BioPhausia 2010

Interim report January – March 2010

- The Group's sales for the period amounted to SEK 131 (180) million.
- EBITDA amounted to SEK 18 (28) million.
- Operating profit totalled SEK 11 (23) million.
- The net profit after tax for the period amounted to SEK -3 (9) million.
- Earnings per share after tax for the period were SEK -0.01 (0.03) before and after dilution.

Significant events during the period

- The Board decided to initiate a process to review the communicated financial targets.

Significant events after the period

- The Board has appointed Maris Hartmanis as BioPhausia's new CEO.
- Niklas Prager has been proposed as the new Chairman of the Board of BioPhausia.
- BioPhausia has become the main supplier of parallel-imported pharmaceuticals to Apoteks-gruppen

Consolidated income statement in brief

MSEK	Q 1 2010	Q 1 2009	Change	Full year 2009
Revenue	131	180	-27 %	634
EBITDA	18	28	-39 %	98
EBIT	11	23	-52 %	71
Profit before tax	-1	12	-99 %	26
Profit after tax	-3	9		18
Earnings per share before tax before and after dilution	-0.00	0,03		0.08
Earnings per share after tax before and after dilution	-0.01	0,03		0.05

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CEO's Comments

The first quarter continued to be affected by the ongoing re-regulation of the Swedish pharmacy market. This manifested itself mainly in low sales of parallel-imported products, despite better conditions as a result of the weak euro. Two new agreements signed after the end of the period will help the segment return to its previous sales level. The Company's Polish operations were also affected during the quarter, with a reported EBITDA of SEK -5 million. The generics investment accounted for SEK -1 million of this figure. The Group's total sales amounted to SEK 131 million, which is a decline of SEK 49 compared with the same quarter the previous year. The Group's EBITDA for the period was SEK 18 (28) million. As I mentioned above, the parallel-imported segment was responsible for a large proportion of the decline, with sales falling by SEK 37 million during the quarter and EBITDA by SEK 4 million.

Among the bright spots of the quarter was the performance of the Own Products segment, with the EBITDA margin improving by 2 percentage points to 43 percent, despite somewhat lower sales during the period. After the end of the quarter, the Company signed an important sales agreement with Apoteksgruppen for the supply of parallel-imported products. Apoteksgruppen is one of the new companies which emerged after the re-regulation of the Swedish pharmacy market. The agreement with Apoteksgruppen will give a considerable boost to sales in the parallel-imported segment. An agreement has also been signed with another of the new pharmacy chains. The two agreements create conditions conducive to growth in the Company's operations.

Own Products

The Own Products segment demonstrated its inherent strength during the first quarter. Despite sales losses of SEK 5 million, the segment's improved EBITDA margin (43%) allowed it to achieve virtually the same results as in the same quarter in 2009. The OTC product portfolio performed well during the quarter, with the re-regulation of the pharmacy market having had a positive effect on sales of the Company's OTC product range. BioPhausia's OTC portfolio has a number of strong brands. One of these is Novalucol, which can now be bought at most retail outlets that sell over-the-counter medicines. The cold season was late in arriving this year, which meant sales of related products did not take full effect during the quarter.

Tough market for licensed drugs

Competition in the market for licensed drugs has been very tough for a number of years. BioPhausia must therefore give top priority to continuing the work of improving purchase prices and carefully assessing the products' future competitiveness. As a result of this work, a number of products will be deregistered as the Company does not consider them to have long-term competitiveness.

Weak performance in Poland

In 2009, BioPhausia decided to expand its operations in Poland to include the sale of licensed products on the Polish market. Sales in the first quarter were lower than forecast, which was also the case for costs. The Company has decided to re-align its Polish campaign on the basis of the country's weak performance, and the number of sales representatives has accordingly been reduced from 13 to 8.

During the quarter, there was also some disruption to repacking operations in Poland as a result of the country manager leaving the Company. A new manager is now in place. The quarter ended with the production volume back at an acceptable level.

Effects of re-regulation on parallel operations

The focus of the quarter was to secure future agreements with the new pharmacy chains in Sweden.
The re-regulation leaves the pharmacy chains free to negotiate the price of parallel-imported drugs directly with the supplier. During the quarter, BioPhausia applied a risk optimisation strategy with regard to its segment position. This was achieved by reducing product purchases and prioritising a small number of products with good margins. The result was lower sales but maintained margins.

The agreements with two pharmacy chains give BioPhausia a stronger segment position than before the re-regulation, and the Company sees encouraging prospects for its future parallel operations. The agreements run from June 2010 and will therefore affect sales and earnings from the third quarter of 2010.

In conclusion, Q1 was a tough quarter for BioPhausia, but was a period in which we took important steps towards a strong position as supplier to the Swedish pharmacy market.

