



Solutions for life-critical situations

# Annual General Meeting April 27, 2011

A photograph of a man, a woman, and a baby outdoors. The man is on the left, wearing a light blue long-sleeved shirt, and is kissing the baby on the forehead. The woman is on the right, wearing a light blue long-sleeved shirt, and is smiling at the baby. The baby is in the center, looking towards the camera. They are standing in front of a blue sky with some clouds and green trees in the background.

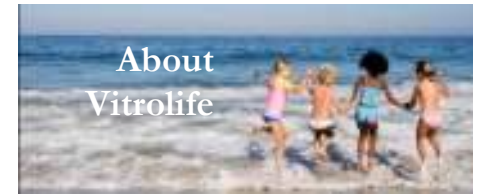
Magnus Nilsson,  
President & CEO



# Agenda

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About Vitrolife	World's best solutions for life-critical situations
Fertility	Complete, quality assured product portfolio that increases pregnancy rates
Transplantation	New methods solving the excess demand for organs
Stem cell therapy	Know-how and technology to become the leading actor
Prospects	Vitrolife's area of focus in 2011
Financials	Operations 2010 and Q1 2011

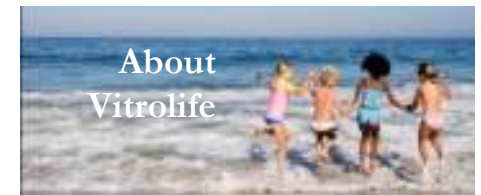


# Our vision and mission

**Vision** Vitrolife strives to be leading in clinical medium and advanced disposables for fertility, cell and tissue therapy.



**Mission** Vitrolife develop, produce and market high-quality systems for the preparation, cultivation and storage of human cells, tissues and organs outside the body.



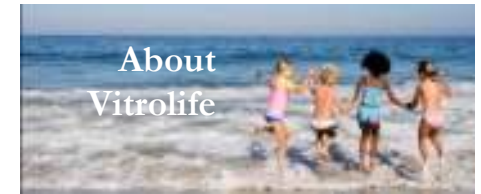
# Vitrolife - Shareholders

Shareholders	No of Shares	Shares and votes, %
Bure Equity AB	5 578 245	28.5
Lannebo Micro Cap	1 300 000	6.8
Eccenovo AB	1 048 830	5.4
Länsförsäkringar fondförvaltning AB	809 350	4.1
Union Bank of Switzerland Luxemburg	406 000	2.1
Awake Swedish Equity Fund	400 000	2.0
Försäkringsaktiebolaget, Avanza Pension	384 468	2.0
JP Morgan Bank	240 000	1.2
Magnus Nilsson	230 000	1.2
Skandinaviska Enskilda Banken	228 000	1.2
Others	8 927 964	45.5
<b>Total</b>	<b>19 552 857</b>	<b>100.0</b>

Source: Euroclear Sweden AB

After 31 March 7 000 more shares have been issued and registered. The total number of shares as per 27 April are 19 559 857.

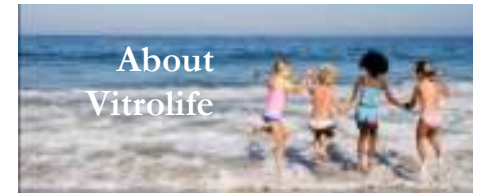
# Life-critical situations



100 million couples  
are living with  
infertility  
(Source: WHO)

