

This information was submitted for publication on August 28, 2009 at 08.30

Interim report January – June 2009

- The Group's sales for the period amounted to SEK 333 (253) million
- EBITDA amounted to SEK 54 (22) million
- EBIT amounted to SEK 43 (18) million
- The net profit after tax for the period amounted to SEK 15 (33) million¹⁾
- Earnings per share after tax for the period were SEK 0,04 (0,16) before and after dilution¹⁾

Significant events during the period

- The capital acquisition implemented in the 2nd quarter was fully subscribed and brought BioPhausia proceeds of SEK 64 million before expenses.
- During the period, the government adopted the proposal for re-regulation of the Pharmacy Market.

Period April-June

- The Group's sales for the quarter amounted to SEK 153 (130) million
- EBITDA amounted to SEK 26 (8) million
- Operating profit was SEK 20 (6) million
- Profit after tax amounted to SEK 6 (21) million¹⁾
- Earnings per share after tax was SEK 0.02 (0.13) before and after dilution¹⁾

Consolidated income statement in brief

| MSEK | Q 2 2009 | Q 2 2008 | Change | Acc 2009 | Acc 2008 | Change | Full year 2008 |
|---|----------|----------|--------|----------|----------|--------|----------------|
| Revenue | 153 | 130 | 18 % | 333 | 253 | 32 % | 580 |
| EBITDA | 26 | 8 | 223 % | 54 | 22 | 143 % | 72 |
| EBIT | 20 | 6 | 258 % | 43 | 18 | 146 % | 57 |
| Profit before tax | 8 | 1 | 832 % | 20 | 8 | 142 % | 16 |
| Profit after tax | 6 | 21 | -71 % | 15 | 33 | -53 % | 16 |
| Earnings per share before tax before and after dilution | 0.02 | 0.00 | | 0.06 | 0.04 | | 0.06 |
| Earnings per share after tax before and after dilution | 0.02 | 0.13 | | 0.04 | 0.16 | | 0.13 |

1) Profit after tax in the previous year was affected by the capitalisation of tax loss carryforwards, which produced an accounting tax income of SEK 26 million.

MD's report

Strong Recovery for Licensed Products

Sales for the group as a whole rose by 32% to SEK 333 (253) million in the first half of the year. The increase is largely a result of the product acquisition from AstraZeneca in June 2008. Organic growth for the period was zero percent, having been adversely affected by a difficult market situation as a result of the weak Swedish currency. EBITDA for the period increased to SEK 54 (22) million, which corresponds to an EBITDA margin of 16 (9) percent.

The second quarter of 2009 was a successful period for the company's licensed products, with the EBITDA margin improving significantly to 20 percent from -24 percent in the same quarter the previous year. Organic growth for licensed products in the period January-June 2009 was 41 percent, while the number of products on the market rose to 29 from 13 at the end of Q2 2008. It is heartening to see the segment showing sound growth and higher margins after a period of price pressure and weak growth. It is notable that the segment's Q2 earnings were adversely affected by conditional penalties of SEK 3 million arising from delivery problems with certain hospital products. These are non-recurring costs. In Poland, preparations to ensure sales can start there by the end of 2009 are on schedule, and key personnel were recruited to the Polish market organisation during the second quarter. Sales started in Lithuania during the second quarter, and preparations to establish sales on the other Baltic markets are progressing according to plan.

The Swedish market for parallel-imported products declined by as much as 26 percent during the period. This was largely due to EUR/SEK movements. A strong Euro restricts purchasing opportunities for parallel-imported pharmaceuticals, as the majority of purchases are in the Euro.

The parallel-imported products segment's sales for the first half of the year fell by 14 percent in Sweden. This is a much less severe decline than that experienced by the market. This means we increased our parallel-imported market share to 12 percent, which represents an improvement of almost two percentage points compared with the same period in 2008.

The strong Euro also had a negative effect on the company's own products. Higher purchase prices were partly offset by price increases. Unlike the licensed products and parallel-imported products segments, it is not always practicable to adjust the sales prices for all the products in the segment.

The period was marked by the decision to re-regulate the Swedish pharmacy monopoly, although it is not yet clear who the Swedish market protagonists will be. The re-regulation will bring with it new requirements and new openings for BioPhausia. We are following developments closely - particularly through our trade associations.

As previously communicated, a successful raising of capital during the period brought the company SEK 64 million before expenses. SEK 30 million has been used for bank loan repayments. The extra repayments have resulted in the repayment rate for 2010 falling to SEK 67 million, compared with SEK 93 million for 2009.

In conclusion, sales of licensed products have risen significantly during the period, geographical expansion continues unabated and the group's EBITDA margin is still improving (now at 16 percent) despite difficult market conditions.

BIOPHAUSIA is a Swedish specialty pharma company, which operates in original drugs, generic products and the parallel-imported medicines. The portfolio of drugs spans indication areas such as stomach/intestines, CNS (central nervous system) and emergency medical care, and includes products such as Novalucol and Millipect. BioPhausia currently employs around 106 people in five countries, and operates in the Nordic countries, Poland and The Netherlands.

BioPhausia AB (publ) has its registered office in Stockholm, and is listed on the Nasdaq OMX Nordic Exchange in Stockholm, Small cap.

