Oasmia Pharmaceutical AB (publ)

Interim report for the period May 2011- January 2012 €

Pages 1-9 is a service to shareholders in the euro zone. It is not the official report in the functional currency of Oasmia, which is SEK, but the first nine pages of that report converted to EUR. The full official report will be found on pages 10-21.
The conversion of currency has been made by use of a convenience rate for all figures including those from previous periods. This rate is the closing rate as per January 31, 2012 which was 8.8975 SEK per one EUR.
Some figures are in SEK because these are very firmly denominated in SEK.

THE PERIOD May 1, 2011 – January 31, 2012

- Consolidated net sales amounted to € 100 thousand (12) [1]
- Operating income amounted to € -5,183 thousand (-4,787)
- Net income after tax amounted to € -5,162 thousand (-4,995)
- Earnings per share was € -0.10 (-0.12)
- Comprehensive income amounted to € -5,162 thousand (-4,995)

THIRD QUARTER November 1, 2011 – January 31, 2012

- Consolidated net sales amounted to € 0 thousand (7)
- Operating income amounted to € -1,952 thousand (-1,747)
- Net income after tax amounted to € -1,937 thousand (-1,756)
- Earnings per share was € -0.03 (-0.04)
- Comprehensive income amounted to € -1,937 thousand (-1,756)

- On-going extension of patent protection
- Paccal® Vet was granted MUMS-designation by the FDA for the indication mammary carcinoma (breast cancer in dogs)

[1] The numbers in parentheses concerns results for the corresponding period previous year

BUSINESS ACTIVTIES IN THE PERIOD

Oasmia develops pharmaceuticals which require market authorizations in order to be available on the market. This means that the company must submit an application of registration with pharmaceutical authorities. After submission of the application for registration, Oasmia is dependent on the pharmaceutical authorities' handling of the file and cannot expedite the process in any other way than to submit answers to the authorities' questions as quickly as possible, which may be asked at various times during the registration process.

Oasmia has two product candidates in late final clinical stages and are proceeding with utmost diligence in order to launch these in their respective markets as soon as practically possible.

HUMAN HEALTH

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

Paclical®

The Phase III study with Paclical® for ovarian cancer reached full enrolment of 650 patients in September 2011. The treatment of the last enrolled patients has been on-going during the last quarter. Analysis of results has continued internally in the last quarter concerning the results from the first 400 patients in the study. The documentation for applications for market approvals to authorities is currently being compiled.

In August 2011, the results were reported of an interim analysis comprising 400 patients. The results met the clinical criteria stated by the EMA for submitting an application for market approval for Paclical®.

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

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

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

Doxophos®

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

Docecal®

Docecal® is a new patented formulation of docetaxel (Taxotere®). Oasmia intends to focus on the same indications as Taxotere®, i.e. breast cancer, prostate cancer and non-small cell lung cancer. Preparations are underway to begin a clinical Phase I study with the product candidate.

ANIMAL HEALTH

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

Paccal® Vet

Oasmia's application of market approval for Paccal® Vet for treatment of mastocytoma in dogs is currently being processed by the FDA. Oasmia has in the last quarter had a meeting with FDA and consulted them regarding the CMC (Chemical Manufacturing and Controls) questions. The company will make some complements and then the company considers the documentation complete.

Oasmia's application of market approval for Paccal® Vet for treatment of mastocytoma in dogs is currently being processed by the EMA.

It has been Oasmia's ambition to expand the indications for Paccal® Vet in the USA to include more than mastocytoma and this has been successful.

In January 2012, Paccal® Vet was granted MUMS designation for the indication mammary carcinoma by the FDA.

In June 2011, Paccal® Vet was granted MUMS designation by the FDA for the indication squamous cell carcinoma.

Paccal® Vet has previously been granted the same designation for the indication mastocytoma.

MUMS (minor use/minor species) is granted by the FDA either for a small area of use within a common species such as dogs, or for treatment of a less common species. The most interesting aspect of MUMS is the eligibility to apply for conditional approval with seven years market exclusivity.

Doxophos® Vet

Doxophos® Vet is intended for treatment of lymphoma, the most common cancer indication in dogs. Oasmia is currently conducting a Phase I study for this product candidate.

THE COMPANY

On-going extension of patent protection

Oasmia's technology has patent protection on all important world markets. Previously the patent protection lasted to 2022/2023. The company has submitted new patent applications which gradually extends the patent protection; presently to the end of 2028.