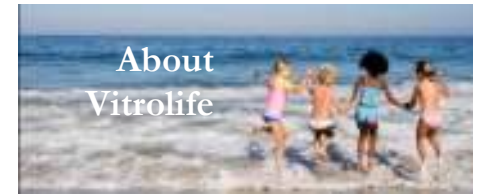
20-25% dies on  
organ waiting list



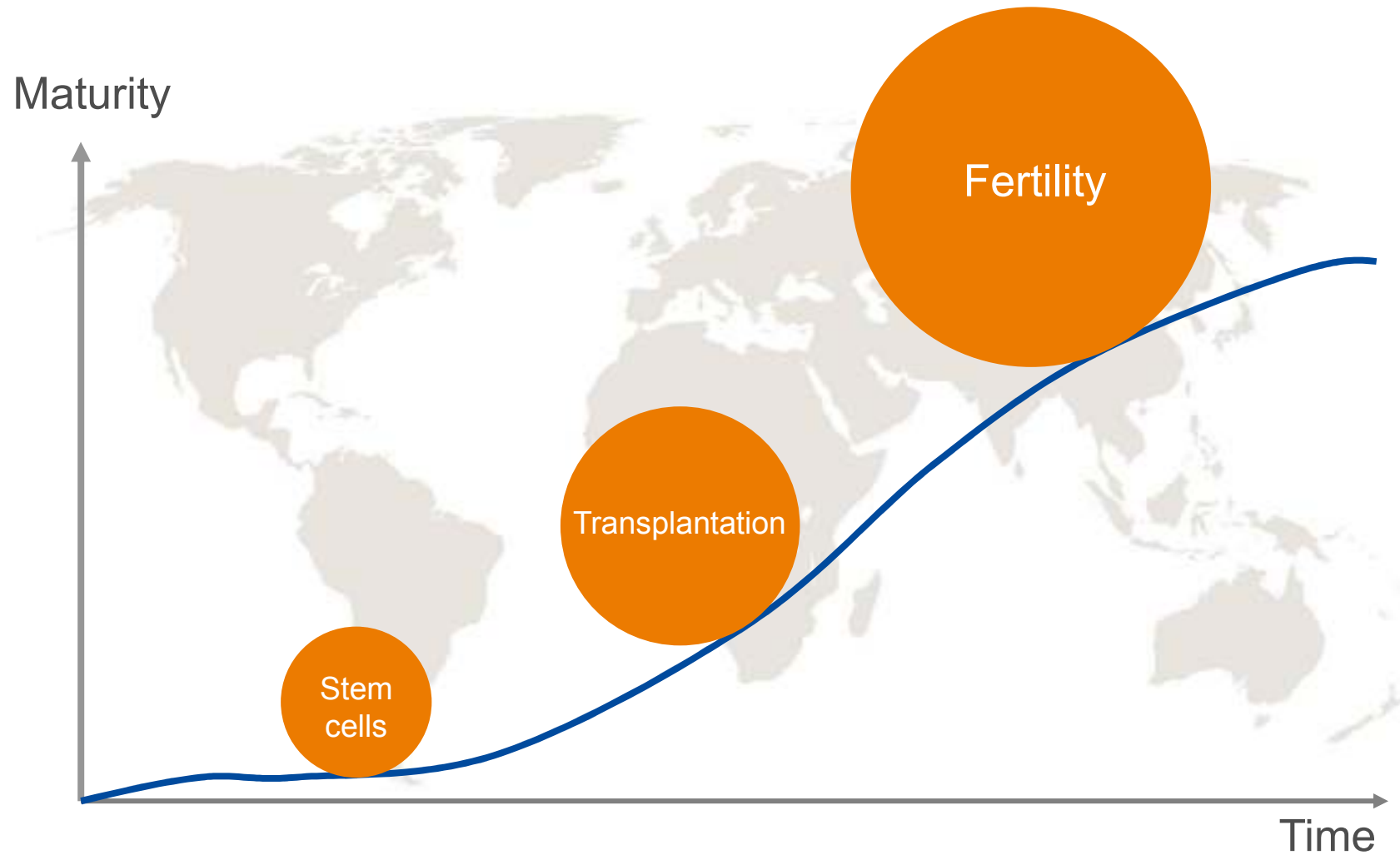


# Product areas





# Vitrolife's platform for growth



# Vitrolife



Complete product portfolio that  
increases pregnancy rates



# Three main strategies

- 1 Complete line of effective and quality assured IVF products.



Retrieval and handling of eggs and sperm

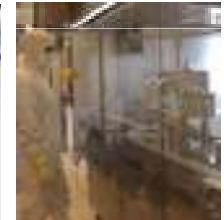


Fertilization and cultivation of embryo



Transfer of embryo to the uterus

- 2 Industry leading quality control and cost effective GMP product supply infrastructure.



- 3 Global marketing and customer support organisation covering 80% of all IVF treatments world wide.



# A complete product line



- Acquisition of Conception Technologies, Inc, San Diego.
- Increased cost-efficient production capacity of microtools.
- Increased market share in North America.
- Facility has 30 employees and is FDA licensed and ISO certified as a medical device manufacturer.
- Turnover ~USD 4 million.
- Purchase price ~USD 5 million.





## New Vitrolife Labware line

- Collaboration with HertART, acquired 25% of the shares (option to acquire 100%).
- Development and launch of 20 labware products during Q2-Q3 2011.
- Labware series cover all laboratory steps in an IVF treatment, eliminating risk of contact with embryo toxic materials.
- Saving time and money for clinics.



