



Lund, April 23, 2010

CELLAVISION AB (publ)

Interim report for the period January 1 – March 31, 2010

New distribution strategy provides enhanced growth opportunities

- Net sales amounted to SEK 21.1 million (22.0).
- The operating result was SEK -4.4 million (0.9).
- The result per share amounted to SEK -0.20 (0.02).
- Cash and cash equivalents amounted to SEK 18.0 million (14.5) by the end of the quarter.
- CellaVision expanded its distribution network by entering a distribution agreement with Beckman Coulter, and by extending its cooperation with Sysmex.
- The Board of Directors of CellaVision plans to apply for a listing on NASDAQ OMX Small Cap during the first half of 2010.

CellaVision in short

(MSEK)	Q1 2010	Q1 2009	Year 2009
Net sales	21,1	22,0	109,0
Gross profit	14,0	14,1	76,5
Operating result	-4,4	0,9	14,8
Result before tax	-4,7	0,5	14,2
Cash flow	-4,0	-5,2	2,3

CEO's comment

"We opened the year by introducing our new distribution strategy, which marks a substantial shift in the distribution of our products. CellaVision signed a distribution agreement with Beckman Coulter that came into effect on January 1, while also concluding negotiations concerning an extended distribution agreement with Sysmex. Both of these important agreements will be key in a new phase of expansion – with two of the world's largest hematology companies, CellaVision will be able to reach an even wider segment of the market. In 2010 we will be focusing on increasing sales on our main markets in Europe, North America, and Japan", says Yvonne Mårtensson, CEO of CellaVision.

"During the first quarter CellaVision allocated large resources to education and support. We have managed to maintain a consistent level of expenses and gross margin, however sales were somewhat slower compared to the same period the previous year, as a consequence of the change in distribution strategy. Development projects went on with intensity during the quarter but with no capitalized costs. This makes a difference of 4.8 MSEK on the result compared to last year.

"We will continue working on listing the CellaVision share on NASDAQ OMX Stockholm, Small Cap, and aim to complete the process by the end of the half-year. The listing will make CellaVision an even more attractive partner and investment opportunity."

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CELLAVISION IN BRIEF

CellaVision AB develops, markets, and sells the market leading image analysis based systems for routine analysis of blood and other body fluids. The company has a core competence in development of software and hardware for automatic image analysis of cells and cell changes for applications in health and medical care. The company offers cutting edge expertise in advanced imaging analysis, artificial intelligence, and automated microscopy.

The CellaVision DM range of products carries out automated analyses of cells in slides of peripheral blood and other body fluids. The products contribute to increased efficiency and standardization as well as exchange of expertise within and between laboratories.

The CellaVision customers are large and medium sized hospital-laboratories and independent commercial laboratories in mainly Europe and North America. In most countries the products are sold through distributors. In the Nordic countries and through subsidiaries in the US, Canada and Japan, CellaVision sells direct.

SUMMARY OF THE PERIOD JANUARY – MARCH

Market and sales

Net sales during the first quarter of 2010 amounted to SEK 21.1 million (22.0). During the period North America accounted for 54 % (78) of sales, Europe for 42 % (22), and the rest of the world for 4 % (0). A significant portion of sales in North America during the quarter have been generated by CellaVision's own sales organization in the USA and Canada.

Traditionally, CellaVision has an uneven flow of orders, which is true for the industry as a whole, and is largely due to the distributors' sales successes and inventory levels. There can be significant variations in the order volumes for individual quarters. During the quarter CellaVision dedicated considerable time and focus to intense negotiations concerning distribution agreements with Beckman Coulter and Sysmex.

In order to facilitate further growth CellaVision has since January 1, 2010, expanded its network of distributors by entering an agreement with Beckman Coulter, the world's largest distributor of analyzers for hematology and clinical diagnostics. The agreement gives Beckman Coulter non-exclusive rights to selling CellaVision's products in the US as of January 1, 2010. Since 2008 CellaVision's products have been sold in the US by the company's own sales organization, in parallel to the distributor Sysmex America. With well-established distributors in the US along with the company's own North American sales organization, CellaVision will be in a better position to succeed in its strategic initiative of growth throughout the North American market. The non-exclusive agreement also gives Beckman Coulter the right to sell CellaVision's products in Latin America, Oceania, and parts of Asia, including India and China.

