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## Interim report January - June 2008

- Net sales in the second quarter amounted to 121.3 MSEK (131.1) and to 235.3 MSEK (250.0) in the period January – June 2008. At comparable exchange rates net sales were unchanged in the second quarter and increased by 1 percent in the first six months.
- The operating result for the second quarter amounted to 8.9 MSEK (11.1). The operating result for the first six months 2008 amounted to 17.8 MSEK (18.3).
- The result after tax amounted to 8.0 MSEK (38.1) in the second quarter and to 21.2 MSEK (45.3) in the period January – June. In the second quarter 2007 capitalization of deferred income taxes recoverable was made to the amount of 27.6 MSEK.
- Earnings per share amounted to 0.09 SEK (0.43) in the second quarter and to 0.24 SEK (0.51) the first six months.
- The cash flow from operating activities amounted to 2.5 MSEK (-14.9) in the second quarter and to 17.9 MSEK (-0.6) the first six months 2008.

### Comments from CEO Torben Jörgensen

The strategic evaluation work has resulted in a numerous of projects and the last phase of these projects has been begun. The evaluation is expected to be finalized before the publishing of Biotages next interim report as per September 30, 2008.

In the Biosystems business area sales continue to develop positively, with a 12 percent increase at comparable exchange rates. The launch of the new PyroMark™Q24 instrument has been successful and we sold nine instruments in the second quarter. We expect that the demand for and interest in the Pyrosequencing® technology and its products continues to be high and sales continue to grow strongly.

Discovery Chemistry is much affected by the restructuring within the major pharma companies which resulted in a reduction of sales income with 3 percent at comparable exchange rates. The business area has carried out a number of successful introductions of new products and new product launches. The launch of a new purification system, Isolera, has been successful and sales accelerated towards the end of the quarter. The new SNAP product area continues to develop favorable and has had strongly growing sales. The sales of microwave equipment have had a changed product mix and therefore lower sales income in Swedish currency.

Direct sales in Europe have decreased in second quarter due to a weaker demand from the largest Pharma industry companies. Sales in Asia continue to progress well.

Amounts in MSEK	2nd quarter 2008	2nd quarter 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007	Last 12 month
Net sales	121.3	131.1	235.3	250.0	496.4	481.7
Cost of goods sold	-49.1	-51.1	-91.8	-96.1	-190.9	-186.5
Gross profit	72.2	80.0	143.5	153.9	305.5	295.2
Operating expenses	-63.3	-68.9	-125.8	-135.6	-262.6	-252.8
Operating profit/loss	8.9	11.1	17.8	18.3	42.9	42.4
Financial items	-0.7	-0.7	3.6	0.7	2.9	5.8
Profit/loss before tax	8.2	10.3	21.4	19.0	45.8	48.3
Tax expenses	-0.2	27.7	-0.2	26.3	53.5	27.0
Profit/loss after tax	8.0	38.1	21.2	45.3	99.4	75.2

## Group result, financial position and cash flow

### Second quarter 2008

In the second quarter Group net sales amounted to 121.3 MSEK, compared to 131.1 MSEK the second quarter 2007. At comparable exchange rates sales were unchanged compared to last year.

The Group's gross margin was 59.5 percent (61.0). The gross margin has decreased due to product mix changes, a higher share of distributor sales, and non-recurring costs, among other things.

The operating expenses have continued to decrease and amount to 63.6 MSEK (68.9). Above all the costs in the US and UK have been reduced as a result of the weakened currencies.

Investments amounted to 12.8 MSEK (12.7). Of this sum 9.6 MSEK (10.5) were capitalized development costs. Amortizations were made to the amount of 8.1 MSEK (8.1). Of this sum 2.5 MSEK (2.8) were amortizations of capitalized development costs.

The operating result amounted to 8.9 MSEK (11.1), with an operating margin of 7.3 percent (8.4).

Net financial income amounted to -0,7 MSEK (-0,7).

Profit after tax amounted to 8.0 MSEK, corresponding to 0.09 SEK per share, compared to 38.1 MSEK in 2007, corresponding to 0.43 SEK per share. In the second quarter 2007 capitalization of deferred income taxes recoverable was made to the amount of 27.6 MSEK.

The cash flow from operating activities amounted to 2,5 MSEK (-14,8). Cash flow from investment activities amounted to -12,8 MSEK (12,7) of which the main part refer to capitalized expenditure for the finalized projects PyroMark™Q24 and Isolera. Cash flow from financing activities amounted to -4,8 MSEK (2,0).

### January – June 2008

Group net sales amounted to 235.3 MSEK, compared to 250.0 MSEK the first six months of 2007. At comparable exchange rates sales increased by 1 percent.

The Group's gross margin was 61.0 percent (61.5). The gross margin was affected by product mix changes and non-recurring costs for new products, among other things.

