



Year-end financial statement May 2008 – April 2009

MAY 2008 – APRIL 2009

- Net sales decreased by 9 per cent to SEK 694.5m (764.8).
- As of June 30, 2008 Swedish Orphan's distribution agreement with our partner, Gilead Sciences Ltd, was limited to a smaller number of markets, which reduced sales by SEK 161.7m year-on-year.
- Net sales from existing products, excluding terminated distribution contracts, increased by SEK 116.8m or 22 per cent.
- The gross profit increased by 9 per cent to SEK 427.7m (392.9) in spite of the planned termination of the Gilead products.
- The operating profit increased by 69 per cent to SEK 201.4m (119.3). Excluding non-recurring items, the operating profit increased by 11 per cent to SEK 201.4m (181.8).
- The profit after tax was SEK 145.3m (79.3) an increase of 83%.
- Earnings per share before dilution were SEK 153.39 (83.51) and earnings per share after dilution SEK 152.23 (83.13).
- Cash flow from operations was SEK 176.6m (110.7).

"It is satisfying that we have been able to continue with the high development pace which has been achieved by securing several new licenses and distribution agreements throughout the year. In order to be able to continue to register and market new pharmaceuticals from this level, the Board of Directors has decided to prepare Swedish Orphan for a new ownership structure through an IPO. The objective is to fulfil all requirements for a listed company during the fall so that we can apply for a listing when the market conditions are right", says CEO and President, Mr. Bo Jesper Hansen.

Consolidated financial performance

SEK million	PERIOD		QUARTER	
	May-April		February-April	
	2008/2009	2007/2008	2008/2009	2007/2008
Net sales	694.5	764.8	185.9	168.4
Gross Profit	427.7	392.9	116.1	98.4
Operating profit	201.4	119.3	51.4	-33.1
Profit after tax	145.3	79.3	37.0	-24.6
Earnings per share, SEK	153.39	83.51	39.12	-25.82
Operating profit, excl. non-recurring items	201.4	181.8*	51.4	29.3*
Profit after tax, excl. non-recurring items	145.3	141.8*	37.0	38.0*
Earnings per share, SEK, excl. non-recurring items	153.39	149.43*	39.12	40.10*

*Excluding dispute-related settlement expenses of SEK 62.5m for the full year 2007/2008 and February-April 2007/2008.

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.

Significant events May 2008 – January 2009

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- Swedish Orphan's proprietary product, Multiferon® was approved for treatment of high-risk patients with malignant melanoma and for patients relapsing on treatment with recombinant interferon-alpha. Approval was granted in the first of two planned MRP processes. Work on obtaining local approval in the 14 countries concerned has begun with a planned launch during autumn 2009. Multiferon® has now been approved as a drug in 15 European countries. Planning for a second MRP process for the remaining European countries has been initiated. The company believes that Multiferon® has the potential to become its largest product.
- In February the company signed a final distribution agreement with SHIRE for Mezavant® in the Nordic region.

SIGNIFICANT EVENTS EARLIER IN THE REPORTING PERIOD

- When Swedish Orphan's distribution agreement with Gilead Sciences Ltd for the Nordic market expired in June 2008 the products reverted to Gilead.
- Positive Phase III results for Yondelis® in combination with Doxil® in secondary treatment of ovarian cancer were presented at the ESMO conference in Stockholm on September 15.
- An application for registration of Orfadin® as an orphan drug in Russia was submitted to the Russian regulators in the second quarter.
- Swedish Orphan International AB registered its new Russian subsidiary.
- In October the company signed a preliminary distribution agreement with SHIRE for Mezavant® in the Nordic region.
- Orfadin® was given orphan drug designation in Australia and is currently going through the approval process.
- In November the distribution agreement with Gilead Sciences Ltd for the Baltic states was extended by another year.
- In December Swedish Orphan signed a new distribution agreement with EUSA Pharma for four new products: Caphosol®, Kidrolase®, Erwinase® and Collatamp®. The agreement for Fomepizole® was extended at the same time. The territory covered is the Nordic region.
- In December the company signed a new licensing agreement with QOL Medical for Nascobal® in Europe, Russia and Turkey. The product is registered in the US and Swedish Orphan International is responsible for registration in its territory.

- In January the company signed a new distribution agreement with LFB of France covering a portfolio of plasma-based niche drugs. The portfolio comprises Wilfact®, Hemoleven®, IvHebex®, Vialebex® and Factor IX LFB® and the agreement covers Scandinavia, Germany, the Baltic states and large parts of eastern Europe.
- In January Swedish Orphan also signed a distribution agreement with Defiante® for Syntocinon®, Synacthen®, Hydergin® and Zaditen® in the Nordics, the United Kingdom, Ireland and Poland.

