Biotest

From Nature for Life

HALF-YEAR REPORT 2012 BIOTEST AG

Q2 2012

KEY FIGURES

BIOTEST GROUP		**H1 2012**	H1 2011*	Change in %
Revenue	€ million	**220.2**	212.9	3.4
of which:				
Germany	€ million	**45.6**	49.9	–8.6
Rest of World	€ million	**174.6**	163.0	7.1
of which:				
Therapy	€ million	**167.5**	163.9	2.2
Plasma & Services	€ million	**47.4**	43.1	10.0
Other segments	€ million	**5.3**	5.9	–10.2
EBITDA	€ million	**37.5**	34.0	10.3
EBIT	€ million	**22.9**	20.0	14.5
EBIT in % of sales	%	**10.4**	9.4	
Earnings before tax	€ million	**17.7**	14.9	18.8
Earnings after tax	€ million	**9.9**	10.9	-9.2
Cashflow**	€ million	**1.1**	2.3	–52.2
Depreciation and amortisation	€ million	**14.6**	14.0	4.3
		30 June 2012	31 Dec. 2011	Change in %
Equity	€ million	**353.9**	346.7	2.1
Equity ratio	%	**51.4**	50.8	
Employees (full-time equivalents)		**1,703.9**	1,661.5	2.6

* Continuing Operations
** from operating activities

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INTERIM MANAGEMENT REPORT AS OF 30 JUNE 2012

A. BUSINESS REPORT

I. MARKET ENVIRONMENT

a. At a glance

The Biotest Group was once again able to increase revenues in the first half of 2012 compared with sales from continuing operations in the same period of 2011. Revenues in the first six months of the year amounted to € 220.2 million, a rise of around 3.4 % on the previous year's figure of € 212.9 million.

Earnings before interest and taxes (EBIT) also advanced strongly in the first six months. Biotest Group reported half year EBIT of € 22.9 million (previous year's period: € 20.0 million). This represents a growth of approximately 14.5 %. The core business in the Therapy area made a decisive contribution to the positive earnings growth with an increase of almost 36 %.

The higher revenue was mainly attributable to increased volumes, with international markets acting as the principal growth drivers. In addition, further technical optimisation in the production process led to even better results in production.

After the end of the reporting period, on August 6, 2012, Biotest received new information concerning the approval of the immunoglobulin Bivigam™ by the United States Food and Drug Administration (FDA). In an official statement no questions were raised on the clinical efficacy and safety of the newly developed investigational polyspecific immunoglobulin preparation by Biotest Pharmaceuticals Corporation, Boca Raton, Florida, USA. Moreover the quality of the already produced batches was accepted by the FDA. However, the letter did not grant the preparation's approval in the USA because FDA requests a new and additional validated test system for detection of thrombogenic activity. Such a test system has not been historically incorporated in the routine batch release process of immunoglobulins, but is now required by the FDA for the approval of our newly developed preparation. An elevated content of thrombogenic factors led to the temporary withdrawal of a competitor's product in Europe and the USA. As consequence, new test methods have been developed over the past months, which still show a large variability. In three renowned international laboratories and within the own quality assurance lab, Biotest could document that Bivigam™ did not show any abnormalities regarding this parameter. That means that no higher thrombogenic activity could be detected. In cooperation with a renowned laboratory which is working closely together with FDA, Biotest is currently working on the validation of such a test. The development will presumably need several months. Biotest then expects the FDA marketing approval for Bivigam™ in the USA. Despite the delay, Biotest confirms its given guidance for sales and profit in 2012.

b. Overview of Biotest Group segments

Biotest Group, headquartered in Dreieich, Germany, is an international provider of biological medications. While the current preparations in the product portfolio are derived from human blood plasma, there are also active substances in the development pipeline which are produced with the assistance of biotechnology processes. The main fields of indication for their utilization are haematology, clinical immunology and intensive care medicine. The Biotest Group conducts research & development particularly into plasma proteins and monoclonal antibodies. Monoclonal antibodies are found in clinical development in the indications for rheumatoid arthritis, psoriasis and multiple myeloma, bone marrow cancer, and autoimmune disease lupus erythematosus. Biotest covers all key elements of the value chain, spanning preclinical and clinical development, which it also conducts with well-known partners, through to global marketing. These products will be also marketed and sold in association with leading pharmaceutical companies in these fields of indication.

Since the start of the current 2012 financial year, the Group has been re-organised into the operating segments of Therapy, Plasma & Services and Other Segments. The main reason for the re-organisation of the Biotest Group was to make use of the synergies by merging parts of the business that were functionally connected. The current reporting and all previous year figures have been adjusted accordingly.

