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Consolidation and Preparation for the Future.

Our newly registered factor VIII/von Willebrand factor concentrate product, Wilate, has been selected as the key-note for this years' Annual Report since it reflects the result of a consolidated group effort for the future.
Last year we predicted that 2004 would be a very challenging time for the plasma industry. In spite of this, Octapharma was able to achieve the same result in 2004 as in the previous year which was primarily due to a successful entry into the US market with our first product, Octagam.

In 2004, albumin and factor VIII prices remained at very low levels. However, thanks to the state-of-the-art properties of our intravenous gammaglobulin, Octagam, we were able to steer clear of the worst areas of price erosion for this product category. Furthermore, by strengthening our sales and marketing, as well as keeping a close watch on our costs, we were able to produce a relatively healthy operating profit of EUR 42 million, which is equivalent to 13% of net sales. Profit after tax was EUR 30 million.

In May, 2004, the decision was made to move the corporate marketing department to the Swiss Headquarters. Three International Business Managers have now been employed for the areas of coagulation, ICU (Intensive Care Unit) and immunoglobulins. It is expected that our new factor VIII/von Willebrand factor concentrate product, Wilate, will benefit from this reorganisation, as the product will now be introduced into a highly competitive market. Wilate combines all the properties of a second generation product (two independent virus-inactivation methods, high purity, a long half-life and improved convenience), and we have high expectations for this product in 2005.

The World Haemophilia Foundation (WHF) Congress held in Bangkok in October 2004 was a perfect opportunity for those companies concentrating on plasma products, such as Kedrion, Biotest and Octapharma, to emphasise the importance of plasma derived, von Willebrand factor stabilised factor VIII.

Overview by Wolfgang Marguerre
Highly respected clinicians from Germany, Italy, the United Kingdom and France confirmed this view, based on solid scientific facts. Furthermore, the issue surrounding prions was discussed, and the conclusion was unquestionably positive. We believe it is now time for the producers of recombinant produced products to be asked the same questions concerning safety as we have been asked to answer during the past few years.

In 2004 we invested more than EUR 14 million in Research & Development of new plasma products and our human cell-based recombinant factor VIII, as well as more than EUR 18 million in our manufacturing plants. As a final step in the streamlining of our company in Stockholm, Sweden, a new building was constructed to house the offices and laboratories. This building is adjacent to the factory and will further enhance the efficiency of our Swedish plant.

The decision not to invest into own plasma collection centres has shown to be financially sound and our policy has created a basis for trust amongst not-for-profit organisations. They know that they can count on Octapharma as a long-term customer and not a company who will only utilise them as a source of raw material when company-owned sources run dry. As a result of this, we have been able to enter into several long-term supply agreements with various organisations.

We are looking forward to 2005 being a year of considerable growth for Octapharma, particularly in the United States. We also take an optimistic view of the markets in general. All plasma fractionators have been scaling back on plasma centres and production. This will result in a shortfall of products, which will positively influence revenues. In addition, being in possession of one of the most modern plasma product portfolios provides many opportunities for Octapharma at a time when there is sound growth in the market for our products in the countries of South America, Mexico, the Far East, the Pacific Rim and a number of other markets. Recently, we became a company to hold the status of recognised supplier to the National Blood Authority (NBA) in Australia and we have already received orders for large amounts of IVIG for delivery in 2005.

In spite of 2004 not having lived up to our expectations, we have again seen how the Octapharma staff have demonstrated their loyalty and dedication to the company by contributing to a very reasonable result in difficult times. My thanks to each and every one of you.

Sincerely,

Wolfgang Marguerre
From idea to reality

Wilate vial from the development process and R&D group discussing the appearance of the lyophilisate.
Octapharma –
a successful organisation
with top Management

The Management Board of the Octapharma Group is a diverse mix of Danish, Belgian, British, Portuguese and German nationals. The Fact that the Board is not dominated by one nationality ensures that Management decisions are taken with the widest possible cultural representation.
Project management
Review and update of timelines in a computer-based R&D Project Management system.
Our plasma R&D units performed several wide-ranging manufacturing, regulatory and marketing support activities in 2004, in addition to research activities into new proteins. This crucial life-cycle management of our existing product portfolio will speed up manufacturing capacity, which provided us with greater room in which to manoeuvre. It also contributed to a significant number of product licences throughout the world and the scientific documentation of the product features. Many of our products underwent extensive clinical development during 2004. There were several European studies on our factor VIII (Octanate), factor IX (Octanine F) and prothrombin complex (Octaplex) concentrates, all targeting new indications. Furthermore, a safety study was recently initiated in the USA using our traditional albumin product with the object of obtaining a license to sell in the USA.

