

## Weak quarter but continued global market initiatives and sales successes in Asia

### January 1 – June 30, 2013

- Net sales were SEK 69.9 million (83.8).
- Operating profit was SEK -1.0 million (9.9).
- Profit before tax was SEK -2.0 million (9.4).
- Earnings per share were SEK -0.08 (0.24).
- Cash and cash equivalents were SEK 41.1 million (47.5) at the end of the period.

Net sales (6 months)

**-17 %**

Operating profit (6 months)

**SEK -1.0 million**

### April 1 – June 30 2013

- Net sales were SEK 36.1 million (43.4).
- Operating profit was SEK -0.4 million (4.5).
- Profit before tax was SEK -0.5 million (5.0).
- Earnings per share were SEK -0.01 (0.13).

Net sales (Q2)

**-17 %**

Operating profit (Q2)

**SEK -0.4**

### Significant events during the second quarter

- CellaVision and Sysmex published the news of a jointly developed product, the DI-60. CellaVision's digital image analysis technology has been integrated with Sysmex cell counter and sample preparation instrument. The first sales were made in Q1 and Q2.
- Another sales channel in Europe: CellaVision and Beckman Coulter increased their cooperation by adding EMEA to their global distribution agreement.
- The first sale of CellaVision's new product CellaVision® Proficiency Software was made to the Swedish quality assessment organization Equalis.
- Magnus Blixt took up his position as new CFO and Göran Granqvist was appointed VP Quality.

### Key ratios

(SEK million)	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net sales	36.1	43.4	69.9	83.8	169.5
Gross profit	23.4	28.7	45.4	55.8	110.1
Operating profit	-0.4	4.5	-1.0	9.9	20.7
Operating margin, %	Neg.	10.5	Neg.	11.8	12.2
Profit/loss before tax	-0.5	5.0	-2.0	9.4	18.6
Cash flow for the period	-11.4	-9.0	-5.1	-9.3	-10.6

*"Continued concentration on geographical expansion via strong partners and increased product portfolio"*

### Comments by CellaVision's CEO Yvonne Mårtensson:

"Our sales successes in China and Japan continued in the second quarter but in North America and Europe many hospitals are still holding off, and several deals have been delayed. Considering the current conditions in our main markets it is gratifying that sales in Asia and the Pacific region, which is our long-term growth market, continue to show an upward trend.

Activity in the market has been high during the year, with several important business achievements as a consequence. We continue to focus efforts on visibility through strong partners and an increased product portfolio to build the company and be prepared when the market turns. The four largest players in the market now have an agreement with us, which emphasizes the global uniqueness of our product offering. Training is in progress of our three new partners and all have now submitted their first order. As regards the new integrated DI-60 product, we will deliver the first major order to Sysmex in Europe already at the end of July.

In the coming six months we will see a slow improvement and estimate that for the full year, we will report profitability, though without any total growth. The market is difficult to read, but in the longer term conditions for high growth are good. The health care sector's streamlining and quality assurance needs continue to grow."



Yvonne Mårtensson,  
CEO of CellaVision AB

## Sales, earnings and investment

### January 1 – June 30

Net sales for the Group in the first six months of 2013 were SEK 69.9 million (83.8), a decrease of 17 % compared with the same period in 2012.

Sales in international markets are mainly in USD and EUR, which means that the company's sales and results are impacted by changes in these currencies. The company hedges 50-75 per cent of planned currency flows to compensate for any foreign exchange fluctuations.

The gross margin for the period was 65 % (67). CellaVision usually has gross margin variations from quarter to quarter. This is dependent on the share of sales via distributors or via CellaVision's own sales companies, the product mix and exchange rates.

The Group's operating profit for the period was SEK -1.0 million (9.9). Total operating expenses for the half year were SEK 46.4 million (45.9).

CellaVision is conducting several development projects, aimed at strengthening the product portfolio in relation to customers in the field of hematology. Capitalized expenditure for development projects during the period was SEK 6.0 million (4.0).

Investments in property, plant and equipment during the period amounted to SEK 1.0 million (0.6).

Net sales  
**SEK 69.9**

### April 1 – June 30

Net sales for the Group in the second quarter of 2013 were SEK 36.1 million (43.4), a decrease of 17 % compared with the same period in 2012.

