Biotest

From Nature for Life

QUARTERLY REPORT 2013 BIOTEST AG

KEY FIGURES

BIOTEST GROUP		Q1 2013	Q1 2012	Change in %
Revenue	€ million	**118.7**	107.7	10.2
thereof:				
Germany	€ million	**22.3**	23.3	–4.3
Rest of World	€ million	**96.4**	84.4	14.2
thereof:				
Therapy	€ million	**91.3**	82.8	10.3
Plasma & Services	€ million	**26.0**	21.3	22.1
Other segments	€ million	**1.4**	3.6	–61.1
EBITDA	€ million	**19.6**	17.6	11.4
EBIT	€ million	**11.8**	10.4	13.5
EBIT in % of revenue	*%*	***9.9***	*9.7*	
Earnings before taxes	€ million	**11.0**	7.3	50.7
Earnings after taxes	€ million	**7.0**	3.8	84.2
Cash flow from operating activities	€ million	**–19.4**	–5.4	–259.3
Depreciation and amortisation	€ million	**7.8**	7.2	8.3
		31 March 2013	31 December 2012	Change in %
Equity	€ million	**378.6**	369.4	2.,5
Equity ratio	*%*	***57.0***	*54.1*	
Employees (full-time equivalents)		**1,765**	1,727	2.2

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A. ECONOMIC REPORT

I. BUSINESS AND THE ECONOMY

a. At a glance

In the first three months of financial year 2013 the Biotest Group was able to significantly increase revenue again and achieve a new quarterly revenue record. In the reporting period the Group generated revenue of € 118.7 million compared to € 107.7 million in the same quarter of the previous year. This represents an increase of 10.2 %.

Profitability also increased significantly. Earnings before interest and taxes (EBIT) increased in the reporting period by 13.5 % from € 10.4 million to € 11.8 million. The largest increase was generated by the Plasma & Services segment, where EBIT increased by 83.3 % compared to the first quarter of 2012.

The growth in sales was driven primarily by the international markets. Whereas there was slight growth in Europe, sales in the US increased significantly. The market launch of Bivigam™ in February 2013 was the main reason for the double-digit growth in this market.

The marketing authorisation of Bivigam™ by the US Food and Drug Administration (FDA) as well as the market launch of the product represent important milestones for Biotest. The Biotest Group anticipates a sales potential of about USD 100 million over the medium to long term for this internally developed immunoglobulin used to treat patients with primary humoral immune deficiencies.

The business performance of the Biotest Group continues to be very positive. For this reason the Management Board reaffirms its target of increasing sales by 10 % to 15 % in the current year. Management projects a similar increase in EBIT.

b. Biotest Group segments at a glance

The Biotest Group, with its headquarters in Dreieich, Germany, is an international supplier of biological medicines. Products currently on the market and new developments are obtained from human blood plasma as well as manufactured using biotechnology methods. The indication areas for their application are haematology, clinical immunology and intensive care.

The Biotest Group is engaged in research and development in all three of these indication areas. The company covers all the essential stages in the value chain, from pre-clinical and clinical development – which is conducted in collaboration with internationally renowned partners in the case of certain projects – to global marketing.

The Company's operations have been divided into the following segments: Therapy, Plasma & Services and Other Segments. The Therapy segment includes products and development projects assigned to each of the three indication areas. Plasma sales and toll manufacturing are combined under the Plasma & Services segment. In Other Segments, Biotest reports its merchandise business as well as any cross-divisional costs not allocated to the Therapy or Plasma & Services segments.

c. Research and development

Research and development constitute an integral part of the Biotest Group's corporate strategy. In the first three months of financial year 2013, the proportion of such expenditure to sales was 12.2 %. Development projects are detailed in the 2012 Annual Report on page 14 in the "Research and Development" section of the Group management report.

Biotest was able to make significant progress in various studies and development work in the first three months of the current financial year. The Company announced the planned start of an additional Phase IIb clinical study (**T**cell **RE**gulating **A**rthritis **T**rial 2b (TREAT 2b), no. 986) involving up to 310 patients for the continuing development of the monoclonal antibody Tregalizumab (BT-061) in collaboration with AbbVie. The decision to proceed with this Phase IIb study, the largest in the company's history, was based on the initial results of a scheduled interim analysis of the ongoing clinical study (no. 979), which is expected to be completed in the third quarter of 2013. Biotest may not disclose the data from the interim analysis until the study is completed, as otherwise there is a risk that doctors and patients would be biased. The final data will be available in the fourth quarter of 2013. Other preparations for the Phase IIB study (no. 986) are well underway. The dosage was determined on the basis of the interim evaluation of study no. 979. The study will be submitted to the competent authorities for approval in the second quarter of this year. In addition, the recruitment of volunteers for the Phase I study (no. 985), which evaluates the pharmacodynamic and pharmacokinetic attributes of the agent, has been completed.

