31 December 2012 amounted to SEK 457.0 M compared to SEK 219.0 M as of 31 December 2011.

Net debt as of 31 December 2012 amounted to SEK 143 M compared to SEK 481 M as of 31 December 2011.

Equity
Consolidated shareholders' equity as of 31 December 2012 amounted to SEK 4,837.9 M compared with SEK 4,963.4 M as of 31 December 2011.

Research and Development

Positive top-line results from two phase III haemophilia studies
In the second half of 2012 Sobi and Biogen Idec announced positive top-line results from A-LONG and B-LONG, two phase III clinical studies of the companies' long-lasting recombinant coagulation factors, rFVIIIFc and rFIXFc, for the treatment of haemophilia A and B respectively. Both are rare inherited disorders that impair blood coagulation.
The top-line results showed that both rFVIIIFc and rFIXFc were effective in the control and prevention of bleeding and in routine prophylaxis and perioperative management, and were generally well-tolerated.

The A-LONG study results showed that:

- Individualized and weekly prophylactic regimens resulted in low single-digit median annualized bleeding rates
- 98% of bleeding episodes were controlled with one or two injections of rFVIIIFc
- No patients developed inhibitors to rFVIIIFc

Results from the B-LONG study showed that:

- Prophylactic regimens resulted in low single-digit annualized bleeding rates.
- Median dosing interval was 14 days in the individualized interval prophylaxis arm during the last 6 months on study.
- Greater than 90% of bleeding episodes were controlled by a single injection of rFIXFc.
- No patients developed inhibitors to rFIXFc.

The primary efficacy and safety objectives were met in both studies and Biogen Idec plans to submit BLAs to the US Food and Drug Administration (FDA) in first half of 2013.
During the year Biogen Idec and Sobi also initiated two global pediatric clinical trials, Kids A-LONG and Kids B-LONG, to study the treatment of children with Haemophilia A and B.

For a summary of key data from B-LONG, see the press release dated 26 September 2012 and for A-LONG dated 31 October 2012, and further data presented at EAHAD dated 8 February 2013 at www.sobi.com or at www.biogenidec.com

Enrolment in Europe continues for phase III registrational study for Kiobrina
Kiobrina is a recombinant human bile salt stimulated lipase (rhBSSL) being developed by Sobi as an oral enzyme replacement therapy to improve growth in preterm infants who receive pasteurised breast milk or infant formula. The on-going phase III study is designed to evaluate the efficacy, safety and tolerability of Kiobrina. The primary endpoint is growth velocity after four weeks. First patients were enrolled in July 2011 and the last patient is expected to be enrolled in the study in 1H 2013, with a follow-up period of twelve months. The trial is expected to enrol patients in approximately 70 centres across 10 European countries. The company continues to anticipate a potential launch for Kiobrina in late 2015.

Pediatric investigation plans for Orfadin and Kineret

Sobi has received formal agreements from the EMA Pediatric Committee on its Pediatric Investigation Plans (PIP) for Orfadin and Kineret.

FDA approves Kineret for the treatment of NOMID

Sobi's application for Kineret for the indication of neonatal-onset multisystem inflammatory disease (NOMID) in the US, filed in July 2012, was granted a priority review by the FDA and was approved by the authority in December 2012. Kineret is the first and only FDA-approved therapy for NOMID.

In November Sobi filed an application for an EU Marketing Authorization with the European Medicines Agency (EMA) for Kineret for the indication of cryopyrin associated periodic syndromes (CAPS).

Development pipeline

Indication	Product/Project	Partner	Phase I	Phase II	Phase III	Reg phase
Haemophilia A	rFVIIIFc	Biogen Idec				
Haemophilia B	rFIXFc	Biogen Idec				
Prevent growth restriction in premature infants	Kiobrina®					
Diuresis and seizures in neonates	Reformulated Bumetanide	O4CP[8)]				

[8)] Only for Children Pharmaceuticals

Life cycle management

Indication	Product/Project
CAPS	Kineret®
Hereditary tyrosinemia type 1	Orfadin®, liquid formulation

Outlook for 2013

- Total revenues for the full year 2013 are expected to be in the range of SEK 2,000 to 2,200 M.
- Revenues for
  - Core Products are expected to show high single-digit growth
  - Partner Products portfolio is expected to grow by about one third, and
  - ReFacto manufacturing and royalty are expected to show low single-digit growth.
- Gross margin is expected to be in the range of 57-59%.

