



Q4

Year-end Report January-December 2007

- Net sales was MSEK162,4 (199,8).
- Operating loss was MSEK -53,9 (-128,4).
- Write down of intangible assets and restructuring costs affected the operating profit with MSEK 31,0 (82,0).
- Operating loss excluding write downs and restructuring cost was MSEK-22,9 (-46,4).
- Loss after tax was MSEK -61,3 (-149,2).
- Earnings per share totalled SEK -2,96 (-8,51).

ORTIVUS IN BRIEF Ortivus AB is a Healthcare IT company that offers information and decision-making support systems for Healthcare, Emergency Medical Services and Public Safety in Europe and North America. Ortivus AB is listed on the OMX Nordic Exchange Small Cap list and was established in 1985. Ortivus has approximately 165 employees and subsidiaries in Denmark, Germany, Great Britain, Canada, and the US.

Year-end Report January–December 2007

SUMMARY OF 2007

The intensive development efforts for MobiMed and CoroNet that were initiated in 2005 in order to within a short time frame develop internationally competitive product, were finalized during the first half of 2007. Development expenses for these products have mainly been capitalized, and have decreased to a normal level during the second half of 2007. The estimates regarding international growth has been reassessed from a timing perspective, due to delayed product launches and certain misjudgements related to the market channel structure. Strong measures have therefore been taken to decrease cost and revise the market strategies.

Several promising projects with both partners and customers were initiated in Europe during 2007. A first MobiMed system was sold in Spain, and in Germany, an important MobiMed reference installation was put into operation.

CoroNet was selected of yet another University hospital in Sweden, and the international marketing efforts via partners mainly in Germany and Italy have been intensified.

In the beginning of the year, Ortivus received an order in the UK totalling MSEK 14, for ePR (electronic patient record) within the framework of the NHS Connecting for Health-project. A partial delivery worth MSEK 4,7 has been made, but due to delays of the project it is still too early to estimate when the different applications can be deployed. Ortivus has fulfilled its commitments, and is ready to start delivery.

The German subsidiary has now been stabilized. A number of strategy changes have been made in order for the company to meet the tough competition by better leveraging on its position and competence. A new CEO took position after the summer and initiated further cost reductions. The underlying operating result is now positive, and the company has a stable platform for long term growth.

A new software platform has been developed in North America. The platform enables faster response to changes in customer and market requirements, and is also a precondition for a potential launch of the North American applications in Europe. The North American core business shows a stable growth, however negatively affected by the depreciation of the dollar.

SUMMARY OF THE FOURTH QUARTER 2007

Cost reductions, streamlining and changes of market strategies have all been in focus for the Swedish operation during the fourth quarter. This means among other things a transition from distributors to industrial partners, focusing on fewer markets and a clear positioning of the company as a supplier of IT solutions rather than of products. The estimates regarding international growth for MobiMed and CoroNet has been reassessed from a timing perspective, due to delayed product launches, which made the company write down capitalized development expenses with MSEK 18,7 during the fourth quarter.

As a part of the streamlinings, the Danish sales office has been terminated, and the responsibility for activities on the Danish market has been allocated to other units in the group.

The German subsidiary's investments in teleradiology has resulted in an important order of MSEK 3,5 in the fourth quarter. Further cost reductions have been made, mainly through employee reductions.

The North American operations continue in a stable manner. Development of the first applications based on a new software platform has been finalized during the fourth quarter, and introduction of these applications will start in North America in early 2008.

RESULTS AND FINANCIAL POSITION

Segments

MSEK Jan-Dec	North America		Europe excl Nordic		Nordic & other		Eliminations		Group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
External sales	62,9	68,1	70,9	83,0	28,6	48,7	0,0	0,0	162,4	199,8
Internal sales			1,4	1,2	1,2	5,0	-2,6	-6,2		
Net Sales	62,9	68,1	72,3	84,2	29,8	53,7	-2,6	-6,2	162,4	199,8
Operating profit/loss	10,6	6,6	-6,1	-76,1	-58,3	-58,9	-0,1	0,0	-53,9	-128,4

The table above shows Ortivus' net sales and operating profit for each geographic region and for the Group.

