BIOHIT Oyj – Annual Report 2011

INNOVATING FOR HEALTH

BIOHIT HealthCare

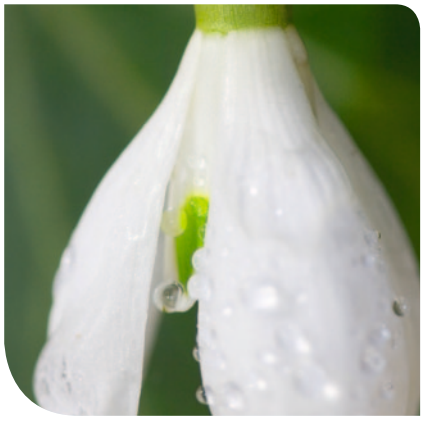
Innovating for Health

INNOVATING

Contents

FOR HEALTH

Biohit in brief



Consolidation

Innovation

Social responsibility

Biohit Oyj is a globally operating Finnish biotechnology company established in 1988. At the end of 2011, the company made a major strategic choice: Biohit divested its liquid handling business to focus on its Healthcare business, a socially responsible segment that holds considerable growth potential.

Biohit's range comprises products and analysis systems for the prevention and early diagnosis of gastrointestinal diseases. These include the blood sample-based GastroPanel examinations for the diagnosis of stomach diseases and associated risks, including gastric cancer; quick tests for the diagnosis of lactose intolerance and H. pylori infection in connection with gastroscopy; and the ColonView examination for the early detection of intestinal bleeding that indicates a risk of colorectal cancer (www.biohithealthcare.com/diagnostics). Biohit's Acetium capsule is the only way to reduce carcinogenic acetaldehyde in an anacidic stomach. An anacidic stomach may be a consequence of a) atrophic gastritis (a functional disorder of the stomach involving damage to the gastric mucosa) resulting from Helicobacter pylori infection or an autoimmune disease, or b) medication taken to reduce stomach acidity (www.acetium.com/acetaldehyde-exposure-test).

Acetaldehyde is classed as a Group I carcinogen, a group that also includes asbestos, tobacco and benzene. All available means should be used to reduce exposure to these carcinogens in food and the organs.

Biohit is headquartered in Helsinki and the company has a subsidiary in the UK. Since 1999, Biohit's Series B share has been quoted on NASDAQ OMX Helsinki in the Small cap/Healthcare group. It is traded under the code BIOBV (www.biohithealthcare.com/investors).

Read more at www.biohithealthcare.com

THE YEAR 2011

A YEAR OF CHANGE

Terveystalo has introduced Biohit's GastroPanel examination into its service range. GastroPanel is now available at all of Terveystalo's 150-plus locations across Finland. Diacor has also introduced GastroPanel at all of its locations in the Greater Helsinki Area. Certain major events in 2011 hindered Biohit's ability to tap the great potential of the diagnostics business. There were changes in the company's management, and we had to allocate resources to prepare for the divestment of the liquid handling business and its continued operation under a new owner. Favourable trends were seen in the net sales of the diagnostics business, especially in Finland.

Goodwill write-off

The goodwill write-off on Biohit's continuing operations covered certain products in the GastroPanel test package. Acetium products do not belong to this product group. The diagnostics business grew less than was expected during the 2011 financial year. Cash flow from products during the early years of the forecast period is predicted to be in the red, due to front-loaded investments and delayed developments in net sales. As a consequence, Biohit Oyj's Board of Directors decided on a goodwill write-off of EUR 2.6 million in the 2011 Financial Statements. This write-off is based on a goodwill impairment test carried out at the end of 2011, as required by our compliance with IFRS standards. Over the coming years, we'll focus on developing both our GastroPanel and Acetium operations.

Financing

Based on a resolution of the AGM held on 13 April 2011, the Board of Directors is authorised to decide on the issue of shares and to issue the special rights referred to in Chapter 10, Section 1 of the Limited Liability Companies Act so that the maximum number of new Series B shares to be issued pursuant to the special rights is 2,000,000. This amount corresponds to approximately 20% of the company's Series B shares. After the directed share issue to Sartorius in August, the Board is still authorised to decide on the issue of a further 1,322,034 Series B shares. The issue of shares and the issue of special rights entitling to the receipt of shares can occur in deviation from the subscription right of shareholders (directed issue). Such an authorisation remains valid for three years from the resolution of the AGM. On the basis of the authorisation granted by the Annual General Meeting on 13 April 2011, the Board of Directors decided to arrange a directed share issue to Sartorius Lab Holding GmbH. Sartorius subscribed for a total of 677,966 new Series B shares. These shares represent about 4.98% of all Biohit Oyj's shares and 0.97% of all votes conferred after registration. The subscription price was EUR 2.95 per share. Biohit Oyj's financial position saw another significant improvement after the company divested its liquid handling business to Sartorius Lab Holding Gmbh for EUR 68 million on 14 December 2011.

Research and development

R&D in the diagnostics business has focused on improvements and further developments to existing innovations and products. Biohit also employs external experts and subcontractors in its R&D operations. Gross investments in continuing operations during the reporting period totalled EUR 0.1 million (EUR 0.1 million).

Biohit Oyj has signed an agreement with Thermidas Oy on the global marketing of Thermidas' thermal camera. This innovation is currently used in the analysis of, for example, blood circulation in sports injuries and the lower limbs of diabetes patients. It may also be adaptable for use in treatment monitoring and the safe, early diagnosis of certain cancer risks, such as skin, prostate and breast cancer.

Personnel

During 2011, the average number of personnel employed by the Group was 422 (412 in 2010) of whom 188 (192) were employed by the parent company and 234 (220) by its subsidiaries. At the end of the financial year, Biohit employed 34 people. 27 were employed by the parent company and, during the second transitional phase, 5 people will also be working for subsidiaries divested to Sartorius.

At the turn of 2010/2011, Biohit combined sales and marketing management for the liquid handling and diagnostics businesses. They were, however, separated again after the divestment of the liquid handling business. We also made changes to our sales organisation.

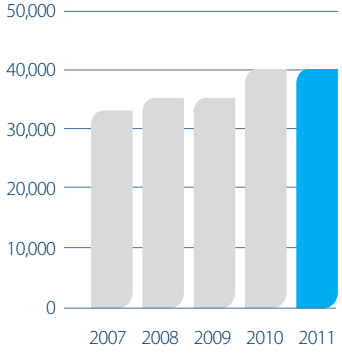
The Biohit Group

	Jan–Dec 2011	Jan–Dec 2010
Net sales, MEUR, continuing operations	2.1	2.2
Net sales, MEUR, discontinued operations	37.9	37.8
Operating profit/loss, MEUR, continuing operations	-4.9	-2.9
Operating profit/loss, discontinued operations	49.1	3.4
Profit/loss before taxes	43.8	0.4
Profit/loss for the period	37.7	0.1
Average number of personnel	422	412
Personnel at period end, continuing operations	34	35
Equity ratio, %	74%	44.5%
Earnings per share, EUR	2.9	0.00
Shareholder´s equity per share, EUR	3.9	1.01
Average number of shares during the period	13,163,616	12,937,627
Number of shares at end of period	13,615,593	12,937,627

74%

BIOHIT'S EQUITY RATIO

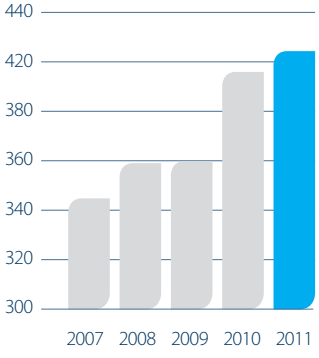
Net sales 2007–2011, 1,000 EUR



39.9

NET SALES 2011, MEUR

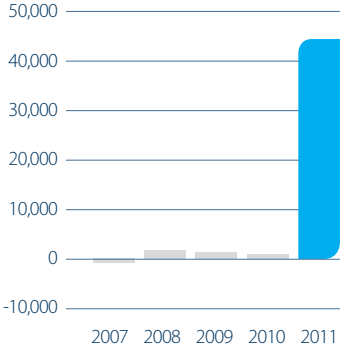
Average number of personnel 2007–2011



422

AVERAGE NUMBER OF PERSONNEL 2011

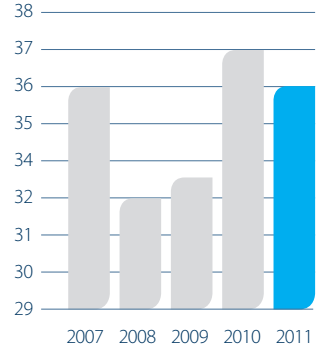
Operating profit/loss 2007–2011, 1,000 EUR



44.3

OPERATING PROFIT 2011, MEUR

Continuing operations, 2007–2011



36

AVERAGE NUMBER OF PERSONNEL IN CONTINUING OPERATIONS 2011

WELLBEING

THROUGH INNOVATIVE PRODUCTS

2011 was a decisive year for Biohit. In December, Biohit divested its liquid handling business to German company Sartorius Lab Holding Gmbh. The liquid handling business has developed in small markets. Our strategic choice is to focus our resources on developing Biohit HealthCare and tapping into this business' enormous and rapidly growing global market potential. The company's innovations, existing products and strong balance sheet now pave the way for the development of successful business operations.

The diagnostics business grew more slowly than expected in 2011. Biohit had to allocate resources to prepare for the divestment of the liquid handling business and its continued operation under a new owner, and this hindered our ability to tap the great potential of the diagnostics business.

Biohit aims to set its diagnostics business on the growth track. We'll be focusing on sales and marketing, establishing distribution channels, and enhancing cooperation with distributors. We'll also be strengthening our own organisation. Our spearhead products are Acetium, GastroPanel, and our quick tests. Our main market areas will be Europe and Asia. Profitability will be sought through net sales growth. Our initial goal is to improve profitability, so that our income covers costs. The divestment of the liquid handling business to Sartorius Lab Holding Gmbh had a significant impact on the Group's result for the financial year. Biohit's equity ratio stood at 79.2 per cent (44.5 per cent) at the end of 2011.

Rapid reaction

In the current situation, Biohit's lighter Group structure and precise focus are definite strengths. As a small biotechnology company, we are able to react rapidly to changes in both our operating environment and our partners' needs.

We offer products for the early diagnosis and prevention of gastrointestinal diseases and the risks of gastric and colorectal cancer. We also offer products to bind carcinogenic acetaldehyde in the stomach. All these products are protected by patents or patent applications. Our products and services can save on healthcare costs, extend people's working lives, increase wellbeing, and ensure a healthier life – and not only that, but more safely than ever before.

A fresh wind for sales

Our main focal points for operational development are further investments in marketing and our sales organisation. We'll also be focusing on building up an international distribution network by increasing the number of distributors and improving cooperation with distributors.

We'll be making determined efforts to enhance cooperation with our distributors, customers, subcontractors and other partners. Biohit will also be seeking growth through cooperation with a variety of automation manufacturers. We're currently negotiating the integration of GastroPanel tests into laboratory automation systems. We expect this to increase net sales, only moderately at first, but significantly at a later stage.

We have long been laying the foundations for sales growth by, for example, registering products in a range of countries and negotiating their eligibility for reimbursement in state social insurance systems.

Long-term impact

Close cooperation with the scientific community has been vital to Biohit over the years. In order to ensure awareness and use of our diagnostic systems, we need to engage in long-term communication with physicians and the general public.

Biohit will continue its considerable investments in R&D. We're focusing our resources on improving existing products and developing new products and services based on our innovations.

"We have every reason to be proud of our personnel's professional skills."

We'll be increasing consumer awareness of the preventative health-benefits of using Acetium, our innovation for reducing the risk of gastric and oesophageal cancer. Acetium capsules, which bind the acetaldehyde that can cause cancer in an anacidic stomach, were launched in Germany in 2011. We'll be launching this product in other European countries by investing in marketing campaigns and media visibility, and we're also currently in negotiation with several distributors.

I would like to thank all Biohit personnel and other stakeholders for their valuable work in 2011. We have every reason to be proud of our personnel's professional skills. With the aid of everyone's unique expertise, I believe that together we'll be able to set Biohit on the growth track.

Semi Korpela
President & CEO

Semi Korpela started out as President & CEO of Biohit in December 2011.

Can you describe your first impressions as President & CEO?
I'm very enthusiastic, as Biohit has unique growth potential. We're setting out at full throttle to build up the business – and we've got what it takes to work miracles!

How have Biohit's customers reacted to the company's new direction?
The divestment was very well received by our customers. We'll now be able to offer them greater expertise and support for diagnostics products in particular. Our precise focus will generate added value for our customers and, as a small business, we'll be able to react quickly. The market is showing great interest in Biohit. We have, for example, received offers from potential partners.

What kind of company will Biohit be at the end of the strategic period in 2014?
Biohit will be a dynamic and profitably growing public listed company. We'll be conducting global operations with a customer-oriented approach. Brisk organic growth will boost our net sales to a completely new level.

A STRATEGIC CHOICE TO FOCUS ON DIAGNOSTICS

After the divestment of the liquid handling business on 14 December 2011, Biohit has been focusing on its products and services for the diagnosis of gastrointestinal diseases and the prevention of cancer. These socially responsibly products are based on the company's numerous innovations. New kinds of opportunities have now opened up for brisk business growth.

Biohit's new strategy is to develop and harness the potential of our global product and service brands.

We'll be focusing our resources on developing Biohit HealthCare and tapping this business' enormous and rapidly growing global market potential. Resources will be allocated to the global marketing of diagnostics products and services in cooperation with independent importers and strategic partners.

BIOHIT'S MISSION is "Innovating for Health", and gastrointestinal health in particular. There is a great and rapidly growing need for innovation in this area, as populations age and public awareness of carcinogenic acetaldehyde increases. (www.acetium.com/acetaldehyde-exposure-test).

Biohit shoulders its social responsibility by creating innovative new technologies and services that help physicians and research institutions to promote diagnostics and research. They can also prevent diseases of the gastrointestinal tract, exposure to acetaldehyde, human suffering and financial loss, thereby generating wellbeing.

BIOHIT'S GOAL is to work with our scientific advisors and partners to enable as many people as possible to gain access to Biohit HealthCare's safe, cost-effective and highly innovative products and procedures, thereby promoting the safe and cost-effective diagnosis and prevention of diseases. Biohit's range includes diagnostics products and systems, and products to bind carcinogenic acetaldehyde.

BIOHIT'S VISION for 2015 is to become one of the world's leading biotechnology companies in selected market areas, and to achieve faster-than-average growth. This will be achieved through the company's global product and service brand – Biohit HealthCare.

Our key methods for achieving these targets are:

- Core business will focus on key products: GastroPanel, Acetium and quick tests.
- More resources will be allocated to product group commercialisation. The commercialisation of Acetium products in particular will be carried out in cooperation with pharmaceutical and food and drink companies.
- Our current product range will be developed.
- The company's sales and marketing resources and network will be strengthened considerably, especially in our main market areas – Europe and Asia.
- Investments will also be made in improving production technology.

We seek profitable sales growth, which is a prerequisite for the company's continued development and ability to pay dividends.

THE YEARS'

MOST IMPORTANT DAY FOR BIOHIT AND SARTORIUS

Biohit's liquid handling business was transferred to Sartorius Lab Holding Gmbh on 14 December 2011. According to Dominique Baly, who has taken over running of the liquid handling business, the day the agreement was signed was the most important day of the year for both Biohit and Sartorius.

Biohit and Sartorius agreed that, in conjunction with the transaction on 14 December 2011, Sartorius would sell Biohit all of the liquid handling products that Biohit requires to supplement its diagnostics and GastroPanel laboratories, including Roboline and the Roboline analyser.

The photo shows Professor Osmo Suovaniemi, MD, PhD, Chairman of Biohit Oyj's Board of Directors and the founder of the company, and Sartorius AG's CEO, Dr Joachim Kreuzburg, signing the agreement.

AS POPULATIONS AGE,

THERE IS AN INCREASING GLOBAL NEED FOR EFFECTIVE DIAGNOSTICS

Biohit HealthCare products promote the early diagnosis and prevention of cancer risks and diseases of the gastrointestinal tract. These products are used in hospitals, healthcare centres, clinics and service laboratories.

As the population ages, serious gastrointestinal diseases, such as gastric, oesophageal and colorectal cancer, are becoming increasingly common. Cancers of the gastrointestinal tract often present only minor symptoms, which hinders their detection. There is, therefore, a growing need for top-quality, reliable diagnostics. Some current treatment practices are insufficient and outdated, and can therefore lead to fatal malpractice.

In January 2012, a panel of international medical experts recommended the use of biomarkers as a primary examination procedure when screening for and diagnosing atrophic gastritis (a functional disorder of the stomach involving damage to the gastric mucosa), which causes a risk of gastric and oesophageal cancer. GastroPanel is based on measuring the biomarkers found in a blood sample. Gastroscopic examinations can then be performed only on those who are truly at risk of cancer. This will generate considerable savings and reduce needless deaths.

Several studies have shown that half of all gastroscopic examinations are carried out on people with healthy stomachs. GastroPanel provides a quicker and more cost-effective way to examine stomach condition, and is also more pleasant for patients. Early diagnosis improves the prognosis, and reduces human suffering and needless deaths.

20–40 per cent of the population in Western countries suffers from upper-abdominal complaints, and over half of the world's population from Helicobacter pylori infection. Many patients presenting abdominal complaints either do not receive safe, effective treatment or are unsatisfied with their treatment. Many of those who remain undiagnosed resort to risky self-medication, such as yoghurts and prescription-free medication for reducing stomach acidity.

Cost-savings must be shown

Similar efficiency-boosting measures are required in healthcare throughout the West. The current debt crisis in public finance is placing its own immediate challenges on healthcare funding.

Exporting diagnostics products to new markets therefore requires precise calculations of the potential cost savings. Customers also desire simpler and easier tests for patient screening. These are exactly the kinds of trends that will increase demand for Biohit's diagnostic tests.

Another trend worth mentioning is the technicalisation and automation of laboratories. Laboratories have a growing need to switch from manual labour to automation, and to centre their research on ever-larger automation systems. This trend can clearly be seen in the growing need for point-of-care (POC) analyses, such as blood sample-based tests that can be conducted at clinics. These trends pose challenges for Biohit – but also offer new opportunities.

Biohit engages in international cooperation with the industry's top experts. Leading gastroenterologists from all across the globe have launched the Healthy Stomach Initiative, a programme that promotes research, training and awareness in the field of stomach health. Biohit is one of the programme's partners. The GastroPanel and ColonView examinations have been suggested as a way to screen the population for cancer risks.

Distributors are carefully screened

Europe and Asia are Biohit's main market areas.

Our primary goal is to build up a strong, motivated and professional distribution network. Potential distributors are carefully screened. New distribution agreements are currently underway with distributors specialising in gastroenterology. Once products have been registered, Biohit helps distributors with, for example, commercialisation and user training in accordance with each country's practices.

In Finland, Terveystalo and Diacor's capital-region locations have introduced the GastroPanel examination.

In early 2012, Japanese company Fujirebion CanAg Diagnostics (Beijing) launched sales and marketing of GastroPanel examinations in China, where the company has about 200 distributors.

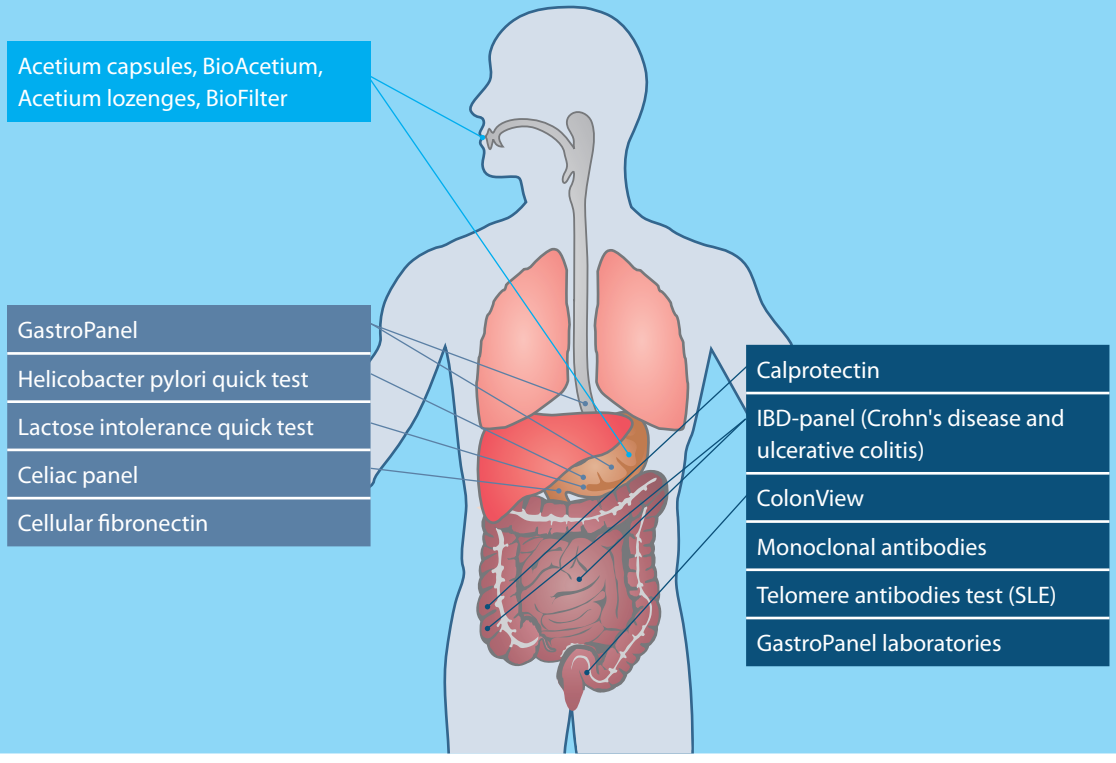
Acetium generating interest

This decade will be the decade of acetaldehyde. In October 2009, the IARC (a WHO expert organisation) classed acetaldehyde as a Group I carcinogen – a group that also includes asbestos, tobacco and benzene. All available means should be employed to prevent exposure to these carcinogens in the organs and food.

Biohit's patented Acetium innovation reduces the amount of acetaldehyde in an anacidic stomach. An acid-free stomach is the primary risk factor in gastric cancer and, according to recent research, it also poses a significant risk of oesophageal cancer. Acetium is recommended for those who have an anacidic stomach or chronic Helicobacter pylori infection, or take PPI medication. There are over half a million such people in Finland.

