



STRATEC
Biomedical Systems AG

Interim Report as of March 31, 2007

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Dear Shareholders,

The preliminary company figures for the first quarter of 2007 published at the end of April 2007 have enabled us to report on a successful start to the year.

In the first three months of the 2007 financial year, the STRATEC Group increased its sales by 2% to EUR 15.7 million and its consolidated net income by 23% to EUR 1.9 million. Earnings per share thus amounted to EUR 0.17 at the end of the first three months (previous year: EUR 0.14). The growth achieved in the first quarter of 2007 is all the more impressive given the unusually strong performance in the first quarter of 2006, which was characterized in particular by the initial stocking of one of our customers with an analyzer system previously launched by that customer onto the market.

As already announced in our ad-hoc announcements in October 2006 and April 2007, we expect to be able to generate the overwhelming share of the growth forecast for the company in 2007 in the second half of the financial year. This assumption is based in particular on the expected marketing launch of a new analyzer system and on further activities on the part of our customers.

STRATEC is focusing on high-growth segments within the diagnostics market, such as molecular diagnostics, the fastest-growing subsection in the field of diagnostics. Specialists have quantified the current global market volume for market diagnostics at around EUR 2.5 billion and expect to see annual growth rates of between 13% and 15% in the areas of relevance to our business. On the basis of various projects, STRATEC has built up considerable expertise in this subsection of the market in recent years. Molecular diagnostics represents one of STRATEC's key growth drivers.

Birkenfeld, May 2007

The Board of Management of
STRATEC Biomedical Systems AG



Hermann Leistner



Marcus Wolfinger



Bernd M. Steidle

Group Interim Management Report

Report on the earnings, financial and net asset position

The sales of the STRATEC Group increased in spite of the very substantial growth reported in the previous year from EUR 15.4 million to EUR 15.7 million. The cost of materials, by contrast, could be reduced by 9% due to the increased share of sales not requiring material input and the further growth in sales with replacement parts.

Personnel expenses rose from EUR 3.0 million to EUR 3.6 million as a result of the inclusion of Sanguin International Ltd. and of the further expansion of development activities. Other operating expenses increased in line with the budget by EUR 0.4 million.

The rise in depreciation and amortization by EUR 0.3 million is principally due to the scheduled amortization of the fair values identified at Sanguin International Ltd.

By analogy with the increase of EUR 1.0 million in raw materials and supplies, accounts payable rose by the same amount.

In the first three months of the 2007 financial year, the STRATEC Group invested EUR 0.3 million in property, plant and equipment (previous year: EUR 0.2 million) and EUR 0.1 million in software (previous year: EUR 0.1 million). The investments of EUR 4.1 million made in the previous year were mainly characterized by the acquisition of Sanguin International Ltd. and by the stocking up of shareholdings.

Changes in business framework

Although STRATEC's business performance is largely independent of macroeconomic cycles, in the following section we will depict the potential changes in the business framework resulting from macroeconomic developments, raw materials prices and in particular from the development of the US economy.

The global economic upturn has continued. It is pleasing to note that the tangible recovery in the Germany economy is being driven by domestic demand and in equal measure by the export sector, which is important for our activities. While the European economy is expected to show positive developments in future, experts have identified the risk of a potentially substantial slow-down in the US economy.

The global economy is forecast to grow by 3.4 percent in 2007. Growth of 2.4 percent is expected in the euro area.

The growth rates thereby forecast are nonetheless largely subject to the risks resulting from the further development of the US economy and from fluctuating raw materials prices.

Report on forecasts and other statements concerning the company's expected development

Our planning indicators, such as the further development of existing projects, indicate a continuation of our positive business performance. For the current financial year we expect to achieve further sales growth in the expected range and to see a further increase in our operating margin. We currently have no new information which would result in any significant change in the situation and expected development of the company.

Opportunity and risk report

We analyze and evaluate the risks facing the company and its environment within the framework of our risk management system, which has been established as an early warning risk identification system.

Accordingly, we do not see any changes compared with the risks and opportunities identified in the Group Management Report of March 14, 2007 for the 2006 financial year. Reference is made to the risk report section within the 2006 Group Management Report for details concerning our risk management system and our company's specific opportunity and risk profile.

