



Interim Report, May – July 2007

FIRST QUARTER, MAY–JULY 2007

- Net sales increased by 44% to SEK 211.6 (147.0) million
- Operating earnings increased by 198% to SEK 68.9 (23.1) million
- Earnings after tax amounted to SEK 47.1 (14.3) million
- Earnings per share, before and after dilution amounted to SEK 49.51 (15.00)
- The cash flow from current operations amounted to SEK 34.3 (30.9) million
- The increase in sales and improvement in gross profit have been affected positively in all countries by the sale of the products Truvada® and Ammonaps® and also the taking over of the distribution* of our own product, Orfadin®, within the EU and Middle East as well as by good growth within our existing products.

Consolidated earnings trend in brief

SEK thousands	1ST QUARTER		ENTIRE YEAR
	MAY – JULY		MAY – APRIL
	2007/2008	2006/2007	2006/2007
Net sales	211.6	147.0	683.8
Gross profit	103.4	56.9	308.6
Operating earnings	68.9	23.1	163.2
Earnings after tax	47.1	14.3	113.0
Earnings per share, SEK	49.51	15.00	118.60

* The company has terminated previous distributing agreements due to a breach of contract. This termination is subject to arbitration proceedings and arbitration is expected towards the end of 2007, see also the section on Disputes on page 4.

Swedish Orphan International in brief

Swedish Orphan International Holding is an international growth company specialising in the development, registration, marketing and distribution of drugs for rare and life-threatening conditions, so-called orphan drugs. The company's products satisfy a medical need, where there is no existing treatment today or where the existing treatment is insufficient.

The original company, Swedish Orphan International AB, was founded in 1988 and, since then, has entered into a partnership with about 30 different pharmaceutical companies and university institutions. At present, the company provides more than 40 different orphan drugs.



Important events May – July 2007

- An agreement for the extension of the distribution agreement with Gilead Sciences Ltd. has been entered into for a further 6 months for the Nordic countries.
- An addendum to the licensing agreement with Viragen has been agreed, which means that Swedish Orphan International will market and sell its own form of the Multiferon® drug in the majority of the European market.
- A final distribution agreement has been entered into with Pharmamar for the product, Yondelis®, in respect of the Nordic countries, the Baltic region and Central Eastern Europe. This agreement initially means that Swedish Orphan International can initiate the process of marketing the product.



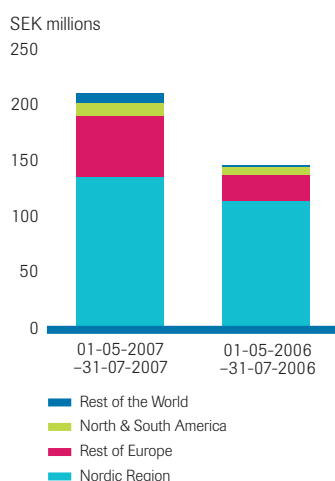
What are orphan drugs?

Orphan drugs, as these specialist drugs are called, make us think of orphan children. And that is exactly the intention. The term was coined in the USA at the beginning of the 1980s. The background was that patient organisations for rare disorders were finding that the pharmaceutical companies were not willing to develop drugs for rare disorders, as the volumes were so small that it was not commercially viable. In other words, no one wanted to take responsibility for these disorders – just as the case may be for orphan children.

Consolidated financial overview for the period May – July 2007

COMMENTS ON THE INCOME STATEMENT AND BALANCE SHEET

Sales per market



FIRST QUARTER

During the first quarter of 2007/2008, compared with the corresponding quarter in 2006/2007, Swedish Orphan International Holding's net sales have increased by 44 percent to SEK 211.6 (147.0) million and the operating result has increased by 198 percent to SEK 68.9 (23.1) million. This strong growth in net sales has been affected positively in all countries by sales of Truvada® and the taking over of our own Orfadin® product within the entire EU and Middle East as well as by good growth in our existing products.

This geographical expansion, together with the company's ability to bring new products into its product portfolio will provide a good foundation for positive development and growth in the future.

The Nordic Region increased its net sales in the first quarter by 19 percent to SEK 136.9 (115.5) million, which is equivalent to 65 (79) percent of the company's total net sales during the period. Denmark, Norway and Finland have all increased greatly compared with the previous year.

