

Fiscal year 2005

Financials



Dr. Michael Ramroth

Net Debt / EBITDA: 2003 till today

- Significant reduction of Net Debt and increase of EBITDA in 2005

Net Debt:

Dec 31, 04: € 136m

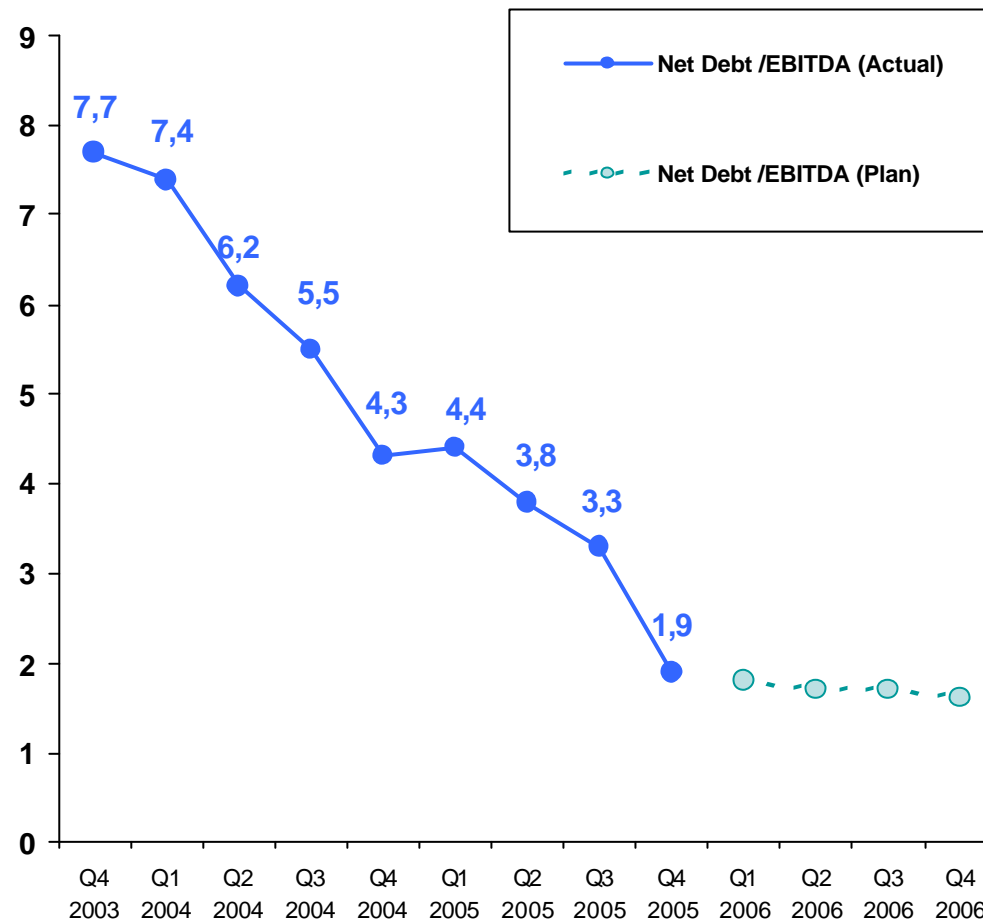
Dec 31, 05: € 75m

EBITDA:

