HALF-YEAR REPORT 2013

HAEMATO

HAEMATO AG in numbers
Consolidated Financial Statements according to IFRS (in EUR m) Overview

	01.01. - 30.06.2013	01.01. - 30.06.2012
Sales	63.21	9.39
EBIT	4.66	3.83
Net profit	3.77	3.23

	30.06.2013	30.06.2012
Total assets	92.85	44.17
Equity	53.57	31.50
Balance sheet profit	18.46	15.00

Content

Dear shareholders,
Ladies and Gentlemen

In the first half-year of 2013 the pharmaceuticals business was substantially expanded.

In the second quarter turnover exceeded 57 m Euros. This results in a total turnover of 63.21 m Euros for the first half-year. The period's net profit amounted to 3.77 m Euros in the first half-year.

For the second half-year 2013 I expect additional growth in sales and earnings.

As per 1 July, 2013, Simgen GmbH was merged with HAEMATO PHARM AG. This results in cost benefits and higher sales potentials of generics.

In the third quarter we experience good business development and net profit is expected to be higher than the average of the previous two quarters.

Therefore, I have good reason to consider, that we can continue our dividend policy established in the previous year.

Dr. Christian Pahl
Management Board

August 2013

Group interim management report

Group interim management report

1. Company profile

The company HAEMATO AG is a stock exchange listed pharmaceutical company. The focus of the business activities lies on the growth markets of patent free and patent protected medicinal products. Focal points are therapies with cancer, HIV, cardiovascular and other chronic diseases.

Due to the increasing life expectancy of the population the requirement for economically priced medicinal products is increasing, and which are supplied in the highest quality and satisfy the demand for reliable and comprehensive medical care at all times. Through our product portfolio of import medicinal products and generics we help to optimise the efficiency of the supply of medicinal products and to reduce the costs for the health insurance providers and thereby also for the patients.

Due to the long-term social trend the pharmaceutical and health market will grow in the coming years. This opens growth opportunities for our business also beyond the national borders.

2. Economic environment

General global economy

After world trade and world industrial production continuously declined in the last two years, since autumn 2012 the world economy has stabilised at a relatively low level. Especially the relatively robust economic development in USA, Japan and important upcoming national economies were substantial contributors towards the stabilisation.[1] Also the tension in the financial and stock markets decreased further.[2]

By contrast, the economic expansion in the threshold countries declined somewhat again. Apart from domestic economic factors the weak demand in the advanced national economies had a negative effect, especially in Europe. Only in Latin America the economic activity was still directed upwards at the beginning of the year.[3]

The recession in the Euro region continued, although with less severity. Whereas the financial policies were clearly restrictively oriented, there were impulses above all from monetary policies. In the first quarter of 2013 the overall economic expansion diminished with a current annual rate of 0.8 % at a significantly slower speed than still at the end of 2012. In contrast the trade balance only improved slightly. Exports decreased nearly to the same extent as the imports. The recovery of the economic activity in the crisis countries of the Euro area is not yet in sight.[4]

From the basic trend the global expansion of economic activity was overall rather restrained. The weak demand in Europe also attenuates the economic growth in the rest of the world. With a current annual rate of 2.5 %, in the first quarter of 2013 the global gross domestic product increased at a similar restrained speed as in the two previous quarters. According to details provided by the Institute for Global Economy the disposition of the global economy did however improve,[5] so that the Institute now assumes a moderate acceleration of the expansion rate.[6]

Economic situation in Germany

After a weak winter half year, over the course of the first half-year 2013 the German economic activity has become slightly livelier. After the insecurities about the future of the European monetary union decreased the position in the financial markets has also become more relaxed.[7] Nevertheless, the insecurity about the development of the crisis in the Euro region continues to encumber the expansion speed. In the first quarter 2013 the gross domestic product only increased by 0.1 %.[8]

