

## LinkMed AB (publ)

### Interim report, January - June, 2008

#### Key events in the second quarter

- AbSorber is granted U.S. patent for ABO column
- IMED's core patent is granted protection in Europe
- Bridging Business Development AB invests in Pharmacolog
- Anders Karlsson takes over CEO position at AbSorber
- ONCOlog strengthens organization with new CFO
- Birgitta Gunneflo elected to the LinkMed Board of Directors

#### Key events after the period end

- LinkMed acquires 100 percent of the Swedish transplantation company Olerup SSP AB
- AbSorber receives FDA approval for sales of XM-ONE® in the U.S.
- AbSorber receives further support for its product XM-ONE® in major clinical trial
- Qiagen launches Olerup SSP AB's new test in the EU to detect genetic variation causing adverse reactions to HIV medicine
- LinkMed invests SEK 10 million in AnaMar's new share issue

#### Financial development January – June, 2008

- Results from investing activities were SEK 0 million (0)
- Other income amounted to SEK 2.1 million (2.5)
- Net loss after tax amounted to SEK 8.8 million (-4.2)
- Earnings per share was SEK -1.01 (-0.49)
- Shareholders' equity amounted to SEK 269.6 million compared to SEK 278.5 million at the year-end
- Shareholders' equity per share was SEK 30.77, compared to SEK 31.93 at the year-end
- Equity/assets ratio was 99 percent, compared to 98 percent at year-end 2007
- Liquid funds were SEK 96.0 million, compared to SEK 125.2 million at year-end 2007

Comments from LinkMed CEO Ingemar Lagerlöf on the second quarter 2008:

*"It has been an intensive six months in which the most significant events were communicated after the half-year mark. The acquisition of Olerup SSP AB is interesting for a number of reasons. It is a well-run and extremely profitable company active in what is for us an interesting and growing market. From a financial perspective, it means positive business results for us. Furthermore, the acquisition gives us the opportunity to build a unique company in the transplantation sector in collaboration with AbSorber. The FDA's approval of XM-ONE® strengthens AbSorber's position and opens up the important U.S. market, which is very positive going forward."*

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## KEY EVENTS IN THE SECOND QUARTER

### *Portfolio companies*

#### **AbSorber granted U.S. patent for ABO column**

In April, the U.S. Patent and Trademark Office granted AbSorber a patent for its ABO column, developed to facilitate transplantations between people of different blood groups. The patent concerns a molecule that the company is developing to absorb antibodies and is a substance patent.

#### **IMED is granted EU patent**

In April, the issuance of an EU patent for IMED's core patent, which is already patent protected in the U.S, has further strengthened IMED's intellectual property rights. The patent titled "Fas peptides and antibodies for modulating apoptosis" comprises the generation of human antibodies that block or induce natural cell death by binding to the human Fas receptor.

#### **Bridging Business Development AB invests in Pharmacolog**

In June, Pharmacolog i Uppsala AB carried out a directed share issue worth SEK 2.7 million, thereby gaining a new co-owner, Bridging Business Development AB (BBD). LinkMed invested SEK 0.7 million in the company and BBD SEK 2.0 million. Pharmacolog is currently in an intensive stage of development with a goal of completing a functional prototype of the company's product DrugLog.

#### **Anders Karlsson new CEO for AbSorber**

In April, Anders Karlsson was appointed CEO of AbSorber. Anders Karlsson has been COO of the company since fall 2007. In conjunction with this, the company's former CEO Ingemar Lagerlöf became a member of the board of AbSorber. Anders Karlsson has extensive experience from the pharmaceutical industry. He has worked in the transplantation sector and was CEO for Novartis Norway.

#### **ONCOlog strengthens organization with a new CFO**

In May, Marianne Andersson assumed the position of CFO in ONCOlog. The appointment of a CFO is an important step in building up ONCOlog's organization and the development of the financial processes that are required for a potential future stock exchange listing. Marianne Andersson joins ONCOlog from Xerox Sverige AB.

### *LinkMed's operations*

#### **Birgitta Gunneflo elected to the Board of Directors**

Birgitta Gunneflo was elected as a new member of the LinkMed Board of Directors at the Annual General Meeting of Shareholders (AGM). Birgitta Gunneflo is CEO of Kronans Droghandel and has a scientific background in biotechnology as well as business experience from management positions in diagnostics, medical technology and consumer products in the healthcare sector. Other board members Monica Caneman (chairman), Jan Eriksson, Anders Erlandsson, Sven-Olof Johansson and Gunnar Mattsson were re-elected at the meeting.

## Key events after the period end

### *Portfolio companies*

#### **AbSorber receives FDA 510(k) approval for XM-ONE®**

In August, AbSorber received 510(k) approval for XM-ONE® from the U.S. Food and Drug Administration (FDA) allowing AbSorber to market and sell its transplantation test XM-ONE® in the U.S. Initially, sales of XM-ONE® in the U.S. will target the kidney transplantation market valued at approximately SEK 200 million. XM-ONE® is already CE marked and approved for sales in the EU.

