

# Year-end report 2008

January-December 2008



February 10, 2009

**This year-end report is presented in two parts. First the business is presented as it was carried out in 2008, called pro-forma, page 1-12. In the second part the business is presented according to the accounting principles now being applied, page 13-30.**

## Pro-forma

### Fourth quarter 2008

- Net sales increased by six percent to 143.2 MSEK (134.5). At comparable exchange rates sales decreased by 7 percent.
- The operating profit amounted to 19.1 MSEK (15.3).
- The profit after tax amounted to 265.1 MSEK (42.9).
- Earnings per share amounted to 3.00 SEK (0.48) before and after dilution.
- The net cash amounted to 358.1 MSEK at December 31, 2008.
- The cash flow from operating activities amounted to 46.8 MSEK (12.6).
- The Biosystems business area was divested for an initial purchase sum of 53 MUSD, which led to a capital gain amounting to 252.1 MSEK before tax.

### Full year 2008

- Net sales in the full year 2008 amounted to 497.8 MSEK (496.4). At comparable exchange rates sales increased by 1 percent.
- The operating profit for the full year 2008 amounted to 50.0 MSEK (42.9).
- Profit after tax amounted to 299.1 MSEK (99.4).
- Earnings per share amounted to 3.38 SEK (1.12) before and after dilution.
- The cash flow from operating activities amounted to 88,7 MSEK (33.7).
- Proposed dividends 0.20 SEK (0).

## Group result development in brief, pro-forma.

Amounts in MSEK	4 th quarter 2008	4 th quarter 2007	Full year 2008	Full year 2007
Net sales	143.2	134.5	497.8	496.4
Cost of goods sold	-79.0	-54.4	-218.1	-190.9
Gross profit	64.2	80.1	279.7	305.5
Operating expenses	-45.1	-64.8	-229.7	-262.6
Operating profit/loss	19.1	15.3	50.0	42.9
Disvestment profit Biosystems	252.1	-	252.1	-
Financial items	6.5	0.1	10.3	2.9
Profit/loss before tax	277.7	15.5	312.3	45.8
Tax expenses	-12.6	27.4	-13.3	53.5
Profit/loss after tax	265.1	42.9	299.1	99.4

## Comments from CEO Torben Jörgensen

2008 has been a year of many great changes for Biotage and the company achieved its best operating profit ever, 50.0 MSEK. A contributing factor was the weak Swedish krona.

During the first nine months of the year the company's management and board carried out a strategic evaluation of the company's operations. At the start of the fourth quarter the Biosystems business area was sold to the German biotech company Qiagen.

The deal meant that Qiagen acquired the assets and some liabilities in the business area together with Biotage's shares in Corbett (17.5 percent) for an initial purchase sum of 53 MUSD. Provided that certain sales targets are met, additional purchase sums totaling a maximum of 7 MUSD may be paid to Biotage during the period from Qiagen's taking possession of the operations up to December 31, 2012. During the fourth quarter Biotage achieved the first additional purchase sum of 500 KUSD. Qiagen took over all Biosystems' employees.

During the fourth quarter Biotage successfully worked as Qiagen's distributor of Biosystems' products and Biosystems achieved the highest sales ever in a quarter.

Discovery Chemistry is much affected by the ongoing restructuring within the major pharma companies. In the fourth quarter we saw a continued receding development of their instrument purchases. On the positive side we can note that the development in the academic area continues to be good and that Biotage is progressing well in this area. The efforts to develop and strengthen the Discovery Chemistry business area, with the aim of improving the operating margin and creating organic growth, are now further intensified.

In order to improve profitability and reduce the capital tied up it was decided in January 2009 to close down the plant in Charlottesville, Virginia, USA, and to move the production to a subcontractor and to Biotage's own plant in Cardiff, Wales. As a

consequence, Biotage intends to make a provision for planned restructuring costs in the interim report for the first quarter 2009.

After the divestment of Biosystems the company now has a strong financial position. . For the first time dividends to the shareholders are recommended. 2009 will be a demanding year for Biotage, as it will be for many others. We are naturally affected by the current business climate. But it also creates opportunities. Biotage has a healthy business and cash that allows us to expand our operations at a time when this can be expected to be possible at reasonable economic terms. The efficiency enhancing measures now taken in connection with the restructuring of the American operations will strengthen us further.

### **Group result, financial position and cash flow**

#### Fourth quarter 2008

Group net sales amounted to 143.2 MSEK, compared to 134.5 MSEK the fourth quarter 2007.

The Group's gross margin was 44.8 percent (57.4). In the fourth quarter the gross margin was affected by the distributor operations, which had a gross margin of 4.8 percent. Discovery Chemistry's gross margin was 57.4 percent (57.4).

The operating expenses amounted to 45.1 MSEK (64.8). The operating expenses were positively influenced by other income/other expenses, where the biggest item is positive translation differences, amounting to 14.5 MSEK (0.4). Biotage received the first additional purchase sum of 500 KUSD from Qiagen, which has been reported as other operating income amounting to 3.9 MSEK. Due to lower sales than planned in the evaporation product area, a write-down of a deferred license cost to Vapourtec has been made to the amount of 4.0 MSEK.

Investments in the fourth quarter 2008 amounted to 4.1 MSEK (9.9). Of this sum 2.5 MSEK (7.0) were capitalized development costs. Amortizations in the fourth quarter 2008 amounted to 9.9 MSEK (4.6). Of this sum 2.7 MSEK (2.0) were amortizations of capitalized development costs.

The operating profit amounted to 19.1 MSEK (15.3) with an operating margin of 13.3 percent (11.4).

Net financial income amounted to 6.5 MSEK (0.1).

A change in deferred tax recoverable has been made to the amount of -11.1 MSEK (25.8).

Profit after tax amounted to 265.1 MSEK, corresponding to 3.00 SEK per share, compared to 42.9 MSEK 2007, corresponding to 0.48 SEK per share.

The cash flow from operating activities amounted to 50,7 MSEK (12.6).

### Full year 2008

Group net sales amounted to 497.8 MSEK compared to 496.4 MSEK in 2007.

The Group's gross margin was 56.2 percent (61.5). The gross margin was affected by the distributor operations in the fourth quarter 2008, which had a gross margin of 4.8 percent. For Discovery Chemistry the gross margin was 58.3 percent (60.3) and for the divested Biosystems operations 68.5 percent (66.4).

The operating expenses amounted to 229.7 MSEK (262.6). The operating expenses were positively influenced by other income/other expenses, where the biggest item is positive translation differences, amounting to 17.4 MSEK (-2.1).

Investments during the year amounted to 33.9 MSEK (36.6). Of this sum 24.2 MSEK (29.6) were capitalized development costs. In 2008 amortizations were made to the amount of 36.2 MSEK (25.1). Of this sum 12.5 MSEK (9.4) were amortizations of capitalized development costs.

The operating profit amounted to 50.0 MSEK compared to 42.9 MSEK in 2007. A 10.0 percent (8.6) operating margin is reported.

Net financial income amounted to 10.3 MSEK (2.9).

A change in deferred tax recoverable has been made to the amount of -11.1 MSEK (54.1).

Profit after tax amounted to 299.1 MSEK, corresponding to 3.38 SEK per share, compared to 99.4 MSEK in 2007, corresponding to 1.12 SEK per share.

The cash flow from operating activities was 88,7 MSEK (33.7).

