



Biotest Aktiengesellschaft, Dreieich

Group report on Q1 2001

of Biotest Aktiengesellschaft, Dreieich

as at March 31, 2001

Sales in the first three months of 2001

Following strong sales growth in the first quarter of the previous year, Biotest Group increased sales in this quarter of 2001 by 4.7% from DM 116.9 million to DM 122.4 million, although the number of consolidated companies was reduced by one enterprise. All divisions contributed to this growth.

Sales by division were as follows:

Business division	01-03/2001 DM mill.	01-03/2000 DM mill.	Change %
Pharmaceutical	82.9	79.9	+ 3.8
Diagnostic	32.9	31.8	+ 3.5
Medical Technology	6.6	5.2	+ 26.9
Total	122.4	116.9	+ 4.7

Foreign sales as a percentage of overall sales declined slightly to 70% (2000: 71%).

Sales growth of DM 3 million in the Pharmaceutical division was generated in Germany. In this reporting period, Biotest did not get the high volume of tender sales in the Middle East compared to the first Quarter of 2000. This was, however, compensated for through strong growth in Europe.

The Diagnostic division also recorded sales increases in Europe. Here, too, we achieved a turnaround in Germany where we attained considerable increases in some companies.

In the Medical Technology division, Envitec-Wismar GmbH made the most substantial contribution to sales growth. Similar growth was recorded in all geographical regions.

Group result

We once again raised net profit by DM 0.3 million to DM 4.3 million compared to the previous year's level. The sale of Astrapin which is now no longer a liability, had a positive effect. Adjustments in inventories and higher interest expenses had an adverse effect on the result. The latter resulted from a higher level of interest rates, an increase in borrowings from banks and the interest expense on drawdowns of the future leasing package.

DVFA earnings amount to DM 0.52 per share (2000: DM 0.26; lower, due to deferred tax expenses).

Consolidated Balance Sheet

The total of the group's balance sheet rose by DM 17.3 million to DM 580.0 million as at March 31, 2001. This increase is due to a rise in trade receivables of DM 118.7 million to DM 135.8 million. The net profit for the quarter, an increase in provisions as well as higher borrowings from banks, financed the rise in trade receivables.

Capital expenditure, depreciation and amortisation

Additions in fixed assets amounted to DM 6.7 million in the reporting period. DM 3.7 million were attributable to payments in advance. These advance payments were made for production facilities and to the greatest extent for the two construction projects of the affiliated companies Heipha Dr. Müller GmbH, Heidelberg, and Envitec-Wismar GmbH, Wismar. The two large-scale projects of Biotest Pharma GmbH (production of pharmaceuticals and fractionation) which are financed through leasing contracts, will continue according to plan.

Depreciation and amortisation amounted to DM 4.9 million compared with DM 6.4 million in 2000.

Research and development

In the past quarter, DM 8.5 million or 7.0 % of sales were spent on research and development (2000: DM 8.0 million or 6.8 % of sales).

Research and development in all business divisions focussed on the successful continuation and timely completion of several projects which have already been mentioned.

Employees

As at March 31, 2001, the number of employees within the Group totalled 1,157. This represents 9 more employees than at the end of the year 2000.

The number of employees as at March 31, 2001 were as follows:

	Mar 31, 2001	Dec 31, 2000	Change %
Sales and distribution	382	369	+ 3.5
Administration	139	135	+ 3.0
Production	492	501	- 1.8
Research and development	144	143	+ 0.7
Employees	1,157	1,148	+ 0.8

In addition we employ 25 persons in vocational training (previous year: 25).

The reduction of staff in production is due to the closure of Astrapin. The number of sales and distribution staff rose by 11 employees in the European distribution companies.

Outlook

In the first months of the new year, the good rise in sales in the Biotest Group continued. For the 2001 financial year, we expect a rise in sales similar to that in the first quarter.

