

BioGaia signs exclusive agreement for its probiotic drops and oral rehydration solution with Nestlé's Gerber division in the United States

BioGaia and Gerber Products Company, a division of Nestlé S.A., announced today the completion of an agreement for the exclusive right to sell BioGaia's probiotic drops and oral rehydration solution in the United States. The products will be branded and sold under the well-known and highly regarded US Gerber brand. The probiotic drops are planned to launch in late 2012 and support Gerber's Maternal and Infant Nutrition strategy to offer mom benefits should she choose to breastfeed or supplement with formula.

This is the first contract with Nestlé since BioGaia's sale to Nestlé of perpetual license rights to use BioGaia's patented *Lactobacillus reuteri* Protectis in infant formula, announced in February 2012, at which time the two companies entered into a number of development and option agreements. The agreement with Gerber is a major step forward for BioGaia in the large United States paediatric market.

Gerber, founded in 1928, is the leader in early childhood nutrition in the United States and produces more than 200 products. Nestlé acquired Gerber in September 2007.

Both the BioGaia ProTectis baby drops and the BioGaia ProTectis Oral Rehydration Solution contain BioGaia's patented and well researched probiotic strain *Lactobacillus reuteri* Protectis. Today the drops are available in 51 countries and the oral rehydration solution in six countries.

"Gerber, as part of the Nestlé family, is proud to expand its partnership with BioGaia as it develops the Mom's Choice Maternal Nutrition Portfolio, said Marilyn Knox, CEO of Nestlé Infant Nutrition, US. "Now, through the partnership with BioGaia, Gerber Soothe Colic Drops® and Gerber GOOD START Soothe® infant formula with *Lactobacillus reuteri* Protectis probiotics can offer both breastfeeding and formula feeding moms clinically proven colic relief for their babies."

"We are pleased with the agreement with Gerber. With the leading baby food brand in the United States as our partner, the possibility for a wide distribution of our drops and oral rehydration solution is excellent. The prominent exposure of the BioGaia brand elements on the BioGaia products and the Gerber infant formula product, containing our probiotic strain Protectis, will contribute to the building of the BioGaia brand in the US", says Peter Rothschild, President, BioGaia.

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BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on 13 June 2012, 08:30 am CET.

BioGaia is a healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on the lactic acid bacterium *Lactobacillus reuteri* which has probiotic, health-enhancing effects. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of the NASDAQ OMX Nordic Exchange Stockholm. www.biogaia.com