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Biovitrum Interim Report January 1 – June 30, 2008

A busy half-year with focus on specialist care pharmaceuticals and restructuring of R&D

April – June

- Net revenues amounted to SEK 287.9 M (404.2). The profit for the quarter, before restructuring costs, was SEK 23.4 M (59.8). After restructuring costs the result was SEK -96.6 M (59.8), corresponding to earnings per share of SEK -2.12 (1.31).

- Cash flow from operations was SEK -75.6 M (-16.4). Cash and cash equivalents and short-term investments as of June 30 amounted to SEK 635.6 M (876.8)

- Revenues from ReFacto® amounted to SEK 203.9 M (310.2) in the second quarter. Revenues from other products increased by 18 percent to SEK 25.1 M (21.3).

- Biovitrum implemented the strategic restructuring of the research organization as announced. The profit was charged with a one-off restructuring cost of SEK 120 M. Of this amount, SEK 68 M relates to costs associated with staff cuts. Other costs consist of write-downs of fixed assets. Savings in fixed R&D expenses are estimated to approx. SEK 115 M on a rolling twelve months basis.

- Strong advancement of the clinical portfolio

  - The first patients were recruited for a clinical phase II study of Kiobrina™, resulting in a milestone payment.

  - In preparation of the clinical phase III clinical within Anti-RhD prophylaxis, a second clinical study was initiated to show that Sym001 eliminates RhD positive red blood cells from the circulation of RhD negative healthy men.

  - A clinical phase I/II study started in the US of a new long-acting factor IXFc protein with the potential to substantially improve treatment of hemophilia B patients.

  - A clinical phase II study of Sym001 was initiated to study safety, efficacy and dosage in patients with idiopathic thrombocytopenia purpura (ITP).

- The results from the clinical phase II study within the A_{2A} project were reported and showed that the candidate drug was very safe and provided a positive therapeutic effect that increases over time in patients with neuropathic pain.

- Mimpara® was the first treatment to be approved by the European Commission for the treatment of primary hyperparathyroidism (PHPT). Biovitrum will market Mimpara® in the Nordic Region.

- In line with its strategy to focus on specialist care pharmaceuticals, Biovitrum has decided to return the DPP-IV project to the Swiss company Santhera A/G from which the project was licensed. This resulted in a write-down of fixed assets.

- The outlook for 2008 remains unchanged.

January – June

- Net revenues amounted to SEK 532.1 M (757.1). The result for the first half-year before restructuring costs was SEK 21.3 M (103.9). Result after restructuring costs was SEK -98.7 M (103.9), corresponding to earnings per share of SEK -2.16 (2.28).

- The cash flow from operations was SEK -98.5 M (31.6).

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Interim Report January 1 – June 30, 2008

Amounts in SEK million	Apr 1 - Jun 30 2008	Apr 1 - Jun 30 2007	Jan 1 - Jun 30 2008	Jan 1 - Jun 30 2007	Full year 2007
Total revenues	287.9	404.2	532.1	757.1	1,256.4
Operating profit/loss before restructuring costs	22.0	55.8	13.5	94.1	55.1
Operating profit/loss	-98.0	55.8	-106.5	94.1	55.1
Profit/loss after financial items	-96.7	59.8	-98.8	103.9	79.0
Profit/loss for the period	-96.6	59.8	-98.7	103.9	79.0
Earnings/loss per share	-2.12	1.31	-2.16	2.28	1.73
Research and development expenses	167.7	181.6	338.6	346.5	694.3
Liquid funds and short-term investments	635.6	876.8	635.6	876.8	760.4

CEO's comments:

"It has been an intense and eventful first half year with focus on delivery of our strategy. We are especially satisfied that we have initiated four clinical phase II programs in our specialist care projects. The ReFacto® revenues were lower than the first half year 2007. As previously communicated, this is due to quarterly fluctuations in deliveries of ReFacto® protein to Wyeth as well as revenue in 2007 in the form of a one-off payment for validation batches of the new ReFacto®. We have reason to expect a slightly stronger second half year. Sales of ReFacto® in the Nordic market are doing very well and increased by 14 percent during the period. Sales of other products are also growing and increased by 18 percent," says Biovitrum's CEO Martin Nicklasson and continues: "The key to success is our focus on specialist pharmaceuticals. There are good reasons for a company such as ours to concentrate its resources on products that target small patient groups with great medical needs. The competence, size and flexibility of our R&D organization make us well-equipped to efficiently deliver current and future specialist care pharmaceutical projects all the way to the market."

