

# Interim report

## January-September 2011



October 26 2011

### Third quarter, July – September 2011

- Group net sales amounted to 106.6 MSEK (109.5). The organic growth in the quarter was 5 percent.
- The operating result amounted to 10.9 MSEK (4.8).
- The result after tax amounted to 11.4 MSEK (4.7).
- Earnings per share amounted to 0.15 SEK (0.06).
- The cash flow from operating activities was 13.7 MSEK (7.0).
- Net cash at September 30, 2011 amounted to 181.6 MSEK, compared to 172.7 MSEK at December 31, 2010.

### The nine month period January - September 2011

- Group net sales amounted to 312.4 MSEK (312.8). At comparable exchange rates net sales increased by 10 percent, primarily due to the acquisitions made in the second quarter 2010.
- The operating result amounted to 15.3 MSEK (17.1).
- The result after tax amounted to 15.3 MSEK (14.5).
- Earnings per share amounted to 0.20 SEK (0.17).
- The cash flow from operating activities was 75.7 MSEK (45.5).
- Dividends to shareholders have been paid to the amount of 19.9 MSEK (17.3).

## Group result development in brief

Amounts in SEK millions	3 rd quarter 2011	3 rd quarter 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Net sales	106,6	109,5	312,4	312,8	428,9
Cost of sales	-45,0	-44,5	-130,0	-128,2	-172,7
Gross profit	61,6	64,9	182,4	184,6	256,3
Operating expenses	-50,6	-60,1	-167,1	-167,5	-230,6
Goodwill impairment	-	-	-	-	-444,5
Operating profit/loss	10,9	4,8	15,3	17,1	-418,8
Financial items	0,8	0,3	2,0	0,1	0,2
Profit/loss before tax	11,7	5,2	17,3	17,2	-418,5
Tax expenses	-0,3	-0,5	-1,2	-2,6	-6,7
Profit/loss after tax for continuing operations	11,4	4,7	16,1	14,5	-425,3
Profit/loss after tax for discontinued operations	-	-	-0,8	-	15,0
<b>Total profit/loss for the period</b>	<b>11,4</b>	<b>4,7</b>	<b>15,3</b>	<b>14,5</b>	<b>-410,2</b>

## Comments by CEO Torben Jörgensen

The sales development in the third quarter was stronger than in previous quarters this year, with a 5 percent organic growth. The development in the product areas synthesis and peptide synthesis is especially pleasing. Our newly developed instruments have been very positively received in the market. Consumables and service continue to develop positively and now constitute more than 50 percent of our sales. We expect this area to be further strengthened during the coming years.

In terms of the geographic development the American market had a strong quarter and Europe has recovered after the weak first six months. China continues to grow, while the other Asian markets had a weaker quarter. The exchange rate development has been negative for the company at large during most of the year, as practically all invoicing is done in foreign currency. Towards the end of the quarter the exchange rate development was positive, however, with a strengthened US dollar.

We continue to follow our strategy to expand our operations to new geographic areas and new customer groups and to increase our direct sales. We are now making major investments in China and Latin America, among other things. The initiative in Latin America is led by our US subsidiary; in China we have established our own company for direct sales. The operations are up and running, with a professional team based in Shanghai. As the operations grow we will evaluate further direct establishments in China. Many of our products demand qualified customer contacts, which is difficult to achieve through a distributor. In order to ensure good geographic coverage in China Biotage will continue to work in parallel with distributors, however. In view of the rapid development in China within our business areas it is pleasing that we have now succeeded to establish ourselves in the country in a manner that is satisfying for Biotage.

At the end of the second quarter we launched an upgraded version of our microwave system Initiator+. The instrument has been very positively received by the market. A half-automatic system for peptide

synthesis, Biotage® SP Wave, was introduced in June at the American Peptide Symposium in San Diego. In the third quarter RapidTrace®+ was launched, enabling analyses with Biotage's SLE+ product line. We also have a number of product launches planned for the fourth quarter. All these introductions make me confident that we will continue to have a strong and interesting product range to offer our customers.

Our development projects in the subsidiary MIP Technologies, concerning purification of for instance food raw materials in production scale, continue to develop positively.

