



biolitec AG ISIN: DE0005213409

Global Markt leader for Laser-Therapy on the move to further expansion

- Highly profitable core business with EBIT margin > 15%
- Technological leadership in diode-lasers, fiber optic disposables and photodynamic drugs
- World market leadership in minimal-invasive vein therapy
- Significant increase of regional Sales volume and EBIT on the US market
- Intended acquisitions of relevant assets from Diomed (AMEX: DIO) will help to stabilise the achieved market position on the US market
- biolitec's competence with products used in dermatology markets will be an asset to enter the profitable aesthetic market

biolitec AG has a long-standing experience in the development and production of medical laser systems as well as in optical fibers. biolitec AG combines marketing know-how of its innovative methods of laser medicine with the established expertise in photodynamic therapy.

This competence is the basis of biolitec's lead position as a manufacturer of new and innovative treatment devices used in a wide range of therapies.

Main focus of biolitec's medical devices are solutions for treatment of varicose veins, of benign prostate hyperplasia, and photodynamic treatment of benign and malignant oncology diseases.

Innovative applications in aesthetic medicine have recently been introduced. ELVeS™ (Endo Laser Vein System), LIFE™ (BHP-treatment) and Foscan® have EMEA or FDA approvals. All applications are gradually receiving reimbursement codes from the public insurance systems. In January 2008 biolitec's laser-vaporization procedure for treatment of BPH received approval for reimbursement in Germany.

Biolitec is the only fully integrated company for photodynamic therapy with a global products offering.

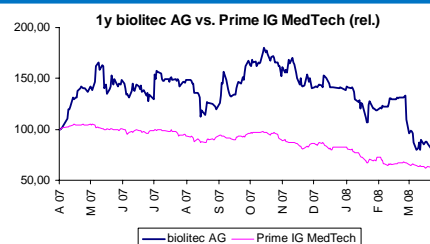
Initiation of Coverage

Medical Technology · Germany

Fair Value: €14.30 - 14.80

prior value: - not valued

Price Chart



Key data · €

Price	8.18
Year Hi/Lo	17.94 / 7.94
Market Cap. (m)	86.0
Free Float (%)	25.7
Reuters Code	BIBG.DE
Bloomberg Code	BIB

Financials · € · IAS

FY 30/06	06/07a	07/08e	08/09e	09/10e
Sales (m)	39.0	48.3	69.8	96.3
(prev.)	n.a.	n.a.	n.a.	n.a.
EBIT	6.70	8.5	12.4	16.2
(prev.)	n.a.	n.a.	n.a.	n.a.
EPS	0.56	0.60	0.75	1.25
(prev.)	n.a.	n.a.	n.a.	n.a.

Valuation · IAS

FY 30/06	06/07a	07/08e	08/09e	09/10e
MC/Sales	2.2	1.8	1.2	0.9
PE	14.7	13.7	11.0	6.6

Analyst

Name	Rüdiger Holzammer
Phone	+49 69-90.55.79-55
eMail	RH@RedHerring-FFM.com

Institutional Sales +49 69 92877-107

Please take note of the disclaimer on the last page of this document. Author of this analysis: RedHerring oHG.

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Investment Considerations

1. biolitec AG is the global market leader for medical laser devices used in the indication varicose vein treatment (biolitec ELVeS™ procedure)
continued product innovation („ELVeS™PainLess“) is a function of biolitec's ongoing R&D efforts. → different wavelengths, new generation catheters.
2. Highly profitable company with an EBIT margin > 15% . The solid market position and technological leadership proposition will secure high profit margins in the future. Considering biolitec's high R/D spending (for Foscan®), the Company comes in first regarding profitability margins among its peers.
3. We expect a corporate and sales growth rate of ca. 25-30% p.a.
4. Sales and EBIT of fiber optic disposables will increase, i.e. catheter used in Urology Lasers for BPH procedures and for varicose veins treatments.
5. In the future, additional growth will come from devices used in aesthetic procedures. With LaEvita™ biolitec entered the aesthetic market to treat cellulite.
6. Further laser devices for aesthetic procedures are being introduced, like bodyforming and liposuction.
7. In 2007, biolitec's market share for urology lasers (BPH) was close to 20%. The Company is leading the market shift from clinical applications to procedures available in the office market. (Reimbursement plans are favourable for this market shift!)
8. In January 2008, biolitec's laser-vaporization procedure for treatment of BPH received a reimbursement code in the German public insurance system. In the years before, laser-based BPH procedures were reimbursed from private health care insurance company's, only.
9. On March 19th, biolitec signed a letter of intent to buy relevant assets from DIOMED Holdings, Inc. (AMEX: DIO), one of the leading developer and player in the market for minimal-invasive, laser-based varicose vein treatments in the U.S. Should biolitec succeed to integrate DIOMED's sales force and customer base, the Company will establish the complete product portfolio on the US market.



Business model

biolitec AG develops, manufactures and markets innovative medical devices used for laser therapy and aesthetic medicine. The core product portfolio consists of devices for laser-based minimal-invasive therapies used for varicose vein treatment, prostate treatment, and for photodynamic therapies.

Biolitec AG is the only fully integrated player in the photodynamic therapy market that has all relevant know-how in-house, i.e. photosensitizer, laser devices, fiber optics, and catheters. More recently, the company has gained a reputation in the aesthetic market with the innovative laser technology.

biolitec is the only integrated player in the global PDT market with all relevant know-how in-house.

Corporate History

Dr. Wolfgang Neuberger established the Company in 1987. As the majority stakeholder he founded CeramOptec GmbH which is an operating company of biolitec AG, today.

In 1989 the company was able to enter the U.S. market with CeramOptic Inc. developing and marketing fibers for angioplastic procedures. During the following year, CeramOptec Sdn. Bhd. (today Biolitec Sdn Bhd.) was established in Malaysia to serve the South-East Asia market. In 1995 biolitec bought a majority interest of AndaOptec Ltd. in Lithuania. The first medical diode-laser with a wavelength of 980 nm was developed one year later. In 1998 biolitec introduced the first diode-laser for PDT with a wavelength of 630 nm. Since 1999, biolitec has been allocating substantial resources into their Jena Headquarter to develop photo sensitizers of the highest quality and standard.

biolitec entered the U.S. market in the 90ies

In November 2000, biolitec AG was admitted to the Frankfurt Stock Exchange (NM). In an initial public offering the company was able to generate gross proceeds of € 32 Mill. (*Biolitec is one of only a few NM-companies that has seen the issue price again since this market segment had collapsed in 2002*).

**IPO in 2000.
biolitec AG is one of a few NM companies that has seen the issue price again**

In 2001, biolitec France SARL was founded with the objective to establish a distribution channel in France and to re-locate R&D resources for dermatology and cosmetics. Early 2002, biolitec introduced ELVeS™, a system for minimal-invasive treatment of varicose veins for the office market. The system received FDA-approval in June 2002.

In April 2002 biolitec acquired all assets of QuantaNova Ltd., UK the developer of the photo sensitizer Foscan®. As soon as the Frankfurt Stock Exchange (NM) was restructured, biolitec AG received an invitation to join the "Prime Standard" (January 2003). To increase biolitec's market share in medical laser devices in Europe



management launched a joint venture in Italy (biolitec Italia - April 2003). In March 2004 an exclusive agreement with South Korean Daewoong Pharm. Co. Ltd. for sales and distribution of Foscan® was signed.

