Announcement no. 32/2008

To OMX Nordic Exchange Copenhagen

Vedbaek, 28 August 2008

Interim report for the period 1 January – 30 June 2008 (unaudited)

Strong organic growth continued in Q2 2008 supported by new research product offerings. The development of Exiqon's first molecular diagnostic product based on miRNA profiling remains on track for year end launch.

- Revenue in Q2 2008 increased by 139% on the year-earlier period to DKK 28 million, totaling DKK 44.5 million in the first six months of 2008.

- Product sales in Q2 2008 increased by 239% on the same period last year to DKK 26.3 million (including research product sales and diagnostic sales) totaling DKK 40.5 million in the first six months of 2008. Research product sales grew organically by 70% compared to Q2 2007.

- Direct contribution margin in Q2 2008 was 65% compared to 78% in the same period last year, totaling 66% in the first six months of 2008. Gross margin was 25% compared to 64% in the same period last year, totaling 33% in the first six months of 2008. The gross margin was affected by new product offerings and cost of unused capacity during the current build-up phase.

- Total operating expenses in Q2 2008 increased by 80% on the same period last year to DKK 48.3 million, totaling DKK 82.7 million in the first six months of 2008. The increase in operating expenses is primarily due to the acquisition of Oncotech Inc.

- Net loss for Q2 2008 was DKK 38.8, totaling DKK 63.5 million the first six months of 2008. EPS amounted to DKK -1.37 in Q2 2008 and DKK -2.25 in the first six months of 2008.

- Based on current activities, the financial guidance for 2008 is retained with revenue of DKK 140-150 million in 2008 including both research product sales and diagnostic sales. A net loss of DKK 100-115 million is expected, for the full year 2008, including the effect of costs of current incentive plans in the amount to DKK 6 million.

Lars Kongsbak, President and CEO says: "*With financing in place to reach expected break even by 2011 and on track towards our goal of a cash flow positive life sciences business by the end of 2009, there is no doubt that Exiqon is in a sweet spot in the biotechnology market. We see a strong interest in miRNA and we are very excited about the launch of our first molecular diagnostic product based on miRNA by year end*"

Exiqon at a glance

- Exiqon is dedicated to personalizing the treatment selection for cancer patients. Our goal is to optimize the use of existing medicine and avoid unnecessary and non-effective treatment.
- Exiqon pursues a strongly synergistic business model focusing on the development, sale and marketing of research products and molecular diagnostic products based on a proprietary technology platform (LNA™) which offers particular advantages in the detection of miRNA biomarkers.
- Exiqon is positioned at the forefront of the trend towards personalized medicine with its current offering of cellular based Extreme Drug Resistance (EDR) tests for oncology and a portfolio of new molecular diagnostic products based on miRNA; the first of which Exiqon plans to launch by the end of 2008.
- In the life sciences segment, Exiqon pursues a one-stop supplier strategy for its miRNA research products and has already built a leading market position.
- Through its pharma services, Exiqon collaborates with the pharmaceutical industry to target new medication for patient populations profiled on the basis of miRNA biomarkers.

Operational status and expectations for the remainder of the year

Research product sales continue to grow at a satisfactory pace, and plans are being implemented to secure a cash positive effect from the sale of research products by year end 2009. Direct contribution margins are solid, however, short term, gross profits are influenced by expensed cost of preparations for new product launches and unused capacity, including the recently established production facility in Boston.

Exiqon has successfully completed the initial steps towards integration of Oncotech. On 30 June, 2008 Exiqon announced the appointment of Cynthia K. French, Ph.D. as Chief Scientific Officer and Erik Holmlin, Ph.D. as Chief Commercial Officer. The new organization is now in place. Over the next two quarters, processes and procedures at Oncotech will be reviewed in order to maximize the value and profitability of the EDR (Extreme Drug Resistance) product offerings. The development of new molecular diagnostic tests based on miRNA biomarkers is on track, and the first product is expected to be commercialized by the end of 2008 through Oncotech's certified CLIA laboratory.

During the second half of 2008, Exiqon expects to reach the following important business milestones:

- The outcome of a prospective clinical trial involving 246 epithelia ovarian cancer patients will be published at the International Gynecology Cancer Society meeting to be held 25-28 October in Bangkok. First line treatment of ovarian cancer is platinum-based chemotherapy. However, many patients show resistance to platinum treatment, and a predictive test that can predict resistance to platinum-based chemotherapy would allow for a more individualized treatment. Data will be published from a clinical trial investigating if the EDR test for cisplatin and topotecan resistance can be used to predict resistance. A positive outcome of this study will support sales of the EDR tests, support improved reimbursement and add significant value to our tumor bank as the EDR tests' ability to predict resistance will allow for improved miRNA biomarker screening.

- Exiqon aims to enter into the first strategic collaboration with a drug developing company based on the use of biomarkers.

