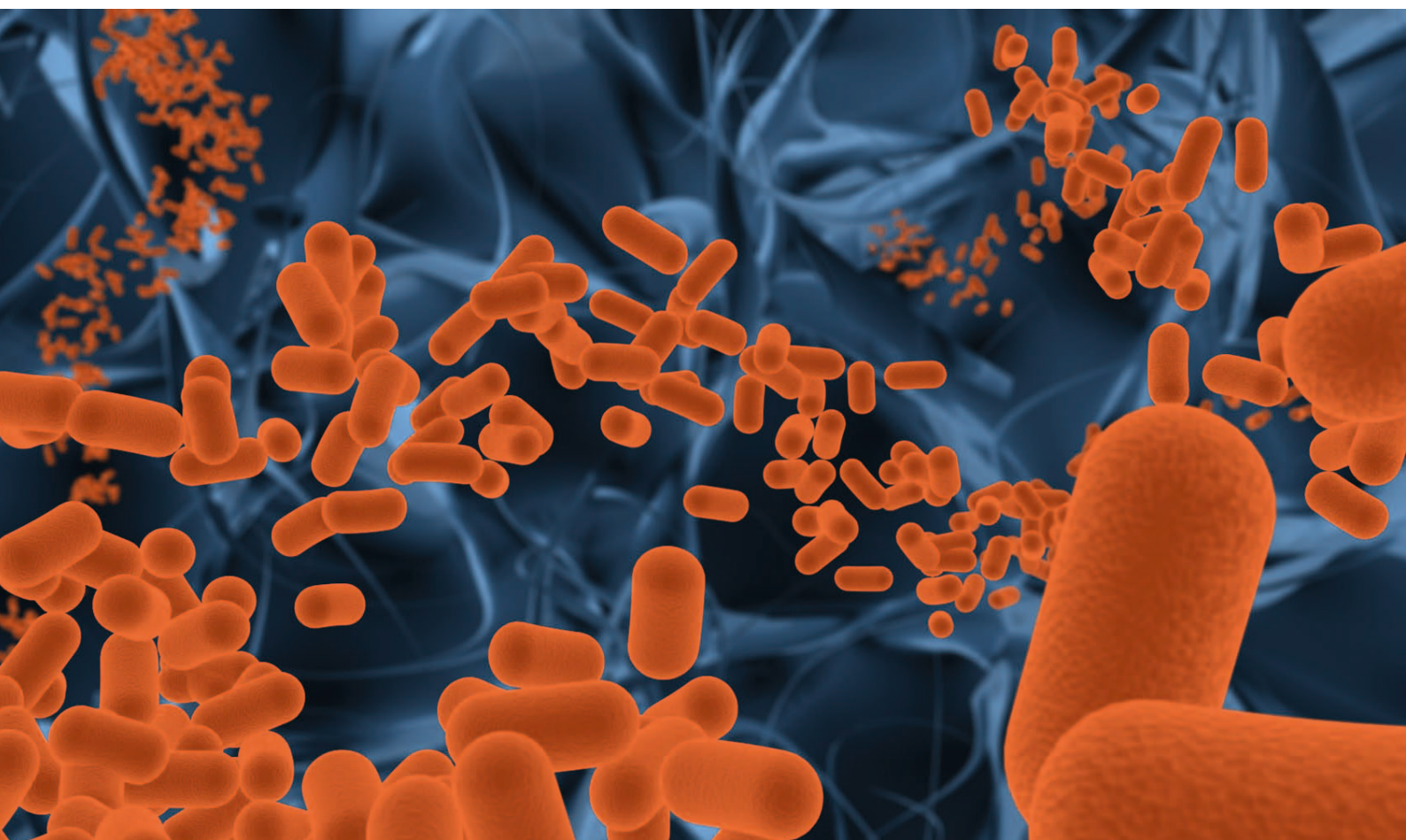


# 2010 PROBI PRESS KIT



# ABOUT PROBI



## ABOUT PROBI

Probi is a Swedish biotechnology company that develops and sells probiotics with well-documented beneficial health effects. Probiotics are living microorganisms (bacteria) that have a beneficial health effect on humans when ingested in sufficient quantities.