Biotage continues to have a strong financial position with net cash amounting to 182 MSEK at September 30. The cash flow continues to be positive and is stronger than the same period last year. During the quarter the company has repurchased own shares for a total of 6 MSEK.

We continue the work to find suitable candidates for cooperation agreements or acquisitions. The number of available attractive objects is limited and the prices are high, however.

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

### Third quarter 2011

Group net sales amounted to 106.6 MSEK, compared to 109.5 MSEK the third quarter 2010. At comparable exchange rates net sales increased by 5 percent.

The US was the single biggest market with 42 percent of the net sales. The EU area contributed 35 percent, Japan 14 percent and the rest of the world 9 percent.

The Group's gross margin was 57.8 percent (59.3). Product mix changes and increased price competition have affected the gross margin negatively.

The operating expenses amounted to 50.6 MSEK (60.1). The exchange rate development has influenced the costs positively compared with last year.

The operating profit amounted to 10.9 MSEK (4.8) with an operating margin of 10.2 % (4.4).

Net financial income amounted to 0.8 MSEK (0.3).

The result after tax amounted to 11.4 MSEK (4.7).

The investments amounted to 9.8 MSEK (7.6). Of this sum 5.5 MSEK (5.0) were capitalized development costs.

The amortizations amounted to 8.4 MSEK (9.6). Of this sum 4.5 MSEK (5.3) were capitalized development costs.

The cash flow from operating activities was 13.7 MSEK (7.0). Of this sum 0 (0) MSEK, related to liquidated operations.

### The nine month period January – September 2011

Group net sales amounted to 312.4 MSEK, compared to 312.8 MSEK the same period 2010. At comparable exchange rates net sales increased by 10 percent.

The US was the single biggest market, with 39 percent of the net sales. The EU area contributed 34 percent, Japan 17 percent and the rest of the world 10 percent.

The Group's gross margin was 58.4 percent (59.0). Product mix changes and increased price competition have affected the gross margin negatively.

The operating expenses amounted to 167.1 MSEK (167.5).

The operating profit amounted to 15.3 MSEK (17.1) with an operating margin of 4.9 percent (5.5).

Net financial income amounted to 2.0 MSEK (0.1).

The result after tax amounted to 15.3 MSEK (14.5).

The investments amounted to 31.7 MSEK (163.4). Of this sum 18.7 MSEK (13.3) were capitalized development costs. Investments in acquired companies and product lines amounted to 2.0 MSEK (144.1).

During the nine month period tangible fixed assets were divested for 0 MSEK (39.9). In 2010 the company's real estate in the US was divested.

Amortizations were made to the amount of 27.1 MSEK (24.6). Of this sum 15.6 MSEK (13.7) were amortizations of capitalized development costs.

The cash flow from operating activities was 75.7 MSEK (45.5). Of this sum 14.2 MSEK (23.4) were derived from divested operations.

### Balance sheet items

At September 30, 2011 the Group's cash and securities totaled 188.1 MSEK, compared to 179.6 MSEK at December 31, 2010. The Group's interest-bearing liabilities amounted to 6.4 MSEK, compared to 6.8 MSEK at December 31, 2010.

During 2011 own shares in the parent company have been repurchased for 16.9 MSEK and at September 30, 2011 the company owns 2,618,500 own shares. The average share price for the acquired shares amounts to 6.46 SEK.

The Group reports a goodwill of 105.5 (104.8) MSEK at September 30, 2011. 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 47.6 MSEK (50.6) and capitalized development costs to 60.5 MSEK (57.4).

At September 30, 2011 the equity capital amounted to 548.0 MSEK, compared to 567.9 MSEK at December 31, 2010, a decrease by 19.9 MSEK. The reduction in equity capital is attributable to the reported period's net result, 15.3 MSEK, dividends to shareholders -19.9 MSEK, repurchasing of own shares -16.9 MSEK and exchange rate effects 1.6 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 all three patents invalid. The decisions have been appealed by Scientific Plastic Products, Inc. The US Patent and Trademark Office's decision concerning the appeal is expected in 2012.

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 September 30, 2011 the Group had 270 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, China and Japan. The parent company is responsible for group management, strategic business development and administrative functions at Group level towards subsidiaries.

