Interim Report January – September, 2011

Stockholm, 20 October 2011

Product growth and operating expense controls evident in the quarter, lower gross margin mainly due to currency and plant maintenance.

Geoffrey McDonough, CEO: Sobi continues to make progress in its transformation towards becoming a more focused and profitable innovative biopharmaceutical company dedicated to rare disease patients. The third quarter highlights the growth of our core business lines (Kineret®, Orfadin®, ReFacto® manufacturing), as well as good performance from our launch products. In addition to focusing on the performance of our portfolio, we are establishing a direct presence in the United States, and expect to have a fully operational subsidiary in place at the beginning of 2012. We are streamlining the company's expense structure based on previously announced restructuring and additional cost controls. Progress in our late stage programs is on track and will also continue be a key value driver for us."

Third quarter

- **Total revenues increased by 1% to SEK 447.1 M (444.0), and by 10% adjusted for currency effects and discontinued products.**
- **Sales from the existing product portfolio rose by 8% adjusted for currency effects.**
- **Gross margin declined, mainly due to manufacturing plant maintenance in the quarter and currency effects.**
- **Operating expenses were lower, reflecting the ongoing streamlining of operations.**
- **The outlook for the full year 2011 is unchanged. However, the company will evaluate several items in the balance sheet which could amount to a write-down of up to SEK 350 M in Q4 2011, with limited cash flow effect.**

	Jul 1 - Sep 30			Jan 1 - Sep 30			Full year
Amounts in SEK million	**2011**	**2010**	**Change**	**2011**	**2010**	**Change**	**2010**
Total revenues	447.1	444.0	1%	1,474.5	1,441.7	2%	1,906.7
Gross profit	233.9	285.2	-18%	794.3	907.8	-13%	1,221.0
Operating profit before amortizations and non-recurring items (EBITA)	3.0	65.6	-95%	243.2	179.7	35%	378.7
Operating profit/loss before non-recurring items (EBIT)	-54.7	11.5	<-100%	78.9	24.3	>100%	77.5
Profit/loss	-38.4	-27.2	-41%	6.1	-91.2	>100%	-104.4
Earnings/loss per share, SEK[1)]	-0.14	-0.11	-26%	0.03	-0.42	>100%	-0.47
Core earnings per share[1) 2)], SEK	0.02	0.23	-89%	0.88	0.66	33%	1.22

[1)] *Comparison numbers adjusted for the rights issue completed in June 2011.*

[2)] *Calculated as net profit for the period adjusted for non-recurring items and amortization of intangible assets based on the avarege number of shares.*

Revenues and profit

Third quarter

Total revenues for the third quarter of 2011 increased to SEK 447.1 M (444.0). Adjusted for negative currency effects of SEK 13 M and discontinued products in the amount of SEK 26 M, revenues rose by 10%. Discontinued products compared to the previous year include the Shire products and Mimpara®.

The increase in revenues is driven by deliveries of ReFacto®, and by product sales which rose by 8% adjusted for currency effects and discontinued products.

The gross margin was 52.3% (64.2). The decline is due to lower utilization of the plant in Stockholm in July and August as a result of scheduled maintenance, as well as currency effects.

S&A expenses and R&D expenses were lower than in the previous year, reflecting the ongoing streamlining of operations.

The operating profit before amortization of intangible assets and non-recurring items (EBITA) was SEK 3.0 M (65.6). Amortization of intangible assets amounted to SEK -57.7 M (-54.1). The operating profit/loss (EBIT) before non-recurring items was SEK -54.7 M (11.5). The decline in operating profit from the previous year is mainly explained by the lower contribution from manufacturing.

Financial items and tax

Net financial items for the third quarter amounted to SEK 5.4 M (-30.8). The improvement is due to the reduction in net debt following the rights issue in the second quarter and positive currency effects. The financial net for the previous year included a write-down of SEK 19.0 M on a loan to iNovacia.

Sobi has accumulated loss carry-forwards that are not recorded in the accounts as an asset. The company's tax rate therefore deviates from the Swedish tax rate. The actual current tax expense for the quarter was SEK -1.9 M (-13.0) and deferred tax amounted to SEK 12.5 M (11.3) providing a positive net effect on the results of SEK 10.6 M (-1.7).

The loss for the period amounted to SEK -38.4 M (-27.7), corresponding to earnings per share of SEK -0.14 (-0.11) per share.

First nine months

Total revenues for the first nine months of 2011 increased by 2% to SEK 1,474.5 M (1,441.7). Adjusted for negative currency effects of SEK 86 M and discontinued products in the amount of SEK 49 M, the increase was 12%. The increase is driven by higher manufacturing revenues and royalty for ReFacto®, and by product sales which rose by 7% adjusted for currency effects and discontinued products.

The gross margin was 53.9% compared to 63.0% in the previous year. The decline was mainly due to currency effects, a lower margin for manufacturing revenues as a result of the structure of the agreement with Pfizer, and to the delivery of validation batches at a lower price. The lower utilization of the plant in Stockholm also had a limited impact. The cost for transferring production of Kineret® was in line with the previous year, but delays in the project due to technical challenges have led to higher forecasted costs than anticipated. The gross margin for the previous year was positively impacted by the received milestone payment of SEK 23.5 M in the first quarter of 2010 related to the Syntonix transaction.

