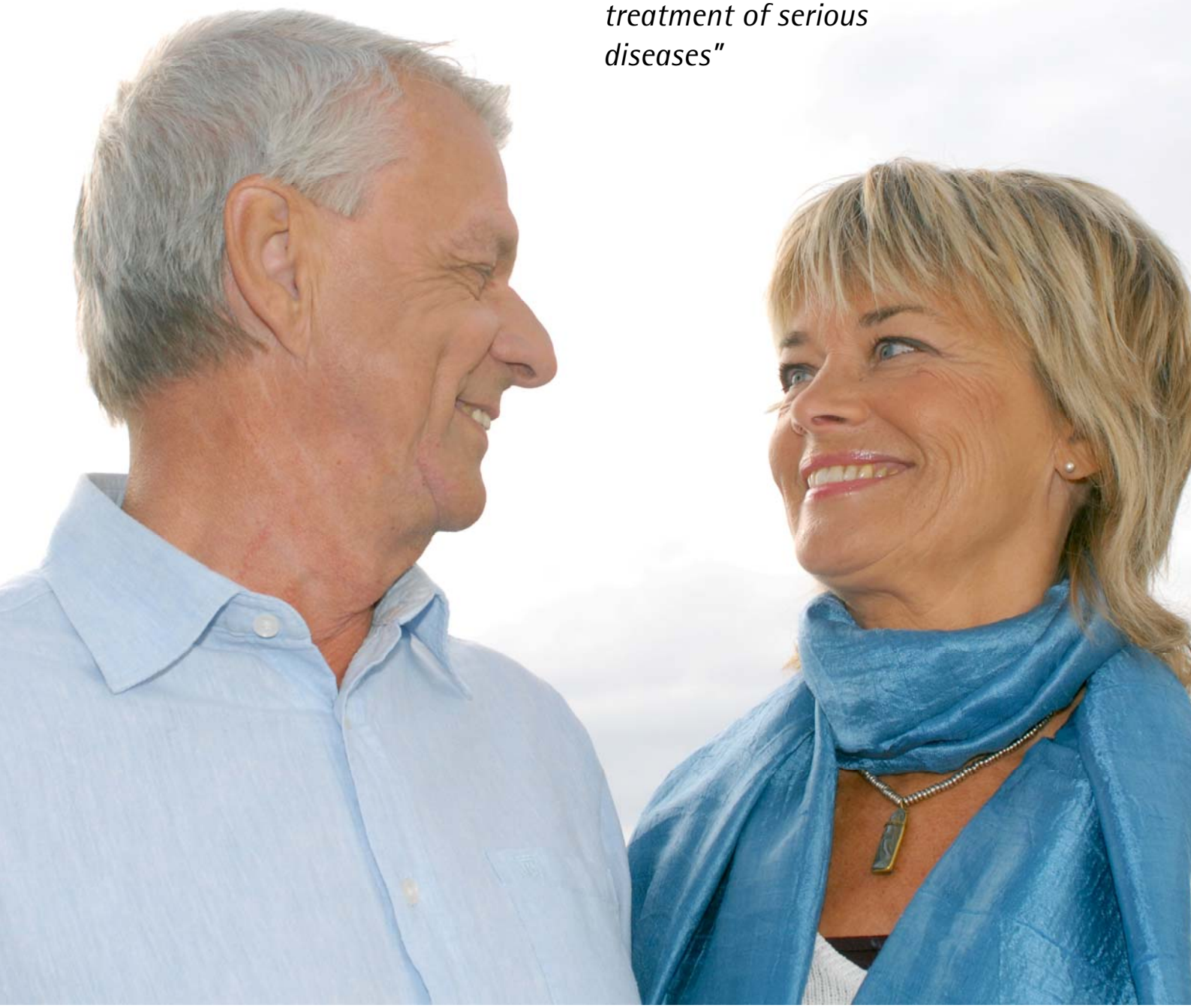
oasmia

"We want to improve the treatment of serious diseases"



Oasmia Pharmaceutical

Annual Report

2007-05-01-2008-04-30

Oasmia

- improved quality of life

Oasmia develops a new generation of pharmaceuticals with focus on human and veterinary oncology. Our main business is improvement of the life-cycle and use of existing pharmaceuticals.

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Oasmia in brief

- The Group consists of Oasmia Pharmaceutical AB, the subsidiaries Qdoxx Pharma AB and GlucoGene Pharma AB
- The Phase I/II study with Paclical® was completed during the period. Oasmia has another three projects in pre-clinical phase in the department for Human Health
- The inclusion of dogs in the Phase III study with Paclical® Vet was completed during the period. Apart from Paclical® Vet, Oasmia Animal Health has three projects in pre-clinical phase.
- The planning for an international Phase III study on mastocytoma in dogs has been performed in the period
- Net sales for the Group amounted to SEKt 71 158
- Two license agreements with Orion Corporation, Finland were closed in the period. One concerning marketing and sales rights in the Nordic Countries for Paclical® and one for the rights in Europe for Paclical® Vet
- Oasmia is listed on NGM Equity as of September 2007

Advantages

The company have production facilities in connection to the main office. Oasmia itself provides product candidates for the conducted clinical trials.

Oasmia conducts both clinical studies and research in a cost-effective manner.

Oasmia has a solid portfolio with considerable market potential. The company has two candidates in Phase III and six in pre-clinical phase. Apart from these a number of products are under development.

Strategies and Goals

Oasmia wants to provide physicians and patients with a better choice of therapy with health economical profits for health care and society by novel formulations where both effect and safety is optimized. These novel formulations lead to an advantageous side effect profile and an improved quality of life in the treatment process.

Oasmia aims to become one of the leading companies within chemotherapy and oncology.

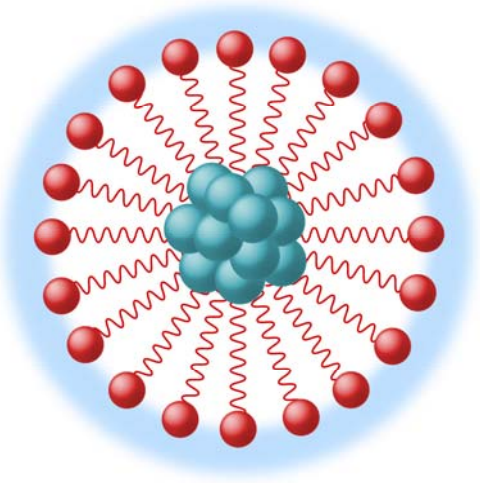
Business activities

Oasmia Pharmaceutical AB (publ) is a pharmaceutical company based on the latest concepts within bio-organic chemistry.

Our business concept is to improve the treatment of serious diseases, with an emphasis on oncology. Our main business activity is to produce new formulations of existing drugs. By doing so we work to enhance and create new therapy opportunities. We focus on human and veterinary oncology where the company has a solid candidate portfolio.

The company's original research focused on the cell's natural aging and death has created the platform for the development of new pharmaceuticals. The first of which is Paclical® where the substance paclitaxel has been made water-soluble by using nanotechnology and developing a novel and unique excipient, XR-17. XR-17 is developed to form nanometre-sized micelles around the active part of the pharmaceutical.

Oasmia's XR-17 can be used on a number of different substances to enhance their profile, safety and effect, especially substances that are difficult to dissolve. This nanotechnology enables completely new therapies within oncology. The pharmaceutical candidates that are available today in the company product candidate portfolio are all based on our nano-technological excipient model and are protected by international patents.



Paclical®-micelle

SPECIALIZATION
Development of pharmaceuticals demands a lot of resources and the need for prioritization is therefore great. Oasmia has chosen to focus its business on a few well selected projects. The company has not established any sales- or marketing department and has chosen instead to license these rights to partners.

PARTNERS
The marketing and sales rights in the Nordic Countries for the product Paclical® and the rights for Paclical® Vet in Europe have been licensed to Orion Corporation, Finland, a company with an established sales and marketing organization. By employing this strategy Oasmia can focus on using the its unique competence within research and development.

RESEARCH COLLABORATION
Oasmia has a wide collaboration with many hospitals and universities in Sweden and Stockholm, The University Hospital in Lund and the Swedish University of Agricultural Sciences, Animal Hospital in Uppsala. The company aims for maintaining good relations with Swedish and foreign universities and colleges concerning clinical development, production of pharmaceuticals and other issues related to research.

Employees – creativity and competence

We aim for a creative and stimulating working environment. Our employees are our most important resource, independent of the tasks assigned. The teamwork is characterized by a great multitude and we have a positive view of cultural experiences. Differences become a clear strength on a globalized market.

EXPERIENCE AND EDUCATION
A majority of the employees have experience from early pharmaceutical development. The company also has extensive competence within regulatory affairs, which is extremely important for obtaining necessary permits from authorities.

WORK ENVIRONMENT AND SAFETY
Within Oasmia many dangerous substances are handled on a daily basis, for instance cytostatics. That is why Oasmia has written internal instructions of handling chemicals. The employees also goes through regular health examinations. Oasmia supports health initiatives from the employees such as participating in exercise competitions. The company considers that a healthy and motivated work force is a cornerstone in the business activities.

Equality is an integral part of the business. Oasmia aims for an equal distribution between genders. Men and women have the same opportunities within the company.

ENVIRONMENTAL POLICY
The company's main business activity is mainly focused on research and production which means that a large volume of chemicals is handled within the company's facilities. We take environmental issues very seriously and combines the business activities with a sustainable development within environmental issues.

In addition to following the rules and regulations that govern the handling the company does its utmost to continually improve the business by for example internal education in quality and environmental hazard management.

PERSONELL DATA 2008	
Number of Employees	41
Women	24
Men	17
Average age	41
Number of nationalities	7

Oasmia - Animal Health

The department of Animal Health develops drugs for the future and improves existing treatment options focusing on oncology. Just as much emphasis is imposed on efficacy and safety as is done for human drugs. Improved quality of life during the time of treatment is one of the prioritized goals.

CANCER IN DOGS

Cancer is a common disease in dogs of all ages and the main cause of death in older dogs. Tumours are frequent in breast glands, skin, tissues, digestive organs, lymphatic systems and testicles.

TREATMENTS

Treatments currently in use are surgery, chemotherapy and in some cases treatment with ionizing radiation. No chemotherapeutic pharmaceuticals are registered today for veterinary use and human preparations are used instead by veterinarians off-label for treatment.

ORIGINS AND FREQUENCY OF MASTOCYTOMA

Tumours in the skin is the most common form of cancer in dogs and the frequency is about 30-35 percent. The corresponding figure for cats is about 20 percent. About half of these are malignant.

One type of skin cancer is mastocytoma which is estimated to represent between 7 and 25 percent of all skin cancers. The most common estimation is about 20-25 percent. The disease makes it debut at about the age of 8 which is the average but there is a large variation. There are reports of masocytoma in puppies six months old. No large differences in gender have been reported but there are large differences in breeds. The disease is most common in Boxers, Bulldogs, Boston terriers and bull mastiff. There are indications of a higher incidence in other breeds such as Rhodesian ridgeback, Labrador retriever, Beagle and Weimaran.

Mast cells are normal components of connective tissues. In dogs mast cells are most frequent in tissues such as skin, lungs, stomach and liver. The origin of the cells are believed to be stem cells in the bone marrow. The cells have an important function in the immune system, especially in inflammatory and allergic reactions. Mature mast cells contains for example histamine, proteases and cytokines, all involved in immunological reactions.

PROGNOSIS

The clinical expression of the tumour varies for example by how differentiated the tumour is. This means that both the diagnostics and the treatment sometimes can be difficult. Mastocytoma is usually divided into grades depending on how differentiated the tumour is. Grade I and II can usually be removed by surgery effectively since these tumours usually are well localized. Grade III and IV often has a poor prognosis.

CLINICAL STUDIES

There is only limited information available about chemotherapeutic treatment of mast cell tumours. It has been performed only on a few cases and has involved varying grades of differentiation which has made the data scarce and uncertain.

The department of Animal Health finds itself in an important stage of development of Paclical® Vet. The department hopes to register the first veterinary product for treatment of cancer in dogs not just for treatment of mastocytoma but other solid tumours as well.

Paclical® Vet has the following characteristics

- Water soluble
- Particle size 25 nm
- Dose 150 mg/m^2
- Infusion time 20 min
- No premedication necessary

Paclical® Vet – the year

Results from the completed Phase I/II study with Paclical® Vet were presented at a number of veterinary congresses in Europe and USA. The results have exceeded all expectations.

" We know there is a great demand for a veterinary pharmaceutical regarding treatment of cancer in dogs, especially from the pet owners "

Kristina Fritjofsson
Head of Clinical Development

CLINICAL STUDIES
Results from the completed Phase I/II study on Paclical® Vet have been presented at a number of veterinary congresses in Europe and USA.

Thirty three dogs with various types of malignant tumours were included in the study where eight dogs had a type of skin tumour, mastocytoma. The results have exceeded all expectations regarding effect. The lack of any severe allergic reactions also means a high quality of life for the dog during the treatment. The effect on mastocytoma turned out to be complete, that is, the tumours reverted completely or partially in all treated mastcytoma cases. If all types of tumours are considered, 70 % of the patients responded to treatment. This is a very high figure. One patient was still alive at full health two years after completed treatment. This is remarkable as euthanasia is the only available option.

The company has completed enrolment of patients in the on-going Phase III study in dogs with mastocytoma during the period. In the beginning of March 2008 interim results were presented at the first joint congress for veterinary oncologists. The congress had participants from both Europe and USA and was held in Copenhagen. The results were just as convincing as they were in the Phase I/II study and were received with great interest by the attending veterinary oncologists.

EXTENSIVE STUDY
Planning and preparation for a large international Phase III study on dogs have continued during the period. The study, which comprises about twenty veterinary centers, most of them in the USA, will commence in the second half of 2008.

The planning has been extensive, says Kristina Fritjofsson, Head of Clinical Development, Animal Health. About 200 dogs will be enrolled. Handling of incoming effect and adverse event data requires large resources. Even if a study is clinically completed, data management and report writing can take about a year to complete.

The results will form the principal basis for an application of registration in the USA and other international markets. Oasmia views it to be of great importance for the clinical development program for Paclical® Vet as it will be the first registered anti-cancer agent for dogs in the world. We know there is a great demand for a veterinary pharmaceutical regarding treatment of cancer in dogs, especially from the pet owners, adds Fritjofsson.

Pharmacovigilance
The etymological roots for the concept is *pharmakon* (Greek) and means pharmaceutical or drug.
Vigilare (Latin) means to keep watch or be vigilant.

COMPILATION AND REPORTING
Results from the first clinical Phase I/II study on dogs with Paclical® Vet has been processed and the data compilation has been completed. The report is in the finishing stages and will be published in a scientific journal.

PHARMACOVIGILANCE – safety and side-effects
Oasmia considers safety and ethics in design of clinical studies to be very important, both in human and animal trials. Basically the same rules and regulations govern studies carried out with promising pharmaceutical candidates for human and veterinary use.

Pharmacovigilance is an important function and concerns reporting of adverse events. This is in principal carried out during an on-going study but continues after a study has been completed and the product is on the market. Monitoring of side-effects is thoroughly regulated by authorities and has been very important in the development of Paclical® Vet in order to offer the owners a safe pharmaceutical.

Oasmia - Human Health

The department of Human Health manages the development of new pharmaceuticals where there are extensive medicinal needs. We focus on effect, safety and a high quality of life. One area of priority is cancer which is one of our most common diseases.

INTRODUCTION

Cancer is a disease with many faces and its clinical expression and background shows a high degree of variation. The nine most common types of cancer in the seven largest markets in the World (USA, Japan, France, Germany, Italy, Spain and Great Britain) is lung cancer, digestive tract, lymphatic cancer, breast cancer, ovarian cancer, urinary tract cancer, prostate cancer, pancreatic cancer and leukaemia.

