biovitrum.

Interim financial report for the period 1 January to 31 March, 2010
(Translation only)

Key products demonstrate continued strong growth. Revenues and EBITA amounted to 488 MSEK and 55 MSEK, respectively.

- Pro forma product revenues increased by 10% in Constant Exchange Rate (CER).
  - Sales of Kineret® increased by 12% in CER and by 1% in SEK
  - Sales of Orfadin® increased by 21% in CER and by 9% in SEK
  - Total ReFacto® revenues were 74 MSEK in CER lower than previous year due to annual phasing of manufacturing shipments to Pfizer and a lower royalty rate
  - Product revenues in Europe increased by 8% in CER corresponding to -1% in SEK
  - Product revenues in North America increased by 13% in CER corresponding to -3% in SEK

			Pro forma		*Pro forma*
	Jan 1 - Mar 31		Jan 1 - Mar 31	Full year	Full year
Amounts in SEK million	2010	2009	2009	2009	2009
Total revenues	**488.1**	**355.2**	**543.2**	**1,297.0**	**2,065.6**
Gross profit	**313.1**	**242.5**	**364.7**	**921.3**	**1,401.3**
Operating profit/loss before amortizations (EBITA) before restructuring and other one-time expenses	**55.1**	**25.1**	**89.4**	**68.0**	**283.8**
Profit/loss for the period before restructuring and other one-time expenses	**-5.4**	**-23.7**		**32.5**	
Profit/loss for the period	**-52.4**	**-23.7**		**32.5**	
Earnings/loss per share after tax [1] (SEK)	-0.17	-0.24		0.32	
Core EPS [1] (SEK)	0.29	-0.11		0.84	
Restructuring and other one-time expenses	47.0	–		–	
Research and development expenses	127.7	143.8		569.4	
Liquid funds and short-term investments	349.1	325.5		306.6	

[1] Comparison numbers adjusted for new share issue completed in January 2010.

- Biovitrum AB (publ) completed the acquisition of Swedish Orphan International Holding AB on January 14
- Previously agreed future sales milestones for Kineret® and Kepivance® were pre-paid to Amgen
- The rFVIIIFc and rFIXFc collaboration agreement with Biogen Idec was restructured
- The first patients were included in the rFIXFc registrational study, B-LONG
- This report contains an outlook for 2010 and long term objectives

Events after the period

- Cyanokit® market territory was expanded on April 1
- Willfact® was launched in Germany on April 8
- An exclusive European distribution agreement with Pharming was signed for Rhucin® on April 15
- The decision to advance Kiobrina® into a phase III development was announced on April 21

Comments from CEO

Martin Nicklasson, CEO, said: It is pleasing to note that the first interim report for the new company, Swedish Orphan Biovitrum, demonstrates a strong underlying product performance. The integration of the two companies is working well. New product launches are under way, the development pipe line is making further progress and new business development deals have been signed, which create future growth opportunities.

Content

Pro forma Financial Statement January 1 – March 31, 2010

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	*Pro forma* Jan 1 - Mar 31 2009	Full year 2009	*Pro forma* Full year 2009
Total revenues	488.1	355.2	543.2	1,297.0	2,065.6
Cost of goods and services sold	-175.0	-112.7	-178.5	-375.7	-664.3
Gross profit	**313.1**	**242.5**	**364.7**	**921.3**	**1,401.3**
Sales and administration expenses	-180.1	-89.0	-185.7	-302.9	-701.2
Research and development expenses	-127.7	-143.8	-150.5	-569.4	-603.0
Restructuring expenses	-47.0	–	–	–	–
Other operating revenues/expenses	-1.7	2.3	7.9	-32.7	-24.9
Operating profit/loss	**-43.4**	**12.0**	**36.4**	**16.2**	**72.3**
Financial income	-0.5	5.5		28.6	
Financial expenses	-4.8	-41.2		-12.3	
Profit/loss after financial items	**-48.7**	**-23.7**		**32.5**	
Income tax expense	-3.7	–		–	
Profit/loss for the period	**-52.4**	**-23.7**		**32.5**	

Total revenues increased by 132.9 MSEK compared to reported revenues in first quarter 2009. Sales of Swedish Orphan products were 203.4 MSEK in CER and 188.2 MSEK in SEK. Total revenues were 55.1 MSEK lower than pro forma sales for the same period 2009. This is explained by lower ReFacto shipments to Pfizer and a lower royalty rate, as well as delayed launches of key products, parallel trade and the expiry of distribution rights of Tracleer®. Strengthening of the Swedish krona has also lowered revenues by approximately 36 MSEK.