Other information

Personnel

As of 31 December 2012, the number of full-time employees was 478 (506).

Significant events after the reporting period

Distribution agreement signed with Valeant/PharmaSwiss

Sobi entered into an exclusive distribution agreement with Valeant/PharmaSwiss for the products Megace®, Monopril®, Cefzil® and Duricef® for the treatment of indications within oncology, cardio-vascular and anti-infective therapy areas. Under the terms of the agreement, Sobi will have exclusive distribution rights in Ireland, United Kingdom, France, Italy, Germany, Spain, Finland, Sweden, Denmark, Norway, Austria, Belgium, Liechtenstein, Netherlands, Portugal, and Luxembourg. The portfolio has current revenues of approximately SEK 120 M in the Sobi territory.

Savient Co-promotion

Sobi has entered into an exclusive agreement with Savient for the co-promotion of Kineret (anakinra) in the United States. Kineret is indicated for the reduction in signs and symptoms and slowing the progression of structural damage in moderately to severely active rheumatoid arthritis (RA) in patients 18 years of age or older who have failed one or more disease modifying antirheumatic drugs (DMARDs). Kineret is also indicated in the U.S. for the treatment of children and adults with neonatal-onset multisystem inflammatory disease (NOMID). Savient will market and promote Kineret beginning April 1, 2013. Sobi Inc. will remain responsible for all Kineret commercial drug manufacturing, supply, and regulatory activities.

Sobi offers bond in the amount of up to SEK 200 M

Additional bond offering by way of a tap-issue under the current bond loan to ensure that we can meet the opportunities presented by the pace and scale of our Haemophilia programs.

Annual General Meeting 2013

The Annual General Meeting of Swedish Orphan Biovitrum AB will be held on Friday, 26 April 2013 in the Wallenberg Auditorium at the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm, Sweden.

The Board of Directors proposes paying no dividend for the 2012 financial year.

The Annual Report for 2012 will be published on www.sobi.com three weeks before the AGM. It will also be available at Sobi's headquarters at Tomtebodavägen 23 A in Solna.

Solna, 21 February 2013

Geoffrey McDonough
President and CEO

This year-end report has not been reviewed by the Company's auditors.

Forward-looking statement
This year-end report includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programs and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing research programs that may affect Swedish Orphan Biovitrum's results.

Financial statements & Notes

The Group
Statement of Comprehensive Income

Amounts in SEK million	Q4 2012	Q4 2011	Full year 2012	Full year 2011
Total revenues	471.9	436.4	1,923.2	1,910.8
Total cost of goods and services sold	-204.5	-256.1	-882.8	-936.3
Gross profit	**267.4**	**180.3**	**1,040.4**	**974.6**
Sales and administration expenses [1)]	-357.4	-266.2	-961.2	-804.4
Research and development expenses [2)]	-98.6	-231.3	-401.6	-555.7
Non-recurring items [3)]	-3.1	-10.6	-37.1	-80.4
Other operating revenues/expenses	-1.1	0.2	304.9	147.4
Operating profit/loss	**-192.8**	**-327.7**	**-54.6**	**-318.6**
Financial income/expenses	-16.8	-19.1	-50.5	-52.2
Profit/loss after financial items	**-209.6**	**-346.8**	**-105.1**	**-370.8**
Income tax expense	66.9	358.6	4.2	388.8
Profit/loss for the period	**-142.7**	**11.8**	**-100.9**	**17.9**
Other comprehensive income				
Translation difference	1.0	0.0	0.9	-0.2
Cash flow hedge (net of tax)	-6.7	0.0	-6.5	0.0
Comprehensive income for the period	**-148.4**	**11.8**	**-106.5**	**17.7**
Earnings/loss per share (SEK)	-0.54	0.04	-0.38	0.07
Earnings/loss per share after dilution (SEK)	-0.54	0.04	-0.38	0.07
[1)] Amortization and write-down of intangible assets included in Sales & Adm expenses	-227.3	-73.7	-421.6	-237.9
[2)] Amortization and write-down of intangible assets included in Research and Development expenses	–	-127.6	–	-127.6
[3)] Amortization and write-down of intangible assets included in non-recurring items	–	-2.6	–	-2.6

