Press Release, 22 August 2013

BioGaia AB
Interim report 1 January – 30 June 2013 (15 pages)

(Figures in brackets refer to the same period of last year)

President's comments:

"The efforts to break into the major markets are starting to pay off. In the second quarter we signed an agreement with the state-owned company Beijing Keyuan Xinhai Pharmaceutical in China", says Peter Rothschild, President of BioGaia AB.

"To a large extent, our sales work is focused on the large highly populated countries and we hope that these activities will result in new agreements and relatively rapid launches during the current and coming year. We remain committed to achieving continued healthy growth in sales, both through increased sales among our existing distribution partners and by entering new markets where our products have not previously been sold," adds Peter Rothschild.

Period from 1 January to 30 June 2013

Net sales reached SEK 163.5 million (154.0[1)]), an increase of SEK 9.5 million (6%). Excluding foreign exchange effects, net sales improved by 11%.

Net sales of finished consumer products amounted to SEK 134.6 million (121.8), representing growth of SEK 12.8 million (11%). Excluding foreign exchange effects, net sales improved by 15%.

Net sales of component products amounted to SEK 27.9 million (31.3[1)]), a decrease of SEK 3.4 million (11%). Excluding foreign exchange effects, net sales fell by 8%.

Operating profit was SEK 44.1 million (45.5[1)]), down by SEK 1.4 million (-3%). Excluding foreign exchange effects, operating profit rose by 4%.

Profit after tax was SEK 34.5 million (37.5[1)]), a decrease of SEK 3.0 million (8%).

Earnings per share totalled SEK 1.85 (2.08[1)]).

The period's total cash flow was SEK -125.5 million (243.1). Last year's cash flow included payment of SEK 356.0 million in licence revenue from Nestlé. Cash and cash equivalents at 30 June 2013 totalled SEK 249.6 million (414.5). Cash flow since 30 June 2012 includes dividends of SEK 172.7 million, tax payments of SEK 65.6 million and investments in TwoPac of SEK 14.8 million.

Second quarter of 2013

Net sales amounted to SEK 85.3 million (75.7), up by SEK 9.6 million (13%). Excluding foreign exchange effects, net sales increased by 17%.

Net sales of finished consumer products totalled SEK 69.0 million (67.1), an increase of SEK 1.9 million (3%). Excluding foreign exchange effects, net sales grew by 8%.

Net sales of component products amounted to 16.0 million (8,3), an improvement of SEK 7.7 million (93%). Excluding foreign exchange effects, net sales increased by 98%.

Operating profit was SEK 26.3 million (19.4) million, an increase of SEK 6.9 million (36%). Excluding foreign exchange effects, operating profit rose by 43%.

Profit after tax was SEK 16.9 million (16.7), an increase of SEK 0.2 million (1%). Financial items include of loss of SEK 4.7 million on outstanding foreign exchange contracts (a gain of SEK 1.6 million in the year-earlier period).

Key events in the second quarter of 2013

Agreements for the sale of ProTectis drops and ProTectis and Gastrus digestive health tablets in South Korea and China.

New significant agreement with Nestlé for new category of products.

Key events after the end of the second quarter

BioGaia acquires remaining 50% of TwoPac.

FDA approves BioGaia's request for orphan drug designation.

New study shows that *Lactobacillus reuteri* Prodentis improves periodontal treatment

1) Excluding license revenue from Nestlé. Net sales and profit for the previous year also included license revenue of SEK 356.0 million from Nestlé for a perpetual license to use *Lactobacillus reuteri* Protectis in infant formula during the remaining term of the patent, which is regarded as non-recurring revenue. Including license revenue from Nestlé, net sales for the first half of 2012 amounted to SEK 510.0 million, operating profit to SEK 401.5 million, profit after tax to SEK 299.9 million and earnings per share to SEK 17.27.

Teleconference: You are welcome to take part in a teleconference on the interim report that will be held today at 10:00 a.m. by President Peter Rothschild. To participate in the conference, please see www.biogaia.com/agenda for telephone numbers.

BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on 22 August 2013, 8:00 a.m. CET.

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

Clinically Proven Probiotics

BioGaia AB (publ.)

INTERIM REPORT 1 JANUARY – 30 JUNE 2013
Figures in brackets refer to the same period of last year.

The Board of Directors and the President of BioGaia AB (publ) hereby present the interim report for the first half of 2013. A description of the company's operations is provided on page 15.

PRESIDENT'S COMMENTS

The efforts to break into the major markets are starting to pay off. In the second quarter we signed an agreement with the state-owned company Beijing Keyuan Xinhai Pharmaceutical in China. Through Keyuan, we believe we have found a relatively rapid and direct path into the large and exciting but also challenging Chinese market. Aside from our flagship product, our probiotic baby drops, Keyuan will also launch our new *Helicobacter pylori* product Gastrus. This is of major interest, since infection with the gastric ulcer bacterium *Helicobacter pylori* is widespread in China and the rest of Asia. Our new partner in South Korea, Dong Sung, will also launch Gastrus. We hope to get started in these markets already during the current year.

Our new agreement with Nestlé is one of the fruits of the key contract we signed with them in February 2012, when we also entered into a number of development and option agreements. Unfortunately, we are not able to disclose many details about the agreement since Nestlé prefers to wait for competitive reasons until the launch before talking about the product. However, the agreement is significant and has already replaced part of the business we sold to them last year.

On 1 July 2013 BioGaia acquired the remaining 50% of the shares in the company TwoPac that we did not already hold. TwoPac was founded by its management together with BioGaia in 2002. The company has the expertise to build manufacturing equipment and is today a very valuable part of BioGaia's product development process and ensure that our products can achieve a good product stability and be manufactured at lower costs. This was the main motive behind the acquisition. In view of the company's healthy profitability, we can also expect a good return on this investment.

In the past few days the FDA approved our request for an orphan drug designation for a product that is intended for premature infants with the disease NEC. This qualifies the applicant for certain benefits from a special group within the FDA in connection with the process to register the product as a pharmaceutical. It also means that the product is allowed an exclusivity period of seven years regardless of the patent situation and it can also entitle to certain tax reductions and finance possibilities. We are pleased to see that the product has been granted orphan drug status, since this means that it is assessed to be of major importance for the premature infants. The next step in the process is to draw up a plan for actual development of the drug and get it approved by the FDA. BioGaia does not intend to develop the drug on its own, and when the time is right we will seek partners that can assume a large share of the financial risks. Business related to this field will be handled by the subsidiary Infant Bacterial Therapeutics. So far we have invested around SEK 2 million in this project, an amount that is included in R&D expenses without exceeding the level that is normal for the company.