#### **AbSorber receives further support for its XM-ONE® product in major clinical trials**

In August, the initial results of a major clinical trial in which four well-reputed U.S. and two leading Swedish transplantation centers participated were presented. The results show that XM-ONE® adds useful information that enhances the diagnostics for matching the right organ to the right recipient, thereby increasing the probability of a successful transplantation. The study was presented on August 14 at the global transplantation congress in Sydney by Professor Andrea Zachary, a renowned expert in the transplantation area at Johns Hopkins University Hospital in Baltimore. Patients participating in the trials were from Sahlgrenska University Hospital in Gothenburg, Johns Hopkins University School of Medicine in Baltimore, Ohio State University in Columbus, Massachusetts General Hospital in Boston, Baylor University Medical Center in Dallas and Karolinska University Hospital in Huddinge.

### *LinkMed's operations*

#### **LinkMed acquires the Swedish transplantation sector company Olerup SSP AB**

In July, LinkMed acquired all shares of Olerup SSP AB. The acquisition further strengthened LinkMed's position in the transplantation segment. The acquisition is of strategic importance and complements LinkMed's portfolio company AbSorber and its product XM-ONE®. In the long-term, LinkMed aims to build a larger company in the transplantation segment with a broad product portfolio. The maximum value of the transaction is SEK 216 million for 100 percent of the shares in Olerup SSP AB. The seller of the company founder Olle Olerup will remain CEO of the company.

The transaction was approved at an extraordinary meeting of shareholders on July 22 at which time a decision was made to issue convertibles in LinkMed AB at a value of SEK 31 million as a part of the purchase consideration.

Olerup SSP's products are primarily used prior to bone marrow transplantations. The company is world leading in a number of tests developed to match a donor with a recipient. Improvements in donor/recipient pairing increase the probability of a successful transplantation and lower the risk of complications such as rejection reactions.

Olerup SSP reported sales of SEK 36.2 million for the first six months of 2008, with an EBIT of SEK 21.4 million. Olerup SSP became a wholly-owned subsidiary of LinkMed on July 22, 2008. The consolidation will have a significant effect on LinkMed's financial statements, particularly on earnings and cash flow and means that from July 22 LinkMed will report positive operating profit.

## Qiagen launches the new Olerup SSP AB test to detect genetic variation causing adverse reactions to HIV medicine in the EU

LinkMed's wholly-owned subsidiary Olerup SSP AB has developed a new test that detects a genetic variation in the Human Leucocyte Antigen (HLA) system indicating a risk for severe adverse reactions to the HIV medicine Abacavir. HIV patients carrying the HLA-B\*5701 marker have a 60 percent higher risk in developing hypersensitivity reactions (HSR) to Abacavir, a component of several widely marketed HIV drugs. HSR is a serious and sometimes fatal multi-organ syndrome.

In July, the U.S. Food and Drug Administration (FDA) advised healthcare professionals that all HIV patients should be screened for HLA-B\*5701 before initiating treatment of drugs containing Abacavir. Public authorities in other countries such as Germany issued similar warnings. These advisories are a response to a new study published in the New England Journal of Medicine earlier this year. The study, carried out on 956 patients from 19 countries, found that HLA-B\*5701 is a major biomarker for HSR.

Marketing and sales of the product are handled by Olerup SSP's distributor Qiagen.

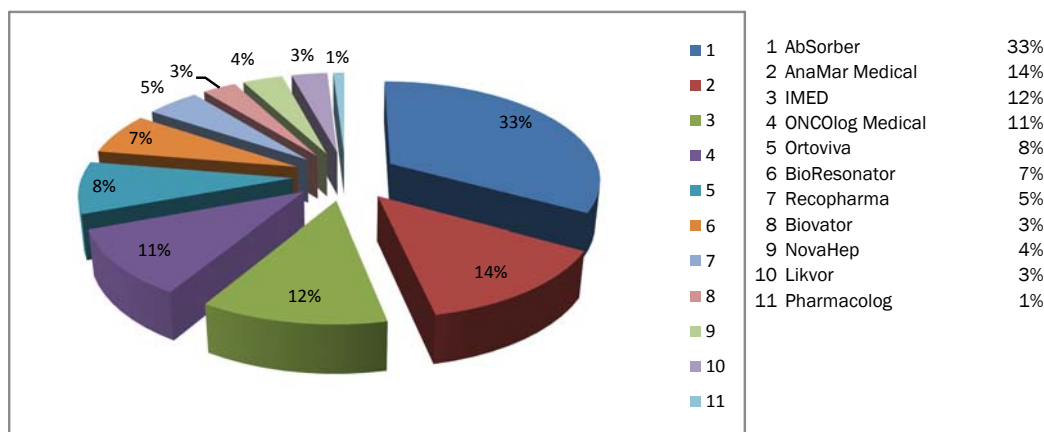
## LinkMed invests SEK 10 million in AnaMar's new share issue

In August, LinkMed invested SEK 10 million in a directed share issue offered by AnaMar. The share issue was a step to strengthen AnaMar's financial position prior to carrying out initial clinical trials on humans (Phase 1) during the second half of 2008. The company's largest shareholder Koncentra Holding also participated in the share issue on equal terms with a SEK 10 million investment that AnaMar will receive in October.