Acetium is prescription-free and available at all Finnish pharmacies supplied by Tamro Oyj. Acetium's target markets are Europe and Asia. Acetaldehyde awareness is increasing in Finland, which is promoting product sales. However, we will be increasing awareness of Acetium and the presence of carcinogenic acetaldehyde in the organs and foodstuffs through effective communications to physicians and the general public. (www.acetium.com/acetaldehyde-exposure-test).

Biohit to focus on the diagnosis of gastrointestinal diseases and the prevention of cancer



MODERATE

GROWTH IN THE LIQUID HANDLING BUSINESS

The net sales of the liquid handling business grew reasonably well in early 2011, but began to tail off towards the end of the year due to a downswing in the world economy.

A transaction completed on 14 December 2011 transferred ownership of Biohit's liquid handling business to Sartorius Lab Holding Gmbh. Biohit is obligated to report on its discontinued liquid handling business, which developed, manufactured and marketed mechanical and electronic pipettes and disposable tips for use in research institutions, universities and hospitals. The range also included customised OEM (Original Equipment Manufacturer) products, and maintenance, calibration and training services provided through Biohit's distribution network.

Favourable trends were seen in sales of mechanical pipettes during 2011. Demand for electronic pipettes was hardest hit by the economic downturn. The net sales of the liquid handling business as a whole rose to EUR 37.9 million, representing comparable growth of five per cent on 2010.

The greatest growth was seen in Russia and China, although demand fell in the rest of Asia. North America posed the greatest challenges, as the market situation weakened considerably after the first quarter and a fall in the value of the dollar lowered net sales.

The liquid handling business had an operating result of EUR 2.8 million, which was five per cent less than in 2010.

New products and distribution channels

In June, Biohit expanded its product range with the eLINE 0.1–5 µl electronic pipette, which was well received on the market. This new pipette is ideal for microbiology labs and dispensing small volumes of liquid.

Biohit launched the Roboline pipette in early 2011. This pipette is suitable for the safe, precise and automatic dispensing and transfer of samples and reagents in a broad variety of diagnostics and research.

Roboline marketing and distribution channels were also established during 2011. The new product was demonstrated to customers in France, the UK, Germany, the USA, Russia, China, and Japan. It has raised widespread interest at research laboratories at universities and in the pharmaceutical and diagnostics industries. A good opening for the product was made in the OEM market, when Biohit signed an agreement to make 81 automation deliveries in North America during 2011 and 2012. On the basis of customer feedback, we designed Roboline to be even more user friendly.

An analyser based on Roboline is currently in the development stage. Like the hundreds of thousands of other microplate readers and automated analysing systems on the global market today, this fully automated analyser for GastroPanel and other microplate immunoassays is based on the vertical measurement principle. (www.google.com: "Osmo Suovaniemi vertical measurement" and "Suovaniemi equation").

During 2011, the manufacture of mechanical pipettes was transferred to Asia, where demand is experiencing the strongest growth. In July, Biohit's pipette calibration laboratory in Suzhou, China, was the first company in China to be granted CNAS (China National Accreditation Service) accreditation.

PREPARING

FOR LARGE MARKETS AND NEW INNOVATIONS IN THE DIAGNOSTICS BUSINESS

Net sales of diagnostics products and products for binding carcinogenic acetaldehyde remained quite modest in 2011. Biohit had to allocate resources to prepare for the divestment of the liquid handling business and its continued operation under a new owner, and this hindered our ability to tap the great potential of these products.

The diagnostics product range includes the GastroPanel examination and ColonView quick tests for primary healthcare; lactose intolerance and Helicobacter pylori quick tests for specialised healthcare; and instruments and analysis systems for laboratories. The company is also preparing to market GastroPanel laboratories of varying capacities. In addition to GastroPanel test kits, these laboratory packages also include liquid handling products, instruments, and software, as well as installation, training, and maintenance services. Biohit will purchase any liquid handling products required for its diagnostics products and laboratories from Sartorius, the company that bought Biohit's liquid handling business. The GastroPanel laboratory concept will promote the effective introduction of the GastroPanel examination, which has been suggested by the international Healthy Stomach Initiative.

The Healthy Stomach Initiative's work group, which comprises sixteen gastroentological experts from twelve different countries, published the following article in January 2012: Rationale in diagnosis and screening of atrophic gastritis with stomach-specific plasma biomarkers, Scandinavian Journal of Gastroenterology. 2012; 47: 136–147 (www.biohithealthcare.com/GastroPanel biomarkers: "Rationale in diagnosis and screening of atrophic gastritis with stomach-specific plasma biomarkers").

The Healthy Stomach Initiative

The Healthy Stomach Initiative's international work group recommends the use of the GastroPanel examination's biomarkers for the diagnosis and screening of those suffering from abdominal complaints and asymptomatic Helicobacter pylori infection, and for atrophic gastritis resulting from Helicobacter pylori infection or an autoimmune disease, when it is not safe to use, for example, the 13C urea breath test. 20–40% of the population in Western countries suffer from abdominal complaints. Diseases of the gastrointestinal tract are a major source of healthcare costs all across the globe. Certain examination and treatment practices are also insufficient and outdated.

GastroPanel represents the latest in safety, cost-effectiveness and technological advancement in the field, and doesn't exhibit any of the serious medical problems as the following tests, which can lead to malpractice and even deaths from gastric cancer. (www.biohithealthcare.com: "State of the art GastroPanel and Acetium innovations for the unmet need"):

"The 13C urea breath test (UBT), stool antigen test, and simple antibody tests do not detect atrophic gastritis that is caused by Helicobacter pylori infection or an autoimmune disease. The diagnosis of, in most cases, asymptomatic atrophic gastritis is important due to its associated risks, such as gastric and oesophageal cancer, and malabsorption of vitamin B12, iron, magnesium, calcium and certain drugs. Calcium deficiency causes osteoporosis, and vitamin B12 deficiency can cause Alzheimer's disease, dementia, depression and polyneuropathy, as well as a high homocysteine content in the body, which in turn is thought to be an independent risk factor for atherosclerosis, heart attacks and strokes. The absorption of dipyridamole, certain iron preparations and antifungals (fluconazole, itraconazole), thyroxine, and atazanavir is considerably

The vertical measurement principle, which uses the formula A=km, has enabled the use of effective analysers and non-radioactive biomarkers, and the mass development of safe immunoassays for research and the diagnosis of, for example, infectious diseases and cancers. (www.biohithealthcare.com/About us/History/Aggressive innovation and patenting strategy: "the Suovaniemi equation". A = km, where A is absorbance, k is a constant, and m is a mass to be measured.)

Microplate GastroPanel tests

Early diagnosis saves costs – and even lives

The GastroPanel test is an excellent tool for treating patients suffering from upper abdominal complaints, as it provides fast and reliable information on the condition of the stomach. If the blood-sample based GastroPanel test indicates a healthy stomach, no endoscopic examination is required," says Francesco Di Mario, Professor of Gastroenterology.

A study conducted in Italy found that, among a thousand patients suffering from abdominal discomfort, only 30 per cent required an endoscopic examination after an initial examination with GastroPanel. The test used a blood sample to measure biomarker concentrations and Helicobacter pylori antibodies, indicating the condition of the gastric mucosa.

Cooperation between Professor Di Mario and Biohit began in 2000. "Biohit's Italian distributor proposed that our department test GastroPanel. Since my earlier research focused on the biomarkers examined with these tests, this innovation immediately aroused my interest."

Professor Di Mario also highlights the benefits of GastroPanel in the early diagnosis of diseases of the gastrointestinal tract. When diagnosed at a sufficiently early stage, the progress of gastric cancer can be halted.

According to Di Mario, up to 70 per cent of gastric and colorectal cancers are diagnosed too late in Western European countries, and little can be done to save patients at this stage. However, Japanese studies found that 80 per cent of those diagnosed with cancer could be treated when screening was used to catch the disease at an early stage.

Di Mario explains that GastroPanel is gradually gaining ground as an examination method in Italy. It's currently being used by around 40 public hospitals and a number of private research institutions in Italy. According to confirmed guidelines for basic healthcare in Italy, GastroPanel is the primary method for examining upper abdominal complaints in cases where the patient exhibits no alarming symptoms.

"It takes a while for physicians to accept new examination methods. The crisis in public finance is also making reform more difficult. On the other hand, the indisputable cost benefits of using GastroPanel would have a favourable impact in the current economic situation."

Di Mario is one of the two gastroenterologists who launched the Healthy Stomach Initiative. This concept aims to create a foundation for international cooperation in the field, and also to draw up guidelines. When it comes to prevention, promoting a healthy diet and influencing the general public's behaviour are also important objectives.

impaired in an anacidic stomach resulting from atrophic gastritis. The risk of pneumonias and, in senior citizens, even the risk of fatal intestinal infections (such as giardiasis, malaria, *Clostridium difficile* and *E. coli* EHEC) has been shown to increase significantly in an anacidic stomach. Furthermore, none of the aforementioned three Helicobacter pylori tests provides any information on excessive gastric acid secretion, which in patients with gastro-oesophageal reflux disease may cause complications. Such complications are often asymptomatic and include ulcerative oesophagitis and Barrett's oesophagus, which may lead to oesophageal cancer if left untreated. Helicobacter pylori gastritis may also develop into antral atrophic gastritis, which increases the risk of peptic ulcer disease and gastric cancer. The 13C urea breath test and stool antigen test may even give up to 50% false negative results if the patient has atrophic gastritis, MALT lymphoma or bleeding peptic ulcer disease; or if the patient is currently taking antibiotics or PPIs."

Pasechnikov VD, Chukov SZ, Kotelevets SM et al. reached the following conclusion in their article: "The analysis of the literature data and results of our own research allow us to conclude that the serious medical and ethical problems of the 'test and treat' strategy can be corrected simply and economically by replacing its 13C urea breath or stool antigen test by the GastroPanel examination. Talley et al. (2004) indicate that in many countries, such as Sweden and the US, the 'test and treat' strategy alone is not considered sufficient. The *H. pylori* tests of the 'test and treat' strategy do not find atrophic gastritis and related risks, such as gastric cancer and precancerous lesions. Any observations would need to be confirmed by gastroscopy and biopsy specimen examination, after which the diseases could be successfully treated. GastroPanel used in conjunction with gastroscopy and biopsy specimen examinations will reveal patients with precancerous lesions and early-stage gastric cancers, and will therefore prevent unnecessary deaths from gastric cancer." (Invasive and non-invasive diagnosis of Helicobacter pylori-associated atrophic gastritis: A comparative study, Scandinavian Journal of Gastroenterology 2005; 40: 297–301).

On the basis of the results of the Finnish Setti study (Sipponen P, Härkönen M, et al.) it was estimated that 250 to 300 gastric cancer deaths among the over-50s could be prevented in Finland each year. This could be achieved by using GastroPanel to screen all elderly people, and all suspected *H. pylori* positive patients in particular, for atrophic gastritis. Gastroscopy can be conducted on at-risk patients to diagnose early-stage gastric cancers and precancerous lesions whilst the diseases are still at an asymptomatic and curable stage. In addition to the risk assessment of gastric cancer, GastroPanel screening, diagnostics and check-ups also produce a lot of reliable and valuable additional information (see www.biohithealthcare.com/Investors/Strategy and Objectives: "State of the art GastroPanel and Acetium innovations for the unmet need".

Laboratory services

GastroPanel examinations are available at, for example, private clinics such as Terveystalo and Diacor. A list of these locations is available in Finnish at: www.biohithealthcare.com/fi/laboratoriopalvelut/kuluttaja. When the GastroPanel 's biomarker tests (Pepsinogen I and II and Gastrin-17 concentrations, and Helicobacter pylori antibodies) are performed on the basis of a doctor's referral, the Social Insurance Institution of Finland (Kela) will provide compensation. GastroPanel examinations are performed without referral at the Docrates Hospital (www.docrates.fi/ Terveys- ja Hyvinvointipalvelut/Vatsaongelmien testit) and Biohit's own service laboratory, tel. +358 9 773 861.

In addition to its range of examinations, which include GastroPanel and ColonView, Biohit's service laboratory also offers an acetaldehyde measurement service that determines the acetaldehyde concentration of, for example, nutrients and alcoholic beverages. (www.biohithealthcare.com/Diagnostics). Biohit has filed patent applications for its BioFood method in several countries. The BioFood method binds and inactivates the free, carcinogenic acetaldehyde found in, for example, beer, yoghurt and many baby and toddler foods.

Innovative Acetium capsules have the potential to prevent gastric and oesophageal cancer

In addition to the aforementioned conclusion, the authors of the Healthy Stomach Initiative article also stated that the acetaldehyde formed in an anacidic stomach resulting from atrophic gastritis significantly increases the risk of gastric and oesophageal cancer. Acetium capsules can reduce the carcinogenic acetaldehyde formed in the stomach, and are thereby likely to reduce the risk of cancer.

Acetium – an innovative way of removing carcinogenic acetaldehyde – is based on Finnish research. The animoacid L-cysteine effectively binds and inactivates the acetaldehyde found in stomach fluids. Acetium capsules release L-cysteine into the stomach, where acetaldehyde is formed, at a regulated rate. Acetium is available from pharmacies without a prescription. On the basis of its mechanism of action, the Finnish Medicines Agency has classed Acetium as a medical device.

Biohit's unique Acetium capsules bind and inactivate acetaldehyde, which is classed as a Group I carcinogen. Acetium should be taken with every meal, and always with the consumption of alcohol. It is suitable for:

1. An anacidic or low-acid stomach resulting from atrophic gastritis (caused by Helicobacter pylori infection or an autoimmune disease), which can be diagnosed using the blood sample-based GastroPanel examination: about 500 million people worldwide.

2. Untreated, chronic Helicobacter pylori infection (diagnosis using GastroPanel): over 500 million people worldwide.
3. Long-term users of medication that reduces stomach acidity (Proton Pump Inhibitors and H2 blockers): about 5–10% of people in Western countries use these medicines, and over 500,000 people in Finland.
4. People who have undergone stomach surgery: over a million people worldwide.
5. A genetic defect that prevents the body from breaking down acetaldehyde: up to about half of all Asians have an ALDH2 deficiency and an estimated 2–12% of them have an anacidic stomach.

In October 2009, the IARC (International Agency for Research on Cancer), which operates under the WHO, recategorised acetaldehyde as a Group I carcinogen. This group also includes asbestos, tobacco and benzene. All Group I carcinogens are subject to the same ethical and legislative principles, regardless of their source. All available means should be used to reduce exposure to these carcinogens in food and the organs (www.acetium.com/test-your-acetaldehyde-exposure).

BioFilter and the Acetium lozenge

Biohit will launch prototype production of BioFilter and the Acetium lozenge by the end of spring 2012. At the end of the year, a study will be conducted to discover whether these products can help people quit smoking.

Smoking is the greatest single cause of cancer worldwide. Every year, a total of about one million cases of mouth, throat, oesophageal and gastric cancer are diagnosed worldwide (25% of all cancers). Five years after diagnosis, under five per cent of these people are still alive. Smoking is one of the most important factors in deaths that could have been prevented. Every year, smoking causes about five million fatalities worldwide, mainly as a consequence of lung and other cancers, COPD (chronic obstructive pulmonary disease), and cardiovascular diseases.

In addition to preventing cancers, Acetium tablets (which contain L-cysteine and xylitol) and BioFilter (which contains L-cysteine) may also help people quit smoking. Our latest innovation is the new BioFilter method and device, which enables the removal of the majority of the acetaldehyde contained in smoke from the most common cigarettes. The BioFilter is a closed plastic tube that contains cellulose fibres saturated with L-cysteine. The plastic tube can be attached to a variety of cigarette holders, and can remove up to 95 per cent of the carcinogenic and addictive acetaldehyde that is formed during smoking.

There is a considerable market for these types of products, even if only a small fraction of smokers are motivated to quit smoking using the Acetium lozenge or BioFilter to bind addictive and carcinogenic acetaldehyde.

The BioAcetium innovation

In March 2012, Biohit launched a clinical trial to study the capacity of the company's new BioAcetium product to treat Helicobacter pylori infection (www.biohithealthcare.com/Investors/Stock Exchange Releases 02.03.2012).

Biohit Oyj has developed BioAcetium, which slowly releases L-cysteine or N-acetylcysteine into the stomach. Both substances have been shown to be able to destroy the biofilm produced by *H. pylori*, which protects the bacteria from gastric acid and antibiotics. The BioAcetium innovation could provide a completely new *H. pylori* eradication treatment that is significantly safer and more cost-effective than previous treatment models. Its risk of developing antibiotic-resistant strains of bacteria is also either non-existent or minimal.

Over half of the world's population continues to suffer from *H. pylori* infection. Those who suffer from *H. pylori* infection have a 10–20% chance of developing a gastric or duodenal ulcer, and a 1–2% risk of developing gastric cancer over the course of their lives. Gastric cancer is still the second most-common cause of cancer-related death worldwide. According to current treatment recommendations, measures should be taken to eliminate the bacteria in at least all those suffering from gastric ailments. However, Helicobacter's ability to develop antibiotic-resistant strains is a rapidly growing problem worldwide.

BASED ON LONG-TERM R&D

Biohit's business, which seeks to improve health and quality of life, is based on continual R&D. Biohit's patent-protected innovations are the result of long-term basic and applied research. R&D and quality go hand in hand.

Biohit has applied a determined and systematic innovation and patent strategy. Over the years, the company has also engaged in close cooperation with experts, universities and research organisations in many countries. R&D is carried out in accordance with industry standards, and is steered by Biohit's scientific advisory board. Product and patient safety are paramount.

Biohit will continue to make considerable investments in R&D, for both new and existing products, such as the GastroPanel examination, quick tests for Helicobacter pylori infection and lactose intolerance, and Acetium. Over a quarter of our personnel are working on these tasks.

The GastroPanel examination is suitable for the early diagnosis of dyspepsia, Helicobacter pylori infection, and atrophic gastritis (a functional disorder of the stomach involving damage to the gastric mucosa). Over ten years of continual research went into its development. GastroPanel's strength lies in its almost one-hundred-per-cent success rate in revealing healthy stomachs. Patients do not then need endoscopic examinations, and other symptoms can be investigated. Treatment can progress quickly and cost-effectively.

Biohit has been involved in, for example, studies of volunteers suffering from atrophic gastritis and Helicobacter pylori infection. Atrophic gastritis was diagnosed in 3.5 per cent of those studied, and its prevalence was greater among older age groups (Prevalence of undiagnosed advanced atrophic corpus gastritis in Finland; an observational study among 4,256 volunteers without specific complaints; Telaranta-Keerie AL, 2010).

Biohit has been granted patents for GastroPanel in Finland and several other countries. We're currently studying the suitability of new quick tests for possible inclusion in the GastroPanel examination. We're also continuing R&D on ColonView, which has been designed for the early detection of intestinal bleeding, which indicates a risk of colorectal cancer.

Acetium's enormous potential

Exposure to acetaldehyde has been connected to around four million new cases of cancer every year, worldwide – that is, almost 40% of all cancers. It's possible to significantly reduce this exposure by informing the food and drink industry and the general public of the dangers of acetaldehyde. (www.acetium.com/test-your-acetaldehyde-exposure).

Biohit is involved in Tekes' (the National Technology Agency of Finland) ongoing Acetaldehyde Inactivation project.

We'll be continuing development of our new products for acetaldehyde removal – BioFilter and the Acetium lozenge – alongside our Acetium products; and we're also investigating their suitability as an aid for quitting smoking. Biohit has defined new research sub-areas, such as BioAcetium capsules' potential use in Helicobacter pylori eradication.

Biohit's innovative BioFood method enables the carcinogenic acetaldehyde in foodstuffs and alcoholic beverages to be bound and inactivated. It would be advisable for packaging to state the amount of acetaldehyde contained in these products. The colouring used is cola drinks may cause cancer. That's why an American court decided that a cancer warning label should be placed on all bottles and cans of cola. Biohit's service laboratory offers an acetaldehyde measurement service to determine the acetaldehyde concentration in foodstuffs and alcoholic beverages. (www.biohithealthcare.com/Diagnostics).

TOP-QUALITY

WORK ENHANCES PRODUCTS, OPERATIONS AND CUSTOMER SERVICE

Biohit continued its systematic quality improvements in 2011. Environmental perspectives are also a key element in the planning of all our operations.

Quality is vital in our industry, as it has a direct impact on the reliability of our laboratory customers' operations. Biohit's quality handbook will be further developed during 2012 with a close eye on the needs of the diagnostics business. Our short-term quality targets include establishing standardised operating procedures.

We pay particular attention to measuring quality and aim to find benchmarks that provide genuinely useful information. Measurements are taken in accordance with the healthcare quality directive.

Customers will be able to use their Biohit products for many years – and still find them safe and reliable. We quickly undertake any necessary maintenance and training. Customer feedback is an important measure of quality, and we aim to respond as quickly as possible. Feedback is also valuable, as we can utilise it in our R&D.

We also use customer satisfaction surveys to analyse our customers' perceptions of quality on a regular basis. The survey is sent to both end-users and distributors.

The development, production and marketing of diagnostics products are governed by strict quality standards and other regulations. Our test kit production adheres to the guidelines issued by the Clinical Laboratory Standard Institute and other international organisations.

In September 2011, Biohit's Kajaani plant was placed third in a national working environment competition organised by the Federation of Finnish Technology Industries, the Centre for Occupational Safety, and Regional State Administrative Agencies. The competition evaluated the safety of working conditions and practices. Ownership of the Kajaani plant was transferred to Sartorius Lab Holding Gmbh as part of the divestment of the liquid handling business in late 2011.

All of Biohit's products are CE/IVD (In Vitro Diagnostics) registered and approved. Both products and processes comply with ISO 9001 and ISO 14001 quality and environmental standards, and also with ISO 13485 quality standards, which cover the manufacture of medical equipment.

Sustainable development – our guiding principle

Biohit seeks to develop and manufacture products that will cause as little environmental loading as possible throughout their entire life cycles. We are aware of the environmental impacts of our products, and develop our operating procedures with an eye on the principles of sustainable development.

Biohit's quality and environmental system is certified by Det Norske Veritas (DNV). Our environmental policies undergo continual development, and will, for example, be brought in line with new waste legislation at the beginning of May. Biohit is already working in compliance with this legislation in our product design and improvements. The materials we use are not hazardous to health and cause as little environmental loading as possible, and we use them sparingly.

