

Press release

14 January 2009

Göteborg, Sweden

Vitrolife intends to offer to acquire MediCult

Vitrolife AB (publ) ("Vitrolife") announces its intention to make a voluntary exchange offer to the shareholders of MediCult a/s ("MediCult") (OSE: MEC) to acquire all outstanding shares in MediCult (the "Offer").

Summary

- A combined Vitrolife and MediCult will become a strong competitor to the market leaders within products for assisted reproduction. The new group's coordinated R&D resources will increase the potential to become the leading player in clinical products for assisted reproduction, stem cell culture and organ preservation
- Vitrolife intends to offer 5 new Vitrolife shares for every 9 MediCult shares held.¹ The new Vitrolife shares will upon completion of the Offer be listed on NASDAQ OMX Stockholm
- The Offer values MediCult at approximately NOK 362 million (SEK 415 million),² or NOK 12.76 per share
- The Offer represents a premium of 56 per cent over the closing price of the MediCult share on Oslo Børs on 13 January 2009 of NOK 8.20 and 82 per cent over the volume weighted average closing price of the MediCult share on Oslo Børs for the preceding 30 trading days of NOK 7.01
- Vitrolife expects the transaction to be accretive to earnings per share from 2010 onwards
- Orkla, Skagen Fondene and MP Pensjon, the largest, third largest and seventh largest shareholder in MediCult respectively, are positive to the initiative as there seems to be an industrial logic in the Offer. The named shareholders have however not yet concluded on the terms in the Offer and will need the acceptance period to evaluate this in more detail
- Formal offer documentation with complete details of the Offer will be distributed to all eligible shareholders of MediCult following approval from Oslo Børs, and as soon as regulatory and legal conditions allow. The acceptance period is expected to commence on or about 4 February 2009 and end on or about 25 February 2009 (subject to extensions). Settlement is expected to begin about one week after the end of the acceptance period

Dr. Magnus Nilsson, CEO of Vitrolife says:

"Combining Vitrolife and MediCult will create a group with improved ability to compete with the market leaders within products for assisted reproduction. Furthermore, the new stronger joint R&D resources will increase the potential of success, especially within the fields of stem cell culturing and organ preservation. Also, it is evident that there are considerable cost saving opportunities within areas such as sales & marketing, logistics, R&D and administration."

Patrik Tigerschiöld, Chairman of the Board of Vitrolife says:

"The deal structure of the proposed transaction where MediCult shareholders receive new Vitrolife shares implies that they will not only receive the upside of the offer premium, but will also benefit from future synergies. I am convinced that the proposed transaction will create considerable value for the shareholders of both Vitrolife and MediCult."

Telephone conference: Dr. Magnus Nilsson, CEO of Vitrolife, will at 11.00 CET today give his views on the proposed transaction followed by a Q&A session in a call-in phone conference. The conference call can be accessed as follows: From Norway – dial 800 80 119, outside Norway – dial +47 23 000 400. Before the conference call, presentation material will be available at the company web page, www.vitrolife.com, under the section Investors/News

¹ It is expected that the Offer will include a cash alternative for smaller shareholders as described below in the section entitled *The Offer*.

² Based on the closing price of the Vitrolife share on NASDAQ OMX Stockholm on 13 January 2009 of SEK 26.30 and an exchange rate of 1 NOK = 1.145 SEK.

Background to and reasons for the Offer

Vitrolife in brief

Vitrolife is a global biotechnology/medical device group that specialises in developing, manufacturing and selling advanced products and systems for the preparation, cultivation and storage of human cells, tissue and organs. The company has business activities within three product areas: Fertility, Transplantation and Stem Cell Cultivation.

Within the Fertility area Vitrolife offers both the nutrition solutions in which cultivation takes place, cryo preservation products and the advanced consumable instruments such as needles and pipettes that are used in In Vitro Fertilisation ("IVF") treatment.

