BioPhausia®
– a specialty pharma company

BMM Pharma   Cross Pharma

2011

This information was submitted for publication on May 10, 2011

Interim report January – March 2011

Period January - March

- The Group's net sales for the period were SEK 134 (131) million. Adjusted for the divested OTC products, sales were SEK 112 million for the previous year.
- EBITDA for the period amounted to SEK 31 (18) million. Adjusted for the divested OTC products, EBITDA for the previous year was SEK 10 million.
- Operating profit totalled SEK 25 (11) million.
- Profit/loss after tax for the period was SEK 18 (-3) million.
- Earnings per share after tax, before and after dilution, for the period were SEK 0.05 (-0.01).

Significant events during the period

- BioPhausia acquired renewed confidence as the main supplier of parallel-imported pharmaceuticals to Apoteksgruppen.

Significant events after the period

- On 11 April Medivir AB submitted a public takeover bid for all shares and listed warrants in BioPhausia.

Consolidated income statement in brief

MSEK	Q 1 2011	Q 1 2010	Change	Full year 2010
Revenue	134	131	3 %	553
EBITDA	31	18	75 %	-16
EBIT	25	11	120 %	-122
Profit before tax	20	-1		-174
Profit after tax	18	-3		-163
Earnings per share before tax before and after dilution	0.05	-0.00		-0.50
Earnings per share after tax before and after dilution	0.05	-0.01		-0.48

CEO's Comments

Another quarter of strong sales growth and significantly improved profitability

The focus and streamlining of operations conducted during the third and fourth quarter of 2010 continued to have a positive impact. During the first quarter of 2011, organic growth was 20 per cent, an impressive figure compared to the same period last year and adjusted for the OTC products which were divested in 2010. The largest increase in sales was recorded for the Parallel-imported products segment. Operating profit before depreciation, amortisation and impairment (EBITDA) for the period improved significantly and amounted to SEK 31 million, compared to SEK 10 million for the first quarter of 2010, excluding the divested OTC products. On a comparable basis, all three segments recorded improved profitability in relation to the first quarter of last year.

Profitability rose further for Own products

The segment continued to perform well. The sales increase for the period was 19 per cent compared to the first quarter of last year. The majority of this increase can be attributed to the growth of cold medicines such as Mollipect. EBITDA for the period increased by 39 per cent compared to the first quarter of 2010 and the EBITDA margin increased to 55 per cent, compared to 47 per cent for the same period in 2010. The price adjustments implemented in March last year took full effect during the quarter. The comparisons are based on the adjusted figures, excluding the OTC products which were divested in 2010.

Continued growth for Parallel-imported products

Parallel-imported products demonstrated a strong sales increase by 40 per cent during the quarter compared to the same period in 2010. The EBITDA margin for the period was 9 (0) per cent. The increased margin was primarily driven by increased sales. The Company has plans to inaugurate a new, modern and more appropriate repacking plant during the second quarter. BioPhausia acquired renewed confidence as the main supplier of parallel-imported pharmaceuticals to Apoteksgruppen, a positive development.

At the end of last year the Company decided to broaden the portfolio with about forty new medicines in order to position the Company for continued growth. Of these, approximately twenty medicines will be out on the market during the second quarter and our aim is for an additional twenty medicines to be supplied to pharmaceutical companies by the end of the year.

Difficulties for Licensed products

Sales for the first quarter decreased to SEK 9 million from SEK 16 million for the same period last year. The decline in sales is mainly due to the phasing out of operations outside the Nordic countries and the number of medicines on the market at the end of the quarter was 19 compared to 32 for the same period in 2010. EBITDA for the period was SEK -3 million, up from SEK -5 million in the first quarter of last year, mainly as a result of the non-Nordic operations being phased out. The improvement in EBITDA from the remaining, much smaller operations shows that the previously implemented analysis was correct. Licensed products will, however, continue to be exposed to fierce competition and further work remains in order to attain profitability for the segment.

Other

On 11 April 2011, after the end of the reporting period, the listed pharmaceutical company Medivir submitted a public bid for all shares and listed warrants in BioPhausia. On the same day BioPhausia's Board unanimously recommended the shareholders and listed warrant holders to accept Medivir's bid. As CEO of BioPhausia I believe that the proposed deal is industrially sound and I support the Board's recommendation.

The Company's internal strategy process has been delayed by Medivir's bid. The strategy work carried out to date shows that it is likely that BioPhausia will continue to invest in prescription medicines in the Nordic countries and be active in the areas the Company can retain and develop long-term competitive advantage. With regard to new medicines the focus will primarily lie on the inlicensing of niche medicines which are currently not available on the Nordic market and which are deemed to demonstrate good long-term profitability. These new possibilities have not yet been quantified.

