Biotest

From Nature for Life

NINE-MONTH REPORT 2013 BIOTEST AG

KEY FIGURES

BIOTEST GROUP		Q1–Q3 2013	Q1–Q3 2012	Change in %
Revenue	€ million	**367.5**	324.9	13.1
thereof:				
Germany	€ million	**70.2**	66.7	5.2
Rest of World	€ million	**297.3**	258.2	15.1
thereof:				
Therapy	€ million	**284.1**	245.6	15.7
Plasma & Services	€ million	**76.1**	71.0	7.2
Other Segments	€ million	**7.3**	8.3	–12.0
EBITDA	€ million	**63.3**	54.6	15.9
Operating profit (EBIT)	€ million	**39.9**	32.8	21.6
EBIT in % of revenue	*%*	***10.9***	*10.1*	
Earnings before taxes	€ million	**36.0**	25.5	41.2
Earnings after taxes	€ million	**24.0**	15.6	53.8
Cash flow from operating activities	€ million	**–19.8**	5.1	–488.2
Depreciation and amortisation	€ million	**23.4**	21.8	7.3
		30 September 2013	31 December 2012	Change in %
Equity	€ million	**456.3**	369.4	23.5
Equity ratio	*%*	***61.1***	*54.1*	
Employees (full-time equivalents)		**1,940**	1.727	12.3

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INTERIM MANAGEMENT REPORT AS OF 30 SEPTEMBER 2013

A. BUSINESS REPORT

I. BUSINESS AND ECONOMY

a. At a glance

The Biotest Group increased sales by 13.1% in the first nine months of 2013 compared to the same period in the previous year. In the reporting period the Group generated revenues of € 367.5 million compared to € 324.9 million in the previous year.

The operating profit (EBIT) increased significantly during the first nine months of 2013. An EBIT of € 39.9 million was recorded compared to € 32.8 million in the comparable period in 2012. The Therapy segment, which benefitted from the positive performance of Bivigam®, made the largest contribution to this. The earnings contribution of this segment increased by 21.6% compared to the same period in the previous year to € 24.8 million.

The Biotest Group generated revenue in the amount of USD 25 million with Bivigam®, an immunoglobulin developed and marketed in the USA and which is used to treat patients with primary humoral immune deficiencies.

In view of the high growth of plasma proteins Biotest decided to expand production capacity as part of the "Biotest Next Level" investment programme. The aim of the project is to double production capacity at the Dreieich location by 2018/19 and to further strengthen the international competitiveness of the Company but also to contribute to achieving the target sales figure in the amount of € 1 billion by the year 2020.

The business performance of the Biotest Group continues to be very positive. This is also confirmed by the figures for the first nine months of 2013. For this reason, the Board increases its EBIT forecast for the 2013 financial year from a so far expected increase of 10% to 15% to a 15% to 20% increase over the previous year. The Board of Management reaffirms its target of increasing sales by 10% to 15% in the financial year 2013.

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 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 the three indication areas haematology, clinical immunology and intensive care medicine. 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

As part of the corporate strategy, research and development form the basis for future growth. In the first nine months of financial year 2013 the proportion of such expenditure to sales was 12.1% (same period in previous year: 11.7%). 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 nine months of the current financial year. The Company announced the start of the Phase IIb clinical trial (**T**cell **RE**gulating **A**rthritis **T**rial 2b (TREAT 2b), no. 986) involving a planned 304 patients for the continuing development of the monoclonal antibody Tregalizumab (BT-061) in collaboration with AbbVie. The clinical trial protocol has already been approved in several countries – including Canada – by the national regulatory authorities. The decision to continue to develop Tregalizumab (BT-061) and to start the largest Phase IIb clinical trial in the Company's history is based on the initial results of an interim analysis of the Phase IIb clinical trial (no. 979) completed in the third quarter of 2013. The final data have been presented at the ACR (American College of Rheumatology), an international rheumatology conference in San Diego at the end of October. In this matter, a separate press release has been published. Furthermore, the analysis of the data of another clinical trial (no. 985), which investigates the additional pharmacodynamic and -kinetic properties of the agent, was completed.