To a large extent, our sales work is focused on the major highly populated countries and we hope that these activities will result in new agreements and comparatively fast launches during the current and coming year. We remain committed to achieving continued healthy growth in sales, both through increased sales among our existing distribution partners and by entering new markets where our products have not previously been sold.

FINANCIAL PERFORMANCE IN THE FIRST HALF OF 2013

Sales

Consolidated net sales reached SEK 163.5 million (154.0) (excluding the previous year's licence revenue from Nestlé), which is an increase of SEK 9.5 million (6%).

Most of the company's sales are denominated in foreign currency, primarily EUR but also USD and JPY. With unchanged exchange rates, net sales would have been SEK 6.7 million higher. Excluding foreign exchange effects, net sales (excluding license revenue) thus increased by 11%. Exchange rate fluctuations for EUR, USD and JPY reduce both revenue and expenses. Operating profit would have been SEK 3.1 million higher in the event of unchanged exchange rates which means an increase by 4% compared to the same period last year.

Including license revenue from Nestlé, net sales for the first half of 2012 amounted to SEK 510.0 million. Net sales for 2012 included license revenue from Nestlé of SEK 356 million that is regarded as non-recurring revenue. In February 2012 BioGaia signed several new agreements with Nestlé including the acquisition of a perpetual license to use BioGaia's probiotic in infant formula during the remaining term of the patent. The purchase price was EUR 50.8 million, of which EUR 40.0 million (SEK 356 million) was received and recognised in the first quarter of 2012. The additional payments of EUR 10.8 million will be received during the period 2014-2017 on the achievement of predefined milestones. Following the sale of the license, culture sales to Nestlé have fallen since the third quarter of 2012, due to significantly lower margin on these sales.

Sales by segment

FINISHED CONSUMER PRODUCTS

Sales of finished consumer products rose by SEK 12.8 million (11%) compared to the same period of last year and amounted to SEK 134.6 million. Excluding foreign exchange effects, the increase was 15%.

Sales of finished consumer products grew primarily in Europe. Sales also rose in Asia and "Rest of world", but fell in the USA and Canada. The increase in Europe is primarily due to higher sales in Finland, Italy and Ukraine. The improvement in "Rest of world" is attributable to South Africa, Chile and Mexico. In Asia, sales were up in Indonesia but declined in Japan.

The decrease in the USA and Canada is a result of lower sales of tablets to Fleet, since the company purchased large inventories in connection with the launch last year. The first deliveries to the new distributor of drops in the USA, Gerber, took place in the second quarter of 2013 and are largely on par with deliveries to the former distributor in the USA during the same period of last year.

For the past 12-month period, sales of finished consumer products have risen by 11%. Excluding foreign exchange effects, the increase was 17%.

COMPONENT PRODUCTS

Sales of component products were down by SEK 3.4 million to SEK 27.9 million (-11%) compared to the same period of last year (excluding license revenue from Nestlé). The decrease is a consequence of the agreement with Nestlé in 2012 (see above), but the revenue arising from the new agreement with Nestlé has resulted in an increase in sales and is approaching the previous year's level.

Sales of component products declined primarily in Europe, which is due to the agreement with Nestlé (see above).

For the past 12-month period, sales of component products have decreased by 42%, which is a result of the license agreement with Nestlé in 2012.

<u>Sales by geographic market</u>

Sales in Europe rose by SEK 13.2 million (12%) (excluding license revenue from Nestlé). Sales of finished consumer products increased while sales of component products decreased. For the past 12-month period, sales in Europe fell by 1% (excluding license revenue from Nestlé).

Sales in the USA and Canada decreased by SEK 8.2 million (-49%), which is mainly due to lower sales to Fleet (see above). For the past 12-month period, sales were down by 33%.

Sales in Asia were up by SEK 1.0 million (5%), which is explained by higher sales of finished consumer products. For the past 12-month period, sales in Asia declined by 5%.

Sales in "Rest of world" improved by SEK 3.4 million (29%), which is explained by higher sales of finished consumer products in Chile, Mexico and South Africa. For the past 12-month period, sales increased by 14%.

<u>The BioGaia brand</u>

Of total finished consumer products, 55% (52) were sold under the BioGaia brand, including so-called co-branding.

Gross profit

Gross profit amounted to SEK 111.8 million (109.7) (excluding the previous year's license revenue from Nestlé), which is an increase of SEK 2.1 million (2%) compared to the same period of last year. Including licence revenue from Nestlé, gross profit for the first half of 2012 was SEK 465.7 million.

The total gross margin (excluding license revenue) fell somewhat from 71% to 68%, which is mainly attributable to lower gross margin for component products (see below).

The gross margin for component products decreased from 67% to 50%. This is due to a lower margin on sales of culture to Nestlé, since BioGaia sells the culture at a significantly lower price following the sale of the perpetual license for use of *Lactobacillus reuteri* Protectis in infant formula.

The gross margin for finished consumer products was unchanged at 72%.

Operating expenses

Selling expenses totalled SEK 39.4 million (38.5), which is equal to 24% (25) of net sales. The increase of SEK 0.9 million (2%) is mainly attributable to higher personnel expenses. For the past 12-month period, selling expenses rose by 8%.

Administrative expenses amounted to SEK 7.8 million (6.8), which is equal to 5% (4) of net sales. The increase of SEK 1.0 million (15%) is primarily a result of higher personnel expenses. For the past 12-month period, administrative expenses were up by 6%.

R&D expenses were reported at SEK 21.9 million (18.3), which is equal to 13% (12) of net sales. The increase of SEK 3.6 million (20%) is mainly due to higher costs for clinical studies but also higher personnel expenses. For the past 12-month period, R&D expenses rose by 10%. The amortisation component of R&D expenses was SEK 0.2 million (0.3). Investments in capitalised development expenses totalled SEK 0 million (0).

Other operating income/expenses refer to foreign exchange gains/losses on operating receivables and liabilities.