Statement of the Board of Management pursuant to Section 315 (1) of the German Commercial Code (HGB)

The Board of Management of STRATEC AG hereby affirms that to the best of its knowledge the course of business, including the business results and situation of the STRATEC Group, have been depicted in this Group Interim Management Report in such a way as to provide a true and fair picture of the company's situation, and that the principal opportunities and risks as defined in Section 315 (1) Sentence 5 of the German Commercial Code (HGB) have been adequately portrayed.

Consolidated Balance Sheet as of March 31, 2007

Assets	3.31.2007	12.31.2006
Long-term assets		
Goodwil	883 T€	897 T€
Other intangible assets	5,190 T€	5,358 T€
Property, plant and equipment	5,625 T€	5,575 T€
Shares in associated companies	329 T€	329 T€
Shareholdings	2,668 T€	2,678 T€
Other financial assets	24 T€	26 T€
	14,719 T€	14,863 T€
Short-term assets		
Raw materials and supplies	6,522 T€	5,551 T€
Unfinished products, unfinished services	9,329 T€	8,922 T€
Finished products	216 T€	213 T€
Accounts receivable	9,359 T€	8,885 T€
Future receivables from production orders	5,358 T€	5,516 T€
Receivables from associated companies	33 T€	43 T€
Other receivables and other assets	942 T€	687 T€
Securities	394 T€	449 T€
Cash and cash equivalents	13,402 T€	11,991 T€
	45,555 T€	42,257 T€
Total assets	60,274 T€	57,120 T€

Shareholders' equity and liabilities	3.31.2007	12.31.2006
Shareholders' equity		
Share capital	11,263 T€	11,260 T€
Capital reserve	9,903 T€	9,864 T€
Revenue reserves	18,519 T€	10,778 T€
Consolidated net earnings	1,930 T€	7,741 T€
Other equity	475 T€	491 T€
	42,090 T€	40,134 T€
Debt		
Long-term debt		
Long-term financial liabilities	2,393 T€	2,460 T€
Pension provisions	53 T€	53 T€
Deferred taxes	2,100 T€	2,241 T€
	4,546 T€	4,754 T€
Short-term debt		
Short-term financial liabilities	1,229 T€	1,255 T€
Accounts payable	3,998 T€	2,934 T€
Liabilities to associated companies	18 T€	55 T€
Other short-term liabilities	3,829 T€	3,939 T€
Short-term provisions	2,594 T€	2,366 T€
Tax provisions	1,970 T€	1,683 T€
	13,638 T€	12,232 T€
Total shareholders' equity and liabilities	60,274 T€	57,120 T€

Consolidated Income Statement for the Period from January 1 to March 31, 2007

	I.1.-3.31.2007	I.1.-3.31.2006
Sales	15,674 T€	15,359 T€
Increase in volume of finished and unfinished products and unfinished services	409 T€	-143 T€
Other capitalized own-account services	48 T€	42 T€
Overall performance	16,131 T€	15,258 T€
Other operating income	67 T€	29 T€
Cost of raw materials and supplies	7,840 T€	8,596 T€
Cost of services rendered	172 T€	172 T€
Personnel expenses ^{*1}	3,625 T€	3,002 T€
Other operating expenses	1,506 T€	1,093 T€
EBITDA	3,055 T€	2,424 T€
Depreciation and amortization of property, plant and equipment and intangible assets	550 T€	270 T€
EBIT	2,505 T€	2,154 T€
Financial result	29 T€	- 16 T€
Operating result (EBT)	2,534 T€	2,138 T€
Current tax expenses	745 T€	266 T€
Deferred tax income (previous year: tax expenses)	141 T€	300 T€
Consolidated net income	1,930 T€	1,572 T€

Earnings per share	0.17 €	0.14 € ^{*2}
No. of shares used as basis	11,256,585	10,965,063 ^{*2}

Diluted earnings per share	0.17 €	0.14 € ^{*2}
Diluted no. of shares used as basis	11,430,222	11,310,470 ^{*2}

^{*1} Due to the increasing significance of temporary employees for the services performed by the company, the resultant expenses have been reported under personnel expenses. The previous year's figures have been adjusted accordingly.