CellaVision's Product Offering

Analyzers:

CellaVision® DM8
CellaVision® DM96
CellaVision® DM1200

Optional application for body fluids analysis:

CellaVision® Body Fluid
Application

Software for networking and remote access:

CellaVision® Remote
Review Software

Software for proficiency testing and education:

CellaVision® Competency
Software



During the end of the first quarter of 2010 CellaVision began marketing and selling its new analyzer, the CellaVision DM1200, to customers in the US. The product was cleared by the FDA at the end of 2009 and the first sales went to an American customer and to CellaVision's new distributor Beckman Coulter, who invested in a number of analyzers with the purpose of educating its sales representatives and product specialists. With the DM1200 CellaVision can offer laboratories with medium-sized sample volumes an appropriate analyzer, reaching a wider segment of the market and thus further improving CellaVision's competitive edge. The analyzer has been available in Europe and Canada since the third quarter 2009.

On March 18, 2010, CellaVision announced that the company will extend and expand its cooperation with Sysmex by signing a global distribution agreement. The agreement gives Sysmex a non-exclusive right to sell CellaVision's products in all international markets but Canada. Sysmex, who has the global leadership position within hematology, and CellaVision have been cooperating since 2001 with an agreement covering Europe, and the relationship has developed positively ever since. The agreement has been expanded to include more markets, including Japan the country of origin for Sysmex Corporation, where the distributor will complement CellaVision's own subsidiary. Sysmex will continue to market and sell CellaVision's products to its customers, acting as a strong sales channel while furthering CellaVision's market penetration. The non-exclusive agreement came into effect April 1, 2010.

Research and development

The Body Fluid application is now being completed to become compatible with the CellaVision DM1200, and eventually a 510K application will be submitted to the FDA in order to launch the software on the US market.

During the quarter CellaVision was notified that the company will receive funding from the Swedish Governmental Agency for Innovation Systems, Vinnova, for a pre-study on malaria. The project will explore whether CellaVision's technology can be used to detect blood cells that have been infected by the malaria parasite. The company aims to have reached a conclusion as to whether the project should continue by the end of 2010.

At the end of the quarter a total of 18 patented inventions had generated 30 patents.

Operations

During the first quarter of 2010 the production of CellaVision DM1200 was moved to Kitron AB in Karlskoga, Sweden. During the development phase the analyzer was produced by Scalae, conveniently located close-by to CellaVision headquarters in Lund. Kitron AB currently produces both the CellaVision DM96 and the CellaVision DM1200.



Application for listing on NASDAQ OMX

The Board of Directors of CellaVision announced on 11 January 2010 that they are planning a change of stock exchange listing and intend to apply for a listing of the company's share on NASDAQ OMX Stockholm, Small Cap. The listing will increase opportunities for institutional investors to invest in the CellaVision share and create better share liquidity, providing the company with greater freedom of action in its continued expansion. The Board of Directors expects the listing of CellaVision on the NASDAQ OMX to take place during the first half of 2010.

Important events after the reporting period

There were no important events after the reporting period.

NET SALES, INCOME, AND INVESTMENTS

Net sales for the Group amounted to SEK 21.1 million (22.0) during the first quarter of 2010, after a negative exchange effect on SEK 2.9 million.

The gross marginal amounted to 66 % (64) during the quarter. The increased gross profit is due to increased sales by the subsidiaries.

The Group's operating result for the quarter was SEK -4.4 million (0.9). Mainly due to the fact that development projects have carried on with no capitalized costs during the quarter, making a difference of SEK 4.8 million in comparison to the same period last year, and due to one-time costs for the ongoing listing process of about SEK 1.6 million. Adjusted for exchange-rate effects the operating profit for the period would have been SEK -2.2 million. Total operating expenses for the quarter amounted to SEK 18.5 million (13.3).

CellaVision did not initiate any new development projects during the quarter. Capitalized costs regarding development projects during the quarter amounted to SEK 0.0 million (4.8). Capital expenditures during the quarter amounted to SEK 5.0 thousand (185.0).

FINANCING

The Group's cash and cash equivalents at the end of the quarter amounted to SEK 33.0 million, of which SEK 18.0 million (14.5) were liquid assets and SEK 15.0 million in unused credit facilities. The quarter's cash flow from operating activities amounted to SEK 5.1 million (10.7). The period's total cash flow amounted to SEK -4.0 million (-5.2).

To minimize exposure to currency risks, the company continuously hedges 50-75 percent of its anticipated currency net flow twelve months ahead.