The continued increase in the demand for intravenous immunoglobulin (IVIG), confirmed the necessity for the development of a high-yield IVIG. Our newly developed manufacturing process for IVIG is capable of harvesting between 25% and 30% more immunoglobulin from every litre of plasma, compared to the existing method of preparation. Recently completed laboratory and animal studies have confirmed the high-quality attributes of our new high-yield IVIG, placing it amongst the world-market leaders. Clinical trials in primary immune deficiency patients will commence in 2005.

The development of our alpha-1-antitrypsin (A1AT) product moved rapidly during 2004. The manufacturing process was transferred to our production unit in Stockholm, and the first large-scale batches were produced for extensive biochemical characterisation, validation and animal studies. All these pre-clinical batches confirmed the expected high yield, and the performed studies demonstrated the unique features of our A1AT product. The process is currently being scaled up further to deal with the compliance batches, and the clinical programme will start early in 2005. Both pharmacokinetic and efficacy studies in A1AT deficient patients with lung emphysema are planned in close collaboration with a professional scientific organisation.

Our non-blood-group specific transfusion plasma, Uniplas, has moved to the regulatory phase. More than one hundred patients have to date been treated with the product, with excellent results. However, since this non-blood-group specific product is such a ground-breaking novelty for traditional clinicians brought up on the ABO blood-type system, the product will go through a very difficult process. We may gain initial marketing permission in Austria during 2005.

As we write this report, Wilate has received marketing authorisation from the Paul Ehrlich Institute (PEI) which will, in turn, lead to registration in all European markets. We are proud of having completed the development of the first high purity concentrate that targets both von Willebrand disease (VWD) and haemophilia A indication, at the time of first licensure. Wilate’s European clinical trial portfolio is further extended in 2005, and the first human studies in the USA were recently initiated. Our pre-launch marketing activities in Europe have revealed a very positive attitude towards Wilate, the most attractive features being the highly favourable biochemical and viral safety profiles, in combination with well documented clinical efficacy in both patient groups.
Preparation of FVIII/VWF solution
Reconstitution of cryoprecipitate and absorption/precipitation of impurities in R&D tanks.
Basic Research –
Recombinant Proteins, Munich

Since 1997, Octapharma has been working through the company Octagene to optimise human cell technology for the expression of recombinant proteins. The decision to focus on human cells was unique in the industry and founded on a working thesis that human cells would produce proteins more acceptable to the human body, that is, with fewer side effects such as the development of inhibitors frequently seen in connection with factor VIII from other recombinant products. The concept still remains to be clinically proven but initial investigations would support the thesis. All of the essential technology was developed and optimised at Octagene. The transfected cultured human kidney cells were cloned and provide the basis for the highly effective expression of the recombinant proteins. The growth media used for the cells is devoid of animal supplements and protein stabilisers. Experienced molecular biochemists, cell physiologists and engineers, supported by skilled technicians in state-of-the-art equipped facilities, conduct the research at Octagene. Today, fifteen dedicated researchers and technical staff work at the facility. Octagene’s facilities are located in the IZB (Innovations und Gruenderzentrum), Martinsried, close to Munich. The facilities are surrounded by an innovative environment of scientific and technological expertise, from the biotech companies located in the vicinity to highly renowned research institutions such as the Max-Planck-Institute for Biochemistry and the Ludwig Maximilian University.

