

TOGETHER. ALL THE WAY™



INTERIM REPORT JANUARY-JUNE 2011

Vitrolife AB (publ)

Vitrolife is a global biotechnology/medical device Group that works with 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. Vitrolife today has approximately 220 employees and its products are sold in more than 85 markets. The company is headquartered in Gothenburg, Sweden, and there are subsidiaries in USA, Australia, France, Italy, United Kingdom and Japan. Production facilities are located in Sweden and the USA. The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.

Vitrolife 

Third quarter in a row with growth of around 30 percent and strong development of income.

Second quarter

- Sales growth increased by 31 percent in local currency in the second quarter. Sales amounted to SEK 88 (73) million, corresponding to an increase by 19 percent in SEK.
- Operating income (EBIT) amounted to SEK 13 (9) million, which corresponds to an increase by 45 percent. The operating margin amounted to 14 (12) percent. Operating expenses as a percentage of sales decreased to 51 (59) percent. Operating income before research and development costs amounted to SEK 24 (20) million, which corresponds to an operating margin of 28 (27) percent.
- Income before tax increased by 51 percent to SEK 15 (10) million. Net income amounted to SEK 10 (9) million; estimated tax of SEK 5 (0) million is included. Payment of tax will be made no earlier than in connection with Q1 2012. Earnings per share amounted to SEK 0.51 (0.48).
- The cash flow from operating activities was SEK 11 (13) million. The change compared with the previous year is attributable primarily to the increase in accounts receivable and raw material inventories as a result of strongly increasing sales and increased growth for the company as a whole.
- Dividend of SEK 0.60 (0.50) per share, in total SEK 11,735,914 (9,776,429).
- The total number of shares in Vitrolife AB (publ) was increased during the quarter by 2,912 shares and amounts to 19,562,769 shares. The increase in the number of shares is due to the utilization of warrants for subscription for new shares in connection with Vitrolife's personnel warrants program 2008/2011, which came to an end on May 31, 2011. A total of 9.912 shares were subscribed for by utilizing the warrants program.
- Vitrolife is the first company to receive regulatory approval in China for a whole series of cultivation media for IVF.
- Study shows that EmbryoGlue®, a product patented by Vitrolife, increases the chances of the infertile having children.
- Launch of new freeze medium for human embryonic stem cells.
- Clinical study with good results using STEEN Solution™ published in a prominent scientific journal. A total of more than 90 patients have now received new lungs through the use of STEEN Solution™.
- Further European hospitals, amongst other things in Sweden, Italy and Germany, report on their first clinical transplantations using STEEN Solution™.

First six months in brief

- Sales increased by 29 percent in local currency during the first half of 2011. Sales amounted to SEK 176 (149) million, corresponding to an increase by 18 percent in SEK.
- Operating income (EBIT) amounted to SEK 23 (19) million, which corresponds to an increase by 22 percent. The operating margin amounted to 13 (13) percent. Operating expenses as a percentage of sales decreased to 53 (57) percent. Operating income before research and development costs amounted to SEK 46 (41) million, which corresponds to an operating margin of 26 (28) percent.
- Income before tax increased by 33 percent and amounted to SEK 27 (20) million. Net income amounted to SEK 19 (19) million; estimated tax of SEK 8 (1) million is included. Payment of tax will be made no earlier than in connection with Q1 2012. Earnings per share amounted to SEK 0.97 (0.98).

CEO's comments

Vitrolife continues to develop well, with very good sales growth. This is the third quarter in a row with growth of around 30 percent and a positive profit development. The greatest contributions to the strong development of sales have been continued very good sales growth in Asia and Australia as well as in the USA, where the new products and market resources within the Fertility area that were part of the company acquisition in San Diego have given extra strength. Vitrolife's long-term strategy is to build its own highly competent global marketing and sales organization in combination with increasingly broad quality-based product lines within the company's areas of focus. It is becoming increasingly clear that this strategy is giving tangible results.



There has been a shift in the development of the markets, so that the fast-growing countries, above all in Asia, account for an increasingly large part of total growth within the fertility area. We have foreseen this trend for a number of years and have adapted accordingly, and therefore we are investing more and more of our resources in these markets.

The work on completing a complete product line within fertility is ongoing and it is estimated that it will be finished

during the current year, which means a number of new product launches during the second half of the year. The transplantation products also continue to develop well in terms of sales – the new Steen Solution™ product for warm perfusion of organs is now beginning to be a significant part of these sales. There is very great interest among clinics for this revolutionary methodology, which has the potential to multiply the number of organs available for transplantation. The last step in the preparations for introduction in the USA, a clinical study, is now completely ready to start.

On order to enable continued sales expansion important investments have been made or begun during the period in the form of enlarged and improved warehouses and distribution facilities, as well as quality control capacity. Strategic investments have also been made in the marketing and sales organization, such as the building up of a new and more powerful CRM system and newly developed on-line presence.

The focus on strong and sustainable growth together with gradually strengthened profitability continues.

