

Press release June 9, 2006

Orexo to complete acquisition

Orexo AB's subsidiary Kibion AB ("Kibion") in compiling the acceptances in the Offer to shareholders in Noster System AB ("Noster System") has received more than 90 percent of the number of shares and votes in Noster. Accordingly, all conditions for completion of the Offer are fulfilled.

"We are pleased to now be able to conclude the strategically important acquisition of Noster System," says Lena Söderström, Managing Director of Kibion. "We have previously noted the major and continued expansive market for diagnosis of the ulcer bacteria *Helicobacter pylori*. The acquisition of Noster System and its product Heliprobe™ System means that Kibion, with a strengthened product portfolio and significantly increased geographic presence, takes a major step forward."

The takeover of Noster System occurs on June 9, 2006. The purchase sum for the acquisition amounts to MSEK 10.5. In addition, a supplemental payment amounting to a maximum of MSEK 7.5 may be paid conditional upon Kibion's growth reaching certain sales targets in the next few years.

Sales of Noster System's product amounted in 2005 to MSEK 11.4, while sales of Kibion's product Diabact® UBT in 2005 totaled MSEK 5.1. The sales of both products rose sharply compared with the preceding year. The acquisition is expected to generate a positive impact on the results for the current fiscal year.

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TO THE EDITORS**About Orexo**

Orexo is a pharmaceutical company that develops new pharmaceutical products in large therapeutic areas characterized by considerable unmet medical need. Orexo's products are based on existing pharmaceuticals and the company's patented drug-delivery technologies. Orexo applies its broad expertise in medicine and pharmacy to the further development of existing pharmaceutical substances. By combining well-documented compounds with its own patented drug-delivery methods and its unique expertise in "dry formulations" (for example, tablets), Orexo is able to develop new patented pharmaceuticals.

At present, the company has one product on the market, three under clinical development, one of which has been out-licensed in the US, Europe and Japan, two projects in the pharmaceutical formulation phase, and one project in an early development stage. Orexo has adopted an active intellectual property rights strategy and has, since its inception, built up an extensive patent portfolio to protect its products and technologies.

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About drug delivery

The science of drug delivery can be summarized as the process of ensuring that the active substance in a pharmaceutical product is optimally delivered to the site of action. The demand for drug-delivery products is increasing rapidly due to the fact that these new pharmaceuticals can for example offer shorter time to onset of effect or improved safety profiles.

Many pharmaceutical products on the market today have shortcomings – for example, they are slow-acting, have side effects, must be administered frequently or perhaps can only be injected. This is why demand for technologies that can make already existing products more efficient is increasing rapidly.

In 2004, industry sources estimated that sales of pharmaceutical products that utilize drug-delivery methods exceeded USD 79 billion, a figure that is expected to grow to USD 117 billion by 2009 (Datamonitor 2004).

About Diabact® UBT and Heliprobe™ System

Diabact® UBT is Orexo's first commercialized product. Diabact® UBT is, like Heliprobe™ System, a breath test for diagnosing the stomach-ulcer bacterium *Helicobacter pylori*. Breath tests are recommended by European expert groups in *Helicobacter pylori* as the first choice and the most reliable non-invasive test for indicating an active infection. One of the advantages for the patient is that he or she is spared going through a gastroscopic investigation, which many find discomforting. In terms of benefits for society, the breath test is quick, simple and significantly cheaper than gastroscopy.

An estimated total of 260 million people in the Western world are infected with *Helicobacter pylori*. By diagnosing the infection and treating it with antibiotics, stomach ulcer can be effectively cured. In recent years it has also been found that early treatment of the *Helicobacter pylori* infection can reduce the risk of developing certain forms of stomach cancer.

Distribution and marketing agreements for Diabact® UBT have been signed for Finland, Hong Kong, Ireland, the UK and Sweden. For the Japanese market, License Agreement has been signed with the pharmaceutical company Kyowa Hakko Kogyo Co Ltd. Distribution and marketing agreements for Heliprobe™ System have been signed in some twenty countries in the Middle-East, Asia and Eastern Europe.