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30 October 2012

## INTERIM REPORT FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2012 (UNAUDITED)

Exiqon A/S (NASDAQ OMX Copenhagen: "EXQ") today announced results for the first nine months of 2012:

In summary (DKK million)	Q3 (2012)	Q3 (2011)	Q3 YTD (2012)	Q3 YTD (2011)	Outlook 2012
Revenue	30.1	27.1	83.1	81.3	110-115
Production costs	-10.9	-12.8	-36.3	-38.7	
Gross profit	19.2	14.3	46.8	42.7	
Total operating expenses excl. special items	-18.5	-18.0	-58.6	-56.3	
Special items	0.0	-7.8	0.0	-14.2	
EBIT	0.7	-11.6	-11.9	-27.9	~ -10
Net profit	-0.7	-8.1	-13.0	-25.7	
Cash Flow From Operating activities			-10.2	-21.9	< 0
EPS	-0.02	-0.23	-0.37	-0.76	

### Financial highlights

- Revenue increased 11% to DKK 30.1 million (DKK 27.1 million) in the third quarter of 2012. Research product sales and services (excluding OEM) increased 3% to a record DKK 22.5 (DKK 21.9 million) in the third quarter and 4% to DKK 63.9 million (DKK 61.5 million) in the first nine months of 2012.
- Total operating expenses increased 2% to DKK 18.5 million (DKK 18.0 million) in the third quarter of 2012 due to new hirings in Sales & Marketing.
- EBIT improved to DKK 0.7 million (DKK -11.6 million) in the third quarter and to DKK -11.9 (DKK -27.9) in the first nine months of 2012.
- Net profit was DKK -0.7 million (DKK -8.1 million) and EPS was DKK -0.02 (DKK -0.23) in the third quarter of 2012.
- Cash flow from operating activities improved 41% to DKK -4.0 million (DKK -6.9 million) in third quarter and 53% to DKK -10.2 million (DKK -21.9 million) in the first nine months of 2012.
- The financial outlook for 2012 is maintained.

### Operational highlights

- On July 10, 2012 Exiqon launched a miRCURY™ microRNA QC PCR Panel which facilitates the assessment of RNA quality including the testing for occurrence of hemolysis in serum and plasma samples, presence of PCR inhibitors as well as the efficiency of RNA sample preparation.
- On September 27, 2012 Exiqon launched a highly advanced bioinformatics tool 'miRSearch' that allows researchers to simply enter a gene ID, reference number or keyword and find both validated and predicted microRNAs.
- After end period, on October 17, 2012 Exiqon announced the appointment of a Takara Bio Inc. as new distributor in Japan, China, Hong Kong, South Korea, and India. Takara Bio Inc. is a leading provider and distributor of life science research products in Asia.
- Exiqon provides update on timelines from the company's collaborative hospital partners on the company's program for early detection of colorectal cancer; publication of data is expected end September 2013.

In a comment, CEO Lars Kongsbak said: "We see continued organic growth in Europe and Rest of World and welcome Takara Bio Inc. as new distributor of our products in Asia. We continue to strengthen our operations in North America and expect to have completed new hirings by yearend - in time to promote the upcoming expansion of our qPCR product portfolio."

Key figures for the Exiqon Group (unaudited)

