

October 25, 2007

Interim report January – September 2007

- Net sales amounted to 361.9 (382.9) MSEK in the period January – September 2007 and to 111.9 (133.9) MSEK in the third quarter. At comparable exchange rates and excluding the Chem Dev product area, which is being closed down, sales increased by 1% in the nine month period and decreased by 12% in the third quarter.
- The operating result for the first nine months 2007 amounted to 27.6 (-2.9) MSEK. The operating result for the third quarter amounted to 9.3 (11.4) MSEK.
- In the first nine months 2007 net profit amounted to 56.5 (-8.2) MSEK and earnings per share to 0.64 (-0.09) SEK. In the third quarter profit after tax amounted to 11.2 (8.6) MSEK and earnings per share to 0.13 (0.10) SEK.
- The cash flow from operating activities amounted to 21.2 (11.9) MSEK in the first nine months and to 22.9 (17.4) MSEK in the third quarter.

Comment from Torben Jörgensen, President and CEO

The third quarter 2007 showed continued good profitability, with a good result and improved gross margin. However total sales were lower than expected. Biosystems continues to develop positively and in the third quarter the first sales in the market segment "Molecular Imaging" took place. The decreased sales of the Discovery Chemistry business area in the third quarter are mainly attributable to a weak demand for purification products among the major pharma companies but also to new products being introduced by competitors.

The Group has enjoyed a very good financial development during the last 18 months. The work aimed at consolidating and optimizing the business with focus on profitability has yielded good results. From being a company with large losses, we have in the latest 12 month period had sales of approximately 500 MSEK and an operating profit of 37.5 MSEK.

Of course I am disappointed that we cannot see sales growth in the third quarter, but at the same time I feel confident going into the fourth quarter. With this behind us I now see that we are ready to enter into a new phase. Biotage is operating in a business environment where structural deals are an essential element in the efforts to achieve higher turnover with increased profitability, which also has led to that Biotage has been approached by other strategic parties. The board has therefore, with an unprejudiced view, decided to evaluate different strategic alternatives which can lead to acquisitions of new companies, sell out of parts of the company or the entire company and/or possibility of changes in the ownership structure of the company. The strategic evaluation will be performed with the natural aim to maximize shareholder value. The strategic evaluation will be performed with a flexible time schedule and the broadest possible scope. The board has decided to appoint Greenhill & Co as an advisor.

In the meantime we will continue our daily tasks, building and refining Biotage's profitable business.

Amounts i MSEK	3rd quarter 2007	3rd quarter 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006	October 1, 2006 September 30, 2007
Net sales	111.9	133.9	361.9	382.9	519.5	498.5
Cost of goods sold	-40.3	-48.9	-136.5	-148.1	-199.8	-188.2
Gross profit	71.5	85.1	225.4	234.8	319.7	310.3
Operating expenses	-62.2	-73.6	-197.8	-237.7	-313.3	-273.3
Operating profit/loss	9.3	11.4	27.6	-2.9	6.5	37.0
Financial items	2.1	-1.7	2.8	-0.6	-0.4	2.9
Profit/loss after financial items	11.4	9.7	30.4	-3.4	6.2	40.0
Tax expenses	-0.2	-1.1	26.1	-4.7	-3.2	27.6
Profit/loss after tax	11.2	8.6	56.5	-8.2	2.8	67.5

Group result and financial position

Third quarter 2007

In the third quarter Group net sales decreased by 16% compared to the third quarter 2006, from 133.9 MSEK to 111.9 MSEK. At comparable exchange rates and excluding the Chem Dev product area, which is being closed down, sales decreased by 12%.

The Group's gross margin was 63.9% (63.5%). The gross margin was positively influenced by product mix changes towards systems with higher margin, but negatively affected by the weakened US dollar.

The operating expenses have continued to decrease strongly and amounted to 62.2 (73.6) MSEK.

Investments during the third quarter 2007 amounted to 9.9 (7.9) MSEK. Of this sum 7.0 (5.0) MSEK were capitalized development costs. In the third quarter 2007 amortizations were made to the amount of 8.3 (10.7) MSEK. Of this sum 3.5 (3.4) MSEK were amortizations of capitalized development costs.

The operating profit amounted to 9.3 (11.4) MSEK, with an operating margin of 8.3% (8.5%).

Net financial income amounted to 2.1 (-1.7) MSEK. Dividends from the financial holdings in Corbett to the amount of 2.5 MSEK were obtained during the quarter.

