

# Interim report

## January - June 2011



August 17 2011

### Interim report January - June 2011

- Group net sales amounted to 98.6 MSEK (103.5) in the second quarter and to 205.8 MSEK (203.4) in the period January – June. At comparable exchange rates net sales increased by 8 percent in the quarter and by 12 percent the first six months.
- The operating result amounted to 1.8 MSEK (7.6) in the second quarter and to 4.4 (MSEK 12.3) in the period January - June.
- The result after tax amounted to 2.4 MSEK (6.6) in the second quarter and to 3.9 MSEK (9.8) in the period January - June.
- Earnings per share amounted to 0.03 SEK (0.08) in the second quarter and to 0.05 SEK (0.11) the first six months.
- The cash flow from operating activities amounted to 15.1 MSEK (13.8) in the second quarter and to 62.0 MSEK (38.6) in the period January- June.
- Net cash at June 30, 2011 amounted to 179.7 MSEK, compared to 172.7 MSEK at December 31, 2010.
- In the second quarter dividends to shareholders were paid to the amount of 19.9 MSEK (17.3).
- After the resolution at the Annual General Meeting on April 27, 2011 to cancel all shares repurchased during previous repurchasing programs the number of shares totals 79,637,688. During the second quarter Biotage has, based on the renewed authorization given by the AGM, repurchased 1,580,400 own shares to a total value of 10.9 MSEK and an average share price of 6.89 SEK. The company's possession of own shares thus totals 1,580,400, corresponding to 2.0 percent of the capital and votes in the company.

## Group result development in brief

Amounts in SEK millions	2nd quarter 2011	2nd quarter 2010	Jan-Jun 2011	Jan-Jun 2010	Full year 2010
Net sales	98,6	103,5	205,8	203,4	428,9
Cost of sales	-40,7	-42,7	-85,0	-83,7	-172,7
Gross profit	57,9	60,8	120,9	119,7	256,3
Operating expenses	-56,1	-53,2	-116,5	-107,4	-230,6
Operating profit/loss	1,8	7,6	4,4	12,3	-418,8
Financial items	0,8	0,1	1,2	-0,3	0,2
Profit/loss before tax	2,6	7,7	5,5	12,0	-418,5
Tax expenses	-0,2	-1,1	-0,9	-2,1	-6,7
Profit/loss after tax for continuing operations	2,4	6,6	4,6	9,8	-425,3
Profit/loss after tax for discontinued operations	-	-	-0,8	-	15,0
<b>Total profit/loss for the period</b>	<b>2,4</b>	<b>6,6</b>	<b>3,9</b>	<b>9,8</b>	<b>-410,2</b>

## Comments by CEO Torben Jörgensen

The market development in the second quarter was significantly weaker than in the first quarter, above all in the separation area. Both industrial and academic customers have shown some restraint due to the uncertainty regarding to development of the global economy. This has been most obvious in Europe and the US, while Japan and "the Rest of the World" continue to show good growth.

The currency development has so far been negative for the company this year, as practically all invoicing is done in foreign currency.

During the quarter sales decreased by a little less than 5 percent to 98.6 MSEK. At comparable exchange rates sales increased by 8 percent in the quarter and by 12 percent in the first six months of the year, entirely related to the acquisitions in 2010 of MIP Technologies AB and two product lines from Caliper.

We continue to follow our strategy to cover larger geographic areas and to increase our direct sales. We are now increasing our efforts in China and Latin America. The establishment in China is in progress. Our aim is to have our own organization in a company of our own in place in Shanghai during the second half of the year. The initiative in Latin America will initially be led by our US subsidiary, where an area manager has been hired. We believe that there are good opportunities for Biotage to develop not least our product offering in analytical chemistry in this part of the world.

Four new products were launched during the quarter, among them an upgraded version of our microwave system Initiator+. A half-automatic system for peptide synthesis, Initiator+ SP Wave, was introduced in June at the American Peptide Symposium in San Diego.

