

Year-end report

January - December 2010



February 10, 2011

Fourth quarter 2010

- Net sales increased by 17 percent to 116.1 MSEK (99.5). At comparable exchange rates sales increased by 23 percent and at comparable exchange rates excluding business acquired during the year net sales remained at the same level as last year.
- The operating result excluding amortization of goodwill amounted to 8.6 MSEK (3.6).
- A 15.0 MSEK (23.4) additional purchase payment was received from Qiagen for the Biosystems business area divested in 2008.
- Goodwill has been written down with the amount of 444,5 MSEK, mainly related to the acquisitions of Personal Chemistry and Biotage, due to an assessed substantial risk for a continued weak development of pharma industry sales.
- The result after tax excluding write-down of goodwill amounted to 19.7 MSEK (28.1).
- Earnings per share excluding write-down of goodwill amounted to 0.25 SEK (0.32). After write-down of goodwill earnings per share amounted to -5,33 SEK (0.32).
- Net cash at December 31, 2010 amounted to 172.7 MSEK.
- During the quarter 107,020 own shares were purchased. At the balance sheet date December 31 Biotage owned a total of 8,848,632 shares, acquired for 64.3 MSEK, i.e. an average share price of 7.27 SEK.
- The cash flow from operating activities amounted to 12.1 MSEK (18.4).

Full year 2010

- Net sales increased by 9 percent to 428.9 MSEK (394.1). At comparable exchange rates net sales increased by 16 percent and at comparable exchange rates excluding business acquired during the year net sales increased by 3 percent in the full year.
- The operating result excluding write-down of goodwill amounted to 25.7 MSEK (-10.1).
- The result after tax excluding write-down of goodwill amounted to 34.2 MSEK (13.5).
- Earnings per share excluding write-down of goodwill amounted to 0.41 SEK (0.15). After write-down of goodwill earnings per share amounted to -4,91 SEK (0.15).
- Dividends to shareholders were paid to the amount of 17.3 MSEK.
- The cash flow from operating activities amounted to 57.6 MSEK (36.2).
- MIP Technologies AB was acquired on April 30, 2010.
- The product lines RapidTrace® and TurboVap® and associated assets were acquired on May 25 2010 from Caliper Life Sciences, Inc.
- Proposed dividend: 0.25 SEK (0.20).

Group result development in brief

Amounts in MSEK	4 th quarter 2010	4 th quarter 2009	Full year 2010	Full year 2009
Net sales	116,1	99,5	428,9	394,1
Cost of goods sold	-44,4	-45,6	-172,7	-169,0
Gross profit	71,6	53,9	256,3	225,1
Operating expenses	-507,5	-50,3	-675,0	-235,2
Operating profit/loss	-435,9	3,6	-418,8	-10,1
Financial items	0,2	0,7	0,2	1,1
Profit/loss before tax	-435,7	4,2	-418,5	-9,0
Tax expenses	-4,1	0,5	-6,7	-0,8
Profit/loss after tax for continuing operations	-439,8	4,7	-425,3	-9,8
Profit/loss after tax for discontinued operations	15,0	23,4	15,0	23,3
Total profit/loss for the period	-424,8	28,1	-410,2	13,5

Comments by CEO Torben Jörgensen

The year has involved major changes for Biotage. In the second quarter two acquisitions were made in order to strengthen Biotage's product offering in existing and closely related market areas. These are now fully integrated in Biotage's product portfolio and sales force. Through these acquisitions the dependence on the pharma sector will gradually be reduced, and the work in related areas such as food, agriculture, forensics and environment is facilitated.

On April 30 MIP Technologies AB was acquired. The work now continues with the development of MIP Technologies' range of analytical products. MIP also runs a number of partnership projects, concerning the removal of impurities in food in production scale, among other things.

On May 25 the product lines RapidTrace® och TurboVap® and associated assets were acquired from Caliper Life Sciences, Inc. It is encouraging to note that sales of the acquired product lines have developed well, amounting to 18.0 MSEK in the fourth quarter. The acquisition has opened the door to thousands of existing customers for our consumables in the new target areas.

The sales development in the fourth quarter was satisfying and we achieved a 17 percent increase to 116.1 MSEK. At comparable exchange rates sales increased by 23 percent. However, the strengthening of the Swedish currency during the quarter has affected us negatively, as only a marginal part of the income is invoiced in SEK.

In the full year sales increased by 9 percent to 428.9 MSEK, and by 16 percent at comparable exchange rates.

We have received a 15.0 MSEK additional purchase payment from Qiagen for 2010 concerning the Biosystems business area divested in 2008. The sales of Biosystems products have developed positively as the result of Qiagen's heavily intensified marketing and sales efforts. So far Biotage has received a little more than 5.9 MUSD of the maximum of 7.0 MUSD that can be received as additional purchase payments up to and including 2012.

