

Press release May 15, 2008

## **Biovitrum Implements Strategic Restructuring of the R&D Organization**

### **Running R&D expenses estimated to be reduced by MSEK 115 on a rolling twelve-month basis**

STOCKHOLM, May 15, 2008. The Swedish pharmaceutical company Biovitrum AB (publ) (TICKER: STO:BVT) today announced that it has completed the review of its research and development organization as announced in November 2007, when the company's new business strategy was initiated. In the new strategy, Biovitrum will focus on specialist care pharmaceuticals, as well as taking its projects all the way to market. Consequently, Biovitrum is in the process of out-licensing a majority of the company's primary care projects. As previously announced, this may also mean that individual projects could be terminated. Therefore, the company's R&D organization needs to be restructured and adjusted to the new business focus.

In total, some 150 positions have been thoroughly reviewed, especially the parts of the organization working with primary care projects and biotechnical contract development. During this process, about 100 people have either left the organization, been internally reallocated or identified as redundant. The restructuring is now completed, leading to an estimated one-off cost of MSEK 70. The running fixed R&D expenses are estimated to decrease with about MSEK 115 on a rolling twelve-month basis.

Furthermore, Biovitrum's expertises in protein process development, previously part of contract production, have been integrated in the R&D organization. This will provide the company with the competence and capacity to develop small molecule and protein pharmaceuticals for diseases with high unmet medical needs. In the new R&D organization, more people than before will be working with development projects, and at the same time, running external costs (e. g. clinical trial costs) will constitute a larger portion of the R&D budget.

"The size, flexibility and competence of our new R&D organization make us well equipped to effectively deliver current and future specialist care products all the way to the market. The present staffing reduction and R&D restructuring is a necessary, albeit painful, step to ensure Biovitrum's continued route to future growth", said Martin Nicklasson, CEO of Biovitrum.

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**About Biovitrum**

Biovitrum is a pharmaceutical company with operations in Sweden and in the UK. Biovitrum has currently a research portfolio with several projects in clinical and preclinical phases for a number of well defined specialist indications as well as for common diseases within obesity, diabetes, inflammation and eye diseases. Biovitrum develops and produces protein-based drugs on a contractual basis and markets a range of specialist pharmaceuticals primarily in the Nordic countries. Biovitrum has revenues of approximately SEK 1.2 billion and around 480 employees. Biovitrum's share is listed on the OMX Nordic Exchange in Stockholm since September 15, 2006. For more information see [www.biovitrum.com](http://www.biovitrum.com).