2004: € 32m

2005: € 40m

- Substantially improved ratio



Highlights in 2005

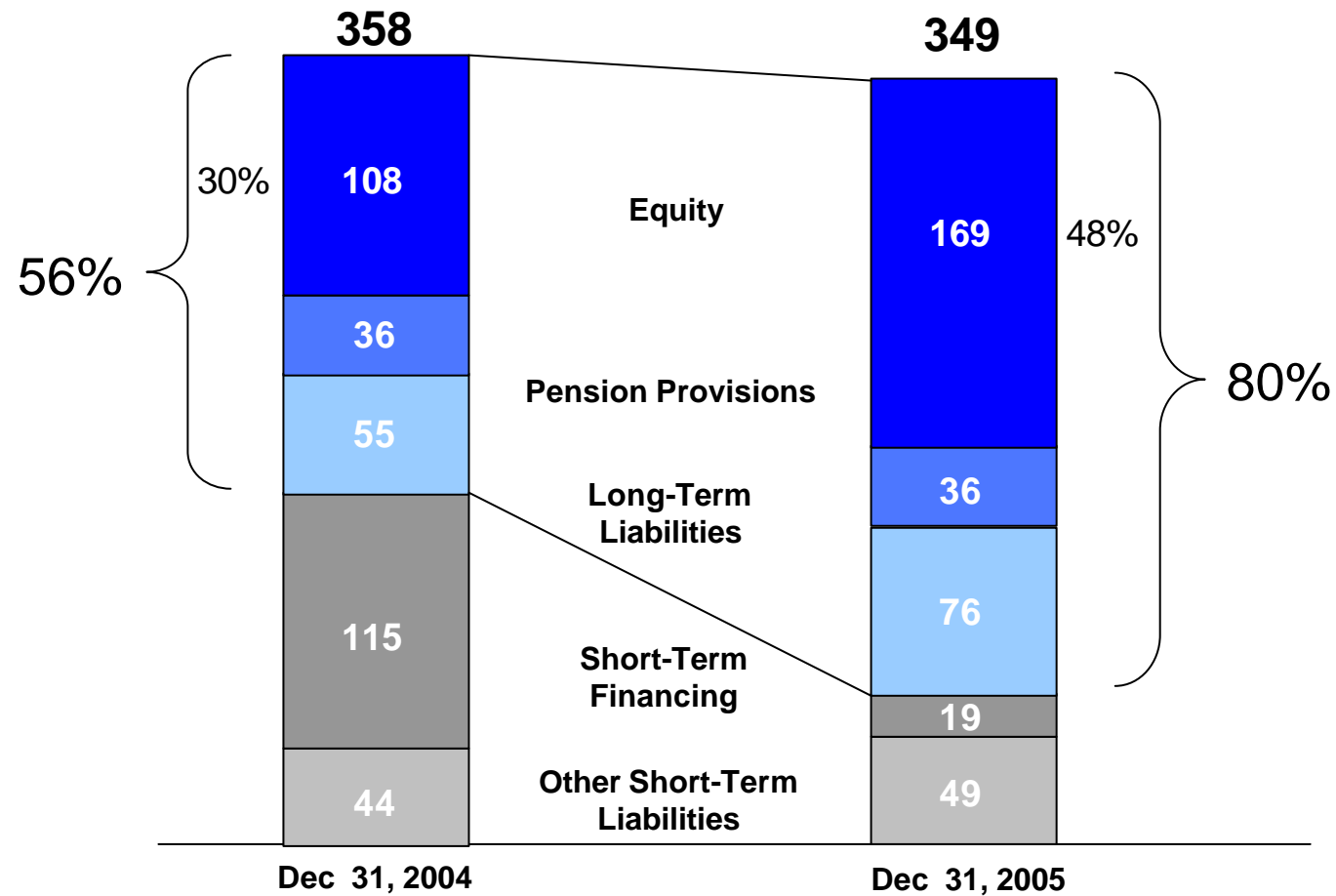
Successful Financial Re-Engineering

- Collateral Trustee Agreement ("STV") terminated
- New Syndicated Loan Agreement with € 47m long-term facility
- Swap of €10m Debt-to-Equity
- Two very successful capital increases
- € 10m participation rights
- Increased profitability of business

Business

- Return to growth: Pharma sales: +13%, EBIT: +32%
- Diagnostics: stabilisation continued: sales: +2%, EBIT: +173%
- MAB on track