Despite the unfavorable exchange rate development, above all during the fourth quarter, the operating result, excluding additional purchase payments, amounted to 8.6 MSEK in the fourth quarter and to 25.7 MSEK in the full year.

Since the third quarter 2009 the company has repurchased own shares and at the reporting date owns 10 percent of the number of outstanding shares. The repurchasing authorization has thus been fully utilized. The Board has previously announced that it intends to propose to the next Annual General Meeting that the repurchased shares are canceled.

The acquisitions made in 2010 are now so well integrated in Biotage that the work with finding additional suitable candidates for acquisition or cooperation agreements can again be intensified.

Biotage continues to have a strong financial position with net cash amounting to 173 MSEK at December 31. To this the 15 MSEK additional purchase payment from Qiagen should be added.

Biotage has a relatively large equity capital, but also a large goodwill item, mainly attributable to the acquisitions of Personal Chemistry and Biotage. In view of the weak development of the big pharma companies in recent years, the uncertainty concerning the development of sales to this customer group, especially of instruments, has grown. The Board has thus decided to regard the development in this area as more risky, and therefore to write down the company's goodwill by 444,5 MSEK.

Group result, financial position and cash flow

Fourth quarter 2010

Group net sales amounted to 116.1 MSEK, compared to 99.5 MSEK the fourth quarter 2009, a 17 percent increase. At comparable exchange rates sales increased by 23 percent.

The EU area was the biggest single market with 41 percent of the net sales. The US contributed 39 percent and the rest of the world 20 percent.

The Group's gross margin was 61.7 percent (54.1). The gross margin was positively influenced temporarily by among other an improved product mix with increased sales of high margin instruments.

The operating expenses amounted to 63.1 MSEK (50.3). The increased expenses are mainly related to business acquired during the year.

The operating result excluding write-down of goodwill amounted to 8.6 MSEK (3.6).

A result after tax excluding write-down of goodwill amounting to 19.7 MSEK (28.1) is reported.

The investments amounted to 12.8 MSEK (8.8). Of these sums 5.7 MSEK (4.3) were capitalized development costs.

Depreciation/amortization amounted to 10.3 MSEK (10.9). Of these sums 4.6 MSEK (4.3) were amortizations of capitalized development costs.

The cash flow from operating activities amounted to 12.1 MSEK (18.4).

Full year 2010

Group net sales amounted to 428.9 MSEK compared to 394.1 MSEK the same period 2009, a 9 percent increase. At comparable exchange rates sales increased by 16 percent.

The US contributed 39 percent of the sales, the EU area 37 percent and the rest of the world 24 percent.

The Group's gross margin was 59.7 percent (57.1). The changes in the gross margin are mainly attributable to an improved product mix with increased sales of high margin instruments.

The operating expenses amounted to 230.6 MSEK (235.2).

The operating profit excluding amortization of goodwill amounted to 25.7 MSEK (-10.1).

A result after tax excluding amortization of goodwill amounting to 34.2 MSEK (13.5) is reported.

The investments amounted to 176.2 MSEK (40.0). Of these sums 19.1 MSEK (22.1) were capitalized development costs. Of the investments 144.1 MSEK related to acquired companies and product lines.

Depreciation/amortization amounted to 34.9 MSEK (35.3). Of these sums 18.4 MSEK (16.7) were amortization of capitalized development costs.

The cash flow from operating activities amounted to 57.6 MSEK (36.2).

Balance sheet items

At December 31, 2010 the Group's cash, securities and short term investments totaled 179.6 MSEK, compared to 364.9 MSEK at December 31, 2009. The Group's interest-bearing liabilities amounted to 6.8 MSEK compared to 37.7 MSEK at December 31, 2009.

The Group reports a total goodwill of 104,8 MSEK (473.7) at December 31. This year's change is attributable to the acquisitions of MIP Technologies and Caliper's product lines, 103.2 MSEK, to write-down of goodwill, -444,5 MSEK, and effects of exchange rate changes, -27.6 MSEK.

Other intangible fixed assets in the form of patents and license rights amounted to 50.6 MSEK (12.0) and capitalized development costs to 57.5 MSEK (49.9).

At December 31 the equity capital amounted to 567,9 MSEK, compared to 1,089.0 MSEK at December 31, 2009. The reduced equity capital is attributable to this year's result, -410,2 MSEK, repurchasing of the company's own shares, -54.2 MSEK, dividends to shareholders, -17.3 MSEK and effects of exchange rate changes, -39.4 MSEK.

Divested business

The result after tax for divested business amounted to 15.0 MSEK (23.4) in the fourth quarter and to 15.0 MSEK (23.3) in the full year 2010. In 2010 this relates to the additional purchase payment from Qiagen. Also in 2009 this was the main factor.

