



INTERIM REPORT JANUARY-SEPTEMBER 2013

Vitrolife AB (publ)

Vitrolife is an international medical device Group. The Fertility product area develops, produces and markets products for assisted reproduction. Work is also carried out to enable the use and handling of stem cells for therapeutic purposes.

Vitrolife today has approximately 230 employees and the company's products are sold in approximately 110 markets. The company is headquartered in Gothenburg, Sweden, and there are also offices in USA, Australia, France, Italy, United Kingdom, China, Japan, Hungary and Denmark. The Vitrolife share is listed on NASDAQ OMX Stockholm, Small Cap.

Vitrolife 

High growth and improved income

Third quarter

Continuing operations

- Sales growth was 33 percent in local currency. Sales amounted to SEK 109 (83) million, corresponding to an increase of 31 percent in SEK.
- Operating income (EBIT) amounted to SEK 23 (15) million, corresponding to an operating margin of 21 (18) percent.

- The comparative figures for 2012 relate to continuing operations, fertility, unless otherwise stated.
- Net income amounted to SEK 17 (9) million, which gave earnings per share of SEK 0.85 (0.45).
- Agreement with Xvivo Perfusion AB to terminate contract manufacturing of STEEN Solution™ during the fourth quarter of 2013.

January - September

Continuing operations

- Sales growth was 30 percent in local currency. Sales amounted to SEK 329 (264) million, corresponding to an increase of 25 percent in SEK.
- Operating income (EBIT) amounted to SEK 59 (38) million, corresponding to an operating margin of 18 (14) percent.

- The comparative figures for 2012 relate to continuing operations, fertility, unless otherwise stated.
- Net income amounted to SEK 41 (27) million, which gave earnings per share of SEK 2.06 (1.36).

The Group's Key Figures

SEK millions	Jul – Sep		Jan – Sep		Whole year
	2013	2012	2013	2012	2012
<i>Continuing operations</i>					
Net sales	109	83	329	264	362
Net sales growth, local currency, %	33	16	30	16	18
Gross margin, %	67	66	66	66	66
Operating income before depreciation and amortization (EBITDA)	31	19	77	50	67
Operating income (EBIT)	23	15	59	38	50
Operating margin, %	21	18	18	14	14
Net income	17	9	41	27	27
Net debt / Rolling 12 month EBITDA	0.2	0.7*	0.2	0.7*	0.9
Earnings per share, SEK,	0.85	0.45	2.06	1.36	1.36
Share price on closing day, SEK	69.75	44.70*	69.75	44.70*	40.30
Market cap at closing day	1 383	874*	1 383	874*	799

* Includes Xvivo Perfusion AB which was distributed October 1, 2012. Xvivo was listed at 19.80 SEK/share equivalent of a market value of 387 MSEK.

** For definition, see page 14

Vitrolife's 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 net debt in relation to EBITDA should normally not exceed 3 times. Vitrolife's Board targets a profitable growth. The objective for Vitrolife's growth over a three year period is an increase in sales by an average of 20 percent per year, with an operating margin of 15 percent.

CEO's comments

Sales growth during the quarter amounted to 33 percent in local currency and continued to be strong in all regions.



The Asia and Pacific region reported growth of 44 percent and the increase in sales was driven by continuing good development in primarily China, Japan, India, Australia and South Korea. Vitrolife's sales continue to benefit from Vitrolife being the only company that has fertility media approved by the authorities in China, the world's largest IVF market measured in terms of the number of treatments. However, it is our assessment that there is a high probability that a competitor will also be approved by the authorities within a year's time, which should mean increased competition. Vitrolife is taking advantage of the opportunity that exists at present in China to build a strong market position in the country.

The EMEA region (Europe, the Middle East and Africa) also continues to develop well, with growth during the quarter of 27 percent adjusted for sales to Xvivo. This growth is considerably higher than market growth in the region. Within the region, the Nordic countries, Russia, Turkey, Italy and the UK have developed well during the quarter. The launch of the Primo Vision embryo monitoring system has contributed to growth in the region.

The North and South American region reported growth of 12 percent in local currency. The quarter was positively affected by distributor sales of laser equipment, which Vitrolife has made a decision to discontinue due to poor profitability. Growth in the region adjusted for these

distributor sales amounted to approximately 7 percent in local currency, which is higher than market growth there.

There has been a lot of focus in the organization during the quarter on the continuing launch of Primo Vision. It is pleasing to note that there continues to be very great interest in the embryo monitoring system, time-lapse, in the IVF field, and this has contributed to great interest in our products. This interest means that more competitors are appearing and in a few years Vitrolife will probably find itself in a situation where there are more competitors in the embryo monitoring field but a considerably larger market to compete for than today. Within the organization, sales of these technological systems are leading to new challenges in the shape of technical knowledge in the sales force and the ability to provide technological support. However, we believe that the field will move in the direction of more technical products being used in fertility laboratories in order to improve treatment results and make work processes more efficient. It is therefore important that Vitrolife, which aims to become the world-leading supplier of medical device products for assisted reproduction, continues to build up this technical competence.

Looking ahead, the market outlook is essentially unchanged and Vitrolife therefore anticipates a constantly expanding market, which in monetary terms is expected to grow by 5-10 percent per year in the foreseeable future.

Thomas Axelsson, CEO

Third quarter 2013 (July - September)

Continuing operations

Net sales

Vitrolife's net sales increased by 33 percent in local currency in the third quarter and amounted to SEK 109 (83) million. Sales growth in SEK amounted to 31 percent.

