Biovitrum Full Year Report 2007

A Year of Strong Finances and Increased Revenues
- New Strategy focusing on specialist care indications

January - December

- Net revenues increased with 5 percent and amounted to SEK 1,256.4 M (1,201.1).
- The profit for the year was SEK 79.0 M (92.7), equivalent to earnings per share of SEK 1.73 (2.00).
- Cash flow from operations improved by 62.6 Mkr to SEK -25.4 M (-88.0). Cash and cash equivalents and short-term investments as of December 31 amounted to SEK 760.4 M (903.8).
- Strong commercial development during 2007 - revenues from the hemophilia A product, ReFacto®, increased by 19 percent to SEK 915.4 M (768.0) and revenues from other products increased by 40 percent.
- The project portfolio continued to advance and as of December 31, 2007, Biovitrum has 9 (6) projects in clinical and 6 (6) projects in preclinical development.

October - December

- Net revenues amounted to SEK 299.5 M (244.8). Profits for the quarter improved to SEK -2.4 M (-6.4) compared with the same period in 2006 and are equivalent to earnings per share of SEK -0.05 (-0.14).
- Cash flow from operations improved for the fourth quarter by SEK 32.7 M to SEK -10.7 M.
- The Company communicated its new comprehensive strategy which focuses on research, development and marketing of specialist care pharmaceuticals.
- The phase I study within the 5-HT6 project for the treatment of obesity was concluded and a safe and tolerable dose was identified. The Company is seeking to outlicense the project.
- The clinical phase I study of Anti-RhD for the prevention of hemolytic disease and the treatment of ITP was concluded in 2007. The results which were reported on February 5, 2008, show that the recombinant polyclonal antibodies were well tolerated in both RhD positive and RhD negative healthy volunteers.
- Recruitment for clinical Phase II study of A2A (neuropathic pain) concluded

Important events after the end of the period

- The process of identifying partners for all primary care projects in early research phases was initiated. As a result of this, a need for staff cuts was identified and negotiations have started with union representatives. This decision also means that the research budget in the future will be focused on specialist care projects.
- The preliminary results from the explorative phase II study of the 5-HT2A antagonist for the treatment of glaucoma show a dose-dependent reduction of intra-ocular pressure of up to 10 percent compared with the pressure before treatment.

Amounts in SEK million	Oct 1 - Dec 31 2007	Oct 1 - Dec 31 2006	Full year 2007	Full year 2006
Total revenues	299.5	244.8	1,256.4	1,201.1
Operating profit/loss	-10.2	-27.8	55.1	54.6
Profit/loss after financial items	-2.4	-4.8	79.0	94.2
Profit/loss for the period	-2.4	-6.4	79.0	92.7
Earnings/loss per share	-0.05	-0.14	1.73	2.00
Research & Development expenses	-184.7	-180.9	-694.3	-650.4
Liquid funds & short term investments	760.4	903.8	760.4	903.8

CEO comments

"It is gratifying to note the sustained, strong ReFacto® revenues in 2007 and the fact that revenues from other products also continued to increase significantly. Research costs were somewhat higher than in 2006, which is a result of our projects advancing through the clinical process. In 2007, among other things, we were able to launch the first phase II trial for Kiobrina™ and successfully conclude the phase I studies of the Anti-Rh(D) and $5HT_6$ projects as well phase II studis for the A_{2A} and $5HT_{2A}$ projects," says Biovitrum's CEO Martin Nicklasson.

"The challenge for us now is to continue to generate profits at the same time as we continue to develop our project portfolio. We have therefore launched a long-term strategy to focus on pharmaceuticals to treat diseases where specialist care is required. At the same time we will be intensifying our efforts to outlicense our primary care projects that mainly involve treatments for metabolic diseases, and hopefully increase our market presence by acquiring products. With this strategy, we are hopeful that we will be able to continue the successful development of Biovitrum in 2008."

