

# Biotest AG

## Company Presentation

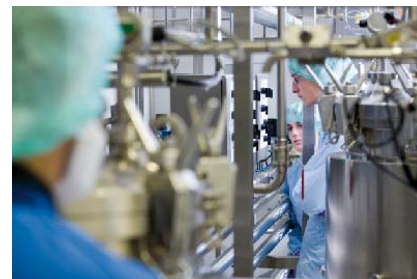
January 2008



# Biotest at a glance (1)

## Plasma proteins

Immunoglobulins  
Coagulation factors  
Human Albumin



## Development of Biotherapeutics

BT-061  
BT-062  
BT-063



## Diagnostics

Biotest Medical Diagnostics  
Microbiological diagnostics



## Biotest at a glance (2)

- **Sales** of 2006: € 281.9 m  
**Q1 - Q3 2007: € 241.0 m**
- **EBIT** of 2006: € 31.4 m  
**Q1 - Q3 2007: € 27.4 m**
- 68 % of sales are generated outside Germany
- Pharmaceutical division 75 % of sales
- ~ 1,750 employees (FTEs) worldwide (after acquisition of Nabi Biologics in December 2007)
- Listed at the German Stock Exchange since 1987
- Total Market Cap € 406.9 m (15 January 2008)  
6,595,242 ordinary shares  
5,133,333 preference shares



- **Global growth - Plasma proteins**

- Focused research - MAb

- Solid base for growth

- Key Financials

(as of 30 September 2007)



## Biotest - Highlight 2007

### Acquisition of Nabi Biologics, Boca Raton, USA

- Asset Deal Closing 4th December 2007 -

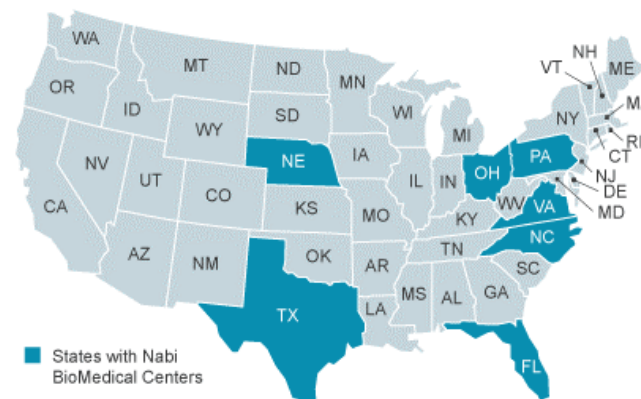
#### Plasma protein production plant

- Built in 2002, certified by FDA
- Fractionation capacity 400,000 litres (after limited capex)
- Maximum output 1.5 tons IVIG
- Includes labs, QC, storage capacity



#### Plasma collection centres

- Nine centres in seven US states
- Certified by FDA and EMEA
- Collection volume ~ 400,000 litres



# Nabi Biologics: Hyperimmunoglobulin Nabi HB<sup>®</sup> and plasma currently sold to third parties

## Nabi HB<sup>®</sup>

- Leading hyperimmunoglobulin for Hepatitis B prophylaxis in the US
- e.g. prevention of reinfection after liver transplantations



## Plasma for third parties

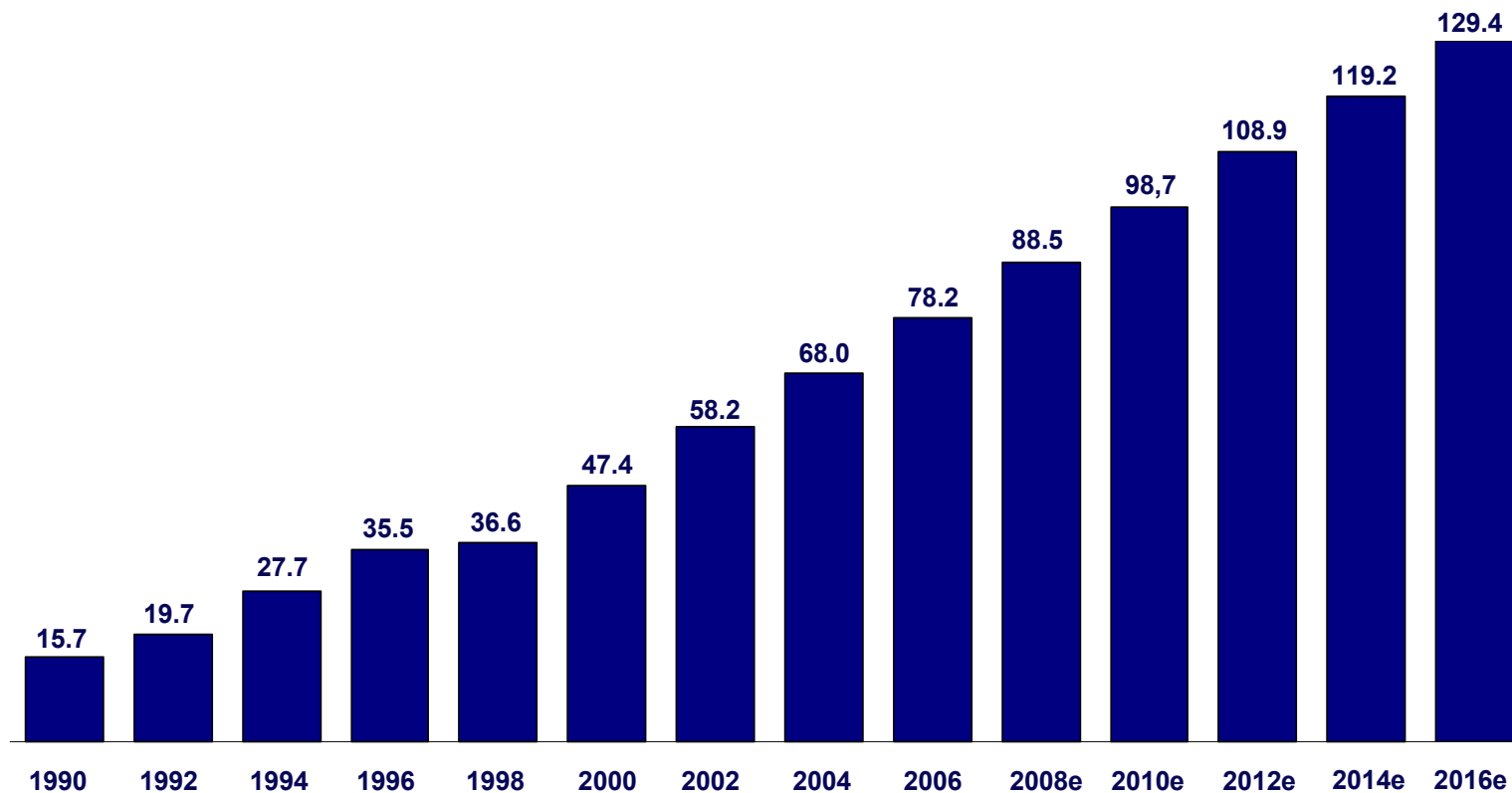
- Plasma raw material and specific hyperimmune sera
- Major part of collected plasma will be used for own products in future
- Favourable market conditions due to growing IgG production in USA, EU





