

LinkMed AB (publ) Interim report, January - June 2007

Important events in the second quarter

- ONCOlog enters into a partnership agreement with the Belgian company IBA
- ONCOlog receives breakthrough order for SEK 9 million
- SACS Medical is granted 510k clearance by the FDA
- Pharmacolog i Uppsala AB is a new portfolio company
- LinkMed invests SEK 20 million in AnaMar Medical and IMED
- IMED strengthens management with new CEO and Chairman
- AbSorber, Recopharma and NovaHep move into new joint premises

Important events after the period-end

- ONCOlog out-licences cobalt technology business concept for SEK 12 million
- Due to a delay in the commercial launch of XM-ONE at AbSorber's distributor, AbSorber is not expected to achieve its prognosis of a positive cash flow for 2007. LinkMed's assessment that XM-ONE should be able to achieve a market share of 25 percent in Europe and the U.S. before 2011 remains unchanged.

Financial information for January – June, 2007

- Results from investment operations amounted to SEK 0.0 million (0.0)
- Other income amounted to SEK 2.5 million (1.8), of which SEK 1.3 million (0.9) is related to the second quarter
- Results after tax amounted to SEK -4.2 million (-6.1), of which SEK -2.0 million (-4.2) is related to the second quarter
- Earnings per share were SEK -0.49 (-1.23)
- Shareholders' equity was SEK 292.0 million, compared to SEK 296.2 million at December 31, 2006. Shareholders' equity per share was SEK 33.47 (33.96)
- Equity/assets ratio was 98 percent compared to 97 percent at December 31, 2006
- Cash and bank balances totalled SEK 172.6 million compared to SEK 202.7 million at December 31, 2006

Comments on the first six months of 2007 from CEO Ingemar Lagerlöf:

"We are delighted to register great interest for ONCOlog Medical's new products and have great expectations for the collaboration between the Belgian company IBA and SCC of Sweden."

"We continue to have strong confidence in XM-ONE's long-term potential, despite a delay in the commercial launch at our distributor."

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Important events in the second quarter

Associated companies

ONCOlog enters into partnership agreement with the Belgian company IBA

In April, ONCOlog Medical entered into a partnership agreement with the Belgian company IBA to deliver patient logistic systems to the proton-therapy clinics that IBA delivers. Today, IBA holds 50 percent of the world market for proton and particle therapy clinics.

ONCOlog receives order worth SEK 9 million

In May, ONCOlog Medical received an order for a patient logistics system for Europe's first proton therapy clinic being established at the University Hospital of Essen, Germany. The order value is SEK 9 million and is for the equipment. The service agreement will be negotiated at a later stage. The order is within the framework of the partnership agreement with the Belgian company IBA.

SACS Medical is granted 510k clearance by the FDA

In June, SACS Medical was granted 510k clearance from the U.S. Food and Drug Administration for sales of its system in the U.S.

Pharmacolog i Uppsala is a new portfolio company

In April, ONCOlog Medical spun off part of its operations into a new company called Pharmacolog i Uppsala AB. Pharmacolog's operations lie outside ONCOlog Medical's core business area of Radiotherapy. The new company will develop systems to control the content and concentration of liquid pharmaceutical drugs and is taking over the legal rights to Druglog. LinkMed is Pharmacolog's largest shareholder, owning 48 percent of the company.

IMED strengthens management with new CEO and Chairman

In April, IMED appointed a new CEO, Lotta Ljungqvist, and a new Chairman, Carl-Gustaf Johansson. Ljungqvist, who is IMED's first full-time CEO, joined IMED from Biovitrum. Carl-Gustaf Johansson has, among other positions, been President and CEO of Astra and AstraZeneca in the U.S. and Executive Vice President of Astra and AstraZeneca globally.

AbSorber, Recopharma and NovaHep move to new premises

In April, AbSorber, Recopharma and NovaHep moved into joint premises at the Novum research park at the Karolinska University Hospital in Huddinge. The companies now have their own laboratory, which will enhance effectiveness, accessibility and will facilitate quality assurance of research.