While most activities in 2004 focused on supporting the development of the B-domain-deleted recombinant factor VIII, activities in 2005 will focus on the development of a state-of-the-art recombinant factor IX product. In addition, further recombinant proteins are on the verge of entering the development pipeline. Octagene’s mission in relation to the development of recombinant proteins for human therapy stops once a working cell bank, which meets certain quality and yield requirements, has been created. Octagene is also expected to make the first initial attempts at purification. Thereafter, the projects will be transferred to Octapharma’s Stockholm facility for commercial development.
Harvesting of FVIII/VWF complex

Ion-exchange column in R&D –
used for harvesting and purification of Wilate.
Commercial Development –
Recombinant Proteins, Stockholm

During the last eighteen months, extensive resources have been
invested in the establishment of a biotechnology R&D unit in Stockholm,
for the commercial development and scaling up of recombinant products.
Considerable additional resources will be invested during 2005.

Our mission is to establish a flexible and highly experienced unit dedicated
to developing commercial scale production processes and providing
recombinant products which are of the highest standards and efficacy.
This will be ensured by the constant application of best practice and the
most suitable methodologies.

Through its strategic decision to establish the biotech platform in Stockholm,
Octapharma has gained access to a valuable network of biotechnological
expertise, which has been present in the area for decades, with several well
known research institutes such as the Karolinska Institute and numerous
companies emerging from the former Kabi and Pharmacia groups.

Throughout 2004, our R&D unit continued to attract people, all of whom
find great satisfaction in being given the opportunity to continue participating
in the development of new and improved products for the future. We are
now a team of twenty highly motivated people with a balanced mix of local
senior experienced scientists, and young and recently qualified academics,
thus guaranteeing a continued secure knowledge base for the future.

Our team possesses unique experience in bringing mammalian cell based
recombinant products from the test-tube stage all the way to development
and upscaling to routine production. We enjoy close teamwork with our
colleagues at Octapharma’s facilities in Octagene, Munich, who provide us
with an in-house developed human cell expression system for recombinant
products.

Our activities during 2004 for the first product received for development,
the B-domain-deleted recombinant factor VIII, focused on further
development and optimisation of the process and the establishment of
analytical characterisation methods. Significant investment has been made
in small scale reactors and analytical characterisation instruments such as
the Biacore 3000 for functional studies.

Along with this small scale process development, we have been heavily
involved in establishing a pilot plant for the manufacture of products under
full cGMP conditions for toxicology and clinical studies. Under this plan, the
plant will be commissioned during the second quarter of 2005. The product
is expected to enter the clinical phase early in 2006.
Purification of intermediate product
Size-exclusion column in R&D – used for purification of Wilate.
Consolidation and Preparation for the Future.

In spite of a very turbulent year, we still succeeded in increasing the world market share of our most important product, Octagam. In the area of coagulation factors, it is encouraging to see that in some of the bigger European markets, the recombinant factor VIII is no longer taking market shares away from the plasma derived coagulation factors to the extent previously seen. In some markets, for example Germany and France, the trend has almost ceased. Plasma derived factor VIII preparations still have a market share of approximately 50% in these two countries. The major reasons for this were presented at the symposium which was jointly organised by Octapharma, Kedrion and Biotest at the World Haemophilia Federation meeting in Bangkok in 2004. Here the importance of the von Willebrand factor (only found in human plasma derived factor VIII in significant quantities) in preventing and treating inhibitors, was thoroughly presented by leading physicians. The impeccable safety record of the modern plasma derived factor VIII preparations seem to have convinced many physicians that there is no reason to pay a considerably higher price for treatment with recombinant products which do not give any additional benefits compared to those achieved by the plasma derived coagulation factors. At the same time, the consumption of the coagulation factors increased in the major developing markets such as Brazil, Mexico and the Far East. The demand from these markets will, to some extent, compensate for the partial loss of market-share in Western Europe, USA and Japan.

The markets seem to have stabilised for albumin, which is the major commodity product in the plasma business. However, in a situation where increasing amounts of this fraction are entering the market due to the increased production of IVIG, there is no reason to expect that this part of Octapharma’s product portfolio will make a positive contribution to growth in the short or medium term.

In 2004, the greatest expansion of Octapharma’s business came with its entry into the US market. After having received market authorisation for Octagam in May 2004, our sales force immediately started marketing the product. The safety properties (triple virus inactivated), formulation (liquid, room temperature, easy use) and the excellent efficacy and low side effects of this product were enough to convince physicians. They accept that it may be an advantage to use a 5% formulation like their European colleagues, instead of the 10% formulations usually used in the USA for liquid products.