Biotest made further progress with CivacirTM as well as with the fibrinogen concentrate under development. On 1 April 2013 the necessary documents for the approval of a pivotal Phase III study of CivacirTM were submitted to the US regulatory agency (FDA). CivacirTM is to be used for the prophylaxis of a hepatitis C reinfection following liver transplants. Patient recruitment also began for the Phase I/II study (no. 984) for the clinical trial of the newly developed fibrinogen concentrate.

An interim analysis based on 40 treated patients was performed for the current Phase II study of the IgM concentrate. The statistician who evaluated the data recommends that the study be continued and expects significant differences in the treatment groups upon the inclusion of 160 patients.

At the end of October 2012, Biotest obtained marketing authorisation for the 10 % intravenous immunoglobulin solution Intratect® (100 g/l) under the decentralised European approval procedure. Marketing of the preparation in Germany began in January 2013. The company plans to expand into other international markets over the course of this year.

d. Market developments

Macroeconomic situation

The debt crisis in various eurozone countries, particularly in Southern Europe, as well as the tense fiscal situation in the US continues to have an adverse impact on the global economy. The world markets are marked by a reluctance to invest and a high degree of uncertainty regarding future prospects. Following the 0.6 % reduction in economic output in the euro area in 2012, the statistical office of the European Union (Eurostat) estimates that real gross domestic product (GDP) will also decrease by 0.3 % in the current year.[1] It is evident that Germany will also suffer a downturn in economic activity. Following a 0.7 % increase in economic output in the past year, the Council of Economic Experts expects German GDP to increase by only 0.3 % in 2013. This represents a decline of 0.5 % compared to the November forecast, which is reflected in the sluggish growth in the fourth quarter of 2012.[2]

In contrast, the US Federal Reserve is forecasting a slight upswing in economic activity for the US economy. Following growth of 2.2 % in the past year, the current forecast for 2013 is between 2.3 % und 2.8 %.[3]

Target markets

The market for immunoglobulins remains in a stable growth pattern. The world market for immunoglobulins is assumed to be growing at an annual rate of 7–8 %.[4] The worldwide market volume of immunoglobulins was estimated at about 115 tonnes in 2012.[5] In the past year the German market grew by 8 % compared to 2011 – for the most part at constant market prices. We expect this global growth trend to continue in the coming years, with the cumulative global market exceeding 140 tonnes by 2015.

Whilst obtainable prices for immunoglobulins in other European countries remained under pressure, they increased slightly in the US market. Prices per gram in the US are currently 30–40 % above average European prices.[6] The Biotest Group aims to benefit from this trend on a sustained basis by gradually increasing sales volumes of Bivigam™.

e. Strategy of the Biotest Group

The core element of the Biotest strategy is a clear focus on marketing and developing new and existing products in the three indication areas of haematology, clinical immunology and intensive medicine. In addition to continuing its own research and development pipeline, the company is focusing on the further internationalisation of the business, such as through new activities in Asia – particularly China – and South America. Biotest also plans to continue expanding its capacity at headquarters, thus ensuring its ability to handle the targeted growth in production volumes. Furthermore, options for increasing business volumes through international acquisitions and in-licensing are also being explored. The signing of a strategic long-term agreement between Biotest Pharmaceuticals Corporation (BPC) and ADMA Biologics Inc. (ADMA) is an example of the successful implementation of this strategy. Under the agreement, ADMA has agreed to acquire its entire worldwide production volume of RSV (respiratory syncytial virus) immunoglobulin (RI-002), manufactured from human plasma with RSV antibodies, exclusively from BPC. ADMA also granted Biotest AG a license to market and sell RSV immunoglobulin in Europe and selected countries in North Africa and the Middle East.