Private placement performed

In October 2011, a private placement was made to a limited number of investors. The share issue provided the company with MSEK 48 before issue expenses.

The largest block, MSEK 30, was subscribed by the company nxt2b with principal owner Bengt Ågerup. In connection to the share issue, nxt2b also acquired shares from Oasmia's largest owner Alceco and thereby became the second largest shareholder in Oasmia with about 10 % of the shares and votes. Alceco held about 46 % of the shares and votes after the share issue and sales. Nxt2b is a strategic long-term owner who shares the same vision as Oasmia's principal owner and management.

EVENTS AFTER THE CLOSING DAY

In February 2012, Oasmia raised a MSEK 25 loan from nxt2b, the second largest shareholder in the company. The interest rate is 5 %. At the same time, a reduction in the credit facility from Alceco, the largest shareholder in the company, was made from MSEK 40 to MSEK 25. When used, the interest rate is 5 %.

Oasmia has two wholly owned subsidiaries. They are now undergoing name changes to Oasmia Animal Health AB and Oasmia Global Supplies AB.

FINANCAL INFORMATION

Consolidated Income Statement in brief

€ thousands	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Net sales	-	7	100	12	12
Capitalized development cost	1,633	3,017	5,501	7,391	9,671
Operating income	-1,952	-1,747	-5,183	-4,787	-7,233
Net income after tax	-1,937	-1,756	-5,162	-4,995	-7,413
Earnings per share (€), before and after dilution*	-0.03	-0.04	-0.10	-0.12	-0.17
Comprehensive income for the period	-1,937	-1,756	-5,162	-4,995	-7,413

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

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

Capitalized development cost
Capitalized development cost consists of the company's investments in clinical Phase III trials. The capitalization means that such costs are capitalized as an intangible asset. They amounted to € 5,501 thousand (7,391) for the period and concerned Paclical® only. The reduction compared to the same period previous year is due to that no capitalization is made for Paccal® Vet this year.

Operating expenses
The total operating expenses excluding depreciation and impairment decreased with 12 % and amounted to € 10,365 thousand (11,819). The decrease in expenses is attributable to expenses for Paccal® Vet in Phase III had all but ended at the start of the period and that expenses for Paclical® in Phase III are no longer increasing.

Of these operating expenses, 53 % (63) were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively.

The number of employees was 80 (72) at the end of the period.

Income for the period
Net income for the period was € -5,162 thousand (-4,995). The decrease in income is due to a lower degree of capitalized development cost, in spite of the fact if the operating expenses actually decreased.

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

Financial position
The consolidated liquid assets at the end of the period amounted to € 554 thousand (10,232). Equity at the same time amounted to € 32,954 thousand (35,480). At the end of the period, the equity/assets ratio was 91 % (93) and the debt/equity ratio 0 % (0). On January 31, the company had unutilized credits amounting to TSEK 45 000 and an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000.

Cash flow and Capital expenditures
Cash flow from operating activities in the period amounted to € -4,457 thousand (-4,555).

Capital expenditures for the period amounted to € 5,976 thousand (8,608).

Investments in intangible assets amounted to € 5,762 thousand (7,593), consisting of capitalized development costs € 5,501 thousand and patents and other intangible assets € 261 thousand.

Investments in property, plant and equipment amounted to € 214 thousand (1,015) concerning production equipment. The reason to the large decrease compared to previous year, is that the production facility in Uppsala was then subject to a large upgrade.

Financing

Financing in the period was performed by use of liquid assets. In October, a private placement provided the company with € 5,055 thousand after issue expenses.

The parent company

The parent company net sales in the period amounted to € 100 thousand (12) and net income before tax amounted to € -5,174 thousand (-4,992). The poorer result is attributed to the decrease in capitalized development cost, even if the development costs themselves decreased. The parent company liquid assets at the end of the period amounted to € 553 thousand (10,231).

