Biotest

From Nature for Life

Q1 2011

Biotest AG

Quarterly Report

Key figures*

Biotest Group		Q1 2011	Q1 2010	Change %
Revenue	€ million	106.5	102.8	3.6
of which: Germany	€ million	24.8	21.1	17.5
Rest of World	€ million	81.7	81.7	0.0
of which: Plasma Proteins	€ million	106.5	102.8	3.6
EBITDA	€ million	15.9	17.3	−8.1
EBIT	€ million	9.1	10.7	−15.0
EBIT in % of sales	%	*8.5*	*10.4*	
Earnings before tax	€ million	6.6	8.9	−25.8
Earnings after tax	€ million	4.4	6.6	−33.3
Earnings per share	€	0.37	0.56	−33.9
Cash flow**	€ million	−21.5	−8.3	−159.0
Depreciation and amortisation	€ million	6.8	6.6	3.0
		31 March 2011	**31 Dec. 2010**	
Equity	€ million	308.6	307.6	0.3
Equity ratio	%	*48.4*	*48.6*	
Employees (full-time equivalents)		1,627.0	1,611.1	1.0

* Continuing Operations ** From operating activities

Content

Interim management report as of 31 March 2011

AT A GLANCE

In the first quarter of 2011, Biotest recorded sales of €106.5 million in its Continuing Operations – a 3.6% increase over the same period in 2010. Sales growth was particularly marked in the core European markets and the US.

With the sale of its activities in the Microbiological Monitoring segment, Biotest is now focused on business areas involving pharmaceutical products and biotherapeutic development projects in the areas of clinical immunology, haematology and intensive medicine. Additional progress was made in development projects in the first quarter of 2011.

The demand for plasma proteins continues to climb while the supply has already begun to decline. Biotest assumes that this trend will continue through the rest of the year and that prices for end products in Europe in particular will gradually recover as a result.

Due to delays in the start of immunoglobulin production in the US, Biotest will incur additional expenses in a range of €7 million to €8 million. Earnings targets for 2011 have been reduced accordingly.

CORPORATE STRATEGY AND IMPLEMENTATION

Biotest's strategy is aimed at expanding its position as a specialist in pharmaceutical products in the areas of clinical immunology, haematology and intensive medicine.

The ongoing internationalisation of the plasma protein business is one of the cornerstones of this strategy. The acquisition of all shares in Marcos Pedrilson Produtos Hospitalares Ltda., with its headquarters in Rio de Janeiro, Brazil, completed in January 2011, was another important step in this direction. The company is a former Biotest sales partner and holds all marketing authorisations for Biotest preparations in the Brazilian market.

On 22 March 2011, Biotest signed an agreement with Merck KGaA, Darmstadt, to sell the global activities of the Microbiological Monitoring segment, consisting of the HYCON (hygiene monitoring) and heipha Dr. Müller GmbH (microbiological culture media and microbiological test systems) product lines. The transaction is structured as a combined asset/share deal and remains subject to the approval by the antitrust authorities. The enterprise value of all transferred units, including the shares of the former minority shareholder of heipha Dr. Müller GmbH, was appraised at €101 million before deduction of liabilities and fulfilment of other outstanding contractual obligations.

SEGMENTATION

Biotest reports business, earnings, financial and asset performance by segment as in the 2010 Annual Report. Unless otherwise noted, all statements refer to Continuing Operations. Previous year first quarter figures have been adjusted accordingly.

MARKET ENVIRONMENT

Macroeconomic situation

The public health care systems remained subject to tight financial constraints in the first quarter of 2011. The pressure to limit and – where possible – cut spending remains high.

For example, in Germany the mandatory discount was increased to 16% as of August 2010 and prices were frozen at 2009 levels.