Sales for the EMEA region (Europe, the Middle East and Africa) increased by 36 percent in local currency in the quarter and amounted to SEK 51 (37) million. The increase in SEK amounted to 38 percent. The quarter included sales of contract manufactured STEEN Solution™ to Xvivo to the tune of SEK 3 million. Adjusted for this, growth amounted to 27 percent in local currency and 29 percent in SEK.

Sales in the North and South American region amounted to SEK 20 (18) million. In local currency the increase amounted to 12 percent, corresponding to an increase of 8 percent in SEK. The quarter was positively affected by distributor sales of laser equipment, which are, however, at lower gross margins than the rest of the product range. Sales in the Asia and Pacific region increased by 44 percent in local currency and amounted to SEK 38 (28) million. The increase amounted to 37 percent in SEK.

The media product group increased by 23 percent in local currency in the quarter and amounted to SEK 74 (61) million, corresponding to an increase of 21 percent in SEK. Other IVF products increased by 51 percent in local currency and amounted to SEK 29 (20) million, corresponding to an increase of 49 percent in SEK. The increase consisted, amongst other things, of the Primo Vision time-lapse system and distributor sales of laser equipment in the American region. Sales of contract manufactured STEEN Solution™ to Xvivo amounted to SEK 3 (-) million and freight revenues to SEK 3 (2) million.

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

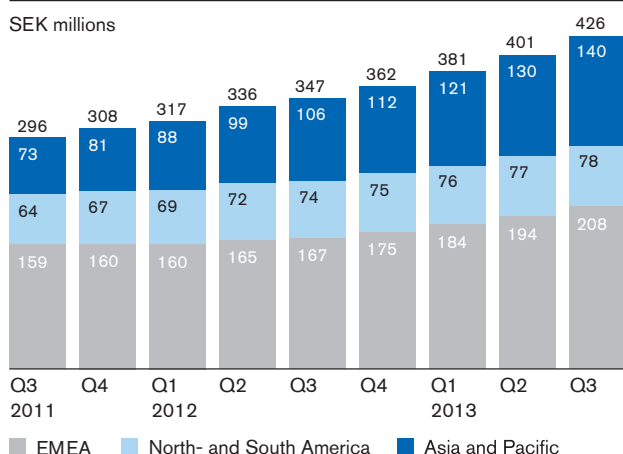


Fig 2. Sales development (per quarter)

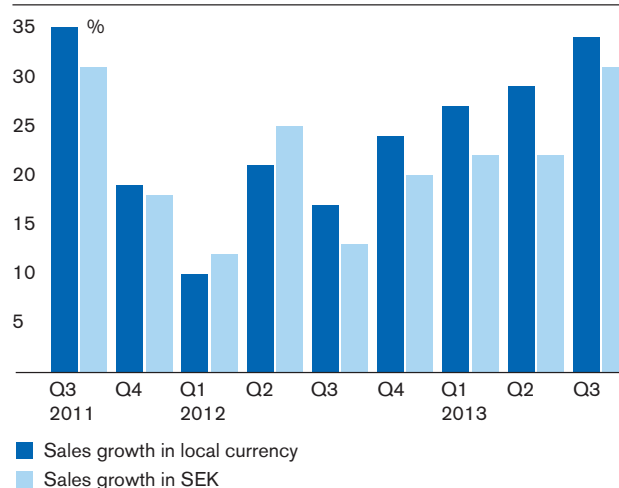
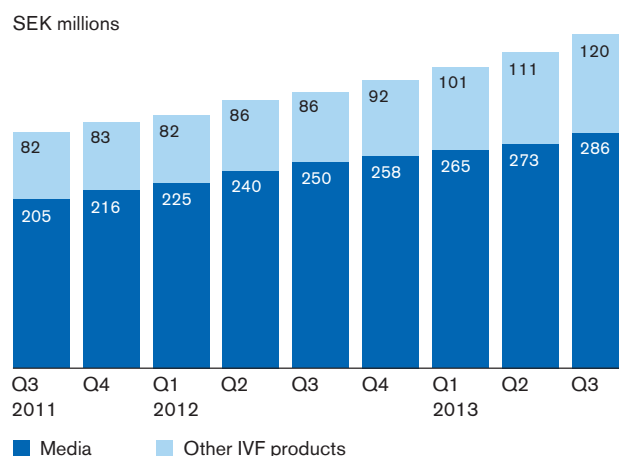


Fig 3. Net sales per product group (rolling 12 months)



Xvivo contract manufacturing to be terminated

Since the time when Xvivo Perfusion AB was distributed in October 2012, Vitrolife has carried out contract manufacturing of the transplantation product STEEN Solution™ for Xvivo. During the third quarter the companies entered into an agreement to terminate this contract manufacturing during the fourth quarter of 2013. During the period January to September 2013, sales to Xvivo generated revenues of SEK 8 million for Vitrolife. It is Vitrolife's assessment that the change will only have a marginal effect on earnings per share for 2014.

Distributor sales in the USA to be terminated

Since the acquisition of Conception Technologies in 2010 Vitrolife has acted as a sales distributor for laser equipment in the USA on behalf of Research Instruments. During the third quarter Vitrolife terminated the agreement due to poor profitability and from the beginning of 2014 will no longer distribute these products. During the period January to September 2013, these sales have generated revenues of SEK 4 million for Vitrolife. It is Vitrolife's assessment that the change will only have a marginal effect on earnings per share for 2014.

