Biotest

From Nature for Life

HALF-YEAR REPORT 2013 BIOTEST AG

KEY FIGURES

BIOTEST GROUP		H1 2013	H1 2012	Change in %
Revenue	€ million	**243.3**	220.2	10.5
thereof:				
Germany	€ million	**47.3**	45.6	3.7
Rest of World	€ million	**196.0**	174.6	12.3
thereof:				
Therapy	€ million	**185.5**	167.5	10.7
Plasma & Services	€ million	**52.0**	47.4	9.7
Other Segments	€ million	**5.8**	5.3	9.4
EBITDA	€ million	**41.4**	37.5	10.4
EBIT	€ million	**25.9**	22.9	13.1
EBIT in % of revenue	*%*	***10.6***	*10.4*	
Earnings before taxes	€ million	**23.4**	17.7	32.2
Earnings after taxes	€ million	**15.3**	9.9	54.5
Cash flow from operating activities	€ million	**–13.4**	1.1	–
Depreciation and amortisation	€ million	**15.5**	14.6	6.2
		30 June 2013	31 December 2012	Change in %
Equity	€ million	**452.8**	369.4	22.6
Equity ratio	*%*	***60.7***	*54.1*	
Employees (full-time equivalents)		**1,834**	1,727	6.2

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INTERIM MANAGEMENT REPORT FOR THE BIOTEST GROUP AS OF 30 JUNE 2013

A. BUSINESS REPORT

I. BUSINESS AND THE ECONOMY

a. At a glance

The Biotest Group achieved record sales in the first six months of 2013 and is still on its projected growth path. In the reporting period the Group generated revenues of € 243.3 million compared to € 220.2 million in the period of the previous year. This represents an increase of 10.5 %.

Profitability also increased significantly in line with the rise in revenues. Earnings before interest and taxes (EBIT) increased in the reporting period by 13.1 % from € 22.9 million to € 25.9 million.

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 high growth rates in the US were mainly attributable to the market launch of Bivigam® in February 2013. The immunoglobulin resulting from our own development and which is used to treat patients with primary humoral immune deficiencies has already generated a sales contribution in the double-digit million range in the first six months of 2013.

In view of the high growth expectations for the global pharmaceutical markets Biotest has decided to expand production capacity called "Biotest Next Level" investment programme. The aim of the project is to double production capacity at the Dreieich location by 2018 and to further strengthen the competitiveness of the Company but also contribute to achieving the target sales figure of € 1 billion by the year 2020.

In order to achieve a doubling of capacity it is anticipated that an investment of between € 200 and 250 million will be required. At the Annual Shareholders' Meeting of Biotest AG on 8 May 2013 the Management Board announced a capital increase via the issue of up to 1,461,909 new preference shares. This measure is an important component for the financing of the largest investment project in the history of the Biotest Group. The capital increase was very successfully completed at the end of June with gross issue proceeds of € 76.0 million. The new shares were placed with investors located in Germany and abroad and the share capital was increased by € 3.7 million as a result. The issue proceeds will be fully used for the "Biotest Next Level" expansion of production capacity.

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 expects 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 the pre-clinical and clinical development – which is conducted in collaboration with internationally renowned partners for 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 six months of financial year 2013 the proportion of such expenditure to sales was 12.5 %. The individual development projects are detailed in the 2012 Annual Report on page 14 of the "Research and Development" section of the Group management report.

Biotest was able to make significant progress in various studies and development work during the first half 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) with planned 304 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, is based on the initial results of an interim analysis of the ongoing clinical study (no. 979), which will be completed in the third quarter 2013. It is expected that the final data will be available in the fourth quarter of 2013. In the second quarter the necessary documents for the approval of this study were

submitted in five countries, including Germany. Furthermore, the additional pharmacodynamic and -kinetic attributes of the agent were investigated for a further study (no. 985) and the treatment and post-observation phase was completed. The final analysis of the data is currently being performed.