Group

Consolidated income statement in brief

| SEK '000 | Q 2 2008 | Q 2 2008 | Change | Acc 2009 | Acc 2008 | Change | Full year 2008 |
|-----------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|----------------|
| Revenue | 153 237 | 129 839 | 19 % | 332 994 | 252 990 | 32 % | 580 348 |
| Cost of goods sold | -105 957 | -100 944 | 5 % | -235 587 | -193 813 | 22 % | -432 659 |
| Gross profit | 47 280 | 28 895 | 64 % | 97 407 | 59 177 | 65 % | 147 689 |
| Selling expenses | -22 045 | -18 471 | 19 % | -43 412 | -32 216 | 35 % | -72 609 |
| Administrative expenses | -4 637 | -3 685 | 26 % | -9 558 | -7 073 | 35 % | -16 265 |
| Research and development expenses | -494 | -720 | | -969 | -1 196 | | -1 912 |
| Other operating revenue/expenses | -211 | -467 | | -380 | -1 180 | | 347 |
| Operating profit | 19 893 | 5 552 | 258 % | 43 088 | 17 512 | 146 % | 57 250 |
| Net financial items | -11 585 | -4 661 | | -23 149 | -9 287 | | -41 424 |
| Tax | -2 309 | 20 004 | | -4 665 | 24 415 | | 16 219 |
| Profit for the period | 5 999 | 20 895 | -71 % | 15 274 | 32 640 | -53 % | 32 045 |

Group turnover and profit

Revenue

January – June

During the period, revenues rose to SEK 333 (253) million, an increase of 32 % on the same period the previous year. Organic growth was 0 % during the period. Sales were distributed as follows: Own Products, SEK 104 (38) million, Licensed Products, SEK 62 (33) million, Parallel-imported Products, SEK 159 (175) million and BioPhausia General SEK 8 (7) million.

April – June

Sales for the period April-June amounted to SEK 153 (130) million. The increase in sales is largely due to the most recent acquisition from AstraZeneca, which has been affecting both sales and earnings positively since Q3 2008. Organic growth was -10 % during the quarter. The reason for this was the historically strong Euro, which restricted the purchasing opportunities for a number of parallel-imported products. This has resulted in lower sales for that segment and has had a negative effect on the group's organic growth.

Earnings

January – March

Operating profit before depreciation for the period amounted to SEK 54 (22) million.

Depreciation/amortisation amounted to SEK 11 (5) million. R & D expenses of SEK 1 (1) million related to amortisation.

April – June

Operating profit before depreciation/amortisation for the period April-June amounted to SEK 26 (8) million. The sharp increase in operating profit is largely a result of the recent acquisition and a significantly improved gross margin in the Licensed Products segment.

Depreciation/amortisation increased by just over SEK 3 million compared with the same period the previous year, and is largely due to the acquisition of products from AstraZeneca in June 2008 and the arrival of more generic products on the market. Operating expenses (net of depreciation/amortisation) have increased by SEK 1 million compared with the same period the previous year.

Net financial items

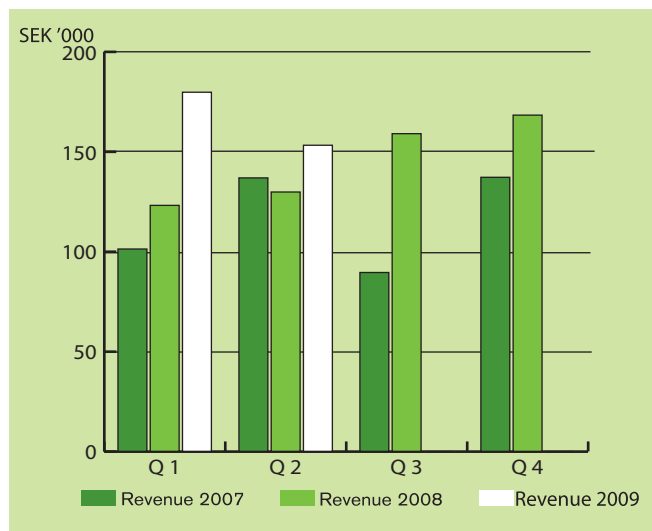
Net financial items for the period January-June amounted to SEK -23 (-9) million. The decline is mainly due to the fact that loans associated with the acquisition in 2008 have resulted in higher interest expense. Net financial items were also affected by increased interest expense attributable to capital raised in 2009, totalling SEK 1 million.

Tax

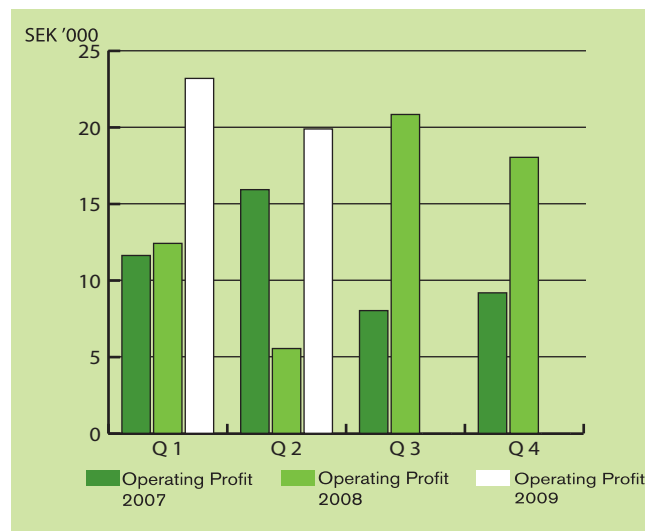
No current tax is to be paid as there are tax loss carry-forwards which can be utilised. The group's tax consists of tax on temporary differences (the difference between accounting profit and tax base) and tax income arising from the reversal of the tax liability connected with the raising of capital. In the previous year, remaining tax loss carry-forwards were capitalised, bringing tax income of SEK 26 million.