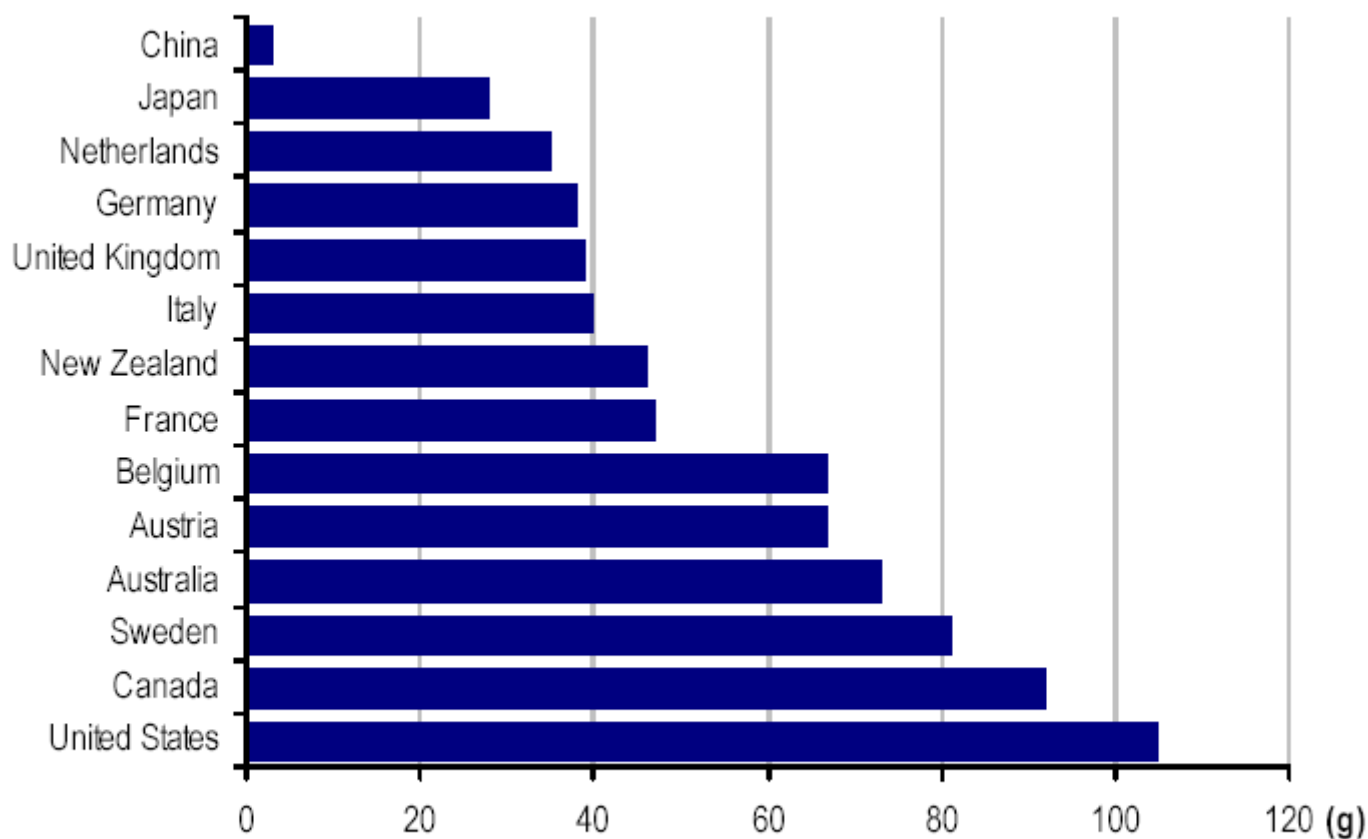
## Global growth: Worldwide consumption of immunoglobulins

IVIg [tons]



Source: Review of Australia's PFA 2007

## IVIG usage - grams per thousand population 2005



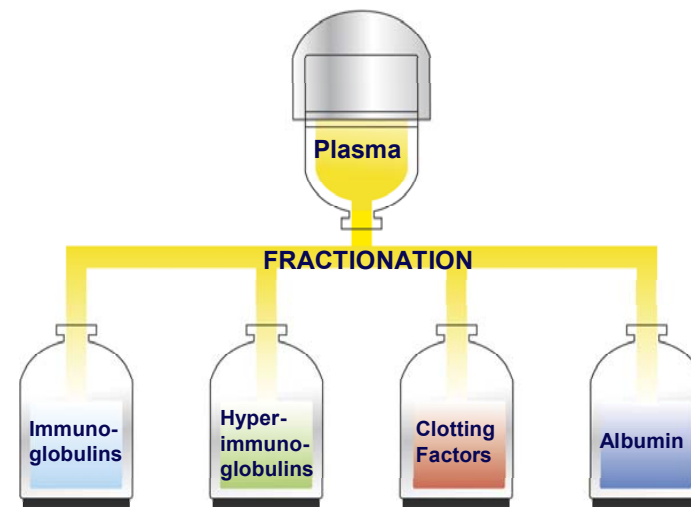
Source: National Blood Authority "The Supply and Use of Plasma Products in Australia" National Blood Authority, Canberra, 2006



# Biotest Plasma proteins: Markets and competitive Position

- **Major competitors:** Baxter, CSL Behring, Talecris, Octapharma, Grifols
- **Strong market share in Europe** (e.g. Germany/ Austria/ Ireland > 20%, UK&Scotland 8% immunoglobulin market)
- Increase in demand for IVIG in Europe and the USA due to new indications, e.g. autoimmune diseases
- Increase of plasma collection in developed world limited by regulatory hurdles

## Biotest Plasma protein products



Intratect® Pentaglobin®	Hepatect® Cytotect® Varitect®	Haemoctin® Haemonine®	Human-Albumin Biseko
Infections, immune deficiencies	Hepatitis Cytomegalie Varicella	Blood coagulation defects	Albumin and protein deficiencies

## Outstanding product acceptance

### Polyvalent Immunoglobulin: Intratect

- High acceptance due to outstanding product quality
- Introduction of Nanofiltration as additional virus inactivation step in Q2/ Q3 2008



