



Interim report January–June 2009

Vitrolife AB (publ)

Strong growth in sales and profits – increased investments in R&D and markets

- Sales increased by 24 percent during the second quarter and amounted to SEK 70.2 (56.6) million. Sales during the first half year amounted to SEK 142.0 (115.2) million.
- Gross income for the second quarter increased by 27 percent to SEK 50.0 (39.3) million and the gross margin was 71 (70) percent. Gross income for the first half year amounted to SEK 99.2 (79.9) million.
- In the second quarter operating income (EBIT) amounted to SEK 7.8 (6.0) million, an increase of 30 percent, corresponding to an operating margin of 11.1 (10.6) percent. Adjusted for one-time expenses (expenses related to the bid and the move) during the first quarter the operating margin was 14 (14) percent for the first half year. At the same time Vitrolife is pursuing the strategy of increasing its investments in marketing and development of the product portfolio, as well as expanding the support organization.
- Operating income before research and development costs for the second quarter increased by 38 percent to 18.8 (13.6) million, corresponding to a margin of 27 percent (24).
- The Group's net income for the second quarter amounted to SEK 7.4 (6.1) million, an increase of 22 percent, and earnings per share were SEK 0.38 (0.31). The Group's net income for the first half year amounted to SEK 16.0 (14.4) million. Net income includes one-time expenses attributable to the bid for MediCult a/s and to moving expenses, which together amounted to SEK 3.9 million.
- The cash flow from operating activities was strengthened during the second quarter and amounted to SEK 12.2 (14.6) million.
- The equity/assets ratio amounted to 87 percent (83).
- A new market organization was established in Japan.
- Very good results so far from the clinical transplantation study in Canada using STEEN Solution™.
- A dividend of SEK 0.40 per share was paid for the first time.

Sales and income

Vitrolife's net sales for the second quarter increased by 24 percent and amounted to SEK 70.2 (56.6) million. Sales growth in local currencies was 6 percent. Net sales for first half year amounted to SEK 142.0 (115.2) million, which corresponds to an increase of 23 percent compared to the previous year. Sales growth in local currencies was 5 percent.

Fig 1. Net sales per geographic area (rolling 12 months)

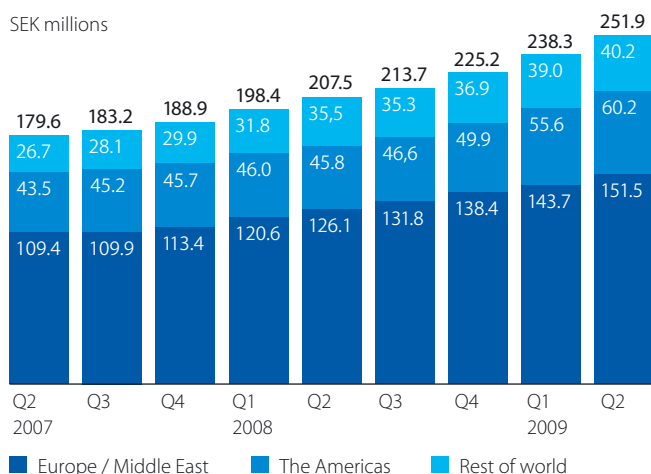
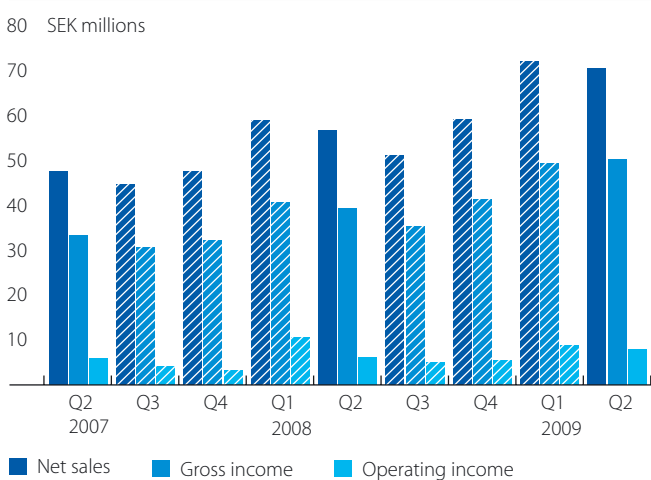


Fig 2. Sales and income per quarter



Gross income for the second quarter amounted to SEK 50.0 (39.3) million and the gross margin to 71.3 (69.6) percent. Gross income for the first half year amounted to SEK 99.2 (79.9) million and the gross margin was 69.9 percent (69.3).

