



Interim report January–March 2011

Vitrolife AB (publ)

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. Vitrolife today has approximately 220 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, Italy, United Kingdom and Japan. Production facilities are located in Sweden and the USA. The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.

Vitrolife 
Innovative Cell and Tissue Technology

A quarter with continued good sales growth and strategic investments

Quarter in brief

- Sales growth in local currency was 28 percent. Sales amounted to SEK 88 (75) million, corresponding to an increase of 17 percent in SEK.
- The operating margin amounted to 12 (13) percent. Operating income amounted to SEK 10 (10) million, which corresponds to an increase of 1 percent. Operating income before research and development costs increased by 6 percent and amounted to SEK 22 (21) million.
- Income before tax increased by 17 percent to SEK 12 (10) million. The Group's net income amounted to SEK 9 (10) million and was negatively affected by SEK 3 million in tax. Payment of current tax will be made no earlier than in connection with Q1 2012. Earnings per share amounted to SEK 0.45 (0.50).
- The cash flow from operating activities was SEK 4 (7) million. The decrease compared with the previous year is attributable primarily to the increase in accounts receivable as a result of increased sales.
- The total number of shares in Vitrolife AB (publ) was increased during the period by 7,000 shares and amounts to 19,559,857 shares. The increase in the number of shares is due to the utilization of warrants for subscription for new shares in connection with Vitrolife's outstanding warrants program 2008/2011.
- Investments of SEK 15 (7) million were made during the quarter, of which SEK 5 million concern the acquisition of property at the production facility in Denver. The investments during the quarter also comprise rebuilding in Denver and Högsbo so as to better adapt the buildings to the existing and future business.
- Using STEEN Solution™ more than 70 patients have now received new lungs which without this technology would not have been able to be used for transplantation. Approval has been obtained from the FDA to start the North American clinical study which will act as the basis for receiving sales approval in the USA. The study will be begun soon.

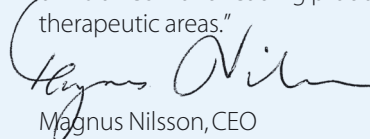
CEO's comments



"Vitrolife's tough focus on growth has resulted in yet another quarter with a very good increase in sales, 28 percent in local sales currencies. This has been achieved together with retained good margins, despite a greatly strengthened Swedish currency, through ambitious efficiency projects. In order to further improve the conditions for continued good sales growth, the company has made strategic investments in the company's product development, marketing capacity and infrastructure with a view to strengthening the company's competitive capacity by improving customer benefit and making the product flows more efficient. The opportunities for growth are also improved as the expansion of the fertility product range during the current year will be completed and as Vitrolife's unique organ preservation product within the transplantation area, STEEN Solution™, will now be used in a clinical trial at leading transplantation clinics in the USA. The successful study at the transplantation clinic in Toronto, Canada, using STEEN Solution™ was published in the world's most respected scientific journal for such studies, the New England Journal of Medicine. This added to the already great publicity for and interest in this new treatment, which enables more patients to gain access to life-saving organ transplantations.

We are pleased to report that the very good development in Asia and Australia has continued, with growth figures of over 50 percent in important markets there. Work on further building on this success is continuing. Development also continues to be good in America and the Middle East, which is facilitated by the fact that the market for fertility treatments is again growing in these markets. In Europe development is more splintered: certain countries, for example in southern Europe, are still suffering from poor economic conditions, while other important countries, such as Germany and France, are developing well.

The goal-oriented work to achieve growth together with profitability is continuing through the further development of Vitrolife's world-leading product portfolios within defined therapeutic areas."



Magnus Nilsson, CEO

The Group's key figures

SEK millions	Quarter		Whole year 2010
	2011	2010	
Net Sales	88	75	298
Gross Profit	59	52	206
Gross Margin, %	67	69	69
Operating income (EBIT)	10	10	33
Operating margin, %	12	13	11
Income after financial items	12	10	41
Net income	9	10	29
Equity/assets ratio, %	74	87	76
Income per share, SEK	0.45	0.50	1.48
Shareholders' equity per share, SEK	16.61	16.62	16.66
Share price on closing, SEK	39.80	40.50	37.80
Market cap at closing	778	792	740

Financial objectives

Vitrolife's Board considers that Vitrolife should have a strong capital base in order to enable continued high growth, both organically and through acquisitions. The company's equity/assets ratio should not normally fall below 40 percent. The objective for Vitrolife's growth over a three-year period is an increase in sales of on average 20 percent per year and that the company reports positive net income.