Update on the lawsuits in the USA

During 2012 three lawsuits were filed against Vitrolife's American subsidiary together with Southwest Transplant Alliance and the University of Texas, in which damages were being claimed in connection with three lung transplants. As the products were sold before the distribution of Xvivo, Vitrolife will also handle these lawsuits in the future. Xvivo has the legal responsibility for products sold from October 1, 2012. Vitrolife has insurance covering damages and is represented by lawyers hired by the insurance company. Vitrolife's insurance policy contains excess, whereby Vitrolife is obliged to pay for legal costs and damages up to USD 50 thousand per lawsuit. At the end of the reporting period, Vitrolife had made provision for a total of USD 150 thousand.

The lawsuit continued during the third quarter and the insurance company lawyers representing Vitrolife assess that it will probably take some time before there are any significant developments in the case.

Income

Operating income (EBIT) amounted to SEK 23 (15) million, corresponding to an operating margin of 21 (18) percent. The third quarter was positively affected by the dissolution of the vacation accrual liability of SEK 4 (4) million as a result of vacations being taken.

The gross result amounted to SEK 72 (55) million. The gross margin amounted to 67 (66) percent and was negatively affected by distributor sales of laser equipment in the American region and contract manufacturing of STEEN Solution™ for Xvivo and positively affected by economies of scale. Selling expenses amounted to 23 (27) percent of sales and the decrease mainly consisted of economies of scale and fewer external market activities than normal. Administrative expenses amounted to 11 (11) percent of sales. R&D costs amounted to 11 (8) percent of sales. Depreciation and amortization of SEK 8 (4) million were charged against net income.

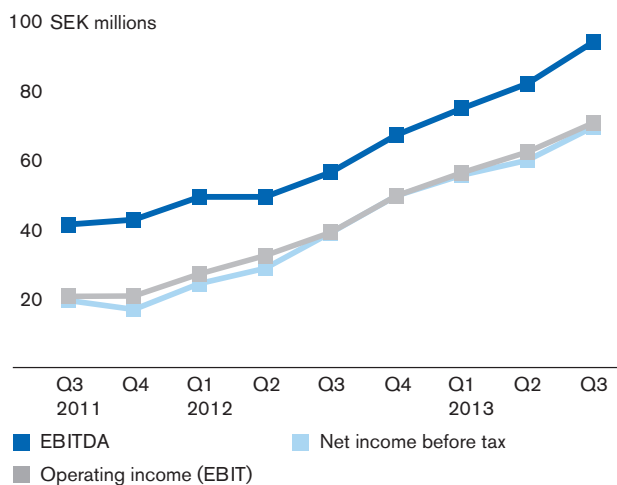
Net financial items amounted to SEK 0 (-1) million. Income before tax amounted to SEK 23 (14) million. Net income amounted to SEK 17 (9) million.

Cash flow

The cash flow from operating activities amounted to SEK 31 (5) million. The change in working capital amounted to SEK 1 (-12) million and consisted primarily of a decrease in accounts receivable as a result of payments received as well as reduced operating liabilities as a result of payment of accounts payable and reduced vacation accruals. Gross investments in tangible assets amounted to SEK -1 (-2) million. Investments in intangible fixed assets amounted to SEK 0 (0) million. The cash flow from financing activities was SEK -18 (-3) million and consisted foremost of the

repayment of borrowings. Cash and cash equivalents at the end of the period amounted to SEK 31 (15) million.

Fig 4. Income (rolling 12 months)



Financing

Vitrolife's total credit facilities amounted to SEK 102 (93) million, of which SEK 46 (61) million was utilized. The credit facilities were used for the financing of business activities in the form of an overdraft in the subsidiary Vitrolife Sweden AB, corporate acquisition credit and loans for financing of the new MEA laboratory in Denver, which was completed during the end of 2012. The equity/assets ratio was 65 (72) percent and the decrease was primarily due to the distribution of Xvivo. Net debt in relation to income for a rolling 12 months before depreciation and amortization (EBITDA) amounted to 0.2 (0.7) times.

Parent Company

Business activities focus on company-wide management and the company has no employees. There were no revenues for the period (-). Income before tax for the third quarter amounted to SEK 0 (-5) million. Cash and cash equivalents amounted to SEK 1 (0) million.

The period 2013 (January - September)

Continuing operations

Net sales

Vitrolife's net sales during the period January to September increased by 30 percent in local currency and amounted to SEK 329 (264) million. Sales growth in SEK amounted to 25 percent.

Sales for the EMEA region increased by 28 percent in local currency during the period and amounted to SEK 158 (126) million. The increase in SEK amounted to 26 percent. The period included sales of contract manufactured STEEN Solution™ to Xvivo to the tune of SEK 8 million.

Adjusted for this, growth amounted to 22 percent in local currency and 20 percent in SEK. Sales in the North and South American region amounted to SEK 60 (55) million. In local currency the increase amounted to 13 percent, corresponding to an increase of 8 percent in SEK. The period included distributor sales of laser equipment to the tune of 4 MSEK. Adjusted for this, growth amounted to 6 percent in local currency and 1 percent in SEK. Sales in the Asia and Pacific region increased by 43 percent in local currency and amounted to SEK 111 (83). The increase in SEK amounted to 34 percent.

