

MANAGEMENT DECLARATION pursuant to § 289a HGB

CORPORATE GOVERNANCE

Biotest AG is a joint stock company under German law (Aktiengesellschaft). Its management, decision-making and control mechanisms are based on the Company's Articles of Association along with the relevant statutory provisions. The current version of these is available for download on the company's website at www.biotest.de.

CORPORATE MANAGEMENT

In accordance with statutory requirements Biotest AG employs a two-tier management system. The Board of Management is in charge of managing the Company and the Supervisory Board in charge of monitoring. The two bodies are strictly separate and distinct in terms of membership and responsibilities.

The Biotest Group is managed and monitored in accordance with high, generally accepted standards. The Company's management principles are firmly established in all its segments and determine the scope of strategic decisions and business policies.

The Board of Management and Supervisory Board follow the ongoing discussion regarding corporate governance closely and develop the standards systematically. Our understanding of responsible corporate governance is based on the following principles:

- The Board of Management and Supervisory Board work together with complete confidence. The Supervisory Board exercises its monitoring function efficiently and independently.
- The company is managed with the interests of the shareholders in mind at all times.
- Competent, responsible risk management is practiced.
- Observance and compliance with all legal and regulatory requirements is of the highest priority.
- Timely and transparent communication, both internally and externally, is guaranteed.

The principles for cooperation are set forth in a standards and procedures manual issued to every employee at the beginning of his or her employment.

Management by the Board of Management

The Board of Management manages the Company on its own authority. It is bound to serve the Company's interests and to increase its value by means of sustainable development.

It develops the Company's strategies in coordination with the Supervisory Board and ensures their implementation.

The Board of Management manages the Company in accordance with rules of procedure, the law, the Articles of Association and its respective employment contracts. The Board of Management works together with other corporate bodies and employee representatives on the basis of mutual trust for the good of the Company.

According to the Articles of Association the Board of Management may consist of one or more members; it currently has three members. These were appointed by the Supervisory Board, which named one Board member Chairman.

The Company is legally represented by two Board members or by one Board member and an authorised officer (Prokurist). The Board of Management's rules of procedure lay down the details of how it functions as a body. Details include:

- the schedule of responsibilities which shows which Board of Management member is personally responsible for each business division
- decisions to be made by the Board of Management as a whole
- the special duties of the Chairman of the Board of Management
- business transactions requiring Supervisory Board approval
- regular, timely and comprehensive briefing of the Supervisory Board
- rules governing meetings and resolutions

Monitoring and advising by the Supervisory Board

The Supervisory Board monitors the Board of Management and advises it regularly. Membership in the Supervisory Board is based on Germany's One-Third Participation Act; the Supervisory Board consists of six members, four of whom are elected by the Annual Shareholders' Meeting and two by Biotest AG employees.

OGEL GmbH, a company based in Frankfurt am Main, Germany, is entitled under the Articles of Association to appoint representatives to sit on the Supervisory Board. For details of this entitlement see Biotest AG's Articles of Association.

The Supervisory Board performs in full all tasks with which it is entrusted under the terms of statutory provisions, the Articles of Association and the German Corporate Governance Code (GCGC).

All duties and powers of the committees are laid down in the Supervisory Board's rules of procedure. These rules of procedure also include GCGC requirements, for example in respect of Supervisory Board members' professional aptitude for their job, the restriction on the number of Supervisory Board directorships held in other listed companies and the age limit.

Other rules relate to:

- the selection and duties of the Supervisory Board Chairman and Deputy Chairman,
- the convening of meetings,
- decision-making during meetings or at other times in writing or by telephone,
- the obligation to maintain confidentiality and mandatory disclosure of conflicts of interest

In order to increase its efficiency the Supervisory Board has set up three committees:

	Duties	Members
Presiding Committee	Prepare recommendations and motions for the Supervisory Board as a whole, monitor resolution implementation	Dr. Alessandro Banchi (Chairman) Dr. Cathrin Schleussner Dr. Christoph Schröder
Personnel Committee	Appoints and sets remuneration for Board of Management members Prepares recommendations and motions with regard to new contracts for the Supervisory Board as a whole	Dr. Alessandro Banchi (Chairman) Dr. Cathrin Schleussner Thomas Jakob
Audit Committee	Conducts a preliminary review of the annual financial statements and the independence of the auditors appointed to audit the annual and consolidated financial statements. Regularly analyses the Group's risk situation	Dr. Christoph Schröder (Chairman) Dr. Alessandro Banchi Jürgen Heilmann

The Supervisory Board reviews the efficiency of its work on a regular basis (at least once every two years).

Collaboration between the Board of Management and Supervisory Board

The Board of Management informs the Supervisory Board regularly, promptly and comprehensively of all relevant matters with regard to planning, business development, risk situation and risk management.

