Biohit Oyj

ANNUAL REPORT 2012

INNOVATING FOR HEALTH

CONTENTS

BIOHIT IN BRIEF

Biohit Oyj is a globally operating Finnish biotechnology company established in 1988. Biohit's mission is "Innovating for Health".

Biohit shoulders its social responsibility by creating innovative new technologies and services that help physicians and research institutions to promote diagnostics and research. They can also prevent diseases of the gastrointestinal tract, exposure to acetaldehyde, human suffering and financial loss, thereby generating wellbeing. Being a socially responsible company, we feel it is our duty to raise public awareness of acetaldehyde, a group 1 carcinogen, and to innovate and develop the marketing of our products and services, ensuring their maximum availability to the public. Biohit is headquartered in Helsinki and has subsidiaries in China and the UK. Biohit's Series B share (BIOBV) is quoted on NASDAQ OMX Helsinki since 1999, Small cap/Healthcare.

Innovations

Gastrointestinal disorders are a growing worldwide phenomenon that also involves significant medical, ethical and financial issues. Gastrointestinal disorders are also the most common cause of complaints regarding treatment, or insufficient treatment. Such problems are essentially related to issues affecting the general healthcare sector and growing financial constraints caused by the ageing population.

GastroPanel, Acetium and ColonView are safe, ethical and cost-efficient innovations for diagnosing and preventing gastrointestinal diseases and the associated risks.

www.biohithealthcare.com

YEAR 2012

Changes drive Biohit's global growth.

SALES AND MARKETING

For Biohit's sales and marketing, 2012 was a year of significant changes. Changes in personnel and business practices shifted the operational focus to international sales. New distributor and partnership agreements were signed in international markets, and changes were made to the corporate structure (e.g. a subsidiary was set up in China). In Finland, Biohit continued to build business activities with its strong partners (Tamro, Terveystalo) and with the Group's new unit, Biohit Laboratory Services Oy, which was established in the beginning of 2013.

Marketing efforts will focus on providing support to partners, improving the accessibility and availability of our products, and digital marketing. As clinical practices improve, we want to emphasise the role of our products in enabling the early diagnosis and prevention of gastrointestinal diseases and cancer risks. A future goal is to develop treatment practices to promote well-being of patients, correct allocation of resources, and healthcare costs-effectiveness.

PERSONNEL

During the year, the average number of personnel employed by the Group was 35 (422 in 2011) of whom 29 (188) were employed by the parent company and 6 (234) by its subsidiaries. At the end of the year, the Group employed 35 (34) personnel, of whom 29 (27) were employed by the parent company and 6 (7) by the subsidiaries. During the transition time the former subsidiaries employed 5 people.

RESEARCH AND DEVELOPMENT

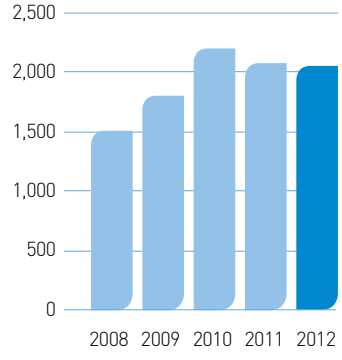
Biohit's objective is to make new technologies and services available to doctors and research facilities. Such technologies and services contribute to improved human health and wellbeing, and help to prevent gastrointestinal diseases. Biohit continued to invest heavily in research and development, both in its existing diagnostic products (GastroPanel, quick tests for Helicobacter pylori and lactose intolerance), acetaldehyde exposure reducing products (Acetium), and new products. All operations are geared towards achieving high quality and cost-efficiency, and creating solutions for the prevention and treatment of gastrointestinal diseases. Awareness of the connection between carcinogenic acetaldehyde and numerous cancer types is gradually growing among the general public.

FINANCE

Biohit Oyj enjoys a strong financial position, which allows determined investments in an international distributor network as well as the development and commercialisation of new products. At the end of the financial year, the company's financial assets totalled EUR 30.5 million. In addition, the company has other business transaction related receivables to the amount of EUR 6.8 million in an escrow account; these will be released on March 31, 2014 if no claims are made regarding the transaction. Biohit paid back a capital loan of EUR 0.6 million and the accumulated interest of 5% in February 2012. Also in February, the holders of Biohit Oyj's convertible bond sold the loan back to the company. The value of the loan was EUR 4.1 million and interest 6.5%.

Biohit Group	1–12/2012	1–12/2011
Net sales, MEUR	2.0	2.2
Operating profit / loss, MEUR	-4.6	-6.0
Profit / loss before taxes	-3.7	-6.5
Profit / loss for the period	-3.7	37.8
Average number of personnel	35	422
Personnel at the period end	35	34
Equity ratio, %	89%	74%
Earnings per share, EUR	-0.27	2.86
Shareholder's equity per share, EUR	2.61	3.88
Average number of shares during the period	13 615 593	13 163 616
Number of shares at the period end	13 615 593	13 615 593

Net sales in continuing operations 2008–2012, 1,000 EUR



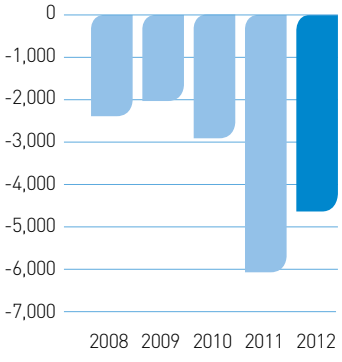
2.0

NET SALES 2012
MILLION EURO

Biohit's equity ratio

88.7%

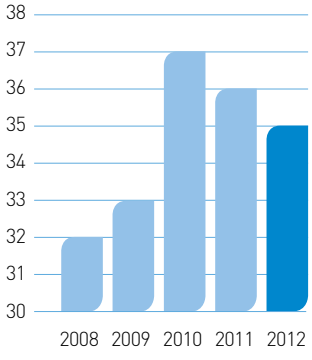
Profit / loss in continuing operations 2008–2012, 1,000 EUR



-4.6

PROFIT 2012
MILLION EURO

Average number of personnel in continuing operations 2008–2012



35

AVERAGE NUMBER
OF PERSONNEL 2012

CEO'S REVIEW

In 2012, we focused on developing the Biohit HealthCare business. Our spearhead products Acetium, GastroPanel and diagnostic quick tests are primarily marketed in Europe and in Asia.

We invested considerably in the development of our own sales organisation, and on marketing efforts. In addition, we took determined steps to build a partnership network with the objective of signing up new distributors and enhancing co-operation with distributors.

We signed several distributor agreements in 2012. Over 50% of currently valid agreements were signed during 2012 including agreements in China, Russia, Europe and South America.

DIAGNOSTICS CONTRACTS

We made an agreement with the Chinese subsidiary CanAg Diagnostics of the Japanese Fujirebio to launch the sales and marketing of GastroPanel in China.

In Finland, we signed a project contract with the Terveystalo medical centre, under which Biohit will offer GastroPanel services to customers of Terveystalo. As a part of the project, Terveystalo organised a screening for the risk of gastric cancer together with the Regional Health Care of Keski-Satakunta, and analysed the samples in its own laboratory (Pilot project).

During the year, we established a subsidiary in China in order to support our efforts to build a local distribution channel. We also launched a process to outsource our sales organisation in Russia to our new partner Melon Pharma, and initiated a clinical GastroPanel screening project (pilot) in Kazakhstan. In addition, we signed several non exclusive distributor agreements for GastroPanel and quick tests in countries such as Afghanistan, Azerbaijan, Belgium, Chile, Georgia, Kazakhstan, Kyrgyzstan, Luxembourg, Tajikistan, Turkey, Turkmenistan and Uzbekistan. Exclusive agreements were signed in Sweden, Norway and Denmark.

ACETIUM TO WORLD MARKETS

In Finland, we signed an agreement with Tamro Oyj, under which Tamro will take responsibility for pharmacy sales and marketing of Acetium in addition to logistics. With the Mexican pharmaceutical company ProGalénika, we signed an agreement to initiate collaboration involving the exclusive distribution and production of Biohit's Acetium product in Mexico, Argentina, Brazil, Colombia and Venezuela. The contract covers two phases. The first phase will begin with ProGalénika functioning as distributor and, in the second phase ProGalénika, will also manufacture Acetium locally. In addition, we signed a distributor agreement with the Canadian Xediton Pharmaceuticals Inc. covering the distribution and marketing of Biohit's Acetium in Canada.

PATENTS

The period within which objections to the European patent granted to Acetium, developed by Biohit Oyj, must be filed has expired, with no objections filed. This means that Acetium now enjoys extensive patent protection in Europe. Biohit Oyj was granted a patent protecting the GastroPanel invention in China. The patent will protect "the method for diagnosing atrophic gastritis". Biohit was also granted a U.S. patent for a product binding carcinogenic acetaldehyde in nutrition and for the related production method. Biohit has unique, patent-protected

"We renewed our organization to top condition."

products for the early diagnoses and prevention of gastrointestinal diseases and stomach and colorectal cancer, and for the binding of acetaldehyde in the stomach (the IARC classified acetaldehyde as a Group 1 human carcinogen in 2009). Our products and services can significantly lower health care costs, prolong careers and postpone retirement, and provide better quality of life as well as well-being.

STRONG BALANCE JA DISTRIBUTOR NETWORK

Biohit paid back a capital loan of EUR 0.6 million and the accumulated interest 5%, amounting to EUR 0.6 million, to major shareholders in February 2012. Also in February, the holders of Biohit Oyj's convertible bond sold the loan back to the company. The value of the loan was EUR 4.1 million and interest 6.5%

In our business operations, we will continue to focus on securing new distributors and customers both domestically and internationally, especially through global partnerships. Our primary objective is to create a strong, motivated and professional global distributor network.

STRENGTHENED ORGANIZATON

One of the most notable developments during the reporting period was our organisational change.

We recruited a number of new employees, to strengthen our management and operative organisation. For economic and production-related reasons, Biohit began statutory co-operation negotiations in the autumn to adjust its cost structure in terms of production, product development, and sales and marketing to the new distribution channel strategy.

To support the customer-orientation policy, a new subsidiary, Biohit Laboratory Service Oy, was established. From the beginning of the year Biohit Service Laboratory offers analyses of Biohit's tests and determines the acetaldehyde content of various foods and alcoholic beverages.

The changes experienced in 2012 taught us to seize new opportunities quickly.

I would like to thank our personnel and other stakeholders. I am very happy for our achievements in 2012, and look forward to an exciting year in 2013!

Semi Korpela
CEO

STRATEGIC LINES AND GOALS

We have made a strategic choice to focus on our core business.

OUR VISION IS TO BE THE WORLD'S LEADING BIOTECHNOLOGY COMPANY IN SELECTED MARKET AREAS:

1. gastrointestinal diagnostics
2. acetaldehyde binding and eliminating products

The key message of the brand strategy is "Innovating for Health".

GASTROINTESTINAL TRACT DIAGNOSTICS

Our strategic choice in the gastrointestinal diagnostics area is to focus on GastroPanel examinations and targeted screenings. For further development of the GastroPanel test, we are seeking automation integration partners. GastroPanel sales and marketing concept is to sell the product as a full panel consisting of four tests. A key element in this concept is the GastroSoft tool designed for the basic health care sector, for analysing the results of GastroPanel tests.

Quick tests support the gastrointestinal diagnostic product and service offering specified in our strategy. The strategic focus of quick test marketing is on campaign sales.

LICENSING ARRANGEMENTS TO FACILITATE ACETIUM'S MARKET ENTRY

Acetium's strategy involves engaging committed personnel in pantner and licensing agreements. Potential licensing partners include pharmaceutical companies, such as the manufacturers of anti-acid medications. Co-operation focuses on atrophic gastritis and anacidic stomach, and the related significant exposure to acetaldehyde . Our objective is to identify potential areas of co-operation with the food and tobacco industries. Biohit aims to win several Acetium licensing partners in various geographic regions. We will keep a close eye on our partners' sales performance and provide them with incentives in achieving their sales targets.

INVESTING IN DISTRIBUTOR SUPPORT

In product development, attention will be paid to enhanced operational efficiency. Measures taken include improvements in project management and leadership, and allocating resources dynamically to the execution of projects considered to have the highest priority for business.

The scientific advisory board is a valuable part of Biohit's operating model; efforts will be made to improve its efficiency, and it will be given a more prominent role in sales promotion campaigns.

"We updated our Acetium sales strategy."

CREATING A NEW CULTURE OF CARE

The right diagnosis is an essential requirement for the appropriate care. We want to contribute to a new culture of care that is less stressful for the patient and generates lower costs for society.

In several regions across the globe, the population is ageing, leading to an increase in serious gastrointestinal diseases such as stomach, oesophageal and colon cancers. In general, these diseases present minor symptoms in the early stages, which makes it difficult to diagnose them early enough to provide a cure. As a result, there is a growing need for reliable quality diagnostics. Biohit's products offer new diagnostic tools for several diseases.

Diagnostic tests and new treatments focus on providing the right treatment to improve patients' quality of life and to lower care-related costs. Biohit's products support the early diagnostics and prevention of gastrointestinal diseases and the risk of cancer, particularly in an ageing population. Biohit's products are used in hospitals, healthcare centres, medical clinics and healthcare laboratories worldwide.

Approximately 20–40 per cent of the population in Western industrialised countries suffer from abdominal complaints. More than half of the world's population is affected by the Helicobacter pylori infection. GastroPanel is an efficient and non-invasive test for various abdominal complaints; a blood sample helps the doctor to make a preliminary diagnosis. Without proper diagnosis, people often resort to ineffective self-medication, such as prescription-free antacids, yoghurts or other nutritional supplements, with potentially fatal consequences.

In January 2012, the Healthy Stomach Initiative, a panel of international medical experts, recommended the use of GastroPanel biomarkers as a primary examination procedure when screening for and diagnosing atrophic gastritis (a functional disorder of the stomach involving damage to the gastric mucosa), which causes a risk of gastric and oesophageal cancer. The current trend favours less invasive examination techniques. With the GastroPanel diagnostic tool, gastroscopy can only be performed on those at serious risk of cancer or other serious gastrointestinal diseases. The GastroPanel biomarker test allows doctors to determine which patients have a healthy stomach, despite abdominal discomfort, and to refer them for appropriate examinations. This is an example of a new culture of care, which helps to generate significant cost savings to society. Early diagnosis of a serious disease, or the risk to developing one, improves the prognosis and saves costs.

Biohit's quick test for lactose intolerance performed on duodenal biopsies and the quick test for helicobacter pylori performed on stomach biopsies, allow diseases to be diagnosed at gastroscopy units. Development work continued on the ColonView quick test for faecal occult blood, and a quick test using a fingertip blood sample to diagnose celiac disease during the period.

BIOHIT LABORATORY SERVICES OY

Towards the end of the reporting period, Biohit completed a corporate arrangement involving the spin-off of Biohit's service laboratory into a separate company. The company was named Biohit Laboratory Services Oy. Professor Kari Syrjänen, MD, was appointed Managing Director of the new company. Following this arrangement, the company is now better positioned to develop its laboratory services together with its partners, and to tap into business potential more efficiently.

EVIDENCE OF COST-SAVINGS REQUIRED

The need for more efficient healthcare is growing in all Western countries, with the current financial crisis creating added pressures for efficiency. Today's economic conditions call for cost-efficient examinations such as the GastroPanel. Detailed calculations indicating cost savings and the effectiveness of treatment are facilitating market entry. Biohit's customers would also welcome easier tests for patient screening. These trends boost demand for Biohit's diagnostic tests and prompt their further development.

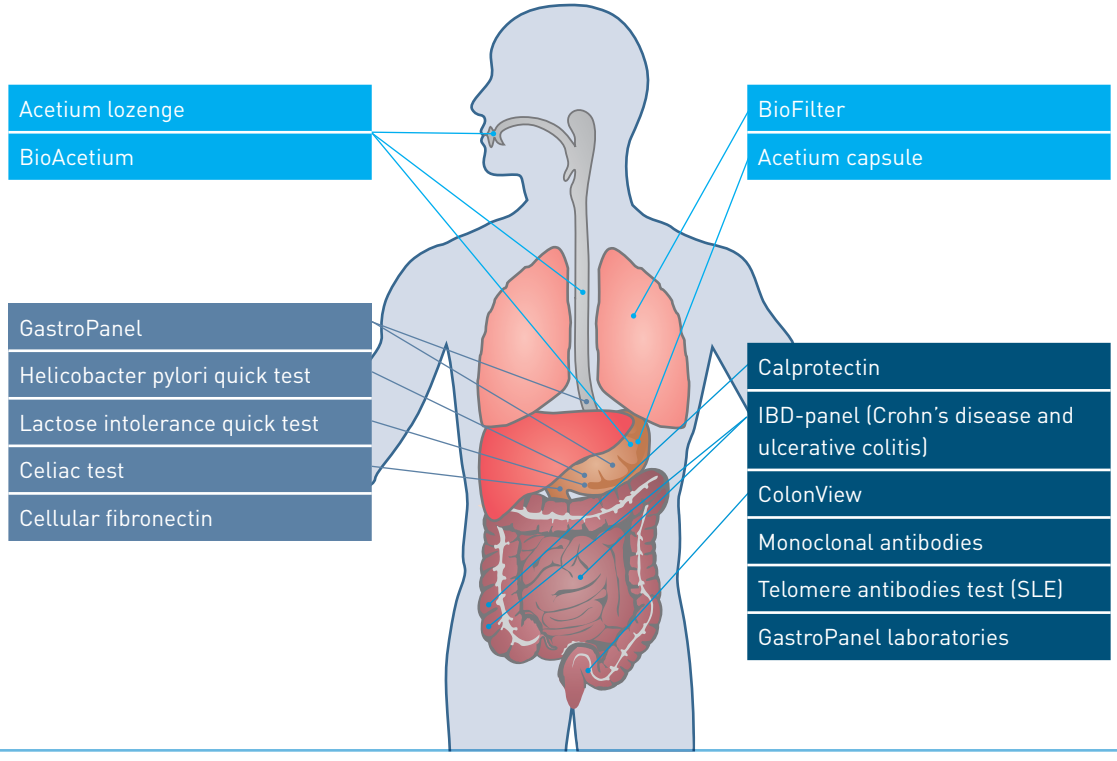
Another notable trend is the growing technical sophistication and automation of laboratories. In more and more cases, laboratories need to switch from manual work to automation, and have ever-larger analysers performing tests and analyses. This trend can clearly be seen in the growing need for point-of-care (POC) analyses, such as blood sample based tests that can be conducted at clinics. Quick tests and hardware applications represent both a challenge and an opportunity for Biohit.

PARTNERS

Biohit is partnered with the world's leading gastroenterologists. This co-operation includes the Healthy Stomach Initiative programme, designed to promote research and create public awareness for preventing the development of gastric diseases, gastric symptoms and maintain stomach health. Biohit is the key partner and sponsor of the programme. GastroPanel, ColonView and Acetium tests have been proposed for several research projects. Read more: www.hsinitiative.org

Biohit's key markets are Europe and Asia. Biohit is working to build a committed and focused distributor and partner network and to identify potential new distributors. New agreements for diagnostic products are being prepared with distributors specialising in gastroenterology, such as the Japanese Fujirebion CanAg Diagnostics (Beijing), which launched the sale and marketing of GastroPanel tests in China, where it has approximately 200 distributors. Partners are also being sought for Acetium products, with the objective of establishing co-operation cover-

Biohit focuses on diagnosis of gastrointestinal diseases and cancer prevention



Name: Igor Stadnik, CEO

Company: Melon Pharma

Retailer:
Exclusive distributor
for diagnostic products
in Russia

DISTRIBUTOR COMMENTS

"In Russia, about 22 million people suffer from stomach problems, and nearly 9 million of them do not seek medical help. GastroPanel 's market potential in Russia is huge and we are seeking customers by informing the general public about GastroPanel opportunities and availability. Interest towards rapid tests is increasing as well, although the general price range set to Russian income level is a challenge.

As the population ages, the incidence of disease increase. In recent years, the growth in diagnoses has strongest in respiratory diseases (11.4%) and increase of cancer (6.2%). The current situation of social inequality deepens and leads to a deterioration of public health, also among young Russian people.

