



Interim report January–September 2008

Continued strong growth in sales, profitability and cash flow from operating activities

- Sales increased by 17 percent to SEK 166.1 (141.4) million. Calculated in local sales currencies growth was 19 percent. During the third quarter sales amounted to SEK 50.9 (44.6) million, corresponding to an increase of 14 percent. Calculated in local sales currencies growth was 15 percent. During the third quarter a particularly large increase was noted for fertility products in Europe, 25 percent, which is Vitrolife's largest region in terms of sales.
- Gross income increased by 18 percent to SEK 115.1 (97.5) million, the gross margin was 69 percent (69). Gross income for the third quarter increased by 15 percent to SEK 35.2 (30.5) million and the gross margin was 69 (68) percent.
- Operating income increased by 21 percent and amounted to SEK 21.7 (17.9) million, which gives an operating margin of 13 (13) percent. For the third quarter operating income increased by 24 percent and amounted to SEK 5.1 (4.1) million.
- Operating income before research and development costs increased by 19 percent to SEK 44.5 (37.5) million. This corresponds to a margin of 27 (27) percent. For the third quarter the increase was 20 percent to SEK 12.6 (10.5) million.
- Consolidated net income increased by 25 percent adjusted for last year's capitalization of the deferred tax asset in loss carry-forward for tax purposes to the tune of SEK 12.3 million. Net income was SEK 20.0 (28.2) million, which gives earnings per share of SEK 1.01 (1.42). For the third quarter net income was SEK 5.9 (7.7) million and earnings per share were SEK 0.30 (0.39). Last year's figure includes capitalization of a deferred tax asset in loss carry-forward for tax purposes to the tune of SEK 4.1 million.
- The equity/assets ratio amounted to 84 percent (83).
- The cash flow from operating activities increased by 50 percent and amounted to SEK 27.1 (18.0) million. The cash flow for the third quarter was SEK 5.8 (5.6) million.
- Acquisition of a further 9 percent of the Italian subsidiary A.T.S., according to plan.
- Investment in a new, more efficient, production facility in Gothenburg.
- Buying back of the company's own shares during the period.
- New unique needle, Swemed Sense™, launched and approved for sales in Europe.
- First lung transplantation outside Sweden using Steen Solution™ carried out.
- Approval given for a clinical study on STEEN Solution™ in Canada, which will form the basis of the application for sales approval in the USA and Canada.
- The first three transplantations were carried out in Canada at the end of the period.

Sales and income

Vitrolife's net sales for the first nine months of 2008 amounted to SEK 166.1 (141.4) million, which corresponds to an increase of 17 percent compared to the previous year. Sales growth in local currencies was 19 percent. Translation of the American subsidiary's sales is affected negatively due to a weaker average USD rate during the year. However, this is counteracted to a certain extent by the fact that Vitrolife has a large proportion of its sales in Euro, which has developed positively. Net sales during the third quarter increased by 14 percent and amounted to SEK 50.9 (44.6) million. Sales growth in local currencies was 15 percent.

Fig 1. Net sales per geographic area (rolling 12 months)

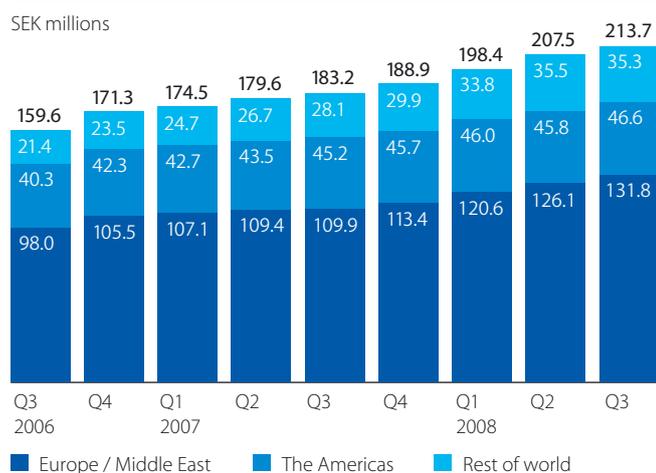
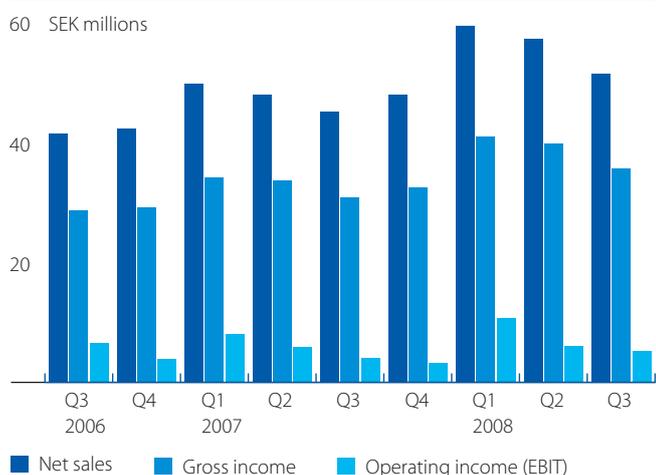