LinkMed's investment operations

LinkMed invests SEK 20 million in AnaMar and IMED

LinkMed decided to invest a total of SEK 20 million in AnaMar Medical and IMED. LinkMed utilized its option in AnaMar Medical to subscribe to shares for SEK 7.5 million and also entered into an agreement with the other principal shareholder Koncentra Holding to invest a further SEK 2.5 million each in a new share issue. LinkMed and Karolinska



Development I and II, have decided to contribute SEK 10 million each in a targeted new issue of IMED shares. The investments are being made in the third quarter.

Solid flow of proposals

LinkMed is actively evaluating investment proposals in order to expand the portfolio by 5 to 10 companies. During the quarter, LinkMed received a solid flow of investment propositions. Six companies met LinkMed's investment criteria and are now at the final evaluation stage.

Important events after the period-end

ONCOlog is out-licensing its cobalt technology business concept for SEK 12 million

LinkMed's portfolio company ONCOlog Medical has entered into an agreement to out-license its cobalt-technology based turnkey radiotherapy clinics to Scandinavian Cancer Care AB (SCC). Through the agreement, ONCOlog Medical will receive SEK 12 million divided over a three year period, of which SEK 2 million has been received and a further SEK 2 million will be received when the project plan is approved. Following that, SEK 8 million will be received when the project reaches certain milestones. ONCOlog Medical also has rights to royalties on future sales.

Delayed commercial launch for AbSorber's XM-ONE

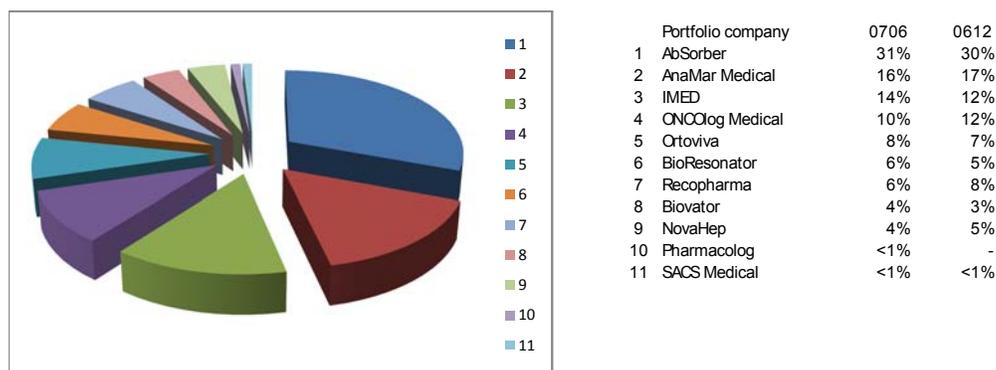
Clinics are showing a great interest in XM-ONE. AbSorber is collaborating with the U.S. company BD (Becton Dickinson & Company), which owns the sales rights for the product outside the Nordic region. Transplantation is a new and prioritized business area for BD. Development of the new business area's organization has taken longer than expected and training of BD's sales and marketing staff did not start until June. This has led to a delay in the commercial launch of XM-ONE, which in turn means that AbSorber is not expected to achieve its prognosis of a positive cash flow for 2007. AbSorber has an active program to accelerate sales, which is described on page 6. LinkMed's assessment that XM-ONE should be able to achieve a market share of 25 percent in Europe and the U.S. before 2011 remains unchanged.

About LinkMed

LinkMed develops new life-science companies in collaboration with innovators and other financiers. By contributing entrepreneurship and capital, LinkMed had, at the end of the reporting period, created a portfolio of eleven companies, six in drug development and biotechnology 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. The LinkMed share is listed on the OMX Nordic Exchange, Stockholm, and the company's largest shareholders are FastPartner, Koncentra Holding, the founder Ingemar Lagerlöf and Mannerson Fastigheter.

Portfolio development

Estimated breakdown of the portfolio's value



LinkMed continuously monitors the value development of its portfolio companies and their projects. In order to estimate the value of the portfolio of companies, LinkMed uses a probability adjusted cash flow model, described at www.linkmed.se. Valuation at the end of the second quarter was unchanged compared to the previous quarter and in line with estimated value at the year-end. Now, as then, the four largest portfolio companies account for 71 percent of portfolio value. At June 30, the agreement with SCC had not yet been completed and therefore the out-licensing of the cobalt-technology business concept had not been given a value.

