



CELLAVISION AB (publ)

Interim report for the period January 1 – March 31, 2008

Continued growth and establishment of subsidiary in Japan

- Net sales for the quarter increased by 10% to SEK 18.5 million (16.8).
- The operating result for the quarter was SEK 1.3 million (-1.0).
- The net result per share for the period amounted to SEK 0.05 (-0.05).
- Liquid assets amounted to SEK 16.1 million (7.0) at the end of the quarter.
- Subsidiary established in Japan.
- An Icelandic hospital has placed an order. CellaVision now has clients in all five Nordic countries.

CellaVision in summary

(MSEK)	Q1 2008	Q1 2007	Full year 2007
Net sales	18.5	16.8	74.6
Gross profit	11.9	9.5	45.3
Operating result	1.3	-1.0	3.1
Net result	1.2	-1.1	2.6
Cash flow	-0.3	-9.8	-0.4

CEO's comment

"CellaVision's positive trend of 2007 continued into the first quarter of 2008. We can report sound sales growth and are continuing to strengthen our position in the market," says Yvonne Mårtensson, CEO of CellaVision. "A large American commercial laboratory chain has purchased the CellaVision® DM96 for 14 of their laboratories. This further validates CellaVision's belief that our technology delivers significant cost benefits to the clinical laboratory. To use the positive momentum, we will now add more sales resources in the US."

"Following our evaluation of the Japanese market we have registered our own subsidiary in Japan. During the year we will develop the organisation in order for it to be operative when all the necessary licenses have been obtained. Thereafter we will begin focusing on sales either direct or parallel to national distributors. Our increased market activity level may negatively influence our cash balance at the end of the year."

Yvonne Mårtensson
CEO CellaVision AB

For more information please contact:

Yvonne Mårtensson, CEO. Tel: +46 708 33 77 82, e-mail: yvonne.martensson@cellavision.se

Johan Wennerholm, CFO. Tel: +46 708 33 81 68, e-mail: johan.wennerholm@cellavision.se



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.

Currently the company focuses on the following three products: CellaVision® DM8, CellaVision® DM96, and CellaVision® Competency Software*. The CellaVision DM product family includes analyzers which automate manual differential counts of white blood cells and characterization of red blood cells. The products provide an unprecedented level of efficiency, consistency and collaboration between laboratory staff and sites. CellaVision Competency Software is a combined proficiency testing and educational software for manual blood cell differential in laboratories. Additional software applications are under development.

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

SUMMARY OF THE PERIOD JANUARY – MARCH

Market and sales

Net sales for the period January-March increased by about 10 % to SEK 18.5 million (16.8). During the period, Europe accounted for 34 % (29) of net sales, North America for 65 % (71), and the rest of the world for 1 % (0). Adjusted for exchange-rate effects the increase was 22 %.

A substantial part of sales in North America is due to Sysmex America, the company's distributor in the USA, receiving an order from a major commercial laboratory chain who has installed CellaVision DM96's into 14 of their labs. The order further confirms that CellaVision's technology delivers significant cost benefits to the clinical laboratory.

During the quarter CellaVision Japan K.K. was established. The company will first apply for the licenses and registrations necessary for selling and supporting medical equipment in Japan. This process is expected to come to completion during the third quarter in 2008. During the year the organisation will be developed in order for it to be operative when all the necessary licenses have been obtained.

During the period CellaVision sold its first instrument to Iceland – Landspítali University Hospital – and consequently now has clients in all five Nordic countries.

* Earlier named CellaVision® Diff IQ. The name was changed in March 2008.



Research and development

During the period CellaVision has entered the final phases of developing the new software application for body fluids and the new version of the application for blood, and continued focusing on development projects with emphasis on more cost-efficient hardware.

A formal application concerning the body fluid analysis software, CellaVision® Body Fluid Application, has been submitted to the FDA.

The company was granted its 26th patent during the quarter. The patent is registered in the USA and describes Navigation, an invention which very accurately positions samples during analysis by overlapping images. By the end of the quarter the company had a portfolio of patents with a total of 18 patented inventions, which have generated 26 patents so far.

