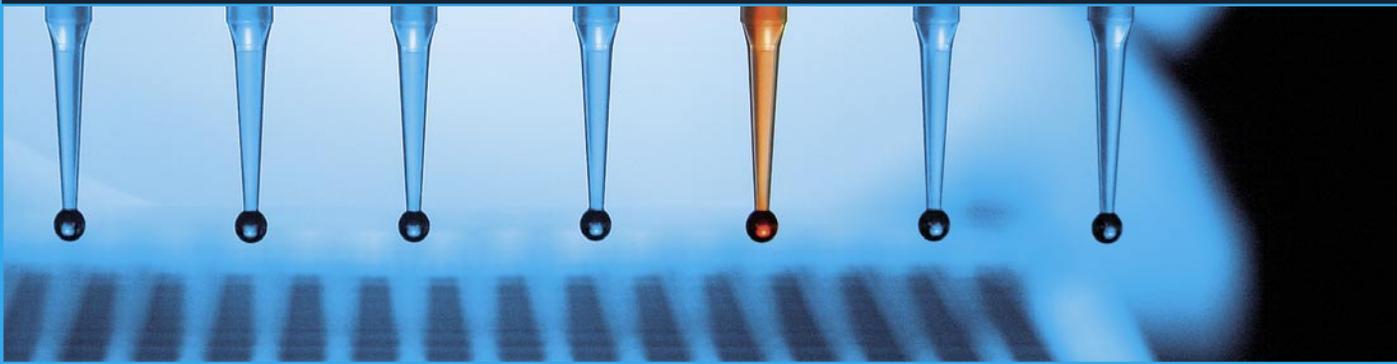




Interim Report 2007



your solutions

Foreword

Dear shareholders and business associates,

In the first six months CyBio managed to increase sales in relation to the previous year by 44 percent up to 9.1 million Euros. This expansion of sales caused however also a higher cost basis for the company in order to provide the necessary preconditions in particular within the areas of production, service and research & development to create this turnover jump. Due to this development as well as to upfront expenditures the operational result amounts at half-year to -1.7 million Euros compared to -0.6 million Euros last year.

The obtained expansion of sales essentially derived from contract development and OEM - production. For both co-operation partners, Corning Inc. and CLONDIAG Chip Technologies GmbH, the series production of the developed devices started well and contributed a substantial part to this years sales. In the instrument business it partly came to project delays in the past month and noticeable investment restraints of the customers, by which the North American market in particular was affected. Also the weakness of the US Dollar added to the negative effects. In Europe the sales targets have been achieved.

To cope with the different world-wide selling challenges it is for us a constant cause to rearrange our selling structures more efficient. In our distributor business we made far reaching changes in the past months. Due to the existing customer base and the high market potential we founded our own sales organisation in Japan. Within a few month we succeeded in setting up a team which managed to contribute to our sales volume in the second quarter (first quarter of active operation). We sold our French subsidiary to the existing management team, so that we can provide for these customers a smooth transition. In the distributor business we will concentrate in the future only on the most promising markets.

In the first half-year CyBio Robotics GmbH (formerly accelab GmbH) in Kusterdingen has delivered an automated system for the production of synthetic genes to the customer Sloning BioTechnology GmbH. In the fourth quarter the customer will take up production with the system at its plant. Due to the complexity and the high innovation degree of the system it came to delays, which slowed down the ongoing business process of CyBio Robotics GmbH.

Due to this development the yield goals for this subsidiary company have not yet been achieved in the first half-year. The completion of the gene production system and the acquired know-how puts CyBio into the position to win further large orders. Appropriate negotiations are ongoing with the existing partner Sloning BioTechnology GmbH. This is an opening for the CyBio Group into an extremely innovative field with high growth perspectives.



Sonja Strauß, CEO CyBio AG

To strengthen the liquidity basis CyBio accomplished a capital increase in July 2007, at which seventy percent of the existing shareholders participated. In the context of a road-show new institutional shareholders could be won for an investment in CyBio shares.

Market-driven the business year started with more restraint than expected. Altogether the outlook for the second half-year presents itself more positively. We are confident to attain our sales targets for the financial year 2007, however this success will reflect itself not yet completely in the result of operation.

