



Year-end financial statement, May 2007-April 2008

MAY 2007 – APRIL 2008

- **Net sales increased by 12 per cent to SEK 764.8m (683.8).**
- **The operating profit decreased by 27 percent to SEK 119.3m (163.2). Excluding one-off charges, the operating profit increased by 24 per cent to SEK 181.8m (147.1).**
- **The profit after tax was SEK 79.3m (113.0).**
- **Earnings per share before dilution were SEK 83.51 (118.60).**
- **Cash flow from operations was SEK 110.7m (78.5).**
- **The Group acquired the assets and liabilities of ViraNative AB, including global patent and brand rights for Multiferon®.**
- **A settlement has been reached in the dispute with the distributor of Swedish Orphan's proprietary product Orfadin®. The present value of the total settlement is SEK -62.5m, which has been fully charged to expense in the reporting period.**

SEK million	12 Months		Quarter	
	May-April	2006/2007	Feb-April	2006/2007
Net sales	764.8	683.8	168.4	191.7
Gross Profit	392.9	308.6	98.4	98.2
Operating profit	119.3	163.2	-33.2	42.8
Profit after tax	79.3	113.0	-24.5	28.5
Earnings per share, SEK	83.51	118.60	-25.82	29.94
Operating profit, excl. non-recurring items*	181.8	147.1	29.3	42.8
Profit after tax, excl. non-recurring items*	141.8	97.0	38.0	28.5
Earnings per share, SEK, excl. non-recurring items*	149,43	101,76	40,10	29.94

*Excluding settlement costs 2007/2008 SEK 62.5m and profit from the acquisition of Metcon Medicine AB 2006/2007 SEK 16.1m

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 2007-April 2008

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- In spring 2008 Swedish Orphan conducted negotiations on a settlement in the dispute with a former distributor of Swedish Orphan's proprietary product Orfadin®. On May 25, 2008 the parties reached a settlement under which Swedish Orphan will pay EUR 1.5m a year during a five-year period. The total impact on Swedish Orphan's earnings is SEK -62.5m, which has been fully charged to expense in the reporting period.

SIGNIFICANT EVENTS EARLIER IN THE REPORTING PERIOD

- In June 2007 the company concluded an agreement on extending its 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. In autumn Yondelis® was launched in Swedish Orphan's territory.
- Swedish Orphan concluded one further preparatory agreement with the US company Ucyclid for distribution of Ammonul® in the EU and the Middle East. Ammonul® is used for treatment of patients with severe urea cycle disorders.
- On October 25, 2007, to gain access to the global rights and secure future production and delivery of Multiferon®, a newly started wholly owned subsidiary, Swedish Orphan International Manufacturing AB, acquired all the assets of Viranative's bankruptcy estate and offered employment to some of the existing workforce. The purchase included patent and brand rights for Multiferon®. The company paid a total consideration of SEK 14.7m for the acquired assets.
- In the second quarter a number of senior executives and key individuals were offered to acquire shares and warrants in the company under a new incentive scheme.
- Swedish Orphan International has developed a new patient-friendly formulation of Multiferon® in the form of a pre-filled syringe. In December 2007 the pre-filled Multiferon® syringe was approved for sale in Sweden and in April 2008 the price was approved.

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 – April 2008

COMMENTS TO THE INCOME STATEMENT AND BALANCE SHEET

FOURTH QUARTER (FEBRUARY 2008 – APRIL 2008)

In the fourth quarter of 2007/2008 Swedish Orphan International Holding's net sales decreased by 12 per cent year-on-year to SEK 168.4m (191.7). Net sales were negatively affected by parallel imports in particularly the HIV products therapy area in the Nordic market and by the termination of the distribution agreement for Tobi® on January 1, 2008. At the same time Swedish Orphan's proprietary product Orfadin® and the majority of the company's existing products saw continued growth.