Archetype example of Russian customer base is a woman who takes care of not only herself but also her spouse and offspring, as well as healthcare activities for the whole family. Such customer municipalities will increase year by year. Therefore, the Biohit healthcare products have a good chance to succeed."

ing sales and marketing, as well as manufacture and regional research in selected areas. For Acetium, Biohit is seeking partners for more extensive geographical co-operation, such as ProGalénika, which runs operations in Mexico and other Latin American countries (Argentina, Brazil, Columbia and Venezuela). In Finland, Biohit has signed a contract with Tamro for the sale and marketing of Acetium to pharmacies, and is seeking similar distributors elsewhere in Europe. A licence to sell pharmaceuticals within the EU allows the online sale of Acetium through www.verkkoapteekki.fi in Finland and www.Amazon.com in Germany. Once its products have been registered, Biohit helps distributors with, for example, commercialisation and user training as required in each country.

In Finland, Terveystalo medical centre in Harjavalta has launched a mass GastroPanel screening pilot. Similarly, the Medical Center of the President's Affairs Administration in Kazakhstan launched a pilot-type clinical trial with GastroPanel.

ACETIUM RAISING INTEREST

This decade will be the decade of acetaldehyde. In October 2009, the IARC (a WHO expert organisation) classified acetaldehyde as a Group I carcinogen – a group that includes asbestos, tobacco and benzene. All available means should be employed to prevent exposure to these carcinogens. Acetium reduces acetaldehyde in the stomach and could therefore be beneficial to those who are on anti-acid medication, which means more than half a million people in Finland alone.

Patented by Biohit, the Acetium capsule is intended e.g. for people on anti-acid medication and those suffering from an anacidic stomach caused by atrophy of the gastric mucosa and functional disorder (atrophic gastritis). Atrophic gastritis may be caused by a Helicobacter pylori infection or develop as a result of an autoimmune disease. An acid-free stomach is the primary risk factor in gastric cancer and, according to recent research, also poses a significant risk of esophageal cancer. Acetium is prescription-free and available at all Finnish pharmacies supplied by Tamro Oyj.

Awareness of the effects of acetaldehyde is growing, and communication efforts, targeting physicians and the general public, are being taken to further increase such awareness.

Test your acetaldehyde exposure:
www.acetium.com/test

INNOVATIONS AS BUSINESS SPEARHEADS

Biohit's product range encompasses tests, instruments and analysis systems for laboratories. Biohit has also introduced its unique range of Acetium products, which bind carcinogenic acetaldehyde in the stomach.

Primary healthcare forms the main user base for Biohit's GastroPanel examination (for stomach health) and the ColonView quick test (to diagnose the risks of colorectal cancer). Biohit's quick tests for lactose intolerance and *H. pylori* are also suitable for use in specialised healthcare. In addition to these tests, the company also markets and sells its own GastroPanel laboratories with varying capacities. They include GastroPanel examination kits, liquid handling equipment, instruments, and software. Biohit purchases any liquid handling products required for its diagnostics products and laboratories from Sartorius, which acquired Biohit's liquid handling business. The GastroPanel laboratory concept promotes the effective use of GastroPanel examinations.

THE HEALTHY STOMACH INITIATIVE

The Healthy Stomach Initiative's international research team recommends the use of the GastroPanel examination's biomarkers for the diagnosis and screening of those suffering from abdominal complaints and asymptomatic *H. pylori* infection, and for atrophic gastritis resulting from *H. pylori* infection or an autoimmune disease, when it is not safe to use the alternative procedure, the ^{13}C urea breath test. 20–40 % of the population in Western countries suffer from abdominal complaints. Diseases of the gastrointestinal tract are a major source of healthcare costs all across the globe. Many examination and treatment practices are also insufficient and outdated. Read more at: www.hsinitiative.org.

NEW TREATMENT CULTURE, UNIQUE SOLUTIONS

GastroPanel represents the latest in safety, cost-effectiveness, and technological advancement in the field. It doesn't exhibit any of the serious medical issues as the following tests, which can lead to malpractice and even needless deaths from gastric cancer:

- The ^{13}C urea breath test (UBT), stool antigen test and antibody tests alone do not detect atrophic gastritis of the corpus caused by *H. pylori* infection or autoimmune disease, or atrophic gastritis of the antrum caused by H. pylori infection. Atrophic gastritis is almost always asymptomatic and usually incurable.
- Undiagnosed atrophic gastritis of the corpus (anacidic stomach) may cause gastric and oesophageal cancer and malabsorption of vitamin B12, iron, magnesium, calcium and certain drugs.
- Calcium deficiency causes osteoporosis. Vitamin B12 deficiency may lead to pernicious anaemia, dementia, depression and damage to the peripheral nervous system.
- The absorption of many medicines, such as dipyridamole, some iron products and antifungals (fluconazole, itraconazole), thyroxine and atazanavir, is impaired in an anacidic stomach. Particularly in senior citizens, the risk of severe intestinal infections (such as giardiasis, *Clostridium difficile* and *Escerichia coli*) may be increased.

- Atrophic gastritis in the gastric antrum increases the risk of peptic ulcer disease and gastric cancer. If both the antrum and corpus mucosa are atrophic, this condition poses the highest risk for gastric cancer known to date. In some cases, gastric cancer is directly caused by *H. pylori* and gastritis. Less than 1% of the population has hereditary gastric cancer.
- None of the aforementioned three *H. pylori* tests provide any information on excessive gastric acid secretion, which can cause complications in patients with gastro-oesophageal reflux disease. Such complications are often asymptomatic and include ulcerative oesophagitis and Barrett's oesophagus, which may lead to oesophageal cancer if left untreated. If complications of gastroesophageal reflux disease are suspected due to excessive acid secretion, or if the patient has atrophic gastritis or symptomatic *H. pylori* infection, gastroscopy is required to rule out cancer and other risks.
- The ^{13}C urea breath test and stool antigen test may also give up to 40% false negative results: in other words, the infection – including the risk of cancer and other complications – may be left undiagnosed if the patient has atrophic gastritis, MALT lymphoma or bleeding peptic ulcer disease, or if the patient is currently receiving antibiotics or PPI treatment.

Pasechnikov VD et al. (2005) reached the following conclusion in their article: "The analysis of the literature data and results of our own research allow us to conclude that the serious medical and ethical problems of the 'test and treat' strategy can be corrected simply and economically by replacing its ^{13}C urea breath or stool antigen test with the GastroPanel examination. Talley et al. (2004) indicate that in many countries, such as Sweden and the US, the 'test and treat' strategy alone is not considered sufficient. The *H. pylori* examinations used in the 'test and treat' strategy do not find atrophic gastritis and related risks, such as gastric cancer and precancerous lesions. Any observations would need to be confirmed by gastroscopy and biopsy specimen examination, after which the diseases could be successfully treated. GastroPanel used in conjunction with gastroscopy and biopsy specimen examinations will reveal patients with precancerous lesions and early-stage gastric cancers, and will therefore prevent unnecessary deaths from gastric cancer."

On the basis of the Finnish Setti study (Varis et al., 2000), an estimated 250–300 gastric cancer deaths among the over-50s could be prevented in Finland each year.

These deaths could be preventable by using GastroPanel to screen all elderly people for atrophic gastritis, and all suspected *H. pylori* positive patients in particular. Gastroscopy can be

FROM OWNER TO DISTRIBUTOR

Following the divestment completed on 14 December 2011, Biohit's liquid handling business was transferred to Sartorius Lab Holding Gmbh.

The liquid handling business covers the development, manufacture and marketing of mechanical and electronic pipettes and disposable tips for use in research institutions, universities and hospitals. It also includes customised OEM (Original Equipment Manufacturer) products, as well as maintenance, calibration and training services for liquid handling products provided through Biohit's distribution network

After the divestment in 2011, Biohit Oyj assumed a new role in the liquid handling business: Biohit can now act a distributor of liquid handling products to its diagnostics segment customers globally.

conducted on at-risk patients to diagnose early-stage gastric cancers and precancerous lesions while the diseases are still at an asymptomatic and curable stage. In addition to assessing the risk of gastric and oesophageal cancer, GastroPanel screening, diagnostics and examinations provide a lot more reliable and valuable information. Read more on Biohit's website: "State of the art GastroPanel and Acetium innovations for the unmet need" and in Finnish "Ajankohtaista sairauksien diagnostiikasta ja ennaltaehkäisystä".

BIOHIT LABORATORY SERVICES OY

GastroPanel examinations are administered at many private practices in Finland, such as Terveystalo and Diacor. (An up-to-date list is available on Biohit's website.)

When the GastroPanel's biomarker tests (Pepsinogen I and II and Gastrin-17 concentrations, and *H. pylori* antibodies) are performed on the basis of a doctor's referral, the Social Insurance Institution of Finland (KELA) will provide compensation. The GastroPanel examination can be taken without a doctor's referral at Biohit's sample stations in the Roihupelto and Ruoholahti districts of Helsinki.

In addition to its range of examinations, which include GastroPanel and ColonView, Biohit Laboratory Services Oy also offers services to determine the concentrations of alcohol and carcinogenic acetaldehyde in, for example, foodstuffs and alcoholic beverages. Biohit has filed several patent applications for its BioFood method, which can bind and inactivate the free, carcinogenic acetaldehyde found in foods and beverages such as beer, yoghurt, and many baby and toddler foods.

ACETIUM CAPSULES AGAINST ACETALDEHYDE

In addition to the aforementioned conclusion, the authors of the Healthy Stomach Initiative article also stated that the acetaldehyde formed in an anacidic stomach resulting from atrophic gastritis significantly increases the risk of gastric and oesophageal cancer. Acetium capsules can reduce the carcinogenic acetaldehyde formed in the stomach, and are thereby likely to reduce the risk of cancer.

Acetium – an innovative way of removing carcinogenic acetaldehyde – is based on Finnish research. The animoacid L-cysteine effectively binds and inactivates the acetaldehyde found in stomach fluids. Acetium capsules release L-cysteine into the stomach, where acetaldehyde is formed, at a regulated rate. Acetium is available from pharmacies without a prescription. On the basis of its mechanism of action, the Finnish Medicines Agency has classed Acetium as a medical device.

"Cancers can be diagnosed in at-risk patients at an early stage, when they are still asymptomatic and curable."

Acetium capsules are unique in binding and inactivating the acetaldehyde found in the stomach. Acetium should be taken with every meal, and always with the consumption of alcohol. It is suitable for:

1. An anacidic or low-acid stomach resulting from atrophic gastritis (caused by *H. pylori* infection or an autoimmune disease), which can be diagnosed using the blood sample-based GastroPanel examination: about 500 million people worldwide.
2. Untreatable chronic *H. pylori* infection (diagnosed using GastroPanel): over 500 million people worldwide.
3. Long-term users of medication that reduces stomach acidity (Proton Pump Inhibitors and H2 blockers): about 5–10 % of people in Western countries use these medicines, and over 500,000 people in Finland.
4. People who have undergone stomach surgery: over a million people worldwide.
5. A genetic defect that prevents the body from breaking down acetaldehyde: up to about half of all Asian people have an ALDH2 deficiency and an estimated 2–12% of them have an anacidic stomach.

Name: Peter Malfertheiner

Professor of Medicine and Director of the Department of Gastroenterology, Hepatology and Infection at the Otto-von-Guericke-University in Magdeburg, Germany.

www.hsinitiative.org

BEYOND BORDERS AND GENERATIONS

The Healthy Stomach (HSI) Initiative is a non-for-profit-organization, which intends to promote research and create public awareness for preventing the development of gastric diseases, gastric symptoms and maintain stomach health.

Professor Peter Malfertheiner is one of the dedicated researchers among stomach health and one of the initiators for HSI-organization.

"In previous decades the researchers focused on promoting international networking across national borders. Times have changed - the present focus should invest in networking, above all, over the generation borders and involving all medical disciplines in the specific area of stomach health and diseases."

Professor Malfertheiner is also a founding member and past president of the European Helicobacter Study group, past president of the European Association of Gastroenterology and Endoscopy (EAGEN) and past chairman of the European Federation of Gastroenterology (UEGF) and of the education committee (UEGF).

In October 2009, the IARC (International Agency for Research on Cancer), which operates under the WHO, recategorised acetaldehyde as a Group I carcinogen. This group also includes asbestos, tobacco and benzene. All Group I carcinogens are subject to the same ethical and legislative principles, regardless of their source. All available means should be used to reduce exposure to these carcinogens in food and the organs.

NEW INNOVATIONS IN THE PIPELINE

Smoking is the greatest single cause of cancer worldwide. During 2012, Biohit began to manufacture its Acetium lozenges and a prototype of its BioFilter.

Every year, a total of about two million cases of mouth, throat, oesophageal and gastric cancer are diagnosed worldwide (15.5 per cent of all cancers). Five years after diagnosis, under five per cent of these people are still alive. Smoking is one of the most significant factors in deaths that could have been prevented. Every year, smoking causes about five million fatalities worldwide, mainly as a consequence of lung and other cancers, COPD (chronic obstructive pulmonary disease), and cardiovascular diseases.

In addition to preventing cancers, Acetium lozenge (which contain L-cysteine and xylitol) and BioFilter (which contains L-cysteine) may also help people quit smoking. Biohit's latest products are the Acetium lozenge, and the BioFilter method and device. Acetium lozenge can eliminate over 90 % of the acetaldehyde contained in smoke from cigarettes. Throuh the saliva carcinogenic acetaldehyde is spread throughout the upper gastrointertinal asea. BioFilter is a cigarette holder that contains cellulose fibres saturated with L-cysteine. This invention can remove up to 70-80 per cent of the carcinogenic and addictive acetaldehyde that is formed during smoking.

These new products could have a major impact on global health, if they motivate smokers to try quitting by using Acetium lozenges or the BioFilter to reduce their dependency and prevent expose to carcinogenic acetaldehyde. There is a huge potential market for these products.

BIOACETIUM STUDIES CONTINUE

Finnish healthcare company Biohit Oyj has received the preliminary results on the clinical study, the purpose of which is to determine the capacity of the new BioAcetium product to eradicate Helicobacter pylori infection. Based on the results, Biohit Oyj has decided to conduct further examinations that will use longer treatment times. In further examinations BioAcetium will also be combined with an antibiotic that does not cause development of antibiotic-resistant strains of the bacteria..

The clinical study was conducted in cooperation with HUS Gastroenterology clinic (Hospital District of Helsinki and Uusimaa) and GastroLääkärit. The purpose of the study was to determine the new BioAcetium ability to treat Helicobacter pylori in individuals over 55 years of age who have not been diagnosed with a prior *H. pylori* infection.

Read also the stock exchange release on beginnign of the study on March 2, 2012:
Biohit Oyj has begun a clinical study, the purpose of which is to determine the capacity of company´s new BioAcetium product to treat Helicobacter pylori infection

"GastroPanel identifies both healthy and unhealthy stomachs."

Over half of the world's population continues to suffer from *H. pylori* infection. Those who suffer from *H. pylori* infection have a 10–12% chance of developing a gastric and duodenal ulcer and a 1–2% risk of developing gastric cancer over the course of their lives. Gastric cancer is still the second most common cause of cancer-related death worldwide. According to modern treatment recommendations, measures should be taken to eliminate the bacteria in at least all individuals who suffer from gastric ailments. However, the bacteria's ability to develop antibiotic-resistant strains is a quickly growing worldwide problem.

Individuals who are eligible for the clinical study are being sought via a GastroPanel examination done from a blood sample. In addition to providing information about possible *H. pylori* infection, Biohit Oyj's GastroPanel test provides reliable information about atrophic gastritis (anacidic or low-acid stomach) caused by *H. pylori* infection or autoimmune disease, which is the most important risk factor for gastric cancer. This information will be sent to all who participate in the GastroPanel study. Those who are eligible for the actual H. pylori eradication study will receive a separate notice with more precise information about the new treatment model and the related volunteer study.

Literature:

Pasechnikov VD, Chukov SZ, Kotelevets SM, Mostovov AN, Mernova VP, Polyakova MB. Invasive and non-invasive diagnosis of *Helicobacter pylori*-associated atrophic gastritis: A comparative study, Scand J Gastroenterol. 2005 Mar;40(3):297-301

Talley NJ, Vakil N, Delaney B, Marshall B, Bytzer P, Engstrand L, de Boer W, Jones R, Malfertheiner P, Agréus L. Review. Management issues in dyspepsia: current consensus and controversies. Scand J Gastroenterol. 2004; 39(10):913-8.

Varis K, Sipponen P, Laxen F, Samloff IM, Huttunen JK, Taylor PR, Heinonen OP, Albanes D, Sande N, Virtamo J, Härkönen M. the Helsinki Gastritis Study Group, Implications of serum pepsinogen I in early endoscopic diagnosis of gastric cancer and dysplasia, Scand J Gastroenterol 2000; (9):950-956

FOR DEMANDING LABORATORY USE

Biohit develops and sells monoclonal antibodies for cancer diagnostics and immunology test components. For comprehensive ELISA test diagnostics, Biohit offers laboratory analysis systems, software and instruments such as microplate readers, microplate strip washers and liquid handling products.

Biohit Oyj is also a distributor of BioTek Instruments Inc.'s products in Finland. BioTek is a global leader in the development, manufacture and sale of microplate instrumentation and software.

Read more about our products at our company website on www.biohithealthcare.com

BUILDING ON CONTINUING DEVELOPMENT

Innovative product development is the cornerstone of Biohit's business. Biohit's objective is to make new technologies and services available to doctors and research facilities, which contribute to better human health and wellbeing and help to prevent gastrointestinal diseases. High product quality is an integral part of our mission.

For several years, Biohit has been building its business on the basis of a determined patent and innovation strategy. Our co-operation with Finnish and international researchers and other partners is geared towards creating safe and cost-efficient diagnostic products and systems. Guidelines in development work include Biohit's quality system, international standards, and the contributions of our scientific advisory board members, who possess cutting-edge competencies in their respective fields.

Biohit continues to invest heavily in research and development, with respect to its existing diagnostic products (GastroPanel, quick tests for Helicobacter pylori and lactose intolerance), to acetaldehyde exposure reducing products (Acetium) and to new products. The purpose of our operations is to achieve high quality and cost-efficiency, and to create solutions for the prevention and treatment of gastrointestinal diseases.

GastroPanel is the first-stage test for early diagnosis of dyspepsia, Helicobacter pylori infection, and atrophic gastritis (loss of glands and cells in stomach mucosa). The GastroPanel test, an invention patented by Biohit, is the result of 20 years of research and development. It is a reliable tool for diagnosing a healthy stomach and eliminates the need for an unnecessary and unpleasant endoscopy, while allowing physicians to search for the causes of symptoms quickly and cost-efficiently.

