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## **Interim report January – March 2008**

- Net sales amounted to 114,0 MSEK (118,9 MSEK the previous year). At comparable exchange rates net sales increased by 2 percent.
- Biotage's operating result increased by 23 percent and amounted to 8.9 MSEK (7.2) and the operating margin amounted to 7.8 percent (6.1).
- The result after tax increased by 83 percent to 13.2 MSEK (7.2).
- The cash flow from operating activities amounted to 15.4 MSEK (14.2).
- Earnings per share amounted to 0.15 SEK (0.08).

### **Comments from CEO Torben Jörgensen**

In the first quarter 2008 Biotage showed continued good profitability and improved margins. Sales increased by 2 percent at comparable exchange rates. In the Biosystems business area sales continue to develop positively, with an 11 percent increase at comparable exchange rates. The launch of the new Pyromark Q24 instrument took place in late March and I have expectations for successful sales.

Discovery Chemistry has to a large extent been affected by the restructuring of R&D in the big pharma companies, but despite this sales remain unchanged at comparable exchange rates. In the first quarter we launched a number of new products and we will make more new product launches in the second quarter, which should mean that we can strengthen our market position.

The development of exchange rates affects us negatively. Above all sales are affected, as a large part of our income is in USD and GBP. We can partly balance this as we have production for the Discovery Chemistry business area in the US as well as the UK.

The strategic evaluation work has resulted in a number of interesting possibilities, which are currently being pursued.

Amounts in MSEK	1 st quarter 2008	1 st quarter 2007	Full year 2007	Last 12 month
Net sales	114.0	118.9	496.4	491.5
Cost of goods sold	-42.6	-45.0	-190.9	-188.5
Gross profit	71.3	73.9	305.5	303.0
Operating expenses	-62.5	-66.7	-262.6	-258.4
Operating profit/loss	8.9	7.2	42.9	44.6
Financial items	4.3	1.4	2.9	5.9
Profit/loss before tax	13.2	8.6	45.8	50.5
Tax expenses	0.0	-1.4	53.5	54.9
Profit/loss after tax	13.2	7.2	99.4	105.3

### Group result, financial position and cash flow

Group net sales amounted to 114.0 MSEK, compared to 118.9 MSEK the first quarter 2007. At comparable exchange rates sales increased by 2 percent.

The Group's gross margin was 62.6 percent (62.2). The gross margin has improved as a result of product mix changes and a higher proportion of direct sales, but been negatively affected by costs of a non-recurring nature.

The operating expenses have continued to decrease and amounted to 62.5 MSEK (66.7). Above all the costs in the US and UK have decreased in SEK due to the exchange rates. Exchange rate differences relating to receivables and liabilities affected the operating costs to the amount of 4.6 MSEK in the quarter, however.

Investments amounted to 12.3 MSEK (15.1). Of this sum 9.3 MSEK (12.0) were capitalized development costs. In the first quarter 2008 amortizations were made to the amount of 7.6 MSEK (9.9). Of this sum 2.5 MSEK (3.1) were amortizations of capitalized development costs.

The operating profit amounted to 8.9 MSEK (7.2), with an operating margin of 7.8 percent (6.1).

Net financial income amounted to 4.3 MSEK (1.4). Dividends from the financial holding in Corbett have been received to the amount of 5.1 MSEK (3.4).

Profit after tax amounted to 13.2 MSEK, corresponding to 0.15 SEK per share, compared to 7.2 MSEK 2007, corresponding to 0.08 SEK per share.

The cash flow from operating activities amounted to 15.4 MSEK (14.2).

#### *Exchange rates*

The development of exchange rates impacts the comparison between the years.

The weakening of the US-dollar and the pound sterling has impacted sales negatively when local currencies are converted to the Swedish Krona.

Excluding exchange differences on assets and liabilities, which has impacted operating expenses with 4,6 MSEK during the first quarter, the result effect has been low. The group has a good balance between revenues and costs, and there by a natural hedge, in US-dollar and pound sterling as business area Discovery Chemistry has manufacturing in both US and Great Britain.