## Portfolio development

*LinkMed develops life-science companies in collaboration with innovators and other financiers. By contributing entrepreneurship and capital, LinkMed has created a portfolio of eleven companies, six in drug development and five in medical technology. LinkMed's role changes as its portfolio companies develop. The emphasis moves from operational to strategic and the entrepreneurship role evolves into active Board work.*

Estimated breakdown of portfolio value



LinkMed continuously monitors the value development of its portfolio companies and their products. In order to estimate the value of its portfolio of companies, LinkMed uses a probability adjusted cash flow model, described at [www.linkmed.se](http://www.linkmed.se). Valuation at the end of the second quarter was estimated to be largely unchanged since year-end 2007. The four largest companies accounted for 70 percent of portfolio value.

## Investments in associated companies, SEK thousands

Associated companies	Invested by LinkMed <sup>1)</sup>		Total invested <sup>1)</sup>		Ownership stake		Share of
	2008	2007	2008	2007	2008	2007	portfolio
	June 30	Dec 31	June 30	Dec 31	June 30	Dec 31	value <sup>2)</sup>
							2008
							June 30
<i>Drug development and biotech</i>							
AbSorber	22 879	22 490	53 900	53 500	42,5%	42,1%	33%
AnaMar Medical	38 159	38 159	166 505	156 505	23,3%	24,9%	14%
Biovator	7 920	6 370	14 053	10 943	46,0%	46,0%	3%
IMED	20 965	20 965	46 100	46 100	42,3%	42,3%	12%
NovaHep	7 088	5 588	7 241	5 741	49,5%	49,5%	4%
Recopharma	26 147	20 147	27 854	21 854	49,5%	49,5%	5%
<i>Medicinteknik</i>							
BioResonator	8 789	8 789	18 250	18 250	49,2%	49,2%	7%
Likvor	5 469	5 469	7 069	7 069	49,0%	49,0%	3%
ONCOlog Medical	23 706	19 773	56 205	32 072	48,9%	48,1%	11%
Ortoviva	10 045	5 620	10 096	5 671	49,0%	49,0%	8%
Pharmacolog	940	890	2 200	1 150	46,7%	48,0%	1%
<b>Summa</b>	<b>172 105</b>	<b>154 257</b>	<b>409 473</b>	<b>358 855</b>			

<sup>1)</sup> Investments refer to accumulated value related to share capital, shareholders' contribution, convertibles and receivables.

<sup>2)</sup> Evaluated according to LinkMed's probability adjusted cash flow model.

LinkMed's accumulated investments in associated companies in the first six months of 2008 increased to SEK 172.1 million from SEK 154.3 million at the year-end. During the second quarter LinkMed invested SEK 9.2 million. The largest investments were made in Recopharma at SEK 4.0 million, Ortoviva at SEK 3.1 million, and in NovaHep at SEK 1.5 million. LinkMed accounted for 35 percent of total investments in associated companies for the first six months of 2008.

## Financial information associated companies June 30, 2008 in SEK thousands

Associated companies	Capitalized <sup>1)</sup>	Cash	Assets	Liabilities	Equity	Revenue <sup>2)</sup>	Net profit	Cash flow <sup>3)</sup>
<i>Drug development and biotech</i>								
AbSorber	15 296	2 185	17 579	2 436	15 143	1 683	-6 083	-7 032
AnaMar Medical	7 670	8 825	19 921	3 578	16 343	2 094	-16 079	-15 904
Biovator	5 946	1 470	7 674	7 678	-4	164	-1 890	-3 385
IMED	4 606	8 654	14 733	1 060	13 673	532	-7 170	-10 854
NovaHep	3 799	910	5 349	875	4 474	634	-808	-1 426
Recopharma	3 306	1 417	15 818	12 013	3 805	706	-5 201	-5 920
<i>Medicinteknik</i>								
BioResonator	9 367	2 613	12 508	9 504	3 004	2 108	-988	-2 558
Likvor	217	4 383	5 033	658	4 375	135	-1 157	-986
ONCOlog Medical	17 349	11 551	32 312	3 794	28 518	9 931	-3 992	-13 582
Ortoviva	677	1 711	2 670	557	2 113	0	-2 530	-3 309
Pharmacolog	626	1 028	1 707	224	1 483	0	-494	-336
March 31 2008	68 859	44 747	135 304	42 377	92 927	17 987	-46 392	-65 292
Year 2007	52 507	59 546	135 659	51 996	83 663	28 677	-76 318	-78 742
<i>LinkMed's share</i>								
June 30, 2008	30 311	18 874	58 879	19 460	39 419	8 088	-17 990	-26 869
Year 2007	22 476	23 306	56 249	23 209	33 040	12 565	-28 473	-30 038

<sup>1)</sup> Capitalization refers to development and patent costs brought forward.

