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Press release November 5, 2009

## The creation of a new niche specialty pharmaceutical company focused on rare diseases – with strong cash flow generation and growth potential

Biovitrum and Swedish Orphan will be combined forming Swedish Orphan Biovitrum with pro forma revenues 2009 of approximately SEK 2 billion and an EBITDA margin of 15 percent. Biovitrum will pay an upfront consideration of SEK 3.5 billion (on a cash and debt free basis), to be financed by a fully guaranteed rights issue, an issue in kind and bank financing. The Transaction will be instantly accretive to earnings per share for Biovitrum's shareholders.

- **Shared mission.** Biovitrum AB (publ) ("Biovitrum") and Swedish Orphan International AB ("Swedish Orphan") will be combined forming Swedish Orphan Biovitrum ("SO-Bi") (the "Transaction"). Biovitrum and Swedish Orphan share the same mission and business philosophy of developing and making available orphan drugs and niche specialty pharmaceuticals for patients with rare diseases and patients with high unmet medical needs.
- **Complementary capabilities.** Swedish Orphan brings recognized and successful business development capabilities, strong expertise in distribution, marketing, regulatory affairs, medical and customer support, along with its pan-European presence. This is highly complementary to Biovitrum's strong product development expertise and manufacturing skills. More specifically, Swedish Orphan brings two proprietary orphan and niche specialty drugs as well as a diverse in-licensing portfolio of approximately 50 orphan and niche specialty drugs with significant growth potential to the combined group. Biovitrum contributes with its strong hemophilia franchise, manufacturing capability, several marketed niche specialty products, of which three are proprietary, as well as a late stage clinical development pipeline within rare diseases.
- **Strong platform for growth and profitability.** The combination of the two companies is expected to be instantly accretive to earnings per share for Biovitrum's shareholders. The combined group will generate sales from approximately 60 orphan/niche specialty products plus a pipeline of two phase III and five phase II clinical product candidates to drive future growth. The combination will allow the new group to realize annual operating cost synergies and cost avoidance in excess of SEK 100 million with full effect from 2011. In addition, Swedish Orphan's established European sales and marketing infrastructure is expected to accelerate the growth of Biovitrum's current products as well as future pipeline products. The pro forma revenues for 2009 are estimated to reach SEK 2 billion with an EBITDA margin of about 15 per cent. The new group has a target to reach sales exceeding SEK 5 billion with an EBIT margin exceeding 30 per cent in 2015, based on its current product portfolio and pipeline.
- **Shareholder support.** Shareholders in Biovitrum, including Investor AB, representing 67 per cent of the capital and votes in Biovitrum in aggregate, have expressed their support for the Transaction and the industrial logic in the combination. The major shareholders in Biovitrum, Investor AB and MPM Capital, will propose Dr Bo Jesper Hansen, CEO of Swedish Orphan, to become Executive Vice Chairman in the new SO-Bi group. After the Transaction he will own 3 per cent of the shares in SO-Bi. Martin Nicklasson, current CEO of Biovitrum AB, will become CEO of SO-Bi.

*"The two companies fit like a hand in a glove. By joining forces with Swedish Orphan, Biovitrum takes another important step in the transformation set out in the strategy adopted two years ago. In one giant leap, we form a company with a leading position within rare diseases and a solid platform for future growth and profitability," says Biovitrum's CEO Martin Nicklasson.*

*"Swedish Orphan has undergone a tremendous development from a business primarily focused on the Nordic region to a broad pan-European business with both proprietary and in-licensed products. Along with Biovitrum's product portfolio and late stage pipeline, we can further leverage Swedish Orphan's strong platform in a value creating manner while continuing both companies' commitment to rare disease patients and patients with unmet medical needs. This is a truly complimentary and winning combination," says Swedish Orphan's CEO Bo Jesper Hansen.*

**Press conference** - Today at 11.00 CET, Regeringsgatan 56 (Carnegie's offices) in Stockholm. Call-in +46 (0)8 50 520 270.

**Analyst call** – Today at 16.00 CET. Call-in +46 (0)8 50 520 270.

## Transaction summary

- The new group will be called Swedish Orphan Biovitrum and is expected to have combined revenues of SEK 2 billion in 2009
- The Transaction values Swedish Orphan to SEK 3.5 billion on a cash and debt free basis.<sup>1</sup>
- The consideration is paid partly in newly issued Biovitrum shares<sup>2</sup> (48 per cent) and partly in cash (52 per cent).
- The cash consideration is financed by expanded bank financing and a fully underwritten rights issue of approximately SEK 1.5 billion.
- The Transaction is subject to approval at an Extraordinary General Meeting ("EGM") in Biovitrum, to be held on December 4, 2009.
- Shareholders in Biovitrum, including Investor AB, representing approximately 67 per cent of the capital and votes, have stated their support for the Transaction and the industrial logic of the combination.
- The terms of the rights issue are expected to be announced on or about December 2, 2009, with the subscription period December 11 – December 30, 2009.
- Investor AB holds approximately 41 per cent of the capital in SO-Bi after the Transaction.