Group

Revenue



Operating Profit



Financial position

Cash flow

At the end of the period, cash and cash equivalents were SEK 18 (3) million, while unused credit facilities stood at SEK 50 million. Unused credit facilities at the start of the period were SEK 7 million.

Operating activities

Cash flow from operating activities before changes in working capital for the period January-June was SEK 36 million. Cash flow from changes in working capital was SEK -23 million. At the balance sheet date, utilised borrowing for operating loans (inventory loan and overdraft) amounted to SEK 75 million. Part of the inventory has been pledged as security. Cash flow from operating activities for the period was SEK 13 million.

Investing activities

Cash flow from investing activities amounted to SEK -7 (-550) million and related mainly to investments in licences.

Financing activities

At the balance sheet date, total interest-bearing liabilities were SEK 489 million. This amount includes repayments of SEK 67 million due in the next 12 months, which are reported under current liabilities in the balance sheet. Repayments of SEK 60 million were made in the period January-June.

Capital of SEK 64 million was raised by issuing debentures and 43 million warrants. Costs arising from the raising of capital amounted to approx. SEK 7 million. On full exercise of the warrants, BioPhausia's share capital will increase by a maximum of SEK 10,702,372.75. The warrants and debentures have a term of three years. Each warrant entitles the holder to subscribe for one new share for SEK 1.50. The debentures carry an interest rate of 7%. Both the debentures and warrants are admitted to trading on NASDAQ OMX Stockholm. Cash flow from financing activities was SEK -3 million.

The net debt/equity ratio was 0.85 times.

At the end of June, the group's cash and cash equivalents were SEK 18 million, having started the year on SEK 15 million.

Equity

Equity amounted to SEK 551 (255) million at the balance sheet date. SEK 86 million of this amount was made up of share capital.

The number of shares at the balance sheet date was 342,475,932.

The equity/assets ratio ended the period on 49% (22%).

Segments

| Own products* (SEK '000) | Q 2 2009 | Q 2 2008 | Change | Acc 2009 | Acc 2008 | Change | Full year 2008 |
|--------------------------|----------|----------|--------|----------|----------|--------|----------------|
| Revenue | 47 755 | 18 424 | 159 % | 104 043 | 37 875 | 175 % | 133 827 |
| EBITDA | 16 451 | 3 377 | 387 % | 38 967 | 8 749 | 345 % | 43 423 |
| EBITDA margin | 34 % | 18 % | | 37 % | 23 % | | 33 % |

*Change to segment reporting in accordance with IFRS 8; see also note 1.

Own products

Revenue

January-June

Sales for the period amounted to SEK 104 (38) million. Organic growth for the period was 2%.

April – June

Sales for the period April-June amounted to SEK 48 (18) million. A considerable proportion of the growth is attributable to the acquisition from AstraZeneca. Organic growth for the period was 0%. Prescription pharmaceuticals accounted for 68% of total sales, while the remaining 32% was from non-prescription pharmaceuticals.

Earnings

January-June

EBITDA for the period amounted to SEK 39 (8) million.

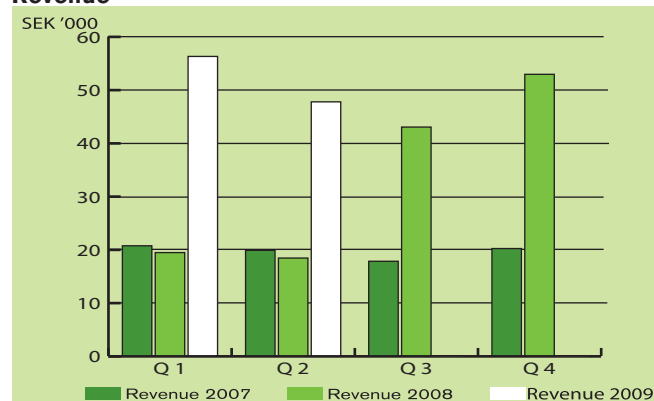
April – June

EBITDA for the period April-June amounted to SEK 16 (3) million. The improvement on the previous year is largely attributable to the positive effect of the integration of the newly acquired products. Implemented price adjustments have partly compensated for more expensive purchasing in Euro.

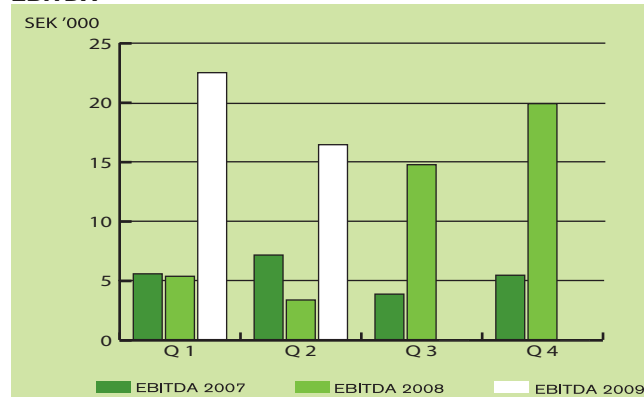
The RescueFlow study in the USA has been discontinued due the lack of desired clinical effects. On 24 June 2009, the European Medicines Agency (EMA) decided that dextropropoxyphene-containing medicines would be withdrawn from the market over the next 15 months. The decision has been appealed and a new review will be initiated. This may affect the product Dexofen, which currently accounts for approx. 1% of the company's sales.

| | Q 2 2009 | Q 2 2008 |
|---------------------------|-----------|-----------|
| Products - Self-care | 6 | 6 |
| Products - Prescription | 19 | 9 |
| Products on market | 25 | 15 |
| Products in registration | 1 | 2 |

Revenue



EBITDA



Definition – segment Own products

Own products are products owned without restriction by BioPhausia. Examples are that the company owns a dossier (documentation about a product), a brand, other intangible rights, but not necessarily a patent.