Operating profit

Operating profit was SEK 44.1 million (45.5) (excluding the previous year's license revenue from Nestlé), which is SEK 1.4 million (-3%) lower than in the same period of last year.

Including licence revenue from Nestlé, operating profit for the first half of 2012 was SEK 401.5 million.

Financial items and profit before tax

Profit before tax was SEK 45.4 million (52.5) (excluding the previous year's license revenue from Nestlé), which is a decrease of SEK 7.1 million (-14%) compared to the same period of last year.

Including licence revenue from Nestlé, profit before tax for the first half of 2012 amounted to SEK 408.5 million.

Net financial items include a foreign exchange loss of SEK 1.5 million on forward exchange contracts in EUR. The figure for the first half of the previous year included a foreign exchange gain of SEK 3.0 million. At 30 June 2013 the company had outstanding forward exchange contracts for EUR 12.7 million at an average exchange rate of SEK 8.81. Forward exchange contracts amounting to EUR 3.7 million will mature for payment in 2013, EUR 7.9 million in 2014 and the remaining EUR 1.1 million in 2015. The actual exchange gain/loss depends on the exchange rate on the maturity date of the contracts. If the EUR rate on the maturity date is lower/higher than that 30 June 2013 (8.71), an exchange gain/loss will be recognised in the future.

Profit after tax

Profit after tax was SEK 34.5 million (37.5) (excluding the previous year's license revenue from Nestlé), which is SEK 3.0 million (8%) lower than in the same period of last year.

Including licence revenue from Nestlé, profit after tax for the first half of 2012 was SEK 299.9 million.

The tax rate for the Group was 24% (29). The Group pays tax on profits in the Swedish companies. The Swedish companies have made provisions to untaxed reserves in 2012. For this, deferred tax of SEK 24.6 million has been recognised.

The loss in Japan is not deductible against the Swedish profits. Loss carryforwards in the Japanese subsidiary at 30 June 2013 amounted to SEK 58.4 million. The deferred tax asset for these has not been recognised, since a sustainable profit level has not yet been shown in the Japanese subsidiary.

Earnings per share

Earnings per share amounted to SEK 1.85 (2.08) (excluding the previous year's license revenue from Nestlé). Including license revenue from Nestlé in 2012, earnings per share for the first half of 2012 were SEK 17.27.

Cash flow

The Group's cash and cash equivalents at 30 June 2013 totalled SEK 249.6 million (414.5). Cash flow since 30 June 2012 includes dividends of SEK 172.7 million, tax payments of SEK 65.6 million and investments in TwoPac of SEK 14.8 million.

Cash flow for the first half of 2013 amounted to SEK -125.5 million (243.1). The first half of 2012 included the payment of SEK 356.0 million in licence revenue from Nestlé.

Equity

Consolidated equity amounted to SEK 318.1 million (428.0). The Group's equity/assets ratio was 83 (79)%.

In June 2012 BioGaia carried out the warrant programme that was resolved on by the Annual General Meeting the same year. A total of 87,000 warrants were subscribed for, of which the management subscribed for 41,000. The warrants were issued at a market price of SEK 14.27 each following valuation according to the Black & Scholes formula, which provided the Parent Company with proceeds of SEK 1.3 million. Each warrant entitles the holder to subscribe for one class B share for SEK 241.90 on 1 June 2015. Volatility was estimated at 40.

If all of the subscription warrants are exercised, the company's equity will be increased by SEK 21.0 million. This represents a dilutive effect of approximately 0.5% on the share capital and 0.4% on the total number of votes upon the full exercise of warrants.

In order to achieve a high level of participation, the AGM decided to pay a subsidy of SEK 10 per warrant (after 1 June 2015) to the employees who have subscribed for subscription warrants but have not exercised the right to buy shares. No provisions for this obligation have yet been made, since the assessment is that with the applicable market price, all holders should exercise the right to buy shares. However, the need will be continuously evaluated.

Investments in property, plant and equipment

Investments in property, plant and equipment during the first half of 2013 amounted to SEK 5.2 million (17.8), of which SEK 4.1 million (16.8) refers to TwoPac AB.

Subsidiary in Japan

Net sales in the Japanese subsidiary during the first half of the year are reported at SEK 4.8 million (7.5). Operating profit in the Japanese subsidiary was SEK -3.6 million (-2.6). The drop in sales to the distributor is due to lower inventory in connection with rationalisations in distribution and discontinued sales by a drug store chain. The company is taking steps to replace this customer.

Subsidiary TwoPac AB

TwoPac AB has been owned to 50% by BioGaia and 50% by TwoPac's management. Since 1 January 2011, TwoPac is consolidated in the BioGaia Group. On 1 July 2013 BioGaia acquired the remaining 50% of TwoPac (see below).

Net sales in TwoPac amounted to SEK 21.0 million (15.4). Operating profit was SEK 7.3 million (5.1). Profit after tax was SEK 5.4 million (3.5).

Subsidiary CapAble AB

CapAble, which is owned 90.1% by BioGaia AB and 9.9% by the company's president, was started in 2008 to manufacture and sell the patented LifeTop Cap.

Net sales in CapAble during the first half of 2013 totalled SEK 0 million (0). Operating profit was SEK -1.4 million (-1.3). The reason for the lack of sales during the first quarter is that the machine that manufactures LifeTop Cap has been rebuilt to improve the quality of product. A first trial delivery took place at the beginning of the third quarter.

Parent Company

Net sales in the Parent Company reached SEK 160.4 million (504.3) and profit before tax and appropriations was SEK 37.6 million (404.4).

Since it is uncertain whether the receivable from BioGaia Japan will be recovered in the foreseeable future, a provision has been made for the amount in question. This has resulted in an impairment loss of SEK 6.5 million (4.8), which has had a negative impact on profit.

Profit after tax was SEK 28.4 million (297.1). Cash flow in the Parent Company totalled SEK -126.0 million (246.4).

FINANCIAL PERFORMANCE IN THE SECOND QUARTER OF 2013

Second quarter sales

Sales for the second quarter amounted to SEK 85.3 million (75.7), up by SEK 9.6 million (13%) compared to the same period of last year. Excluding foreign exchange effects, the increase was 17%.

Compared to the previous quarter, sales rose by SEK 7.2 million.