During the first quarter, the company's expansion within the Rest of Europe region has gone to plan and growth was 131 percent to SEK 53.9 (29.3) million, which is equivalent to 25 (16) percent of the company's total net sales during the period. The strong increase in sales in the Rest of Europe is mainly due to the sale of our own product, Orfadin®.

Sales by market

SEK millions	FIRST QUARTER MAY – JULY		ENTIRE YEAR MAY – APRIL
	2007/2008	2006/2007	2006/2007
Nordic Region	136.9	115.5	476.7
Rest of Europe	53.9	23.3	154.1
North and South America	12.2	6.4	34.8
Rest of the world	8.6	1.8	18.2
Total	211.6	147.0	683.8

EARNINGS FOR THE QUARTER

Operating earnings amounted to SEK 68.9 (23.1) million in the first quarter, which is equivalent to growth of 198 percent.

The great increase in earnings is due, among other things, to the good sales of Truvada®, Ammonaps® and our own product, Orfadin®. In the first quarter, earnings after tax amounted to SEK 47.1 (14.3) million.

INTANGIBLE ASSETS

Intangible assets amounted to SEK 231.1 (214.0) million as at 31 July 2007. These mainly consist of goodwill.

INVENTORIES

Inventories have decreased by 18 percent to SEK 54.9 (66.8) million as the result of lower stock levels in respect of several products.

FINANCIAL POSITION

The positive growth in earnings has contributed to strengthening the Group's equity, which has increased during the period by SEK 42.0 million from SEK 196.8 million at the start of the accounting year to SEK 238.8 million on 31 July 2007. The equity/asset ratio amounted to 45 (24) percent. The company's net debt has decreased by 52 percent to SEK 58.2 (120.3) million. Liquid funds amounted to SEK 83.7 (37) million as at 31 July 2007, an increase of SEK 46.7 million, compared with the previous year. Total assets amounted to SEK 533.0 (404.6) million on 31 July 2007. The Group's overdraft facility of SEK 30 million was unused as at 31 July 2007.

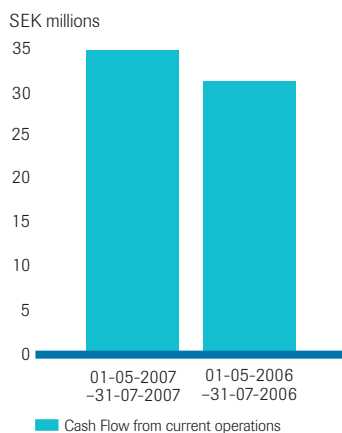
CASH FLOW

The Company's cash flow from current operations has shown positive growth. The cash flow from current operations amounted to SEK 34.3 (30.9) million. The cash flow from current operations before changes in working capital was strong during the period, SEK 66.1 (22.1) million.

PROFIT PER SHARE

Earnings per share during the period, before and after dilution, amounted to SEK 49.51 (15.00). Equity capital per share amounts to SEK 251.88 (102.92). The number of shares in Swedish Orphan International Holding AB was 948,219 as at 31 July 2007. The average number of shares during the period was 952,354.

Cash flow from current operations



DISPUTES

The company has terminated a previous distribution agreement for our own product, Orfadin® due to a breach of contract committed by the previous distributor. This termination is the subject of arbitration proceedings and arbitration is expected towards the end of 2007. Potentially, the dispute could involve a significant amount of money. The company has not set aside any reserve in the annual accounts for the ongoing arbitration proceedings.

PARENT COMPANY

The Parent Company's activity includes Group management and certain Group-wide functions as well as financial management. In the first quarter, the Parent Company's net sales amounted to SEK 3.6 (2.9) million, and earnings after financial items amounted to SEK -3.8 (-2.6) million. Liquid funds in the Parent Company amounted to SEK 1.7 (0.0) million.

