



Q3/2012 Report Conference Call

***aap* Implantate AG**

Biense Visser, CEO
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Highlights Q3/9M 2012

- **Sales:**

- Q3: Growth of 25 % to 8.6 Mio. € (Q3 2011: 6.9 Mio. €)
- 9M: Growth (incl. Project sales of 2.2 Mio. €) of 31 % to 27.5 Mio. €

- **EBITDA:**

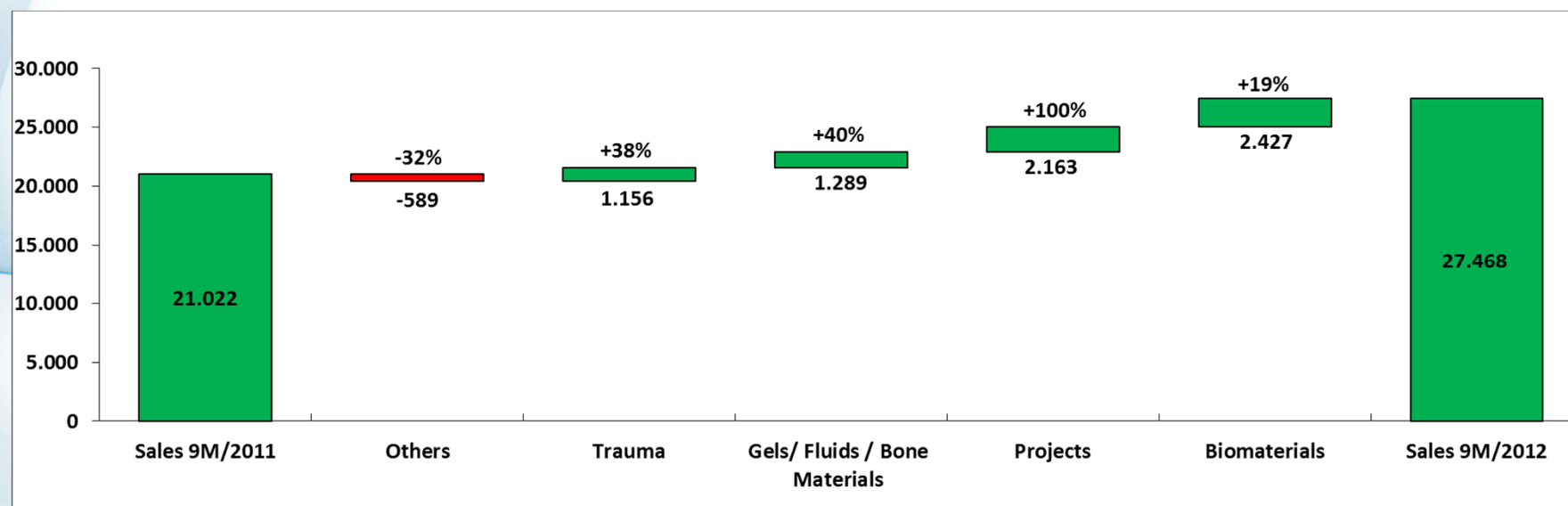
- Q3: Growth of 50 % to 1.2 Mio. € (Q3 2011: 0.8 Mio. €)
- 9M: Growth (incl. Project sales) of 62 % to 4.7 Mio. € (9M 2011: 2.9 Mio. €); EBITDA-effect Projects in Q1: 0.9 Mio. €

- **Operative Cash-Flow:**

- Q3: Growth to 1.2 Mio. € (Q3 2011: 0.2 Mio. €)
- 9M: Growth to 6.1 Mio. € (9M 2011: 1.9 Mio. €)

- Further improvement of the financial situation and reduction of debt
- LOQTEQ®: Approval USA and signing of further agreements