Overview 2007

Specification revenues

	Oct 1-Dec 31		Full year	
Amounts i SEK million	2007	2006	2007	2006
Licensing and Milestone revenues	44.2	44.1	196.2	176.6
ReFacto® revenues	219.6	177.0	915.4	768.0
Revenues from Other Product Sales	23.4	13.5	81.1	57.9
Other[1)]	12.4	10.3	63.8	198.7
Total Revenues	**299.5**	**244.8**	**1,256.4**	**1,201.1**
excl. Licence revenue	255.3	200.7	1,060.2	1,024.5

[1)] Other revenues includes e.g. research revenues, revenues from contract development and royalty from other products than ReFacto®

In 2007 Biovitrum continued its positive development as an integrated pharmaceutical company with increasing revenues, strong financial position and a growing portfolio of both research projects and products on the market.

The total revenues for the year amounted to SEK 1,256.4 M (1,201.1), which is 5 percent higher than in 2006. Several of our research projects have advanced and the project portfolio now contains nine projects in clinical phases, primarily projects focusing on specialist indications, as well as six preclinical projects.

ReFacto®

Specification ReFacto® revenues

	Oct 1–Dec 31		Full year	
Amounts in SEK million	2007	2006	2007	2006
Manufacturing revenues	161.2	120.0	677.2	536.0
Co-promotion revenues	19.3	18.5	72.7	71.4
Royalty revenues	39.1	38.5	165.5	160.6
Total revenues	**219.6**	**177.0**	**915.4**	**768.0**

Revenues from ReFacto® increased to SEK 915.4 M in 2007 compared to SEK 768.0 M in 2006.

The total manufacturing revenues for the full year were SEK 677.2 M (536.0). This is higher than 2006 and is mainly attributable to first quarter deliveries of validation batches for the next generation of ReFacto®. In the fourth quarter, manufacturing revenues increased by 34 percent compared with the same period the previous year. The new purification suite in the ReFacto® production was approved by the US Food and Drug Administration, FDA, in August, which means that Biovitrum can pursue purification in-house thereby saving costs.

Global sales of ReFacto® increased by 10 percent to USD 335 M in 2007. Co-promotion revenues from sales of ReFacto® in the Nordic region increased by around 2 percent during the year to SEK 72.7 M (71.4). The corresponding increases expressed as percentages for the fourth quarter were 4 percent. Sales to end customer in the Nordic region improved by 10 percent during 2007.

Other product sales

Biovitrum markets pharmaceuticals using its own sales force in the Nordic region and has today the Nordic market rights for six approved specialist prescribed drugs in addition to ReFacto®. Biovitrum also has the European rights for Kinaret™. In the third quarter of 2007, Biovitrum started marketing the product BeneFIX® for the treatment of hemophilia B.

Revenues from other products in 2007, including co-promotion, increased by 40 percent to SEK 81.1 M (57.9). In the foruth quarter revenues from other product sales increased by 73 pecent and amounted to SEK 23.4 M. The increase in the fourth quarter is primarily attributable to the launch of Aloxi and BeneFIX® in 2008 as well as a continued positive sales development for Kineret® and Mimpara®.

Product	Indication
BeneFIX®	Hemophilia B
Novastan®	Anticoagulation
Mimpara®	Hyperparathyroidism
Kineret®	Rheumatoid arthritis
Kepivance®	Side effects chemotherapy
Aloxi®	Side effects chemotherapy

Contract Manufacturing and Process Development

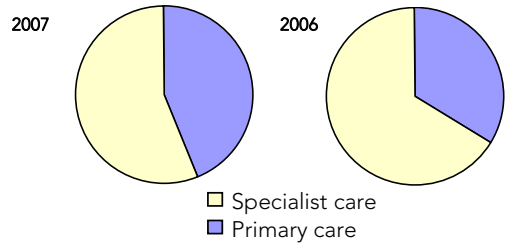
Biovitrum has unique manufacturing expertise and conducts advanced process development of recombinant protein drugs. This capacity is utilized both for the Company's internal projects and is offered as a service to external customers. Biovitrum has started to gradually reduce the proportion of external projects and accordingly, in 2007, a greater proportion of the Company's capacity was used for the internal projects Exinalda™, Anti-RhD, FIXFc and Kiobrina™.

As a consequence of this strategy and the fact that Biovitrum's general agreements with Pfizer and Amgen expired in 2006 as planned, the external contract development revenues in 2007 amounted to SEK 63.1 M (153.9). Contract development revenues for the fourth quarter amounted to SEK 12.4 M (9.6).

