
Biotest: New Growth. New potentials.

Analyst Conference – Financial Year 2007

Frankfurt/Main, 20 March 2008



Professor Dr. Gregor Schulz, CEO:

Biotest: New growth. New potentials.



2007 – Strategic Highlights

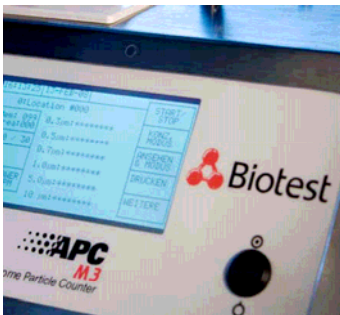


Acquisition of Nabi Biologics:

- Full fledged supplier in U.S., immediate access to U.S. plasmaprotein market

Second plant for chromatographic purification established:

- Extension of capacity of immunoglobulins from 2 to 5 tons by end of 2008.



European approval procedures initiated:

Haemoctin[®], Haemonine[®] and Hepatect[®]

Start of clinical development of mAb BT-061

Restructuring of business unit Immunologic Diagnostics finished, search for strategic partner ongoing

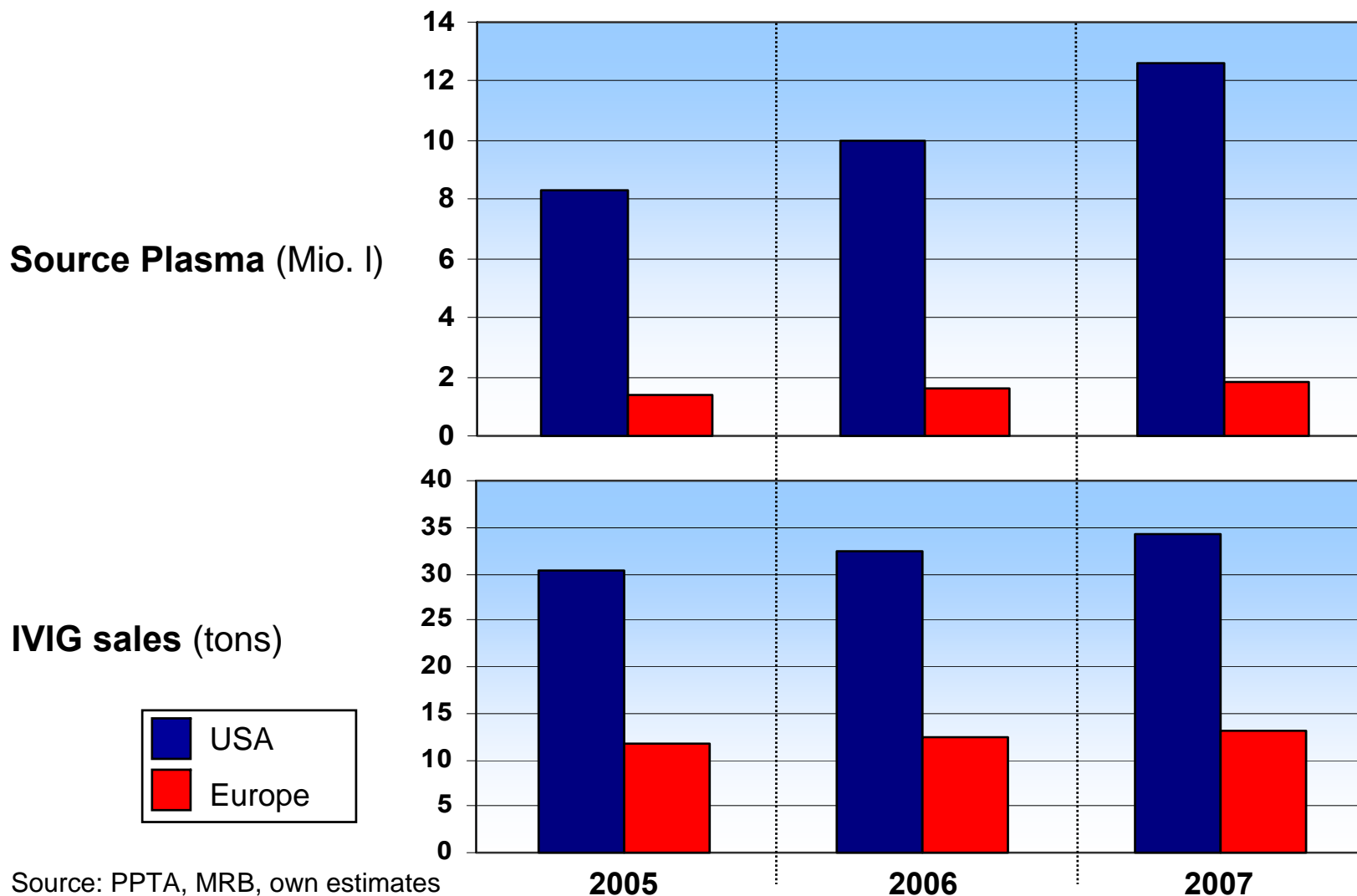


Export licence for marketing and sales of heipha products in the US

Plasmaproteins: New dimensions

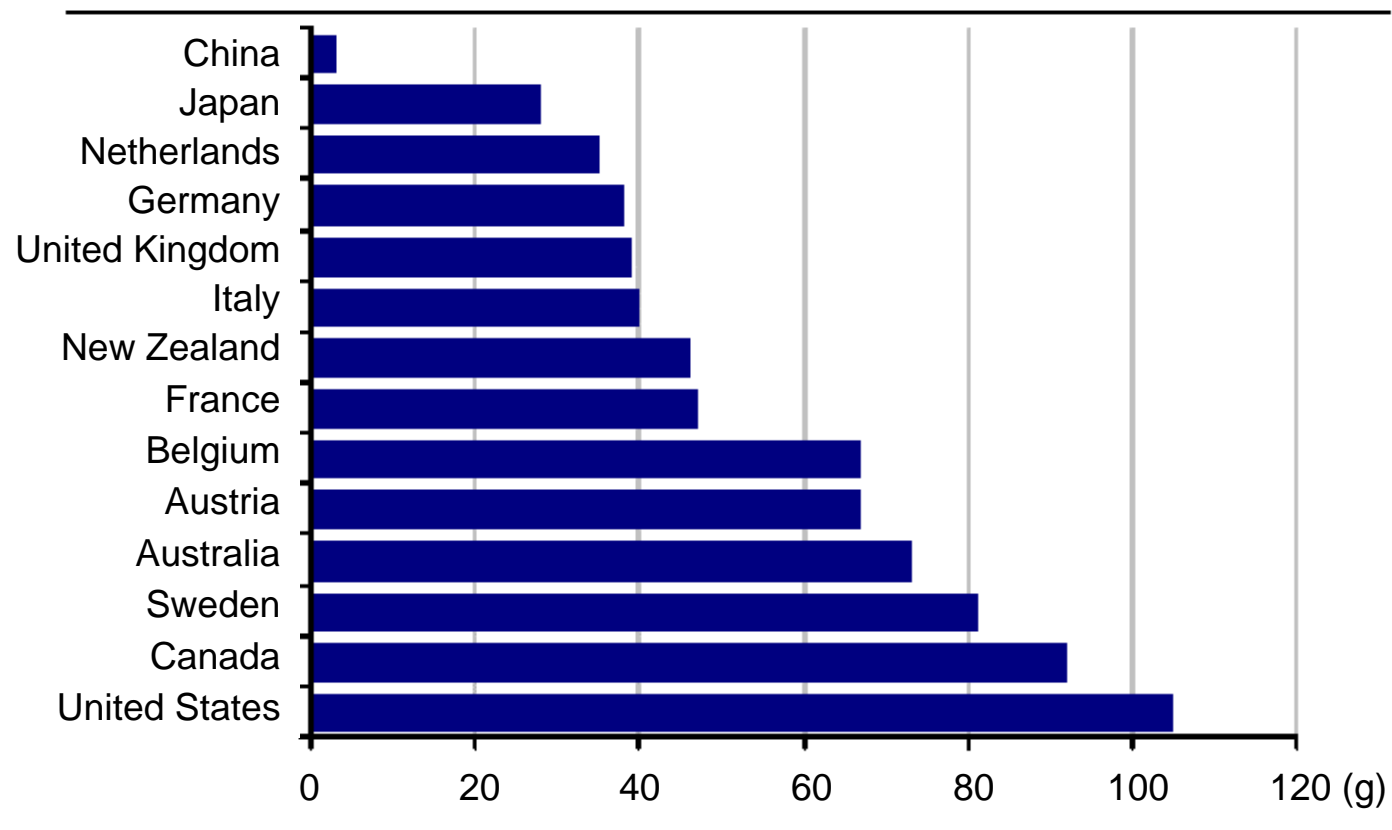


Collected Source Plasma and IVIG sales in Europe and the United States



IVIG usage – strong upside potential

Use in gram per 1,000 population (2005)



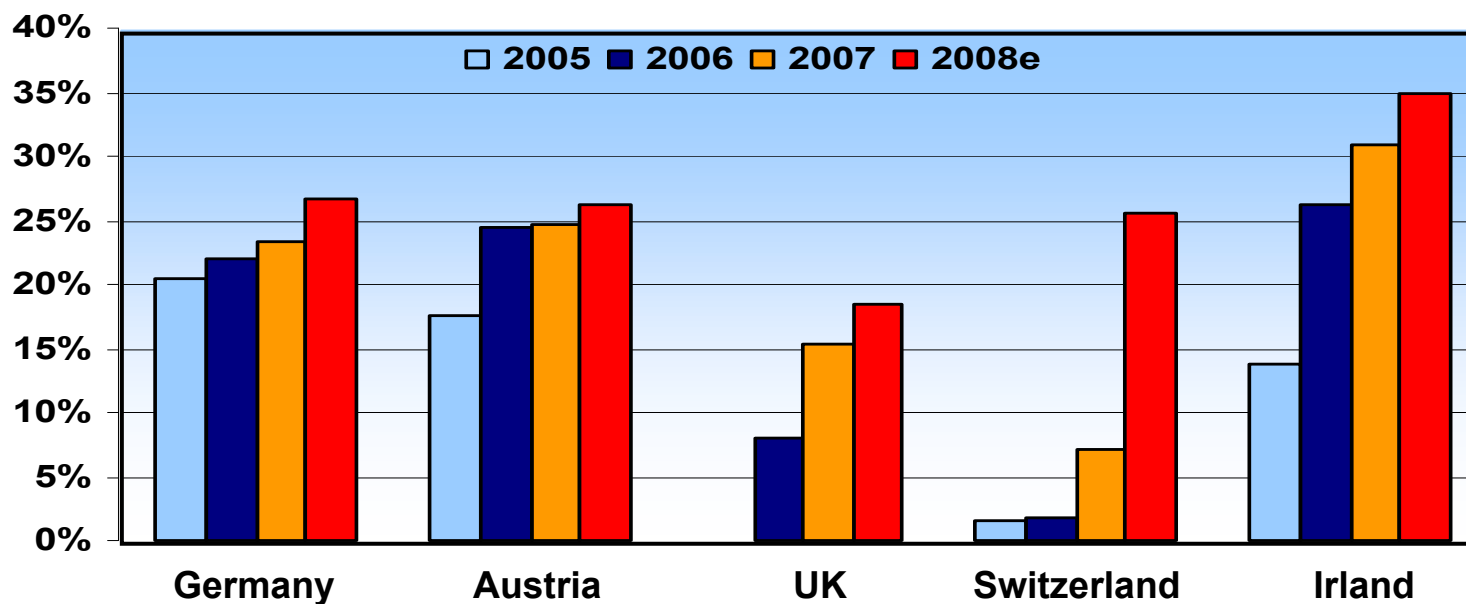
Source: National Blood Authority "The Supply and Use of Plasma Products in Austria"
National Blood Authority, Canberra, 2006

Conclusions concerning plasma sourcing

- Worldwide source plasma supplier is in general the USA and to some extent Europe