STOCKHOLM, 27 SEPTEMBER 2007

Bo Jesper Hansen
Chief Executive Officer

Consolidated income statement in brief

Amounts in SEK millions	Note	May–July		May–April
		2007/2008	2006/2007	2006/2007
Net sales	3	211.6	1470	683.8
Cost of goods sold		-108.2	-90.1	-375.2
Gross profit		103.4	56.9	308.6
Sales expenses		-21.7	-24.1	-100.7
Administrative expenses		-8.7	-6.6	-43.4
Research and development expenses		-4.9	-4.7	-25.5
Other profits		-	-	16.1
Other operating income		5.3	1.7	11.1
Other operating costs		-4.5	-0.1	-3.0
Operating earnings		68.9	23.1	163.2
Interest income		-0.2	0.0	0.9
Interest expenses		-2.8	-3.0	-12.0
Earnings after financial items		65.9	20.1	152.1
Tax		-18.8	-5.8	-39.1
EARNINGS FOR THE PERIOD		47.1	14.3	113.0
DATA PER SHARE				
Earnings per share, before and after dilution, SEK		49.51	15.00	118.60
Number of outstanding shares		948 219	953 320	952 592
Average number of outstanding shares		952 354	953 320	953 131

Consolidated balance sheet in brief

Amount in SEK millions	31 July	31 July	30 April
	2007/2008	2006/2007	2006/2007
Goodwill	213.0	213.0	213.0
Other intangible fixed assets	18.1	1.0	18.2
Tangible fixed assets	1.2	1.4	1.4
Financial fixed assets	0.8	0.6	0.8
Inventories	54.9	66.8	72.0
Current receivables	161.3	84.8	165.1
Cash at bank and in hand	83.7	37.0	62.5
Total assets	533.0	404.6	533.0
Shareholders' equity	238.8	98.1	196.8
Long-term liabilities, interest-bearing	126.3	141.9	134.1
Long-term liabilities, non interest-bearing	22.7	12.3	7.9
Current liabilities, interest-bearing	15.6	15.4	15.6
Current liabilities, non interest-bearing	129.6	136.9	178.6
Total shareholders' equity and liabilities	533.0	404.6	533.0

Changes in the Group's equity in brief

Belopp i MSEK	31 July	31 July	30 April
	2007	2006	2006/2007
Opening balance at the beginning of the accounting year	196.8	83.9	83.9
Translation differences in the period	0.1	-0.1	-0.1
Income and expenses for the period reported directly against shareholders' equity	0.1	-0.1	-0.1
Earnings after tax for the period	47.1	14.3	113.0
Total income and expenses for the period	47.2	14.2	112.9
Repayment to shareholders	-5.2	-	-0.0
Closing balance at the end of the period	238.8	98.1	196.8

The Group's cash flow analysis in brief

Amount in SEK millions	Note	May-July	May-July	May-April
		2007/2008	2006/2007	2006/2007
Cash flow from current operations before changes in working capital		66.1	22.1	128.6
Cash flow from changes in working capital		-31.8	8.8	-50.1
Cash flow from current operations		34.3	30.9	78.5
Cash flow from investment activities		-0.1	-0.1	-14.1
Cash flow from financing activities		-13.1	-7.9	-15.8
Cash flow for the period		21.1	22.9	48.6
Cash and equivalents at beginning of the period		62.5	14.1	14.1
Cash flow for the period		21.1	22.9	48.6
Exchange rate difference in liquid funds		0.1	-0.0	-0.2
Liquid funds at the end of the period		83.7	37.0	62.5

Notes

1 ASSUMPTIONS FOR PREPARING THE GROUP'S FINANCIAL REPORT

The Interim Report has been prepared in accordance with IAS 34 "Interim Reporting" and the Swedish Financial Accounting Standards Council's Recommendation RR 31, Interim Reporting.

2 ESSENTIAL ACCOUNTING PRINCIPLES

Swedish Orphan International Holding's consolidated accounts have been prepared in accordance with the EU approved International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

3 SEGMENT REPORTING

The Group operates in the development and sale of drugs. Operations comprise a single operating area, which is why there is no reporting of primary segments. In the case of the secondary segments that are geographical areas, see the table on page 3.

4 DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

Swedish Orphan International Holding AB is owned by Investor Growth Capital AB, Skandia Investment, BJH ApS and by company management. The first three mentioned have provided shareholders' loans to a total amount of SEK 110.6 million. The Board of the company decides from year to year whether interest will be payable on the loan or not. In those cases when the Board decides that interest should be paid, the rate of interest is 8 percent. The Board has not yet decided whether interest will be payable for the calendar year, 1 January 2007–31 December 2007. A reserve has been set aside for any interest costs, which means that the period, 1 January 2007–31 July 2007, is burdened with interest costs of SEK 5.2 million, SEK 2.2 million of which is attributable to the period 1 May 2007–31 July 2007.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FUTURE FINANCIAL REPORTS:

Quarterly report, August – October 2007, 17 December 2007