#### Balance sheet items

At March 31, 2008 the Group's cash and securities totaled 33.3 MSEK, compared to 31.0 MSEK at December 31, 2007. Granted unutilized credits amounted to 40.8 MSEK compared to 40.2 MSEK at December 31, 2007. The Group's interest-bearing liabilities amounted to 62.5 MSEK compared to 71.9 MSEK at December 31, 2007.

The Group reports a total goodwill of 442.2 MSEK (460.6) at March 31, 2008. This is attributable to the acquisitions of Personal Chemistry and Biotage LLC 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 25.5 MSEK (26.4) and capitalized development costs to 77.6 MSEK (70.8).

At March 31, 2008 the equity capital amounted to 787.5 MSEK compared to 796.3 MSEK at December 31, 2007. The Group's equity capital has increased with 13.2 MSEK due to the period's net result, and with 0.6 MSEK due to stock related remunerations, and decreased with -22.6 MSEK due to exchange rate changes.

## Discovery Chemistry

Amounts in MSEK	1 st quarter 2008	1 st quarter 2007	Full year 2007	Last 12 month
Net sales	88.9	94.8	397.6	391.8
Operating profit/loss	7.4	2.9	32.8	37.3

### Sales per geographic market

USA	34%	43%	40%	39%
Europe	52%	44%	45%	46%
Rest of the world	13%	13%	15%	14%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Net sales in the first quarter amounted to 88.9 MSEK (94.8).

At comparable exchange rates sales remained at the same level compared to last year.

The EU area was Discovery Chemistry's biggest market, accounting for 53 percent of the net sales. The US contributed 34 percent and the rest of the world 13 percent.

The positive sales development of consumables has continued and the new SNAP product area has had strongly growing sales. The evaporation product area has also developed well, while sales have decreased in the purification product area. The purification product area was negatively affected by budget restraints in the major pharma companies and by stagnating sales prior to the launch of the company's new purification system.

In the first quarter the gross margin was 60.9 percent (61.6). The gross margin was negatively affected by product mix changes and costs of a non-recurring nature.

The operating profit for the first quarter amounted to 7.4 MSEK (2.9), with an operating margin of 8.3 percent (3.1).

The forceful efforts made to develop new competitive products have continued. In the first quarter Advancer Kilobatch, an upgraded evaporation system, and new consumables were launched. In the second quarter a new purification system will be launched together with new consumables and a number of product upgrades.

## Biosystems

Amounts in MSEK	1 st quarter 2008	1 st quarter 2007	Full year 2007	Last 12 month
Net sales	25.0	24.1	98.8	99.7
Operating profit/loss	7.7	6.6	26.2	27.3

### Sales per geographic market

USA	46%	50%	45%	51%
Europe	41%	40%	47%	39%
Rest of the world	13%	10%	8%	10%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the first quarter the Biosystems business area increased its sales to 25.0 MSEK (24.1). At comparable exchange rates net sales increased by 11 percent.

The positive development for the business area continues. System sales totaled 26 units (22). The demand for and interest in the Pyrosequencing® technology and its products continues to be good and sales continue to grow strongly.

The US was Biosystems' biggest market with 46 percent of the net sales. The EU area contributed 41 percent and the rest of the world 13 percent of the business area's net sales.

The gross margin was 68.8 percent (64.4). The gross margin was negatively affected by currency changes, as sales are made almost exclusively in foreign currency, while all production takes place in Sweden. Product mix changes and a higher proportion of direct sales influenced the gross margin positively.

The business area's good profitability continues and the operating result for the first quarter amounted to 7.7 MSEK (6.6), with an operating margin of 30.7 percent (27.2).

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 new Pyromark Q24 instrument was launched in late March. It is believed that this will forcefully expand the installed base of instruments. In parallel new molecular diagnostics tests are being developed in order to take a further part of this strongly growing market.

## **Major first quarter events**

### Biotage increases its focus on the environmental market segment

In late 2007 Biotage launched the new SPE sorbent EVOLUTE ABN 50 µm, optimized for the analysis of environmental contaminants in water, thus strengthening its offering of environmental products. Additional products in this segment are being developed for launch in the near future.

