

## REPORT OF THE SUPERVISORY BOARD FOR 2009

During the past financial year, the Supervisory Board fulfilled its duties in accordance with the law, the Articles of Association and rules of procedure. It carefully and regularly monitored and advised the Board of Management's activities. The Board of Management regularly, promptly and comprehensively informed the Supervisory Board in written and oral reports on 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 the course of business deviated from plan, the Board of Management explained these deviations in detail. The Board of Management involved the Supervisory Board in the coordination of strategy and the status of its implementation in the Company at all times.

In financial year 2009 the Supervisory Board met at six regularly convened meetings. All members attended all meetings. One Supervisory Board resolution was adopted by written circular in lieu of a meeting. In addition to the Supervisory Board meetings, the Chairman of the Board of Management informed the Chairman of the Supervisory Board regularly about current business developments and major business transactions. Business transactions of major importance to the Company were discussed in detail on the basis of reports by the Board of Management, and the Supervisory Board was involved in decisions at an early stage. As required, the Board of Management submitted for approval detailed documentation of business transactions for which the consent of the Supervisory Board is obligatory. In addition to discussing the topics indicated below at Supervisory Board and committee meetings and the written and oral explanations from the Board of Management, the Supervisory Board receives monthly reports in writing on the business position and business developments. These reports also include explanations of any deviations from current or planned developments. Furthermore, the Chairman of the Supervisory Board receives automatically all internal audit reports and, on request, copies of the minutes of Board of Management meetings. No conflicts of interest involving members of the Board of Management and Supervisory Board of which the Supervisory Board must be notified without delay and about which the Annual Shareholders' Meeting must be informed arose during the reporting year.

### MAIN FOCUS OF SUPERVISORY BOARD DELIBERATIONS

Topics regularly discussed by the Supervisory Board included planning and the Company's current business development as well as its strategic orientation and financial position. An additional focal point was the further development and expansion of the Plasma Proteins segment.

At the meeting held on 5 March 2009, the Supervisory Board reviewed current business developments, discussed Biotest AG's individual annual financial statements and the consolidated financial statements for financial year 2008 with the auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and considered individual items of the financial statements in detail. The individual annual financial statements of Biotest AG and the consolidated financial statements for financial year 2008 were subsequently approved. The annual financial statements were thereby adopted. The Supervisory Board also reviewed the report on interdependence drawn up by the Board of Management. Other agenda items included approving the Report of the Supervisory Board, the Corporate

governance report and an extension of the Long Term Incentive Programme via a new round of issuing. The Supervisory Board also made recommendations on the implementation of an employee share programme. In addition, the Supervisory Board approved the agenda for the 2009 Annual Shareholders' Meeting, including a recommendation to the Shareholders' Meeting on the choice of an auditor for financial year 2009.

On 6 May 2009, the Supervisory Board approved by circular resolution the purchase of a plot of land in Dreieich, Germany.

The Supervisory Board meeting held immediately before the Annual Shareholders' Meeting on 7 May 2009 served to prepare the Supervisory Board for the Annual Shareholders' Meeting and to discuss the current business position. At its meeting held immediately after the Annual Shareholders' Meeting on 7 May 2009 the Supervisory Board elected Prof. Dr. Muff, who had been voted onto the Supervisory Board by the Annual Shareholders' Meeting, to the Presiding Committee and the Audit Committee, of which he was elected chairman.

At its meeting held on 2 July 2009, in addition to discussion of the current business position, the Supervisory Board discussed a five-year plan updated by the Board of Management, recent changes in statutory requirements of relevance for the Board of Management and Supervisory Board, and the interim results of a trial with the monoclonal antibody BT-061 in the indication of rheumatism. The Board of Management also provided information on the status of the sale of the Medical Diagnostic segment. After detailed discussion of the advantages and disadvantages of the sale, with special reference to employees' concerns, the Supervisory Board agreed in principle to a disposal of the Medical Diagnostic segment, subject to various conditions.

At the Supervisory Board meeting held on 7 October 2009, the Board of Management briefed the Supervisory Board on the course of business and, in particular, on the market situation for plasma and plasma protein products, along with the status of R&D projects relating to plasma protein products. The Board of Management also reported on further progress on the sale of the Medical Diagnostic segment. The Supervisory Board resolved to undertake an examination of efficiency as provided for by the German Corporate Governance Code.