Following the good result of the past financial year, we anticipate a further, but modest improvement of the Group result in 2001. These estimates take into account the effects of the distinct price increases for the raw material plasma which is materialising now and high start-up costs for the large-scale investment programme in the Pharmaceutical division.

Biotest AG, Dreieich

Consolidated Income Statement for the Period from Jan 1 to Mar 31, 2001 (in million of DM)

	Jan 01–Mar 31 2001	%	Jan 01–Mar 31 2000	%
Sales	122.4	97.5	116.9	97.0
Changes in inventories of finished goods and work in progress	3.0	2.4	3.5	2.9
Work performed by the enterprise and capitalised	0.1	0.1	0.1	0.1
Total output	125.5	100.0	120.5	100.0
Other operating income	2.4	1.9	0.9	0.7
Raw material and consumables used	- 49.3	- 39.3	- 48.3	- 40.1
Staff costs	- 32.0	- 25.5	- 29.5	- 24.5
Depreciation and amortisation	- 4.9	- 3.9	- 6.4	- 5.3
Other operating expenses	- 30.2	- 24.1	- 27.5	- 22.8
Profit from operations	11.5	9.2	9.7	8.0
Financial income	0.2	0.2	0.1	0.1
Finance cost	- 3.5	- 2.8	- 2.2	- 1.8
Financial result	- 3.3	- 2.6	- 2.1	- 1.7
Profit before tax	8.2	6.5	7.6	6.3
Income tax expense	- 3.7	- 2.9	- 3.5	- 2.9
Other taxes	- 0.2	- 0.2	- 0.1	- 0.1
Net profit for the period	4.3	3.4	4.0	3.3

Biotest AG, Dreieich

Consolidated Balance Sheet as at Mar 31, 2001

(in million of DM)

Assets	Mar 31, 2001	Dec 31, 2000
- Intangible assets	10.5	11.0
- Property, plant and equipment	164.3	162.5
- Financial assets	2.8	2.8
Total fixed assets	177.6	176.3
- Inventories	215.9	218.8
- Trade receivables	135.8	118.7
- Other receivables and other assets	22.9	23.0
- Cash and cash equivalents	27.8	25.9
Total current assets	402.4	386.4
Total assets	580.0	562.7
<hr/>		
Equity and liabilities		
Capital and reserves	245.6	241.1
Provisions and accruals	89.8	86.4
Borrowings from banks	179.3	168.6
Trade payables	30.5	32.1
Other payables and deferred income	34.8	34.5
Total equity and liabilities	580.0	562.7

Biotest AG, Dreieich

Consolidated Cash Flow Statement for the Period from Jan 01 – March 31, 2001 (in million of DM)

	Jan 01–Mar 31 2001	Jan 01–Mar 31 2000
Net profit	4.3	4.0
Depreciation and amortisation	4.9	6.5
Increase in provisions for pensions	1.3	0.7
Cash flow	10.5	11.2
Increase in other provisions	2.1	4.7
Increase in inventories, receivables, and other assets	- 14.0	- 22.0
Decrease in payables and in special items	- 1.3	- 7.4
Net cash used in operating activities	- 2.7	- 13.5
Proceeds from the sale of fixed assets	0.5	0.3
Purchase of fixed assets	- 6.7	- 3.7
Net cash used in investing activities	- 6.2	- 3.4
Proceeds from bank borrowings	10.7	20.0
Net cash from financing activities	10.7	20.0
Net increase in cash and cash equivalents	1.8	3.1
Other effects on cash and cash equivalents	0.1	0.1
Cash and cash equivalents at beginning of period	25.9	32.7
Cash and cash equivalents at end of period	27.8	35.9

The consolidated financial statements were prepared in accordance with the German Commercial Code (*HGB*).

Biotest AG
Landsteinerstr. 5, D-63303 Dreieich
P.O. Box 10 20 40, D-63266 Dreieich
Germany
Tel. +49 - 61 03/8 01-4 44
Fax +49 - 61 03/8 01-8 80
Internet: www.biotest.de