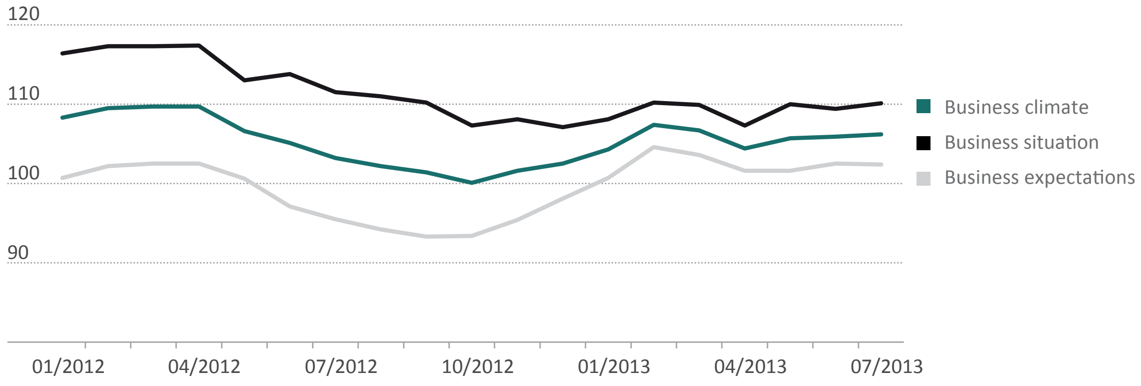
After the decline of the exports in the Euro region the stabilisation of the German economy in the first quarter of this year was nearly exclusively carried by the domestic economy.[9] The trade balance in the first quarter 2013 only increased by 0.1 %.[10] According to the Institute for Global Economy the domestic economy will also be responsible for the further expansion in the current year and also in 2014.[11]

The flagging economic activity since the beginning of this year has also left its marks on the employment market. Although the persisting employment upswing continued in the first quarter 2013, the number of unemployed has however further increased to a rate of 6.9 %. The reason for this lies above all in the increasing immigration from Eastern Europe, as well as countries that are affected by high and increasing unemployment (such as Greece, Spain, and Portugal). According to the Institute for Global Economy indicators predict a declining employment upswing for the following months. In spite of downward trends, employment is still at quite a high level.[12]

After a period of weakness the German economy has now stabilised, however a strong upswing is not predicted. The insecurity about the development of the crisis countries in the Euro area still remains substantial. Therefore, the upsurge in the financial markets will mainly be based on the worldwide very expansive monetary policies.[13]

ifo business climate Germany

Index value, 2005 = 100, seasonally adjusted



Source: ifo Institute – Leibniz Institute for Economic Resaearch

The German pharmaceuticals market

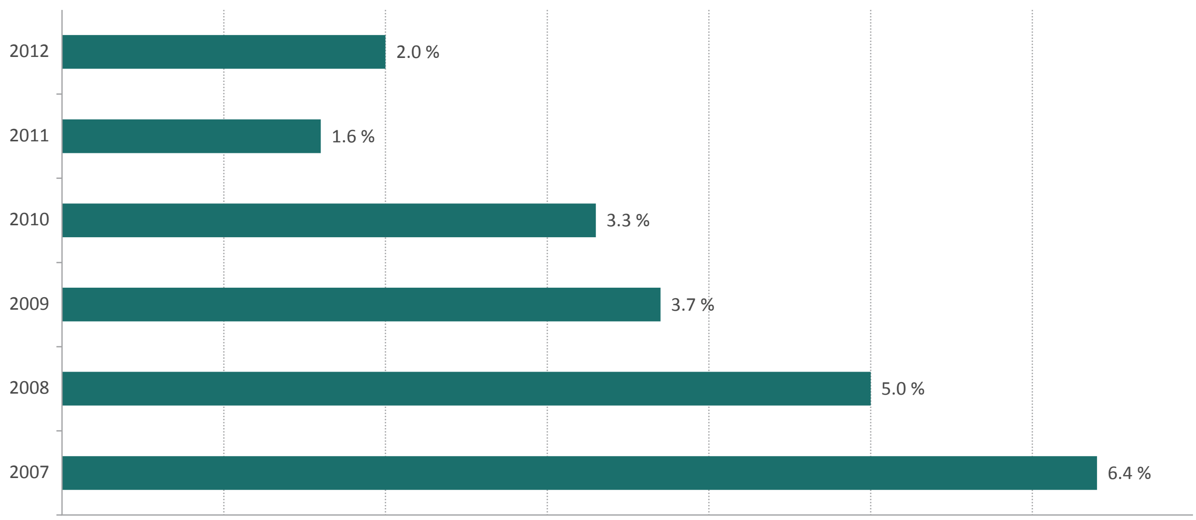
The global pharmaceutical market is continuously growing. Thereby high growth is especially being generated in the emergent countries. By contrast in the EU-5 nations the turnover is practically stagnating. Especially the research undertaking pharmaceutical companies suffer from expiring patents and the tremendous cost pressure of the health systems.[14] By contrast, the market for generics and the market for parallel imports are continuously growing. According to a study by Frost & Sullivan the generics market in Europe will grow until 2015 by 9 %[15] annually. Alone from January until May of this year generics held a market share of 51 % in the German pharmacy market, and with an increase in sales of 9 %, decisively contributed to the positive volume development of in total 7 %.[16]