Profit after tax amounted to 11.2 MSEK, corresponding to 0.13 SEK per share, compared to 8.6 MSEK in 2006, corresponding to 0.10 SEK per share.

The cash flow from operating activities amounted to 22.9 (17.4) MSEK.

January - September 2007

Group net sales in the period January - September 2007 decreased by 5% compared to the same period 2006, from 382.9 MSEK to 361.9 MSEK. At comparable exchange rates and excluding the Chem Dev product area, which is being closed down, sales increased by 1%.

The Group's gross margin has improved to 62.3% (61.3%). The gross margin was positively influenced by product mix changes and productivity improvements in production, but negatively affected by the weakening of the US dollar.

The strong reduction of the operating expenses continued. They amounted to 197.8 (237.7) MSEK.

Investments during the first nine months of the year totaled 36.6 (29.6) MSEK. Of this sum 29.6 (15.6) MSEK were capitalized development costs. Amortizations were made to the amount of 25.1 (27.9) MSEK. Of this sum 9.4 (7.8) MSEK were amortizations of capitalized development costs. The operating result improved and amounted to 27.6 MSEK in the period January – September 2007, compared to -2.9 MSEK the same period 2006. The operating margin was 7.6%, compared to -0.8% in 2006.

Net financial income amounted to 2.8 (-0.6) MSEK. Dividends from the financial holdings in Corbett have been obtained to the amount of 5.4 MSEK.

The Group's tax expense for the first nine months of the year was positive, 26.1 (-4.7) MSEK.

In the nine month period capitalization of deferred income taxes recoverable was made to the amount of 27.6 MSEK, which led to the Group's tax expense being positive. According to international accounting principles a company should assess at the end of each accounting period if deferred income taxes recoverable shall be reported. Such an assessment according to IAS 12 has resulted in the balancing at June 30, 2007 of 27.6 MSEK by the Group and the parent company. This sum has been credited to the period's result.

Profit after tax amounted to 56.5 MSEK, corresponding to 0.64 SEK per share, compared to -8.2 MSEK 2006, corresponding to -0.09 SEK per share.

The cash flow from operating activities amounted to 21.2 (11.9) MSEK.

Balance sheet items

At September 30, 2007 the Group's cash and securities totaled 32.7 MSEK, compared to 50.1 MSEK at December 31, 2006. Granted unutilized credits amounted to 40.2 MSEK, compared to 38.2 at December 31, 2006. The Group's interest-bearing liabilities amounted to 70.8 MSEK, compared to 76.7 MSEK at December 31, 2006.

The Group reports a total goodwill of 461.8 (471.8) MSEK at September 30, 2007. This is attributable to the acquisitions of Personal Chemistry and Biotage LCC in 2003 and the acquisitions of Argonaut and Separtis in 2005. This year's change is due to currency effects.

Other intangible fixed assets in the form of patents and license rights amounted to 28.5 (31.7) MSEK and capitalized development costs to 60.1 (40.0) MSEK.

At September 30, 2007 the equity capital amounted to 756.9 MSEK, compared to 712.5 MSEK at December 31, 2006. The Group's equity capital has increased with 56.5 MSEK due to the period's net profit, with 1.2 MSEK due to stock related remunerations, and decreased with -13.3 MSEK due to exchange rate changes.

Discovery Chemistry (Medicinal chemistry)

Amounts in MSEK	3rd quarter 2007	3rd quarter 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006	October 1, 2006 September 30, 2007
Net sales	89.1	111.5	290.1	319.3	430.0	400.9
Operating profit/loss	9.3	12.7	21.7	17.9	29.2	32.9

Sales per geographic market

USA	42%	41%	41%	44%	43%	42%
Europe	41%	43%	44%	42%	42%	43%
Rest of the world	17%	16%	15%	14%	15%	15%
Sum	100%	100%	100%	100%	100%	100%

Net sales in the third quarter amounted to 89.1 (111.5) MSEK. In the period January – September 2007 net sales totaled 290.2 (319.3) MSEK. At comparable exchange rates and excluding the Chem Dev product area, which is being closed down, sales decreased by 14% in the third quarter and by 2% in the nine month period.

The decreased sales in the third quarter are mainly attributable to lower sales in the purification products area. A decreased demand among the major pharma companies and increased competition has led to decreased sales in the area. The other product areas continue to develop well.

During the quarter the order intake has been good. In the fourth quarter the business area is expected to return to normal levels of invoiced sales. The order book was large at the beginning of the fourth quarter.