- Exiqon expects to present data that will demonstrate how the EDR test may be used on new drug candidates to help identify miRNA biomarkers that may be used in potential companion products for such drug candidates based on its tumor bank with more than 150,000 tissue samples.

- Commercialization of the first molecular diagnostic product based on LNA™ within one of the major cancers addressing a patient population of approximately 27,000 in the US.

Research (life sciences) segment
In the life sciences segment, Exiqon pursues a one-stop supplier strategy for its miRNA research products and has already built a leading market position.

Exiqon maintains its position as a leading provider of research tools for miRNA analyses despite increasing competition from major research tool providers.

During Q2 2008 Exiqon further expanded its product line for detection of miRNAs by qPCR with control assays as well as new assays for miRNAs. Additionally, the product line for detection of miRNAs by *in situ* hybridization (e.g. in tissue sections) has been extended with more sensitive miRNA detection products. Exiqon has also launched new products for inhibition of miRNA activity in *in vivo* experiments e.g. in living mice. The products target the pharmaceutical industry and will be used in drug target identification.

Expensed cost of preparations for these new product launches and the cost of unused capacity continue to influence the short-term gross margin during the current build-up phase. However, continued strong growth in product sales and solid direct contribution margins support investments in capacity.

Diagnostic segment
Exiqon is positioned at the forefront of the trend towards personalized medicine with its current offering of cellular based Extreme Drug Resistance (EDR) tests for oncology and a portfolio of new molecular diagnostic products based on miRNA; the first of which Exiqon plans to launch by the end of 2008.

Cellular based EDR tests
Exiqon is the leading provider of cellular tests for extreme drug resistance analysis (EDR). The EDR test is available for all major cancers. More information is available at www.oncotech.com.

The current market for cellular based EDR tests is facing the challenge that the tests are based on fresh tissue. This is not fully compatible with standard procedures at hospitals as most tissues are available as formalin fixed paraffin embedded blocks (FFPE). Providing molecular diagnostic tests based on biomarkers such as miRNA will allow Exiqon to overcome the limitations associated with the fresh tissue requirement.

Exiqon has a broad portfolio of new molecular diagnostic products that will be based on FFPE compatible with the standard operating procedures applied at hospitals:

Molecular diagnostic laboratory developed tests (LDT's)
Exiqon is developing a number of LDT's (the regulatory term "LDT" or "*laboratory developed tests*" refers to the regulatory capability of developing tests in Oncotech's CLIA laboratory). The first of these products will be launched late 2008. Additional products are being developed for expected launch in 2009.

Exiqon has identified miRNA targets involved in major cancers (lung, colon, breast and ovary cancer) for our LDT's. These tests will address sub segments of the indications and may provide information such as prognosis and recurrence in these indications. In part, these tests will be based on *in situ* hybridization (ISH). ISH detection of miRNAs can be performed on standard FFPE sample material used by pathologists, and Exiqon's LNA™ technology is enabling for this type of detection of miRNAs. The current product development time is on average 9 months. Clinical validation will take anywhere from months to years depending on the type of clinical validation that is sought. Thorough clinical validation is required to secure recommendation by oncology organizations like ASCO and to obtain an optimum reimbursement rate.

The planned timelines and specific indications for these LDT's are not disclosed to prevent filing of competing IP. The first LDT will be within one of the major cancers addressing a patient population of approximately 27,000 in the US.

Molecular diagnostic drug resistance tests
Exiqon is also developing new molecular diagnostic products for drug resistance testing in all major cancers including colon, breast, ovary and lung (NSCLC), where a cellular based EDR test is currently offered.

The first new molecular diagnostic test for drug response testing is planned for colon cancer and launch is planned for Q1 2009 addressing a market of more than 112,000 annual incidences.

On 27 May, 2008 Exiqon announced that it had entered into a Collaborative Research Agreement with The University of Texas M. D. Anderson Cancer Center to develop miRNA based biomarkers for breast cancer. This project focuses on identifying miRNA expression signatures associated with relapse and progression of breast cancer, and to develop and validate diagnostic tools that will guide patient management. More than 180,000 women are diagnosed with breast cancer annually in the US. This project will supplement Exiqon's EDR program within breast cancer. However, a product will not be ready before after the planned launch of the molecular based EDR test for breast cancer at the end of 2009.

Molecular diagnostic CUP-test
On 30 April, 2008, Exiqon announced the start of a collaboration with Rigshospitalet, Onkologisk Klinik, The Finsen Center and Klinisk Biokemisk Afdeling at Rigshospitalet on the development and verification of a miRNA-based diagnostic test for cancer of unknown primary site. On 15 May, 2008 Exiqon announced that the Danish National Advanced Technology Foundation awarded a grant of DKK 14 million for the development and clinical validation of this test. The Advanced Technology Foundation award will support the clinical validation of the molecular diagnostic test. The total budget for this

collaboration amounts to DKK 25 million. Cancer of unknown primary is a problem in approximately 5% of all diagnosed cancer patients, which amounts to approximately 72,000 patients annually in the US alone. Accurate diagnosis for cancer of unknown primary is critical in the process of determining the optimal treatment.