In the third quarter the parent company's net income amounted to 0.5 MSEK (1.5). In the whole nine month period net income amounted to 1.6 MSEK (4.7).

The result after financial items in the third quarter was -2.1 MSEK (-5.4). For the whole nine month period the result after financial items was -6.7 MSEK (-8.3).

The parent company's investments in intangible fixed assets amounted 0.1 MSEK (0.2) in the third quarter and to 0.8 MSEK (0.5) in the whole nine month period.

At September 30, 2011 the parent company's cash and bank balance and short-term investments amounted to 104.2 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 2012

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

The Annual General Meeting will be held on April 26, 2012.

This report has been reviewed by the company's auditor.

Uppsala, October 26, 2011

Torben Jörgensen  
President and CEO

For further information, please contact:

Torben Jörgensen, president and CEO, phone: +46 707 49 05 84

Mats-Olof Wallin, CFO, phone: +46 705 93 52 73

*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 October 26, 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 -- 2011-09-30****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>2011-07-01</b>	<b>2010-07-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2010-12-31</b>
Net sales	106 551	109 467	312 376	312 833	428 926
Cost of sales	-44 999	-44 531	-129 959	-128 216	-172 662
<b>Gross profit</b>	<b>61 552</b>	<b>64 937</b>	<b>182 417</b>	<b>184 617</b>	<b>256 263</b>
Distribution costs	-34 733	-35 835	-105 351	-105 838	-145 275
Administrative expenses	-12 059	-10 358	-35 569	-33 559	-45 949
Research and development costs	-7 819	-9 972	-26 844	-29 192	-39 662
Other operating income	3 974	-3 929	617	1 080	322
Goodwill impairment	-	-	-	-	-444 460
Total operating expenses	-50 638	-60 094	-167 148	-167 508	-675 024
<b>Operating profit/loss</b>	<b>10 915</b>	<b>4 843</b>	<b>15 270</b>	<b>17 109</b>	<b>-418 760</b>
Financial net income	813	347	2 001	50	236
<b>Profit/loss before income tax</b>	<b>11 727</b>	<b>5 190</b>	<b>17 270</b>	<b>17 159</b>	<b>-418 524</b>
Tax expenses	-284	-508	-1 192	-2 636	-6 729
Profit/loss after tax for continuing operations	11 443	4 682	16 078	14 523	-425 252
Profit/loss after tax for discontinued operations	-	-	-767	-	15 010
<b>Total profit/loss for the period</b>	<b>11 443</b>	<b>4 682</b>	<b>15 311</b>	<b>14 523</b>	<b>-410 243</b>
<b>Other comprehensive income</b>					
Translation differences related to non Swedish subsidiaries	16 701	-58 162	3 186	-42 131	-39 298
Cash flow hedges	-1 574	-	-1 574	-	-
Total other comprehensive income	15 127	-58 162	1 613	-42 131	-39 298
<b>Total comprehensive income for the period</b>	<b>26 570</b>	<b>-53 481</b>	<b>16 924</b>	<b>-27 608</b>	<b>-449 541</b>

**Biotage AB (publ)**  
**Interim report**  
**2011-01-01 -- 2011-09-30**

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

	<b>2011-07-01</b>	<b>2010-07-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2010-12-31</b>
Attributable to parent company's shareholders:					
Total profit/loss for the period	11 443	4 682	15 311	14 523	-410 243
Attributable to parent company's shareholders:					
Total comprehensive income for the period	26 570	-53 481	16 924	-27 608	-449 541
Average shares outstanding	76 454 388	82 130 982	78 243 655	84 817 108	83 527 613
Average shares outstanding after dilution	76 454 388	82 130 982	78 243 655	84 817 108	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	0,15 kr	0,06 kr	0,20 kr	0,17 kr	-4,91 kr
Total profit/loss for the period per share SEK after dilution	0,15 kr	0,06 kr	0,20 kr	0,17 kr	-4,91 kr
Earnings per share relates to:					
Continuing operations	0,15 kr	0,06 kr	0,21 kr	0,17 kr	-5,09 kr
Discontinued operations	0,00 kr	0,00 kr	-0,01 kr	0,00 kr	0,18 kr
Total comprehensive income for the period per share SEK	0,35 kr	-0,65 kr	0,22 kr	-0,33 kr	-5,38 kr
Total comprehensive income for the period per share after dilution SEK	0,35 kr	-0,65 kr	0,22 kr	-0,33 kr	-5,38 kr

(\*) Of the numbers of shares outstanding are repurchased as per end of reporting period  
Average numbers of shares outstanding are reported excluding numbers shares repurchased.

