Oasmia Pharmaceutical AB (publ)

Interim report for the period May - July 2013 €

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, 2013 which was 8.7106 SEK per one EUR. When occasional figures are in SEK or USD it is because the amount is very firmly denominated in that currency.

MORE PROJECTS INITIATED WITH THE XR-17 TECHNOLOGY

FIRST QUARTER May 1 – July 31, 2013

- Consolidated Net sales amounted to € 0 thousand (0)[1]
- Operating income amounted to € -1,950 thousand (-2,104)
- Net income after tax amounted to € -2,092 thousand (-2,218)
- Earnings per share amounted to € -0.03 (-0.04)
- Comprehensive income amounted to € -2,092 thousand (-2,218)

- Oasmia initiated pre-clinical studies with OAS-19 which is the first pharmaceutical project containing two active cytostatics in one infusion based on the company's unique technology XR-17
- Oasmia started a clinical program with Paclical® for treatment of breast cancer
- The SEDA agreement with YA Global Master SPV Ltd expired on July 21, 2013 and was not extended

CEO COMMENTS:

"The patented technology XR-17 is the heart of our R&D and during the period, we were able to continue the clinical program with Paclical®, as well as initiate development of OAS-19, which is a new and unique product candidate for combination therapies with two cytostatics in one infusion, for treatment of the most common cancer indications. We also saw a growing interest for our technology among prominent pharmaceutical companies", says Julian Aleksov, CEO of Oasmia.

[1] The numbers in brackets concern results from the corresponding period of the previous year

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 the Frankfurt Stock Exchange.

BUSINESS ACTIVITIES

HUMAN HEALTH

Oasmia's research and development in human health is mainly focused on the common cancer indications ovarian, breast and prostate.

Paclical®
Paclical® is a patented formulation of the commonly used substance paclitaxel in combination with Oasmia's patented technology XR-17. Paclical® is designated as an orphan drug (see below) in EU and USA for the indication ovarian cancer.

Oasmia has performed a Phase III study with Paclical® for treatment of ovarian cancer, an indication with 225,000 annual new cases globally. The total number of patients in the study is 790, and the final patient was treated in the beginning of 2013. All patients are now being followed up regarding time to progression. When these data has been evaluated, Oasmia aims to submit marketing authorization applications for Paclical®, for the treatment of ovarian cancer, in the EU, the US and ROW.

In September 2012, Oasmia submitted an application for market authorization for Paclical® in Russia, which is currently being processed by the pharmaceutical authorities in the country.

Doxophos®
Doxophos® is a patented formulation of doxorubicin in combination with XR-17. Doxorubicin is one of the most efficient and used substances for treatment of cancer. Oasmia has compiled documentation for this product candidate and is now planning the clinical program.

Docecal®
Docecal® is a patented formulation of docetaxel in combination with XR-17. Oasmia has initiated the validation process for manufacture of Docecal®, and is preparing a clinical program for the product candidate.

OAS-19
OAS-19 is the first oncology product candidate to apply a dual cytostatic agent encapsulation and release mechanism in one infusion. Oasmia's unique micellar drug delivery system XR-17 allows the combination of agents with unequal solubility properties or low solubility. This concept provides Oasmia with a new platform for further pharmaceutical development of multiple active substances in one micelle. Recent preclinical studies have shown promising results, and the company plans to start clinical studies with OAS-19 in 2014.

Human Health

PRODUCT CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REGISTRATION
Paclical®	Ovarian cancer					
Doxophos®	Breast cancer					
Docecal®	Breast/prostate cancer					
OAS-19	Various cancers					

Orphan drug designation is granted for minor indications and entails market exclusivity for seven (EU) and ten (USA) years on the indication, when the drug is approved for market.

ANIMAL HEALTH

Product development within Animal Health is aimed at pharmaceuticals for the treatment of cancer in dogs. The company is focusing on the two most common indications, mastocytoma and lymphoma, which comprise about half of all cancers in dogs. Product development has made it possible to expand the range of indications to include also mammary carcinoma and squamous cell carcinoma.