It must provide a monthly report on the Company's business and earnings position, including deviations from plans and targets along with an explanation. Certain business transactions, such as the acquisition and disposal of equity investments in other companies, fundamental changes in corporate organisation or business strategy and capital increases or decreases require the prior approval of the Supervisory Board.

Supervisory Board members are given all decision-relevant documents, including the annual financial statements, consolidated financial statements and the auditor's report prior to each meeting.

Members of the Board of Management attend meetings of the Supervisory Board in an advisory capacity, unless, in individual instances, the Supervisory Board or its Chairman decides otherwise.

MANAGEMENT AND CONTROL OF GROUP COMPANIES

The Group's affiliated companies are corporations that may differ in legal form depending on their domicile. They are managed by a managing board or a comparable body. Shareholders' meetings set forth the guidelines for the Company's strategy and make key investment and business decisions.

In principle, Group management approval is required for all key business decisions at the affiliate level.

COMPLIANCE IN THE BIOTEST GROUP

The responsibilities, rights and obligations of each employee and the corresponding national Compliance Officer in the Biotest Group are governed by the national Compliance Manuals.

Biotest AG is a member of the "Verein Arzneimittel und Kooperation im Gesundheitswesen e.V." (Pharmaceuticals and Cooperation in the Health Sector), Berlin, Germany. This voluntary self-regulating organisation was established by German-

based pharmaceutical companies to guard against anti-competitive practices and, if necessary, to impose punishments for such practices.

In order to implement and clearly define a code of behaviour for day-to-day cooperation with hospitals, doctors and other medical specialists, Biotest AG has put in place a compliance system. Its particular concern is to combat the risk of corruption in connection with pharmacotherapy.

Compliance systems are also being gradually installed in the subsidiaries of Biotest AG. These systems are used to create national Compliance Manuals based on relevant national codes and the Compliance Manual of Biotest AG.

TRANSPARENCY AND FINANCIAL ACCOUNTING

The Biotest Group is committed to regular, open and timely communication with institutional investors and analysts, private shareholders, employees and other stakeholders.

We regularly share information with shareholders, all of whom are treated equally in terms of the information provided to them. All new developments are communicated without delay by means of press releases and ad hoc announcements, annual and interim financial reports, and presentations to analysts' and investors' conferences. This information, along with the financial calendar and information about the Annual Shareholders' Meeting, can be viewed or downloaded from our website.

Information is also published with regard to directors' dealings and voting rights announcements, along with all information which must be published under corporate law.

The annual consolidated financial statements and interim financial reports after the first three, six and nine months of each financial year are prepared by the Board of Management. These statements are prepared on the basis of the International Accounting Standards (IAS) adopted and published by the International Accounting Standards Board (IASB) or the International Financial Reporting Standards (IFRS) as applicable in the EU as well as the interpretations of the Standing Interpretations Committee (SIC) or the International Financial Reporting Interpretations Committee (IFRIC).

Biotest AG's single-entity financial statements, on which dividend payments are based, are drawn up in accordance with the provisions of the German Commercial Code (HGB).

ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting is the Company's supreme governing body and is of central importance to the dialogue between shareholders and the Board of Management and Supervisory Board. By providing comprehensive information ahead of the Annual Shareholders' Meeting we ensure that shareholders are able to make full use of their rights.

The Annual Shareholders' Meeting makes its decisions by a simple majority of votes cast and, in cases where a capital majority is required, by a simple majority of the share capital represented when the vote is taken – unless otherwise mandated by law or the Articles of Association.

The most important information and details regarding the Annual Shareholders' Meeting are published on our website. The manuscript of the address given by the Chairman of the Board of Management and the accompanying presentation are also easily accessible via the website.

DECLARATION OF COMPLIANCE

Declaration by the Biotest AG Board of Management and Supervisory Board on the recommendations of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

Since the last Declaration of Compliance dated 20 March 2012, which referred to the German Corporate Governance Code as amended on 26 May 2010, Biotest AG has complied with all of the recommendations of the German Corporate Governance Code as amended on 26 May 2010 with the following exceptions:

- Biotest AG has not implemented the recommendation in section 3.8 (3) of the German Corporate Governance Code to set a deductible on D&O insurance for the members of the Supervisory Board in the amount prescribed in AktG section 93 (2) sentence 3 for members of the Board of Management. Biotest AG has established in its view an appropriate deductible for members of its Supervisory Board. However, this does not meet the deductible amount for Supervisory Board members required by law. In Biotest's view, an increase in the deductible set would be out of proportion with current remuneration for Supervisory Board duties.
- Biotest AG has not followed the recommendation in section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. Biotest AG's Supervisory Board comprises only four shareholder representatives. Biotest AG considers the formation of a committee from the small number of shareholder representatives to be unnecessary. The improvement in transparency of the selection procedure at which the recommendation is aimed is also ensured at Biotest AG in full meetings of the Supervisory Board.
- Section 5.4.1 of the German Corporate Governance Code recommends that the Supervisory Board set specific targets with regard to its composition, taking into account the international activities of the Company, potential