Despite the decrease in sales, the changed product mix helped to improve the gross margin from 51 to 58 per cent, resulting in a flat gross profit compared with the same period last year. The operating profit includes a one-off charge of SEK 62.5m relating to the settlement reached in the dispute with a former distributor of Swedish Orphan's proprietary product Orfadin®. The operating profit decreased by 178 per cent to SEK -33.2m (42.8). Excluding the one-off charge, the operating profit was SEK 29.3m (42.8). This is a reduction of 32 per cent, which is primarily due to increased selling expenses attributable to the continued build-up of the European organisation and increased administrative expenses due to higher legal expenses relating to the now settled dispute with a former distributor of Orfadin®.

MAY 2007 – APRIL 2008

NET SALES

During the period consolidated net sales increased by 12 per cent to SEK 764.8m (683.8). Sales of the company's proprietary product Orfadin® throughout the EU and the Middle East and strong growth in other products were the primary drivers behind the strong performance. The company's geographic expansion into new markets in central and southern Europe also helped to strengthen net sales.

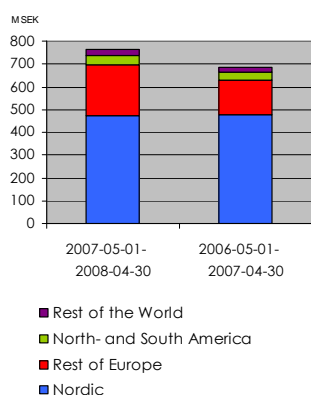
In the Nordic region net sales remained largely flat at SEK 474.5m (476.7), despite an increase in parallel imports and the termination of the agreement for Tobi®. The figure represents 62 per cent (70%) of consolidated net sales in the period.

During the period the company continued its rapid expansion in the region defined as Rest of Europe, generating sales of SEK 224.0m (154.1), which corresponds to a growth rate of 45 per cent. Sales in the region accounted for 29 per cent (23%) of total net sales in the period. The strong sales increase in Rest of Europe is attributable to Swedish Orphan's proprietary product Orfadin®, sales of Ammonaps and the launch of Yondelis®.

Sales per market

SEK million	12 Months		Quarter	
	May-April	May-April	Feb-April	Feb-April
	2007/2008	2006/2007	2007/2008	2006/2007
Nordic	474.5	476.7	90.9	119.3
Rest of Europe	224.0	154.1	58.0	49.0
North&South America	40.0	34.8	11.1	13.5
Rest of the World	26.3	18.2	8.4	9.9
Total	764.8	683.8	168.4	191.7

Sales per market



EARNINGS FOR THE PERIOD

The operating profit in the period was SEK 119.3m (163.2), a decrease of 27 per cent. The operating profit includes a charge of SEK 62.5m relating to the settlement reached in the dispute with a former distributor of Swedish Orphan's proprietary product Orfadin®. However, excluding one-off charges, the operating profit increased by 24 per cent to SEK 181.8m (147.1). 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 79.3m (113.0).

INTANGIBLE ASSETS

Intangible assets at April 30, 2008 were SEK 242.6m (231.2). These primarily comprise goodwill. The increase was mainly due to the acquisition of rights for Multiferon®.

TANGIBLE ASSETS

Tangible assets at April 30, 2008 were SEK 12.6m (1.4). 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 74.5m during the period, from SEK 196.8m at the beginning of the fiscal year to SEK 271.3m at April 30, 2008. The equity/assets ratio was 51 per cent (37 %). The company's net debt decreased by 27 per cent to SEK 63.2m (87.1). At April 30, 2008 cash and cash equivalents were SEK 35.7 (62.5), a year-on-year decrease of SEK 26.8m. Total assets on the same date were SEK 531.8m (533.0). Out of the Group's overdraft facility of SEK 150m, SEK 35.1m (0) had been drawn at April 30, 2008. The changes in cash and cash equivalents, total assets and the overdraft facility are largely due to the company's decision in April 2008 to redeem a shareholder loan of SEK 110.6m and settle the outstanding balance of SEK 23.7m on an external bank credit.