Sales of finished consumer products amounted to SEK 69.0 million (67.1), an improvement of SEK 1.9 million (3%) compared to the same period of last year. Excluding foreign exchange effects, the increase was 8%. Sales rose in Europe, "Rest of world" and also somewhat in Asia, but declined in the USA due to lower sales of tablets to Fleet, since the company purchased large inventories in connection with the launch last year.

Sales of component products reached SEK 16.0 million (8.3), up by SEK 7.7 million (93%) compared to the same period of last year. This is mainly explained by the fact that the first revenue from the new agreement with Nestlé (see below) was recognised during the quarter. Excluding foreign exchange effects, the increase was 98%.

Gross profit for the second quarter

Gross profit amounted to SEK 59.9 million (54.1), an increase of SEK 5.8 million (11%) compared to the same period of last year. The total gross margin was 70%, compared to 71% in the year-earlier period. The gross margin for finished consumer products rose from 72% to 74% as a result of the product mix. For component products, the gross margin fell from 65% to 56% as a result of a lower margin on sales to of culture to Nestlé following the sale of the perpetual license for use of *Lactobacillus reuteri* Protectis in infant formula.

Other operating expenses in the second quarter

Selling expenses decreased from SEK 20.8 million to SEK 20.0 million in the second quarter compared to the same period of last year. This is explained by lower expenses for marketing activities. Compared to the first quarter of 2013, selling expenses were up by SEK 0.7 million.

Administrative expenses rose by SEK 0.6 million (16%) to SEK 4.3 million compared to the same period of last year. This is mainly due to higher personnel expenses. Compared to the previous quarter, administrative expenses increased by SEK 0.8 million.

R&D expenses for the second quarter amounted to SEK 11.6 million (9.9), which is an increase of SEK 1.7 million (17%) compared to the same period of last year. The large increase is due to higher costs for clinical studies. Compared to the first quarter, R&D expenses were up by SEK 1.4 million.

Operating profit for the second quarter

Operating profit for the second quarter was SEK 26.3 million (19.4), which is an increase of SEK 6.9 million (36%) compared to the same period of last year. Excluding foreign exchange effects, the increase was 43%. The improvement is a result of higher sales and a stronger gross profit.

Profit before tax for the second quarter

Profit before tax for the second quarter was SEK 22.7 million (23.6), which is a decrease of SEK 0.9 million (-4%) compared to the same period of last year. Net financial items include a foreign exchange loss of SEK 4.7 million on forward exchange contracts in EUR (for more information, see above). The corresponding period of last year included a foreign exchange gain of SEK 1.6 million.

Profit after tax for the second quarter

Profit after tax was SEK 16.9 million (16.7), which SEK 0.2 million (1%) higher than in the same period of last year.

Cash flow for the second quarter

Cash flow for the second quarter was SEK -148.3 million (-115.5). This figure includes dividends of SEK 172.7 million (103,6).

KEY EVENTS IN THE SECOND QUARTER OF 2013

Launches in the second quarter of 2013

Distributor/licensee	Product	Country
Ewopharma	Gut health tablets with Vitamin D	Bulgaria
Ferozsons Laboratorium	Drops and Gut health tablets with lemon flavour	Pakistan
Gerber Products Company	Drops	USA
Nestlé	Infant formula with *Lactobacillus reuteri* Protectis	Colombia, Israel and Thailand
Nestlé Mexico	Drops	Mexico
Pharmaforte	Oral health tablets and oral health drops	Singapore

Agreement for drops and tablets in South Korea

At the beginning of May BioGaia signed an agreement with Dong Sung Pharmaceutical Company Ltd for the exclusive rights to sell BioGaia's ProTectis drops, ProTectis and Gastrus gut health tablets through the retail pharmacy channel in South Korea starting in 2013. The products will be sold under BioGaia's own brand.

Agreement for drops and tablets in China

In mid-May BioGaia signed an agreement with Beijing Keyuan Xinhai Pharmaceutical Co Ltd for the exclusive rights to sell BioGaia ProTectis drops, ProTectis and Gastrus gut health tablets through the retail pharmacy channel in China starting in 2013. The products will be sold under BioGaia's own brand.

Agreement with Nestlé for new category of products

At the end of May BioGaia signed a new supply and license agreement with Nestlé for the inclusion of BioGaia's patented *Lactobacillus reuteri* in a new category of products. The long-term agreement gives Nestlé exclusive rights to utilise this probiotic in an additional range of products in a large number of countries, with a focus on emerging markets.

This is the third agreement with Nestlé following the sale of the perpetual license to use *Lactobacillus reuteri* in infant nutrition to Nestlé in February 2012. The new agreement illustrates the excellent collaboration between the two companies, with cooperation in both the scientific and commercial fields.

KEY EVENTS AFTER THE END OF THE SECOND QUARTER

BioGaia acquires remaining 50% of TwoPac AB

TwoPac AB was formed in 2002 to manufacture and develop packaging solutions for probiotics. At present the company primarily produces probiotic drops, but also straws on behalf of BioGaia. The company's revenue consists entirely of sales to BioGaia. In 2012 the company completed a new factory in Eslöv, Sweden, that was financed mainly with loans from BioGaia. TwoPac is consolidated in the Group since 1 January 2011.

BioGaia has previously owned 50% of TwoPac AB and the remaining shares have been held by TwoPac's management. In June BioGaia signed an agreement to acquire the remaining 50% of the company. The total purchase consideration amounts to SEK 30 million and the change of ownership took place on 1 July 2013.

TwoPac AB has thus become a wholly owned subsidiary of BioGaia AB. The motives for the acquisition are to gain full control over part of the company's product manufacturing, but above all to join forces with TwoPac in effective development of new products that can be manufactured at a reasonable cost.

BioGaia acquired the remaining 50% of TwoPac AB on 1 July 2013. A controlling influence was acquired already on 1 January 2011, although no shares were purchased at the time since the assessment was that BioGaia had a control as of that date. As a result, only cash and cash equivalents and total equity were affected by the acquisition of the remaining 50%. If the acquisition had taken place on 1 January 2013, this would only have led to a shift of SEK 2.7 million in the distribution between the majority holding and non-controlling interests in profit and equity.

Per Hjalmarsson, a former shareholder and the President of TwoPac, will continue to lead the company's operations.