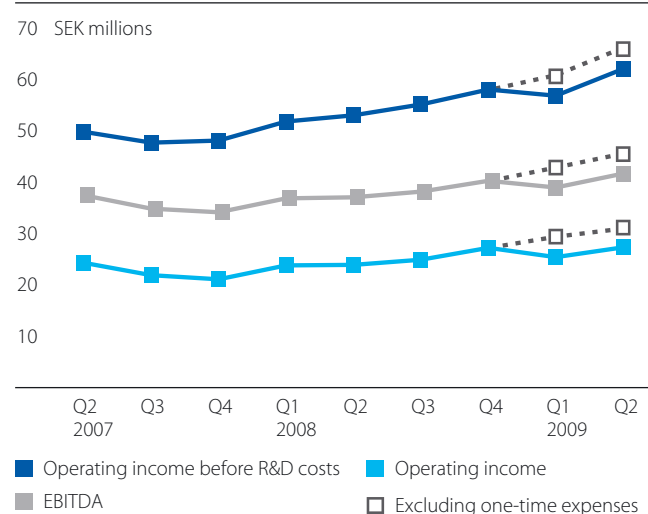
For the second quarter operating income amounted to SEK 7.8 (6.0) million. Selling expenses as a percentage of sales amounted to 28.7 percent (29.6), administrative expenses to 14.3 percent (14.9) and R&D costs to 15.7 percent (13.6). Depreciation and amortization amounted to SEK 4.1 (3.3) million.

Operating income for the period January–June was SEK 16.6 (16.6) million, which corresponds to a margin of 11.7 percent (14.4). Selling expenses as a percentage of sales amounted to

27.8 percent (27.0), administrative expenses to 14.3 percent (14.0) and R&D costs to 13.6 percent (13.3). During the period operating income was affected by one-time expenses amounting to SEK 3.1 million in connection with the bid for MediCult a/s and moving and restoration expenses totalling SEK 0.8 million. These expenses are recorded as other operating expenses. Operating income excluding these one-time expenses increased by 23 percent and amounted to SEK 20.5 (16.6) million, corresponding to an operating margin of 14.4 percent (14.4). Depreciation and amortization of SEK 7.9 (6.6) million have been charged against the period.

As the company not only invests in the existing business operations but also in new technology, as for example a completely new transplantation method using STEEN Solution™, it is also relevant to assess operating profit before R&D costs. For the second quarter the operating profit before R&D costs amounted to SEK 18.8 (13.6) million, corresponding to a margin of 26.8 percent (24.1). For the period January–June operating profit before R&D costs amounted to SEK 36.0 (31.9) million, or 25.3 percent (27.7) of sales. The operating profit before R&D costs, excluding one-time expenses for MediCult a/s and moving and restoration expenses, increased by 25.0 percent and amounted to SEK 39.9 (31.9) million, corresponding to an operating margin of 28.1 percent (27.7). The second quarter has not been affected by expenses of a one-time nature.

Fig 3. Income (rolling 12 months)



Net income amounted to SEK 16.0 (14.4) million, of which SEK 7.4 million (6.1) for the second quarter. Excluding one-time expenses for MediCult a/s and in connection with the move, the Group's net income increased by 38 percent to SEK 19.9 (14.4) million. Net financial income amounted to SEK –0.4 (–1.3) million, of which SEK –0.2 million (0) for the second quarter. Net financial income includes non-realized exchange rate fluctuations regarding internal receivables and liabilities of SEK 0.8 (–0.8) million. The restatement of the Parent Company's loan and receivable regarding the American subsidiary Vitrolife, Inc. is booked directly against non-restricted equity. The

restatement effect in the financial statements amounted to SEK –0.2 (–1.0) million net. Minorities for the period amounted to SEK –0.2 (–0.3) million, of which SEK –0.2 (–0.1) million for the second quarter and concern the minority interest in the Italian company A.T.S, The tax expense for the period amounted to SEK –0.2 (–0.9) million and comprises current tax of SEK –0.3 (–0.4) million and deferred tax on the Group's internal profits from inventories of SEK 0.1 (–0.5) million.

