

## Swedish Orphan Biovitrum Full Year Report 2010

Successes in the clinical project portfolio create foundation for future growth.

rFIXFc and rFVIII Fc hemophilia projects and Kiobrina® progressing according to plan.

### January - December

- Net revenues declined by 7.7% to SEK 1,906.7 M (pro forma<sup>1</sup> 2,065.6). Sales, excluding Tracleer® and milestone revenues, increased 3% at constant exchange rate (CER)
- Operating income (EBITA) increased by 36% to SEK 371.9 M (273.6). Profit/loss for the period totaled SEK -104.4 M (32.6), which corresponds to earnings per share of SEK -0.53 (0.32).
- Core EPS<sup>2</sup> was SEK 1.87 (0.84).
- Marketing, distribution and medical support of Xagrid®, Fosrenol® and Equasym® will terminate when the agreements with Shire expire in 2011.
- An international hemophilia B (rFIXFc) registration trial (phase II/III) was initiated in January.
- Decision was taken to advance Kiobrina® into phase III development.

### October - December

- Net revenues declined 15% to SEK 465.0 M (pro forma 546.1).
- Sales, excluding Tracleer® and milestone revenues, increased 3% at constant exchange rate (CER) and dropped 2% in SEK.
- Operating result (EBITA) was SEK 192.2 M (pro forma 103.5). Net income and EPS amounted to SEK -13.2 M (31.6) and SEK -0.06 (0.31).
- Core EPS<sup>2</sup> was SEK 0.60 (0.44).
- An international hemophilia A (rFVIII Fc) registration trial (phase II/III) was initiated.
- rFVIII Fc received orphan drug designation (ODD) from the FDA in the US.
- Development rights for Sym001 were returned to Symphogen for strategic reasons.
- Sales rights for Mimpara® were sold back to Amgen.

### Significant events after the reporting period

- January 11, 2011 Swedish Orphan Biovitrum signed an agreement with BL&H Co. Ltd for distribution of Orfadin® and Kepivance® in South Korea.
- January 27, 2011 Swedish Orphan Biovitrum signed an agreement with Fresenius Biotech for distribution of Removab® in 15 European countries over seven years.
- Executive Management Team was reorganized and the Business Development functions were strengthened

### CEO's comments

"2010 was a challenging year for our new company. Several external factors had a major impact on our financial performance this year, including the strong Swedish krona in relation to the US dollar and the euro, increased parallel trade as well as government budget problems in several European countries. At the same time, the new company was quickly and successfully integrated, and we signed new commercial agreements. Also decisions have been taken to advance our three most important projects, Kiobrina®, rFVIII Fc and rFIXFc into phase III. These successes in the late project portfolio lay the foundation for profitable growth. Conditions on the European pharmaceutical market are however expected to remain unchanged in 2011 with limited growth.," says CEO Kennet Rooth.

<sup>1</sup> All comparative figures for 2009 are pro forma figures for the merged companies Biovitrum AB and Swedish Orphan International.

<sup>2</sup> Core EPS is calculated from P/L for the period excluding amortization of intangible assets and restructuring and other extra ordinary items and calculated on average number of shares.

## Financial Summary

Amounts in SEK million	Oct 1 - Dec 31			Jan 1 - Dec 31		
	Pro forma			Pro forma		
	2010	2009	change	2010	2009	change
<b>Total revenues, Constant Exchange Rate<sup>1)</sup></b>	<b>490,9</b>	<b>546,1</b>	<b>-10%</b>	<b>2 011,4</b>	<b>2 065,6</b>	<b>-3%</b>
<b>Total revenues, reported</b>	<b>465,0</b>	<b>546,1</b>	<b>-15%</b>	<b>1 906,7</b>	<b>2 065,6</b>	<b>-8%</b>
<b>Gross profit</b>	<b>313,2</b>	<b>379,6</b>	<b>-17%</b>	<b>1 221,0</b>	<b>1 401,3</b>	<b>-13%</b>
<b>Operating profit/loss before amortizations and non recurring items (EBITA)</b>	<b>192,2</b>	<b>103,5</b>	<b>86%</b>	<b>371,9</b>	<b>273,6</b>	<b>36%</b>
<b>Profit/loss for the period before non recurring items</b>	<b>16,6</b>			<b>-16,7</b>		
<b>Profit/loss for the period</b>	<b>-13,2</b>			<b>-104,4</b>		
Earnings/loss per share after tax (SEK)	-0,06			-0,53		
Core EPS <sup>2)</sup> (SEK)	0,60			1,26		
Non-recurring items	29,80			87,70		
Research and development expenses	124,60			479,80		
Liquid funds and short-term investments	38,47			38,47		

<sup>1)</sup> Actuals 2010 converted to the previous year's average exchange rate.

<sup>2)</sup> Based on Net Income adjusted for amortization and other one time expenses.

Revenue development by key product and region<sup>1)</sup>

## Revenue development by key product

Amounts in SEK million	Oct 1 - Dec 31				Jan 1 - Dec 31			
		CER	Pro forma	CER		CER	Pro forma	CER
	2010	2010	2009	change	2010	2010	2009	change
ReFacto	157,5	158,7	124,3	28%	587,1	593,5	631,9	-6%
of which Manufacturing revenues	119,9	119,9	69,2	73%	388,0	388,0	376,5	3%
of which Co-promotion	18,4	19,5	23,1	-16%	89,4	93,9	89,7	5%
of which Royalty	19,2	19,3	32,0	-40%	109,7	111,6	165,7	-33%
Kineret	101,3	108,9	120,5	-10%	422,3	454,1	440,8	3%
Orfadin	75,0	81,9	84,2	-3%	321,8	350,5	310,0	13%
Kepivance	18,3	19,1	26,2	-27%	94,8	101,7	109,9	-7%
Ammonaps	13,6	15,0	16,0	-6%	69,1	76,0	69,9	9%
Yondelis	13,4	14,8	12,5	18%	40,6	43,8	43,9	0%
Willfact	4,4	4,8	1,2	300%	13,1	13,9	1,2	1058%
Other product revenues	81,7	87,7	89,6	-2%	328,4	348,4	328,4	6%
Total revenues continued products	465,2	490,9	474,5	3%	1 877,2	1 981,9	1 936,0	2%
Tracleer	-	-	10,4	-100%	5,9	5,9	66,9	-91%
Other revenues	-	-	62,6	-100%	23,6	23,6	62,6	-62%
Total revenues	465,2	490,9	547,5	-10%	1 906,7	2 011,4	2 065,5	-3%