Paccal® Vet
Paccal® Vet is a patented formulation of paclitaxel, in combination with XR-17.

Oasmia has submitted an application to the American Food and Drug Administration (FDA) for market authorization of Paccal® Vet for treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma. Oasmia is expecting a response from the FDA.

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

Oasmia has an ongoing study comprising 50 dogs. One parameter in the study is time to progression. When such data have been collected and analyzed, Oasmia intends to file an application for market approval for Paccal® Vet to the European authority EMA.

Doxophos® Vet
Doxophos® Vet is a patented formulation of doxorubicin in combination with XR-17. Oasmia is developing Doxophos® Vet for treatment of lymphoma (lymph node cancer), which is the most common cancer indication in dogs. Doxophos® Vet has been granted a MUMS designation (see below) in the USA for the indication lymphoma.

Oasmia is currently finalizing a Phase I study for Doxophos® Vet which will comprise around 15 dogs.

Animal Health

PRODUCT CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REGISTRATION
Paccal® Vet	Mastocytoma					
Doxophos® Vet	Lymphoma					

MUMS designation (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 have been obtained. However, safety data must prove that the product is safe.

THE COMPANY

The SEDA agreement was not extended
Oasmia has had a SEDA agreement (standby equity distribution agreement) with YA Global Master SPV Ltd which expired on July 21, 2013. The agreement was never utilized and no extension was made.

Share price development during 2013 (SEK)

FINANCIAL INFORMATION

Consolidated Income Statement in brief

€ thousands	2013 May-July	2012 May-July	2012/13 May-April
Net sales	-	-	-
Capitalized development cost	783	1,124	5,583
Operating income	-1,950	-2,104	-7,759
Net income after tax	-2,092	-2,218	-8,310
Earnings per share (€), before and after dilution*	-0.03	-0.04	-0.12
Comprehensive income for the period	-2,092	-2,218	-8,310

*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 2012/13.

FIRST QUARTER
May 1 – July 31, 2013

Net sales
Oasmia had no net sales in the quarter (-).

Capitalized development cost
Capitalized development cost amounted to € 783 thousand (1,124) and concerned mainly Paclical®. Paccal® Vet was also included with € 260 thousand (-). The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials in Phase III for Paclical®.

Other operating income
Other operating income amounted to € 494 thousand (4) and consisted mainly of an insurance compensation amounting to € 488 thousand.

Operating expenses
Operating expenses excluding depreciation and impairment were by and large unchanged compared to the previous year and amounted to € 3,084 thousand (3,085).

The number of employees at the end of the quarter was 76, which was unchanged compared to same period in the previous year.

Income for the quarter
Net income was € -2,092 thousand (-2,218). The increase is attributable to an insurance compensation.

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

Cash flow and Capital expenditures
Cash flow from operating activities amounted to € -1,855 thousand (-2,852). The improvement consisted of an insurance compensation and a lowered level of payments to suppliers compared to the previous year.

Cash flow from investing activities amounted to € -915 thousand (-2,414). The decreased level of investments concerned capitalized development costs and other intangible assets and property, plant and equipment.

Of these, investments in intangible assets amounted to € 911 thousand (2,211), consisting of capitalized development costs € 783 thousand (1,124) and patents and other intangible assets € 128 thousand (1,088).

Of these, only € 3 thousand (203) were investments in property, plant and equipment.

Financing
Financing in the quarter was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012. The liquid assets were strengthened by an insurance compensation.

Financial position
The consolidated liquid assets at the end of the quarter amounted to € 4,458 thousand (1,533). The interest-bearing liabilities were € 12,054 thousand (10,332).

At the end of the quarter, unutilized credits with bank and the principal owner Alceco International S.A. amounted to € 574 thousand (574) and € 4,592 thousand (2,870) respectively.

Equity at the end of the quarter amounted to € 34,547 thousand (29,177), the equity/assets ratio was 71 % (68 %) and the net debt/equity ratio was 22 % (30 %).

