

Oasmia Pharmaceutical AB (publ)

Interim report for the period May - July 2012



Page 1-8 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 eight pages of that report converted to EUR. The full official report will be found on pages 9-20. 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 July 31, 2012 which was 8.346 SEK per one EUR. Some figures are in SEK because these are very firmly denominated in SEK.

MUMS DESIGNATION FOR DOXOPHOS® VET

FIRST QUARTER May 1 – July 31, 2012

- Consolidated Net sales amounted to €0 thousand (107)¹
- Operating income amounted to €-2,196 thousand (-1,841)
- Net income after tax amounted to €-2,315 thousand (-1,828)
- Earnings per share amounted to €-0.04 (-0.04)
- Comprehensive income amounted to €-2,315 thousand (-1,828)

- FDA grants MUMS designation for Doxophos® Vet
- Oasmia submits application to the FDA for conditional approval of Paccal® Vet for treatment of mammary tumors in dogs.
- Oasmia submits application to the FDA for conditional approval of Paccal® Vet for treatment of squamous cell carcinoma in dogs
- Oasmia and Orion terminate the collaboration for Paccal® Vet.
- Nexttobe AB extends its commitment in Oasmia through a MSEK 65 loan

EVENTS AFTER CLOSING DAY

- Oasmia has initiated the application process for market approval of Paclical®

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.

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

BUSINESS ACTIVITIES IN THE PERIOD

HUMAN HEALTH

Paclical®

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

The Phase III study with Paclical® for the treatment of ovarian cancer reached an enrolment of 650 patients in September 2011. Based on this, Oasmia has since then compiled applications of market authorizations to pharmaceutical authorities.

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

ANIMAL HEALTH

The company product development within Animal Health is aimed at pharmaceuticals for the treatment of cancer in dogs and especially the two major indications lymphoma and mastocytoma which together comprises about half of all cancers in dogs.

Paccal® Vet

Paccal® Vet is a novel patented formulation of the well-known substance paclitaxel.

In June 2012, Oasmia announced that the collaboration with Orion concerning Paccal® Vet had been terminated. In connection to this, Oasmia paid Orion EUR 2 million as a re-purchase of all rights.

Oasmia has partners in USA, Canada and Japan for Paccal® Vet. The company is now in negotiations with licensees for all other territories. These include both products Paccal® Vet and Doxophos® Vet.

In March 2012, Oasmia reported that the company intends to complement its EU application of Paccal® Vet for treatment of mastocytoma in dogs. Oasmia considers the concern EMA had regarding the risk/benefit-ratio and has consequently requested and received scientific advice from EMA for clarification of certain points.

Oasmia's application to the FDA for market approval of Paccal® Vet for treatment of mastocytoma in dogs is currently being processed and Oasmia is now awaiting information from the authority.

The Phase III study that was made with Paccal® Vet for the treatment of mastocytoma has enabled progress within other indications.

Oasmia has in the quarter submitted an application to the FDA for conditional approval of Paccal® Vet for treatment of mammary carcinoma in dogs.

Oasmia has in the quarter submitted an application to the FDA for conditional approval of Paccal® Vet for treatment of squamous cell carcinoma in dogs.

All three indications, for which an application has been submitted, have previously been granted MUMS designation by the FDA.

Doxophos® Vet

Doxophos® Vet is a novel patented formulation of doxorubicin, which Oasmia is developing for treatment of lymphoma (lymph node cancer), which is the most common cancer indication in dogs. Oasmia is currently conducting a Phase I study for Doxophos® Vet comprising 15 dogs. Initial dose have been well tolerated.

In July 2012, Doxophos® Vet was granted MUMS designation for the indication lymphoma by the FDA.



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 market approval with seven years market exclusivity. Conditional market approval enables the manufacturer to make the product available before all necessary efficacy data has been obtained. However, safety data must prove that the product is safe.