Major events

Additional purchase payment for the Biosystems business area

In the fourth quarter 2008 Qiagen acquired the assets and some liability in the Biosystems business area and Biotage's shares in Corbett (17.5 percent) for an initial purchase sum of 53 MUSD. Provided that certain sales targets were achieved, the right was also obtained to receive additional purchase payment totaling a maximum of 7 MUSD, to be paid to Biotage during the period from Qiagen's taking possession up to and including December 31, 2012. In the fourth quarter 2008 Biotage achieved the target for the first additional purchase payment of 500 KUSD. For the operating year 2009 Biotage received an additional 3,239 KUSD, and for the operating year 2010 an additional 2,206 KUSD.

In total Biotage has thus received 5,945 KUSD, which means that a maximum of another 1,055 KUSD can be received up to and including 2012.

Decision to repurchase own shares

At the Annual General Meeting held on April 27, 2009 the board was authorized, up until the next AGM at the longest, to decide on the acquisition and sale of the company's shares, so that Biotage's total holding of own shares amounts to a maximum of 10 percent of the total number of the company's shares. The purpose of the buy-back program was to enable the board to adjust and improve the capital structure and thereby create increased shareholder value. Repurchases of shares have been made at the Nasdaq OMX Stockholm exchange at a price within the price interval at the time recorded. In the fourth quarter 2010 107,020 shares were repurchased for a total value of 766 KSEK. The average share price at repurchase was 7.16 SEK.

No shares have been resold and at December 31, 2010 the company owned 8,848,632 own shares, acquired for a total sum of 64.3 MSEK. The average share price was 7.27 SEK. The repurchasing authorization has thus been fully utilized. The Board has previously announced that it intends to propose to the next Annual General Meeting that the repurchased shares are canceled.

Patent dispute in the US

Biotage has, as previously announced, together with the wholly owned subsidiaries Biotage GB Ltd and Biotage LLC, been sued for patent infringement in the US. The lawsuit has been filed by Scientific Plastic Products, Inc. and concerns Biotage's sales of the SNAP product line in the US. The legal process is ongoing and there is currently no reason to reappraise the initial analysis of Biotage's actual position.

Biotage has filed an application to the US Patent and Trademark Office applying for re-examination of all patent demands in the patents concerned. At the same time Biotage submitted a request that the infringement case in the court should be declared resting awaiting the outcome of the re-examination proceedings. The court has granted Biotage's request. There are no fixed time frames for when decisions in these cases can be expected from the US Patent and Trademark Office, but it is estimated that decisions will be announced during this year. Biotage continues to believe that the other party lacks support for the alleged patent infringement.

Human resources

At December 31, 2010 the Group 272 employees, compared to 245 at the start of the year. The increase is mainly attributable to the acquisition of MIP Technologies AB in Lund and the employees taken over in connection with the Caliper acquisition.

Parent company

The Group's parent company, Biotage AB, has wholly owned subsidiaries in Sweden, the United States, United Kingdom, Germany, France, Italy and Japan. The parent company is responsible for group management, strategic business development and administrative functions at Group level towards subsidiaries.

In the fourth quarter the parent company's net income amounted to 1.5 MSEK (1.5). In the full year 2010 the net income amounted to 6.2 MSEK (6.1).

Profit after financial items in the fourth quarter amounted to -289,6 MSEK (24.2). In the full year 2010 profit after financial items amounted to -297,9 MSEK (43.1). The results for both the fourth quarter and the full year 2010, includes write downs on shares and receivables in subsidiaries amounted to 306,0 MSEK.

The parent company's investments in intangible fixed assets during the fourth quarter amounted to 9.8 MSEK (0.1). In the full year 2010 the investments in intangible fixed assets totaled 138.1 MSEK (0.9).

At December 31, 2010 the parent company's cash and bank balance and short-term investments amounted to 106.6 MSEK, compared to 330.0 MSEK at December 31, 2009.

Risks and uncertainties

As an international Group, Biotage is exposed to various risks that affect the possibilities to achieve the established targets. There are operational risks, such as the risk that competitive situations affect price levels and sales volumes, and the risk that the economic development in the markets and segments where the Group operates is not stable. There are also financial risks, such as currency risks, interest risks and credit risks.

No major changes in significant risks or uncertainty factors have occurred during the period. A detailed account of Biotage's risks, uncertainty factors and the handling of these can be found in the company's Annual Report for 2009.

Readers wishing to study the risks and uncertainties reported in the 2009 Annual Report can download this report from Biotage AB's website www.biotage.com or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala or info@biotage.com.

Reports in 2011

The interim report for the first quarter 2011 will be issued in connection with the Annual General Meeting on April 27, 2011. The 2010 Annual Report will be distributed in week 14 and be available at the company's website www.biotage.com.

The interim report for the second quarter 2011 will be issued on August 17, 2011

The interim report for the third quarter 2011 will be issued on October 26, 2011

The year-end report for 2011 will be issued on February 9, 2012.

This report has not been subject to special review by the company's auditor.