### Biotage och McMaster University sign two year extension to molecular imaging development agreement

McMaster University has successfully completed the first year research agreement, which has been published in *Inorganic Chemistry*, a key journal publication, and several technical presentations. After completion of this successful first phase of the cooperation, Biotage and McMaster have agreed on a two year extension of the collaboration. In the next research phase microwave synthesis will be used to develop a broader range of radionucleotides and indicators for use in PET imaging and as therapeutic markers.

### The Department of Pathology at Uppsala University Hospital evaluates Biotage's new Pyrosequencing® platform for clinical cancer diagnostics

In March Biotage launched the new Pyrosequencing® platform PyroMark™Q24. The Molecular Pathology group at Uppsala University Hospital's Department of Pathology is now evaluating this new platform for implementation of the Pyrosequencing® technology in cancer diagnostics.

A number of new drugs targeting the growth hormone receptor EGFR have recently been approved for treatment of colorectal and lung cancer. The efficacy of these drugs is strongly linked to the mutation status of the k-ras gene. Many studies show that patients with a mutation in the k-ras gene do not respond to treatment with EGFR-inhibitors. On the other hand, patients without mutation are likely to benefit from this type of therapy in these often fatal cancer forms.

Biotage provides an established assay for the determination of the clinically relevant k-ras mutation. The assay identifies adjacent, multi-variable mutations at codons 12 and 13 of the k-ras gene, as well as rare mutations in codon 61. The initial focus of the Molecular Pathology group is to test Biotage's k-ras assay in clinical cancer diagnostics on the new PyroMark™Q24 platform.

## **Human resources**

At March 31, 2008 the Group had 332 employees, compared to 336 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 first quarter 2008 the parent company's net income amounted to 2.0 MSEK (2.2). A profit after financial items amounting to 3.4 MSEK is reported for the first quarter 2008 (5.7). The parent company's investments in intangible fixed assets in the first quarter 2008 amounted to 0.5 MSEK (1.6). On March 31, 2008 the parent company's cash and bank balance amounted to 4.1 MSEK, compared to 0.9 MSEK on December 31, 2007.

## **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 2007.

## **Financial reports in 2008**

The interim report for the second quarter 2008 will be issued on August 15, 2008.  
The interim report for the third quarter 2008 will be issued on October 31, 2008.

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

Uppsala April 29, 2008

The Board of Directors

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### *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 336 employees and had sales of 496 MSEK in 2007. Biotage is listed on the Stockholm stock exchange. Website: [www.biotage.com](http://www.biotage.com)*

Certain statements in this press release are forward-looking. These may be identified by the use of forward looking words or phrases such as "believe," "expect," "intend," and "should," among others. These forward-looking statements are based on Biotage's current expectations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, Biotage notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the microwave synthesis and flash purification in the drug discovery market, DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for Biotage's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors.

## **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. 31-40 in the 2007 Annual Report.

From January 1, 2007 Biotage also applies IFRS 7 Financial Instruments: Information and additions to IAS 1 Formulation of Financial Reports. This involves extended demands on information regarding financial instruments and information on the management of capital. In addition, four interpretation statements from IFRIC have come into force and are being applied from January 1, 2007; IFRIC 7, 8, 9 and 10. The new standards and interpretations have not had any effect on Biotage's reported result and balance.

Readers wishing to study the accounting principles presented in the 2007 Annual Report can download this report from Biotage AB's website [www.biotage.se](http://www.biotage.se) or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, or at [info@biotage.com](mailto:info@biotage.com).