Magnus Nilsson, VD

The Group's Key Figures

SEK million	2011	Apr – Jun 2010	2011	Jan – Jun 2010	Jul 2010 – Jun 2011	Whole year 2010
Net Sales	88	73	176	149	325	298
Gross Profit	57	52	116	104	219	206
Gross Margin, %	66	71	66	70	67	69
Operating income (EBIT)	13	9	23	19	37	33
Operating margin, %	14	12	13	13	11	11
EBITDA	31	27	17	13	54	49
Income after financial items	15	10	27	20	48	41
Net income	10	9	19	19	29	29
Equity/assets ratio, %	73	85	73	85	73	76
Income per share, SEK	0.51	0.48	0.97	0.98	1.46	1.48
Shareholders' equity per share, SEK	16.46	16.96	16.46	16.96	16.46	16.66
Share price on closing, SEK	39.30	35.90	39.30	35.90	39.30	37.80
Market cap at closing	769	702	769	702	769	740

Financial objectives

Vitrolife's Board considers that Vitrolife should have a strong capital base in order to enable continued high growth, both organically and through acquisitions. The company's equity/assets ratio should not normally fall below 40 percent. The objective for Vitrolife's growth over a three-year period is an increase in sales of on average 20 percent per year and that the company reports positive net income.

Key figures for the Group

Second quarter 2011

(April – June)

Net sales

Vitrolife's net sales for the second quarter increased by 31 percent in local currency and amounted to SEK 88 (73) million. Sales growth was 19 percent in SEK.

Fig 1. Net sales per geographic area (rolling 12 months)

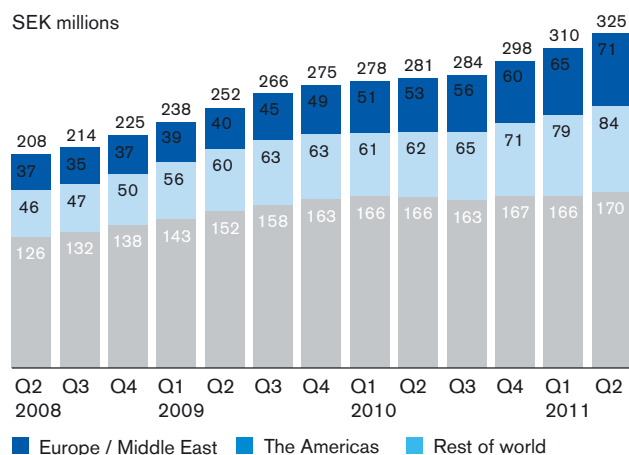


Fig 2. Net sales per product area (rolling 12 months)

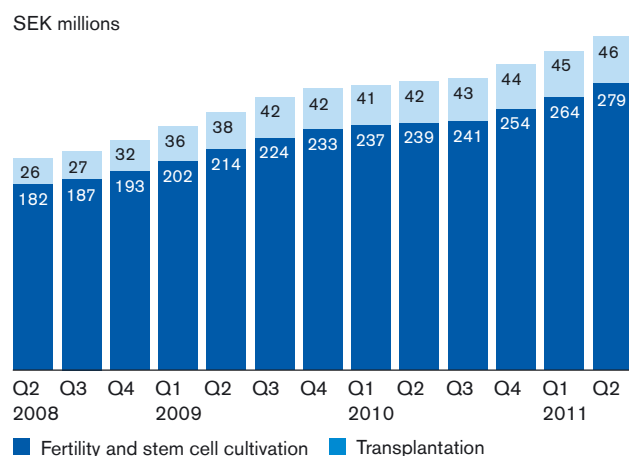
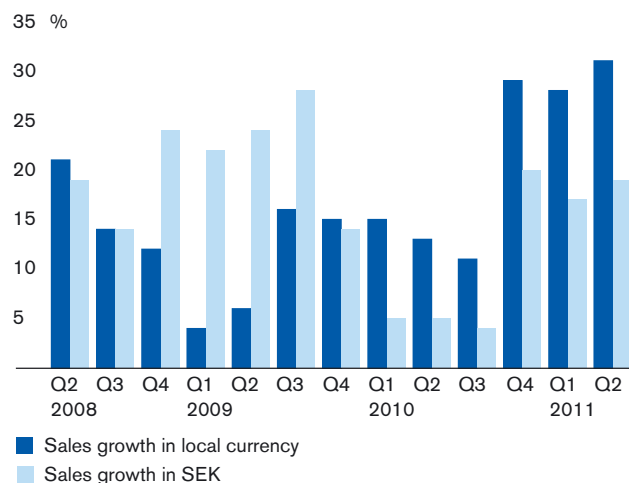


Fig 3. Sales development (quarter)