Growth is based on sound Long-Term Financing



Strong Revenue Growth in Pharmaceuticals Business, Small Growth in Diagnostics

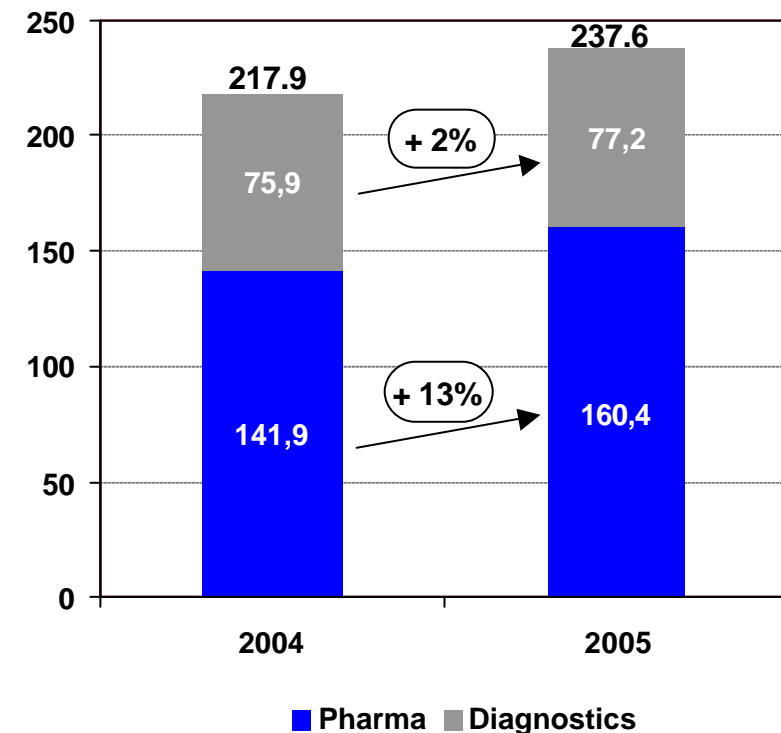
Pharmaceuticals

- Prices slightly improved
- Immunoglobulines: double-digit growth, Intratect[®] market share >19% in Germany
- Coagulation factors: expansion of business in Russia
- Continued deliberate constraint on tender markets

Diagnostics

- Growth in the US thanks to first shipments of TANGO[®]
- Growth in Hygienic Monitoring

Revenues in 2004 and 2005 (€m)



Pharmaceuticals: Sales by Product Group (€m)

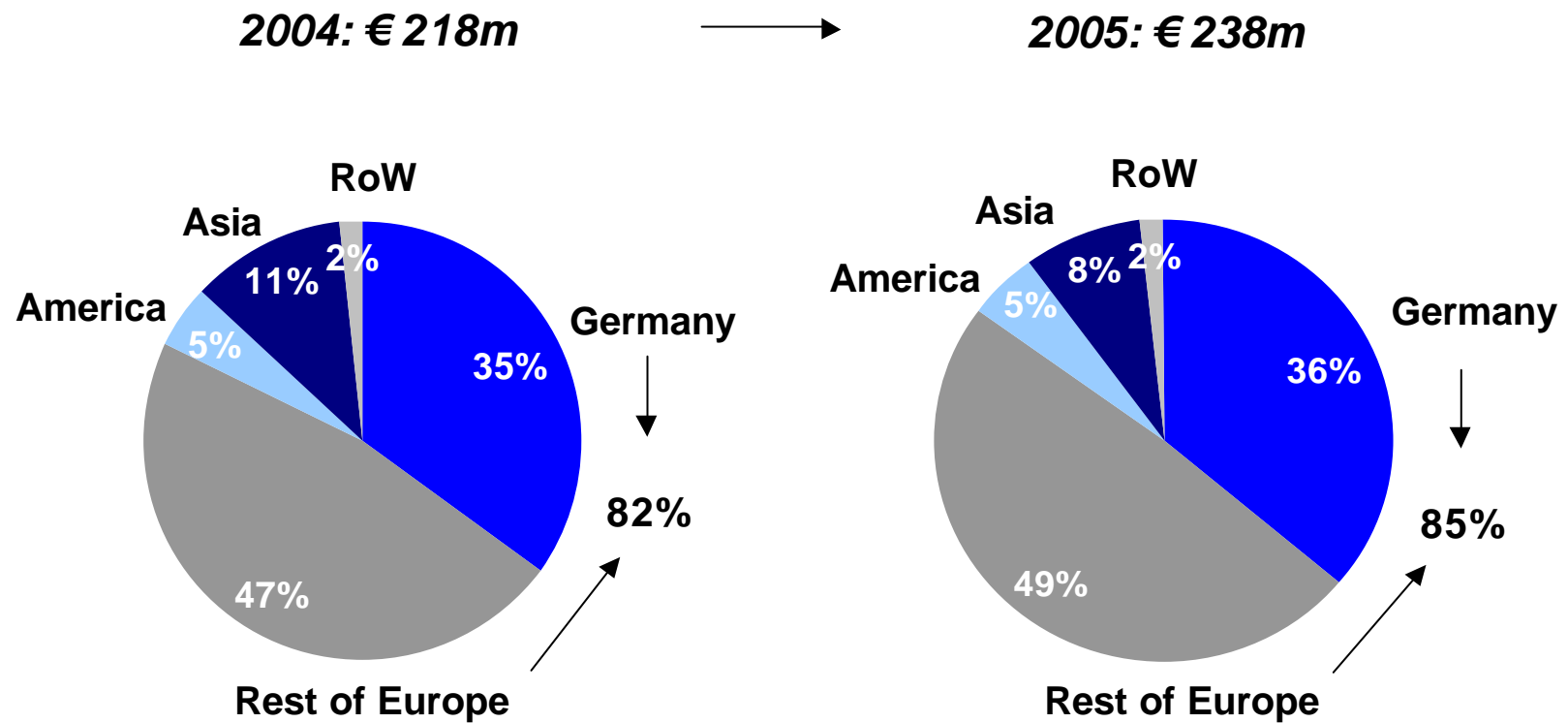
	2004	%	2005	%	Growth
Intratect [®] / Intraglobin	30.4	22%	38.9	24%	28%
Hyper Immunoglobulins	56.0	39%	56.9	36%	2%
Coagulation Factors	34.3	24%	49.1	31%	43%
Humanalbumin	8.9	6%	8.7	5%	-2%
Others*	12.3	9%	6.8	4%	-45%
	141.9	100%	160.4	100%	13%