Income

Operating income (EBIT) amounted to SEK 59 (38) million, corresponding to an operating margin of 18 (14) percent. Gross income amounted to SEK 217 (175) million. The gross margin amounted to 66 (66) percent. Selling expenses amounted to 24 (28) percent of sales. Administrative expenses amounted to 12 (13) percent of sales. R&D costs amounted to 11 (11) percent of sales. Depreciation and amortization of SEK 18 (13) million were charged against net income. Net financial items amounted to SEK -1 (0) million. Income before tax amounted to SEK 58 (38) million. Net income amounted to SEK 41 (27) million.

Cash flow

The cash flow from operating activities amounted to SEK 68 (38) million. Gross investments amounted to SEK -8 (-14) million and the cash flow from financing activities was SEK -41 (-15) million. Cash and cash equivalents at the end of the period amounted to SEK 31 (15) million.

Prospects for 2013

As the standard of living rises in several developing countries, more and more people choose to wait before they have children. This trend, which has existed in the West for decades, leads to reduced fertility, which in turn drives the fertility treatment market. The same trend is now developing in new emerging countries such as China and India, where the demand for this treatment is increasing rapidly. Still only a few percent of all the couples in the world who have fertility problems are treated using IVF. Vitrolife therefore anticipates a constantly expanding market which in monetary terms is expected to grow by 5–10 percent per year in the foreseeable future. In several of the more mature markets in Europe, however, low or negative growth can be seen at present as a result of the difficult economic situation, even if there are signs of normalization. However, despite the difficult economic situation in some markets, Vitrolife sees business opportunities in all parts of the world.

The focus during the rest of the year will continue to be on the external processes within marketing and sales, primarily

in the emerging markets. The company continues to work on further refining and communicating the concept of best partner and total supplier to the customers. Work is also being done to secure that the internal processes are run in a rational and cost-effective way.

The company in brief

Business concept

Vitrolife's business concept is to develop, produce and market advanced, effective and safe products and systems for assisted reproduction.

Goal

Vitrolife's goal is to become the world-leading supplier of medical devices for assisted reproduction.

Strategies

- Have a fully comprehensive product range of effective and quality-assured fertility products.
- Have world-leading production with the highest quality control and efficiency.
- Have a global sales and/or support organization.

Other information

Organization and personnel

During the period the average number of employees was 233 (212), of whom 121 (119) were women and 112 (93) were men. Of these 131 (132) people were employed in Sweden, 54 (62) in the USA and 48 (18) in the rest of the world. The number of people employed in the Group at the end of the period was 243 (216).

Information on transactions with related parties

No transactions that have substantially affected the company's results and financial position have been carried out with related parties during the period. For information on related parties, see the Annual Report for 2012, note 28.

Dividend

It was decided at the Annual General Meeting on April 29 that the proposed dividend of SEK 0.60 per share would be paid out to the shareholders. Payment of the dividend took place on May 3.

Risk management

Vitrolife is constantly working to identify, evaluate and manage overall risks and 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 2012. 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. The same applies to the Group's management of financial risks, which are described in the Annual Report for 2012, note 24. During the year, a review and classification of company risks was conducted. The conclusion was that the risks as they are described in the Annual Report for 2012 are assessed to be essentially unchanged for 2013.

Seasonal effects

Vitrolife's sales are affected relatively marginally by seasonal effects. There is often a downturn in orders before and during holiday periods. The reason that orders tail off

before holiday periods is that fertility clinics minimize their stock, primarily of fertility media, as these have a relatively short shelf life, so as not to risk rejects. The third quarter has the greatest negative effect from holiday periods, as July and August are affected by holiday periods, primarily in Europe. During the first quarter sales in China are affected negatively by the Chinese New Year in January or February. During the fourth quarter sales in December are negatively affected by the Christmas and New Year holidays. All in all, total sales are usually relatively even between the first and second half of the year.

Events after the end of the period

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

November 7, 2013
Gothenburg, Sweden

Thomas Axelsson
CEO

Financial reports

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.

The Report on Operations for 2013 will be published on Thursday February 6, 2014.

Review report

Auditor's report concerning review of the summary financial interim information (interim report), prepared in accordance with IAS 34 and chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed this report for the nine month period 1 January to 30 September 2013 for Vitrolife AB (publ) org nr 556354-3452. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially

less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Gothenburg, November 7, 2013
Öhrlings PricewaterhouseCoopers AB

Birgitta Granquist
Authorised Public Accountant

Queries should be addressed to

Thomas Axelsson, CEO, phone +46 31 721 80 01
Mikael Engblom, CFO, phone +46 31 721 80 14

Vitrolife is required to publish the information in this report in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The report was submitted for publication on Thursday November 7, 2013 at 8.30 am.