Sales

MSEK Net Sales	2007 oct-dec	2006 oct-dec	Change %	2007 jan-dec	2006 jan-dec	Change %
North America	16,7	14,9	12	62,9	68,1	-8
Europe (excl Nordic)	15,8	20,2	-22	70,9	83,0	-15
Nordic (& Other regions)	9,6	16,2	-41	28,6	48,7	-41
Total	42,1	51,3	-18	162,4	199,8	-19

The Group's sales totalled MSEK162,4 (199,8) for the year.

Sales in the Nordic region decreased substantially, primarily due to launch and sales successes in the Swedish market 2006 which affects comparison between periods.

For Europe, the 15% decrease in sales is attributable to Germany. This is primarily due to a changed product mix, with less hardware, however with a higher relative gross margin. Revenue for Europe includes 4,7 MSEK recognized in the second quarter, related to the ePR order of 14 MSEK related to the NHS Connecting for Health project.

Sales in North America decreased by 8%, mainly due to currency exchange depreciation. Sales in local currency for the US operation increased by 5%.

Sales for the fourth quarter totalled MSEK 42,1 (51,3).

Gross profit and overhead

Consolidated gross profit for the period totalled MSEK 106,7 (121,8). Gross margin increased from 61% to 66%, which is mainly due to a lower percentage of hardware in deliveries to Germany and licensing revenues regarding the ePR order in England.

The Group's operating expenses totalled MSEK 160,6 (250,1). The Group's operating expenses excluding write downs and restructuring costs totalled MSEK 129,6 (168,1). The substantial cost decrease is due to structured cost reductions in all entities. The operating expenses for 2006 include some smaller events of a one-time character in North America.

Restructuring costs and write downs totalled MSEK 31,0 (82,0) MSEK. The allocation is shown in the following table.

	2007	2006
Total operating expenses	160,6	250,1
Restructuring costs Germany	5,9	8,7
Restructuring costs for the Swedish operation	1,5	-
Severance payment to previous CEO	4,9	-
Write down of goodwill related to the German subsidiary	-	48,9
Write down of intangible assets	18,7	24,1
Divestiture of associated company (Germany)	-	0,3
<i>Total provisions/write downs</i>	<i>31,0</i>	<i>82,0</i>
Operating expenses excluding restructuring and write downs	129,6	168,1

Write down of intangible assets 2007 concerns capitalized development expenses for MobiMed and CoroNet. The restructuring in Germany 2006 has led to substantially lower costs in 2007. During the fall the new CEO for the German company has developed a new strategy and reduced the organization further, generating a provision for restructuring costs of MSEK 4,0. The restructuring costs in Germany totalled MSEK 5,9 (8,7).

Capitalized expenditures for the year totalled MSEK 18,3 (33,3), of which capitalization of development expenditures for CoroNet and MobiMed totalled 12,5 (26,5).

Operating expenses for the fourth quarter totalled MSEK 57,6 (130,5), of which provisions and write downs totalled MSEK 22,9 (82,0). The capitalization rate for MobiMed and CoroNet decreased substantially during the year, and capitalized development expenses for these products amounted to MSEK 0,3 (5,4) for the fourth quarter.

Earnings

Consolidated operating profit totalled MSEK -53,9 (-128,4) for the year, of which write downs and restructuring costs totalled MSEK -31,0 (-82,0). Consolidated operating profit excluding those costs totalled MSEK -22,9 (-46,4).

The changes in the German subsidiary have generated a positive operating profit for the underlying operation (excluding restructuring cost and group internal charges).