Plasma proteins

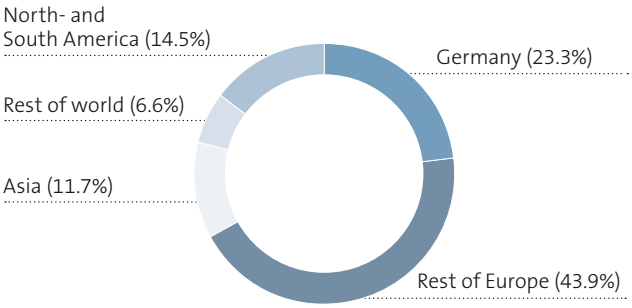
The demand for immunoglobulins increased in the first quarter of 2011, following the trend of the last several years. Meanwhile, the demand for plasma-based clotting factors remained stable. The gradual reduction in the supply that began in late 2010 continued. The decrease in collected plasma samples and the drop out of the immunoglobulin products of a competitor from the market led to a gradual decline in the oversupply in the first quarter. However, this development has not had a significant impact on prices. Prices remain under pressure particularly outside the European Union and the US.

BUSINESS AND EARNINGS PERFORMANCE

Sales

Sales from Continuing Operations increased in the first three months of 2011 by 3.6% to €106.5 million (2010: €102.8 million). Sales generated outside of Germany in the first quarter of 2011 accounted for 76.7% of the total (2010: 79.5%).

Sales by region



Income

Earnings before interest and taxes (EBIT) from Continuing Operations remained lower in the first quarter of 2011 than in the same period last year. This was caused primarily by an increased cost of sales ratio for plasma proteins, while other expense items affecting operating profit were lower than in the previous year.

Key financial performance figures of the Biotest Group

€ million	Q1 2011	Q1 2010*)	Change in %
EBIT	9.1	10.7	−15.0
EBT	6.6	8.9	−25.8
EAT	4.4	6.6	−33.3
Earnings per share in €	**0.37**	**0.56**	**−33.9**

*) Previous year amounts adjusted due to the Discontinued Operation

The EBIT margin for the first quarter of the year was 8.5% compared to 10.4% in the first three months of 2010. The annualised return on capital employed (RoCE) was 6.5% (2010: 7.7%).

The financial result, at −€2.5 million, was less than in the comparison period (2010: −€1.8 million). This reflects currently lower foreign exchange gains.

Due to the lower EBIT and financial result, earnings before taxes (EBT), at €6.6 million for the first quarter of 2011, fell short of the €8.9 million recorded in the previous year. Earnings after taxes (EAT) amounted to €4.4 million (2010: €6.6 million).

EAT from Discontinued Operation in Q1 was €1.5 million. Last year's EAT of €16.0 million reflected profits from the sale of transfusion and transplantation diagnostic activities. This quarter, earnings from Discontinued Operation came primarily from the former Microbiological Monitoring segment.

Explanation of major expense items

The significant increase in the cost of sales ratio compared to the previous year was primarily attributable to two main causes. One factor was the unfavourable product mix and adverse prices for plasma proteins in markets outside the EU, as well as the increase in the mandatory discount in Germany.

Secondly, the increase reflects fixed costs incurred in connection with the delayed restart of production at Biotest Pharmaceuticals Corporation (BPC), Boca Raton, USA (for more information, see the "Segment performance" section). Production will not begin again until the second half of 2011.

Distribution expenses remained lower than in the previous year due to lower sales-based commissions, while administrative expenses were at the same level as in the first quarter of 2010.

Research and development expenses were lower in the first three months of 2011 than in the comparison period. This applies in particular to the Biotherapeutic segment, in which a large portion of the R&D expenses budgeted for the first half of 2011 will be incurred in the second quarter of 2011 as planned.

Key cost positions of the Biotest Group)**

€ million	Q1 2011	% of sales	Q1 2010*)	% of sales*)
Cost of sales	−68.0	63.8	−57.5	55.9
Distribution costs	−12.5	11.7	−14.3	13.9
Administrative costs	−6.8	6.4	−6.8	6.6
Research and development costs	−11.1	10.4	−13.2	12.8
Other operating income and expenses	1.0	0.9	−0.3	0.3
Financial result	−2.5	2.3	−1.8	1.8

*) Previous year amounts adjusted due to the Discontinued Operation
**) Expenses are marked with a negative prefix

The increase in other operating income is primarily the result of an agreement reached in a legal dispute with a former distribution partner, provisions for which were made in previous years.

CASH FLOWS AND FINANCIAL POSITION

The financing strategy of the Biotest Group remains unchanged in its basic elements from the 2010 Annual Report (page 19).