**CONSOLIDATED INCOME STATEMENTS**

<b>Amounts in KSEK</b>	<b>2008-01-01 2008-03-31</b>	<b>2007-01-01 2007-03-31</b>	<b>2007-01-01 2007-12-31</b>	<b>2007-04-01 2008-03-31</b>
Net sales	113,980	118,872	496,402	491,510
Cost of goods sold	<u>-42,635</u>	<u>-44,987</u>	<u>-190,875</u>	<u>-188,522</u>
<b>Gross profit</b>	<b>71,345</b>	<b>73,884</b>	<b>305,527</b>	<b>302,988</b>
Selling expenses	-39,429	-41,932	-169,711	-167,209
Administrative expenses	-11,737	-13,852	-50,150	-48,033
Research and development costs	-7,162	-11,513	-41,400	-37,050
Other operating income	5,281	1,744	2,439	5,976
Other operating expenses	-9,433	-1,100	-3,783	-12,116
<i>Operating expenses</i>	<u>-62,480</u>	<u>-66,653</u>	<u>-262,604</u>	<u>-258,431</u>
<b>Operating profit/loss</b>	<b>8,865</b>	<b>7,232</b>	<b>42,923</b>	<b>44,557</b>
Financial income	7,384	3,427	8,396	12,353
Financial expenses	<u>-3,045</u>	<u>-2,028</u>	<u>-5,484</u>	<u>-6,503</u>
<b>Profit/loss before income tax</b>	<b>13,204</b>	<b>8,631</b>	<b>45,835</b>	<b>50,407</b>
Tax expenses	<u>-24</u>	<u>-1,395</u>	<u>53,537</u>	<u>54,909</u>
<b>Profit/loss after tax</b>	<b>13,180</b>	<b>7,236</b>	<b>99,373</b>	<b>105,316</b>
Part related to the parent company's shareholders	13,180	7,236	99,373	105,316
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	88,654,706	89,211,801	89,015,260	88,874,028
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	0.15 kr	0.08 kr	1.12 kr	1.19 kr
Profit/loss per share after dilution SEK	0.15 kr	0.08 kr	1.12 kr	1.19 kr

<b>Quarterly summary 2007 and 2006</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
<b>Amounts in KSEK</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Net Sales	113,980	134,539	111,853	131,138	118,872
Cost of goods sold	<u>-42,635</u>	<u>-54,404</u>	<u>-40,335</u>	<u>-51,149</u>	<u>-44,987</u>
Gross profit	<b>71,345</b>	<b>80,135</b>	<b>71,519</b>	<b>79,989</b>	<b>73,884</b>
Gross margin	62.6%	59.6%	63.9%	61.0%	62.2%
Operating expenses	<u>-62,480</u>	<u>-64,816</u>	<u>-62,222</u>	<u>-68,913</u>	<u>-66,653</u>
<b>Operating profit/loss</b>	<b>8,865</b>	<b>15,319</b>	<b>9,297</b>	<b>11,076</b>	<b>7,232</b>
Financial net income	4,339	139	2,109	-737	1,400
<b>Profit/loss before income tax</b>	<b>13,204</b>	<b>15,458</b>	<b>11,406</b>	<b>10,339</b>	<b>8,631</b>
Tax expenses	<u>-24</u>	<u>27,415</u>	<u>-217</u>	<u>27,736</u>	<u>-1,396</u>
<b>Profit/loss after tax</b>	<b>13,180</b>	<b>42,873</b>	<b>11,189</b>	<b>38,075</b>	<b>7,236</b>

CONSOLIDATED BALANCE SHEETS

Amounts in KSEK	2008-03-31	2007-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	78,625	84,987
Goodwill	442,175	460,593
Other intangible assets	104,230	98,460
Financial assets	47,013	46,934
Deferred tax recoverable	52,294	53,419
<b>Total fixed assets</b>	<b>724,337</b>	<b>744,393</b>
<b>Current assets</b>		
Inventory	101,540	97,144
Account receivable and other receivables	99,971	116,044
Liquid funds	33,315	31,017
<b>Total current assets</b>	<b>234,826</b>	<b>244,206</b>
<b>TOTALT ASSETS</b>	<b>959,164</b>	<b>988,599</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to shareholders in parent company</b>		
Share capital	88,486	88,486
Other contributed capital	1,514,625	1,513,992
Accumulated translation difference	-95,040	-72,117
Profit/loss carried forward	-720,577	-734,096
<b>Total equity</b>	<b>787,494</b>	<b>796,265</b>
<b>Long term liabilities</b>		
Loans	33,626	37,152
Provisions of a long-term nature	3,327	3,776
<b>Total long term liabilities</b>	<b>36,953</b>	<b>40,928</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	100,014	111,235
Tax liabilities	1,665	1,159
Loans	28,902	34,741
Provisions of a short-term nature	4,137	4,271
<b>Total current liabilities</b>	<b>134,717</b>	<b>151,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>959,164</b>	<b>988,599</b>

