

Interim report January – March 2007

- Net sales in the first quarter amounted to 118.9 (120.6) MSEK. At comparable exchange rates sales increased by 5%.
- The operating result for the first quarter amounted to 7.2 (-12.2) MSEK.
- The net result for the first quarter amounted to 7.2 (-20.8) MSEK and the result per share to 0.08 (-0.24) SEK.
- The cash flow from operating activities amounted to 14.2 (-11.6) MSEK.
- Net sales in the last 12 months amounted to 517.8 MSEK and the operating result to 25.9 MSEK.
- At the end of March the company introduced two new products at the congress of the ACS, the American Chemical Society, in Chicago; a new, modified system for evaporation, V10 and SNAP, a newly developed series of consumables for purification, which were both received positively.
- McMaster University and Biotage have signed an agreement regarding the development of a new chemistry platform which will enable a more efficient production within the areas of molecular imaging and therapy agents. These areas address new markets of interest to Biotage with the existing product portfolio.
- In accordance with authorization from the Annual General Meeting on April 27, 2006 a global share option program for the Group's employees was approved.

Amounts in MSEK	1 st quarter 2007	1 st quarter 2006	Full year 2006	Last 12 month
Net sales	118.9	120.6	519.5	517.8
Cost of goods sold	-45.0	-47.5	-199.8	-197.3
Gross profit	73.9	73.1	319.7	320.5
Operating expenses	-66.7	-85.3	-313.3	-294.6
Operating profit/loss	7.2	-12.2	6.5	25.9
Financial items	1.4	-6.5	-0.4	7.5
Profit/loss after financial items	8.6	-18.7	6.1	33.4
Tax expenses	-1.4	-2.2	-3.2	-2.5
Profit/loss after tax	7.2	-20.8	2.8	30.9

Group result and financial position

In the first quarter 2007 Group net sales decreased by 1% compared to the first quarter 2006, from 120.6 MSEK to 118.9 MSEK. At constant exchange rates sales increased by 5%.

The Group's gross margin increased from 60.6% in the first quarter 2006 to 62.2% in the first quarter 2007. The gross margin was positively influenced by decreased production costs and by a change in the product mix resulting in an increased share of consumables, but negatively by a considerable weakening to the US dollar.

The strong reduction of the operating expenses has continued and they amounted to 66.7 MSEK (85.3).

Investments in the first quarter 2007 amounted to 15.1 MSEK (12.9). Of this sum 12.0 MSEK (4.5) were capitalized development costs. In the first quarter 2007 amortizations were made to the amount of 9.9 MSEK (9.7). Of this sum 3.1 MSEK (2.2) were amortizations of capitalized development costs.

The operating result improved from -12.2 MSEK in 2006 to 7.2 MSEK in 2007.

The net financial income amounted to 1.4 MSEK (-6.5). During the quarter dividends from the financial holding in Corbett have been received to the amount of 3.4 MSEK.

The Group's tax expense in the first quarter amounted to -1.4 MSEK (-2.2).

The result after taxes amounted to 7.2 MSEK, corresponding to 0.08 SEK per share, compared to -20.8 MSEK in 2006, corresponding to -0.24 SEK per share.

The cash flow from operating activities amounted to 14.2 MSEK (-11.6).

Balance sheet items

At March 31, 2007 the Group's cash and securities totaled 51.6 MSEK, compared to 50.1 MSEK at December 31, 2006. Granted unutilized credits amounted to 37.8 MSEK compared to 38.2 at the turn of the year. The Group's interest-bearing liabilities amounted to 80.5 MSEK (76.7).

At the balance sheet date the Group had a total goodwill of 477.0 MSEK (471.8). 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 exchange rate effects.

Other intangible fixed assets in the form of patents and license rights amounted to 30.8 MSEK (31.7) and capitalized development costs to 49.0 MSEK (40.0).

At the balance sheet date the equity capital amounted to 725.2 MSEK, compared to 712.5 MSEK at December 31, 2006. The Group's equity capital has increased with 7.2 MSEK due to the year's net result, with 0.2 MSEK due to stock related remunerations, and with 5.3 MSEK due to changed exchange rates.