Own products can be divided up into original products and generic products.

Examples of products in this segment are Citodon, Mollopect, Novalucol, Novaluzid and GlycoVisc.

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| Licensed products* (SEK '000) | Q 2 2009 | Q 2 2008 | Change | Acc 2009 | Acc 2008 | Change | Full year 2008 |
|-------------------------------|----------|----------|--------|----------|----------|--------|----------------|
| Revenue | 32 192 | 16 046 | 101 % | 61 505 | 33 456 | 84 % | 80 714 |
| EBITDA | 6 466 | -3 789 | | 6 696 | 510 | | 4 391 |
| EBITDA margin | 20 % | -24 % | | 11 % | 2 % | | 5 % |

*Change to segment reporting in accordance with IFRS 8; see also note 1.

Licensed products

Revenue

January-June

Sales for the period amounted to SEK 62 (33) million. Organic growth for the period was 41%.

April – June

Sales for the period April-June amounted to SEK 32 (16) million. The strong growth is largely due to an increased number of products on the market. At the end of the quarter there were 29 products on the market, compared with 13 at the same point in the previous year. Organic growth for the quarter was 55%. In addition to more products reaching the market, inventory levels were successfully reduced by SEK 6 million during the quarter.

Earnings

January-June

EBITDA for the period amounted to SEK 7 (1) million.

April – June

EBITDA for the period April-June amounted to SEK 6 (-4) million. The Licensed Products segment has reported a significant improvement in earnings during the second quarter, with an EBITDA margin of 20%, compared with -24% for the same period the previous year. This positive trend is due to improved gross margins in Denmark and Sweden.

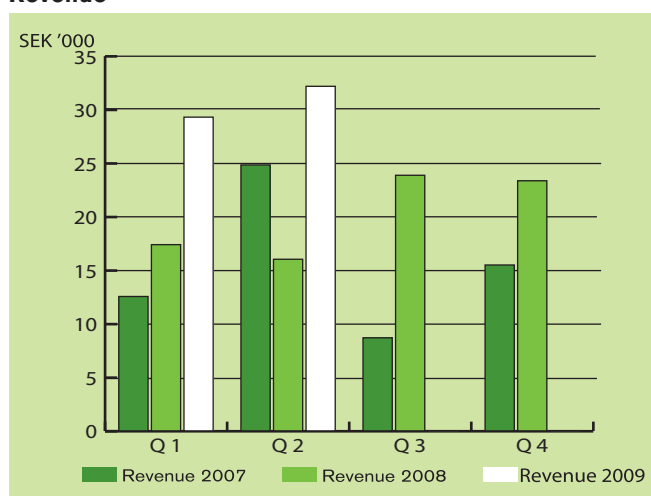
Q2 earnings were adversely affected by conditional penalties of over SEK 3 million arising from delivery problems with certain hospital products. The hospital contracts in question have now been managed in such a way as to minimise the risk of future penalties.

In Poland, preparations are in progress to ensure sales can start there by the end of 2009. Nine products have been approved. Recruitment of key personnel has been completed and recruitment of the sales force is actively continuing. At the end of the quarter, there were four employees in the Polish generic operations. The sales force will comprise 13 persons in the next quarter.

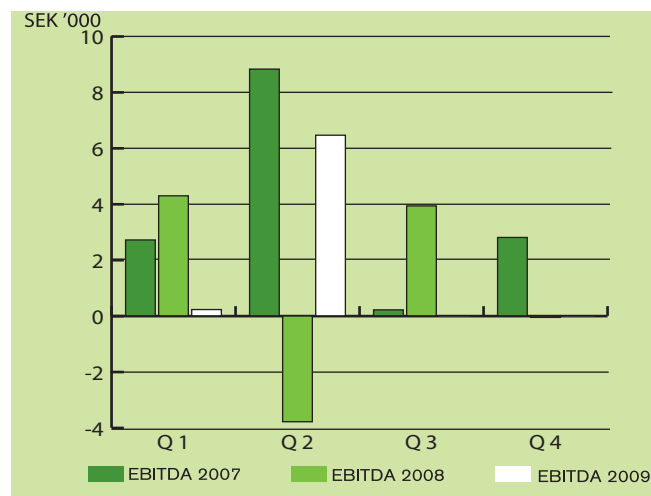
Sales are up and running in Lithuania, and preparations for establishing sales in the other Baltic countries are going according to schedule. Negotiations with two distributors were completed during the period, and negotiations with other distributors are continuing.

| | Q 2 2009 | Q 2 2008 |
|---------------------------------|-----------|-----------|
| Products on market | 29 | 13 |
| Approved products not on market | 7 | 10 |
| Products in registration | 24 | 43 |
| Total licenses | 60 | 66 |
| New licenses during period | 0 | 5 |

Revenue



EBITDA



Definition – segment Licensed products

Licensed products are products where BioPhausia has limited ownership of a dossier, or alternatively only has a distribution right without holding a marketing permit (agent).

Restrictions may be territorial or the license may not give the opportunity for sub-licensing or sale of a dossier. Licensed products can be divided up into original products and generic products.

Examples of products in this segment are Omeprazol, Ceterizine and Amlodipin.

| Parallel-imported* (SEK '000) | Q 2 2009 | Q 2 2008 | Change | Acc 2009 | Acc 2008 | Change | Full year 2008 |
|-------------------------------|----------|----------|--------|----------|----------|--------|----------------|
| Revenue | 68 970 | 92 193 | -25 % | 159 257 | 175 028 | -9 % | 352 376 |
| EBITDA | 6 012 | 9 876 | -39 % | 13 422 | 16 843 | -20 % | 31 238 |
| EBITDA margin | 9 % | 11 % | | 8 % | 10 % | | 9 % |

*Change to segment reporting in accordance with IFRS 8; see also note 1.