Key figures First quarter 2011 (January – March)

Net Sales

Vitrolife's net sales for the first quarter increased by 28 percent in local currency and amounted to SEK 88 (75) million. Sales growth was 17 percent in SEK. This includes sales of SEK 6 million for the products acquired from Conception Technologies during the fourth quarter.

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

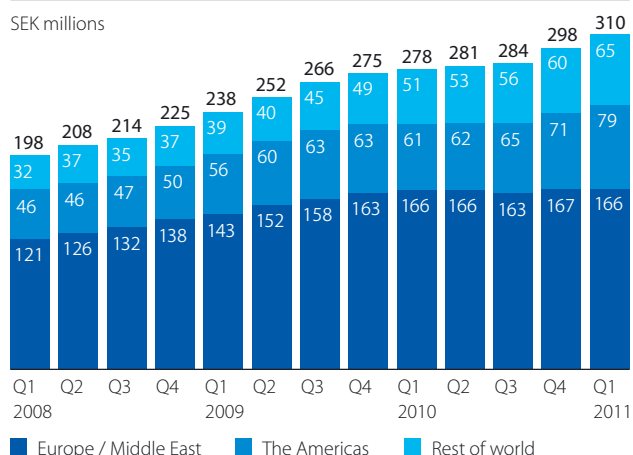


Fig 2. Net sales per product area (rolling 12 months)



Income

The operating margin amounted to 12 (13) percent. Operating income amounted to SEK 10 (10) million, which corresponds to an increase of 1 percent. The gross margin decreased somewhat during the first quarter and amounted to 67 (69) percent. The decrease was primarily due to production costs of a one-time nature in connection with changed handling of raw materials and a somewhat changed product mix. However, gross income increased by 14 percent to SEK 59 (52) million.

Selling expenses amounted to 27 (26) percent of sales as a consequence of increased investments in resources within the

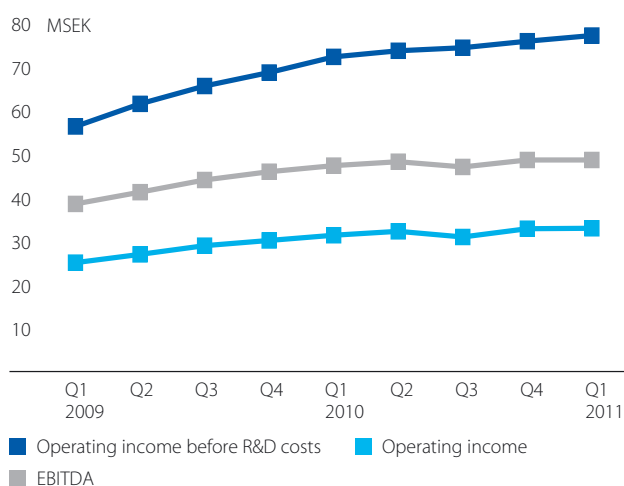
sales organization when integrating the new products from Conception Technologies. Administrative expenses for the period decreased in relation to sales and amounted to 12 (13) percent. R&D costs decreased somewhat in relation to sales and amounted to 14 (14) percent of sales. Other operating expenses were affected negatively by the currency translation adjustment of primarily accounts receivable and amounted to SEK 2 (1) million. Depreciation and amortization of SEK 4 (4) million were charged against net income for the period.

In addition to current business activities, Vitrolife is also investing in new technologies and business areas, such as completely new transplantation methodologies using STEEN Solution™ and products for the cultivation of stem cells. It is thus also relevant to assess the operating profit before R&D costs. During the period this amounted to SEK 22 (21) million, corresponding to a margin of 25 (28) percent.

Net financial items amounted to SEK 2 (0) million and were positively affected by realized forward contracts, amongst other things. Net financial items includes non-realized exchange rate effects of SEK 0 (0) million on accounts receivable and payable for the first quarter.