<b>Quarterly summary 2011 and 2010</b>	<b>2011</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>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Net Sales	106 551	98 628	107 198	116 093	109 467	103 502	99 863
Cost of sales	-44 999	-40 735	-44 226	-44 447	-44 531	-42 704	-40 982
Gross profit	<b>61 552</b>	<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	57,8%	58,7%	58,7%	61,7%	59,3%	58,7%	59,0%
Operating expenses	-50 638	-56 138	-60 372	-507 515	-60 094	-53 166	-54 248
Operating profit/loss	<b>10 915</b>	<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	813	803	385	186	347	102	-399
Profit/loss before income tax	<b>11 727</b>	<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	-284	-178	-729	-4 093	-508	-1 104	-1 023
Profit/loss after tax for continuing operations	11 443	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>11 443</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 -- 2011-09-30**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in SEK thousands	2011-09-30	2010-12-31
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	38 478	35 330
Goodwill	105 453	104 791
Other intangible assets	108 084	108 064
Financial assets	2 395	2 670
Deferred tax asset	39 436	39 436
<b>Total non-current assets</b>	<b>293 846</b>	<b>290 291</b>
<b>Current assets</b>		
Inventories	88 182	97 976
Trade and other receivables	104 306	125 587
Cash, cash equivalents and short time deposits	188 074	179 573
<b>Total current assets</b>	<b>380 562</b>	<b>403 135</b>
<b>TOTAL ASSETS</b>	<b>674 409</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	-103 031	-104 644
Retained earnings	556 881	579 112
<b>Total equity</b>	<b>548 037</b>	<b>567 948</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	6 004	6 401
Non-current provisions	27 866	31 433
<b>Total non-current liabilities</b>	<b>33 870</b>	<b>37 834</b>
<b>Current liabilities</b>		
Trade and others liabilities	86 606	82 180
Tax liabilities	881	2 636
Liabilities to credit institutions	441	436
Current provisions	4 573	2 393
<b>Total current liabilities</b>	<b>92 502</b>	<b>87 645</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>674 409</b>	<b>693 427</b>