Parallel-imported products

Revenue

January-June

Sales for the period amounted to SEK 159 (175) million, which is a decline of 9%. At the same time, the market for parallel imported products in Swedish has experienced a 26% decline in value. The market decline is largely due to negative effects of the weak krona.

April – June

Sales for the period April-June amounted to SEK 69 (92) million, which is a decline of 25%. The decline in sales is closely tied in with the Swedish parallel import market's 31% decline in the second quarter compared with the same period the previous year.

Earnings

January-June

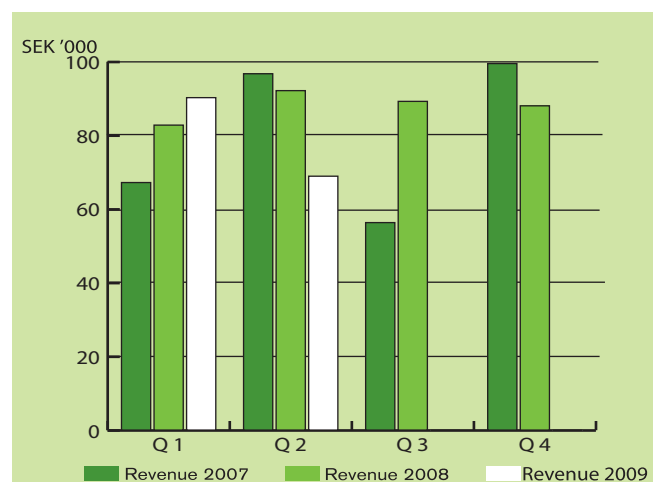
EBITDA for the period January-June amounted to SEK 13 (17) million.

April – June

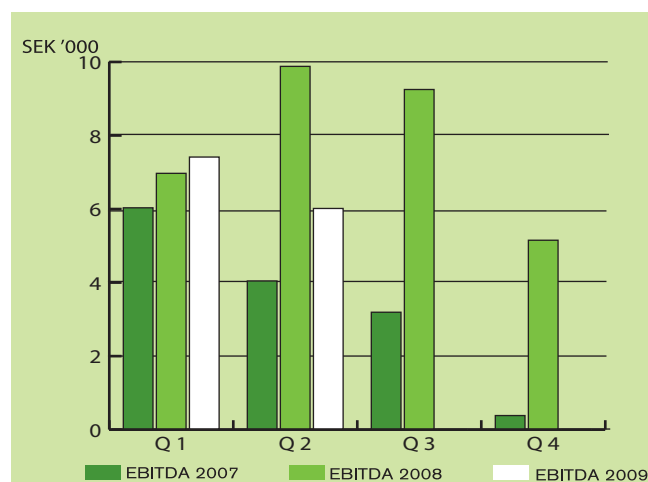
EBITDA for the period April-June amounted to SEK 6 (10) million. Earnings were adversely affected by the weak krona, which made product purchasing more expensive, and resulted in lower margins. This was partly compensated for by a positive product mix, with some best-sellers being sold at a higher margin.

| | Q 2 2009 | Q 2 2008 |
|--------------------------|----------|----------|
| Products on market | 80 | 77 |
| Products in registration | 15 | 35 |

Revenue



EBITDA



Definition – segment Parallel-imported products

Parallel-imported products are products where BioPhausia lacks ownership of a dossier. The company merely has the right to import and sell the product, and the Medical Products Agency is the counterpart. Examples of parallel-imported products are all the products sold by Cross, and parallel-imported veterinary products sold by Omnia.

Financial targets

In August 2008, the Board defined the following long-term financial targets.

Based on its existing structure, BioPhausia will achieve annual organic growth of 15-20 percent and an EBITDA margin of 25-30 percent.

The growth target implies a turnover of 1 billion within 3 years through organic growth. BioPhausia intends to continue its acquisitive growth in addition to organic growth.

Parent Company

Parent company revenue and earnings

Revenue

January - June

The parent company's sales for 2009 amounted to SEK 104 (38) million. This figure relates mainly to sales of Own Products.

Earnings

January - June

Operating profit for the period amounted to SEK 24 (0) million.

Net financial items

Net financial items for the period amounted to SEK -14 (-4) million.

Financial position

Cash and cash equivalents

Cash and cash equivalents at the balance sheet date amounted to SEK 4 (1) million.

Investments

Investments during the period amounted to SEK 2 (537) million.

Financing

At the balance sheet date, 30 June, interest-bearing liabilities amounted to SEK 442 million. This amount includes repayments of SEK 67 million due in the next 12 months, which are reported under current liabilities in the balance sheet. Repayments totalling SEK 60 million were made in the period.

Capital of SEK 64 million was raised during the period by issuing debentures and 43 million warrants. Costs arising from the raising of capital amounted to approx. SEK 7 million. On full exercise of the warrants, BioPhausia's share capital will increase by a maximum of SEK 10,702,372.75. The warrants and debentures have a term of three years. Each warrant entitles the holder to subscribe for one new share for SEK 1.50. The debentures carry an interest rate of 7%. Both the debentures and warrants are admitted to trading on NASDAQ OMX Stockholm.

Tax

The parent company's tax consists of tax income arising from the reversal of the tax liability connected with the raising of capital. In the previous year, remaining tax loss carryforwards were capitalised, bringing tax income of SEK 26 million.