- New indications and higher dosing in Europe and the USA resulting in higher consumption
- Even higher growth rate in emerging countries
- This leads to higher IVIG consumption with a solid growth rate of 6-8%. Demand still exceeds supply on a worldwide level
- "We do not currently see potential supply/demand imbalance (...) until late 2H09 at the earliest" MorganStanley, Jan. 2008

Biotest plasma protein products – strong presence in Europe

Biotest Market Shares (%) (polyspecific immunoglobulins) in Key Markets



- Marked increase in sales in almost every product group
- Intratect® achieved market share of 23% in Germany and 15% in the UK
- Further growth expected for 2008

Plasmaproteins: Enhanced R&D-pipeline

	pre-clinical	Phase I	Phase II	Phase III	Submission Phase	Approval Phase
New / Enhancement						
Hepatect® FH*						█
Hepatect® Nanofiltr.					█	
Hepatect® S.C.					█	
Albumin FH*						█
Haemoctin®*						█
Haemonine®						█
IgM Concentrate	█					
Intratect® Nanofiltr.						█
New Indications						
Medical Device (bypass surgery)				█		
Cytotect® NF (pregnancy)				█		
Intratect® (fibromyalgia)				█		
Hepatect® (neonates)				█		

* Application for extension of European approvals

Cytotect[®]: Status of clinical development in pregnant women

Indication: Prevention of congenital cytomegalovirus infection in infants of mothers with primary cytomegalovirus infection during pregnancy