1 *Statistical office of the European Union (Eurostat), real GDP growth rates, last updated on 15 April 2013*

2 *Council of Economic Experts, press release "Updated Economic Forecast", 25 March 2013*

3 *Board of Governors of the Federal Reserve System, Minutes of the Federal Open Market Committee, 20 March 2013*

4 *IPPC 2013 – Plasma market dynamics rock solid, 11 March 2013*

5 *Biotest market research based on Marketing Research Bureau, The Plasma Proteins Market in the US 2011; Marketing Research Bureau, The Worldwide Plasma Proteins Market 2011*

6 *UBS, Mar-12 qtr Plasma Price & Supply Survey – supply tightens, US price gains, but EU soft, 29 May 2012; UBS Investment Research, Two speed market presents CSL with lower price volume/market share gains?, 9 July 2012; UBS Investment Research, Sep-12 qtr Plasma Price & Supply Survey – Solid markets a prelude to price increases, 3 December 2012*

II. PRESENTATION OF RESULTS OF OPERATIONS, FINANCIAL POSITION AND CASH FLOWS

a. Results of operations

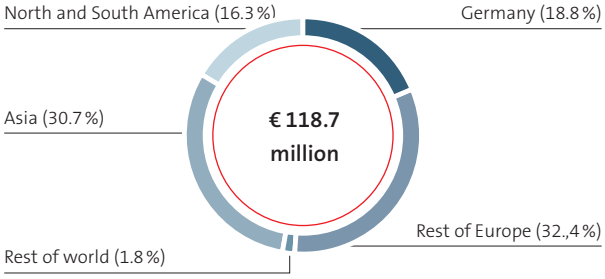
The Biotest Group generated revenue of € 118.7 million in the first quarter of 2013 – a new record for the current company structure. This represents an increase of 10.2 % compared to the same period in 2012, in which revenue of € 107.7 million were generated. The Plasma & Services segment accounted for the largest proportion of the increase in revenue. Revenue from this division increased significantly by 22.1 %. An increase of 10.3 % was also recorded in the Therapy segment.

REVENUE WITH THIRD PARTY BY SEGMENT

€ million	Q1 2013	Q1 2012	Change as a %
Therapy	**91.3**	82.8	10.3
Plasma & Services	**26.0**	21.3	22.1
Other Segments	**1.4**	3.6	–61.1
Biotest Group	**118.7**	**107.7**	**10.2**

An increasing proportion – currently 81.2 % – of the revenue of the Biotest Group is generated outside the home market of Germany. Whereas revenues from customers in Germany declined by 4.3 % compared to the same period in the previous year, significant growth was achieved in the US. Revenue increased significantly here from € 11.9 million in the first quarter of 2012 to a current € 17.7 million with the market launch of Bivigam™. Sales also increased again in the Asian markets – primarily in the Therapy segment, where revenues grew by 27 %. The cooperation between Biotest and Merz Pharma in Russia generated its first revenue in the first quarter of 2013.

REVENUE WITH THIRD PARTY BY CUSTOMER'S GEOGRAPHICAL LOCATION



Production costs also increased as a result of the revenue growth, rising to € 69.3 million compared to € 60.3 million in the first quarter of 2012. As a result, the cost of sales ratio associated with higher product mix costs also increased from 56.0 % to 58.4 %.

Distribution costs increased to a current level of € 14.8 million in connection with the market launch of Bivigam™ in the US (same period in previous year: € 13.2 million). On the other hand, administrative costs remained virtually constant – despite a slight increase again in the number of employees – rising only marginally from € 6.8 million to € 7.0 million. Their ratio to revenue declined significantly to 5.9 % compared to 6.3 % in the first quarter of 2012. This was mainly attributable to savings in consultancy costs. Research and development costs at € 14.5 million were at the same level as in the previous year. Therefore, the current high ratio to revenue of 12.2 % remains above the self-imposed target of 12 %.

Net operating income amounted to € –1.3 million after the first three months of financial year 2013 (same period in the previous year: € –2.5 million). Negative special items relating to receivables from Greek hospitals resulted in higher expenses in the past year.

Earnings before interest and taxes (EBIT) rose sharply by 13.5 % in the first three months of 2013 compared to the same period in the previous year. The Biotest Group recorded EBIT of € 11.8 million compared to € 10.4 million in the comparable period in 2012, thus resulting in a rise in the EBIT margin from 9.7 % to 9.9 %. This increase was primarily attributable to the Plasma & Services segment. EBIT in this division increased by 83.3 % to € 5.5 million, in particular because of the higher proportion of toll manufacturing (same period in the previous year: € 3.0 million), whereas the earnings contribution of the Therapy segment remained virtually constant at € 7.1 million (same period in the previous year: € 7.2 million).