Strategic collaborations (pharma services)
Through its pharma services, Exiqon collaborates with the pharmaceutical industry to target new medication for patient populations profiled on the basis of miRNA biomarkers.

Exiqon is uniquely positioned to service the pharmaceutical industry which is constantly searching for new biomarkers that may ease the drug development process. The potential is very significant. Exiqon offers access to primary tumor samples, extreme drug resistance testing and biomarker discovery. During the second half of 2008, Exiqon expects to present data that will demonstrate how the EDR test may be used on new drug candidates to help identify miRNA biomarkers that may be used in potential companion products for such drug candidates based on its tumor bank with more than 150,000 tissue samples. Exiqon further aims to enter into the first strategic collaboration with a drug developing company based on the use of biomarkers before the end of 2008. Exiqon's objective for collaborations of this type is to facilitate the discovery of new miRNA biomarkers that may eventually be used in companion diagnostic products.

Comments on the interim report for Q2 2008
The financial performance in Q2 and the first six months of 2008 is consistent with expectations:

Revenue and margins

DKK '000	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Revenue	27,979	11,686	44,474	21,039
Change (%)	*139%*	*76%*	*111%*	*79%*
Product sales incl. services	26,260	7,743	40,538	14,592
Change (%)	*239%*	*49%*	*178%*	*76%*
Direct contribution (*	17,213	6,022	26,889	10,945
Direct contribution margin (%)	*65.5%*	*77.8%*	*66.3%*	*75.0%*
Gross profit (**	7,016	7,505	14,739	13,444
Gross margin	*25.1%*	*64.2%*	*33.1%*	*63.9%*

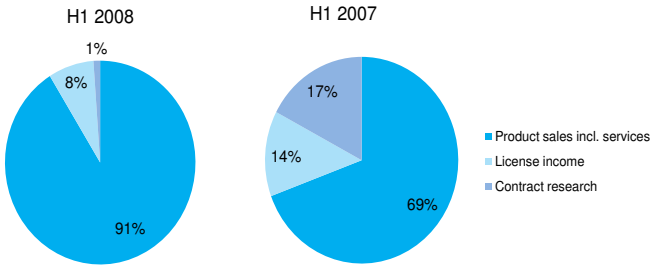
(* Direct contribution is calculated as product sales less variable cost of direct labor and materials
(** Gross profit is calculated as revenue less production costs

Revenue increased 139% compared to Q2 2007 which is in part due to the acquisition of Oncotech in Q1 2008 from which revenue is fully recognized in Q2 2008. The organic growth in research product sales was 70% compared to Q2 2007.

In Q2 2008, more than 93% of the revenue was generated by product sales compared to approximately 66% in Q2 2007 which is due to the full effect in Q2 2008 of the acquisition of Oncotech and lower revenue from licenses, royalties and contract research compared to the same period last year.

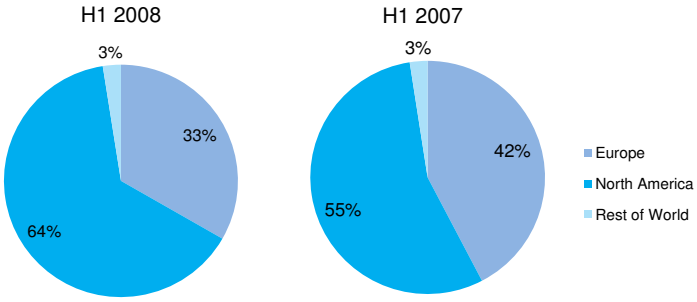
The H1 composition of revenue compared to the first six months of 2007 is illustrated in the chart below, which shows that an increasing part of revenue derives from product sales:

Composition of revenue



The geographic split in revenue compared to the first six months of 2007 is illustrated in the chart below, which shows that approximately 2/3 of revenue is now generated in North America:

Geographic split of revenue



In Q2 2008, gross margin was 25% compared to 64% in the same period last year, totaling 33% in the first six months of 2008. Direct contribution margin was 65% in Q2 2008 compared to 78% in Q2 2007, totaling 66% in the first six months of 2008 due to the effect of the Oncotech acquisition in Q2 2008. Gross margin is affected by new product offerings and cost of unused capacity during the current build-up phase. Initiatives have been implemented to secure an improved gross margin contribution from both research product sales and diagnostic product sales (EDR tests), which will include a review of processes, procedures and the supply chain.