Uppsala February 10, 2011

Torben Jörgensen
President and CEO

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The information in this press release is of the kind that Biotage AB (publ) is required to make public according to the Financial Instruments Trading Act. The information was released for publication at 8.30 on February 10, 2011.

About Biotage

Biotage offers solutions, knowledge and experience in the areas of analytical chemistry and medicinal chemistry. The customers include the world's largest pharmaceutical and biotech companies, and leading academic institutes. The company is headquartered in Uppsala and has subsidiaries in the US, UK and Japan. Biotage has 272 employees and had sales of 428.9 MSEK in 2010. Biotage is listed on the NASDAQ OMX Nordic Stockholm stock exchange. Website: www.biotage.com

Biotage AB (publ)**Year end report****2010-01-01 -- 2010-12-31****STATEMENTS OF COMPREHENSIVE INCOME**

Amounts in KSEK	4 th quarter 2010	4 th quarter 2009	Full year 2010	Full year 2009
Net sales	116 093	99 519	428 926	394 123
Cost of sales	-44 447	-45 647	-172 662	-169 025
Gross profit	71 646	53 872	256 263	225 098
Distribution costs	-39 437	-31 670	-145 275	-132 297
Administrative expenses	-12 390	-15 629	-45 949	-61 020
Research and development costs	-10 470	-9 611	-39 662	-34 130
Other operating items	-445 218	3 445	-444 138	10 219
Restructuring costs	-	3 162	-	-17 993
Operating expenses	-507 515	-50 304	-675 024	-235 221
Operating profit/loss	-435 869	3 568	-418 760	-10 123
Financial net income	186	680	236	1 124
Profit/loss before income tax	-435 683	4 248	-418 524	-8 999
Tax expenses	-4 093	454	-6 729	-818
Profit/loss after tax for continuing operations	-439 776	4 702	-425 252	-9 817
Profit/loss after tax for discontinued operations	15 010	23 361	15 010	23 295
Total profit/loss for the period	-424 766	28 063	-410 243	13 478
Other comprehensive income				
Translation differences related to non Swedish subsidiaries	2 833	9 557	-39 298	-22 467
Change in hedging reserve	-	-1 741	-	1 042
Total other comprehensive income	2 833	7 816	-39 298	-21 425
Total comprehensive income for the period	-421 933	35 879	-449 541	-7 948

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)

	4 th quarter 2010	4 th quarter 2009	Full year 2010	Full year 2009
Attributable to parent company's shareholders:				
Total profit/loss for the period	-424 766	28 063	-410 243	13 478
Total comprehensive income for the period	-421 933	35 879	-449 541	-7 948
Average shares outstanding	79 659 128	87 649 029	83 527 613	88 262 934
Average shares outstanding after dilution	79 659 128	87 649 029	83 527 613	88 262 934
Shares outstanding at end of reporting period (*)	88 486 320	88 486 320	88 486 320	88 486 320
Total profit/loss for the period per share SEK	-5,33 kr	0,32 kr	-4,91 kr	0,15 kr
Total profit/loss for the period per share SEK after dilution	-5,33 kr	0,32 kr	-4,91 kr	0,15 kr
Total comprehensive income for the period per share SEK	-5,30 kr	0,41 kr	-5,38 kr	-0,09 kr
Total comprehensive income for the period per share after dilution SEK	-5,30 kr	0,41 kr	-5,38 kr	-0,09 kr
(*) Of the numbers of shares outstanding are repurchased as per end of reporting period	8 848 632	1 578 109	8 848 632	1 578 109

Quarterly summary 2010 and 2009

Amounts in KSEK	2010 Q 4	2010 Q 3	2010 Q 2	2010 Q 1	2009 Q 4	2009 Q 3	2009 Q 2	2009 Q 1
Net Sales	116 093	109 467	103 502	99 863	99 519	90 602	104 411	99 591
Cost of sales	-44 447	-44 531	-42 704	-40 982	-45 647	-39 426	-41 002	-42 951
Gross profit	71 646	64 937	60 799	58 881	53 872	51 176	63 410	56 641
Gross margin	61,7%	59,3%	58,7%	59,0%	54,1%	56,5%	60,7%	56,9%
Operating expenses	-507 515	-60 094	-53 166	-54 248	-50 304	-49 154	-57 435	-78 328
Operating profit/loss	-435 869	4 843	7 633	4 633	3 568	2 022	5 975	-21 687
Financial net income	186	347	102	-399	680	-253	379	317
Profit/loss before income tax	-435 683	5 190	7 734	4 235	4 248	1 769	6 354	-21 370
Tax expenses	-4 093	-508	-1 104	-1 023	454	-385	-610	-277
Profit/loss after tax for continuing operations	-439 776	4 682	6 630	3 211	4 702	1 384	5 744	-21 647
Profit/loss after tax for discontinued operations	15 010	-	-	-	23 361	-152	-263	349
Total profit/loss for the period	-424 766	4 682	6 630	3 211	28 063	1 232	5 480	-21 298

