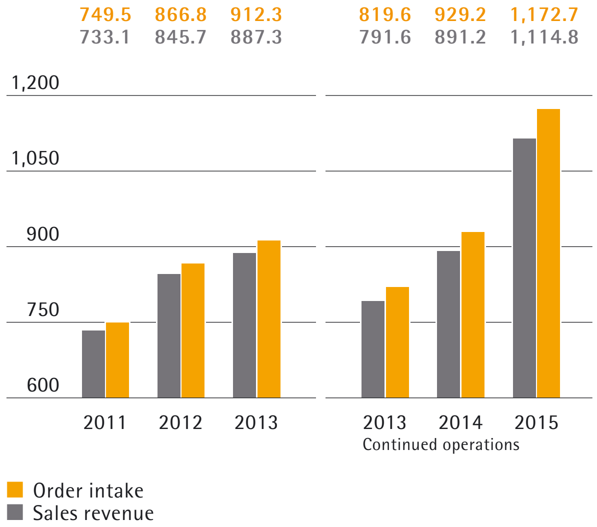
sartorius

Sartorius Group

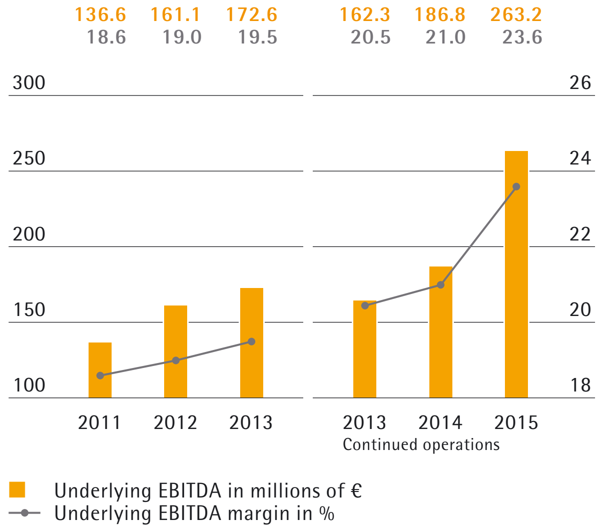
2015 Annual Report

2015

Order Intake and Sales Revenue
€ in millions



Underlying EBITDA and Margin[1]



Key Figures

All figures are given in millions of € according to the IFRS, unless specified otherwise	**2015**	2014	2013 restated	2013	2012	2011
Order intake, sales revenue and earnings						
Order intake	1,172.7	929.2	819.6	912.3	866.8	749.5
Sales revenue	1,114.8	891.2	791.6	887.3	845.7	733.1
Underlying EBITDA[1]	263.2	186.8	162.3	172.6	161.1	136.6
Underlying EBITDA[1] as % of sales revenue	23.6	21.0	20.5	19.5	19.0	18.6
Relevant net profit for continuing operations[2]	107.4	66.1	59.2	–	–	
Relevant net profit[2]	107.4	73.7	64.8	64.8	63.0	52.8
Research and development costs	52.5	43.6[3]	47.7	53.8	49.0	44.3
Financial data per share						
Earnings per share for continuing operations[2]						
– per ordinary share in €	6.29	3.87	3.46	–	–	–
– per preference share in €	6.31	3.89	3.48	–	–	–
Earnings per share[2]						
– per ordinary share in €	6.29	4.31	3.79	3.79	3.69	3.09
– per preference share in €	6.31	4.33	3.81	3.81	3.71	3.11
Dividends						
– per ordinary share in €	1.50[4]	1.06	1.00	1.00	0.94	0.80
– per preference share in €	1.52[4]	1.08	1.02	1.02	0.96	0.82
Balance Sheet						
Balance sheet total	1,437.2	1,272.4	1,181.3	1,176.6	1,070.9	960.2
Equity	644.8	497.1	450.3	450.3	404.4	366.1
Equity ratio in %	44.9	39.1	38.1	38.3	37.8	38.1
Financials						
Capital expenditures	113.1	80.9	60.6	62.9	74.2	51.8
Capital expenditures as a % of sales	10.1	9.1	7.7	7.1	8.8	7.1
Amortization | depreciation	58.9	52.7	45.8	47.7	40.6	32.8
Net cash flow from operating activities	124.4	129.7	97.0	103.3	53.2	79.0
Net debt	344.0	335.6[5]	345.1[5]	345.1	303.8	264.8
Ratio of net debt to underlying EBITDA	1.3	1.7[5]	2.0[5]	2.0	1.9	1.9
Total number of employees as of December 31	6,185	5,611	5,158[6]	5,863[6]	5,491	4,887[7]

[1] Underlying = adjusted for extraordinary items
[2] After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result, including the corresponding tax effects for each of these items
[3] Restated
[4] Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG
[5] Including discontinued operation
[6] Excluding TAP Biosystems
[7] Excluding Biohit

Our Mission

Sartorius is a leading international pharmaceutical and laboratory equipment supplier. With our wide array of products, we help our customers in the biopharmaceutical industry to manufacture innovative medications safely and economically. In laboratories for research and quality assurance, the name Sartorius is synonymous with premium lab instruments, consumables and services that make sophisticated tasks easier and more efficient. As partners, we understand our customers' requirements down to the last detail and are already working on solutions to meet their needs, both today and tomorrow.

We will further seek to systematically expand our position as an application-oriented technology group in the future as well. Based on our clear-cut strategy, we will continue to sustainably create value for customers and shareholders alike and translate our growth into high profitability.

Our Divisions at a Glance

Sartorius is a globally operating company with over 6,200 employees worldwide and subsidiaries based in more than 30 countries. Our business is subdivided into two divisions: Bioprocess Solutions offers integrated solutions for biopharmaceutical manufacture, and Lab Products & Services provides instruments, consumables and services for laboratories. We report on the business development of the two divisions starting on page 40, and provide insights into their strategies on pages 24 and 25.

Bioprocess Solutions Page 40

Bioprocess Solutions focuses on bioprocess business with pharmaceutical customers. With its extensive product portfolio, the division helps customers to manufacture medications and vaccines safely and efficiently. Its major goal is to optimize pharmaceutical production processes, primarily by increasing the deployment of single-use products and solutions. The division is a global leader in filtration, fermentation, cell cultivation, membrane chromatography and in fluid management.

Key Figures

€ in millions	**2015**	2014	Δ in %
Sales revenue	**809.2**	615.6	20.9 [1]
Order intake	**869.9**	652.7	22.8 [1]
Underlying EBITDA	**214.5**	145.6	47.3
as a % of sales	**26.5**	23.7	
Employees [2]	**4,030**	3,527	14.3

[1] In constant currencies [2] As of Dec. 31

Lab Products & Services Page 44

With its premium laboratory instruments, consumables and excellent services, the Lab Products & Services Division is positioned as a broad-based laboratory supplier. It concentrates on laboratories of both the research and quality assurance units in pharmaceutical and biopharmaceutical companies and on academic research institutes. The division serves further customers in the chemical and food industries. Its Sartorius-brand laboratory products enable reliable and efficient analyses in the lab, helping to drive and accelerate scientific progress. The division is among the market leaders in laboratory balances, pipettes and lab consumables.

Key Figures

€ in millions	**2015**	2014	Δ in %
Sales revenue	**305.5**	275.5	5.0 [1]
Order intake	**302.8**	276.5	3.7 [1]
Underlying EBITDA	**48.8**	41.2	18.4
as a % of sales	**16.0**	15.0	
Employees [2]	**2,155**	2,084	3.4

[1] In constant currencies [2] As of Dec. 31

01 To Our Shareholders

Throughout the Annual Report, differences may be apparent as a result of rounding during addition.

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To Our Shareholders

01

Report of the Executive Board

Dear Shareholders and Business Partners,

Fiscal 2015 was particularly successful for Sartorius. With revenue up 16.0% and an increase in underlying EBITDA by 40.9%, we have grown even more strongly and profitably than we had projected before year-end. Consolidated sales exceeded the one billion mark for the first time, reaching €1.1 billion with an underlying earnings margin of 23.6%.

This very encouraging performance is due to the exceptionally strong growth of our Bioprocess Solutions Division, which recorded double-digit gains for the fifth year in succession. The division reported an uptick in sales of 20.9% and an earnings margin of 26.5%. As a key supplier and partner of the biopharmaceutical industry, we are well-positioned with this division in a dynamic and innovative sector. Many of our customers have received approvals over the past years for new biopharmaceuticals, which they are now manufacturing in relatively large quantities. Sartorius supplies the production technology required for this, above all, consumables.

Regionally, Bioprocess Solutions expanded the most in North America, as expected. Here, we outperformed the market yet again and thus gained further market share. The acquisitions of the companies BioOutsource Ltd. and Cellca GmbH enabled us to extend our offerings for the process development phase. Both purchases alone offer attractive growth prospects, especially considerable synergy potential for our existing products and services.

The Lab Products & Services Division that supplies premium lab instruments and consumables also performed well and attained its targets. The division's sales revenue rose 5.0% and its earnings margin climbed to 16.0%. Lab Products & Services made significant progress in executing on sales initiatives. Its direct sales and e-business were further expanded and our presence on the lab market strengthened. The newly launched products and, from a geographic perspective, business in the Asia|Pacific region showed especially positive development.

We also made considerable headway in implementing our multi-year infrastructure program: The new building for the manufacture of laboratory instruments in Goettingen is nearing completion for occupation. At the same location, we extended membrane production capacities. Our new facility for single-use lab products is about to start up operations in Stonehouse, UK. We also fast-tracked preparations for extending additional international production facilities in line with strong demand, focusing on our filter and bag manufacture in Yauco, Puerto Rico.

In view of our excellent results, the Supervisory Board and the Executive Board will submit a proposal at the Annual Shareholders' Meeting on April 7, 2016, to raise dividends to €1.52 per preference share and €1.50 per ordinary share. After we already reported strong gains in our share prices over the past years, Sartorius preference shares, which were up more than 140% in the reporting year, were among the winners in the TecDax. The price of our ordinary shares even tripled within the same period.

Supported by the strong growth of the biopharma market, we see good prospects for our business in 2016 and have accordingly set ambitious targets. We plan to increase sales revenue in constant currencies by approximately 10% to 14% and our underlying EBITDA margin by one percentage point. Both divisions and all regions are expected to contribute to this development. We will continue to execute on our infrastructure program and therefore project that our capex ratio of about 10% of sales revenue will continue to be slightly above the long-term average.

What are our mid-range plans? In 2011 when we defined our Sartorius 2020 strategy, we identified the regions and technologies with the most attractive growth and earnings potential and, on top of this, set ourselves ambitious financial targets. Today, after five years and about midway on our home stretch, we can give a positive assessment. We are on track with our sales growth and even much further ahead in expanding our profitability.

Against this background, we confirm our revenue target of €2 billion in constant currencies for the year 2020. We have increased our margin target for 2020 by 3 to 4 percentage points to 26% to 27% based on constant currencies and assuming that the profitability of future acquisitions will be at a level comparable to that of our existing business.

At this point, I would like to sincerely congratulate all our staff on this highly successful year and to thank them for their exceptionally hard work and personal contribution to this success. Dear shareholders, customers and business partners, I would like to express my appreciation to you again for your trust, often extending back many years. We cordially invite you to continue with us on our road to further success as an innovative and highly profitable technology group.

Yours sincerely,

Dr. Joachim Kreuzburg
CEO and Executive Board Chairman

Sartorius Group Executive Committee

The Group Executive Committee (GEC) consists of the members of the Executive Board of Sartorius AG, the members of the Executive Committee of the subgroup Sartorius Stedim Biotech and additional top managers appointed by the Executive Board as necessary. The GEC is the key management committee of the Sartorius Group and serves to coordinate and control global business activities and functions. The GEC's activities supplement those of the Executive Board of Sartorius AG and of the Board of Directors of Sartorius Stedim Biotech S.A., and lay the groundwork for the boards' legally binding decision-making.

Michael Melingo

Marketing, Sales, Services, Business Development of the Lab Products & Services Division

With Sartorius for 2 years

Volker Niebel

Procurement, Production, Supply Chain Management, Business Process Management

Member of the Board of Directors of Sartorius Stedim Biotech S.A.

With Sartorius for 14 years

Jörg Pfirrmann

Finance, Human Resources, Information Technology

Member of the Executive Board of Sartorius AG

With Sartorius for 17 years

Joachim Kreuzburg
Chairman

Corporate Strategy, Legal, Compliance, Communications

CEO of Sartorius AG
Chairman of the Board of Directors and CEO of Sartorius Stedim Biotech S.A.

With Sartorius for 17 years

Oscar-Werner Reif

Research and Development

Member of the Board of Directors of Sartorius Stedim Biotech S.A.

With Sartorius for 21 years

Reinhard Vogt

Marketing, Sales, Services, Business Development of the Bioprocess Solutions Division

Member of the Executive Board of Sartorius AG
Member of the Board of Directors of Sartorius Stedim Biotech S.A.

With Sartorius for 32 years

Report of the Supervisory Board

Dear Shareholders and BusinessPartners,

We look back upon an especially dynamic fiscal year of strong growth for Sartorius. The company performed excellently in both divisions and all regions, further expanding its profitability. In view of our business portfolio, the sales transaction of the Industrial Technologies Division announced before the year end was sold in February as planned, and two relatively small companies were purchased during the reporting year. In addition, Sartorius achieved its financial targets raised during the past year and, in part, exceeded them.

In fiscal 2015, the Supervisory Board intensively dealt with the situation and prospects of the company. We advised the Executive Board and performed the tasks assigned by German corporate law and the company's Articles of Association. The Executive Board kept us informed by providing regular, prompt and detailed reports, both written and verbal, about all relevant corporate planning and strategic development issues, the progress of business in the divisions, the situation of the Group, including its risk situation, risk management and internal control systems, and about compliance. All of the company's significant transactions were discussed in depth by the respective committee responsible, as well as by the full Supervisory Board, on the basis of the reports provided by the Executive Board. Following thorough review of the Executive Board's reports and proposed resolutions, we voted on these to the extent that our vote was required.

Cooperation between the Supervisory Board and the Executive Board was always characterized by openness, constructive dialogue and trust.

Focus of the Supervisory Board's Conferences

In the reporting year, the Supervisory Board convened at four ordinary meetings and two extraordinary conferences, which the Executive Board also attended, provided these meetings did not concern the latter board's matters. We regularly conferred on the development of sales revenue, earnings and employment for the Group; the financial situation of the company and of its affiliates; and on strategic projects.

At our meeting on February 24, 2015, we fully reviewed the annual and consolidated financial statements for fiscal 2014 and endorsed them based on the reports given by the Audit Committee and the independent auditors who were present during this item of the agenda. Moreover, we thoroughly discussed and approved the agenda, along with the proposed resolutions, for the 2015 Annual Shareholders' Meeting and the proposal for appropriation of the annual profit. In this connection, upon the Audit Committee's recommendation, the Supervisory Board resolved to submit a proposal to the Annual Shareholder's Meeting for the appointment of KPMG Wirtschaftsprüfungsgesellschaft as the new statutory auditors. In addition, we defined the adjustment of Executive Board remuneration in 2015. Moreover, the Executive Board informed us about the negotiation status of acquisition projects, gave a progress report on various operating measures to support the strong growth of the Bioprocess Division and reported on the status of the investment projects under way at the Goettingen location.

At the meeting on April 9, 2015, we thoroughly deliberated on the planned acquisition of BioOutsource Ltd. and consented to proceed with this transaction. Furthermore, we also approved the budget for 2015, which had been revised once more after the sale of the Industrial Technologies Division. We also revised the annual targets for the Executive Board according to the company's updated budget.

After an in-depth briefing by the Executive Board at the extraordinary Supervisory Board meeting on May 18, the latter consented to the acquisition of Cellca GmbH. In addition, the Executive Board reported on various M&A transactions on the bioprocess market.

A further extraordinary Supervisory Board meeting on June 15, 2015, revolved around legal matters and the progress of the acquisition projects under way.

On August 30 and September 1, 2015, the Supervisory Board met at the Group site in Aubagne, France, for a two-day conference focusing on corporate strategy. After a review of the period from 2012 to 2015, we concentrated our discussions on product and brand strategies up to the year 2020. The Executive Board addressed global production capacity planning in its report and gave us an overview on the mid-range targets and initiatives of the Finance, IT and HR units. We also received information based on a report given by the Audit Committee on the subjects of risk management and internal auditing. In a further item on the agenda, we dealt with the implementation of the gender quota at the gender quota at Sartorius Sartorius in compliance with German law and passed the required resolutions that are described in detail in the "Report and Declaration on Corporate Governance" on pages 69 et seq. Furthermore, the Supervisory Board Chairman gave an overview on the new provisions of the Corporate Governance Code and on the German Statutory Audit Reform Act in compliance with the European Regulation No. 537.

At the meeting on December 8, 2015, corporate governance topics on the agenda were also discussed in depth. After our consultations, we decided upon the wording of the Declaration of Compliance in accordance with the German Corporate Governance Code. This declaration confirms that Sartorius complies with the recommendations of the current code to the full extent. In addition, we updated the rules of procedure for the Supervisory Board and the Executive Board and dealt with the results of our efficiency review of the Supervisory Board's work. In a further item on the agenda, the Executive Board informed us about the rollout status of the new Group-wide ERP system and additional projects related to implementation of the Sartorius 2020 strategy. In addition, we also approved the budget submitted by the Executive Board for 2016. Given the substantial increase in Sartorius share prices during the reporting year, we discussed the option, moreover, of proposing a share capital increase by use of retained earnings to issue new shares ("share split").

Activity Report of the Committees

Four committees support the work of the Supervisory Board. They prepare topics that are then dealt with by the full Supervisory Board and, in individual cases, take decisions in lieu of the full board, as far as permitted. The committee chairpersons reported regularly to the Supervisory Board on the details of their committee work.

The Executive Task Committee met six times during the reporting year. These meetings revolved around various strategic measures for the company. Furthermore, the committee dealt with matters involving the Executive Board and prepared for decisions on the remuneration of the latter. The committee also received information on the progress of various Group projects. In addition, the Executive Task Committee thoroughly considered succession planning for top managers, as well as the amendments to Corporate Governance Code, to prepare resolution proposals to be approved by the full Supervisory Board.

In the year under review, the Audit Committee held five meetings. The committee prepared for the full Supervisory Board's conference on endorsement and approval of the consolidated annual financial statements for fiscal 2014 and discussed the quarterly and first-half financial reports of 2015. A further focus was on monitoring the effectiveness of internal auditing and the Group-wide risk management and internal control system, as well as on measures for further improvement of compliance. The committee also conferred on the subjects of Group financing. Beyond these items, the committee reviewed the internal Auditing Department report, which did not indicate any material discrepancies in business transactions, and also considered the department's plans for the upcoming months. With respect to the audit of the annual financial statements for fiscal 2015, the committee confirmed the independence of the auditors and deliberated in detail on selecting auditors to recommend at the Annual Shareholder's Meeting for appointment and commissioning these appointed auditors to perform an audit review, as well as on defining and monitoring the audit procedure and the focal points of the audit.

The Nomination Committee met once in the past fiscal year. At this meeting, we considered the composition of the Supervisory Board with a view toward the pending election of members to this board at the Annual Shareholders' Meeting in 2017. The Conciliation Committee pursuant to Section 27, Subsection 3, of the German Codetermination Law ("MitBestG") did not have to be convened.

Audit of the Annual and Consolidated Financial Statements

The annual and consolidated financial statements prepared by the Executive Board for fiscal 2015 and the management report of Sartorius AG were reviewed by the independent auditing company KPMG Wirtschaftsprüfungsgesellschaft, based in Hanover, Germany. This company had been commissioned by the Audit Committee of the Supervisory Board pursuant to the resolution passed at the Annual Shareholders' Meeting on April 9, 2015. The independent auditors issued an unqualified audit certificate. They attended the Audit Committee meeting on February 24, 2016, and the Supervisory Board Meeting on February 25, 2016, and reported on the essential results of their audits. Sufficient time was allotted for discussion of all issues with the auditors. Written information and audit reports had been sent to all Supervisory Board members on time and were discussed in detail during the meetings mentioned. On the basis of its own examination of the annual Sartorius AG and consolidated financial statements, the Sartorius AG management report and the Group management report, the Supervisory Board concurred with the results of the audit conducted by KPMG and, at the meeting on February 25, 2016, endorsed the financial statements of Sartorius AG and the Group on recommendation by the Audit Committee. The annual financial statements were thus approved. The Supervisory Board and the Executive Board will submit a proposal at the Annual Shareholders' Meeting on April 7, 2016, that shareholders be paid dividends of €1.52 per preference share and €1.50 per ordinary share from the retained profit.

Composition of the Supervisory Board and the Executive Board

In fiscal 2015, there were no personnel changes in the Supervisory Board or the Executive Board.

The Supervisory Board would like to thank the Executive Board and all employees around the world for their great commitment and exceptionally successful work throughout the fiscal year ended. In addition, the Supervisory Board expresses its appreciation to its shareholders for the confidence they have shown yet again in the company.

Munich, February 2016

For the Supervisory Board

Prof. Dr. Dres. h.c. Arnold Picot
Chairman

Sartorius Shares

Stock Markets Continue to Be Volatile

Global stock markets were volatile on the whole in the reporting year of 2015. While they were supported at the beginning of the year primarily by the ECB's expansive fiscal policy, the remainder of the year was characterized by uncertainty, on the one hand, over China's economic development and, on the other, the extent and speed of the recovery of the U.S. economy. For instance, the leading German stock index DAX reached its all-time high of 12,375 points on April 10, but leveled off at 10,743 points at year-end. For the DAX, this represented an overall gain of 9.6% over the previous year. The industry-specific index NASDAQ Biotechnology soared to its annual high of 4,166 points on June 20 and stood at 3,540 points at year-end, which represented a gain of 5.5% over the prior year. The German technology index TecDAX, to which the Sartorius preference shares belong, rose in the same period much more dynamically by 33.5%, and closed at 1,831 points on December 31, 2015.

Double-Digit Increase in Sartorius Share Prices

Sartorius shares performed very dynamically during the 2015 fiscal year. Up 220.4%, Sartorius ordinary shares more than tripled in value, reaching their all-time high of €314.00 at the end of 2015. The company's preference shares gained 137.5%, closing at €240.45 on December 31, 2015.

The position of the Sartorius preference share in the German technology index TecDAX further improved during the year under review: based on the criterion of market capitalization, our preference share moved up the ranks from 14th in 2014 to 8th at the end of 2015. In trading volume – i.e., the volume traded on the Frankfurt Stock Exchange over the preceding twelve months – the Sartorius preference share jumped nine places compared with the year before, ranking 19th.

Facts about the Shares

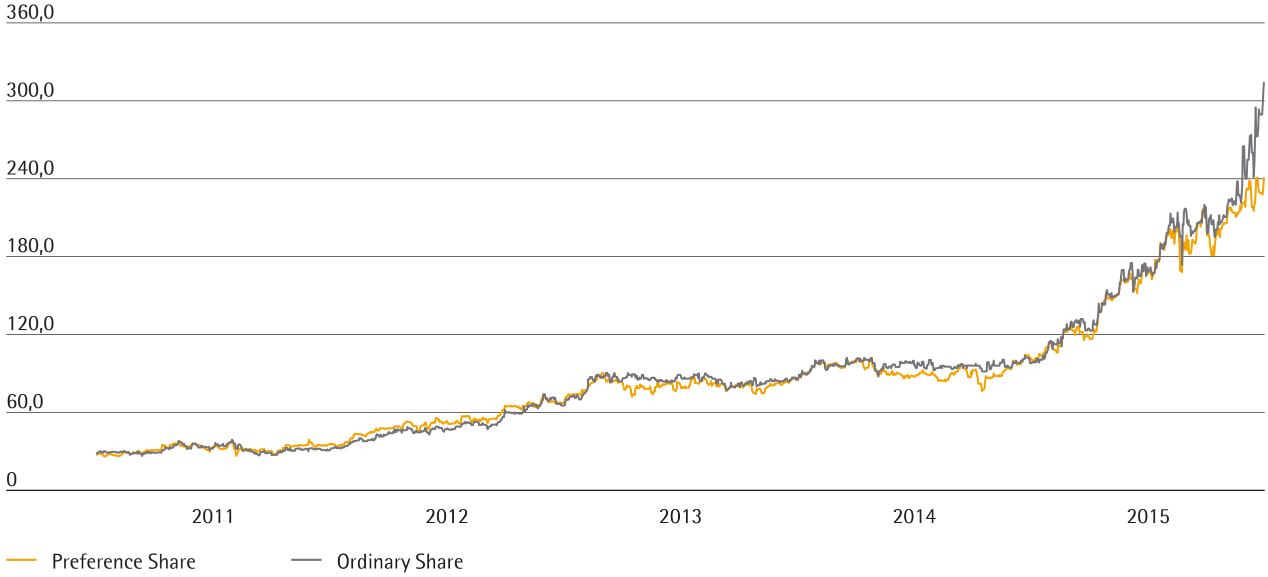
ISIN	DE0007165607 (ordinary shares)
	DE0007165631 (preference shares)
Designated sponsor	Oddo Seydler Bank AG | M.M. Warburg & Co. (AG & Co.) KGaA
Market segment	Prime Standard
Indexes	TecDAX | CDAX | Prime All Share Index | Technology All Share Index | NISAX20
Stock exchanges	Xetra | Frankfurt | Hanover | Duesseldorf | Munich | Berlin | Hamburg | Bremen | Stuttgart
Number of shares	18,720,000 no-par individual share certificates with a calculated par value of €1 per share
Of which	9,360,000 ordinary shares
	9,360,000 preference shares
Of which shares outstanding	8,553,056 ordinary shares
	8,544,017 preference shares

Trading Volume and Share Price Development

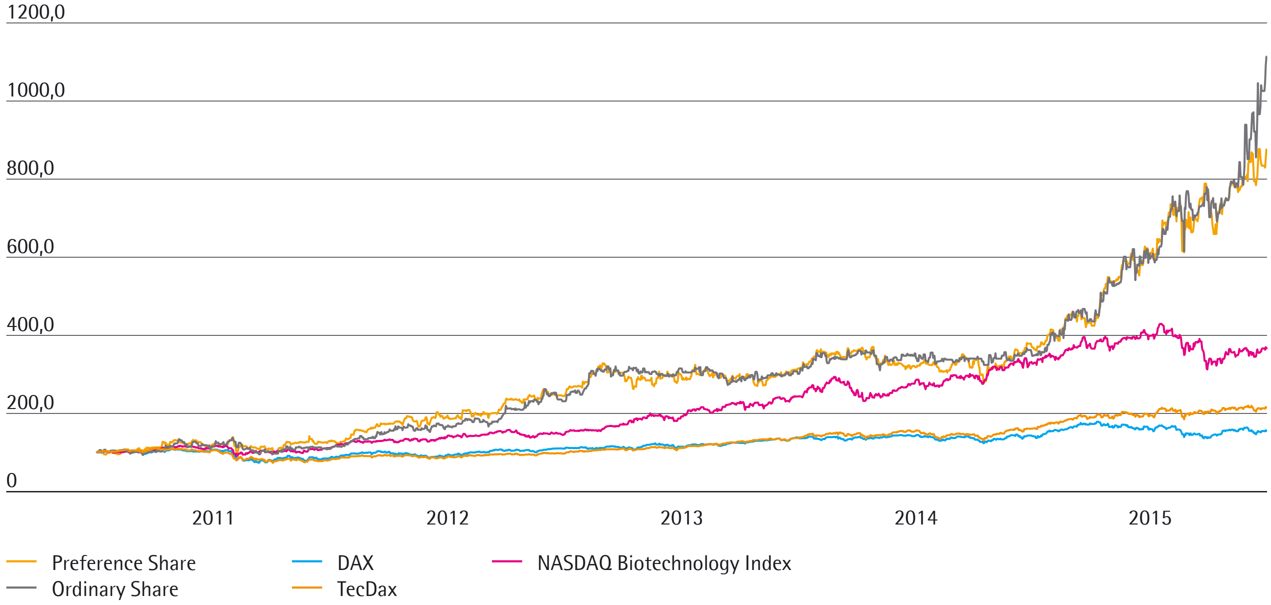
	2015	2014	Change in %
Preference share in € (Xetra year-end closing price)	240.45	101.25	137.5
Ordinary share in € (Xetra year-end closing price)	314.00	98.00	220.4
Market capitalization in millions of €[1)]	4,740.1	1,698.3	179.1
Average daily trading volume of preference shares	16,175	8,324	94.3
Average daily trading volume of ordinary shares	776	592	31.1
Trading volume of preference shares in millions of €	706.2	192.4	267.0
Trading volume of ordinary shares in millions of €	33.8	10.7	216.3
Total trading volume in millions of €	**740.0**	**203.1**	**264.4**
TecDAX	1,831	1,371	33.5
DAX	10,743	9,806	9.6

1) Without treasury shares
Sources: Bloomberg, Deutsche Börse AG

Sartorius Shares in €
January 3, 2011 to December 31, 2015



Sartorius Shares in Comparison to the DAX, TecDAX and NASDAQ Biotechnology Index
January 3, 2011 to December 31, 2015



Market Capitalization and Trading Volume

The market capitalization of the Sartorius ordinary and preference shares rose to €4.7 billion as of December 31, 2015, which corresponds to an increase of around 179% compared with the previous year's value of €1.7 billion.

The average number of preference shares traded daily on the Frankfurt Stock Exchange (Xetra and trading floor) increased during the reporting year from 8,324 to 16,175 shares. The respective trading volume was €706 million.

The average number of ordinary shares traded daily was 776 compared with 592 the previous year owing to the low free float, with a corresponding trading volume of around €34 million.

Investor Relations Activities

Our investor relations work focuses on maintaining an ongoing, open dialog with shareholders, potential investors and financial analysts.

During the 2015 reporting year, we regularly published press releases presenting significant company business developments and other material events in addition to providing quarterly, first-half and annual reports and holding quarterly telephone conferences. Moreover, our management team was available to capital market participants at our sites in Goettingen, Germany, and in Aubagne, France, and at conferences and roadshows conducted in international financial market centers, such as London, Paris, Frankfurt am Main and New York, to hold one-on-one meetings. During the year under review, our communication focused in particular on explaining our current operating developments as well as our portfolio expansion in the wake of acquisitions.

All information and publications about our company and its shares are available on our website at www.sartorius.com.

Analysts

The assessments and recommendations of financial analysts serve as an important foundation for the decisions of private and institutional investors when acquiring shares. During the reporting year, we maintained an ongoing dialog with a total of eleven institutions.

Research Coverage

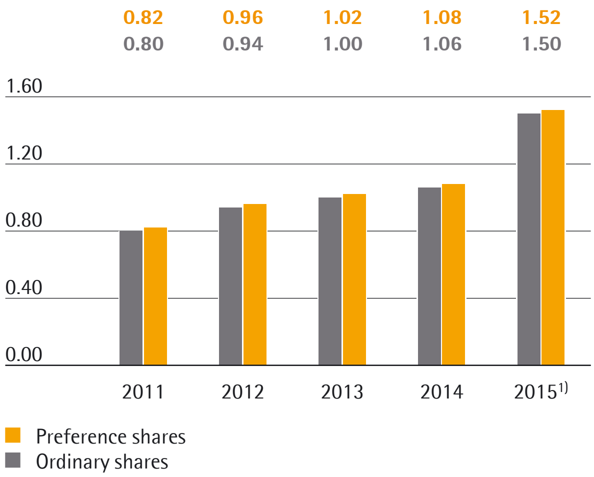
Institute	Date	Recommendation
Nord LB	February 3, 2016	Hold
HSBC Trinkaus & Burckhardt	February 3, 2016	Buy
Equita	February 2, 2016	Hold
Metzler	February 2, 2016	Buy
Oddo Seydler Bank	February 2, 2016	Hold
Berenberg Bank	Fabruary 1, 2016	Buy
DZ Bank	Fabruary 1, 2016	Buy
UBS	Fabruary 1, 2016	Buy
Kepler Cheuvreux	January 8, 2016	Hold
Commerzbank	February 21, 2016	Hold
LBBW	October 20, 2015	Hold

Dividends

The Sartorius Group strives to enable its shareholders to participate adequately in the company's success and has continuously raised dividends over the past years. Our dividend policy is basically oriented toward distributing an approximately stable share of relevant net profit (see definition on page XX) to our shareholders.

The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting on April 7, 2016, to pay dividends of €1.52 per preference share and €1.50 per ordinary share for fiscal 2015.

Dividends
in €



[1] Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

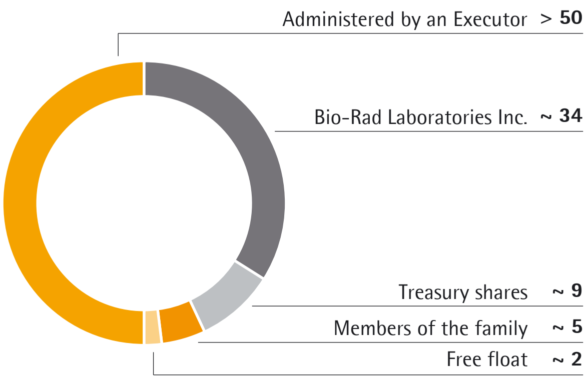
This would substantially increase the total profit distributed by 41.5%, from €18.2 million in the previous year to €25.8 million. The corresponding dividend payout ratio would be 24.0% relative to 24.7% a year earlier. Based on the 2015 year-end prices of the Sartorius preference and ordinary shares, this would result in a dividend yield of 0.5% for preference shares (previous year: 1.1%) and 0.6% for ordinary shares (previous year: 1.1%). Treasury shares held by the company are not entitled to dividend payments.

Shareholder Structure

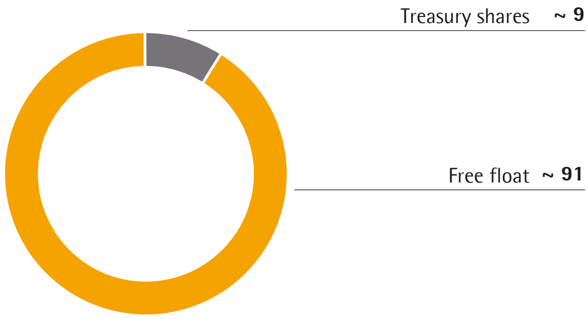
Sartorius AG's issued capital comprises 9.36 million ordinary shares and the same number of preference shares, each with a calculated par value of €1 per share. A good 50% of the ordinary shares are held by the Sartorius family and are under the management of an executor. Approximately 5% are held directly by members of the family, and approximately 9% are owned as treasury shares by the corporation. According to the most recent information available, the U.S. company Bio-Rad Laboratories Inc. holds around 34% of the ordinary shares. To our knowledge, the remaining approximately 2% of the ordinary shares are in free float.

Around 91% of the company's preference shares are in free float; roughly 9% are held as treasury shares by the corporation.

Shareholder Structure: Ordinary Shares
in %



Shareholder Structure: Preference Shares
in %



Key Figures for Sartorius Shares

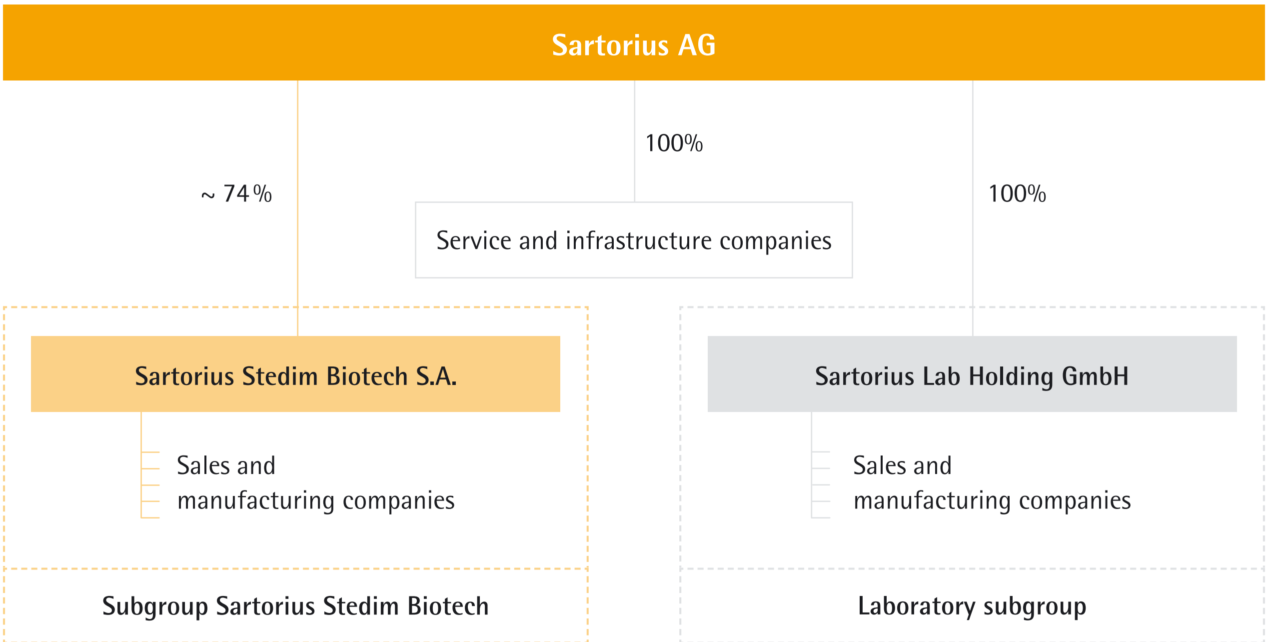
		2015	2014	2013	2012	2011
Ordinary shares[1] in €	Reporting date	314.00	98.00	84.98	65.30	30.83
	High	314.00	103.55	90.48	74.00	39.00
	Low	98.52	86.00	65.25	30.95	26.50
Preference shares[1] in €	Reporting date	240.45	101.25	86.52	67.25	35.50
	High	240.75	104.45	90.15	72.05	39.00
	Low	99.00	76.38	68.70	34.00	26.00
Market capitalization[2] in millions of €		4,740.1	1,698.3	1,461.8	1,129.8	565.3
Dividend per ordinary share[3] in €		1.50	1.06	1.00	0.94	0.80
Dividend per preference share[3] in €		1.52	1.08	1.02	0.96	0.82
Total dividends[3] [4] in millions of €		25.8	18.2	17.2	16.2	13.8
Payout ratio[3] [5] in %		24.0	24.7	26.6	25.7	26.2
Dividend yield per ordinary share[6] in %		0.5	1.1	1.1	1.4	2.6
Dividend yield per preference share[6] in %		0.6	1.1	1.1	1.4	2.3

[1] Xetra daily closing price
[2] Without treasury shares
[3] For 2015, amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG
[4] Calculated on the basis of the number of shares entitled to dividends
[5] Based on the relevant net profit: net profit adjusted for extraordinary items and non-cash amortization, based on the normalized financial result, including the corresponding tax effects
[6] In relation to the closing price in the year concerned

Combined Group Management Report

02

Structure and Management of the Group



Group Legal Structure

Sartorius is a globally operating company with subsidiaries in more than 30 countries. The parent company of the Sartorius Group is Sartorius AG, which, as a holding company, controls the Group's affiliates. Sartorius AG is headquartered in Goettingen, Germany, and is listed on the German Stock Exchange.