CONSOLIDATED CASH FLOW STATEMENTS

	2008-01-01 2008-03-31	2007-01-01 2007-03-31	2007-01-01 2007-12-31	2007-04-01 2008-03-31
<b>Amounts in KSEK</b>				
<b>Operating activities</b>				
Profit/loss after financial items	13,204	8,631	45,835	50,407
Adjustments for items not included in the cash flow	9,097	13,351	30,810	26,555
	<u>22,300</u>	<u>21,982</u>	<u>76,645</u>	<u>76,963</u>
Tax paid	-24	-1,396	-519	853
<b>Cash flow from operating activities before changes in working capital</b>	<b>22,276</b>	<b>20,587</b>	<b>76,126</b>	<b>77,816</b>
Cash flow from change in working capital:				
Increase (-)/ decrease (+) of inventories	-9,776	-13,715	-15,273	-11,334
Increase (-)/ decrease (+) of account receivables	13,718	740	-18,633	-5,655
Increase (-)/ decrease (+) of other current receivables	196	-661	-3,979	-3,122
Increase (+)/ decrease (-) of other liabilities	-11,064	7,204	-4,523	-22,791
	<u>-11,064</u>	<u>7,204</u>	<u>-4,523</u>	<u>-22,791</u>
<b>Cash flow from operating activities</b>	<b>15,350</b>	<b>14,154</b>	<b>33,718</b>	<b>34,914</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-9,927	-13,643	-44,143	-40,427
Sales of intangible fixed assets	17		16	33
Acquisition of tangible fixed assets	-2,317	-1,517	-8,198	-8,997
Acquisition of financial assets	-90		-102	-193
Sales of financial assets		21	4	-17
	<u>-12,317</u>	<u>-15,139</u>	<u>-52,422</u>	<u>-49,601</u>
<b>Cash flow from investment activities</b>	<b>-12,317</b>	<b>-15,139</b>	<b>-52,422</b>	<b>-49,601</b>
<b>Financial activities</b>				
Loans taken	4,301	3,155	6,164	7,310
Amortization of loan liabilities	-4,822	-810	-6,455	-10,466
	<u>-521</u>	<u>2,345</u>	<u>-291</u>	<u>-3,156</u>
<b>Cash flow from financial activities</b>	<b>-521</b>	<b>2,345</b>	<b>-291</b>	<b>-3,156</b>
<b>Cash flow during period</b>	<b>2,512</b>	<b>1,361</b>	<b>-18,995</b>	<b>-17,843</b>
Cash and liquid assets beginning of period	31,017	50,136	50,136	51,600
Exchange differences in liquid assets	-215	103	-124	-441
	<u>-215</u>	<u>103</u>	<u>-124</u>	<u>-441</u>
<b>Cash and liquid assets at end of period</b>	<b>33,315</b>	<b>51,600</b>	<b>31,017</b>	<b>33,315</b>
<b>Additional information:</b>				
<i>Adjustments for items not included in the cash flow</i>				
Depreciations and write-downs	7,619	14,334	31,563	24,848
Other items	1,477	-984	-754	1,707
	<u>9,097</u>	<u>13,351</u>	<u>30,810</u>	<u>26,555</u>
<b>Total</b>	<b>9,097</b>	<b>13,351</b>	<b>30,810</b>	<b>26,555</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Other contributed capital	Accumulated translations differences	Hedging reserve	Profit/loss carried forward	Total equity
Opening balance Januari 1, 2007	88,486	1,512,383	-55,386	-	-833,009	712,474
Changes in 2007:						
Exchange rate differences	-	-	-16,731	-	-	-16,731
Change in hedging reserve for the year	-	-	-	-460	-	-460
Profit/loss January - december 2007	-	-	-	-	99,373	99,373
Change due to outstanding option programs	-	1,609	-	-	-	1,609
Total changes during 2007:		1,609	-16,731	-460	99,373	83,791
Closing balance December 31, 2007	88,486	1,513,992	-72,117	-460	-733,636	796,265
Changes in 2008:						
Exchange rate differences	-	-	-22,924	-	-	-22,924
Change in hedging reserve for the year	-	-	-	340	-	340
Profit/loss January - March 2008	-	-	-	-	13,180	13,180
Change due to outstanding option programs	-	633	-	-	-	633
Total changes during 2008:	0	633	-22,924	340	13,180	-8,771
Closing balance March 31, 2008	88,486	1,514,625	-95,040	-120	-720,457	787,494
Note:						
Total equity as per March 31, 2008 and translated according to the proposed treatment of the accumulated losses as per December 31, 2007 in the parent company.						
The boards propose is to be considered on the annual general meeting in Biotage AB on April 29, 2008						
Equity as per March 31, 2008 according to above	88,486	1,514,625	-95,040	-120	-720,457	787,494
Proposed treatment of accumulated deficit in the parent company.	-	-667,636			667,636	0
Recalculated equity as per March 31, 2008	88,486	846,989	-95,040	-120	-52,821	787,494