The parent company
The parent company´s net sales amounted to € 0 (0) and net income before tax amounted to € -2,090 thousand (-2,221). The parent company's liquid assets at the end of the quarter amounted to € 4,457 thousand (1,532).

Key ratios and other information

	2013 May-July	2012 May-July	2012/13 May-April
Number of shares at the close of the period (in thousands), before and after dilution*	81,772	58,214	81,772
Weighted average number of shares (in thousands) before and after dilution*	81,772	58,214	68,605
Earnings per share in €, before and after dilution*	-0.03	-0.04	-0.12
Equity per share, €*	0.42	0.50	0.45
Equity/Assets ratio, %	71	68	72
Net debt, € thousand	7,597	8,799	4,827
Net debt/Equity ratio, %	22	30	13
Return on total assets, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Number of employees at the end of the period	76	76	75

*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 2012/13.

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	2013 May-July	2012 May-July	2012/13 May-April
Net sales	-	-	-
Capitalized development cost	783	1,124	5,583
Other operating income	494	4	290
Raw materials, consumables and goods for resale	-124	-209	-705
Other external expenses	-1,605	-1,611	-7,465
Employee benefit expenses	-1,354	-1,264	-4,869
Depreciation/amortization and impairment	-143	-147	-584
Other operating expenses	-	-	-10
Operating income	-1,950	-2,104	-7,759
Financial income	10	0	67
Financial expenses	-152	-114	-618
Financial items, net	-142	-114	-551
Income before taxes	-2,092	-2,218	-8,310
Taxes	-	-	-
Income for the period	-2,092	-2,218	-8,310
Income for the period attributable to:			
Shareholders of the Parent company	-2,092	-2,218	-8,310
Earnings per share, before and after dilution, €	-0.03	-0.04	-0.12

Consolidated Statement of comprehensive income

€ thousands	2013 May-July	2012 May-July	2012/13 May-April
Income for the period	-2,092	-2,218	-8,310
Comprehensive income for the period	-2,092	-2,218	-8,310
Comprehensive income for the period attributable to:			
Shareholders of the Parent company	-2,092	-2,218	-8,310
Comprehensive Earnings per share, before and after dilution, €	-0.03	-0.04	-0.12

Consolidated statement of financial position

€ thousands	2013-07-31	2012-07-31	2013-04-30
ASSETS			
Non-current assets			
Property, plant and equipment	2,891	3,064	3,003
Capitalized development cost	39,682	34,439	38,898
Other intangible assets	1,282	3,161	1,182
Financial assets	0	0	0
Total Non-current assets	43,855	40,664	43,084
Current assets			
Inventories	102	102	102
Other current receivables	223	191	266
Prepaid expenses and accrued income	274	304	429
Liquid assets	4,458	1,533	7,228
Total Current assets	5,057	2,130	8,024
TOTAL ASSETS	48,912	42,794	51,108
EQUITY			
Capital and provisions attributable to shareholders of the Parent Company			
Share capital	939	657	939
Other capital provided	65,832	52,560	65,832
Retained earnings	-32,224	-24,040	-30,131
Total Equity	34,547	29,177	36,640
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	102	1,867	102
Total Non-current liabilities	102	1,867	102
Current liabilities			
Short-term borrowings	12,054	10,332	12,054
Trade payables	439	360	813
Other current liabilities	185	179	180
Accrued expenses and prepaid income	1,584	879	1,318
Total Current liabilities	14,262	11,750	14,366
Total Liabilities	14,365	13,617	14,468
TOTAL EQUITY AND LIABILITIES	48,912	42,794	51,108