We manage our bioprocess business as a subgroup under the umbrella of Sartorius Stedim Biotech S.A., which is listed in Euronext Paris. As of December 31, 2015, Sartorius AG held around 74% of the shares in Sartorius Stedim Biotech S.A.

The Group's lab business is legally combined under Sartorius Lab Holding GmbH, in which Sartorius AG holds 100% of shares.

The consolidated financial statements include the parent company Sartorius AG and all major affiliates in which Sartorius AG has a controlling interest pursuant to IFRS 10.

Changes in the Group Portfolio

In the reporting year, Sartorius through its subgroup Sartorius Stedim Biotech acquired the companies BioOutsource Ltd. and Cellca GmbH in April 2015 and July 2015, respectively.

Headquartered in Glasgow, Scotland, BioOutsource Ltd. specializes in contract testing services in bioanalytics and biosafety. Most recently before being acquired, BioOutsource Ltd. generated annual sales of approximately €9 million. Cellca GmbH, based in Laupheim, Germany, offers biopharmaceutical companies services in product development. Its annual sales revenue amounted to around €6 million. Both acquisitions provide complementary products and services to the portfolio of the Bioprocess Solutions Division and were each initially consolidated as of the transaction date.

The sale of the Industrial Technologies Division announced in December 2014 was completed on February 6, 2015, with economic effect as of January 1, 2015. The net cash inflow as a result of the divestment of this business was around €90 million.

Organization and Management of the Group

The Sartorius Group conducts its operating business in two divisions: Bioprocess Solutions and Lab Products & Services. The divisions each combine their respective businesses for the same fields of application and customer groups, and share part of the infrastructure and central services. Based on the organization described, Sartorius has suitable structures in place that meet the prerequisites for the flexible and successful further development of the Group.

The Group's central management entity is the Sartorius Group Executive Committee (GEC), which currently has a membership of six: the members of the Executive Board of Sartorius AG, the executive members of the Board of Directors of Sartorius Stedim Biotech S.A. and one further senior manager with cross-divisional responsibility.

The Sartorius Group is consistently organized by function worldwide. Accordingly, the respective management responsibilities, including the senior management tiers immediately beneath the GEC, are performed across all sites and regions. Implementing the Group's various strategies and projects at the local level is the responsibility of the national affiliates. The management bodies of the local companies manage their organizations in accordance with the applicable statutory provisions, articles of association and rules of procedure and in keeping with the principles of corporate governance that apply throughout the Sartorius Group worldwide.

Financial Controlling and Key Performance Indicators

The Sartorius Group is managed using a number of key performance indicators, which are also decisive for the determination of the variable remuneration component for the Executive Board and managers.

A key management parameter that Sartorius uses to measure the development of its volume is currency-adjusted growth of sales revenue.

The key profitability measure is EBITDA adjusted for extraordinary items, i.e. underlying EBITDA.

Regarding the debt financing potential of the Sartorius Group, a further key indicator is the ratio of net debt to underlying EBITDA for the last twelve months.

Furthermore, the capex ratio, i.e., capital expenditures in proportion to sales revenue, represents a key control parameter.

In addition, the following financial and non-financial indicators are reported on a regular basis:

- Order intake
- Relevant net profit | Earnings per share
- Annual net profit | Earnings per share
- Equity ratio
- Net working capital
- Net cash flow from operating activities
- Number of employees

As a rule, the annual financial forecast that is published by management at the beginning of a fiscal year for the Group and the divisions refers to the development of sales revenue and of underlying EBITDA. The expected capex ratio as well as a directional forecast for the ratio of net debt to underlying EBITDA is additionally indicated for the Group. Sales revenue and order intake are mostly at a similar level at Sartorius due to its structure, but generally do not show any considerable timing differences and are subject to similar growth assumptions. For this reason, order intake is usually not budgeted separately and is not a component of the financial forecast.

Strategy and Goals

Sartorius Group business is organized according to two divisions: Bioprocess Solutions and Lab Products & Services. The division setup and strategy are as follows:

Bioprocess Solutions

With its Bioprocess Solutions Division, Sartorius is a leading international supplier of products and technologies for the manufacture of medications and vaccines on a biological basis, so-called biopharmaceuticals.

As part of our strategy as a total solutions provider, we offer the biopharmaceutical industry a product portfolio that covers virtually all steps of their production processes and increasingly their process development. These encompass cell culture media for seed fermentation and cultivation in various bioreactor sizes for cell propagation, as well as a range of technologies and equipment, such as filters and aseptic bags, for cell harvesting, purification and concentration, all the way to final filling.

In this business, Sartorius focuses in particular on single-use products, which represent around three quarters of the division's sales revenue. For our customers, single-use products are an innovative alternative to conventional reusable stainless steel systems: they provide considerable cost and time savings and reduce the risk of contamination. Sartorius has the most extensive portfolio of single-use technologies in the industry.

With its products, the division addresses an attractive market with above-average growth rates. Its sales and distribution activities are carried out globally by its own field force. As our customers' manufacturing processes are validated by the respective authorities, product quality and assurance of supply are essential.

We see the leading market positions of the division in process filtration, fluid management, fermentation and membrane chromatography as good stepping stones for sustained dynamic and profitable growth in the future. Besides realizing its organic growth potential, the division also plans to continue expanding through complementary acquisitions and alliances.

Lab Products & Services

The Lab Products & Services Division focuses on research and quality assurance laboratories in pharmaceutical and biopharmaceutical companies and on academic research institutes. The division additionally serves customers in the chemical and food industries. Its product portfolio covers instruments and consumables that laboratories require, for instance, in sample preparation, or use in other standard applications. Laboratory instruments, such as lab balances, pipettes and laboratory water systems, contribute around 60% to the division's sales revenue, and consumables such as products for microbiological tests, pipette tips and services account for 40% of its total sales.

Lab Products & Services sells its products through three distribution channels: specialized dealers and distributors, direct sales and e-business. While the distributor channel has long been well-established, its direct sales and e-business channels are being further expanded to strengthen the division's market position.

Sartorius is a well-known laboratory brand in the premium segment and has a strong market share on the whole. Based on the company's history, its market positions differ quite considerably depending on the region and product group. Against this background, we see significant potential for the Lab Products & Services Division to continue to grow organically. Due to economies of scale, this growth is projected to be accompanied by a further increase in margins. Beyond these targets, the division aims to expand its offering by complementary laboratory products, both through alliances and acquisitions.

Sartorius 2020 Strategy

In 2011, Sartorius defined its strategy and long-term targets for 2020 to achieve profitable growth. Assessment of Sartorius' performance nearly at the midpoint of this trajectory is positive. The company updated its financial plan for the first time at the beginning of 2016, raising its profitability forecast for 2020.

In view of revenue, Sartorius further projects that it will reach its sales target of €2 billion in constant currencies for the full year of 2020. Regarding the company's continued strong organic growth and its relatively small acquisitions, the increase in sales contributed by organic growth is expected to be higher from today's stance than had been projected in 2011, and the share of revenue generated by acquisitions is anticipated to be slightly lower.

In view of its profitability, Sartorius has already reached an EBITDA margin of about 23% in the reporting year, even though it had initially forecasted this figure for 2020. Sartorius thus achieved this target much earlier than originally expected. The reasons for this were higher economies of scale, an enhanced product portfolio and positive currency effects. On the basis of constant currencies, the company's underlying EBITDA margin is now expected to reach about 26% to 27% in 2020 instead of 23% formerly projected. This is assuming that the profitability of any future acquisitions would be at a level comparable to that of the existing business.

Sartorius' 2020 strategic plan is being implemented by various growth initiatives with the following areas of focus:

Regional Growth Initiatives

Regionally, North America and selected countries in Asia are at the focus of Sartorius' growth strategy.

North America is the world's largest market for the manufacture of biopharmaceuticals and laboratory products. Because North America is home to the main competitors for both company divisions, Sartorius has historically lower market share in this region than in Europe and Asia. Accordingly, the company is striving to gain market share, primarily by strengthening its sales and service capacities and reorganizing its sales and distribution processes.

Our second regional focus is on Asia, especially on China, South Korea and India. These markets have tremendous potential and, by international comparison, are growing at higher-than-average rates. To participate in this momentum in the best possible way, Sartorius invested substantially in its Asian sales infrastructure as well.

Expansion of Product Portfolio

Concerning the further development of our portfolio, the 2020 strategy also provides for making acquisitions for both Group divisions besides conducting our own R&D activities and entering into cooperative alliances. Such acquisitions will be primarily focused on adding complementary technologies and products that make the company's portfolio even more attractive from a customer perspective. We have strengthened our portfolio by six small- and medium-sized acquisitions since 2011.

Infrastructure

Efficient business processes, a powerful IT infrastructure and sufficient production capacities are to constitute the backbone of our projected growth. Based on standardized business processes worldwide, Sartorius is globally rolling out a new ERP system as part of its multi-year project. In addition, the company is considerably extending its production capacities at various locations and combining its sites still located in separate areas at its headquarters in Goettingen into one location in this city.

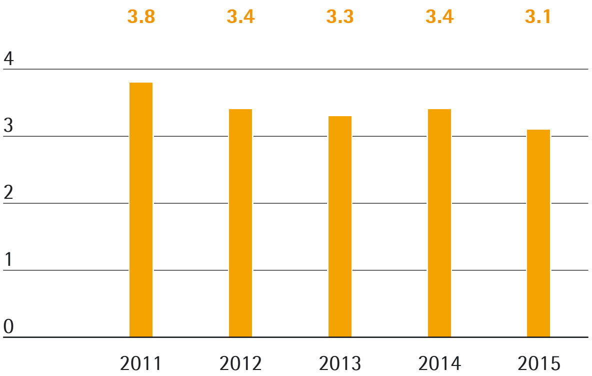
Macroeconomic Environment and Conditions in the Sectors

The two divisions of the Sartorius Group operate in sectors with different economic sensitivities. The Bioprocess Solutions Division is active in an environment that is largely unaffected by economic fluctuations. The Lab Products & Services Division, in contrast, conducts its business in part in sectors that are more dependent on economic developments.

Macroeconomic Environment

2015 was marked primarily by developments on the oil and foreign exchange markets and by geopolitical tensions. According to statements by the International Monetary Fund (IMF), the global economy grew by 3.1% during the reporting year, thus falling short of the original forecast of 3.8%.

Global Development GDP (2011 to 2015)
in %



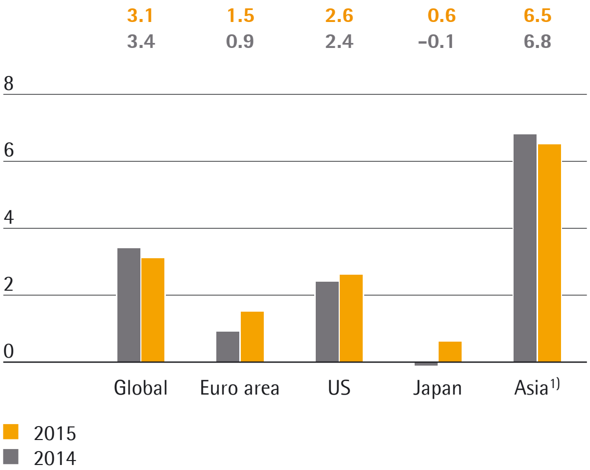
Source: International Monetary Fund

The industrialized countries grew 2% (up from 1.8% the year before), but as expected, the emerging economies made the greatest contribution to global economic growth, with a 4.0% increase in the GDP during the reporting year. The growth driver continued to be the Asian economic area, though with weaker momentum: Asia ended the year with growth of 6.5%, slightly under the previous year's level of 6.8%. The continued deceleration of China's development in particular had a dampening effect on growth there, which lay at 6.8% during the reporting year after reaching 7.3% the year before.

The GDP of the USA, the world's largest economy, rose markedly by 2.6%. Increased consumer spending and a decline in production costs owing to the downslide in the oil price both contributed positively to growth, but economic activity was hampered slightly by a decline in exports caused by the strong dollar.

Growth in the Euro zone economies amounted to 1.5%, according to the IMF, and was thus better than predicted at the beginning of the year. The low price of oil, export conditions made favorable by the weak euro, and the European Central Bank's expansive fiscal policy all had a positive impact.

Gross Domestic Product by Region
in %



1) Asia = China, India and Asean-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)

Source: International Monetary Fund

Exchange Rate Trends

Alongside the euro, important currencies for the Sartorius Group include especially the U.S. dollar and other currencies such as British pound, Swiss Franc, Chinese yuan, Japanese yen, Indian rupee and the Korean Won.

The euro-U.S. dollar exchange rate was influenced during the reporting year by the continued sluggishness of the European economy as well as by robust economic developments in the USA. As a result, the euro depreciated over the course of the year and ended it on December 31 at 1.09 U.S. dollars compared to 1.21 U.S. dollars at the end of 2014.

Interest Rate Trends

Average interest rates remained at historic low levels in the reporting year. Thus, the European Central Bank kept its base rate at the record low of 0.05%. The 3-month EURIBOR rate – the rate of interest on fixed-term deposits denominated in euros in interbank business – was at -0.13% on December 31, 2015 (previous year: 0.08%)

Sources: International Monetary Fund: World Economic Outlook October 2015; Bloomberg; ECB; de.euribor-rates.eu.

Sector Conditions

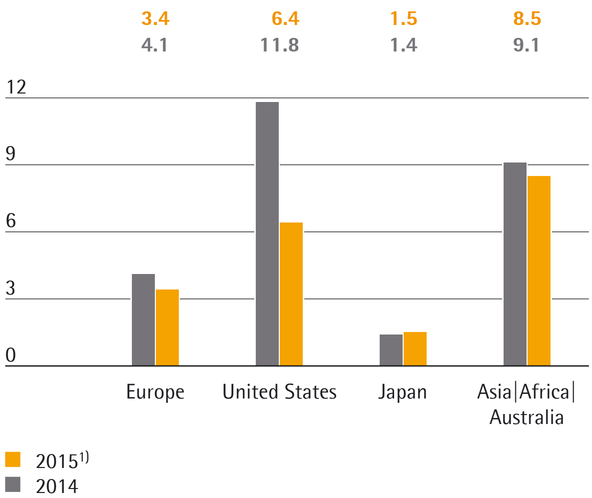
The key customers served by the Sartorius Group are from the biopharmaceutical and pharmaceutical industries, public research institutes and the chemical and food sectors. The progress of the Group's business accordingly depends to a considerable extent on developments in these industries.

Significant Growth in the Pharmaceutical Markets

The most important growth drivers in the global pharmaceutical industry remained unchanged during the reporting year: the world's steadily growing population, demographic change, improved access to health care in emerging markets in particular, and the availability of new medications. These positive factors were countered by austerity measures in healthcare systems and the expiration of patents.

According to the market research institute IMS Health, growth in the global pharmaceuticals market in 2015 was, at 6%, slightly above the long-term average of 5.4% (2009-14). As in previous years, the strongest growth dynamic was evident in the regions of Asia and Latin America, where conditions were favorable owing to the expansion of state-funded healthcare provision and higher out-of-the pocket spending. In the USA, the world's largest pharmaceutical market, growth normalized in comparison with the extraordinarily strong dynamic of the previous year, which was driven by a large number of new product approvals.

Growth of the Regional Pharma Markets
in %



[1] Mid point of prognosis range

Source: IMS Health

Above-Average Growth in the Biotechnology Market

The market for pharmaceuticals manufactured using biotech methods has grown overproportionately within the world's pharmaceutical market for many years now, and enjoyed particularly dynamic development during the reporting year. This is primarily attributable to the launch of many new biopharmaceutical drugs as well as additional market penetration of existing medicines, in part through expanded indications. For instance, the high R&D productivity of the biotechnology sector led to almost twice as many new approvals in the USA in 2014 as in previous years. Overall, the proportion of sales revenue on the world's pharmaceutical market accounted for by medications manufactured using biotech methods grew from around 20% in 2012 to approximately 24% during the reporting year.

Biosimilars, which are biological copycat medications, played a minor role in the growth of the biotechnology market in 2015. Compared with the markets for biosimilars in Europe and Asia, the important U.S. market is still underdeveloped. However, here the industry recorded significant progress during the reporting year: five biosimilars have meanwhile been submitted to the U.S. health authority FDA for approval, and the first market authorization was granted on the basis of an abbreviated approval procedure.

Trend Towards Single-Use Systems in Biopharmaceutical Production Continues

Biotech production methods are much more complex and cost-intensive than traditional methods. Consequently, manufacturers and suppliers are continuously looking to develop more efficient production technologies. Single-use products play a decisive role in this effort, because they require significantly less capital expenditure, reduce costs for cleaning and validation, and minimize downtime. They also offer greater flexibility and help accelerate time to market. Thanks in particular to their cost-efficiency, single-use technologies have already become well established in a large number of process steps.

Continued Soft Demand in the Public Research Sector

Some of the demand for our laboratory instruments and consumables comes from public-sector research. According to the market observers Frost & Sullivan, public-sector spending during the reporting year lay only slightly above last year's levels, thus corresponding to the moderate growth of the world's economy overall.

Chemical Sector Shows robust Increase in Production

The global chemical sector recorded an increase in production of approximately 2.8% during 2015. The U.S. chemical industry posted production growth of around 3.6% owing to the robust development of the domestic economy, but its counterpart in Europe grew by just 1.0%, according to statements by the European Chemical Industry Council (Cefic).

Competitive Position

The competitive environment in each of our two divisions is as follows:

The Bioprocess Solutions Division operates as a total solution provider, covering the core process steps in biopharmaceutical production and process development. It holds a leading global position in key technological fields, and offers the sector's most extensive portfolio of single-use technologies. The Bioprocess Solutions Division's principal competitors include Merck | Millipore, Danaher | Pall, General Electric and Thermo Fisher.

The Lab Products & Services Division is positioned as a premium provider of products along with excellent services, and serves both research and quality assurance laboratories across many industries. Our product range in this area includes laboratory balances and pipettes as well as a wide range of consumables. The division ranks among the leading providers worldwide in these areas. Principal competitors include Mettler Toledo, Thermo Fisher, Merck | Millipore, Danaher | Pall and Eppendorf.

Sources: IMS: IMS Health Market Prognosis, May 2015; Evaluate Pharma: World Preview 2015, Outlook to 2020, June 2015; Frost & Sullivan: 2015 Annual Report: Forecast and Analysis of the Global Market for Laboratory Products, November 2015; www.fda.gov; Citi Research: Biosimilars Real, Dangerous, Coming Soon, February 2015; Bernstein: Biosimilars Who is doing what?, November 2015; Cefic: 2015 Cefic General Assembly, October 2015; American Chemistry Council: Year-End 2015 Chemical Industry Situation and Outlook, December 2015..

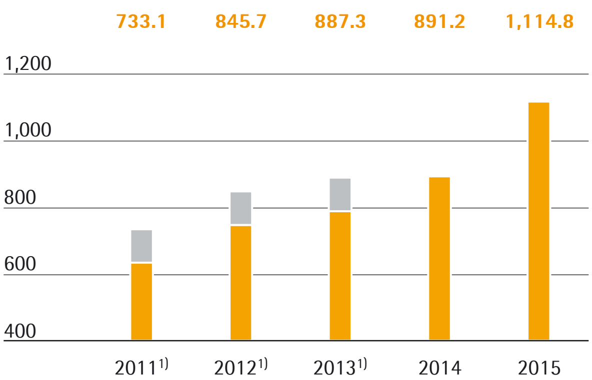
Group Business Development

Sales Revenue

In the reporting year, the Sartorius Group developed very dynamically, recording double-digit gains. In addition, exchange rates had a positive effect. Due to the outstanding performance of its largest division, Bioprocess Solutions, Sartorius exceeded its growth target forecasted at the beginning of the year.

Consolidated sales revenue rose 16.0% to €1,114.8 million in constant currencies. The reported increase was 25.1%.

Sartorius Group Sales Revenue 2011 – 2015
€ in millions



[1)] Incuding sales revenue of discontinued operations

Sales Revenue and Order Intake

€ in millions	2015	2014	Δ in % reported	Δ in % cc
Sales revenue	1,114.8	891.2	25.1	16.0
Order intake	1,172.7	929.2	26.2	17.1

Both divisions contributed to growth in the reporting year. The Bioprocess Solutions Division was the major growth engine again. In light of the stronger-than-expected expansion of the global biopharmaceutical market and additional market share gains, the division posted significant double-digit growth. Sales revenue for Bioprocess Solutions surged 20.9% from €615.6 million to €809.2 million (reported +31.4%). BioOutsource Ltd. and Cellca GmbH acquired in the reporting year contributed nearly two percentage points in constant currencies to the division's sales expansion.

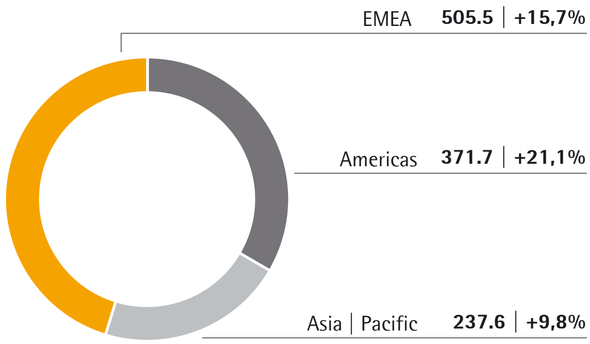
The Lab Products & Services Division recorded sales growth of 5.0% in constant currencies from €275.5 million a year ago to €305.5 million in the year under review. The sales gain reported was 10.9%.

Further information on the business development of the Group divisions is given on pages 40 et seq. for the Bioprocess Solutions Division and on pages 44 et seq. for the Lab Products & Services Division.

All rates of change shown in the following for regional development are in constant currencies, unless otherwise specified.

In the reporting year, Sartorius achieved substantial gains in all regions. In EMEA, the region contributing the highest share of sales revenue of around 45%, sales rose 15.7% to €505.5 million (reported +17.1% relative to €431.5 million). While the Bioprocess Solutions Division grew by 22.6% due to the strong demand for products in all of its segments, sales revenue for the Lab Products & Services Division rose 2.9%.

Sales Revenue and Growth[1)] by Region[2)]
€ in millions unless otherwise specified



[1)] In constant currencies
[2)] Acc. to customers' location

The Americas region, which accounted for around 34% of consolidated sales revenue in 2015, is a focus of Sartorius' growth strategy due to the region's high market potential. In the reporting year, Sartorius achieved an increase of 21.1% to €371.7 million, the highest growth rates across all regions (reported +42.8% relative to €260.3 million). The Bioprocess Solutions Division gained further market share, recording an uptick of 25.9% in sales revenue. Sales for the Lab Products & Services Division rose 1.8% against high year-earlier comparables.

Driven by both divisions, sales revenue for the Asia | Pacific region that accounts for around 21% of sales improved in the reporting year by 9.8% to €237.6 million (reported +19.2% relative to €199.4 million). In the Bioprocess Solutions Division, order volume in 2015 rose by double digits, whereas sales, by comparison, grew 8.9% relative to a high revenue base a year ago. Sales revenue for the Lab Products & Services Division climbed 11.4%.

Development of Costs and Earnings

Sartorius slightly adjusted its reporting in 2015. As a result, regular amortization of capitalized development costs formerly disclosed in the research and development costs is now reported in the cost of sales. The prior-year figures were restated to facilitate better comparison.

In the reporting year, the cost of sales stood at €563.0 million. In comparison with sales revenue growth of 25.1%, the cost of sales increased underproportionately by 20.2%. The cost of sales ratio was 50.5% relative to 52.6% a year ago.

Functional costs for the Sartorius Group developed in fiscal 2015 as follows: Selling and distribution costs likewise rose underproportionately by 12.8% relative to sales revenue, to €225.9 million. The ratio of selling and distribution costs to sales revenue decreased from 22.5% in the previous year to 20.3%.

Expenses for research and development rose in the reporting year in both divisions. At Group level, these costs increased 20.5% to €52.5 million. This equates to 4.7% of sales revenue, compared with 4.9% in the prior year.

Concerning general administrative expenses, we reported a 12.8% increase to €65.7 million, which can be attributed, inter alia, to the expansion of specific functional areas, such as IT in connection with our Sartorius 2020 strategy. In relation to sales revenue, general administrative expenses dropped from 6.5% a year ago to 5.9% in the reporting year.

In fiscal 2015, the balance of other operating income and expenses was - €15.3 million relative to €5.5 million a year earlier. This year-on-year deviation was driven, inter alia, by effects relating to currency hedging and higher extraordinary items.

Overall, Group operating expenses rose 20.6% year over year. Accordingly, EBIT increased overproportionately with respect to sales revenue by 52.5% to €192.3 million. The Group's EBIT margin rose to 17.3% (2014: 14.2%).

The financial result improved to - €20.0 million in 2015 from - €29.9 million in 2014. The prior-year figure was impacted by valuation effects from hedging transactions related to the refinancing of our syndicated loans, among other items. In the reporting year, income taxes totaled €55.0 million (2014: €32.4 million). The company's tax rate was 31.9% after 33.6% in the year before.

Net profit for the period rose from €68.4 million to €158.2 million. The Industrial Technologies Division to be reported as a discontinued operation accounted for €40.8 million (2014: €4.5 million), which includes the gain that resulted from the sale of this entity in the first quarter of 2015.

Net profit attributable to shareholders of Sartorius AG and including its discontinued operation rose in the reporting year to €126.3 million relative to €48.5 million in 2014. Non-controlling interest stood at €31.9 million (2014: €19.9 million), which essentially reflected shares in Sartorius Stedim Biotech S.A. not held by the Sartorius Group.

Statement of Profit or Loss

€ in millions	2015	2014[1)]	in %
Sales revenue	1,114.8	891.2	25.1
Cost of sales	–563.0	–468.4	–20.2
Gross profit on sales	**551.7**	**422.8**	**30.5**
Selling and distribution costs	–225.9	–200.3	–12.8
Research and development costs	–52.5	–43.6	–20.5
General administrative expenses	–65.7	–58.3	–12.8
Other operating income and expenses	–15.3	5.5	–378.1
Earnings before interest and taxes (EBIT)	**192.3**	**126.1**	**52.5**
Financial income	6.6	3.4	97.5
Financial expenses	–26.6	–33.3	20.0
Financial result	**–20.0**	**–29.9**	**33.2**
Profit before tax	**172.4**	**96.2**	**79.1**
Income taxes	–55.0	–32.4	–69.8
Profit after tax from continuing operations	**117.4**	**63.9**	**83.9**
Profit after tax from discontinued operation	**40.8**	**4.5**	**801.5**
Net profit for the period	**158.2**	**68.4**	**131.4**
Attributable to:			
Equity holders of Sartorius AG	126.3	48.5	160.5
Non-controlling interest	31.9	19.9	60.6

1) Restated

Underlying EBITDA

The Sartorius Group uses underlying EBITDA – earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items – as its key profitability indicator. More information on extraordinary items is provided on page 161.

Reconciliation from EBIT to Underlying EBITDA

€ in millions	2015	2014
EBIT	192.3	126.1
Extraordinary items	12.6	8.3
Amortization | depreciation	58.3	52.3
Underlying EBITDA	263.2	186.8

In fiscal 2015, the Sartorius Group increased its earnings overproportionately yet again. Underlying EBITDA thus rose sharply by 40.9% to €263.2 million. The Group's respective underlying EBITDA margin improved, especially due to economies of scale, from 21.0% to 23.6%, exceeding our expectations communicated at the beginning of the year. The currency environment also had a positive effect in the reporting period, contributing around 0.5 percentage points to this margin increase.

	Underlying EBITDA € in millions	Underlying EBITDA margin in %
Group	**263.2**	**23.6**
Bioprocess Solutions	214.5	26.5
Lab Products & Services	48.8	16.0

The Bioprocess Solutions Division significantly increased its underlying EBITDA by 47.3% from €145.6 million to €214.5 million. This gain was primarily driven by sales-related economies of scale. The division's margin rose from 23.7% to 26.5%. The Lab Products & Services Division also substantially increased its earnings. Driven by sales growth and currency effects, the division's underlying EBITDA was up year over year by 18.4% from €41.2 million to €48.8 million. Its earnings margin improved from 15.0% to 16.0%.

Consolidated EBIT including extraordinary items of -€12.6 million (2014: -€8.3 million), depreciation and amortization, totaled €192.3 million, up from €126.1 million a year ago. Extraordinary items essentially resulted from various cross-divisional projects and from the integration of BioOutsource and Cellca. The Group's respective EBIT margin was 17.3% relative to 14.2% in the previous year.

Relevant Net Profit

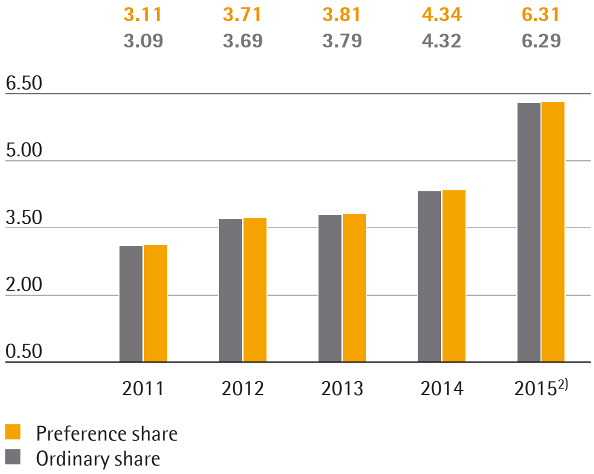
The relevant net profit attributable to the shareholders of Sartorius AG rose 45.6% from €73.7 million in 2014 to €107.4 million in 2015. This figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization and and is based on the normalized financial result as well as the corresponding tax effects for each of these items. The respective underlying earnings per ordinary share climbed by 45.7% to €6.29, up from €4.32 a year earlier, and by 45.5% per preference share to €6.31 euros, up from €4.34 euros a year ago.

€ in millions	2015	2014
EBIT	192.3	126.1
Extraordinary items	12.6	8.3
Amortization	16.0	14.1
Normalized financial result[1]	–14.2	–20.2
Normalized income tax (2015: 30%, 2014: 30%)[2]	–62.0	–38.5
Underlying earnings	144.7	89.8
Non-controlling interest	–37.4	–23.7
Underlying earnings after taxes and non-controlling interest	107.4	66.1
Underlying earnings per share		
per ordinary share (in €)	6.29	3.87
per preference share (in €)	6.31	3.89
Relevant net profit after non-controlling interest[3]	107.4	73.7
Underlying earnings per share		
per ordinary share (in €)	6.29	4.32
per preference share (in €)	6.31	4.34

1) Financial result excluding fair value adjustments of hedging instruments and non-periodic expenses and income
2) Underlying income tax, based on the underlying profit before taxes and non-cash amortization
3) Including discontinued operation

Further information on earnings development and extraordinary items for the Group divisions is given on pages 40 et seq. and 44 et seq.

Underlying Earnings per Share[1]
in €



1) Adjusted for extraordinary items and non-cash amortization, based on the normalized financial result, including the corresponding tax effects
2) Excluding discontinued operation

Appropriation of Profits

The Sartorius Group strives to enable its shareholders to participate adequately in the company's success and has continuously raised dividends over the past years. In line with this objective, we basically follow a dividend policy of paying out an approximately stable share of relevant net profit (see definition on page 161) to our shareholders.

The Supervisory Board and the Executive Board will submit a proposal at the Annual Shareholders' Meeting on April 7, 2016, to raise dividends for fiscal 2015. According to this proposal, dividends are set to increase from €1.08 a year earlier to €1.52 per preference share, and from €1.06 in the year before to €1.50 per ordinary share. The total amount disbursed under this proposal would rise by 41.5% from €18.2 million to €25.8 million. The corresponding dividend payout ratio would thus be 24.0% relative to 24.7% in the prior year.

Research and Development

Spending on research and development (R&D) across the Sartorius Group amounted to €52.5 million during the reporting year, which represents a year-on-year increase of 20.5% (2014: €43.6 million). Due to strong sales growth and positive currency effects, the ratio of R&D costs to sales revenue stood at 4.7%, slightly below 4.9% a year earlier.

The IFRS require that certain development costs be capitalized on the statement of financial position first, then amortized over subsequent years. In the reporting year, these development investments amounted to €12.3 million, down slightly from €13.7 million the year before. This equates to a share of 18.9% (2014: 24.0%) of the Group's total R&D expenses. Amortization related to capitalized development costs totaled €5.5 million during the reporting period (2014: €6.9 million). As of fiscal 2015, these expenses are disclosed in the cost of sales. To ensure comparability, prior-year figures have been restated accordingly.

We pursue a strategic intellectual and industrial property rights policy across our divisions to protect our expertise. This entails a systematic program to detect any infringements of our rights, plus reviews based on a cost | benefit approach to determine which specific individual rights need to be maintained.

In 2015, we filed a total of 127 applications for intellectual and industrial property rights (2014: 167). As a result of these applications that included those of prior years, we were issued 264 patents and trademarks during the reporting year (2014: 228). As of the balance sheet date, we had a total of 3,190 patents and trademarks in our portfolio (2014: 2,987).

Further information is provided in the sections covering the individual divisions on pages 40 et seq. and 44 et seq.

Capital Expenditures

As planned, we increased capital expenditures considerably in the reporting year to €113.1 million from €80.9 million in 2014. The ratio of capital expenditures to sales revenue was 10.1%, compared with 9.1% in the previous year.

In fiscal 2015, a substantial part of our capital expenditures were related to investments in the expansion of our production capacities, in particular to our instrument and filter manufacture at the Goettingen site and the production of laboratory consumables in Stonehouse, U.K.

The multi-year project for consolidating and expanding Sartorius Group headquarters in Goettingen, Germany, continued to progress on schedule in 2015.

In addition, we invested in a new data center and rolled out our new ERP system at our locations in the USA.

Employees

The numbers of employees reported here include all staff members except for vocational trainees, interns, employees on extended leaves of absence and those participating in an early retirement plan. Numbers are reported as head counts.

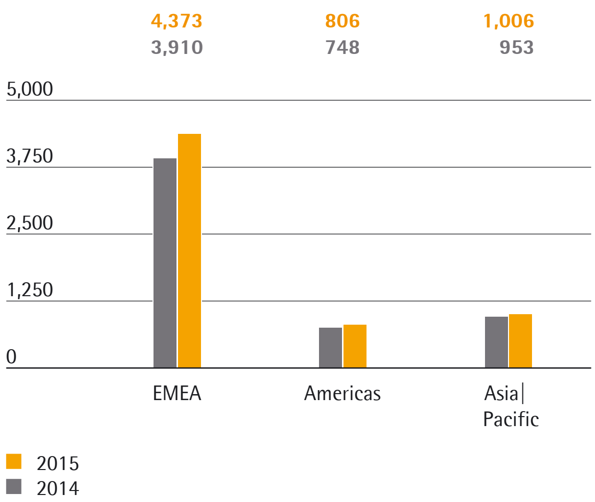
On December 31, 2015, the Sartorius Group employed 6,185 people – 574 more than in the previous year. These figures include 132 employees from our two most recent acquisitions.

Employees

	2015	2014	Growth in %
Group	**6,185**	**5,611**	**10.2**
Bioprocess Solutions	4,030	3,527	14.3
Lab Products & Services	2,155	2,084	3.4

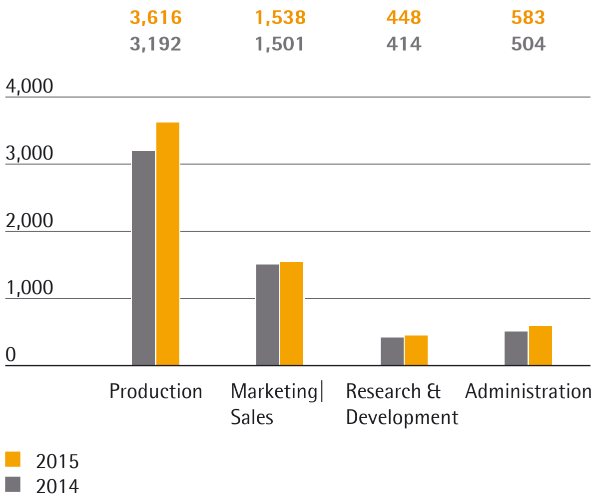
At the end of 2015, the majority of the workforce – 65.2% – worked in the Bioprocess Solutions Division; 34.8% were employed in the Lab Products & Services Division. Employees in central administrative functions were allocated to the divisions in proportion to the duties they performed during the year.

Employees by Region



Three percentage points of the 11.8% growth in employees in the EMEA region was attributable to our two acquisitions during the reporting year, with the remaining growth due primarily to the expansion of our production in France and Tunisia. At our Group sites in Germany, where 38.1% of our employees work, the increase amounted to 4.9%. The Americas region charted a plus of 7.8%, down from stronger growth in recent years. The number of employees in the Asia | Pacific region grew by 5.6%.