Depending on what stage the disease is in cancer is treated with surgery, chemotherapy, radiation therapy, immunotherapy and other methods. The most desirable case is that a surgical operation removes all tumour tissue, but in many cases that is difficult since the tumour has spread to surrounding tissue or to other organs.

Ovarian cancer belongs to a group of cancer diseases which have a high mortality rate. The number of cases from the year 2000 to the year 2011 is expected to be largely constant in the markets mentioned above with the exception of the USA where a small but apparent increase is probable.

CHEMOTHERAPY

Apart from surgery, chemotherapy is a common treatment for ovarian cancer. The treatment is especially important when the disease is in a late stage and has formed metastases. The most common cytotoxic chemotherapeutics approved for first line treatment is Platinol® (cisplatin), Paraplatin® (carboplatin), Taxol® (paclitaxel), Alkeran® (melphalan) and Adriamycin® (doxorubicin). Taxol® was the first taxane to be approved for treatment of cancer.

For first-line treatment of Ovarian cancer Taxol® is indicated for patients with advanced disease or residual disease after initial laparotomy in combination with cisplatin. For second line treatment of ovarian cancer, Taxol® is indicated for treatment of metastasing disease when standard treatment with platinum failed.

PACLICAL® AND OVARIAN CANCER

The active substance in Taxol® is paclitaxel, a very common and effective substance in cancer treatment. The same substance is used in Oasmias pharmaceutical candidate Paclical®. Oasmias new micellar formulation of paclitaxel has received an Orphan Drug designation by the EMEA for treatment of ovarian cancer. The basis was a much improved safety profile.

The essence of Oasmias investment in research is the company's long-term investments in nanotechnology. Oasmia develops novel semi-synthetic derivatives of retinoids and unsaturated fatty acids. The new platform (excipient) will be the starting point for development of novel pharmaceuticals with acceptable side-effects, few hypersensitivity reactions and short infusion times which leads to an improved quality of life during the time of treatment.

CLINICAL STUDIES

Focus for the second half of 2008 will be on the international Phase III study on Paclical® on the indication ovarian cancer. The study is delayed because of logistical reasons by three months. The study is however a major milestone for Oasmia's clinical development for treatment of ovarian cancer. Especially for the patients who hopefully will receive an improved quality of life during the treatment.

During the period the planning to study Paclical® in patients with malignant melanoma has been ongoing. The company plans to enter the clinical phase on the indication in 2009.

Paclical® has the following characteristics

- Water soluble
- Particle size 25 nm
- Dose 250 mg/m²
- Infusion time 1 h
- No premedication necessary

Paclical® – the year

Oasmia has completed the pre-clinical development of the products based on the patented formulation XR-17. The pivotal Phase II study awaits and will be a final step towards registration.

CLINICAL STUDIES
The first Phase I/II study of Paclical® in humans was completed in May 2007. The study, which included 34 patients with metastatic solid tumours showed that Paclical® could be given to humans up to the maximum tolerable dose of 250 mg/m^2.

What is most remarkable is the significantly improved safety profile. The allergic reactions which is seen in current treatments with paclitaxel have not been reported after treatment with Paclical®. This is advantageous for the patient since no premedication with for example corticosteroids is needed.

Paclical® has earlier been designated as an orphan medical product for the treatment of ovarian cancer by the EMEA. Justified in particular regarding the improved safety profile.

In the year has international Phase III-study been planned.

Phase III studies of this kind that runs simultaneously in several countries in the Nordic and Eastern Europe and comprises about 600 patients requires large resources and extensive planning.

It entails everything from protocol writing, approval from authorities, translation of documents, patient consent, contact with consultants and analysis labs, production of substance for tests, logistics, transports, recruitment of doctors, investigators and statisticians.

This are examples of preparations that are made to conduct a study with sound ethics and safety in compliance with current international regulations. This is a pivotal study for the final development of Paclical®. We have received a fantastic response from oncology specialists in Europe who wants to participate in the study. They see possibilities for an improved and more effective treatment, says Britt-Marie Eriksson, Vice President Medical Product Development.

"We have received a fantastic response from oncology specialists in Europe"

Britt-Marie Eriksson, *Vice President Medical Product Development.*

Ovarian Cancer - background

Ovarian cancer is one of the most common types of cancer in the world. It is also one of the greatest clinical challenges.

NUMBER OF CASES AND GEOGRAPHICAL SPREAD

In the USA ovarian cancer is the fifth largest cause of death in women. Ovarian Cancer also causes more deaths than any other type of disease in the lower abdomen in women. It is estimated that there will be about 23-25 000 new cases in 2008 based on figures for 2007.

In Europe, which has a high degree of cancer cases of this type, about 63 000 new cases is diagnosed every year. The geographical differences are large and globally the disease is most common in Europe and North America. It is very rare in for instance Japan, China and Africa. The cause for this geographical variation is principally unknown.

Women in menopause represents about 80 percent of all cases. Women between 40 and 60 is the age group where most cases are identified. About 75 percent of these are in a late stage of development when the tumour is discovered which leads to a poor treatment prognosis. In women under 40 the disease is rare. The risk of being affected in the age between 30 and 40 varies between 2-10 percent in comparison to a risk of above 60 percent at an age between 65 and 70.

TREATMENTS

The available treatments are surgery, chemotherapy and in some cases treatment with ionizing radiation even if the latter method is used more seldom. When treating a tumour in a late stage of development the most common method is to remove as much of the abdominal tissue where the tumour has spread as possible. This usually means that both ovaries, fallopian tubes and also the uterus is removed. Even surrounding tissue in the abdominal cavity is removed since it might be difficult to discover small metastases.

After surgery cytostatics are often given in order to reduce the risk of relapse. In many cases have this form of combination therapy improved the survival.

PROGNOSIS AND SURVIVAL

The relative survival varies with age. Women younger than 65 years have about twice as big risk of survival 5 years after completed treatment (56 %) compared to women older than 65 (28 %). If the tumour is discovered in an early stage the 5-year survival is as high as 93 %. Unfortunately only 19 percent of all cases are discovered in this early stage. Generally it can be said that the relative 5-year survival for a localized tumour compared to a spread tumour is 69 percent for a localized tumour and 30-40 percent for a spread.

Ovarian cancer can be said to be a "quiet" tumour. Symptoms and pains are diffuse and vague and are often similar to common lower abdomen pain in women. Some examples are irregular menstruation, discharges and pressure sensations over the abdomen. This is often why the tumour have the time to spread before it is discovered which in turn leads to a worsened treatment and survival prognosis.

CAUSES AND RISK FACTORS

As is the case with other types of cancer many underlying causes and factors may affect the risk of developing a tumour in the ovaries. Some genetic factors can have an impact on the origin of some types of ovarian cancers. It is also considered to be a link between ovarian cancer and breast tumours suggesting that specific genetic changes is the basis for both types of cancer. Other factors that affects formation are hormonal. The number of ovulations in a life-time plays a major role, which is illustrated by women who have never been pregnant or given birth has an increased risk of developing ovarian cancer.

Product description

Oasmia's novel platform offers improved opportunities in cancer treatment. The company product portfolio in human and veterinary medicine is in principal based on the platform XR-17.

Paclitaxel is used today all over the world in treatment of various types of cancer and is also the active substance in Taxol®. Paclitaxel has long been one of the main treatment methods in humans for cancer in ovaries, breast and lung (non-small cell lung cancer/NSCLC). In prolonged ovarian cancer and NSCLC paclitaxel have been used in first line combination therapy with platinum.

In treatment of breast cancer taxanes such as docetaxel (the active ingredient in Docecal® and Docecal® Vet) been used successfully both in first and second line and in patients with anthracycline resistance.

Top priority in Oasmia development plan have been Paclical® and Paclical® Vet where extensive planning for the international Phase III studies have been carried out in the period.

Projects

Veterinary medicine, tentative

	Pre-clinical phase	Phase I	Phase II	Phase III	Registration
Paclical® Vet					2010
Doxophos® Vet					2011
Docecal® Vet					2012
Carbomexx® Vet					2012

Human medicine, tentative

	Pre-clinical phase	Phase I	Phase II	Phase III	Registration
Paclical®					2011
Docecal®					2013
Doxophos®					2014
Carbomexx®					2015

CLINICAL DEVELOPMENT PHASES

Pre-clinical phase
Selection of pharmaceutical candidates. The selected candidate is tested for specificity, effect and safety.

Phase I
During the clinical development of a pharmaceutical it is tested for the first time in humans in Phase I. Effect and safety is studied on a small group (25-100) healthy volunteers. One important exception is the substances that Oasmia works with for treatment of cancer. These candidates are also tested on volunteers but then on a group of patients who carries the actual disease.

Phase II
An advanced studied on patients (50-300) with the disease that the pharmaceutical is intended to treat. Effect and safety is studied.

Phase III
The final phase consists of an extended patient group (300-3000) to verify effect and map previous observed side effects.

Market - present and future

ANIMAL HEALTH
Great expectations on anti-cancer agents for dogs

Today there are about 100 million dogs in the USA, Japan, Great Britain, France, Germany and Japan and probably at least another 40 million dogs in the other industrialized countries in the world.

In spite of that the number of inhabitants in these countries grows slowly, the number of dogs and cats increases considerably faster. One important factor for this increase of small companion animals is social since the number of single households tends to increase, as people get married later in life and the number of divorces increase. In connection to the change in family structure and as a more apparent middle class with a strong purchase power grows, the economic mobility of the owners increases and the willingness to invest in the dog's of the cat's health and future grows.

This leads to an increased humanisation of the animals that is more apparent in those countries where economic development goes hand in hand with a faster urbanisation. Another factor which is important is that the many diseases in small animals that previously were untreatable from ethical and medical reasons, have today a completely different prognosis. As is the case with humans the risk of cancer increases with age. About forty to fifty percent of all dogs above the age of 8 will develop cancer. The treatment methods have previously been surgery but also chemotherapy. One drawback with the latter method is that there has not previously been any registered anti-cancer agent registered for dogs or other small animal on the market which has meant that pharmaceuticals indented for human use also has been used on dogs.

Paclical® Vet is Oasmia's pharmaceutical candidate for dogs and has showed very good results on mastocytoma grade II and III in clinical Phase III. In the autumn of 2008 another study will be initiated on the same indication. Paclical® Vet is expected to be the first approved anti-cancer agent for dogs in the world.

The global market for Paclical® Vet is estimated to be about 750 million USD.

HUMAN HEALTH
The market grows – the worlds largest pharmaceutical segment 2011

Cancer is a multifaceted disease affecting people all over the world. It is one of the most common diseases and according to WHO about 11 million people are diagnosed every year. Pharmaceutical companies are therefore intensely seeking more effective treatments.

The already large cancer market is expected to become the largest pharmaceutical market in 2011. Today it is the most expansive pharmaceutical market in the world, corresponding to a value of 35 billion USD and with an annual growth of about 10 percent.

Cytostatics is a group of pharmaceuticals that today is the back-bone in treatment of cancer patients and will so remain for a foreseeable time.

Sales are estimated to 17.6 billion USD, about half of the global market for all anti-cancer agents.

Oasmia's oncology pharmaceuticals under development are all in the group cytostatics. Our first pharmaceutical candidate for human use enters clinical Phase III in the autumn of 2008 belongs to a chemical sub-group, taxanes. The taxane market alone amounts to about 4,5 billion USD.

There is a great need today of a improved treatment. These needs can be met for instance by an improved effect, reduced side-effects and shorter infusion times. Our products can improve the results of treatments and we are doing all that we can to reach our goals. We focus on efficiency, safety and an improved quality of life.

Oasmia – Share and owners

SHARE INFORMATION

Share capital	SEK 3 337 500
Number of shares	33 375 000
Trading lot	100
ISIN code	SE0000722365
Ticker name on NGM Equity	OASM A
Share currency	SEK
Share quota value	SEK 0,10

THE LARGEST SHAREHOLDERS as of 2008-06-28

	No. of shares	Votes (%)
OASMIA S.A.	24 016 094	72,00
SVENSKA HANDELSBANKEN S.A.	889 900	2,67
SIS SEGAINTERSETTLE AG/ZÜRICH, W8IMY	495 556	1,48
NUTEK VERKET FÖR NÄRINGSLIVSUTVECKLING	333 333	1,00
SEB PRIVATE BANK S.A., NQI	308 861	0,93
T-JARLEN	243 100	0,73
JP MORGAN BANK	222 334	0,67
BANQUE CARNEGIE LUXEMBOURG SA	194 750	0,58
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	186 459	0,56
DNB NOR BANK ASA	185 000	0,55

DEVELOPMENT OF SHARE CAPITAL

Year	Event	Quota value*	Increase of shares	Increase of share capital	Total number of shares	Total share capital
1988	Foundation of company	100	500	50 000	500	50 000
1999	New share issue**	100	500	50 000	1 000	100 000
1999	New share issue**	0,10	30 999 000	3 000 000	31 000 000	3 100 000
2006	New share issue**	0,10	851 310	85 131	31 851 310	3 185 131
2007	New share issue**	0,10	1 523 690	152 369	33 375 000	3 337 500

**Quota value replaces the nominal amount. Quota value=Share capital/number of shares*
***New private placement to the parent company*

	2007/2008	2006/2007
Earnings per share (SEK), before and after dilution	- 0,16	- 0,37
Number of shares (in thousands), before and after dilution	33 375	31 851
Average number of shares (in thousands), before and after dilution	32 613	31 425

Administration report

In applicable parts the same as for the group and Parent Company

BUSINESS ACTIVITIES IN GENERAL
The main business activity in the parent company Oasmia Pharmaceutical AB (publ) consists of research, development and production of in-house pharmaceuticals with an emphasis on oncology. Focus lies on human and veterinary oncology where the company has a solid product portfolio. The company office, research and production facility is situated in Uppsala, Sweden.

Oasmia owns 100 % of the subsidiary Qdoxx Pharma AB. The company's main business activity consists of parallel import of pharmaceuticals. The business idea of Qdoxx Pharma is to import and provide qualitative and price worthy pharmaceuticals on the Swedish market.

Oasmia also holds a 51 % share of the company GlucoGene Pharma AB. GlucoGene is a research company that has developed a novel type of xyloside. The aim is future treatment of brain tumours. The xylosides are currently in pre-clinical phase.

KEY EVENTS
2007-05-01 – 2008-04-30

Oasmia Human Health
The development of Oasmia's product Paclical® are proceeding according to plan. A new pharmacokinetic study has been initiated during the period in collaboration with the Karolinska University Hospital among others. In the study Paclical® is compared to the well-known anticancer agent Taxol®.

Furthermore the company has presented results from the previously closed Phase I/II study at the European oncology conference ECCO 14 in Barcelona in September 2007. The results generated great interest. Oasmia has received Final Advice from the EMEA (European Medicines Agency) concerning an international Phase III study on ovarian cancer. The study will be conducted in the EU as well as in Russia and Ukraine comprising about 60 different hospitals.

In November 2007 Oasmia signed a license agreement with Orion Corporation, Finland, for sales and marketing rights for Paclical®. Orion obtains the right to sell and market Paclical® in the Nordic Countries (Sweden, Finland, Denmark and Norway) as well as first right of refusal for another candidate in Oasmia's product portfolio. The agreement concerns 4 million Euro and royalties on all sales in the region after registration of Paclical®.

Oasmia Animal Health
Results from the completed Phase I/II study on Paclical® Vet have been presented at veterinary oncology congresses in Europe and in the USA during the period.

Interim results from a Phase III study was presented at the first joint world congress for veterinary oncologists in early March 2008. The congress, with participants from both Europe and the USA, was held in Copenhagen. The interim results were very promising and were received with great interest by the participants.

In the end of March 2008 the company signed a license agreement for Paclical® Vet with Orion Corporation, Finland. Orion obtains the sales and marketing rights for the Nordic Countries (Sweden, Finland, Norway and Denmark), Poland, the Czech Republic, Slovakia and Hungary. The agreement concerns 2 million Euro and considerable royalties on all sales within the regions after registration of Paclical® Vet.