The Group
Balance Sheet

Amounts in SEK million	Dec 2012	Sep 2012	Jun 2012	Mar 2012	Dec 2011
ASSETS					
Non-current assets					
Intangible fixed assets [1)]	4,533.4	4,741.6	4,802.9	4,862.6	4,885.1
Tangible fixed assets	125.6	135.8	140.3	147.0	155.9
Financial fixed assets	4.4	7.3	7.6	7.7	11.4
Total fixed assets	**4,663.3**	**4,884.7**	**4,950.8**	**5,017.3**	**5,052.4**
Current assets					
Inventories	700.4	742.3	810.5	829.8	893.8
Accounts receivable	343.2	367.1	350.6	413.0	309.6
Current receivables, non-interest bearing	154.5	243.5	248.9	201.4	224.6
Cash and cash equivalents	457.0	319.2	350.0	314.1	219.0
Total current assets	**1,655.1**	**1,672.1**	**1,760.0**	**1,758.3**	**1,647.1**
Total assets	**6,318.4**	**6,556.8**	**6,710.8**	**6,775.6**	**6,699.5**
EQUITY AND LIABILITIES					
Shareholders equity	**4,837.9**	**4,986.4**	**5,040.4**	**5,094.5**	**4,963.4**
Long-term liabilities					
Long-term debt	600.0	600.0	600.0	492.5	700.7
Long-term liabilities, non-interest bearing [2)]	371.6	452.4	461.5	472.2	358.7
Total long-term liabilities	**971.6**	**1,052.4**	**1,061.5**	**964.7**	**1,059.4**
Current liabilities					
Short term debt	1.1	14.3	13.7	13.7	13.9
Current liabilities, non-interest bearing	507.8	503.7	595.2	702.7	662.8
Total short-term liabilities	**508.9**	**518.0**	**608.9**	**716.4**	**676.7**
Total equity and liabilities	**6,318.4**	**6,556.8**	**6,710.8**	**6,775.6**	**6,699.5**

[1)] Including goodwill SEK 1,605.3 M

[2)] The Swedish government has decided to make a reduction in the company tax rate from 26.3% to 22.0% as of 2013. The reduction have lead to a positive one-time effect related to a reduction of Sobi's net deferred tax liability amounting to approximately SEK 77 M.

The Group
Changes in Equity

	Full year	
Amounts in SEK million	2012	2011
Opening balance	**4 963.4**	**4 342.4**
Change in accounting principle [1)]	-24.6	–
Opening balance	**4 938.8**	**4 342.4**
Sharebased compensation to employees	5.7	9.3
Issue of shares	–	594.0
Actuarial gain	-1.2	–
Comprehensive income for the period	-105.3	17.7
Equity, end of period	**4 837.9**	**4 963.4**

[1)]As a consequence of adopting new accounting principles, IAS 19, as from 1 January 2012, actuarial losses per 31 December 2011 has been charged to equity as an adjustment of opening balances.

The Group
Cash Flow Statement

Amounts in SEK million	Q4 2012	Q4 2011	Full year 2012	Full year 2011
Net result	-142.7	11.8	-100.9	17.9
Non-cash items[1)]	158.5	18.1	468.6	100.4
Cash flow from operations before change in working capital	**15.8**	**29.9**	**367.7**	**118.3**
Change in working capital	141.5	105.1	37.9	-15.4
Cash flow from operations	**157.3**	**135.0**	**405.6**	**102.9**
Acquisition of business, net of cash acquired	–	0.0	–	-29.8
Investment in intangible fixed assets	-19.1	-1.2	-62.8	-7.6
Investment in tangible fixed assets	-1.1	-2.3	-5.5	-7.7
Divestment of tangible fixed assets	4.7	0.3	4.6	1.3
Short-term investments	-3.6	–	-3.6	–
Cash flow from investing activities	**-19.1**	**-3.1**	**-67.3**	**-43.7**
Loans - Raising/Amortization	–	13.8	-100.0	-472.4
Issue of shares	–	0.0	–	594.0
Cash flow from financing activities	**–**	**13.9**	**-100.0**	**121.6**
Net change in cash	**138.2**	**145.7**	**238.3**	**180.8**
Liquid funds at the beginning of the period	319.2	73.1	219.0	38.5
Translation difference in cash flow and liquid funds	-0.4	0.3	-0.3	-0.3
Liquid funds at the end of the period	**457.0**	**219.0**	**457.0**	**219.0**
Short-term investments	–	–	–	–
Liquid funds and short-term investments at the end of the period	**457.0**	**219.0**	**457.0**	**219.0**
[1)] Depreciations, amortization and deferred tax:				
Depreciation tangible fixed assets	7.8	45.2	32.7	81.8
Amortization intangible assets	227.3	203.9	421.6	368.1
Deferred tax	-72.7	-360.7	-25.2	-394.7

