

Press release 8 October 2008

## BioGaia invests in LifeTop Cap in new subsidiary

BioGaia has decided to intensify its sales commitment to its patented LifeTop Cap technology in a newly formed subsidiary CapAble AB.

LifeTop Cap is a bottle cap that has been developed to create unique probiotic drinks with long shelf-life. The principle is based on the idea that sensitive ingredients that cannot be added to the drink are placed in a protective container in the cap, and mixed with the drink at the time of consumption. The bottle cap has generated major interest from companies which develop and sell many types of "functional drinks".

"The cap was to be a unique way to sell BioGaia's probiotic health-promoting cultures, but interest from the market for other types of ingredients in the cap mean that we now invest more actively and more broadly. We are doing this to more effectively capture the opportunities that exist in the growing "functional drinks" market. It feels like a natural step after the agreement which was signed with the major closure company Bericap earlier this year." says Peter Rothschild, President BioGaia.

CapAble, which will be based in Stockholm, will mainly work with marketing and sales of LifeTop Cap, as well as, in collaboration with Bericap, be responsible for the further development of a complete product portfolio within this area. Production will take place at Bericap SA and at the 50% BioGaia owned company TwoPac AB.

BioGaia's former Director of Marketing Staffan Pålsson owns just under 10% of the company and is its Managing Director.



## Latest press releases from BioGaia:

2008-09-17 Nestlé launches BOOST® product in the US with BioGaia's Probiotic straw

2008-09-08 Q-Mejerierna launches yoghurt drink with BioGaia's probiotic

2008-08-21 BioGaia enters agreement with Nestlé Nutrition

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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.