We also intend to replace our test kit packaging material with a more environmentally friendly alternative. Any waste generated is sorted as carefully as possible, and we try to minimise the volume of mixed waste. We will be clarifying and monitoring our environmental targets more closely in 2012. Our operations comply with the WEEE directive. Biohit is a member of The Environmental Register of Packaging PYR Ltd and Der Grüne Punkt, a packaging recycling and reuse programme.

CE IVD

BIOHIT ISO 9001 / 13485 / 14001 CERTIFIED

ilac-MRA FINAS Finnish Accreditation Service K041 (EN ISO/IEC 17025)

PYR

HISTORY

CREATING THE GASTROPANEL AND ACETIUM INNOVATIONS

Biohit's GastroPanel and Acetium innovations form a unique pairing in the prevention of gastric and oesophageal cancer. GastroPanel detects atrophic gastritis and its associated risks, such as gastric and oesophageal cancer, at a stage when successful treatment is still possible. Atrophic gastritis of the corpus, which rarely heals, leads to a permanently low-acid or anacidic stomach. Mouth microbes are able to live in an anacidic stomach and produce acetaldehyde from alcohol and the sugars contained in food.

In October 2009, the WHO classified acetaldehyde as a Group I carcinogen – a dangerous group which also includes asbestos, tobacco and benzene. All Group I carcinogens are subject to the same ethical and legislative principles, regardless of their source. All available means should be used to reduce exposure to these carcinogens in food and the organs. Acetium capsules, which are protected by granted and pending patents, are the only way of inactivating carcinogenic acetaldehyde in the stomach, which in turn enables the prevention of gastric and oesophageal cancer.

Before the GastroPanel innovation, it was difficult to diagnose asymptomatic patients or those presenting only minor symptoms of atrophic gastritis caused by Helicobacter pylori infection or autoimmune disease and its associated risks (such as gastric cancer, oesophageal cancer, and vitamin B12, iron and calcium deficiency) before they present alarming symptoms with a poor prognosis. Patients were often only diagnosed at random during the histological examination of biopsy samples taken through gastroscopy. The symptoms of dyspepsia include occasional or chronic upper abdominal complaints, such as discomfort, nausea, bloating, belching, indigestion or pain. If these ailments lead to alarming symptoms, such as significant and inexplicable weight loss, recurrent vomiting, difficulty swallowing, melena or hematemesis (vomiting blood), then gastric or oesophageal cancer has usually progressed to an incurable stage. Atrophic gastritis and the resulting gastric or oesophageal cancer is rarely suspected before the onset of alarming symptoms. That's why abdominal complaints are usually treated with medication to reduce stomach acidity, and even yoghurts.

About one third of the population suffers from abdominal complaints and the atrophic gastritis that can lead to, for example, the risk of cancer, is usually asymptomatic. The GastroPanel examination aids in identifying patients who are at risk of gastric or oesophageal cancer (due to atrophic gastritis resulting from Helicobacter pylori infection or an autoimmune disease), so they can be referred for gastroscopy and timely treatment. Gastroscopy is also recommended when the complications of gastroesophageal reflux disease are suspected on the basis of symptomatic Helicobacter pylori infection or excessive acid secretion. These complications include esophagitis and oesophageal cancer.

The innovation and development of the GastroPanel examination stems from cooperation between the Finnish biotechnology industry and the scientific community. Contributors have included Biohit Oyj's R&D personnel and the following members of Biohit's scientific advisory board: Professors **Pentti Sipponen, Matti Härkönen, Seppo Sarna, Mikko Salaspuro, Martti Marvola, Mårten Wikström** and **Osmo Suovaniemi.** GastroPanel R&D has benefited from:

1. Decades of basic research on gastritis carried out by teams led by Finnish professors Max Siurala and Pentti Sipponen.

2. Barry J. Marshall and J. Robin Warren's Nobel prizewinning discovery of Helicobacter pylori and its effect on gastritis, which was based on the aforementioned basic research (http://nobelprize.org/medicine/laureates/2005/press.html).

Photo: Auvo Mäkinen/National Board of Patents and Registration in Finland.

Konsta Lifetime Achievement Award for Osmo Suovaniemi

An excellent example of Biohit's long-term innovation and patenting strategy is the 2010 Konsta Lifetime Achievement Award, which was awarded to Professor Osmo Suovaniemi for his contribution as an inventor and innovator. The Support Association for Finnish Inventors and Headline Oy established the Konsta Awards to recognise and highlight the significance of Finnish innovation.

The grounds for the award included the following:

"Professor Osmo Suovaniemi, 66, inventor and CEO, is a natural-born and multi-talented inventor and entrepreneur. The extent of his patent portfolio is unique in Finland, and also significant globally. Osmo Suovaniemi is the perfect example of what a Finnish inventor can achieve through networking, creativity, determination, and the power of positive thinking." (www.biohithealthcare.com/About us/ History: Aggressive innovating and patenting strategy)

3. Discoveries and inventions made by Osmo Suovaniemi, the founder of three successful Finnish biotechnology companies (Labsystems Oyj, Eflab Oy and Biohit Oyj), including the vertical measurement principle for microplate analysis (www.google.com: "Osmo Suovaniemi vertical measurement" and "Suovaniemi equation A=km").

The worldwide spread of analysis and liquid handling equipment based on Osmo Suovaniemi's vertical measurement principle and other innovations has enabled the mass development of safe immunoassays using non-radioactive biomarkers for research and the diagnosis of, for example, infectious diseases and cancers. These innovations, which have become 'global industrial standards' that 'revolutionised laboratory routines worldwide in the 1970s and 1980s' (TEKES, The National Technology Agency of Finland, 2001: Paving the Way for Evidence-Based Medicine: Diagnostics 2000) have enabled the development and use of the ELISA tests used in the GastroPanel examination (www.biohithealthcare.com/About Us/History/Aggressive innovation and patenting strategy).

The development of our Acetium capsules is a good example of basic scientific research successfully crossing academic borders, and also successful cooperation with Finnish biotechnology companies. R&D has been carried out by Professor Mikko Salaspuro and his research team, with Professor Martti Marvola. Professor Salaspuro is a world-renowned and highly esteemed alcohol and acetaldehyde researcher.

Literature

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Board of Directors

Osmo Suovaniemi, born 1943

- M.D., Ph.D., Professor
- Chairman of Biohit's Board of Directors
- Non-independent of major shareholders and of the company

Petteri Kilpinen, born 1964

- BSc (Eng), Harvard Business School Senior Management Programme
- Member of Biohit Oyj's Board since 2011
- Independent of major shareholders and of the company

Eero Lehti, born 1944

- MSc (Soc.Sc.), Member of Parliament
- Member of Biohit Oyj's Board since 2009
- Independent of major shareholders and of the company

Kalle Kettunen, born 1964

- MSc (Eng.), MBA
- Member of Biohit Oyj's Board since 2008
- Independent of major shareholders and of the company

Seppo Luode, born 1952

- MSc (Industrial Eng.), MBA (Stanford University)
- Member of Biohit Oyj's Board since 2011
- Independent of major shareholders and of the company

Mikko Salaspuro, born 1939

- M.D., Ph.D., Professor
- Member of Biohit Oyj's Board since 2008
- Independent of major shareholders but not independent of the company

Saila Miettinen-Lähde, born 1962

- MSc (Plastics Technology), BSc (Biomedical Eng.)
- Member of the Board since 2011
- Independent of major shareholders and of the company

Management shareholdings

Name	Position	Series A shares	Change*	Series B shares	Change*
Osmo Suovaniemi	Chairman of the Board	2,265,340		3,129,704	
Kalle Kettunen	Member of the Board			46,900	9,350
Mikko Salaspuro	Member of the Board			10,000	
Semi Korpela	President & CEO			2,000	2,000

*) Changes cover transactions during the period 1 Jan 2011–28 Feb 2012

Only those members of the company's management who own Biohit Oyj shares are listed. Shareholdings also include any shares held by underage children or companies controlled by the shareholder, but not shares held by spouses that are required to report their holdings.

Detailed information on the personal shareholdings of all members of the Board of Directors and the Management Team is presented on the company's website: www.biohithealthcare.com/investors.

Management Team





Semi Korpela, born 1970

- MSc (Econ.)
- President & CEO
- With Biohit since 2011, and also CFO from 2003–2006.

Lea Paloheimo, born 1951

- PhD (clinical biochemistry), Hospital Chemist, 'Quality and Leadership' programme at the Danish Technical Institute
- Product Development and Quality
- With Biohit Oyj since 2001

Terhi Lampén, born 1973

- MSc (Econ.)
- Sales and Marketing
- With Biohit Oyj since 2009

Tapani Tiusanen, born 1956

- PhD. (Physics), DipEMC (Marketing)
- Operations and ICT
- With Biohit Oyj since 2008

Ulla Savelainen, born 1949

- BSc (Econ.)
- Finance, HR and Communications

Business units abroad

Biohit Healthcare Ltd,
Great Britain
Graham Johnson, BSc

Biohit Healthcare,
Shanghai Branch, China
Wilson (Wei Xiang) Feng, BSc

Biohit Healthcare,
Russia
Yulia Kubacheva, MD

Information for shareholders

Annual General Meeting

Biohit's Annual General Meeting will be held on Wednesday 11 April 2012 at 3 p.m. at the Royal Crowne Plaza, conference room 2, Mannerheimintie 50, 00260 Helsinki.

Registration begins on 19 March 2012 at 12:00 noon and ends on 4 April 2012 at 4:00 p.m. Registration may be submitted:

- online at: www.biohithealthcare.com/investors
- By e-mail: yhtiokokous@biohit.fi
- By phone on: +358 9 773 861
- By letter: Biohit Oyj, Yhtiökokous, Laippatie 1, 00880 Helsinki, FINLAND

Dividend payout

The Board of Directors proposes that on the basis of the financial statements to be adopted for the financial period ended on 31 December 2011, a dividend of EUR 0.1973 per each A share and EUR 0.2007 for each B share be paid.

Return of capital

The Board of Directors will propose to the AGM that, on the basis of the financial statements to be adopted for the financial period ended on 31 December 2011, funds from the invested non-restricted equity fund be distributed to shareholders as a capital repayment, with the capital repaid amounting to EUR 0.80 for each A and B share.

Shares

Total number of shares: 13,615,593

- Series A shares (20 votes/share): 2,975,500
- Series B shares (1 vote/share): 10,640,093

Biohit Oyj Series B shares are listed on NASDAQ OMX Helsinki in the Small cap group. The shares are traded under the code BIOBV. More detailed information on the Biohit Oyj share is presented in the Notes to the Financial Statements, and is also available on the company's website www.biohithealthcare.com/Investors.

Financial reporting

Published financial reports and other stock exchange releases can be read on Biohit's website: www.biohithealthcare.com/Investors. The website also contains an online form for ordering electronic copies of the company's releases, which will be e-mailed to you.

Financial calendar 2012

Thursday 26 April 2012
Interim report January–March 2012

Thursday 16 August 2012
Interim report January–June 2012

Thursday 25 October 2012
Interim report January–September 2012

Silent period

Biohit observes a silent period for three weeks prior to the publication of financial results. During this period, management and other personnel will not comment on the company's financial position or markets, nor will they meet with capital market or financial media representatives.

However, if an event that requires immediate publication does occur during the silent period, Biohit will publish the information without delay in accordance with disclosure regulations, and can also comment on the matter in question.

A summary of 2011 stock exchange releases

All of Biohit's stock exchange releases can be read in full on the company's website: www.biohithealthcare.com/investors.

14 Jan 2011 Terveystalo broadens its range of services with a stomach health test developed by Biohit

1 Mar 2011 The Biohit Group's Financial Statement Bulletin, 1 Jan–31 Dec 2010

1 Mar 2011 Biohit's 2010 Financial Statements and Report of the Board of Directors have been published

1 Mar 2011 Biohit Oyj's Financial targets

4 Mar 2011 Biohit Oyj's Annual Report 2010 has been published

15 Mar 2011 Notice of Annual General Meeting of shareholders of Biohit Oyj

31 Mar 2011 Biohit enhances its liquid handling business with new solution

13 Apr 2011 Resolutions of the Annual General Meeting of Biohit Oyj

21 Apr 2011 Osmo Suovaniemi becomes Chairman of the Board of Directors of Biohit Oyj

28 Apr 2011 Interim report of the Biohit Group 1 January to 31 March 2011

17 Jun 2011 Biohit launches a new electronic pipette for precise dispensing in small volumes

22 Jun 2011 Changes in the Management Team of Biohit Oyj

18 Aug 2011 Interim report of the Biohit Group 1 January to 30 June 2011

19 Aug 2011 Biohit Oyj to arrange a directed share issue to Sartorius Lab Holding GmbH

29 Aug 2011 Notification of change in number of shares and voting rights, in accordance with the Securities Markets Act, Chapter 2, Section 10

20 Oct 2011 Interim report of the Biohit Group 1 January to 30 September 2011

26 Oct 2011 Biohit decides to sell its liquid handling business to Sartorius Lab Holding GmbH and revises its financial guidance

26 Oct 2011 Notice of the Extraordinary Shareholder Meeting of Biohit Oyj

23 Nov 2011 Decision made at Biohit Oyj's Extraordinary Shareholder Meeting

14 Dec 2011 Semi Korpela appointed new President and CEO of Biohit Oyj

14 Dec 2011 Biohit Oyj and Sartorius Lab Holding GmbH complete sale of liquid handling business, Biohit Oyj revises risk outlook

14 Dec 2011 Biohit's financial information in 2012

16 Dec 2011 Changes to Biohit Oyj's management

28 Dec 2011 Communications procedure of Biohit Oyj on the publication of a press release on business sales

Biohit's Corporate Governance Statement 2011

Biohit Oyj has prepared this Corporate Governance Statement on the basis of Section 51 of the Corporate Governance Code for listed companies released by the Securities Market Association.

The Corporate Governance Statement has been issued separately from the Report of Biohit Oyj's Board of Directors. The Board of Directors reviewed the Statement in its meeting on 16 March 2012.

The Report of the Board of Directors, the Auditor's Report and the full Corporate Governance Statement are available on Biohit's website at www.biohithealthcare.com/investors.

RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose Series B share is quoted on NASDAQ OMX Helsinki in the Small cap/Healthcare group. The Biohit Group (hereinafter referred to as 'Biohit') comprises the parent company Biohit Oyj and its foreign subsidiaries, which primarily focus on sales and marketing for Biohit Oyj's products. Biohit is headquartered in Helsinki.

Biohit's administration complies with current legislation, standards and recommendations concerning public listed companies, the regulations of NASDAQ OMX Helsinki Oy, and Biohit Oyj's Articles of Association. Biohit Oyj also follows the Finnish Corporate Governance Code ("corporate governance code") for listed companies that was approved by the Securities Market Association in October 2008 and came into force on 1 January 2009. The Corporate Governance Code is available at www.cgfinland.fi.

BIOHIT'S ADMINISTRATIVE BODIES IN 2011

The highest decision-making power at Biohit is exercised by its shareholders at the Annual General Meeting. The company's Board of Directors supervises the administration and organisation of the company and the Group's earnings trend. The President & CEO is responsible for operative management, and is assisted by a Management Team.

Annual General Meeting

In 2011, Biohit's Annual General Meeting was held on 13 April in Helsinki. 2,965,490 Series A shares and 5,087,211 Series B shares were represented at the meeting, corresponding to 62.24% of all the company's shares and 92.7% of the votes. Over half of the members of the Board, all new candidates proposed for Board membership, and the chief auditor were in attendance.

An extraordinary general meeting was held in Helsinki on 23 November 2011. 2,875,800 Series A shares and 5,439,585 Series B shares were represented at the meeting, corresponding to 61.07% of all the company's shares and 89.74% of the votes. At the extraordinary general meeting, shareholders approved the divestment of Biohit's liquid handling business and authorised the Board of Directors to handle the transaction.

Board of Directors

The Board of Directors, which comprises 5-7 members elected by the Annual General Meeting, is responsible for the administration and appropriate organisation of Biohit's business operations. The Board of Directors elects a chairman from amongst its members.

Board members' terms of office run from the date of their election by the AGM until the end of the next AGM.

The Board of Directors is responsible for Biohit's administration and the appropriate organisation of its business operations. The Board's areas of responsibility are laid down in the written rules of procedure approved by the Board. They are as follows:

- To develop shareholder value.
- To ensure the appropriate organisation of accounting and financial management.
- To adopt the parent company and consolidated financial statements and the Report of the Board of Directors for the financial year ended.
- To confirm the interim reports for each quarter at the end of March, June and September.
- To decide on Biohit's business plan, budget and investment plan.
- To decide on Biohit's financing and risk management policies.
- To approve management remuneration and incentive schemes.
- To appoint the President & CEO.
- To decide on Biohit's strategy, organisational structure, investments and other wide-reaching and significant issues.

The Board's decision-making is based on reports drawn up by operative management on the operational development of the Group and its business areas.

The Chairman is responsible for calling Board meetings and arranging Board activities. In general, the Board convenes once a month, that is, 10–12 times per year. The meeting schedule for the entire

term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference.

The Board of Directors of Biohit Oyj convened 13 times in 2011. (13 times in 2010.) The average participation rate was 87% (87%).

Members of the Board of Directors

The following were elected by the 2011 Annual General Meeting to serve as members of Biohit's Board of Directors in 2011:

Osmo Suovaniemi, born 1943, MD, PhD, Professor
- A member of the Board since 1988 and Chairman since 2011
- Non-independent of major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended Board meetings 12 times in 2011

Kalle Kettunen, born 1964, M.Sc. (Eng.), MBA
- Member of the Board since 2008
- Independent of major shareholders and of the company
- CEO of Telko Oy
- Attended Board meetings 11 times in 2011

Eero Lehti, born 1944, MSc (Soc.Sc.)
- Member of the Board since 2009
- Independent of major shareholders and of the company
- Member of Parliament since 2007
- Founder of Taloustutkimus Oy and the Chairman of its Board
- Head owner of Suomen Lehtiyhtymä Oy and the Chairman of its Board
- Attended Board meetings 9 times in 2011

Mikko Salaspuro, born 1939, MD, PhD, Professor
- Member of the Board since 2008
- Independent of major shareholders but not independent of the company
- Specialist in internal medicine, gastroenterologist, and Professor of Alcohol Diseases at the University of Helsinki
- Attended Board meetings 11 times in 2011

Petteri Kilpinen, born 1964, BSc (Eng.), Harvard Business School in Senior Management Programme
- Member of the Board since 2011
- Independent of major shareholders and of the company
- Attended Board meetings 7 times in 2011

Seppo Luode, born 1952, MSc (Industrial Eng.), MBA (Stanford University)
- Member of the Board since 2011
- Independent of major shareholders and of the company
- Attended Board meetings 9 times in 2011

Saila Miettinen-Lähde, born 1962, MSc (Plastics Technology), BSc (Biomedical Eng.)
- Member of the Board since 2011
- Independent of major shareholders and of the company
- Attended Board meetings 9 times in 2011

Osmo Suovaniemi was Chairman of Biohit's Board of Directors during the 2011 financial year.

Board Committees

The scope of Biohit's business operations does not require the appointment of an Audit Committee, and no other committees have been appointed to assist the Board.

President & CEO

The President & CEO is responsible for the day-to-day management of the company in accordance with the instructions and regulations given by the Board of Directors. The President & CEO of the parent company is elected by the Board and also acts as Group President. The President also ensures the appropriate organisation and legality of the company's accounting and financial management. The terms of the President's employment are laid down in a written contract that is approved by the Board of Directors. The President cannot be elected Chairman of the Board.

Jussi Heiniö, LLM, was President & CEO until 14 December 2011, when Semi Korpela, MSc (Econ.) took over the position:

Semi Korpela, born 1970, MSc (Econ.)
- With Biohit Oyj since 2011
- He has previously held the position of CFO at Biohit Oyj from 2003–2006. Since then, Korpela has been CFO of the CPS Color Group.

Group Management Teams

Until 14 December 2011, Biohit had two Management Teams. One focused on Group-level administration and the liquid handling business and its development, while the other focused on the diagnostics business and its development.

The Liquid Handling Management Team's composition and areas of responsibility were as follows: Jussi Heiniö (President & CEO), Erkki Vesanen (Product Portfolio Management), Kalle Härkönen (Operations), Jukka-Pekka Haapalahti (Sales and Marketing), Seppo Riikonen (Quality and Risk Management). Tiina Hankonen (Finance, ICT and HR) and Josefin Hoviniemi (Communications) until June 2011, and Nina Hasu (Finance) as of August 2011. All the aforementioned Management Team members transferred to Sartorius on 14 December 2011 as part of the divestment of Biohit's liquid handling business.

The Diagnostics Management Team's composition and areas of responsibility were as follows: Jussi Heiniö (President & CEO), Lea Paloheimo (Product Portfolio Management), Kalle Härkönen (Operations), Jukka-Pekka Haapalahti (Sales and Marketing), Terhi Lampén (Marketing), Seppo Riikonen (Quality and Risk Management). Tiina Hankonen (Finance, ICT and HR) and Josefin Hoviniemi (Communications) were Management Team members until June 2011, and Nina Hasu as of August 2011.

After the divestment of Biohit's liquid handling business (as of 15 December 2011), the members of Biohit's Management Team are as follows: Semi Korpela (President & CEO), Tapani Tiusanen (Operations and ICT), Ulla Savelainen (Finance, Communications and HR), Terhi Lampén (Sales and Marketing) and Lea Paloheimo (Product Development and Quality).

The new Management Team met once during 2011.

Managing Directors of subsidiaries

The Managing Directors of subsidiaries are responsible for the management of subsidiary operations and report to the President & CEO of the parent company.

Subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The Managing Directors of subsidiaries operate under the management and supervision of Biohit's President & CEO.

In 2011, the Managing Directors of Biohit's subsidiaries were: Venkat Rao (India), Ian Hemmings (UK), Hideaki Mizoguchi (Japan), Eirik Pettersen (China), Régis Carnis (France), Matthias Beuse (Germany), Victor Peppi (Russia) and Robert P. Gearty (USA).

At the end of the year, Graham Johnson was appointed Managing Director of the UK subsidiary. Wilson (Wei Xiang) Feng (China) and Yulia Kubacheva (Russia) will remain at Sartorius during the transition phase, until subsidiaries have been established.

The personal details and shareholdings of Biohit's Board of Directors and operative management are available on the Internet at: www.biohithealthcare.com/investors.

REMUNERATION IN 2011

Members of the Board of Directors

The Annual General Meeting approves the fees of Biohit Oyj's Board of Directors. A decision was made at the Annual General Meeting on 13 April 2011 to pay a monthly fee of EUR 1,600 to the Chairman of the Board and a monthly fee of EUR 1,500 to other Board members.