INVOICING, INCOME, AND INVESTMENTS

Net sales for the Group during the quarter amounted to SEK 18.5 million (16.8), an increase of 10 % as compared to the same period the previous year.

The gross profit was 64 % (57) during the quarter.

The Group's operating result for the quarter was SEK 1.3 million (-1.0), and the total operating loss amounted to SEK 10.6 million (10.5). The weak dollar value has had an unfavorable effect on both net sales and operating result by approximately SEK 2 million.

Capitalized costs regarding development projects during the quarter amounted to SEK 2.1 million (0.9), and capital expenditures were SEK 0.1 million (0.1).

FINANCING

The Group's cash and cash equivalents at the end of the period amounted to SEK 16.1 million (7.0). The cash flow from operating activities for the quarter was SEK -2.3 million (-6.4).

PARENT COMPANY

The parent company's net sales during the interim period amounted to SEK 19.2 million (16.6), and the result before taxation was SEK 2.2 million (-0.8).

Parent company gross investments amounted to SEK 0.1 million (0.1), and the net cash flow was SEK -2.1 million (-10.0).



PERSONNEL

There were 40 (39) employees in the Group at the end of the period, recalculated as full time positions: 25 (29) men and 15 (10) women.

OTHER INFORMATION

Group

As of the 31st of March, 2008, the Group consists of the parent company as well as the wholly owned subsidiaries, CellaVision Inc. (USA), CellaVision Canada Inc. (Canada), CellaVision Japan K.K. (Japan), and CellaVision International AB.

Accounting policies

The consolidated financial statements are prepared in accordance with Financial Reporting Standards, IFRS. The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The interim report has in other respects been prepared in accordance with the accounting policies and methods of calculation appearing in the financial statements 2007.

Information about risks and uncertainties

Less demand and currency instabilities contribute to a level of uncertainty, although not necessarily risks. For a more in-depth description of the uncertainties and risks that CellaVision faces, please see the risk and sensitivity analysis in the year-end bulletin for 2007.

Reviews

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

Future reports

Interim report January – June	July 15, 2008
Interim report January – September	October 22, 2008
Year-end bulletin	February, 2009

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



The Board and CEO assure that the 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, 2007

Lars Gatenbeck
Chairman of the Board

Christer Fåhraeus
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

For more information please contact:

Yvonne Mårtensson, CEO.

Tel: +46 708 33 77 82, e-mail: yvonne.martensson@cellavision.se

Johan Wennerholm, CFO.

Tel: +46 708 33 81 68, e-mail: johan.wennerholm@cellavision.se

Address

CellaVision AB
Ideon Science Park
SE-223 70 LUND

CellaVision's website: www.cellavision.com

Corporate ID: 556500-0998

CellaVision's share is listed on First North at the OMX Stockholm Stock Exchange.

The company's Certified Advisor is Remium AB.

Consolidated Income Statement

All amount in ' 000 SEK	Jan-Mar 2008	Jan-Mar 2007	2007
Revenue	18 510	16 752	74 565
Cost of goods sold	-6 655	-7 218	-29 312
Gross Profit	11 855	9 534	45 253
Sales and Marketing expenses	-3 498	-3 484	-15 135
Administration expense	-4 087	-3 408	-16 066
R&D expenses	-4 620	-4 518	-17 532
Other operating income	-	249	384
Other operating expenses	-473	-286	-157
Capitalized development expenditures	2 082	923	6 395
Operating result	1 259	-990	3 142
Financial income	94	0	260
Financial expense	-167	-124	-777
Profit before income tax	1 186	-1 114	2 625
Tax	-	-	-
Net profit	1 186	-1 114	2 625

Per share data	Jan-Mar 2008	Jan-Mar 2007	2007
Earnings per share, SEK	0,05	-0,05	0,11
Equity per share SEK	0,90	0,70	0,84
Equity ratio, %	43%	43%	45%
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	4,75	5,90	6,75