## Background and rationale

In 2007 Biovitrum decided on a new growth oriented strategy and to focus on specialist pharmaceuticals and rare diseases which have several compelling characteristics.

In 2008, R&D was significantly downsized and focused on advancing six niche specialty pharmaceutical projects in the development pipeline.

In December 2008, Biovitrum acquired global rights to three biotech therapeutics; Kineret, Kepivance and Stemgen, expanding the portfolio of marketed products and diversifying its revenue stream. The future sales potential of these products combined with the sales potential of products in the development pipeline put focus on Biovitrum's effort to expand its sales and marketing organizations in Europe and North America.

Over the years, Biovitrum has followed the impressive development of Swedish Orphan's orphan and niche specialty pharmaceutical franchise as well as the well managed and profitable operations. During Biovitrum's transformation it has become apparent that the two companies share similar business philosophies while having highly complementary organizations and capabilities:

- Swedish Orphan has a strong track record and a proven model for in-licensing, distribution and marketing of orphan and niche specialty pharmaceuticals. Swedish Orphan has an established commercial presence in all of Europe while Biovitrum has a commercial presence in the Nordic region and an emerging presence in Europe, North America and Australia/New Zealand.
- With more than 50 products, Swedish Orphan adds regulatory expertise within orphan drugs and niche specialty pharmaceuticals as well as an established organizational structure with excellence in customer support.
- Biovitrum has a strong portfolio of proprietary products in late-stage development. Swedish Orphan's capability to bring niche specialty products to the market will significantly increase the new group's value of this product portfolio.
- Biovitrum has expertise in developing processes for, as well as large scale production of, biological pharmaceuticals. This expertise will be used for the manufacturing of Swedish Orphan's proprietary product Multiferon.
- Swedish Orphan has many years of experience of successful in-licensing of late-stage products and corporate acquisitions as a complementary engine to Biovitrum's late-stage development pipeline of proprietary products.

Additionally, the increased size, strong commercial track record and large product portfolio of the combined group are expected to enhance and expand the combined group's ability to continue collaborations with existing partners and to establish new partnerships with other pharmaceutical companies, in order to access additional product opportunities.

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<sup>1</sup> Excluding an earn-out payment, which may result in Biovitrum paying an additional amount of up to SEK 425 million related to the sales of the product Multiferon over a certain threshold level. Such earn-out payment, if any, is expected to be financed through cash flow generated by the new group and be payable no later than 2017.

<sup>2</sup> Part of the share consideration may be replaced by convertible participating debentures (the "Convertible Debentures"). Each Convertible Debenture will carry the right to an interest equal to the dividend per share. The Convertible Debenture will carry no right to vote at shareholders' meetings. Each Convertible Debenture can, at any time, on the holder's request, be converted into one common share in Biovitrum for up to 10 years.

## Swedish Orphan in brief

Swedish Orphan's business concept is to develop and make available orphan drugs – drugs designated for the treatment of rare, life-threatening or chronically debilitating diseases – and products for which there exists an unmet medical need. Swedish Orphan was founded in 1988 and is a pioneer and industrial forerunner in the area of orphan drugs. Swedish Orphan has for several years been one of Sweden's fastest growing pharmaceutical companies with a presence throughout Europe. During the last five years, Swedish Orphan has grown net sales at a CAGR of 18 per cent and EBIT at a CAGR of 45 per cent, with an EBIT margin of 29 per cent in the year ending April 30, 2009. Swedish Orphan has been able to finance its growth and expansion to date solely through cash-flow generated from operations.

Swedish Orphan has a portfolio of more than 50 niche specialty and orphan designated pharmaceuticals. Swedish Orphan has two proprietary products; Orfadin for treatment of the life threatening disease Hereditary Tyrosinemia Type 1 and Multiferon for the treatment of advanced Malignant Melanoma and second line treatment of patients not responding to or intolerant to recombinant interferon alpha.

Swedish Orphan's strong expertise in distribution, marketing, regulatory affairs, medical and customer support, along with its pan-European presence, makes it an attractive business partner for other pharmaceutical companies and specialist physicians.