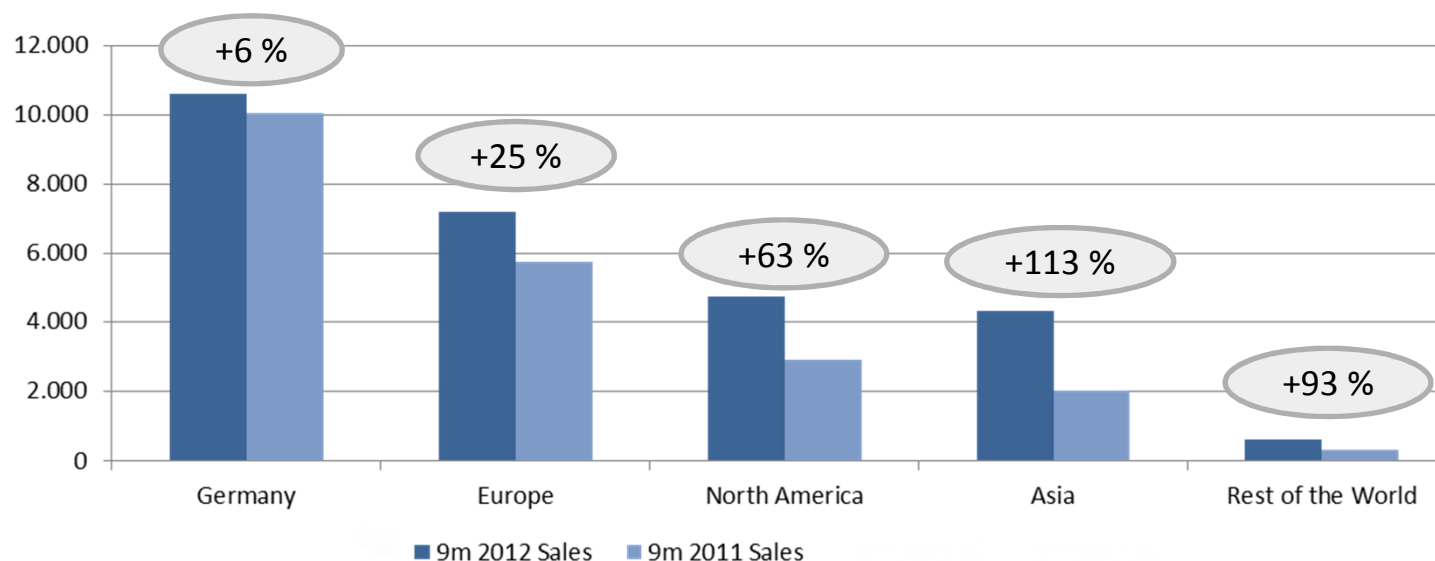
Sales bridge 9M/2011 vs. 9M/2012



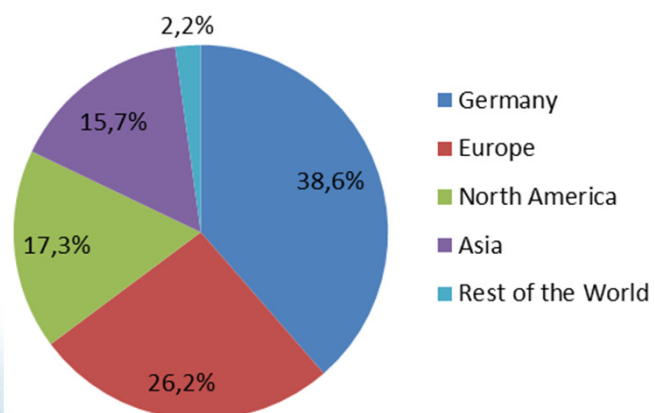
Q3: Growth driver:

- Biomaterials: +0.3 Mio. €
- Trauma: +0.5 Mio. €
- Gels, Fluids and Bone Materials in Nijmegen: +1.0 Mio. €