Research and Development

According to the long-term strategy that was presented during the Capital Markets Days in November 2007, Biovitrum's objective is to conduct in-house development of specialist care pharmaceuticals including registration and then market them within selected geographical areas. Since 2005 the proportion of such projects has increased in the portfolio, and in 2008 the emphasis on specialist pharmaceuticals will intensify until the Company's entire focus will be on such research. The research budget will also be focused on this area. When this process is complete, the Company's aim is for SEK 100-150 M to be freed up on a rolling twelve-month basis in view of continued development of our projects for specialist care indications.

As regards primary care pharmaceuticals, Biovitrum intends to enter into agreements with other pharmaceutical companies and gradually reduce its own research in this area, which includes metabolic diseases, eye diseases and pain treatment. This process has already begun and will be intensified in 2008.



As projects focusing on special care indications have advanced into the clinical phase, the costs have increased.

Biovitrum's portfolio of specialist care projects

Exinalda™ for the treatment of fat malabsorption due to pancreatic insufficiency
Using biotechnological processes, Biovitrum is developing BSSL under the Exinalda™ brand. Exinalda™ is intended to improve the quality of life for patients suffering from fat malabsorption due to pancreatic insufficiency, for example, in cystic fibrosis. A clinical study is currently under way to support the development of the preparation of Exinalda™.

Kiobrina™ for optimizing fat absorption in preterm infants
BSSL produced using biotechnological processes under the Kiobrina™ brand was developed to increase fat absorption in preterm infants. There is no product of this type on the market today. Two parallel clinical trials, one where BSSL is administered in pasteurized breast milk and one where it is administered in infant formula, are currently under way in Italy and France.

Anti-Rh D for the treatment of thrombocytopenia and anti-D prophylaxis
In cooperation with the Danish company, Symphogen A/S, Biovitrum has, through biotechnological processes, developed anti-RhD with a new polyclonal technology. Anti-RhD is being developed for two different indications: for the treatment of a disease that affects the blood platelets (ITP, idiopathic thrombocytopenic purpura) and for the prevention of Rh-immunization in pregnancy of RhD-negative women (anti-D prophylaxis). A phase I study has been concluded with good results and the project is now being prepared for future clinical studies for both indications.

Factor IX Fc (FIXFc) for the treatment of hemophilia B
Biovitrum and Syntonix/Biogen Idec are co-developing a recombinant protein drug for the treatment of hemophilia B, a hereditary disorder that leads to impairment in the production of factor IX and thereby also the blood's ability to coagulate. The objective of the FIXFc project is to develop a product with an extended half-life, which could mean that patients would need only one injection a week for prophylactic treatment compared to two to three times a week as is the case today.

Factor VIIIFc (FVIIIFc) for the treatment of hemophilia A
In 2007 Biovitrum called for an option with Syntonix/Biogen Idec to develop a recombinant factor VIIIFc product with a prolonged effect making it a much more convenient option for patients.

	Indication	Project	Partner	Pre-clinical	Phase I	Phase II	Phase III
Clinical	Hemophilia A	ReFacto® next generation	Wyeth				
	Fat malabsorption	Exinalda™					
	Pre-term nutrition	Kiobrina™					
	AntiD prophylaxis	Anti-Rh(D)	Symphogen				
	Platelet disorder	Anti-Rh(D)	Symphogen				
Pre-clinical	Hemophilia B	Factor IXFc	Syntonix/ Biogen Idec				
	Hemophilia A	Factor VIIIFc	Syntonix/ Biogen Idec				

Biovitrum's portfolio of primary care projects

5-HT$_{2A}$ for the treatment of glaucoma
The preliminary results from the exploratory phase II study of the 5-HT$_{2A}$ antagonist, BVT.28949, for the treatment of glaucoma has demonstrated a dose-dependent reduction of the intra-ocular pressure. After four weeks of treatment, there was a 10 percent reduction in pressure compared with the pressure before treatment. The Company is seeking to outlicense the project.

A$_{2A}$ for the treatment of neuropathic pain
The project objective is to develop a new product with a unique mechanism of action for the treatment of neuropathic pain, a form of chronic pain arising from nerve damage. Unlike existing treatments that work via the brain, Biovitrum's substance is expected to act on pain directly in the damaged nerve. Recruitment of patients for the ongoing phase II study has been completed according to plan. The results are expected at the end of the first quarter of 2008.