Discovery Chemistry (Medicinal chemistry)

Amounts in MSEK	1 st quarter 2007	1 st quarter 2006	Full year 2006
Net sales	94.8	100.3	430.0
Operating result	2.9	-1.8	29.2

Group sales per geographic market

USA	43%	39%	43%
The EU area	44%	42%	43%
Rest of the world	13%	18%	14%
Group total	100%	100%	100%

In the first quarter the Discovery Chemistry business area decreased its net sales by 6% from 100.3 MSEK to 94.8 MSEK. At constant exchange rates the sales increased by 1%.

The market for the business area's products continued to be favorable in the first quarter. As previously reported, the Chem Dev business segment is being closed down and the sales in this product area have decreased. Other businesses show stable growth.

The United States were Discovery Chemistry's largest market, accounting for 43% of the sales. Europe contributed 44% and the rest of the world 13% of the business area's sales.

The gross margin was 61.6% (59.3%).

The business area's costs have gradually been reduced. The production costs have decreased, which together with higher productivity and a larger share of consumables has resulted in improved gross margins.

The operating result for the first quarter amounted to 2.9 MSEK, compared to -1.8 MSEK the same period last year. The operating margin for the first quarter was 3.1% (-1.8%).

The business area currently has several high priority development projects for new instruments and consumables.

At the end of March the company introduced two new products at the congress of the ACS, the American Chemical Society, in Chicago; a new, modified system for evaporation, V10 and SNAP, a newly developed series of consumables for purification, which were both received positively.

McMaster University and Biotage have signed an agreement regarding the development of a new chemistry platform which will enable a more efficient production within the areas of molecular imaging and therapy agents. These areas address new markets of interest to Biotage with the existing product portfolio.

Biosystems (Genetic analysis)

Amounts in MSEK	1 st quarter 2007	1 st quarter 2006	Full year 2006
Net sales	24.1	20.3	89.5
Operating result	6.6	-1.1	11.0

Group sales per geographic market

USA	50%	50%	51%
The EU area	40%	40%	39%
Rest of the world	10%	10%	10%
Group total	100%	100%	100%

In the first quarter the Biosystems business area increased its sales by 19% to 24.1 MSEK (20.3). At constant exchange rates the sales increased by 25%.

22 systems were sold during the quarter. The demand for and interest in the Pyrosequencing technology and its products continues to be high and the sales are growing strongly.

The United States were Biosystems' largest geographic market with 50% of the sales. Europe contributed 40% and the rest of the world 10% of the business area's sales.

The gross margin was 64.4% in the first quarter 2007 (67.5%). The gross margin was negatively affected by the considerable drop of the US dollar, which is the main currency for the business area's sales, while all production is carried out in Sweden. The product mix, with an increased share of systems in the lower price segment, has also affected the gross margin negatively.

The business area's good profitability continues and the operating result for the first quarter amounted to 6.6 MSEK (-1.1).

The operating margin for the first quarter was 27.2%, compared to -5.6% the corresponding period last year.

Biotage has the ambition to establish itself as a leading player in molecular diagnostics. The company is strengthening this market position by developing new instruments and tests. The launch of a new instrument, which is believed to strongly expand the installed base of instruments, is planned around the turn of the year 2007/2008. In parallel new molecular diagnostics tests are being developed in order to take a further part of this strongly growing market.

For several years Biotage has had an agreement with 454 Life Sciences Corporation giving 454 exclusive rights to the use of sequencing through synthesis and pyrophosphate based sequencing for analysis of complete genomes. On March 29 CuraGen Corporation and Roche announced that Roche will acquire 454 Life Sciences Corporation. Biotage's agreement with 454 Life Sciences will not be affected by this acquisition.

Major first quarter events

Global share option program for Biotage employees

In accordance with authorization from the Annual General Meeting on April 27, 2006 the board has approved a global share option program for the Group's employees - Biotage AB Global Share Option Plan 2006.

The board has furthermore, in accordance with authorization from the above mentioned Annual General Meeting, decided to allot 597,500 employee share options under the share option program. Members of the Group management receive a maximum of 30,000 share options each, senior higher officers a maximum of 10,000 share options each, other higher officers and key staff a maximum of 5,000 share options each and other employees a maximum of 3,000 share options each. The company's CEO and president has been allotted 55,000 options.