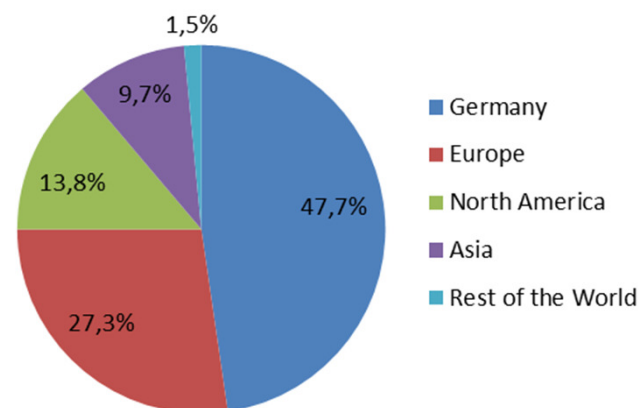
International Sales 9M/2012



9m 2012



9m 2011



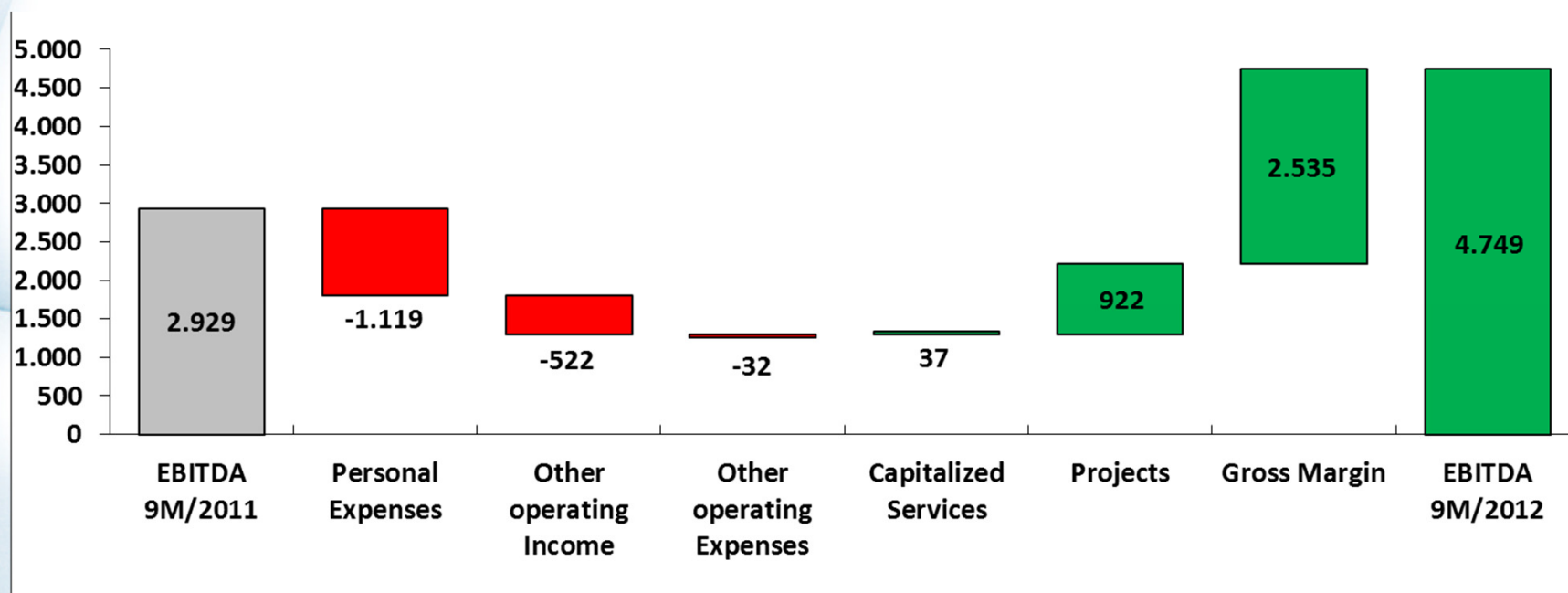
Products & Markets

- Status FDA-approval LOQTEQ®:
 - First documents for 4 plating systems were filed in Q4 2011 – all 4 plating systems have FDA-approval now
 - Further 2 plating systems filed in Q2 2012
 - Approval of whole product family expected for fourth quarter
- International activities LOQTEQ®:
 - Still huge international interest
 - Agreements signed in Brazil, Argentina, Mexico, Spain, Portugal, Egypt
 - Agreements under negotiation in USA, China, Scandinavia, Turkey, Czech Republic
- Sales LOQTEQ® in 9M: 0.9 Mio. € - accumulated sales since start of marketing: 1.4 Mio. €
- Development of six additional LOQTEQ®-Systems almost completed
- Filing of registration documents in EU, USA, China and other markets in fourth quarter 2012
- Contract Manufacturing(Gels, Fluids and Bone Materials):
 - Signed a development agreement for a inflammable sterile product; supply agreement may be signed in 2013
 - Signed an agreement with Japanese business partner for the manufacturing and sterile filling of a recombinant protein product

Research and Development

- LOQTEQ®:
 - Marketing of currently 4 plating systems and development of 6 further plating systems is almost done
 - Covering approx. 80 % of the LOQTEQ®-indications after successful CE-approval/ first approvals are expected for beginning of 2013
- Patents LOQTEQ®:
 - International (USA/EU) patent is issued and under examination procedure
- Silver-coating:
 - Surface coating of implants
 - Preparation of approval-relevant animal tests; Extending the development work to other products in the Trauma portfolio
- Magnesium alloy: Start of practical work on EU-funded project

EBITDA-Bridge 9M/2011 vs. 9M/2012



•Gross Margin = Sales +/- Changes in inventory – material costs

Highlights Q3/9M 2012 (Balance Sheet)