The Phase I/IIa clinical trial of monotherapy for multiple myeloma (no. 975) is in its final stage – the planned number of patients have been recruited and the treatment is still ongoing. In a Phase II clinical trial, in which Indatuximab Ravtansine (BT-062) is combined and administered with Lenalidomid and Dexamethason, the maximum tolerable dosage for this combination treatment was determined. The results to date are very promising. The combination treatment is showing good efficacy with complete or partial remission for more than

75 % of the patients, although they were no longer responding to other therapies – including a Lenalidomid monotherapy. In the third quarter of 2013 a Phase I/IIa clinical study in solid tumours was submitted to the authorities for marketing authorisation. Patients with triple negative breast cancer as well as invasive bladder cancer are to be treated with Indatuximab Ravtansine (BT-062) in this monotherapy study. It is expected that further information on Indatuximab Ravtansine (BT-062) will be presented at the ASH Annual Congress (American Society of Haematology) in December of this year.

Biotest has made further progress in the development of Civacir®. In the third quarter of 2013 the first patient was treated with Civacir® as part of the pivotal Phase III clinical trial. Additional patients are currently being screened. Civacir is to be used for the prophylaxis of a hepatitis C reinfection following liver transplants. In addition, approval for the Phase I/II clinical trial (no. 984) for the clinical testing of drug levels and tolerability concerning the fibrinogen concentrate under development has been obtained in three countries. The first patients are undergoing treatment.

d. Marketing and distribution

The internationalisation of the Biotest Group is progressing further. In the third quarter of 2013 an agreement was signed with a major distributor to supply Mexico, one of the largest South American markets for plasma proteins.

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 nine months of 2013. The preparation is to be launched in a further five countries in the last quarter of 2013.

The market entry of Bivigam® was also a success for the Group with regard to quantity and pricing. This positive performance is reflected in the figures of the Therapy segment. Sales in the Therapy segment increased by 15.7 % in the first nine months of 2013 with the market launch of Bivigam®.

Biotest is supporting Project Recovery, which has been developed over a period of a decade by the Canadian Hemophilia Society (CHS) and which is now being implemented by the World Federation for Hemophilia (WFH) in partnership with Canadian Blood Services, Biotest AG and Grifols. As part of Project Recovery, Biotest will manufacture the factor VIII concentrate Haemoctin® from the cryoprecipitate (early stage of factor VIII within the plasma protein manufacturing process) previously produced by Grifols Inc. from Canadian blood donors. Haemophilia is a lifelong, inherited bleeding disorder that affects about one in 10,000 people worldwide. Close to 75 % of the people suffering worldwide from this disorder receive little or no treatment. The preparation will be provided through the WFH Humanitarian Aid Programme to patients in developing countries, where sufferers so far have little or no access to medicines for the treatment of haemophilia. This project is unique in the world and combines the use of previously unused cryoprecipitates with a humanitarian aim.

e. Market developments

Macroeconomic situation

There are signs of a moderate increase in global economic growth, whilst, at the same time, the economic cycle is characterised by significant regional differences.

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 nine months of 2013. Although the outlook for the US and UK economies as well as the mood in the eurozone has improved overall, the outlook for the emerging economies remains subdued.[1] The business climate is improving slightly in Europe according to the ifo Institute for Economic Research, mainly as a result of the much more positive economic forecasts and the improvement in the current economic situation compared to the previous quarter.[2] GDP in the euro area increased by 0.3 % compared to the second quarter of 2013.[3] The growth forecast for the remainder of 2013 was raised from –0.6 % to –0.4 %, whereas the growth forecast for 2014 was marginally reduced from 1.1 % to 1.0 %.[4] Despite the differing economic dynamism it is expected that growth in the global economy will regain momentum in the third quarter.