Other remuneration for Board members (in addition to the Board membership fee) is charged by time, and the Board has approved these invoicing principles.

An employment contract was signed on 10 June 2010 with Professor Osmo Suovaniemi, a member of the Board, under which Suovaniemi is paid a monthly fee approved by the Board of Directors for his services as scientific advisor to the Board. In 2011, this fee was EUR 14,000 a month plus car and phone benefit.

President & CEO and other company management

The Board approves the President & CEO's remuneration and terms of employment. The salary paid to the company's President & CEO, Jussi Heiniö, in 2011 was EUR 16,000 a month plus car and phone benefit. Jussi Heiniö transferred to Sartorius on 14 December 2011 as part of the divestment of Biohit's liquid handling business.

Semi Korpela took over as Biohit's President & CEO on 14 December 2011. Semi Korpela's salary is EUR 10,000 a month plus phone benefit.

The President approves the remuneration and terms of employment of Management Team members. Biohit's Board of Directors approves the principles of the incentive schemes for Management Team members and the President & CEO. Bonuses are determined on the basis of the net sales and earnings trends in each person's area of responsibility. The maximum bonus that can be received depends on each person's monthly salary and can total no more than three month's salary.

No bonus was approved for the President & CEO and Management Team members in 2011.

The President & CEO approves the salaries of subsidiaries' Managing Directors in accordance with the instructions provided by Biohit's Board of Directors. Profit-based incentives are dependent on sales and profitability trends for each unit's product segments.

Biohit does not employ any incentive schemes that pay management in the company's own shares.

Pension plans

No other notable pension arrangements, beyond those mandated by law, have been made with the Managing Directors of Group companies.

Remuneration and other benefits 2011

During the financial year ending 31 December 2011, remuneration paid to members of the parent company's Board totalled EUR 123,000 (EUR 104,000 in 2010).

President & CEO Jussi Heinö was paid EUR 220,891. Osmo Suovaniemi was paid EUR 187,800 as a member of the scientific advisory board.

The salaries and fees of the Group's Managing Directors totalled EUR 638,000 (EUR 801,000 in 2010 and EUR 839,000 in 2009).

Salaries paid to other Management Team members totalled EUR 606,000 (EUR 1,002,000 in 2010 and EUR 854,000 in 2009).

MAIN CHARACTERISTICS OF THE INTERNAL CONTROL OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Biohit's internal control is responsible for ensuring that the Group carries out its business operations within the framework of current regulations and legislation, and in accordance with the Board of Directors' instructions. Internal control seeks to ensure that the Group operates with maximum efficiency and that the objectives set in the strategy ratified by the Board of Directors are achieved at different levels of the organisation. Risk management is geared towards supporting the achievement of these objectives by anticipating and managing business-related risks.

Control environment

Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and wellbeing through innovation. Biohit will now focus on its diagnostics business, in which the company conducts global operations in both manufacturing and sales and marketing.

Biohit's control environment is defined by the Board of Directors, which, as the highest administrative body, is responsible for organising internal control. The President & CEO is responsible for maintaining the efficiency of the control environment and the functionality of internal control. Biohit's financial department is responsible for the functionality of financial reporting as well as the interpretation and application of financial statement standards in line with the separately ratified instructions.

Risk assessment

In the assessment of risks related to financial reporting, Biohit's objective is to identify the major risks associated with the Group's business operations and environment. The cost-effective management and monitoring of these risks will then ensure that the company's strategic and operational targets can be reached as intended.

The Board of Directors carries the main responsibility for risk assessment and monitoring the implementation of risk management. The President & CEO works with the parent company's operative management and subsidiaries' managements to ensure that the Group's risk management is duly arranged. The parent company's operative management is responsible for identifying and managing the risks involved within each business area, while subsidiaries' managements are responsible for those in their own market areas.

Risk management is one of the areas covered by Biohit's internal control processes, which regularly monitor the risks associated with the company's business operations, identify any changes and, if necessary, take appropriate action to hedge against them. Risk management focuses on ensuring the continuity of business operations and preventing financial misconduct.

Control measures

Internal control measures are integrated into the Group's general business management and reporting process. Subsidiaries report on business and earnings trends and the most significant deviations to Group Management on a monthly and quarterly basis. The Group's Management Team reports to the BOD on the overall development of business; these two bodies, together with the President and CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

Subsidiaries' Boards follow business developments and ensure that the parent company's approved instructions and guidelines are followed. As a rule, each subsidiary's Board of Directors convenes after the end of each quarter. Subsidiary Boards work with financial reports and the written quarterly reports drawn up by subsidiary management.

Biohit's steering and control is carried out in accordance with the management system described above. The company provides the reporting systems necessary for business and financial management.

The financial department of the parent company provides instructions for drawing up annual and interim financial statements and prepares the consolidated financial statements. The parent company's financial department retains central control of funding and administrative matters within the framework of the instructions provided by the Board of Directors and the President & CEO, and is also responsible for the management of interest and exchange rate risks. The Managing Directors of subsidiaries ensure that subsidiaries' reporting is carried out in accordance with the instructions given by the Group's Management Team. The parent company's administration department controls and provides instructions on Group-level personnel policies and any agreements made within the Group.

Disclosure policy

Biohit aims to provide all of its stakeholders with information about the company's operations in a proactive, consistent and timely manner. The company seeks to take the special requirements and interests of all its stakeholders into account in its communications, in order to increase confidence in the company and thereby promote its business operations. Biohit's Board of Directors has ratified an information release policy with a view to ensuring the accuracy and reliability of any information released. The policy also specifies who is responsible for communications in different situations.

Biohit's financial department regularly provides information on processes related to financial administration reporting. This ensures the real-time availability of data, which is a prerequisite for efficient internal control. Financial administration guidelines and the company's information release policy aim to ensure the promptness and comprehensiveness of communications and the release of information required for internal control purposes.

Monitoring

The efficiency of internal controls on financial reporting is overseen by the Board of Directors, the President & CEO, Management Team members, and the Managing Directors of subsidiaries. Control focuses on following weekly and monthly financial reports and forecasts, and analysing any deviations from business plans. Monitoring is performed at all Board and Management Team meetings where reports are reviewed. It is supported by regular contact between Group Management and the company's auditor, and the analyses of any deviations, which occurs at least once a quarter. The audit frameworks for the Group's subsidiaries and key audit areas are jointly defined by the Group's financial management and the chief auditor.

Financial reporting processes and resources have been reorganised to meet Biohit's new requirements after the divestment of its liquid handling business.

Biohit has not appointed a separately organised function for internal auditing purposes. The Group's financial management holds primary responsibility for the practical implementation of the internal audit.

The Group has all the internal control reporting systems required for financial management and monitoring business development. The reporting systems produce monthly financial data, so that financial management can ensure that the parent company's approved instructions on, for example, authorisations are being adhered to. The Group's auditor and the auditors of each subsidiary evaluate the effectiveness of the internal control system both in connection with the external audit and through spot checks throughout the financial year.

AUDIT 2011

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company needs to have one auditing body approved by the Central Chamber of Commerce.

Biohit's auditor in 2011 was authorised public accountants Ernst & Young Oy, with Erkka Talvinko, Authorised Public Accountant, as chief auditor.

Auditors' fees

The Group's invoiced auditors' fees for the financial year 2011 totalled EUR 149,000 (EUR 138,000 in 2010). Authorised public accountants Ernst & Young Oy were also paid a total of EUR 50,000 (EUR 29,000 in 2010) for other services.

INSIDERS

Biohit applies the Guidelines for Insiders approved by NASDAQ OMX Helsinki Oy, as well as any relevant amendments.

Biohit's Communications Director is responsible for the company's insider control. The Director ensures that insiders are aware of insider regulations and adhere to trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 21 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to sell or purchase shares in Biohit before an announcement has been made of the continuation or discontinuation of a project.

Information on the shareholdings of Biohit's insiders and their trading activity is available on Biohit's website at www.biohithealthcare.com/investors.

Financial statements 2011

Report of the Board of Directors 2011

SUMMARY

- Biohit Oyj sold its liquid handling business to Sartorius Lab Holding GmbH on 14 December 2011 and now focuses on its diagnostics business. The diagnostics business is reported as continuing operations and the liquid handling business as discontinued operations.
- Net sales from continuing operations EUR 2.1 million (EUR 2.2 million in 1–12/2010)
- Operating loss from continuing operations was EUR 4.9 million (EUR -2.9 million) including a goodwill write-down of EUR 2.6 million.
- The sale price of the discontinued operations was EUR 68 million in cash, which the buyer placed in an escrow account upon signing the sales agreement. 90% of the sale price was released to the seller in connection with the transaction and the remaining 10% will be retained as collateral for any claims the buyer may have until 31 March 2014.
- Operating profit from discontinued operations totalled EUR 49.1 million (EUR 3.4 million in 1–12/2010), including a capital gain of EUR 46.1 million. Due to the terms and conditions of the sale and other unresolved issues related to the transaction, EUR 3.5 million of the capital gain from the sale was not recognised as income.
- Profit before taxes EUR 43.8 million (EUR 0.4 million), including a capital gain of EUR 46.1 million from the sale discontinued operations and a goodwill write-down of EUR 2.6 million.
- Earnings per share EUR 2.86 (EUR 0.00)

Biohit Oyj sold its discontinued business to Sartorius Lab Holding GmbH on 14 December 2011. A trimmee group now focuses in the diagnostics business. A trimmer group structure and focus on core business represent major strengths for Biohit in the current situation.

Biohit aims to bring its diagnostics business to the growth track. In the future, we will make determined efforts to enhance our sales and marketing, to build distribution channels and to develop co-operation with distributors. We will also strengthen our own organisation. Our leading products are Acetium, GastroPanel and quick tests. Besides Europe. Asia is another main market for us.

Growth in the diagnostics business in 2011 was slower than expected. Management resourses were significantly tied up in the preparations of the sale of the liquid handling business and the continuation of the business by the new owner, postponing the benefits from the great potential of the diagnostics business.

The sale of the liquid handling business to Sartorius Lab Holding GmbH had a significant effect on the period's financial performance. Biohit reported a healthy equity ratio at the end of 2011: 74% (44.5%). A strong balance sheet provides a good base for building our business.

GROUP'S KEY FIGURES

MEUR	Jan–Dec 2011	Jan–Dec 2010
Net sales, EUR million, continuing operations	2.1	2.2
Net sales, EUR million, discontinued operations	37.9	37.8
Operating profit/loss, EUR million, continuing operations	-4.9*	-2.9
Operating profit/loss, EUR million, discontinued operations	49.1**	3.4
Profit/loss before taxes	43.8*	0.4
Profit/loss for the period * **	37.7	0.1
Average number of personnel	422	412
Personnel at period end, continuing operations	34	41
Equity ratio, %	74.0%	44.5%
Earnings per share, EUR	2.86	0.00
Shareholders' equity per share, EUR	3.9	1.01
Average number of shares during the period	13,163,616	12,937,627
Number of shares at end of period	13,615,593	12,937,627

*) Operating profit for 2011 includes a goodwill write-down of EUR 2.6 million

**) Figures include a capital gain of EUR 46.1 million from the sale of the liquid handling business

REPORTING

Following the sale of the liquid handling business at the end of 2011, the diagnostics business is now reported as continuing operations and the liquid handling business as discontinued operations.

General administrative expenses for the reporting and comparison periods have been allocated to continuing and discontinued operations on the basis of the number of personnel. In the 2012 reporting, general administrative expenses for the comparison period 2011 will be re-allocated fully to continuing operations.

NET SALES AND RESULT

Net sales from the continuing business fell by 6.7%.

Efforts made to fully tap into the potential offered by the diagnostics business had to be suspended as company resources were required for the preparation of the liquid handling business divestment and continuation by the new owner.

Operating loss from the continuing operations came to EUR 4.9 million (EUR -2.9 million). The goodwill write-down of EUR 2.6 million had a negative effect on the diagnostics business results.

Operating profit from discontinued operations was EUR 49.1 million (EUR 3.4 million) including a capital gain of EUR 46.1 million rom the sale of the liquid handling business.

Group net sales

MEUR	Jan–Dec 2011	Jan–Dec 2010
Discontinued operations	37.9	37.8
Continuing operations	2.1	2.2
Total	39.9	40.0

Group operating profit by segment

MEUR	Jan–Dec 2011	Jan–Dec 2010
Discontinued operations	49.1	3.4
Continuing operations	-4.9	-2.9
Total	44.3	0.5

The impact of currency exchange rates

Exchange rate gains amounted in 2011 to EUR 0.2 million. In the comparison period in 2010, net exchange rate gains amounted to EUR 0.6 million.

Calculated in comparable currencies, the trend in Biohit's net sales in 2011 does not deviate substantially from the reported figures.

BALANCE SHEET

On 31 December 2011, the balance sheet total was EUR 71.5 million (EUR 29.4 million) and the equity ratio was 74.0% (44.5%).

WRITE-DOWN OF GOODWILL

The write-down applies to certain products in the GastroPanel test package in continuing operations. The Acetium products are not included in this product group. Growth in the diagnostics business was lower than expected during the period. The expected cash flow from products is negative in the first years of the forecast period due to significant expenses in the development stage and the delay in net sales build-up. Consequently, Biohit Oyj's Board of Directors decided to record a EUR 2.6 million goodwill write-down in the financial statements for 2011. The write-down is based on the goodwill impairment testing conducted at the end of 2011 as required by the IFRS standards. In the future, Biohit will invest in the development of both the GastroPanel and the Acetium business.

FINANCING

Pursuant to the authorization granted by the AGM on 13 April 2011, the Board of Directors decided on a share issue directed at Sartorius Lab Holding GmbH, who subscribed for a total of 677,966 of Biohit's new Series B shares. This accounts for approximately 4.98% of Biohit shares and 0.97% of all voting rights conferred by the shares following their registration. The subscription price was EUR 2.95 per share.

Biohit Oyj has been able to materially strengthen its financial position since the sale of its liquid handling business to Sartorius Lab Holding Gmbh on 14 December 2011.

RESEARCH AND DEVELOPMENT

In the diagnostics business, research and development focused on the development and improvement of existing products. The company uses third-party experts and subcontractors in its R&D activities. Development expenditure associated with the diagnostics business has not been capitalised.

INVESTMENTS

In continuing operations, gross investments during the reporting period totalled EUR 0.1 million (EUR 0.3 million). The value of the fixed assets transferred to the buyer in connection with the sale of the liquid handling business in December 2011 was EUR 12.8 million.

PERSONNEL

During the reporting period, the average number of personnel employed by the Group was 422 (412 in the corresponding period in 2010 and 370 in the corresponding period in 2009), of whom 188 (192) were employed by the parent company and 234 (220) by subsidiaries. At the end of the period, the number of personnel was 34, of whom 27 were employed by the parent company and 2 by subsidiaries. During the transition period, former subsidiaries continue to employ 5 persons. The wages and salaries has been

paid to personnel totally in 2011 EUR 14,333 thousand (EUR 14,227 thousand in 2010 and EUR 12,324 thousand in 2009).

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Biohit's key risks have to do with the investments required to grow its diagnostics business. Risks are involved in the selection and development of distribution channels, in recruitment, and in product margin structures. Significant short-term risks are associated with the selection of new market areas, the timing of expansion into the selected markets, and product success in these markets.

Business development and new product launches require investments that represent a challenge in terms of Biohit's financial position. However, due to the directed share issue arranged during the period and the sale of the liquid handling business, the company was able to improve its cash position and liquidity considerably.

When investing liquid assets, the objective is to gain a return on investment with a minimum risk of losing any capital. The investment portfolio consists of deposits, money market investments and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. Biohit conducts its investment activities with at least two partners.

The diagnostics business has a wide customer base, which means Biohit does not materially depend on any individual customers or individual project deliveries. Most of the company's business is conducted in euro, and the indirect effects of currency exchange rate fluctuations are considered minor.

Determined sales and marketing efforts will be required to fully tap into the potential offered by the diagnostics products.

OUTLOOK FOR 2012

Net sales from continuing operations in 2012 is expected to improve from 2011.

MAIN EVENTS IN THE REPORTING PERIOD

Diagnostics business

Biohit's diagnostics business involves the development, manufacture and marketing of test and analysis systems for the diagnosis and prevention of diseases of the gastrointestinal tract. These tests and systems are based on innovations and research data. The product range includes GastroPanel examinations and ColonView quick tests for primary healthcare; lactose intolerance and Helicobacter pylori quick tests for specialised healthcare; and instruments and analysis systems for laboratories. The company also markets GastroPanel laboratory analysis packages. In addition to GastroPanel test kits, this package includes liquid handling products, instruments, and software, as well as installation, Training, and maintenance services. The GastroPanel laboratory concept is geared towards facilitating the efficient introduction of GastroPanel examinations.

Biohit's service laboratory provides analyses of tests developed by Biohit, and the determination of carcinogenic acetaldehyde in foodstuffs and alcoholic beverages. On a global scale, exposure to acetaldehyde is linked to approximately 4 million new cancer cases annually, or nearly 40 per cent of all cancers. Biohit has developed products and a method for reducing exposure to acetaldehyde in the gastrointestinal tract.

The Acetium capsule developed by the company binds carcinogenic acetaldehyde in the stomach. Acetium products were co-developed in cooperation with researchers at the University of Helsinki and Biohit's scientific advisors.

Prescription-free Acetium capsules are recommended for use after the consumption of food or alcohol, to prevent the possible risk of gastric and oesophageal cancer by those who:

1. have an anacidic or low-acid stomach (diagnosed with GastroPanel) due to atrophy in the mucosa of the stomach and a functional disorder (atrophic gastritis) caused by a Helicobacter pylori infection or an autoimmune disease
2. have a Helicobacter pylori infection (diagnosed with GastroPanel)
3. use proton pump inhibitors (PPIs and H2 receptor blockers)
4. have undergone stomach surgery.

Biohit's GastroPanel and Acetium are unique innovations in the prevention of gastric and oesophageal cancer. GastroPanel detects the atrophic gastritis caused by a Helicobacter pylori infection or an autoimmune disease, revealing the risk of gastric and oesophageal cancer in time when treatment to cure the condition is still available. Atrophic gastritis of the corpus, which rarely heals, leads to a permanently low-acid or anacidic stomach. Mouth microbes are able to live in an anacidic stomach and produce acetaldehyde from alcohol and the sugars contained in food. In October 2009, the WHO classified acetaldehyde as a Group I carcinogen – a group which also includes asbestos, tobacco and benzene.

Every effort must be made to reduce all Group I carcinogens in the human body and food, regardless of their source. Protected by granted and pending patents, Acetium capsules are, so far, the only way of binding and inactivating carcinogenic acetaldehyde in the stomach, which in turn enables the prevention of gastric and oesophageal cancer. Biohit has applied for patents in several countries for the BioFood method, which can be used to bind and inactivate acetaldehyde in alcoholic beverages and foodstuffs before it enters the mouth. The Acetium lozenge binds acetaldehyde already dissolved into saliva from cigarette smoke. Protected by pending patents, the Acetium lozenge may also help users to give up smoking. This will be further examined in a study on the topic. In animal tests, acetaldehyde has been found to be addictive.

Diagnostics	Jan–Dec 2011	Jan–Dec 2010
Net sales, EUR million	2.1	2.2
Change, %	-6.7%	23.7%
Operating result, EUR million*	-4.9	-2.9
Change, %	-66%	-40.1%
Operating result, % of net sales	-234.5%	-127.3%

*) Operating result of the diagnostics segment includes a goodwill write-down of EUR 2.6 million

At Group level, sales of the diagnostics business did not develop as expected during the reporting period. Net sales developments have mainly been favourable in Biohit's domestic market in Finland.

At the turn of 2010/2011, Biohit combined the sales and marketing management in the liquid handling and diagnostics businesses but after the sale of the liquid handling business they were separated. In addition, the company has made changes to its sales organisation.

In Finland, Terveystalo, a private healthcare company operating nationwide, included the GastroPanel examination, developed by Biohit, in its service offering this spring. The GastroPanel examination is now available from all of the one hundred-plus Terveystalo sites across Finland. Health care company Diacor has also included the GastroPanel examination in its offering. Diacor's doctors have been trained to carry out the examination, and it is available from all Diacor sites in the metropolitan Helsinki region.

Discontinued business

At the end of 2011, Biohit sold its discontinued business to Sartorius Lab Holding GmbH.

Liquid Handling	Jan–Dec 2011	Jan–Dec 2010
Net sales, EUR million	37.9	37.8
Change, %	0.1%	12.7%
Operating result, EUR million	49.1*	3.4
Change, %	1363.4%	4.2%
Operating result, % of net sales	129.9%	8.9%

*) Operating result for 2011 includes a capital gain of EUR 46.1 million from the sale of the liquid handling business

MAJOR EVENTS AFTER THE CLOSE OF THE PERIOD

Biohit paid back to the principal shareholders a capital loan of EUR 0.6 million and the accumulated interest 5% of EUR 0.6 million in February 2012. Also in February, the holders of Biohit Oyj's convertible bond sold the loan back to the company. The value of the loan was EUR 4.1 million and interest 6.5%.

A group of 16 gastroenterology experts from twelve countries wrote an article, which was published in the prestigious Scandinavian Journal of Gastroenterology (SJG). The objective of this group of experts is to promote international co-operation aimed at developing safer and more cost-efficient diagnostic tools for stomach diseases as well as their prevention and care (GastroPanel biomarkers: "Rationale in diagnosis and screening of atrophic gastritis with stomach-specific plasma biomarkers". Scandinavian Journal of Gastroenterology. 2012; 47: 136–147).

ADMINISTRATION

Annual General Meeting

The annual general shareholders' meeting held after the end of the reporting period on 13 April 2011 decided that the company will not pay a dividend for the past financial year and that the parent company's loss for the financial year, EUR 534,475.32, is to be moved to the profit/loss account of previous financial years.

The shareholders' meeting decided that the number of members in the Board is seven (7) and elected the following people to the Board until the end of the next annual shareholder's meeting: Kalle Kettunen (CEO, MSc (Eng.), MBA), Professor Osmo Suovaniemi (MD, PhD), Professor Mikko Salaspuro (MD, PhD) and Eero Lehti (MP, MSc (Soc. Sc.)) were elected as old members. Petteri Kilpinen (CEO, BSc (Eng.)), Seppo Luode (MSc (Eng.), MBA) and Saila Miettinen-Lähde (CFO, MSc (Eng.), BSc) were elected as new members.

