stratec biomedical

PRESS RELEASE

STRATEC reports strong nine-month growth and reaffirms its financial guidance

- **Sales of € 80.2 million in 9M/2011 (+15.9%; 9M/2010: € 69.2 million)**
- **Increased EBIT margin of 18.8% in 9M/2011 (9M/2010: 18.5%)**
- **One-off tax charge of € 1.6 million resulting from routine tax audit for FYs 2005 to 2008**
- **Consolidated net income* of € 11.4 million in 9M/2011 (+17.4%; 9M/2010: € 9.8 million)**
- **Earnings per share* of € 0.99 in 9M/2011 (+16.5%; 9M/2010: € 0.85)**
- **2011 financial guidance reaffirmed (sales of € 114 million to € 123 million / EBIT margin > 18.5%)**
- **Development and supply agreement with Quanterix Corp., USA**

Birkenfeld, October 26, 2011

STRATEC Biomedical AG (Frankfurt: SBS; Prime Standard, TecDAX) today announced its figures for the period from January 1, 2011 to September 30, 2011 upon the publication of its interim report as of September 30, 2011.

Key figures (€ 000s)	01.01.- 09.30.2011	01.01.- 09.30.2010	Change
Sales	80,155	69,149	+15.9%
Overall performance	85,871	76,419	+12.4%
EBITDA	17,636	14,977	+17.8%
EBIT	15,065	12,793	+17.8%
Consolidated net income	9,840	9,746	+1.0%
Earnings per share (€)	0.85	0.85	+0.0%
EBIT margin (%)	18.8	18.5	
Consolidated net income *	11,438	9,746	+17.4%
Earnings per share (€) *	0.99	0.85	+16.5%

* adjusted for a one-off item resulting from a routine tax audit for the financial years 2005 to 2008

Financial performance

STRATEC continued to deliver solid growth during the third quarter. Sales for the first nine months of 2011 grew to € 80.2 million, up 15.9% versus € 69.2 million in the prior year. Quarter-on-quarter sales grew by 21.2%, confirming the company's expectation that growth in 2011 would mainly come in the second half of the year. This sales growth was driven both by solid demand for established systems, as well as by the new systems launched by our customers over the past twelve months. EBIT increased by 17.8% in the first nine months to € 15.1 million.

STRATEC incurred a one-off tax charge of € 1.6 million following a routine tax audit for the financial years 2005 to 2008 (previous year: € 0.0m). Given the issues identified, the company does not expect any additional tax charge for the financial years 2009 through 2011 and may benefit from a slightly improved tax rate in future.

Excluding this one-off item, consolidated net income for the first nine months of 2011 grew by 17.4% to € 11.4 million. This corresponds to adjusted earnings per share of € 0.99 (previous year: € 0.85).

As expected, STRATEC has seen a further increase in the rate of sales growth in the final three months of the current financial year, as a result of which it still expects to generate full-year sales within the forecast corridor of € 114 million to € 123 million with an EBIT margin of at least 18.5%. This expected growth is mainly attributable to the rising quantities of newly launched systems, as well as further production ramp-ups ahead of new market launches.

Project development

The systems currently in development and scheduled for market launch in the coming years are progressing on schedule. For some of these systems, production capacities are currently being ramped-up for the start of serial production or are being prepared for system approval in further regions by the relevant authorities.

Two of the three new contracts expected in 2011 were signed in the first nine months of the year (including a development and supply agreement with Quanterix Corp., USA), with further development work already having started on these.

The agreement signed with Quanterix in August 2011 represents a development and supply agreement under which the two companies will jointly develop and manufacture a fully automated analyzer system to automate Quanterix' technology (single molecule array technology) both in the field of life sciences and for in-vitro diagnostics (IVD). Quanterix expects the market launch of the life sciences system to take place in 2013. The marketing of an IVD platform is scheduled for 2014.

Negotiations, in some cases advanced, are also currently underway for several other new projects. Although it is very difficult to predict the specific timescale when new contracts will be signed, STRATEC expects to be able to announce further new contracts in the coming months.

Other developments

All in all, STRATEC can report a positive business performance for the first three quarters of 2011. Given the large number of projects making positive progress, the subdued statements made by various market players in the healthcare and diagnostics industry have so far not been reflected in STRATEC's sales performance.

With regard to our customers' purchase planning, there are still no indications that government savings and fiscal policy measures in the euro and dollar regions will have any material implications for our company. STRATEC's business model remains largely independent of macroeconomic factors. Fluctuations in the market, such as volatile test volumes, a development reported in particular in the USA, have so far not been reflected in the talks we have held with customers about new and follow-up projects.

Development in staff totals

Including temporary employees, the STRATEC Group had a total workforce of 484 employees as of September 30, 2011 (September 30, 2010: 440). Compared with June 30, 2011, the workforce has risen by a further 18 employees. Any year-on-year comparison of the nine-month personnel expenses recognized in the income statement should take into account the increase due to the acquisition of the US company Ballista (now renamed as STRATEC Biomedical USA, Inc.).

Outlook

STRATEC continues to expect further sales and earnings growth in the 2011 financial year. Specifically, the company expects to generate sales in a range of € 114 million to € 123 million in 2011. Based on sales in the 2010 financial year, the Group expects to achieve average sales growth (CAGR) of at least 17.0% in the financial years 2011 to 2013. Consistent with these expectations, the EBIT margin should amount to at least 18.5% in 2011, and to at least 19.0% in the two subsequent years.

Further details can be found in our Interim Report as of September 30, 2011 published at www.stratec.com > Investor Relations > IR News > Financial Reports.

About STRATEC

STRATEC Biomedical Systems AG (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. These partners market such systems, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world.

The company develops its products on the basis of its own patented technologies. Shares in the company (ISIN: DE0007289001) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the TecDAX select index of the German Stock Exchange.

The STRATEC Group consists of the publicly listed parent company STRATEC Systems AG and of subsidiaries and second-tier subsidiaries in Germany, the USA, the UK, Switzerland and Romania.

Further information can be obtained from:

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