FDA approves BioGaia's request for orphan drug designation

Necrotising enterocolitis (NEC) is a rare and extremely severe disease that affects premature infants. BioGaia is in a very early stage of investigating the possibilities of developing a drug in this field and has submitted a request for orphan drug designation in the USA. The FDA's (Food and Drug Administration) Office of Orphan Product Development approved BioGaia's request at the beginning of August.

Orphan drugs are either drugs or biologics intended for the treatment, diagnosis or prevention of rare diseases or disorders affecting less than 200,000 patients per year in the USA. An orphan drug designation qualifies the company applying for it to receive certain benefits from the US government, such as tax reductions and marketing incentives, in exchange for developing the drug.

The approval does not change the standard regulatory requirements and processes for obtaining marketing approval for a product. Consequently, all aspects of the development must be investigated, including the clinical safety and efficacy documentation required for a market authorisation.

As pharmaceuticals are not part of BioGaia's current business activities, the company is exploring how a possible development process should continue in order to avoid deflecting attention from the core business. For this purpose, all business related to this field is handled by the subsidiary Infant Bacterial Therapeutics AB.

New study shows that Lactobacillus reuteri Prodentis improves periodontal treatment

A double-blind, placebo-controlled study of chronic periodontitis patients showed that treatment with *Lactobacillus reuteri* Prodentis as an adjunct to standard treatment significantly improved efficacy by 53 per cent. The study was published in the middle of August in Journal of Clinical Praodontology.

KEY EVENTS EARLIER IN 2013

Launches in the first quarter of 2013

Distributor/licensee	Product	Country
BG Distribution	Gut health tablets with strawberry flavour	Hungary
Laboratoire PediAct	Gut health tablets with strawberry flavour	France
Verman	Gut health tablets with Vitamin D	Finland

EMPLOYEES

The number of employees in the Group (including TwoPac AB) at 30 June 2013 was 84 (69).

Incentive scheme for the employees

In June 2012 BioGaia carried out the subscription warrant programme for all employees in the BioGaia Group that was resolved on by the AGM the same year. For more information, see above under "Equity".

SIGNIFICANT RISKS AND UNCERTAINTIES; GROUP AND PARENT COMPANY

The Japanese subsidiary has operated at a loss since the start in 2006. The business model previously used was found to be unsuccessful and in 2010 a decision was made to change the business model in Japan to that which is used in the other markets. On the balance sheet date, assets in the Japanese subsidiary were reported at SEK 8.3 million in the Group. BioGaia's assessment is that there is no indication of impairment of these assets. In the Parent Company, all receivables and participations in the Japanese subsidiary have been written down to zero.

CapAble, which is 90.1% owned by BioGaia AB, was started in November 2008 to manufacture and sell the patented LifeTop Cap. The shares in the subsidiary CapAble amount to a total of SEK 6,9 million in the Parent Company. CapAble has operated at a loss since the start in 2008. BioGaia made total conditional shareholder contributions of SEK 6 million to CapAble in 2009 and 2010. BioGaia AB has made total group contributions of SEK 7.3 million during the period from 2010 to 2012. Profit before tax for the first half of 2013 was SEK -1.4 million (-1.3).

On the balance sheet date, assets in CapAble were reported at SEK 6.1 million in the Group. BioGaia's assessment is that CapAble will show profitability in coming years, for which reason there was no indication of impairment on the balance sheet date.

In February 2012 BioGaia signed several new agreements with Nestlé including the acquisition of a perpetual license to use BioGaia's probiotic in infant formula during the remaining term of the patent. The purchase price was EUR 50.8 million, of which EUR 40.0 million (SEK 356 million) was received and recognised as revenue in 2012 according to generally accepted accounting practices. The additional payments of EUR 10.8 million will be received during the period 2014-2017 on the achievement of predefined milestones. The company assesses the probability of achieving these milestones as high, but feels that the degree of uncertainty is still too large to recognise this revenue in accordance with generally accepted accounting practices.

For further information, see the administration report and Notes 28 and 29 of the annual report for 2012.

ACCOUNTING POLICIES

The consolidated financial statements are presented in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations published by the IFRS Interpretations Committee (IFRIC) that have been endorsed by the European Commission for application in the EU.

This interim report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Unless otherwise stated below, the Group and Parent Company have applied the same accounting and valuation standards as in the latest annual report.

New accounting standards

The applied accounting policies correspond to those described in the annual report for 2012, aside from a number of minor amendments to existing standards and new interpretations that are effective as of 1 January 2013. These are not assessed to have any significant impact on the Group's or the Parent Company's profit, financial position or disclosures.

FUTURE OUTLOOK

BioGaia's goal is to create strong value growth and a good return for the shareholders. This will be achieved through a greater emphasis on the BioGaia brand, increased sales to both existing and new customers and a controlled cost level.

The financial target is a sustainable operating margin (operating profit in relation to sales) of at least 30% with continued strong growth and increased investments in research, product development and brand building.

BioGaia's dividend policy is to pay a shareholder dividend equal to 40% of profit after tax.

In view of the Company's strong portfolio consisting of an increased number of innovative products partly under the company's own brand, together with successful clinical trials and a growing distribution network covering a large share of the key markets, BioGaia's future outlook is bright.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in SEK 000s)	**Jan-June 2013**	Jan-June 2012	**April-June 2013**	April-June 2012	Jan-Dec 2012	**July 2012-June 2013**	July 2011-June 2012
Net sales	**163,485**	154,031	**85,343**	75,742	289,248	**298,702**	309,534
License revenue	**-**	356,004	**-**	-	356,004	**-**	356,004
Cost of goods sold	**-51,641**	-44,371	**-25,460**	-21,607	-88,179	**-95,449**	-94,817
Gross profit	***111,844***	*465,664*	***59,883***	*54,135*	*557,073*	***203,253***	*570,721*
Selling expenses	**-39,371**	-38,472	**-20,047**	-20,795	-77,361	**-78,260**	-72,292
Administrative expenses	**-7,847**	-6,835	**-4,323**	-3,682	-13,423	**-14,435**	-13,635
Research and development expenses	**-21,861**	-18,268	**-11,645**	-9,854	-35,788	**-39,381**	-35,639
Other operating income	**1,319**	-	**2,462**	-	-	**1,319**	-
Other operating expenses	**-**	-614	**-**	-410	-2,431	**-1,817**	-1,815
Operating profit	***44,084***	*401,475*	***26,330***	*19,394*	*428,070*	***70,679***	*447,340*
Financial income	**2,891**	7,111	**1,041**	4,256	14,245	**10,025**	11,599
Financial expenses	**-1,608**	-39	**-4,707**	-17	-73	**-1,642**	646
Profit before tax	***45,367***	*408,547*	***22,664***	*23,633*	*442,242*	***79,062***	*459,585*
Tax	**-10,833**	-108,641	**-5,807**	-6,922	-112,371	**-14,563**	-122,336
PROFIT FOR THE PERIOD	**34,534**	299,906	**16,857**	16,711	329,871	**64,499**	337,249
Items that will be reclassified to profit or loss							
Gains/losses arising on translation of the financial statements of foreign operations	**-558**	160	**21**	856	-1,059	**-1,777**	1,187
Comprehensive income for the period	**33,976**	300,066	**16,878**	17,567	328,812	**62,722**	338,436