^{*2} As a result of the capital increase undertaken from company funds in July 2006 (factor: 2.9942188), the number of shares used in the calculation of "Earnings per share" has been adjusted for reasons of comparability.

Statement of Changes in Group Shareholders' Equity for the Period from January 1 to March 31, 2007

January - March 2006	Share Capital	Capital reserve	Revenue reserves		Consolidated net income	Other equity			Group equity
			Cumulative earnings	Free revenue reserves		Reserve for fair value valuation	Treasury stock	Currency conversion	
Balance at 12.31.2005	3,660 T€	15,896 T€	5,923 T€	1,539 T€	4,413 T€	106 T€	- 13 T€	- T€	31,524 T€
Profit carried forward	- T€	- T€	4,413 T€	- T€	- 4,413 T€	- T€	- T€	- T€	- T€
Issue of subscription shares from stock option programs	- T€	- T€	- T€	- T€	- T€	- T€	- T€	- T€	- T€
Transfers due to stock option plan	- T€	38 T€	- T€	- T€	- T€	- T€	- T€	- T€	38 T€
Company acquisition in return for shares from real capital increase (change in reporting entity)	18 T€	782 T€	- T€	- T€	- T€	- T€	- T€	- T€	800 T€
Adjustment resulting from the valuation of assets available for sale at fair value	- T€	- T€	- T€	- T€	- T€	263 T€	- T€	- T€	263 T€
Consolidated net income 1st quarter of 2006	- T€	- T€	- T€	- T€	1,572 T€	- T€	- T€	- T€	1,572 T€
Balance at 3.31.2006	3,678 T€	16,716 T€	10,336 T€	1,539 T€	1,572 T€	369 T€	- 13 T€	- T€	34,197 T€

January - March 2007	Share capital	Capital reserve	Revenue reserves		Consolidated net income	Other equity			Group equity
			Cumulative earnings	Free revenue reserves		Reserve for fair value valuation	Treasury stock	Currency conversion	
Balance at 12.31.2006	11,260 T€	9,864 T€	9,239 T€	1,539 T€	7,741 T€	362 T€	- 13 T€	142 T€	40,134 T€
Profit carried forward ⁽¹⁾	- 1€	- 1€	7,741 T€	- 1€	- 7,741 T€	- 1€	- 1€	- 1€	- 1€
Issue of subscription shares from stock option programs	3 T€	6 T€	- 1€	- 1€	- 1€	- 1€	- 1€	- 1€	9 T€
Transfers due to stock option plan	- 1€	33 T€	- 1€	- 1€	- 1€	- 1€	- 1€	- 1€	33 T€
Adjustment resulting from the valuation of assets available for sale at fair value	- 1€	- 1€	- 1€	- 1€	- 1€	- 10 T€	- 1€	- 1€	- 10 T€
Currency conversion	- 1€	- 1€	- 1€	- 1€	- 1€	- 1€	- 1€	- 6 T€	- 6 T€
Consolidated net income 1st quarter of 2007	- 1€	- 1€	- 1€	- 1€	1,930 T€	- 1€	- 1€	- 1€	1,930 T€
Balance at 3.31.2007	11,263 T€	9,903 T€	16,980 T€	1,539 T€	1,930 T€	352 T€	- 13 T€	136 T€	42,090 T€

⁽¹⁾ subject to approval by the Annual General Meeting on May 16, 2007; prior to distribution.