Capital expenditures and depreciation and amortisation

In the first quarter of 2011, Biotest made capital expenditures totalling €3.7 million (2010: €3.6 million). Of this total, €3.5 million was for property, plant and equipment and €0.2 million for intangible assets.

Capital expenditures for property, plant and equipment relate primarily to the expansion of final filling and packaging capacities in Dreieich (€1.2 million) and production expansion at BPC (€1.0 million).

Explanation of the statement of financial position

Total assets of the Biotest Group including Discontinued Operation on 31 March 2011 were €637.9 million, or slightly above the total at the end of the 2010 financial year (€632.3 million).

Major changes on the asset side included a reporting-date-based increase in trade receivables resulting from strong sales in March 2011. Biotest also reduced its use of factoring.

Due to an increase in working capital, Biotest required additional external financing compared to the reporting date of 31 December 2010.

The equity ratio of the Biotest Group at the end of the quarter was 48.4%, compared to 48.6% at the end of 2010.

Of the assets reported, €33.2 million (end of 2010: €31.1 million) were attributed to Discontinued Operation. On the equity and liabilities side, current liabilities in the amount of €14.2 million (end of 2010: €13.7 million) were attributed to Discontinued Operation.

Consolidated cash flow statement

The cash flow from Continuing Operations in the first quarter of 2011, at −€21.5 million, was significantly lower than in the comparison period (−€8.3 million). The main cause of this development was the expansion in working capital.

Investment activities resulted in outgoing cash flow of €3.7 million in the first three months of the current year (2010: €3.6 million); incoming cash flow from financing activities totalling €14.1 million (2010: €16.7 million) was the result of the drawing of existing lines of credit.

HUMAN RESOURCES

As of 31 March, the number of full-time equivalents in Continuing Operations was 1,627.0 versus 1,611.1 at the end of 2010. This slight increase is the result of newly created positions in plasma protein production as well as the acquisition of the Brazilian distributor.

SEGMENT PERFORMANCE

Plasma Proteins

The sales growth achieved was primarily the result of expanded sales volumes. Target prices for end products in the EU remained largely stable, while those in other markets were still under pressure. In Germany, the market performed strongly.

Sales of the polyvalent immunoglobulin Intratect® were 30% higher in the first three months of the year than in the same period last year.

Sales of hyperimmunoglobulins in the first quarter of 2011 were slightly higher than in the 2010 comparison period. Sales of clotting factors were at about the same level as in the first quarter of 2010. Sales of intensive medicine products (such as Pentaglobin®) were higher than in the previous year. This was due to the expansion of our raw material base.

EBIT for the segment (€17.1 million in the first quarter of 2011 versus €18.1 in the same period in 2010) reflects the price situation for plasma proteins in markets outside of Europe and the US as well as unabsorbed costs in connection with the delayed start of production at BPC.

The launch of the new production system was delayed due to problems with the automation of critical process steps. Appropriate corrective actions have been taken. Due the extended idle time of the system and the necessary repairs, Biotest will incur additional expenses initially estimated at €7 to €8 million, which will have a negative impact on earnings.

The segment EBIT margin for the period was 16.1% (2010: 17.6%).

Development projects in the segment progressed as planned. In January 2011, Biotest completed an interim analysis of its ongoing phase III clinical trial for the development of the hyperimmunoglobulin Cytotect® CP in the indication of connatal cytomegalovirus (CMV) infection. The results show clear evidence of the efficacy of Cytotect® CP in this indication. Biotest expects that this trend will be further confirmed over the course of the study in 2011. It is Biotest's goal to establish the anti-CMV hyperimmunoglobulin Cytotect® CP as a regular form of treatment for connatal CMV infection. By the end of the quarter, more than 7,400 pregnant women had been screened in the ongoing study.

In the first quarter Biotest completed the study report for its successful phase III study of Fovepta™, a hepatitis B immunoglobulin for infection prophylaxis in newborns, and delivered it to the Paul Ehrlich Institute in April along with its application for marketing authorisation.

For its IgM concentrate in development, in February 2011 Biotest submitted its protocol for a clinical trial in the indication of severe community-acquired pneumonia to the Paul Ehrlich Institute for approval.