Profit after financial items totalled MSEK -53,1 (-127,8). Current tax is mainly attributable to North America. After assessment of the value of deferred tax assets in the Canadian company, all previously capitalized deferred tax assets, totalling MSEK 7,6, have been reversed. Profit after tax totalled MSEK -61,3 (-149,2) which corresponds to earnings per share of SEK -2,96 (-8,51) SEK.

Operating profit for the fourth quarter totalled -29,3 (-99,4) MSEK, including provisions and write downs of MSEK -22,9 (-82,0). Operating profit excluding provisions and write downs totalled MSEK -6,4 (-17,4).

Cash flow, investments and liquidity

Cash flow for current operations totalled MSEK -1,4 (-40,4) for the year, and was affected negatively by MSEK -5,1 (-) MSEK in regard to restructuring costs in Germany. Investments totalled MSEK -23,0 (-40,3) MSEK and were mainly constituted by capitalized development expenses. The decrease in investments is mainly due to the substantial decrease in capitalization of development expenses for MobiMed and CoroNet. Financing activities generated a cash flow for the year of MSEK -8,5 (152,8) through amortizations of long term loans. For 2006 cash flow from financing activities include a share issue of MSEK 173.

Cash flow for the year was MSEK -32,9 (72,2). At the end of the year, the Group's liquid funds totalled MSEK 57,2 (90,8). Current investments totalled MSEK 8,2 (7,8) MSEK. Consolidated net financial items totalled MSEK 0,8 (0,6) MSEK, and the Group's debt/equity ratio totalled 0,13x (0,16x).

Cash flow for the fourth quarter totalled MSEK -5,8 (20,6) MSEK. Cash flow for the fourth quarter 2006 was positively affected by a short term financial investment of MSEK 50.

Parent Company

Net Sales for the Parent Company totalled MSEK 26,5 (47,4), and profit after financial items totalled MSEK -59,2 (-84,7). Investments in intangible assets related to capitalized development expenses totalled MSEK 12,5 (26,5) for the year. Write downs of intangible assets affected profit with MSEK -18,7 (-16,9). Provisions for restructuring, including severance payments to the previous CEO, affected the profit with MSEK -6,4 (-).

Employees

The average number of employees for the Group was 157 (163).

Significant risks and uncertainty factors

The identified risks and uncertainty factors that may specifically affect Ortivus' sales and result short term are primarily:

Export efforts for prioritized markets

During 2005 and 2006 Ortivus made attempts to extensively expand beyond historical markets in an effort to grow. These efforts have not yet produced favourable results, which has placed a significant burden on cash resources. The short to mid term business effects are still difficult to assess.

NHS Connecting for Health project

The NHS CfH project, for which Ortivus is one of the selected vendors in association with Fujitsu Services, has been subject to delay. Assessments about at what point in time the remaining portion of the initial partial order of 14 MSEK and further orders can be taken up as revenue are uncertain.

Liquidity

The above risks and uncertainty factors affect liquidity. The Board of Directors are actively working with the liquidity issue and have during February received a letter of intent from some major shareholders regarding a short to mid term financing solution with the purpose of strengthening the Group liquidity.

Ortivus has an established process for risk management. A more in-depth report regarding this can be found on page 29 and also under note 26 in the Ortivus Annual Report for 2006.

Transactions with affiliates

No transactions have taken place during 2007 between Ortivus and affiliates that have substantially affected the Company's position and result.

Accounting principles

This year-end report was for the Group prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RR31, Interim Reporting for Groups. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act, and RR32:06, Accounting for legal entities. The Group's accounting principles and calculation methods are the same as those used in the Annual Report for 2006.

Dividend

The Board proposes that no dividend shall be paid for the fiscal year 2007.

Annual shareholders meeting

The ordinary annual shareholders meeting will be held May 5, 2008 at 15.00, in Konferens Spårvagnshallarna, Birger Jarlsgatan 57A, Stockholm.

Notice to attend and proposals will be available in due time on the Company's web site, www.ortivus.com.