INCOME STATEMENTS FOR THE PARENT COMPANY

Amounts in KSEK	2008-01-01 2008-03-31	2007-01-01 2007-03-31	2007-01-01 2007-12-31	2007-04-01 2008-03-31
Net sales	1,990	2,176	8,357	8,171
Cost of goods sold			-13	-13
<b>Gross profit</b>	<b>1990</b>	<b>2,176</b>	<b>8,345</b>	<b>8,158</b>
Selling expenses	-196	0	-506	-702
Administrative expenses	-4,031	-4,281	-15,350	-15,101
Research and development costs	-682	-1,099	-2,936	-2,520
Other operating income	2,072	3,292	8,118	6,898
Other operating expenses	-2,133	-877	-3,892	-5,148
<i>Operating expenses</i>	<i>-4,971</i>	<i>-2,964</i>	<i>-14,565</i>	<i>-16,572</i>
<b>Operating profit/loss</b>	<b>-2,981</b>	<b>-788</b>	<b>-6,220</b>	<b>-8,414</b>
<b>Profit/loss from financial investments:</b>				
Interest income from receivables to group companies	3,672	3,526	16,453	16,599
Interest expenses from liabilities from group companies	-538	-354	-1,793	-1,977
Profit and loss from other securities and receivables that are long term financial assets	5,092	2,863	5,371	7,600
Other interest income and similar income items	-	1	117	116
Interest expenses and similar expense items	-16	-3	-5	-18
Translation differences on intra-group receivables	-1,866	489	-348	-2,702
<i>Net financial income/expense</i>	<i>6,345</i>	<i>6,522</i>	<i>19,794</i>	<i>19,617</i>
<b>Profit/loss before tax</b>	<b>3,364</b>	<b>5,734</b>	<b>13,574</b>	<b>11,204</b>
Tax expenses	-	-	49,026	49,026
<b>Profit/loss after tax</b>	<b>3,364</b>	<b>5,734</b>	<b>62,600</b>	<b>60,230</b>

