

To NASDAQ OMX Copenhagen

Exiqon A/S  
Skelstedet 16  
2950 Vedbæk  
Denmark

Phone: +45 4566 0888  
Fax: +45 4566 1888  
exiqon@exiqon.com  
www.exiqon.com  
CVR/Tax Id: 18 98 44 31

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## **INTERIM REPORT FOR THE PERIOD 1 JANUARY - 31 MARCH 2011 (UNAUDITED)**

*Reported numbers are for the full reporting period unless otherwise stated. Numbers for the comparable reporting period last year is stated in parenthesis after realized figures. Comparative numbers in the statement of comprehensive income and the statement of financial position does not include numbers from discontinued operations.*

### **Exiqon posts strong first quarter growth in product sales and improved EBITDA**

Exiqon A/S (NASDAQ OMX Copenhagen: "EXQ") today announced results for the first quarter of 2011 ending 31 March 2011. Revenue increased 33% to DKK 27.6 million. Total operating expenses decreased 16% to DKK 18.4 million in the first quarter and EBITDA improved 81% to DKK -1.6 million.

#### **Financial highlights**

- Revenue increased 33% to DKK 27.6 million (DKK 20.7 million).
- Organic growth in research product sales was 34% when excluding OEM sales and reagent sales associated with license agreements.
- Total operating expenses decreased 16% to DKK 18.4 million (DKK 21.9 million) and was adversely affected by one-time costs.
- Gross profit improved 30% to DKK 14.5 million (DKK 11.1 million).
- EBITDA improved 81% to DKK -1.6 million (DKK -8.3 million) including non-cash cost of share-based payment of DKK 1.2 million.
- Net loss was DKK 4.9 million (DKK 11.1 million). EPS amounted to DKK -0.15 (DKK -0.37).

#### **Operational highlights**

- Additional research products were launched during the first quarter, including the 2nd generation of miRCURY LNA™ microRNA Inhibitor libraries, the 3rd generation of miRCURY LNA™ microRNA Power Labelling Kit and additional 235 pre-validated miRCURY LNA™ Universal RT microRNA qPCR assays.
- After end period, on 4 April 2011, Exiqon reported positive results on early detection of colorectal cancer in blood generated on the company's proprietary miRCURY LNA™ Universal RT microRNA PCR platform.
- After end period, on 3 May 2011, Exiqon announced the expansion of its qPCR product offer by launch of its highly flexible Pick & Mix microRNA PCR Panels for sensitive and specific quantification of custom selected microRNAs in both 96 and 384 well array formats.

In a comment, CEO Lars Kongsbak said: "We are on track to deliver another year with strong organic revenue growth at reduced cost with our new organization now in place. The first quarter results represent another significant step towards profitability for the year 2011 which remains our goal for EBITDA."

## Key figures for the Exiqon Group (unaudited)

(DKK'000 except key financial figures)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010	1 Jan. – 31 Dec. 2010
<b>Income statement:</b>			
Revenue	27,579	20,692	93,510
Research and development costs	-4,860	-8,082	-30,204
Sales and marketing costs	-7,871	-8,935	-35,801
Administrative expenses	-5,627	-4,916	-22,297
EBITDA (*)	-1,553	-8,307	-30,216
Operating profit/(loss) (EBIT)	-3,903	-10,801	-40,216
Net financials	-907	-256	-1,876
Profit/(loss) for the period	-4,889	-22,866	-43,542
<b>Balance sheet:</b>			
<b>Assets</b>			
Non-current assets	76,006	82,461	78,181
Inventories	15,710	10,710	11,959
Receivables	18,590	19,572	21,073
Cash and cash equivalents	11,481	21,259	18,184
Current assets	45,781	65,542	51,216
Total assets	121,787	148,003	129,397
<b>Equity and liabilities:</b>			
Equity	80,773	100,484	84,667
Non-current liabilities	3,049	6,240	3,631
Current liabilities	37,965	27,278	41,099
Total liabilities	41,014	47,519	44,730
Equity and liabilities	121,787	148,003	129,397
<b>Cash flow statement:</b>			
Cash flows from operating activities	-10,305	-12,733	-22,453
Investment in intangible assets and property, plant and equipment	-225	-220	-3,801
Cash flows from investing activities	-225	-220	-3,801
Cash flows from financing activities	4,017	-900	14,291
Cash flows from disc. opr.	0	-10,872	-16,986
Cash and cash equivalents at the end of period	11,481	21,260	18,184
<b>Key financial figures:</b>			
Number of shares, average	33,335,249	30,305,249	31,841,002
Basic EPS cont. opr.	-0.15	-0.37	-1.32
Diluted EPS cont. opr.	-0.14	-0.37	-1.28
Gross margin	52.4%	53.8%	51.4%
Assets/Equity (gearing)	1.51	1.47	1.53
Average number of employees	70	81	76
Market price per share (DKK)	11.1	9.0	9.5
Market capitalisation (DKK million)	370	272.7	316.7
Price / net asset value	4.6	2.7	3.7