Authorised Public Accountants, Ernst & Young Oy, with Erkka Talvinko, APA, as the auditor in charge were elected as the auditors of the company.

In addition, the meeting decided to authorise the Board to decide on the issue of shares and to issue the special rights referred to in Chapter 10, section 1 of the Limited Liability Companies Act entitling the receipt of shares with the following terms and conditions: The maximum number of new Series B shares to be issued pursuant to the special rights is 2,000,000, which corresponds to approximately 20% of the company's Series B shares.

According to the resolution, the Board of Directors is entitled to decide on all terms and conditions regarding the issue of shares and the issue of special rights. The issue of shares and the issue of special rights entitling to the receipt of shares can occur in deviation from the subscription right of shareholders (special issue). Such an authorisation remains valid for three years from the resolution of the AGM.

CHANGES TO BIOHIT OYJ'S MANAGEMENT

Semi Korpela, M.Sc. (Econ.), born 1970, was appointed President and CEO of Biohit Group as of 14 December 2011. Previously, Kor-

pela worked as the Financial Director of Biohit Group from 2003 to 2006. After this, Korpela held positions as Financial Director at CPS Color Group, Medisize Group and LDR Group Oy.

Tapani Tiusanen, PhD. (Physics), DipEMC (Marketing), born 1956, was appointed the new Head of Operations and IT of Biohit Group as of 16 December 2011. Previously, Tiusanen worked in several positions at Labsystems Oyj, Vaisala Oyj and Kibron Inc. and for the last three years as Development Manager at Biohit Group.

Ulla Savelainen, B.Sc. Econ. & Bus. Adm., born 1949, was appointed Head of Financials, HR and Communications of Biohit Group as of 16 December 2011. Previously, Savelainen worked as a Financial Administration Consultant in several listed companies. From 2000 to 2005, Savelainen worked as the Financial Manager of Sentera Oyj.

Terhi Lampén, M.Sc. (Econ.), born 1973, was appointed Head of Sales and Marketing of Biohit Group as of 16 December 2011. Previously, Lampén worked as the Nordic Sales Manager of the Diagnostics business and from the beginning of 2011 onwards as the Marketing Manager. Before her career at Biohit, Lampén worked as a Product Specialist at Johnson & Johnson and as a Regional Manager at Boehringer Ingelheim.

Lea Paloheimo, PhD (Clinical Biochemistry) born 1951, was appointed Head of Product Development and Quality of Biohit Group as of 16 December 2011. Paloheimo has worked at Biohit Group since 2001.

SHARE TURNOVER AND PRICE DEVELOPMENT

Biohit Oyj's shares are divided into series A and series B shares. There are 2,975,500 series A shares and 10,640,093 series B shares, totalling 13,615,593 shares. Series A shares confer 20 votes per share and Series B shares 1 vote per share. The dividend paid for Series B shares is, however, two (2) per cent of the nominal value higher than that paid for Series A shares. The total market capitalisation value (supposing that the market capitalisation value for series A and B shares is equal) at the end of the period was EUR 39.9 million (EUR 27.2 million on 31 December 2010).

Biohit Oyj's Series B shares are quoted on NASDAQ OMX Helsinki in the Small cap/Healthcare group under the code BIOBV.

BIOBV/NASDAQ OMX Helsinki	Jan–Dec 2011	Jan–Dec 2010
High, EUR	3.96	4.91
Low, EUR	1.74	1.50
Average, EUR	2.30	3.42
Latest, EUR	2.93	2.10
Turnover, EUR	8,228,319	32,166,841
Turnover, volume	3,001,175	9,415,015

Shareholders

As a result of the directed share issue arranged during the reporting period, the number of the company's shares grew by 677,966 shares.

At the end of the reporting period on 31 December 2011, the company had 4,238 shareholders (4,602 on 31 December 2010). Private households held 69.23% (72.82%), companies 22.66% (23.62%), and public sector organisations 2.54% (2.65%) of the shares. Foreign ownership or nominee registrations accounted for 5.49% (0.86%) of shares.

Further information on the shares, major shareholders, and management's shareholdings is available on the company's website at www.biohithealthcare.com/investors.

All the figures have been rounded up or down, due to which the sums of figures may deviate from the sum total presented.

Helsinki 16 March 2012

Biohit Oyj
Board of Directors

Consolidated statement of comprehensive income

1,000 €	Note	1 Jan–31 Dec 2011 Continuing operations	Discontinued operations	Total	1 Jan–31 Dec 2010 Continuing operations	Discontinued operations	Total
Net sales	2.3	**2,069**	**37,853**	**39,922**	**2,218**	**37,827**	**40,045**
Other operating income	2.4	32	46,110	46,142	153	64	217
Change in inventories of finished goods and work in progress		-214	433	219	39	-469	-430
Materials and services	2.5	-759	-9,044	-9,803	-862	-6,911	-7,773
Employee benefit expenses	2.6, 2.9	-2,386	-14,959	-17,345	-2,041	-15,079	-17,120
Depreciation and amortisation	2.7	-2,802	-1,725	-4,527	-61	-1,610	-1,671
Other operating expenses	2.8, 2.9	-790	-9,557	-10,347	-2,369	-10,391	-12,760
Operating profit		**-4,850**	**49,112**	**44,262**	**-2,922**	**3,430**	**507**
Financial income	2.10			235			663
Financial expenses	2.10			-708			-782
Profit before taxes				43,789			388
Income taxes	2.11			-6,080			-327
Profit for the period				**37,710**			**61**
Other comprehensive income							
Translation differences				134			190
Total comprehensive income				**37,844**			**251**
Distribution of comprehensive income							
To equity holders of the parent company				37,710			61
Total				**37,710**			61
Earnings per share are calculated from the earnings attributable to equity holders of the parent company.							
Earnings per share, diluted and undiluted, EUR				37,844			251
Total				**37,844**			251
Earnings per share are calculated from the earnings attributable to equity holders of the parent company.							
Earnings per share, diluted and undiluted, EUR	2.12			2.86			0.00

Consolidated balance sheet

1,000 €	Note	31 Dec 2011	31 Dec 2010
ASSETS			
Non-current assets			
Goodwill	2.13	-	2,638
Intangible assets	2.13	311	3,177
Tangible assets	2.14	116	6,531
Financial assets	2.15, 2.18	6,830*	12
Deferred tax assets	2.16	-	1,849
Total non-current assets		**7,257**	**14,206**
Current assets			
Inventories	2.17	319	5,238
Trade and other receivables	2.15, 2.18	5,982	7,779
Financial assets recognised at fair value through profit or loss	2.15, 2.19	10,000	500
Cash and cash equivalents	2.15, 2.19	47,915	1,659
Total current assets		**64,216**	**15,177**
Total assets		**71,472**	**29,383**

Includes EUR 6.8 million in receivables from a business transaction; the funds are placed in a blocked account. Funds will released from the blocked account 31 March 2014, provided no claims concerning the transaction are made.

SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2.20	2,315	2,199
Translation differences	2.20	0	-134
Fund for investments of non-restricted equity	2.20	14,292	12,407
Retained earnings		36,240	-1,469
Shareholders' equity attributable to parent company shareholders		**52,846**	**13,003**
Total shareholders' equity		**52,846**	**13,003**
Non-current liabilities			
Pension obligations	2.21		155
Non-current interest-bearing liabilities			
Capital loans	2.15, 2.23		696
Other interest-bearing liabilities	2.15, 2.23		7,849
Total interest-bearing liabilities	2.15, 2.23		8,544
Other liabilities	2.23	90	701
Total non-current liabilities		**90**	**9,400**
Current liabilities			
Trade payables	2.15, 2.24	3,045	1,854
Current interest-bearing liabilities	2.15, 2.23	4,906	920
Provisions	2.22		50
Tax liabilities		4,528	
Other liabilities	2.15, 2.24	6,056	4,156
Total current liabilities		**18,536**	**6,980**
Total shareholders' equity and liabilities		**71,472**	**29,383**

BALANCE SHEET OF THE DISCONNECTED OPERATIONS

1,000 €	14 Dec 2011
Intangible assets	3,341
Tangible assets	7,746
Inventories	5,313
Non-current receivables	553
Current receivables	3,475
Cash and cash equivalents	1,445
Total assets	21,874
Translation differences	-64
Non-current liabilities	2,466
Current liabilities	1,616
Total liabilities	4,082
Sold net assets	17,728

Consolidated statement of changes in shareholder's equity

1,000 €		Shareholders' equity attributable to parent company shareholders				
	Note	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total shareholders' equity
Balance at 1 Jan 2010		2,199	-324	12,404	-1,530	12,749
Change in the equity component of convertible bonds				4		4
Total comprehensive income for the period	2.20	-	190	-	61	251
Balance at 31 Dec 2010		**2,199**	**-134**	**12,407**	**-1,469**	**13,003**

1,000 €		Shareholders' equity attributable to parent company shareholders				
	Note	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total shareholders' equity
Balance at 1 Jan 2011		**2,199**	**-134**	**12,407**	**-1,469**	**13,003**
Share issue		116		1,885		2,000
Total comprehensive income for the period	2.20	-	134	-	37,710	37,844
Balance at 31 Dec 2011		**2,315**	**-**	**14,292**	**36,240**	**52,846**

Consolidated Cash Flow Statement

1,000 €	Note	2011	2010
Cash flow from operating activities			
Profit for the period		37,710	61
Adjustments to profit for the period			
Depreciation and amortisation	2.7	4,527	1,671
Unrealised exchange rate gains and losses		164	-113
Sales gain from business divestment		-46,110	
Financial income and expenses		308	232
Income taxes		6,080	327
Total adjustments to profit for the period		**-35,031**	**2,117**
Change in working capital			
Increase (-) or decrease (+) in current non-interest-bearing receivables		-1,624	-1,030
Increase (-) or decrease (+) in inventories		4,919	-100
Increase (+) or decrease (-) in current non-interest-bearing liabilities		-454	1,235
Total change in working capital		2,841	105
Interest paid		-757	-515
Interest received		-	3
Realised exchange rate gains and losses		355	397
Income taxes paid		-160	-207
Net cash flow from operating activities		**4,957**	**1,961**
Cash flow from investments			
Investments in tangible and intangible assets		-4,069	-1,778
Proceeds from sales of tangible and intangible assets		428	-
Capital gain from the sale of liquid handling business		56,535	
Investments in funds and deposits		-9,501	-100
Net cash flow from investments		**43,393**	**-1,878**
Cash flow from financing activities			
Share issue		2,000	
Payments of finance lease liabilities		-288	-262
Proceeds from loans		500	5,650
Repayments of loans		-4,351	-5,498
Net cash flow from financing activities		**-2,139**	**-109**
Change in cash and cash equivalents		**46,211**	**-26**
Cash and cash equivalents at the beginning of the period		1,659	1,580
Effect of exchange rates on cash and cash equivalents		45	105
Cash and cash equivalents at the end of the period	2.19	**47,915**	**1,659**

Notes to the consolidated financial statements

1. COMPANY PROFILE

Biohit Oyj is a Finnish public company that manufactures diagnostics products and diagnostics analysis systems for use in research institutions, healthcare and industrial laboratories. The parent company is domiciled in Helsinki.

Copies of the consolidated financial statements are available on the Internet at www.biohithealthcare.com or from the parent company's headquarters, address Laippatie 1, Helsinki, Finland.

At its meeting on 16 March 2012, Biohit Oyj's Board of Directors approved the financial statements for publication. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting can also decide to revise the financial statements.

2. ACCOUNTING POLICY APPLIED IN THE FINANCIAL STATEMENTS

Accounting policy

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been drawn up in compliance with the IAS and IFRS standards and the SIC and IFRIC interpretations in effect as at 31 December 2011. The term "IFRS standards" in the Finnish Accounting Act and the provisions laid down pursuant to the Act refers to the standards approved by the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also conform to Finnish accounting and corporate legislation.

The consolidated financial statements have been drawn up on the basis of original acquisition costs, with the exception of available-for-sale investments and financial assets and liabilities measured at fair value through profit or loss. The figures in the financial statements are presented in thousands of euros.

When financial statements are prepared in accordance with IFRS, the Group's management must make estimates and exercise judgement in the application of accounting policies. The note "Accounting principles requiring judgements by management and key sources of estimation uncertainty" provides information on the judgements that have been made by management in the application of the accounting principles employed by the Group and which have the greatest impact on the figures presented in the financial statements.

Principles of consolidation

The consolidated financial statements include the parent company Biohit Oyj and all of its subsidiaries. Subsidiaries are those companies in which the Group has a controlling interest, that is, in which the Group holds over half of the voting rights or otherwise has a controlling interest. "Controlling interest" means the right to dictate a company's financial and business principles in order to benefit from its operations.

The acquisition cost method has been used in eliminating cross-ownership of shares within the Group. The acquisition cost is taken to include surrendered assets at fair value, liabilities that have arisen or for which responsibility has been adopted, equity instruments issued, and all the direct expenses of the acquisition. Acquired subsidiaries are included in the consolidated financial statements as from the moment when the Group has assumed a controlling interest, and divested subsidiaries are included until the moment when the Group ceases to have a controlling interest. All intra-Group transactions, receivables, liabilities, unrealised profits and internal distribution of profits are eliminated when drawing up the consolidated financial statements. Unrealised losses are not eliminated if they are due to impairment. The distribution of profit for the period to the equity holders of the parent company and minority interests is presented in the income statement. Minority interest in equity is presented in the balance sheet as a separate item under shareholders' equity. The minority interest share of accumulated losses is recognised in the consolidated financial statements up to the amount of the investment at most. The Group does not have any associated companies, joint ventures or minority shareholders.

Translation of items denominated in foreign currency

Figures relating to the result and financial position of each of the Group's business units are measured in the currency of the main operating environment for that unit. The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company.

Foreign currency transactions are recorded in the functional currency using the exchange rates on the date of the transaction in question. Monetary receivables and liabilities are converted using the rates on the closing date. Non-monetary items denominated in foreign currency are translated to the functional currency at the rate on the transaction date. Exchange rate differences on translation have been entered in the income statement. Exchange rate differences arising from the translation of intra-Group trade receivables and payables are recorded under financial items, and the corresponding external items are accounted for as sales or purchases adjustment items. The income statements of foreign

subsidiaries have been translated into euros using the average exchange rates for the financial period. Their balance sheets have been translated using the rates on the closing date. The exchange rate difference resulting from the use of the average exchange rate in the translation of income statement items and the closing date rate in the balance sheets has been entered as a separate item under translation differences in consolidated shareholders' equity. Exchange rate differences in monetary items that are classed as net investments in foreign subsidiaries are entered under translation differences. In accordance with the exception permitted by IFRS 1, cumulative translation differences prior to the IFRS transition date are recorded under retained earnings at the time of the transition to IFRS, and will also not be entered into the income statement later on the divestment of a subsidiary.

Business segments

Following the recent business transaction, only one segment is reported. Segment reporting constitutes the company's internal reporting to senior operative management.

Income recognition

The sale of goods and services is recognised as income when the significant risks and rewards related to ownership are transferred to the buyer, and the payment of goods and services, costs or the possible return of the goods does not involve significant uncertainty. The income recognised is the fair value of the consideration received from the goods or services sold less value-added tax and both bulk and other discounts as well as exchange rate gains or losses on the sale. Interest income is recognised using the effective interest method. Dividend income is booked when the rights to the dividends have materialised.

Property, plant and equipment

Property, plant and equipment have been valued at the original acquisition cost less accumulated depreciation and impairment. The acquisition cost includes the direct costs of acquisition. Later expenditure is included in the carrying amount of the asset or recognised as a separate asset only if it is probable that the Group will benefit from the future economic benefits of the asset and the acquisition cost of the asset can be reliably measured. Other repair and maintenance expenditure is recognised through profit or loss in the period incurred.

Assets are amortised on a straight-line basis over their estimated useful life. There is no depreciation on land areas. The estimated useful lives of assets are as follows:

Buildings	20–30 years
Machinery and equipment	3–10 years

The residual values and useful lives of assets are reviewed in each financial statement. If necessary, they are adjusted to reflect the changes in the expected economic benefits. Capital gains and losses on the discontinuation or disposal of property, plant and equipment are included in other operating income or expenses.

Costs of debt

Costs of debt are expensed in the financial period in which they were incurred, with the exception of costs of debt associated with the acquisition cost of a capitalised investment, in which case financing costs based on the Group's average financing costs are capitalised in the acquisition cost. Transaction costs arising directly from the raising of loans – and which are clearly connected with a certain loan – are included in the original periodised acquisition cost of the loan and are periodised as interest expenses using the effective interest rate method.

Public grants

Public grants received for the acquisition of intangible assets and property, plant or equipment are recognised as decreases in the carrying amounts of property, plant and equipment. Grants are recognised as revenue through smaller depreciation over the useful life of the asset. Grants not related to the acquisition of non-current assets are booked in other operating income.

Intangible assets

Goodwill

In the case of companies acquired after 1 January 2004, goodwill corresponds to the share of the acquisition cost in excess of the Group's share of the fair value of the acquiree's net assets at the time of acquisition. The goodwill on the consolidation of business functions prior to this date corresponds to the carrying amount (as per the previously employed accounting standards), which has been used as the deemed cost. Neither the classification nor accounting treatment of these acquisitions has been adjusted when drafting the opening consolidated IFRS balance sheet.

No regular depreciation is recorded on goodwill. Instead, it is subjected to an annual impairment test. To this end, goodwill is allocated to cash generating units. Goodwill is measured at the original acquisition cost less impairment.

Research and development expenditure

Research expenditure is expensed in the income statement. Development expenditure on the design of new or more advanced products is capitalised as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilised commercially, and is expected to yield future economic benefits. Expensed development expenditure is not capitalised later. Amortisation begins when the asset is ready to be used. The useful life of capitalised development expenditure is 5 years, over which time capitalised assets are expensed on a straight-line basis.

Other intangible assets

An intangible asset is recorded in the balance sheet only if the asset's acquisition cost can be reliably determined and it is probable that the company will benefit from the expected economic benefits of the asset. Other intangible assets with a finite useful life are entered in the balance sheet at the original acquisition cost and expensed in the income statement on a straight-line basis over their known or estimated useful lives. The Group has no intangible assets with unlimited useful lives.

The depreciation periods are as follows::

Patents	10 years
Development expenditure	5 years
Software	3 years
Other	5–7 years

Impairment of tangible and intangible assets

At each closing date, the Group evaluates whether there are indications of impairment on any asset item. If impairment is indicated, the recoverable amount of the asset is estimated. The recoverable amount for goodwill is also assessed annually regardless of whether impairment is indicated. Impairment is examined at the level of cash generating units, that is, at the lowest unit level that is primarily independent of other units and whose cash flows can be separated out from other cash flows. The discount interest used is determined before taxes and describes the market outlook for the time value of money and the risks associated with the asset items to be tested.

The recoverable amount is the fair value of the asset item less the costs of disposal or the value in use, whichever is higher. Value in use is the estimated net cash flow, discounted to its present value, from the asset item or cash-generating unit in question. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered immediately in the income statement. If the impairment loss is allocated to a cash generating unit, it is first allocated as a reduction to the goodwill of the cash generating unit and subsequently as a reduction to the other asset items of the unit on a pro rata basis. An impairment loss is reversed if the situation changes and the recoverable amount of an asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed under any circumstances.

Inventories

Inventories are measured either at the acquisition cost or at the net realisable value, whichever is lower. The acquisition cost is determined using the FIFO principle. The acquisition cost of finished and incomplete products comprises raw materials, direct labour costs, other direct costs, and the appropriate portion of the variable general costs of manufacture and fixed overhead at a normal level of operations. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sale.

Lease agreements

The Group as lessee

Lease agreements concerning property, plant and equipment in which the Group holds a material share of the risks and rewards of ownership are classified as finance lease agreements. Assets acquired under finance lease agreements are recognised in the balance sheet at the fair value of the asset when the lease period begins or at the present value of the minimum rents, whichever is lower. Assets acquired under finance lease agreements are amortised over their useful life unless it is probable that the asset will not be redeemed after the end of the lease period. In such cases, amortisation is performed during the contract period. Lease payments are split between the finance cost and a reduction in the liability over the lease period such that the interest rate on the liability outstanding for each financial period remains the same. The lease commitments are included in interest-bearing liabilities.

Lease agreements in which the risks and rewards incident to ownership are retained by the lessor are treated as other lease agreements. Rents payable under other lease agreements are expensed in the income statement on a straight-line basis over the lease period.

The Group does not act as a lessor.

Pension obligations

Group companies have organised their pension security in accordance with the pension legislation and practices of the country in question. The majority of the Group's pension schemes are defined contribution schemes for which payments are expensed in the period in which they occur. Defined benefit pension schemes are entered into the income statement such that expenses are periodised over the years in employment of the employee on the basis of annual actuarial calculations. Actuarial gains and losses are recognised in the income statement over the average remaining time in service of the persons in the scheme insofar as they exceed either 10% of the pension commitment or 10% of the fair value of assets, whichever is higher.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable, and the size of the obligation can be reliably estimated. The amount recognised as a provision represents the best estimate of the expenditure required to fulfil the existing obligation on the closing date. If the time value of money is material, the provision recorded is the present value of expected expenditure.

Taxes on the taxable income for the period and deferred taxes

Tax expenses in the income statement comprise taxes on the taxable income for the period and deferred tax liabilities. Taxes on the taxable income for the period are calculated on the taxable income on the basis of the tax base in force in the country in question. If applicable, taxes are adjusted for the taxes of previous periods.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. The largest temporary differences arise from the depreciation of property, plant and equipment, unused tax losses, and the internal margin included in inventories.

No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future.

Deferred taxes have been calculated using the tax bases set by the closing date. Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialise in the future.

Financial assets and liabilities

The Group's financial assets are categorised as: financial assets at fair value through profit or loss, loans and other receivables, and available-for-sale financial assets. Financial assets are classified in accordance with the purpose underlying their acquisition, and are categorised on initial recognition. All acquisitions and sales of financial assets are booked on the date of the transaction. Financial assets are derecognised in the balance sheet when the Group has lost its contractual rights to their cash flows, or when the Group has substantially transferred the risks and rewards out of the Group.

Financial assets at fair value through profit or loss include financial asset items that have been acquired to be held for trading or which have been measured at fair value through profit or loss on initial recognition (use of the fair value alternative). Held-for-trading assets are investments in fixed-term deposits and are included in current assets. The items in this group are measured at fair value. The fair value of all investments in this group is measured on the basis of released price quotations on well-functioning markets, that is, buy quotations on the closing date. Both realised and unrealised gains and losses due to changes in fair value are recorded in financial items in the income statement on the period in which they were incurred.

