



Biotest Aktiengesellschaft, Dreieich

Group Quarterly Report 1/2002

as at March 31, 2002

The first quarterly report according to IAS

Sales increase by 8.3 %

In the first quarter of 2002, the Biotest-group succeeded in continuing the positive growth in sales. At EUR 67.8 million, consolidated sales exceed the corresponding level of last year's quarter by more than 8%.

Domestic as well as international business contributed to this gratifying performance. With growth of almost 9%, the dynamic trend of domestic business has increased. At around 70%, the share of international business as a percentage of consolidated sales remains unchanged and on a high level.

Sales by division were as follows (at the beginning of the financial year 2002, the business activities with monoclonal antibodies by the affiliated company Diaclone SAS had been allocated to the business division Holding. The figures of the previous period were amended accordingly):

Business Division	01-03/2002 EUR million	01-03/2001 EUR million	Change %
Pharmaceutical	45.2	42.4	+ 6.6
Diagnostic	17.3	16.3	+ 6.1
Medical Devices	4.8	3.4	+ 41.2
Holding	0.5	0.5	+ 0.0
Group	67.8	62.6	+ 8.3

The growth in sales in the Pharmaceutical division amounted to 2.8 million. Euro. This was achieved mainly in the domestic market and in the Middle East. In particular, the continuing gratifying sales performance of the main product, Haemoctin SDH, as well as the new CP-products of the immunglobulins should be mentioned. As expected the new immunglobulins gain increasing acceptance on the markets and begin to replace the former products. Remarkable sales growth was achieved in particular with Hepatect CP and Intraglobin CP.

The Diagnostic business division recorded an increase of EUR 1 million in the business fields of Hycon and Transfusion. Europe is once more the strong pillar of the sales growth. The sales of the business fields Transplantation and Infectious diseases remain on the previous year's level.

Although on a lower level, the Medical Devices division again achieved the highest growth rate in the Biotest group. This was an increase to the tune of EUR 1.4 million and as such, is a very gratifying sales performance for a young business division. Sales expanded particularly in Europe. The growth driver was the range of pulsoximetrie products.

Operating profit of 4.5 million EUR

The operating profit is EUR 1.8 million below the profit level of the corresponding period of the previous year. An increase of the gross profit was accompanied by higher costs for sales and marketing activities and administrative expenses. The decline of the operating profit is however mainly due to other operating costs: It has to be noted that in the corresponding period of last year, currency gains and income from the settlement of a licence fee contract had a positive effect, whereas in the first quarter of 2002 foreign trade receivables were written off. The net profit declined from EUR 2.6 million to EUR 1.0 million compared with the corresponding period of last year. Earnings per share reached EUR 0.12 (previous year: EUR 0.33).

Financial position

At March 31, the balance sheet total rose by EUR 16.9 million to the present level of EUR 370.2 million.

The non-current assets of EUR 139.7 million include – in contrast to the previous accounting principles of HGB tangible assets of EUR 27.9 million which are finance lease assets. Non-current assets rose by EUR 4.7 million. Capital expenditure amounted to EUR 7.6 million, of which the highest portion was due to the continuation of the scheduled large scale capital expenditure program of Biotest Pharma GmbH . Depreciation was recorded at EUR 2.5 million.

Current assets grew due to business expansion. Trade receivables grew as a result of the gratifying sales increase. Furthermore there is an increase of intermediate products in the Pharmaceuticals division due to temporary production taking place in two different processes and according to different licences as well as the adjustment of inventory level to increasing sales in the Medical Devices division.

The expansion of current assets was mainly financed by borrowings. In the reporting period, the equity ratio decreased from around 37% to 36% (including capitalised finance leases and on the face of the balance sheet reported finance lease obligations).

The net cash flow from operating activities was with almost 1 million Euro positive. The net cash flow from financing activities was EUR 0.5 million higher than the cash flow used for investing activities. Therefore, cash and cash equivalents rose by EUR 1.4 million to EUR 11.5 million.

Employees

At March 31, 2002, the number of full-time employees in the group was 1.253. This corresponds to an increase of 48 full-time employees in comparison to the end of the financial year 2001.

Employment positions were mainly created in the production units as and in the sales and distribution departments in Dreieich as well as in domestic affiliated companies.

