

**The Active Biotech Group
Half-Year Accounts
January – June 2000**

- **Results according to schedule, MSEK -59 (-75 previous year)**
- **Vaccine sales increase by 20%**
- **Continued positive development for Dukoral +42%**
- **Aventis Pasteur new business partner**
- **SAIK and TTS according to plan**
- **Major new order for SBL Cholera Vaccine worth MSEK 7.4**
- **New technology platforms established**

Increase in turnover 18%, results MSEK -59 (-75)

Sales of vaccines amounted to MSEK 102.7 (85.5), an increase of 20% compared with the corresponding period last year. Continued positive development for Dukoral in Sweden and Norway, 42% sales increase in total. SBL Cholera Vaccine, which was launched in 1999, is showing strong growth, and sales amounted to MSEK 9.7 (0.7).

Income from contract research was MSEK 20, a decrease of MSEK 17.5 compared with last year. This is a result of the acquisition of Pharmacia's TTS cancer projects (Tumor Targeted Superantigens) which were previously run as contract research.

The period's loss amounted to MSEK 59, an improvement of MSEK 16 compared with the corresponding period last year. This improvement in results can be explained by the positive sales development and an improvement in net financial income.

Continued prioritisation in the research projects and the current closure of British subsidiary Actinova Ltd has had a positive effect on the cost outcome.

The period's results have been burdened by one-off costs affecting comparability amounting to MSEK 6. Last year's operating results for the same period included capital gain on disposal of property amounting to MSEK 15.

The full-year forecast of MSEK -150 previously communicated remains unchanged.

Prioritized projects

Work on the SAIK-MS project for treatment of multiple sclerosis is progressing according to plan (Phase I). Ongoing discussions with potential business partners indicate a very high interest in the project.

Pre-clinical and clinical development of the TTS (Tumor Targeted Superantigens) projects are now proceeding under Active Biotech's own direction according to plan. Active Biotech's Board of Directors have today approved the detailed conditions for Active Biotech taking over the project from Pharmacia.

Ongoing clinical phase III trials regarding the ETEC vaccine continue according to plan. Alternative partnering strategies are under evaluation as well as the future clinical trials program.

Aventis Pasteur new business partner

In accordance with the press release on 8 August 2000, Active Biotech has signed a business agreement with Aventis Pasteur within the field of diarrhoea illnesses. Aventis Pasteur will assume responsibility for the marketing, sale and distribution of the oral cholera vaccine; SBL Cholera Vaccine, for countries outside the USA and Europe. An application for registration for the cholera indication will be submitted on several international markets. On a limited number of markets, the application will also encompass tourist diarrhoea caused by the ETEC bacteria.

The co-operation with SmithKline Beecham Biologicals (SB) in this field is ceasing, and all rights pertaining to the cholera vaccine and project regarding a specific ETEC vaccine have reverted to Active Biotech. As part of the agreement, the vaccines for children, now sold by Active Biotech through SBL Vaccin, revert to SB's Nordic organisation as of 1 January 2001.

Moreover, Active Biotech is being issued a licence for Sweden for a second brand of SB's HAVRIX product, a travel vaccine which prevents hepatitis A infections.

"Thanks to our business agreement with Aventis Pasteur, we have a highly competent, strong partner within the field of diarrhoea illnesses. The collaboration will begin immediately after the summer, and we are anticipating the first results in the form of sales on new markets in 2001."

Our agreement with SB affords us the opportunity to advance our development within cholera and ETEC internationally with a modified partnership strategy, while continuing to work together on the Swedish market,” says Sven Andréasson.

Major new order for the SBL Cholera Vaccine for Mozambique

Active Biotech has received an order worth MSEK 7.4 from MSF - Médecins Sans Frontiers for the SBL Cholera Vaccine intended for Mozambique.

Sale of Actigen Ltd

Active Biotech has divested its subsidiary Actigen Ltd to Norwegian Affitech. Actigen's leading product is protein L, an affinity protein which binds antibodies and antibody fragments with high specificity. The agreement also gives Affitech rights to other affinity proteins and purification methods previously owned by Actinova Ltd.

The value of this agreement amounts to just over MSEK 9 over a five-year period, half of which comprises guarantee payments and minimum royalties.

“The sale of Actigen Ltd is a step totally in line with Active Biotech's strategy of focusing on the development of pharmaceuticals and vaccines for treating diseases related to the human immune system,” says Sven Andréasson.

Technology platforms established

Active Biotech has established structure-based drug design (SBDD) and combinatorial chemistry technology platforms, which are used in the pre-clinical projects within the field of immunomodulation. SBDD is a generally used tool for designing new pharmaceuticals, and is used in all projects in which the target molecule's 3D structure is known. The information on the structure is applied in order to design targeted chemical libraries of ligands which can bind to the target protein's active site. This increases the chance of finding substances with the desired properties and reduces the number that need to be synthesised.

The SBDD platform has been established at Active Biotech through the utilisation of combined expertise within the company, in the fields of molecular modelling and Nuclear Magnetic Resonance (NMR), and through external co-operation with researchers at various European universities including Lund in Sweden and Oxford University.