Within Vitrolife's other major product area, Transplantation, the company is a world leader within the segment of lung storage solutions, with a market share of over 90 per cent. A new product and method for testing lungs before transplantation is in the process of being launched. This revolutionary method can in time lead to five to ten times more lung transplantations being performed, as the need for donated organs using today's methods considerably exceeds supply.

Vitrolife has also for a long time and with leading researchers worked with media and instruments to enable the use and handling of stem cells for therapeutic purposes.

Vitrolife's products are sold in over 80 countries and sales and results have greatly increased in recent years. The company is in the forefront of development and collaborates with world leading researchers within its defined product areas.

Vitrolife today has approximately 140 employees and is headquartered in Göteborg, Sweden, with subsidiaries in the USA, Australia, France and Italy. Production facilities are located in Sweden and the USA.

The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.

MediCult in brief

MediCult specialises in the development, manufacturing and marketing of media and advanced consumables within fertility and stem cells.

Within the Fertility business area MediCult offers a number of products, techniques, protocols and transfer of technology for fertility treatment. MediCult has built competencies in the development, manufacturing and marketing of media directly to clinics or via distributors. In Vitro Maturation (IVM), a process in which the eggs (oocytes) are matured in vitro, is one of MediCult's key development projects within its IVF operations that has led to a unique product.

Stem cell research is MediCult's second business area focused on developing serum free media products used in research.

In November 2008 MediCult also extended its product offering with the acquisition of MidAtlantic Diagnostics, Inc. ("MidAtlantic"), a USA based leading company in Assisted Reproduction Technology (ART) laboratory development services.

MediCult is headquartered in Jyllinge, Denmark and has approximately 180 employees, excluding the employees of MidAtlantic.

The MediCult share is listed on Oslo Børs.

Benefits of combining Vitrolife and MediCult

In line with its growth strategy, Vitrolife is determined to continue to develop its business and to be an active participant in the ongoing consolidation of the IVF market. Both Vitrolife and MediCult have today internationally established market organisations. Combining Vitrolife and MediCult (the "New Group") will create a group with improved ability to compete with the market leaders within products for assisted reproduction.

The combination will also enhance the potential of becoming the world leading company within media for cell therapy and transplantation through sophisticated R&D programs and the combined experience of the two organisations from development, registration and marketing of clinical grade media products.

A particularly exciting potential lies within the prospects of combining the two companies' stem cell R&D portfolios. Both companies have been investing successfully in stem cell research and the New Group will be favourably positioned to capture a large share of the evolving clinical stem cell media market.

The increased critical mass of the combined R&D efforts will also enable an accelerated clinical development and market penetration of the new unique organ preservation technique (STEEN Solution™).

Vitrolife foresees great cross-selling opportunities in targeting the two companies' existing customers and with increased attractiveness for new customers. A combination also increases the opportunities to address more markets as the marketing organisation is larger.

In addition to market synergies, Vitrolife expects that coordinated activities within sales and marketing, logistics, research and development as well as within certain administrative functions will present considerable cost saving potential. Based upon information available to Vitrolife today, annual cost savings, once fully realised, are estimated to total at least SEK 50 million.

Vitrolife expects that estimated synergies will be fully realised within three years, with a gradually increasing effect each year. For 2009 Vitrolife expects the net effect of synergies and integration costs to be close to zero.

One immediate effect of the Offer is that MediCult's planned investment, totalling DKK 190 million, in new office and production facilities in Denmark will not have to be made. This is because the expected increase in volumes for the two companies will for the foreseeable future be absorbed completely in Vitrolife's modern production facilities after minor modifications.

Given the synergy potential as described above, a transaction financed with shares will be beneficial to both Vitrolife and MediCult shareholders as both will share the future upside from the identified synergies.