Group

Consolidated income statement in brief

SEK '000	Q 1 2010	Q 1 2009	Change	Full year 2009
Revenue	130 713	179 757	-27 %	633 584
Cost of goods sold	-86 802	-129 630	-33 %	-447 556
Gross profit	**43 911**	**50 127**	**-12 %**	**186 028**
Selling expenses	-26 255	-21 367	23 %	-93 645
Administrative expenses	-6 816	-4 921	39 %	-18 972
Research and development expenses	-344	-475	-28 %	-1 874
Other operating revenue/expenses	689	-169		-492
Operating profit	**11 185**	**23 195**	**-52 %**	**71 045**
Net financial items	-11 868	-11 564	3 %	-45 320
Tax	-2 121	-2 356	-10 %	-8 215
Profit for the period	**-2 804**	**9 275**		**17 510**

Group turnover and profit

Revenue

January – March

During the period, revenues amounted to SEK 131 (180) million, a decline of 27% on the same period the previous year. Sales were distributed as follows: Own Products, SEK 51 (56) million, Licensed Products, SEK 22 (29) million, Parallel-imported Products, SEK 53 (90) million and BioPhausia General SEK 4 (4) million. The large fall in sales in Parallel-imported Products was due to the Company's deliberately cautious approach to product purchases and pricing.

Earnings

January – March

Operating profit before depreciation and amortisation (EBITDA) for the period amounted to SEK 18 (28) million. Extra costs of SEK 3 million arose in connection with the change of CEO.

Depreciation, amortisation and impairment amounted to SEK 6 (5) million, with impairment accounting for SEK 1 (0) million of the figure. Research & development expenses amounted to SEK 0.5 (0.5) million and related to amortisation.

Net financial items

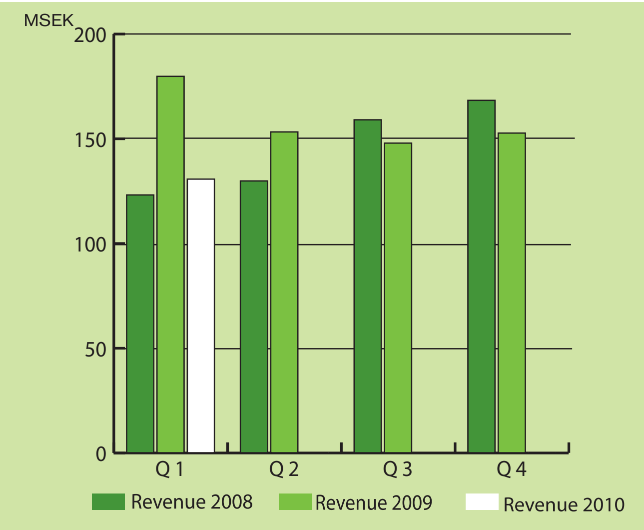
Net financial items for the period amounted to SEK -12 (-12) million.

Tax

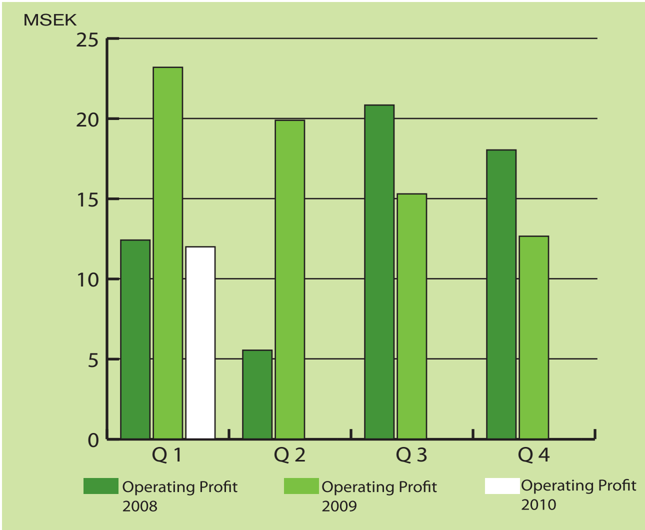
The Group's tax consists of tax on temporary differences (difference between accounting profit and tax base).

Group

Revenue



Operating Profit



Financial position

Cash flow
At the end of the period, cash & cash equivalents were SEK 11 (12) million. Total operating loan facilities amounted to SEK 127 million. At the reporting date, utilised borrowing for operating loans amounted to SEK 91 (104) million. Part of the inventory has been pledged as security.

Operating activities
Cash flow from operating activities before changes in working capital for the period was SEK 11 (18) million. Inventories declined by SEK 5 million during the period. Cash flow from changes in working capital was SEK 8 million. Cash flow from operating activities for the period was SEK 19 (12) million.

Investing activities
Cash flow from investing activities amounted to SEK -6 (-3) million and related mainly to investments in licences.

Financing activities
Interest-bearing liabilities at the reporting date amounted to SEK 459 (509) million. This figure comprises bank loans SEK 222 (315) million, operating loans SEK 91 (104) million and debentures SEK 146 (90) million. Repayments over the next 12 months will amount to SEK 67 (97) million. These are reported in the balance sheet under current liabilities.