Orphan Drug Designation (Europe, US, SUI)

Scientific Advice from EMEA for study design

Study: Open, prospective, randomised, controlled, multicentre, international

Screening: approximately **25,000** pregnant women

Inclusion: approximately **10,000** pregnant women to have at least 50 evaluable cases in each group

Clinical Trial Authorisation from PEI for Germany, study initiation at German study centers started

Applications for Belgium, Hungary, Poland, Italy

Additional sales potential in case of approval: up to € 70m p.a. (U.S. and Europe, estimated)

Intratect®: Status of clinical study in Fibromyalgia

Indication: Therapeutic effects in patients with chronic idiopathic pain syndrome (Fibromyalgia, myofascial pain, complex regional pain syndrome)



Pain syndromes occur in variable combinations, spectrum of pharmacologically effective substance almost the same for all three pain syndromes

70 to 80% of patients treated at interdisciplinary pain centers

Clinical Study:

Phase III, monocentre, open-label, prospective

Patient treatment (Intratect® and control group) completed in 1st quarter 2008

Assessment of safety, efficacy, safety laboratory parameters

Assessment of predictive laboratory constellations for the therapeutic effect

**Additional sales potential in case of approval:
€ 60m (estimated)**

Extension of plasmaprotein production capacity in Europe

Second IgG-plant (chromatographic purification, extension capacity to 5 tons p.a.):

- ✓ Construction completed on time in October 2007
- ✓ Qualification and Validation of equipment and process completed in February 2008
- ✗ Inspection by local authorities (Regierungspräsidium + PEI) scheduled for April 2008
- ✗ Consistency + stability batches scheduled for June 2008
- ✗ Start of Routine Production planned for January 2009

New Plasmapheresis Centers in Europe:

Cologne: Opening May 2007, Capacity: 45.000 litres p.a.

Aachen: Takeover September 2007, Capacity: 35.000 litres p.a.

Dortmund: Opening November 2007, Capacity: 32.000 litres p.a.

Plasma volume
derived from own
centers in Europe
in 2008:
~ 200.000 litres

Biotest Pharmaceuticals (BPC), Boca Raton



Biotest Pharmaceuticals Corporation (BPC)

- Acquisition of Plasmaprotein business of Nabi Biopharmaceuticals Inc.:
- Asset-Deal (\$185 m USD)
- Closing: December 2007
- Transfer of Assets into Biotest Pharmaceuticals Corp.



BPC – Investment rationales:

Immediate strong presence in the US market

Global leader in hepatitis B hyperimmunoglobulin market

Additional capacity (plasmapheresis, production)

Experienced and driven team of experts

Positive contribution to sales + EBIT from the very start

Promising R&D pipeline with huge market potential

Integration of BPC-Business: Milestones achieved

- ✓ Transfer of **Florida Manufacturer License:**
 - Prescription Drug Manufacturing Permit
 - Production Registration
- ✓ New Management successfully implemented
- ✓ Application for extension of medical indications for Nabi HB[®] filed to FDA in February 2008
- ✓ Phase III trial with new IVIG - ongoing, on schedule
- ✓ Investment plans for extension of plasma protein and recombinant protein manufacturing established
- ✓ Purchase price allocation and integration of financial numbers in Biotest Group accounting
- ✗ Transfer of clinical, regulatory and drug safety activities from Rockville to Boca Raton ongoing. New staff hired in Florida

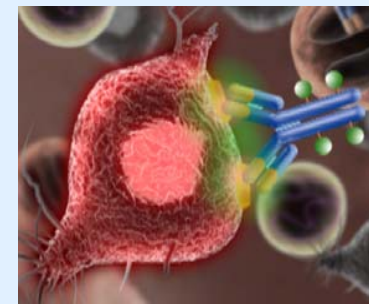
EBIT-contribution of BPC in 2008 approx. as high as expenses for transaction financing.

Plasma Protein Manufacturing Capacity Increase at BPC

- Fractionation capacity ~ 400 TL p.a.
Purification capacity for IgG approximately 1.6 tons p.a.
- Intermediates for Biotest Dreieich (at max. capacity):
Cryoprecipitate
Fraction III
Fraction V
- Investment at Boca Raton facility ~ \$12m USD
- Technical completion by Q2 / 2009

Monoclonal Antibodies Manufacturing at BPC

Biotest intends to include facilities in Boca Raton into production system for mAb production:



- FDA licenced production plant for recombinant proteins was part of Nabi Biologics assets acquired by Biotest
- 2000 litres Fermenter manufacturing capacity will be adjusted for Biotest production system until Q1 / 09
- Capacity approximately 22 kg BT-061 per year
- Investment at Boca Raton facility approximately \$1.5m USD
- Additional 2000 litres Fermenter can be installed if required

Diagnostics: Focussing on core competences



Diagnostic Segment: Focus on US-market

Immunology:

Market environment: Difficult in Europe (high competition, low prices), attractive in US (only two competitors, high margins)

Focus of Marketing + Sales on attractive US Market

Approval of manual regents (Biologics License Application, BLA) expected in 2nd quarter 2008

Restructuring in Dreieich:

- All activities concentrated outside core facilities
- Transfer of business to 100% subsidiary Biotest Medical Diagnostics GmbH

Search for strategic partner ongoing

Microbiology:

Market environment: Fast growing markets with strong demand for hygiene control systems in pharmaceutical, cosmetic and food industry

Huge potential for Biotest products (hycon and heipha) worldwide

Extension of marketing activities in Europe and US

Establishment of own salesforce in Japan

Successful introduction of heipha products to the US market

New products launched in 2007

Microbiology - New products launched in 2007

World's fastest particle counter:

- Sample one full cubic meter in 10 minutes



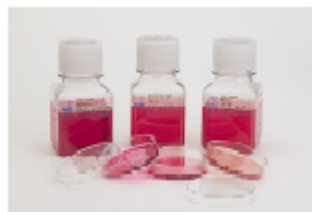
Latest advances - HYCON ID

- Process control and electronic data Management system for environmental monitoring
- Compile sample data automatically



First ready prepared media for detection of mycoplasmas is available:

- Media/test according to the new European pharmacopoeia (EP 5.8/Jan. 2007)