Product area Fertility

- Sales for the second quarter sales amounted to SEK 60.9 (49.1) million, an increase of 24 percent. Sales growth in local currencies was 7 percent. Sales for the first half year amounted to SEK 122.3 (101.2) million, an increase of 21 percent. Sales growth in local currencies was 4 percent.
- Establishment of the company's own market organization in Japan.

Sales in the Europe/Middle East region increased by 20 percent during the period January–June. Growth during the second quarter was particularly strong in England, Italy, France and Denmark.

In the Rest of the World region sales increased by 16 percent. It is particularly pleasing to note that sales in China and Japan increased by 24 percent and 26 percent, respectively. The company established its own market organizations in these markets during the first half of the year, as part of Vitrolife's strategy of operating under its own management in all key markets. China is today classed as the third largest market in the world for fertility treatments and Japan as the second largest. The work on building up the market organizations is proceeding according to plan.

Growth picked up speed again in the American business during the second quarter and increased by 41 percent. This means 6 percent in local currencies. For the first half year sales increased by 32 percent. Calculated in local currencies, sales increased by 2 percent.

Product area Transplantation

- For the second quarter sales amounted to SEK 9.0 (7.1) million, an increase of 26 percent. Sales growth in local currencies increased by 1 percent. Sales for the first half year amounted to SEK 18.8 (13.1) million, an increase of 43 percent. Sales in local currencies increased by 14 percent.
- Approximately 25 transplantations have now been performed in the world using the new technology of STEEN Solution™ and interest continues to be great.

Sales of transplantation products, primarily Perfadex®, which has a very large global market share with regard to clinical lung transplantations, increased by 14 percent in local currencies. The sales figure also includes sales of STEEN Solution™. When STEEN Solution™ becomes more clearly established in the clinics there will be additional good potential for further sales

growth, above all in the important USA market. The timing of this depends amongst other things on sales approval. 25 lung transplantations in total have been performed in the world using the STEEN Solution™ method and interest continues to be great among internationally leading researchers and clinics. The clinical study in Canada on STEEN Solution™ is proceeding, with good clinical results. Increasing efforts are being made to establish this revolutionary technology in opinion-leading clinics, amongst other things through training and demonstrations. There is great interest in this technology among internationally leading researchers and clinics. Development and further clinical trials are also ongoing with regard to peripheral products needed in a lung evaluation using STEEN Solution™, such as an organ evaluation box. These products are planned to be launched at the latest in connection with the launch of STEEN Solution™ in the USA.

Product area Stem Cell Cultivation

Sales amounted to SEK 0.9 (0.9) million for the period, of which SEK 0.2 (0.3) million for the second quarter. Research resources for the development of new products for stem cells have been increased since the summer of 2007 through the collaboration with Cellartis AB. Vitrolife views the product area's prospects increasingly positively, as there are more and more reports of clinical trials having been started using stem cells, which indicates that the point in time when this will become an established clinical treatment is approaching. This will then increase the demand for media produced in accordance with authority requirements regarding medical devices, which Vitrolife has great experience of. Vitrolife will therefore continue to gradually increase investments in product development within the area together with leading industrial and scientific collaboration partners.

