Biovitrum Interim Report January 1 – June 30, 2007

Strong second quarter, positive project development continues

April – June

- Net revenues increased with 33 percent, and amounted to SEK 404.2 M (304.8). Net profit increased and was SEK 59.8 M (7.1). Earnings per share were SEK 1.31 (0.15). The increase is mainly due to the strong development of the ReFacto® manufacturing revenues
- Cash flow from operations improved the second quarter, and was SEK -16.4 M (-47.2)
- The A_{2A} project, which is based on an entirely new principle for the treatment of neuropathic pain, entered phase II
- Supplementary clinical studies have started on Exinalda™ for the treatment of patients with fat malabsorption due to pancreatic insufficiency
- Martin Nicklasson was appointed as the new CEO effective May 14, 2007

January – June

- Net revenues were 7 percent higher than the same period the previous year and amounted to SEK 757.1 M (708.1). Net profit improved by 11 percent, and was SEK 103.9 M (93.4), earnings per share were SEK 2.28 (1.93)
- Cash flow from operations was SEK 31.7 M (26.9). Cash and cash equivalents and short-term investments as of June 30 amounted to SEK 876.8 M (1,176.3)
- Revenues from sales of the hemophilia product ReFacto® increased by 30 percent to SEK 592.5 M (455.3).
- Revenues from sales of other drugs increased by 26 percent

After end of the period

- In August Biovitrum entered into a new agreement with Wyeth to market the hemophilia product BeneFIX®
- The new purification suite in the ReFacto® production was approved by the US Food and Drug Administration, FDA

	April 1 - June 30		January 1 - June 30		Full year
Amounts in SEK million	2007	2006	2007	2006	2006
Total revenues	404.2	304.8	757.1	708.1	1,201.1
Operating profit/loss	55.7	7.3	94.1	89.7	54.6
Profit/loss after financial items	59.8	6.6	103.9	92.9	94.2
Profit/loss for the period	59.8	7.1	103.9	93.4	92.7
Earnings/loss per share	1.31	0.15	2.28	1.93	2.00
Research & Development expenses	-181.6	-166.5	-346.5	-303.2	-650.4
Liquid funds & short term investments	876.8	1,176.3	876.8	1,176.3	903.9

CEO comments

”The positive trend continues for Biovitrum in the second quarter of 2007. We are able to report positive growth in both profits and sales at the same time as our research projects continued to make good progress,” says CEO Martin Nicklasson. ”We have also succeeded in increasing our portfolio of marketed drugs, which will have a positive impact on our future sales. At the beginning of the year we launched Aloxi® on the Nordic market. This is a new drug to treat nausea caused by chemotherapy. Also, we recently entered into an agreement with Wyeth to market BeneFIX® in the Nordic region. Biovitrum has been very successful in the Nordic hemophilia market and this agreement further strengthens our position.”

Overview second quarter

Specification of revenues

Specification revenues

Amounts in SEK million	April 1 - June 30 2007	2006	January 1 - June 30 2007	2006	Full year 2006
Licensing and Milestone Revenues	44.1	44.1	88.3	88.3	176.6
ReFacto® revenues	310.2	175.9	592.5	455.3	768.0
Product sales revenues	21.4	14.1	35.5	28.2	57.9
Other[1)]	28.5	70.7	40.8	136.3	198.7
Total revenues	**404.2**	**304.8**	**757.1**	**708.1**	**1,201.1**

[1)] Other revenues includes e.g. research revenues, revenues from contract development and royalty from other products than ReFacto®

During the April–June period, revenues continued to increase and the clinical project portfolio continued to advance. Total revenues for the quarter increased by 33 percent to SEK 404 M (305). The improvement is mainly attributed to increased ReFacto® revenues.

Several projects advanced and the project portfolio now contains eight projects in the clinical development phase, both for specialist indications and for common diseases based on small molecular compounds as well as proteins/antibodies. In addition, there are seven projects in the preclinical phase. Three of these have not been published before (Mnk-2 inhibitor for type 2 diabetes, SCD-1-inhibitor for obesity and 11ß-HSD$_1$ for glaucoma).

On May 14 Martin Nicklasson took up the post as Biovitrum's new CEO. Nicklasson came from AstraZeneca where he was a member of the executive management team and as Executive Vice President he was responsible for Global Marketing and was also CEO of AstraZeneca AB.