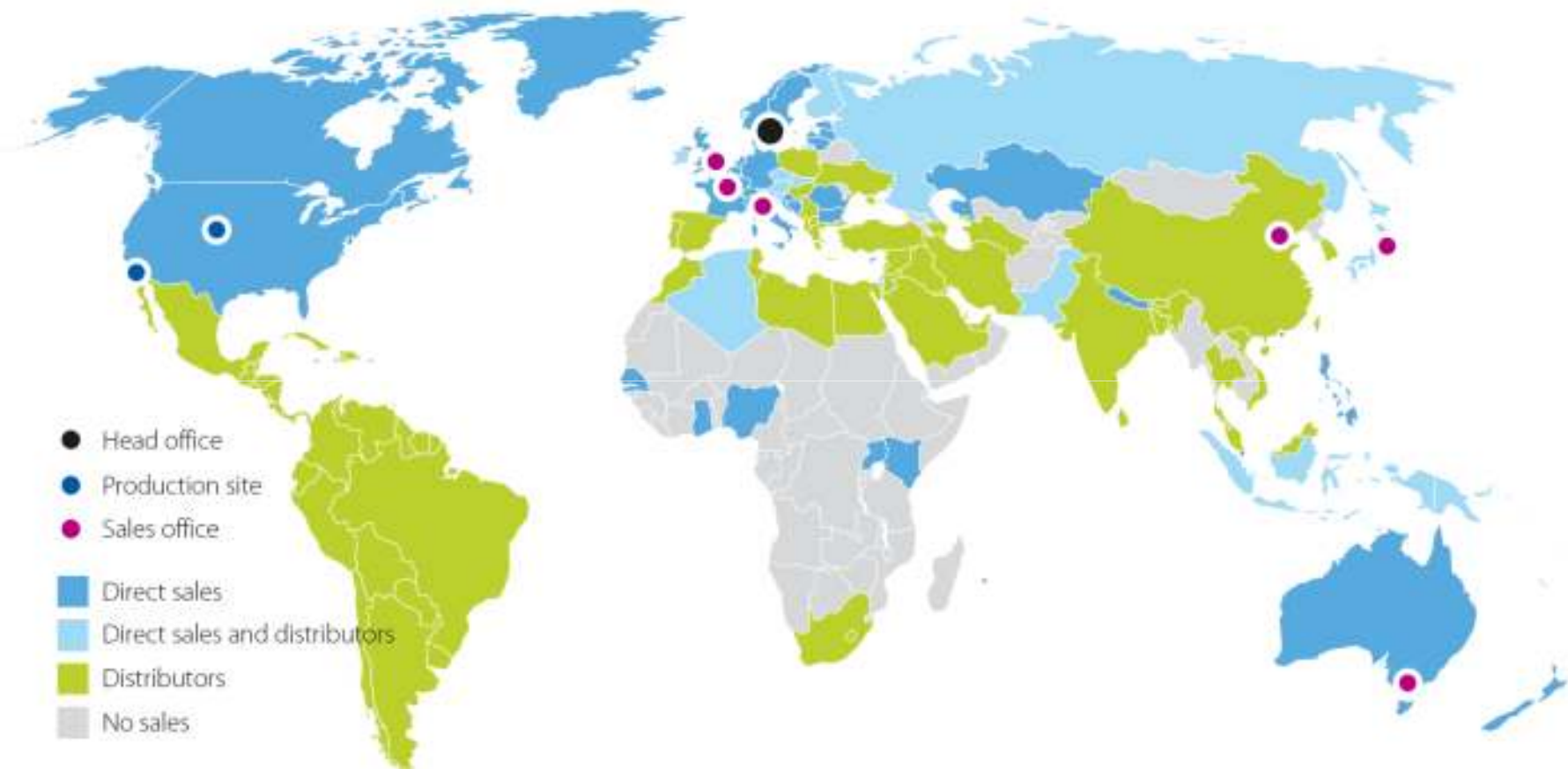
# World class production and R&D



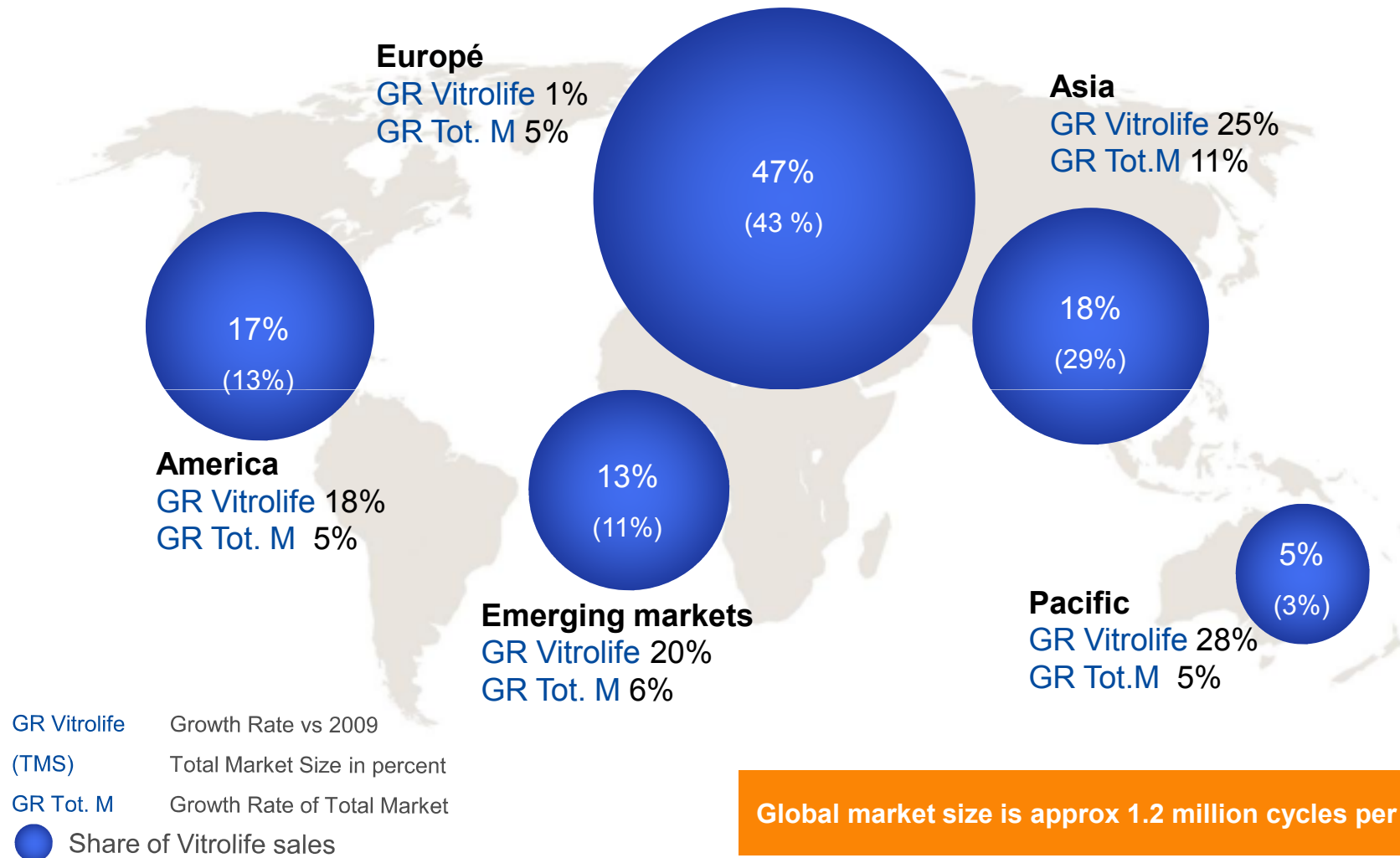
- In-house production from start to finish in order to secure the highest quality.
- Focus on the highest quality, safety and efficiency.
- Cooperation with leading experts and scientists.
- Forming partnerships through close collaboration with customers.



# Reaching the global market



# Vitrolife regions and the Global market situation





# Highlights 2010

New complete series of Vitrolife Labware has been developed in collaboration with HertART

- Saving time and money for clinics

Acquisition of IVF products from Conception Technologies Inc, USA