Consolidated statement of changes in equity

	Attributable to shareholders of the Parent company			
€ thousands	Share capital	Other capital provided	Retained earnings	Total equity
Opening balance as of May 1, 2012	657	52,560	-21,822	31,396
Comprehensive income for the period	-	-	-2,218	-2,218
Closing balance as of July 31, 2012	657	52,560	-24,040	29,177
Opening balance as of May 1, 2012	657	52,560	-21,822	31,396
Comprehensive income for the period	-	-	-8,310	-8,310
New share issue	282	13,800	-	14,082
Issue expenses	-	-528	-	-528
Closing balance as of April 30, 2013	939	65,832	-30,131	36,640
Opening balance as of May 1, 2013	939	65,832	-30,131	36,640
Comprehensive income for the period	-	-	-2,092	-2,092
Closing balance as of July 31, 2013	939	65,832	-32,224	34,547

Consolidated Cash flow statement

€ thousands	2013 May-July	2012 May-July	2012/13 May-April
Operating activities			
Operating income before financial items	-1,950	-2,104	-7,759
Depreciation/amortization	143	147	584
Disposals of tangible assets	-	-	10
Adjustments for income from divestiture of intangible assets	-	-	-181
Interest received	10	0	67
Interest paid	0	-5	-70
Cash flow from operating activities before working capital changes	-1,797	-1,962	-7,349
Change in working capital			
Change in inventories	-	-69	-69
Change in other current receivables	197	-47	-246
Change in trade payables	-374	-820	-367
Change in other current liabilities	119	45	47
Cash flow from operating activities	-1,855	-2,852	-7,983
Investing activities			
Investments in intangible fixed assets	-911	-2,211	-6,843
Divestiture of intangible fixed assets	-	-	486
Investments in property, plant and equipment	-3	-203	-508
Cash flow from investing activities	-915	-2,414	-6,865
Financing activities			
Decrease in liabilities to credit institutions	-	-367	-367
New share issue	-	-	14,082
Issue expenses	-	-	-528
New loans	-	7,462	9,184
Repayment of loans	-	-528	-528
Cash flow from financing activities	0	6,567	21,843
Cash flow for the period	-2,770	1,300	6,995
Cash and cash equivalents at the beginning of the period	7,228	233	233
Cash and cash equivalents at the end of the period	4,458	1,533	7,228

Oasmia Pharmaceutical AB (publ)

Interim report for the period May - July 2013

MORE PROJECTS INITIATED WITH THE XR-17 TECHNOLOGY

FIRST QUARTER May 1 – July 31, 2013

- Consolidated Net sales amounted to TSEK 0 (0)[2]
- Operating income amounted to TSEK -16,985 (-18,329)
- Net income after tax amounted to TSEK -18,224 (-19,323)
- Earnings per share amounted to SEK -0.22 (-0.33)
- Comprehensive income amounted to TSEK -18,224 (-19,323)

- Oasmia initiated pre-clinical studies with OAS-19 which is the first pharmaceutical project containing two active cytostatics in one infusion based on the company's unique technology platform XR-17
- Oasmia started a clinical program Paclical® for treatment of breast cancer
- The SEDA agreement with YA Global Master SPV Ltd expired on July 21, 2013 and was not extended

CEO COMMENTS:

"The patented technology XR-17 is the heart of our R&D and during the period, we were able to continue the clinical program with Paclical® as well as initiate development of OAS-19, which is a new and unique product candidate for combination therapies with two cytostatics in one infusion, for treatment of the most common cancer indications. We also saw a growing interest for our technology among prominent pharmaceutical companies", says Julian Aleksov, CEO of Oasmia.

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BUSINESS ACTIVITIES

HUMAN HEALTH

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Paclical®
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In September 2012, Oasmia submitted an application for market authorization for Paclical® in Russia, which is currently being processed by the pharmaceutical authorities in the country.

Doxophos®
Doxophos® is a patented formulation of doxorubicin in combination with XR-17. Doxorubicin is one of the most efficient and used substances for treatment of cancer. Oasmia has compiled documentation for this product candidate and is now planning the clinical program.

Docecal®
Docecal® is a patented formulation of docetaxel in combination with XR-17. Oasmia has initiated the validation process for manufacture of Docecal®, and is preparing a clinical program for the product candidate.