Sales development by key products and regions (pro forma)

Sales development by key product

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	@ CER Jan 1 - Mar 31 2010	@ CER Jan 1 - Mar 31 2009
ReFacto®	127.2	203.1	131.4	203.1
of which Manufacturing revenues	*73.1*	*136.6*	*73.1*	*136.6*
of which Co-promotion	*24.6*	*18.2*	*25.7*	*18.2*
of which Royalty	*29.5*	*48.3*	*32.6*	*48.3*
Kineret®	104.6	104.0	116.5	104.0
Orfadin®	83.1	76.3	92.4	76.3
Kepivance®	29.0	29.6	33.1	29.6
Ammonaps®	18.9	18.3	20.6	18.3
Yondelis®	9.0	7.2	9.5	7.2
Willfact®	1.8	–	1.8	–
Other product revenues	90.7	99.1	95.2	99.1
Other revenues	23.8	5.6	23.6	5.6
Total revenues	**488.1**	**543.2**	**524.1**	**543.2**

Sales development by region

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	@ CER Jan 1 - Mar 31 2010	@ CER Jan 1 - Mar 31 2009
Nordic	86.8	93.3	90.0	93.3
Europe	149.6	141.5	163.8	141.5
North America	74.8	77.5	87.3	77.5
RoW	17.0	13.7	18.1	13.7
Total revenues	**328.2**	**326.0**	**359.2**	**326.0**

The table sales development by region includes product revenues only, i.e. excluding other revenues such as manufacturing, royalty and co-promotion.

ReFacto®

ReFacto® co-promotion revenues increased by 41% (CER) and 35% in SEK in the period. This is mainly explained by new patients, and patients returning to ordinary treatment after having participated in the ReFacto AF post approval commitment program. Manufacturing revenues were

lower (-46% in SEK) in the quarter, based on lower shipment of drug substance to Pfizer, due to their production planning cycle. Moreover, royalties were lower, as a consequence of the rapid shift from ReFacto® to ReFacto® AF/Xyntha® in the market.

Kineret®

Sales of Kineret® increased by 12% (CER) and 1% in SEK, compared to the same period 2009. The US sales increased by 6 % (CER) corresponding to -9% in SEK. In Europe, the sales increased by 15 % (CER) and 5% in SEK.

Swedish Orphan Biovitrum subsidiaries have, during the first quarter, performed comprehensive product training, and marketing of Kineret has started across Europe. In some countries additional staff will be recruited. Moreover, in the USA, staff are being recruited and trained for similar activities.

Orfadin®

Orfadin demonstrated strong sales growth, and increased by 21 % (CER) and by 9% in SEK. The growth is driven by an increasing number of children being diagnosed early. Thereby, these children receive treatment, survive and thrive. In addition to this, adjusted dosing as the children grow contributes to the sales growth.

Kepivance®

Kepivance sales increased by 12 % (CER) corresponding to -2% in SEK. Sales in USA increased by 12 % (CER) corresponding to -4% in SEK.

Swedish Orphan Biovitrum subsidiaries have, during the first quarter, performed comprehensive product training, and marketing of Kepivance has started across Europe. In some countries additional staff will be recruited. Moreover, in the USA, staff are being recruited and trained for similar activities.

Ammonaps®

Ammonaps sales grew by 13% (CER) and 3% in SEK. This is mainly explained by the fact that more patients, primarily children, suffering from a urea cycle disorder are diagnosed and receive adequate treatment.

Yondelis®

Yondelis sales increased by 32% (CER) and 25% in SEK versus the same period last year. Yondelis was initially approved for second line treatment of soft tissue sarcoma, but is now also approved for use in intermediate platinum sensitive ovarian cancer. Yondelis is being launched in the Nordic- and Baltic countries and in Central and Eastern Europe (CEE) for this indication. Pricing and reimbursement negotiations are still ongoing in some of the CEE-countries, but in the Nordic countries Yondelis is now also used for treatment of relapsing ovarian cancer patients. Launches will continue to be rolled out during Q2.

Willfact®

Willfact is now approved in Germany for the treatment of von Willebrand disease, a type of bleeding disorder. The launch in Germany has started in April, and the first patient has received Willfact treatment. The launches of Willfact are later than previously anticipated due to regulatory delays, and with respect to the present launch in Germany also due to late product shipments. A regulatory approval process will be initiated in the coming months to secure regulatory approval also in the Nordic- and Baltic countries, plus a number of countries in CEE.

Other products

Sales of other products, including co-promotion revenues, decreased by 4 % (CER) and 8% in SEK. Equasym®, for the treatment of ADHD in children, is being successfully launched in the Nordic countries. Due to its early launch phase, sales are still relatively low, but the growth is significant. Work is still ongoing to receive reimbursement for Multiferon® in various countries, which explains unforeseen delayed launches.

Late last year, an agreement was made with Actelion to return the distribution rights on December 1, 2010 for Tracleer®, in those Nordic countries where Swedish orphan had the distribution rights.

Tracleer® sales in the first quarter 2009 were 19.5 MSEK. The loss of Tracleer® sales took place earlier than expected.

Parallel trade is impacting a few products negatively on a local country basis.

Development in cost and operating income

Gross margin decreased from 67 to 64% on a pro forma basis. The gross margin has been negatively impacted mainly by the strengthened Swedish krona, but also the planned production stop of ReFacto AF® and the tech transfer cost for Kineret® product supply.

Operating expenses decreased by 6% on a pro forma basis, mainly due to lower R&D expenses as a result from the restructured agreement regarding the hemophilia projects with BiogenIdec. SG&A expenses, excluding amortization, decreased by 3% compared to the pro forma costs for the first three months in 2009. Amortization of intangibles amounted to 53.0 MSEK during the first three months.

The operating income, before amortization and restructuring costs (EBITA), amounted to 55.1 MSEK (25.1), and the reported operating income amounted to -43.4 MSEK (12.0).