### **Discovery Chemistry (Medicinal chemistry), pro-forma**

Amounts in MSEK	4 th quarter 2008	4 th quarter 2007	Full year 2008	Full year 2007
Net sales	109.0	107.4	385.3	397.6
Operating profit/loss	13.6	7.3	24.4	16.7

#### Sales per geographic market

USA	38%	42%	37%	40%
Europe	45%	41%	47%	45%
Rest of the world	17%	17%	16%	15%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Net sales in the fourth quarter increased by 1 percent to 109.0 MSEK (107.4). In the full year 2008 net sales totaled 385.3 MSEK (397.6). At comparable exchange rates sales decreased by 11 percent.

The EU area was Discovery Chemistry's biggest market, accounting for 45 percent of the net sales. The US contributed 38 percent and the rest of the world 17 percent.

In the fourth quarter sales were strong in the Sample Prep product area and in Evaporation. The positive development of consumables sales has continued and the new product area SNAP had strongly growing sales.

The development of the customer segment pharma companies was receding, however.

In the fourth quarter the gross margin was 57.4 percent (57.4).

The operating profit for the fourth quarter amounted to 13.6 MSEK (7.3), with an operating margin of 12,5 percent (6.8).

For the full year 2008 the operating profit amounted to 24.4 MSEK (16.7), with an operating margin of 6,3 percent (4.2).

### Biosystems (Genetic analysis), pro-forma

Amounts in MSEK	4 th quarter 2008	4 th quarter 2007	Full year 2008	Full year 2007
Net sales	34.2	27.1	112.5	98.8
Operating profit/loss	5.5	8.0	25.6	26.2
Sales per geographic market				
USA	47%	47%	49%	45%
Europe	45%	50%	41%	47%
Rest of the world	8%	3%	10%	8%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The Biosystems business area was divested to Qiagen at October 2, 2008. In the fourth quarter Biotage was Qiagen's distributor of Biosystems' products.

In the first three quarters Biosystems' sales amounted to 78.3 MSEK (71.7). At comparable exchange rates net sales increased by 16 percent.

The operating profit for the first nine months amounted to 20.1 MSEK (18.2).

In the fourth quarter Biosystems achieved its highest sales ever, 34.2 MSEK (27.1), a 26 percent increase. At comparable exchange rates the increase was 9 percent.

The operating profit in the fourth quarter, including an additional purchase sum of 3.9 MSEK, amounted to 5.5 MSEK (8.0).

**Biotage AB (publ)**  
**Year end report 2008 and interim report**  
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**PRO-FORMA**

**CONSOLIDATED INCOME STATEMENTS**

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
Net sales	143,185	134,539	497,842	496,402
Cost of goods sold	-79,031	-54,404	-218,117	-190,875
<b>Gross profit</b>	<b>64,155</b>	<b>80,135</b>	<b>279,725</b>	<b>305,527</b>
Selling costs	-40,265	-43,187	-165,491	-169,711
Administrative expenses	-9,338	-13,426	-43,547	-50,150
Research and development costs	-11,288	-9,141	-40,298	-41,400
Other operating income	22,402	1,020	37,407	2,439
Other operating expenses	-6,566	-83	-17,801	-3,783
<i>Operating expenses</i>	<i>-45,055</i>	<i>-64,816</i>	<i>-229,731</i>	<i>-262,604</i>
<b>Operating profit/loss</b>	<b>19,100</b>	<b>15,319</b>	<b>49,994</b>	<b>42,923</b>
Disvestment profit Biosystems	252,076	-	252,076	-
Financial income	16,124	751	25,340	8,396
Financial expenses	-9,608	-612	-15,071	-5,484
<b>Profit/loss before income tax</b>	<b>277,692</b>	<b>15,458</b>	<b>312,339</b>	<b>45,835</b>
Tax expenses	-12,581	27,415	-13,285	53,537
<b>Profit/loss after tax</b>	<b>265,111</b>	<b>42,873</b>	<b>299,054</b>	<b>99,373</b>
Part related to the parent company's shareholders	265,111	42,873	299,054	99,373
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	88,486,320	89,016,897	88,541,030	89,015,260
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	3.00 kr	0.48 kr	3.38 kr	1.12 kr
Profit/loss per share after dilution SEK	3.00 kr	0.48 kr	3.38 kr	1.12 kr

**Quarterly summary 2008 and 2007**

	2008	2008	2008	2008	2007	2007	2007	2007
Amounts in KSEK	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net Sales	143,185	119,365	121,311	113,980	134,539	111,853	131,138	118,872
Cost of goods sold	-79,031	-47,332	-49,119	-42,635	-54,404	-40,335	-51,149	-44,987
Gross profit	<b>64,155</b>	<b>72,033</b>	<b>72,192</b>	<b>71,345</b>	<b>80,135</b>	<b>71,519</b>	<b>79,989</b>	<b>73,884</b>
Gross margin	44.8%	60.3%	59.5%	62.6%	59.6%	63.9%	61.0%	62.2%
Operating expenses	-45,055	-58,907	-63,289	-62,480	-64,816	-62,222	-68,913	-66,653
Operating profit/loss	<b>19,100</b>	<b>13,126</b>	<b>8,903</b>	<b>8,865</b>	<b>15,319</b>	<b>9,297</b>	<b>11,076</b>	<b>7,232</b>
Disvestment profit Biosystems	252,076	-	-	-	-	-	-	-
Financial net income	6,516	152	-738	4,339	139	2,109	-737	1,400
Profit/loss before income tax	<b>277,692</b>	<b>13,279</b>	<b>8,165</b>	<b>13,204</b>	<b>15,458</b>	<b>11,406</b>	<b>10,339</b>	<b>8,631</b>
Tax expenses	-12,581	-522	-157	-24	27,415	-217	27,736	-1,396
<b>Profit/loss after tax</b>	<b>265,111</b>	<b>12,756</b>	<b>8,008</b>	<b>13,180</b>	<b>42,873</b>	<b>11,189</b>	<b>38,075</b>	<b>7,236</b>

**CONSOLIDATED BALANCE SHEETS**

<u>Amounts in KSEK</u>	<u>2008-12-31</u>	<u>2007-12-31</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	80,978	84,987
Goodwill	487,227	460,593
Other intangible assets	60,731	98,460
Financial assets	1,754	46,934
Capitalized loss carry-forward	42,570	53,419
<b>Total fixed assets</b>	<b>673,260</b>	<b>744,393</b>
<b>Current assets</b>		
Inventory	104,224	97,144
Account receivable and other receivables	116,537	116,044
Liquid funds	404,991	31,017
<b>Total current assets</b>	<b>625,752</b>	<b>244,206</b>
<b>TOTALT ASSETS</b>	<b>1,299,012</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	847,173	1,513,992
Accumulated translation difference	-4,324	-72,117
Profit/loss carried forward	193,457	-734,096
<b>Total equity</b>	<b>1,124,793</b>	<b>796,265</b>
<b>Long term liabilities</b>		
Loans	8,065	37,152
Provisions of a long-term nature	3,351	3,776
<b>Total long term liabilities</b>	<b>11,416</b>	<b>40,928</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	116,127	111,235
Tax liabilities	1,869	1,159
Loans	38,829	34,741
Provisions of a short-term nature	5,977	4,271
<b>Total current liabilities</b>	<b>162,803</b>	<b>151,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,299,012</b>	<b>988,599</b>