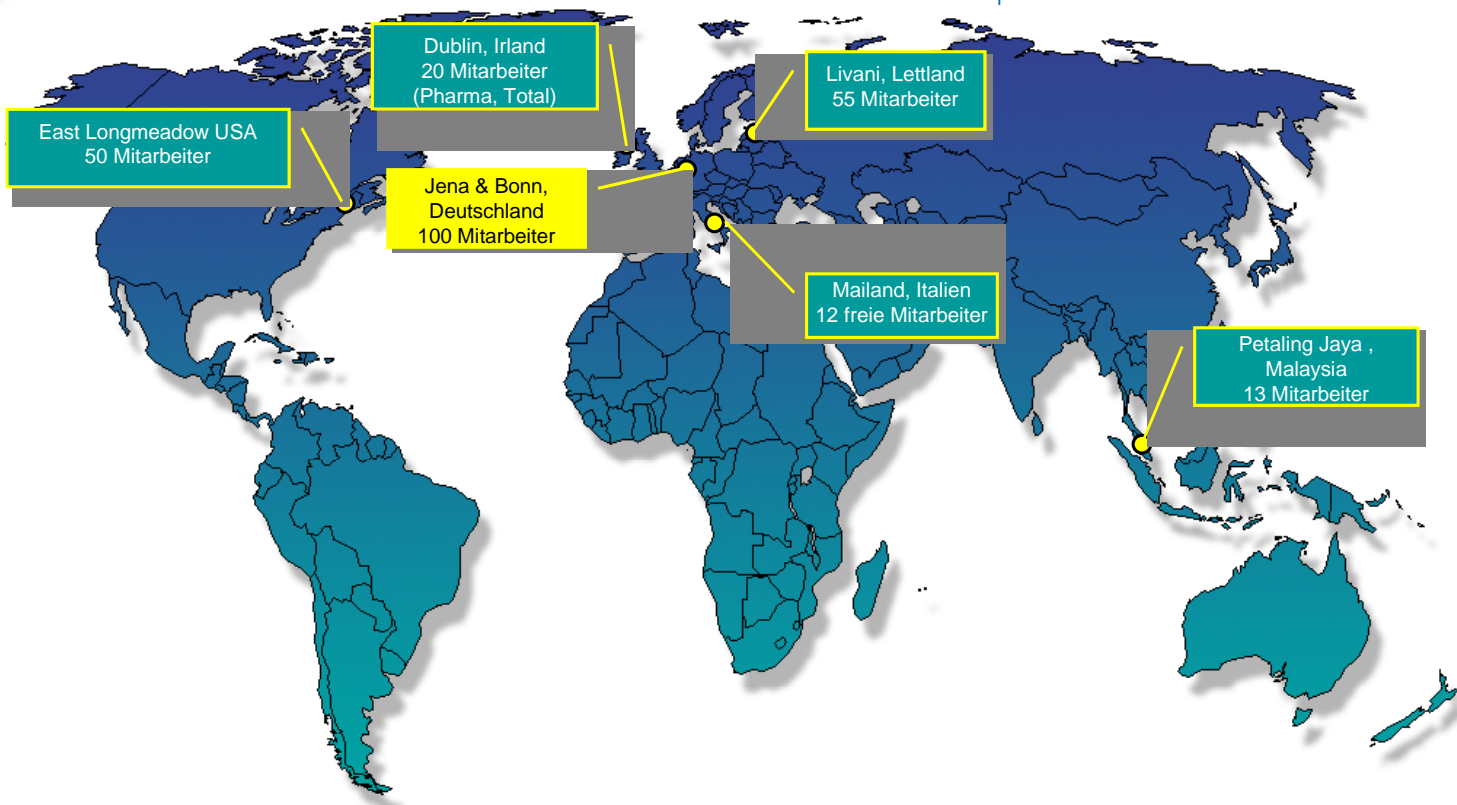
With biolitec Japan the company's presence was extended on Asian markets in 2005.

Today, biolitec is an established player on the US-market; the company's laser therapies are gradually being accepted (reimbursed) by the public health insurance System in Germany as well as in other European countries.

Regional Structure

Biolitec AG is an internationally oriented company counting ca. 240 employees in various offices located in Europe, the United States, and Asia. The company has production facilities in Germany, the United States, Lithuania and Malaysia. The main distribution markets are in the United States (51%), in Europe (39%) and ROW (10%).

Biolitec sells to hospitals, physicians, resellers, medical and industrial companies. Biolitec has distribution offices in Germany, the United Kingdom, the United States, Dubai, India, Mexico, Argentina, and Italy

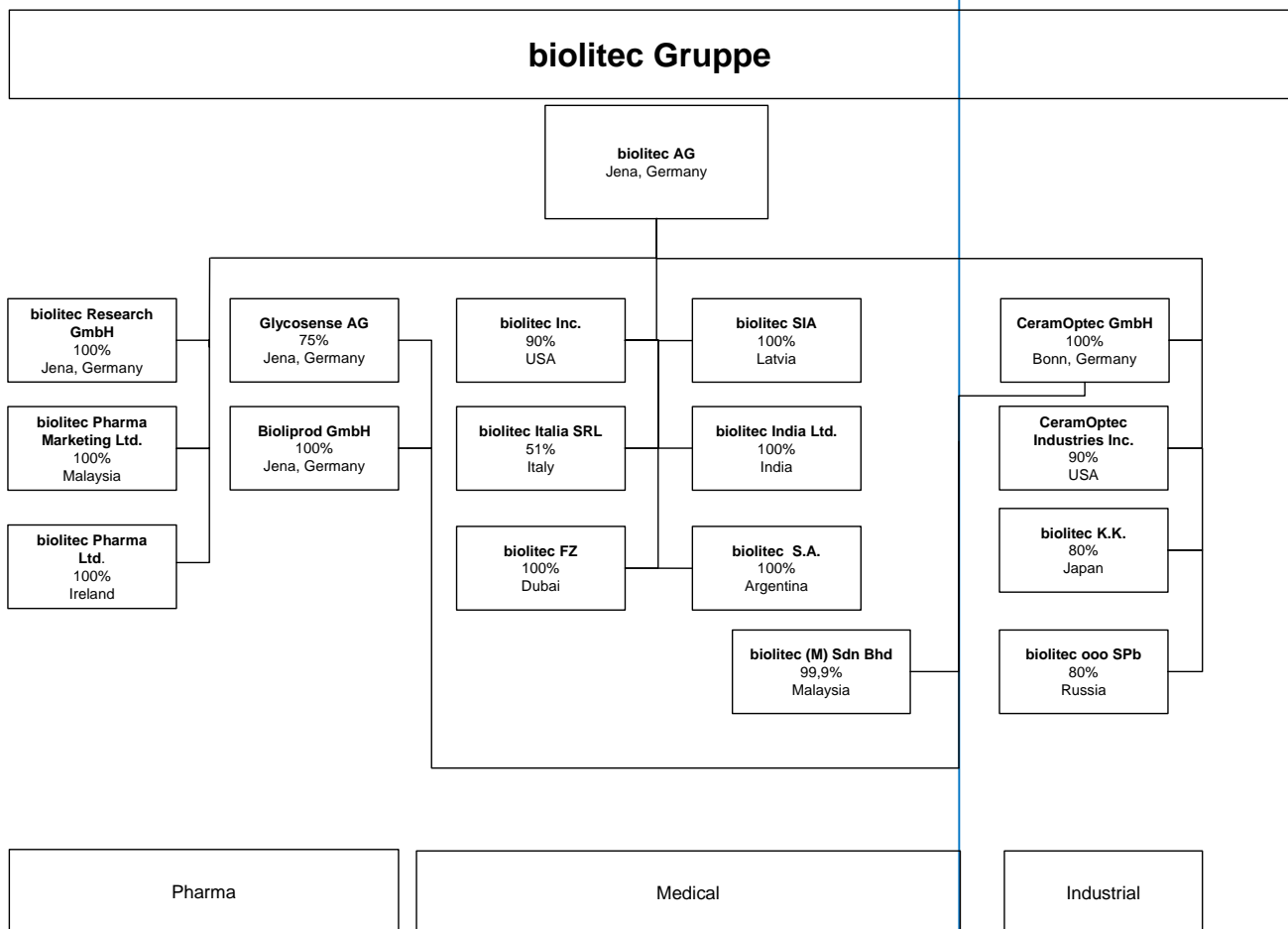




In addition, the company maintains co-operations with principal selling agents and distributors on an exclusive basis with a guaranteed annual order-flow.

Organization & Corporate Structure

Organization Chart with biolitec's most relevant operating companies



Quelle: biolitec AG

All of biolitec's operating units are legally independent, managed by a senior executive.