Forecast for the Group for 2008

The Company has during 2007 taken strong measures regarding cost reductions and changed market strategies. Efforts to safeguard the long term profitability growth, including a review of the Group structure, will continue during 2008. The North American operation is estimated to continue to generate a healthy profitability. The operating result of the German subsidiary is estimated to be positive. The efforts for volume growth for MobiMed and CoroNet outside the Nordic region are entering into a new phase, and the company has a positive view on the long term profitability potential. These efforts will however mean a continued negative cash flow for the parent company for 2008. All in all, the result for the Group will be negative also for 2008.

Danderyd on February 19, 2008
Ortivus AB (publ)
The Board

The information in this report is such which Ortivus is required to disclose under the Securities Markets Act. It was released for publication at 16.00 on February 19, 2008

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Future reporting dates

The annual report for fiscal 2007 will be published and available in the Ortivus office from April 21, 2008.

Interim report for Q1 will be published on May 5, 2008

Interim report for Q2 will be published on August 20, 2008

Interim report for Q3 will be published on November 19, 2008

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

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Consolidated Statement of Income

<i>Amounts in SEK thousand</i>	<i>Oct. - Dec. 2007</i>	<i>Oct. - Dec. 2006</i>	<i>Jan. - Dec. 2007</i>	<i>Jan. - Dec. 2006</i>
Net sales	42 105	51 279	162 408	199 776
Cost of goods sold	-13 795	-20 224	-55 687	-78 024
Gross Profit	28 310	31 055	106 721	121 752
Other operating revenues	2 681	1 405	8 956	4 344
Selling expenses	-13 306	-73 207	-53 396	-134 752
Administrative expenses	-12 861	-18 158	-50 784	-48 435
Research and development costs	-32 327	-36 812	-61 611	-67 215
Other operating expenses	-1 758	-2 335	-3 797	-3 748
Share of profit/loss associated companies	-	-1 354	-	-333
Operating profit/loss	-29 261	-99 406	-53 911	-128 387
Financial net	-28	-408	799	603
Profit/loss after financial items	-29 289	-99 814	-53 112	-127 784
Current tax	-2 502	-1 134	-4 691	-5 583
Deferred tax	-5 372	-29 445	-3 486	-15 819
Net result after tax	-37 163	-130 393	-61 289	-149 186
Attributable to Equity holders of the Parent Company	-37 163	-130 393	-61 289	-149 186
Earnings per share - basic and diluted, SEK (earnings after tax/average number of shares)	-1,79	-6,30	-2,96	-8,51
Number of shares as at closing day (thousands)	20 708	20 708	20 708	20 708
Average number of shares (thousands)	20 708	20 708	20 708	17 534
Depreciation and impairment of non-current assets:	25 620	79 850	39 521	92 553
- of which related to intangible fixed assets	22 262	77 155	31 320	85 567
- of which deprec. related to intangible fixed assets	18 735	72 974	18 735	72 972

Comments on the income statement

R&D-expenses 2007 includes write downs of intangible assets of MSEK 18,7 (24,1). Selling expenses 2006 include write down of goodwill of MSEK 48,9. Restructuring costs affect selling, administrative and R&D expenses with a total of MSEK 12,3 (8,7).

Consolidated Balance Sheet

Amounts in SEK thousand

	Dec. 31, 2007	Dec. 31, 2006
Non-current assets		
Goodwill	63 859	63 917
Other intangible fixed assets	59 357	70 474
Plant, property, and equipment	13 049	16 764
Deferred tax assets	13 190	15 673
Total non-current assets	149 455	166 828
Current assets		
Inventories	12 697	10 602
Current receivables	25 930	57 893
Short-term investments	8 188	7 796
Cash and cash equivalents	57 177	90 778
Total current assets	103 992	167 069
TOTAL ASSETS	253 447	333 897
Shareholders' equity	163 022	226 029
Non-current interest bearing liabilities	12 877	20 854
Other non-current liabilities	9 420	7 326
Current interest bearing liabilities	8 644	14 332
Other current liabilities	59 484	65 356
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	253 447	333 897
Pledged security and potential obligations		
Pledged security	23 188	22 796
Potential obligations	7 626	7 970