The efforts in analytical chemistry, with the aim of increasing our presence in the areas of environmental and food analysis, among others, are beginning to give results. However, our market penetration is progressing slower than planned, primarily due to the lead times required for approval of new analysis methods. The acquisition of MIP Technologies and the product lines RapidTrace® and TurboVap® are

important components in this work. The further development of RapidTrace® and TurboVap® not only gives us access to new markets, but also increased opportunities for sales of our own consumables. For example, in the third quarter we will introduce an upgraded, automatic RapidTrace system enabling analyses with Biotage's successful SLE+ product range in all required volumes.

Concerning purification of for example food raw materials in production scale a number of development projects are run in cooperation between MIP Technologies and some major international companies. The outcome of these projects depends partly on how the environmental legislation develops in various geographic markets, partly on how efficient our products prove to be. We expect that some of the projects will lead to industrial production in 2012.

Biotage continues to have a strong financial position with net cash amounting to 180 MSEK at June 30. The cash flow continues to be positive and during the quarter the company has paid a total of 31 MSEK in dividends to shareholders and for repurchasing own shares.

We continue the work to find suitable candidates for cooperation agreements or acquisitions.

## **Group result, financial position and cash flow**

### Second quarter 2011

Group net sales amounted to 98.6 MSEK, compared to 103.5 MSEK the second quarter 2010. At comparable exchange rates net sales increased by 8 percent. Adjusted for the acquisitions of MIP and Caliper net sales decreased by 3 percent.

The US was the single biggest market with 38 percent of the net sales. The EU area contributed 33 percent, Japan 16 percent and the rest of the world 13 percent.

The Group's gross margin was 58.7 percent (58.7). The exchange rate development affected the gross margin negatively, while a changed product mix influenced the gross margin positively.

The operating expenses amounted to 56.1 MSEK (53.2). The increase compared to last year is related to the acquisitions of MIP Technologies AB and two product lines from Caliper. The exchange rate development has influenced the costs positively compared with last year.

The operating profit amounted to 1.8 MSEK (7.6) with an operating margin of 1.8 percent (7.4).

Net financial income amounted to 0.8 MSEK (0.1).

The result after tax amounted to 2.4 MSEK (6.6).

The investments amounted to 12.5 MSEK (151.2). Of this sum 7.3 MSEK (5.0) were capitalized development costs. Investments in companies and product lines amounted to 2.0 MSEK (144.1).

The amortizations amounted to 9.6 MSEK (6.6). Of this sum 5.8 MSEK (3.7) were capitalized development costs.

The cash flow from operating activities amounted to 15.1 MSEK (13.8). Of this sum 0 MSEK (0) related to liquidated operations.

## January - June 2011

Group net sales amounted to 205.8 MSEK compared to 203.4 MSEK the first six months 2010. At comparable exchange rates net sales increased by 12 percent. Adjusted for the acquisitions of MIP and Caliper net sales decreased by 3 percent.

The US was the single biggest market, with 37 percent of the net sales. The EU contributed 33 percent, Japan 19 percent and the rest of the world 11 percent.

The Group's gross margin was 58.7 percent (58.8). The exchange rate development affected the gross margin negatively, while a changed product mix influenced the gross margin positively.

The operating expenses amounted to 116.5 MSEK (107.4). The increase compared to last year is related to the acquisitions of MIP Technologies AB and two product lines from Caliper.

The operating profit amounted to 4.4 MSEK (12.3) with an operating margin of 2.1 percent (6.0).

Net financial income amounted to 1.2 MSEK (-0.3).

The result after tax amounted to 3.9 MSEK (9.8).

The investments amounted to 22.0 MSEK (155.8). Of this sum 13.2 MSEK (8.3) were capitalized development costs. Investments in acquired companies and product lines amounted to 2.0 MSEK (144.1).

