



STRATEC
Biomedical Systems AG

Interim Report as of June 30, 2007

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Dear Shareholders,

In the first six months of the 2007 financial year, the STRATEC Group achieved year-on-year sales growth of 4% to EUR 34.1 million and increased its consolidated net income by 18% to EUR 4.2 million. Earnings per share amounted to EUR 0.37 at the end of the first six months (previous year: EUR 0.32).

In July 2007, STRATEC announced the signing of a deal with the US company Gen-Probe. The deal involves STRATEC developing and supplying fully automated molecular diagnostic analyzer systems called “Panther”. Gen-Probe will market the “Panther” analyzer systems, together with its own molecular-diagnostic tests, used primarily to diagnose human diseases and to screen donated human blood, as a system solution on a worldwide basis. The conclusion of this deal, which is of major significance for STRATEC, will secure the STRATEC’s long-term profitable growth beyond the 2010 financial year as well.

As one of the largest providers of molecular-diagnostic tests, Gen-Probe is a global leader in the development, manufacture and marketing of rapid, accurate and cost-effective nucleic acid tests (NATs).

This cooperation, which is of great importance for STRATEC, marks the beginning of a long-term business relationship enabling both partners to contribute their proven high levels of expertise in the field of molecular diagnostics. The processes used in molecular diagnostics, which is understood to involve the direct detection of viral genotypes, are considerably more complex than those used in traditional laboratory diagnostics and require the application of the expertise available at both companies.

More than 90% of relevant diagnostics tests worldwide are currently still performed using traditional diagnostic methods. The entire sector expects the coming decade to see a massive shift away from these methods towards molecular-diagnostic methods.

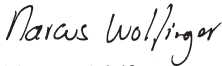
STRATEC stands to benefit disproportionately from this development, given that more than 30% of its relevant employees are already working on existing development projects and production orders.

Birkenfeld, August 2007

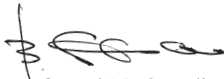
The Board of Management of
STRATEC Biomedical Systems AG



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 in the previous year from EUR 32.7 million to EUR 34.1 million. The Group's overall performance also rose by 6.5% from EUR 32.5 million to EUR 34.6 million. At the same time, it was possible to reduce costs of materials by 3.2% as a result of the increased share of sales not requiring material input and the further growth in sales with replacement parts.

Personnel expenses rose from EUR 6.5 million to EUR 7.5 million as a result of the full inclusion of Sanguin International Ltd. and of the further expansion of development activities. Other operating expenses increased in line with the budget by EUR 0.3 million.

The rise in depreciation and amortization by EUR 0.4 million is principally due to the scheduled amortization of the fair values identified at Sanguin International Ltd.

The volume of raw materials and suppliers was reduced by EUR 0.8 million compared with December 31, 2006 while the sum of receivables rose by EUR 3.2 million on account of the disproportionate share of second-quarter sales attributable to the month of June.

Accounts payable increased by EUR 0.8 million. Other short-term liabilities, by contrast, could be reduced by EUR 1.0 million. The equity ratio soared from 70% to 73% during the period under report.

In the first six months of the 2007 financial year, the STRATEC Group invested EUR 0.6 million in property, plant and equipment (previous year: EUR 0.3 million) and EUR 0.2 million in software (previous year: EUR 0.1 million). The investments of EUR 4.6 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. The marked revival in the German economy is being driven by domestic demand and in particular by exports. While the European economy provides grounds for positive expectations as to the future, there is uncertainty as to the development of the US economy.

The growth rates forecast worldwide 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 and the forecasts provided by our customers, indicate a continuation of our positive business performance, particularly in 2008 and 2009.

The further sales growth budgeted for the current financial year is partly subject to uncertain external factors, notably as a result of this growth being positioned close to the balance sheet reporting date in terms of its timing. These factors primarily involve the market approval of a new analyzer system family by a customer and the market launch of an extension to the reagent portfolio of a further STRATEC customer.

We expect to see a further increase in our operating margin in the current financial year.

The fact that our development departments will be working at full capacity on customer projects for several years already provides an indication that the company's growth will exceed the development of the overall market up to and beyond the 2010 financial year.