Cash flow from financing activities amounted to SEK -17 (-13) million and related mainly to repayments of bank loans.

At the end of March, the Group's cash & cash equivalents were SEK 11 million, having started the year on SEK 16 million.

The net debt/equity ratio was 0.8 (0.92) times.

Equity
Equity amounted to SEK 558 (541) million at the reporting date. SEK 86 million of this amount was share capital.

The number of shares was 342,555,069 at the reporting date.

The equity/assets ratio was 51% (48%).

Other
In view of market trends and the re-regulation of the Swedish pharmacy market, which is the company's main market, the Board has decided to start the process of reviewing communicated financial targets.

Segments

Own products (SEK '000)	Q 1 2010	Q 1 2009*	Change	Full year 2009*
Revenue	50 804	56 288	-10 %	206 711
EBITDA	21 998	23 082	-5 %	80 569
EBITDA margin	43 %	41 %		39 %

*In 2010, certain allocation keys relating to indirect operating expenses have been changed. The 2009 figures have therefore been restated to give comparable figures.

Own products

Revenue

January-March

Sales for the period amounted to SEK 51 (56) million. The decline in sales is partly due to a fall in sales of the prescription drug Dexofen. In March, the European Medicines Agency (EMA) made a final decision regarding a ban on dextropropoxyphene-containing medicines. As previously communicated, Dexofen will no longer be on the market after June 2011, although the ban is being implemented on a gradual basis.

The cold season was late in arriving this year, which meant sales of related products did not take full effect during the quarter.

The OTC product portfolio performed well during the quarter, with the re-regulation of the pharmacy market having had a positive effect on sales of the Company's over-the-counter product range. BioPhausia's OTC portfolio has a number of strong brands. One of these is Novalucol, which can now be bought at most retail outlets that sell over-the-counter medicines. Prescription pharmaceuticals accounted for 70% of total sales, while OTC pharmaceuticals accounted for the remaining 30%.

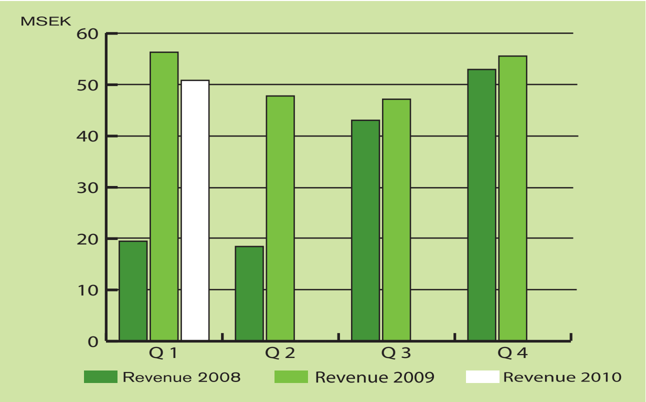
Earnings

January-March

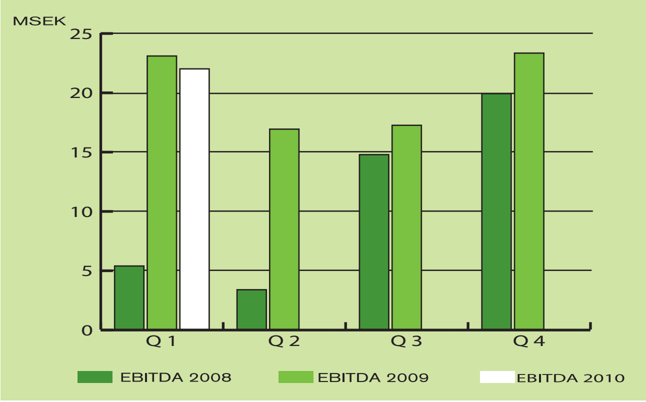
Operating profit before depreciation and amortisation (EBITDA) for the period amounted to SEK 22 (23) million. The EBITDA margin increased to 43% (41%) during the quarter. Despite a 10% fall in sales compared with the previous period, the favourable product mix improved gross margins, which resulted in EBITDA declining by 5%.

	Q 1 2010	Q 1 2009
Products - Self-care	6	6
Products - Prescription	19	19
Products on market	**25**	**25**
Products in registration	1	1

Revenue



EBITDA



Definition – segment Own products

Own products are products owned without restriction by BioPhausia. Examples are that the company owns a dossier (documentation about a product), a brand, other intangible rights, but not necessarily a patent.
Own products can be divided up into original products and generic products.
Examples of products in this segment are Citodon, Mollipect, Novalucol, Novaluzid and GlycoVisc.

