

Press release
August 24 2005
Gothenburg, Sweden

Extraordinary General Meeting of Vitrolife AB (publ)

At Vitrolife's Annual General Meeting today the following was decided, after proposal from Vitrolife's largest shareholder Skanditek Industriförvaltning AB, with 28.5 percent of the votes and capital in the company:

- **Option program for employees in the Vitrolife Group**

The company shall raise a debenture loan with a nominal value of SEK 10,000 through the issue of subordinated debentures with a nominal value of SEK 10,000 with a total of 490,000 separable warrants to subscribe for new shares, where each warrant gives the right to subscribe for one new share (each with a nominal value of SEK 1.0) in the company. The subordinated debentures shall accrue interest at 4.0 percent per annum as from August 25, 2005 up until September 29, 2005, when the subordinated debentures mature, and are to be issued for an amount of SEK 740,000, of which SEK 730,000 is attributable to the warrants. The latter amount corresponds to the market value of the warrants, as calculated by an external evaluator in accordance with the accepted method of calculation (Black and Scholes).

Subscription for shares in accordance with the conditions for the warrants may take place during the period as from September 3, 2007 up until September 3, 2008. The subscription price amounts to SEK 30.90 (130 percent of the share's average, volume weighed, price paid during the period August 15 to August 19, 2005).

If the maximum number of issuable warrants is exercised the company's share capital can increase by SEK 490,000, corresponding to approximately 2.6 percent of the total share capital and number of votes after full dilution.

The issue of the subordinated debentures with separable warrants to subscribe for new shares shall, thereby departing from the shareholders' preemptive rights, be directed at the wholly-owned subsidiary Vitrolife Sweden AB (the Subsidiary) with the right and obligation for the Subsidiary, in accordance with the guidelines included in the proposal, to offer employees of the Vitrolife Group the opportunity to acquire the separable warrants to subscribe for new shares ("the warrants") in line with market conditions. When calculating the price of the warrants Black and Scholes' formula for European call options shall be used, incorporating the values for discounting, the time until expiration, the volatility, the subscription price and the share price. The share price shall be calculated as the average, volume weighed, price paid for the share during the period August 22 to August 26, 2005. The valuation is to be carried out by an external evaluator.

Allocation is in accordance with subscription up to maximum levels in 3 employee categories, as specified below.

Category 1: management team of 8 people, a maximum of 50,000 warrants each.

Category 2: middle management/specialists of 10-15 people, a maximum of 20,000 warrants each.

Category 3: other permanent employees, approximately 40 people, a maximum of 5,000 warrants each.

The warrants will be allocated to people that have their fiscal domicile in Sweden. In the event of over-subscription, the warrants shall be distributed proportionately, according to the number subscribed for. Any warrants that are not acquired in accordance with the offer shall be retained by the Subsidiary, to be sold at a later date to new employees within the Vitrolife Group, or to people who are promoted to another category level, in accordance with the above categories. Such future selling of warrants shall be in line with market conditions, in accordance with the method of calculation referred to above.

The reason for the departure from shareholders' preemptive rights is that Skanditek considers that Vitrolife should promote its and its shareholders' long-term interests by encouraging the company's employees to have a holding in the company.

- **Option program for Board members of Vitrolife AB (publ)**

The company shall raise a debenture loan with a nominal value of SEK 10,000 through the issue of subordinated debentures with a nominal value of SEK 10,000 with a total of 60,000 separable warrants to subscribe for new shares, where each warrant gives the right to subscribe for one new share (each with a nominal value of SEK 1.0) in

the company. The subordinated debentures shall accrue interest at 4.0 percent per annum as from August 25, 2005 up until September 29, 2005, when the subordinated debentures mature, and are to be issued for an amount of SEK 100,000, of which SEK 90,000 is attributable to the warrants. The latter amount corresponds to the market value of the warrants, as calculated by an external evaluator in accordance with the accepted method of calculation (Black and Scholes).

Subscription for shares in accordance with the conditions for the warrants may take place during the period as from September 3, 2007 up until September 3, 2008. The subscription price amounts to SEK 30.90 (130 percent of the share's average, volume weighed, price paid during the period August 15 to August 19, 2005).

If the maximum number of issuable warrants is exercised the company's share capital can increase by SEK 60,000, corresponding to approximately 0.3 percent of the total share capital and number of votes after full dilution.

The issue of the subordinated debentures with separable warrants to subscribe for new shares shall, thereby departing from the shareholders' preemptive rights, be directed at the wholly-owned subsidiary Vitrolife Sweden AB (the Subsidiary) with the right and obligation for the Subsidiary to offer members of the Board of Vitrolife AB (publ) the opportunity to acquire the separable warrants to subscribe for new shares ("the warrants") in line with market conditions. When calculating the price of the warrants Black and Scholes' formula for European call options shall be used, incorporating the values for discounting, the time until expiration, the volatility, the subscription price and the share price. The share price shall be calculated as the average, volume weighed, price paid for the share during the period August 22 to August 26, 2005. The valuation is to be carried out by an external evaluator.

The meeting also approved allocation to the members of the Board as subscribed for, but no more than 20,000 warrants each. The Chairman of the Board, Patrik Tigerschiöld, also CEO of Skanditek, will not be allocated any warrants. Any warrants that are not acquired in accordance with the offer shall be retained by the Subsidiary, to be sold at a later date to any new members of the Board of Vitrolife AB (publ), but no more than 20,000 warrants each. Such future selling of warrants shall be in line with market conditions, in accordance with the method of calculation referred to above.

The reason for the departure from shareholders' preemptive rights is that Skanditek considers that Vitrolife should promote its and its shareholders' long-term interests by encouraging the company's Board members to have a holding in the company. As Vitrolife has a small Board, the workload per person is also greater. This has not been remunerated through high Board fees.

Other

Both decisions were covered by the Act (1987:464) concerning certain directed share issues in stock market companies etc. If the maximum number of issuable warrants is exercised the company's share capital can increase by SEK 550,000, corresponding to approximately 2.9 percent of the total share capital and number of votes after full dilution. The total number of outstanding warrants in the company in the event of full subscription in accordance with the above would correspond to approximately 3.1 percent of the total share capital and number of votes after full dilution.

August 24, 2005
Gothenburg, Sweden

The Board

Questions should be addressed to:
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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 Cell therapy. The Fertility product area works with nutrient solutions (media) 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 Cell therapy product area works with media to enable the use of stem cells for therapeutic purposes.

Vitrolife today has approximately 80 employees and the company's products are sold in more than 80 markets. The head office is in Kungälv, Sweden, and there is a subsidiary in Denver, USA. The Vitrolife share is listed on the O-list of the Stockholm Stock Exchange.

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