The German Institute for Economic Research has been talking about an upwards trend for Germany since February of this year.[5] The Organisation for Economic Cooperation and Development (OECD) has revised upwards its economic forecast for Germany. It expects economic output to grow by 0.6 % in the third and fourth quarter and by 0.7 % in total for 2013. In fact, it has already been determined that GDP in Germany increased by 0.7 % compared to the second quarter of 2013.[6]

1 Institut für Weltwirtschaft (Institute for World Economy), Global economy in Autumn 2013, 11 September 2013

2 Ifo Institute, Eurozone Economic Outlook, 7 October 2013

3 Eurostat, press release dated 4 September 2013

4 Dow Jones, Interview with ECB president Mario Draghi, 5 September 2013

5 Deutsches Institut für Wirtschaftsforschung (German Institute for Economic Research), Interview with Dr. Fedinand Fichtner, 18 September 2013

6 OECD, Interim Economic Assessment, 3 September 2013

According to estimates of the US Federal Reserve Bank the US economy is performing well. According to projections based on these estimates GDP will grow by 2.0% to 2.3% for the whole of 2013 and an increase of 2.9% to 3.1% can be expected for 2014.[7]

Target markets

The market for immunoglobulins is continously growing. The world market for immunoglobulins is assumed to be growing currently at an annual rate of 7% to 8%.[8] The worldwide market volume of immunoglobulins was estimated at about 120 tonnes in 2012.[9]

The total domestic market for intravenous immunoglobulins (IVIG) declined slightly in the 2013 reporting period; this was mainly attributable to a decrease in usage by hospitals. However, sales of Intratect® rose, thereby increasing its overall market share. The average price for IVIG in German hospitals declined further at the beginning of 2013 but remained stable during the later course of 2013.

It can also be assumed that the market for albumin will grow further on a slight increase in prices. The decrease in sales of hydroxyethyl starches (HES, a replacement preparation for human albumin, consisting of vegetable starch) continued to accelerate during the first two quarters of 2013 (–7.5% in Q1 and –12.5% in Q2).

f. 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 systematically continuing its own research and development pipeline, the Company is focusing on further internationalisation of its business through its authorisation and marketing activities and on diversifying the product portfolio. After successfully establishing the Company in European markets the focus is now being placed on the USA, Asia and South America.

The Biotest Group has decided to expand the production capacity at its company headquarters at Dreieich in order to also participate in the future in the global market growth. The production capacity will be doubled by 2018/19 in 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 the year 2020.

7 Board of Governors of the Federal Reserve System, Minutes of the Federal Open Market Committee, 18 September 2013

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

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

The signing in January 2013 of a long-term strategic agreement between Biotest Pharmaceuticals Corporation (BPC), Boca Raton, Florida, USA, and ADMA Biologics Inc. (ADMA), Norcross, Georgia, USA, is a further example of successful business cooperation. Under this agreement ADMA has undertaken to acquire its worldwide production volume of the respiratory syncytial virus (RSV) immunoglobulin, obtained 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

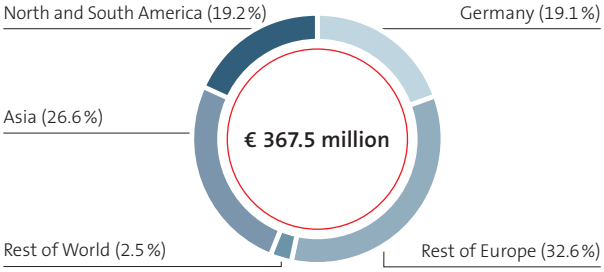
The Biotest Group generated revenue of € 367.5 million in the first nine months of 2013. This represents an increase of 13.1% compared to revenue of € 324.9 million recorded in the same period in the previous year. The increase is therefore exactly within the target range of 10% to 15% expected by the Group. The Therapy segment made the largest contribution to the revenue increase due to the good performance of Bivigam®. Revenue from this area increased by 15.7%. The Plasma & Services segment recorded an increase of 7.2%.

REVENUE BY SEGMENT

€ million	**Q1–Q3 2013**	Q1–Q3 2012	Change in %
Therapy	**284.1**	245.6	15.7
Plasma & Services	**76.1**	71.0	7.2
Other Segments	**7.3**	8.3	–12.0
Biotest Group	**367.5**	**324.9**	**13.1**

Biotest was able to continue to drive forward the internationalisation of its business activities in accordance with the corporate strategy. International revenue has now increased to 80.9%. Considerable growth was achieved, particularly in the USA, where revenue increased significantly from € 37.3 million in the first nine months of 2012 to a current level of € 64.9 million with the market launch of Bivigam® in February 2013.