THE COMPANY

Nexttobe AB expands its commitment to Oasmia through a MSEK 65 loan. In May 2012 Nexttobe AB expanded its commitment in Oasmia through an additional loan of MSEK 65. The interest rate is 5 %. Nexttobe is the second largest shareholder and Oasmia had a previous loan of MSEK 25 which makes the total borrowing from Nexttobe to Oasmia MSEK 90.

EVENTS AFTER THE CLOSING DAY

Oasmia has initiated the application process for market approval of Paclical®. On September 5, the day before this report, Oasmia initiated the application process for market approval of Paclical®. The first country is Russia.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

€thousands	2012	2011	2011/12
	May-July	May-July	May-April
Net sales	-	107	107
Capitalized development cost	1,173	2,406	7,582
Operating income	-2,196	-1,841	-7,852
Net income after tax	-2,315	-1,828	-7,868
Earnings per share (€), before and after dilution	-0.04	-0.04	-0.14
Comprehensive income for the period	-2,315	-1,828	-7,868

Net sales

Net sales amounted to €0 thousand (107).

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. This amounted to €1,173 thousand (2,406) and concerned Paclical®.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to €3,220 thousand (4,208). This 23 % decrease is attributable to lower expenses for Paclical® clinical trials.

Of these operating expenses about 36 % (57), concerned the product candidates in Phase III which were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively, which has a negative effect on the company income.

The number of employees was 76 (70) at the end of the quarter.

Income for the period

Net income was €-2,315 thousand (-1,828). The decrease is due to zero net sales for the quarter and that capitalization of operating expenses decreased more than the reduction in operating expenses.

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 quarter amounted to €1,600 thousand (2,410). Equity at the same time amounted to €30,452 thousand (33,418), the equity/assets ratio was 68 % (91) and the debt/equity ratio 30 % (0).

Oasmia has raised loans from Nexttobe amounting to TSEK 90 000. Additionally the company had available credits amounting to TSEK 30 000, where nothing had been utilized as per July 31. Furthermore, Oasmia has an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000, which was completely unutilized on July 31.

Cash flow and Capital expenditures

Cash flow from operating activities amounted to €-2,977 thousand (-1,311).

Cash flow from investing activities amounted to €-2,520 thousand (-2,604).

Investments in intangible assets amounted to €2,308 thousand (2,425), consisting of capitalized development costs €1,173 thousand and patents and other intangible assets €1,135 thousand.

Investments in property, plant and equipment amounted to €211 thousand (179) and concerned production equipment.

Financing

Financing in the period was performed by a new loan from Nexttobe amounting to TSEK 65 000.

The parent company

The parent company net sales in the period amounted to €0 thousand (107) and net income before tax amounted to €-2,318 thousand (-1,821). The parent company liquid assets at the end of the quarter amounted to € 1,599 thousand (2,408).

Key ratios and other information

	2012 May-July	2011 May-July	2011/12 May-April
Number of shares at the close of the period (in thousands), before and after dilution	57,241	52,079	57,241
Weighted average number of shares (in thousands) before and after dilution	57,241	52,079	54,660
Earnings per share in € before and after dilution	-0.04	-0.04	-0.14
Equity per share, €	0.53	0.64	0.57
Equity/Assets ratio, %	68	91	78
Net debt, €thousand	9,183	-2,410	3,687
Net debt/Equity ratio, %	30	-	11
Return on total assets, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Number of employees at the end of the period	76	70	77

Definitions

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

Equity per share: Equity divided by the number of shares at the end of the period

Equity/assets ratio: Equity as a percentage of the balance sheet total.

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

Net debt/Equity ratio: Net debt in relation to equity.

Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.