Since the assessment of the situation of the company provided on March 14, 2007 in connection with the compilation of the Annual Report for the 2006 financial year, no new information has arisen which could lead to a substantial change in the company's position. Moreover, we have not since identified any factors resulting in any change in our assessment of the 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.

With the exception of the temporary factors outlined in the "Report on forecasts on other statements concerning the company's expected development" and the potential temporary implications of the integration of Bayer Diagnostics into Siemens Medical Solutions Diagnostics, 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.

Consolidated Balance Sheet as of June 30, 2007

Assets	6.30.2007	12.31.2006
Long-term assets		
Goodwill	896 T€	897 T€
Other intangible assets	4,951 T€	5,358 T€
Property, plant and equipment	5,685 T€	5,575 T€
Shares in associated companies	329 T€	329 T€
Shareholdings	2,609 T€	2,678 T€
Other financial assets	23 T€	26 T€
	14,493 T€	14,863 T€
Short-term assets		
Raw materials and supplies	4,730 T€	5,551 T€
Unfinished products, unfinished services	9,326 T€	8,922 T€
Finished products	216 T€	213 T€
Accounts receivable	13,138 T€	8,885 T€
Future receivables from production orders	4,456 T€	5,516 T€
Receivables from associated companies	16 T€	43 T€
Other receivables and other assets	741 T€	687 T€
Securities	393 T€	449 T€
Cash and cash equivalents	11,040 T€	11,991 T€
	44,056 T€	42,257 T€
Total assets	58,549 T€	57,120 T€

Shareholders' equity and liabilities	6.30.2007	12.31.2006
Shareholders' equity		
Share capital	11,308 T€	11,260 T€
Capital reserve	10,042 T€	9,864 T€
Revenue reserves	16,831 T€	10,778 T€
Consolidated net earnings	4,185 T€	7,741 T€
Other equity	303 T€	491 T€
	42,669 T€	40,134 T€
Debt		
Long-term debt		
Long-term financial liabilities	2,298 T€	2,460 T€
Pension provisions	53 T€	53 T€
Deferred taxes	1,877 T€	2,241 T€
	4,228 T€	4,754 T€
Short-term debt		
Short-term financial liabilities	1,534 T€	1,255 T€
Accounts payable	3,773 T€	2,934 T€
Liabilities to associated companies	18 T€	55 T€
Other short-term liabilities	2,908 T€	3,939 T€
Short-term provisions	2,584 T€	2,366 T€
Tax provisions	835 T€	1,683 T€
	11,652 T€	12,232 T€
Total shareholders' equity and liabilities	58,549 T€	57,120 T€

Consolidated Income Statement for the Period from April 1 to June 30, 2007

	4.1.-6.30.2007	4.1.-6.30.2006
Sales	18,424 T€	17,314 T€
Increase (previous year: decrease) in volume of finished and unfinished products and unfinished services	17 T€	-113 T€
Other capitalized own-account services	53 T€	42 T€
Overall performance	18,494 T€	17,243 T€
Other operating income	220 T€	167 T€
Cost of raw materials and supplies	9,332 T€	9,205 T€
Cost of services rendered	187 T€	131 T€
Personnel expenses ¹	3,918 T€	3,468 T€
Other operating expenses	1,339 T€	1,448 T€
EBITDA	3,938 T€	3,158 T€
Depreciation and amortization of property, plant and equipment and intangible assets	546 T€	411 T€
EBIT	3,392 T€	2,747 T€
Financial result	-19 T€	-53 T€
Operating result (EBT)	3,373 T€	2,694 T€
Current tax expenses	1,325 T€	708 T€
Deferred tax income (previous year: tax expenses)	-207 T€	11 T€
Consolidated net income	2,255 T€	1,975 T€

Earnings per share	0.20 €	0.18 € ²
No. of shares used as basis	11,279,755	11,047,954 ²

Diluted earnings per share	0.20 €	0.17 € ²
Diluted no. of shares used as basis	11,442,069	11,359,643 ²