Key ratios and other information

	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Number of shares at the close of the period (in thousands), before and after dilution*	57,241	52,079	57,241	52,079	52,079
Weighted average number of shares (in thousands) before and after dilution*	57,241	47,620	53,818	41,475	44,061
Earnings per share in €, before and after dilution*	-0.03	-0.04	-0.10	-0.12	-0.17
Equity per share, €*	0.58	0.68	0.58	0.68	0.63
Equity/Assets ratio, %	91	93	91	93	92
Net liability, € thousand	-554	-10,232	-554	-10,232	-5,833
Debt/Equity ratio, %	-	-	-	-	-
Return on total assets, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Number of employees at the end of the period	80	72	80	72	68

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

Definitions

Earnings per share: The income for the period attributable to the equity holders of the parent company divided by a weighted average number of shares, before and after dilution.
Equity per share: Equity in comparison with the number of shares at the end of the period
Equity/assets ratio: Equity pertaining to the balance sheet total.
Net liability: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deductions for liquid funds
Debt/Equity ratio: Net liability with respect to equity.
Return on total assets: Income for interest expenses pertaining to the average balance sheet total.
Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

€ thousands	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Net sales	-	7	100	12	12
Capitalized development cost	1,633	3,017	5,501	7,391	9,671
Other operating income	2	3	6	14	30
Raw materials, consumables and goods for resale	-245	-204	-882	-1,065	-1,812
Other external expenses	-1,925	-3,380	-6,136	-7,682	-10,394
Employee benefit expenses	-1,275	-1,056	-3,348	-3,073	-4,200
Depreciation/amortization and impairment	-142	-134	-426	-384	-525
Other operating expenses	-	-	-	0	-15
Operating income	-1,952	-1,747	-5,183	-4,787	-7,233
Financial income	23	24	38	26	54
Financial expenses	-9	-33	-18	-235	-236
Financial items, net	14	-10	21	-209	-181
Income before taxes	-1,937	-1,756	-5,162	-4,995	-7,414
Taxes	-	0	-	0	1
Income for the period	-1,937	-1,756	-5,162	-4,995	-7,413
Income for the period attributable to:					
Equity holders of the Parent company	-1,937	-1,756	-5,162	-4,995	-7,413
Non-controlling interest	-	0	-	-1	-
Earnings per share					
Before dilution, €	-0.03	-0.04	-0.10	-0.12	-0.17
After dilution, €	-0.03	-0.04	-0.10	-0.12	-0.17

Consolidated Statement of Comprehensive income

€ thousands	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Income for the period	-1,937	-1,756	-5,162	-4,995	-7,413
Comprehensive income for the period	-1,937	-1,756	-5,162	-4,995	-7,413
Income for the period attributable to:					
Equity holders of the Parent company	-1,937	-1,756	-5,162	-4,995	-7,413
Non-controlling interest	-	0	-	-1	-
Comprehensive Earnings per share					
Before dilution, €	-0.03	-0.04	-0.10	-0.12	-0.17
After dilution, €	-0.03	-0.04	-0.10	-0.12	-0.17

Consolidated statement of financial position

€ thousands	2012-01-31	2011-01-31	2011-04-30
ASSETS			
Non-current assets			
Property, plant and equipment	2,926	3,029	3,062
Capitalized development cost	31,004	23,222	25,503
Other intangible assets	1,228	1,031	1,043
Financial assets	0	0	0
Total Non-current assets	35,158	27,282	29,607
Current assets			
Inventories	33	11	-
Other current receivables	181	346	241
Prepaid expenses and accrued income	236	455	321
Liquid assets	554	10,232	5,833
Total Current assets	1,004	11,043	6,394
TOTAL ASSETS	36,162	38,326	36,001
EQUITY			
Equity attributed to equity holders in the Parent Company			
Share capital	643	585	585
Other capital provided	51,456	46,460	46,460
Retained earnings	-19,145	-11,571	-13,983
Total	32,954	35,474	33,062
Non-controlling interest	-	6	-
Total equity	32,954	35,480	33,062
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	1,828	1,730	1,728
Deferred tax liabilities	-	1	-
Total Non-current liabilities	1,828	1,731	1,728
Current liabilities			
Trade payables	622	438	431
Other current liabilities	175	164	157
Accrued expenses and prepaid income	582	513	623
Total Current liabilities	1,379	1,114	1,211
Total Liabilities	3,207	2,846	2,939
TOTAL EQUITY AND LIABILITIES	36,162	38,326	36,001