11ß-HSD$_1$ for the treatment of diabetes
This project is outlicensed to Amgen which owns the exclusive global rights to develop and commercialize these compounds. The project is in clinical phase I and is being run by Amgen.

5-HT$_6$ for the treatment of obesity
Biovitrum has conducted a clinical phase I study of a 5-HT$_6$ antagonist for the treatment of obesity and a safe and tolerated dose has been identified. The Company is seeking to outlicense the project.

In addition to the above, Biovitrum has five preclinical research programs: DPP-IV to treat type 2 diabetes, Mnk-inhibitor to treat type 2 diabetes, leptin mimetic and SCD inhibitors to treat obesity and 11ß-HSD1 to treat glaucoma. The last four projects are based on mechanisms that have not been used before in therapies for the respective indications. More information about the projects is available at www.biovitrum.se

Other

At the Capital Markets Days in Stockholm and London in November, Biovitrum announced its plan to create long-term value. The new strategy's three cornerstones are:

- Focus on the research and development portfolio of projects for diseases that are treated by specialists.
- Develop internal specialist care projects all the way to market.
- Increase the revenues and the portfolio of marketed products.

At the Annual General Meeting 2007 a decision was taken regarding a new employee warrant plan. Employee warrants can be allotted within two categories. Category 1 covers the CEO with a maximum allotment of 300,000 warrants. Category 2 covers the other senior executives with a maximum allotment of 150,000 per person. 300,000 warrants in category 1 have been allotted. Each of these warrants may be exercised until April 2012 and entitle the holder to subscribe for one share for an exercise price of SEK 110.

	Indication	Project	Partner	Pre-clinical	Phase I	Phase II
Clinical	Glaucoma	5-HT$_{2A}$				
	Neuropathic pain	A$_{2A}$				
	Diabetes	11β-HSD$_1$	Amgen			
	Obesity	5-HT$_6$				
Pre-clinical	Diabetes	DPP-IV	Santhera			
	Obesity	Leptin mimetic				
	Glaucoma	11β-HSD$_1$				
	Diabetes	Mnk				
	Obesity	SCD				

Financial Statements

Revenues

Net revenues for the fourth quarter of 2007 amounted to SEK 299.5 M (244.8). For the full year 2007 revenues amounted to SEK 1256.4 M (1201.1). ReFacto® revenues in the fourth quarter amounted to SEK 219.6 M compared with SEK 177.0 M for the same period the previous year. Manufacturing revenues increased to SEK 161.2 M (120.0).

Sales of ReFacto® in the Nordic region increased slightly during the period and co-promotion revenues amounted to SEK 19.3 M (18.5).

The reported global ReFacto® sales in the fourth quarter increased by 8 percent to USD 87 M. Biovitrum is reporting a slower rate of increase in royalty revenues in the fourth quarter, SEK 39.1 M (38.8), as a result of the weakened US dollar against SEK.

Revenues from sales of other products increased in the fourth quarter by 73 percent, to SEK 23.4 M (13.5). The increase is primarily attributable to the launch of Aloxi® and BeneFIX® as well as a continued positive sales development of Kineret® and Mimpara®.

In the fourth quarter, licensing and milestone revenues amounted to SEK 44.2 M (44.1).

Other revenues amounted to SEK 12.4 M (10.3). No research revenues were generated during the period. Research revenues in the fourth quarter of 2006, SEK 0.3 M, were derived from a research agreement with Amgen which expired in 2006. Contract development revenues increased to SEK 12.4 M (9.6).

Consolidated Income Statement

Amounts in SEK million	Oct 1 - Dec 31 2007	Oct 1 - Dec 31 2006	Full year 2007	Full year 2006
Total revenues	299,5	244,8	1 256,4	1 201,1
Cost of goods and services sold	-88,2	-51,9	-348,8	-293,8
Gross profit	**211,3**	**192,9**	**907,7**	**907,3**
Sales and Marketing expenses	-14,6	-17,1	-43,7	-41,6
Administration expenses	-29,3	-18,9	-121,1	-118,9
Research and Development expenses	-184,7	-180,9	-694,3	-650,4
Other operating revenues	6,2	0,9	20,0	8,9
Other operating expenses	0,8	-4,6	-13,3	-50,7
Operating profit/loss	**-10,2**	**-27,8**	**55,1**	**54,6**
Interest income and similar items	8,3	23,2	25,3	41,1
Interest expenses and similar items	-0,6	-0,3	-1,4	-1,5
Profit/loss after financial items	**-2,4**	**-4,8**	**79,0**	**94,2**
Tax on profit/loss for the period	0,0	-1,5	0,0	-1,5
Profit/loss for the period	**-2,4**	**-6,4**	**79,0**	**92,7**
Earnings/loss per share after tax (SEK)	-0,05	-0,14	1,73	2,00
Earnings/loss per share after tax after full dilution (SEK) [1]	-0,05	-0,14	1,69	1,86 [1]