Consolidated Income Statement for the Period from January 1 to June 30, 2007

	I.1.-6.30.2007	I.1.-6.30.2006
Sales	34,098 T€	32,672 T€
Increase (previous year: decrease) in volume of finished and unfinished products and unfinished services	426 T€	-255 T€
Other capitalized own-account services	101 T€	84 T€
Overall performance	34,625 T€	32,501 T€
Other operating income	287 T€	196 T€
Cost of raw materials and supplies	17,171 T€	17,801 T€
Cost of service rendered	359 T€	303 T€
Personnel expenses ¹	7,544 T€	6,470 T€
Other operating expenses	2,845 T€	2,541 T€
EBITDA	6,993 T€	5,582 T€
Depreciation and amortization of property, plant and equipment and intangible assets	1,096 T€	681 T€
EBIT	5,897 T€	4,901 T€
Financial result	10 T€	-69 T€
Operating result (EBT)	5,907 T€	4,832 T€
Current tax expenses	2,070 T€	973 T€
Deferred tax income (previous year: tax expenses)	-348 T€	311 T€
Consolidated net income	4,185 T€	3,548 T€

Earnings per share	0.37 €	0.32 € ²
No. of shares used as basis	11,268,170	11,006,508 ²

Diluted earnings per share	0.37 €	0.31 € ²
Diluted no. of shares used as basis	11,419,112	11,336,019 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 June 30, 2007

January - June 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€
Transfer to free revenue reserves	- T€	- T€	- T€	2,000 T€	- 2,000 T€	- T€	- T€	- T€	- T€
Dividend payment	- T€	- T€	- T€	- T€	- 1,688 T€	- T€	- T€	- T€	- 1,688 T€
Profit carried forward	- T€	- T€	4,053 T€	- T€	- 4,053 T€	- T€	- T€	- T€	- T€
Issue of subscription shares from stock option programs	48 T€	109 T€	- T€	- T€	- T€	- T€	- T€	- T€	157 T€
Transfers due to stock option plan	- T€	69 T€	- T€	- T€	- T€	- T€	- T€	- T€	69 T€
Adjustment resulting from the valuation of assets available for sale at fair value	- T€	- T€	- T€	- T€	- T€	- 70 T€	- T€	- T€	- 70 T€
Currency conversion	- T€	- T€	- T€	- T€	- T€	- T€	- T€	- 118 T€	- 118 T€
Consolidated net income 1st half of 2007	- T€	- T€	- T€	- T€	4,185 T€	- T€	- T€	- T€	4,185 T€
Balance at 6.30.2007	11,308 T€	10,042 T€	13,292 T€	3,539 T€	4,185 T€	292 T€	- 13 T€	24 T€	42,669 T€

January - June 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	
Balance at 12.31.2005	3,660 T€	15,896 T€	5,923 T€	1,539 T€	4,412 T€	106 T€	- 13 T€	31,523 T€
Dividend payment	- T€	- T€	- T€	- T€	- 1,097 T€	- T€	- T€	- 1,097 T€
Profit carried forward	- T€	- T€	3,315 T€	- T€	- 3,315 T€	- T€	- T€	- T€
Issue of subscription shares from stock option programs	41 T€	157 T€	- T€	- T€	- T€	- T€	- T€	198 T€
Transfers due to stock option plan	- T€	69 T€	- T€	- T€	- T€	- T€	- T€	69 T€
Company aquisition in return for shares from real capital increase (change in reporting entity)	18 T€	782 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€	399 T€	- T€	399 T€
Consolidated net income 1st half of 2006	- T€	- T€	- T€	- T€	3,548 T€	- T€	- T€	3,548 T€
Balance at 6.30.2006	3,719 T€	16,904 T€	9,238 T€	1,539 T€	3,548 T€	505 T€	- 13 T€	35,440 T€