All in all the total German pharmaceutical market consisting of clinic and pharmacy market noted in the first five months of this year an increase of 4.4 % in comparison to the same period of the previous year to 14.0 billion Euros (selling price of the pharmaceutical company minus compulsory discounts).[17] Thereby the clinic market increased relatively substantially with a growth of 11 % to 1.9 billion Euros in comparison to the pharmacy market with 3.5 %.[18]

Motors for growth in the clinic as well as in the pharmacy market were apart from immune modulators, for example with multiple sclerosis, above all oncological agents. Both these medicinal product groups, which belong amongst the leading ten groups according to turnover, noted a double-digit growth rate.[19] Amongst the market segments within the pharmacy market, especially patent protected preparations (+11.4 %) and generics (+7.1 %) are responsible for the growth as in the previous year.[20] These results support the already mentioned positive development of the generics and import medicinal product market.

The company HAEMATO AG places the focus of their business activities on generics and EU import medicinal products. In this area they are above all involved in the niches oncology and HIV. The product offering of the company HAEMATO allows cost-effective therapies at the highest quality. The prescribing of generics and import medicinal products is sustainably supported by political policies and health insurance providers due to the need of the (inter)national health systems to economise. For this reason the board of management of the company HAEMATO AG sees further growth opportunities in these segments.

Sales growth of the pharmaceuticals market



Source: IMS Health Market reports

3. Economic situation

Financial status and results

HAEMATO AG performed very successfully in the first half of 2013. Turnover reached a record level of 63.21 m Euros (preceding year 9.4 m Euros). Net profit amounted to 3.77 m Euros (preceding year 3.23 m Euros).

Due to the full consolidation of HAEMATO PHARM AG, the second quarter 2013 includes the sales and earnings contributions of the company, which was acquired this year. As a result Group sales persuant to IFRS of 57.69 m Euros were generated solely within the second quarter. This positive result reflects the success of the strategic enhancement, which was introduced at the beginning of this year.

On June 30, 2013, the equity of HAEMATO AG amounted to 53.57 m Euros. The equity ratio was 57.69 %.

4. Outlook

Under the assumption that it does not come to a renewed escalation in the Euro crisis, the Institute for Global Economy predicts a moderate acceleration of the global expansion speed. The basic dynamics however still remain contained and the recovery is susceptible to disturbances. The recession in the crisis countries will continue for the time being, the speed of the downswing will however slowly decrease.[21]

The underlying conditions for the German economy continue to be favourable, therefore the basic trend of the economic activity in this and also in the coming year is directed upwards.[22] For the current year the Institute for Global Economy estimates an increase of the gross domestic product by 0.5 %. For 2014 the Institute predicts an accelerated expansion of economic activity with an increase of the gross domestic product by 1.8 %.[23]

The prospects for the pharmaceutical market remain restrained. For the European region the IMS Health Institute estimates an average growth until 2016 of 0 to 3 % annually.[24] Measured by the expenditures, Germany however only loses one place in the global ranking list up to 2016 and lands behind USA, China, Japan und Brazil in fifth place.[25] According to a forecast by IMS Health, amongst the highest expenditure therapy areas in 2016 will be oncology (first place) with an expenditure of 83 to 88 billion US-Dollars and HIV (seventh place) with 22 to 25 billion US-Dollars.[26] Therefore, the company HEAMATO AG is well set up for the future as niche player for these therapy areas.

For the second half year 2013 the company HAEMATO AG is aspiring a profit of more than 4 million Euros with a turnover of 100 million Euros and will thereby achieve a turnover run-rate for the year 2013 of more than 200 million Euros.

5. Significant events

In April 2013 the former Windsor AG acquired 35 % of the company shares of the HAEMATO PHARM AG and thus accelerated the expansion of the pharma business. The purchase of the remaining company shares of the HAEMATO PHARM AG has been executed as at the end of the second quarter.

The change in company name from Windsor AG to HAEMATO AG resolved at the Annual General Meeting documents the strategic further development into a pharmaceuticals company.