The Group
Key Ratios and Other Information

Amounts in SEK million	Q4 2012	Q4 2011	Full year 2012	Full year 2011
Return on				
Shareholders' equity	-2.9%	0.2%	-2.1%	0.4%
Total capital	-2.5%	-4.9%	-0.4%	-4.5%
Profit numbers				
Gross profit	267.4	180.3	1 040.4	974.6
EBITDA	42.3	-78.6	399.7	131.3
Operating profit before amortizations and non-recurring items	37.6	-115.8	404.1	127.3
Operating profit before non-recurring items	-189.7	-317.1	-17.5	-238.2
EBITA	34.5	-123.8	367.0	49.5
EBIT	-192.8	-327.7	-54.6	-318.6
Profit	-142.7	11.8	-100.9	17.9
Per share data (SEK)				
Shareholders' equity per share	18.2	18.7	18.2	18.7
Shareholders' equity per share after dilution	18.2	18.7	18.2	18.7
Cash flow per share	0.5	0.5	0.5	0.7
Cash flow per share after dilution	0.5	0.5	0.5	0.7
Other information				
Gross margin	56.7%	41.3%	54.1%	51.0%
Equity ratio	76.6%	74.1%	76.6%	74.1%
Net debt	143.0	481.0	143.0	481.0
Number of ordinary shares	265 226 598	265 226 598	265 226 598	265 226 598
Number of C-shares (In treasury)	4 408 260	2 068 534	4 408 260	2 068 534
Average number of ordinary shares	265 226 598	265 226 598	265 226 598	242 119 185
Outstanding warrants	0	300 000	0	300 000
Number of shares after dilution	265 226 598	265 226 598	265 226 598	265 226 598
Average number of ordinary shares after dilution	265 226 598	265 226 598	265 226 598	242 119 185

Return on shareholders' equity
Profit/loss after tax as a percentage of average shareholders' equity.

Return on total capital
Profit/loss after financial items plus financial expenses as a percentage of average total assets.

Gross profit
Net sales less cost of goods and services sold.

EBITDA
Operating profit/loss before depreciation and amortization.

EBITA
Operating profit/loss before amortization.

EBIT
Operating profit/loss.

Profit
Net profit for the period.

Shareholders' equity per share
Shareholders' equity divided by the number of shares.

Shareholders' equity per share after dilution
Shareholders' equity divided by the number of shares after dilution.

Cash flow per share
Changes in cash and cash equivalents divided by the weighted average number of outstanding shares.

Cash flow per share after dilution
Changes in cash and cash equivalents divided by the weighted average number of shares after dilution.

Gross margin
Gross profit as a percentage of net sales.

Equity ratio
Shareholders' equity as a proportion of total assets.

Net debt
Long-term and short-term liabilities to credit institutes less cash and cash equivalents.

Non-recurring items
Non-recurring items are defined as transactions of a non-recurring nature.