Group

Consolidated income statement in brief

Mkr	Q 1 2011	Q 1 2010	Change	Full year 2010
Revenue	134	131	3 %	553
Cost of goods sold	-85	-87	-2 %	-397
Gross profit	**49**	**44**	**12 %**	**157**
Selling expenses	-15	-20	-27 %	-72
Administrative expenses	-7	-7	-2 %	-24
Other operating revenue/expenses	3	1		-77
EBITDA	**31**	**18**	**75 %**	**-16**
Depreciation, amortisation and impairment	-6	-6	-6 %	-105
EBIT	**25**	**11**	**120 %**	**-122**
Net financial items	-5	-12	-60 %	-52
Tax	-1	-2	-36 %	11
Profit for the period	**18**	**-3**		**-163**

Group turnover and profit

Revenue

January – March

During the period, revenues rose to SEK 134 (131) million, an increase of 3% on the same period the previous year. The organic growth is, however, 20% adjusted for the OTC products which were divested at the end of quarter 3 of 2010. Sales were distributed as follows: Own products, SEK 46 million (38 million excluding the OTC portfolio), Licensed products, SEK 9 (16) million, Parallel-imported products, SEK 77 (56) million and Other SEK 2 (2) million. The increase in sales is primarily due to growth in the segment Parallel-imported products, where the start of last year was characterized by a start-up stage with the new pharmacy chains.

Earnings

January – March

EBITDA for the period amounted to SEK 31 (18) million. Adjusted for the supplementary purchase sum from the previously sold veterinary company of SEK 2 million, EBITDA amounted to SEK 29 million. EBITDA for quarter 1, 2010, excluding the divested OTC products amounted to SEK 10 million. On a comparable basis, all three segments demonstrate improved profitability compared to the same period last year. The largest share of the improvement derives from the segments Own products and Parallel-imported products.

Depreciation, amortisation and impairment amounted to SEK 6 (6) million. SEK 3 (1) million of this figure related to impairment of intangible assets.

Net financial items

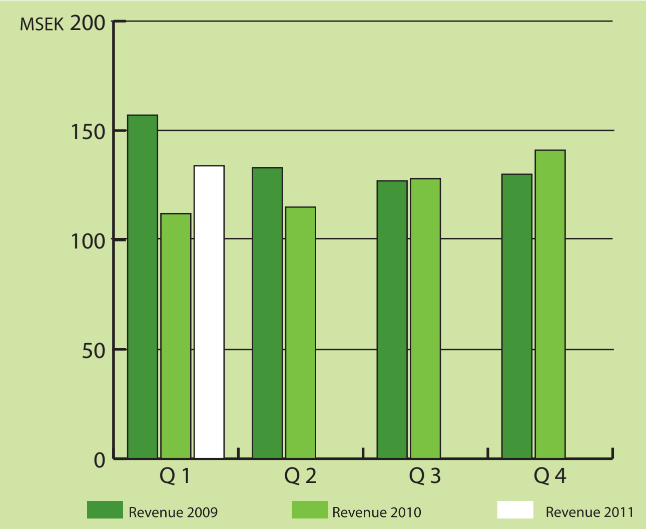
Net financial items for the period amounted to SEK -5 (-12) million. Net financial items for the period include interest on debentures and short-term operating loans as well as currency changes for financial assets and liabilities.

Tax

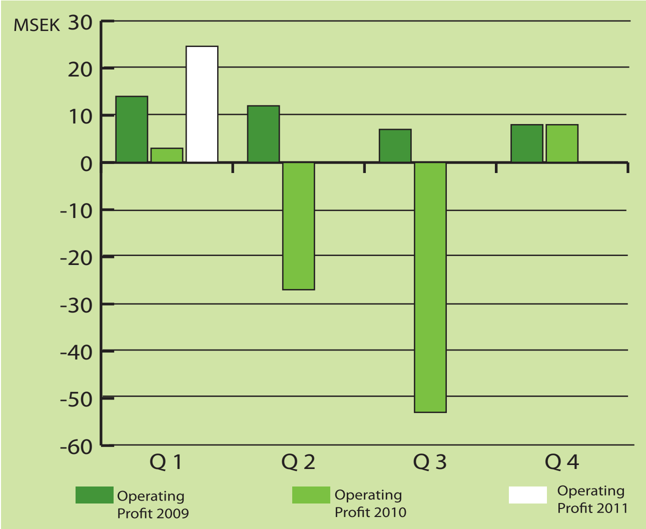
No current tax is to be paid as there are tax loss carry-forwards which can be utilised. Tax reported in the Group relates to an accounting tax of SEK -1 (-2) million. It relates to tax for temporary differences, i.e., the difference between accounting profit and tax base.

Group

Revenue



Operating Profit



In the diagrams the sold OTC products have been excluded in the historical figures.

Financial position

Cash flow

At the end of the period, cash and cash equivalents were SEK 14 compared to SEK 9 million at the end of the year. Total operating credit facilities amount to SEK 136 million, of which SEK 71(36) million was unutilised.

Operating activities

Cash flow from operating activities before changes in working capital for the period was SEK 27 (11) million. The change in working capital during the first quarter, SEK -22 (8) million includes repayments of operating loans of SEK 9 million and an increase of the inventory by SEK 8 million. Cash flow from operating activities for the period was SEK 5 (19) million.

Investing activities

Cash flow from investing activities was SEK 0 (-6) million.