The operating expenses have continued to decrease and amounted to 126.1 MSEK (135.6). Above all the costs in the US and UK have been reduced as a result of the weakened currencies.

The operating expenses have been charged with 4.7 MSEK due to exchange rate differences relating to receivables and liabilities.

Investments amounted to 25.1 MSEK (27.8). Of this sum 18.9 MSEK (22.5) were capitalized development costs. Amortizations were made to the amount of 15.8 MSEK (18.0). Of this sum 4.9 MSEK (5.9) were amortizations of capitalized development costs.

The operating result amounted to 17.8 MSEK (18.3) with an operating margin of 7.6 percent (7.3).

Net financial income amounted to 3.6 MSEK (0.7). Dividends from the financial holding in Corbett have been received to the amount of 5.1 MSEK (2.9).

Profit after tax amounted to 21.2 MSEK, corresponding to 0.24 SEK per share, compared to 45.3 MSEK in 2007, corresponding to 0.51 SEK per share. In the first six months 2007 capitalization of deferred income taxes recoverable was made to the amount of 27.6 MSEK.

The cash flow from operating activities amounted to 17.9 MSEK (-0,7). Cash flow from investment activities amounted to -25,1 MSEK (27,8) of which the main part refer to capitalized expenditure for the finalized projects PyroMark™Q24 and Isolera. Cash flow from financing activities amounted to -5,3 MSEK (0,3).

#### Exchange rates

The development of exchange rates impacts the comparison between the years.

The weakening of the US-dollar and the pound sterling has impacted sales negatively when local currencies are converted to the Swedish Krona.

Excluding exchange differences on assets and liabilities, which has impacted operating expenses with 4,7 MSEK during the first six months, the result effect has been low. The group has a good balance between revenues and costs in different currencies, and there by a natural hedge, in US-dollar and pound sterling as business area Discovery Chemistry has manufacturing in both US and Great Britain.

#### Balance sheet items

At June 30, 2008 the Group's cash and securities totaled 18.4 MSEK, compared to 31.0 MSEK at December 31, 2007. Granted unutilized credits amounted to 41.1 MSEK, compared to 40.2 MSEK at December 31, 2007. The Group's interest-bearing liabilities amounted to 61.1 MSEK, compared to 71.9 MSEK at December 31, 2007.

The Group reports a total goodwill of 443.6 MSEK (460.6) at June 30, 2008. This is attributable to the acquisitions of Personal Chemistry and Biotage LLC in 2003 and the acquisitions of Argonaut and Separtis in 2005. This year's change is due to currency effects.

Other intangible assets in the form of patents and license rights amounted to 23.6 MSEK (26.4) and capitalized development costs to 84.8 MSEK (70.8).

At June 30, 2008 the equity capital amounted to 797.0 MSEK, compared to 796.3 MSEK at December 31, 2007. The Group's equity capital has increased with 21.2 MSEK due to the period's net result and with 0.8 MSEK due to stock related remunerations, and decreased with -21.3 MSEK due to exchange rate changes.

## Discovery Chemistry (Medicinal chemistry)

Amounts in MSEK	2nd quarter 2008	2nd quarter 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007	Last 12 month
Net sales	95.1	106.3	184.0	201.1	397.6	380.5
Operating profit/loss	4.9	9.5	12.3	12.4	32.9	32.8

### *Sales per geographic market*

USA	38%	36%	36%	40%	40%	38%
Europe	44%	47%	48%	45%	45%	46%
Rest of the world	18%	17%	16%	15%	15%	16%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Net sales in the second quarter amounted to 95.1 MSEK (106.3).

At comparable exchange rates sales decreased by 3 percent compared to last year.

The EU area was Discovery Chemistry's biggest market, accounting for 44 percent of the net sales. The US contributed 37 percent and the rest of the world 18 percent.

During the period sales were negatively affected by budget restrictions in the major pharma companies. Especially the synthesis product area was adversely affected. The launch of the company's new purification system, Isolera, has been successful and sales were strong towards the end of the quarter. The positive development of consumables sales has continued and the new SNAP product area has had strongly growing sales.

The gross margin for the second quarter was 56.9 percent (60.4). The gross margin was negatively affected by product mix changes, a higher share of distributor sales and non-recurring costs.

The operating profit for the second quarter amounted to 4.9 MSEK (9.5) with an operating margin of 5.2 percent (8.9).

The forceful efforts to develop new competitive products have continued according to plan. In the second quarter the new purification system Isolera was launched. A number of new consumables and product upgrades have also been introduced.

## Biosystems (Genetic analysis)

### Biosystems (Genetic analysis)

Amounts in MSEK	2nd quarter 2008	2nd quarter 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007	Last 12 month
Net sales	26.2	24.8	51.3	48.9	98.8	101.1
Operating profit/loss	6.2	5.5	13.9	12.0	26.2	28.1

#### *Sales per geographic market*

USA	47%	49%	47%	48%	45%	45%
Europe	41%	44%	41%	44%	47%	45%
Rest of the world	12%	7%	12%	8%	8%	10%
<b>Sum</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the second quarter the Biosystems business area increased its net sales to 26.2 MSEK (24.8). At comparable exchange rates net sales increased by 12 percent.