CONSOLIDATED CASH FLOW STATEMENTS

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
<b>Operating activities</b>				
Profit/loss after financial items	277,693	15,459	312,339	45,835
Adjustments for items not included in the cash flow	-264,313	5,065	-238,650	30,810
	<b>13,380</b>	<b>20,524</b>	<b>73,689</b>	<b>76,645</b>
Tax paid	-790	1,008	-1,494	-519
<b>Cash flow from operating activities before changes in working capital</b>	<b>12,590</b>	<b>21,531</b>	<b>72,195</b>	<b>76,126</b>
Cash flow from change in working capital:				
Increase (-)/ decrease (+) of inventories	-424	392	-9,398	-15,273
Increase (-)/ decrease (+) of account receivables	8,544	-16,079	13,259	-18,633
Increase (-)/ decrease (+) of other current receivables	-1,587	-3,072	-4,444	-3,979
Increase (+)/ decrease (-) of other liabilities	31,543	9,780	17,125	-4,523
<b>Cash flow from operating activities</b>	<b>50,666</b>	<b>12,552</b>	<b>88,737</b>	<b>33,718</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-2,959	-12,838	-26,234	-44,143
Sales of intangible fixed assets	-	-	-	16
Acquisition of tangible fixed assets	-1,038	-2,866	-7,399	-8,198
Sales of tangible fixed assets	-	-	-	-
Acquisition of financial assets	-107	-107	-300	-102
Sales of financial assets	-	-	17	4
Divest of business area	353,186	-	353,186	-
<b>Cash flow from investing activities</b>	<b>349,081</b>	<b>-15,811</b>	<b>319,269</b>	<b>-52,422</b>
<b>Financial activities</b>				
Loans taken	4,006	3,009	-	6,164
Amortization of loan liabilities	-22,610	-1,439	-35,891	-6,455
<b>Cash flow from financial activities</b>	<b>-18,603</b>	<b>1,570</b>	<b>-35,891</b>	<b>-291</b>
<b>Cash flow during period</b>	<b>381,144</b>	<b>-1,689</b>	<b>372,116</b>	<b>-18,995</b>
Cash and liquid assets beginning of period	22,387	32,681	31,017	50,136
Exchange differences in liquid assets	1,459	26	1,857	-124
<b>Cash and liquid assets at end of period</b>	<b>404,991</b>	<b>31,017</b>	<b>404,991</b>	<b>31,017</b>
<b>Additional information:</b>				
<i>Adjustments for items not included in the cash flow</i>				
Depreciations and write-downs	12,717	6,438	38,989	31,563
Disvestment profit Biosystems reported in investing activities	-266,277	-	-266,277	-
Other items	-10,753	-1,373	-11,362	-754
Total	-264,313	5,065	-238,650	30,810

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
<b>Opening balance January 1, 2007</b>	<b>88,486</b>	<b>1,512,383</b>	<b>-55,386</b>	<b>-</b>	<b>-833,009</b>	<b>712,474</b>
<b>Changes in 2007:</b>						
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
<b>Total changes during 2007:</b>	<b>0</b>	<b>1,609</b>	<b>-16,731</b>	<b>-460</b>	<b>99,373</b>	<b>83,791</b>
<b>Closing balance December 31, 2007</b>	<b>88,486</b>	<b>1,513,992</b>	<b>-72,117</b>	<b>-460</b>	<b>-733,636</b>	<b>796,265</b>
<b>Changes in 2008:</b>						
Redistribution after annual general meeting	-	-667,636	38,554	-	629,082	0
Exchange rate differences	-	-	29,239	-	-	29,239
Change in hedging reserve for the year	-	-	-	-582	-	-582
Profit/loss January - december 2008	-	-	-	-	299,054	299,054
Change due to outstanding option programs	-	817	-	-	-	817
<b>Total changes during 2008:</b>	<b>0</b>	<b>-666,819</b>	<b>67,793</b>	<b>-582</b>	<b>928,136</b>	<b>328,528</b>
<b>Closing balance December 31, 2008</b>	<b>88,486</b>	<b>847,173</b>	<b>-4,324</b>	<b>-1,042</b>	<b>194,499</b>	<b>1,124,793</b>

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**PRO-FORMA**  
**INCOME STATEMENT BY SEGMENT**

Amounts in KSEK	2008-10-01 -- 2008-12-31			
	Biosystems	Discovery Chemistry	Distributor operations	Total
Net sales	-	108,950	34,235	143,185
Cost of goods sold	-	-46,426	-32,605	-79,031
<b>Gross profit</b>	<b>0</b>	<b>62,524</b>	<b>1,630</b>	<b>64,155</b>
Gross margin		57.4%	4.8%	44.8%
Selling costs	-	-40,265	-	-40,265
Administrative expenses	-	-9,338	-	-9,338
Research and development costs	-	-11,288	-	-11,288
Other operating income	-	18,526	3,876	22,402
Other operating expenses	-	-6,566	-	-6,566
<b>Operating expenses</b>	<b>0</b>	<b>-48,931</b>	<b>3,876</b>	<b>-45,055</b>
<b>Operating profit/loss</b>	<b>0</b>	<b>13,593</b>	<b>5,507</b>	<b>19,100</b>
Disvestment profit Biosystems	252,076	-	-	252,076
Financial income net	-	6,516	-	6,516
<b>Profit/loss before income tax</b>	<b>252,076</b>	<b>20,110</b>	<b>5,507</b>	<b>277,693</b>
Tax expenses	-16,783	4,201	-	-12,581
<b>Profit/loss after tax</b>	<b>235,293</b>	<b>24,311</b>	<b>5,507</b>	<b>265,111</b>

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**PRO-FORMA**  
**INCOME STATEMENT BY SEGMENT**

Amounts in KSEK	2007-10-01 -- 2007-12-31			
	Biosystems	Discovery Chemistry	Distributor operations	Total
Net sales	27,121	107,418	-	134,539
Cost of goods sold	-8,696	-45,708	-	-54,404
<b>Gross profit</b>	<b>18,426</b>	<b>61,710</b>	<b>0</b>	<b>80,135</b>
Gross margin	67.9%	57.4%		59.6%
Selling costs	-8,564	-34,624	-	-43,187
Administrative expenses	-1,189	-12,236	-	-13,426
Research and development costs	-792	-8,349	-	-9,141
Other operating income	94	926	-	1,020
Other operating expenses	0	-83	-	-83
<b>Operating expenses</b>	<b>-10,450</b>	<b>-54,366</b>	<b>0</b>	<b>-64,816</b>
<b>Operating profit/loss</b>	<b>7,975</b>	<b>7,344</b>	<b>0</b>	<b>15,319</b>
Disvestment profit Biosystems	-	-	-	-
Financial income net	-	139	-	139
<b>Profit/loss before income tax</b>	<b>7,975</b>	<b>7,483</b>	<b>0</b>	<b>15,459</b>
Tax expenses	16,783	10,632	-	27,415
<b>Profit/loss after tax</b>	<b>24,758</b>	<b>18,115</b>	<b>0</b>	<b>42,873</b>