Financing activities

Interest-bearing liabilities at the reporting date amounted to SEK 215 (459) million. This figure comprises bank loans, SEK 0 (222) million, operating loans, SEK 65 (91) million and debentures, SEK 150 (146) million.

At the balance sheet date debentures and valuation of hedging instruments which expire during 2011 will be classified as current liabilities, in total SEK 92 million.

Cash flow from financing activities was SEK 0 (-17) million.

The net debt/equity ratio was 0.47 (0.80) times.

Equity

Equity amounted to SEK 427 (558) million at the balance sheet date. SEK 86 million of this amount was share capital.

The number of shares amounted to 342,555,069 at the balance sheet date.

The equity/assets ratio was 58% (51%).

Segments

Own products (SEK '000)	Q 1 2011	Q 1 2010*	Change	Full year 2010*
Revenue	45 803	38 441	19 %	162 548
EBITDA	25 186	18 086	39 %	81 034
EBITDA margin	55 %	47 %		50 %

*In 2011 the allocation key relating to indirect operating expenses has been changed. The 2010 figures have therefore been restated to give comparable figures.

Own products

All figures and comparisons are based on prescription medicines which remain in the segment after last year's disposal of the OTC portfolio. As of 1 January 2011 three prescription medicines which were previously included in the segment Licensed products have also been included. These are medicines which were included in the acquisition from AstraZeneca. Based on the Company's definition of the various segments, these medicines are assessed as belonging to the segment Own products. For comparability, the previous year's figures have been adjusted to include these medicines.

Revenue

January - March

Sales for the period amounted to SEK 46 (38) million, which is an increase of 19% compared with the previous year. The majority of this increase relates to the growth of cold medicines such as Mollipect. Approximately half of the medicines in the segment experienced an increase compared to the previous year.

As communicated earlier, the European Medicines Agency (EMA) has prohibited all medicines containing dextropropoxyphene, which means that the medicine Dexofen has been withdrawn from the market during quarter 1. Compared to the previous year, this means a decline in sales of approximately SEK 1 million. The medicines which were moved from the segment Licensed products on 1 January 2011 had sales of approximately SEK 7 (6) million during the quarter.

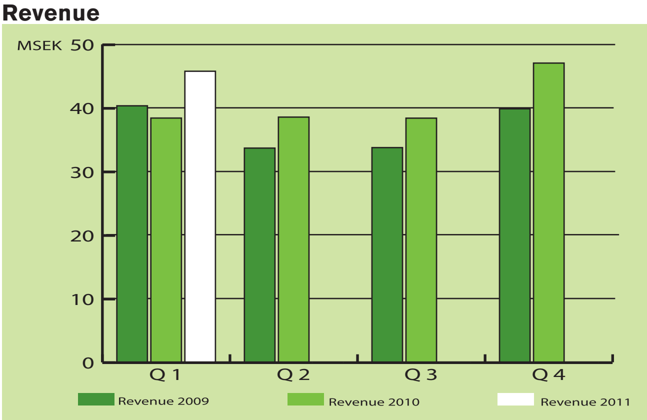
Earnings

January - March

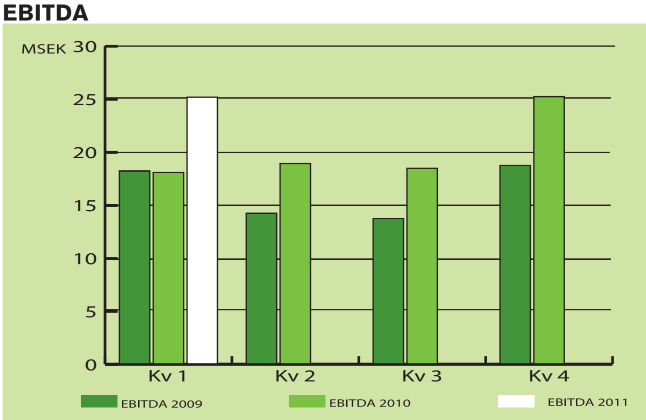
EBITDA for the period amounted to SEK 25 (18) million, which resulted in an EBITDA margin of 55% (47%). There are mainly two reasons for the strong improvement in earnings and the higher EBITDA margin. It is partly the effect of implemented price adjustments in March last year which took full effect during the quarter and partly the increased sales of the Company's medicines for colds which had a positive impact on the earnings. The medicines which were moved from the segment Licensed products had an EBITDA of approximately SEK 5 (5) million.

	Q 1 2011	Q 1 2010
Products - Self-care	0	6
Products - Prescription	14	19
Products on market	**14**	**25**
Products in registration	0	1

Revenue



EBITDA



Definition – segment Own products

Own products are products owned without restriction by BioPhausia. Examples are that the company owns a dossier (documentation about a product), a brand, other intangible rights, but not necessarily a patent. Own products can be divided up into original products and generic products.

Examples of products in this segment are Citodon, Mollipect and Laxabon.