Shares

The number of shares at the balance sheet date was 342,475,932.

Financial calendar 2009

Interim reports

- Interim report January - September; November 29, 2009
- Full year report 2009; February 12, 2010

This report has not been reviewed by the company's auditor.

Assurance

The board of directors and the CEO assure that the semi-annual report gives a fair review of the business, the position and the result of the parent company as well as the group and it describes significant risks and uncertainties that the parent company and other companies within the group are facing.

Stockholm 28 of August 2009

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The information in this Interim report is such information as BioPhausia AB (publ) is liable to publish in accordance with the Swedish Stock Market Act and/or Trade in Financial Instruments Act. The information in Swedish was released for publication on 28 August 2009 at 8.30 am.

Group income statement

| (SEK '000) | 2009 April-June | 2008 April-June | 2009 Jan-June | 2008 Jan-June | 2008 Jan-Dec |
|--|--------------------|--------------------|------------------|------------------|-----------------|
| Revenue | 153 237 | 129 839 | 332 994 | 252 990 | 580 348 |
| Cost of goods sold | -105 957 | -100 944 | -235 587 | -193 813 | -432 659 |
| Gross profit | 47 280 | 28 895 | 97 407 | 59 177 | 147 689 |
| Selling expenses | -22 045 | -18 471 | -43 412 | -32 216 | -72 609 |
| Administrative expenses | -4 637 | -3 685 | -9 558 | -7 073 | -16 265 |
| Research and development expenses | -494 | -720 | -969 | -1 196 | -1 912 |
| Other operating revenue | 546 | 11 | 1 427 | 25 | 792 |
| Other operating expenses | -757 | -73 | -1 807 | -342 | -445 |
| Operating profit | 19 893 | 5 957 | 43 088 | 18 375 | 57 250 |
| Net financial items | -11 585 | -5 066 | -23 149 | -10 150 | -41 424 |
| Profit before tax | 8 308 | 891 | 19 939 | 8 225 | 15 826 |
| Tax on this year's profit/deferred tax | -2 309 | 20 004 | -4 665 | 24 415 | 16 219 |
| Profit for the period | 5 999 | 20 895 | 15 274 | 32 640 | 32 045 |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent | 5 999 | 20 895 | 15 274 | 32 640 | 32 045 |
| Profit for the period | 5 999 | 20 895 | 15 274 | 32 640 | 32 045 |
| Profit per share before and after dilution (SEK) | 0,02 | 0,13 | 0,04 | 0,16 | 0,13 |
| Depreciation included in the operating profit | 5 628 | 2 354 | 10 908 | 4 694 | 15 007 |

Statement of comprehensive income

| | | | | | |
|---|--------------|---------------|---------------|---------------|----------------|
| Profit for the period | 5 999 | 20 895 | 15 274 | 32 640 | 32 045 |
| <i>Other comprehensive income for the period:</i> | | | | | |
| Translation differences | 97 | 138 | 52 | 44 | -606 |
| Gain/loss on cash flow hedges | 2 325 | | 2 | | -14 295 |
| <i>Other comprehensive income for the period</i> | <i>2 422</i> | <i>138</i> | <i>54</i> | <i>44</i> | <i>-14 901</i> |
| Total comprehensive income for the period | 8 421 | 21 033 | 15 328 | 32 684 | 17 144 |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent | 8 421 | 21 033 | 15 328 | 32 684 | 17 144 |
| Total comprehensive income for the period | 8 421 | 21 033 | 15 328 | 32 684 | 17 144 |

Key figures Group

| | 2009-06-30 | 2008-06-30 | 2008-12-31 |
|---|------------|------------|------------|
| Number of shares in issue at end of period ('000) | 342 476 | 202 372 | 342 476 |
| Fully diluted number of shares in issue ('000) | 349 611 | 202 372 | 249 073 |
| Equity per share (SEK) | 1,61 | 2,23 | 1.56 |
| Equity/assets ratio (%) | 49 | 22 | 46 |
| Return on equity (%) * | 3,0 | 24,0 | 8,9 |
| Return on operating capital (%) * | 7,9 | 7,2 | 8,3 |
| Return on total capital (%) * | 7,2 | 6,2 | 7,4 |
| Profit per share before tax (SEK) before and after dilution | 0,06 | 0.04 | 0.06 |
| Profit per share after tax (SEK) before and after dilution | 0,04 | 0.16 | 0.13 |
| Net debt/equity ratio (times) | 0,85 | 3,11 | 0,98 |

* Calculated on rolling 12-monthly profit

Definitions

Equity per share. Reported equity divided by total number of shares at end of period adjusted for issues and conversions.

Equity/assets ratio. Equity as a percentage of total assets.

Profit per share. Profit/loss for the period divided by the weighted average number of shares outstanding during the period, with an adjustment for the calculated bonus element.

Return on average equity. Net profit/loss as a percentage of average equity based on net profit/loss and equity for the last 12 months.

Return on average capital employed. Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average capital employed.

Capital employed. Total assets less non-interest-bearing liabilities, including deferred tax liability.

Return on average total assets. Profit/loss after net financial items plus finance costs for the last 12 months as a percentage of average total assets.

Net debt/equity ratio. Interest-bearing liabilities less financial assets (including cash & cash equivalents) divided by equity.

EBITDA. Earnings before interest, taxes, depreciation and amortisation.

EBITDA margin. EBITDA as a percentage of revenue.