The Group
Quarterly Trend Data

Amounts in SEK million	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Total Revenues	**537.4**	**490.0**	**447.1**	**436.4**	**506.7**	**480.7**	**463.8**	**471.9**
COGS	-253.5	-213.5	-213.1	-256.1	-247.3	-233.8	-197.2	-204.5
Gross profit	**283.9**	**276.4**	**233.9**	**180.3**	**259.4**	**246.9**	**266.6**	**267.4**
Gross margin	53%	56%	52%	41%	51%	51%	57%	57%
Sales and administration expenses	-116.7	-126.9	-130.4	-192.5	-127.8	-151.8	-130.0	-130.1
Research and development expenses	-102.4	-124.6	-97.3	-103.7	-97.4	-108.5	-97.1	-98.6
OPEX	**-219.2**	**-251.5**	**-227.7**	**-296.2**	**-225.1**	**-260.3**	**-227.1**	**-228.7**
% of sales	**-41%**	**-51%**	**-51%**	**-68%**	**-44%**	**-54%**	**-49%**	**-48%**
Other operating revenues/expenses	-5.0	155.4	-3.2	0.2	307.9	7.8	-9.7	-1.1
EBITA before non-recurring items	**59.7**	**180.4**	**3.0**	**-115.7**	**342.2**	**-5.6**	**29.8**	**37.6**
% of sales	11%	37%	1%	-27%	68%	-1%	6%	8%
Non-recurring items	-70.1	0.0	0.3	-8.0	-34.0	0.0	0.0	-3.1
EBITA	**-10.3**	**180.4**	**3.3**	**-123.7**	**308.2**	**-5.6**	**29.8**	**34.5**
% of sales	**-2%**	**37%**	**1%**	**-28%**	**61%**	**-1%**	**6%**	**7%**
Amortizations	-53.4	-53.1	-57.7	-203.9	-65.6	-64.2	-64.5	-227.3
EBIT	**-63.7**	**127.3**	**-54.4**	**-327.7**	**242.6**	**-69.8**	**-34.7**	**-192.8**
EBIT margin	**-12%**	**26%**	**-12%**	**-75%**	**48%**	**-15%**	**-7%**	**-41%**
EBITDA	3.5	193.2	13.3	-78.6	316.7	2.7	37.9	42.3

The Group
Revenues Trend by Business Line

Amounts in SEK million	Q1-11	Q2-11	Q3-11	Q4-11	FY 2011	Q1-12	Q2-12	Q3-12	Q4-12	FY 2012
Core Products										
Kineret	107.2	102.9	102.5	109.3	421.9	134.7	104.5	114.4	130.6	484.7
Orfadin	76.0	85.2	80.2	74.2	315.6	93.6	89.1	82.6	91.3	356.7
Other core products	17.2	18.7	19.0	19.8	74.7	21.8	22.8	17.7	21.5	83.7
Total	**200.4**	**206.8**	**201.7**	**203.3**	**812.2**	**250.1**	**216.4**	**214.7**	**243.4**	**925.1**
Partner Products										
Current portfolio	80.8	95.3	96.7	100.8	373.6	103.4	99.7	91.7	112.5	407.2
Discontinued products	22.5	17.1	5.4	0.0	45.0	0.0	0.0	0.0	0.0	0.0
Co-promotion revenues	28.3	26.2	24.5	26.0	105.0	12.0	0.0	0.0	0.0	12.0
Total	**131.6**	**138.5**	**126.6**	**126.8**	**523.6**	**115.4**	**99.7**	**91.7**	**112.5**	**419.2**
ReFacto										
Manufacturing revenues	166.4	108.5	98.9	77.9	451.7	116.9	107.5	118.9	92.7	436.0
Royalty revenues	38.9	36.3	19.7	28.3	123.3	24.2	44.0	38.5	23.2	129.8
Total	**205.3**	**144.8**	**118.6**	**106.2**	**575.0**	**141.1**	**151.5**	**157.4**	**115.9**	**565.8**
Other revenues	0.1	-0.3	0.1	0.0	0.0	0.0	13.1	0.0	0.0	13.1
Total revenues	**537.6**	**490.0**	**447.1**	**436.4**	**1,910.8**	**506.6**	**480.7**	**463.8**	**471.8**	**1,923.2**

Parent Company
Profit and Loss Statement

Amounts in SEK million	Q4 2012	Q4 2011	Full year 2012	Full year 2011
Total revenues	387.4	247.7	1,640.5	1,170.1
Total cost of goods and services sold	-200.5	-185.4	-813.2	-647.2
Gross profit	**186.9**	**62.3**	**827.3**	**522.9**
Sales and Administration expenses [1)]	-125.4	-138.4	-446.0	-380.1
Research and Development expenses [2)]	-99.7	-229.0	-390.4	-534.7
Non recurring items	-3.1	-57.0	-37.1	-77.9
Other operating revenues/expenses	-0.4	991.2	311.6	993.1
Operating profit/loss	**-41.7**	**629.1**	**265.4**	**523.3**
Result from participation in Group companies	-1.3	-0.3	-0.2	-0.5
Financial income	38.0	-0.7	61.9	11.1
Financial expenses	-46.5	-15.8	-75.0	-65.0
Profit/loss after financial items	**-51.5**	**612.2**	**252.1**	**468.8**
Income tax expenses	-110.9	77.4	-220.5	77.4
Profit/loss for the period	**-162.4**	**689.6**	**31.6**	**546.2**
Other comprehensive income				
Cash flow hedge (net of tax)	-6.7	–	-6.5	–
Comprehensive income for the period	**-169.1**	**689.6**	**25.1**	**546.2**
[1)] Amortization and write-down of intangible assets included in Sales & Adm expenses	-12.9	-23.8	-53.8	-62.9
[2)] Amortization and write-down of intangible assets included in Research and Development expenses	–	-127.6	–	-127.6

