



Press Release
19 March 2008

NOTICE OF

Annual General Meeting of BioGaia AB (publ)

BioGaia AB (publ) will hold its Annual General Meeting at 4:00 p.m. on Tuesday, 22 April 2008, at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, in Stockholm. The doors will be opened for registration at 3:00 p.m. Registration will end at 4:00 p.m.

Right to participate

In order to be entitled to participate in the Meeting, shareholders must be recorded in their own name in the register of shareholders maintained by VPC AB (the Nordic Central Securities Depository) no later than 16 April 2008 and must provide notice of participation to the Company's head office no later than 4:00 p.m. on 18 April 2008. Notification can be made by mail to BioGaia AB (publ), Box 3242, SE-103 64 Stockholm, Sweden, by telephone +46 (0)8-555 293 00, by fax +46 (0)8-555 293 01, by e-mail info@biogaia.se, or by returning the reply card that has been sent to all shareholders. The notification should include the shareholder's name, personal identity or corporate registration number, address, telephone number, registered shareholding and the names of any assistants.

In order to vote in the Meeting, shareholders whose shares are registered in the name of a trustee must temporarily re-register the shares in their own name. Such re-registration must be completed no later than 16 April 2008.

Proposed agenda

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two minutes-checkers.
6. Determination as to whether the Meeting has been duly convened.
7. Address by the Managing Director.
8. Presentation of the annual report, the audit report, the consolidated financial statements and consolidated audit report.
9. Decisions regarding:
 - a) Adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
 - b) Appropriation of the Company's earnings according to the adopted balance sheet,
 - c) Discharge from liability for the Board of Directors and the Managing Director.
10. Decision regarding the number of Board members.
11. Determination of fees to be paid to the Board of Directors and auditors.
12. Election of Board members.
13. Election of the Board Chairman.
14. The Board's proposed principles for remuneration and other terms of employment of senior executives.
15. Decision regarding the Nominating Committee
16. Adjournment of the Meeting.

Resolutions, etc.

Shareholders representing approximately 46.9% of the votes in the Company submit the following proposals for decision (items 2, 10 - 13 and 15 above).

Item 2 – Election of the Chairman of the Meeting

Attorney Peter Vennerstrand.

Item 10 – Decision regarding the number of Board members

Seven (7) regular Board members with no (0) deputies.

Item 11 – Determination of fees to be paid to the Board of Directors and auditors

The Board Chairman shall receive SEK 200,000 and other Board members not employed by the Company shall receive SEK 100,000 each. Auditors' fees shall be paid according to approved account.

Item 12 – Election of Board members

Re-election of Jan Annwall, David Dangoor, Stefan Elving, Thomas Flinck, Inger Holmström and Paula Zeilon. New election of Jörgen Thorball (Stina Gestrelus has declined re-election).

Jörgen Thorball, born in 1962, has a background as a physician and 18 years of experience from a number of international positions in pharmaceutical and biotech companies such as Aventis and Pharmacia. During the period from 1999 to 2001 he was responsible for BioGaia Health Care in Lund, at which time he laid the foundation for part of BioGaia's current product portfolio. From 2001 to 2007 he worked for Novozymes where he built up a new area of operation through acquisitions and international partnerships that currently generates annual sales of around SEK 1 billion. Jörgen is a member of the board of six small private enterprises; Vivolution A/S, ViorGates A/S, Imotions A/S, Lina-Medical A/S, MyC4.com A/S and Alsensa A/S. Jörgen has also been an initiative-taker for more than 25 enterprises and organisations and is known as a visionary and debater in the areas of innovation and modern leadership. He has recently published two books on these subjects and also teaches in an M.B.A. programme. Jörgen holds 0 shares in BioGaia.

A detailed description of the members of the Board proposed for re-election is provided in the 2007 annual report and on the Company's website.

Item 13 – Election of the Board Chairman

Re-election of David Dangoor.

Item 15 – Decision regarding the Nominating Committee

The Nominating Committee shall consist of one representative for each of the three largest shareholders in terms of voting power together with the Board Chairman (convener). In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership conditions on 30 June 2008. The Nominating Committee shall be chaired by the member representing the largest shareholder. If any of the three largest shareholders should waive this right, the shareholder next in order of size will be given the opportunity to appoint a member. The names of the shareholder representatives shall be announced as soon as they are appointed, although no later than six months prior to the 2009 AGM. The mandate period of the Nominating Committee shall extend until such time as the new Nominating Committee has been appointed.