PARENT COMPANY

Net sales for the parent company during the quarter amounted to SEK 20.2 million (23.6). Pre-tax earnings amounted to SEK -1.6 million (5.9).

During the quarter the parent company's gross investments amounted to SEK 0.0 million (4.9) and the net cash flow was SEK -8.9 million (-7.7).

For more information please refer to the financial information concerning the Group.

PERSONNEL

The number of employees in the Group, restated as full-time positions, was 50 (49) by the close of the period. Of these, 34 (31) were men and 16 (18) women.

OTHER INFORMATION

Group

On March 31, 2010, the Group consisted of the parent company and the wholly-owned subsidiaries CellaVision Inc. (USA), CellaVision Canada Inc. (Canada), CellaVision Japan K.K. (Japan) and CellaVision International AB

Accounting policies

The consolidated accounts are prepared in accordance with International Financial Reporting Standards, IFRS. The interim report of the group is prepared in accordance with IAS 34, Interim Financial Reporting and the Annual Accounts Act and the interim report of the parent company is prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board, RFR 2.3, Accounting for legal entities. The interim report has been prepared in accordance with the accounting policies and methods of calculation which appear in the annual report for 2009. New standards and interpretations valid as of 1 January 2010 have not affected CellaVision's financial report for the interim period.

Information about risks and uncertainties

Reduced demand and currency instabilities contribute to a level of uncertainty, although not necessarily risks. For a more detailed description of the risks and uncertainties facing CellaVision, please refer to the risk and sensitivity analysis in the Annual Report for 2009.

Financial Calendar

Interim report Jan – June	July 16, 2010
Interim report Jan – Sept	October 27, 2010
Year-End Bulletin 2010	Feb 15, 2011

The interim reports are available at www.cellavision.com.



The Board and CEO assure that this interim report reflects a fair overview of the parent company's and Group's operations, current status, and results and describes possible risks and uncertainties that the parent company and the Group may encounter.

Lund, April 23, 2010

Lars Gatenbeck
Chairman of the Board

Christer Fähræus
Member of the Board

Torbjörn Kronander
Member of the Board

Sven-Åke Henningsson
Member of the Board

Niels Freiesleben
Member of the Board

Yvonne Mårtensson
CEO

Our review report was submitted on April 23, 2010.

Deloitte AB

Per-Arne Pettersson
Authorized Public Accountant

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Corporate ID: 556500-0998

CellaVision's share is listed on First North Premier at the OMX Stockholm Stock Exchange. CellaVision is traded under the ticker symbol CEVI and the ISIN-code SE0000683484. The company's Certified Advisor is Remium AB.



REVIEW REPORT

To the Board of Directors of CellaVision AB
Corporate identity number 556500-0998

Introduction

We have conducted a review of the interim report for CellaVision AB (publ.) as of March 31, 2010 and for the three-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the 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*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly less scope than an audit in accordance with Auditing Standards in Sweden, RS, 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 would have been identified if an audit had been conducted. Accordingly, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material respects, been prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Lund, April 23, 2010
Deloitte AB

Per-Arne Pettersson
Authorized Public Accountant



Consolidated Income Statement

All amount in ' 000 SEK	Jan- Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Net Sales	21 123	21 959	108 974
Cost of goods sold	-7 099	-7 841	-32 486
Gross Profit	14 024	14 118	76 488
Sales and Marketing expenses	-8 008	-7 229	-30 443
Administration expense	-6 160	-4 025	-19 285
R&D expenses	-4 293	-1 999	-12 058
Other operating income	-	-	75
Operating result	-4 437	865	14 777
Financial income	0	13	15
Financial expense	-216	-360	-631
Result before income tax	-4 653	518	14 161
Tax	-84	-	13 559
Net result	-4 737	518	27 720

Consolidated Comprehensive Income Statement

All amount in ' 000 SEK	Jan- Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Net profit for the period	-4 737	518	27 720
Other comprehensive income:			
<u>Financial assets at fair value</u>			
Reclassified to operating result	-992		
Revaluation of financial assets	640		1 434
Income tax relating to financial assets	92		-377
<u>Translation difference</u>			
Translation difference in the group	-134	1 102	37
Sum of other comprehensive income:	-394	1 102	37
Comprehensive profit for the period	-5 131	1 620	28 814