The positive development for the business area continues. System sales totaled 32 units (23). The launch of the company's new instrument PyroMark™Q24 has been successful and during the quarter 9 instruments were sold. The demand for and the interest in the Pyrosequencing® technology and its products continues to be good and sales continue to grow strongly.

The US was Biosystems biggest market with 47 percent of the net sales. The EU area contributed 41 percent and the rest of the world 12 percent of the business area's net sales.

The gross margin was 69.0 percent (63.6). The gross margin was negatively affected by currency changes, as sales are made almost exclusively in foreign currency, while all production takes place in Sweden. Product mix changes and a higher share of direct sales influenced the gross margin positively.

The business area's good profitability continues and the operating result for the second quarter amounted to 6.2 MSEK (5.5) with an operating margin of 23.7 percent (22.0).

The company has strengthened its market position by developing new instruments and tests. The new instrument PyroMark™Q24 was launched at the end of the first quarter. It is believed that this will forcefully expand the installed base of instruments. In parallel new molecular diagnostic tests are being developed in order to take a further part of this strongly growing market.

**Human resources**

At June 30, 2008 the Group had 326 employees, compared to 336 at the start of the year.

**Parent company**

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Switzerland, Germany, France, Italy and Japan. The parent company is responsible for group management, strategic business development and administrative functions at Group level and towards subsidiaries.

In the second quarter 2008 the parent company's net income amounted to 2.0 MSEK (2.1). In the period January – June 2008 net income amounted to 4.0 MSEK (4.3).

A profit after financial items amounting to 0.5 MSEK is reported for the second quarter 2008 (2.2). In the January – June period profit after financial items amounted to 3.9 MSEK (8.0).

The parent company's investments in intangible fixed assets in the second quarter 2008 amounted to 0.6 MSEK (0.6). In January – June investments in intangible fixed assets amounted to 1.1 MSEK (2.2).

On June 30, 2008 the parent company's cash and bank balance amounted to 0.3 MSEK, compared to 0.9 MSEK at December 31, 2007.

**Risks and uncertainties**

The risks associated with the Group's operations can generally be divided into operational risks related to the business and risks related to the financial activities. No major changes in significant risks or uncertainty factors occurred during the period. A detailed account of Biotage's risks, uncertainty factors and the handling of these can be found in the company's annual report for 2007.

## Financial reports in 2008

The interim report for the third quarter 2008 will be issued on October 31, 2008.

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

### Assurance

The Board and the President assure that the interim report for the first six months gives a true and fair overview of the parent company's and the Group's business, financial position and result, and describes significant risks and uncertainty factors that the parent company and the companies of the Group are facing.

Uppsala August 15, 2008

Ove Mattsson  
Chairman of the Board

Axel Broms  
Board member

Thomas Eklund  
Board member

Per-Olof Eriksson  
Board member

Annika Espander  
Board member

Staffan Lindstrand  
Board member

Anders Rydin  
Board member

Bengt Samuelsson  
Board member

Mathias Uhlén  
Board member

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### About Biotage

*Biotage is a global company active in life science research with strong technologies, a broad range of operations and a long-term view of the market. The company offers solutions, knowledge and experience in the areas of genetic analysis and medicinal chemistry. In 2005 business and products from the company Argonaut were acquired, further strengthening the product range in medicinal chemistry. The customers include the world's top 30 pharma companies, the world's top 20 biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has subsidiaries in the U.S., Japan, UK, Germany and several other European countries. Biotage has 336 employees and had sales of 496 MSEK in 2007. Biotage is listed on the Stockholm stock exchange. Website: [www.biotage.com](http://www.biotage.com)*

Certain statements in this press release are forward-looking. These may be identified by the use of forward looking words or phrases such as "believe," "expect," "intend," and "should," among others. These forward-looking statements are based on Biotage's current expectations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, Biotage notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the microwave synthesis and flash purification in the drug discovery market, DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for Biotage's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors.

**Accounting principles**

This interim report has been prepared in accordance with IAS 34 Interim Reporting and RR 31 Group Interim Reporting. The information in this report concerning the parent company complies with the Swedish Accounting Act.

The accounting principles applied agree with those applied in the preparation of the Group's latest Annual Report, described on pp. 31-40 in the 2007 Annual Report.

From January 1, 2007 Biotage also applies IFRS 7 Financial Instruments: Information and additions to IAS 1 Formulation of Financial Reports. This involves extended demands on information regarding financial instruments and information on the management of capital. In addition, four interpretation statements from IFRIC have come into force and are being applied from January 1, 2007; IFRIC 7, 8, 9 and 10. The new standards and interpretations have not had any effect on Biotage's reported result and balance.