Other operating revenues and expenses were positively impacted by SEK 149.2 M. The amount refers to an agreement with the previous owners of Swedish Orphan regarding Multiferon® resulting in the release of the previously booked liability for the additional purchase consideration in the second quarter, see page 6.

Operating expenses, excluding amortizations and depreciations, non-recurring items and the effect of the agreement regarding Multiferon®, fell by 4%. The reduction is mainly due to the cost-saving activities that were implemented during 2010 and 2011 and to a minor extent to currency effects.

The operating profit before amortization of intangible assets and non-recurring items (EBITA) was SEK 243.2 M (179.7).

Amortization of intangible assets amounted to SEK -164.2 M (-155.4). Operating profit (EBIT) before non-recurring items was SEK 78.9 M (24.3).

Non-recurring items

Non-recurring items amounted to SEK -69.8 M and consisted mainly of severance pay and other costs related to the reduction of about 60 positions that was decided in March 2011. The savings from these measures are estimated at approximately SEK 90 M annually and are expected to have full effect as of 2012. Non-recurring items for the first nine months in the previous year amounted to SEK -57.9 M and referred mainly to severance pay and other expenses in connection with the merger of Biovitrum and Swedish Orphan.

Financial items and tax

Net financial items for the first nine months of 2011 amounted to SEK -33.2 M (-55.6). The financial expense is mainly related to the company's net debt which was reduced substantially following the rights issue in the second quarter. The financial net in the previous year was impacted by the write-down of the loan to iNovacia.

Profit for the period was SEK 6.1 M (-92.4), corresponding to earnings per share of SEK 0.03 (-0.42).

Outlook for 2011

Uncertainty remains about the trend in the global economy and currencies, as well as how budget problems in many European countries will affect the pharmaceutical market. Nevertheless, the assessment is that Sobi will achieve good growth in volume, mainly through a number of product launches, which together with an increase in orders received from Pfizer means that revenues for the full year 2011 are expected to increase by 1-5%.

Gross margin for the full year is expected to be lower than last year, mainly due to the transfer of production of Kineret® as well as negative exchange rate effects. R&D costs will rise as the phase III study for Kiobrina® begins, though this increase will be offset by the previously announced cost savings and the full effect of the synergies from the merger with Swedish Orphan.

The outlook was first published in the report for the first quarter of 2011.

Possible write down of balance sheet items in Q4

The Company anticipates being in a position to make a series of balance sheet adjustments in the fourth quarter of 2011, as tech transfer progress for Kineret® will be more advanced, inventory positions and growth rates for both Kineret® and Kepivance® will be evaluable, and adjustment of intangibles related to an out-licensed project may be performed. It is expected that these and other items related to the previously announced restructuring could total a write-down of up to SEK 350 M in the fourth quarter of 2011, with limited cash flow effect.

Revenues by region and key product

Product sales and co-promotion, excluding manufacturing and royalty revenues for ReFacto®, declined in the first nine months by 5% in SEK to 1,005.7 M (1,059.2). Adjusted for negative currency effects of SEK 75 M and discontinued products amounting to 49 M, sales increased by 7%.

Product sales by region (excluding ReFacto® manufacturing and royalty revenues)

	Jul 1 - Sep 30			Jan 1 - Sep 30			Full year
Amounts in SEK million	**2011**	**2010**	**Change**	**2011**	**2010**	**Change**	**2010**
Nordic	96.9	112.2	-14%	325.7	347.4	-6%	450.4
Europe	137.5	125.7	9%	400.3	410.8	-3%	551.3
North America	86.2	97.5	-12%	249.9	271.2	-8%	340.2
RoW	7.7	7.3	6%	29.8	29.8	0%	43.5
Total revenues	**328.3**	**342.7**	**-4%**	**1,005.7**	**1,059.2**	**-5%**	**1,385.4**

Sales in the Nordic region declined in the first nine months by 6% to SEK 325.7 (347.4), as a result of the expiry of the contract regarding the Shire products. After adjustments for negative currency effects of SEK 8 M and discontinued products in the amount of SEK 49 M, sales in the Nordic region increased by 13%. Sales in the third quarter, after adjustment for currency effects and discontinued products, rose by 13%.

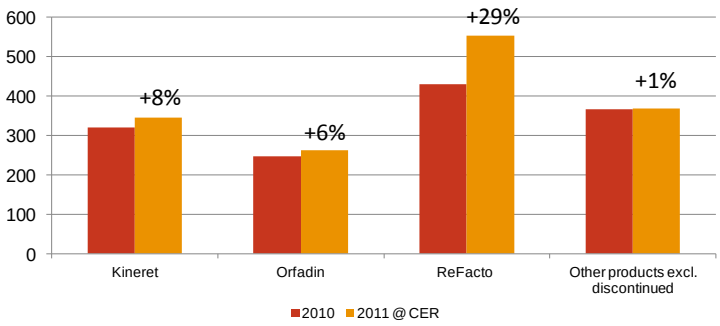
Sales in the rest of Europe in the first nine months declined by 3% to SEK 400.3 (410.8), but rose by 4% after adjustment for currency effects. Sales in the rest of Europe during the quarter increased by 13% adjusted for currency effects. The impact of price reductions in Europe have now largely annualized.