Basic and diluted EPS have been calculated in accordance with IAS 33 "Earnings per share". Other ratios have been calculated in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts, dated June 2010. (\*) EBITDA (defined as Earnings Before Interest, Tax, Depreciation and Amortization) includes non-cash cost of share-based payment in Q1 2011 with tDKK 1,235.

## FINANCIAL REVIEW

Financial performance in the first three months of 2011 compared to the first three months of 2010:

The average USD/DKK exchange rate applied to translate revenue and expenses was DKK 5.36 for the first three months of 2011 (DKK 5.45).

### Revenue

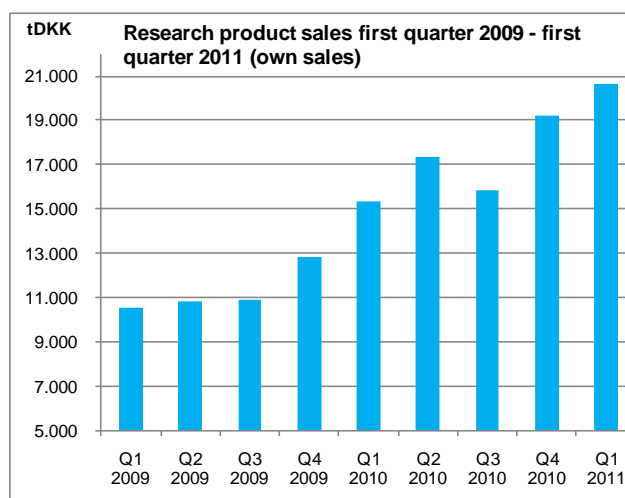
Total revenue increased 33% to DKK 27.6 million (DKK 20.7 million) in the first three months of 2011.

Research product sales (including Services) increased 40% to DKK 23.8 million (DKK 17.0 million) due to continued organic growth. When excluding OEM sales and reagent sales associated with license agreements, research product sales (including Services) increased 34% to DKK 21.0 million (DKK 15.7 million) primarily driven by the company's proprietary miRCURY LNA™ Universal RT microRNA PCR platform.

For the last nine consecutive quarters, product sales (when excluding OEM sales and reagent sales associated with license agreements) has increased more than 11% in average quarter over quarter, as shown in the graph to the right:

Exiqon Diagnostics realized revenue of DKK 2.2 million (DKK 2.6 million) from awarded grants, license income and contract research work performed for pharmaceutical customers.

License income amounted to DKK 1.1 million (DKK 0.9 million). License income was affected negatively by DKK 0.1 million relating to adjustments regarding 2010.



### Gross profit and margins

Gross profit in the first three months was DKK 14.5 million (DKK 11.1 million) and negatively affected by DKK 0.3 million due to one-time scrapping related to QC. In the first three months of 2011, gross margin on product sales was 44.8% compared to 43.7% in the same period last year. Gross margin is expected to improve in the second half of 2011 as a consequence of an improved supply chain, implementation of more efficient processes in manufacturing and increased batch size in manufacturing due to higher sales of the products introduced in 2010.