## Product revenue development by region (excluding ReFacto manufacturing and royalty revenues)

Amounts in SEK million	Oct 1 - Dec 31				Jan 1 - Dec 31			
		CER	Pro forma	CER		CER	Pro forma	CER
	2010	2010	2009	change	2010	2010	2009	change
Nordic	103,0	109,4	129,7	-16%	450,4	473,3	511,9	-8%
Europe	140,5	156,6	156,1	0%	551,3	610,4	587,7	4%
North America	69,0	71,3	82,1	-13%	340,2	359,5	318,2	13%
RoW	13,7	13,9	14,4	-3%	43,5	44,3	43,0	3%
Total revenues	326,2	351,2	382,3	-8%	1 385,4	1 487,5	1 460,8	2%

## ReFacto®

Total ReFacto revenues increased 28% in CER compared with the same quarter last year. Manufacturing revenues increased 73% due to high deliveries at the end of 2010. Co-promotion revenues declined 16% in CER, mainly because our partner Pfizer bought back inventories in Finland and Norway during the fourth quarter, which had a negative impact on co-promotion revenues, though underlying demand for ReFacto AF® remained unchanged. Royalty revenues during the quarter dropped 40% because of the transition to ReFacto AF/Xyntha®.

For the twelve-month period total ReFacto revenues were 6% lower in CER year on year, mainly due to lower royalties for ReFacto AF/Xyntha® compared with ReFacto. In 2010 Swedish Orphan Biovitrum completed the transition to ReFacto AF/Xyntha®.

## Kineret®

Sales in Europe during the quarter were affected by mandatory price cuts and discounts imposed by public authorities in several countries. As a result of expected lower prices, inventory cutbacks at the distributor and wholesaler level have become noticeable, which had a negative impact on sales during the period. Revenues in Europe fell 10% (CER) year on year.

<sup>1</sup> Values for 2009 are pro forma

Despite these factors, global full-year sales of Kineret increased 3% (CER) mainly because North American sales were 12% (CER) higher than in 2009. A relaunch in Europe is in progress to boost sales of Kineret, with the full effect first expected in 2011.

#### **Orfadin®**

Global sales declined during the quarter by 3% (CER) or 12% in SEK, largely due to irregular purchasing pattern of the company's US partner. For the twelve-month period sales of Orfadin increased 30% (CER) in the United States and 12% (CER) in Europe.

During the quarter sales in Europe climbed 11% (CER) or 0% in SEK compared with the fourth quarter of 2009. The lower growth in the fourth quarter was related to purchasing patterns particularly in Spain and Turkey. Imperative price cuts or discounts only had a minimal impact on the price of Orfadin in Europe.

#### **Kepivance®**

Global sales of Kepivance declined 27% (CER) or 30% in SEK during the quarter.

In Europe sales fell 59% (CER) during the quarter compared with last year. The year-on-year decline is largely due to a decision by the European regulatory authority EMA to restrict an approved indication, along with mandatory discounts or price cuts imposed by certain national regulatory authorities.

Continued good demand in North America increased sales by 3% in CER to date for the year. However, sales in North America during the fourth quarter decreased 17% (CER) and 20% in SEK.

#### **Yondelis®**

Sales of Yondelis rose 19% (CER) or 8% in SEK compared with the same quarter last year. During the fourth quarter, the Czech Republic reinstated financing for Yondelis in hospital budgets. The launch of a second indication in the field of ovarian cancer is underway.

#### **Ammonaps®**

Sales decreased by 6% (CER) or 15% in SEK during the quarter compared with the same period last year, mainly due to natural fluctuations in ordering patterns. A shortage of goods at the manufacturer also had an impact on the quarter. On a twelve-month basis product sales grew 9% (CER) compared with 2009.

#### **Willfact®**

Sales of Willfact during the quarter totaled SEK 4.4 M. Willfact is currently sold in Germany, where the drug is approved, as well as on a named patient basis in other countries. Sales are expected to increase further during 2011 since marketing approval was recently obtained in the Nordic and Baltic countries as well as other parts of Central and Eastern Europe.

#### **Other products**

Sales of other products, excluding Tracleer®, decreased during the quarter compared with the same period last year. The reduction was 2% (CER) or 9% in SEK.

## Financial performance fourth quarter 2010 (2009 pro forma)

Amounts in SEK million	Oct 1 - Dec 31			Jan 1 - Dec 31		
	Pro forma			Pro forma		
	2010	2009	change	2010	2009	change
Total revenues	465,0	546,1	-15%	1 906,7	2 065,6	-8%
Cost of goods and services sold	-151,8	-166,5	-9%	-685,7	-664,3	3%
<b>Gross profit</b>	<b>313,2</b>	<b>379,6</b>	<b>-17%</b>	<b>1 221,0</b>	<b>1 401,3</b>	<b>-13%</b>
Sales and administration expenses	-135,6	-133,5	2%	-531,3	-499,7	6%
Research and development expenses	-124,6	-121,5	3%	-479,8	-603,1	-20%
Other operating revenues/expenses	139,2	-21,1		162,0	-24,9	
<b>Operating profit/loss before amortizations and non recurring items (EBITA)</b>	<b>192,2</b>	<b>103,5</b>		<b>371,9</b>	<b>273,6</b>	
Non recurring items	-29,8	—		-87,7	—	
Amortization	-139,0	-50,3		-294,4	-201,6	
<b>Operating profit/loss</b>	<b>23,4</b>	<b>53,2</b>		<b>-10,2</b>	<b>72,0</b>	
Financial income/expenses	-26,6			-82,2		
<b>Profit/loss after financial items</b>	<b>-3,2</b>			<b>-92,4</b>		
Income tax expense	-10,0			-12,0		
<b>Profit/loss for the period</b>	<b>-13,2</b>			<b>-104,4</b>		