Licensed products (SEK '000)	**Q 1 2011**	**Q 1 2010***	**Change**	**Full year 2010***
Revenue	8 686	15 853	-45 %	62 051
EBITDA	-2 745	-5 345	-49 %	-39 915
EBITDA margin	-32 %	-34 %		-64 %

*In 2011 the allocation key relating to indirect operating expenses has been changed. The 2010 figures have therefore been restated to give comparable figures.

Licensed products

As explained earlier for the segment Own products, as of 1 January 2011, three prescription medicines which were previously included in the segment Licensed products have been moved to the segment Own products. For comparability, the previous year's figures have been adjusted to exclude these medicines.

Revenue

January - March

Sales for the period amounted to SEK 9 (16) million. Approximately half of the decrease in sales was due to the phasing out of the non-Nordic operations. Their sales during the first quarter of the previous year amounted to SEK 3.5 million. Another reason for the decline in sales is that at the end of the quarter, there were 19 medicines on the market, compared with 32 at the same point in the previous year.

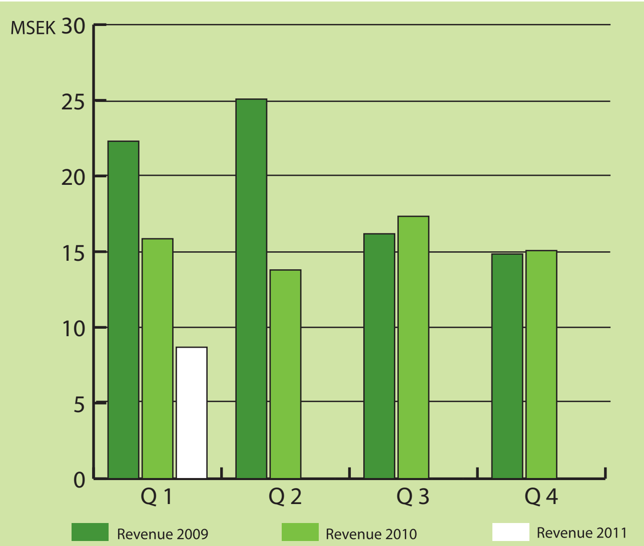
Earnings

January - March

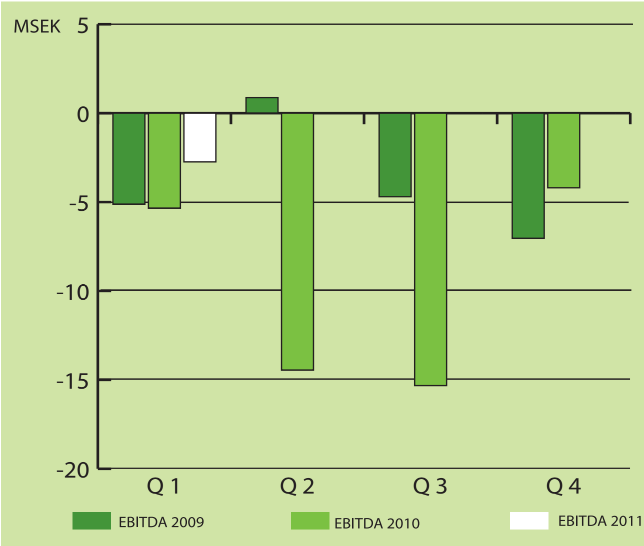
EBITDA for the period amounted to SEK -3 (-5) million, which resulted in an EBITDA margin of -32% (-34%). Although losses have been halved compared to last year, this segment is still somewhat far from profitability. The non-Nordic operations reported a combined EBITDA of SEK -2 million during the first quarter of last year and account for most of the improved earnings. Earnings were also positively impacted by a number of medicines with low profitability being phased out in the previous year. However, it is disappointing that the remaining portfolio of approximately 20 medicines, which during the review was assessed as having good commercial future potential, still has not generated sufficient earnings to make the segment profitable.

	Q 1 2011	Q 1 2010
Products on market	19	32
Products in registration	3	24
Total licenses	**22**	**56**
New licenses during period	0	0

Revenue



EBITDA



Definition – segment Licensed products

Licensed products are products where BioPhausia has limited ownership of a dossier, or alternatively only has a distribution right without holding a marketing permit (agent). Restrictions may be territorial or the license may not give the opportunity for sub-licensing or sale of a dossier. Licensed products can be divided up into original products and generic products.Examples of products in this segment are Omeprazol, Cetirizin and Amlodipin.

Parallel-imported (SEK '000)	Q 1 2011	Q 1 2010*	Change	Full year 2010*
Revenue	77 472	55 502	40 %	264 588
EBITDA	7 061	-216		6 296
EBITDA margin	9 %	-0,4 %		2 %

*In 2011 the allocation key relating to indirect operating expenses has been changed. The 2010 figures have therefore been restated to give comparable figures.

Parallel-imported products

As of 1 January 2011 the repackaging centre in Poland is also a part of the segment Parallel-imported products. It has previously been included in the reporting of BioPhausia General. For comparability, the previous year's figures have been adjusted to reflect this change.