Research and development costs

DKK '000	Q2 2008	Q2 2007	YTD 2008	YTD 2007
R&D costs (net)	-15,719	-8,676	-27,290	-13,524
Change (%)	81%	*66%*	*102%*	*25%*
Sharebased payment	-535	-281	-549	-323
R&D costs total	-16,254	-8,957	-27,839	-13,847

In Q2 2008, research and development costs increased 81% compared to Q2 2007 primarily caused by the effect of the acquisition of Oncotech. Moreover, increased research and development cost is the result of the aggressive plan for the development of molecular diagnostic products and the additional people involved in R&D compared to Q2 2007. R&D costs for the full year are consequently expected to be significantly higher than last year.

SG&A

DKK '000	Q2 2008	Q2 2007	YTD 2008	YTD 2007
SG&A costs (net)	-29,136	-14,659	-50,221	-26,554
Change (%)	*99%*	*124%*	89%	*141%*
Sales & marketing cost (net)	-18,932	-8,392	-30,334	-14,924
Change (%)	*126%*	*114%*	103%	*117%*
Administrative costs (net)	-10,204	-6,267	-19,887	-11,630
Change (%)	*63%*	*139%*	71%	*180%*
Sharebased payment	-2,869	-3,134	-4,689	-3,505
SG&A costs total	-32,005	-17,793	-54,910	-30,059

In Q2 2008, SG&A costs increased 99% compared to Q2 2007 primarily caused by the effect of the acquisition of Oncotech, which has caused an increased cost base. Moreover, the status of Exiqon Inc. has been changed compared to Q2 2007 following the successful establishment of a production facility in Boston and is no longer solely recognized as a sales and marketing cost but included on a functional basis. SG&A costs for the full year are consequently expected to be significantly higher than last year.

Total operating costs
Total operating costs increased 88% to DKK 82.7 million in the first 6 months of 2008 from DKK 43.9 million in the same period of 2007 (excluding production costs). Operating costs are charged with DKK 5.2 million in respect of share-based payment. Net of this charge, total operating costs increased 92% to DKK 77.5 million in the first 6 months of 2008 compared to DKK 40.4 million in the same period of 2007, which is in line with expectations.

Net financials
Net financial income totaled DKK 4.5 million in the first 6 months of 2008 compared to DKK 0.1 million in the same period of 2007. Financial income primarily consists of interest on fixed-term deposit accounts, while financial expenses mainly consist of interest on finance leases and currency losses.

The net loss for the first 6 months of 2008 totaled DKK 63.5 million compared to DKK 30.3 million in the same period of 2007. This is consistent with our expectations.

Net cash flows were negative in the amount of DKK 106.7 million in the first 6 months of 2008 compared to a net cash inflow of DKK 350.9 million in the same period of 2007. The decrease is mainly due to the IPO in Q2 2007 but is also due to higher operating costs compared to last year.

As of 30 June 2008, cash and cash equivalents totaled DKK 224.7 million compared to DKK 371.1 million as of 30 June 2007. As part of the company's growth strategy working capital is invested in product development, production capacity, inventory and trade receivables during the build-up phase with the goal of reaching profitability by 2011 with its current cash position and break even of the research products business by 2009.

Events occurring after 30 June 2008

On 24 July 2008 it was announced that Exiqon is the recipient of the Frost & Sullivan 2008 North American Growth Strategy Leadership Award in the U.S. Cancer Molecular Diagnostics Market. The Frost & Sullivan Award for Growth Strategy Leadership is presented each year to the company that has demonstrated an exceptional long-term growth strategy within its industry. Frost & Sullivan does not accept nominations or submissions for Frost & Sullivan Awards. The selection of this Award comes through in-depth interviews and primary market analysis conducted by the Frost & Sullivan industry analyst team.

Financial outlook 2008

Following the acquisition of Oncotech, Exiqon will focus on the development of new diagnostic products for cancer treatment selection:

- 2008 will be a year of significant initial investments resulting in the first diagnostic product launch.

- Exiqon expects revenue of DKK 140-150 million in 2008 including both research product sales and 10 months of diagnostic sales from Oncotech's activities corresponding to full year revenues including Oncotech of DKK 150-160 million.

- The loss for the year 2008 is expected to be DKK 100-115 including the effect of costs of current incentive plans, including warrants, in the amount of DKK 6 million.

- Exiqon maintains its long-term financial goal of reaching profitability by 2011 with its current cash position and break even of the research products business by 2009.

Directors' and Management's statement on the interim report

The Board of Directors and the Executive Management have today considered and adopted the interim report of Exiqon A/S for the period 1 January – 30 June 2008.

The interim report is prepared in accordance with IAS 34 and additional Danish disclosure requirements for the presentation of financial statements by listed companies. The interim report is unaudited.

We consider the accounting policies to be appropriate, the accounting estimates made to be reasonable and the overall presentation of the interim report to be adequate, so that the interim report, in our opinion, gives a true and fair view of the assets, liabilities, financial position, and results of operations and cash flows of the group for the period 1 January – 30 June 2008. We consider the Management's statement to give a true and fair description of the development in the Group's activities and economic situation, the results of operations and the Group's financial position as a whole and a description of the significant risks and uncertainty factors, which the Group faces.