During the first six months tangible fixed assets were divested for 0 MSEK (39.9). During the first six months 2010 the company's real estate in the US was divested.

Amortizations were made to the amount of 18.7 MSEK (15.0). Of this sum 11.1 MSEK (8.3) were amortizations of capitalized development costs.

The cash flow from operating activities amounted to 62.0 MSEK (38.6). Of this sum 14.2 MSEK (23.4) were derived from divested operations.

## Balance sheet items

At June 30 the Group's cash and securities totaled 186.0 MSEK, compared to 179.6 MSEK at December 31, 2010. The Group's interest-bearing liabilities amounted to 6.3 MSEK, compared to 6.8 MSEK at December 31, 2010.

During the quarter own shares in the parent company were repurchased for 10.9 MSEK. At June 30, 2011 the company owns 1,580,400 own shares. The average share price for the acquired shares was 6.89 SEK.

The Group reports a goodwill of 100.0 MSEK (104.8) at June 30. The change during the reported period is attributable to exchange rate changes at the recalculation of foreign subsidiaries.

Other intangible fixed assets in the form of customer register, trademarks, patents and license rights amounted to 46.1 MSEK (50.6) and capitalized development costs to 59.5 MSEK (57.4).

At June 30 the equity capital amounted to 527.5 MSEK, compared to 567.9 MSEK at December 31, 2010, a decrease by 40.4 MSEK. The reduction in equity capital is attributable to the period's net result 3.9 MSEK, dividends to shareholders -19.9 MSEK, repurchasing of own shares -10.9 MSEK and exchange rate differences at the recalculation of foreign subsidiaries -13.5 MSEK.

## Major events

### Patent dispute in the US

Biotage has, as previously reported, been sued for patent infringement in the US. The lawsuit was filed by Scientific Plastic Products, Inc. regarding alleged infringement of US patents 7,138,061, 7,381,327 and 7,410,571 and concerns Biotage's sales of the SNAP product line in the US.

Biotage has filed an application to the US Patent and Trademark Office applying for re-examination of the validity of all the 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 approved Biotage's request to declare the infringement case resting.

The US Patent and Trademark Office has later declared all patent demands in US patents 7,138,061 and 7,381,327 invalid. The decisions have been appealed by Scientific Plastic Products, Inc. A decision from the US Patent and Trademark Office regarding the third patent is expected later this year.

Biotage continues to believe that the company has a strong position and that the other party lacks support for the alleged patent infringement. The decisions by the US Patent and Trademark Office confirm our assessment of the legal situation.

## Human resources

At June 30 the Group had 268 employees, compared to 272 at the start of the year.

## 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 second quarter the parent company's net income amounted to 0.6 MSEK (1.6). In the period January - June the net income amounted to 1.0 MSEK (3.2).

The result after financial items in the second quarter amounted to -2.6 MSEK (1.8). The first six months the result after financial items was -4.6 MSEK (-2.9).

The parent company's investments in intangible fixed assets amounted to 0.7 MSEK (0.3) in the second quarter and to 0.7 MSEK (0.7) in the first six months.

At June 30, 2011 the parent company's cash and bank balance and short-term investments amounted to 119.0 MSEK, compared to 106.6 MSEK at December 31, 2010.

## 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 2010.

Readers wishing to study the risks and uncertainties reported in the 2010 Annual Report can download this report from Biotage AB's website [www.biotage.com](http://www.biotage.com) or order it from Biotage AB, Kungsgatan 76, SE-753 18 Uppsala or [info@biotage.com](mailto:info@biotage.com).

### **Reports in 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.

The interim report for the first quarter 2012 will be issued on April 26, 2012

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

### **Assurance**

The Board of Directors and the President assure that the interim report gives a fair review of the operations of the Parent Company and the Group, their financial positions and results, and describes the significant risks and uncertainties that the Parent Company and the Group companies are facing.

