

Press release 23 September 2010

BioGaia and SCA sign collaboration agreement

BioGaia and SCA today signed a long-term collaboration agreement with the aim of developing new health-targeted products through BioGaia's probiotic bacteria and application technologies combined with SCA's competence in the field of hygiene products. The objective is to develop products specifically suited to BioGaia's and SCA's distribution networks.

BioGaia's task will be to develop different patented strains to different indications, test these in clinical trials and to create formulations which are specially adapted to the indication. SCA will contribute with patented technologies in the area of hygiene and have an extensive distribution network where probiotics can be marketed and sold. The areas of interest are intimate hygiene products and products for the elderly.

"It is extremely exciting to see what this collaboration can give since both partners can contribute with both know-how and patented technologies and their own distribution networks. We are highly impressed with SCA's ambitions in the hygiene area and our hope is that we shall be able to develop new products that can be sold in relatively large volumes through SCA's distribution net as well as more specialised products for our own distributors." says Peter Rothschild, President BioGaia.

"The collaboration is a good example of open innovation, which in this case involves taking ideas from one's own company and finding an environment outside where the idea can developed optimally. The fact that there is complementary competence within both companies was obvious early and we also noted that there are synergies between our methods of reaching the market. We have really high hopes for what will come out of this collaboration since we will utilise the distinctive characteristics that define each of us." says Ingela Torstensson, Global Head of Research at SCA.

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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 NASDAQ OMX Nordic Exchange Stockholm.

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