The recently introduced products have enjoyed a good start. SNAP, a newly developed series of consumables, has been very well received and the sales are showing strong growth.

In the third quarter the gross margin was 62.4% (61.5%). The improvement is attributable to continued optimization and to a shift in the product mix towards systems with a higher gross margin.

The operating profit for the third quarter amounted to 9.3 (12.7) MSEK, with an operating margin of 10.4% (11.4%).

For the period January – September, 2007 the operating profit amounted to 21.7 (17.9) MSEK, with an operating margin of 7.5% (5.6%).

Biosystems (Genetic analysis)

Amounts in MSEK	3rd quarter 2007	3rd quarter 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006	October 1, 2006 September 30, 2007
Net sales	22.8	22.4	71.7	63.6	89.5	97.6
Operating profit/loss	6.2	5.6	18.2	4.9	11.0	24.3

Sales per geographic market

USA	47%	62%	47%	51%	51%	49%
Europe	50%	35%	47%	39%	39%	43%
Rest of the world	3%	3%	6%	10%	10%	8%
Sum	100%	100%	100%	100%	100%	100%

In the third quarter the Biosystems business area increased its net sales by 2% to 22.8 MSEK (22.4). At comparable exchange rates net sales increased by 4%. In the first nine months net sales increased by 13% to 71.7 (63.6) MSEK. At comparable exchange rates net sales increased by 17%.

Systems sales totaled 19 units. The demand for and interest in the Pyrosequencing® technology and products continues to be strong. The marketing and sales force will gradually be upgraded.

The gross margin was 69.9% (73.4%). The gross margin was negatively affected by the weakening of the US dollar, which is the main currency for the business area's sales, while all production takes place in Sweden. In the third quarter a shift in the product mix took place towards systems with higher profit margins, and towards consumables.

The business area's good profitability continues and the operating result for the third quarter amounted to 6.2 MSEK (5.6) with an operating margin of 27.2% (25.0%). In the first nine months the operating result amounted to 18.2 (4.9) MSEK with an operating margin of 25.4% (7.7%).

Biotage has the ambition to establish itself as a leading player in molecular diagnostics. The company is strengthening this market position by developing new instruments and tests. The launch of a new instrument, which is expected to strongly expand the installed base of instruments, is planned for the first quarter 2008. In parallel new molecular diagnostics tests are being developed in order to take a further part of this strongly growing market. In order to further strengthen and complement Biotage's product offering in this area external collaborations concerning the development of new tests are also being evaluated.

Human resources

At September 30, 2007 the Group had 341 employees, compared to 332 at the start of the year.

Parent company

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Switzerland, Germany, France, Italy and Japan. The parent company is responsible for group management, strategic business development and administrative functions at Group level and towards subsidiaries.

In the third quarter 2007 the parent company's net income amounted to 2.0 (2.1) MSEK. In the period January – September, 2007 the net income amounted to 6.3 (6.5) MSEK.

A profit after financial items amounting to 3.0 MSEK is reported for the third quarter 2007 (-0.5). For the first nine months of the year profit after financial items amounted to 10.9 MSEK (-1.7). During the nine month period capitalization of deferred income taxes recoverable was made to the amount of 27.6 MSEK.

The parent company's investments in intangible fixed assets in the third quarter 2007 amounted to 0.3 (0.3) MSEK. In the first nine months of the year the investments in intangible fixed assets amounted to 2.5 (6.8) MSEK.

On September 30, 2007 the parent company's cash and bank balance amounted to 3.0 MSEK, compared to 8.6 MSEK at December 31, 2006.

Risks and uncertainties

The risks associated with the Group's operations can generally be divided into operational risks related to the business and risks related to the financial activities. No major changes in significant risks or uncertainty factors occurred during the period. A detailed account of Biotage's risks, uncertainty factors and the handling of these can be found in the company's annual report for 2006.

Next report

The full-year report for 2007 will be issued on February 7, 2008.

This report has not been reviewed by the company's auditors.