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

Consolidated Income statement

€thousands	2012	2011	2011/12
	May-July	May-July	May-April
Net sales	-	107	107
Capitalized development cost	1,173	2,406	7,582
Other operating income	4	5	12
Raw materials, consumables and goods for resale	-218	-438	-1,213
Other external expenses	-1,682	-2,569	-8,804
Employee benefit expenses	-1,320	-1,202	-4,930
Depreciation/amortization and impairment	-153	-151	-606
Operating income	-2,196	-1,841	-7,852
Financial income	0	16	43
Financial expenses	-119	-3	-60
Financial items, net	-119	13	-16
Income before taxes	-2,315	-1,828	-7,868
Taxes	-	-	-
Income for the period	-2,315	-1,828	-7,868
Income for the period attributable to:			
Shareholders of the Parent company	-2,315	-1,828	-7,868
Earnings per share			
Before dilution, €	-0.04	-0.04	-0.14
After dilution, €	-0.04	-0.04	-0.14

Consolidated Statement of Comprehensive income

€thousands	2012	2011	2011/12
	May-July	May-July	May-April
Income for the period	-2,315	-1,828	-7,868
Comprehensive income for the period	-2,315	-1,828	-7,868
Comprehensive income for the period attributable to:			
Shareholders of the Parent company	-2,315	-1,828	-7,868
Comprehensive Earnings per share			
Before dilution, €	-0.04	-0.04	-0.14
After dilution, €	-0.04	-0.04	-0.14

Consolidated statement of financial position

€thousands	2012-07-31	2011-07-31	2012-04-30
ASSETS			
Non-current assets			
Property, plant and equipment	3,198	3,320	3,114
Capitalized development cost	35,943	29,594	34,770
Other intangible assets	3,299	1,102	3,283
Financial assets	0	0	0
Total Non-current assets	42,440	34,017	41,167
Current assets			
Inventories	106	-	35
Other current receivables	200	154	209
Prepaid expenses and accrued income	317	293	259
Liquid assets	1,600	2,410	243
Total Current assets	2,223	2,857	746
TOTAL ASSETS	44,664	36,874	41,913
EQUITY			
Equity attributed to shareholders of the Parent Company			
Share capital	686	624	686
Other capital provided	54,856	49,530	54,856
Retained earnings	-25,090	-16,735	-22,775
Total equity	30,452	33,418	32,767
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	1,949	1,949	1,949
Total Non-current liabilities	1,949	1,949	1,949
Current liabilities			
Liabilities to credit institutions	-	-	383
Short-term borrowings	10,784	-	3,547
Trade payables	376	604	1,232
Other current liabilities	187	159	1,295
Accrued expenses and prepaid income	917	744	740
Total Current liabilities	12,263	1,507	7,197
Total Liabilities	14,212	3,456	9,146
TOTAL EQUITY AND LIABILITIES	44,664	36,874	41,913

Consolidated statement of changes in equity

€thousands	Attributable to shareholders of the Parent company			Total equity
	Share capital	Other capital provided	Retained earnings	
Opening balance as of May 1, 2011	624	49,530	-14,907	35,247
Comprehensive income for the period	-	-	-1,828	-1,828
Closing balance as of July 31, 2011	624	49,530	-16,735	33,418
Opening balance as of May 1, 2011	624	49,530	-14,907	35,247
Comprehensive income for the period	-	-	-7,868	-7,868
New share issue	62	5,689	-	5,751
Issue expenses	-	-363	-	-363
Closing balance as of April 30, 2012	686	54,856	-22,775	32,767
Opening balance as of May 1, 2012	686	54,856	-22,775	32,767
Comprehensive income for the period	-	-	-2,315	-2,315
Closing balance as of July 31, 2012	686	54,856	-25,090	30,452