Loans and other receivables are assets that exclude derivative assets and whose related payments are fixed or definable. They are not quoted on well-functioning markets and are not held for trading. Assets are measured at the periodised acquisition cost using the effective interest rate method. They are included in the balance sheet as either current or non-current financial assets – non-current if they do not mature within the next 12 months. This category mainly consists of trade receivables.

Available-for-sale assets comprise investments in unquoted shares. They are measured at acquisition cost, as they are non-liquid assets whose fair value cannot be reliably determined. Available-for-sale assets are included in non-current assets, as the Group is unlikely to surrender them within 12 months of the closing date.

Cash and cash equivalents comprise cash at bank and in hand and other liquid investments with a maturity of less than 3 months.

Financial liabilities are originally booked at their fair value on the basis of the consideration received. Transaction costs have been included in the original carrying amount of financial liabilities. All financial liabilities are later valued at the periodised acquisition cost using the effective interest rate method. Financial liabilities are included in current and non-current liabilities and may be interest-bearing or non-interest-bearing. Interest-bearing liabilities comprise financial liabilities requiring the company to make contractual interest or other payments during the term of the loan. Non-interest-bearing liabilities comprise liabilities for which the company does not have to make contractual interest or other payments.

The fair value of the convertible bond liability has been determined using the market interest rate for a comparable liability on the date of issue. The bond liability will be presented as a periodised acquisition cost until it is amortised through repayment or conversion into shares. The remainder – the equity component of the bond – is presented, less taxes, in the share premium fund.

The principles used for determining the fair values of financial assets and liabilities are presented in note 2.15 to the financial statements.

Impairment of financial assets

At every closing date, the Group evaluates whether there is objective evidence indicating impairment in the value of either a single item or a group of financial assets. If there is evidence of impairment, impairment is recognised through profit or loss. If the impairment loss decreases in a subsequent financial year, the recognised loss is reversed through profit or loss, except in the case of available-for-sale investments classed as equity instruments. Impairment of the latter is not reversed in the income statement.

The Group recognises an impairment loss on trade receivables when there is reliable evidence to indicate that the receivable cannot be collected according to the original terms. The impairment loss to be recognised in the income statement is defined as the difference between the carrying amount of the receivable and the estimated present value of future cash flows adjusted using the effective discount interest rate. If the impairment loss decreases in

a subsequent financial year and the reduction can be considered as relating to an event after the recognition of impairment, the recognised loss is then reversed through profit or loss.

Definition of operating profit or loss

The IAS 1 standard – Presentation of Financial Statements – does not include a definition of operating profit. The Group has defined it as follows: operating profit or loss is the net sum remaining after other operating income is added to net sales, less purchasing costs (adjusted for the change in inventories of finished goods and work in progress and the costs incurred from production for own use) and less expenses, depreciation and potential impairment losses caused by employee benefits and other operating expenses. All other income statement items except the above-mentioned are presented below operating profit/loss. Translation differences and changes in the fair value of derivatives are included in operating profit/loss if they are incurred from items related to operational activities; otherwise they are entered under financial items. Exchange rate differences on intra-Group receivables and liabilities are booked under financial items.

Accounting principles requiring judgements by management and key sources of estimation uncertainty

When preparing financial statements, estimates and assumptions about the future must be made, which is why the actual results may differ from these estimates and assumptions. Management must also exercise judgement in the application of accounting policies. Although estimates are based on the most up-to-date information available, actual results may differ from these estimates. The major areas in which estimation and judgement have been used are described below.

Impairment testing

The Group tests goodwill and incomplete intangible assets for impairment on at least an annual basis, and evaluates whether there are indications of impairment as presented in the accounting policies above. The recoverable amount from cash generating units has been defined on the basis of value in use calculations. Estimates must be used when performing these calculations.

Deferred tax assets

In the case of unused tax losses and the deferred tax assets recognised on temporary differences, the Group evaluates annually whether it is probable that the company in question will generate sufficient taxable income before the unused tax losses lapse.

Application of new or amended IFRS standards and IFRIC interpretations

The following standards, amendments or interpretations that came into force on 1 January 2011 did not affect the consolidated accounting principles because the Group did not record any transactions covered by the standards in question:

- Amendment to IAS 32, *Classification of Rights Issues*
- IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendment to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- Annual improvements 2010, *Effective date: Primarily in financial periods beginning on 1 January 2011 or thereafter*
- Amendment to IFRS 1 – *Limited exemption regarding a first-time adopter's comparative IFRS 7 disclosures - Effective date: In financial periods beginning on 1 July 2010 or thereafter*

IAS 24 (Revised) –*Related party disclosures in the financial statements – Effective date: Financial periods beginning on 1 January 2011 or thereafter. The revision is expected to affect the Group's accounting policies.*

IASB has issued the following new or revised standards and interpretations, which the Group will apply as of 1 January 2012:

- IFRS 7 *Financial instruments: Presentation – amendment (Transfers of Financial Assets)*
- IAS 12 *Income Taxes* – amendment *(Recovery of Underlying Asset)*

The Group estimates that these amendments will not have a material effect on the consolidated financial statements.

IASB has issued the following new or revised standards and interpretations, which the Group will apply in accordance with the effective dates approved by the EU:

- IFRS 9 *Financial Instruments* – new standard
- IFRS 10 *Consolidated Financial Statements* – new standard
- IFRS 11 *Joint Arrangements* – new standard
- IFRS 12 *Disclosure of Interests in Other Entities* – new standard
- IFRS 13 *Fair Value Measurement* – new standard
- IAS 28 *Investments in Associates and Joint Ventures* – revised standard
- IAS 19 *Employee Benefits* – revised standard
- IAS 1 *Presentation of Financial Statements* – amendment *(Presenting comprehensive income items)*

These new and revised standards have not yet been approved for application in the EU. The Group is assessing their effect on the consolidated financial statements.

3. SEGMENT-BASED REPORTING

Biohit Oyj sold its liquid handling business to Sartorius Lab Holding GmbH on 14 December 2011 and now focuses on its diagnostics business. The diagnostics business is reported as continuing operations and the liquid handling business as discontinued operations.

Until 14 December 2011, Biohit had organised its business into two primary business areas: Liquid Handling and Diagnostics. The format of the Group's segment reporting has been based on these business segments.

4. OTHER OPERATING INCOME

	Continuing operations 2011	2010	Discontinued operations 2011	2010
Capital gains on the sale of property, plant, and equipment	4	-	46,110*	-
Grants	28	64	-	116
Other	-	-	-	37
Total	32	64	46,110	153

*) EUR 3.5 million of the capital gain from the sale was not recognised as income.

5. MATERIALS AND SERVICES

	Continuing operations 2011	2010	Discontinued operations 2011	2010
Raw materials, consumables, and goods	703	806	8,590	6,264
External manufacturing services	56	56	454	647
Total materials and services	759	862	9,044	6,911

6. EMPLOYEE BENEFIT EXPENSES

	Continuing operations 2011	2010	Discontinued operations 2011	2010
Wages and salaries	2,005	1,636	12,328	12,591
Pensions, defined benefit plans	-	-	-	89
Pensions, defined contribution plans	273	123	1,486	1,470
Other personnel expenses	108	282	1,651	1,451
Wages and salaries capitalised in non-current assets	-	-	-507	-522
Total	2,386	2,041	14,959	15,079

Details of the management's employee benefits are presented in Note 2.26, 'Related party transactions'.

Number of personnel	Continuing operations 2011	2010	Discontinued operations 2011	2010
Average number of salaried personnel	36	38	207	183
Average number of non-salaried personnel	-	-	179	191
Overall average number of personnel	36	38	386	374
Number of personnel at the end of the financial period	34	41	-	390

7. DEPRECIATION

	Continuing operations 2011	2010	Discontinued operations 2011	2010
Intangible assets	2,670*	42	710	212
Buildings	-	-	118	208
Machinery and equipment	132	19	897	1,190
Total	2,802	61	1,725	1,610

*) Includes a good-will write-down of EUR 2,638 thousand.

8. OTHER OPERATING EXPENSES

	Continuing operations 2011	2010	Discontinued operations 2011	2010
Travel and other employee-related expenses	212	483	2,139	2,125
Rent and maintenance expenses	-45	94	2,603	2,747
Marketing and sales expenses	333	781	944	2,459
Other external services	342	625	2,587	2,084
Other operating expenses	-52	386	1,284	977
Total	790	2,369	9,557	10,391
Invoiced auditors' fees of the continuing and discontinued operations	-	-	149	138
Other fees of the continuing and discontinued operations	-	-	50	29
Total auditors' fees	-	-	199	167

9. RESEARCH AND DEVELOPMENT EXPENDITURE

The research and development expenditure of the discontinued operations totalled EUR 2,213 thousand (EUR 2,542 thousand), representing 5.5% (6.3%) of net sales.

10. FINANCIAL INCOME AND EXPENSES

	2011	2010
Exchange rate gains from financial assets and liabilities	221	658
Gains from financial assets recognised at fair value	-	3
Other financial income	14	1
Total financial income	235	663
Interest expenses on financial liabilities	-654	-533
Exchange rate losses on financial assets and liabilities	-30	-148
Fees	-25	-101
Total financial expenses	-708	-782
Total financial income and expenses	-473	-120

11. INCOME TAXES

Direct taxes	2011	2010
Taxes on taxable income for the period	-4,731	-204
Deferred taxes	-1,349	-123
Total direct taxes	-6,080	-327

Reconciliation of the tax rate	2011	2010
Profit before taxes	43,789	388
Taxes at the rate for the parent company, 26%	-11,385	-101
Effect of different tax rates of foreign subsidiaries	-29	-23
Tax-exempt income	6,177	-
Non-deductible expenses	-1,733	-60
Change in unrecognised tax assets from tax losses / use of previously unrecognised tax losses	890	-123
Other	-	-20
Taxes in the income statement	-6,080	-327

It is not possible to objectively impose income taxes on discontinued and continued operations or on the sale of business operations. In taxation, discontinued operations by the parent company have been able to benefit from the losses of continued operations. The sale of business operations has had direct tax effects in different countries. In addition, discharge of depreciation differences, the full utilisation of confirmed losses by the parent company and the loss of deferred tax receivables with the sold subsidiaries cause indirect taxes. When preparing the financial statements, the company did not have the final details of the business sale's tax effects in different countries which has been taken into consideration when estimating the amount of recognised income from the return on sales.

12. EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit for the period attributable to equity-holders of the parent company by the weighted average number of shares outstanding during the period.

	2011	2010
Earnings for the period attributable to equity-holders of the parent company, EUR 1000	37,710	61
Interest on the convertible bonds	263	263
Result for the period for the calculation of earnings per share adjusted for the dilution effect	37,973	324
Average number of shares, undiluted	13,615,593	12,937,627
Conversion of convertible bonds into shares	900,000	900,000
Average number of shares, diluted	14,515,593	13,837,627
Earnings per share (EPS), undiluted, EUR	2.86	0.00

In the calculation of earnings per share adjusted for the dilution effect, the weighted average number of shares accounts for the dilution effect of the conversion of convertible bonds into shares. The convertible bonds did not have a dilutive effect in the 2011 and 2010 financial years.

13. INTANGIBLE ASSETS

2011	Development expenditure	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost, 1 Jan 2011	2,376	2,092	2,638	1,732	8,838
Increases	986	73	-	17	1,076
Decreases	-15	-	-	-	-15
Sale of the liquid handling operations	-3,347	-1,625	-	-1,001	-5,973
Acquisition cost, 31 Dec 2011	-	540	2,638	748	3,926
Accumulated amortisation and impairment, 1 Jan 2011	-468	-1,426	-	-1,129	-3,024
Acc. depreciation of the discontinued operations	773	1,130	-	481	2,079
Depreciation of the discontinued operations	-305	-95	-	-3	-403
Impairment and depreciation of the continuing operations	-	-25	-2,638	-8	-2,671
Accumulated amortisation and impairment, 31 Dec 2011	-	-321	-2,638	-656	-3,616
Carrying amount, 1 Jan 2011	1,908	666	2,638	603	5,815
Carrying amount, 31 Dec 2011	-	219	-	92	311

INTANGIBLE ASSETS

2010	Development expenditure	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost, 1 Jan 2010	1,815	1,832	2,638	1,472	7,757
Increases	565	260	-	531	1,356
Decreases	-3	-	-	-	-3
Transfers between items	-	-	-	-276	-276
Foreign exchange differences	-	-	-	5	5
Acquisition cost, 31 Dec 2010	2,376	2,092	2,638	1,732	8,838
Accumulated amortisation and impairment, 1 Jan 2010	-356	-1,312	-	-1,101	-2,770
Depreciation and amortisation	-112	-114	-	-28	-254
Impairment			-	-	-
Foreign exchange differences	-	-	-	-	-
Accumulated amortisation and impairment, 31 Dec 2010	-468	-1,426	-	-1,129	-3,024
Carrying amount, 1 Jan 2010	1,458	520	2,638	371	4,987
Carrying amount, 31 Dec 2010	1,908	666	2,638	603	5,815

Contractual commitments concerning the acquisition of intangible assets totalled EUR 0 thousand (EUR 54 thousand).

Intangible rights consist of patents. Assets acquired under finance lease agreements have been capitalised in other intangible assets. The acquisition cost at the end of the year was EUR 82 thousand (EUR 474 thousand), accumulated amortisation EUR 8 thousand (EUR 473 thousand), and the carrying amount EUR 74 thousand (EUR 1 thousand).

Goodwill impairment test

The goodwill is allocated in full to certain products in the diagnostics segment belonging to the GastroPanel test kit. The annual impairment test required by the IFRS was performed at the end of 2011. Testing was based on the budget approved by the Board of Directors for 2012 and business plans for each market area. The impairment test was limited to the estimated cash flow of GastroPanel products. The test was performed according to the principles of the previous year. The estimate for the previous year was relatively accurate in 2010, but in 2011 the actual development lagged significantly behind the estimate.

Challenging in the testing of the goodwill of the GastroPanel series is that the business is in its early stages of commercialisation and estimates for future cash flow can not be based on any actual figures. The reported growth figures for the five-year forecasting period are relatively large, but due to the conservatism principle and lack of historical data they are lower than the company's growth targets.

The targeted significant growth requires notable investments. Increase in costs before any sales and the predicted delay in the increase in net sales caused by the re-focusing are likely to result in negative cash flows in the first few years. According to the IFRS, this will require reporting an impairment.

The discount interest applied in the impairment calculations is determined to reflect the effects of risks on the required return on equity. The costs of debt have been determined according to the existing credit portfolio. The discount interest before taxes applied in the impairment calculations was 15%. The higher risk associated with the commercialisation of a novel medicinal product has been taken into consideration in determining the interest.

On the basis of the impairment test based on the above assumptions, a goodwill impairment of EUR 2,638,000 was entered into the 2011 financial statement.

14. TANGIBLE ASSETS

2011	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan 2011	72	4,070	16,939	21,082
Increases	383	1,708	2,462	4,553
Decreases	-72	-356	-277	-705
Sale of liquid handling operations	-383	-5,288	-18,524	-24,195
Acquisition cost, 31 Dec 2011	-	134	600	734
Accumulated depreciation and impairment, 1 Jan 2011	-	-2,170	-12,380	-14,551
Acc. Depreciations of the discontinued operations		2,285	13,233	15,518
Depreciaiton of the discontinued operations		-115	-1,205	-1,320
Depreciation of the continuing operations	-	-	-132	-132
Depreciation of the continuing operations	-	-	-	-
Accumulated depreciation and impairment, 31 Dec 2011	-	-	-484	-484
Carrying amount, 1 Jan 2011	72	1,900	4,559	6,531
Carrying amount, 31 Dec 2011	-	-	116	116

TANGIBLE ASSETS

2010	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan 2010	72	4,008	15,903	19,984
Increases	-	46	1,167	1,213
Decreases	-	-	-401	-401
Transfers between items	-	-	276	276
Foreign exchange differences	-	16	-6	10
Acquisition cost, 31 Dec 2010	72	4,070	16,939	21,082
Accumulated depreciation and impairment, 1 Jan 2010	-	-1,962	-11,562	-13,524
Depreciation	-	-208	-1,209	-1,417
Accumulated depreciation of decreases and transfers	-	-	432	432
Foreign exchange differences	-	-	-41	-41
Accumulated depreciation and impairment, 31 Dec 2010	-	-2,170	-12,380	-14,551
Carrying amount, 1 Jan 2010	72	2,046	4,342	6,460
Carrying amount, 31 Dec 2010	72	1,900	4,559	6,531

Assets acquired under finance lease agreements have been capitalised in machinery and equipment. The acquisition cost at the end of the year was EUR 54 thousand (EUR 1 407 thousand), accumulated depreciation EUR 27 thousand (EUR 462 thousand), and the carrying amount EUR 36 thousand (EUR 945 thousand).

15. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Balance sheet values of financial assets by category, 31 Dec 2011	Loans and receivables	Available-for-sale financial assets	Financial assets recognised at fair value through profit or loss	Total carrying amount	Fair value
Non-current financial assets					
Financial assets	6,823	7*	-	6,830	6,755
Total	6,823	7	-	6,830	6,755
Current financial assets					
Trade and other receivables	5,982	-	-	5,982	5,982
Investments held for trading	-	-	10,000	10,000	10,000
Cash and cash equivalents	47,915	-	-	47,915	47,915
Total	53,897	-	10,000	63,897	63,897
Total financial assets	60,719	7	10,000	70,727	70,652

Balance sheet values of financial assets by category, 31 Dec 2010	Loans and receivables	Available-for-sale financial assets	Financial assets recognised at fair value through profit or loss	Total carrying amount	Fair value
Non-current financial assets					
Financial assets	4	8*	-	12	12
Total	4	8	-	12	12
Current financial assets					
Trade and other receivables	7,779	-	-	7,779	7,779
Investments held for trading	-	-	500	500	500
Cash and cash equivalents	1,659	-	-	1,659	1,659
Total	9,438	-	500	9,938	9,938
Total financial assets	9,442	8	500	9,942	9,950

*) Available-for-sale investments totalling EUR 7 thousand (EUR 8 thousand) include unquoted investments, which have been presented at cost because their fair value is not reliably available.

The carrying value of other receivables is equivalent to their fair value, because the discount effect is minimal when the maturity of liabilities is taken into account.

Financial liabilities by category	Carrying amount 2011	Fair value 2011	Carrying amount 2010	Fair value 2010
Non-current financial liabilities measured at amortised cost				
Convertible bonds	-	-	3,841	3,477
Capital loans	-	-	696	696
Other interest-bearing liabilities	-	-	4,008	4,008
Other liabilities	90	90	856	856
Total	90	90	9,400	9,036
Current financial liabilities measured at amortised cost				
Convertible bonds	3,848	4,050	-	-
Capital loans	636	636	-	-
Other interest-bearing liabilities	384	384	920	920
Trade and other payables	13,669	13,669	6,010	6,010
Total	18,536	18,536	6,930	6,930
Total financial liabilities	18,626	18,828	16,330	15,966

The original carrying amount of trade payables and other non-interest-bearing liabilities is equivalent to their fair value, because the discount effect is minimal when one takes into account the maturity of liabilities.

The fair value of convertible bonds has been determined with a discount interest rate of 9.00% in 2010. Biohit Oyj paid the loan EUR 4 050 thousand back to the holders of the convertible bond 1 February 2012. The total capital loan and its accumulated interest has been paid to the company´s pricipal sharerholders in February 2012. Other interest bearing liabilities will be paid during year 2012.Their balance sheet values do not substantially differ from their fair values.

16. DEFERRED TAXES

Deferred tax assets	2011	2010
Internal margin on inventories	-	287
Pension obligations	-	34
Unused tax losses	-	1,089
Accumulated depreciation difference	-	439
Total	-	1,849
Deferred tax liabilities		
Accumulated depreciation differences	-	38
Total	-	38

Changes in deferred taxes have been entered into the income statement. As the company has been able to use all of its confirmed losses, deferred income taxes have been recognised as expenses.

17. INVENTORIES

	2011	2010
Raw materials and consumables	198	2,660
Products in progress	26	360
Completed products and goods	95	2,218
Total inventories	319	5,238

The inventories of liquid handling business was sold to Sartorius 14th December. The value of the inventories include GastroPanel and Acetium raw materials and completed products and goods. The item includes the carrying amount of EUR 124 thousand (EUR 120 thousand) of obsolete and slowly moving inventories recognised as expenses.

18. TRADE AND OTHER RECEIVABLES

Non-current receivables	2011	2010
Non-current non-interest-bearing receivables	23	4
Trade receivables	4,347	6,592
Pre-payments and accrued income	333	649
Other receivables	1,302	538
Total	5,982	7,779

A breakdown of trade receivables by age is presented in Note 2.25.

19. CASH AND CASH EQUIVALENTS

	2011	2010
Cash at bank and in hand	47,915	1,659
Financial assets recognised at fair value through profit or loss	10,000	500
Total	57,915	2,159
Cash and cash equivalents in the cash flow statement	47,915	1,659

20. NOTES CONCERNING SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,314,651 and the number of shares 13,615,593, of which 2,975,500 (2,975,500) are Series A shares and 10,640,093 (9,962,127) Series B shares. The Series B shares are quoted on the stock exchange.

Both series have a nominal share value of EUR 0.17. Series A and Series B shares differ to the extent that each Series A share confers on its subscriber the right to 20 (twenty) votes at General Meetings and each Series B share confers the right to one (1) vote. However, in the payment of dividends, a dividend two (2) per cent higher than the nominal value is paid for Series B shares than is paid for Series A shares.

According to the Articles of Association, the company's minimum share capital is EUR 1,063,101.29 and the maximum share capital EUR 4,252,405.16. Within these limits, the share capital can be increased or decreased without amendment to the Articles of Association. As a result of the directed share issue arranged during year 2011, the number of the company´s shares grew by 677,966 shares. There was no change in share capital in 2010. The share capital is fully paid-in.

Description of shareholders' equity funds:
Translation differences: The fund includes translations differences resulting from the conversion of foreign subsidiaries' financial statements into euros.

Invested unrestricted equity fund: This fund includes other equity investments and payments for share subscriptions insofar as it is decided not to enter said amounts in the share capital.

21. PENSION LIABILITIES

The majority of the Group's pension schemes are defined contribution plans. There is a defined benefit plan in France and in Japan. After sale of business handling business in 2011 Group does not have any pension liabilities for the defined benefit plans.