Consolidated statement of changes in equity

€ thousands	Attributable to equity holders in Parent company				
	Share capital	Other capital provided	Retained earnings	Non-controlling interest	Total equity
Opening balance as of May 1, 2010	423	22,084	-6,576	6	15,937
Comprehensive income for the period	-	-	-4,995	-1	-4,995
New share issue	163	26,665	-	-	26,827
Issue expenses	-	-2,289	-	-	-2,289
Closing balance as of January 31, 2011	585	46,460	-11,571	6	35,480
Opening balance as of May 1, 2010	423	22,084	-6,576	6	15,937
Comprehensive income for the period	-	-	-7,413	-	-7,413
Acquired non-controlling interest	-	-	6	-6	0
New share issue	163	26,665	-	-	26,827
Issue expenses	-	-2,289	-	-	-2,289
Closing balance as of April 30, 2011	585	46,460	-13,983	0	33,062
Opening balance as of May 1, 2011	585	46,460	-13,983	0	33,062
Comprehensive income for the period	-	-	-5,162	-	-5,162
New share issue	58	5,337	-	-	5,395
Issue expenses	-	-340	-	-	-340
Closing balance as of January 31, 2012	643	51,456	-19,145	0	32,954

Consolidated Cash flow statement

€ thousands	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Operating activities					
Operating income before financial items	-1,952	-1,747	-5,183	-4,787	-7,233
Depreciation/amortization	142	134	426	384	523
Impairment of inventory	-	-	-	-	11
Disposals of intangible assets	-	-	-	0	15
Interest received	23	24	38	26	54
Interest paid	-9	46	-18	-156	-156
Cash flow from operating activities before working capital changes	-1,796	-1,543	-4,737	-4,532	-6,787
Change in working capital					
Change in inventories	-	-	-33	-	-
Change in trade receivables	-	-	-	7	7
Change in other current receivables	13	-429	144	-289	-50
Change in trade payables	-184	-512	191	205	197
Change in other current liabilities	80	-121	-23	55	159
Cash flow from operating activities	-1,887	-2,605	-4,457	-4,555	-6,474
Investing activities					
Investments in intangible fixed assets	-1,876	-3,017	-5,762	-7,593	-9,929
Investments in property, plant and equipment	-29	-264	-214	-1,015	-1,160
Cash flow from investing activities	-1,905	-3,281	-5,976	-8,608	-11,089
Financing activities					
Decrease in liabilities to credit institutions	-	-557	-	-482	-482
Increase in long-term liabilities	-	-	100	-	-
New share issue	-	18,960	5,395	18,960	18,960
Issue expenses	-340	-2,289	-340	-2,289	-2,289
New loans	-	-	-	6,602	6,602
Cash flow from financing activities	-340	16,114	5,155	22,791	22,791
Cash flow for the period	-4,132	10,227	-5,279	9,628	5,229
Cash and cash equivalents at the beginning of the period	4,686	5	5,833	604	604
Cash and cash equivalents at the end of the period	554	10,232	554	10,232	5,833

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Interim report for the period May 2011- January 2012

THE PERIOD May 1, 2011 – January 31, 2012

- Consolidated net sales amounted to TSEK 891 (106) [2]
- Operating income amounted to TSEK – 46 117 (-42 589)
- Net income after tax amounted to TSEK – 45 933 (-44 447)
- Earnings per share was SEK -0,85 (-1,07)
- Comprehensive income amounted to TSEK -45 933 (-44 447)

THIRD QUARTER November 1, 2011 – January 31, 2012

- Consolidated net sales amounted to TSEK 0 (64)
- Operating income amounted to TSEK – 17 365 (-15 542)
- Net income after tax amounted to TSEK – 17 238 (-15 628)
- Earnings per share was SEK -0,30 (-0,33)
- Comprehensive income amounted to TSEK – 17 238 (-15 628)

- On-going extension of patent protection
- Paccal® Vet was granted MUMS-designation by the FDA for the indication mammary carcinoma (breast cancer in dogs)

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FINANCAL INFORMATION

Consolidated Income Statement in brief

TSEK	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Net sales	-	64	891	106	106
Capitalized development cost	14 529	26 846	48 949	65 759	86 049
Operating income	-17 365	-15 542	-46 117	-42 589	-64 353
Net income after tax	-17 238	-15 628	-45 933	-44 447	-65 960
Earnings per share (SEK), before and after dilution*	-0,30	-0,33	-0,85	-1,07	-1,50
Comprehensive income for the period	-17 238	-15 628	-45 933	-44 447	-65 960

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

Net sales
Net sales for the period amounted to TSEK 891 (42) and consisted of license revenue in connection to closing an agreement with Medison Pharma.