Overview April – June 2008

Specification of revenues

Amounts in SEK million	Apr 1–Jun 30 2008	Apr 1–Jun 30 2007	Jan1–Jun30 2008	Jan1–Jun30 2007	Full year 2007
Licensing and Milestone revenues	44.2	44.2	88.3	88.3	196.2
ReFacto® revenues	203.9	310.2	363.7	592.5	915.4
Product sales revenues	25.1	21.3	50.8	35.5	81.1
Other[1)]	14.7	28.6	29.3	40.8	63.7
Total revenues	**287.9**	**404.2**	**532.1**	**757.1**	**1,256.4**

[1)] The item "Other revenues" includes revenues from research, contract development and royalties from products other than ReFacto®

During the second quarter of 2008, Biovitrum completed a number of planned measures to reach the position as a pharmaceutical company focusing entirely on specialist pharmaceuticals. The R&D organization was restructured so that projects within the development of primary care pharmaceuticals can be completed and resources thereby can be released for clinical development of specialist drugs. As the specialist care pharmaceutical projects advance, the external costs will increase and restructuring measures will enable Biovitrum to finance these within the framework of the existing R&D budget, as the fixed R&D expenses are estimated to decrease by approx. SEK 115 M on a rolling twelve months basis.

Biovitrum's biotechnological process development has been incorporated into the R&D organization to create a stronger basis for development of internal specialist protein drug projects. Several research projects have advanced into later development stages since the end of the last quarter.

Also, the positive results from the clinical phase II studies within the A_{2A} and the 5-HT_6 projects have been described in detail. Biovitrum's portfolio of specialist pharmaceutical projects contains five projects in clinical phases and one in a preclinical phase. Approximately ten of Biovitrum's primary care projects have been offered for out licensing.

The total revenues for the second quarter amounted to SEK 287.9 M (404.2), which is a decrease of 29 percent compared to the same period in 2007. The decrease is attributable to reduced ReFacto® deliveries in the first half of 2008, which is a result of Wyeth's production planning. The Nordic sales of ReFacto® developed in a positive way, as did those of Biovitrum's other products.

ReFacto®

Specification of ReFacto revenues

Amounts in SEK million	Apr 1–Jun 30 2008	Apr 1–Jun 30 2007	Jan1–Jun30 2008	Jan1–Jun30 2007	Full year 2007
Manufacturing revenue	138.6	247.6	235.3	471.3	677.2
Co-promotion revenue	21.0	18.5	42.1	36.1	72.7
Royalty revenue	44.3	44.1	86.3	85.1	165.5
Total ReFacto revenues	**203.9**	**310.2**	**363.7**	**592.5**	**915.4**

Revenues from ReFacto® amounted to SEK 203.0 M in the second quarter of 2008 compared to SEK 310.2 M in the same period in 2007. The decrease is entirely attributable to lower manufacturing revenues SEK 138.6 M (247.6).

Global sales of ReFacto® increased by 18 percent to USD 98 M in the quarter. Biovitrum's royalty revenues increased at a slower pace however, due to the weakened US dollar. Co-promotion revenue from the sale of ReFacto® in the Nordic region increased by 14 percent in the quarter to SEK 21.0 M (18.5).

ReFacto AF® was approved for sale in Canada under the brand Xyntha®. The product has already been approved in the US. The substance is produced by Biovitrum in a new production process devoid of the addition of human or animal components.

Other Product Sales

Revenues from other products, including co-promotion, increased by 18 percent to SEK 25.1 M (21.3) in the second quarter of 2008. The increase can mainly be attributed to the recent launch of BeneFIX® when Biovitrum took over the marketing rights in the Nordic countries, and the continued positive development for Kineret® and Mimpara®.

Mimpara® was the first treatment to be approved by the European Commission for the treatment of primary hyperparathyroidism (PHPT). Biovitrum will market Mimpara® in the Nordic Region.