Employees by Function



When broken down by function, the workforce in production accounted for the largest share of staff, at 58.5% – an increase of 13.3% attributed primarily to the new employees Sartorius hired at its production sites in Aubagne und Mohamdia in response to strong demand for single-use bags. Around one quarter of the Group's employees worked in marketing and sales. Sartorius has reinforced its sales teams in recent years, and in 2015 growth amounted to 2.4%. Our staff in Research & Development accounted for 7.2% in 2015, representing an increase of 8.2% that is partly due to the two acquisitions, since a majority of the employees in these companies work in R&D functions. Growth of 15.6% in administration was attributed especially to new hires in the Finance, IT and HR areas in France and Germany, as well as to new staff recruited for support functions in Puerto Rico. During the reporting year, administrative employees constituted 9.4% of the total workforce.

The following analyses do not include the 132 employees of BioOutsource and Cellca.

Employees by Age

	2015 Number	2015 in %	2014 Number	2014 in %
16 –20 years	27	0.4	24	0.4
21 –30 years	1,355	22.4	1,184	21.1
31 –40 years	1,789	29.6	1,666	29.7
41 –50 years	1,522	25.1	1,472	26.2
51 –60 years	1,163	19.2	1,092	19.5
61 years and above	197	3.3	173	3.1

Around half of our employees were between 31 and 50 years of age in 2015. At 40.5, the average age of all employees was just under the previous year's average of 40.8 years.

As of December 31, 2015, 3,797 men and 2,256 were employed by the Sartorius Group, which corresponds to a share in the total workforce of 62.7% (2014: 63.2%) for men and 37.3% (2014: 36.8%) for women.

German legislation to promote the equality of participation among men and women in private sector management positions as of May 1, 2015, requires Sartorius to define targets for the proportion of women in management that need to be met by June 30, 2017. The proportion of women in the first tier of management below the Executive Board is scheduled to increase from 19% on the reporting date of June 30, 2015, to 25%, and in the second tier from 27% to 30%.

New Hires, Attrition Rate, Average Seniority and Absenteeism

	2015	2014
New hires	1,068	731
Number of staff who left[1]	74	75
Attrition rate[2], excluding expired fixed-term contacts (in %)	7.1	6.2
Attrition rate[2], including expired fixed-term contracts (in %)	10.6	8.6
Average seniority (in years)	9.5	9.8
Absenteeism rate[3] (in %)	3.7	3.6

[1] Owing to dismissals or layoffs by the company

[2] Ratio of people leaving the company as a percentage of the average headcount (2015: 5,872.8), including contracts terminated by either the employee or the employer, retirements, and other reasons for leaving the company

[3] Excluding time lost due to long-term health conditions and maternity, parental, sabbatical and unpaid leave

The attrition rate, which expresses the number of people leaving the company as a percentage of the average head count, was at a comparatively low level of 10.6% at Sartorius in 2015, and amounted to 7.1% when expired fixed-term contracts are excluded. In general, fluctuation is subject to sizable regional differences: Europe typically has the lowest levels of fluctuation, whereas changing employers is more common in Asia and fluctuation there is thus usually high. At Sartorius, too, staff fluctuation is the lowest at the Group's German sites, at 3.1% (not including expired fixed-term contracts). In India, Sartorius has been able to reduce fluctuation significantly in recent years through a variety of measures aimed at increasing employee loyalty and motivation. As a result, fluctuation in this country dropped after many years of double-digit figures, to 8.2% in 2015 (not including expired fixed-term contracts).

The absenteeism rate, defined as the proportion of planned working time that is not worked due to general absences, is generally dependent on factors such as influenza waves. At Sartorius, absenteeism during the reporting remained roughly constant at 3.7%. The average number of days missed per employee due to illness slightly increased from 6.6 days in 2014 to 7.1 days in 2015.

Detailed information on Sartorius as an employer and on our personnel strategy and development is given in the chapter on Sustainable Corporate Management beginning on p. 85.

Net Worth and Financial Position

Cash Flow

Net cash flow from operating activities for the Sartorius Group was €125.4 million relative to €129.7 million a year ago; which include €4.0 million related to the discontinued operation. Besides the growth-induced increase in working capital, termination of the company's factoring program in the reporting year had an impact of around €50 million on operating cash flow.

As planned, investments in 2015 were higher than in the previous year. Net cash outflow from investing activities increased from €82.0 million in 2014 to €110.6 million in 2015.

The sale of the Industrial Technologies Division resulted in a gross cash inflow of around €90 million in the reporting period. In contrast, cash outflows related to acquisitions reflect the purchase of the companies BioOutsource Ltd. and Cellca GmbH. Overall, net cash flow from investing activities and acquisitions | divestitures was - €91.4 million compared with - €86.3 million in the previous year.

Thus, the Sartorius Group financed its investments and acquisitions entirely from operating cash flows, as in the previous year.

Cash Flow Statement
Summary

€ in millions	**2015**	2014
Net cash flow from operating activities	125.4	129.7
Of which discontinued operation	1.0	4.0
Net cash flow from investing activities and acquisitions	–91.4	–86.3
Of which discontinued operation	72.9	–3.6
Net cash flow from financing activities	–40.8	–41.9
Of which discontinued operation	0.0	0.0
Cash and cash equivalents	52.8	40.6
Gross debt	396.8	392.1
Net debt	344.0	335.6

Consolidated Statement of Financial Position

The balance sheet total of the Sartorius Group increased €164.2 million to €1,437.2 million as of the reporting date on December 31, 2015.

Non-current assets rose €122.9 million to €959.9 million due to investments and acquisitions made in the reporting year.

Current assets at €477.4 million were €41.3 million higher than in the previous year. The disposal of assets of €75.9 million related to the sale of the Industrial Technologies Division at the beginning of the reporting year offset the increase in working capital mentioned above.

Key Figures for Working Capital

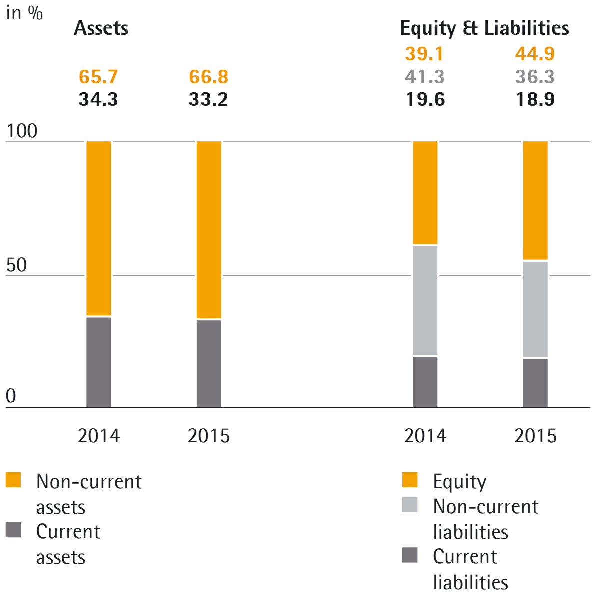
in days		**2015**	2014[1]
Rate of turnover for inventories			
Inventories | Sales revenue	x 360	61	59
Rate of turnover for receivables			
Trade receivables | Sales revenue	x 360	62	70
Rate of turnover for net working capital			
Net working capital[2] | Sales revenue	x 360	87	92

[1] Excluding effect from factoring program
[2] Sum of inventories and trade receivables less the trade payables

Equity increased, driven by earnings, from €497.7 million to €644.8 million. The equity ratio for the Sartorius Group rose from 39.1% in 2014 to 44.9% in 2015.

Current and non-current liabilities for the Sartorius Group edged up slightly from €775.4 million a year ago to €792.5 million in the reporting year. The growth-induced increase in working capital particularly contributed to this figure. In conjunction with the Group's discontinued operation, liabilities of around €30.6 million were sold in the year under review.

Balance Sheet Structure

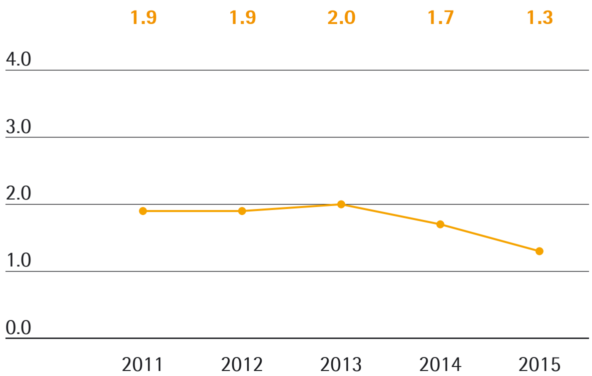


Gross debt, which is comprised of liabilities to banks, including a note loan ("Schuldscheindarlehen") and finance leases, stood at €396.8 million, approximately at the prior-year level of €392.1 million. Net debt, defined as gross debt less cash and cash equivalents, rose slightly from €335.6 million a year ago to €344.0 million.

Ratio of Net Debt to Underlying EBITDA

Regarding the Sartorius Group's borrowing potential, the ratio of net debt to underlying EBITDA is a key financial ratio. It improved as of December 31, 2015, to 1.3 against 1.7 a year earlier. These ratios include the discontinued operation of the Sartorius Group.

Ratio of Net Debt to Underlying EBITDA[1)2)]

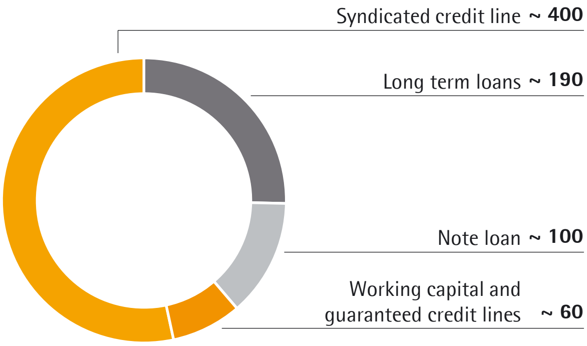


[1)] Underlying
[2)] Including discontinued operation 2011 - 2014

Financing | Treasury

The Sartorius Group is financed on a long-term, well-diversified basis, which covers both its short-term cash requirements and its long-term strategy.

Main Financing Instruments
€ in millions



A major pillar of this financing is the syndicated credit line of €400 million concluded in December 2014 with a maturity term that was extended in the reporting year to six years total.

An additional component of the company's financing is the note loan ("Schuldscheindarlehen") placed in 2012 with a volume of €100 million and maturities of five to ten years. Furthermore, several long-term loans amounting to around €190 million are available to expand our production capacities, among other projects. Beyond these components, we have diverse working capital and guaranteed credit lines totaling approximately €60 million.

The financing instruments mentioned above for the Sartorius Group comprise those with both fixed and variable interest rates. Some of the Group's variable interest-rate bank loans are hedged against an increase in the general interest rate level.

As a consequence of its global business activities, the Sartorius Group is exposed to fluctuations in foreign exchange rates. The main foreign currencies include the U.S. dollar, Japanese yen and British pound. Using its global manufacturing network with production facilities in North America, the U.K., China and India, among other places, Sartorius can compensate for the majority of currency fluctuations by natural hedging.

We generally hedge approximately two-thirds of our remaining net currency exposure over a period of up to 1.5 years through suitable currency transactions.

Business Development of Bioprocess Solutions

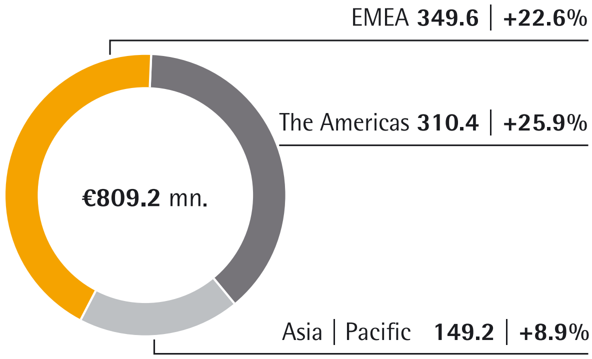
- Sales growth and earnings margin exceed expectations
- Market share gains in dynamic marketplace environment
- Portfolio expansion in process development due to two acquisitions

Key Figures

€ in millions	2015	2014	Δ in %
Sales revenue	**809.2**	615.6	20.9 [1]
Order intake	**869.9**	652.7	22.8 [1]
Underlying EBITDA	**214.5**	145.6	47.3
as a % of sales	**26.5**	23.7	
Employees[2]	**4,030**	3,527	14.3

Sales Revenue and Growth by Region [1]

€ in millions, unless otherwise specified



Products for Biopharmaceutical Manufacture

Filters for sterilization of biopharmaceutical media

Culture media and buffers for cell cultivation

Innovative single-use filter technology for clarification

New single-use bags for cell cultivation and storage of biopharmaceuticals

Membrane adsorbers for safe, reliable and efficient purification in bioprocesses

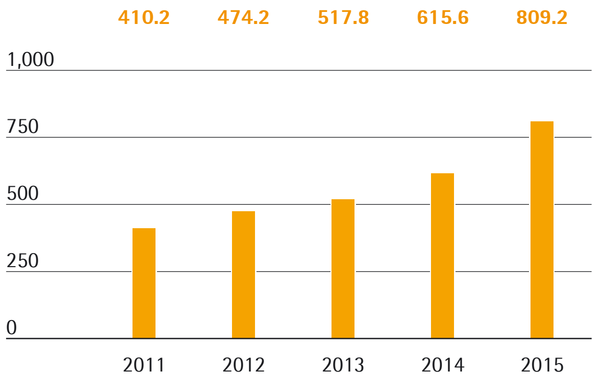
Single-use bioreactor systems for cell cultivation processes of up to 2,000 L

[1] In constant currencies [2] As of December 31

Sales Revenue

For fiscal 2015, the Bioprocess Solutions Division reported above-average growth rates yet again, which were higher than projected at the beginning of the year. This development was driven by both stronger than expected growth of the biopharma market and market share gains.

Sales Revenue 2011 to 2015
€ in millions



Sales Revenue and Order Intake

€ in millions	2015	2014	Δ in % reported	Δ in % cc
Sales revenue	809.2	615.6	31.4	20.9
Order intake	869.9	652.7	33.3	22.8

Sales revenue for the division rose during the same period from €615.6 million to €809.2 million, which equates to a currency-adjusted gain of 20.9% (reported +31.4%). All product segments contributed to this expansion, especially single-use technologies, such as bags and filters. BioOutsource Ltd. and Cellca GmbH acquired in the reporting year also developed very positively and contributed nearly 2 percentage points in constant currencies to the division's sales revenue growth.

All following regional changes are in constant currencies, unless otherwise specified.

The positive development of the Bioprocess Solutions Division was fueled by all regions. The Americas and EMEA regions grew very dynamically in which the division gained market share according to our estimates. EMEA, which generated the highest sales accounting for around 43% of the division's revenue, reported a sharp increase in sales revenue of 22.6% to €349.6 million (reported +24,9% compared to €280.0 million. The Americas region, which represented around 38% of the division's sales revenue, saw a strong upsurge of 25.9% to €310.4 million (reported +48.8% compared to €208.6 million). In the Asia | Pacific region, which accounted for around 18% of total sales, we recorded double-digit gains in order volume. Sales revenue for this region rose 8.9% to €149.2 million (reported +17.5% compared to €127.0 million).

Earnings

Earnings of the Bioprocess Solutions Division advanced significantly primarily due to economies of scale induced by dynamic sales revenue growth. Underlying EBITDA thus increased overproportionally by 47.3% from €145.6 million to €214.5 million. The division's respective margin rose from 23.7% to 26.5%, exceeding our initial guidance. Currency effects added around 0.5 percentage points to this margin improvement.

Bioprocess Solutions: Underlying EBITDA and EBITDA Margin

	2015	2014
Underlying EBITDA in € millions	214.5	145.6
Underlying EBITDA margin in %	26.5	23.7

The division recorded extraordinary items of -€8.2 million in the reporting year relative to -€5.9 million a year ago.

Products and Sales

The product portfolio of the Bioprocess Solutions Division covers virtually all steps in biopharmaceutical production processes, from media for cell cultivation to bioreactors in various sizes for cell propagation, filters for purifying cell material, and systems for the storage and transport of intermediate and finished products. We also offer an extensive range of services to support our customers in complying with stringent regulatory process requirements, including installation, maintenance and repair as well as validation and consulting activities and contract testing.

Acquisitions Expand the Process Development Product Range

So far, the Bioprocess Solutions product portfolio was primarily focussed on large-scale biopharmaceutical production processes. However, during the reporting year we expanded our offering in the area of process development through the acquisition of the two companies BioOutsource and Cellca.

The acquisition of BioOutsource now enables Sartorius to offer a broad spectrum of analytic services. These tests are used in the development of drug candidates, for instance in the characterization of and comparisons between reference and generic products, as well as in later production processes such as the release of batches of medications. BioOutsource's service offer is aimed especially at the strongly growing biosimilar industry.

Sartorius also strengthened its portfolio by acquiring Cellca, a company with a platform technology for biopharmaceutical companies that pursue in-house process development only partially or not at all. Its offer comprises the optimization of the expression system as well as cell line, media, and process development.

Together with our single-use products, cell culture media and small-volume bioreactors, we have now built up an attractive portfolio for process development and optimization especially for younger biopharma and biosimilar companies.

Bioprocess Portfolio Extended Further

In addition to extending the product portfolio during the reporting year through acquisitions, the division launched new generations of existing product lines as well as new single-use technologies.

In 2014 we introduced single-use fermentation bags made from a newly developed polyethylene film, and extended the application spectrum of this film to bags for storage processes during the year under review. As a result, our customers only have to obtain validation for a single film material and can thus significantly reduce their validation time and costs. In addition, the new single-use bags are preconfigured for specific process steps and can therefore be used directly upon delivery.

During the reporting year, Sartorius also introduced a new single-use-based technology for clarification that offers an alternative to the traditional preparation of cultures using centrifuges. What used to be separate process steps can now be carried out in a single step with all the advantages of a single-use system, saving both time and money.

To expand our offer of process analytical tools (PAT), we concluded a development cooperation during the reporting year with em-tec, a company that specializes in non-invasive flow measurement. Their disposable sensors are used in a variety of biopharmaceutical process steps to determine the flow and mass of cell material, and enable critical parameters to be measured in real time without direct contact with the medium. This will allow our customers to automate and optimize their processes even more strongly than before.

Sales Activities Expanded

The Bioprocess Solutions Division markets its product portfolio directly through its own field sales representatives. Sales activities for key accounts are coordinated and supported by global key account management. Moreover, sales and distribution activities in North America were stepped up during the reporting year in connection with the implementation of the 2020 strategy. We established a new applications center in Bohemia in 2015 following the opening of a new center in Shanghai the year before. These centers allow the presentation of all of the key products and complete solutions as well as demonstrations of a variety of different applications. Our customers also have the opportunity to simulate experiments or take part in training. We also formed a sales cooperation for membrane chromatography with GE Healthcare, the market leader in chromatography. We see this cooperation with GE as a good opportunity to establish our single-use solution on a broader base on the market as an attractive alternative to traditional reusable chromatography systems.

Research and Development

Our research and development activities encompass both in-house developments in our own core technologies as well as the integration of products through alliances with partners from universities and industry.

In-house research and development at Sartorius focuses in particular on the following technology areas: membranes, which are the core component of all types of filter products; various base technologies for a broad spectrum of applications in bioprocesses, such as single-use containers and sensors; and control technologies, for instance for fermentation. Moreover, we have extensive expertise in bioprocess application development.

Our research and development activities have the goal of helping our customers continually optimize their processes and steadily increase their efficiency. Thus during the reporting year, one focus of our R&D activities was the development of a fermentation system with which up to eight small-volume single use bioreactors can be operated simultaneously. This multiparallel operation will enable our customers to significantly increase their process development productivity.

In the area of depth filtration, we are working on the development of a single-use solution for the preparation of cultures with low cell density. This solution is characterized in particular by ease of use and flexible scalability.

From a regional perspective, the largest R&D site is located in Goettingen, with other key R&D activities taking place in Aubagne, Guxhagen, Bangalore and Royston. Overall, our research and development activities are becoming increasingly international.

Spending on research and development at the Bioprocess Solutions Division amounted to €39.5 million in the reporting year relative to €32.4 million a year earlier. The ratio of R&D costs to sales revenue was 4.9%, compared with 5.3% in the previous year.

Production and Supply Chain Management

The Bioprocess Solutions Division operates a well developed global production network with plants in Europe, North America and Asia. The largest production sites are located in Germany, France and Puerto Rico. Moreover, Sartorius has manufacturing operations in Switzerland, the UK, Tunisia and India.

Each of our production sites fundamentally serves as a center of competence for particular technologies. The Group's biggest plant in Goettingen, for example, concentrates chiefly on the production of membrane filters, whereas the Aubagne and Mohamdia sites primarily manufacture single-use bags. Our plant in Yauco supplies membrane filters and single-use bags principally for the U.S. market. The Guxhagen site specializes in bioreactors and other systems for bioprocess applications. It collaborates closely with the Bangalore site, which mainly produces stainless steel units for these systems.

In response to the double-digit growth of the Bioprocess Solutions Division, Sartorius is making ongoing investments in the expansion of its production capacity as well as the optimization of its production processes. For instance, an additional casting machine for the production of filter membranes was commissioned at the Goettingen site, and in Yauco preparations were undertaken for the expansion of production. In addition, production turnaround times have been shortened at the three main bag production plants in Yauco, Aubagne and Mohamdia, and individual process steps have been decoupled. As a result, during the year under review we were able to improve delivery times for single-use bags despite very strong demand.

Business Development of Lab Products & Services

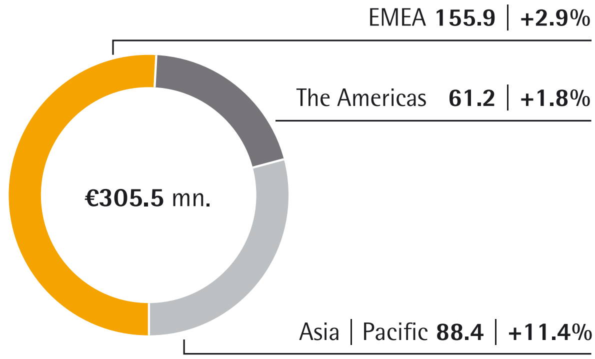
- Solid sales growth within expectations
- Strong demand especially for laboratory consumables
- Expansion of direct sales with key accounts and e-business

Key Figures

€ in millions	**2015**	2014	Δ in %
Sales revenue	**305.5**	275.5	5.0 [1]
Order intake	**302.8**	276.5	3.7 [1]
Underlying EBITDA	**48.8**	41.2	18.4
as a % of sales	**16.0**	15.0	
Employees[2]	**2,155**	2,084	3.4

Sales Revenue and Growth by Region [1]

€ in millions, unless otherwise specified



Products for Laboratories in Quality Assurance and Research

Laboratory balances for reliable and convenient weighing processes

Lab water systems with single-use bagtank technology for storage of purified water

The lightest and smallest electronic pipette on the market

Innovative membrane transfer and agar system for microbiological testing

Single-use-based filter system for sample preparation

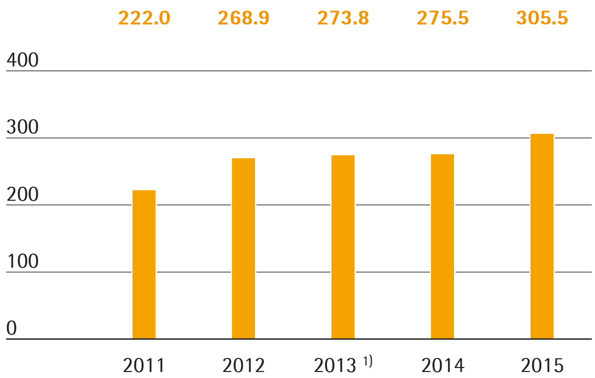
Membrane filter system for sterility testing of parenterals

[1] In constant currencies [2] As of December 31

Sales Revenue

In the reporting year, sales revenue of the Lab Products & Services Division rose 10.9% in constant currencies from €275.5 million to €305.5 million. The currency-adjusted increase of 5.0% was at the upper end of the forecast communicated at the beginning of the year. We reported strong demand especially for laboratory consumables, such as lab filters and microbiological tests.

Sales Revenue 2011 to 2015
€ in millions



[1] Restated

Sales Revenue and Order Intake

€ in millions	2015	2014	Δ in % reported	Δ in % cc
Sales revenue	305.5	275.5	10.9	5.0
Order intake	302.8	276.5	9.5	3.7

All rates of change shown in the following for regional development are in constant currencies, unless otherwise specified.

In EMEA, the region contributing the highest share of sales revenue of slightly more than 50%, the division achieved a 2.9% gain, despite moderate economic growth in the reporting year, to €155.9 million (reported +2.9% relative to €151.5 million). The Asia | Pacific region, which accounts for around 29% of business for the Lab Products & Services Division, showed the highest growth dynamics, with sales increasing 11.4% to €88.4 million (reported +22.2% relative to €72.4 million). The launch of new products, among other factors, had a positive effect on the development in this region. In the Americas, the region accounting for around 20% of revenue, sales edged up slightly by 1.8% to €61.2 million (reported +18.5% relative to €51.7 million) against high comparables in the prior year.

Earnings

In the reporting period, the Lab Products & Services Division substantially increased its earnings. Underlying EBITDA thus surged 18.4% from €41.2 million to €48.8 million. The division's underlying EBITDA margin improved due to economies of scale as forecasted at the beginning of the year. This margin, including currency effects that had a positive effect of about 0.5 of a percentage point, rose from 15.0% to 16.0%.

Lab Products & Services: Underlying EBITDA and EBITDA margin

	2015	2014
Underlying EBITDA in € millions	48.8	41.2
Underlying EBITDA margin in %	16.0	15.0

In the reporting year, extraordinary items amounted to - €4.5 million (2014: - €2.4 million).

Products and Sales

The Lab Products & Services Division concentrates on research and quality assurance laboratories in both industrial and academic settings. It offers these customers laboratory instruments such as balances, lab water systems, and a wide array of consumables that include laboratory filters, pipette tips, and microbiological tests. Extensive services round out the portfolio.

The division sells its products through three channels: laboratory dealers, direct sales and e-business. Dealer sales and distribution are already well established; direct sales and e-business activities are being expanded continually.

New Products Support Work Efficiency

During the reporting year, the division launched new generations of several product lines – balances, moisture analyzers, pipettes and lab water systems, for instance. Moreover, it extended its spectrum of products for sample preparation and microbiological tests.

Demands for efficiency, safety and precision in laboratory work are increasing all the time. For this reason, new devices are typically equipped with intuitive user guidance and assistance systems that make operation more efficient and less susceptible to errors. For example, the semi-micro balances we introduced during fiscal 2015 have a Start Assistant that makes it unnecessary for the user to study the handbook before working with the balance. And since customers from the pharmaceutical industry must comply with an increasing number of regulatory demands, Sartorius has equipped its series of premium laboratory balances with special software and hardware. The new module offers automated data management, guides the user through weighing processes, and levels, calibrates and adjusts the balance automatically.

Broad Range of Services

Sartorius offers a wide range of services covering the entire life cycle of its products, from device installation and commissioning to verification and calibration, to regular maintenance and repair. Our services are not limited to Sartorius instruments; they are offered for devices from other manufacturers as well. This extensive range enables our customers to minimize the number of service providers they use and reduce complexity and costs.

During the reporting year, Sartorius opened a new application laboratory in the USA at which customers can test all our products, even with their own samples, and take training courses.

Expanding Direct Sales and E-Business

Sartorius enjoys a strong presence in the global lab equipment market, but for historical reasons its market share still varies by product group and region. This situation offers significant potential for growth with the existing portfolio, and the division has accordingly launched several multi-year initiatives to expand sales even further.

We have adjusted our sales structures in order to target our resources more closely to customer potential: for instance, field sales staff members have been relieved of a number of administrative duties, enabling them to focus more closely on contact with customers. Our channel management system is developing special international programs with large laboratory distributors. In addition, account management was introduced for biopharmaceutical customers and large research institutes with high sales potential. When dealing with pharmaceutical and biotech companies, the lab division also profits from the close customer relationships and established contacts developed by the Bioprocess Solutions Division. In this context, the global CRM system was implemented in Europe for the lab division as well, and will be introduced in the USA and Asia in 2016.

The expansion of our e-business is intended to help us reach customers not directly served by our sales operations, and support our lab distributors logistically. Beyond merely boosting electronic sales, these measures enhance the quantity and quality of the product information available through electronic channels. Moreover, the lab division increasingly uses digital communication channels such as social media and apps that support dialog with customers. One example is the new marketing campaign #passionforscience. The web-based product information system we introduced at the beginning of the year serves as a new platform for our e-business activities.

Research & Development

This division's core areas of technical expertise include weighing technology, mechatronics and software development for laboratory instrument manufacturing as well as membrane technology and injection molding processes for consumables. Other complementary expertise in technologies such as liquid handling has come aboard in recent years as a result of acquisitions. Most of the division's R&D team is centrally located at the Goettingen site, but the R&D activities of acquired companies have largely been kept at their original sites.

In the ongoing development of its products, Sartorius pursues the goal of helping laboratories work more efficiently and ensure regulatory compliance. Product development priorities for Sartorius therefore include data management and process automation. For example, special software already guides laboratory employees through work processes and transfers the data to laboratory management systems. Yet this division also focuses on other factors that make laboratory work easier, such as intuitive user interfaces or the ergonomic design of laboratory instruments.

Sartorius collaborates closely with industrial and academic technology partners in addition to pursuing its own R&D. As a member of the SmartLab working group, for example, Sartorius was involved in the design of the laboratory of the future presented at the lab technology trade fair LABVOLUTION 2015. The division also increasingly participates in scientific conferences as well as issuing invitations to its own events. One example of this is the first European Lab Technology Forum, which Sartorius hosted in the fall in Goettingen.

Sartorius invested €13.1 million in R&D in the Lab Products & Services Division during the reporting year (2014: €11,1 million). The ratio of R&D costs to sales revenue was 4.3%, compared with 4.0% the previous year.

Production and Supply Chain Management

The Lab Products & Services Division operates plants in Germany, China, Finland, the U.K. and the U.S. The plants also serve as centers of competence and tend to focus on one product group or a small set of product groups. Laboratory balances are manufactured in Goettingen and Beijing, for example, while pipettes are made at our Helsinki and Souzhou sites. Kits for microbiological tests are produced in Stonehouse, and most membrane-based products are manufactured in Goettingen.

Construction Project Begun

During the reporting year, Sartorius invested in two new production facilities:

The new construction of a laboratory instrument production facility in Goettingen is continuing on schedule. In October, work began on the interior of the building. As part of the Sartorius Campus project, two plants from separate sites are being combined in this new building. A calibration center, prototype manufacturing unit and a training workshop will also be integrated.

In the U.K., capacities in Stonehouse are being expanded in response to the rising demand for laboratory consumables. Construction work on a new production building began there in February. Sartorius produces single-use systems at this location for use, for instance, in laboratory-scale cell cultivation, as well as single-use funnels for microbiological and analytical quality assurance.

Assessment of the Economic Position

Sartorius in Fiscal 2014

Sartorius performed very successfully in fiscal 2015, substantially exceeding its sales and earnings targets communicated at the beginning of the year. With the sale of the Industrial Technologies Division at the start of the reporting year, the company further sharpened the focus of its portfolio in line with the Sartorius 2020 strategic plan. In addition, the product offering of the Bioprocess Solutions Division was considerably expanded by the acquisition of the companies BioOutsource and Cella in the area of bioprocess development.

Consolidated sales revenue thus grew more strongly than forecasted at the outset of the year, by 16.0% in constant currencies. In view of dynamic sales development, the Group's margin based on underlying EBITDA also exceeded the target projected in January 2015 – due to economies of scale. This margin, which includes a positive currency effect of about 0.5 of a percentage point, increased in the reporting year to 23.6%.

The Bioprocess Solutions Division was again the major growth engine. In light of the stronger-than-expected expansion of the global biopharmaceutical market and of the division's additional market share gains, it grew significantly by double digits, thus exeeding our expectations. The Lab Products & Services Division performed in the reporting year in line with our expectations.

The ratio of net debt to underlying EBITDA for the last twelve months stood at 1.3 as of December 31, 2015, relative to 1.7 a year ago, and therefore developed as anticipated at the beginning of the year. As a result, the Sartorius Group continues to have significant financing flexibility to implement its strategy.

In the reporting year, Sartorius further invested in the expansion of several manufacturing sites, its IT systems and in the consolidation and expansion of its Group headquarters in Goettingen, Germany. The Group's capex ratio was 10.1%, the level projected at the beginning of the year.

Projected | Actual Comparison for the year 2015

	Guidance	Guidance	Guidance	Guidance	Actual
	January 2015	April 2015	July 2015	October 2015	2015
Sartorius Group					
Sales growth[1]	~4% –7%	~6% –9%	~12%	~15%	16.0%
Underlying EBITDA margin[2]	~21.5%[1]	~22.0%[1]	~22.5%[1]	~23.0%[1]	23.6%
Gearing (underlying)	< 1.7	< 1.7	< 1.7	< 1.7	1.3
CAPEX ratio	~10%	~10%	~10%	~10%	10.1%
Sartorius Sparten					
Bioprocess Solutions					
Sales growth[1]	~5% –8%	~8% –11%	~15%	~20%	20.9%
Underlying EBITDA margin[2]	~24.5%[1]	~25.0%[1]	~25.5%[1]	~26.0%[1]	26.5%
Lab Products & Services					
Sales growth[1]	~2% –5%	~2% –5%	~5%	~5%	5.0%
Underlying EBITDA margin[2]	~15.5%[1]	~15.5%[1]	~15.5%[1]	~15.5%[1]	16.0%

[1] In constant currencies
[2] underlying

Annual Financial Statements of Sartorius AG

The retained profit of Sartorius AG is the key reference value for the payment of dividends to our shareholders. Whereas the Sartorius Group financial statements are drawn up according to the International Financial Reporting Standards (IFRS), the annual financial statements for Sartorius AG are prepared by applying the rules and regulations of the German Commercial Code (HGB).

The Management Report of Sartorius AG and the Group Management Report for fiscal 2015 are combined. The HGB annual financial statements of Sartorius AG and the combined management report are published simultaneously in the German Federal Gazette (Bundesanzeiger).

Business Operations, Corporate Strategy, Corporate Management and Oversight, Overview of Business Development

Sartorius AG has exercised only the functions of the strategic, group-leading management holding entity for the Sartorius Group since the beginning of fiscal 2011, and we refer in this connection to the explanatory remarks concerning business operations, corporate strategy, corporate management and oversight, as well as the overview of business development, presented on pages 22 et. seq. of the combined management report of Sartorius AG and the Group.

Earnings

Sales revenue of Sartorius AG essentially consists of cost transfers to affiliated companies within the Group for management services rendered.

Other operating income principally discloses the gain on disposal resulting from the sale of the Industrial Weighing Technology Division.

The other operating expenses reported indicate the expenses of €6.5 million resulting from the agreement concluded with Minebea, among other expense items.

Income from investments of €12.7 million relative to €16.0 million a year ago essentially concerns dividends paid out for the French subsidiary Sartorius Stedim Biotech S.A. The profit and loss transfer agreements with Sartorius Corporate Administration GmbH resulted in the receipt of a profit of €0.4 million and acceptance of a loss of €16.2 million transferred from Sartorius Lab Holding GmbH, compared with a profit of €9.6 million transferred in 2014.

Net Worth and Financial Position

The balance sheet total of Sartorius AG rose by €11.1 million in the reporting year to €702.9 million. This increase can primarily be attributed to the conclusion of a new syndicated loan agreement. As part of this agreement, Sartorius AG has now taken over financing for the entire Group. Since this transaction, borrowed funds are also transferred to the companies of the Sartorius Stedim Biotech subgroup by internal Group loan agreements or by cash pooling accounts.

The balance sheet structure for Sartorius AG reflects its function as the management holding entity for the Sartorius Group. Fixed assets consist essentially of financial assets and, in the reporting year, amounted to €441.6 million (previous year: €468.5 million). Accordingly, fixed assets account for 65.6% of the balance sheet total (previous year: 69.8%). The equity ratio was 46.2% relative to 38.8% a year earlier.

Statement of Profit and Loss of Sartorius AG
Based on the total cost accounting method according to Section 275, Subsection 2, of HGB[1]

€ in K	2015	2014
1. Sales revenue	6,747	4,285
2. Other operating income	92,727	1,726
	99,474	**6,011**
3. Employee benefits expense	–6,077	–3,746
4. Depreciation and amortization	–598	–262
5. Other operating expenses	–12,673	–8,663
6. Income from investments	12,740	16,013
7. Profit received under a profit and loss transfer agreement	0	9,604
8. Loss accepted under a profit and loss transfer agreement	–15,800	0
	–22,407	**12,946**
9. Earnings before interest and taxes	77,067	18,957
10. Interest and similar income	4,479	507
11. Interest and similar expenses	–8,364	–9,933
	–3,885	**–9,426**
12. Profit before tax	73,182	9,531
13. Income tax expense	55	837
14. Other taxes	–23	–24
	32	**813**
15. Net profit for the period	73,214	10,344
16. Profit brought forward	121,130	129,027
17. Retained profits incl. net profit for the period	**194,344**	**139,371**

[1)] HGB = German Commercial Code

Balance Sheet of Sartorius AG
According to HGB[1)], € in K

Assets	Dec. 31, 2015	Dec. 31, 2014
A. Fixed Assets		
I. Property, plant and equipment	19,122	14,527
II. Financial assets	441,622	468,510
	460,744	**483,037**
B. Current Assets		
I. Trade and other receivables	239,954	206,120
II. Cash on hand, deposits in banks	417	689
	240,371	**206,809**
C. Prepaid Expenses	**1,737**	**1,905**
	702,852	**691,751**

Equity and Liabilities	Dec. 31, 2015	Dec. 31, 2014
A. Equity		
I. Subscribed capital	18,720	18,720
Nominal value of treasury shares	–1,623	–1,673
Issued capital	**17,097**	**17,047**
II. Capital reserves	102,759	101,453
III. Earnings reserves	10,867	10,867
IV. Retained profits incl. net profit for the period	194,344	139,371
	325,067	**268,738**
B. Provisions	**32,283**	**26,941**
C. Liabilities	**345,502**	**396,072**
D. Deferred Tax Liabilities	**0**	**0**
	702,852	**691,751**

[1)] HGB = German Commercial Code

Proposal for Appropriation of Profits

The Executive Board will submit a proposal to the Annual Shareholders' Meeting to appropriate the retained profit of €194,343,770.48 reported by Sartorius AG for the year ended December 31, 2015, as follows:

	in €
Payment of a dividend of €1.50 per ordinary share	12,829,584.00
Payment of a dividend of €1.52 per preference share	12,986,905.84
Unappropriated profit carried forward	168,527,280.64
	194,343,770.48

Research and Development

Detailed information about the research and development activities of the Sartorius Group and of its divisions is given on pages 40 et seq. and 44 et seq.

