



Interim report May 2007 – January 2008

MAY 2007 – JANUARY 2008

- Net sales increased by 21 per cent to SEK 596.4m (492.1).
- The operating profit increased by 27 per cent to SEK 152.5m (120.4).
- The profit after tax was SEK 103.8m (84.5).
- Earnings per share before dilution were SEK 109.33 (88.66).
- Cash flow from operations was SEK 87.4m (60.9).
- The sales increase and improved gross profit during the period were due to continued strong sales of the company's products in all markets, including the company's proprietary product Orfadin®.
- The Group acquired the assets and liabilities of ViraNative AB, including global patent and brand rights for Multiferon®.

Summary of Group financial performance

MSEK	PERIOD		QUARTER		FULL YEAR
	May-January		November-January		May-April
	2007/2008	2006/2007	2007/2008	2006/2007	2006/2007
Net sales	596,4	492,1	197,2	192,9	683,8
Gross profit	294,5	210,4	100,2	86,6	308,6
Operating profit	152,5	120,4	41,7	48,4	163,2
Profit after tax	103,8	84,5	28,2	32,6	113,0
Earnings per share, SEK	109,33	88,66	29,78	34,19	118,60

* The company has cancelled a previous distribution agreement, claiming breach of contract. The cancellation is subject to arbitration proceedings and a ruling is expected in 2008. For more information, see Disputes on page 5.

Swedish Orphan International in brief

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

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 2007 – January 2008

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- Swedish Orphan International launched Yondelis® in the Nordic and Baltic states and central Eastern Europe.
- The pre-filled Multiferon® syringe was approved for sale in Sweden.
- There were no sales of Swedish Orphan partner GILEAD's HIV products in Denmark in the last month of the period, as Swedish Orphan's Danish subsidiary did not take part in the Danish procurement in 2008.

SIGNIFICANT EVENTS EARLIER IN THE REPORTING PERIOD

- In June 2007 the company concluded an agreement on extending the distribution agreement with Gilead Sciences Ltd for the Nordic countries until June 2008.
- Swedish Orphan concluded an agreement with PharmaMar on Yondelis® for the Nordic and Baltic states and central Eastern Europe. In August 2007 the product was registered as an orphan drug.
- Swedish Orphan concluded one further preparatory agreement with the US company Ucyglyd for distribution of Ammonul® in the EU and the Middle East. Ammonul® is used for treatment of patients with severe urea cycle disorders.
- The company concluded a supplementary agreement amending its existing distribution agreement with the US company Viragen Inc., giving Swedish Orphan International the right to market and sell all Multiferon® preparations in most of the European market. Since the supplementary agreement was concluded, Viragen Inc.'s manufacturing subsidiary in Umeå, ViraNative AB, has been declared bankrupt. On October 25, 2007, to secure future production and delivery of Multiferon® to patients and obtain the global rights to the drug, a newly started wholly owned subsidiary, Swedish Orphan International Manufacturing AB, acquired all the assets of the bankrupt's estate and offered employment to parts of the workforce. The purchase included patent and brand rights for Multiferon®. The company paid a total consideration of SEK 14.7m for the acquired asset.
- In the second quarter a number of senior executives were offered to acquire shares and warrants in the company under a new incentive scheme.

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 reluctance on the part of drug makers 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.

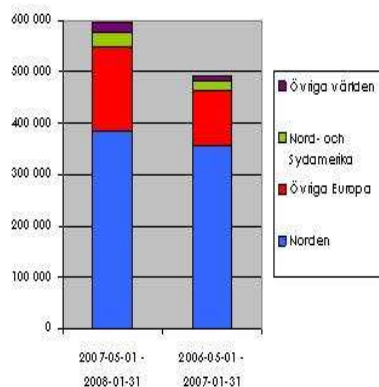
Group financial summary for the period May 2007 – January 2008

COMMENTS TO THE INCOME STATEMENT AND BALANCE SHEET

THIRD QUARTER

In the third quarter of 2007/2008 Swedish Orphan International Holding's net sales increased by 2 per cent year-on-year to SEK 197.2m (192.9). Net sales benefited from sales of the proprietary product Orfadin® and from strong growth for most of the company's existing products. Parallel imports, especially in the HIV products therapy area, had a negative impact on net sales.