Sales for the first nine months in North America declined by 8% to SEK 249.9 M (271.2), but increased by 6% adjusted for currency effects. Sales in North America in the quarter declined by 12% in SEK, but were largely unchanged after adjustments for currency effects.

Sales by key product

	Jul 1 - Sep 30			Jan 1 - Sep 30			Full year
Amounts in SEK million	**2011**	**2010**	**Change**	**2011**	**2010**	**Change**	**2010**
ReFacto	141.2	124.7	13%	542.1	429.6	26%	587.1
of which Manufacturing revenues	*98.9*	*77.2*	*28%*	*373.8*	*268.1*	*39%*	*388.0*
of which Co-promotion	*22.6*	*23.8*	*-5%*	*73.3*	*71.0*	*3%*	*89.4*
of which Royalty	*19.7*	*23.7*	*-17%*	*95.0*	*90.5*	*5%*	*109.7*
Kineret	102.5	103.4	-1%	312.7	321.0	-3%	422.3
Orfadin	80.2	84.4	-5%	241.5	246.8	-2%	321.8
Kepivance	20.0	19.5	3%	56.9	76.5	-26%	94.8
Ammonaps	16.9	19.1	-12%	50.1	55.5	-10%	69.1
Yondelis	14.6	9.4	56%	35.0	27.2	29%	40.6
Willfact	7.0	4.2	67%	12.1	8.7	40%	13.1
Other product revenues	64.4	53.3	21%	195.4	174.3	12%	235.8
Total revenues continued products	**446.8**	**417.9**	**7%**	**1,445.7**	**1,339.5**	**8%**	**1,784.6**
Discontinued products	0.1	25.7	-100%	28.8	78.3	-63%	98.5
Other revenues	0.1	0.4	-73%	-0.0	23.6	<-100%	23.6
Total revenues	**447.0**	**444.0**	**1%**	**1,474.5**	**1,441.4**	**2%**	**1,906.7**

Revenue Growth by Product, Jan 1- Sep 30
(Adjusted for currency effects)



ReFacto®

Total revenues, i.e. from manufacturing, co-promotion and royalty, for the first nine months increased by 26% to SEK 542.1 (429.6), with manufacturing revenues showing an increase of 39%.Total ReFacto® revenues in the third quarter rose by 13% with manufacturing revenues increasing 28%.

Kineret®

Sales for the first nine months declined by 3% to SE 312.7 M (321.0), but increased by 8% after adjustment for currency effects. Sales in the quarter rose by 7% after adjustment for currency effects on the basis of good volume growth in Europe and the United States.

Orfadin®
Sales for the first nine months declined by 2% to SEK 241.5 (246.8). Adjusted for currency effects, sales increased by 6% for the nine-months period and were in line with the previous year for the quarter. The first sales of Orfadin® in Russia were achieved during the quarter.

Kepivance®
Sales for the first nine months declined by 26% to SEK 56.9 M (76.5) and by 15% after adjustment for currency effects. Sales in the quarter rose by 3%, and 14% adjusted for currency effects. This was the first quarter with growth for this product since the restriction of the European label became effective in the beginning of 2010. The increase referred mainly to the US, but several European markets also report higher sales.

Yondelis®

Sales for the first nine months increased by 29% to SEK 35.0 M (27.2). Sales in the quarter rose by 56%. The increase refers mainly to Central and Eastern Europe and the Nordic region.

Willfact®
Sales for the first nine months rose by 40% to SEK 12.1 M (8.7). Sales in the quarter showed an increase of 67%.

Cash flow and investments

Cash flow from operations in the third quarter amounted to SEK 0.1 M (8.0). Non-cash items amounted to SEK 52.2 M (67.8) and were mainly attributable to amortization of intangible assets.

Working capital in the third quarter increased by SEK 13.7 M (32.4). Lower inventories of Kineret® and ReFacto® were more than offset by higher accounts receivable mainly relating to manufacturing and by reduced payables.

Cash flow from net investments in the third quarter amounted to SEK -28.7 (-5.0). Net investments the first nine months amounted to SEK 40.6 M (1 835.6). Net investments in the previous year include the acquisition of Swedish Orphan.

Cash flow from operations in the first nine months amounted to -32.1 M (-246.9). Non-cash items amounted to SEK 82.3 M (200.3) and were mainly attributable to amortization of intangible assets and the effect of the agreement regarding Multiferon® which was reached at the end of the second quarter.

Financial position

Cash and cash equivalents and short-term investments as of September 30, 2011 amounted to SEK 73.1 M (219.1). The company's financing through bank loans as of September 30, 2011 amounted to SEK 685.7 M (1,350.0).

Equity

Consolidated shareholders' equity as of September 30, 2011 amounted to SEK 4,948.3 M compared to SEK 4,342.4 M as of December 31, 2010.

The rights issue which was finalized at the beginning of June 2011 increased equity by SEK 594 M, net of transaction costs. The rights issue increased the number of shares by 53,045,319 common shares. As of September 30, 2011, the total number of shares was 267,295,132, of which 265,226,598 common shares and 2,068,534 C-shares. All C-shares are held by the company.