Provision for restructuring expenses was made with 47.0 MSEK during the first quarter 2010. These restructuring expenses are mainly consisting of severance payments and other restructuring costs related to the integration of the two companies. After successfully putting the operative structure in place, business is fully operational and 40 redundancies have been identified with full effect from May 1. Further operational aspects are analyzed to further focus capabilities and activities. The full year cost for the restructuring of the new company is currently estimated to 70-80 MSEK.

Net financials and tax

The financial net for the first quarter was -5.3 MSEK (-35.7). Currency exchange losses related to bank account balances amounted to 4.6 MSEK. Currency exchange gain, when pre-payment of agreed future sales milestones for Kineret® and Kepivance® was made in March 2010, amounted to 0.6 MSEK. Currency exchange loss, on bank loans in USD, amounted to 0.6 MSEK. Interests on bank loans were 4.4 MSEK for the period. Calculated interest for the future additional purchase price, related to acquired developed technology for Multiferon®, amounted to 1.5 MSEK.

The Company has an accumulated loss-carry forward that has not been booked as an asset, which means that the Company's tax rate deviates from the general Swedish tax rate. Swedish Orphan Biovitrum's tax expense for the quarter was 3.7 MSEK (0).

Capital expenditure and free cash flow

Investments in tangible fixed assets, during the first quarter, amounted to 19.7 MSEK (7.9).

Depreciations and amortizations amounted to 71.9 MSEK (28.5), of which 12.2 MSEK (11.4) is related to product rights, and 38.4 (0) is related to acquired technology and license agreements.

Investment in intangible fixed assets for the period amounted to 0.6 MSEK (0).

Cash flow from operations, during the first quarter, amounted to -62.6 MSEK (-123.6). Payments related to restructuring reserves amounted to 4.7 MSEK. Remaining payments from restructuring reserves as per December, 2009, amounted to 1.3 MSEK, and will have a negative impact on the cash flow during the second quarter 2010.

Swedish Orphan Biovitrum pre-paid agreed future sales milestones for Kineret® and Kepivance® in March 2010. The payment has affected the cash flow net with 235.7 MSEK, as a decrease in long-term liabilities of 366.3 MSEK and a decrease in working capital by 130.6 MSEK.

Financial position

Cash, cash equivalents and short-term investments as of March 31, 2010, amounted to 349.1 MSEK (325.5), including SEK 166.8 M (57.3) in bank balances and SEK 182.3 M (149.1) in investments in securities, with a term of less than three months from the date of acquisition. These short-term investments are classified as cash and cash equivalents. Besides these cash and cash equivalents, the company had other short-term investments, with a term of more than three months, amounting to 0 MSEK (119.1) as of March, 2010.

The company's bank loan financing amounted, as per March 31, 2010, to 1,140.9 MSEK.

Equity

The consolidated shareholders' equity as of March, 2010, amounted to 4,427.6 MSEK, compared to 1,352.8 MSEK on December 31, 2009.

Personnel

As of March 31, 2010, Swedish Orphan Biovitrum had 543 employees (427), of which 61 percent (58) are women. Swedish Orphan contributes with 146 employees of the total of 543.

Outlook 2010 and long term objectives

Total pro forma revenues in 2009, excluding milestone revenues, amounted to 2 BSEK. From that level, the Company estimates a 2010 revenue growth of 8-10% in CER.

Gross profit margin is expected to be between 63-65%. The gross margin is impacted by currency movements, tech transfer costs for Kineret drug substance supply, and lower production volumes of ReFacto AF drug substance, due to a planned six months manufacturing maintenance stop.

Operating expenses is expected to decrease by 10-12%, due to integration synergies and lower R&D costs, as a consequence of the restructuring of the agreement with BiogenIdec.

Operating income, before amortization and restructuring (EBITA), is expected to increase by 25-30% in SEK, corresponding to an increase of 30-35% in CER.

The long term objectives are unchanged, our business target is to grow revenues to 5 BSEK and reach an EBITA margin of above 30 % by 2015.

Research and development update

rFIXFc for the treatment of hemophilia B

In January, the first patients were dosed in the registrational, open-label, multicenter study, to evaluate the safety, pharmacokinetics and efficacy of the long-acting, recombinant Factor IX Fc fusion protein (rFIXFc) in hemophilia B patients. The trial, called the B-LONG study, will include approximately 75 previously-treated patients with severe hemophilia B. The FIXFc program is partnered with BiogenIdec.

The results from the first clinical phase I/II study will be presented at "Hemophilia 2010 World Congress", to be held in Buenos Aires, Argentina, mid-July 2010.

Kiobrina® for the treatment of fat malabsorption in premature infants

On April 21, Swedish Orphan Biovitrum announced the results from the second Kiobrina® clinical phase II study. The study demonstrated an improvement in preterm infant growth velocity, when Kiobrina® was administered in pasteurized breast milk. As a consequence of this outcome, and the previously announced positive results from a phase II study in preterm infant formula, Swedish Orphan Biovitrum has taken the decision to move Kiobrina® into phase III development.

The combined results of the two clinical studies showed a statistically significant increase in growth velocity ($p<0.001$), which is a medical relevant parameter. The safety profile was comparable to that of placebo, and no drug-related serious adverse events were reported. The results from these studies will be published during 2010, starting with a presentation of the results from the first clinical study with infant formula, at "The Power of Programming 2010. International conference on developmental origins of health and disease" in Munich, Germany, May 6-8, 2010.