Management

The management board of biolitec AG consists of Dr. Wolfgang Neuberger (Chairman) and Dr. Stefan Spaniol.

Dr. Wolfgang Neuberger is the founder of the company. His core responsibilities include strategic planning and partnerships. He holds a PhD degree in Physics and a postgraduate degree in Business Administration from INSEAD Fontainebleau.

As Chief Operating Officer, Dr. Spaniol's responsibilities include R&D, global operations, and clinical studies. He received a PhD degree in Physics from University of Bonn where he was one of the research pioneers on photo-dynamic therapy.

With an extensive technical and management know-how both executives have been in this position since biolitec's inception.

Management has considerable Technical know-how and management experience

Technology and Products

Technology

Laser Devices for medical use

Biolitec AG is a specialist for medical devices based on laser therapy for a broad range of medical indications.

The technology is making use of different physical properties as thermal ablation, thermal coagulation, or selective emission of coherent light in the laser-type defined wave-length.

Based on such mechanisms the Company has developed laser-devices for the indication varicose vein treatment (ELVeS™), the product line LIFE™ for BPH, and EVOLVE™ for ENT surgery as well as for other specific surgery.

In combination with minimal-invasive techniques biolitec has evidence that its technology is superior to recent conventional medical procedures.

Because of the favourable medical properties and the minimal side-effects ELVeS™ will gradually substitute the conventional stripping method in vein therapy in the future. Our arguments are substantiated by the following medical advantages:

- Fast, minimal-invasive procedure (PainLess™)
- Time for treatment is much shorter
- Office procedure (2 hours) vs. hospital treatment (2-5 days)

Superior therapy for varicose vein treatment



- Stimulating and faster healing process (1 day vs. 7-14 days with stripping)
- Significantly reduced and minimal-invasive post treatment
- Fewer complications (no intra-OP bleedings and haematomas vs. stripping)
- Less recrudescence (1-3% vs. formerly >30 %)

Diode-laser devices developed by biolitec show a considerably higher system effectiveness vis-à-vis conventional laser. Diode-laser devices are much smaller in size (suitable to the office market), and have a higher lifetime in tandem with lower intervals for maintenance.

Photodynamic Therapy

The combination of a defined wavelength of the laser light with Foscan[®], a drug with cell-destroying properties when activated by laser light, is used in biolitec's development in tumour-treatment. After a systemic application of Foscan the substance is enriched in tumour-cells which are destroyed when exposed to the defined laser light.

Currently, the EMEA-approval for Foscan[®] is restricted to a palliative therapy of cervix and neck tumours. This constraint significantly restricts possible reimbursement schemes for such cases where alternative, conventional tumor treatment like chemotherapy, radiology or other surgery was not successful.

biolitec's management is in discussions with FDA officials about initiation of phase II and III studies for curative treatment of cervix and neck tumours. Successful results would nicely expand the spectrum of Foscan[®] increasing the business volume. For use in the United States biolitec considers the indication "Cholangio carcinoma". biolitec considers to design a clinical study using a re-formulated Temoporfin compound *Fospeg*. A license-partner is considered to be included early on in this study who will be able to market the product after successful approval. biolitec is in discussions with several potential companies for this study design.

An accelerated admission process in Europe can be expected should there be an FDA approval based on the extended indication of the Foscan[®]-based therapy.

Furthermore biolitec plans to launch clinical studies in other indications like prostate, cervix, vulva and brain tumours as well as basalioma. SpectraCure is currently in a clinical study for initial treatment of prostate cancer in Sweden. biolitec has provided the compound.

In this context new galenic formulations of the compound will be applied in the various stages of clinical testing.

Proprietary and integral PDT procedure

Clinical studies are planned for FDA admission

Extension of indication for PDT



Fiber Optics

Biolitec's subsidiary CeramOptic GmbH is a manufacturer of fiber optics for industrial use e.g. Q/Q-, PCS- and hardcladfibers in a range of 50 µm to 2,000 µm, industrial and medical laser-sensors, catheters, connectors, high-power-cables and fiber bundles for UV- and IR-spectroscopy. The company has a market share of ca. 25% in applications for spectroscopy and for power-laser.

Offering a broad spectrum of products, Biolitec is able to react quickly regarding individual demand according to customer specifications. Global market leaders in spectroscopy, online processing and power laser are clients of biolitec AG.

In this business unit biolitec shows an extremely stable revenue base with attractive margins because of the nature of such products as consumables and product supplies.

Biolitec is the market leader for several medical and industrial fibre optics

Product Portfolio

Phlebology [ELVeS™]

Using biolitec's laser ELVeS™ varicose veins of the lower leg can now be treated in a none traumatizing and cosmetically favourable way. This minimal-invasive endovenous technique requires only little local anaesthesia, leaves no scars, reduces risk of infections and post-operative pain. Because of the laser's thermal energy the treated veins get completely occluded irreversibly.

Excellent clinical and aesthetical results may be obtained after a total treatment time of only 30-45 minutes per lower leg. After the treatment, the patient may leave the clinic and continue his usual activities. Additional benefit though is highly reduced costs. As a further product innovation biolitec has introduced ELVeS™-PainLess. This laser operates at a wavelength of 1470 nm with an improved catheter.

ELVeS™-Laser shows excellent clinical and aesthetic properties to treat varicose veins

Urology [LIFE™ / EVOLVE™-Lasersystem]

Biolitec's LIFE™ system uses non-selective light vaporization (SLV) to ablate dispensable soft tissue traumatically by the EVOLVE™-laser system and the Fusion fiber.

Protection of tissue and avoiding of scarring are achieved by a specially coordinated wavelength, duration of laser-pulse and characteristics of laser-radiation of the EVOLVE™- system.

As soft tissue contains a high part of water a surgical laser applied for this type of tissue needs to possess a high absorption ability in water. Also of high importance for coagulation without carbonization and



successful haemostasis is a high absorption ability in haemoglobin. It is a special feature of the EVOLVE™-laser system that it shows the highest absorption to water and to haemoglobin - both at identical wavelength. This is the reason why the radiation characteristics of the fiber assures an effective ablation and an effective coagulation of the tissue. This procedure is particularly suitable for risk patients.

At present, the EVOLVE™ 150 -laser system is the most powerful medical laser system concerning speed and efficacy. Advantages of this technology are exceeding regular BPH treatment plans. The system may be used for the following treatments:

- Benigne prostate hyperplasia (BHP)
- Elimination of tumours of the bladder
- Treatment of stenosis of the urethra
- Circumcisions
- Removal of condyloma acuminata
- Treatment of warts
- Treatment of haemorrhoids
- Elimination of cysts

Suitable to the laser-device a special Fusion-fiber was developed and patented. It has a fused cap and a unique side-fiber-function for urological procedures in soft tissue. This configuration assures optimal OP-results, reliability and comfort in handling.

**Urology-Laser EVOLVE™ is „State-of-the-Art“ in BPH-treatment
Urologist in the U.S. received THIRLBY AWARD in 2007**

Aesthetics [LaEvita™]

biolitec has defined the aesthetic market as a strategic field of future corporate growth. The company's laser system LaEvita™ allows aesthetic corrections of even smallest size in a minimal-invasive fashion. Gentle treatment in subcutaneous tissue is assured with a wavelength of 980 nm. For various aesthetic treatments such as body forming or laser liposuction the parameters of the laser system can be adjusted accordingly.

Aesthetic medicine is defined as a new business segment for future corporate growth. LaEvita has the properties to enter the market successfully



Ophthalmology [Ceralas-Laser]

In ophthalmology, biolitec's lasers are used for two procedures:

- For the therapy of retina detachment with the help of photo-coagulation, and
- For the therapy of age-related macula degeneration (AMD) by photo-dynamic therapy

The green laser is the "standard tool" in ophthalmologic laser medicine. Green laser light is absorbed well by blood and pigments of the retina. Heating leads to coagulation with the consequence that retinal detachment is stopped.