Uppsala October 25, 2007

Torben Jörgensen
President and CEO

For further information, please contact:

Torben Jörgensen, President and CEO, phone: +46 707 49 05 84
Mats-Olof Wallin, CFO, phone: +46 705 93 52 73

About Biotage

Biotage is a global company active in life science research with strong technologies, a broad range of operations and a long-term view of the market. The company offers solutions, knowledge and experience in the areas of genetic analysis and medicinal chemistry. In 2005 business and products from the company Argonaut were acquired, further strengthening the product range in medicinal chemistry. The customers include the world's top 30 pharma companies, the world's top 20 biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has subsidiaries in the U.S., Japan, UK, Germany and several other European countries. Biotage has 332 employees and had sales of 520 MSEK in 2006. Biotage is listed on the Stockholm stock exchange. Website: www.biotage.com

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Reporting and RR 31 Group Interim Reporting. The information in this report concerning the parent company complies with the Swedish Accounting Act.

The accounting principles applied agree with those applied in the preparation of the Group's latest Annual Report, described on pp. 33-39 in the 2006 Annual Report.

Readers wishing to study the accounting principles presented in the 2006 Annual Report can download this report from Biotage AB's website www.biotage.se or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, or at info@biotage.com.

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Interim report
2007-01-01 -- 2007-09-30

CONSOLIDATED INCOME STATEMENTS

	7/1/2007	7/1/2006	1/1/2007	1/1/2006	1/1/2006	10/1/2006
Belopp i KSEK	9/30/2007	9/30/2006	9/30/2007	9/30/2006	12/31/2006	9/30/2007
Net sales	111,853	133,935	361,863	382,890	519,497	498,470
Cost of goods sold	-40,335	-48,878	-136,471	-148,056	-199,782	-188,197
Gross profit	71,519	85,057	225,392	234,834	319,715	310,273
Other operating income	662	875	1,677	3,687	1,715	-
Selling expenses	-39,472	-44,351	-126,523	-140,453	-183,467	-169,536
Administrative expenses	-10,755	-15,745	-36,724	-50,054	-65,571	-52,243
Research and development costs	-10,108	-13,757	-32,259	-42,575	-58,755	-48,439
Other operating expenses	-2,549	-645	-3,958	-8,346	-7,175	-3,082
<i>Operating expenses</i>	<i>-62,222</i>	<i>-73,623</i>	<i>-197,788</i>	<i>-237,740</i>	<i>-313,253</i>	<i>-273,301</i>
Operating profit/loss	9,297	11,434	27,604	-2,905	6,463	36,972
Financial income	3,663	-	7,645	7,860	13,070	12,855
Financial expenses	-1,554	-1,734	-4,872	-8,412	-13,479	-9,939
Profit/loss before income tax	11,406	9,701	30,377	-3,458	6,054	39,888
Tax expenses (not 1)	-217	-1,069	26,123	-4,741	-3,238	27,626
Profit/loss after tax	11,189	8,631	56,500	-8,199	2,816	67,515
Part related to the parent company's shareholders	11,189	8,631	56,500	-8,199	2,816	67,515
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	89,016,897	88,880,782	89,054,035	88,935,429	88,883,110	89,027,821
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	0.13 kr	0.10 kr	0.64 kr	-0.09 kr	0.03 kr	0.76 kr
Profit/loss per share after dilution SEK	0.13 kr	0.10 kr	0.63 kr	-0.09 kr	0.03 kr	0.76 kr

Quarterly summary 2006 and 2007	2007			2006			
Amounts in KSEK	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net sales	111,853	131,138	118,872	136,607	133,935	128,344	120,611
Cost of goods sold	-40,335	-51,149	-44,987	-51,726	-48,878	-51,712	-47,466
Gross profit	71,519	79,989	73,884	84,881	85,057	76,633	73,144
Gross margin	63.9%	61.0%	62.2%	62.1%	63.5%	59.7%	60.6%
Operating expenses	-62,222	-68,913	-66,653	-75,513	-73,623	-78,792	-85,325
Operating profit/loss	9,297	11,076	7,232	9,368	11,434	-2,159	-12,180
Financial net income	2,109	-737	1,400	144	-1,734	7,655	-6,474
Profit/loss before income tax	11,406	10,339	8,631	9,512	9,701	5,496	-18,655
Tax expenses	-217	27,736	-1,396	1,504	-1,069	-1,516	-2,156
Profit/loss after tax	11,189	38,075	7,236	11,015	8,631	3,980	-20,811