Multiferon® for the second-line treatment of hepatitis C

Multiferon is currently approved in several EU countries, with a broad second-line indication, as well as an adjunctive treatment of high-risk patients with malignant melanoma. A phase III study, aiming to support further territorial expansion in EU, and to support price and reimbursement, is currently in the final planning stage. The application to start the study (CTA) in second line treatment of hepatitis C has been submitted to regulatory authorities in March.

11-βHSD$_1$ inhibitor program

This program, initially aimed for the treatment of diabetes, has been out-licensed to Amgen since 2003. In April, Amgen and Swedish Orphan Biovitrum have expanded the license agreement to also include cognitive impairment disorders, including Alzheimer's disease and age-related cognitive dysfunction.

Development pipeline

Indication	Product/Project	Partner	Phase I	Phase II	Phase III	Reg phase
Hemophilia B	rFIXFc	BiogenIdec				
Fat malabsorption in premature infants	Kiobrina®					
Second line treatment of Hepatitis C	Multiferon®					
Hemophilia A	rFVIIIFc	BiogenIdec				
Fat malabsorption	Exinalda®					
Rh-Immunization	Sym001	Symphogen				
Autoimmune platelet disorder (ITP)	Sym001	Symphogen				
Oral mucositis, pediatric (1-16 years)	Kepivance®					

Development news flow

Activity	Expected completion
rFVIIIFc (hemophilia A): phase I/II, FPI Q409	H2 2010
Multiferon (HCV): phase III first patient in (FPI)	H2 2010
Sym 001 (ITP): phase II study	H2 2010
Kepivance® (oral mucositis): pediatric study	H2 2010
Kiobrina® (preterm fat malabsorption): phase III FPI	H1 2011
rFIXFc (hemophilia B): phase III, FPI Jan. 2010	2011/2012

Business Development update

In January, Swedish Orphan Biovitrum signed an amendment to its distribution agreement with LFB under which the company distributes the products Willfact®, Hemoleven®, IvHebex® and Betafact® in 13 countries of Europe. Under the amendment, the term of the agreement was extended through 2014. In March Willfact was approved for the treatment of the bleeding disorder von Willebrand's disease. It was launched in Germany in April. The product is planned to undergo a mutual recognition procedure during 2010, to achieve regulatory approval in the remainder of the Swedish Orphan territory.

In February, Swedish Orphan Biovitrum and BiogenIdec announced a reconstruction of the collaboration agreement for the companies' long-acting, recombinant Factor VIII Fc and Factor IX Fc fusion proteins for treatment of hemophilia A and B respectively. Under the amended agreement, Biogen Idec will assume full development responsibilities and costs, as well as manufacturing rights for the rFVIIIFc and rFIXFc programs. Biogen Idec also gains marketing responsibility for the rest-of-world territories that had previously been shared between the two companies, in addition to its existing commercial rights in North America. Swedish Orphan Biovitrum will retain commercial rights in Europe, Russia, Turkey and the Middle East. The cross-royalty rates have been reduced for both companies. The royalty rates will be further adjusted until Biogen Idec's increased costs are reimbursed.

In the period, Swedish Orphan Biovitrum has negotiated with Amgen the terms for a new and additional Kineret® campaign, which was not part of the original agreement. The objective of this additional campaign is to meet an expected increased market demand of Kineret, until Swedish Orphan Biovitrum has transferred manufacturing processes to a new contract manufacturer. Moreover, the companies also agreed terms, under which Swedish Orphan Biovitrum has pre-paid previously agreed future sales milestones for Kineret® and Kepivance®.

On April 1, Swedish Orphan Biovitrum signed an extension to its existing distribution agreement with Merck Serono on the product Cyanokit, indicated for the treatment of known or suspected cyanide poisoning. Under the amendment, Swedish Orphan Biovitrum will distribute the product in UK, Netherlands and Ireland, in addition to its existing territories in the Nordics and Baltics.

On April 15, Swedish Orphan Biovitrum announced an agreement with Pharming under which the company gets the exclusive rights to the product Rhucin® in 24 EU countries, Norway, Iceland and Switzerland. Rhucin is a recombinant C1-inhibitor, under regulatory review for the treatment of Hereditary Angioedema (HAE). There are approximately 10 000 patients suffering from the condition in Europe, with an estimated current market size of approximately 110 MEUR. The product holds orphan status, and was filed with the EMA, through the centralized procedure, in September 2009. In March, Pharming submitted their response to the EMA, and the product is currently undergoing the final stages of regulatory review.

Tables and figures

Statement of comprehensive income

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	Full year 2009
Total revenues	488.1	355.2	1,297.0
Cost of goods and services sold	-175.0	-112.7	-375.7
Gross profit	**313.1**	**242.5**	**921.3**
Sales and administration expenses [1)]	-180.1	-89.0	-302.9
Research and development expenses	-127.7	-143.8	-569.4
Restructuring expenses	-47.0	–	–
Other operating revenues/expenses	-1.7	2.3	-32.7
Operating profit/loss	**-43.4**	**12.0**	**16.2**
Financial income	-0.5	5.5	28.6
Financial expenses	-4.8	-41.2	-12.3
Profit/loss after financial items	**-48.7**	**-23.7**	**32.5**
Income tax expense	-3.7	–	–
Profit/loss for the period	**-52.4**	**-23.7**	**32.5**
Other comprehensive income [2)]			
Translation difference	-0.7	1.9	-4.1
Comprehensive income for the period	**-53.1**	**-21.8**	**28.4**
Earnings/loss per share after tax [3)] (SEK)	-0.17	-0.24	0.32
Earnings/loss per share after dilution [3)] (SEK)	-0.17	-0.24	0.32
[1)] Amortization of product rights included in Adm expenses	-12.2	-11.4	-47.9

[2)] In correspondence with Revised IAS 1 all changes in equity that do not arise from transactions with owners should be reported in statement of comprehensive income. Translation difference does entirely concern equity in foreign subsidiary.

