

# Oasmia Pharmaceutical AB (publ)

## Year-end report

for the fiscal year May 2011- April 2012



Page 1-9 is a service to shareholders in the euro zone. It is not the official report in the functional currency of Oasmia, which is SEK, but the first nine pages of that report converted to EUR. The full official report will be found on pages 10-23. The conversion of currency has been made by use of a convenience rate for all figures including those from previous periods. This rate is the closing rate as per April 30, 2012 which was 8.9004 SEK per one EUR. Some figures are in SEK because these are very firmly denominated in SEK.

### THE FISCAL YEAR May 1, 2011 – April 30, 2012

- Consolidated Net sales amounted to €100 thousand (12)<sup>1</sup>
- Operating income amounted to €-7,363 thousand (-7,230)
- Net income after tax amounted to €-7,378 thousand (-7,411)
- Earnings per share amounted to €-0,13 (-0,17)
- Comprehensive income amounted to €-7,378 thousand (-7,411)

### THE FOURTH QUARTER February 1 – April 30, 2012

- Consolidated Net sales amounted to €0 thousand (0)
  - Operating income amounted to €-2,182 thousand (-2,445)
  - Net income after tax amounted to €-2,218 thousand (-2,417)
  - Earnings per share amounted to €-0,04 (-0,05)
  - Comprehensive income amounted to €-2,218 thousand (-2,417)
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- Oasmia intends to complement the application for market approval with the EMA by performing a new smaller study.

### EVENTS AFTER CLOSING DAY

- Oasmia and Orion jointly end Paccal® Vet agreement. Oasmia is finalizing an agreement with another party
- Nexttobe AB expands commitment to Oasmia through a MSEK 65 loan.

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<sup>1</sup>The numbers in parentheses concerns results for the corresponding period previous year



## BUSINESS ACTIVITIES IN THE YEAR

### PRODUCT DEVELOPMENT

Oasmia's product candidates are in varying stages of pre-clinical and clinical development. Two of them are in late final clinical phase and Oasmia is proceeding with utmost diligence in order to launch these in their respective markets as soon as practically possible.

### HUMAN HEALTH

Within Human Health, Oasmia has three product candidates in development all of which are novel formulations of current cytostatics for treatment of cancer, with an improved safety and/or effect, which leads to an improved quality of life for the patient.

#### Paclical®

Paclical® is a novel formulation of the well-known substance paclitaxel which is frequently used within treatment of cancer.

The Phase III study with Paclical® reached an enrolment of 650 patients in September 2011. Based on this has Oasmia since then worked on compiling the documentation for applications of market authorizations to authorities in Russia, EU, Israel and Turkey.

In August 2011, Oasmia announced the results of an interim analysis comprising 400 patients in the Phase III study with Paclical® for treatment of ovarian cancer. The results met the clinical criteria stated by the EMA for submitting an application for market approval for Paclical®.

In August 2011, Oasmia and Orion terminated the collaboration for Paclical® and all rights returned to Oasmia.

In May 2011, a license- and distribution agreement was signed with Medison Pharma for Paclical® in Israel and Turkey.

Paclical® is designated as an orphan drug by the pharmaceutical authorities EMA (EU) and FDA (USA) for the indication ovarian cancer. Orphan drug status is granted for minor indications and entails seven (USA) and ten (EU) years market exclusivity respectively on the indication, when a market approval is granted.

#### Doxophos®

Doxophos® is a novel patented formulation of doxorubicin, one of the most effective and used substances for treatment of cancer. Currently, doxorubicin is used for treatment of about 20 different types of cancer. Oasmia has performed pre-clinical studies with Doxophos® and preparations are being made to start a clinical Phase I study.

#### Docecal®

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## ANIMAL HEALTH

Oasmia has two product candidates in development within Animal Health for treatment of the two most common cancers in dogs.

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Oasmia's application of market approval for Paccal® Vet for treatment of mastocytoma, squamous cell carcinoma (conditional approval) and mammary tumors (conditional approval) in dogs is currently being processed by the FDA and Oasmia is now awaiting information from the authority.

It has been Oasmia's ambition to increase the indications for Paccal® Vet in the USA to more than just mastocytoma and this has been successful:

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There is no on-going process to find a replacement for CEO Julian Aleksov.

### Change of subsidiary names

In March, the names of two dormant subsidiaries were changed into Oasmia Animal Health AB and Oasmia Global Supplies AB.

### Ongoing extension of patent protection

In March 2012, Oasmia reported that the patent protection for the company technology, which comprises all important world markets, has been extended to the end of 2028 by submission and approval of new patent applications made by Oasmia.