Investments in associated companies, SEK thousands

Associated companies	Invested by LinkMed ¹⁾		Total invested ¹⁾		Ownership stake		Share of portfolio value ²⁾
	2007	2006	2007	2006	2007	2006	
	Jun 30	Dec 31	Jun 30	Dec 31	Jun 30	Dec 31	
<i>Drug development and biotech</i>							
AbSorber	19 363	13 526	40 500	35 000	40,4%	40,4%	31%
AnaMar Medical	28 174	27 914	133 100	123 100	25,6%	29,2%	16%
Biovator	3 658	2 593	8 203	7 153	46,0%	46,0%	4%
IMED	10 997	11 010	26 100	26 100	38,8%	38,8%	14%
NovaHep	3 673	2 626	3 725	2 725	49,5%	49,5%	4%
Recopharma	15 660	10 949	17 313	12 183	49,5%	49,5%	6%
<i>Medtech</i>							
BioResonator	5 304	5 305	12 250	12 250	42,4%	42,4%	6%
ONCOlog Medical	18 876	13 425	30 812	25 362	48,1%	48,1%	10%
Ortoviva	4 319	4 320	4 321	4 321	49,0%	49,0%	8%
Pharmacolog	893	-	1 150	-	48,0%	-	<1%
SACS Medical	12 379	10 838	14 100	12 850	42,8%	42,8%	<1%
Summa	123 296	102 506	291 574	261 044			

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

²⁾ Evaluated according to LinkMed's probability adjusted cash flow model.

LinkMed's accumulated investments in associated companies during the first six months of 2007 was SEK 123.3 million compared to SEK 102.5 million at the end of 2006. In the

second quarter, investments increased by SEK 10.2 million. The largest investments during the period were made in Recopharma, AbSorber and ONCOlog Medical.

LinkMed was accountable for 66 percent of investments made in associated companies in the first six months, which increased LinkMed's share of investments in associated companies to 41 percent (39).

Financial information associated companies Q2 2007, SEK thousands

Associated companies	Capitalized ¹⁾	Cash	Assets	Liabilities	Equity	Revenue ²⁾	Net profit	Cash flow ³⁾
<i>Drug development and biotech</i>								
AbSorber	11 475	1 315	19 086	10 235	8 851	2 112	-3 622	-3 301
AnaMar Medical	10 686	4 767	17 871	13 887	3 984	2015	-13 705	-14 616
Biovator	3 597	392	4 175	2 215	1 960	130	-790	-866
IMED	741	4 761	6 705	1 409	5 296	0	-2 453	-2 470
NovaHep	2 298	388	2 710	2 541	169	0	-458	-613
Recopharma	2 299	1 823	13 166	9 578	3 588	0	-3 117	-2 935
<i>Medtech</i>								
BioResonator	5 877	1 396	7 535	6 349	1 186	550	-765	-1 532
ONCOlog Medical	7 347	1 387	12 153	11 459	694	6 450	-1 038	-3 334
Ortoviva	5	1 889	2 147	379	1 768	0	-2 552	-2 432
Pharmacolog	621	356	1 134	692	442	0	-58	-794
SACS Medical	5 362	115	6 140	6 083	57	1 564	-1 170	-1 917
Q2 2007	50 308	18 589	92 822	64 827	27 995	12 821	-29 728	-34 810
Total 2006	46 722	21 537	86 292	44 998	41 294	16 896	-67 551	-67 916
LinkMed's share								
Q2 2007	20 210	7 278	37 931	26 580	11 351	5 458	-10 824	-13 010
Total 2006	18 649	7 867	34 678	17 734	16 944	7 032	-22 601	-24 270

¹⁾ Capitalization refers to development and patent costs brought forward.

²⁾ Revenue includes capitalized development and patent costs with a total of SEK 5 007.

³⁾ Cash flow refers to the operation's cash flow after investments

The associated companies are prepared in accordance with ARL och BFN.

All associated companies had negative cash flows during the first six months of 2007, which totalled SEK -34.8 million compared to SEK -67.9 million for the full year 2006. Cash flow mainly comprised costs for development work financed by the owners. At June 30, the associated companies together had cash and cash equivalents of SEK 18.6 million compared to SEK 21.5 million at the year-end.

Today, AbSorber, AnaMar Medical, IMED and BioResonator already have owners who take an active part in financing. ONCOlog Medical is currently in a process to raise capital and Recopharma plans to seek out new investors in 2007, who together with LinkMed can contribute continued financing. The associated companies with the greatest capital requirements for 2007 are IMED, Recopharma and ONCOlog Medical.