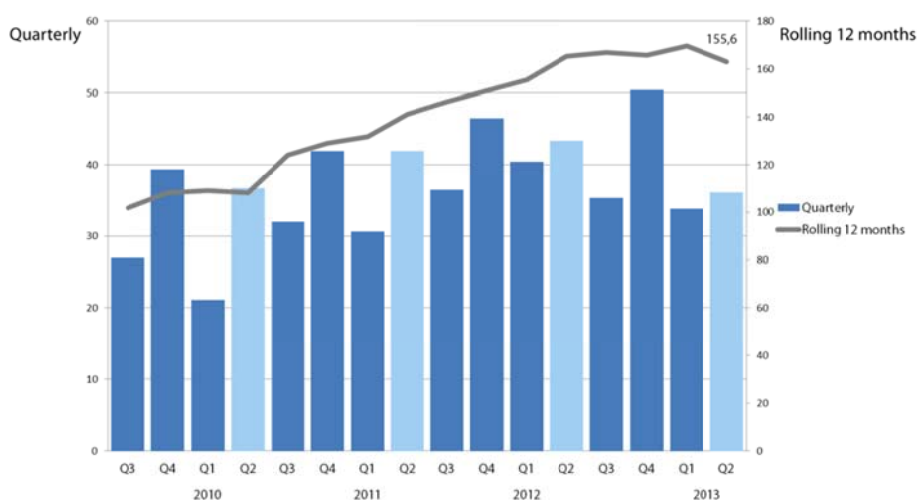
The gross margin for the quarter was 65 % (66).

The Group's operating profit for the second quarter was SEK -0.4 million (4.5). Total operating expenses for the quarter were SEK 23.8 million (24.2).

Capitalized expenditure for development projects was SEK 3.4 million (2.6) in the second quarter. Investments in property, plant and equipment during the quarter amounted to SEK 0.2 million (0.2).

Net sales  
**SEK 36.1**

### Sales per quarter and rolling 12 months (SEK million)



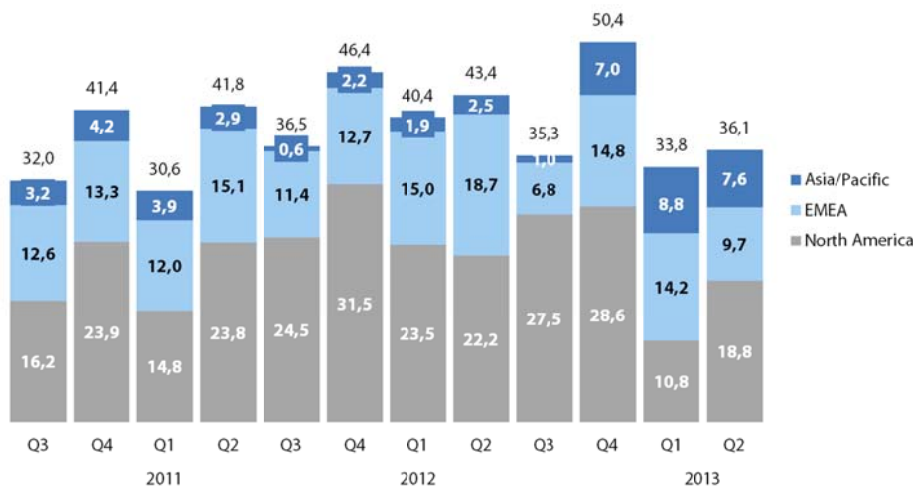
## Development in geographical markets

During the period North America accounted for 43 % (55) of sales, Europe for 34 % (40) and Asia and the Pacific region for 23 % (5). Growth in the Asia & Pacific region refers to analyzer sales in Japan, China and countries in South East Asia, and the purchase by Sysmex Japan of the new DI-60 product for internal training and launch preparations.

In the second quarter North America accounted for 52 % (51) of sales, Europe for 27% (43), and Asia and the Pacific region for 21 % (6).

Like others in the medical devices industry selling capital equipment, CellaVision's inflow of orders is unevenly distributed over the year, depending on distributors' sales, inventory levels and contracted volumes. Consequently, variations in order volume in individual quarters may be great in the different geographical markets.

### Net sales per geographical market, SEK million



### North America

The downturn we have seen in the North American market since the second half of 2012 has continued into 2013. Sales in the USA and Canada in the first six months of the year were SEK 29.6 million (45.7), a decrease of 35 %. In local currencies the decrease was 30 %.

In the second quarter sales in the region were SEK 18.8 million (22.2), a decrease of 15 %. In local currencies the decrease was 10 %.

Growth in the North American market has slowed, mainly due to lengthy decision-making processes, resulting in a prolonged sales cycle. There is still great uncertainty in the USA concerning future health and medical care reforms.

