

Unless otherwise stated in this report, all data refers to the Group. Figures in parentheses relate to the corresponding period in 2011.

OREXO'S REVENUES FROM ABSTRAL® CONTINUE TO INCREASE

During the period

- Net revenues amounted to MSEK 83.6 (41.5).
- Abstral royalty revenues increased by 39 percent to MSEK 19.4 (14.0).
- Earnings after tax were MSEK -16.2 (-39.2).
- EBITDA was MSEK -12.1 (-34.7).
- Cash flow from operating activities was a MSEK -32.9 (16.3).
- Earnings per share were SEK -0.54 (-1.67).
- Cash and cash equivalents amounted to MSEK 212.4 (150.3).
- Focused operations will reduce costs with approximately MSEK 30 on an annual basis.

After the close of the period

- Three new Board members were elected at the Annual General Meeting on April 11.

Teleconference

CEO Anders Lundström and CFO Carl-Johan Blomberg will present the report at a teleconference today at 10:15 a.m. CET. Presentation slides are available via the link and on the website. Internet: <http://livecast.wehay.com/stockontv/120427/orexo/>
Telephone: **+44 (0) 20 3003 2666 - Standard International Access; 020 089 6377 - Stockholm Toll Free; 0808 109 0700 - UK Toll Free; 1 866 966 5335 - USA Toll Free**

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CEO's comments

I am pleased to report that sales of the pain product Abstral continue to increase. During the first quarter, sales rose 39 percent compared with the corresponding period in 2011. Abstral shows a particularly strong growth in our major markets in Southern Europe.

In the US, Abstral is not until now able to compete on equal terms with other fast-acting fentanyl products following the introduction of a joint risk management system, known as REMS, in mid-March, which now also includes all products in the class.

In the first quarter, we implemented a reorganization of Orexo, aimed at focusing the operations on our proprietary development programs. These programs are based on using our own patented formulation technology and developing new products from already well-known substances. This method has been successfully applied to the development of Abstral and Edluar. The benefits we gain from this type of product development, include reduced development risk, shorter development time and lower costs.

Development of our proprietary projects proceeds according to plan. In the first quarter, we initiated registration studies in the OX219 project and we continue to work intensively toward the goal of submitting an application for regulatory approval in the first half of 2013.

In the OX51 project, under development for treatment of procedure-induced pain, preliminary work is under way in preparation for the forthcoming registration studies.

I look forward to the Capital Markets Day on May 3 in Stockholm. It is my intention to provide a clear picture of Orexo's potential to generate value through our commercially attractive products and development programs.

Anders Lundström
President and CEO

Key events during the period

- **Abstral® - sales in Europe and North America**

During the first quarter of the year, sales for Abstral in Europe remained strong, up 44 percent compared with first quarter of last year. The REMS joint risk management system, REMS, for fast-acting fentanyl products in the US, came into effect in March. ProStrakan will now be able to commence to compete on equal terms with other fact-acting fentanyl products on the US market.
- **The proprietary development programs progressing according to plan**

OX219 – Registration studies commenced during the period and the program is progressing according to plan. The aim is to submit an application for regulatory approval in the first half of 2013.

OX51 – A study commenced during the quarter in preparation for forthcoming, registration studies. The program is progressing according to plan.

OX27 – Clinical studies completed earlier confirm that OX27 can be dosed more flexibly than fentanyl-based products. Planning for the next development phase is proceeding.
- **Focused operations and reduced costs**

In March, Orexo announced that its development operations would be focused on the proprietary development programs OX219, OX51 and OX27 and that a workforce reduction of up to 35 full-time employees would be implemented. This is expected to be carried out in the second quarter of 2012 and to reduce costs by about MSEK 30 on an annual basis with full effect from 2013. The cost of this was less than MSEK 9 and was charged to earnings for the first quarter.
- **Capital Markets Day on May 3, 2012**

Orexo is arranging a Capital Markets Day for investors, analysts and the media in Stockholm on May 3, 2012. The company's management team will present the strategy, a financial review, a business update on Abstral and other launched products as well as a report on the status and ambitions of the proprietary development programs. Two external lecturers will present their perspectives on the market situation for OX219 and OX51.