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CONSOLIDATED BALANCE SHEETS

Amounts in KSEK	9/30/2007	12/31/2006
ASSETS		
Fixed assets		
Tangible assets	86,192	95,333
Goodwill	461,755	471,839
Other intangible assets	88,637	71,695
Financial assets	74,456	48,273
Total fixed assets	711,041	687,141
Current assets		
Inventory	97,985	85,627
Account receivable and other receivables	97,014	94,361
Other investments	644	-
Liquid funds	32,681	50,136
Total current assets	228,324	230,124
TOTALT ASSETS	939,365	917,265
EQUITY AND LIABILITIES		
Capital and reserves attributable to shareholders in parent company		
Share capital	88,486	88,486
Other contributed capital	1,513,609	1,512,383
Accumulated translation difference	-69,350	-55,386
Profit/loss carried forward	-775,866	-833,009
Total equity	756,879	712,474
Long term liabilities		
Loans	43,065	46,809
Provisions of a long-term nature	3,260	3,877
Total long term liabilities	46,325	50,686
Current liabilities		
Accounts payable and other liabilities	95,918	108,789
Tax liabilities	1,183	3,214
Loans	32,743	34,884
Provisions of a short-term nature	6,318	7,218
Total current liabilities	136,161	154,105
TOTAL EQUITY AND LIABILITIES	939,365	917,265

CONSOLIDATED CASH FLOW STATEMENTS

	7/1/2007 9/30/2007	7/1/2006 9/30/2006	1/1/2007 9/30/2007	1/1/2006 9/30/2006	1/1/2006 12/31/2006	10/1/2006 9/30/2007
Amounts in KSEK						
Operating activities						
Profit/loss after financial items	11,406	9,701	30,377	-3,458	6,054	39,888
Adjustments for items not included in the cash flow	8,950	9,248	25,745	35,781	45,432	35,396
	<u>20,356</u>	<u>18,949</u>	<u>56,121</u>	<u>32,323</u>	<u>51,486</u>	<u>75,284</u>
Tax paid	-217	-1,069	-1,526	-4,741	-3,238	-23
Cash flow from operating activities before changes in working capital	20,139	17,879	54,595	27,582	48,248	75,261
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of inventories	-6,221	252	-15,665	-7,534	-3,946	-12,078
Increase (-)/ decrease (+) of account receivables	13,059	-5,003	-2,553	-493	5,559	3,498
Increase (-)/ decrease (+) of other current receivables	605	768	-907	-2,356	-2,580	-1,131
Increase (+)/ decrease (-) of other liabilities	-4,635	3,485	-14,303	-5,293	-7,373	-16,382
	<u>22,946</u>	<u>17,381</u>	<u>21,167</u>	<u>11,905</u>	<u>39,908</u>	<u>49,169</u>
Cash flow from operating activities	22,946	17,381	21,167	11,905	39,908	49,169
Investing activities						
Acquisition of intangible fixed assets	-7,679	-5,355	-31,305	-22,553	-32,431	-41,183
Sales of intangible fixed assets	16		16			16
Acquisition of tangible fixed assets	-2,263	-2,528	-5,332	-7,163	-10,661	-8,830
Acquisition of financial assets	-12	-9	-12	-59	-169	-143
Sales of financial assets	18	32	21	165	163	40
	<u>-9,919</u>	<u>-7,860</u>	<u>-36,611</u>	<u>-29,610</u>	<u>-43,099</u>	<u>-50,100</u>
Cash flow from investment activities	-9,919	-7,860	-36,611	-29,610	-43,099	-50,100
Financial activities						
Refund of VAT on costs of new share issue					4,633	4,633
Loans taken			3,155	4,894		3,155
Amortization of loan liabilities	-2,168	-5,571	-5,016	-7,271	-2,986	-5,624
	<u>-2,168</u>	<u>-5,571</u>	<u>-1,860</u>	<u>-2,377</u>	<u>1,647</u>	<u>2,164</u>
Cash flow from financial activities	-2,168	-5,571	-1,860	-2,377	1,647	2,164
Cash flow during period	10,859	3,951	-17,305	-20,081	-1,543	1,233
Cash and liquid assets beginning of period	21,942	27,704	50,136	52,795	52,795	32,285
Exchange differences in liquid assets	-120	630	-150	-429	-1,115	-836
Cash and liquid assets at end of period	32,681	32,284	32,681	32,284	50,136	32,681
Additional information:						
<i>Adjustments for items not included in the cash flow</i>						
Depreciations and write-downs	8,279	10,742	25,125	31,373	40,670	34,423
Other items	671	-1,494	619	4,408	4,762	973
Total	<u>8,950</u>	<u>9,248</u>	<u>25,745</u>	<u>35,781</u>	<u>45,432</u>	<u>35,396</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Other paid-in capital	Accumulated translation differences	Hedging reserve	Profit/loss carried forward	Total equity
Opening balance January 1, 2006	88,486	1,506,656	-21,065		-835,826	738,252
Changes in 2006:						
Refund of VAT on costs of new share issue		4,633				4,633
Exchange rate differences			-34,321			-34,321
Profit/loss for 2006					2,816	2,816
Change due to outstanding option programs directed to employees of the Group		1,094				1,094
	0	5,727	-34,321	0	2,816	-25,778
Total changes during 2006						
Closing balance December 31, 2006	<u>88,486</u>	<u>1,512,383</u>	<u>-55,386</u>	<u>-</u>	<u>-833,009</u>	<u>712,474</u>
Changes in 2007:						
Exchange rate differences			-13,964			-13,964
Change in hedging reserve for the year				643		643
Profit/loss January - september 2007					56,500	56,500
Change due to outstanding option programs		1,226				1,226
Total changes during 2007:		1,226	-13,964	643	56,500	44,405
Closing balance September 30, 2007	<u>88,486</u>	<u>1,513,609</u>	<u>-69,350</u>	<u>643</u>	<u>-776,510</u>	<u>756,879</u>