What are orphan drugs?

The term "orphan drugs" alludes to children without parents, which is exactly what is intended. The term was coined in the United States in the early 1980s, when patient organisations for rare diseases brought attention to what they perceived as a reluctance on the part of pharmaceutical companies to invest in developing drugs for rare diseases, as the small volumes made it hard to justify the outlay. No one, in other words, wanted to take responsibility for these diseases – just like with orphaned children.

Financial summary for the period May 2008 – April 2009

COMMENTS TO THE INCOME STATEMENT AND BALANCE SHEET

FOURTH QUARTER (FEBRUARY 2009 – APRIL 2009)

In the fourth quarter of the financial year 2008/2009 consolidated net sales increased by 10 per cent year-on-year to SEK 185.9m (168.4). Net sales were adversely affected by the expiry on June 30, 2008 of Swedish Orphan's Nordic distribution agreement with Gilead Sciences Ltd in the HIV products therapy area and Gilead's decision to sell these products directly, and by the expiry in January 2008 of the company's distribution agreement with Novartis for Tobii®. The shortfall in net sales due to terminated distribution agreements, totalling SEK 29.8m, was offset by a 34 per cent quarterly increase in sales of other products.

As a result of the strategy to focus more on proprietary- and licensed products, leading to a changed product mix, the gross margin increased from 58 to 62 per cent, which resulted in an increase in gross profit of 18 per cent to SEK 116.1m (98.4). The operating profit increased by 255 per cent to SEK 51.4m (-33.1). Excluding one-off charges, the operating profit increased by 75 per cent to SEK 51.4m (29.3), primarily as a result of the improved gross margin.

MAY 2008 – APRIL 2009

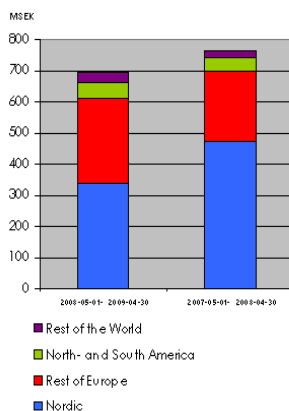
NET SALES

During the period consolidated net sales decreased by 9 per cent to SEK 694.5m (764.8). Net sales were adversely affected by the expiry on June 30, 2008 of Swedish Orphan's Nordic distribution agreement with Gilead Sciences Ltd in the HIV products therapy area and the expiry in January 2008 of the company's distribution agreement with Novartis for Tobii®. The decrease was partially offset by a 22 per cent increase in sales of other products for the fiscal year.

As a result of a changed product mix, the gross margin increased by 20 per cent, from 51 to 62 per cent, which resulted in an increase in gross profit of 9 per cent to SEK 427.7m (392.9).

Net sales in the Nordic region were SEK 340.2m (474.5), representing 49 per cent (62%) 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 Rest of Europe, generating sales of SEK 273.2m (224.0), which corresponds to a growth rate of 22 per cent. Sales in the region accounted for 39 per cent (29%) of total net sales during the period. Tunisia and Algeria, with sales of SEK 3.2m (3.0), have been included in Rest of Europe in the financial year 2008/2009 but were included in Rest of world the year before. This is because the French subsidiary now handles sales for these countries. The strong sales increase in Rest of Europe is attributable to continued strong sales of Swedish Orphan's proprietary product Orfadin®, sales of Ammonaps and the successful launch of Yondelis®.

Sales per market



Sales per market

SEK million	PERIOD		QUARTER	
	May-April		February-April	
	2008/2009	2007/2008	2008/2009	2007/2008
Nordic	340.2	474.5	87.1	90.9
Rest of Europe	273.2	224.0	74.0	58.0
North & South America	48.1	40.0	15.7	11.1
Rest of the World	33.0	26.3	9.1	8.4
Total	694.5	764.8	185.9	168.4

EARNINGS

The operating profit for the period was SEK 201.4m (119.3), an increase of 69 per cent. Excluding non-recurring items, the operating profit for the period was SEK 201.4m (181.8), an increase of 11 per cent. The improved operating profit is primarily due to the improvement in the gross margin as well as to foreign exchange gains but was also affected by increased selling expenses resulting from the decision to strengthen the company's European sales organisation. The operating profit includes a depreciation and amortisation charge of SEK 3.8m (2.6).

The profit after tax for the period was SEK 145.3m (79.3).

INTANGIBLE ASSETS

Intangible assets at April 30, 2009 were SEK 252.4m (242.6). These primarily refer to goodwill. The increase is mainly attributable to capitalisation of costs relating to the registration process for Multiferon®.

TANGIBLE ASSETS

Tangible assets at April 30, 2009 were SEK 13.4m (12.6). The item refers largely to assets relating to the acquisition of the assets and liabilities of ViraNative AB in October 2007.