The company has now completed enrolment of patients in the ongoing Phase III study on dogs with skin cancer. The results has exceeded all expectations and will be presented in 2008.

The company
In September 2007 the Oasmia share was moved from NGM Nordic MTF to NGM Equity. In connection to the move the group changed accounting policies and today applies IFRS. The parent company applies RR 32:06.

At the annual general meeting on September 7, 2007 the meeting accepted the board's proposal of a private placement. After the implementation on October 31, 2007 the share capital was increased by SEK 152 369 to a total of SEK 3 337 500 and the number of shares by 1 523 690 to a total of 33 375 000.

KEY EVENTS AFTER THE CLOSING DAY

In the end of June Oasmia expanded the license- and distribution agreement with Orion Corporation for the product Paclical® Vet which was closed in March 2008. The previous agreement only comprised the Nordic Countries and a few other European Countries. For this Oasmia would receive 2 million Euro in total and royalties on all sales in the region. The expanded agreement concerns all of Europe. Oasmia receives in total 8 million Euro, 3,25 million Euro when the agreement was signed and another 4,75 million Euro when Oasmia fulfils certain criteria specified in the agreement. Orion received exclusive sales and marketing rights for the product in Europe.

Group income statement in brief

	2007/08	2006/07
SEKt	May-April	May-April
Net sales	71 158	22 387
Income for the period	-5 067	-11 752
Earnings per share, before and after dilution (SEK)	-0,16	-0,37

RESULT AND POSITION

Revenue

Net sales for the Group amounted to SEKt 71 158 (22 387) for the fiscal year. The increase compared to previous year is in part attributable to the revenue of SEKt 25 703 received in accordance with the license and distribution agreement with Orion Corporation and in part to an increase in sales of parallel-imported pharmaceuticals in the subsidiary Qdoxx Pharma AB. Apart from net sales, capitalized development costs of SEKt 9 675 (14 484) were recognized as revenues.

Expenses

Raw materials, consumables and goods for resale amounted to SEKt -45 310 (-22 621). The increase was mainly attributable to volume growth in parallel-imported products. Other external expenses for the year amounted to SEKt -20 187 (-12 154). The costs are mostly attributable to products under development, that are in pre-clinical phase or Phase I/II. The costs are also attributable to material and labour costs for construction of a new clean-room and auditing and consultation fees in connection to establishment of a prospectus for the list change to NGM Equity in September 2007. Personnel expenses for the year increased to SEKt -17 530 (-10 559). During the year the number of employees increased by 12 persons to a total of 41 employees. The average number of full-time employees was during the financial year 37. Compensation to leading officers during previous year amounted to SEKt 2 633 (543). The increase was due to the fact that compensations during the previous year was solely based on the CEO salary. During the financial year the organization in Oasmia has changed and another four persons are considered to be officers.

Earnings

Operating income for the fiscal year amounted to SEKt -4 855 (-10 986). Financial items, net amounted to SEKt -212 (-766). Income for the period amounted to SEKt -5 067 (-11 752).

Financial Position

Liquid assets for the Group, per April 30, 2008 amounted to SEKt 10 379 (22 170).

Cash flow from current operations amounted to SEKt 9 (-23 322) and Net cash flow was SEKt -11 791 (18 534). Total equity amounted to SEKt 64 812 (69 879). The equity assets/ratio as of April 30 2008 was 74 % (79%).

Capital expenditures

Capital expenditures for the year amounted to SEKt 12 601 (16 655). In addition to capitalized expenditure for development of SEKt 9 675 (14 484), regarding the products Paclical® and Paclical® Vet, capital expenditures in other intangible assets have been made concerning patents and sale authorizations amounting to SEKt 1 226 (1 036). Capital expenditures in property, plant and equipment amounted to SEKt 1 700 (1 136) and those were, like in the previous year, mostly attributable to development of production facilities and equipment. Depreciations/amortization and impairment for the year amounted to SEKt –2 727 (-2 521).

Key ratios and other information

	2007/08 May-April	2006/07 May-April
Number of shares at the close of the period (in thousands), before and after dilution	33 375	31 851
Average number of shares (in thousands) before and after dilution	32 613	31 425
Earnings per share in SEK, before and after dilution	-0,16	-0,37
Equity per share, SEK	1,94	2,19
Equity/assets ratio, %	74	79
Return on total assets, %	-5	-18
Return on equity, %	-8	-26
Number of employees at the end of the period	41	29

Definitions

Earnings per share, before and after dilution: The income for the period attributable to the equity holders of the parent company divided by a weighted aver-age number of ordinary 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: The operating income plus financial income, as a percentage of balance sheet total

Return on total equity: Income for interest expenses pertaining to the average balance sheet total.
Return on equity: Income after financial items in relation to the average equity and untaxed reserves (with deduction for deferred tax).

Parent Company

Net sales amounted to SEKt 26 246 (973). Apart from net sales accounted for, SEKt 9 675 (14 484) were capitalized with regard to development costs for Phase III studies. Net financial items net amounted to SEKt -4 356 (-10 640). Liquid assets as of April 30 2008 amounted to SEKt 10 352 (20 280).

RESEARCH AND DEVELOPMENT

The Oasmia Pharmaceutical AB research and development activity is mainly directed towards human and veterinary oncology. The company research on the natural ageing and death of the cell has formed the platform for the development of the company's solid product portfolio, containing among others the unique pharmaceutical candidate Paclical® and Paclical® Vet. The basis for the Oasmia product portfolio is a group of novel, unique and patented substances. One of these, XR-17, is specifically designed with the property to form micelles around the active part of the pharmaceutical. Oasmia's XR-17 can be used together with a variety of different substances in order to improve their profile and effect, especially substances that are sparsely water-soluble. The pharmaceuticals in the company product portfolio are all based on this nanotechnological platform. Capitalized expenditures for development of the products Paclical® and Paclical® Vet amounted to SEKt 9 675 (14 484). Expenditures for research and development that have been written off and which concerns products not yet in Phase III studies amounted to SEKt 30 769 (11 148) for the year.

Product portfolio

The company product portfolio for human use consists of Paclical®, Docecal®, Doxophos® and Carbomexx®. The main task for Oasmia is the upcoming international Phase III studies on Paclical®. Docecal®, Doxophos® and Carbomexx® are on the verge of entering clinical phase I/II- studies. These thee new products from Oasmias product portfolio are active against other forms of cancer and cover together with Paclical® theoretically 80 % of the standard treatments used today for the most common types of cancer.

The product portfolio in the area Animal Health consists of Paclical® Vet and the products Docecal® Vet, Doxophos® Vet and Carbomexx® Vet. The main task for Oasmia Animal Health is an extensive clinical Phase III study on Paclical® Vet. The products Docecal® Vet, Doxophos® Vet and Carbomexx® Vet are active against other types of cancer in dogs and are on the verge of entering Phase I/II trials. Oasmia

holds world-wide patents on all products.

PARALELL IMPORT

The Group conducts parallel import of pharmaceuticals for sales through the subsidiary Qdoxx Pharma AB. In order to carry out parallel import the pharmaceutical must be registered and approved by the Swedish Medicinal Product Agency. At the end of the period, the number of approved parallel imported products was 55 (33). Net sales for parallel import increased to SEKt 45 426 (21 894) during the period. The increase compared to the previous year is attributable to a development of the business and an increase in the number of marketed products. Results for the business segments development and parallel import are presented in more detail in note 5.

EMPLOYEES

Oasmia is a knowledge-intense company which follows international quality guidelines that puts high demands on employees and management. As a knowledge company Oasmia is dependent on highly qualified employees. The majority of the employees have degrees from higher education and not only does the company have high requirements on persons it employs, but the company also needs to continually educate the employees. This is also a prerequisite to be able to attract, motivate and keep the right people. The education plan is designed according to the employees individual goals and needs. One part of improving the working climate are the employee surveys that are performed regularly. These are the basis for improvements in the organization suggested by management. Oasmia has a work-force characterized by multitude and the company views the cultural experiences of the employees as a strength in the global market. Oasmia considers it a matter of course that everyone is given the same opportunities and is treated in the same way irrespective of gender, religion, sexual preference, disability or ethnic origin. At the end of the fiscal year the number of employees was 41. Of these 24 were women and 17 men.

ENVIRONMENTAL INFORMATION

Oasmia is active in research and development of pharmaceuticals for treatment of cancer and has in-house production in the company facilities in Uppsala. The company abides by the rules and regulations that govern the work and the company does its utmost to continually improve the internal control in the area of quality and environment. The employees undergo regular health examinations.

RISKS RELATED TO BUSINESS ACTIVITIES

An account is given below of a number of risk factors that can affect the development of the company. There has been no attempt to rank these; nor should they be taken to be all inclusive. Risk factors that, in the current situation, have not been identified, or have not been deemed to be important, can affect the company's future development.

Products

Because of the high development costs that are associated with the main business area of the company, there is a risk that the company can be affected if test results from trials of a product turn out to be unsatisfactory.

Side-effects

Since the company's main area of business is in the development of pharmaceuticals, there is a risk that patients that either participate in clinical studies of the company's products, or in some other way, come into contact with the company's products will develop serious side-effects. Side-effects can have a negative effect on the company.

Relations with government agencies

The business operations of Oasmia Pharmaceutical depend on permits granted by various government agencies, international as well as Swedish. There is a risk that a necessary permits can not be obtained without extensive investigations or an expensive modification of business operations. Oasmia strives for cost efficiency in all aspects of its operations.

Competition

There is keen competition in the field of oncology with many available products. Development is on-going and there is a risk that competitors on the market can affect the company's results.

Financing and collaboration

Oasmia is financed primarily by capital from shareholders and banks. It can not be ruled out that in the future the company will need to acquire additional capital or face worsened interest terms. Moreover, to a certain extent, Oasmia's growth is dependent on establishing collaborative ventures with external partners in the form of industrial contracts and collaborative agreements with international pharmaceutical companies. If important collaborative ventures can not be entered into, are terminated, or do not work satisfactorily, this can have a negative effect on the company.

The company's goal is to create firm agreements with its partners and long-term financial growth.

Licenses and agreements

License and Distribution Agreements with other companies contain clauses which states that parts of license revenues received may be subject to repayment by Oasmia. This refers to situations where Oasmia does not obtain product registration within agreed time frames or does not provide defined registration documentation within thirty days after registration. In such cases, the licensee may choose to annul the agreement at which all rights will be returned to Oasmia.

Patents

Oasmia holds patents for all steps of product development world-wide. There is a risk that competitors will violate these patents and that a dispute might arise. This can have a negative effect on the company.

Key persons

Oasmia depends on a highly qualified workforce in order to conduct first-class research. Furthermore, the company depends on being able to continue to recruit competent workers even in the future. There is a risk that there might be a lack of such workers. This can have a negative effect on the company.

Share trading

The company is listed on NGM Equity. If trading liquidity does not develop or become lasting, this can make it difficult for shareholders to sell their shares. There is also a risk that the market price may differ significantly from today's share price.

Management of financial risks are described in more detail in note 3.

FUTURE PROSPECTS

During the financial year clinical results have been generated both for Paclical® and Paclial® Vet, which have exceeded expectations and further strengthened the potential of the products on the world market. The interest for the products, mostly for Paclical® Vet, has increased from international pharmaceutical companies and other parties. Management has therefore a confident view of the future and the company potential.

The license agreement which Oasmia closed with Orion Pharma Oy for distribution rights of Paclical® Vet is very beneficial for both parties and will have a positive effect on Oasmia's long-term development. The cooperation with Orion Pharma will also be extended to other areas, for example administrative areas and product development with beneficiary synergy effects for both parties.

Presently, a number of negotiations with different parties concerning distribution in other geographic areas are being conducted. The company estimates that a major part of these will be closed in a positive way in the coming year. Oasmia therefore has a positive situation as Paclial® and Paclial® Vet reaches registration and can be marketed globally.

Apart from the central products Paclical® and Paclial® Vet another four products in Oasmia's product portfolio will be ready for clinical trials shortly. This expansion of the clinical portfolio with other products with great potential is a key factor for the company's long-term growth and success.

Independent marketing surveys show that oncology is the most rapidly increasing pharmaceutical area on the world market by far. The need and the potential for Oasmia product portfolio is estimated to continue to be great.

SHARE INFORMATION

The principal owner of Oasmia Pharmaceutical AB is Oasmia S.A with 72 % of the share capital. The ten largest shareholders held 81,2 % of the company at the end of the fiscal year, see table on page 14.

The share price dropped during the fiscal year with 25,3 % from SEK 36 per share at the beginning to SEK 26,90 at the end of the fiscal year. On September 14, 2007, the Oasmia share was moved from NGM Nordic MTF to NGM Equity. The market value amounted to SEK 898 million as of April 30 2008. The highest price in the fiscal year was SEK 41 on March 3, 2008 and the lowest price was SEK 21 on January 16 2008. On page 14 is a table displaying the development of the share capital.

BOARD PROCEEDINGS

The composition of the Board in the fiscal year May 1 2007 – April 30 2008 have been:

Bo Cederstrand, Chairman
Claes Piehl, Member
Peter Ström, Member
Julian Aleksov, Member and Chief Executive Officer

During the fiscal year, the Board of Directors held four meetings. Main topics for the meetings were potential distributors and license takers, the clinical development and adaptation of the organization for future needs as well as financial development and regular Board issues. Significant Board decisions during the period were the choice of Orion Pharma Oy as an European license taker and distributor of Paclical® Vet. No Board meetings during the financial year have been constitutional.

At the Annual General Meeting a Nomination Committee and an Audit Committee will be appointed.

Suggestions to guidelines for reimbursement to the Board

No board fees or other reimbursements as been issued to members of the Board in the fiscal year. Possible reimbursements to the Board for the coming fiscal year will be established at the Annual General Meeting.

Swedish Code of Corporate Governance

The Swedish code for Corporate Governance is mandatory as of July 1 2008. This means that Oasmia has not fully applied the parts of the code that affects Oasmia during the fiscal year. The company will during the coming fiscal year adapt to those parts of the code that concerns the company.

DIVIDEND

The Board of Directors will not suggest any dividend for the financial year May 1 2007 – April 30 2008.

PROPOSED DISTRIBUTION OF EARNINGS

Distributable equity in the Parent Company:

Retained earnings	SEK 63 627 651
Income for the period	SEK - 4 355 723
Total	SEK 59 271 928

The Board of Directors propose that SEK 59 271 928 is to be carried forward.