Product	Indication
BeneFIX®	Hemophilia B
Novastan®	Anticoagulation
Mimpara®	Hyperparathyroidism, PHPT
Kineret®	Rheumatoid arthritis
Kepivance®	Side effects chemotherapy
Aloxi®	Side effects chemotherapy

Biotechnological pharmaceutical manufacturing and process development

Biovitrum has unique manufacturing expertise and conducts advanced process development of recombinant protein drugs. This capacity is utilized for the company's internal projects as well as being offered as a service to external customers. According to plan, Biovitrum has significantly decreased the number of its external projects. In the first half of 2008 and throughout 2007, a greater proportion of the company's capacity has been used for the internal projects Kiobrina™, Anti-RhD, FIXFc and Exinalda™. Revenues from external contract development in the second quarter amounted to SEK 14.7 (28.6).

Research and Development

Biovitrum's strategy is to develop specialist pharmaceuticals in-house up to registration and subsequent marketing within the Nordic region and outside. Biovitrum has therefore restructured its R&D activities. Around 150 positions have been carefully analyzed, mainly within the areas of the organization focusing on primary care projects and biotechnological process development. During this process of change around 100 individuals have either been reassigned or have been made redundant. The cost for staff cuts amount to SEK 68 M which is charged as a one-off cost during the second quarter 2008. The day-to-day fixed research and development costs are estimated to decrease by around SEK 115 M on a rolling 12-month basis.

Biovitrum's expertise in biotechnological process development, which was previously applied in contract manufacturing, has been integrated into the R&D organization. The company thus has the competence and capacity to develop both small molecule and protein drugs for diseases with a great medical need. Within the new organization more individuals than before will be working in development projects, at the same time as a greater portion of the R&D budget will consist of variable costs (e.g. costs for clinical studies).

Biovitrum is implementing a process to outlicense its projects in the primary care pharmaceuticals area. The aim is to enter into agreements with other pharmaceutical companies and thereby cease in-house R&D in this area, which includes metabolic diseases, eye diseases and pain therapies.

In June Peter Edman took up the position as Biovitrum's Chief Scientific Officer.

Biovitrum's portfolio of specialist care projects

	Indication area	Project	Partner	Phase I	Phase II	Phase III	Reg
Clinical	Hemophilia A *	Refacto AF®	Wyeth				
	Fat malabsorption in premature infants	Kiobrina™					
	Fat malabsorption	Exinalda™					
	Hemophilia B	FIXFc	Syntonix/ Biogen Idec				
	Rh-immunization	Anti-Rh(D)	Symphogen		**		
	Platelet disorder (ITP)	Anti-Rh(D)	Symphogen				
Preclinical	Hemophilia A	FVIIIFc	Syntonix/ Biogen Idec				

* Approved in the US and Canada. Registered trademark Xyntha®
** A dose adjusting red blood cell challenge healthy volunteer study preceding phase III.

Kiobrina™ for optimizing fat absorption in preterm infants
Human BSSL produced using biotechnological processes under the Kiobrina™ brand was developed to increase fat absorption in preterm infants. There is no product of this type on the market today. Two parallel clinical phase II trials – one where BSSL is administered in pasteurized breast milk and one where it is administered in infant formula – are currently under way in Italy and France.

Exinalda™ for the treatment of fat malabsorption due to pancreatic insufficiency
Using biotechnological processes, Biovitrum is developing human BSSL under the Exinalda™ brand. Exinalda™ is intended to improve the quality of life for patients suffering from fat malabsorption due to pancreatic insufficiency, for example in cystic fibrosis (CF). A clinical study is currently under way to support the development of the pharmaceutical preparation of Exinalda™.

Sym001 for the treatment of idiopathic thrombocytopenia purpura (ITP) and anti-D prophylaxis
In cooperation with the Danish company Symphogen A/S, Biovitrum, through biotechnological processes, has developed an anti-RhD antibody product (Sym001) using a new polyclonal technology. Sym001 is being developed for two different indications, for the treatment of a disease that affects the blood platelets (ITP, idiopathic thrombocytopenia purpura) and for the prevention of Rh immunization in pregnancy of RhD negative women (Anti-D prophylaxis). A phase I study has been concluded with good results and the clinical program is proceeding. A clinical study has recently been initiated that aims to show that Sym001 can eliminate RhD positive blood cells from the circulation of RhD negative healthy volunteers. In addition a clinical phase II study has just been started to test the safety and therapeutic effect of Sym001 in ITP patients at 23 clinics in Europe.