ReFacto®

Specification ReFacto® revenues

Amounts i MSEK	Apr 1–June 30 2007	2006	Jan 1–June 30 2007	2006	Full year 2006
Manufacturing revenues	247.6	116.5	471.3	338.9	536.0
Co-promotion revenues	18.5	18.2	36.1	36.9	71.4
Royalty revenues	44.1	41.1	85.1	79.4	160.6
Total revenues	**310.2**	**175.9**	**592.5**	**455.3**	**768.0**

ReFacto® revenues continue to increase reaching SEK 310.2 M in the second quarter of 2007, compared to SEK 175.9 M for the same period in 2006.

In the second quarter of 2007, manufacturing revenues increased to SEK 247.6 M (116.5). Revenues will continue to fluctuate from period to period, however, depending on Wyeth's purchasing planning.

Global sales of ReFacto® increased by 10 percent to USD 162 M in the first six months of 2007, which resulted in increasing royalty revenues for Biovitrum. Co-promotion revenues from the sale of ReFacto® by Biovitrum in the Nordic region was at about the same level as in the same period 2006.

Other product sales

Revenues from product sales, including co-promotion, increased by slightly more than 50 percent, from SEK 14.1 M for the corresponding period in 2006 to SEK 21.4 M.

Product	Indication	Partner
BeneFIX®	Hemophilia B	Wyeth
Novastan®	Anticoagulation	Mitsubishi
Mimpara®	Hyperparathyroidism	Amgen
Kineret®	Rheumatoid arthritis	Amgen
Kepivance®	Side effects chemotherapy	Amgen
Aloxi®	Side effects chemotherapy	Helsinn

In the first quarter of 2007 Aloxi® was launched. This is a long-acting drug for the treatment of

nausea and vomiting that often occur in connection with cancer chemotherapy.

After the end of the period, Biovitrum entered into a new agreement with Wyeth to market the product BeneFIX® for the treatment of hemophilia B. This new agreement is effective as of August, 2007 and covers marketing of BeneFIX® in the Nordic market. BeneFIX® is a recombinant genetically modified factor IX for treatment of patients with hemophilia B. These patients are deficient in the specific coagulation factor IX, which means that the blood's ability to coagulate is impaired with frequent bleeding as the result. Without treatment this condition leads to permanent joint damage and possibly life-threatening hemorrhaging. The agreement is initially in effect for a period of five years with the option to extend a year at a time after that. Biovitrum receives co-promotion revenues in relation to sales including an incentive if sales exceed a certain level.

The total Nordic market for hemophilia B is estimated to be worth SEK 185 M. Biovitrum has been very successful in the Nordic hemophilia market and this agreement further strengthens the company's position.

Contract Manufacturing and Process Development

Biovitrum has unique manufacturing expertise and advanced process development of recombinant protein drugs. This capacity is utilized both for the company's internal projects as well as being offered as a service to external customers. Biovitrum's intention, however, is to gradually reduce the proportion of external projects and use the resources that are freed up for internal research and development activities. In line with this strategy, a large proportion of the company's capacity was used during the period for the internal Exinalda™, Anti-RhD, FIX:Fc and Kiobrina™ projects.

As a consequence of this strategy and the fact that Biovitrum's established framework agreements with Pfizer and Amgen expired in 2006 as planned, the revenues from process development decreased by 49 percent during the second quarter to SEK 28.6 M (56.6).

Research & Development

The R&D activities continued to make good progress during the first six months of 2007. During the second quarter the A_{2A} project, which is based on an entirely new principle for the treatment of neuropathic pain, entered phase II. Furthermore, supplementary clinical studies started on Exinalda™ for the treatment of patients with fat malabsorption due to pancreatic insufficiency. In the early stage research another three projects are prepared for future clinical trials. In these projects, unique target proteins, Mnk-2, SCD-1 are 11β-HSD_1 used to development drugs for treatment of type 2-diabetes, obesity and glaucoma respectively.

Today, Biovitrum has eight projects in clinical development phase. In addition, the portfolio contains seven projects in pre-clinical development and another approximately ten projects in early research discovery.