Consolidated Cash Flow Statement for the Period from January 1 to March 31, 2007

	1.1.-3.31.2007	1.1.-3.31.2006
Consolidated net income	1,930 T€	1,572 T€
Depreciation and amortization	550 T€	270 T€
Other non-cash expenses	78 T€	58 T€
Change in deferred taxes	- 141 T€	300 T€
Cash flow	2,417 T€	2,200 T€
Profit on the disposal of long-term assets	- 6 T€	- 5 T€
Increase in inventories, accounts receivable and other assets	- 1,270 T€	- 3,028 T€
Increase in accounts payable and other liabilities	663 T€	2,177 T€
Inflow of funds from operating activities	1,804 T€	1,344 T€
Incoming payments from disposals of long-term assets	10 T€	5 T€
Outgoing payments for investments in long-term consolidated assets		
- Intangible assets	- 102 T€	- 73 T€
- Property, plant and equipment	- 275 T€	- 174 T€
- Financial assets	0 T€	- 1,338 T€
Outgoing payments for the acquisition of consolidated subsidiaries, less cash and cash equivalents thereby taken over	0 T€	- 2,560 T€
Outflow of funds for investment activities	- 367 T€	- 4,140 T€
Outgoing payments for the repayment of financial debt	-15 T€	- 71 T€
Incoming payments from the issue of shares for employee stock option programs	9 T€	0 T€
Outflow of funds for financing activities	- 6 T€	- 71 T€
Cash-effective change in financial funds	1,431 T€	- 2,867 T€
Financial funds at start of period	11,991 T€	9,962 T€
Change in financial funds due to changes in exchange rates	-20 T€	0 T€
Financial funds at end of period	13,402 T€	7,095 T€

Notes to the Consolidated Interim Financial Statements for the Period from January 1 to March 31, 2007

Summary of principal accounting and valuation methods

The consolidated financial statements of STRATEC AG as of December 31, 2006 were compiled in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU valid at the reporting report. In the interim report as of March 31, 2007, which has been compiled on the basis of International Accounting Standard (IAS) 34 "Interim Financial Reporting", application has been made of the same accounting methods as in the consolidated financial statements for the 2006 financial year. Application has also been made of all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) with binding effect as of March 31, 2007. Moreover, when compiling the interim report, account was also taken of the near-final draft of German Accounting Standard No. 16 (DRS 16) – Interim Reporting – of the German Accounting Standards Committee (DRSC e.V).

Given that Sanguin International Ltd. was consolidated for the first time as of March 31, 2006, its results for the period from January to March 2006 are not included in the consolidated income statement for the equivalent period in the previous year.

The Swiss subsidiary Robion AG introduced the Swiss franc as its functional currency as of January 1, 2007. This has resulted in the assets and liabilities stated in the balance sheet of Robion AG being converted at the respective reporting date rates and the income statement being converted at average exchange rates.

There were no indications of any potential impairment in the value of goodwill at the reporting date.

The company's interim reports are neither audited, not subject to an audit review, by the Group auditor, Wirtschaftstreuhand GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

Reference is made to the consolidated financial statements of STRATEC AG as of December 31, 2006 with regard to further information concerning the individual accounting and valuation methods applied.

The Group's currency is the euro. Unless otherwise indicated, all amounts have been stated in thousand euros (EUR 000s).

Breakdown of sales at the Group

The breakdown of sales into their respective geographical regions represents the distribution of the STRATEC's Groups products. In view of the fact that the customers of the STRATEC Group generally supply their country outlets and customers from central distribution centers, however, this breakdown of sales does not represent the geographical distribution of the final operating locations of the STRATEC Group's analyzer systems. We assume that the overwhelming majority, with a rising tendency, of all analyzer systems ever produced by STRATEC are now located outside Germany.

Sales can be broken down into their respective geographical regions (customer locations) as follows:

Period	Germany	EU	Other	Total
January - March 2007	2,854 T€ 18.2%	10,671 T€ 68.1%	2,149 T€ 13.7%	15,674 T€ 100.0%

Period	Germany	EU	Other	Total
January - March 2006	3,237 T€ 21.1%	11,242 T€ 73.2%	880 T€ 5.7%	15,359 T€ 100.0%

Research and development expenses

The expenses relating to research and project management, and to development services not fulfilling the capitalization criteria set out in IAS 38, amounted to EUR 1.6 million in the first three months (previous year: EUR 2.0 million) and have been reported mainly as personnel expenses in the company's consolidated income statement. Moreover, procurement volumes of around EUR 0.2 million (previous year: EUR 0.2 million) were incurred during the period under report in connection with materials used in research and development. These have been included in the cost of materials item.

Equity

The development in the equity of the STRATEC Group has been depicted in the statement of changes in Group shareholders' equity on Pages 8 and 9.

Number of shares issued – The number of ordinary shares with a nominal value of one euro each issued by STRATEC AG as of March 31, 2007 amounts to 11,263,240. These are all bearer shares.