Group Income statement

SEKt	Note	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30
Net sales	5	71 158	22 387
Capitalized development cost	6	9 675	14 484
Other operating income	7	65	-
Raw material, consumables and goods for resale	8	-45 310	-22 621
Other external expenses	9,10	-20 187	-12 154
Employee benefit expenses	11	-17 530	-10 559
Depreciation/amortization and impairment	12,13	-2 727	-2 521
Operating income	14,15	**-4 855**	**-10 986**
Financial income		462	21
Financial expenses		-674	-787
Financial items, net	14,16	**-212**	**-766**
Income of financial items		**-5 067**	**-11 752**
Taxes	17	0	0
Income for the period		**-5 067**	**-11 752**
Income for the period attributable to:			
Equity holders of the Parent company		-5 057	-11 748
Minority interest in income for the period		-9	-4
Earnings per share			
Before dilution, SEK	18	-0,16	-0,37
After dilution, SEK	18	-0,16	-0,37

Group Balance Sheet

SEKt	Note	2008 April 30	2007 April 30
ASSETS			
Non-current assets			
Property, plant and equipment	12	19 180	19 416
Capitalized development cost	6	24 159	14 484
Other intangible assets	13	8 284	7 849
Current assets			
Inventories	8	19 121	18 318
Trade receivables	19	4 059	4 386
Other current receivables	20	772	833
Prepaid expenses and accrued income	19	1 717	1 373
Liquid assets	21	10 379	22 170
Total assets		**87 672**	**88 830**
EQUITY			
Equity attributed to equity holders in the Parent Company			
Share capital	22	3 338	3 185
Other capital provided		95 767	95 919
Retained earnings		-34 389	-29 331
Minority interests		97	106
Total equity		**64 812**	**69 879**
LIABILITIES			
Non-current liabilities			
Long-term borrowings	23	6 433	5 513
Deferred tax liabilities	24	8	8
Current liabilities			
Liabilities to credit institutions	25	5 241	2 461
Short-term- borrowings	23	2 814	2 933
Trade payables		3 933	4 564
Other current liabilities	26	2 153	1 966
Accrued expenses and prepaid income	27	2 277	1 506
Total equity and liabilities		**87 672**	**88 830**

Change in shareholders' equity - Group

	Attributed to equity holders of the company				
SEKt	Share capital	Other capital provided	Retained earnings	Minority interest	Total equity
Opening balance as of May 1, 2006	3 100	34 904	-17 422	-	20 582
Income for the period	-	-	-11 752	-	-11 752
Total recognized income and expense for the period	**-**	**-**	**-11 752**	**-**	**-11 752**
Adjustments*	-	-	-157	-	-157
Shareholders contribution refunded	-	-34 904	-	-	-34 904
New share issue	85	34 819	-	-	34 904
Shareholders contribution received	-	61 100	-	-	61 100
Minority interest**	-	-	-	106	106
Total transactions with shareholders	**85**	**61 015**	**-**	**106**	**61 206**
Closing balance as of April 30 2007	**3 185**	**95 919**	**-29 331**	**106**	**69 879**
Opening balance as of May 1, 2007	3 185	95 919	-29 331	106	69 879
Profit for the period	-	-	-5 057	-9	-5 067
Total recognized income and expense for the period	**-**	**-**	**-5 057**	**-9**	**-5 067**
Shareholders contribution refunded	-	-61 100	-	-	-61 100
New share issue	152	60 948	-	-	61 100
Total transactions with shareholders	**152**	**-152**	**-**	**-**	**-**
Closing balance as of April 30 2008	**3 338**	**95 767**	**-34 389**	**97**	**64 812**

* Adjustments refers to corrections of erroneous accounting concerning the acquisition of GlucoGene Pharma AB
**Minority interest refers to the minority shareholder part of the equity in the subsidiary GlucoGene Pharma AB. GlucoGene was incorporated into the Oasmia Group accounts on May 7, 2006.

Cash flow statement for the Group

SEKt	Note	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30
Operating activities			
Operating income		-4 855	-10 986
Depreciation/amortization and impairment	12,13	2 727	2 521
Interest received	16	462	21
Interest paid	16	-674	-787
Cash flow from operating activities before working capital changes		**-2 340**	**-9 231**
Change in inventories	8	-803	-15 645
Change in trade receivables	19	347	-4 087
Change in other current receivables	19,20	-302	-12
Change in trade payable		-631	3 937
Change in other current liabilities	26,27	3 739	1 716
Cash flow from current operations		**9**	**-23 322**
Investing activities			
Investments in intangible fixed assets	6,13	-10 901	-15 519
Investments in property, plant and equipment	12	-1 700	-1 136
Cash flow from investing activities		**-12 601**	**-16 655**
Financing activities			
Shareholder contribution received		-	61 100
Shareholder contribution refunded		-61 100	-34 904
New share issue		61 100	34 904
New loans	23	3 500	-
Repayment of loans	23	-2 699	-2 589
Cash flow from financing activities		**801**	**58 511**
Cash flow for the year		**-11 791**	**18 534**
Cash and cash equivalents at the beginning of the year		**22 170**	**3 635**
Cash and cash equivalents at the end of the year	21	**10 379**	**22 170**

Parent company Income Statement

SEKt	Note	2007-05-01 -2008-04-30	2006-05-01 2007-04-30
Net sales		26 246	973
Capitalized development cost	6	9 675	14 484
Other operating income	7	31	-
Raw material, consumables and goods for resale	8	-1 241	-1 516
Other external expenses	9,10	-19 188	-11 431
Employee benefit expenses	11	-17 510	-10 373
Depreciation/amortization and impairment of Tangible and intangible assets	12,13	-2 505	-2 312
Operating income		**-4 492**	**-10 175**
Other interest revenues and similar revenues		460	21
Interest cost and similar costs		-324	-486
Financial items, net	16	**136**	**-465**
Income after financial items		**-4 356**	**-10 640**
Taxes	17	0	0
Income for the period		**-4 356**	**-10 640**

Parent Company Balance Sheet

SEKt	Note	2008 April 30	2007 April 30
ASSETS			
Non-current assets			
Property, plant and equipment	12	19 180	19 413
Capitalized development cost	6	24 159	14 484
Other intangible assets	13	7 386	6 737
Financial assets	28,29	2 118	2 100
Current assets			
Inventories	8	37	37
Trade receivables	19	-	93
Receivables from group companies		14 825	17 676
Other receivables	20	713	763
Prepaid expenses and accrued income	19	1 373	1 117
Cash and bank balances	21	10 352	20 280
Total assets		**80 143**	**82 701**
EQUITY			
Restricted equity			
Share capital	22	3 338	3 185
Statutory reserve		4 620	4 620
Non-restricted equity			
Share premium reserve		95 767	34 819
Retained earnings		-32 139	39 601
Income for the period		-4 356	-10 640
Total equity		**67 229**	**71 585**
LIABILITIES			
Non-current liabilities			
Long terms borrowings	23	6 433	5 513
Current liabilities			
Short term borrowings	23	2 814	2 933
Trade payable		650	656
Other current liabilities	26	740	508
Accrued expenses and prepaid income	27	2 277	1 506
Total equity and liabilities		**80 143**	**82 701**
Contingent liabilities	30	8 000	8 473

Change in shareholders' equity Parent Company

SEKt	Share capital	Statutory Reserve	Non-restricted equity	Total equity
Opening balance as of May 1 2006	3 100	4 620	14 724	22 444
Adjustments*	-	-	-119	-119
Shareholders contribution received	-	-	61 100	61 100
Shareholders contribution refunded	-	-	-34 904	-34 904
New share issue	85	-	34 819	34 904
Provision of group contribution**	-	-	-1 200	-1 200
Income for the period	-	-	-10 640	-10 640
Closing balance as of April 30 2007	**3 185**	**4 620**	**63 780**	**71 585**
Opening balance as of May 1 2007	3 185	4 620	63 780	71 585
Shareholders contribution refunded	-	-	-61 100	-61 100
New share issue	152	-	60 948	61 100
Income for the period	-	-	-4 356	-4 356
Closing balance as of April 30 2008	**3 338**	**4 620**	**59 272**	**67 229**

*Adjustments refers to correction of erroneous accounting of the acquisition of GlucoGene PharmaAB.
**The tax effect from provision of group contribution amounts to SEKt 336.

Parent Company Cash Flow Statement

SEKt	Note	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30
Operating activities			
Operating income		-4 492	-10 175
Depreciation/amortization and impairment	12,13	2 505	2 312
Interest received	16	460	21
Interest paid	16	-324	-486
Cash flow from operating activities before working capital changes		**-1 851**	**-8 329**
Change in inventories	8	-	-37
Change in trade receivables	19	93	52
Change in other current receivables	19,20	2 628	-17 380
Change in trade payables		-7	415
Change in short-term current liabilities	26,27	1 003	850
Cash flow from current operations		**1 867**	**-24 428**
Investing activities			
Investments in intangible fixed assets	6,13	-10 896	-14 994
Investments in property, plant and equipment	12	-1 700	-1 136
Investments in subsidiaries	28	-	-104
Cash flow from investing activities		**-12 596**	**-16 233**
Financing activities			
Shareholders contribution received		-61 100	61 100
New share issue		61 100	-
Group contribution paid		-	-1 200
New loans	23	3 500	-
Repayment of loans	23	-2 699	-2 589
Cash flow from financing activities		**801**	**57 311**
Cash flow for the year		**-9 927**	**16 649**
Cash and cash equivalents at the beginning of the year		**20 280**	**3 630**
Cash and cash equivalents at the end of the year	21	**10 352**	**20 280**

Notes for the Group Accounts

Note 1 General information

Principal owners of the Group Parent Company Oasmia Pharmaceutical AB, having 72 % of the votes, are Oasmia S.A placed in Luxembourg.

The parent company and the subsidiaries (altogether the Group) develops novel, patented formulations of existing pharmaceuticals with focus on human and veterinary oncology. Oasmia also conducts research within infections, asthma and neurological diseases. The Parent company office, research, and production facility is situated in Uppsala. Through the subsidiary Qdoxx Pharma AB the Group carries out sales of parallel imported pharmaceuticals in Sweden. The Parent company is a public company registered in and located in Stockholm, Sweden. The address of the company is Vallongatan 1, Uppsala, where the Parent company office- research- and production facility is located. The company is listed on NGM Equity. The Group Accounts for Oasmia Pharmaceutical AB for the fiscal year ending on April 30 2008 has been approved for publication by the Board of Directors on August 29 2008 and will be presented to the Annual General Meeting on September 11, 2008.

Note 2 Summary of important accounting policies

The Group
The most important accounting principles that have been applied when these Group accounts were established are listed below. These principles have been applied for the last three fiscal years.
Basis for establishment of the report
The Group Accounts and the accounts for the Parent Company have been established in accordance with the Annual Accounts Act, RR 30:06 Complementary accounting regulations for Groups and the International Financial Reporting Standards (IFRS) such as they have been adopted by the EU. The Group Accounts has been established in accordance with the cost method. Oasmia has recalculated the historical financial information from May 1 2005, which was the date of adoption of accounting according to IFRS. Justifications for the transfer form previously applied accounting policies to IFRS and the effects the recalculation of the Income Statements and Balance Sheets has had on the transition date 2005-05-01 and on the fiscal years 2005/2006 and 2006/2007 are discussed in note 34.

Establishing reports in compliance with IFRS requires use of some important estimations for accounting purposes. Furthermore the management needs to make certain assessments of the application of the Group accounting policies. The areas which contain a high degree of assessment, and are complex or such areas where assumptions and estimations have an essential impact on the Group Accounts are given in note 4.

Introduction of new accounting policies
At the establishment of the Group Accounts as of April 30 2008 a number of standards and interpretations been published which have not taken effect. A preliminary assessment of the effect the incorporation of these standards and announcements may have on the Group financial reports is given below:

IFRS 8 *Operating segments*
The standard takes effect on January 1 2009 and concerns fiscal years that are started from that date. The standard concerns the division of the company business into segments. According to the standard the company should use the internal reporting structure as a starting point and decide the reportable segments according to this structure. The Group's assessment is that this standard does not imply any changes compared to the present segment reporting.

IFRIC 12 *Service concession arrangements* (applies from January 1 2008)
The interpretation announcement is not yet adopted by the EU. It concerns arrangements where a private company shall establish an infrastructure in order to offer public service for a specific time period. The company is compensated for this service during the time of the agreement. The announcement has no effect on the Group financial reports.

IFRIC 13 *Customer loyalty programmes* (applies from July 1 2008)
The interpretation announcement is not yet adopted by the EU. It concerns accounting of proceeds in those cases where an initial revenue making transaction gives the customer certain discounts or other benefits regarding future purchases in the own company or other companies that are tied to the same customer loyalty program. The Group will apply IFRIC 13 as of May 1 2009 but that is not expected to have any effect on the Group accounts as such customer loyalty programs does not exist in the Group.

IFRIC 14 *IAS 19 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction* (applies from January 1 2008)
This change is still a matter for the EU approval process. IFRIC 14 brings up three questions: (1) how should companies determine the limitation that is specified in IAS 19, Employee compensation, concerning the surplus amount in a pension plan that can be accounted for as an asset; (2) how a future requirement of minimum funding to defined benefit plans effects this limitation and (3) how a requirement of minimum funding results in a commitment which should be accounted for as a liability in addition to the liability accounted for according to IAS 19. This change has no effect on the Group financial reports since the Group does not have any defined benefit pension plans.

IFRIC 15 *Agreements for the Construction of Real Estate*
The interpretation announcement is not yet adopted by the EU. IFRIC 15 is applicable for accounting of revenues and accompanying expenses in companies that commits to construction of real estate directly or by subcontractors. IFRIC 15 offers guidance on deciding if an agreement for construction of real estate falls within IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from construction shall accounted for. IFRIC 15 has no effect on the Group financial reports.

IFRIC 16 *Hedges of a net investment in a foreign operation*
The interpretation agreement is not yet adopted by the EU. IFRIC 16 is applicable for companies that consolidate currency risks from net investments in foreign subsidiaries, interest companies, joint ventures or branches and wishes to qualify for consolidated accounting in accordance with the regulations in IAS 39. The interpretation announcement offers guidance in which currency risk that could constitute the consolidated risk in a securing of a net investment, which companies within the group that can hold the securing instruments and how a company decides the amount to be reclassified from equity to the income statement. The interpretation announcement has no effect on the Group financial reports.

IAS 1 (Change), *Presentation of Financial Statements* (applies from January 1 2009). This change of the standard is still a matter for the EU approval process. The changes involves changes in the set-up and designation of the financial reports. Thus will the Group's future design of the financial reports be effected by the application of this standard.

IAS 23 (Change), *Borrowing Costs* (applies from January 1 2009). This change of the standard is still a matter for the EU approval process. The change states that a company capitalizes liability costs that are directly attributable to purchases, construction or production of an asset which takes a considerable amount of time to complete for use or sale, as a part of the cost of acquisition for the asset. The alternative to immediately write off these liability costs will be removed. The Group will apply IAS 23 (change) as of May 1 2009 but it is not relevant for the Group at present since there are no assets for which liability costs can be capitalized.

IAS 27 (Change), *Consolidated and Separate Financial Statements* (applies from July 1 2009). This change of the standard is still a matter for the EU approval process. The change involves among other things that results attributable to minority share holders should always be accounted for even if it means that the minority share is negative, that transactions with minority share holders always should be accounted for in the equity and that in those cases where a parent company loses the decisive influence the eventual remaining part should be recalculated to the actual value. The change in the standard will effect the accounting of future transactions.

IFRS 2 *Share-based Payment* (Change) – *Group cash-settled share-based payment transactions* (applies from January 1 2009). This change of the standard is still a matter for the EU approval process. The change effects the definition of vesting conditions and infers a new term, non-vesting conditions (conditions that are not defined as vesting conditions). The standard states that non-vesting conditions shall be considered when estimating the actual value of the equity instrument. Goods or services that are received from a counterpart that fulfils all other vesting conditions shall be accounted for irrespective if non-vesting conditions have been fulfilled or not. This change has no effect on the Group's financial reports.

IFRS 3 (Change), *Business combinations* (applies as of July 1 2009). This change of the standard is still a matter for the EU approval process. The change concerns future-oriented for acquisitions after the time of the standard taking effect. The application will imply a change of how future acquisitions will be accounted for, among other things accounting of transaction costs, eventual conditional considerations and successive acquisitions. The Group will apply the standard as of the fiscal year starting May 1 2010. The change of standard will not have any effect on previous acquisitions but will have an effect on the accounting of future transactions.

IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements (amendment) - Puttable Financial Instruments and Obligations Arising on Liquidation (applies as of January 1 2009). This change of the standard is still a matter for the EU approval process. The change aims to improve the financial reporting concerning certain types of financial instruments that have similar properties such as ordinary shares but that have previously been classified as financial liabilities. These should according to the change be classified as equity supposing that they have specific characteristic properties and fulfils certain specific terms.
The financial instruments the change aims for are:
a) instruments that are puttable to actual
b) instruments with an obligation for the company to deliver a pro rata part of the net assets in the company in the case of liquidation. The change has no effect on the Group financial reports since the Group does not have these kind of instruments.

Group accounting

Subsidiaries
Subsidiaries constitute the companies for which the Parent Company has the right to shape financial and operative strategies, in a way that usually follows a shareholding amounting to more than half the votes. Subsidiaries are included in the Group accounts as of the day when the decisive influence are transferred to the Group. They are excluded from the Group accounts as of the day when the decisive influence expires.

