



Uppsala Jul 13, 2009

PRESS RELEASE

Oasmia Pharmaceutical, Sweden, announces distribution agreement with Abbott Laboratories for Paccal® Vet on the US and Canadian veterinary market.

The agreement concerns the marketing and distribution rights for the pharmaceutical candidate Paccal® Vet in the USA and Canada. Oasmia will receive more than SEK 150 million in upfront and milestone payments and additional royalties on all sales. Abbott will be responsible for the product launch in the region and Oasmia for clinical development, production and registration.

The North American market for companion animal drugs is the largest market of its kind in the world. In 2006 total sales amounted to USD 3.75 billion¹ and the market is growing steadily. The financial terms for this multi-year agreement with Abbott are completely in line with previous agreements, although they are adjusted for the North American market.

- It is incredibly strengthening and a crucial step for Oasmia to present this agreement with Abbott for the largest market within veterinary medicine in the world. Abbott has a very well-established sales organization and a long tradition in the USA, since it is one of the larger pharmaceutical companies in the world, said Julian Aleksov, CEO of Oasmia.

Oasmia is currently negotiating with several potential partners concerning license and distribution rights for Paccal® Vet for other geographical regions in the world. The company's position in these negotiations has strengthened considerably with this agreement and Oasmia estimates that more agreements can be presented in the near future both within Human and Animal Health.

Paccal® Vet is a new formulation of the active ingredient paclitaxel for the treatment of mastocytoma in dogs, a type of skin cancer. Paclitaxel has been used in treating cancer in humans since 1993. Traditional formulations of paclitaxel were insoluble in water, thus requiring the medication to be dissolved in solvents, which led to low tolerability and severe adverse effects in dogs. Paccal® Vet uses a novel, non-toxic nanoparticle formulation that overcomes those challenges and provides a high level of water solubility.

¹ Animal Pharm Reports Companion Animal Health Products: 2006 Edition by Tim Wesley

In the United States alone an estimated one million dogs are diagnosed with cancer annually. One out of every four dogs will die of cancer and it is the number one cause of death in dogs over two years of age. Mast cell tumors are among the most common skin tumors in dogs, and are often difficult to manage. Most of these dogs will be treated with surgery, but many patients may require additional or alternative treatment with radiotherapy and chemotherapy. Radiotherapy is not widely available, and where it is an option it remains complicated, expensive, and requires the patient to undergo several procedures where anesthesia is necessary.

About Paccal® Vet

With the retinoid based unique platform XR-17, Oasmia developed a water soluble formulation of paclitaxel (Paccal® Vet), that does not require premedication and abolishes Cremophor® EL related side effects. Two clinical trials have been performed in client owned dogs with tumors refractory to standard treatment. The results are very promising, both regarding tolerability and tumor response. In one clinical study of dogs with Grade II/III mast cell tumors, the overall response rate (either complete disappearance of all signs of cancer or the tumor shrinks or stops growing completely) was 69.5 percent.² The studies also show that the pharmacokinetic and side-effect profiles in dogs are supported by parallel trials in humans.

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 the clinical and pre-clinical phase. Oasmia cooperates with leading universities and other biotech companies to discover and optimize substances with a favorable safety profile and better efficacy. The company is based in Uppsala, Sweden.

About Abbott Animal Health

Abbott Animal Health is dedicated to providing a better future for animals, owners and veterinary professionals. Abbott's continuing education programs, comprehensive training tools, on-call expertise and technical service set the standard in the industry. Abbott products are trusted at thousands of veterinary hospitals and clinics every day.

About Abbott

Abbott is global, broad-based health care company devoted to the discovery, development, manufacture and marketing of pharmaceuticals and medical products, including nutritionals, devices and diagnostics. The company employs more than 72,000 people and markets its products in more than 130 countries. Abbott's news releases and other information are available on the company's Web site at www.abbott.com.

For more information contact: Maria Lundén, Head of Public Relations, Oasmia Pharmaceutical AB. E-mail: press@oasmia.com Tel: +46 (0)18 505 440. More information is available at www.oasmia.com

² von Euler H, Åkerlund-Denneberg N, Rivera P, Bergvall K, Kessler M, Rowe A, Willmann M, Persson G, Kastengren Fröberg G, Westberg S and Kristianson K. *Efficacy and safety in an open label single arm multi center phase III trial of a new formulation of paclitaxel (Paccal® Vet) in dogs with mast cell tumours grade II and III.* ESVONC Annual Congress March 26-29, 2009 at Hotel Silvanus, Visegrád, Budapest, Hungary