



Interim report May 2009 – July 2009

PERIOD MAY 2009 – JULY 2009

- Net sales amounted to SEK 200.9m (200.3).
- As of 30 June 2008 Swedish Orphan International's distribution agreement with our partner, Gilead Sciences Ltd, was limited to a smaller number of markets, which reduced sales by SEK 34.5m year-on-year.
- Net sales from existing products, excluding terminated distribution contracts, increased by SEK 35.0m, or about 21 per cent.
- The gross profit increased by 10 per cent to SEK 124.3m (112.5).
- The operating profit amounted to SEK 60.7m (61.9).
- Earnings after tax were SEK 40.1m (44.8). This represents a decrease of 11 per cent, which is essentially attributable to deferred tax relating to previous periods.
- Earnings per share before dilution were SEK 42.35 (47.33) and earnings per share after dilution SEK 42.04 (46.95).
- Cash flow from operations was SEK 25.6m (24.0).

IMPORTANT EVENTS THE FIRST QUARTER OF 2009/2010

- In May 2009 Swedish Orphan International's distribution agreement with ApoPharma on Ferriprox® was extended by another five years. The agreement was also expanded to cover France, Spain, Malta and Algeria in addition to the existing territories. The agreement now covers 21 countries.
- The company's distribution agreement with EUSA Pharma for Caphosol®, Kidrolase®, Erwinase® and Collatamp® has been expanded to include Bulgaria, Rumania, Hungary and Italy.
- The distribution agreement with Shire has been expanded to include Equasym®. The agreement applies for the Nordic countries.

Consolidated financial performance

| | PERIOD May-July 2009/2010 | QUARTER May-July 2008/2009 | FULL YEAR May-April 2008/2009 | 12 Months August-July Aug 08-Jul 09 |
|---------------------------|---------------------------------|----------------------------------|-------------------------------------|---|
| SEK million | | | | |
| Net sales | 200.9 | 200.3 | 694.5 | 695.0 |
| Gross Profit | 124.3 | 112.5 | 427.7 | 439.4 |
| Operating profit | 60.7 | 61.9 | 201.4 | 200.2 |
| Profit after tax | 40.1 | 44.8 | 145.3 | 140.6 |
| Earnings per share, SEK | 42.35 | 47.33 | 153.39 | 148.41 |
| Cash flow from operations | 25.6 | 24.0 | 176.6 | 178.2 |

Message from the CEO

A GOOD START TO THE YEAR

It is with great satisfaction that I can announce that the new year has started on a very strong note. We have reached out to a growing number of patients with rare diseases. The 21 per cent growth in our existing portfolio shows the strength of our product portfolio, where many products are in an early phase of their lifecycles. It is also the last quarter where the comparative figures contains the expired Gilead products.

We have continued to invest in sales and marketing resources mainly in our European subsidiaries and the strategy to grow our own high-margin products in Europe has been successful leading to region Rest of Europe now accounting for almost half of the Group's sales and to an increase in the Group's gross margin to 62%.

We have also continued to successfully contract new products, and in the past three months we have expanded our territories for Ferriprox® from ApoPharma and for our EUSA Pharma products. We have also contracted an entirely new product, Equasym®, from our partner Shire. Equasym® is a treatment that improves attention and reduces impulsivity and hyperactivity in patients with ADHD.

During the three-month period the process of obtaining national approval and prices for Multiferon® continued in the 14 countries that approved Multiferon® this spring through a mutual recognition procedure (MRP). Work is going according to plan, and this autumn Multiferon® will gradually be launched in these countries as local approvals are completed.

The fact that we can point to strong growth in our portfolio, that our partners continue to expand their partnerships with Swedish Orphan International and that the launch of Multiferon® is going to plan gives me great confidence for the year.

Bo Jesper Hansen, CEO and President

Swedish Orphan International in brief

Swedish Orphan International Holding is an international growth company specialising in the development, registration, marketing and distribution of pharmaceutical drugs for rare and life-threatening diseases, a category known as "orphan drugs". The company's products satisfy a medical need where no treatment exists at present or the existing treatment is inadequate.

The original company, Swedish Orphan International AB, was founded in 1988 and has since concluded partnership agreements with 30 different drug makers and university institutions. The company currently provides more than 40 different orphan drugs.