Readers wishing to study the accounting principles presented in the 2007 Annual Report can download this report from Biotage AB's website [www.biotage.se](http://www.biotage.se) or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, or at [info@biotage.com](mailto:info@biotage.com).



**CONSOLIDATED INCOME STATEMENTS**

Amounts in KSEK	2008-04-01	2007-04-01	2008-01-01	2007-01-01	2007-01-01	2007-07-01
	2008-06-30	2007-06-30	2008-06-30	2007-06-30	2007-12-31	2008-06-30
Net sales	121,311	131,138	235,291	250,010	496,402	481,684
Cost of goods sold	<u>-49,119</u>	<u>-51,149</u>	<u>-91,754</u>	<u>-96,137</u>	<u>-190,875</u>	<u>-186,492</u>
<b>Gross profit</b>	<b>72,192</b>	<b>79,989</b>	<b>143,537</b>	<b>153,873</b>	<b>305,527</b>	<b>295,192</b>
Selling expenses	-41,674	-45,120	-81,103	-87,052	-169,711	-163,762
Administrative expenses	-12,103	-12,117	-23,840	-25,969	-50,150	-48,021
Research and development costs	-9,810	-10,638	-16,973	-22,151	-41,400	-36,222
Other operating income	1,914	8	7,195	1,015	2,439	8,619
Other operating expenses	-1,615	-1,046	-11,048	-1,409	-3,783	-13,422
<i>Operating expenses</i>	<u>-63,289</u>	<u>-68,913</u>	<u>-125,770</u>	<u>-135,566</u>	<u>-262,604</u>	<u>-252,807</u>
<b>Operating profit/loss</b>	<b>8,903</b>	<b>11,076</b>	<b>17,768</b>	<b>18,307</b>	<b>42,923</b>	<b>42,384</b>
Financial income	-192	555	7,192	3,982	8,396	11,607
Financial expenses	<u>-547</u>	<u>-1,291</u>	<u>-3,592</u>	<u>-3,318</u>	<u>-5,484</u>	<u>-5,758</u>
<b>Profit/loss before income tax</b>	<b>8,165</b>	<b>10,339</b>	<b>21,368</b>	<b>18,970</b>	<b>45,835</b>	<b>48,233</b>
Tax expenses (not 1)	<u>-157</u>	<u>27,736</u>	<u>-181</u>	<u>26,340</u>	<u>53,537</u>	<u>27,016</u>
<b>Profit/loss after tax</b>	<b>8,008</b>	<b>38,075</b>	<b>21,187</b>	<b>45,310</b>	<b>99,373</b>	<b>75,249</b>
Part related to the parent company's shareholders	8,008	38,075	21,187	45,310	99,373	75,249
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	88,630,046	89,094,327	88,643,913	89,153,026	89,015,260	88,759,916
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	0.09 kr	0.43 kr	0.24 kr	0.51 kr	1.12 kr	0.85 kr
Profit/loss per share after dilution SEK	0.09 kr	0.43 kr	0.24 kr	0.51 kr	1.12 kr	0.85 kr

**CONSOLIDATED BALANCE SHEETS**

<b>Amounts in KSEK</b>	<b>2008-06-30</b>	<b>2007-12-31</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	78,370	84,987
Goodwill	443,637	460,593
Other intangible assets	109,424	98,460
Financial assets	46,944	46,934
Capitalized loss carry-forward	52,496	53,419
<b>Summa anläggningstillgångar</b>	<b>730,871</b>	<b>744,393</b>
<b>Current assets</b>		
Inventory	102,518	97,144
Account receivable and other receivables	108,175	116,044
Liquid funds	18,365	31,017
<b>Total current assets</b>	<b>229,057</b>	<b>244,206</b>
<b>TOTAL ASSETS</b>	<b>959,928</b>	<b>988,599</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to shareholders in parent company</b>		
Share capital	88,486	88,486
Other contributed capital	847,162	1,513,992
Accumulated translation difference	-55,242	-72,117
Profit/loss carried forward	-83,368	-734,096
<b>Total equity</b>	<b>797,038</b>	<b>796,265</b>
<b>Long term liabilities</b>		
Loans	33,310	37,152
Provisions of a long-term nature	3,382	3,776
<b>Total long term liabilities</b>	<b>36,692</b>	<b>40,928</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	92,753	111,235
Tax liabilities	1,479	1,159
Loans	27,843	34,741
Provisions of a short-term nature	4,124	4,271
<b>Total current liabilities</b>	<b>126,199</b>	<b>151,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>959,928</b>	<b>988,599</b>