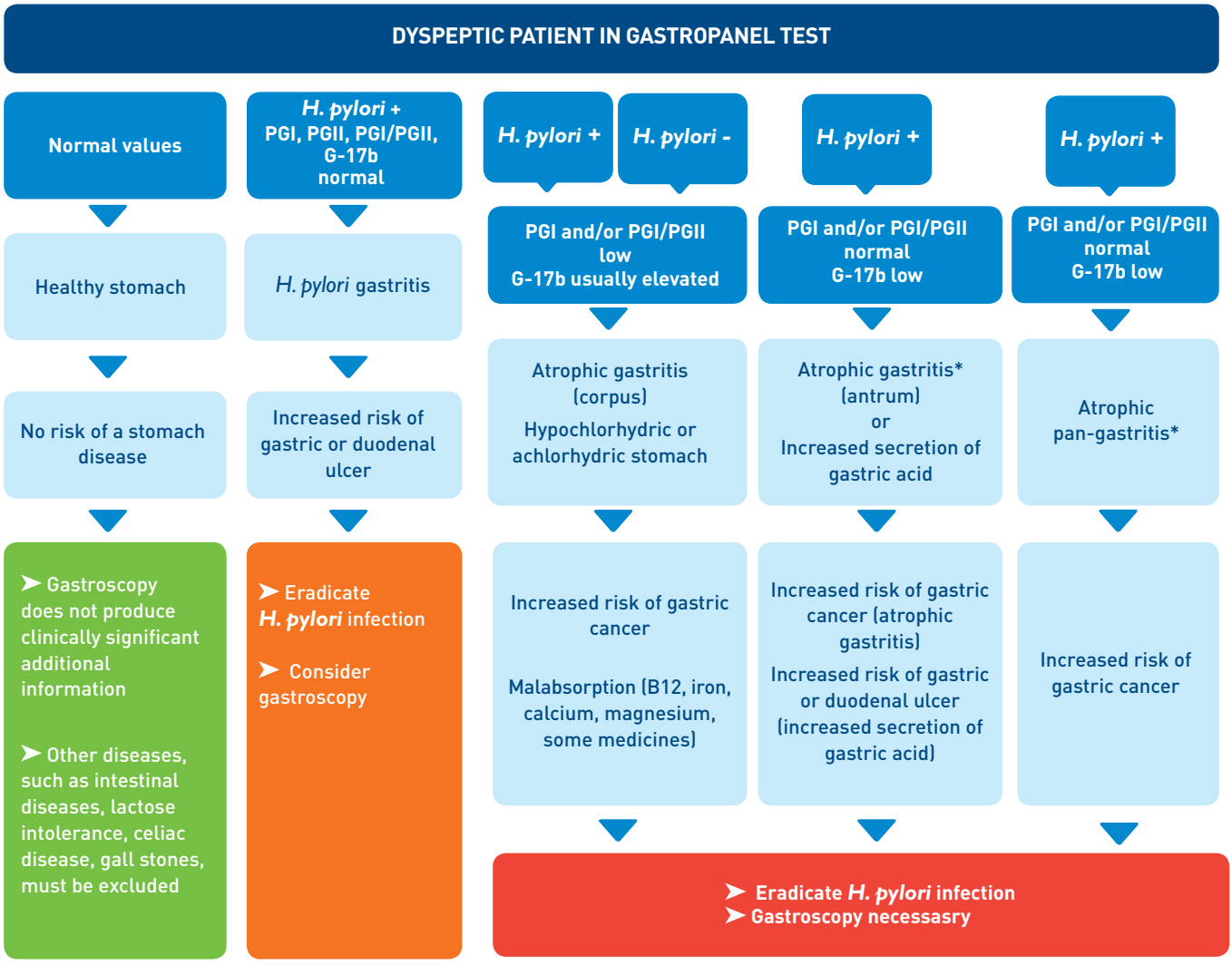
Biohit was involved in a stomach cancer screening trial conducted in the Keski-Satakunta joint municipal healthcare district. The trial involved performing the GastroPanel test on 400 people who turned 55 during the trial year. The objective of the trial was to identify those at risk, in other words people who have an unhealthy stomach mucosa and require further testing. According to studies, with screenings and follow up of risk patients the mortality rate can be possibly cut in half. The loss of years due the disease, in turn, will decrease into quarter.

Development work on the ColonView test continued in 2012. The ColonView examination detects intestinal bleeding in a stool sample and helps to indicate an early risk of colorectal cancer.

THE ACETIUM PRODUCT PORTFOLIO FOR REDUCING THE HARMFUL EFFECT OF ACETALDEHYDE

Biohit has continued to expand its Acetium product range as part of the Acetaldehyde Inactivation project funded by Tekes (the National Technology Agency of Finland). The project focused on two products designed to remove acetaldehyde: the BioFilter invention and the Acetium lozenge. These innovations are also being studied for their ability to help people quit smoking. Biohit's BioFood invention, which binds and inactivates carcinogenic acetaldehyde in food and beverages, has been granted a patent in Finland and in the United States.

Healthy Stomach Initive recommendation:



* The GastroPanel report contains a more detailed interpretation.

Source: www.biohit.fi: Rationale in diagnosis and screening of atrophic gastrisis with stomach-specific plasma biomarkers, Scand J Gastroenterol 2012;47:136-47. Available also on www.biohithealthcare.com/research

QUALITY AND ENVIRONMENT

Quality is vital in our industry, as it has a direct impact on the reliability of our laboratory customers' operations.

Biohit's quality manual is based on the ISO standards and quality is measured in compliance with the healthcare quality directives. Our short-term quality target is to establish standardised operating procedures.

Biohit pays a lot of attention to quality measurement, and we seek to find indicators producing reliable information. Quality measurement takes place in accordance with healthcare directives.

Biohit products are safe and reliable. Any maintenance and training issues are dealt with promptly. Customer feedback is an important quality indicator, and it is our objective to address all feedback as quickly as possible. Feedback is also a valuable tool for product development.

In addition, we conduct regular customer satisfaction surveys to analyse quality-related customer experiences. The survey covers end-users and distributors.

The development, production and marketing of diagnostics products are governed by strict quality standards and other regulations. Our test kit production adheres to the guidelines issued by the Clinical Laboratory Standard Institute and other international organisations.

All of Biohit's products are CE/IVD (In Vitro Diagnostics) registered and approved. Products and processes comply with ISO 13485 standards as defined on IVD directive 98/79/EC and medical device in accordance with the directive 93/42/EC. Biohit has also ISO 9001 and ISO 14001 quality and environmental management standards in accordance with the certifications.

SUSTAINABLE DEVELOPMENT – OUR GUIDING PRINCIPLE

Biohit seeks to develop and manufacture products that will cause as little environmental stress as possible throughout their life cycle. We are aware of the environmental impacts of our products, and make sustainable development a priority when developing our practices and procedures.

Biohit's quality and environmental system is certified by Det Norske Veritas (DNV), QMI-SAI Canada Ltd and VTT Expert Services Oy. Continued efforts are being made to further improve our environmental policy. The objective in product design and improvements is to ensure that the materials used cause minimum harm to health and the environment, and that they are used sparingly.

We also intend to replace our test kit packaging material with a more environmentally friendly alternative. Any waste generated is sorted carefully, and every effort is made to minimise mixed waste. Our operations comply with the WEEE directive. Biohit is a member of The Environmental Register of Packaging PYR Ltd and Der Grüne Punkt, a packaging recycling and reuse programme.

CE IVD

BIOHIT ISO 9001 ISO 13485 / 14001 CERTIFIED

Der Grüne Punkt –
Duales System Deutschland GmbH

PYR

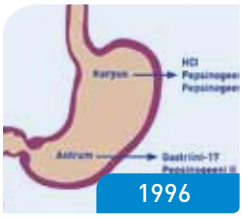
EXCERPTS FROM BIOHIT'S HISTORY

Osmo Suovaniemi establishes Biohit Oy

Worldwide introduction of Proline electronic liquid dispenser

Market launch of mechanical Proline pipettes

Osmo Suovaniemi completes his doctoral thesis (MD)



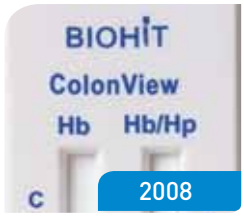
Launch of the GastroPanel programme

Listing on the Helsinki Stock Exchange June 18, 1999

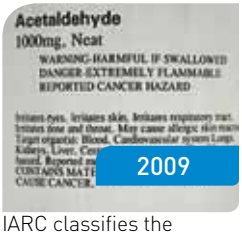
Laboratory services begin

By 2002, for his inventions Osmo Suovaniemi holds the largest number of patents in Finland *

Launch of quick tests for diagnosis of Helicobacter pylori infection and lactose intolerance



Biohit's 20th anniversary Launch of ColonView quick test



IARC classifies the acetaldehyde found in and generated endogenously from alcoholic beverages as a Group I carcinogen

Biohit launches the Acetium capsule, which reduces the carcinogenic acetium in an anacidic stomach

Osmo Suovaniemi receives the Elämäntyö-Konsta award for his achievements and his persistent innovation and patenting strategy

Biohit sells its liquid handling business to Sartorius Lab Holding GmbH

International patents incl. US, China, Europatent

* Source: Tekniikka ja Talous 8.2.2001, Keksintöuutiset (2001). 4–5: 7.)

Read more: www.biohithealthcare.com/about-us/history

BOARD OF DIRECTORS

Osmo Suovaniemi
born 1943

- M.D., Ph.D., Professor
- Chairman of Biohit's Board of Directors
- Non-independent of major shareholders and of the company

Seppo Luode
born 1952

- MSc (Industrial Eng.), MBA (Stanford University)
- Member of Biohit Oyj's Board since 2011
- Independent of major shareholders but not independent of the company

Petteri Kilpinen
born 1964

- BSc (Eng), Harvard Business School Senior Management Programme
- Member of Biohit Oyj's Board since 2011
- Independent of major shareholders and of the company

Mikko Salaspuro
born 1939

- M.D., Ph.D., Professor
- Member of Biohit Oyj's Board since 2008
- Independent of major shareholders but not independent of the company

Eero Lehti
born 1944

- MSc (Soc.Sc.), Member of Parliament
- Member of Biohit Oyj's Board since 2009
- Independent of major shareholders and of the company

Saila Miettinen-Lähde
born 1962

- MSc (Plastics Technology), BSc (Biomedical Eng.)
- Member of the Board since 2011
- Independent of major shareholders and of the company

Kalle Kettunen
born 1964

- MSc (Eng.), MBA
- Member of Biohit Oyj's Board since 2008
- Independent of major shareholders and of the company

MANAGEMENT TEAM

Semi Korpela
born 1970

- M.Sc. (Econ.)
- President & CEO
- With Biohit since 2011 and 2003-2003 as Financial Director

Jussi Kolunen
born 1969

- M.Sc. Econ.
- Financials, HR and Communications
- With Biohit since 2012

Lea Paloheimo
born 1951

- PhD (clinical biochemistry), Hospital Chemist, "Quality and Leadership" program (Danish Technical Institute)
- Business Development and Quality
- With Biohit since 2001

Panu Hendolin
born 1971

- PhD (molecular medicine)
- Research and development
- With Biohit 2012 and 2007-2008

Anu Mickels
born 1972

- MBA
- Sales & Marketing
- With Biohit since 2012

Kari Syrjänen
born 1948

- LKT, FIAC, professori
- Tieteellinen johtaja, Biohit Laboratory Services Oy:n toimitusjohtaja
- With Biohit and member of management team since January 1, 2013

Tapani Tiusanen
born 1956

- PhD. (Physics), DipEMC (Marketing)
- Operations and ICT
- With Biohit since 2008 and 1990-1994, 2000-2007

BUSINESS UNITS ABROAD

Biohit Healthcare Ltd,
United Kingdom
Graham Johnson, BSc

Biohit Healthcare,
Shanghai Branch, China
Wilson (Wei Xiang) Feng, BSc

INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Biohit's Annual General Meeting will be held on Monday 8th of April 2013 at 3 P.M. at the Royal Crowne Plaza, Mannerheimintie 50, 00260 Helsinki.

Registration begins on 1st of March 2013 at 9 A.M. and ends on 2nd of April 2013 at 4 P.M. Registration may be submitted:

- online at: www.biohithealthcare.com/investors
- by e-mail: yhtiokokous@biohit.fi
- by phone on: +358 (9) 773 861
- by letter: Biohit Oyj, Yhtiökokous, Laippatie 1, 00880 Helsinki

Dividend payout

The Board of Directors proposes that on the basis of the financial statements to be adopted for the financial period ended on 31 December 2012, a dividend of EUR 0.49 per each A share and EUR 0.4998 for each B share be paid.

Return of capital

The Board of Directors proposes to the AGM that, on the basis of the financial statements to be adopted for the financial period ended on 31 December 2012, funds from the invested non-restricted equity fund be distributed to shareholders as a capital repayment, with the capital repaid amounting to EUR 0.237 for each A and B share.

Shares

Total number of shares: 13,615,593

- Series A shares (20 votes/share): 2,975,500
- Series B shares (1 vote/share): 10,640,093

Biohit Oyj Series B shares are listed on NASDAQ OMX Helsinki in the Small cap group. The shares are traded under the code BIOBV.

More detailed information on the Biohit Oyj share is presented in the Notes to the Financial Statements, and is also available on the company's website www.biohithealthcare.com/investors.

Financial reporting

Published financial reports and other stock exchange releases can be read on Biohit's website: www.biohithealthcare.com/Investors. The website also contains an online form for ordering electronic copies of the company's releases, which will be e-mailed to you.

Financial calendar 2013

Thursday 25th of April 2013
Interim report January-March 2013 (Q1)

Thursday 8th of August 2013
Interim report January-June 2013 (Q2)

Thursday 24th of October 2013
Interim report January-September 2013 (Q3)

Silent period

Biohit observes a silent period for three weeks prior to the publication of financial results. During this period, management and other personnel will not comment on the company's financial position or markets, nor will they meet with capital market or financial media representatives.

However, if an event that requires immediate publication does occur during the silent period, Biohit will publish the information without delay in accordance with disclosure regulations, and can also comment on the matter in question.

BIOHIT OYJ 2012 STOCK EXCHANGE RELEASES

31 Jan 2012 Biohit Oyj to offer holders of convertible bonds possibility to sell loan back to company

02 Feb 2012 Holders of Biohit Oyj convertible bond sell loan back to company

14 Feb 2012 Biohit Oyj will pay the capital loan and its accumulated interest back to the company's principal shareholders

14 Feb 2012 Biohit Oyj records a goodwill impairment in its 2011 Financial Statements

29 Feb 2012 The Biohit Group's financial statements bulletin 1 January-31 December 2011

02 Mar 2012 Biohit Oyj has begun a clinical study, the purpose of which is to determine the capacity of company´s new BioAcetium product to treat Helicobacter *pylori* infection

16 Mar 2012 Notice of Biohit Oyj's Annual General Meeting

19 Mar 2012 Correction to Notice of Biohit Oyj's Annual General Meeting

21 Mar 2012 Publication of Biohit Oyj's Annual Report 2011

11 Apr 2012 Resolutions of the Annual General Meeting of Biohit Oyj

17 Apr 2012 Changes to Biohit Oyj's management

26 Apr 2012 Biohit Oyj has changed its reporting after the divestment of the liquid handling business

26 Apr 2012 Interim Report of the Biohit Group 1 January to 31 March 2012

02 May 2012 Changes to Biohit Oyj's management

28 May 2012 Changes to Biohit Oyj's management

28 May 2012 Biohit HealthCare signs distribution contract with Euro Diagnostica

08 Jun 2012 International research groups recommend blood sample biomarker tests for the diagnosis and screening of gastric diseases

20 Jul 2012 European Patent Awarded to Biohit Oyj's Acetium

31 Jul 2012 Changes to Biohit Oyj's management

16 Aug 2012 Interim report of the Biohit Group 1 April to 30 June 2012

07 Sep 2012 Biohit starts statutory cooperation negotiations in Finland to improve efficiency and profitability

19 Sep 2012 Biohit Oyj and Suomen Terveystalo Oy sign a project contract

24 Sep 2012 Biohit Oyj and Tamro Oyj to strengthen their co-operation in the marketing and distribution of Acetium in Finland

25 Sep 2012 Biohit Oyj has been granted a methods patent related to GastroPanel in China

01 Oct 2012 Biohit Concludes Statutory Co-operation Negotiations

04 Oct 2012 The Medical Center of the President's Affairs Administration of the Republic of Kazakhstan and Company BIOHIT Oyj, Finland is starting collaboration in the field of medical science and health care

16 Oct 2012 Biohit has been granted a U.S. patent for an invention of binding carcinogenic acetaldehyde in gastrointestinal tract and in nutrition

25 Oct 2012 Interim Report of the Biohit Group 1 July to 30 September 2012

07 Dec 2012 Biohit and ProGalénika to co-operate

10 Dec 2012 Changes to Biohit Oyj's management

11 Dec 2012 Biohit's Financial Reporting and Annual General Meeting in 2013

28 Dec 2012 Biohit signs distribution agreement with Xediton

BIOHIT'S CORPORATE GOVERNANCE STATEMENT 2012

Biohit Oyj has prepared this Corporate Governance Statement on the basis of Section 51 of the Corporate Governance Code for listed companies released by the Securities Market Association.

The Corporate Governance Statement has been issued separately from the Report of Biohit Oyj's Board of Directors. The Board of Directors reviewed the Statement in its meeting on 25 February 2013.

The Report of the Board of Directors, the Auditor's Report and the full Corporate Governance Statement are available on Biohit's website at www.biohithealthcare.com/investors.

RULES OBSERVED BY BIOHIT

Biohit Oyj is a Finnish public limited company whose Series B share is quoted on NASDAQ OMX Helsinki in the Small cap/ Healthcare group. The Biohit Group (hereinafter referred to as 'Biohit') comprises the parent company Biohit Oyj and its foreign subsidiaries, which primarily focus on sales and marketing for Biohit Oyj's products. Biohit is headquartered in Helsinki.

Biohit's administration complies with current legislation, standards and recommendations concerning public listed companies, the regulations of NASDAQ OMX Helsinki Oy, and Biohit Oyj's Articles of Association. Biohit Oyj also follows the Finnish Corporate Governance Code ("corporate governance code") for listed companies that was approved by the Securities Market Association in June 2010 and came into force on 1 October 2010. The Corporate Governance Code is available at www.cgfinland.fi.

BIOHIT'S ADMINISTRATIVE BODIES IN 2012

The highest decision-making power at Biohit is exercised by its shareholders at the Annual General Meeting. The company's Board of Directors supervises the administration and organisation of the company and the Group's earnings trend. The President & CEO is responsible for operative management, and is assisted by a Management Team.

Annual General Meeting

Biohit's Annual General Meeting was held on 11 April 2012 in Helsinki.

At the meeting, 2,793,500 series A shares and 4,643,479 series B shares were represented at the meeting, corresponding to 82.26% of all votes. Over half of the members of the Board, all new candidates proposed for Board membership, and the chief auditor were in attendance.

Board of Directors

The Board of Directors, which comprises 5-7 members elected by the Annual General Meeting, is responsible for the administration and appropriate organisation of Biohit's business operations. The Board of Directors elects a chairman from amongst its members.

Board members' terms of office run from the date of their election by the AGM until the end of the next AGM.

The Board of Directors is responsible for Biohit's administration and the appropriate organisation of its business operations. The Board's areas of responsibility are laid down in the written rules of procedure approved by the Board. They are as follows:

- To develop shareholder value.
- To ensure the appropriate organisation of accounting and financial management.
- To adopt the parent company and consolidated financial statements and the Report of the Board of Directors for the financial year ended.
- To confirm the interim reports for each quarter at the end of March, June and September.
- To decide on Biohit's business plan, budget and investment plan.
- To decide on Biohit's financing and risk management policies.
- To approve management remuneration and incentive schemes.
- To appoint the President & CEO.
- To decide on Biohit's strategy, organisational structure, investments and other wide-reaching and significant issues.

The Board's decision-making is based on reports drawn up by operative management on the operational development of the Group and its business areas.

The Chairman is responsible for calling Board meetings and arranging Board activities. In general, the Board convenes once

a month, that is, 10–12 times per year. The meeting schedule for the entire term is confirmed in advance. When necessary, Board meetings are held more frequently or by teleconference.

The Board of Directors of Biohit Oyj convened 12 times in 2012. (12 times in 2011.) The average attendance rate was 87% (87%).

Members of the Board of Directors

The following were elected by the 2012 Annual General Meeting to serve as members of Biohit's Board of Directors in 2012:

Osmo Suovaniemi, born in 1943, MD, Ph.D, Professor
- A member of the Board since 1988 and Chairman since 2011
- Non-independent of major shareholders and of the company
- Founder of Biohit and its former President & CEO
- Attended Board meetings 12 times in 2012
- Direct shareholding: Series A shares 2,265,340; series B shares 965,207.