Uppsala, August 17, 2011

Ove Mattsson  
Chairman

Nils Olof Björk  
Board Director

Thomas Eklund  
Board Director

Per-Olof Eriksson  
Board Director

Eva-Lotta Kraft  
Board Director

Anders Walldov  
Board Director

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Employee Representative

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*This information 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 08.00 on August 17, 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 offices 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](http://www.biotage.com)*

**Biotage AB (publ)****Interim report****2011-01-01 -- 2011-06-30****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>2011-04-01</b>	<b>2010-04-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2010-12-31</b>
Net sales	98 628	103 502	205 826	203 365	428 926
Cost of sales	-40 735	-42 704	-84 961	-83 685	-172 662
<b>Gross profit</b>	<b>57 893</b>	<b>60 799</b>	<b>120 865</b>	<b>119 680</b>	<b>256 263</b>
Distribution costs	-35 240	-34 204	-70 618	-70 003	-145 275
Administrative expenses	-12 125	-12 551	-23 510	-23 201	-45 949
Research and development costs	-9 668	-9 861	-19 025	-19 219	-39 662
Other operating income	896	3 451	-3 357	5 010	322
Goodwill impairment	-	-	-	-	-444 460
Total operating expenses	-56 138	-53 166	-116 510	-107 414	-675 024
<b>Operating profit/loss</b>	<b>1 755</b>	<b>7 633</b>	<b>4 355</b>	<b>12 266</b>	<b>-418 760</b>
Financial net income	803	102	1 188	-297	236
<b>Profit/loss before income tax</b>	<b>2 558</b>	<b>7 734</b>	<b>5 543</b>	<b>11 969</b>	<b>-418 524</b>
Tax expenses	-178	-1 104	-908	-2 128	-6 729
Profit/loss after tax for continuing operations	2 380	6 630	4 636	9 841	-425 252
Profit/loss after tax for discontinued operations	-	-	-767	-	15 010
<b>Total profit/loss for the period</b>	<b>2 380</b>	<b>6 630</b>	<b>3 869</b>	<b>9 841</b>	<b>-410 243</b>
<b>Other comprehensive income</b>					
Translation differences related to non Swedish subsidiaries	1 292	21 920	-13 515	16 031	-39 298
Total other comprehensive income	1 292	21 920	-13 515	16 031	-39 298
<b>Total comprehensive income for the period</b>	<b>3 671</b>	<b>28 550</b>	<b>-9 646</b>	<b>25 872</b>	<b>-449 541</b>



**Biotage AB (publ)**  
**Interim report**  
**2011-01-01 -- 2011-06-30**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continuing)**

	<b>2011-04-01</b>	<b>2010-04-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2010-12-31</b>
Attributable to parent company's shareholders:					
Total profit/loss for the period	2 380	6 630	3 869	9 841	-410 243
Attributable to parent company's shareholders:					
Total comprehensive income for the period	3 671	28 550	-9 646	25 872	-449 541
Average shares outstanding	78 638 888	85 548 504	79 138 288	86 126 838	83 527 613
Average shares outstanding after dilution	78 638 888	85 548 504	79 138 288	86 126 838	83 527 613
Shares outstanding at end of reporting period (*)	79 637 688	88 486 320	79 637 688	88 486 320	88 486 320
Total profit/loss for the period per share SEK	0,03 kr	0,08 kr	0,05 kr	0,11 kr	-4,91 kr
Total profit/loss for the period per share SEK after dilution	0,03 kr	0,08 kr	0,05 kr	0,11 kr	-4,91 kr
Total comprehensive income for the period per share SEK	0,05 kr	0,33 kr	-0,12 kr	0,30 kr	-5,38 kr
Total comprehensive income for the period per share after dilution SEK	0,05 kr	0,33 kr	-0,12 kr	0,30 kr	-5,38 kr
(*) Of the numbers of shares outstanding are repurchased as per end of reporting period	1 580 400	4 441 987	1 580 400	4 441 987	8 848 632
Average numbers of shares outstanding are reported exclusive numbers shares repurchased.					