Key events after the close of the period

- **Election of new Board of Directors**

The Annual General Meeting resolved to appoint Martin Nicklasson as the new Chairman of the Board and Scott Myers and Kristina Schauman as new Board members for the period extending until the close of the next Annual General Meeting. Raymond Hill, Staffan Lindstrand and Michael Shalmi were re-elected as Board members. Håkan Åström, Bengt Samuelsson and Kjell Strandberg declined re-election.

Operations

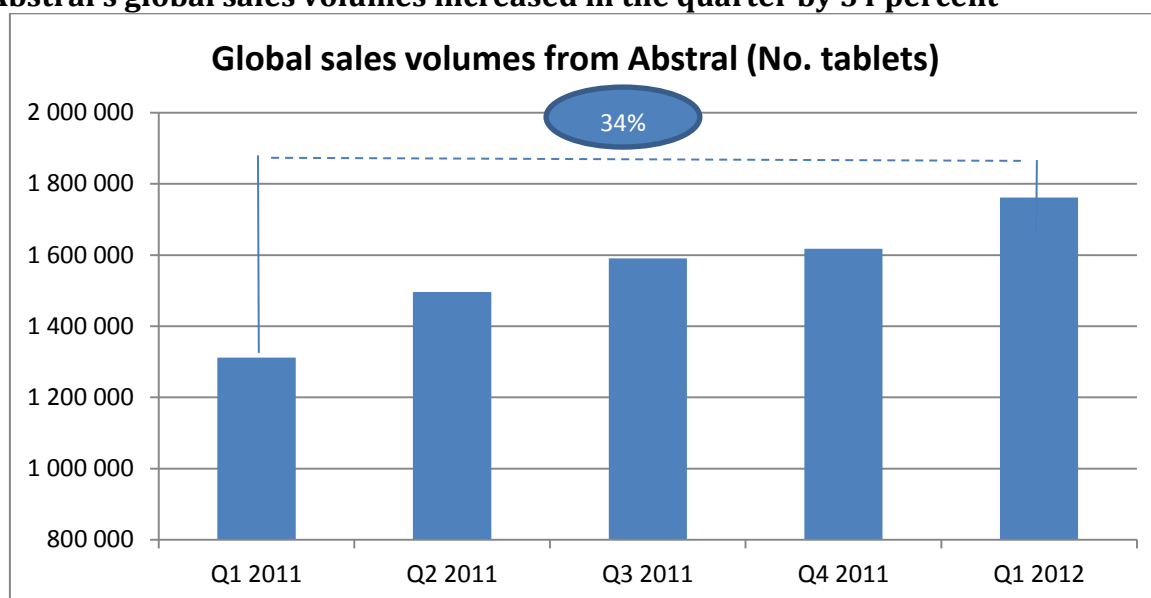
Launched products

Total revenues from Orexo's launched products increased in the January-March 2012 period by 33 percent to MSEK 35.8 (27.0).

Sales growth for Abstral® remained strong and royalty revenues from the product rose by 39 percent in January-March 2012 to MSEK 19.4 (14.0). The largest European markets for Abstral continued to show favorable growth, particularly in Southern Europe. Competition from new, fast-acting fentanyl products continued to grow in most markets. Nevertheless, Abstral has proven to be highly competitive and is retaining its market shares in the growing European markets.

In the US, Abstral is not until now able to compete on equal terms with other fast-acting fentanyl products following the introduction of a joint risk management system, known as REMS, in mid-March, which now also includes all products in the class.

Abstral's global sales volumes increased in the quarter by 34 percent



The diagram refers to invoiced sales from our partner ProStrakan Group plc to wholesalers.

Royalty revenues from Edluar™ during the period amounted to MSEK 1.2 (0.7).

Kibion's sales during the quarter totaled MSEK 10.5 (8.7). The acquisition of Wagner Analysen Technik GmbH (WAT) has thus far generated the sales synergies for Diabact® UBT that were assumed in conjunction with the acquisition. The integration of WAT is proceeding according to plan and an intensification of sales activities on the German market has already generated positive sales development for Diabact® UBT.

Orexo's Nordic joint venture, ProStrakan AB, increased its total sales during the period by 31 percent. Orexo's reported share amounted to MSEK 4.7 (3.6). Sales of Abstral® through ProStrakan AB increased by 62 percent to MSEK 4.2 (2.6) during the same period.

Collaborative projects

Revenues from new and existing licensing agreements during the period amounted to MSEK 36.7 (7.4). These consist of the portion of the milestone payment received in 2010, which has now been recognized in its entirety as revenue, from the former collaboration partner Janssen Pharmaceuticals, Inc., formerly Ortho-McNeil-Janssen Pharmaceuticals, Inc. and Janssen

Pharmaceutica NV (“Janssen”).