Financial summary for the period May 2009 – July 2009

COMMENTS TO THE INCOME STATEMENT AND BALANCE SHEET

PERIOD MAY 2009 – JULY 2009

NET SALES

Consolidated net sales increased to SEK 200.9m (200.3) during the period. Net sales were adversely affected by the expiry on 30 June 2008 of Swedish Orphan International's distribution agreement for the Nordic region with our partner Gilead Sciences Ltd in the HIV product therapy. The reduction in sales from terminated distribution contracts, SEK 34.5m, was fully offset by growth in other areas, where sales increased by SEK 35.0m, or by about 21 per cent.

As a result of a conscious change in product mix, the gross profit increased by 10 per cent to 124.3m (112.5) and the gross margin increased by 10 per cent from 56 to 62 per cent.

Net sales in the Nordic region were SEK 84.3m (110.6), representing 42 per cent (55%) of consolidated net sales for the period. The reduction is due to the expiry of the above-mentioned distribution agreements. During the period the company continued its rapid expansion in the region Rest of Europe, generating sales of SEK 94.0m (66.2), which corresponds to a growth rate of 42 per cent. Sales in the region accounted for 47 per cent (33%) of total net sales during the period. The strong sales increase in Rest of Europe is attributable to continued strong sales of Swedish Orphan International's proprietary product Orfadin®, sales of Ferriprox® and the successful launch of Yondelis®.

With the exception of the Swedish operation, assets refer primarily to operating capital, which has not been broken down by market.

Sales per market

| | PERIOD | QUARTER | FULL YEAR | 12 Months |
|-------------------|-----------|-----------|-----------|---------------|
| | May-July | May-July | May-April | August-July |
| SEK million | 2009/2010 | 2008/2009 | 2008/2009 | Aug 08-Jul 09 |
| Nordic | 84.3 | 110.6 | 340.2 | 313.9 |
| Rest of Europe | 94.0 | 66.2 | 273.2 | 301.0 |
| Rest of the world | 22.6 | 23.5 | 81.1 | 80.1 |
| Total | 200.9 | 200.3 | 694.5 | 695.0 |

Gross profit per market

| | HELÅR | KVARTAL | HELÅR | 12 månader |
|-------------------|-----------|-----------|-----------|---------------|
| | May-July | May-July | May-April | August-July |
| MSEK | 2009/2010 | 2008/2009 | 2008/2009 | Aug 08-Jul 09 |
| Nordic | 36.2 | 42.5 | 151.6 | 145.3 |
| Rest of Europe | 70.7 | 49.7 | 208.5 | 229.5 |
| Rest of the world | 17.4 | 20.3 | 67.6 | 64.6 |
| Total | 124.3 | 112.5 | 427.7 | 439.4 |

EARNINGS

The operating profit for the period was SEK 60.7m (61.9), a decrease of 2 per cent. The lower operating profit is primarily due to increased selling expenses following the decision to strengthen the company's European sales organisation and to foreign exchange effects. The operating profit includes a depreciation and amortisation charge of SEK 1.5m (1.0).

The profit after tax for the period was SEK 40.1m (44.8). Earnings for the period include a deferred tax charge of SEK 4.4m (0.0) relating to previous financial years. The deferred tax is primarily attributable to capitalised costs relating to the registration process for Multiferon®.

INTANGIBLE ASSETS

Intangible assets at 31 July 2009 were SEK 253.0m (243.9). These refer primarily to goodwill. The increase is mainly attributable to capitalisation of costs relating to the registration process for Multiferon®.

TANGIBLE ASSETS

Tangible assets at 31 July 2009 were SEK 13.7m (13.0).

FINANCIAL POSITION

The strong sales performance helped to strengthen consolidated shareholders' equity, which increased by SEK 39.7m during the period, from SEK 417.2m at the beginning of the financial year to SEK 456.9m at 31 July 2009. The equity/assets ratio was 63 per cent (57%). At 31 July 2009 cash and cash equivalents were SEK 164.0m (63.9) and net cash assets SEK 101.6m (-40.3). In addition to cash and cash equivalents, the company has a short-term investment of SEK 20.0m (-) relating to treasury bills, which mature on September 16, 2009. Total assets at 31 July 2009 were SEK 721.6m (556.8). Out of the Group's overdraft facility of SEK 150m, SEK 0m had been drawn at 31 July 2009.

CASH FLOW

Cash flow from operations during the period was SEK 25.6m (24.0) and cash flow from operations before changes in working capital was SEK 51.1m (60.5). Cash flow from investing activities were SEK -21.7m (-0.5) and refer mainly to an investment in treasury bills with maturities of more than three months from the date of acquisition. Cash flow from financing activities was SEK 0.0m (4.4). Cash flow for the period amounted to SEK 3.8m (27.9).