PRIMARY COST POOLS OF THE BIOTEST GROUP*

€ million	Q1 2013	As a % of revenue	Q1 2012	As a % of revenue
Cost of sales	**–69.3**	**58.4**	–60.3	56.0
Marketing and distribution costs	**–14.8**	**12.5**	–13.2	12.3
Administrative costs	**–7.0**	**5.9**	–6.8	6.3
Research and development costs	**–14.5**	**12.2**	–14.5	13.5
Other operating income and expenses	**–1.3**	**1.1**	–2.5	2.3
Financial result	**–0.8**	**0.7**	–3.1	2.9

* Expenses/costs are denoted with a negative sign

The financial result increased substantially in the first quarter of 2013 to € –0.8 million from € –3.1 million in the same period in the previous year. The first three months of 2012 had been adversely impacted by additional charges resulting from the final sale of the Greek government bonds.

This resulted in earnings before taxes (EBT) of € 11.0 million. Current EBT is therefore 50.7% higher than the € 7.3 million for the comparable period in 2012 Earnings after taxes (EAT) increased significantly from € 3.8 million to € 7.0 million as a result of only a slight increase in tax expense. Altogether this produced earnings per share of € 0.59. EPS was only € 0.32 after the first three months of 2012 and has thus increased by 84.2%.

KEY FINANCIAL PERFORMANCE FIGURES OF THE BIOTEST GROUP

€ million	Q1 2013	Q1 2012	Change as a %
EBIT	**11.8**	10.4	13.5
EBT	**11.0**	7.3	50.7
EAT	**7.0**	3.8	84.2
Earnings per share in €	**0.59**	**0.32**	**84.2**

The Biotest Group had 1,765 employees, expressed as full-time equivalents, at the end of the first three months of 2013. This number was 1,727 as of the 31 December 2012 reporting date.

b. Financial position

Compared to 31 December 2012, the company's total assets decreased from € 682.3 million to € 663.8 million as of the 31 March 2013 reporting date.

On the asset side, non-current assets increased only slightly. An increase in property, plant and equipment was offset by a very small decrease in intangible assets. On the other hand, current assets decreased moderately by about 5.6%. Whereas inventories increased significantly to € 194.0 million (31 December 2012: € 184.2 million) as a result of volume increases required for sales as well as the production of Bivigam™, current income tax assets and cash and cash equivalents decreased to € 32.3 million (31 December 2012: € 57.2 million). Their planned reduction was attributable to capital expenditure, tax payments and the repayment of loans. This was offset by the receipt of the subsequent purchase price payment for the Microbiological Monitoring segment sold in financial year 2011.

On the equity and liabilities side, total equity increased to € 378.6 million as a result of group net income for the first quarter and positive currency effects (31 December 2012: € 369.4 million), which resulted in a significant increase in the equity ratio from 54.1% to 57.0%. Whereas non-current liabilities remained virtually constant, current liabilities decreased sharply, particularly current financial liabilities, liabilities from deferred revenue and other provisions. In addition, trade payables decreased from € 47.4 to € 39.5 million due to cut-off date effects.

c. Cash flows

Cash flow from operating activities amounted to € –19.4 million after the first three months of 2013. There was a much more moderate outflow of € 5.4 million in the comparable period in 2012. A major reason for the reduction in cash flow operating activities was the further build-up of working capital, particularly in connection with the market launch of Bivigam™ in the USA.

Cash flow from investing activities amounted to € 5.0 million as of 31 March 2013 compared to € –5.7 million in the same period in the previous year. The subsequent purchase price payment made by Merck KGaA in connection with the sale of the Microbiological Monitoring division was a major component of this item.

The scheduled repayment of previously drawn-down credit lines resulted in cash flow from investing activities of € –10.5 million (same period in the previous year: € –1.9 million). Consequently, cash and cash equivalents decreased from € 57.2 million at the end of 2012 to € 32.3 million.

d. Overall evaluation of results of operations, financial position and cash flows

The Biotest Group remains on a consistent growth course at the beginning of the 2013 financial year. Revenue (+10.2%) as well as EBIT (+13.5%) increased significantly compared to the same period in the previous year. The Therapy segment was the major growth driver behind the increase in earnings in the reporting period.

Overall, the Biotest Group has the resources at its disposal to drive forward its operating business as planned. The market launch of Bivigam™ in the USA, the re-entry into the Chinese market with the drug Albiomin®, which is scheduled for the year end, and further developments over the medium and long term in the area of monoclonal antibodies offer additional profit potential. The financial position together with a further improved equity ratio of 57.0% and a balanced financing structure lays the foundation for the planned future growth of the Biotest Group.