The new Therapy segment includes the plasma protein business and biotherapeutics. The areas of Plasma Sales and Toll Manufacturing are now combined into the Plasma & Services segment. The Other Segments report the merchandise business and the costs, which are not split among the Therapy or Plasma & Services segments.

In the previous year, Discontinued Operation reported figures from the Microbiological Monitoring segment, which has been sold, as well as the remaining activities of the Medical Diagnostic segment. As the sales have been completed, there are no longer Discontinued Operations in the current fiscal year.

c. Research & Development

Research & development are an essential part of the Biotest Group's corporate strategy. The Group employs a total of 140 full-time equivalent staff in this area. A general overview of products and development projects can be found on page 5 of the 2011 annual report, in the "Product portfolio and markets" chapter of the Group management report.

Major progress was achieved for various development projects in the first half of 2012. These included the submission of the documentation for an additional, new, higher concentrated version of the immunoglobulin Intratect® to the Paul-Ehrlich-Institut. The target is to register Intratect® 10% in Germany and 18 other EU countries. This is expected to take place in the fourth quarter of 2012 in Germany and in 2013 in the EU. The preparation is to be mainly marketed as an outpatient treatment with higher infusion volumes per therapy session. We received approval of Intratect® 5% for three more EU countries in the first half of 2012. Intratect 5% is still the product of choice for inpatient treatment.

The phase-I-clinical trials of the newly developed Fibrinogen has been authorised by foreign regulatory authorities and studies will commence in the third quarter.

In the current phase II study for the application of concentrated immunoglobulin M (CIGMA, concentrated IgM for application), additional patients with severe acquired pneumonia have been treated. An interim evaluation is planned for the end of the current year. This product is a further improvement of Pentaglobin® which has been successfully used for many years, particularly in intensive care medicine.

The further development of the monoclonal antibody Tregalizumab (BT-061), which is being conducted in cooperation with Abbott, is being continued as planned. In addition to the current phase-IIb-combination study with methotrexate in the indication of rheumatoid arthritis (study 979), an additional study (study 985) to further investigate the pharmaco-dynamics has started. A further bigger prospective randomised phase IIb study lasting six months involving 350 patients is at the planning stage.

Also, BT-062, an immunoconjugate for use in haematology therapy, made progress during the period under review. Biotest proved in preclinical trials that BT-062 is also effective against aggressive, solid tumours such as breast, pancreas, bladder and prostate cancer. The project application 'Individualised ImmuneIntervention' was submitted to leading-edge CI 3 Rhine-Main for further investigation of this additional mode of action, which the scientific advisory council has categorised as being eligible for support. As a result Biotest already received the approval letter for public grants and the initial subsidies will probably be made available shortly.

In an early clinical phase I study of BT-062 for its main indication of multiple myeloma (study 969), the treatment of the last patient was finished. Over almost 22 months this patient had a stable period of illness without worsening of his health status. More than 50% of the other patients also had a clinical improvement although they had ceased to respond to other treatments. In the dosage escalation study 975 (monotherapy with BT-062 with multiple dosage for patients with recurring or myeloma unresponsive to known forms of therapy), the seventh increase in dosage was reached without any serious side effects.

d. Market trends

Macroeconomic position

In the first half of 2012 the economy was characterised by the debt crisis in several euro countries, which also led to greater uncertainty on the capital markets. As a result, the future outlook, particularly for the European economic area, is considerably worse than for the previous year. With regard to the current year, the German Institute for Economic Research (DIW) in a current estimate for Germany is predicting slight growth of around 1%.[1] According the European Union's statistical department Eurostat, the crisis in the eurozone could definitely lead to the beginning of a recession. It predicts a 0.3% decline in economic activity in eurozone countries.[2] The US economy is also moving closer to a standstill due to the Euro crisis and its own high level of sovereign debt. In a current study, the US Federal Reserve has sharply downgraded its growth predictions for 2012 from 2.9% to 2.4%.[3]

After a rise in the first quarter of 2012, the EUR lost considerable value between April and June and amounted to EUR 1.26 to the USD at the end of the reporting period. The rate at the end of March was EUR 1.34 to the USD. Here again the loss of confidence in the midst of the Euro crisis was evident. In Europe, the pressure on the prices of medication is growing within the context of the national health authorities.

1 German Institute for Economic Research (DIW Berlin), press release "German economy impacted by eurozone crisis", 4 July 2012.