### Coagulation factor: Haemoctin

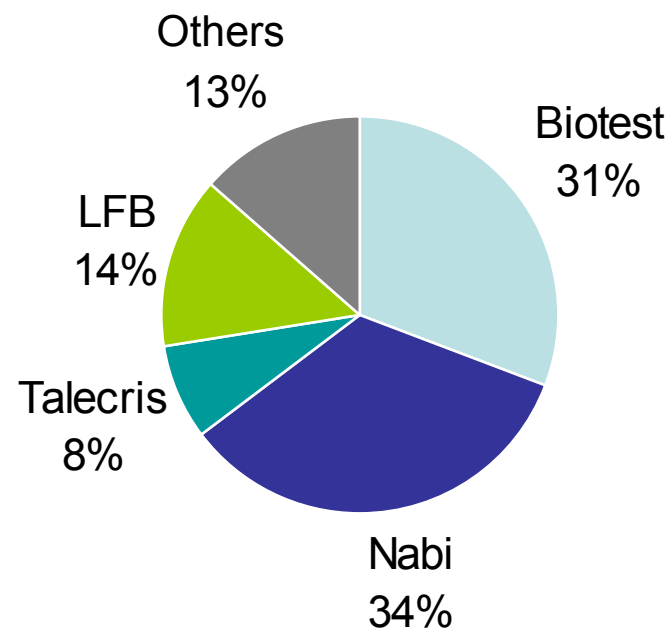
- Approval for European core markets expected in summer 2008
- Rise in sales > 40 % in 2007



## Biotest becomes global leader in hepatitis B hyperimmunoglobulin market

- Sales of Hepatect® and Nabi HB® amount to > EUR 60m
- Hepatect® leading HBV hyperimmunoglobulin in the EU
- Nabi HB® by far the top-seller in the US market with a market share of more than 85%
- Plasma supply secured thanks to large share of donations with high HBV antibody titers

### USA and EU HB-hyperimmunoglobulin market (2005/2006)



Source: MRB The Plasma Fraction Market in the United States 2005, Biotest Estimates

## Significant increase in market potential for Cytotect®

### Cytotect® in pregnancy

- According to clinical studies, Cytotect® dramatically reduces severe disorders in newborn babies caused by cytomegalovirus infections in embryos
- Market potential €30 m in Europe, €40 m in the USA
- Orphan drug designation granted by EMEA, Europe and the U.S. FDA in 2006. Accelerated approval and exclusive marketing rights upon approval. (Europe: 10 years, USA: 7 years)
- Q1 2008: start of clinical studies for approval of new indication (phase III, open, prospective, randomised, controlled multi-centre) – duration approx. 2 years

### Cytotect® in organ transplantation

- Publication in "Lancet Oncology" 2007: administration of Cytotect® significantly reduces the risk of lymphomas following organ transplant surgery

#### Cytotect® Biotest/ Megalotect®

Management of  
CMV Infections



# Pentaglobin - IgM concentrate

## Pentaglobin

- IgM concentrate of Biotest,
- successful in the market since **1985**
- Indication: severe bacterial infections, e.g. Sepsis

### ***A still actual product:***

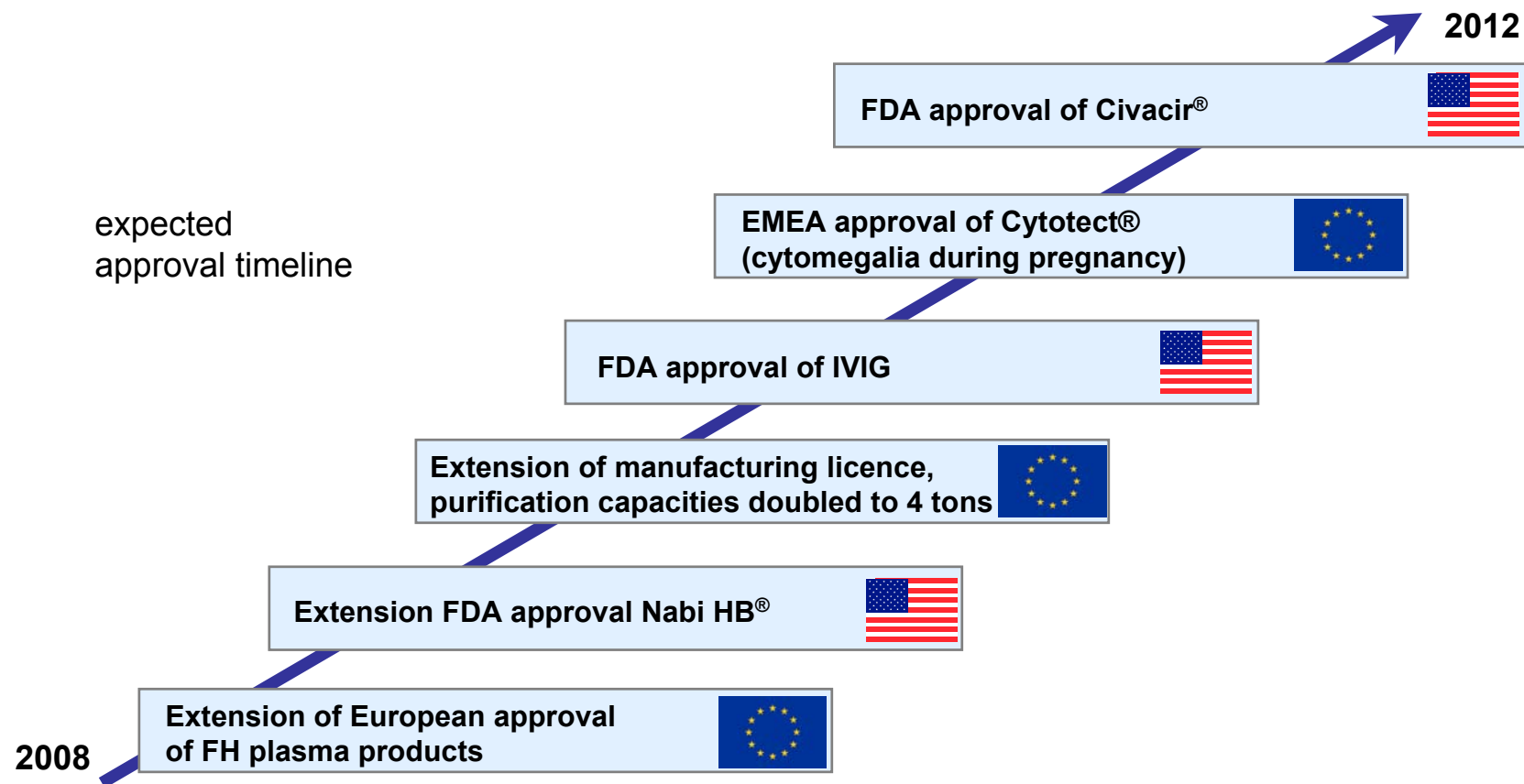
In 2007 a metaanalysis [Kreymann et al., *Crit Care Med*, 2007, Vol.35, No.12] , documented a significant reduction in mortality by the use of Pentaglobin in Sepsis.