Employees

Sartorius AG does not employ any staff to be disclosed pursuant to Section 285, No. 7, of HGB.

Risks and Opportunities

The opportunities and risks affecting the business development of Sartorius AG as the management holding entity are essentially equivalent to those of the Sartorius Group. Sartorius AG shares in the risks to which its investments and subsidiaries are exposed in proportion to the extent of its investment. Where expedient and feasible, we adopted countermeasures and | or arranged for balance sheet measures during the reporting year to cover all discernible risks within Sartorius AG that had the potential to damage our net worth, financial position and profitability.

A detailed Opportunity and Risk Report for the Sartorius Group is provided on pages 53 to 60; a description of the internal control and risk management system, on pages 65 to 67.

Report on Material Events

Please refer to page 64 to read the Report on Material Events for Sartorius AG and the Sartorius Group.

Forecast Report

Earnings trends for Sartorius AG depend substantially on the progress of its subsidiaries and, hence, on the Sartorius Group. The development of the Sartorius Group's business is discussed in the Forecast Report on pages 61 to 63.

Opportunity and Risk Report

Every business activity entails opportunities and risks, which have to be managed. The skill with which this is done goes a long way in determining the future development of a company's shareholder value. In managing risks and opportunities, Sartorius aims to identify and use business opportunities systematically, as well as to recognize and evaluate risks at an early stage and take measures to counter them where possible. It is unrealistic to expect risk management to eliminate all risks: rather, our approach is to intentionally to take a certain measure of risk in our business activities in order to be successful in unlocking opportunities. However, in this endeavor, it is important to keep risks contained within acceptable limits and to control them carefully.

Sartorius has no single organizational unit tasked with identifying and managing opportunities and risks. Instead, it prefers to make this function an integral component of the Group-wide planning and control system described below. The Internal Control Systems & Compliance department is responsible for the further development of the Group's risk management system, including the organization of the respective reporting process.

Managing Opportunities

Our opportunity management centers on the analysis of target markets and sector environments, as well as the assessment of trends, both of which give strong indications as to future business opportunities. The identification of the potential for development in this context is one of the key roles of the relevant managers and initially takes place at the local rather than the central level. The market-facing functions, such as strategic marketing and product management in the individual divisions, play a leading role in this respect. The central Business Development unit additionally supports these areas with market monitoring, data analysis and the implementation of strategic projects.

As part of strategy reviews, the members of the Group Executive Committee regularly meet with the managers having operational responsibility and the Business Development unit to discuss short-, medium- and long-term opportunity potential for the various business areas. The subsequent steps of prioritizing the opportunities and evaluating them from a business management perspective, deriving strategic measures and allocating resources proceed in accordance with a standardized decision-making process that applies throughout the Group. If the opportunities are short-term in nature, they are considered in annual budget planning. Medium- and longer-term opportunities are tracked systematically as part of strategic planning. The status of opportunity management as a permanent fixture of the corporate management system means that it also features in the discussions and decision-making processes of top-level management, such as the Executive Board and the Supervisory Board.

Key areas of opportunity are presented below. Where appropriate, reference is made to the relevant section of the Group Management Report in order to avoid repetition. Most of the risks we describe in the section on specific risks represent opportunities, should events develop in the opposite, positive direction. For this reason, we discuss these opportunities in the section on specific risks and opportunities at the end of this chapter.

Areas of Opportunity

As a supplier for the pharmaceutical and laboratory industries, Sartorius operates in future-oriented and high-growth sectors. The significant opportunities generated by the various market and technology trends are described in detail in the sections entitled "Sector Conditions" and "Outlook for the Sectors" on pages 28 et seq. and pages 61 et seq., respectively.

Our assessments rank the company as one of the global market leaders in many subsegments and product areas. We believe the high quality of our products, our strong brand recognition and our established customer relationships give us strong opportunities to continue extending our market leadership. The corresponding division strategies and the growth opportunities and initiatives based on them are discussed in the section on the strategy of the Bioprocess Solutions Division, which begins on page 24, and in the section on the strategy of the Lab Products & Services Division, which starts on page 25.

Strict management of processes and costs provides opportunities to further increase our profitability. Key target areas in this respect include continued enhancements of our procurement chain and ongoing efforts to optimize production, which we present on pages 43 and 47.

Other opportunities are discussed in the context of the presentation of specific risks and opportunities beginning on page 55.

Risk Management

Just as for opportunity management, overall responsibility for the maintenance of an effective risk management system ensuring comprehensive and consistent management of all material risks rests with the Executive Board. Coordinating and developing this system is the responsibility of the Internal Control Systems & Compliance department. The Supervisory Board of Sartorius AG monitors the effectiveness of the risk management system, with the preparatory work necessary for it to do so being performed by the Audit Committee of this board. Furthermore, while carrying out their statutory audit mandate for the annual financial statements and consolidated financial statements, the independent auditors examine whether the early warning system in place is capable of prompt identification of risks that could jeopardize the future of the company.

Risk Management System and Risk Reporting

At the heart of the risk management system is the Sartorius Group Risk Management Handbook, which applies throughout the entire Group organization. The Handbook, which includes definitions of the framework, the structural organization, processes, risk reporting and monitoring and control of the effectiveness of the risk management system, is based on the internationally recognized COSO standard. There are also a number of other sources that contain stipulations for the handling of risks, including the articles of association and rules of procedure of the Group companies and other internal guidelines.

The Group-wide risk reporting system forms the cornerstone of internal risk communication. The object is to make it possible to address risks in a structured, continuous manner and to document them in accordance with the relevant statutory and regulatory requirements.

The prescribed reporting process in the risk categories subsequently described establishes the rules for the ongoing review of and information on the risk situation. New organizational units joining the consolidated Group companies are successively integrated into this reporting process, which involves evaluating specific risks by probability of occurrence and scale of potential impact, as well as reporting cases to the central risk management unit whenever defined thresholds are breached.

We have an urgent reporting procedure in place to ensure that when a new or emerging significant risk to our net worth, financial position and profitability is identified and estimated as involving €2.5 million or higher, the Executive Board of Sartorius AG receives all of the necessary details without undue delay.

Risk Classification

The first level of risk management relates to the four main risk categories defined by Sartorius: external risks, operating risks, financial risks and corporate governance risks.

The second level consists of additional subcategories that we classify within these main categories, such as supply chain risks, sales and distribution risks, and quality risks.

We categorize risks according to the scale of their implications too, and also perform a specific evaluation in which all risks are assigned the value of their maximum impact at the time of risk analysis. In other words, we record the maximum risk without considering the probability of occurrence or the effects of risk mitigation measures.

For the purposes of this report, we have assessed the probability of the risks as shown below and, in the adjacent columns, classify their particular significance for the entire Group.

Probability of occurrence	
Low	< 5%
Medium	5%- 20%
High	> 20%

Significance in thousands of €	Impact on Earnings*	Impact on Assets*
Of limited significance	< 1,000	< 5,000
Significant	> 1,000	> 5,000

Explanation of Principal Risks and Opportunities

General and Macroeconomic Risks and Opportunities

Business Cycle Risks

The nature of our various business areas means that Sartorius as a whole is insulated to a certain extent from the full force of wider cyclical effects. While macroeconomic effects have very little bearing on the progress of the Bioprocess Solutions Division, they are particularly relevant to the Lab Products & Services Division and can represent a risk to the latter's growth in this context. If economic developments prove more positive than expected, this, in turn, can additionally stimulate stronger growth for Lab Products & Services.

General Risks

Our ability to foresee and mitigate the direct and indirect effects of risks in the broader sense, for example, currency crises or natural disasters and associated damage to commercially significant and critical infrastructure, is limited.

Supply Chain Risks and Opportunities

Our supply chain extends all the way from procurement to production to sales and distribution. Problems within this workflow can have consequential effects including delays in deliveries. The global supply chain management system we have instituted throughout our production processes to prevent such problems largely minimizes the associated risks by analyzing and controlling all of the operations involved. The strongly international alignment of our organization opens up a whole series of opportunities too. The various risks and opportunities encountered within our supply chain are explained in detail below.

Procurement Risks and Opportunities

We purchase a wide range of raw materials, components, parts and services from suppliers and are consequently exposed to the risks of unexpected delivery bottlenecks and | or price increases, as well as obligatory minimum purchase quantities that may result in claims for compensation if we do not reach such quantities. Our global supply chain management system reduces these risks by enabling us to monitor and control procurement activities. Moreover, we conduct regular supplier reviews and also use early warning systems. In addition, we always maintain reserve inventories for strategic raw materials and work with alternative suppliers where possible.

Opportunities can arise in the area of procurement when our growth enables us to increase order quantities and thereby strengthen our position with our suppliers. Increased globalization of our supplier pool holds the prospect of purchasing on more favorable terms, moreover, and there is also a possibility of our expanded purchasing activities in the international markets, leading us to identify suppliers with special product and technical expertise that could eventually enhance our own competitive edge.

Production Risks and Opportunities

We ourselves manufacture a large proportion of the products that belong to our core areas of technical expertise and involve a high level of vertical integration. Examples include filters and laboratory balances. Other products, such as reusable fermenters and bioreactors, are manufactured in collaboration with suppliers so that some of the production risk is transferred to external third parties. When we manufacture products ourselves, we also bear the associated risks of capacity bottlenecks | overcapacity, production downtimes, excessive reject rates and high levels of tied-up working capital. We contain and reduce these risks by planning production capacities carefully, using versatile machines, semi-automated individual workstations and flextime work schedules, and by continuously monitoring production processes. Moreover, our global manufacturing network enables us to compensate for any capacity bottlenecks by shifting production to other regional plants.

We consider it an opportunity that the various production facilities are able to concentrate on specific manufacturing technologies and, as a result, enhance their production operations for greater efficiency. Our international production network also makes it possible to capitalize on the cost advantages offered by individual sites. Furthermore, continuous improvements in production, such as simplifying processes and increasing levels of automation, can help to drive efficiency even higher.

Sales and Distribution Risks and Opportunities

We use a variety of channels to sell and distribute our products around the world. The potential risks entailed are unexpected changes in the demand structure, growing price pressure and non-compliance with supply agreements concluded with customers. We employ targeted market analyses to identify emerging demand trends in individual segments early on so that we have time to respond appropriately. Our technical innovations and our focus on less price-sensitive sales markets, such as products for validated production processes in the biopharmaceutical industry, reduce our exposure to the risk of growing price pressure. We have minimized our risk exposure in the area of logistics in recent years by setting up and using central warehouses to optimize distribution logistics.

Opportunities arise in the area of sales and distribution when the increasing breadth of our product range – in both bioprocess and lab segments – puts us in a position to sell new products to existing customers. Our business relationships, most of which are established for the long term, and our global presence provide opportunities, moreover, and our ongoing project to strengthen direct sales, especially in the lab segment, also promises to enhance our sales prospects.

Quality Risks and Opportunities

Our customers use Sartorius products in a wide range of critical production processes, including the manufacture of pharmaceuticals, foods and chemicals, and in research and development laboratories. The main risk encountered in these areas is non-compliance with agreed quality criteria, which can lead to losses for our customers, or their customers, for which we may be made liable through compensation claims. We employ rigorous quality checks and state-of-the-art production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality standards and high regulatory requirements. These manufacturing methods and processes are subject to constant review under our continuous improvement processes, moreover, and are refined appropriately as requirements evolve. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high level of quality achieved in Sartorius products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks. Sartorius has established a traceability system that enables us to recall an entire production batch immediately, if necessary, and minimize any adverse consequences in the event of defects being discovered in a product.

Quality requirements are growing more and more stringent all the time, not least as a result of regulatory pressure, so we actually regard this first and foremost not as a risk but as an opportunity that opens up new market prospects. Also, challenging quality demands represent a considerable barrier to entry for potential new competitors and provide stimulus for further technical innovation to which we actively respond.

R&D Risks and Opportunities

We devote a considerable share of our resources to research and development. Potential risks in this area may arise from development results that diverge from market needs, exceeding planned development deadlines or unintentional transfer of know-how to competitors. Our advanced project management, intensive R&D controlling and early involvement of our customers in the development process substantially limit these R&D risks. Patents and continuous tracking of the technologies and competitors relevant to us secure our technology position.

On the other hand, the R&D sphere also offers a number of potential opportunities. Our intensive collaboration with partners that rank among the global market leaders in their own fields opens up the opportunity for us to jointly develop products with an especially high level of innovation. In areas such as membrane technology and weighing technology, in turn, the expertise of our own specialists puts us at the very forefront of global research and development and presents us with an opportunity to turn this technical knowledge into potential sales and an even stronger position on the market.

Customer Risks and Opportunities

Sartorius sources its key customers from the pharmaceutical, chemical and food industries and from research and educational institutions of the public sector. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. Most of our business areas have a highly diversified customer base, so the Group as a whole is not dependent on individual key accounts to any significant degree.

Competitive Risks and Opportunities

Sartorius has a leading competitive position in most of its markets. Some of our competitors are larger than us, and most share our status as a globally operating company. Examples include Merck|Millipore, Danaher|Pall and Mettler Toledo. As we serve a large number of customers from highly regulated sectors like the pharmaceutical and food industries, and the technology barriers to market entry are substantially high, we regard the probability of new competitors emerging within the short term as low. Furthermore, our global presence significantly mitigates individual regional risks.

Changes in the competitive environment, for example, consolidation in the markets, can pose opportunities. Our sectors find themselves in an ongoing process of change in which Sartorius has been actively participating. We have made acquisitions continuously in recent years to reinforce its market position and open up new potential synergies.

Acquisition Risks and Opportunities

By nature, acquisitions provide many opportunities, such as sales growth, extension of our product portfolio and development of new markets. By contrast, the purchase and sale of companies or parts of companies entail a number of inherent risks, such as incorrect valuation assumptions or insufficient usage of anticipated synergy effects. To prevent these risks, we take various measures during each particular acquisition process, such as performing a standard due diligence review. In addition, we involve external consultants and experts in the purchase or sales process as required. We especially focus on drafting transaction contracts so that they adequately counter such risks, especially by clauses assuring specific characteristics or contractual warranty or guarantee provisions, as well as agreements on mechanisms for adjustment of the purchase price and on liability clauses. Immediately after an acquisition has taken place, an integration phase is initiated in which any potential risks can likewise be detected as early as possible and prevented or minimized by taking the appropriate counteractions.

Personnel Risks and Opportunities

As an innovative technology group, Sartorius employs a large number of highly qualified people. A possible scarcity of required specialists represents an opportunity as well as a risk if, for instance, the company proves to be particularly good at training and retaining its own staff. We counter the threat of demographic change and of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional development options, further attractive social benefits, continuous education and training for junior staff members within our organization and interesting people development opportunities. The success of these measures is apparent in the low attrition rates of recent years and the many years of seniority our people accumulate on average. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Opportunities for Sartorius primarily arise in that it can further qualify its staff by offering its own training courses and retain such staff over the long term, thus covering company needs for qualified personnel particularly well.

Financial Risks and Opportunities

The global nature of the Sartorius Group's operations means that its business activities are inevitably exposed to financial risks. The most significant of these, aside from risks associated with Group accounting, are exchange rate risks, interest rate risks and liquidity risks, all of which are described below and addressed in detail in the Notes to the Consolidated Financial Statements. Vice versa, some financial risks, most notably exchange rate risks and interest rate risks, are balanced by opportunities of approximately equal magnitude.

Risks Associated with Group Accounting

Except for the general, typical risks inherent in any accounting process, no specific risks concerning Group accounting are discernible. Typical accounting errors in this connection are, for example, incorrect discretionary decisions in the measurement of assets and liabilities. The use of various common and standardized control mechanisms integrated into our accounting process ensures that such errors are recognized and corrected at an early stage.

Exchange Rate Risks and Opportunities

As we generate around half of consolidated sales revenue in foreign currencies and two-thirds of this total revenue in U.S. dollars or in currencies pegged to the

U.S. dollar, we are positively or negatively impacted by currency effects, especially when converting the currencies of balance sheet items and profit or loss items, respectively. To largely compensate for the general risk resulting from the impact of individual foreign currencies, we have taken a number of measures besides hedging currencies. Our global production network thus enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. For example, we manufacture many of our products for the North American market locally, and are therefore not disadvantaged in any way in competition with our U.S. rivals. We continuously monitor both exchange rates and our net currency exposure – i.e. that proportion of our foreign currency sales revenue that remains after we have settled our costs, likewise in a foreign currency – and use derivative financial instruments for hedging. These instruments are primarily spot, forward and swap transactions, on the basis of current and anticipated net currency exposure and foreign currency levels. In individual cases, target redemption forwards are used to optimize exchange rates. We make it a policy to hedge up to 70% of our exposure in advance for the following 18 months. Due to the historic exchange rate lows, we extended our hedges for the U.S. dollar for up to 36 months in the reporting year. Hedging transactions are set up by one group of staff and monitored by another, separate group.

Interest Rate Risks and Opportunities

We have concluded fixed interest agreements for a portion of our outstanding loans to eliminate the risk posed by variable interest payments. However, most of the financial instruments outstanding on the reporting date are subject to interest based on the market rate. Almost two-thirds of these are currently covered by interest rate swaps, so interest rate risks and opportunities apply only to the remainder. We monitor interest rate trends and our interest rate exposure constantly and have the facility to arrange additional hedging transactions where we consider it necessary and economically advisable to do so for individual loans.

Liquidity Risks and Opportunities

The Sartorius Group actively manages liquidity centrally in order to check and minimize liquidity risks and optimize liquidity management within the organization. For this purpose, we use various long- and short-term financial instruments.

The term of the syndicated loan agreement that Sartorius AG entered into in 2014 was extended by one further year until the end of 2020. Sartorius AG subsidiaries continue to be financed primarily through financing contracts within the Group.

For short-term liquidity procurement, we also employ various instruments. In addition to the credit line that can be accessed and repaid at short notice, we have a number of bilateral credit lines in place on a smaller scale for individual Group companies. Furthermore, we use cash pooling agreements between selected Group companies as the primary tool to manage liquidity within the Group.

Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and health care providers means that Sartorius can also be affected by underlying developments in these areas. The possibility of the regulatory authorities (FDA, EMEA) adopting a more restrictive approach to the approval of new medications remains the principal source of risk in this context. Such a move would reduce the number of new pharmaceutical products to be marketed and would consequently downgrade future prospects for Sartorius over the medium term.

Environmental Risks

Sartorius has established an environmental management system that encompasses, and is integrated into, all divisions and covers a whole series of environmentally relevant regulations to minimize environmental risks. This management system has been certified for compliance with ISO 14001 at a number of the company's relatively large manufacturing sites. The respective company organizational units ensure at the particular sites that the laws and regulations relating to environmental protection are observed and that further technical possibilities for limiting environmental risks are identified on an ongoing basis.

IT Risks and Opportunities

Besides the risks already described, the Sartorius Group is exposed to potential risks in the area of IT as a result of its pronounced dependence on these systems, since their error-free operation is essential for the smooth functioning of the company's business processes. We reduce IT security risks by continuously enhancing and implementing IT security guidelines and policies. These rules and measures are based on the requirements of ISO 27001 and the standards of the German Federal Office for Information Security (BSI Standards). Furthermore, our company's existing IT applications and IT systems are checked for potential risks in regular external and internal IT audits, and appropriate measures are taken to minimize any risks identified. Continuous alignment of our IT strategy and business strategy, tracking of new technical developments and the use of advanced hardware and software minimize the risk inherent in the operation of our IT system environment. A new ERP system commissioned by Sartorius at its Goettingen Group headquarters in 2012 has been successively rolled out to the Group sites around the world since 2015. This ERP system was successfully commissioned in 2015 in North America. In conducting this IT project, we have continued to focus on controlling the risks involved, such as by maintaining a precautionary backup system. The implementation of the new system brings with it a whole series of opportunities, especially in relation to efficiency gains and the standardization and harmonization of business processes worldwide.

Process Risks

Process risks for Sartorius can arise from pending or forthcoming legal disputes or from administrative proceedings. All judicial or extrajudicial disputes are attended to the company's own attorneys and legal experts, who engage external lawyers as needed.

At present, there are no pending or discernible legal disputes or proceedings that lack any cost coverage allowances in the statement of financial position or that could have a substantial negative impact on Group.

Insurance

We have taken out insurance policies to cover a wide range of risks where possible and economically advisable. These insurance policies include coverage against liability, property damage, business interruption, transport, material and pecuniary damages and other risks, and provide comprehensive coverage for legal costs. An independent department working in conjunction with an external insurance broker regularly reviews the nature and extent of our insurance protection and makes any adjustments necessary.

Assessment of the Overall Risk Situation and Risk Outlook

Where feasible, we adopted countermeasures and | or arranged for balance sheet measures during the reporting year to cover all discernible risks within the Sartorius Group that had the potential to damage our net worth, financial situation and profitability.

For the purposes of this report, we have assessed the probability of occurence for the risks as shown below and, in the adjacent columns, classify their particular significance for the entire Group.

Risk Category	Probability of Occurrence	Significance
General and macroeconomic risks		
Business cycle risks	Medium	Significant
General risks	Low	Significant
Supply chain risks		
Procurement risks	Low	Of limited significance
Produktion risks	Low	Significant
Sales and distribution risks	Medium	Significant
Quality risks	Low	Significant
R&D risks	Low	Significant
Customer risks	Low	Of limited significance
Competitive risks	Low	Of limited significance
Akquisition risks	Low	Significant
Personnel risks	Low	Of limited significance
Financial risks		
Risks associated with Group accounting	Low	Of limited significance
Exchange rate risks	Medium	Significant
Interest rate risks	Medium	Significant
Liquidity risks	Low	Significant
Regulatory risks	Low	Of limited significance
Environmental risks	Low	Of limited significance
IT risks	Low	Significant
Process risks	Low	Of limited significance

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks at present that could jeopardize the continued existence of the Group.

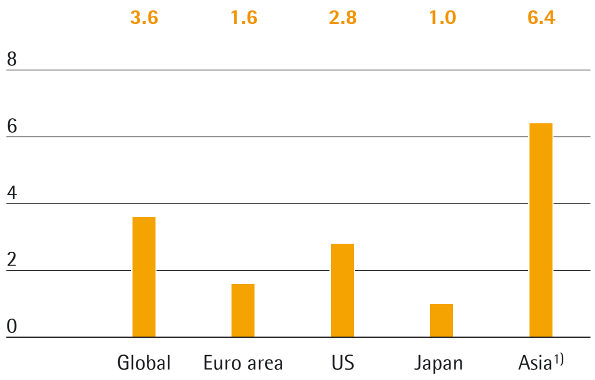
Similarly, based on our current review, there are no discernible risks that could jeopardize the future existence of the Group.

Forecast Report

Future Macroeconomic Environment

Data provided by the IMF indicates that the global economy is likely to gain momentum in 2016. Owing to the economic expansion of the emerging markets and a strong U.S. economy, growth of 3.6% is forecast for this year, compared with 3.1% last year.

Forecasted GDP Growth Rates for 2016
in %



1) Asia = China, India, Asean-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)

Source: International Monetary Fund

According to the IMF, the growth of the U.S. economy will continue at a nearly unchanged pace, rising from 2.6% last year to 2.8% in 2016. Once again, consumer spending will be the most significant growth driver.

Economic recovery within the eurozone is likely to pick up speed only minimally in 2016: experts are expecting an increase of 1.6% compared with 1.5% the year before. Here as well, consumer spending in particular will support growth.

A plus of 6.4% is expected in the Asia | Pacific region, down slightly from 6.5% the previous year. The IMF predicts that China's economic growth will slow from 6.8% during the reporting year to 6.3%.

Future Exchange and Interest Rate Trends

Experts predict that base interest rates will remain at a very low level in 2016, as they did last year.

Market forecasts of the euro-U.S. dollar exchange rate for the course of 2016 range between 0.94 euro | U.S. dollar and 1.20 euro | U.S. dollar.

Sources: International Monetary Fund, World Economic Outlook October 2015; Reuters Forex Poll, December 2015

Outlook for the Sectors

Solid Prospects in the Pharmaceutical Industry

The future of the global pharmaceutical industry continues to be driven in large part by the constantly expanding and aging global population, increasing access to healthcare in the emerging and developing countries, and the development of new medicines, particularly for diseases that are currently difficult to treat. However, the expiration of patents and austerity measures to restrict healthcare spending, in particular in industrialized countries, trend to slow growth in the industry. Market researchers at IMS Health are forecasting overall growth of between 4% and 7% for the global pharmaceutical industry during the period 2015 to 2020.

The U.S. pharmaceutical market – the world's largest – is expected to grow at a rate of 5% to 8% on average during the period 2015 to 2020. Expansion will be driven principally by new, innovative medications, a fading influence from expiring patents, and the expansion of state health insurance.

Growth in the European pharmaceutical market is likely to remain moderate over the next few years as continuing austerity measures affect its national healthcare systems. Thus, average growth of between 1% and 4% is projected for the region until 2020. Expansion in the emerging economies (including China, India, Brazil and Russia), in contrast, will remain above average at around 7% to 10% per annum from 2015 - 2020 owing to demographic trends, rising levels of state investment in healthcare systems and increased private spending.

Biotech Sector Enjoys Above-Average Growth

Experts forecast that the biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, will continue to outperform the market: the proportion of sales revenue accounted for by medications and vaccines manufactured using biotech methods is expected to rise from currently around 24% to approximately 27% in 2020.

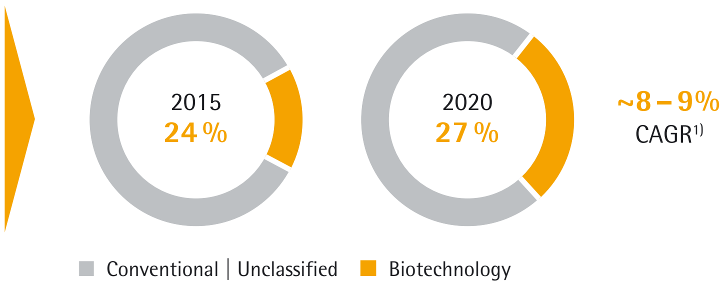
This ongoing overproportionate growth will be driven largely by the increasing market penetration of already approved biopharmaceuticals and an expansion in the range of indications. However, this comparatively young segment also has great innovative power, as reflected in strong research and development pipelines. Overall, around 40% of the medications in these pipelines are based on biological manufacturing processes.

The great innovative power of the biotechnology sector, particularly in recent years, can also be seen in the rising number of new product approvals: the number of newly approved biological medications in the USA during the last five years is around 50% higher than the number of approvals from the period 2006 to 2010.

On the whole, the market observer Evaluate Pharma estimates that growth in the global biotechnology market will average 8% to 9% per year during the years 2015 to 2020.

Strong Growth of the Biopharma Market

- Growing & aging population
- Increasing access to healthcare
- Strong R&D pipelines
- Emerging biosimilars market



[1] Evaluate Pharma®: World Preview 2015, Outlook to 2020; June 2015; CAGR 2014 to 2020

Since a number of medications manufactured using biotech methods are due to lose their patent protection over the next few years, experts forecast that the market for biosimilars will post strong growth. Currently, more than 200 companies are working around the world on more than 700 projects for the development of biotech copycat medicines. However, regulatory, patent- and marketing-related uncertainties are making it difficult to predict the market launch of these drugs accurately. The market share of biosimilars is currently still very small, but experts estimate that by the year 2020, sales will quadruple to more than U.S. $10 billion.

Public-Sector Research: Moderate Growth Expected

Demand from the public sector is likely to rise only slightly in 2016. Frost & Sullivan expects growth of around 2% in the USA, the world's largest market for laboratory products. In Europe, comparatively moderate economic growth is likely to result in demand that is only slightly above last year's levels. One source of support is the EU-wide Horizon 2020 research and development program, which will provide a total of €80 billion in funding between 2014 and 2020.

Slight Growth in the Chemical Industry

The American Chemistry Council is estimating that global production will increase around 3.3% during the current fiscal year, compared with 2.8% in 2015. Moderate production growth of approximately 1.5% is being forecast for the European market.

Sources: IMS: IMS Health Market Prognosis, May 2015; Evaluate Pharma: World Preview 2015, Outlook to 2020, June 2015; Frost & Sullivan: 2015 Annual Report: Forecast and Analysis of the Global Market for Laboratory Products, November 2015; www.fda.gov; Citi Research: Biosimilars Real, Dangerous, Coming Soon, February 2015; Bernstein: Biosimilars Who is doing what?, November 2015; Cefic: 2015 Cefic General Assembly, October 2015; American Chemistry Council: Year-End 2015 Chemical Industry Situation and Outlook, December 2015.

Outlook for 2016

The outlook for 2016 considers the sector environment, economic trends and the opportunities and risks outlined in this Annual Report. The following forecast is provided under the assumption that we have accurately anticipated the relevant trends for Sartorius:

Sartorius Group

Sartorius expects that its dynamic business expansion will continue. Therefore, the company forecasts that consolidated sales for the full year will grow approximately 10% to 14% in constant currencies.

In view of profitability, we project that the underlying EBITDA margin will gain around one percentage point in constant currencies compared with the prior-year figure of 23.6%. This margin increase is expected to result in approximately equal proportions from economies of scale and from last year's favorable currency changes that will only be fully reflected in 2016 due to the time-deferred effect of currency hedges.

With regard to our financial position, we forecast that our ratio of net debt to underlying EBITDA, which was 1.3 at the end of 2015, will be below 1.3 at the end of the current year. This ratio does not take any potential acquisitions into account.

Division Forecasts

For the Bioprocess Solutions Division, management expects significant gains for the full year of 2016 as well. The division's sales revenue is projected to increase by approximately 13% to 17% and its underlying EBITDA margin by around one percentage point over the year-earlier figure of 26.5%.

The Lab Products & Services Division partially depends on general economic cycles. For this division, management projects that assuming an overall stable economic environment, sales will grow approx. 3% to 7% and the division's underlying EBITDA margin will likewise increase by around one percentage point from 16.0% in the previous year. (All forecasts for the divisions in constant currencies)

Report on Material Events

No material events occured after the close of fiscal 2015.

Description of the Key Features of the Internal Control and Risk Management System

In relation to the Group Accounting Process (Section 289, Subsection 5, and Section 315, Subsection 2, No. 5, of the German Commercial Code [HGB])

Definitions and Elements of the Internal Control and Risk Management System at the Sartorius Group

The internal control system of Sartorius AG and the Sartorius Group encompasses all of the principles, procedures and measures adopted to ensure the organizational implementation of management decisions. The main priority of the system as it relates to Sartorius AG's and the Group's accounting process is to make sure that accounting is effective, cost-efficient and formally correct and that it complies with the pertinent legal provisions.

The internal control system of the Sartorius AG and the Sartorius Group consists of a combination of process-integrated and non-process-integrated monitoring measures. The process-integrated safeguarding measures are subdivided, in turn, into organizational measures, such as the "four eyes principle" for double verification and access restrictions in relation to IT, and control measures, such as manual target | actual checks and programmed plausibility checks in the software used. The Supervisory Board, in this case specifically the Audit Committee of Sartorius AG, and the Internal Control Systems & Compliance unit with its Group Auditing department are involved in the Sartorius Group's internal control system through their non-process-integrated audit activities.

The independent Group auditors and other auditing authorities also play a role in the control environment of the Sartorius Group through their non-process-integrated audit activities. In particular, the review of the consolidated financial statements by the independent Group auditors and the audit of the individual financial statements of the Sartorius Group companies included in the consolidated financial statements constitute the key non-process-integrated monitoring measures in relation to the Group accounting process.

The Finance unit represents another important element of the internal control system through its analysis of the monthly reports from the subsidiaries.

The risk management system concentrates in the context of Group accounting primarily on the risk of misstatements in the Group's bookkeeping and in external reporting. It includes both operational risk management, which involves activities such as the transfer of risk to insurance companies through coverage for damage and liability risks and the arrangement of suitable hedges to limit currency and interest rate risks, and the monitoring system operated by the Sartorius Group for early group-wide detection of risks with the potential to jeopardize the company's continued existence as defined in Section 91, Subsection 2, of the German Stock Corporation Law (AktG). The efficacy of the early risk detection system, which the Sartorius Group adapts promptly in response to any relevant changes in circumstances, is assessed by the independent Group auditors in accordance with Section 317, Subsection 4, of the German Commercial Code (HGB). Regular system reviews are also carried out to verify that the system remains functional and effective.

Use of IT Systems

Most transactions of relevance for accounting are recorded in the individual financial statements of the subsidiaries of Sartorius AG using software systems that are used worldwide. For the process of preparing the consolidated financial statements of Sartorius AG, Group companies add supplementary information to their individual financial statements to create standardized reporting packages, which are then submitted by all Group companies to the consolidated reporting system. Sartorius AG's consolidated financial statements are then prepared using the consolidation routines in the consolidated reporting system, most of which have been developed by Sartorius AG itself and are supplemented by manual adaptation. Both in-house auditors and the independent Group auditors of Sartorius AG regularly verify that the reporting packages submitted to the consolidated reporting system concur with the individual companies' financial statements on which the audit is based in each case. All of the consolidation procedures necessary to prepare the consolidated financial statements of Sartorius AG, such as the consolidation of investments, the elimination of intercompany payables and receivables and the elimination of intercompany revenue and expense, are performed using, and documented in, the consolidated reporting system. All components of Sartorius AG's consolidated financial statements, including the details presented in the notes, are developed using the consolidated reporting system, which also provides a wide range of analysis options.

Key Supervision and Control Activities to Ensure Proper and Reliable Group Accounting

The internal control system measures designed to maintain proper and reliable Group accounting ensure that transactions are recorded in full and in a timely manner in accordance with the applicable provisions of the law and the articles of association. In addition, these measures ensure that inventories are taken properly and that assets and liabilities are recognized, assessed and reported appropriately in the consolidated financial statements.

The employees involved in the accounting process meet qualitative standards and receive regular training. Duties and responsibilities are clearly assigned to different specialized units, companies and regional units. This segregation of duties and the four-eyes principle – i.e., review by two individuals – are strictly implemented. Complex evaluations, such as actuarial reports and company valuations or purchase price allocations are assigned to specialized service providers who involve specially qualified in-house staff.

Examples of the control activities performed to ensure proper and reliable accounting include the analysis of situations and developments with reference to specific key indicators. The separation of administrative, executive, settlement and approval functions reduces the possibility of fraud. The organizational measures are also intended to record company- or Group-wide restructuring steps or changes in the nature of the operations of individual business areas promptly and accurately in Group accounting. Finally, the internal control system also ensures that changes in the Sartorius Group's economic or legal environment are mapped and that new or amended legal provisions are applied in Group accounting.

The Sartorius Group accounting principles govern the standard recognition and measurement principles for the German and non-German companies included in the Sartorius consolidated financial statements. In addition to the general recognition principles and methods, the rules applied to the statement of financial position, statement of profit or loss, notes, Group management report, statement of cash flows and to the segment reports have been established in compliance with EU legislation and are primarily those of the IFRS and German commercial law.

The Sartorius Group accounting rules also govern specific formal requirements placed on consolidated financial statements. These include the mandatory use of a standardized and complete reporting package. The Group Accounting department assists the local units in resolving complex accounting issues, such as measuring fair value, to ensure consistent and accurate reporting in the consolidated financial statements.

The scope of regulation at Group level also extends to the central definition of measurement rules and parameters, among other factors. Additional data for the presentation of external information in the notes and Group management report is also prepared and aggregated at Group level.

The specific control activities performed to ensure proper and reliable Group accounting encompass the analysis and, where applicable, correction of the individual financial statements submitted by the Sartorius Group companies, in line with the reports authored by the independent auditors. Reporting packages containing errors are identified and, corrected at Group level on the basis of a large number of control mechanisms already incorporated into the consolidated reporting system. Impairment tests are conducted centrally for the specific cash-generating units, known as CGUs, from the Group's perspective to ensure that consistent, standardized evaluation criteria are applied.

A manual on the company's internal control system that focuses on the company's business processes further contributes toward strengthening the internal control (ICS) system. Based on the current rules, this manual has combined all ICS-relevant requirements on the business processes we define into one standardized document for the first time and is supplemented by further appropriate rules as necessary.

Qualifying Statements

The internal control and risk management system enables the complete recording, processing and evaluation of company-related matters, on the basis of the organizational, control and monitoring structures defined in the Sartorius Group, as well as their accurate presentation in Group accounting.

In particular, decisions based personal judgment, erroneous controls, criminal acts and other circumstances that can impair the efficacy and reliability of the internal control and risk management system in place cannot be ruled out, however, so even the application throughout the Group of the systems adopted cannot provide an absolute assurance as to the accurate, complete and timely recording of matters in Group accounting.

The statements made relate solely to the subsidiaries included in the consolidated financial statements of Sartorius AG, whose financial and business policies Sartorius AG can directly or indirectly determine in order to obtain benefits from their activities.

Explanatory Report of the Executive Board

On the Disclosures Pursuant to Section 289, Subsections 4, and Section 315, Subsection 4, of the German Commercial Code (HGB)

Composition of the Issued Capital | Limitations to Voting Rights

Sartorius AG's capital stock totals €18,720,000. It comprises 18,720,000 no par value individual bearer shares, 9,360,000 of which are ordinary shares and 9,360,000 of which are non-voting preference shares. Each share certificate represents a calculated proportion of €1 of the issued capital.