Fig 2. Sales and income per quarter



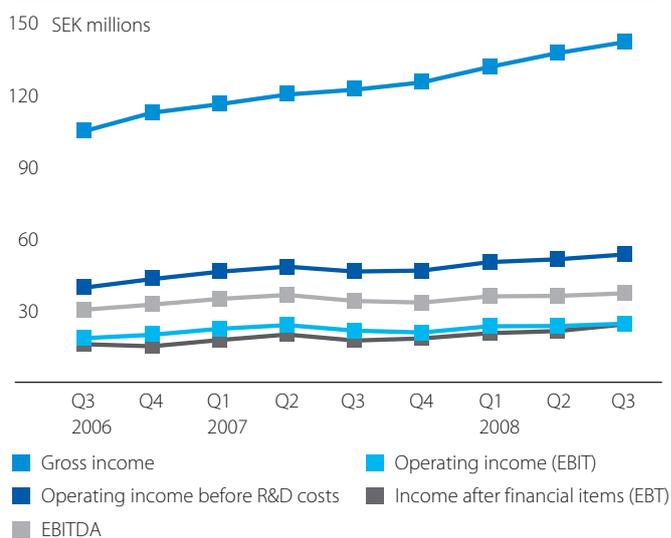
Gross income was SEK 115.1 (97.5) million. The gross margin for the period was 69 (69) percent. During the first quarter of 2008 the gross margin was affected by the changeover in the production of fertility media from GIII to the new G5 Series™. The changeover meant, amongst other things, double production and thereby higher costs. Company earnings were affected by the double production during the last two quarters of 2007 and the first quarter of 2008. Gross income for the third quarter amounted to SEK 35.2 (30.5) million and the gross margin to 69 (68) percent.

Operating income was SEK 21.7 (17.9) million, which corresponds to a margin of 13.0 percent (12.6). Selling expenses as a percentage of sales amounted to 27.8 percent (27.8), administrative expenses to 14.4 percent (15.0) and R&D costs to 13.8 percent (13.9). Depreciation and amortization of SEK 9.8 (9.6) million has been charged against the period.

As the company not only invests in the existing business operations but also in new technology, as for example a completely new transplantation method using STEEN Solution™, it is also relevant to assess operating profit before R&D costs. For the period operating profit before R&D costs amounted to SEK 44.5 (37.5) million, or 26.8 percent (26.5) of net sales.

For the third quarter operating income amounted to SEK 5.1 (4.1) million. Selling expenses as a percentage of sales amounted to 29.4 percent (29.8), administrative expenses to 15.4 percent (14.8) and R&D costs to 14.7 percent (14.4). Depreciation and amortization amounted to SEK 3.2 (3.2) million.

Fig 3. Income (rolling 12 months)



Net income amounted to SEK 20.0 (28.2) million, of which SEK 5.9 (7.7) million was for the third quarter. Net financial income amounted to SEK -0.1 (-2.5) million, of which SEK 1.1 (-0.8) million was for the third quarter. Net financial income includes non-realized exchange rate fluctuations regarding internal receivables and liabilities of SEK 0.3 (-0.7) million. The restatement of the Parent Company's loan and receivable regarding the American subsidiary Vitrolife, Inc. is booked directly against non-restricted equity. The restatement effect in the financial statements amounts to SEK 0.7 (-0.7) million net. Minorities for the period amounted to SEK -0.4 (-) million, of which SEK -0.1 (-) million was for the third quarter and concern the minority interest in the Italian company A.T.S. Tax expenses for the period amounted to SEK -1.2 (tax revenue 12.8) million and these are current tax of SEK -0.5 (-) million, deferred tax on the Group's internal profits from inventories of SEK -0.7 (0.5) million and capitalization of loss carry-forward of SEK - (12.3)

million. Vitrolife has loss carry-forward of approximately SEK 136 (164) million. Of this amount, loss carry-forward for tax purposes for which deferred tax assets have not been recorded in the income statement and balance sheet amounted to approximately SEK 56 (84) million. Vitrolife continually updates its assessment of its future earning capacity and activates remaining losses to the extent necessary. These are offset against taxable earnings in the years to come. The government has proposed that corporation tax in Sweden be lowered from 28 percent to 26.3 percent. This has not been taken into account in the period as the definitive decision regarding the lowering of this tax is to be taken in December 2008. However, it is estimated that the change in the tax rate will not have any substantial effect on the company's calculation of deferred tax.