As a result of a changed product mix, gross profits increased by 16 per cent to SEK 100.2m (86.6). Despite this, the operating profit fell by 14 per cent to SEK 41.7m (48.4). The reduction was primarily due to increased costs to sell attributable to the continued build-up of the company's European organisation and higher administrative expenses as a result of increased legal costs.



MAY 2007 – JANUARY 2008

NET SALES

During the period consolidated net sales increased by 21 per cent to SEK 596.4m (492.1). Sales of the company's proprietary product Orfadin® throughout EU and the Middle East and strong growth in other products were the primary drivers behind the strong performance. The geographic expansion into new markets in central and southern Europe also helped to strengthen net sales.

In the Nordic region net sales increased by 7 per cent to SEK 383.6m (357.4), which is equivalent to 64 per cent (73%) of consolidated net sales for the period.

During the period the company continued its rapid expansion in the region defined as Rest of Europe, generating sales of SEK 166.0m (105.1), which corresponds to a growth rate of 58 per cent. Sales in the region accounted for 28 per cent (21%) of total net sales in the period. The strong sales increase in Rest of Europe was primarily due to sales of the proprietary product Orfadin®.

Sales by market

SEK million	PERIOD		QUARTER		FULL YEAR
	May-January	May-January	November-January	November-January	May-April
	2007/2008	2006/2007	2007/2008	2006/2007	2006/2007
Nordic region	383,6	357,4	123,6	130,6	476,7
Rest of Europe	166,0	105,1	57,3	50,2	154,1
North and South America	28,9	21,3	10,8	6,7	34,8
Rest of world	17,9	8,3	5,5	5,4	18,2
Total	596,4	492,1	197,2	192,9	683,8

QUARTERLY EARNINGS

The operating profit in the period was SEK 152.5m (120.4), which is equivalent to a growth rate of 27 per cent.

The improvement in earnings was primarily attributable to the sales increase and a larger share of sales of high-margin products. The profit after tax for the period was SEK 103.8m (84.5).

INTANGIBLE ASSETS

Intangible assets at January 31, 2008 were SEK 240.9m (217.0). These primarily comprise goodwill. The increase was mainly due to the acquisition of rights for Multiferon®.

TANGIBLE ASSETS

Tangible assets at January 31, 2008 were SEK 11.6m (1.6). The increase refers largely to assets relating to the acquisition of the assets and liabilities of ViraNative AB.

FINANCIAL POSITION

The strong sales performance helped to strengthen consolidated shareholders' equity, which increased by SEK 99.1m during the period, from SEK 196.8m at the beginning of the fiscal year to SEK 295.9m at January 31, 2008. The equity/assets ratio was 47 per cent (37 %). The company's net debt decreased by 76 per cent to SEK 21.9m (90.0). At January 31, 2008 cash and cash equivalents were SEK 113.0 (59.4), a year-on-year increase of SEK 53.6m. At January 31, 2008 total assets were SEK 623.2m (460.4). No part of the Group's SEK 30m overdraft facility had been drawn at January 31, 2008.

CASH FLOW

Consolidated cash flow from operations improved during the period. Cash flow from operations was SEK 87.4m (60.9). Cash flow from operations before changes in working capital was SEK 126.1m (98.0).