[1] Average share market value for the period September 15 - December 29, 2006, has been used to calculate dilution.

Profit/loss

The cost of goods and services sold increased during the quarter to SEK 88.2 M (51.9) primarily due to higher ReFacto® delivery levels.

The gross profit was SEK 211.3 M (192.9).

Research and development expenses in the fourth quarter amounted to SEK 184.7 M (180.9).

The operating profit for the fourth quarter improved to SEK -10.2 M (-27.8) and was for full year 2007 SEK 55.1 M (54.6).

Net financial income was SEK 7.7 M (22.9) and the net loss for the quarter amounted to SEK -2.4 M (-6.4). In the fourth quarter of 2006, a positive re-evaluation of the Syntonix shares was reported at SEK 7.8 M. Net financial income for full year 2007 was SEK 23.9 M (39.6).

Financial Position

Cash and cash equivalents and short-term investments on December 31, 2007 amounted to SEK 760.4 M (903.8). Of this, SEK 94.6 M was bank balances (127.1) and SEK 271.2 M (249.5) 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 cash and cash equivalents, the Company had, as of December 31, 2007, other short-term investments with a term of more than three months, amounting to SEK 394.6 M (527.2).

Consolidated shareholders' equity as of December 31, 2007 amounted to SEK 1,452.8 M compared with SEK 1,381.8 M on December 31, 2006.

Parent Company

In the fourth quarter the Parent Company reported revenues amounting to SEK 299.5 M (244.7). Revenues for full year 2007 amounted to SEK 1,255.8 M (1,200.3). Cash and cash equivalents as of December 31, 2007 amounted to SEK 359.9 M (370.6). Shareholders' equity in Biovitrum AB (publ) amounted to SEK 1,418.1 M (1,376.3). For further information, see enclosure 2.

Taxes

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. Biovitrum's tax cost for the quarter was SEK 0 M (0).

Personnel

As of December 31, 2007 Biovitrum has 542 employees of which 58 percent are women

Condensed Consolidated Balance Sheet

Amounts in SEK million	Dec 31 2007	Dec 31 2006
ASSETS		
Fixed assets		
Intangible fixed assets	501.3 [1)]	472.9 [1)]
Tangible fixed assets	289.7	262.5
Financial fixed assets	29.2	42.3
	820.3	**777.7**
Current assets		
Inventories	84.6	161.2
Current receivables, non-interestbearing	282.8	235.0
Short-term investments	394.6	527.2
Cash and cash equivalents	365.8	376.6
	1,127.8	**1,300.0**
Total assets	**1,948.1**	**2,077.7**
EQUITY AND LIABILITIES		
Shareholders' equity	**1,452.8**	**1,381.8**
Long term liabilities		
Long term liabilities, non-interestbearing	86.4	224.1
	86.4	**224.1**
Current liabilities		
Current liabilities, non-interestbearing	408.9	471.8
	408.9	**471.8**
Total equity and liabilities	**1,948.1**	**2,077.7**

[1)] Including goodwill 39,4 M (41,1)

Change of consolidated shareholders' equity

Amounts in SEK million	2007 Jan 1 - Dec 31	2006 Jan 1 - Dec 31
Opening balance	**1,381.8**	**1,707.7**
Warrants issue (+)	–	105.6
Repurchase warrants (-)	–	-282.3
Issue of share	–	136.9
Redemption of shares [1)]	–	-378.9
Exchange rate difference	-8.0	0.1
Net profit/loss for the year	79.0	92.7
Equity, end of period	**1,452.8**	**1,381.8**

[1)] Refering to redemption and payment of Pfizer's shares

Cash Flow

Cash flow from operations for the fourth quarter of 2007 amounted to SEK -10.7 M (-43.4).