Licensed products (SEK '000)	**Q 1 2010**	**Q 1 2009***	**Change**	**Full year 2009***
Revenue	22 309	29 313	-24 %	106 926
EBITDA	-2 410	-327	638 %	5 275
EBITDA margin	-11 %	-1 %		5 %

*In 2010, certain allocation keys relating to indirect operating expenses have been changed. The 2009 figures have therefore been restated to give comparable figures.

Licensed products

Revenue

January-March

Sales for the period amounted to SEK 22 (29) million. Competition and price pressure in the generics market continued to be tough and the segment faces major challenges in 2010. In Sweden, the rules governing the pricing and sale of generic drugs have been tightened even more, which has brought increased price pressure and more irregular sales per product.

At the end of the quarter, there were 32 products on the market, compared with 28 at the same point in the previous year. Because of the lack of commercial potential, another product was withdrawn from registration. The period's weak results make it even more important to continue efforts to secure the products' commercial marketability.

Earnings

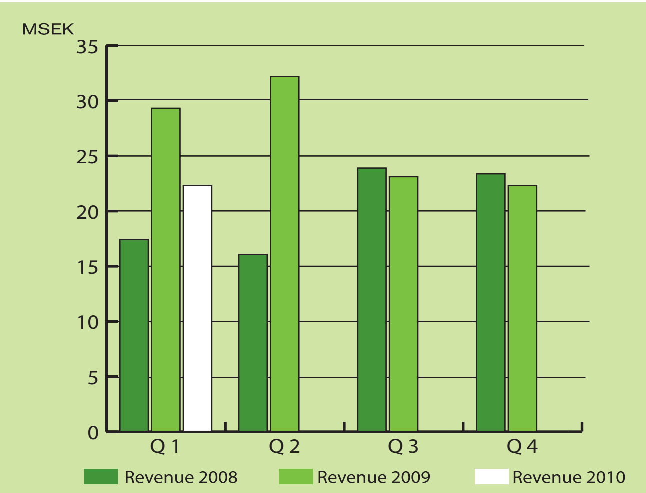
January-March

Operating profit before depreciation and amortisation (EBITDA) for the period amounted to SEK -2 (0) million. The EBITDA margin fell to -11% (-1%). In the face of the present price pressure, the Company has been consciously less aggressive in its pricing, resulting in an improvement in gross profit compared with the previous year. This has been achieved despite a 24% decline in sales. However, operating expenses are increasing at a faster rate than gross profit. The main reasons for this are higher registration costs, which are a direct result of several products being launched on different markets, and the sales force in Poland which was recruited in the second half of 2009.

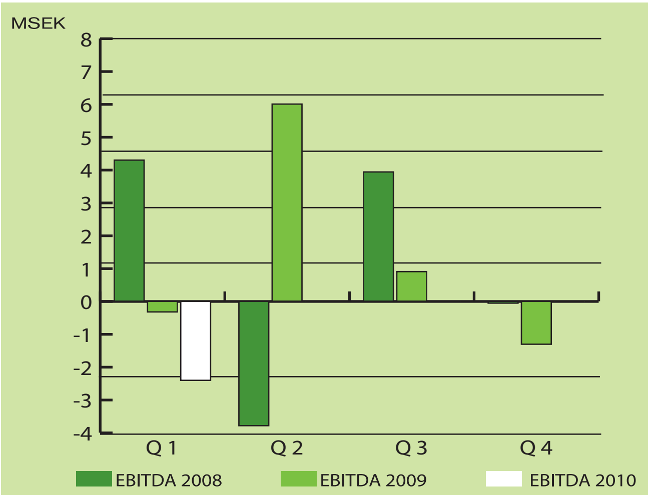
In view of the poor profitability in the segment, the Company has decided to slow down the rate of investment in Poland and the Baltics. Consequently, the sales force for the Polish establishment, which previously totalled 13, was reduced to 8 during the quarter.

	Q 1 2010	Q 1 2009
Products on market	32	28
Products in registration	24	28
Total licenses	**56**	**63**
New licenses during period	0	0

Revenue



EBITDA



Definition – segment Licensed products
Licensed products are products where BioPhausia has limited ownership of a dossier, or alternatively only has a distribution right without holding a marketing permit (agent).
Restrictions may be territorial or the license may not give the opportunity for sub-licensing or sale of a dossier. Licensed products can be divided up into original products and generic products.
Examples of products in this segment are Omeprazol, Ceterizine and Amlodipin.

Parallel-imported (SEK '000)	**Q 1 2010**	**Q 1 2009***	**Change**	**Full year 2009***
Revenue	53 419	90 287	-41 %	296 974
EBITDA	2 985	6 665	-55 %	21 616
EBITDA margin	6 %	7 %		7 %

*In 2010, certain allocation keys relating to indirect operating expenses have been changed. The 2009 figures have therefore been restated to give comparable figures.