	Indication area	Project	Partner	Pre-clinical development	Phase I	Phase II	Phase III
Clinical	Hemophilia A	ReFacto® next	Wyeth				
	Fat malabsorption	Exinalda™					
	Glaucoma	5-HT_{2A}					
	Neuropathic pain	A_{2A}					
	Diabetes	11β-HSD_1	Amgen				
	Obesity	5-HT_6					
	AntiD prophylaxis	Anti-Rh(D)	Symphogen				
	Platelet disorder	Anti-Rh(D)	Symphogen				
Preclinical	Pre-term nutrition	Kiobrina™					
	Hemophilia B	FIXFc	Syntonix				
	Diabetes	DPP-IV					
	Obesity	Leptin mimetic					
	Glaucoma	11β-HSD_1					
	Diabetes	Mnk2					
	Obesity	SCD-1					

Clinical projects

Exinalda™ for treatment of fat malabsorption due to pancreatic insufficiency
Biovitrum is developing a human enzyme produced in a biotechnological process that breaks down fats in the intestine. Exinalda™ has the potential to meet a major medical need and improve the quality of life for patients suffering from fat malabsorption due to pancreatic insufficiency caused, for example, by cystic fibrosis. These patients have difficulty absorbing the fat in the food they ingest, as the production by the pancreas of enzymes that break down fat, is seriously diminished or has ceased. The results from two smaller phase II studies, showed effects indicating increased lipid absorption when Exinalda™ was administered. At this time, supplementary clinical studies are in progress to support the development of the preparation of the drug.

5-HT_{2A} for treatment of glaucoma
Biovitrum is developing compounds for the treatment of glaucoma within the 5-HT_{2A} antagonist project, which is an entirely new treatment principle. Glaucoma is a disease characterized by progressive vision loss due to increased intraocular pressure (IOP) that can eventually lead to blindness. Existing treatments slow down the development of the disease, but cannot stop it. Thus,

there is a need of drugs, using new mechanisms. In preclinical development models, Biovitrum's candidate drug was shown to reduce the IOP to the same extent as leading drugs on the market. The project is in clinical phase II and the preliminary studies are expected to involve 150 patients with elevated IOP. The recruitment of patients has progressed more slowly than expected and the results will be available in the beginning of 2008.

A_{2A} for treatment of neuropathic pain
The current phase II study in the A_{2A} receptor agonist project will potentially involve up to 300 patients and the results are expected in the first half of 2008.

The project's aim is to develop a new substance with a unique mechanism of action for the treatment of neuropathic pain, a form of chronic pain arising from nerve damage. Unlike existing treatments that work via the brain, Biovitrum's substance is expected to act on the pain directly in the damaged nerve. Extensive preclinical studies in models with increased pain sensitivity show, among other things, that the drug candidate significantly reduces pain reactions peripherally without affecting the central nervous system.

11ß-HSD_1 for treatment of diabetes
Among the projects focusing on metabolic diseases, Biovitrum's 11ß-HSD_1 inhibitors for the treatment of diabetes is the project that has advanced the most. This program is out-licenced to Amgen which has exclusive global rights to develop and commercialize these compounds. The project is in phase I and development is being carried out by Amgen overseen by a joint development committee. So far the drug candidate has been administered for up to 14 days to more than 100 healthy volunteers. The drug candidate has been tolerated well and no clinically relevant abnormal reactions have been observed. The project is proceeding according to plan and is expected to enter phase II in the second half of 2007.

5-HT_6 for treatment of obesity
Biovitrum is developing a 5-HT_6 antagonist for the treatment of obesity. The project is in phase I. The current clinical study, which is testing safety and tolerability in both single-dose and repeated-dose administration, involves 75 to 100 healthy volunteers. The study is progressing according to plan and the results are expected in the second half of 2007.

The drug candidate has shown relevant reductions in body weight with parallel decreases in fat mass in several established animal models as a result of reduced food intake.

Anti-Rh D in trombocytopeni and anti-D-profylax
In cooperation with the Danish company Symphogen A/S, Biovitrum is developing an anti-Rhesus D (anti-RhD) produced through a biotechnological process by a new polyclonal technology. Anti-RhD is developed for two different indications, for the treatment of a disease that affects the blood platelets and also for the prevention of Rh-immunization in pregnancy (anti-D prophylaxis). The projects are in phase I, and the results from the clinical studies, which are being carried out at a clinic in the US, are expected at the end of 2007. The beginning of the clinical studies involved a milestone payment to Symphogen of SEK 30.2 M.

Preclinical projects

Biovitrum currently has seven preclinical projects that may enter clinical trials within 1 – 2 years.

Kiobrina™ for optimizing fat absorbtion in preterm infants
BSSL produced through biotechnological processes under the Kiobrina™ brand is being developed to increase fat absorption in preterm infants. Due to the immaturity of the pancreatic functions, infants get BSSL through breast milk. Preterm infants often receive pasteurized breast milk which does not contain active BSSL, or baby formula products. A majority of preterm infants therefore have, among other things, an unsatisfactory weight gain curve and associated developmental problems. A small number of premature babies who have received breast milk where BSSL remains intact or where BSSL has been deactivated by pasteurization have been studied. The study shows the significance of BSSL for effective lipid absorption. Applications to conduct two clinical trials, one with pasteurized breast milk and one with baby formula, have been submitted to the regulatory authorities and ethical committees. These combined phase I/II studies are planned to start in the second half of 2007.