<sup>2)</sup> Revenue includes capitalized development and patent costs with a total of SEK 9 604 thousand.

<sup>3)</sup> Cash flow refers to the operation's cash flow after investments

The associated companies are prepared in accordance with ÅRL och BFN. These figures are not audited for Q2 2008.

All associated companies had negative cash flows in the first six months of the year, together totaling SEK 65.3 million, compared with a negative SEK 78.7 million for the full-year 2007. Cash flow mainly comprises costs for development work financed by the owners. At the end of the quarter, associated companies together had liquid funds amounting to SEK 44.7 million, compared to SEK 59.5 million at the year-end.

The associated companies believed to have the greatest capital requirements for 2008 are IMED and Recopharma. Recopharma has initiated work to raise financing for the next step in its research program. Six of the portfolio companies, AbSorber, AnaMar Medical, IMED, BioResonator, Likvor and ONCOlog Medical, have a number of owners who take an active part in the respective companies financing.

## Development of portfolio companies

### *Drug development and biotechnology*

#### **AbSorber AB**

*AbSorber develops products that facilitate successful transplantations. The company's first product, the transplantation test XM-ONE<sup>®</sup>, identifies important antibodies that cause rejection subsequent to transplantation. The product has been approved for sales in Europe and the U.S. since August 2008. The company is also developing a patented ABO column for transplantations between people with different blood groups and an ABO diagnostic that measures the occurrence of blood group antibodies.*

<b>AbSorber</b>	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	15 296	2 185	17 579	2 436	15 143	1 683	-6 083	-7 032
12 months 2007	12 307	9 217	24 134	2 908	21 226	3 859	-9 748	-11 579

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 1 240 (2 272) thousand.

AbSorber is currently carrying out a number of activities to encourage transplantation centers to include XM-ONE<sup>®</sup> in their transplantation routines. In April, AbSorber participated in an immunogenetics conference (EFI) in Toulouse, France. Interest in XM-ONE<sup>®</sup> was considerable and many centers in Europe now want help to evaluate the test in their own hospitals.

Discussions about implementing XM-ONE<sup>®</sup> are ongoing with a number of major transplantation centers in the U.S. and Europe. Several U.S. centers have expressed interest in evaluating XM-ONE<sup>®</sup> for clinical use. A number of them also want to be included in AbSorber's development program for XM-ONE<sup>®</sup>.

In August, AbSorber was given clearance from the U.S. Food and Drug Administration (FDA) to market and sell its transplantation test XM-ONE<sup>®</sup> in the U.S. Initially, sales of XM-ONE<sup>®</sup> in the U.S. market will target the kidney transplantation market, valued at approximately SEK 200 million. XM-ONE<sup>®</sup> is already CE marked and approved for sales in the EU. AbSorber's transplantation test enhances the diagnostics for finding the right organ for the right recipient, thereby increasing the probability of a successful transplantation.

XM-ONE<sup>®</sup> received further support from a major clinical trial in which four well-reputed U.S. and two Swedish transplantation clinics participated. Results of the study show that XM-ONE<sup>®</sup> adds valuable information that enhances the diagnostics for finding the right organ for the right recipient, thereby increasing the probability of a successful transplantation. The study was presented on August 14 at a global transplantation congress in Sydney.

In April, AbSorber's ABO column, which was developed to facilitate transplantations between people of different blood groups, was granted a patent in the U.S. AbSorber's ABO column is believed to be considerably more effective than the other ABO columns available on the market today, probably requiring fewer treatment occasions per patient and making it possible to treat more patients.

## AnaMar Medical AB

AnaMar Medical develops drugs and biomarkers for diagnosing and monitoring/predicting chronic joint diseases such as rheumatoid arthritis and chronic joint inflammation. AnaMar Medical has five drug candidates in preclinical trials, two biomarkers in prototype development and two commercial biomarkers, COMP®-Elisa and Animal COMP-Elisa, available on the market.

AnaMar Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	7 670	8 825	19 921	3 578	16 343	2 094	-16 079	-15 904
12 months 2007	8 808	16 104	28 243	5 821	22 422	3 493	-30 905	-28 974

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 208 (335) thousand.