REVENUE BY REGION



The increase in revenue was also accompanied by a rise in cost of sales. These increased to € 213.4 million compared to € 189.9 million in the first nine months of 2012. The cost of sales ratio declined slightly and is now 58.1% (previous year period: 58.4%). Distribution costs increased in connection with the market launch of Bivigam® in the USA to a current level of € 43.9 million (previous year period: € 40.1 million). Administrative expenses increased from € 19.6 million to € 22.2 million. Their ratio to revenue of 6.0% remained exactly at the previous year level. Research and development costs increased from € 38.1 million to € 44.4 million, representing 12.1% of revenue.

Other operating income and expenses amounted to € –3.7 million after the first nine months of financial year 2013 (previous year period: € –4.4 million).

Operating profit (EBIT) increased substantially by 21.6% in the first nine months of 2013 compared to the same period in the previous year. The Biotest Group recorded EBIT of € 39.9 million in the period between January and September 2013 compared to € 32.8 million in the comparable period in 2012, which was accompanied by an increase in the EBIT margin from 10.1% to 10.9%. This increase was attributable to the segments Therapy and Plasma & Services. EBIT of the Therapy segment increased significantly by 21.6% from € 20.4 million to € 24.8 million. An increase of 35.0% was recorded in the Plasma & Services segment. EBIT for this segment amounted to € 16.6 million compared to € 12.3 million in the same period in the previous year.

The financial result improved considerably in the first nine months of 2013 and amounted to € –3.9 million compared to € –7.3 million in the same period in the previous year. The write-downs recognised as part of the final sales of the Greek government bonds resulted in additional charges in 2012.

This resulted in earnings before taxes (EBT) of € 36.0 million for the Biotest Group. EBT is therefore 41.2% above the comparable amount of € 25.5 million for the same period in the previous year. Earnings after taxes (EAT) increased significantly by 53.8% from € 15.6 million to € 24.0 million. Altogether this resulted in earnings per share of € 1.96. This is equivalent to an increase of 47.4% compared to earnings per share of € 1.33 for the previous year.

1,940 persons, expressed as full-time equivalents, were employed by the Biotest Group at the end of the first nine months of 2013. This number was 1,727 as of the 31 December 2012 reporting date. The number of employees was increased mainly at BPC and Biotest AG in order to meet increased production volumes.

b. Financial position

Compared to 31 December 2012, total assets increased from € 682.3 million to € 746.5 million as of 30 September 2013, due to the very successful capital increase.

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

PRIMARY COST POOLS OF THE BIOTEST GROUP*

€ million	**Q1–Q3 2013**	**as % of revenues**	Q1–Q3 2012	as % of revenues
Cost of sales	**–213.4**	**58.1**	–189.9	58.4
Distribution costs	**–43.9**	**11.9**	–40.1	12.3
Administrative expenses	**–22.2**	**6.0**	–19.6	6.0
Research and development cost	**–44.4**	**12.1**	–38.1	11.7
Other operating income and expenses	**–3.7**	**1.0**	–4.4	1.4
Financial result	**–3.9**	**1.1**	–7.3	2.2

* Expenses/costs are denoted with a negative sign

assets increased by 15.9 %. Inventories increased significantly to € 223.0 million (31 December 2012: € 184.2 million) caused by increased revenue volumes planed in the future as well as the production of Bivigam®. Due to the sharp increase in revenue trade receivables increased similarly. These increased to € 122.5 million (31 December 2012: € 96.1 million) following record sales in the first nine months of 2013. Cash and cash equivalents increased following the capital increase amounting to € 70.7 million as of 30 September 2013 (31 December 2012: € 57.2 million).

On the equity and liabilities side, equity increased to € 456.3 million as a result of the capital increase and through Group net income for the first nine months of the year (31 December 2012: € 369.4 million). This resulted in a significant increase in the equity ratio from 54.1 % to 61.1 %. Whereas non-current liabilities only decreased slightly, current liabilities decreased sharply, particularly current financial liabilities and deferred revenue liabilities.

c. Financial status

Cash flow from operating activities amounted to € −19.8 million for the first nine months of 2013. There was an inflow of € 5.1 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 increase in production volumes for future sales expansion.