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 – September		July – September		Whole year
	2013	2012	2013	2012	2012
<i>Continuing operations</i>					
Net sales	329 236	264 071	108 642	82 926	362 020
Cost of goods sold	-112 039	-89 231	-36 196	-27 988	-123 720
Gross income	217 197	174 840	72 446	54 939	238 300
Selling expenses	-80 291	-72 797	-24 779	-22 245	-102 028
Administrative expenses	-40 755	-33 500	-11 693	-9 256	-45 170
Research and development costs	-36 490	-28 442	-12 424	-6 991	-41 204
Other operating revenues and expenses	-986	-2 509	-464	-1 805	-171
Operating income	58 675	37 591	23 086	14 640	49 725
Financial income and expenses	-822	428	65	-1 095	13
Income after financial items	57 853	38 019	23 151	13 545	49 738
Taxes	-16 536	-11 202	-6 124	-4 699	-23 191
Net Income	41 317	26 817	17 027	8 846	26 547
<i>Discontinued operations (Whole year 2012, Jan-Sept)</i>					
Net sales	-	42 197	-	14 352	42 197
Operating Income	-	7 167	-	1 652	7 167
Income after financial items	-	5 907	-	-1 922	309 115*
Taxes	-	-1 599	-	1 544	-1 599
Net Income	-	4 308	-	-378	307 516*
<i>Total group</i>					
Net Sales	329 326	306 268	108 642	97 278	404 217
Gross income	217 197	208 428	72 446	66 686	271 888
Operating income	58 675	44 758	23 086	12 988	56 894
Income after financial items	57 853	43 925	23 151	11 623	358 855*
Taxes	-16 536	-12 801	-6 124	-3 155	-24 790
Net income	41 317	31 124	17 027	8 468	334 065*
Attributable to					
Parent Company's shareholders	40 918	30 859	16 935	8 410	333 772*
Minority interest	399	265	92	58	293
Earnings per share, SEK	2,06	1,58	0,85	0,43	17,04*
Earnings per share, SEK	2,06	1,58	0,85	0,43	1,56**
Average number of outstanding shares	19 830 936	19 562 769	19 830 936	19 562 769	19 585 116
Number of shares at closing day	19 830 936	19 562 769	19 830 936	19 562 769	19 830 936

Depreciation and amortization has reduced income (continuing operations) for the period by SEK 18 480 thousand (12 604), of which SEK 8 067 thousand (4 494) for the third quarter.

* Includes a non-taxable capital gain related to distribution of Xvivo Perfusion AB of SEK 303 207 thousand.

** Excluding capital gain of SEK 303 207 thousand related to distribution of Xvivo Perfusion AB.

Statement of profit or loss and other comprehensive income, total Group

SEK thousands	January – September		July – September		Whole year
	2013	2012	2013	2012	2012
Net income	41 317	31 124	17 027	8 468	334 065
Other comprehensive income					
<i>Amounts which later can be posted to profit and loss</i>					
Change in hedging reserve, net after tax	157	168	1 081	563	-752
Change in translation reserve, net after tax	-3 770	-5 128	-6 024	-6 848	-12 536
Total	-3 613	-4 960	-4 943	-6 285	-13 288
Total other comprehensive income, net after tax	37 704	26 164	12 084	2 183	320 777
Attributable to					
Parent Company's shareholders	37 305	25 899	11 992	2 125	320 484
Minority interest	399	265	92	58	293

Other key ratios, total Group

	January – September		July – September		Whole year
	2013	2012	2013	2012	2012
<i>Continuing operations</i>					
Gross margin. %	66,0	66,2	66,7	66,3	65,8
Operating margin before depreciation and amortization. %	23,4	19,0	28,7	23,1	18,6
Operating margin. %	17,8	14,2	21,2	17,7	13,7
Net margin. %	12,5	10,2	15,7	10,7	7,3
Equity/assets ratio. %	65,2	72,3*	65,2	72,3*	60,4
Shareholders' equity per share. SEK.	15,29	18,26*	15,29	18,26*	14,01
Return on equity. %	13,9	9,4*	13,9	9,4*	9,2
Cash flow from operating activities per share. SEK	3,45	2,04*	1,59	0,32*	2,99
Net cash (+) / Net debt (-). SEK millions	-15,1	-43,8*	-15,1	-43,8*	-63,4

* Includes Xvivo Perfusion AB which was distributed October 1. 2012. Distribution of shares in Xvivo Perfusion AB has been moved from short-term non-interest bearing liabilities to equity.

Consolidated income statements per quarter

SEK thousands	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011
<i>Continuing Operations</i>								
Net sales	108 642	115 991	104 605	97 949	82 926	95 224	85 921	81 632
Cost of goods sold	-36 196	-39 853	-35 990	-34 489	-27 988	-32 237	-29 006	-28 501
Gross income	72 446	76 138	68 615	63 460	54 939	62 987	56 915	53 131
Selling expenses	-24 779	-28 964	-26 548	-29 231	-22 245	-26 881	-23 671	-25 197
Administrative expenses	-11 693	-15 601	-13 461	-11 670	-9 256	-12 488	-11 756	-13 461
Research and development costs	-12 425	-12 194	-11 872	-12 761	-6 991	-10 504	-10 947	-12 626
Other operating revenues and expenses	-464	-743	221	2 338	-1 805	-428	-277	-341
Operating income	23 086	18 636	16 955	12 137	14 640	12 686	10 265	1 506
Financial income and expenses	65	-1 101	214	-414	-1 095	530	992	-497
Income after financial items	23 151	17 535	17 169	11 723	13 545	13 216	11 257	1 008
<i>Discontinued operations</i>								
Net sales	-	-	-	-	14 352	14 042	13 803	13 742
Operating Income	-	-	-	-	-1 652	3 974	4 845	2 319
Income after financial items	-	-	-	303 207	-1 922	5 048	2 781	3 004
<i>Total group</i>								
Taxes	-6 124	-5 253	-5 159	-11 988	-3 155	-5 003	-4 643	-1 940
Net income	17 027	12 282	12 010	302 942	8 468	13 261	9 395	2 072
Attributable to								
Parent Company's shareholders	16 935	12 108	11 878	302 914	8 410	13 168	9 281	2 068
Minority interest	92	174	132	28	58	93	114	4

Key ratios per quarter, total Group

	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011
Shareholders' equity per share. SEK.	15,29	14,68	14,35	14,01	18,26*	18,15	17,84	17,53
Return on equity. %	13,9	10,4	10,3	9,2	9,4*	10,8	10,1	9,1
Cash flow from operating activities per share. SEK	1,59	0,90	0,99	0,95	0,32*	1,03	0,69	0,52

* Distribution of shares in Xvivo Perfusion AB has been moved from short-term non-interest bearing liabilities to equity.