Swedish Orphan is headquartered in Stockholm, Sweden, and has wholly owned subsidiaries in Denmark, Finland, France, Italy, Japan, Norway, Russia, Spain, the United Kingdom, Sweden, the Czech Republic and Germany and branch offices in the three Baltic countries, Switzerland, Hungary and Romania. The distribution, sales and marketing organization covers all EU member states and Swedish Orphan generates sales in over 50 countries world-wide.

Swedish Orphan is owned by Investor Growth Capital (42 per cent), Priveq (42 per cent) and the management (16 per cent). For more information regarding Swedish Orphan, please see Appendix at the end of this press release.

## Swedish Orphan Biovitrum (SO-Bi)

The management of Swedish Orphan and Biovitrum believe that the new group will become a leader in the field of niche specialty pharmaceuticals and orphan drugs for the treatment of patients with rare diseases and unmet medical needs. The objective of the group will be to continue growing the sales of its current product portfolio as well as adding new products through its internal development pipeline, acquisitions and in-licensing.

The product portfolio will consist of approximately 60 niche specialty and orphan pharmaceuticals. The largest products in terms of revenue will be Refacto/Xyntha, Kineret, Orfadin, Kepivance and Ammonaps. In addition to these, Multiferon, Nascobal and Yondelis are examples of products expected to become important growth drivers for the new group in the medium term.

The new group's development pipeline will consist of seven late stage clinical projects, of which two are in clinical phase III and five are in clinical phase II.

The organization will have strong capabilities throughout the operational spectrum; ranging from research and development, business development and manufacturing to global sales, marketing, distribution and customer support. The new group will have strong commercial presence in all of Europe with an emerging presence in North America and Australia/New Zealand and a total of approximately 500 employees.

The management team in the new group will consist of Martin Nicklasson (CEO), Göran Arvidsson (CFO), Kennet Rooth (Head of Sales & Marketing, currently Head of International Marketing & Sales at Swedish Orphan), Lena Nyström (Head of Manufacturing), Peter Edman (Head of Research & Development), Peder Walberg (Head of Business Development, currently Business Development Manager at Swedish Orphan), Fredrik Berg (Head of Legal & IP), Erik Kinnman (Head of IR/PR) and Maria Berggren (Head of HR).

The combination of the two companies is expected to bring operating cost synergies and cost avoidance of at least SEK 100 million on an annual basis with full effect from 2011.

The combination of the two companies is expected to be instantly accretive to earnings per share.

### Unaudited key financials rolling 12 months (October 2008 – September 2009)

<b>SEK million</b>	<b>Swedish Orphan</b>	<b>Biovitrum</b>	<b>SO-Bi Pro forma</b>
Sales	736	1,264	2,000
EBITDA	220	75	295
EBITDA margin	30%	6%	15%

### Financial targets and outlook for 2009

Biovitrum makes the following estimates for the combined group pro forma for the year 2009:

- Sales of SEK 2 billion
- Gross margin of 66 per cent
- EBITDA margin of 15 per cent

The Board of Directors of Biovitrum has adopted the following long term financial targets for the new group:

- Sales exceeding SEK 5 billion in 2015, following an annual growth of 13-15 per cent during 2010-11 and an annual growth exceeding 20 per cent thereafter, based on current products and pipeline.
- EBIT margin gradually increasing and exceeding 30 per cent in 2015<sup>3</sup>.

#### *Summary pro forma balance sheet effects of the Transaction and the share issues*

Biovitrum's balance sheet as of September 30, 2009 has been reviewed by auditors and been prepared in accordance with IAS 34 and the Annual Accounts Act. Swedish Orphan's balance sheet as of the same date has not been reviewed by auditors as the period for Swedish Orphan's Q1 interim report ended on July 31, 2009. The pro forma balance sheet effects are preliminary estimates made by Biovitrum and have not been audited or reviewed by auditors. The pro forma balance sheet effects exclude transaction related expenses and assume an up-front consideration of SEK 3,656 million financed by an issue in kind of Biovitrum shares to shareholders in Swedish Orphan and a new share issue with preferential rights for the shareholders in Biovitrum (share issues together amounting to SEK 3,239 million) and new bank loans of SEK 418 million. A full pro forma consolidated balance sheet of SO-Bi will be included in the prospectus issued around December 9, 2009, in connection with the Rights Issue.

