
Analyst Conference – Financial Year 2007
Frankfurt/Main, 20 March 2008
Professor Dr. Gregor Schulz, CEO:

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:
Haemocitin®, 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

Source Plasma (Mio. l)

IVIG sales (tons)

Source: PPTA, MRB, own estimates
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 extend 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

<table>
<thead>
<tr>
<th>New / Enhancement</th>
<th>pre-clinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Submission Phase</th>
<th>Approval Phase</th>
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<tbody>
<tr>
<td>Hepatect® FH*</td>
<td></td>
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<tr>
<td>Hepatect® Nanofiltr.</td>
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<tr>
<td>Hepatect® S.C.</td>
<td>* Application for extension of European approvals</td>
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<td>Albumin FH*</td>
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<td>Haemoctin®</td>
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<td>Haemonine®</td>
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<td>IgM Concentrate</td>
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<tr>
<td>Intratect® Nanofiltr.</td>
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**New Indications**

- Medical Device (bypass surgery)
- Cytotect® NF (pregnancy)
- Intratect® (fibromyalgia)
- Hepatect® (neonates)
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:**


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 enviroment: 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

<table>
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<th>World's fastest particle counter:</th>
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<td>- Sample one full cubic meter in 10 minutes</td>
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![Particle Counter Image](image1)

<table>
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<tr>
<th>Latest advances - HYCON ID</th>
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<tr>
<td>- Process control and electronic data Management system for environmental monitoring</td>
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<tr>
<td>- Compile sample data automatically</td>
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![HYCON ID Image](image2)

<table>
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<th>First ready prepared media for detection of mycoplasmas is available:</th>
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<tr>
<td>- Media/test according to the new European pharmacopoeia (EP 5.8/Jan. 2007)</td>
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![Media Samples Image](image3)

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<tr>
<th>Worldwide unique new contact plates available - ICR plus</th>
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<tr>
<td>- Plate can be locked and opened easily</td>
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<tr>
<td>- Both aerobic and anaerobic incubation</td>
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<tr>
<td>- Bar codes on the plates facilitate safe</td>
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![Contact Plates Image](image4)
Biotherapeutics: R&D with 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

<table>
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<th>Sales in RA** US$ mn</th>
<th>Total sales** US$ mn</th>
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<tbody>
<tr>
<td>Enbrel</td>
<td>~3,500</td>
<td>Enbrel 5,275</td>
</tr>
<tr>
<td>Remicade</td>
<td>~3,000</td>
<td>Remicade 4,975</td>
</tr>
<tr>
<td>Humira</td>
<td>~2,300</td>
<td>Humira 3,064</td>
</tr>
</tbody>
</table>

Other biologics
US$ 500 mn
~5%

DMARDs
US$ 1,050 mn
~10%

TNF-α inhibitors
US$ 8,800 mn
~85%

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

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- Immunosuppression
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BT-061
- Activation of a natural control mechanism
- Immunomodulation
- Upstream process

Complex and versatile process of inflammatory cascade

Inflammation and joint destruction

Inflammatory cytokines such as TNF-α, IL-1, IL-6

Activated Macrophages and B cells

T-cells

Immune responses

Tregs
(Regulatory T cells)

IS
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)
### 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

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

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2007</th>
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<tbody>
<tr>
<td>Bisphosphonates</td>
<td>359</td>
<td>452</td>
</tr>
<tr>
<td>Novel Agents</td>
<td>90</td>
<td>28</td>
</tr>
<tr>
<td>Cytostatics</td>
<td>31</td>
<td>93</td>
</tr>
<tr>
<td>Pipeline</td>
<td>930</td>
<td>1,569</td>
</tr>
<tr>
<td>Others</td>
<td>427</td>
<td>351</td>
</tr>
</tbody>
</table>

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:
Year 2007 – Financial Highlights

- 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%), Haemocitin® (+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)
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
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

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**R&D Expenses of the Biotest Group in 2005 to 2007 (€ m)**

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<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
<td>Plasmaproteins</td>
<td>3.6</td>
<td>4.0</td>
<td>9.3</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>9.3</td>
<td>11.6</td>
<td>16.6</td>
</tr>
<tr>
<td>Biotherapeutics</td>
<td>16.9</td>
<td>26.1</td>
<td>34.5</td>
</tr>
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</table>
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

* without BPC, ** including BPC
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%)
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!