### New loans

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In October 2011, a private placement was made to a limited number of investors. The share issue provided the company with MSEK 48 before issue expenses. The largest block, MSEK 30, was subscribed by the company Nexttobe AB. In connection to the share issue, Nexttobe AB also acquired shares from Oasmia's largest owner Alceco and thereby became the second largest shareholder in Oasmia with about 10 % of the shares and votes. Alceco held about 46 % of the shares and votes after the share issue and sales.

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Nexttobe AB expands its commitment to Oasmia through a MSEK 65 loan.

In May 2012 Nexttobe AB expanded its commitment in Oasmia, this time by an additional loan of MSEK 65. The interest rate is 5 %. Nexttobe is the second largest shareholder and Oasmia had previously raised a MSEK 25 loan from them which makes the total borrowing from Nexttobe to Oasmia MSEK 90.



## FINANCIAL INFORMATION

### Consolidated Income Statement in brief

€thousands	2012	2011	2011/12	2010/11
	Feb-April	Feb-April	May-April	May-April
Net sales	-	-	100	12
Capitalized development cost	1,610	2,280	7,110	9,668
Operating income	-2,182	-2,445	-7,363	-7,230
Net income after tax	-2,218	-2,417	-7,378	-7,411
Earnings per share (€), before and after dilution*	-0.04	-0.05	-0.13	-0.17
Comprehensive income for the period	-2,218	-2,417	-7,378	-7,411

\*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2010/2011.

#### Net sales

Net sales for the fiscal year amounted to €100 thousand (12) and consisted of license revenue in connection to closing an agreement with Medison Pharma.

In the fourth quarter, the company had no revenues (-).

#### Capitalized development cost

Capitalized development cost consists of the company's investments in clinical Phase III trials. The capitalization means that such costs are capitalized as an intangible asset. They amounted to €7,110 thousand (9,668) for the year and concerned Paclical® only. The reduction compared to the same period previous year is due to that no capitalization is made for Paccal® Vet this year and that the costs for Paclical® was reduced compared to the previous year.

During the fourth quarter, capitalization amounted to €1,610 thousand (2,280).

#### Operating expenses

The total operating expenses excluding depreciation and impairment amounted to €14,016 thousand (16,400). This is a decrease with 15 % and is attributable to expenses for Paccal® Vet in Phase III had all but ended at the start of the year and that expenses for Paclical® in Phase III are no longer increasing.

Of these operating expenses about half, 51 % (59), concerned the company product candidates in Phase III, which were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively, which has a negative effect on the company income.

Operating expenses during the fourth quarter amounted to €3,654 thousand (4,585).

The number of employees was 77 (68) at the end of the year. During the fourth quarter, the number of employees decreased from 80 to 77.

#### Income for the year

Net income for the year was € -7,378 thousand (-7,411). In the fourth quarter, the corresponding income amounted to € -2,218 thousand (-2,417).

The business activities of the Group have not been affected by seasonal variations or cyclic effects.

#### Financial position

The consolidated liquid assets at the end of the year amounted to €228 thousand (5,831). Equity at the same time amounted to €30,726 thousand (33,051). At the end of the year, the equity/assets ratio was 78 % (92) and the debt/equity ratio 11 % (0).

On April 30, the company had available credits amounting to TSEK 30 000, where TSEK 7 797 had been utilized. In addition, the company had raised a TSEK 25 000 loan from Nexttobe and has an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000.



### Cash flow and Capital expenditures

Cash flow from operating activities in the year amounted to €-5,892 thousand (-6,471).

Capital expenditures for the year amounted to €8,549 thousand (11,085).

Investments in intangible assets amounted to €8,222 thousand (9,926), consisting of capitalized development costs €7,110 thousand and patents and other intangible assets €1,112 thousand.

Investments in property, plant and equipment amounted to €327 thousand (1,160) and concerned production equipment. The reason that investments were considerably higher previous year was that the production facility in Uppsala was then subject to a large upgrade.

### Financing

Financing in the period was performed by use of liquid assets at the beginning of the year. In October, a private placement provided the company with €5,053 thousand after issue expenses and in the final quarter the business activities were financed by loans and utilization of credits.

### The parent company

The parent company net sales in the year amounted to €100 thousand (12) and net income before tax amounted to €-7,396 thousand (-7,415). The parent company liquid assets at the end of the year amounted to €227 thousand (5,829).