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™ identifies important antibodies responsible for rejection subsequent to transplantation. The company is also developing an AB0 Column for

transplantations between individuals of different blood groups and an ABO diagnostic tool that measures the occurrence of blood group antibodies.

AbSorber	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	11 475	1 315	19 086	10 235	8 851	2 112	-3 622	-3 301
12 months 2006	10 518	2 056	13 661	1 187	12 474	1 568	-4 580	-7 598

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

The XM-ONE product launch was based on preliminary results of trials carried out at leading, highly qualified university clinics in the U.S. and Europe (John's Hopkins, Baltimore, Mass General, Boston, Ohio State University, Baylor Health, Dallas, Sahlgrenska, Göteborg and Karolinska University Hospital, Huddinge). The final data was compiled in June and confirmed positive preliminary results. The results of the study will shortly be submitted for publishing in scientific publications.

The aim of AbSorber's ongoing study program is to facilitate clinics in making the decision to use XM-ONE as part of their transplantation routines. A study has recently been carried out to show how XM-ONE can be integrated into existing testing routines without a change in routines or an increase in time consumption or work effort. These findings are expected to make it easier for clinics to start using XM-ONE as a part of their routines. The result of the study will be presented at the European Society for Organ Transplantations conference at the end of September.

Furthermore, the XM-ONE study program has been expanded to include the types of cells that are usually used during transplantation from a deceased donor. Trials have started at the Karolinska University Hospital in Huddinge. The number of kidney transplantations from deceased donors varies from country to country and is estimated at 60 percent in Europe and more than 50 percent in the U.S. If the results of the trials confirm the preliminary, then XM-ONE will be able to address the entire kidney transplantation market.

AbSorber itself manages sales in the Nordic market and is initially focusing its sales and marketing efforts on the Swedish market. The Karolinska University Hospital routinely uses XM-ONE during kidney transplantations from live donors. BD, which handles sales in the rest of Europe, is targeting its work on larger clinics in Northern Europe. Transplantation is a new and prioritized business area for BD. Development of the new business area's organization has taken longer than expected and training of the BD's sales and marketing staff did not start until June. In Europe, 20 or so clinics are currently evaluating the transplantation test.

The U.S. launch of XM-ONE is pending FDA registration. A change over of administrators at the American authority in July meant a delay in the administration of the registration, which probably means that the commercial launch for the U.S. market will be delayed.

Due to a delay in the commercial launch of XM-ONE, AbSorber is not expected to achieve its prognosis of a positive cash flow for 2007. LinkMed's assessment that XM-ONE should be able to achieve a market share of 25 percent of the kidney transplantation industry in Europe and the U.S. before 2011 remains unchanged.

The company's development of ABO-columns is proceeding according to plan.

Sales of XM-ONE accounted for SEK 0.9 million in the first six months of 2007, of which SEK 0.3 million was related to sales to the healthcare industry in Sweden through AbSorber's own sales organization and SEK 0.6 million is related to sales in the rest of Europe through BD's sales organization.

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 six drug candidates in preclinical trials, two biomarkers in prototype development and two commercially available biomarkers, COMP®-Elisa and Animal COMP-Elisa.

AnaMar Medical	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	10 686	4 767	17 871	13 887	3 984	2 015	-13 705	-14 616
12 months 2006	12 407	7 970	23 165	16 914	6 251	3 500	-41 215	-32 249

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

SEK 1.8 million of revenues were from sales of biomarkers, which is a marked improvement from 2006, when sales for the entire year were SEK 2.3 million.

Work to out-license AnaMar Medical's MCR agonist, which is documented for rheumatoid arthritis, advanced during the period. Interest in the compound from potential licensees is deemed as good. Parallel to the out-licensing discussions, AnaMar Medical continues to develop the project by completing the IND studies that are required prior to testing in humans.

AnaMar has also initiated the out-licensing process for other drug development projects: AM220 with the wound healing agent ColMod and AM250 with SCI for spinal injuries. Both of these projects lie outside AnaMar Medical's primary focus area, which is destructive joint diseases. The out-licensing of these drug candidates is expected to occur in 2008 at the earliest.