The purchase accounting method is used for accounting of the Group's acquisition of subsidiaries. The cost for an acquisition consists of the actual value of assets that are given as compensation and arisen or assumed liabilities as of the day of acquisition, plus expenditures that are directly attributable to the acquisition. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are valued initially to actual values on the day of acquisition, irrespective of the extent of eventual minority shareholding. The surplus that consists of the difference between the cost and the actual value on the Group share of identifiable acquired assets, liabilities and contingent liabilities are accounted for as goodwill. If the cost falls short of the actual value of the acquired subsidiaries' assets, liabilities and contingent liabilities the difference is accounted for directly in the Income Statement.

Transactions within the Group, Balance Sheet items and unrealized gains on transactions between Group companies are eliminated.

Transactions with minority shares
The Group applies the principle of account for transactions with minority shares as transactions with third part.

Segment reporting
A business branch (primary segment) is a group of assets and operations which supply products or services that are exposed to risks and possibilities that differ from what applies to other business branches. The Group has two primary segments:

- Development of pharmaceuticals
- Sales of parallel imported pharmaceuticals

The Group's present business operation is only active in Sweden which is why no geographical segments exist.

Sales between segments is conducted on market terms and concerns local costs and administration. These costs are evaluated annually and the costs are distributed through invoicing between segments after estimated resource usage.
In the group accounts sales within the group are eliminated.

Translation of foreign currency
The Group companies use SEK as the functional currency and report currency.
Transactions in foreign currencies are to be converted to functional currency in accordance with the Exchange Rate valid on the day of transaction. Exchange Rate profits and losses which result from the payment of such transactions and conversion of monetary assets and liabilities in foreign currency according to the rate on the day of balance are to be accounted for in the business operations. Exchange rate profits or losses from currency re-evaluation of EUR bank accounts are accounted for in the net financial income.

Tangible assets
Tangible assets are to be accounted by the acquisition value with deductions for depreciation. In the acquisition value shall be included expenses that can be attributed to the acquisition of the asset.

Future expenses are to be added to the assets stated value or be accounted for as a separate asset, depending on which method is suitable, only if it is likely that future financial benefits related to the asset are credited to the Group and the assets acquisition value can be measured in a reliable manner. The stated value of the replaced part is to be taken away from the Balance Sheet. All other forms of repairs and maintenance are to be accounted for as costs in the Financial Statement during the time they take place.

The Group applies component depreciation which means that every part of a tangible asset with an acquisition value which is substantial in relation to the assets combined acquisition value, is written off separately. Component depreciation is applied primarily for the group's production equipment.

Depreciation of assets, in order to allocate their acquisition value to the calculated residual value over the calculated period of use, is recorded lineally as stated below:

- vehicles	3 years
- inventories	5 years
- production equipment	12-15 years
- installations in buildings	20 years

The assets residual value and period of use are assessed every balance sheet date and are adjusted as necessary. An asset's stated value is amended immediately to its recoverable value if the asset's stated value exceeds its estimated recoverable value.

Profits and losses resulting in sales are established by a comparison between sales revenue and the stated value and accounted for in Other profits/losses - net in the Income Statement.

Intangible assets

Capitalized expenditure for development
Expenses for research are written off immediately. Expenses relating to development projects, attributable to construction and tests of new or improved products are capitalized in the group to the extent that these expenses are expected to generate future financial benefits. Depreciation occurs lineally during the period that the expected benefits are estimated to favour the company and from the date when commercial production is established. The period of use for such capitalized development work is calculated to be maximum 10 years.

The criteria for deciding the value of capitalized expenses for development are the costs the Group has for a development project which is in the so called Phase III.

Pharmaceuticals under development over time are found in two stages, the pre-clinical stage and the clinical stage. During the pre-clinical stage pharmaceutical candidates are selected from possible future pharmaceuticals. The priorities which decide the selection are demand and profitability related. Furthermore it includes work involving the development of the new pharmaceuticals in a test version and the testing of the pharmaceutical as regards the specific, effects and safety. Work in this phase is completed by an application (IND= Investigative New Drug application) to the Pharmaceutical Authority for testing the pharmaceutical on humans.

When the application is approved, the work progresses to the clinical stage. This in turn is divided into four phases where in Phase I the pharmaceutical is tested on healthy voluntary humans, Phase II when the tests are carried out on a group of people with the illness the pharmaceutical is designed to treat. In Phase III, tests are carried out on a larger group of people where effects and safety are studied. The same procedure is applied regarding pharmaceuticals for animals. After the market launch of the approved pharmaceutical, there is a follow up, first and foremost, of rare side effect symptoms in Phase IV.

The company has adopted the principle of capitalizing development costs for pharmaceuticals that are in development Phase III. Depreciation will commence when the product is registered, which is estimated to be in the near future.

Other development expenses are written off as they arise. Development expenses that were previously written off are not accounted for as assets in later periods.

Other intangible assets
The Group capitalizes expenses to authorities for patents and sales rights to the extent as they are expected to generate future financial benefits. They are accounted for as the acquisition value reduced by accumulated depreciations. Depreciations are applied lineally to distribute the cost over the assessed period of use. The implemented depreciation periods are as follows:

- Patents 20 years

- Sales rights 5 years

The patents are written off from the month when the patents gained approval. The sales rights are written off starting the first day of the subsequent fiscal year.

The capitalized expenses for the patents are comprised of the registration costs as well as expenses for e.g authorities and legal costs.

The sales rights constitute expenses to authorities for the right to sell parallel imported pharmaceuticals.

Writing-down of non-financial assets
Assets that have an indefinable period of use as well as the balanced expenses for development work which is still not ready for implementation are not written off, but are annually assessed regarding possible writing down requirements. For every Financial Statement, the Group assesses the expected period of use for assets. If there are indications that an asset has decreased in value the Group states the recycled value. This value is considered the highest of an asset's net sale value, with reductions for sales costs and its period of use. The asset is written down by the amount to which the asset's accounted value exceeds the recycled value. In order to establish the writing down requirement, the assets are grouped in cash generating units which is the smallest group assets that can facilitate positive cash flows which essentially is independent of the cash flow from other assets or groups of assets. The Group does not at present have any assets with an indefinable period of use.

Inventory
The inventory is accounted for by the lowest of the acquisition value and the net sales value. The acquisition value is established by applying the first in, first out method (FIFO). The acquisition value for goods for resale consists of costs for acquisition goods for resale and costs for repackaging. Net realizable value is the estimated sales price in the current operations, with reductions for applicable variable sales costs.

Trade receivables
Trade receivables are accounted for, by initially the actual value and then by accrued acquisition value implanting the effective interest method, reduced by possible reservations for reduction in value. A reservation for reduction in value of customers' accounts receivable is made when there is objective proof that the Group will not be able to receive all of the amount due in accordance with the demands in the original conditions. Substantial financial difficulties for the debtor, the probability that the debtor can be bankrupt or undergo a financial reconstruction and overdue or late payments (due since more than 30 days) are considered as indicators that the writing down requirement of customers' accounts receivable can be necessary. The extent of the reservation is constituted by the difference between the asset's stated value and the current value of estimated future cash flows, discounted with the original effective interest. The asset's stated value is reduced by using a contingency account and the loss is accounted for in the Financial Statement under the post 'Other external expenses'. When an accounts receivable cannot be recovered, it is to be written off against the value reduction account for trade receivables. Recovery of amounts that have previously been written off are credited to Other operational income in the Income Statement.

Liquid assets
Liquid assets consist of cash and bank deposits. In the Balance Sheet a bank overdraft is accounted for as borrowing among Liabilities to credit institutions

Share capital
Ordinary shares are classed as operational capital. Transaction costs which can be directly associated with new issue of new shares or options are accounted for, net after tax, in operational capital as a deduction from the proceeds of issue.

Trade payables
Trade payables are accounted for initially at the actual value and then at the accrued acquisition value with implementation of effective interest method.

Borrowing
Borrowing are accounted for, initially at the actual value net after transaction costs. Borrowing are then accounted for at the accrued acquisition value and possibly the difference between the received amount (net after transaction costs) and the repayment amount is accounted in the Financial Statement spread out over the borrowing period, with implementation of the effective interest method. Borrowing are classified as short–term liabilities if the Group does not have an unconditional right to postpone payment of liabilities for at least 12 months after the day of balance. The short–term and long-term amounts for Borrowing includes liabilities to another company which were in place at the time of an instalment purchase.

Deferred income tax
Deferred tax is accounted for in accordance with the Balance Sheet method, on temporary differences that arise between the taxable value of assets and liabilities and the accounted values in the Group accounts. The deferred tax does not show if the tax arose as a consequence of a transaction that constitutes the first accounting of an asset, neither influences the accounted or taxable result. Deferred income tax is calculated by applying taxation rates (and tax laws) that have been decided or notified as of the day of balance and is expected to take effect when the deferred outstanding tax is realised or the deferred tax liability is regulated.

Deferred outstanding tax is accounted for to the extent it is likely that future taxable surpluses will be available, against which the temporary differences may be employed.

Payment to employees
Pension obligations
The Group companies do not have any pension obligations.

Payments regarding notice
Payments regarding notice arise when an employee's position is terminated by the Group before normal retirement age or when an employee accepts voluntary redundancy in exchange for such payments. The Group accounts for the severance payment when it is unconditionally bound to either dismiss employees in accordance with a formal plan without the right of revocation, or to arrange payments for giving notice as a result of an offer that has been made to encourage voluntary redundancy. Benefits that are due more than 12 months after the balance sheet date are discounted at current value.

Revenue accounting
Revenue comprises the actual value of what has been received or will be received for sold goods and services in the Group's current operations. Revenue is accounted exclusive VAT and after eliminating the group internal sales.

The Group accounts for a revenue when its amount can be measured by a reliable method, it is likely that future financial benefits will accrue to the company and special criteria have been fulfilled for each and every one of the Group's operations as described below.

(a) Sales of pharmaceuticals development by the company
The parent company Oasmia Pharmaceuticals AB sell some pharmaceuticals before they are registered. This is called compassionate use but consists of delivery and invoicing of the product according to the price list. Delivery and invoicing occurs simultaneously and the revenue is accounted for in this event.
Sales of pharmaceutical products before they have been registered can occur in two cases. In the one case, the buyer is a hospital pharmacy or veterinary clinic where our clinical tests are in progress. In the second case the buyer is a treatment clinic which has decided to test a pharmaceutical product (within cancer treatment) which is not yet approved, because the registered pharmaceutical product has not rendered the desired result.

(b) License revenue
The Parent Company signs license- and distribution agreements with other companies concerning rights to market and sell pharmaceutical candidates within world regions specified in the agreement. Such agreements concerns pharmaceutical candidates that are in Phase III and where the risk of failed registration is considered to be very small. License and distribution agreements contain milestone payments and royalties from sales. Milestone payments are accounted for as a revenue when licensing has been closed and when other criteria according to agreement has been fulfilled by Oasmia. Royalties will henceforth be accounted for as revenue according to sales accounted for.

(c) Sales of parallel imported pharmaceutical products.
The subsidiary company Qdoxx Pharma AB imports pharmaceuticals from EU countries where the price is lower than for corresponding pharmaceuticals in Sweden. Qdoxx Pharma AB must have an approved registration for the pharmaceutical issued by the Pharmaceutical Authority or by EMEA (European Pharmaceutical Authority).

The sales price to the pharmacies is set once a month by the authority (The Pharmaceutical Special Board). The pharmacies are obligated to always serve the customer the cheapest pharmaceutical available.

Qdoxx Pharma owns the products that have been stored in a central warehouse at the wholesaler Tamro. Tamro is responsible for the distribution between the central storage to distribution storage and further on to Pharmacists. Up until February 29 2008 the rights of transport from central storage and distribution storage passed to Tamro. As of March 1 2008 Qdoxx also owns the products in the distribution storage and the owner rights is transferred from Qdoxx when the products leaves the distribution storage. Tamro is invoiced once a month for the monthly sales and it is at this point of time that Qdoxx accounts for revenues.

Leasing
Leasing where a substantial portion of the risks and benefits with ownership is retained by the leasing company is classified as operational leasing. Payments made during the leasing period (after deductions for possible incentives by the leasing company) are charged to the Income statement lineally during the leasing period. The company has no financial leasing.

Dividends
Dividends to the Parent Company's shareholders are accounted for as liabilities in the Group's financial reports in the period when the dividends are approved by the Parent Company's shareholders.

Cash flow
Cash flow analyses are set up in accordance with the indirect method.

Parent Company accounting policies
The Parent Company has established its annual accounts in accordance with Annual Accounts Act (1995:1554) and the Accounting Board's recommendations RR 32:06 Accounting for juridical person. RR 32:06 states that the Parent Company in the annual accounts for the juridical person shall apply all of EU approved IFRS and announcements as much as possible within the framework for the Annual Accounts Act and with consideration to the relation between accounting and taxation. The recommendation states which exceptions and amendments will be made from IFRS. The differences between the Group's and Parent Company's accounting principles are outlined below. In accordance with the transitional regulations in RR 32:06 the Company has decided not to apply ÅRL 4 chap 14§a-e which allows estimation of certain financial instruments at actual values.

The accounting principles for the Parent Company, stated below, have been applied consistently during all periods which are presented in the Parent Company financial reports.

Altered accounting principles
The Parent Company's altered accounting principles have been reported in accordance with the transitional regulations in each respective standard, alternatively in accordance with the regulations in IAS 8. The Parent Company application of altered accounting principles appear in the list below.

Revenue
Dividends
Dividend revenue is accounted for when the right to receive payment is deemed certain.

Financial instruments
The Parent Company does not apply the valuation regulations in IAS 39. What has been generally written about financial instruments also applies to the Parent Company. In the Parent Company financial material assets are valued at acquisition value less possible write-downs and financial liquid assets according to the lowest value principle.

Tangible assets
Assets owned
Tangible assets in the Parent Company are accounted for at acquisition value after deductions for accumulated depreciation and possible write-downs in the same manner as for the group but with the amendment for possible write-ups.

Leased assets
In the Parent Company all leasing contracts are accounted for in accordance with the regulations for operational leasing.

Taxes
In the Parent Company untaxed reserves inclusive deferred tax liability are accounted for. In the Group accounts however the untaxed reserves are divided up between deferred tax liability and Equity.

Group contributions and shareholders contributions for legal entities
The company reports group contributions and shareholders contributions in accordance with the announcements from the Swedish Financial Accounting Standards Councils' Emerging Issues Task Force. Shareholders´ contributions are charged directly against the Equity of the receiver and are capitalized in shares and stock of the donor, in so far as write-downs are not required. Group contributions are accounted for according to financial content. This means that group contributions placed with a view to minimise the group's overall tax are accounted for directly against earnings carried forward after deductions for its actual tax effect.

Group contributions that are on a level with dividends are to be accounted for as dividends. This means that received group contribution and its actual tax effect is accounted for in the Income Statement. Placed group contribution and its actual tax effect is accounted directly against earnings carried forward.

Group contributions that are on a level with shareholders´ contribution, taking in to account the actual tax effect, are to be accounted for the by the receiver directly against earnings carried forward. The donor accounts for group contribution and its actual tax affect as an investment in stock in group companies, in so far as write-downs are not required.

Note 3 Financial risk management

Through its operations the Group is exposed to various financial risks as well as market risk, credit risk and liquidity risk. In the policy of the Group it is included to continually identify and manage these risks as much as possible. The Group is also exposed to risks related to business activities, which are described in more detail in the administration report, page 15.

(a) Market risk

(i) Currency risk
Currency risks appear when future business transactions or accounted assets or liabilities are expressed in a currency which is not the unit's functional currency. The Group trades in goods and services from countries other than Sweden and is therefore exposed for currency risks that arise through transactions primarily in EUR. The Group at present does not use hedging since the assessment is that the value of currency risk does not outweigh the cost of hedging.