Investments and cash flow

Cash flow from operating activities amounted to SEK 9.1 (21.3) million for the period January–June 2009. The change in trade receivables, mainly accounts receivable, amounted to SEK –9.2 (–9.2) million. The increase is primarily due to increased sales and direct sales in France and Italy. The capital tied up in inventories decreased during the period and amounted to SEK 1.2 (increase 1.5) million. Trade payables decreased by SEK 5.8 million (increase of –9.6). The decrease is primarily due to the payment of outstanding liabilities in connection with the move to new premises. The cash flow from investing activities was SEK –15.1 (–14.3) million. Gross investments in the Group's tangible fixed assets amounted to SEK –11.2 (–7.3) million during the period and in intangible fixed assets to –5.0 MSEK (–2.3). Investments in intangible fixed assets for the period mainly consist of STEEN Solution™. Investments in tangible fixed assets largely consist of investments in the new premises in Gothenburg, to which Vitrolife moved at the end of last year. The premises are rented but the cleanroom facility where production and quality control are carried out have been built by Vitrolife. All facilities in Sweden where production has been carried out previously have thereby been closed. An investment

of SEK –1.0 (–4.6) million in a subsidiary, which is constituted by acquisition of 70 percent of the company's former distributor in Italy, A.T.S. (60 percent in 2008 and a further 10 percent in January 2009), is included, after a deduction for acquired liquid funds. The cash flow from financing activities was SEK –10.0 (–4.8) million. This item consists mainly of repayment of loans, SEK –2.1 (–5.1) million and a dividend of SEK –7.8 (0) million. It was the first time in the company's history that a dividend was paid, after a resolution at the Annual General Meeting on April 27 this year. In all, the cash flow for the period amounted to SEK –16.0 (2.2) million. The Group's liquid funds at June 30, 2009 amounted to SEK –1.9 (20.6) million. The equity/assets ratio for the Group amounted to 87 (83) percent.

Parent Company

Business activities focus on company-wide management and the company has no employees. There were no revenues for the year (–). The costs that arise are mainly attributable to the Board, to NASDAQ OMX Stockholm and the listing of the company's shares. During the period costs of SEK 3.1 million incurred in connection with the bid for MediCult a/s have been charged against income. Income before tax amounted to SEK –5.0 (–2.1) million. Liquid funds amounted to SEK 0.6 (0.2) million. No investments were made during the period (–).

The Vitrolife share is listed on the NASDAQ OMX Stockholm Small Cap list under the symbol VITR. The closing price on June 30, 2009 was SEK 27.50 (24.80).

Organization and personnel

During the last quarter of 2008 Vitrolife moved its two production units in Sweden to common premises in Gothenburg. The final completion of the premises extended into the first quarter of 2009. The premises are more suited to the company's purposes and more central, which increases opportunities for attracting the right competence. During 2008 the organization was changed so that it better reflected the value chain and the different process flows in the company. The main processes are defined as "order to delivery" and "product life cycle management". The work of fine-tuning the new organization is now complete.

During the first six months of 2009 the average number of employees was 154 (135), of whom 93 (84) were women and 61 (51) were men. 115 (106) people were employed in Sweden, 34 (28) in the USA and 5 (1) in the rest of the world. The number of people employed in the Group at the end of the quarter was 165 (137).

Information on transactions with related parties

No transactions that have substantially affected the company's financial position and results have been carried out with related parties during the period. For information on related parties, see the Annual Report for 2008, page 58.

Prospects for 2009

Despite the sharp economic downturn, which has led to a slowdown in certain markets, Vitrolife continued to increase both sales, even in local sales currencies, and profits. In terms of sales, this quarter was also one of the very best in the history of the company.

Vitrolife is active in clearly delimited high-technology niche markets for medical devices – fertility, cell therapy and transplantation. These are characterized by the fact that there are very small regional and global differences in what techniques and products are used within these therapies and that information on these and the scientific documentation behind them is globally widespread. This means that, in addition to the obvious economies of scale within production infrastructure, there are also clear synergies within product development, as no local adaptation is necessary, as well as within marketing and customer support of the products. The fact that it is possible to cover large parts of the world market within the niches with a relatively small sales organization enables us to achieve very good profitability by being able to take advantage of the lion's share of the added value from raw material to delivery of the product to the end customer. This also means that profitability increases along with increasing market shares. This fact and the major opportunities to on a global basis sell under license further products to the niches' customer groups are the principal reasons for the strategy of expanding Vitrolife's market organization in all important markets. In line with this, Vitrolife has now started companies and is building up market organizations in two of Asia's most important markets, China and Japan, and after some further additions during the year Vitrolife anticipates achieving the objective of its own organization attaining direct contact with the customers in the most important markets, which in all cover approximately 80% of the IVF treatments.