CONSOLIDATED CASH FLOW STATEMENTS

Amounts in KSEK	2008-04-01	2007-04-01	2008-01-01	2007-01-01	2007-01-01	2007-07-01
	2008-06-30	2007-06-30	2008-06-30	2007-06-30	2007-12-31	2008-06-30
<b>Operating activities</b>						
Profit/loss after financial items	8,165	10,339	21,368	18,970	45,835	48,233
Adjustments for items not included in the cash flow	8,346	9,003	17,442	17,902	30,810	30,350
	<b>16,510</b>	<b>19,342</b>	<b>38,811</b>	<b>36,872</b>	<b>76,645</b>	<b>78,583</b>
Tax paid	-157	87	-181	-1,309	-519	609
<b>Cash flow from operating activities before changes in working capital</b>	<b>16,353</b>	<b>19,428</b>	<b>38,629</b>	<b>35,563</b>	<b>76,126</b>	<b>79,193</b>
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of inventories	-875	-181	-10,652	-9,444	-15,273	-16,480
Increase (-)/ decrease (+) of account receivables	-9,795	-16,352	3,923	-15,613	-18,633	903
Increase (-)/ decrease (+) of other current receivables	1,352	1,600	1,548	939	-3,979	-3,371
Increase (+)/ decrease (-) of other liabilities	-4,507	-19,323	-15,571	-12,118	-4,523	-7,976
<b>Cash flow from operating activities</b>	<b>2,528</b>	<b>-14,827</b>	<b>17,878</b>	<b>-673</b>	<b>33,718</b>	<b>52,269</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-10,044	-11,090	-19,970	-24,733	-44,143	-39,381
Sales of intangible fixed assets					16	16
Acquisition of tangible fixed assets	-2,667	-1,552	-4,984	-3,069	-8,198	-10,112
Sales of tangible fixed assets	32		32			32
Acquisition of financial assets	-86	-18	-177		-102	-279
Sales of financial assets			17	3	4	18
<b>Cash flow from investment activities</b>	<b>-12,765</b>	<b>-12,660</b>	<b>-25,082</b>	<b>-27,798</b>	<b>-52,422</b>	<b>-49,706</b>
<b>Financial activities</b>						
Loans taken	-	-		1,662	6,164	4,502
Amortization of loan liabilities	-4,806	-2,037	-5,327	-1,355	-6,455	-10,427
<b>Cash flow from financial activities</b>	<b>-4,806</b>	<b>-2,037</b>	<b>-5,327</b>	<b>307</b>	<b>-291</b>	<b>-5,925</b>
<b>Cash flow during period</b>	<b>-15,043</b>	<b>-29,525</b>	<b>-12,531</b>	<b>-28,164</b>	<b>-18,995</b>	<b>-3,362</b>
Cash and liquid assets beginning of period	33,315	51,600	31,017	50,136	50,136	21,942
Exchange differences in liquid assets	93	-133	-122	-30	-124	-215
<b>Cash and liquid assets at end of period</b>	<b>18,365</b>	<b>21,942</b>	<b>18,365</b>	<b>21,942</b>	<b>31,017</b>	<b>18,365</b>
<b>Additional information:</b>						
<i>Adjustments for items not included in the cash flow</i>						
Depreciations and write-downs	8,132	8,070	15,751	17,953	31,563	29,361
Other items	214	932	1,692	-51	-754	989
Total	8,346	9,003	17,442	17,902	30,810	30,350

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Share capital	Other paid-in capital	Accumulated translation differences	Hedging-reserve	Profit/loss carried forward	Total equity
<b>Opening balance January 1, 2007</b>	<b>88,486</b>	<b>1,512,383</b>	<b>-55,386</b>	<b>-</b>	<b>-833,009</b>	<b>712,474</b>
<b>Förändringar under 2007:</b>						
Exchange rate differences	-	-	-16,731	-	-	-16,731
Change in hedging reserve for the year	-	-	-	-460	-	-460
Profit/loss January - december 2007	-	-	-	-	99,373	99,373
Change due to outstanding option programs	-	1,609	-	-	-	1,609
<b>Total changes during 2007:</b>	<b>-</b>	<b>1,609</b>	<b>-16,731</b>	<b>-460</b>	<b>99,373</b>	<b>83,791</b>
<b>Closing balance December 31, 2007</b>	<b>88,486</b>	<b>1,513,992</b>	<b>-72,117</b>	<b>-460</b>	<b>-733,636</b>	<b>796,265</b>
<b>Changes in 2008:</b>						
Redistribution after annual general meeting	-	-667,636	38,554	-	629,082	0
Exchange rate differences	-	-	-21,559	-	-	-21,559
Change in hedging reserve for the year	-	-	-	340	-	340
Profit/loss January - June 2008	-	-	-	-	21,187	21,187
Change due to outstanding option programs	-	805	-	-	-	805
<b>Total changes during 2008:</b>	<b>0</b>	<b>-666,831</b>	<b>16,995</b>	<b>340</b>	<b>650,269</b>	<b>773</b>
<b>Closing balance June 30, 2008</b>	<b>88,486</b>	<b>847,162</b>	<b>-55,122</b>	<b>-120</b>	<b>-83,368</b>	<b>797,038</b>