2 Statistical Department of the European Union (Eurostat), Growth rate of the real GDP volume, updated 4 July 2012.

3 DIE WELT, Fed predicts gloomy outlook for US economy, 20 June 2012.

Target markets

Biotest is further internationalising its registration and marketing strategy. After successful establishment on European markets, the focus is now on the USA, South America and Asia. In particular, Biotest is ambitious – in addition to the market launch of Bivigam™ in the USA – to re-register Albiomin in China and then to market large volumes in the country in conjunction with a Chinese partner. Intratect® is now exported to 36 countries.

The market for clinical immunology therapy products developed positively during the first half of 2012. The volume of immunoglobulin sold in Germany increased compared with the same period of the previous year. Also annual worldwide growth of around 6–8 % is predicted over the next few years. Price pressure continues to prevail, by contrast, particularly for standard immunoglobulins. The main reasons are the attempt by a European competitor to regain its lost market share as it had to suspend a registration in Europe and had withdrawn from the USA at an earlier stage.

e. Biotest AG strategy

Biotest's strategy continues to focus clearly on the marketing and further development of products in the three indication areas of haematology, clinical immunology and intensive care medicine. Biotest is also planning to introduce Bivigam™ in the USA in order to obtain a presence, like all other major competitors, on the biggest and most attractive market for immunoglobulin.

In addition to the further development of our own research & development, opportunities will be examined intensively in order to expand business over the next few years by means of acquisitions and licensing.

II. PRESENTATION OF THE RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

a. Income statement

In the first half of 2012, the Biotest Group generated revenues of € 220.2 million compared with € 212.9 million from continuing operations in the prior-year period. This represents a growth of approximately 3.4 %. This amount also contains € 8.3 million of scheduled and proportionally booked payments from Abbott in connection with the Tregalizumab (BT-061) agreement (previous year € 9.1 million). The main reason for the higher revenues was the income from the Plasma & Services segment, which increased by 10 %. While revenues from Therapy activities also rose, sales were slightly lower in Other Segments at € 5.3 million (previous year, € 5.9 million).

SALES BY SEGMENT

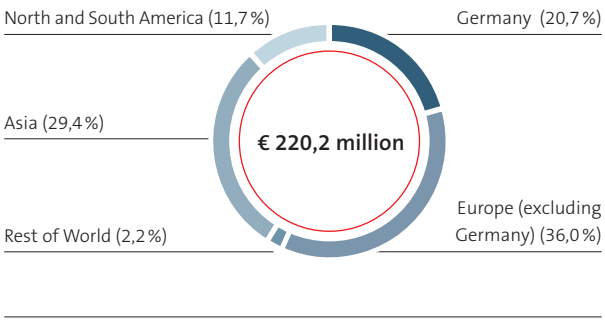
€ million	H1 2012	H1 2011*	Change in %
Therapy	**167.5**	163.9	2.2
Plasma & Services	**47.4**	43.1	10.0
Other Segments	**5.3**	5.9	–10.2
Biotest Group	**220.2**	**212.9**	**3.4**

* Continuing Operations

A total of 79.3 % of this revenue was achieved in countries outside Germany (previous-year period: 76.6 %). While revenues generated with customers from Germany, European countries and in particular the USA fell significantly in the previous year's period, particularly due to extraordinary items, significant growth was achieved in Asia, South America and the rest of the world. The Group reported € 64.8 million of revenue in Asia, compared with just € 38.2 million in the previous year's period. This represents growth of approximately 70 %. The biggest contributor was the revenue from the Plasma & Services segment, which rose sharply from € 13.8 million to € 27.4 million.

Spendings on production processes accounted for most of the costs, which fell from € 131.6 million in the first half of 2011 to € 126.8 million. The rise was also visible in comparison to revenues, such that the cost of production ratio fell from 61.8 % to 57.6 %. This reduction is primarily due to improved capacity utilisation and a generally higher production yield.

REVENUES BY REGION



The marketing and selling costs rose slightly from € 25.1 million to € 26.3 million as a result of the expansion in revenue. Administrative costs on the other hand, were reduced by € 1.6 million to € 13.1 million due to savings in Facility Management and external consultancy costs, despite a slightly higher number of employees.

Research & development costs were up sharply due to the larger number of studies, amounting to € 26.6 million (previous year: € 22.8 million) and therefore to 12.1 % of revenues (previous year 10.7 %). This growth is particularly attributable to the company driving ahead with the ongoing BT-061 Phase IIb study.

Other operating income mainly originated from income from the release of provisions and deferred liabilities. This was matched by other operating expenses for holidays and flexible hours as well as suitable valuation adjustments in respect of receivables from Greek hospitals.