(DKK'000 except key figures)	1 Jul. - 30 Sep. 2012	1 Jul. - 30 Sep. 2011	1 Jan. - 30 Sep. 2012	1 Jan. - 30 Sep. 2011	1 Jan. - 31 Dec. 2011
<b>Income statement</b>					
Revenue	30,053	27,089	83,094	81,333	111,458
Production costs	-10,884	-12,823	-36,319	-38,679	-49,296
Gross profit	19,169	14,266	46,775	42,654	62,162
Research and development costs	-4,886	-5,695	-16,491	-17,237	-22,954
Sales and marketing costs	-9,310	-7,960	-28,303	-24,455	-34,043
Administrative expenses	-4,266	-4,385	-13,851	-14,622	-19,435
EBITDA *)	2,699	-1,522	-6,019	-6,950	-5,081
Special items	0	-7,800	0	-14,200	-14,200
Operating profit/(loss) (EBIT)	707	-11,574	-11,870	-27,860	-28,470
Profit/(loss) for the period	-720	-8,058	-13,047	-25,718	-24,894
<b>Balance sheet</b>					
<b>Assets</b>					
Non-current assets			71,721	77,349	76,591
Inventories			13,358	18,612	15,037
Receivables			21,237	16,366	18,722
Cash and cash equivalents			13,736	19,426	12,151
Current assets			48,331	54,404	45,910
Total assets			120,052	131,753	122,501
<b>Equity and liabilities</b>					
Equity			84,340	78,991	80,158
Non-current liabilities			432	2,351	1,725
Current liabilities			35,280	50,411	40,618
Total liabilities			35,712	52,762	42,343
Equity and liabilities			120,052	131,753	122,501
<b>Cash flow statement</b>					
Cash flows from operating activities			-10,244	-21,903	-30,509
Acquisition of intangible assets and property, plant and equipment			-1,521	-1,605	-2,098
Cash flows from investing activities			-1,521	-1,605	-1,697
Cash flows from financing activities			13,435	24,186	24,575
Cash and cash equivalents at the end of period			13,736	19,426	12,151
Capital resources			13,736	19,893	12,151
<b>Key figures</b>					
Number of shares, average			35,694,867	33,896,947	34,193,409
Basic EPS cont. opr.	-0.02	-0.23	-0.37	-0.76	-0.73
Diluted EPS cont. opr.	-0.02	-0.22	-0.36	-0.72	-0.71
Gross margin	63.8%	52.7%	56.3%	52.4%	55.8%
Assets/Equity (gearing)			1.42	1.67	1.53
Average number of employees			73	70	71
Market price per share (DKK)			8.8	10.9	9.6
Market capitalisation (DKK million)			324.5	381.5	336.7
Price / net asset value			3.9	4.8	4.2
Net interest bearing debt / Equity			-0.01	-0.05	0.03
Net interest bearing debt / EBITDA			0.21	0.61	-0.12
Interest coverage			-8.78	-5.42	-4.36

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 2010" issued by the Danish Society of Financial Analysts, dated June 2010.  
 (\*) EBITDA (defined as Earnings Before Special Items, Interest, Tax, Depreciation and Amortization) includes non-cash cost of share-based payment in first nine months of 2012 with tDKK 2,143.

## **FINANCIAL REVIEW**

Reported figures are for the full reporting period. Figures for the comparable reporting period last year are stated in parenthesis.

Financial performance in the first nine months of 2012 compared to the first nine months of 2011:

The average USD/DKK exchange rate applied to translate revenue and expenses was DKK 5.78 for the first nine months of 2012 (DKK 5.26).

### **Revenue**

Total revenue increased 11% to DKK 30.1 million (DKK 27.1 million) in the third quarter, up from 9% in the second quarter and -13% in the first quarter of 2012. For the first nine months total revenue increased 2% to DKK 83.1 million (DKK 81.3 million), driven by the company's research product sales and services (excluding OEM) with an increase of 3.8% to DKK 63.9 million (DKK 61.5 million).

In Europe research product sales (excluding OEM) and services increased 12% to DKK 10.1 million (DKK 9.0 million) in the third quarter, and 18% to DKK 28.5 million (DKK 24.1 million) for the first nine months of 2012. North American research product sales (excluding OEM) decreased 14% to DKK 8.7 million (DKK 10.1 million) in the third quarter, in line with research product sales (excluding OEM) of -14% totaling DKK 24.9 million (DKK 29 million) in the first nine months of 2012. North American sales are expected to improve over the coming quarters following recent organizational changes and a change in sales strategy. In Rest of World research product sales (excluding OEM) increased 34% to DKK 3.8 million (DKK 2.8 million) in the third quarter and 26% to DKK 10.5 million (DKK 8.3 million) in the first nine months.