Factor IX Fc (FIXFc) for the treatment of hemophilia B

Biovitrum and Syntonix/Biogen Idec are co-developing a recombinant protein drug for the treatment of hemophilia B, a hereditary disorder that leads to impairment in the production of factor IX and thereby also the blood's ability to coagulate. The objective of the FIXFc project is to develop a product with an extended half-life, which means that patients can be treated less frequently than is the case today. This helps patients to live as normal a life as possible. A clinical phase I/IIa study of FIXFc with hemophilia B patients has started. The study is being conducted at clinics in the US and is testing the safety, tolerability and pharmacokinetics of FIXFc in these patients.

Factor VIIIFc (FVIIIFc) for the treatment of hemophilia A
Biovitrum and Syntonix/Biogen Idec are also co-developing a recombinant factor VIIIFc product with a prolonged effect making it a much more convenient option for patients with hemophilia A. The project is in the preclinical phase.

Biovitrum's portfolio of primary care projects

	Indication area	Project	Partner	Phase I	Phase II
Clinical	Glaucoma	5-HT_{2A}			
	Neuropathic pain	A_{2A}			
	Diabetes	11β-HSD_1	Amgen		
	Obesity	5-HT_6			
Preclinical	Obesity	Leptin mimetic			
	Glaucoma	11β-HSD_1			
	Diabetes	Mnk			
	Obesity	SCD			

11β-HSD_1 for the treatment of diabetes
This project is outlicensed to Amgen which owns the exclusive global rights to develop and commercialize the compounds. The project, which is being run by Amgen, is in clinical phase Ib, which means that a drug candidate is being tested in patients with type 2 diabetes.

Biovitrum intends to find partners for all of its other primary care projects.

5-HT_{2A} for the treatment of glaucoma
The preliminary results from the exploratory phase II study of the 5-HT_{2A} antagonist, BVT.28949, for the treatment of glaucoma have demonstrated a dose-dependent reduction of intraocular pressure.

A_{2A} for the treatment of neuropathic pain
The project objective is to develop a new product with a unique mechanism of action for the treatment of neuropathic pain. Results from the clinical phase II study showed that the drug candidate BVT.115959 was very safe and provided a positive therapeutic effect that increases over time in patients with neuropathic pain.

5-HT_6 for the treatment of obesity
Biovitrum has conducted a clinical phase I study of a 5-HT_6 antagonist for the treatment of obesity and a safe and tolerated dose has been identified.

Other primary care projects
In addition to the above, Biovitrum has a number of other preclinical research programs. These include Mnk-inhibitor to treat type 2-diabetes, leptin mimetic and SCD inhibitors to treat obesity and 11ß-HSD_1 to treat glaucoma. They are based on mechanisms that have been used in the past in therapies for the respective indications. In line with the strategy to focus on specialist care pharmaceuticals, Biovitrum returned the DPP-IV project to the Swiss company Santhera A/G from which the project was licensed.

Financial Statements

Revenues

Revenues for the second quarter of 2008 amounted to SEK 287.9 M (404.2).

ReFacto® revenues for the second quarter amounted to SEK 203.9 M compared to SEK 310.2 M for the same period the previous year.

Manufacturing revenues amounted to SEK 138.6 M (247.6). The decrease is due to reduced ReFacto® deliveries throughout the first half year of 2008. Manufacturing revenues are expected to increase in the second half of 2008 compared to second half of 2007.

Sales of ReFacto® in the Nordic region increased by 14 percent during the period and co-promotion revenues amounted to SEK 21.0 M (18.5).

The reported global ReFacto® sales in the second quarter increased by 18 percent to USD 98 M. Biovitrum is, however, reporting a relatively low increase in royalty revenues in the second quarter, SEK 42.3 M (44.1) due to a weakened US dollar.

Revenues from the sale of other products increased during the second quarter by 18 percent to SEK 25.1 M (21.3). The increase is mainly attributable to BeneFIX®, Kineret® and Mimpara® sales.

In the second quarter, licensing and milestone revenues amounted to SEK 44.2 M (44.2).

Other revenues amounted to SEK 14.7 M (28.6) and consist entirely of revenues from biotechnological pharmaceutical development.

No research revenues were generated during the period.

Total revenues for the first half of 2008 amounted to SEK 532.1 M (757.1). The decrease compared to the same period the previous year is due to reduced ReFacto® deliveries. In addition, above normal sales during the first half of 2007, the delivery of validation batches of the new ReFacto protein generated revenue of SEK 93 M.