Nascobal® to be returned to Par Pharmaceutical

Strativa, a division of Par Pharmaceutical, and Sobi have mutually agreed to return the product rights for Nascobal® to Par Pharmaceutical. There will be no loss of revenue or cost related to the transaction. The decision has been taken on the basis of regulatory requirements for additional studies and time to market.

Change in agreement regarding Multiferon®

An agreement was signed in the second quarter of 2011 regarding the additional purchase consideration for Multiferon® and the hepatitis C clinical study which was included in the agreement with the sellers upon Biovitrum's acquisition of Swedish Orphan in 2009. Under the new agreement the sellers waived the requirements of an additional purchase consideration and implementation of the study in exchange for a one-time payment of SEK 25 M paid out during the third quarter. As a result of the agreement the booked liability for the additional purchase consideration was resolved in the second quarter and approximately SEK 149 M was included in operating income for that quarter.

The agreement gives Sobi more flexibility in the future development of Multiferon® and an opportunity to study and evaluate other indications in the specialty pharmaceuticals field.

Research and development

rFIXFc and rFVIIFc

Sobi's and Biogen Idec's rFIXFc and rFVIIIFc hemophilia projects are advancing according to plan with recruitment of patients in both phase III studies (B-LONG and A-LONG, respectively). Data from both studies are expected to be delivered during 2012.

On 26 July 2011, data from the rFVIIIFc phase 1/2a trial were presented at the XXIIIrd Congress of the International Society on Thrombosis and Haemostasis in Kyoto, Japan. The data showed that the companies' long-lasting fully-recombinant factor VIII Fc fusion protein (rFVIIIFc) was well tolerated and demonstrated an approximately 1.7-fold increase in half-life compared with Advate® (antihemophilic factor recombinant, plasma/albumin-free method, rFVIII), a commercially-available factor VIII product, in 16 previously-treated patients with severe hemophilia A. The findings were seen consistently across all patients and dose levels.

Pediatric investigational plans for both rFVIIIFc and rFIXFc have been adopted by the European Medicines Agency's (EMA) Pediatric Committee and preparations for the pedriatric studies are ongoing. The rFIXFc pediatric study in the US in previously treated children under 12 years of age will be initiated by Biogen Idec in the first half of 2012.

Kiobrina®

The first patient was enrolled in the phase III study with Kiobrina® (rhBSSL) at the end of July. Kiobrina® is a recombinant produced human bile-salt stimulated lipase (rhBSSL) developed by Sobi to improve growth in preterm infants who receive pasteurized breast milk or infant formula.

The phase III study is designed to evaluate efficacy, safety and tolerability of Kiobrina® in the treatment of preterm infants. It is a multicenter, double- blind, placebo-controlled study where preterm infants younger than 32 weeks of gestational age are randomized to receive rhBSSL or placebo added to preterm formula or pasteurized human milk for 4 weeks to demonstrate improved growth velocity. After treatment, there is a follow up period of 1 year. The trial is expected to enroll patients in 70 centers in 11 European countries.

The objective of this phase III study is to confirm the results from two previous phase II studies with Kiobrina® (rhBSSL) administered to either formula or pasteurized milk, respectively. The combined results from the phase II studies showed a statistically significant increase in growth velocity and uptake of long chain polyunsaturated fatty acids such as DHA (Docosahexanoic acid) and AA (Arachidonic acid) (omega-3 and omega-6 fatty acids).

Development pipeline

Indication	Product/Project	Partner	Phase I	Phase II	Phase III	Reg phase
Hemophilia A	rFVIIIFc	BiogenIdec				
Hemophilia B	rFIXFc	BiogenIdec				
Prevent growth restriction in premature infants	Kiobrina®					

Key dates

Activity	Expected timing
Kiobrina® (prevent growth restriction): phase III data	2013
rFIXFc (hemophilia B): phase III data	2012
rFVIIIFc (hemophilia A): phase III data	2012

New subsidiary in USA

Sobi has established a subsidiary in the US, Sobi Inc, in order to build on the growth we have experienced, and expect it to be operational in the beginning of 2012. Sales in the US have so far been carried out by employees of Quintiles Inc.

Long-term share program for CEO approved by EGM

An Extraordinary General Meeting (EGM) on August 24, 2011 approved the Board of Directors' proposal regarding a performance based, long-term share program for the new CEO Geoffrey McDonough. The share program is based on an own investment in Sobi shares in the market and the allotment requires, among other things, the fulfillment of certain performance based targets related to the development of Sobi's share price.

The EGM also resolved to extend the Board of Directors' authorizations, granted by the Annual General Meeting 2011, to issue and repurchase C-shares to also cover the share program for the CEO. In addition, the EGM approved the Board of Directors' proposal regarding transfer of own shares under the CEO share program in order to secure the company's obligations under the program.

Personnel

As of September 30, 2011 Sobi had 521 employees (500).

Solna, 20 October 2011

Geoffrey McDonough
President and CEO

Forward-looking statement

This interim 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.