An employee share option entitles the possessor to acquire one ordinary share in Biotage for an exercise price of 16.64 SEK. The employee share options has a duration of 7 years and can be exercised between one year and three years after the allotment day with one third of the granted employee share options per one year period. The employee share options in principle require that the possessor is still employed by the Group at the time of exercising.

In order to ensure Biotage's obligations in connection with the allotment of the employee share options according to the share option program the board has also decided to issue a maximum of 700,000 warrants. The issue is made according to authorization by the Annual General Meeting on April 27, 2006. The warrants entitle to subscription for a maximum of 700,000 new ordinary shares in the company. A warrant as a duration of 7 years and entitles the holder to subscribe to one new ordinary share in Biotage for an issue price of 16.64 SEK. The right to subscribe to the warrants is due only to a bank appointed by the board.

The Board has proposed a new program to the Annual General Meeting 2007.

Change of securities type

At the Annual General Meeting on April 27 2006 new articles of association were adopted. According to the new articles there will only be one type of shares, i.e. ordinary shares. As a result of this the company's A share is changed into a share without serial designation. This means that the current securities type Ak A is changed to Ak in the system of the Swedish Securities Register Centre (VPC). The record day at VPC is March 29, 2007.

The Biotage share has the new short name BIOT. The first day of trading under the new short name is March 27, 2007.

The new ISIN code is SE0000454746.

Human resources

At March 31, 2007 the Group had 337 employees, compared to 332 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 first quarter 2007 the parent company reported income amounting to 2.2 MSEK (2.2).

A profit after financial items amounting to 5.7 MSEK is reported for the first quarter 2007 (-7.5).

The parent company's investments in intangible fixed assets in the first quarter 2007 amounted to 1.6 MSEK (0.3).

On March 31, 2007 cash and bank balance amounted to 10.1 MSEK, compared to 8.6 MSEK at December 31, 2006.

Annual General Meeting and dividends

The Annual General Meeting will be held at the company's office in Uppsala on April 26, 2007. Notice for the meeting has been announced and is available on the company's web site. Biotage's Annual Report has been distributed to the shareholders well in advance of the meeting.

Biotage's board of directors will propose to the Annual General Meeting that no dividends are paid for the financial year 2006.

Major events after the reported period

Biotage AB and Chempartner Co., Ltd have signed an agreement regarding delivery of instruments to strengthen Chempartner's offering of synthesis and purification capacity.

Shanghai Chempartner Co., Ltd., one of China's leading contract research companies, has invested in Biotage automated purification and microwave synthesis instruments for delivery during the next 12 months. This commitment is Biotage's single largest multimillion SEK order in China for a combination of Biotage microwave synthesis and purification instruments.

Financial reports in 2007

The interim report for the second quarter 2007 will be issued on August 14, 2007.

The interim report for the third quarter 2007 will be issued on October 25, 2007.

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

Uppsala April 26, 2007

Torben Jörgensen
President and CEO

For further information, please contact:

Torben Jörgensen, president and CEO, phone: +46 707 49 05 84
Mats-Olof Wallin, CFO, phone: +46 705 93 52 73

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 332 employees and had sales of 520 MSEK in 2006. Biotage is listed on the Stockholm stock exchange. Website: 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 accounting principles applied agree with those applied in the preparation of the Group's latest Annual Report, described on pp. 33-39 in the 2006 Annual Report.

Readers wishing to study the accounting principles presented in the 2006 Annual Report can download this report from Biotage AB's website www.biotage.se or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, or at info@biotage.com.