Just until recently the wet form of macular degeneration can be treated. It can be treated with the photo-sensitizer Visudyne®. The drug has to be applied intravenously ca. 15 minutes prior to the procedure. Thereafter the retina is illuminated with laser light at 689 nm wavelength.

biolitec's „green light“ laser is the standard in Ophthalmology

Orthopaedy [EVOLVE™]

EVOLVE™ is a laser system for percutaneous discus decompression (LPDD) and laser denerving in cases of herniated vertebral disc, disc protrusion or disc deterioration.

The shrinking of intra-vertebral tissues with a laser is a very innovative while micro-invasive method. Not only has this procedure widened the spectrum of therapeutic options - this is a "revolution" in disc surgery. This system combines the absorption characteristics of 980 nm wavelength i.e. vaporizing and coagulating with biolitec's innovative treatment kits allowing a safe micro-invasive access (fine needle of 21 G) into the vertebral disc.

Operating characteristics of the laser percutaneous discus decompression (LPDD):

- Denaturing and shrinking of the disc tissue
- Elimination of painful sensible nerves within the vertebral disc
- Suppression of pain induced by inflammatory metabolites in the area of the affected disc
- Fortification of the intra-vertebral fiber ring

EVOLVE™-Laser expands therapeutic spectrum in Orthopaedy



Otolaryngology - Tonsillotomy - inpatient vs. outpatient treatment

Tonsillotomy is a more recent alternative to conventional Tonsillectomy. Instead of resecting tonsils surgically, this method allows the partial reduction applying laser light. During this procedure, the capsule is not involved (hurt), minimizing the risk of bleeding (retrospective study at the Alfred I. DuPont Children's Hospital, Richard Schmidt).

The hyperplasia of the palatine tonsils is accompanied by proliferation of the pharyngeal tonsils (polyps) constraining nasal respiration and leading to pronounced oral breathing and snoring. As a consequence, children often suffer from chronic infections of the upper respiratory tract which might lead to inflammation of the middle ear and otitis media with effusion (fluid in the ears).

Tonsillotomy is performed with the ELVeS diode laser system in an ambulant procedure followed by a post-treatment hospital stay for several hours for observational purposes. A post-operative hospitalization is not required; convalescence at home improves the patient's quality of life.

Laser used for Tonsillotomy

Onkologie - Photodynamische Therapie (PDT)

Photo-dynamic therapy (PDT) is a gentle form of tumour treatment. A photo-sensitizer is applied systemically to the patient, which accumulates into the tumour cells. Activation of the photo-sensitizer by controlled radiation with laser beam triggers a phototoxic reaction. This reaction causes the destruction of the tumour cells. Healthy tissues adjacent to the tumour remains intact.

To activate the different photo-dynamically active agents, specific lasers of different wavelengths are required. In this context, biolitec has developed laser systems using the latest diode technology compatible with commonly-used photo-sensitizers.

Up to six connections permit a simultaneous radiation of the tumour by independently adjustable injectors. This procedure has the advantage that laser light is applied simultaneously and in equally dosage from different positions into voluminous tumours. Complicated tumours may be treated more easily and faster.

For the optimal radiation of different tumours biolitec has developed ideally adaptable optical fibers used for surface and interstitial radiation or hollow space radiation.

The micro lens diffuser is ideal for surface tumours. It guarantees a homogeneous light distribution. Cylindrical diffusers or bare fibers are used interstitially in compact tumours. A positioning grid for injection needles ensures uniform radiation.



biolitec has developed balloon diffusers for radiation in hollow spaces such as lung, oesophagus or cervix: An active length of 20 to 40 mm is available after inflation. The laser beam is directed locally only on the tumour through precise adjustment to the cavities. Surrounding tissue is spared.

Dental [SmilePro980™]

SmilePro™ is an ideal package of innovative laser-based medicine in dentistry. The salient feature is bleaching of discoloured teeth. In addition, a laser is also indispensable in many applications of oral surgery or implantology.

The special wavelength of the SmilePro™ laser is suitable for oral soft tissue surgery. A high degree of absorption in water and haemoglobin combines precise cutting properties with immediate coagulation. This combination is ideal, especially for odontological and oral surgical applications such as root canal sterilization, implant exposure or treatment of periimplantitis.

Low thermal penetration enables safe and precise working even on critical structures. The tissue in the vicinity is spared.

The CoolPro™ Laser hand piece sprays water onto the treatment area simultaneously with the laser beam supported by air pressure. The tissue surface is cooled continuously this way, and a carbonization of the surface is avoided. Overheating is also avoided. A free view on the OP field and treatment without unpleasant odours are other positive effects.

The improved tissue interaction makes this treatment very gentle. An accelerated wound healing is the consequence.

Special laser used for oral surgical applications and implantology



Market and Competition

The global market for laser systems (laser units and light transmitters) is \$3 Bn. This amount includes light transmitters used for technical purposes like telecommunication, etc. Following we would like to focus in on medical devices, only, to regard biolitec's relevant market.

On the international scale, the largest market for medical laser devices is the USA with a share of ca. 62%, followed by Europe (23%), and Asia (15%). Worldwide Diode Laser sales volume including consumables (light transmitters and fiber optics) as developed and marketed by biolitec was \$ 600 Mill. in 2006 according to Laser Focus World (Marketplace 2007). This amount has increased from last year (2005) by 35%. The future trend shows a growth rate of 20% .

biolitec is targeting deep markets with high growth prospects. US is the most important market

Applications	Vein Treatment	A E S T H E T I K		BPH/Urology
		Bodyforming	Cellulite	
Competitors	Diomed/VNUS	Intermedics	LPB etc.	Laserscope/AMS Lumenis
Position of biolitec AG	Market Leadership Position	Innovative Design	Patents first Centers proven efficacy	unique ablation procedure for the office market patent filings integrated manufacturing strategic mistakes - AMS
current/planned actions of biolitec AG	New Wavelength "PainLess" design of catheter Reimbursement resolved Approval - Japan clinical studies	Referenzkliniken Distribution/Partner	clinical studies Reference Center Distribution/Partner	Strengthening of Distribution Acquisition clinical studies

Source: RedHerring oHG, biolitec AG

Vascular Surgery

More than 8 million patients in Germany and more than 30 million in the US suffer from varicose veins. In Germany, ca. 300.000 patients per year undergo surgery. The prevalence in the U.S. is 3X higher compared to Germany. Management of biolitec AG estimates that there were more than 450,000 vein treatments in the U.S. in 2006.

There is an increasing trend with a growth rate of ca. 15% p.a. to a number of ca. 1 Mill. procedures within the next 5 years.

With ELVeS™ biolitec is in the market with a laser-based therapy for treatment of varicose veins. This Diode-Laser offers minimal-invasive

ELVeS™ is used to treat varicose veins.



treatment of various vascular pathologies using an advanced technology. In addition to varicose veins, spider veins and Ulcera may be treated. The largest part of biolitec's sales revenues pertaining to consumables and fiber optics is in connection with its Diode-Laser system ELVeS™. This device is registered in the U.S., in Europe, as well as in many Asian and South-American countries.

In the U.S., VNUS is the market leader for laser-based medical devices to treat varicose veins accounting ca. 43% of the market. Diomed comes in second with a share of ca. 21%. Currently, biolitec's market share is estimated with 2.5% in the U.S.

This market may further be segmented into two distinct methodologies of treatment, ELA and ERFA:

In the past, the ERFA-Market (endovenous radio frequency ablation) was served by VNUS exclusively (100%); last year Olympus entered the market via its operating company celon AG. This subsegment, however, is still dominated by VNUS. In an isolated view of the ELA market (endo-venous laser ablation), Diomed comes up to the top with a share of ca. 44%; biolitec with a share of 4.5% is number 6 on the scale.

In 2006 there were ca. 120,000 procedures using ELA methodology (ERFA: 62,000) showing a YoY growth rate of ca. 40%. Projected into the future, we expect the growth rate for ELA procedures to continue at a pace of ca. 20% p.a.

In the future, laser-based procedures (ELA) will enjoy a higher growth rate compared to the alternative radiology procedure. The reason is at hand: Only two market participants are marketing ERFA vs. > 10 medical device companies who are showing the advantages of ELA procedures. In addition, the ELA methodology is offering higher medical advantages compared to ERFA.