Cash flow from investing activities amounted to € −18.1 million in the period between January and September 2013 compared to € −22.4 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 the amount of € 10.3 million in connection with the sale of the Microbiological Monitoring division was a positive component of this item.

The free cash flow therefore amounted to € −37.9 million.

The Biotest Group was able to generate a positive cash flow of € 51.5 million from investing activities in the first nine months of the year due to the capital increase. This amounted to € −10.4 million in the same period in the previous year due to the scheduled amortisation of previously drawn down credit lines. As a result, the cash inflows from financing activities overcompensated the cash outflows from the free cash flow, with the effect that cash and cash equivalents also increased from € 57.2 million at the end of 2012 to the current amount of € 70.7 million.

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

The Biotest Group remains on a continuing growth path. After the first nine months of financial year 2013. Revenue (+ 13.1 %) as well as EBIT (+ 21.6 %) 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. Additional profit potential is provided by the market launch of Bivigam® in the USA as well as the further development in the area of monoclonal antibodies over the medium and long-term. The financial position together with a further improved equity ratio of 61.1 % 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.

Net debt was reduced to € 27.4 million following the very successful capital increase.

B. REPORT ON EVENTS AFTER THE REPORTING DATE

After the end of the reporting period, Biotest AG has successfully placed a privately placed promissory note (Schuldschein) of € 210 million equivalent in the capital market. Biotest offered five and seven year tranches in Euro both on fixed and floating rate basis as well as ten year tranches with a fixed interest rate. Furthermore, investors could subscribe five-year US dollar floating rate tranches. Giving the strong demand from investors, the transaction was significantly oversubscribed, so Biotest has increased the launch amount of € 100 million to some € 210 million equivalent.

The funds raised from the privately placed promissory note (Schuldschein) will be used for the expansion of the Dreieich site as well as for general corporate financing.

C. RISK REPORT AND OUTLOOK

OPPORTUNITIES

The opportunities for the Biotest Group have substantially improved compared to those described in the 2012 Annual Report (pages 27 and 28) to the extent that the foundation is laid for the optimal financing of future growth through the very successfully completed capital increase and the placement of the privately placed promissory note (Schuldschein).

RISKS

The Biotest Group's risk situation has not changed since the 2012 Annual Report (see pages 20 and 26) with the exception of the following issues:

Italy for the first time in 2013 defined ceilings for the consumption of pharmaceutical drugs that can be below the previous year's amount. Companies are thereby required to reimburse the health authority up to 100 % of the amount sold above the specified ceiling. This could result in Biotest limiting sales up to this ceiling in Italy.

Biotest Italia Srl currently initiated a court clarification regarding the existent claims of public health authorities towards Biotest about a refund on revenues made with Zutectra®.

In the context of the prosecutor's investigation of May 2012 regarding the Russia business of Biotest AG, the Frankfurt prosecutor's office on 31 October 2013 again led a search of Biotest AG's premises. This includes the tax investigation (Steuerfahnung) Offenbach. Biotest AG firmly rejects the accusations and assists the prosecutors and tax investigators actively in the investigation. Risks resulting from this procedure could be costs of defense and additional tax payments.

EXPECTED ECONOMIC ENVIRONMENT

Overall economy
The persistent sovereign debt crisis in some EU countries along with the generally subdued economic activity in the world markets will shape global economic performance over the coming months. Because necessary austerity measures implemented by individual countries could affect their respective health care systems – as the reduction in the use of hyperimmunoglobulins in Southern European EU member states shows – this may result in a negative impact on the Biotest Group's business. 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 regarding this trend.

Target markets
According to current studies, the global demand for immunoglobulins will increase by around 7 % to 8 % annually in both financial year 2013 and the next few 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 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. The marketing authorisation for Albiomin® is expected to be received in the middle of next year. The safety warnings for solutions containing hydroxyethyl starches (HES) issued by the FDA in June 2013 could generate even higher growth than previously expected in the albumin market. This development is confirmed by the recent decease in the usage of HES solutions.