* Biseko, Pentaglobin, Merchandise

Diagnostics: Sales by Product Group (€m)

	2004	%	2005	%	Growth
Transfusion	18.3	24%	19.3	25%	5%
Transplantation	13.7	18%	12.8	17%	-7%
Infectious Disease	7.9	10%	7.2	9%	-9%
Hycon / Heipha	26.9	36%	27.6	36%	3%
Merchandise	9.1	12%	10.3	13%	13%
	75.9	100%	77.2	100%	2%

Sales per Region: more in Europe, less in Asia (especially Middle East)



Earnings Growth outweighs Increase of Revenues

Profitability

- Gross Profit: + € 7.8m
- EBIT: + € 6.7m
- Additional European sales with lower margin

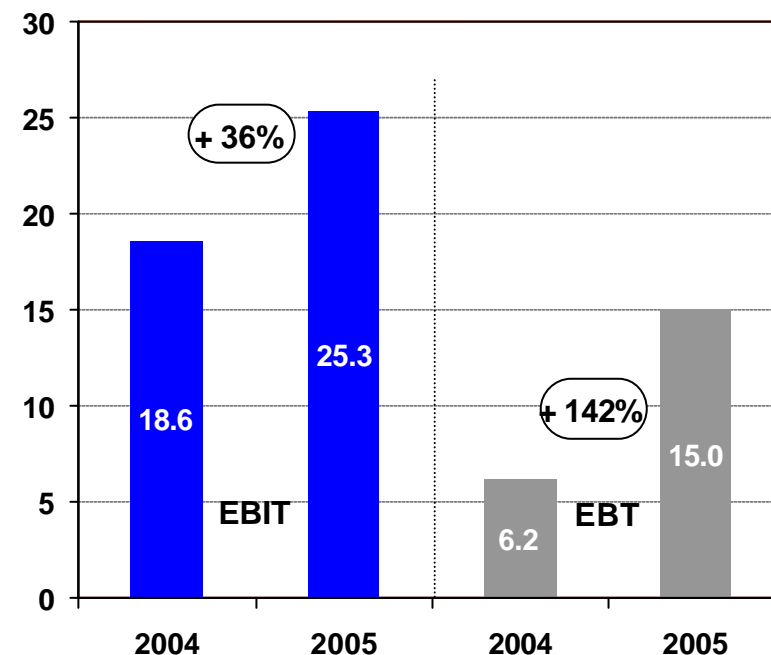
Financial Result

- Interest expense significantly reduced to € 11.4m (2004: € 13.2m)
- Less liabilities, lower interest rate
- € 0.6m discount of 2 banks being repaid