Revenue from services is characterized by large periodic variations. Services decreased 4% to DKK 5.1 million (DKK 5.3 million) in the third quarter of 2012 but increased 3% to DKK 12.0 million (DKK 11.6 million) in the first nine months of 2012.

Exiqon Diagnostics realized revenue of DKK 1.9 million (DKK 1.6 million) in the third quarter from awarded grants, license income and contract research work. Contract research was DKK 2.2 million (DKK 1.4 million) in the third quarter, and recognized license income was DKK 2.1 million (DKK 1.2 million).

### **Gross profit and margins**

Gross profit was DKK 19.2 million (DKK 14.3 million) in the third quarter. The gross margin on product sales was 57.8% compared to 47.8% in the same period last year. Gross margins have continuously improved during 2012 due to increased batch sizes and improved processes in manufacturing.

### **Operating costs**

Total operating costs, excluding special items and production costs, were on par with the same period last year at DKK 18.5 million (DKK 18.0 million) in the third quarter of 2012, including a 10% increase in sales and marketing costs due to new hirings. During the first nine months of 2012, total operating costs decreased 17% to DKK 58.6 million (DKK 70.5 million) primarily due to special items in the comparative period last year; excluding special items total operating costs increased 4% driven by an increase in year to date sales and marketing costs of 16% to DKK 28.3 million (DKK 24.4 million) .

Recognized non-cash costs of share based payment totaled DKK 0.9 million (DKK 0.6 million) in the third quarter and DKK 2.1 million (DKK 2.7 million) in the first nine months of 2012.

### **EBITDA and EBIT**

In the third quarter of 2012, EBITDA totaled DKK 2.7 million (DKK -1.5 million) and EBIT improved to DKK 0.7 million (DKK -11.6 million); leading to an improvement of EBIT with end of third quarter totaling DKK -11.9 million, over EBIT of DKK -12.6 million end of the second quarter.

### **Cash flow from operating activities**

Cash flow from operating activities improved 41% to DKK -4.0 million (DKK -6.9 million) in third quarter and 53% to DKK -10.2 million (DKK -21.9 million) in the first nine months of 2012.

## Summarized first nine months' financial numbers compared to full year outlook

In the table below, the company's realized performance for the first nine months of 2012 has been summarized and compared to the outlook for the full year; including an adjustment of the realized numbers to the exchange rate (USD/DKK 5.50) used as basis for the full year outlook:

(mDKK)	Realized 2012		Outlook 2012 (USD/DKK 5.50)
	Realized 2012 (USD/DKK 5.78)	adjusted to USD/DKK 5.50	
Revenue	83.1	81.5	110-115
EBIT	-11.9	-12.0	~ -10
Net result	-13.0	-13.2	
Non-cash adjustments	8.0	8.0	
Cash flow from operating activities	-10.2	-10.2	< 0