Consolidated Cash flow statement

€thousands	2012 May-July	2011 May-July	2011/12 May-April
Operating activities			
Operating income before financial items	-2,196	-1,841	-7,852
Depreciation/amortization	153	151	606
Interest received	0	16	43
Interest paid	-119	-3	-60
Cash flow from operating activities before working capital changes	-2,162	-1,677	-7,262
Change in working capital			
Change in inventories	-72	-	-35
Change in other current receivables	-49	151	130
Change in trade payables	-856	145	773
Change in other current liabilities	161	71	111
Cash flow from operating activities	-2,977	-1,311	-6,283
Investing activities			
Investments in intangible fixed assets	-2,308	-2,425	-8,768
Investments in property, plant and equipment	-211	-179	-349
Cash flow from investing activities	-2,520	-2,604	-9,117
Financing activities			
Increase in liabilities to credit institutions	-	-	383
Decrease in liabilities to credit institutions	-383	-	-
Increase in long-term liabilities	-	107	107
New share issue	-	-	5,751
Issue expenses	-	-	-363
New loans	7,788	-	3,547
Repayment of loans	-551	-	-
Cash flow from financing activities	6,854	107	9,425
Cash flow for the period	1,357	-3,808	-5,975
Cash and cash equivalents at the beginning of the period	243	6,218	6,218
Cash and cash equivalents at the end of the period	1,600	2,410	243

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Interim report for the period May - July 2012

MUMS DESIGNATION FOR DOXOPHOS® VET

FIRST QUARTER May 1 – July 31, 2012

- Consolidated Net sales amounted to TSEK 0 (891)²
 - Operating income amounted to TSEK – 18 329 (-15 368)
 - Net income after tax amounted to TSEK – 19 323 (-15 260)
 - Earnings per share amounted to SEK -0,34 (-0,29)
 - Comprehensive income amounted to TSEK -19 323 (-15 260)
-
- FDA grants MUMS designation for Doxophos® Vet
 - Oasmia submits application to the FDA for conditional approval of Paccal® Vet for treatment of mammary tumors in dogs.
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BUSINESS ACTIVITIES IN THE PERIOD

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Doxophos® Vet

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THE COMPANY

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FINANCIAL INFORMATION

Consolidated Income Statement in brief

TSEK	2012	2011	2011/12
	May-July	May-July	May-April
Net sales	-	891	891
Capitalized development cost	9 789	20 084	63 282
Operating income	-18 329	-15 368	-65 536
Net income after tax	-19 323	-15 260	-65 670
Earnings per share (SEK), before and after dilution	-0,34	-0,29	-1,20
Comprehensive income for the period	-19 323	-15 260	-65 670

Net sales

Net sales amounted to TSEK 0 (891).

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. This amounted to TSEK 9 789 (20 084) and concerned Paclical®.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to TSEK 26 872 (35 123). This 23 % decrease is attributable to lower expenses for Paclical® clinical trials.

Of these operating expenses about 36 % (57), concerned the product candidates in Phase III which were capitalized as Capitalized development cost. The share of capitalized operating expenses is decreasing successively, which has a negative effect on the company income.

The number of employees was 76 (70) at the end of the quarter.

Income for the period

Net income was TSEK -19 323 (-15 260). The decrease is due to zero net sales for the quarter and that capitalization of operating expenses decreased more than the reduction in operating expenses.

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 quarter amounted to TSEK 13 356 (20 112). Equity at the same time amounted to TSEK 254 150 (278 911), the equity/assets ratio was 68 % (91) and the debt/equity ratio 30 % (0).

Oasmia has raised loans from Nexttobe amounting to TSEK 90 000. Additionally the company had available credits amounting to TSEK 30 000, where nothing had been utilized as per July 31. Furthermore, Oasmia has an unutilized SEDA-agreement (standby equity distribution agreement) amounting to TSEK 75 000, which was completely unutilized on July 31.

Cash flow and Capital expenditures

Cash flow from operating activities amounted to TSEK -24 847 (-10 940).

Cash flow from investing activities amounted to TSEK -21 028 (-21 735).

Investments in intangible assets amounted to TSEK 19 263 (20 239), consisting of capitalized development costs TSEK 9 789 and patents and other intangible assets TSEK 9 474.

Investments in property, plant and equipment amounted to TSEK 1 765 (1 496) and concerned production equipment.

Financing

Financing in the period was performed by a new loan from Nexttobe amounting to TSEK 65 000.

The parent company

The parent company net sales in the period amounted to TSEK 0 (891) and net income before tax amounted to TSEK -19 345 (-15 196). The parent company liquid assets at the end of the quarter amounted to TSEK 13 348 (20 096).