According to the resolution of the Annual General Meeting on 30 May, 2013, the Supervisory Board of the HAEMATO AG changed. The Supervisory Board is now composed of Andrea Grosse, chairwoman, Prof. Dr. Dr. Sabine Meck, deputy chairwoman and the member Dr. Marion Braun.

Further, by the company's merger with HAEMATO PHARM AG, the Simgen GmbH was integrated as per 1 July, 2013. The HAEMATO AG therefore expects to strengthen its foreign generic business as well as further growth in profit.

Group interim financial statements

Group balance sheet - Assets

as of 30 June*

	2013 EUR	2012 TEUR
Cash	13,205,122.50	6,338,520.84
Trade receivables	9,124,149.29	3,155,591.72
Inventory	27,221,862.53	5,552,121.03
Other financial short-term assets	10,280,439.06	7,946,905.55
Other short-term assets	827,438.26	663,136.58
Short-term assets	60,659,011.64	23,656,275.72
› Intangible assets	8,671,576.80	3,929,397.26
› Company value	14,150,452.53	0.00
› Tangible assets	1,094,673.91	983,233.14
› Prepayments	159,980.13	311,716.58
› Financial assets	7,965,770.57	10,992,959.64
› Other long-term assets	150,897.89	4,286,973.00
› Deferred tax	0.00	7,721.66
Long-term assets	32,193,351.83	20,512,001.28
▸ TOTAL ASSETS	92,852,363.47	44,168,277.00

* Accounting under IFRS

Group balance sheet - Liabilities

as of 30 June*

	2013 EUR	2012 EUR
Accruals	2,683,125.52	1,031,529.94
Bank loan	13,306,438.97	398,323.34
Trade payables	1,255,610.22	1,040,372.21
Other financial short-term liabilities	246,378.51	3,392,044.86
Other short-term liabilities	1,464,038.41	152,946.18
Short-term liabilities	18,955,591.63	6,015,216.53
Accruals	121,777.91	232,422.10
Bond loan (Participation certificates)	5,209,300.00	5,239,800.00
Bank loan	13,500,000.00	0.00
Deferred tax	1,500,378.78	1,182,660.31
Long-term liabilities	20,331,456.69	6,654,882.41
Share capital	20,778,898.00	13,852,599.00
Acquired own shares	-1,324,484.00	-152,596.00
	19,454,414.00	13,700,003.00
Capital reserve	7,571,981.01	230,105.01
Legal reserve	1,155,154.89	1,133,693.09
Other revenue reserve	652,130.37	652,130.37
Capital reserve for own shares	-666,100.62	-13,695.64
Balance sheet profit	18,463,113.98	15,000,682.31
Equity attributable to equity holders of HAEMATO	46,630,693.63	30,702,918.14
Non-controlling shareholders	6,934,621.52	795,259.92
Equity	53,565,315.15	31,498,178.06
TOTAL LIABILITIES	92,852,363.47	44,168,277.00

* Accounting under IFRS

Group profit and loss summary account

for the period from 1 January to 30 June*

	2013 EUR	2012 EUR
Sales	63,214,240.38	9,393,205.94
Increase in inventories of finished and unfinished goods	3,208.18	3,814,849.13
Other operating income	2,623,591.46	5,039,856.04
Cost of materials	-57,628,108.78	-10,594,744.08
Labour costs	-1,192,021.87	-435,398.90
Depreciation / Amortisation	-792,272.50	-371,424.11
Other operational expenses	-1,572,850.01	-3,014,026.13
EBIT (earnings before interest and tax)	4,655,786.86	3,832,317.89
Financial result	-235,522.88	-302,828.30
EBT (earnings before tax)	4,420,263.98	3,529,489.59
Income tax	-651,069.13	-295,204.22
Other tax	-1,461.00	-384.00
Net profit for the reporting period	3,767,733.85	3,233,901.37
thereof, attributed to:		
Shareholders of MPH	2,682,916.15	2,903,640.40
Non-controlling shareholders	1,084,817.70	330,260.97
	3,767,733.85	3,233,901.37

* Accounting under IFRS

Group cash flow statement

for the period from 1 January to 30 June*

	2013 EUR	2012 EUR
Cash flow from operating activities	-8,257,742.41	-3,839,927.28
Cash flow from investment activities	9,902,269.73	7,282,826.96
Cash flow from financing activities	706,304.63	-420,819.23
Change in cash and cash equivalents due to changes in companies consolidated	3,325,402.63	0.00
Cash flow	**5,676,234.58**	**3,022,080.45**
Liquid funds		
30 June 2013 / 31 December 2012	13,205,122.50	7,528,887.92
30 June 2012 / 31 December 2011	6,338,520.84	3,316,440.39