**INCOME STATEMENTS FOR THE PARENT  
COMPANY**

Amounts in KSEK	2008-04-01	2007-04-01	2008-01-01	2007-01-01	2007-01-01	2007-07-01
	2008-06-30	2007-06-30	2008-06-30	2007-06-30	2007-12-31	2008-06-30
Net sales	<b>1,990</b>	<b>2,129</b>	<b>3,979</b>	<b>4,305</b>	<b>8,345</b>	<b>8,019</b>
Selling expenses	-9	-237	-205	-237	-506	-475
Administrative expenses	-4,627	-3,947	-8,658	-8,227	-15,350	-15,781
Research and development costs	-1,473	-795	-2,156	-1,894	-2,936	-3,198
Other operating income	2,050	1,496	4,121	4,788	8,118	7,452
Other operating expenses	-639	-779	-2,772	-1,656	-3,892	-5,008
<i>Operating expenses</i>	<u>-4,699</u>	<u>-4,262</u>	<u>-9,670</u>	<u>-7,226</u>	<u>-14,565</u>	<u>-17,009</u>
<b>Operating profit/loss</b>	<b><u>-2,709</u></b>	<b><u>-2,133</u></b>	<b><u>-5,690</u></b>	<b><u>-2,921</u></b>	<b><u>-6,220</u></b>	<b><u>-8,990</u></b>
<b>Profit/loss from financial investments:</b>						
Interest income from receivables from group companies	3,666	4,976	7,339	8,502	16,453	15,290
Interest expenses from liabilities to group companies	-534	-317	-1,071	-671	-1,793	-2,193
Profit and loss from other securities and receivables that are long term financial assets	0	-	5,092	2,863	5,371	7,600
Other interest income and similar income items	-	-	0	1	117	116
Interest expenses and similar expense items	-17	-1	-34	-4	-5	-34
Translation differences on intra-group receivables	148	-292	-1,718	197	-349	-2,264
<i>Net financial income/expense</i>	<u>3,263</u>	<u>4,366</u>	<u>9,609</u>	<u>10,888</u>	<u>19,794</u>	<u>18,514</u>
<b>Profit/loss after financial items</b>	<b>554</b>	<b>2,233</b>	<b>3,918</b>	<b>7,967</b>	<b>13,574</b>	<b>9,525</b>
Tax expenses	-	27,649	-	27,649	49,026	21,377
<b>Profit/loss after tax</b>	<b><u>554</u></b>	<b><u>29,882</u></b>	<b><u>3,918</u></b>	<b><u>35,617</u></b>	<b><u>62,600</u></b>	<b><u>30,902</u></b>

BALANCE SHEETS FOR THE PARENT COMPANY

Amounts in KSEK	2008-06-30	2007-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Patent and license rights	12,382	13,309
	<u>12,382</u>	<u>13,309</u>
<i>Financial assets</i>		
Participation in group companies	717,727	717,727
Receivables from group companies	117,549	109,869
Deferred tax asset	39,361	39,361
Other long-term securities	45,783	45,783
	<u>920,420</u>	<u>912,740</u>
<b>Total fixed assets</b>	<b>932,802</b>	<b>926,049</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Receivables from group companies	60,502	76,382
Other receivables	1,651	632
Prepaid expenses and accrued income	1,832	1,514
	<u>63,986</u>	<u>78,528</u>
<b>Cash and bank balances</b>	<b>290</b>	<b>862</b>
<b>Total current assets</b>	<b>64,276</b>	<b>79,390</b>
<b>TOTALT ASSETS</b>	<b>997,077</b>	<b>1,005,439</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	88,486	88,486
Statutory reserves	842,180	1,509,816
	<u>930,666</u>	<u>1,598,302</u>
<b>Unrestricted equity</b>		
Fair value fond	-13,769	-38,554
Profit/loss carried forward	-	-691,682
Profit/loss for the period reported	3,918	62,600
	<u>-9,851</u>	<u>-667,636</u>
<b>Total equity</b>	<b>920,815</b>	<b>930,667</b>
<b>Current liabilities</b>		
Account payable	1,159	1,488
Liabilities to group companies	72,033	60,140
Other short term liabilities	177	5,369
Accrued expenses and prepaid income	2,892	7,775
	<u>76,261</u>	<u>74,772</u>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>997,077</b>	<b>1,005,439</b>