### Operating costs

In the first three months, total operating costs decreased 16% to DKK 18.4 million (DKK 21.9 million) compared to the same period last year. The restructuring of the company was completed in 2010 and realized operating costs for the first quarter are reflective of the company's expectations to the future cost base, except for any one-time costs.

In the first three months of 2011, research and development costs decreased 40% compared to the same period last year as a result of the restructuring that was initiated in 2009. SG&A costs decreased 3% compared to the same period last year, however, administrative costs were negatively affected by litigation costs. Current litigations are expected to be concluded before end of 2011 and any awarded cost are expected to be off-set. Recognized non-cash costs of share based payment totaled DKK 1.2m (DKK 0.2m) in the first quarter of 2011 compared to an expected total of DKK 1.9 million for the remaining nine months of 2011.

### EBITDA and EBIT

In the first three months of 2011, EBITDA totaled DKK -1.6 million (DKK -8.3 million) and EBIT totaled DKK -3.9 million (DKK -10.8 million) and was affected negatively by one-time costs.

## Summarized first quarter financial numbers compared to full year guidance

In the table below, the company's realized performance for the first quarter of 2011 has been summarized and compared to the full year guidance provided, including an adjustment of the realized numbers to the exchange rate (USD/DKK 5.25) used as basis for the full year guidance:

(mDKK)	Realized 2011		Guidance 2011 (USD/DKK 5.25)
	Realized 2011 (USD/DKK 5.36)	adjusted to USD/DKK 5.25	
Revenue	27,6	27,4	105 to 115
EBITDA	-1,6	-1,6	-5 to 5
Net result	-4,9	-4,9	
Non-cash adjustments	3,6	3,6	

## OPERATIONAL HIGHLIGHTS

### Exiqon Life Sciences

- On 12 January 2011, Exiqon announced the launch of the 2nd generation of miRCURY LNA™ microRNA Inhibitor libraries for genome-wide screening of microRNA function in human and mouse.
- On 24 January 2011, Exiqon announced the launch of the 3rd generation of miRCURY LNA™ microRNA Power Labelling Kit for labelling of microRNAs for downstream hybridization to microRNA arrays.
- On 15 March 2011, Exiqon announced the launch of additional 235 pre-validated miRCURY LNA™ Universal RT microRNA qPCR assays for sensitive and specific quantification of microRNAs.
- After end period, on Exiqon announced the addition of new distributors to its existing network of distributors, totalling 18 distributors world-wide.
- After end period, on 3 May 2011, Exiqon announced the expansion of its qPCR product offering by Pick-&-Mix microRNA PCR Panels including 96 well formats which significantly expands Exiqon's addressable market measured on the number of installed instruments.

### Exiqon Diagnostics

- After end period, on 4 April 2011, Exiqon announced positive results in the company's development of a diagnostic test for early detection of colorectal cancer in blood. The results from a multicenter study demonstrated the ability of the company's proprietary miRCURY LNA™ Universal RT microRNA PCR platform to robustly detect miRNA biomarkers associated with the presence of colorectal cancer based on less than 0.2 ml blood.

### Other

- On 12 January 2011, following expiry of existing warrants, the Supervisory Board granted 1,042,557 new warrants in to the company's Executive Management and other key employees, bringing the total outstanding number of warrants to 2,927,467 end period.
- Legal proceedings against Santaris Pharma A/S remain on track for conclusion before end of 2011.
- After end period, the Company has increased its credit facility to DKK 10 million and will continue to monitor working capital requirements and ensure adequate capital resources.
- Exiqon's deferred tax asset amounted to DKK 113 million by end 2010. The company continuously evaluate when the criteria for utilization are fulfilled and the deferred tax may capitalized.

## OUTLOOK 2011

The financial outlook for 2011 remains unchanged: Exiqon expects total revenue of DKK 105-115 million and an EBITDA of approximately DKK 0.00 with a variation of +/- DKK 5 million.