B. REPORT ON EVENTS AFTER THE REPORTING DATE

There were no significant events after the end of the reporting period.

C. RISK REPORT AND OUTLOOK

OPPORTUNITIES

The Biotest Group's opportunity situation has not changed materially from the presentation set out in the 2012 Annual Report (see pages 27 to 28).

RISKS

The Biotest Group's risk situation has not changed materially since the 2012 Annual Report (see pages 20 and 26).

EXPECTED ECONOMIC ENVIRONMENT

Overall economy

The persistent sovereign debt crisis in some EU countries along with the general downward trend of the world markets will continue to impact global economic performance in the coming months. Because necessary austerity measures implemented by individual countries could also affect their respective health care systems – as the reduction in the use of hyperimmunoglobulins in Southern European EU member states shows – this could have a negative impact on the Biotest Group's businesses. However, the general management of the crisis by the member states concerned as well as the degree to which the real economy in Biotest's target markets is impacted by these uncertainties will remain the deciding factors for this development.

Target markets

According to current studies, the global demand for immunoglobulins will increase by around 7–8% annually in both financial year 2013 and the coming years. Supply is growing slightly disproportionately. The Biotest Group therefore expects that prices for these products will remain under pressure despite the rise in demand. Nevertheless, the market launch of Bivigam™ in the US, the world's largest immunoglobulin market, provides additional sales opportunities that were not previously available. In the case of plasmatic clotting factors, Biotest also expects the global market volume to increase by about 2% per year.

In addition, the resumption of sales of human albumin in China offers significant medium-term sales potential. China is expected to become the world's second largest pharmaceutical market by 2014 with sales of around € 85 billion.

EXPECTED PERFORMANCE OF THE BIOTEST GROUP

Revenue and earnings

The business performance of the Biotest Group continues to be very positive. This is also confirmed by the figures for the first quarter of 2013. For this reason the Management Board reaffirms its target of increasing revenue by 10% to 15% in the current year. Management projects a similar increase in EBIT.

Cash flows

The cash flow forecasts also remain valid. In 2013 Biotest will maintain a balanced financing structure, both in terms of the ratio of debt to equity as well the ratio of short-term to long-term debt financing. A significant portion of the Company's cash and cash equivalents will be used to finance the necessary increase in current assets. The targeted increase in the marketing of Bivigam™ will result in an increase in inventories of interim and end products. Current assets will also increase due to the rise in revenue from Intratect 100 g/l (10% solution) as well as the planned doubling of albumin production by the end of the year.

In addition to financing the continued expansion of capacity, acquiring suitable companies as well as in-licensing market-ready products remain strategic options.

CONSOLIDATED STATEMENT OF INCOME

of the Biotest Group for the period from 1 January to 31 March 2013

in € million	Q1 2013	Q1 2012
Revenue	118.7	107.7
Cost of Sales	−69.3	−60.3
Gross profit	**49.4**	**47.4**
Other operating income	2.8	2.6
Distribution costs	−14.8	−13.2
Administrative costs	−7.0	−6.8
Research and development costs	−14.5	−14.5
Other operating expenses	−4.1	−5.1
Operating profit	**11.8**	**10.4**
Financial result	−0.8	−3.1
Earnings before taxes (EBT)	**11.0**	**7.3**
Income tax	−4.0	−3.5
Earnings after taxes (EAT)	**7.0**	**3.8**
thereof:		
Shares of profit or loss attributable to equity holders of the parent company	**7.0**	**3.8**
Minority interests	**0.0**	**0.0**
Earnings per share in €	**0.59**	**0.32**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of the Biotest Group for the period from 1 January to 31 March 2013

in € million	Q1 2013	Q1 2012
Profit for the period	**7.0**	**3.8**
Currency translation of foreign subsidiaries	2.2	−2.3
Total deferred taxes on income and expenses recognised in equity	0.0	0.0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**2.2**	**−2.3**
Income and expenses recognised directly in equity	**2.2**	**−2.3**
Profit for the period	**7.0**	**3.8**
Total comprehensive income	**9.2**	**1.5**
thereof:		
Shares of profit or loss attributable to equity holders of the parent company	**9.2**	**1.5**
Minority interest	**0.0**	**0.0**
Total comprehensive income	**9.2**	**1.5**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of the Biotest Group as of 31 March 2013