The BT-062 preparation has received the INN (International Non-proprietary Name) "Indatuximab Ravtansine". Two Phase I/IIa studies of monotherapy for multiple myeloma were completed for patients with a well advanced stage of the disease. The third dosage level was reached in a Phase II study for the combination of Indatuximab Ravtansine (BT-062) with Lenalidomid. Patients, who no longer reacted to previous treatment, showed a good response to the combination treatment with complete or partial remission. Phase I/II clinical trials are to be started for solid tumours in the second half of 2013. Patients with "triple negative" breast cancer as well as invasive bladder cancer are to be included initially in these clinical trials. It is expected that further information on Indatuximab Ravtansine (BT-062) will be presented at the ASH Annual Congress (American Society of Hematology) in December of this year.

A further study is currently being performed with Zutectra®. Patient recruitment for this Phase III study (no. 987) (ZEUS – **Z**utectra **E**arly **US**e) has started. Zutectra® has been authorised in the European Union since 2009 for the indication and prevention of a hepatitis B virus (HBV) re-infection for patients six months after a liver transplant due to a liver insufficiency caused by a HBV. The purpose of the ZEUS study is to obtain approval in the same indication and also for the earlier application in the period of one to two weeks after transplants. This study will involve about 20 study centres in Italy, France, UK and Spain.

Further progress was made in the development of Civacir™ and the fibrinogen concentrate. In the second quarter of 2013 a pivotal Phase III study for Civacir™ was approved by the Food and Drug Administration (FDA), the US regulatory authority. Civacir™ is to be used for the prophylaxis of a hepatitis C reinfection following liver transplants. Patient recruitment has started for this study. In addition, the Phase I/II study (no. 984) for the clinical testing of the drug levels and tolerability of the newly developed fibrinogen concentrate is under way.

A statistical estimation based on 40 treated patients was performed for the ongoing Phase II study of the IgM concentrate. Based on this the study has been expanded to 160 patients.

In addition to the market launch of the 10 % intravenous immunoglobulin solution Intratect® (100 g/l) in Germany in January 2013 sales have commenced in several European markets during the first six months of 2013. Furthermore, authorisation was issued in June for the use of an increased infusion speed for the application of the 10 % Intratect® (100 g/l).

d. Market developments

Macroeconomic situation

The debt crisis in various eurozone countries, particularly in Southern Europe, has also had an adverse impact on the global economy during the course of the first six months of 2013. The world markets continue to be 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 the real gross domestic product for the eurozone will decrease by 0.4 % in the current year.[1] It is also expected that Germany will suffer a downturn in economic activity. Following a 0.7 % increase in economic output in the past year, the German Bundesbank expects GDP to grow by only 0.3 % in 2013.[2]

In contrast, following the modest easing again of the economic situation in the US, the US Federal Reserve Bank is forecasting a slight upswing in economic activity in the US. Current expectations for 2013 are assuming a growth of between 2.3 % and 2.6 %, whereas it was 2.2 % in the past year.[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 % to 8 %.[4] The worldwide market volume for immunnoglobulins was estimated at over 120 tonnes for 2012.[5] In 2012 the German market grew by 8 % compared to 2011 – for the most part on 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.

1 Statistische Abteilung der Europäischen Union (Eurostat), Wachstumsrate des realen BIP-Volumens, last updated on 8 July, 2013

2 Deutsche Bundesbank, Deutsche Wirtschaft kommt langsam wieder in Schwung, press release dated 7 June, 2013.

3 Board of Governors of the Federal Reserve System, Minutes of the Federal Open Market Committee, 19 June 2013

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

5 Marketing Research Bureau, The Worldwide Plasma Proteins Market 2012, June 2013

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 25 % above the average prices in Europe.[6] The Biotest Group aims to benefit from this trend on a sustained basis by gradually increasing sales volumes of Bivigam®.

As the FDA as well as other institutions such as the Pharma Risk Assessment Committee (PRAC) had announced safety warnings for solutions containing hydroxyethyl starches (HES), the worldwide albumin market could experience a further upswing in the future.[7] HES is a preparation manufactured from waxy maize or potato starch that is in competition with the human albumin derived from human plasma that is distributed by Biotest.

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.

The Biotest Group has decided to expand the production capacity at its company headquarters at Dreieich in order to also exploit the global market growth in the future. The production capacity will be doubled by 2018 within the "Biotest Next Level" project. The purpose of this project is to not only strengthen the competitiveness of the Company in the global market but also to contribute in achieving the sales target of € 1 billion by 2020.