Consolidated Income Statement

Amounts in SEK million	Apr 1 - Jun 30 2008	Apr 1 - Jun 30 2007	Jan 1 - Jun 30 2008	Jan 1 - Jun 30 2007	Full year 2007
Total revenues	287.9	404.2	532.1	757.1	1,256.4
Cost of goods and services sold	-49.7	-113.2	-104.1	-226.5	-348.8
Gross profit	**238.1**	**291.0**	**428.1**	**530.6**	**907.7**
Sales and marketing expenses	-10.6	-12.1	-19.7	-20.6	-43.7
Administration expenses [1)]	-158.2	-35.7	-185.5	-64.7	-121.1
Research and development expenses	-167.7	-181.6	-338.6	-346.5	-694.3
Other operating revenues	1.9	3.1	13.1	5.7	20.0
Other operating expenses	-1.6	-9.0	-3.7	-10.5	-13.3
Operating profit/loss	**-98.0**	**55.8**	**-106.5**	**94.1**	**55.1**
Financial income	1.5	4.1	7.9	10.2	25.3
Financial expenses	-0.2	-0.2	-0.2	-0.4	-1.4
Profit/loss after financial items	**-96.7**	**59.8**	**-98.8**	**103.9**	**79.0**
Income tax expense	0.1	0.0	0.1	0.0	0.0
Profit/loss for the period	**-96.6**	**59.8**	**-98.7**	**103.9**	**79.0**
Earnings/loss per share after tax (SEK)	-2.12	1.31	-2.16	2.28	1.73
Earnings/loss per share after full dilution (SEK)	-2.12	1.28	-2.16	2.22	1.69

[1)] Included in Administration expenses second quarter 2008 is restructuring charges amounting to SEK 120 M.

Profit/loss

The cost of goods and services sold decreased during the second quarter to SEK 49.7 M (113.2), primarily due to reduced ReFacto® delivery levels compared to the same period the previous year.

The gross profit was SEK 238.1 M (291.0).

Restructuring costs amounting to SEK 120 M were charged to the second quarter profits as a one-off cost. Just over SEK 68 M of these costs relate to staff cuts. Other costs relate to the write-down of fixed assets.

Research and development expenses in the second quarter amounted to SEK 167.7 M (181.6). In connection with previously announced restructuring of R&D, the fixed internal costs were down by around 20 percent compared to the second quarter of 2007.

The operating profit for the second quarter, before restructuring costs, was SEK 22 M (55.8). The decrease is mainly due to reduced ReFacto® deliveries.

Net financial income was SEK 1.3 M (5.9) and the loss for the period was SEK -96.6 M (59.8).

The result for the first half of 2008 was SEK -98.7 M (103.9). Excluding restructuring costs, the profit for the first half was SEK 21.3 M.

Financial Position

Cash and cash equivalents and short-term investments on June 30, 2008 amounted to SEK 635.6 M (876.8). Of this amount, SEK 63.6 M was bank balances (159.8) and SEK 209.6 M (251.8) investments in securities with a term of less than three months from the date of acquisition. These short-term investments are classified as cash and cash equivalents. Besides cash and cash equivalents, on June 30, 2008, the company had other short term investments with a term of more than three months amounting to SEK 362.4 M (465.2).

The consolidated shareholders' equity as of June 30, 2008, was SEK 1,346.8 M compared to SEK 1,452.8 M on December 31, 2007.

Taxes

The company has an accumulated loss carry-forward that has not been booked. Consequently, the company's tax rate deviates from the general Swedish tax rate. Biovitrum's tax costs for the quarter were SEK 0 M (0).

Personnel

As of June 30, 2008 Biovitrum had 492 (539) employees, of which 56 percent are women.