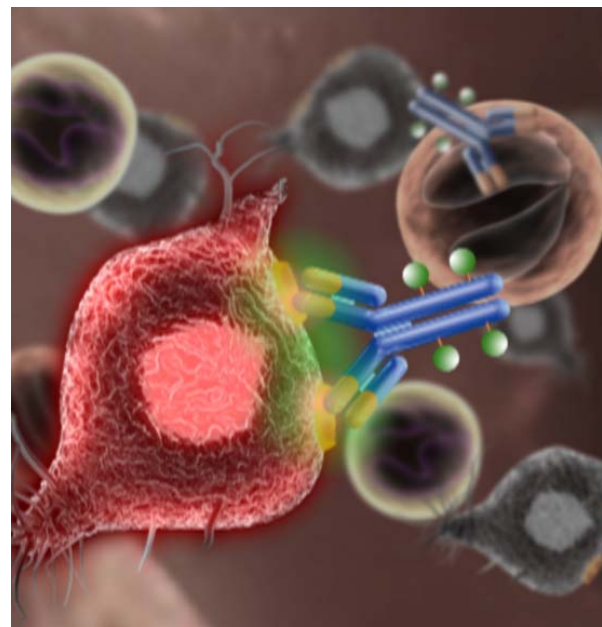


Worldwide unique new contact plates available - ICR plus

- Plate can be locked and opened easily
- Both aerobic and anaerobic incubation
- Bar codes on the plates facilitate safe



Biotherapeutics: R&D with blockbuster potential



BT-061: High medical need and blockbuster potential

High medical need:

Effective therapy for TNF- α non-responders: ~25% of patients

Improvements in safety and clinical efficacy

Change in treatment paradigm: remission or major/complete clinical response

High market potential:

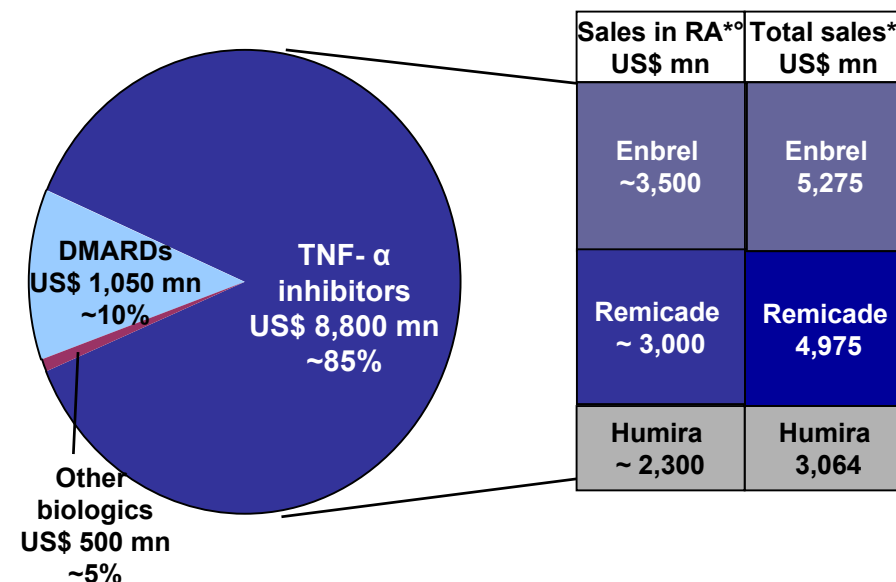
High patient numbers (6mn)
RA market not yet fully covered

So far only 15-25% of patients are treated with biologics

Biologics: ~85% of market sales volume

CAGR biologics in the last 5 years :>25%

Rheumatoid Arthritis market 2007



Source:* Biotest estimation ** Annual reports ° SG Cowen& Co, October 2006

Market bears significant opportunity for drugs focusing on a new mode of action

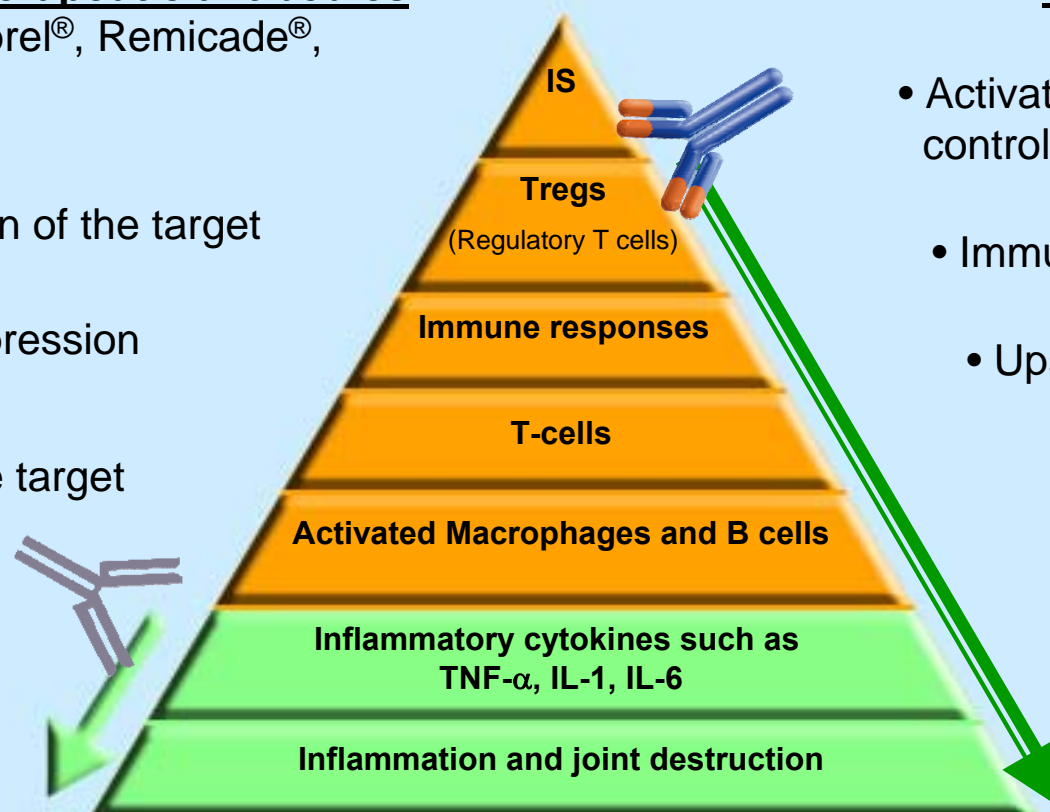
BT-061 - New therapeutic approach for the treatment of RA

Targeting an "upstream" process rather than inhibiting a single pathological target is of advantage

Approved Therapeutic antibodies

(Humira[®], Enbrel[®], Remicade[®], Actemra[®])

- Neutralisation of the target
- Immunosuppression
- Only a single target



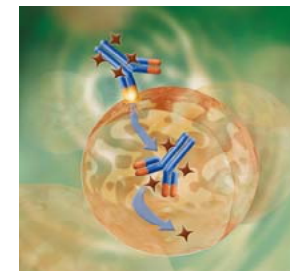
Complex and versatile process of inflammatory cascade

BT-061

- Activation of a natural control mechanism
- Immunomodulation
- Upstream process