Another interesting development was Octapharma’s entry into the Australian market. Octapharma entered into a standing offer arrangement with the NBA of Australia for intravenous gammaglobulin (Octagam). By the end of 2004 Octapharma had already received a major order to be delivered during 2005. Octapharma has established Octapharma Australia with its office in Sydney and it is envisioned that a sales and marketing organisation will also be established in the near future.
Formulation of bulk solution

Ultra-/diafiltration in R&D –
used for purification and formulation of Wilate.
In the self-sufficiency business area, Octapharma won the Norwegian plasma tender for the fifth time in a row in spite of fierce price competition from other companies in the industry. It was encouraging that Octapharma’s long term investment in high quality products was recognised during the tender. Self-sufficiency projects have also been established with new countries in the Americas and Middle East. In addition to Octapharma’s long-term experience in helping to modernise the local transfusion service and setting up logistics, quality control and quality assurance at Octapharma’s manufacturing facilities were decisive elements for Octapharma being chosen as the partner.

In Europe, Octapharma was basically able to sustain the market position of Octagam and even improve the sales of human derived von Willebrand factor stabilised factor VIII. The general picture seen in the European market in 2004 was one of ever decreasing prices. However, Octapharma kept its prices at the same level, which in some cases led to a minor loss of market share. It is our expectation that the final consolidation in the industry, with the spin-off of the Bayer plasma division, and the purchase of the Aventis plasma division by CSL, will result in reduced supplies and thereby a substantial increase in the prices of plasma derivatives during 2005, as already seen in the USA at the end of 2004.

Finally, in 2004 we decided to concentrate central marketing activities at our headquarters in Switzerland. This function has been significantly strengthened by the recruitment of high level individuals with long-term experience in the plasma industry and in the pharmaceutical industry in general. We expect that this department, consisting of International Business Managers for coagulation, immunoglobulins and ICU products, will sharpen Octapharma’s profile in the market and create a corporate image, thus benefitting all departments within the Octapharma Group.
The continuous research of new recombinant proteins to be developed for clinical purposes is carried out by a dedicated staff at our facility in Munich. This ensures a steady flow of products for future growth.
Generating factor VIII DNA
With electric power, DNA fragments are running on Agarose gel and are separated concerning different size. Factor VIII DNA is isolated from the gel.

DNA integration into human cells
Factor VIII DNA is stably integrated into human cells. Cells with best productivity concerning factor VIII protein are cultured and scaled up.

Decision on producer cell
Successful integration of factor VIII DNA into the cells is controlled. After analysis of a variety of cells, decision is made on the best.

Transfer to production site
A cell bank is generated out of the best cell, cryopreserved with liquid nitrogen and transferred to pharmaceutical production in Stockholm.
One of the first recombinant factor VIII proteins launched in the market was developed by Swedish researchers. Building on this tradition, Octapharma decided to establish the commercial development of recombinants in Stockholm.
Cell-cultivation
2L continuous bioreactor with full process control serving as a small scale model of production process.

Cell-cultivation
10L batch bag reactor for evaluation of modern disposable process technology.

Purification
Development and optimisation of process steps for product purification using AKTA chromatography system.

FVIII potency assay
The Genesis Robotic Sample Processor enables a high throughput capacity of in-process and product quality control.
Freeze-drying and heat treatment

Freeze-dryer in R&D and Wilate vials after freeze-drying.
Consolidation and Preparation for the Future.

The past year brought a consolidation phase to the organizational and operative areas of the four production sites of the company.

Despite difficult circumstances in an environment of falling prices and stagnating markets, Octapharma realised all investment projects planned in 2004 for Production and Quality Control.

A milestone in the history of the Vienna production site was the production- and marketing license for the intravenous immunoglobulin Octagam by the FDA. This opened the door to the American market and paved the way for other products to be licensed in the USA. Furthermore, a huge economic potential for the Octapharma Group has now been created. However, at the same time, it is also a great challenge for the Vienna production site as it requires not only the maintenance of its high GMP-standard, but also further improvement.

Part of this effort was the construction of a new production building, which had been started in 2003 and completed in 2004. This building houses the new filling line, using isolator technology, which will be ready for the filling of large volume parenterals in 2005. It also contains the new offices for the Quality Control Administration.