Capitalized development cost
Capitalized development cost consists of the company's investments in clinical Phase III trials. The capitalization means that such costs are capitalized as an intangible asset. They amounted to TSEK 48 949 (65 759) for the period and concerned Paclical® only. The reduction compared to the same period previous year is due to that no capitalization is made for Paccal® Vet this year.

Operating expenses
The total operating expenses excluding depreciation and impairment decreased with 12 % and amounted to TSEK 92 227 (105 160). The decrease in expenses is attributable to expenses for Paccal® Vet in Phase III had all but ended at the start of the period and that expenses for Paclical® in Phase III are no longer increasing.

Of these operating expenses, 53 % (63) were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively.

The number of employees was 80 (72) at the end of the period.

Income for the period
Net income for the period was TSEK -45 933 (-44 447). The decrease in income is due to a lower degree of capitalized development cost, in spite of the fact if the operating expenses actually decreased.

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

Financial position
The consolidated liquid assets at the end of the period amounted to TSEK 4 930 (91 041). Equity at the same time amounted to TSEK 293 211 (315 684). At the end of the period, the equity/assets ratio was 91 % (93) and the debt/equity ratio 0 % (0). On January 31, the company had unutilized credits amounting to TSEK 45 000 and an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000.

Cash flow and Capital expenditures

Cash flow from operating activities in the period amounted to TSEK -39 657 (-40 527).

Capital expenditures for the period amounted to TSEK 53 173 (76 589).

Investments in intangible assets amounted to TSEK 51 270 (67 559), consisting of capitalized development costs TSEK 48 949 and patents and other intangible assets TSEK 2 321.

Investments in property, plant and equipment amounted to TSEK 1 903 (9 030) concerning production equipment. The reason to the large decrease compared to previous year, is that the production facility in Uppsala was then subject to a large upgrade.

Financing

Financing in the period was performed by use of liquid assets. In October, a private placement provided the company with TSEK 44 973 after issue expenses.

The parent company

The parent company net sales in the period amounted to TSEK 891 (106) and net income before tax amounted to TSEK -46 032 (-44 416). The poorer result is attributed to the decrease in capitalized development cost, even if the development costs themselves decreased. The parent company liquid assets at the end of the period amounted to TSEK 4 921 (91 032).

Key ratios and other information

	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Number of shares at the close of the period (in thousands), before and after dilution*	57 241	52 079	57 241	52 079	52 079
Weighted average number of shares (in thousands) before and after dilution*	57 241	47 620	53 818	41 475	44 061
Earnings per share in SEK, before and after dilution*	-0,30	-0,33	-0,85	-1,07	-1,50
Equity per share, SEK*	5,12	6,06	5,12	6,06	5,65
Equity/Assets ratio, %	91	93	91	93	92
Net liability, TSEK	-4 930	-91 041	-4 930	-91 041	-51 895
Debt/Equity ratio, %	-	-	-	-	-
Return on total assets, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Number of employees at the end of the period	80	72	80	72	68

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

Definitions

Earnings per share: The income for the period attributable to the equity holders of the parent company divided by a weighted average number of shares, before and after dilution.
Equity per share: Equity in comparison with the number of shares at the end of the period
Equity/assets ratio: Equity pertaining to the balance sheet total.
Net liability: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deductions for liquid funds
Debt/Equity ratio: Net liability with respect to equity.
Return on total assets: Income for interest expenses pertaining to the average balance sheet total.
Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

TSEK	Note	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Net sales		-	64	891	106	106
Capitalized development cost		14 529	26 846	48 949	65 759	86 049
Other operating income		16	24	58	123	269
Raw materials, consumables and goods for resale		-2 182	-1 815	-7 846	-9 474	-16 120
Other external expenses		-17 125	-30 070	-54 594	-68 348	-92 479
Employee benefit expenses		-11 342	-9 400	-29 787	-27 338	-37 370
Depreciation/amortization and impairment		-1 261	-1 192	-3 788	-3 416	-4 674
Other operating expenses		-	-	-	-1	-133
Operating income		-17 365	-15 542	-46 117	-42 589	-64 353
Financial income		207	211	340	231	484
Financial expenses		-79	-297	-156	-2 089	-2 097
Financial items, net		128	-86	184	-1 858	-1 613
Income before taxes		-17 238	-15 628	-45 933	-44 447	-65 967
Taxes	2	-	0	-	0	7
Income for the period		-17 238	-15 628	-45 933	-44 447	-65 960
Income for the period attributable to:						
Equity holders of the Parent company		-17 238	-15 626	-45 933	-44 442	-65 960
Non-controlling interest		-	-2	-	-5	-
Earnings per share						
Before dilution, SEK		-0,30	-0,33	-0,85	-1,07	-1,50
After dilution, SEK		-0,30	-0,33	-0,85	-1,07	-1,50