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INCOME STATEMENTS FOR THE PARENT
COMPANY

	7/1/2007	7/1/2006	1/1/2007	1/1/2006	1/1/2006	10/1/2006
Belopp i KSEK	9/30/2007	9/30/2006	9/30/2007	9/30/2006	12/31/2006	9/30/2007
Net sales	2,014	2,129	6,319	6,470	8,669	8,518
Cost of goods sold	-5		-5		-	-5
Gross profit	2,009	2,129	6,314	6,470	8,669	8,513
Selling expenses	-228	79	-464	188	164	-489
Administrative expenses	-3,773	-6,367	-12,000	-20,520	-29,911	-21,392
Research and development costs	-359	-725	-2,253	-2,013	-4,643	-4,882
Other operating income	2,063	1,869	6,851	6,052	9,767	10,565
Other operating expenses	-1,595	-533	-3,251	-4,946	-4,151	-2,456
<i>Operating expenses</i>	<i>-3,892</i>	<i>-5,677</i>	<i>-11,118</i>	<i>-21,239</i>	<i>-28,775</i>	<i>-18,654</i>
Operating profit/loss	-1,884	-3,549	-4,804	-14,769	-20,105	-10,141
Profit/loss from financial investments:						
Interest income from receivables from group companies	4,039	3,631	12,541	11,151	14,588	15,977
Interest expenses from liabilities to group companies	-568	-456	-1,239	-1,305	-1,681	-1,615
Profit and loss from other securities and receivables that are long term financial assets	2,507	-	5,371	4,424	6,318	7,265
Other interest income and similar income items	-	-	1	73	946	874
Interest expenses and similar expense items	-	1	-4	-14	-54	-45
Translation differences on intra-group receivables	-1,116	-107	-919	-1,285	-4,573	-4,206
<i>Net financial income/expense</i>	<i>4,862</i>	<i>3,068</i>	<i>15,750</i>	<i>13,045</i>	<i>15,545</i>	<i>18,250</i>
Profit/loss after financial items	2,979	-481	10,946	-1,724	-4,560	8,109
Tax expenses (not 1)	-	-	27,649	-	-	27,649
Profit/loss after tax	2,979	-481	38,595	-1,724	-4,560	35,758

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BALANCE SHEETS FOR THE PARENT COMPANY

Amounts in KSEK	9/30/2007	12/31/2006
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Patent and license rights	13,348	12,480
	<u>13,348</u>	<u>12,480</u>
<i>Financial assets</i>		
Participation in group companies	717,727	717,396
Receivables from group companies	110,370	121,236
Deferred tax asset	27,649	-
Other long-term securities	45,783	45,783
	<u>901,530</u>	<u>884,415</u>
Total fixed assets	914,878	896,896
Current assets		
<i>Current receivables</i>		
Receivables from group companies	51,432	41,373
Other receivables	1,820	1,540
Prepaid expenses and accrued income	689	1,230
	<u>53,941</u>	<u>44,144</u>
Cash and bank balances	2,952	8,578
Total current assets	56,893	52,722
TOTALT ASSETS	971,771	949,617