	Jan-June 2013	Jan-June 2012	**April-June 2013**	April-June 2012	Jan-Dec 2012
Profit for the period attributable to:					
Owners of the Parent Company	**31,994**	298,266	**15,285**	15,458	326,970
Non-controlling interests	**2,540**	1,640	**1,572**	1,253	2,901
	34,534	299,906	**16,857**	16,711	329,871
Comprehensive income for the period attributable to:					
Owners of the Parent Company	**31,436**	298,426	**15,306**	16,314	325,911
Non-controlling interests	**2,540**	1,640	**1,572**	1,253	2,901
	33,976	300,066	**16,878**	17,567	328,812
Earnings per share					
Basic earnings per share (average number of shares), SEK	**1.85**	17.27	**0.89**	0.90	18.93
Diluted earnings per share, SEK	**1.85**	17.27	**0.89**	0.90	18.93
Number of shares, thousands	**17,271**	17,271	**17,271**	17,271	17,271
Average number of shares, thousands	**17,271**	17,271	**17,271**	17,271	17,271
Number of outstanding warrants, thousands	**87**	83	**87**	83	87
Number of outstanding warrants with a dilutive effect, thousands	**-**	-	**-**	-	-
Number of shares after dilution, thousands	**17,271**	17,271	**17,271**	17,271	17,271

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	**30 June**	31 Dec	30 June
(Amounts in SEK 000s)	**2013**	2012	2012
ASSETS			
Intangible assets	**-**	-	90
Property, plant and equipment	**51,824**	49,193	39,506
Other non-current receivables	**17**	17	18
Total non-current assets	***51,841***	*49,210*	*39,614*
Current assets excl. cash and cash equivalents	**80,321**	92,838	88,466
Cash and cash equivalents	**249,560**	374,974	414,499
Total current assets	***329,881***	*467,812*	*502,965*
TOTAL ASSETS	**381,722**	517,022	542,579
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company	**312,027**	453,303	425,742
Non-controlling interests	**6,033**	3,491	2,230
Total equity	**318,060**	456,794	427,972
Provision for deferred tax	**24,649**	24,710	185
Interest-free current liabilities	**39,013**	35,518	114,422
TOTAL EQUITY AND LIABILITIES	**381,722**	517,022	542,579
Pledged assets	**2,000**	2,000	2,375

CONSOLIDATED CASH FLOW STATEMENTS	**Jan-June**	Jan-June	**April-June**	April-June	Jan-Dec
(Amounts in SEK 000s)	**2013**	2012	**2013**	2012	2012
Operating activities					
Operating profit	**44,084**	401,475	**26,330**	19,394	428,070
Depreciation/amortisation	**2,511**	2,641	**1,249**	1,381	4,545
Other non-cash items	**-134**	76	**-239**	-190	346
	46,461	404,192	**27,340**	20,585	432,961
Gains/losses on realised forward exchange contracts	**447**	667	**96**	382	2,818
Paid tax	**-1,145**	-41,294	**1,311**	-24,048	-105,736
Interest received and paid	**2,828**	4,051	**1,025**	2,657	8,496
Cash flow from operating activities before changes in working capital	**48,591**	367,616	**29,772**	-424	338,539
Changes in working capital	**3,741**	-4,227	**-1,628**	-4,689	-2,982
Cash flow from operating activities	***52,332***	*363,389*	***28,144***	*-5,113*	*335,557*
Cash flow from investing activities	***-5,166***	-17,805	***-3,756***	-7,984	-29,391
Cash flow from financing activities	***-172,710***	-102,449	***-172,710***	-102,449	-102,373
Cash flow for the period	**-125,544**	243,135	**-148,322**	-115,546	203,793
Cash and cash equivalents at beginning of period	**374,974**	171,534	**397,624**	529,923	171,534
Exchange difference in cash and cash equivalents	**130**	-170	**258**	122	-353
Cash and cash equivalents at end of period	**249,560**	414,499	**249,560**	414,499	374,974

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in SEK 000s)	Jan-June 2013	Jan-June 2012	Jan-Dec 2012
At beginning of period	**456,794**	230,355	230,355
Dividends	**-172,710**	-103,626	-103,626
Subscription warrants	**-**	1,177	1,253
Comprehensive income for the period	**33,976**	300,066	328,812
At end of period	**318,060**	427,972	456,794

REPORTING BY SEGMENT – GROUP

(Amounts in SEK 000s)

Revenue by segment	Jan-June 2013	Jan-June 2012	April-June 2013	April-June 2012	Jan-Dec 2012	July 2012- - June 2013	July 2011- - June 2012
Finished consumer products	**134,610**	121,821	**68,982**	67,050	237,583	**250,372**	225,792
Component products	**27,907**	31,342	**15,964**	8,335	50,577	**47,142**	81,761
License revenue (component products) 1)	**-**	356,004	**-**	-	356,004	**-**	356,004
Other products	**968**	868	**397**	357	1,088	**1,188**	1,981
	163,485	510,035	**85,343**	75,742	645,252	**298,702**	665,538

Gross profit by segment	Jan-June 2013	Jan-June 2012	April-June 2013	April-June 2012	Jan-Dec 2012	Juli 2012- - June 2013	July 2011- - June 2012
Finished consumer products	**97,384**	87,855	**50,788**	48,391	170,275	**179,804**	164,157
Component products	**13,918**	21,103	**8,991**	5,426	29,935	**22,750**	48,836
License revenue (component products) 1)	**-**	356,004	**-**	-	356,004	**-**	356,004
Other products	**542**	702	**104**	318	859	**699**	1,724
	111,844	465,664	**59,883**	54,135	557,073	**203,253**	570,721

1) License revenue refers to revenue from Nestlé (see above in text). The license revenue is included in component products but is reported on a separate line in order to achieve better comparability between years.