The processing of the application for marketing authorisation of Bivigam™ by the US Food and Drug Administration (FDA) continues to progress quickly and smoothly. The results of inspections conducted thus far have been positive and have generated no concerns. Initial questions from the FDA regarding the clinical and pharmaceutical portion of the dossier were answered in a timely manner.

Biotherapeutics

In the development of the monoclonal antibody BT-061, in March Biotest collected unblinded data from the second part of a completed phase II clinical trial in the indication of rheumatoid arthritis (RA), in which the antibody was administered in combination with methotrexate. A preliminary analysis of the data shows good clinical efficacy for BT-061, including in combination with this basic drug used for treating RA. The analysis confirmed data obtained from previous studies showing the good tolerability of BT-061.

All other clinical trials in the development of BT-061 for the lead indications of rheumatoid arthritis and psoriasis as well BT-062 (multiple myeloma) are proceeding according to plan.

Negotiations with potential development and marketing partners for BT-061 continued in the first quarter of 2011 and are now in an advanced stage.

Performance of Discontinued Operation

Sales from Discontinued Operation, at €13.3 million, were 3.1% higher than in the first quarter of 2010 (€12.9 million). This growth is attributable in a large part to expanded sales volumes of heipha Dr. Müller GmbH products.

EBIT for Discontinued Operation amounted to €2.3 million (2010: €19.7 million). The previous year's EBIT was marked by profits from the sale of activities of the transfusion and transplantation diagnostics business.

OPPORTUNITIES AND RISKS

Opportunities

The Biotest Group's opportunity situation has not changed significantly since the 2010 Annual Report (see pages 31 and 32). The opportunities listed in the Annual Report resulting from developments in the regulatory framework, the business strategy and performance-based opportunities continue to exist.

Risks

The Biotest Group's risk situation in Continuing Operations has changed since the 2010 Annual Report (see pages 23 and 28).

The re-entry of a competitor whose marketing authorisation had been suspended in Europe and whose products were voluntarily recalled from the US market may negatively impact Biotest sales in terms of price and volume.

The catastrophic earthquake and the situation at the Fukushima nuclear power plant have thus far had no effect on sales. There are currently no problems with the supply of intermediate products from Japan. Biotest is active in the Japanese market through sales of its microbiological monitoring products (Discontinued Operation). A negative impact cannot be ruled out, depending on further developments.

OUTLOOK

The statements made on pages 28 to 29 of the 2010 Annual Report regarding the strategy of the Biotest Group, its implementation and the sales performance of Continuing Operations were confirmed in the first quarter of 2011. Sales targets for the entire year remain unchanged.

Due to the delayed start of production at BPC in the US, Biotest has reduced its earnings targets for 2011 as a whole. The re-entry of a competitor, some of whose products had been recalled from the market, harbours further uncertainty.

Expected economic environment

Overall economy

Public health care systems remain subject to tight financial constraints. Further tightening may result in additional spending cuts by various governments. Biotest has no knowledge of any further cuts.

Plasma proteins

For the rest of the year, we expect the demand for immunoglobulins to continue its long-term trend of a 4% to 6% annual growth. In the case of plasma-based clotting factors, we expect a 2% increase in market volume.

We estimate the decrease in supply observed in late 2010 to come to a halt this year. All major market indicators point to such a development. This will have a stabilising effect on prices. Sales of the immunoglobulin products of one of our competitors, whose marketing authorisation has been suspended in Europe and which were recalled from the US market by the manufacturer, are expected to resume in mid-2011 in Europe. Prices may be significantly impacted by the competitor's market re-entry strategy.

Expected performance of the Biotest Group

Sales and profits

For 2011, Biotest expects sales in Continuing Operations to grow in the low single-digit percentage rage compared to the previous year. Earnings are expected to fall short of projections due to €7 million to €8 million in additional expenses for repairs and the extended idle time of the new production system at BPC in Boca Raton. These targets do not reflect possible revenues from a license agreement or another project participation agreement in the Biotherapeutic segment.

Due to the extraordinary effects of the sale of the Microbiological Monitoring segment, the earnings of the Biotest Group including Discontinued Operation in 2011 will be significantly higher than in the corresponding period in 2010.

The sale is subject to approval by the anti-trust authorities and should take effect sometime during the second half of the year.