Regarding the partner-funded R&D costs related to collaboration projects - see page 7.

Orexo’s proprietary development programs

OX219

The project’s objective is to develop a superior product based on Orexo’s proprietary sublingual formulation technology for the treatment of opioid dependence. The registration studies were initiated according to schedule in the first quarter. Other parts of the program, involving the submission of an application for regulatory approval in the first half of 2013, are proceeding according to plan. The global market for products for the treatment of opioid dependence currently amounts to USD 1.4 billion and is expected to continue growing in the years ahead.

OX51

OX51 is a proprietary sublingual formulation of an existing drug for the treatment for acute intensive pain episodes, associated with diagnostic and therapeutic procedures. During the first quarter of the year, a study was launched aimed at determining the final formulation for forthcoming pivotal registration studies and commercial use. Each year, it is estimated that 130 million painful procedures are carried out in the US and EU.

OX27

The aim of the project is to develop a proprietary sublingual formulation of an existing pharmaceutical preparation for the treatment of breakthrough pain among cancer patients. Clinical studies confirm that OX27 can be dosed more flexibly than fentanyl-based products.

The period in figures

Consolidated statement of operations in brief

MSEK	3 months 2012 Jan-Mar	3 months 2011 Jan-Mar	12 months 2011 Jan-Dec
Net revenue	83.6	41.5	199.6
Cost of goods sold	-6.9	-6.5	-29.0
Gross profit	76.7	35.0	170.6
Selling expenses	-13.0	-12.2	-50.1
Administrative expenses	-13.6	-12.2	-49.6
Research & development costs	-56.2	-47.4	-194.4
Other operating income & expenses**	-8.0	0.2	-268.0
Operating earnings	-14.1	-36.6	-391.5
Net financial items	-2.1	-2.6	-7.9
Earnings after financial items	-16.2	-39.2	-399.4
Tax	0.0	0.0	7.4
Earnings after financial items	-16.2	-39.2	-392.0
EBITDA	-12.1	-34.7	-112.4

** Includes full-year 2011 impairment of previously acquired technology of MSEK 271.2.

Revenues

Net revenues

Net revenues for January-March 2012 amounted to MSEK 83.6 (41.5). The increase compared with the corresponding period in 2011 is primarily due to royalty revenues for Abstral, and the fact that the earlier portion recognized as liability of the milestone payment from Janssen has now been recognized in its entirety as a result of the conclusion of the CLI project (MSEK 36.7).

Net revenues were distributed as follows:

MSEK	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Abstral®- royalties	19.4	14.0	70.5
Edluar™- royalties	1.2	0.7	2.4
ProStrakan AB J/V 50%	4.7	3.6	15.6
Kibion (including WAT)	10.5	8.7	43.9
Total revenue from launched products	35.8	27.0	132.4
Partner-financed R&D costs	11.6	7.2	35.1
Licensing revenue for development projects	36.7	7.4	33.0
Other	-0.5	-0.1	-0.9
Total	83.6	41.5	199.6

Costs and earnings

Sales expenses

Sales expenses amounted to MSEK 13.0 (12.2) for the January-March 2012 period. Expenses relate primarily to marketing activities for Orexo's project portfolio, sales expenses in the subsidiary Kibion AB and the joint venture ProStrakan AB.

Administrative expenses

Administrative expenses for the January-March 2012 period were MSEK 13.6 (12.2). The increase was attributable to the reclassification of the subsidiary Kibion's operating costs and legal expenses related to the company's patient portfolio.

Research and development costs

For the January-March 2012 period, research and development costs totaled MSEK 56.2 (47.4), of which MSEK 11.6 (7.2) was covered by collaboration partners, primarily the former collaboration partner Janssen. The increase compared with the year-earlier period is attributed to activities related to clinical studies in primarily the OX219 program, which is proceeding according to plan.

Other income and expenses

Other income and expenses amounted to an expense of MSEK -8.0 (0.2) for the January-March 2012 period. Other expenses include expenses of MSEK 8.8 attributable to the ongoing workforce reduction. The remainder of other income and expenses comprises exchange-rate gains/losses.

Depreciation

Depreciation for the January – March period totaled MSEK 1.9 (1.9).