- No significant changes in balance sheet total
 - Q3/12: 67.8 Mio. € (Q4/11: 66.2 Mio. €) → +3 %
- Further stable and high equity ratio
 - Q3/12: 74 % (Q4/11: 73 %)
 - w/o Goodwill and certain intangible assets : 44 % (Q4/11: 42 %)
- Improved liquidity situation
 - Cash and cash equivalents Q3/12: 3.3 Mio. € (Q4/11: 2.2 Mio. €)
- Significant reduction of net debt
 - From 6.9 Mio. € (Q4/11) to 4.7 Mio. € (Q3/12)
- Improved Operative Working Capital Management
 - WC- Ratio (as % from sales Q3/12 (annualized): 46 % (Q4/11: 53 %)
 - Reduction of accounts receivables from 5.5 Mio. € (Q4/11) to 4.3 Mio. € (Q3/12)
 - Average Days outstanding : 48 days (Q4/11: 58 d) → Benchmark industry: 65-70d

Highlights Q3/9M 2012 (Cash-Flow)

- Strong growth in Operative-CF
 - Q3/12: 1.2 Mio. € (Q3/11: 0.2 Mio. €); 9M/12: 6.1 Mio. € (9M/11: 1.7 Mio. €)
 - Profitable sales growth with improved Working Capital Management; Licence deal in Q1
 - One-time effect: Prepayments from customers for placed orders
- Slightly increased Investment-CF
 - Q3/12: -1.2 Mio. € (Q3/11: -0.9 Mio. €); 9M/12: -3.5 Mio. € (9M/11: -2.9 Mio. €)
 - Intangible assets (especially own work capitalized): 0.9 Mio. € (9M/12: 2.6 Mio. €)
 - Tangible assets (technical plants and machinery): 0.4 Mio. € (9M/12: 0.9 Mio. €)
- Consequent reduction of debt in Financing-CF
 - Q3/12: -0.3 Mio. € (Q3/11: +0.1 Mio. €); 9M/12: -1.5 Mio. € (9M/11: +2.1 Mio. €)
 - Repayment of financial liabilities : -1.4 Mio. € (9M/12: -1.7 Mio. €) → especially repayment shareholder loans
 - Capital measure : 0.0 Mio. € (9M/12: -0.1 Mio. €) → Acquisition minority interest ADC
 - Change of credit lines : +1.0 Mio. € (9M/12: +0.2 Mio. €) → Net view → decreased drawdown
- Improved financial basis : Higher Cash and Cash equivalents and above Benchmark (DCR/ICR)
 - Q3/12: 3.3 Mio. € (Q3/11: 2.0 Mio. €) → Net- CF 9M/12: +1.1 Mio. €
 - DCR (rolling past 4 quarters) Q3/12: 0.8 (Q4/11: 1.7)
 - ICR (rolling past 4 quarters) Q3/12: 10.3 (Q4/11: 6.8)

Financial figures Q3/9M 2012

In Mio. EUR	Q1-Q3/2012	Q1-Q3/2011	Change on year
Sales	27.5	21.0	+31 %
EBITDA	4.7	2.9	+62 %
EBIT	2.4	0.8	>100 %
Cash-EBIT	1.2	-0.6	k.A.
Operative cash flow	6.1	1.9	>100 %
In Mio. EUR	Q3/2012	Q3/2011	Change on year
Sales	8.9	6.9	+25 %
EBITDA	1.2	0.8	+50 %
EBIT	0.5	0.1	>100 %
Cash-EBIT	0	-0.3	k.A.
Operative cash flow	1.2	0.2	>100 %

In Mio. EUR	30/09/2012	31/12/2011	Change on year
Equity (ratio)	50.2 (74 %)	48.4 (73 %)	+4 %
Balance sheet total	67.8	66.2	+2 %
Number of employees	271	266	+2 %

Outlook 2012/2013

- **Forecast 2012:**
 - Confirmation total sales of approx. 35.5 Mio. € (+22 %)
 - EBITDA: Total increased from approx. 5.2 Mio. € to between 5.7 Mio. € and 5.9 Mio. € (+39 % to +44 %)
- **Focus in 2012:**
 - Planned LOQTEQ®-Total sales 2012 of approx. 2.0 Mio. €
 - Signing new distributors in core markets such as USA and BRICS- and MIST-countries
 - Gaining new and additional regulatory approvals
 - Planning and preparation for launching LOQTEQ®-Product line extensions
- Conference for bone and tissue banks in the field of cleaning and sterilization of human bone
- Further reduction of debt
- **Forecast Q4/2012**
 - Sales: between 8.0 Mio. € and 8.4 Mio. € (-2 % to +2 %)
 - EBITDA: between 1.0 Mio. € and 1.2 Mio. € (-17 % to +0 %)
- **First Outlook 2013:** 10 % sales growth with slightly stronger EBITDA growth

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