During the period the newly constructed facility in Gothenburg was taken into full use. This means that Vitrolife now has two industrially leading and highly effective production and distribution facilities with good opportunities for being able to further increase production capacity very cost-effectively without any further investments.

It is Vitrolife's aim to carry out at least one major product launch and several minor launches per year, and this is the intention in 2009 as well.

The transplantation product area is in an exciting and intensive development phase, where Vitrolife has both market-leading and new cutting edge products. The development of sales has been very strong during the first half year and the interest in the revolutionary STEEN Solution™ has grown further. More clinics in Europe have begun to test the technology and some have begun to apply the technology in clinical practice, which has increased interest even further. The clinical study in Canada has so far rendered very good results. The product area is gradually

being provided with further resources and the area has been transferred to a legal entity of its own, Xvivo Perfusion AB, so as to further focus the work being done.

As the stem cell area has great synergies with the fertility product area with regard to production technology, regulatory conditions, customer type and special laboratories for human therapy, there are great opportunities for the product area to expand rapidly when the market conditions have developed. It is therefore pleasing to note that several clinical studies are ongoing around the world on both adult and embryonic stem cells, as it is within these clinical applications that Vitrolife sees the greatest potential for its products.

Vitrolife is continually evaluating any effects of the weak world economy on our business. It continues to be our assessment that the Transplantation product area is not affected to any great extent, but that individual markets are affected within the Fertility product area, in particular those markets where the element of state subsidies is low. Vitrolife has, however, an even global spread in its sales, with, amongst other things, a very strong market position in China and in Europe, where the higher subsidy levels have historically softened the effects of the economy. Vitrolife's strong finances and continued sales growth enable work to advance the company's position within the development of the product portfolio and within the market organization, at the same time retaining good profit levels and a strong cash flow.

Miscellaneous

At the Annual General Meeting on April 27, 2009 resolutions were adopted to pay a dividend of SEK 0.40 per share and to reduce the company's share capital by 247,300 kronor through the cancellation of 247,300 of the company's own shares bought back by the company. The total number of shares after the reduction now amounts to 19,552,857, corresponding to 19,552,857 votes.

Significant risks and uncertainty factors

There have been no significant changes in the Parent Company's and the Group's risks and uncertainty factors during the period. For a review of risks and uncertainty factors, see the Annual Report for 2008, pages 38–40, 56–57 and 58.

Events after closing day

No events of major importance have occurred after closing day.

Certification

The Board and the CEO certify that the half-year report gives a true and fair view of the company's and the Group's business activities, financial position and results, and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group face.

July 15, 2009
Gothenburg, Sweden

Magnus Nilsson
CEO

Patrik Tigerschiöld
Chairman of the Board

Maris Hartmanis
Board member

Tord Lendau
Board member

Fredrik Mattsson
Board member

Madeleine Olsson-Eriksson
Board member

Semmy Rulf
Board member

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.

Consolidated income statements

SEK thousands	January – June		April – June		Whole year 2008
	2009	2008	2009	2008	
Net sales	142 019	115 231	70 179	56 562	225 141
Cost of goods sold	-42 784	-35 376	-20 144	-17 223	-68 891
Gross income	99 235	79 855	50 035	39 339	156 250
Selling expenses	-39 438	-31 142	-20 169	-16 758	-64 869
Administrative expenses	-20 264	-16 089	-10 010	-8 428	-35 449
Research and development costs	-19 383	-15 381	-11 024	-7 679	-30 669
Other operating revenues and expenses	-3 564	-682	-1 039	-501	1 862
Operating income	16 586	16 561	7 793	5 973	27 125
Financial income and expenses	-369	-1 261	-223	82	89
Income after financial items	16 217	15 300	7 570	6 055	27 214
Taxes	-244	-913	-160	2	2 986
Net income	15 973	14 387	7 410	6 057	30 200
Attributable to					
Parent Company's shareholders	15 787	14 044	7 237	5 951	29 995
Minority interest	186	343	173	106	205
Earnings per share, SEK	0,81	0,73	0,38	0,31	1,52
Earnings per share, SEK*	0,82	0,72	0,38	0,31	1,52
Average number of outstanding shares	19 758 940	19 800 157	19 717 724	19 800 157	19 729 677
Average number of outstanding shares*	19 587 170	19 822 743	19 545 953	19 800 157	19 729 677
Number of shares at closing day	19 552 857	19 800 157	19 552 857	19 800 157	19 800 157
of which own shares	—	—	—	—	247 300
Number of shares at closing day*	19 552 857	19 800 157	19 552 857	19 800 157	19 800 157
of which own shares	—	—	—	—	247 300