Should the ownership composition change in such a way that the shareholder represented by a member of the Nominating Committee is no longer among the three largest shareholders in terms of voting power, the Nominating Committee may, if deemed appropriate, remove such member and the shareholder next in order of voting power be given the right to appoint a member to the Nominating Committee.

The Nominating Committee shall prepare proposals on the following matters to be put before the 2009 AGM for decision:

- a) election of a Chairman of the Meeting,
- b) election of the members of the Board,
- c) election of the Board Chairman,
- d) recommendation of Board fees
- e) recommendation of auditor's fees
- f) recommendation for the Nominating Committee ahead of the 2010 AGM.

The Board's proposals for decision (items 9.b and 14 above)

Item 9 – Appropriation of the Company's earnings

The Board of Directors and Managing Director propose that the Company's entire accumulated deficit of SEK 134,390,159 be covered through a transfer of SEK 686,014 from the share premium reserve and through a reduction of SEK 133,704,145 in the statutory reserve.

Item 14 – The Board's proposed principles for remuneration and other terms of employment of senior executives

The Board proposes that the Meeting approve the following guidelines for determining the remuneration and other terms of employment for senior executives in the Group. The principles apply to all employment contracts entered into after the decision of the Meeting and in cases where changes are made in the existing terms of employment after this date.

In a long-term perspective, it is of fundamental importance to the Board that the principles for remuneration and other terms of employment for senior executives in the Group provide motivation and make it possible to retain qualified employees who work to maximise shareholder and customer value. In order to achieve this, it is vital to uphold fair and internally equitable terms that are also market-based and competitive with respect to the structure, scope and level of remuneration. The total package of terms for the affected individuals should contain a balanced mix of fixed salary, long-term incentive schemes, pension and other benefits and terms of notice/termination benefits.

Fixed salary – Fixed salary should be individualised and based on the executive's roles and responsibilities, as well as his or her expertise and past experience in relevant positions.

Long-term incentive schemes – Every year, the Board shall evaluate whether or not a long-term share-based or share price-based incentive scheme should be proposed to the General Meeting. Other types of long-term incentive schemes can be decided on by the Board. Any remuneration in the form of long-term incentive schemes must be consistent with generally accepted practice in the respective market.

In June 2007, BioGaia carried out the warrant program that was approved by the 2007 AGM. A total of 128,950 warrants were subscribed for by the employees (of which 27,000 by the management), resulting in a dilution of around 0.7% in the total number of shares and 0.5% in the total number of votes. Each warrant grants the holder the right to subscribe for one class B share for SEK 76.70 during the period from 15 May 2010 to 31 August 2010. The warrant price was calculated according to the customary valuation method (Black & Scholes model) and amounted to SEK 5.32 per warrant, which means that the employees subscribed for the warrants on market-based terms.

Pensions – Senior executives who are entitled to pension benefits shall have defined contribution pension agreements. The retirement age for senior executives who are Swedish citizens is 65 years, and for other senior executives according to the pension rules in each respective country. The final amount of benefit depends on the pension agreements in force.

Other benefits – Other benefits shall be limited in relation to other remuneration, and shall be consistent with generally accepted practice in the respective geographical market.

Notice period and termination benefits – The Managing Director and Deputy Managing Director have a mutual notice period of 18 months. In the event of dismissal by the Company, the Managing Director and Deputy Managing Director are entitled to salary

during the notice period of 18 months. Other senior executives have a notice period of three months.

The Board proposes that that it be authorised to deviate from the above proposed guidelines in individual cases where there is special reason to do so.

Number of shares/votes and AGM documents

On the date of the Annual General Meeting, the total number of shares in the Company is 17,207,562, consisting of 740,668 class A shares and 16,466,894 class B shares carrying a combined total of 23,873,574 votes.

The financial statements and audit report have been sent to the shareholders. The Board of Directors' proposal for decision under item 14 above, the auditor's statement on compliance with Board's guidelines for remuneration of senior executives and proxy forms will be available at the Company starting on 8 April 2008 and will be sent to all shareholders who so request and who provide their mailing address. The documents will also be posted on the Company's website: www.biogaia.se.

Stockholm, March 2008

The Board of Directors of BioGaia AB (publ)

Latest press releases from BioGaia:

2008-02-20 BioGaia signs new agreement with Ferring Pharmaceuticals
2008-02-13 Year-end report
2008-01-30 BioGaia continues its Japanese venture

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*BioGaia is a biotechnology company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on the lactic acid bacterium *Lactobacillus reuteri* (Reuteri), which has probiotic, health-enhancing effects. The class B share of the Parent Company BioGaia AB is quoted on the Small Cap list of the Nordic Stock Exchange in Stockholm.*

www.biogaia.com