Kalle Kettunen, born 1964, M.Sc. (Eng.), MBA
- Member of the Board since 2008
- Independent of major shareholders and of the company
- CEO of Telko Oy
- Attended Board meetings 9 times in 2012
- Direct shareholding: Series B shares 46,900

Eero Lehti, born 1944, M.Sc. (Soc.Sc.)
- Member of the Board since 2009
- Independent of major shareholders and of the company
- Member of Parliament since 2007
- Founder of Taloustutkimus Oy and the Chairman of its Board
- Head owner of Suomen Lehtiyhtymä Oy and the Chairman of its Board
- Attended Board meetings 11 times in 2012
- Direct shareholding: Series B shares 2,000

Mikko Salaspuro, born 1939, M.D., Professor
- Member of the Board since 2008
- Independent of major shareholders but not independent of the company
- Specialist in internal medicine, gastroenterologist, and Professor of Alcohol Diseases at the University of Helsinki
- Attended Board meetings 11 times in 2012
- Direct shareholding: Series B shares 10,000

Petteri Kilpinen, born 1964, B. Sc. (Eng.), Harvard Business School Senior Management Programme
- Member of the Board since 2011
- Independent of major shareholders and of the company
- Attended Board meetings 9 times in 2012
- Direct shareholding: no shareholdings

Seppo Luode, born 1952, M. Sc. (Industrial Eng.), MBA (Stanford University)
- Member of the Board since 2011
- Independent of major shareholders but not independent of the company
- Attended Board meetings 11 times in 2012
- Direct shareholding: no shareholdings

Saila Miettinen-Lähde, born 1962, MSc (Plastics Technology), B.Sc. (Biomedical Eng.)
- Member of the Board since 2011
- Independent of major shareholders and of the company
- Attended Board meetings 10 times in 2012
- Direct shareholding: no shareholdings

Osmo Suovaniemi was Chairman of Biohit's Board of Directors during the financial year.

Board Committees

The scope of Biohit's business operations does not require the appointment of an Audit Committee, and no other committees have been appointed to assist the Board.

President & CEO

The President & CEO is responsible for the day-to-day management of the company in accordance with the instructions and regulations given by the Board of Directors. The President & CEO of the parent company is elected by the Board and also acts as Group President. The President also ensures the appropriate organisation and legality of the company's accounting and financial management. The terms of the President's employment are laid down in a written contract that is approved by the Board of Directors. The President cannot be elected Chairman of the Board.

Semi Korpela, M.Sc.(Econ.) is the President and CEO of Biohit.

Semi Korpela, born in 1970, M.Sc. (Econ.)
- With Biohit Oyj since 2011
- He has previously held the position of CFO at Biohit Oyj from 2003–2006. Thereafter, Korpela was CFO of the CPS Color Group.
- Direct shareholding: Series B shares 2,500

Group Management Team

The Group's Management Team's composition and areas of responsibility were as follows: Semi Korpela (President and CEO), Jussi Kolunen (Finance, HR, Communications, as of 28 May), Ulla Savelainen (Finance, HR and Communications until 28 May), Irene Hernberg (Communications 2 May-30 July), Lea Paloheimo (Business Development and Quality), Anu Mickels (Sales and Marketing as of 2 May), Terhi Lampen (Sales and Marketing until 2 May), Panu Hendolin (Research and Development as of 17 April), Tapani Tiusanen (Operations and ICT).

The Management Team met 39 times in 2012.

Managing Directors of subsidiaries

The Managing Directors of subsidiaries are responsible for the management of subsidiary operations and report to the President & CEO of the parent company.

Subsidiaries are responsible for the sales and marketing of Biohit's products in their market areas. The Managing Directors of subsidiaries operate under the management and supervision of Biohit's President & CEO.

In 2012, the Managing Directors of Biohit's subsidiaries were: Graham Johnson (UK) and Wilson (Wei Xiang) Feng (China).

Personal details and shareholdings of Biohit's Board of Directors and operative management are available on the Internet at: www.biohithealthcare.com/investors.

REMUNERATION IN 2012

Members of the Board of Directors

The Annual General Meeting approves the remuneration paid to Biohit Oyj's Board of Directors. A decision was made at the Annual General Meeting on 11 April 2012 to pay a monthly fee of EUR 1,600 to the Chairman of the Board and a monthly fee of EUR 1,500 to other Board members.

An employment contract was signed on 10 June 2010 with Professor Osmo Suovaniemi, a member of the Board, under which Suovaniemi is paid a monthly fee approved by the Board of Directors for his services as scientific advisor to the Board. In 2012, this fee was EUR 14,000 a month plus car and phone benefit.

President & CEO and other company management

The Board approves the President & CEO's remuneration and terms of employment. The salary paid to the company's President & CEO Semi Korpela in 2012 was EUR 10,000 a month plus phone benefit.

The President approves the remuneration and terms of employment of Management Team members. Biohit's Board of Directors approves the principles of the incentive schemes for Management Team members and the President & CEO. Bonuses are determined on the basis of the net sales and earnings trends in each person's area of responsibility. The maximum bonus that can be received depends on each person's monthly salary and can total no more than three months' salary.

No bonus was approved for the President & CEO and Management Team members in 2012.

The President & CEO approves the salaries of subsidiaries' Managing Directors in accordance with the instructions provided by Biohit's Board of Directors. Profit-based incentives are based on sales and profitability trends for each unit's product segments.

Biohit does not employ any incentive schemes that pay management in the company's own shares.

Pension plans

No other notable pension arrangements, beyond those mandated by law, have been made with the Managing Directors of Group companies.

Remuneration and other benefits 2012

During the financial year ended on 31 December 2012, remuneration paid to members of the parent company's Board totalled EUR 127,000 (EUR 123,000 in 2011).

President & CEO Semi Korpela was paid EUR 130,000. Osmo Suovaniemi was paid EUR 174,000 for his services as a member of the scientific advisory board.

The salaries and fees of the Group's Managing Directors totalled EUR 110,000 (EUR 638,000 in 2011).

Salaries paid to other Management Team members totalled EUR 451,000 (EUR 606,000 in 2011).

MAIN CHARACTERISTICS OF THE INTERNAL CONTROL OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Biohit's internal control is responsible for ensuring that the Group carries out its business operations within the framework of current regulations and legislation, and in accordance with the Board of Directors' instructions. Internal control seeks to ensure that the Group operates with maximum efficiency and that the objectives set in the strategy ratified by the Board of Directors are achieved at different levels of the organisation. Risk management is geared towards supporting the achievement of these objectives by anticipating and managing business-related risks.

Control environment

Biohit's business operations and administration aim to realise the company's values, of which the most important is to promote health and wellbeing through innovation. Biohit will now focus on its diagnostics business, in which the company conducts global operations in both manufacturing and sales and marketing.

Biohit's control environment is defined by the Board of Directors, which, as the highest administrative body, is responsible for organising internal control. The President & CEO is responsible for maintaining the efficiency of the control environment and the functionality of internal control. Biohit's financial department is responsible for the functionality of financial reporting as well as the interpretation and application of financial statement standards in line with the separately ratified instructions.

Risk assessment

In the assessment of risks related to financial reporting, Biohit's objective is to identify the major risks associated with the Group's business operations and environment. The cost-effective management and monitoring of these risks will then ensure that the company's strategic and operational targets can be reached as intended.

The Board of Directors carries the main responsibility for risk assessment and monitoring the implementation of risk management. The President & CEO works with the parent company's operative management and subsidiaries' managements to ensure that the Group's risk management is duly arranged. The parent company's operative management is responsible for identifying and managing the risks involved within each business area, while subsidiaries' managements are responsible for those in their own market areas.

Risk management is one of the areas covered by Biohit's internal control processes, which regularly monitor the risks associated with the company's business operations, identify any changes and, if necessary, take appropriate action to hedge against them. Risk management focuses on ensuring the continuity of business operations and preventing financial misconduct.

Control measures

Internal control measures are integrated into the Group's general business management and reporting process. Subsidiaries report on business and earnings trends and the most significant deviations, to Group Management on a monthly and quarterly basis. The Group's Management Team reports to the BOD on the overall development of business; these two bodies, together with the President and CEO, decide on overall corporate strategies and procedures guiding the operations of the Group.

Subsidiaries' Boards follow business developments and ensure that the parent company's approved instructions and guidelines are followed. As a rule, each subsidiary's Board of Directors convenes after the end of each quarter. Subsidiary Boards work with financial reports and the written quarterly reports drawn up by subsidiary management.

Biohit's steering and control is carried out in accordance with the management system described above. The company provides the reporting systems necessary for business and financial management.

The financial department of the parent company provides instructions for drawing up annual and interim financial statements and prepares the consolidated financial statements. The parent company's financial department retains central control of funding and administrative matters within the framework of the instructions provided by the Board of Directors and the President & CEO, and is also responsible for the management of interest and exchange rate risks. The Managing Directors of subsidiaries ensure that subsidiaries' reporting is carried out in accordance with the instructions given by the Group's Management Team. The parent company's administration department controls and provides instructions on Group-level personnel policies and any agreements made within the Group.

Disclosure policy

Biohit aims to provide all of its stakeholders with information about the company's operations in a proactive, consistent and timely manner. The company seeks to take the special requirements and interests of all its stakeholders into account in its communications, in order to increase confidence in the company and thereby promote its business operations. Biohit's Board of Directors has ratified an information release policy with a view to ensuring the accuracy and reliability of any information released. The policy also specifies who is responsible for communications in different situations.

Biohit's financial department regularly provides information on processes related to financial administration reporting. This ensures the real-time availability of data, which is a prerequisite for efficient internal control. Financial administration guidelines and the company's information release policy aim to ensure the promptness and comprehensiveness of communications and the release of information required for internal control purposes.

Monitoring

The efficiency of internal controls on financial reporting is overseen by the Board of Directors, the President & CEO, Management Team members, and the Managing Directors of subsidiaries. Control focuses on following weekly and monthly financial reports and forecasts, and analysing any deviations

from business plans. Monitoring is performed at all Board and Management Team meetings where reports are reviewed. It is supported by regular contact between Group Management and the company's auditor, and the analysis of any deviations, which occurs at least once a quarter. The audit frameworks for the Group's subsidiaries and key audit areas are jointly defined by the Group's financial management and the chief auditor.

Biohit has not appointed a separately organised function for internal auditing purposes. The Group's financial management holds primary responsibility for the practical implementation of the internal audit.

The Group has all the internal control reporting systems required for financial management and monitoring business development. The reporting systems produce monthly financial data, so that financial management can ensure that the parent company's approved instructions on, for example, authorisations are being adhered to. The Group's auditor and the auditors of each subsidiary evaluate the effectiveness of the internal control system both in connection with the external audit and through spot checks throughout the financial year.

AUDIT 2012

The auditor elected by the AGM is responsible for Biohit's statutory audit. According to the Articles of Association, the company needs to have one auditing body approved by the Central Chamber of Commerce.

Biohit's auditor in 2012 was authorised public accountants Ernst & Young Oy, with Erkka Talvinko, Authorised Public Accountant, as chief auditor.

Auditors' fees

The Group's invoiced auditors' fees for the financial year 2012 totalled EUR 46,000 (EUR 149,000 in 2011). Authorised public accountants Ernst & Young Oy were also paid a total of EUR 28,000 (EUR 50,000 in 2011) for other services.

INSIDERS

Biohit applies the Guidelines for Insiders approved by NASDAQ OMX Helsinki Oy, as well as any relevant amendments.

Biohit's Chief Financial Officer is responsible for the company's insider control. The Director ensures that insiders are aware of insider regulations and adhere to trading restrictions. Insiders are not allowed to trade Biohit Oyj securities for 21 days before the publication of the company's financial statement bulletin and interim reports. Insiders participating in projects are not allowed to sell or buy shares in Biohit before an announcement has been made of the continuation or discontinuation of a project.

Information on the shareholdings of Biohit's insiders and their trading activity is available on Biohit's website at www.biohithealthcare.com/investors.

FINANCIAL STATEMENTS 2012

REPORT OF THE BOARD OF DIRECTORS 2012

SUMMARY

- The company has only one business segment, Diagnostics.
- Net sales, EUR 2.0 million (EUR 2.2 million).
- Operating profit/loss EUR -4.6 million (EUR -6.0 million). Comparison figure includes a EUR 2.6 million writedown on goodwill.
- Profit/loss before taxes EUR -3.7 million (EUR -6.5 million) The comparison figure includes EUR 2.6 million writedown on goodwill.
- Earnings per share EUR -0.27 (EUR 2.86).

Biohit's business development efforts focus on winning new distributors and customers, primarily through global partnerships. Our primary objective is to create a strong and motivated global distributor network.

We will continue to invest in sales and marketing, building distribution channels, and enhancing cooperation with distributors. Our spearhead products are the acetaldehyde neutralising Acetium, as well as the GastroPanel diagnostic tool and quick tests. Our main market areas are Europe and Asia.

Business growth in 2012 was slower than expected. This was largely due to the net sales lost through the divestment of subsidiaries.

Biohit's equity ratio at the end of 2012 was 88.7 % (74.0 %). A strong balance sheet allows further business development and maximising the potential of existing products.

THE GROUP'S KEY FIGURES

MEUR	2012	2011
Net sales, MEUR, continuing operations	2.0	2.2
Operating profit/loss, MEUR	-4.6	-6.0*
Profit/loss before taxes	-3.7	-6.5*
Profit/loss for the period *) **)	-3.7	37.8
Average number of personnel	35	422
Personnel at year-end, continuing operations	35	34
Equity ratio, %	88.7%	74.0%
Earnings per share, EUR	-0.27	2.86
Shareholders' equity per share, EUR	2.6	3.9
Average number of shares during the period	13 615 593	13 163 616
Number of shares at end of period	13 615 593	13 615 593

*) Operating profit for 2011 includes EUR 2.6 million writedown of goodwill
**) Figures include a sales gain of EUR 46.2 million from the divestment of the liquid handling business

REPORTING

Biohit's product range consists of GastroPanel (Pepsinogen I, Pepsinogen II, Gastrin-17 and H. pylori), the acetaldehyde neutralising Acetium, and diagnostic quick tests and antibodies. Biohit also sells pipettes manufactured by Sartorius GmbH. Due to the small sales volume of other products such as liquid handling products, instruments and software, all business is reported under the Diagnostics segment. In the 2012 reporting, the general administrative expenses reported in the comparison period in 2011 are allocated fully to continuing operations.

NET SALES AND RESULT

Net sales from continuing operations decreased by 6.0% from 2011. Operating profit amounted to EUR -4.6 million (EUR -6.0 million).

Group net sales

MEUR	2012	2011
Group net sales	2.0	2.2
Total	2.0	2.2

Consolidated operating result

MEUR	2012	2011
Group operating result	-4.6	-6.0
Total	-4.6	-6.0

The impact of currency exchange rates

Exchange rate gains in 2012 amounted to EUR 0.0 million. Exchange rate gains in 2011 amounted to EUR 0.2 million.

BALANCE SHEET

On 31 December 2012, the balance sheet total was EUR 40.0 million (EUR 71.5 million) and the equity ratio was 88.7 % (74.0 %).

FINANCING

Biohit Oyj enjoys a strong financial position, which allows determined investments in an international distributor network as well as the development and commercialisation of new products.

At the end of the financial year, the company's financial assets totalled EUR 30.5 million. In addition, the company has a long-term, maturity investments held 1.0 million and other business transaction related receivables to the amount of EUR 6.8 million in an escrow account; these will be released on 31 March 2014 if no claims are made regarding the transaction.

Biohit paid back a capital loan of EUR 0.6 million and the accumulated interest 5% in February 2012. Also in February, the holders of Biohit Oyj's convertiblebond sold the loan back to the company. The value ofthe loan was EUR 4.1 million and interest 6.5%.

RESEARCH AND DEVELOPMENT

R&D operations focused on improvements and further developments to existing innovations and products, and on their commercialisation. Biohit also employs external experts and subcontractors in its R&D operations. Development expenditure on the diagnostics business has not been capitalised.

INVESTMENTS

Gross investments investments in during the reporting period totalled EUR 0.3 million (EUR 0.1 million).

PERSONNEL

During the year, the average number of personnel employed by the Group was 35 (422 in 2011) of whom 29 (188) were employed by the parent company and 6 (234) by its subsidiaries. At the end of the year, the Group employed 35 (34) personnel, of whom 29 (27) were employed by the parent company and 6 (2) by the subsidiaries.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Biohit's key risks have to do with the investments required for business growth. There are risks involved in the selection and development of distribution channels, in recruitment, and in product pricing. Significant short-term risks are associated with the selection of new market areas, the timing of expansion into selected markets, and product success in these markets.

The duration of the product registration process is different in each market area. Delays in this registration process may have an adverse impact on business development. It is difficult to accurately assess the time it takes to complete all registrations in the main markets and to begin generating net sales.

When investing liquid assets, the objective is to gain a return on investment with a minimum risk of equity loss. The investment portfolio consists of deposits, money market investments and corporate loans. A fundamental aspect in portfolio management is sufficient diversification across different asset classes, investment instruments and counterparties. Biohit conducts its investment activities with at least two partners.

Thanks to its wide customer base, Biohit does not materially depend on any individual customers or individual project deliveries. Most of the company's business is conducted in euro, and the indirect effects of currency exchange rate fluctuations are considered minor.

OUTLOOK FOR 2013

Biohit continues to make determined efforts to establish international partnerships. Net sales growth depends on the existing distributors' ability to increase sales, on Biohit's ability to sign new distributor agreements and have its products registered in new markets, and on new partners' ability to generate sales.

Biohit expects to turn a profit on operations during 2013 or in the first half of 2014.

MAIN EVENTS IN THE REPORTING PERIOD

Diagnostics business

Biohit develops, manufactures and markets tests and analysis systems for the diagnosis and prevention of gastrointestinal diseases. These tests and systems are based on innovations and research data. The company's product range includes the GastroPanel examination and ColonView quick tests for primary healthcare; lactose intolerance and Helicobacter pylori quick tests for specialised healthcare; and instruments and analysis systems for laboratories. The company also markets GastroPanel laboratory analysis packages. Besides the GastroPanel test kits, this package includes liquid handling products, instruments, and software. The GastroPanel laboratory concept is geared towards facilitating the efficient introduction of GastroPanel examinations.

In late 2012, Biohit decided to spin off its laboratory service business. Biohit Laboratory Services Oy offers analyses for tests developed by Biohit, as well as services to determine the acetaldehyde content in foods and alcoholic beverages. Biohit has developed products and methods to reduce exposure to acetaldehyde in the gastrointestinal tract and food.

The Acetium capsule developed by Biohit binds carcinogenic acetaldehyde in the stomach. Acetium products were developed in cooperation with researchers at the University of Helsinki and Biohit's scientific advisers.

Prescription-free Acetium capsules are recommended for use after the consumption of food or alcohol, to prevent the possible risk of gastric and oesophageal cancer by those who:

1. exhibit atrophic gastritis or anacidic or low-acid stomach caused by the Helicobacer pylori infection or autoimmune disease (diagnosed with GastroPanel)
2. have an untreated Helicobacter pylori infection (diagnosed with GastroPanel)
3. use protein pump inhibitors (PPIs) or H2-receptor blockers
4. have undergone stomach surgery.

Biohit's GastroPanel and Acetium innovations form a unique pairing in the prevention of gastric and oesophageal cancer. GastroPanel detects the Helicobacter pylori infection or atrophic gastritis and its associated risk of gastric and oesophageal cancer in time, while a cure is still available. Atrophic gastritis of the corpus, which rarely heals, leads to a permanently low-acid or anacidic stomach. Mouth microbes are able to live in an anacidic stomach and produce acetaldehyde from alcohol and the sugars contained in food. In October 2009, the WHO classified acetaldehyde as a hazardous Group I carcinogen – a group which also includes asbestos, tobacco and benzene.

All available means should be used to reduce exposure to these Group 1 carcinogens regardless of their source. Protected by granted and pending patents, Acetium capsules are, for the time being, the only way of binding and inactivating carcinogenic acetaldehyde in the stomach, which in turn enables the prevention of gastric and oesophageal cancer. Biohit has also applied for patents in several countries for the BioFood method which can be used to bind and inactivate acetaldehyde in alcoholic beverages and foodstuffs. The Acetium lozenge binds acetaldehyde that is dissolved into saliva from cigarette smoke. Protected by pending patents, the Acetium lozenge may also help users to give up smoking. This will be further examined in a study on the topic. In animal tests, acetaldehyde has been found to be addictive.

Business operations	2012	2011
Net sales, MEUR	2.0	2.2
Change, %	-6.0%	-6.7%
Operating result, MEUR	-4.6	-6.0*
Change, %	+23%	-66%
Operating result, % of net sales	-224%	-274%

*) Operating result of the Diagnostics business for 2011 includes EUR 2.6 million writedown of goodwill

During the period, Group-level sales failed to meet expectations. Net sales developments have mainly been favourable in Biohit's domestic market in Finland.