### Key ratios and other information

	2012	2011	2011/12	2010/11
	Feb-April	Feb-April	May-April	May-April
Number of shares at the close of the period (in thousands), before and after dilution*	57,241	52,079	57,241	52,079
Weighted average number of shares (in thousands) before and after dilution*	57,241	52,079	54,660	44,061
Earnings per share in € before and after dilution*	-0.04	-0.05	-0.13	-0.17
Equity per share, €	0.54	0.63	0.54	0.63
Equity/Assets ratio, %	78	92	78	92
Net liability, €thousand	3,457	-5,831	3,457	-5,831
Debt/Equity ratio, %	11	0	11	0
Return on total assets, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Number of employees at the end of the period	77	68	77	68

\*Recalculation of historical values has been made with respect to capitalization issue elements in the preferential rights share issue carried out in the third quarter 2010/11.

### Definitions

Earnings per share: The income for the period attributable to the equity holders of the parent company divided by a weighted average number of shares, before and after dilution.

Equity per share: Equity in comparison with the number of shares at the end of the period

Equity/assets ratio: Equity pertaining to the balance sheet total.

Net liability: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deductions for liquid funds

Debt/Equity ratio: Net liability with respect to equity.

Return on total assets: Income for interest expenses pertaining to the average balance sheet total.

Return on equity: Income after financial items in relation to the average equity.

## Consolidated Income statement

€thousands	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Net sales	-	-	100	12
Capitalized development cost	1,610	2,280	7,110	9,668
Other operating income	5	16	12	30
Raw materials, consumables and goods for resale	-256	-747	-1,138	-1,811
Other external expenses	-2,122	-2,711	-8,256	-10,390
Employee benefit expenses	-1,276	-1,127	-4,623	-4,199
Depreciation/amortization and impairment	-143	-141	-569	-525
Other operating expenses	-	-15	-	-15
Operating income	-2,182	-2,445	-7,363	-7,230
Financial income	3	28	41	54
Financial expenses	-38	-1	-56	-236
Financial items, net	-36	27	-15	-181
Income before taxes	-2,218	-2,418	-7,378	-7,412
Taxes	-	1	-	1
Income for the period	-2,218	-2,417	-7,378	-7,411
Income for the period attributable to:				
Equity holders of the Parent company	-2,218	-2,417	-7,378	-7,411
Non-controlling interest	-	-	-	-
Earnings per share				
Before dilution, €	-0.04	-0.05	-0.13	-0.17
After dilution, €	-0.04	-0.05	-0.13	-0.17

## Consolidated Statement of Comprehensive income

€thousands	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Income for the period	-2,218	-2,417	-7,378	-7,411
Comprehensive income for the period	-2,218	-2,417	-7,378	-7,411
Comprehensive income for the period attributable to:				
Equity holders of the Parent company	-2,218	-2,417	-7,378	-7,411
Non-controlling interest	-	-	-	-
Comprehensive Earnings per share				
Before dilution, €	-0.04	-0.05	-0.13	-0.17
After dilution, €	-0.04	-0.05	-0.13	-0.17

## Consolidated statement of financial position

€thousands	2012-04-30	2011-04-30
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	2,920	3,061
Capitalized development cost	32,604	25,494
Other intangible assets	3,079	1,042
Financial assets	0	0
<b>Total Non-current assets</b>	<b>38,603</b>	<b>29,597</b>
Current assets		
Inventories	33	-
Other current receivables	196	241
Prepaid expenses and accrued income	243	321
Liquid assets	228	5,831
<b>Total Current assets</b>	<b>700</b>	<b>6,392</b>
<b>TOTAL ASSETS</b>	<b>39,302</b>	<b>35,989</b>
<b>EQUITY</b>		
Equity attributed to equity holders in the Parent Company		
Share capital	643	585
Other capital provided	51,439	46,444
Retained earnings	-21,357	-13,978
<b>Total</b>	<b>30,726</b>	<b>33,051</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>30,726</b>	<b>33,051</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Other non-current liabilities	1,827	1,727
<b>Total Non-current liabilities</b>	<b>1,827</b>	<b>1,727</b>
Current liabilities		
Liabilities to credit institutions	359	-
Short-term borrowings	3,326	-
Trade payables	1,155	430
Other current liabilities	1,215	157
Accrued expenses and prepaid income	694	623
<b>Total Current liabilities</b>	<b>6,749</b>	<b>1,211</b>
<b>Total Liabilities</b>	<b>8,576</b>	<b>2,938</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,302</b>	<b>35,989</b>