Income

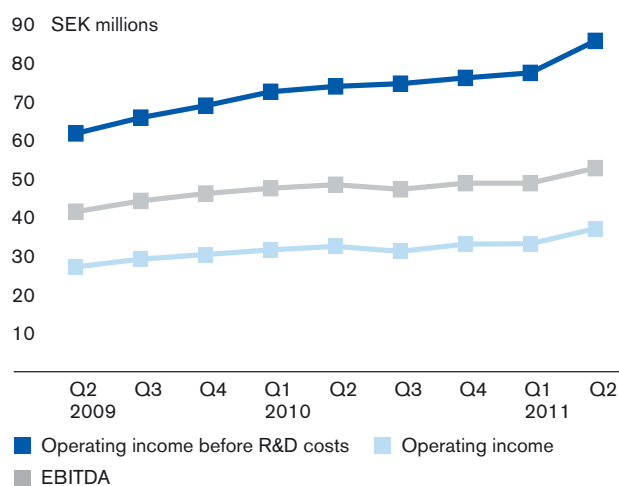
The operating margin amounted to 14 (12) percent. Operating income (EBIT) amounted to SEK 13 (9) million, which corresponds to an increase by 45 percent.

The gross margin during the second quarter amounted to 66 (71) percent. The change was primarily due to production costs of a one-time nature in connection with changed handling of raw materials and a changed product mix. Gross income increased by 10 percent to SEK 57 (52) million.

Selling expenses in relation to sales decreased compared to the previous year and amounted to 27 (29) percent. Administrative expenses for the quarter amounted to 13 (13) percent. R&D costs in relation to sales decreased from 16 percent to 13 percent. Other operating expenses were affected positively by the currency translation adjustment of primarily accounts receivable and amounted to SEK 1 (-1) million. In all, operating expenses decreased as a percentage of sales and amounted to 51 (59) percent. Depreciation and amortization of SEK 4 (4) million were charged against net income for the quarter.

In addition to current business activities, Vitrolife is also investing in new technologies and business areas, such as completely new transplantation methodologies using STEEN Solution™ and products for the cultivation of stem cells. It is thus also relevant to assess the operating profit before R&D costs. During the second quarter this amounted to SEK 24 (20) million, corresponding to a margin of 28 (27) percent.

Fig 4. Income (rolling 12 months)



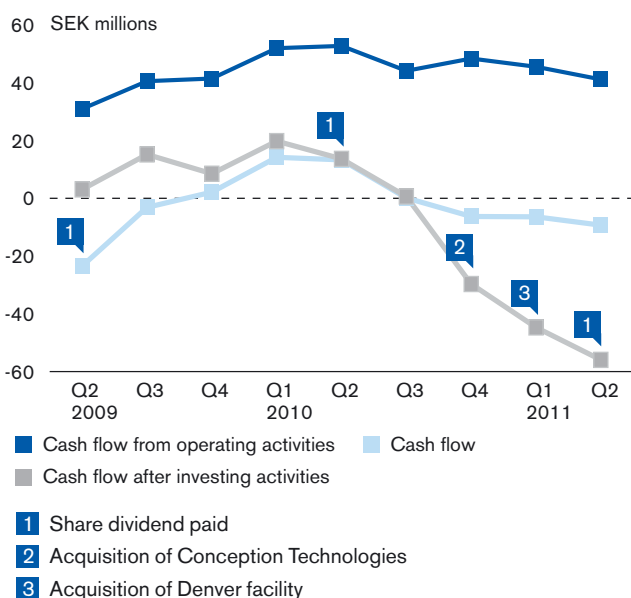
Net financial items amounted to SEK 2 (1) million and were positively affected by realized forward contracts, amongst other things. Net financial items includes non-realized exchange rate effects of SEK 0 (0) million on accounts receivable and payable.

Income before tax amounted to SEK 15 (10) million, which corresponds to an increase by 51 percent. Net income amounted to SEK 10 (9) million. Estimated tax amounts to SEK -5 (0), of which SEK 1 (0) net is due to the dissolution of deferred tax assets attributable to previously capitalized loss carry forward. The loss carry forward in the Swedish units, which can be set off against taxable profits, has been fully utilized during the second quarter. Payment of tax will be made no earlier than in connection with Q1 2012. The minority interest in A.T.S Srl amounted to SEK 0 (0) million.

Cash flow

The cash flow from operating activities amounted to SEK 11 (13) million during the second quarter. The change in working capital amounted to SEK -6 (-1) million during the quarter and this is attributable to the increase in accounts receivable and raw material inventories as a result of strongly increasing sales and increased growth for the company as a whole. Investments amounted to SEK 12 (14) million, of which investments in property, plant and equipment amounted to SEK 3 (2) million. Investments in intangible assets amounted to SEK 10 (9) million and were primarily in STEEN Solution™, but also to some extent in the development of cultivation utensils. The cash flow from financing activities was SEK -6 (-4) million and consisted, amongst other things, of dividend to shareholders and the repayment of borrowings. Cash and cash equivalents at the end of the period amounted to SEK 10 (11) million.