Net financial items

The net financial items for the January-March period amounted MSEK -2.1 (-2.6). Net financial items comprise interest expenses of MSEK 3.0 for convertible debentures.

Earnings

Operating earnings for the January-March period were MSEK -14.1 (-36.6).

Financial position

At March 31, 2012, cash and cash equivalents amounted to MSEK 212.4 (150.3) and interest bearing liabilities to MSEK 109.4 (99.9). Included in interest bearing liabilities are long-term liabilities with a total of MSEK 103.5 (91.0).

Cash flow from operating activities for the January – March 2012 period was a MSEK -32.9 (16.3). The year-earlier period included a lump-sum payment from Boehringer Ingelheim totaling MSEK 56.3.

Shareholders' equity at March 31, 2012 was MSEK 296.5 (427.8). The equity ratio was 61 percent (64).

Investments

Gross investments in tangible fixed assets amounted to MSEK 1.2 (1.9) for the January – March period.

Seasonal variations

Orexo's operations are not affected by seasonal variations. However, sales of pharmaceuticals in new markets can be affected by inventory build-up, particularly in the launch phase.

Parent Company

Most of the Group's business is carried out in the Parent Company, Orexo AB. Net revenue for the period January-March 2011 period totaled MSEK 59.7 (22.6), and the earnings after financial items were MSEK -60.5 (-49.2). Investments totaled MSEK 1.2 (1.9). As of March 31, 2012, cash and cash equivalents in the Parent Company amounted to MSEK 167.4 (48.4).

Significant risks and uncertainties

Significant risks and uncertainties are disclosed in the 2011 Annual Report. No material changes have occurred since the Annual Report was published.

Future reporting dates

Interim report, January – June 2012	July 12, 2012
Interim report, January – September 2012	October 25, 2012
Year-end report for the 2012 fiscal year	January 31, 2013

Interim reports will be covered in a conference call on the date of the publication. Details on how to access the calls will be provided in each report and on Orexo's website.

Uppsala, April 27, 2012
Orexo AB (publ)

Anders Lundström
President and CEO

Review report

We have reviewed the appended report for the period January 1 to March 31, 2012 for Orexo AB (publ). The Board of Directors is responsible for the preparation and fair presentation of this interim report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express an opinion on this interim report based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more restricted in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the appended interim report has not in all significant respects been compiled in accordance with the Annual Accounts Act and IAS 34 and for the Parent Company in accordance with the Annual Accounts Act.

Uppsala, April 27, 2012

PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Consolidated statement of operations

MSEK	Notes	3 months 2012 Jan-Mar	3 months 2011 Jan-Mar	12 months 2011 Jan-Dec
Net revenues		83.6	41.5	199.6
Cost of goods sold	2	-6.9	-6.5	-29.0
Gross profit		76.7	35.0	170.6
Selling expenses	2	-13.0	-12.2	-50.1
Administrative expenses	2	-13.6	-12.2	-49.6
Research and development costs	2	-56.2	-47.4	-194.4
Other operating income and expenses	2	-8.0	0.2	-268.0
Operating earnings		-14.1	-36.6	-391.5
Financial items – net		-2.1	-2.6	-7.9
Earnings before tax		-16.2	-39.2	-399.4
Income tax		-	-0.0	7.4
Net earnings for the period¹⁾		-16.2	-39.2	-392.0

Consolidated statement of comprehensive income

MSEK	3 months 2012 Jan-Mar	3 months 2011 Jan-Mar	12 months 2011 Jan-Dec
Earnings for the period	-16.2	-39.2	-392.0
Other comprehensive income			
Exchange-rate differences	-0.1	-1.6	-0.7
Other comprehensive earnings for the period, net after tax	-0.1	-1.6	-0.7
Total comprehensive earnings for the period¹⁾	-16.2	-40.8	-392.7
Earnings per share, attributable to Parent Company shareholders during the period			
Earnings per share, before dilution, SEK	-0.54	-1.67	-14.43
Earnings per share, after dilution, SEK	-0.54	-1.67	-14.43

¹⁾ All equity for the earnings for the respective period are attributable to the Parent Company's shareholders. There are no non-controlling interests.