Key ratios and other information

	2012 May-July	2011 May-July	2011/12 May-April
Number of shares at the close of the period (in thousands), before and after dilution	57 241	52 079	57 241
Weighted average number of shares (in thousands) before and after dilution	57 241	52 079	54 660
Earnings per share in SEK, before and after dilution	-0,34	-0,29	-1,20
Equity per share, SEK	4,44	5,36	4,78
Equity/Assets ratio, %	68	91	78
Net debt, TSEK	76 644	-20 112	30 769
Net debt/Equity ratio, %	30	-	11
Return on total assets, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Number of employees at the end of the period	76	70	77

Definitions

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

Equity per share: Equity divided by the number of shares at the end of the period

Equity/assets ratio: Equity as a percentage of the balance sheet total.

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

Net debt/Equity ratio: Net debt in relation to equity.

Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.

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

Consolidated Income statement

TSEK	Note	2012 May-July	2011 May-July	2011/12 May-April
Net sales		-	891	891
Capitalized development cost		9 789	20 084	63 282
Other operating income		31	42	104
Raw materials, consumables and goods for resale		-1 823	-3 652	-10 127
Other external expenses		-14 035	-21 442	-73 481
Employee benefit expenses		-11 014	-10 028	-41 144
Depreciation/amortization and impairment		-1 278	-1 262	-5 062
Operating income		-18 329	-15 368	-65 536
Financial income		2	132	363
Financial expenses		-997	-24	-497
Financial items, net		-995	107	-135
Income before taxes		-19 323	-15 260	-65 670
Taxes	2	-	-	-
Income for the period		-19 323	-15 260	-65 670
Income for the period attributable to:				
Shareholders of the Parent company		-19 323	-15 260	-65 670
Earnings per share				
Before dilution, SEK		-0,34	-0,29	-1,20
After dilution, SEK		-0,34	-0,29	-1,20

Consolidated Statement of Comprehensive income

TSEK	Note	2012 Mat-July	2011 May-July	2011/12 May-April
Income for the period		-19 323	-15 260	-65 670
Comprehensive income for the period		-19 323	-15 260	-65 670
Comprehensive income for the period attributable to:				
Shareholders of the Parent company		-19 323	-15 260	-65 670
Comprehensive Earnings per share				
Before dilution, SEK		-0,34	-0,29	-1,20
After dilution, SEK		-0,34	-0,29	-1,20

Consolidated statement of financial position

TSEK	Note	2012-07-31	2011-07-31	2012-04-30
ASSETS				
Non-current assets				
Property, plant and equipment		26 694	27 706	25 988
Capitalized development cost	3	299 980	246 993	290 191
Other intangible assets		27 533	9 201	27 400
Financial assets		2	2	2
Total Non-current assets		354 208	283 903	343 581
Current assets				
Inventories		887	-	290
Other current receivables		1 666	1 289	1 747
Prepaid expenses and accrued income		2 648	2 448	2 161
Liquid assets		13 356	20 112	2 028
Total Current assets		18 557	23 849	6 227
TOTAL ASSETS		372 765	307 751	349 807
EQUITY				
Equity attributed to shareholders of the Parent Company				
Share capital		5 724	5 208	5 724
Other capital provided		457 832	413 375	457 832
Retained earnings		-209 405	-139 672	-190 082
Total equity		254 150	278 911	273 474
LIABILITIES				
Non-current liabilities				
Other non-current liabilities		16 264	16 264	16 264
Total Non-current liabilities		16 264	16 264	16 264
Current liabilities				
Liabilities to credit institutions		-	-	3 197
Short-term borrowings		90 000	-	29 600
Trade payables		3 138	5 044	10 281
Other current liabilities		1 559	1 325	10 811
Accrued expenses and prepaid income		7 654	6 207	6 180
Total Current liabilities		102 351	12 576	60 069
Total Liabilities		118 615	28 841	76 334
TOTAL EQUITY AND LIABILITIES		372 765	307 751	349 807
Contingent liabilities	5			
Pledged assets	5			