Biohit signed an agreement with Tamro Oyj covering the logistics and pharmacy marketing of Acetium in Finland. Co-operation was launched with the Mexican pharmaceuticals company ProGalénika and Xedition Pharmaceuticals, which operates in the Canadian markets. Both agreements cover the Acetium product. A project contract was signed with the Terveystalo private medical centre, under which Biohit will provide laboratory diagnostic services for the customers of Terveystalo. An agreement was also signed with the Chinese subsidiary CanAg Diagnostics of the Japanese Fujirebio, for the launch of sales and marketing of GastroPanel. Euro Diagnostika was given an exclusive right to distribute GastroPanel in Sweden, Norway and Denmark.

A subsidiary was set up in China to improve the recognition of Biohit's products and to support efforts to build local distribution channels. The UK subsidiary recruited more staff to enhance sales. Biohit outsourced its Russian operations to Melon Pharma and launched a GastroPanel screening project in Kazakhstan.

Key employees were recruited from outside the company to strengthen company management, and a new organisation was introduced, providing stronger support for the company's strategy and goals. Biohit had to conclude statutory cooperation negotiations to adjust production, product development, and sales and marketing to changes in the business environment.

MAJOR EVENTS AFTER THE CLOSE OF THE PERIOD

Biohit signed a distribution agreement with the Chinese GrandPharma Ltd regarding the marketing and distribution of Acetium in China. This agreement gives GrandPharma an exclusive right to use Biohit's intellectual property rights and know-how, to manufacture market and distribute Biohit's acetaldehyde binding products in China. GrandPharma is a modern large-scale distributor and producer in the pharmaceuticals sector.

According to the agreement, GrandPharma is seeking first-stage registration for Acetium in China. The final product registration is expected to take approximately two years. At this stage, however, it is difficult to provide an accurate estimate of the process's duration.

At the end of January, Biohit decided to continue a clinical study, launched to determine the new BioAcetium product's capacity to eradicate Helicobacter pylori infections.

ADMINISTRATION

Annual General Meeting

The Annual General Meeting after the close of the reporting period, held on April 11, 2012, decided that a dividend of EUR 2,721,410.93 be paid and that a repayment of capital of EUR 10,888,000.80 be made, and that the parent company's profit for the period EUR 40,472,042.36 less the dividend payment be transferred to retained earnings.

The shareholders' meeting decided that the number of members in the Board is seven (7) and re-elected the following people to the Board until the end of the next annual shareholder's meeting: Kalle Kettunen (CEO, MSc (Eng.), MBA), Professor Osmo Suovaniemi (MD,PhD), Professor Mikko Salaspuro (MD, PhD), Eero Lehti (MP, MSc (Soc. Sc.)) Petteri Kilpinen (CEO, BSc(Eng.)), Seppo Luode (MSc (Eng.), MBA) and Saila Miettinen-Lähde (CFO, MSc (Eng.), BSc).

The AGM appointed authorised public accountants Ernst & Young Oy as the company auditor, with Erkka Talvinko, Authorised Public Accountant, as chief auditor.

CHANGES IN BIOHIT OYJ'S MANAGEMENT

Kari Syrjänen (born 1948), MD, Ph.D., FIAC, has been appointed as Chief Medical Director and a member of Biohit Oyj's management team as of January 1, 2013. During his 40-year career, Mr. Syrjänen has held various positions in several universities and hospitals in Finland and abroad, among others as Professor of Pathology and Chairman of Department, Dean of the Faculty, as well as a visiting professor at several foreign universities and research institutes.

Jussi Kolunen, (born 1969), M. Sc. (Econ.), was appointed Biohit Oyj's Chief Financial Officer effective as of May 28, 2012. Since 2005 he was responsible for Bridgestone Finland Oy's financial administration, and held the position of Business Controller at Xerox Oy (2003–2005) and Fujitsu Invia (1999–2003).

Anu Mickels, (b. 1972) MBA, was appointed Biohit Oyj's Sales and Marketing Director effective as of May 2, 2012. Mickels previously worked as Marketing Manager for Orion Diagnostiikka Oy, where she was responsible for international marketing and product management. In 1999-2008 she held sales and marketing communications management positions in Oy Dagmar Ab.

Panu Hendolin, (born 1971) Ph.D. (molecular medicine), was appointed Head of Research and Development at Biohit Oyj as of April 17, 2012. Hendolin worked at Biohit as Research Manager and Head of Research and Development from 2007 to 2008. Previously, Hendolin worked as a Postdoctoral Researcher at the A. I. Virtanen Institute for Molecular Sciences at the University of Eastern Finland, in several product development and managerial positions at Jurilab Oy Ltd and for the last three and a half years as the Technical Manager responsible for product development at Danaher Corporation's Innotrac Diagnostics.

Lea Paloheimo, (born 1951) PhD (clinical biochemistry), was appointed Head of Development at Biohit Oyj as of April 17, 2012. Paloheimo has been working for Biohit since 2001. Before joining Biohit, Paloheimo worked as a Chemist at Huslab, Sales Manager at Dasico A/S in Denmark, Researcher at Orion Diagnostica (Orion Corporation) and as a Chemist at the Clinical Chemistry department of United Laboratories Ltd. She completed her PhD and postdoctoral research at the University of Copenhagen.

SHARES AND SHAREHOLDERS

Biohit Oyj's shares are divided into series A and series B shares. There are 2,975,500 series A shares and 10,640,093 series B shares, totalling 13,615,593 shares. Series A shares confer 20 votes per share and series B shares 1 vote per share. In terms of dividends, B series shares receive dividends that are 2 (two) percentage points higher than A series shares in relation to the nominal values. Supposing that the market capitalisation value for series A and B shares is equal, the total market capitalisation value at the end of the period was EUR 54.5 million (EUR 39.9 million on 31 December 2011).

Biohit Oyj's series B shares are quoted on NASDAQ OMX Helsinki in the Small cap/Healthcare group under the code BIOBV.

BIOBV/NASDAQ OMX Helsinki	2012	2011
High, EUR	4.13	3.96
Low, EUR	2.00	1.74
Average, EUR	2.70	2.30
Closing price, EUR	4.00	2.93
Total turnover, EUR	15,247,556	8,229,319
Total turnover, no. of shares	5,376,483	3,001,175

Shareholders

At the end of the review period on December 31, 2012, the company had 4,734 shareholders (4,238 on December 31, 2011). Private households held 70.09% (69.23 %), companies 27.77% (22.66 %) and public sector organizations 1.50% (2.54 %). Foreign ownership or nominee registrations accounted for 0.64% (5.49 %) of shares.

Further information about the shares, major shareholders and management's shareholdings is available on the company's website www.biohithealthcare.com/investors.

The IFRS standards that came into effect in 2013 did not have a material impact on the accounting principles.

All the figures have been rounded up or down, due to which the sums of figures may deviate from the sum total presented.

In Helsinki on February 27, 2013

Biohit Oyj
Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1,000 €	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Net sales	**3**	**2,048**	**2,169**
Acquisition and production expenses	5	-1,320	-1,498
Gross margin		**728**	**671**
Other operating income	4	76	32
Sales and marketing expenses	6	-2,178	-1,332
Administrative expenses	7	-2,241	-2,110
Research and development expenses	8	-970	-3,310
Operating profit		**-4,586**	**-6,050**
Financial income	12	1,238	235
Financial expenses	12	-312	-708
Financial income and expenses		926	-473
Profit before taxes		**-3,659**	**-6,623**
Discontinued operations	30	-	50,312
Income taxes	13	4	-6,080
Profit for the period		**-3,656**	**37,710**
Other comprehensive income			
Translation differences		-	134
Total comprehensive income		**-3,656**	**37,844**
Distribution of income			
To equity holders' of the parent company		-3,656	37,710
Total		**-3,656**	**37,710**
Distribution of comprehensive income			
To equity holders' of the parent company		-3,656	37,844
Total		**-3,656**	**37,844**
Earnings per share are calculated from the earnings attributable to equity holders' of the parent company			
Earning per share, diluted and undiluted, EUR	14	-0.27	2.86

CONSOLIDATED BALANCE SHEET

1,000 €	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
Non-current assets			
Intangible assets	15	224	311
Tangible assets	16	431	116
Other financial long-term assets	17, 20	7,819*	6,830*
Deferred tax assets	18	2	-
Total non-current assets		**8,476**	**7,257**
Current assets			
Inventories	19	444	319
Trade and other receivables	17, 20	606	5,982
Other financial short-term assets	17, 21	30,233	10,000
Cash and cash equivalents	17, 21	248	47,915
Total current assets		**31,531**	**64,216**
Total assets		**40,007**	**71,472**

* Includes EUR 6.8 million in receivables from a business transaction; the funds are placed in a escrow account. Funds will be released from the escrow account March 31, 2014, provided no claims concerning the transaction are made.

SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	22	2,315	2,315
Fund for investments of non-restricted equity	22	3,226	14,292
Retained earnings		29,951	36,240
Shareholders' equity attributable to parent company shareholders		**35,942**	**52,846**
Total shareholders' equity		**35,942**	**52,846**
Non-current liabilities			
Other liabilities	17, 25	-	90
Total non-current liabilities		**-**	**90**
Current liabilities			
Trade payables	17, 26	362	3,045
Current interest-bearing liabilities	17, 25	384	4,906
Tax liabilities	26	-	4,528
Other liabilities	17, 26	3,769	6,056
Total current liabilities		**4,515**	**18,536**
Total shareholders' equity and liabilities		**40,007**	**71,472**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1,000 €	Shareholders' equity attributable to parent company shareholders				
	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total shareholders' equity
Balance at Jan 1, 2011	**2,199**	**-134**	**12,407**	**-1,469**	**13,003**
Share issue	116		1,885		2,000
Total comprehensive income for the period	-	134	-	37,710	37,844
Balance at Dec 31, 2011	**2,315**	**-**	**14,292**	**36,240**	**52,846**

1,000 €	Shareholders' equity attributable to parent company shareholders				
	Share capital	Translation differences	Invested unrestricted equity fund	Retained earnings	Total shareholders' equity
Balance at Jan 1, 2012	**2,315**	-	**14,292**	**36,240**	**52,846**
Change in the equity component of convertible bonds	-	-	-177	88	-89
Distribution of dividend	-	-	-	-2,721	-2,721
Capital repayment	-	-	-10,888	-	-10,888
Total comprehensive income for the period	-	-	-	-3,656	-3,656
Balance at Dec 31, 2012	**2,315**	**-**	**3,226**	**29,951**	**35,492**

CONSOLIDATED CASH FLOW STATEMENT

1,000 €	Note	2012	2011
Cash flow from operating activities			
Profit for the period		-3,656	37,710
Adjustments to profit for the period			
Depreciation and amortisation		90	4,527
Unrealised exchange rate gains and losses		5	164
Capital gain		-	-46,110
Financial income and expenses		-931	308
Income taxes		-3	6,080
Total adjustments to profit for the period		**-839**	**-35,031**
Change in working capital			
Increase (-) or decrease (+) in current non-interest-bearing receivables		4,561	-1,624
Increase (-) or decrease (+) in inventories		-125	4,919
Increase (+) or decrease (-) in current non-interest-bearing liabilities		-4,667	-454
Total change in working capital		-231	2,841
Interest paid		-767	-757
Interest received		1,141	-
Realised exchange rate gains and losses		-13	355
Income taxes paid		-4,525	-160
Net cash flow from operating activities		**-8,890**	**4,957**
Cash flow from investments			
Investments in tangible and intangible assets		-281	-4,069
Proceeds from sales of tangible and intangible assets		-	428
Capital gain from the sale of liquid handling business		-	56,535
Investments in funds and deposits		- 20,234	-9,501
Net Cash flow from investments		**-20,515**	**43,393**
Cash flow from financing activities			
Share issue		-	2,000
Dividends and capital repayment paid		-13,609	-
Payments of finance lease liabilities		-38	-288
Proceeds from loans		-	500
Repayments of loans		-4,616	-4,351
Net cash flow from financing activities		-18,263	-2,139
Change in cash and cash equivalents		-47,668	**46,211**
Cash and cash equivalents at the beginning of the period		47,915	1,659
Effect of exchange rates on cash and cash equivalents		1	45
Cash and cash equivalents at the end of the period	21	**248**	**47,915**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY PROFILE

Biohit Oyj is a Finnish public company that manufactures diagnostics products and analysis systems as well as acetaldehyde binding products for use in research institutions, healthcare and industrial laboratories. The parent company is domiciled in Helsinki.

Copies of the consolidated financial statements are available on the Internet at www.biohithealthcare.com or from the parent company's headquarters, address Laippatie 1, Helsinki, Finland.

At its meeting on February 25, 2013, Biohit Oyj's Board of Directors approved the financial statements for publication. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting held after their publication. The Annual General Meeting can also decide to revise the financial statements.

2. ACCOUNTING POLICY APPLIED IN THE FINANCIAL STATEMENTS

Accounting policy

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been drawn up in compliance with the IAS and IFRS standards and the SIC and IFRIC interpretations in effect as at December 31, 2012. The term "IFRS standards" in the Finnish Accounting Act and the provisions laid down pursuant to the Act refers to the standards approved by the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also conform to Finnish accounting and corporate legislation.

The consolidated financial statements have been drawn up on the basis of original acquisition costs, with the exception of available-for-sale investments and financial assets and liabilities measured at fair value through profit or loss. The figures in the financial statements are presented in thousands of euros.

When financial statements are prepared in accordance with IFRS, the Group's management must make estimates and exercise judgement in the application of accounting policies. The note "Accounting principles requiring judgements by management and key sources of estimation uncertainty" provides information on the judgements that have been made by management in the application of the accounting principles employed by the Group and which have the greatest impact on the figures presented in the financial statements.

Presentation

The consolidated income statement is presented as a single statement, showing the profit or loss from the Group's continuing operations first, followed by the profit or loss from discontinued operations shown on one line.

Principles of consolidation

The consolidated financial statements include the parent company Biohit Oyj and all of its subsidiaries. Subsidiaries are those companies in which the Group has a controlling interest, that is, in which the Group holds over half of the voting rights or otherwise has a controlling interest. "Controlling interest" means the right to dictate a company's financial and business principles in order to benefit from its operations.

The acquisition cost method has been used in eliminating cross-ownership of shares within the Group. The acquisition cost is taken to include surrendered assets at fair value, liabilities that have arisen or for which responsibility has been adopted, equity instruments issued, and all direct expenses of the acquisition. Acquired subsidiaries are included in the consolidated financial statements as from the moment when the Group has assumed a controlling interest, and divested subsidiaries are included until the moment when the Group ceases to have a controlling interest. All intra-Group transactions, receivables, liabilities, unrealised profits and internal distribution of profits are eliminated when drawing up the consolidated financial statements. Unrealised losses are not eliminated if they are due to impairment. The distribution of profit for the period to the equity holders of the parent company and minority interests is presented in the income statement. Minority interest in equity is presented in the balance sheet as a separate item under shareholders' equity. The minority interest share of accumulated losses is recognised in the consolidated financial statements, up to the amount of the investment at most. The Group does not have any associated companies, joint ventures or minority shareholders.

Translation of items denominated in foreign currency

Figures relating to the result and financial position of each of the Group's business units are measured in the currency of the main operating environment for that unit. The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company.

Foreign currency transactions are recorded in the functional currency using the exchange rates on the date of the transaction in question. Monetary receivables and liabilities are translated using the rates on the closing date. Non-monetary items denominated in foreign currency are translated to the functional currency at the rate on the transaction date. Exchange rate differences on

translation have been entered in the income statement. Exchange rate differences arising from the translation of intra-Group trade receivables and payables are recorded under financial items, and the corresponding external items are accounted for as sales or purchases adjustment items. The income statements of foreign subsidiaries have been translated into euros using the average exchange rates for the financial period. Their balance sheets have been translated using the rates on the closing date. The exchange rate difference resulting from the use of the average exchange rate in the translation of income statement items and the closing date rate in the balance sheets has been entered as a separate item under translation differences in consolidated shareholders' equity. Exchange rate differences in monetary items that are classed as net investments in foreign subsidiaries are entered under translation differences. In accordance with the exception permitted by IFRS 1, cumulative translation differences prior to the IFRS transition date are recorded under retained earnings at the time of the transition to IFRS, and will also not be entered into the income statement later, upon the divestment of a subsidiary.

Business segments

Biohit has only one business segment, Diagnostics.

Income recognition

The sale of goods and services is recognised as income when the significant risks and rewards related to ownership are transferred to the buyer, and the payment of goods and services, costs or the possible return of the goods does not involve significant uncertainty. The income recognised is the fair value of the consideration received from the goods or services sold less value-added tax and both bulk and other discounts, as well as exchange rate gains or losses on the sale. Interest income is recognised using the effective interest method. Dividend income is booked when the rights to the dividends have materialised.

Property, plant and equipment

Property, plant and equipment have been valued at the original acquisition cost less accumulated depreciation and impairment. The acquisition cost includes the direct costs of acquisition. Later expenditure is included in the carrying amount of the asset or recognised as a separate asset only if it is probable that the Group will benefit from the future economic benefits of the asset and the acquisition cost of the asset can be reliably measured. Other repair and maintenance expenditure is recognised through profit or loss in the period incurred.

Assets are amortised on a straight-line basis over their estimated useful life. There is no depreciation on land areas. The estimated useful lives of assets are as follows:

Buildings	20–30 Years
Machinery and equipment	3–10 Years

The residual values and useful lives of assets are reviewed in each financial statement. If necessary, they are adjusted to reflect the changes in the expected economic benefits. Capital gains and losses on the discontinuation or disposal of property, plant and equipment are included in other operating income or expenses.

Costs of debt

Costs of debt are expensed in the financial period in which they were incurred, with the exception of costs of debt associated with the acquisition cost of a capitalised investment, in which case financing costs based on the Group's average financing costs are capitalised in the acquisition cost. Transaction costs arising directly from the proceeds from borrowings – and which are clearly connected with a borrowings – are included in the original periodised acquisition cost of the loan and are periodised as interest expenses using the effective interest rate method.

Public grants

Public grants received for the acquisition of intangible assets and property, plant or equipment are recognised as decreases in the carrying amounts of property, plant and equipment. Grants are recognised as revenue through smaller depreciation over the useful life of the asset. Grants not related to the acquisition of non-current assets are booked in other operating income.

Intangible assets

Goodwill

In the case of companies acquired after January 1, 2004 goodwill corresponds to the share of the acquisition cost in excess of the Group's share of the fair value of the acquiree's net assets at the time of acquisition. The goodwill on the consolidation of business functions prior to this date corresponds to the carrying amount (as per the previously employed accounting standards), which has been used as the deemed cost. Neither the classification nor accounting treatment of these acquisitions has been adjusted when drafting the opening consolidated IFRS balance sheet.

No regular depreciation is recorded on goodwill. Instead, it is subjected to an annual impairment test. To this end, goodwill is allocated to cash generating units. Goodwill is measured at the original acquisition cost less impairment.

Goodwill was written off in its entirety in the financial year 2011.

Research and development expenditure

Research expenditure is expensed in the income statement. Development expenditure on the design of new or more advanced products is capitalised as intangible assets in the balance sheet as from the date when the product is technically feasible, can be utilised commercially, and is expected to yield future economic benefits. Expensed development expenditure is not capitalised later. Amortisation begins when the asset is ready to be used. The useful life of capitalised development expenditure is 5 years, over which time capitalised assets are expensed on a straight-line basis.

Other intangible assets

An intangible asset is recorded in the balance sheet only if the

asset's acquisition cost can be reliably determined and it is probable that the company will benefit from the expected economic benefits of the asset. Other intangible assets with a finite useful life are entered in the balance sheet at the original acquisition cost and expensed in the income statement on a straight-line basis over their known or estimated useful lives. The Group has no intangible assets with unlimited useful lives.