AnaMar Medical had revenues of SEK 2.1 million for the first six months of 2008, of which sales of biomarkers accounted for SEK 1.8 million.

MCR (AM240) for the treatment of chronic joint diseases is the drug candidate that has progressed the furthest in its development. The toxicological studies of compounds that are needed to receive approval to start clinical trials are in their final stages. If study data proves satisfactory, AnaMar Medical plans on carrying out phase 1 clinical trials in the second half of 2008. Development of the two other drug candidates for the treatment of chronic joint diseases, TASS and DAR, is proceeding according to plan.

AnaMar Medical also continues work to facilitate the out-licensing of ColMod for wound healing and SCI for spinal injuries. The company intends to out-license these projects as they are outside AnaMar's core focus area of chronic joint disease.

## Biovator AB

Biovator develops tests that predict whether chemical substances may cause allergies. The technology has the potential to substantially reduce the need for animal testing, since it is less expensive and quicker to use and provides more reliable results. The tests are developed for use in the chemical, cosmetic and pharmaceutical industries.

Biovator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	5 946	1 470	7 674	7 678	-4	164	-1 890	-3 385
12 months 2007	5 609	1 556	7 408	5 522	1 886	735	-864	-1 456

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 0 (605) thousand.

Development work is proceeding in collaboration with other partners and three of six milestones have been achieved. Another medical expert was added to the Board of Directors.

Exemptions granted by the EU making it possible for the cosmetics industry to carry out animal testing will expire in 2009. The company expects to have a test available on the market before the expiration deadline for these exemptions.

## IMED AB

IMED develops human monoclonal antibodies (MAB) that induce or block natural cell death or apoptosis. The company intends to develop antibodies for major therapeutic areas, including HIV, cancer and transplantation.



<b>IMED</b>	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	4 606	8 654	14 733	1 060	13 673	532	-7 170	-10 854
12 months 2007	820	19 508	22 022	1 179	20 843	5	-6 906	-7 723

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investments

Development work continues to focus on bringing their blocking antibody to clinical trials. IMED is also in the process of completing toxicity tests with their inducing antibody developed for "graft versus host disease". In order to produce the antibodies in accordance with the required quality regulations for GMP production and clinical trials on humans, the company needs approximately SEK 70 million in new financing. During the second half of 2008, IMED intends to evaluate interest from new investors to participate in this round of financing.

## **NovaHep AB**

*NovaHep's operations are based on liver stem cell research. This research, conducted with the Karolinska Institute, is aimed at differentiating cell lines of fetal liver stem cells, which can then be used in the transplantation sector, for example. The company's primary goal is to develop an immortalized cell line and then begin development work for more specific areas of application.*

<b>NovaHep</b>	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	3 799	910	5 349	875	4 474	634	-808	-1 426
12 months 2007	3 088	956	4 754	973	3 781	459	-1 215	-2 482

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 265 (435) thousand.

Development work continued during the quarter and it is estimated that the first development milestone could be reached in 2008. Following this, NovaHep will select prioritized areas of application such as tests for toxicity and metabolism of medicine as well as artificial livers and specific liver cell transplantations.

## **Recopharma AB**

*Recopharma is active in the area of recombinant glycoproteins. These mucin-like proteins have a sugar coating that can affect several biological processes. Recopharma develops mucins for the vaccine market (adjuvants) and antimicrobial substances to combat bacteria and viruses that may cause influenza and the Norwalk virus, for example.*

<b>Recopharma</b>	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	3 306	1 417	15 818	12 013	3 805	706	-5 201	-5 920
12 months 2007	2 694	505	13 671	11 165	2 506	938	-8 240	-8 322

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment.

Recopharma will carry out pre-clinical trials on vaccine adjuvants in 2008. Vaccine adjuvants are used to boost the efficacy of the vaccine and work by stimulating a stronger immune system defense, thereby achieving better protection. The company is now being strengthened with the addition of a senior bioprocess engineer who has been recruited from AstraZeneca to optimize the cell cultivation process.

The company is currently focused on raising capital and is carrying out activities to this end in Sweden and abroad.

## Medical technology

### BioResonator AB

BioResonator develops biomedical sensors and diagnostics for use in several healthcare sectors. The company focuses primarily on the development of new technology and prototypes for measuring eye pressure. Pilot studies have also been conducted in cancer diagnostics and oedema diagnostics.

BioResonator	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	9 367	2 613	12 508	9 504	3 004	2 108	-988	-2 558
12 months 2007	7 308	5 170	12 786	8 795	3 991	1 982	-1 459	-3 865

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 2 059 (1 982) thousand.