FINANCIAL POSITION

The strong sales performance helped to strengthen consolidated shareholders' equity, which increased by SEK 145.9m during the period, from SEK 271.3m at the beginning of the financial year to SEK 417.2m at April 30, 2009. The equity/assets ratio was 60 per cent (51%). At April 30, 2009 cash and cash equivalents were SEK 160.6m (35.7) and net cash assets SEK 96.1m (-63.2). Total assets on the same date were SEK 690.1m (531.8). Out of the Group's overdraft facility of SEK 150m, SEK 0m had been drawn at April 30, 2009.

CASH FLOW

Cash flow from operations during the period was SEK 176.6m (110.7) and cash flow from operations before changes in working capital was SEK 204.9m (125.7). Cash flow from financing activities was SEK -49.9m (-120.0) and was primarily attributable to repayments on loans. The cash flow for the period was SEK 124.0m (-26.9).

EARNINGS PER SHARE

Earnings per share before dilution were SEK 153.39 (83.51) and earnings per share after dilution SEK 152.23 (83.13). Equity per share before dilution was SEK 440.49 (286.40) and equity per share after dilution SEK 437.27 (284.11). At April 30, 2009 the number of shares in Swedish Orphan International Holding AB was 947,128. The average number of shares before dilution was 947,139 (949,045) and the number of shares after dilution 954,320 (953,429).

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 warrants 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 Note 2 of the 2007/2008 annual report. The Group's business is also exposed to a number of other factors that cannot be fully controlled by the company. Factors that are deemed to be of particular significance to Swedish Orphan International Holding's future development include partnerships, regulatory actions, market assessments, supply of important substances, patents and key individuals and recruitment.

DISPUTES

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In May Swedish Orphan'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 PARENT COMPANY

The parent company's business comprises senior management and certain shared functions as well as financial management. Net sales in the parent company during the period were SEK 18.9m (16.5) and the profit after financial items was SEK 192.4m (45.0). No significant investments in fixed assets were made during the period, SEK 0.0 (0.0). Cash and cash equivalents in the parent company were SEK 0.0m (0.8). Since December 2008 cash and cash equivalents in the parent company form part of a cash pool 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, JUNE 30, 2009



Bo Jesper Hansen
Chief Executive Officer

Consolidated income statement

SEK thousand	Note	May-April		February-April	
		2008/2009	2007/2008	2008/2009	2007/2008
Net sales	2	694 462	764 837	185 941	168 424
Cost of goods sold		-266 804	-371 889	-69 878	-70 001
Gross Profit		427 658	392 948	116 063	98 423
Selling expenses		-157 734	-131 776	-48 623	-46 322
Administrative expenses		-50 505	-54 048	-13 311	-11 879
Research and development expenses		-27 568	-27 264	-7 929	-9 534
Other operating income		31 573	17 114	9 329	4 832
Other operating cost	3	-22 024	-77 655	-4 104	-68 652
Operating profit		201 400	119 319	51 425	-33 132
Financial income		7 057	818	-827	-845
Financial expenses	3	-11 177	-11 428	-839	-3 008
Profit after financial items		197 280	108 709	49 759	-36 985
Tax		-52 001	-29 450	-12 710	12 422
Profit for the period		145 279	79 259	37 049	-24 563
DATA PER SHARE					
Earnings per share, before dilution, SEK		153.39	83.51	39.12	-25.81
Earnings per share, after dilution, SEK		152.23	83.13	38.83	-25.81
Average number of outstanding shares					
before dilution		947 139	949 045	947 128	947 164
after dilution		954 320	953 429	954 101	954 821
Number of outstanding shares					
before dilution		947 128	947 164	947 128	947 164
after dilution		954 101	954 821	954 101	954 821

*Including dispute-related settlement expenses of SEK 62,553,000 for the full year 2007/2008 and February-April 2007/2008.

Consolidated balance sheet

SEK thousand	Note	31 January 2008	31 January 2007
Goodwill		213 009	213 009
Other intangible fixed assets		39 358	29 610
Tangible fixed assets		13 400	12 640
Financial fixed assets		2 435	1 716
Inventories		83 222	89 717
Current receivables		178 041	149 434
Cash and bank balances		160 627	35 665
Total assets		690 092	531 791
Shareholders' equity		417 196	271 271
Long-term liabilities, interest bearing	3	47 080	49 772
Long-term liabilities, non-interest bearing		33 488	25 961
Short-term liabilities, interest bearing	3	17 431	49 142
Short-term liabilities, non-interest bearing		174 897	135 645
Total equity and liabilities		690 092	531 791