conflicts of interest, an age limit for Supervisory Board members (to be defined) and diversity in light of the Company's specific situation. These specific targets should include adequate female representation. The Supervisory Board must take these targets into account when making recommendations to the selection committees. The targets and the status of their implementation are to be published in the Corporate Governance Report. The Supervisory Board of Biotest AG has already set a specific target with regard to the maximum age of its members. In addition, female members make up one-third of the Supervisory Board. An internal analysis found that, in the case of Biotest AG, due to past and also future above-average participation by women on the Supervisory Board, no express targets are required. To this extent, an exemption from section 5.4.1 (2) of the German Corporate Governance Code is declared. Accordingly, corresponding statements in the Corporate Governance Report cannot be made. Therefore, an exemption from section 5.4.1 (3) of the German Corporate Governance Code is also declared.

The Board of Management and Supervisory Board further declare their compliance with all the recommendations of the German Corporate Governance Code as amended on 15 May 2012, with the following exceptions:

- Biotest AG will continue not to implement the recommendation in section 3.8 (3) of the German Corporate Governance Code to set a deductible on D&O insurance for the members of the Supervisory Board in the amount prescribed in AktG section 93 (2) sentence 3 for members of the Board of Management. The reasons explained above remain valid.
- Biotest AG will also continue not to follow the recommendation in section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. The reasons explained above remain valid.
- The revisions to the German Corporate Governance Code of 15 May 2012 include new recommendations under section 5.4.1 paragraphs 2 and 3 of the German Corporate Governance Code, which state that the Supervisory Board is to establish specific targets with regard to its composition, taking into account the international activities of the Company, potential conflicts of interest, the number of independent Supervisory Board members per section 5.4.2 of the German Corporate Governance Code, an age limit for Supervisory Board members (to be defined) and diversity in light of the Company's specific situation. These specific targets should include adequate female representation. The Supervisory Board must take these targets into account when making recommendations to the selection committees. The targets and the status of their implementation are to be published in the Corporate Governance Report. The Supervisory Board of Biotest AG was reappointed in May 2012. It continues to consist one-third of female members and, with the new Chairman of the Supervisory Board, who is an Italian citizen, reflects the international activities of the company.

Based on the above considerations regarding the exemption from section 5.4.1 of the German Corporate Governance Code as amended on 26 May 2010, Biotest AG will continue not to implement the recommendations in section 5.4.1 (2) and (3) of the German Corporate Governance Code as amended on 15 May 2012.

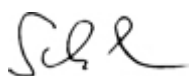
Biotest AG will not follow the new recommendation to set a target for the number of independent Supervisory Board members. The Articles of Association includes a clause giving OGEL GmbH the right to appoint members to the Supervisory Board. In addition, one Supervisory Board member has a business relationship with Kreissparkasse Biberach as a major shareholder. The Supervisory Board is of the opinion that sufficient independent persons are members of the Supervisory Board of Biotest AG. In addition, an internal analysis has shown that, under its current situation and shareholder structure, Biotest AG is not required to set specific targets for Supervisory Board membership.

- Section 5.4.6 (2) of the German Corporate Governance Code has been amended. It recommends that performance-based remuneration granted to members of the Supervisory Board be based on the long-term performance of the company. This is generally understood as a multi-year basis for calculating performance-based remuneration. Biotest AG will not follow this recommendation. Pursuant to section 16 (1) (b) of the Articles of Association, the members of the Supervisory Board of Biotest AG will receive annual variable remuneration for each past financial year based on the amount of the dividends paid. Biotest AG is of the opinion that the currently specified variable remuneration for the Supervisory Board is appropriate as a calculation basis and in its amount. If, as part of its regularly scheduled review of the remuneration system, the Company comes to the conclusion that the performance-based remuneration system should be adjusted, it will take into account the recommendation of section 5.4.6. (2) of the German Corporate Governance Code in its analysis.

The recommendation of Section 5.4.6 (3) has been amended to the effect that the remuneration of the Supervisory Board no longer needs to be disclosed in the Corporate Governance Report but rather in the notes to the financial statements or the management report. Although the Company will continue to disclose Supervisory Board remuneration in the Corporate Governance Report, the latter also forms part of the management report of Biotest AG, such that there is no departure from the recommendation in 5.4.6 (3) to report.

Dreieich, Germany, 22.03.13

For the Board of Management



For the Supervisory Board



Prof. Dr. Gregor Schulz

Dr. Michael Ramroth

Dr. Georg Floß

Dr. Alessandro Banchi

In addition to this latest version, earlier versions of the Declaration of Compliance can also be viewed on and downloaded from the Biotest website.

The Corporate Governance Report and the report on the remuneration of the Board of Management and the Supervisory Board are included in the 2012 Annual Report.