The pace of development of the eye pressure gauge has accelerated since BioResonator took over development in the first quarter of 2008 and engaged the Stockholm-based company Hotswap. Ten prototypes were delivered for final verification during the second quarter. The company has changed its business model from out-licensing to selling its products via distributors, which has led to a significant increase in estimated future net margins. Development of a product for the diagnosis of prostate cancer is proceeding according to plan.

### Likvor AB

Likvor has developed a diagnostic instrument to measure cerebrospinal fluid pressure (CSF). Today, healthcare professionals find it difficult to diagnose patients who, in combination with normal or low CSF pressure, show symptoms of disease such as disturbances in balance and dementia, a condition called Normal Pressure Hydrocephalus (NPH). Implanting a shunt into the brain can help a patient return to their normal lives. The instrument is currently being used in an independent multi-center study ongoing at six university hospitals in Sweden and Denmark.

Likvor	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	217	4 383	5 033	658	4 375	135	-1 157	-986
10 months 2007	214	5 369	5 751	219	5 532	322	-67	-230

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 3 (114) thousand.

During the fall, Likvor will intensify efforts to CE mark the instrument and catheter, with completion aimed for by the end of the year. Likvor will participate in the Hydrocephalus 2008 congress in Hanover in September, which is the most important congress in this field.

### ONCOlog Medical QA AB

ONCOlog Medical develops, manufactures and markets a number of products and system solutions for quality assurance of radiotherapy treatment clinics for cancer.

ONCOlog Medical	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	17 349	11 551	32 312	3 794	28 518	9 931	-3 992	-13 582
12 months 2007	10 519	0	13 731	6 354	7 377	14 666	-3 614	-5 619

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment. Revenue includes capitalized development costs of SEK 5 460 (6 277) thousand.

ONCOlog Medical's efforts are focused on completing a functional prototype of the PatLog system for a proton facility in Essen, Germany. The prototype was approved before the summer by Belgian partner IBA and final delivery is expected in 2009. The company had sales of SEK 4.5 million in 2008, of which SEK 3.0 million were made up of payments from IBA.

The company carried out a new issue of shares worth SEK 25 million, which primarily targeted LinkMed and SLS Venture. As a result, Hans Andreasson, a senior partner at SLS Venture, has become a member of the company's Board. Funds from the share issue will be used to finance development and commercialization of products.

## Ortoviva AB

*Ortoviva develops tools for spinal surgery that facilitate the insertion of artificial discs. The company has developed three prototypes, an instrument that holds adjacent vertebrae apart, a seal for attaching the artificial disc and a bone cement administrator.*

Ortoviva	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	677	1 711	2 670	557	2 113	0	-2 530	-3 309
14 months 2006/2007	519	595	1 536	1 318	218	0	-5 453	-5 076

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment.

Development work on Distractor, an instrument that holds adjacent vertebrae apart, is focused on achieving CE marking prior to clinical trials. It is estimated that CE marking may be granted in the third quarter for both the mixing system, a system for administering bone cement and for Distractor, following which completion of development is expected in 2008.

In fall 2008, the company will begin a search for an industrial buyer for the entire company. The company is financed continuously by LinkMed through shareholders' contributions tied to development goals.

## Pharmacolog i Uppsala AB

*Pharmacolog develops systems to control the content and concentration of liquid pharmaceutical drugs, primarily chemotherapy for the treatment of cancer.*

Pharmacolog	Capitalized	Cash	Assets	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2008	626	1 028	1 707	224	1 483	0	-494	-336
8 months 2007	621	315	1 000	723	277	0	-223	-835

Capitalization refers to development and patent costs brought forward. Cash flow refers to the operation's cash flow after investment.

Operations are primarily focused on development of a functional prototype of the quality assurance system Druglog. In June, Pharmacolog carried out a directed share issue worth SEK 2.7 million. Bridging Business Development AB (BBD) invested SEK 2.0 million and LinkMed SEK 0.7 million in the company.

## SACS Medical Göteborg AB

SACS Medical Göteborg AB was put into liquidation by its owners in the second quarter 2008.

## Financial development, January - June, 2008

### Results

As no divestments were made during the first six months of 2008, results from investing activities for the period were SEK 0 (0) million. Other income, which is essentially comprised of consultancy revenues from associated companies amounted to SEK 2.1 million (2.5).

Operating expenses were SEK 13.7 million (10.4). Results from financial investments amounted to SEK 2.9 (3.8) million. Net loss for the period was SEK -8.8 (-4.2) million.

### Investments

In the first six months of 2008, LinkMed invested a total of SEK 17.9 million in associated companies, with SEK 9.2 million in the second quarter. The largest net investments were made in Recopharma at SEK 4.0 million, Ortoviva at SEK 3.1 million, and in NovaHep at SEK 1.5 million.

The book value of investments in associated companies increased to SEK 172.1 million from SEK 154.3 million at the year-end, of which shares constitute SEK 159.9 million (141.4), convertibles SEK 12.2 million (9.7) and receivables SEK 0.0 million (3.2).