Product area Fertility

- Sales amounted to SEK 144.1 (123.0) million, an increase of 17 percent. Sales growth in local currencies was 18 percent. For the third quarter sales amounted to SEK 42.9 (37.7) million, an increase of 14 percent. Sales growth in local currencies was also 14 percent.
- Acquisition of a further 9 percent of the Italian subsidiary A.T.S.
- New unique needle, Swemed Sense™, launched and approved for sales in Europe.

Sales in the Europe/Middle East region developed very strongly and increased by 21 percent during the period (25 percent during the third quarter). UK, Turkey and Sweden had the most positive development.

In January 2008 Vitrolife acquired 51 percent of the shares in A.T.S. Srl, the distributor of Vitrolife's products in Italy since 1999. The acquisition positively affects the consolidated sales figure for the first nine months of 2008 by SEK 5.0 million (SEK 1.2 million for the third quarter). In July 2008 Vitrolife acquired a further 9 percent of the shares. Vitrolife thereby owns 60 percent of the company, with an option to acquire a further 10 percent within six months, that is a total of 70 percent. Approximately 24,000 infertility treatments are performed in Italy per year and the number of fertility centers amounts to approximately 300. The potential market value for instruments and media amounts to SEK 40–50 million.

As from May 2008, Vitrolife sells both media and instruments under its own management in the French market, after having terminated the agreement with the previous distributor in France with regard to sales of media in January 2008. Just over 60,000 infertility treatments are performed in France per year and the number of fertility centers amounts to approximately 100. The potential market value for instruments and media amounts to approximately SEK 120 million.

The two events in Italy and France are in line with Vitrolife's strategy to operate under its own management in key markets.

Sales in the Rest of the World region increased by 21 percent (decrease of 8 percent during the third quarter). During the third quarter a dip in sales was noted in China after the Olympics. China is one of the largest markets for Vitrolife within fertility and increased by 49 percent for the period.

In the American region sales increased by 9 percent in local currency (7 percent during the third quarter). The weakening of the average USD rate during the year meant that sales translated into SEK decreased by 2 percent compared with the previous year (unchanged during the third quarter). Sales of fertility instruments were transferred from a distributor during the autumn of 2007, which has entailed training and a focus on these products.

During the third quarter Vitrolife received European approval, a so-called CE mark, for its new needle for the collection of human oocytes, Swemed Sense™ (patent pending). The first presentation was at the annual European reproduction congress ESHRE, the largest and most important trade fair during the year, which this year was held in Barcelona from 6–9 July. Swemed Sense™ combines the good properties of Vitrolife's previous needles with a new way of designing the front part and tip, so that the patient will experience less discomfort and so that the risk of bleeding is reduced. This is the first product to apply a new technical principle for oocyte collection needles, a principle that Vitrolife believes in very much. The Swemed Sense™ oocyte aspiration needle is designed with a thinner front part and tip so as to minimize tissue damage, bleeding and pain. However, the rear part of the needle has a larger diameter. This makes the needle stable and therefore does not reduce the ability to collect oocytes from the woman. Furthermore, the procedure is just as fast as when a thicker needle is used, which is not the case with uniformly thin needles. A patent application has been submitted for Swemed Sense™ in all major markets.

The response after the launch of Swemed Sense™ has been very positive. Production has now begun and the first deliveries have been made to customers. It is estimated that the market for needles used in the collection of oocytes for IVF amounts to approximately 50 million Euros.

Product area Transplantation

- Sales amounted to SEK 20.7 (17.6) million, an increase of 18 percent. Sales in local currencies increased by 24 percent. For the third quarter sales amounted to SEK 7.6 (6.6) million, an increase of 15 percent. Sales in local currencies increased by 19 percent.
- First lung transplantation outside Sweden using Steen Solution™ carried out.
- Approval for a clinical study on STEEN Solution™ in Canada, which will form the basis of the application for sales approval in the USA and Canada. The first transplantations were carried out after the end of the period.

