

## Report of the Supervisory Board

During the past financial year, the Supervisory Board fulfilled its duties in accordance with legislation, the Articles of Association and rules of procedure. The Supervisory Board carefully and regularly monitored and advised the Board of Management. The Board of Management regularly, promptly and comprehensively informed the Supervisory Board through written and oral reports concerning all issues of fundamental importance to the company, in particular those relating to planning, business development, corporate development, the risk position and risk management. Where business developments deviated from the planning, the Board of Management provided comprehensive explanations on these. The Board of Management involved the Supervisory Board in the coordination of the strategy and progress with its implementation within the company at all times.

The Supervisory Board met at six regularly convened meetings in financial year 2008. One Supervisory Board resolution was taken by written circular in lieu of a meeting. In addition to the Supervisory Board meetings, the Chairman of the Supervisory Board was regularly informed by the Chairman of the Board of Management of current business developments and major business transactions. Business transactions of major importance to the company were discussed extensively on the basis of reports by the Board of Management and the Supervisory Board was involved in decisions at an early stage. In addition to discussing the topics indicated below at Supervisory Board and committee meetings and receiving written and oral explanations from the Board of Management, the Supervisory Board receives monthly written reports on the business position and business developments. These reports also include explanations concerning any deviations from current or planned developments. Beyond this, the Chairman of the Supervisory Board automatically receives all internal audit reports as well as copies of the minutes of Board of Management meetings, which are supplied on request.

### Main focus of the Supervisory Board deliberations

Topics regularly discussed by the Supervisory Board included planning and the current business development of the company, as well as its strategic direction and financial position. An additional focal point was the further development of the Biotherapeutics segment.

At the meeting held on 19 March 2008, the Supervisory Board reviewed current business developments, discussed the annual financial statements of Biotest AG and the consolidated financial statements for financial year 2007 with the auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and considered individual items of the financial statements in detail. The annual financial statements of Biotest AG and the consolidated financial statements for financial year 2007 were subsequently adopted. Other items on the agenda related to approval of the Report of the Supervisory Board, appointment of the auditors for the annual financial statements for financial year 2008 and the extension of the Long Term Incentive Programme to include a third tranche. The proposal for appropriation of profits to be made at the Annual Shareholders' Meeting was also resolved. Moreover, the Supervisory Board resolved the agenda for the 2008 ordinary Shareholders' Meeting.

By circular resolution of 30 April 2008, the Supervisory Board resolved to supplement its report to the Annual Shareholders' Meeting to include details regarding the report on interdependence.

Its meeting on 27 May 2008 immediately before the Annual Shareholders' Meeting served to prepare the Supervisory Board for the Annual Shareholders' Meeting and to establish a new subsidiary in Hungary.

Alongside the current business position, the Supervisory Board discussed how to secure fractionation capacity and the future supply of plasma in its meeting on 18 July 2008. The Supervisory Board approved the acquisition of a plot in Dreieich, in order to ensure that the Company has further scope for developing future plans relating to its plant structure.

In the Supervisory Board meeting held on 29 September 2008, the Board of Management provided information to the Supervisory Board regarding business performance and the interim results of the clinical trial with the BT-061 monoclonal antibody. In addition, the Board of Management provided an initial overview of future plans for the plant structure. The Supervisory Board also discussed staff development and how to promote staff loyalty. Professor Muff, who was appointed by the court as a member of the Supervisory Board prior to the meeting, was elected Chairman of the Audit Committee and therefore succeeds Dr. Hückmann.

In the meeting on 12 December 2008, a further presentation was made on current business developments. The Board of Management provided explanations on the budget for financial year 2009, which was then approved by the Supervisory Board. The Supervisory Board also approved the proposed investment plan, subject to liquidity and income being safeguarded as far as possible. The Board of Management gave a presentation to the Supervisory Board on the basic structure of risk management and the major risks to the company. At the end of the meeting, Professor Muff was elected as a new member of the Presiding Committee.

### Committees

The Supervisory Board was supported in its work by the Presiding Committee, the Personnel Committee and the Audit Committee established by the Supervisory Board.