#### *Unaudited pro forma balance sheet as of September 30, 2009*

<b>SEK million</b>	<b>Biovitrum Sep 30, 2009</b>	<b>Swedish Orphan Sep 30, 2009</b>	<b>Adjustments</b>	<b>Pro forma Sep 30, 2009</b>
Intangible fixed assets	1,034	253	3,161	4,448
Tangible fixed assets	215	14		229
Financial fixed assets	47	2		49
<b>Total fixed assets</b>	<b>1,296</b>	<b>269</b>	<b>3,161</b>	<b>4,726</b>
Inventories	582	94		676
Current receivables	303	191		494
Short-term investments, cash and cash equivalents	309	172		481
<b>Total current assets</b>	<b>1,194</b>	<b>457</b>		<b>1,651</b>
<b>TOTAL ASSETS</b>	<b>2,490</b>	<b>726</b>	<b>3,161</b>	<b>6,378</b>
<b>Shareholders' equity</b>	<b>1,323</b>	<b>495</b>	<b>2,744</b>	<b>4,562</b>
Interest bearing liabilities	388	46	418	852
Long-term liabilities	400	37		437
Short-term liabilities	379	148		527
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,490</b>	<b>726</b>	<b>3,161</b>	<b>6,378</b>

*Note: A dividend of SEK 44 million has been paid in Swedish Orphan after September 30, 2009, which is not reflected in the pro forma financial information above.*

#### **Process**

Ever since the change of strategy in 2007 the Board of Directors and the management of Biovitrum have been evaluating several acquisitions or merger candidates and identified Swedish Orphan as a highly complementary business. During 2008 Biovitrum initiated contacts with the management of Swedish Orphan. In April 2009 the owners of Swedish Orphan commenced the evaluation of strategic alternatives and following a competitive process, it was agreed with Biovitrum to combine the two companies, forming Swedish Orphan Biovitrum.

Hans Glemstedt and Peter Sellei, both members of the Board of Directors of Biovitrum and representatives of Investor AB, have not participated in any sessions, including decisions of the Board of Directors, regarding the Transaction due to conflict of interest.

Biovitrum will solicit an independent fairness opinion relating to the Transaction and the consideration paid, to be presented to Biovitrum's shareholders before the EGM.

#### **The Transaction**

On November 4, 2009, Biovitrum and the shareholders of Swedish Orphan reached an agreement under which Biovitrum will acquire 100 per cent of the shares and warrants in Swedish Orphan, subject to certain conditions. The consideration will consist of an upfront consideration of SEK 3,656 million, corresponding to an Enterprise Value of SEK 3,500 million (based on an

<sup>3</sup> Excluding any PPA amortizations resulting from the Transaction.

estimated net cash position in Swedish Orphan at closing of approximately SEK 150 million), and an earn-out payment of up to SEK 425 million.

The upfront payment will consist of newly issued Biovitrum shares<sup>4</sup> (48 per cent) and cash (52 per cent), such cash payment to be financed by a combination of new bank loans (the "Bank Financing") and a new share issue with preferential rights for the shareholders in Biovitrum (the "Rights Issue").

Investor Growth Capital, holding 42 per cent of the capital in Swedish Orphan, will receive full payment in Biovitrum shares (or Convertible Debentures). Priveq funds, holding 42 per cent of the capital in Swedish Orphan, will receive full payment in cash. Dr Bo Jesper Hansen, the CEO and holder of 14 per cent in Swedish Orphan, will receive 40 per cent of the consideration in Biovitrum shares and 60 per cent in cash. Kennet Rooth, holder of 0.6 per cent in Swedish Orphan, will receive 25 per cent of the consideration in Biovitrum shares and 75 per cent in cash.

The acquisition by Investor Growth Capital of Biovitrum shares in accordance with the above will be subject to competition clearance. Closing of the Transaction is expected to occur on or about January 13, 2010 and no later than February 28, 2010. If competition clearances have not been obtained by February 22, 2010, Investor Growth Capital will instead of Biovitrum shares receive Convertible Debentures in Biovitrum, or possibly a combination of Biovitrum shares and Convertible Debentures.

The earn-out payment, if any, will be paid only in cash, to be financed by internal cash flows.

### *Bank Financing*

To partly finance the Transaction, Biovitrum has expanded existing financing from Svenska Handelsbanken by way of adding a SEK 800 million seven year credit facility.

### *Rights Issue*

The Board of Directors of Biovitrum has resolved on an issue of common Biovitrum shares in the amount of not more than SEK 1.6 billion, subject to the approval by the EGM, for the purposes of financing the Transaction. Shareholders will have preferential rights to subscribe for new shares in proportion to their existing holdings. Subscriptions may also be submitted without preferential rights. The record date for participation in the Rights Issue will be December 9, 2009. The subscription period will run from December 11 to December 30, 2009, or such later period as decided by the Board of Directors. The trading in rights will run from December 11 to December 23, 2009, or such later period as decided by the Board of Directors.