During the year the activity level in the American market was high. In the USA CellaVision have agreements with the four major players, which is a clear proof of the global uniqueness of our product offering. Together with Sysmex, Beckman Coulter and Siemens (since January 1, 2013) CellaVision has high visibility in the market. By means of a co-marketing agreement, the company also works closely with the fourth largest player, Abbott.

During the period the partnership with Siemens got going, with CellaVision's salespeople participating in Siemens product demonstrations at customer sites, as well as in several of the company's recurrent customer events around the USA, called "Diagnostic Days".

*Our unique product portfolio creates market opportunities*

In the second quarter CellaVision delivered the new integrated product, the DI-60, to Sysmex America to be presented at the AACC Annual Meeting and Clinical Lab Expo. This trade show is held every year in the USA at the end of July, this time in Houston, Texas, and is considered to be one of the hematology industry's most important international gatherings.

The first sale of the CellaVision® Image Capture System, the company's product for small, local laboratories in a hospital group, was made in Canada. The product digitizes blood samples and helps hospital groups to improve efficiency of collaboration in assessing samples, and gives local laboratories fast access to expertise. The product is a complement to the CellaVision DM96 and CellaVision DM1200 analyzers.

Sales of the new Citrix-adapted software for remote access continued in parallel. The product, the CellaVision® Remote Review Software Citrix Ready, enables customers in a Citrix IT environment to allow staff outside the laboratory to examine test results and give an opinion without leaving their physical location.

**Europe, the Middle East and Africa (EMEA)**

Investments in medical devices continued to be affected by the generally tough economic climate in Europe and uncertainty about health care budgets and investment decisions. The region's sales in the first six months of the year were SEK 23.9 million (33.7), a decrease of 29 % in SEK in comparison with the corresponding period in 2012. In local currencies the decrease was 25 %.

In the second quarter sales in the region were SEK 9.7 million (18.7), a decrease of 48 %. In local currencies the decrease was 44 %.

To facilitate the company's bidding opportunities for its products in procurements of laboratory equipment in European countries, in 2013 CellaVision broadened its sales channels with another three distributors. Proving its worth, CellaVision products are now distributed by all four hematology companies in EMEA. During the first quarter the agreement with Siemens and Abbott came into force and in the second quarter the agreement with Beckman Coulter was extended to include EMEA. Sysmex already distributes CellaVision's products in the region. In the first and second quarters CellaVision has focused heavily on training and support for the new distributors.

In May Sysmex presented the new integrated product DI-60 at the IFCC Euromedlab Congress in Milan and received a positive response from prospective customers. The product is adapted to the needs of medium and large laboratories for an effective and standardized analysis process. By integrating CellaVision's image analysis technology with the Sysmex cell counter and sample preparation device, customers can be offered an automated product line without manual handling of samples during the analysis process.

CellaVision's new product for internal and external quality assurance of laboratory analyses, CellaVision® Proficiency Software, has aroused interest during the period among both external quality bodies and hospital laboratories around Europe. The first sale was made in the second quarter to the Swedish quality assessment organization Equalis, for 350 users. The product is sold directly by CellaVision AB on the basis of an annual license fee and is offered in two software versions; for quality bodies and laboratories.

A clinical evaluation of the new Image Capture system was completed in the second quarter. The study was conducted by a hospital group in the Netherlands and the result confirms potential time-savings and more standardized test results for small laboratories through using the system. In parallel the first sales in Europe were also made.

**Asia and the Pacific region**

Marketing in Asia and the Pacific region is in process of being built up. The region developed positively in the first six months of the year and sales more than tripled in both SEK and local currencies. Sales during the period were SEK 16.4 million (4.4).

In the second quarter sales increased to SEK 7.6 million (2.5).

*Several new products are creating interest in the market*

*Partnership with the four major suppliers of cell counters.*

*Positive response for the new DI-60 in Milan*

Growth in 2013 refers to sales of analyzers in China, Japan and countries in South East Asia. CellaVision assesses that in the long term it is mainly these markets that have substantial development potential.

In China CellaVision's solution will be marketed to training and research hospitals with more than 500 beds. CellaVision's main focus is to support the work of the distributors in building awareness and acceptance for the company's products in the Chinese market. The company's determined market penetration has resulted in several sales during the half year, mainly in the second quarter.

Sales of CellaVision's products have increased on the Japanese market and the company sees a potential in the DI-60 that is integrated into the Sysmex automated product line. In parallel with Sysmex, CellaVision's own sales organization is continuing to address the market and increase interest in CellaVision's products, for example through presentations together with key opinion leaders.

*Positive development in Asia and the Pacific region*

## Research and development

Several development projects are under way at CellaVision, aimed at strengthening the product portfolio in relation to customers in the field of hematology.