Income before interest and taxes (EBIT) increased significantly by 14.5 % compared with the previous year. Biotest Group reported EBIT of € 22.9 million in the first half of 2011 (previous year: € 20.0 million on continuing operations). As a result of the considerable increase, the EBIT margin rose from 9.4 % to 10.4 %. EBIT in the Therapy segment recorded the biggest increase of 35.8 % to € 14.4 million (previous year's period € 10.6 million) due to the negative special item in the previous period. Earnings in the Plasma & Services segment fell slightly despite the higher revenues to € 8.5 million (previous year € 9.0 million). While this segment with EBIT of € 3.0 million was below expectations in the first quarter of 2012, earnings in Q2 actually amounted to € 5.5 million. Other segments had an EBIT of € 0.0 million compared with € 0.4 million in the first half of 2011.

The financial result was almost unchanged at -€ 5.2 million (previous year's period: -€ 5.1 million). Following higher costs in the first quarter of 2012, the financial result between April and June was reduced by 19.2 % compared with the same period of the previous year. A lower interest expense due to a lower level of borrowing was offset by losses arising from the sale of Greek government bonds. All securities held on the books were sold in the first quarter of 2012. A loss of € 1.1 million was charged to the semi-annual financial result.

Biotest Group reported total earnings before taxes (EBT) on Continuing Operations of € 17.7 million in the first half of 2011 (a rise of 18.8 % on the previous year figure of € 14.9 million). Earnings after tax (EAT) on the other hand fell from € 10.9 million to € 9.9 million. The higher tax rate primarily reflected the non-valuation for tax purposes of the Greek subsidiary's losses and the Brazilian subsidiary's start-up losses. Overall the earnings per share on Continuing Operations amounted to € 0.84. This figure for the first six months of 2011 was € 0.93.

KEY EARNINGS FIGURES FOR THE BIOTEST GROUP

€ million	**H1 2012**	H1 2011*	Change in %
EBIT	**22.9**	20.0	14.5
EBT	**17.7**	14.9	18.8
EAT	**9.9**	10.9	–9.2
Earnings per share in €	**0.84**	**0.93**	**–9.7**

* Continuing Operations

At the end of the first half of 2012, Biotest Group had 1,703.9 FTE employees. At the year end date of 31 December 2011, this figure stood at 1,661.5.

SIGNIFICANT BIOTEST GROUP COST CATEGORIES**

€ million	**H1 2012**	**as % of revenues**	H1 2011*	as % of revenues
Costs of sales	**–126.8**	**57.6**	–131.6	61.8
Distribution expenses	**–26.3**	**11.9**	–25.1	11.8
Administrative expenses	**–13.1**	**5.9**	–14.7	6.9
Research and development expenses	**–26.6**	**12.1**	–22.8	10.7
Other operating income and expenses	**–4.5**	**2.0**	1.3	0.6
Financial result	**–5.2**	**2.4**	–5.1	2.4

* Continuing Operations
** Expenses are preceded by a minus sign

b. Balance sheet
On 30 June 2012, total assets rose slightly compared with 31 December 2011 from € 682.8 million to € 688.2 million.

On the assets side, the trends during the first three months continued. Long-term assets rose due to property, plant and equipment while financial assets were lower. Property, plant and equipment were increased from € 234.9 million to € 241.6 million due to mainly further investment in production plant at the Dreieich site. As a result of an increase in volumes at the revenues the Biotest Group currently has inventories of € 177.7 million (31 December 2011: € 153.0 million). Trade payables rose from € 121.0 million to € 125.2 million due to effects related to the reporting date. Invoices from June, when sales were high, were not yet paid. Cash at the end of the first half year amounted to € 58.9 million after € 83.2 million at the 2011 year end. The planned reduction of cash levels was pursued by means of investment expenditure, the raising of working capital and higher tax payments.

On the liabilities side, both equity capital and short-term equity capital rose. After a dividend payment of € 5.5 million, earnings after tax of € 9.9 million and currency conversion differences of € 2.8 million, equity capital at Biotest Group rose from € 346.7 million to € 353.9 million. In the same way, the equity ratio rose to 51.4 % amounting at 31 December 2011 to 50.8 %.

While long-term equity capital fell, also affected by lower liabilities from the revenue split under the agreement with Abbott, short-term equity capital rose. This was mainly due to higher trade payables, which increased considerably from € 34.7 million to € 48.2 million. In addition, other liabilities also rose to € 36.7 million (previous year's period € 26.3 million).

c. Financial position
Cash flow from operating activities in the first half of 2012 amounted to € 1.1 million. In the same period of 2011, a capital injection of € 2.3 million was recorded. The main reasons for the reduction included higher tax payments and changes to working capital, which was significantly characterised by the build-up of inventories and receivables.