CASH FLOW STATEMENTS FOR THE PARENT COMPANY

	2008-04-01	2007-04-01	2008-01-01	2007-01-01	2007-01-01	2007-07-01
Amounts in KSEK	2008-06-30	2007-06-30	2008-06-30	2007-06-30	2007-12-31	2008-06-30
<b>Den löpande verksamheten</b>						
Profit/loss after financial items	554	2,233	3,918	7,967	13,574	9,525
Adjustments for items not included in the cash flow	1,308	568	1,863	1,265	2,424	3,023
	<u>1,862</u>	<u>2,801</u>	<u>5,782</u>	<u>9,232</u>	<u>15,999</u>	<u>12,548</u>
Tax paid	-	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,862</b>	<b>2,801</b>	<b>5,782</b>	<b>9,232</b>	<b>15,999</b>	<b>12,548</b>
Cash flow from change in working capital:						
Increase (-)/ decrease (+) of other current receivables	-7,680	-5,808	-6,907	-6,242	-10,940	-11,605
Increase (+)/ decrease (-) of other liabilities	2,456	-9,080	1,488	-7,035	-9,351	-828
	<u>-3,362</u>	<u>-12,087</u>	<u>363</u>	<u>-4,044</u>	<u>-4,293</u>	<u>114</u>
<b>Cash flow from operating activities</b>	<b>-3,362</b>	<b>-12,087</b>	<b>363</b>	<b>-4,044</b>	<b>-4,293</b>	<b>114</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-408	-602	-935	-2,208	-3,037	-1,764
Sales of intangible fixed assets					16	16
Acquisition of subsidiaries					-331	-331
Increase (-)/ decrease (+) of other long-term receivables		3,685		-1,191	-72	1,119
	<u>-408</u>	<u>3,083</u>	<u>-935</u>	<u>-3,399</u>	<u>-3,423</u>	<u>-960</u>
<b>Cash flow from investment activities</b>	<b>-408</b>	<b>3,083</b>	<b>-935</b>	<b>-3,399</b>	<b>-3,423</b>	<b>-960</b>
<b>Cash flow from financial activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow during period</b>	<b>-3,770</b>	<b>-9,004</b>	<b>-572</b>	<b>-7,443</b>	<b>-7,716</b>	<b>-845</b>
<b>Cash and liquid assets beginning of period</b>	<b>4,060</b>	<b>10,139</b>	<b>862</b>	<b>8,578</b>	<b>8,578</b>	<b>1,135</b>
<b>Cash and liquid assets at end of period</b>	<b>290</b>	<b>1,135</b>	<b>290</b>	<b>1,135</b>	<b>862</b>	<b>290</b>
<b>Additional information:</b>						
<i>Adjustments for items not included in the cash flow</i>						
Depreciations and write-downs	1,307	544	1,862	1,088	2,192	2,966
Other items	1	24	1	177	233	57
Total	<u>1,308</u>	<u>568</u>	<u>1,863</u>	<u>1,265</u>	<u>2,424</u>	<u>3,023</u>

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

Amounts in KSEK	Share capital	Statutory reserve	Fair value fond	carried forward	Total equity
Opening balance January 1, 2007	88,486	1,509,816	-27,115	-716,534	854,652
<b>Changes in 2007:</b>					
Exchange rate differences	-	-	-11,439	-	-11,439
Group contributions received 2007	-	-	-	24,852	24,852
Profit/loss 2007	-	-	-	62,600	62,600
<b>Total changes during 2007</b>	<b>0</b>	<b>0</b>	<b>-11,439</b>	<b>87,453</b>	<b>76,014</b>
Closing balance December 31, 2007	88,486	1,509,816	-38,554	-629,082	930,667
<b>Changes in 2008:</b>					
Redistribution after annual general meeting	-	-667,636	38,554	629,082	-
Exchange rate differences	-	-	-13,769	-	-13,769
<b>Profit/loss January - June 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,918</b>	<b>3,918</b>
<b>Total changes during 2008</b>	<b>0</b>	<b>-667,636</b>	<b>24,785</b>	<b>633,000</b>	<b>-9,851</b>
Closing balance June 30, 2008	88,486	842,180	-13,769	3,918	920,815



**Biotage AB**

Interim report

Amounts in KSEK

2008-01-01 -- 2008-06-30

**INCOME STATEMENT BY SEGMENT**

	Biosystem	Discovery Chemistry	Corporate	Total
Net sales	51,254	184,037	-	235,291
Cost of goods sold	-15,939	-75,815	-	-91,754
<b>Gross profit</b>	<b>35,315</b>	<b>108,222</b>	<b>0</b>	<b>143,537</b>
Gross margin	68.9%	58.8%		61.0%
Selling expenses	-15,630	-65,473	-	-81,103
Administrative expenses	-3,144	-15,828	-4,869	-23,841
Research and development costs	-2,628	-14,345	-	-16,973
Other operating income	0	298	6,897	7,195
Other operating expenses	-12	-550	-10,486	-11,048
<b>Operating expenses</b>	<b>-21,414</b>	<b>-95,897</b>	<b>-8,459</b>	<b>-125,770</b>
<b>Operating profit/loss</b>	<b>13,901</b>	<b>12,325</b>	<b>-8,459</b>	<b>17,768</b>
Financial income net	-	-	3,600	3,600
<b>Profit/loss before income tax</b>	<b>13,901</b>	<b>12,325</b>	<b>-4,858</b>	<b>21,368</b>
Tax expenses	-	-	-181	-181
<b>Profit/loss after tax</b>	<b>13,901</b>	<b>12,325</b>	<b>-5,040</b>	<b>21,187</b>