> Due to the modernization of the production process of Biotest plasma proteins now a **new IgM concentrate** is under development - in first tests it showed an even **higher activity**

Start clinical development planned in 2008/09



## Together with Nabi Biologics, Biotest Pharma will continuously enhance its global market position



- Global growth - Plasma proteins
  - **Focused research - MAb**
  - Solid base for growth
  - Key Financials
- (as of 30 September 2007)





## Focused research: Biotest Biotherapeutics

### Three monoclonal antibodies (MAb):

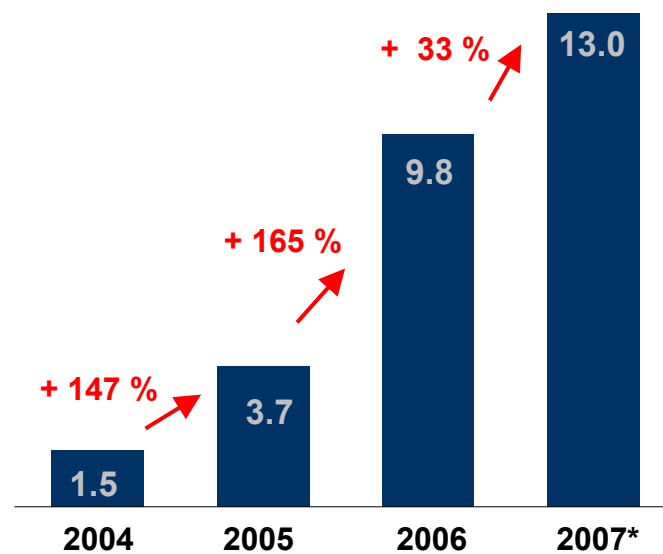
#### High medical need

- Fast growing markets
- Blockbuster potential

### Biotest MAbs and major indications:

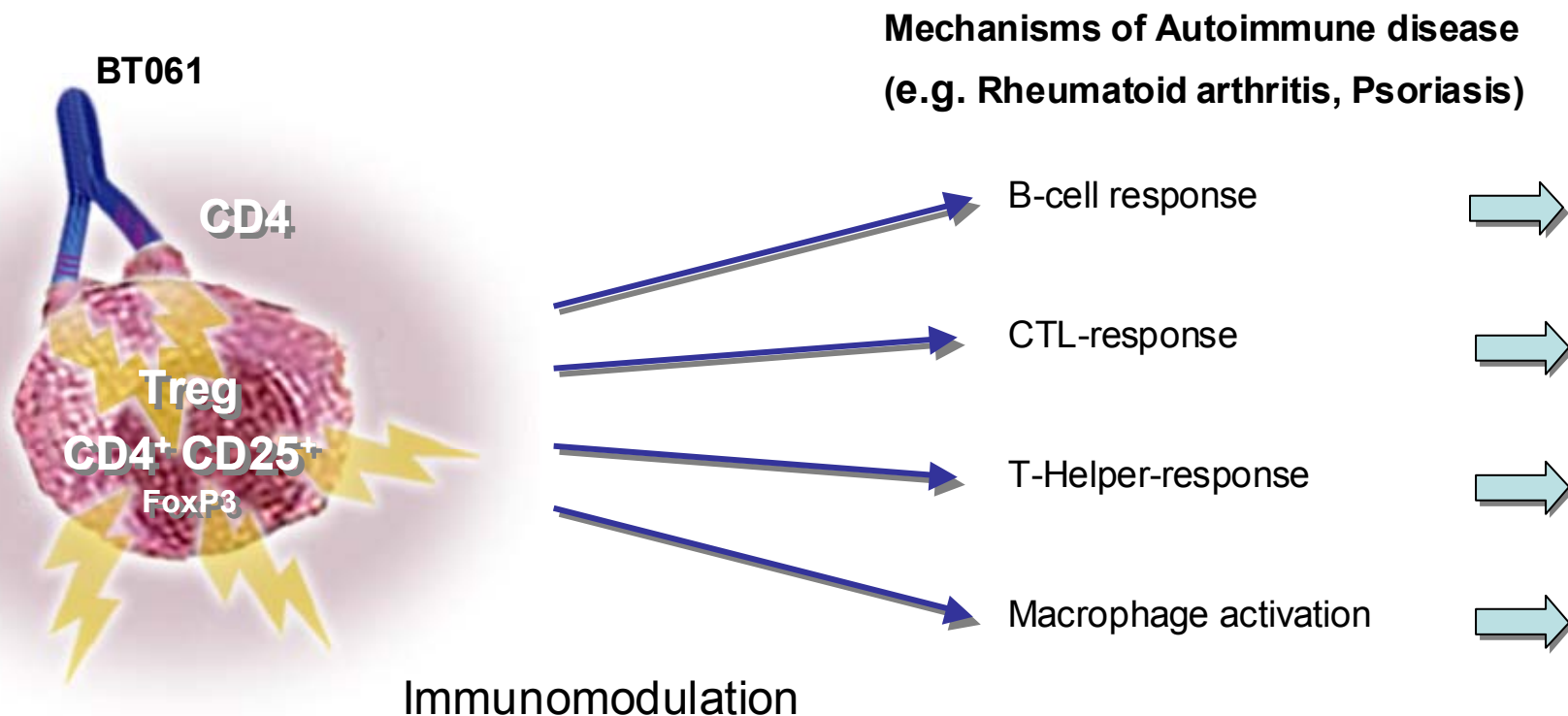
<b>BT-061</b>	Rheumatoid Arthritis Psoriasis
<b>BT-062</b>	Multiple Myeloma
<b>BT-063</b>	Systemic Lupus Erythematoses and other Autoimmune Disease

### Expenses for Biotherapeutics [m €]



\* Estimated figures

# New therapeutic approach for the treatment of rheumatoid arthritis - BT061



## The Unmet Need: Major progress made in the treatment of rheumatoid arthritis (RA), but still medical need for new drugs

~ 50% of patients stay on their drug for less than 2 years due to adverse events or loss of efficacy