Probi is a world-leading company in the field of probiotic research and develops probiotics used in Functional Food and Dietary Supplements. Products containing Probi's probiotics are available in 40 markets worldwide.

Probi's principal customers and partners for Functional Food are Skånemejerier and US-based NextFoods. Key partners in the area of Dietary Supplements are Institut Rosell, Merck & Co, Sanum Polska, Proton System and Health World/Metagenics in Australia and the US.

In the Swedish market, Skånemejerier's fruit-based ProViva is the best known product containing Probi's probiotics. A number of clinical studies relating to ProViva have been

conducted and in November 2003, it became the first product outside Japan to be approved for marketing using product-specific health claims.

In September 2009, Probi and Skånemejerier launched a probiotic juice, Bravo Friscus, in the Swedish market. Bravo Friscus contains a combination of two bacteria strains developed by Probi and is the world's first juice with clinically proven effects on the immune system.

Together with the Nordic self-care product company Bringwell, Probi launches dietary supplements for digestive health and immune health during 2010. The products are marketed under Probi's own brands ProbiFrisk and ProbiMage on the Nordic market. The products will initially be launched in Sweden through pharmacies and health food stores.

The World Health Organization (WHO) has confirmed that probiotics have beneficial health effects. Probi's mission is to provide consumers worldwide with the opportunity to achieve well-being through clinically tested and effective products.

Functional Food is a food product that has been enriched with one or more ingredients that have beneficial health effects.

Dietary supplements support a normal diet. Dietary supplements are sold in the form of capsules, tablets or sachets.

### PROBI'S MARKET

Probi operates in the global health product market. The company develops and sells top-quality probiotics for food product, health and pharmaceutical companies worldwide. These companies in turn offer their customers probiotics in the form of Functional Food or such Dietary Supplements as tablets or capsules.

In 2009, the global market for probiotics-based Functional Food products amounted to about USD 19 billion, while the corresponding figure for probiotics-based Dietary Supplements was USD 1.9 billion. According to Euromonitor, the market for probiotic products will expand healthily in the coming years.

To date, products containing Probi's probiotics have been launched in 40 countries, including Sweden, the US, India, Australia, Spain and France.

### PROBI'S HISTORY

Probi is a pioneer in the field of probiotic research and development. In 1986, Probi's founders launched a research project at Lund University with the aim of developing a product that would strengthen the immune systems of intensive care patients.

The project resulted in the patented probiotics strain *Lp299v*, which is currently the active ingredient in such products as ProViva. The Probi company was founded in 1991.

Since Probi's inception, it has grown to employ approximately 20 individuals and is a world-leading player in the field of probiotic research.

**1991**

Probi founded. Patent application for *Lp299v* submitted.

**1994**

Probi signs license agreement with Skåne-mejerier, which launches ProViva.

**1998**

Probi listed on NGM Equity list.

**2003**

International license agreements signed with world-leading Group Danone and Institut Rosell.

ProViva becomes the first product outside Japan to be approved for marketing using health claims.

**2004**

Probi listed on the O-list of the Stockholm Stock Exchange.

**2005**

Launch of dietary supplement containing Probi bacterium in the US, UK and France.

**2007**

Fruit-based drink GoodBelly with Probi probiotics launched in the US through agreement with NextFoods.

**2008**

Common-cold clinical study with world-class research results opens the way for the launch of immune product.

**2009**

Bravo Friscus, a juice containing probiotics that strengthens the immune system and reduces cold symptoms launched through an agreement with Skånemejerier.

**2010**

Bringwell launches Probi's dietary supplements for digestive health and immune health with Probi's own brands on the Nordic market.

# ABOUT PROBIOTICS

## FACTS ABOUT PROBIOTICS

According to the World Health Organisation's (WHO) definition, probiotics are live microorganisms that confer a health benefit on the host. Probiotic bacteria are found naturally in the stomachs of humans and animals. Probiotics help to balance the intestinal flora and this can, for example, relieve gastrointestinal disorders and strengthen the body's immune system.