The medical device market for laser-based treatment of varicose veins had a value of \$105 Mill in 2006. Factors for future growth are an increased patient awareness of minimal-invasive alternatives for treatment, coupled with favourable reimbursement schemes for physicians.

biolitec AG will not only profit from additional devices (ELVeS™) the company will ship but also from the increased demand of fiber optics and disposables used in competitor's devices.

VNUS is the market leader for laser-based therapies of varicose veins; biolitec comes in on slot No. 6

**Market Value 2006 for med. devices in vein therapy ca. \$105 Mio.:
→ growth rate ca. 20% p.a.**

biolitec does not only profit from higher sales of laser devices but also from disposables / fibre optics



Urology (BPH)

According to a sector report of Deutsche Bank Research, the US-market for medical devices to treat benign Prostate Hyperplasia (BPH) is estimated with a \$-volume of 180 Mill. p.a. We estimate the global volume with an amount of ca. \$450 Mill., thereof \$120 Mill in Europe.

The BPH-market consists of the subsegments microwave therapy (MT), selective light vaporisation (SLV), radio frequency therapy (RF), the gold standard transurethral resection of the prostate (TURP), and prostate Stents.

biolitec AG is represented in the SLV-market, only, which is the second largest subsegment accounting for a sales volume of \$62 Mill. p.a. in the U.S. However, this subsegment shows the highest growth in the BPH market.

It is our estimation that treatment alternatives using SLV (biolitec methodology) will surpass the microwave (MT) therapy in 2007 advancing as the largest subsegment.

The reason that SLV will enjoy above average growth is twofold:

On the one hand SLV shows more favourable medical results (high efficacy + minimal-invasive); on the other hand, SLV can be performed as an office procedure (as opposed to clinical treatment) with attractive reimbursement rates for the urologist.

**Laser vaporisation (SLV)
surpasses Microwave
therapy (MT)**

Dermatology (dermatolog. Neoplasia: refer to Oncology)

1-3 % of the global population suffers from psoriasis (source: National Psoriasis Foundation). Currently, biolitec is developing a photodynamic therapy in cooperation with several dermatological University clinics as an efficient and economic alternative to the conventional PUVA-therapy (radiation by UV-light in combination with DNA-intercalating photo-sensitizing substance Psoralen).

In cooperation with several institutes and university clinics, biolitec also develops an efficient therapy against multi-resistant bacteria. Good results could be achieved in the treatment and healing of decubitus-ulcera in diabetes patients by the use of the 980 nm diode laser.

Currently, Miravant Medical Technologies is in a clinical phase II-study treating psoriasis with its sensitizer MV9411TM. Candela Corp., mostly active in the cosmetic segment, has developed a special laser for the treatment of psoriasis.



Aesthetic

Oftentimes, healthcare companies developing laser applications for dermatological therapies are also active in the growing sector of aesthetic applications and plastic surgery. So does biolitec.

In the cosmetic sector, biolitec develops several products, amongst others a patented procedure for permanent depilation, procedures for removal of fat or to reduce cellulite or of tightening the eyes or the body ("body forming method"). Meanwhile, the global market volume for aesthetic surgery has reached the middle, one digit \$-billion range. Competitors focussing on aesthetic applications by laser light are the US-companies Candela Corp. MA, Cutera Inc. CA, Palomar Medical Technologies, Inc. MA.

Oncology

biolitec develops and manufactures photo sensitizers, lasers and fiber optics for the treatment of a number of benign and malign tumours. Main fields of application are head- and neck-, prostate-, liver- and breast tumours, the Barret-syndrome and dysplasia.

In 2002, biolitec has acquired the patents on PDT-pharmaceutical Foscan[®] for the treatment of head- and neck-tumours. In the EU, ca. 96,000 cases of head- and neck-tumours are registered annually. According to biolitec, costs of a Foscan[®] treatment of head- and neck-tumours are 30-40 % lower than other treatment regimes like chemotherapy or surgery. Because of increasing costs for public healthcare, biolitec expects that the number of Foscan[®]-treatments will increase for the indication head- and neck-tumours.

In July 2007, biolitec published the results from a confirmatory study. Applying WHU-criteria, the study gave evidence that treated patients for head- and neck tumour had significant advantages after a PDT with Foscan[®]. Also, improvements in quality of life were achieved.

In 2003 biolitec received a prolongation of patent-protection for Foscan[®] until 2014 in EU-countries. While management did not expect significant growth, sales volume for Foscan[®] was still on a relatively low level in 2006/2007 amounting to € 1.6 Million.

We do not expect a visible increase in sales volume for Foscan[®] prior to 2009/10, i.e. only then when PDT-treatment will receive a higher rate of acceptance among surgeons.

An important competitor in tumour treatment applying PDT is the Canadian company Axcan Pharma with the photo sensitizer Photofrin[®] applied in the therapy of oesophageal carcinoma (Barret-syndrome) and in bile duct carcinoma. Photofrin[®] was admitted in 2003 in the US and in Canada for the indication oesophageal carcinoma (Barret- syndrome) and has a market potential of \$ 30-50 million within the following 5-7 years. The compound received

Laser-based aesthetic applications provide a high market potential

Significant savings using Foscan[®]

Foscan[®] enjoys patent protection until 2014



EMEA-admission in 2004. Currently Photofrin® is examined in a clinical phase III-study for the indication bile duct carcinoma. Axcan Pharma is cooperating with Diomed, Inc. regarding the laser device used for the PDT treatment with Photofrin®.

A further competitor in the segment of PDT is DUSA Pharmaceuticals, USA, testing its photosensitizer Levulan® for therapy of Barrett-syndrome and other carcinoma and also for dermatological treatments. Levulan® has received FDA approval for the indication actinic keratosis (in 10 % precursor of malignant spinalioma) in many instances appearing on the face and on the hands.

With the compound Metvix® the Swedish company PhotoCure also has a PDT-pharmaceutical approved in 16 European Countries in addition to Australia and New Zealand for the indication actinic keratosis and spinalioma. The compound received FDA approval in 2004. PhotoCure also applied for admission of its PDT-pharmaceutical Hexvix® with the indication carcinoma of the urinary bladder. A further photo sensitizer, Benzvix®, with the indication oesophagus carcinoma is still in development.

SWOT - Analysis

- biolitec is the global market leader in the segment of fiber optics and Diode Lasers.
- The company's business model for laser-based photodynamic therapies (PDT) is in a momentum of above average growth; due to the fully integrated product portfolio biolitec enjoys synergies along the complete value chain.
- With own production facilities and distribution companies, biolitec is globally present on all relevant markets
- biolitec is working with equity capital only. In general, investments are financed via the free cash flow. With this strategy, management retains all flexibility necessary for sound entrepreneurial decisions.
- biolitec enjoys patent protection for its PDT-pharmaceutical Foscan® until 2014 with an attractive upside sales/profit potential in oncologic indications.
- The majority shareholder of biolitec AG (Biomed Technology Holdings Ltd.) still owns 74.3% of the company's equity capital (Nov. 2007: 78.5 %). While biolitec is taking corporate actions to increase the free float, available shares for trading purposes are still limited. In November 2007, biolitec tried to increase the free-

Strengths

Weaknesses



float in the stock via a secondary offering; a further corporate action will be required to increase the free-float and hence to move the company's trading volume in line with typical market ratios.