FIXFc for treatment of hemophilia B
Syntonix and Biovitrum 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. Pa-

tients suffering from hemophilia B often need frequent injections of factor IX in order to stop or prevent bleedings. During normal prophylactic treatment the drug is administered intravenously two to three times a week. The objective of the project is to develop a factor IX product with an extended half-life, which could mean that the patients would need only one injection per week for prophylactic treatment, The candidate drug has demonstrated prolonged effect on coagulation of the blood in relevant animal models. The project is in the preclinical phase and is expected to enter the clinical phase in second half of 2007.

DPP-IV for treatment of diabetes
For the treatment of type 2 diabetes, Biovitrum is also developing DPP-IV inhibitors, the latest class of diabetes drugs to reach the market. The project is delayed.

In addition to the above, Biovitrum has another four programs: Mnk-2 inhibitor for type 2 diabetes, leptin and SCD-1-inhibitor for obesity and 11ß-HSD1 for glaucoma. These projects are based on mechanisms that have not been utilized before in therapies for the respective indications. More information on the Biovitrum's projects is available at www.biovitrum.se.

Other

In January, Biovitrum decided to concentrate the Swedish R&D operations in the Stockholm area by closing the operation in Gothenburg, which had around 20 employees. This was implemented in May and has not affected the development projects.

The preclinical work in the 5-HT_{2c} obesity project, which has been conducted in co-operation with GlaxoSmithKline was terminated and all rights were returned to Biovitrum.

In the autumn 2006, Biovitrum entered into an agreement with the Swedish biotech company Synphora AB. Under the agreement Biovitrum received rights to, under certain conditions, acquire Synphora's drug candidate for treatment , among other things, of the inflammatory skin disease psoriasis. A clinical phase II study has now been finalized and the substance has not proved significant effect with any of the tested doses. Biovitrum does not intend to invest further in the project.

Significant events following the period

After the end of the period, Biovitrum further strengthened its relationship with Wyeth through an agreement to market Wyeth's BeneFIX® in the Nordic region. BeneFIX® is a market-leading drug for the treatment of hemophilia B. The total Nordic hemophilia B market is estimated to be worth SEK 185 M.

Biovitrum's purification suite in the ReFacto® production, was approved by the US Food and Drug Administration, FDA, in July. This means that Biovitrum, latest by July 1 2008, will handle the purification step internally instead of using contractors.

Financial Statements

Revenues

Net revenues for the second quarter 2007 increased by 32.6 percent to SEK 404.2 M (304.8).

ReFacto® manufacturing revenues increased to SEK 247.6 M compared to SEK 116.5 M for the same period in 2006. In the second quarter and in the first half year, the deliveries were considerably higher than the expected year rate. At the same time, global demand for ReFacto® continues to increase leading to an increase of royalty revenues to SEK 44.1 M (41.1).

Sales of ReFacto® in the Nordic region increased slightly in the second quarter, leading to co-promotion revenues of SEK 18.5 M (18.2). Total revenues from other product sales increased by 52 percent, and amounted to SEK 21.4 M (14.1).

Contract development revenues for the second quarter decreased to SEK 28.6 M (56.6). The decrease is related to the fact that the framework agreements with Amgen and Pfizer expired at the end of 2006 as planned and that a growing portion of the company's capacity is being used for internal projects. See also "Outlook" on page 9.

Licensing and milestone revenues in the second quarter amounted to SEK 44.1 M (44.1). There were no research revenues during the period. The research revenues during the same period 2006 SEK 14.3 M, mainly derived from a research agreement with Amgen which expired in November 2006.

Profit/loss

The cost of goods and services sold increased during the quarter by 40 percent to SEK 113.3 M (80.9), while revenues increased by 32 percent. The lower gross margin is due to lower other revenues and margins i.e. revenues from process development and research. The gross margin for the ReFacto® manufacturing revenues slightly improved during the second quarter compared to the same period in 2006.

Research & development expenses increased during the second quarter to SEK 181.6 M (166.5). The increase relates to the growing clinical portfolio with higher external project costs.