Sales of transplantation products, primarily Perfadex® which has a market share for the clinical lung transplantations of over 90 percent globally, increased by 24 percent in local currencies, 19 percent for the third quarter. The sales figure also now includes some sales of STEEN Solution™. When STEEN Solution™ becomes more clearly established in the clinics there will be additional good potential for further sales growth, above all in the important USA market. The timing of this depends amongst other things on sales approval. Activities to obtain this in the USA and elsewhere are proceeding according to plan and during the period personnel with special competence have been recruited for carrying out training in the STEEN Solution™ technology. Training of clinics and demonstrations of the technology for target groups have also been carried out. There has been development of and trials with peripheral products needed in a lung evaluation using STEEN Solution™, such as an evaluation box. These products are planned to be launched at the latest in connection with the launch of STEEN Solution™ in the USA.

In August Vitrolife received approval from the Canadian authorities to start a study with STEEN Solution™. The study, which has been designed in consultation with the American FDA, is planned for quarters three to four of 2008 and will be the key element in the application for sales approval in USA and Canada. After the end of the period it was announced that the first three patients have successfully received transplants using the STEEN Solution™ technology and been included in the study.

At the beginning of September it was announced that a lung transplantation has been carried out for the first time outside Sweden using the STEEN Solution™ technology. Earlier on in the development and the first clinical use eight transplantations have been carried out using STEEN Solution™ at the University Hospital of Lund, where the technology was developed under the leadership of Professor Stig Steen. The transplantation was carried out in one of the large EU countries and within the region there are a further number of clinics in the starting blocks, ready to use the technology.

Product area Stem Cell Cultivation

Sales amounted to SEK 1.3 (0.8) million for the period, of which SEK 0.4 (0.4) million was for the third quarter. Research resources for the development of new products for stem cells have been increased since the summer of 2007 through the collaboration with Cellartis AB. Vitrolife views the product area's prospects increasingly positively, as there are more and more reports of clinical trials having been started using stem cells, which indicates that the point in time when this will become an established clinical treatment is approaching. This will then increase the demand for media produced in accordance with authority requirements regarding medical devices, which Vitrolife has great experience of. Vitrolife will therefore continue to gradually increase investments in product development within the area.

Investments and cash flow

Cash flow from operating activities amounted to SEK 27.1 (18.0) million for the period January–September 2008. The change in trade receivables, mainly accounts receivable, amounted to SEK –7.9 (–1.3) million. The increase is primarily due to increased sales and direct sales in France and Italy. Investments in increased inventories amounted to SEK –1.0 (–11.6) million. The cash flow from investing activities was SEK –22.8 (–8.8) million. Gross investments in the Group's fixed assets amounted to SEK –14.1 (–4.6) million during the period and in intangible fixed assets to SEK –3.2 (–4.2) million. Investments in intangible fixed assets for the period mainly consist of STEEN Solution™. Investments in tangible fixed assets largely consist of investments in the new premises in Gothenburg, where Vitrolife will move at the end of the year. The premises are rented but cleanrooms etc. are being built by Vitrolife. The cash flow also contains an initial payment made in the second quarter for Vitrolife's property in Kungsbacka, which has been sold. The new owner will be able to take possession of the property at the end of 2008/beginning of 2009. An investment of SEK –5.4 (–) million in a subsidiary, which is constituted by acquisition of 60 percent of the company's former distributor in Italy, A.T.S. (51 percent in January and 9 percent in July), is included, after a deduction for acquired liquid funds. The cash flow from financing activities was SEK –10.4 (–4.4) million. This item consists of repayment of loans, SEK –6.1 (–4.4) million, net payment of SEK 0.3 (–) million for share warrants and buying back of the company's own shares for SEK –4.5 (–) million. In all, the cash flow for the period amounted to SEK –6.0 (4.8) million. The Group's liquid funds at September 30, 2008 amounted to SEK 12.6 (19.2) million. The equity/assets ratio for the Group amounted to 84 (83) percent.

Parent Company

Business activities focus on company-wide management and the company has no employees. There were no revenues for the period (–). The costs that arise are mainly attributable to the Board and to the OMX Nordic Exchange and the listing of the company's shares. Income before tax amounted to SEK –1.2 (–1.6) million. Liquid funds amounted to SEK 1.1 (3.1) million. No investments were made during the period (–).

The Vitrolife share is listed on the OMX Nordic Exchange's Nordic Small Cap list under the symbol VITR. The closing price on September 30, 2008 was SEK 28.30 (37.20).