Consolidated Statement of Comprehensive income

TSEK	Note	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Income for the period		-17 238	-15 628	-45 933	-44 447	-65 960
Comprehensive income for the period		-17 238	-15 628	-45 933	-44 447	-65 960
Comprehensive income for the period attributable to:						
Equity holders of the Parent company		-17 238	-15 626	-45 933	-44 442	-65 960
Non-controlling interest		-	-2	-	-5	-
Comprehensive Earnings per share						
Before dilution, SEK		-0,30	-0,33	-0,85	-1,07	-1,50
After dilution, SEK		-0,30	-0,33	-0,85	-1,07	-1,50

Consolidated statement of financial position

TSEK	Note	2012-01-31	2011-01-31	2011-04-30
ASSETS				
Non-current assets				
Property, plant and equipment		26 031	26 954	27 243
Capitalized development cost	3	275 858	206 619	226 909
Other intangible assets		10 923	9 171	9 276
Financial assets		2	2	2
Total Non-current assets		312 814	242 745	263 430
Current assets				
Inventories		290	94	-
Other current receivables		1 611	3 075	2 141
Prepaid expenses and accrued income		2 102	4 047	2 853
Liquid assets		4 930	91 041	51 895
Total Current assets		8 933	98 257	56 889
TOTAL ASSETS		321 747	341 003	320 319
EQUITY				
Equity attributed to equity holders in the Parent Company				
Share capital		5 724	5 208	5 208
Other capital provided		457 832	413 375	413 375
Retained earnings		-170 345	-102 951	-124 411
Total		293 211	315 632	294 171
Non-controlling interest		-	52	-
Total equity		293 211	315 684	294 171
LIABILITIES				
Non-current liabilities				
Other non-current liabilities		16 264	15 397	15 373
Deferred tax liabilities		-	7	-
Total Non-current liabilities		16 264	15 404	15 373
Current liabilities				
Trade payables		5 533	3 896	3 831
Other current liabilities		1 556	1 457	1 399
Accrued expenses and prepaid income		5 183	4 562	5 545
Total Current liabilities		12 272	9 915	10 775
Total Liabilities		28 536	25 318	26 148
TOTAL EQUITY AND LIABILITIES		321 747	341 003	320 319
Contingent liabilities	4			
Pledged assets	4			

Consolidated statement of changes in equity

TSEK	Share capital	Other capital provided	Retained earnings	Non-controlling interest	Total equity
	Attributable to equity holders in Parent company				
Opening balance as of May 1, 2010	3 761	196 493	-58 509	57	141 803
Comprehensive income for the period	-	-	-44 442	-5	-44 447
New share issue	1 447	237 250	-	-	238 697
Issue expenses	-	-20 369	-	-	-20 369
Closing balance as of January 31, 2011	5 208	413 375	-102 951	52	315 684
Opening balance as of May 1, 2010	3 761	196 493	-58 509	57	141 803
Comprehensive income for the period	-	-	-65 960	-	-65 960
Acquired non-controlling interest	-	-	57	-57	0
New share issue	1 447	237 250	-	-	238 697
Issue expenses	-	-20 369	-	-	-20 369
Closing balance as of April 30, 2011	5 208	413 375	-124 411	0	294 171
Opening balance as of May 1, 2011	5 208	413 375	-124 411	0	294 171
Comprehensive income for the period	-	-	-45 933	-	-45 933
New share issue	516	47 484	-	-	48 000
Issue expenses	-	-3 027	-	-	-3 027
Closing balance as of January 31, 2012	5 724	457 832	-170 345	0	293 211

