

# Interim report

## January - June 2009



August 14, 2009

### Interim report for Biotage January - June 2009

- Net sales in the second quarter increased by 10 percent to 104.4 MSEK (95.1). In the period January – June 2009 net sales increased by 11 percent to 204.0 MSEK (184.0). At comparable exchange rates sales decreased by 10 percent, in the second quarter as well as during the first six months.
- The operating result amounted to 3.7 MSEK (2.7) in the second quarter and to -15,7 MSEK (3.9) in the period January - June. Before estimated restructuring costs the operating result for the first six months amounted to 5.4 MSEK (3.9).
- The result after tax amounted to 5.7 MSEK (1.8) in the second quarter and to -15,9 MSEK (2.2) for the period January to June 2009.
- Earnings per share amounted to 0.06 SEK (0.09) in the second quarter and to -0.18 SEK (0.24) in the period January – June.
- Net cash at June 30, 2009 amounted to 334.2 MSEK.
- In the second quarter dividends to shareholders were paid to the amount of 17.7 MSEK. No shares have been acquired in the previously decided share buy-back program.
- The cash flow from operating activities amounted to -4.1 MSEK (-4.5) in the second quarter and to 16.8 MSEK (-2.8) in the period January - June.

### Group result development in brief

Amounts in MSEK	2nd quarter 2009	2nd quarter 2008	Jan-Jun 2009	Jan-Jun 2008	Full year 2008	Last 12 month
Net sales	104.4	95.1	204.0	184.0	385.3	405.3
Cost of goods sold	<u>-41.0</u>	<u>-41.0</u>	<u>-84.0</u>	<u>-75.8</u>	<u>-160.8</u>	<u>-169.0</u>
Gross profit	63.4	54.1	120.1	108.2	224.5	236.2
Operating expenses	<u>-59.7</u>	<u>-51.4</u>	<u>-135.8</u>	<u>-104.4</u>	<u>-202.0</u>	<u>-234.8</u>
Operating profit/loss	3.7	2.7	-15.7	3.9	22.5	1.4
Financial items	<u>2.7</u>	<u>-0.7</u>	<u>0.7</u>	<u>-1.5</u>	<u>5.2</u>	<u>7.4</u>
Profit/loss before tax	6.4	1.9	-15.0	2.4	27.7	8.7
Tax expenses	<u>-0.6</u>	<u>-0.2</u>	<u>-0.9</u>	<u>-0.2</u>	<u>3.5</u>	<u>2.8</u>
Profit/loss after tax for continuing operations	5.7	1.8	-15.9	2.2	31.2	11.5
Profit/loss after tax for discontinued operations	<u>-0.3</u>	<u>6.2</u>	<u>0.1</u>	<u>19.0</u>	<u>267.9</u>	<u>249.0</u>
Total profit/loss for the period	5.5	8.0	-15.8	21.2	299.1	260.5

## Comments by CEO Torben Jörgensen

During the second quarter no significant trend change could be observed. The financial climate continued to affect Biotage's operations and sales. We saw continued weak sales of instruments to the major pharma companies. However, Biotage continues to strengthen its position in the academic customer segment. The sales of consumables continued to be strong. Geographically the development in the US and Japan was good, while Europe and other parts of Asia had a weak quarter. During the quarter Biotage made the first sales of products in the new product area peptide synthesis.

The implementation of the structural changes that were decided at the beginning of the year continues according to plan. The operations at the company's plant in Charlottesville, Virginia, USA are being closed down. The production is relocated, partly to a contract manufacturer, partly to Biotage's own plant in Cardiff, Wales. In addition to this, the operations in the UK are consolidated to one site. When these changes have been completed the company will have a much more favorable cost structure and lower capital binding. Efficiency improvements are furthermore expected in the UK-based operations.

The operating result was negatively affected by a 10 percent decrease in sales volume, but positively influenced by currency effects, a higher gross margin and cost reductions.

During the second quarter Biotage was sued for patent infringement. The legal process is ongoing and there is currently nothing new to report and no reason to reappraise the initial analysis of Biotage's actual position.

Biotage continues to have a very strong financial position with net cash amounting to 334 MSEK which makes it possible to expand the operations. An intensive process is carried out to further improve and develop Biotage's offer. This work involves widening Biotage's present product range as well as entering into new application areas and towards new customer groups.

Biotage has during the quarter for the first time paid dividends to the shareholders. At the end of the quarter no own shares had yet been repurchased of the previously decided share buy-back program.