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands	2010-12-31	2009-12-31
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	35 330	41 915
Goodwill (note 1)	104 791	473 661
Other intangible assets	108 064	61 970
Financial assets	2 670	2 293
Deferred tax asset	39 436	42 570
Total non-current assets	290 291	622 409
Current assets		
Inventories	97 976	80 288
Trade and other receivables	125 587	121 228
Cash cash equivalents and short time deposits	179 573	364 902
Total current assets	403 135	566 417
Total assets for continuing operations	693 427	1 188 827
Non-current assets held for sale	-	38 563
TOTAL ASSETS	693 427	1 227 390
EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Share capital	88 486	88 486
Other paid-in capital	4 993	4 993
Reserves	-104 644	-65 345
Retained earnings	579 112	1 060 893
Total equity	567 948	1 089 027
Non-current liabilities		
Liabilities to credit institutions	6 401	7 615
Non-current provisions	31 433	2 913
Total non-current liabilities	37 834	10 528
Current liabilities		
Trade and others liabilities	82 180	92 615
Tax liabilities	2 636	1 746
Liabilities to credit institutions	436	915
Current provisions	2 393	3 356
Total current liabilities	87 645	98 632
Total equity and liabilities for continuing operations	693 427	1 198 187
Liabilities attributable to non-current assets held for sale	-	29 203
TOTAL EQUITY AND LIABILITIES	693 427	1 227 390

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CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK thousands	4 th quarter 2010	4 th quarter 2009	Full year 2010	Full year 2009
Operating activities				
Profit/loss after financial items	-435 683	4 248	-418 524	-8 999
Adjustments for non-cash items	460 250	-3 326	487 207	34 470
	24 567	922	68 683	25 471
Income tax paid	-4 416	454	-7 052	-818
Cash flow from operating activities before changes in working capital	20 151	1 376	61 631	24 653
Cash flow from changes in working capital:				
Increase (-)/ decrease (+) in inventories	4 020	14 580	-10 543	18 623
Increase (-)/ decrease (+) in trade receivables	-9 173	-3 540	-3 248	-1 863
Increase (-)/ decrease (+) in other current receivables	-1 428	-19 277	2 676	-1 791
Increase (+)/ decrease (-) in other liabilities	-1 511	25 480	-16 282	269
Cash flow from operating activities - continuing operations	12 059	18 618	34 234	39 892
Cash flow from operating activities - discontinued operations	-	-189	23 361	-3 644
Cash flow from operating activities	12 059	18 430	57 595	36 248
Investing activities				
Acquisition of intangible assets	-7 104	-4 345	-21 109	-23 042
Acquisition of property, plant and equipment	-5 698	-3 979	-10 333	-16 257
Acquisition of financial assets	-39	-493	-678	-659
Acquisitions of companies and product lines (note 2)	-	-	-144 116	-
Sale of property and other non current assets	0	-	39 884	-
Sale of financial assets	39	-	183	-
Cash flow from investing activities - continuing operations	-12 801	-8 817	-136 169	-39 958
Cash flow from investing activities - discontinued operations	-	-	-	-
Cash flow from investing activities	-12 801	-8 817	-136 169	-39 958
Financing activities				
Dividend to shareholders	-	-	-17 303	-17 697
Buy-back of shares	-766	-9 021	-54 235	-10 120
New borrowing	-	-	-	-
Repayment of loans	-535	-11 337	-31 402	-6 669
Cash flow from financing activities - continuing operations	-1 302	-20 358	-102 941	-34 486
Cash flow from financing activities - discontinued operations	-	-	-	-
Cash flow from financing activities	-1 302	-20 358	-102 941	-34 486
Cash flow for the period	-2 044	-10 745	-181 515	-38 197
Cash and liquid assets at beginning of period	182 348	374 459	364 902	404 991
Exchange differences in liquid assets	-731	1 189	-3 814	-1 892
Cash and liquid assets at end of period	179 573	364 902	179 573	364 902
Additional information:				
<i>Adjustments for non-cash items</i>				
Depreciations and impairments	458 822	10 877	483 441	35 332
Other items	1 428	-14 202	3 766	-862
Total	460 250	-3 326	487 207	34 470
Interest received	693	1 045	1 028	3 367
Interest paid	-507	-365	-791	-2 243