Consolidated statement of changes in equity

TSEK	Attributable to shareholders of the Parent company			Total equity
	Share capital	Other capital provided	Retained earnings	
Opening balance as of May 1, 2011	5 208	413 375	-124 411	294 171
Comprehensive income for the period	-	-	-15 260	-15 260
Closing balance as of July 31, 2011	5 208	413 375	-139 672	278 911
Opening balance as of May 1, 2011	5 208	413 375	-124 411	294 171
Comprehensive income for the period	-	-	-65 670	-65 670
New share issue	516	47 484	-	48 000
Issue expenses	-	-3 027	-	-3 027
Closing balance as of April 30, 2012	5 724	457 832	-190 082	273 474
Opening balance as of May 1, 2012	5 724	457 832	-190 082	273 474
Comprehensive income for the period	-	-	-19 323	-19 323
Closing balance as of July 31, 2012	5 724	457 832	-209 405	254 150

Consolidated Cash flow statement

TSEK	Note	2012 May-July	2011 May-July	2011/12 May-April
Operating activities				
Operating income before financial items		-18 329	-15 368	-65 536
Depreciation/amortization		1 278	1 262	5 062
Interest received		2	132	363
Interest paid		-997	-24	-497
Cash flow from operating activities before working capital changes		-18 046	-13 998	-60 609
Change in working capital				
Change in inventories		-597	-	-290
Change in other current receivables		-405	1 257	1 085
Change in trade payables		-7 144	1 213	6 450
Change in other current liabilities		1 345	589	924
Cash flow from operating activities		-24 847	-10 940	-52 439
Investing activities				
Investments in intangible fixed assets		-19 263	-20 239	-73 176
Investments in property, plant and equipment		-1 765	-1 496	-2 914
Cash flow from investing activities		-21 028	-21 735	-76 090
Financing activities				
Increase in liabilities to credit institutions		-	-	3 197
Decrease in liabilities to credit institutions		-3 197	-	-
Increase in long-term liabilities		-	891	891
New share issue		-	-	48 000
Issue expenses		-	-	-3 027
New loans		65 000	-	29 600
Repayment of loans	4	-4 600	-	-
Cash flow from financing activities		57 203	891	78 662
Cash flow for the period		11 328	-31 784	-49 867
Cash and cash equivalents at the beginning of the period		2 028	51 895	51 895
Cash and cash equivalents at the end of the period		13 356	20 112	2 028

Parent Company Income statement

TSEK	Note	2012 May-July	2011 May-July	2011/12 May-April
Net sales		-	891	891
Capitalized development cost		9 789	20 084	63 282
Other operating income		31	42	104
Raw materials, consumables and goods for resale		-1 823	-3 652	-10 124
Other external expenses		-14 006	-21 406	-73 323
Employee benefit expenses		-11 014	-10 028	-41 144
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1 274	-1 234	-4 987
Operating income		-18 296	-15 303	-65 300
Result from participations in Group companies	4	-55	-	-390
Other interest revenues and similar revenues		2	131	362
Interest cost and similar costs		-997	-24	-495
Financial items, net		-1 049	107	-523
Income after financial items		-19 345	-15 196	-65 823
Taxes	2	-	-	-
Income for the period		-19 345	-15 196	-65 823