If the Swedish crown had been weakened/strengthened by 5 % in comparison to the EUR, with all other variables constant, income for the period after tax as of April 30 2008 would have been 16 SEKt (178 SEKt) lower/higher as a result of recalculated trade payables and bank balances.

Any currency risk concerning trade receivables does not exist as of April 30 2008. Neither as of April 30 2007.

(ii) Price risk
The Group is exposed to price risk as concerning imported pharmaceuticals. This price risk consists of altered purchasing prices. The Group does not consider this risk to be fundamental.

(iii) Interest risk regarding cash-flow
Since the Group does not own any essential interest bearing assets, the Group's revenue and cash-flow from its business operations are by and large independent of alterations in the market's rate of interest. The Group's interest risk arises through the use of overdrafts and credits in the sales ledger. Credits in the sales ledger concerns payments of accounts receivable –trade. The use occurs at a variable interest rate and exposes the Group to interest risk as regards cash-flow.

If the floating interest rates had been 1,0 percent higher/lower with all other variable kept constant, income for the period as of April 30 2008 would have been 52 SEKt (25 SEKt) higher/lower, as a result of recalculated used credits in sales ledger.

(b) Credit risk
Sales of parallel imported pharmaceuticals are carried out solely to a large pharmaceutical wholesaler in Sweden. Sales of compassionate use are carried out in the largest part to Pharmacists. No credit limits has been exceeded in the period of the report.

(c) Liquidity risk
Liquidity risk is managed through the Group owning sufficient liquidity funds, available finance through agreed credit facilities and the ability to close market positions. The Group retains the flexibility in financing through maintaining agreements for credit facility information.

The table below displays the used credit amount as of the day of balance.

	2008-04-30			2007-04-30		
Counterpart	Credit limit	Used amount	Liquidity reserve	Credit limit	Used amount	Liquidity reserve
Bank	8 000	5 241	2 759	2 500	2 461	39

The Group short-term liquidity is ensured by keeping the liquidity reserve of the unused part of confirmed bank credits that in the long term should amount to at least 5 percent of the Group annual sales. The table below depicts the Group financial liabilities, divided by the time that on the balance sheet date remains to the agreed due date.

As of April 30 2008	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank credit	5 241	-	-	-
Trade payables and other liabilities*	8 363	-	-	-
Borrowing**	6 500	3 000	-	-

As of 30 april 2007	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank credit	2 461	-	-	-
Trade payables and other liabilities	8 036	-	-	-
Borrowing	3 000	3 000	3 000	-

* Trade payables and other liabilities consists of Trade payables, Other current liabilities and accrued expenses and prepaid income.
** Borrowing consists of an instalment purchase and a long-term loan to Oasmia's principal owners (note 23, 33)

d) Capital risk
The aims of the Group concerning the capital structure is to secure the Group's ability to continue its activity, so it can generate profits for the shareholders and benefits for other interested parties. Furthermore the goal is to maintain an optimal capital structure that holds capital costs low.
The target for the debt/equity ratio is not to exceed 12 %.

	2008-04-30	2007-04-30
Total borrowing	14 488	10 907
Liquid assets	-10 379	-22 170
Net borrowing	4 109	-11 263
Total equity	64 812	69 879
Capital employed	68 921	58 616
Debt/equity ratio	6 %	0 %

Note 4 Important calculations and assessments for accounting purposes

Calculations and assessments are evaluated continuously and are based on historical experience and other factors, inclusive forecasts for future events which appear reasonable under prevailing conditions

Important calculations and assumptions for accounting purposes
The Group makes calculations and assumptions about the future. The calculations for accounting purposes that become a result of these normally, definition-wise, seldom compare to the actual result. The calculations and assumptions which mean a considerable risk for essential adjustments in accounted value for assets and liabilities during the succeeding financial year are listed below.

The company accounts an instalment purchase of production equipment by discounting the value of future instalments. The instalments are discounted at a fixed discount interest rate of 4.25%. Nominal cash flows during 2005 - 2010 amount to SEK 18 million.

(a) Examination of write-down requirements for intangible assets

The company develops novel pharmaceuticals and the whole expense is used in that work. Capitalized expenditures for development amounted to SEKt 9 675 (14 484) for the period. The company regularly makes an assessment if there is a need for write-down of the capitalized expenditures for development. Oasmia has made the judgment that there is no need for write-downs, since registration of a pharmaceutical candidate in Phase III is in the near future. Oasmia has capitalized expenditures for development of a pharmaceutical that is close to submission of an application for registration. Should this product not be registered, or the probability of a registration diminishes, should the capitalized expenditures be written off. As of April 30, 2008, the capitalized expenditures for development amounted to 37 % of the equity at that point.

The Group investigates every year whether there are any write-down requirements for the combined intangible assets, in accordance with the accounting policies described in note 2.

(b)Income taxes
The group is liable to pay tax in Sweden. The Group companies have thus far showed negative fiscal results as important fiscal deficits exist in the group. When it is not considered plausible that future profits will correspond to these amounts, no deferred tax assets have been reserved with respect to these deficits in the balance sheet. Accumulated fiscal deficits in the group are described in note 24.

Important assessments for the application of the company's accounting policies
The Group capitalizes expenditures for patents and sales rights because they are expected to generate future financial benefits. Should the group make the assessment that they no longer are expected to generate future financial benefits, the assets should be written off against the Group's profits. As of April 30 2008 the accounted amount for patents and sales rights in the Group amounted to SEKt 8 284 (7 849).

Note 5 Accounting per segment

As of April 30 2008 the Group has two primary segments – business branches:

- Development regarding pharmaceuticals (Development)
- Sales of parallel imported pharmaceuticals (Parallel import)

The Group has no geographical (secondary) segments.
Sales between segments concerns local rent and administration costs and are carried out after estimated resource usage. The segments result can be seen below.

Fiscal year 2007-05-01 - 2008-04-30:

	Development	Parallel import	The Group
Segments´ total revenue	35 953	45 426	81 379
Sales between segments	-480	-	-480
External revenues	35 473	45 426	80 899
Segments' income	-4 990	135	-4 855
Financial revenue	461	2	462
Financial expenses	-327	-347	-674
Financial items, net	134	-346	-212
Income before tax	-4 856	-211	-5 067
Taxes	0	-	0
Income for the period	-4 856	-211	-5 067

The years depreciation amounted to SEKt -2 521 (-2 321) for the segment Development and SEKt -206 (-200) for the segment Parallel import. The Group's revenue consists in part of revenues from license- and distribution agreements signed in the year and partly from sales of parallel imported pharmaceuticals. Of the revenue for the segment Development SEKt 9 675 (14 484) is work performed by the company for its own use and capitalized.

Fiscal year 2006-05-01 - 2007-04-30:

	Development	Parallel import	The Group
Segments´ total revenue	15 457	21 894	37 350
Sales between segments	-480	-	-480
External revenues	14 977	21 894	36 870
Segments' income	-10 660	-326	-10 986
Financial revenue	21	0	21
Financial expenses	-490	-298	-787
Financial items, net	-469	-297	-766
Income before tax	-10 649	-1 103	-11 752
Taxes	0	-	0
Income for the period	-10 649	-1 103	-11 752

Segment assets consist of tangible fixed assets, intangible assets, inventory, customer receivables, various short-term receivables, liquid assets and pre-paid costs and accrued revenues. Segment liabilities consist of liabilities to credit institutions, borrowing, accounts payable, various short-term liabilities and accrued costs and pre-paid revenue. The segments assets and liabilities and investments are listed below.

Assets and liabilities as of 2008-04-30 and capital expenditures during fiscal year 2007-05-01 – 2008-04-30

	Development	Parallel import	The Group
Assets	63 469	24 203	87 672
Liabilities	12 946	9 914	22 859
Capital expenditures	12 596	6	12 601

Assets and liabilities as of 2007-04-30 and capital expenditures during financial year 2006-05-01 - 2007-04-30:

	Development	Parallel import	The Group
Assets	63 213	25 616	88 830
Liabilities	11 149	7 803	18 951
Capital expenditures	16 222	433	16 655

Note 6 Capitalized expenditures for development

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Acquisition costs				
Opening balance	14 484	-	14 484	-
Capitalized expenditures for the year	9 675	14 484	9 675	14 484
Closing balance	24 159	14 484	24 159	14 484
Depreciation				
Opening balance	-	-	-	-
Depreciation for the year	-	-	-	-
Closing balance	-	-	-	-
Net book value	24 159	14 484	24 159	14 484

The expenditures for research and development that has been expensed amounted to SEKt 30 769 (11 148).

Note 7 Other operating income

	2007-05-01	2006-05-01
SEKt	-2008-04-30	-2007-04-30
Insurance compensation*	34	-
Currency gain	31	-
Total	65	-

*Insurance compensation is attributable to goods damaged in transport which was compensated for by the transport company.

Note 8 Inventory

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Valued at purchase value				
Raw materials	5 801	17 960	37	37
Commodities	13 320	358	0	0
Total	19 121	18 318	37	37

The expense for inventory that has been charged is entered under Raw materials and Consumables and in Other external costs and amounted to SEKt 44 419 (21 387). Write-down of inventories in the Group for the period has been made with SEKt 181 (10).

Note 9 Fees to Auditors

	The Group		Parent Company	
	2007-05-01	2006-05-01	2007-05-01	2006-05-01
SEKt	-2008-04-30	-2007-04-30	-2008-04-30	-2007-04-30
Öhrlings PricewaterhouseCoopers				
Audit assignment	314	263	314	263
Other assignments	518	127	518	127
Total	832	390	832	390

Audit assignment entails auditing of annual accounts and the accounting and the Board of Directors' and CEO´s management. Other assignments it is the duty of the company accountant to carry out as well as advisory services or other business assistance that arises from observations deduced from the inspection or the execution of such duties. Any other instances are other assignments.

Note 10 Leasing

The Group has no financial leasing agreements but operational leasing agreements which in essence consist of rental contracts for premises. No variable fees exist. Future minimal leasing agreements for operational leasing agreements are allocated as follows:

Fiscal year	Operational leasing
2008/2009	3 802
2009/2010	3 802
2010/2011	3 746
2011/2012	3 723
Total	15 073

Expenses for leasing (minimal leasing expenses) for the fiscal year 2007/08 amounted to SEKt 3 045 (2 498).

Note 11 Employees and employee benefits

	The Group		Parent Company	
	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30
Average number of employees, divided by gender is:				
Female	22	11	22	10
Male	15	12	15	12
Total	37	23	37	22
SEKt				
Salaries and remuneration amount to:				
CEO and senior officers	2 633	543	2 633	543
Other employees	10 470	7 201	10 470	7 075
Total salaries and remuneration	13 103	7 744	13 103	7 618
Social security payments according to law and agreements	4 111	2 512	4 111	2 458
Total salaries, remuneration and Social security payments	17 214	10 256	17 214	10 076

No salaries, compensations, pension costs, fees or other benefits have been paid to Directors of the Board. Compensations for CEO and senior officers amounted to SEKt 2 633 (543).

Directors of the Board and senior officers

	2008-04-30		2007-04-30	
	Number on balance sheet date	Whereof male	Number on balance sheet date	Whereof male
The Group				
Directors of the Board	4	4	4	4
CEO and others				
Senior officers	5	2	1	1
Parent Company				
Directors of the Board	4	4	4	4
CEO and others				
Senior officers	5	2	1	1

Health care and medical care

The Group has a contract with a corporate health service which means that all personnel regularly undergo a health examination. Any health benefits apart from this does the personnel not have.

Absence due to illness

	Parent Company	
	2007-05-01 -2008-04-30	2006-05-01 -2007-04-30
Total absence due to illness	1,0%	2,1%
- long-term absence due to illness *	0,0%	0,0%
- absence due to illness: male	0,5%	0,7%
- absence due to illness: female	1,4%	3,7%
- employees -29 years	1,5%	2,0%
- employees 30-49 years	1,1%	3,2%
- employees 50 years -	0,5%	0,1%

* By long-term absence due to illness means a consecutive period of 60 days or more.

Terms of employment for CEO
Remuneration for the CEO comprise fixed salary and statutory pension and insurance benefits. Remuneration is adjusted annually as of April 1. CEO's right to individual health and pension insurance according to the employment contract has not been exercised. Upon termination from the employer, the notice period is 24 months. If the CEO tenders his/her resignation the notice period is 3 months.

Terms of employment for senior officers
Remuneration for senior officers comprises a fixed salary only. The salaries are adjusted annually as of April 1.

Note 12 Tangible assets

The tangible assets consist of vehicles, inventories, production equipment and improvement expenses for buildings.

			The Group 2008-04-30		
SEKt	Vehicles	Inventories	Production equipment	Improvement expenses for buildings	Total
Acquisition values					
Opening balance	148	4 215	16 613	3 014	23 990
Acquired during the year	0	1 239	0	462	1 700
Increase by business combinations	0	0	0	0	0
Closing balance	148	5 454	16 613	3 476	25 691
Accumulated depreciation					
Opening balance	-41	-2 213	-1 821	-502	-4 577
Depreciation for the year	-49	-744	-993	-146	-1 933
Closing balance	-91	-2 957	-2 814	-648	-6 510
Net book value	58	2 497	13 798	2 828	19 180

			The Group 2007-04-30		
SEKt	Vehicles	Inventories	Production equipment	Improvement expenses for buildings	Total
Acquisition values					
Opening balance	0	3 917	16 613	2 325	22 855
Acquired during the year	148	298	0	689	1 136
Increase by business combinations	0	3	0	0	3
Closing balance	148	4 218	16 613	3 014	23 993
Accumulated depreciation					
Opening balance	0	-1 615	-828	-374	-2 817
Depreciation for the year	-41	-598	-993	-128	-1 760
Closing balance	-41	-2 213	-1 821	-502	-4 577
Net book value	107	2 005	14 792	2 512	19 416

	Parent Company 2008-04-30				
SEKt	Vehicles	Inventories	Production equipment	Improvement expenses for buildings	Total
Acquisition values					
Opening balance	148	4 215	16 613	3 014	23 990
Acquired during the year	0	1 239	0	462	1 700
Increase by business combinations	0	0	0	0	0
Closing balance	148	5 454	16 613	3 476	25 690
Accumulated depreciation					
Opening balance	-41	-2 213	-1 821	-502	-4 577
Depreciation for the year	-49	-744	-993	-146	-1 933
Closing balance	-91	-2 957	-2 814	-648	-6 510
Net book value	57	2 497	13 798	2 828	19 180

	Parent Company 2007-04-30				
SEKt	Vehicles	Inventories	Production equipment	Improvement expenses for buildings	Total
Acquisition values					
Opening balance	0	3 917	16 613	2 325	22 855
Acquired during the year	148	298	0	689	1 136
Increase by business combinations	0	0	0	0	0
Closing balance	148	4 215	16 613	3 014	23 990
Accumulated depreciation					
Opening balance	0	-1 615	-828	-374	-2 817
Depreciation for the year	-41	-598	-993	-128	-1 760
Closing balance	-41	-2 213	-1 821	-502	-4 577
Net book value	107	2 002	14 792	2 512	19 413

Note 13 Other intangible assets

Other intangible assets consist of expenditures for patent and sales rights.

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Acquisition values				
Opening balance	12 349	11 156	11 029	10 519
Acquired during the year	1 226	1 035	1 220	510
Increase by business combinations		158		
Closing balance	13 575	12 349	12 249	11 029
Accumulated depreciation				
Opening balance	4 500	3 740	4 291	3 740
Depreciation for the year	791	760	572	551
Closing balance	5 291	4 500	4 863	4 291
Net book value	8 284	7 849	7 386	6 737

Note 14 Currency gains/losses, net

Currency gains/losses, net has been accounted for in the Income Statement as follows:

	2007-05-01	2006-05-01
SEKt	-2008-04-30	-2007-04-30
Other operating income	31	0
Raw materials, consumables and goods for resale	-242	0
Financial items, net	179	-23
Total	-32	-23

Note 15 Operating income

Of the Group's total costs SEKt 85 754 (47 855), SEKt 9 675 (14 484) are accounted for as capitalized expenditures for development.