Consolidated balance sheets

SEK thousands	Sept 30, 2013	Sept 30, 2012	Dec 31, 2012
ASSETS			
Goodwill	180 105	114 995	182 114
Other intangible fixed assets	37 058	21 316	33 894
Tangible fixed assets	87 172	95 957	94 445
Financial fixed assets	1 237	13 656	8 929
Inventories	63 182	62 657	62 409
Accounts receivable	54 193	54 038	52 436
Other current receivables	13 292	13 495	16 291
Derivative instruments	-	1 279	-
Liquid funds	30 997	15 018	11 680
Assets, discontinued operations	-	102 882	-
Total assets	467 236	495 293	462 198
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity, attributable to the Parent Company's shareholders	303 198	-30 218	277 791
Minority interest	1 570	1 139	1 191
Appropriations	11 782	851	12 214
Long-term interest bearing liabilities	30 598	49 231	58 228
Long-term non-interest bearing liabilities	24 808	-	32 605
Short-term interest bearing liabilities	15 526	11 691	16 825
Short-term non-interest bearing liabilities (to shareholders)	-	387 343	-
Accounts payable	12 030	18 464	17 444
Other short-term non-interest bearing liabilities	67 724	46 408	45 900
Liabilities, discontinued operations	-	10 380	-
Total shareholders' equity and liabilities	467 236	495 293	462 198
Pledged assets for own liabilities	21 188	20 000	20 684
Contingent liabilities	216	1 668	805

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, 2012	19 954	208 905	-23 651	137 762	933	343 903
Total comprehensive income for period	-	-	-13 288	333 772	293	320 777
Increase shareholder's equity acquisition Cryo Management Ltd	274	11 382	-	-	-	11 656
Dividend	-	-	-	-11 738	-	-11 738
Dividend, shares Xvivo Perfusion AB	-	-	-	-387 343	-	-387 343
Effect on deferred tax due to change of swedish tax rate	-	-	-	1 762	-	1 762
Other transactions with minority shareholders	-	-	-	-	-35	-35
Closing balance December 31, 2012	20 228	220 287	-36 939	74 215	1 191	278 982
Opening balance January 1, 2013	20 228	220 287	-36 939	74 215	1 191	278 982
Total comprehensive income	-	-	-3 613	40 918	399	37 704
Dividend	-	-	-	-11 899	-	-11 899
Other transactions with minority shareholders	-	-	-	-	-20	-20
Closing balance September 30, 2013	20 228	220 287	-40 552	103 234	1 570	304 767

Consolidated cash flow statements

SEK thousands	January – September		July – September		Whole year
	2013	2012	2013	2012	
Income after financial items	57 853	43 925	23 151	11 623	358 855
Adjustment for items not affecting cash flow	22 937	15 610	9 843	7 843	-280 769
Tax paid	-9 838	-8 083	-2 523	-916	-9 602
Change in inventories	-775	-13 512	1 112	-1 521	-6 918
Change in trade receivables	-997	-12 826	11 365	-2 968	-9 991
Change in trade payables	-705	14 857	-11 961	-7 756	8 355
Cash flow from operating activities	68 475	39 971	30 987	6 305	59 930
Cash flow from investing activities	-7 663	-27 564	-676	-7 190	-62 539
Cash flow from financing activities	-40 846	-15 381	-17 946	-3 180	-5 607
Cash flow for the period	19 966	-2 975	12 365	-4 065	-8 216
Liquid funds at beginning of period	11 680	20 873	18 824	21 913	20 873
Exchange rate difference in liquid funds	-649	-790	-192	-740	-977
Liquid funds at end of period	30 997	17 108	30 997	17 108	11 680

Includes cash flow from discontinued operations by SEK - (-12) million for the period January - September, of which SEK - (-5) million for the third quarter. See note 3.

Income statements for the Parent Company

SEK thousands	January – September		July – September		Whole year
	2013	2012	2013	2012	
Administrative expenses	-4 408	-5 794	-1 640	-3 397	-7 563
Research and development costs	-	-50	-	-	-50
Other operating revenues and expenses	8	24	5	25	16
Operating income	-4 400	-5 820	-1 635	-3 372	-7 597
Financial income and expenses	631	-1 241	1 212	-1 214	-1 465
Income after financial items	-3 769	-7 060	-423	-4 585	-9 062
Taxes	829	1 827	93	1 206	2 068
Net income	-2 940	-5 203	-330	-3 379	-6 994

Depreciation and amortization has reduced income for the period by SEK 15 thousand (24), of which SEK 5 thousand (8) for the third quarter.

Balance sheets for the Parent Company

SEK thousands	Sept 30, 2013	Sept 30, 2012	Dec 31, 2012
ASSETS			
Tangible fixed assets	25	35	40
Participation in affiliated companies	424 993	410 564	422 175
Other current receivables	1 956	6 892	3 781
Receivables from affiliated companies	8 980	10 065	6 315
Liquid funds	737	343	849
Total assets	436 691	427 899	433 160
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	296 767	296 639	312 304
Long-term interest-bearing liabilities	15 824	1 061	20 227
Long-term non-interest-bearing liabilities	26 079	-	34 466
Short-term interest-bearing liabilities	6 036	854	6 009
Short-term non-interest bearing liabilities (to shareholders)	-	70 373	-
Accounts payable	402	970	500
Liabilities to group companies	76 825	52 436	53 695
Other short-term non-interest-bearing liabilities	14 758	5 566	5 959
Total shareholders' equity and liabilities	436 691	427 899	433 160
Pledged assets for own liabilities	3 100	3 100	3 100
Contingent liabilities	-	565	577

Note 1. Accounting Principles

Accounting principles

This interim report has been prepared 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.