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**PRO-FORMA**  
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Amounts in KSEK	2008-01-01 -- 2008-12-31			Total
	Biosystems	Discovery Chemistry	Distributor operations	
Net sales	78,311	385,295	34,235	497,842
Cost of goods sold	-24,674	-160,838	-32,605	-218,117
<b>Gross profit</b>	<b>53,637</b>	<b>224,457</b>	<b>1,630</b>	<b>279,725</b>
Gross margin	68.5%	58.3%	4.8%	56.2%
Selling costs	-23,225	-142,266	-	-165,491
Administrative expenses	-4,714	-38,833	-	-43,547
Research and development costs	-5,653	-34,646	-	-40,298
Other operating income	39	33,491	3,876	37,407
Other operating expenses	-12	-17,789	-	-17,801
<b>Operating expenses</b>	<b>-33,564</b>	<b>-200,043</b>	<b>3,876</b>	<b>-229,731</b>
<b>Operating profit/loss</b>	<b>20,073</b>	<b>24,415</b>	<b>5,507</b>	<b>49,994</b>
Disvestment profit Biosystems	252,076	-	-	252,076
Financial income net	5,092	5,177	-	10,269
<b>Profit/loss before income tax</b>	<b>277,241</b>	<b>29,591</b>	<b>5,507</b>	<b>312,339</b>
Tax expenses	-16,783	3,498	-	-13,285
<b>Profit/loss after tax</b>	<b>260,458</b>	<b>33,089</b>	<b>5,507</b>	<b>299,054</b>

**Biotage AB**  
**Year end report 2008 and interim report**  
**October - December 2008**

**PRO-FORMA**  
**INCOME STATEMENT BY SEGMENT**

Amounts in KSEK	2007-01-01 -- 2007-12-31			Total
	Biosystems	Discovery Chemistry	Distributor operations	
Net sales	98,834	397,568	-	496,402
Cost of goods sold	-33,168	-157,707	-	-190,875
<b>Gross profit</b>	<b>65,666</b>	<b>239,861</b>	<b>0</b>	<b>305,527</b>
Gross margin	66.4%	60.3%	-	61.5%
Selling costs	-28,749	-140,962	-	-169,711
Administrative expenses	-5,289	-44,860	-	-50,150
Research and development costs	-5,517	-35,883	-	-41,400
Other operating income	94	2,345	-	2,439
Other operating expenses	0	-3,783	-	-3,783
<b>Operating expenses</b>	<b>-39,461</b>	<b>-223,143</b>	<b>0</b>	<b>-262,604</b>
<b>Operating profit/loss</b>	<b>26,205</b>	<b>16,718</b>	<b>0</b>	<b>42,923</b>
Disvestment profit Biosystems	-	-	-	-
Financial income net	5,371	-2,459	-	2,912
<b>Profit/loss before income tax</b>	<b>31,576</b>	<b>14,259</b>	<b>0</b>	<b>45,835</b>
Tax expenses	16,783	36,755	-	53,537
<b>Profit/loss after tax</b>	<b>48,359</b>	<b>51,014</b>	<b>0</b>	<b>99,373</b>

**Below follows a year-end report for Biotage January – December 2008 according to the now adopted accounting principles**

**Fourth quarter 2008**

- Net sales 109.0 MSEK (107.4).
- Operating profit 11.3 MSEK (7.3).
- Profit after tax 265.1 MSEK (42.9).
- Earnings per share 3.00 SEK (0.48) before and after dilution.
- Net cash amounted to 358.1 MSEK at December 31, 2008.
- Cash flow from operating activities 44,3 MSEK (8.5).

**Full year 2008**

- Net sales 385.3 MSEK (397.6).
- Operating profit 22,5 MSEK (16.7).
- Profit after tax 299.1 MSEK (99.4).
- Earnings per share 3.38 SEK (1.12) before and after dilution.
- Cash flow from operating activities 54,5 MSEK (-2.8).
- Proposed dividends 0.20 SEK (0).

**Group result development in brief, according to IFRS**

Amounts in MSEK

	<b>4 th quarter 2008</b>	4 th quarter 2007	<b>Full year 2008</b>	Full year 2007
Continuing operations:				
Net sales	<b>109.0</b>	107.4	<b>385.3</b>	397.6
Cost of goods sold	<b>-46.4</b>	-45.7	<b>-160.8</b>	-157.7
Gross profit	<b>62.5</b>	61.7	<b>224.5</b>	239.9
Operating expenses	<b>-50.9</b>	-54.4	<b>-202.0</b>	-223.1
Operating profit/loss	<b>11.7</b>	7.3	<b>22.5</b>	16.7
Financial income net	<b>6.5</b>	0.1	<b>5.2</b>	-2.5
Profit/loss before income tax	<b>18.2</b>	7.5	<b>27.7</b>	14.3
Tax expenses	<b>4.2</b>	19.2	<b>3.5</b>	36.8
Profit/loss after tax for continuing operations	<b>22.4</b>	26.7	<b>31.2</b>	51.0
Profit/loss after tax for discontinued operations	<b>242.7</b>	16.2	<b>267.9</b>	48.4
Total profit/loss for the period	<b>265.1</b>	42.9	<b>299.1</b>	99.4

## **Group result, financial position and cash flow**

### Fourth quarter 2008

Group net sales amounted to 109.0 MSEK, compared to 107.4 MSEK the fourth quarter 2007.

The Group's gross margin was 57.4 percent (57.4). The operating expenses amounted to 50,9 MSEK (54.4). The operating expenses were positively influenced by other income/other expenses, where the biggest item is positive translation differences, amounting to 14.5 MSEK (0.4). Due to lower sales than planned in the evaporation product area, a write-down of a deferred license cost to Vapourtec has been made to the amount of 4.0 MSEK.

Investments in the fourth quarter 2008 amounted to 4.1 MSEK (9.9). Of this sum 2.5 MSEK (7.0) were capitalized development costs. Amortizations in the fourth quarter 2008 amounted to 9.9 MSEK (4.6). Of this sum 2.7 MSEK (0,8) were amortizations of capitalized development costs.

The operating profit amounted to 11.3 MSEK (7.3) with an operating margin of 10,7 percent (6.8).

Net financial income amounted to 6.5 MSEK (0.1).

Net change of deferred taxes has been made to the amount of 5,7 MSEK (17,8).

Profit after tax amounted to 265,1 MSEK, corresponding to 2.74 SEK per share, compared to 42.9 MSEK 2007, corresponding to 0.48 SEK per share.

The cash flow from operating activities amounted to 44.3 MSEK (8.5).

### Full year 2008

Group net sales amounted to 385.3 MSEK compared to 397.6 MSEK in 2007.

The Group's gross margin was 58.3 percent (60.3).

The operating expenses amounted to 202,0 MSEK (223.1). The operating expenses were positively influenced by other income/other expenses, where the biggest item is positive translation differences, amounting to 17.4 MSEK (-2.1).

Investments during the year amounted to 24.7 MSEK (30.4). Of this sum 16.4 MSEK (21.5) were capitalized development costs. In 2008 amortizations were made to the amount of 29.5 MSEK (22.6). Of this sum 10.0 MSEK (7.1) were amortizations of capitalized development costs.

The operating profit amounted to 22.5 MSEK compared to 16.7 MSEK in 2007. A 5.8 percent (4.2) operating margin is reported.

Net financial income amounted to 5.2 MSEK (-2.5).

Change of deferred taxes has been made to the amount of 5.7 MSEK (37,3).

Profit after tax amounted to 299,1 MSEK, corresponding to 3,38 SEK per share, compared to 99.4 MSEK in 2007, corresponding to 1.12 SEK per share.

The cash flow from operating activities was 54.5 MSEK (-2.8).