Vedbaek, 28 August 2008

Executive Management

Lars Kongsbak | Hans Henrik Chrois Christensen

Board of Directors

Thorleif Krarup, Chairman | Erik Wallden, Deputy Chairman | Michael Nobel

Per Wold Olsen | Frank Kiesner

Additional information:
Lars Kongsbak, CEO, phone +45 45 66 08 88 (cell: +45 40 90 21 01)
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Forward-looking statement:
Certain parts of this release contain forward looking information with respect to the plans, projections and future performance of the company, each of which involves significant uncertainties. The company's actual results may differ materially from the information set forth in these statements. This is an English translation of the interim report prepared in Danish. In case of any discrepancies between the Danish version and this English translation thereof, the Danish version shall prevail.

Key figures for the Exiqon Group (unaudited)

(DKK'000 except key financial figures)	1 Apr. – 30 Jun. 2008	1 Apr. – 30 Jun. 2007	1 Jan. – 30 Jun. 2008	1 Jan. – 30 Jun. 2007	1 Jan. – 31 Dec. 2007
Income statement:					
Revenue	27,979	11,686	44,474	21,039	49,478
Production costs	-20,963	-4,181	-29,735	-7,595	-25,174
Research and development costs	-16,254	-8,957	-27,839	-13,847	-29,035
Sales and marketing costs	-19,401	-8,474	-30,804	-15,128	-39,080
Administrative expenses	-12,604	-9,319	-24,106	-14,931	-31,316
Operating profit (loss)	-41,243	-19,245	-68,010	-30,462	-75,127
Net financials	2,476	119	4,491	133	7,341
Profit/(loss) before tax	-38,767	-19,126	-63,519	-30,329	-67,786
Profit/(loss) for the period	-38,782	-19,126	-63,549	-30,329	-67,786
Balance sheet:					
Assets					
Intangible assets			196,274	7,812	11,061
Property, plant and equipment			76,424	14,036	21,449
Financial assets			2,566	1,062	3,631
Non-current assets			275,264	22,910	36,141
Inventories			12,317	6,568	7,044
Receivables			35,944	14,568	17,266
Cash and cash equivalents			224,744	371,133	331,504
Current assets			273,005	392,269	355,814
Total assets			548,269	415,179	391,955
Equity and liabilities:					
Equity			490,385	373,782	343,366
Non-current liabilities			6,458	6,925	7,818
Current liabilities			51,426	34,472	40,771
Total liabilities			57,884	41,397	48,589
Equity and liabilities			548,269	415,179	391,955
Cash flow statement:					
Cash flows from operating activities			-85,015	-12,321	-38,171
Investment in intangible assets and property, plant and equipment			-13,411	-2,263	-13,647
Cash flows from investing activities			-19,473	-2,271	-16,222
Cash flows from financing activities			-2,215	365,517	365,790
Cash and cash equivalents at the end of period			224,744	371,133	331,504
Key financial figures:					
Number of shares, end of period			30,140,929	24,474,490	24,441,064
Number of shares, average			28,250,215	18,407,088	20,245,695
Basic and diluted EPS	-1.37	-1.04	-2.25	-1.65	-3.35
Assets/Equity (gearing)			1.12	1.11	1.14
Average number of employees			207	71	80
Market price per share (DKK)			27	38.7	37.5
Market capitalisation (DKK million)			813.8	939.4	916.5
Price / net asset value			1.66	2.51	2.67

Basic and diluted EPS have been calculated in accordance with IAS 33 "Earnings per share"
Other ratios have been calculated in accordance with "Recommendations & Financial Ratios 2005" issued by the Danish Society of Financial Analysts, dated December 2004

Condensed consolidated income statement (unaudited)

(DKK'000)	Note	1 Apr. – 30 Jun. 2008	1 Apr. – 30 Jun. 2007	1 Jan. – 30 Jun. 2008	1 Jan. – 30 Jun. 2007	1 Jan. – 31 Dec. 2007
Revenue	2.3	27,979	11,686	44,474	21,039	49,478
Production costs		-20,963	-4,181	-29,735	-7,595	-25,174
Gross profit		**7,016**	**7,505**	**14,739**	**13,444**	**24,304**
Research and development costs		-16,254	-8,957	-27,839	-13,847	-29,035
Sales and marketing costs		-19,401	-8,474	-30,804	-15,128	-39,080
Administrative expenses		-12,604	-9,319	-24,106	-14,931	-31,316
Operating profit (EBIT)		**-41,243**	**-19,245**	**-68,010**	**-30,462**	**-75,127**
Financial income		2,826	346	7,880	583	9,998
Financial expenses		-350	-227	-3,389	-450	-2,657
Profit/(loss) before tax		**-38,767**	**-19,126**	**-63,519**	**-30,329**	**-67,786**
Tax on profit/(loss) for the period		-15	0	-30	0	0
Profit/(loss) for the period		**-38,782**	**-19,126**	**-63,549**	**-30,329**	**-67,786**
Basic and diluted EPS (DKK 1 per share)		-1.37	-1.04	-2.25	-1.65	-3.35