Earnings per Share

- EPS increased to € 1.13 (2004: € 0.57)

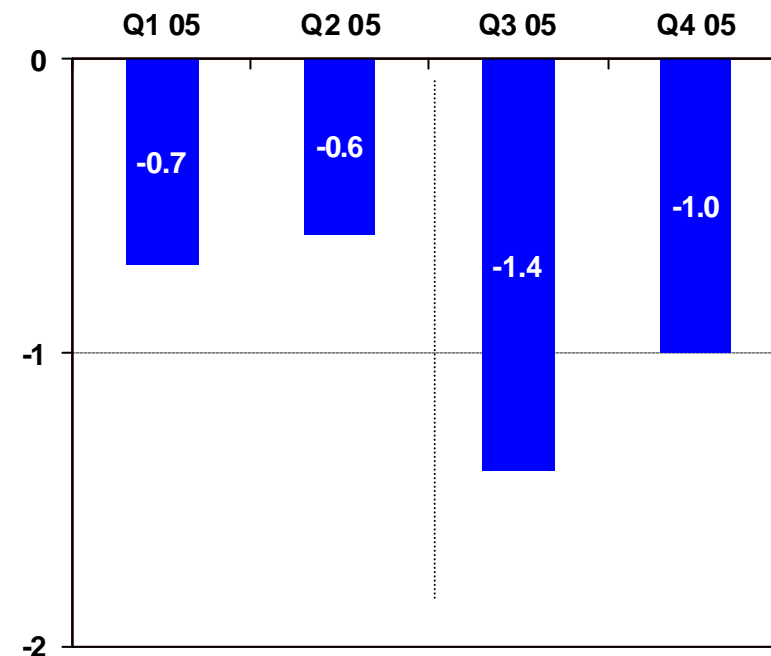
EBIT and EBT of Biotest Group in 2004 and 2005 (€m)



New Segment Biotherapeutics: R&D Expense amounts to €3.7m in 2005

- Development of new business segment on schedule
- R&D expenses are expected to almost double in 2006 due to start clinical research

EBIT in the Biotherapeutics Segment (€m)



Biotest Group - Income Statement

	2004		2005	
	€m	%	€m	%
Revenues	217,9	100	237,6	100
Cost of Goods Sold	-114,2	-52	-126,1	-53
Gross Margin	103,7	48	111,5	47
Other Operating Income	7,4	3	10,9	5
Distribution Expense	-50,0	-23	-54,9	-23
Administrative Expense	-16,8	-8	-19,5	-8
R&D Expense	-18,5	-8	-16,9	-7
Other Operating Expenses	-4,9	-2	-5,8	-2
Profit from Operations before Special Effects	20,9	10	25,3	11
Write-offs	-0,1	0	0,0	0
Restructuring Cost	-2,2	-1	0,0	0
Operating Profits, EBIT	18,6	9	25,3	11
Financial Result	-12,2	-6	-10,0	-4
Income from Associated Companies	-0,2	0	-0,3	0
Earnings before Tax	6,2	3	15,0	6
Income Tax	-0,4	0	-3,8	-2
Profit after Tax	5,8	3	11,2	5
Minority Interest	-0,8	0	-1,0	0
Consolidated Net Profit	5,0	2	10,2	4

Biotest Group: Balance Sheet (old structure)

	2004		2005	
	€ m	%	€ m	%
Assets				
Fixed Assets	154	43	154	44
Inventory	117	33	108	31
Trade Receivables	56	16	66	19
Cash and Cash Equivalents	20	5	6	2
Other	11	3	15	4
Total Assets	358	100	349	100
Liabilities				
Equity	108	30	169	48
Provisions	57	16	62	18
Financial Liabilities	138	39	65	19
Leasing Liabilities	26	7	23	7
Trade Payables	17	5	16	4
Other Liabilities	12	3	14	4
Total Equity and Liabilities	358	100	349	100