EQUITY, PROVISIONS AND LIABILITIES

Equity

<i>Restricted equity</i>		
Share capital	88,486	88,486
Statutory reserves	1,509,816	1,509,816
	<u>1,598,303</u>	<u>1,598,303</u>
<i>Unrestricted equity</i>		
Fair value fond	-37,777	-27,115
Profit/loss carried forward	-716,535	-711,975
Profit/loss for the period reported	38,595	-4,561
	<u>-715,717</u>	<u>-743,650</u>
Total equity	882,585	854,652
Provisions	0	0
Long term liabilities		
Other long term liabilities	5,077	4,988
	<u>5,077</u>	<u>4,988</u>
Current liabilities		
Account payable	1,117	2,022
Liabilities to group companies	72,470	73,662
Other short term liabilities	148	1,052
Accrued expenses and prepaid income	10,373	13,240
	<u>84,109</u>	<u>89,976</u>
TOTAL EQUITY, PROVISIONS AND LIABILITIES	971,771	949,617

CASH FLOW STATEMENTS FOR THE PARENT COMPANY

	7/1/2007	7/1/2006	1/1/2007	1/1/2006	1/1/2006	10/1/2006
Amounts in KSEK	9/30/2007	9/30/2006	9/30/2007	9/30/2006	12/31/2006	9/30/2007
Operating activities						
Profit/loss after financial items	2,978	-441	10,946	-1,724	-4,561	8,109
Adjustments for items not included in the cash flow	663	528	1,928	1,647	3,662	3,943
	<u>3,642</u>	<u>87</u>	<u>12,874</u>	<u>-77</u>	<u>-898</u>	<u>12,052</u>
Tax paid	-	-	-	-	-	-
Cash flow from operating activities before changes in working capital	3,642	87	12,874	-77	-898	12,052
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of account receivables	-	-4,478	-	-11,130	334	11,464
Increase (-)/ decrease (+) of other current receivables	-6,557	2,262	-12,798	187	22,152	9,167
Increase (+)/ decrease (-) of other liabilities	<u>4,168</u>	<u>7,241</u>	<u>-2,866</u>	<u>21,495</u>	<u>24,330</u>	<u>-32</u>
Cash flow from operating activities	1,253	5,113	-2,791	10,476	45,918	32,651
Investing activities						
Acquisition of intangible fixed assets	-296	-322	-2,504	-6,780	-6,891	-2,615
Acquisition of subsidiaries	-331	0	-331	-14,536	-14,536	-331
Increase (-)/ decrease (+) of other long-term receivables	<u>1,191</u>	<u>-997</u>		<u>1,317</u>	<u>-36,719</u>	<u>-38,037</u>
Cash flow from investment activities	563	-1,319	-2,835	-20,000	-58,147	-40,983
Financing activities						
New loan taken	-	-	-	-	4,633	4,633
Amortization of loan liabilities	<u>-</u>	<u>39</u>	<u>-</u>	<u>-75</u>	<u>-209</u>	<u>-134</u>
Cash flow from financial activities	0	39	0	-75	4,424	4,499
Cash flow during period	1,817	3,833	-5,626	-9,599	-7,805	-3,833
Cash and liquid assets beginning of period	<u>1,136</u>	<u>2,952</u>	<u>8,578</u>	<u>16,383</u>	<u>16,383</u>	<u>6,785</u>
Cash and liquid assets at end of period	<u>2,952</u>	<u>6,785</u>	<u>2,952</u>	<u>6,785</u>	<u>8,578</u>	<u>2,952</u>
Additional information:						
<i>Adjustments for items not included in the cash flow</i>						
Depreciations and write-downs	548	528	1,636	1,647	3,662	3,651
Other items	<u>115</u>	<u>0</u>	<u>292</u>	<u>0</u>	<u>0</u>	<u>292</u>
Total	<u>663</u>	<u>528</u>	<u>1,928</u>	<u>1,647</u>	<u>3,662</u>	<u>3,943</u>

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STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

Amounts in KSEK	Share capital	Statutory reserve	Fair value fond	Profit/loss carried forward	Total equity
Opening balance January 1, 2006	88,486	1,505,183	-	-711,974	881,695
Changes in 2006:					
	-	-	-	-	-
Refund of VAT on costs of new share issue	-	4,633	-	-	4,633
Exchange rate differences	-	-	-27,115	-	-27,115
Profit/loss for 2006	-	-	-	-4,561	-4,561
Closing balance December 31, 2006	<u>88,486</u>	<u>1,509,816</u>	<u>-27,115</u>	<u>-716,535</u>	<u>854,653</u>
Changes in 2007:					
Exchange rate differences	-	-	-10,662	-	-10,662
Profit/loss January - June 2007	-	-		38,595	38,595
Total changes during 2007	<u>0</u>	<u>0</u>	<u>-10,662</u>	<u>38,595</u>	<u>27,933</u>
Closing balance June 30, 2007	<u>88,486</u>	<u>1,509,816</u>	<u>-37,777</u>	<u>-677,939</u>	<u>882,585</u>