## OPERATIONAL HIGHLIGHTS

### Exiqon Life Sciences

- On July 10, 2012 Exiqon launched a miRCURY™ microRNA QC PCR Panel that facilitates the assessment of RNA quality including the testing for occurrence of hemolysis in serum and plasma samples, presence of PCR inhibitors as well as the efficiency of RNA sample preparation.
- On September 27, 2012 Exiqon launched a highly advanced bioinformatics tool 'miRSearch' that allows researchers to simply enter a gene ID, reference number or keyword and find both validated and predicted microRNAs by combining multiple gene reference systems.
- After end period, on October 17, 2012 Exiqon announced the appointment of a Takara Bio Inc. as new distributor in Japan, China, Hong Kong, South Korea, and India. Takara Bio Inc. is a leading provider and distributor of life science research products in Asia.
- Upcoming product launches planned before yearend include the following (non-exhaustive list):
  - In November, Exiqon plans to launch more than 130 new miRCURY LNA™ Universal RT microRNA PCR assays for detection and quantification of human viral miRNAs.
  - In November, Exiqon plans to launch a new RNA sample preparation kit for blood serum and plasma. The kit is fully compatible with clinical applications and prepares RNA ready for use in Exiqons miRCURY LNA™ Universal RT microRNA PCR system.
  - In December, Exiqon plans to launch a new cDNA synthesis kit which facilitates reverse transcription of mRNA, longer ncRNA and miRNA in one tube for downstream application in Exiqons miRCURY LNA™ Universal RT microRNA PCR system.
  - In December or January, Exiqon will launch new Toxicology Focus microRNA PCR Panels with assays for rat, monkey and dog miRNAs. The selected miRNAs are indicative of organ damage and may be able to show drug induced organ injury or toxic response. Together with major pharmaceutical companies, Exiqon will seek to validate the potential use of miRNA's as biomarker organ injury or toxic response. Pre-clinical toxicology studies constitute a significant market opportunity.

### Exiqon Diagnostics

- Exiqon's collaborative hospital partners on the program for early detection of colorectal cancer have reported first clinical samples for the prospective study ready for profiling by early January, 2013. By the end of the third quarter 2012, more than 4,300 patients were recruited for the planned prospective trial. Recruitment is expected to be complete by end November 2012 – totaling approximately 5,000 patients. First samples will be ready for profiling by early January 2013 and full clinical dataset is expected to be ready for release by April 1, 2013. Publication of data is expected end September 2013.
- Exiqon plans to announce data from its program on the risk of recurrence of stage II colon cancer using the company's proprietary microRNA qPCR system as soon as data analysis has been completed, expectedly within the coming months.

## FINANCIAL OUTLOOK 2012

Total revenue is expected around DKK 110-115 million.

EBIT is expected around DKK -10 million. Cash flow from operating activities is expected to be moderately negative.

The outlook for 2012 is based on an average USD/DKK exchange rate of DKK 5.50.

The outlook for 2012 does not include any significant one-time payments from new license agreements. Exiqon continuously pursues new license and partnering opportunities.

The Board of Directors continues to monitor the company's working capital needs in light of sales performance and credit availability. Any additional share capital increases, we expect may be covered under existing authorizations to the Board of Directors.

### Directors' and Management's statement on the interim report

The Board of Directors and the Executive Management have today considered and approved the interim report of Exiqon A/S for the period 1 January – 30 September 2012.

The interim report has been 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 September 2012. 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, 30 October 2012

### Executive Management

Lars Kongsbak, CEO

Hans Henrik Chrois Christensen, CFO

### Board of Directors

Thorleif Krarup  
Chairman

Erik Walldén  
Deputy Chairman

Michael Nobel

Per Wold-Olsen

### Additional information

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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.*

