



2008-06-25

PRESS RELEASE

Oasmia expands license agreement for Paclical® Vet to include European-wide rights

Oasmia Pharmaceutical has expanded the agreement with Orion Corporation, Finland. Orion's exclusive marketing and sales rights for Paclical® Vet now includes all European countries. Altogether the agreement now amounts to about 10 million Euro.

Orion will pay an additional 8 million Euro consisting of a 3.25 million signing-fee and milestone payments based on the development and registration of the product. Oasmia will also receive considerable royalties on all sales in the region. The previous agreement only concerned the Nordic countries and a few countries in Europe with a total of 2 million Euro.

- After thorough consideration, we have decided that Orion Animal Health is the ideal partner for Oasmia and Paclical® Vet. We share the same views on development, potential, market and vision for the product. Orion has a strong confidence in our platform and product portfolio. This agreement enables us to focus on the development of our other Animal Health pharmaceuticals and Orion to focus on the market introduction, says Julian Aleksov, CEO of Oasmia.

The first Phase III study on Paclical® Vet has just been completed and the interim results have exceeded all expectations. A second international Phase III study is initiated and will constitute the basis for the US and world-wide registration of Paclical® Vet. When registered, Paclical® Vet will be the first cytostatic in the world registered for veterinary medicine.

The market

Today, there are 140 million dogs only in the EU and the US. The market, calculated as the number of dogs over six years old in the EU and the US of which 40 % will suffer from cancer, totals 1.5 billion USD. Europe accounts for about 35 % of the total world market.

About mastocytoma (Skin cancer)

Mastocytoma is a malignant form of cancer, originating from the mastocytom cells of the skin. The disease is graded I – III depending on the seriousness of the disease. This form of cancer accounts for approximately 20 % of all malignant skin tumours in dogs. Today, the most common form of treatment is surgery, although chemotherapy developed for human use is also used. Unfortunately, surgery as a treatment of grade III tumours is ineffective, and euthanasia is often the only remaining alternative.

About Paclical® Vet

Paclical® Vet is a water soluble, solvent free nanoparticle formulation, based on the well-known cytotoxic substance paclitaxel. It's unique properties are based on Oasmia's nanotechnological formulation and micellar model XR-17, which is protected by international patents. The new Oasmia platform means that paclitaxel is water-soluble, that no premedication is necessary, infusion times can be shortened and infusion procedure can be made more effective.



About Oasmia

Oasmia Pharmaceutical AB develops second and third generation cancer drugs based on nanotechnology for human and veterinary use. The broad portfolio is focused on oncology and contains several promising products in clinical and pre-clinical phase. Oasmia cooperates with leading universities and other biotech companies to discover and optimize substances with a favourable safety profile and better efficacy. The company was founded in 1998 and is based in Uppsala, Sweden.

About Orion

Orion is a European pharmaceutical and diagnostics company which emphasises the development of innovative medicinal treatments and diagnostic tests for global markets. Orion develops, manufactures and markets pharmaceuticals for humans and animals, active pharmaceutical ingredients as well as diagnostic tests. Orion's clientele consists mainly of healthcare service providers and professionals. The Group's net sales in 2007 were EUR 683.6 million and in the end of 2007 there were 3 176 employees working for the Group. Orion's stocks are listed in OMX Nordic Exchange Helsinki.

More information is available at www.ngm.se or www.oasmia.com

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