Note 16 Financial items, net

	The Group		Parent Company	
	2007-05-01	2006-05-01	2007-05-01	2006-05-01
SEKt	-2008-04-30	-2007-04-30	-2008-04-30	-2007-04-30
Financial income:				
Interest revenue from bank accounts	265	8	264	8
Currency rate differences in bank accounts	197	13	197	13
Total	462	21	460	21
Financial expenses:				
Interest expenses for bank overdraft	355	341	7	75
Interest expenses for instalment purchases	301	411	301	411
Currency rate differences in bank accounts	18	36	16	-
Total	674	787	324	486

Note 17 Taxes

All companies within the Group have negative results and do not pay income tax. All companies have their tax domicile in Sweden where the tax rate is 28 % (28%). The income tax for the Group's income after financial items is described in the table below:

	The Group	
SEKt	2008	2007
Income after financial items	-5 067	-11 752
Income tax calculated on current tax rates in Sweden	0	0
Non-taxable revenue	-1	-1
Non-deductible expenses	95	92
Tax deficits for which no deferred tax asset has been accounted for	4 973	11 661
Tax expense	0	0

Note 18 Earnings per share

Earnings per share are calculated by dividing the earnings which are attributable to the Parent Company's shareholders with a weighted average number of outstanding ordinary shares for the period. Earnings per share are calculated before and after dilution, since there are no outstanding potential ordinary shares that could create a dilution effect.

	2007-05-01	2006-05-01
SEKt	-2008-04-30	-2007-04-30
Earnings attributable to Parent Company shareholders	-5 057	-11 748
Weighted average number of outstanding ordinary shares (thousands)	32 613	31 424
Earnings per share (SEK)	-0,16	-0,37

Note 19 Trade receivables and other receivables

The entered value for Trade receivables represents the actual value since no reservation for uncertain receivables has been needed.

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Trade receivables	4 059	4 386	0	93
Prepaid expenses and accrued income	1 717	1 373	1 373	1 117
Total	5 776	5 759	1 373	1210

Trade receivables for the Group amounted as of Balance sheet date to SEKt 0 (0). Trade receivables overdue amounted to SEKt 0 (0).

Prepaid expenses and accrued income consists of the following

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Prepaid rent	522	478	522	478
Prepaid leasing fees	0	7	0	7
Prepaid insurance premiums	165	36	165	36
Other items	1 031	852	686	596
Total	1 717	1 373	1 373	1 117

Note 20 Other current receivables

	The Group	
SEKt	2008-04-30	2007-04-30
Interest income tax account	27	26
VAT recoverable	733	807
Receivable on supplier	11	0
Total	772	833

Note 21 Liquid assists

Liquid assets consist of bank deposits. Interest on deposits is STIBOR 7 days -0.5 %.

Note 22 Share capital

Specification for alterations in equity can be located in this report for The Group and Parent Company, namely following each respective balance sheet.
The total number of shares as of 2008-04-30 was 33 375 000 (31 851 310) with a quota value of SEK 0,10 per share. Every issued share is paid in full. Development of the number of shares is shown below.

Number of shares	
Per 2006-05-01	31 000 000
New share issue 2006-10-30	851 310
New share issue 2007-10-31	1 523 690
Per 2008-04-30	33 375 000

Note 23 Borrowings

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Long-term				
Instalment purchase	2 933	5 513	2 933	5 513
Long-term loan	3 500	-	3 500	-
Total	6 433	5 513	6 433	5 513
Short-term				
Instalment purchase	2 814	2 933	2 814	2 933
Total	2 814	2 933	2 814	2 933

Of the liability for Instalment purchase SEKt 2 814 will be paid during the fiscal year 2008/2009 and finally SEKt 2 933 during the fiscal year 2009/10. The effective interest is 4.25 %. Long-term loan concerns loans for the principal owner of Oasmia. The loan is interest-free and the term is as of the balance sheet date April 30 2008 not specified. (note 33).

Note 24 Deferred income tax

Deferred tax liability accounted for, SEKt 8 (8), concerns temporary difference for the difference between actual value for acquired Other intangible assets (patents) and its tax base that existed when the acquisition was made of GlucoGene Pharma AB on May 7 2006.

The Group has accumulated losses carried forward amounting to SEKt 32 753 (27 780). These are deductible without any time limit against future profits. They are not accounted for as a deferred tax asset because the Group currently estimate that future profits will correspond to the amount of the accumulated losses carried forward. The Parent company's losses carried forward amounts to SEKt 30 140 (25 879).

When transferring to IFRS the company noticed that it had applied previous accounting principles erroneously. The errors consisted of capitalizing items that should have been written off. Corrections of these errors were made in connection to transferring to IFRS. The company will claim these corrections at the Swedish Tax Agency.

Note 25 Liabilities to credit institutions

Approved amount on bank overdrafts amounts to SEKt 2 500 (2 500) for the Group and to SEKt 0 (0) for the Parent Company. Approved credits in the sales ledger, which concerns pledge of accounts receivable – trade, amounts to SEKt 5 500 (5 500) and in the Parent Company to SEKt 0 (0). The interest on approved credits amounts to STIBOR 7 days +1,75 %. Used credits are made clear in the table below.

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Credits in sales ledger	5 236	-		
Bank overdrafts	4	2 461	-	-
Total	5 241	2 461	-	-

Note 26 Other current liabilities

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
VAT liability	1 390	1 427	-	-
Employee preliminary taxes/Social security payments	740	508	740	508
Other items	24	31	-	-
Total	2 153	1 966	740	508

Note 27 Accrued expenses and deferred income

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Accrued vacation salaries	1 629	1 047	1 629	1 047
Accrued social security payments	528	339	528	339
Other items (note 9)	120	120	120	120
Total	2 277	1 506	2 277	1 506

Note 28 Shares in Group companies

Parent Company	Capital share %	Voting share %	Entered value 08-04-30	Entered value 07-04-30
Qdoxx Pharma AB	100	100	1 920	1920
GlucoGene Pharma AB	51	51	104	104
Total			2 024	2024

	Parent Company	
	08-04-30	07-04-30
Opening balance	2 100	1 920
Purchase of shares	-	104
Capital infusion	18	76
Closing accumulated acquisition value	2 118	2 100
Net book value	2 118	2 100

Note 29 Business acquisition

During the fiscal year May 1 2007 – April 30 2008 no business acquisitions were made.

On May 7 2006 the Group acquired 51 % of the shares in GlucoGene Pharma AB. The acquisition value was SEKt 104 and no transaction costs were paid. At the acquisition a surplus value concerning patents amounting to SEKt 31 and a deferred tax liability amounting to SEKt 9 arose.

Note 30 Contingent liabilities/contingencies

	The Group		Parent Company	
SEKt	2008-04-30	2007-04-30	2008-04-30	2007-04-30
Contingent liabilities for the benefit of other group companies	-	-	8 000	8 000
Surety given for the benefit of employee	-	473	-	473
Total	0	473	8 000	8 473

At the end of the year, The Group had no surety given for the benefit of employees.

Note 31 Transactions with related parties

None of the group companies have conducted transactions with related parties.

Note 32 Financial instruments per category

Accounting principles for financial instruments have been applied for the items below:

April 30 2008 **Assets in the Balance Sheet**	Loan- and accounts receivable
Trade receivables	4 059
Other current receivables	772
Liquid assets	10 379
Total	15 210

Liabilities in the Balance Sheet	Other financial liabilities
Borrowing	9 247
Liabilities to credit institutions	5 241
Trade payables	3 933
Other current liabilities	2 153
Accrued expenses and prepaid income	2 157
Total	18 421

April 30 2007 **Assets in the Balance Sheet**	Loan- and accounts receivable
Trade receivables	4 386
Other current receivables	833
Liquid assets	22 170
Total	27 389

Liabilities in the Balance Sheet	Other financial liabilities
Borrowing	8 446
Liabilities to credit institutions	2 461
Trade payables	4 564
Other current liabilities	1 966
Accrued expenses and prepaid income	1 386
Total	18 823

Note 33 Events after the closing date

At the board meeting on June 13 a decision was made to transform the long-term loan from the main owner of Oasmia to a conditional shareholder's contribution of SEKt 3 500.

At the end of June 13 2008, Oasmia expanded the license and distribution agreement with Orion Corporation for the product Paclical® Vet which was closed in March 2008. The previous agreement comprised only the Nordic countries and a few European countries and for this Oasmia would receive 2 million Euro in total and royalties on all sales in the region. The expanded agreement concerns all of Europe. Oasmia receives 8 million Euro in total, 3,25 million Euro at the closing of the agreement and another 4,75 million Euro in total when fulfilling other criteria specified in the agreement. Orion receives exclusive sales and marketing rights for the product in Europe.

Note 34 Adoption of IFRS

The Group draws up its accounts in accordance with IFRS from May 1 2007. The Group applied up to April 30 2007, the Accounting Board's recommendations. The adoption of IFRS occurred May 1 2005 (Transfer Date), disclosed in accordance with IFRS 1 (First-time Adoption of International Financial Reporting Standards"). The changes in accounting principles incurred by which this transfer generated and the transfer effects for the Group's Balance sheets and Income statements are presented below.

In connection with the Group adoption of IFRS the Parent Company changed accounting policies to RR 32:06 (note 2).

The Income statements clarify, for every fiscal year, the effect on every Income statement item. The Balance sheets clarify the effect on every Balance sheet item for the fiscal years. The adoption to IFRS did not have any effect on the Group Cash flow.

Reclassifications of the Income Statement as a result of adoption of IFRS

Classification according to previously applied accounting principles	Classification after the adoption of IFRS
Interest expense and similar profit items	Financial income
Interest expense and similar loss items	Financial expenses
Tax on profit for the year	Taxes

According to previously applied accounting policies the minority shareholding was not included in the Group results. After adoption of IFRS the minority shareholding was included in the Group Income Statement. The effects of including the minority shareholding in the Group Income Statement meant that the profit/loss accounted for decreased with SEKt 4 for the fiscal year 2006-05-01 – 2007-04-30. Below the Income Statement it is specified how large part of the accounted for profit/loss after tax that is attributable to the owners of the Parent Company and the minority shareholders in the subsidiary GlucoGene Pharma AB respectively.

Reclassifications of the Balance Sheet as a result of adoption of IFRS

Classification according to previously applied accounting principles	Classification after the adoption of IFRS
Concessions, patents, licences, trademarks and similar rights	Other intangible assets
Cash and bank balances	Liquid asssets
Bank overdraft	Liabilities to credit institutions

Equity:
After adoption of IFRS the Group's equity is no longer divided into restricted and non-restricted equity. Instead, the equity is divided into the items Share capital, other contributed capital and accumulated profit/loss. The statutory reserve previously accounted for as restricted equity is now part of the item accumulated profit/loss as the statutory reserve concerns previously allocated profits. Furthermore share holder contribution received is accounted for in the item Other contributed capital in contrast to previously accumulated profit/loss.

Minority shareholding was previously accounted for as a separate item between equity and liabilities in the Balance Sheet. After the transitions the minority shareholding is accounted for as an own component calculated in the Group Equity. The effects of including the minority share holding in the equity meant that the Group equity increased with SEKt 106 as of 2007-04-30.

The preliminary effect of the application of IFRS for the Group's Income Statement

		The fiscal year 2006-05-01 - 2007-04-30		
SEKt		Previously applied accountancy policies	The effect of adoption of IFRS	IFRS
Net sales		22 387	0	22 387
Capitalized development cost	b	14 430	54	14 484
Raw material, consumables and goods for resale		-22 621	0	-22 621
Other external expenses	b,c	-12 070	-84	-12 154
Employee benefit expenses		-10 560	0	-10 560
Depreciation/amortization and impairment	a,c,d	-968	-1 553	-2 521
Operating income		**-9 402**	**-1 584**	**-10 986**
Financial income		21	0	21
Financial expenses	a	-376	-411	-787
Financial items, net		-355	-411	-766
Income of financial items		**-9 757**	**-1 995**	**-11 752**
Taxes		0	0	0
Income for the period		**-9 757**	**-1 995**	**-11 752**
Income for the period attributable to equity holders of the Parent company		-9 757	-1 991	-11 748
Minority interest in income for the period		0	-4	-4
Earnings per share calculated on the income for the period attributable to equity holders of the Parent company, before and after dilution (SEK)		-0,31	-0,06	-0,37

The preliminary effect of the adoption of IFRS for the Group's Income Statement

		The fiscal year 2005-05-01 - 2006-04-30		
SEKt		Previously applied accountancy policies	The effect of adoption of IFRS	IFRS
Net sales		853	0	853
Capitalized development cost	b	10 518	-10 518	0
Raw material, consumables and goods for resale		-5 446	0	-5 446
Other external expenses	c	-6 371	-100	-6 471
Employee benefit expenses		-5 850	0	-5 850
Depreciation/amortization and impairment	a,c	-615	-1 354	-1 969
Operating income		**-6 912**	**-11 972**	**-18 883**
Financial income		10	0	10
Financial expenses	a	-406	-422	-828
Financial items, net		**-395**	**-422**	**-818**
Income of financial items		**-7 307**	**27 008**	**19 701**
Taxes		0	0	0
Income for the period		**-7 307**	**-12 394**	**-19 701**
Income for the period attributable to:				
Equity holders of the Parent company		-7 307	-12 394	-19 701
Earnings per share calculated on the income for the period attributable to equity holders of the Parent company (SEK)		-0,24	-0,40	-0,64

The preliminary effect of the adoption of IFRS for the Group's Balance Sheet as of 2007-04-30

SEKt	Note	Previously applied accountancy policies	The effect of adoption of IFRS	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment	a	13 624	5 792	19 416
Capitalized development cost	b	47 828	-33 345	14 484
Other intangible assets	c,d	12 260	-4 411	7 849
Current assets				
Inventories		18 318	0	18 318
Trade receivables		4 386	0	4 386
Other current receivables		833	0	833
Prepaid expenses and accrued income		1 373	0	1 373
Liquid assets		22 170	0	22 170
Total assets		**120 793**	**-31 963**	**88 830**
EQUITY				
Equity and reserves attributed to equity holders in the Parent Company				
Share capital		3 185	0	3 185
Other capital provided		34 819	61 100	95 919
Reserves*		4 620	-4 620	0
Retained earnings		67 557	-96 889	-29 331
Minority interests		**116**	**-9**	**106**
Total equity		**110 297**	**-40 418**	**69 879**
LIABILITIES				
Non-current liabilities				
Long-term borrowings	a	0	5 513	5 513
Deferred tax liabilities	e	0	8	8
Current liabilities				
Liabilities to credit institutions		2 461	0	2 461
Short-term borrowings	a	0	2 933	2 933
Trade payables		4 564	0	4 564
Other current liabilities		1 966	0	1 966
Accrued expenses and prepaid income		1 506	0	1 506
Total equity and liabilities		**120 793**	**-31 963**	**88 830**

* Statutory reserve consists of in its entirety of previously deposited profit funds, where this has been classified as Balanced result in the Group's balance sheet.

The preliminary effect of the adoption of IFRS for the Group's balance sheet per 2006-04-30

SEKt	Note	Previously applied accountancy policies	The effect of transfer to IFRS	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment	a	10 253	9 785	20 038
Capitalized development cost	b	33 345	-33 345	0
Other intangible assets	c	11 256	-3 721	7 535
Current assets				
Inventories		2 674	0	2 674
Trade receivables		299	0	299
Other current receivables		1 173	0	1 173
Prepaid expenses and accrued income		1 066	0	1 066
Liquid assets		3 630	0	3 630
Total assets		**63 695**	**-27 281**	**36 414**
EQUITY				
Equity and reserves attributed to equity holders in the Parent Company				
Share capital		3 100	0	3 100
Other capital provided		0	34 904	34 904
Statutory reserve*		4 620	-4 620	0
Retained earnings		51 178	-68 600	-17 422
Minority interests		**0**	**0**	**0**
Total equity		**58 898**	**-38 316**	**20 582**
LIABILITIES				
Non-current liabilities				
Long-term borrowings	a	0	8 102	8 102
Deferred tax liabilities		0	0	0
Current liabilities				
Liabilities to credit institutions		2 938	0	2 938
Short-term borrowings	a	0	2 933	2 933
Trade payables		627	0	627
Other current liabilities		353	0	353
Accrued expenses and prepaid income		879	0	879
Total equity and liabilities		**63 695**	**-27 281**	**36 414**

*Statutory reserve consists of in its entirety of previously deposited profit funds, where this has been classified as Balanced result in the Group's balance sheet.