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Share capital	Other paid-in capital	Accumulated translation reserve	Hedging-reserve	Retained earnings	Total equity
Opening balance January 1, 2009	88 486	847 173	-42 878	-1 042	233 053	1 124 792
Changes in equity in the period of January 1 - September 30, 2009						
Total comprehensive income	-	-	-32 024	2 783	-14 585	-43 827
Total non-owners changes	0	0	-32 024	2 783	-14 585	-43 827
Transactions with equity holders of the company						
Dividend to shareholders of the parent company					-17 697	-17 697
Share buy-back by parent company (*)					-1 100	-1 100
Distribution as adopted by EGM registered with the Swedish Companies Registration Office on February 11, 2009	-	-842 180			842 180	0
Closing balance September 30, 2009	88 486	4 993	-74 902	1 741	1 041 851	1 062 169
Changes in equity in the period of October 1 - December 31, 2009						
Total comprehensive income	-	-	9 557	-1 741	28 063	35 879
Total non-owners changes	0	0	9 557	-1 741	28 063	35 879
Transactions with equity holders of the company						
Share buy-back by parent company (*)					-9 021	-9 021
Closing balance December 31, 2009	88 486	4 993	-65 345	0	1 060 893	1 089 027
Changes in equity in the period of January 1 - September 30, 2010						
Total comprehensive income	-	-	-42 131	-	14 523	-27 608
Total non-owners changes	0	0	-42 131	0	14 523	-27 608
Transactions with equity holders of the company						
Dividend to shareholders of the parent company					-17 303	-17 303
Share buy-back by parent company (*)					-53 469	-53 469
Closing balance September 30, 2010	88 486	4 993	-107 477	0	1 004 645	990 647
Changes in equity in the period of October 1 - December 31, 2010						
Total comprehensive income	-	-	2 833		-424 766	-421 933
Total non-owners changes	0	0	2 833	0	-424 766	-421 933
Transactions with equity holders of the company						
Share buy-back by parent company (*)					-766	-766
Closing balance December 31, 2010	88 486	4 993	-104 644	0	579 112	567 948

(*): Share buy-back

At the annual general meeting held on April 27, 2009 the Board was granted a mandate to purchase and transfer the Company's own shares before the next annual meeting, provided Biotage's total holding of its own shares does not exceed ten percent of the total number of shares. At the Annual General Meeting held on April 29, 2010 this authorization became renewed until the next Annual General Meeting in 2011. The company used this mandate to purchase a total of 8 848 632 shares between September 2009 and December 31, 2010 at an average purchase price of SEK 7.27. The number of repurchased shares corresponds to 10,0 percent of the number of issued shares. None repurchased shares have been sold. Thus, the Board's authorization to repurchase its shares are fully utilized.

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INCOME STATEMENT, PARENT

Amounts in SEK thousands	4 th quarter 2010	4 th quarter 2009	Full year 2010	Full year 2009
Net sales	1 513	1 535	6 183	6 126
Administrative expenses	-4 988	-4 499	-17 800	-19 652
Research and development costs	-272	-806	-2 215	-2 709
Other operating items	14 534	24 913	9 590	28 102
<i>Operating expenses</i>	<u>9 273</u>	<u>19 609</u>	<u>-10 425</u>	<u>5 742</u>
Operating profit/loss	10 786	21 144	-4 242	11 867
Profit/loss from financial investments:				
Interest income from receivables from group companies	5 789	2 934	14 343	15 226
Interest expense from liabilities to group companies	-461	-486	-1 868	-1 910
Result from participations in group companies	-306 041	-	-306 700	15 000
Other interest and similar income	304	713	1 006	3 009
Interest and similar expense	-	-118	-456	-138
Financial net income	<u>-300 409</u>	<u>3 042</u>	<u>-293 675</u>	<u>31 187</u>
Profit/loss before income tax	-289 623	24 186	-297 917	43 054
Tax expenses	<u>-3 134</u>	<u>-</u>	<u>-3 134</u>	<u>-</u>
Total profit/loss for the period	-292 757	24 186	-301 051	43 054

STATEMENT OF COMPREHENSIVE INCOME. PARENT

Total profit/loss for the period	-292 757	24 186	-301 051	43 054
Translation differences related to non Swedish subsidiaries	<u>2 747</u>	<u>4 965</u>	<u>-23 024</u>	<u>-21 644</u>
Total comprehensive income, parent	-290 010	29 151	-324 075	21 410

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BALANCE SHEET, PARENT

Amounts in SEK thousands	2010-12-31	2009-12-31
ASSETS		
Non-current assets		
<i>Intangible assets</i>		
Patents and licenses	5 574	6 196
<i>Financial assets</i>		
Investments in group companies	413 833	557 090
Receivables from group companies	133 026	179 583
Deferred tax asset	39 436	42 570
	586 295	779 243
Total non-current assets	591 869	785 439
Current assets		
<i>Current receivables</i>		
Trade receivables	-	-
Receivables from group companies	87 788	62 565
Other receivables	808	2 054
Prepaid expenses and accrued income	16 695	25 463
	105 291	90 082
Cash, cash equivalents and short time deposits	106 619	330 038
Total current assets	211 910	420 120
TOTAL ASSETS	803 779	1 205 559
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	88 486	88 486
	88 486	88 486
<i>Unrestricted equity</i>		
Fair value reserve	-46 928	-23 904
Retained earnings	833 833	847 526
Profit/loss for the period reported	-301 051	43 054
	485 854	866 676
Total equity	574 341	955 164
Provisions	28 799	-
Current liabilities		
Trade payables	714	1 067
Liabilities to group companies	195 051	245 827
Other current liabilities	397	390
Accrued expenses and prepaid income	4 476	3 111
	200 639	250 395
TOTAL EQUITY, PROVISIONS AND LIABILITIES	803 779	1 205 559