Total revenues for the fourth quarter amounted to SEK 465.0 M. The reduction compared with last year is mainly attributable to milestone payments of SEK 62.6 M last year, the stronger Swedish currency and somewhat lower product revenues. A variety of factors limited sales in Europe including pressure on prices, parallel imports, lower orders from wholesalers and distributors in certain countries and the expiration of distribution rights for Tracleer®.

Gross margin declined from 70% to 67% during the fourth quarter and from 68% to 64% for the twelve-month period. The change in gross margin for the quarter was mainly due to last year's milestone payment of SEK 62.6 M and lower royalty revenues resulting from the transition to ReFacto AF®, general pressure on prices in Europe and negative exchange rate effects. This was somewhat offset by high production revenues in the fourth quarter.

Operating expenses, excluding amortization and restructuring costs, increased by 3% year-on-year. The increase, which is mainly due to continued investments by the sales and marketing organization in key products as reflected in increased sales and administrative expenses, was offset somewhat by positive currency translation effects.

Other operating revenues and expenses during the quarter totaled SEK 139.2 M (-21.1), mainly because the sales rights to Mimpara were sold.

Operating result before depreciation of product rights and restructuring costs (EBITA) was SEK 192.2 M (103.5). During the fourth quarter depreciation of intangible assets amounted to SEK 139.0 M (50.3), including an impairment loss for of the co-operation project Sym001 with Symphogen and extraordinary items for the quarter of SEK 29.8 M. Reported operating profit was SEK 23.4M (53.2).

Extraordinary items totaled SEK 87.7 M for the twelve-month period and SEK 29.8 M for the fourth quarter. These expenses mainly comprised severance pay and other costs that arose in connection with the integration of Biovitrum and Swedish Orphan International, as well as severance pay in connection with the CEO leaving the company.

## Net financials and tax

Net financial items for the fourth quarter amounted to SEK -26.6 M. For the twelve-month period net financial items amounted to SEK -82.2 M, including an impairment loss of SEK 19.3 M for the company's stake in iNovacia.

Sobi has accumulated loss-carry forwards that have not been reported as an asset. Consequently the company's tax rate deviates from the Swedish tax rate. Current tax expense for the quarter was SEK 4.1 M and deferred tax was SEK 5.9 M, for a negative net effect on the result of SEK -10.0 M (-7.7).

Profit/loss for the period was SEK -13.2 M.

## Capital expenditure and free cash flow

Cash flow from operating activities during the fourth quarter totaled SEK 31.8 M (149.3). Payments relating to restructuring totaled SEK 35.0 M.

The planned build-up of stock for Kineret was completed during the first nine months of the year and during the fourth quarter large payments to suppliers had a negative impact on operating capital.

Consolidated investments in tangible fixed assets during the fourth quarter totaled SEK 2.3 M.

Investments in intangible assets for the period totaled SEK 47.3 M and were mainly attributable to Ruconest®.

Material non-cash items totaled SEK 153.9 M, mainly attributable to amortization and impairment of intangible assets attributable to the co-operation project with Symphogen, Sym001.

## Financial position

Cash and cash equivalents and short-term investments as of December 31, 2010 amounted to SEK 38.5 M (306.6).

The company's financing through bank loans amounted to SEK 1,201.1 M on December 31, 2010. During the fourth quarter the company expanded its credit facilities by SEK 150 M by expanding overdraft facilities, with SEK 1 M utilized.

## Equity

Consolidated shareholders' equity as of December 31, 2010, was SEK 4,342.4 M, compared with SEK 1,352.8 M on December 31, 2009. The increase is primarily attributable to the shares issued in connection with the acquisition of Swedish Orphan.

## Personnel

As of December 31, 2010 Swedish Orphan Biovitrum (Sobi) had 508 employees (554 pro forma), of whom 60 per cent (57 last year) were women.

## Outlook 2010 and long term objectives

Due to considerable uncertainty relating to global macroeconomic trends, currency uncertainty, current budget problems in most European countries in 2011, and the impact of these factors on the pharmaceutical market especially in Europe, no guidance will be provided for the coming year. The company expects a favorable volume growth, but price cuts for pharmaceuticals in Europe in 2010 will have full impact during 2011, and the strong Swedish krona in relation to the US dollar and the euro is expected to reduce the growth in SEK compared to the underlying volume increase.

Seven product launches (Ruconest®, Willfact®, Promixin®, Yondelis®, Multiferon®, Kineret® and Removab®), product development activities, and the successes in the late project portfolio (rFVIIIIFc, rFIXFc and Kiobrina®) lay a strong foundation for profitable growth. In accordance with previous plans, we are continuing our increased marketing and sales efforts by expansion of the subsidiaries in Europe, the strengthening presence in the US and the expansion of the distributor network for our products in rest of the world.

We are confident that the products in late stage development phases, rFVIIIIFc, rFIXFc and Kiobrina®, will reach the market within a few years. We also have increased our business development activities in order to conclude further cooperation and licensing agreements as well as making acquisitions. To increase profitability, an internal project has been initiated aiming at eliminating unnecessary costs by reviewing working procedures, routines and prioritizations.

In the light of these facts, our long-term business objective is to achieve revenues of SEK 5 B and an EBITA margin of 30% by 2015.