Fig 5. Cash flow (rolling 12 months)



Financing

Vitrolife's total credit facilities amounted to SEK 84 (25) million and were utilized mainly for the financing of business activities in the form of a bank overdraft facility in the

subsidiary Vitrolife Sweden AB, loans related to the acquisition of Conception Technologies during 2010 and loans for financing of the property in Denver acquired during the first quarter. Of the company's total credit facilities SEK 67 (3) million was utilized. These consist of the company's long-term financing of SEK 29 (3) million in interest-bearing loans and short-term financing of SEK 38 (10) million.

The equity/assets ratio was 73 (85) percent. The return on capital employed amounted to 15 (13) percent. Capital employed amounted to SEK 362 (345) million at the end of the period.

Shareholders' equity per share amounted to SEK 16.46 (16.96).

Parent Company

Business activities focus on company-wide management and the company has no employees. There were no revenues for the period (-). The costs that arise are mainly attributable to the Board, to NASDAQ OMX Stockholm and the listing of the company's shares. Income before tax amounted to SEK 0 (0) million for the second quarter. For the first half year income before tax amounted to SEK -3 (-1) million. Cash and cash equivalents amounted to SEK 1 (1) million.

The Vitrolife share is listed on the NASDAQ OMX Stockholm Small Cap list under the symbol VITR. The closing price on June 30, 2011, was SEK 39.30 (35.90).

Key figures for the Group The period 2011 (January – June)

Net sales

Vitrolife's net sales increased by 29 percent during the first half year in local currency and amounted to SEK 176 (149) million. Sales growth was 18 percent in SEK.

Income

The gross margin amounted to 13 (13) percent. Operating income (EBIT) amounted to SEK 23 (19) million, which corresponds to an increase by 22 percent. The gross margin amounted to 66 (70) percent. The change was primarily due to production costs of a one-time nature in connection with changed handling of raw materials and a changed product mix. Gross income increased by 12 percent to SEK 116 (104) million.

Selling expenses in relation to sales decreased compared to the previous year and amounted to 27 (28) percent. Administrative expenses amounted to 13 (13) percent. R&D costs in relation to sales decreased from 15 percent to 13 percent.

Other operating expenses were affected positively by the currency translation adjustment of primarily accounts receivable and amounted to SEK -1 (-2) million. In all, operating expenses decreased as a percentage of sales and amounted to 53 (57) percent. Depreciation and amortization of SEK 8 (8) million were charged against net income for the quarter.

Operating income before R&D costs amounted to SEK 46 (41) million, which corresponds to an operating margin of 26 (28) percent.

Net financial items amounted to SEK 4 (-1) million and were positively affected by realized forward contracts, amongst other things. Net financial items includes non-realized exchange rate effects of SEK 0 (1) million on accounts receivable and payable.

Net income before tax amounted to SEK 27 (20) million, which corresponds to an increase by 33 percent. Net financial income amounted to SEK 19 (19) million. Estimated tax amounts to SEK -8 (-1) million, of which SEK 5 (0) million net is due to the dissolution of deferred tax assets attributable to previously capitalized loss carry forward. The loss carry forward in the Swedish units, which can be set off against taxable profits, has been fully utilized during the second quarter. Payment of current tax will be made no earlier than in connection with Q1 2012. The minority interest in A.T.S Srl amounted to SEK 0 (0) million.

Cash flow

The cash flow from operating activities decreased and amounted to SEK 16 (20) million. The change in working capital SEK -18 (-8) during the period and this is primarily attributable to the increase in accounts receivable and raw material inventories as a result of strongly increasing sales and increased growth for the company as a whole. Investments amounted to SEK 27 (21) million. Investments in property, plant and equipment amounted to SEK 13 (3) million, of which SEK 5 million is for the acquired property in Denver during the first quarter. Investments in intangible assets amounted to SEK 14 (15) million and were primarily in STEEN Solution™, but also to some extent in the development of cultivation utensils. The cash flow from financing activities was SEK 4 (-4) million and consisted, amongst other things, of dividend during the second quarter, the repayment of borrowings and loans raised in connection with the property in Denver, and financing of an expanding business in the form of increased utilization of the bank overdraft facility. Cash and cash equivalents at the end of the period amounted to SEK 10 (11) million.

Product areas

Fertility



Nutrient solutions (media) and advanced single-use instruments such as needles and pipettes, for the treatment of human infertility.

- Sales increased by 32 percent in local currency during the second quarter. Sales amounted to SEK 76 (63) million, corresponding to an increase by 22 percent in SEK.
- Sales increased by 30 percent in local currency during the six-month period. Sales amounted to SEK 153 (128) million, corresponding to an increase by 19 percent in SEK.
- Vitrolife is the first company to receive regulatory approval in China for a whole series of cultivation media for IVF.
- Study shows that EmbryoGlue® increases the chances of the infertile having children.

Sales in the Europe/Middle East/African region increased by 14 percent during the second quarter in local currency. It can be noted that the strategically important markets in the region, Germany and France, developed well. The strong development of the first quarter in the Middle East and Africa continued, even though it slowed down slightly as a consequence of unrest in the region.