Condensed Consolidated Balance Sheet

Amounts in SEK million	Jun 30 2008	Jun 30 2007	Dec 31 2007
ASSETS			
Fixed assets			
Intangible fixed assets [1)]	481.7	501.0	501.3
Tangible fixed assets	257.5	271.0	289.7
Financial fixed assets	31.1	27.4	29.2
Total fixed assets	**770.3**	**799.5**	**820.3**
Current assets			
Inventories	103.9	81.2	84.6
Current receivables, non-interestbearing	256.7	329.6	282.8
Short-term investments	362.4	465.2	394.6
Cash and cash equivalents	273.2	411.6	365.8
Total current assets	**996.2**	**1,287.6**	**1,127.8**
Total assets	**1,766.5**	**2,087.1**	**1,948.1**
EQUITY AND LIABILITIES			
Shareholders' equity	**1,346.8**	**1,486.7**	**1,452.8**
Long-term liabilities			
Long-term liabilities, non-interestbearing	88.2	149.3	86.4
Total long-term liabilities	**88.2**	**149.3**	**86.4**
Current liabilities			
Current liabilities, non-interestbearing	331.6	451.0	408.9
Total short-term liabilities	**331.6**	**451.0**	**408.9**
Total equity and liabilities	**1,766.5**	**2,087.1**	**1,948.1**

[1)] Including goodwill SEK 36,4 M (39.4 as per December 31, 2007)

Change of consolidated shareholders' equity

Amounts in SEK million	2008 Jan 1 - Jun 30	2007 Jan 1 - Jun 30	2007 Jan 1 - Dec 31
Opening balance	**1,452.8**	**1,381.8**	**1,381.8**
Warrants issue (+)	6.4	–	–
Exchange rate difference	-13.7	1.1	-8.0
Net profit/loss for the year	-98.7	103.9	79.0
Equity, end of period	**1,346.8**	**1,486.7**	**1,452.8**

Cash flow

Cash flow from operations amounted to SEK -75.6 M (-16.4) for the second quarter. Before payments related to the R&D restructuring, cash flow from operations for the second quarter of 2008 amounted to SEK -57.4 M (-2.7).

Cash and cash equivalents and short-term investments as of June 30, 2008 amounted to SEK 635.6 M (876.8).

Investments

Acquisitions of intangible assets amounted to SEK 18.0 M (0.7).

The Group's investments in tangible fixed assets during the quarter amounted to SEK 6.5 M (26.6). Depreciations amounted to SEK 17.7 M (23.8).

Outlook 2008

The outlook for 2008 remains unchanged.

Total revenues for 2008, excluding licensing revenues, are expected to fall by 10–15 percent as a result of reduced ReFacto® deliveries in 2008. In 2007 these revenues amounted to SEK 1,060 M. Revenues from ReFacto® will continue to fluctuate in 2008 from quarter to quarter depending on Wyeth's production planning. In the first quarter of 2007 Biovitrum delivered validation batches on a one-time basis generating revenue of SEK 93 M.

Condensed Consolidated Cash Flow

Amounts in SEK million	Apr 1 - Jun 30 2008	Apr 1 - Jun 30 2007	Jan 1 - Jun 30 2008	Jan 1 - Jun 30 2007	Full year 2007
Net result	-96.6	59.8	-98.7	103.9	79.0
Adjustment for items not affecting cash flow:					
Depreciations and Write down	17.7	23.8	33.7	39.5	70.5
Capital gain/loss from divestment fixed assets	–	-3.1	–	-2.5	-2.4
Pensions	-1.9	–	-1.9	–	-3.0
Deferral of fees from Amgen	-44.1	-44.1	-88.3	-88.3	-176.6
Restructuring charges [1)]	120.0	–	120.0	–	–
Other items	2.0	–	6.4	–	–
Cash flow from operations before change in working capital	**-2.9**	**36.4**	**-28.8**	**52.6**	**-32.5**
Change in working capital excl changes in restructuring reserves	-54.4	-39.2	-52.1	-12.5	17.9
Change in restructuring reserves [1)]	-18.2	-13.7	-17.5	-8.5	-10.8
Cash flow from operations	**-75.6**	**-16.4**	**-98.5**	**31.6**	**-25.4**
Investment in intangible fixed assets	-18.0	-0.7	-18.0	-30.9	-44.0
Investment in tangible fixed assets	-6.5	-26.6	-8.1	-49.6	-95.8
Divestment of tangible fixed assets	–	6.1	–	6.1	6.1
Investment/Divestment of financial assets	–	16.1	–	15.7	16.0
Short-term investments	-3.7	56.1	32.1	62.0	132.6
Cash flow from investing activities	**-28.1**	**50.9**	**6.0**	**3.3**	**14.8**
Cash flow from financing activities	**–**	**–**	**–**	**–**	**–**
Net change in cash	**-103.7**	**34.5**	**-92.4**	**34.9**	**-10.6**
Liquid funds at the beginning of the period	376.9	377.2	365.8	376.6	376.6
Translation difference in cash flow and liquid funds	0.0	-0.1	-0.2	0.0	-0.3
Liquid funds at the end of the period	**273.2**	**411.6**	**273.2**	**411.6**	**365.8**
Short-term investments	362.4	465.2	362.4	465.2	394.6
Liquid funds and short-term investments at the end of the period	**635.6**	**876.8**	**635.6**	**876.8**	**760.4**

[1)] Total restructuring charges booked during second quarter 2008 is SEK 120 M. Payments related to restructuring amounted SEK 18,2 M during the second quarter.