Consolidated Cash flow statement

TSEK	Note	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Operating activities						
Operating income before financial items		-17 365	-15 542	-46 117	-42 589	-64 353
Depreciation/amortization		1 261	1 192	3 788	3 416	4 650
Impairment of inventory		-	-	-	-	94
Disposals of intangible assets		-	-	-	1	133
Interest received		207	211	340	231	484
Interest paid		-79	408	-156	-1 384	-1 392
Cash flow from operating activities before working capital changes		-15 977	-13 731	-42 145	-40 325	-60 385
Change in working capital						
Change in inventories		-	-	-290	-	-
Change in trade receivables		-	-	-	60	60
Change in other current receivables		119	-3 817	1 281	-2 573	-445
Change in trade payables		-1 637	-4 559	1 702	1 821	1 756
Change in other current liabilities		708	-1 073	-205	490	1 415
Cash flow from operating activities		-16 788	-23 181	-39 657	-40 527	-57 598
Investing activities						
Investments in intangible fixed assets		-16 695	-26 846	-51 270	-67 559	-88 342
Investments in property, plant and equipment		-257	-2 346	-1 903	-9 030	-10 321
Cash flow from investing activities		-16 952	-29 192	-53 173	-76 589	-98 663
Financing activities						
Decrease in liabilities to credit institutions		-	-4 956	-	-4 289	-4 289
Increase in long-term liabilities		-	-	891	-	-
New share issue		-	168 697	48 000	168 697	168 697
Issue expenses		-3 027	-20 369	-3 027	-20 369	-20 369
New loans		-	-	-	58 745	58 745
Cash flow from financing activities		-3 027	143 372	45 864	202 784	202 784
Cash flow for the period		-36 767	90 999	-46 966	85 669	46 523
Cash and cash equivalents at the beginning of the period		41 696	42	51 895	5 372	5 372

Cash and cash equivalents at the end of the period	4 930	91 041	4 930	91 041	51 895

Parent Company Income statement

TSEK	Note	2011/12 Nov-Jan	2010/11 Nov-Jan	2011/12 May-Jan	2010/11 May-Jan	2010/11 May-April
Net sales		-	64	891	106	106
Capitalized development cost		14 529	26 846	48 949	65 759	86 049
Other operating income		16	24	58	123	245
Raw materials, consumables and goods for resale		-2 179	-1 814	-7 842	-9 434	-16 080
Other external expenses		-17 084	-30 023	-54 477	-68 198	-92 271
Employee benefit expenses		-11 342	-9 400	-29 787	-27 338	-37 370
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1 244	-1 151	-3 722	-3 287	-4 486
Operating income		-17 305	-15 454	-45 931	-42 268	-63 806
Result from participations in Group companies	5	-185	-80	-285	-290	-578
Other interest revenues and similar revenues		207	210	339	231	483
Interest cost and similar costs		-79	-297	-156	-2 089	-2 097
Financial items, net		-57	-167	-101	-2 148	-2 192
Income after financial items		-17 362	-15 620	-46 032	-44 416	-65 998
Taxes	2	-	-	-	-	-
Income for the period		-17 362	-15 620	-46 032	-44 416	-65 998

Parent Company Balance Sheet

TSEK	Note	2012-01-31	2011-01-31	2011-04-30
ASSETS				
Non-current assets				
Intangible fixed assets				
Capitalized development cost	3	275 858	206 619	226 909
Concessions, patents, licenses, trademarks and similar rights		10 893	8 884	9 180
Property, plant and equipment				
Equipment, tools, fixtures and fittings		24 677	26 954	27 243
Advance payments for property, plant and equipment		1 355	-	-
Financial assets				
Participations in group companies		110	298	110
Receivables from group companies		-	5	5
Other securities held as non-current assets		1	1	1
Total Non-current assets		312 894	242 761	263 448
Current assets				
Inventories				
Raw materials and consumables		290	94	-
		290	94	0
Current receivables				
Receivables from group companies	5	-	37	89
Other current receivables		1 609	3 074	2 140
Prepaid expenses and accrued income		2 102	4 047	2 748
		3 712	7 158	4 977
Cash and bank balances		4 921	91 032	51 884
Total current assets		8 923	98 284	56 861
TOTAL ASSETS		321 816	341 045	320 309
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		5 724	5 208	5 208
Statutory reserve		4 620	4 620	4 620
		10 344	9 828	9 828
Non-restricted equity				
Share premium reserve		457 832	413 375	413 375
Retained earnings		-129 028	-63 030	-63 030
Income for the period		-46 032	-44 416	-65 998
		282 772	305 929	284 347
Total equity		293 116	315 757	294 175
Non-current liabilities				
Other non-current liabilities		16 264	15 373	15 373
Total non-current liabilities		16 264	15 373	15 373
Current liabilities				
Trade payables		5 531	3 896	3 818
Liabilities to group companies	5	166	-	-
Other current liabilities		1 556	1 457	1 399
Accrued expenses and prepaid income		5 183	4 562	5 545
Total Current liabilities		12 436	9 915	10 761
TOTAL EQUITY AND LIABILITIES		321 816	341 045	320 309
Contingent liabilities and pledged assets				
Contingent liabilities	4	-	-	-
Pledged assets	4	8 000	8 000	8 000