**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
<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, - September 30, 2010</b>						
Total comprehensive income	-	-	-42 131		14 523	-27 608
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>-42 131</b>		<b>14 523</b>	<b>-27 608</b>
<b>Transactions with equity holders of the company</b>						
Dividend to shareholders of the parent company					-17 303	-17 303
Share buy-back by parent company (*)					-53 469	-53 469
<b>Closing balance September 30, 2010</b>	<b>88 486</b>	<b>4 993</b>	<b>-107 477</b>		<b>1 004 644</b>	<b>990 647</b>
<b>Changes in equity in the period of October 1 - December 31, 2010</b>						
Total comprehensive income	-	-	2 833		-424 766	-421 933
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>2 833</b>		<b>-424 766</b>	<b>-421 933</b>
<b>Transactions with equity holders of the company</b>						
Share buy-back by parent company (*)					-766	-766
<b>Closing balance December 31, 2010</b>	<b>88 486</b>	<b>4 993</b>	<b>-104 644</b>		<b>579 112</b>	<b>567 948</b>
<b>Changes in equity in the period of January 1 - September 30, 2011</b>						
Total comprehensive income			3 186	-1 574	15 311	16 924
<b>Total non-owners changes</b>	<b>0</b>	<b>0</b>	<b>3 186</b>	<b>-1 574</b>	<b>15 311</b>	<b>16 924</b>
<b>Transactions 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 (*)					-16 926	-16 926
<b>Closing balance September 30, 2011</b>	<b>89 194</b>	<b>4 993</b>	<b>-101 457</b>	<b>-1 574</b>	<b>556 881</b>	<b>548 037</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 September 30, 2011 the company has, in accordance with this authorization, repurchased 2,618,500 shares at an average share price of 6.46 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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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	2011-07-01	2010-07-01	2011-01-01	2010-01-01	2010-01-01
Amounts in SEK thousands	2011-09-30	2010-09-30	2011-09-30	2010-09-30	2010-12-31
<b>Operating activities</b>					
Profit/loss before income tax	11 727	5 190	17 270	17 159	-418 524
Adjustments for non-cash items	4 562	15 297	25 957	26 957	486 232
	<b>16 289</b>	<b>20 487</b>	<b>43 227</b>	<b>44 116</b>	<b>67 709</b>
Income tax paid	-564	-508	-2 927	-2 636	-6 077
<b>Cash flow from operating activities before changes in working capital</b>	<b>15 725</b>	<b>19 979</b>	<b>40 300</b>	<b>41 481</b>	<b>61 631</b>
Cash flow from changes in working capital:					
Increase (-)/ decrease (+) in inventories	3 574	-2 654	11 155	-14 564	-10 543
Increase (-)/ decrease (+) in trade receivables	-8 677	-1 464	1 664	5 924	-3 248
Increase (-)/ decrease (+) in other current receivables	2 721	4 444	5 541	4 105	2 676
Increase (+)/ decrease (-) in other liabilities	348	-13 342	2 806	-14 771	-16 282
Cash flow from operating activities - continuing operations	<b>13 691</b>	<b>6 964</b>	<b>61 467</b>	<b>22 175</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>13 691</b>	<b>6 964</b>	<b>75 711</b>	<b>45 536</b>	<b>57 595</b>
<b>Investing activities</b>					
Acquisition of intangible assets	-5 608	-4 782	-20 565	-14 005	-21 109
Acquisition of property, plant and equipment	-4 147	-2 237	-9 119	-4 635	-10 333
Acquisition of financial assets	-2	-602	-17	-640	-678
Acquisitions of companies and product lines	-	-	-2 027	-144 116	-144 116
Sale of property and other non current assets	-	-	0	39 884	39 884
Sale of financial assets	83	46	422	144	183
Cash flow from investing activities - continuing operations	<b>-9 674</b>	<b>-7 575</b>	<b>-31 305</b>	<b>-123 368</b>	<b>-136 169</b>
Cash flow from investing activities - discontinued operations	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-9 674</b>	<b>-7 575</b>	<b>-31 305</b>	<b>-123 368</b>	<b>-136 169</b>
<b>Financing activities</b>					
Dividend to shareholders	-	-	-19 909	-17 303	-17 303
Buy-back of shares	-6 031	-33 013	-16 926	-53 469	-54 235
New borrowing	-	-	-	-	-
Repayment of loans	-173	266	-471	-30 867	-31 402
Cash flow from financing activities - continuing operations	<b>-6 204</b>	<b>-32 747</b>	<b>-37 306</b>	<b>-101 639</b>	<b>-102 941</b>
Cash flow from financing activities - discontinued operations	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-6 204</b>	<b>-32 747</b>	<b>-37 306</b>	<b>-101 639</b>	<b>-102 941</b>
<b>Cash flow for the period</b>	<b>-2 187</b>	<b>-33 359</b>	<b>7 099</b>	<b>-179 471</b>	<b>-181 515</b>
Cash and liquid assets opening balance	186 027	220 066	179 573	364 902	364 902
Exchange differences in liquid assets	4 235	-4 360	1 403	-3 083	-3 814
<b>Cash and liquid assets closing balance</b>	<b>188 074</b>	<b>182 348</b>	<b>188 074</b>	<b>182 348</b>	<b>179 573</b>
<b>Additional information:</b>					
<i>Adjustments for non-cash items</i>					
Depreciations and impairments	8 368	9 627	27 146	24 619	482 467
Other items	-3 806	5 671	-1 190	2 338	3 766
Total	4 562	15 297	25 957	26 957	486 232
Interest received	821	421	2 148	788	1 028
Interest paid	-8	-74	-147	-737	-791

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**INCOME STATEMENT, PARENT**