EXPECTED PERFORMANCE OF THE BIOTEST GROUP

Revenue and earnings
The business performance of the Biotest Group continues to be very positive. This is confirmed by the figures for the first nine months of 2013. For this reason, the Board increases its EBIT forecast for the 2013 financial year from a so far expected increase of 10 % to 15 % to a 15 % to 20 % increase over the previous year. The Board of Management reaffirms its target of increasing sales by 10 % to 15 % in the financial year 2013.

Fiancial status
Biotest issued in the currently very favourable market conditions a privately placed promissory note (Schuldschein) in the fourth quarter of 2013 as part of the restructuring of its financing base. Biotest is thereby ensuring that a balanced financing structure, both in terms of the ratio of debt to equity as well as the ratio of short-term to long-term debt financing, will be maintained over the long-term. Biotest will use the additional funds to repay the long-term tranches A and B of the syndicated loan agreement until November 2013. The Group will use a substantial portion of the cash and cash equivalents for the "Biotest Next Level" project in order to cover the planned expansion of capacity. Furthermore, the necessary increase in current assets has to be financed. 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.

CONSOLIDATED STATEMENT OF INCOME

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

€ million	Q3 2013	Q3 2012	Q1 – Q3 2013	Q1 – Q3 2012
Revenue	124.2	104.7	367.5	324.9
Cost of sales	–72.7	–63.1	–213.4	–189.9
Gross profit	**51.5**	**41.6**	**154.1**	**135.0**
Other operating income	2.2	1.9	8.7	7.2
Distribution costs	–14.0	–13.8	–43.9	–40.1
Administrative expenses	–7.6	–6.5	–22.2	–19.6
Research and development cost	–14.1	–11.5	–44.4	–38.1
Other operating expenses	–4.0	–1.8	–12.4	–11.6
Operating profit	**14.0**	**9.9**	**39.9**	**32.8**
Financial result	–1.4	–2.1	–3.9	–7.3
Earnings before taxes	**12.6**	**7.8**	**36.0**	**25.5**
Income tax	–3.9	–2.1	–12.0	–9.9
Earnings after taxes	**8.7**	**5.7**	**24.0**	**15.6**
Attributable to:				
Equity holders of the parent	8.7	5.7	24.0	15.6
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share in €	**0.65**	**0.49**	**1.96**	**1.33**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

€ million	Q1 – Q3 2013	Q1 – Q3 2012
Consolidated profit for the period	**24.0**	**15.6**
Other gains/losses recognised directly in equity	–2.5	0.0
Income tax effect	0.0	0.0
Exchange difference on translation of foreign operations	–2.1	0.6
Income tax effect	0.0	0.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods	**–4.6**	**0.6**
Capital increase costs	–3.4	0.0
Income tax effect	1.0	0.0
Other comprehensive income not being reclassified to profit or loss in subsequent periods	**–2.4**	**0.0**
Other comprehensive income, net of tax	**–7.0**	**0.6**
Total comprehensive income, net of tax	**17.0**	**16.2**
Attributable to:		
Equity holders of the parent	17.0	16.2
Non-controlling interests	0.0	0.0
	17.0	**16.2**
from Continuing Operations	17.0	16.2
from Discontinued Operation	0.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of the Biotest Group as of 30 September 2013