The company has two new biomarkers under development that are estimated to have great potential. One is a biomarker that provides an early diagnosis of osteoarthritis (chronic joint degeneration) and one is a biomarker that supplements COMP in tests for rheumatism. Both biomarkers are developing well and according to plan.

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 results that are more reliable. The tests are designed for use in the chemical, cosmetic and pharmaceutical industries.

Biovator	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	3 597	392	4 175	2 215	1 960	130	-790	-866
12 months 2006	3 449	209	3 807	1 130	2 677	0	-1 203	-1 074

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

Development work is proceeding well and a finished product is expected in 2008.

IMED AB

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

IMED	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	741	4 761	6 705	1 409	5 296	0	-2 453	-2 470
12 months 2006	738	7 231	8 112	363	7 749	0	-4 146	-4 541

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

The pace of development work has increased since the new CEO Lotta Ljungqvist assumed her position in April. LinkMed and Karolinska Development I and II have decided to contribute SEK 20 million for the next stage of development.

NovaHep AB

NovaHep's operations are based on research in liver stem cells. This research, conducted in collaboration with the Karolinska Institute, is aimed at differentiating cell lines from fetal liver stem cells, which can then be used in transplant patients, for example. The company's initial goal is to develop an immortalized cell line and then begin development work for more specific applications.

NovaHep	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	2 298	388	2 710	2 541	169	0	-458	-613
12 months 2006	2 298	2	2 388	1 761	627	0	-408	-1 871

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

NovaHep is expected to reach its goal of achieving an immortalized cell line in 2007. LinkMed itself will continue to finance the company for the rest of the year. Following this, NovaHep shall select prioritized areas of application for further commercial development.

Recopharma AB

Recopharma is active in the area of recombinant glycoproteins. These mucin-like proteins with customized glycolization effectively retard specific biological processes. Recopharma develops mucins for the vaccine market (adjuvants and tumor vaccines) and antimicrobial substances to combat the bacteria that cause stomach ulcers as well as viruses such as influenza and the Norwalk virus. The company also intends to optimize and produce other companies' drugs

Recopharma	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	2 299	1 823	13 166	9 578	3 588	0	-3 117	-2 935
12 months 2006	1 553	20	11 400	4 695	6 705	55	-4 856	-4 955

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

The company is conducting tests in the area of vaccine adjuvants (vaccine boosters), for which preliminary results are expected in the third quarter.

The pace of development activity has accelerated in conjunction with the move to new premises. The company has plans to invest in production equipment at its plant in Luleå. To accomplish this, the company has to raise a significant amount of capital.

Medtech companies

BioResonator AB

BioResonator develops biomedical sensors and diagnostics for use in several healthcare areas. The company focuses primarily on the development of a concept and prototypes to measure eye pressure. Pilot studies have also been conducted in cancer diagnostics and oedema diagnostics.

BioResonator	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	5 877	1 396	7 535	6 349	1 186	550	-765	-1 532
12 months 2006	5 326	2 928	8 333	6 407	1 926	1 409	-977	-2 016

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

BioResonator, In collaboration with its U.K. partner Keeler, is developing two prototypes of eye pressure measurement tools that will be tested at eye clinics starting in the fourth quarter. Clinics will primarily give feedback on product user-friendliness, which will be used to form the commercial product prior to the 2008 launch.

The company's product for the diagnosis of prostate cancer is developing according to plan.

ONCOlog Medical QA AB

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

ONCOlog Medical	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	7 347	1 387	12 153	11 459	694	6 450	-1 038	-3 334
12 months 2006	5 165	0	8 547	6 814	1 733	8 874	-4 886	-7 698

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

In April, ONCOlog entered into a partnership agreement with the Belgian company IBA, which resulted in a first order for a patient logistics system in May for Europe's first proton-therapy clinic in Essen, Germany. The value of the order is SEK 9 million and covers equipment only.

In July, ONCOlog Medical out-licensed the rights to its Turnkey Radiotherapy Clinics based on Cobolt Technology business concept to SCC (Scandinavian Cancer Care), for which ONCOlog received an initial SEK 2 million. ONCOlog Medical will receive a further SEK 2 million when the project plan is approved and SEK 8 million when the project reaches certain milestones as well as royalty payments for sales after 2010. Through out-licensing, ONCOlog Medical has found an effective way to commercialize this business area, with continued focus on its core operations.