Intangible asset acquisitions amounted to SEK 13.0 M (30.7).

Cash and cash equivalents and short-term investments as of December 31, 2007 amounted to SEK 760.4 M (903.8).

Investments

The Group's investments in fixed assets in the fourth quarter amounted to SEK 20.9 M (29.9). Depreciation in the fourth quarter amounted to SEK 15.8 M (18.4).

Outlook 2008

Total revenues, excluding licensing revenues, are expected to fall by 10-15 percent as a result of lower ReFacto® deliveries in 2008. In 2007 these revenues amounted to SEK 1,060 M. Also in 2008, revenues from ReFacto® will fluctuate from one quarter to the other as a consequence of Wyeth's production planning. In the first quarter of 2007 Biovitrum delivered validation batches worth around SEK 100 M. This will not be the case in 2008.

Condensed Consolidated Cash Flow

	Oct 1 - Dec 31		Full year	
Amounts in SEK million	2007	2006	2007	2006
Net result	-2.4	-6.4	79.0	92.7
Adjustment for items not affecting cash flow:				
Depreciations and Write down	15.8	18.4	70.5	74.5
Capital gain/loss from divestment fixed assets	0.1	0.0	-2.4	45.4
Revaluation of fixed financial assets	–	-7.8	–	-7.8
Pensions	-3.1	-4.9	-3.0	-4.9
Deferral of fees from Amgen	-44.2	-44.1	-176.6	-176.6
Other items	–	–	–	-3.5
Cash flow from operations before change in working capital	**-33.8**	**-44.7**	**-32.5**	**19.9**
Change in working capital excl changes in restructuring reserves	22.1	11.0	17.9	-24.7
Change in restructuring reserves	1.1	-9.7	-10.8	-83.1
Cash flow from operations	**-10.7**	**-43.4**	**-25.4**	**-88.0**
Investment in operation	–	0.1	–	-41.1
Investment in intangible fixed assets	-13.0	-30.7	-44.0	-84.3
Investment in tangible fixed assets	-20.9	-29.9	-95.8	-70.2
Divestment of tangible fixed assets	–	–	6.1	–
Investment/Divestment of financial assets	-0.2	5.0	16.0	-15.8
Short term investments	8.4	44.7	132.6	35.5
Cash flow from investing activities	**-25.7**	**-10.9**	**14.8**	**-175.9**
Issue of shares	–	73.8	–	136.9
Redemption of shares	–	0.0	–	-378.9
Issue of warrants	–	–	–	105.6
Re-purchase of warrants	–	-0.7	–	-282.3
Cash flow from financing activities	**–**	**73.1**	**–**	**-418.7**
Net change in cash	**-36.4**	**18.8**	**-10.6**	**-682.6**
Liquid funds at the beginning of the period	402.4	357.6	376.6	1,058.6
Translation difference in cash flow and liquid funds	-0.2	0.2	-0.3	0.6
Liquid funds at the end of the period	**365.8**	**376.6**	**365.8**	**376.6**
Short-term investments	394.6	527.2	394.6	527.2
Liquid funds and short-term investments at the end of the period	**760.4**	**903.8**	**760.4**	**903.8**

Key Ratios and Other Information

	Oct 1 - Dec 31		Full year	
	2007	2006	2007	2006
Return on				
Shareholders' equity	-0.2%	-0.5%	5.6%	6.0%
Total capital	-0.1%	-0.3%	3.9%	3.9%
Margins				
Gross Margin	70.6%	78.8%	72.2%	75.5%
Operating margin	-3.4%	-11.4%	4.4%	4.5%
Profit margin	-0.8%	-2.6%	6.3%	7.7%
EBITDA-marginal	1.9%	-3.8%	10.0%	10.8%
Per share data (SEK)				
Shareholders' equity per share	31.8	30.3	31.8	30.3
Shareholders' equity per share after full dilution	31.2	29.6	30.9	29.6
Cash flow per share	-0.8	0.4	-0.2	-14.7
Cash flow per share after dilution	-0.8	0.4	-0.2	-14.7
Other information				
Equity ratio	74.6%	66.5%	74.6%	66.5%
Number of shares	45,622,700	45,622,700	45,622,700	45,622,700
Average number of shares	45,622,700	45,255,909	45,622,700	46,323,738
Outstanding warrants	2,686,136 [2)]	2,371,136	2,686,136 [2)]	2,371,136
Number of shares after dilution	46,596,403	46,742,612	46,963,172	46,745,433 [1)]
Average number of shares after dilution	46,596,403	46,551,972	46,840,459	49,855,707 [1)]