A strong increase in sales of 91 percent in local currency can be noted in the American region during the second quarter. The increase consists, amongst other things, of stronger market shares, market growth and an expanded range of products.

Sales in the Rest of the World region, which primarily consists of Asia and the Pacific region, continue to be very good and increased by 43 percent in local currency during the quarter. Doubled sales can be noted in Japan compared with the same period the previous year. Greater China and the Pacific region display continuing very strong growth.

Vitrolife is the first company to receive regulatory approval in China for a whole series of cultivation media for IVF. This means that Vitrolife is the first company able to offer customers a high quality, regulatory-approved media system that covers all the steps in a treatment and at the same time is able to ensure that the clinics can work in accordance with Chinese laws and regulations.

A study shows that significantly more patients (63 percent) had children when EmbryoGlue® was used. The study was presented at the ESHRE (European Society of Human Reproduction and Embryology) conference in Stockholm at the beginning of July. EmbryoGlue® is a product patented by Vitrolife with a unique composition, consisting, amongst other things, of hyaluronic acid, and it is similar to the natural environment of the womb.

The launch of the new product area “Vitrolife Labware”, which was initially estimated to be during the first half year, is now planned for quarters three and four, due to longer period of time for the setting up of production and CE marking of the entire product group.

Transplantation



Solutions and equipment to keep tissue in optimal condition for the required time outside the body while awaiting transplantation.

- Sales increased by 20 percent in local currency during the second quarter. Sales amounted to SEK 11 (11) million, corresponding to an increase by 5 percent in SEK.
- Sales increased by 26 percent in local currency during the six-month period. Sales amounted to SEK 23 (20) million, corresponding to an increase by 11 percent in SEK.
- Clinical study with good results using STEEN Solution™ published in a scientific journal.
- Further European hospitals, amongst other things in Sweden, Italy and Germany, report on their first clinical transplantations using STEEN Solution™.

The development of sales was very positive during the second quarter as well. We see a continuing increase, above all in the traditional European markets, but also in new markets within Europe and Asia. In April the clinical study on STEEN Solution™ which had been carried out at the transplantation clinic in Toronto, Canada, was published in the New England Journal of Medicine. It is one of the world's most respected scientific journals for clinical progress and the publishing of the study aroused great interest among transplantation researchers and the mass media in North America.

The interest at congresses and the published results show that acceptance of this revolutionary technology continues to grow among internationally leading researchers and clinics. During the second quarter Sahlgrenska University Hospital in Gothenburg carried out its first four transplantations where the STEEN Solution™ method was used. Further new European hospitals, amongst other things in Italy and Germany, have reported their first clinical transplantations using the STEEN Solution™ method.

In total almost 90 lung transplants have been carried out in the world using STEEN Solution™ and interest also continues to increase among researchers and clinics from countries that are relatively new within the transplantation area, such as India, Japan, South Korea and Brazil. During the first quarter approval was received from the FDA to start the North American clinical study. The participating North American hospitals have undergone training in the method. The study has now received all the local ethical approvals and agreements have been entered into with the relevant hospitals and universities. The study will be begun shortly.

Development is also ongoing of the peripheral products necessary for lung evaluation using STEEN Solution™ in connection with the clinical trials. The plan is that these products will be launched at the same time as STEEN Solution™ in the USA. Research is ongoing about the use of the technology in other organs, such as the liver.

Stem Cell Cultivation



Media and instruments for the cultivation and handling of stem cells for therapeutic purposes.

- Sales for the six-month period amounted to SEK 0.3 (0.4) million.
- Launch of a new freeze medium for human embryonic stem cells.
- Development of new clinical stem-cell media continuing.

The idea behind this product area is to utilize existing expertise and infrastructure to develop at a relatively limited cost a product line specific to the cultivation of stem cells.

Vitrolife F1 OMNI™ was launched at this year's meeting of the International Society for Stem Cell Research in Toronto. It is

the first of the new generation of medium products. Interest in the new freeze medium for human embryonic stem cells was also great and sales will begin during the month of July.

Research resources within the area have now been focused on the development of new products for clinical use of stem cells. A new medium for human embryonic stem cells is now in the final stages of the development phase and is planned to be launched during the current year. The collaboration with stem-cell expertise at the University of Melbourne with regard to the development of clinical stem-cell media is proceeding as planned.

Prospects for 2011

Still only a few percent of all the couples in the world who are infertile are treated. The need for treatment will continue to increase, above all in the rapidly growing developing countries. Vitrolife continues to invest in customer support and improved distribution, with a special focus on these countries. The company's early investments in China have made this market one of the Vitrolife's three largest. The company's quality focus is very appreciated in these markets. The work on further broadening the fertility product range will also be in focus in R&D during the second half year and the company anticipates that it will launch a number of important products during this period.

Within transplantation a lot of work is focused on carrying out the planned study in the USA on 12 patients. If the study goes well there is a good chance that an application for marketing approval in the USA can be submitted during the year.