- Biolitec is exposed to a competitive arena in the medical device market with globally operating peers that have significantly higher financial resources. In general, such competitors have a significantly larger sales force compared to biolitec - also with a high degree of specialization.
- Although biolitec's sales revenues are significant compared to the Company's size. There are, however, competitors in the market that visit clients with a much wider product portfolio for additional indications. (Company's critical mass, especially in global competition)
- All of biolitec's business units have a significant long-term growth-potential. Prospective markets biolitec's management is targeting in aesthetic surgery are an adequate extension of the Company's product line. The business expansion might support the current product portfolio and increase biolitec's image on the global medical-device markets.
- Management's strategy to initiate a market shift with the Urology Laser from hospital surgery to the office market might lead to a higher competitive advantage.
- With Foscan® biolitec is still at an early stage in their Pharmaceutical business unit. Regulatory approval for European Countries is available; FDA approval for further indications is in process; we expect that a momentum of sales growth will materialize in ca. 5 years.
- After a period of high charges for product introductions in biolitec's Pharmaceutical segment, R&D spending can be expected lower in future years resulting in higher profit margins.
- PDT is not, yet an accepted medical procedure (standard), yet. There will be significant efforts to convince surgeons from the advantages this therapy is providing.
- PDT still has not achieved an unlimited reimbursement factor within the public health insurance system. Inadequate or non-acceptance of PDT regimes, hence missing reimbursement might have a negative impact on biolitec's growth prospects. biolitec has achieved further success in this respect, e.g. the acceptance of the public health system to introduce a reimbursement code for laser-therapy LIFE™ in urology (BPH).

Chances

Risk Factors



Financial Analysis

Sales, operating costs & Financial Situation

In October 2007, management of biolitec AG presented above average financials for their business year ending in June 2007.

The company reported a sales growth of 34% to € 39 Mill. resulting in a net profit of € 5.6 Mill. (= EPS: 56c/shr.) representing a net margin of > 14%.

The Company's growth was generated from the number of Laser devices shipped, especially to the U.S. But also consumables / fibre optics contributed with a 17% growth rate. In the meantime, biolitec is generating > 50% of sales in the U.S.

In November 2007, biolitec AG succeeded to place 500,750 new shares with institutional Investors in Europe. With this placement the Company received proceeds of ca. € 7 Mill.

Now, the Company is expanding on the U.S. market with a strong Balance Sheet that includes a cash position of € 10 Mill. Investors should perceive biolitec's letter of intent to buy relevant Assets of Diomed Holdings, Inc. with the intention to secure their U.S. market position. Diomed is one of the key players in the market for minimal-invasive varicose vein treatment.

We are confident that biolitec will capitalize on the announced deal for Diomed's Assets (sales 2007: ca. \$21 Mill). The Company will, however, not be able to capture Diomed's sales channels prior to 2009. We do not calculate that biolitec will book more than 50% of Diomed's 2009 sales.

Regarding biolitec's operating result in retrospective we calculate a profit growth of ca. 25% p.a. on a 5-year horizon. Considering the company's expansion strategy we project a future growth rate of biolitec's EBIT margin with 20% p.a. and a sales growth rate of ca. 40%.

Projections/Strategic issues

It is biolitec management's objective to secure the U.S. market position because this is the largest market with the highest potential for the Company's product portfolio. As a technology leader in the PDT and laser market biolitec will continuously be launching new products i.e. introduce improvements in this market.

The company is fully integrated with all relevant know-how of the photodynamic technology in-house. This property increases the company's competitive situation. With an aggressive pricing biolitec can assure highest quality and technological leadership to the client.

U.S. is the most important market for biolitec
→ revenues > 50%

Capital Injection generated proceeds of ca. € 7 Mill. in November 2007
Liquid Funds > € 10 Mill.

Increase of EBIT-Marge on average ca. 20% p.a. (5Y horizon)

High Value Chain guarantees competitive Position



In the urology laser market, biolitec will play a key role shifting clients from clinical treatment to the office market. The Company has developed adequate medical devices (ELVeS[®]) to capture a relevant market share for the changed environment.

Biolitec has defined the Aesthetic market as an opportunity for future development and growth. With its competence and product portfolio in dermatology the company has solid prospects. First successful applications have been reported in the Bodyforming sector and for treatment of Cellulite. While we are cautious to calculate with a high contribution of the new business unit we are confident that the aesthetic market provides prospects to biolitec for future growth and margins.

Corporate Evaluation

Following we have prepared a fundamental financial analysis of biolitec. To obtain an indication for a fair value of biolitec AG we have used two different calculations:

1. From a capital markets view we have selected a peer group of publicly traded companies to approximate the corporate value via profit margins and potentials of similar business models.
2. In a NPV calculation we have projected biolitec's annual sales and profitability to calculate annual free cash flows. We discount such future cash-flows in an NPV calculation and add the residual value to obtain the entity value. This value (because of the corporate guidance regarding the future cash-flows) should be perceived as the entrepreneur's calculation.

Peer-Group Analysis

We have selected a peer group, i.e. companies operating in the sector "laser-based medical devices", or companies with a similar business model compared to biolitec. Differentiating such companies in two groups "international" and "domestic" we account for biolitec's international business orientation.

We derive the fair value of both our peer groups from earnings estimates / earnings potential of the business year 2009 (= t+1). We have used the statistical Median to eliminate extreme values in our peer group calculation. In this context we received the following values:

→ PeerGroup international: P/E 15.6X

→ PeerGroup national: P/E 8.2X

The following Value per share of biolitec's stock can be derived if we consider our EPS 2009 for biolitec with €0.75/shr.:

**P/E of biolitec's
PeerGroup: 12X**



- PeerGroup international: € 11.37
- PeerGroup national: € 10.14 **€ 10.75 (mean)**

Comparing biolitec's current share price of € 8.18 with the value derived from our peer group derived from P/E multiples a 40% undervaluation of biolitec's stock becomes obvious.

From our peer group analysis we also learn that international (U.S.) companies are valued higher compared to our regional MedTech peers. Biolitec is generating > 50% of sales revenues outside Germany, predominantly in the U.S. Therefore, the company should receive more of an international valuation.

Regarding the SmallCap characteristics in combination with biolitec's thin free-float (25.7%) and the low liquidity of the stock we suggest to discount our value of € 10.75, derived above by 20%.

Considering the liquidity discount we suggest a fair value of biolitec's stock according to our multiple calculation of € 8.60/shr.

Fair value derived via peer-group multiples: € 8.60/shr.

Peer Group Analysis

International Peer Group	Number Shares (Mill.)	Price* in Euro	MCap	EPS 07	EPS 08	EPS 09	EPS 10	PE 07	PE 08	PE 09	PE 10
Biolase	24.124	1.81	43.61	0.00	0.13	0.32	--	n.a.	14.2	5.7	n.a.
Candela	23.160	1.71	39.53	0.17	-0.20	0.17	--	10.0	-8.5	10.1	n.a.
Cutera	12.742	7.96	101.40	0.63	0.51	0.60	--	12.5	15.7	13.3	n.a.
DUSA Pharmaceuticals Inc.	24.079	1.30	31.35	-0.10	0.02	--	--	-12.8	82.1	n.a.	n.a.
Pharmacyclics Inc.	25.994	0.58	15.12	-0.69	-0.61	-0.58	-0.46	-0.8	-1.0	-1.0	-1.3
Palomar	18.338	8.96	164.37	0.68	0.50	0.74	--	13.2	17.8	12.1	n.a.
Axcan	55.375	14.91	825.68	1.00	0.86	0.60	n/a	14.9	17.3	24.9	n.a.
QLT	74.620	2.32	173.16	0.05	0.12	0.12	--	46.5	19.5	19.6	n.a.
Vascular	15.753	4.42	69.60	-0.18	0.18	0.23	0.32	-24.9	25.1	19.5	13.9
Photocure ASA	22.093	4.33	95.64	-0.42	-0.41	0.00	0.57	-10.3	-10.7	n.a.	7.7
Angio Daymatics	24.112	7.87	189.76	0.32	0.32	0.42	0.39	24.3	24.8	18.8	20.3
Cynosure	9.541	12.64	120.62	0.91	1.14	1.35	--	13.8	11.1	9.4	n.a.
Photomedex	63.032	0.54	33.87	-0.03	0.02	--	--	-16.9	28.2	n.a.	n.a.
Vascular Solutions	15.735	3.90	61.40	-0.18	0.18	0.23	--	-21.7	21.7	17.0	n.a.
Vnus Medical Technologies	15.777	12.41	195.77	-0.23	0.13	0.30	--	-54.3	97.8	41.2	n.a.
Median								4.6	17.8	15.2	10.8