in € million	31 March 2013	31 December 2012
ASSETS		
Non-current assets		
Intangible assets	54.4	54.6
Property, plant and equipment	244.9	243.0
Investments in associates	2.8	2.8
Other financial investments	0.2	0.2
Other assets	0.5	0.5
Deferred tax assets	14.1	13.8
Total non-current assets	**316.9**	**314.9**
Current assets		
Inventories	194.0	184.2
Trade receivables	108.6	96.1
Current income tax assets	2.9	3.8
Other assets	9.1	7.7
Cash and cash equivalents	32.3	57.2
	346.9	**349.0**
Assets from Discontinued Operation	0.0	18.4
Total current assets	**346.9**	**367.4**
Total assets	**663.8**	**682.3**
EQUITY AND LIABILITIES		
Total equity		
Subscribed capital	30.0	30.0
Share premium	153.3	153.3
Retained earnings	188.2	152.6
Shares of profit or loss attributable to equity holders of the parent company	7.0	33.4
Equity attributable to equity holders of the parent company	**378.5**	**369.3**
Minority interests	0.1	0.1
Total equity	**378.6**	**369.4**
Liabilities		
Provisions for pensions and similar obligations	57.5	57.1
Other provisions	5.1	4.0
Financial liabilities	70.8	71.0
Deferred tax liabilities	7.8	7.6
Liabilities from deferred revenue	6.2	8.3
Total non-current liabilities	**147.4**	**148.0**
Other provisions	17.0	19.0
Current income tax liabilities	5.4	5.1
Financial liabilities	32.4	41.5
Trade payables	39.5	47.4
Other liabilities	29.2	27.2
Liabilities from deferred revenue	14.3	16.7
	137.8	156.9
Liabilities from Discontinued Operation	0.0	8.0
Total current liabilities	**137.8**	**164.9**
Total liabilities	**285.2**	**312.9**
Total equity and liabilities	**663.8**	**682.3**

CONSOLIDATED CASH FLOW STATEMENT

of the Biotest Group for the period from 1 January to 31 March 2013

in € million	2013	2012
Operating cash flow before changes in working capital	19.5	19.7
Cash flow from changes in working capital	−35.4	−21.2
Interest and taxes paid	−3.5	−3.9
Total cash flow from operating activities	**−19.4**	**−5.4**
Total cash flow from investing activities	5.0	−5.7
Total cash flow from financing activities	−10.5	−1.9
Net changes in cash and cash equivalents	**−24.9**	**−13.0**
Exchange rate-related changes	0.0	−0.1
Cash and cash equivalents at beginning of period	57.2	83.2
Cash and cash equivalents total at end of period	**32.3**	**70.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of the Biotest Group for the period from 1 January to 31 March 2013

in € million	Subscribed capital	Capital reserves	Accumulated differences from currency translation	Profit and retained earnings	Equity excluding minority interests	Minority interests	Total equity
Balance on 1 January 2012	**30.0**	**153.3**	**8.1**	**155.1**	**346.5**	**0.1**	**346.6**
Gains/losses recognised directly in equity	—	—	−2.3	—	−2.3	—	−2.3
Profit for the period	—	—	—	3.8	3.8	0.0	3.8
Total comprehensive income	**0.0**	**0.0**	**−2.3**	**3.8**	**1.5**	**0.0**	**1.5**
Balance on 31 December 2012	**30.0**	**153.3**	**5.8**	**158.9**	**348.0**	**0.1**	**348.1**
Balance on 1 January 2013	30.0	**153.3**	**7.9**	**178.1**	**369.3**	**0.1**	**369.4**
Gains/losses recognised directly in equity	—	—	2.2	—	2.2	—	2.2
Profit for the period	—	—	—	7.0	7.0	0.0	7.0
Total comprehensive income	**0.0**	**0.0**	**2.2**	**7.0**	**9.2**	**0.0**	**9.2**
Balance on 31 March 2013	**30.0**	**153.3**	**10.1**	**185.1**	**378.5**	**0.1**	**378.6**

SELECTED NOTE DISCLOSURES

Method of preparation

The interim consolidated financial statements as of 31 March 2013 of Biotest AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. Accordingly, these interim consolidated financial statements as of 31 March 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting and are presented in a condensed form compared to the consolidated financial statements. The IFRS comprise the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) and the interpretations of the Standing Interpretation Committee (SIC). The accounts of the Biotest Group are prepared in accordance with the IFRS which are mandatory for financial years beginning on 1 January 2013.