Sale of the Druglog business area to the newly formed company Pharmacolog, provides ONCOlog with further opportunity to focus on its core operations, while at the same time facilitating conditions for effective development of the Druglog project.

The Essen order accounted for SEK 1.7 million of SEK 6.4 million in revenues for the first six months.

The partnership agreement between IBA and SCC is expected to have a positive effect on the process to raise capital that was initiated at the beginning of 2007. LinkMed intends to participate in a future new issue of shares and is financing the company with a bridge loan until the process to raise capital has been completed.

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	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
8 months 2006/2007	5	1 889	2 147	379	1 768	0	-2 552	-2 432

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

Ortoviva performed tests of "Distractor" in clinical environments, which provided vital information for future development work. The development of Distractor is expected to be completed at year-end 2008. The development of the company's other products is continuing according to plan.

Pharmacolog i Uppsala AB

Pharmacolog develops systems to control the content and concentration of pharmaceutical drugs. The company is developing a product called Druglog, which is a quality assurance system for controlling liquid drugs such as cytotoxins. Pharmacolog was spun off from ONCOlog Medical in April 2007.

Pharmacolog	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
2 months 2007	621	356	1 134	692	442	0	-58	-794

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

LinkMed's senior venture manager Lars Martin was appointed company Chairman and ONCOlog Medical's IT Director, Kjell Westerlund was appointed CEO.

Pharmacolog's operations will focus on developing a commercial prototype of Druglog, which among other things includes the industrial design of the product and selection of system parts. It also involves the development of different business models for the concept. The company has initially been financed with SEK 0.5 million of shareholders' equity and a loan from LinkMed.

SACS Medical Göteborg AB

SACS Medical has developed a system concept for medical signal handling of EEG (neuroanalysis) and EMG (motor analysis). The system allows specialized clinics to diagnose, monitor and treat patients spread out over a large area from a central location.

SACS Medical	Capitalized	Cash	Asstes	Liabilities	Equity	Revenue	Profit/loss	Cash flow
6 months 2007	5 362	115	6 140	6 083	57	1 564	-1 170	-1 917
12 months 2006	5 263	1	5 644	5 512	132	1 490	-4 793	-5 527

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

The company's system was given 510k clearance by the FDA in June, which is a requirement for sales in the U.S. market. The clearance gives a stamp of quality, which the company believes will facilitate work in finding an industrial partner for the company and its products. Discussions with potential industrial partners have been initiated.

Sales of the system to the healthcare industry in the Västra Götaland area of Sweden accounted for SEK 0.8 million of revenues

Financial Development, January - June 2007

Results

Since no divestments were made during the first six months, results of investment activities amounted to SEK 0.0 million (0.0). Other income, which is essentially comprised of consultancy revenues from associated companies, amounted to SEK 2.5 million (1.8), of which SEK 1.3 million (0.9) is related to the second quarter.

Operating costs increased from SEK 8.3 million to SEK 10.6 million, of which SEK 5.3 million (5.4) was related to the second quarter. The increase was primarily due to the fact that LinkMed strengthened its administrative resources in order to be able to fulfil the requirements of being a listed company.

Results from financial investments increased to SEK 3.8 million (0.4), of which SEK 2.1 million (0.3) is related to the second quarter. The increase is a result of the interest income on the liquidity from the new issue of shares that was carried out in conjunction with the listing of the company's shares on the Stockholm Stock Exchange in December 2006.

The results for the period totalled SEK -4.2 million (-6.1), of which SEK -2.0 million (-4.2) is related to the second quarter.

Investments

In the first six months of 2007, LinkMed invested a total of SEK 20.8 million in associated companies, of which SEK 10.2 million is related to the second quarter. The largest investments were made in Recopharma convertibles and loans to AbSorber and ONCOlog.

During the second quarter, LinkMed invested in a new portfolio company, Pharmacolog i Uppsala AB. The company was formed when LinkMed in collaboration with other shareholders acquired assets from ONCOlog Medical. A decision was also made to invest SEK 20 million in AnaMar Medical and IMED during the third quarter.

The book value of investments in associated companies increased during the six month period to SEK 120.8 million (100.0), of which SEK 89.5 million (88.2) constituted shares, SEK 7.3 million (2.2) convertibles and SEK 24.0 million (9.6) receivables.