Organization and personnel

The third quarter of 2008 has involved a great deal of preparation for the move to the new premises in Högsbo outside Gothenburg. Vitrolife has recruited to increase production and to build inventory to compensate for the temporary decrease in production involved in the move. All the personnel in Sweden have participated in the work of optimizing the new premises to meet the company's needs and can now look forward to moving to a pleasant and functional workplace. A great deal of work has continued to be put into implementing the new process organization that has been introduced. The new

organization makes it easier for the company to grow while at the same time retaining focus on customer service, quality and cost-effectiveness, and extra resources are allocated to increase the rate at which the product development projects are carried out.

During the first nine months of 2008 the average number of employees was 135 (128), of whom 84 (83) were women and 51 (45) were men. 107 (100) people were employed in Sweden, 27 (27) in the USA and 1 (0) in Australia. The number of employees at the end of the period was 142 (139).

Information on transactions with related parties

No transactions that have substantially affected the company's financial position and results have been carried out with related parties during the period. For information on related parties, see the Annual Report for 2007, page 54.

Miscellaneous

Vitrolife has bought back the company's own shares during the period. The Annual General Meeting on April 29, 2008 of Vitrolife AB (publ) decided to authorize the company Board to take a decision to acquire the company's own shares with a view to adjusting the company's capital structure and/or ability to use bought back shares in connection with the acquisition of companies or businesses. The company Board announced on August 1, 2008 that a decision had been taken to exercise this authorization.

Acquisitions will be able to be made as from August 2, 2008 up until the next Annual General Meeting in 2009. No acquisitions will be made during the 30-day period up to and including the day when the quarterly report is published. Acquisitions will be made via the OMX Nordic Exchange Stockholm at a price within the registered price interval at any given time when the Board assesses that it is advantageous for the company's shareholders.

The company has in total bought back 168,800 shares. The number of shares in the company amounts to 19,800,157.

The warrants program of 550,000 share warrants issued by Vitrolife in the autumn of 2005 had its final subscription date on September 3, 2008. The issue price was SEK 30.90. A total of 10,000 shares were subscribed for.

Prospects

2008 has so far involved a considerable boost with regard to the rate of growth, which has involved growth in the market share, at the same time as strong growth in earnings and cash flow from operating activities. The positive effects of the implementation of Vitrolife's three main strategies, an increase in the size of the market areas where sales and marketing are carried out under company management, market synergy benefits from a broadened product portfolio and a continued strong gross margin through the product supply being made constantly more efficient, have convinced us to continue with these strategies. This will mean more market investments and work in the

principal markets, primarily in East Asia and Europe, and work on strengthening competence so as to further speed up the product development projects. The product supply structure will be made even more efficient and rational and at the same time capacity in this regard will be strengthened by replacing the facilities in Kungsbacka and Billdal with a new facility in Gothenburg at the end of 2008/beginning of 2009. Through this work Vitrolife will further strengthen its competitiveness and ability to reach more customers in a better way and with an increasingly strong product offering. This means that the opportunities for continued strong growth with good profitability will continue to be good in the future within the main product area, fertility.

The potential of the stem cell area to generate substantial growth within the foreseeable future has increased as the area rapidly approaches clinical applications. Vitrolife is already well equipped due to the great synergies with the fertility product area and will gradually increase the focus and work within product and business development within the product area so as to further improve competitiveness.

The transplantation product area is less like the fertility area in character with regard to customer type and use. The company's patent-protected and pioneering technology within organ perfusion, STEEN Solution™, has a very exciting period ahead of it in the years to come. The technology enables testing of organs outside the body and increases the potential pool of, and thereby reduces the lack of, available organs for transplantation. The potential for a breakthrough in the clinical use of STEEN Solution™ has increased substantially during the period. This will mean that forceful investments need to be made to strengthen this product area so as to optimize the chances of the potential within the product area being made the most of.

All these investments and all this work will be financed within the framework of Vitrolife's cash flow and while maintaining good profit levels.

Significant risks and uncertainty factors

During the period there have been no considerable changes in the Parent Company's and the Group's risks and uncertainty factors. For a review of risks and uncertainty factors, see the Annual Report for 2007, pages 34–35, 53 and 54.

Events after the end of the period

Transplantations within the framework of the clinical study on STEEN Solution™ have been performed in Canada.

October 22, 2008
Kungsbacka, Sweden

Magnus Nilsson
CEO

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.