The operating profit for the second quarter increased to SEK 55.7 M (7.3). Gross profit increased by 30 percent to SEK 291 M (224) explained by the increasing ReFacto® revenues.

The net financial income was SEK 4.1 M (-0.7) and the profit for the quarter was SEK 59.8 M (7.1).

Consolidated income statement

Amounts in SEK million	April 1 - June 30 2007	2006	January 1 - June 30 2007	2006	Full year 2006
Total revenues	404.2	304.8	757.1	708.1	1,201.1
Cost of goods and services sold	-113.3	-80.9	-226.5	-190.4	-293.8
Gross profit	**290.9**	**223.9**	**530.6**	**517.7**	**907.3**
Sales and Marketing expenses	-12.1	-8.7	-20.6	-17.1	-41.6
Administration expenses	-35.7	-38.7	-64.7	-66.2	-121.9
Research and Development expenses	-181.6	-166.5	-346.5	-303.2	-650.4
Other operating revenues	3.1	1.1	5.7	5.4	8.9
Other operating expenses	-9.0	-3.8	-10.5	-46.9	-47.7
Operating profit/loss	**55.7**	**7.3**	**94.1**	**89.7**	**54.6**
Interest income and similar items	4.1	-0.4	9.9	3.5	40.1
Interest expenses and similar items	0.0	-0.3	-0.1	-0.3	-0.5
Profit/loss after financial items	**59.8**	**6.6**	**103.9**	**92.9**	**94.2**
Tax on profit/loss for the period	–	0.5	–	0.5	-1.5
Profit/loss for the period	**59.8**	**7.1**	**103.9**	**93.4**	**92.7**
Earnings/loss per share after tax (SEK)	1.31	0.15	2.28	1.93	2.00
Earnings/loss per share after tax after full dilution (SEK) [1]	1.28	0.15 [1]	2.22	1.93 [1]	1.86 [1]

[1] Average share market value for the period September 1 - December 29, 2006, has been used to calculate dilution.

Financial Position

Cash and cash equivalents and short-term investments on June 30, 2007 amounted to SEK 876.8 M (1,176.3). Of this amount, SEK 159.8 M was bank balances (98.5), and SEK 251.8 M (540.1) 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 these cash and cash equivalents, the company had other short-term investments as of June 30, 2007 with a term of more than three months, amounting to SEK 465.2 M (537.7).

Changes in shareholders' equity

Shareholders' equity in the group on June 30, 2007 amounted to SEK 1,486.7 M compared to SEK 1,420.9 on June 30, 2006.

Parent Company

In the second quarter of 2007 the Parent Company reported revenues amounting to SEK 404.2 M (304.8). Cash and cash equivalents as of June 30, 2007 amounted to SEK 407.1 M (622.0). Shareholders' equity in Biovitrum AB (publ) amounted to SEK 1,482.0 (1,480.7). For more detailed information, see appendix 2.

Taxes

The company has an accumulated loss carry-forward that has not been booked as an asset, which means that the company's tax rate deviates from the general Swedish tax rate. Biovitrum's tax cost for the quarter was SEK 0 m (0).

Personnel

As of June 30, 2007 Biovitrum had 539 employees, of which 57 percent were women. No warrants were exercised during the period.

Condensed consolidated balance sheet

Amounts in SEK million	June 30 2007	June 30 2006	Dec 31 2006
ASSETS			
Fixed assets			
Intangible fixed assets	501.0	409.3	472.9
Tangible fixed assets	271.0	249.1	262.5
Financial fixed assets	27.4	29.6	42.3
	799.5	**688.0**	**777.7**
Current assets			
Inventories	81.2	120.1	161.2
Current receivables, non-interestbearing	329.6	277.1	235.0
Short-term investments	465.2	537.7	527.2
Cash and cash equivalents	411.6	638.6	376.6
	1,287.6	**1,573.5**	**1,300.1**
Total assets	**2,087.1**	**2,261.4**	**2,077.8**
EQUITY AND LIABILITIES			
Shareholders' equity	**1,486.7**	**1,420.9**	**1,381.8**
Long term liabilities			
Long term liabilities, non-interestbearing	149.3	228.1	224.1
	149.3	**228.1**	**224.1**
Current liabilities			
Current liabilities, non-interestbearing	451.0	612.4	471.9
	451.0	**612.4**	**471.9**
Total equity and liabilities	**2,087.1**	**2,261.4**	**2,077.8**