Parallel-imported products

Revenue

January-March

Sales for the period amounted to SEK 53 (90) million. The considerable decline in sales is largely attributable to concentrated risk management by the Company during the quarter. Based on the current uncertainty about future conditions, the Company has adopted a cautious approach to product purchasing and pricing. This has had a negative effect on sales and profitability for the period. The focus of the quarter was securing future agreements with the new pharmacy chains in Sweden.

The re-regulated pharmacy market in Sweden is of great importance and has changed the dynamic of the segment. The right to free negotiation regarding parallel-imported pharmaceuticals is an incentive for the pharmacies to associate themselves with stable suppliers of these medicines. After the end of the period, the Company signed agreements with two of the new pharmacy chains. Under one of the agreements, BioPhausia becomes the main supplier of parallel-imported pharmaceuticals to Apoteksgruppen, which is one Sweden's largest pharmacy chains, with a market share of 13% in 2009.

Sweden's parallel trade in patented originator drugs achieved sales of approx. SEK 2 billion in 2009. The two new agreements will give a considerable boost to sales in the segment and consolidate the Company's position as one of the leading players in the market for parallel-imported products.

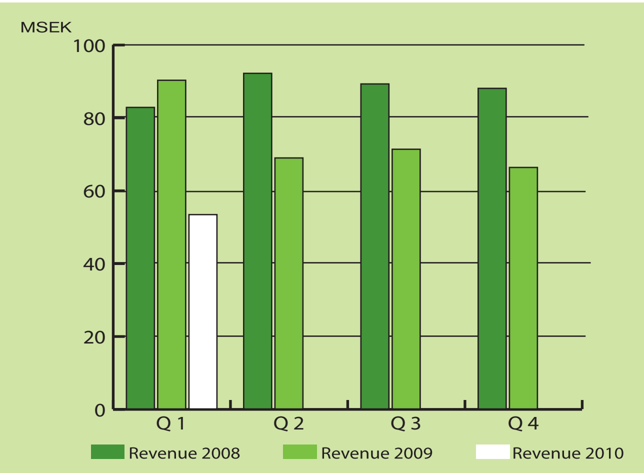
Earnings

January-March

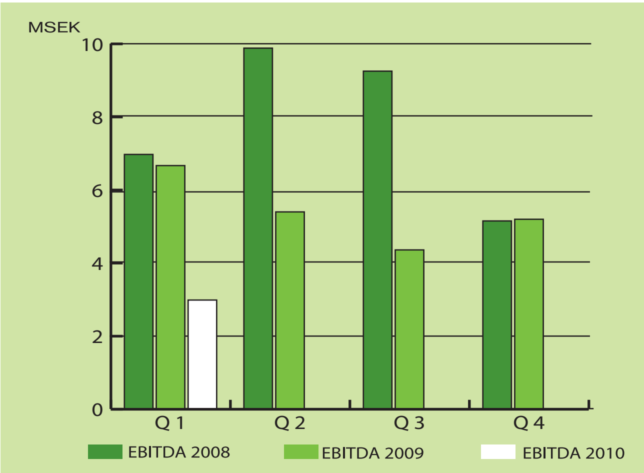
EBITDA for the period January-March amounted to SEK 3 (7) million. The EBITDA margin fell to 6% (7%). The decline is largely due to low sales during the quarter.

	Q 1 2010	Q 1 2009
Products on market	85	78
Products in registration	11	17

Revenue



EBITDA



Definition – segment Parallel-imported products

Parallel-imported products are products where BioPhausia lacks ownership of a dossier. The company merely has the right to import and sell the product, and the Medical Products Agency is the counterpart.

Examples of parallel-imported products are all the products sold by Cross, and parallel-imported veterinary products sold by Omnidea.

Significant events after the balance sheet date

The Board has appointed Maris Hartmanis as BioPhausia's new CEO

Maris Hartmanis succeeds Claes Thulin and will take up his position on 1 August 2010. Maris Hartmanis is at present Senior Advisor at Ling Vitae A/S. "In Maris Hartmanis, BioPhausia is gaining a CEO with vast experience in leadership roles in the biotechnology and pharmaceutical industries. He is well equipped to lead BioPhausia's continuing development as a specialty pharma company in Europe", says BioPhausia's Chairman Jan Rynning.

Niklas Prager is proposed as new Chairman of the Board

Biophausia's nomination committee has proposed Niklas Prager as the new Chairman of the Board, to be elected at the annual general meeting on 11 May 2010. He will replace the present Chairman Jan Rynning, who is not seeking re-election. Niklas Prager is at present CEO of Qbtech AB and was previously CEO of Pfizer Sverige. Niklas is also a Director of Envirotainer AB.

Anna Malm Bernsten has been proposed for election to the Board.

Anna Malm Bernsten currently runs her own management and business consultancy, and prior to that was Chief Marketing Officer at GE Healthcare Life Sciences. Anna Malm Bernsten is a director of Artimplant AB, Fagerhult AB and Medivir AB.