The outlook for 2011 is based on an average USD/DKK exchange rate of DKK 5.25 for the year. The outlook is sensitive to the actual average USD/DKK exchange rate for 2011. For example, if the average USD/DKK exchange rate is realized DKK 0.25 higher than assumed, revenue and EBITDA may be impacted positively with up to DKK 5 million, and a similar negative impact may be expected on both revenue and EBITDA in case of an equivalent lower average USD/DKK exchange rate.

The outlook for 2011 depends primarily on the continued organic growth in research product sales and thus Exiqon's continued ability to compete for market shares through a competitive product offering. A number of new product launches are planned for 2011 to support Exiqon's current position as a leading supplier of high quality products for miRNA research, the first of which was completed by launch of the Pick-&-Mix microRNA PCR Panels on 3 May 2011.

The above outlook for 2011 does not include any potential one-time payments from new license agreements, or otherwise. Exiqon expects to conclude new license agreements during 2011; however, the financial impact of any such agreements cannot be quantified beforehand and agreed terms will also determine in what amount any received payments may be recognized in 2011. Exiqon expects to successfully conclude ongoing proceedings against Santaris Pharma A/S before year-end. Neither income nor reservations have been included in the outlook for 2011.

### Directors' and Management's statement on the interim report

The Board of Directors and the Executive Management have today considered and approved the interim report of Exiqon A/S for the period 1 January – 31 March 2011.

The interim report has been prepared in accordance with IAS 34 and additional Danish disclosure requirements for the presentation of financial statements by listed companies. The interim report is unaudited.

We consider the accounting policies to be appropriate, the accounting estimates made to be reasonable and the overall presentation of the interim report to be adequate, so that the interim report, in our opinion, gives a true and fair view of the assets, liabilities, financial position, and results of operations and cash flows of the group for the period 1 January – 31 March 2011. We consider the Management's statement to give a true and fair description of the development in the Group's activities and economic situation, the results of operations and the Group's financial position as a whole and a description of the significant risks and uncertainty factors, which the Group faces.

Vedbaek, 19 May 2011

### Executive Management

Lars Kongsbak, CEO

Hans Henrik Chrois Christensen, CFO

### Board of Directors

Thorleif Krarup  
Chairman

Erik Walldén  
Deputy Chairman

Michael Nobel

Per Wold-Olsen

### Additional information

Lars Kongsbak, CEO, phone +45 4566 0888 (cell: +45 4090 2101)

Hans Henrik Chrois Christensen, CFO, phone +45 4566 0888 (cell: +45 4090 2131)

### Forward-looking statement

*Certain parts of this release contain forward-looking information with respect to the plans, projections and future performance of the company, each of which involves significant uncertainties. The company's actual results may differ materially from the information set forth in these statements. This is an English translation of the interim report prepared in Danish. In case of any discrepancies between the Danish version and this English translation thereof, the Danish version shall prevail.*

## Statement of comprehensive income (unaudited)

(DKK'000)	Note	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010	1 Jan. – 31 Dec. 2010
Revenue	2,3	27,579	20,692	93,510
Production costs		-13,124	-9,560	-45,424
<b>Gross profit</b>		<b>14,455</b>	<b>11,132</b>	<b>48,086</b>
Research and development costs		-4,860	-8,082	-30,204
Sales and marketing costs		-7,871	-8,935	-35,801
Administrative expenses		-5,627	-4,916	-22,297
<b>Operating profit (EBIT)</b>		<b>-3,903</b>	<b>-10,801</b>	<b>-40,216</b>
Financial income		10	49	3,147
Financial expenses		-917	-305	-5,023
<b>Profit/(loss) before tax</b>		<b>-4,810</b>	<b>-11,057</b>	<b>-42,092</b>
Tax on profit/(loss) for the period		-79	-11	-23
Profit/(loss) for the period cont. opr.		-4,889	-11,068	-42,115
Profit/(loss) for the period discount. opr.	5	0	-11,798	-1,427
<b>Profit/(loss) for the period</b>		<b>-4,889</b>	<b>-22,866</b>	<b>-43,542</b>
<b>Other comprehensive income:</b>				
Reclassification adjustments relating to foreign operations disposed of in the year		0	0	-16,563
Exchange adjustments relating to foreign subsidiaries		-240	1,517	2,500
<b>Total comprehensive profit/(loss) for the period</b>		<b>-5,129</b>	<b>-21,349</b>	<b>-57,605</b>
<b>Earnings per share</b>				
Basic EPS continued and discontinued operations		-0.15	-0.75	-1.37
Basic EPS continued operations		-0.15	-0.37	-1.32
Diluted EPS continued and discontinued operations		-0.14	-0.75	-1.33
Diluted EPS continued operations		-0.14	-0.37	-1.28