Parent Company
Balance Sheet

Amounts in SEK million	Dec 31 2012	Sep 30 2012	Jun 30 2012	Mar 31 2012	Dec 31 2011
ASSETS					
Fixed assets					
Intangible fixed assets	638.5	633.2	643.5	651.8	665.9
Tangible fixed assets	120.0	130.7	137.3	135.1	143.5
Financial fixed assets	4,063.7	4,101.8	4,173.8	4,177.7	4,156.9
Total fixed assets	**4,822.2**	**4,865.7**	**4,954.6**	**4,964.6**	**4,966.3**
Current assets					
Inventories	617.9	671.1	766.5	657.3	716.8
Current receivables, non-interest bearing	1,279.6	1,343.9	1,306.9	1,460.0	1,101.7
Cash and cash equivalents	276.5	239.4	305.5	250.4	175.0
Total current assets	**2,174.0**	**2,254.4**	**2,378.9**	**2,367.7**	**1,993.5**
Total assets	**6,996.2**	**7,120.1**	**7,333.5**	**7,332.3**	**6,959.8**
EQUITY AND LIABILITIES					
Shareholders' equity	**5,607.4**	**5,776.3**	**5,732.6**	**5,725.1**	**5,530.0**
Untaxed reserves	**1.1**	**3.6**	**–**	**–**	**–**
Long-term liabilities					
Long-term debt	600.0	600.0	600.0	492.4	700.0
Long-term liabilities, non-interest bearing	19.8	19.5	19.0	19.0	–
Total long-term liabilities	**619.8**	**619.5**	**619.0**	**511.4**	**700.0**
Current liabilities					
Current liabilities, non-interest bearing	767.9	720.7	981.9	1,095.8	729.8
Total short-term liabilities	**767.9**	**720.7**	**981.9**	**1,095.8**	**729.8**
Total equity and liabilities	**6,996.2**	**7,120.1**	**7,333.5**	**7,332.3**	**6,959.8**

Parent Company
Change in Shareholder's Equity

	Full year	
Amounts in SEK million	2012	2011
Opening balance	**5,530.0**	**4,375.9**
Sharebased compensation to employees	5.9	9.3
Issue of shares	–	594.0
Merger gain	46.4	–
Liquidation	–	4.5
Comprehensive income for the period	25.1	546.2
Equity, end of period	**5,607.4**	**5,530.0**

Notes

Note 1 Accounting and valuation principles and other information

Important accounting principles

Swedish Orphan Biovitrum AB (publ) prepares its consolidated financial statements in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The consolidated financial statements have been prepared according to the historical cost convention, except in the case of financial assets and financial assets and liabilities (including derivative instruments) which are measured at fair value in comprehensive income. The parent company applies the Annual Accounts Act and RFR 2 Reporting for legal entities.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Accounting principles applied are in accordance with those described in the 2011 Annual Report. Starting 1 January 2012, the group is no longer applying the "corridor method" in the current IAS 19. Instead all actuarial gains and losses are recognized in "Other comprehensive income" as incurred. Previous year´s unrecognized actuarial losses in the amount of SEK 24.6 M are reported as a change in the accounting principle, directly against the opening balance of equity. More detailed information about the Group's accounting and valuation principles can be found in the 2011 Annual Report which is available at www.sobi.com.

Operating risks

All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company. Swedish Orphan Biovitrum is exposed to three main risk categories:

- External risks such as patent infringements, competition within product concepts and decisions by authorities regarding product use and prices.
- Operational risk, e.g. due to the capital-intensive and risky nature of new drug development, dependence on external partners in various collaborations, product liability claims and laws and rules on the treatment of hazardous materials.
- Financial risks, such as currency risk, interest risk, credit risk and liquidity risk.