Revenue by geographical market

Net sales	Jan-June 2013	Jan-June 2012	April-June 2013	April-June 2012	Jan-Dec 2012	Juli 2012- - June 2013	July 2011- - June 2012
Europe	**120,409**	107,157	**60,154**	47,608	203,328	**216,580**	219,358
License revenue (Europe) 1)	**-**	356,004	**-**	-	356,004	**-**	356,004
USA and Canada	**8,483**	16,708	**6,182**	11,405	28,422	**20,197**	30,158
Asia	**19,412**	18,380	**10,955**	9,986	32,420	**33,452**	35,075
Rest of world	**15,181**	11,786	**8,052**	6,743	25,078	**28,473**	24,943
	163,485	510,035	**85,343**	75,742	645,252	**298,702**	665,538

1) License revenue refers to revenue from Nestlé (see above in text). The license revenue is included in Europe.

PARENT COMPANY INCOME STATEMENTS	**Jan-June**	Jan-June	Jan-Dec
(Amounts in SEK 000s)	**2013**	2012	2012
Net sales	**160,421**	148,351	278,515
License revenue	**-**	356,004	356,004
Cost of goods sold	**-59,996**	-49,519	-97,475
Gross profit	**100,425**	454,836	537,044
Selling expenses	**-30,872**	-29,129	-57,673
Administrative expenses	**-7,205**	-6,295	-12,248
Research and development expenses	**-21,959**	-18,239	-35,868
Other operating income	**1,319**	-	-
Other operating expenses	**-**	-614	-2,430
Operating profit	**41,708**	400,559	428,825
Impairment loss on receivable from subsidiary	**-6,473**	-4,813	-8,574
Impairment loss on shares in subsidiary	**-**	-	-2,583
Net financial items	**2,371**	8,681	17,220
Profit before appropriations and tax	**37,606**	404,427	434,888
Provisions to tax allocation reserve	**-**	-	-109,341
Profit before tax	**37,606**	404,427	325,547
Tax expense	**-9,210**	-107,369	-86,270
PROFIT FOR THE PERIOD	**28,396**	297,058	239,277

PARENT COMPANY BALANCE SHEETS	**30 June**	31 Dec	30 June
	2013	2012	2012
ASSETS			
Intangible assets	**-**	-	90
Property, plant and equipment	**1,926**	2,275	2,055
Shares in group companies	**21,160**	21,160	21,160
Non-current receivables from subsidiaries	**24,513**	24,513	21,513
Total non-current assets	***47,599***	*47,948*	*44,818*
Current assets excl. cash and cash equivalents	**70,477**	85,009	76,280
Cash and cash equivalents	**245,540**	371,448	408,054
Total current assets	***316,017***	*456,457*	*484,334*
TOTAL ASSETS	**363,616**	504,405	529,152
EQUITY AND LIABILITIES			
Equity	**205,346**	349,660	407,365
Tax allocation reserve	**109,341**	109,341	-
Interest-free current liabilities	**48,929**	45,404	121,787
TOTAL EQUITY AND LIABILITIES	**363,616**	504,405	529,152
Pledged assets	**2,000**	2,000	2,000

PARENT COMPANY CASH FLOW STATEMENTS	Jan-June 2013	Jan-June 2012	Jan-Dec 2012
Operating activities			
Operating profit	**41,708**	400,559	428,825
Depreciation/amortisation	**595**	766	1,510
Other non-cash items	**-134**	76	308
Gain/losses on realised foreign exchange contracts	**447**	667	2,818
Paid tax	**-1,129**	-41,273	-105,690
Interest received and paid	**3,131**	4,361	9,120
Cash flow from operating activities before changes in working capital	**44,618**	365,156	336,891
Changes in working capital	**6,371**	-9,092	-13,512
Cash flow from operating activities	**50,989**	356,064	323,379
Cash flow from investing activities	**-4,321**	-7,250	-11,123
Cash flow from financing activities	**-172,710**	-102,449	-102,373
Cash flow for the period	**-126,042**	246,365	209,883
Cash and cash equivalents at beginning of period	**371,448**	161,865	161,865
Exchange difference in cash and cash equivalents	**134**	-176	-300
Cash and cash equivalents at end of period	**245,540**	408,054	371,448

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

(Amounts in SEK 000s)	Jan-June 2013	Jan-June 2012	Jan-Dec 2012
At beginning of year	**349,660**	212,756	212,756
Dividends	**-172,710**	-103,626	-103,626
Subscription warrant programme	**-**	1,177	1,253
Profit for the period	**28,396**	297,058	239,277
At end of period	**205,346**	407,365	349,660

RELATED PARTY TRANSACTIONS – PARENT COMPANY

(Amounts in SEK 000s)

The Parent Company holds 100% of the shares in BioGaia Biologics Inc, USA , BioGaia Japan Inc and Tripac AB.

The Parent Company holds 90.1% of the shares in CapAble AB.
The Parent Company holds 50% of the shares in TwoPac AB, which is reported as a group company. On 1 July 2013, BioGaia acquired the remaining 50% of TwoPac AB and thereafter holds 100%.

The following transactions have taken place with BioGaia Japan	**Jan-June 2013**	Jan-June 2012	Jan-Dec 2012
Interest income	**770**	1,278	2,386
Loan provided	**-4,076**	-1,670	-1,670
Sale of goods	**1,627**	1,865	4,518

Due to uncertainty about whether the receivable from BioGaia Japan will be recovered in the foreseeable future, a provision has been made for this amount.

The following transactions have taken place with TwoPac AB (incl. subsidiary)

	Jan-June 2013	Jan-June 2012	Jan-Dec 2012
Interest income	**301**	310	643
Loan provided	**-**	-5,000	-8,000
Purchase of goods	**-20,969**	-15,415	-29,314

No significant transactions have taken place with other closely related companies.