During the six-month period the new product for internal and external quality assurance of laboratory analyses, CellaVision® Proficiency Software, was completed. The program is located in a cloud server and adapted to organizations with many users, which means that they can be run from any computer at all without downloading software. When designing the program CellaVision's objective was to make quality control easier to handle and more effective.

The new product, the DI-60, developed for and in partnership with Sysmex, was ready for Sysmex' internal evaluations and launching preparations. The new product integrates CellaVision's image analysis technology with the Sysmex XN series for automated blood analysis. It was developed on CellaVision's hardware platform, CellaVision DM1200.

CellaVision continuously capitalizes costs for new development. During the six-month period capitalized expenditure for development projects amounted to SEK 6.0 million (4.0).

*Two new unique products completed*

## Significant events after the period close

There are no significant events to report.

## Financing

In May SEK 9.5 million was distributed as dividends to shareholders. The funds at the Group's disposal at the close of the period consisted of SEK 46.1 million (52.5), of which SEK 41.1 million (47.5) was cash and cash equivalents. These funds include unutilized credit of SEK 5.0 million.

The period's cash flow from operating activities was SEK 11.7 million (14.4). The cash flow from operating activities for the second quarter was SEK 4.2 million (4.4).

Total cash flow for the period was SEK -5.1 (-9.3), which is due to the dividend of SEK 9.5 million distributed by the company in the second quarter, build-up of inventories and a positive effect from lower trade receivables.

The higher inventory value is partly due to lower sales in the first half of the year and partly to an expected recovery in the market.

*Unappropriated funds*  
**SEK 46.1**

*Cash flow (6 months)*  
**SEK -5.1**

## Parent company

Parent company sales for the period were SEK 62.8 million (77.3). Profit before tax was SEK -1.5 million (13.8). Parent company sales for the second quarter were SEK 32.8 million (40.2). Pre-tax earnings for the second quarter were SEK -0.3 million (7.2).

The parent company's investments in property, plant and equipment and intangible assets during the period amounted to SEK 6.6 million (4.3) and the cash flow was SEK -7.8 million (-6.9).

In other respects please refer to the information for the Group.

## Personnel

The number of employees of the Group, restated as full-time equivalents, was 68 (65) at the close of the period. Of these, 41 (37) were men and 27 (28) women.

*Number of employees*

**68**

During the second quarter the management team was augmented by Magnus Blixt as Chief Financial Officer (CFO) and Göran Granqvist was appointed as VP Quality, to take up his position in autumn 2013.

## Other information

### Group

On 30 June 2013 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 for the Group was prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and in accordance with the Stockholm Stock Exchange rules and regulations for companies listed on NASDAQ OMX Stockholm. The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. The interim report has been prepared in accordance with the accounting policies and valuation methods presented in the Annual Report for 2012, with the exception of the changes presented below.

#### *IFRS 13 Fair value measurement*

The new International Financial Reporting Standard IFRS 13 applies to fair value measurement of both financial and non-financial items and replaces previous guidance contained in individual standards referring to fair value measurement. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the "exit price"). IFRS 13 has been applied prospectively from January 1, 2013. The application of IFRS 13 has not had any impact on the Group's results and financial position regarding the valuation of the Group's financial instruments.

IFRS 13 requires that several quantitative and qualitative disclosures should be presented in the financial statements in respect of fair value. As a result of these disclosure requirements in IFRS 13, IAS 34 Interim Financial Reporting was also updated.

#### *IAS 1 Presentation of financial statements*

As of 2013, an amendment to IAS 1 has been introduced which involves regrouping items presented in other comprehensive income into items that will be reclassified to profit or loss and items that will not be reclassified to profit or loss. CellaVision's application of the amendments to IAS 1 is presented in the Group statement of comprehensive income

Other new standards and interpretations that came into force on January 1, 2013 have not had any impact on CellaVision's financial reporting for the interim report period.

**Financial instruments**

Derivatives held for foreign currency hedging are valued at level 2, financial instruments, where fair value is determined on the basis of valuation models based on other observable data for the asset or liability than listed prices included in level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Currency forwards are valued on the basis of observable information referring to exchange rates on the balance sheet date and market rates for remaining maturities. The value of CellaVision's derivatives amount to SEK -1.6 million at June 30, 2013.

The carrying amount of financial instruments measured at amortized cost is consistent with fair value at June 30, 2013.

**Segment reporting**

CellaVision's operations only comprise one operating segment; automated microscopy systems in the field of hematology, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting.

**Information concerning risks and uncertainties**

Reduced demand and changes in exchange rates constitute uncertainties but not material 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 2012.