Balance Sheet 2005: Reduction of Financial Liabilities

	€ m	€ m
Financial Liabilities Dec. 31, 2004		163.7
Reduction due to Capital Increase		-50.1
Reduction Leasing Liabilities		-2.5
Total Cash Dec. 31, 2004	19.5	
Total Cash Dec. 31, 2005	7.6	
Reduction Total Cash		-11.9
Reduction out of Free Cash Flow		-10.8
Financial Liabilities Dec. 31, 2005		88.5

Financing of Biotest Group

	2004	2005
Source of Funds		
• Cashflow	32	40
• Increase in Provisions	2	-
• Decrease of Current Assets	3	-
• Capital Increase	-	40
• Increase in Liabilities	-	2
• Proceeds from Bank Loans	1	-
• Decrease of Liquid Funds	-	12
	38	94
Use of Funds		
• Capital Expenditure	17	13
• Increase in Current Assets	-	3
• Redemption of Bank Loans	-	65
• Increase of Liquid Funds	8	-
• Dividend Payments	1	1
• Decrease of Provisions	-	1
• Payments for Interest, Tax and Others	12	11
	38	94

Biotest Group – 2005 at a Glance (€m)

Group		2004	2005	?
Revenues		217,9	237,6	9%
of which	Germany	76,4	86,1	13%
	Rest of world	141,5	151,5	7%
Operating Result (EBIT) as % of revenues		18,6 8,5%	25,3 10,6%	36%
Pre-Tax Profit (EBT) as % of revenues		6,2 2,8%	15,0 6,3%	142%
Net Profit (EAT) as % of revenues		5,0 2,3%	10,2 4,3%	104%
Cash Flow *		32	40	25%
EBITDA		31	40	29%

Cash Flow (Mio. €)

	2004	2005
Cash flow from operating activities before changes in working capital	32,3	40,3
Cash flow from changes in working capital	4,5	-2,0
Net cash from operating activities	25,3	26,8
Net cash used in investing activities	-17,3	-12,6
Net cash used in financing activities	-0,5	-26,4
Cash and cash equivalents at beginning of period	12,1	19,6
Changes in cash and cash equivalents / others	7,5	-12,0
Cash and cash equivalents at end of period	19,6	7,6

Biotest Group: Balance Sheet - Assets

Assets	2004		2005	
	T€	%	T€	%
Non-current Assets				
Fixed Assets	154.221	43	154.078	44
Other Assets	363	0	263	0
Deferred Tax Assets	6.196	2	5.761	2
S Non-current Assets	160.780	45	160.102	46
Current Assets				
Inventories	116.664	33	108.362	31
Trade Receivables	56.082	16	66.079	19
Income Tax Receivables	751	0	990	0
Cash and Cash Equivalents	19.641	5	7.589	2
Other Current Assets	4.357	1	5.482	2
S Current Assets	197.495	55	188.502	54
Total Assets	358.275	100	348.604	100

Biotest Group: Balance Sheet - Equity and Liabilities

Liabilities	2004		2005	
	T€	%	T€	%
Equity	107.966	30	168.973	48
Liabilities				
Non-current Liabilities				
Pension Provisions	35.518	10	35.819	10
Other Provisions	4.705	1	4.322	1
Non-current Financial Liabilities	48.489	13	69.162	20
Other Liabilities	0	0	294	0
Deferred Tax Liabilities	2.113	1	2.282	1
S Non-current Liabilities	90.825	25	111.879	32
Current Liabilities				
Other Provisions	8.225	3	8.122	2
Current Tax Liabilities	1.160	0	2.812	1
Curent Financial Liabilities	115.213	32	19.298	6
Trade Payables	23.216	7	25.149	7
Other Liabilities	11.670	3	12.371	4
S Current Liabilities	159.484	45	67.752	19
S Liabilities	250.309	70	179.631	52
Total Equity and Liabilities	358.275	100	348.604	100