BT-061 Clinical Development (I)

Current status



Phase I: Healthy volunteers, N=39 (completed)

Intravenous administration (i.v.):

Doses up to 60 mg, study medication well tolerated, no SAE, no dose limiting toxicity

Subcutaneous administration (s.c.):

Doses up to 60 mg

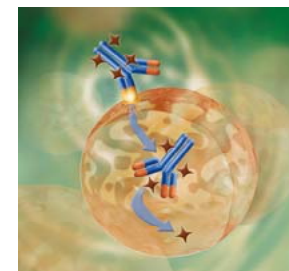
Study medication very well tolerated (no topical reaction, no SAE)

Phase I/IIa: Single dose escalation study - assessment of safety, efficacy and pharmacokinetic properties (ongoing)

56 patients with psoriasis (s.c. and i.v.). Single dose (up to 25 mg)

BT-061 Clinical Development (II)

Current status



Phase IIa: Multicenter trial, international study centers, placebo-controlled (ongoing)

56 patients with rheumatoid arthritis (sc and iv). Multiple dose (once weekly, up to 6 weeks, up to 50 mg).

So far, study medication was well tolerated, no SAE

Phase II: Multicenter trial, international study centers, placebo-controlled patient
(start 2nd quarter 2008)

110 patients with rheumatoid arthritis in combination with MTX are to be enrolled.
Repeated dosing (once weekly, up to 8 weeks, up to 10 mg)

BT-062: High medical need and significant market

High medical need:

Median survival: 24-52 months, 10-yrs survival rate ~5%
Novel agents for treatment available, but still - all patients eventually relapse
Development of further new therapies is crucial

Blockbuster potential is emerging:

Overall annual growth rate in last 3 years: ~40%
CAGR novel agents: CAGR: ~50%;

BT-062 - outstanding results by a new generation of immunotoxin:

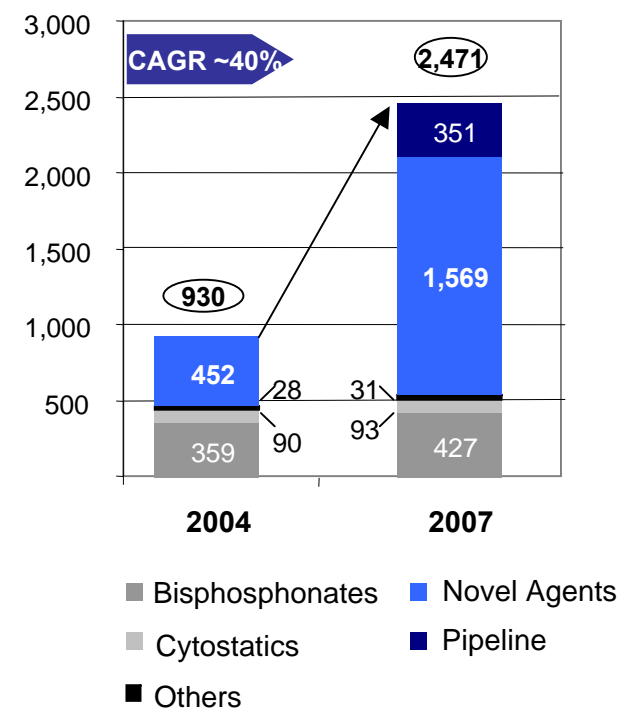
BT-062 efficiently kills primary multiple myeloma (MM) cells but does not kill healthy blood and bone marrow cells

BT-062 significantly reduces tumor size in MM SCID mouse xenograft models

BT-062 - competitive advantages of an immunotoxin

Immune effector functions not necessary in patients

Estimated revenues of drugs for MM- treatment in 2007 (US\$ m)



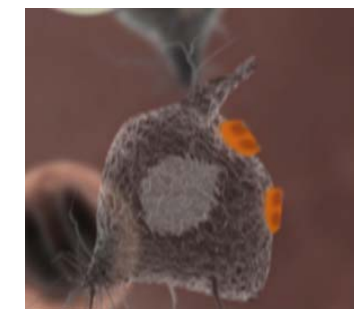
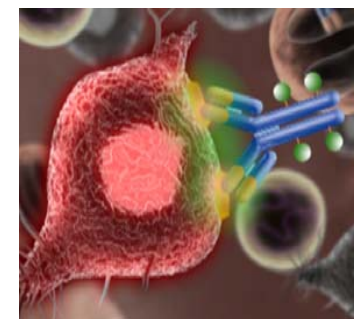
Source: Annual reports and Biotest estimation

BT062 – Clinical Development

Current status

Phase I: Dose escalation study in patients with relapsed or relapsed/refractory Multiple Myeloma

- Start of clinical trial planned in 2nd quarter 2008
- Multicenter clinical trial in 4 US centers
- All centers belong to the MMRC (Multiple Myeloma Research Consortium)
- Study documents for Institutional Review Boards (Ethic committees) submitted
- IND submitted to regulatory authority (FDA)
- Orphan-Drug-Designation obtained from FDA



2008 strategic goals will open new potentials for Biotest

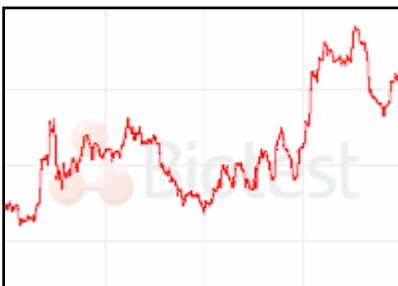


**Dr. Michael Ramroth, CFO:
Biotest – Profitable growth. Outstanding perspectives.**



Year 2007 – Financial Highlights

Biotest – EBIT 2005-2007



- Continued increase in sales and even stronger EBIT growth
- R&D-expenses markedly increased
- Successful capital increase (gross proceeds €33.1m)
- New syndicated loan agreement including finance of acquisition BPC
- Preparations to introduce SAP in Dreieich
- Preference shares included into SDAX
- Outstanding share performance: preference shares up by 55%, ordinary shares up by 27%

Strong revenue growth in Pharmaceutical business, stable business in Diagnostics

Pharmaceuticals

Growth on nearly all products

Outstanding: Intratect® (+ 43%),
Haemoctin® (+43%), Albumin (+22%)