Consolidated balance sheet

MSEK	Notes	2012 Mar 31	2011 Mar 31	2011 Dec 31
ASSETS				
Fixed assets				
Tangible fixed assets		39.0	41.7	39.2
Goodwill		33.3	17.7	33.5
Acquired research and development		116.5	386.7	116.6
Other intangible fixed assets		0.9	1.1	0.8
Total fixed assets		189.7	447.2	190.1
Current assets				
Inventories		30.2	12.4	26.7
Accounts receivable and other receivables		56.1	54.2	82.4
Cash and cash equivalents		212.4	150.3	246.9
Total current assets		298.7	216.9	356.0
Total assets		488.4	664.1	546.1
SHAREHOLDERS' EQUITY AND LIABILITIES				
	3			
Total shareholders' equity		296.5	427.8	311.1
Long-term liabilities				
Provisions		0.6	1.1	0.6
Long-term liabilities, non-interest bearing		4.2	0.0	4.2
Long-term liabilities, interest bearing		103.5	91.0	110.3
Deferred tax liability		1.8	8.6	1.8
Total long-term liabilities		110.1	100.7	116.9
Current liabilities				
Current liabilities, non-interest bearing		75.9	126.7	107.5
Current liabilities, interest bearing		5.9	8.9	10.6
Total current liabilities		81.8	135.6	118.1
Total liabilities		191.9	236.3	235.0
Total shareholders' equity and liabilities		488.4	664.1	546.1

Consolidated changes in shareholders' equity

MSEK	2012 Mar 31	2011 Mar 31	2011 Dec 31
Opening balance, shareholders' equity	311.1	468.2	468.2
Total comprehensive earnings for the period	-16.3	-40.8	-392.7
Employee stock options, vested amount	1.7	0.4	4.1
New share issues	0.0	0.0	231.5
Closing balance, shareholders' equity	296.5	427.8	311.1

Consolidated cash-flow statements

MSEK	Notes	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Operating activities		-14.0	-36.6	-391.5
Financial income and expenses		-1.4	-1.8	-5.0
Adjustment for non-cash items	4	2.8	2.6	279.3
Cash flow from operating activities before changes in working capital		-12.6	-35.8	-117.2
Changes in working capital		-20.3	52.1	0.0
Cash flow from operating activities		-32.9	16.3	-117.2
Acquisition of machinery and equipment		-1.2	-1.9	-4.7
Acquisition of subsidiaries		-	-	-10.3
Cash flow from investing activities		-1.2	-1.9	-15.0
New issue		-	-	232.0
Proceeds from the issue of convertible debentures		-	-	-
Amortization of loans		-	-	11.7
Cash flow from financing activities		-	-	243.7
Cash flow for the year				
Cash and cash equivalents at the beginning of the period		246.9	135.8	135.8
Exchange-rate difference in cash and cash equivalents		-0.4	0.1	-0.4
Changes in cash and cash equivalents		-34.1	14.4	111.5
Cash and cash equivalents at the end of the period		212.4	150.3	246.9

Key figures

	3 months 2012 Jan-Mar	3 months 2011 Jan-Mar	12 months 2011 Jan-Dec
Operating margin, %	-17	-88	-196
Profit margin, %	-19	-94	-200
Return on total capital, %	-3	-5	-53
Return on equity, %	-5	-9	-78
Return on capital employed, %	-3	-6	-63
Debt/equity ratio, %	37	23	39
Equity/assets ratio, %	61	64	57
Current ratio, %	365	160	301
Acid ratio, %	328	151	279
Average number of shares, before dilution	29,865,495	23,404,002	27,167,225
Average number of shares, after dilution	32,363,889	25,969,453	29,706,229
Number of shares, before dilution	29,865,495	23,404,502	29,865,495
Number of shares, after dilution	32,366,333	26,007,052	32,370,704
Earnings per share, before dilution, SEK	-0.54	-1.67	-14.43
Earnings per share, after dilution, SEK	-0.54	-1.67	-14.43
Shareholders' equity per share, before dilution, SEK	9.93	18.28	10.42
Shareholders' equity per share, after dilution, SEK	9.16	16.47	9.61
Number of employees at the end of the period	116	106	113
Average number of employees	117	105	107
Shareholders' equity, KSEK	296,499	427,819	311,101
Capital employed, KSEK	405,928	527,686	611,329

Definitions of key figures are presented on the final page of this report.