The signing of a long-term strategic agreement between Biotest Pharmaceuticals Corporation (BPC) with ADMA Biologics Inc. (ADMA) in January 2013 is a further example of the successful implementation of the corporate strategy. Under this agreement ADMA has undertaken to acquire the worldwide production volume of the respiratory syncytial virus (RSV) immunoglobulin, derived from human plasma with RSV antibodies, exclusively through BPC. ADMA has also granted Biotest AG a license to market and sell RSV immunoglobulin in Europe and selected countries in North Africa and the Middle East.

II. PRESENTATION OF RESULTS OF OPERATIONS, FINANCIAL POSITION AND FINANCIAL STATUS

a. Results of operations

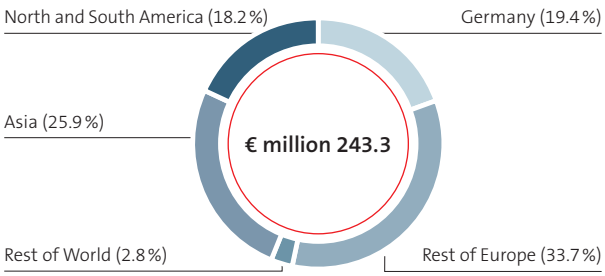
The Biotest Group achieved record revenue of € 243.3 million in the first six months of 2013. This represents an increase of 10.5 % compared to the same period in 2012, in which revenue of € 220.2 million was generated. The Therapy segment accounted for the largest proportion of the revenue increase. Revenue from this segment increased by 10.7 %. The Plasma & Services segment recorded an increase of 9.7 %.

REVENUE BY SEGMENT

€ million	H1 2013	H1 2012	Change in %
Therapy	**185.5**	167.5	10.7
Plasma & Services	**52.0**	47.4	9.7
Other Segments	**5.8**	5.3	9.4
Biotest Group	**243.3**	**220.2**	**10.5**

Biotest was able to continue to drive forward the internationalisation of its business activities in accordance with the corporate strategy. The foreign proportion has now increased to 80.6 %. In particular considerable growth was achieved in the USA, where revenue increased significantly from € 22.4 million in the first six months of 2012 to a current level of € 40.7 million with the market launch of Bivigam® in February 2013. The cooperation between Biotest and Merz Pharma GmbH generated its first sales in Russia in the first two quarters of 2013.

REVENUE BY REGION



6 *UBS Investment Research, Get volume right and you get the stock right, 21 June 2013*

7 *FDA warning letter, 11 June 2013*

The increase in revenue was also accompanied by a corresponding rise in cost of sales. They increased to € 140.7 million compared to € 126.8 million in the first six months of the year 2012. The cost of sales ratio remained virtually constant. Distribution costs increased in connection with the market launch of Bivigam® in the USA to a current level of € 29.9 million (previous year period: € 26.3 million). Administrative costs increased from € 13.1 million to € 14.6 million. Their ratio to revenue of 6,0 % remained at the previous year level (5.9 %). Research and development costs rose from € 26.6 million to € 30.3 million. Therefore, the current high ratio to revenue of 12.5 % is at present above the self-imposed target of 12 %.

Net other operating income and expenses amounted to € –1.9 million for the first six months of the financial year (same period in previous year: € –4.5 million). Negative special items relating to receivables from Greek hospitals resulted in higher expenses in the past year.

Earnings before interest and taxes (EBIT) increased substantially by 13.1 % in the first six months of 2013 compared to the same period in the previous year. The Biotest Group generated an EBIT of € 25.9 million in the period between January and June 2013 compared to € 22.9 million for the comparable period in the previous year. In conjunction with this development the EBIT margin also increased from 10.4 % to 10.6 %. This increase was primarily attributable to the Plasma & Services segment. The EBIT in this segment increased – primarily as a result of the higher proportion of toll manufacturing – by 47.1 % to € 12.5 million (same period in the previous year: € 8.5 million).