	<b>2011-07-01</b>	<b>2010-07-01</b>	<b>2011-01-01</b>	<b>2010-01-01</b>	<b>2010-01-01</b>
<b>Amounts in SEK thousands</b>	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2011-09-30</b>	<b>2010-09-30</b>	<b>2010-12-31</b>
Net sales	527	1 513	1 566	4 670	6 183
Administrative expenses	-7 083	-3 811	-18 231	-12 812	-17 800
Research and development costs	-287	-801	-957	-1 943	-2 215
Other operating items	-512	-4 239	-1 492	-4 943	9 590
<i>Operating expenses</i>	<u>-7 882</u>	<u>-8 851</u>	<u>-20 681</u>	<u>-19 699</u>	<u>-10 425</u>
<b>Operating profit/loss</b>	<b>-7 355</b>	<b>-7 338</b>	<b>-19 115</b>	<b>-15 028</b>	<b>-4 242</b>
<b>Profit/loss from financial investments:</b>					
Interest income from receivables from group companies	2 659	2 708	9 502	8 553	14 343
Interest expense from liabilities to group companies	-473	-460	-1 390	-1 406	-1 868
Result from participations in group companies	2 336	-659	2 336	-659	-306 700
Other interest and similar income	759	338	1 967	702	1 006
Interest and similar expense	-	-2	-	-456	-456
Financial net income	<u>5 281</u>	<u>1 927</u>	<u>12 415</u>	<u>6 734</u>	<u>-293 675</u>
<b>Profit/loss before income tax</b>	<b>-2 074</b>	<b>-5 411</b>	<b>-6 700</b>	<b>-8 294</b>	<b>-297 916</b>
Tax expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-3 134</u>
<b>Total profit/loss for the period</b>	<b>-2 074</b>	<b>-5 411</b>	<b>-6 700</b>	<b>-8 294</b>	<b>-301 051</b>

**STATEMENT OF COMPREHENSIVE INCOME, PARENT**

Total profit/loss for the period	-2 074	-5 411	-6 700	-8 294	-301 051
Translation differences related to non Swedish subsidiaries	<u>19 636</u>	<u>-43 723</u>	<u>-6 821</u>	<u>-25 771</u>	<u>-23 024</u>
<b>Total comprehensive income, parent</b>	<b>17 562</b>	<b>-49 135</b>	<b>-13 521</b>	<b>-34 065</b>	<b>-324 075</b>

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**BALANCE SHEET, PARENT**

<b>Amounts in SEK thousands</b>	<b>2011-09-30</b>	<b>2010-12-31</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Patents and licenses	6 107	5 574
<i>Financial assets</i>		
Investments in group companies	491 528	413 833
Receivables from group companies	42 733	133 026
Deferred tax asset	39 436	39 436
	<b>573 697</b>	<b>586 295</b>
<b>Total non-current assets</b>	<b>579 804</b>	<b>591 869</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Trade receivables	-	-
Receivables from group companies	36 405	87 788
Other receivables	861	808
Prepaid expenses and accrued income	470	16 695
	<b>37 735</b>	<b>105 291</b>
Cash, cash equivalents and short time deposits	<b>104 166</b>	<b>106 619</b>
<b>Total current assets</b>	<b>141 901</b>	<b>211 910</b>
<b>TOTAL ASSETS</b>	<b>721 705</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	-53 749	-46 928
Retained earnings	495 239	833 833
Profit/loss for the period reported	-6 700	-301 051
	<b>434 790</b>	<b>485 854</b>
<b>Total equity</b>	<b>523 984</b>	<b>574 340</b>
<b>Provisions</b>	<b>26 391</b>	<b>28 799</b>
<b>Current liabilities</b>		
Trade payables	656	714
Liabilities to group companies	166 130	195 051
Other current liabilities	286	397
Accrued expenses and prepaid income	4 256	4 476
	<b>171 329</b>	<b>200 639</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>721 705</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 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, Kungsgatan 76, SE-753 18 Uppsala, Sweden, or [info@biotage.com](mailto:info@biotage.com).

## **Review Report**

### *Introduction*

We have reviewed the interim report for Biotage AB for the period January 1 - September 30, 2011. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### *Scope of Review*

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### *Conclusion*

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

Stockholm, October 26, 2011

Deloitte AB

Marcus Sörlander

Authorized Public Accountant