## Consolidated statement of financial position (unaudited)

(DKK'000)	Note	31 Mar. 2011	31 Mar. 2010	31 Dec. 2010
Goodwill		49,368	49,354	49,368
Acquired patent rights		8,819	9,867	9,081
Acquired software licenses		3,632	3,972	3,945
Intangible assets under construction		2,422	70	2,249
<b>Intangible assets</b>		<b>64,241</b>	<b>63,263</b>	<b>64,643</b>
Leasehold improvements		1,170	2,143	1,370
Production and laboratory equipment		6,780	11,429	7,960
Fixtures and fittings, tools and equipment		1,462	3,389	1,960
Tangible assets in progress		102	0	9
<b>Property, plant and equipment</b>		<b>9,514</b>	<b>16,961</b>	<b>11,299</b>
Deposits		2,251	2,237	2,239
<b>Financial assets</b>		<b>2,251</b>	<b>2,237</b>	<b>2,239</b>
<b>Total non-current assets</b>		<b>76,006</b>	<b>82,461</b>	<b>78,181</b>
<b>Inventories</b>		<b>15,710</b>	<b>10,710</b>	<b>11,959</b>
Trade receivables		14,537	15,723	17,181
Other receivables and prepayments		4,053	3,849	3,892
<b>Receivables</b>		<b>18,590</b>	<b>19,572</b>	<b>21,073</b>
<b>Cash and cash equivalents</b>	4	<b>11,481</b>	<b>21,259</b>	<b>18,184</b>
<b>Assets classified as held for sale</b>		<b>0</b>	<b>14,001</b>	<b>0</b>
<b>Current assets</b>		<b>45,781</b>	<b>65,542</b>	<b>51,216</b>
<b>Total assets</b>		<b>121,787</b>	<b>148,003</b>	<b>129,397</b>
Share capital		33,335	30,305	33,335
Reserves		47,438	70,179	51,332
<b>Equity</b>		<b>80,773</b>	<b>100,484</b>	<b>84,667</b>
Finance lease liabilities		3,049	6,240	3,631
<b>Non-current liabilities</b>		<b>3,049</b>	<b>6,240</b>	<b>3,631</b>
Finance lease liabilities		4,016	4,267	3,564
Trade payables		13,547	10,702	15,187
Borrowings		5,001	0	0
Prepayments		0	0	6,779
Other payables		15,401	12,309	15,569
<b>Current liabilities</b>		<b>37,965</b>	<b>27,278</b>	<b>41,099</b>
<b>Liabilities directly associated with assets held for sale</b>		<b>0</b>	<b>14,001</b>	<b>0</b>
<b>Total liabilities</b>		<b>41,014</b>	<b>47,519</b>	<b>44,730</b>
<b>Equity and liabilities</b>		<b>121,787</b>	<b>148,003</b>	<b>129,397</b>