The financial result increased substantially in the first half of 2013 and amounted to € –2.5 million compared to € –5.2 million in the same period in the previous year. The write-downs recognised in the first six months of 2012 as part of the final sale of the Greek government bonds resulted in additional charges.

This resulted in earnings before taxes (EBT) of € 23.4 million. EBT is therefore 32.2 % above the comparable amount of € 17.7 million in the previous year. Earnings after taxes (EAT) increased significantly from € 9.9 million to € 15.3 million as a result of only a slight increase in tax expense. Altogether this produced earnings per share of € 1.31. This is equivalent to an increase of 56.0 % compared to an earnings per share of € 0.84 in the previous year.

KEY FINANCIAL PERFORMANCE FIGURES OF THE BIOTEST GROUP

€ million	**H1 2013**	H1 2012	Change in %
EBIT	**25.9**	22.9	13.1
EBT	**23.4**	17.7	32.2
EAT	**15.3**	9.9	54.5
Earnings per share in €	**1.31**	**0.84**	**56.0**

The Biotest Group had 1,834 employees, expressed in as full-time equivalents, at the end of the first six months of 2013. This number was 1,727 as of the 31 December 2012 reporting date. The material increases were necessary at BPC and Biotest AG in order to meet the increased production volume.

PRIMARY COST POOLS OF THE BIOTEST GROUP*

Mio. €	**H1 2013**	**as % of revenues**	H1 2012	as % of revenues
Cost of sales	**–140.7**	**57.8**	–126.8	57.6
Distribution costs	**–29.9**	**12.3**	–26.3	11.9
Administrative costs	**–14.6**	**6.0**	–13.1	5.9
Research and development costs	**–30.3**	**12.5**	–26.6	12.1
Other operating income and expenses	**–1.9**	**0.8**	–4.5	2.0
Financial result	**–2.5**	**1.0**	–5.2	2.4

* Expenses/costs are denoted with a negative sign

b. Financial position

Compared to 31 December 2012, total assets increased substantially from € 682.3 million to € 745.8 million as of 30 June 2013.

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 increased by about 17.1 %. In addition to inventories, which rose substantially to € 210.8 million as a result of the revenue volume increases and production of Bivigam®, also the trade receivables increased correspondingly . However, following record sales in the first half of 2013, these only increased to € 113.5 million (31 December 2012: € 96.1 million). Cash and cash equivalents increased to € 97.3 million as a result of the capital increase (31 December 2012: € 57.2 million).

On the equity and liabilities side, equity increased to € 452.8 million as a result of the capital increase and Group net income for the first six months of the year (31 December 2012: € 369.4 million), This resulted in a significant increase in the equity ratio from 54.1 % to 60.7 %. Whereas non-current liabilities only decreased slightly, current liabilities decreased sharply, particularly current financial liabilities, deferred revenue liabilities and other provisions. Trade payables increased from € 47.4 million to € 50.9 million.

c. Financial status

Cash flow from operating activities amounted to € –13.4 million for the first six months of 2013. There was an inflow of € 1.1 million in the comparable period of 2012. A major reason for the reduction was the further build-up of working capital, particularly in connection with the market launch of Bivigam® in the US.

Cash flow from investing activities amounted to € –3.8 million as of 30 June 2013 compared to € –15.4 million in the same period in the previous year. The subsequent purchase price payment made by Merck KGaA at the beginning of the financial year in connection with the sale of the Microbiological Monitoring division was a positive component of this item.

The Biotest Group generated a positive cash flow of € 57.3 million from financing activities as of 30 June 2013 due to the capital increase. In the same period in the previous year this amounted to € –10.3 million due to the scheduled amortisation of previously drawn credit lines. As a result, cash and cash equivalents also increased from € 57.2 million at the end of 2012 to a current balance of € 97.3 million.

d. Overall evaluation of results of operations, financial position and financial status

The Biotest Group also remains on a constant growth pattern after the first six months of financial year 2013. Revenue (+ 10.5 %) as well as EBIT (+ 13.1 %) increased significantly compared to the same period in the previous year.

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 preparation 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 further improved equity ratio of 60.7 % as a result of the successful capital increase 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 changed from the presentation set out in the 2012 Annual Report (pages 27 and 28). The very successful conclusion of the capital increase has formed the basis for the optimal financing of the future growth.