Consolidated balance sheet

| (SEK'000) | 2009-06-30 | 2008-06-30 | 2008-12-31 |
|-------------------------------------|------------------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 854 148 | 893 126 | 860 016 |
| Property, plant and equipment | 3 958 | 2 130 | 2 223 |
| Deferred tax asset | 45 863 | 56 530 | 53 505 |
| Total fixed assets | 903 969 | 951 786 | 915 744 |
| Current assets | | | |
| Inventories | 124 764 | 109 708 | 149 052 |
| Trade receivables | 61 346 | 61 935 | 83 875 |
| Other current receivables | 15 760 | 11 383 | 9 179 |
| Cash and cash equivalents | 18 464 | 3 154 | 15 503 |
| Total current assets | 220 334 | 186 180 | 257 609 |
| Total assets | 1 124 303 | 1 137 966 | 1 173 353 |
| Equity | 550 927 | 254 646 | 534 437 |
| Long-term liabilities | | | |
| Deferred tax liabilities | 941 | 1 002 | 1 076 |
| Longterm liabilities | 367 473 | 396 212 | 332 857 |
| Total long-term liabilities | 368 414 | 397 214 | 333 933 |
| Current liabilities | 204 962 | 486 106 | 304 983 |
| Total liabilities | 573 376 | 883 320 | 638 916 |
| Total equity and liabilities | 1 124 303 | 1 137 966 | 1 173 353 |
| Pledged assets | 205 939 | 76 680 | 220 336 |
| Contingent liabilities | None | None | None |

Consolidated statement of changes in equity

| (SEK'000) | 2009-06-30 | (recalculated) 2008-06-30 | (recalculated) 2008-12-31 |
|--|----------------|------------------------------|------------------------------|
| Opening equity | 534 437 | 221 962 | 221 962 |
| The raising of capital | 4 604 | - | 308 228 |
| Cost attributable to raising capital | -506 | - | -12 897 |
| Deferred tax liability attributable to raising capital | -2 936 | - | - |
| Total comprehensive income for the period | 15 328 | 32 684 | 17 144 |
| Closing equity at end of period | 550 927 | 254 646 | 534 437 |

Consolidated cash flow statement in brief

| (SEK' 000) | 2009 April–June | 2008 April–June | 2009 Jan–June | 2008 Jan–June | 2008 Jan–Dec |
|---|--------------------|--------------------|------------------|------------------|-----------------|
| Cash flow from operating activities before change in working capital | 17 638 | 3 884 | 35 614 | 14 369 | 31 284 |
| Change in working capital | -16 939 | -5 551 | -22 754 | -13 321 | -15 985 |
| Cash flow from operating activities | 699 | -1 667 | 12 860 | 1 048 | 15 299 |
| Cash flow from investing activities | -4 215 | -544 531 | -7 346 | -550 071 | -525 901 |
| Cash flow from financing activities | 10 293 | 539 149 | -2 553 | 532 737 | 506 665 |
| Change in cash and cash equivalents | 6 777 | -7 049 | 2 961 | -16 286 | -3 937 |
| Cash and cash equivalents at start of period | 11 687 | 10 203 | 15 503 | 19 440 | 19 440 |
| Cash and cash equivalents at end of period | 18 464 | 3 154 | 18 464 | 3 154 | 15 503 |
| <i>Interest received</i> | 14 | 97 | 41 | 228 | 638 |
| <i>Interest paid</i> | -7 427 | -3 270 | -15 456 | -6 280 | -33 246 |

Group operating profit in summary

| 2008 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Full year |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Net sales | 123 151 | 129 839 | 159 032 | 168 326 | 580 348 |
| Gross profit | 30 282 | 28 895 | 44 637 | 43 875 | 147 689 |
| Selling expenses | -13 745 | -18 471 | -19 346 | -21 047 | -72 609 |
| Administration expenses | -3 388 | -3 685 | -3 950 | -5 242 | -16 265 |
| R&D expenses | -476 | -720 | -492 | -224 | -1 912 |
| Other operating items | -256 | -62 | -10 | 675 | 347 |
| Operating profit | 12 417 | 5 957 | 20 839 | 18 037 | 57 250 |
| 2009 | Quarter 1 | Quarter 2 | | | |
| Net sales | 179 757 | 153 237 | | | |
| Gross profit | 50 127 | 47 280 | | | |
| Selling expenses | -21 367 | -22 045 | | | |
| Administration expenses | -4 921 | -4 637 | | | |
| R&D expenses | -475 | -494 | | | |
| Other operating items | -169 | -211 | | | |
| Operating profit | 23 195 | 19 893 | | | |

Parent company income statement

| (SEK '000) | 2009 April–June | 2009 April–June | 2009 Jan–June | 2008 Jan–June | 2008 Jan–Dec |
|---|--------------------|--------------------|------------------|------------------|-----------------|
| Revenue | 47 875 | 18 364 | 104 481 | 37 815 | 144 204 |
| Cost of goods sold | -26 872 | -9 756 | -55 084 | -19 593 | -79 382 |
| Gross profit | 21 003 | 8 608 | 49 397 | 18 222 | 64 822 |
| Selling expenses | -15 458 | -7 981 | -31 740 | -15 229 | -47 496 |
| Administrative expenses | -4 136 | -2 700 | -8 404 | -5 267 | -12 266 |
| Research and development expenses | -469 | -468 | -937 | -937 | -1 874 |
| Other operating income and operating expenses | 7 152 | 1 635 | 15 249 | 2 729 | 9 339 |
| Operating profit | 8 092 | -906 | 23 565 | -482 | 12 525 |
| Net financial items | -6 929 | -2 066 | -14 317 | -4 337 | -26 944 |
| Profit after financial items | 1 163 | -2 972 | 9 248 | -4 819 | -14 419 |
| Tax on this year's profit/deferred tax | 82 | 19 636 | 82 | 26 181 | 27 303 |
| Profit for the period | 1 245 | 16 664 | 9 330 | 21 362 | 12 884 |