Review Report

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Swedish Orphan Biovitrum AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 20 October 2011

PricewaterhouseCoopers

Mikael Winkvist
Authorized Public Accountant

Financial Statements - Group

Statement of comprehensive income

Amounts in SEK million	Jul 1 - Sep 30 2011	Jul 1 - Sep 30 2010	Jan 1 - Sep 30 2011	Jan 1 - Sep 30 2010	Full year 2010
Total revenues	447.1	444.0	1,474.5	1,441.7	1,906.7
Total cost of goods and services sold	-213.1	-158.8	-680.1	-533.9	-685.7
Gross profit	**233.9**	**285.2**	**794.3**	**907.8**	**1,221.0**
Sales and Administration expenses [1)]	-188.2	-176.2	-538.3	-551.1	-825.7
Research and Development expenses	-97.3	-114.1	-324.4	-355.2	-479.8
Non-recurring items	0.3	-6.3	-69.8	-57.9	-87.7
Other operating revenues/expenses	-3.2	16.7	147.2	22.8	162.0
Operating profit/loss	**-54.4**	**5.3**	**9.1**	**-33.6**	**-10.2**
Financial income/expenses	5.4	-30.8	-33.2	-55.6	-82.2
Profit/loss after financial items	**-49.0**	**-25.5**	**-24.1**	**-89.2**	**-92.4**
Income tax expense	10.6	-1.7	30.2	-2.0	-12.0
Profit/loss for the period	**-38.4**	**-27.2**	**6.1**	**-91.2**	**-104.4**
Other comprehensive income [2)]					
Translation difference	0.0	-0.5	0.0	-1.2	-1.8
Comprehensive income for the period	**-38.4**	**-27.7**	**6.1**	**-92.4**	**-106.2**
Earnings/loss per share after tax (SEK)[3)]	-0.14	-0.11	0.03	-0.42	-0.47
Earnings/loss per share after dilution (SEK)[3)]	-0.14	-0.11	0.03	-0.42	-0.47
[1)] Amortization of intangible assets included in Sales & Adm expenses	-57.7	-54.1	-164.2	-155.4	-301.2

[2)] In correspondence with Revised IAS 1 all changes in equity that do not arise from transactions with owners should be reported in statement of comprehensive income. Translation difference does entirely concern equity in foreign subsidiaries.
[3)]Comparison numbers have been adjusted for the rights issue completed in June 2011.

Balance Sheet

Amounts in SEK million	Sep 30 2011	Jun 30 2011	Mar 31 2011	Dec 31 2010	Sep 30 2010
ASSETS					
Fixed assets					
Intangible fixed assets [1]	5,070.9	5,125.0	5,172.1	5,224.3	5,382.6
Tangible fixed assets	219.3	230.9	240.4	251.4	262.2
Financial fixed assets	22.7	20.0	20.9	21.8	35.2
Total fixed assets	**5,312.9**	**5,375.8**	**5,433.5**	**5,497.6**	**5,680.0**
Current assets					
Inventories	953.2	1,008.6	1,001.2	1,070.4	1,071.1
Accounts receivable	406.8	355.1	361.4	322.6	271.3
Current receivables, non-interest bearing	198.4	236.0	197.8	140.5	213.4
Short-term investments	–	–	–	–	–
Cash and cash equivalents	73.1	115.0	37.7	38.5	219.1
Total current assets	**1,631.4**	**1,714.6**	**1,598.2**	**1,572.0**	**1,774.9**
Total assets	**6,944.3**	**7,090.5**	**7,031.6**	**7,069.6**	**7,454.9**
EQUITY AND LIABILITIES					
Shareholders equity	**4,948.3**	**4,984.1**	**4,274.4**	**4,342.4**	**4,436.1**
Long-term liabilities					
Long-term debt	686.1	713.3	1,208.1	1,208.0	1,369.9
Long-term liabilities, non-interest bearing	730.9	740.7	748.4	762.1	766.5
Total long-term liabilities	**1,417.0**	**1,454.0**	**1,956.5**	**1,970.0**	**2,136.4**
Current liabilities					
Short term debt	14.0	14.8	203.5	178.6	164.3
Current liabilities, non-interest bearing [2]	565.0	637.6	597.2	578.6	718.2
Total short-term liabilities	**579.0**	**652.4**	**800.7**	**757.1**	**882.5**
Total equity and liabilities	**6,944.3**	**7,090.5**	**7,031.6**	**7,069.6**	**7,454.9**

[1] Including goodwill SEK 1,605.3 M (1,601 as per December 31, 2010)

Changes in Equity

Amounts in SEK million	Jan 1 - Sep 30 2011	Jan 1 - Sep 30 2010	Full year 2010
Opening balance	**4,342.4**	**1,352.8**	**1,352.8**
Adjustment of acquisition analysis[1]	–	-58.8	-58.8
Opening balance	**4,342.4**	**1,294.0**	**1,294.0**
Sharebased compensation to employees	5.7	7.0	8.6
Issue of shares	594.0	3,227.7	3,146.8
Redemption of shares	–	–	-0.9
Comprehensive income for the period	6.1	-92.7	-106.2
Equity, end of period	**4,948.3**	**4,436.0**	**4,342.4**

[1] As a consequeuence of adopting new accounting principles, IFRS 3, as from January 1, 2010, prepaid expenses related to acquisition in progress as per December 31, 2009, has been charged to equity as an adjustment of opening balances.