A more detailed description of the Group's risk exposure and risk management is included in Swedish Orphan Biovitrum's 2011 Annual Report (see the Directors' Report).

Note 2 Shares and Warrants

Development in share capital and number		No of shares	Share capital, SEK
December 2011		**267,295,132**	**146,664,000**
June 2012	Rights issue of class C shares	684,590	375,632
Sep 2012	Rights issue of class C shares	1,655,136	908,168
December 2012		**269,634,858**	**147,947,800**

A preferential new share issue of class C shares was completed in September 2012, after which the total number of shares is 269,634,858. The class C shares are intended to ensure fulfillment of commitments under the company's long-term incentive programs. Issued shares break down as 265,226,598 ordinary shares and 4,408,260 class C shares. The ordinary shares carry one vote per share and the class C shares carry 1/10 of a vote per share. All class C shares are treasury shares.

Option and share based incentive programs

Share based incentive program 2010
A long-term, performance-based share program ("Share Program 2010") was adopted at the Annual General Meeting on 27 April 2010. Share Program 2010 covers management and key individuals in Swedish Orphan Biovitrum, and may involve a total maximum allocation of 429,925 shares in Swedish Orphan Biovitrum AB. The program is designed to allow the participant to invest in a number of shares and receive the equivalent number of shares free of charge if the individual stays with the Company for three years. Employees also have the opportunity to receive additional shares based on Swedish Orphan Biovitrum's performance over a three-year benchmark period. The program was implemented in December 2010 and the benchmark period extends from 13 December 2010 through 12 December 2013.

Share based incentive program 2011
A long-term, performance-based share program ("Share Program 2011") was adopted at the Annual General Meeting on 28 April 2011. Share Program 2011 covers management and key individuals in Swedish Orphan Biovitrum and may involve a total maximum allocation of 583,993 shares in Swedish Orphan Biovitrum AB. The program is designed to allow the participant to invest in a number of shares and receive an equivalent number of shares free of charge if the individual stays with the Company for three years. Employees also have the opportunity to receive additional shares based on Swedish Orphan Biovitrum's performance over a three-year benchmark period. The program was implemented in December 2011 and the benchmark period extends from 15 December 2011 through 15 December 2014.

Share based incentive program 2012
A long-term, performance-based share program ("Executive Program") was adopted at the Annual General Meeting on 26 April 2012. The Executive Program covers management and key individuals in Swedish Orphan Biovitrum and may involve a total maximum allocation of 670,800 shares in Swedish Orphan Biovitrum AB. The program is designed to allow the participant to invest in a number of shares and receive an equivalent number of shares free of charge if the individual stays with the Company for three years. Employees also have the opportunity to receive additional shares based on Swedish Orphan Biovitrum's performance over a three-year benchmark period. The program was implemented in May 2012 and the benchmark period extends from 14 May 2012 through 14 May 2015.

A long-term, performance-based share program ("All Employee Program") was adopted at the Annual General Meeting on 26 April 2012. The All Employee Program covers permanent employees in Swedish Orphan Biovitrum and may involve a total maximum allocation of 24,800 shares in Swedish Orphan Biovitrum AB. The program is designed so that participants receive 100 shares free of charge if the performance criteria are met and if the individual stays with the Company for three years. The program was implemented in May 2012 and the benchmark period extends from 14 May 2012 through 14 May 2015.

Share program for CEO 2011
The Extraordinary General Meeting held on 24 August 2011, adopted a performance-based, long-term share program for the CEO Geoffrey McDonough (the "CEO Share Program 2011"). The program is based on the CEO's own investment in shares in the market over a three-year period and includes the allotment of performance shares free of charge based on an increase in Swedish Orphan Biovitrum's share price during the performance period ending on 15 August 2014. For any allotment of performance shares to be possible, the share price at the end of the performance period must amount to more than SEK 25.77. A maximum of 500,000 performance shares may be allotted as follows:

Pro-rata allotment of 400,000 performance shares
If the share price at the end of the performance period amounts to at least SEK 45.00, 400,000 performance shares will be allotted. If the share price is between SEK 25.77 and SEK 45.00 at the end of the performance period, the portion of the 400,000 performance shares to be allotted will be calculated on a pro-rata basis.