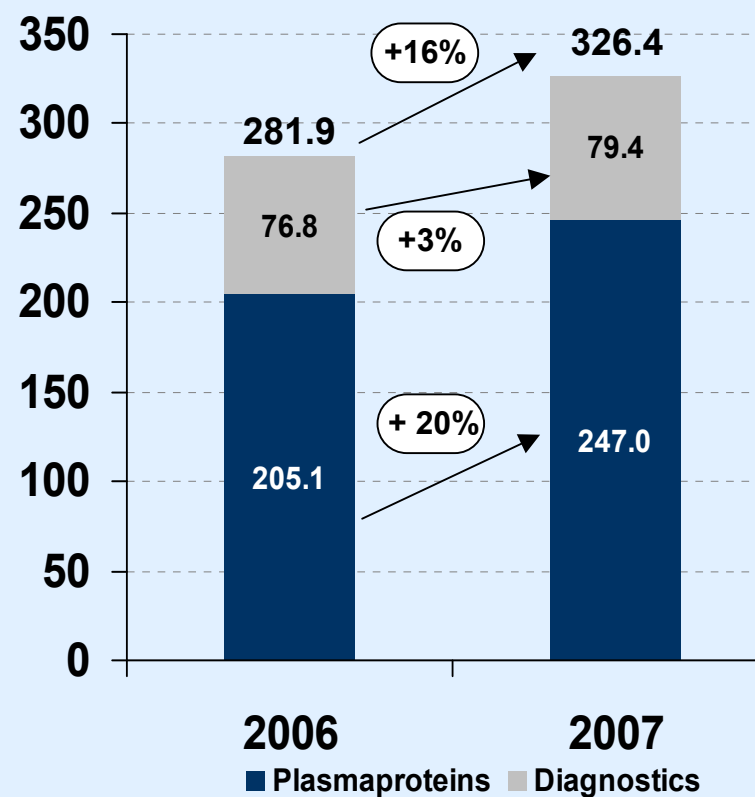
Diagnostics

Continued growth in Microbiology

Immunology: Sales down by 3%, mainly
due to weak performance of
Transplantation business

Regional: nearly 85% of sales in core
markets with high regulatory standards
(Europe, US, Japan)

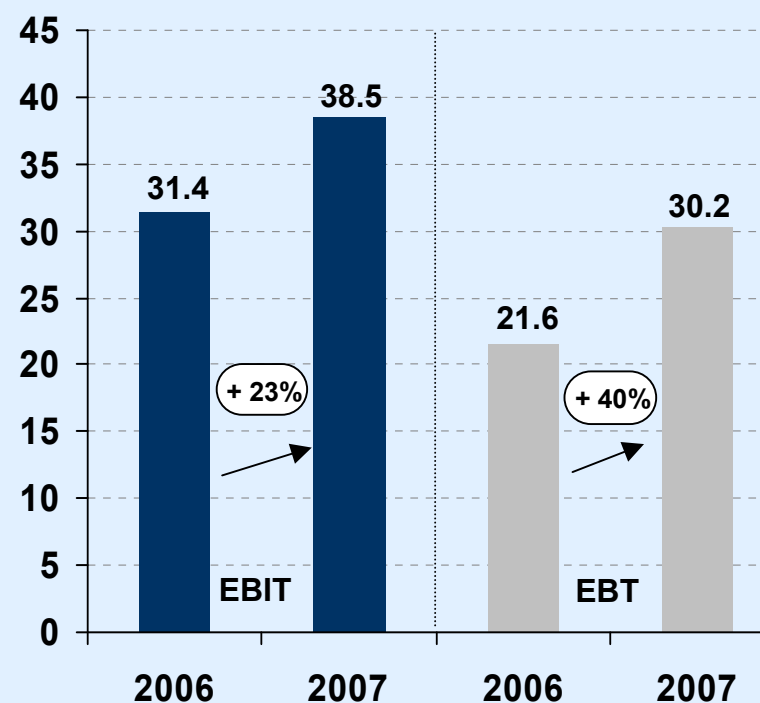
Revenues in 2006 and 2007 (€ m)



Earnings growth exceeds sales increase

- Rise in EBIT due to higher sales volume (75%) and better margins (25%)
- Rise despite markedly increased R&D expenses (+32% to €34.5m)
- Marketing & Sales expenses grew due to higher sales volume, all other expenses with smaller growth than sales
- Financial result improved: €-8.2m (2006: €-9.5m) – lower debt, better conditions, Nabi-effect only in December
- No EAT increase in 2007 due to higher tax expenses

EBIT and EBT of the Biotest Group in 2006 and 2007 (€ m)



R&D Expenses 2005-2007

Plasmaproteins:

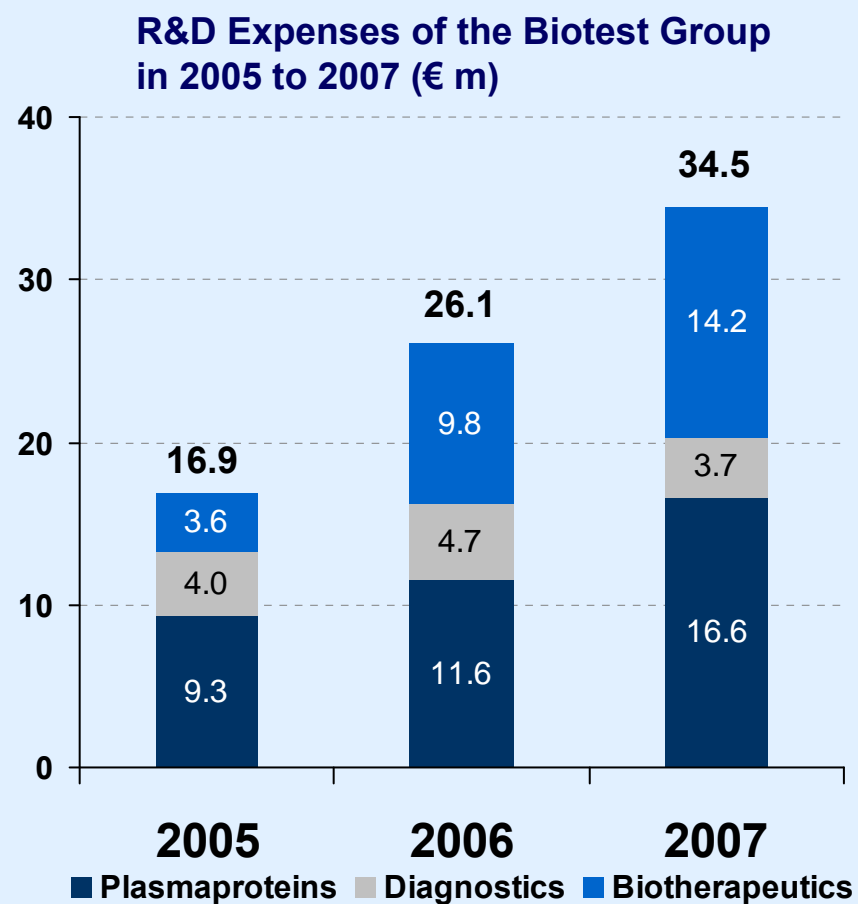
- Application for European approvals (MR-procedure)
- Pre-Clinical and clinical research to get approval in new indications (Cytotect[®], Intratect[®])