RISIKS

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 the 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 largest immunoglobulin market in the world, 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. The safety warnings for solutions containing hydroxyethyl starches (HES) issued by the FDA in the middle of June 2013 could generate even higher growth than previously expected in the albumin market.

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 six months of 2013. For this reason, the Board of Management reaffirms its forecast of an increase in revenue of 10 % to 15 % in the current year. Management expects a similar increase in EBIT.

Fiancial status

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. The Group will use a significant portion of the cash and cash equivalents for the "Biotest Next Level" project in order to achieve the capacity increase required for the planned growth. Further funding is required for the expansion of 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 sales of Intratect 100 g/l (10 % solution) as well as the planned doubling of albumin production by the end of the year.

Following the very successful capital increase net debt was reduced to € 5.3 million. Given the currently very favourable market conditions Biotest is planning to issue a promissory note in the second half of the year as part of the expansion of its financing base.

CONSOLIDATED STATEMENT OF INCOME

of the Biotest Group for the period from 1 January to 30 June 2013

€ million	Q2 2013	Q2 2012	H1 2013	H1 2012
Revenue	124.6	112.5	243.3	220.2
Cost of sales	−71.4	−66.5	−140.7	−126.8
Gross profit	**53.2**	**46.0**	**102.6**	**93.4**
Other operating income	3.7	2.7	6.5	5.3
Distribution costs	−15.1	−13.1	−29.9	−26.3
Administration costs	−7.6	−6.3	−14.6	−13.1
Research and development costs	−15.8	−12.1	−30.3	−26.6
Other operating expenses	−4.3	−4.7	−8.4	−9.8
Operating profit (EBIT)	**14.1**	**12.5**	**25.9**	**22.9**
Financial result	−1.7	−2.1	−2.5	−5.2
Earnings before taxes (EBT)	**12.4**	**10.4**	**23.4**	**17.7**
Income tax	−4.1	−4.3	−8.1	−7.8
Earnings after taxes (EAT)	**8.3**	**6.1**	**15.3**	**9.9**
Attributable to:				
Equity holders of the parent	8.3	6.1	15.3	9.9
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share in €	**0.72**	**0.52**	**1.31**	**0.84**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of the Biotest Group for the period from 1 January to 30 June 2013

€ million	H1 2013	H1 2012
Profit for the period	**15.3**	**9.9**
Exchange differences on translation of foreign operations	0.5	2.8
Income tax effect	0.0	0.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods	**0.5**	**2.8**
Capital increase costs	−3.3	0.0
Income tax effect	1.0	0.0
Other comprehensive income not being reclassified to profit or loss in subsequent periods	**−2.3**	**0.0**
Other comprehensive income, net of tax	**−1.8**	**2.8**
Total comprehensive income, net of tax	**13.5**	**12.7**
Attributable to:		
Equity holders of the parent	13.5	12.7
Non-controlling interests	0.0	0.0
	13.5	**12.7**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of the Biotest Group as of 30 June 2013

€ million	30 June 2013	31 December 2012
ASSETS		
Non-current assets		
Intangible assets	53.1	54.6
Property, plant and equipment	244.3	243.0
Investment in associates	2.8	2.8
Other financial investments	0.2	0.2
Other assets	0.8	0.5
Deferred tax assets	14.2	13.8
Total non-current assets	**315.4**	**314.9**
Current assets		
Inventories	210.8	184.2
Trade receivables	113.5	96.1
Current income tax assets	1.7	3.8
Other assets	7.1	7.7
Cash and cash equivalents	97.3	57.2
	430.4	**349.0**
Assets from Discontinued Operation	0.0	18.4
Total current assets	**430.4**	**367.4**
Total assets	**745.8**	**682.3**
EQUITY AND LIABILITIES		
Total equity		
Subscribed capital	33.8	30.0
Share premium	225.6	153.3
Retained earnings	178.0	152.6
Shares of profit or loss attributable to equity holders of the parent	15.3	33.4
Equity attributable to equity holders of the parent	**452.7**	**369.3**
Non-controlling interests	0.1	0.1
Total equity	**452.8**	**369.4**
Liabilities		
Provision for pensions and similar obligations	58.2	57.1
Other provisions	3.9	4.0
Financial liabilities	70.1	71.0
Deferred tax liabilities	7.7	7.6
Liabilities from deferred revenue	4.9	8.3
Total non-current liabilities	**144.8**	**148.0**
Other provisions	15.3	19.0
Current income tax liabilities	8.2	5.1
Financial liabilities	32.5	41.5
Trade payables	50.9	47.4
Other liabilities	30.5	27.2
Liabilities from deferred revenue	10.8	16.7
	148.2	**156.9**
Liabilities from Discontinued Operation	0.0	8.0
Total current liabilities	**148.2**	**164.9**
Total liabilities	**293.0**	**312.9**
Total equity and liabilities	**745.8**	**682.3**