## Consolidated statement of changes in equity

€thousands	Attributable to equity holders in Parent company			Non-controlling interest	Total equity
	Share capital	Other capital provided	Retained earnings		
Opening balance as of May 1, 2010	423	22,077	-6,574	6	15,932
Comprehensive income for the period	-	-	-7,411	-	-7,411
Acquired non-controlling interest	-	-	6	-6	0
New share issue	163	26,656	-	-	26,819
Issue expenses	-	-2,289	-	-	-2,289
Closing balance as of April 30, 2011	585	46,444	-13,978	0	33,051
Opening balance as of May 1, 2011	585	46,444	-13,978	0	33,051
Comprehensive income for the period	-	-	-7,378	-	-7,378
New share issue	58	5,335	-	-	5,393
Issue expenses	-	-340	-	-	-340
Closing balance as of April 30, 2012	643	51,439	-21,357	0	30,726

## Consolidated Cash flow statement

€thousands	2012	2011	2011/12	2010/11
	Feb-April	Feb-April	May-April	May-April
<b>Operating activities</b>				
Operating income before financial items	-2,182	-2,445	-7,363	-7,230
Depreciation/amortization	143	139	569	522
Impairment of inventory	-	11	-	11
Disposals of intangible assets	-	15	-	15
Interest received	3	28	41	54
Interest paid	-38	-1	-56	-156
Cash flow from operating activities before working capital changes	-2,075	-2,254	-6,810	-6,784
<b>Change in working capital</b>				
Change in inventories	-	-	-33	-
Change in trade receivables	-	-	-	7
Change in other current receivables	-22	239	122	-50
Change in trade payables	533	-7	725	197
Change in other current liabilities	127	104	104	159
Cash flow from operating activities	-1,436	-1,918	-5,892	-6,471
<b>Investing activities</b>				
Investments in intangible fixed assets	-2,461	-2,335	-8,222	-9,926
Investments in property, plant and equipment	-114	-145	-327	-1,160
Cash flow from investing activities	-2,575	-2,480	-8,549	-11,085
<b>Financing activities</b>				
Increase in liabilities to credit institutions	359	-	359	-
Decrease in liabilities to credit institutions	-	-	-	-482
Increase in long-term liabilities	-	-	100	-
New share issue	-	-	5,393	18,954
Issue expenses	-	-	-340	-2,289
New loans	3,326	-	3,326	6,600
Cash flow from financing activities	3,685	0	8,838	22,784
Cash flow for the period	-326	-4,398	-5,603	5,227
Cash and cash equivalents at the beginning of the period	554	10,229	5,831	604
Cash and cash equivalents at the end of the period	228	5,831	228	5,831



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for the fiscal year May 2011- April 2012

#### THE FISCAL YEAR May 1, 2011 – April 30, 2012

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- Operating income amounted to TSEK – 65 536 (-64 353)
- Net income after tax amounted to TSEK – 65 670 (-65 960)
- Earnings per share amounted to SEK -1,20 (-1,50)
- Comprehensive income amounted to TSEK -65 670 (-65 960)

#### THE FOURTH QUARTER February 1 – April 30, 2012

- Consolidated Net sales amounted to TSEK 0 (0)
  - Operating income amounted to TSEK – 19 419 (-21 764)
  - Net income after tax amounted to TSEK – 19 737 (-21 513)
  - Earnings per share amounted to SEK -0,34 (-0,41)
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Capitalized development cost	14 332	20 291	63 282	86 049
Operating income	-19 419	-21 764	-65 536	-64 353
Net income after tax	-19 737	-21 513	-65 670	-65 960
Earnings per share (SEK), before and after dilution*	-0,34	-0,41	-1,20	-1,50
Comprehensive income for the period	-19 737	-21 513	-65 670	-65 960

\*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2010/2011.

#### Net sales

Net sales for the fiscal year amounted to TSEK 891 (106) and consisted of license revenue in connection to closing an agreement with Medison Pharma.

In the fourth quarter, the company had no revenues (-).

#### Capitalized development cost

Capitalized development cost consists of the company's investments in clinical Phase III trials. The capitalization means that such costs are capitalized as an intangible asset. They amounted to TSEK 63 282 (86 049) for the year and concerned Paclical® only. The reduction compared to the same period previous year is due to that no capitalization is made for Paccal® Vet this year and that the costs for Paclical® was reduced compared to the previous year.

During the fourth quarter, capitalization amounted to TSEK 14 332 (20 291).

#### Operating expenses

The total operating expenses excluding depreciation and impairment amounted to TSEK 124 751 (145 970). This is a decrease with 15 % and is attributable to expenses for Paccal® Vet in Phase III had all but ended at the start of the year and that expenses for Paclical® in Phase III are no longer increasing.

Of these operating expenses about half, 51 % (59), concerned the product candidates in Phase III and were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively, which has a negative effect on the company income.