INCOME STATEMENTS

	2007-01-01	2006-01-01	2006-01-01	2006-04-01
Amounts in KSEK	2007-03-31	2006-03-31	2006-12-31	2007-03-31
Net sales	118,872	120,611	519,497	517,758
Cost of goods sold	-44,987	-47,466	-199,782	-197,300
Gross profit	73,884	73,144	319,715	320,458
Selling expenses	-41,932	-50,100	-183,467	-175,297
Administrative expenses	-13,852	-17,930	-65,571	-61,496
Research and development costs	-11,513	-16,008	-58,755	-54,260
Other operating income	1,744	1,820	1,715	1,639
Other operating expenses	-1,100	-3,108	-7,175	-5,167
Operating expenses	-66,653	-85,325	-313,253	-294,581
Operating profit/loss	7,232	-12,180	6,463	25,878
Financial income net	1,400	-6,474	-409	7,466
Profit/loss after financial items	8,631	-18,655	6,054	33,343
Tax expenses*	-1,396	-2,156	-3,238	-2,478
Profit/loss after tax	7,236	-20,811	2,816	30,865
Part related to the parent company´s shareholders	7,236	-20,811	2,816	30,865
Average shares outstanding	88,486,320	88,486,320	88,486,320	88,486,320
Average shares outstanding after dilution	89,211,801	88,934,089	88,884,498	88,952,410
Shares outstanding at closing day	88,486,320	88,486,320	88,486,320	88,486,320
Profit/loss per share SEK	0.08	-0.24	0.03	0.35
Profit/loss per share after dilution SEK	0.08	-0.24	0.03	0.35

*) The reported tax expenses are attributable to tax on profit in foreign subsidiaries.

BALANCE SHEETS

Amounts in KSEK	2007-03-31	2006-12-31
ASSETS		
Tangible assets	93,900	95,333
Goodwill	477,027	471,839
Other intangible assets	79,759	71,695
Financial assets	48,467	48,273
Total fixed assets	699,154	687,141
Inventory	96,257	85,627
Account receivable and other receivables	95,152	94,361
Liquid funds	51,600	50,136
Total current assets	243,009	230,124
TOTALT ASSETS	942,163	917,265
EQUITY AND LIABILITIES		
Total equity	725,165	712,474
Provisions	10,934	11,095
Long term liabilities	46,911	46,809
Accounts payable - trade	50,217	37,418
Other current liabilities	108,936	109,470
Total current liabilities	159,153	146,888
TOTAL EQUITY AND LIABILITIES	942,163	917,265

CASH FLOW STATEMENT

Amounts in KSEK	2007-01-01 2007-03-31	2006-01-01 2006-03-31	2006-01-01 2006-12-31
Operating activities			
Cash flow from operating activities before changes in working capital	20,587	-1,833	48,248
Changes in working capital	-6,432	-9,792	-8,340
Cash flow from operating activities	14,154	-11,625	39,908
Cash flow from investment activities	-15,139	-12,943	-43,099
Cash flow from financial activities	2,345	-887	1,647
Cash flow during period	1,361	-25,454	-1,543
Cash and liquid assets beginning of period	50,136	52,795	52,795
Exchange differences in liquid assets	103	-522	-1,115
Cash and liquid assets end of period	51,600	26,819	50,136

CHANGES IN EQUITY

Amounts in KSEK	2007	2006
Balance brought forward January, 1	712,474	738,252
Exchange rate differences	5,243	-1,913
Change due to outstanding option programs directed to employees of the Group	213	152
Profit/loss after tax	7,236	-20,811
Balance carried forward March 31,	725,165	715,680

Biotage AB (publ)
Interim report
2007-01-01 -- 2007-03-31

INCOME STATEMENTS BY SEGMENT

Amounts in KSEK	2007-01-01 -- 2007-03-31				2006-01-01 -- 2006-03-31			
	Biosystems	Discovery Chemistry	Other operations	Total	Biosystems	Discovery Chemistry	Other operations	Total
Net sales	24,095	94,777		118,872	20,297	100,315	-	120,612
Cost of goods sold	-8,588	-36,400		-44,987	-6,590	-40,877	-	-47,467
Gross profit	15,507	58,377	0	73,884	13,707	59,437	-	73,144
Gross margin	64.4%	61.6%		62.2%	67.5%	59.3%		60.6%
Operating expenses	-8,947	-55,455	-2,251	-66,653	-14,842	-61,270	-9,213	-85,325
Operating profit/loss	6,560	2,922	-2,251	7,232	-1,135	-1,833	-9,213	-12,180
Financial income net	-	-	1,400	1,400	-	-	-6,474	-6,474
Profit/loss after financial items	6,560	2,922	-851	8,631	-1,135	-1,833	-15,687	-18,655
Tax expenses	-	-	-1,396	-1,396	-	-	-2,156	-2,156
Profit/loss after tax	6,560	2,922	-2,247	7,236	-1,135	-1,833	-17,843	-20,811