EARNINGS PER SHARE

Earnings per share before dilution were SEK 42.35 (47.33) and earnings per share after dilution SEK 42.04 (46.95). Equity per share before dilution was SEK 482.44 (333.81) and equity per share after dilution SEK 478.91 (331.13). At 31 July 2009 the number of shares in Swedish Orphan International Holding AB was 947,128. The average number of shares before dilution was 947,128 (947,164) and the number of shares after dilution 954,101 (954,821).

INCENTIVE SCHEME

The parent company has introduced an incentive scheme under which warrants have been issued to a number of senior executives and key individuals. If all outstanding options are exercised, this would result in a dilution of about 0.7 per cent.

RISK FACTORS

Swedish Orphan International Holding's activities are exposed to financial risks. The management of these risks is described in the annual report for 2008/2009, Note 2, and in the Directors' report.

DISPUTES

There are no outstanding disputes in the Swedish Orphan International Holding Group.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A clinical study of Multiferon® in Hepatitis C patients not responding to treatment with recombinant interferons has started at Karolinska Sjukhuset, Huddinge

THE PARENT COMPANY

The parent company's business comprises senior management and certain shared functions. Net sales in the parent company during the period were SEK 4.2m (4.3) and the loss after financial items was SEK -1.7m (-1.5). No significant investments in fixed assets were made during the period, SEK 0.0 (0.0). Cash and bank balances in the parent company were SEK 0.0m (0.0). Since December 2008 cash and bank balances in the parent company form part of a cash pool that is owned by Swedish Orphan International AB, and this item is therefore reported as a receivable from the subsidiary.

The parent company is not exposed to any special risk factors other than those applying to the Group that are described above.

STOCKHOLM, 7 SEPTEMBER 2009

Bo Jesper Hansen
Chief Executive Officer

Review report

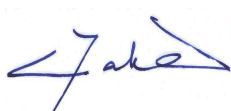
We have reviewed this report for Swedish Orphan International Holding AB for the period 1 May 2009 to 31 July 2009. The board of directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this financial information based on our review.

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

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

Stockholm, 7 September 2009

PricewaterhouseCoopers AB



Claes Dahlén
Authorised Public Accountant

Auditor in charge

Consolidated income statement

| SEK thousand | Note | May-July | | May-April | 12 Months |
|--|------|----------------|----------------|----------------|----------------|
| | | 2009/2010 | 2008/2009 | 2008/2009 | August-July |
| | | 2009/2010 | 2008/2009 | 2008/2009 | Aug 08-Jul 09 |
| Net sales | 2 | 200 871 | 200 294 | 694 462 | 695 039 |
| Cost of goods sold | | -76 600 | -87 768 | -266 804 | -255 636 |
| Gross Profit | | 124 271 | 112 526 | 427 658 | 439 403 |
| Selling expenses | | -41 990 | -30 879 | -157 734 | -168 845 |
| Administrative expenses | | -11 539 | -12 254 | -50 505 | -49 790 |
| Research and development expenses | | -6 853 | -6 452 | -27 568 | -27 969 |
| Other operating income | | 6 265 | 3 437 | 31 573 | 34 401 |
| Other operating cost | 3 | -9 418 | -4 480 | -22 024 | -26 962 |
| Operating profit | | 60 736 | 61 898 | 201 400 | 200 238 |
| Financial income | | -1 785 | 598 | 7 057 | 4 674 |
| Financial expenses | 3 | 2 574 | -811 | -11 177 | -7 792 |
| Profit after financial items | | 61 525 | 61 685 | 197 280 | 197 120 |
| Tax | | -21 416 | -16 857 | -52 001 | -56 560 |
| Profit for the period | | 40 109 | 44 828 | 145 279 | 140 560 |
| DATA PER SHARE | | | | | |
| Earnings per share, before dilution, SEK | | 42.35 | 47.33 | 153.39 | 148.41 |
| Earnings per share, after dilution, SEK | | 42.04 | 46.95 | 152.23 | 147.31 |
| Average number of outstanding shares | | | | | |
| before dilution | | 947 128 | 947 164 | 947 139 | 947 131 |
| after dilution | | 954 101 | 954 821 | 954 320 | 954 160 |
| Number of outstanding shares | | | | | |
| before dilution | | 947 128 | 947 164 | 947 128 | 947 128 |
| after dilution | | 954 101 | 954 821 | 954 101 | 954 101 |