Net income before tax amounted to SEK 12 (10) million, which corresponds to an increase of 17 percent. Net financial income amounted to SEK 9 (10) million and was negatively affected by SEK 3 million due to the dissolution of deferred tax assets attributable to previously capitalized loss carry forward. The loss carry forward in the Swedish units, which can be set off against taxable profits, is estimated to be fully utilized during 2011. Payment of current tax will be made no earlier than in connection with Q1 2012. The minority interest in A.T.S Srl amounted to SEK 0 (0) million.

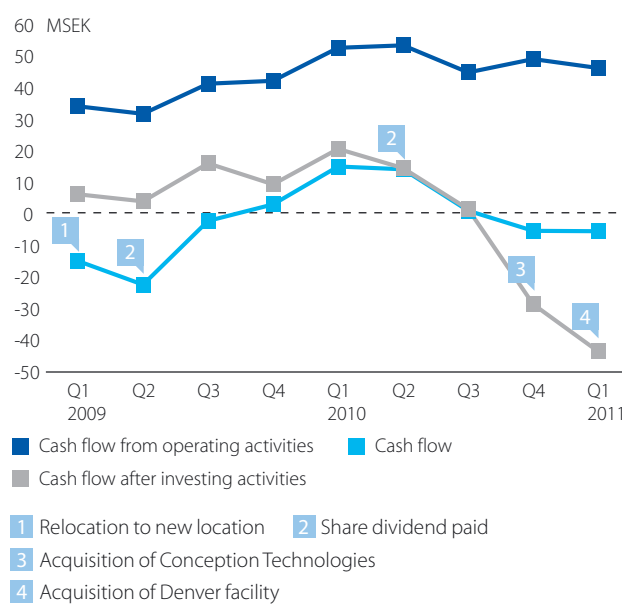
Fig 3. Income (rolling 12 months)



Cash Flow

The cash flow from operating activities amounted to SEK 4 (7) million. Working capital increased during the period by SEK 12 (7) million and this is primarily attributable to the increase in accounts receivable as a consequence of increased sales, above all during the latter part of the period. Investments amounted to a total of SEK 15 (7) million, of which investments in property, plant and equipment amounted to SEK 10 (1) million, of which SEK 5 million is for the acquisition of property in Denver. This is to house a new QC department with increased capacity where tests that are now done outside the company will be carried out, which will lead to lower costs. Investments during the quarter also include rebuilding of warehouses and shipping areas for the new series of cultivation utensils – “Vitrolife Labware”, which will soon be launched, and a new development laboratory, which is also used for customer training at the head office in Högsbo. Gross investments in intangible assets are primarily in STEEN Solution™, but also to some extent in the development of cultivation utensils. The cash flow from financing activities was SEK 10 (0) million. Cash and cash equivalents at the end of the period amounted to SEK 18 (16) million.

Fig 4. Cash flow (rolling 12 months)



Financing

Vitrolife's total credit facilities amounted to SEK 75 (29) million and consist mainly of the financing of business activities in the form of a bank overdraft facility in the subsidiary Vitrolife Sweden AB, loans related to the acquisition of the business from Conception Technologies during the fourth quarter of 2010 and loans for financing of the property in Denver acquired during the first quarter. Of the company's total credit facilities SEK 64 million was utilized. These consist of the company's long-term financing of SEK 33 (5) million in interest-bearing loans and SEK 2 (2) million in non-interest-bearing loans. Short-term financing amounts to SEK 29 (3) million.

The equity/assets ratio was 74 (87) percent. The return on capital employed amounted to 14 (11) percent. Capital employed amounted to SEK 387 (333) million at the end of the period.

Shareholders' equity per share amounted to SEK 16.60 (16.62).

Parent Company

Business activities focus on company-wide management and the company has no employees. There were no revenues for the period (-). The costs that arise are mainly attributable to the Board, to NASDAQ OMX Stockholm and the listing of the company's shares. Income before tax amounted to SEK -2 (-1) million. Liquid funds amounted to SEK 0 (1) million. No investments were made during the first quarter (-).

The Vitrolife share is listed on the NASDAQ OMX Stockholm Small Cap list under the symbol VITR. The closing price on March 31, 2011, was SEK 39.80 (40.50).

Product Areas

Fertility



Nutrient solutions (media) and advanced single-use instruments such as needles and pipettes, for the treatment of human infertility.