* The cash and cash equivalents include € 52.6 million from the capital increase, which were cash in transit on 30 June 2013 and credited to the Biotest account on 1 July 2013.

CONSOLIDATED CASH FLOW STATEMENT

of the Biotest Group for the period from 1 January to 30 June 2013

€ million	2013	2012
Operating cash flow before changes in working capital	41.5	46.0
Cash flow from changes in working capital	−50.4	−24.2
Interest and taxes paid	−4.5	−20.7
Cash flow from operating activities	**−13.4**	**1.1**
Cash flow from investing activities	−3.8	−15.4
Cash flow from financing activities	57.3	−10.3
Net changes in cash and cash equivalents	**40.1**	**−24.6**
Exchange rate-related changes	0.0	0.3
Cash and cash equivalents on 1 January	57.2	83.2
Cash and cash equivalents on 30 June	**97.3**	**58.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of the Biotest Group for the period from 1 January to 30 June 2013

€ million	Subscribed capital	Capital reserves	Accumulated differences from currency translation	Profit and retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance on 1 January 2012	**30.0**	**153.3**	**8.2**	**155.1**	**346.6**	**0.1**	**346.7**
Gains/losses recognised directly in equity	—	—	2.8	—	2.8	—	2.8
Profit for the period	—	—	—	9.9	9.9	0.0	9.9
Total comprehensive income	**0.0**	**0.0**	**2.8**	**9.9**	**12.7**	**0.0**	**12.7**
Dividend payments	—	—	—	−5.5	−5.5	—	−5.5
Balance on 30 June 2012	**30.0**	**153.3**	**11.0**	**159.5**	**353.8**	**0.1**	**353.9**
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	—	—	0.5	−2.3	−1.8	—	−1.8
Profit for the period	—	—	—	15.3	15.3	0.0	15.3
Total comprehensive income	**0.0**	**0.0**	**0.5**	**13.0**	**13.5**	**0.0**	**13.5**
Capital increase	3.8	72.3	—	—	76.1	—	76.1
Dividend payments	—	—	—	−6.2	−6.2	—	−6.2
Balance on 30 June 2013	**33.8**	**225.6**	**8.4**	**184.9**	**452.7**	**0.1**	**452.8**

SELECTED NOTE DISCLOSURES

Method of preparation

The interim consolidated financial statements as of 30 June 2013 of Biotest AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS), application of which is mandatory in the European Union. Accordingly, these interim consolidated financial statements as of 30 June 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 Interpretations Committee (IFRIC) 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 13 August 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 applies 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.

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 in accounting and measurement principles

As of 1 January 2013 the Group has changed the method of recognising revenue on non-refundable upfront payments received under development alliances 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.

Excluding this change in accounting and measurement principles, operating profit and earnings after tax for the first six months of 2013 would have been lower by € 0.9 million and € 0.7 million, respectively. Earnings per share would have been lower by € 0.06.