Diagnostics:

- Expenses lower – several new product launches in 2007

Biotherapeutics:

- Expenses exceeded budget to accelerate development of mAb
- R&D expenses 2007 account to 10.6% of group sales



EAT: Influenced by higher income tax expenses

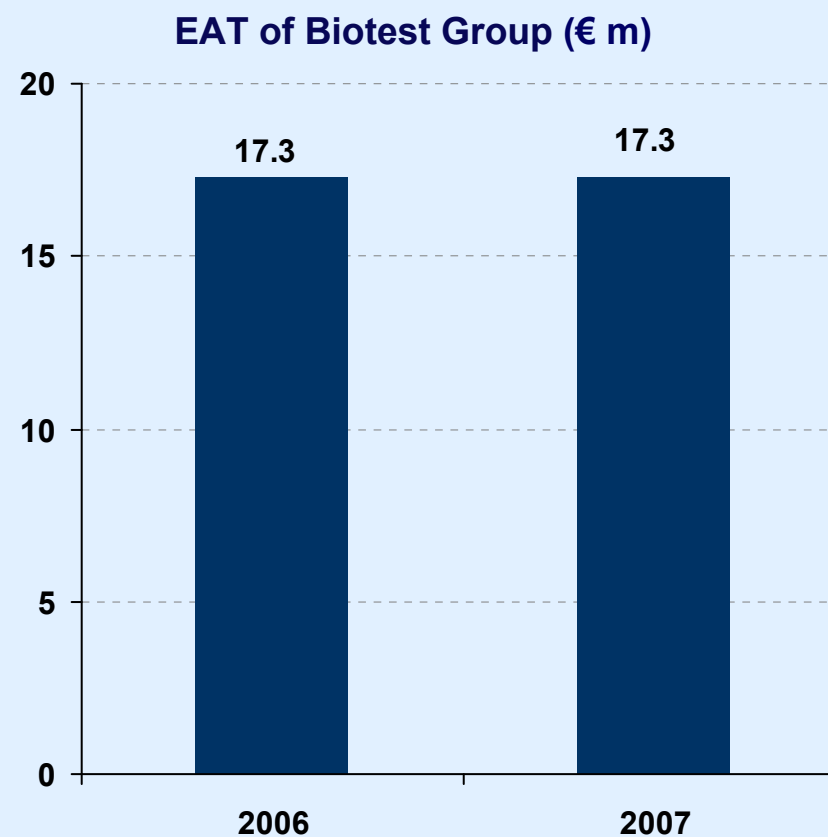
Income tax expenses in 2007 €12.9m
(2006: €4.3m)

Tax ratio 42.7% (2006: 19.7%)

Mainly due to three factors:

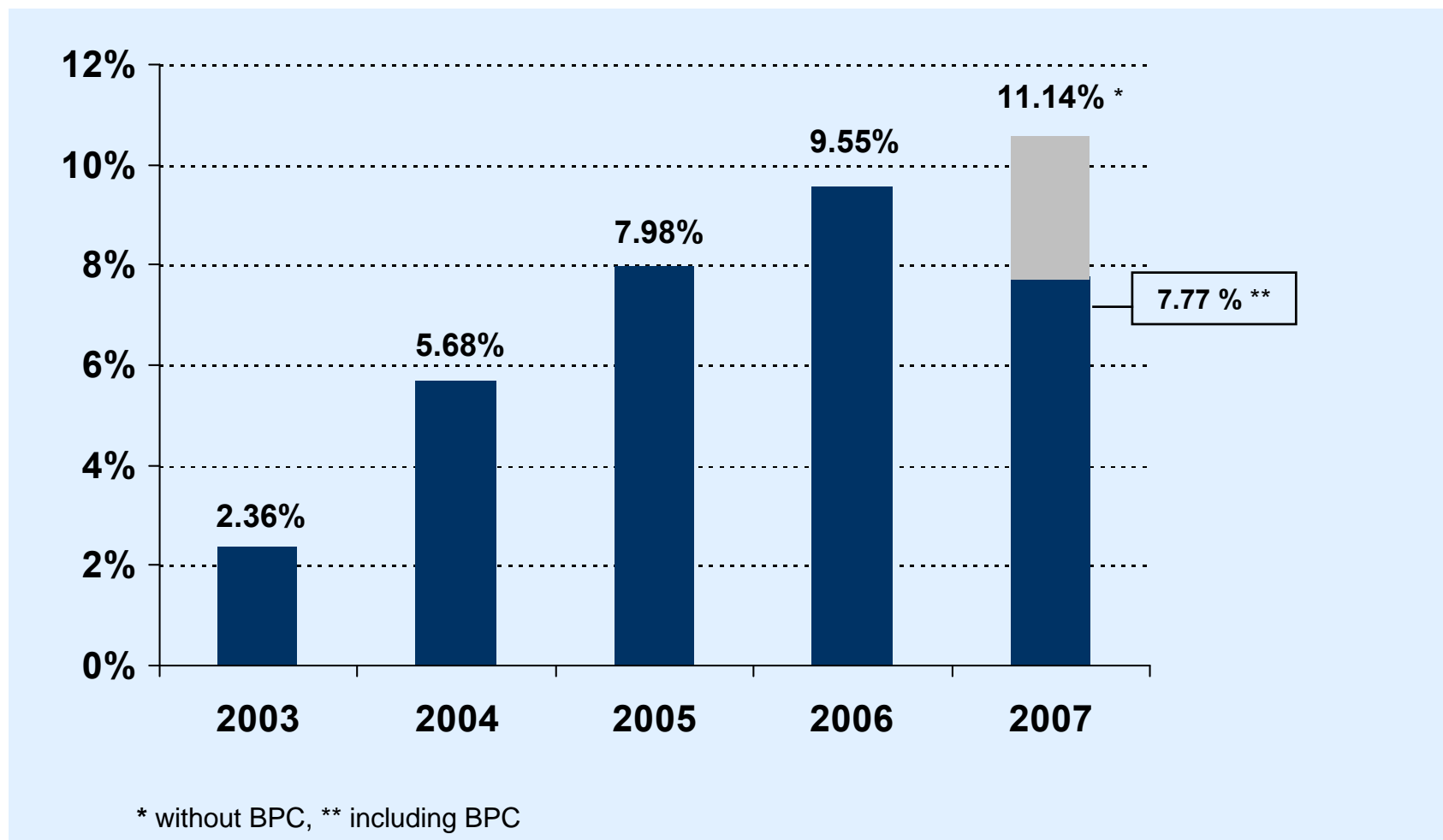
- Net reduction of deferred taxes (corporate tax reform)
- Expected charges for ongoing company tax audits 1998-2003
- Option to use tax loss carryforwards at Biotest AG were limited in 2007