Source: Thomson Financial, Bloomberg

National Peer Group	Number Shares (Mill.)	Price* in Euro	MCap	EPS 07	EPS 08	EPS 09	EPS 10	PE 07	PE 08	PE 09	PE 10
Wavelight Laser Technologie	6.577	17.50	115.10	-0.55	-0.40	0.10	--	-31.8	-43.8	175.0	n.a.
Carl Zeiss Meditec AG	81.310	9.69	787.89	0.61	0.64	0.72	0.82	15.9	15.1	13.5	11.8
Pulsion Medical Systems AG	9.577	5.37	51.43	0.33	0.52	0.75	--	16.3	10.3	7.2	n.a.
World of Medicine	9.000	9.73	87.57	0.43	0.33	0.16	--	22.6	29.5	60.8	n.a.
ellexion AG	3.6	3.4	12.13	-0.4	-0.1	0.3	n.a.	-8.6	-55.8	11.2	n.a.
Median								15.9	10.3	13.5	11.8
biolitec	10.516	8.18	86.02	0.56	0.60	0.75	1.37	14.6	13.6	10.9	6.0

*Quotes as per April 15, 2008

Source: Thomson Financial, Bloomberg

Kurs auf Basis KGV 2009

Implied Value based on Peers (International)	11.37
Implied Value based on Peers (National)	10.14
Averag of both Peer Groups	10.75

20% Discount considering Liquidity: 2.15
Fair Value after Liquidity Discount: 8.60



Cash-Flow Analysis (FCF)

To find a value representing the long-term potential of biolitec AG we have designed a Discounted Cash-Flow Model (entity methodology). Our model is based on three explicit planning horizons: Phase I: 2007/08 until 2010/11; Phase II growth period: 2011/12 until 2015/16, and Phase III: Terminal Value.

Our estimates for biolitec's sales and profitability imply further growth of the company's profitable core business during the next two years, initial sales in the aesthetic market and sales (+10%) in biolitec's Pharmaceutical unit with Foscan[®] starting in 2010. Furthermore we have considered biolitec's acquisition of selected Diomed Assets with an investment of \$7 Mill. It is our opinion that biolitec will not have additional sales from the Diomed transaction. Moreover such additional sales are included in 2009 (\$5 Mill.) and in 2010 (€7 Mill.)

The discount factor (WACC) for future free cash flows is a function of the following variables:

Key Model Assumptions

Cost of Capital	8.40%
Cost of Debt	8.00%
Market Beta	1.0
Proxy MSCI Europe in Terminal Value	1.0
Riskfree Return	4.12%
10y German Government Bond	
Market Return	8.60%
10y MSCI EMU	
Company-specific Premium	1%
WACC	9.43%
in Terminal Value	9.58%
Growth Rate Terminal Value	1.00%

According to such input parameters our FCF-Model reflects a value of biolitec's equity of €233 Mill, equal to €20.49/shr.

We have shown all our input data in the table below, like sales, EBIT and NPV's for the complete planning horizon. A sensitivity analysis to adjust the residual value as a function of discount rate and terminal growth is attached.

FCF-Model suggests a value of biolitec's stock of €20.49/share



FCF-Analysis biolitec AG

in '000	actual	Phase I				Phase II					Phase III
	2006/07a	2007/08e	2008/09e	2009/10e	2010/11e	2011/12e	2012/13e	2013/14e	2014/15e	2015/16e	...
Revenues	39,036	48,307	69,799	96,343	118,502	136,277	156,718	175,525	193,077	212,385	Terminal Value (Growth Rate = 1,0%)
EBIT	6,711	8,453	12,423	16,767	20,145	20,442	23,508	26,329	28,962	31,858	
- Tax on EBIT	1,738	2,163	3,181	4,267	4,029	4,088	4,702	5,266	5,792	6,372	
+ Depreciation	1,330	1,559	1,990	2,382	2,715	3,095	3,528	4,022	4,586	5,228	
- Investments	2,947	4,147	4,347	4,547	4,820	5,109	5,416	5,740	6,085	6,450	
-/+ Red./Incr. of long-term Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
-/+ Red./Incr. of Net Working Capital	3,129.6	695.3	-144.5	-138.0	-1,670	0.00	0.00	0.00	0.00	0.00	
+ Financial Result	0.104	0.200	0.300	0.300	0.00	0.00	0.00	0.00	0.00	0.00	
Free Cash Flow	227	3,007	7,030	10,473	15,681	14,339	16,919	19,345	21,670	24,264	
Present Value	227	2,810	6,004	8,175	11,185	9,347	10,078	10,530	10,779	11,029	

NPV of Free Cash-Flows	
in '000	
NPV Free Cash-Flows Phase I	28,174
NPV Free Cash-Flows Phase II	51,763
NPV Free Cash-Flows Phase III	128,159
Value Operating Business	208,096
+ Liquid Funds	7,404
Total Company Value	215,500
- Market Value Debt	0.4
+/- Minorities	0.2
Value of Equity	215,500
No. Shares ('000)	10,516
Value per Share in €	20.49

Sensitivity Analysis NPV Terminal Value

Discount Rate	Discount Rate							
	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	9.58%
0.5%	22.50	21.14	19.95	18.91	17.99	17.17	16.44	19.77
1.0%	23.52	22.01	20.70	19.55	18.55	17.66	16.87	20.49
1.5%	24.69	23.00	21.54	20.27	19.17	18.20	17.34	21.31
2.0%	26.04	24.12	22.49	21.08	19.86	18.80	17.86	22.24
2.5%	27.61	25.42	23.58	22.00	20.65	19.47	18.44	23.29

Source / estimates: RedHerring oHG

The DCF calculation returns a value of biolitec's equity of €20.49/shr. Comparing the DCF value to the current share price biolitec's current undervaluation is even more visible. Of course, this methodology does not consider weaknesses in the capital market system and technical adjustments necessary for liquidity reasons. What we are able to learn from this significant deviation is current investor's perception not accounting for advantages on biolitec's part to obtain selected Diomed Assets in the United States.

Fazit

Finally, we add the two approaches of valuation that we derived from both models with a 50% factor to get an approximation of biolitec's fair market value:

- Value derived from trading multiples: € 8.60
 - Value derived from DCF-Analysis: € 20.49
- Fair Corporate Value: €29.09 : 2 = €14.55**

Fair Value of biolitec's stock: €14.55



For trading purposes we suggest to use a range to represent biolitec's fair value with € 14.30 to € 14.80 per share.

The value calculated above looks quite high compared to biolitec's current share price of € 8.18 in the market. In light of the recent setbacks biolitec's stock showed within the past 3 months we consider the calculation as realistic representing a future potential of 80% for biolitec's stock (not considering the current weakness of the security markets). In particular we give substance to the valuation shown in this report should biolitec AG succeed to buy relevant assets of Diomed and profit from their market position.

Biolitec shares offer an upside potential of ca. 80%

Observations on stock trading patterns

Having sold shares in the secondary market in November 2007, biolitec's stock enjoyed a strong demand with a visible price appreciation for ca. 30 trading days.

Markets opened sharply lower in January 2008 with biolitec's stock following this trend. We could realize a reluctance of investors decreasing their positions when biolitec reported 6M earnings by the end of February 2008. The stock experienced further pressure when U.S sales lost momentum.

A general weakness especially for SmallCap Stocks released further pressure on biolitec's stock.

We explain the current weakness of biolitec's stock with the reluctance of investors adding further risk to their portfolio associated with the Company's expansion strategy in the U.S.

As soon as biolitec's management is able to prove that this risk profile is not justified such investors might return to their positions.

**Biolitec's stock declined by ca. 50% during the past three months.
Possible reason: higher risk profile caused by U.S. expansion plans**



Balance Sheet

(actual data and forecasts)

in € Mio.