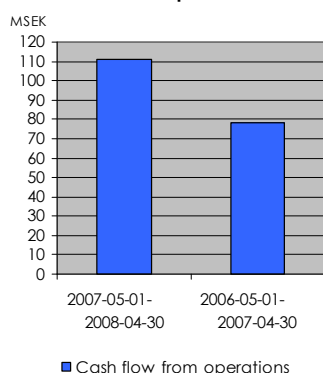
CASH FLOW

Cash flow from operations during the period was SEK 110.7m (78.5) and cash flow from operations before changes in working capital was SEK 125.7m (128.6). As the costs relating to the settlement have not yet been paid, the item is reported as an item not affecting cash flow. Cash flow from financing activities was SEK -119.9m (-15.8). The significant change is primarily due to the redemption in full of a shareholder loan of SEK 110.6m in April 2008.

EARNINGS PER SHARE

Earnings per share before dilution for the period were SEK 83.51 (118.60). Equity per share was SEK 286.40 (206.64). At April 30, 2008 the number of shares in Swedish Orphan International Holding AB was 947,164. The average number of shares before dilution was 949,045.

Cash flow from operations



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 and key individuals. These persons were offered to acquire a number of units consisting of 1 share and 19 warrants at market prices. Under the programme, ten senior executives and key individuals have acquired a total of 403 units corresponding to 403 shares and 7,657 warrants.

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

After the settlement of the dispute with the former distributor of Orfadin® there are no outstanding disputes in the Swedish Orphan International Holding group.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Swedish Orphan's distribution agreement with Gilead Sciences Ltd for the Nordic countries expires in June 2008. This will have a significant impact on net sales in 2008/2009. The negative impact on gross profit is expected to be fully offset by increased sales of high-margin products.

THE PARENT COMPANY

The parent company's business comprises Group management and certain shared functions as well as financial management. Net sales in the parent company during the fiscal year were SEK 16.4m and the profit after financial items was SEK 44.9m (127.1). Cash and cash equivalents in the parent company were SEK 0.8m (0.3).

STOCKHOLM, JUNE 25, 2008



Bo Jesper Hansen
Chief Executive Officer

Consolidated income statement

SEK million	Note	May-April		Feb-April	
		2007/2008	2006/2007	2007/2008	2006/2007
Net sales	2	764.8	683.8	168.4	191.7
Cost of goods sold		-371.9	-375.2	-70.0	-93.5
Gross Profit		392.9	308.6	98.4	98.2
Selling expenses		-131.8	-100.7	-46.4	-34.0
Administrative expenses		-54.0	-43.4	-11.8	-16.1
Research and development expenses		-27.3	-25.5	-9.6	-7.9
Other profits		-	16.1	-	-0.1
Other operating income		17.1	11.1	4.8	4.0
Other operating costs	3	-77.6	-3.0	-68.6	-1.3
Operating profit		119.3	163.2	-33.2	42.8
Interest income and similar items		0.8	0.9	-0.9	0.4
Interest expenses and similar items		-11.4	-12.0	-2.9	-2.9
Profit after financial items		108.7	152.1	-37.0	40.3
Tax		-29.4	-39.1	12.5	-11.8
Profit for the period		79.3	113.0	-24.5	28.5
DATA PER SHARE					
Earnings per share, before dilution, SEK		83.51	118.60	-25.82	29.94
Average number of outstanding shares before dilution		949 045	953 131	947 164	952 592
Number of outstanding shares before dilution		947 164	952 592	947 164	952 592

Consolidated balance sheet

SEK million	30 April	30 April
	2007/2008	2006/2007
Goodwill	213.0	213.0
Other intangible fixed assets	29.6	18.2
Tangible fixed assets	12.6	1.4
Financial fixed assets	1.7	0.8
Inventories	89.7	72.0
Current receivables	149.5	165.1
Cash and bank balances	35.7	62.5
Total assets	531.8	533.0
Shareholders' equity	271.3	196.8
Long-term liabilities, interest bearing	49.8	134.1
Long-term liabilities, non-interest bearing	26.0	7.9
Short-term liabilities, interest bearing	49.1	15.6
Short-term liabilities, non-interest bearing	135.6	178.6
Total equity and liabilities	531.8	533.0