#### Balance sheet items

At December 31, 2008 the Group's cash and securities totaled 405.0 MSEK, compared to 31.0 MSEK at December 31, 2007. Granted unutilized credits amounted to 73.6 MSEK compared to 40.2 MSEK at December 31, 2007. The Group's interest-bearing liabilities amounted to 46.9 MSEK, compared to 71.9 MSEK at December 31, 2007.

The Group reports a total goodwill of 487.2 MSEK (460.6) at December 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 assets in the form of patents and license rights amounted to 16.3 MSEK (27.6) and capitalized development costs to 44.5 MSEK (70.8).

At December 31, 2008 the equity capital amounted to 1 124,8 MSEK compared to 796.3 MSEK at December 31, 2007.

## Discovery Chemistry (Medicinal chemistry), according to IFRS

Amounts in MSEK	4 th quarter 2008	4 th quarter 2007	Full year 2008	Full year 2007
Net sales	109.0	107.4	385.3	397.6
Operating profit/loss	11.7	7.3	22.5	16.7

### Sales per geographic market

USA	38%	42%	37%	40%
Europe	45%	41%	47%	45%
Rest of the world	17%	17%	16%	15%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Net sales in the fourth quarter increased by 1 percent to 109.0 MSEK (107.4). In the full year 2008 net sales totaled 385.3 MSEK (397.6). At comparable exchange rates sales decreased by 11 percent in the fourth quarter and by 2 percent in the full year.

The EU area was Discovery Chemistry's biggest market, accounting for 45 percent of the net sales. The US contributed 38 percent and the rest of the world 17 percent.

In the fourth quarter sales were strong in the Sample Prep product area and in Evaporation. The positive development of consumables sales has continued and the new product area SNAP had strongly growing sales.

The development of the customer segment pharma companies was receding, however.

In the fourth quarter the gross margin was 57.4 percent (57.4).

The operating profit for the fourth quarter amounted to 11.7 MSEK (7.3), with an operating margin of 10,7 percent (6.8).

For the full year 2008 the operating profit amounted to 22,5 MSEK (16.7), with an operating margin of 5.8 percent (4.2).

## Divested business

	Divested business	
	<u>Sales</u>	<u>Profit/loss</u>
Biosystems January - September 2008	78.3	20.1
Distributor operations Oct – Dec 2008	34.2	1.6
Divestment profit Biosystems	0	254.0
Additional purchase sum Biosystems	0	3.9
Net financial income (dividends Corbett)	0	5.1
Deferred tax recoverable	0	-16.8
<b>Total</b>	<b>112.5</b>	<b>267,9</b>

The Biosystems business area was divested to Qiagen at October 2, 2008.

In the fourth quarter Biotage was Qiagen's distributor of Biosystems' products.

## Major events

At October 2, Qiagen acquired the assets in Biosystems and Biotage's shares in Corbett (17.5 percent) for an initial purchase sum of 53 MUSD. Provided that certain sales targets are met, additional purchase sums totaling a maximum of 7 MUSD will be paid to Biotage during the period from Qiagen's taking possession of the operations up to December 31, 2012. Qiagen took over all Biosystems' employees. During the fourth quarter Biotage achieved the first additional purchase sum amounting to 500 KUSD. The capital gain for the divestment of Biosystems amounts to 257,9 MSEK (including the 500 KUSD additional purchase sum) before tax.

During the fourth quarter 2008 Biotage has been Qiagen's distributor of Biosystems' products.

Reduction of the statutory reserve

An extraordinary General Meeting held in Biotage AB on November 21, 2008 resolved to reduce the company's statutory reserve by the amount of 842,180,000 SEK by means of transfer to a reserve to be used in accordance with resolutions at future General Meeting(s).

The statutory reserve will be entirely dissolved after execution of this reduction. It was noted that approval by the Swedish Companies Registration Office, or in disputed cases by a general court, is required to execute the now proposed reduction of the statutory reserve.

### **Events after the reported period**

Biotage has decided to transfer the instrument production from the plant in Charlottesville, USA, to a contract manufacturer. This measure is another step in the company's efforts to increase the efficiency of its operations. Biotage believes that this will enable significant cost reductions as well as reduced capital binding and increased flexibility.

Today Biotage has two production units of its own. At the plant in Cardiff, Wales, the majority of the consumables offered to Biotage's customers are manufactured. In Charlottesville, USA, instruments are produced, primarily for the product segment Purification, plus a smaller share of consumables. The production of other instruments is already today performed by a subcontractor.

In connection with the transfer of the instrument production, the manufacture of consumables today taking place in Charlottesville will be moved to the plant in Cardiff. This will yield additional economies of scale. The transfer of the production from Charlottesville will be carried out step-wise and is planned to be completed in the fourth quarter 2009. The decision means that the plant will be closed and the US staff reduced by approximately 50 employees.

### **Human resources**

At December 31, 2008 the Group had 292 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 towards subsidiaries.

In the fourth quarter 2008, the parent company's net income amounted to 0.0 MSEK (2.0). In the full year 2008 net income amounted to 6.2 MSEK (8.3).

A profit after financial items amounting to -22.2 MSEK (2.6) is reported for the fourth quarter 2008. In the full year 2008 profit after financial items amounted to -8.6 MSEK (13.6).

The parent company's investments in intangible fixed assets in the fourth quarter 2008 amounted to 0.7 MSEK (0.6). In the full year 2008 investments in intangible fixed assets amounted to 2.0 MSEK (3.4).

The net result for the year has been impacted by divestment of fixed assets and financial assets relating to the biosystems business and write down of shares in subsidiaries of - 160.5 MSEK.

At December 31, 2008 the parent company's cash and bank balance amounted to 357.0 MSEK, compared to 0.9 MSEK at December 31, 2007.

### **Annual General Meeting and dividends**

The Annual General Meeting will be held at the company's office in Uppsala on April 27, 2009 at 4 pm. Notice for the meeting will be available at the company's web site. Biotage's Annual Report will be distributed to the shareholders in week 15.

Biotage's board of directors will propose the Annual General Meeting that dividends to the amount of 0.20 SEK per share are paid for the financial year 2008. A condition for the proposal is that approval has been obtained from the Swedish Companies Registration Office and that the resolution of the extraordinary General Meeting has been executed.

### **Risks and uncertainties**

As an international Group, Biotage is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that competitive situations affect price levels and sales volumes, and the risk that the economic development in the markets and segments where the Group operates is not stable. There are also financial risks, such as currency risks, interest risks and credit risks.

No major changes in significant risks or uncertainty factors have 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.

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

## Financial reports in 2009

The interim report for the first quarter 2009 will be issued in connection with the Annual General Meeting on April 27, 2009.

The interim report for the second quarter 2009 will be issued on August 14, 2009.

The interim report for the third quarter 2009 will be issued on October 27, 2009.

This report has not been subject to review by the company's auditor.

Uppsala February 10, 2009

Torben Jörgensen  
President and CEO

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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 area of 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. At the end of 2008 Biotage had 292 employees and in 2008 the company had sales of 497.8 MSEK. Biotage is listed on the Nordic Stockholm stock exchange. Website: [www.biotage.com](http://www.biotage.com)*

## Accounting principles

The Group interim report has been prepared in accordance with IAS 34 Interim Reporting and the Swedish Accounting Act. The interim report for the parent company has been prepared in accordance with the regulations of 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.