* Accounting under IFRS

Group equity change account

as of 30 June 2013*

	Share capital EUR	Acquired own shares EUR	Legal reserve EUR	Capital reserve EUR	Balance sheet profit EUR	Other revenue reserve EUR	Capital reserve for own shares EUR	Sub-total EUR	Equity of shareholders of HAEMATO EUR	Non-controlling shareholders EUR	Total equity EUR
1. As of 31 December 2012/ 1 January 2013	13,852,599.00	-1,324,484.00	1,155,154.89	230,105.01	18,912,226.58	652,130.37	-666,100.62	32,811,631.23	32,811,631.23	767,214.94	33,578,846.17
2. Period income	0.00	0.00	0.00	0.00	2,682,916.15	0.00	0.00	2,682,916.15	2,682,916.15	1,084,817.70	3,767,733.85
3. Own shares / Reclassifications / Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,357,588.88	5,357,588.88
4. Dividends	0.00	0.00	0.00	0.00	-3,132,028.75	0.00	0.00	-3,132,028.75	-3,132,028.75	-275,000.00	-3,407,028.75
5. Increase in the share capital	6,926,299.00	0.00	0.00	7,341,876.00	0.00	0.00	0.00	14,268,175.00	14,268,175.00	0.00	14,268,175.00
6. As of 30 June 2013	20,778,898.00	-1,324,484.00	1,155,154.89	7,571,981.01	18,463,113.98	652,130.37	-666,100.62	46,630,693.63	46,630,693.63	6,934,621.52	53,565,315.15

* Accounting under IFRS

Group assets development

as of 30 June 2013*

	Acquisition cost				Cumulative depreciation / amortisation				Book value	
	As of 01.01.2013 EUR	Addition/Recl. EUR	Disposal/Recl. EUR	As of 30.06.2013 EUR	As of 01.01.2013 EUR	Addition EUR	Disposal EUR	As of 30.06.2013 EUR	As of 30.06.2013 EUR	As of 31.12.2012 EUR
I. Intangible assets										
1. Intangible assets	9,743,969.79	5,274,249.17	0.00	15,018,218.96	4,426,109.28	1,920,532.88	0.00	6,346,642.16	8,671,576.80	5,317,860.51
2. Company value	2,846,717.28	11,303,735.25	0.00	14,150,452.53	0.00	0.00	0.00	0.00	14,150,452.53	2,846,717.28
	12,590,687.07	16,577,984.42	0.00	29,168,671.49	4,426,109.28	1,920,532.88	0.00	6,346,642.16	22,822,029.33	8,164,577.79
II. Fixed assets	979,146.96	666,510.15	0.00	1,645,657.11	216,360.96	334,622.24	0.00	550,983.20	1,094,673.91	762,786.00
III. Prepayments	215,122.59	35,860.50	-91,002.96	159,980.13	0.00	0.00	0.00	0.00	159,980.13	215,122.59
IV. Financial assets	12,443,422.48	199,668.71	-6,141,768.71	6,501,322.48	-936,923.45	0.00	-527,524.64	-1,464,448.09[1]	7,965,770.57	13,380,345.93
TOTAL	26,228,379.10	17,480,023.78	-6,232,771.67	37,475,631.21	3,705,546.79	2,255,155.12	-527,524.64	5,433,177.27	32,042,453.94	22,522,832.31

* Accounting under IFRS

[1] Appreciation of existing financial assets. A minus sign shows the appreciation above acquisition costs.

Further information

Information about the members of the company bodies

Management board

Surname	First name	Function	Authority to act	Profession
Dr. Pahl	Christian	Management Board	Sole power of representation	Graduate in business administration

Supervisory board

Surname	First name	Function	Profession
Grosse	Andrea	Chairwoman	Lawyer
Prof. Dr. Dr. Meck	Sabine	Deputy Chairwoman	University Professor and Science Journalist
Dr. Braun	Marion	Member	Doctor

The share

Classes of shares	Bearer shares
WKN / ISIN	619070 / DE0006190705
Number of shares	20,778,898
Stock symbol	WIR.ETR
Listing	Frankfurt Stock Exchange
Stock market segment	Entry Standard (Open Market)
Designated Sponsor, Listing Partner	ICF Kursmakler AG
Nominal capital	20,778,898.00 EUR
First day of trading	05.12.2005
Coverage	Close Brothers Seydler Bank AG