Jena, in August 2007

Sonja Strauß
CEO

Basis of the half-yearly report

The consolidated financial statements as at June 30, 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition to the figures for CyBio AG the report also includes the results of the following subsidiaries:

| | | |
|---------------------|--|---|
| CyBio Robotics GmbH | CyBio Northern Europe Ltd. | |
| CyBio US Inc. | CyBio France S.A.R.L. (up to May 31, 2007) | CyBio Japan CO., Ltd., (beginning April 01, 2007) |

Group management report

Sales and result

The company sales for the first half-year at a value of 9.1 million Euros exceeds the previous year level (6.3 million Euros) by 44.4 percent. While in the market areas Germany and Europe sales increases in comparison to last year, the USA-region could not tie to the sales volume of the previous year period. The change of the sales structure in Asia settled in a slight sales rise. Particularly pleasing ran the start of the own selling subsidiary in Japan, who could book sales of 250 k Euros in the second quarter.

| | June 30, 2007 | in percent | June 30, 2006 | in percent |
|--|---------------|--------------|---------------|--------------|
| | EUR k | | EUR k | |
| Total sales | 9,118 | 100.0 | 6,329 | 100.0 |
| of which in Germany | 3,554 | 39.0 | 1,245 | 19.7 |
| of which in Europe (excluding Germany) | 3,118 | 34.2 | 1,633 | 25.8 |
| of which in the USA | 2,096 | 23.0 | 3,177 | 50.2 |
| of which in Asia | 350 | 3.8 | 274 | 4.3 |

The operational result of the Group for the first half year turned out at a loss of 1.7 million Euros (py. 0.6 million Euros). The result was negatively effected by the additional costs necessary to implement the structural changes of the development and production capacities and the initial costs of the service organisation for the Epic® devices as well as the further development of the sales organisation.

Sales- and administrative expense

Due to the extension of the selling capacities in particular in our foreign subsidiaries, the acquisition of the CyBio Robotics GmbH (formerly accelab GmbH) and the establishment of the CyBio Japan Co., Ltd. the selling and administration expense of the first half-year totalled at 3.4 million Euros (py. 2.7 million Euros).

Research and development

The research and the development costs increased in comparison to previous year from 0.5 million Euros to 0.7 million Euros and followed thereby the sales development. The portion of the research and development cost amounts to 8 percent of sales (py. 8 percent). The amount of research and development cost does not contain the portion of order development for Corning Inc. and the associated sales, since this amount is to be added to cost of sales. Adjusted from this effect the research and development cost in the first half-year 2007 amount to approximately 13 percent (py. 24 percent).

Liquidity, receivables and liabilities

Liquid funds at end of June 2007 amounted to 2.1 million Euros and are thereby under the level of the first half-year 2006 (6.2 million Euros). The means from the successfully accomplished capital increase at the middle of July 2007 will increase the liquidity of the company by almost 2.4 million Euros. The receivables from supplies and services amount to 3.3 million Euros (py. 2.2 million Euros). The accounts payables from received supplies and services add up to 2,4 million Euros and lie above the previous year amount (0.4 million Euros).

Important events occurred after the reporting period

Capital increase:

With agreement of the supervisory board the executive board decided a bar capital increase in the relationship 8:1 for 600,000 new shares partly using authorized capital at a purchase price of 4.00 Euros in June 2007. The shares not subscribed by the existing shareholders after the end of the reference period have been placed with institutional investors. The gross influx of funds of 2.4 millions of euros is strengthening our equity as well as the liquidity and extends the financial means for future internal and external growth.

Shares and subscription rights

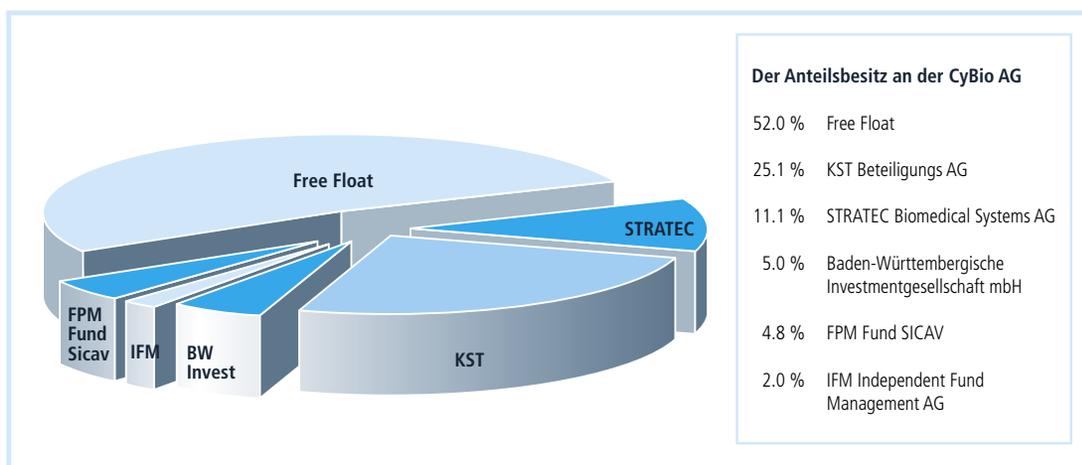
Shareholdings of the members of the CyBio AG Executive- and Supervisory Board

