



Phadia Interim Report January 1-June 30, 2009

About us

As the global leader in Allergy & Asthma as well as Autoimmunity diagnostics, Phadia is committed to creating outstanding clinical and medical value for physicians and their patients.

We are;

- ▶ No. 1 in Allergy testing globally
- ▶ No. 1 in Europe in Autoimmune diagnostics

We have;

- ▶ A complete technology range, multiplexing, ImmunoCAP® lab tests for clinical laboratories and doctor's office testing with ImmunoCAP® Rapid.
- ▶ The widest range in the industry with more than 500 allergens.
- ▶ Relationships with every major commercial laboratory in the world.
- ▶ An installed instrument base of more than 5000 instruments in 3000 laboratories.

Introduction

Phadia's performance in the first half of 2009 continued to be strong. The resilience of the business was proven under the generally bad economic climate globally. The management has continued to focus on changes across the business to further enhance Phadia's global leadership.

Group sales grew organically by 10% in H1. From a geographical perspective, all regions showed growth, with the best performance in the US and International regions where high double digit growth was attained.

The strong sales in the US region were achieved thanks to a significant investment in the sales force program that was started in mid-2007. The number of Clinical Sales Consultants (CSC) in the US has increased by approximately 100 from the start to June, 2009. At the end of June, Phadia US employed about 170 CSCs.

In June, Phadia acquired the remaining 75% of the Vienna based VBC Genomics. Through the acquisition, Phadia has the full ownership of the multiplexing technology products – ImmunoCAP ISAC® – that was introduced in Europe in 2008. The sales development and the instrument deployment have been encouraging. The multiplexing technology means that with only a single, small blood sample, one can diagnose more than 100 allergens in one test.

The Phadia US reference laboratory, PIRL, was officially inaugurated in March. The target audience is Allergy Specialists.

The ImmunoCAP® Rapid 510k file for the US market was approved by FDA in March, for CLIA moderate complexity. Pre-marketing activities have been started during Q2.

Regions

▶ *Japan*

The Japanese market region showed positive growth in comparison to the first six months of 2008.

The large commercial laboratories continued to gain market share from hospital laboratories as outsourcing activities continued.

Autoimmunity diagnostics products were launched in Japan by the turn of the year, and the first sales were registered in the second quarter.

The development of a high capacity instrument primarily aimed at the large commercial laboratories in Japan continued. The first instruments will be installed in 2010 and other markets will follow in Japan's footsteps.

Regions

▶ *US*

Since mid-2007 we have been making significant investments in the expansion of the primary care sales force in the US. The number of CSCs (clinical sales consultants) at the end of June was 170, and this expansion is planned to continue. The program continues to target only the most accessible primary care clinicians in markets where ImmunoCAP® has a powerful market share. These efforts have enhanced the sales growth in the US to high double digit numbers.

The ImmunoCAP® Rapid 510k file was cleared by FDA in mid March 2009 for CLIA moderate complexity.

The Phadia Immunology Reference Lab (PIRL) opened in November, 2008 and was officially launched at the AAAAI meeting in March, 2009. The target audience is Academic and Research Allergy Specialists.

Regions

▶ *Europe*

European sales showed growth in comparison to H1, 2008. The growth was attributable to both Allergy and Autoimmunity with stronger growth in the latter, thanks to new markers and market share gains.

There is a mixed picture when it comes to growth pace in the different European countries. Italy, Spain and UK show double digit growth thanks to clinical activities, expanding the total market for Phadia's product range, whereas reimbursement changes in Germany have had a temporary negative impact on the total market causing negative growth.

Regions

▶ *International*

The international region, covering Taiwan, Brazil, South Africa, South Korea and the Czech Republic with own sales organizations and some 65 additional countries through distributors, continued to show excellent growth in H1, 2009. All markets performed well, with particularly good growth in Brazil as a result of market share gains and the start of new business.

A new sales office was opened in Prague, Czech Republic, on April 1. Sales development is exceeding expectations.