[3)] Comparison numbers adjusted for new share issue completed in January 2010.

Balance sheet

Amounts in SEK million	Mar 31 2010	Mar 31 2009	Dec 31 2009
ASSETS			
Fixed assets			
Intangible fixed assets [1]	5,434.0	1,008.3	1,159.1
Tangible fixed assets	270.4	208.5	252.0
Financial fixed assets	55.7	49.2	114.5
Total fixed assets	**5,760.1**	**1,266.0**	**1,525.6**
Current assets			
Inventories	670.7	549.8	578.4
Current receivables, non-interestbearing	548.3	429.9	394.9
Short-term investments	–	119.1	48.4
Cash and cash equivalents	349.1	206.4	258.2
Total current assets	**1,568.1**	**1,305.2**	**1,279.9**
Total assets	**7,328.2**	**2,571.2**	**2,805.5**
EQUITY AND LIABILITIES			
Shareholders' equity	**4,427.6**	**1,263.6**	**1,352.8**
Long-term liabilities			
Long-term liabilities [2]	1,172.2	761.6	656.0
Long-term liabilities, non-interestbearing	788.9	48.2	48.2
Total long-term liabilities	**1,961.1**	**809.8**	**704.2**
Current liabilities			
Current liabilities	164.3	50.0	50.0
Current liabilities, non-interestbearing	775.2	447.8	698.5
Total short-term liabilities	**939.5**	**497.8**	**748.5**
Total equity and liabilities	**7,328.2**	**2,571.2**	**2,805.5**

[1] Including goodwill SEK 1,634.8 M (25.3 as per December 31, 2009)

[2] Discounted future milestone payments has previously been reported as non-interestbearing liabilities, as from full year report 2009 they are reported as long-term liabilities.

Changes in equity

Amounts in SEK million	2010 Jan 1- Mar 31	2009 Jan 1- Mar 31	2009 Jan 1 - Dec 31
Opening balance	**1,352.8**	**1,285.0**	**1,285.0**
Adjustment of opening balance[1]	-58.8	–	–
Opening balance	**1,294.0**	**1,285.0**	**1,285.0**
Sharebased compensation to employees	5.7	0.4	5.1
Issue of share	3,181.0	–	34.4
Redemption of shares	–	–	-0.2
Net profit/loss for the year	-53.1	-21.8	28.4
Equity, end of period	**4,427.6**	**1,263.6**	**1,352.8**

1) As a consequence of adopting a new accounting principle, IFRS 3, as from January 1,2010, prepaid expenses related to acqusition in progress as per December 31, 2009, has been charged to equity as an adjustment of opening balance.

Cash flow statement

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	Full year 2009
Net result	-52.4	-23.7	32.5
Adjustment for items not affecting cash flow:			
Depreciations and write down	71.9	28.5	109.7
Capital gain/loss from divestment of fixed assets	0.9	-0.3	19.4
Revaluation of fixed financial assets	–	4.6	4.7
Revaluation of long-term liabilities	2.1	36.6	-19.1
Revaluation of operating receivables and payables	–	-3.3	–
Pensions	–	–	-5.6
Restructuring expenses	47.0	–	–
Payments related to restructuring reserves	-4.7	-38.4	-97.9
Reversal of deferred tax	-10.1	–	–
Other items [1)]	6.8	0.4	5.1
Cash flow from operations before change in working capital	**61.5**	**4.4**	**48.8**
Change in working capital	-124.1	-128.0	10.0
Cash flow from operations	**-62.6**	**-123.6**	**58.8**
Divestment of business	–	–	22.7
Acquisition of business, net of cash acquired	-1,801.2	–	-60.8
Investment in intangible fixed assets	-0.6	–	-62.6
Investment in tangible fixed assets	-19.7	-7.9	-96.0
Divestment of tangible fixed assets	–	–	2.1
Investment/Divestment of financial assets	0.5	-3.0	-1.9
Short-term investments	48.4	86.7	157.5
Cash flow from investing activities	**-1,772.6**	**75.8**	**-39.0**
Loans - Raising/Amortization	484.4	–	-50.0
Issue of shares	1,442.6	–	34.4
Redemption of shares	–	–	-0.2
Cash flow from financing activities	**1,927.0**	**–**	**-15.8**
Net change in cash	**91.8**	**-47.8**	**4.0**
Liquid funds at the beginning of the period	258.2	254.2	254.2
Translation difference in cash flow and liquid funds	-0.9	–	0.0
Liquid funds at the end of the period	**349.1**	**206.4**	**258.2**
Short-term investments	–	119.1	48.4
Liquid funds and short-term investments at the end of the period	**349.1**	**325.5**	**306.6**

[1)] Expenses related to sharebased compensation to employees.