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

SEK million	30 April	30 April
	2007/2008	2006/2007
Opening balance at beginning of fiscal year	196.8	83.9
Translation differences for the period	0.1	-0.1
Income and expenses for the period recognised directly in equity	0.1	-0.1
Profit after tax for the period	79.3	113.0
Total income and expenses for the period	79.4	112.9
Repayment to shareholders	-6.9	-0.0
Issue of new shares	0.5	-
Warrants	1.5	-
Closing balance at end of period	271.3	196.8

Consolidated cash flow statement

SEK million	May-April		Feb-April	
	2007/2008	2006/2007	2007/2008	2006/2007
Cash flow from operations before changes in working capital	125.7	128.6	-0.4	30.6
Cash flow from changes in working capital	-15.0	-50.1	23.7	-13.0
Cash flow from operations	110.7	78.5	23.3	17.6
Cash flow from investing activities	-17.6	-14.1	-1.4	-14.5
Cash flow from financing activities	-119.9	-15.8	-99.1	0.0
Cash flow for the period	-26.8	48.6	-77.2	3.1
Cash and cash equivalents at start of period	62.5	14.1	113.0	59.4
Cash flow for the period	-26.8	48.6	-77.2	3.1
Exchange rate difference in cash and cash and cash equivalents	0.0	-0.2	-0.1	0.0
Cash and cash equivalents at end of period	35.7	62.5	35.7	62.5

Parent company income statement

SEK million	May-April		Feb-April	
	2007/2008	2006/2007	2007/2008	2006/2007
Net sales	16.4	12.6	3.7	5.8
Gross Profit	16.4	12.6	3.7	5.8
Administrative expenses	-22.4	-18.1	-5.4	-8.3
Other operating income	0.0	0.0	0.0	0.0
Other operating costs	-0.0	-0.0	-0.0	-0.0
Operating profit/loss	-6.0	-5.5	-1.7	-2.5
Profit/loss from participations in Group companies	61.8	143.9	61.8	143.9
Interest income	0.1	0.0	0.0	0.0
Interest expenses	-11.0	-11.3	-2.9	-2.8
Profit/loss after financial items	44.9	127.1	57.2	138.6
Appropriations	-11.6	-31.9	-11.6	-31.9
Tax	-9.7	-26.8	-9.7	-26.8
Profit/loss for the period	23.6	68.4	35.9	79.9

Parent company balance sheet

SEK million	30 April	30 April
	2007/2008	2006/2007
Financial fixed assets	280.4	280.4
Current receivables	0.5	117.6
cash and bank balances	0.8	0.3
Total assets	281.7	398.3
Shareholders' equity	175.7	157.0
Untaxed reserves	56.8	45.2
Long-term liabilities, interest bearing	-	134.4
Current liabilities, interest bearing	-	15.8
Current liabilities, non-interest bearing	49.2	45.9
Total equity and liabilities	281.7	398.3

Notes

1 ACCOUNTING PRINCIPLES

The year-end financial statement for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, while the year-end financial statement 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. 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 3.

3 OTHER OPERATING EXPENSES

Out of other operating expenses of SEK 77.6m (3.0), SEK 62.5m refers to the present value of settlement expenses in the dispute with a former distributor of Swedish Orphan's proprietary product Orfadin®.

4 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 ViraNative's bankruptcy estate and offered employment to some of the existing workforce. The purchase included patent and brand rights for Multiferon®. The company paid a total consideration of SEK 14.6m for the acquired assets, broken down as follows:

Sek million	Fair Value
IP rights	5.0
Properties	6.7
Machinery and equipment	2.4
Shares in associated companies	0.6
Other receivables	0.5
Other liabilities	-0.6
Acquired net assets	14.6

5 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 previously issued shareholder loans worth a total of SEK 110.6m. The shareholder loan was redeemed in full in April 2008. The interest expense attributable to the period May 1, 2007 – April 30, 2008 is SEK 8.7m.

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

FUTURE FINANCIAL REPORTS:

Annual General Meeting, May 2007-April 2008	Sep 22, 2008
Annual report, May 2007-April 2008	Aug 2008
Interim report May 2008-July 2008	Sep 22, 2008
Interim report May 2008-October 2008	Dec 18, 2008
Interim report May 2008-January 2009	Mar 5, 2009
Year-end financial statement, May 2008-April 2009	Jun 25, 2009