Cash flow statement

Amounts in SEK million	Jul 1 - Sep 30 2011	Jul 1 - Sep 30 2010	Jan 1 - Sep 30 2011	Jan 1 - Sep 30 2010	Full year 2010
Net result	-38.4	-27.5	6.1	-91.5	-104.5
Non-cash items[1)]	52.2	67.8	82.3	200.3	354.2
Cash flow from operations before change in working capital	**13.8**	**40.3**	**88.4**	**108.8**	**249.7**
Change in working capital	-13.7	-32.4	-120.4	-355.7	-464.8
Cash flow from operations	**0.1**	**8.0**	**-32.1**	**-246.9**	**-215.1**
Acquisition of business, net of cash acquired	-25.4	-0.4	-29.8	-1,812.2	-1,811.3
Investment in intangible fixed assets	-1.3	-1.1	-6.4	-33.4	-80.7
Investment in tangible fixed assets	-0.3	-3.7	-5.4	-39.8	-42.1
Investment/Divestment of financial assets	-1.7	0.1	–	1.4	1.4
Short-term investments	–	0.0	–	48.4	48.4
Cash flow from investing activities	**-28.7**	**-5.0**	**-40.6**	**-1,835.6**	**-1,884.3**
Loans - Raising/Amortization	-13.2	-3.2	-486.2	630.9	467.7
Issue of shares	–	-0.1	594.0	1,414.1	1,414.1
Cash flow from financing activities	**-13.2**	**-3.3**	**107.8**	**2,045.0**	**1,881.8**
Net change in cash	**-41.9**	**-0.3**	**35.1**	**-37.5**	**-217.6**
Liquid funds at the beginning of the period	115.0	220.0	38.5	258.2	258.2
Translation difference in cash flow and liquid funds	-0.1	-0.6	-0.5	-1.6	-2.1
Liquid funds at the end of the period	**73.1**	**219.1**	**73.1**	**219.1**	**38.5**
Short-term investments	–	–	–	–	–
Liquid funds and short-term investments at the end of the period	**73.1**	**219.1**	**73.1**	**219.1**	**38.5**
[1)] Depreciations and write down:					
Depreciation tangible fixed assets	10.0	11.3	36.6	42.7	53.9
Amortization intangible assets	57.7	54.1	164.2	155.4	301.2

Key Ratios and Other Information

	Jul 1 - Sep 30		Jan 1 - Sep 30		Full year
Amounts in SEK million	**2011**	**2010**	**2011**	**2010**	**2010**
Return on					
Shareholders' equity	-0.8%	-0.6%	0.1%	-3.2%	-3.7%
Total capital	-0.6%	-0.4%	0.3%	-1.8%	-0.5%
Margins					
Gross margin	52.3%	64.2%	53.9%	63.0%	64.0%
EBITDA-margin	2.8%	15.5%	18.9%	11.5%	22.7%
EBITA-margin	0.7%	12.8%	16.5%	8.4%	19.5%
EBIT-margin	-12.2%	1.1%	0.6%	-2.4%	-0.5%
Profit margin	-8.6%	-6.2%	0.4%	-6.3%	-5.5%
Per share data (SEK)					
Shareholders' equity per share	18.7	20.9	18.7	20.9	20.5
Shareholders' equity per share after dilution	18.7	20.8	18.6	20.8	20.4
Cash flow per share	-0.2	-0.0	0.1	-0.2	-1.1
Cash flow per share after dilution	-0.2	-0.0	0.1	-0.2	-1.1
Other information					
Equity ratio	71.1%	59.5%	71.3%	59.5%	61.4%
Number of ordinary shares	265,226,598	212,181,279	265,226,598	212,181,279	212,181,279
Average number of ordinary shares	265,226,598	212,052,346	234,332,072	194,212,175	198,741,374
Outstanding warrants 1)	300,000	335,000	300,000	335,000	315,000
Number of shares after dilution	265,865,598	212,880,579	265,865,598	212,880,579	212,804,979
Average number of ordinary shares after dilution	265,865,598	212,751,646	235,002,433	194,911,475	199,371,494

[1] *The company has one warrant program outstanding, exercisable for a maximum of 639,000 new shares in total.*

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

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

Gross margin
Gross profit as a percentage of net sales.

EBITDA margin
Operating profit/loss before extraordinary items plus amortization and impairment in relation to sales.

EBITA margin
Operating profit/loss before extraordinary items plus depreciation in relation to sales.

EBIT margin
Operating profit/loss in relation to net sales.

Profit margin
Net profit for the period in relation to sales.

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 ordinary 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.

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

Core EPS
Core EPS is calculated from P/L for the period excluding amortization and restructuring and other extraordinary items and based on average number of shares.

Extraordinary items
Extraordinary items are defined as transactions of non-recurring nature, mainly referring to discontinued products and/or operations.