**BALANCE SHEETS FOR THE PARENT COMPANY**

<b>Amounts in KSEK</b>	<b>2008-03-31</b>	<b>2007-12-31</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Patent and license rights	13,280	13,309
	<u>13,280</u>	<u>13,309</u>
<b>Financial assets</b>		
Participation in group companies	717,727	717,727
Receivables from group companies	116,303	109,869
Deferred tax asset	39,361	39,361
Other long-term securities	45,783	45,783
	<u>919,175</u>	<u>912,740</u>
<b>Total fixed assets</b>	<b>932,455</b>	<b>926,049</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Receivables from group companies	54,455	76,382
Other receivables	1,263	632
Prepaid expenses and accrued income	2,316	1,514
	<u>58,034</u>	<u>78,528</u>
<b>Cash and bank balances</b>	<b>4,060</b>	<b>862</b>
<b>Total current assets</b>	<b>62,093</b>	<b>79,390</b>
<b>TOTALT ASSETS</b>	<b>994,548</b>	<b>1,005,439</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	88,486	88,486
Statutory reserves	1,509,816	1,509,816
	<u>1,598,302</u>	<u>1,598,302</u>
<b>Unrestricted equity</b>		
Fair value fond	-53,169	-38,554
Profit/loss carried forward	-629,082	-691,682
Profit/loss for the period reported	3,364	62,600
	<u>-678,887</u>	<u>-667,636</u>
<b>Total equity</b>	<b>919,415</b>	<b>930,667</b>
<b>Current liabilities</b>		
Account payable	2,184	1,488
Liabilities to group companies	61,469	60,140
Other short term liabilities	6,106	5,369
Accrued expenses and prepaid income	5,375	7,775
	<u>75,133</u>	<u>74,772</u>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>994,548</b>	<b>1,005,439</b>

CASH FLOW STATEMENTS FOR THE PARENT COMPANY

	2008-01-01 2008-03-31	2007-01-01 2007-03-31	2007-01-01 2007-12-31	2007-04-01 2008-03-31
<b>Amounts in KSEK</b>				
<b>Operating activities</b>				
Profit/loss after financial items	3,364	5,734	13,574	11,204
Adjustments for items not included in the cash flow	557	697	2,424	2,284
	<u>3,921</u>	<u>6,432</u>	<u>15,999</u>	<u>13,487</u>
Tax paid	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,921</b>	<b>6,432</b>	<b>15,999</b>	<b>13,487</b>
Cash flow from change in working capital:				
Increase (-)/ decrease (+) of other current receivables	773	-434	-10,940	-9,733
Increase (+)/ decrease (-) of other liabilities	-968	2,045	-9,351	-12,364
	<u>-195</u>	<u>1,611</u>	<u>-20,291</u>	<u>-22,097</u>
<b>Cash flow from operating activities</b>	<b>3,726</b>	<b>8,043</b>	<b>-4,293</b>	<b>-8,610</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-527	-1,606	-3,037	-1,958
Sale of intangible fixed assets			16	16
Acquisition of subsidiaries			-331	-331
Increase (-)/ decrease (+) of other long-term receivables		-4,876	-72	4,804
	<u>-527</u>	<u>-6,482</u>	<u>-3,423</u>	<u>2,531</u>
<b>Cash flow from investment activities</b>	<b>-527</b>	<b>-6,482</b>	<b>-3,423</b>	<b>2,531</b>
<b>Cash flow from financial activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow during period</b>	<b>3,199</b>	<b>1,561</b>	<b>-7,716</b>	<b>-6,079</b>
<b>Cash and liquid assets beginning of period</b>	<b>862</b>	<b>8,578</b>	<b>8,578</b>	<b>10,139</b>
<b>Cash and liquid assets at end of period</b>	<b>4,060</b>	<b>10,139</b>	<b>862</b>	<b>4,060</b>
<b>Additional information:</b>				
<i>Adjustments for items not included in the cash flow</i>				
Depreciations and write-downs	556	544	2,192	2,203
Other items	1	153	233	80
<b>Total</b>	<b>557</b>	<b>697</b>	<b>2,424</b>	<b>2,284</b>