For the financial year 2008 three new interpretation statements from IFRIC have come into force: IFRIC 11 IFRIS 2 – Transactions with own shares, also within the Group, IFRIC 12 Service Concession Arrangements, and IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Changes in IAS 39 Financial Instruments: Accounting and Valuation and IFRS 7 Financial Instruments: Information Regarding Reclassification of Financial Assets have also come into effect for the financial year 2008. These new interpretations and changes have not had any effect on the Group's financial reports 2008.

In this interim report is a treasury bill with duration of 6 months classified as liquid funds. In the annual report will the investment be reclassified to "Other investments" according to IAS 7. The treasury bill will be redeemed by the Swedish Government on March 18, 2009.

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

**Biotage AB (publ)**  
**Year end report 2008 och interim report for the**  
**period October - December 2008**

**ACCORDING TO IFRS**

**CONSOLIDATED INCOME STATEMENTS**

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
Continuing operations:				
Net sales	108,950	107,418	385,295	397,568
Cost of goods sold	-46,426	-45,708	-160,838	-157,707
<b>Gross profit</b>	<b>62,524</b>	<b>61,710</b>	<b>224,457</b>	<b>239,861</b>
Selling costs	-40,265	-34,624	-142,266	-140,962
Administrative expenses	-11,257	-12,236	-40,753	-44,860
Research and development costs	-11,288	-8,349	-34,646	-35,883
Other operating income	18,526	926	33,491	2,345
Other operating expenses	-6,566	-83	-17,789	-3,783
<i>Operating expenses</i>	<i>-50,850</i>	<i>-54,366</i>	<i>-201,962</i>	<i>-223,143</i>
<b>Operating profit/loss</b>	<b>11,674</b>	<b>7,344</b>	<b>22,495</b>	<b>16,718</b>
Financial income	16,125	751	20,248	3,025
Financial expenses	-9,608	-612	-15,071	-5,484
<b>Profit/loss before income tax</b>	<b>18,190</b>	<b>7,483</b>	<b>27,672</b>	<b>14,260</b>
Tax expenses	4,201	19,216	3,498	36,755
<b>Profit/loss after tax for continuing operations</b>	<b>22,392</b>	<b>26,699</b>	<b>31,170</b>	<b>51,014</b>
<b>Profit/loss after tax for discontinued operations</b>	<b>242,719</b>	<b>16,174</b>	<b>267,884</b>	<b>48,359</b>
<b>Total profit/loss for the period</b>	<b>265,111</b>	<b>42,873</b>	<b>299,054</b>	<b>99,373</b>
Part related to the parent company's shareholders	265,111	42,873	299,054	99,373
Net income are attributable to:				
Continuing operations	22,392	26,699	31,170	51,014
Discontinuing operations	242,719	16,174	267,884	48,359
Total net income	265,111	42,873	299,054	99,373
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	88,486,320	88,738,015	88,541,030	89,015,260
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	3.00 kr	0.48 kr	3.38 kr	1.12 kr
Profit/loss per share after dilution SEK	3.00 kr	0.48 kr	3.38 kr	1.12 kr
Profit/loss per share are attributable to:				
Continuing operations	0.25 kr	0.30 kr	0.35 kr	0.58 kr
Discontinuing operations	2.74 kr	0.18 kr	3.03 kr	0.55 kr
Total profit/loss per share	3.00 kr	0.48 kr	3.38 kr	1.12 kr

Quarterly summary 2008 and 2007	2008	2008	2008	2008	2007	2007	2007	2007
Amounts in KSEK	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net Sales	108,950	92,308	95,092	88,945	107,418	89,060	106,312	94,777
Cost of goods sold	-46,426	-38,597	-40,998	-34,817	-45,708	-33,476	-42,123	-36,400
Gross profit	<b>62,524</b>	<b>53,711</b>	<b>54,094</b>	<b>54,128</b>	<b>61,710</b>	<b>55,585</b>	<b>64,189</b>	<b>58,377</b>
Gross margin	57.4%	58.2%	56.9%	60.9%	57.4%	62.4%	60.4%	61.6%
Operating expenses	-50,850	-46,756	-51,411	-52,944	-54,366	-52,503	-58,567	-57,706
Operating profit/loss	<b>11,674</b>	<b>6,955</b>	<b>2,683</b>	<b>1,184</b>	<b>7,344</b>	<b>3,081</b>	<b>5,622</b>	<b>671</b>
Financial net income	6,516	152	-738	-754	139	-398	-3,600	1,400
Profit/loss before income tax	<b>18,190</b>	<b>7,107</b>	<b>1,944</b>	<b>430</b>	<b>7,483</b>	<b>2,683</b>	<b>2,022</b>	<b>2,071</b>
Tax expenses	4,201	-522	-157	-24	19,216	-217	19,152	-1,396

**CONSOLIDATED BALANCE SHEETS**

<u>Amounts in KSEK</u>	<u>2008-12-31</u>	<u>2007-12-31</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	80,978	84,987
Goodwill	487,227	460,593
Other intangible assets	60,731	98,460
Financial assets	1,754	46,934
Capitalized loss carry-forward	42,570	53,419
<b>Total fixed assets</b>	<b>673,260</b>	<b>744,393</b>
<b>Current assets</b>		
Inventory	104,224	97,144
Account receivable and other receivables	100,498	116,044
Liquid funds	404,991	31,017
<b>Total current assets</b>	<b>609,713</b>	<b>244,206</b>
<b>Total assets for continuing operations</b>	<b>1,282,973</b>	<b>988,599</b>
<b>Assets for divestment</b>	<b>16,039</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,299,012</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	847,173	1,513,992
Accumulated translation difference	-4,324	-72,117
Profit/loss carried forward	193,457	-734,096
<b>Total equity</b>	<b>1,124,793</b>	<b>796,265</b>
<b>Long term liabilities</b>		
Loans	8,065	37,152
Provisions of a long-term nature	3,351	3,776
<b>Total long term liabilities</b>	<b>11,416</b>	<b>40,928</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	95,360	111,235
Tax liabilities	1,869	1,159
Loans	38,829	34,741
Provisions of a short-term nature	5,977	4,271
<b>Total current liabilities</b>	<b>142,036</b>	<b>151,406</b>
<b>Total equity and liabilities for continuing operations</b>	<b>1,278,245</b>	<b>988,599</b>
<b>Liabilities for divestment</b>	<b>20,767</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,299,012</b>	<b>988,599</b>