Pension liabilities for defined benefit plans in the balance sheet	2011	2010
Present value of non-funded liabilities	-	155
Present value of funded liabilities	-	197
Unrecognised actuarial gains/losses	-	-3
Fair value of assets	-	-195
Pension liabilities at end of year	-	155

Changes in the present value of obligations during the period	2011	2010
Present value of obligations at beginning of period	350	204
Costs based on work carried out during the period	-	89
Interest expenses	-	0
Benefits paid	-	57
Sale of liquid handling business	-350	-
Pension liabilities at end of year	-	350

Changes in the fair value of assets during the period	2011	2010
Fair value of assets at beginning of period	195	119
Employer contributions	-	73
Benefits paid	-	3
Sale of liquid handling business	-195	-
Pension liabilities at end of year	-	195

Pension expenses from defined benefit schemes recognised in the income statement	2011	2010
Costs based on work carried out during the period	-	89
Total	-	89

Mathematical assumptions for defined benefit pension schemes	2011	2010
Discount interest rate, %	-	3.0
Projected increase in wages and salaries, %	-	2.0
Projected inflation, %	-	4.5

Amounts for the financial period and the previous two periods	2011	2010	2009
Discount interest rate, %	-	350	204
Projected increase in wages and salaries, %	-	-195	-119
Projected inflation, %	-	155	85

22. PROVISIONS

The 2010 reserve for guarantees amounting to EUR 50,000 were transferred to Sartorius with the sale of Biohit's liquid handling business.

23. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities, balance sheet values	2011	2010
Non-current interest-bearing liabilities		
Loans from financial institutions	-	3,493
Convertible bonds	-	3,841
Capital loans	-	696
Finance lease liabilities	90	515
Total	90	8,544
Current interest-bearing liabilities		
Loans from financial institutions, current portion	384	631
Convertible bonds	3,848	-
Capital loans	636	
Finance lease liabilities, current portion	38	288
Total	4,906	920
Total interest-bearing liabilities	4,996	9,464

Fair values for financial liabilities are presented in Note 2.15.

At the end of 2011, after the sale of the liquid handling business, loans repaid amounted to EUR 4,361,000. The remaining loan sums, excluding leasings, will be paid back in full by the end of 2012. Current and non-current interest-bearing liabilities are in euro value. The average interest rate weighted with the amount of outstanding liabilities in 2012 is 4.8% p.a. (4.8% in 2010). The fair values of interest-bearing liabilities do not differ significantly from their carrying values.

Convertible bonds

On 28 October 2010, Biohit Oyj floated an issue of convertible bonds targeted at professional investors in Finland. The subscription value of the convertible bonds on the date of issue was EUR 4,050,000. These convertible bonds replace the convertible bonds which matured on 28 October 2010. Annual fixed interest of 6.5% is paid on the capital of a convertible bond, which has a five-year maturity. Each EUR 4,500 note unit can be converted into 1,000 Series B shares with a nominal value of EUR 0.17. The conversion rate is EUR 4.50. A bond can be converted into a maximum of 900,000 Biohit Oyj Series B shares. The company's share capital may be increased by a maximum of EUR 153,000 and the number of Series B shares by a maximum of 900,000 new shares as a result of conversions. At maximum, 6.5% of the company's shares can be converted on the basis of the convertible bonds, and 1.0% of the votes conferred by the shares after any increase in share capital. Starting on 2 January 2011, the company is entitled to premature repayment of the bond at a 100% rate with interest accumulated up to the repayment date added, provided that the average rate weighted against turnover of the company's stock quoted in the Helsinki Stock Exchange has over a period of 30 subsequent trading days preceding the repayment decision date exceeded the calculated conversion rate as defined in the terms of the bond or converted according to the terms, on 20 trading days by a minimum of 70%.

Biohit made an offer to redeem to its debtors, which was approved. The Biohit Group repaid the convertible bond on 1 February 2012.

In the balance sheet, the convertible bonds are divided into shareholders' equity and liabilities. The liability component has been initially recognised at fair value, which was defined by using the market interest on an equivalent liability at the moment when the bond was issued. The equity component has been calculated as the difference between the cash received from the bond issue and the fair value of the liability. The equity component of the convertible bond, EUR 177 thousand, is recognised in the invested unrestricted equity fund.

Covenants related to non-current loans

Loans from financial institutions include EUR 0 thousand (EUR 1,919 thousand) in long-term loans with the special condition that the loan will mature immediately when the creditor so demands.

Capital loans

Biohit's principal shareholders have granted the company a capital loan of EUR 636 thousand (EUR 696 thousand) for product and other business-related development. The accumulated interest on the capital loan as of 31 December 2011 totals EUR 595 thousand (EUR 657 thousand). The loan meets the terms of capital loan laid down in Chapter 12 of the Finnish Limited Liability Companies Act.
The main terms are as follows:

- In the event of the dissolution and bankruptcy of the company, the payment of the capital, interest, and other compensation is subordinated to payment to all other creditors.
- In other cases, the capital may be repaid only if a full margin remains on restricted equity and other non-distributable items in the balance sheet adopted for the company for the financial period last ended.
- Interest and other compensation can be paid only if the amount to be paid can be used for the distribution of profit in accordance with the balance sheet adopted for the company for the most recent complete financial period.
- Loan interest rates vary between five per cent and six per cent per annum.

Capital loans and their outstanding interest have been paid to the company´s principal shareholders in February 2012.

Finance lease liabilities

Total minimum rents	2011	2010
Due for payment before one year	30	318
Due for payment after 1 year but not later than 5 years	65	532
Total	95	850
Future financial expenses	-5	-47
Present value of finance lease liabilities	90	803

Present value of minimum rents	2011	2010
Due for payment before one year	28	288
Due for payment after 1 year but not later than 5 years	62	515
Present value of finance lease liabilities	90	803

24. TRADE AND OTHER LIABILITIES

Non-interest-bearing liabilities, balance sheet values	2011	2010
Non-current non-interest-bearing liabilities		
Deferred tax liabilities	-	37
Pension liabilities	-	155
Interest on capital loans	-	657
Other non-current liabilities	-	7
Total	-	856
Current non-interest-bearing liabilities		
Trade payables	3,045	1,854
Other liabilities	1,166	1,121
Provisions	-	50
Advances received	39	171
Tax liabilities	4,528	18
Accrued liabilities and pre-paid income	4,851	2,846
Total	13,630	6,060
Total non-interest-bearing liabilities	13,630	6,916

Accrued liabilities and pre-paid income include amortised employee benefits and leasing expenses.

25. MANAGEMENT OF FINANCIAL RISKS

Biohit's risk management has focused on analysing and minimising the following major risks:

Exchange rate risk

International operations involve exchange rate risks. When calculated using comparable exchange rates, Biohit's net sales is in the same level when using the reporting date exchange rates. The overall effect of exchange rate fluctuations on the Group's profitability was not material. While the strengthening of the euro against other currencies weakens the Group's profitability, the weakening of the euro will have the opposite effect. The company seeks to protect itself from exchange rate risks by making procurements in currencies other than the euro. The exchange rate risk is also reduced by the realisation of fixed costs in currencies with a strong net position. During the reporting period, the company used no exchange rate hedges.

The trade receivables and payables include on the closing date liquid handling receivables and payables. In the future the currency distribution and risk will be different in the continuing operations. On the closing date, 4.3% (40%) of the Group's external trade receivables and 4.3% (14%) of its trade payables were in foreign currencies.

Sensitivity analysis of changes in foreign currency exchange rates in accordance with IFRS7

2011 1,000 €	USD	JPY	CNY	GBP
Non-current liabilities	-	-	-	-
Open position	-	-	-	-
Current assets				
Other financial assets				169
Trade and other receivables	187			94
Current liabilities				
Non-interest-bearing liabilities				89
Open position	187			174
Net position	187			174

2010 1,000 €	USD	JPY	CNY	GBP
Non-current liabilities	7	54	-	8
Open position	7	54	-	8
Current assets				
Other financial assets	290	269	189	303
Trade and other receivables	2,486	2,528	345	868
Current liabilities				
Interest-bearing liabilities	-	-	-	0
Non-interest-bearing liabilities	1,820	1,874	129	670
Open position	956	923	405	501
Net position	949	869	405	493

The net position includes cash and cash equivalents in foreign currencies, as well as receivables and payables to both Group and non-Group companies, converted into euros at the exchange rate for the closing date.

Interest rate risk

Changes in interest rates have only a slight effect on Biohit's earnings, for which reason the Group has not implemented separate hedging measures during the financial period.

The contractual repricing periods for floating-rate liabilities are as follows:

In 2011	Under 6 months	6–12 months	12–36 months	Total
Loans from financial institutions	-	-	-	-

In 2010	Under 6 months	6–12 months	12–36 months	Total
Loans from financial institutions	353	1,895	-	2,248

Biohit Oyj sold its liquid handling business to Sartorius Lab Holding GmbH 14 Dec 2011, and with this sale ithe financial standing of the company has become significantly stronger.

The company has paid the loans in 2012.

Liquidity risk

The objective of liquidity risk management is to secure the Group's financing in all situations. At closing date, the Group's liquid assets totalled EUR 57.9 million (EUR 2.2 million.) The company's financial position has improved significantly due to the sale of the liquid handling business.

The objective of investing the company's liquid assets is to acquire profit with little risk of equity losses. The company's investment portfolio includes deposits, investments in the money markets and business loans. Investments are spread among property classes, investment instruments and the opposite side. The company always has at least two partners in its investment schemes.

The equity ratio was 74 % in 2011 (44.5 % in 2010).

Financial liability maturity analysis 2011

The continuing operations	<1 year	1–5 years	>5 years	Total
Trade payables and other non-interest-bearing liabilities	5,997	3,726	-	9,723
Repayments on loans from financial institutions	384	-	-	384
Financing costs for loans from financial institutions	50	-	-	50
Repayments on the convertible bonds	4,050	-	-	4,050
Financing costs for the convertible bonds	69	-	-	69
Repayments on capital loans	636	-	-	636
Financing costs for capital loans	599	-	-	599
Repayments on finance lease liabilities	39	90	-	129
Financing costs for finance lease liabilities	2	5	-	7
Total	11,826	3,821	-	15,647

The discontinued operations	<1 year	1–5 years	>5 years	Total
Trade payables and other non-interest-bearing liabilities	4,337	-	-	4,337

Commodity risk

The company has not hedged against commodity risks with derivatives, as they are not appropriate in view of the nature of the company's business.

Credit and counterparty risk

Business units are responsible for any credit loss risks associated with their trade receivables, and have conducted separate evaluations of the credit risk associated with each customer. Biohit's customer base consists mainly of financially sound companies, and consequently Biohit does not consider credit loss risks significant. The Group has not taken out any credit insurance. Biohit mainly enters into long-term, active relationships with its customers, so that any changes in customers' credit ratings will quickly come to the company's attention.

At 31 December 2011, trade receivables totalled EUR 4.5 million (EUR 6.6 million). Trade receivables include EUR 0.4 million (EUR 0.3 million) in receivables from a single, financially stable customer. The maximum credit risk amount is equal to the carrying amount of trade receivables.

Breakdown of trade receivables by age	2011	Impairment loss	Net 2011	2010	Impairment loss	Net 2010
Not yet falling due	3,885	-	3,885	4,932	-	4,932
Under 60 days due	400	-	400	1,423	-	1,423
61–120 days due	65	-7	58	176	-15	161
121–360 days due	27	-22	5	104	-28	76
Over 360 days due	83	-83	-	33	-33	-
Total	4,460	-112	4,348	6,668	-76	6,592

On 31 December 2011, trade receivables for continuing operations totalled EUR 373,000. In 2011, credit losses from trade receivables totalled EUR 63,000 (EUR 56,000).

Equity structure management

Biohit's equity structure management aims to safeguard the Group's ability to operate in all situations. The target equity structure is defined by the largest shareholders, and attainment of this level is periodically monitored by the Board of Directors. The equity ratio is used to monitor equity structure, and it should remain above 40%.

The equity structure indicator – the equity ratio – is calculated by dividing the Group's shareholders' equity by the balance sheet total minus advances received and then multiplying the result by 100.

Equity ratio	2011	2010
Total shareholders' equity	52,846	13,003
Balance sheet total	71,472	29,389
Advances received	-39	-171
Equity ratio	74.0%	44.5%

26. RELATED PARTY TRANSACTIONS

Parties are considered to be related parties if one party is able to exercise control over the other or has substantial influence in decision-making related to the other's finances and business operations. The Group's related parties include the parent company and subsidiaries. Others include members of the Board of Directors, the Group Management Team, and the president & CEO.

Salaries and other current employee benefits	2011	2010
Parent company		
Management Teams	606	1,002
President & CEO	221	209
Members of the Board of Scientific Advisors	188	113

Osmo Suovaniemi has been employed by the company as a member of the Board od Scientific Advisors from 10 June 2010, this fee was EUR 188 thousand in 2011 (EUR 113 thousand in 2010)

Subsidiaries	2011	2010
Managing directors	638	801

Fees of Board members	2011	2010
Parent company		
Osmo Suovaniemi	18	15
Reijo Luostarinen	5	19
Mikko Salaspuro	17	15
Kalle Kettunen	17	15
Jukka Ant-Wuorinen	4	15
Ainomaija Haarla	4	10
Eero Lehti	17	15
Petteri Kilpinen	14	-
Seppo Luode	14	-
Saila Miettinen-Lähde	14	-
Parent company, total	123	104

Subsidiaries	2011	2010
Members of the Boards	-	77

Other operating expenses	2011	2010
Consulting fees		
Companies controlled by Board members	134	69
Total consulting fees	134	69

Capital loans from related parties	2011	2010
Loan amounts	636	696
Interest for the period	38	39
Total interest payment liabilities	595	657
Average loan interest per annum	5.5%	5.5%

The main terms for the capital loans are presented in Note 2.22.

Group's parent company and subsidiaries Parent company Biohit Oyj, Finland	Group´s holding
Biohit Healthcare Ltd, UK	100%
Oy Finio Ab, Finland	100%
Vantaan Hienomekano Oy, Finland	100%

Subsidiaries Biohit Ltd, UK, Biohit SAS, France, Biohit Deutschland GmbH, Biohit Japan CO, Ltd, Biohit Inc., USA, Biohit OOO, Russia, Biohit Biotech (Suzhou) Co., Ltd, China ja Biohit Biotech Systems (India) Pvt. Ltd has been sold 14 Dec 2011 to Sartorius Lab Holding GmbH. Oy Finio Ab and Vantaan Hienomekano Oy did not conduct any business operations in 2011 or 2010.

27. COLLATERALS AND CONTINGENT LIABILITIES

Collaterals given for the parent company	2011	2010
Corporate mortgages	-	2,511
Mortgage on real estate	-	2,744
Guarantees	-	41

Collaterals given on behalf of subsidiaries	2011	2010
Guarantees	-	150

Other liabilities	2011	2010
Leasing commitments:		
Due for payment before one year	1,203	830
Due for payment after 1 year but not later than 5 years	146	1,057
Due for payment after 5 years	-	-
Total	1,349	1,887
Other rental commitments:		
Due for payment before one year	140	940
Due for payment after 1 year but not later than 5 years	140	2,034
Due for payment after 5 years	-	2,002
Total	280	4,976
Total other liabilities	1,629	6,863
Total collaterals and contingent liabilities	1,629	12,309

Include leasing commitments in the amount of EUR 1.1 million to be transferred to Sartorius. The transfer date has been set 1 April 2012.

Key ratios

KEY FINANCIAL RATIOS

	IFRS 2007	IFRS 2008	IFRS 2009	IFRS 2010	IFRS 2011
Net sales	33,011	35,095	35,366	40,044	39,922
Change in net sales, %	5.1%	6.3%	0.8%	13.2%	-0.3%
Operating profit/loss	-197	1,314	1,190	507	44,262
% of net sales	-0.6%	3.7%	3.4%	1.3%	110.9%
Profit/loss before extraordinary items and taxes	-1,116	996	669	388	43,789
% of net sales	-3.4%	2.8%	1.9%	1.0%	109.7%
Profit/loss before taxes	-1,116	996	669	388	43,789
% of net sales	-3.4%	2.8%	1.9%	1.0%	109.7%
Return on equity, %	-11.9%	7.4%	3.1%	0.5%	114.54%
Return on investment (ROI), %	-0.6%	8.2%	5.8%	4.2%	69.75%
Equity ratio, %	43.6%	46.5%	46.8%	44.5%	74.0%
Investments in fixed assets	2,081	1,213	2,439	2,569	4,069
% of net sales	6.3%	3.5%	6.9%	6.4%	10.2%
R&D expenditure	2,005	2,044	2,409	2,542	2,213
% of net sales	6.1%	5.8%	6.8%	6.3%	5.5%
Total assets	27,337	27,107	27,399	29,383	71,472
Personnel, continuing operations	36	32	33	38	36
Personnel, average	352	369	370	412	422

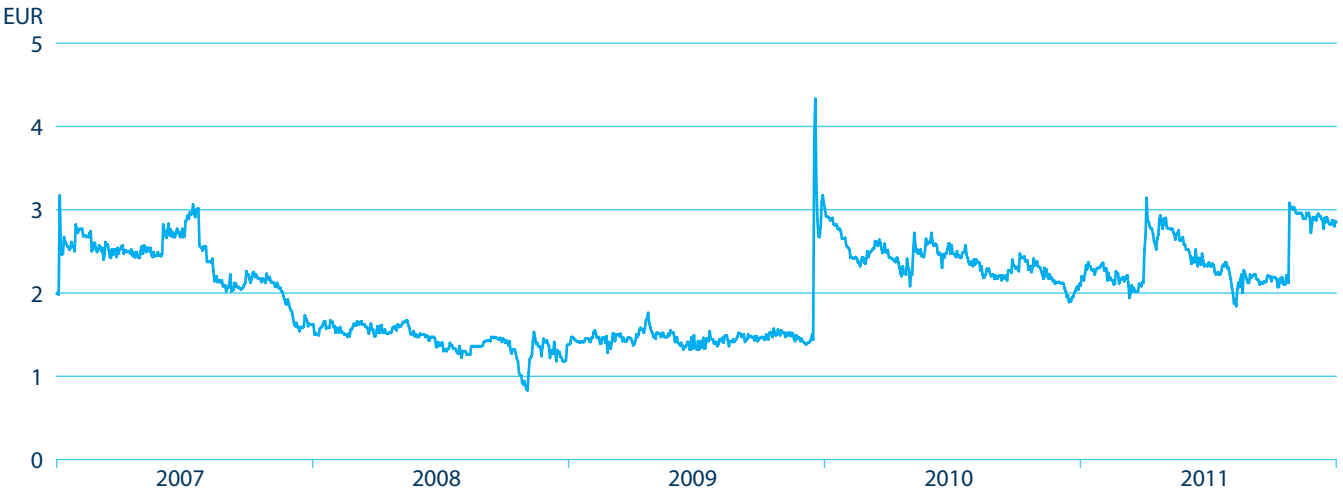
KEY RATIOS PER SHARE

	IFRS 2007	IFRS 2008	IFRS 2009	IFRS 2010	IFRS 2011
Earnings per share, undiluted, EUR	-0.12*	0.07*	0.03*	0.00*	2.86
Equity per share attributable to the equity holders of the parent company, EUR	0.92	0.97	0.99	1.01	3.88
Price/earnings ratio, (P/E)	-14	18	50	525	1.0
Dividend per share	-	-	-	-	-
Dividend/earnings, %	-	-	-	-	-
Effective dividend yield, %	-	-	-	-	-
Series B share price trend, EUR					
average	2.42	1.41	1.55	3.42	2.30
low	1.51	0.91	1.27	1.50	1.74
high	3.29	1.92	1.90	4.91	3.96
price at 31 Dec	1.57	1.27	1.50	2.10	2.93
Market capitalisation, EUR 1,000 (assuming the market price of the Series A share is the same as that of the Series B share)	20,312	16,431	19,406	27,169	39,894
Turnover of Series B shares, 1,000 shares	3,436	1,742	1,996	9,415	3,001
% of total number of shares	37.9%	17.5%	20.0%	94.5%	30.1%
Average number of shares, adjusted for share issues	12,937,627	12,937,627	12,937,627	12,937,627	13,163,616
accounting for the dilutive effect of options and bonds	13,837,627	13,837,627	13,837,627	13,837,627	14,063,616
Total number of shares at the closing date, adjusted for share issues	12,937,627	12,937,627	12,937,627	12,937,627	13,615,593
accounting for the dilutive effect of options and bonds	13,837,627	13,837,627	13,837,627	13,837,627	14,515,593

*) options and bonds have no dilutive effect

Shares and sharesholders

AVERAGE SHARE PRICE



SHARES AND SHAREHOLDERS

Holdings by shareholder group, 31 Dec 2011

Series A shares	No of shareholders, no.	No of shareholders, %	No of shares, no.	No of shares, %
1. Companies	1	0.1	24,990	0.8
2. Households	9	99.9	2,950,500	99.2
Shares on the waiting list	-	-	10	0.0
Total Series A shares	10	100.0	2,975,500	100.0

Series B shares	No of shareholders, no.	No of shareholders, %	No of shares, no.	No of shares, %
1. Companies	188	4.1	3,058,631	28.7
2. Financial and insurance institutions	6	0.1	6,837	0.1
3. Public sector organisations	1	0.0	346,138	3.3
4. Non-profit organisations	4	0.1	3,921	0.0
5. Households	4,103	89.2	6,471,425	69.2
6. Foreign ownership	16	0.3	747,549	7.0
Shares on the joint book-entry account	-	-	5,592	0.1
Total Series B shares	4,602	93.8	10,640,093	108.4
Total Series A and B shares	4,612	-	13,615,593	-

Series A shares	No of shareholders, no.	No of shareholders, %	No of shares, no.	No of shares, %
1–1,000	-	-	-	0.0
1,001–10,000	3	30.0	25,000	0.8
10,001–100,000	3	30.0	156,990	5.3
Over 100,001	4	40.0	2,793,500	93.9
Shares on the waiting list	-	-	10	0.0
Total Series A shares	10	100.0	2,975,500	100.0

Series B shares	No of shareholders, no.	No of shareholders, %	No of shares, no.	No of shares, %
1–1,000	3,912	85.0	1,241,722	11.7
1,001–10,000	623	13.5	1,703,917	16.0
10,001–100,000	56	1.2	1,318,326	12.4
Over 100,001	11	0.2	6,370,549	59.9
Shares on the joint book-entry account	-	-	5,582	0.1
Total Series B shares	4,602	100.0	10,640,096	100.0
Total Series A and B shares	4,612		13,615,596	

Largest registered shareholders, 31 Dec 2011

The 10 largest shareholders by number of shares	Series A shares	Series B shares	Total shares	%
Suovaniemi, Osmo	2,265,340	965,207	3,230,547	23.7
Biocosmos Oy	-	1,142,735	1,142,735	8.4
Interlab Oy	-	1,021,762	1,021,762	7.5
Suovaniemi, Ville	208,280	371,300	579,580	4.3
Suovaniemi, Joel	208,280	333,000	541,280	4.0
Suovaniemi, Oili	111,600	288,935	400,535	2.9
Etera Mutual Pension Insurance Company	-	343,138	343,138	2.5
Oy Etra Invest Ab	-	333,000	333,000	2.5
Härkönen, Matti	57,200	269,515	326,715	2.4
Suovaniemi ,Vesa	74,800	187,819	262,619	1.9
Administrative registered and foreigners	-	739 560	739 560	5.4

The 10 largest shareholders by number of votes	Series A shares	Series B shares	Total shares	%
Suovaniemi, Osmo	45,306,800	965,207	46,272,007	66.0
Suovaniemi, Ville	4,165,600	371,300	4,536,900	6.5
Suovaniemi, Joel	4,165,600	333,000	4,498,600	6.4
Suovaniemi, Oili	2,232,000	288,935	2,520,935	3.6
Suovaniemi, Vesa	1,496,000	193,339	1,683,819	2.4
Härkönen, Matti	1,144,000	269,515	1,413,515	2.0
Biocosmos Oy	-	1,142,735	1,142,735	1.6
Interlab Oy	-	1,021,762	1,021,762	1.5
Oy Tech Know Ltd	499,800	70,000	569,800	0.8
Etera Mutual Pension Insurance Company	-	343,138	343,138	0.5
Administrative registered and foreigners	-	739 560	739 560	1.1

Management's shareholding, 31 Dec 2011

On 31 December 2011, members of the Board of Directors and the President and CEO owned a total of 2,376,940 Series A shares and 3,479,539 Series B shares. These represent 43.0% of the total number of shares ountstanding and 72.7% of the voting rights conferred.