Financial Statements – Parent Company

Profit and Loss Statement-Parent Company

Amounts in SEK million	Jul 1 - Sep 30 2011	Jul 1 - Sep 30 2010	Jan 1 - Sep 30 2011	Jan 1 - Sep 30 2010	Full year 2010
Total revenues	263.7	260.3	922.4	895.4	1,185.9
Total cost of goods and services sold	-141.6	-92.1	-461.8	-325.4	-410.8
Gross profit	**122.1**	**168.2**	**460.6**	**570.0**	**775.1**
Sales and Administration expenses [1)]	-94.1	-75.5	-241.7	-244.6	-356.9
Research and Development expenses	-90.9	-109.7	-305.7	-336.5	-528.6
Non recurring items	–	-6.2	-20.9	-52.0	-81.4
Other operating revenues/expenses	-3.1	21.0	1.9	35.1	174.8
Operating profit/loss	**-66.0**	**-2.2**	**-105.8**	**-28.0**	**-17.0**
Result from participation in Group companies	–	–	-0.2	–	-6.2
Financial income	9.1	0.8	11.8	2.2	0.0
Financial expenses	-6.8	-37.1	-49.2	-66.8	-81.4
Profit/loss after financial items	**-63.7**	**-38.5**	**-143.4**	**-92.6**	**-104.6**
Income tax expenses	–	–	–	–	–
Profit/loss for the period	**-63.7**	**-38.5**	**-143.4**	**-92.6**	**-104.6**
[1)] Amortization of product rights included in Sales & Adm expenses	-14.1	-12.5	-39.1	-37.5	-48.7

Balance Sheet – Parent Company

Amounts in SEK million	Sep 30 2011	Jun 30 2011	Mar 31 2011	Dec 31 2010	Sep 30 2010
ASSETS					
Fixed assets					
Intangible fixed assets	799.1	810.8	821.7	833.4	923.7
Tangible fixed assets	207.0	218.3	227.2	237.1	247.7
Financial fixed assets	4,275.2	4,269.7	4,414.6	4,414.6	4,498.4
Total fixed assets	**5,281.3**	**5,298.8**	**5,463.5**	**5,485.2**	**5,669.8**
Current assets					
Inventories	799.5	860.8	844.7	927.5	924.4
Current receivables, non-interest bearing	471.0	403.2	419.4	266.5	281.6
Cash and cash equivalents	44.7	82.3	4.0	9.1	188.5
Total current assets	**1,315.2**	**1,346.3**	**1,268.1**	**1,203.1**	**1,394.5**
Total assets	**6,596.5**	**6,645.1**	**6,731.6**	**6,688.2**	**7,064.3**
EQUITY AND LIABILITIES					
Shareholders' equity	**4,832.3**	**4,893.5**	**4,363.6**	**4,375.9**	**4,468.2**
Long-term liabilities					
Long-term debt	685.7	699.7	1,194.0	1,193.6	1,355.3
Total long-term liabilities	**685.7**	**699.7**	**1,194.0**	**1,193.6**	**1,355.3**
Current liabilities					
Short term debt	–	–	223.0	164.3	164.3
Current liabilities, non-interest bearing	1,078.5	1,051.9	951.0	954.5	1,076.5
Total short-term liabilities	**1,078.5**	**1,051.9**	**1,174.0**	**1,118.8**	**1,240.8**
Total equity and liabilities	**6,596.5**	**6,645.1**	**6,731.6**	**6,688.2**	**7,064.3**

Change in Shareholders' equity – Parent Company

Amounts in SEK million	Jan 1 - Sep 30 2011	Jan 1 - Sep 30 2010	Full year 2010
Opening balance	**4,375.9**	**1,326.1**	**1,326.1**
Sharebased compensation to employees	5.8	7.0	8.5
Issue of shares	594.0	3,227.7	3,146.8
Redemption of shares	–	–	-0.9
Exchange rate difference	–	–	–
Comprehensive income for the period	-143.4	-92.6	-104.6
Equity, end of period	**4,832.3**	**4,468.2**	**4,375.9**

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) measured at fair value through profit and loss.

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 Annual Report 2010. More detailed information about the Group's accounting- and valuation principles can be found in the Annual Report 2010 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 and competition within product concepts and decisions by authorities regarding product use and prices.
- Operational risk, e.g. the fact that developing a new drug is both capital-intensive and risky, dependence on external partners in various collaborations, product liability claims, as well as 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 2010 Annual Report (see the Directors' Report).

Note 2 Shares and Warrants

Development in share capital and number		No of shares	Share capital, SEK
December 2010		**214 249 813**	**117 558 200**
June 2011	Rights issue	53 045 319	29 105 800
September 2011		**267 295 132**	**146 664 000**

A preferential new share issue was completed in June, 2011, after which the total number of shares are 267,295,132. Issued shares break down as 265,226,598 ordinary shares and 2,068,534 C shares. The ordinary shares carry one vote per share and the C shares carry 1/10 vote per shares. All C shares are treasury shares.

Option and share based incentive programs

Share based incentive program 2008

At the Annual General Meeting on April 24, 2008, a long-term, performance based incentive program was adopted ("Share program 2008"). Share program 2008 covers management and key individuals in Swedish Orphan Biovitrum, and may involve a total maximum allocation of 472,954 shares in Swedish Orphan Biovitrum AB (publ). The number of shares, to be received by program participants, will be based on the development of the Swedish Orphan Biovitrum share over a three-year assessment period. The program was implemented at the end of 2008, and the assessment period will run from November 26, 2008, up to and including November 25, 2011.

Share based incentive program 2009

A new long-term, performance based incentive program was adopted ("Share program 2009") at the Annual General Meeting on April 28, 2009. Share program 2009 covers management and key individuals in Swedish Orphan Biovitrum, and may involve a total maximum allocation of 360,806 shares in Swedish Orphan Biovitrum AB (publ). Like in the Share

program 2008, the number of shares to be received by program participants, will be based on the development of the Swedish Orphan Biovitrum share over a three-year assessment period. The program was implemented in June 2009, and the assessment period will run from June 10, 2009 up to and including June 9, 2012.