In recent years a total of EUR 31 million has been invested in the construction of production- and administration buildings, new production technology and the purchase of new land, thus assuring the long term future of the Vienna production site.

In Lingolsheim the expansion of the quality control laboratories and storage capacities – especially for plasma – has been completed. A modern warehouse for frozen plasma has been equipped with state-of-the-art technology for plasma selection. This enables the timely processing of the raw material for the manufacture of products within the scope of the self-sufficiency projects. In addition to plasma for the self-sufficiency project with Brazil, self-sufficiency plasma from the Americas and the Middle East is also processed.

During the past year, Lingolsheim has been audited by the North American and Brazilian health authorities. Thanks to the positive outcome of these inspections, the self-sufficiency projects with such countries will be continued and extended, and a further increase of plasma throughput can be expected.

Octapharma’s Production Sites

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Quality control

Electrophoresis and immunoblotting in R&D to see for nativity of proteins in Wilate.
For the further expansion of the site, the planning for construction and renovation of the central administration and laboratory building, as well as a cafeteria and modern personnel blocks was started. Furthermore, a project for the installation of production units for Octaplex and Wilate has been initiated.

For these projects an investment volume of approx. EUR 15 million will be made available over the next three years.

In Stockholm, the investment activities focused on the construction and renovation of the laboratory and administration building. Completion of this project in 2005 will enable our facility in Sweden to bring together all quality control labs, as well as the entire administration, under one roof and thus considerably contribute to further enhancing efficiency.

Also in the past year, the production units for Octagam and Octanate have been put into operation and the construction of units for new products was initiated, namely a new production unit for alpha-1-antitrypsin (A1AT), which is currently in its pre-clinical phase.

Since large parts of the site are already FDA-licensed and an inspection by the FDA held in 2004 confirmed an excellent GMP compliance, the FDA licensing procedure for Octagam production in Stockholm will be initiated in 2005. Thus, it will be assured that, together with the output from the Vienna site, Octagam can be provided in sufficient quantities to meet market needs.

In our Mexican facilities the reconstruction work has been completed and the plant has been put into operation.

On all production sites greater efficiency and use of synergies led to considerably increased productivity, while costs remained stable.

With all the investment projects completed or started in 2004 the investment volume in the production area reached EUR 17.6 Million. This is definitely a positive signal for the further development of the company, especially when taking into consideration the challenging circumstances mentioned above.
Analytical characterisation

Analytical size-exclusion diagram from biochemical characterisation of Wilate in R&D.
During 2004, Octapharma realised a slight increase in turnover in spite of the weakening US Dollar. Even with the high start-up costs related to the establishment of Octapharma Inc. in the USA and the continued cost of restructuring and up-grading of the former KABI plant in Stockholm, we still accomplished an increase in the overall profit.

For the first time in company history it was not an increase in the turnover, but the constant awareness and attention toward cost containment, that made the improved result possible. In particular, this was made possible by reducing the workforce and by holding back operating expenses.

Operating expenses were reduced to below 17% of net sales for the first time in company history.

The focus to improve inventory levels successfully resulted in a decrease of EUR 20 million. This will have our continued attention in 2005, together with a reduction in the accounts receivable, which increased during 2004 due to the health authorities in Portugal and Greece substantially delaying their payments. This situation has since been resolved in the case of Portugal.

The summary of the present financial situation of the Octapharma Group is as follows:

- The consolidated sales increased for the 10th consecutive year
- Octapharma achieved 22 years of positive profit with EUR 30 million and an operating cash flow of EUR 36 million
- The major changes in the working capital components were:
  - Trade receivables +23%
  - Inventories -12%
  - Trade payables -27%
- The consolidated investments were EUR 23 million
- The return on invested capital and return on average net assets were stabilised at the level of 12% and 14% respectively – still below the long term goal of 20%
- Even in this difficult year, Octapharma had a positive cash flow, reduced the debt/equity ratio to 22% and increased the adjusted equity to asset ratio from 56% to 60% at the 2004 year-end. This gives a solid financial platform for future growth
Clinical efficacy
Densitometric reading of VWF multimers from the pharmacokinetic study with Wilate in VWD patients.
As group auditors, we have audited the consolidated financial statements of Octapharma AG, Lachen, for the year ended December 31, 2004, from which the summarized consolidated financial statements were derived, in accordance with auditing standards promulgated by the Swiss profession and with the International Standards on Auditing. In our report dated February 25, 2005 we expressed an unqualified opinion on the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the Swiss Law from which the summarized consolidated financial statements were derived.