Parent Company Balance Sheet

TSEK	Note	2012-07-31	2011-07-31	2012-04-30
ASSETS				
Non-current assets				
Intangible fixed assets				
Capitalized development cost	3	299 980	246 993	290 191
Concessions, patents, licenses, trademarks and similar rights		27 515	9 134	27 378
Property, plant and equipment				
Equipment, tools, fixtures and fittings		23 100	26 352	24 149
Construction in progress and advance payments for property, plant and equipment		3 594	1 355	1 839
Financial assets				
Participations in group companies		110	110	110
Receivables from group companies		-	5	-
Other securities held as non-current assets		1	1	1
Total Non-current assets		354 299	283 949	343 668
Current assets				
Inventories				
Raw materials and consumables		887	-	290
		887	0	290
Current receivables				
Receivables from group companies	4	-	102	55
Other current receivables		1 665	1 288	1 746
Prepaid expenses and accrued income		2 600	2 385	2 084
		4 265	3 775	3 885
Cash and bank balances		13 348	20 096	2 020
Total current assets		18 500	23 870	6 195
TOTAL ASSETS		372 800	307 820	349 863
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		5 724	5 208	5 724
Statutory reserve		4 620	4 620	4 620
		10 344	9 828	10 344
Non-restricted equity				
Share premium reserve		457 832	413 375	457 832
Retained earnings		-194 851	-129 028	-129 028
Income for the period		-19 345	-15 196	-65 823
		243 636	269 151	262 981
Total equity		253 980	278 979	273 325
Non-current liabilities				
Other non-current liabilities		16 264	16 264	16 264
Total non-current liabilities		16 264	16 264	16 264
Current liabilities				
Short term borrowings		90 000	-	29 600
Trade payables		3 138	5 044	10 281
Liabilities to Credit institutions		-	-	3 197
Liabilities to group companies	4	205	-	205
Other current liabilities		1 559	1 325	10 811
Accrued expenses and prepaid income		7 654	6 207	6 180
Total Current liabilities		102 555	12 576	60 274
TOTAL EQUITY AND LIABILITIES		372 800	307 820	349 863
Contingent liabilities and pledged assets				
Contingent liabilities	5	-	-	-
Pledged assets	5	8 000	8 000	8 000

Parent Company changes in equity

TSEK	Restricted equity		Non-restricted equity	Total equity
	Share capital	Statutory reserve		
Opening balance as of May 1, 2011	5 208	4 620	284 347	294 175
Income for the period	-	-	-15 196	-15 196
Closing balance as of July 31, 2011	5 208	4 620	269 151	278 979
Opening balance as of May 1, 2011	5 208	4 620	284 347	294 175
New share issue	516	-	47 484	48 000
Issue expenses	-	-	-3 027	-3 027
Income for the period	-	-	-65 823	-65 823
Closing balance as of April 30, 2012	5 724	4 620	262 981	273 325
Opening balance as of May 1, 2012	5 724	4 620	262 981	273 325
Income for the period	-	-	-19 345	-19 345
Closing balance as of July 31, 2012	5 724	4 620	243 636	253 980

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 2011 – April 30 2012. The new and revised accounting policies applied by Oasmia since May 1, 2012, 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 247 623 (178 054) and the Parent Company has similar amounting to TSEK 238 154 (168 791). 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	2012-07-31	2011-07-31	2012-04-30
Paclical®	218 929	165 942	209 140
Paccal® Vet	81 051	81 051	81 051
Total	299 980	246 993	290 191

Note 4 Transactions with related parties

On July 31, a credit facility of MSEK 25 was provided to Oasmia by the principal owner of the company, Alceco International SA. The interest rate on utilized credits is 5 %. As of July 31, 2012, this credit was completely unutilized (also as of July 31, 2011).

Oasmia has made a TSEK 55 (-) group contribution to Oasmia Global Supplies AB in the period. Impairment of shares in the subsidiary amounting to TSEK 55 (-) have been made in the period corresponding to the group contributions, as the purpose of the group contributions was to cover losses in the subsidiaries. The impairment is accounted for in the Parent company income statement in the item Result from participation in group companies.

Note 5 Contingent liabilities and Pledged assets

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

Note 6 Risk factors

The Group is subjected to a number of different risks through its business. By creating awareness of the risks involved in the activities these risks can be limited, controlled and managed and at the same time as business opportunities can be utilized to increase earnings. The risks to Oasmia's business activities are described in the Annual report for the fiscal year May 1 2011 – April 30 2012. 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, September 6, 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 September 6, 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

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