## Research and development update

### **rFIXFc and rFVIII Fc hemophilia projects progressing according to plan**

Sobi and Biogen Idec remain confident that we will deliver program data for rFIXFc and rFVIII Fc, in the 2012 time frame, as recruitment is on track. We plan to initiate global pediatric (<12 years) trials for both programs in order to ensure rapid enrollment and completion of the pediatric studies. This will allow us to file both the rFVIII Fc and the rFIXFc programs in EU in line with the draft hemophilia guidelines which request pediatric data in the original file.

In Europe, the EMA has published guidelines to outline the requirements for the development of drugs aimed to treat hemophilia A and B. The current valid European guidelines were adopted in 2000. However, new draft guidelines, intended to replace the current guidelines covering recombinant FVIII and FIX, have been released for public consultation. Sobi and Biogen Idec, as well as other stakeholders, have been in discussion with EMA regarding the final guidelines.

On December 6, 2010, Sobi and Biogen Idec announced that the first patient was treated with the companies' long-lasting recombinant factor VIII Fc-fusion protein (rFVIII Fc) in a global registration trial. The study, called A-LONG, is an open-label, phase II/III, multicenter study designed to evaluate the safety, pharmacokinetic profile and efficacy of rFVIII Fc in previously treated hemophilia A patients. The clinical results from the phase I/II study, concluded in mid-2010, will be presented at the ISTH in Kyoto, Japan, in July 2011.

On December 23, 2010, rFVIII Fc received orphan drug designation (ODD) from the FDA in the US. The drug candidate already has orphan drug status in the EU. Also, rFIXFc has ODD in the US and EU.

### **Nascobal® for pernicious anemia**

Through an agreement with Strativa, which was signed by Swedish Orphan prior to the acquisition, Sobi obtained the rights to register and market Nascobal® in Europe, a vitamin B<sub>12</sub> product in nasal spray form for treatment of pernicious anemia. A small clinical trial will now be carried out with healthy volunteers, after which a registration application will be prepared and submitted to obtain marketing authorization.

### **Kiobrina®**

Kiobrina received a "positive opinion" from PDCO/EMH for its "Pediatric Investigational plan," which means that a phase III trial can be initiated as planned during H1 2011.

### **Sym001 for ITP and ADP**

On December 30 Sobi announced that, for strategic reasons, it would return all rights for Sym001 (rozrolimupab), to its partner Symphogen. Sym001 is under development for the treatment of immune thrombocytopenic purpura (ITP) and for prophylaxis of hemolytic disease in newborns, known as anti RhD prophylaxis (ADP). The company decided to terminate this collaboration in order to fully focus on other development programs.



### Development pipeline

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

### Development news flow

Activity	Expected timing
Kiobrina (prevent growth retardation): start dosing phase III	H1 2011
Nascobal® (pernicious anemia): European registration application	H2 2011
rFIX Fc (hemophilia B): report phase III data	2012
rFVIII Fc (hemophilia A): report phase III data	2012

## Business Development update

On November 3, Dongbao, through its subsidiary Rechon Life Science Ltd, granted Sobi the distribution rights for Iron Sucrose Rechon in Europe. Under the agreement, Sobi will pay Rechon a regulatory approval milestone. In addition, Sobi will pay a transfer price and royalties on net sales to Rechon Life Science Ltd. Iron Sucrose Rechon is an intravenous formulation of iron, used to treat anemia. It is in registration phase with Sweden as reference member state.

On November 5 Sobi announced a mutual agreement with Amgen to sell back its co-promotion rights in the Nordic countries for Mimpara® (cinacalcet) to Amgen for strategic business reasons. Sobi received an undisclosed payment from Amgen for these rights.

In late 2010 an agreement was signed with MicroPharm Ltd. implying that Sobi will continue to distribute, mainly in the Nordic markets, Vipera TAb™, for treatment of viper berus bite.

## Events after the reporting period

On January 11, 2011, Sobi and BL&H Co., Ltd. signed a distribution agreement for the products Orfadin and Kepivance in South Korea, yet another step in the geographic expansion of Sobi's products. Under the agreement BL&H will be responsible for registration and distribution of the products in South Korea. Since the South Korean Food and Drug Administration registration process is adapted to products already approved by the FDA or EMA, registration is expected approximately one year from application. Sales on a named patient basis may be initiated already during 2011.

On January 27, 2011, Sobi announced that a distribution agreement with Fresenius Biotech had been signed to distribute Removab® in Sweden, Denmark, Norway, Finland, Iceland, Poland, Czech Republic, Slovak Republic, Slovenia, Romania, Bulgaria, Hungary, Estonia, Latvia and Lithuania over seven years. Removab® was granted marketing authorization by the European Commission in April 2009 for the treatment of malignant ascites associated with cancer and has been launched in Germany, Austria and France so far. Removab® is an innovative product that holds great value to patients with high medical needs. Moreover, Removab® is a perfect fit with our cancer product portfolio such as Yondelis® which is distributed in similar territories.

On February 22, 2011, Sobi announced changes to its management team and a strengthening of its Business Development function. The changes illustrates Sobi's commitment to a growth strategy built both on products coming from its own late stage pipeline as well as aggressively pursuing partnerships with other pharmaceutical and biotech companies, in licensing activities and acquisitions. In addition, the broadening of the Executive Management Team is a reflexion of Sobi's international focus. Many of the team members have vast international experience.