Segment information

Segment reporting

by business segment for the period from 1 January to 30 June 2013

	Revenue with third parties			Operating profit (EBIT)		
€ million	**H1 2013**	H1 2012	Change in %	**H1 2013**	H1 2012	Change in %
Therapy	185.5	167.5	10.7	13.7	14.4	−4.9
Plasma & Services	52.0	47.4	9.7	12.5	8.5	47.1
Other Segments	5.8	5.3	9.4	−0.3	0.0	—
Biotest Group	**243.3**	**220.2**	**10.5**	**25.9**	**22.9**	**13.1**

Segment reporting

by region for the period from 1 January to 30 June 2013

	Revenue from third parties by customer's geographical location		
€ million	**H1 2013**	H1 2012	Change in %
Germany	47.3	45.6	3.7
Rest of Europe	82.0	79.3	3.4
USA	40.7	22.4	81.7
Rest of America	3.6	3.3	9.1
Asia	62.9	64.8	–2.9
Rest of World	6.8	4.8	41.7
Biotest Group	**243.3**	**220.2**	**10.5**

RECONCILIATION OF TOTAL SEGMENT RESULTS TO EARNINGS AFTER TAXES OF THE BIOTEST GROUP

€ million	**H1 2013**	H1 2012
Operating profit (EBIT)	**25.9**	**22.9**
Financial result	–2.5	–5.2
Earnings before taxes (EBT)	**23.4**	**17.7**
Income taxes	–8.1	–7.8
Earnings after taxes (EAT)	**15.3**	**9.9**

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.

In the first six months both companies acquired from Biotest goods and services in the amount of € 3.0 million. Biotest's receivables from BioDarou P.J.S. Co. and Plasma Gostar Pars P.J.S amount to € 3.9 million as of 30 June 2013.

As a related party 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

Asset register – net presentation

€ million	Carrying amount as of 31 December 2012	Additions	Depriaction and amortisation	Currency translation differences	Carrying amount as of 30 June 2013
Intangible assets	54.6	1.8	–3.7	0.4	53.1
Property, plant & equipment	243.0	12.4	–11.8	0.7	244.3
Total	**297.6**	**14.2**	**–15.5**	**1.1**	**297.4**

As of 30 June 2013, the Biotest Group had commitments to acquire fixed assets in the amount of € 10.8 million.

Employees

by operating functions

full-time equivalents	**30 June 2013**	31 December 2012	Change in %
Distribution	198	190	4.2
Administration	214	208	2.9
Production	1,264	1,185	6.7
Research and development	158	144	9.7
Biotest Group	**1,834**	**1,727**	**6.2**

Quarter-to-quarter comparison
by business segment

	Revenue with third parties				
€ million	**Q2 2013**	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Therapy	94.2	91.3	85.3	78.1	84.7
Plasma & Services	26.0	26.0	26.0	23.6	26.1
Other Segments	4.4	1.4	3.8	3.0	1.7
Biotest Group	**124.6**	**118.7**	**115.1**	**104.7**	**112.5**

	Operating profit (EBIT)				
€ million	**Q2 2013**	Q1 2013	Q4 2012*	Q3 2012	Q2 2012
Therapy	6.6	7.1	5.9	6.0	7.2
Plasma & Services	7.0	5.5	6.1	3.8	5.5
Other Segments	0.5	−0.8	−0.1	0.1	−0.2
Biotest Group	**14.1**	**11.8**	**11.9**	**9.9**	**12.5**
EBT	**12.4**	**11.0**	**11.0**	**7.8**	**10.4**

* Continuing Operations

Financial instruments as of 30 June 2013

€ million	Carrying amount	Fair value
Assets		
Trade receivables	113.5	113.5
Other assets		
Other receivables	7.9	7.9
Derivatives not designated as a hedging instrument	0.0	0.0
Other financial investments	0.2	0.2
Equity and liabilities		
Trade payables	50.9	50.9
Financial liabilities	102.6	103.3
Other liabilities	30.5	30.5

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.

ASSURANCE BY THE LEGAL REPRESENTATIVES

Declaration according to Section 37y no. 1 of the German Securities Trading Act (WpHG) in conjunction with Sections 297 (2) sentence 3 and 315 (1) sentence 6 of the German Commercial Code (HGB)
To the best of our knowledge, and in accordance with the applicable accounting standards for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dreieich, 13 August 2013
Biotest Aktiengesellschaft

Management Board

Prof. Dr. Gregor Schulz	Dr. Michael Ramroth	Dr. Georg Floß
Chairman of the Management Board	Member of the Management Board	Member of the Management Board

FINANCIAL CALENDAR

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.