**Review**

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

**Future reports**

Interim report January – September:	October 24, 2013
Year-end bulletin 2013:	February 13, 2014

The interim reports for 2013 and annual report for 2012 are available at [www.cellavision.com](http://www.cellavision.com).

The Board of Directors and CEO certify that the financial statements provide a true and fair view of the parent company's and the Group's business, financial position and performance and describes material risks and uncertainties to which the parent company and the companies in the Group are exposed.

Lund, July 17, 2013

Lars Gatenbeck  
*Chairman of the Board*

Christer Fåhraeus  
*Member of the Board*

Sven-Åke Henningson  
*Member of the Board*

Lars Henriksson  
*Member of the Board*

Roger Johanson  
*Member of the Board*

Torbjörn Kronander  
*Member of the Board*

Anna Malm Bernsten  
*Member of the Board*

Yvonne Mårtensson  
*President/CEO*

**Questions concerning the report can be addressed to:**

Yvonne Mårtensson, CEO, CellaVision AB

Tel: +46 708 33 77 82. Email: [yvonne.martensson@cellavision.se](mailto:yvonne.martensson@cellavision.se)

Magnus Blixt, CFO, CellaVision AB

Tel: +46 708 33 81 68. Email: [magnus.blixt@cellavision.se](mailto:magnus.blixt@cellavision.se)

**Publication**

The information in this interim report is disclosed by CellaVision AB (publ) pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for public disclosure on July 17, 2013 at 08.30.

**Address**

CellaVision AB, Ideon Science Park, SE 223 70 LUND

Corporate identity number: 556500-0998

Web: [www.cellavision.com](http://www.cellavision.com)

Blog: <http://blog.cellavision.com>

App: CellAtlas

CellaVision is listed on the NASDAQ OMX Stockholm, Small Cap list. The company is traded under the ticker symbol CEVI and ISIN code SE0000683484.



**Consolidated Income Statement in Summary**

All amount in ' 000 SEK	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
Net sales	36 095	43 360	69 890	83 775	169 512
Cost of goods sold	-12 697	-14 662	-24 514	-28 006	-59 456
<b>Gross profit</b>	<b>23 398</b>	<b>28 698</b>	<b>45 376</b>	<b>55 769</b>	<b>110 056</b>
Sales and marketing expenses	-11 376	-9 800	-20 346	-18 994	-38 859
Administration expenses	-6 705	-8 651	-13 607	-15 231	-29 060
R&D expenses	-5 674	-5 701	-12 465	-11 638	-21 435
Other operating income	-	-	-	-	-
<b>Operating result</b>	<b>-357</b>	<b>4 546</b>	<b>-1 042</b>	<b>9 906</b>	<b>20 702</b>
Interest income and financial exchange rate gains	31	591	109	92	225
Interest expense and financial exchange rate losses	-157	-121	-1 048	-607	-2 376
<b>Result before income tax</b>	<b>-483</b>	<b>5 016</b>	<b>-1 981</b>	<b>9 391</b>	<b>18 551</b>
Tax	169	-1 906	169	-3 638	-12 100
<b>Net result</b>	<b>-314</b>	<b>3 110</b>	<b>-1 812</b>	<b>5 753</b>	<b>6 451</b>
<b>Other comprehensive income:</b>					
Components not to be reclassified to net profit:	-	-	-	-	-
Components to be reclassified to net profit:					
a) Financial assets at fair value					
Reclassified to operating result	-1 320	8	-2 255	260	99
Revaluation of financial assets	-2 211	-85	-2 094	1 122	2 342
Income tax relating to financial assets	777	20	957	-364	-537
b) Translation difference	0				
Translation difference in the group	325	-79	390	-76	31
Sum of Components to be reclassified to net profit:	-2 429	-136	-3 002	942	1 935
Sum of other comprehensive income:	-2 429	-136	-3 002	942	1 935
<b>Comprehensive result for the period</b>	<b>-2 743</b>	<b>2 974</b>	<b>-4 815</b>	<b>6 695</b>	<b>8 386</b>
<b>Per share data</b>					
	<b>Apr-Jun 2013</b>	<b>Apr-Jun 2012</b>	<b>Jan-Jun 2013</b>	<b>Jan-Jun 2012</b>	<b>Jan-Dec 2012</b>
Earnings per share, SEK */	-0.01	0.13	-0.08	0.24	0.27
Equity per share, SEK	4.63	5.17	4.63	5.17	5.24
Equity ratio, %	66%	76%	66%	76%	70%
Number of shares outstanding	23 851 547	23 851 547	23 851 547	23 851 547	23 851 547
Average number of shares outstanding	23 851 547	23 851 547	23 851 547	23 851 547	23 851 547
Stock exchange rate, SEK	12.55	16.60	12.55	16.60	14.70