Depreciation and amortization has reduced income for the period by SEK 7 926 thousand (6 614), of which SEK 4 087 thousand (3 276) is for the second quarter.

* After dilution. Vitrolife has one outstanding share warrant program, comprising 400 000 warrants. The net present values of the issue prices were in both programs higher than both the share price at closing day and the average share price for the last 12 months.

Statement of comprehensive income

SEK thousands	January – June		April – June		Whole year 2008
	2009	2008	2009	2008	
Net income	15 973	14 387	7 410	6 057	30 200
Other comprehensive income					
Change in hedging reserve, net after tax	-1 116	—	1 636	—	—
Change in translation reserve, net after tax	-1 580	-4 627	-7 747	196	14 685
Total other comprehensive income	-2 696	-4 627	-6 111	196	14 685
Total income	13 277	9 760	1 299	6 253	44 885
Attributable to					
Parent Company's shareholders	13 091	9 417	1 126	6 147	44 680
Minority interest	186	343	173	106	205

Other key ratios

	January – June		April – June		Whole year 2008
	2009	2008	2009	2008	
Gross margin, %	69.9	69.3	71.3	69.6	69.4
Operating margin, %	11.7	14.4	11.1	10.6	12.0
Operating margin other operating revenues and expenses, %	14.2	15.0	12.6	11.4	11.2
Operating margin before R&D costs, %	25.3	27.7	26.8	24.1	25.7
Net margin, %	11.2	12.5	10.6	10.7	13.4
Equity/assets ratio, %	86.9	82.8	85.1	82.8	85.1
Shareholders' equity per share, SEK	15.2	13.3	15.2	13.3	14.9
Shareholders' equity per share, SEK*	15.2	13.3	15.2	13.3	14.9
Return on equity, %	13.0	11.6	13.0	11.6	11.1
Return on capital employed, %	11.3	9.3	11.3	9.3	10.4

* After dilution, see above.

Consolidated income statements per quarter

SEK thousands	Apr–Jun 2009	Jan–Mar 2009	Oct–Dec 2008	Jul–Sep 2008	Apr–Jun 2008	Jan–Mar 2008
Net sales	70 179	71 840	59 042	50 868	56 562	58 670
Cost of goods sold	–20 144	–22 640	–17 860	–15 654	–17 223	–18 154
Gross income	50 035	49 200	41 182	35 214	39 339	40 516
Selling expenses	–20 169	–19 269	–18 768	–14 958	–16 758	–14 384
Administrative expenses	–10 010	–10 254	–11 542	–7 819	–8 428	–7 660
Research and development costs	–11 024	–8 359	–7 813	–7 476	–7 679	–7 702
Other operating revenues and expenses	–1 039	–2 525	2 403	141	–501	–181
Operating income	7 793	8 793	5 462	5 102	5 973	10 589
Financial income and expenses	–223	–146	223	1 128	82	–1 343
Income after financial items	7 570	8 647	5 685	6 230	6 055	9 246
Taxes	–160	–84	4 137	–240	2	–916
Net income	7 410	8 563	9 822	5 990	6 057	8 330
Attributable to						
Parent Company's shareholders	7 237	8 576	9 609	5 916	5 951	8 093
Minority interest	173	–13	213	74	106	237