The depreciation periods are as follows:

Patents	10 years
Development expenditure	5 years
Software	3 years
Other	5–7 years

Impairment of tangible and intangible assets

At each closing date, the Group evaluates whether there are indications of impairment on any asset item. If impairment is indicated, the recoverable amount of the asset is estimated. The recoverable amount for goodwill is also assessed annually, regardless of whether impairment is indicated. Impairment is examined at the level of cash generating units, that is, at the lowest unit level that is primarily independent of other units and whose cash flows can be separated out from other cash flows. The discount interest used is determined before taxes and describes the market outlook for the time value of money and the risks associated with the asset items to be tested.

The recoverable amount is the fair value of the asset item less the costs of disposal or the value in use, whichever is higher. Value in use is the estimated net cash flow, discounted to its present value, from the asset item or cash-generating unit in question. An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered immediately in the income statement. If the impairment loss is allocated to a cash generating unit, it is first allocated as a reduction to the goodwill of the cash generating unit and subsequently as a reduction to the other asset items of the unit on a pro rata basis. An impairment loss is reversed if the situation changes and the recoverable amount of an asset item has changed since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset exclusive of impairment losses. Impairment losses on goodwill are never reversed under any circumstances.

Inventories

Inventories are measured either at the acquisition cost or at the net realisable value, whichever is lower. The acquisition cost is determined using the FIFO principle. The acquisition cost of finished and incomplete products comprises raw materials, direct labour costs, other direct costs, and the appropriate portion of the variable general costs of manufacture and fixed overhead at a normal level of operations. The net realisable value is the estimated selling price in ordinary business operations less the estimated expenditure on product completion and sale.

Lease agreements

The Group as lessee

Lease agreements concerning property, plant and equipment in which the Group holds a material share of the risks and rewards of ownership are classified as finance lease agreements. Assets acquired under finance lease agreements are recognised in the balance sheet at the fair value of the asset when the lease period begins or at the present value of the minimum rents, whichever is lower. Assets acquired under finance lease agreements are amortised over their useful life unless it is probable that the asset will not be redeemed after the end of the lease period. In such cases, amortisation is performed during the contract period. Lease payments are split between the finance cost and a reduction in the liability over the lease period such that the interest rate on the liability outstanding for each financial period remains the same. The lease commitments are included in interest-bearing liabilities.

Lease agreements in which the risks and rewards incident to ownership are retained by the lessor are treated as other lease agreements. Rents payable under other lease agreements are expensed in the income statement on a straight-line basis over the lease period.

The Group does not act as a lessor.

Pension obligations

Group companies have organised their pension security in accordance with the pension legislation and practices of the country in question. The majority of the Group's pension schemes are defined contribution schemes for which payments are expensed in the period in which they occur. Defined benefit pension schemes are entered into the income statement such that expenses are periodised over the years in employment of the employee on the basis of annual actuarial calculations. Actuarial gains and losses are recognised in the income statement over the average remaining time in service of the persons in the scheme, insofar as they exceed either 10% of the pension commitment or 10% of the fair value of assets, whichever is higher.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable, and the size of the obligation can be reliably estimated. The amount recognised as a provision represents the best estimate of the expenditure required to fulfil the existing obligation on the closing date. If the time value of money is material, the provision recorded is the present value of expected expenditure.

Taxes on the taxable income for the period and deferred taxes

Tax expenses in the income statement comprise taxes on the taxable income for the period and deferred tax liabilities. Taxes on the taxable income for the period are calculated on the taxable income on the basis of the tax base in force in the country

in question. If applicable, taxes are adjusted for the taxes of previous periods.

Deferred taxes are calculated on all temporary differences between the carrying amount and taxable value. The largest temporary differences arise from the depreciation of property, plant and equipment, unused tax losses, and the internal margin included in inventories.

No deferred taxes are calculated on goodwill impairment that is not deductible in taxation and no deferred taxes are recognised on the undistributed profits of subsidiaries to the extent that the difference is unlikely to be discharged in the foreseeable future.

Deferred taxes have been calculated using the tax bases set by the closing date. Deferred tax assets have been recognised to the extent that it is probable that taxable income against which the temporary difference can be applied will materialise in the future.

Financial assets and liabilities

The Group's financial assets are categorised as: financial assets at fair value through profit or loss, loans and other receivables, and available-for-sale financial assets. Financial assets are classified in accordance with the purpose underlying their acquisition, and are categorised on initial recognition. All acquisitions and sales of financial assets are booked on the date of the transaction. Financial assets are derecognised in the balance sheet when the Group has lost its contractual rights to their cash flows, or when the Group has substantially transferred the risks and rewards out of the Group.

Financial assets at fair value through profit or loss include financial asset items that have been acquired to be held for trading or which have been measured at fair value through profit or loss on initial recognition (use of the fair value alternative). Held-for-trading assets are investments in fixed-term deposits and business loans, and are included in current and non-current assets.. The items in this group are measured at fair value. The fair value of all investments in this group is measured on the basis of released price quotations on well-functioning markets, that is, buy quotations on the closing date. Both realised and unrealised gains and losses due to changes in fair value are recorded in financial items in the income statement on the period in which they were incurred.

Loans and other receivables are assets that exclude derivative assets and whose related payments are fixed or definable. They are not quoted on well-functioning markets and are not held for trading. Assets are measured at the periodised acquisition cost using the effective interest rate method. They are included in the balance sheet as either current or non-current financial assets – non-current if they do not mature within the next 12 months. This category mainly consists of trade receivables.

Available-for-sale assets comprise investments in unquoted shares. These are measured at acquisition cost, as they are non-liquid assets whose fair value cannot be reliably determined. Available-for-sale assets are included in non-current assets, as the Group is unlikely to surrender them within 12 months of the closing date.

Cash and cash equivalents comprise cash at bank and in hand and other liquid investments with a maturity of less than 3 months.

Financial liabilities are originally booked at their fair value on the basis of the consideration received. Transaction costs have been included in the original carrying amount of financial liabilities. All financial liabilities are later valued at the periodised acquisition cost using the effective interest rate method. Financial liabilities are included in current and non-current liabilities and may be interest-bearing or non-interest-bearing. Interest-bearing liabilities comprise financial liabilities requiring the company to make contractual interest or other payments during the term of the loan. Non-interest-bearing liabilities comprise liabilities for which the company does not have to make contractual interest or other payments.

The fair value of the *convertible bond liability* has been determined using the market interest rate for a comparable liability on the date of issue. The bond liability will be presented as a periodised acquisition cost until it is amortised through repayment or conversion into shares. The remainder – the equity component of the bond – is presented, less taxes, in the share premium fund.

The principles used for determining the fair values of financial assets and liabilities are presented in note 17 to the financial statements.

Impairment of financial assets

At every closing date, the Group evaluates whether there is objective evidence indicating impairment in the value of either a single item or a group of financial assets. If there is evidence of impairment, impairment is recognised through profit or loss. If the impairment loss decreases in a subsequent financial year, the recognised loss is reversed through profit or loss, except in the case of available-for-sale investments classed as equity instruments. Impairment of the latter is not reversed in the income statement.

The Group recognises an impairment loss on trade receivables when there is reliable evidence to indicate that the receivable cannot be collected according to the original terms. The impairment loss to be recognised in the income statement is defined as the difference between the carrying amount of the receivable and the estimated present value of future cash flows adjusted using the effective discount interest rate. If the impairment loss decreases in a subsequent financial year and the reduction can be considered as relating to an event after the recognition of impairment, the recognised loss is then reversed through profit or loss.

Definition of operating profit or loss

IAS 1 'Presentation of Financial Statements' does not include a definition of operating profit. The Group has defined it as follows: operating profit or loss is the net sum remaining after other operating income is added to net sales, less purchasing costs (adjusted for the change in inventories of finished goods and work in progress and the costs incurred from production for

own use) and less expenses, depreciation and potential impairment losses caused by employee benefits and other operating expenses. All other income statement items except the above-mentioned are presented below operating profit/loss. Translation differences and changes in the fair value of derivatives are included in operating profit/loss if they are incurred from items related to operational activities; otherwise they are entered under financial items. Exchange rate differences on intra-Group receivables and liabilities are booked under financial items.

Accounting principles requiring judgements by management and key sources of estimation uncertainty

When preparing financial statements, estimates and assumptions about the future must be made, which is why the actual results may differ from these estimates and assumptions. Management must also exercise judgement in the application of accounting policies. Although estimates are based on the most up-to-date information available, actual results may differ from these estimates. The major areas in which estimation and judgement have been used are described below.

Impairment testing

The Group tests goodwill and incomplete intangible assets for impairment on at least an annual basis, and evaluates whether there are indications of impairment as presented in the accounting policies above. The recoverable amount from cash generating units has been defined on the basis of value in use calculations. Estimates must be used when performing these calculations.

Deferred tax assets

In the case of unused tax losses and the deferred tax assets recognised on temporary differences, the Group evaluates annually whether it is probable that the company in question will generate sufficient taxable income before the unused tax losses lapse.

Application of new or amended IFRS standards and IFRIC intepretations

Biohit will begin to apply new or amended IFRS standards and interpretations on their effective date or after they have been approved for application in the EU. Biohit has applied the following new or amended IFRS standards and interpretations in the preparation of these financial statements:

- IFRS 7 *'Financial Instruments: Disclosures'* (Amendment). The amendment affects the notes regarding transfer of financial assets and derecognition in the balance sheet.
- IAS 12 *Income Taxes* (Amendment). The impact of the manner of recovery on the recognition of deferred taxes for investment properties and remeasurable property, plant and equipment. The Group has no investment properties, therefore the amendment had no material effect on the consolidated financial statements 2012.

Biohit will begin to apply the following new or amended standards and interpretations in 2013 or in subsequent financial years:

- IFRS 9 *'Financial Instruments'*. The new standard will replace IAS 39 and will, as of its effective date, affect the classification, measurement and hedge accounting of financial assets and liabilities. The change will take effect in financial periods beginning on 1 January 2015 or thereafter and it will not be applied retroactively, but notes regarding the effects will be required upon transition.
- IFRS 10 *'Consolidated Financial Statements'* and IAS 27 *'Separate Financial Statements'* (Revised). The new IFRS 10 regarding consolidated financial statements replaces the sections concerning consolidated financial statements in the current IAS 27 'Consolidated and Separate Financial Statements' and the SIC 12 interpretation. In the future, only the requirements concerning separate financial statements set forth in the revised IAS 27 will be applied. IFRS 10 changes the definition of controlling interest and affects the consolidation of entities in the consolidated financial statements. The new standard requires a higher degree of management judgement on what constitutes controlling interest, as well as notes explaining the conclusions made. The Group estimates that this amendment will have no material effect on the consolidated financial statements. The effective date of the new IFRS 10 and the revised IAS 27 standards in the EU is in financial periods beginning on 1 January 2014 or thereafter, but they may be applied in financial periods beginning on 1 January 2013 or thereafter. IFRS 10 will be applied retroactively (modified).
- IFRS 11 *'Joint Arrangements'* and IAS 28 *'Investments in Associates'* (Revised). The new standard replaces IAS 31 'Interests in Joint Ventures' and the SIC 13 interpretation. According to the new standard, more attention should be paid to the actual nature rather than the legal structure of the arrangements; this affects the treatment of the arrangement in the consolidated financial statements. The effective date of the new IFRS 11 and the revised IAS 28 standards in the EU is in financial periods beginning on 1 January 2014 or thereafter, but they may be applied in financial periods beginning on 1 January 2013 or thereafter. IFRS 11 will be applied retroactively (modified).
- IFRS 12 *'Disclosure of Interests in Other Entities'*. The new standard requires a wide range of disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. The new standard will expand the notes section regarding these entities. The effective date of the new standard in the EU is in financial periods beginning on 1 January 2014 or thereafter, and will be applied retroactively, but may be applied in financial periods beginning on 1 January 2013.
- IFRS 13 *'Fair Value Measurement'*. The standard provides a single IFRS framework for measuring fair value and requires disclosures on fair value measurement. Application of this standard will expand the notes regarding fair value measurement. The new standard will enter into effect during the financial periods beginning on 1 January 2013 or thereafter.

Biohit estimates that the changes referred to above will not materially affect the Group's reporting.

3. SEGMENT-BASED REPORTING

Biohit has organized its operations in one business area. The Group's segment reporting format was according to this.

4. OTHER OPERATING INCOME

1,000 €	2012	2011
Capital gains on the sale of property, plant, and equipment	-	4
Grants	13	28
Other	63	-
Total	76	32

5. ACQUISITION AND PRODUCTION EXPENSES

1,000 €	2012	2011
Raw materials, consumables, and goods	1,320	1,442
External manufacturing services	-	56
Total	1,320	1,498

6. SALES AND MARKETING EXPENSES

1,000 €	2012	2011
Personnel expenses	739	611
Travel and other personnel-related expenses	170	60
Rent and maintenance expenses	62	58
Marketing and sales expenses	737	227
Other external services	465	374
Other operating expenses	5	2
Total	2,178	1,332

7. ADMINISTRATIVE EXPENSES

1,000 €	2012	2011
Personnel expenses	1,065	704
Travel and other personnel-related expenses	226	151
Rent and maintenance expenses	307	412
Other external services	298	629
Other operating expenses	256	50
Depreciation, machinery and equipment	90	164
Total	2,241	2,110

8. RESEARCH AND DEVELOPMENT EXPENSES

1,000 €	2012	2011
Personnel expenses	349	349
Travel and other personnel-related expenses	49	14
Rent and maintenance expenses	7	6
Other external services	512	275
Other operating expenses	53	28
Goodwill depreciation	-	2,638
Total	970	3,310

Information about management's employee benefits is presented in Note 28 Related party transactions.

9. NUMBER OF PERSONNEL

Number of personnel	2012	2011
Average number of salaried personnel	33	36
Average number of non-salaried personnel	2	-
Average number of personnel	35	34
Number of personnel at the end of the period	35	34

10. DEPRECIATION

1,000 €	2012	2011
Intangible assets	50	2,670*
Machinery and equipment	40	132
Total	90	2,802

* Includes a good-will write-down of EUR 2.638 thousand.

11. AUDITOR'S FEES

1,000 €	2012	2011
Auditors' fees	46	149
Other fees	28	50
Total auditors' fees	74	199

12. FINANCIAL INCOME AND EXPENSES

1,000 €	2012	2011
Exchange rate gains from financial assets and liabilities	-	221
Other financial income	1,238	14
Total financial income	1,238	235
Interest expenses on financial liabilities	-312	-654
Exchange rate losses on financial assets and liabilities	-	-30
Wage and salary expenses	-	-25
Total financial expenses	-312	-708
Total financial income and expenses	926	-473

13. INCOME TAXES

1,000 €	2012	2011
Direct taxes		
Taxes on taxable income for the period, tax rate 26.0%	-	-4,731
Taxes on taxable income for the period, tax rate 24.5%	-3	-
Taxes from previous period	4	-
Deferred taxes	3	-1,349
Total direct taxes	4	-6,080
Reconciliation of the tax rate		
Profit before taxes	-3,659	43,789
Taxes at the rate for the parent company, 26.0% year 2011	-	-11,385
Taxes at the rate for the parent company, 24.5% year 2012	896	-
Effect of different tax rates of foreign subsidiaries	-	-29
Losses not recognized as deferred tax assets	-896	-
Tax-exempt income	-	6,177
Non-deductible expences	6	-1,733
Change in unrecognised tax assets from tax losses / use of previously unrecognised tax losses	-	890
Other	-1	-
Taxes in the income statement	4	-6,080

14. EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit for the period attributable to equity-holders of the parent company by the weighted average number of shares outstanding during the period.

	2012	2011
Earnings for the period attributable to equity-holders of the parent company, EUR 1,000	-3,656	37,710
Interest on the convertible bonds	23	263
Result for the period for the calculation of earnings per share adjusted for the dilution effect	-3,633	37,973
Average number of shares, undiluted	13,615,593	13,615,593
Conversion of convertible bonds into shares	-	900,000
Average number of shares, diluted	13,615,593	14,515,593
Earnings per share (EPS), undiluted, EUR	-0,27	2,86

In the calculation of earnings per share adjusted for the dilution effect, the weighted average number of shares accounts for the dilution effect of the conversion of convertible bonds into shares. The convertible bonds did not have a significant dilutive effect in the 2012 and 2011 financial years.

15. INTANGIBLE ASSETS

2012 1,000 €	Development expenditure	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost, Jan 1, 2012	-	540	2,638	748	3,926
Increases	-	-	-	30	30
Decreases	-	-	-	-76	-76
Acquisition cost, 31 Dec. 2012	-	540	2,638	702	3,880
Accumulated amortisation and impairment, 1 Jan. 2012	-	-321	-2,638	-656	-3,615
Accumulated depreciation of the decreases and transfers	-	-	-	7	7
Depreciation	-	-34	-	-15	-50
Accumulated depreciation and impairment, 31 Dec. 2012	-	-355	-2,638	-664	-3,657
Carrying amount, 1 Jan. 2012		219	-	92	311
Carrying amount, 31 Dec. 2012	-	185	-	39	224

2011 1,000 €	Development expenditure	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost, 1 Jan. 2011	2,376	2,092	2,638	1,732	8,838
Increases	986	73	-	17	1,076
Decreases	-15	-	-	-	-15
Sale of the liquid handling operations	-3,347	-1,625	-	-1,001	-5,973
Foreign exchange differences	-	540	2,638	748	3,926
Accumulated amortisation and impairment, 1 Jan. 2011	-468	-1,426	-	-1,129	-3,024
Depreciation related sale of liquid handling business	773	1,225	-	484	2,482
Depreciation of the discontinued operations	-305	-95	-	-3	-403
Impairment and depreciation of the continuing operations	-	-25	-2,638	-8	-2,671
Accumulated amortisation and impairment, 31 Dec. 2011	-	-321	-2,638	-656	-3,616
Carrying amount, 1 Jan. 2011	1,908	666	2,638	603	5,815
Carrying amount, 31 Dec. 2011	-	219	-	92	311

Intangible rights consist of patents.

Impairment testing of goodwill

GastroPanel package products were removed in its entirety in the goodwill EUR 2,638 thousands in 2011.

16. TANGIBLE ASSETS

2012 1,000 €	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan. 2012	-	96	600	696
Increases	-	51	339	389
Decreases	-	-	-33	-33
Acquisition cost, 31 Dec. 2012	-	147	906	1,051
Accumulated depreciation and impairment, 1 Jan. 2012	-	-91	-490	-581
Depreciations	-	-8	-32	-40
Accumulated depreciation and impairment, Dec 31, 2012	-	-99	-522	-620
Carrying amount, Jan 1, 2012	-	5	110	115
Carrying amount, Dec 31, 2012	-	47	384	431

2011 1,000 €	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan. 2011	72	4,070	16,939	21,082
Increases	383	1,708	2,462	4,553
Decreases	-72	-356	-277	-705
Sale of the liquid handling operations	-383	-5,326	-18,524	-24,233
Acquisition cost, 31 Dec. 2011	-	96	600	696
Accumulated depreciation and impairment, 1 Jan. 2011	-	-2,170	-12,380	-14,551
Acc. depreciation of the discontinued operations	-	2,285	13,227	15,512
Depreciation of the discontinued operations	-	-115	-1,205	-1,320
Depreciation of the continuing operations	-	-91	-132	-223
Accumulated depreciation and impairment, Dec 31,2011	-	-91	-490	-581
Carrying amount, Jan 1, 2011	72	1,900	4,559	6,531
Carrying amount, 31 Dec. 2011	-	5	110	116

17. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Balance sheet values of financial assets by category, Dec 31, 2012 1,000 €	Loans and receivables	Available-for-sale financial assets	Held to maturity investments	Total carrying amount	Fair value	Fair value hierarchy
Non-current financial assets						
Other long-term financial assets	6,812	7*	1,000	7,819	7,819	2
Total	6,812	7	1,000	7,819	7,819	
Current financial assets						
Trade and other receivables	606	-	-	606	606	
Other short-term financial assets	-	-	30,233	30,233	30,233	2
Cash and cash equivalents	248	-	-	248	248	
Total	854	-	30,233	31,088	31,088	
Total financial assets	7,666	7	31,233	38,907	38,907	

Other financial assets include EUR 6.8 million in an escrow account from liquid handling business sale. Fair value hierarchy. Used IFRS standards, valid from 1.1.2009 onwards.