Change of consolidated shareholders' equity

Amounts in SEK million	2007 Jan 1 - June 30	2006 Jan 1 - June 30	2006 Jan 1 - Dec 31
Opening balance	**1,381.8**	**1,707.7**	**1,707.7**
Warrants issue (+)	–	–	105.6
Repurchase warrants (-)	–	–	-282.3
Issue of share	–	–	136.9
Redemption of shares [1)]	–	-378.9	-378.9
Exchange rate difference	1.1	-1.3	0.1
Net profit/loss for the year	103.9	93.4	92.7
Equity, end of period	**1,486.7**	**1,420.9**	**1,381.8**

[1)] Refering to redemption and payment of Pfizer's shares

Cash flow

Cash flow from operations for the second quarter of 2007 amounted to SEK -16.4 M (-47.2). The increased result improved cash flow. The improvement did not, however, get full effect as the working capital increased compared to the second quarter 2006.

Intangible assets were acquired for SEK 0.7 M (-3.5).

In the second quarter, Biovitrum received a first instalment of SEK 20.1 M from the sale of the shares in Syntonix.

Cash and cash equivalents as of June 30, 2007 amounted to SEK 876.8 M (1,176.3).

Investments

The Group's investments in fixed assets in the second quarter amounted to SEK 26.6 M (13.3). Depreciation in the second quarter amounted to SEK 23.8 M (18.6).

Condensed consolidated cash flow

Amounts in SEK million	April 1 - June 30 2007	April 1 - June 30 2006	January 1 - June 30 2007	January 1 - June 30 2006	Full year 2006
Net result	59.8	7.2	103.9	93.5	92.7
Adjustment for items not affecting cash flow:					
Depreciations and Write down	23.8	18.7	39.5	36.9	74.5
Capital gain/loss from divestment fixed assets	-3.1	9.4	-2.5	43.9	45.4
Revaluation of fixed financial assets	-	-	-	-	-7.8
Pensions					-4.9
Deferral of fees from Amgen	-44.1	-44.1	-88.3	-88.3	-176.6
Other items	-	-0.1	-	-3.5	-3.5
Cash flow from operations before change in working capital	**36.4**	**-8.9**	**52.6**	**82.5**	**19.9**
Change in working capital excl changes in restructuring reserves	-39.2	-12.2	-12.5	-41.7	-24.7
Change in restructuring reserves	-13.7	-26.0	-8.5	-13.9	-83.1
Cash flow from operations	**-16.4**	**-47.2**	**31.7**	**26.9**	**-87.9**
Investment in subsidiary	-	-	-	-	-41.1
Investment in intangible fixed assets	-0.7	3.5	-30.9	-53.6	-84.3
Investment in tangible fixed assets	-26.6	-13.3	-49.6	-22.1	-70.2
Divestment of tangible fixed assets	6.1	-	6.1	-	-
Investment/Divestment of financial assets	16.1	-0.3	15.7	-15.8	-15.8
Short term investments	56.1	26.1	62.0	24.9	35.5
Cash flow from investing activities	**50.9**	**16.0**	**3.3**	**-66.6**	**-175.9**
Issue of shares	-	-	-	-	136.9
Redemption of shares	-	-379.0	-	-379.0	-378.9
Issue of warrants	-	-	-	-	105.6
Re-purchase of warrants	-	0.1	-	-	-282.3
Cash flow from financing activities	**-**	**-378.9**	**-**	**-379.0**	**-418.7**
Net change in cash	**34.5**	**-410.0**	**34.9**	**-418.7**	**-682.5**
Liquid funds at the beginning of the period	377.2	1,050.0	376.7	1,058.6	1,058.6
Translation difference in cash flow and liquid funds	-0.2	-1.4	-0.1	-1.3	0.6
Liquid funds at the end of the period	**411.5**	**638.6**	**411.5**	**638.6**	**376.7**
Short-term investments	465.2	537.7	465.2	537.7	527.2
Liquid funds and short-term investments at the end of the period	**876.7**	**1,176.3**	**876.7**	**1,176.3**	**903.9**

Outlook

2007

The total revenues are expected to be in line with the 2006 revenues. This is explained by the fact that ReFacto® revenues are expected to be higher than in 2006, while a reduction in process development revenues is expected as a result of increased capacity utilization for internal projects. Research revenues resulting from funding from Amgen came to an end in October 2006 as planned.

Research & development expenses are expected to rise slightly, due to increased external costs for clinical studies, for the production of materials for clinical studies and for process development within the internal protein projects.