## 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
<b>Opening balance January 1, 2007</b>	88,486	1,509,816	-27,115	-716,534	854,652
<b>Changes in 2007:</b>					
Exchange rate differences	-	-	-	-	-
Group contribution received	-	-	-11,439	-	-11,439
Profit/loss January - December 2007	-	-	-	24,852	24,852
<b>Total changes during 2007</b>	<b>0</b>	<b>0</b>	<b>-11,439</b>	<b>87,453</b>	<b>76,014</b>
<b>Closing balance December 31, 2007</b>	<b>88,486</b>	<b>1,509,816</b>	<b>-38,554</b>	<b>-629,082</b>	<b>930,667</b>
<b>Changes in 2008:</b>					
Exchange rate differences	-	-	-14,615	-	-14,615
Resultat januari - mars 2008	-	-	-	3,364	3,364
<b>Total changes during 2008</b>	<b>0</b>	<b>0</b>	<b>-14,615</b>	<b>3,364</b>	<b>-11,251</b>
<b>Closing balance March 31, 2008</b>	<b>88,486</b>	<b>1,509,816</b>	<b>-53,169</b>	<b>-625,718</b>	<b>919,415</b>
<b>Fotnot:</b>					
Total equity as per March 31, 2008 and translated according to the proposed treatment of the accumulated losses as per December 31, 2007 in the parent company.					
The boards propose is to be considered on the annual general meeting in Biotage AB on April 29, 2008					
Equity as per March 31, 2008 according to above	88,486	1,509,816	-53,169	-625,718	919,415
Proposed treatment of accumulated deficit in the parent company.	-	-667,636	-	667,636	-
<b>Recalculated equity as per March 31, 2008</b>	<b>88,486</b>	<b>842,180</b>	<b>-53,169</b>	<b>41,918</b>	<b>919,415</b>



**Biotage AB (publ)**

**Interim report**

**2008-01-01 -- 2008-03-31**

**Amounts in KSEK**

**INCOME STATEMENT BY SEGMENT**

	<b>Biosystem</b>	<b>Discovery Chemistry</b>	<b>Corporate</b>	<b>Total</b>
Net sales	25,035	88,945	-	113,980
Cost of goods sold	-7,817	-34,817	-	-42,635
<b>Gross profit</b>	<b>17,217</b>	<b>54,128</b>	<b>0</b>	<b>71,345</b>
Gross margin	68.8%	60.9%		62.6%
Selling expenses	-7,427	-32,002	-	-39,429
Administrative expenses	-1,574	-7,856	-2,308	-11,737
Research and development costs	-523	-6,640	-	-7,162
Other operating income	0	203	5,078	5,281
Other operating expenses	-13	-417	-9,004	-9,433
<b>Operating expenses</b>	<b>-9,536</b>	<b>-46,711</b>	<b>-6,233</b>	<b>-62,480</b>
<b>Operating profit/loss</b>	<b>7,681</b>	<b>7,417</b>	<b>-6,233</b>	<b>8,865</b>
Financial income net	-	-	4,339	4,339
<b>Profit/loss before income tax</b>	<b>7,681</b>	<b>7,417</b>	<b>-1,895</b>	<b>13,204</b>
Tax expenses	-	-	-24	-24
<b>Profit/loss after tax</b>	<b>7,681</b>	<b>7,417</b>	<b>-1,918</b>	<b>13,180</b>

**2007-01-01 -- 2007-03-31**

**Amounts in KSEK**

**INCOME STATEMENT BY SEGMENT**

	<b>Biosystem</b>	<b>Discovery Chemistry</b>	<b>Corporate</b>	<b>Total</b>
Net sales	24,095	94,777	-	118,872
Cost of goods sold	-8,588	-36,400	-	-44,987
<b>Gross profit</b>	<b>15,507</b>	<b>58,377</b>	<b>0</b>	<b>73,884</b>
Gross margin	64.4%	61.6%		62.2%
Selling expenses	-6,697	-35,235	-	-41,931
Administrative expenses	-1,363	-9,604	-2,885	-13,853
Research and development costs	-1,056	-10,457	-	-11,513
Other operating income	169	145	1,430	1,744
Other operating expenses	0	-303	-796	-1,100
<b>Operating expenses</b>	<b>-8,947</b>	<b>-55,455</b>	<b>-2,251</b>	<b>-66,653</b>
<b>Operating profit/loss</b>	<b>6,560</b>	<b>2,922</b>	<b>-2,251</b>	<b>7,232</b>
Financial income net	-	-	1,400	1,400
<b>Profit/loss before income tax</b>	<b>6,560</b>	<b>2,922</b>	<b>-851</b>	<b>8,631</b>
Tax expenses	-	-	-1,396	-1,396
<b>Profit/loss after tax</b>	<b>6,560</b>	<b>2,922</b>	<b>-2,247</b>	<b>7,236</b>