## Statement of comprehensive income (unaudited)

(DKK'000)	Note	1 Jul. - 30 Sep. 2012	1 Jul. - 30 Sep. 2011	1 Jan. - 30 Sep. 2012	1 Jan. - 30 Sep. 2011	1 Jan. - 31 Dec. 2011
Revenue	2,3	30,053	27,089	83,094	81,333	111,458
Production costs		-10,884	-12,823	-36,319	-38,679	-49,296
<b>Gross profit</b>		<b>19,169</b>	<b>14,266</b>	<b>46,775</b>	<b>42,654</b>	<b>62,162</b>
Research and development costs		-4,886	-5,695	-16,491	-17,237	-22,954
Sales and marketing costs		-9,310	-7,960	-28,303	-24,455	-34,043
Administrative expenses		-4,266	-4,385	-13,851	-14,622	-19,435
Special items		0	-7,800	0	-14,200	-14,200
<b>Operating profit (EBIT)</b>		<b>707</b>	<b>-11,574</b>	<b>-11,870</b>	<b>-27,860</b>	<b>-28,470</b>
Financial income		1,824	1,236	4,573	1,709	2,953
Financial expenses		-3,125	-882	-5,409	-2,650	-3,745
<b>Profit/(loss) before tax</b>		<b>-594</b>	<b>-11,220</b>	<b>-12,706</b>	<b>-28,801</b>	<b>-29,262</b>
Tax on profit/(loss) for the period		-126	3,162	-341	3,083	4,368
<b>Profit/(loss) for the period</b>		<b>-720</b>	<b>-8,058</b>	<b>-13,047</b>	<b>-25,718</b>	<b>-24,894</b>
<b>Total other comprehensive income</b>						
Exchange adjustments relating to foreign subsidiaries		873	-155	-104	-527	-732
<b>Total comprehensive income and expenses for the period</b>		<b>153</b>	<b>-8,213</b>	<b>-13,151</b>	<b>-26,245</b>	<b>-25,626</b>
<b>Earnings per share</b>						
Basic EPS		-0.02	-0.23	-0.37	-0.76	-0.73
Diluted EPS		-0.02	-0.22	-0.36	-0.72	-0.71

## Consolidated statement of financial position (unaudited)

(DKK'000)	Note	30 Sep. 2012	30 Sep. 2011	31 Dec. 2011
Goodwill		49,368	49,368	49,368
Acquired patent rights		7,246	8,295	8,033
Acquired software licenses		5,340	5,809	5,518
Intangible assets under construction		154	535	714
<b>Intangible assets</b>		<b>62,108</b>	<b>64,007</b>	<b>63,633</b>
Leasehold improvements		420	941	751
Production and laboratory equipment		2,574	5,984	4,960
Fixtures and fittings, tools and equipment		693	1,046	781
<b>Property, plant and equipment</b>		<b>3,687</b>	<b>7,971</b>	<b>6,492</b>
Deferred tax assets		4,092	3,101	4,393
Deposits		1,834	2,270	2,073
<b>Financial assets</b>		<b>5,926</b>	<b>5,371</b>	<b>6,466</b>
<b>Non-current assets</b>		<b>71,721</b>	<b>77,349</b>	<b>76,591</b>
<b>Inventories</b>		<b>13,358</b>	<b>18,612</b>	<b>15,037</b>
Trade receivables		18,591	15,332	17,682
Other receivables		1,621	290	398
Prepayments		1,025	744	642
<b>Receivables</b>		<b>21,237</b>	<b>16,366</b>	<b>18,722</b>
<b>Cash and cash equivalents *)</b>	4	<b>13,736</b>	<b>19,426</b>	<b>12,151</b>
<b>Current assets</b>		<b>48,331</b>	<b>54,404</b>	<b>45,910</b>
<b>Total assets</b>		<b>120,052</b>	<b>131,753</b>	<b>122,501</b>
Share capital		36,874	35,002	35,069
Reserves		47,466	43,989	45,089
<b>Equity</b>		<b>84,340</b>	<b>78,991</b>	<b>80,158</b>
Financial lease liabilities		432	2,351	1,725
<b>Non-current liabilities</b>		<b>432</b>	<b>2,351</b>	<b>1,725</b>
Financial lease liabilities		1,972	3,332	2,657
Trade payables		7,286	19,477	10,371
Short term bank loan		10,077	9,533	10,097
Other payables		10,666	11,932	11,562
Prepayments		5,279	6,137	5,931
<b>Current liabilities</b>		<b>35,280</b>	<b>50,411</b>	<b>40,618</b>
<b>Total liabilities</b>		<b>35,712</b>	<b>52,762</b>	<b>42,343</b>
<b>Total equity and liabilities</b>		<b>120,052</b>	<b>131,753</b>	<b>122,501</b>

(\*) Total capital resources tDKK 13,736 end September 2012.