Vitrolife's areas of focus in 2011 aim to support Vitrolife's overall strategy of ensuring good continuous growth, together with gradually developed profitability. The main tasks for 2011 may be summarized as follows:

- developing, strengthening and expanding the product portfolio within all three product areas, in order to further strengthen the opportunities for growth.
- constantly developing and making our product supply and support processes more effective in order to maintain a competitive cost and organization structure.
- further strengthening the customer support and sales organization as well as product distribution globally by gradually developing our support systems, further developing our expertise and providing new qualified co-workers so as to be able to reach out to and directly support more customers in more markets.

Other information

Organization and personnel

During the first six months of 2011 the average number of employees was 211 (176), of whom 121 (104) were women and 90 (72) were men. 130 (128) people were employed in Sweden, 65 (36) in the USA and 16 (12) in the rest of the world. Several of the employees in Sweden work in other markets. The number of people employed in the Group at the end of the period was 232 (196).

Information on transactions with related parties

No transactions that have substantially affected the company's financial position and results have been carried out with related parties during the quarter. For information on related parties, see the Annual Report for 2010, page 62, note 27.

Miscellaneous

It was decided at the Annual General Meeting on April 27 that the proposed dividend of SEK 0.60 per share would be paid to the shareholders. Payment of the dividend took place on May 5, 2011.

Risk management

Vitrolife is constantly working to identify, evaluate and manage risks in different systems and processes. During 2010 Enterprise Risk Management (ERM) was introduced, a system which aims to ensure that identified risks are handled in a systematic way. Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside Vitrolife's regular quality system. In this way the company can have a high rate of development and at the same time be aware of both the opportunities and risks.

The most important strategic and operative risks regarding Vitrolife's business and field are described in detail in the Annual Report for 2010 (pages 40-42). These are primarily constituted by the company's market investments, product development investments, currency risks and legal risks.

The company's management of risks is also described in the Corporate Governance Report in the same Annual Report under the heading "Internal Control Report". The same applies to the Group's management of financial risks, which are described in the Annual Report for 2010, note 24. The risks reported as they are described in the Annual Report for 2010 are assessed to be essentially unchanged for the second quarter of 2011.

Events after the end of the period

No events have occurred after closing day that significantly affect the assessment of the financial information in this report.

Certification

The Board and the CEO certify that the half-year report gives a true and fair view of the company's and the Group's business activities, financial position and results, and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group face.

July 14, 2011
Gothenburg

Magnus Nilsson
CEO

Patrik Tigerschiöld
Chairman of the Board

Maris Hartmanis
Board member

Tord Lendau
Board member

Fredrik Mattsson
Board member

Madeleine Olsson-Eriksson
Board member

Barbro Fridén
Board member

Financial reporting

Vitrolife's interim reports are published on the company's website, www.vitrolife.com, and are sent to shareholders who have registered that they would like to have this information.

Reports coming in 2011

Interim report January – September: Thursday October 27, 8.30 am

Queries should be addressed to

Magnus Nilsson, CEO, phone +46 31 721 80 61
Anne-Lie Sveder, CFO, phone +46 31 721 80 13

This report has not been reviewed by the company's auditors

Vitrolife is required to publish the information in this press release in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information will be submitted for publication on Thursday July 14, 2011 at 8.30 a.m.

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.

Consolidated income statements

SEK thousands	January - June		April - June		Whole year 2010
	2011	2010	2011	2010	
Net sales	175 688	148 685	87 654	73 408	297 565
Cost of goods sold	-59 455	-44 908	-30 224	-21 429	-91 410
Gross income	116 233	103 777	57 430	51 979	206 155
Selling expenses	-46 755	-41 216	-23 335	-21 475	-87 552
Administrative expenses	-22 035	-19 486	-11 083	-9 639	-39 080
Research and development costs	-23 699	-22 304	-11 712	-11 499	-43 144
Other operating revenues and expenses	-1 015	-2 090	1 293	-688	-3 319
Operating income	22 729	18 681	12 593	8 678	33 060
Financial income and expenses	3 845	1 233	1 988	1 001	8 193
Income after financial items	26 574	19 914	14 581	9 679	41 253
Taxes	-7 649	-692	-4 568	-233	-12 071
Net income	18 925	19 222	10 013	9 446	29 182
Attributable to					
Parent Company's shareholders	18 683	18 965	9 902	9 342	28 930
Minority interest	242	257	111	104	252
Earnings per share, SEK	0.97	0.98	0.51	0.48	1.48
Earnings per share, SEK*	0.97	0.98	0.51	0.48	1.48
Average number of outstanding shares	19 556 962	19 552 857	19 560 561	19 552 857	19 552 857
Average number of outstanding shares*	19 556 962	19 552 857	19 560 561	19 552 857	19 554 262
Number of shares at closing day	19 562 769	19 552 857	19 562 769	19 552 857	19 552 857
Number of shares at closing day*	19 562 769	19 552 857	19 562 769	19 552 857	19 569 236

Depreciation and amortization has reduced income for the period by SEK 8 077 thousand (8 126), of which SEK 4 154 thousand (4 092) for the second quarter.