BioPhausia is the main supplier of parallel-imported pharmaceuticals to Apoteksgruppen

Apoteksgruppen is one Sweden's largest pharmacy chains, with a market share of 13% in 2009. The agreement gives BioPhausia a stronger position in the parallel import segment than before re-regulation. The agreement runs from June 2010 and will therefore affect sales and earnings from Q3 2010.

Parent Company

Parent company revenue and earnings

Revenue

January - March

The parent company's sales for the period amounted to SEK 51 (57) million. This figure relates mainly to sales of Own products.

Earnings

January - March

Operating profit for the period amounted to SEK 11 (15) million.

Net financial items

Net financial items for the period amounted to SEK -7 (-7) million

Financial position

Cash and cash equivalents

At the balance sheet date, cash and cash equivalents were SEK 4 (7) million.

Investments

Investments for the period amounted to SEK 0,4 (1) million.

Financing

At the balance sheet date, 31 March, interest-bearing liabilities amounted to SEK 412 million. This amount includes repayments of SEK 67 million due in the next 12 months, which are reported under current liabilities in the balance sheet. Repayments totalling SEK 17 million were made in the period.

Tax

The Parent Company's tax consists of tax income attributable to tax on a temporary difference.

Shares

The number of shares increased by 7,312 in 2010 after the exercise of issued warrants. The number of shares was 342,555,069 at the reporting date.

Incentive programme

The 2009 AGM approved an incentive programme of warrants for BioPhausia Group personnel. The programme comprises a maximum of 5,160,000 warrants at a subscription price of SEK 2.04 per share, with the warrants priced at SEK 0.36 each. For more information, see Note 6.

Financial calender 2010

Interim reports

- 2010 AGM: The annual general meeting will be held at 2 p.m. on Tuesday 11 May 2010 at the Radisson Blu Strand Hotel in Stockholm. Interim report January-June 2010; 27 August 2010
- Interim report January-September 2010; 10 November 2010
- Full year report 2010; 14 February 2011

The nomination group for the election of the Board at the 2010 AGM:

The nomination group for the election of the Board at the 2010 AGM will comprise:
Jan Rynning (Chairman of the Board)
Caroline af Ugglas (Skandia Liv)
Sören Berggren (shareholder)
Tedde Jeansson jr (shareholder)

The nomination committee's proposals for Board election at the AGM on 11 May 2010:

The nomination committee proposes the re-election of the following Board members: Johan Unger, Mats Lindquist and Roger Johanson.
The nomination committee proposes the election of Niklas Prager as Chairman of the Board and Anna Malm Bernsten as a new Board member.

This report has not been reviewed by the company's auditor.

Stockholm 7 of May 2010

CLAES THULIN
CHIEF EXECUTIVE OFFICER

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The information in this Interim report is such information as BioPhausia AB (publ) is liable to publish in accordance with the Swedish Stock Market Act and/or Trade in Financial Instruments Act. The information in Swedish was released for publication on 7 May 2010 at 8.01 am.

BIOPHAUSIA is a Swedish specialty pharma company with operations in originator, generic and parallel-imported pharmaceuticals. The portfolio of pharmaceuticals covers therapeutic areas such as stomach/intestines, CNS (central nervous system) and acute medicine, and contains products such as Novalucol and Mollipect. Operations are conducted in the Nordic countries, Poland, the Baltic region and the Netherlands.

BioPhausia AB (publ) has its registered office in Stockholm, and is listed on the Nasdaq OMX Nordic Exchange in Stockholm, Small cap.

Group income statement

(SEK '000)	2010 Jan-Mar	2009 Jan-Mar	2009 Jan–Dec
Revenue	130 713	179 757	633 584
Cost of goods sold	-86 802	-129 630	-447 556
Gross profit	**43 911**	**50 127**	**186 028**
Selling expenses	-26 255	-21 367	-93 645
Administrative expenses	-6 816	-4 921	-18 972
Research and development expenses	-344	-475	-1 874
Other operating revenue	1 915	881	3 694
Other operating expenses	-1 226	-1 050	-4 186
Operating profit	**11 185**	**23 195**	**71 045**
Net financial items	-11 868	-11 564	-45 320
Profit before tax	**-683**	**11 631**	**25 725**
Tax on this year´s profit/deferred tax	-2 121	-2 356	-8 215
Profit for the period	**-2 804**	**9 275**	**17 510**
Attributable to:			
Equity holders of the parent	-2 804	9 275	17 510
Profit for the period	**-2 804**	**9 275**	**17 510**
Profit per share before and after dilution (SEK)	-0.01	0.03	0.05
Depreciation, amortisation and impairment included in operating profit.	6 317	5 280	26 623

Statement of comprehensive income

Profit for the period	-2 804	9 275	17 510
Other comprehensive income for the period:			
Translation differences	787	-45	743
Gain/loss on cash flow hedges	2 026	-2 323	3 418
Other comprehensive income for the period	*2 813*	*-2 368*	*4 161*
Total comprehensive income for the period	**9**	**6 907**	**21 671**
Attributable to:			
Equity holders of the parent	9	6 907	21 671
Total comprehensive income for the period	**9**	**6 907**	**21 671**