<b>Quarterly summary 2011 and 2010</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>
<b>Amounts in KSEK</b>	<b>Q2</b>	<b>Q1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Net Sales	98 628	107 198	116 093	109 467	103 502	99 863
Cost of sales	-40 735	-44 226	-44 447	-44 531	-42 704	-40 982
Gross profit	<b>57 893</b>	<b>62 972</b>	<b>71 646</b>	<b>64 937</b>	<b>60 799</b>	<b>58 881</b>
Gross margin	58,7%	58,7%	61,7%	59,3%	58,7%	59,0%
Operating expenses	-56 138	-60 372	-507 515	-60 094	-53 166	-54 248
Operating profit/loss	<b>1 755</b>	<b>2 600</b>	<b>-435 869</b>	<b>4 843</b>	<b>7 633</b>	<b>4 633</b>
Financial net income	803	385	186	347	102	-399
Profit/loss before income tax	<b>2 558</b>	<b>2 985</b>	<b>-435 683</b>	<b>5 190</b>	<b>7 734</b>	<b>4 235</b>
Tax expenses	-178	-729	-4 093	-508	-1 104	-1 023
Profit/loss after tax for continuing operations	2 380	2 256	-439 776	4 682	6 630	3 211
Profit/loss after tax for discontinued operations	-	-767	15 010	-	-	-
<b>Total profit/loss for the period</b>	<b>2 380</b>	<b>1 489</b>	<b>-424 766</b>	<b>4 682</b>	<b>6 630</b>	<b>3 211</b>

**Biotage AB (publ)**  
**Interim report**  
**2011-01-01 -- 2011-06-30**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Amounts in SEK thousands</b>	<b>2011-06-30</b>	<b>2010-12-31</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	35 296	35 330
Goodwill	100 000	104 791
Other intangible assets	105 619	108 064
Financial assets	2 246	2 670
Deferred tax asset	39 436	39 436
<b>Total non-current assets</b>	<b>282 598</b>	<b>290 291</b>
<b>Current assets</b>		
Inventories	86 182	97 976
Trade and other receivables	93 958	125 587
Cash, cash equivalents and short time deposits	186 027	179 573
<b>Total current assets</b>	<b>366 167</b>	<b>403 135</b>
<b>TOTAL ASSETS</b>	<b>648 765</b>	<b>693 427</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to equity holders of the parent company</b>		
Share capital	89 194	88 486
Other paid-in capital	4 993	4 993
Reserves	-118 158	-104 644
Retained earnings	551 469	579 112
<b>Total equity</b>	<b>527 498</b>	<b>567 948</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	5 861	6 401
Non-current provisions	25 828	31 433
<b>Total non-current liabilities</b>	<b>31 689</b>	<b>37 834</b>
<b>Current liabilities</b>		
Trade and others liabilities	83 086	82 180
Tax liabilities	1 251	2 636
Liabilities to credit institutions	420	436
Current provisions	4 821	2 393
<b>Total current liabilities</b>	<b>89 577</b>	<b>87 645</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>648 765</b>	<b>693 427</b>