The increase of the share capital, the number of shares to be issued, the number of subscription rights per share and the subscription price for the new shares in the Rights Issue, will be determined by the Board of Directors on or about December 2, 2009.

The largest shareholder in Biovitrum, Investor AB, has entered into an agreement which includes an undertaking, subject to certain conditions, to subscribe for its pro rata share in the Rights Issue, corresponding to approximately 23 per cent of the Rights Issue.

In addition, three institutional investors have entered into subscription commitments which include an undertaking to, subject to certain conditions, subscribe for or purchase shares at the subscription price in an amount corresponding to approximately 27 per cent of the Rights Issue. The remainder of the Rights Issue is, subject to certain conditions, underwritten by Carnegie Investment Bank AB, ABG Sundal Collier Norge ASA and Handelsbanken Capital Markets (the "Joint Lead Managers"). Consequently, 100 per cent of the Rights Issue is committed and underwritten.

The detailed terms of the Rights Issue will be set out in the prospectus to be prepared and made public in respect of the Rights Issue. The prospectus is expected to be made public on or about December 9, 2009, and will be made available at Biovitrum's website and be sent to the shareholders in Biovitrum.

### *Issue in kind*

The Board of Directors of Biovitrum has proposed that the EGM authorizes the Board of Directors to resolve to issue new common Biovitrum shares and Convertible Debentures to effect payment in accordance with the terms of the Transaction (the "Issue in Kind"). The Board of Directors intends to exercise the authorization to issue new common shares to Dr Bo Jesper Hansen and Kennet Rooth as consideration for a total of 6 per cent of the shares outstanding in Swedish Orphan and to issue Biovitrum shares or Convertible Debentures to Investor as consideration for a total of 42 per cent of the shares outstanding in Swedish Orphan.

The aggregate price to be paid in kind for the shares and any Convertible Debentures will correspond to SEK 1.7 billion. It is agreed that the issue shall be at a price of SEK 59.11 per Biovitrum share or, if applicable, per Biovitrum share that the Convertible Debenture shall be convertible into as adjusted in accordance with the following paragraph.

The shares (and Convertible Debentures, if any) will be issued after the Rights Issue and will not entitle to participation in the Rights Issue. The number of shares (and the number of shares into which the Convertible Debentures shall be convertible, if any) issued in kind will therefore be adjusted based on the mathematical difference between the price of the Biovitrum share including, and excluding, the rights to subscribe for new shares. Prior to such adjustment, the aggregate number of shares to be issued or, as the case may be, shares into which the Convertible Debentures, if any, are converted, in the Issue in Kind

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<sup>4</sup> Del av betalningen i aktier kan komma att ersättas av konvertibla vinstandelsbevis (de "Konvertibla Skuldebrev" eller "KVBs"). Varje konvertibelt skuldebrev löper med en ränta som motsvarar utdelningen per aktie. De Konvertibla skuldebrev medför ingen rösträtt på bolagsstämmor. Varje Konvertibelt Skuldebrev kan, när som helst, på innehavarens begäran, under en period på upp till 10 år konverteras till en ordinarie aktie i Biovitrum.

amounts to 29,414,890. The adjusted number of shares and Convertible Debentures to be issued in the Issue in Kind will depend on the development of the Biovitrum share price up until the day of the EGM. At a Biovitrum share price of SEK 59.11, Investor AB will hold approximately 41 per cent of the share capital (including any Convertible Debentures) after the Rights Issue and the adjusted Issue in Kind. An increase/decrease in the share price of 10 per cent will result in an approximate increase/decrease in such total holding of shares held by Investor AB of 0.5 percentage points.

### *Shareholder Support*

Shareholders, including Investor AB, representing 67 per cent of the share capital have stated their support for the Transaction and the industrial logic of the combination.

Investor AB has declared its support for the Transaction and that Investor AB will subscribe for its pro rata share of the proposed Rights Issue.

### *Lock-up arrangements*

Investor AB, Dr Bo Jesper Hansen and Kennet Rooth have agreed not to dispose of any of their respective shares or Convertible Debentures in Biovitrum, in the case of Investor AB during the period until closing of the Transaction and in the case of Dr Bo Jesper Hansen and Kennet Rooth during the period until 12 months after the closing of the Transaction.

### *Exemption from mandatory bid and restriction to vote*

Investor AB, which following the Transaction will own shares in Biovitrum representing approximately 41 per cent in SO-Bi, has been granted an exemption from the mandatory bid rules from the Swedish Securities Council (Sw. Aktiemarknadsnämnden) (the "Mandatory Bid Exemption").