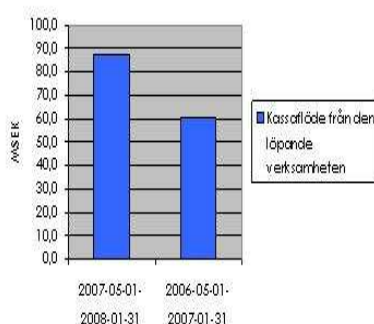
EARNINGS PER SHARE

Earnings per share before dilution for the period were SEK 109.33 (88.66). Equity per share was SEK 312.41 (176.67). At January 31, 2008 the number of shares in Swedish Orphan International Holding AB was 947,164. The average number of shares before dilution was 949,651.

INCENTIVE SCHEME

At an extraordinary general meeting on October 1, 2007 the shareholders decided to introduce a new long-term incentive scheme for a number of senior executives. Each senior executive was offered to acquire a number of units consisting of 1 share and 19 warrants at market prices. Under the programme, ten senior executives have acquired a total of 403 units corresponding to 403 shares and 7,657 warrants. The warrants have a term of five years and would, upon full exercise, result in a dilution of 0.8 per cent.

Kassaflöde från den löpande verksamheten



RISK FACTORS

Swedish Orphan International Holding's activities are exposed to financial risks. The management of these risks is described on page 48 of the 2006/2007 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, patents and key individuals and recruitment.

DISPUTES

The company's subsidiary has cancelled a previous distribution agreement for the company's proprietary product Orfadin®, claiming breach of contract by a previous distributor. The cancellation is subject to arbitration proceedings and a ruling is expected in 2008. The dispute involves a potentially significant amount for the company. The test of a potential need for provisions has been subject to critical estimates and assessments. No provision has been made in the year-end accounts in consequence of the ongoing arbitration proceedings.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

THE PARENT COMPANY

The parent company's business comprises Group management and certain shared functions as well as financial management. In the first three quarters of the fiscal year the parent company's net sales were SEK 12.7m (6.8). The loss after net financial items was SEK -12.3m (-11.5). Cash and cash equivalents in the parent company were SEK 0.3m (0.5).

STOCKHOLM, MARCH 14, 2008



Bo Jesper Hansen
Chief Executive Officer

Auditor's report on the review of summary interim financial statements (interim report) prepared in accordance with IAS 34 and Chap. 9 of the Swedish Annual Accounts Act (1995:1554)

To the Board of Directors of Swedish Orphan International Holding AB
Org. no. 556613-7674

Introduction

We have reviewed the summary interim financial information (interim report) for Swedish Orphan International Holding AB as at January 31, 2008 and for the nine-month period ending on this date. Responsibility for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act rests with the Board of Directors and Chief Executive Officer. Our responsibility is to present a conclusion on this interim report based on our review.

Focus and scope of the review

We have performed our review in accordance with the SÖG 2410 Standard for Audit Reviews, "Audit review of interim financial information". An audit review involves asking questions, primarily to individuals with responsibility for financial and accounting issues, performing analyses and performing other review measures. A review has a different focus and a significantly smaller scope than a full audit conducted in accordance with the Auditing Standard in Sweden (RS) and generally accepted auditing standards. The examination performed in a review does not permit us to obtain a degree of certainty that would enable us to become aware of all significant circumstances that would have been identified if a full audit had been conducted. The stated conclusion based on a review therefore does not have the same certainty as a conclusion based on an audit.

Conclusion

Based on our review, we have not discovered any circumstances that would give us reason to believe that the interim report has not, in all material respects, been prepared, in respect of the Group, in accordance with IAS 34 and the Annual Accounts Act and, in respect of the parent company, in accordance with the Annual Accounts Act.