Vitrolife expects the transaction to be accretive to earnings per share from 2010 onwards.³

Given the relatively small market values of both Vitrolife and MediCult, a combination of the two companies is likely to have a positive effect as the New Group will become a much larger group in the capital markets and is hence likely to receive higher interest from media, analysts and investors.

The New Group in numbers

The combination of Vitrolife and MediCult into the New Group will create a group with a total of approximately 320 employees (excluding MidAtlantic).

On a pro forma basis, and excluding the effect of the MidAtlantic acquisition, revenues for the nine month period ending 30 September 2008 totalled approximately SEK 340 million (DKK 270 million⁴).

Below is a brief overview of key financials of the New Group:⁵

	12 months ended 31 December 2007				9 months ended 30 September 2008			
	Vitrolife SEKm	MediCult DKKm	MediCult SEKm	New Group SEKm	Vitrolife SEKm	MediCult DKKm	MediCult SEKm	New Group SEKm
Total revenues	189	142	176	365	166	138	174	340
Operating profit (EBIT)	21	8	9	30	22	11	14	36
EBIT margin	11.1%	5.3%	5.3%	8.3%	13.0%	8.3%	8.3%	10.6%
Mean FX rate during period:			1.242				1.262	
Interest bearing debt	21	205	261	281	15	193	252	267
Cash and cash equivalents	19	197	250	268	13	167	219	231
Net interest bearing debt	2	9	11	13	2	26	33	36
FX rate end of period:			1.271				1.309	

Note: Revenue and earnings from MidAtlantic have not been included in the above numbers for MediCult. MediCult estimates MidAtlantic to generate revenues and EBIT for the full year 2008 of DKK 68 million and DKK 13 million, respectively. The consideration for the transaction consists of DKK 46 million (USD 9 million) in an upfront cash payment and deferred payments over a three-year period of DKK 30 million (USD 6 million) in cash and DKK 2.5 million (USD 0.5 million) in MediCult shares. The MidAtlantic consideration had not affected the net financial position of MediCult as per its latest financial report (Q3 2008).

³ Before any potential effects of amortisation of acquisition related intangible assets under IFRS.

⁴ The exchange rate used is 1 DKK = 1.262 SEK which is the average exchange rate for the period.

⁵ Assuming, for the sake of simplicity, no amortisation of acquisition related intangible assets under IFRS resulting from the Offer and no MediCult shareholders electing to receive the Cash Consideration as set out below in the section entitled *The Offer*.

MediCult's management and employees

Vitrolife holds MediCult's management and employees at a high esteem and intends to combine skills from both organisations in order to create the potential to become a leading company in its fields. Vitrolife also believes that the prospects for employees of both Vitrolife and MediCult will be enhanced through the strengthened market position, the improved profitability potential and the growth potential of the New Group. The New Group will be able to offer its employees additional interesting career opportunities.

Vitrolife foresees that there will be certain overlaps within certain activities in the New Group. In order to be able to attain the intended cost synergies, it is important to analyse and adjust the organisational structure so that overlapping activities may be reduced. The intention is to create a new and optimal organisation from the current staff – regardless of where they might currently work – for a continued strong growth with increased profitability.

The board of directors of the New Company will reflect the new shareholder structure upon the completion of the Offer.

The Offer

Vitrolife intends to offer to acquire all outstanding shares in MediCult, by offering all eligible MediCult shareholders 5 new Vitrolife shares for every 9 MediCult shares held (the "Share Consideration").

The Offer values MediCult at approximately NOK 362 million (SEK 415 million),⁶ or NOK 12.76 per share. The Offer represents a premium of:

- 56 per cent over the closing price of the MediCult share on Oslo Børs on 13 January 2009 of NOK 8.20; and
- 82 per cent over the volume weighted average closing price of the MediCult share on Oslo Børs for the preceding 30 trading days of NOK 7.01

The Offer is expected to include a cash alternative for MediCult shareholders with 1,000 or fewer MediCult shares, to the effect that such shareholders may elect to receive a cash consideration (the "Cash Consideration") of NOK 12.76 per share instead of the Share Consideration.⁷ In no event will the Cash Consideration exceed 10 per cent of the total value of the Offer.

