



From Nature for Life

Letter to our shareholders

Dear shareholders and investors of the Biotest Group,

2013 was a particularly eventful and very successful year for our group. In the recent months we set the strategic course for the future with our ambitious expansion plans and at the same time led Biotest to a new dimension regarding sales and earnings.

With the publication of our preliminary figures we also want to give you a current assessment on an unfortunately still concerning topic: The ongoing investigations of the public prosecutor against Biotest employees in connection with our Russian business. This currently casts a shadow on the otherwise successful progressing internationalisation of our Group.

Our figures developed very positive in the past financial year 2013: According to preliminary and unaudited figures, the Biotest Group recorded earnings after tax (EAT) of € 32.0 million, an increase from € 23.1 million in 2012 by 38.5%. Earnings before taxes (EBT) increased by 31.0% to € 47.8 million (previous year result € 36.5 million). The main factors for this profit increase were significant higher sales in the US and in Asia.

The Group's earnings before interest and tax (EBIT) have increased disproportionately to sales by 20.4%. to € 53.8 million compared to the previous year's EBIT of € 44.7 million. As a result the EBIT margin increased from 10.2% to 10.7%.

In the financial year 2013 Biotest reached sales of € 500.8 million, an increase of 13.8% compared to the previous year (€ 440.0 million).

Biotest will publish final results for the Financial Year 2013 and the annual report on March 25th, 2014. The Annual General Meeting of Biotest AG will take place on May 7th, 2014 in Frankfurt a.M.

As you can see, the operational development of Biotest is excellent, and we are implementing our promising growth strategy on the basis of solid financing. What dampens our enthusiasm, however, is the fact that the investigations by the public prosecutor's office in Frankfurt resulted – as is known – in another search of the premises of Biotest in October 2013. As you are aware, the public prosecutor's office continues to investigate for breach of trust, tax evasion and bribery in relation to Biotest's

Russian business. We informed the capital market of that procedure immediately on May 8, 2012 by way of an ad-hoc notification, and thereafter regularly in annual reports, at conferences and analyst talks.

There can be no doubt that the twelve suspects at Biotest, as well as the company itself, which gives its view in the relevant proceedings regarding the administrative offence as an affected party, have a strong interest in the clarification of the unjustified accusations. Biotest fully cooperates with the investigating authorities. In addition to the pleadings by the lawyers, the public prosecutor's office is in the meantime in possession of dozens of folders which document Biotest's Russian business, around 200 exhibits, and a large number of electronic documents.

To say it clearly: There exists no concrete evidence whatsoever of any bribery in the Russian business of Biotest AG. The examination of alleged witnesses for the prosecution has not produced any specific indications, either. On the other hand, internal investigations have once more confirmed our conviction that the remuneration for external service providers and the product prices in Russia were perfectly in line with market standards, both in comparison to Russian competitors and internationally.

And: The organization of the Russian business was, beyond doubt, in line with market standards and the laws and regulations in force in Russia. We do not tolerate corruption in any country in the world; Biotest does not participate in any such transactions. It is clear to each single staff member of Biotest that whoever breaches that rule must face consequences under labor law and criminal law.

We regret that we are still unable to tell you how long the proceedings will last, as such proceedings take energy and time; they cost money and tie up resources to a considerable extent. Employees and the management have been confronted with accusations for more than two years and can fully understand recent reports such as in Frankfurter Allgemeinen Zeitung (January 6, 2014: "Captivity in the courtroom") or in Manager Magazin (02/2014: "No benefit of the doubt for the accused – Top managers have become the target of politics and the judiciary. Allegedly criminal managers are being hunted with draconian methods – a horror trip for those affected.", p. 80 et seq.)

We will continue to inform you of the proceedings and we will, above all, seek to develop with determination the operating business and growth strategy of Biotest AG.

We would like to thank you, also for the confidence you have placed in us over the last fiscal year. The large and very positive response to our capital measures strengthens our view that we are exactly on the right track regarding our future plans. Together with you, our valued shareholders and investors, we want to continue pursuing this path in the upcoming years.

Cordially yours,



Prof. Dr. Gregor Schulz
Chairman of the Board
of Management

Disclaimer



Dr. Michael Ramroth
Member of the Board
of Management



Dr. Georg Floß
Member of the Board
of Management

This document contains forward-looking statements on overall economic development as well as on the business, earnings, financial and assets position of Biotest AG and its subsidiaries. These statements are based on current plans, estimates, forecasts and expectations of the company and are thus subject to risks and elements of uncertainty that could result in significant 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.

About Biotest

Biotest is a provider of plasma proteins and biotherapeutic drugs. With a value added chain that extends from pre-clinical and clinical development to worldwide sales, Biotest has specialised primarily in the areas of clinical immunology, haematology and intensive medicine. Biotest develops and markets immunoglobulins, coagulation factors and albumins based on human blood plasma. These are used for diseases of the immune and haematopoietic systems. In addition Biotest develops monoclonal antibodies in the indications of rheumatoid arthritis and cancer of plasma cells, which are produced by recombinant technologies. Biotest has about 1.900 employees worldwide. The preference shares of Biotest AG are listed in the SDAX on the Frankfurt stock exchange.

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