## Consolidated statement of cash flow (unaudited)

(DKK'000)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010	1 Jan. – 31 Dec. 2010
Operating profit from continued operations	-3,903	-10,801	-40,216
Depreciation	2,346	2,326	10,000
Non-cash adjustments (warrants)	1,235	233	1,997
Income tax paid	-79	-11	0
Profit/loss on sale of assets	0	0	60
Change in working capital	-9,494	-5,165	5,386
	<b>-9,895</b>	<b>-13,418</b>	<b>-22,773</b>
Net interest and value gains	-410	685	320
<b>Cash flows from operating activities</b>	<b>-10,305</b>	<b>-12,733</b>	<b>-22,453</b>
Acquisition of intangible assets	-123	-162	-3,244
Acquisition of property, plant and equipment	-102	-58	-557
<b>Cash flows from investing activities</b>	<b>-225</b>	<b>-220</b>	<b>-3,801</b>
Proceeds from capital increase	0	0	19,695
Costs in relation to capital increase	0	0	-1,020
Proceeds from borrowings	4,976	0	0
Repayment of lease debt	-959	-900	-4,384
<b>Cash flows from financing activities</b>	<b>4,017</b>	<b>-900</b>	<b>14,291</b>
<b>Cash flows from discontinued operations</b>	<b>0</b>	<b>-10,872</b>	<b>-16,986</b>
<b>Change in cash and cash equivalents</b>	<b>-6,513</b>	<b>-24,725</b>	<b>-28,949</b>
Cash and cash equivalents at the beginning of the period	18,184	45,497	45,496
Change in cash, discontinued operations	0	231	0
Unrealised currency gain/(loss)	-190	256	1,637
<b>Cash and cash equivalents at the end of the period</b>	<b>11,481</b>	<b>21,260</b>	<b>18,184</b>

## Consolidated statement of changes in equity (unaudited)

Consolidated	Number of shares No.	Share capital (DKK'000)	Other reserves			Total (DKK'000)
			Reserve for exchange adjustments (DKK'000)	Share- based payment (DKK'000)	Retained profit (DKK'000)	
<b>Equity at 1 January 2011</b>	<b>33,335,249</b>	<b>33,335</b>	<b>-266</b>	<b>27,741</b>	<b>23,858</b>	<b>84,667</b>
Profit/(loss) for the year					-4,889	-4,889
Exchange adjustments relating to foreign subsidiaries			-240			-240
<b>Total comprehensive income</b>		<b>0</b>	<b>-240</b>	<b>0</b>	<b>-4,889</b>	<b>-5,129</b>
Share-based payment				1,235		1,235
<b>Other transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,235</b>	<b>0</b>	<b>1,235</b>
<b>Equity at 31 March 2011</b>	<b>33,335,249</b>	<b>33,335</b>	<b>-506</b>	<b>28,975</b>	<b>18,969</b>	<b>80,773</b>
<b>Equity at 1 January 2010</b>	<b>30,305,249</b>	<b>30,305</b>	<b>13,796</b>	<b>25,744</b>	<b>51,755</b>	<b>121,600</b>
Profit/(loss) for the year					-22,866	-22,866
Exchange adjustments relating to foreign subsidiaries			1,517			1,517
<b>Total comprehensive income</b>		<b>0</b>	<b>1,517</b>	<b>0</b>	<b>-22,866</b>	<b>-21,349</b>
Share-based payment				233		233
<b>Other transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>233</b>	<b>0</b>	<b>233</b>
<b>Equity at 31 March 2010</b>	<b>30,305,249</b>	<b>30,305</b>	<b>15,313</b>	<b>25,977</b>	<b>28,889</b>	<b>100,484</b>



## Notes to the interim financial statements

### Note 1 Accounting policies

The interim report of the Exiqon Group for the period 1 January – 31 March 2011 has been presented in accordance with IAS 34 and additional Danish disclosure requirements for the presentation of financial statements by listed companies.

The accounting policies applied to the interim financial statement is consistent with those applied to the annual report for the financial year 2010.

After the annual report for the financial year 2010 was presented, the International Accounting Standards Board (IASB) has issued new and revised Standards and Interpretations. The implementation of the new and revised Standards and Interpretations are not relevant for Exiqon at present time and have not affected the recognition or measurement.

The Management has not made new significant accounting estimates and assumptions besides the ones listed in the annual report for 2010.