The rights and obligations associated with these shares are governed by the provisions of the German Stock Corporation Law (Aktiengesetz, abbreviated "AktG"). According to the company's Articles of Association, preference shares are entitled to a dividend payment that is higher than that for ordinary shares, by an amount equal to 2% of each preference share's calculated proportion of the issued capital (i.e., two euro cents per share). In any case, the dividend entitlement shall be at least 4% of each preference share's calculated proportion of the issued capital (i.e., four euro cents per share). Apart from the cases provided for in Sections 140 and 141 of the German Stock Corporation Law (AktG), preference shares are non-voting. However, they do grant all other rights to which every shareholder is entitled.

The company holds 806,944 ordinary shares and 815,983 preference shares; these do not entitle the company to any membership rights.

Direct or Indirect Equity Ownership Exceeding 10.0% of Voting Rights

The community of heirs consisting of Mrs. U. Baro, resident of Munich, Germany; Mrs. C. Franken, resident of Bovenden, Germany; Mr. A. Franken, resident of Riemerling, Germany; Mr. K.-C. Franken, resident of Goettingen, Germany; and Mrs. K. Sartorius-Herbst, resident of Northeim, Germany, holds a voting percentage of approximately 50.1% in Sartorius AG (4,688,540 votes; source: according to the list of attendees at the Annual Shareholders' Meeting on April 9, 2015). The decedent Horst Sartorius ordered that his will be executed. The appointed executor of the will is Prof. Dr. Dres. h.c. Arnold Picot, resident of Gauting, Germany, who exercises the specified voting rights at his own discretion as defined by Section 22, Subsection 1, Sentence 1, No. 6, of the German Securities Trading Act (Wertpapierhandelsgesetz, abbreviated "WpHG").

According to a mandatory announcement dated April 1, 2011, Bio-Rad Laboratories Inc., 1000 Alfred Nobel Drive, Hercules, California 94547, USA, to which the voting rights of Bio-Rad Laboratories GmbH, Heidemannstr. 164, 80939 Munich, Germany, are ascribed according to Section 22, Subsection 1, Sentence 1, No. 1, of the German Securities Trading Act (WpHG), holds 30.01% (2,809,299 votes) of the voting rights in Sartorius AG.

Appointment and Dismissal of Executive Board Members | Amendment to the Articles of Association

Executive Board members of Sartorius AG are nominated and | or appointed as well as dismissed in accordance with Sections 84 et seq. of the German Stock Corporation Law (AktG) and Sections 31 and 33 of the German Codetermination Law (Mitbestimmungsgesetz, abbreviated "MitBestG"). Amendments to Sartorius AG's Articles of Association are regulated by Sections 133 and 179 of the German Stock Corporation Law (AktG).

Powers of the Executive Board to Issue Shares

Subject to approval by the Supervisory Board, the Executive Board is authorized to sell treasury shares held by the corporation, including selling them through channels other than the stock exchange or by tendering an offer to all shareholders in proportion to their participation in the company, provided that these shares are transferred to third parties as contribution in kind, particularly in the (indirect) acquisition of companies, in return. Under these circumstances, the preemptive rights of the shareholders are excluded.

Material Agreements with Clauses Regulating the Event of a Change of Control

Sartorius AG has two material agreements containing clauses regulating the possible event of a change of control. One is a syndicated loan agreement concluded in 2014 for a current volume of €400 million and a term until December 2020, and the other is a note loan "Schuldscheindarlehen" placed in 2012 with a volume of €100 million and for a maturity term of five to ten years. The respective clauses that are customary for the market give the participating lenders the option of extraordinary termination in the event of a change of control.

Report and Declaration on Corporate Governance

Corporate Governance Report

The executive and supervisory bodies of Sartorius AG are guided in their actions by the principles of transparent and responsible corporate governance. The Executive Board and the Supervisory Board report here on corporate governance pursuant to Article 3.10 of the German Corporate Governance Code.

Declaration of the Executive Board and of the Supervisory Board of Sartorius AG Concerning the Recommendations of the Government Commission on the German Corporate Governance Code Pursuant to § 161 of the German Stock Corporation Law ("Aktiengesetz")

The Executive Board and the Supervisory Board declare that full compliance will be achieved with the recommendations made by the Government Commission on the German Corporate Governance Code and published by the German Federal Ministry of Justice in the official section of the German Federal Gazette ("Bundesanzeiger"), as amended on May 5, 2015.

Since last year's Declaration of Compliance was issued, Sartorius AG has complied with the recommendations in the valid version of the Government Commission on the German Corporate Governance Code to the full extent.

Goettingen, December 8, 2015

For the Supervisory Board	For the Executive Board
Prof. Dr. Dres. h.c. Arnold Picot	Dr. Joachim Kreuzburg

Further Remarks Concerning Corporate Governance

In the reporting year, the Executive Board and the Supervisory Board dealt with the revised version of the German Corporate Governance Code dated May 5, 2015. The changes to this Code essentially referred to the following:

- Specifying a regular limit of length of membership for the members of the Supervisory Board;
- Ensuring that candidates proposed to the Annual General Shareholders' Meeting for election to the Supervisory Board can devote the expected amount of time required;
- Noting in the Report of the Supervisory Board whether in a financial year a member of this board took part in only half or less of the Supervisory Board meetings and of the committees to which he or she belongs.

All other changes to the German Corporate Governance Code were implemented to the full extent.

The targets for the composition of the Supervisory Board defined in 2010 continue to apply:

- Women are to make up no less than 25% of the Supervisory Board.
- Independent members shall account for no less than 25% of the Supervisory Board.
- The aim of selecting candidates having international experience or an international background is to be considered, as previously, when making appointments to the Supervisory Board.
- The upper age limit of 70 at the time of election should be taken into consideration, but may be waived in exceptional cases, provided there are no reservations about the suitability of the persons proposed and their election is expedient to the interests of the company in spite of the age limit being exceeded.

The company meets these targets. The target set in 2010 for the proportion of women was rendered obsolete by the German Act on Equal Participation of Women and Men in Executive Positions in the Private and Public Sectors" that entered into force in the reporting year. Further details on this law are given in the next paragraph in this report.

German Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sectors

In the future, Sartorius would like to further extend the diversity of its staff at the various managerial levels within the company and thus benefit from the broader range of viewpoints and experience levels of its executives. Professional and personal skills and suitable qualifications will continue to remain the decisive factors for appointing individuals to managerial positions. However, for the future, the company intends to attain a greater blend of genders and cultural backgrounds in its managerial team.

Given the new legal requirements in Germany to achieve an equal balance of gender, these need to be applied to the Supervisory Board. Beyond these requirements, the Supervisory Board and the Executive Board have each defined specific quota targets for the Executive Board and both top management levels:

Supervisory Board

As of January 1, 2016, the German legal quota of 30% for women as the underrepresented gender now applies to the 12-member Supervisory Board of Sartorius AG, whose members shall retain their existing mandates up to the end of the period for which they were elected. Currently, 25% of the Supervisory Board members are female. The shareholder representatives and the employee representatives on the Supervisory Board decided to fulfill the legal target separately. As of the next regular election of Supervisory Board members due to be held in April 2017, it is accordingly provided that at least two women shall be elected to represent the shareholders and at least another two the employees, respectively. This would then correspond to a quota of at least 33%.

Executive Board

The Executive Board is, as a rule, a relatively small committee for which establishment of a rigid quota can be problematic. Currently, the Executive Board of Sartorius AG consists of three people, all of whom are male. Given that Executive Board contracts are still in force, the Supervisory Board defined a quota of 0% up to June 30, 2017.

First and Second Management Levels Below the Executive Board

Over the past years, the percentage of women at the first two management levels below the Executive Board has considerably increased on the whole and is already at a comparably high level. In specific figures, the percentage at the first management level was 19%, whereas this quota was 27% at the second level.

For both levels, the Executive Board intends to further increase the percentage of female executives. The board has set a long-term target quota of 30% of the underrepresented gender at each level, which the board plans to gradually achieve over the the next few years. Accordingly, a quota of 25% by June 30, 2017, has been set for the first level below the Executive Board, whereas a quota of 30% is required to be reached by this time at the second level. Despite the relatively short time horizon for this target date, both percentages have been intentionally defined as ambitious quotas. Therefore, it cannot be excluded that these targets might not be completely met in spite of the corresponding efforts made.

Corporate Governance Statement in Accordance with Section 289a of the German Commercial Code (HGB)

The following presents details concerning the mode of operation of the Executive Board and the Supervisory Board and other governance measures employed by the company in accordance with Section 289a of the German Commercial Code (HGB).

Mode of Operation of the Executive Board and Supervisory Board

Sartorius AG is a company under German law founded on the dual management system with an Executive Board and a Supervisory Board, each of which has its own independent competencies.

The Supervisory Board comprises twelve members as defined in the German Codetermination Law (Mitbestimmungsgesetz) and has an equal number of shareholder representatives and employee representatives. The Supervisory Board monitors and advises the Executive Board in its management of the company. Details on the members of the Supervisory Board are provided in the Chapter "Executive Board and Supervisory Board" on pages 154-157.

The Supervisory Board has established four committees: the Executive Task Committee, the Audit Committee, the Conciliation Committee and the Nomination Committee. The Executive Task Committee, Audit Committee and Conciliation Committee each have four members and have an equal number of shareholder representatives and employee representatives. The Executive Task Committee and Audit Committee hold regular meetings; the Conciliation Committee and the Nomination Committee meet only as necessary.

The Executive Task Committee carries out preparatory work for resolutions and issues to be addressed in the meetings of the Supervisory Board. It also looks after the preparations for appointments, including the remuneration and employment contract conditions of members of the Executive Board. The Audit Committee assists the Supervisory Board with the performance of its supervisory function. The chairperson of the Audit Committee is an independent member of the Supervisory Board and has detailed knowledge and extensive experience in the application of accounting standards and internal control systems from his or her own professional practice. The Conciliation Committee meets if the majority required in connection with the appointment of members to the bodies authorized to represent the company for legal purposes is not reached. The Nomination Committee comprises representatives of the shareholders only. Its function is to propose suitable candidates to the Supervisory Board for the latter's election proposals submitted to the Annual Shareholders' Meeting. More information on the individual meetings held in the reporting year by the Supervisory Board and its committees is given in the Report of the Supervisory Board on pages 12-14.

The Executive Board of Sartorius AG currently consists of three members. This board has full responsibility for its actions in managing the company in the latter's interest, with the aim of creating sustainable value. The Executive Board provides the Supervisory Board with regular, prompt and detailed reports, both written and oral, about all relevant corporate planning and strategic development issues and the progress of the Group's business. Significant transactions are discussed in depth by the full Supervisory Board in accordance with the rules of procedure of the Executive Board. The rules of procedure of the Executive Board additionally define the legal transactions that require the approval of the Supervisory Board before such transactions may be effected. The Executive Board and the Supervisory Board work closely together in a spirit of mutual trust on the management and supervision of the company.

Shareholders and Shareholders' Meeting

Sartorius AG shareholders exercise their rights at the company's Shareholders' Meeting. The Shareholders' Meeting is held at least once a year within the first eight months of the fiscal year. The Shareholders' Meeting decides on all of the matters for which it is responsible under the law.

Any shareholder who registers in due time may attend the Shareholders' Meeting. Shareholders who are unable to participate in the Shareholders' Meeting in person may arrange to have their vote cast by a bank, by a shareholders' union, by the proxies who are appointed by Sartorius AG and are bound to follow the instructions issued to them, or by a different proxy of their choice.

Risk Management

Conscientious management of commercial risks is a key principle of good corporate governance. Sartorius AG and the Group have at their disposal enterprise-wide and company-specific reporting and control systems designed to facilitate the recording, assessment and management of commercial risks. These systems are developed and adapted continuously as conditions evolve. The Executive Board notifies the Supervisory Board regularly of existing risks and their development. The Audit Committee is concerned in particular with monitoring of the following: the accounting process including reporting; the efficacy of the internal control system; risk management and the internal auditing system; compliance; and the independent statutory audit. Details on risk management are presented in the Risk and Opportunities Report.

Transparency

Sartorius AG places great importance on disclosing consistent and complete information promptly. Information about the economic position of the Group and new developments is consequently released regularly, without delay, as it becomes known in order to inform participants in the capital market and interested members of the public at large. The annual report, first-half financial report and quarterly reports are published within the timeframes specified for this purpose. Current developments and material events are publicized as press releases and, where appropriate, ad hoc announcements. This information is usually made available in German and English simultaneously and published via suitable media and on the internet.

The chief recurring events and publications, such as the Annual Shareholders' Meeting, the annual report and the interim reports, are listed on a financial calendar that may be viewed at any time on the Group website.

Share Trading Activities of Supervisory and Executive Board Members

We did not receive any reports, under the applicable mandatory disclosure requirements, of any purchases or sales of shares in Sartorius AG or related financial instruments made by the members of the Executive Board and the Supervisory Board or other persons with management responsibilities or their related parties.

Supervisory Board Chairman Prof. Dr. Dres. h.c. Arnold Picot holds approximately 50.1% of the ordinary shares issued by the company in his capacity as executor of the estate of Horst Sartorius, but otherwise no member of the Executive Board or Supervisory Board has any holding of shares or financial instruments subject to the mandatory reporting requirements that directly or indirectly exceeds 1% of the shares issued by the company.

The CEO and Chairman of the Executive Board Dr. Joachim Kreuzburg holds 25,000 ordinary shares and 25,000 preference shares in the company. These were transferred to him based on a corresponding agreement arising from his employment contract of December 18, 2015, and are subject to a minimum holding period of four years. For further information on this transfer, please see the Remuneration Report on pp. 76 et seq.

Accounting and Independent Statutory Audit

The consolidated financial statements and the Group Management Report, as well as the consolidated interim financial statements and reports are prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied within the EU, and according to the commercial law regulations to be applied under Section 315 a, Subsection 1, of the German Commercial Code, HGB. The annual financial statements of Sartorius AG are prepared in accordance with German commercial law, HGB. The consolidated financial statements and the annual financial statements are prepared by the Executive Board, audited by the independent auditors elected by the Annual Shareholders' Meeting and approved by the Supervisory Board.

It has been agreed with the independent auditors that they will notify the Supervisory Board directly of any potential disqualification or bias issues and any material findings and incidents identified during the audit. This also encompasses the corporate governance reporting duties pursuant to Section 161 of the German Stock Corporation Law (Aktiengesetz).

Code of Conduct

Central to the corporate culture of Sartorius AG is the understanding that we always conduct our business in a sustainable manner compatible with the pertinent economic, environmental and social imperatives. A uniform Code of Conduct applies across the entire Group in order to ensure that our actions are consistent throughout the organization. This Code of Conduct, which applies equally to all of the Group's people, whether they are members of the Executive Board, managing directors, managers or other employees, establishes defined standards formulated to help users successfully navigate ethical and legal challenges in everyday operations. It is in the interest of all employees and of the company for breaches of the Code of Conduct to be investigated, through the Internal Control Systems & Compliance department established for this purpose, and for their causes to be eliminated.

Further information is given in the Sustainability Report on pp. 86 et seq. and on the company's internet website at www.sartorius.com.

The Supervisory Board | The Executive Board

Remuneration Report

1. Main Features of the Remuneration Plan for the Executive Board

General Information

The full Supervisory Board is responsible for establishing the remuneration paid to members of the Executive Board of Sartorius AG. The total value of the remuneration of an Executive Board member reflects the scope of the responsibilities of the Executive Board member concerned, the Executive Board member's personal performance, the company's economic situation and sustainable progress. In addition, the extent to which this amount of remuneration is typical is considered, taking into account peer companies and the remuneration structure in place in other areas of the company and in similar companies.

Remuneration is comprised of both fixed non-performance-based components and of variable performance-based components, and is reviewed annually to ensure that it remains appropriate. The variable performance-based remuneration components consist of those to be paid annually and of multi-year components intended to have a long-term incentive. Fixed non-performance-based remuneration is paid in the year in which it is granted. For 100% target achievement, the variable annual and long-term performance-based components generally represent half of total remuneration, which excludes pension commitments under a defined benefit plan as well as fringe benefits.

Variable Performance-Based Remuneration

The portion of the variable performance-based remuneration that is paid annually is based on the following weighted components: sales revenue | order intake, underlying EBITDA and the ratio of net debt to EBITDA. Minimum target achievement is required for these components. The amount to be paid out depends on the degree to which the target is achieved, which the Supervisory Board defines by setting each individual subordinate target. A cap is provided for each variable component to be paid out. Variable performance-based remuneration is calculated upon approval of the company's annual financial statements for the respective fiscal year and not settled and paid out until the following fiscal year.

Multi-year Components as Long-term Incentives

Weighted components determined by multi-year assessment depend on the development of consolidated net profit in a multi-year period, on the one hand, and on the development of the company's share prices, on the other hand. Multi-year components providing a long-term incentive are based on a three-year average of consolidated net profit and on a four-year average of share prices, respectively. These components are paid out after two fiscal years for net profit and at the earliest after three fiscal years for share prices.

a) Consolidated Net Profit

For this subordinate target, the basis for assessment is the consolidated net profit after non-controlling interest excluding amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3). Target achievement for assessing annual variable remuneration in the particular year under review is based on the average taken over a period of three fiscal years, beginning with the particular year under review. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for the first fiscal year of each respective average period will be effected. Any overpayments as a result of these partial payments will be offset against other remuneration components once the total target achievement has been determined after the third fiscal year of an average period. A cap for this component is provided as well.

b) Phantom Stock Plan

Through the issue of shadow shares, called phantom stock, Executive Board members are treated as if they were owners of a certain number of shares in Sartorius AG, without, however, being entitled to receive dividends. The development of the value of this phantom stock is linked with the development of the Sartorius share; both increases and decreases in the share price are taken into account. Later, the value of this phantom stock is assessed based on the share price at the time, and its equivalent is paid out, provided that the associated conditions are met. Phantom stock cannot be traded and does not entail any share subscription rights.

According to the Sartorius phantom stock plan, each Executive Board member is credited at the beginning of every year with phantom stock units valued at an agreed monetary sum. The value of this phantom stock can be paid out only as an entire annual tranche. Payment can be requested, at the earliest, after a period of four years and no later than after eight years.

An Executive Board member is entitled to receive payment for phantom stock units only if the share price at the time of such payment request has appreciated at least 7.5% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX as a comparative index. The phantom stock plan rules out subsequent changes to the parameters used for comparative stock valuation. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned.

Assignment of this phantom stock and payment of its monetary equivalent depend on the mean value calculated from the average prices of both classes of Sartorius AG share in the closing auction of Xetra trading on the Frankfurt Stock Exchange over the last 20 days of trading of the previous year or over the last 20 days of trading prior to submission of a payment request. This serves to compensate for any short-term fluctuations in the share prices.

Payment for phantom stock is blocked for the four weeks preceding the scheduled publication date of quarterly and preliminary year-end results and for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These blackout periods are intended to prevent Executive Board members' profiting from their insider knowledge.

Pension Commitments

According to the company's remuneration policy, Executive Board members of Sartorius AG receive performance-related benefit commitments under a defined benefit plan when reappointed for the first time. In addition to including a basic pension, these commitments provide for the Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount. An Executive Board member may choose to receive such defined benefits in the form of a retirement pension for old age or as a one-time payment to cover the member's retirement pension for old age and invalidity as well as in the form of survivor's benefits for the surviving spouse and children of the decedent.

Beyond such commitments, an Executive Board member is additionally entitled under a former company pension scheme to receive performance-based retirement benefits based on the salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act [Bundesbesoldungsgesetz]. Such benefits are paid in the form of a retirement pension or old age and invalidity as well as in the form of survivors' benefits for the surviving spouse and children of the decedent.

After a member has turned 65, this shall be considered the regular age limit at which this member shall automatically be entitled to receive all such benefits.

Other Remuneration Components

The remuneration system provides that the Supervisory Board of Sartorius AG at its discretion may grant an Executive Board member special compensation based on that member's exceptional performance.

Early Termination of Executive Board Duties

In the event of any early termination of Executive Board duties, the employment contracts of Executive Board members provide for severance to be capped to a maximum of two annual salaries.

Fringe Benefits

Beyond the remuneration components stated above, the members of the Executive Board are each entitled to use a company car, reclaim expenses incurred on business travel and to be covered by accident insurance and D&O insurance as fringe benefits. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

Share-based Payment

As a rule, the remuneration policy for Executive Board members does not provide for the transfer of Sartorius AG shares as compensation for members. An exception to this policy rule was made in December 2014 for Dr. Kreuzburg, who was granted entitlement to receive share-based remuneration due to the third extension of his appointment as a member of the Executive Board and as its Chairman and CEO; please refer to Section 3 in this chapter.

2. Remuneration of the Executive Board Members in the Reporting Year

In 2015, the total remuneration for active service provided by all Executive Board members totaled €3,222 K relative to €7,767 K in 2014. Of this aggregate total, €1,525 K accounted for non-performance-based components as "fixed remuneration" (2014: €1,424 K) and €1,697 K for variable performance-based components and multi-year components with a long-term incentive (2014: €6,343 K). The prior-year figures include the transfer of shares agreed in December 2014 to be granted to Dr. Kreuzburg and effected in the reporting year; for a description, please refer to Section 3 in this report. Furthermore, as part of the pension commitments to the Executive Board members, the pension service cost totaling €364 K in the reporting year was expensed, following on €503 K in the prior year.

Total Remuneration of the Executive Board Pursuant to § 314, Subsec. 1, No. 6, of the German Commercial Code (HGB)

	Executive Board (total)		Dr. Joachim Kreuzburg		Jörg Pfirrmann		Reinhard Vogt	
€ in K	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Fixed remuneration	1,476	1,375	726	675	310	290	440	410
Fringe benefits[1]	49	49	15	18	15	15	19	16
Fixed remuneration	**1,525**	**1,424**	**741**	**693**	**325**	**305**	**459**	**426**
Variable performance-based remuneration (1 year)[2]	886	759	436	373	186	160	264	226
Variable multi-year components w/ long-term incentive								
Consolidated net profit (3 years)[3]	443	289	218	141	93	62	132	86
Phantom stock plan (4–8 years)[4]	369	345	182	169	78	73	110	103
Shares granted[4]	0	4,950	0	4,950	0	0	0	0
	1,697	**6,343**	**835**	**5,633**	**357**	**295**	**506**	**415**
Total remuneration	**3,222**	**7,767**	**1,576**	**6,326**	**682**	**600**	**965**	**841**

[1] The amounts contributed to D&O insurance totaling €171 K (2014: €263 K) are not included as these refer to the executive bodies of all companies of the Sartorius Group and are not allocated to the individual insurees.
[2] Amount corresponds to actual target achievement.
[3] Amount corresponds to actual target achievement of the plan in which a fiscal year ended; i.e., for 2015, consolidated net profits for 2013 –2015 (2014: consolidated net profits for 2012–2014).
[4] For shares granted to Dr. Kreuzburg in fiscal 2014, the value indicated is derived from the number of shares granted (25,000 ordinary shares and 25,000 preference shares) and their respective closing prices on the stock exchange on the grant date of December 16, 2014 (€100.00 and €98.00, respectively). Due to the share-based payment arrangement, expected dividends are not to be included in the measurement of these shares.

As part of the remuneration component based on the consolidated net profit of three consecutive fiscal years, each Executive Board member receives a partial compensation payment of 50% of his respective target achievement for the first fiscal year under review. Once the total target achievement has been determined after the third fiscal year, final payment is then effected by deducting the particular partial payment already made. The amounts of the partial payments made in total at the end of the reporting year are shown as follows:

	2015 € in K	2014 € in K
Balance as of Jan. 1 of a fiscal year	302	306
Partial payments deducted	–156	–150
Partial payments effected	165	146
Balance as of Dec. 31 of a fiscal year	**311**	**302**

3. Disclosures on Share-based Payments

For multi-year components with a long-term incentive, the phantom stock plan must be generally classified as share-based payment just as is the share-based payment agreed to be granted to Dr. Kreuzburg in December 2014 in connection with the third extension of his appointment as a member of the Executive Board and its Chairman and CEO. The latter share-based payment is explained in detail below:

Dr. Kreuzburg's third appointment as a member of the Executive Board and its Chairman and CEO expired on November 10, 2015. By resolution of the Supervisory Board on December 16, 2014, Dr. Kreuzburg was reappointed as a member of the Executive Board and its Chairman and CEO of the company for the term of November 11, 2015, to November 10, 2020. His employment contract that entered into force on November 11, 2015, provides for granting Dr. Kreuzburg 25,000 ordinary shares and 25,000 preference shares in the company as a supplementary compensation component. These shares were transferred to him on December 18, 2015 and are thus considered granted in 2015. The shares transferred are subject to a holding period that will end on November 10, 2019. Should Dr. Kreuzburg leave the company prior to November 11, 2017, at his own request, he shall be required to transfer all such shares back to the company; if Dr. Kreuzburg leaves the company after November 11, 2017, and before November 11, 2019, at his own request, Dr. Kreuzburg shall be required to transfer half of the shares granted to him back to the company.

The amount resulting since December 16, 2014, for the shares granted are to be spread as an employee benefits expense over the full vesting period and recognized as such in profit or loss. In fiscal 2015, an amount of €1,356 K was accordingly recognized as an employee benefits expense resulting from the grant of shares.

The employee benefits expense recognized in profit or loss in connection with the share-based payments is summarized as follows:

	2015 € in K	2014 € in K
Executive Board (total)	**3,098**	**617**
Phantom stock units	1,742	561
Shares granted	1,356	56
Dr. Joachim Kreuzburg	**2,212**	**330**
Phantom stock units	856	274
Shares granted	1,356	56
Jörg Pfirrmann	**367**	**121**
Phantom stock units	367	121
Shares granted	0	0
Reinhard Vogt	**519**	**166**
Phantom stock units	519	166
Shares granted	0	0

Disclosure of Phantom Stock Units

	Number of phantom stock units	Price on assignment in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2014 € in K	**Fair value at year-end on Dec. 31, 2015 € in K**	Paid in fiscal 2015 € in K	Change in value in fiscal 2015 € in K	Status
Dr. Joachim Kreuzburg								
Tranche for fiscal 2011	5,165	26.62	138	344	0	344	0	Paid out in 2015
Tranche for fiscal 2012	4,416	33.12	146	365	365	0	0	Not exercisable
Tranche for fiscal 2013	2,289	69.36	159	224	397	0	173	Not exercisable
Tranche for fiscal 2014	2,008	84.03	169	193	422	0	229	Not exercisable
Sum of the tranches from the previous years	**13,878**		**612**	**1,126**	**1,184**	**344**	**402**	
Tranche for fiscal 2015	1,840	98.78	182	0	454	0	272	Not exercisable
Total sum of tranches	**15,718**		**794**	**1,126**	**1,638**	**344**	**674**	
Jörg Pfirrmann								
Tranche for fiscal 2011	2,348	26.62	63	156	0	156	0	Paid out in 2015
Tranche for fiscal 2012	1,937	33.12	64	160	160	0	0	Not exercisable
Tranche for fiscal 2013	990	69.36	69	97	172	0	75	Not exercisable
Tranche for fiscal 2014	863	84.03	73	83	181	0	98	Not exercisable
Sum of the tranches from the previous years	**6,138**		**269**	**496**	**513**	**156**	**173**	
Tranche for fiscal 2015	785	98.78	78	0	194	0	116	Not exercisable
Total sum of tranches	**6,923**		**347**	**496**	**707**	**156**	**289**	
Reinhard Vogt								
Tranche for fiscal 2011	3,193	26.62	85	212	0	212	0	Paid out in 2015
Tranche for fiscal 2012	2,699	33.12	90	223	223	0	0	Not exercisable
Tranche for fiscal 2013	1,397	69.36	97	137	242	0	105	Not exercisable
Tranche for fiscal 2014	1,220	84.03	103	117	256	0	139	Not exercisable
Sum of the tranches from the previous years	**8,509**		**375**	**689**	**721**	**212**	**244**	
Tranche for fiscal 2015	1,114	98.78	110	0	275	0	165	Not exercisable
Total sum of tranches	**9,623**		**485**	**689**	**996**	**212**	**409**	

4. Pension Commitments

The retirement plan for Executive Board members provides for an old age and disability pension for Dr. Kreuzburg and for an old age pension for Messrs. Pfirrmann and Vogt. To cover such pensions, a benefit contribution amounting to one percent of each pensionable income and of each pensionable bonus is paid into a reinsurance policy. The benefit contribution for Dr. Kreuzburg is 10%; for Messrs. Pfirrmann and Vogt, 14% of their respective pensionable income, which equals their fixed remuneration.

If an Executive Board member elects to convert a portion of his salary to accrued retirement benefits by paying his own contribution into the reinsurance policy, Sartorius matches this by paying a corresponding additional benefit contribution on the reporting date. This amount matched by the company is 5% of the pensionable bonus earned by Dr. Kreuzburg and 7% of the same earned by Messrs. Pfirrmann and Vogt. This pensionable bonus is comprised of their respective one-year variable remuneration and of their respective multi-year remuneration based on the consolidated net profit. The amount of the retirement benefits that Sartorius will pay later to each Executive Board member and his surviving dependents is dependent on the maturity payment of the insurance policy accrued up to the maturity date, including the policyholders' bonuses earned by the insurance company. An Executive Board member does not acquire any rights to the reinsurance policy; Sartorius shall be solely vested with such rights at all times.

Furthermore, an earlier pension agreement granted to Dr. Kreuzburg provides that he will receive a monthly pension of 70% of the basic salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act (Bundesbesoldungsgesetz) in the respective version applicable. With each full year of service, 5% of his full pension is vested until after his full pension will have been reached after 20 years. Arrangements for pensions of surviving dependents basically provide for a widow's pension of 60% and an orphan's pension for each child amounting to 20% of his pension.

The projected pension payments, the present value of pension obligations and service cost are shown in the following table:

	Projected pension payment	**Present value of the obligation (IFRS)**		**Service cost (IFRS)**	
€ in K	p.a.	**Dec. 31, 2015**	Dec. 31, 2014	**2015**	2014
Dr. Joachim Kreuzburg	225	2,143	2,091	234	174
Jörg Pfirrmann	97	293	221	59	53
Reinhard Vogt	31	351	268	71	276
	353	**2,787**	**2,580**	**364**	**503**

5. Disclosures Required by the German Corporate Governance Code (DCGK)

The following table shows the benefits granted for the year 2015, including the fringe benefits and the attainable maximum and minimum remuneration for the variable remuneration components in line with the requirements of the DCGK of lit. 4.2.5 of June 2014:

	Dr. Joachim Kreuzburg				Jörg Pfirrmann				Reinhard Vogt			
Benefits granted € in K	2015 (min)	2015 (max)	2015	2014	2015 (min)	2015 (max)	2015	2014	2015 (min)	2015 (max)	2015	2014
Fixed remuneration	726	726	726	675	310	310	310	290	440	440	440	410
Fringe benefits[1)]	15	15	15	18	15	15	15	15	19	19	19	16
Total non-performance-based remuneration	**741**	**741**	**741**	**693**	**325**	**325**	**325**	**305**	**459**	**459**	**459**	**426**
Variable performance-based remuneration (1 year)[1)]	0	436	363	338	0	186	155	145	0	264	220	205
Variable multi-year components w/ long-term incentive												
Consolidated net profit 2015 (2015–2017)[1)]	0	218	182		0	93	78		0	132	110	
Consolidated net profit 2014 (2014–2016)[1)]				169				73				103
Phantom stock plan 2015 (holding period 2015–2018)[2)]	0	454	182		0	194	78		0	275	110	
Phantom stock plan 2014 (holding period 2014–2017)[2)]				169				73				103
Shares granted[2)]	0	0	0	4,950	0	0	0	0	0	0	0	0
	741	**1,848**	**1,468**	**6,318**	**325**	**798**	**636**	**595**	**459**	**1,130**	**899**	**836**
Post-employment benefits	234	234	234	174	59	59	59	53	71	71	71	276
Total remuneration	**975**	**2,082**	**1,702**	**6,492**	**384**	**857**	**695**	**648**	**530**	**1,201**	**970**	**1,112**

1) Amount for 100% target achievement
2) Value at the time granted

The inflows of the various remuneration components in the reporting year are shown in the following table:

	Dr. Joachim Kreuzburg		Jörg Pfirrmann		Reinhard Vogt	
Benefits received € in K	**2015**	2014	**2015**	2014	**2015**	2014
Fixed remuneration	726	675	310	290	440	410
Fringe benefits[1]	15	18	15	15	19	16
Total non-performance-based remuneration	**741**	**693**	**325**	**305**	**459**	**426**
Variable performance-based remuneration (1 year)[1]	436	373	186	160	264	226
Variable multi-year components w/ long-term incentive						
Consolidated net profit (2013–2015)[1]	170		74		104	
Consolidated net profit (2012–2014)[1]		141		62		86
Phantom stock plan 2011[2]	344		156		212	
Phantom stock plan 2010[2]		344		132		187
Shares granted	4,888	0	0	0	0	0
	6,579	**1,551**	**741**	**659**	**1,039**	**925**
Post-employment benefits	234	174	59	53	71	276
Total remuneration	**6,813**	**1,725**	**800**	**712**	**1,110**	**1,201**

[1] Amount equal to actual target achievement
[2] Paid out in the fiscal year

6. Main Features of the Remuneration Plan for the Supervisory Board

The remuneration for Supervisory Board members is defined in the Articles of Association of Sartorius AG and comprises fixed remuneration, meeting attendance fees and reimbursement of out-of-pocket expenses. Members serving as chairperson and vice chairperson of the Supervisory Board receive higher fixed remuneration.

Members and chairpersons of Supervisory Board committees are entitled to receive additional annual fixed amounts and meeting attendance fees and reimbursement of their out-of-pocket expenses. These amounts do not apply in relation to the Nomination Committee or to the committee pursuant to Section 27, Subsection 3, of the German Codetermination Law (MitBestG).

7. Remuneration of the Supervisory Board Members

	2015 € in K	2014 € in K
Remuneration for the Supervisory Board Members		
Total remuneration	**960**	**926**
Fixed remuneration	600	600
Compensation for committee work	80	80
Meeting attendance fee	169	154
Remuneration for individual services	18	0
Total remuneration for the Sartorius Stedim Biotech subgroup	**93**	**92**
Remuneration from Sartorius Stedim Biotech GmbH, Goettingen	39	38
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	54	54

	2015 € in K	2014 € in K
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)		
Total remuneration	**261**	**265**
Fixed remuneration	120	120
Compensation for committee work	24	24
Meeting attendance fee	24	29
Total remuneration for the Sartorius Stedim Biotech subgroup	**93**	**92**
Remuneration from Sartorius Stedim Biotech GmbH, Goettingen	39	38
Remuneration from Sartorius Stedim Biotech S.A., Aubagne	54	54

	2015 € in K	2014 € in K
Dr. Dirk Basting		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Annette Becker[1)]		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Uwe Bretthauer[1)]		
Total remuneration	**79**	**82**
Fixed remuneration	40	40
Compensation for committee work	16	16
Meeting attendance fee	23	26

	2015 € in K	2014 € in K
Michael Dohrmann[1)]		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Dr. Lothar Kappich		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Petra Kirchhoff		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Karoline Kleinschmidt[1)]		
Total remuneration	**49**	**45**
Fixed remuneration	40	40
Meeting attendance fee	9	5

	2015 € in K	2014 € in K
Prof. Dr. Gerd Krieger		
Total remuneration	**84**	**66**
Fixed remuneration	40	40
Compensation for committee work	8	8
Meeting attendance fee	18	18
Remuneration for individual services[2)]	18	0

	2015 € in K	2014 € in K
Prof. Dr. Thomas Scheper		
Total remuneration	**49**	**46**
Fixed remuneration	40	40
Meeting attendance fee	9	6

	2015 € in K	2014 € in K
Prof. Dr. Klaus Trützschler		
Total remuneration	**73**	**68**
Fixed remuneration	40	40
Compensation for committee work	16	16
Meeting attendance fee	17	12

	2015 € in K	2014 € in K
Manfred Zaffke[1)] (as of March 1, 2014) (Vice Chairman)		
Total remuneration	**120**	**103**
Fixed remuneration	80	67
Compensation for committee work	16	13
Meeting attendance fee	24	23

	2015 € in K	2014 € in K
Gerd-Uwe Boguslawski[1] (until Feb. 28, 2014)		
Total remuneration	**0**	**21**
Fixed remuneration	0	13
Performance-related remuneration	0	3
Meeting attendance fee	0	5

[1] The employee representatives declared that they donate their Supervisory Board remuneration to the foundation Hans-Böckler-Stiftung according to the guidelines of the German Trade Union Association.
[2] Remuneration for the legal firm Hengeler Mueller whose partner is Dr. Gerd Krieger, Professor of Law.

Beyond their Supervisory Board remuneration, the employee representatives who are employees within the Sartorius Group receive compensation that is not related to their service on the Supervisory Board.

8. Remuneration of Former Managing Directors

	2015 € in K	2014 € in K
Remuneration of Former Managing Directors		
Remuneration of former managing directors and members of the Executive Board as well as their surviving dependents	487	405
Retirement benefits and pension obligations to former managing directors and members of the Executive Board as well as their surviving dependents	9,689	9,229

Any circumstances beyond the disclosures made above and required to be reported according to Section 289, Subsection 4, and Section 315, Subsection 4, of the German Commercial Code "HGB" do not exist or are unknown.