Financial position, cash flow and key ratios

LinkMed's operations are financed by shareholders' equity. The equity/assets ratio was 98 percent (97). Shareholders' equity at the end of the quarter was SEK 292.0 million compared to SEK 296.2 million at December 31, 2006, which corresponds to SEK 33.47 (33.96) per share. Cash and cash equivalents totalled SEK 172.6 million (202.7). Cash flow for the period was SEK -31.1 million (30.0).

Other information

Risks and uncertainties

LinkMed's operations are exposed to various types of risks. Investment in associated companies and sales of the same naturally mean that different types of risk 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 individual. The market for divesting a shareholding in a company or attracting new investments can also vary over time. As LinkMed often invests in the early stage of an associated company's life cycle, 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 have a portfolio of associated companies with a certain spread, in part between different 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 the marketing and sales of products involves significant risk related to product liability. In certain cases when deemed necessary, LinkMed takes on insurance covering product liability. Some of the associated companies are dependent on approval through clinical trials or decisions from public authorities. No guarantees can be made that the associated company will achieve satisfactory results at such trials, nor that the necessary regulatory approval will be granted.

In order to reduce risk, LinkMed carries out careful due diligence before an investment is made. After the investment has been made, LinkMed makes 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 six 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.

Share and ownership

At June 30, 2007, LinkMed had 2,400 shareholders, up from 2,300 at the year-end 2006.

Principal shareholders at June 30, 2007	Number of shares	Capital/votes
FastPartner AB (publ)	1 640 000	18,8%
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	392 100	4,5%
Länsförsäkringar Skåne	180 500	2,1%
Bo Millstam	140 000	1,6%
Banque de Luxembourg	131 800	1,5%
Stellar Holdings Inc.	108 035	1,2%
Stan Mikulowski, direkt och indirekt	100 000	1,1%
Nordnet Pensionsförsäkring AB	86 160	1,0%
Banco Teknik & Innovation Pension	80 000	0,9%
Team Catella Tennisfond	68 200	0,8%
Avanza Pension	67 700	0,8%
Other	3 040 846	34,9%
Summa	8 721 985	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 applied as those used in the company's Annual Report for 2006.

Future report dates

Third quarter interim report	November 8, 2007
Year-end report 2007	February 21, 2008

This report and earlier releases can be found on www.linkmed.se

The Board of Directors and the CEO confirm that the January-June interim report provides a true and fair view of the company's operations, position and results, and describes the principal risks and uncertainties faced by the company and its associated companies.

Stockholm, August 23, 2007

Monica Caneman
Chairman of the Board

Agneta Edberg
Board member

Jan Eriksson
Board member

Anders Erlandsson
Board member

Sven-Olof Johansson
Board member

Gunnar Mattsson
Board member

Ingemar Lagerlöf
CEO

The information is of a nature that LinkMed AB is obliged to disclose according to the Exchange and Clearing Operations Act and /or the law covering trade with financial instruments. The information was disclosed on August 23, 2007 at 09:00.

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

LinkMed AB (publ)
Box 7710 – 103 95 Stockholm, Sweden – Corp ID number 556543-6127
Telephone + 46 8 50 89 39 92 – www.linkmed.se

Income statement

Amount in SEK thousands	2007 Apr-Jun	2006 Apr-Jun	2007 Jan-jun	2006 Jan-Jun	2006 Jan-Dec
<i>Operating income</i>					
Result from sales of associated companies	-	-	-	-	-
Write-downs of participations in associated companies	-	-	-	-	-2 500
Dividend from associated companies	-	-	-	-	-
Result from investing activities	0	0	0	0	-2 500
<i>Operating income</i>	1 265	943	2 514	1 805	4 050
Result from sales of associated companies					
Write-downs of participations in associated companies					
Dividend from associated companies	-2 670	-2 036	-4 657	-3 255	-7 974
Result from investing activities	-2 598	-3 321	-5 734	-5 012	-9 455
Depreciation of tangible and intangible fixed assets	-81	-24	-159	-39	-262
<i>Operating income</i>	-4 084	-4 438	-8 036	-6 501	-16 141
Result from financial investments	2 057	288	3 792	391	1 676
<i>Income before tax</i>	-2 027	-4 150	-4 244	-6 110	-14 465
Tax	-	-	-	-	-
<i>Net income for the period</i>	-2 027	-4 150	-4 244	-6 110	-14 465
Earnings per share before/ after dilution, SEK	-0,23	-0,77	-0,49	-1,23	-2,58
Number of shares at the period end before/ after dilution	8 721 985	5 721 985	8 721 985	5 721 985	8 721 985
The average number of shares before/ after dilution	8 721 985	5 413 264	8 721 985	4 976 284	5 599 135