Distribution of Xvivo

On September 24, 2012 an Extraordinary General Meeting of Vitrolife adopted a resolution in favour of the Board's proposal to distribute Vitrolife's transplantation business to the shareholders through distribution of the shares in Vitrolife's subsidiary Xvivo Perfusion AB in accordance with "Lex Asea". The record day was October 1, 2012. Pursuant to the rules of IFRIC 17 (IFRS) the difference between the market value of the Xvivo shares upon listing and the booked value of Xvivo's net assets in Vitrolife at the time of distribution is reported as a non-taxable capital gain in net financial items, 2012. The market value was estimated in accordance with the share price when the Xvivo share was listed on NASDAQ OMX First North on October 8, 2012. The capital gain amounted to SEK 303,207 thousand. After distribution, the transplantation business is reported separately as discontinued operations pursuant to the rules of IFRS 5. For reasons of comparability, the development of the continuing operations, Fertility, is primarily commented on in this report.

Note 2. Financial data per segment

SEK thousands	January – September		Whole year
	2013	2012	2012
Fertility			
<i>Continuing operations</i>			
Net sales	329 236	264 071	362 020
Gross income	217 197	174 840	238 300
Selling expenses	-80 291	-72 797	-102 028
Administrative exp.	-40 756	-33 500	-45 170
R&D expenses	-36 490	-28 442	-41 204
Other expenses	-986	-2 509	-171
Operating income	58 675	37 591	49 725
Total Assets	467 236	392 411	462 198

SEK thousands	January – September		Whole year
	2013	2012	2012*
Transplantation			
<i>Discontinued operations</i>			
Net sales	–	42 197	42 197
Gross income	–	33 588	33 588
Selling expenses	–	-7 189	-7 189
Administrative exp.	–	-12 825	-12 825
R&D expenses	–	-6 055	-6 055
Other expenses	–	-353	-353
Operating income	–	7 167	7 167
Total Assets	–	102 882	–

* January - September

Note 3. Cash flow from discontinued operations

SEK thousands	January – September		Whole year
	2013	2012	2012*
Transplantation			
Cash flow from operating activities	–	1 993	1 993
Cash flow from investing activities	–	-13 708	-13 708
Cash flow from financing activities	–	–	–
Cash flow for the period	–	-11 715	-11 715

* January - September

Note 4. Acquisition of subsidiary

During 2010 Vitrolife entered into a collaboration agreement with the Danish company HertArt ApS with a view to developing a new range of disposable plastic products for IVF under the name of Labware. Vitrolife acquired 25 percent of the shares in HertArt as part of the collaboration agreement. On April 1, 2013 Vitrolife exercised an option to acquire all the shares in the company. The purchase sum amounted to DKK 2 million and can be increased to 3 million if certain defined sales objectives are met. The initial purchase sum of DKK 2 million was paid in cash and was financed from Vitrolife's cash funds. HertArt's turnover 2012 amounted to 1 million DKK, entirely to the Vitrolife. Vitrolife acquired the remaining 75 % of the shares as it assessed that HertArt could be run more efficiently as a fully owned subsidiary. It is estimated that the acquisition will only entail a marginal effect on Vitrolife's earning per share for 2013.

The acquisition was completed in DKK and the accounting is done per the currency rate of acquisition date.

SEK thousands	
Purchase sum per April 1, 2013	
Liquid funds, acquisition 75 %	2 394
Conditional purchase price, acquisition 75 %	1 122
Previously paid, acquisition 25 %	2 779
Total purchase price	6 295
Identified assets and liabilities per April 1, 2013	
Fixed assets	3 870
Production technology	4 597
Current assets	660
Operating liabilities	-4 439
Total acquired assets and liabilities	4 688
Capital loss, revaluation of shares	996
Part of result from the associated company (owned 25 %)	611
Total	6 295

Note 5. Fair value and book value of financial assets and liabilities

Continuing operations SEK thousands	Jan-Sept 2013		Jan-Sept 2012		Whole year 2012	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
<i>Per category</i>						
Financial assets to fair value through income statement	-	-	1 279	1 279	29	29
Accounts receivables and other receivables	54 267	54 267	56 451	56 451	54 797	54 797
Liquid funds	30 997	30 997	15 018	15 018	11 680	11 680
Financial assets in total	85 264	85 264	72 748	72 748	66 506	66 506
Financial liabilities to fair value through income statement	26 898	28 010	-	-	34 466	34 466
Financial liabilities valued to accrued acquisitions value	72 336	72 336	81 684	81 684	97 503	97 503
Financial liabilities in total	99 234	100 346	81 684	81 684	131 969	131 969

Fair value

Fair value has been measured for all financial assets and liabilities pursuant to IFRS 13. Fair value is estimated to be equal to book value for accounts receivable and other receivables, other current receivables, cash and other cash equivalents, accounts payable and other liabilities and borrowings. Book value minus impairment constitute an approximate fair value for accounts receivable and payable. For long-term non-interest-bearing liabilities fair value has been measured by future cash flows being discounted by current marked rates for the duration of the liability.