Key figures Group

	2010-03-31	2009-03-31	2009-12-31
Number of shares in issue at end of period (´000)	342 555	342 476	342 548
Average number of shares before dilution (´000)	342 555	342 476	342 489
Average number of shares after dilution (´000)	385 292	342 476	367 420
Equity per share (SEK)	1.63	1.58	1.63
Equity/assets ratio (%)	51	48	50
Return on equity (%) *	1,0	7.0	3.2
Return on operating capital (%) *	6.0	7.5	7.1
Return on total capital (%) *	6.0	8.8	6.5
Profit per share before tax (SEK) before and after dilution	-0.00	0.03	0.08
Profit per share after tax (SEK) before and after dilution	-0.01	0.03	0.05
Net debt/equity ratio (times)	0.80	0.92	0.82

* Calculated on rolling 12-monthly profit

Definitions
Equity per share. *Reported equity divided by total number of shares at end of period adjusted for issues and conversions.*
Equity/assets ratio. *Equity as a percentage of total assets.*
Profit per share. *Profit/loss for the period divided by the weighted average number of shares outstanding during the period, with an adjustment for the calculated bonus element.*
Return on average equity. *Net profit/loss as a percentage of average equity based on net profit/loss and equity for the last 12 months.*
Return on average capital employed. *Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average capital employed.*
Capital employed. *Total assets less non-interest-bearing liabilities, including deferred tax liability.*
Return on average total assets. *Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average total assets.*
Net debt/equity ratio. *Interest-bearing liabilities less financial assets (including cash & cash equivalents) divided by equity.*
EBITDA. *Earnings before interest, taxes, depreciation and amortisation.*
EBITDA margin. *EBITDA as a percentage of revenue.*

Consolidated balance sheet

(SEK´000)	2010-03-31	2009-03-31	2009-12-31
Fixed assets			
Intangible assets	840 953	857 057	842 363
Property, plant and equipment	5 338	2 680	5 123
Deferred tax asset	37 338	51 904	40 213
Total fixed assets	**883 629**	**911 641**	**887 699**
Current assets			
Inventories	117 793	126 274	123 071
Trade receivables	65 575	81 870	68 419
Other current receivables	19 802	13 800	13 635
Cash and cash equivalents	11 472	11 687	15 644
Total current assets	**214 642**	**233 630**	**220 769**
Total assets	**1 098 271**	**1 145 271**	**1 108 468**
Equity	**557 661**	**541 344**	**558 121**
Long-term liabilities			
Deferred tax liabilities		941	
Longterm liabilities	314 645	332 792	332 894
Total long-term liabilities	**314 645**	**333 733**	**332 894**
Current liabilities	**225 965**	**270 194**	**217 453**
Total liabilities	**540 610**	**603 927**	**550 347**
Total equity and liabilities	**1 098 271**	**1 145 271**	**1 108 468**
Pledged assets	180 263	201 568	183 836
Contingent liabilities	None	None	None

Consolidated statement of changes in equity

(SEK'000)	2010-03-31	2009-03-31	2009-12-31
Opening equity	**558 121**	**534 437**	**534 437**
The raising of capital			4 604
Cost attributable to raising capital			-506
Exercise of warrants	11		89
Deferred tax liability attributable to raising capital			-2 936
Incentive programme			762
Other Changes	-480		
Total comprehensive income for the period	9	6 907	21 671
Closing equity at end of period	**557 661**	**541 344**	**558 121**

Consolidated cash flow statement in brief

(SEK' 000)	2010 Jan–Mar	2009 Jan–Mar	2009 Jan–Dec
Cash flow from operating activities before change in working capital	11 442	17 976	60 394
Change in working capital	7 645	-5 815	-10 934
Cash flow from operating activities	19 087	12 161	49 460
Cash flow from investing activities	-5 777	-3 131	-12 949
Cash flow from financing activities	-17 482	-12 846	-36 370
Change in cash and cash equivalents	**-4 172**	**-3 816**	**141**
Cash and cash equivalents at start of period	15 644	15 503	15 503
Cash and cash equivalents at end of period	11 472	11 687	15 644
Interest received	*0*	*27*	*85*
Interest paid	*-5 682*	*-8 029*	*-35 456*

Group operating profit in summary

2009	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
Net sales	179 757	153 237	147 900	152 690	633 584
Gross profit	50 127	47 280	41 133	47 488	186 028
Selling expenses	-21 367	-22 045	-20 238	-29 995	-93 645
Administration expenses	-4 921	-4 637	-4 525	-4 889	-18 972
R&D expenses	-475	-494	-436	-469	-1 874
Other operating items	-169	-211	-637	525	-492
Operating profit	**23 195**	**19 893**	**15 297**	**12 660**	**71 045**
EBITDA	**28 475**	**25 521**	**20 854**	**22 818**	**97 668**