Consolidated balance sheets

SEK thousands	June 30, 2009	June 30, 2008	Dec 31, 2008
ASSETS			
Goodwill	89 294	87 542	88 250
Other intangible fixed assets	28 440	23 565	26 762
Tangible fixed assets	98 763	76 114	94 802
Financial fixed assets	28 694	23 131	28 244
Inventories	44 828	43 122	46 219
Accounts receivable	44 185	38 994	37 054
Other current receivables	9 886	4 770	7 879
Liquid funds	–1 949	20 579	14 009
Total assets	342 141	317 817	343 219
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	297 475	263 122	292 061
Minority interest	429	522	327
Deferred tax liability	579	572	558
Long-term interest-bearing liabilities	2 176	3 267	3 321
Short-term interest-bearing liabilities	2 217	11 859	3 217
Accounts payable	11 523	16 817	25 531
Derivative instruments	1 116		
Other short-term interest-free liabilities	26 626	21 658	20 204
Total shareholders' equity and liabilities	342 141	317 817	343 219
Pledged assets for own liabilities	20 000	30 000	20 000
Contingent liabilities	none	none	none

Consolidated changes in shareholders' equity

SEK thousands	Attributable to the Parent Company's shareholders				Minority interest	Total shareholders' equity
	Share capital	Other capital contributed	Reserves	Retained earnings		
Opening balance January 1, 2008	19 800	208 566	-26 161	51 179		253 384
Comprehensive income for the year			14 686	29 995	205	44 886
Personnel warrants				420		420
Buying back of own shares				-6 424		-6 424
Other transactions with minority shareholders					122	122
Closing balance December 31, 2008	19 800	208 566	-11 475	75 170	327	292 388
Opening balance January 1, 2009	19 800	208 566	-11 475	75 170	327	292 388
Total comprehensive income			-2 696	15 787	186	13 277
Dividend				-7 821		-7 821
Increased in share capital via bonus issue	144					144
Other transactions with minority shareholders					-84	-84
Closing balance June 30, 2009	19 944	208 566	-14 171	83 136	429	297 904

Consolidated cash flow statements

SEK thousands	January – June		April – June		Whole year 2008
	2009	2008	2009	2008	
Income after financial items	16 217	15 300	7 570	6 054	27 214
Adjustment for items not affecting cash flow	6 721	7 082	6 447	2 902	10 865
Change in inventories	1 197	-1 494	1 944	-363	-859
Change in trade receivables	-9 249	-9 177	-1 477	-2 325	-7 630
Change in trade payables	-5 826	9 625	-2 263	8 346	13 203
Cash flow from operating activities	9 060	21 336	12 221	14 614	42 793
Cash flow from investing activities	-15 081	-14 285	-7 124	-7 266	-26 626
Cash flow from financing activities	-9 963	-4 823	-8 963	-3 678	-21 389
Cash flow for the period	-15 984	2 228	-3 866	3 670	-5 222
Liquid funds at beginning of period	14 009	18 505	1 903	16 802	18 505
Exchange rate difference in liquid funds	27	-154	15	107	726
Liquid funds at end of period	-1 948	20 579	-1 948	20 579	14 009

Income statements for the Parent Company

SEK thousands	January – June		April – June		Whole year 2008
	2009	2008	2009	2008	
Administrative expenses	-1 852	-1 542	-945	-774	-3 105
Research and development costs	-9	-9	-5	-4	-17
Other operating revenues and expenses	-3 105	—	-106	—	-100
Operating income	-4 966	-1 551	-1 056	-778	-3 222
Financial income and expenses	—	-596	-1 292	219	3 550
Income after financial items	-4 966	-2 147	-2 348	-559	328
Taxes	—	1 500	—	1 500	1 422
Net income	-4 966	-647	-2 348	941	1 750

Depreciation and amortization has reduced income for the period by SEK 36 thousand (36), of which SEK 18 thousand (18) is for the second quarter.