### Financial position, cash flow and key financial performance indicators

LinkMed's operations are financed by shareholders' equity. The equity/assets ratio was 98 percent for the period. Shareholders' equity at the end of the quarter was SEK 273.4 million, compared to SEK 278.5 million at the year-end, corresponding to SEK 30.77 (31.93) per share. Liquid funds totaled SEK 96.0 million (125.2).

Cash flow for the period was a negative SEK 29.2 million (-30.1).

## Other information

### Risks and uncertainties

LinkMed's operations are exposed to various types of risks. Investments in associated companies and the divestment of the same naturally mean that different types of risks arise. Examples of risks include exposure through significant shareholdings in an individual company or significant holdings in a specific sector or significant reliance on a key person. The market for divesting a shareholding in a company or attracting co-investors can also vary over time. As LinkMed often invests in companies at early stages of development, this generally involves higher risk than investing in mature companies that generate positive cash flows. In order to counteract this type of risk, LinkMed's goal is to maintain a portfolio of companies with a certain level of diversification, in part between the drug development, biotechnology and medical technology segments and in part with companies at different levels of maturity.

The value of LinkMed's associated companies is partly dependent on their ability to maintain and protect patents, other intellectual property rights and specific expertise. Both clinical trials and marketing and sales of products involve significant risk related to product liability. When deemed necessary, LinkMed insures itself against product liability. Some of the

associated companies are dependent on approval through clinical trials or decisions from public authorities. There are no guarantees that an associated company will achieve satisfactory results in such trials, nor that the required regulatory approval will be granted.

In order to reduce risk, LinkMed carries out careful analysis and due diligence before an investment is made, which includes an assessment by LinkMed's scientific advisory board, among other things. After an investment has been made, LinkMed carries out systematic quarterly follow-ups to assess the investment's future. An important factor for reducing risk levels is to secure management capacity in the associated companies, often using LinkMed's own employees. Currently, LinkMed's employees are CEOs of four of the eleven associated companies. Moreover, active Board work contributes to reducing business related risks in associated companies.

The company's liquid funds are placed in liquid assets with low credit risk.

### The share and shareholders

At the end of the second quarter 2008, LinkMed had 1,729 shareholders compared to 1,969 at the year-end 2007.

<b>Principal shareholders at June 30, 2008</b>	Number of shares	Capital/votes
FastPartner AB (publ)	1 640 000	18,7%
Koncentra Holding AB	1 249 844	14,3%
Ingemar Lagerlöf, direkt och indirekt	532 930	6,1%
Mannersons Fastighets AB	468 870	5,4%
Länsförsäkringar småbolagsfond	435 000	5,0%
Kaupthing Bank Sverige AB	405 400	4,6%
Mohammed Al Amoudi	316 700	3,6%
Länsförsäkringar Skåne	180 500	2,1%
Wendt Investment AB	162 000	1,8%
Bo Millstam	160 000	1,8%
Banque de Luxembourg	134 800	1,5%
Banco fonder	130 000	1,5%
F Stellar Holdings Inc	108 035	1,2%
Nordnet Pensionsförsäkring AB	103 705	1,2%
Stan Mikulowski, indirekt	93 000	1,1%
Övriga	2 640 264	30,1%
Summa	8 761 048	100,0%

### Accounting principles

This interim report has been prepared in accordance with the IAS 34, Interim Financial Reporting with observance of the exceptions and additions to IFRS/IAS set out in RR 32 Accounting for legal entities. The same accounting principles were applied as those used in the company's Annual Report for 2007.

The acquisition of Olerup SSP has resulted in a group relationship in LinkMed. This will result in a change in accounting principles in the next reporting period.

## Future report dates

Interim report January - September:	November 26, 2008
Year-end report 2008:	February 23, 2009
Interim report, January-March, 2009:	May 2009

This report and earlier financial reports are available at [www.linkmed.se](http://www.linkmed.se)

The board of directors and the CEO give their assurance that this half-year report provides a true and fair view of the company's operations, financial position and results and describes significant risks and uncertainties faced by LinkMed and its associated companies.

Stockholm, August 26, 2008

Monica Caneman  
Chairman

Jan Eriksson  
Board member

Anders Erlandsson  
Board member

Birgitta Gunneflo  
Board member

Sven-Olof Johansson  
Board member

Gunnar Mattsson  
Board member

Ingemar Lagerlöf  
CEO

The information in this interim report is that which LinkMed is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication on August 26, 2008 at 13:00

This interim report has not been subject to review by the company's auditors.

