

Karolinska Development AB (publ) - Interim report January - September 2011

STOCKHOLM - November 25, 2011. Karolinska Development AB (publ) announces publication of its Interim Report January-September, 2011. The full report is available on the company's website. A conference call will be held today at 14.00 CET, participant access numbers: +46 (0)8 505 598 12, UK: +44 (0)20 710 862 05. The full report and the conference call presentation are available on the company's website.

Torbjörn Bjerke, CEO Karolinska Development, comments: *"The third quarter was distinguished by a continued high level of activity in both business development and our portfolio companies' projects. We were especially pleased by Axelar's completed safety study on AXL1717 during the quarter, where the major objectives were all met. The results show that AXL1717 has the potential to be an important new treatment for non-small cell lung cancer patients. The next step for Axelar is to initiate a randomized Phase II clinical study of non-small cell lung cancer patients. We expect the first patients to enter the study before the end of the year, according to plan. Further, Dilaforette has initiated a Phase I/II study with Sevuparin for the treatment of severe malaria. This is the first time Sevuparin is being tested on malaria patients.*

Our efforts to evaluate and prioritize the portfolio are continuing with the goal of redistributing resources to projects that are considered to have the greatest commercial potential. During the quarter, the preclinical company Avaris was fully written down after it did not meet the targets Karolinska Development had set to merit further investments in the company.

The inflow of new innovations is promising and the strengthening of our management team by adding Michael Sundström is therefore very important. With his vast international experience from academia as well as the pharmaceutical industry, he will play an important role as Vice President Discovery Research with responsibility for new projects and as CEO of our subsidiary Actar. I am looking forward to the quarters ahead, which are likely to be eventful."

Significant events during the third quarter

- Axelar AB published promising data for AXL1717 from its completed Phase I/II study in cancer patients.
- Dilaforette AB initiated a Phase I/II study with Sevuparin for the treatment of severe malaria.
- Michael Sundström was appointed Vice President Discovery Research of Karolinska Development and CEO of the subsidiary Actar AB.
- The preclinical portfolio company Avaris AB did not reach the targets that had been set and further investments have been discontinued. The holding has been fully written down, which affects the operating result for the reporting period by SEK -53.7m and the financial net by SEK -4.5m for loan receivables which have been written down.

Group

Amounts in SEKm	2011 Jul-Sep	2010 Jul -Sep	2011 Jan - Sep	2010 Jan - Sep
Revenue	1.9	3.1	7.1	11.5
Profit/loss after tax	-140.5	-15.1	-271.3	-114.7
Earnings per share before and after dilution (SEK)	-2.64	-0.33	-5.88	-3.27
Investments in portfolio companies *	11.6	55.7	237.9	143.6
<i>Of which conversions and transfers not affecting cash flow</i>	2.4	0	108.9	0
<i>Of which investments in subsidiaries</i>	0	13.6	69.0	43.1
Cash flow			58.0	-348.0
Cash, cash equivalents and short-term			691.9	331.0

investments

Net asset value per share (SEK)

46.67 58.54

Value of total portfolio

1,563.9 1,556.6

***Investments in portfolio companies affecting cash flow amounted to SEK 129.0m for the interim period. Of this amount, SEK 69.0m related to investments in subsidiaries, due to which the Group's Investments and transfers affecting cash flow amounted to SEK 60.0m.**

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TO THE EDITORS

About Karolinska Development

Karolinska Development aims to create value for investors, patients, and researchers by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading Nordic universities, delivers a continuous flow of innovations. Today, the portfolio consists of 34 projects, of which 12 are in clinical development. For more information, please visit www.karolinskadevelopment.com.

Press Release as PDF: <http://hugin.info/143071/R/1566560/486448.pdf>

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