Accounting principles

Biotage's Group reporting is based on International Financial Reporting Standards as adopted by the EU. The Group's interim report is prepared in accordance with IAS 34 Interim Reporting, and the Swedish Accounting Act. The parent company's interim report is prepared in accordance with the Swedish Accounting Act and The Swedish Financial Reporting Board's recommendation RFR 2.3 Reporting for legal entities.

The revised IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements are applied for acquisitions and transactions carried out January 1, 2010 or later. The changes in these standards among other things mean that transactions with minority holders, where the controlling interest remains, shall be reported as transactions between the owners (as equity). Furthermore, the rules for reporting of conditional purchase payments have been changed, so that the acquisition value of a business acquisition is reported at one point in time. Subsequent adjustments of the acquisition value are reflected in the income statement. Costs related to acquisitions must not be included in the acquisition value of a business acquisition, but are reported as a cost item in the income statement. The approach in the reporting of gradual acquisitions has been changed, which means that at the time of the transaction (when controlling interest is obtained) the actual value is calculated according to the previously owned share. The acquisition cost thus consists of the actual value of the previously owned share plus the purchase sum for the newly acquired share. Any change in the value of the previously owned share is reported as a profit or loss in the income statement.

The changes in RFR 2 Reporting for legal entities that have come into effect and apply to the reporting year 2010 has meant changed formats for the parent company. The parent company's income and expenses, previously reported against equity and not concerning transactions with the owners, are now presented in a report of the total result directly after the parent company's income statement. In the parent company's report of changes in equity items in the total result are presented separate from transactions with the owners.

In all other respects the same accounting principles and calculation methods were applied in the preparation of the Group's and the parent company's interim report as in the preparation of Biotage's Annual Report for 2009. These are described on pp. 38-49 in the Annual Report.

Readers wishing to study the accounting principles presented in the 2009 Annual Report can download this report from Biotage AB's website www.biotage.com or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala, Sweden, or info@biotage.com.

NOTES AND SUPPLEMENTARY DISCLOSURES

Note 1:

Goodwill on the Group balance sheet

KSEK

Opening balance at January 1, 2010 **473 661**

Change in value due to exchange rate changes January - March 2010	-3 804
Opening balance at the start of the reported period, April 1, 2010	<u>469 857</u>

Change in value due to acquisitions as follows:

MIP Technologies AB (shares)	21 876	
Caliper Life Sciences (product lines)	<u>67 974</u>	89 850

Change in value due to exchange rate changes April - June 2010	<u>15 781</u>
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Balance carried forward at June 30, 2010	575 488
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Change in value due to acquisitions as follows
and due to revised opening balance sheet at the day of taking possession:

MIP Technologies AB	13 799	
Caliper Life Sciences	<u>-441</u>	13 358

Change in value due to exchange rate changes July - September 2010	<u>-40 526</u>
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Balance carried forward at September 30, 2010	548 320
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Change in value due to acquisitions as follows
and due to revised opening balance sheet at the day of taking possession:

MIP Technologies AB	0	
Caliper Life Sciences	<u>-22</u>	-22

Amortization of goodwill in the annual accounts December 31 2010	-444 460
Change in value due to exchange rate changes October - December 2010	<u>953</u>

Balance carried forward at December 31, 2010 **104 791**

Summary:

The year's change in reported value of the Group's goodwill	-368 870
Explained by:	
Acquisition of product lines from Caliper Life Science	67 511
Acquisition of all shares in MIP Technologies AB	35 675
Effects of changed exchange rates	-27 596
Amortization of goodwill	<u>-444 460</u>
Total change in 2010	-368 870

Note 2:**Supplementary disclosures according to IFRS 3 concerning business acquisitions during the reported period**

In the second quarter 2010 the Group acquired all shares in the Swedish company MIP Technologies AB and two product lines from the American company Caliper Life Sciences Inc.

Below the information reported in the interim report is complemented by financial information that acquiring companies are required to submit according to IFRS 3 Business Combinations. The sums are confirmed regarding acquisition cost in terms of assessed additional purchase payment, values of assets taken over, liability and contingent liability.