Key ratios and other information

	April 1 - June 30 2007	2006	January 1 - June 30 2007	2006	Full year 2006
Return on					
Shareholders' equity	4.2%	0.5%	7.2%	6.0%	6.0%
Total capital	2.9%	0.3%	5.0%	3.7%	3.9%
Margins					
Gross Margin	72.0%	73.5%	70.1%	73.1%	75.5%
Operating margin	13.8%	2.4%	12.4%	12.7%	4.5%
Profit margin	14.8%	2.3%	13.7%	13.2%	7.7%
EBITDA-marginal	19.7%	8.5%	17.6%	17.9%	10.8%
Per share data (SEK)					
Shareholders' equity per share	32.6	32.8	32.6	32.8	30.3
Shareholders' equity per share after full dilution	31.9	32.8	31.8	32.8	29.6
Cash flow per share	0.8	-8.5	0.8	-8.7	-14.7
Cash flow per share after dilution	0.7	-8.5	0.7	-8.7	-14.7
Other information					
Equity ratio	71.2%	62.8%	71.2%	62.8%	66.5%
Number of shares	45,622,700	43,302,600	45,622,700	43,302,600	45,622,700
Average number of shares	45,622,700	48,154,470	45,622,700	48,390,653	46,323,738
Outstanding warrants	2,486,136[2)]	4,651,400	2,486,136[2)]	4,651,400	2,371,136
Number of shares after dilution	46,611,868	43,302,600[1)]	46,688,396	43,302,600[1)]	46,745,433[1)]
Average number of shares after dilution	46,691,640	48,154,470[1)]	46,689,103	48,390,653[1)]	49,855,707[1)]

[1)] The average market price of the share for the period September 15 – December 29, 2006 has been used to calculate the dilution.
[2)] There are two different warrant programs outstanding, exercisable for a maximum of 2,446,136 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.

Net 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.

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, which is in accordance with the requirements in the recommendation of the Swedish Financial Accounting Standards Council, RR 31 Interim Reporting for Groups.
As of January 1, 2005, Biovitrum AB (publ) is applying the International Financial Reporting Standards (IFRS) in accordance with EU regulations. The accounting principles applied are those described in Biovitrum's 2006 Annual Report.

Updated financial calendar

The Jan-Sept 2007 interim report will be published on October 23 instead of November 8 as previously communicated.

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 certify that this half-year report gives a true and fair overview of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties facing that the Parent Company and the companies in the Group. See appendix 1 for a description of operational risks.

Solna, August 23, 2007

Håkan Åström Chairman	Anders Hultin	Mats-Olof Ljungkvist
Wenche Rolfsen	Michael Steinmetz	Hans Wigzell
Toni Weitzberg	Catarina Larsson Union representative	Bo-Gunnar Rosenbrand Union representative
Martin Nicklasson Chief Executive Officer		

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Financial Calendar:

Interim report Jan-Sept 2007	October 23, 2007
Full year Report 2007	February 21, 2008

Biovitrum is one of the largest biopharma companies in Europe. With operations in Sweden and the UK, Biovitrum conducts research and develops pharmaceuticals for unmet medical needs, both for common diseases and conditions that affect smaller patient populations. Biovitrum focuses on drugs for the treatment of obesity, diabetes, inflammation and blood diseases, as well as a number of well-defined specialist indications. Biovitrum develops and produces protein-based drugs on a contractual basis and markets a range of specialist pharmaceuticals primarily in the Nordic countries.

For more information, see www.biovitrum.com.

Enclosure 1

Risk Management

All business operations involve risk. Managed risk taking is a condition for maintaining a sustained favourable profitability. Risks may be due to events in the world and can effect a given industry or market. Risk can also be specific to a certain company. Biovitrum work to identify, measure and manage risk, and in some cases we can also influence the likelihood that a risk related event will occur. In cases in which events are beyond our control, we focus on the work to minimize the consequences.

Biovitrum are exposed to three main risk categories:

External related risks, e.g.

- there is no guarantee that products and processes that are included in patents already granted, will not be challenged or contested by competitors, or that granted patents will not infringe upon a competitor's patent.
- there is always a risk that the company's product concepts will be driven out of the market by similar products or that entirely new product concepts will prove superior.

Operational risks, e.g.