Operating expenses during the fourth quarter amounted to TSEK 32 525 (40 810).

The number of employees was 77 (68) at the end of the year. During the fourth quarter, the number of employees decreased from 80 to 77.

#### Income for the year

Net income for the year was TSEK -65 670 (-65 960). In the fourth quarter, the corresponding income amounted to TSEK -19 737 (-21 513).

The business activities of the Group have not been affected by seasonal variations or cyclic effects.

#### Financial position

The consolidated liquid assets at the end of the year amounted to TSEK 2 028 (51 895). Equity at the same time amounted to TSEK 273 474 (294 171). At the end of the year, the equity/assets ratio was 78 % (92) and the debt/equity ratio 11 % (0).

On April 30, the company had available credits amounting to TSEK 30 000, where TSEK 7 797 had been utilized. In addition, the company had raised a TSEK 25 000 loan from Nexttobe and has an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000.



#### Cash flow and Capital expenditures

Cash flow from operating activities in the year amounted to TSEK -52 439 (-57 598).

Capital expenditures for the year amounted to TSEK 76 090 (98 663).

Investments in intangible assets amounted to TSEK 73 176 (88 342), consisting of capitalized development costs TSEK 63 282 and patents and other intangible assets TSEK 9 894.

Investments in property, plant and equipment amounted to TSEK 2 914 (10 321) and concerned production equipment. The reason that investments were considerably higher previous year was that the production facility in Uppsala was then subject to a large upgrade.

#### Financing

Financing in the period was performed by use of liquid assets at the beginning of the year. In October, a private placement provided the company with TSEK 44 973 after issue expenses and in the final quarter the business activities were financed by loans and utilization of credits.

#### The parent company

The parent company net sales in the year amounted to TSEK 891 (106) and net income before tax amounted to TSEK -65 823 (-65 998). The parent company liquid assets at the end of the year amounted to TSEK 2 020 (51 884).

#### Key ratios and other information

	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Number of shares at the close of the period (in thousands), before and after dilution*	57 241	52 079	57 241	52 079
Weighted average number of shares (in thousands) before and after dilution*	57 241	52 079	54 660	44 061
Earnings per share in SEK, before and after dilution*	-0,34	-0,41	-1,20	-1,50
Equity per share, SEK*	4,78	5,65	4,78	5,65
Equity/Assets ratio, %	78	92	78	92
Net liability, TSEK	30 769	-51 895	30 769	-51 895
Debt/Equity ratio, %	11	0	11	0
Return on total assets, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Number of employees at the end of the period	77	68	77	68

\*Recalculation of historical values has been made with respect to capitalization issue elements in the preferential rights share issue carried out in the third quarter 2010/11.

#### Definitions

Earnings per share: The income for the period attributable to the equity holders of the parent company divided by a weighted average number of shares, before and after dilution.

Equity per share: Equity in comparison with the number of shares at the end of the period

Equity/assets ratio: Equity pertaining to the balance sheet total.

Net liability: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deductions for liquid funds

Debt/Equity ratio: Net liability with respect to equity.

Return on total assets: Income for interest expenses pertaining to the average balance sheet total.

Return on equity: Income after financial items in relation to the average equity.

## Consolidated Income statement

TSEK	Note	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Net sales		-	-	891	106
Capitalized development cost		14 332	20 291	63 282	86 049
Other operating income		46	145	104	269
Raw materials, consumables and goods for resale		-2 281	-6 646	-10 127	-16 120
Other external expenses		-18 887	-24 131	-73 481	-92 479
Employee benefit expenses		-11 357	-10 033	-41 144	-37 370
Depreciation/amortization and impairment		-1 273	-1 257	-5 062	-4 674
Other operating expenses		-	-133	-	-133
Operating income		-19 419	-21 764	-65 536	-64 353
Financial income		23	253	363	484
Financial expenses		-341	-8	-497	-2 097
Financial items, net		-318	245	-135	-1 613
Income before taxes		-19 737	-21 520	-65 670	-65 967
Taxes	2	-	7	-	7
Income for the period		-19 737	-21 513	-65 670	-65 960
Income for the period attributable to:					
Equity holders of the Parent company		-19 737	-21 513	-65 670	-65 960
Non-controlling interest		-	-	-	-
Earnings per share					
Before dilution, SEK		-0,34	-0,41	-1,20	-1,50
After dilution, SEK		-0,34	-0,41	-1,20	-1,50