2010	Quarter 1
Net sales	130 713
Gross profit	43 911
Selling expenses	-25 441
Administration expenses	-6 816
R&D expenses	-344
Other operating items	689
Operating profit	**11 185**
EBITDA	**17 502**

Parent company income statement

(SEK '000)	2010 Jan–Mar	2009 Jan–Mar	2009 Jan–Dec
Revenue	50 820	56 606	207 255
Cost of goods sold	-23 866	-28 212	-108 696
Gross profit	**26 954**	**28 394**	**98 559**
Selling expenses	-17 001	-16 282	-65 018
Administrative expenses	-6 505	-4 268	-17 092
Research and development expenses	-344	-468	-1 874
Other operating income and operating expenses	7 916	8 097	21 108
Operating profit	**11 021**	**15 473**	**35 683**
Net financial items	-7 453	-7 388	-26 419
Profit after financial items	**3 567**	**8 085**	**9 264**
Tax on this year's profit/deferred tax	245	-	-113
Profit for the period	**3 812**	**8 085**	**9 151**

Parent company balance sheet

(SEK '000)	2010-03-31	2009-03-31	2009-12-31
Fixed assets			
Intangible assets	538 273	545 607	548 730
Tangible assets	430	347	474
Participations in Group companies	78 314	68 742	77 559
Deferred tax receivable	71 546	76 439	72 025
Long-term receivables from Group companies	147 226	180 073	142 548
Total fixed assets	**835 789**	**871 208**	**841 336**
Current assets			
Inventory	27 880	31 730	26 604
Trade accounts receivable	26 238	23 688	24 365
Current receivables from Group companies	140 032	82 161	120 487
Other current assets	5 162	4 818	2 340
Liquid funds	4 031	6 726	6 935
Total current assets	**203 344**	**149 123**	**180 731**
Total assets	**1 039 133**	**1 020 331**	**1 022 067**
Equity	**534 385**	**521 769**	**528 691**
Long-term liabilities	313 167	331 079	331 300
Total long-term liabilities	**313 167**	**331 079**	**331 300**
Current liabilities to Group companies	46 881	995	20 751
Other current liabilities	144 699	166 489	141 325
Total current liabilities	**191 580**	**167 484**	**162 076**
Total equity and liabilities	**1 039 133**	**1 020 331**	**1 022 067**
Pledged assets	134 702	138 861	133 105
Contingent liabilities	62 647	60 000	61 849

Notes

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements for 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting for Legal Entities.

The accounting policies are the same as those applied in the 2009 annual report.

Note 2 Segment reporting

Reporting of operating segments

SEK ´000	Own products	Licensed products	Parallel-imported products	BioPhausia General	Total
January–March 2010					
Revenue	50 804	22 309	53 419	4 181	130 713
EBITDA	21 998	-2 410	2 985	-5 072	17 502
Depreciation				-6 317	-6 317
Net financial items				-11 868	-11 868
Tax				-2 121	-2 121
Profit for the period					**-2 804**
January–March 2009*					
Revenue	56 288	29 313	90 287	3 870	179 757
EBITDA	23 082	-327	6 665	-944	28 476
Depreciation				-5 280	-5 280
Net financial items				-11 564	-11 564
Tax				- 2 356	-2 356
Profit for the period					**9 275**

*In 2010, certain allocation keys relating to indirect operating expenses have been changed. The 2009 figures have therefore been restated to give comparable figures.

BioPhausia General includes general unallocated administrative expenses and minor operations which do not come under the other three segments.

Note 3 Tax on profit for the year/deferred tax

Tax for the period relates to tax on temporary differences (difference between accounting profit and tax base).

Note 4 Risks and uncertainty factors

The group and parent company's significant risks and uncertainties consist of business risks in the form of uncertainty in market assessments (future prospects, eg size of market) and competition in the form of price pressure, which may lead to falling margins. Other significant risks include financial risks in the form of exchange rate movements, changes in interest rates, fulfilment of covenants and liquidity risks. These are covered by the company's policy for financial management. Apart from these risks and the risks described in note 3 of BioPhausia's 2009 annual report, no other significant risks are considered to have arisen.

Note 5 Related-party transactions

Transactions with companies related to the Chairman of the Board amounted to SEK 19 thousand during the period.

Note 6 Incentive programme

The AGM held in May 2009 adopted an incentive programme of warrants for BioPhausia Group personnel. The programme comprises a maximum of 5,160,000 warrants, which will be transferred at a market price, as calculated by an independent rating agency in accordance with the Black & Scholes option pricing model. In September 2009, the subscription price was set at SEK 2.04 per share and the warrants were priced at SEK 0.36 each. The warrants expire on 30 September 2012.