Share based incentive program 2010
A new long-term, performance-based share program ("Share Program 2010") was adopted at the Annual General Meeting on April 27, 2010. Share Program 2010 covers management and key individuals in Swedish Orphan Biovitrum, and may involve a total maximum allocation of 571,813 shares in Swedish Orphan Biovitrum AB (publ). 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 December 13, 2010, through December 12, 2013.

Share program for CEO 2011
The Extraordinary General Meeting held on August 24, 2011, adopted a performance based, long-term share program for the CEO Geoffrey McDonough (the "CEO Share Program 2011"). The program is based on an own investment in shares in the market, to be held during a three-year period, and 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 August 15, 2014. A maximum number of 500,000 performance shares can be allotted as follows:

Pro-rata allotment of 400,000 performance shares
For any allotment of performance shares to be possible, the share price at the end of the performance period shall amount to more than SEK 25.77. 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 shall 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 M.

Warrant programs

Option program 2006/2011	Sep 30 2011	Full year 2010
Outstanding January 1	15,000	35,000
Forfeited during the period	-15,000	-20,000
Outstanding at of end of accounting period	**-**	**15,000**
Exercisable at of end of accounting period	-	15,000

Employee option program 2007/2012	Sep 30 2011	Full year 2010
Outstanding January 1	300,000	300,000
Outstanding at of end of accounting period	**300,000**	**300,000**
Exercisable at of end of accounting period	300,000	300,000

Note 3 Transactions with related parties

Amounts in SEK thousands	Sep 30 2011	Full Year 2010
Loan to executive management in parent company:		
At beginning of the year:	153	153
Loans paid during the year:	–	–
	153	**153**

There was no change as to regarding loans to related parties during the period. The conditions for these loans to executive management in the parent company are described in the Annual Report 2010.

A company related to the Chairman of the Board, Orfacare Consulting GmbH, provides consultation as regards marketing of drugs for the Sobi group in e.g. Switzerland and Austria, Slovenia and Ex-Yugoslavia. The costs for the year amount to SEK 3.2 M.

Note 4 Contingencies

In 2004, the real estate designated as Paradiset 14 was transferred to a substantially foreign-owned limited liability partnership, called Nya Paradiset KB, whereupon the participating interests in Nya Paradiset KB were sold to an external party, at market price. The real estate was transferred to Nya Paradiset KB, in accordance with the rules regarding so-called transfers below market value, in return for consideration equivalent to the real estate's value for tax purposes. In a submission to the county administrative court, dated 17 April 2008, the Swedish Tax Agency has formally requested that, pursuant the Swedish Tax Avoidance Act, the rules regarding transfers below market value shall not be applied. In the opinion of the Tax Agency, this entails that Swedish Orphan Biovitrum shall be charged a capital gain of SEK 234.5 M, as a consequence of the transfer of the real estate to Nya Paradiset KB. In Swedish Orphan Biovitrum's view, it is patently, obvious that the company has not acted in contravention of the purpose of the legislation, in the manner alleged by the Tax Agency in the aforementioned submission. Thereafter, on 9 October 2009, the Tax Agency lodged a new submission and, in reliance on two judgments from the Supreme Administrative Court dated 29 May 2009, has now alleged a new ground, as to why the rules governing transfers below market value shall not be applied by virtue of the Tax Avoidance Act. Swedish Orphan Biovitrum takes the view that the Tax Agency ought not to succeed in proving its case in relation to this new ground either. On March 3, 2011, the Administrative Court announced that they uphold the Tax Agency's request, explaining that Swedish Orphan Biovitrum under the tax law will be charged an amount of SEK 232.2 M as revenue in the 2005 tax year. The company has appealed.

As stated in the Annual Report 2010 the sellers of the pharmaceutical company Arexis, which was aquired in August 2005, have made a claim against Swedish Orphan Biovitrum in the amount of approx SEK 325 M. The sellers of Arexis claim that Swedish Orphan Biovitrum has not performed its obligations under the share purchase agreement entered into at the time of acquisition. Swedish Orphan Biovitrum have contested all claims presented by the sellers. The sellers have requested arbitration regarding parts of the above mentioned claim as well as, regarding the other parts, an expert determination provided for in the agreement.

Telephone conference

The interim report for the third quarter of 2011 will be presented by CEO Geoffrey McDonough and CFO Lars Sandström at a media and analyst telephone conference.

Time: Thursday, 20 October 2011 at 3.p.m. (CET)

To participate in the telephone conference, please call:
SE: +46 (0)8 505 598 53
UK: +44 (0)20 3043 2436
US: +1 866 458 40 87

The telephone conference can be followed live or afterwards at www.sobi.com

For more information, please contact: **Lars Sandström, CFO, Phone:** +46 8 697 26 33

Financial calendar 2011/2012

Capital Markets Day	29 November 2011
Report for the fourth quarter and full-year 2011	23 February 2012
Interim Report January-March, 2012 and AGM	26 April 2012
Interim Report January-June, 2012	19 July 2012
Interim Report January-September, 2012	30 October 2012

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 public distribution on 20 October 2011 at 8.30 CET.