~ 25% of patients do not respond to TNF- $\alpha$  antagonist therapies

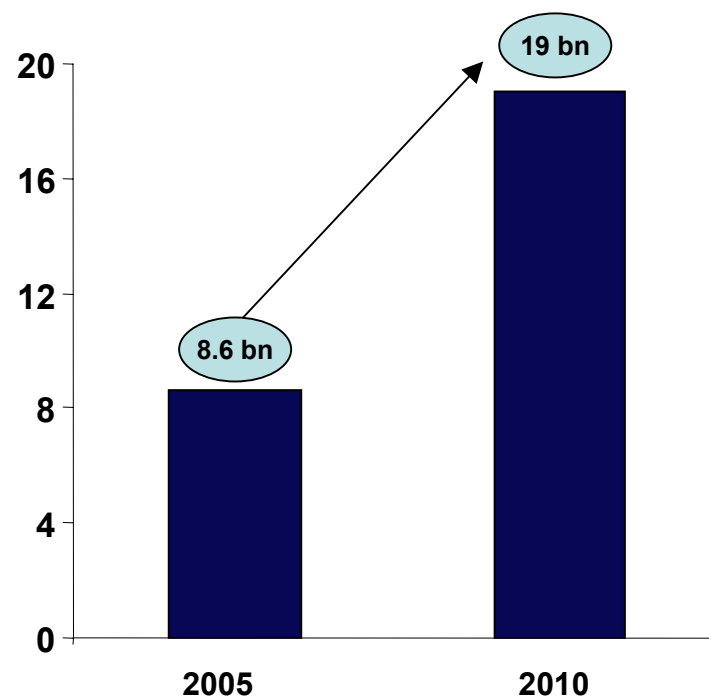
~ 30% of patients do not have adequate control (ACR 50) with most effective current therapies

~ 60 - 80% of patients do not display major clinical response (ACR 70)

~ 80 - 90% of patients do not reach remission

**No drug so far has gained approval for remission**

Estimated revenues of drugs (DMARDs and Biologics) for treatment of rheumatoid arthritis (US\$ bn)\*



**Biologics will account for > 85 % of market volume in 2010**

\* SG Cowen & Company, October 2006; Therapeutic Categories Outlook

## Development of BT-061: milestones reached in 2007 and those planned for 2008



### Production

- Significant optimisation of yields
- Comparability
- Production for phase II

- Adaptation of process for phase III and commercial production
- Begin of process validation

### Preclinical development

- Proof of long-term tolerability in animal studies

- Proof-of-concept in upside indications

### Clinical research

- Initiation and interim analysis of phase I: Proof of good clinical tolerability
- Begin of phase I/II in RA

- Completion of phase I in psoriasis
- Completion of phase I/II in RA
- Start of additional phase II studies in RA
- Start of phase II trials in psoriasis

## BT-062: significant potential for treatment of highly aggressive multiple myeloma (MM)

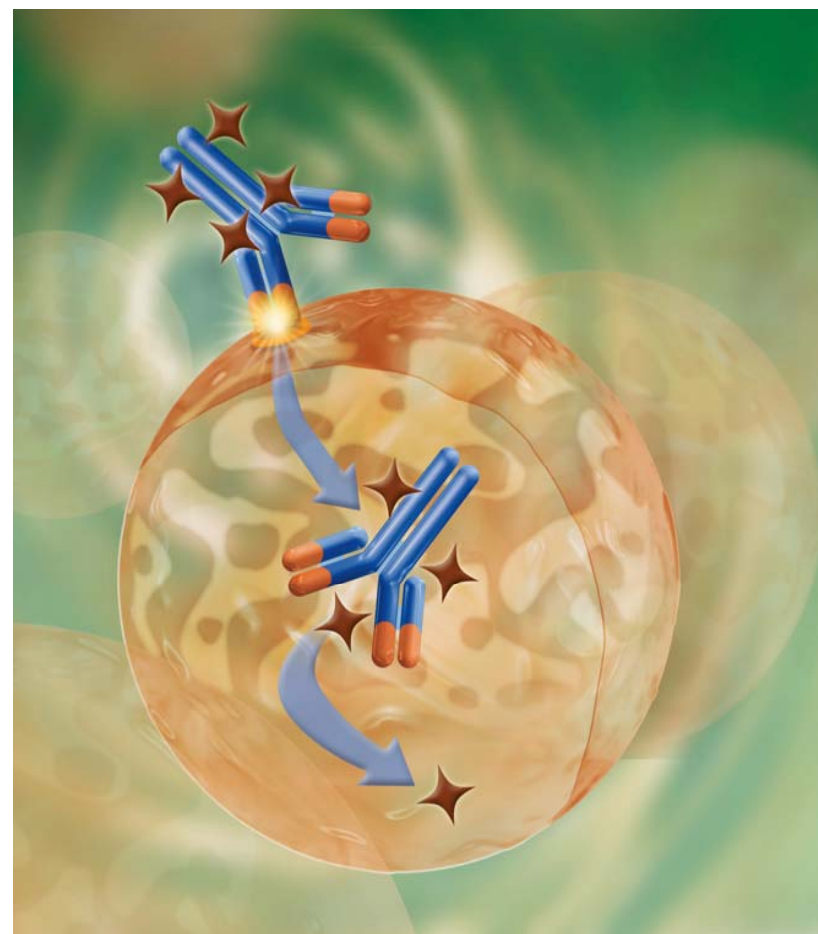
- MM remains an incurable malignancy (mortality rate at 95% after 10 years) with growing incidence (2005: 5-6/100,000 with ~ 144,000 diseased patients in 7 major markets)