Cash flow from investing activities stood at –€ 15.4 million at the end of the first half, compared with –€ 7.8 million in the first half of the previous year. Here the higher investment in property, plant and equipment was particularly noticeable.

Cash flow from financial activities amounted to –€ 10.3 million compared with -€ 6.8 million. This reduction reflected the repayment of credit lines that were still utilised in the previous year. Overall, cash and cash equivalents of € 83.2 million at the end of 2011 fell to a current figure of € 58.9 million.

d. General statement on the results of operations, net assets and financial position and
The Biotest Group increased its business in the first half of 2012 as planned and was therefore able to increase revenues and earnings. While revenues increased moderately by 3.4 %, earnings before interest and tax (EBIT) grew sharply by 14.5 %. The Therapy segment was the major growth driver for earnings in the first six months of 2012.

Overall, the Biotest Group has the resources to drive its operating business ahead as planned. Further development of possible new active substances carries additional potential profits. The asset position with a comfortable equity ratio of 51.4 % as well as a balanced financial structure provides the fundaments for the successful future growth of the Biotest Group.

B. EVENTS AFTER THE REPORTING PERIOD

In July 2012 a further phase I/IIa study (983) of the BT-062 active substance commenced. This additional study with probably around 50 patients examines the efficacy of BT-062 in combination with other preparations.

After the end of the reporting period, on August 6, 2012, Biotest received new information concerning the approval of the immunoglobulin Bivigam™ by the United States Food and Drug Administration (FDA). In an official statement no questions were raised on the clinical efficacy and safety of the newly developed investigational polyspecific immunoglobulin preparation by Biotest Pharmaceuticals Corp., Boca Raton, Florida, USA. Moreover the quality of the already produced batches was accepted by the FDA. However, the letter did not grant the preparation's approval in the USA because

FDA requests a new and additional validated test system for detection of thrombogenic activity. Such a test system has not been historically incorporated in the routine batch release process of immunoglobulins, but is now required by the FDA for the approval of newly developed preparations. An elevated content of thrombogenic factors led to the temporary withdrawal of a competitor's product in Europe and the US. As consequence, new test methods have been developed over the past months, which still show a large variability. In three renowned international laboratories and within the own quality assurance lab, Biotest could document that Bivigam™ did not show any abnormalities regarding this parameter. That means that no higher thrombogenic activity could be detected. In cooperation with a renowned laboratory which is working closely together with FDA, Biotest is currently working on the validation of such a test. The development will presumably need several months. Biotest then expects the FDA marketing approval in the US.

C. RISK REPORT AND OUTLOOK

OPPORTUNITIES

There has been no significant change to the opportunities position of the Biotest Group compared with the presentation in the 2011 annual report (page 31).

RISKS

With the exception of the following point, there has been no significant change to the Biotest Group's risk situation compared with the presentation in the 2011 annual report (pages 23 to 28): Greek sovereign bonds were sold in the first half of 2012. As a consequence, Biotest sold all of its Greek sovereign bonds following the enforced exchange in the first quarter. € 1.1 million was charged to the financial result during the first six months. Since Biotest no longer holds any Greek bonds, risks have been reduced. Nevertheless, there are still uncertainties regarding the full payment of outstanding debts for the current financial year amounting to € 7.4 million owed by Greek hospitals. A suitable risk provision was therefore already made for these debts in the form of a value adjustment. Due to the still high risk, Biotest decided also to further reduce business in Greece and to suspend deliveries to Greece from July. However, the treatment of emergency patients is guaranteed.

MACROECONOMIC OUTLOOK

Macroeconomic picture

The continuing debt crisis in some Euro countries and the still large-scale resulting uncertainties will mark the overall course of business for the rest of the year. Since the savings measures that some countries need to implement could impact their respective health care systems, this will possibly also have a general negative effect on the Biotest Group. This will, nevertheless, depend critically on how the crisis management progresses and the extent to which the real economy of Biotest's target markets are affected by the sovereign debt crisis.

Target markets

According to current studies, worldwide demand for immunoglobulins during the current and coming years will increase by 6–8 % per year.[4] Supply is growing slightly faster than average so price pressure for these products will probably continue until the end of 2012. The Biotest Group therefore assumes that the price level to be achieved will, on the whole, be slightly higher than in the 2011 financial year. With regard to biotherapeutics at the clinical development phase, the company is assuming high long-term sales potential, since, if approved, they are therapy options which differ significantly from existing approaches.