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## Income statement

Amount in SEK thousands	2008	2007	2008	2007	2007
	April-June	April-June	Jan-June	Jan-June	Year
<i>Operating income</i>					
Result from sales of associated companies	0	0	0	0	0
Write-downs of participations in associated companies	0	0	0	0	-10 351
Result from investing activities	0	0	0	0	-10 351
Other income	932	1 265	2 053	2 514	4 989
<i>Operating costs</i>					
Other external costs	-3 104	-2 670	-5 685	-4 657	-10 720
Personnel costs	-4 337	-2 598	-7 984	-5 734	-10 609
Depreciation of tangible and intangible fixed assets	-77	-81	-152	-159	-329
Operating result	-6 585	-4 084	-11 768	-8 036	-27 020
Result from financial investments	1 232	2 057	2 915	3 792	7 818
Income/loss before tax	-5 353	-2 027	-8 852	-4 244	-19 202
Tax	-	-	-	-	-
Net income/loss for the period	-5 353	-2 027	-8 852	-4 244	-19 202
Earnings per share before/after dilution, SEK	-0,61	-0,23	-1,01	-0,49	-2,20
Number of shares at the period end before/after dilution	8 761 048	8 721 985	8 761 048	8 721 985	8 721 985
The average number of shares before/after dilution	8 761 048	8 721 985	8 754 538	8 721 985	8 721 985

## Balance sheet

Amount in SEK thousands	2008	2007
	June 30	Dec 31
<i>Assets</i>		
Intangible and tangible fixed assets	624	444
Participations in associated companies	159 865	141 417
Long-term receivables from associated companies	12 240	9 690
Total fixed assets	172 729	151 551
Short-term receivables from associated companies	1 220	4 436
Other short-term receivables	3 489	1 779
Cash and cash equivalents	96 007	125 189
Total current assets	100 716	131 404
Total assets	273 445	282 955
<i>Shareholders' equity and liabilities</i>		
Shareholders' equity	269 611	278 463
Short-term liabilities	3 834	4 492
Total shareholders' equity and liabilities	273 445	282 955
<i>Changes in shareholders' equity</i>		
Opening balance	278 463	296 196
New share issue in progress	-	1 469
Net income/loss for the period	-8 852	-19 202
Closing balance	269 611	278 463

## Cash flow statement

Amount in SEK thousands	2008	2007	2007
	Jan-June	Jan-June	Year
Cash flow from operating activities			
before changes in working capital	-8 700	-4 085	-8 522
Cash flow from changes in working capital	-2 368	-5 134	-4 385
Cash flow from operations	-11 068	-9 219	-12 907
Cash flow from investing activities	-18 114	-20 871	-64 577
Cash flow from financing activities	0	0	0
Cash flow for the period	-29 182	-30 090	-77 484
Cash and cash equivalents at the opening of the period	125 189	202 673	202 673
Cash and cash equivalents at the closing of the period	96 007	172 583	125 189

## Key ratio

Amount in SEK thousands	2008	2007	2007	2006
	Jan-June	Jan-June	Year	Year
Result from investing activities	0	0	-10 351	-2 500
Other income	2 053	2 514	4 989	4 050
Income/loss before tax	-8 852	-4 244	-19 202	-14 465
Book value of shares, convertibles and loans	172 105	120 796	154 257	100 006
Balance sheet total	273 445	296 474	282 955	305 509
Equity/asset ratio	99%	98%	98%	97%
Average no. of employees	9	5	6	5
Number of shares at the end of the period	8 761 048	8 721 985	8 721 985	8 721 985
The average number of shares	8 754 538	8 721 985	8 721 985	5 599 135
Earnings per share, SEK	-1,01	-0,49	-2,20	-2,58
Shareholders' Equity per share, SEK	30,77	33,47	31,93	33,96
Share price at the end of the period, SEK	26,9	47,3	32,00	69,00
Market value, SEK thousands	235 672	412 550	279 104	601 817

## Participations in associated companies on June 30, 2008, amounts in SEK thousands

Associated companies	Area/indication	Capital/votes	Book value share	Convertible bonds	Other receivables	Total
<i>Drug development and biotech</i>						
AbSorber	Transplantations	42,5%	22 879			22 879
AnaMar Medical	Joint disease	23,3%	38 159			38 159
Biovator	Allergies	46,0%	1 720	6 200		7 920
IMED	Cancer/HIV/Transplantations	42,3%	20 965			20 965
NovaHep	Liver stem cells	49,5%	7 088			7 088
Recopharma	Glycoproteins	49,5%	20 107	6 040		26 147
<i>Medtech</i>						
BioResonator	Eye disease/cancer	49,2%	8 789			8 789
Likvor	Neurology/diagnostic	49,0%	5 469			5 469
ONCOlog Medical	Cancer	48,9%	23 706			23 706
Ortoviva	Orthopedics	49,0%	10 045			10 045
Pharmacolog	Cancer	46,7%	940			940
Book value			159 865	12 240	0	172 105