Consolidated statement of comprehensive income

| SEK thousand | Note | May-July | | May-April | 12 Months |
|---|------|---------------|---------------|----------------|----------------|
| | | 2009/2010 | 2008/2009 | 2008/2009 | August-July |
| | | 2009/2010 | 2008/2009 | 2008/2009 | Aug 08-Jul 09 |
| Profit for the period after tax | | 40 109 | 44 828 | 145 279 | 140 560 |
| Other comprehensive income: | | | | | |
| Translation differences for the period | | -374 | 75 | 828 | 379 |
| Other comprehensive income for the period, net after tax: | | -374 | 75 | 828 | 379 |
| Total comprehensive income for the period | | 39 735 | 44 903 | 146 107 | 140 939 |
| Of which attributable to: | | | | | |
| parent company's shareholders | | 39 735 | 44 903 | 146 107 | 140 939 |

Consolidated balance sheet

| SEK thousand | Note | 31 July 2009 | 31 July 2008 | 30 April 2009 |
|--|------|-----------------|-----------------|------------------|
| Goodwill | | 213 009 | 213 009 | 213 009 |
| Other intangible fixed assets | | 40 033 | 30 884 | 39 358 |
| Tangible fixed assets | | 13 669 | 12 953 | 13 400 |
| Financial fixed assets | | 2 295 | 1 716 | 2 435 |
| Inventories | | 86 391 | 56 920 | 83 222 |
| Current receivables | | 182 182 | 177 451 | 178 041 |
| Current investments | | 19 992 | - | - |
| Cash and cash equivalents | | 164 024 | 63 913 | 160 627 |
| Total assets | | 721 595 | 556 846 | 690 092 |
| Shareholders' equity | | 456 931 | 316 174 | 417 196 |
| Long-term liabilities, interest bearing | 3 | 45 416 | 50 408 | 47 080 |
| Long-term liabilities, non-interest bearing | | 38 070 | 26 705 | 33 488 |
| Short-term liabilities, interest bearing | 3 | 17 044 | 53 775 | 17 431 |
| Short-term liabilities, non-interest bearing | | 164 134 | 109 784 | 174 897 |
| Total equity and liabilities | | 721 595 | 556 846 | 690 092 |

Statement of changes in equity attributable to equity holders of the parent company

| SEK thousand | Note | Sharecapital | Other contributed funds | Retained earnings | Total |
|---|------|--------------|-------------------------------|----------------------|----------------|
| Equity, 30 April 2007 | | 954 | 22 636 | 247 681 | 271 271 |
| Changes in equity 1 May - 31 July 2008 | | | | | |
| Total comprehensive income for the period | | - | - | 44 903 | 44 903 |
| Equity, 31 July 2008 | | 954 | 22 636 | 292 584 | 316 174 |
| Changes in equity 1 August 2008 - 30 April 2009 | | | | | |
| Total comprehensive income for the period | | - | - | 101 204 | 101 204 |
| Repurchase of shares and options | | - | - | -182 | -182 |
| Equity, 30 April 2009 | | 954 | 22 636 | 393 606 | 417 196 |
| Changes in equity 1 May - 31 July 2009 | | | | | |
| Total comprehensive income for the period | | - | - | 39 735 | 39 735 |
| Equity, 31 July 2009 | | 954 | 22 636 | 433 341 | 456 931 |

Consolidated cash flow statement

| SEK thousand | May-July | | 12 Months | |
|---|----------------|---------------|------------------------|--------------------------|
| | 2009/2010 | 2008/2009 | May-April 2008/2009 | Aug-Jul Aug 08-Jul 09 |
| Cash flow from operations before changes in working capital | 51 107 | 60 524 | 204 931 | 195 514 |
| Cash flow from changes in working capital | -25 536 | -36 529 | -28 312 | -17 319 |
| Cash flow from operations | 25 571 | 23 995 | 176 619 | 178 195 |
| Cash flow from investing activities | -21 734 | -469 | -2 687 | -23 952 |
| Cash flow from financing activities | - | 4 422 | -49 930 | -54 352 |
| Cash flow for the period | 3 837 | 27 948 | 124 002 | 99 891 |
| Cash and cash equivalents at start of period | 160 627 | 35 665 | 35 665 | 63 913 |
| Cash flow for the period | 3 837 | 27 948 | 124 002 | 99 891 |
| Exchange rate difference in cash and cash equivalents | -440 | 300 | 960 | 220 |
| Cash and cash equivalents at end of period | 164 024 | 63 913 | 160 627 | 164 024 |