Consolidated income statements

| SEK thousands | January - September | | July - September | | Whole year 2007 |
|---------------------------------------|---------------------|---------------|------------------|---------------|--------------------|
| | 2008 | 2007 | 2008 | 2007 | |
| Net sales | 166 100 | 141 402 | 50 868 | 44 647 | 188 939 |
| Cost of goods sold | -51 031 | -43 857 | -15 654 | -14 144 | -59 274 |
| Gross income | 115 069 | 97 545 | 35 214 | 30 503 | 129 665 |
| Selling expenses | -46 100 | -39 299 | -14 958 | -13 302 | -53 105 |
| Administrative expenses | -23 908 | -21 232 | -7 819 | -6 612 | -28 775 |
| Research and development costs | -22 856 | -19 625 | -7 476 | -6 437 | -26 889 |
| Other operating revenues and expenses | -542 | 487 | 141 | -99 | 138 |
| Operating income | 21 663 | 17 876 | 5 102 | 4 053 | 21 034 |
| Financial income and expenses | -134 | -2 472 | 1 128 | -778 | -2 628 |
| Income after financial items | 21 529 | 15 404 | 6 230 | 3 275 | 18 406 |
| Minority interest | -417 | — | -74 | — | — |
| Taxes | -1 152 | 12 790 | -240 | 4 427 | 17 651 |
| Net income | 19 960 | 28 194 | 5 916 | 7 702 | 36 057 |
| Earnings per share, SEK | 1.01 | 1.42 | 0.30 | 0.39 | 1.82 |
| Earnings per share, SEK* | 1.01 | 1.42 | 0.30 | 0.39 | 1.82 |
| Average number of outstanding shares | 19 800 157 | 19 790 157 | 19 800 157 | 19 790 157 | 19 790 990 |
| Average number of outstanding shares* | 19 800 157 | 19 840 091 | 19 800 157 | 19 891 960 | 19 865 309 |
| Number of shares at closing day | 19 800 157 | 19 790 157 | 19 800 157 | 19 790 157 | 19 800 157 |
| Number of shares at closing day* | 19 800 157 | 19 887 140 | 19 800 157 | 19 887 140 | 19 800 157 |

Depreciation and amortization has reduced income for the period by SEK 9 774 thousand (9 573), of which SEK 3 160 thousand (3 172) is for the third quarter.

* After dilution. Vitrolife has two outstanding share warrant programs, comprising 44 490 (1999) and 400 000 (2008) warrants. The net present values of the issue prices were in both programs higher than both the share price at closing day and the average share price for the last 12 months.

Other key ratios

| | January - September | | July - September | | Whole year 2007 |
|--------------------------------------|---------------------|-------|------------------|-------|--------------------|
| | 2008 | 2007 | 2008 | 2007 | |
| Gross margin, % | 69.3 | 69.0 | 69.2 | 68.3 | 68.6 |
| Operating margin, % | 13.0 | 12.6 | 10.0 | 9.1 | 11.1 |
| Operating margin before R&D costs, % | 26.8 | 26.5 | 24.7 | 23.5 | 25.4 |
| Net margin, % | 12.0 | 19.9 | 11.6 | 17.3 | 19.1 |
| Equity/assets ratio, % | 84.3 | 83.0 | 84.3 | 83.0 | 84.6 |
| Shareholders' equity per share, SEK | 13.76 | 12.40 | 13.76 | 12.40 | 12.80 |
| Shareholders' equity per share, SEK* | 13.76 | 12.34 | 13.76 | 12.34 | 12.80 |
| Return on equity, % | 10.6 | 12.9 | 10.6 | 12.9 | 14.8 |
| Return on capital employed, % | 9.7 | 9.0 | 9.7 | 9.0 | 8.7 |

* After dilution, see above.

Consolidated income statements per quarter

| SEK thousands | Jul-Sep | Apr-Jun | Jan-Mar | Oct-Dec | Jul-Sep | Apr-Jun |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
| Net sales | 50 868 | 56 562 | 58 670 | 47 537 | 44 647 | 47 545 |
| Cost of goods sold | -15 654 | -17 223 | -18 154 | -15 416 | -14 144 | -14 260 |
| Gross income | 35 214 | 39 339 | 40 516 | 32 121 | 30 503 | 33 285 |
| Selling expenses | -14 958 | -16 758 | -14 384 | -13 807 | -13 302 | -13 175 |
| Administrative expenses | -7 819 | -8 428 | -7 660 | -7 543 | -6 612 | -7 560 |
| Research and development costs | -7 476 | -7 679 | -7 702 | -7 264 | -6 437 | -6 574 |
| Other operating revenues and expenses | 141 | -501 | -181 | -349 | -99 | -121 |
| Operating income | 5 102 | 5 973 | 10 589 | 3 158 | 4 053 | 5 855 |
| Financial income and expenses | 1 128 | 82 | -1 343 | -155 | -778 | -655 |
| Income after financial items | 6 230 | 6 055 | 9 246 | 3 003 | 3 275 | 5 200 |
| Minority interest | -74 | -106 | -237 | — | — | — |
| Taxes | -240 | 2 | -916 | 4 861 | 4 427 | 4 322 |
| Net income | 5 916 | 5 951 | 8 093 | 7 864 | 7 702 | 9 522 |