At June 30, 2007 the executive board held 20,400 pieces of CyBio shares. In connection with the capital increase in July 2007 the executive board acquired 2,550 pieces of new shares at the purchase price of 4.00 Euros. The total number of shares held by the executive board amounts now to 22,950.

The members of the supervision board do not hold any CyBio AG shares by June 30, 2007.

Shareholder structure

The shareholder structure at the CyBio is spread at June 30, 2007 as follows:



Business performance and outlook

Establishment of CyBio Japan Co., Ltd.

The positive perspectives of the growing Japanese market and our goals to expand the existing customer basis and better serve the needs of the customers with innovative solutions as well as by a competent and engaged team led to the decision to be active in this growth market with an own distribution enterprise. Since establishment in April the team has been completed with a sales and service engineer crew. With existing customers initial sales has been generated already in the past quarter.

Disposal of our French sales subsidiary

The management of the CyBio AG and the local management of CyBio France S.A.R.L. - a 100 percent subsidiary of the CyBio AG – mutually agreed to transfer the company shares of CyBio France by May 31, 2007 to the employees of the subsidiary. Further on CyBio France will act under the same name but as a distributor to CyBio AG.

Outlook

Against the background of the actual market development the initiated structural changes in CyBios fields of business takes more time than originally planned. Our view at the projects of our sales regions in the second half-year and our OEM production as well as the continuation of development co-operation with Corning tune us to be confident to reach our sales objective. However the advanced costs of business development altogether will impair the result in 2007.

Consolidated balance sheets

CONSOLIDATED BALANCE SHEETS FOR THE PERIOD ENDED JUNE 30, 2007 AND DECEMBER 31, 2006

| | June 30, 2007 | Dec. 31, 2006 |
|---|---------------|---------------|
| | EUR k | EUR k |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 1,381 | 2,084 |
| Securities | 730 | 796 |
| Accounts receivable | 3,263 | 3,878 |
| Inventories, net | 6,467 | 6,054 |
| Prepaid expenses and other current assets | 738 | 508 |
| | 12,579 | 13,320 |
| Non-current assets | | |
| Intangible assets | 1,845 | 2,041 |
| Property, plant and equipment | 2,425 | 2,439 |
| | 4,270 | 4,480 |
| | 16,849 | 17,800 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Shareholders' Equity | | |
| Share capital | 4,800 | 4,800 |
| Additional paid-in capital | 5,694 | 5,725 |
| Treasury stock | 0 | -423 |
| Retained deficit | -2,220 | -508 |
| Translation adjustment | 681 | 721 |
| Unrealized losses on marketable securities | -23 | -21 |
| | 8,932 | 10,294 |
| Minority interest | 0 | 41 |
| Current liabilities | | |
| Short term borrowing | 677 | 1 |
| Accounts payable | 2,350 | 1,784 |
| Other liabilities and accrued liabilities | 4,890 | 5,680 |
| | 7,917 | 7,465 |
| | 16,849 | 17,800 |