Parent company income statement

| SEK thousand | May-July | | May-April |
|--|---------------|---------------|----------------|
| | 2009/2010 | 2008/2009 | 2008/2009 |
| Net sales | 4 227 | 4 314 | 18 900 |
| Gross Profit | 4 227 | 4 314 | 18 900 |
| Administrative expenses | -5 814 | -5 809 | -25 832 |
| Other operating income | 1 | - | 2 |
| Other operating costs | - | -1 | -5 |
| Operating profit/loss | -1 586 | -1 496 | -6 935 |
| Profit/loss from participations in Group companies | - | - | 199 690 |
| Interest income | 1 | 16 | 39 |
| Interest expenses | -90 | -17 | -363 |
| Profit/loss after financial items | -1 675 | -1 497 | 192 431 |
| Appropriations | - | - | -48 467 |
| Tax | - | - | -40 769 |
| Profit/loss for the period | -1 675 | -1 497 | 103 195 |

Parent company balance sheet

| SEK thousand | 31 July | 31 July | 30 April |
|---|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 |
| Tangible fixed assets | 35 | 12 | 38 |
| Financial fixed assets | 280 343 | 280 343 | 280 343 |
| Current receivables | 141 144 | 6 590 | 147 430 |
| Cash and bank balances | - | 50 | - |
| Total assets | 421 522 | 286 995 | 427 811 |
| Shareholders' equity | 277 065 | 174 230 | 278 740 |
| Untaxed reserves | 105 283 | 56 819 | 105 286 |
| Current liabilities, non-interest bearing | 39 174 | 55 946 | 43 785 |
| Total equity and liabilities | 421 522 | 286 995 | 427 811 |

Notes

1 ACCOUNTING PRINCIPLES

The consolidated financial statements of Swedish Orphan International Holding for the period May–July 2009/2010 have been prepared in accordance with IAS 34 Interim Financial Reporting. A number of amendments to existing standards, new interpretations and one new standard (IFRS 8) took effect on 1 January 2009. For Swedish Orphan International Holding the following published standards and interpretations which took effect on 1 January 2009 have been deemed relevant for the presentation of the financial statement and the accounting principles applied:

- **IAS 1 Presentation of Financial Statements**
The amendment to this standard relates to the presentation of financial statements. Swedish Orphan International Holding has chosen to present consolidated comprehensive income in two reports: an income statement and a statement of comprehensive income. The components of comprehensive income consist of income and expenses from transactions that were previously recognised directly in equity, such as translation differences. The consolidated statement of changes in equity only includes transactions with owners.
- **IFRS 8 Operating Segments**
The approach prescribed by this standard is that segment information should be presented from the perspective of management. As Swedish Orphan International Holding's segment information is already based on management's review of consolidated earnings and the company's financial position, the only impact of this standard on the financial statements is that the company now also presents a statement of gross earnings per segment.

The interim report for the parent company has been prepared in compliance with the Swedish Annual Accounts Act and Recommendation RFR 2:2 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board.

In other respects, the accounting principles are unchanged since the year-end financial statement for 2008/2009. The accounting principles are presented in the last annual report.

2 SEGMENT REPORTING

The Group develops and sells pharmaceutical drugs. The Group's operational segments constitute geographic areas, see the tables on page 3.

3. LONG-TERM AND CURRENT INTEREST-BEARING LIABILITIES

Long-term and current interest-bearing liabilities in the consolidated financial statements refer to a liability relating to a dispute attributable to the financial year 2007/2008. In a settlement of the dispute Swedish Orphan International agreed to pay EUR 1.5m annually for a period of five years. The present value of the total settlement expense was SEK -62.5m, which was charged to expense in the financial year 2007/2008. The first instalment of EUR 1.5m was made in September 2008. The remaining liability is adjusted for changes in the SEK-EUR exchange rate, the remaining maturity and changes in the discount rate. During the period changes in the exchange rate and the remaining maturity reduced the long-term liability by SEK 2.1m and the current liability by SEK 0.7m. These increases have been recognised as financial expenses in the income statement. Changes in the discount rate increased the long-term liability by SEK 0.5m and the current liability by SEK 0.1m. These increases have been recognised as other operating expenses in the income statement.

FOR MORE INFORMATION, PLEASE CONTACT:

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FUTURE FINANCIAL REPORTS:

Annual Report, May 2008–April 2009
AGM, May 2008–April 2009
Interim report, May 2009–October 2009
Interim report, May 2009–January 2010
Year-end financial statement, May 2009–April 2010
Annual Report, May 2009–April 2010

August 2009
29 September 2009
18 December 2009
18 March 2010
17 June 2010
August/September 2010