Parent Company changes in equity

TSEK	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity	Total equity
Opening balance as of May 1, 2010	3 761	4 620	133 464	141 845
New share issue	1 447	-	237 250	238 697
Issue expenses	-	-	-20 369	-20 369
Income for the period	-	-	-44 416	-44 416
Closing balance as of January 31, 2011	5 208	4 620	305 929	315 757
Opening balance as of May 1, 2010	3 761	4 620	133 464	141 845
New share issue	1 447	-	237 250	238 697
Issue expenses	-	-	-20 369	-20 369
Income for the period	-	-	-65 998	-65 998
Closing balance as of April 30, 2011	5 208	4 620	284 347	294 175
Opening balance as of May 1, 2011	5 208	4 620	284 347	294 175
New share issue	516	-	47 484	48 000
Issue expenses	-	-	-3 027	-3 027
Income for the period	-	-	-46 032	-46 032
Closing balance as of January 31, 2012	5 724	4 620	282 772	293 116

Note 1 Accounting policies

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

Note 2 Taxes

The Group has accumulated losses carried forward amounting to TSEK 208 608 (141 302) and the Parent Company has similar amounting to TSEK 199 223 (132 337). Of the total losses carried forward for the Group, TSEK 17 881 (17 881) are restricted for use through group contributions. This limitation will end by the 2014 tax assessment. The future tax effect of these losses carried forward has not been marked with a value and no deferred tax asset has been considered in the Balance Sheet.

Note 3 Capitalized development cost

TSEK	2012-01-31	2011-01-31	2011-04-30
Paclical®	194 807	127 363	145 858
Paccal® Vet	81 051	79 255	81 051
Total	275 858	206 619	226 909

Note 4 Contingent liabilities and Pledged assets

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

Note 5 Transactions with related parties

On January 31, a credit facility of MSEK 40 was provided to Oasmia by the principal owner of the company, Alceco International SA. The interest rate on utilized credits was 6 %. See also events after closing day. As of January 31, 2012, the company had no liabilities to Alceco International S.A. No liabilities were present as of January 31, 2011.

Oasmia has made a TSEK 175 (290) group contribution to Qdoxx Pharma AB, of which TSEK 75 (80) in the third quarter. Oasmia has made a TSEK 110 (-) group contribution to GlucoGene Pharma AB, of which TSEK 110 (-) in the third quarter.

Impairments of shares in the subsidiaries has been made in the period corresponding to the group contribution, TSEK 285 (290) as the purpose of the group contributions was to cover losses in the subsidiary. The impairments are accounted for in the Parent company income statement in the item Result from participation in group companies.

Note 6 Risk factors

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

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

Uppsala March 8, 2012

Joel Citron, Chairman

Martin Nicklasson, Member

Jan Lundberg, Member

Prof. Dr. Horst Domdey, Member

Bo Cederstrand, Member

Julian Aleksov, Member and Chief Executive Officer

The information in this Interim report is such that Oasmia Pharmaceutical (publ) must publish according to the code of trade in financial instruments. The information was delivered for publication on March 8, 2012 at 09.00.

This report has been prepared in both Swedish and English. In the event of any discrepancy in the content of the two versions, the Swedish version shall take precedence.

This report has not been reviewed by the company auditors.

COMPANY INFORMATION

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UPCOMING REPORT DATES

Year-end Report May 2011 – April 2012	2012-06-14
Annual Report May 2011 – April 2012	2012-08-23
Interim Report May – July 2012	2012-09-06

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