Revenue

January - December

Sales for the period amounted to SEK 77 (56) million. The strong growth is mainly attributable to the previous year when the Company applied an intentionally cautious approach both to product purchasing and pricing prior to the signing of agreements with the new pharmacy chains. Now the collaboration with the new pharmacy chains has developed in a good manner and this is also evident in the higher sales. This was also highlighted by BioPhausia acquiring renewed confidence as the main supplier of parallel-imported pharmaceuticals to Apoteksgruppen.

As a part of its aim to continue to grow and offer a wider range of medicines to pharmacy chains the Company has increased its portfolio with approximately 20 new registrations which will be released on the market during the upcoming quarter. The objective is to be ready with an additional 20 medicines which the Company can offer pharmacy chains at the end of 2011.

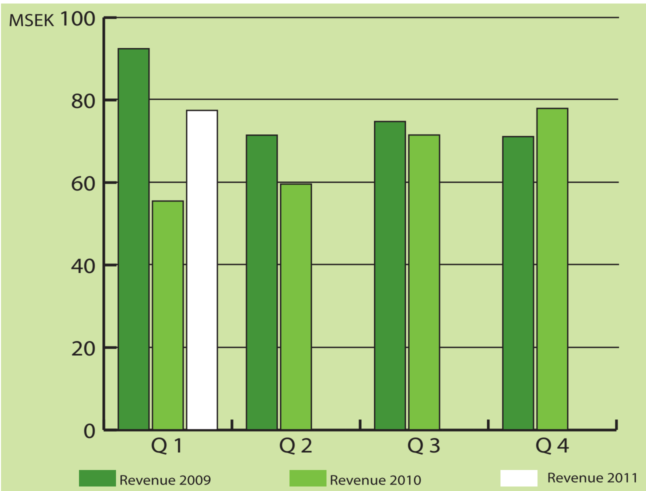
Earnings

January - December

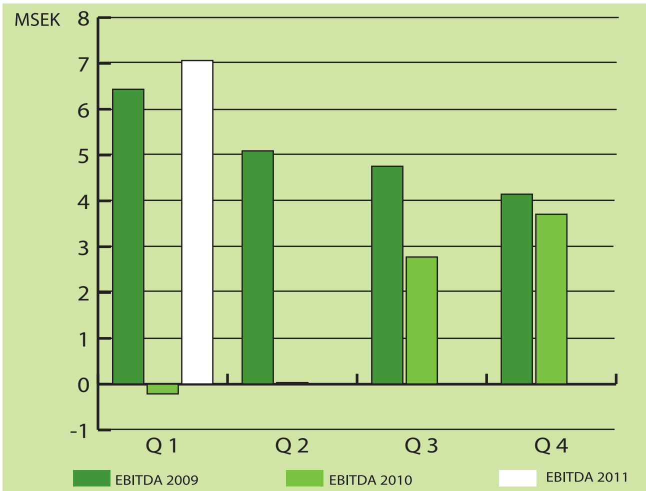
EBITDA for the period amounted to SEK 7 (-0) million. The EBITDA margin for the segment increased to 9% (-0 %). The significant improvement on earnings for previous years is largely due to increased sales. Another reason is that the measures which have been taken in Poland have improved profitability at the repackaging centre. During the first quarter of the previous year the repackaging unit had an EBITDA of SEK-2 million, which can be compared with a break-even for the first quarter of 2011. The improved EBITDA margin continues to be impacted positively by the stronger krona, which lowers the cost of product purchases within the EU. The positive impact will also benefit the pharmacy chains in the form of higher margins and a wider range of medicines which are suitable for parallel-imported products.

	Q 1 2011	Q 1 2010
Products on market	93	85
Products in registration	36	11

Revenue



EBITDA



Definition – segment Parallel-imported products

Parallel-imported products are products where BioPhausia lacks ownership of a dossier. The company merely has the right to import and sell the product, and the Medical Products Agency is the counterpart.
Examples of parallel-imported products are all the products sold by Cross Pharma.

Significant events after the period

On 11 April Medivir AB submitted a public takeover bid for all shares and listed warrants.

On 11 April 2011 Medivir submitted a public takeover bid to shareholders and listed warrant holders in BioPhausia for the transfer of all their shares and warrants in BioPhausia to Medivir ("the Offer"). In a statement on 11 April BioPhausia's Board unanimously recommended the shareholders and listed warrant holders to accept Medivir's public takeover bid.

The offer is conditional upon, inter alia, Medivir becoming the holder of more than 90 per cent of the shares in BioPhausia, that no other party publicises an offer with conditions which are more favourable than the Offer and that the shareholders of Medivir take the necessary decisions to issue new shares in Medivir. Two of BioPhausia's largest shareholders, Skandia Liv and Originat AB and the Board members who participated in the Board's deliberations and decision-making with regard to the Offer have declared their intention of accepting the Offer.

Summary of the Offer. Medivir offers the following to each shareholder of BioPhausia:

- With regard to the approximately 69.4 per cent of the BioPhausia shares which the shareholder is transferring: approximately 0.0117 new B shares in Medivir per BioPhausia share, equivalent to a value of approximately SEK1.65 kronor per BioPhausia share.
- With regard to the remaining approximately 30.6 per cent of the number of BioPhausia shares which the shareholder is transferring: SEK 1.65 kronor in cash per BioPhausia share.