Tax ratio without those effects: 33%



RoCE: Strong and sustainable growth

ROCE of Biotest Group 2003 - 2007



CapEx: all-time-high due to BPC

Growth of investments mainly due to Biotest Biopharmaceuticals

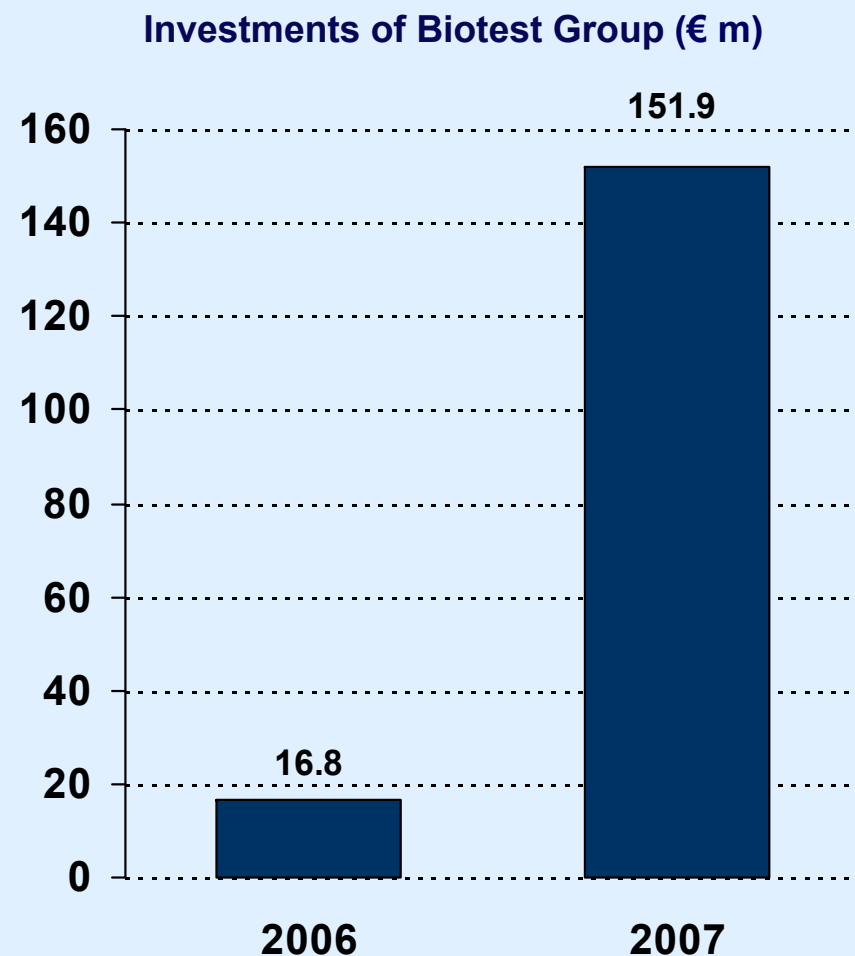
Investment BPC: €120m of which €55.9m investment in assets, €64.1m investment in intangible assets (thereof €26.9m goodwill)

Without BPC investment where up by 90% to €32.0m

Main investment projects:

- Expansion of production capacities in Pharmaceuticals (chromatography, GMP-update)
- New facility for Immunology
- Implementation of SAP

Amortisation 2007: €16.4m



Balance Sheet: Solid financial structure

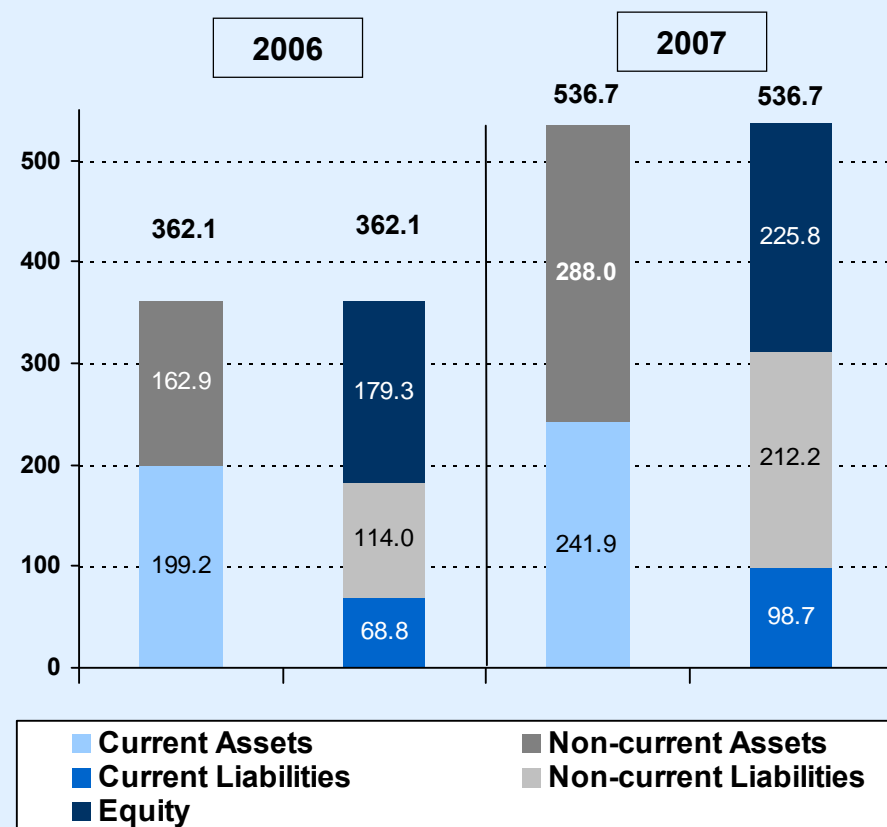
Change in Assets (without BPC):

- Rise of non-current assets (€12.2m) mainly due to onside investments at Dreieich
- Rise of current Assets: by higher trade rate receivables
- Inventories nearly on previous year's level (€104.8m)

Change in Liabilities (including BPC):

- Equity up by capital increase (€33.1m) and profit after tax (€17.3m)
- Rise in non-current liabilities due to new loan agreement
- Equity ratio as of 31 December 2007 at 42.1% (2006: 49.5%)

Balance sheet of Biotest Group (€ m)



BPC: Overview on effects on PLS and Balance Sheet



P&L-Statement 2007:

EBIT: €-1.5m

Return on Capital Employed: -3,37ppt

Balance Sheet 2007:

Total Assets: + €138m

Non-Current Assets: + €119,7m



Current Assets / Inventories: + €13.5m

Liabilities: new loan agreement – approx. €100m

Outlook 2008:

Sales Volume at least USD 100m

**Biotest. New growth. New potentials.
Thank you for your attention!**