- Final steps to a complete product line

The 2010 Nobel Prize was awarded for the development of human in vitro fertilization (IVF) therapy

- Recognition as an important clinical therapy



## 2011 – Regional Developments

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**Americas** – Market recovering. Vitrolife has the largest sales force resulting in accelerating growth.

**Asia** - Rapidly growing market. Vitrolife's fastest growing market.

**Northern Europe** – Moderately growing market. Vitrolife is growing faster than the market.

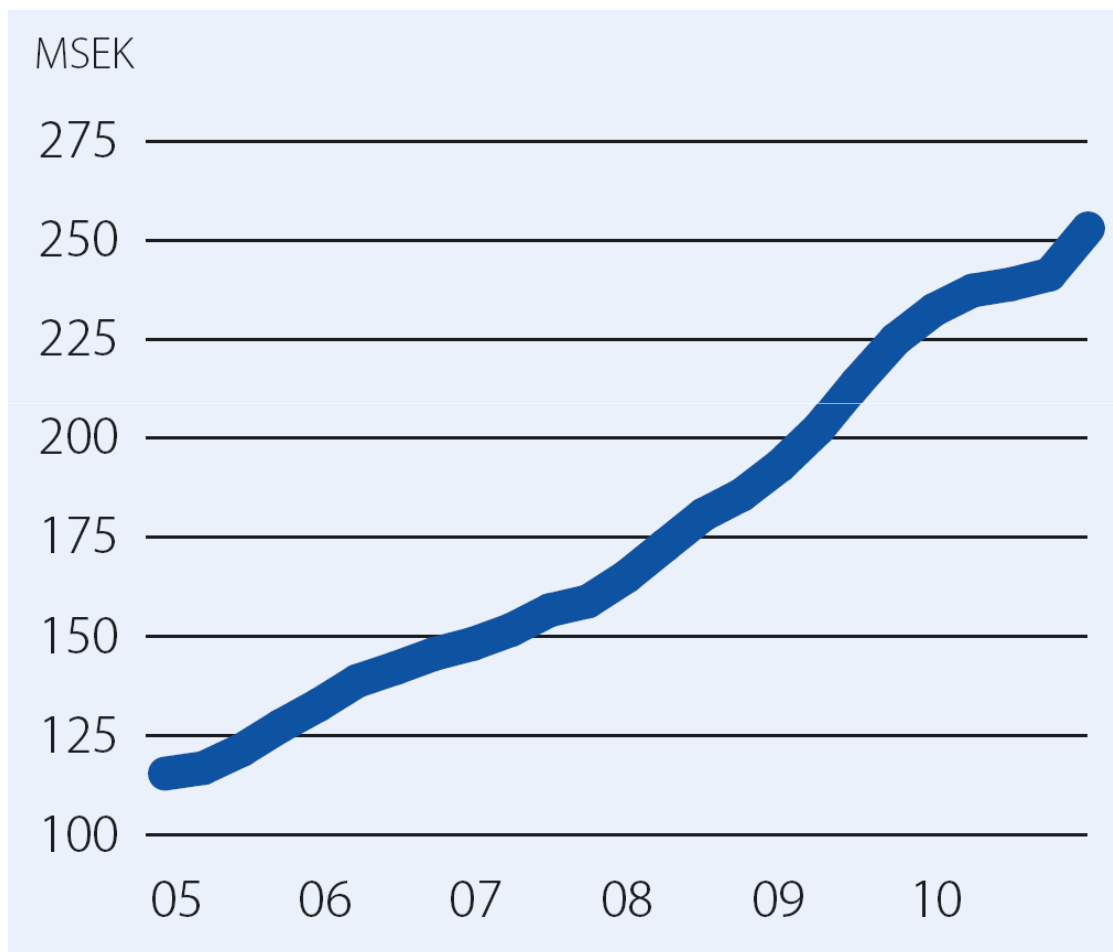
**Southern Europe** – Weak market. Vitrolife has strong position in key markets.