The closing balance at the end of the period was as follows:

	30 June 2013	30 June 2012	31 Dec 2012
Non-current receivables from TwoPac AB (incl. subsidiary)	**23,491**	20,491	23,491
Current transactions with related parties			
Current receivables from TwoPac AB	**167**	162	164
Current liabilities to TwoPac AB	**-5,972**	-2,212	-1,972
	-5,805	-2,050	-1,808

Annwall & Rothschild Investment AB holds 740,668 class A shares and 1,259,332 class B shares, which is equal to 11.6% of the share capital and 36.2% of the votes. Annwall & Rothschild Investment AB is owned by Peter Rothschild, President of BioGaia, and Jan Annwall, a member of the Board of the Parent Company. The only transaction that took place during 2013 is the payment of a dividend of SEK 10 per share. No other transactions between BioGaia and Annwall& Rothschild Investment AB took place during the period.

CONSOLIDATED KEY RATIOS 1)	**Jan-June 2013**	Jan-June 2012	Jan-June 2012 excl. non-recurring revenue
Net sales, SEK 000s	**163,485**	510,035	154,031
Operating profit, SEK 000s	**44,084**	401,475	45,471
Profit after tax, SEK 000s	**34,534**	299,906	37,531
Return on			
- average equity	**8%**	91%	18%
- average capital employed	**12%**	124%	27%
Capital employed, SEK 000s	**342,709**	428,157	165,782
Number of shares, thousands	**17,271**	17,271	17,271
Average number of shares, thousands	**17,271**	17,271	17,271
Number of outstanding warrants, thousands	**87**	83	83
Average number of outstanding warrants with a dilutive effect, thousands	**-**	-	-
Number of shares after dilution, thousands	**17,271**	17,271	17,271
Basic earnings per share, SEK	**1.85**	17,27	2.08
Diluted earnings per share, SEK	**1.85**	17.27	2.08
Basic equity per share, SEK	**18.07**	24.65	9.46
Diluted equity per share, SEK	**18.07**	24.65	9.46
Equity/assets ratio	**83%**	79%	89%
Operating margin	**27%**	79%	30%
Profit margin	**28%**	80%	34%
Average number of employees	**80**	67	67

1) The definitions of key ratios correspond to those in the annual report.
2) Excluding licence revenue from Nestlé (see above under "Financial performance in the first half of 2013").

FINANCIAL CALENDAR

23 October 2013 Interim report 1 January – 30 September 2013
12 February 2014 Year-end report 2013

This interim report provides a true and fair picture of the business activities, financial position and results of operations of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 22 August 2013

David Dangoor
Board Chairman

Jan Annwall
Board member

Stefan Elving
Board member

Thomas Flinck
Board member

Inger Holmström
Board member

Jörgen Thorball
Board member

Paula Zeilon
Board member

Peter Rothschild
President

Review of Interim Financial Information Performed by the Independent Auditor of the Entity

Introduction
We have reviewed the interim financial information (interim report) for BioGaia AB (publ), corporate identity number 556380-8723, at 30 June 2013 and for the financial year then ended. The Board of Directors and Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review
We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by FAR. 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 ISA (International Standards on Auditing) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material aspects, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 22 August 2013

Grant Thornton Sweden AB

Lena Möllerström Nording
Authorised Public Accountant

BioGaia AB

The company

BioGaia is a healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on different strains of the lactic acid bacterium *Lactobacillus reuteri* (Reuteri) in combination with unique packaging solutions that make it possible to create probiotic products with a long shelf life.

The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of NASDAQ OMX Nordic Exchange Stockholm.

BioGaia has 84 employees, of whom 30 are based in Stockholm, 23 in Lund, 22 in Eslöv, two in Raleigh, USA, six in Hiroshima, Japan, and one in Shanghai, China.

Business model

BioGaia's revenue comes mainly from the sale of finished consumer products (digestive health tablets, drops, oral rehydration solution (ORS) and oral health tablets) to distributors, but also of revenue from the sale of component products such as Reuteri cultures, straws and caps.

The products are sold through nutrition, food, natural health and pharmaceutical companies in some 80 countries worldwide. BioGaia holds patents for the use of *Lactobacillus reuteri* and certain packaging solutions in all major markets.

The* BioGaia *brand

At the beginning of 2006 BioGaia launched its own consumer brand and today there are a number of distribution partners that sell finished products under the BioGaia brand in a large number of markets. One central part of BioGaia's strategy is to increase the share of sales consisting of BioGaia-branded products.

Some of BioGaia's distributors sell finished consumer products under their own brand names. For these products, the BioGaia brand is shown on the consumer package since BioGaia is both the manufacturer and licensor.

BioGaia's licensees add Reuteri culture to their products and sell these under their own brand names. On these products, the BioGaia brand is most often shown on the package as the licensor/patent holder.

Research and clinical studies

Lactobacillus reuteri is one of the world's most well researched probiotics, especially in young children. To date, 108 clinical studies using BioGaia's human strains of *Lactobacillus reuteri* have been performed on around 8,600 individuals of all ages. The results have been published in 72 articles in scientific journals.

Studies have been performed on:

- Infantile colic and digestive health in children
- Antibiotic-associated diarrhoea (AAD)
- Acute diarrhoea
- Gingivitis (inflammation of the gums)
- Periodontal disease
- General health
- *Helicobacter pylori* (the gastric ulcer bacterium).

REPORTING OF CLINICAL STUDIES

Publication of clinical trial results is a key success factor for BioGaia. The International Committee of Medical Journal Editors has initiated a policy requiring clinical investigators to deposit information about trial design into an accepted clinical trials registry before the onset of patient enrolment, and this has now become a prerequisite for publication of trial outcomes in major medical journals. ClinicalTrials.gov is a registry of clinical trials provided by the U.S. National Institutes of Health and BioGaia encourages all clinicians working with BioGaia products to register their trials on this site. Many of the trials are registered at an early stage, which means that some of the registered trials will not be performed as planned. Consequently, BioGaia takes no responsibility for ensuring that the registered trials reach completion or are successfully reported in the register or the scientific literature. When clinical trial results of significance for the company's operations do become available, BioGaia will report these through press releases.

Latest press releases from BioGaia:

2013-08-16	New study shows: *Lactobacillus reuteri* Prodentis improves periodontal treatment
2013-08-06	FDA approves BioGaia's request for orphan drug designation
2013-06-18	BioGaia acquires remaining 50 per cent of TwoPac AB

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