## Consolidated Statement of Comprehensive income

TSEK	Note	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Income for the period		-19 737	-21 513	-65 670	-65 960
Comprehensive income for the period		-19 737	-21 513	-65 670	-65 960
Comprehensive income for the period attributable to:					
Equity holders of the Parent company		-19 737	-21 513	-65 670	-65 960
Non-controlling interest		-	-	-	-
Comprehensive Earnings per share					
Before dilution, SEK		-0,34	-0,41	-1,20	-1,50
After dilution, SEK		-0,34	-0,41	-1,20	-1,50



## Consolidated statement of financial position

TSEK	Note	2012-04-30	2011-04-30
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		25 988	27 243
Capitalized development cost	3	290 191	226 909
Other intangible assets		27 400	9 276
Financial assets		2	2
<b>Total Non-current assets</b>		<b>343 581</b>	<b>263 430</b>
Current assets			
Inventories		290	-
Other current receivables		1 747	2 141
Prepaid expenses and accrued income		2 161	2 853
Liquid assets		2 028	51 895
<b>Total Current assets</b>		<b>6 227</b>	<b>56 889</b>
<b>TOTAL ASSETS</b>		<b>349 807</b>	<b>320 319</b>
<b>EQUITY</b>			
Equity attributed to equity holders in the Parent Company			
Share capital		5 724	5 208
Other capital provided		457 832	413 375
Retained earnings		-190 082	-124 411
<b>Total</b>		<b>273 474</b>	<b>294 171</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>273 474</b>	<b>294 171</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Other non-current liabilities		16 264	15 373
<b>Total Non-current liabilities</b>		<b>16 264</b>	<b>15 373</b>
Current liabilities			
Liabilities to credit institutions		3 197	-
Short-term borrowings	4	29 600	-
Trade payables		10 281	3 831
Other current liabilities		10 811	1 399
Accrued expenses and prepaid income		6 180	5 545
<b>Total Current liabilities</b>		<b>60 069</b>	<b>10 775</b>
<b>Total Liabilities</b>		<b>76 334</b>	<b>26 148</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>349 807</b>	<b>320 319</b>
Contingent liabilities	5		
Pledged assets	5		

## Consolidated statement of changes in equity

TSEK	Attributable to equity holders in Parent company				Non-controlling interest	Total equity
	Share capital	Other capital provided	Retained earnings			
Opening balance as of May 1, 2010	3 761	196 493	-58 509		57	141 803
Comprehensive income for the period	-	-	-65 960		-	-65 960
Acquired non-controlling interest	-	-	57		-57	0
New share issue	1 447	237 250	-		-	238 697
Issue expenses	-	-20 369	-		-	-20 369
Closing balance as of April 30, 2011	5 208	413 375	-124 411		0	294 171
Opening balance as of May 1, 2011	5 208	413 375	-124 411		0	294 171
Comprehensive income for the period	-	-	-65 670		-	-65 670
New share issue	516	47 484	-		-	48 000
Issue expenses	-	-3 027	-		-	-3 027
Closing balance as of April 30, 2012	5 724	457 832	-190 082		0	273 474

## Consolidated Cash flow statement

TSEK	Note	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
<b>Operating activities</b>					
Operating income before financial items		-19 419	-21 764	-65 536	-64 353
Depreciation/amortization		1 273	1 233	5 062	4 650
Impairment of inventory		-	94	-	94
Disposals of intangible assets		-	133	-	133
Interest received		23	253	363	484
Interest paid		-341	-8	-497	-1 392
Cash flow from operating activities before working capital changes		-18 464	-20 060	-60 609	-60 385
<b>Change in working capital</b>					
Change in inventories		-	-	-290	-
Change in trade receivables		-	-	-	60
Change in other current receivables		-195	2 128	1 085	-445
Change in trade payables		4 748	-65	6 450	1 756
Change in other current liabilities		1 129	925	924	1 415
Cash flow from operating activities		-12 782	-17 072	-52 439	-57 598
<b>Investing activities</b>					
Investments in intangible fixed assets		-21 906	-20 783	-73 176	-88 342
Investments in property, plant and equipment		-1 011	-1 291	-2 914	-10 321
Cash flow from investing activities		-22 917	-22 074	-76 090	-98 663
<b>Financing activities</b>					
Increase in liabilities to credit institutions		3 197	-	3 197	-
Decrease in liabilities to credit institutions		-	-	-	-4 289
Increase in long-term liabilities		-	-	891	-
New share issue		-	-	48 000	168 697
Issue expenses		-	-	-3 027	-20 369
New loans	4	29 600	-	29 600	58 745
Cash flow from financing activities		32 797	0	78 662	202 784
Cash flow for the period		-2 902	-39 146	-49 867	46 523
Cash and cash equivalents at the beginning of the period		4 930	91 041	51 895	5 372
Cash and cash equivalents at the end of the period		2 028	51 895	2 028	51 895