Consolidated Cash Flow Statement for the Period from January 1 to June 30, 2007

	I.I.-30.6.2007	I.I.-30.6.2006
Consolidated net income	4,185 T€	3,548 T€
Depreciation and amortization	1,096 T€	681 T€
Other non-cash expenses	134 T€	103 T€
Change in deferred taxes	- 348 T€	311 T€
Cash flow	5,067 T€	4,643 T€
Profit on the disposal of long-term assets	- 6 T€	- 5 T€
Increase in inventories, accounts receivable and other assets	- 2,630 T€	- 6,003 T€
Decrease (previous year: increase) in accounts payable and other liabilities	- 908 T€	688 T€
Inflow (previous year: outflow) of funds from operating activities	1,523 T€	- 677 T€
Incoming payments from disposals of long-term assets	10 T€	25 T€
Outgoing payments for investments in long-term consolidated assets		
- Intangible assets	- 151 T€	- 82 T€
- Property, plant and equipment	- 560 T€	- 313 T€
- Financial assets	0 T€	- 1,654 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	- 701 T€	- 4,584 T€
Outgoing payments for the repayment (previous year: incoming payments from the taking up) of financial debt	- 119 T€	54 T€
Incoming payments from the issue of shares for employee stock option programs	157 T€	216 T€
Dividend payments	- 1,688 T€	- 1,097 T€
Outflow of funds for financing activities	- 1,650 T€	- 827 T€
Cash-effective change in financial funds	- 828 T€	- 6,088 T€
Financial funds at start of period	11,991 T€	9,962 T€
Change in financial funds due to changes in exchange rates	- 123 T€	0 T€
Financial funds at end of period	11,040 T€	3,874 T€

Notes to the Consolidated Interim Financial Statements for the Period from January 1 to June 30, 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 June 30, 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 June 30, 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 Group's 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 - June 2007	6,826 T€ 20.0%	21,975 T€ 64.4%	5,297 T€ 15.6%	34,098 T€ 100.0%

Period	Germany	EU	Other	Total
January - June 2006	6,170 T€ 18.9%	23,619 T€ 72.3%	2,883 T€ 8.8%	32,672 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 2.5 million in the first six months (previous year: EUR 3.8 million) and have been reported mainly as personnel expenses in the company's consolidated income statement. Moreover, procurement volumes of around EUR 0.3 million (previous year: EUR 0.3 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 10 and 11.

Number of shares issued – The number of ordinary shares with a nominal value of one euro each issued by STRATEC AG as of June 30, 2007 amounts to 11,308,255. These are all bearer shares.

Dividend – In line with the proposal made by the management, the Annual General Meeting held on May 16, 2007 approved the distribution of a dividend of Euro 0.15 per share, equivalent to a 50% increase on the previous year, to the company's shareholders. The dividend was paid on the first banking day following the Annual General Meeting. The distribution total amounted to Euro 1,688,860.40.

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, June 23, 2006 and May 16, 2007, 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 I / II / III	Board of Management/ Managing Directors	Employees	Total
Outstanding on 3.31.2007	28,120	71,360	99,480
Issued	70,000	500	70,500
Exercised	-	15,037	15,037
Lapsed	-	-	-
Outstanding on 6.30.2007	98,120	56,823	154,943

Employees

Including the personnel provided by a temporary employment agency, the STRATEC Group had a total workforce of 256 employees as of June 30, 2007 (previous year: 210).

Significant events after the interim reporting date

In an ad-hoc announcement published on July 18, 2007, STRATEC announced the signing of an agreement with Gen-Probe Inc., San Diego, California, USA, for the development and supply by STRATEC of fully automated analyzer systems called “Panther”. Gen-Probe is planning to market its own molecular diagnostic tests, used primarily to diagnose human diseases and to screen donated human blood, together with the “Panther” analyzer systems as a system solution on a worldwide basis.

During the development phase, which is scheduled to last three to four years, STRATEC’s new business partner Gen-Probe will make milestone payments expected to total to more than USD 15 million both for the progress made in the development project and for the purchase of prototype, validation, and pre-production instruments. Initial down-payments received for the first phase of the development will be shown in STRATEC’s FY 2007 balance sheet.

In addition to the development agreement, the contract includes a supply agreement with minimum purchase volumes scheduled over several years. STRATEC expects to generate the first sales from the supply of analyzer systems from 2009 onwards.

Assurance by the legal representatives

We hereby confirm that to the best of our knowledge the consolidated interim financial statements provide a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles governing interim reporting and that the course of business, including business results and the situation of the Group, are presented in such a way in the interim management report that a true and fair picture of actual circumstances is provided, as well as the major opportunities and risks involved in the expected development of the Group in the remainder of the financial year.

Financial Calendar 2007

10.02. 2007 German Healthcare Conference,
Zürich, Switzerland

11.13. 2007 Deutsches Eigenkapitalforum,
Frankfurt am Main, Germany

11.15. 2007 Publication of 9 month report

Partially incomplete / subject to amendment

About the Company

STRATEC Biomedical Systems AG 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, blood banks 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 <http://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.



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