Balance Sheet (€'000)

Fiscal Year 30/06 • IAS	04/05	05/06a	06/07a	07/08e	08/09e	09/10e	04/05	05/06a	06/07a	07/08e	08/09e	09/10e
Assets							% of Balance Sheet Total					
Tangible Assets	7.1	8.0	9.4	12.0	14.3	16.5	18.1	18.0	17.7	19.2	19.5	18.3
Other Assets	7.5	7.6	8.0	10.0	10.0	10.0	19.1	17.0	15.1	16.0	13.6	11.1
t/o Goodwill	3.4	3.4	3.4	5.4	4.4	3.9	8.8	7.7	6.5	8.7	6.0	4.4
Latent Taxes		2.8	1.7	1.1								
Total Fixed Assets	14.5	18.4	19.0	21.9	24.3	26.5	37.2	41.3	36.0	35.3	33.1	29.4
Inventories	10.9	11.3	13.3	14.9	15.7	16.4	27.9	25.5	25.1	24.0	21.3	18.2
Accounts Receivable	7.6	8.5	12.9	14.8	17.0	19.1	19.4	19.2	24.4	23.8	23.1	21.2
Total Liquid Funds	2.8	3.2	4.3	7.4	13.4	25.0	7.1	7.3	8.1	11.9	18.2	27.8
Other Current Assets	3.3	3.0	3.4	3.2	3.2	3.2	8.5	6.7	6.4	5.1	4.4	3.6
Total Current Assets	24.6	26.1	33.8	40.3	49.2	63.7	62.9	58.7	63.9	64.8	67.0	70.7
Balance Sheet Total	39.1	44.5	52.9	62.2	73.5	90.1	100.0	100.0	100.0	100.0	100.0	100.0
Liabilities							% of Balance Sheet Total					
Subscribed Capital	10.0	10.0	10.0	10.0	10.0	10.0	25.6	22.5	18.9	16.1	13.6	11.1
Share Premium	27.8	27.8	27.8	27.8	27.8	27.8	71.1	62.4	52.5	44.7	37.8	30.8
Retained Earnings & Other Reserves	-3.4	-1.3	4.2	10.5	18.3	31.5	-8.7	-3.0	8.0	16.9	25.0	34.9
Other Earnings	2.0	2.0	1.9	1.8	1.8	1.8	5.1	4.5	3.6	3.0	2.5	2.0
Shareholders Equity	36.4	38.4	43.9	50.1	58.0	71.1	93.0	86.4	83.0	80.6	78.9	78.9
Minorities	0.9	0.8	0.3	0.3	0.3	0.3	2.4	1.7	0.5	0.4	0.4	0.3
Group Equity	37.3	39.2	44.2	50.4	58.3	71.4	95.4	88.1	83.5	81.0	79.3	79.2
Provisions	1.7	2.2	3.4	2.0	2.0	2.0	4.3	4.9	6.5	3.2	2.7	2.2
t/o Pension Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities	0.1	3.1	5.3	9.8	13.2	16.7						
Total Liabilities	1.8	5.3	8.7	11.8	15.2	18.7	4.6	11.9	16.5	19.0	20.7	20.8
t/o Interest Bearing Liabilities	0.3	0.6	0.4	0.4	0.6	0.9	0.8	1.3	0.7	0.7	0.9	1.0
t/o Non Interest Bearing Liab. <1Y	4.6	4.8	8.3	10.9	14.0	17.0	11.9	10.7	15.7	17.6	19.1	18.9
Balance Sheet Total	39.1	44.5	52.9	62.2	73.5	90.1	100.0	100.0	100.0	100.0	100.0	100.0



Profit & Loss Accounts

(actual data and forecasts)

in € Mio.

Profit and Loss account (€'000)

Fiscal Year 30/06 • IAS	04/05	05/06a	06/07a	07/08e	08/09e	09/10e	05/06a	06/07a	07/08e	08/09e	09/10e	5Y ø
							y-o-y changes (%)					
Sales Revenues	24.9	29.1	39.0	48.3	69.8	96.3	17	34	24	44	38	31
Cost Of Goods Sold	7.0	9.3	12.6	14.5	20.9	28.9	34	35	15	44	38	33
Gross Profit	17.9	19.8	26.5	33.8	48.9	67.4	10	34	28	44	38	31
Other Operating Income	1.8	1.5	1.1	1.0	1.0	1.0	-21	-24	-9	0	0	-11
Distribution Expenses	7.2	7.1	9.0	11.1	16.1	22.2	-2	27	24	44	38	26
General and Administrative Expenses	5.4	6.3	6.1	8.0	10.9	15.1	16	-3	31	36	38	24
R&D	5.9	5.5	5.5	7.2	10.5	14.5	-7	1	31	44	38	21
EBITDA	1.3	2.4	6.9	8.45	12.42	16.77	91	183	22	47	35	76
Other Operating Expenses			0.2									
Currency Profit/ Loss	0.1	-0.1	-0.4	0.0	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT	1.4	2.3	6.7	8.5	12.4	16.8						
Interest Income/ Expenses	0.0	0.0	0.1	0.2	0.3	0.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Financial Expenses	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Financial Result	0.0	0.0	0.1	0.2	0.3	0.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBT	1.4	2.3	6.8	8.7	12.7	17.1	63	197	27	47	34	74
Taxes On Income	0.6	0.4	1.7	2.2	3.2	4.3	-38	338	24	47	34	81
Minorities Result	0.8	1.9	5.1	6.5	9.5	12.8	148	167	28	47	34	85
Group	0.3	0.2	0.5	0.3	0.3	0.3	-33	154	-39	0	0	16
Adjustments	0.0	0.0	0.0	-0.5	-2.0	0.0	0.0	0.0	0.0	1.0		0
Adjusted Net Profit	1.0	2.1	5.6	6.3	7.8	13.1	98	170	13	25	67	74
Dep. On Tang. Assets & o. Op. Ass	1.7	1.5	1.3	1.6	2.0	2.4	-16	-8	17	28	20	8
EBITA	3.0	3.9	8.3	10.0	14.4	19.1	29	112	21	44	33	48
Personnel Expenses	8.5	9.2	15.7	21.4	32.0	42.6	8	70	37	50	33	39
Distribution And Marketing Expenses	7.2	7.1	11.8	14.6	21.1	29.2	-2	68	24	44	38	34
R&D Costs	3.9	5.5	5.5	7.2	10.5	14.5	40	1	31	44	38	31
Adj. No. Of Shares	10.0	10.0	10.0	10.5	10.5	10.5	0	0	5	0	0	1
Adj. Net Profit/Share (EPS)	0.08	0.21	0.56	0.60	0.75	1.25	169	170	8	25	67	88
Adj. Cash Earnings (CE)/Share	0.26	0.40	0.69	0.75	0.93	1.47	56	72	8	25	57	44

Cash Flow Statements (€'000)

Fiscal Year 30/06 • IAS	04/05	05/06a	06/07a	07/08e	08/09e	09/10e	05/06a	06/07a	07/08e	08/09e	09/10e	5Y ø
							y-o-y changes (%)					
Adjusted Net Profit	1.044	2.1	5.6	6.3	7.8	13.1	97.8	169.6	13.0	24.7	67.0	74.4
+ Depreciation & Amortisation	1.7	1.5	1.3	1.6	2.0	2.4	-16.1	-8.3	17.3	27.6	19.7	8.0
Chg. In Long-Term Provisions	-0.2	0.5	0.0	0.0	0.0	0.0						
= Cash Earnings	2.6	4.0	6.9	7.8	9.8	15.5	55.7	72.4	13.8	25.3	57.5	44.9
+ Minorities	0.3	0.2	0.5	0.3	0.3	0.3	-33.4	153.9	-38.5	0.0	0.0	16.4
- Chg. In Net Working Capital	0.7	1.0	3.1	0.7	-0.1	-0.1	36.0	224.9	-77.8	-120.8	-4.5	
+/- Latent Taxes	0.0	0.2	0.0	0.0	0.0	0.0						
= Operativer Cash Flow	1.6	3.1	3.3	6.9	9.7	15.3	96.8	5.9	109.1	41.2	58.3	62.3
- Capex	2.1	2.4	2.9	4.1	4.3	4.5	14.6	24.0	40.7	4.8	4.6	17.7
= Free Cash Flow	-0.5	0.7	0.3	2.7	5.3	10.8	-242.7	-53.9		9.7	102.1	106.9



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