For each 1000 BioPhausia shares which are transferred, each BioPhausia shareholder thus receives SEK 504.90 in cash and approximately 8.13 new shares in Medivir. As an alternative, the shareholders in BioPhausia who own 5000 or less BioPhausia shares can choose to receive guaranteed cash compensation of SEK 1.65 per BioPhausia share. Medivir offers each holder of listed warrants SEK 0.32 in cash for each listed warrant. The term for acceptance in the Offer runs as of 2 May 2011 up to and including 23 May 2011.

The Offer documentation is available at www.medivir.se and www.avanza.se. The Offer documentation can be ordered free of charge from Avanza on the telephone number +46 (0) 8-562 251 22 and will also, along with the application form, be sent to directly registered shareholders and holders of listed warrants in BioPhausia.

Parent Company

Parent company revenue and earnings

Revenue

January - March
Sales for the period amounted to SEK 46 (51) million. This figure relates mainly to sales of Own products.

Earnings

January - March
Operating profit for the period amounted to SEK 20 (11) million.

Net financial items
Net financial items for the period amounted to SEK -3 (-7) million.

Tax
No current tax is to be paid as there are tax loss carry-forwards which can be utilised. The tax in the parent company, SEK 0.2 (0.2) million consists of accounting tax income which relates to temporary differences, i.e., the difference between accounting profit and the tax base.

Financial position

Cash and cash equivalents
At the reporting date, cash and cash equivalents were SEK 5 (4) million.

Investments and disposals
Investments for the period amounted to SEK 0 (0.4) million.

Financing
At the reporting date of 31 March, interest-bearing liabilities amounted to SEK 178 (412) million. At the balance sheet date debentures and valuation of hedging instruments which expire during 2011 will be classified as current liabilities, in total SEK 92 million.

Shares
The number of shares was 342,555,069 at the reporting date.

Incentive programme
An incentive program was initiated in 2009 in the form of warrants. For more information, see Note 6.

Financial calender 2011

Interim reports

- Interim report January-June 2011; 25 August 2011
- Interim report January-September 2011; 9 November 2011

The nomination committee's proposals for election to the Board at the AGM on 10 May 2011:
The nomination committee proposes re-election of all members: Johan Unger, Mats Lindquist, Anna Malm Bernsten, Roger Johanson and Niklas Prager. Re-election of Niklas Prager as Chairman is proposed.

For further information on the nomination committee, please refer to www.biophausia.se.

This report has not been audited or reviewed by the Company's auditors.

Stockholm 10th of May 2011

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CHIEF EXECUTIVE OFFICER

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Information in this interim report is provided pursuant to Biophausia AB (publ)'s disclosure requirements under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on 10 May 2011.

BIOPHAUSIA is a Swedish specialty pharma company with operations in originator, generic and parallel-imported pharmaceuticals. The portfolio of pharmaceuticals covers therapeutic areas such as stomach/intestines, CNS (central nervous system) and acute medicine, and contains products such as Mollipect and Citodon. The Company's operations are concentrated in the Nordic region with a repacking facility in Poland. BioPhausia AB (publ) has its registered office in Stockholm and is listed on Nasdaq OMX Nordic Exchange, Small Cap, in Stockholm.

Group income statement

(SEK '000)	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
Revenue	133 939	130 713	553 370
Cost of goods sold	-84 834	-86 802	-396 592
Gross profit	**49 105**	**43 911**	**156 778**
Selling expenses*	-20 770	-26 255	-177 103
Administrative expenses*	-6 698	-6 816	-23 445
Research and development expenses*	-	-344	-502
Other operating revenue	4 507	1 915	9 507
Other operating expenses	-1 529	-1 226	-86 832
Operating profit	**24 615**	**11 185**	**-121 597**
Net financial items	-4 749	-11 868	-51 970
Profit before tax	**19 866**	**-683**	**-173 567**
Tax on this year´s profit/deferred tax	-1 368	-2 804	10 541
Profit for the period	**18 498**	**-2 804**	**-163 026**
Attributable to:			
Equity holders of the parent	*18 498*	*-2 804*	*-163 026*
Profit for the period	**18 498**	**-2 804**	**-163 026**
Profit per share before and after dilution (SEK)	0.05	-0.01	-0.48

Statement of comprehensive income

Profit for the period	18 498	-2 804	-163 026
Other comprehensive income for the period:			
Translation differences	2 879	787	4 369
Gain/loss on cash flow hedges	-	2 026	10 877
Other comprehensive income for the period	*2 879*	*2 813*	*15 246*
Total comprehensive income for the period	**21 377**	**9**	**-147 780**
Attributable to:			
Equity holders of the parent	21 377	9	-147 780
Total comprehensive income for the period	**21 377**	**9**	**-147 780**

* Depreciation, amortisation and impairment included in operating profit	5 961	6 317	105 494