## Group result, financial position and cash flow

### Second quarter 2009

Group net sales amounted to 104.4 MSEK, compared to 95.1 MSEK the second quarter 2008, an increase by 10 percent. At comparable exchange rates sales decreased by 10 percent.

The US was the largest single market with 43 percent of the net sales. The EU contributed 39 percent and the rest of the world 18 percent.

The Group's gross margin was 60.7 percent (56.9). The gross margin has improved due to a positive currency and price development and good productivity in the company's production plants.

The operating expenses, which were negatively affected by exchange rate changes, amounted to 59,7 MSEK (51.4). The increase in administration costs is explained by changed accounting

principles for the allocation of overhead costs and by increased legal costs due to the patent dispute.

The operating profit amounted to 3.7 MSEK (2.7).

Net financial income amounted to 2.7 MSEK (-0.7).

The result after tax amounted to 5.7 MSEK (1.8).

The investments amounted to 12.1 MSEK (10.0). Of this sum 7.4 MSEK (7.1) were capitalized development costs. Amortizations were made to the amount of 8.3 MSEK (6.4). Of this sum 4.0 MSEK (1.8) were amortizations of capitalized development costs.

The cash flow from operating activities amounted to -4.1 MSEK (-4.5).

#### January - June 2009

Group net sales amounted to 204.0 MSEK compared to 184.0 MSEK the first six months 2008, an increase by 11 percent. At comparable exchange rates sales decreased by 10 percent.

The US was the largest single market, with 41 percent of the net sales. The EU area contributed 40 percent and the rest of the world 19 percent.

The Group's gross margin was 58.8 percent (58.8).

The operating expenses, which were negatively affected by exchange rate changes, amounted to 135.8 MSEK (104.4). Here an allocation for restructuring costs for the closing of the production plant in the US and consolidation of the operations in the UK amounting to a total of 21.2 MSEK is included. The increase in administration costs is explained by changed accounting principles for the allocation of overhead costs and by increased legal costs due to the patent dispute.

The operating profit before estimated restructuring costs amounted to 5.4 MSEK (3.9).

Including estimated restructuring costs the operating result was -15.7 MSEK (3.9).

Net financial income amounted to 0.7 MSEK (-1.5).

The result after tax amounted to -15.9 MSEK, compared to 2.2 MSEK in 2008.

The investments amounted to 19.6 MSEK (17.1). Of this sum 13.1 MSEK (12.2) were capitalized development costs. Amortizations were made to the amount of 17.0 MSEK (12.1). Of this sum 8.3 MSEK (3.7) were amortizations of capitalized development costs.

The cash flow from operating activities amounted to 16.8 MSEK (-2.8).

#### Balance sheet items

At June 30, 2009 the Group's cash and securities totaled 390.5 MSEK, compared to 405.0 MSEK at December 31, 2008. Granted, unutilized credits amounted to 64.4 MSEK compared to 73.6 MSEK at December 31, 2008. The Group's interest-bearing liabilities amounted to 56.3 MSEK compared to 46.9 MSEK at December 31, 2008. In the second quarter dividends to shareholders were paid to the amount of 17.7 MSEK.

The Group reports a total goodwill of 494.0 (487.2) MSEK at June 30, 2009. 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 14.4 MSEK (16.3) and capitalized development costs to 49.3 MSEK (44.4).

At June 30, 2009 the equity capital amounted to 1,100.7 MSEK compared to 1,124.8 MSEK at December 31, 2008.

### **Divested business**

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

In the second quarter 2009 the result after tax for the divested business amounted to -0.3 MSEK (6.2). In the period January – June the profit after tax was 0.1 MSEK (19.0).

### **Major events**

#### Patent dispute in the US

Biotage has, together with the wholly owned subsidiaries Biotage GB Ltd och Biotage LLC, been sued for patent infringement in the U.S. District court for the Southern District of California.

The lawsuit has been filed by Scientific Plastic Products, Inc. and concerns the US patents numbers 7,138,061 7,381,327 and 7,410,571, each entitled "Flash Chromatography Cartridge". The lawsuit primarily concerns Biotage's sales of the SNAP product line in the US.

The legal process is ongoing and there is no reason to reappraise the initial analysis of Biotage's actual position. Biotage believes that the company has a strong position and that the other party lacks support for the alleged patent infringement.