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

SEK thousand	31 January 2008	31 January 2007
Opening balance at beginning of fiscal year	271 271	196 844
Translation differences for the period	828	67
Income and expenses for the period recognised directly in equity	828	67
Profit after tax for the period	145 279	79 259
Total income and expenses for the period	146 107	79 326
Repurchase of warrants and shares	-182	-6 934
Issue of new shares	-	487
Warrants	-	1 548
Closing balance at end of period	417 196	271 271

Consolidated cash flow statement

SEK thousand	May-April		February-April	
	2008/2009	2007/2008	2008/2009	2007/2008
Cash flow from operations before changes in working capital	204 931	125 721	42 953	-420
Cash flow from changes in working capital	-28 312	-14 976	5 981	23 725
Cash flow from operations	176 619	110 745	48 934	23 305
Cash flow from investing activities	-2 687	-17 690	-1 645	-1 430
Cash flow from financing activities	-49 930	-119 959	0	-99 172
Cash flow for the period	124 002	-26 904	47 289	-77 297
Cash and cash equivalents at start of period	35 665	62 547	113 523	113 012
Cash flow for the period	124 002	-26 904	47 289	-77 297
Exchange rate difference in cash and cash equivalents	960	22	-185	-50
Cash and cash equivalents at end of period	160 627	35 665	160 627	35 665

Parent company income statement

SEK thousand	May-April		February-April	
	2008/2009	2007/2008	2008/2009	2007/2008
Net sales	18 900	16 473	5 098	3 797
Gross Profit	18 900	16 473	5 098	3 797
Administrative expenses	-25 832	-22 391	-6 985	-5 428
Other operating income	2	19	1	-
Other operating costs	-5	-8	-2	-
Operating profit/loss	-6 935	-5 907	-1 888	-1 631
Profit/loss from participations in Group companies	199 690	61 781	199 690	61 781
Interest income	39	98	3	16
Interest expenses	-363	-11 020	-168	-2 904
Profit/loss after financial items	192 431	44 952	197 637	57 262
Appropriations	-48 467	-11 602	-48 467	-11 602
Tax	-40 769	-9 740	-40 713	-9 740
Profit/loss for the period	103 195	23 610	108 457	35 920

Parent company balance sheet

SEK thousand	30 April	30 April
	2009	2008
Tangible fixed assets	38	-
Financial fixed assets	280 343	280 343
Current receivables	147 430	557
Cash and bank balances	-	818
Total assets	427 811	281 718
Shareholders' equity	278 740	175 727
Untaxed reserves	105 286	56 819
Long-term liabilities, interest bearing	-	-
Current liabilities, interest bearing	-	-
Current liabilities, non-interest bearing	43 785	49 172
Total equity and liabilities	427 811	281 718

Notes

1 ACCOUNTING PRINCIPLES

Swedish Orphan's consolidated financial statements for the period May-April 2008/2009 have, as in the annual financial statements for 2007/2008, been prepared in accordance with the International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting. The year-end financial statement for the parent company has been prepared in compliance with the Swedish Annual Accounts Act and Recommendation RFR 2:1 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board. During the financial year no new recommendations from the Swedish Financial Reporting Board have been issued that have had an impact on the parent company's financial statements.

2 SEGMENT REPORTING

The Group develops and sells pharmaceutical drugs. These activities constitute the Group's only segment, and no reporting by primary segment is therefore presented. For secondary segments that constitute geographic areas, see the table on page 5.

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 increased the long-term liability by SEK 6.4m and the current liability by SEK 2.2m. These increases have been recognised as financial expenses in the income statement. Changes in the discount rate increased the long-term liability by SEK 3.8m and the current liability by SEK 1.0m. These increases have been recognised as other operating expenses in the income statement.

FOR MORE INFORMATION, PLEASE CONTACT:

Bo Jesper Hansen, CEO
Phone: +46 8 412 98 00
E-mail: bo.jesper.hansen@swedishorphan.com

Mats Blom, CFO
Phone: +46 8 412 98 00
E-mail: mats.blom@swedishorphan.com

Swedish Orphan International Holding AB
(Org.no. 556613-7674)
Drottninggatan 98
SE-111 60 Stockholm, Sweden
Phone: +46 8 412 98 00
Fax: +46 8 412 98 99
E-mail: info@swedishorphan.se
www.swedishorphan.com

This report has not been examined by the company's auditors.

FUTURE FINANCIAL REPORTS:

AGM, May 2008–April 2009	Sep 29, 2009
Annual Report, May 2008–April 2009	Aug 2009
Interim report, May 2009–July 2009	Sep 7, 2009
Interim report, May 2009–October 2009	Dec 18, 2009
Interim report, May 2009–January 2010	Mar 18, 2010
Year-end financial statement, May 2009–April 2010	Jun 17, 2010