Consolidated statements of operations

FOR THE PERIOD ENDED JUNE 30, 2007 AND JUNE 30, 2006

| | June 30, 2007 | June 30, 2006 |
|---|------------------|------------------|
| | EUR k | EUR k |
| Net sales | 9,118 | 6,329 |
| Cost of sales | -6,253 | -3,796 |
| Gross profit on sales | 2,865 | 2,533 |
| Selling expenses | -2,447 | -1,872 |
| General and administrative expenses | -974 | -798 |
| Research and development expenses | -711 | -547 |
| Other operating income and expenses, net | 105 | 294 |
| Depreciation of property, plant and equipment and intangible assets | -527 | -161 |
| Result from operations | -1,689 | -551 |
| Interest income | 34 | 59 |
| Interest expenses | -45 | -64 |
| Realized gains from the sale of marketable securities | 15 | 520 |
| Net unrealized losses on trading securities | -65 | -186 |
| Result before income taxes | -1,750 | -222 |
| Income tax expense | -3 | -14 |
| Minority interest | 41 | 0 |
| Net result | -1,712 | -236 |
| Net result per ordinary share in EUR | | |
| basic/diluted | -0.36 | -0.05 |
| Weighted average number of shares outstanding | | |
| basic/diluted | 4,779,633 | 4,796,833 |

Consolidated statements of cash flows

FOR THE PERIOD ENDED JUNE 30, 2007 AND JUNE 30, 2006

| | June 30, 2007 | June 30, 2006 |
|--|---------------|---------------|
| | EUR k | EUR k |
| Cash Flows from operating activities: | | |
| Net result | -1,712 | -236 |
| Adjustments to reconcile net result to net cash used in (provided by) operating activities | | |
| Depreciation | 527 | 161 |
| Realized net gains from sale of marketable securities | -15 | -520 |
| Result on disposal of fixed assets | 3 | 49 |
| Minority interests | -41 | 0 |
| Deferred taxes | 0 | -29 |
| Changes in operating assets and liabilities: | | |
| Decrease in accounts receivable | 515 | 2,100 |
| Increase in accounts receivables from companies in which investments are held | 0 | -750 |
| Increase in inventory | -413 | -439 |
| Increase in prepaid expenses and other assets | -139 | -146 |
| Increase in accounts payable | 582 | 12 |
| Decrease in accrued liabilities and other liabilities | -136 | -117 |
| Net cash used in (provided by) operating activities | -829 | 85 |
| Cash Flows from investing activities | | |
| Loans to companies in which investments are held | 0 | -650 |
| Purchases of marketable securities | -106 | -3,042 |
| Proceeds from sale of marketable securities | 93 | 2,883 |
| Proceeds from sale of tangible assets | 2 | 0 |
| Proceeds from sale of shares in affiliated companies | 100 | 0 |
| Purchases of intangible assets | -41 | -139 |
| Purchases of property and equipment | -297 | -225 |
| Net cash provided by (used in) investing activities | -249 | -1,173 |
| Cash Flows from financing activities | | |
| Changes in treasury stock | 413 | -247 |
| Net cash used in (provided by) financing activities | 413 | -247 |
| Effect of exchange rate differences on cash | -38 | -554 |
| Net decrease in cash | -703 | -1,889 |
| Cash, beginning of reporting period | 2,084 | 5,326 |
| Cash, end of reporting period | 1,381 | 3,437 |

Consolidated statements of shareholders' equity

| | Common stock | | Additional paid-in capital | Treasury stock | Retained deficit | Translation adjustment | Unrealized result on marketable securities | Total Shareholders' Equity |
|--|--------------|--------|----------------------------|----------------|------------------|------------------------|--|----------------------------|
| | Shares | Amount | | | | | | |
| | | EUR k | EUR k | EUR k | EUR k | EUR k | EUR k | EUR k |
| Balance at December 31, 2005 | 4,800,000 | 4,800 | 5,725 | 0 | -1,037 | 807 | 47 | 10,342 |
| Net income | | | | | 529 | | | 529 |
| Acquisition of treasury stock | -94,000 | | | -423 | | | | -423 |
| Foreign currency translation adjustments | | | | | | -86 | | -86 |
| Unrealized losses on marketable securities | | | | | | | -68 | -68 |
| Balance at December 31, 2006 | 4,706,000 | 4,800 | 5,725 | -423 | -508 | 721 | -21 | 10,294 |
| Net result | | | | | -1,712 | | | -1,712 |
| Sale of treasury stock | 94,000 | | -31 | 423 | | | | 392 |
| Foreign currency translation adjustments | | | | | | -40 | | -40 |
| Unrealized losses on marketable securities | | | | | | | -2 | -2 |
| Balance at June 30, 2007 | 4,800,000 | 4,800 | 5,694 | 0 | -2,220 | 681 | -23 | 8,932 |

This document is a translation of the 2007 Interim Report of CyBio AG.
The German version of the Interim Report is legally authoritative.
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