## Consolidated statement of cash flow (unaudited)

(DKK'000)	1 Jan. – 30 Sep. 2012	1 Jan. – 30 Sep. 2011	1 Jan. – 31 Dec. 2011
Operating profit from continued operations (EBIT)	-11,870	-27,860	-28,470
Depreciation	5,857	6,746	9,267
Non-cash adjustments (warrants)	2,143	2,669	2,694
Change in working capital	-5,458	-1,651	-10,435
Profit/loss on sale of assets	0	104	-401
<b>Cash flows from primarily activities</b>	<b>-9,328</b>	<b>-19,992</b>	<b>-27,345</b>
Net interest and value gains	-916	-1,911	-3,164
<b>Cash flows from operating activities</b>	<b>-10,244</b>	<b>-21,903</b>	<b>-30,509</b>
Acquisition of intangible assets	-869	-1,233	-1,586
Acquisition of property, plant and equipment	-652	-372	-512
Sale of assets	0	0	401
<b>Cash flows from investing activities</b>	<b>-1,521</b>	<b>-1,605</b>	<b>-1,697</b>
Repayment of lease debt	-1,978	-3,214	-4,113
Repayment of loans	241	0	172
Proceeds from capital increase	16,246	19,001	19,002
Costs in relation to capital increase	-1,056	-1,101	-1,130
Short term bank loan	-18	9,500	10,095
Proceeds from warrant exercises	0	0	549
<b>Cash flows from financing activities</b>	<b>13,435</b>	<b>24,186</b>	<b>24,575</b>
<b>Change in cash and cash equivalents</b>	<b>1,670</b>	<b>678</b>	<b>-7,631</b>
Cash and cash equivalents at the beginning of the period	12,151	18,184	18,184
Unrealised currency gain/(loss)	-85	564	1,598
<b>Cash and cash equivalents at the end of the period</b>	<b>13,736</b>	<b>19,426</b>	<b>12,151</b>



## Consolidated statement of changes in equity (unaudited)

Consolidated	Number of shares No.	Share capital (DKK'000)	Other reserves		Retained profit (DKK'000)	Total (DKK'000)
			Reserve for exchange adjustments (DKK'000)	Share-based payment (DKK'000)		
<b>Equity at 1 January 2012</b>	<b>35,069,026</b>	<b>35,069</b>	<b>-999</b>	<b>10,861</b>	<b>35,227</b>	<b>80,158</b>
Profit/(loss) for the year					-13,047	-13,047
Exchange adjustments relating to foreign subsidiaries			-104			-104
<b>Total comprehensive income</b>		<b>0</b>	<b>-104</b>	<b>0</b>	<b>-13,047</b>	<b>-13,151</b>
Proceeds from capital increases	1,805,056	1,805			14,441	16,246
Costs in relation to capital increases					-1,056	-1,056
Share-based payment				2,143		2,143
<b>Other transactions</b>	<b>1,805,056</b>	<b>1,805</b>	<b>0</b>	<b>2,143</b>	<b>13,385</b>	<b>17,333</b>
<b>Equity at 30 September 2012</b>	<b>36,874,082</b>	<b>36,874</b>	<b>-1,103</b>	<b>13,004</b>	<b>35,565</b>	<b>84,340</b>
<b>Equity at 1 January 2011</b>	<b>33,335,249</b>	<b>33,335</b>	<b>-267</b>	<b>27,741</b>	<b>23,858</b>	<b>84,667</b>
Profit/(loss) for the year					-25,718	-25,718
Exchange adjustments relating to foreign subsidiaries			-527			-527
<b>Total comprehensive income</b>		<b>0</b>	<b>-527</b>	<b>0</b>	<b>-25,718</b>	<b>-26,245</b>
Proceeds from capital increases	1,666,777	1,667			17,334	19,001
Costs in relation to capital increases					-1,101	-1,101
Share-based payment				2,669		2,669
<b>Other transactions</b>	<b>1,666,777</b>	<b>1,667</b>	<b>0</b>	<b>2,669</b>	<b>16,233</b>	<b>20,569</b>
<b>Equity at 30 September 2011</b>	<b>35,002,026</b>	<b>35,002</b>	<b>-794</b>	<b>30,410</b>	<b>14,373</b>	<b>78,991</b>

## Notes to the interim financial statements

### Note 1 Accounting policies

The interim report of the Exiqon Group for the period 1 January – 30 September 2012 is 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 company's Annual Report for the financial year 2011.