Consolidated Statement of Cash Flow

Amounts in SEK thousand	Oct. - Dec. 2007	Oct. - Dec. 2006	Jan. - Dec. 2007	Jan. - Dec. 2006
Cash flow from operating activities	-1 433	-6 945	-1 396	-40 418
Cash flow from investment activities	-2 204	32 085	-22 999	-40 277
Cash flow from financing activities	-2 176	-4 515	-8 547	152 846
Cash flow for the period	-5 813	20 625	-32 942	72 151

Change in Consolidated Shareholders' Equity

<i>Amounts in SEK thousand</i>	<i>Dec. 31, 2007</i>	<i>Dec. 31, 2006</i>
Opening balance	226 029	229 717
New Share issue	-	160 619
Translation differences	-1 718	-15 121
Result for the period	-61 289	-149 186
Closing balance	163 022	226 029

Group Key Financial Measures

	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
Net result after tax, KSEK	-61 289	-149 186	-17 713	18 572
Net result margin, %	-33	-64	-10	17
Earnings per share - basic and diluted, SEK ¹⁾	-2,96	-8,51	-1,22	1,28
Return on shareholders' equity, % ²⁾	neg	neg	neg	8
Return on capital employed, % ²⁾	neg	neg	neg	10
Equity/assets ratio, %	64	68	64	87
Debt/equity ratio	0,13x	0,16x	0,17x	0,00
Equity per share, SEK	7,87	10,92	15,79	15,82
Average number of employees	157	163	144	115

¹⁾ Historic figures are restated for bonus issue-effect on new share issue 2006.

²⁾ On rolling 12-month basis.

The key financial measures are stated according to IFRS.

Parent Company Income Statement

<i>Amounts in SEK thousand</i>	<i>Oct. - Dec. 2007</i>	<i>Oct. - Dec. 2006</i>	<i>Jan. - Dec. 2007</i>	<i>Jan. - Dec. 2006</i>
Net sales	9 222	14 671	26 450	47 381
Cost of goods sold	-3 571	-8 294	-12 232	-24 506
Gross Profit	5 651	6 377	14 218	22 875
Operating costs	-25 330	-42 453	-72 177	-80 635
Operating profit/loss	-19 679	-36 076	-57 959	-57 760
Net Financial items	-1 069	-27 853	-1 232	-26 978
Profit/loss after financial items	-20 748	-63 929	-59 191	-84 738
Taxes	-	-32 099	-	-22 987
Net result after tax	-20 748	-96 028	-59 191	-107 725
Depreciation and impairment of tangible and intangible assets:	21 708	21 301	29 678	27 314
- of which related to intangible assets	21 305	20 104	27 874	25 519

Parent Company Balance Sheet

<i>Amounts in SEK thousand</i>	<i>Dec. 31, 2007</i>	<i>Dec. 31, 2006</i>
Non-current assets		
Intangible assets	25 113	40 444
Tangible assets	5 107	5 610
Shares in Group companies	132 442	132 642
Total non-current assets	162 662	178 696
Current assets		
Inventories	7 630	6 301
Current receivables	37 146	43 816
Cash and bank deposits	22 177	69 937
Total current assets	66 953	120 054
TOTAL ASSETS	229 615	298 750
Shareholders' equity	188 173	247 364
Provisions	3 270	2 259
Non-current liabilities	12 397	19 997
Current liabilities to credit institutions	8 265	7 895
Other current liabilities	17 510	21 235
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	229 615	298 750
Pledged security and potential obligations		
Pledged security	15 000	15 000
Potential obligations	7 626	7 970

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This is a translation of Ortivus' year-end report in Swedish. In the event of any discrepancy between the Swedish and the English versions, the former shall have precedence.