**Biotage AB (publ)**  
**Interim report**  
**2011-01-01 -- 2011-06-30**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	2011-04-01	2010-04-01	2011-01-01	2010-01-01	2010-01-01
Amounts in SEK thousands	2011-06-30	2010-06-30	2011-06-30	2010-06-30	2010-12-31
<b>Operating activities</b>					
Profit/loss after financial items	2 558	7 734	5 543	11 969	-418 524
Adjustments for non-cash items	9 764	4 201	21 394	11 660	486 232
	<b>12 322</b>	<b>11 936</b>	<b>26 938</b>	<b>23 629</b>	<b>67 709</b>
Income tax paid	-1 743	-1 104	-2 362	-2 128	-6 077
<b>Cash flow from operating activities before changes in working capital</b>	<b>10 579</b>	<b>10 831</b>	<b>24 575</b>	<b>21 501</b>	<b>61 631</b>
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	4 415	-11 265	7 581	-11 910	-10 543
Increase (-)/ decrease (+) in trade receivables	-83	3 172	10 341	7 388	-3 248
Increase (-)/ decrease (+) in other current receivables	-2 101	-5 478	2 821	-339	2 676
Increase (+)/ decrease (-) in other liabilities	2 283	16 571	2 458	-1 429	-16 282
Cash flow from operating activities - continuing operations	<b>15 093</b>	<b>13 832</b>	<b>47 776</b>	<b>15 211</b>	<b>34 234</b>
Cash flow from operating activities - discontinued operations	-	-	14 243	23 361	23 361
<b>Cash flow from operating activities</b>	<b>15 093</b>	<b>13 832</b>	<b>62 019</b>	<b>38 573</b>	<b>57 595</b>
<b>Investing activities</b>					
Acquisition of intangible assets	-7 739	-5 542	-14 957	-9 223	-21 109
Acquisition of property, plant and equipment	-2 742	-1 524	-4 972	-2 399	-10 333
Acquisition of financial assets	-	-38	-15	-38	-678
Acquisitions of companies and product lines	-2 027	-144 116	-2 027	-144 116	-144 116
Sale of property and other non current assets	0	1 467	0	39 884	39 884
Sale of financial assets	282	45	340	98	183
Cash flow from investing activities - continuing operations	<b>-12 225</b>	<b>-149 708</b>	<b>-21 631</b>	<b>-115 793</b>	<b>-136 169</b>
Cash flow from investing activities - discontinued operations	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-12 225</b>	<b>-149 708</b>	<b>-21 631</b>	<b>-115 793</b>	<b>-136 169</b>
<b>Financing activities</b>					
Dividend to shareholders	-19 909	-17 303	-19 909	-17 303	-17 303
Buy-back of shares	-10 894	-17 658	-10 894	-20 455	-54 235
New borrowing	-	-	-	-	-
Repayment of loans	-149	-1 597	-298	-31 133	-31 402
Cash flow from financing activities - continuing operations	<b>-30 952</b>	<b>-36 559</b>	<b>-31 102</b>	<b>-68 892</b>	<b>-102 941</b>
Cash flow from financing activities - discontinued operations	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-30 952</b>	<b>-36 559</b>	<b>-31 102</b>	<b>-68 892</b>	<b>-102 941</b>
<b>Cash flow for the period</b>	<b>-28 085</b>	<b>-172 435</b>	<b>9 286</b>	<b>-146 112</b>	<b>-181 515</b>
Cash and liquid assets opening balance	213 595	391 090	179 573	364 902	364 902
Exchange differences in liquid assets	518	1 411	-2 832	1 277	-3 814
<b>Cash and liquid assets closing balance</b>	<b>186 027</b>	<b>220 066</b>	<b>186 027</b>	<b>220 066</b>	<b>179 573</b>
<b>Additional information:</b>					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	9 611	6 553	18 671	14 993	482 467
Other items	153	-2 352	2 724	-3 333	3 766
Total	9 764	4 201	21 394	11 660	486 232
Interest received	803	173	1 327	367	1 028
Interest paid	-	-71	-139	-663	-791

Biotage AB (publ)