Condensed consolidated balance sheet - assets (unaudited)

(DKK'000)	Note	30 Jun. 2008	30 Jun. 2007	31 Dec. 2007
Goodwill	5	126,135	-	-
Customer Relationships	5	41,361	-	-
Trademarks	5	12,556	-	-
Acquired patent rights	5	13,271	5,452	9,010
Acquired software licenses		2,951	2,360	2,051
Intangible assets		**196,274**	**7,812**	**11,061**
Tumour bank	5	42,894	-	-
Leasehold improvements		7,748	3,201	2,974
Production and laboratory equipment		19,471	7,459	13,106
Fixtures and fittings, tools and equipment		5,602	3,376	3,830
Tangible assets in progress		709	0	1,539
Property, plant and equipment		**76,424**	**14,036**	**21,449**
Other securities and investments		0	0	0
Deposits		2,566	1,062	2,319
Prepayments in connection with acquisitions		0	0	1,312
Financial assets		**2,566**	**1,062**	**3,631**
Total non-current assets		**275,264**	**22,910**	**36,141**
Inventories		**12,317**	**6,568**	**7,044**
Trade receivables		27,458	10,233	14,030
Other receivables		8,486	4,335	3,236
Receivables		**35,944**	**14,568**	**17,266**
Cash and cash equivalents	4	**224,744**	**371,133**	**331,504**
Current assets		**273,005**	**392,269**	**355,814**
Total assets		**548,269**	**415,179**	**391,955**

Condensed consolidated balance sheet – equity and liabilities (unaudited)

(DKK'000)	30 Jun. 2008	30 Jun. 2007	31 Dec. 2007
Share capital	30,141	24,274	24,441
Other reserves	460,244	349,508	318,925
Equity	**490,385**	**373,782**	**343,366**
Finance lease liabilities	6,458	6,925	7,818
Non-current liabilities	**6,458**	**6,925**	**7,818**
Finance lease liabilities	2,678	1,912	2,740
Trade payables	18,835	10,315	15,799
Prepayments	9,881	12,527	11,713
Other payables	20,032	9,718	10,519
Current liabilities	**51,426**	**34,472**	**40,771**
Total liabilities	**57,884**	**41,397**	**48,589**
Equity and liabilities	**548,269**	**415,179**	**391,955**

Condensed consolidated cash flow statement (unaudited)

(DKK'000)	1 Jan. – 30 Jun. 2008	1 Jan. – 30 Jun. 2007	1 Jan. – 31 Dec. 2007
Operating profit	-68,009	-30,329	-75,127
Depreciation	8,604	1,943	5,070
Non-cash adjustments	5,572	3,736	10,055
Income tax paid	-30	0	0
Change in working capital	-35,643	12,196	14,490
	-89,506	**-12,454**	**-45,512**
Interest income and value gains	7,880	583	9,998
Interest expenses and value losses	-3,389	-450	-2,657
Cash flows from operating activities	**-85,015**	**-12,321**	**-38,171**
Acquisition of intangible assets	-1,774	-226	-4,150
Acquisition of property, plant and equipment	-11,637	-2,037	-9,497
Acquisition of financial assets	-2	-8	-1,263
Acquisition of Oncotech	-6,060	0	-1,312
Cash flows from investing activities	**-19,473**	**-2,271**	**-16,222**
Proceeds from capital increase	1,420	400,814	402,397
Cost of capital increase	-2,169	-34,351	-34,929
Repayment, finance leases	-1,466	-946	-1,678
Cash flow from financing activities	**-2,215**	**365,517**	**365,790**
Change in cash and cash equivalents	**-106,703**	**350,925**	**311,397**
Cash and cash equivalents at the beginning of the period	332,409	20,396	20,396
Unrealised currency gain/(loss)	-962	-188	-289
Cash and cash equivalents at the end of the period	**224,744**	**371,133**	**331,504**

Condensed consolidated statement of changes in equity (unaudited)