Consolidated balance sheets

| SEK thousands | Sept. 30, 2008 | Sept. 30, 2007 | Dec. 31, 2007 |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Goodwill | 88 250 | 83 265 | 83 265 |
| Other intangible fixed assets | 24 992 | 24 447 | 24 030 |
| Tangible fixed assets | 86 610 | 77 444 | 76 639 |
| Financial fixed assets | 22 974 | 18 989 | 23 651 |
| Inventories | 44 208 | 39 296 | 42 562 |
| Accounts receivable | 36 330 | 25 799 | 26 378 |
| Other current receivables | 7 327 | 7 385 | 4 430 |
| Liquid funds | 12 552 | 19 186 | 18 505 |
| Total assets | 323 243 | 295 811 | 299 460 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity, attributable to the Parent Company's shareholders | 272 469 | 245 443 | 253 384 |
| Minority interest | 516 | — | — |
| Deferred tax liability | 561 | 683 | 432 |
| Long-term interest-bearing liabilities | 3 952 | 16 289 | 14 304 |
| Short-term interest-bearing liabilities | 10 859 | 6 553 | 6 439 |
| Accounts payable | 14 207 | 12 372 | 9 505 |
| Other short-term interest-free liabilities | 20 679 | 14 471 | 15 396 |
| Total shareholders' equity and liabilities | 323 243 | 295 811 | 299 460 |
| Pledged assets for own liabilities | 30 000 | 30 000 | 30 000 |
| Contingent liabilities | None | None | None |

Change in shareholders' equity

| SEK thousands | January - September 2008 | January - September 2007 | Whole year 2007 |
|--------------------------------|-----------------------------|-----------------------------|--------------------|
| Amount at beginning of year | 253 384 | 220 639 | 220 639 |
| Translation difference | -1 196 | -3 390 | -3 621 |
| New share issue | — | — | 309 |
| Warrants program | 321 | — | — |
| Net income for the period | 19 960 | 28 194 | 36 057 |
| Amount at end of period | 272 469 | 245 443 | 253 384 |

Consolidated cash flow statements

| SEK thousands | January - September | | July - September | | Whole year |
|--|---------------------|---------------|------------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | 2007 |
| Income after financial items | 21 529 | 15 403 | 6 229 | 3 274 | 18 406 |
| Adjustment for items not affecting cash flow | 8 941 | 10 339 | 1 859 | 3 938 | 13 668 |
| Change in inventories | -930 | -11 649 | 564 | -4 325 | -14 945 |
| Change in trade receivables | -7 883 | -1 331 | 1 294 | 365 | 1 099 |
| Change in trade payables | 5 434 | 5 196 | -4 191 | 2 377 | 3 057 |
| Cash flow from operating activities | 27 091 | 17 958 | 5 755 | 5 629 | 21 285 |
| Cash flow from investing activities | -22 774 | -8 768 | -8 489 | -2 491 | -10 590 |
| Cash flow from financing activities | -10 361 | -4 428 | -5 538 | -1 145 | -6 528 |
| Cash flow for the period | -6 044 | 4 762 | -8 272 | 1 993 | 4 167 |
| Liquid funds at beginning of year | 18 505 | 14 470 | 20 579 | 17 246 | 14 470 |
| Exchange rate difference in liquid funds | 91 | -46 | 245 | -53 | -132 |
| Liquid funds at end of period | 12 552 | 19 186 | 12 552 | 19 186 | 18 505 |

Income statements for the Parent Company

| SEK thousands | January - September | | July - September | | Whole year |
|---------------------------------------|---------------------|---------------|------------------|-------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | 2007 |
| Administrative expenses | -2 355 | -1 308 | -813 | -401 | -2 219 |
| Research and development costs | -13 | -13 | -4 | -4 | -17 |
| Other operating revenues and expenses | -78 | — | -78 | — | -4 |
| Operating income | -2 446 | -1 321 | -895 | -405 | -2 240 |
| Financial income and expenses | 1 293 | -306 | 1 889 | -522 | -189 |
| Income after financial items | -1 153 | -1 627 | 994 | -927 | -2 429 |
| Taxes | 1 500 | — | — | — | 13 668 |
| Net income | 347 | -1 627 | 994 | -927 | 11 239 |