Proposed dividend – In view of the very pleasing earnings performance of the STRATEC Group in the 2006 financial year, at their meeting on March 26, 2007 the Supervisory Board and Board of Management of STRATEC AG decided to propose to the Annual General Meeting to be held on May 16, 2007 that the distribution to the company's shareholders be increased by 50%. A dividend of EUR 0.15 per share is to be distributed for the 2006 financial year (previous year: EUR 0.10). Subject to approval by the Annual General Meeting, this would correspond to a distribution of EUR 1.7 million (previous year: EUR 1.1 million).

Disclosures on the volume of treasury stock and on subscription rights held by members of the company's executive and supervisory bodies and its employees pursuant to Section 160 (1) Nos. 2 and 5 of the German Stock Corporation Act (AktG)

STRATEC AG owned a total of 4,492 of its own shares at the interim reporting date. This corresponds to a prorated amount of EUR 4,492.00 of its share capital and to a 0.04% share of its equity.

In view of the several "conditional capitals" created by resolutions adopted at the Annual General Meetings held on May 28, 2003 and June 23, 2006, these various items have been combined below in the interests of clarity.

The members of the Board of Management and the employees held the following numbers of subscription rights (share option rights) at the interim reporting date:

Conditional Capital II / III	Board of Management/ Managing Directors	Employees	Total
Outstanding on 12.31.2006	28,120	71,860	99,980
Issued	-	500	500
Exercised	-	1,000	1,000
Lapsed	-	-	-
Outstanding on 3.31.2007	28,120	71,360	99,480

Employees

Including the personnel provided by a temporary employment agency, the STRATEC Group had a total workforce of 246 employees as of March 31, 2007 (previous year: 206).

Significant events after the interim reporting date

There have been no significant events since the interim reporting date which would require report in this section.

Statement of the Board of Management pursuant to Section 297 (2) of the German Commercial Code (HGB)

The Board of Management of STRATEC AG affirms that to the best of its knowledge these consolidated interim financial statements compiled in accordance with the principles of proper accounting provide a true and fair picture of the net asset, financial and earnings position of the STRATEC Group.

Financial Calendar 2007

5. 16. 2007	Annual General Meeting, Pforzheim
6. 12. 2007	European Small & Mid Cap Conference, CA Cheuvreux S.A., London, UK
8. 8. 2007	Publication of 6 month report
11. 7. 2007	Publication of 9 month report
November 2007	Deutsches Eigenkapitalforum, Frankfurt am Main

Partially incomplete / subject to amendment

About the Company

STRATEC Biomedical Systems AG (<http://www.stratec-biomedical.de>) designs and manufactures fully automated systems for its partners in the fields of clinical diagnostics and biotechnology. These partners market such systems, in general together with their own reagents, to laboratories and research institutes around the world. The company develops its products on the basis of its own patented technologies.

Shares in the company (ISIN: DE0007289001) are listed in the Prime Standard (segment of the official market involving additional admissions requirements) of the Frankfurt Stock Exchange.

The STRATEC Group consists of the publicly listed parent company STRATEC Biomedical Systems AG and its subsidiaries STRATEC Biomedical Inc., STRATEC NewGen GmbH, Robion AG and Sanguin International Ltd., as well as Sanguin International Inc, a subsidiary of Sanguin International Ltd.

Further information about STRATEC is available on the internet at www.stratec-biomedical.de.

Notice

Forward-looking statements involve risks – This interim report contains various statements concerning the future performance of STRATEC. These statements are based both on assumptions and on estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected. It is not planned to update these forward-looking statements.

Discrepancies may arise throughout this interim report on account of mathematical rounding up or down in the course of addition.

English terminology in the field of diagnostics – The specialist terminology used in the field of diagnostics mainly derives from linguistic usage in the English-speaking world. For this reason, we make periodic use of English terminology in our ongoing German reporting. Any attempt to find a suitable German equivalent for these established terms relating to diagnostics could result in an impairment of the concepts in question. We nevertheless take trouble to define such concepts in German wherever we consider it feasible.

This interim report is also available in German.



STRATEC Biomedical Systems AG

Gewerbestraße 37

D-75217 Birkenfeld

Fon: +49 (0)7082 7916-0

Fax: +49 (0)7082 7916-999

ir@stratec-biomedical.de

www.stratec-biomedical.de

stratec[®] ● ●
biomedical systems