OAS-19
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Human Health

PRODUCT CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REGISTRATION
Paclical®	Ovarian cancer					
Doxophos®	Breast cancer					
Docecal®	Breast/prostate cancer					
OAS-19	Various cancers					

Orphan drug designation is granted for minor indications and entails market exclusivity for seven (EU) and ten (USA) years on the indication, when the drug is approved for market.

ANIMAL HEALTH

Product development within Animal Health is aimed at pharmaceuticals for the treatment of cancer in dogs. The company is focusing on the two most common indications, mastocytoma and lymphoma, which comprise about half of all cancers in dogs. Product development has made it possible to expand the range of indications to include also mammary carcinoma and squamous cell carcinoma.

Paccal® Vet
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Oasmia has submitted an application to the American Food and Drug Administration (FDA) for market authorization of Paccal® Vet for treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma. Oasmia is expecting response from the FDA.

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

Oasmia has an ongoing study comprising 50 dogs. One parameter in the study is time to progression. When such data have been collected and analyzed, Oasmia intends to file an application for market approval for Paccal® Vet to the European authority EMA.

Doxophos® Vet
Doxophos® Vet is a patented formulation of doxorubicin in combination with XR-17. Oasmia is developing Doxophos® Vet for treatment of lymphoma (lymph node cancer), which is the most common cancer indication in dogs. Doxophos® Vet has been granted a MUMS designation (see below) in the USA for the indication lymphoma.

Oasmia is currently finalizing a Phase I study for Doxophos® Vet which will comprise around 15 dogs.

Animal Health

PRODUCT CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REGISTRATION
Paccal® Vet	Mastocytoma					
Doxophos® Vet	Lymphoma					

MUMS designation (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 have been obtained. However, safety data must prove that the product is safe.

THE COMPANY

The SEDA agreement was not extended
Oasmia has had a SEDA agreement (standby equity distribution agreement) with YA Global Master SPV Ltd which expired on July 21, 2013. The agreement was never utilized and no extension was made.

Share price development during 2013 (SEK)

FINANCIAL INFORMATION

Consolidated Income Statement in brief

TSEK	2013 May-July	2012 May-July	2012/13 May-April
Net sales	-	-	-
Capitalized development cost	6,824	9,789	48,635
Operating income	-16,985	-18,329	-67,583
Net income after tax	-18,224	-19,323	-72,381
Earnings per share (SEK), before and after dilution*	-0.22	-0.33	-1.06
Comprehensive income for the period	-18,224	-19,323	-72,381

*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 2012/13.

FIRST QUARTER
May 1 – July 31, 2013

Net sales
Oasmia had no net sales in the quarter (-).

Capitalized development cost
Capitalized development cost amounted to TSEK 6,824 (9,789) and concerned mainly Paclical®. Paccal® Vet was also included with TSEK 2,266 (-). The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials in Phase III for Paclical®.

Other operating income
Other operating income amounted to TSEK 4,299 (31) and consisted mainly of an insurance compensation amounting to TSEK 4,250.

Operating expenses
Operating expenses excluding depreciation and impairment were by and large unchanged compared to the previous year and amounted to TSEK 26,862 (26,872).

The number of employees at the end of the quarter was 76, which was unchanged compared to the same period in the previous year.

Income for the quarter
Net income was TSEK -18,224 (-19,323). The increase is attributable to an insurance compensation.

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

Cash flow and Capital expenditures

Cash flow from operating activities amounted to TSEK -16,161 (-24,847). The improvement consisted of an insurance compensation and a lowered level of payments to suppliers compared to the previous year.

Cash flow from investing activities amounted to TSEK -7,967 (-21,028). The decreases level of investments concerned capitalized development costs and other intangible assets and property, plant and equipment.

Of these, investments in intangible assets amounted to TSEK 7,938 (19,263), consisting of capitalized development costs TSEK 6,824 (9,789) and patents and other intangible assets TSEK 1,114 (9,474).

Of these, only TSEK 28 (1,765) were investments in property, plant and equipment.