**Pacific** – Moderately growing market. Vitrolife is growing faster than the market

**Emerging Markets** – Fast growing market. Vitrolife's second best growing market.

# Sales development

(rolling 12 months)



**2010:**

254 (233) MSEK

+19% *Loc curr*

+8% *mSEK*

# Vitrolife



New methods solving the excess  
demand for organs

# Life-critical situations



- Organ donor shortage
  - High waiting list mortality rates: 20-25%
- Low utilization of lungs
  - Only 15-20% used from SCD (Standard Criteria Donor)
- Donor lungs are frequently damaged

# Vitrolife's solutions



## Perfadex

- 95% of the world market
- Significant increase in survival rates
- Diminished risk of organ rejection
- Will still be needed when STEEN Solution™ is used

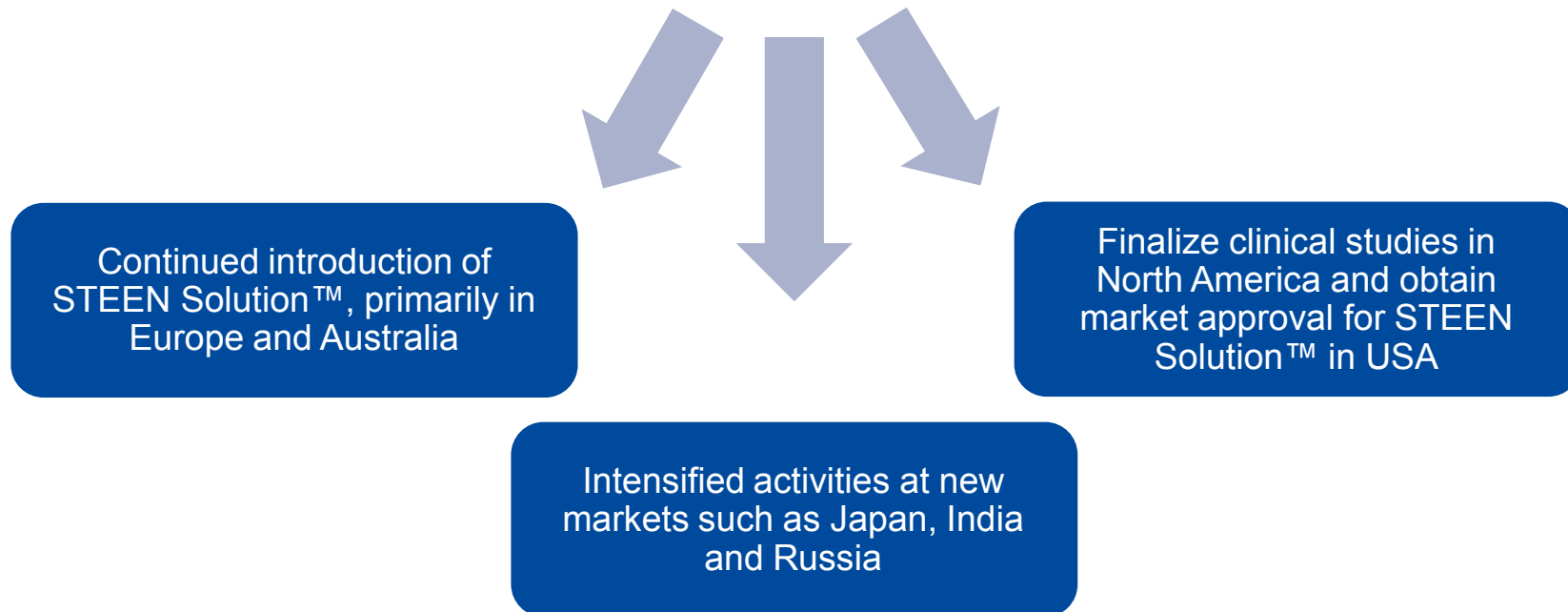
## STEEN Solution™

- More than 70 lung patients now transplanted
- 12 patient clinical study and marketing clearance in the USA
- Developed also for use at other organs