After the Annual Report for the financial year 2011 was presented, the International Accounting Standards Board (IASB) has issued new and revised Standards and Interpretations. The implementation of the new and revised Standards and Interpretations are not currently relevant for Exiqon and has not affected the recognition or measurement.

Management has not made any new significant accounting estimates or assumptions besides those included in the Annual Report for 2011.

### Note 2 Revenue

(DKK'000)	1 Jul. - 30 Sep. 2012	1 Jul. - 30 Sep. 2011	1 Jan. - 30 Sep. 2012	1 Jan. - 30 Sep. 2011	1 Jan. - 31 Dec. 2011
Product sales	20,709	19,284	60,237	58,956	78,913
Services	5,075	5,299	11,985	11,644	15,371
License income	2,050	1,155	4,823	4,446	8,766
Contract research *)	2,219	1,351	6,049	6,287	8,408
	<b>30,053</b>	<b>27,089</b>	<b>83,094</b>	<b>81,333</b>	<b>111,458</b>

\*) Including grants and third party financing of product development.

### Note 3 Segment information

Exiqon's Management has organized the reporting in two reportable operating segments: Exiqon Life Sciences and Exiqon Diagnostics.

Exiqon Life Sciences includes the sales of research products for miRNA analysis and services. Life Sciences and Services are considered to have similar financial characteristics. For reporting purposes these two segments are considered as one.

Exiqon Diagnostics includes R&D of a variety of diagnostic tests currently under development and not yet ready for sale. Exiqon Diagnostics is presented as a reporting segment in accordance with the quantitative thresholds guidance in IFRS 8.

Management monitors the operating results of its business segments separately to decide the resource allocation and performance assessments. Segment performance is monitored on operating results (EBIT) as presented in the table below. Financial items and taxes are managed on a corporate level and are not allocated to operating segments.

(DKK'000)	30 September 2012			Consolidated
	Life Sciences	Diagnostics	Other <sup>1)</sup>	
Revenue:				
External customers	78,314	4,780		83,094
Internal customers	748	0	-748	0
Total revenue	79,062	4,780	-748	83,094
EBITDA	5,024	-11,043		-6,019
Operating profit/(loss) (EBIT)	631	-12,501		-11,870
Net non-operating cost			-836	-836
Profit (loss) before tax	631	-12,501	-836	-12,706
Assets	60,925	49,531	9,596	120,052

1) The item 'Other' includes Group eliminations, adjustments and net non-operating items.

### Geography

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

(DKK'000)	1 Jul. - 30 Sep. 2012	1 Jul. - 30 Sep. 2011	1 Jan. - 30 Sep. 2012	1 Jan. - 30 Sep. 2011	1 Jan. - 31 Dec. 2011
North America	11,348	11,046	31,056	34,339	42,712
Europe	14,248	13,002	40,435	38,095	56,701
Rest of World	4,457	3,041	11,603	8,899	12,045
	<b>30,053</b>	<b>27,089</b>	<b>83,094</b>	<b>81,333</b>	<b>111,458</b>

### Note 4 Cash and cash equivalents

Exiqon has a credit facility by our bank of DKK 10 million.

(DKK'000)	30 Sep. 2012	30 Sep. 2011	31 Dec. 2011
Cash and cash equivalents	13,736	19,426	12,151
Credit facilities	0	467	0
<b>Capital resource</b>	<b>13,736</b>	<b>19,893</b>	<b>12,151</b>