EXPECTED BIOTEST GROUP TRENDS

Revenue and earnings

There is an encouraging growth in business despite the delay in the approval process of Bivigam™ and the precaution regarding the valuation of current receivables in Greece. Biotest therefore confirms its guidance provided in the annual report 2011 of a 3–5 % rise in revenues and slightly higher operating earnings (EBIT) than in the previous year (€ 41.6 million). The guidance presupposes that overall economic conditions will continue to be stable in our target markets.

Financial position

The predictions for the financial position remain unchanged. Biotest will employ a significant portion of its resources to prepare and implement the market launch of Bivigam™. Also, since the successfully completed new orientation of the Biotest Group, further acquisitions of suitable companies as well as licensing of marketable products may be a strategic option in the future.

4 J.P. Morgan (9 February 2012), Citigroup (3 April 2012), UBS (29 May 2012).

STATEMENT OF INCOME

of the Biotest Group for the period from 1 January to 30 June 2012

€ million	**Q2 / 2012**	Q2 / 2011	**H1 / 2012**	H1 / 2011
Revenue	112.5	106.4	220.2	212.9
Cost of sales	−66.5	−63.6	−126.8	−131.6
Gross profit	**46.0**	**42.8**	**93.4**	**81.3**
Other operating income	2.7	1.4	5.3	4.1
Distribution expenses	−13.1	−12.6	−26.3	−25.1
Administrative expenses	−6.3	−7.9	−13.1	−14.7
Research and development expenses	−12.1	−11.7	−26.6	−22.8
Other operating expenses	−4.7	−1.1	−9.8	−2.8
Operating profit (EBIT)	**12.5**	**10.9**	**22.9**	**20.0**
Financial result	−2.1	−2.6	−5.2	−5.1
Earnings before tax (EBT)	**10.4**	**8.3**	**17.7**	**14.9**
Income tax	−4.3	−1.8	−7.8	−4.0
Earnings after tax from Continuing Operations	**6.1**	**6.5**	**9.9**	**10.9**
Earnings after tax from Discontinued Operation	0.0	0.8	0.0	2.3
Earnings after tax (EAT)	**6.1**	**7.3**	**9.9**	**13.2**
Of which:				
Retained earnings attributable to equity holders of the parent company	**6.1**	**6.8**	**9.9**	**11.8**
from Continuing Operations	6.1	6.5	9.9	10.9
from Discontinued Operation	0.0	0.3	0.0	0.9
Minority interest	**0.0**	**0.5**	**0.0**	**1.4**
from Continuing Operations	0.0	0.0	0.0	0.0
from Discontinued Operation	0.0	0.5	0.0	1.4
Earnings per share in € (Continuing Operations)	**0.52**	**0.56**	**0.84**	**0.93**
Earnings per share in € (Discontinued Operation)	**0.00**	**0.02**	**0.00**	**0.07**
Earnings per share in € (Biotest Group)	**0.52**	**0.58**	**0.84**	**1.00**

STATEMENT OF COMPREHENSIVE INCOME

of the Biotest Group for the period from 1 January to 30 June 2012

€ million	H1 / 2012	H1 / 2011
Profit for the period	**9.9**	**13.2**
Other income/expenses recognised directly in equity	0.0	0.0
Currency translation of foreign subsidiaries	2.8	–6.4
Total deferred taxes on income and expenses recognised in equity	**0.0**	**0.0**
Income and expenses recognised in equity	**2.8**	**–6.4**
Comprehensive income	**12.7**	**6.8**
Income and expenses recognised directly in equity	**2.8**	**–6.4**
from Continuing Operations	2.8	–6.4
from Discontinued Operation	0.0	0.0
Profit for the period	**9.9**	**13.2**
from Continuing Operations	9.9	10.9
from Discontinued Operation	0.0	2.3
Comprehensive income	**12.7**	**6.8**
from Continuing Operations	12.7	4.5
from Discontinued Operation	0.0	2.3
Of which:		
Retained earnings attributable to equity holders of the parent company	**12.7**	**5.4**
from Continuing Operations	12.7	4.5
from Discontinued Operation	0.0	0.9
Minority interest	**0.0**	**1.4**
from Continuing Operations	0.0	0.0
from Discontinued Operation	0.0	1.4
Comprehensive income	**12.7**	**6.8**
from Continuing Operations	12.7	4.5
from Discontinued Operation	0.0	2.3