1. Comprehensive information

	MIP Technologies AB	Caliper Life sciences product lines	Total
	KSEK	KSEK	KSEK
Parent company's cash payments	16 000	108 815	124 815
Cash payments by subsidiaries	-130	19 431	19 301
Group cash payments	15 870	128 246	144 116
Expected additional purchase payments	28 799	-	28 799
The Group's acquisition expenditure	44 669	128 246	172 915
Assets taken over, excluding liquid assets	13 626	22 845	36 472
Liabilities and contingent liability	-4 633	-3 559	-8 191
Net assets taken over	8 994	19 287	28 280
Surplus on consolidation	35 675	108 959	144 635
distributed as follows:			
Goodwill on consolidation	35 675	67 511	103 186
Intangible fixed assets	-	41 426	41 426
Tangible fixed assets	-	155	155
Inventory	-	-132	-132
Total surplus on consolidation	35 675	108 959	144 635

Costs directly attributable to the acquisitions have been charged to the operating result for the third quarter 2010	0
operating result for the second quarter 2010 (from the day of taking possession, see below)	2 009
operating result for the first quarter 2010 (0 as possession was taken in the second quarter 2010)	0

2. MIP Technologies AB.

Date of acquisition April 30, 2010
Type of acquisition Company shares
Acquired share 100 percent

Total acquisition cost KSEK 44 799
whereof expected
additional purchase payment KSEK 28 799

	According to the company's balance sheet April 30, 2010	Biotage's funds contribution	Expected additional purchase payment	Total acquisition cost	Adjustments according to IFRS 3	Opening balance on the Group's balance sheet April 30, 2010
Acquisition analysis	KSEK	KSEK	KSEK	KSEK	KSEK	KSEK
Parent company's cash payment	2 885	13 115		16 000		16 000
Liquid assets in the company		-130		-130		-130
Sub-total in the Group's cash-flow report Sep 30, 2010	2 885	12 985	0	15 870	0	15 870
Additional purchase payment			28 799	28 799		28 799
Total Group acquisition cost	2 885	12 985	28 799	44 669	0	44 669

Assets

Intangible fixed assets	8 870			8 870		8 870
Goodwill on consolidation				0	35 675	35 675
Tangible fixed assets	1 231			1 231		1 231
Inventory	1 573			1 573		1 573
Current receivables	1 922	31		1 953		1 953
Liquid assets		130		130		130
Total assets	13 595	161	0	13 756	35 675	49 432

Equity and liabilities

Long-term liabilities	11 201	-10 035		1 166		1 166
Provisions				0	28 799	28 799
Current liabilities	5 845	-2 378		3 466		3 466
Equity	-3 451	12 574	0	9 124	6 876	16 000
Total equity and liabilities	13 595	161	0	13 756	35 675	49 432

3. Caliper Life Sciences Inc.

Date of acquisition		May 25, 2010	
Type of acquisition		Two product lines and their net assets	
Acquired share		100 percent	
Total acquisition cost	KSEK	128 246	(KUSD 16 500)
whereof expected additional purchase sum	KSEK	0	

	Balance sheet items taken over May 25, 2010	Adjustments according to IFRS 3	Opening balance on the Group's balance sheet May 25, 2010
	KSEK	KSEK	KSEK
Acquisition analysis			
Parent company's cash payment	108 815		108 815
Subsidiary Biotage LLC's cash payment	19 431		19 431
Total Group acquisition cost	128 246	0	128 246

Assets

Intangible fixed assets		41 426	41 426
Goodwill on consolidation		67 511	67 511
Tangible fixed assets		155	155
Inventory	10 263	-132	10 131
Current receivables	12 582		12 582
Total assets	22 845	108 959	131 805

Equity and liabilities

Provisions	1 839		1 839
Current liabilities	1 719		1 719
Net assets	19 287	108 959	128 246
Total equity and liabilities	22 845	108 959	131 805

4. The acquired units' effect on the reported result in the interim report

The operating result reported below has not been charged with common costs for sales & marketing and administration. The acquired businesses' specific costs for sales and administration are however included in the operating costs reported below

The period from the date of taking possession to June 30, 2010

	MIP Technologies AB	Caliper Life sciences product lines	Total
	KSEK	KSEK	KSEK
Net sales	2 211	6 296	8 507
Operating expenses	-4 348	-4 756	-9 104
Operating result	-2 137	1 540	-597

The period July 1 - Sep 30, 2010

	MIP Technologies AB	Caliper Life sciences product lines	Total
	KSEK	KSEK	KSEK
Net sales	1 821	17 358	19 179
Operating expenses	-4 000	-8 360	-12 360
Operating result	-2 179	8 998	6 819

The period Oct 1 - Dec 31, 2010

	MIP Technologies AB	Caliper Life sciences product lines	Total
	KSEK	KSEK	KSEK
Net sales	3 175	18 031	21 206
Operating expenses	-3 374	-9 681	-13 055
Operating result	-200	8 350	8 150

The period from the date of taking possession to Dec 31, 2010

	MIP Technologies AB	Caliper Life sciences product lines	Total
	KSEK	KSEK	KSEK
Net sales	7 207	41 685	48 892
Operating expenses	-11 722	-22 797	-34 519
Operating result	-4 515	18 888	14 373