Pursuant to the Mandatory Bid Exemption, the approval of the Issue in Kind will be subject to approval by the shareholders representing not less than two-thirds (2/3) of both the votes cast and the shares represented at the EGM. Investor AB's vote will be disregarded in relation to the voting on the issue in kind, when calculating the number of votes cast and shares at the EGM on December 4, 2009.

### *Conditions*

The implementation of the Transaction requires a number of resolutions at the EGM:

- Approval of the Transaction
- Amendment of the Articles of Association to allow for the Rights Issue and the Issue in Kind
- Approval of the Board of Directors' resolution on the Rights Issue
- Authorization for the Board of Directors to resolve on the Issue in Kind

The Transaction being partly financed by the Rights Issue and the Bank Financing, the Transaction is also subject to the Rights Issue being successfully completed and the Bank Financing not being revoked by Svenska Handelsbanken prior to closing of the Transaction.

### *Indicative timetable*

November 6	Notice to EGM in Biovitrum
November 20	Information material to the EGM held available at <a href="http://www.biovitrum.se">www.biovitrum.se</a>
December 2	Announcement of subscription price and offer ratio of the Rights Issue
December 4	EGM
December 7	First day of trading in the shares, excluding right to participate in the Rights Issue
December 9	Prospectus made public
December 9	Record date for participation in the Rights Issue, i.e. shareholders registered in the share register of Biovitrum as of this day will receive subscription rights for participation in the Rights Issue
December 11-23	Trading in subscription rights
December 11-30	Subscription period
January 7	Announcement of results in the Rights Issue
January 13	Estimated closing of the Transaction



## Advisers

HDR Partners AB is financial adviser and Mannheimer Swartling Advokatbyrå AB is legal adviser to Biovitrum in the Transaction. Carnegie Investment Bank AB, ABG Sundal Collier and Handelsbanken Capital Markets are Joint Lead Managers in the Rights Issue. Linklaters Advokatbyrå AB is legal adviser to the Joint Lead Managers.

Morgan Stanley and SEB Enskilda are financial advisers to Swedish Orphan in the Transaction and White & Case AB is acting as legal adviser to Swedish Orphan.

## Press conference

Date: November 5, 2009

Time: 11:00 AM CET

Place: Regeringsgatan 56, Carnegie's Offices

Call-in number: +46 (0)8 50 520 270

## Analyst telephone conference

Date: November 5, 2009

Time: 16:00 CET

Call-in number: SE +46 (0)8 50 520 270

## For more information please contact:

Martin Nicklasson, CEO Biovitrum

Phone: +46 70 540 71 73

Dr Bo Jesper Hansen, CEO Swedish Orphan

Phone: +46 8 412 98 00

Göran Arvidson, CFO Biovitrum

Phone: +46 70 633 30 42

Erik Kinnman, EVP Investor Relations Biovitrum

Phone: +46 73 422 15 40

erik.kinnman@biovitrum.com

## About Biovitrum

Biovitrum is an international pharmaceutical company that markets specialist pharmaceuticals in several regions. Using its expertise and experience Biovitrum takes scientific innovation to patients with significant unmet medical need. Research expertise and capabilities are focused on development and production of biotechnology therapeutics within our prioritized areas of hemophilia, inflammation/autoimmune diseases, cancer supportive care and malabsorption. Biovitrum has revenues of approximately SEK 1.2 billion and approximately 400 employees (prior to the Transaction). Biovitrum's head office is located in Sweden and the share is listed on the NASDAQ OMX Stockholm. For more information please visit [www.biovitrum.com](http://www.biovitrum.com).

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*The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 09:30 CET on November 5, 2009.*

## Appendix

### Background to Swedish Orphan

Swedish Orphan was founded in Stockholm, Sweden in 1988, with an initial focus on the marketing, sales and distribution of products for the treatment of rare diseases in the Nordic region. Swedish Orphan was a forerunner in the orphan drug space being founded 12 years prior to the enactment of orphan drug regulation in Europe in 2000. In 2004, Investor and Priveq, together with certain members of the Swedish Orphan management team, acquired the company. Following the change in ownership, Swedish Orphan accelerated its geographic expansion, successfully executing its strategy to establish a fully owned pan-European infrastructure. Through Swedish Orphan's 11 regional offices, the company supports the marketing, sales and distribution of its products to all countries in Europe. Swedish Orphan has been able to finance its expansion efforts to date solely through cash-flow generated from its own operations.