STATEMENT OF FINANCIAL POSITION

of the Biotest Group as of 30 June 2012

€ million	30 June 2012	31 December 2011
ASSETS		
Non-current assets		
Intangible assets	60.6	62.8
Property, plant and equipment	241.6	234.9
Investments in associates	1.9	2.0
Other financial investments	0.2	4.8
Other assets	0.6	0.6
Deferred tax assets	9.2	7.7
Non-current assets	**314.1**	**312.8**
Current assets		
Inventories	177.7	153.0
Trade receivables	125.2	121.0
Current income tax assets	4.2	3.5
Other assets	8.1	9.3
Cash and cash equivalents	58.9	83.2
Current assets	**374.1**	**370.0**
TOTAL ASSETS	**688.2**	**682.8**
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	30.0	30.0
Share premium	153.3	153.3
Reserves	160.6	116.9
Retained earnings attributable to equity holders of the parent company	9.9	46.4
Shareholders' equity	**353.8**	**346.6**
Minority interests	0.1	0.1
Equity	**353.9**	**346.7**
Liabilities		
Provisions for pensions and similar obligations	52.0	51.0
Other provisions	3.4	3.2
Financial liabilities	100.7	101.3
Other liabilities	0.1	0.2
Deferred tax liabilities	8.3	7.6
Liabilities from deferred revenue	16.7	25.0
Non-current liabilities	**181.2**	**188.3**
Other provisions	10.8	19.3
Current income tax liabilities	5.5	13.1
Financial liabilities	35.2	37.7
Trades payables	48.2	34.7
Other liabilities	36.7	26.3
Liabilities from deferred revenue	16.7	16.7
Current liabilities	**153.1**	**147.8**
Liabilities	**334.3**	**336.1**
TOTAL EQUITY AND LIABILITIES	**688.2**	**682.8**

STATEMENT OF CHANGES IN EQUITY

€ million	2012	2011
Equity as of 1 January	**346.7**	**307.6**
Dividend payments to shareholders	−5.5	−4.8
Earnings after tax	9.9	13.2
Differences from currency translation	2.8	−6.4
Dividend to minority interest	0.0	−1.7
Equity as of 30 June	**353.9**	**307.9**

CASH FLOW STATEMENT

	Continuing Operations		Discontinued Operation		Biotest Group	
€ million	**2012**	2011	**2012**	2011	**2012**	2011
Cash flow						
Cash flow from operating activities	1.1	2.3	—	5.4	1.1	7.7
Cash flow from investing activities	−15.4	−7.8	—	0.2	−15.4	−7.6
Cash flow from financing activities	−10.3	−6.8	—	−3.6	−10.3	−10.4
Cash changes to cash and cash equivalents	**−24.6**	**−12.3**	**—**	**2.0**	**−24.6**	**−10.3**
Exchange rate-related changes	0.3	−0.1	—	0.0	0.3	−0.1
Cash and cash equivalents as of 1 January	83.2	18.5	—	0.9	83.2	19.4
Cash and cash equivalents as of 30 June	**58.9**	**6.1**	**—**	**2.9**	**58.9**	**9.0**

SCHEDULE OF ASSETS - NET PRESENTATION

€ million	Book value as of 31 Dec. 2011	Capital expenditure	Depreciation	Impairment	Currency translation difference	Bookvalue as of 30 June 2012
Intangible assets	62.8	0.2	−3.6	0.0	1.2	60.6
Tangible assets	234.9	15.2	−10.8	−0.2	2.5	241.6
Total	**297.7**	**15.4**	**−14.4**	**−0.2**	**3.7**	**302.2**

SEGMENT REPORTING

by region

	Revenue		
€ million	**H1 / 2012**	H1 / 2011	Change in %
Germany	45.6	49.9	−8.6
Europe (excluding Germany)	79.3	81.0	−2.1
USA	22.4	37.9	−40.9
South America	3.3	1.9	73.7
Asia	64.8	38.2	69.6
Rest of World	4.8	4.0	20.0
Continuing Operations	**220.2**	**212.9**	**3.4**

SEGMENT REPORTING
by business segment

	Revenue		
€ million	**H1 / 2012**	H1 / 2011	Change in %
Therapy	167.5	163.9	2.2
Plasma & Services	47.4	43.1	10.0
Other Segments	5.3	5.9	–10.2
Continuing Operations	**220.2**	**212.9**	**3.4**
Discontinued Operation	0.0	26.2	–100.0
Biotest Group	**220.2**	**239.1**	**–7.9**