Financing

Financing in the quarter was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012. The liquid assets were strengthened by an insurance compensation.

Financial position

The consolidated liquid assets at the end of the quarter amounted to TSEK 38,829 (13,356). The interest-bearing liabilities were TSEK 105,000 (90,000).
At the end of the quarter, unutilized credits with bank and the principal owner Alceco International S.A amounted to TSEK 5,000 (5,000) and TSEK 40,000 (25,000) respectively.

Equity at the end of the quarter amounted to TSEK 300,929 (254,150), the equity/assets ratio was 71 % (68 %) and the net debt/equity ratio was 22 % (30 %).

The parent company

The parent company´s net sales amounted to TSEK 0 (0) and net income before tax amounted to TSEK -18,207 (-19,345). The parent company's liquid assets at the end of the quarter amounted to TSEK 38,819 (13,348).

Key ratios and other information

	2013 May-July	2012 May-July	2012/13 May-April
Number of shares at the close of the period (in thousands), before and after dilution *	81,772	58,214	81,772
Weighted average number of shares (in thousands) before and after dilution*	81,772	58,214	68,605
Earnings per share in SEK, before and after dilution*	-0.22	-0.33	-1.06
Equity per share, SEK*	3.68	4.37	3.90
Equity/Assets ratio, %	71	68	72
Net debt, TSEK	66,171	76,644	42,044
Net debt/Equity ratio, %	22	30	13
Return on total assets, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Number of employees at the end of the period	76	76	75

*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 2012/13.

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	2013 May-July	2012 May-July	2012/13 May-April
Net sales		-	-	-
Capitalized development cost		6,824	9,789	48,635
Other operating income		4,299	31	2,524
Raw materials, consumables and goods for resale		-1,083	-1,823	-6,137
Other external expenses		-13,982	-14,035	-65,022
Employee benefit expenses		-11,797	-11,014	-42,408
Depreciation/amortization and impairment		-1,247	-1,278	-5,089
Other operating expenses		-	-	-86
Operating income		-16,985	-18,329	-67,583
Financial income		85	2	587
Financial expenses		-1,324	-997	-5,384
Financial items, net		-1,239	-995	-4,798
Income before taxes		-18,224	-19,323	-72,381
Taxes	2	-	-	-
Income for the period		-18,224	-19,323	-72,381
Income for the period attributable to:				
Shareholders of the Parent company		-18,224	-19,323	-72,381
Earnings per share before and after dilution, SEK		-0.22	-0.33	-1.06

Consolidated Statement of Comprehensive income

TSEK	Note	2013 May-July	2012 May-July	2012/13 May-April
Income for the period		-18,224	-19,323	-72,381
Comprehensive income for the period		-18,224	-19,323	-72,381
Comprehensive income for the period attributable to:				
Shareholders of the Parent company		-18,224	-19,323	-72,381
Comprehensive Earnings per share before and after dilution, SEK		-0.22	-0.33	-1.06

Consolidated statement of financial position

TSEK	Not	2013-07-31	2012-07-31	2013-04-30
ASSETS				
Non-current assets				
Property, plant and equipment		25,182	26,694	26,161
Capitalized development cost	3	345,651	299,980	338,826
Other intangible assets		11,168	27,533	1,294
Financial assets		2	2	2
Total Non-current assets		382,003	354,208	375,283
Current assets				
Inventories		887	887	887
Other current receivables		1,946	1,666	2,314
Prepaid expenses and accrued income		2,390	2,648	3,737
Liquid assets		38,829	13,356	62,956
Total Current assets		44,052	18,557	69,895
TOTAL ASSETS		426,055	372,765	445,178
EQUITY				
Capital and provisions attributable to shareholders of the Parent Company				
Share capital		8,177	5,724	8,177
Other capital provided		573,439	457,832	573,439
Retained earnings		-280,687	-209,405	-262,463
Total equity		300,929	254,150	319,153
LIABILITIES				
Non-current liabilities				
Other non-current liabilities		891	16,264	891
Total Non-current liabilities		891	16,264	891
Current liabilities				
Short-term borrowings	4	105,000	90,000	105,000
Trade payables		3,823	3,138	7,084
Other current liabilities		1,615	1,559	1,566
Accrued expenses and prepaid income		13,797	7,654	11,484
Total Current liabilities		124,235	102,351	125,134
Total Liabilities		125,126	118,615	126,025
TOTAL EQUITY AND LIABILITIES		426 055	372,765	445,178
Contingent liabilities	5			
Pledged assets	5			