\*/ In relation to net profit and average outstanding shares

**Quarterly Results**

All amount in ' 000 SEK	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net sales	36 095	33 795	50 405	35 332	43 360	40 415
Gross profit	23 398	21 978	31 696	22 591	28 698	27 071
Gross margin in %	65	65	63	64	66	67
Overhead cost	-23 755	-22 663	-24 882	-18 609	-24 152	-21 711
Operating result	-357	-685	6 814	3 982	4 546	5 360
Net result	-314	-1 498	-3 194	3 892	3 110	2 643
Cashflow	-11 420	6 296	-6 389	5 150	-8 996	-347

## Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	2013-06-30	2012-06-30	2013-03-31	2012-12-31
<b>Assets</b>				
Intangible assets	26 573	22 433	25 043	24 152
Tangible assets	3 101	2 085	3 237	2 693
Deferred tax	38 189	45 664	37 888	37 994
Financial assets	82	105	83	91
Inventory	23 369	16 944	15 912	16 356
Trade receivables	26 288	19 501	31 849	40 632
Other receivables	7 579	7 713	9 497	10 402
Cash and bank	41 112	47 475	52 532	46 236
<b>Total assets</b>	<b>166 293</b>	<b>161 920</b>	<b>176 041</b>	<b>178 556</b>
<b>Equity and liabilities</b>				
Equity	110 556	123 221	122 840	124 912
Short term debt	22 315	18 925	22 948	20 802
Short term debt with interest	13 993	6 058	16 383	14 272
Trade payables	17 581	11 724	12 014	16 458
Other liabilities	1 848	1 992	1 856	2 112
<b>Total equity and liabilities</b>	<b>166 293</b>	<b>161 920</b>	<b>176 041</b>	<b>178 556</b>

## Consolidated statement of changes in equity

All amount in ' 000 SEK	2013-06-30	2012-06-30	2013-03-31	2012-12-31
Balance at the beginning of the year	124 912	126 067	124 912	126 067
Dividend	-9 541	-9 541	-	-9 541
Net profit for the year	-1 812	5 753	-1 498	6 451
Comprehensive result for the period	-3 002	942	-574	1 935
<b>Balance at the end of the year</b>	<b>110 556</b>	<b>123 221</b>	<b>122 840</b>	<b>124 912</b>

## Cash Flow Analysis in Summary in Summary

All amount in ' 000 SEK	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
<b>Result before taxes</b>	-483	5 016	-1 981	9 391	18 551
Adjustment for items not included in cash flow	2 301	8 138	5 991	3 390	7 668
Taxes	-26	-	-26	-	-790
<b>Cash flow from operations before changes in working capital</b>	<b>1 791</b>	<b>13 154</b>	<b>3 983</b>	<b>12 781</b>	<b>25 429</b>
Changes in working capital	2 423	-8 717	7 736	1 664	-13 936
<b>Cash flow from operations</b>	<b>4 214</b>	<b>4 437</b>	<b>11 719</b>	<b>14 445</b>	<b>11 493</b>
Capitalisation of development costs	-3 378	-2 567	-5 979	-4 011	-9 256
Acquisitions in financial non-current assets	-106	-8	9	9	23
Acquisitions in tangible non-current assets	-220	-164	-1 054	-585	-1 854
<b>Cash flow from investment activities</b>	<b>-3 703</b>	<b>-2 739</b>	<b>-7 023</b>	<b>-4 587</b>	<b>-11 087</b>
New loans and instalments of dept	-2 390	-1 153	-279	-9 660	-1 447
Dividend	-9 541	-9 541	-9 541	-9 541	-9 541
<b>Cash flow from financing activities</b>	<b>-11 931</b>	<b>-10 694</b>	<b>-9 820</b>	<b>-19 201</b>	<b>-10 988</b>
<b>Total cash flow</b>	<b>-11 420</b>	<b>-8 996</b>	<b>-5 124</b>	<b>-9 343</b>	<b>-10 582</b>
Liquid funds at beginning of period	52 532	56 471	46 236	56 818	56 818
Liquid funds at end of period	41 112	47 475	41 112	47 475	46 236