Parent Company statement of operations

MSEK	Notes	3 months 2012 Jan-Mar	3 months 2011 Jan-Mar	12 months 2011 Jan-Dec
Net revenues		59.7	22.6	140.8
Cost of goods sold		-	-	-
Gross profit		59.7	22.6	140.8
Selling expenses		-7.2	-6.5	-22.7
Administrative expenses		-49.5	-18.7	-76.3
Research and development costs		-52.9	-43.8	-182.5
Other operating income and expenses		-8.3	0.6	-36.7
Operating earnings		-58.2	-45.8	-177.4
Interest income and expenses		-2.3	-3.4	-10.5
Impairment of shares in subsidiaries		-	-	-255.9
Earnings after financial items		-2.3	-3.4	-266.4
Earnings before tax		-60.5	-49.2	-443.8
Tax		-	-	-
Earnings for the period		-60.5	-49.2	-443.8

Parent Company balance sheet

MSEK	Notes	3 months 2012 31 Mar	3 months 2011 31 Mar	12 months 2011 31 Dec
ASSETS				
Fixed assets				
Tangible and intangible fixed assets		39.0	41.8	39.1
Shares in subsidiaries/joint ventures		230.1	604.8	230.1
Total fixed assets		269.1	646.6	269.2
Current assets				
Inventories		15.5	5.9	15.6
Accounts receivable and other receivables		90.2	103.0	120.8
Cash and bank balances		167.4	48.4	227.9
Total current assets		273.1	157.3	364.3
Total assets		542.2	803.9	633.5
SHAREHOLDERS' EQUITY; PROVISIONS AND LIABILITIES				
Shareholders' equity		273.4	491.7	332.3
Long-term liabilities		94.9	92.1	100.4
Current liabilities		173.9	220.1	200.8
Total liabilities		268.8	312.2	301.2
Total shareholders' equity and liabilities		542.2	803.9	663.5
Pledged assets		44.0	44.0	44.0
Contingent liabilities	5	11.3	1.0	11.3

Notes

1. Accounting policies

- This interim report was prepared pursuant to IAS 34. Orexo applies IFRS as approved by the EU.
- The accounting policies stated below are identical to those applied in the preparation of the 2011 Annual Report.
- The Parent Company's financial statements were prepared in accordance with RFR 2, (Swedish Financial Reporting Board's recommendation) and Chapter 9 of the Swedish Annual Accounts Act.

New and amended accounting policies as of 2012

- No new or amended International Financial Reporting Standards have come into effect that are expected to have any significant impact on the Group.

2. Costs distributed by type of cost

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Raw materials and supplies	9.4	8.8	43.1
Other external costs	43.4	41.9	160.0
Personnel costs	44.7	27.2	117.6
Depreciation/amortization and impairment	1.9	1.9	279.1
Total	99.4	79.8	599.8

Research and development costs encompass costs for personnel, premises, external costs for clinical trials, pharmaceutical registration and laboratory services, the depreciation/amortization of equipment, and the acquisition of patents and other intangible assets. All development costs recognized in the balance sheet pertain to assets that were acquired through business combinations.

3. Shareholders' equity

Shares outstanding

The number of shares outstanding as of March 31, 2012 was 29,865,495, all of which were common shares. All shares carry entitlement to one vote each.

Number of shares outstanding at December 31, 2011 29,865,495

Options

As of March 31, 2012, a total of 2,224,867 options were outstanding that carry rights to new subscription of 2,105,922 shares in Orexo and the exchange of 118,945 options for shares in Orexo. Each option issued by Biolipox AB provides entitlement to the exchange of one share in Orexo AB, and a corresponding number of shares are held by the independent company Pyrinox AB.

The list below shows the change in the number of options during the period distributed by category.

Options to employees and Board members	Opening, Jan 1, 2012	Change	Closing, Mar 31, 2012
Of which:			
Approved and allocated employees stock options	1,541,359		
Expired		-74,500	-74,500
Exercised		-171	-171
Allotted		235,000	235,000
Total			1,701,688
Approved and allotted Board options	61,006		61,006
Total			61,006
Approved and allotted warrants	10,000		10,000
Total			10,000
Approved but not yet allotted employee stock options			
Opening balanced as approved by the 2011 AGM	565,000	-235,000	330,000
Total			330,000
Warrants held by subsidiaries as cash-flow hedging for social security fees	122,173		122,173
Total			122,173
Total number of options outstanding	2,299,538	-74,671	2,224,867

During the January-March 2012 period, a total of 171 employee stock options from Orexo's options program were exercised.