- Sales for the period increased by 28 percent for the first quarter in local currency and amounted to SEK 77 (66) million. Sales growth was 16 percent in SEK. This includes sales of SEK 6 million for the products acquired from Conception Technologies during the fourth quarter.

Sales in the Europe/Middle East/Africa region increased by 4 percent during the first quarter in local currency. The Middle East and Africa developed strongly, as did the strategically important countries for Vitrolife, France, Germany and Turkey. In countries where state finances continue to be under pressure, such as Spain, Portugal, the UK and in South-East Europe, this has led to a lower number of performed treatments and some price pressure.

In the American region a recovery can be noted in the markets, and Vitrolife increased growth by 81 percent in local currency. Excluding sales from the business in San Diego acquired during Q4 2010, sales increased by 15 percent in local currency. The products and the business acquired from Conception Technologies are now fully integrated in Vitrolife's subsidiary in Denver.

Sales in the Rest of the World region continue to be very good and increased by 42 percent in local currency. Australia displays very strong growth, as do China and Japan.

The launch date for the new product area "Vitrolife Labware," which was initially estimated to be during the first quarter, has been postponed due to the fact that the setting up of production and CE marking of the entire product group have taken longer than estimated and are now planned for quarters two and three.

Transplantation



Solutions and equipment to keep tissue in optimal condition for the required time outside the body while awaiting transplantation.

- Sales for the first quarter increased by 32 percent in local currency and amounted to SEK 11 (10) million. Sales growth was 19 percent in SEK.
- Approval from the FDA to start the North American clinical study
- Several clinical programs using the STEEN Solution™ method established in Europe.

Sales of transplantation products, primarily Perfadex®, increased by 33 percent in local currency. In SEK sales increased by 19 percent during the quarter.

The development of sales in above all the European markets was very positive during the first quarter. The increasing interest in various forms of training and at congresses shows that acceptance of this revolutionary technology continues to grow among internationally leading researchers and clinics. During the quarter further new European hospitals have established clinical programs using the method and these will begin to use the method clinically in the near future.

In total more than 70 lung transplants have been carried out in the world using STEEN Solution™ and interest continues to increase among internationally leading researchers and clinics, even from countries that are relatively new within the transplantation area, such as India, Japan, South Korea and Brazil. After the end of the period (April 14, 2011), the clinical study using STEEN Solution™ that was carried out at the transplantation clinic in Toronto, Canada, was published in the world's most respected scientific journal for clinical progress, the New England Journal of Medicine. The publication aroused great attention among transplantation researchers and the mass media in North America.

During the quarter approval was obtained from the FDA to start the North American clinical study. The participating North American hospitals have undergone training in the method and the study will soon be begun.

Development is also ongoing of the peripheral products necessary for lung evaluation using STEEN Solution™ in connection with the clinical trials. The plan is that these products will be launched at the same time as STEEN Solution™ in the USA. Research is ongoing about the use of the technology in other organs such as the liver.

Stem Cell Cultivation



Media and instruments for the cultivation and handling of stem cells for therapeutic purposes.

- Sales for the first quarter amounted to SEK 0.2 (0.2) million.
- Development of new clinical stem-cell media continuing

Research resources for the development of new products for clinical use of stem cells have increased over the past few years. Two products, a cultivation medium and a freezing medium, are now at the final stage of the development phase and the launch is planned for later on during the year. The collaboration with stem-cell expertise at the University of Melbourne with regard to the development of clinical stem-cell media is proceeding as planned.

Reports have come that several clinical trials based on human embryonal stem cells have obtained approval during the first quarter of 2011, which means that the time is approaching when this will be an established clinical treatment. This will increase demand for clinical-grade media, which Vitrolife has great experience of.

Prospects for 2011

A clear trend is that as the standard of living rises in the developing countries, more and more people choose to wait before they have children there. This trend that we have seen in the West for decades leads to reduced fertility, which in turn drives the fertility treatment market. We can observe that exactly the same trend is developing in the new emerging countries China and India, where the demand for this treatment is increasing very rapidly. Still only a few percent of all the couples in the world who are infertile are treated. We therefore anticipate a constantly expanding market which in monetary terms is expected to grow by 5–10 percent per year in the foreseeable

future. The market for the traditional part of the portfolio within the transplantation area is limited by the number of available donors. On the other hand, Vitrolife's new organ preservation technology, STEEN Solution™, which has been developed in-house and is patented-protected, and which opens up the way for increased use of the current number of donated organs, and also makes more donors available, has the potential to radically increase the use of life-saving organ transplantations and thereby to a corresponding extent the size of the market.