	EBIT		
€ million	**H1 / 2012**	H1 / 2011	Change in %
Therapy	14.4	10.6	35.8
Plasma & Services	8.5	9.0	–5.6
Other Segments	0.0	0.4	–100.0
Continuing Operations	**22.9**	**20.0**	**14.5**
Discontinued Operation	0.0	3.3	–100.0
Biotest Group	**22.9**	**23.3**	**–1.7**

EMPLOYEES
by business segment

Employees (full-time equivalents)	**30 June 2012**	31. Dec. 2011	Change in %
Distribution	200.4	201.6	–0.6
Administration	212.6	205.7	3.4
Production	1,150.5	1,097.3	4.8
Research and Development	140.4	156.9	–10.5
Biotest Group	**1,703.9**	**1,661.5**	**2.6**

EMPLOYEES
by operating division

Employees (full-time equivalents)	**30 June 2012**	31. Dec. 2011	Change in %
Therapy	1,151.8	1,123.9	2.5
Plasma & Services	501.7	497.1	0.9
Other Segments	50.4	40.5	24.4
Biotest Group	**1,703.9**	**1,661.5**	**2.6**

QUARTER-TO-QUARTER COMPARISON
by business segment

	Revenue				
€ million	**Q2 / 2012**	Q1 / 2012	Q4 / 2011	Q3 / 2011	Q2 / 2011
Therapy	84.7	82.8	83.6	77.2	82.0
Plasma & Services	26.1	21.3	25.0	19.8	20.2
Other Segments	1.7	3.6	1.5	2.0	4.2
Continuing Operations	**112.5**	**107.7**	**110.1**	**99.0**	**106.4**
Discontinued Operation	0.0	0.0	0.0	4.3	12.9
Biotest Group	**112.5**	**107.7**	**110.1**	**103.3**	**119.3**

	EBIT				
€ million	**Q2 / 2012**	Q1 / 2012	Q4 / 2011	Q3 / 2011	Q2 / 2011
Therapy	7.2	7.2	8.0	6.3	6.5
Plasma & Services	5.5	3.0	5.7	4.1	4.0
Other Segments	−0.2	0.2	−2.2	−0.3	0.4
Continuing Operations	**12.5**	**10.4**	**11.5**	**10.1**	**10.9**
Discontinued Operation	0.0	0.0	3.4	29.0	1.0
Biotest Group	**12.5**	**10.4**	**14.9**	**39.1**	**11.9**
EBT Continuing Operations	**10.4**	**7.3**	**8.4**	**5.3**	**8.3**

OTHER NOTES

Standards applied in the preparation of the financial report
This interim financial report as of 30 June 2012 has been prepared according to the International Financial Reporting Standards of the International Accounting Standards Board (IASB). There were no changes to the accounting methods applied compared with the 2011 consolidated annual financial statements. This interim report is unaudited and was not reviewed by an auditor.

Related party disclosures
The Biotest Group maintains relationships that require disclosure with the associated company BioDarou P.J.S. Co., Teheran, Iran, and with its subsidiary Plasma Gostar Pars P.J.S, Teheran, Iran.

Both these companies acquired € 2.6 million in goods and services from Biotest in the first six months. As at 30 June 2012, Biotest carries € 8.2 million of receivables due from BioDaou P.J.S. Co. and Plasma Gostar Pars P.J.S.

As a related party to the Biotest Group, Kreissparkasse Biberach maintains employee custody accounts as part of the long-term incentive program. The Biotest Group received € 0.1 million in interest income in the first half of 2012 from a € 20 million fixed-term deposit that no longer existed at 30 June 2012.

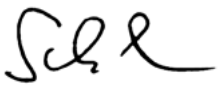
Apart from these business relationships, there were no significant transactions with related parties in the period under review.

ASSURANCE BY THE LEGAL REPRESENTATIVES

Declaration in accordance with Section 37y No. 1 of the German Securities Trading Act (WpHG) in conjunction with Section 297 (2) clause 3 and Section 315 (1) clause 6 of the German Commercial Code (HGB)
To the best of our knowledge, and in accordance with the applicable reporting principles, 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 the group interim management report 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 in the rest of the financial year.

Dreieich, 13 August 2012
Biotest Aktiengesellschaft

The Board of Management



Prof. Dr Gregor Schulz
Chairman of the Board of Management

Dr Michael Ramroth
Chief Financial Officer

FINANCIAL CALENDAR

13 NOVEMBER 2012
Q3 2012 report

13 NOVEMBER 2012
Analysts conference

25 MARCH 2013
Press conference on annual results

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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.