In our opinion, the accompanying summarized consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

For a better understanding of the Company’s financial position and the results of its operations for the period and of the scope of our audit, the summarized consolidated financial statements should be read in conjunction with the consolidated financial statements from which the summarized consolidated financial statements were derived and our audit report thereon.

KPMG Fides Peat

Fredy Luthiger
Swiss Certified Accountant

Markus Ackermann
Swiss Certified Accountant

Zurich, February 25, 2005
## Key figures of the Octapharma Group

(Monetary figures in 1'000 EUR)

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<td>Return on average equity</td>
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<td>Operating income per employee</td>
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<td>Current ratio</td>
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<td>93%</td>
<td>114%</td>
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<td>Cash flow from operations</td>
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<td>Expenditures to ensure future prosperity</td>
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## Income statement of the Octapharma Group

(All figures in 1'000 EUR)

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<td><strong>Net sales</strong></td>
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<td>Total cost of sales</td>
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<td><strong>Gross profit</strong></td>
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<td>General &amp; administration</td>
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<td>Other income &amp; expenses</td>
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<td>Non-operating income and expenses</td>
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<td><strong>Profit before taxes</strong></td>
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<td>Income tax expenses</td>
<td>-5'369</td>
<td>-6'150</td>
</tr>
<tr>
<td><strong>Profit after taxes</strong></td>
<td>30'067</td>
<td>27'086</td>
</tr>
<tr>
<td>Minority interest</td>
<td>-7</td>
<td>-65</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td>30'060</td>
<td>27'021</td>
</tr>
</tbody>
</table>
## Balance sheet of the Octapharma Group

(All figures in 1'000 EUR)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>17'585</td>
<td>9'715</td>
</tr>
<tr>
<td>Trade receivables &amp; other receivables</td>
<td>124'701</td>
<td>102'977</td>
</tr>
<tr>
<td>Receivables from related parties</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Inventory</td>
<td>150'589</td>
<td>170'857</td>
</tr>
<tr>
<td>Other current assets</td>
<td>7'386</td>
<td>5'046</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>300'261</td>
<td>288'597</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>245</td>
<td>1'193</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>104'950</td>
<td>95'294</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>4'708</td>
<td>3'757</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>109'903</td>
<td>100'244</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>410'164</td>
<td>388'841</td>
</tr>
</tbody>
</table>
## Balance sheet
of the Octapharma Group

(All figures in 1'000 EUR)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities &amp; equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables &amp; other payables</td>
<td>41'989</td>
<td>53'227</td>
</tr>
<tr>
<td>Payables to related parties</td>
<td>3'545</td>
<td>2'800</td>
</tr>
<tr>
<td>Short-term loans &amp; liabilities</td>
<td>52'713</td>
<td>40'795</td>
</tr>
<tr>
<td>Income tax payables</td>
<td>4'442</td>
<td>3'317</td>
</tr>
<tr>
<td>Accruals</td>
<td>28'606</td>
<td>25'981</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>131'295</td>
<td>126'120</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>16'771</td>
<td>25'100</td>
</tr>
<tr>
<td>Provisions &amp; deferred tax liabilities</td>
<td>27'127</td>
<td>32'387</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>43'898</td>
<td>57'487</td>
</tr>
<tr>
<td>Liabilities</td>
<td>175'193</td>
<td>183'607</td>
</tr>
<tr>
<td>Minority interest</td>
<td>202</td>
<td>192</td>
</tr>
<tr>
<td>Common stock</td>
<td>6'877</td>
<td>6'877</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>230'374</td>
<td>202'936</td>
</tr>
<tr>
<td>Hedging reserve</td>
<td>2'040</td>
<td>0</td>
</tr>
<tr>
<td>Currency translation adjustment</td>
<td>-4'522</td>
<td>-4'771</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>234'769</td>
<td>205'042</td>
</tr>
<tr>
<td>Liabilities and equity</td>
<td>410'164</td>
<td>388'841</td>
</tr>
</tbody>
</table>
## Cash flow statement of the Octapharma Group