CONSOLIDATED CASH FLOW STATEMENTS

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
<b>Operating activities</b>				
Profit/loss after financial items	18,191	7,483	27,672	14,260
Adjustments for items not included in the cash flow	930	3,233	21,291	21,691
	<b>19,122</b>	<b>10,716</b>	<b>48,963</b>	<b>35,950</b>
Tax paid	-790	1,008	-1,494	-519
<b>Cash flow from operating activities before changes in working capital</b>	<b>18,332</b>	<b>11,723</b>	<b>47,469</b>	<b>35,431</b>
Cash flow from change in working capital:				
Increase (-)/ decrease (+) of inventories	158	212	-5,900	-19,025
Increase (-)/ decrease (+) of account receivables	4,420	-11,754	9,833	-12,349
Increase (-)/ decrease (+) of other current receivables	-2,785	-2,267	-6,996	-3,373
Increase (+)/ decrease (-) of other liabilities	24,165	10,576	10,088	-3,451
Cash flow from operating activities for continuing operations	<b>44,290</b>	<b>8,490</b>	<b>54,493</b>	<b>-2,765</b>
Cash flow from operating activities for discontinued operations	<b>6,377</b>	<b>4,061</b>	<b>34,244</b>	<b>36,484</b>
<b>Cash flow from operating activities</b>	<b>50,667</b>	<b>12,552</b>	<b>88,737</b>	<b>33,718</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-2,959	-7,478	-17,849	-23,232
Sales of intangible fixed assets				16
Acquisition of tangible fixed assets	-1,038	-2,322	-6,611	-7,097
Acquisition of financial assets	-107	-107	-300	-102
Sales of financial assets	-		17	4
Cash flow from investing activities for continuing operations	<b>-4,104</b>	<b>-9,908</b>	<b>-24,743</b>	<b>-30,411</b>
Cash flow from investing activities for discontinued operations	<b>353,186</b>	<b>-5,903</b>	<b>344,012</b>	<b>-22,012</b>
<b>Cash flow from investing activities</b>	<b>349,081</b>	<b>-15,811</b>	<b>319,269</b>	<b>-52,422</b>
<b>Financial activities</b>				
Loans taken	4,006	3,009	4,006	6,164
Amortization of loan liabilities	-22,610	-1,439	-39,897	-6,455
Cash flow from financial activities for continuing operations	<b>-18,603</b>	<b>1,570</b>	<b>-35,891</b>	<b>-291</b>
Cash flow from financial activities for discontinued operations	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flow from financial activities</b>	<b>-18,603</b>	<b>1,570</b>	<b>-35,891</b>	<b>-291</b>
<b>Cash flow during period</b>	<b>381,145</b>	<b>-1,689</b>	<b>372,116</b>	<b>-18,995</b>
Cash and liquid assets beginning of period	22,387	32,681	31,017	50,136
Exchange differences in liquid assets	1,459	26	1,857	-124
<b>Cash and liquid assets at end of period</b>	<b>404,991</b>	<b>31,017</b>	<b>404,991</b>	<b>31,017</b>
<b>Additional information:</b>				
Adjustments for items not included in the cash flow				
Depreciations and write-downs	12,717	4,555	32,332	22,546
Other items	-11,787	-1,322	-11,041	-854
Summa	<b>930</b>	<b>3,233</b>	<b>21,291</b>	<b>21,691</b>

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, 2007	88,486	1,512,383	-55,386	-	-833,009	712,474
<b>Changes in 2007:</b>						
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
<b>Total changes during 2007:</b>	<b>0</b>	<b>1,609</b>	<b>-16,731</b>	<b>-460</b>	<b>99,373</b>	<b>83,791</b>
Closing balance December 31, 2007	88,486	1,513,992	-72,117	-460	-733,636	796,265
<b>Changes in 2008:</b>						
Redistribution after annual general meeting	-	-667,636	38,554	-	629,082	0
Exchange rate differences	-	-	29,239	-	-	29,239
Change in hedging reserve for the year	-	-	-	-582	-	-582
Profit/loss January - december 2008	-	-	-	-	299,054	299,054
Change due to outstanding option programs	-	817	-	-	-	817
<b>Total changes during 2008:</b>	<b>0</b>	<b>-666,819</b>	<b>67,793</b>	<b>-582</b>	<b>928,136</b>	<b>328,528</b>
Closing balance December 31, 2008	88,486	847,173	-4,324	-1,042	194,499	1,124,793

**INCOME STATEMENTS FOR THE PARENT  
COMPANY**

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
Net sales	0	2,031	6,159	8,345
Selling costs	0	-42	-210	-506
Administrative expenses	-3,295	-3,349	-15,833	-15,350
Research and development costs	-1,078	-683	-3,928	-2,936
Other operating income	24,864	1,268	31,056	8,118
Other operating expenses	-742	-641	-2,565	-3,892
<i>Operating expenses</i>	<i>19,750</i>	<i>-3,447</i>	<i>8,519</i>	<i>-14,565</i>
<b>Operating profit/loss</b>	<b>19,750</b>	<b>-1,416</b>	<b>14,678</b>	<b>-6,220</b>
<b>Profit/loss from financial investments:</b>				
Interest income from receivables from group companies	4,692	3,912	16,058	16,453
Interest expenses from liabilities to group companies	-471	-554	-2,021	-1,793
Result from participations in group companies	-96,781	-	-96,781	
Profit and loss from other securities and receivables that are long term financial assets	35,587	-	40,679	5,371
Interest expenses and similar expense items	2,726	116	2,711	117
Interest expenses and similar expense items	-	-1	-20	-5
Translation differences on intra-group receivables	12,329	571	16,083	-349
<i>Net financial income/expense</i>	<i>-41,919</i>	<i>4,044</i>	<i>-23,292</i>	<i>19,794</i>
<b>Profit/loss after financial items</b>	<b>-22,169</b>	<b>2,628</b>	<b>-8,614</b>	<b>13,574</b>
Tax expenses	3,209	21,377	3,209	49,026
<b>Profit/loss after tax</b>	<b>-18,960</b>	<b>24,005</b>	<b>-5,405</b>	<b>62,600</b>

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**BALANCE SHEETS FOR THE PARENT COMPANY**

<u>Amounts in KSEK</u>	<u>2008-12-31</u>	<u>2007-12-31</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Patent and license rights	6,774	13,309
	<u>6,774</u>	<u>13,309</u>
<b>Financial assets</b>		
Participation in group companies	557,047	717,727
Receivables from group companies	108,269	109,869
Deferred tax asset	42,570	39,361
Other long-term securities	-	45,783
	<u>707,886</u>	<u>912,740</u>
<b>Total fixed assets</b>	<b>714,660</b>	<b>926,049</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Account receivables	71	-
Receivables from group companies	82,161	76,382
Other receivables	511	632
Prepaid expenses and accrued income	6,705	1,514
	<u>89,448</u>	<u>78,528</u>
<b>Cash and bank balances and investments</b>	<b>356,972</b>	<b>862</b>
<b>Total current assets</b>	<b>446,420</b>	<b>79,390</b>
<b>TOTALT ASSETS</b>	<b>1,161,080</b>	<b>1,005,439</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	88,486	88,486
Statutory reserves	842,180	1,509,816
	<u>930,666</u>	<u>1,598,302</u>
<b>Unrestricted equity</b>		
Fair value fond	36,294	-38,554
Profit/loss carried forward	-	-691,682
Profit/loss for the period reported	-5,405	62,600
	<u>30,890</u>	<u>-667,636</u>
<b>Total equity</b>	<b>961,556</b>	<b>930,667</b>
<b>Current liabilities</b>		
Account payable	3,647	1,488
Liabilities to group companies	189,910	60,140
Other short term liabilities	789	5,369
Accrued expenses and prepaid income	5,178	7,775
	<u>199,523</u>	<u>74,772</u>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>1,161,080</b>	<b>1,005,439</b>