## Parent Company Income statement

TSEK	Note	2012 Feb-April	2011 Feb-April	2011/12 May-April	2010/11 May-April
Net sales		-	-	891	106
Capitalized development cost		14 332	20 291	63 282	86 049
Other operating income		46	121	104	245
Raw materials, consumables and goods for resale		-2 281	-6 646	-10 124	-16 080
Other external expenses		-18 845	-24 072	-73 323	-92 271
Employee benefit expenses		-11 357	-10 033	-41 144	-37 370
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1 265	-1 199	-4 987	-4 486
Operating income		-19 370	-21 538	-65 300	-63 806
Result from participations in Group companies	4	-105	-288	-390	-578
Other interest revenues and similar revenues		23	253	362	483
Interest cost and similar costs		-340	-8	-495	-2 097
Financial items, net		-422	-43	-523	-2 192
Income after financial items		-19 791	-21 582	-65 823	-65 998
Taxes	2	-	-	-	-
Income for the period		-19 791	-21 582	-65 823	-65 998

## Parent Company Balance Sheet

TSEK	Note	2012-04-30	2011-04-30
<b>ASSETS</b>			
Non-current assets			
Intangible fixed assets			
Capitalized development cost	3	290 191	226 909
Concessions, patents, licenses, trademarks and similar rights		27 378	9 180
Property, plant and equipment			
Equipment, tools, fixtures and fittings		24 149	27 243
Advance payments for property, plant and equipment		1 839	-
Financial assets			
Participations in group companies		110	110
Receivables from group companies		-	5
Other securities held as non-current assets		1	1
<b>Total Non-current assets</b>		<b>343 668</b>	<b>263 448</b>
Current assets			
Inventories			
Raw materials and consumables		290	-
		290	0
Current receivables			
Receivables from group companies	4	55	89
Other current receivables		1 746	2 140
Prepaid expenses and accrued income		2 084	2 748
		3 885	4 977
Cash and bank balances		2 020	51 884
<b>Total current assets</b>		<b>6 195</b>	<b>56 861</b>
<b>TOTAL ASSETS</b>		<b>349 863</b>	<b>320 309</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Restricted equity			
Share capital		5 724	5 208
Statutory reserve		4 620	4 620
		10 344	9 828
Non-restricted equity			
Share premium reserve		457 832	413 375
Retained earnings		-129 028	-63 030
Income for the period		-65 823	-65 998
		262 981	284 347
<b>Total equity</b>		<b>273 325</b>	<b>294 175</b>
Non-current liabilities			
Other non-current liabilities		16 264	15 373
<b>Total non-current liabilities</b>		<b>16 264</b>	<b>15 373</b>
Current liabilities			
Short term borrowings	4	29 600	-
Trade payables		10 281	3 818
Liabilities to Credit institutions		3 197	-
Liabilities to group companies		205	-
Other current liabilities		10 811	1 399
Accrued expenses and prepaid income		6 180	5 545
<b>Total Current liabilities</b>		<b>60 274</b>	<b>10 761</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>349 863</b>	<b>320 309</b>
Contingent liabilities and pledged assets			
Contingent liabilities	5	-	-
Pledged assets	5	8 000	8 000

## Parent Company changes in equity

TSEK	Restricted equity		Non-restricted equity	Total equity
	Share capital	Statutory reserve		
Opening balance as of May 1, 2010	3 761	4 620	133 464	141 845
New share issue	1 447	-	237 250	238 697
Issue expenses	-	-	-20 369	-20 369
Income for the period	-	-	-65 998	-65 998
Closing balance as of April 30, 2011	5 208	4 620	284 347	294 175
Opening balance as of May 1, 2011	5 208	4 620	284 347	294 175
New share issue	516	-	47 484	48 000
Issue expenses	-	-	-3 027	-3 027
Income for the period	-	-	-65 823	-65 823
Closing balance as of April 30, 2012	5 724	4 620	262 981	273 325

### Note 1 Accounting policies

This interim report is established in accordance with IAS 34, Interim Financial Reporting and the Securities market Act. The consolidated accounts have been established in accordance with the International Financial Reporting Standards (IFRS) such as they have been adopted by the EU and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) RFR 1, Complementary accounting regulations for Groups and the Annual Accounts Act. The Parent Company accounts are established in accordance with RFR 2, Accounting for legal entities and the Annual Accounts Act. The Group and Parent company accounting policies and calculation methods are unchanged compared to the ones described in the Annual Report for the fiscal year May 1 2010 – April 30 2011. The new and revised accounting policies applied by Oasmia since May 1, 2011, has not had any effect on Oasmia's financial reports. The Group currently only has one operating segment and does therefore not disclose any segment information.