## Tables And Figures

## Statement of comprehensive income

<i>Amounts in SEK million</i>	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2010	2009	2010	2009
Total revenues	465,0	347,7	1 906,7	1 297,0
Total cost of goods and services sold	-151,8	-92,7	-685,7	-375,7
<b>Gross profit</b>	<b>313,2</b>	<b>255,0</b>	<b>1 221,0</b>	<b>921,3</b>
Sales and Administration expenses <sup>1)</sup>	-274,6	-70,5	-825,7	-302,9
Research and Development expenses	-124,6	-109,4	-479,8	-569,4
Non recurring items	-29,8	–	-87,7	–
Other operating revenues/expenses	139,2	-23,6	162,0	-32,7
<b>Operating profit/loss</b>	<b>23,4</b>	<b>51,5</b>	<b>-10,2</b>	<b>16,3</b>
Financial income/expenses	-26,6	-19,9	-82,2	16,3
<b>Profit/loss after financial items</b>	<b>-3,2</b>	<b>31,6</b>	<b>-92,4</b>	<b>32,6</b>
Income tax expenses	-10,0	–	-12,0	–
<b>Profit/loss for the period</b>	<b>-13,2</b>	<b>31,6</b>	<b>-104,4</b>	<b>32,6</b>
<b>Other comprehensive income <sup>2)</sup></b>				
Translation difference	-0,6	-4,1	-1,8	-4,1
<b>Comprehensive income for the period</b>	<b>-13,8</b>	<b>27,5</b>	<b>-106,2</b>	<b>28,5</b>
Earnings/loss per share after tax <sup>3)</sup> (SEK)	-0,06	0,31	-0,53	0,32
Earnings/loss per share after dilution <sup>3)</sup> (SEK)	-0,06	0,31	-0,53	0,32
<sup>1)</sup> Amortization of product rights, acquired technology and license agreements included in Selling & Adm expenses	-139,0	-9,0	-294,4	-47,9

<sup>2)</sup> 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 subsidiary.

<sup>3)</sup> Comparison numbers adjusted for new share issue completed in 2010.

## Balance Sheet

	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
<i>Amounts in SEK million</i>	2010	2010	2010	2010	2009
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible fixed assets <sup>1)</sup>	5 224,3	5 382,6	5 422,5	5 434,0	1 159,1
Tangible fixed assets	251,4	262,2	270,5	270,4	252,0
Financial fixed assets	21,8	35,2	55,2	55,7	114,5
<b>Total fixed assets</b>	<b>5 497,6</b>	<b>5 680,0</b>	<b>5 748,2</b>	<b>5 760,1</b>	<b>1 525,6</b>
<b>Current assets</b>					
Inventories	1 070,4	1 071,1	994,7	670,7	578,4
Accounts receivable	322,6	271,3	341,0	276,7	105,2
Current receivables, non-interestbearing	140,5	213,4	142,7	271,6	289,7
Short-term investments	–	–	–	–	48,4
Cash and cash equivalents	38,5	219,1	220,0	349,1	258,3
<b>Total current assets</b>	<b>1 572,0</b>	<b>1 774,9</b>	<b>1 698,5</b>	<b>1 568,1</b>	<b>1 279,9</b>
<b>Total assets</b>	<b>7 069,6</b>	<b>7 454,9</b>	<b>7 446,7</b>	<b>7 328,2</b>	<b>2 805,5</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>	<b>4 342,4</b>	<b>4 436,1</b>	<b>4 454,2</b>	<b>4 427,6</b>	<b>1 352,8</b>
<b>Long-term liabilities</b>					
Long-term debts	1 208,0	1 369,9	1 380,0	1 172,2	656,0
Long-term liabilities, non-interestbearing	762,1	766,5	777,8	788,9	48,2
<b>Total long-term liabilities</b>	<b>1 970,0</b>	<b>2 136,4</b>	<b>2 157,8</b>	<b>1 961,1</b>	<b>704,2</b>
<b>Current liabilities</b>					
Short term debts	178,6	164,3	164,3	164,3	50,0
Current liabilities, non-interestbearing	578,6	718,2	670,4	775,2	698,5
<b>Total short-term liabilities</b>	<b>757,1</b>	<b>882,5</b>	<b>834,7</b>	<b>939,5</b>	<b>748,5</b>
<b>Total equity and liabilities</b>	<b>7 069,6</b>	<b>7 454,9</b>	<b>7 446,7</b>	<b>7 328,2</b>	<b>2 805,5</b>

<sup>1)</sup> Including goodwill SEK 1, 601 M (25.3 as per December 31, 2009)

## Changes in Equity

	2010	2009
<i>Amounts in SEK million</i>	Jan 1 - Dec 31	Jan 1 - Dec 31
<b>Opening balance</b>	<b>1 352,8</b>	<b>1 285,0</b>
Adjustment of acquisition analysis <sup>1)</sup>	-58,8	–
<b>Opening balance</b>	<b>1 294,0</b>	<b>1 285,0</b>
Sharebased compensation to employees	8,5	5,1
Issue of shares	3 146,9	34,4
Redemption of shares	-0,9	-0,2
Comprehensive income for the period	-106,2	28,4
<b>Equity, end of period</b>	<b>4 342,4</b>	<b>1 352,8</b>