Key Ratios and other information

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
	2008	2007	2008	2007	2007
Return on					
Shareholders' equity	-6.9%	4.1%	-7.0%	7.2%	5.6%
Total capital	-5.3%	2.9%	-5.3%	5.0%	3.9%
Margins					
Gross margin	82.7%	72.0%	80.4%	70.1%	72.2%
Operating margin	-34.1%	13.8%	-20.0%	12.4%	4.4%
Profit margin	-33.5%	14.8%	-18.5%	13.7%	6.3%
EBITDA-margin	-27.9%	19.7%	-13.7%	17.6%	10.0%
Per share data (SEK)					
Shareholders' equity per share	29.5	32.6	29.5	32.6	31.8
Shareholders' equity per share after full dilution	29.1	31.9	29.0	31.8	30.9
Cash flow per share	-2.3	0.8	-2.0	0.8	-0.2
Cash flow per share after dilution	-2.2	0.7	-2.0	0.7	-0.2
Other information					
Equity ratio	76.2%	71.2%	76.2%	71.2%	74.6%
Number of shares	45,622,700	45,622,700	45,622,700	45,622,700	45,622,700
Average number of shares	45,622,700	45,622,700	45,622,700	45,622,700	45,622,700
Outstanding warrants	2,671,136	2,686,136	2,671,136	2,686,136	2,686,136
Number of shares after dilution	46,325,109	46,599,636	46,399,462	46,686,697	46,963,172
Average number of shares after dilution	46,325,109	46,617,904	46,412,910	46,689,379	46,840,459

[1)] There are three different warrant programs outstanding, exercisable for a maximum of 2,716,136 new shares in total.

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

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

Gross margin
Gross profit as a percentage of net sales.

Operating margin
Operating profit as a percentage of net sales.

Profit margin
Profit for the period as a percentage of net sales.

EBITDA margin
Operating profit plus depreciation and amortization as a percentage of net 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 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.

Parent Company Biovitrum AB (publ)

Revenues and profit/loss

The Parent Company reported revenues for the quarter of SEK 287.9 M (404.2). The Parent Company made a loss of SEK -97.6 M (60.4).

Financial position

Cash and cash equivalents and short-term investments on June 30, 2008 amounted to SEK 632.1 M (872.3). Shareholders' equity in Biovitrum AB (publ) amounted to SEK 1,326.2 M, compared to SEK 1,418.1 M on December 31, 2007.

Income statement – Parent company

Amounts in SEK million	Apr 1 - Jun 30 2008	Apr 1 - Jun 30 2007	Jan 1 - Jun 30 2008	Jan 1 - Jun 30 2007	Full year 2007
Total revenues	287,9	404,2	532,1	756,9	1 255,8
Cost of goods and services sold	-49,7	-113,2	-104,1	-226,5	-348,8
Gross profit	**238,1**	**291,0**	**428,1**	**530,4**	**907,0**
Sales and marketing expenses	-10,6	-12,1	-19,7	-20,6	-43,7
Administration expenses[1)]	-160,6	-45,0	-188,4	-75,2	-124,2
Research and development expenses	-166,7	-180,9	-336,9	-344,0	-689,5
Other operating revenues	1,9	3,1	13,6	5,7	18,8
Other operating expenses	-0,9	0,4	-2,7	-0,2	-13,1
Operating profit/loss	**-98,9**	**56,6**	**-106,0**	**96,1**	**55,3**
Result from participation in Group companies	0,0	–	0,0	0,0	-36,8
Financial income	1,5	4,0	7,8	10,0	24,8
Financial expenses	-0,2	-0,2	-0,2	-0,4	-1,4
Profit/loss after financial items	**-97,6**	**60,4**	**-98,4**	**105,7**	**41,8**
Income tax expense	–	–	–	–	–
Profit/loss for the period	**-97,6**	**60,4**	**-98,4**	**105,7**	**41,8**

[1)] Included in Administration expenses second quarter 2008 is restructuring charges amounting to SEK 120 M.