[1)] The average market price of the share for the period September 15 – December 29, 2006 has been used to calculate the dilution. *Average number of shares after dilution has been adjusted compared to what was reported in interim report Q4 2006 and annual report 2006 due to an error in previous calculations.*

[2)] There are three different warrant programs outstanding, exercisable for a maximum of 2,746,136 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.

Operating margin
Operating profit as a percentage of net sales.

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

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

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

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.

Accounting and valuation principles and other information

Accounting and valuation principles and other information

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, which is in accordance with the requirements in the recommendation of the Swedish Financial Accounting Standards Council, RR 31 Interim Reporting for Groups. As of January 1, 2005, Biovitrum AB (publ) is applying the International Financial Reporting Standards (IFRS) in accordance with EU regulations. The accounting principles applied are those described in Biovitrum's 2006 Annual Report.

Related party transactions

Autumn 2006, Biovitrum entered into an agreement with the Swedish biotech company Synphora AB. Under the agreement Biovitrum received rights to, under certain conditions, acquire Synphora's drug candidate for treatment, among other things, of the inflammatory skin disease psoriasis. Under the terms of the agreement Biovitrum co-financed Synphora's studies with a maximum of SEK 5 M in total, of which SEK 2 M were paid in October 2006 and SEK 3 M were paid in February 2007.

A clinical phase II study was finalized in 2007 and the substance proved no significant effect with any of the tested doses. Biovitrum does not intend to invest further in the project.

Toni Weitzberg is a member of the board of Biovitrum AB (publ) and the chairman of the board of Synphora AB.

Annual General Meeting 2008

The Annual General Meeting of Biovitrum AB (publ) will be held at 4 p.m. on Thursday, April 24, 2008 in Stockholm.

The Annual Report, including full financial and accounting data, will be published on www.biovitrum.se at least 14 days before the AGM. It will also be made available at Biovitrum's headquarters in Solna, Berzelius väg 8, on the Karolinska Institutet campus. A printed business review will be distributed to shareholders by mail in mid-April.

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. External conditions, for example, the economic climate, political changes and competing research programs may also affect Biovitrum's results.

This interim report has not been reviewed by the Company's auditors.

Solna, February 21, 2008

Martin Nicklasson
Chief Executive Officer

Biovitrum AB (publ)

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For further information, please contact:

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Financial calendar:

Interim Report Jan-March, 2008	April 24, 2008
Interim Report April-June, 2008	July 24, 2008
Interim Report July-Sept, 2008	October 22, 2008

Biovitrum is one of the largest biopharma companies in Europe. With operations in Sweden and the UK, Biovitrum conducts research and develops pharmaceuticals for unmet medical needs, both for common diseases and conditions that affect smaller patient populations. Biovitrum focuses on drugs for the treatment of obesity, diabetes, inflammation and blood diseases, as well as a number of well-defined specialist indications. Biovitrum develops and produces protein-based drugs on a contractual basis and markets a range of specialist pharmaceuticals primarily in the Nordic countries.

For more information, see www.biovitrum.com.

Enclosure 1

Risk Management

All business operations involve risk. Managed risk taking is a condition for maintaining a sustained favourable profitability. Risks may be due to events in the world and can effect a given industry or market. Risk can also be specific to a certain company. Biovitrum work to identify, measure and manage risk, and in some cases we can also influence the likelihood that a risk related event will occur. In cases in which events are beyond our control, we focus on the work to minimize the consequences.

Biovitrum are exposed to three main risk categories:

External related risks, e.g.

- there is no guarantee that products and processes that are included in patents already granted, will not be challenged or contested by competitors, or that granted patents will not infringe upon a competitor's patent.
- there is always a risk that the company's product concepts will be driven out of the market by similar products or that entirely new product concepts will prove superior.

Operational risks, e.g.