	No. of shares No.	Share capital (DKK'000)	Other reserves (DKK'000)	Total (DKK'000)
Equity at 1 January 2008	**24,441,064**	**24,441**	**318,925**	**343,366**
Profit/(loss) for the period			-63,549	-63,549
Exchange adjustments relating to foreign subsidiaries			278	278
Total recognised income and expense for the period	**0**	**0**	**-63,271**	**-63,271**
Proceeds from capital increases	5,550,274	5,550	199,810	205,360
Costs in connection with capital increases			-2,169	-2,169
Warrant exercise	149,591	150	1,270	1,420
Share based payment			5,679	5,679
Other transactions	**5,699,865**	**5,700**	**204,590**	**210,290**
Equity at 30 June 2008	**30,140,929**	**30,141**	**460,244**	**490,385**
Equity at 1 January 2007	**7,033,065**	**7,033**	**26,940**	**33,973**
Profit/(loss) for the period			-30,329	-30,329
Exchange adjustments relating to foreign subsidiaries			-195	-195
Total recognised income and expense for the period			**-30,524**	**-30,524**
Proceeds from capital increases	9,993,500	9,994	389,747	399,741
Costs in connection with capital increases			-34,351	-34,351
Warrant exercise	107,430	107	967	1,074
Issue of bonus shares	7,140,495	7,140	-7,140	0
Share based payment			3,869	3,869
Other transactions	**17,241,425**	**17,241**	**353,092**	**370,333**
Equity at 30 June 2007	**24,274,490**	**24,274**	**349,508**	**373,782**

Notes to the interim financial statements

Note 1 Accounting policies

The interim report of the Exiqon Group for the period 1 January – 30 June 2008 has been presented in accordance with IAS 34 and additional Danish disclosure requirements for the presentation of financial statements by listed companies.

The accounting policies applied to the interim financial statements are consistent with those applied to the annual report for the financial year 2007.

After the annual report for the financial year 2007 was presented, the International Accounting Standards Board (IASB) has issued new and revised Standards and Interpretations. The Group has chosen to implement IFRS 8, Operating Segments before it comes in effect. This means that the segment information is based on how internal reporting to the Group's Management is done.

Besides IFRS 8, the Group has chosen not to implement other new and revised Standards and Interpretations and it is the Management's opinion that these new Standards and Interpretations will not have any significant effect on the Group's financial statements. Exiqon made an agreement concerning the acquisition of Oncotech Inc. on 29 February 2008 and the numbers from the activity in Oncotech Inc. is included in the Group accounts as of 1 March 2008.

Significant estimates and assumptions by the Management:

In addition to the significant accounting estimates and assumptions listed in the annual report for 2007, the management has made significant estimates in respect of the recognition and measurement of the acquisition of Oncotech Inc. Thus, purchase price allocations are made at fair value of identified assets, liabilities and contingent liabilities. Purchase price allocation mainly relate to intangible assets. The measurement of fair value is related to management estimates which are based on the assets' expected future earnings. The Management also makes estimates of the useful life of the assets and their depreciation and amortization profile which is systematically based on the expected distribution of the assets' future economic benefits.

Note 2 Revenue

(DKK'000)	1 Apr. – 30 Jun. 2008	1 Apr. – 30 Jun. 2007	1 Jan. – 30 Jun. 2008	1 Jan. – 30 Jun. 2007	1 Jan. – 31 Dec. 2007
Product sales incl. services	26,260	7,743	40,538	14,592	38,525
License income	1,512	1,497	3,431	2,811	6,692
Contract research	207	2,446	505	3,636	4,261
	27,979	**11,686**	**44,474**	**21,039**	**49,478**

Note 3 Segment information

Exiqon's Management has defined two separate business areas on which to report: Tools and Diagnostics.

The Tools business comprises products and services for research use. The Diagnostics business comprises products and services for diagnostic use.

When the Management makes strategic decisions it distinguishes between these two segments. The performance in each segment is based on Revenue and Operating profit/(loss). To the extent possible revenue, costs, assets and liabilities are allocated to each segment. Items, which cannot be allocated, are included as "Other". Financial items are managed on a Group level and included as "Other". Intercompany transactions are included under the relevant segment and eliminated in the Group accounts.

	30 June 2008			
(DKK'000)	Tools	Diagnostics	Other[1)]	Consolidated
Revenue:				
External customers	28,068	16,406	0	44,474
Internal customers	515	0	-515	0
Total revenue	28,583	16,406	-515	44,474
Operating profit/ (loss)	-44,880	-18,669	0	-63,549
Assets	301,781	294,574	-48,086	548,269

1) In the item Other Group eliminations and adjustments are included.

Comparative numbers include only the Tools business. No figures are included in the above table since diagnostic revenue is generated through Oncotech Inc. and no diagnostic revenue was generated in Q2 2007.

Geographic

The revenue of the Exiqon Group is distributed on geographical segments as follows:

(DKK'000)	1 Apr. – 30 Jun. 2008	1 Apr. – 30 Jun. 2007	1 Jan. – 30 Jun. 2008	1 Jan. – 30 Jun. 2007	1 Jan. – 31 Dec. 2007
Europe	7,434	3,446	14,794	8,908	28,337
North America	19,806	8,055	28,578	11,616	19,417
Rest of World	739	185	1,102	515	1,724
	27,979	**11,686**	**44,474**	**21,039**	**49,478**

Note 4 Cash and cash equivalents

Cash and cash equivalents are mainly invested in short fixed-term deposits, which are regularly renewed. These deposits involve only limited risk.