Balance sheets for the Parent Company

SEK thousands	June 30, 2009	June 30, 2008	Dec 31, 2008
ASSETS			
Patents	30	50	38
Tangible fixed assets	68	122	95
Participation in affiliated companies	325 596	322 806	323 610
Deferred tax assets	13 970	14 310	13 970
Receivables from affiliated companies	35 481	55 414	49 571
Other current receivables	479	207	686
Liquid funds	580	246	804
Total assets	376 204	393 155	388 774
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	367 864	383 846	380 651
Long-term interest-bearing liabilities	2 176	3 267	3 321
Short-term interest-bearing liabilities	2 217	4 859	3 217
Accounts payable	1 020	453	68
Other short-term interest-free liabilities	2 927	730	1 517
Total shareholders' equity and liabilities	376 204	393 155	388 774
Pledged assets for own liabilities	3 100	3 100	3 100
Contingent liabilities	20 000	10 000	20 000

Note 1. Accounting Principles

This interim report has been drawn up for the Group in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and recommendation RFR 2.2 of the Swedish Financial Reporting Board, Accounting for Legal Entities. Unless otherwise stated below, the accounting principles applied to the Group and the Parent Company are consistent with the accounting principles used in the presentation of the most recent Annual Report.

New Accounting Principles

IAS 1 Presentation of Financial Statements

The reworked IAS 1, Presentation of Financial Statements, is applied as of January 1, 2009. The change means, amongst other things, that revenues and expenses that have been recorded directly in shareholders' equity are now also recorded in a separate statement directly after the income statement.

IFRS 8 Operating segments

As of January 1, 2009, the company has implemented IFRS 8, Operating Segments. IFRS 8 supersedes IAS 14, Segment Reporting, and adapts segment reporting to the requirements of the US standard, SFAS 131, Disclosures about segments of an enterprise and related information. The new standard requires that segment information be presented from a management perspective, which means that it is presented such as it is used in internal reporting and followed up by the most senior executive decision-maker in the Group, Vitrolife's CEO. Vitrolife presents segment information on the basis of the product areas as of January 1, 2009. The comparative year 2008 has thereby been restated in accordance with IFRS 8.

Additional Accounting Principles

The Group classifies its forward contracts used for hedging of forecast flows as cash flow hedges as of January 1, 2009. The effective portion of changes in fair value for a derivative instrument designated as a cash flow hedge and which meets the requirements for hedge reporting is reported in shareholders' equity. The gain or loss attributable to the ineffective portion is reported where appropriate directly in the income statement.

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

Not 2. Financial data per segment, Group

SEK thousands	January – June 2009	January – June 2008	Whole year 2008
Fertility and Stem Cell Cultivation			
Net sales	123 250	102 129	194 710
Operating income	11 742	12 411	16 721
Total Assets	325 322	305 955	329 523
Transplantation			
Net sales	18 769	13 102	30 431
Operating income	4 844	4 150	10 404
Total Assets	16 819	11 862	13 696



Financial reports

Vitrolife's interim reports are published on the company's homepage, www.vitrolife.com, and are sent to the shareholders who have registered that they would like to have this information.

The interim report for the period January - September 2009 will be published on Tuesday November 3.

Queries should be addressed to:

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This report has not been the subject of review by the company's auditors.

The information in this report is such as that which Vitrolife is required to publish in accordance with the Swedish Securities Market Act. The information was submitted for publication on Wednesday July 15, 2009 at 11 am.

www.vitrolife.com

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Vitrolife is a global biotechnology/medical device Group that works with developing, manufacturing and selling advanced products and systems for the preparation, cultivation and storage of human cells, tissue and organs. The company has business activities within three product areas: Fertility, Transplantation and Stem Cell Cultivation. The Fertility product area works with nutrient solutions (media), cryopreservation products and advanced consumable instruments such as needles and pipettes, for the treatment of human infertility. The Transplantation product area works with solutions and systems to evaluate and maintain organs outside the body in order to select usable organs and keeping them in optimal condition while waiting for transplantation. The Stem Cell Cultivation product area works with media and instruments to enable the use and handling of stem cells for therapeutic purposes. Vitrolife today has approximately 160 employees and its products are sold in more than 85 markets. The company is headquartered in Gothenburg, Sweden, and there are subsidiaries in USA, Australia, France and Italy. Production facilities are located in Sweden and the USA. The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.