Earnings in Discontinued Operation are partially dependent on circumstances that are still pending.

Financial situation
Biotest plans to finance capital expenditures budgeted for the current year using only operating cash flow before changes in working capital. The available working capital lines of credit are sufficient to cover a possible increase in working capital.

The expected cash flows from the sale of the Microbiological Monitoring segment will initially be used to further reduce our liabilities. In the medium to long term, we will seek to invest the funds in ongoing research and development projects as well as the further expansion of our core business capacities.

Expected segment performance

Plasma Proteins
In 2011, we expect a slight increase in sales due to potentially higher sales volumes and a positive change in prices in markets outside the EU.

The processing of the application for marketing authorisation of Bivigam™ by the US Food and Drug Administration is progressing quickly and smoothly. The results of inspections conducted thus far have been positive and have generated no concerns. Authorisation of Bivigam™ will nevertheless be delayed, as data from validation batches, which must be submitted before authorisation is granted, will not be available until later in the year.

As a result of the delay in the start of production at BPC, sales of Bivigam™ will not begin until the first half of 2012.

This year we will begin preparing for clinical trials of our immunoglobulin Civacir™, which is being developed for the indication of post-liver-transplant hepatitis C reinfection prophylaxis.

Biotherapeutics
Ongoing clinical trials of BT-061 and BT-062 will continue. For BT-062, we plan to begin a combination therapy study in the third quarter of 2011 (phase I/II a).

We will continue our efforts to finalise negotiations with potential development and marketing partners for BT-061 this year. Given the high importance of these contracts for the long-term prospects of the Biotherapeutic segment, establishing an optimal agreement is a top priority for Biotest.

EVENTS AFTER 31 MARCH 2011

No major developments or events of special importance occurred after 31 March 2011.

Statement of income

of the Biotest Group for the period from 1 January to 31 March 2011

€ million	Q1 2011	Q1 2010*)
Revenue	106.5	102.8
Cost of sales	−68.0	−57.5
Gross profit	**38.5**	**45.3**
Other operating income	2.7	1.1
Distribution expenses	−12.5	−14.3
Administrative expenses	−6.8	−6.8
Research and development expenses	−11.1	−13.2
Other operating expenses	−1.7	−1.4
Operating profit	**9.1**	**10.7**
Financial result	−2.5	−1.8
Earnings before tax (EBT)	**6.6**	**8.9**
Income tax	−2.2	−2.3
Earnings after tax from Continuing Operations	**4.4**	**6.6**
Earnings after tax from the Discontinued Operation	1.5	16.0
Earnings after tax (EAT)	**5.9**	**22.6**
Of which:		
Retained earnings attributable to equity holders of the parent company	**5.0**	**22.0**
from Continuing Operations	4.4	6.6
from the Discontinued Operation	0.6	15.4
Minority interest	**0.9**	**0.6**
from Continuing Operations	0.0	0.0
from the Discontinued Operation	0.9	0.6
Earnings per share in € (Continuing Operations)	**0.37**	**0.56**
Earnings per share in € (Discontinued Operation)	**0.05**	**1.31**
Earnings per share in € (Biotest Group)	**0.42**	**1.87**

*) Previous year amounts adjusted due to the Discontinued Operation

Statement of comprehensive income

of the Biotest Group for the period from 1 January to 31 March 2011

€ thousand	Q1 2011	Q1 2010*)
Profit for the period	**5.9**	**22.6**
Other income/expenses recognised directly in equity	–0.1	0.0
Deferred taxes thereon	0.0	0.0
Current translation of foreign subsidiaries	–4.8	5.2
Total deferred taxes on income and expenses recognised in equity	**0.0**	**0.0**
Income and expenses recognised in equity	**–4.9**	**5.2**
Comprehensive income	**1.0**	**27.8**
Income and expenses recognised directly in equity	**–4.9**	**5.2**
from Continuing Operations	–4.9	5.3
from the Discontinued Operation	0.0	–0.1
Profit for the period	**5.9**	**22.6**
from Continuing Operations	4.4	6.6
from the Discontinued Operation	1.5	16.0
Comprehensive income	**1.0**	**27.8**
from Continuing Operations	–0.5	11.9
from the Discontinued Operation	1.5	15.9
Of which:		
Retained earnings attributable to equity holders of the parent company	**0.1**	**27.3**
from Continuing Operations	–0.5	11.9
from the Discontinued Operation	0.6	15.4
Minority interest	**0.9**	**0.5**
from Continuing Operations	0.0	0.0
from the Discontinued Operation	0.9	0.5
Comprehensive income	**1.0**	**27.8**
from Continuing Operations	–0.5	11.9
from the Discontinued Operation	1.5	15.9