<sup>1)</sup> As a consequence 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	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2010	2009	2010	2009
Net result	-13,0	31,5	-104,5	32,5
Non cash items	153,9	48,4	354,2	16,3
<b>Cash flow from operations before change in working capital</b>	<b>140,9</b>	<b>79,9</b>	<b>249,7</b>	<b>48,8</b>
<i>Change in working capital</i>	<i>-109,1</i>	<i>69,4</i>	<i>-464,8</i>	<i>10,0</i>
<b>Cash flow from operations</b>	<b>31,8</b>	<b>149,3</b>	<b>-215,1</b>	<b>58,8</b>
Divestment of business	–	23,1	–	23,1
Acquisition of business, net of cash acquired	0,9	-60,8	-1 811,3	-60,8
Investment in intangible fixed assets	-47,3	-16,0	-80,7	-62,6
Investment in tangible fixed assets	-2,3	-51,0	-42,1	-96,0
Divestment of tangible fixed assets	–	2,1	–	2,1
Investment/Divestment of financial assets	–	1,1	1,4	-1,9
Short-term investments	–	71,6	48,4	157,5
<b>Cash flow from investing activities</b>	<b>-48,7</b>	<b>-29,9</b>	<b>-1 884,3</b>	<b>-38,6</b>
Loans - Raising/Amortization	-163,2	-50,0	467,7	-50,0
Change in short-term investment	–	–	–	–
Issue of shares	–	–	1 414,1	34,4
Redemption of shares	–	-0,2	–	-0,2
Issue of warrants	–	–	–	–
Re-purchase of warrants	–	–	–	–
<b>Cash flow from financing activities</b>	<b>-163,2</b>	<b>-50,2</b>	<b>1 881,8</b>	<b>-15,8</b>
<b>Net change in cash</b>	<b>-180,1</b>	<b>69,2</b>	<b>-217,6</b>	<b>4,4</b>
Liquid funds at the beginning of the period	219,1	309,4	258,2	254,2
Translation difference in cash flow and liquid funds	-0,5	0,0	-2,1	0,0
<b>Liquid funds at the end of the period</b>	<b>38,5</b>	<b>378,2</b>	<b>38,5</b>	<b>258,2</b>
Short-term investments	–	-71,6	–	48,4
<b>Liquid funds and short-term investments at the end of the period</b>	<b>38,5</b>	<b>306,6</b>	<b>38,5</b>	<b>306,6</b>
<sup>1)</sup> Depreciations and write down:				
Depreciation tangible fixed assets	11,2	12,4	53,9	57,9
Amortization intangible assets	143,5	13,2	301,2	51,8
of wich product rights, acquired technology and license agreements	139,0	12,1	294,4	47,9
<sup>2)</sup> Including amortization of additional purchase price				

## Key Ratios and other information

	Oct 1 - Dec 31		Jan 1 - Dec 31	
Amounts in SEK million	2010	2009	2010	2009
<b>Return on</b>				
Shareholders' equity	-0,3%	2,4%	-3,7%	2,5%
Total capital	0,2%	1,2%	-0,5%	2,2%
<b>Margins</b>				
Gross margin	67,4%	73,3%	64,0%	71,0%
EBITDA-margin	44,7%	22,1%	22,7%	9,7%
EBITA-margin	41,3%	17,4%	19,5%	4,9%
EBIT-margin	5,0%	14,8%	-0,5%	1,2%
Profit margin	-2,8%	9,1%	-5,5%	2,5%
<b>Per share data (SEK)</b>				
Shareholders' equity per share	20,5	26,6	20,5	26,6
Shareholders' equity per share after dilution	20,5	26,4	20,4	26,4
Cash flow per share	-0,0	1,4	-0,0	0,1
Cash flow per share after dilution	-0,0	1,3	-0,0	0,1
<b>Other information</b>				
Equity ratio	61,4%	48,2%	61,4%	48,2%
Number of ordinary shares	212 181 279	50 911 901	212 181 279	50 911 901
Average number of ordinary shares	212 181 279	50 911 901	198 741 374	50 485 362
Outstanding warrants 1)	315 000	335 000	315 000	335 000
Number of shares after dilution	212 804 979	51 281 901	212 804 979	51 281 901
Average number of shares after dilution	212 804 979	51 281 901	199 371 494	50 976 493

<sup>1)</sup> The company has two different warrant programs outstanding, exercisable for a maximum of 623,700 new shares in total, adjusted for the preferential new share issue completed in January 2010.

*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 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, including restructuring costs in connection with the acquisition of Swedish Orphan

## Financial Statements – Parent Company

## Profit and Loss Statement – Parent Company

Amounts in SEK million	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2010	2009	2010	2009
Total revenues	290,5	347,7	1185,9	1297,0
Total cost of goods and services sold	-85,4	-92,7	-410,8	-375,7
<b>Gross profit</b>	<b>205,1</b>	<b>255,0</b>	<b>775,1</b>	<b>921,3</b>
Sales and Administration expenses <sup>1)</sup>	-112,3	-79,2	-356,9	-309,0
Research and Development expenses	-192,1	-109,5	-528,6	-570,7
Non recurring items	-29,4	–	-81,4	–
Other operating revenues/expenses	139,7	3,9	174,8	-5,1
<b>Operating profit/loss</b>	<b>11,0</b>	<b>70,2</b>	<b>-17,0</b>	<b>36,5</b>
Result from participation in Group companies	0,0	17,6	-6,2	17,6
Financial income	-2,2	-4,5	0,0	42,8
Financial expenses	-14,6	-15,3	-81,4	-26,4
<b>Profit/loss after financial items</b>	<b>-5,8</b>	<b>68,0</b>	<b>-104,6</b>	<b>70,5</b>
Income tax expenses	–	–	–	–
<b>Profit/loss for the period</b>	<b>-5,8</b>	<b>68,0</b>	<b>-104,6</b>	<b>70,5</b>

<sup>1)</sup> Amortization of product rights, acquired technology and license agreements included in Selling & Adm expenses