The participation certificate

WKN / ISIN	A0EQVT / DE000A0EQVT2
Stock symbol	WIR1.STU
Type / Certification	Bearer instruments, global certificate
Application purpose	Exclusively property investments
Security	Registration of junior land registry charges
Initial listing	2005
Basic value per certificate	100 EUR (minimum investment)
Maturity	Unlimited term
Annual distribution	9,00 % p.a. relating to nominal value of the participation certificate (depending on balance sheet profit of HAEMATO AG)
Date of payment	Subsequently on first bank working day following the General Meeting of HAEMATO AG
Market place	Frankfurt Stock Exchange

Glossary

Balance sheet profit
Balance of net profit of the financial year, profit or loss carried forward and appropriation of profits.

Cash Flow
An economic indicator informing on the liquidity of a company. It represents the increase of liquid funds during a period.

DAX
DAX is the most important German share price index. It reflects the development of the 30 largest companies in Germany with the highest turnover.

Dividend
This is the part of distributed profit of a stock corporation attributed to an individual share.

EBIT
It means earnings before interest and taxes and is an indicator of the operating profit of a company in a given period.

EBITDA
It means earnings before interest, taxes, depreciation and amortization and corresponds to the EBIT plus depreciation and amortization of tangible and intangible assets.

Earnings per share
The earnings per share result from dividing the group result by the weighted average of the number of shares. The calculation is made according to IAS 33.

Patent
In application to drugs: for a newly developed pharmaceutical agent, an industrial property right is granted. In the EU, this market exclusivity limited in time can last up to 20 years.

Patent-free drugs
Patent-free agents are also called generic drugs. A generic drug is a drug that is a copy of another drug already on the market under a brand name with the same active agent. Generic drugs are therapeutic equivalents to the original preparation

Patent-protected drugs
Branded drugs that on the one hand are marketed by the patent owner and on the other hand are purchased for a lower price within the EU member states as EU imported drugs on the basis of the legal base of the import.

Oncology
Oncology is the science dealing with cancer.

Approval
An official authorization which is required to be able to offer, distribute or provide an industrially produced, ready-to-use drug.

Sources

1 cf. ifo Institut: ifo Konjunkturprognose 2013 / 2014. Günstige Perspektiven für die deutsche Konjunktur. Preliminary version, June 2013, p. 3.
2 cf. Institut für Weltwirtschaft: Weltkonjunktur im Sommer 2013. 19.6.2013, p. 3.
3 cf. id., p. 10.
4 cf. id., p. 3 - 9.
5 cf. id., p. 3f.
6 cf. id., p. 19.
7 cf. ifo Konjunkturprognose 2013/2014: Günstige Perspektiven für die deutsche Konjunktur. Media communication.
8 cf. ifo Institut: ifo Konjunkturprognose 2013 / 2014. Günstige Perspektiven für die deutsche Konjunktur. Preliminary version, June 2013, p. 4.
9 cf. id.
10 cf. id., p. 37.
11 cf. Institut für Weltwirtschaft: Deutsche Konjunktur im Sommer 2013. 19.6.2013, p. 3.
12 cf. id., p. 23.
13 cf. id., p. 3.
14 cf. Pricewaterhouse Coopers: From vision to decision. Pharma 2020, p. 5.
15 cf. Pharma Relations: Goldene Zeiten für Generika. Edition 01/2012.
16 cf. IMS HEALTH: IMS Marktbericht. Entwicklung des deutschen Pharmamarktes im Mai 2012, p. 19.
17 cf. id., p. 8.
18 cf. id., p. 10f.
19 cf. id., p. 2, 14
20 cf. id., p. 2, 18.
21 cf. Institut für Weltwirtschaft: Weltkonjunktur im Sommer 2013. 19.06.2013, p. 19 - 21.
22 cf. id., p. 4.
23 cf. id., p. 3.
24 cf. IMS Health: Total Unaudited and Audited Global Pharmaceutical Market by region.
25 cf. IMS Institute for Healthcare Informatics: The Global Use of Medicines: Outlook Through 2016, p. 30.
26 cf. id., p. 7.

Imprint

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Deputy chairwoman of the supervisory board: Prof. Dr. Dr. Sabine Meck
Member of the supervisory board: Dr. med. Marion Braun

Management board:
Dr. Christian Pahl

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