#### Decision to repurchase own shares

The board of directors has, as previously announced, decided to launch a share buy-back program in accordance with the Annual General Meeting's resolution.

At the Annual General Meeting held on April 27, 2009 the board was authorized to decide on the acquisition and sale of the company's own shares. The shares acquired may not exceed 10 percent of the total number of the company's shares. The purpose of the buy-back program is to enable the board to adjust and improve the capital structure and thereby create increased shareholder value. Any repurchases of shares will be carried out at the Nasdaq OMX Stockholm exchange at a price within the price interval at any time recorded. Biotage does currently not own any Biotage shares and no repurchases were made during the period.

## Human resources

At June 30, 2009 the Group had 269 employees, compared to 292 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 second quarter 2009, the parent company's net income amounted to 3.0 MSEK (2.0). In the period January - June the net income amounted to 3.0 MSEK (4.0).

A profit after financial items amounting to 4.1 MSEK is reported for the second quarter. In the first six months profit after financial items amounted to 5.4 MSEK (3.9).

The parent company's investments in intangible fixed assets during the second quarter amounted to 0.3 MSEK (0.4). In the period January – June the investments in intangible fixed assets totaled 0.7 MSEK (0.9).

At June 30, 2009 the parent company's cash and bank balance and short-term investments amounted to 361.3 MSEK, compared to 357.0 MSEK at December 31, 2008.

## 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 2008.

Readers wishing to study the risks and uncertainties reported in the 2008 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 third quarter 2009 will be issued on October 27, 2009.

The year-end report for 2009 and the interim report for the fourth quarter 2009 will be issued on February 11, 2010.

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

The Board and the President assure that the interim report for the first six months gives a true and fair overview of the parent company's and the Group's business, financial position and result, and describes significant risks and uncertainty factors that the parent company and the companies of the Group are facing.

Uppsala den 14 augusti 2009

Ove Mattsson  
Chairman of the board

Thomas Eklund  
Board Member

Per-Olof Eriksson  
Board Member

Staffan Lindstrand  
Board Member

Bengt Samuelsson  
Board Member

Mathias Uhlén  
Board Member

Torben Jörgensen  
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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 385.3 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.

A great number of changes in existing standards, new interpretation statements and a new standard (IFRS 8) came into effect on January 1, 2009. As far as Biotage is concerned, the following issued standards and interpretation statements which have come into effect on January 1, 2009 have been considered relevant for the preparation of this interim report and its accounting principles:

- o IAS 1: Presentation of Financial Statements

The change in this standard means that the income statement shall now also contain items that were previously reported directly against equity. Excepted are transactions with the company's owners, which also in the future normally shall be reported against equity. But items such as gains and losses arising from translating the statements of foreign operations and cash flow hedges shall be reported in the total result for the period. Biotage has chosen to present the Group's total result in a statement containing the period's result (after tax) and other total result. Furthermore, the equity statement shows transactions with the company's owner disclosed.

The changes in IAS 1 also mean that the statements in the financial reports have new designations. Income statement is now called "Statement of comprehensive income", Balance sheet is called "Statement of financial position", Equity statement is called "Statement of changes in equity", and Cash flow statement is called "Statement of cash flows". Even though IAS 1 permits companies to continue using the previous designations, Biotage has chosen to introduce the new designations starting in this interim report.

- o IFRS 8: Operating segments

This standard is based on the premise that segment information shall be presented from the perspective of company management. Biotage's segment information in the financial reports was already before based on the information supplied to the chief executive officer (the president). In the financial reports issued in 2008 the Group's business was presented in three segments: "Biosystems", "Discovery Chemistry" and "Other Operations". In the fourth quarter 2008 the Biosystems segment was divested. After the buyer took possession on October 2, 2008, the Group's remaining operations comprise only Discovery Chemistry. The joint functions for the business areas, in the previous segment reporting designated "Other operations", thus no longer exist. No operating segments can now be defined according to the criteria in IAS 1 and the internal reporting to the CEO is done in unified form for the Group's companies.

In all other respects the accounting principles applied in this interim report agree with the accounting and valuation principles applied in the preparation of the Group's latest Annual Report, described on pp. 30-41 and 46-47 in the 2008 Annual Report.