Stockholm, 2008

Deloitte AB

Bo Magnusson
Authorised Public Accountant

Consolidated income statement

SEK million	Note	May-January		November-January		May-April
		2007/2008	2006/2007	2007/2008	2006/2007	2006/2007
Nef sales	2	596,4	492,1	197,2	192,9	683,8
Cost of good sold		-301,9	-281,7	-97,0	-106,3	-375,2
Gross profit		294,5	210,4	100,2	86,6	308,6
Selling expenses		-85,4	-66,7	-36,1	-22,7	-100,7
Administrative expenses		-42,2	-27,3	-17,2	-9,7	-43,4
Research and development expenses		-17,7	-17,6	-6,6	-7,5	-25,5
Other profits		-	16,2	-	-	16,1
Other operating income		12,3	7,1	3,1	1,9	11,1
Other operating costs		-9,0	-1,7	-1,7	-0,2	-3,0
Operating profit		152,5	120,4	41,7	48,4	163,2
Interest income and similar items		1,7	0,5	1,2	0,2	0,9
Interest expenses and similar items		-8,5	-9,1	-2,9	-2,9	-12,0
Profit after financial items		145,7	111,8	40,0	45,7	152,1
Tax		-41,9	-27,3	-11,8	-13,1	-39,1
Profit for the period		103,8	84,5	28,2	32,6	113,0
DATA PER SHARE						
Earnings per share before dilution, SEK		109,33	88,66	29,78	34,19	118,60
Average number of outstanding shares before dilution		949 651	953 320	948 258	953 320	953 131
Number of outstanding shares before dilution		947 164	952 592	947 164	952 592	952 592

Consolidated balance sheet

SEK million	31 January	31 January	30 April
	2007/2008	2006/2007	2006/2007
Goodwill	213,0	213,0	213,0
Other intangible fixed assets	27,9	4,0	18,2
Tangible fixed assets	11,6	1,6	1,4
Financial fixed assets	1,5	0,5	0,8
Deferred tax asset	-	3,3	-
Inventories	67,9	51,3	72,0
Current receivables	188,3	127,3	165,1
Cash and bank balances	113,0	59,4	62,5
Total assets	623,2	460,4	533,0
Shareholders' equity attributable to parent company shareholders	295,9	168,3	196,8
Long-term liabilities, interest-bearing	119,2	134,1	134,1
Long-term liabilities, non-interest-bearing	22,9	1,3	7,9
Current liabilities, interest-bearing	15,7	15,3	15,6
Current liabilities, non-interest bearing	169,5	141,4	178,6
Total equity and liabilities	623,2	460,4	533,0

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

SEK million	31 January	31 January	30 April
	2007/2008	2006/2007	2006/2007
Opening balance	196,8	83,9	83,9
Translation differences for the period	0,1	-0,1	-0,1
Income and expenses recognised directly in equity for the period	0,1	-0,1	-0,1
Profit after tax for the period	103,8	84,5	113,0
Total income and expenses for the period	103,9	84,4	112,9
Repayment to shareholders	-6,9	-0,0	-0,0
Issue of new shares	0,5	-	-
Warrants	1,6	-	-
Closing balance	295,9	168,3	196,8

Consolidated cash flow statement

SEK million	May-January		November-January		May-April
	2007/2008	2006/2007	2007/2008	2006/2007	2006/2007
Cash flow from operations before changes in working capital	126,1	98,0	29,3	43,6	128,6
Cash flow from changes in working capital	-38,7	-37,1	-7,2	-10,2	-50,1
Cash flow from operations	87,4	60,9	22,1	33,4	78,5
Cash flow from investing activities	-16,2	0,4	-0,6	0,0	-14,1
Cash flow from financing activities	-20,8	-15,8	-9,7	-10,8	-15,8
Cash flow for the period	50,4	45,5	11,8	22,6	48,6
Cash and cash equivalents at beginning of period	62,5	14,1	101,2	36,9	14,1
Cash flow for the period	50,4	45,5	11,8	22,6	48,6
Exchange rate difference in cash	0,1	-0,2	0,0	-0,1	-0,2
Cash and cash equivalents at end of period	113,0	59,4	113,0	59,4	62,5