Combinatorial chemistry is an alternative to classical medicinal chemistry. There are two main approaches to the construction of chemical libraries, either random or targeted. Active Biotech has focused on a strategy based on sequential, directed libraries in order to achieve better-oriented screening. Close co-operation between chemistry and the SBDD platforms and implementation of a new system for information management will further strengthen this strategy.

“Active Biotech is committed to the use and integration of new tools and technologies in order to speed up and increase efficiency in the development of pharmaceuticals. The constant challenge to be at the forefront, through creative new approaches, is crucial for our future success” says Tomas Leanderson, VP Research & Development at Active Biotech.

Hans Kolam new CFO for Active Biotech

On 1 August, Hans Kolam took up the position of Chief Financial Officer (CFO). Hans Kolam is a graduate in economics. He has been employed within Pharmacia since 1979, in charge of various parts of the international finance organisation. Since 1992, he has held the position of Vice President Finance for Europe.

Warrants

In accordance with previous announcements, Pharmacia has made an offer to senior executives at Active Biotech regarding the acquisition of share warrants. In total, the offer encompasses 300,000 shares and is subject to the customary conditions.

Shares in Lifco AB

Active Biotech's Board of Directors has accepted Carl Bennet AB's official offer regarding the acquisition of shares in Lifco AB. Active Biotech's shareholding amounts to 1,812,103 class B Lifco shares, equivalent to 19.9% of the capital and 12.5% of votes. The sale of shares will afford Active Biotech a capital gain of MSEK 11(not included in the half-year accounts).

Lund, 17 August 2000

Active Biotech AB (publ.)

Sven Andréasson
President & CEO

Active Biotech AB is a Swedish biotechnology company focused on the research and development of pharmaceuticals and vaccines, the core competence being knowledge of the human immune system. Active Biotech has a high quality project portfolio and considerable financial resources. Important products and projects include Dukoral, SBLCholera Vaccine, a vaccine against traveller's diarrhoea (ETEC), innovative drugs against MS (SAIK) and cancer (TTS). The turnover of Active Biotech was SEK 267 million in 1999.

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CONSOLIDATED INCOME STATEMENTS

(MSEK)	Jan-Jun 2000	Jan-Jun 1999*	Whole yr. 1999*
Net operating turnover	124.1	125.9	267.3
Cost of goods sold	-81.5	-70.3	-147.9
Gross income	42.6	55.6	119.5
Sales & marketing costs	-13.5	-10.4	-23.8
Administration costs	-39.0	-29.9	-74.7
Research and development costs	-118.2	-126.5	-270.7
Items affecting comparability	-0.2	15.0	139.6
Other income	2.7	-1.4	-2.2
Operating results	-125.6	-97.6	-112.3
Net financial items	67.1	22.7	54.7
Pre-tax profit/loss	-58.5	-74.9	-57.6

CONSOLIDATED BALANCE SHEETS

(MSEK)	30 Jun 2000	30 Jun 1999*	31 Dec 1999*
Intangible fixed assets	339.8	284.5	283.3
Tangible fixed assets	196.2	279.7	203.5
Financial fixed assets	48.9	94.7	102.3
Total fixed assets	584.9	658.9	589.1
Inventories	79.4	65.0	55.1
Current receivables	147.6	85.1	248.0
Cash and bank balances (inc. short-term investment)	477.5	599.8	545.1
Total current assets	704.5	749.9	848.2
Total assets	1,289.4	1,408.8	1,437.3
Equity	1,006.9	1,051.0	1,064.3
Provisions*	32.5	26.9	32.5
Long-term liabilities**	90.9	167.3	141.0
Current liabilities***	159.1	163.6	199.5
Total equity and liabilities	1,289.4	1,408.8	1,437.3

* Interest-bearing pension provisions on 30 June 2000 amount to MSEK 23.4

** Interest-bearing long-term liabilities on 30 June 2000 amount to MSEK 0

*** Interest-bearing current liabilities on 30 June 2000 amount to MSEK 9.1

CASH FLOW ANALYSIS (MSEK)	Jan-Jun 2000	Jan-Jun 1999*	Whole yr. 1999*
Profit/loss after financial items	-58.5	-74.9	-57.6
Adjustments for items not included in cash flow, etc.	19.5	-13.2	-118.2
Tax paid	-2.0	0.0	-1.0
Cash flow from ongoing operations before change in working capital	-41.0	-88.1	-176.7
Change in working capital	19.5	212.4	282.0
Cash flow from ongoing operations	-21.5	124.3	105.3
Net investment in fixed assets	-14.2	-14.1	-140.5
Cash flow from investment activity	-14.2	-14.1	-140.5
Loans raised/loan amortisation	-31.9	-15.0	-32.1
Cash flow from financing activity	-31.9	-15.0	-32.1
Cash flow for the period	-67.6	95.2	-67.3
Liquid funds, opening balance	545.1	504.6	612.4
Liquid funds, closing balance	477.5	599.8	545.1
KEY FIGURES	Jun 2000	Jun 1999*	Dec 1999*
Equity per share, SEK	89.5	93.5	94.6
Unappropriated liquidity, MSEK	508	720	680
Parent company equity/assets ratio, %	65.0	65.0	64.5
Group equity/assets ratio, %	78.1	74.6	74.0
Average number of employees	331	332	341
Number of shares (000)	11 246	11 246	11 246

*) Pro forma Bioteknik (exc. Wilh. Sonesson)