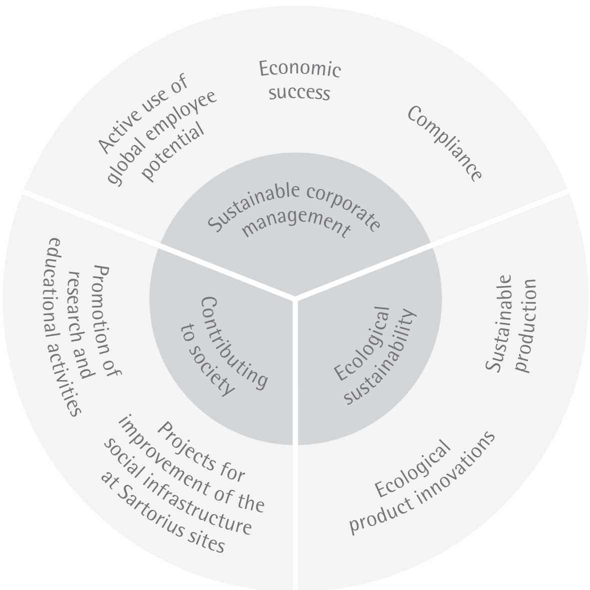
Sustainability Report

03

Sustainability at Sartorius

Sustainability is one of the core values on which our corporate culture at Sartorius is founded. Our primary commercial mission is to offer attractive products and solutions to our customers, which entails both being highly innovative and achieving and maintaining strategic and operational excellence. Doing this sustainably, we believe, means taking a broad-based, long-term view of our business that includes social and ecological considerations. We take our responsibilities toward our various stakeholders seriously and believe in long-term relationships that deliver benefits to all parties involved. Sartorius has elected to make sustainability a responsibility of the Chief Executive Officer in recognition of its overarching importance for the company.

Dimensions of Sustainability



In line with this approach, it is important for us to comply with legal and ethical standards, manufacture our products in an environmentally responsible way, and consider the environmental impact of product innovations during their development. Similarly, our HR policy aims to protect the rights and interests of our employees and to utilize and actively develop the potential of our global workforce. At its sites around the world, Sartorius helps shape the regional environment through its role as an employer a and client.

As a supplement to our financial indicators, we have defined relevant performance indicators to be used in assessing the impact of our commercial activities on the economy, our employees, the environment and society. These indicators incorporate the expectations and demands of our most important stakeholders – customers, employees, business partners, investors, public authorities and our neighbors in the communities in which we operate. Surveys, conversations and information forums are just some of the methods we use to engage in dialogue with our stakeholders.

To ensure transparency and comparability, Sartorius conducts its reporting activities in line with the Sustainability Reporting Guidelines (G4 Guidelines) of the Global Reporting Initiative (GRI) using the "In accordance"-Core option. Beginning on p. 97, the GRI G4 Content Index offers an overview of the standard disclosures as well as economic, ecological and social performance indicators. The Sustainability Report is published annually as part of the Group Annual Report. The reporting period is the fiscal year. Unless otherwise indicated, the employee-related data covers all Sartorius companies. The environmental indicators encompass all our production companies representing 73.5% of the total head count. Most of the data has been gathered internally; in addition, data on consumption is provided by our utility companies.

This report was not audited externally.

Sustainable Corporate Management

Compliance with Legal and Ethical Standards

Our activities are based on our corporate values: sustainability, openness and enjoyment. These values govern how we interact with our customers, business partners and investors as well as how we work together within the company. In addition, they guide us in the future development of our company.

Sartorius conducts its business in compliance with globally accepted ethical standards and applicable national legal standards. Our actions reflect the principles of responsible corporate governance and control that seeks to create sustainable added value. These principles include the protection of our stakeholders' interests, transparent communications, appropriate risk management and proper accounting and auditing. Sartorius follows the rules and recommendations of the AFEP-MEDEF Corporate Governance Code in its current version of May 5, 2015. Further information is provided in the Corporate Governance Report on p. 69.

Our globally applicable compliance system is intended to ensure that our Supervisory and Executive Board members, management and employees comply with all legal regulations and codes and act according to our internal guidelines. We systematically raise awareness of relevant compliance issues among our staff to prevent misconduct, financial losses and damage to our image. The Internal Control Systems | Compliance department is responsible for internal auditing, corporate security, environmental management, data protection, risk management, anti-corruption and export control. As in the past fiscal years, there were no significant fines or non-monetary penalties owing to violations of laws or regulations in the reporting year.

The Sartorius Code of Conduct and Sartorius Anti-Corruption Code define our requirements of our employees with respect to responsible conduct. These codes help employees act ethically and in accordance with the law in their daily work. All of our employees worldwide complete a training course in which they learn how to deal with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any dubious conduct anonymously.

Sartorius adheres to the principles of the United Nations Universal Declaration of Human Rights, the conventions of the International Labor Organization (ILO) and the United Nations Global Compact. The company rejects all forms of forced, compulsory and child labor and explicity expects its suppliers to do the same. As a business partner, we act with integrity and fairness in our dealings with competitors, suppliers and customers.

The remuneration paid by Sartorius for regular working hours, overtime and compensation for hours worked in excess of contract or regular work schedules meets industry standards and/or the legal minimum wage, and sometimes even exceeds them, for instance as additional variable components linked to both the progress of the company and the attainment of personal targets.

Open Dialogue with Stakeholders

As a company that operates in a spirit of partnership, Sartorius maintains a culture of open and constructive dialogue with its stakeholders. The content of such communication also includes sustainability topics that are important to our stakeholders now and in the future.

Sartorius also uses its generally long-standing and close relationships with its customers, business partners and suppliers as a forum to exchange views with them on their standards of sustainable corporate management.

Regional and Group-wide employee surveys help us discover what our employees find satisfying about the company, and where they see potential for improvement. The results of these surveys suggest relevant topics that we implement as specific plans of action at our local sites.

We also hold discussions with our investors about our environmental and social responsibility, for example, at roadshows, investor conferences or as part of capital market days.

Our subsidiaries maintain good neighborly relationships with local residents and public authorities, and consider their interests and expectations of our business activities. In 2015, for instance, Sartorius initiated a forum at its Group headquarters in Goettingen in which we held discussions with our neighbors and representatives of the city on the follow-up use of the old company site, which we expect to vacate by the end of 2018.

Employee Development and Support

Our employees attach great importance to continuing professional development, assumption of responsibility and opportunities to advance within the company.. Such opportunities safeguard their employability and open up new professional prospects for them. Moreover, motivated, well-trained employees are a significant success factor for us as a company. The Sartorius continuing education program covers a broad diversity of subjects. Sartorius College offers all employees a wide range of training and continuing personal development opportunities in a number of different languages to help improve their language and methodological skills. Specialized courses and targeted on-the-job training deliver essential skills and expertise. We develop these programs continuously and adapt them to the changing needs of our employees and the company.

Annual performance reviews between employees and their supervisors provide a forum for discussing performance, targets and individual development opportunities. We conduct all annual performance reviews worldwide using the same criteria.

Sartorius fills management vacancies from within its own ranks whenever possible. We help junior managers build up their management skills through specific projects directly related to the company's business. Sartorius provides a separate development program for experienced management staff in line with our leadership guidelines to strengthen our common management culture.

In addition to the classic manager career, Sartorius enables scientists and engineers in R&D functions, in particular, to pursue an expert career path, which raises the profile of our experts both within and outside the company and builds loyalty to Sartorius.

Our internal job market also gives prospects to Sartorius employees to pursue their professional development: in addition to careers in management or specialized areas, it offers a steady stream of new challenges, the opportunity to work on cross-departmental projects and horizontal transfers to other positions or areas in the company.

Finding and Developing Talented Young Staff

Sartorius is an interesting and attractive employer, as evidenced in part by a relatively low attrition rate and an average seniority of nearly ten years (see p. 36). The company continually refines the measures it uses to gain qualified employees, build their loyalty and promote their development to ensure the future competitive success of the company even in times of skilled labor shortages.

By providing solid initial vocational training, Sartorius gains highly qualified skilled labor for the company over the long term. In Germany, the Group offers vocational training and education in a total of 22 different professions and eight work-study programs. Sartorius employed a total of 130 trainees and 10 students as of the reporting date on December 31, 2015, of which 100 were men and 40 were women. This number also includes one trainee who is registered as disabled. As in previous years, a large proportion of trainees were taken on by the company as regular employees after they had successfully passed their final examinations.

Sartorius conducts foreign exchange programs for trainees that enable those with an interest in gaining international experience to spend a number of weeks at a Group site in another country as part of their professional training. Promising young people at Sartorius also have the opportunity to prepare themselves for specific future roles through highly practical work-study programs in the natural sciences and in business administration.

The company participates regularly in European Union funding programs, such as the Marie Curie program for young scientists and the Leonardo da Vinci program for international vocational education. We enable our interns to participate in a variety of training courses. Thanks to an alliance with the Kedge Business School in Marseille, France, the interns at our Aubagne site, for example, can attend the Master of Business Administration courses offered there.

For many years now, our own international Sartorius Scholarship program has supported talented students and graduates in scientific and technical disciplines not just financially, but also technically and personally through mentoring within our own organization. Since 2015, students from sales and marketing can also apply for scholarships. The program is intended to attract qualified young people from the global growth markets to our organization and enhance international project activities at Sartorius.

Certified Vocational Training and Work-Study Programs at Sartorius in Germany

Vocational Study Programs Offered by the German Chamber of Commerce and Industry IHK

Recognized professions in commerce
Event manager
Industrial business administrator
Office management assistant
IT application specialist
IT system integration specialist
Warehouse logistics specialist
Warehouse operator
Recognized professions in the natural sciences
Skilled chemistry technician
Physics laboratory assistant
Chemical laboratory assistant
Recognized professions in skilled trade and skilled technical jobs
Mechatronics engineer
Electronics technician for automation technology
Electronics technician for equipment and systems
Milling machine operator
Industrial mechatronics engineer
Construction technician
Skilled machine and plant operator
Plant technician
Technical product designer
Certified production technician
Machine tool technician
Process technician
Work-study programs
Bachelor of Arts, Business Administration
Bachelor of Engineering, Electrical and Electronic Engineering | Information Technology
Bachelor of Engineering, Electrical and Electronic Engineering | Information Technology
Bachelor of Engineering, Precision Machinery
Bachelor of Engineering, Production Technology
Bachelor of Science, Biotechnology
Bachelor of Science, Information Technology
Bachelor of Science, Business Information Management Systems

Diversity as an Opportunity

The following analyses of the proportion of women, persons registered as disabled, part-time employees, accidents, works agreements and suppliers do not include the 132 employees of the two companies acquired in 2015.

As a globally operating company, we do business in a wide variety of the world's regions and markets. Already today, people from more than 60 countries work for us; our Group headquarters in Goettingen is home to employees from 35 different nations.

As of December 31, 2015, 61.5% of the Group's employees were employed outside Germany, 2.2 percentage points more than the year before. Over half of the company's managers came from outside Germany. Sartorius promotes international opportunities for its employees' development, for instance, through temporary deployment at other sites or international teamwork. In setting up teams, we ensure that the different perspectives and backgrounds are combined productively. When filling management vacancies, we likewise aim to achieve a mix of cultures, genders and age groups. In line with the German Act on Equal Participation of Women and Men in Executive Positions in the Private and Public Sectors, Sartorius has defined the following targets: the proportion of women in the first tier of management below the Executive Board is scheduled to increase by June 30, 2017 from 19% (as of December 31, 2015) to 25%, and in the second tier from 27% to 30% during the same period. Regarding the number of women to be appointed to the Supervisory Board, the statutory quota of at least 30% applies. Further information is given in the Corporate Governance Report on p. 69 et seq. The proportion of women in our total workforce increased to 37.3% in 2015 – 2.5 percentage points more than in 2014.

During the reporting period, Sartorius employed 151 people who are registered as disabled, 124 in Germany and 23 in France.

Freedom and Flexibility at Work

We set our employees demanding tasks, delegate responsibility at an early stage and give them freedom to arrange their daily work. In Germany and other countries, we offer our employees various options for structuring their employment flexibly in recognition of their different needs and life situations. Flextime, part-time work and teleworking offer employees models that help them find the right balance between family, work and leisure. To our employees, this flexibility is critical for their satisfaction with Sartorius, and it increases our attractiveness as an employer for younger specialists, in particular. The number of part-time employees at the Sartorius Group during the reporting year was 334, which equates to 5.5% of our total head count, 0.5 percentage points more than in the previous year. Most of our part-time employees work in Germany. In addition to flexible work schedules, our response to the need for work-life balance includes child care opportunities. In Goettingen, for example, we have offers for school-age children during school vacation periods. Sartorius has already garnered a number of awards for its family-friendly policies.

Health Protection and Safety

The Group's corporate health management policy addresses both the physical and psychosocial elements of health to enhance employee performance and motivation and reduce illness-related costs. We promote an awareness of personal health among all employees through special action days and sports programs at individual sites. Vice presidents in Germany can take advantage of an annual medical checkup at a selected partner clinic. We have advisory and assistance services, especially for employees on business trips or international deployments, where they can get help in the event of any medical emergencies, accidents or security threats. In Germany and France, employees with professional or personal problems have access to an external counseling service, free of charge.

Sartorius has high safety standards to minimize job-related medical conditions, risks to health, and potential causes of industrial accidents. At our company, we use guidance provided by the requirements of the International Labor Organization (ILO) as well as national regulations and recommendations, such as those of the German Occupational Health and Safety Agency. Job safety and work organization conditions are improved on an ongoing basis. Planned employee training on topics of occupational health and safety and environmental protection ensure that our staff members recognize risks and avoid them accordingly. Formal occupational safety committees at the German sites provide regular consulting on measures to promote good health and prevent work-related accidents. Individual works agreements on occupational safety and health protection govern re-entry to work after long illness, interactions with employees at risk of addiction and subsidies for eyeglasses for those with computer workstations.

In the reporting year, the number of accidents at our sites worldwide decrased by nearly 28% to 49. At the same time, the number of days missed rose by more than 30% compared with 2014. There are two main reasons for this: Of the 49 accidents reported, five incidents alone each resulted in 100 days of work missed. Therefore, nearly half of the days missed are due to only 10% of accidents, which did not entail any very severe injuries, however. Moreover, the rise in the number of days missed can be explained by the increased number of employees. In relation to the number of hours worked, the number of accidents even dropped by around a third. We analyze these accidents regularly and derive accident prevention measures from them that can also be used for other sites.

Statistics on Accidents at Work

	2015	2014
Number of work accidents	49	68
Number of days lost due to work accidents	1,844	1,411
Frequency rate[1]	4.8	6.4
Severity rate[2]	181.8	132.3

[1] Number of accidents per 1,000,000 working hours
[2] Number of days lost due to work accidents per 1,000,000 working hours

Trustful Relationship Between Employer and Employee

Our corporate culture requires that we inform our employees promptly and regularly of our financial progress, our strategic objectives and any changes within the company, for instance, by internal memos, newsletters and the employees' magazine. The subsidiaries comply with applicable national regulations governing minimum periods of notification of operational changes at the company. There are no collective agreements in this respect.

Sartorius works with employee representative bodies Group-wide in a spirit of trust. The concrete form of the employer-employee relationship differs by country. In Germany, the German Codetermination Law (MitBestG) and the Works Council Constitution Act (BetrVG), among others, govern employee participation in operational decisions. Our employees in Germany are represented by a total of five employees' councils. In 2015, 8 company agreements – applying to 75% of all our employees – were signed at the German plant sites. These related to incentive systems, home office work and the possibilities of mobile work environments, among other matters.

Code of Conduct for Suppliers

Sartorius has a broad product portfolio, and the materials used to produce its products are correspondingly diverse. Service providers and suppliers contribute to added value at Sartorius, and we expect them to comply with internationally recognized social and environmental standards, to respect the law, and to uphold the tenets of fair competition. Existing or new suppliers who are determined to be the source of considerable risks regarding compulsory, forced or child labor, other violations of human rights or negative effects on society are excluded. We have set out our requirements in our Code of Conduct for Suppliers and Service Providers. Sartorius has standardized its procurement channels worldwide, and contracts are awarded in a transparent process that complies with all current regulations.

Sartorius has approximately 6,000 suppliers and service providers around the world. Expenses for raw materials and supplies, including purchased merchandise and services, amounted to €314.6 million in the reporting year, corresponding to approximately 28% of sales. For details, see the Notes to the Statement of Financial Position on page 123. On the whole, the level of vertical integration at Sartorius is very high. There were no changes of a material nature.

Ecological Sustainability

Sustainable production and ecological product innovations are key to our long-term financial success. Sartorius designs its manufacturing processes to conserve resources, and offers products that are not only efficient and safe, but also provide ecological benefits. When planning our operations, we look beyond our own immediate use of resources to understand the entire life cycle of our products, including our customers' processes. Our suppliers are also required to meet the specifications of our green approach. Sartorius seeks to grow its business without a commensurate increase in the use of natural resources and has made this a formal objective that is implemented at various levels.

Again in fiscal 2015, no specific environmental risks requiring provisions to be set up were identified.

High Standards in Quality and Environmental Protection

The number of Sartorius subsidiaries certified according to internationally recognized standards is continuously increasing. Currently, all our manufacturing sites are certified for compliance with the series of international standards for quality management, ISO 9001, apart from Tagelswangen in Switzerland, which employs around 50 people. The ISO 14001 environmental management system has been introduced at our two largest plants in Goettingen, Germany, as well as in Beijing, China; Bangalore, India; Kajaani, Finland; and Suzhou, China. In 2015, our site in Aubagne, France, was certified under ISO 14001. On the whole, 67% of our manufacturing sites meet the requirements of this international standard for environmental protection. These two management systems ensure that we comply with quality requirements in the manufacture of our products, conserve the resources we use and prevent environmental risks. We also operate an energy management system according to ISO 50001 at our three facilities in Goettingen and at the nearby Guxhagen site, where we manufacture equipment and systems for biopharmaceutical production. These plants reperesent 47% of all our manufacturing sites. Our environmental management systems are audited yearly by independent organizations. At our international locations, EHS officers take on the task of ensuring compliance with environmental laws, regulatory requirements and standards. The company's international Environmental, Health and Occupational Safety Steering Group develops recommendations for harmonizing and continuously improving our processes in these three areas worldwide.

Sartorius supplies its products to manufacturers of pharmaceuticals, foods and chemicals as well as to research and development laboratories. A high level of product quality and delivery reliability is critical for our customers in these strictly regulated industries. The company employs rigorous quality checks and advanced manufacturing methods and processes to ensure that when used as intended, these products comply with good manufacturing practices (cGMPs) and pose no risk to health or safety. Detailed application brochures and our Services unit support customers in the correct use of our products. Sartorius has established a traceability system that enables us to recall entire product batches immediately in the event of any major non-conforming items or defects.

Emissions Monitoring in Accordance with the Greenhouse Gas Protocol

Sartorius has been recording greenhouse gas emissions in line with the Greenhouse Gas Protocol (GHG), a global standard, since 2013. We thus account for emissions not only of CO_2 but of all gases of relevance to climate change, and report them in CO_2 equivalents (CO_{2eq}). Currently, we report climate-relevant emissions that are directly given off by our production sites (Scope 1). We also report energy indirect emissions that arise during power generation by external energy suppliers (Scope 2). At Sartorius, we presently record other greenhouse gas emissions, such as those associated with the manufacture of precursor products and distribution operations (Scope 3), only at our main production site for single-use bags in Aubagne. We are considering a phased integration of Scope 3 greenhouse gas emissions, which are time-consuming to record and calculate.

Greenhouse gas emissions and energy consumption at the Sartorius Group developed as follows in 2015:

Energy Consumption and Greenhouse Gases

	2015[1)]	2014
Total energy consumption (in MWh)	**110,133**	**103,858**
- of which electricity	53,755	52,785
- of which natural gas	52,547	47,808
- of which fuels[1)]	2,331	2,009
- of which other energy sources	1,500	1,256
Total greenhouse gas emissions (in t CO_{2eq})[3)]	**30,769**	**30,033**
- Scope 1[4)]	11,294	10,385[5)]
- Scope 2	19,475	19,648
Key indicators		
CO_{2eq} emissions per employee (in t)	6.6	6.5[6)]
CO_{2eq} emissions per million of sales revenue (in t/€)	27.6	33.7[6)]

1) Continued operations, without Intec
2) Only diesel consumption for electricity generators
3) Emissions in t of CO_{2eq} were calculated by the University of Applied Sciences and Arts Goettingen using emission factors listed in professional software "Gabi"
4) Excluding fuel consumption for car fleet
5) Corrected
6) Adjusted

At our site in Goettingen, we also use natural gas to produce our own electricity and heat using two combined eco-friendly heat and power (CHP) plants fueled by natural gas. However, we purchase the majority of our electricity from suppliers. The most significant consumption of energy outside the company is associated with the transport of goods and materials, to which consumption during business travel and employee commutes must be added. This Scope 3 consumption is not currently recorded.

Scope 2 emissions from the consumption of electricity at Sartorius account for two-thirds of emissions of relevance to climate change. Our secondary energy is derived from an energy mix that differs according to the regions in which we do business. We primarily consider specific values of electricity companies. The remaining one-third of climate-relevant emissions can be attributed largely to the combustion of fossil fuels (Scope 1), of which natural gas is the largest source of primary energy at the company.

Scope 1, 2 and 3 emissions at the Aubagne site are assessed according to the "Bilan Carbone" method developed by the French Environment and Energy Management Agency (ADEME). Results for 2014, the most recent year analyzed, show that freight transport accounts for 29% of our environmental footprint at the Aubagne site. The impact of incoming raw materials and preliminary products that Sartorius sources from its suppliers represents 22% of our emissions. Among the relatively large sources of CO_2 emissions are business travel by employees (20%) and energy consumption in buildings (10%). Following these findings, the site has updated its plan of action for ongoing reductions in CO_2 emissions.

Emissions from solvents, which occur mainly in filter manufacturing at the Goettingen and Yauco sites, amounted to 40.6 metric tons in the reporting year, 11.0 metric tons less than in 2014. The proportion of this amount relevant to greenhouse gas emissions has been taken into account when calculating the CO_{2eq} figure.

Efficient Use of Energy

Sartorius is adapting to the negative consequences of climate change and endeavoring to reduce greenhouse gas emissions associated with its business. In addition, more efficient use of energy is economically sensible. Our largest site, Goettingen, which accounts for 71% of our total energy consumption, is a focal point of our energy-saving measures and plays a pioneering role. The adoption of advanced technology, including two energy-efficient combined heat and power (CHP) plants and a compressed air center for controlling production equipment, has enabled Sartorius to reduce annual carbon dioxide emissions by around 6,000 metric tons. Intelligent control systems at Sartorius provide energy savings of up to 1,300 MWh per year. Our energy management system makes it possible to identify additional energy-saving potential in specific areas.

We continue to improve existing production processes and buildings at our international sites too in order to reduce our consumption of resources. Increasing the proportion of renewable energy sources in our energy mix is also an aspect of this effort, especially in our new buildings. Solar energy meets part of our energy requirements at the Yauco site, for example, while the Guxhagen and Tagelswangen sites both have their own photovoltaic plants and use geothermal energy.

Sartorius reduces transportation routes that burden the environment by supplying the various markets directly from its production facilities. Where possible and practical, we ship via environmentally friendlier sea freight instead of air freight. Sartorius also works to minimize energy consumption caused by business travel, for example, by making greater use of videoconferencing.

The success of these and other eco-friendly measures is reflected in the company's overall energy consumption and greenhouse gas emissions, which have increased at a much lower rate over the few last years than the company's expansion in terms of sales revenue.

Sustainable Use of Water Resources

Most of the water that Sartorius uses is for rinsing in the manufacture of filter membranes according to the precipitation bath method. Advanced casting machines help maximize the efficient use of water. At its sites in Goettingen, Bangalore and Beijing, the company operates its own on-site production wastewater treatment systems. Our new building at Yauco consumes around 85% less fresh water than conventional factories, thanks in part to an intelligent design for the use of rain water.

Water Consumption

	2015	2014
Water consumption (in cbm)	359,445	330,956
Water consumption per employee (in cbm)[1]	82	72
Wastewater (Biological Oxygen Demand - BDO)[1] (in t)	243	201

[1] Based on the number of employees at the production sites; 2015: 4,394
[2] Contaminated wastewater only; without sanitary wastewater

Water is primarily drawn from public water supply, but Sartorius also uses surface water. The total volume of water discharged into public sewage systems corresponds roughly to our total water consumption, plus rainwater drainage. The biochemical oxygen demand, which defines the amount of oxygen needed to break down the organic compounds in wastewater, is calculated for the proportion of production wastewater regarded as essential.

Return of Recyclable Materials

Sartorius strives to reduce waste and uses waste sorting systems to help ensure that reusable materials can be recycled and lower the proportion of waste stored in landfills.

Amount of Waste

	2015	2014
Total amount of waste (in metric tons)	**4,085**	**3,614**
- of which waste for recycling (in metric tons)	2,090	2,018
- of which waste for disposal (in metric tons)	1,995	1,596
Waste per employee (in metric tons)	0.93	0.78
Recycling rate (in %)	51	56

[1] Based on the number of employees at the production sites; 2015: 4,394

Sartorius applies the relevant regulations on environmentally compatible design and recycling in force around the world to its own electronic products, such as balances and other laboratory equipment. Materials such as heavy and precious metals have to be recovered for reuse rather than landfilled. Since 2010, the Sartorius sites in Germany, at which approximately 44% of all our waste is produced, have been using an electronic signature system for hazardous waste items, such as acids and substances containing oil. This ensures that the generation and disposal of hazardous waste products are documented digitally and can be traced in full. In Germany, the proportion of waste that counts as hazardous waste was 743.7 metric tons in the reporting year.

Organic solvents, which Sartorius needs for manufacturing membranes for filter cartridges, are recovered and recycled. The Goettingen facility, which accounts for most of our solvent usage, has a solvent reprocessing plant on site so that solvents can be reused in production operations. In this way, we maintain closed material cycles, minimize transportation requirements and reduce the quantities of water used and wastewater produced. By conducting our own research and development, we also continuously reduce the relative volume of solvents needed for membrane manufacture.

Due to safety regulations that apply to specific products, the use of recycled plastics at Sartorius is limited; these materials are employed in small amounts in certain functional components of its balances, for instance.

Sartorius fulfills existing legal regulations governing the return and recycling of its products and their packaging.

The company disposes of waste primarily in the country in which it is generated; thus, international waste transports are currently not relevant at Sartorius.

Environmentally Friendly Infrastructure Expansion

We invest continuously in new plants and plant expansions to accommodate our constant growth. In the process, Sartorius complies with local regulations and practices for land use. Our production facilities utilize dedicated industrial areas that are remote from nature conservation areas and green spaces. We maintain extensive green spaces at our sites too, avoiding unnecessary artificial ground coverings that prevent water entering the soil. Although we generally estimate that our impact on biodiversity is negligible, Sartorius strives to meet the special protection needs of biodiversity hotspots where our factories in Tunisia and Puerto Rico are located. For example, our site in Yauco, Puerto Rico, which was expanded in 2012 to serve as the central manufacturing and logistics site for the North American market, meets the highest U.S. standards for green, resource-saving and efficient construction. We even became the first pharmaceutical industry supplier worldwide to achieve Platinum-level certification of our production building in Yauco under the U.S. Green Building Council's LEED initiative. Moreover, we consider ecological, economic and social factors when developing and expanding our Group headquarters in Goettingen. At our multi-level parking facility, which was the first new building to be commissioned in early 2015, we save 40% of the energy consumed by traditional lighting through the use of efficient LED lights. In addition, we have installed electric charging stations to support the expansion of electromobility. We are pursuing certification by the German Sustainable Building Council for the new production building for laboratory instruments that will be ready for occupation as of May 2016. In terms of its primary energy need for building heating alone, this new facility lies 45% below the value prescribed for Germany by the German Energy Saving Ordinance (EnEV). At our other sites, too, our advanced building technology often exceeds the requirements of national environmental protection regulations.

Use of Ecologically Safe Raw Materials

Sartorius checks all of the raw materials used to ensure they comply with the applicable environmental and occupational health and safety regulations. In Europe, these include the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Most of the respective international standards are comparable to these European regulations. Safety data sheets, product safety notices and instructions in the user manuals reliably inform customers of any hazardous materials in our products that cannot be replaced by other materials. For some time, Sartorius has been steadily reducing the amount of leaded solder used in the manufacture of electronic components and circuit boards and has fully implemented the respective RoHS Directive by using only lead-free solder.

Sartorius has defined three types of raw material as particularly important for its product manufacturing: chemicals for filter membranes, plastics for single-use products, and stainless steel for reusable bioreactors and systems. Since 2013, we have been gradually introducig quantitative indicators for purchased raw materials. During the reporting year, Sartorius purchased 4,325 metric tons of chemicals, up from 3,448 metric tons in 2014. We purchased 1,467 metric tons of plastics – 310 metric tons more than the year before. The volume of purchased stainless steel is being reported for the first time for fiscal 2015 and amounted to 25,870 metric tons.

Sustainable Product Innovations

Our efforts to enhance the environmental performance of our products and production methods begin at the research and development stage. We decrease our use of materials and increase the proportion of environmentally friendly raw materials whenever this can be done without compromising the safety or functionality of our products or packaging. Sartorius also works with partners from industry and the scientific community in this respect.

High-Performance Products Improve Customers' Environmental Footprints

For economic reasons, single-use products are becoming increasingly widespread in the manufacture of medications. Studies have shown that over their product life cycles, single-use products made of plastic are far superior to complex reusable systems in their consumption of energy, water and chemicals. In a typical industrial manufacturing process for monoclonal antibodies, for instance, manufacturers with predominantly single-use products need around 80% less water and 30% less energy than when primarily reusable solutions are used. In addition, the deployment of single-use product solutions reduces the size of production units: manufacturers require 30% less space, thus saving energy and materials. Other research has confirmed that the energy needed for sterilization, cleaning and materials in processes based on single-use products is around half that of conventional processes.[1)]

Although single-use products have clear environmental benefits in terms of energy and water consumption, their use generates more waste. Yet consistent reuse and recycling can improve environmental performance here as well. The ultrapure plastics we utilize to manufacture various single-use products contain around 80% to 90% of the energy of pure crude oil and are thus valuable secondary raw materials. The high energy content of polymers, for example, means that they can be reused as fuel in heat and | or power generation.

The integrated solutions of the Sartorius FlexAct product line combine the ecological benefits fundamentally offered by single-use technologies with the benefits of lower material consumption due to the reduced need for permanently installed systems. The versatile central control unit, for example, can be used in a number of different biopharmaceutical processes.

Technical refinements to its membrane filter series have enabled Sartorius to slash consumption of ultrapure water for wetting and rinsing the membranes by around 95%. The filters' significantly lower adsorption lessens the loss of high-value protein solution. As a result, pharmaceutical manufacturers can substantially reduce the use of resources, while achieving higher yields.

Our Sartorius process monitoring and control technology also reduces material consumption and helps prevent defective batches. The Sartorius Services unit analyzes customer processes holistically and identifies areas that offer potential for economic and environmental improvements.

[1)] Sources: Sinclair A., Lindsay I., et al.: The Environmental Impact of Disposable Technologies. BioPharm Int. November 2, 2008. http://www.biopharmservices.com/docs/EnvironmentImpactDisposables.pdf; Rawlings B., Pora H.: Environmental Impact of Single-use and Reusable Bioprocess Systems. BioProcess Int. February 2009: 18 - 25.

Contributing to Society

Our business operations have many positive effects on the development of the cities and communities in which we are based, the great majority of which have been home to Sartorius for many years. We are often one of the largest private employers and clients in the area, especially at our main manufacturing sites, and consequently play a significant role in increasing regional growth and purchasing power. Sartorius and its partners are actively involved in shaping the economic and social environment around its sites. The company also helps make the regions in which it operates more attractive for current and future employees alike by providing financial support for projects in education, culture, social affairs and sports.

Our social outreach activities targeting areas beyond our home regions concentrate on fields linked to our core business. Promoting research and education and supporting events for the scientific community remain our chief priorities.

Contributing to Regional Economic Development

Many of our large Sartorius production facilities, among them the Goettingen, Guxhagen, Aubagne and Yauco sites, are located in small to mid-sized cities and communities and rank as important employers in their regions. Our Group headquarters in the university city of Goettingen, for example, is the largest private employer in the area, with over 2,000 employees. The company is also a major force in the local economy of the rural region surrounding nearby Guxhagen, while in Aubagne and Yauco, both medium-sized cities with a population of around 40,000 each, we provide attractive jobs for 660 and 380 people, respectively. Each site also supports additional jobs with local service providers and suppliers.

Together with representatives of politics, industry and society, our local subsidiaries are involved in initiatives to strengthen the competitiveness of their regions. In this context, we concentrate on issues that directly or indirectly affect the company's operations, such as infrastructure, logistics, environmental protection and education. Long-term partnerships ensure reliable business relationships for regional organizations. We maintain an open and constructive dialog with the various local stakeholder groups and notify them promptly and in full of any activities and developments that touch upon their areas of concern. Several examples from Goettingen and Yauco are presented below.

At the Goettingen Group headquarters site, we are a longstanding member of the local logistics network and the Measurement Valley business association, an alliance of small and midsize measurement technology companies established to boost the local economy. We are also involved in the local climate protection initiative to reduce CO_2 emissions, collaborate with Goettingen's Georg-August University and various scientific institutions, are an industrial partner to several Goettingen high schools, and are among the sponsors of the internationally renowned Goettingen Handel Festival, the city's "Literaturherbst" fall literature festival, and the men's team of the local basketball club BG Göttingen, which currently plays in Germany's top division, as well as the women's team, which plays in the second division. As part of a cooperation with the city of Goettingen and its employment agency, in 2015 Sartorius took on 12 refugees as interns in order to offer them specific and practical prospects for integration. Sartorius was able to offer most of the refugees advanced qualification seminars and paid employment.

At our subsidiary in Yauco, Puerto Rico, Sartorius works with more than ten local schools, and awards around 20 scholarships annually to especially talented high-school and university students from low-income families. In addition, visits to the company are organized to motivate these young people to begin vocational training or university studies. Sartorius also sponsored a variety of youth sports teams and other local sporting events, as well as supported two local organizations that look after homeless people in Yauco.

In addition to its regional commitments, since 2014 Sartorius has been supporting internationally active non-profit organizations as part of its initiative "Christmas Donations Instead of Gifts". In fiscal 2015, Sartorius donated €75,000 to the globally active medical aid organization "action medeor" for a project to provide healthcare to people in refugee camps in Northern Iraq. In 2014, the French Muscular Dystrophy Association, AFM-TÉLÉTHON, received a donation to help fund research in rare nervous system diseases and muscle disorders and the development of gene and stem cell therapies.

Sartorius is politically independent and does not provide financial or in-kind support to politicians or political parties.

Alliances with Research and Educational Institutions

Promoting academic excellence and interdisciplinary communication are key aspects of our long-term alliances with research and educational institutions. The Florenz Sartorius Prize we created to recognize outstanding academic achievement is awarded twice a year to the best in class in the Faculty of Economic Sciences at Goettingen's Georg-August University. In 2015, Sartorius also provided financial support and practical assistance in career orientation to 12 outstanding students from five different universities through its involvement with the German federal government's "Deutschlandstipendium" national scholarship program. The Sartorius facility in Aubagne has collaborated with highly-regarded schools and universities for many years, such as the École Nationale Supérieure de Technologie des Biomolécules in Bordeaux, to support the education and training of biotechnology engineers and business administrators and help young graduates make a start in their careers. Finally, Sartorius awards two scholarships every year in Hong Kong to especially high-achieving young geologists, biologists and chemists at the University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong University of Science and Technology.

Support for Events for the Scientific Community

As a partner to the pharmaceutical industry, Sartorius takes part in symposiums, conventions, annual conferences and events for this industry. For instance, we regularly support the international and regional annual conferences of the International Society for Pharmaceutical Engineering (ISPE), an independent not-for-profit association dedicated to employee education and information sharing across the pharmaceutical industry worldwide. Sartorius was also involved in symposiums presented by the Chinese Academy of Inspection and Quarantine (CAIQ), whose areas of expertise include quality assurance in the lab.