- BT-062 with competitive advantages:**

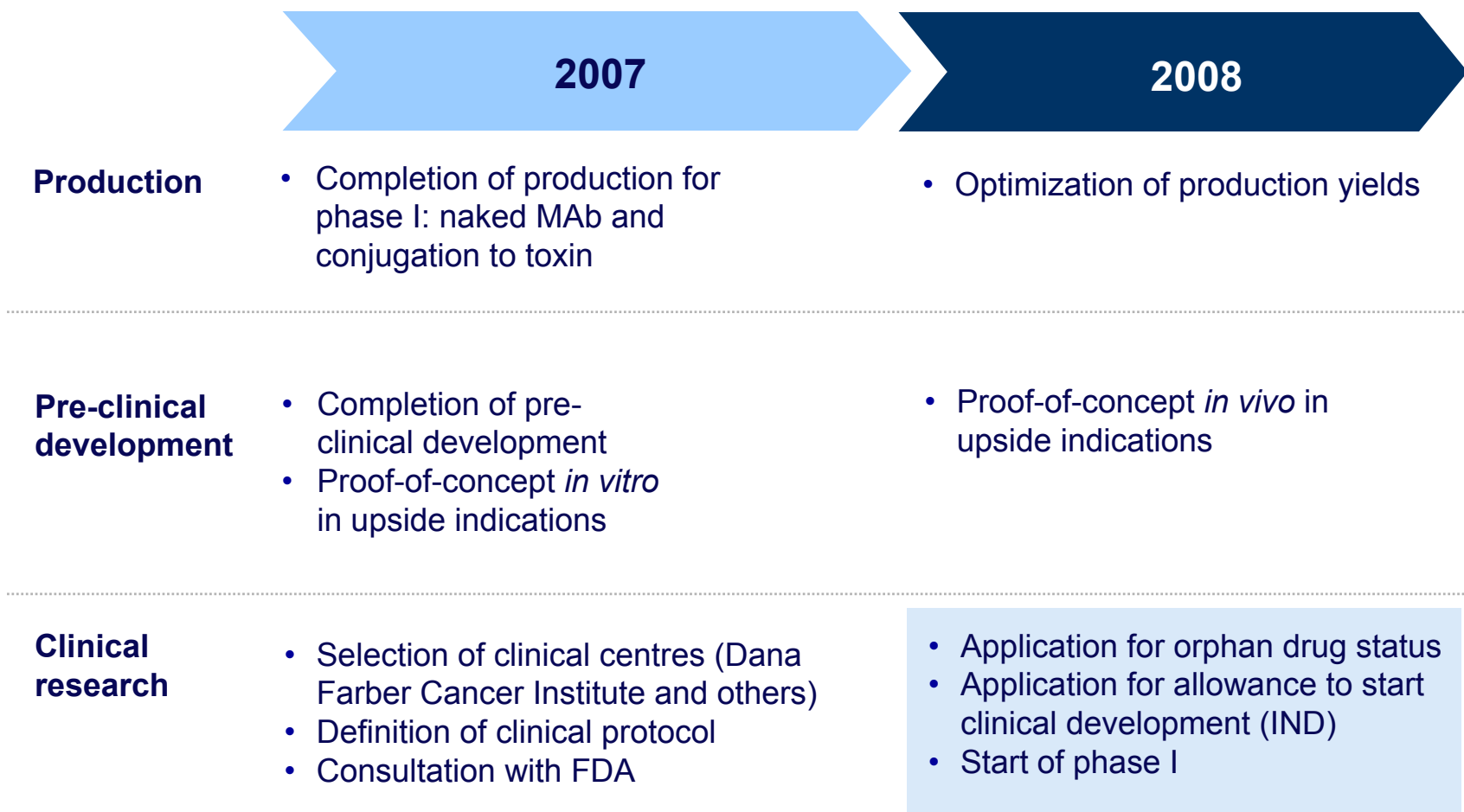
- High-level expression (50–200 x higher compared to normal plasma cells) of target antigen

- High specificity of target: no expression on haematopoietic bone marrow precursor cells and B cells

- Outstanding results by new generation of immunotoxin using humanised (chimerised) antibody



## Development of BT-062: milestones reached in 2007 and those planned for 2008



- Global growth - Plasma proteins
  - Focused research - MAb
  - **Solid base for growth**
  - Key Financials
- (as of 30 September, 2007)





## Combined production facilities - after acquisition of Nabi Biologics, USA, and additional investment

- Fractionation capacity: 1.1 m litres (without partners)
- Expansion of chromatographic purification of immunoglobulins to 4 t by the end of 2008 - Installation completed in Q3 2007, validation process started: combined with Nabi 5.5 t capacity in 2009
- 17 plasmapheresis stations - collection volume ~ 600,000 litres



- Global growth - Plasma proteins
- Focused research - MAb
- Solid base for growth
- **Key Financials**  
(as of 30 September 2007)



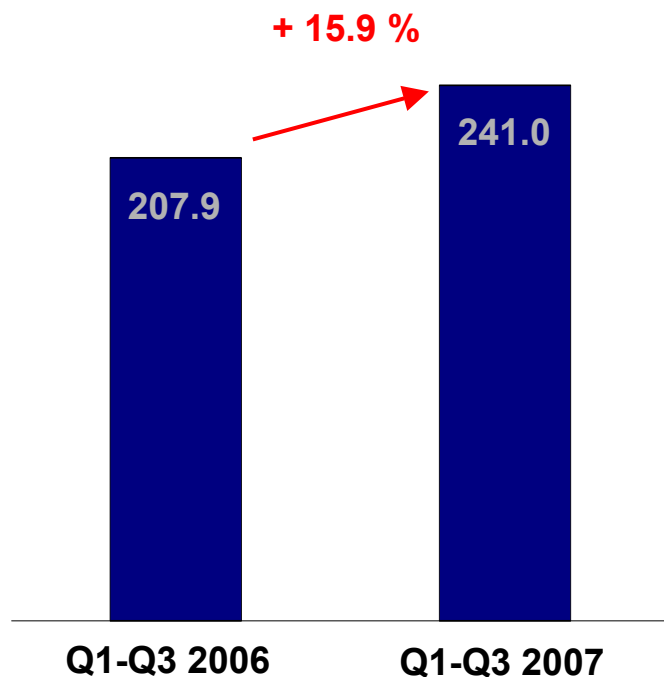
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## Financial Highlights Q3 2007

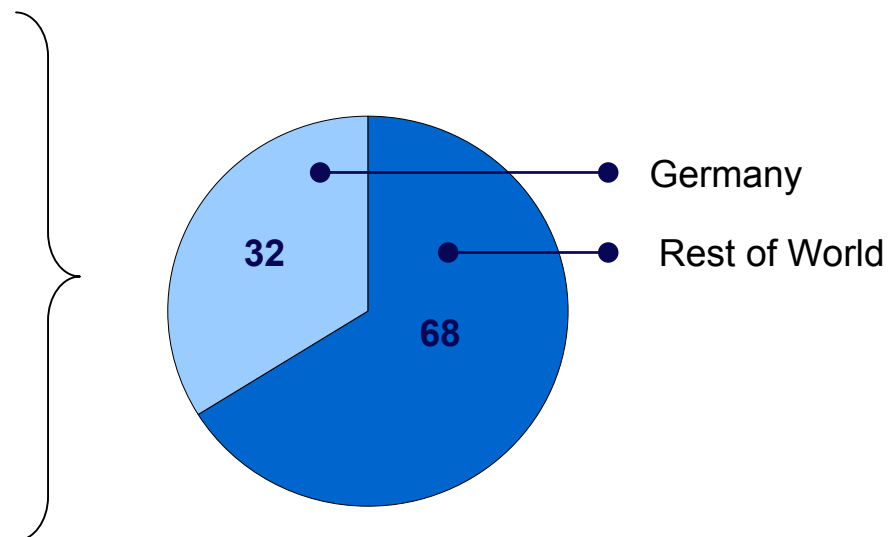
- 29 September 2007: Capital increase successfully completed:
  - Capital increase by 10% (599,567 ordinary shares, 466,666 preference shares)
  - Gross profit: € 33.1 m
  - temporarily used to fully pay back long term portion of old syndicated loan
- New financing structure in place to finance the Nabi Transaction on the date of closing
- New financing structure includes € 40 m working capital facility
- Participants of new syndicated loan: Commerzbank, HypoVereinsbank, Deutsche Bank, West LB
- Capital expenditures fully funded by cash flow