€ million	30 September 2013	31 December 2012
ASSETS		
Non-current assets		
Intangible assets	50.1	54.6
Property, plant and equipment	249.4	243.0
Investments in associates	2.8	2.8
Other financial investments	0.2	0.2
Other assets	0.8	0.5
Deferred tax assets	17.3	13.8
Total non-current assets	**320.6**	**314.9**
Current assets		
Inventories	223.0	184.2
Trade receivables	122.5	96.1
Current income tax assets	1.4	3.8
Other assets	8.3	7.7
Cash and cash equivalents	70.7	57.2
	425.9	**349.0**
Assets from Discontinued Operation	0.0	18.4
Total current assets	**425.9**	**367.4**
Total assets	**746.5**	**682.3**
EQUITY AND LIABILITIES		
Total equity		
Subscribed capital	33.8	30.0
Share premium	225.6	153.3
Retained earnings	172.8	152.6
Shares of profit or loss attributable to equity holders of the parent	24.0	33.4
Equity attributable to equity holders of the parent	**456.2**	**369.3**
Non-controlling interests	0.1	0.1
Total equity	**456.3**	**369.4**
Liabilities		
Provision for pensions and similar obligations	58.6	57.1
Other provisions	4.3	4.0
Financial liabilities	68.2	71.0
Other liabilities	0.3	0.0
Deferred tax liabilities	7.7	7.6
Liabilities from deferred revenue	3.6	8.3
Total non-current liabilities	**142.7**	**148.0**
Other provisions	19.5	19.0
Current income tax liabilities	12.4	5.1
Financial liabilities	29.9	41.5
Trade payables	46.9	47.4
Other liabilities	30.8	27.2
Liabilities from deferred revenue	8.0	16.7
	147.5	**156.9**
Liabilities from Discontinued Operation	0.0	8.0
Total current liabilities	**147.5**	**164.9**
Total liabilities	**290.2**	**312.9**
Total equity and liabilities	**746.5**	**682.3**

CONSOLIDATED CASH FLOW STATEMENT

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

€ million	2013	2012
Operating cash flow before changes in working capital	63.2	61.6
Cash flow from changes in working capital	−75.8	−29.2
Interest and taxes paid	−7.2	−27.3
Cash flow from operating activities	**−19.8**	**5.1**
Cash flow from investing activities	−18.1	−22.4
Cash flow from financing activities	51.5	−10.4
Cash changes in cash and cash equivalents	**13.6**	**−27.7**
Exchange rate-related changes in cash and cash equivalents	−0.1	0.0
Cash and cash equivalents on 1 January	57.2	83.2
Cash and cash equivalents on 30 September	**70.7**	**55.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

€ million	Subscribed capital	Share premium	Accumulated differences from currency translation	Consolidated 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	—	—	0.6	—	0.6	—	0.6
Consolidated profit for the period	—	—	—	15.6	15.6	0.0	15.6
Total comprehensive income	**0.0**	**0.0**	**0.6**	**15.6**	**16.2**	**0.0**	**16.2**
Dividend payments	—	—	—	−5.5	−5.5	—	−5.5
Balance on 30 September 2012	**30.0**	**153.3**	**8.8**	**165.2**	**357.3**	**0.1**	**357.4**
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	—	—	−2.1	−4.9	−7.0	—	−7.0
Consolidated profit for the period	—	—	—	24.0	24.0	0.0	24.0
Total comprehensive income	**0.0**	**0.0**	**−2.1**	**19.1**	**17.0**	**0.0**	**17.0**
Capital increase	3.8	72.3	—	—	76.1	—	76.1
Dividend payments	—	—	—	−6.2	−6.2	—	−6.2
Balance on 30 September 2013	**33.8**	**225.6**	**5.8**	**191.0**	**456.2**	**0.1**	**456.3**

SELECTED NOTE DISCLOSURES

Method of preparation

The interim consolidated financial statements as of 30 September 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 September 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 Board of Management on 12 November 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 are to be disclosed 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 or 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 taxes for the first nine months of 2013 would have been lower by € 0.9 million and € 0.7 million, respectively. Earnings per share would have been lower by € 0.05.

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

€ million	Q1 – Q3 2013	Q1 – Q3 2012
Operating profit (EBIT)	**39.9**	**32.8**
Financial result	–3.9	–7.3
Earnings before taxes (EBT)	**36.0**	**25.5**
Income taxes	–12.0	–9.9
Earnings after taxes (EAT)	**24.0**	**15.6**

Segment information

Segment reporting

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

	Revenue			EBIT		
€ million	**Q1 – Q3 2013**	Q1 – Q3 2012	Change in %	**Q1 – Q3 2013**	Q1 – Q3 2012	Change in %
Therapy	284.1	245.6	15.7	24.8	20.4	21.6
Plasma & Services	76.1	71.0	7.2	16.6	12.3	35.0
Other Segments	7.3	8.3	–12.0	–1.5	0.1	–1.600.0
Biotest Group	**367.5**	**324.9**	**13.1**	**39.9**	**32.8**	**21.6**