GRI G4 Index

Organization and Report Profile

General Standard Disclosures

		Page	Externally audited
	Strategy and Analysis		
G4-1	Executive Board statement concerning the relevance of sustainability to Sartorius	Report of the Executive Board, p. 8 Sustainability at Sartorius, p. 84	
G4-2	Description of the key impacts, risks, and opportunities	Opportunity and risk report, p. 53ff.	Yes
	Organizational Profile		
G4-3	Name of the organization	Combined Group management report, p. 22	Yes
G4-4	Primary brands, products, and services	Combined Group management report, p. 24ff.	Yes
G4-5	Location of the organization's headquarters	Combined Group management report, p. 22	Yes
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Notes to the financial statements, p. 119ff.; Supplementary information, p. 164f.	Yes
G4-7	Nature of ownership and legal form	Combined Group management report, p. 22	Yes
G4-8	Markets served	Combined Group management report, p. 27ff.	Yes
G4-9	Scale of the organization	Combined Group management report, p. 22ff.	Yes
G4-10	Employees profile, total number of employees	Combined Group management report, p. 35	Yes
G4-11	Percentage of total employees covered by collective bargaining agreements	Trustful relationship between employer and employee, p. 89	
G4-12	Description of the supply chain	Opportunity and risk report, p. 55	Yes
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Combined Group management report, p. 22	Yes
G4-14	Precautionary principle	Sustainable corporate management, p. 85; Health protection and safety, p. 89	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Compliance with legal and ethical standards, p. 85	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	Compliance with legal and ethical standards, p. 85	
	Identified Material Aspects and Boundaries		
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	Sustainability at Sartorius, p. 84	
G4-18	Process for defining the report content and the aspect boundaries	Sustainability at Sartorius, p. 84	
G4-19	Material aspects identified in the process for defining report content	Sustainability at Sartorius, p. 84;	
G4-20	Aspect boundary within the organization	Open dialogue with stakeholders, p. 85	
G4-21	Aspect boundary outside the organization	Sustainability at Sartorius, p. 84	
G4-22	Restatements of information provided in previous reports	Sustainability at Sartorius, p. 84	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	Sustainability at Sartorius, p. 84 Sustainability at Sartorius, p. 84	
	Stakeholder Engagement		
G4-24	List of stakeholders groups engaged by the organization	Open dialogue with stakeholders, p. 85	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Sustainability at Sartorius, p. 84	
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Open dialogue with stakeholders, p. 85	
G4-27	Key topics and concerns that have been raised through stakeholder engagement,	Open dialogue with stakeholders, p. 85	
	Report Profile		
G4-28	Reporting period for information provided	Sustainability at Sartorius, p. 84	
G4-29	Date of most recent previous report	Sustainability at Sartorius, p. 84	
G4-30	Reporting cycle	Sustainability at Sartorius, p. 84	
G4-31	Contact point for questions regarding the report or its contents	Financial schedule, p. 173	
G4-32	GRI Content Index	Sustainability report, p. 97ff.	
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	Sustainability at Sartorius, p. 84; Independent auditor's report, p. 153	
	Governance		
G4-34	Governance structure of the organization, including committees of the highest governance body	Combined Group management report, p. 23	Yes
	Ethics and Integrity		
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Report and declaration on corporate governance, p. 69; Compliance with legal and ethical standards, p. 85	

Category: Economic

Specific Standard Disclosures

		Page	Externally audited
	Aspect: Economic Performance		
G4-DMA	Disclosures on Management Approach	Report of the Executive Board, p. 8	
G4-EC1	Direct economic value generated and distributed	Statement of profit and loss, p. 101f.; Statement of cash flows, p. 104; Employee benefits expense, p. 123; Contributing to society, p. 95	Yes Yes Yes
	Aspect Indirect Economic Impacts		
G4-DMA	Disclosures on Management Approach	Contributing to society, p. 95	
G4-EC7	Development and impact of infrastructure investments and services supported	Contributing to society, p. 95	

Category: Environmental

Specific Standard Disclosures

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	Aspect: Energy		
G4-DMA	Disclosures on Management Approach	Ecological sustainability, p. 90f.	
G4-EN3	Energy consumption within the organization	Energy consumption and greenhouse gases, p. 91	
G4-EN4	Energy consumption outside of the organization	Emissions monitoring in accordance with the Greenhouse Gas Protocol, p. 90f.	
G4-EN6	Reduction of energy consumption	Efficient use of energy, p. 91	
	Aspect: Emissions		
G4-DMA	Disclosures on Management Approach	Emissions monitoring in accordance with the Greenhouse Gas Protocol, p. 90f.	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Energy consumption and greenhouse gases, p. 91	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Energy consumption and greenhouse gases, p. 91	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Emissions monitoring in accordance with the Greenhouse Gas Protocol, p. 90f.	
	Aspect: Water Discharge and Waste		
G4-DMA	Disclosures on Management Approach	Sustainable use of water resources, p. 92	
G4-EN22	Total water discharge by quality and destination	Sustainable use of water resources, p.92	
G4-EN23	Total weight of waste by type and disposal method	Return of recyclable materials, p. 92	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Return of recyclable materials, p. 92f.	
	Aspect Products and Services		
G4-DMA	Disclosures on Management Approach	Sustainable Product Innovations, p. 93f.	
G4-EN27	Extend of impact mitigation of environmental impacts of products and services	High-performance products improve customers' environmental footprints, p. 93	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Return of recyclable materials, p. 92	
	Aspect: Compliance		
G4-DMA	Disclosures on Management Approach	High standards in quality and environmental protection, p. 90	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Compliance with legal and ethical standards, p. 85	
	Aspect: Transport		
G4-DMA	Disclosures on Management Approach	Efficient use of energy, p. 91	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Efficient use of energy, p. 91	

Category: Social

Specific Standard Disclosures

		Page	Externally audited
	Labor Practices and Decent Work		
	Aspect: Employment		
G4-DMA	Disclosures on Management Approach	Employee development and support, p. 86	
G4-LA1	Total number and rates of new employee hires and employment turnover by age group, gender, and region	Employees, p. 35	Yes
	Aspect: Labor/Management Relations		
G4-DMA	Disclosures on Management Approach	Trustful relationship between employer and employee, p. 89	
G4-LA4	Minimum notice periods regarding operational changes including whether these are specified in collective agreements	Trustful relationship between employer and employee, p. 89	
	Aspect: Occupational Health and Safety		
G4-DMA	Disclosures on Management Approach	Health protection and safety, p. 88	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Trustful relationship between employer and employee, p. 89	
	Aspect: Training and Education		
G4-DMA	Disclosures on Management Approach	Employee development and support, p. 86	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Employee development and support, p. 86; Freedom and flexibility at work, p. 88	
	Aspect: Diversity and Equal Opportunity		
G4-DMA	Disclosures on Management Approach	Diversity as an opportunity, p. 87	
G4-LA 12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Diversity as an opportunity, p. 87; Report and declaration on corporate governance, p. 69	Yes
	Human Rights		
	Aspect: Child Labor		
G4-DMA	Disclosures on Management Approach	Compliance with legal and ethical standards, p. 85	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Code of conduct for suppliers, p. 89	
	Aspect: Forced or Compulsory Labor		
G4-DMA	Disclosures on Management Approach	Compliance with legal and ethical standards, p. 85	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor and measures contribute to the elimination of all forms of forced or compulsory labor	Code of conduct for suppliers, p. 89	
	Aspect: Supplier Human Rights Assessment		
G4-DMA	Disclosures on Management Approach	Compliance with legal and ethical standards, p. 85	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Code of conduct for suppliers, p. 89	
	Society		
	Aspect: Anti-corruption		
G4-DMA	Disclosures on Management Approach	Compliance with legal and ethical standards, p. 85	
G4-SO4	Communication and training on anti-corruption policies and procedures	Compliance with legal and ethical standards, p. 85	
	Aspect: Compliance		
G4-DMA	Disclosures on Management Approach	Compliance with legal and ethical standards, p. 85	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Compliance with legal and ethical standards, p. 85	
	Aspect: Supplier Assessment for Impacts on Society		
G4-DMA	Disclosures on Management Approach	Code of conduct for suppliers, p. 89	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Code of conduct for suppliers, p. 89	

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss | Other Comprehensive Income

	Notes	2015 € in K	2014 € in K
Sales revenue	[11]	1,114,752	891,168
Cost of sales	[12]	–563,005	–468,405
Gross profit on sales		**551,747**	**422,763**
Selling and distribution expenses	[12]	–225,889	–200,285
Research and development expenses	[12]	–52,511	–43,560
General administrative expenses	[12]	–65,736	–58,280
Other operating income and expenses	[13]	–15,264	5,489
Earnings before interest and taxes (EBIT)		**192,347**	**126,127**
Financial income	[14]	6,634	3,360
Financial expenses	[14]	–26,598	–33,256
Financial result		**–19,964**	**–29,897**
Profit before tax		**172,383**	**96,230**
Income taxes	[15]	–54,986	–32,378
Profit after tax from continuing operations		**117,398**	**63,852**
Profit after tax from discontinued operation	[10]	40,841	4,530
Net profit for the period		**158,239**	**68,382**
Attributable to:			
Equity holders of Sartorius AG		126,303	48,494
Non-controlling interest		31,936	19,889
Earnings per ordinary share (€) (basic = undiluted)	[16]	7.40	2.83
Of which continuing operations	[16]	5.00	2.57
Of which discontinued operation	[16]	2.40	0.27
Earnings per ordinary share (€) (diluted)	[16]	7.38	2.83
Of which continuing operations	[16]	4.99	2.57
Of which discontinued operation	[16]	2.39	0.27
Earnings per preference share (€) (basic = undiluted)	[16]	7.42	2.85
Of which continuing operations	[16]	5.02	2.59
Of which discontinued operation	[16]	2.40	0.27
Earnings per preference share (€) (diluted)	[16]	7.40	2.85
Of which continuing operations	[16]	5.01	2.59
Of which discontinued operation	[16]	2.39	0.27

The prior-year figures were adjusted due to final purchase price allocation of AllPure.

Disclosures in the statement of profit or loss were slightly restated regarding the presentation of the cost of sales and of research and development expenses; see Section 3.

Statement of Comprehensive Income

	2015 € in K	2014 € in K
Net profit for the period	**158,239**	**68,382**
Cash flow hedges	–1,723	–2,295
Of which effective portion of the changes in fair value	–10,668	–5,372
Of which reclassified to profit or loss	8,945	3,077
Income tax on cash flow hedges	517	689
Net investment in a foreign operation	–5,306	–5,697
Income tax on net investment in a foreign operation	1,592	1,709
Currency translation differences	23,687	23,055
Reclassification of currency reserves in connection with the sale of Intec	–1,506	0
Items that may be reclassified to profit or loss, net of tax	**17,261**	**17,460**
Remeasurements of the net defined benefit liability	2,195	–14,355
Income tax on remeasurements of the net defined benefit liability	–734	3,985
Items that will not be reclassified to profit or loss, net of tax	**1,462**	**–10,370**
Other comprehensive income after tax	**18,723**	**7,090**
Total comprehensive income	**176,961**	**75,472**
Attributable to:		
Equity holders of Sartorius AG	140,619	52,960
Non-controlling interest	36,343	22,512

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Statement of Financial Position

	Notes	**Dec. 31, 2015 € in K**	Dec. 31, 2014 € in K
Non-current assets			
Goodwill	[16]	405,377	381,786
Other intangible assets	[16]	209,256	169,874
Property, plant and equipment	[17]	317,444	254,936
Financial assets		8,111	7,736
Other assets		797	715
Deferred tax assets	[18]	18,874	21,891
		959,858	**836,939**
Current assets			
Inventories	[19]	189,782	145,941
Trade receivables	[20]	193,034	140,365
Other financial assets	[21]	11,818	11,755
Current tax assets		12,029	11,045
Other assets		17,919	10,550
Cash and cash equivalents		52,796	40,559
Assets classified as held for sale	[33]	0	75,878
		477,377	**436,093**
		1,437,235	**1,348,910**

	Notes	**Dec. 31, 2015 € in K**	Dec. 31, 2014 € in K
Equity			
Equity attributable to Sartorius AG shareholders		**517,734**	**397,924**
Issued capital	[22]	17,097	17,047
Capital reserves	[23]	88,350	87,044
Other reserves and retained earnings	[23]	412,287	293,833
Non-controlling interest	**[24]**	**127,017**	**99,739**
		644,751	**497,662**
Non-current liabilities			
Pension provisions	[25]	59,801	61,182
Other provisions	[26]	7,736	7,259
Loans and borrowings	[27]	346,791	359,875
Finance lease liabilities	[27]	19,253	18,790
Other financial liabilities	[27]	54,535	49,608
Deferred tax liabilities	[18]	33,418	29,755
		521,534	**526,468**
Current liabilities			
Provisions	[28]	18,087	8,880
Trade payables	[29]	113,171	90,497
Loans and borrowings		28,200	11,106
Finance lease liabilities		2,544	2,304
Other financial liabilities	[29]	66,878	78,789
Current tax liabilities		20,651	11,056
Other liabilities	[29]	21,419	15,687
Liabilities associated with assets classified as held for sale	[33]	0	30,583
		270,950	**248,901**
		1,437,235	**1,273,031**

The year-earlier figures were restated because of the final purchase price allocation for the acquisition of AllPure (Section 10).

Statement of Cash Flows

	Notes	**2015 € in K**	2014 € in K
Profit before tax		213,861	103,865
Financial result	[14]	19,649	29,647
Earnings before interest and taxes (EBIT)		**233,510**	**133,512**
Depreciation | amortization of intangible and tangible assets	[17] [18]	58,852	54,967
Increase | decrease in provisions	[27] [29]	3,381	−734
Proceeds from the disposal of the Intec operation	[10]	−40,439	0
Income taxes paid	[15]	−46,078	−32,320
Other non-cash transactions		1,634	0
Gross cash flows from operating activities		**210,860**	**155,425**
Increase | decrease in receivables	[21] [22]	−41,441	−23,942
Increase | decrease in inventories	[20]	−39,188	−13,981
Increase | decrease in liabilities		−4,869	12,186
Net cash flow from operating activities		**125,362**	**129,688**
Net cash flow from operating activities – continuing operations		**124,351**	**125,689**
Net cash flow from operating activities – discontinued operation		**1,011**	**3,999**
Capital expenditures	[17] [18]	−111,436	−86,144
Proceeds from the disposal of fixed assets		1,669	900
Other payments		−813	3,262
Net cash flow from investing activities		**−110,579**	**−81,982**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	[10]	−53,888	−4,291
Proceeds from the disposal of consolidated subsidiaries and other business operations, less cash disposed	[10]	73,100	0
Net cash flow from investing activities and acquisitions		**−91,367**	**−86,273**
Net cash flow from investing activities – continuing operations		**−164,283**	**−82,637**
Net cash flow from investing activities – discontinued operation		**72,916**	**−3,636**
Interest received	[14]	493	421
Interest paid and other financial charges	[14]	−11,810	−13,985
Dividends paid to:			
- Shareholders of Sartorius AG		−18,240	−17,217
- Non-controlling interest		−5,577	−5,117
Gross cash flows from financing activities		**−35,134**	**−35,899**
Changes in non-controlling interest	[25]	−7,357	144
Loans and borrowings raised	[28]	105,075	138,010
Loans and borrowings repaid	[28]	−103,399	−144,201
Net cash flow from financing activities		**−40,815**	**−41,945**
Net cash flow from financing activities – continuing operations		**−40,815**	**−41,945**
Net cash flow from financing activities – discontinued operation		**0**	**0**
Net increase | decrease in cash and cash equivalents		−6,821	1,470
Cash and cash equivalents at the beginning of the period		56,438	51,877
Net effect of currency translation on cash and cash equivalents		3,179	3,091
Cash and cash equivalents at the end of the period (incl. discontinued operation)		52,796	56,438
Less cash and cash equivalents of the discontinued operation		0	−15,879
Cash and cash equivalents at the end of the period		**52,796**	**40,559**

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Cash flow hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
Balance at Jan. 1, 2014	**17,047**	**86,988**	**–1,353**	**–9,934**	**284,397**	**–9,513**	**367,632**	**82,619**	**450,251**
Net profit for the period	0	0	0	0	48,494	0	48,494	19,889	68,382
Other comprehensive income after tax	0	0	–821	–9,430	–2,565	17,282	4,466	2,623	7,090
Total comprehensive income	**0**	**0**	**–821**	**–9,430**	**45,929**	**17,282**	**52,960**	**22,512**	**75,472**
Share-based payments	0	56			0		56	0	56
Dividends					–17,217		–17,217	–5,117	–22,334
Purchase price liability forward for non-controlling interest					–5,243		–5,243	–1,816	–7,059
Change in non-controlling interest					225		225	1,651	1,876
Other changes in equity					–489		–489	–110	–599
Balance at Dec. 31, 2014 | Jan. 1, 2015	**17,047**	**87,044**	**–2,174**	**–19,364**	**307,602**	**7,769**	**397,924**	**99,739**	**497,663**
Net profit for the period	0	0	0	0	126,303	0	126,303	31,936	158,239
Other comprehensive income after tax	0	0	–955	1,537	–2,517	16,252	14,316	4,407	18,723
Total comprehensive income	**0**	**0**	**–955**	**1,537**	**123,785**	**16,252**	**140,619**	**36,343**	**176,961**
Share-based payments	50	1306			0		1,356		1,356
Dividends					–18,240		–18,240	–5,577	–23,817
Reclassification of the pension reserves for Intec				2,696	–2,696		0	0	0
Change in non-controlling interest					–3,812		–3,812	–3,487	–7,300
Other changes in equity					–113	0	–113	0	–113
Balance at December 31, 2015	**17,097**	**88,350**	**–3,129**	**–15,131**	**406,526**	**24,021**	**517,733**	**127,018**	**644,751**

The dividends paid per share are as follows:

	Per share in €	**2015 total € in K**	Per share in €	2014 total € in K
Dividend for ordinary shares	1.06	9,040	1.00	8,528
Dividend for preference shares	1.08	9,201	1.02	8,689
		18,240		**17,217**

Notes to the Financial Statements

1. General Information

Sartorius AG is a listed joint stock corporation established according to German law and is the highest-level parent company of the Sartorius Group. The corporation is recorded in the German Commercial Register of the District Court of Goettingen (HRB 1970) and is headquartered at Weender Landstrasse 94–108 in Goettingen, Federal Republic of Germany.

The Sartorius Group organizes its business in two divisions: Bioprocess Solutions and Lab Products & Services. With its Bioprocess Solutions Division, Sartorius is a leading international supplier of products and technologies for the manufacture of medications and vaccines on a biological basis, so-called biopharmaceuticals. As part of its total solutions provider strategy, the Bioprocess Solutions Division offers the biopharmaceutical industry a product portfolio that covers nearly all process steps of the industry's manufacture. These encompass cell culture media for the cultivation of cells, bioreactors of various sizes for cell propagation and different technologies, such as filters and bags for cell harvesting, purification and concentration, all the way to filling. The Lab Products & Services Division focuses on laboratories in the research and quality assurance sectors of pharmaceutical and biopharmaceutical companies and on academic research institutes. It serves further customers in the chemical and food industries. The division's portfolio covers instruments and consumables that laboratories use, for example, in sample preparation or in other standard applications.

The Industrial Technologies Division (formerly Industrial Weighing) had been classified as assets held for sale since December 2014 and was sold at the beginning of 2015.

In compliance with § 315a, Subsection 1, of the German Commercial Code (HGB) in conjunction with Art. 4 of the Regulation (EC) No. 1606/2002 of the European Parliament and Council, dated July 19, 2002 (OJ L243 p. 1), the consolidated financial statements of the Sartorius Group for the year ended December 31, 2015, were prepared according to the IFRS and IFRIC Standards and Interpretations of the International Accounting Standards Board (IASB) as required to be applied by the European Union. These are available on the following site:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in thousands of euros (abbreviated as € in K). In some cases, the sums of the figures given in this report may not precisely equal the stated totals, and percentages may not be exact due to rounding.

The Executive Board is scheduled to submit the consolidated financial statements on February 25, 2016, to the Supervisory Board.

2. Sale of the Industrial Technlologies Division

Sartorius AG signed a contract on December 19, 2014, with the Japanese Minebea Group and its partner, the Development Bank of Japan Inc., to sell the Industrial Technologies Division (Intec) to the latter.

Based on the application IFRS 5, "Non-current assets held for sale and discontinued operations the Intec Division has been disclosed as a discontinued operation already since 2014. Therefore, the expenses and income of this operation are disclosed in the item "Profit after tax from discontinued operation." The assets and liabilities attributable to this operation were reported in the items "Assets held for sale" and "Liabilities associated with assets classified as held for sale," respectively, in the statement of financial position up to the actual sale of this operation in 2015. The disclosures in the Notes to the Financial Statement accordingly refer to the continuing operations, unless otherwise specified.

3. Change in the Disclosure on the Statement of Profit or Loss

As of fiscal 2015, amortization on capitalized development costs are disclosed in the cost of sales; the prior-year figures were accordingly restated. Before that, this amortization item had been reported in the research and development costs. Thus, the Group has adapted to accounting practice that is common for the sector. The respective amounts are shown in the following table; no impacts are yielded on the earnings figures relevant to the Group; i.e., EBITDA, EBIT or annual net profit:

In millions of €	**2015**	2014
Cost of sales	–5.5	–6.9
Research and development expenses	5.5	6.9
	0	**0**

4. Effects of New or Revised Financial Reporting Standards

Compared to the year-earlier consolidated financial statements, the following revised accounting standards and interpretations were generally required to be applied for the first time and did not result in any material impacts on the consolidated financial statements:

- Annual Improvements to IFRSs 2011 - 2013 Cycle (issued in December 2013

- IFRIC 21 (Levies)

The standards and amendments to standards on the following page were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the EU or their application was not obligatory for 2015:

IFRS 15, Revenue from Contracts with Customers, defines a comprehensive framework for determining whether, in which amount and at which point in time revenue is to be recognized. It supersedes all standards, interpretations and guidelines for recognition of revenue, which include the following: IAS 18 "Revenue"; IAS 11 "Construction Contracts"; and IFRIC 13 "Customer Loyalty Programmes."

IFRS 15 will essentially have an impact on the accounting of construction contracts as defined by IAS 11. Based on the latter, revenue is currently recognized according to the percentage of completion (PoC method) under which the progress of the project work performed is measured according to the costs incurred (cost-to-cost method). Under IFRS 15, control of an asset is the decisive criterion for recognition of revenue. Compared with the former recognition method according to IAS 11, IFRS 15 principles may prompt changes in the recognition of revenue.

Furthermore, the first-time application of IFRS 15 will entail extended disclosure obligations for the Group concerning the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer within the meaning of IFRS 15.

According to the current audit review status, the Group does not anticipate any overall significant impact on its consolidated accounts arising from the application of new or amended standards. Presently, first-time application is planned for each reporting period in which the standards, interpretations or amendments enter into force.

Standard	Title	Applicable for financial years from	Endorsement by the EU Commission
Amendments to IAS 19	Employee Contributions	February 1, 2015[1]	Yes
Various	Annual Improvements to IFRSs 2010–2012 Cycle (issued in Dec. 2013)	February 1, 2015[1]	Yes
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016	No
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016	Yes
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	No
Amendments to IAS 1	Disclosure Initiative	January 1, 2016	Yes
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016	Yes
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016	Yes
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016	Yes
Various	Annual Improvements to IFRSs 2012–2014 Cycle (issued in Sep. 2014)	January 1, 2016	Yes
IFRS 15	Revenue from Contracts with Customers	January 1, 2017	No
IFRS 9	Financial Instruments	January 1, 2018	No
IFRS 16	Leases	January 1, 2019	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between its Investor and its Associate or Joint Venture	n/a	No

[1] Application mandatory as adopted by the EU Commission. The standards themselves require earlier compulsory application.

5. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items disclosed at fair value, such as financial assets held for trading or available for sale, and derivatives.

Scope of Consolidated Financial Statements

The consolidated financial statements of Sartorius AG include the annual financial statements of all major companies, which are controlled directly or indirectly by Sartorius AG. In terms of IFRS 1, Consolidated Financial Statements, a controlling interest exists if the following criteria are met:

- Power, i.e., an investor must have existing rights that give it the current ability to direct the relevant activities of an investee with respect to the latter's returns

- Exposure, or rights, to variable returns from an investee

- Ability to use power in such a way that significantly affects the investee's returns

Such investees are included in the consolidated financial statements from the time when Sartorius AG or its subsidiaries acquire such control. They are no longer included as of the time control is transferred to an entity outside the Group.

Subsidiaries are included on the basis of their annual financial statements for the same reporting period as the parent company, using uniform Group recognition and measurement methods.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combinations

Business combinations are measured according to the acquisition method. The identifiable assets acquired by the Group as well as liabilities and contingent liabilities assumed are recorded at fair value on the date of combination.

For significant acquisitions, the purchase price allocation is generally carried out with the assistance of independent third-party valuation specialists. The valuations are based on the information available at the acquisition date.

Expenses directly related to business combinations are reported in the profit for the period.

Foreign Currency Translation

Subsidiaries' annual financial statements prepared in foreign currencies have been translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of a functional currency. Foreign subsidiaries are regarded as independent subdivisions of the Sartorius Group. Items on the statement of financial position are translated at the exchange rates on the reporting date. Income and expense items are converted at the average rates. Any translation differences resulting from the use of different exchange rates for items on the statement of financial position and the statement of profit or loss are recognized in the other comprehensive income in shareholders' equity.

In the individual financial statements of the consolidated companies, transactions in foreign currencies are translated to the functional currency of the company at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the closing rate on the reporting date. Gains and losses on foreign currency transactions are recognized in other operating income or expenses.

For certain defined loans granted on a long-term basis and for which repayment is neither planned nor probable, the Group applies the principle of "net investments in a foreign operation." The foreign currency translation differences resulting from these loans are recognized in other comprehensive income according to IAS 21.32. In the case of net investment repayments, the currency translation differences recorded up to such repayment are not reclassified to profit or loss as there has been no disposal of a foreign operation.

The exchange rates for major currencies against the euro were considered as follows:

	Year-end exchange rates		Average annual exchange rates	
	2015	2014	**2015**	2014
USD	1.08870	1.21410	1.10969	1.32881
GBP	0.73395	0.77890	0.72593	0.80619
CHF	1.08350	1.20240	1.06837	1.21466
JPY	131.07000	145.23000	134.35238	140.30709
INR	72.02150	76.71900	71.22490	81.06162
KRW	1280.7800	1324.8000	1257.47421	1398.65446
CNY	7.06080	7.53580	6.97587	8.18674

Sales Revenue

All revenues derived from the selling of products and rendering of services are recognized as sales. Other operational revenues are recognized as other operating income. Sales are recognized in the statement of profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the customer, the company retains neither continuing managerial nor effective control over the goods sold, the amount of revenue and costs incurred or to be incurred can be measured reliably, and it is sufficiently probable that the economic benefits associated with the transaction will flow to the company.

Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. If the outcome of a construction contract can be estimated reliably, revenues from construction-type projects are generally recognized under the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated contract costs. An expected loss on the construction contract is immediately recognized as an expense.

If cumulative work (contract costs and contract result) exceeds the advance payments received in individual cases, the construction contracts are recognized under receivables as amounts due from customers for such contracts. If the balance after deduction of advance payments received is negative, this obligation from construction contracts is recognized as a liability under amounts due from customers.

Functional Costs

In general, operating expenses are assigned to the individual functions according to the functional area of the corresponding profit and cost centers. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The item "Cost of sales" reports the costs of products sold and the acquisition costs of merchandise sold. Besides the directly imputable expenses, such as raw materials and supplies, employee benefits expense and energy expenses, the cost of sales also includes overhead, which can be allocated to the manufacturing area, and the corresponding depreciation and amortization.

The selling and distribution expenses pertain, in particular, to the costs of the sales organization, distribution, advertising and marketing.

Research and development expenses comprise the costs for research and product and process development, insofar as these are not capitalized. Amortization on capitalized development costs is also indicated in this item.

The item "General administrative expenses" primarily comprises employee benefits expense and the cost of materials of the general administrative area.

All profit and loss items that cannot be allocated to one of the functional areas mentioned are recognized as other operating income and expenses. These essentially include effects from currency translation, disposal of fixed assets, allowances on trade receivables, and extraordinary expenses. Income from grants related to expenses are recognized as other income, when there is reasonable assurance that the conditions attached to the grants will be complied with and the grants will be received.

Borrowing Costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction or production of a qualifying asset and are therefore part of the cost of that asset. An asset is deemed to be a qualified asset if a substantial period of time (6 or 12 months) is required to ensure that it will be in the intended state ready for use or sale.

Income Taxes

Current income taxes are determined based on the respective local taxable income of the period and local tax rules. In addition, current income taxes may include adjustments for uncertain tax payments or tax refunds for periods not yet assessed.

Deferred tax assets and liabilities are determined based on temporary differences between the carrying amounts and the tax bases of assets and liabilities, including differences from consolidation. In addition, loss carry-forwards and tax credits are considered. Measurement is based on the tax rates expected to be effective in the period in which an asset is realized or a liability is settled. Changes in deferred tax assets and liabilities are reflected in income taxes in the statement of profit or loss. Exceptions to this are changes that must be recognized in other comprehensive income directly in equity, as well as effects from acquisitions and currency effects.

On principle, the tax rates and tax rules are used which have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit at the level of the relevant tax authority will be available for the utilization of the deductible temporary differences or losses carried forward.

Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized.

According to IAS 36, goodwill acquired in a business combination may not be amortized, but rather must be tested annually for impairment and as soon as there is any indication of asset impairment.

For the purpose of impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs). A CGU represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment.

Other Intangible Assets

Intangible assets acquired are stated at cost less the accumulated, regular amortization that is calculated according to the straight-line method. The useful life of an intangible asset is the period over which this asset is expected to contribute directly or indirectly to the cash flows of that entity.

Costs incurred within the scope of the development of new products and methods are capitalized as internally generated intangible assets if the following criteria are met:

- The technical feasibility of completing the intangible assets so that it will be available for use or sale;

- The intention to complete the intangible asset and use or sell it;

- The ability to use or sell the intangible asset;

- The demonstration of how the intangible asset will generate probable future economic benefits;.

- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The capitalized development costs essentially cover the costs that were allocated to the staff involved in R&D, to raw materials and supplies, outside services and to directly attributable overhead.

If an internally generated intangible asset may not be capitalized, the development costs are recognized as expenses in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

Amortization of intangible assets is based on the following periods of useful life:

Software	2 to 10 years
Customer relationships and technologies	5 to 15 years
Capitalized development expenses	4 to 6 years
Brand name	10 years to an indefinite period

Property, Plant and Equipment

The item "Property, plant and equipment" is reported at cost, and if subject to depreciation, is depreciated as scheduled. The straight-line method is applied to depreciation reported in the consolidated financial statements.

Grants related to assets are generally deducted from the cost of assets.

Depreciation of fixed assets is based on the following periods of useful life:

Buildings	15 to 50 years
Machinery	5 to 15 years
Factory and office equipment	3 to 13 years

Impairment of Intangible and Tangible Assets

The book values (carrying amounts) of property, plant and equipment and intangible assets are examined on whether there is any indication that an asset might be impaired, pursuant to IAS 36, Impairment of Assets. If there is any indication that an asset is impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value – less costs to sell the asset or its CGU – and its value in use. In the event the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit (CGU) is estimated.

If the estimated recoverable amount of an asset (or a CGU) goes below its book value (carrying amount), this carrying amount must be reduced to the recoverable amount.

If the causes of the asset impairment are removed, the book value of the asset (or the CGU) is credited to the newly estimated recoverable amount (except for goodwill). However, the book value increase is limited to the value that the asset (or CGU) would have had if no asset impairment loss would have been assessed in previous financial years.

Leases

A lease is considered an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. According to IAS 17, a lease is classified as either an operating lease or a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are designated as operating leases.

If the Group is a lessee in a finance lease, the amount equal to the fair value of the leased asset, or if lower, the present value of the minimum lease payments is recognized as an asset on the statement of financial position and simultaneously recognized as a financial liability, each at the inception of the lease. The minimum lease payments essentially consist of the finance charge and the reduction of the outstanding liability. A leased asset is depreciated on a straight-line basis over the period of its expected useful life or over the shorter lease term.

For an operating lease, the lease rates to be paid by the lessee are recognized as expenses and the lease rates received by the lessor are recognized as income, respectively. The leased asset continues to be recognized on the lessor's statement of financial position as fixed assets.

Inventories

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. On principle, finished goods and work in progress are reported at cost of conversion. This cost includes direct costs, which can be allocated to these materials, and the appropriate portion of production and materials handling overhead, general administrative expenses and fixed assets at normal depreciation and | or amortization rates, provided that these expenses are caused by production.

Inventories must be evaluated at the lower amount of cost and the net realizable value. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for marketing, sales and distribution. Where inventory risks exist, such as the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly.

Provisions for Pensions and Similar Obligations

Pension provisions and similar obligations are recognized in the consolidated financial statements of the Sartorius Group in accordance with actuarial principles. IAS 19, Employee Benefits, stipulates the Projected Unit Credit Method as the method of measurement. In addition to known pensions and life expectancies, this expected cash value method takes into account future salary and pension increases.

All effects from remeasurement of the net defined benefit liability are recognized in other comprehensive income directly in equity (pension reserves) according to the IAS 19 Standard.

Provisions

A provision is recognized when a liability to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation at the end of the reporting period. Provisions with a term or maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period.

Provisions are regularly reviewed and adjusted as further information becomes available or circumstances change. The provision for warranty costs is based on expected values that reflect past experience.

Restructuring provisions are set up in connection with programs that materially change the scope of business performed by a segment or business unit or the manner in which business is conducted. In most cases, restructuring expenses include termination benefits due to the termination of employment and leases as well as and compensation payments due to agreements with suppliers and dealers. Restructuring provisions are recognized when the Group has a detailed formal plan that it has either commenced to implement or announced.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and is recognized on the trade date. Financial assets mainly include cash and cash equivalents, available-for-sale financial assets, trade and loan receivables and derivative financial instruments with a positive fair value.

Financial liabilities of the Group mainly comprise loans from banks, trade payables, finance lease payables and derivative financial instruments with a negative fair value.

Financial instruments are initially recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognized in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Financial assets and liabilities are subsequently measured according to the category to which they are assigned: cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities classified as held for trading. The fair value option is not used.

Cash and Cash Equivalents

The Group considers all highly liquid investments with up to three months' maturity from the date of acquisition to be cash or cash equivalents. These mainly comprise checks, cash on hand and deposits in banks. Cash and cash equivalents are measured at cost.

Investments

Investments in non-consolidated subsidiaries, associates and securities are measured at cost because no active market exists for these shares and securities and the fair values of these assets cannot be reliably measured.

Trade Receivables

Trade receivables and other assets are reported so that all discernible risks are covered. The book values of trade receivables and other receivables approximate their fair value considering the maturity date and the credit risks. In determining the recoverability of trade receivables, the Group considers any change in the credit quality from the date the credit was originally granted up to the reporting date.

Loans and Receivables

Financial assets classified as loans and receivables are measured at amortized cost, less any impairment losses, by application of the effective interest method. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

Financial Liabilities

Financial liabilities, except for derivative financial instruments, are measured at amortized cost using the effective interest method.

Derivative Financial Instruments

Derivative financial instruments, such as forward exchange contracts and interest rate swap contracts, are measured at fair value. Instruments not classified as hedging instruments and for which hedge accounting is not applied, are classified by the company as held for trading. Changes in the fair value of derivative financial instruments are recognized either in profit or loss or, in the case of hedges, in other comprehensive income.

Cash Flow Hedges

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognized in other comprehensive income. Any ineffective portion is recognized immediately in the profit for the period. Amounts accumulated in equity are reclassified into net income in the same periods in which the hedged item affects net income.

Statement of Cash Flows

In the statement of cash flows, cash flows are presented according to their allocation to operating activities, investing activities and financing activities.

In this instance, cash flows from operating activities are determined using the indirect method; i.e., expenses without an effect on payments are added to profit before tax, while income without an effect on payments is subtracted. The cash flows from financing activities are composed primarily of changes in equity and additions or repayments of loans.

Non-current Assets and Disposal Groups Held for Sale and Discontinued Operations

According to IFRS 5, a non-current asset (or a disposal group) must be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is the case if the asset (or disposal group) is available for immediate sale in its present condition and its sale is highly probable. A sale is considered highly probable if the appropriate level of management has committed to a plan to sell the asset; an active program to locate a buyer and complete the plan has already been initiated; an offer to sell the asset or disposal group at a reasonable price has been made; the sale is expected to be recognized as completed within twelve months from the date of classification; and if it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal groups) classified as held for sale are to be measured at the lower of their carrying amount and fair value less costs to sell. These assets are then no longer depreciated or amortized.

A component of an entity is disclosed as a discontinued operation that either has been disposed of or is classified as held for sale and

- represents a separate major line of business or geographical area of operations, or

- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

- is a subsidiary acquired exclusively with a view to resale.

6. Critical Accounting Judgment and Key Sources of Estimation Uncertainty

During the preparation of consolidated financial statements, management uses estimates and assumptions based on their best knowledge of the current and future situation of the period. However, actual results may differ from these estimates. These estimates and assumptions are therefore revised on a regular basis, and the impact of all changes is immediately recognized in the statement of profit or loss for the period.

In addition, Group management exercises its judgment in defining the accounting treatment of specific transactions when the existing standards and interpretations do not explicitly treat the accounting problems concerned.

Assumptions and estimates primarily concern the following facts:

Business Combinations

Accounting for acquisitions requires certain estimates and assumptions to be made, especially concerning the fair value of the intangible assets and the property, plant and equipment acquired, the liabilities assumed on the acquisition date, as well as the useful lives of the intangible assets and of the property, plant and equipment acquired.

Their measurement is largely based on projected cash flows. Differences between the expected and actual cash flows may have a material impact on future Group results.

Impairment of Assets

An impairment test is conducted, if certain events lead to the assumption that an asset might be impaired. In this case, the carrying amount of the asset is compared to its recoverable amount, which is the higher of the net realizable value and the value in use. The calculation of the value in use is generally based on discounted cash flow methods that use cash flow projections of up to five years. These projections take into account past experiences and represent management's best estimates about future sales revenue and cost developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of the value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates can have a material impact on the respective values and ultimately on the amount of any impairment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized.

Intangible Assets

The capitalization of self-constructed intangible assets includes a certain level of estimates and assumptions, e.g., the evaluation of the technical feasibility of a development project, its expected market prospects and determination of its useful live.

Trade and Other Receivables

The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness and current economic developments, as well as an analysis of historical bad debts on a portfolio basis.

Employee Benefits – Provisions for Pension Obligations

Obligations for pensions and other post-employment benefits are determined in accordance with actuarial valuations. These valuations rely on key assumptions including discount rates, expected salary increases and mortality rates. The discount rate assumptions are determined by reference to yields on high-quality, fixed-interest corporate bonds of appropriate duration and currency at the end of the reporting period.

Due to changing market and economic conditions, the underlying key assumptions may differ from actual developments and may lead to significant changes in pension obligations and other post-employment benefit obligations.

Such differences are recognized in full directly in equity in the period in which they occur without affecting profit or loss. For a sensitivity analysis, see Section 26 "Pension and Employee Benefits Provisions."

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for legal or constructive obligations that exist with respect to third parties at the end of the reporting date. To determine the amount of the obligations, certain estimates and assumptions have to be applied, including the evaluation of the probability that this obligation will occur and the amount of costs incurred. Typically, significant uncertainties are involved in the determination of provisions related to onerous contracts, warranty costs, closure of business locations, asset retirement obligations and legal proceedings.

Income Taxes

The Group operates in various tax jurisdictions and therefore must determine tax positions under respective local tax laws and tax authorities' views, which can be complex and subject to different interpretations of taxpayers and local tax authorities.

Deferred tax assets have to be recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will be recovered.

Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account.