Parent company income statement

SEK million	May-January		November-January		May-April
	2007/2008	2006/2007	2007/2008	2006/2007	2006/2007
Net sales	12,7	6,8	4,9	2,4	12,6
Gross profit	12,7	6,8	4,9	2,4	12,6
Administrative expenses	-17,0	-9,8	-6,8	-3,8	-18,1
Other operating income	0,0	0,0	0,0	0,0	0,0
Other operating costs	-0,0	-0,0	-0,0	-0,0	-0,0
Operating loss	-4,3	-3,0	-1,9	-1,4	-5,5
Profit from interests in Group companies	-	-	-	-	143,9
Interest income and similar items	0,1	0,0	0,1	0,0	0,0
Interest expenses and similar items	-8,1	-8,5	-2,7	-2,8	-11,3
Profit after financial items	-12,3	-11,5	-4,5	-4,2	127,1
Appropriations	-	-	-	-	-31,9
Tax	-	-	-	-	-26,8
Profit/loss for the period	-12,3	-11,5	-4,5	-4,2	68,4

Parent company balance sheet

SEK million	31 January	31 January	30 April
	2007/2008	2006/2007	2006/2007
Tangible fixed assets	0,3	-	-
Financial fixed assets	280,4	280,4	280,4
Current liabilities	61,8	3,3	117,6
Cash and bank balances	0,3	0,5	0,3
Total assets	342,8	284,2	398,3
Shareholders' equity	139,8	77,1	157,0
Untaxed reserves	45,2	13,3	45,2
Long-term liabilities, interest-bearing	118,8	134,4	134,4
Current liabilities, interest-bearing	15,8	15,8	15,8
Current liabilities, non-interest-bearing	23,2	43,6	45,9
Total equity and liabilities	342,8	284,2	398,3

Notes

1 ACCOUNTING PRINCIPLES

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, while the interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act. As of May 1, 2007 the Group applies IFRS 7 Financial Instruments: Disclosures, the amendment to IAS 1 Presentation of Financial Statements and IFRIC 9, 10 and 11. These have not had any financial impact on the Group's financial statements. In other respects, the accounting principles are unchanged since the last annual report.

2 SEGMENT REPORTING

The Group develops and sells pharmaceutical drugs. The business comprises 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 3.

3 BUSINESS COMBINATIONS

On October 25, 2007, to secure future production and delivery of Multiferon® to patients and obtain the global rights to the drug, a newly started wholly owned subsidiary, Swedish Orphan International Manufacturing AB, acquired all the assets of the bankrupt's estate and offered employment to parts of the workforce. The purchase included patent and brand rights for Multiferon®. The total consideration paid for the acquired assets was SEK 14.7m, broken down as follows:

SEK million	Fair value
Properties	6,7
IP rights	5,0
Shares in Agrisera AB	0,6
Other fixed assets	2,4
Acquired net assets	14,7

4 RELATED-PARTY TRANSACTIONS

Swedish Orphan International Holding Ab is owned by Investor Growth Capital AB, Skandia Investment, BJH ApS and the company's management. The three first mentioned owners have issued shareholder loans worth a total of SEK 110.6m. Each year, the Board of Directors of the company decides whether interest on the loan should be paid. In such case, the interest rate is 8 per cent. For the calendar year ended December 31, 2007, the Board has decided that interest should be paid, and a provision has been made for the interest expense. The expense charged to the accounts is SEK 9.6m for the period January 1, 2007 to January 31, 2008, of which SEK 6.6m is attributable to the period May 1, 2007 to January 31, 2008.

5 REDEMPTION OF TREASURY STOCK

During the period the company redeemed 5,831 treasury shares for repayment to the shareholders. The total redemption amount is SEK 6.9m.

FOR MORE INFORMATION, PLEASE CONTACT:

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FUTURE FINANCIAL REPORTS:

Year-end financial statement, May 2007-April 2008 Jun 18, 2008

Annual General Meeting, May 2007-April 2008 Sep 3, 2008

Annual report, May 2007-April 2008 Aug 2008