Consolidated balance sheet

(SEK'000)	2011-03-31	2010-03-31	2010-12-31
Fixed assets			
Intangible assets	477 868	840 953	483 372
Property, plant and equipment	1 330	5 338	2 244
Deferred tax asset	45 407	37 338	47 168
Total fixed assets	**524 605**	**883 629**	**533 184**
Current assets			
Inventories	88 975	117 793	81 073
Trade receivables	60 930	65 575	68 485
Other current receivables	18 434	19 802	7 907
Cash and cash equivalents	13 672	11 472	8 878
Total current assets	**182 011**	**214 642**	**166 343**
Total assets	**706 616**	**1 098 271**	**699 527**
Equity	**427 145**	**557 661**	**407 617**
Long-term liabilities			
Deferred tax liabilities			
Longterm liabilities	59 795	314 645	58 887
Total long-term liabilities	**59 795**	**314 645**	**58 887**
Current liabilities	**219 676**	**225 965**	**233 023**
Total liabilities	**279 471**	**540 610**	**291 911**
Total equity and liabilities	**706 616**	**1 098 271**	**699 527**
Pledged assets	135 662	180 263	140 368
Contingent liabilities	None	None	None

Consolidated statement of changes in equity

(SEK'000)	2011-03-31	2010-03-31	2010-12-31
Opening equity	**407 617**	**558 121**	**558 121**
The raising of capital		11	11
Cost attributable to raising capital			
Exercise of warrants			
Incentive programme			-156
Other changes	-1 849	-480	-2 579
Total comprehensive income for the period	21 377	9	-147 780
Closing equity at end of period	**427 145**	**557 344**	**407 617**

Key figures Group

	2011-03-31	2010-03-31	2010-12-31
Number of shares in issue at end of period (´000)	342 555	342 555	342 555
Average number of shares before dilution (´000)	342 555	342 555	342 555
Average number of shares after dilution (´000)	385 285	385 292	385 285
Equity per share (SEK)	1.25	1.63	1.19
Equity/assets ratio (%)	58	51	58
Return on equity (%) *	-32.1	1.0	-37.3
Return on operating capital (%) *	-14.2	6.0	-14.0
Return on total capital (%) *	-12.9	6.0	-12.8
Profit per share before tax (SEK) before and after dilution	0.05	-0.00	-0.48
Profit per share after tax (SEK) before and after dilution	0.05	-0.01	-0.48
Net debt/equity ratio (times)	0.47	0.80	0.53

* Calculated on rolling 12-monthly profit

Definitions
Equity per share. *Reported equity divided by total number of shares at end of period adjusted for issues and conversions.*
Equity/assets ratio. *Equity as a percentage of total assets.*
Profit per share. *Profit/loss for the period divided by the weighted average number of shares outstanding during the period, with an adjustment for the calculated bonus element.*
Return on average equity. *Net profit/loss as a percentage of average equity based on net profit/loss and equity for the last 12 months.*
Return on average capital employed. *Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average capital employed.*
Capital employed. *Total assets less non-interest-bearing liabilities, including deferred tax liability.*
Return on average total assets. *Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average total assets.*
Net debt/equity ratio. *Interest-bearing liabilities less financial assets (including cash & cash equivalents) divided by equity.*
EBITDA. *Earnings before interest, taxes, depreciation and amortisation.*
EBITDA margin. *EBITDA as a percentage of revenue.*

Consolidated cash flow statement in brief

(SEK' 000)	2011 Jan–Mar	2010 Jan–Mar	2010 Jan–Dec
Cash flow from operating activities before change in working capital	26 531	11 442	34 040
Change in working capital	-21 677	7 645	35 611
Cash flow from operating activities	4 854	19 087	69 651
Cash flow from investing activities	-60	-5 777	168 333
Cash flow from financing activities	-	-17 482	-244 750
Change in cash and cash equivalents	**4 794**	**-4 172**	**-6 766**
Cash and cash equivalents at start of period	8 878	15 644	15 644
Cash and cash equivalents at end of period	13 672	11 472	8 878
Interest received	*0*	*0*	*64*
Interest paid	*-2 362*	*-5 682*	*-34 146*

Group operating profit in summary

2010	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
Net sales	130 713	134 052	146 779	141 829	553 370
Gross profit	43 911	33 324	33 258	46 285	156 778
Selling expenses	-26 255	-47 237	-71 467	-32 144	-177 103
Administration expenses	-6 816	-5 853	-5 399	-5 377	-23 445
R&D expenses	-344	-95	-63	-	-502
Other operating items	689	-243	-76 210	-1 561	-77 325
Operating profit	**11 185**	**-20 104**	**-119 881**	**7 203**	**-121 597**
EBITDA	**17 502**	**9 381**	**-64 123**	**21 137**	**-16 103**

2011	Quarter 1
Net sales	133 939
Gross profit	49 105
Selling expenses	-20 770
Administration expenses	-6 698
R&D expenses	-
Other operating items	2 978
Operating profit	**24 615**
EBITDA	**30 576**