Measurement of the Group's financial assets and liabilities is divided up into the following hierarchy:

- Level 1: Listed prices in an active market for identical assets or liabilities.
- Level 2: Other observable data for the asset or liability than listed prices included in Level 1, either direct or indirect.
- Level 3: Data for asset or liability which are not entirely based on observable market data.

The following are classified in level 1: accounts receivable and other receivables, other current receivables, cash and cash equivalents, accounts payable and other liabilities and borrowings incurring interest payments. Fair value for these financial assets and liabilities is estimated to be equal to their book value.

The following are classified in level 2: Derivatives for hedge accounting. Valuation of fair value for currency forward contracts is based on published forward rates in an active market.

The following are classified in level 3: Long-term non-interest-bearing liabilities that have essentially been valued on the basis of non-observable data. Fair value has been measured by future cash flows being discounted by current market rates for the duration of the liability. The measurement of fair value for financial liabilities in level 3 has generated revenue of SEK 1,112 thousand during the period, which is reported among financial revenues.

Fair value hierarchy

SEK thousands	Jan-Sept 2013				Jan-Sept 2012				Whole year 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Financial assets to fair value through income statement	54 267	-	-	54 267	56 451	-	-	56 451	54 797	-	-	54 797
Derivatives for hedge accounting	-	-	-	-	-	1 279	-	1 279	-	29	-	29
Liquid funds	30 997	-	-	30 997	15 018	-	-	15 018	11 680	-	-	11 680
Financial assets in total	85 264	-	-	85 264	71 469	1 279	-	72 748	66 477	29	-	66 506
Financial liabilities												
Financial liabilities to fair value through income statement	-	-	26 079	26 079	-	-	-	-	-	-	34 466	34 466
Derivatives for hedge accounting	-	173	-	173	-	-	-	-	-	-	-	-
Financial liabilities valued to accrued acquisitions value	72 982	-	-	72 982	81 684	-	-	81 684	97 503	-	-	97 503
Financial liabilities in total	72 982	173	26 079	99 234	81 684	-	-	81 684	97 503	-	34 466	131 969

Definitions

Gross margin

Net sales minus the cost of goods sold as a percentage of net sales for the period.

Operating margin before depreciation and amortization

Operating income before depreciation and amortization as a percentage of net sales for the period.

Operating margin

Operating income after depreciation and amortization as a percentage of net sales for the period.

Profit margin

Income for the period as a percentage of net sales for the period.

Return on shareholders' equity

Income for the period as a percentage of the average shareholders' equity for the period.

Equity/assets ratio

Shareholders' equity and minority interest as a percentage of total assets.

Earnings per share

Income for the period in relation to the average number of outstanding shares for the period.

Earnings per share after full dilution

Income for the period in relation to the average number of outstanding shares for the period, taking into

account outstanding share warrants where the net present value of the strike price in the middle of the redemption period or the remaining redemption period is less than the average share price for the period.

Cash flow from operating activities per share

The cash flow from operating activities for the period in relation to the average number of outstanding shares for the period.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares outstanding at closing day.

Shareholders' equity per share after full dilution

Shareholders' equity in relation to the number of shares outstanding at closing day, taking into account outstanding share warrants where the net present value of the strike price in the middle of the redemption period or the remaining redemption period is less than the average share price at closing day.

Net loans receivable/ Net borrowings

Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities.

Glossary

The following explanations are intended to help the reader to understand certain specific terms and expressions in Vitrolife's reports:

IVF, In Vitro Fertilization

Fertilization between the woman's and the man's sex cells and cultivation of embryos outside the body.

In vitro (Latin "in glass")

A process that has been taken out from a cell to take place in an artificial environment instead, for example in a test tube.

Embryo

A fertilized egg.

Blastocyst

An embryo at days 5-7 after fertilization. Cell division has gone so far that the first cell differentiation has taken place and the embryo thereby now has two different types of cells.

Vitrification

Process for converting a material to a glasslike solid state, for example through rapid freezing, in this case rapid freezing of eggs and embryos, in order to be able to carry out IVF on a later occasion.

IUI

Intra-Uterine Insemination, "artificial insemination". A high concentration of active sperms is injected in order to increase the chance of pregnancy.

Stem cells

Non-specialized cells to be found in all multi-cell organisms. Have the ability to mature (differentiate) into several cell types. Are usually divided up into three groups: adult stem cells (in the fully grown individual), embryonic stem cells and stem cells from the umbilical cord. In the developing embryo stem cells give rise to all tissue in the fetus-to-be. In adult individuals stem cells constitute a repair system to replace damaged cells. As stem cells have the potential to mature into specialized cell types, there are great hopes regarding their medical role.

Celltherapy

Describes the process when new cells are added to tissue in order to treat disorder.

Preclinical study

Research that is done before a pharmaceutical or a treatment method is sufficiently documented to be studied in people, for example testing of substances on tissue samples and later testing on experimental animals.

Clinical study/trial

An investigation in healthy or sick people in order to study the effect of a pharmaceutical or treatment method.

Biological quality tests

Using biological systems (living cells, organs or animals) to test how well a product or input material functions in relation to a requirement specification.

Medical devices

Comprise devices used to make a diagnosis of a disease, treat a disease and as rehabilitation.

Biotechnology

Combination of biology and technology, which primarily means using cells or components from cells (such as enzymes or DNA) in technical applications.

In vivo

Biological processes in living cells and tissue when they are in their natural place in whole organisms.

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