CASH FLOW STATEMENTS FOR THE PARENT COMPANY

	2008-10-01	2007-10-01	2008-01-01	2007-01-01
Amounts in KSEK	2008-12-31	2007-12-31	2008-12-31	2007-12-31
<b>Operating activities</b>				
Profit/loss after financial items	-22,169	2,628	-8,614	13,574
Adjustments for items not included in the cash flow	29,298	496	29,896	2,424
Tax paid	7,129	3,125	21,282	15,999
	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>7,129</b>	<b>3,125</b>	<b>21,282</b>	<b>15,999</b>
Cash flow from change in working capital:				
Increase (-)/ decrease (+) of other current receivables	52,972	1,858	33,587	-10,940
Increase (+)/ decrease (-) of other liabilities	116,872	-6,485	123,800	-9,351
<b>Cash flow from operating activities</b>	<b>176,975</b>	<b>-1,502</b>	<b>178,669</b>	<b>-4,293</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-669	-533	-2,037	-3,037
Sales of intangible fixed assets		16		16
Acquisition of subsidiaries		-		-331
Divest of business area	174,437	-	174,437	
Increase (-)/ decrease (+) of other long-term receivables	5,099	-72	5,041	-72
<b>Cash flow from investment activities</b>	<b>178,867</b>	<b>-588</b>	<b>177,441</b>	<b>-3,423</b>
<b>Cash flow from financial activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow during period</b>	<b>355,841</b>	<b>-2,090</b>	<b>356,110</b>	<b>-7,716</b>
<b>Cash and liquid assets beginning of period</b>	<b>1,131</b>	<b>2,952</b>	<b>862</b>	<b>8,578</b>
<b>Cash and liquid assets at end of period</b>	<b>356,972</b>	<b>862</b>	<b>356,972</b>	<b>862</b>
<b>Additional information:</b>				
<i>Adjustments for items not included in the cash flow</i>				
Depreciations and write-downs	161,956	556	164,390	2,192
Disvestment profit Biosystems reported in investing activities	-123,791	-	-123,791	-
Other items	-8,866	-59	-10,702	233
Total	29,298	496	29,896	2,424

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
Parent company

Amounts in KSEK	Share capital	Statutory reserve	Fair value fond	Brought forward profit/loss	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 contributions received 2007	-	-	-11,439	-	-11,439
Profit/loss 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>					
Redistribution after annual general meeting	-	-667,636	38,554	629,082	0
Exchange rate differences	-	-	36,294	-	36,294
Profit/loss 2008	-	-	-	-5,405	-5,405
<b>Total changes during 2008</b>	<b>0</b>	<b>-667,636</b>	<b>74,849</b>	<b>623,677</b>	<b>30,890</b>
 <b>Closing balance December 31, 2008</b>	 <b>88,486</b>	 <b>842,180</b>	 <b>36,294</b>	 <b>-5,405</b>	 <b>961,556</b>

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**INCOME STATEMENT BY SEGMENT**

2008-10-01 -- 2008-12-31

	Continuing operations	Discontinuing operations	Total
Net sales	108,950	34,235	143,185
Cost of goods sold	-46,426	-32,605	-79,031
<b>Gross profit</b>	<b>62,524</b>	<b>1,630</b>	<b>64,155</b>
Gross margin	57.4%	4.8%	44.8%
Selling costs	-40,265	-	-40,265
Administrative expenses	-11,257	-	-11,257
Research and development costs	-11,288	-	-11,288
Other operating income	18,526	3,876	22,402
Other operating expenses	-6,566	-	-6,566
<b>Operating expenses</b>	<b>-50,850</b>	<b>3,876</b>	<b>-46,974</b>
<b>Operating profit/loss</b>	<b>11,674</b>	<b>5,507</b>	<b>17,181</b>
Disvestment profit Biosystems	-	253,996	253,996
Financial income net	6,516	-	6,516
<b>Profit/loss before income tax</b>	<b>18,190</b>	<b>259,502</b>	<b>277,693</b>
Tax expenses	4,201	-16,783	-12,581
<b>Profit/loss after tax</b>	<b>22,392</b>	<b>242,719</b>	<b>265,111</b>

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**INCOME STATEMENT BY SEGMENT**

2007-10-01 -- 2007-12-31

	Continuing operations	Discontinuing operations	Total
Net sales	107,418	27,121	134,539
Cost of goods sold	-45,708	-8,696	-54,404
<b>Gross profit</b>	<b>61,710</b>	<b>18,426</b>	<b>80,135</b>
Gross margin	57.4%	67.9%	59.6%
Selling costs	-34,624	-8,564	-43,187
Administrative expenses	-12,236	-1,189	-13,426
Research and development costs	-8,349	-792	-9,141
Other operating income	926	94	1,020
Other operating expenses	-83	0	-83
<b>Operating expenses</b>	<b>-54,366</b>	<b>-10,450</b>	<b>-64,816</b>
<b>Operating profit/loss</b>	<b>7,344</b>	<b>7,975</b>	<b>15,319</b>
Disvestment profit Biosystems	-	-	0
Financial income net	139	-	139
<b>Profit/loss before income tax</b>	<b>7,483</b>	<b>7,975</b>	<b>15,459</b>
Tax expenses	19,216	8,199	27,415
<b>Profit/loss after tax</b>	<b>26,699</b>	<b>16,174</b>	<b>42,873</b>

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ACCORDING TO IFRS

**INCOME STATEMENT BY SEGMENT**

2008-01-01 -- 2008-12-31

	Continuing operations	Discontinuing operations	Total
Net sales	385,295	112,546	497,842
Cost of goods sold	-160,838	-57,279	-218,117
<b>Gross profit</b>	<b>224,457</b>	<b>55,268</b>	<b>279,725</b>
Gross margin	58.3%	49.1%	56.2%
Selling costs	-142,266	-23,225	-165,491
Administrative expenses	-40,753	-4,714	-45,466
Research and development costs	-34,646	-5,653	-40,298
Other operating income	33,491	3,916	37,407
Other operating expenses	-17,789	-12	-17,801
<b>Operating expenses</b>	<b>-201,962</b>	<b>-29,688</b>	<b>-231,650</b>
<b>Operating profit/loss</b>	<b>22,495</b>	<b>25,580</b>	<b>48,075</b>
Disvestment profit Biosystems	-	253,996	253,996
Financial income net	5,177	5,092	10,269
<b>Profit/loss before income tax</b>	<b>27,672</b>	<b>284,667</b>	<b>312,339</b>
Tax expenses	3,498	-16,783	-13,285
<b>Profit/loss after tax</b>	<b>31,170</b>	<b>267,884</b>	<b>299,054</b>

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ACCORDING TO IFRS

**INCOME STATEMENT BY SEGMENT**

2007-01-01 -- 2007-12-31

	Continuing operations	Discontinuing operations	Total
Net sales	397,568	98,834	496,402
Cost of goods sold	-157,707	-33,168	-190,875
<b>Gross profit</b>	<b>239,861</b>	<b>65,666</b>	<b>305,527</b>
Gross margin	60.3%	66.4%	61.5%
Selling costs	-140,962	-28,749	-169,711
Administrative expenses	-44,860	-5,289	-50,150
Research and development costs	-35,883	-5,517	-41,400
Other operating income	2,345	94	2,439
Other operating expenses	-3,783	0	-3,783
<b>Operating expenses</b>	<b>-223,143</b>	<b>-39,461</b>	<b>-262,604</b>
<b>Operating profit/loss</b>	<b>16,718</b>	<b>26,205</b>	<b>42,923</b>
Disvestment profit Biosystems	-	-	0
Financial income net	-2,459	5,371	2,912
<b>Profit/loss before income tax</b>	<b>14,260</b>	<b>31,576</b>	<b>45,835</b>
Tax expenses	36,755	16,783	53,537
<b>Profit/loss after tax</b>	<b>51,014</b>	<b>48,359</b>	<b>99,373</b>