Consolidated statement of changes in equity

	Attributable to shareholders of the Parent company			
TSEK	Share capital	Other capital provided	Retained earnings	Total equity
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
Opening balance as of May 1, 2012	5,724	457,832	-190,082	273,474
Comprehensive income for the period	-	-	-72,381	-72,381
New share issue	2,453	120,205	-	122,658
Issue expenses	-	-4,598	-	-4,598
Closing balance as of April 30, 2013	8,177	573,439	-262,463	319,153
Opening balance as of May 1, 2013	8,177	573,439	-262,463	319,153
Comprehensive income for the period	-	-	-18,224	-18,224
Closing balance as of July 31, 2013	8,177	573,439	-280,687	300,929

Consolidated Cash flow statement

TSEK	Note	2013 May-July	2012 May-July	2012/13 May-April
Operating activities				
Operating income before financial items		-16,985	-18,329	-67,583
Depreciation/amortization		1,247	1,278	5,089
Disposals of tangible assets		-	-	86
Adjustments for income from divestiture of intangible assets		-	-	-1,579
Interest received		85	2	587
Interest paid		-1	-43	-611
Cash flow from operating activities before working capital changes		-15,654	-17,092	-64,010
Change in working capital				
Change in inventories		-	-597	-597
Change in other current receivables		1,715	-405	-2,142
Change in trade payables		-3,261	-7,144	-3,197
Change in other current liabilities		1,039	392	408
Cash flow from operating activities		-16,161	-24,847	-69,539
Investing activities				
Investments in intangible fixed assets		-7,938	-19,263	-59,603
Divestiture of intangible fixed assets		-	-	4,235
Investments in property, plant and equipment		-28	-1,765	-4,428
Cash flow from investing activities		-7,967	-21,028	-59,795
Financing activities				
Decrease in liabilities to credit institutions		-	-3,197	-3,197
New share issue		-	-	122,658
Issue expenses		-	-	-4,598
New loans	4	-	65,000	80,000
Repayment of loans		-	-4,600	-4,600
Cash flow from financing activities		0	57,203	190,263
Cash flow for the period		-24,128	11,328	60,928
Cash and cash equivalents at the beginning of the period		62,956	2,028	2,028
Cash and cash equivalents at the end of the period		38,829	13,356	62,956

Parent Company Income statement

TSEK	Note	2013 May-July	2012 May-July	2012/13 May-April
Net sales		-	-	-
Capitalized development cost		6,824	9,789	48,635
Other operating income		4,299	31	2,524
Raw materials, consumables and goods for resale		-1,083	-1,823	-6,137
Other external expenses		-13,967	-14,006	-64,916
Employee benefit expenses		-11,797	-11,014	-42,408
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1,245	-1,274	-5,074
Other operating expenses		-	-	-86
Operating income		-16,968	-18,296	-67,461
Result from participations in Group companies		-	-55	-145
Other interest revenues and similar revenues		85	2	587
Interest cost and similar costs		-1,324	-997	-5,384
Financial items, net		-1,239	-1,049	-4,942
Income after financial items		-18,207	-19,345	-72,404
Taxes	2	-	-	-
Income for the period		-18,207	-19,345	-72,404