* No dilution as Vitrolife's outstanding share warrant program was terminated on May 31, 2011. See Note 3.

Statement of comprehensive income

SEK thousands	January - June		April - June		Whole year 2010
	2011	2010	2011	2010	
Net income	18 925	19 222	10 013	9 446	29 182
Other comprehensive income					
Change in hedging reserve, net after tax	-2 313	2 637	-1 567	-905	1 904
Change in translation reserve, net after tax	-7 221	8 158	504	7 904	-6 969
Total other comprehensive income	-9 534	10 795	-1 063	6 999	-5 065
Total income	9 391	30 017	8 950	16 445	24 117
Attributable to					
Parent Company's shareholders	9 149	29 760	8 839	16 341	23 865
Minority interest	242	257	111	104	252

Other key ratios

	January - June		April - June		Whole year 2010
	2011	2010	2011	2010	
Gross margin, %	66.2	69.8	65.5	70.8	69.3
Operating margin, %	12.9	12.6	14.4	11.8	11.1
Operating margin other operating revenues and expenses, %	13.5	14.0	12.9	12.8	12.2
Operating margin before R&D costs, %	26.4	27.6	27.7	27.5	25.6
Net margin, %	10.8	12.9	11.4	12.9	9.7
Equity/assets ratio, %	72.8	85.2	72.8	85.2	75.8
Shareholders' equity per share, SEK	16.46	16.96	16.46	16.96	16.66
Shareholders' equity per share, SEK*	16.46	16.96	16.46	16.96	16.65
Return on equity, %	8.9	11.8	8.9	11.8	8.8
Return on capital employed, %	14.8	12.6	14.8	12.6	14.6
EBITDA, %	17.5	18.0	19.1	17.4	16.4

* No dilution as Vitrolife's outstanding share warrant program was terminated on May 31, 2011. See Note 3.

Consolidated income statements per quarter

SEK thousands	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010
Net sales	87 654	88 034	81 032	67 847	73 408	75 278
Cost of goods sold	-30 224	-29 231	-26 310	-20 192	-21 429	-23 480
Gross income	57 430	58 803	54 722	47 655	51 979	51 798
Selling expenses	-23 335	-23 420	-26 162	-20 175	-21 475	-19 740
Administrative expenses	-11 083	-10 952	-10 485	-9 109	-9 639	-9 847
Research and development costs	-11 712	-11 987	-9 399	-11 441	-11 499	-10 805
Other operating revenues and expenses	1 293	-2 309	-168	-1 059	-688	-1 403
Operating income	12 593	10 135	8 508	5 871	8 678	10 003
Financial income and expenses	1 988	1 858	2 267	4 693	1 001	232
Income after financial items	14 581	11 993	10 775	10 564	9 679	10 235
Taxes	-4 568	-3 081	-11 621	243	-233	-459
Net income	10 013	8 912	-846	10 807	9 446	9 776
Attributable to						
Parent Company's shareholders	9 902	8 781	-809	10 776	9 342	9 623
Minority interest	111	131	-37	31	104	153

Consolidated balance sheets

SEK thousands	Jun 30, 2011	Jun 30, 2010	Dec 31, 2010
ASSETS			
Goodwill	118 355	97 301	120 289
Other intangible fixed assets	76 681	48 163	65 323
Tangible fixed assets	95 304	94 142	91 316
Financial fixed assets	18 186	34 036	20 897
Inventories	55 819	47 834	56 610
Accounts receivable	55 314	44 083	41 905
Other current receivables	11 758	8 045	10 982
Derivative instruments	311	4 445	3 449
Liquid funds	10 408	11 344	18 617
Total assets	442 136	389 393	429 388
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	321 961	331 572	325 676
Minority interest	915	692	657
Long-term non interest-bearing liabilities	2 199	2 535	2 285
Long-term interest-bearing liabilities	28 979	3 292	29 486
Short-term interest-bearing liabilities	37 947	10 389	20 406
Accounts payable	17 380	16 274	26 643
Other short-term interest-free liabilities	32 756	24 639	24 235
Total shareholders' equity and liabilities	442 136	389 393	429 388
Pledged assets for own liabilities	20 611	20 000	20 000
Contingent liabilities	None	None	None

Consolidated changes in shareholders' equity

SEK thousands	Attributable to the Parent Company's shareholders				Minority interest	Total shareholders' equity
	Share capital	Other capital contributed	Reserves	Retained earnings		
Opening balance January 1, 2010	19 944	208 566	-18 385	101 463	481	312 069
Total comprehensive income			-5 065	28 930	252	24 117
Dividend				-9 776		-9 776
Other transactions with minority shareholders					-76	-76
Closing balance December 31, 2010	19 944	208 566	-23 450	120 617	657	326 334
Opening balance January 1, 2011	19 944	208 566	-23 450	120 617	657	326 334
Total comprehensive income			-9 534	18 683	242	9 391
Increase in share capital	10	339				349
Warrants				-1 478		-1 478
Dividend				-11 736		-11 736
Other transactions with minority shareholders					16	16
Closing balance June 30, 2011	19 954	208 905	-32 984	126 086	915	322 876