The market for orphan drugs and niche specialty products differs significantly from the traditional pharmaceutical market. Due to the specialist nature of the products, the small patient populations served and the limited number of highly specialized, prescribing physicians, the orphan drug and niche specialty markets require highly scientifically skilled and well-educated personnel, as well as a strong local presence and knowledge of key local issues, including regulation, distribution, marketing, pricing and reimbursement of these products.

Today, Swedish Orphan is a partner of choice for the marketing, sales and distribution of orphan drugs and niche specialty products for the treatment of rare diseases on a pan-European basis. Swedish Orphan's track record, full service offering and pan-European presence positions Swedish Orphan as a leader in the European orphan drug market. Swedish Orphan today has over 20 established partnership relationships, including some of the world's leading pharmaceutical companies, including Cephalon, LFB, Ovation Pharmaceuticals (Lundbeck), PharmaMar and Shire. Swedish Orphan currently markets two proprietary products, Orfadin® (hereditary tyrosinemia type 1) and Multiferon® (malignant melanoma, as well as second line treatment to recombinant interferon, regardless of underlying condition), as well as over 50 contracted products including Yondelis® (soft tissue sarcoma), Wilfactin® / Wilfact® (von Willebrand disease) and Ammonaps® and Ammonul® (urea cycle disorders), among others.

Swedish Orphan's increased geographic footprint and enhanced service offering has allowed the company to capture an increasing portion of the economics in the products it makes available. As part of this transition, Swedish Orphan has also successfully migrated from regional distribution agreements to pan-European licensing agreements benefiting from the higher margins associated with these agreements. As a result, gross margins have increased from 42.3 per cent in FY2005 (fiscal year end April) to 61.6 per cent in FY2009.

### Financial track record

During the last five years, Swedish Orphan has grown net sales at a CAGR of 18 per cent, despite the expiration of a distribution contract with Gilead Sciences Ltd. in 2008 which reduced sales by approximately SEK 200 million on an annual basis. The CAGR in net sales amounts to 27 per cent adjusted for the Gilead products. During the same period Swedish Orphan's operating profit (EBIT), as reported, has grown at a CAGR of 45 per cent, to a large extent driven by increased share of revenues from proprietary products.

	3 months ended July 31st		Full year ended 30 April				
	2008	2009	2005 <sup>(1)</sup>	2006 <sup>(2)</sup>	2007	2008	2009
Net sales	200,294	200,871	356,697	465,155	683,829	764,837	694,462
Growth	-5.3%	0.3%	17.9%	30.4%	47.0%	11.8%	-9.2%
Gross profit	112,526	124,271	150,801	183,422	308,577	392,948	427,658
Gross margin	56.2%	61.9%	42.3%	39.4%	45.1%	51.4%	61.6%
EBIT <sup>(3)</sup>	61,898	60,736	45,616	70,781	147,159	181,852	201,400
EBIT margin <sup>(3)</sup>	30.9%	30.2%	12.8%	15.2%	21.5%	23.8%	29.0%

1) Prepared in accordance with Swedish GAAP

2) Swedish Orphan adopted IFRS on May 1, 2006

3) Adjusted for non-recurring events

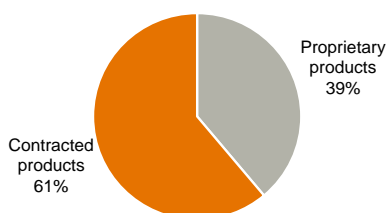


## Products

In addition to Swedish Orphan's two proprietary products, Orfadin and Multiferon, the company has successfully expanded its product portfolio through ongoing business development efforts. Swedish Orphan has added on average 2-3 new products per year since its founding and has today assembled an extensive portfolio of over 50 specialty products targeting orphan drug indications and rare diseases, which generally have a clear unmet medical need. Swedish Orphan currently carries 12 officially orphan drug designated and/or approved orphan drugs in its portfolio. Additionally, many of Swedish Orphan's other products qualify as orphan drugs, but were approved prior to the implementation of the EU orphan drug legislation in 2000.

Though Swedish Orphan's products address a broad spectrum of diseases, the company has established a strong level of expertise in several therapeutic areas including metabolic disorders, oncology, haematology, infectious disease, nephrology and emergency medicine. Swedish Orphan's key products are detailed below.