-11,2      -12,1      -48,7      -47,9

## Balance Sheet – parent Company

Amounts in SEK million	Dec 31 2010	Sep 30 2010	Jun 30 2010	Mar 31 2010	Dec 31 2009
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible fixed assets	833,4	923,7	935,7	947,1	959,7
Tangible fixed assets	237,1	247,7	255,4	256,6	252,0
Financial fixed assets	4 414,6	4 498,4	4 506,5	4 496,7	670,3
<b>Total fixed assets</b>	<b>5 485,2</b>	<b>5 669,8</b>	<b>5 697,6</b>	<b>5 700,4</b>	<b>1 882,0</b>
<b>Current assets</b>					
Inventories	927,5	924,4	852,1	541,9	578,3
Current receivables, non-interestbearing	266,5	281,6	374,9	356,6	396,5
Short-term investments	–	–	–	–	48,4
Cash and cash equivalents	9,1	188,5	177,9	268,9	258,0
<b>Total current assets</b>	<b>1 203,1</b>	<b>1 394,5</b>	<b>1 404,9</b>	<b>1 167,4</b>	<b>1 281,2</b>
<b>Total assets</b>	<b>6 688,2</b>	<b>7 064,3</b>	<b>7 102,5</b>	<b>6 867,8</b>	<b>3 163,2</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>	<b>4 375,9</b>	<b>4 468,2</b>	<b>4 490,6</b>	<b>4 453,0</b>	<b>1 326,1</b>
<b>Long-term liabilities</b>					
Long-term debts	1 193,6	1 355,3	1 351,5	1 143,2	656,0
Long-term liabilities, non-interestbearing	–	–	–	–	–
<b>Total long-term liabilities</b>	<b>1 193,6</b>	<b>1 355,3</b>	<b>1 351,5</b>	<b>1 143,2</b>	<b>656,0</b>
<b>Current liabilities</b>					
Short term debts	164,3	164,3	164,3	164,3	50,0
Current liabilities, non-interestbearing	954,5	1 076,5	1 096,1	1 107,3	1 131,1
<b>Total short-term liabilities</b>	<b>1 118,8</b>	<b>1 240,8</b>	<b>1 260,4</b>	<b>1 271,6</b>	<b>1 181,1</b>
<b>Total equity and liabilities</b>	<b>6 688,2</b>	<b>7 064,3</b>	<b>7 102,5</b>	<b>6 867,8</b>	<b>3 163,2</b>

### Change in Shareholders' equity – Parent Company

<i>Amounts in SEK million</i>	2010	2009
	Jan 1 - Dec 31	Jan 1 - Dec 31
<b>Opening balance</b>	<b>1 326,1</b>	<b>1 216,2</b>
Sharebased compensation to employees	8,5	5,1
Issue of shares	3 146,8	34,4
Redemption of shares	-0,9	-0,2
Comprehensive income for the period	-104,6	70,4
<b>Equity, end of period</b>	<b>4 375,9</b>	<b>1 326,1</b>



## 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 1.3. 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.

The Group applies the same accounting standards as those applied in the 2009 Annual Report with the exception of new or amended standards, interpretations or improvements that have been adopted by the EU and are to be applied from January 1, 2010. The fact that Biovitrum has acquired Swedish Orphan has not affected the company's reporting as regards IFRS 8 – Segment Reporting.

For Swedish Orphan Biovitrum AB (publ), the following amendments are relevant:

#### **Adopting revised accounting standard – IFRS 3 “Business Combinations”**

Effective as of January 1, 2010, the Group is applying the revised accounting standard IFRS 3 Business Combinations. The revised standard still requires the acquisition method to be applied for business combinations, but with some significant changes. For example, all payments for the purchase of a business at fair value are recorded on the acquisition date, while subsequent conditional payments are classified as liabilities which are then re-measured in profit or loss. Non-controlling interests (replacing the previous term “minority interest”) in the acquired business can either be valued at fair value or at the proportionate portion of the business's net assets held by the party with the non-controlling interest. All acquisition related transaction costs are to be expensed. The revision applies prospectively for acquisitions after the date it goes into force. The amendment to the standard will not involve any change with respect to previous acquisitions, but will only affect reporting of future acquisitions.

The amendment has affected the acquisition of Swedish Orphan which was in progress year-end 2009. Accrued acquisition related transaction costs as per December 31, 2009, amounting to SEK 58.8 M, has been charged to equity as an adjustment of opening balance as per January 1, 2010.

#### **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 Biovitrum's 2009 Annual Report (see the Directors' Report).

**Note 2      Shares and Warrants**

Development in share capital and number		No of shares	Share capital, SEK
<b>December 2009</b>		<b>50 911 901</b>	<b>27 935 503</b>
Jan 2010	New share issue	159 129 238	87 313 411
May 2010	Issue of shares in connection with convertible bonds	2 373 300	1 301 495
Aug 2010	New share issue	282 425	155 693
Oct 2010	New share issue in connection with share program 2010	1 552 949	852 098
<b>December 2010</b>		<b>214 249 813</b>	<b>117 558 200</b>

A preferential new share issue and an issue in kind were completed in January in connection with the acquisition of Swedish Orphan. In May a new share issue in connection with convertible bonds concerning termination of CBT were completed. As a milestone payment a new share issue were completed in August. To ensure delivery of shares, and to ensure liquidity for payment of future social security costs of share based incentive program 2010 ( a share based incentive program) 1,552,949 shares have been issued. These shares have been repurchased and are in treasury.

Issued shares break down as 212,181,279 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 Biovitrum, and may involve a total maximum allocation of 421,196<sup>2)</sup> shares in Biovitrum AB (publ). The number of shares, to be received by program participants, will be based on the development of the 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 Biovitrum, and may involve a total maximum allocation of 375,387<sup>2)</sup> shares in 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 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 740,000 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.

<sup>2)</sup> Adjusted for new share issue completed in January 2010.

## Warrant programs

<b>Option program 2006/2011</b>	<b>Jan 1 - Dec 31 2010</b>	<b>Jan 1 - Dec 31 2009</b>
Outstanding January 1	35 000	40 000
Forfeited during the period	-20 000	-5 000
<b>Outstanding at of end of accounting period</b>	<b>15 000</b>	<b>35 000</b>
Exercisable at of end of accounting period	15 000	35 000

<b>Employee option program 2007/2012</b>	<b>Jan 1 - Dec 31 2010</b>	<b>Jan 1 - Dec 31 2009</b>
Outstanding January 1	300 000	300 000
<b>Outstanding at of end of accounting period</b>	<b>300 000</b>	<b>300 000</b>
Exercisable at of end of accounting period	300 000	200 000

## Note 3 Transactions with related parties

<i>Amounts in SEK million</i>	<b>Jan 1 - Dec 31 2010</b>	<b>Jan 1 - Dec 31 2009</b>
<i>Loan to executive management in parent company:</i>		
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 2009.