Consolidated cash flow statements

SEK thousands	January - June		April - June		Whole year 2010
	2011	2010	2011	2010	
Income after financial items	26 574	19 914	14 581	9 679	41 253
Adjustment for items not affecting cash flow	6 897	8 430	2 621	3 987	13 966
Change in inventories	-1 062	-4 777	-3 334	-4 501	-12 556
Change in trade receivables	-12 754	-6 767	-1 532	2 143	-6 339
Change in trade payables	-4 132	3 555	-1 310	1 701	12 075
Cash flow from operating activities	15 523	20 355	11 026	13 009	48 399
Cash flow from investing activities	-27 141	-21 228	-12 290	-14 055	-78 082
Cash flow from financing activities	3 802	-3 937	-6 382	-3 712	32 772
Cash flow for the period	-7 816	-4 810	-7 646	-4 758	3 089
Liquid funds at beginning of period	18 617	15 987	17 811	15 871	15 987
Exchange rate difference in liquid funds	-393	167	243	231	-459
Liquid funds at end of period	10 408	11 344	10 408	11 344	18 617

Income statements for the Parent Company

SEK thousands	January - June		April - June		Whole year 2010
	2011	2010	2011	2010	
Administrative expenses	-2 170	-2 548	-1 206	-1 534	-5 471
Research and development costs	-6	-8	-2	-4	-17
Other operating revenues and expenses	307	-21	468	-21	-269
Operating income	-1 869	-2 577	-740	-1 559	-5 757
Financial income and expenses	-971	1 575	313	1 097	-147
Income after financial items	-2 840	-1 002	-427	-462	-5 904
Taxes	747		112		1 552
Net income	-2 093	-1 002	-315	-462	-4 352

Depreciation and amortization has reduced income for the period by SEK 22 thousand (37), of which SEK 10 thousand (19) for the second quarter.

Balance sheets for the Parent Company

SEK thousands	Jun 30, 2011	Jun 30, 2010	Dec 31, 2010
ASSETS			
Patents	0	15	6
Tangible fixed assets	76	82	92
Participation in affiliated companies	340 311	336 994	340 097
Deferred tax assets	5 181	12 897	4 434
Receivables from affiliated companies	34 312	21 686	52 153
Other current receivables	121	247	1 061
Liquid funds	630	543	196
Total assets	380 631	372 464	398 039
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	370 932	361 174	385 890
Long-term non interest-bearing liabilities	2 199	2 535	2 285
Long-term interest-bearing liabilities	1 998	3 292	2 532
Short-term interest-bearing liabilities	844	2 979	1 816
Accounts payable	125	537	146
Other short-term interest-free liabilities	4 534	1 947	5 370
Total shareholders' equity and liabilities	380 631	372 464	398 039
Pledged assets for own liabilities	3 100	3 100	3 100
Contingent liabilities	20 611	20 000	20 000

Note 1. Accounting Principles

This interim report has been drawn up for the Group in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and recommendation RFR 2.2 of the Swedish Financial Reporting Board, Accounting for Legal Entities. Unless otherwise stated below, the accounting principles applied to the Group and the Parent Company are consistent with the accounting principles used in the presentation of the most recent Annual Report.

Note 2. Financial data per segment, Group

SEK thousands	January – June		Whole year
	2011	2010	2010
Fertility and Stem Cell Cultivation			
Net sales	153 167	128 469	253 713
Operating income	11 239	8 454	12 895
Total Assets	375 714	347 514	369 809
Transplantation			
Net sales	22 521	20 216	43 852
Operating income	11 490	10 227	20 165
Total Assets	66 422	41 879	59 579

Note 3. Warrants program 2008/2011

The Annual General Meeting in 2008 adopted a warrants program which is aimed at employees at Vitrolife and its subsidiaries, also including the company's senior management. Subscription for new shares using the warrants could take place as from May 1, 2010 up until May 31, 2011. During the first quarter of 2011 the company made an offer to the holders of warrants, in accordance with the terms of the warrants, to buy back the warrants at market value in exchange for cash. Payment of SEK 1,478 thousand has been made related to this offer, of which SEK 1,413 thousand was payment in cash to warrant holders and the remaining SEK 65 thousand costs in connection with the making of the offer. During the first quarter 7,000 shares were subscribed for as a result of utilization of warrants for subscription for new shares. A further 2,912 shares were subscribed for during the second quarter. A total of 9,912 shares have been subscribed for utilizing the warrants program 2008/2011. The program came to an end on May 31, 2011. No new warrants program was adopted at the Annual General Meeting in 2011.



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