Amounts in KSEK

2007-01-01 -- 2007-06-30

**INCOME STATEMENT BY SEGMENT**

	Biosystem	Discovery Chemistry	Corporate	Total
Net sales	48,920	201,089	-	250,010
Cost of goods sold	-17,614	-78,523	-	-96,137
<b>Gross profit</b>	<b>31,307</b>	<b>122,566</b>	<b>0</b>	<b>153,873</b>
Gross margin	64.0%	61.0%		61.5%
Selling expenses	-14,077	-72,974	-	-87,052
Administrative expenses	-2,734	-17,529	-5,707	-25,969
Research and development costs	-2,482	-19,669	-	-22,151
Other operating income	0	254	761	1,015
Other operating expenses	0	-259	-1,150	-1,409
<b>Operating expenses</b>	<b>-19,293</b>	<b>-110,178</b>	<b>-6,096</b>	<b>-135,566</b>
<b>Operating profit/loss</b>	<b>12,014</b>	<b>12,389</b>	<b>-6,096</b>	<b>18,307</b>
Financial income net	-	-	663	663
<b>Profit/loss before income tax</b>	<b>12,014</b>	<b>12,389</b>	<b>-5,432</b>	<b>18,970</b>
Tax expenses	-	-	26,340	26,340
<b>Profit/loss after tax</b>	<b>12,014</b>	<b>12,389</b>	<b>20,908</b>	<b>45,310</b>

**Biotage AB**

Interim report

Amounts in KSEK

2008-04-01 -- 2008-06-30

**INCOME STATEMENT BY SEGMENT**

	Biosystem	Discovery Chemistry	Corporate	Total
Net sales	26,219	95,092	-	121,311
Cost of goods sold	-8,121	-40,998	-	-49,119
<b>Gross profit</b>	<b>18,098</b>	<b>54,094</b>	<b>0</b>	<b>72,192</b>
Gross margin	69.0%	56.9%		59.5%
Selling expenses	-8,203	-33,471	-	-41,674
Administrative expenses	-1,570	-7,972	-2,562	-12,103
Research and development costs	-2,105	-7,705		-9,810
Other operating income	0	96	1,819	1,914
Other operating expenses	0	-133	-1,483	-1,615
<b>Operating expenses</b>	<b>-11,878</b>	<b>-49,186</b>	<b>-2,226</b>	<b>-63,289</b>
<b>Operating profit/loss</b>	<b>6,220</b>	<b>4,908</b>	<b>-2,226</b>	<b>8,903</b>
Financial income net	-	-	-738	-738
<b>Profit/loss before income tax</b>	<b>6,220</b>	<b>4,908</b>	<b>-2,964</b>	<b>8,165</b>
Tax expenses	-	-	-157	-157
<b>Profit/loss after tax</b>	<b>6,220</b>	<b>4,908</b>	<b>-3,121</b>	<b>8,007</b>

Amounts in KSEK

2007-04-01 -- 2007-06-30

**INCOME STATEMENT BY SEGMENT**

	Biosystem	Discovery Chemistry	Corporate	Total
Net sales	24,825	106,312	-	131,138
Cost of goods sold	-9,026	-42,123	-	-51,149
<b>Gross profit</b>	<b>15,800</b>	<b>64,189</b>	<b>0</b>	<b>79,989</b>
Gross margin	63.6%	60.4%		61.0%
Selling expenses	-7,381	-37,739	-	-45,120
Administrative expenses	-1,371	-7,925	-2,821	-12,117
Research and development costs	-1,426	-9,212	0	-10,638
Other operating income	-169	109	-669	-729
Other operating expenses	0	45	-354	-310
<b>Operating expenses</b>	<b>-10,346</b>	<b>-54,723</b>	<b>-3,844</b>	<b>-68,913</b>
<b>Operating profit/loss</b>	<b>5,454</b>	<b>9,466</b>	<b>-3,844</b>	<b>11,076</b>
Financial income net	-	-	-737	-737
<b>Profit/loss before income tax</b>	<b>5,454</b>	<b>9,466</b>	<b>-4,581</b>	<b>10,339</b>
Tax expenses	-	-	27,736	27,736
<b>Profit/loss after tax</b>	<b>5,454</b>	<b>9,466</b>	<b>23,155</b>	<b>38,075</b>