(All figures in 1'000 EUR)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net profit for the year</strong></td>
<td>30'060</td>
<td>27'021</td>
</tr>
<tr>
<td>Depreciation on tangible fixed assets</td>
<td>13'691</td>
<td>12'443</td>
</tr>
<tr>
<td>Changes in long-term liabilities and provisions</td>
<td>1'984</td>
<td>2'360</td>
</tr>
<tr>
<td>Profit (Loss) on disposals of fixed assets</td>
<td>21</td>
<td>-88</td>
</tr>
<tr>
<td>Minority interest</td>
<td>7</td>
<td>65</td>
</tr>
<tr>
<td><strong>Cash flow before changes in working capital</strong></td>
<td><strong>45'763</strong></td>
<td><strong>41'801</strong></td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-10'252</td>
<td>-37'032</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>35'511</strong></td>
<td><strong>4'769</strong></td>
</tr>
<tr>
<td>Investment in tangible fixed assets</td>
<td>-23'317</td>
<td>-27'612</td>
</tr>
<tr>
<td>Investment in activities and other financial assets</td>
<td>513</td>
<td>-30</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>-22'804</strong></td>
<td><strong>-27'642</strong></td>
</tr>
<tr>
<td>Changes in loans</td>
<td>-2'205</td>
<td>18'326</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-2'653</td>
<td>-4'402</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td><strong>-4'858</strong></td>
<td><strong>13'924</strong></td>
</tr>
<tr>
<td>Effect of currency translation adjustments</td>
<td>21</td>
<td>2'338</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>7'870</td>
<td>-6'611</td>
</tr>
<tr>
<td>Cash and cash equivalents beginning of period</td>
<td>9'715</td>
<td>16'326</td>
</tr>
<tr>
<td>Cash and cash equivalents end of period</td>
<td>17'585</td>
<td>9'715</td>
</tr>
</tbody>
</table>
Facts and Figures

Founded in _______ 1983

Mission _________ “For the safe and optimal use of plasma”

Employees _________ 1’360

Turnover _________ EUR 345 million

Headquarters _______ Octapharma AG, Lachen, Switzerland

Production _________ Octapharma Pharmazeutika Produktionsges.mbH, Vienna, Austria
Octapharma SA, Lingolsheim, France
Octapharma AB, Stockholm, Sweden
Octapharma Mexico, S.A. de C.V., Mexico City, Mexico

Research & Development _________ Octapharma Pharmazeutika Produktionsges.mbH, Vienna, Austria
Georg-Speyer-Haus, Frankfurt, Germany
Freie Universität, Berlin, Germany
Octagene GmbH, Munich, Germany
Octapharma AB, Stockholm, Sweden

Corporate Medical, Regulatory _______ Octapharma Pharmazeutika Produktionsges.mbH, Vienna, Austria
Octapharma Vertrieb von Plasmaderivaten GmbH, Langenfeld, Germany

Corporate Marketing _______ Octapharma AG, Lachen, Switzerland –
Octapharma Produtos Farmaceuticos, Lda., Portugal – Training and Congresses

Subsidiaries & Representative Offices ___ 25

Markets ____________ Europe, Asia, Middle East, USA, South America, Canada, Mexico, Australia

Brands ____________ (registered trademarks) Octaplas, Octagam, Octanate, Octanyne, Octaplex,
Octavi SD Optimum, Octalbin, Uniplas, Rhesonativ, Aunativ, Gammonatig,
Atenativ, Gammanorm, Nanotiv, Octonatig, Octanine F, Wilate

Innovations __________ One of the world’s first factor VIII concentrates – AHF concentrate (KABI 1965)

The first albumin-free genetically engineered factor VIII
(development started by KABI in the 1980’s)

First company to commercially implement
Solvent-Detergent (SD) method for virus inactivation (1986)

First SD virus-inactivated, standardised plasma for transfusion (1991)

First liquid, ready-to-use intravenous immunoglobulin
with a two year shelf-life at room temperature (1994)

First virus-inactivated universally applicable transfusion plasma (2004)

First double virus-inactivated factor VIII/von Willebrand factor
concentrate product (2005)
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