

Press release, December 19, 2006

Orexo announces another agreement for its pain product Rapinyl™

Orexo AB and the Hungarian pharmaceutical company Gedeon Richter Ltd. today announced that they have entered into a distribution agreement under which Gedeon Richter receives exclusive rights to market and sell Rapinyl™ – Orexo's patented product for management of breakthrough cancer pain – in CIS, Bulgaria and Rumania. This is Orexo's first distribution agreement for Rapinyl™. The marketing rights have previously been out-licensed in the U.S, EU and Japan.

"Gedeon Richter is one of eastern Europe's largest pharmaceutical companies with strong growth and a turnover of USD 864 M in 2005. The company's strong position in eastern part of Europe and Russia, makes them an ideal distributor of Rapinyl™. Purchasing power in Russia has improved dramatically the past few years, and we see significant opportunities for pharmaceuticals in general and for innovative products such as Rapinyl™ in particular", says Zsolt Lavotha, President and CEO of Orexo AB.

"A core element of Gedeon Richter's strategy is to define those niches - both therapeutic and geographic - where we can be competitive. We are constantly looking for speciality products with high added value in a wide range of therapeutic areas in order to expand our product portfolio. Based on our brand promotional and marketing knowledge and our extended distribution network we can be a favourable distribution partner in the CIS region as well. With this agreement our marketing and distributional activity for Rapinyl™ has been completed, covering not only the CEE region but the CIS as well." says Erik Bogesch, CEO of Gedeon Richter Ltd.

Rapinyl™ is a product for the treatment of cancer-related breakthrough pain. It is based on Orexo's unique proprietary technology for sublingual administration, where a fast dissolving tablet is placed under the tongue and the active substance is absorbed through the mucous membrane in the mouth. This new drug form is designed for rapid onset of action and predictable and reproducible pain relief, and also results in a simplified treatment of patients suffering from breakthrough pain.

The referred distribution rights apply to CIS, Bulgaria and Rumania. Since 2003 the marketing rights for Rapinyl™ is licensed to Kyowa Hakko Kogyo Co. Ltd for the Japanese market, since 2004 to Endo Pharmaceuticals for the North American market and since 2005 to ProStrakan Group plc for the EU market.

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TO THE EDITORS**About Orexo**

Orexo is a pharmaceutical company that focuses on developing new pharmaceutical drugs within areas currently subject to considerable clinical needs. 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 two products on the market, one product submitted for registration on the European market, three in late stage clinical development - one of which has been out-licensed in the US, Europe and Japan - and two projects in pharmaceutical formulation phase. Orexo has an active intellectual property rights strategy and an extensive patent portfolio to protect its products and technologies.

Orexo is listed on the OMX Nordic List Mid Cap (ticker: ORX).

www.orexo.com

About Gedeon Richter

Gedeon Richter was founded in 1901 and is today one of Hungary's and Eastern Europe's largest pharmaceutical company, with a market capitalization of about USD 4 billion. Gedeon Richter has a worldwide presence through its representative offices/subsidiaries in 30 countries, while two thirds of its annual sales – amounting to 705 million USD in 2005 - are exported to 80 countries.

Gedeon Richter's product portfolio includes more than 100 products and covers almost all important therapeutic areas. Based on its traditional skills in steroid chemistry, the company is a significant player in the gynaecological field worldwide. The company has production facilities in Russia, Romania, Poland and India. Gedeon Richter is listed on the Budapest Stock Exchange.

www.richter.hu

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 breakthrough pain

Breakthrough pain is defined as one or several daily, often intermittent flares ("breakthroughs") of pain that can occur even though a person is taking medications for regular pain control. Many patients with chronic cancer-related pain also experience episodes of breakthrough cancer pain.

About Orexo's oral sublingual tablet formulation

Orexo's sublingual tablet technology combines fast disintegration and dissolution in the oral cavity with rapid, site-specific absorption of the active substance across the sublingual mucosa.

When administered, the tablet is placed under the tongue where it rapidly disintegrates into ordered mucoadhesive units of the active substance. Orexo believes that the rapid and reproducible absorption of the active substance makes the dosage form ideal for treatment of conditions requiring immediate onset of effect such as acute pain. The technology can also be applied to substances such as peptides, which cannot be absorbed from the gastrointestinal tract.