Parent Company Balance Sheet

TSEK	Note	2013-07-31	2012-07-31	2013-04-30
ASSETS				
Non-current assets				
Intangible fixed assets				
Capitalized development cost	3	345,651	299,980	338,826
Concessions, patents, licenses, trademarks and similar rights		11,164	27,515	10,288
Property, plant and equipment				
Equipment, tools, fixtures and fittings		19,377	23,100	20,355
Construction in progress and advance payments for property, plant and equipment		5,805	3,594	5,805
Financial assets				
Participations in group companies		110	110	110
Other securities held as non-current assets		1	1	1
Total Non-current assets		382,107	354,299	375,386
Current assets				
Inventories				
Raw materials and consumables		887	887	887
		887	887	887
Current receivables				
Other current receivables		1,945	1,665	2,312
Prepaid expenses and accrued income		2,374	2,600	3,721
		4,319	4,265	6,033
Cash and bank balances		38,819	13,348	62,947
Total current assets		44,025	18,500	69,867
TOTAL ASSETS		426,132	372,800	445,253
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		8,177	5,724	8,177
Statutory reserve		4,620	4,620	4,620
		12,797	10,344	12,797
Non-restricted equity				
Share premium reserve		573,439	457,832	573,439
Retained earnings		-267,255	-194,851	-194,851
Income for the period		-18,207	-19,345	-72,404
		287,977	243,636	306,184
Total equity		300,774	253,980	318,981
Non-current liabilities				
Other non-current liabilities		891	16,264	891
Total non-current liabilities		891	16,264	891
Current liabilities				
Short term borrowings	4	105,000	90,000	105,000
Trade payables		3,823	3,138	7,084
Liabilities to group companies		232	205	247
Other current liabilities		1,615	1,559	1,566
Accrued expenses and prepaid income		13,797	7,654	11,484
Total Current liabilities		124,467	102,555	125,381
TOTAL EQUITY AND LIABILITIES		426,132	372,800	445,253
Contingent liabilities and pledged assets				
Contingent liabilities	5	-	-	-
Pledged assets	5	8,000	8,000	8,000

Parent Company changes in equity

	Restricted equity			
TSEK	Share capital	Statutory reserve	Non-restricted equity	Total equity
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
Opening balance as of May 1, 2012	5,724	4,620	262,981	273,325
New share issue	2,453	-	120,205	122,658
Issue expenses	-	-	-4,598	-4,598
Income for the period	-	-	-72,404	-72,404
Closing balance as of April 30, 2013	8,177	4,620	306,184	318,981
Opening balance as of May 1, 2013	8,177	4,620	306,184	318,981
Income for the period	-	-	-18,207	-18,207
Closing balance as of July 31, 2013	8,177	4,620	287,977	300,774

Note 1 Accounting policies

This 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 2012 – April 30 2013. The new and revised accounting policies applied by Oasmia since May 1, 2013, 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 317,975 (247,623) and the Parent Company has similar amounting to TSEK 308,400 (238,154). 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

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. The accumulated assets per product candidate are disclosed below.

TSEK	2013-07-31	2012-07-31	2013-04-30
Paclical®	259,034	218,929	254,475
Paccal® Vet	86,617	81,051	84,351
Total	345,651	299,980	338,826

Note 4 Transactions with related parties

No significant transactions with related parties have been performed in the period.

As of July 31, 2013 Oasmia had a credit facility of TSEK 40,000 (25,000) provided by the principal owner of the company, Alceco International SA. The interest rate on utilized credits is 5 %. As of July 31, 2013, this credit was completely unutilized (also as of July 31, 2012).

On July 31, 2013, Oasmia carried a loan from its second largest owner Nexttobe AB amounting to TSEK 105,000 (90,000). The interest rate is 5 % and will be paid in its entirety when the loan is due for repayment on December 31, 2013. As of July 31, 2013, the accrued interest cost for the borrowing was TSEK 6,376 (1,253).

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 2012 – April 30 2013. 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, 2013

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, 2013 at 9.00.

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 2013	2013-12-05
Interim report May 2013 – January 2014	2014-03-06
Year-end report May 2013 – April 2014	2014-06-05
Annual report May 2013 – April 2014	2014-08-21
Interim report May – July 2014	2014-09-05