Key ratios, other information and definitions

	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	Full year 2009
Return on			
Shareholders' equity	-1.8%	-1.9%	2.5%
Total capital	-1.0%	-0.9%	1.2%
Margins			
Gross margin	64.1%	68.3%	71.0%
EBITDA-margin	5.8%	11.4%	9.7%
EBIT-margin	-8.9%	3.4%	1.2%
Profit margin	-10.7%	-6.7%	2.5%
Per share data (SEK)			
Shareholders' equity per share	21.1	25.2	26.8
Shareholders' equity per share after dilution	21.1	24.6	26.5
Cash flow per share	0.6	-1.0	0.1
Cash flow per share after dilution	0.6	-1.0	0.1
Other information			
Equity ratio	60.4%	49.1%	48.2%
Number of ordinary shares	209,525,554	50,098,782	50,396,316
Average number of ordinary shares	158,250,577	50,098,782	50,142,990
Outstanding warrants [2)]	335,000	921,534	335,000
Number of shares after dilution	210,224,854	51,398,516	51,095,616
Average number of shares after dilution	158,949,877	51,636,783	51,197,074

[1)] There are two different warrant programs outstanding, exercisable for a maximum of 699,300 new shares in total.

Return on shareholders' equity
Profit after tax as a percentage of average shareholders' equity.

Return on total capital
Profit after financial items plus financial expenses as a percentage of average total assets.

Gross margin
Gross profit as a percentage of net sales.

EBITDA margin
Operating profit plus depreciation and amortization as a percentage of net sales.

EBIT margin
Operating profit as a percentage of net sales.

Profit margin
Profit for the period as a percentage of net sales.

Shareholders' equity per share after dilution
Shareholders' equity divided by the number of shares after dilution.

Cash flow per share
Changes in cash and cash equivalents divided by the weighted average number of shares.

Cash flow per share after dilution
Changes in cash and cash equivalents divided by the weighted average number of shares after dilution.

Equity ratio
Shareholders' equity as a proportion of total assets.

Core EPS
Calculated from P/L for the period excluding amortizations and restructuring and other one-time expenses and based on average number of shares before dilution.

Shareholders' equity per share
Shareholders' equity divided by the number of shares.

Financial statements – Parent company

Profit and loss statement - Parent company

Amounts in SEK million	Jan 1 - Mar 31 2010	Jan 1 - Mar 31 2009	Full year 2009
Total revenues	299.9	355.2	1,297.0
Cost of goods and services sold	-108.5	-112.7	-375.7
Gross profit	**191.4**	**242.5**	**921.2**
Sales and administration expenses [1)]	-86.9	-78.6	-309.0
Research and development expenses	-115.5	-154.1	-570.7
Restructuring expenses	-42.6	–	–
Other operating revenues/expenses	2.8	1.7	-5.1
Operating profit/loss	**-50.8**	**11.5**	**36.4**
Result from participation in Group companies	-2.2	–	17.6
Financial income	1.2	5.5	28.7
Financial expenses	-7.9	-41.2	-12.3
Profit/loss after financial items	**-59.7**	**-24.2**	**70.4**
Income tax expense	–	–	–
Profit/loss for the period	**-59.7**	**-24.2**	**70.4**
[1)] Amortization of product rights included in adm expenses	-12.2	-11.4	-47.9

Balance Sheet - Parent company

Amounts in SEK million	Mar 31 2010	Mar 31 2009	Dec 31 2009
ASSETS			
Fixed assets			
Intangible fixed assets	947.1	808.8	959.7
Tangible fixed assets	256.6	205.1	252.0
Financial fixed assets	4,496.7	610.7	670.3
Total fixed assets	**5,700.4**	**1,624.6**	**1,882.0**
Current assets			
Inventories	541.9	549.8	578.4
Current receivables, non-interestbearing	356.6	436.1	396.5
Short-term investments	–	119.1	48.4
Cash and cash equivalents	268.9	205.4	258.0
Total current assets	**1,167.4**	**1,310.4**	**1,281.2**
Total assets	**6,867.8**	**2,935.0**	**3,163.2**
EQUITY AND LIABILITIES			
Shareholders' equity	**4,453.0**	**1,192.4**	**1,326.1**
Long-term liabilities			
Long term liabilities	1,143.2	761.6	656.0
Total long-term liabilities	**1,143.2**	**761.6**	**656.0**
Current liabilities			
Current liabilities	164.3	50.0	50.0
Current liabilities, non-interestbearing	1,107.3	931.0	1,131.1
Total short-term liabilities	**1,271.6**	**981.0**	**1,181.1**
Total equity and liabilities	**6,867.8**	**2,935.0**	**3,163.2**

Change in Shareholders' equity - Parent company

Amounts in SEK million	2010 Jan 1 - Mar 31	2009 Jan 1 - Mar 31	2009 Jan 1 - Dec 31
Opening balance	**1,326.1**	**1,216.2**	**1,216.2**
Sharebased compensation to employees	5.7	0.4	5.1
Issue of share	3,181.0	–	34.4
Redemption of shares	–	–	-0.2
Profit/loss for the period	-59.7	-24.2	70.4
Equity, end of period	**4,453.0**	**1,192.4**	**1,326.1**