The preliminary effect of the adoption of IFRS for the Group's balance sheet per 2005-05-01 (adoption date)

SEKt	Note	Swedish accountancy regulations	The effect of transfer to IFRS	IFRS
ASSETS				
Non-current assets				
Property, plant and equipment		207	0	207
Capitalized development cost	b	22 826	-22 826	0
Other intangible assets	c	10 559	-3 095	7 464
Current assets				
Inventories		0	0	0
Trade receivables		0	0	0
Other current receivables		283	0	283
Prepaid expenses and accrued income		214	0	214
Liquid assets		1 971	0	1 971
Total assets		**36 060**	**-25 921**	**10 139**
EQUITY				
Equity and reserves attributed to equity holders in the Parent Company				
Share capital		3 100	0	3 100
Other capital provided		0	0	0
Statutory reserve*		4 620	-4 620	0
Retained earnings		23 654	-21 301	2 353
Minority interests		**0**	**0**	**0**
Total equity		**31 374**	**-25 921**	**5 453**
LIABILITIES				
Non-current liabilities				
Long-term borrowings		0	0	0
Deferred tax liabilities		0	0	0
Current liabilities				
Liabilities to credit institutions		0	0	0
Short-term borrowings		0	0	0
Trade payables		557	0	557
Other current liabilities		3 393	0	3 393
Accrued expenses and prepaid income		736	0	736
Total equity and liabilities		**36 060**	**-25 921**	**10 139**

*Statutory reserve consists of in its entirety of previously deposited profit funds, where this has been classified as Balanced result in the Group's balance sheet.

The preliminary effect of the adoption of IFRS on the Group's Equity

SEKt	Note	2007-04-30	2006-04-30	2005-05-01
EQUITY according to previously applied accounting principles		**110 297**	**58 898**	**31 374**
Tangible assets	a	5 792	9 785	-
Financing of instalment purchase	a	-8 446	-11 036	-
Write-down of capitalized development expenditure	b	-33 345	-33 345	-22 826
Write-offs/write-downs of other intangible assets	c,d	-4 441	-3 721	-3 095
Business acquisitions	d	30	-	-
		-40 410	-38 317	-25 921
The tax effects of the above	e	-8	-	-
Total adjustment of equity		**-40 418**	**-38 317**	**-25 921**
Equity according to IFRS		**69 879**	**20 582**	**5 453**

The preliminary effect of the adoption of IFRS on the Group profit/loss

The fiscal year 2006-05-01 - 2007-04-30 SEKt	Note	Operating income	Income after financial items	Income for the period
Income for the period according to previously applied accounting principles		**-9 402**	**-9 757**	**-9 757**
Intangible asset write-offs	c	-30	-30	-30
Depreciation of tangible assets	a	-993	-993	-993
Depreciation of intangible assets	c	-559	-559	-559
Depreciation of surplus placed as patents	d	-2	-2	-2
Interest charges for instalment purchase	a	-	-411	-411
Total adjustment of Profit/Loss		**-1 584**	**-1 995**	**-1 995**
Income for the period in accordance with IFRS		**-10 986**	**-11 752**	**-11 752**

The fiscal year 2005-05-01 - 2006-04-30 SEKt	Note	Operating income	Income after financial items	Income for the period
Income for the period according to previously applied accounting principles		**-6 912**	**-7 307**	**-7 307**
Intangible asset write-offs	b,c	-10 618	-10 618	-10 618
Depreciation of tangible assets	a	-828	-828	-828
Depreciation of intangible assets	c	-526	-526	-526
Depreciation of surplus placed as patents	d	-	-	-
Interest charges for instalment purchase	a	-	-422	-422
Total adjustment of Profit/Loss		**-11 971**	**-12 394**	**-12 394**
Profit/Loss in accordance with IFRS		**-18 883**	**-19 701**	**-19 701**

At the time of adoption of IFRS, the company noted that it had applied the previous accounting policy in an incorrect way. The errors consist of activating items concerning capitalized expenditure for development work and other intangible assets and also recalculated a hire-purchase contract according to items a-c below. Adjustments of these errors have been carried out in connection to the adoption of IFRS. Additionally smaller errors have been identified in the current fiscal year mostly concerning the acquisition analysis of GlucoGene Pharma AB, which also have been corrected retroactively. The company will for tax 2009 correct these errors in the tax return where no temporary differences between accounted values and tax bases will exist.

The transition effects for the Parent Company were the same as for the Group for the items a-c below if nothing else has been stated.

a) Tangible assets

On the date of possession July 1 2005 the Parent company entered into a leasing contract pertaining to a plant situated in the property where the company has its operations. The plant was set up by a company operating within biosciences and consists of a production facility. The term of contract is valid until June 30 2010, thus in excess of five years. Possession of the plant took effect two months after the transfer date to IFRS. During the fiscal years 2005/2006 and 2006/2007 the group has, in accordance with the previous accounting policy, accounted the plant as an asset valued at an equivalent sum of the total value of the payments made at each particular time. No depreciation has been made. The contract with the seller contained no reference to interest payments and no liability or interest has been reported by the group.

Since the adoption of IFRS the group has accounted for the plant, in accordance with IAS 16, as an instalment purchase. The plant is accounted for with an acquisition value, e.g the total discounted amount of all future payments. At the same time a financial liability is accounted pertaining to the outstanding purchase-sum. The financial liability is valued initially to its actual value and thereafter to amortised cost with an application of the effective interest method. The financial liability has in the Balance Sheet been divided into a long-term part and a short-term part and accounted for under the item Borrowing.

The group has applied component depreciation for this plant, in accordance with IAS 16, thus every part of the plant that has a depreciation value, which is significant in relation to the total depreciation value, is written of separately. For depreciation methods, see note 2.

The adoption of IFRS brought about the following effects:

- From the date of possession the total sum of the future payments are accounted as a Borrowing. The original amount of the liability is SEKt 16 613. The applied rate of interest was 4.25 %. The group's liabilities increased, therefore, on the date of possession to SEKt 16 613.
- On the date of possession the value of the assets was accounted as an amount equivalent to the value of the liability, i.e., SEKt 16 613. At the end of the fiscal year 2005/2006 the tangible assets increased by SEK 9 785.
- Depreciation has been applied from the date of acquisition. The group's depreciation increased by SEKt 828 during the financial year 2005/2006 and by SEKt 993 during the financial year 2006/2007.
- Interest charges for the financial liability have been accounted from the date of acquisition. The group's interest charges increased by SEKt 422 during the fiscal year 2005/2006 and by SEKt 411 during the fiscal year 2006/2007.

b) Capitalized expenses for development

Prior to the adoption of IFRS the group capitalized expenses for development work in earlier phases than Phase III

According to the company applied accounting policies in accordance with IFRS, only such capitalized expenditures for development in Phase III or higher be set up as an asset.

In relation to the adoption of IFRS the group has written off capitalized expenditures for development work prior to 2006-05-01 as these expenses did not concern projects that had reached Phase III.

At the date of adoption of IFRS the group wrote subsequently off SEKt 22 826 from the equity. During the fiscal year 2005/2006 the group wrote off SEKt 10 518 from the fiscal year's capitalized expenses, over and above the year's results when these was not considered to be in Phase III or higher.

Since all Capitalized expenditures for development work were not ready to be used, these had not begun to be written off, where the removal of these assets does not affect respective years depreciations.

c) Other intangible assets

Prior to the adoption of IFRS other intangible assets consisted of patents, sales rights, manufacturing authorisations, licences for clinical testing and trade licences. Depreciation had only been applied to the rights of distribution. The period of depreciation was 5 years. The rights of distribution refer to the right in Sweden to sell pharmaceuticals, which have been imported, known as parallel imports.

The adoption of IFRS brought about the following effects:

- The writing-off of previously capitalized trade licenses amounting to SEKt 100 which was acquired during 2005/06 and additional writing off of a capitalized license fee to an amount of SEKt 30 that was acquired during 2006/07.
- Accumulated depreciation pertaining to patents that should previously been accounted direct from the equity capital to an amount of SEKt 3 095. Additional depreciation pertaining to patents amounted to SEKt 526 for the fiscal year 2005/2006 and by SEKt 560 during the financial year 2006/2007.
  All depreciations concerns the Parent Company's patents, with the exception of the fiscal year 2006/2007 where SEKt 9 concerned depreciations in the subsidiary GlucoGene Pharma AB.

d) Business acquisitions

During the operational year 2006/2007 the Parent company acquired 51% of the shares in GlucoGene Pharma AB. The accountancy firm responsible for the group accounts prior to the adoption of IFRS have not been able to account for how the acquisition was handled in the group financial statements. Any analysis of the actual value for acquired assets was not carried out at the time of the acquisition.

Upon the adoption of IFRS the Group has, in accordance with IFRS 3 established a complete acquisition analysis for the acquisition. This resulted in a determination of a higher actual value pertaining to a patent than was previously accounted. The difference amounts to SEKt 31. The difference between the actual value and the previously accounted for value will be written-off over the remaining period of the patent. During the fiscal year 2006/2007 the amount of depreciation amounted to SEKt 2.

e) Deferred tax

The effects of the transition pertaining to d above have given rise to temporary differences between the accounted results and the tax results. These temporary differences are accounted in Note 24.

As the group intends to adjust the fiscal accounts in the tax return Tax 2009 with respect to the items a-c above in order for the fiscal values correspond to the entered, there are no temporary differences for these adjustments, and no deferred tax has been claimed on these items. The adoption of accounting according to IFRS has not had any effect the Group's accounted cash flow.

Note 35 Definition of key ratios

Earnings per share, before and after dilution
The income for the period attributable to the equity holders of the parent company divided by a weighted average number of ordinary 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 and untaxed reserves (with deduction for deferred tax) in relation to the balance sheet total.

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

Return on equity
Income after financial items in relation to the average equity and untaxed reserves (with deduction for deferred tax).

The Board and Chief Executive Officer ensures that the Group accounts have been established in accordance with international accounting standards IFRS as they have been adopted by the EU and gives a correct picture of the position and result of the Group. The Annual Accounts have been established in accordance with generally accepted accounting principles and gives a correct picture of the position and result of the Parent Company. The administration report for the Group and Parent Company gives a correct overview over the development of the Group and Parent Company's activities, position and result and describes essential risks and uncertainty factors that the Parent Company and the companies that are part of the Group faces.

Income Statements and Balance Sheets will be presented to the Annual General Meeting on September 11 2008 for establishment.

Uppsala, August 29, 2008

Bo Cederstrand
Chairman

Claes Piehl
Member

Peter Ström
Member

Julian Aleksov
Member and Chief Executive Officer

Our audit report has been submitted the 29 th of August 2008

Audit report

To the annual meeting of the shareholders of Oasmia Pharmaceutical AB (publ)
Corporate identity number 556332-6676

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Oasmia Pharmaceutical AB for the financial year 1 May 2007 – 30 April 2008. The company's annual accounts and the consolidated accounts are included in the printed version on pages 15-62. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm 29th of August 2008, Öhrlings PricewaterhouseCoopers AB

Bo Åsell
Authorized Public Accountant

The Board of Directors




Bo Cederstrand (1)
Born 1939. Chairman of the Board since 1999 and one of the founders. Have been chairman in Swedish Fruit and Greengrocers Association (Swedish Trade) and also board member in Royal Canin. Previous external or present assignments: Board member in Fruges AB on-going, Board member in Arken AB and CEO and Board member for Royal Canin Sweden previous. Shares and share options in Oasmia: 126 000 shares.

Peter Ström (2)
Born 1952. Member since 2006. Master of Economy. Previously Vice President of IMS Health. Have previously worked with KabiVitrum, Kabi Pharmacia and Pharmacia Upjohn, for instance as Head of International, England and VP Europe and in IMS Health as VP Europe. Previous external or present assignments: Board member in Active Biotech AB, Chairman of the Board in Peridoc AB and member of the Board in Comtax AB and Puls AB present. Shares and share options in Oasmia: 166 961 shares.

Claes Piehl (3)
Born 1950. Member since 2006. Master of Economy. Previously management consultant for among others PA Management Consulting and Indevo. Previously CEO of Alfred Berg UK Ltd and Alfred Berg Norway AS and CEO for Orkla Securities Ltd. Piehl works today as active investor in smaller companies. Previous external or present assignments: CEO of Alfred Berg Norway AS and CEO of Orkla Securities Ltd previous. Shares and share options in Oasmia: 134 250 shares.

Julian Aleksov (4)
Born 1965. Member since 1999. Background as an entrepreneur. One of the founders and CEO of Oasmia. Coordination of research projects, strategic development within bio-organic chemistry and strategic development of global intangible assets. Previous external or present assignments: Chairman of Qdoxx Pharma AB and GlucoGene Pharma AB on-going. Shares share options in Oasmia: 147 000 shares.

Auditors

The company's auditors are Öhrlings PriceWaterhouseCoopers AB with authorized accountant Bo Åsell as principal auditor.

Öhrlings PriceWaterhouseCoopers AB
Torsgatan 21, 113 97 Stockholm

Management

Julian Aleksov
Chief Executive Officer.
Born 1965. One of the founders and active since 1990. Shares and share options in Oasmia: 147 000 shares.

Maria Nylander
Head of Production.
Born 1966. PhD in molecular genetics. Employed by Oasmia since 2005. Shares and share options in Oasmia: 4 100 shares.

Mats Ohlsson
Head of Marketing and Sales. Born 1952. MA in Economics. Employed by Oasmia since 2004. Shares and share options in Oasmia: 12 500 shares.

Britt-Marie Eriksson
Head of Medicinal Product Development. Born 1955. Licensed nurse. Employed by Oasmia since 2004. Shares and share options in Oasmia: 4 700 shares.

Kristina Fritjofsson
Head of Clinical Development. Born 1958. Lic. Pharmacist. Employed by Oasmia since 2006. Shares and share options in Oasmia: 1 900 shares.

John Cosby
Head of Regulatory Affairs. Born 1962. Hired by Oasmia since 2006. Share and share options in: 1 500 shares.

Maria Lundén
Head of PR and Communications. Born 1971. Journalist. Employed by Oasmia since 2007. Share and share options in Oasmia: 500 shares.

Amir Tatarevic
Head of Logistics. Born 1971. Employed by Oasmia since 2005. Share and share options in Oasmia: 13 900 shares.

Annette Ljungmark
Head of Economy and Human Resources. Born 1950. Employed by Oasmia since 2005. Share and share options in Oasmia: -

Financial Calendar

Interim report Quarter 1	2008 09 16
Interim report Quarter 2	2008 12 18
Interim report Quarter 3	2009 03 19

Annual General Meeting

The Annual General Meeting will take place on September 11 2008 at 13.00 in the company facilities at Vallongatan 1 in Uppsala. To participate at the meeting share holders are required to be listed in the share register kept by VPC at the latest on September 5 th 2008 and need to register their participation with the company address at Vallongatan 1, 752 28 Uppsala, or per fax +46 18 51 08 73, or by telephone +46 18 50 54 40, or by e-mail info@oasmia.com on September 2, 2008 at the latest. When registering name, address, telephone, personal or organizational number and number of shares must be given. Share holders or representatives has the right to bring at most two assistants. Assistants must be registered in the same way as share holders.

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