Parent company income statement

(SEK '000)	2011 Jan–Mar	2010 Jan–Mar	2010 Jan–Dec
Revenue	45 803	50 820	193 673
Cost of goods sold	-15 380	-23 866	-87 236
Gross profit	**30 423**	**26 954**	**106 438**
Selling expenses	-12 771	-17 001	-62 936
Administrative expenses	-6 412	-6 505	-20 662
Research and development expenses	-	-344	-502
Other operating income and operating expenses	8 722	7 916	2 713
Operating profit	**19 961**	**11 021**	**14 051**
Net financial items	-2 954	-7 453	-72 146
Profit after financial items	**17 007**	**3 567**	**-47 095**
Tax on this year's profit/deferred tax	245	245	-21 093
Profit for the period	**17 252**	**3 812**	**-68 188**

Statement of comprehensive income

Profit for the period	17 252	3 952	-68 188
Other comprehensive income for the period:			
Gain/loss on cash flow hedges	-	2 026	10 877
Other comprehensive income for the period	-	*2 026*	*10 877*
Total comprehensive income for the period	**17 252**	**5 978**	**-57 311**
Attributable to:			
Equity holders of the parent	17 252	5 978	-57 311
Total comprehensive income for the period	**17 252**	**5 978**	**-57 311**

Parent company balance sheet

(SEK '000)	2011-03-31	2010-03-31	2010-12-31
Fixed assets			
Intangible assets	350 022	538 273	302 471
Tangible assets	406	430	454
Participations in Group companies	53 512	78 314	52 489
Deferred tax receivable	69 847	71 546	70 103
Long-term receivables from Group companies	83 245	147 226	138 369
Total fixed assets	**557 032**	**835 789**	**563 886**
Current assets			
Inventory	15 856	27 880	10 959
Trade accounts receivable	18 823	26 238	17 645
Current receivables from Group companies	33 924	140 032	22 680
Other current assets	7 003	5 162	2 190
Liquid funds	4 512	4 031	3 989
Total current assets	**80 118**	**203 344**	**57 463**
Total assets	**637 150**	**1 039 133**	**621 349**
Equity	**423 890**	**534 385**	**406 638**
Long-term liabilities	59 795	313 167	58 865
Total long-term liabilities	**59 795**	**313 167**	**58 865**
Current liabilities to Group companies	3 676	46 881	10 984
Other current liabilities	149 789	144 699	144 862
Total current liabilities	**153 465**	**191 580**	**155 846**
Total equity and liabilities	**637 150**	**1 039 133**	**621 346**
Pledged assets	122 403	134 702	115 918
Contingent liabilities	62 762	62 647	62 415

Notes

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Like the year-end accounts for 2010, the consolidated year-end accounts for 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting policies are the same as those applied in the 2010 annual report. New or revised IFRS and interpretation declarations by IFRIC have not had any impact on the Group's or parent company's financial position, earnings or information.

Note 2 Segment reporting

Reporting of operating segments

SEK ´000	Own products	Licensed products	Parallel-imported products	Other	Adjustments	Total
January – March 2011						
Revenue	45 803	8 676	77 472	1 988		133 939
EBITDA	25 186	-2 745	7 061	2 676	-1 602	30 576
Depreciation	-2 016	-3 863	-82			-5 961
Net financial items						-4 749
Tax						-1 368
Profit for the period						**18 498**
January – March 2010						
Revenue	57 261	15 853	55 502	2 097		130 713
EBITDA	25 921	-5 345	-216	-2 033	-825	17 502
Depreciation	-2 739	-2 916	-408	-254		-6 317
Net financial items						-11 868
Tax						-2 121
Profit for the period						**-2 804**

Other includes minor operations which do not come under the other three segments. The adjustments include overall Group expenses which have not been divided by segment.

* The 2010 figures have been adjusted as follows: three products were moved from the segment Licensed products to Own products on 1 January, which is why the previous year's figures have been recalculated in accordance with this move. Since the turn of the year the repackaging company Prodlekpol is a part of the segment Parallel-imported products, restated for 2010.Finally, the OH cost has been re-allocated in accordance with a new allocation key as of January 2011, which is why the previous year's figures have been restated in a comparable manner.

Note 3 Tax on profit for the year/deferred tax

Tax for the period relates to tax on temporary differences (difference between accounting profit and tax base).

Note 4 Risks and uncertainty factors

The Group and parent company's significant risks and uncertainties consist of business risks and competition in the form of price pressure, which may lead to falling margins. Other significant risks include financial risks in the form of exchange rate movements, changes in interest rates, fulfilment of covenants and liquidity risks. These are covered by the Company's policy for financial management. Apart from these risks and the risks described in note 3 of BioPhausia's 2010 annual report, no other significant risks are considered to have arisen.

Note 5 Related-party transactions

No related-party transactions during the period.

Note 6 Incentive programme

The AGM held in May 2009 adopted an incentive programme of warrants for BioPhausia Group personnel. The programme comprises a maximum of 5,160,000 warrants, which will be transferred at a market price, as calculated by an independent rating agency in accordance with the Black & Scholes option pricing model. In September 2009, the subscription price was set at SEK 2.04 per share and the warrants were priced at SEK 0.36 each. The warrants expire on 30 September 2012.

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