Segment reporting

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

	Revenue from third parties by customer's geographical location		
€ million	**Q1 – Q3 2013**	Q1 – Q3 2012	Change in %
Germany	70.2	66.7	5.2
Rest of Europe	119.7	114.9	4.2
USA	64.9	37.3	74.0
Rest of America	5.7	4.5	26.7
Asia	97.6	93.9	3.9
Rest of World	9.4	7.6	23.7
Biotest Group	**367.5**	**324.9**	**13.1**

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 nine months of 2013 both companies acquired from Biotest goods and services in the amount of € 5.3 million. Receivables due to Biotest from BioDarou P.J.S. Co. and Plasma Gostar Pars P.J.S amount to € 4.9 million as of 30 September 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	Net disposals	Depreciation and amortisation	Currency translation differences	Carrying amount as of 30 September 2013
Intangible assets	54.6	2.1	0.0	–5.5	–1.1	50.1
Property, plant & equipment	243.0	26.3	–0.1	–17.9	–1.9	249.4
Total	**297.6**	**28.4**	**–0.1**	**–23.4**	**–3.0**	**299.5**

As of 30 September 2013, the Biotest Group had commitments to acquire fixed assets in the amount of € 9.3 million.

Employees

by operating functions

full-time equivalents	**30 September 2013**	31 December 2012	Change in %
Distribution	201	190	5.8
Administration	224	208	7.7
Production	1,346	1,185	13.6
Research and development	169	144	17.4
Biotest Group	**1,940**	**1,727**	**12.3**

Quarter-to-quarter comparison
by business segment

	Revenue				
€ million	**Q3/2013**	Q2/2013	Q1/2013	Q4/2012	Q3/2012
Therapy	98.6	94.2	91.3	85.3	78.1
Plasma & Services	24.1	26.0	26.0	26.0	23.6
Other Segments	1.5	4.4	1.4	3.8	3.0
Biotest Group	**124.2**	**124.6**	**118.7**	**115.1**	**104.7**

	EBIT				
€ million	**Q3/2013**	Q2/2013	Q1/2013	Q4/2012*	Q3/2012
Therapy	11.1	6.6	7.1	5.9	6.0
Plasma & Services	4.1	7.0	5.5	6.1	3.8
Other Segments	−1.2	0.5	−0.8	−0.1	0.1
Biotest Group	**14.0**	**14.1**	**11.8**	**11.9**	**9.9**
EBT	**12.6**	**12.4**	**11.0**	**11.0**	**7.8**

* Continuing Operations

Financial instruments as of 30 September 2013

€ million	Carrying amount	Fair value
Assets		
Trade receivables	122.5	122.5
Other assets		
Other receivables	9.1	9.1
Derivatives not designated as a hedging instrument	0.0	0.0
Other financial investments	0.2	0.2
Equity and liabilities		
Trade payables	46.9	46.9
Financial liabilities	98.1	98.8
Other liabilities	31.1	31.1

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
After the end of the reporting period, Biotest AG has successfully placed a privately placed promissory note (Schuldschein) of € 210 million equivalent in the capital market. Biotest offered five and seven year tranches in Euro both on fixed and floating rate basis as well as ten year tranches with a fixed interest rate. Furthermore, investors could subscribe five-year US dollar floating rate tranches. Giving the strong demand from investors, the transaction was significantly oversubscribed, so Biotest has increased the launch amount of € 100 million to some € 210 million equivalent.

The funds raised from the privately placed promissory note (Schuldschein) will be used for the expansion of the Dreieich site as well as for general corporate financing.

Dreieich, 12 November 2013
Biotest Aktiengesellschaft

The Board of Management

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

Dr. Michael Ramroth
Member of the Board of Management

Dr. Georg Floß
Member of the Board of Management

FINANCIAL CALENDAR

25 MARCH 2014
Financial statements press conference

7 May 2014
Report for the first quarter of 2014

7 May 2014
Annual Shareholders' Meeting

12 August 2014
Report for the second quarter of 2014

12 November 2014
Report for the third quarter of 2014

12 November 2014
Analyst conference

IMPRINT

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TEXT AND EDITING
cometis AG, Wiesbaden

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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.