Interim report

2011-01-01 -- 2011-06-30

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>Amounts in SEK thousands</b>	<b>Share capital</b>	<b>Other payed-in capital</b>	<b>Accumulated translation reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Opening balance January 1, 2010</b>	<b>88 486</b>	<b>4 993</b>	<b>-65 345</b>	<b>1 060 893</b>	<b>1 089 027</b>
<b>Changes in equity in the period of January 1, - June 30, 2010</b>					
Total comprehensive income	-	-	16 031	9 841	25 872
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>16 031</b>	<b>9 841</b>	<b>25 872</b>
<b>Transacitions with equity holders of the company</b>					
Dividend to shareholders of the parent company				-17 303	-17 303
Share buy-back by parent company (*)				-21 704	-21 704
<b>Closing balance June 30, 2010</b>	<b>88 486</b>	<b>4 993</b>	<b>-49 314</b>	<b>1 031 728</b>	<b>1 075 893</b>
<b>Changes in equity in the period of July 1 - December 31, 2010</b>					
Total comprehensive income	-	-	-55 329	-420 084	-475 413
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>-55 329</b>	<b>-420 084</b>	<b>-475 413</b>
<b>Transacitions with equity holders of the company</b>					
Share buy-back by parent company (*)				-32 532	-32 532
<b>Closing balance December 31, 2010</b>	<b>88 486</b>	<b>4 993</b>	<b>-104 643</b>	<b>579 112</b>	<b>567 948</b>
<b>Changes in equity in the period of January 1 - June 30, 2011</b>					
Total comprehensive income			-13 515	3 869	-9 646
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>-13 515</b>	<b>3 869</b>	<b>-9 646</b>
<b>Transacitions with equity holders of the company</b>					
Cancellation of treasury shares (*)	-8 849			8 849	0
Increase of share capital without the issue of new shares, bonus issue (*)	9 557			-9 557	0
Dividend to shareholders of the parent company				-19 909	-19 909
Share buy-back by parent company (*)				-10 894	-10 894
<b>Closing balance June 30, 2011</b>	<b>89 194</b>	<b>4 993</b>	<b>-118 158</b>	<b>551 469</b>	<b>527 498</b>

(\*) Repurchased shares, cancellation of repurchased shares and bonus issue

At the Annual General Meeting on April 27, 2009 and the Annual General Meeting on April 29, 2010 the Board was authorized to repurchase the company's shares to the extent that the holding of own shares at most amounts to 10 percent of the total number of shares issued. During the period September 2009 to December 2010 the company thus repurchased a total of 8, 848, 632 shares, corresponding to 10.0 percent of the company's total shares issued.

At the Annual General Meeting on April 27, 2011 it was resolved that the repurchased shares should be canceled.

As a consequence of the cancellation, the company's share capital decreased by 8,849 KSEK to 79,638 KSEK.

The number of shares was reduced from 88,486,320 to 79,637,688. The AGM on April 27, 2011 also resolved that the company should carry out a bonus issue and thereby increase the company's share capital by 9,557 KSEK to 89,194 KSEK without issuing any new shares.

After the cancellation of repurchased shares and the bonus issue the number of shares is 79,637,688 with a quota value of 1.12 SEK. The AGM on April 27, 2011 further resolved to authorize the Board to carry out a new repurchasing program comprising a maximum total of 10 percent of the company's outstanding shares, i.e. a total of 7,963,769 shares. At the balance sheet day June 30, 2011 the company has, in accordance with this authorization, repurchased 1,580,400 shares at an average share price of 6.89 SEK.

Readers wishing to take part of the complete decisions at the Annual General Meeting on April 27, 2011 and the background material for these can download the AGM minutes on the company's website [www.biotage.com](http://www.biotage.com) or order the material from the company; Biotage AB, Box 8, SE-751 03 Uppsala, Sweden.