*) Previous year amounts adjusted due to the Discontinued Operation

Statement of financial position

of the Biotest Group as of 31 March 2011

€ million	31 March 2011	31 December 2010
ASSETS		
Intangible assets	64.0	64.9
Property, plant and equipment	224.3	230.8
Investments in affiliates	0.1	0.1
Investments in associates	0.8	1.1
Other financial investments	17.1	19.3
Other assets	1.2	1.7
Deferred tax assets	5.6	5.5
Non-current assets	**313.1**	**323.4**
Inventories	145.1	148.7
Trade receivables	120.8	98.3
Current income tax assets	4.3	2.4
Other assets	14.1	9.9
Cash and cash equivalents	7.3	18.5
Assets from the Discontinued Operation	33.2	31.1
Current assets	**324.8**	**308.9**
TOTAL ASSETS	**637.9**	**632.3**
EQUITY AND LIABILITIES		
Subscribed capital	30.0	30.0
Share premium	153.3	153.3
Reserves	113.5	81.3
Retained earnings attributable to equity holders of the parent company	4.9	37.0
Shareholders' equity	**301.7**	**301.6**
Minority interests	6.9	6.0
Equity	**308.6**	**307.6**
Provisions for pensions and similar obligations	49.8	49.7
Other provisions	3.0	3.1
Financial liabilities	127.2	132.2
Other liabilities	0.1	0.3
Deferred tax liabilities	8.9	8.1
Non-current liabilities	**189.0**	**193.4**
Other provisions	11.0	16.5
Current income tax liabilities	9.1	7.0
Financial liabilities	44.4	28.9
Trades payables	33.9	42.8
Other liabilities	27.7	22.4
Liabilities from the Discontinued Operation	14.2	13.7
Current liabilities	**140.3**	**131.3**
Liabilities	**329.3**	**324.7**
TOTAL EQUITY AND LIABILITIES	**637.9**	**632.3**

Statement of changes in equity

€ million	2011	2010
Equity as of 1 January	**307.6**	**269.9**
Earnings after tax	5.9	22.6
Differences from currency translation	−4.9	5.2
Equity as of 31 March	**308.6**	**297.7**

Cash flow statement

	Continuing Operations		Discontinued Operation		Biotest Group	
€ million	2011	2010*)	2011	2010*)	2011	2010*)
Cash flow						
Cash flow from operating activities	−21.5	−8.3	1.1	19.4	−20.4	11.1
Cash flow from investing activities	−3.7	−3.6	−0.2	21.8	−3.9	18.2
Cash flow from financing activities	14.1	16.7	0.1	−40.6	14.2	−23.9
Cash changes in cash and cash equivalents	**−11.1**	**4.8**	**1.0**	**0.6**	**−10.1**	**5.4**
Exchange rate-related changes	−0.1	0.1	0.0	0.0	−0.1	0.1
Cash and cash equivalents as of 1 January	18.5	5.6	0.9	1.1	19.4	6.7
Cash and cash equivalents as of 31 March	**7.3**	**10.5**	**1.9**	**1.7**	**9.2**	**12.2**

*) Previous year amounts adjusted due to the Discontinued Operation

Schedule of assets – net presentation

€ million	Book value as of 31 December 2010	Capital expenditure	Additions from scope of consolidation	Net disposals	Depreciation	Currency translation differences	Book value as of 31 March 2011
Intangible assets	64.9	0.2	3.4	0.0	−1.7	−2.8	64.0
Tangible assets	230.8	3.5	0.5	−0.1	−5.1	−5.3	224.3
Total	**295.7**	**3.7**	**3.9**	**−0.1**	**−6.8**	**−8.1**	**288.3**