These interim consolidated financial statements were approved for publication by the Management Board on 8 May 2013.

Standards adopted for the first time

The same accounting methods applied in preparing the consolidated financial statements as of 31 December 2012 were adopted in preparing the condensed interim consolidated financial statements.

The following standards adopted for the first time as of 1 January 2013 are an exception to this principle:

IAS 1 Presentation of Financial Statements (amended)

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which remain in equity. This change affects only the presentation in the financial statements and therefore has no impact on the financial position, cash flows and results of operation of the Group. The change applies to financial years beginning on or after 1 July 2012.

The following new or amended standards and interpretations whose application became mandatory for the first time since the beginning of the current financial year had no material impact on the interim consolidated financial statements.

IAS 19 Employee Benefits (amended)

The amended Standard is to be applied to financial years beginning on or after 1 January 2013. The amended IAS 19 does away with the corridor approach and requires actuarial gains and losses to be recognised in other comprehensive income. Furthermore, the expected return on plan assets and the interest cost on the pension liability are replaced with a single net interest component. In future, past service costs are recognised in full in the period of the associated plan change. The amendment to IAS 19 changes the requirements for benefits upon termination of employment and expands disclosure and explanation requirements. The amendment to IAS 19 had no impact on the Group because actuarial gains and losses have already been fully recognised in equity and there are no significant plan assets.

IFRS 13 Fair Value Measurement

In May 2011 the IASB published IFRS 13, Fair Value Measurement. The new pronouncement does not specify the extent to which certain assets and liabilities are to be measured at fair value but simply defines the term 'fair value' and standardises the disclosure requirements for measurements at fair value. The new pronouncement is effective for financial years beginning on or after 1 January 2013. Early adoption is permitted. Most of the changes resulting from IFRS 13 regarding financial instruments have already been introduced, particularly through changes to IFRS 7, Financial Instruments: Disclosures.

Changes to accounting and measurement principles

As of 1 January 2013 the Group has changed the method of recognising revenue on non-refundable upfront payments received from cooperation agreements from a linear basis to the percentage-of-completion method. The percentage-of-completion method results in a better presentation of the cash flows and results of operations, as the linear method no longer reflects the actual cost pattern.

The change in the accounting and measurement principles does not have any material impact on the financial position, cash flows and results of operations of prior periods.

Without this change in accounting and measurement principles, operating profit and earnings after taxes in the first quarter of 2013 would have been lower by € 0.4 million and € 0.3 million, respectively. Earnings per share would have been lower by € 0.03.

Segment information

Segment reporting

by business segment for the period from 1 January to 31 March 2013

	Revenue with third parties		
in € million	**Q1 2013**	Q1 2012	Change in %
Therapy	91.3	82.8	10.3
Plasma & Services	26.0	21.3	22.1
Other Segments	1.4	3.6	–61.1
Biotest Group	**118.7**	**107.7**	**10.2**

	Operating profit (EBIT)		
in € million	**Q1 2013**	Q1 2012	Change in %
Therapy	7.1	7.2	–1.4
Plasma & Services	5.5	3.0	83.3
Other Segments	–0.8	0.2	–500.0
Biotest Group	**11.8**	**10.4**	**13.5**

Segment reporting

sales by region for the period from 1 January to 31 March 2013

	Revenue from third parties by customer's geographical location		
in € million	**Q1 2013**	Q1 2012	Change in %
Germany	22.3	23.3	–4.3
Rest of Europe	38.4	36.0	6.7
USA	17.7	11.9	48.7
Rest of America	1.7	1.6	6.3
Asia	36.5	33.1	10.3
Rest of world	2.1	1.8	16.7
Biotest Group	**118.7**	**107.7**	**10.2**

KEY FINANCIAL PERFORMANCE FIGURES OF THE BIOTEST GROUP

in € million	**Q1 2013**	Q1 2012
Operating profit (EBIT)	**11.8**	**10.4**
Financial expenses	–0.8	–3.1
Earnings before taxes (EBT)	**11.0**	**7.3**
Income taxes	–4.0	–3.5
Earnings after taxes (EAT)	**7.0**	**3.8**

Business relationships with related persons and/or companies

The Biotest Group maintains reportable business relationships with the associated company BioDarou P.J.S. Co., Teheran, Iran, and its subsidiary, Plasma Gostar Pars P.J.S, Teheran/Iran.