### *Sales split 2008/09 for proprietary and contracted products*



### *Orfadin®*

Swedish Orphan's proprietary orphan drug, Orfadin (nitisinone), is a multi-award-winning drug that has saved the lives of hundreds of rare disease patients worldwide since its initial launch in 2002 in the US, though the product was available prior to 2002 on a Named Patient basis. Orfadin is the clear standard of care and only available pharmaceutical treatment for the lethal inborn error of metabolism called hereditary tyrosinemia type 1 ("HT-1"). HT-1 is caused by a block in the degradation of the amino acid tyrosine, resulting in the formation and accumulation of harmful substances in the body. Based on a hypothesis developed in the early 1990s by two Swedish researchers, Swedish Orphan developed Orfadin, which is now approved as an orphan drug in both the EU and US. To date, Orfadin has been provided to over 700 patients in more than 50 countries across the world.

### *Multiferon®*

Multiferon is Swedish Orphan's second proprietary product, a human multi-subtype interferon alpha, that was initially approved in Sweden in 1994 for a second line indication for the treatment of patients who are intolerant to or do not respond to treatment with recombinant alpha-2 interferon, regardless of underlying disease. In 2006, Multiferon was further approved in Sweden for the adjuvant treatment of high-risk patients with malignant melanoma, stages IIb-III, after initial cycles of dacarbazine (DTIC). Based on these approvals in Sweden, Swedish Orphan initiated an MRP for Multiferon in 2008 which was completed in March 2009, at which time Swedish Orphan was granted the marketing authorization in an additional 14 European countries, including the Nordic countries, the Baltic states and certain Central and Eastern European countries. Swedish Orphan has obtained pricing and reimbursement approval in three Nordic countries and have recently launched Multiferon in two Nordic countries and intends to launch Multiferon during late 2009 and early 2010 in the 13 other countries in Europe where the product was approved. Swedish Orphan plans to follow the first round of approvals for Multiferon with a second round of MRP to be initiated in early 2012 addressing the remaining 14 European countries, including the two largest markets in Europe, France and Germany. In support of the planned second round of MRP, Swedish Orphan is currently planning two Phase III study clinical studies studying the safety and efficacy of Multiferon in the second line treatment of Hepatitis C. Multiferon has limited sales today.

### *Ammonaps® and Ammonul®*

Ammonaps and Ammonul (sodium phenylbutyrate) were contracted from the US-based company Ucyclyd in 2004. Approved in 2000, Ammonaps is marketed by Swedish Orphan within Europe and is provided on a Named Patient basis in countries outside of Europe including Turkey, Middle East and North Africa. Ammonaps is indicated for the treatment of urea cycle disorders, a disorder caused by complete or partial deficiency of a liver enzyme that is needed to break down protein, which leads to the accumulation of ammonia (nitrogen) in the patient's urea cycle. Ammonia is highly toxic to the brain and vital organs and at high levels rapidly leads to severe brain damage and eventual death. Ammonaps is a long-term oral treatment that improves the patient's chance of survival by by-passing the lacking enzyme, thus reducing the increased levels of ammonium in the blood.

### *Yondelis®*

Yondelis (trabectedin) is a leading novel oncology product in-licensed from PharmaMar in 2007. Yondelis was designated by the EMEA as an orphan drug in 2007 and is currently approved for second/third line treatment of soft tissue sarcoma. It is used when treatment with anthracyclines and ifosfamide have failed, or in patients who are not candidates for those treatments. Administered intravenously, Yondelis has proven it will prolong life even in a second/third line setting. For individual patients there can be a significant extension of life expectancy by stopping or decreasing tumour growth. In September 2009, the EMEA's Committee for Medicinal Products for Human Use issued a positive opinion recommending the granting of marketing

authorization for Yondelis in combination with Caelyx® (pegylated liposomal doxorubicin) for the treatment of relapsed platinum-sensitive ovarian cancer patients in the EU.

#### *Willfact®*

Willfact is a product for the treatment of von Willebrand disease contracted in 2009 from LFB S.A., a French company, which specializes in plasma fractionation. Willfact was approved in France in September 2003 under the trade name Wilfactin® and the product was approved in Germany in May 2009. Based on this recent approval, an MRP is planned to be initiated in early 2010. Von Willebrand disease is a hereditary bleeding disorder that is believed to affect one to two per cent of the general population and is caused by lack, deficiency, or malfunction of an important haemostatic protein called von Willebrand factor.

#### *Nascobal®*

Nascobal (Cyanocobalamin, USP) is a once weekly nasal application of essential vitamin B12, indicated for the maintenance of normal hematologic status in pernicious anaemia patients. B12 deficiency is a common side effect from many diseases, such as Crohn's disease, Ulcerative Colitis and Multiple Sclerosis. For many of these patients, oral substitution is not possible and the patients today need to take regular injections. As the first available nasal B12 substitution, Nascobal offers an effective alternative to intra-muscular injections, minimising hassle and discomfort for the patients.