Threshold allotment 1 of 30,000 performance shares
In addition to the pro-rata allotment, 30,000 performance shares will be allotted if the share price at the end of the performance period amounts to at least SEK 30.00.

Threshold allotment 2 of 70,000 performance shares
In addition to the pro-rata allotment and the threshold allotment 1, 70,000 performance shares will be allotted if the share price at the end of the performance period amounts to at least SEK 35.00.

Note 3 Contingencies

In 2004 the real estate Paradiset 14 was transferred to a substantially foreign-owned limited liability partnership Nya Paradiset KB, whereupon the participating interests in Nya Paradiset KB were sold to an external party at market price. On 3 March 2011 the Administrative Court ruled in favor of the Tax Agency's request, explaining that, based on the above transfer and subsequent sale, Swedish Orphan Biovitrum will, under the tax law, be charged an amount of SEK 232.2 M as revenue in the 2005 tax year. The company appealed to the Administrative Court of Appeal. A stay of proceedings was issued in the case while awaiting the Supreme Administrative Court´s (SAC) verdict on another, separate tax avoidance issue, known as the Cyprus case. On 30 May 2012 SAC delivered its verdict in the said case and Swedish Orphan Biovitrum's tax case was taken up for continued consideration by the Administrative Court of Appeal and Swedish Orphan Biovitrum will have the opportunity to supplement and strengthen its legal submission.

During the period, there have been no relevant developments in the proceedings. For further background, please refer to the company's interim report for the third quarter 2012, note 3.

On 29 March 2012, Swedish Orphan Biovitrum amended its share purchase agreement regarding the acquisition in 2005 of the pharmaceutical Company Arexis AB. As stated in Swedish Orphan Biovitrum's annual and quarterly reports, the sellers of Arexis initiated arbitration as well as an expert determination procedure in 2011 regarding certain claims related to the share purchase agreement. Both proceedings have been withdrawn as a consequence of the amended share purchase agreement. According to the amended agreement, Swedish Orphan Biovitrum has no remaining development obligations toward the sellers. Under the amended agreement, Swedish Orphan Biovitrum will pay the sellers a total of SEK 77 M, of which SEK 43 M is for the future milestone obligations for the Kiobrina program. Swedish Orphan Biovitrum has paid SEK 36 M in connection with the signing of the agreement and will pay SEK 20 M in 2013 and SEK 21 M in 2014.

Note 4 Transactions with Related Parties

In January 2013 the company entered into an employment agreement with Bo Jesper Hansen as Executive Chairman. The new agreement entered into effect on 15 January, 2013, upon the expiry of the three year term of Bo Jesper Hansen´s previous employment agreement with the company. The new employment agreement is valid until May, 1st, 2014.

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Telephone Conference
The interim report for the fourth quarter and full year 2012 will be presented by CEO Geoffrey McDonough, CFO Annika Muskantor (Interim), COO Alan Raffensperger and Head of Investor Relations Jörgen Winroth at a media and analyst telephone conference.

Time: Thursday, 21 February 2013 at 2 p.m. CET

To participate in the telephone conference, please call:
SE: +46 8 505 564 76
UK: +44 203 364 53 71
US: +1 877 679 29 93

A recording will be available afterwards at www.sobi.com under Investors & Media/Audio cast. Slides used in the presentation will also be available on the website under Investors & Media/Presentations.

Financial calendar 2013

Interim Report, January-March, and Annual General Meeting	26 April
Interim Report, January-June	18 July
Interim Report, January-September	30 October

Contact information
Investor Relations: Jörgen Winroth, tel: 08-697 20 00, cell: +1 347 224 0819, email: jorgen.winroth@sobi.com

The above information has been made public in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on February 21 2013 at 8.30 CET.

About Sobi
Sobi is an international specialty healthcare company dedicated to rare diseases. Our mission is to develop and deliver innovative therapies and services to improve the lives of patients. The product portfolio is primarily focused on inflammation and genetic diseases, with three late stage biological development projects within hemophilia and neonatology. We also market a portfolio of specialty and rare disease products for partner companies. Sobi is a pioneer in biotechnology with world-class capabilities in protein biochemistry and biologics manufacturing. In 2012, Sobi had total revenues of SEK 1.9 billion (€ 215 M) and about 480 employees. The share (STO: SOBI) is listed on NASDAQ OMX Stockholm. More information is available at www.sobi.com