**Income Statement - Parent Company**

All amount in ' 000 SEK	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
Net sales	32 824	40 222	62 798	77 265	161 949
Cost of goods sold	-14 936	-15 346	-27 726	-28 682	-78 322
<b>Gross profit</b>	<b>17 888</b>	<b>24 876</b>	<b>35 072</b>	<b>48 583</b>	<b>83 627</b>
Sales and marketing expenses	-5 793	-4 005	-9 699	-7 624	-15 705
Administration expenses	-6 706	-8 651	-13 607	-15 231	-29 060
R&D expenses	-5 674	-5 701	-12 465	-11 638	-21 435
Other operating income	-	0	-	-	-
<b>Operating result</b>	<b>-285</b>	<b>6 519</b>	<b>-699</b>	<b>14 090</b>	<b>17 427</b>
Write-downs of shares in group companies	-	-	-	-	-
Interest income and financial exchange rate gain	31	870	107	85	217
Interest expense and financial exchange rate loss	-82	-141	-946	-342	-2 106
<b>Result before income tax</b>	<b>-336</b>	<b>7 248</b>	<b>-1 538</b>	<b>13 833</b>	<b>15 538</b>
Tax	0	-1 906	0	-3 638	-11 408
<b>Net result</b>	<b>-336</b>	<b>5 342</b>	<b>-1 538</b>	<b>10 195</b>	<b>4 130</b>

**Statement of Comprehensive Income**

All amount in ' 000 SEK	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
Net result for the period	-336	5 342	-1 538	10 195	4 130
Other comprehensive income:	-	-	-	-	-
Sum of other comprehensive income:	0	0	0	0	0
<b>Comprehensive result for the period</b>	<b>-336</b>	<b>5 342</b>	<b>-1 538</b>	<b>10 195</b>	<b>4 130</b>

**Balance Sheet - Parent Company**

All amount in ' 000 SEK	2013-06-30	2012-06-30	2013-03-31	2012-12-31
<b>Assets</b>				
Intangible assets	26 573	22 433	25 043	24 152
Tangible assets	2 106	1 539	2 353	2 126
Deferred tax	37 092	44 862	37 092	37 092
Financial assets	9 852	9 852	9 852	9 852
Inventory	19 823	11 924	12 636	12 286
Trade receivables	23 800	10 238	27 106	31 840
Receivables from group companies	9 908	22 273	11 470	12 642
Other receivables	8 162	5 778	6 789	7 762
Cash and bank	34 545	42 055	45 772	42 301
<b>Total assets</b>	<b>171 860</b>	<b>170 954</b>	<b>178 113</b>	<b>180 053</b>
<b>Equity and liabilities</b>				
Equity	120 330	137 475	130 208	131 410
Short term debt	3 000	14 008	17 884	16 086
Short term debt with interest	13 993	6 058	16 383	14 272
Liabilities to group companies	-	-	-	-
Trade payables	17 361	11 421	11 782	16 173
Other liabilities	17 176	1 992	1 856	2 112
<b>Total equity and liabilities</b>	<b>171 860</b>	<b>170 954</b>	<b>178 113</b>	<b>180 053</b>

## This is CellaVision

CellaVision's customers are large and mid-sized hospital laboratories and commercial laboratories, mainly in Europe and North America. In most countries sales are via global hematology companies. Products are sold directly in the Nordic countries and via subsidiaries in the US, Canada and Japan.

CellaVision's analyzers rationalize manual laboratory work and secure and support effective workflows and competency development within and between hospitals. In 2012 sales were SEK 170 million, corresponding to an increase of 9 %. The target is for sales to continue to increase by at least 15 % annually over an economic cycle.

### **The products replace manual microscopy in laboratories for blood analyses**

After taking the sample, most blood tests are first analyzed using cell counters. If the sample shows signs of disease it is examined further to enable it to be used as a basis for diagnosis. This analysis is carried out automatically by CellaVision's analyzer. Without CellaVision's analyzer it must be done manually in a microscope.

### **What is driving growth?**

The demand for CellaVision's products is strong and is due to increased efficiency and quality assurance requirements in the healthcare market, particularly in Europe and North America. Growing staff shortages in laboratory operations make CellaVision's automated products a highly interesting solution. The trend is for more hospitals to join together and collaborate in county council or hospital groups and seek tools to help them work more effectively and coordinate geographically spread services.

### **Five foundations for growth**

CellaVision's overall growth strategy is based on global expansion, partnership and product development. Growth takes place through focusing on customers and the market. Our goal is for our analytical method to be standard at clinical laboratories throughout the world.