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**INCOMESTATEMENT, PARENT**

	<b>2011-04-01</b>	<b>2010-04-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2011-06-30</b>	<b>2010-06-30</b>	<b>2010-12-31</b>
Net sales	<b>568</b>	<b>1 615</b>	<b>1 039</b>	<b>3 158</b>	<b>6 183</b>
Administrative expenses	-5 862	-4 407	-11 148	-9 001	-17 800
Research and development costs	-349	-527	-671	-1 142	-2 215
Other operating items	-472	2 377	-980	-704	9 590
<i>Operating expenses</i>	-6 684	-2 556	-12 799	-10 848	-10 425
<b>Operating profit/loss</b>	<b>-6 116</b>	<b>-941</b>	<b>-11 760</b>	<b>-7 690</b>	<b>-4 242</b>
<b>Profit/loss from financial investments:</b>					
Interest income from receivables from group comp.	3 261	3 022	6 843	5 845	14 343
Interest expense from liabilities to group companie	-468	-488	-917	-947	-1 868
Result from participations in group companies	-	-	-	-	-306 700
Other interest and similar income	689	364	1 208	364	1 006
Interest and similar expense	-	-176	-	-454	-456
Financial net income	3 483	2 722	7 135	4 808	-293 675
<b>Profit/loss before income tax</b>	<b>-2 633</b>	<b>1 780</b>	<b>-4 625</b>	<b>-2 883</b>	<b>-297 916</b>
Tax expenses	-	-	-	-	-3 134
<b>Total profit/loss for the period</b>	<b>-2 633</b>	<b>1 780</b>	<b>-4 625</b>	<b>-2 883</b>	<b>-301 051</b>

**STATEMENT OF COMPREHENSIVE INCOME, PARENT**

Total profit/loss for the period	-2 633	1 780	-4 625	-2 883	-301 051
Translation differences related to non Swedish subsidiaries	-2 648	16 681	-26 457	17 952	-23 024
<b>Total comprehensive income, parent</b>	<b>-5 281</b>	<b>18 461</b>	<b>-31 082</b>	<b>15 069</b>	<b>-324 075</b>

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**BALANCESHEET, PARENT**

Amounts in SEK thousands	2011-06-30	2010-12-31
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Patents and licenses	6 055	5 574
<i>Financial assets</i>		
Investments in group companies	491 528	413 833
Receivables from group companies	28 462	133 026
Deferred tax asset	39 436	39 436
	<b>559 426</b>	<b>586 295</b>
<b>Total non-current assets</b>	<b>565 481</b>	<b>591 869</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Trade receivables	-	-
Receivables from group companies	26 226	87 788
Other receivables	782	808
Prepaid expenses and accrued income	1 322	16 695
	<b>28 329</b>	<b>105 291</b>
Cash, cash equivalents and short time deposits	<b>119 004</b>	<b>106 619</b>
<b>Total current assets</b>	<b>147 333</b>	<b>211 910</b>
<b>TOTAL ASSETS</b>	<b>712 814</b>	<b>803 779</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	89 194	88 486
	<b>89 194</b>	<b>88 486</b>
<i>Unrestricted equity</i>		
Fair value reserve	-73 385	-46 928
Retained earnings	501 270	833 833
Profit/loss for the period reported	-4 625	-301 051
	<b>423 261</b>	<b>485 854</b>
<b>Total equity</b>	<b>512 455</b>	<b>574 340</b>
<b>Provisions</b>		
	<b>26 391</b>	<b>28 799</b>
<b>Current liabilities</b>		
Trade payables	1 271	714
Liabilities to group companies	167 974	195 051
Other current liabilities	1 054	397
Accrued expenses and prepaid income	3 669	4 476
	<b>173 968</b>	<b>200 639</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>712 814</b>	<b>803 779</b>

## **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.

Revised or new standards, interpretations or statements from standard-setting bodies for IFRS within the EU coming into effect on January 1, 2011 have not had any effect on the Group's financial reporting, as these have not been relevant to Biotage AB in the current situation.

In the preparation of the Group's and parent company's interim report, the same accounting principles and calculation methods were applied as in the preparation of Biotage's Annual Report for 2010. These are described on pp. 39-50 in the Annual Report.

Readers wishing to study the accounting principles presented in the 2010 Annual Report can download this report from Biotage AB's website [www.biotage.com](http://www.biotage.com) or order it from Biotage AB, Box 8, SE-751 03 Uppsala, Sweden, Visiting address: Vimpelgatan 5 or [info@biotage.com](mailto:info@biotage.com).