## Biotest Group: Pleasant growth in Q1-Q3 2007

Revenues Q1-Q3 2006 - Q1-Q3 2007 [ m € ]

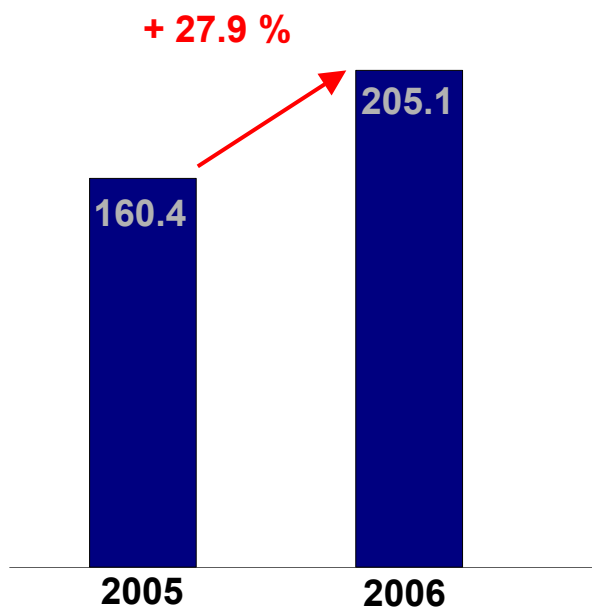


Revenues Germany / Rest of World [ % ]

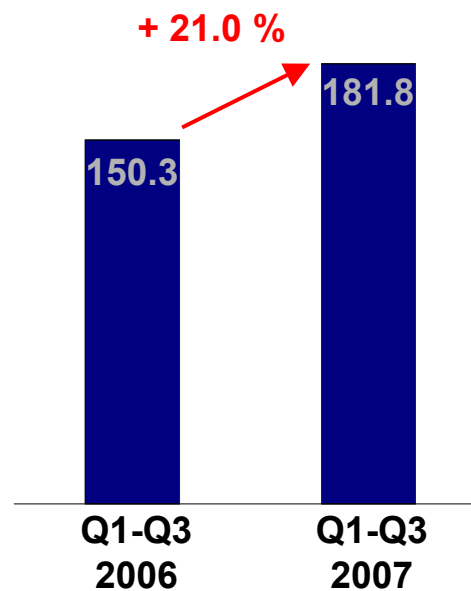


## Revenues Segment Pharma: Double digit growth

Revenues 2005 - 2006 [ m € ]

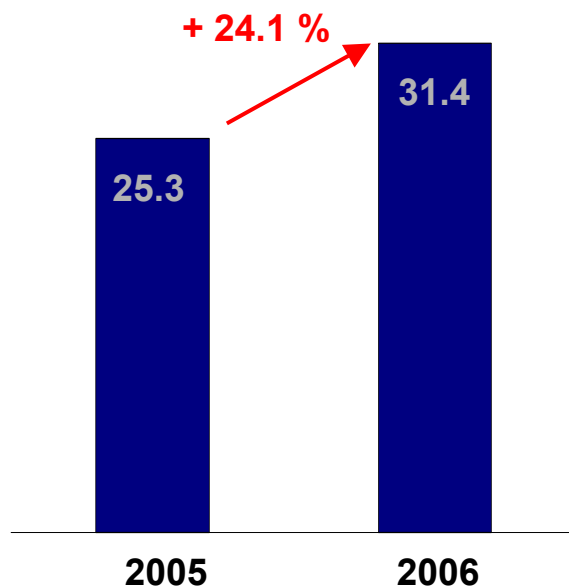


Revenues Q1-Q3 2006 - Q1-Q3 2007 [ m € ]

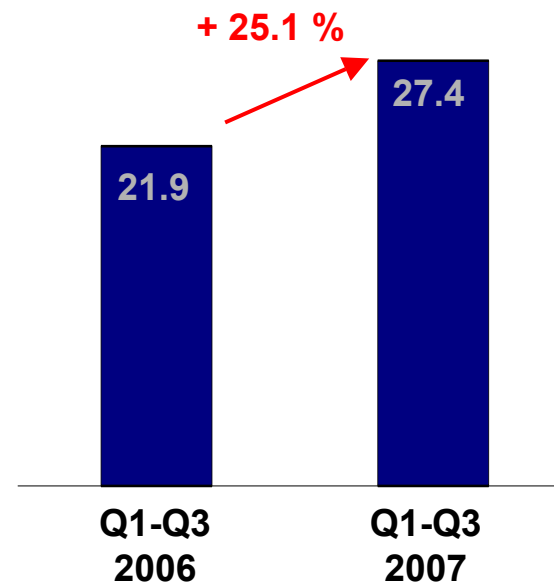


## Biotest Group: EBIT grows stronger than revenues

EBIT 2005 - 2006 [ m € ]



EBIT Q1-Q3 2006 - Q1-Q3 2007 [ m € ]



## Biotest Group: Balance Sheet

<b>ASSETS</b>	<b>Dec. 31, 2006</b>		<b>Sep. 30, 2007</b>	
	<b>[€m]</b>	<b>[%]</b>	<b>[€m]</b>	<b>[%]</b>
Fixed Assets	154	43	162	37
Inventories	105	29	113	25
Trade Receivables	74	20	100	23
Cash and Cash Equivalents	9	3	12	3
Other Assets	20	5	53	12
<b>Total Assets</b>	<b>362</b>	<b>100</b>	<b>440</b>	<b>100</b>