Vitrolife's areas of focus in 2011 aim to support Vitrolife's overall strategy of ensuring good continuous growth, together with gradually developed profitability. The main tasks for 2011 may be summarized as follows:

- developing, strengthening and expanding the product portfolio within all three product areas, in order to further strengthen the opportunities for growth.
- constantly developing and making our product supply and support processes more effective in order to maintain a competitive cost and organization structure.
- further strengthening the customer support and sales organization as well as product distribution globally by gradually developing our support systems, further developing our expertise and providing new qualified co-workers so as to be able to reach out to and directly support more customers in more markets.

Other information

Organization and personnel

During the three first months the average number of employees was 208 (170), of whom 119 (100) were women and 89 (70) were men. 126 (123) people were employed in Sweden, 65 (36) in the USA and 17 (11) in the rest of the world. Several of the employees in Sweden work in other markets. The number of people employed in the Group at the end of the period was 219 (173).

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 2010, page 62, note 27.

Proposed appropriation of earnings

In accordance with the dividend policy of Vitrolife AB (publ), a dividend, or another equivalent form of distribution, shall be proposed annually which on average over time corresponds to 30 percent of net profits for the year after tax has been paid. It is therefore the intention of the Board and CEO to propose to the Annual General Meeting a dividend of SEK 0.60 per share.

Risk management

Vitrolife is constantly working to identify, evaluate and manage risks in different systems and processes. During 2010 Enterprise Risk Management (ERM) was introduced, a system which aims to ensure that identified risks are handled in a systematic way. Risk analyses are performed continually with regard to the company's normal business activities and also in connection with activities that are outside Vitrolife's regular quality system. In this way the company can have a high rate of development and at the same time be aware of both the opportunities and risks.

The most important strategic and operative risks regarding Vitrolife's business and field are described in detail in the Annual Report for 2010 (pages 40-42). These are primarily constituted by the company's market investments, product development investments, currency risks and legal risks.

The company's management of risks is also described in the Corporate Governance Report in the same Annual Report under the heading "Internal Control Report". The same applies to the Group's management of financial risks, which are described in the Annual Report for 2010, note 24. The risks reported as they are described in the Annual Report for 2010 are assessed to be essentially unchanged for the first quarter of 2011.

Events after the end of the period

No events have occurred after closing day that significantly affect the assessment of the financial information in this report.

April 27, 2011
Gothenburg

Magnus Nilsson
CEO

Financial reporting

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

During 2011 it is planned that the following reports will be submitted:

Interim report January – June: Thursday July 14, 8.30 am
Interim report January – September: Thursday October 27, 8.30am

Queries should be addressed to

Magnus Nilsson, CEO, phone +46 31 721 80 61
Anne-Lie Sveder, CFO, phone +46 31 721 80 13

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

Vitrolife is required to publish the information in this press release in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on Wednesday April 27, 2011 at 3 p.m.

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

Income after financial items

SEK thousands	January – March		Whole year
	2011	2010	2010
Net sales	88 034	75 278	297 565
Cost of goods sold	-29 231	-23 479	-91 410
Gross income	58 803	51 799	206 155
Selling expenses	-23 420	-19 740	-87 552
Administrative expenses	-10 952	-9 847	-39 080
Research and development costs	-11 987	-10 805	-43 144
Other operating revenues and expenses	-2 309	-1 404	-3 319
Operating income	10 135	10 003	33 060
Financial income and expenses	1 858	232	8 193
Income after financial items	11 993	10 235	41 253
Taxes	-3 081	-459	-12 071
Net income	8 912	9 776	29 182
Attributable to			
Parent Company's shareholders	8 781	9 623	28 930
Minority interest	131	153	252
Earnings per share, SEK	0.45	0.50	1.48
Earnings per share, SEK*	0.45	0.50	1.48
Average number of outstanding shares	19 553 262	19 552 857	19 552 857
Average number of outstanding shares*	19 597 704	19 552 857	19 554 262
Number of shares at closing day	19 559 857	19 552 857	19 552 857
of which own shares			
Number of shares at closing day*	19 604 657	19 552 857	19 569 236
of which own shares			

Depreciation and amortization has reduced income for the period by SEK 3 923 thousand (4 033).