In addition to the regular Supervisory Board meetings, the Presiding Committee met with the Personnel Committee and the Board of Management for a joint meeting, during which the issue of a third tranche under the LIT programme was discussed alongside the achievement of the targets for financial year 2007 and the new Board of Management targets for financial year 2008. The Personnel Committee took one resolution by circular in lieu of a meeting (see below).

The Audit Committee held two meetings in 2008. At the first meeting on 17 March 2008, the Audit Committee reviewed and discussed the annual financial statements and the auditors' report on the key aspects of their work. The second meeting was convened on 28 November 2008 to discuss matters which included any issues relat-

ing to the 2008 annual financial statements, determining the key aspects of the audit and discussing the liquidity situation.

### Corporate Governance

In 2008, the Supervisory Board continued to monitor the development of corporate governance standards within the company. In accordance with Section 3.10 of the German Corporate Governance Code, the Supervisory Board and the Board of Management report on corporate governance within Biotest AG appears on pages 178 to 184. In March 2009, the Board of Management and Supervisory Board of Biotest AG submitted a qualified Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the Stock Corporation Act (AktG).

### Changes in the Board of Management and Supervisory Board

No changes have taken place in the membership of the Board of Management. The Personnel Committee exclusively resolved the increase in the age limit for Professor Schulz in view of the application of change of control regulations in the Board of Management contract. The adjustment was implemented subsequently as an addendum to the Board of Management contract.

Dr. Hückmann resigned from his office as member of the Supervisory Board as of the end of the Annual Shareholders' Meeting on 27 May 2008. Since discussion regarding potential candidates was as yet ongoing at that time, the Company made an application for appointment by the district court in Offenbach of a new Supervisory Board member following conclusion of the talks. On 22 September 2008, Professor Muff was appointed by the court as a new member of the Supervisory Board.

The Chairman of the Supervisory Board thanks Dr. Hückmann for his cooperation based on trust over many years.

### Annual financial statements and consolidated financial statements

The annual financial statements of Biotest AG and the consolidated financial statements as of 31 December 2008, as well as the management report and the Group management report have been examined by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and issued with an unqualified certification. The Supervisory Board has acknowledged the results of the audit and concurs with these. The auditors' report was presented to all members of the Supervisory Board. The auditors attended the meeting of the Supervisory Board on 5 March 2009 concerning the annual financial statements and consolidated financial statements. They reported on the key findings of the audit and were also on hand to provide supplementary information. On completion of the examination, the Supervisory Board found no cause for objection. The Supervisory Board approved the annual financial statements and consolidated financial statements presented by the Board of Management. The annual financial statements and consolidated financial statements were therefore adopted. The Supervisory Board endorsed the proposal of the Board of Management for appropriation of the distributable profit.

Pages 85, 92 and 93 of the Group management report contain details on the important provisions which take effect in the event of a change of control. The syndicated loan agreement grants the creditor banks a right to termination in the event of a change of control. Similarly, the creditors who are party to the profit-participation certificate are entitled to terminate the agreement in the event of a change of control. The service contracts of both members of the Board of Management provide for a settlement in the event that their Board of Management contracts are prematurely terminated as a result of a change of control. For further details, we make reference to the relevant passages in the Group management report, rather than repeating these at this juncture.

### Report on interdependence

The Board of Management has prepared its report on relationships with affiliated companies and submitted it to the Supervisory Board together with the related audit report provided by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main.

The auditors issued the following unqualified certification:

“On the basis of the audit duly conducted by us and our assessment, we confirm that

1. the actual details provided in the report are accurate,
2. the transactions indicated in the report did not involve disproportionately high payments by the Company.”

The auditors were present at the Supervisory Board meetings in which the report on relationships with affiliated companies was discussed and provided a presentation on the key findings of their audit.

The review of the management report and of the audit report prepared by the auditors did not give rise to objection from the Supervisory Board. The Supervisory Board endorsed the findings of the audit carried out by the auditors. On completion of its examination, the Supervisory Board found no cause for objection in relation to the declaration provided by the Board of Management at the end of the report on interdependence regarding Biotest AG’s relationships with affiliated companies.

The Supervisory Board would like to express its thanks to the Board of Management and all employees for their dedication and the success of their accomplishments in financial year 2008.

Dreieich, 5 March 2009



The Supervisory Board  
Dr. Thorlef Spickschen  
Chairman