Probiotics have been part of the human diet for thousands of years and occur naturally in such foodstuffs as pickled cucumbers, olives, yoghurt and sour milk

Probi develops probiotics that have a documented beneficial health effect and can be applied in various types of food products, including fruit drinks, juices, cereals and muesli bars.

## HEALTH EFFECTS

The beneficial health effects of Probi's bacteria have been demonstrated in several medical studies. These effects include relief of gastrointestinal disorders, a strengthened immune system and better recovery after a workout.

### **Probiotics in relation to digestion and gastrointestinal disorders**

Probiotics contribute to better digestion and relieve the symptoms of gastrointestinal disorders. Probi's bacteria strains make it more difficult for harmful bacteria to establish themselves in the intestines. Probiotics also prevent harmful bacteria from penetrating the intestinal walls and being transferred to other areas of the body. This entails that the bacteria have a beneficial effect on intestinal flora, reducing the risk of intestinal infection. Accordingly, probiotics can relieve the

symptoms of common intestinal illnesses, including IBS (irritable bowel syndrome). These bacteria strains are available in such products as ProViva Fruit Drinks and ProViva Shots.

### **Probiotics and the immune system**

The well-being of the stomach has a major impact on the well-being of the entire body. About 70% of the immune system is located in the stomach. Accordingly, regular consumption of probiotics can contribute to maintaining a healthy immune system. Probi has developed special bacteria strains that strengthen and cooperate with intestinal immune cells, resulting in beneficial health effects throughout the body. Clinical studies have shown that Probi's bacteria strains protect against colds and reduce cold symptoms. These bacteria strains are available in the product Bravo Friscus.

### **Probiotics and cardiovascular disease, diabetes and obesity**

Probiotics can contribute to reducing the risk of a condition known as the metabolic syndrome, which includes cardiovascular diseases and type 2 diabetes. Probi's bacteria strains can reduce such inflammation parameters as fibrinogens and IL-6.

### **Probiotics, stress and recovery**

Probiotics can restore intestinal imbalances and help the body recover after physical exertion. They can also improve nutrient uptake. In a clinical study, the consumption of one of Probi's bacteria strains combined with antioxidants increased the total antioxidative capacity of the blood. Other studies have indicated that the consumption of one of Probi's bacteria strains can increase iron uptake. These bacteria strains are included in such products as ProViva Active and ProViva Female.



# FINANCIAL INFORMATION

In 2009, revenues totalled MSEK 65.5, of which the majority comprised royalty revenues. The operating profit amounted to MSEK 13.8.

## THE SHARE AND LISTING

Probi has been listed on the NASDAQ OMX Stockholm since 2004 and is traded under the PROB ticker. Probi is listed in the Small Cap segment, and is included in the healthcare and biotech sectors in the stock lists.

## OWNERSHIP (information from 31 December 2009)

Probi has about 4,500 shareholders. Institutional ownership in Probi is 61.6% and private ownership is 34.1%. Foreign ownership is 28.7%.

Probi's principal owners, H & B Capital, Consepio and Skånemejerier, together control 35.2% of the voting rights and capital.

## KEY FIGURES FOR 2009/2008/2007

Key figures (MSEK)	2009	2008	2007
Net sales	65,5	68.0	43.6
Operating profit	13,8	10.2	5.2
Profit before tax	14,7	12.4	6.4
Profit after tax	10,8	8.0	24.5
Profit after tax per share (SEK)	1,15	0.85	2.62
Equity/assets ratio, %	94,0	92.6	91.9
Cash flow	10,4	13.9	13.0

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## ABOUT PROBI

*Probi is a leading player in probiotics research and the development of efficient and well-documented probiotics. The research areas include: gastrointestinal tracts, immune system, metabolic syndrome and stress and recovery. Probi's customers are leading companies in the functional foods and dietary supplement business areas. Total income for 2009 was MSEK 66.2, of which the majority represented royalties. Probi's share is listed on the Nasdaq OMX Stockholm, Small Cap. Probi has approximately 4,500 shareholders. For more information, please visit [www.probi.se](http://www.probi.se).*