Balance sheet values of financial assets by category, 31 Dec. 2011 1,000 €	Loans and receivables	Available-for-sale financial assets	Held to maturity investments	Total carrying amount	Fair value	Fair value hierarchy
Non-current financial assets						
Other long-term financial assets	6,823	7*	-	6,830	6,755	
Total	6,823	7	-	6,830	6,755	
Current financial assets						
Trade and other receivables	5,982	-	-	5,982	5,982	
Other short-term financial assets	-	-	10,000	10,000	10,000	2
Cash and cash equivalents	47,915	-	-	47,915	47,915	
Total	53,897	-	10,000	63,897	63,897	
Total financial assets	60,719	7	10,000	70,727	70,652	

* Available-for-sale investments totalling EUR 7 thousand (EUR 7 thousand) include unquoted investments, which have been presented at cost because their fair value is not reliably available.

The carrying value of other receivables is equivalent to their fair value, because the discount effect is minimal when the maturity of liabilities is taken into account.

Financial liabilities by category 1,000 €	Carrying amount 2012	Fair value 2012	Carrying amount 2011	Fair value 2011
Non-current financial liabilities measured at amortised cost				
Other liabilities	-	-	90	90
Total	-	-	90	90
Current financial liabilities measured at amortised cost				
Convertible bonds	-	-	3,848	4,050
Capital loans	-	-	636	636
Other interest-bearing liabilities	384	384	384	384
Trade and other payables	4,131	4,131	13,669	13,669
Total	4,515	4,515	18,536	18,739
Total financial liabilities	4,515	4,515	18,626	18,829

The original carrying amount of trade payables and other non-interest-bearing liabilities is equivalent to their fair value, because the discount effect is minimal when one takes into account the maturity of liabilities.

18. DEFFERED TAXES

1,000 €	2012	2011
Deferred tax assets		
Internal margin on inventories	2	-
Total	2	-

19. INVENTORIES

1,000 €	2012	2011
Raw materials and consumables	98	198
Work in progress	206	26
Completed products and goods	140	95
Total inventories	444	319

20. TRADE AND OTHER RECEIVABLES

1,000 €	2012	2011
Non-current receivables		
Held-to-maturity investments	1,000	-
Long-term interest-bearing receivables	6,819	6,807
Long-term non-interest-bearing receivables	-	23
Total	7,819	6,830

1,000 €	2012	2011
Short-term receivables		
Trade receivables	305	4,347
Pre-payments and accrued income	184	333
Other receivables	117	1,302
Total	606	5,982

A breakdown of trade receivables by age is presented in Note 27.

21. CASH AND CASH EQUIVALENTS

1,000 €	2012	2011
Cash at bank and in hand	248	47,915
Financial assets recognised at fair value through profit or loss	30,233	10,000
Total	30,482	57,915
Cash and cash equivalents in the cash flow statement	248	47,915

22. NOTES CONCERNING SHAREHOLDERS' EQUITY

Biohit Oyj's share capital is EUR 2,314,651 and the number of shares 13,615,593, of which 2,975,500 (2,975,500) are Series A shares and 10,640,093 (10,640,093) Series B shares. The Series B shares are quoted on the stock exchange.

Both series have a nominal share value of EUR 0.17. Series A and Series B shares differ to the extent that each Series A share confers on its subscriber the right to 20 (twenty) votes at General Meetings and each Series B share confers the right to one vote. However, in the payment of dividends, a dividend two per cent higher than the nominal value is paid for Series B shares than is paid for Series A shares.

According to the Articles of Association, the company's minimum share capital is EUR 1,063,101.29 and the maximum share capital EUR 4,252,405.16. Within these limits, the share capital can be increased or decreased without amendment to the Articles of Association. The share capital is fully paid-in.

Description of shareholders' equity funds:

Translation differences: The fund includes translations differences resulting from the conversion of foreign subsidiaries' financial statements into euros.

Invested unrestricted equity fund: This fund includes other equity investments and payments for share subscriptions insofar as it is decided not to enter said amounts in the share capital.

23. PENSION LIABILITIES

The group has no defined benefit plans.

24. PROVISIONS

Group does not have guarantee reservations.

25. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities, balance sheet values

1,000 €	2012	2011
Non-current interest-bearing liabilities		
Finance lease liabilities	-	90
Total	-	90
Current interest-bearing liabilities		
Loans from financial institutions, current portion	384	384
Convertible bonds	-	3,848
Capital loans	-	636
Finance lease liabilities, current portion	-	38
Total	384	4,906
Total interest-bearing liabilities	384	4,996

Fair values for financial liabilities are presented in Note 17.

At the end of 2011, after the sale of the liquid handling business, loans repaid amounted to EUR 4,361,000. The remaining loan sums, excluding Tekes loans, were paid back in full by the end of 2012. Current and non-current interest-bearing liabilities are in euro value.

Convertible bonds
Biohit Oyj paid the loan back on February 1, 2012.

Covenants related to non-current loans
The company has no long-term loans.

Subordinated loans
The Company has no equity loans.

Finance lease liabilities

1,000 €	2012	2011
Total minimum rents		
Due for payment before one year	-	30
Due for payment after 1 year but not later than 5 years	-	65
Total	-	95
Future financial expenses	-	-5
Present value of finance lease liabilities	-	90

Present value of minimum rents	2012	2011
Due for payment before one year	-	28
Present value of finance lease liabilities	-	90

26. TRADE AND OTHER LIABILITIES

Non-interest-bearing liabilities, balance sheet values

Company has no long-term interest-free loans.

Current non-interest-bearing liabilities	2012	2011
Trade payables	362	3,045
Other liabilities	-	1,166
Provisions	-	39
Advances received	-	4,528
Accrued liabilities and pre-paid income	3,769	4,851
Total	4,131	13,630
Total non-interest-bearing liabilities	4,131	13,630

Year 2011 balance sheet includes liabilities of liquid handling business.

Accrued liabilities and pre-paid income include amortised employee benefits and leasing expenses.

27. MANAGEMENT OF FINANCIAL RISKS

Biohit's risk management has focused on analysing and minimising the following major risks:

Exchange rate risk

There are exhange rates risks related to the international operations. In local currencies, net sales of Biohit does not significantly differ from the reported values. The impact of the exchange rates on the companys profitability was not significant.

Sensitivity analysis of changes in foreign currency exchange rates in accordance with IFRS7

2012 1,000 €	USD	GBP
Non-current liabilities	-	-
Open position	-	-
Current assets		
Trade and other receivables	3	44
Current liabilities		
Non-interest-bearing liabilities	-	1
Open position	3	43
Net position	3	43

2011 1,000 €	USD	GBP
Non-current liabilities	-	-
Open position	-	-
Current assets		
Other financial assets	-	169
Trade and other receivables	187	94
Current liabilities		
Non-interest-bearing liabilities	-	89
Open position	187	174
Net position	187	174

The net position includes cash and cash equivalents in foreign currencies, as well as receivables and payables to both Group and non-Group companies, converted into euros at the exchange rate for the closing date.

Interest rate risk

Changes in interest rates have only a slight effect on Biohit's earnings, for which reason the Group has not implemented separate hedging measures during the financial period.

Liquidity risk

The objective of the liquidity risk management is to ensure group financing in all circumstances. The Group's liquid assets are EUR 30.5 million (EUR 57.9 million). The group investment strategy is modest returns at low risk. The investment portfolio is made up of deposits, money-market instruments and corporate bonds. It is essential to investment in proper diversification of asset classes, investment instruments and of counterparties. The company uses two or more partners in investment returns.

The Group's equity ratio was 88.7% (74.0%).

Financial liability maturity analysis 2012

1,000 €	<1 years	1–5 years	>5 years	Total
Trade payables and other non-interest-bearing liabilities	362	-	-	362
Repayments on loans from financial institutions	384	-	-	384
Financing costs for loans from financial institutions	3	-	-	3
Total	749	-	-	749

Commodity risk

The Company does not use derivatives to protect the commodity risk, because the nature of the business using them is not appropriate.

Credit and counterparty risk

Business units are responsible for any credit loss risks associated with their trade receivables, and have conducted separate evaluations of the credit risk associated with each customer. Biohit's customer base consists mainly of financially sound companies, and consequently Biohit does not consider credit loss risks significant. The Group has not taken out any credit insurance. Biohit mainly enters into long-term, active relationships with its customers, so that any changes in customers' credit ratings will quickly come to the company's attention.

Trade receivables on December 31, 2012 was EUR 0.3 million. (EUR 4.5 million). Trade receivables include EUR 0.0 million. EUR (EUR 0.4 million) in receivables from a single stable customer. Maximum credit risk exposure is the carrying value of accounts receivable.

Breakdown of trade receivables by age 1,000 €	2012	Impairment loss	Net 2012	2011	Impairment loss	Net 2011
Not yet falling due	210	-	210	3,885	-	3,885
Under 60 days due	60	-	60	400	-	400
61–120 days due	22	-	22	65	-7	58
121–360 days due	17	-5	12	27	-22	5
Over 360 days due	54	-54	-	83	-83	-
Total	363	-59	304	4,460	-112	4,348

In 2012, credit losses from trade receivables totalled EUR 15,000 (EUR 63,000).

Equity structure management

The equity structure indicator – the equity ratio – is calculated by dividing the Group's shareholders' equity by the balance sheet total minus advances received and then multiplying the result by 100.

1,000 €	2012	2011
Equity ratio		
Total shareholders' equity	35,492	52,846
Balance sheet total	40,007	71,472
Advances received	-	-39
Equity ratio	88.7%	74.0 %

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related parties if one party is able to exercise control over the other or has substantial influence in decision-making related to the other's finances and business operations. The Group's related parties include the parent company and subsidiaries. Others include members of the Board of Directors, the Group Management Team, and the president & CEO.

Salaries and other current employee benefits

1,000 €	2012	2011
Parent company		
Management Teams	451	606
President & CEO	130	221
Members of the Board of Scientific Advisors	193	188

Based on a decision by the board of directors, Osmo Suovaniemi has been employed by the company as a member of the Scientific Advisory EUR 193 thousand (EUR 188 thousand).

1,000 €	2012	2011
Subsidiaries		
Managing directors	110	638

Fees of Board members

1,000 €	2012	2011
Parent company		
Osmo Suovaniemi	19	18
Reijo Luostarinen	-	5
Mikko Salaspuro	18	17
Kalle Kettunen	18	17
Jukka Ant-Wuorinen	-	4
Ainomaija Haarla	-	4
Eero Lehti	18	17
Petteri Kilpinen	18	14
Seppo Luode	18	14
Saila Miettinen-Lähde	18	14
Parent company, total	127	123

1,000 €	2012	2011
Other operating expenses		
Consulting fees		
Companies controlled by Board members	154	134
Total consulting fees	154	134

Capital loans from related parties	2012	2011
Loan amounts, 1,000 €	-	636
Interest for the period, 1,000 €	-	38
Total interest payment liabilities, 1,000 €	-	595
Average loan interest per annum	-	5.5%

Group's parent company and subsidiaries

Parent company Biohit Oyj, Finland	Group's holding
Biohit Healthcare Ltd, UK	100%
Biohit Healthcare Consulting (Shanghai) Co. Ltd.	100%
Oy Finio Ab, Finland	100%
Vantaan Hienomekano Oy, Finland	100%

Oy Finio Ab and Vantaan Hienomekano Oy did not conduct any business operations in 2012 or 2011.

29. COLLATERALS AND CONTINGENT LIABILITIES

1,000 €	2012	2011
Collaterals given for the parent company		
Guarantees	3	3

Other liabilities	**2012**	**2011**
Leasing commitments:		
Due for payment before one year	48	1,203
Due for payment after 1 year but not later than 5 years	53	146
Due for payment after 5 years	-	-
Total	101	1,349
Other rental commitments:	**2012**	**2011**
Due for payment before one year	153	140
Due for payment after 1 year but not later than 5 years	292	140
Due for payment after 5 years	-	-
Total	445	280
Total other liabilities	546	1,629
Total collaterals and contingent liabilities	549	1,632

30. DISCONTINUED OPERATIONS

1,000 EUR	2012	2011
Turnover	-	**37,853**
Acquisition and production cost	-	-17,592
Gross profit	-	**20,261**
Other operating income	-	46,110
Sales and marketing expenses	-	-1,809
Administrative expenses	-	-2,984
Research and development expenses	-	-1,710
Other expenses	-	-9,557
Operating profit	-	**50,312**

KEY RATIOS

KEY FINANCIAL RATIOS

	IFRS 2008	IFRS 2009	IFRS 2010	IFRS 2011	IFRS 2012
Net sales	35,095	35,366	40,044	39,922	2,048
Change in net sales, %	6.3%	0.8%	13.2%	-0.3%	-94.9%
Operating profit/loss	1,314	1,190	507	44,262	-4,586
% of net sales	3.7%	3.4%	1.3%	110.9%	-223.9%
Profit/loss before extraordinary items and taxes	996	669	388	43,789	-3,659
% of net sales	2.8%	1.9%	1.0%	109.7%	-178.7%
Profit/loss before taxes	996	669	388	43,789	-3,659
% of net sales	2.8%	1.9%	1.0%	109.7%	-178.7%
Return on equity, %	7.4%	3.1%	0.5%	114.5%	-8.3%
Return on investment (ROI), %	8.2%	5.8%	4.2%	69.8%	-11.8%
Equity ratio, %	46.5%	46.8%	44.5%	74.0%	88.7%
Investments in fixed assets	1,213	2,439	2,569	4,069	281
% of net sales	3.5%	6.9%	6.4%	10.2%	13.7%
R&D expenditure	2,044	2,409	2,542	2,213	970
% of net sales	5.8%	6.8%	6.3%	5.5%	47.4%
Total assets	27,107	27,399	29,383	71,472	40,007
Personnel, continuing operations	32	33	37	36	35
Personnel, average	369	370	412	422	35

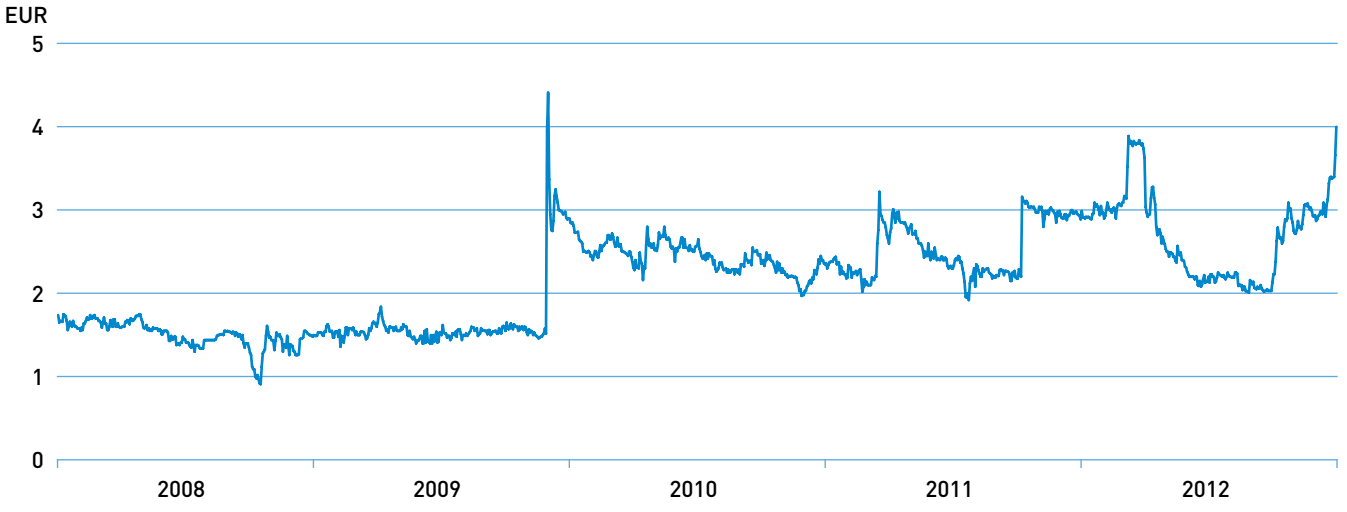
KEY RATIOS PER SHARE

	IFRS 2008	IFRS 2009	IFRS 2010	IFRS 2011	IFRS 2012
Earnings per share, undiluted, EUR	0.07*	0.03*	0.00*	2.86	-0.27
Equity per share attributable to the equity holders of the parent company, EUR	0.97	0.99	1.01	3.88	2.61
Price/earnings ratio, (P/E)	18	50	525	1.0	0.0
Dividend per share	-	-	-	0.20	0.50
Repayment of capital per share	-	-	-	0.80	0.24
Dividend/earnings, %	-	-	-	34.97	n/a
Effective dividend yield, %	-	-	-	34.13	18.42
Series B share price trend, EUR					
average	1.41	1.55	3.42	2.30	2.70
low	0.91	1.27	1.50	1.74	2.00
high	1.92	1.90	4.91	3.96	4.13
price at 31 Dec	1.27	1.50	2.10	2.93	4.00
Market capitalisation, EUR 1,000 (assuming the market price of the Series A share is the same as that of the Series B share)	16,431	19,406	27,169	39,894	54,462
Turnover of Series B shares, 1,000 shares	1,742	1,996	9,415	3,003	5,376
% of total number of shares	17.5 %	20.0 %	94.5 %	30.1 %	50.5 %
Average number of shares, adjusted for share issues	12,937,627	12,937,627	12,937,627	13,163,616	13,615,593
accounting for the dilutive effect of options and bonds	13,837,627	13,837,627	13,837,627	14,063,616	13,615,593
Total number of shares at the closing date, adjusted for share issues	12,937,627	12,937,627	12,937,627	13,615,593	13,615,593
accounting for the dilutive effect of options and bonds	13,837,627	13,837,627	13,837,627	14,515,593	13,615,593

* options and bonds have no dilutive effect

SHARES AND SHAREHOLDERS

AVERAGE SHARE PRICE



SHARES AND SHAREHOLDERS

Holdings by shareholder group, Dec 31, 2012

Series A shares	No of shareholders, pcs	No of shareholders, %	No of shares, pcs	No of shares, %
1. Companies	1	0.10	24,990	0.84
2. Households	9	99.90	2,950,500	99.16
Shares on the waiting list	-	-	10	-
Total Series A shares	10	100.00	2,975,500	100,00

Series B shares	No of shareholders, pcs	No of shareholders, %	No of shares, pcs	No of shares, %
1. Companies	155	3.28	2,954,952	27.77
2. Financial and insurance institutions	7	0.15	4,910	0.05
3. Public sector organisations	2	0.04	144,731	1.36
4. Non-profit organisations	4	0.08	3,921	0.04
5. Households	4,537	96.05	7,457,398	70.09
6. Foreign ownership	19	0.40	68,589	0.64
Shares on the joint book-entry account	-	-	5,592	0.05
Total Series B shares	4,724	100.00	10,640,093	100.00
Total Series A and B shares	4,734		13,615,593	

Series A shares	No of shareholders, pcs	No of shareholders, %	No of shares, pcs	No of shares, %
1–1,000	-	0.0	-	0.0
1,001–10,000	3	30.0	25,000	0.8
10,001–100,000	3	30.0	156,900	5.3
Over 100,001	4	40.0	2,793,500	93.9
Shares on the waiting list	-	0.0	10	0.0
Total Series A shares	10	100.0	2,975,500	100.0

Series B shares	No of shareholders, pcs.	No of shareholders, %	No of shares, pcs	No of shares, %
1–1,000	3,938	83.4	1,345,445	12.6
1,001–10,000	702	14.9	2,065,451	19.4
10,001–100,000	78	1.7	1,876,901	17.6
Over 100,001	6	0.1	5,346,704	50.3
Shares on the joint book-entry account	-	0.0	5,592	0.1
Total Series B shares	4,724	100.0	10,640,093	100.0
Total Series A and B shares	4,734		13,615,593	

Largest registered shareholders, 31 Dec 2012

The 10 largest shareholders by number of shares	Series A shares	Series B shares	Total shares	%
Suovaniemi, Osmo	2,265,340	965,207	3,230,547	23.7
Interlab Oy	-	2,164,497	2,164,497	15.9
Suovaniemi, Ville	208,280	371,300	579,580	4.3
Suovaniemi, Joel	208,280	333,000	541,280	4.0
Suovaniemi, Oili	111,600	288,935	400,535	2.9
Oy Etra Invest Ab	-	333,000	333,000	2.5
Härkönen, Matti	57,200	269,515	326,715	2.4
Suovaniemi, Vesa	74,800	187,819	262,619	1.9
Adlercreutz, Carl	7,500	150,000	157,500	1.2
Etera Mutual Pension Insurance Company	-	143,931	143,931	1.1

The 10 largest shareholders by number of votes	Series A shares	Series B shares	Total votes	%
Suovaniemi, Osmo	2,265,340	965,207	46,272,007	66.0
Suovaniemi, Ville	208,280	371,300	4,536,900	6.5
Suovaniemi, Joel	208,280	333,000	4,498,600	6.4
Suovaniemi, Oili	111,600	288,935	2,520,935	3.6
Interlab Oy	-	2,164,497	2,164,497	3.1
Suovaniemi, Vesa	74,800	187,819	1,683,819	2.4
Härkönen, Matti	57,200	269,515	1,413,515	2.0
Oy Tech Know Ltd.	24,990	70,000	569,800	0.8
Oy Etera Invest Ab	-	333,000	333,000	0.5
Adlercreutz, Carl	7,500	150,000	300,000	0.4

Management's shareholding December 31, 2012

On December 31, 2012 Members of the Board and the CEO owned a total of 2,376,940 A shares and 3,485,039 B-shares. These correspond to 43.1% of the shares and 72.7% of the voting rights.