* After dilution. Vitrolife has one outstanding share warrant program, comprising 400 000 warrants. The net present values of the issue price in the program were higher than both the share price at closing day and the average share price for the last 12 months. See Note 3.

Statement of comprehensive income

SEK thousands	January – March		Whole year
	2011	2010	2010
Net income	8 912	9 776	29 182
Other comprehensive income			
Change in hedging reserve, net after tax	-746	3 542	1 904
Change in translation reserve, net after tax	-7 725	254	-6 969
Total other comprehensive income	-8 471	3 796	-5 065
Total income	441	13 572	24 117
Attributable to			
Parent Company's shareholders	310	13 419	23 865
Minority interest	131	153	252

Other key ratios

	January – March		Whole year
	2011	2010	2010
Gross margin, %	66.8	68.8	69.3
Operating margin, %	11.5	13.3	11.1
Operating margin other operating revenues and expenses, %	14.1	15.2	12.2
Operating margin before R&D costs, %	25.1	27.6	25.6
Net margin, %	10.1	13.0	9.7
Equity/assets ratio, %	74.4	86.8	75.8
Shareholders' equity per share, SEK	16.60	16.62	16.66
Shareholders' equity per share, SEK*	16.57	16.62	16.65
Return on equity, %	8.6	11.5	8.8
Return on capital employed, %	14.1	11.3	14.6
EBITDA, %	16.0	18.6	16.4
Net cash	-44.0	8.4	-21.9

*After dilution, see above

Consolidated income statements per quarter

SEK thousands	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009
Net sales	88 034	81 032	67 847	73 408	75 278	67 360
Cost of goods sold	-29 231	-26 310	-20 192	-21 429	-23 479	-20 206
Gross income	58 803	54 722	47 655	51 979	51 799	47 154
Selling expenses	-23 420	-26 162	-20 175	-21 475	-19 740	-21 688
Administrative expenses	-10 952	-10 485	-9 109	-9 639	-9 847	-9 355
Research and development costs	-11 987	-9 399	-11 441	-11 499	-10 805	-9 761
Other operating revenues and expenses	-2 309	-168	-1 059	-688	-1 404	276
Operating income	10 135	8 508	5 871	8 678	10 003	6 626
Financial income and expenses	1 858	2 267	4 693	1 001	232	540
Income after financial items	11 993	10 775	10 564	9 679	10 235	7 166
Taxes	-3 081	-11 621	243	-233	-459	3 925
Net income	8 912	-846	10 807	9 446	9 776	11 091
Attributable to						
Parent Company's shareholders	8 781	-809	10 776	9 342	9 623	11 067
Minority interest	131	-37	31	104	153	24

Consolidated balance sheets

SEK thousands	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
ASSETS			
Goodwill	118 221	97 301	120 289
Other intangible fixed assets	68 358	39 502	65 323
Tangible fixed assets	95 209	91 531	91 316
Financial fixed assets	17 416	29 463	20 897
Inventories	52 435	42 260	56 610
Accounts receivable	52 113	45 872	41 905
Other current receivables	12 471	7 721	10 982
Derivative instruments	2 437	4 788	3 449
Liquid funds	17 811	15 871	18 617
Total assets	436 471	374 309	429 388
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	324 755	325 007	325 676
Minority interest	784	603	657
Long-term non interest-bearing liabilities	2 205	2 369	2 285
Long-term interest-bearing liabilities	32 495	4 504	29 486
Short-term interest-bearing liabilities	29 393	2 981	20 406
Accounts payable	19 286	15 149	26 643
Other short-term interest-free liabilities	27 553	23 696	24 235
Total shareholders' equity and liabilities	436 471	374 309	429 388
Pledged assets for own liabilities			
Contingent liabilities	20 000	20 000	20 000
	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, 2010	19 944	208 566	-18 385	101 463	481	312 069
Total comprehensive income			-5 065	28 930	252	24 117
Dividend				-9 776		-9 776
Other transactions with minority shareholders					-76	-76
Closing balance December 31, 2010	19 944	208 566	-23 450	120 617	657	326 334
Opening balance January 1, 2011	19 944	208 566	-23 450	120 617	657	326 334
Total comprehensive income			-8 471	8 781	131	441
Increase in share capital	7	241				248
Warrants				-1 480		-1 480
Other transactions with minority shareholders					-4	-4
Closing balance March 31, 2011	19 951	208 807	-31 921	127 918	784	325 539