Parent company balance sheet

| (SEK '000) | 2009-06-30 | 2008-06-30 | 2008-12-31 |
|--|------------------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 535 692 | 746 658 | 554 645 |
| Tangible assets | 403 | 246 | 352 |
| Participations in Group companies | 73 582 | 71 162 | 68 742 |
| Deferred tax receivable | 72 752 | 73 181 | 75 610 |
| Long-term receivables from Group companies | 178 840 | 29 594 | 53 545 |
| Total fixed assets | 861 269 | 920 841 | 878 345 |
| Current assets | | | |
| Inventory | 28 211 | 12 992 | 33 576 |
| Trade accounts receivable | 20 345 | 8 560 | 25 476 |
| Current receivables from Group companies | 96 112 | 70 989 | 107 471 |
| Other current assets | 3 863 | 4 305 | 4 074 |
| Liquid funds | 3 995 | 980 | 11 950 |
| Total current assets | 152 526 | 97 826 | 182 547 |
| Total assets | 1 013 795 | 1 018 667 | 1 060 892 |
| Equity | 526 500 | 233 691 | 516 006 |
| Long-term liabilities | 365 795 | 394 675 | 331 127 |
| Long-term liabilities to Group companies | - | 3 156 | - |
| Total long-term liabilities | 365 795 | 397 831 | 331 127 |
| Current liabilities to Group companies | 557 | 1 452 | 1 713 |
| Other current liabilities | 120 945 | 385 693 | 212 046 |
| Total current liabilities | 121 502 | 387 145 | 213 759 |
| Total equity and liabilities | 1 013 795 | 1 018 667 | 1 060 892 |
| Pledged assets | 135 093 | 12 528 | 140 307 |
| Contingent liabilities | 60 000 | 60 000 | 60 000 |

Notes

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Like the year-end report for 2008, the consolidated accounts for 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The parent company's accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation R 2.2 Accounting for Legal Entities.

The accounting policies are the same as those applied in the 2008 annual report, with the exception of the changes below.

New accounting policies in 2009

Presentation of financial statements

IAS 1 Presentation of Financial Statements (amended) is effective for accounting periods commencing on or after 1 January 2009. The amendment affects BioPhausia's financial reporting in that income and expense previously recognised directly in equity is now reported separately in a statement of comprehensive income which follows the income statement. Another change allows the use of new headings for the financial reports. However, these are not compulsory and BioPhausia has decided to retain the old headings.

Operating segments

The new standard on segment reporting, IFRS 8 Operating Segments, is effective for accounting periods commencing on or after 1 January 2009. The main requirement of the new standard is that segment information is presented from a management perspective, which means its presentation is the same as that used in internal reporting. In BioPhausia's case, the new standard has resulted in segment information having a different measure of performance from the one previously used in order to reflect internal reporting. Segment reporting will show net sales and EBITDA. There will then be a reconciliation of depreciation, net financial items and profit for the period at group level. In BioPhausia's case, the introduction of IFRS 8 has not involved any new operating segments being identified, although some small operations have been reclassified from Own Products/Licensed Products/Parallel-imported Products to BioPhausia General. A final change to segment reporting involves changed cost allocation for administrative expenses in each segment. The 2008 figures have been restated in accordance with the new cost formulas.

Note 2 Segment reporting*

Accounting for primary segment

| SEK '000 | Own products | Licensed products | Parallel-imported products | BioPhausia General | Total |
|------------------------------|--------------|-------------------|----------------------------|--------------------|---------------|
| January–June 2009 | | | | | |
| Revenue | 104 043 | 61 505 | 159 257 | 8 189 | 332 994 |
| EBITDA | 38 967 | 6 696 | 13 422 | -5 089 | 53 996 |
| Depreciation | | | | | -10 908 |
| Net financial items | | | | | -23 149 |
| Tax | | | | | -4 665 |
| Profit for the period | | | | | 15 274 |
| January–June 2008 | | | | | |
| Revenue | 37 875 | 33 456 | 175 028 | 6 630 | 252 989 |
| EBITDA | 8 749 | 510 | 16 843 | -3 033 | 23 069 |
| Depreciation | | | | | -4 694 |
| Net financial items | | | | | -10 150 |
| Tax | | | | | 24 415 |
| Profit for the period | | | | | 32 640 |

*Change to segment reporting in accordance with IFRS 8; see also note 1.

BioPhausia General includes general unallocated administrative expenses and minor operations which do not come under the other three segments.

Note 3 Tax on profit for the year/deferred tax

Tax in the income statement consists of deferred tax on temporary differences and deferred tax on capitalised loss carry-forwards. Profit for the period has only been affected by tax on temporary differences and a positive tax effect from the capital acquisition during the period.

Note 4 Risks and uncertainty factors

The group and parent company's significant risks and uncertainties consist of business risks in the form of uncertainty in market assessments (future prospects, eg size of market) and competition in the form of price pressure, which may lead to falling margins. Other significant risks include financial risks in the form of exchange rate movements, changes in interest rates, fulfilment of covenants and liquidity risks. These are covered by the company's policy for financial management. Apart from these risks and the risks described in note 3 of BioPhausia's 2008 annual report, no other significant risks are considered to have arisen.

Note 5 Related-party transactions

A guarantee payment of SEK 350 thousand in connection with the raising of capital in 2009 was paid to Board Member Johan Unger. There were no other related-party transactions.