At the Supervisory Board meeting held on 4 December 2009 the current business position was again discussed, along with reports on meetings of the Personnel Committee and the Audit Committee. The Supervisory Board approved the budget for financial year 2009 after it had been explained by the Board of Management and also approved the proposed investment plan. The Board of Management outlined to the Supervisory Board the basic aspects of risk management and the major risks to the Company. The Supervisory Board approved the establishment of two subsidiaries, one in Spain and the other in the United States. Lastly, the findings of the Supervisory Board's examination of efficiency were discussed.

## COMMITTEES

The Supervisory Board was assisted in its work by the committees that it had formed, these being the Presiding Committee, the Personnel Committee and the Audit Committee.

The Presiding Committee met with the Board of Management for two meetings and with the Personnel Committee and the Board of Management for one meeting. Subjects discussed at these meetings were the expansion of the financing framework for the Biotest Group, recent changes in statutory requirements affecting the Supervisory Board and the Board of Management, the details of an employee share programme and the continuation of the Long Term Incentive Programme, the status of the sale of the Medical Diagnostic segment and the development of executive personnel. At its meeting on 5 March 2009, the Personnel Committee discussed the achievement of targets by members of the Board of Management in financial year 2008 as well as the new targets for financial year 2009.

The Audit Committee held two meetings in 2009. At the first meeting, held on 2 March 2009, it discussed the individual and consolidated annual financial statements and the auditor's report on the main focal points of its activity. The second meeting, held on 30 November 2009, dealt with issues that included events of relevance to the annual financial statements for 2009, setting the focal points for the audit of the annual financial statements for 2009, the internal audit report and the resolution on the audit plan for 2010.

## CORPORATE GOVERNANCE

The Supervisory Board monitored the development of corporate governance standards within the Company in 2009 on a continual basis. In accordance with Section 3.10 of the German Corporate Governance Code, the report by the Supervisory Board and Board of Management on corporate governance at Biotest AG appears on pages 87 to 90. In March 2010 the Board of Management and Supervisory Board of Biotest AG submitted a declaration of compliance to the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG).

## CHANGES IN THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

There were no changes in the membership of the Board of Management.

Prof. Dr. Muff, who was appointed as a member of Biotest AG's Supervisory Board by the district court on 22 September 2008, was elected as a member of the Supervisory Board of Biotest AG at the Annual Shareholders' Meeting on 7 May 2009. The Supervisory Board then elected him as a member of the Presiding Committee and the Audit Committee and as chairman of the Audit Committee.

Ms. Paluch retired from the Supervisory Board when the sale of the Medical Diagnostic segment came into effect on 6 January 2010. The Supervisory Board Chairman thanks her for many years of good and intensive collaboration in the work of the Supervisory Board and wishes her all the best. After Ms. Paluch's departure, the works council initiated proceedings for the election of a new employee representative on the Biotest AG Supervisory Board.

### INDIVIDUAL AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The individual annual financial statements of Biotest AG and the consolidated annual financial statements as of 31 December 2009, along with the management report and Group management report, have been examined by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and issued with an unqualified audit certificate.

The above-mentioned documents, the auditor's report and the Board of Management's proposal on appropriation of the distributable profit were supplied to all members of the Supervisory Board in good time. They were dealt with in detail at the Audit Committee meeting on 15 March 2010 and the Supervisory Board meeting on 18 March 2010. The auditor reported to both meetings on the audit's principal findings and was available to answer any questions and provide additional information.

After reviewing and discussing the individual and consolidated annual financial statements, the management report and Group management report, and the Board of Management's proposal on appropriation of the distributable profit, the Supervisory Board found that no objections were to be raised and therefore approved the audit report. The Supervisory Board thereby approved the individual and consolidated annual financial statements drawn up by the Board of Management. The annual financial statements are thus adopted. The Supervisory Board approved the Board of Management's proposal on appropriation of the distributable profit.

### REPORT ON INTERDEPENDENCE

The Board of Management has informed the Supervisory Board that no report on interdependence needed to be drawn up for financial year 2009 because the Board of Management was not required to do so by the provisions of Section 312 of the German Stock Corporation Act (AktG).

The Supervisory Board would like to express its thanks to the Board of Management and all employees for their commitment and for their successful work in financial year 2009.

Dreieich, 18 March 2010



The Supervisory Board  
Dr. Thorlef Spickschen  
Chairman