- Developing of a new drug up to and including launch is a both capital-intensive and hazardous process.
- Collaboration with external partners depends largely on the work of the company's partners or license holders, since these parties retain the right to a large extent to determine the amount of work and resources that will be invested in the projects
- Production and sale of ReFacto®, which represent the majority of the company's revenues, in the case that Biovitrum's production facilities were to be destroyed, damaged or for some other reason required to be shut down, would seriously affect the company's ability to manufacture ReFacto® and the company would lose a significant portion of its revenues.
- Manufacturing and sale of drug products carries significant risk for product liability claims.
- Handling hazardous materials, when The company is required to comply with laws and regulations that regulate the use, manufacture, storage, handling and disposal of such materials and waste products. Although the company feels that its safety routines for the management and disposal of such materials meet the prescribed standards, it is not possible to entirely eliminate the risk of unintentional contamination or personal injury from such materials.

Financial risks, e.g.

- The company's business is exposed to currency rate risk as a considerable portion of the revenues are paid in foreign currency, and is subject to different forms of tax exposure as a result of numerous restructuring measures and other transactions that the company has carried out or been involved in, including restructuring in connection with the transfer of operations and property. Biovitrum believes that all of these transactions have been executed, accounted for and declared correctly and in accordance with the applicable tax laws and practices.

For a more detailed description of Biovitrum's risk exposure we refer to the Annual Report 2006 which can be found at www.biovitrum.se.

Enclosure 2

Financial Statements for parent company Biovitrum AB (publ)

Income statement - Parent company

	Oct 1 - Dec 31		Full year	
Amounts in SEK million	2007	2006	2007	2006
Total revenues	299.5	244.7	1,255.8	1,200.3
Cost of goods and services sold	-88.2	-51.9	-348.8	-293.8
Gross profit	**211.3**	**192.7**	**907.0**	**906.5**
Sales and Marketing expenses	-14.6	-17.1	-43.7	-41.6
Administration expenses	-30.1	-23.1	-124.2	-125.6
Research and Development expenses	-183.5	-187.6	-689.5	-634.2
Other operating revenues	5.0	0.8	18.8	2.4
Other operating expenses	-1.5	-3.4	-13.1	-47.4
Operating profit/loss	**-13.3**	**-37.6**	**55.3**	**60.1**
Result from participation in Group companies	-36.8	-54.7	-36.8	-56.7
Interest income and similar items	8.2	23.2	24.8	40.9
Interest expenses and similar items	-0.6	-0.3	-1.4	-1.3
Profit/loss after financial items	**-42.5**	**-69.4**	**41.8**	**43.0**
Tax on profit/loss for the period	–	-1.5	–	-1.5
Profit/loss for the period	**-42.5**	**-71.0**	**41.8**	**41.5**

Condensed balance sheet - Parent company

	Dec 31	Dec 31
Amounts in SEK million	2007	2006
ASSETS		
Fixed assets		
Intangible fixed assets	160.8	122.2
Tangible fixed assets	282.5	255.0
Financial fixed assets	728.8	776.8
	1,172.2	**1,154.0**
Current assets		
Inventories	84.6	161.2
Current receivables, non-interestbearing	283.2	231.7
Short-term investments	394.6	527.2
Cash and cash equivalents	359.9	370.6
	1,122.3	**1,290.6**
Total assets	**2,294.5**	**2,444.6**
EQUITY AND LIABILITIES		
Shareholders' equity	**1,418.1**	**1,376.3**
Long term liabilities		
Long term liabilities, non-interestbearing	–	132.5
	–	**132.5**
Current liabilities		
Current liabilities, non-interestbearing	876.4	935.9
	876.4	**935.9**
Total equity and liabilities	**2,294.5**	**2,444.6**

Change of parent company´s shareholders' equity

Amounts in SEK million	2007 Jan 1 - Dec 31	2006 Jan 1 - Dec 31
Opening balance	**1,376.3**	**1,753.5**
Warrants issue (+)	–	105.6
Repurchase warrants (-)	–	-282.3
Issue of share	–	136.9
Redemption of shares [1)]	–	-378.9
Profit/loss for the period	41.8	41.5
Equity, end of period	**1,418.1**	**1,376.3**

[1)] Refering to redemption and payment of Pfizer's shares