A company related to the chairman of the Board, Orfacare, provides consultation as regards marketing of drugs for the Sobi group in e.g. Switzerland and Austria. The costs for the year amount to SEK 3.1 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 million, 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.

As Swedish Orphan Biovitrum announced in its quarterly report for the second quarter of 2010 the sellers of 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.

## Note 5 Acquired operations

Biovitrum acquired Swedish Orphan, creating a new specialty pharmaceutical company, focused on rare diseases. The transaction is built on a strong industrial logic and a profitable future growth of the business. The acquisition was concluded on January 14, 2010.

Below follows a preliminary purchase price allocation for the acquisition of Swedish Orphan.

### Purchase price allocation

Amounts in SEK million

<b>Purchase price</b>	
- cash payment	1 922,9
- discounted value est. future additional purchase price	165,0
- fair value of shares issued	1 656,8
<b>Total purchase price</b>	<b>3 744,7</b>

### Assets and liabilities in acquired operation

Amounts in SEK million

Fair value

Other intangible assets	2 707,9
Tangible assets	14,1
Financial fixed assets	2,3
Other current assets	448,9
<b>Total assets in acquired operation</b>	<b>3 173,2</b>
Long-term borrowings	30,8
Retirement benefit obligations	2,9
Deferred income tax liabilities	737,5
Current liabilities	211,5
<b>Total liabilities in acquired operation</b>	<b>982,7</b>
<b>Acquired net assets</b>	<b>2 190,5</b>
Goodwill	1 554,2
<b>Total purchase sum</b>	<b>3 744,7</b>

Goodwill pertains to the established legal structure and market presence in most countries and the synergy effects that are expected to arise by coordinating the operations of Biovitrum and Swedish Orphan.

Fair value of shares issued was based on the quoted share price on January 14, 28.40 kr. The revenue from Swedish Orphan included in the consolidated statement of comprehensive income since 1 January 2010 amounts to 725 million.

The future conditional purchase sum is based on expected future sales volume of Multiferon®. The purchase sum is calculated on a yearly basis and amounts to the net volume which exceeds a "High Watermark amount" multiplied by three. The initial High Watermark amount amounts to SEK 200 M and the maximum conditional purchase sum amounts to SEK 425 M. The duration of the purchase sum is 60 months after certain approvals and commercial launches in a number of EU countries, however, never later than the 31<sup>st</sup> December, 2017.

### Liquid funds

Amounts in SEK million

<b>Liquid funds</b>	
- cash payment	-1 922,9
Liquid funds in acquired operation	122,2
<b>Effect on liquid funds</b>	<b>-1 800,7</b>

The acquisition agreement includes e.g. an undertaking by former CEO of Swedish Orphan, Bo Jesper Hansen, not to compete with Biovitrum or its subsidiaries during a period of three years from completion of the transaction. For this undertaking, Bo Jesper Hansen is, under the relevant three-year period, entitled to a monthly compensation amounting to approximately DKK 565,000, however reduced with e.g. any compensation payable to Bo Jesper Hansen during the same period by Biovitrum or any group company under any employment or consultancy arrangement.

## Annual General Meeting 2011

The Annual General Meeting of Swedish Orphan Biovitrum AB (publ) will be held on Thursday April 28 at 04.00 p.m. in Wallenbergsalen at the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm. The Board of directors will not propose any share dividend for the fiscal year 2010.

The Annual Report, including full financial and accounting, will be published on [www.sobi.com](http://www.sobi.com) at the latest three weeks before the AGM. It will also be available at Swedish Orphans Biovitrum's headquarters at Tomtebodavägen 23 A in Solna.

## 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.*

The Board of Directors and the CEO of Swedish Orphan Biovitrum provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the companies in the Group. See under the heading "Accounting and valuation principles" above and in other information provided for a description of the operational risks.

Solna, February 23, 2011

Kennet Rooth  
Chief Executive Officer

## Conference call details

The Interim Report for the fourth quarter 2010 will be presented by Swedish Orphan Biovitrum's CEO Kennet Rooth and CFO Göran Arvidson at a media and analyst telephone conference. The presentation will be held in English and can also be followed, direct or retrospectively, by a web cast via internet.

**Time:** Wednesday, February 23, 2010 at 3.00 p.m. ( CET)

**Venue:** Grand Hôtel, Stockholm Sweden (room "New York"  
Coffee will be served

### To participate in the Telephone Conference please call:

UK: +44 (0)20 3043 2436  
SE: +46 (0)8 505 598 53  
US: +1 866 458 40 87

To follow the Telephone conference via web cast, direct or retrospectively by Internet you will find the link on our web site, please visit: [www.sobi.com](http://www.sobi.com)

## Contacts for further information

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## Financial calendar for 2011

Interim Report Jan - March, 2011	April 28, 2011
Interim Report April - June, 2011	July 19, 2011
Interim Report July - Sept, 2011	October 20, 2011

## About Swedish Orphan Biovitrum (Sobi)

Sobi is a Swedish based niche specialty pharmaceutical company with an international market presence. The company is focused on providing and developing specialist pharmaceuticals for rare disease patients with high medical needs. The portfolio consists of about 60 marketed products and an emerging late stage clinical development pipe-line. Our focus areas are: hemophilia, inflammation/autoimmune diseases, fat malabsorption, cancer supportive care and inherited metabolic disorders. In 2010 Sobi had revenues of about SEK 1.9 B and approximately 500 employees. Headquarters is located in Sweden and the share (STO: SOBI) is listed on NASDAQ OMX Stockholm. For more information please visit [www.sobi.com](http://www.sobi.com).