Income Statement - Parent Company

All amount in ' 000 SEK	Jan-Mar 2008	Jan-Mar 2007	2007
Revenue	19 171	16 571	74 766
Cost of goods sold	-7 289	-7 123	-33 150
Gross Profit	11 882	9 448	41 616
Sales and Marketing expenses	-2 020	-3 089	-9 690
Administration expense	-4 560	-3 408	-16 066
R&D expenses	-4 620	-4 518	-17 532
Other operating income	-	225	384
Other operating expenses	-473	-286	-157
Capitalized development expenditures	2 082	923	6 395
Operating result	2 291	-705	4 950
Financial income	94	0	256
Financial expense	-167	-123	-772
Profit before income tax	2 218	-828	4 434
Tax	-	-	-
Net profit	2 218	-828	4 434

Consolidated Balance sheet

All amount in ' 000 SEK

	2008-03-31	2007-03-31	2007-12-31
Assets			
Intangible assets	9 222	2 122	7 354
Tangible assets	1 126	1 260	1 257
Financial assets	76	-	24
Inventory	5 527	9 754	3 952
Trade receivables	15 114	15 025	11 565
Other receivables	3 355	3 443	3 621
Cash and bank	16 075	6 988	16 347
Total assets	50 495	38 592	44 120

Equity and liabilities

Equity	21 532	16 578	20 072
Långfristiga skulder			
Short term debt	7 584	7 094	7 711
Short term debt with interest	11 749	4 822	7 453
Trade payables	7 174	8 258	6 084
Other liabilities	2 456	1 840	2 800
Total equity and liabilities	50 495	38 592	44 120

Consolidated statement of changes in equity

	2008-03-31	2007-03-31	2007-12-31
Balance at the beginning of the year	20 072	17 735	17 735
Valutajusteringar för investeringar i dotterbolag			
Exchange adjustment	274	-43	-288
New issues	-	-	-
Net profit for the year	1 186	-1 114	2 625
Balance at the end of the year	21 532	16 578	20 072

Balance sheet - Parent Company

All amount in ' 000 SEK

	2008-03-31	2007-03-31	2007-12-31
Assets			
Intangible assets	9 222	2 122	7 354
Tangible assets	1 056	1 185	1 226
Financial assets	704	106	106
Inventory	4 762	9 754	3 568
Trade receivables	14 127	13 177	9 427
Other receivables	8 432	5 196	7 906
Cash and bank	13 723	6 400	15 845
Total assets	52 026	37 940	45 432

Equity and liabilities

Equity	20 922	13 528	18 790
Långfristiga skulder			
Short term debt	9 806	9 577	9 882
Short term debt with interest	11 749	4 822	7 453
Trade payables	7 093	8 173	6 507
Other liabilities	2 456	1 840	2 800
Total equity and liabilities	52 026	37 940	45 432

Cash flow analysis

All amount in ' 000 SEK

	Jan-Mar 2008	Jan-Mar 2007	Jan-Dec 2007
Result before taxes	1 186	-1 114	2 625
Adjustment for items not included in cash flow	928	734	2 612
Taxes	-	0	-

Cash flow from operations before changes in working capital

	2 114	-380	5 237
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Changes in working capital	-4 456	-6 017	1 425
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Cash flow from operations	-2 342	-6 397	6 662
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Capitalisation of development costs	-2 082	-922	-6 394
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Aquisitions in financial non-current assets	-54	-	-24
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Aquisitions in tangible non-current assets	-90	-110	-944
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Cash flow from investment activities	-2 226	-1 032	-7 362
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New issues	-	-	-
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New loans and instalments of dept	4 296	-2 335	295
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Cash flow from financing activities	4 296	-2 335	295
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Total cash flow	-272	-9 764	-405
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Liquid funds at beginning of period	16 347	16 752	16 752
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Liquid funds at end of period	16 075	6 988	16 347
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Quarterly results

All amount in ' 000 SEK

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Revenue	18 510	19 424	21 091	17 298	16 752
Gross Profit	11 855	14 094	11 381	10 244	9 534
gross Margin in %	64	73	54	59	57
Overhead cost	-10 596	-11 044	-7 549	-12 995	-10 523
Operating result	1 259	3 050	3 832	-2 751	-990
Net profit	1 186	2 836	3 737	-2 836	-1 114
Cashflow	-272	124	7 457	1 778	-9 764