### Note 2 Revenue

(DKK'000)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010	1 Jan. – 31 Dec. 2010
Product sales incl. services	23,792	16,987	78,440
License income	1,101	900	4,401
Contract research	2,686	2,805	10,669
	<b>27,579</b>	<b>20,692</b>	<b>93,510</b>

### Note 3 Segment information

Exiqon's Management has organized the reporting into two reportable operating segments: Exiqon Life Sciences and Exiqon Diagnostics.

Exiqon Life Sciences are made up of both Life Sciences and Pharma Services. Life Sciences includes the sales of research products for miRNA analysis and Pharma Services uses the research products in their business. Life Sciences and Pharma Services are considered to have similar financial characteristics. For reporting purposes these two segments are considered as one.

Following the divestment of Oncotech, Inc., Exiqon Diagnostics includes R&D of a variety of diagnostic tests currently under development and not yet ready for sale. Diagnostics is presented as an independent reporting segment by Management, in accordance with the quantitative thresholds guidance in IFRS 8.

The Management monitors the operating results of its business segments separately to decide the resource allocation and performance assessments. Segment performance is monitored on operating results (EBIT) as presented in the tables below. Financial items and taxes are managed on a corporate level and are not allocated to operating segments.

31 March 2011				
(DKK'000)	Life Sciences	Diagnostics	Other <sup>1)</sup>	Consolidated
Revenue:				
External customers	25,331	2,248	0	27,579
Internal customers	152	0	-152	0
<b>Total revenue</b>	<b>25,483</b>	<b>2,248</b>	<b>-152</b>	<b>27,579</b>
EBITDA	1,593	-3,146	0	-1,553
Operating profit/(loss) (EBIT)	-231	-3,672	0	-3,903
Net non-operating cost	0	0	-986	-986
<b>Profit (loss) before tax</b>	<b>-231</b>	<b>-3,672</b>	<b>-986</b>	<b>-4,889</b>
<b>Assets</b>	<b>53,232</b>	<b>2,332</b>	<b>66,223</b>	<b>121,787</b>

1) The item 'Other' includes Group eliminations, adjustments and net non-operating items.

### Geographic

The revenue of the Exiqon Group is distributed on geographical segments as follows:

(DKK'000)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010	1 Jan. – 31 Dec. 2010
Europe	12,349	10,619	51,146
North America	11,829	7,887	35,194
Rest of World	3,401	2,186	7,170
	<b>27,579</b>	<b>20,692</b>	<b>93,510</b>

### Note 4 Cash and cash equivalents

Cash and cash equivalents are mainly invested in short fixed-term deposits, which are regularly renewed. These deposits involve only limited risk. Exiqon has been provided a credit facility by our bank of DKK 10 million.

### Note 5 Discontinued operations

On 4 June 2010 Exiqon announced that the operations at Oncotech, Inc. would be closed down; thus the divestment process is abandoned. An out-of-court liquidation conducted by a common law Assignment for Benefit of Creditors has been initiated. Consequently, Exiqon no longer has control with the subsidiary assets and liabilities which are derecognized from the balance. Financial information relating to Oncotech, Inc. is presented in accordance with IFRS 5 as discontinued operations. Reference is made to the company's separate announcement of 4 June 2010 for any further information.

**Income statement discontinued operations (Oncotech, Inc.):**

(DKK'000)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010
Revenue	0	7,513
Production costs	0	-7,301
Gross profit	0	212
Total Expenses	0	-10,572
Operating profit/(loss) before special items	0	-10,360
Special items	0	-1,417
Operating profit/(loss)	0	-11,777
Net financials	0	-3
Profit/(loss) before tax	0	-11,780
Tax on the profit/(loss) for the year	0	-18
Profit/(loss) for the year	<b>0</b>	<b>-11,798</b>

**Cash Flow**

(DKK'000)	1 Jan. – 31 Mar. 2011	1 Jan. – 31 Mar. 2010
Cash flow from operating activities	0	-10,944
Cash flow from financing activities	0	-160
Change in cash and cash equivalents	0	232
Total	<b>0</b>	<b>-10,872</b>

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