

Press release, July 14, 2011

Orexo takes leading position in diagnostic breath tests through acquisition

Uppsala, July 14, 2011 – Orexo AB (STO: ORX) has, through its subsidiary Kibion AB, acquired the German company Wagner Analysen Technik GmbH (WAT). WAT is a leading manufacturer of IRIS instruments and substrates for diagnostic breath tests. The acquisition turns Kibion into a complete solutions provider of both diagnostic breath tests and instruments, with a leading position in *Helicobacter pylori* tests.

Kibion already markets two products for the diagnosis of *Helicobacter pylori* (Diabact® UBT and Heliprobe® System), the bacterium that is implicated in gastric ulcers and gastric cancers. The products are sold in over 50 markets worldwide and sales amounted to MSEK 40 in 2010. The EU market for such tests accounts for approximately MSEK 160 out of which Kibion today has 5 per cent.

WAT manufactures and markets best in class IRIS instruments, which employs detectors of non-radioactive ¹³C-labelled stable isotope based on infra-red technology. The German company is the market leader with over 600 instruments installed worldwide. Furthermore, the Company's instruments are widely recognized for their high precision, reliability and ease of use. WAT is currently represented with its products in over 60 markets worldwide and 400 instruments are in use at European diagnostic institutions.

Gaining access to WAT's established customer base will enable Kibion to drive sales its existing products, including Diabact® UBT. The acquisition also provides Kibion with a broader platform through which it can develop and commercialize other diagnostic breath tests. IRIS instruments can be used in breath tests for the diagnosis of a number of disorders affecting the gastroenteric and hepatic systems, as well as in other areas of internal medicine. More than 20 tests can currently be run on the IRIS system, among them Diabact® UBT.

The purchase price amounts to 1.4 million EUR and is fully financed through a credit facility. If clearly defined sales targets are achieved, additional consideration will be paid. The acquisition is expected to contribute positively to Orexo's results within 12 months.

“Through this acquisition, Kibion strengthens its operations and is provided a substantial potential for future growth. A larger Kibion will have greater strategic



options, and allows for a more independent operation over time. To support such transformation, Kibion's Board will be strengthened with independent directors, commencing with appointment of Henrik Juuel who brings substantial leadership, financial, and commercial expertise," says Anders Lundström, President and CEO of Orexo AB.

Altogether, these exciting developments for Kibion will furthermore facilitate Orexo's strategy to focus its proprietary pharmaceutical product development on its well-established re-formulation technologies, where the new products once approved will be market by Orexo in US or EU.

Henrik Juuel holds a master's degree in Finance and Business Administration and brings with him close to 20 years of experience within the life science industry. His work experience spans across many line functions and for the last five years he has served as CFO of larger companies including GN ReSound A/S and NNE Pharmaplan A/S. He has significant experience in change management and post-M&A business integration, which are important aspects in the next phase of Kibion's development.

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About Orexo

Orexo is a pharmaceutical company focusing on developing treatments for pain and inflammation. The company has four commercialized products, several projects developed in partnership as well as three proprietary development programs. Orexo's registered products are Abstral® for the treatment of break through cancer pain, sold by Kyowa Hakko Kirin/ProStrakan Group plc. in Europe and in the USA, the sleeping pill Edluar™, sold by Meda in the USA, as well as two products for the diagnosis of Helicobacter pylori which are being marketed by the subsidiary Kibion. More information can be found at www.orexo.com.

Note

Orexo AB (publ) discloses the information provided in this press release pursuant to the Securities Markets Act. The information was provided for public release on July 14, 2011 at 08:00 a.m. CET. This press release 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.