Formulas for the key ratios

Return on equity, %	=	profit for the period / shareholders' equity (average over the year)	x	100
Return on investment, %	=	profit before extraordinary items + interest and other financial expenses / balance sheet total – non-interest-bearing liabilities (average over the year)	x	100
Equity ratio, %	=	shareholders' equity in the balance sheet / balance sheet total – advance payments received	x	100
Earnings per share, EUR	=	profit for the period / average number of shares, adjusted for share issues	x	100
Equity per share, EUR	=	shareholders' equity in the balance sheet / number of shares on the closing date	x	100
Dividends per share, EUR	=	dividends for the period / number of shares on the closing date	x	100
Dividends per earnings, %	=	dividends per share / earnings per share	x	100
Effective dividend yield, %	=	dividends per share / closing share price	x	100
Price per earnings ratio, (P/E)	=	closing share price / earnings per share	x	100

Parent Company Income Statement (FAS)

1,000 €	Note	1 Jan–31 Dec 2011	1 Jan–31 Dec 2010
Net sales	6.2	26,749	25,025
Change in inventories of finished goods and work in progress		-1,349	11
Other operating income	6.3	44,899	237
Materials and services	6.4	-8,143	-7,168
Personnel expenses	6.5	-8,876	-8,937
Depreciation, amortisation and impairment	6.6	-1,425	-1,651
Other operating expenses	6.7	-6,313	-7,784
Operating profit/loss		**45,541**	**-266**
Financial income and expenses	6.8	-541	-269
Profit/loss before appropriations and taxes		**45,000**	**-534**
Income taxes		-3,658	-
Other taxes		-870	-
Profit/loss for the period		**40,472**	**-534**

Parent Company Balance Sheet (FAS)

1,000 €	Note	31 Dec 2011	31 Dec 2010
Assets			
Non-current assets			
Intangible assets	6.9	248	3,136
Tangible assets	6.10	56	4,642
Investments			
Participations in Group companies	6.11	201	3,957
Other investments	6.11	7	7
Total non-current assets		**512**	**11,741**
Current assets			
Inventories	6.12	307	3,560
Non-current receivables	6.13	7,145	31
Current receivables	6.13	5,944	8,439
Marketable securities	6.14	10,000	500
Cash at bank and in hand	6.15	47,712	487
Total current assets		**71,108**	**13,016**
Total assets		**71,621**	**24,757**
Liabilities			
Shareholders' equity			
Share capital	6.16	2,315	2,199
Fund for investments of non-restricted equity	6.16	14,114	12,230
Accumulated profit/loss from previous years	6.16	-4,277	-3,742
Profit/loss for the period	6.16	40,472	-534
Total shareholders' equity		**52,625**	**10,152**
Statutory provisions	6.17	-	50
Liabilities			
Non-current liabilities	6.19	-	8,194
Capital loans	6.20	-	696
Current liabilities	6.21	18,360	5,666
Capital loans	6.20	636	-
Total liabilities		**18,996**	**14,555**
Total liabilities		**71,621**	**24,757**

Parent Company Cash Flow Statement (FAS)

1,000 €	2011	2010
Cash flow from operating activities:		
Profit/loss before extraordinary items	45,000	-534
Adjustments for:		
Depreciation according to plan	1,425	1,651
Unrealised exchange rate gains and losses	164	-113
Financial income and expenses	376	164
Sales gain from business divestment	-44,805	
Other adjustments	4	62
Change in working capital:		
Increase (-) or decrease (+) in current non-interest-bearing trade receivables	-1,119	-799
Increase (-) or decrease (+) in inventories	3,252	-179
Increase (+) or decrease (-) in current non-interest-bearing liabilities	81	1,251
Realised exchange rate gains and losses	412	351
Interest and other financial items paid	-644	-452
Dividends received	-	246
Interest received from operating activities	12	2
Cash flow from operating activities	**4,158**	**1,651**
Cash flow from investing activities:		
Investments in tangible and intangible assets	-1,561	-1,768
Investments in other investments	-9,500	-100
Capital gain from the sale of liquid handling business	51,930	-
Sale of the subsidiaries	3,754	-
Cash flow from investing activities	**44,623**	**-1,868**
Cash flow from financing activities:		
Share issue	2,000	
Increase in long-term borrowings	500	5,650
Repayments of long-term borrowings	-4,056	-5,413
Cash flow from financing activities	**-1,556**	**237**
Increase (+) or decrease (-) in cash and cash equivalents	47,225	20
Cash and cash equivalents at the beginning of the financial period	487	467
Cash and cash equivalents at the end of the financial period	47,712	487

Notes to the Parent Company's Financial Statements

1. ACCOUNTING POLICY

When preparing financial statements in accordance with generally accepted accounting principles, the company's management must make estimates and assumptions. Actual results may differ from these estimates.

These financial statements have been prepared in accordance with the Finnish Accounting Act.

The financial statements are presented in thousands of euros and are based on initial transaction values, except for the marketable securities included in current assets, which have been measured at fair value.

Measurement of property, plant, and equipment

Property, plant, and equipment have been entered in the balance sheet at the original acquisition cost less grants received, depreciation according to plan, and impairment. Depreciation according to plan has been calculated on a straight-line basis over the useful economic lives of the items of property, plant, or equipment.

Depreciation periods according to plan are:

Intangible rights	3–10 years
Goodwill	10 years
Development expenditure	5 years
Other capitalised expenditure	5–10 years
Buildings	20 years
Machinery and equipment	3–10 years

Measurement of inventories

Inventories are presented according to the FIFO principle at acquisition cost, or at the lower of the replacement cost and the probable sale price. In addition to the direct costs, the acquisition cost of inventories includes an appropriate proportion of production overheads.

Valuation of marketable securities

Marketable securities included in current assets are measured at fair value. The fair value of all investments is measured on the basis of released price quotations on well-functioning markets – that is, buy quotations on the closing date. Both gains and losses due to changes in fair value are recorded in the income statement in the period in which they materialised.

Research and development expenditure

Research expenditure is expensed in the year it is incurred. Development expenditure for new products has been capitalised as intangible assets in the balance sheet since 1 January 2004 and amortised over the economic lives of the products to a five-year maximum.

Revenue recognition

Net sales are calculated as gross sales less indirect sales taxes and discounts. Revenues from products and services are recognised upon delivery.

Maintenance and repairs

Maintenance and repair costs are recorded as expenses in the financial year they are incurred. The costs for renovating rented premises have been capitalised under 'other capitalised expenditure', with depreciation calculated on a straight-line basis over the remainder of the term of lease.

Pensions

Pension schemes and any additional pension benefits required by Finnish law are arranged through pension insurance companies. Pension costs are recorded over the term of service of employees on an accrual basis.

Deferred taxes

Deferred taxes have not been recognised in the balance sheet. In accordance with the general guidelines of the Finnish Accounting Standards Board, issued on 12 September 2006, the notes to the financial statements present the amount of deferred taxes that could be recognised in the balance sheet and assets that are unlikely to materialise and as such should not be recognised in the balance sheet.

Foreign currency translation

Figures for receivables and liabilities in foreign currencies are converted into euros at the exchange rate quoted by the European Central Bank on the closing date. Exchange rate gains and losses are recognised through profit or loss.

2. NET SALES BY BUSINESS AREA

	2011	2010
Liquid handling	25,348	23,542
Diagnostics	1,401	1,483
Total	26,749	25,025

NET SALES BY GEOGRAPHICAL AREA

	2011	2010
Finland	1,801	1,770
The rest of Europe	11,377	10,789
North and South America	5,008	5,061
Asia	4,236	3,985
Other countries	4,327	3,420
Total	26,749	25,025

3. OTHER OPERATING INCOME

	2011	2010
From Group companies	62	36
Other	44,837	201
Total	44,899	237

4. MATERIALS AND SERVICES

	2011	2010
Purchases during the year	9,253	7,088
Change in inventories	-1,279	-167
Total raw materials and consumables	7,974	6,921
External services	169	247
Total materials and services	8,143	7,168

5. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

	2011	2010
Salaries and wages	7,724	7,800
Pension expenses	1,298	1,274
Other personnel expenses	361	386
Wages and salaries capitalised in non-current assets	-507	-522
Total personnel expenses	8,876	8,937

During the financial year, EUR 449 thousand (EUR 408 thousand) was capitalised in development expenditure and EUR 58 thousand (EUR 114 thousand) in relation to mould production.

Average number of employees by the parent company during the year	2011	2010
Salaried employees	87	97
Non-salaried employees	101	95
Average number of personnel	188	192
Personnel at end of period	27	201

6. DEPRECIATION

	2011	2010
Intangible assets	459	601
Buildings	137	142
Machinery and equipment	830	907
Total	1,425	1,651

7. OTHER OPERATING EXPENSES

	2011	2010
Travel and other personnel-related expenses	759	1,040
Rent and maintenance expenses	2,049	2,026
Marketing and sales expenses	621	2,018
Other external services	2,074	1,655
Impairment of trade receivables	-291	48
Other operating expenses	1,100	997
Total	6,313	7,784

Impairment of trade receivables 2011 includes EUR 352 thousand cancellation of bad debt of Japan subsidiary.

8. FINANCIAL INCOME AND EXPENSES

	2011	2010
Income from shares in Group companies	-	246
Interest income from long-term investments		
From others	33	2
Other interest and financial income	33	2
Total financial income	33	248
Interest expenses and other financial expenses		
Outgoing to Group companies	-14	-14
Outgoing to others	-559	-503
Total financial expenses	-574	-517
Total financial income and expenses	-541	-269
Foreign exchange losses included under 'Financial income and expenses' (Net)	-14	-25

The items presented as components of operating profit include EUR 247 thousand in (net) exchange rate gains (EUR 464 thousand).

9. INTANGIBLE ASSETS

2011	Development expenditure	Intangible rights	Goodwill	Other capitalised expenditure	Total
Acquisition cost at beginning of year	2,372	2,092	6,558	1,831	12,853
Increases	592	73	-	419	1,084
Decreases	-2,964	-1,625	-	-1,280	-5,870
Transfers between items	-	-	-	-201	-201
Acquisition cost at end of year	-	540	6,558	769	7,866
Accumulated amortisation and impairment at beginning of year	-468	-1,426	-6,558	-1,264	-9,716
Accumulated depreciation of decreases	468	1,130	-	533	2,132
Amortisation and impairment during the year	-	-25	-	-9	-34
Accumulated amortisation at end of year	-	-320	-6,558	-739	-7,618
Carrying amount at beginning of year	1,903	666	-	567	3,136
Carrying amount at end of year	-	219	-	29	248

Acquisition costs consist of patents transferred and a liquidation loss as a result of the dissolution of Locus genex Oy.

2010	Development expenditure	Intangible rights	Goodwill	Other capitalised expenditure	Total
Acquisition cost at beginning of year	1,806	1,832	6,558	1,562	11,759
Increases	565	260	-	545	1,370
Decreases	-	-	-	-	-
Transfers between items	-	-	-	-276	-276
Acquisition cost at end of year	2,372	2,092	6,558	1,831	12,853
Accumulated amortisation and impairment at beginning of year	-356	-1,312	-6,206	-1,241	-9,115
Amortisation and impairment during the year	-112	-114	-352	-23	-601
Accumulated amortisation at end of year	-468	-1,426	-6,558	-1,264	-9,716
Carrying amount at beginning of year	1,450	520	352	321	2,644
Carrying amount at end of year	1,903	666	-	567	3,136

10. TANGIBLE ASSETS

2011	Land	Buildings	Machinery and equipment	Total
Acquisition cost at beginning of year	-	2,803	13,821	16,624
Increases	1	11	313	324
Decreases	-1	-2,814	-13,792	-16,606
Transfers between items	-	-	201	201
Acquisition cost at end of year	-	-	542	542
Accumulated depreciation and impairment at beginning of year		-1,286	-10,695	-11,982
Accumulated depreciation of decreases		1,286	10,236	11,522
Depreciation during the year		-	-27	-27
Accumulated depreciation at end of year		-	-487	-487
Carrying amount at beginning of year	-	1,517	3,125	4,642
Carrying amount at end of year	-	-	56	56

The undepreciated acquisition cost of production machinery and equipment is EUR 0 (EUR 2,858 thousand).

2010	Land	Buildings	Machinery and equipment	Total
Acquisition cost at beginning of year	-	2,776	13,397	16,174
Increases	-	27	321	347
Decreases	-	-	-174	-174
Transfers between items	-	-	276	276
Acquisition cost at end of year	-	2,803	13,821	16,624
Accumulated depreciation and impairment at beginning of year		-1,144	-9,886	-11,030
Accumulated depreciation of decreases		-	98	98
Depreciation during the year		-142	-907	-1,050
Accumulated depreciation at end of year		-1,286	-10,695	-11,982
Carrying amount at beginning of year	-	1,632	3,511	5,143
Carrying amount at end of year		1,517	3,125	4,642

11. SHARES AND HOLDINGS

Shares 2011	Group companies	Other shares	Total
Carrying amount at beginning of year	3,957	7	3,963
Decreases	-3,755*	-	-3,755
Carrying amount at end of year	201	7	208

* Shares in Group companies were sold to Sartorius Lab Holding GmbH in conjunction with the liquid handling business transaction on 14 December 2011.

Shares 2010	Group companies	Other shares	Total
Carrying amount at beginning of year	3,849	7	3,856
Increases	108	-	108
Carrying amount at end of year	3,957	7	3,963

12. INVENTORIES

	2011	2010
Raw materials and consumables	198	1,952
Products in progress	26	441
Finished products/goods	83	1,166
Total inventories	307	3,560

13. RECEIVABLES

Non-current receivables	2011	2010
Recivables from Group companies		
Loan receivables	345	-
Receivables from others		
Prepayments and accrual income	6,800	31
Total non-current receivables	7,145	31

Current receivables	2011	2010
Receivables from Group companies		
Trade receivables	54	5,802
Other receivables	28	24
Total	82	5,826
Receivables from others		
Trade receivables	4,253	2,152
Other receivables	1,302	256
Prepayments and accrual income	306	206
Total	5,861	2,613
Total current receivables	5,944	8,439

As of 31 December 2011, EUR 31 thousand (EUR 31 thousand) in convertible bond issue costs were capitalised in pre-payments and accrued income. Capitalised expenditure is expensed in 2012.

14. MARKETABLE SECURITIES

	2011	2010
Investments in funds	10,000	500

Marketable securities consist of investments in interest funds.

15. CASH AND CASH EQUIVALENTS

	2011	2010
Cash at bank and in hand	47,712	487

16. SHAREHOLDERS' EQUITY

	2011	2010
Share capital, 1 Jan	2,199	2,199
Share issue	115	-
Share capital, 31 Dec	2,315	2,199
Invested unrestricted equity fund, 1 Jan	12,230	12,230
Share issue	1,885	-
Invested unrestricted equity fund, 31 Dec	14,114	12,230
Accumulated profit/loss from previous years, 1 Jan and 31 Dec	-4,277	-3,742
Reported profit/loss for the year	40,472	-534
Total shareholders' equity	52,625	10,152

Shares and voting rights

Biohit's shares are divided into Series A and B shares. The series differ to the extent that each Series A share confers twenty (20) votes at General Meetings and Series B shares confer one (1) vote. However, in the payment of dividends, a dividend two (2) per cent higher than the nominal value is paid for Series B shares than is paid for Series A shares.

Structure of the parent company's shareholders' equity	2011 no.	EUR	% of shares	% of votes	2010 no.	EUR
Series A shares (20 votes per share)	2,975,500	505,835	21.9	84.8	2,975,500	505,835
Series B shares (1 vote per share)	10,640,093	1,808,816	78.1	15.2	9,962,127	1,693,562
Total	13,615,593	2,314,651	100.0	100.0	12,937,627	2,199,397

According to the Articles of Association, the company´s minimum share capital is EUR 1,063,101.29 and the maximum share capital EUR 4,252,402.16. Within these limits, the share capital can be increased or decreased without amnement to the Articles of Association.

The company does not own any of its own shares. Based on resolution of the AGM held on 13 April 2011, the Board of the company authorised to decide on the issue of shares and to issue the special rights referred to in Chapter 10. Section 1 of the Limited Liability Companies Act so that the maximum number of the new series B shares to be issued pursuant to the special rights is 2,000,000, which corresponds to approximately 20% of the company´s Series B shares. The company has no share option schemes.

17. PROVISIONS

Warranty provisions	2011	2010
Provision 1.1.	50	-
Increases in provisions		50
Decreases in provisions	-50	-
Provision	-	50
Total provisions	-	50

18. DEFERRED TAX LIABILITIES AND ASSETS

As the company has been able to use all its confirmed losses, deferred income tax assets have been recognised as expenses.

19. NON-CURRENT LIABILITIES

	2011	2010
Loans from Group companies	-	231
Loans from financial institutions	-	3,255
Convertible bonds	-	4,050
Other non-current liabilities	-	-
Interest on capital loans	-	657
Total non-current liabilities	-	8,194

Liabilities falling due after five years	2011	2010
Loans from financial institutions	-	511
Capital loans	-	696
Total	-	1,207

Convertible bonds EUR 4,050 thousand has been booked in 2011 in the current liabilities. The loan has been paid back in February 2012. The main terms for these bonds are presented in the notes to the consolidated financial statements, under Note 2.23.

20. CAPITAL LOANS

	2011	2010
From related parties	636	696
Total	636	696

The company has capital loans totalling EUR 636 thousand. The main terms for these loans are detailed in the notes to the consolidated financial statements. Capital loan has been paid back in February 2012 to the principal shareholders.

21. CURRENT LIABILITIES

	2011	2010
Capital loans	636	-
Convertible bonds	4,050	-
Loans from financial institutions, current portion	384	577
Other non-current liabilities, current portion	-	47
Advances received	39	42
Trade payables	3,015	1,477
Accrued liabilities and pre-paid income	1,376	2,308
Other liabilities	5,666	195
Liabilities to Group companies		
Trade payables	-	888
Accrued liabilities and pre-paid income	3,600	132
Other current liabilities	231	-
Total current liabilities	18,996	5,666

Accrued liabilities and pre-paid income include wage and salary accruals totalling EUR 199 thousand (EUR 1,405 thousand), leasing cost amortisation of EUR 38 thousand (EUR 180 thousand), and interest cost amortisation of EUR 644 thousand (EUR 117 thousand).

22. LIABILITIES AND COMMITMENTS WITH MORTGAGES AS COLLATERAL

Liabilities for which mortgages have been pledged as collateral	2011	2010
Loans from financial institutions	-	3,448
Corporate mortgages	-	2,276
Mortgages on real estate	-	1,500
Other liabilities	-	47
Mortgages on real estate	-	763
Rental agreements	-	1,292
Corporate mortgages	-	235
Leasing commitments		
Due for payment the following year	1,203	832
Due for payment at a later date	146	1,301
Total	1,349	2,133
Rental commitments		
Due for payment the following year	140	431
Due for payment at a later date	140	861
Total	280	1,292

Leasing commitments and rents mainly consist of fixed-term leasing and rental under agreements that are effective for more than one year. Include leasing commitments in the amount of EUR 1.1 million to be transferred to Sartorius. The transfer date has been set 1 April 2012.

Contingent liabilities on behalf of Group companies	2011	2010
Guarantees given on behalf of Group companies	-	150

Other contingent liabilities	2011	2010
Guarantees	3	8

The proposal of the Board of Directors concerning the profit for the financial year

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.1973 per A share and a dividend of EUR 0.2007 per B share be paid for the financial year and a repayment of capital EUR 0.80 per each A and B shares. The remaining profit of the period is transferred to retained earnings.

Helsinki 16 March 2012

Osmo Suovaniemi
Chairman of the Board

Mikko Salaspuro
Member of the Board

Kalle Kettunen
Member of the Board

Eero Lehti
Member of the Board

Petteri Kilpinen
Member of the Board

Saila Miettinen-Lähde
Member of the Board

Seppo Luode
Member of the Board

Semi Korpela
President & CEO

Auditor's Note

We have today issued an auditor's report on the audit performed.

Helsinki 20 March 2012

Ernst & Young Oy

Authorised Public Accounting Firm

Erkka Talvinko
Authorized Public Accountant

Auditor's report

To the Annual General Meeting of Biohit Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Biohit Oyj for the financial period 1.1.–31.12.2011. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, March 20, 2012

Ernst & Young Oy
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

Biohit Oyj

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