Readers wishing to study the accounting principles presented in the 2008 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)**  
**Interim report**  
**2009-01-01 – 2009-06-30**

**STATEMENTS OF COMPREHENSIVE INCOME**

	2009-04-01	2008-04-01	2009-01-01	2008-01-01	2008-01-01	2008-07-01
Amounts in KSEK	2009-06-30	2008-06-30	2009-06-30	2008-06-30	2008-12-31	2009-06-30
Net sales	104,411	95,092	204,003	184,037	385,295	405,261
Cost of goods sold	-41,002	-40,998	-83,952	-75,815	-160,838	-169,050
<b>Gross profit</b>	<b>63,410</b>	<b>54,094</b>	<b>120,050</b>	<b>108,222</b>	<b>224,457</b>	<b>236,211</b>
Selling costs	-35,969	-33,471	-70,528	-65,473	-142,266	-147,898
Administrative expenses	-15,256	-10,533	-30,452	-20,697	-40,753	-50,693
Research and development costs	-7,999	-7,705	-16,675	-14,345	-34,646	-37,508
Other operating income	-515	299	3,046	-3,841	15,702	22,404
Other operating expenses	-	-	-21,154	-	-	-21,154
Operating expenses	-59,739	-51,411	-135,763	-104,355	-201,962	-234,850
<b>Operating profit/loss</b>	<b>3,671</b>	<b>2,683</b>	<b>-15,713</b>	<b>3,867</b>	<b>22,495</b>	<b>1,361</b>
Financial net income	2,683	-738	697	-1,492	5,177	7,365
<b>Profit/loss before income tax</b>	<b>6,354</b>	<b>1,944</b>	<b>-15,016</b>	<b>2,374</b>	<b>27,672</b>	<b>8,726</b>
Tax expenses	-610	-157	-887	-181	3,498	2,792
Profit/loss after tax for continuing operations	5,744	1,787	-15,903	2,193	31,170	11,518
Profit/loss after tax for discontinued operations	-263	6,220	85	18,994	267,884	248,976
<b>Total profit/loss for the period</b>	<b>5,480</b>	<b>8,007</b>	<b>-15,818</b>	<b>21,187</b>	<b>299,054</b>	<b>260,494</b>
<b>Other comprehensive income</b>						
Translation differences related to non Swedish subsidiaries	-15,268	1,364	6,411	-21,559	29,240	57,210
Change in hedging reserve	777	1	3,050	340	-582	2,128
Other comprehensive income	-	171		805	822	12
Total other comprehensive income	-14,491	1,537	9,462	-20,414	29,480	59,350
<b>Total comprehensive income for the period</b>	<b>-9,011</b>	<b>9,544</b>	<b>-6,356</b>	<b>773</b>	<b>328,534</b>	<b>319,844</b>

**Biotage AB (publ)**  
**Interim report**  
**2009-01-01 – 2009-06-30**

**STATEMENTS OF COMPREHENSIVE INCOME (continued)**

	<b>2009-04-01</b>	<b>2008-04-01</b>	<b>2009-01-01</b>	<b>2008-01-01</b>	<b>2008-01-01</b>	<b>2008-07-01</b>
	<b>2009-06-30</b>	<b>2008-06-30</b>	<b>2009-06-30</b>	<b>2008-06-30</b>	<b>2008-12-31</b>	<b>2009-06-30</b>
Attributable to parent company's shareholders:						
Total profit/loss for the period	5,480	8,007	-15,818	21,187	299,054	260,494
Total comprehensive income for the period	-9,011	9,544	-6,356	773	328,534	319,844
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	88,486,320	88,630,046	88,486,320	88,643,913	88,541,030	88,502,818
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320
Total profit/loss for the period per share SEK	0.06 kr	0.09 kr	-0.18 kr	0.24 kr	0.35 kr	0.13 kr
Total profit/loss for the period per share SEK after dilution	0.06 kr	0.09 kr	-0.18 kr	0.24 kr	0.35 kr	0.13 kr
Total comprehensive income for the period per share	-0.10 kr	0.11 kr	-0.07 kr	0.01 kr	3.71 kr	3.61 kr
Total comprehensive income for the period per share after dilution SEK	-0.10 kr	0.11 kr	-0.07 kr	0.01 kr	3.71 kr	3.61 kr