Note 5 Acquisition of subsidiary

On 29 February 2008 Exiqon A/S completed the acquisition of 100% of the shares in Oncotech Inc. The purchase price is paid by the issuance of 5,550,274 new shares of DKK 1 in Exiqon A/S corresponding to a value of DKK 205.4 million at a market price of DKK 37.0 per share on the transaction day. The final purchase price is adjusted as a result of the undertaking of the liabilities.

For the acquisition is paid an amount that exceeds the fair value of the identified assets, liabilities and contingent liabilities. This positive balance is primarily due to expected synergies between the activities in the acquired company and the Group's existing activities, future growth possibilities and Oncotech's employees.

The cost price may be specified as follows:

	Oncotech Inc.		
	Book value (DKK'000)	**Adjustment to fair value** (DKK'000)	**Fair value** (DKK'000)
Tumour bank	0	44,367	44,367
Customer relations	0	42,787	42,787
Patents	0	4,289	4,289
Trademarks	0	13,453	13,453
Non-current assts	3,545	0	3,545
Financial assets	249	0	249
Inventories	1,228	0	1,228
Receivables	12,685	0	12,685
Prepayments	473	0	473
Cash and cash equivalents	907	0	907
Non-current liabilities	-2,259	0	-2,259
Current liabilities	-35,126	0	-35,126
	-18,298	**104,896**	**86,598**
Goodwill on acquisition			126,134
Total purchase price			**212,732**
Less cash and cash equivalents acquired			-907
Paid by issuance of new shares			**-205,360**
Net cash flow impact			**6,465**

The specification is preliminary since the final allocation of the purchase price is subject to change for up to twelve months after the acquisition date.

Transaction costs of DKK'000 7,372 is included in the purchase price.

Had Oncotech Inc. been acquired as of 1 January 2008, the Group's revenue and loss for the period would

have been:

In DKK'000	
Revenue	52,720
Loss for the period	-70,311

As a consequence of depreciation and amortization the figures in the balance sheet differ from the figures on the note.

Note 6 Warrant status

	Executive Manage-ment	Board of Directors	Senior Employees	Others	Total
Outstanding warrants at 1 January 2008	918,840	303,503	744,935	237,954	2,205,232
Adjustment	344,565	0	-344,565	0	0
Granted in the financial year	114,855	261,361	461,436	0	837,652
Exercised in the financial year	-90,631	0	0	-58,960	-149,591
Expired in the financial year	0	0	0	0	0
Outstanding warrants at 30 June 2008	**1,287,629**	**564,864**	**861,806**	**178,994**	**2,893,293**

As of 30 June 2008, the following warrant programmes are still outstanding:

Programme	Exercise price	Exercise period	Market value in DKK million *)
May 2006	9.5	4 weeks following the announcement of annual and interim financials statements	20.0
December 2006	9.5	4 weeks following the announcement of annual and interim financials statements	0.9
May 2007	42.3	4 weeks following the announcement of annual and interim financials statements	4.4
January 2008	36.9	4 weeks following the announcement of annual and interim financials statements	1.3
February 2008	38.5	4 weeks following the announcement of annual and interim financials statements	0.7
April 2008	34.3	4 weeks following the announcement of annual and interim financials statements	4.4
Total			31.7

*) The market value is calculated on the basis of the Black-Scholes formula for valuation of warrants. The calculations are based on the assumption of no dividend per share, a volatility of 50% based on comparable companies, a risk-free interest rate of 5.00% per annum, and finally the share price of Exiqon on 30 June 2008, DKK 27.0 per share. The expected maturity is calculated as the latest possible exercise of warrants adjusted for expected termination of employment and other causes for non-exercise of warrants.

Warrant programme granted in May 2006
All warrants granted in May 2006 are fully vested. The exercise period expires on 21 January 2011.

Warrant programme granted in December 2006
All warrants granted in December 2006 are fully vested. The exercise period expires on 21 January 2011.

Warrant programme granted in May 2007
Warrants granted in May 2007 are divided into 36 tranches, with 1/36 vesting monthly over a 36 month

period. The exercise period expires in 2010. The exercise price is 40 with a premium of 5% p.a. from the date of grant until exercise.

Warrant programme granted in January 2008
Warrants granted in January 2008 are divided into 36 tranches, with 1/36 vesting monthly over a 36 month period. The exercise period expires in 2011. The exercise price is 36.2 with a premium of 5% p.a. from the date of grant until exercise.

Warrant programme granted in February 2008
Warrants granted in February 2008 are divided into 36 tranches, with 1/36 vesting monthly over a 36 month period. The exercise period expires in 2011. The exercise price is 37.9 with a premium of 5% p.a. from the date of grant until exercise.

Warrant programme granted in April 2008
Warrants granted in April 2008 are divided into 36 tranches, with 1/36 vesting monthly over a 36 month period. The exercise period expires in 2011. The exercise price is 33.9 with a premium of 5% p.a. from the date of grant until exercise.

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