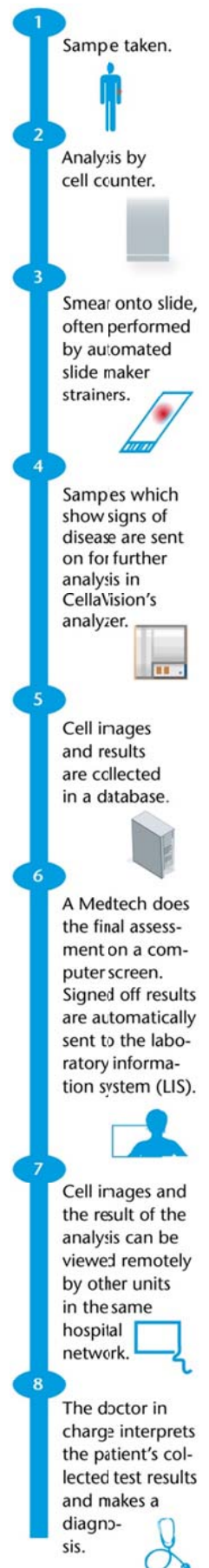
**1. Target group and positioning.** We currently target clinical laboratories in hematology with a growing need for automation. These are mainly found in Europe, North America and selected markets in Asia, mainly Japan, China and South East Asia.

**2. Customer relations.** Customers' purchasing behavior and needs direct our business. Only through satisfied customers can CellaVision continue to grow and develop. We work close to partners and end customers to ensure that our products meet market requirements for quality, function and user-friendliness. In customer surveys in the last two years the average score for reliability and user-friendliness of the product has been just over four, on a scale from one to five.

**3. Sales channels.** CellaVision reaches a broad geographical market by cooperating with strong, strategic and complementary partners with a local presence. We sell our products through the largest hematology companies in the world: Sysmex, Beckman Coulter, Siemens and Abbott. Our own sales organizations in the Nordic area, the USA, Canada and Japan give continuous support and training to our partners during the sales process. We are constantly looking at new opportunities and forms of cooperation.

**4. Product development.** We will grow by broadening our product range for existing customer groups and by examining the possibility of commercializing new areas of analysis. We seek the best solution and preferably develop it ourselves, but the strategy also includes development through cooperation with partners. The emergence of competing companies in the market puts further demands on our future product development.

**5. Company culture.** Satisfied employees create the conditions for satisfied customers. It is important to us that our employees enjoy their work, feel involved and motivated. Innovative



ideas are an important factor behind CellaVision’s positive development. With leading-edge expertise in image analysis, artificial intelligence and automated microscopy, as well as a great quantity of IT knowledge, we can develop solutions that bring considerable gains to our customers.

**About CellaVision’s geographical markets**

*North America*

North America is CellaVision’s largest market. Automation has long been the most important driver for meeting greater effectiveness requirements in North American laboratories. The growing staff shortages that exist in laboratory operations in the western world are particularly evident in the USA and Canada. Laboratories are therefore seeking solutions that ensure effective and secure management of large and growing sample volumes. On top of the requirements for reduced labor costs and shorter response times, sample volumes are growing due to the ageing population. The distributors Sysmex America, Beckman Coulter and Siemens sell CellaVision’s products in the USA in parallel with CellaVision’s own sales organization. By means of a co-marketing agreement, we also work closely with the fourth largest player, Abbott. In Canada CellaVision sells directly to the end customer.

*Europe, the Middle East and Africa*

Europe is CellaVision’s largest market in terms of the number of analyzers sold to date. The transition from manual microscopy to CellaVision’s method has been in full swing for a couple of years in the European countries. The laboratories are seeking solutions that can increase productivity and offset the coming years’ shortage of biomedical analysts. In Europe the distributors Sysmex, Beckman Coulter, Siemens and Abbott sell CellaVision’s products. Marketing work has just started in the Middle East and Africa.

*Asia and the Pacific region*

CellaVision products are also appreciated in Asia and the Pacific region for their time-saving and quality assurance potential. China, Japan and South East Asia are markets with long-term potential and demand is gradually starting to take off. In most markets CellaVision sells via the distributors Sysmex, Beckman Coulter and Siemens.

There are more than 20,000 hospitals in China. The target group for CellaVision’s products consists of about 800 of China’s largest hospitals. In 2012 CellaVision established a market office in China with two employees who support the region’s distributors.

Japan is a market with important growth potential for CellaVision. Japanese health care is facing several challenges with funding problems as expenditure increases for an ageing population that at the same time demands better quality. Consequently, products that are well able to solve quality and efficiency problems are highly interesting to the Japanese health care sector. Since the start in 2008 CellaVision’s subsidiaries have marketed the company’s technology to the thousand or so major clinical laboratories in Japan. Since 2010 the distributor Sysmex also sells CellaVision’s products.