<b>Quarterly summary 2009 and 2008</b>	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
<b>Amounts in KSEK</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Net Sales	104,411	99,591	108,950	92,308	95,092	88,945
Cost of goods sold	-41,002	-42,951	-46,426	-38,597	-40,998	-34,817
Gross profit	<b>63,410</b>	<b>56,641</b>	<b>62,524</b>	<b>53,711</b>	<b>54,094</b>	<b>54,128</b>
Gross margin	60.7%	57.4%	57.4%	58.2%	58.2%	60.9%
Operating expenses	-59,739	-76,024	-50,850	-46,756	-51,411	-52,944
Operating profit/loss	<b>3,671</b>	<b>-19,384</b>	<b>11,674</b>	<b>6,955</b>	<b>2,683</b>	<b>1,184</b>
Financial net income	2,683	-1,986	6,516	152	-738	-754
Profit/loss before income tax	<b>6,354</b>	<b>-21,370</b>	<b>18,190</b>	<b>7,107</b>	<b>1,944</b>	<b>430</b>
Tax expenses	-610	-277	4,201	-522	-157	-24
Profit/loss after tax for continuing operations	5,744	-21,647	22,392	6,584	1,787	407
Profit/loss after tax for discontinued operations	-263	349	242,719	6,172	6,220	12,774
<b>Total profit/loss for the period</b>	<b>5,480</b>	<b>-21,298</b>	<b>265,111</b>	<b>12,756</b>	<b>8,007</b>	<b>13,180</b>

**Biotage AB (publ)**  
**Interim report**  
**2009-01-01 -- 2009-06-30**

**STATEMENTS OF FINANCIAL POSITION**

<b>Amounts in KSEK</b>	<b>2009-06-30</b>	<b>2008-12-31</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	82,655	80,978
Goodwill	493,959	487,227
Other intangible assets	63,668	60,731
Financial assets	1,759	1,754
Deferred tax recoverable	42,570	42,570
<b>Total fixed assets</b>	<b>684,611</b>	<b>673,260</b>
<b>Current assets</b>		
Inventory	105,353	104,224
Account receivable and other receivables	88,970	100,498
Liquid funds	390,461	404,991
<b>Total current assets</b>	<b>584,784</b>	<b>609,713</b>
<b>Total assets for continuing operations</b>	<b>1,269,395</b>	<b>1,282,973</b>
<b>Assets for divestment</b>	<b>-</b>	<b>16,039</b>
<b>TOTALT ASSETS</b>	<b>1,269,395</b>	<b>1,299,012</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	4,993	847,173
Reserves	-34,458	-43,920
Profit/loss carried forward	1,041,718	233,054
<b>Total equity</b>	<b>1,100,740</b>	<b>1,124,793</b>
<b>Long term liabilities</b>		
Liabilities to credit institutions	8,863	8,065
Provisions of a long-term nature	3,048	3,351
<b>Total long term liabilities</b>	<b>11,911</b>	<b>11,416</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	-2,709,369	95,360
Tax liabilities	2,793,368	1,869
Liabilities to credit institutions	47,432	38,829
Provisions of a short-term nature	25,314	5,977
<b>Total current liabilities</b>	<b>156,745</b>	<b>142,036</b>
<b>Total equity and liabilities for continuing operations</b>	<b>1,269,395</b>	<b>1,278,245</b>
<b>Liabilities for divestment</b>	<b>-</b>	<b>20,767</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,269,395</b>	<b>1,299,012</b>

STATEMENTS OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Other payed-in capital	Accumulated translation differences	Hedging-reserve	Profit/loss carried forward	Total equity
Opening balance January 1, 2008	88,486	1,513,992	-72,117	-460	-733,636	796,265
<b>Changes in 2008:</b>						
Net income for the year 2008	-	817	29,240	-582	299,054	328,529
<b>Sum of changes in 2008, exclusive of transactions with company owners</b>	<b>0</b>	<b>817</b>	<b>29,240</b>	<b>-582</b>	<b>299,054</b>	<b>328,528</b>
<b>Transactions with company owners</b>						
Appropriation according to decision of the annual meeting	-	-667,636	-	-	667,636	0
<b>Closing balance at December 31, 2008</b>	<b>88,486</b>	<b>847,173</b>	<b>-42,877</b>	<b>-1,042</b>	<b>233,053</b>	<b>1,124,793</b>
<b>Changes in 2009:</b>						
Total comprehensive income for the period jan-jun	-	-	6,411	3,050	-15,818	-6,356
<b>Sum of changes in 2009, exclusive of transactions with company owners</b>	<b>0</b>	<b>0</b>	<b>6,411</b>	<b>3,050</b>	<b>-15,818</b>	<b>-6,356</b>
<b>Transactions with company owners</b>						
Dividend to shareholders	-	-	-	-	-17,697	-17,697
Amount carried over from reserve fund as per the decision of extraordinary general meeting registered by the Swedish Companies Registration Office on February 10, 2009	-	-842,180	-	-	842,180	0
<b>Closing balance June 30, 2009</b>	<b>88,486</b>	<b>4,993</b>	<b>-36,466</b>	<b>2,008</b>	<b>1,041,718</b>	<b>1,100,740</b>