Segment reporting

by business segment

€ million	Q1 2011	Q1 2010*)	Change in %
Revenue			
Plasma Proteins	106.5	102.8	3.6
Continuing Operations	**106.5**	**102.8**	**3.6**
Discontinued Operation	13.3	12.9	3.1
Biotest Group	**119.8**	**115.7**	**3.5**
EBIT			
Plasma Proteins	17.1	18.1	–5.5
Corporate	–2.2	–2.3	4.3
Biotherapeutics	–5.8	–5.1	–13.7
Continuing Operations	**9.1**	**10.7**	**–15.0**
Discontinued Operation	2.3	19.7	–88.3
Biotest Group	**11.4**	**30.4**	**–62.5**

*) Previous year amounts adjusted due to the Discontinued Operation

Segment reporting

by region

€ million	Q1 2011	Q1 2010*)	Change in %
Revenue			
Germany	24.8	21.1	17.5
Europe (excluding Germany)	46.8	40.4	15.8
North and South America	15.4	9.4	63.8
Asia	12.5	29.7	–57.9
Rest of World	7.0	2.2	218.2
Continuing Operations	**106.5**	**102.8**	**3.6**

*) Previous year amounts adjusted due to the Discontinued Operation

Employees

by business segment

	31 March 2011	31 December 2010	Change in %
Employees (full-time equivalents)			
Plasma Proteins	1,530.0	1,524.7	0.3
Corporate	25.7	22.5	14.2
Biotherapeutics	71.3	63.9	11.6
Continuing Operations	**1,627.0**	**1,611.1**	**1.0**
Discontinued Operation	297.5	292.5	1.7
Biotest Group	**1,924.5**	**1,903.6**	**1.1**

Employees

by operating division

	31 March 2011	31 December 2010	Change in %
Employees (full-time equivalents)			
Distribution	200.1	196.9	1.6
Administration	219.8	225.7	−2.6
Production	1,046.9	1,027.4	1.9
Research and development	160.2	161.1	−0.6
Continuing Operations	**1,627.0**	**1,611.1**	**1.0**

Quarter-to-quarter comparison

by business segment

€ million	Q1 2011	Q4 2010*)	Q3 2010*)	Q2 2010*)	Q1 2010*)
Revenue					
Plasma Proteins	106.5	106.5	103.1	100.1	102.8
Continuing Operations	**106.5**	**106.5**	**103.1**	**100.1**	**102.8**
Discontinued Operation	13.3	13.0	12.6	12.5	12.9
Biotest Group	**119.8**	**119.5**	**115.7**	**112.6**	**115.7**
EBIT					
Plasma Proteins	17.1	19.6	18.1	17.7	18.1
Corporate/Reconciliation	−2.2	−1.9	−2.2	−2.5	−2.3
Biotherapeutics	−5.8	−5.4	−5.9	−5.3	−5.1
Continuing Operations	**9.1**	**12.3**	**10.0**	**9.9**	**10.7**
Discontinued Operation	2.3	1.9	1.4	1.8	19.7
Biotest Group	**11.4**	**14.2**	**11.4**	**11.7**	**30.4**
EBT (Continuing Operations)	**6.6**	**9.1**	**1.7**	**8.7**	**8.9**

*) Previous year amounts adjusted due to the Discontinued Operation

OTHER INFORMATION

Accounting principles

The interim report as of 31 March 2011 has been prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB). There have been no changes with regard to the accounting and valuation methods used compared with those used in the consolidated financial statements for 2010. The interim management report and interim financial statements are neither audited nor are they subject to review by an auditor.

Business transactions with associated persons or companies

Biotest has a reportable relationship to its associate BioDarou P.J.S. Co. In the first quarter of 2011, BioDarou P.J.S. Co. purchased goods and services from Biotest in the amount of €1.5 million. As of 31 March 2011, Biotest had €3.3 million in receivables from BioDarou P.J.S. Co. Other than this business relationship, no major transactions with associated persons or companies took place in the reporting period.

Dreieich, 10 May 2011
Biotest Aktiengesellschaft

The Board of Management

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

Dr. Michael Ramroth
Chief Financial Officer

Financial calendar

11 August 2011	Quarterly report for Q2 2011
10 November 2011	Press and analysts' conference
10 November 2011	Quarterly report for Q3 2011

Biotest

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