Notes

Note 1 Accounting and valuation principles and other information

Important accounting principles

Biovitrum AB (publ) prepares its consolidated financial statements in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1.2. Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The consolidated financial statements have been prepared according to the historical cost convention except in the case of financial assets and financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

The Group applies the same accounting standards as those applied in the 2009 Annual Report with the exception of new or amended standards, interpretations or improvements that have been adopted by the EU and are to be applied from 1 January 2010. For Biovitrum AB (publ), the following amendments are relevant:

Adopting revised accounting standard – IFRS 3 "Business Combinations"

Effective as of January 1, 2010, the Group is applying the revised accounting standard IFRS 3 Business Combinations. The revised standard still requires the acquisition method to be applied for business combinations, but with some significant changes. For example, all payments for the purchase of a business at fair value are recorded on the acquisition date, while subsequent conditional payments are classified as liabilities which are then re-measured in profit or loss. Non-controlling interests (replacing the previous term "minority interest") in the acquired business can either be valued at fair value or at the proportionate portion of the business's net assets held by the party with the non-controlling interest. All acquisition related transaction costs are to be expensed. The revision applies prospectively for acquisitions after the date it goes into force. The amendment to the standard will not involve any change with respect to previous acquisitions, but will only affect reporting of future acquisitions.

The amendment has affected the acquisition of Swedish Orphan which was in progress year-end 2009. Accrued acquisition related transaction costs as per December 31, 2009, amounting to SEK 58.8 M, has been charged to equity as an adjustment of opening balance as per January 1, 2010.

Operating risks

All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company. Biovitrum is exposed to three main risk categories:

- External risks such as patent infringements and competition within product concepts
- Operational risk, e.g. the fact that developing a new drug is both capital-intensive and risky, dependence on external partners in various collaborations, product liability claims, as well as laws and rules on the treatment of hazardous materials
- Financial risks, such as currency risk, interest risk, credit risk and liquidity risk

A more detailed description of the Group's risk exposure and risk management is included in Biovitrum's 2009 Annual Report (see the Directors' Report).

Note 2 Shares and warrants

Shares

Development in share capital and number		Number of shares	Share capital, SEK
December 2009		50,911,901	27,935,503
Jan 2010	New share issue	159,129,238	87,313,411
March 2010		210,041,139	115,248,914

A preferential new share issue and an issue in kind were completed in January, 2010, after which total number of shares are 210,041,139.

Issued shares break down as 209,525,554 ordinary shares and 515,585 C shares. The ordinary shares carry one vote per share and the C shares carry 1/10 vote per shares. All C shares are treasury shares.

Option and share based incentive programs

Share based incentive program 2008

At the Annual General Meeting on April 24, 2008, a long-term, performance based incentive program was adopted ("Share program 2008"). Share program 2008 covers management and key individuals in Biovitrum, and may involve a total maximum allocation of 433,952[1)] shares in Biovitrum AB (publ). The number of shares, to be received by program participants, will be based on the development of the Biovitrum share over a three-year assessment period.

The program was implemented at the end of 2008, and the assessment period will run from November 26, 2008, up to and including November 25, 2011.

Share based incentive program 2009

A new long-term, performance based incentive program was adopted ("Share program 2009") at the Annual General Meeting on April 28, 2009. Share program 2009 covers management and key individuals in Biovitrum, and may involve a total maximum allocation of 380,735[2)] shares in Biovitrum AB (publ). Like in the Share program 2008, the number of shares to be received by program participants, will be based on the development of the Biovitrum share over a three-year assessment period. The program was implemented in June 2009, and the assessment period will run from June 10, 2009 up to and including June 9, 2012.

Warrant programs

Option program 2006/2011	**Full year 2010**	**Full year 2009**
Outstanding January 1	35,000	40,000
Forfeited during the period	-	-5,000
Outstanding at of end of accounting period	35,000	35,000
Exercisable at of end of accounting period	35,000	35,000

Employee option program 2007/2012	**Full year 2010**	**Full year 2009**
Outstanding January 1	300,000	300,000
Outstanding at of end of accounting period	300,000	300,000
Exercisable at of end of accounting period	200,000	200,000

Note 3 Transactions with related parties

Amounts in SEK thousands	**Full Year 2010**	**Full Year 2009**
Loan to executive management in Parent Company:		
At beginning of the year:	153	153
Loans paid during the year:	–	–
	153	**153**

There was no change as to regarding loans to related parties during the period. The conditions for these loans to executive management in the parent company are described in the Annual Report 2009.

Biovitrum has a collaboration agreement with Affibody AB. Investor is, via Investor Growth Capital, one of the owners of Affibody AB and Håkan Åström is chairman of the board in Swedish Orphan Biovitrum as well as in Affibody AB.

[1)] Adjusted for new share issue completed in January 2010.
[2)] Adjusted for new share issue completed in January 2010.