STATEMENTS OF CASH FLOW

	2009-04-01	2008-04-01	2009-01-01	2008-01-01	2008-01-01	2008-07-01
Amounts in KSEK	2009-06-30	2008-06-30	2009-06-30	2008-06-30	2008-12-31	2009-06-30
<b>Operating activities</b>						
Profit/loss after financial items	6,354	1,944	-14,930	2,375	27,672	10,367
Adjustments for items not included in the cash flow	3,898	6,356	34,147	13,245	21,291	42,192
	<b>10,252</b>	<b>8,300</b>	<b>19,216</b>	<b>15,620</b>	<b>48,963</b>	<b>52,559</b>
Tax paid	-610	-157	-887	-181	-1,494	-2,200
<b>Cash flow from operating activities before changes in working capital</b>	<b>9,641</b>	<b>8,143</b>	<b>18,329</b>	<b>15,439</b>	<b>47,469</b>	<b>50,359</b>
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of inventories	-1,298	5,045	-350	-4,652	-5,900	-1,598
Increase (-)/ decrease (+) of account receivables	-6,031	-9,484	5,666	1,109	9,833	14,390
Increase (-)/ decrease (+) of other current receivables	-4,519	2,213	6,985	1,552	-6,996	-1,564
Increase (+)/ decrease (-) of other liabilities	-1,924	-10,388	-13,792	-16,264	10,088	12,560
Cash flow from operating activities for continuing operations	<b>-4,131</b>	<b>-4,472</b>	<b>16,838</b>	<b>-2,815</b>	<b>54,493</b>	<b>74,147</b>
Cash flow from operating activities for discontinued operations	<b>1,040</b>	<b>7,001</b>	<b>-3,976</b>	<b>20,693</b>	<b>34,244</b>	<b>9,574</b>
<b>Cash flow from operating activities</b>	<b>-3,090</b>	<b>2,529</b>	<b>12,862</b>	<b>17,878</b>	<b>88,737</b>	<b>83,721</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-7,607	-7,332	-13,721	-12,840	-17,849	-18,729
Acquisition of tangible fixed assets	-4,476	-2,569	-5,834	-4,099	-6,611	-8,345
Acquisition of financial assets	-29	-86	-57	-177	-300	-181
Sale of tangible fixed assets		32		32		-32
Sale of financial fixed assets		-		17	17	
Cash flow from investing activities for continuing operations	<b>-12,112</b>	<b>-9,956</b>	<b>-19,612</b>	<b>-17,068</b>	<b>-24,743</b>	<b>-27,287</b>
Cash flow from investing activities for discontinued operations	<b>-</b>	<b>-2,809</b>	<b>-</b>	<b>-8,014</b>	<b>344,012</b>	<b>352,027</b>
<b>Cash flow from investing activities</b>	<b>-12,112</b>	<b>-12,765</b>	<b>-19,612</b>	<b>-25,082</b>	<b>319,269</b>	<b>324,740</b>
<b>Financial activities</b>						
Dividend to shareholders	-17,697	-	-17,697	-	-	-17,697
Borrowing	4,117		8,858	21	4,006	2,967
Amortization of loan liabilities	-186	-4,806	-344	-5,348	-39,897	-25,016
Cash flow from financial activities for continuing operations	<b>-13,766</b>	<b>-4,806</b>	<b>-9,183</b>	<b>-5,327</b>	<b>-35,891</b>	<b>-39,747</b>
Cash flow from financial activities for discontinued operations	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Cash flow from financial activities</b>	<b>-13,766</b>	<b>-4,806</b>	<b>-9,183</b>	<b>-5,327</b>	<b>-35,891</b>	<b>-39,747</b>
<b>Cash flow during period</b>	<b>-28,968</b>	<b>-15,043</b>	<b>-15,933</b>	<b>-12,531</b>	<b>372,116</b>	<b>368,714</b>
Cash and liquid assets beginning of period	418,041	33,315	404,991	31,017	31,017	18,365
Exchange differences in liquid assets	1,389	93	1,403	-122	1,857	3,383
<b>Cash and liquid assets at end of period</b>	<b>390,461</b>	<b>18,365</b>	<b>390,461</b>	<b>18,365</b>	<b>404,991</b>	<b>390,461</b>
<b>Additional information:</b>						
<i>Justeringar för poster som inte ingår i kassaflödet:</i>						
<i>Adjustments for items not included in the cash flow</i>	8,329	6,391	16,958	12,118	32,332	37,173
Depreciations and write-downs	-2,061	-	19,093	-	-	18,770
Change in restructuring reserve	-2,370	-36	-1,904	1,128	-11,041	-13,751
Other items	3,898	6,356	34,147	13,245	21,291	42,192