### Note 2 Taxes

The Group has accumulated losses carried forward amounting to TSEK 228 336 (162 806) and the Parent Company has similar amounting to TSEK 218 900 (153 607). Of the total losses carried forward for the Group, TSEK 17 881 (17 881) are restricted for use through group contributions. This limitation will end by the 2014 tax assessment. The future tax effect of these losses carried forward has not been marked with a value and no deferred tax asset has been considered in the Balance Sheet.

### Note 3 Capitalized development cost

TSEK	2012-04-30	2011-04-30
Paclical®	209 140	145 858
Paccal® Vet	81 051	81 051
Total	290 191	226 909

### Note 4 Transactions with related parties

On April 30, a credit facility of MSEK 25 was provided to Oasmia by the principal owner of the company, Alceco International SA. The interest rate on utilized credits is 5 %. As of April 30, 2012, the company had utilized TSEK 4 600 (-) of this credit facility.

Oasmia has made a TSEK 175 (390) group contribution to Oasmia Global Supplies AB (previously Qdoxx Pharma AB) in the year, of which TSEK 0 (100) in the fourth quarter. In the year, Oasmia has made a TSEK 215 (-) group contribution to Oasmia Animal Health AB (previously Gluco-Gene Pharma AB), of which TSEK 105 (-) in the fourth quarter. Impairments of shares in the subsidiaries amounting to TSEK 390 (578) have been made in the year corresponding to the group contributions, as the purpose of the group contributions was to cover losses in the subsidiaries. The impairments are accounted for in the Parent company income statement in the item Result from participation in group companies.

### Note 5 Contingent liabilities and Pledged assets

The parent company has made a floating charge of MSEK 8 to a bank as security for a MSEK 5 bank overdraft and limit for a MSEK 3 exchange derivative.

### Note 6 Risk factors

The Group is subjected to a number of different risks through its business. By creating awareness of the risks involved in the activities these risks can be limited, controlled and managed and at the same time as business opportunities can be utilized to increase earnings. The risks to Oasmia's business activities are described in the Annual report for the fiscal year May 1 2010 – April 30 2011. No additional risks beyond those described therein have been judged significant.

The Board of Directors and CEO of Oasmia Pharmaceutical AB ensures that this Interim report gives a correct overview of the Parent Company and Group activities, position and result and describes essential risks and uncertainty factors that the Parent Company and the companies that are part of the Group face.

Uppsala June 14, 2012

Joel Citron, Chairman

Martin Nicklasson, Member

Jan Lundberg, Member

Prof. Dr. Horst Domdey, Member

Bo Cederstrand, Member

Julian Aleksov, Member and Chief Executive Officer

The information in this Interim report is such that Oasmia Pharmaceutical (publ) must publish according to the code of trade in financial instruments. The information was delivered for publication on June 14, 2012 at 09.00.

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 take precedence.

This report has not been reviewed by the company auditors.

#### Dividends

The Board of Directors does not intend to propose any dividends for the fiscal year May 1, 2011 – April 30, 2012.

#### Annual Report

The Annual Report will be published on August 23, 2012 and will be available on the company website [www.oasmia.com](http://www.oasmia.com). The Annual Report may also be requested from Oasmia Pharmaceutical AB by phone +46 18 50 54 40 or by e-mail [info@oasmia.com](mailto:info@oasmia.com)

#### Annual General Meeting

The Annual General Meeting will be held on September 24, 2012 in the company offices in Uppsala. A notice for the Meeting is distributed four weeks before the Meeting at the latest. For more information, see the company website [www.oasmia.com](http://www.oasmia.com)

#### COMPANY INFORMATION

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Questions concerning the report are answered by:

Weine Nejdemo, CFO

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#### UPCOMING REPORT DATES

Annual report May 2011 – April 2012	2012-08-23
Interim report May – July 2012	2012-09-06
Interim report May – October 2012	2012-12-06
Interim report May 2012 – January 2013	2013-03-07
Year-end report May 2012 – April 2013	2013-06-11
Annual report May 2012 – April 2013	2013-08-22

#### About Oasmia Pharmaceutical AB

Oasmia Pharmaceutical AB develops a new generation of drugs within human and veterinary oncology. The product development aims to manufacture novel formulations based on well-established cytostatics which, in comparison with current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. The product development is based on in-house research within nanotechnology and company patents. The company share is listed at NASDAQ OMX in Stockholm and at Frankfurt Stock Exchange.