Note 4 Taxes

In 2004, the real estate designated as Paradiset 14 was transferred to a substantially foreign-owned limited liability partnership, called Nya Paradiset KB, whereupon the participating interests in Nya Paradiset KB were sold to an external party, at market price. The real estate was transferred to Nya Paradiset KB, in accordance with the rules regarding so-called transfers below market value, in return for consideration equivalent to the real estate's value for tax purposes. In a submission to the county administrative court, dated 17 April 2008, the Swedish Tax Agency has formally requested that, pursuant the Swedish Tax Avoidance Act, the rules regarding transfers below market value shall not be applied. In the opinion of the Tax Agency, this entails that Biovitrum shall be charged a capital gain of SEK 234.5 million, as a consequence of the transfer of the real estate to Nya Paradiset KB. In Biovitrum's view, it is patently, obvious that the company has not acted in contravention of the purpose of the legislation, in the manner alleged by the Tax Agency in the aforementioned submission. Thereafter, on 9 October 2009, the Tax Agency lodged a new submission and, in reliance on two judgments from the Supreme Administrative Court dated 29 May 2009, has now alleged a new ground, as to why the rules governing transfers below market value shall not be applied by virtue of the Tax Avoidance Act. Biovitrum takes the view that the Tax Agency ought not to succeed in proving its case in relation to this new ground either.

Note 5 Acquired operations

Biovitrum acquired Swedish Orphan, creating a new specialty pharmaceutical company, focused on rare diseases. The transaction is built on a strong industrial logic and a profitable future growth of the business. The acquisition was concluded on January 14, 2010.

Below follows a preliminary purchase price allocation for the acquisition of Swedish Orphan.

Purchase price allocation *Amounts in SEK million*	
Purchase price	
- cash payment	1,923.4
- discounted value est. future additional purchase price	165.0
- fair value of shares issue	1,738.4
Total purchase price	**3,826.8**

Assets and liabilities in acquired operation *Amounts in SEK million*	Fair value
Other intangible assets	2,680.0
Tangible assets	14.0
Financial fixed assets	3.0
Other current assets	449.0
Total assets in acquired operation	**3,146.0**
Long-term borrowings	31.0
Retirement benefit obligations	3.0
Deferred income tax liabilities	749.0
Current liabilities	182.0
Total liabilities in acquired operation	**965.0**
Acquired net assets	**2,181.0**
Goodwill	1,645.8
Total purchase price	**3,826.8**

Goodwill pertains to the established legal structure and market presence in most countries and the synergy effects that are expected to arise by coordinating the operations of Biovitrum and Swedish Orphan.

The estimated value of the capital contributed in kind is equivalent to a subscription price of around SEK 29.80 per ordinary share, representing a volume-weighted average price for the Biovitrum share during the 20 trading days preceding the announcement of the acquisition on November 5, 2009 adjusted for dilution of the rights issue that Biovitrum implemented to partially finance the cash payment for the acquisition.

The fair value of the acquired identifiable intangible assets of SEK 2,680 Million is a preliminary figure pending the receipt of a final measurement of these assets, and also the final valuation of the additional purchase price.

Liquid funds *Amounts in SEK million*	
Liquid funds	
Cash payment	-1,923.4
Liquid funds in acquired operation	122.2
Effect on liquid funds	**-1,801.2**

The acquisition agreement includes e.g. an undertaking by former CEO of Swedish Orphan, Bo Jesper Hansen, not to compete with Biovitrum or its subsidiaries during a period of three years from completion of the transaction. For this undertaking, Bo Jesper Hansen is, under the relevant three-year period, entitled to a monthly compensation amounting to approximately DKK 565,000, however reduced with e.g. any compensation payable to Bo Jesper Hansen during the same period by Biovitrum or any group company under any employment or consultancy arrangement.

Forward-looking statement

This interim report includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programs and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing research programs that may affect Biovitrum's results.

Solna April 27, 2010

Martin Nicklasson
Chief Executive Officer

Conference call details

The presentation of the Interim Report, 1 January to 31 March 2010, will be presented by Swedish Orphan Biovitrum´s CEO Martin Nicklasson and CFO Göran Arvidson. The presentation will be held in English and webcasted.

Time:	Tuesday, April 27, 2010 at 2 p.m. (CET)
Venue:	IVA (Kungliga Ingenjörsvetenskaps Akademin), Grev Turegatan 16, Stockholm.

Telephone dial in: UK: +44 (0) 207 509 5139, Sweden: +46 (0)8 505 202 70, US: +1 718 354 1226

The presentation material will be published on our web site after the meeting as will the archived web cast, please go to: www.biovitrum.com

Contacts for further information

Biovitrum AB (publ):

Corp. Reg. No. 556038-9321
SE-112 76 Stockholm
Visitors: Tomtebodavägen 23 A
Telephone +46 8 697 20 00

For further information, please contact:

Erik Kinnman, Investor Relations — phone +46 73 422 15 40

Financial calendar for 2010

Interim Report April-June 2010	July 20, 2010
Interim Report July-Sept 2010	October 22, 2010

About Swedish Orphan Biovitrum

On January 14, 2010, Biovitrum AB (publ) completed the acquisition of Swedish Orphan International Holding AB and created Swedish Orphan Biovitrum - a leading company focused on treatment of rare diseases.

Swedish Orphan Biovitrum is a Swedish based specialty pharmaceutical company with an international market presence. The company is focused on providing and developing orphan and niche specialist pharmaceuticals to patients with high medical needs. The portfolio consists of about 60 marketed products and an emerging late stage clinical development pipe-line within rare diseases. Swedish Orphan Biovitrum has pro-forma revenues 2009e of about 2 BSEK and approximately 500 employees. The head office is located in Sweden and the share (STO: BVT) is listed on NASDAQ OMX Stockholm.

For more information please visit www.biovitrum.com