Per share data

	Jan- Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Earnings per share, SEK */	-0,20	0,02	1,16
Equity per share SEK	2,92	2,00	3,14
Equity ratio, %	72%	58%	66%
Number of shares outstanding	23 851 547	23 851 547	23 851 547
Average number of shares outstanding	23 851 547	23 851 547	23 851 547
Stock exchange rate SEK	17,70	6,10	10,00

*/ In relation to net profit and average outstanding shares

Quarterly results

All amount in ' 000 SEK	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net Sales	21 123	39 318	26 993	20 704	21 959	38 326
Gross Profit	14 024	25 490	20 065	16 814	14 118	21 143
Gross Margin in %	66	65	74	81	64	55
Overhead cost	-18 461	-18 009	-14 594	-15 855	-13 253	-14 087
Operating result	-4 437	7 481	5 472	959	865	7 056
Net result	-4 737	20 925	5 361	916	518	19 049
Cashflow	-3 964	10 042	2 578	-5 116	-5 178	3 340



Consolidated Balance sheet

All amount in ' 000 SEK	2010-03-31	2009-03-31	2009-12-31
Assets			
Intangible assets	21 678	19 382	23 004
Tangible assets	2 022	2 774	2 270
Financial assets	25 594	12 104	25 638
Inventory	11 187	11 636	9 091
Trade receivables	13 119	17 399	25 493
Other receivables	4 982	4 436	5 892
Cash and bank	18 000	14 460	21 964
Total assets	96 582	82 191	113 352
Equity and liabilities			
Equity	69 668	47 605	74 799
Short term debt	12 321	6 656	9 361
Short term debt with interest	4 595	9 865	13 661
Trade payables	8 342	16 193	13 791
Other liabilities	1 656	1 872	1 740
Total equity and liabilities	96 582	82 191	113 352

Consolidated statement of changes in equity	2010-03-31	2009-03-31	2009-12-31
Balance at the beginning of the year	74 799	45 985	45 985
New issues	-	-	-
Net profit for the year	-5 131	1 620	28 814
Balance at the end of the year	69 668	47 605	74 799

Cash flow analysis

All amount in ' 000 SEK	Jan- Mar 2010	Jan- Mar 2009	Jan-Dec 2009
Result before taxes	-4 653	518	14 161
Adjustment for items not included in cash flow	2 956	-2 775	711
Taxes	-	-	-
Cash flow from operations before changes in working capital	-1 697	-2 257	14 872
Changes in working capital	6 923	12 953	5 708
Cash flow from operations	5 226	10 696	20 580
Capitalisation of development costs	-	-4 752	-10 648
Aquisitions in financial non-current assets	-119	-	-
Aquisitions in tangible non-current assets	-5	-185	-466
Cash flow from investment activities	-124	-4 937	-11 114
New loans and instalments of dept	-9 066	-10 937	-7 140
Cash flow from financing activities	-9 066	-10 937	-7 140
Total cash flow	-3 964	-5 178	2 326
Liquid funds at beginning of period	21 964	19 638	19 638
Liquid funds at end of period	18 000	14 460	21 964



Income Statement - Parent Company

All amount in ' 000 SEK	Jan-Mar 2009	Jan-Mar 2009	2009
Net Sales	20 184	23 588	99 290
Cost of goods sold	-8 635	-8 941	-31 970
Gross Profit	11 549	14 647	67 320
Sales and Marketing expenses	-2 597	-2 492	-10 065
Administration expense	-6 160	-4 025	-19 285
R&D expenses	-4 293	-1 999	-12 057
Other operating income	72	-	75
Operating result	-1 429	6 131	25 988
Financial income	0	12	14
Financial expense	-209	-289	-534
Result before income tax	-1 638	5 854	25 468
Tax			13 000
Net result	-1 638	5 854	38 468

Balance sheet - Parent Company

All amount in ' 000 SEK	2010-03-31	2009-03-31	2009-12-31
Assets			
Intangible assets	21 678	19 382	23 004
Tangible assets	1 896	2 617	2 114
Financial assets	25 704	12 704	25 704
Inventory	7 529	7 238	6 073
Trade receivables	28 189	28 334	43 376
Other receivables	14 889	3 786	4 463
Cash and bank	8 397	9 408	17 252
Total assets	108 282	83 469	121 986
Equity and liabilities			
Equity	83 437	52 460	85 073
Short term debt	10 378	8 196	8 049
Short term debt with interest	4 594	9 864	13 661
Trade payables	8 217	11 077	13 463
Other liabilities	1 656	1 872	1 740
Total equity and liabilities	108 282	83 469	121 986