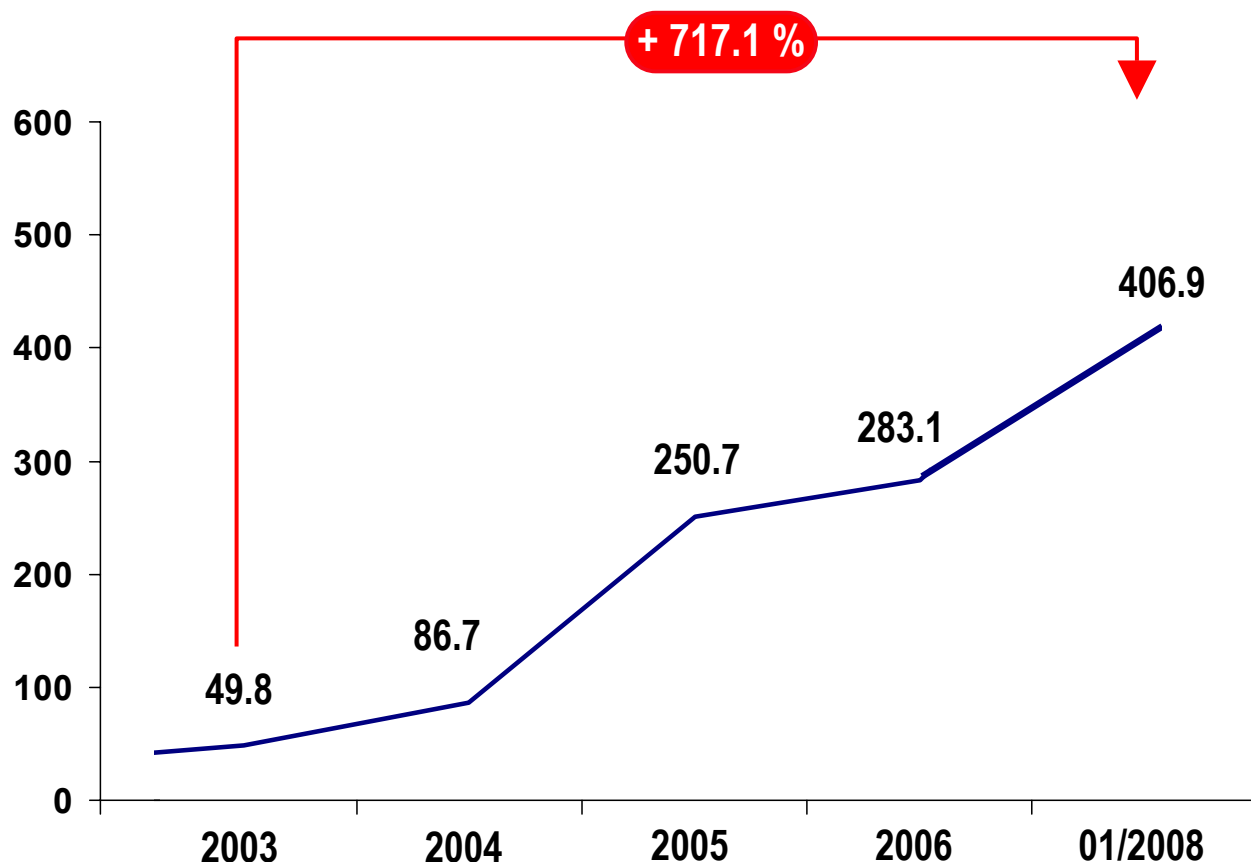
### **EQUITY and LIABILITIES**

Equity	179	49	220	50
Provisions	62	17	68	15
Financial Liabilities	81	23	83	19
Trade Payables	24	7	43	10
Other Liabilities	16	4	26	6
<b>Total Equity and Liabilities</b>	<b>362</b>	<b>100</b>	<b>440</b>	<b>100</b>



## Impressive increase in the market capitalization of Biotest within the last years

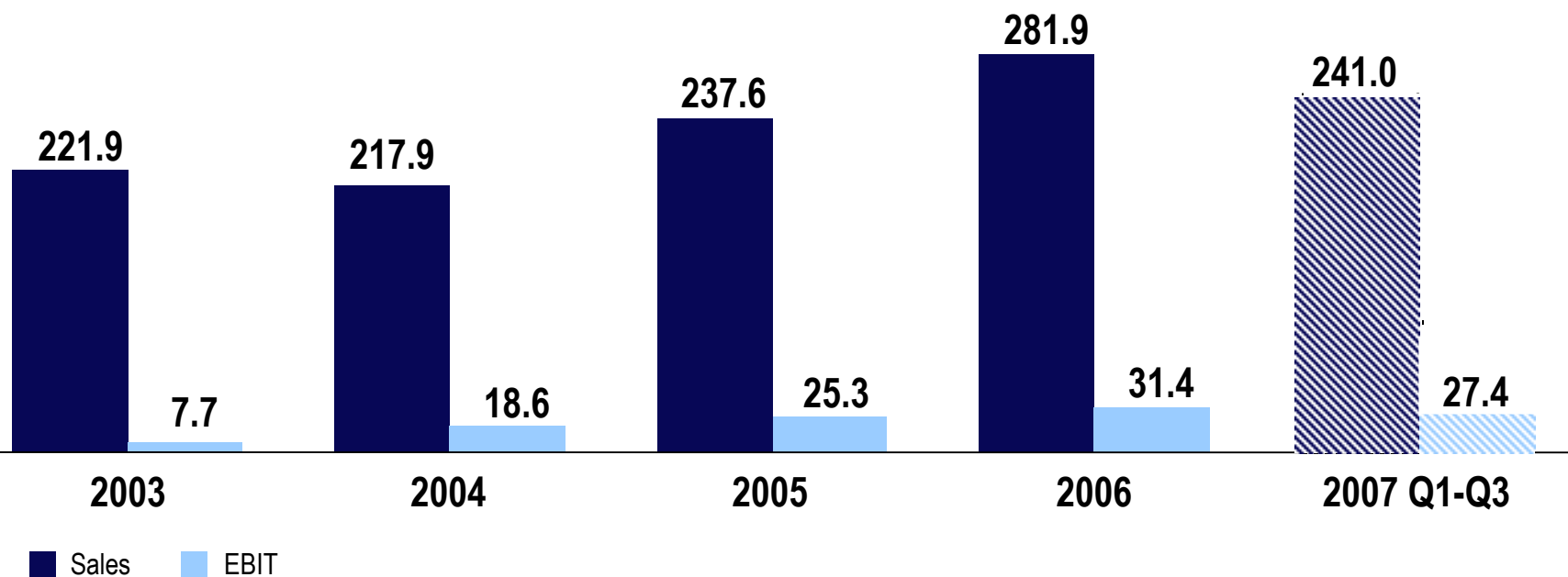
[€ m ]



Always as of Dec. 31, except in 2008, there as of Jan.15

## Significant increase in sales and earnings over the last years

Sales and EBIT in € m



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## **Increase in revenues – higher EBT in 2008 expected – significant improvement of earnings from 2010 onwards**

- Biotest targets revenues of > EUR 500m in the medium term after successful launch of “IVIG” in the USA – Civacir<sup>®</sup> adds further upside potential
- Striving for a further improvement of EBIT and EBT in 2008
- Earnings from acquired assets expected to exceed additional interest expenses from 2010 onwards

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## Disclaimer

This document contains forward-looking statements on overall economics development as well as on the business, earnings, financial and asset situation of Biotest AG and its subsidiaries. These statements are based on current plans, estimates, forecasts and expectations of the company and thus are subject to risks and elements of uncertainty that could result in deviation of actual developments from expected developments. The forward-looking statements are only valid at the time of publication. Biotest does not intend to update the forward-looking statements and assumes no obligation to do so.