FORMULAS FOR THE KEY RATIOS

Return on equity, %	=	result for the period / shareholders' equity (average over the year)	x	100
Return on investment, %	=	profit before extraordinary items + interest and other financial expenses / balance sheet total – non-interest-bearing liabilities (average over the year)	x	100
Equity ratio, %	=	shareholders' equity in the balance sheet / balance sheet total – advance payments received	x	100
Earnings per share, EUR	=	profit for the period / average number of shares, adjusted for share issues	x	100
Equity per share, EUR	=	shareholders' equity in the balance sheet / number of shares on the closing date	x	100
Dividends per share, EUR	=	dividends for the period / number of shares on the closing date	x	100
Dividends per earnings, %	=	dividends per share / earnings per share	x	100
Effective dividend yield, %	=	dividends per share / closing share price	x	100
Price per earnings ratio, (P/E)	=	closing share price / earnings per share	x	100

PARENT COMPANY INCOME STATEMENT (FAS)

1,000 €	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Net sales	2	1,534	26,749
Change in inventories of finished goods and work in progress		175	-1,349
Other operating income	3	79	44,899
Materials and services	4	-586	-8,143
Personnel expenses	5	-2,142	-8,876
Depreciation, amortisation and impairment	6	-86	-1,425
Other operating expenses	7	-3,523	-6,313
Operating profit/loss		**-4,549**	**45,541**
Financial income and expenses	8	1,099	-541
Profit/loss before appropriations and taxes		**-3,450**	**45,000**
Income taxes		4	-3,658
Other taxes		-	-870
Profit/loss for the period		**-3,447**	**40,472**

PARENT COMPANY BALANCE SHEET (FAS)

1,000 €	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	9	271	248
Tangible assets	10	370	56
Investments			
Participations in Group companies	11	314	201
Other investments	11	7	7
Total non-current assets		**962**	**512**
Current assets			
Inventories	12	422	307
Non-current receivables	13	8 022	7 145
Current receivables	13	575	5 944
Marketable securities	14	30 234	10 000
Cash at bank and in hand	15	147	47 712
Total current assets		**39 400**	**71 108**
Total assets		**40 363**	**71 621**
LIABILITIES			
Shareholders' equity			
Share capital	16	2 315	2 315
Fund for investments of non-restricted equity	16	3 226	14 114
Accumulated profit/loss from previous years	16	33 474	-4 277
Profit/loss for the period	16	-3 447	40 472
Total shareholders' equity		**35 568**	**52 625**
Statutory provisions	17	-	-
Liabilities			
Non-current liabilities	19	301	-
Current liabilities	20	4 494	18 360
Capital loans	20	-	636
Total liabilities		**4 795**	**18 996**
Total liabilities and shareholders' equity		**40 363**	**71 621**

PARENT COMPANY CASH FLOW STATEMENT

1,000 €	2012	2011
Cash flow from operating activities:		
Profit/loss before extraordinary items	-3,451	45,000
Adjustments for:		
Depreciation according to plan	86	1,425
Unrealised exchange rate gains and losses	5	164
Financial income and expenses	-1,104	376
Capital gain	-	-44,805
Other adjustments	-	4
Change in working capital:		
Increase (-) or decrease (+) in current non-interest-bearing trade receivables	4,492	-1,119
Increase (-) or decrease (+) in inventories	-115	3,252
Increase (+) or decrease (-) in current non-interest-bearing liabilities	-4,264	81
Realised exchange rate gains and losses	1	412
Interest and other financial items paid	-845	-644
Interest received from operating activities	1,144	12
Paid direct taxes	-4,524	-
Cash flow from operating activities	**-8,575**	**4,158**
Cash flow from investing activities:		
Investments in tangible and intangible assets	-418	-1,561
Investments in other investments	-20,233	-9,500
Capital gain from the sale of liquid handling business	-	51,930
Sale of the subsidiaries	-113	-
Repayments of loan receivables	-	3,754
Cash flow from investing activities	**-20,764**	**44,623**
Cash flow from financing activities:		
Direct share issues	-	2,000
Share issue	69	500
Increase in long-term borrowings	-4,686	-4,056
Repayments of long-term borrowings	-13,609	-
Cash flow from financing activities	**-18,226**	**-1,556**
Increase (+) or decrease (-) in cash and cash equivalents	-47,565	47,225
Cash and cash equivalents at the beginning of the financial period	47,712	487
Cash and cash equivalents at the end of the financial period	147	47,712

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. ACCOUNTING POLICY

When preparing financial statements in accordance with generally accepted accounting principles, the company's management must make estimates and assumptions. Actual results may differ from these estimates.

These financial statements have been prepared in accordance with the Finnish Accounting Act.

The financial statements are presented in thousands of euros and are based on initial transaction values, except for the marketable securities included in current assets, which have been measured at fair value.

Measurement of property, plant and equipment

Property, plant and equipment have been entered in the balance sheet at the original acquisition cost less grants received, depreciation according to plan, and impairment. Depreciation according to plan has been calculated on a straight-line basis over the useful economic lives of the items of property, plant or equipment.

Depreciation periods according to plan are:

Intangible rights	3–10 years
Goodwill	10 years
Development expenditure	5 years
Other capitalised expenditure	5–10 years
Buildings	20 years
Machinery and equipment	3–10 years

Measurement of inventories

Inventories are presented according to the FIFO principle at acquisition cost, or at the lower of the replacement cost and the probable sale price. In addition to the direct costs, the acquisition cost of inventories includes an appropriate proportion of production overheads.

Valuation of marketable securities

Marketable securities included in current assets are measured at fair value. The fair value of all investments is measured on the basis of released price quotations on well-functioning markets – that is, buy quotations on the closing date. Both gains and losses due to changes in fair value are recorded in the income statement in the period in which they materialised.

Research and development expenditure

Research expenditure is expensed in the year it is incurred. Development expenditure for new products has been capitalised as intangible assets in the balance sheet since 1 January 2004 and amortised over the economic lives of the products to a five-year maximum.

Revenue recognition

Net sales are calculated as gross sales less indirect sales taxes and discounts. Revenues from products and services are recognised upon delivery.

Maintenance and repairs

Maintenance and repair costs are recorded as expenses in the financial year they are incurred. The costs for renovating rented premises have been capitalised under 'other capitalised expenditure', with depreciation calculated on a straight-line basis over the remainder of the term of lease.

Pensions

Pension schemes and any additional pension benefits required by Finnish law are arranged through pension insurance companies. Pension costs are recorded over the term of service of employees on an accrual basis.

Deferred taxes

Deferred taxes have not been recognised in the balance sheet. In accordance with the general guidelines of the Finnish Accounting Standards Board, issued on 12 September 2006, the notes to the financial statements present the amount of deferred taxes that could be recognised in the balance sheet and assets that are unlikely to materialise and as such should not be recognised in the balance sheet.

Foreign currency translation

Figures for receivables and liabilities in foreign currencies are converted into euros at the exchange rate quoted by the European Central Bank on the closing date. Exchange rate gains and losses are recognised through profit or loss.

2. NET SALES BY BUSINESS AREA

1,000 €	2012	2011
Diagnostics	1,534	1,401
Total	1,534	1,401

NET SALES BY GEOGRAPHICAL AREA

1,000 €	2012	2011
Finland	325	369
The rest of Europe	634	613
North and South America	114	127
Asia	106	36
Other countries	356	255
Total	1,534	1,401

3. OTHER OPERATING INCOME

1,000 €	2012	2011
From Group companies	3	62
Other	76	44,837
Total	79	44,899

4. MATERIALS AND SERVICES

1,000 €	2012	2011
Purchases during the year	525	9,253
Change in inventories	59	-1,279
Total raw materials and consumables	584	7,974
External services	2	169
Total materials and services	586	8,143

5. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

1,000 €	2012	2011
Salaries and wages	1,854	7,724
Pension expenses	240	1,298
Other personnel expenses	49	361
Wages and salaries capitalised in non-current assets	-	-507
Total personnel expenses	2,142	8,876

During the financial year, EUR 0 thousand (EUR 449 thousand) was capitalised in development expenditure and EUR 0 thousand (EUR 58 thousand) in relation to mould production.

Average number of employees by the parent company during the year	2012	2011
Salaried employees	27	87
Non-salaried employees	2	101
Average number of personnel	29	188
Personnel at end of period	29	27

6. DEPRECIATION

1,000 €	2012	2011
Intangible assets	58	459
Buildings	-	137
Machinery and equipment	28	830
Total	86	1,425

7. OTHER OPERATING EXPENSES

1,000 €	2012	2011
Travel and other personnel-related expenses	404	133
Rent and maintenance expenses	374	234
Marketing and sales expenses	917	257
Other external services	1,082	510
Impairment of trade receivables	15	9
Other operating expenses	732	1,207
Discontinued operations	-	3,963
Total	3,523	6,313

8. FINANCIAL INCOME AND EXPENSES

1,000 €	2012	2011
Other interest and financial income		
From Group companies	8	-
From other	1,237	33
Other interest and financial income	1,245	33
Total financial income	1,245	33
Interest and other financial expenses		
To Group companies	-12	-14
Other	-135	-559
Total financial expenses	-147	-574
Financial income and expenses	1,099	-541
Financial income and expenses include exchange losses (net)	24	-14

The items presented as components of operating profit include EUR -4 thousand in (net) exchange rate gains (EUR 247 thousand in net exchange rate losses).

9. INTANGIBLE ASSETS

2012 1,000 €	Development expenditure	Intangible rights	Goodwill	Other capitalised expenditure	Total
Acquisition cost at beginning of year	-	539	6,558	770	7,867
Increases	-	-	-	81	81
Decreases	-	-	-	-	-
Transfers between items	-	-	-	-	-
Acquisition cost at end of year	-	539	6,558	850	7,948
Accumulated amortisation and impairment at beginning of year	-	-320	-6,558	-739	-7,618
Accumulated depreciation of decreases	-	-	-	-	-
Amortisation and impairment during the year	-	-34	-	-23	-58
Accumulated amortisation at end of year	-	-355	-6,558	-762	-7,676
Carrying amount at beginning of year	-	219	-	29	248
Carrying amount at end of year	-	184	-	88	271

Acquisition costs consist of patents transferred and a liquidation loss as a result of the dissolution of Locus genex Oy.

2011 1,000 €	Development expenditure	Intangible rights	Goodwill	Other capitalised expenditure	Total
Acquisition cost at beginning of year	2,372	2,092	6,558	1,831	12,853
Increases	592	73	-	419	1,084
Decreases	-2,964	-1,625	-	-1,280	-5,870
Transfers between items	-	-	-	-201	-201
Acquisition cost at end of year	-	540	6,558	769	7,866
Accumulated amortisation and impairment at beginning of year	-468	-1,426	-6,558	-1,264	-9,716
Accumulated depreciation on disposals	468	1,130	-	533	2,132
Amortisation and impairment during the year	-	-25	-	-9	-34
Accumulated amortisation at end of year	-	-320	-6,558	-739	-7,618
Carrying amount at beginning of year	1,903	666	-	567	3,136
Carrying amount at end of year	-	219	-	29	248

10. TANGIBLE ASSETS

2012 1,000 €	Land	Buildings	Machinery and equipment	Total
Acquisition cost at beginning of year	-	-	546	546
Increases	-	-	343	343
Acquisition cost at end of year	-	-	889	889
Accumulated depreciation and impairment at beginning of year	-	-	-491	-491
Depreciation during the year	-	-	-28	-28
Accumulated depreciation at end of year	-	-	-519	-519
Carrying amount at beginning of year	-	-	56	56
Carrying amount at end of year	-	-	370	370

2011 1,000 €	Land	Buildings	Machinery and equipment	Total
Acquisition cost at beginning of year	-	2,803	13,825	16,628
Increases	1	11	313	324
Decreases	-1	-2,814	-13,792	-16,606
Transfers between items	-	-	201	201
Acquisition cost at end of year	-	-	546	546
Accumulated depreciation and impairment at beginning of year		-1,286	-10,695	-11,982
Accumulated depreciation of decreases		1,286	10,232	11,518
Depreciation during the year			-27	-27
Accumulated depreciation at end of year	-	-	-491	-491
Carrying amount at end of year	-	1,517	3,125	4,642
Carrying amount at end of year	-	-	56	56

11. SHARES AND HOLDINGS

1,000 €	Group companies	Other shares	Total
Shares 2012			
Carrying amount at beginning of year	201	7	208
Increases	113	-	113
Carrying amount at end of year	314	7	320

1,000 €	Group companies	Other shares	Total
Shares 2011			
Carrying amount at beginning of year	3,957	7	3,963
Increases	-3,755*	-	-3,755
Carrying amount at end of year	201	7	208

* Shares of Group companies were sold to

Sartorius Lab Holding GmbH in conjuction with the liquid handling business transaction on 14 December 2011.

12. INVENTORIES

1,000 €	2012	2011
Raw materials and consumables	98	198
Products in progress	206	26
Finished products/goods	118	83
Total inventories	422	307

13. RECEIVABLES

1,000 €	2012	2011
Non-current receivables		
Recivables from Group companies		
Loan receivables	210	345
Receivables from others		
Held to maturity financial assets	1,000	-
Accrued income	6,812	6,800
Total current receivables	8,022	7,145
Current receivables		
Receivables from Group companies		
Trade receivables	41	54
Other receivables	52	28
Accrued income	5	-
Total	99	82
Receivables from others		
Trade receivables	190	4,253
Other receivables	113	1,302
Accrued income	173	306
Total	476	5,861
Total current receivables	575	5,944

As of 31 December 2011, EUR 31 thousand in convertible bond issue costs were capitalised in pre-payments and accrued income. Capitalised expenditure is expensed in 2012.

14. MARKETABLE SECURITIES

1,000 €	2012	2011
Investments in funds	30,234	10,000

Investments in funds include money market investments, corporate bonds and investments held to maturity date.

15. CASH AND CASH EQUIVALENTS

1,000 €	2012	2011
Cash at bank and in hand	147	47,712

16. SHAREHOLDERS EQUITY

1,000 €	2012	2011
Share capital at Dec 31	2 315	2 315
Invested unrestricted equity fund Jan1	14 114	12 230
Share issue	-	1 885
Repayment of capital	-10 888	-
Invested unrestricted equity fund Dec 31	3 226	14 114
Accumulated profit/loss from previous years Jan 1 and Dec 31	36 195	-4 277
Dividend paid to shareholders	-2 721	-
Reported profit / loss for the year	-3 447	40 472
Total shareholders' equity	35 568	52 625

Shares and voting rights

Biohit's shares are divided into Series A and B shares. The series differ to the extent that each Series A share confers 20 (twenty) votes at General Meetings and Series B shares confer one vote. However, in the payment of dividends, a dividend two per cent higher than the nominal value is paid for Series B shares than is paid for Series A shares.

Structure of the parent company's shareholders' equity	2012 pcs	EUR	% of shares	% of votes	2011 pcs	EUR
Series A shares (20 votes per share)	2,975,500	505,835	21.9	84.8	2,975,500	505,835
Series B shares (1 votes per share)	10,640,093	1,808,816	78.1	15.2	10,640,093	1,808,816
Total	13,615,593	2,314,651	100.0	100.0	13,615,593	2,314,651

According to the Articles of Association, the company's minimum share capital is EUR 1,063,101.29 and the maximum share capital EUR 4,252,405.16. Within the limits, the share capital can be increased or decreased without amnement to the Articles of Association.

The company does not own its own shares. Based on resolution of the AGM held on 13 april 2011, the Board of the company authorised to decide on the issue of shares and to issue the special rights referred to in Chapter 10. Section 1 of the Limited Liability Companies Act so that the maximum number of the new series B shares to be issued pursuant to the special rights is 2,000,000, which corresponds to approximately 20% of the company's Series B shares. The company has no share option schemes.

17. PROVISIONS

1,000 €	2012	2011
Warranty Provisions		
Provision 1.1.	-	50
Increases in Provision	-	-
Decreases in Provision	-	-50
Provision 31.12.	-	-
Total provisions	-	-

18. DEFERRED TAX LIABILITIES AND ASSETS

The company has no deferred tax liabilities or assets.

19. NON-CURRENT LIABILITIES

1,000 €	2012	2011
Loans from Group companies	301	-
From related parties	-	636
Total	301	636

20. CURRENT LIABILITIES

1,000 €	2012	2011
Capital loan	-	636
Convertible bonds	-	4,050
Loans from financial institutions, current portion	384	384
Advances received	-	39
Trade payables	340	3,015
Accrued liabilities and prepaid income	3,673	4,876
Other liabilities	55	5,666
Liabilities to Group companies		
Accrued liabilities and prepaid income	41	100
Other current liabilities	-	231
Total current liabilities	4,494	18,996

Accrued liabilities and pre-paid income include wage and salary accruals totalling EUR 233 thousand (EUR 199 thousand), leasing cost amortisation of EUR 19 thousand (EUR 38 thousand), and interest cost amortisation of EUR 3 thousand (EUR 644 thousand).

21. LIABILITIES AND COMMITMENTS WITH MORTGAGES AS COLLATERAL

1,000 €	2012	2011
Liabilities for which mortgages have been pledged as collateral		
Company has not issued securities.		
Leasing commitments		
Due for payment the following year	41	1 203
Due for payment at a later date	45	146
Total	86	1 349
Rental commitments		
Due for payment the following year	146	140
Due for payment at a later date	292	140
Total	439	280

Leasing commitments and rents mainly consist of fixed-term leasing and rental agreements that are effective for more than one year.

1,000 €	2012	2011
Contingent liabilities on behalf of Group companies		
The company has not given guarantees on behalf of Group companies.		
Other contingent liabilities	**2012**	**2011**
Guarantees	3	3

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.49 per A share and a dividend of EUR 0.4998 per B share be paid for the financial year and a repayment of capital EUR 0.237 per each A and B shares. The remaining profit of the period is transferred to retained earnings.

In Helsinki on February 28, 2013

Osmo Suovaniemi
Chairman of the Board

Mikko Salaspuro
Member of the Board

Kalle Kettunen
Member of the Board

Eero Lehti
Member of the Board

Petteri Kilpinen
Member of the Board

Saila Miettinen-Lähde
Member of the Board

Seppo Luode
Member of the Board

Semi Korpela
President & CEO

Auditor's Note

We have today issued an auditor's report on the audit performed.

Helsinki March 15, 2013

Ernst & Young Oy

Authorised Public Accounting Firm

Erkka Talvinko
KHT

AUDITOR'S REPORT

To the Annual General Meeting of Biohit Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Biohit Oyj for the financial period 1.1.–31.12.2012. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

In Helsinki on March 15, 2013

Ernst & Young Oy
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

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