# Goals and strategy



**Continued investment in training and demonstrations, attendance at conferences, user workshops, site visits, etc.**



# Market potential



	Perfadex	STEEN Solution™ incl disposables
Costs for products per Transplantation (SEK)	~ 10,000	> 80,000
Potential number of lung transplantations	~ 3,000	> 20,000
Total market potential*, <u>lungs only</u> (SEK million)	~ 40	> 1,600

\* Including research market

This method will also be developed for other organs, e.g. liver.

# Highlights 2010



## New studies

- Improved survival with Perfadex
- Increased number of available lungs for transplantation with STEEN Solution™

## Continuing clinical development of STEEN Solution™

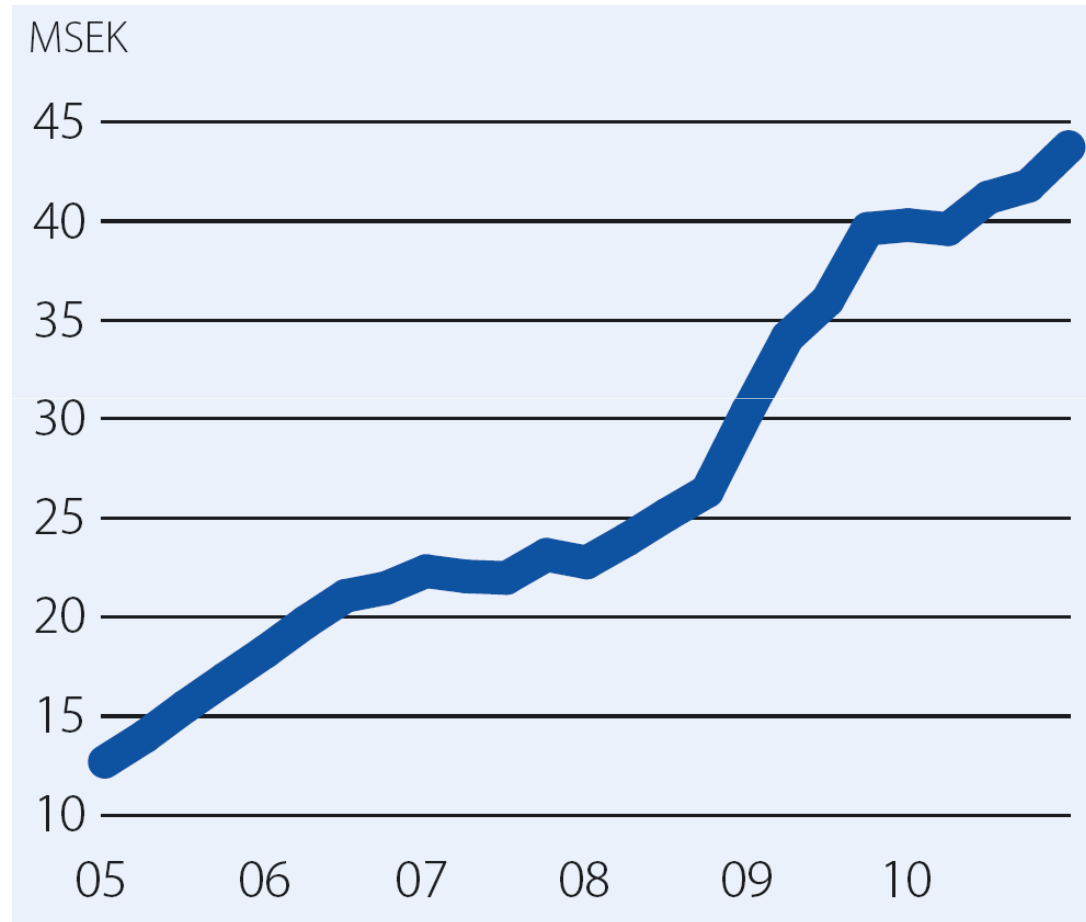
- More than 70 patients now transplanted with STEEN Solution™

## Preparation for market clearance in USA

- Application submitted to FDA for a 12 patient clinical study

# Sales development

(rolling 12 months)