Depreciation and amortization has reduced income for the period by SEK 53 thousand (54) of which SEK 18 thousand (18) is for the third quarter

Balance sheets for the Parent Company

| SEK thousands | Sept. 30, 2008 | Sept. 30, 2007 | Dec. 31, 2007 |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Patents | 46 | 63 | 59 |
| Tangible fixed assets | 108 | 162 | 149 |
| Participation in affiliated companies | 323 610 | 317 986 | 317 986 |
| Deferred tax assets | 14 310 | — | 12 810 |
| Receivables from affiliated companies | 49 322 | 61 789 | 65 052 |
| Other current receivables | 956 | 411 | 502 |
| Liquid funds | 1 073 | 3 055 | 315 |
| Total assets | 389 425 | 383 466 | 396 873 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 380 302 | 368 789 | 384 172 |
| Long-term interest-bearing liabilities | 3 952 | 7 449 | 5 609 |
| Short-term interest-bearing liabilities | 3 859 | 5 973 | 5 859 |
| Accounts payable | 46 | 271 | 189 |
| Other short-term interest-free liabilities | 1 266 | 984 | 1 044 |
| Total shareholders' equity and liabilities | 389 425 | 383 466 | 396 873 |
| Pledged assets for own liabilities | 3 100 | 3 100 | 3 100 |
| Contingent liabilities | 10 000 | 10 000 | 10 000 |

Note 1. Accounting principles

This interim report for the Group has been drawn up in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting. Vitrolife reports in accordance with IAS 14, Segment Reporting, geographic areas as primary segment.

As from January 1, 2005, Vitrolife applies International Financial Reporting Standards (IFRS) in its consolidated accounts, in the form they have been adopted by the EU. As of January 1, 2005, the Parent Company applies RR 32, Accounting for Legal Entities. The main significance of RR 32 is that IFRS shall be applied, but with certain exceptions.

The accounting principles are unchanged compared with the last Annual Report and a description is to be found in the Annual Report for 2007.

Note 2. Financial data per geographic area, Group

| SEK thousands | January - September 2008 | 2007 | Whole year 2007 |
|-----------------------------|-----------------------------|--------|--------------------|
| Europe / Middle East | | | |
| Net sales | 103 555 | 85 839 | 113 359 |
| Operating income | 13 506 | 10 852 | 12 620 |
| The Americas | | | |
| Net sales | 35 119 | 34 219 | 45 653 |
| Operating income | 4 580 | 4 326 | 5 082 |
| Rest of world | | | |
| Net sales | 27 426 | 21 344 | 29 927 |
| Operating income | 3 577 | 2 698 | 3 332 |

Financial reports

Vitrolife's interim reports are published on the company's homepage, www.vitrolife.com, and are sent to the shareholders who have registered that they would like to have this information.

The report on operations for 2008 will be published on Friday Feb. 20, 2009.

Queries should be addressed to:

Magnus Nilsson, CEO, phone +46 31 721 80 00 or +46 708 22 80 61.
Anna Ahlberg, CFO, phone +46 31 721 80 13 or +46 708 22 80 13.

Review report

We have reviewed this report for the period 1 January 2008 to 30 September 2008 for Vitrolife AB (publ) corp. id.no. 556354-3452. The Board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less

in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

October 22, 2008
Gothenburg, Sweden
PricewaterhouseCoopers AB

Birgitta Granquist
Authorized Public Accountant

The information in this report is such as that which Vitrolife is required to publish in accordance with the Securities Exchange and Clearing Operations Act. The report was submitted for publication on October 22, 2008 at 11.00 am.

www.vitrolife.com

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Vitrolife 
Innovative Cell and Tissue Technology

Vitrolife is a global biotechnology/medical device Group that works with developing, manufacturing and selling advanced products and systems for the preparation, cultivation and storage of human cells, tissue and organs. The company has business activities within three product areas: Fertility, Transplantation and Stem Cell Cultivation. The Fertility product area works with nutrient solutions (media) and advanced consumable instruments such as needles and pipettes, for the treatment of human infertility. The Transplantation product area works with solutions and systems to maintain tissue in optimal condition outside the body for the required time while waiting for transplantation. The Stem Cell Cultivation product area works with media and instruments to enable the use and handling of stem cells for therapeutic purposes. Vitrolife today has approximately 140 employees and the company's products are sold in more than 80 markets. The head office is in Kungälv, Sweden, and there are subsidiaries in Sweden, USA, Australia and Italy. The Vitrolife share is listed on the OMX Nordic Exchange Stockholm's Nordic Small Cap list.