Both companies acquired goods and services totalling € 2.6 million from Biotest in the first three months. Receivables due to Biotest from BioDarou P.J.S. Co. and Plasma Gostar Pars P.J.S amount to € 7.1 million as of 31 March 2013.

As a related company of the Biotest Group, Kreissparkasse Biberach maintains employee custody accounts for the Long Term Incentive Programme.

Apart from these business relationships, no material transactions were conducted with related parties during the reporting period.

Other note disclosures

Schedule of assets – net presentation

in € million	Carrying amount as of 31 December 2012	Additions	net disposals	Depriaction and amortisation	Impair-ment	Currency trans-lation differences	Carrying amount as of 31 March 2013
Intangible assets	54.6	0.2	0.0	–1.8	0.0	1.4	54.4
Property, plant & equipment	243.0	5.1	0.0	–6.0	0.0	2.8	244.9
Total	**297.6**	**5.3**	**0.0**	**–7.8**	**0.0**	**4.2**	**299.3**

As of 31 March 2013, the Biotest Group had commitments to acquire fixed assets in the amount of € 5.7 million.

Employees

by business segment for the period from 1 January to 31 March 2013

In full-time equivalents	**31 March 2013**	31 December 2012	Change in %
Distribution	193	190	1,6
Administration	211	208	1,4
Production	1.211	1.185	2,2
Research and development	150	144	4,2
Biotest Group	**1.765**	**1.727**	**2,2**

Quarter-to-quarter comparison

by business segment

	Revenue with third parties				
in € million	**Q1/2013**	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Therapy	91.3	85.3	78.1	84.7	82.8
Plasma & Services	26.0	26.0	23.6	26.1	21.3
Other Segments	1.4	3.8	3.0	1.7	3.6
Biotest Group	**118.7**	**115.1**	**104.7**	**112.5**	**107.7**

	Operating profit (EBIT)				
in € million	**Q1/2013**	Q4/2012*	Q3/2012	Q2/2012	Q1/2012
Therapy	7.1	5.9	6.0	7.2	7.2
Plasma & Services	5.5	6.1	3.8	5.5	3.0
Other Segments	–0.8	–0.1	0.1	–0.2	0.2
Biotest Group	**11.8**	**11.9**	**9.9**	**12.5**	**10.4**
EBT	**11.0**	**11.0**	**7.8**	**10.4**	**7.3**

* Continuing Operations

Financial instruments as of 31 March 2013

in € million	Carrying amount In € million	Fair value In € million
Assets		
Trade receivables	108.6	108.6
Other assets		
Other receivables	9.6	9.6
Derivatives not designated as a hedging instrument	0.3	0.3
Other financial investments	0.2	0.2
Equity and liabilities		
Trade payables	39.5	39.5
Financial liabilities	103.2	103.5
Other liabilities	29.2	29.2

Fair value hierarchy

The financial instruments recognised at fair value in the statement of financial position are to be assigned under IFRS 7.27A to a three-level fair value measurement hierarchy. Fair value hierarchy levels are described below:

Level 1: quoted prices for identical assets or liabilities in active markets,

Level 2: information other than quoted prices that is directly (such as prices) or indirectly (such as derived from prices) observable, and

Level 3: information on assets and liabilities that is not based on observable market data.

The fair values of trade receivables and trade payables, other receivables and liabilities are assumed to be equal to their carrying values due to their short maturities.

In the case of derivative financial assets, the mark-to-market measurement performed is based on quoted exchange rates and yield curve structures obtainable on the market. Fair value classification takes place in hierarchy level 2.

The fair values of financial liabilities are measured as the present values of payments relating to the debt based on the respective applicable yield curve as well as the analysed credit spread curve for each currency.

In determining fair value, counterparty risk was taken into account via an add-on approach. The currency basis spread was also taken into consideration.

Events after the reporting date

There were no significant events after the end of the reporting period.

Dreieich, 8 May 2013
Biotest Aktiengesellschaft

Management Board

Prof. Dr. Gregor Schulz
Chairman of the Management Board

Dr. Michael Ramroth
Member of the Management Board

Dr. Georg Floß
Member of the Management Board

FINANCIAL CALENDAR

13 August 2013
Report for the second quarter of 2013

12 November 2013
Report for the third quarter of 2013

12 November 2013
Analyst conference

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This quarterly report contains forward-looking statements on overall economic 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 of this quarterly report. Biotest does not intend to update the forward-looking statements and assumes no obligation to do so.