Assuming full acceptance of the Offer and no MediCult shareholders electing to receive the Cash Consideration, approximately 15.8 million new Vitrolife shares (the "New Vitrolife Shares") will be issued pursuant to the Offer. In such case, former MediCult shareholders will own approximately 44 per cent of the shares and votes of the New Group and Vitrolife's shareholders will own approximately 56 per cent of the shares and votes of the New Group.

The New Vitrolife Shares will upon completion of the Offer be promptly listed on NASDAQ OMX Stockholm and will have equal rights in all respects as existing shares in Vitrolife.

Separately from the Offer, and as soon as possible following completion thereof, Vitrolife will seek to ensure holders of MediCult warrants a fair treatment in respect of their holdings, the intention being to offer such holders to convert its MediCult warrants into similar Vitrolife warrants.

Orkla, Skagen Fondene and MP Pensjon, the largest, third largest and seventh largest shareholder in MediCult respectively, are positive to the initiative as there seems to be an industrial logic in the Offer. The named shareholders have however not yet concluded on the terms in the Offer and will need the acceptance period to evaluate this in more detail.

⁶ Based on the closing price of the Vitrolife share on NASDAQ OMX Stockholm on 13 January 2009 of SEK 26.30 and an exchange rate of 1 NOK = 1.145 SEK.

⁷ Based on the closing price of the Vitrolife share on NASDAQ OMX Stockholm on 13 January 2009 of SEK 26.30 and an exchange rate of 1 NOK = 1.145 SEK.

Conditions of the Offer

Completion of the Offer is expected to be conditional (unless waived by Vitrolife) upon customary closing conditions, including:

- 1) Vitrolife's shareholders authorising the board of directors of Vitrolife to issue the New Vitrolife Shares;
- 2) Vitrolife receiving valid and unconditional acceptances of the Offer from MediCult shareholders which represent more than 90 per cent of the total number of shares and votes in MediCult before as well as after dilution, provided however that Vitrolife explicitly reserves the right to complete the Offer also at a lower acceptance level;
- 3) all necessary regulatory, governmental and similar permits, approvals, decisions and similar clearances, including from competition authorities, in connection with the Offer, its implementation or the acquisition of MediCult by Vitrolife having been obtained on terms reasonably acceptable to Vitrolife, and neither the Offer nor the acquisition of MediCult becoming, or could reasonably be anticipated as becoming, wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance outside the control of Vitrolife;
- 4) MediCult's intended construction of new production and office facilities in Denmark (as referred to above in the section entitled *Benefits of combining MediCult and Vitrolife* and in the section entitled *Building project* in MediCult's financial report for the third quarter 2008), not being carried out as planned and that - except any funds already explicitly disclosed to have been committed - no material funds are or have been committed to any further engineering or construction work;
- 5) with the exception of information publicly announced by MediCult and information of which Vitrolife had knowledge of at the time of the announcement of the Offer, (i) Vitrolife not discovering that any information publicly announced by MediCult or otherwise made available to Vitrolife is materially inaccurate or misleading or that any material information that should have been publicly disclosed by MediCult has not been so disclosed and (ii) no circumstance having occurred which has or can reasonably be expected to have a material adverse effect on MediCult's sales, results, liquidity, equity or assets (except which relates (a) to the global economy or the economy of any geographic area in general, provided that such circumstances do not have a disproportionate effect on MediCult, or (b) to the stock market in Norway or elsewhere in general); and
- 6) with the exception of dispositions that are part of MediCult's ordinary course of business, MediCult not making any decisions with regard to, (i) issuance of shares or other financial instruments by MediCult or by a subsidiary (including change to the terms of issued financial instruments), (ii) merger of MediCult or any subsidiary, (iii) sale or purchase of significant areas of operation of MediCult or its subsidiaries, or other dispositions of material significance to the nature or scope of its operations, (iv) purchase or sale of MediCult's shares, or (v) any measures or actions that are typically intended to or may be expected to frustrate the Offer by impairing the prerequisites for the Offer or the execution thereof.