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INCOME STATEMENT BY SEGMENT

Amounts in KSEK

	Biosystem	Discovery Chemistry	Övrig verksamhet	Total
Net sales	71,713	290,150	-	361,863
Cost of goods sold	-24,472	-111,999	-	-136,471
Gross profit	47,241	178,151	0	225,392
Gross margin	65.9%	61.4%		62.3%
Selling expenses	-20,185	-106,338	-	-126,523
Administrative expenses	-4,100	-22,808	-9,816	-36,724
Research and development costs	-4,726	-27,534	-	-32,259
Other operating income	-	486	1,191	1,677
Other operating expenses	-	-274	-3,683	-3,958
Operating expenses	-29,011	-156,469	-12,308	-197,788
Operating profit/loss	18,230	21,682	-12,308	27,604
Financial income net	-	-	2,773	2,773
Profit/loss after financial items	18,230	21,682	-9,535	30,377
Tax expenses	-	-	26,123	26,123
Profit/loss after tax	18,230	21,682	16,588	56,500

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INCOME STATEMENT BY SEGMENT

Amounts in KSEK

	Biosystem	Discovery Chemistry	Övrig verksamhet	Total
Net sales	63,604	319,286	-	382,890
Cost of goods sold	-18,607	-129,449	-	-148,056
Gross profit	44,997	189,837	0	234,834
Gross margin	70.7%	59.5%		61.3%
Selling expenses	-26,554	-113,900	-	-140,454
Administrative expenses	-4,475	-23,760	-21,818	-50,053
Research and development costs	-8,879	-33,696	-	-42,575
Other operating income	-	302	3,385	3,687
Other operating expenses	-217	-847	-7,282	-8,346
Operating expenses	-40,124	-171,901	-25,714	-237,740
Operating profit/loss	4,873	17,936	-25,714	-2,905
Financial income net	-	-	-553	-553
Profit/loss after financial items	4,873	17,936	-26,267	-3,458
Tax expenses	-	-	-4,741	-4,741
Profit/loss after tax	4,873	17,936	-31,008	-8,199

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Amounts in KSEK

	Biosystem	Discovery Chemistry	Övrig verksamhet	Total
Net sales	22,793	89,060	-	111,853
Cost of goods sold	-6,859	-33,476	-	-40,335
Gross profit	15,934	55,585	0	71,519
Gross margin	69.9%	62.4%		63.9%
Selling expenses	-6,108	-33,364	-	-39,472
Administrative expenses	-1,367	-5,279	-4,109	-10,755
Research and development costs	-2,244	-7,864	-	-10,108
Other operating income	-	232	430	662
Other operating expenses	-	-16	-2,533	-2,549
Operating expenses	-9,718	-46,291	-6,212	-62,222
Operating profit/loss	6,216	9,294	-6,212	9,297
Financial income net	-	-	2,109	2,109
Profit/loss after financial items	6,216	9,294	-4,103	11,406
Tax expenses	-	-	-217	-217
Profit/loss after tax	6,216	9,294	-4,320	11,189

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Amounts in KSEK

	Biosystem	Discovery Chemistry	Övrig verksamhet	Total
Net sales	22,389	111,546	-	133,935
Cost of goods sold	-5,955	-42,922	-	-48,878
Gross profit	16,433	68,624	0	85,057
Gross margin	73.4%	61.5%		63.5%
Selling expenses	-6,921	-37,430	-	-44,351
Administrative expenses	-959	-7,332	-7,454	-15,745
Research and development costs	-2,933	-10,825	-	-13,757
Other operating income	-	58	817	875
Other operating expenses	4	-426	-223	-645
Operating expenses	-10,809	-55,955	-6,859	-73,623
Operating profit/loss	5,624	12,669	-6,859	11,434
Financial income net			-1,734	-1,734
Profit/loss after financial items	5,624	12,669	-8,593	9,701
Tax expenses			-1,069	-1,069
Profit/loss after tax	5,624	12,669	-9,662	8,631