INCOME STATEMENTS FOR THE PARENT  
COMPANY

	2009-04-01	2008-04-01	2009-01-01	2008-01-01	2008-01-01	2008-07-01
Amounts in KSEK	2009-06-30	2008-06-30	2009-06-30	2008-06-30	2008-12-31	2009-06-30
Net sales	3,043	1,990	3,043	3,979	6,159	5,222
Administrative expenses	-4,065	-4,636	-8,337	-8,863	-16,043	-15,517
Research and development costs	-931	-1,473	-1,473	-2,156	-3,928	-3,246
Other operating net income	5,929	1,411	845	1,350	28,491	27,986
<i>Operating expenses</i>	933	-4,698	-8,966	-9,669	8,519	9,223
<b>Operating profit/loss</b>	<b>3,976</b>	<b>-2,709</b>	<b>-5,923</b>	<b>-5,690</b>	<b>14,677</b>	<b>14,445</b>
<b>Profit/loss from financial investments:</b>						
Interest income from receivables from group companies	4,888	3,666	9,570	7,339	16,058	18,289
Interest expenses from liabilities to group companies	-510	-534	-970	-1,071	-2,021	-1,920
Result from participations in group companies	-	-	-	-	-96,781	-96,781
Profit and loss from other securities and receivables that are long term financial assets	-	-	-	5,092	40,679	35,587
Interest expenses and similar expense items	697	0	1,991		2,711	4,717
Interest expenses and similar expense items	-9	-17	-9	-34	-20	-10
Translation differences on intra-group receivables	-4,956	148	746	-1,718	16,083	18,547
Finansnetto	110	3,263	11,329	9,608	-23,292	-21,572
<b>Profit/loss before income tax</b>	<b>4,086</b>	<b>554</b>	<b>5,405</b>	<b>3,918</b>	<b>-8,614</b>	<b>-7,127</b>
Tax expenses	-	-	-	-	3,209	3,209
<b>Total profit/loss for the period</b>	<b>4,086</b>	<b>554</b>	<b>5,405</b>	<b>3,918</b>	<b>-5,405</b>	<b>-3,918</b>

**Biotage AB (publ)**  
**Interim report**  
**2009-01-01 – 2009-06-30**

**BALANCE SHEETS FOR THE PARENT COMPANY**

<b>Amounts in KSEK</b>	<b>2009-06-30</b>	<b>2008-12-31</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Patent and license rights	6,651	6,774
<b>Financial assets</b>		
Participation in group companies	557,090	557,047
Receivables from group companies	123,675	108,269
Deferred tax asset	42,570	42,570
Other long-term securities	-	-
	<b>723,334</b>	<b>707,886</b>
<b>Total fixed assets</b>	<b>729,985</b>	<b>714,660</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Account receivables	-	71
Receivables from group companies	81,752	82,161
Other receivables	2,176	511
Prepaid expenses and accrued income	1,256	6,705
	<b>85,184</b>	<b>89,448</b>
<b>Cash and bank balances and investments</b>	<b>361,263</b>	<b>356,972</b>
<b>Total current assets</b>	<b>446,447</b>	<b>446,420</b>
<b>TOTALT ASSETS</b>	<b>1,176,431</b>	<b>1,161,080</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	88,486	88,486
Statutory reserves	-	842,180
	<b>88,486</b>	<b>930,666</b>
<b>Unrestricted equity</b>		
Fair value fond	34,460	36,294
Profit/loss carried forward	819,078	-
Profit/loss for the period reported	5,405	-5,405
	<b>858,943</b>	<b>30,890</b>
<b>Total equity</b>	<b>947,429</b>	<b>961,556</b>
<b>Current liabilities</b>		
Account payable	1,273	3,647
Liabilities to group companies	224,260	189,910
Other short term liabilities	401	789
Accrued expenses and prepaid income	3,069	5,178
	<b>229,003</b>	<b>199,523</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>1,176,431</b>	<b>1,161,080</b>