**2010:**

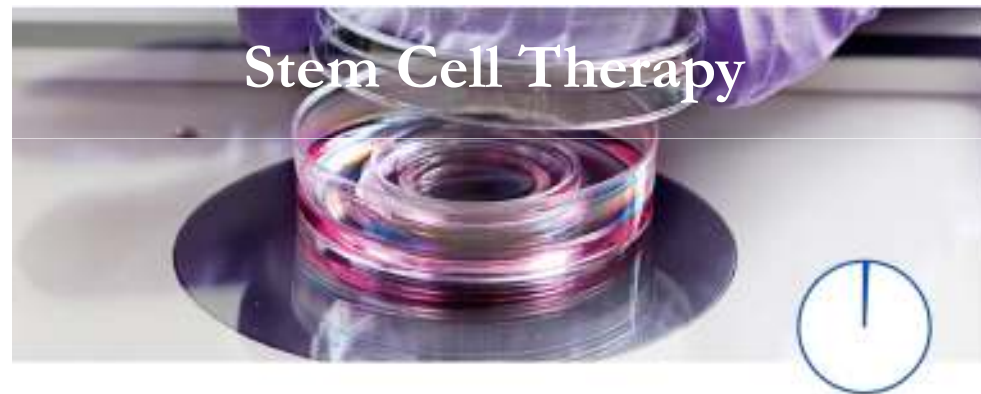
44 (40) MSEK

+17% *Loc curr*

+9% *SEK*

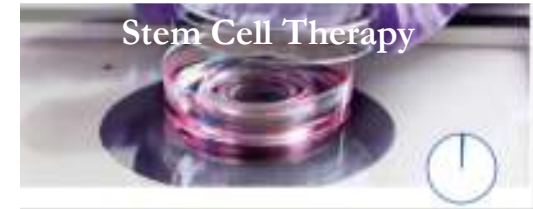


# Vitrolife



Know-how and technology to become  
the leading actor

# Vitrolife and stem cell therapy



Stem cell therapy has potential  
to revolutionise health science

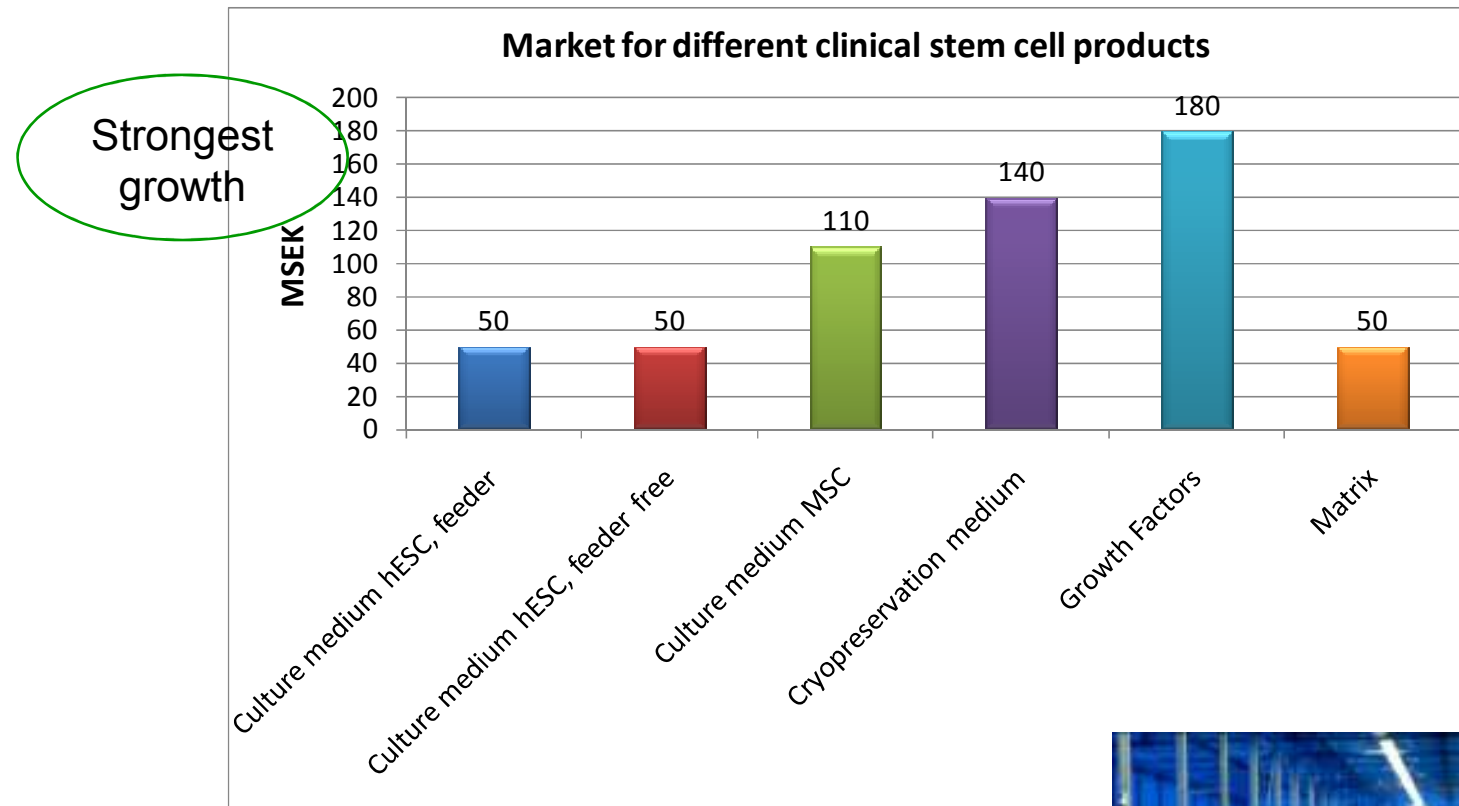


The therapy is approaching a  
clinical breakthrough



Vitrolife is well positioned to  
become market leader

# Market potential



# Goals and strategy

- Development of a new “clinical grade” stem cells product line
- Establish further complimentary external commercial partnership
- Launch of two new products during 2011

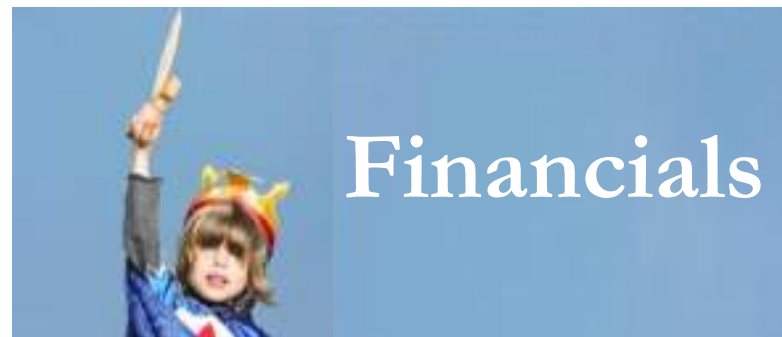


# Vitrolife's prospects for 2011

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Vitrolife's areas of focus in 2011 aim to support Vitrolife's overall strategy of ensuring good continuous growth, together with gradually developed profitability.

- developing, strengthening and expanding the product portfolio within all three product areas
- constantly developing and making our product supply and support processes more effective
- further strengthening the customer support and sales organization as well as product distribution globally.



The financial year 2010 was a year with stable growth in sales and continuing strategic investments. This trend has continued first quarter 2011.

## First Quarter 2011 in brief

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- Continued good sales growth and continued strategic investments
- The products and the business acquired from Conception Technologies during quarter four 2010 are now fully integrated in Vitrolife's subsidiary in Denver.