Outlook

In accordance with the positive start in the first three months, for the financial year 2002, Biotest expects an increase in sales which is above the rate of last year.

The most influencing factors of the past year continue to have an impact on the profit situation in the current financial year. Start-up costs for the launch of self operated plasmapheresis stations, costs for the set-up of production capacity in the Medical Devices division as well as increasing pre-financing costs for the large scale capital expenditure programme in the pharmaceutical division will have an effect on the net profit in 2002. In spite of these adverse temporary effects resulting from measures to secure future growth, we expect net profit for 2002 to be in line with last year's level.

Biotest Group Quarterly Statement as of March 31, 2002 (Abbreviated)

All values are in EUR million

Biotest Group balance sheet

Assets	31-03/2002	31-12/2001
Intangible assets	3.9	4.2
Tangible assets	135.0	130.1
Financial assets	0.8	0.7
Total non-current assets	139.7	135.0
Inventories	132.4	129.8
Trade receivables	73.3	66.0
Other assets	9.7	8.9
Securities, cash and cash equivalents	13.4	11.8
Total current assets	228.8	216.5
Deferred tax assets	1.7	1.8
Total assets	370.2	353.3
Equity and liabilities		
Equity attributable to shareholders of Biotest AG	132.5	131.5
Minority Interests	1.5	1.4
Provisions and accruals	57.3	54.1
Borrowings	134.6	124.9
Other liabilities	44.3	41.4
Total equity and liabilities	370.2	353.3

Biotest Group income statement

	Jan 01-March 31, 2002	Jan 01-March 31, 2001
Sales revenues	67.8	62.5
Cost of sales	-36.7	- 33.9
Gross profit	31.1	28.6
Selling and distribution costs	- 16.0	-14.6
Research and development costs	- 4.3	- 4.6
Administrative expenses	- 5.2	- 4.0
Other operating expenses	- 1.1	+ 0.9
Profit from operations	4.5	6.3
Financial result	- 2.3	- 2.1
Profit before tax	2.2	4.2
Income tax expense	- 1.1	- 1.5
Profit after tax	1.1	2.7
Minority interest	- 0.1	-0.1
Net profit for the period	1.0	2.6
Earnings per share (in EUR)	0.12	0.33

Biotest Group statement of changes in equity

	2002	2001
Equity attributable to shareholders of Biotest AG (January 01)	131.5	128.9
Net profit for first quarter	+ 1.0	+ 2.6
Currency translation differences	-	+ 0.1
Equity attributable to shareholders of Biotest AG (March 31)	132.5	131.6

Biotest Group Cash flow statement

	Jan 01-March 31, 2002	Jan 01-March 31, 2001
Cash flow from operating activities	0.8	- 2.6
Cash flow used in investing activities	- 7.2	- 5.7
Cash flow from financing activities	+ 7.7	+ 7.6
Effects of changes in exchange rates	+ 0.1	+ 0.1
Net increase of cash and cash equivalents	+ 1.4	- 0.6
Cash and cash equivalents at January 01	10.1	11.7
Cash and cash equivalents at March 31	11.5	11.1

Notes

1. The present report of the Biotest Group for the first quarter 2002 complies -for the first time – with the International Accounting Standard 34.
2. The same accounting and valuation principles are applied as used for the preparation of the consolidated financial statements 2001 according to IAS.
3. This report is unaudited.
4. Segmental reporting

4.1 Sales revenues

Division	Jan 01-March 31, 2002	Jan 01-March 31, 2001
Pharmaceutical	45.2	42.4
Diagnostic	17.3	16.3
Medical devices	4.8	3.4
Holding	0.5	0.5
Group	67.8	62.6

4.2 Profit from operations

Division	Jan 01-March 31, 2002	Jan 01-March 31, 2001
Pharmaceutical	+ 4.5	+ 4.4
Diagnostic	+ 0.1	+ 0.9
Medical devices	- 0.0	+ 0.2
Holding	- 0.1	+ 0.8
Group	+ 4.5	+ 6.3

5. Staff

	31-03/2002	31-12./2001
Selling and distribution	381	370
Administration	140	142
Production	597	563
Research and development	135	130
Group	1.253	1.205

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