CASH FLOW STATEMENTS FOR THE PARENT COMPANY

Amounts in KSEK	2009-04-01 2009-06-30	2008-04-01 2008-06-30	2009-01-01 2009-06-30	2008-01-01 2008-06-30	2008-01-01 2008-12-31	2008-07-01 2009-06-30
<b>Operating activities</b>						
Profit/loss after financial items	4,086	554	5,405	3,918	-8,614	-7,127
Adjustments for items not included in the cash flow	-6,094	1,308	-7,285	1,863	29,896	13,888
	<b>-2,007</b>	<b>1,862</b>	<b>-1,880</b>	<b>5,782</b>	<b>21,282</b>	<b>6,762</b>
Tax paid	-	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2,007</b>	<b>1,862</b>	<b>-1,880</b>	<b>5,782</b>	<b>21,282</b>	<b>6,762</b>
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of other current receivables	-1,820	-7,680	3,855	-6,907	33,587	51,221
Increase (+)/ decrease (-) of other liabilities	-681	2,456	20,741	1,488	123,800	143,039
<b>Cash flow from operating activities</b>	<b>-4,509</b>	<b>-3,362</b>	<b>22,716</b>	<b>363</b>	<b>178,669</b>	<b>201,022</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-301	-408	-727	-935	-2,037	-1,830
Sales of financial assets	-	-	-	-	-	-
Divest of business area	-	-	-	-	174,437	174,437
Increase (-)/ decrease (+) of other long-term receivables	-	-	-	-	5,041	5,041
<b>Cash flow from investing activities</b>	<b>-301</b>	<b>-408</b>	<b>-727</b>	<b>-935</b>	<b>177,441</b>	<b>177,648</b>
<b>Cash flow from financial activities</b>						
Dividend to shareholders	-17,697	-	-17,697	-	-	-17,697
<b>Cash flow from financial activities</b>	<b>-17,697</b>	<b>0</b>	<b>-17,697</b>	<b>0</b>	<b>0</b>	<b>-17,697</b>
<b>Cash flow for the period</b>	<b>-22,508</b>	<b>-3,770</b>	<b>4,291</b>	<b>-572</b>	<b>356,110</b>	<b>360,973</b>
<b>Cash and liquid assets beginning of period</b>	<b>383,771</b>	<b>4,060</b>	<b>356,972</b>	<b>862</b>	<b>356,110</b>	<b>290</b>
<b>Cash and liquid assets at end of period</b>	<b>361,263</b>	<b>290</b>	<b>361,263</b>	<b>290</b>	<b>356,110</b>	<b>361,263</b>
<b>Additional information:</b>						
<i>Adjustments for items not included in the cash flow</i>						
Depreciations and write-downs	471	1,307	809	1,862	164,390	163,336
Disinvestment profit Biosystems reported in investing activities	-	-	-	-	-123,791	-123,791
Translation differences	-6,565	1	-8,094	1	-10,702	-25,656
Sum	-6,094	1,308	-7,285	1,863	29,896	13,888



Biotage AB (publ)

Interim report

2009-01-01 – 2009-06-30

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

Amounts in KSEK	Share capital	Statutory reserv	Fund for fair value	Profit/loss carried forward	Total equity
Opening balance January 1, 2008	88,486	1,509,816	-38,554	-629,082	930,667
<b>Changes in 2008:</b>					
Appropriation according to decision of the annual meeting	-	-667,636	38,554	629,082	0
Profit/loss 2008	-	-	36,294	-	36,294
<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>
Closing balance December 31, 2008	88,486	842,180	36,294	-5,405	961,556
<b>Changes in 2009:</b>					
Amount carried over from reserve fund as per the decision of extraordinary general meeting registered by the Swedish Companies Registration Office on February 10, 2009	-	-842,180	-	842,180	0
Dividend to shareholders	-	-	-	-17,697	-17,697
Exchange rate differences	-	-	-1,835	-	-1,835
Profit/loss 2009	-	-	-	5,405	5,405
Closing balance June 30, 2009	88,486	0	34,460	824,483	947,429