Allotment

During 2011, Orexo introduced a performance-based, long-term incentive program that prior to exercise comprises performance shares that provide entitlement to subscription for a total of 1,540,000 Orexo shares. A condition for entitlement to acquire new shares through the exercise of performance shares is that each employee fulfils certain vesting conditions. Of the total number of performance shares allotted, 50 percent are vested on the basis of time and internal operational goals ("time-based performance shares") and 50 percent is based on the share-price trend and the relative share performance ("share-price based performance shares").

Of these performance shares, 165,000 were allotted free of charge in February 2012 and 70,000 performance shares were allotted free of charge in March. Of these performance shares, 117,500 are time-based and 117,500 are share-price based performance shares. The exercise price for the performance shares that were allotted in February was set at SEK 25.60 and the exercise price for the performance shares that were allotted in March was set at SEK 26.40. The final date for exercising the options is December 31, 2021.

4. Cash flow

Adjustment for non-cash items

MSEK	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Depreciation/amortization and impairment	1.9	1.9	279.0
Estimated costs for employee stock options program	1.6	1.4	3.1
Financial expenses, convertible bond	-0.7	-0.7	-2.9
Bad debt losses	-	-	0.1
Total	2.8	2.6	279.3

5. Pledged assets and contingent liabilities

During 2010, the Inflazyme project was discontinued, which entailed recognition of the entire supplementary purchase consideration of MSEK 44.9 as a contingent liability.

As cash-flow hedging for social security fees pertaining to the employee stock options issued by Biolipox, warrants were issued to Pyrinox AB. Orexo has pledged to handle any deficits exceeding the cover provided by the warrants during their lifetime through December 31, 2016.

Orexo acquired the UK drug company PharmaKodex in February 2009. This acquisition includes conditional payments based on license revenues from the current PharmaKodex program and technologies, as well as on payments for certain milestones. These are not recognized as a liability since it is not probable that any payment will be made.

Definitions of key figures

Key figures and certain other operating information per share are defined as follows:

Number of shares after full dilution	Total number of shares plus the maximum number of shares that can be subscribed through options outstanding.
Number of shares after dilution	Shares at year end adjusted for the dilutive effect of potential shares.
Return on total capital	Operating profit/loss plus financial revenues as a percentage of average total assets.
Return on shareholders' equity	Profit/loss for the period divided by average shareholders' equity.
Return on capital employed	Operating profit/loss plus financial revenues as a percentage of average capital employed.
Current ratio	Current assets as a percentage of current liabilities.
Gross margin	Gross profit divided by net revenues.
EBITDA	Earnings before interest, taxes, depreciation, and amortization.
Shareholders' equity per share, before dilution	Shareholders' equity divided by the number of shares outstanding before dilution at the end of the period.
Shareholders' equity per share, after dilution	Shareholders' equity divided by the number of shares outstanding after dilution at the end of the period.
Average number of employees	Average number of full-year employees for the period.
Acid test ratio	Current assets excluding inventories as a percentage of current liabilities.
Capital turnover rate	Net revenues divided by average operating capital.
Net debt	Current and long-term interest-bearing liabilities including pension liabilities, less cash and cash equivalents.
Operating capital	Total assets less interest-free liabilities and provisions less cash and cash equivalents.
Earnings per share, before dilution	Profit/loss for the period after tax divided by the average number of shares outstanding before dilution during the period.
Earnings per share, after dilution	Profit/loss for the period after tax divided by the average number of shares outstanding after dilution during the period.
Annual return on shareholders' equity	Profit/loss for the period after tax divided by the average number of shares outstanding before dilution during the period.
Interest-coverage ratio	Profit/loss after net financial items plus interest expenses and similar items, divided by expenses and similar items.
Working capital, net	Interest-free current assets less interest-free current liabilities.
Working capital, net/net revenues	Average working capital, net, divided by net revenues.
Operating margin	Operating profit/loss as a percentage of net revenues.
Debt/equity ratio	Interest-bearing liabilities divided by shareholders' equity.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.
Capital employed	Interest-bearing liabilities and shareholders' equity.
Profit margin	Profit/loss after net financial items as a percentage of net revenues.

Note

Orexo AB publ discloses the information provided herein pursuant to the Securities Markets Act. The information was provided for public release on April 27, 2012, at 8:00 a.m. This report has been prepared in both Swedish and English. In the event of any discrepancy in the content of the two versions, the Swedish version shall prevail.