Consolidated cash flow statements

SEK thousands	January – March		Whole year 2010
	2011	2010	
Income after financial items	11 993	10 235	41 253
Adjustment for items not affecting cash flow	4 276	4 443	13 966
Change in inventories	2 272	-276	-12 556
Change in trade receivables	-11 222	-8 910	-6 339
Change in trade payables	-2 822	1 854	12 075
Cash flow from operating activities	4 497	7 346	48 399
Cash flow from investing activities	-14 851	-7 173	-78 082
Cash flow from financing activities	10 184	-225	32 772
Cash flow for the period	-170	-52	3 089
Liquid funds at beginning of period	18 617	15 987	15 987
Exchange rate difference in liquid funds	-636	-64	-459
Liquid funds at end of period	17 811	15 871	18 617

Income statements for the Parent Company

SEK thousands	January – March		Whole year 2010
	2011	2010	
Administrative expenses	-965	-1 014	-5 471
Research and development costs	-4	-4	-17
Other operating revenues and expenses	-159		-269
Operating income	-1 128	-1 018	-5 757
Financial income and expenses	-1 285	477	-147
Income after financial items	-2 413	-541	-5 904
Taxes	635		1 552
Net income	-1 778	-541	-4 352

Depreciation and amortization has reduced income for the period by SEK 12 thousand (18).

Balance sheets for the Parent Company

SEK thousands	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
ASSETS			
Patents	2	19	6
Tangible fixed assets	84	28	92
Participation in affiliated companies	339 844	334 214	340 097
Deferred tax assets	5 069	12 897	4 434
Receivables from affiliated companies	48 226	35 239	52 153
Other current receivables	843	635	1 061
Liquid funds	436	697	196
Total assets	394 505	383 729	398 039
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	382 881	371 412	385 890
Long-term non interest-bearing liabilities	2 413	2 369	2 532
Long-term interest-bearing liabilities	2 205	4 504	2 285
Short-term interest-bearing liabilities	1 744	2 981	1 816
Accounts payable	326	171	146
Other short-term interest-free liabilities	4 936	2 292	5 370
Total shareholders' equity and liabilities	394 505	383 729	398 039
Pledged assets for own liabilities	3 100	3 100	3 100
Contingent liabilities	20 000	20 000	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.

Note 2. Financial data per segment, Group

SEK thousands	January – March		Whole year
	2011	2010	2010
Fertility and Stem Cell Cultivation			
Net sales	76 747	65 768	253 713
Operating income	3 873	6 069	12 895
Total Assets	373 502	342 906	369 809
Transplantation			
Net sales	11 287	9 510	43 852
Operating income	6 262	3 934	20 165
Total Assets	62 969	31 403	59 579

Note 3. Warrants program 2008/2011

The company currently has an outstanding warrants program that was approved by the Annual General Meeting in 2008 and which is aimed at employees at Vitrolife and its subsidiaries who make up the company's senior management. Subscription for new shares using the warrants can take place as from May 1, 2010 up until May 31, 2011. During the first quarter of 2011 the company has made an offer to the holders of warrants, in accordance with the terms of the warrants, to buy back the warrants at market value in exchange for cash. Payment of SEK 1,478 thousand has been made related to the program, of which SEK 1,413 thousand was payment in cash to warrant holders and the remaining SEK 65 thousand costs in connection with the making of the offer. 3,500 outstanding warrants existed at March 31, 2011 which are held by employees at Vitrolife and can be used for subscription for shares during the remaining period up until May 31, 2011.

The total number of shares in Vitrolife AB (publ) was increased during the period by 7,000 shares and amounts to 19,559,857 shares. The increase in the number of shares is due to the utilization of warrants for subscription for new shares in connection with Vitrolife's outstanding warrants program 2008/2011.



Innovative Cell and Tissue Technology

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