Balance sheet

Amount in SEK thousands	2007 Jun 30	2006 Dec 31
<i>Assets</i>		
Intangible and tangible fixed assets	537	615
Participations in associated companies	89 498	88 189
Long-term receivables from associated companies	7 346	2 216
<i>Total fixed assets</i>	97 381	91 020
Short-term receivables from associated companies	23 952	9 601
Other short-term receivables	2 558	2 215
Cash and cash equivalents	172 583	202 673
<i>Total current assets</i>	199 093	214 489
<i>Total assets</i>	296 474	305 509
<i>Shareholders' equity and liabilities</i>		
Shareholders' equity	291 952	296 196
Short-term liabilities	4 521	9 313
<i>Total shareholders' equity and liabilities</i>	296 474	305 509
<i>Changes in shareholders' equity</i>		
Opening balance	296 196	64 124
New share issue	-	263 726
New share issue costs	-	-17 189
Net income for the period	-4 244	-14 465
<i>Closing balance</i>	291 952	296 196

Cash flow statement

Amount in SEK thousands	2007	2006	2006
	Jan-Jun	Jan-jun	Jan-Dec
Cash flow from operating activities			
before changes in working capital	-4 085	-6 052	-11 684
Cash flow from changes in working capital	-5 134	2 308	7 601
Cash flow from operations	-9 219	-3 744	-4 083
Cash flow from investing activities	-20 871	-14 045	-40 062
Cash flow from financing activities	0	47 775	243 959
Cash flow for the period	-30 090	29 986	199 814
Cash and cash equivalents at the opening of the period	202 673	2 859	2 859
Cash and cash equivalents at the closing of the period	172 583	32 845	202 673

Key ratio

Amount in SEK thousands	2007	2006	2006	2005
	Jan-Jun	Jan-jun	Jan-Dec	Jan-Dec
Result from investing activities	0	0	-2 500	-368
Other income	2 514	1 805	4 050	3 615
Income before tax	-4 244	-6 110	-14 465	-3 544
Book value of shares, convertibles and loans	120 796	76 993	100 006	63 011
Balance sheet total	296 474	112 444	305 509	68 194
Equity/ asset ratio	98%	96%	97%	94%
Average no. of employees	5	4	5	3
Number of shares at the end of the period	8 721 985	5 721 985	8 721 985	4 493 546
The average number of shares	8 721 985	4 976 284	5 599 135	4 097 421
Earnings per share, SEK	-0,49	-1,23	-2,58	-0,86
Shareholders' Equity per share, SEK	33,47	18,94	33,96	14,27
Share price at the end of the period, SEK	47,30	-	69,00	-
Market value, SEK thousands	412 550	-	601 817	-

Participations in associated companies, Q2 2007, amounts in thousands

Associated companies	Area/ indication	Capital/ votes	Book value	Convertible	Other	Total
			share	bonds	receivables	
<i>Drug development and biotech</i>						
AbSorber	Transplantations	40,4%	13 358		6 005	19 363
AnaMar Medical	Joint disease	25,6%	28 159		15	28 174
Biovator	Allergies	46,0%	1 720		1 938	3 658
IMED	Cancer/ HIV/ Transplantations	38,8%	10 964		33	10 997
NovaHep	Liver stem cells	49,5%	1 218		2 455	3 673
Recopharma	Glycoproteins	49,5%	9 566	6 039	55	15 660
<i>Medtech</i>						
BioResonator	Eye disease/ cancer	42,4%	5 289		15	5 304
ONClog Medical	Cancer	48,1%	9 515		9 361	18 876
Ortoviva	Orthopedics	49,0%	4 270		49	4 319
Pharmacolog	Cancer	48,0%	240		653	893
SACS Medical	Surveillance and telemedicine	42,8%	5 199	1 307	3 373	9 879
Book value			89 498	7 346	23 952	120 796