Condensed balance sheet – Parent company

Amounts in SEK million	Jun 30 2008	Jun 30 2007	Dec 31 2007
ASSETS			
Fixed assets			
Intangible fixed assets	132,8	150,5	160,8
Tangible fixed assets	252,2	262,9	282,5
Financial fixed assets	743,8	761,5	728,8
Total fixed assets	**1 128,8**	**1 174,9**	**1 172,2**
Current assets			
Inventories	103,9	81,2	84,6
Current receivables, non-interestbearing	261,8	279,6	283,2
Short-term investments	362,4	465,2	394,6
Cash and cash equivalents	269,7	407,1	359,9
Total current assets	**997,8**	**1 233,1**	**1 122,3**
Total assets	**2 126,7**	**2 408,0**	**2 294,5**
EQUITY AND LIABILITIES			
Shareholders' equity	**1 326,2**	**1 482,0**	**1 418,1**
Long-term liabilities			
Long term liabilities, non-interestbearing	–	44,2	–
Total long-term liabilities	**–**	**44,2**	**–**
Current liabilities			
Current liabilities, non-interestbearing	800,5	881,9	876,4
Total short-term liabilities	**800,5**	**881,9**	**876,4**
Total equity and liabilities	**2 126,7**	**2 408,0**	**2 294,5**

Change of parent company´s shareholders' equity

Amounts in SEK million	2008 Jan 1 - Jun 30	2007 Jan 1 - Jun 30	2007 Jan 1 - Dec 31
Opening balance	**1 418,1**	**1 376,3**	**1 376,3**
Warrants issue (+)	6,4	–	–
Profit/loss for the period	-98,4	105,7	41,8
Equity, end of period	**1 326,2**	**1 482,0**	**1 418,1**

Accounting and valuation principles and other information

Accounting and valuation principles

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

As of January 1, 2005, Biovitrum AB (publ) is applying the International Financial Reporting Standards (IFRS) in accordance with EU regulations.

As from January 1, 2008, Biovitrum is applying IFRIC 11, IFRIC 12 and IFRIC 14. This has not affected Biovitrum's accounts. Otherwise the accounting principles applied in the preparation of the interim report are those described in Biovitrum's 2007 Annual Report.

Operational risks

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

- External risks such as patent infringements and competition in product concepts
- Operational risks, e.g. the fact that the development of a new drug is a both capital intensive and risky, dependence on external partners in various collaborations, product liability claims as well as the handling of hazardous materials
- Financial risks, such as currency risk, interest risk, credit risk and liquidity risk

In addition to the risks described in Biovitrum's 2007 Annual Report (see the Directors' Report, note 3 for further details regarding the Group's risk exposure and risk management), the Company has determined that there are no additional material risks.

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, for example, the economic climate, political changes and competing research programs that may affect Biovitrum's results.

This interim report has not been reviewed by the Company's auditors.

The Board of Directors and the CEO of Biovitrum provide their assurance that the half-year 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, July 24, 2008

Håkan Åström Chairman of the Board	Anders Hultin	Mats-Olof Ljungkvist
Wenche Rolfsen	Michael Steinmetz	Toni Weitzberg
Hans Wigzell	Catarina Larsson Union Representative	Bo-Gunnar Rosenbrand Union Representative

Martin Nicklasson
Chief Executive Officer

TRANSLATION ONLY

Interim Report January 1 – June 30, 2008

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Financial calendar:

Interim Report July-Sept 2008	October 22, 2008

Biovitrum is a specialty pharmaceutical company with operations in Sweden and in the UK. Biovitrum markets a range of specialist pharmaceuticals primarily in the Nordic countries. The company has a research portfolio with several projects in clinical and preclinical phases for a number of well defined specialist indications. Biovitrum has the expertise and experience to take its projects all the way to the market. Biovitrum develops and produces protein-based drugs and also has small molecule research expertise and capabilities. Biovitrum has revenues of approximately SEK 1.2 billion and around 500 employees. Biovitrum's share is listed on the OMX Nordic Exchange in Stockholm.

For further information, see www.biovitrum.com