- Important strategic investments so as to better adapt the buildings to the existing and future business - acquisition of property at the production facility in Denver and rebuilding in Denver and Högsbo.
- Approval from the FDA to start the North American clinical study, using STEEN Solution™, which will act as the basis for receiving sales approval in the USA.
- Continuing development of new clinical stem-cell media

# Financial stability and potential

## Financially stable company

- Profitable since 2003
- Q1 2011: 31 consecutive quarters of profit
- Strong capital base
- High gross margin
- Q1 2011: 33 quarters of growth

## Enables future growth

- Innovative research company
- Growing faster than the market
- Low market saturation

# Sales development SEK vs LC



# First Quarter 2011 in brief

Sales	88 MSEK, +28% loc curr
Gross margin	67%
EBIT	10 MSEK, +1%
Pre tax profit	12 MSEK, +17%
Equity/asset ratio	74%
Earnings per share	0.45 SEK
Cash flow from op act	4 MSEK



# Other Keys Ratios

MSEK	Jan-March		Whole year	
	2011	2010	2010	2009
Operating margin, %	12	13	11	11
Operating margin before R&D, %	25	28	26	25
EBITDA, %	16	19	16	17
Net margin, %	10	13	10	12
Earning per share (SEK)	0.45	0.50	1.48	1.75
Equity/assets ratio, %	84	74	76	87
Shareholders' equity per share, SEK	16.60	16.62	16.66	15.94
Return on equity, %	9	11	9	11
Return on capital employed, %	14	11	15	12
Net debt	-44	8	-22	-8.3

# Cash flow

MSEK	Jan-March		Whole year	
	2011	2010	2010	2009
Cash flow from operating activities	4	7	48	41
Cash flow from investing activities	-15	-7	-78	-33
Cash flow from financing activities	10	0	33	-6
<b>Cash flow for the period</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>
Liquid funds at beginning of period	17	16	16	14
Exchange rate difference in liquid funds	0	0	0	0
<b>Liquid funds at end of period</b>	<b>18</b>	<b>16</b>	<b>19</b>	<b>16</b>

# Investing in the future...

## Questions?