- Developing of a new drug up to and including launch is a both capital-intensive and hazardous process.
- Collaboration with external partners depends largely on the work of the company's partners or license holders, since these parties retain the right to a large extent to determine the amount of work and resources that will be invested in the projects
- Production and sale of ReFacto®, which represent the majority of the company's revenues, in the case that Biovitrum's production facilities were to be destroyed, damaged or for some other reason required to be shut down, would seriously affect the company's ability to manufacture ReFacto® and the company would lose a significant portion of its revenues.
- Manufacturing and sale of drug products carries significant risk for product liability claims.
- Handling hazardous materials, when The company is required to comply with laws and regulations that regulate the use, manufacture, storage, handling and disposal of such materials and waste products. Although the company feels that its safety routines for the management and disposal of such materials meet the prescribed standards, it is not possible to entirely eliminate the risk of unintentional contamination or personal injury from such materials.

Financial risks, e.g.

- The company's business is exposed to currency rate risk as a considerable portion of the revenues are paid in foreign currency, and is subject to different forms of tax exposure as a result of numerous restructuring measures and other transactions that the company has carried out or been involved in, including restructuring in connection with the transfer of operations and property. Biovitrum believes that all of these transactions have been executed, accounted for and declared correctly and in accordance with the applicable tax laws and practices.

For a more detailed description of Biovitrum's risk exposure we refer to the Annual Report 2006 which can be found at www.biovitrum.se.

Enclosure 2

Financial Statements for parent company Biovitrum AB (publ)

Income statement - Parent company

Amounts in SEK million	April 1 - June 30 2007	April 1 - June 30 2006	January 1 - June 30 2007	January 1 - June 30 2006	Full year 2006
Total revenues	404.2	304.8	756.9	707.7	1,200.3
Cost of goods and services sold	-113.2	-80.9	-226.5	-190.4	-293.8
Gross profit	**291.0**	**223.9**	**530.4**	**517.3**	**906.5**
Sales and Marketing expenses	-12.0	-8.6	-20.6	-17.1	-41.6
Administration expenses	-45.0	-38.4	-75.2	-68.6	-125.6
Research and Development expenses	-180.9	-174.1	-344.0	-283.2	-634.2
Other operating revenues	3.1	0.4	5.7	1.6	2.4
Other operating expenses	0.4	-4.0	-0.2	-45.2	-47.4
Operating profit/loss	**56.6**	**-0.9**	**96.1**	**104.8**	**60.1**
Result from participation in Group companies	0.0	0.0	0.0	-0.6	-56.7
Interest income and similar items	3.9	-0.5	9.7	2.1	40.9
Interest expenses and similar items	-0.1	0.0	-0.1	-0.1	-1.3
	3.8	-0.6	9.6	1.4	-17.1
Profit/loss after financial items	**60.4**	**-1.5**	**105.7**	**106.2**	**43.0**
Tax on profit/loss for the period	–	–	–	–	-1.5
Profit/loss for the period	**60.4**	**-1.5**	**105.7**	**106.2**	**41.5**

Condensed balance sheet - Parent company

Amounts in SEK million	June 30 2007	June 30 2006	Dec 31 2006
ASSETS			
Fixed assets			
Intangible fixed assets	150.5	99.6	122.2
Tangible fixed assets	262.9	240.5	255.0
Financial fixed assets	761.5	756.5	776.8
	1,174.9	**1,096.6**	**1,154.0**
Current assets			
Inventories	81.2	120.1	161.2
Current receivables, non-interestbearing	279.6	251.6	231.7
Short-term investments	465.2	537.8	527.2
Cash and cash equivalents	407.1	622.0	370.6
	1,233.1	**1,531.4**	**1,290.6**
Total assets	**2,408.0**	**2,628.0**	**2,444.6**
EQUITY AND LIABILITIES			
Shareholders' equity	**1,482.0**	**1,480.7**	**1,376.3**
Long term liabilities			
Long term liabilities, non-interestbearing	44.2	220.8	132.5
	44.2	**220.8**	**132.5**
Current liabilities			
Current liabilities, non-interestbearing	881.9	926.6	935.9
	881.9	**926.6**	**935.9**
Total equity and liabilities	**2,408.0**	**2,628.0**	**2,444.6**

Change of parent company´s shareholders' equity

Amounts in SEK million	2007 Jan 1 - June 30	2006 Jan 1 - June 30	2006 Jan 1 - Dec 31
Opening balance	**1,376.3**	**1,753.5**	**1,753.5**
Warrants issue (+)	–	–	105.6
Repurchase warrants (-)	–	–	-282.3
Issue of share	–	–	136.9
Redemption of shares [1]	–	-378.9	-378.9
Net profit/loss for the year	105.7	106.2	41.5
Equity, end of period	**1,482.0**	**1,480.7**	**1,376.3**

[1] Referring to redemption and payment of Pfizer´s shares