Vitrolife reserves the right to withdraw the Offer in the event that any or all of the above conditions are not fulfilled or cannot be fulfilled.

Complete details of the Offer and all applicable terms and conditions will be included in the offer document to be distributed to all eligible shareholders of MediCult following review and approval by Oslo Børs.

The Offer will not be made in jurisdictions in which the making of the Offer would not be in compliance with the laws of such jurisdiction or (other than Norway) would require registration and/or approval of offer documentation.

Indicative time table

The Offer will commence and close as soon as regulatory and legal conditions allow. The current indicative time table for the Offer is as follows (all dates tentative and subject to change)

Offer document distributed to MediCult shareholders, on or about	4 February 2009
First day to accept the Offer, on or about	4 February 2009
Extraordinary general meeting of Vitrolife, on or about	18 February 2009
Last day to accept the Offer, on or about	25 February 2009
Settlement, on or about	3 March 2009

Compulsory purchase and delisting

As soon as possible following completion of Vitrolife's acquisition of shares representing more than 90 per cent of the shares and votes in MediCult, Vitrolife intends to commence a compulsory acquisition procedure to acquire all remaining MediCult shares. In connection therewith, Vitrolife intends to promote a delisting of the MediCult share from Oslo Børs.

Financing and general meeting of Vitrolife

The issuance of the New Vitrolife Shares requires authorisation by the general meeting of Vitrolife. Notice of an extraordinary general meeting for purposes hereof is expected to be published shortly. To the extent MediCult shareholders elect to receive the Cash Consideration, such Cash Consideration will be financed by Vitrolife using existing credit facilities and available cash on hand. The Offer is not subject to any conditions concerning the availability of financing. Vitrolife's largest shareholder, Skanditek Industriförvaltning AB, with 25.9 per cent of the shares, has expressed an intention to vote in favour of above-mentioned authorisation at the extraordinary general meeting.

Applicable law and disputes

The Offer and any acceptances thereof shall be governed by and construed in accordance with the laws of Norway. Neither Swedish law nor the NASDAQ OMX Stockholm Takeover Rules apply to the Offer. However, MediCult being a Danish company, certain aspects of Danish corporate law will apply. The courts of Norway shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer.

Advisers

Carnegie is acting as financial advisor and Advokatfirmaet Schjødt, Advokatfirman Vinge and Gorrissen Federspiel Kierkegaard are acting as legal advisors to Vitrolife in connection with the Offer.

Contact persons

Contact persons at Vitrolife with respect to the Offer:

Patrik Tigerschiöld, Chairman of the Board	tel. +46 707 77 71 90
Dr. Magnus Nilsson, CEO	tel. +46 31 721 80 61

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Vitrolife is a global biotechnology/medical device group that specialises in developing, manufacturing and selling advanced products and systems for the preparation, cultivation and storage of human cells, tissue and organs. The company has business activities within three product areas: Fertility, Transplantation and Stem Cell Cultivation.

The Fertility product area works with nutrient solutions (media), cryopreservation products and advanced consumable instruments such as needles and pipettes, for the treatment of human infertility. The Transplantation product area works with solutions and systems to evaluate and maintain organs outside the body in order to select usable organs and keeping them in optimal condition while waiting for transplantation. The Stem Cell Cultivation product area works with media and instruments to enable the use and handling of stem cells for therapeutic purposes.

Vitrolife today has approximately 140 employees and its products are sold in more than 80 markets. The company is headquartered in Göteborg, Sweden, with subsidiaries in the USA, Australia, France and Italy. Production facilities are located in Sweden and the USA.

The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.

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