7. Operating Segments

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal control and reporting structure of an entity. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses, its operating results are regularly reviewed by the entity's chief operating decision maker (= the Executive Board of Sartorius AG) and discrete financial information is available in its internal reporting. As a result of the classification of the Intec Division as a discontinued operation, the divisions called Bioprocess Solutions and Lab Products & Services are to be considered operating segments. Essential criteria for their definition are the products sold in the divisions and their particular customer groups.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Group. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation and amortization. "Underlying EBITDA" means EBITDA adjusted for extraordinary items. In this connection, extraordinary items are expenses and income that are of an exceptional or a one-time nature and accordingly distort the sustainable profitability of a segment and have a material impact on the net worth, financial position and earnings of the Group. Examples of such items are restructuring expenses, large Group projects and proceeds or losses from the disposal, sale or other transfer of financial assets or of property, plant and equipment, provided that these are not of a recurrent nature.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

For intersegment receivables and payables, internal transfer prices are set at prices corresponding to those that would have been agreed upon with external third parties in the particular situation and under the given framework conditions. Essentially, these prices are calculated by applying the cost-plus-margin method and the resale price method or a combination of the two methods. The methods for determining the internal transfer prices are documented promptly and continuously maintained. The volume of such intersegment receivables and payables is immaterial.

Segment assets and segment liabilities are not reported on a regular basis to the chief operating decision maker and are therefore not part of the segment report.

€ in K	Sales revenue 2015	Sales revenue 2014	Underlying EBITDA 2015	Underlying EBITDA 2014
Bioprocess Solutions	809,240	615,643	214,483	145,625
Lab Products & Services	305,512	275,525	48,766	41,199
Total continuing operations	**1,114,752**	**891,168**	**263,249**	**186,824**
Reconciliation to the profit before tax				
Depreciation and amortization			–58,287	–52,389
Extraordinary items			–12,614	–8,308
Earnings before interest and taxes (EBIT)			**192,347**	**126,127**
Financial result			–19,964	–29,897
Profit before tax from continuing operations			**172,383**	**96,230**

€ in K	Depreciation and amortization 2015	Depreciation and amortization 2014	Capital expenditure 2015	Capital expenditure 2014
Bioprocess Solutions	–40,804	–34,957	43,091	42,686
Lab Products & Services	–18,045	–17,763	70,005	38,234
Total continuing operations	**–58,850**	**–52,720**	**113,096**	**80,920**

Geographical Information

In fiscal 2015, the presentation of the regions was slightly adjusted. The countries formerly allocated to the "Other Markets" were assigned to the regions of EMEA (Europe, the Middle East, Africa), the Americas and Asia|Pacific.

The following applies to the regional key figures: The regional allocation of non-current assets refers to the particular company location; sales revenue is reported according to the customer's location. The non-current assets correspond to property, plant and equipment as well as to intangible assets (including goodwill) of the Group affiliates that are to be allocated to these various regions. Goodwill resulting from reverse acquisition of Stedim and the associated intangible assets were regionally allocated to France.

In fiscal 2015 and the prior year, none of our customers accounted for more than 10% of sales revenue.

€ in K	Sales revenue 2015	Sales revenue 2014	Non-current assets 2015	Non-current assets 2014
EMEA	**505,467**	**431,474**	**861,454**	**742,069**
Of which Germany	136,346	128,221	372,712	291,273
Of which France	67,846	61,949	339,134	344,669
Americas	**371,693**	**260,332**	**41,012**	**36,168**
Of which USA	337,892	240,801	41,017	36,166
Asia | Pacific	**237,592**	**199,362**	**29,611**	**28,360**
Of which China	72,568	61,051	12,182	11,663
Of which South Korea	50,064	37,216	7,613	7,427
Group	**1,114,752**	**891,168**	**932,076**	**806,597**

8. Statement of Cash Flows

The statement of cash flows shows the impact of cash inflows and outflows on the cash and cash equivalents of the Group. The cash flows are classified by operating, investing and financing activities according to IAS 7, Statement of Cash Flows.

In this context, cash equivalents are assets than can be converted into cash within a short term (generally within three months). The amount considered in the statement of cash flows primarily includes cash on hand, bank balances and similar items, and is equal to the amount reported in the statement of financial position.

In 2014, the Group received a grant related to assets in connection with the purchase and construction of production facilities in Puerto Rico in the amount of approx. €4 million. This cash inflow is reported under other payments in cash flow from investing activities.

The following non-cash transactions were concluded that are not reflected in the statement of cash flows:

- Additions to the fixed assets related to financial leases amounted to €1,878 K in 2015 and €485 K in 2014.

- The expenses incurred by granting shares to the CEO and Executive Board Chairman totaled €1,356 K.

9. Scope of Consolidation

	Ownership in %	Consolidated
Sartorius AG, Goettingen, Germany	Parent company	X
Sartorius Stedim Biotech S.A., Aubagne, France, along with its subsidiaries:	74.3	X
EMEA		
Sartorius Stedim Belgium N.V., Vilvoorde, Belgium	100.0	X
Sartorius Stedim Nordic A/S, Herlev, Denmark	100.0	X
Distribo GmbH, Goettingen, Germany	26.0	
Sartorius Stedim Biotech GmbH, Goettingen, Germany	100.0	X
Sartorius Stedim Plastics GmbH, Goettingen, Germany	100.0	X
Sartorius Stedim North America Holding GmbH, Goettingen, Germany	100.0	X
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100.0	X
Sartorius Stedim Cellca GmbH, Laupheim, Germany	100.0	X
Sartorius Stedim UK Ltd., Epsom, UK	100.0	X
Sartorius Stedim BioOutsource Ltd., Glasgow, UK	100.0	X
Sartorius Stedim Lab Ltd., Stonehouse, UK	100.0	X
TAP Biosystems Group Ltd., Royston, UK	100.0	X
TAP ESOP Management Ltd., Royston, UK	100.0	X
TAP Biosystems (PHC) Ltd., Royston, UK	100.0	
TAP Biosystems Ltd., Royston, UK	100.0	
The Automation Partnership Cambridge Ltd., Royston, UK	100.0	X
Sartorius Stedim FMT S.A.S., Aubagne, France	100.0	X
Sartorius Stedim France S.A.S., Aubagne, France	100.0	X
Sartorius Stedim Financière S.A.S., Aubagne, France	100.0	
Sartorius Stedim Aseptics S.A., Lourdes, France	100.0	X
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100.0	X
Sartorius Stedim Italy S.p.A., Florence, Italy	100.0	X
Sartorius Stedim Netherlands B.V., Rotterdam, Netherlands	100.0	X
Sartorius Stedim Austria GmbH, Vienna, Austria	100.0	X
Sartorius Stedim Poland Sp. z o.o., Kostrzyn, Poland	100.0	X
OOO Sartorius Stedim RUS, St. Petersburg, Russia	100.0	
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100.0	X
Sartorius Stedim Spain S.A., Madrid, Spain	100.0	X
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100.0	X
Sartorius Stedim Hungaria Kft., Budapest, Hungary	100.0	X
Americas		
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100.0	X
Sartorius Stedim North America Inc., Wilmington, Delaware, USA	100.0	X
AllPure Technologies LLC, New Oxford, Pennsylvania USA	60.0	X
Asia | Pacific		
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	X
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100.0	X
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100.0	X
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100.0	X
Sartorius Stedim Japan K.K., Tokyo, Japan	100.0	X
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	69.0	X
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	X
Sartorius Stedim Singapore Pte. Ltd., Singapore	100.0	X

	Ownership in %	Consolidated
EMEA		
Sartorius Belgium N.V., Vilvoorde, Belgium	100.0	X
Sartorius Nordic A/S, Herlev, Denmark	100.0	X
Sartorius Weighing Technology GmbH, Goettingen, Germany	100.0	X
Sartorius Corporate Administration GmbH, Goettingen, Germany	100.0	X
SI Weende-Verwaltungs-GmbH, Goettingen, Germany	100.0	X
SIV Weende GmbH & Co. KG, Goettingen, Germany	100.0	X
SI Grone 1-Verwaltungs-GmbH, Goettingen, Germany	100.0	X
SIV Grone 1 GmbH & Co. KG, Goettingen, Germany	100.0	X
SWT Treuhand GmbH, Goettingen, Germany	100.0	X
Sartorius Lab Holding GmbH, Goettingen, Germany	100.0	X
Sartorius Lab Instruments GmbH & Co. KG, Goettingen, Germany	100.0	X
Sartorius UK Ltd., Epsom, UK	100.0	X
Sartorius Biohit Liquid Handling Oy, Helsinki, Finland	100.0	X
Sartorius France S.A.S., Dourdan, France	100.0	X
VL Finance S.A.S., Aubagne, France	100.0	X
Sartorius Ireland Ltd., Dublin, Ireland	100.0	X
Sartorius Israel Ltd, Kibbutz Beit Haemek, Israel	49.0	
Sartorius Italy S.r.l., Florence, Italy	100.0	X
Sartorius Netherlands B.V., Rotterdam, Netherlands	100.0	X
Sartorius Austria GmbH, Vienna, Austria	100.0	X
Sartorius Poland Sp. z o.o., Kostrzyn, Poland	100.0	X
OOO Sartogosm, St. Petersburg, Russia	100.0	
OOO Sartorius RUS, St. Petersburg, Russia	100.0	X
Sartorius Spain S.A., Madrid, Spain	100.0	X
Sartorius Hungaria Kft., Budapest, Hungary	100.0	X
Americas		
Sartorius Argentina S.A., Buenos Aires, Argentina	100.0	
Sartorius do Brasil Ltda., São Paulo, Brazil	100.0	
Sartorius de México S.A. de C.V., Naucalpan, Mexico	100.0	
Sartorius Peru S.A.C., Lima, Peru	100.0	
Sartorius North America Inc., Wilmington, Delaware, USA	100.0	X
Sartorius Corporation, Wilmington, Delaware, USA	100.0	X
Sartorius Canada Inc., Mississauga, Canada	100.0	X

	Ownership in %	Consolidated
Asia | Pacific		
Sartorius Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	X
Denver Instrument (Beijing) Co. Ltd., Beijing, China	100.0	X
Sartorius Scientific Instruments (Beijing) Co. Ltd., Beijing, China	100.0	X
Sartorius (Shanghai) Trading Co. Ltd., Shanghai, China	100.0	X
Biohit Biotech (Suzhou) Co. Ltd., Shanghai, China	100.0	X
Sartorius Hong Kong Ltd., Kowloon, Hong Kong	100.0	X
Sartorius Weighing India Pvt. Ltd., Bangalore, India	100.0	X
Sartorius Japan K.K., Tokyo, Japan	100.0	X
Sartorius Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	X
Sartorius Singapore Pte. Ltd., Singapore	100.0	X
Sartorius Korea Ltd., Seoul, South Korea	100.0	X
Sartorius (Thailand) Co. Ltd., Bangkok, Thailand[1)]	49.0	X

[1)] The company Sartorius Thailand is included in the scope of consolidation due to contractual agreements (see also Section 25).

The companies marked as non-consolidated in the above table were not included in the scope of consolidation, because the figures were of minor importance for assessing the actual net worth, financial position and profitability of the Sartorius Group. The sales revenue and balance sheet total of the non-consolidated companies taken as a whole are below 5% of the Group figures. No associates or joint ventures were consolidated; all companies identified by an "X" are fully consolidated.

In fiscal 2015, the following companies were included for the first time in the group of consolidation:

– Sartorius Stedim Hungary Kft.
– Sartorius Hungary Kft.
– Sartorius Stedim North America Holding GmbH

as well as the companies Sartorius Stedim BioOutsource Ltd. and Sartorius Stedim Cellca GmbH acquired in the reporting year.

The companies in Hungary were not consolidated due to their minor importance for the Group financial statements. These firms were consolidated as of January 1, 2015, and the difference resulting from initial consolidation was deducted from the retained earnings.

Furthermore, additional stakes of 10% in AllPure Technologies LLC and 20% in Sartorius Korea Biotech were purchased. These acquisitions resulted in a decrease in the shareholdings attributable to non-controlling interest as well as to a corresponding adjustment in the retained earnings.

10. Business Acquisitions

Acquisition of AllPure Technologies LLC

On April 25, 2014, Sartorius through its subgroup Sartorius Stedim Biotech acquired a 50.01% stake in the U.S. startup AllPure Technologies LLC at a price of U.S. $6 million. The purchase price was paid in cash. AllPure specializes in single-use components for biopharmaceutical applications and provides products that are complementary to the Sartorius Group's portfolio in the Bioprocess Solutions segment.

The shares in AllPure remaining with the former owners will also be transferred to Sartorius by 2022 at the latest. The exact time of this acquisition, as well as the purchase price, depends on the future business performance of the operation purchased. The corresponding liability is disclosed in the non-current financial liabilities as the present value of the expected future payments of €7.1 million. This liability was initially recognized in the retained earnings according to IAS 32.23; its subsequent measurement has been recognized through profit or loss in the financial result.

The overall purchase price allocation was finalized as follows:

	Preliminary purchase price allocation € in K	**Final purchase price allocation € in K**
Intangible and tangible assets	2,068	3,245
Inventories	468	476
Trade receivables and other assets	307	312
Cash and cash equivalents	41	42
Provisions and liabilities	–484	–406
Net assets acquired	**2,400**	**3,669**
Of which 50.01%	1,200	1,835
Purchase price	4,332	4,332
Goodwill	**3,132**	**2,497**
Non-controlling interest	**1,200**	**1,834**

The Sartorius Group elected to recognize the amount of non-controlling interest at the level of the prorated share of net identifiable assets (partial goodwill method).

The goodwill disclosed represents the assets that were not separately identifiable and recognized, but that generate economic benefits. In this case, such benefits to be named include the expansion of the Group portfolio and the strengthened position of the company in the biopharmaceutical market. Goodwill is fully tax-deductible.

The Group increased its stake in the company to 60% in May 2015, as planned. This acquisition was reflected in equity as a transaction between owners.

Acquisition of BioOutsource Ltd.

On April 17, 2015 Sartorius Stedim Biotech acquired 100% of the voting rights in BioOutsource Ltd. headquartered in Glasgow, U.K. BioOutsource provides analytical contract testing services for pharmaceutical clients and specializes in offering a comprehensive range of services for the growing biosimilar industry. The services provided by BioOutsource are part of the core processes of Sartorius' customers and, therefore, extend the Group's current service offering. With 85 employees, BioOutsource earned sales revenue of approximately €9 million in the past twelve months. The purchase price was allocated as follows:

	Final purchase price allocation € in K
Other intangible assets	11,409
Property, plant and equipment	1,517
Inventories	842
Receivables and other assets	2,576
Cash and cash equivalents	1,410
Deferred taxes - net	–2,282
Provisions and liabilities	–2,125
Loans and borrowings	–699
Net assets acquired	**12,648**
Purchase price	30,602
Goodwill	**17,954**

The purchase price of approx. €30.6 million was paid in cash. The expenses directly attributable to the acquisition amounting to €0.2 million were recognized as other operating expenses.

Acquisition of Cellca GmbH

On July 1, 2015, Sartorius acquired 100% of the shares in Cella GmbH based in Laupheim, the Federal Republic of Germany. Founded in 2005, this company with around 30 employees generated sales revenue of around €6 million in 2014. Cellca's major customers are biopharmaceutical companies as well as biosimilar firms that do not or only partly conduct their process development in their in-house facilities.

The purchase price was allocated as follows:

	Final purchase price allocation € in K
Other intangible assets	27,175
Property, plant and equipment	1,558
Receivables and other assets	914
Cash and cash equivalents	1,804
Deferred taxes - net	–7,533
Provisions and liabilities	–1,329
Net assets acquired	**22,589**
Purchase price	26,500
Goodwill	**3,911**

The purchase price of approx. €26.5 million was paid in cash. The expenses directly attributable to the acquisition amounting to €0.1 million were recognized as other operating expenses.

The acquisitions of BioOutsource and Cellca are aimed at expanding the Sartorius Group portfolio, particulary in process development and validation. The resulting goodwill represents this aspect, as well as other assets that are not separately identifiable. This goodwill is not tax-deductible.

Since their initial consolidation in the Group financial statements, both companies have contributed about €13 million to sales revenue and about €1 million to Group earnings. If the acquisitions had taken place as of January 1, 2015, Group sales revenue would have amounted to approx. €1,121.7 million and Group earnings to approx. €162.1 million.

Sale of the Industrial Technologies Division

Following legal completion of the sales transaction, the Industrial Technologies Division was deconsolidated on February 1, 2015. The gain on disposal is as follows:

	€ in K
Assets sold	75,351
Liabilities transferred	–30,671
Net assets disposed	**44,680**
Sale price (paid in cash)	90,271
Reclassification to currency reserves	1,506
Costs directly attributable	–6,544
Gain on sale before tax	**40,553**

For further information on this discontinued operation, please refer to Section 34:

Notes to the Statement of Profit or Loss

11. Sales Revenue

Sales revenue, which is broken down by operating segments and geographical markets (according to the customers' location), consists of the following:

2015	Bioprocess Solutions € in K	Lab Products & Services € in K	**Total € in K**
Germany	79,538	56,808	136,346
All other countries	729,702	248,704	978,406
	809,240	**305,512**	**1,114,752**

2014	Bioprocess Solutions € in K	Lab Products & Services € in K	**Total € in K**
Germany	72,357	55,864	128,221
All other countries	543,285	219,662	762,947
	615,643	**275,525**	**891,168**

An amount of €12.6 million was earned with non-consolidated affiliated companies (2014: €13.5 million). A sum of approximately €77 million was earned by providing services (2014: around €65 million).

12. Functional Costs

The statement of profit or loss is prepared according to the function of expense method, also known as "cost of sales." The expenses are allocated to the respective functional areas of production, sales and distribution, research and development, as well as to general administration. The total expenses incurred by the functional areas for materials and employee benefits are represented as follows:

Raw Materials and Supplies

This item consists of the following:

	2015 € in K	2014 € in K
Expenses for raw materials and supplies and for purchased goods (incl. changes in inventories)	250,785	213,911
Cost of purchased services	63,769	46,273
	314,554	**260,184**

Employee Benefits Expense

This item can be broken down as follows:

	2015 € in K	2014 € in K
Wages and salaries	306,352	264,938
Social security	61,047	51,850
Expenses for retirement benefits and pensions	8,145	6,816
	375,544	**323,604**

Leases

In fiscal year 2015, payments of €14.6 million were made as part of operating leases (2014: €11.8 million).

13. Other Operating Income and Expenses

	2015 € in K	2014 € in K
Currency translation gains	17,378	15,043
Income from the decrease in allowances for bad debts	1,775	1,451
Income from release of provisions and liabilities	1,240	3,742
Income from grants	3,033	2,223
Other income	9,154	9,666
Other operating income	**32,580**	**32,125**
Extraordinary expenses	–12,614	–8,308
Currency translation losses	–24,070	–10,692
Allowances for bad debts	–3,667	–1,834
Other expenses	–7,494	–5,802
Other operating expenses	**–47,844**	**–26,636**
Other operating income and expenses	**–15,264**	**5,489**

The item reported as income from grants discloses the grants for expenses (essentially related to research and development projects), which are recognized as income as soon as there is sufficiently reliable indication that the necessary prerequisites are met.

Other income includes income related to services performed for the discontinued operation, among other items.

Extraordinary items for fiscal 2014 and 2015 essentially were incurred for various strategic Group projects and for integration and acquisition costs.

14. Financial Result

	2015 € in K	2014 € in K
Interest and similar income	549	–361
- of which from affiliated companies	3	0
Income from derivative financial instruments	3,430	105
Other financial income	2,655	3,615
Financial income	**6,634**	**3,360**
Interest and similar expenses	–8,720	–11,533
- of which from affiliated companies	0	0
Expenses for derivative financial instruments	–4,004	–13,270
Interest for pensions and other retirement benefits	–1,010	–1,634
Other financial charges	–12,864	–6,820
Financial expenses	**–26,598**	**–33,256**
	–19,964	**–29,897**

The other financial expenses and income cover valuation effects from the purchase price allocation related to the acquisitions of Allpure and the Lonza media business, as well as currency translation gains and losses from foreign currency loans.

The expenses for derivative financial instruments essentially include effects in 2014 in connection with the dissolution of hedging relationships as a consequence of refinancing our existing syndicated loans.

15. Income Taxes

	2015 € in K	2014 € in K
Current income taxes	–56,529	–32,665
Deferred taxes	1,544	286
	–54,986	**–32,378**

As a matter of principle, domestic income taxes are calculated at 30% of the estimated taxable profit for fiscal 2015. Income generated outside Germany is taxed at the particular rates that are valid in the corresponding country.

Considering the German average tax rates and the impact of other tax legislation, the expected tax rate for the Group is roughly 30%. The following table describes the differences between the tax expense to be expected and the income tax expenses reported for the particular financial year.

	2015 € in K	2014 € in K
Expected tax rate	**30%**	30%
Expected tax expense	–51,715	–28,869
Difference from the Group average income tax rate	7,363	5,160
Effects from intragroup dividends and other non-deductible expenses	–5,285	–3,529
Tax credits	1,286	752
Taxes from previous years and adjustments from the revised evaluation of the recoverability of deferred tax assets	–4,297	–4,763
Withholding and similar taxes	–2,826	–2,044
Other	487	915
	–54,986	**–32,378**
Effective tax rate	**31.9%**	**33.6%**

16. Earnings per Share

According to IAS 33, Earnings per Share, the earnings per share for each class must be determined separately. In this case, the higher dividend entitlement of currently two euro cents for preference shares must be taken into account. The undiluted earnings per share (basic EPS) are calculated on the basis of the number of shares outstanding during the period. Treasury shares may not be included for calculating the average number of shares outstanding.

	2015	2014
Ordinary shares		
Basis for calculating basic earnings per ordinary share (net profit after non-controlling interest), € in K	63,100	24,174
Of which from continuing operations, € in K	42,668	21,908
Of which from discontinued operation, € in K	20,431	2,266
Weighted average number of shares outstanding	8,528,878	8,528,056
Basic earnings per ordinary share in €	**7.40**	**2.83**
Of which from continuing operations, in €	5.00	2.57
Of which from discontinued operation, in €	2.40	0.27
Weighted average number of shares outstanding for calculating the diluted earnings per share	8,553,056	8,528,056
Diluted earnings per ordinary share, in €	7.38	2.83
Of which from continuing operations, in €	4.99	2.57
Of which from discontinued operation, in €	2.39	0.27
Preference shares		
Basis for calculating basic earnings per preference share (net profit after minority interest), € in K	63,203	24,319
Of which from continuing operations, € in K	42,793	22,055
Of which from discontinued operation, € in K	20,410	2,264
Weighted average number of shares outstanding	8,519,839	8,519,017
Basic earnings per preference share in €	**7.42**	**2.85**
Of which from continuing operations, in €	5.02	2.59
Of which from discontinued operation, in €	2.40	0.27
Weighted average number of shares outstanding for calculating the diluted earnings per share	8,544,017	8,519,017
Diluted earnings per preference share, in €	7.40	2.85
Of which from continuing operations, in €	5.01	2.59
Of which from discontinued operation, in €	2.39	0.27

Notes to the Statement of Financial Position

17. Goodwill and Intangible Assets

Goodwill

	Goodwill[1) €](#) in K
Gross book values at Jan. 1, 2014	**378,995**
Currency translation	2,723
Acquisitions through business combinations	2,572
Reclassification in "held for sale"	–2,504
Gross book values at Dec. 31, 2014	**381,786**
Amortization and impairment losses at Jan. 1, 2014	**0**
Currency translation	0
Amortization and impairment losses in 2014	0
Amortization and impairment losses at Dec. 31, 2014	0
Net book values at Dec. 31, 2014	**381,786**
Gross book values at Jan. 1, 2015	**381,786**
Currency translation	2,129
Acquisitions through business combinations	21,462
Reclassification in "held for sale"	0
Gross book values at Dec. 31, 2015	**405,377**
Amortization and impairment losses at Jan. 1, 2015	**0**
Currency translation	0
Amortization and impairment losses in 2015	0
Amortization and impairment losses at Dec. 31, 2015	0
Net book values at Dec. 31, 2015	**405,377**

[1)] The year-earlier figures were adjusted on account of the final purchase price allocation for AllPure.

The item reported as goodwill in the amount of €405,377 K (2014: €381,786 K) is the capitalized difference in assets resulting from capital consolidation within the scope of business combinations. This amount also covers asset deals to some extent. The additions resulting from acquisitions through business combinations in fiscal 2015 were BioOutsource Ltd. and Cellca GmbH (cf. Section 10). The goodwill attributable to the Intec Division was reclassified in 2015 according to IFRS 5 and was disposed of when the operation was sold in 2015. Under IAS 36, goodwill may not be amortized on a scheduled basis, but rather, must be tested annually for impairment.

Because of the integration of our businesses in the divisions Bioprocess Solutions and Lab Products & Services and our respective positioning as a total solutions provider, we regard each of these segments as cash-generating units. Thus, goodwill is distributed to the segments as follows:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Bioprocess Solutions	352,254	329,074
Lab Products & Services	53,123	52,713
	405,377	**381,786**

The impairment tests conducted for fiscal 2015 measure the recoverable amount on the basis of the value in use of the particular cash-generating unit. Our cash flow forecasts consider previous experiences and are generally based on the current projections of Group management for a period of four years. For the Bioprocess Solutions Division, calculations were based on an average terminal growth rate of 2.5% for the fiscal years after 2019. This terminal growth rate is derived from market expectations, which forecast medium-term growth rates in the high upper single-digit range for the biopharmaceutical market targeted by the division. The major growth drivers will be, among others, the aging population, the increase in population and improved access to pharmaceutical markets in the emerging-market countries, as well as the currently ongoing paradigm shift towards utilization of single-use products in the manufacture of biopharmaceuticals. For the Lab Products & Services Division, a terminal growth rate of 1.5% was used for the fiscal years after 2019.

The discount rates of the cash-generating units correspond to their weighted average cost of capital (WACC) and were recognized as follows:

	2015		2014	
	Before tax	**after tax**	Before tax	After tax
Bioprocess Solutions	7.6%	6.1%	8.4%	6.5%
Lab Products & Services	9.0%	6.7%	9.1%	6.7%

In fiscal 2015, these impairment tests did not result in the recognition of impairment losses. Even realistic changes in the basic assumptions upon which measurement of the value in use is based would not result in the carrying amount of the cash-generating units' exceeding their value in use.

Intangible Assets

	Patents, licenses, technologies and similar rights € in K	Brand name € in K	Customer relationships € in K	Capitalized development costs € in K	Payments on account € in K	Total € in K
Gross book values at Jan. 1, 2014	82,271	14,887	119,653	66,599	230	283,640
Currency translation	1,300	–1	617	223	0	2,139
Acquisitions through business combinations	2,580	0	678	0	0	3,258
Capital expenditures	14,217	0	0	14,955	257	29,429
Disposals	–1,539	0	0	–67	–122	–1,728
Transfers	167	0	0	0	–96	71
Reclassification in "held for sale"	–2,674	0	0	–9,273	0	–11,947
Gross book values at Dec. 31, 2014	**96,322**	**14,885**	**120,948**	**72,437**	**269**	**304,862**
Amortization and impairment losses at Jan. 1, 2014	–29,163	–824	–47,454	–36,764	0	–114,205
Currency translation	–435	1	–81	–48	0	–564
Amortization and impairment losses in 2014	–8,510	–412	–9,794	–10,108	0	–28,824
Disposals	1,532	0	0	0	0	1,532
Transfers	0	0	0	0	0	0
Reclassification in "held for sale"	894	0	0	6,177	0	7,071
Amortization and impairment losses at Dec. 31, 2014	–35,681	–1,235	–57,329	–40,743	0	–134,988
Net book values at Dec. 31, 2014	**60,641**	**13,650**	**63,619**	**31,694**	**269**	**169,874**

	Patents, licenses, technologies and similar rights € in K	Brand name € in K	Customer relationships € in K	Capitalized development costs € in K	Payments on account € in K	**Total € in K**
Gross book values at Jan. 1, 2015	96,322	14,885	120,948	72,437	269	304,862
Currency translation	2,175	–4	863	456	0	3,490
Acquisitions through business combinations	30,614	207	7,875	0	0	38,696
Capital expenditures	16,598	0	0	12,258	67	28,923
Disposals	–2,274	0	–275	–117	0	–2,666
Transfers	84	0	0	0	–18	66
Gross book values at Dec. 31, 2015	**143,519**	**15,088**	**129,411**	**85,035**	**318**	**373,371**
Amortization and impairment losses at Jan. 1, 2015	–35,681	–1,235	–57,329	–40,743	0	–134,988
Currency translation	–970	2	–265	–270	0	–1,502
Amortization and impairment losses in 2015	–12,460	–439	–10,207	–6,623	0	–29,729
Disposals	1,834	0	275	0	0	2,109
Transfers	–5	0	0	0	0	–5
Amortization and impairment losses at Dec. 31, 2015	–47,282	–1,673	–67,525	–47,636	0	–164,116
Net book values at Dec. 31, 2015	**96,238**	**13,415**	**61,886**	**37,399**	**318**	**209,256**

The brand name acquired in the Stedim transaction (book value: €10,779 K) is considered to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the company. Because of the integration of the "Stedim" brand into the "Sartorius Stedim Biotech" brand, a separate measurement of relevant cash flows is not possible, however. The recoverability of the brand name and of other intangible assets acquired within the scope of this business combination was considered at the next-higher level of the cash-generating unit (CGU), i.e., the Bioprocess Solutions Division.

For the remaining brand names acquired through the business combinations, their limited periods of useful life are estimated as up to ten years on average.

The customer relationships obtained as part of the acquisition of Stedim likewise constitute a material intangible asset. The book value of these customer relationships amounted to €34.8 million for the year ended December 31, 2015 (2014: €40.5 million); the remaining period of useful life is seven years.

In fiscal 2015, the development costs of €12,258 K (2014: €14,955 K) were recognized as assets. The capitalized development costs essentially covered the costs to be allocated to the projects for staff involved in the R&D effort, raw materials and supplies, outside services and directly attributable overhead. Internally generated intangible assets were amortized according to the straight-line method over their useful life.

Amortization of intangible assets is allocated to the corresponding functions in the statement of profit or loss. For capitalized development costs, amortization is disclosed in the cost of sales.

In fiscal 2015, impairment expenses of €1.3 million were recognized in the capitalized development costs (2014: €2.5 million). Of this amount, €1.1 million was for the Bioprocess Solutions Division (2014: €2.3 million) and €0.2 million for the Lab Products & Services Division (2014: €0.2 million).

18. Property, Plant and Equipment

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	Total € in K
Gross book values at Jan. 1, 2014	185,823	128,156	112,311	17,588	443,878
Currency translation	4,504	2,094	1,505	98	8,201
Acquisitions through business combinations	5	30	701	16	751
Grants related to assets	–4,060	0	0	0	–4,060
Capital expenditures	4,353	8,413	10,844	31,516	55,127
Disposals	–747	–4,879	–9,985	–435	–16,045
Transfers	3,548	5,259	871	–9,775	–97
Reclassification in "held for sale"	–354	–6,479	–7,947	0	–14,779
Gross book values at Dec. 31, 2014	**193,072**	**132,595**	**108,300**	**39,008**	**472,976**
Depreciation and impairment losses at Jan. 1, 2014	–57,364	–77,491	–79,480	–6	–214,341
Currency translation	–811	–1,279	–1,555	0	–3,645
Depreciation and impairment losses in 2014	–6,406	–8,791	–10,944	–2	–26,143
Disposals	710	5,230	9,799	0	15,739
Transfers	0	–1	21	6	26
Reclassification in "held for sale"	245	3,727	6,352	0	10,325
Depreciation and impairment losses at Dec. 31, 2014	–63,627	–78,603	–75,807	–2	–218,039
Net book values at Dec. 31, 2014	**129,446**	**53,992**	**32,493**	**39,006**	**254,937**

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2015	193,072	132,595	108,300	39,008	472,976
Currency translation	3,926	2,003	1,798	–30	7,696
Acquisitions through business combinations	160	1,272	1,855	0	3,286
Capital expenditures	8,957	10,373	20,757	44,085	84,173
Disposals	–641	–2,720	–7,892	–86	–11,339
Transfers	10,451	9,532	–3,022	–16,963	–2
Gross book values at Dec. 31, 2015	**215,924**	**153,054**	**121,796**	**66,015**	**556,789**
Depreciation and impairment losses at Jan. 1, 2015	–63,627	–78,603	–75,807	–2	–218,039
Currency translation	–783	–1,310	–1,147	7	–3,233
Depreciation and impairment losses in 2015	–7,540	–10,838	–10,307	–436	–29,121
Disposals	493	3,338	7,277	0	11,108
Transfers	21	–2,428	2,347	0	–60
Depreciation and impairment losses at Dec. 31, 2015	–71,435	–89,842	–77,637	–431	–239,345
Net book values at Dec. 31, 2015	**144,489**	**63,212**	**44,159**	**65,584**	**317,444**

Depreciation is included in the statement of profit or loss according to use of the assets in the cost of sales, selling and distribution expenses, research and development expenses, administrative expenses and other operating expenses.

For 2015, as in the year before, no material impairment losses for plant, property and equipment were recognized.

Capitalized property, plant and equipment include assets held under finance leases amounting to €20,521 K (2014: €18,457 K). The cost of acquisition of these assets totals €25,560 K (2014: €21,397 K).

19. Deferred Taxes

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K	**Dec. 31, 2015 € in K**	Dec. 31, 2014 € in K
Other intangible assets		994		23,486
Tangible assets		0		6,695
Inventories		4,706		974
Receivables and other current assets		1,179		345
Provisions		12,247		0
Liabilities		3,711		0
Gross amount	**0**	**22,837**	**0**	**31,500**
Taxable losses carried forward		5,326		0
Tax on non-distributed earnings of subsidiaries		0		4,527
Offset		–6,272		–6,272
	0	**21,891**	**0**	**29,755**

Deferred Tax Assets

On the reporting date, the Group had unused tax loss amounts carried forward of about €33 million (2014: around €28 million) to be deducted from future taxable profits. For German companies, the average of the loss carry-forward calculated from corporate income tax and from commercial income tax was taken into account. A deferred tax amount was reported on approx. €10 million (2014: approx. €13 million) of these losses. Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of foreseeability of future taxable profits. Of the unused tax losses, €18.6 million can still be carried forward for a limited time (2014: €7.1 million) and of this carryforward amount, €5.7 million will expire in the next five years (2014: €1.9 million).

Deferred tax assets of approximately €3 million (2014: approx. €4 million) relate to companies that reported losses in this year under review or in the earlier reporting year. These losses carried forward were reported as assets because it is assumed that taxable profits would be available in future, against which the unused tax losses and the deductible temporary differences can be offset.

In addition, the Group had unused interest carry-forwards from German companies of the Group in the amount of €6 million (2014: €7 million). Deferred tax assets were not considered for these carry-forwards in the reporting year because from today's stance, use is not sufficiently probable for the remaining amounts carried forward.

Deferred Tax Liabilities

The deferred tax liabilities in connection with intangible assets essentially refer to assets acquired in business combinations and, consequently, are mainly linked to customer relationships.

The company has taxable temporary differences of €157 million (2014: €147 million) with respect to its investments in subsidiaries. Deferred tax liabilities of €4.6 million (2014: €4.5 million) were recognized on these temporary differences, which include any withholding tax, as the realization of such liabilities can be expected within the foreseeable future. For temporary differences in conjunction with shareholdings in subsidiaries in the amount of €304 million (2014: €154 million), no deferred tax liabilities were measured as their realization was not foreseeable or planned. If these retained earnings were to be distributed, they would be subject to taxation at a rate of 5% in Germany; in addition, foreign withholding tax might be incurred.

In fiscal 2015, as in the previous years, a tax effect was yielded by reporting derivative financial instruments recognized outside the statement of profit or loss according to IAS 39 rules for hedge accounting, and the deferred tax assets from recognition of actuarial gains and losses were recognized in other comprehensive income. Likewise, the amount of current income taxes incurred by net investment in a foreign operation was recognized in other comprehensive income. The income taxes recognized in other comprehensive income are disclosed in the following table:

	2015 € in K	2014 € in K
Cash flow hedges	517	688
Remeasurements of the net defined benefit liability	–734	3,985
Net investment in a foreign operation	1,592	1,709
Total	**1,375**	**6,382**

The change in deferred tax assets and liabilities (-€6.7 million net) includes currency translation effects (+€0.2 million) and additions related to acquisitions through business combinations (-€9.8 million) in addition to the amounts recognized in the statement of profit or loss (+€1.5 million) and in the other comprehensive income (+€1.4 million).

20. Inventories

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Raw materials and supplies	54,664	45,241
Work in progress	55,934	41,327
Finished goods and merchandise	75,679	57,497
Payments on account	3,505	1,876
	189,782	**145,941**

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Gross amount inventories	207,095	159,660
Write-downs	–17,313	–13,720
Net amount of inventories	**189,782**	**145,941**

21. Current Trade and Other Receivables

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Trade receivables from third parties	183,869	129,201
Amounts due from customers for contract work	3,678	2,076
Receivables from non-consolidated affiliates	5,487	9,088
Trade receivables	**193,034**	**140,365**

In some business areas, the Group carries out long-term construction contracts to a limited extent. These customer-specific contracts are recognized by the application of IAS 11, Construction Contracts, based on the percentage of completion method.

In the reporting year, contract revenues of €11,747 K were earned (2014: €12,423 K). The aggregate amount of costs incurred and profits | losses recognized for projects in progress on the reporting date is €17,892 K (2014: €17,426 K). For these projects, advance payments of €14,214 K (2014: €17,613 K) were recorded.

Trade and other receivables were reported so that all discernible risks are covered. Allowances were recognized based on past experience with actual credit losses. Please refer to Section 13 concerning the expenses and income resulting from these allowances that are reported on the statement of profit or loss. The book values of trade receivables and other receivables approximate the receivables' fair value due to their short terms.

In the previous years, receivables were sold as part of a factoring program. The factoring program was terminated in 2015, which entailed an increase in receivables of approx. €40 million.

In the reporting year, valuation allowances developed as follows:

	2015 € in K	2014 € in K
Valuation allowances at the beginning of the year	–5,816	–7,714
Increases during the fiscal year	–3,667	–2,387
Derecognition and consumption	435	1,179
Recoveries of amounts previously impaired	1,775	2,159
Currency translation differences	–110	–200
Change in the scope of consolidation	–92	0
Reclassification in "held for sale"	0	1,147
Valuation allowances at the end of the year	**–7,474**	**–5,816**

The following table shows the maturity structure of the receivables that are past due, but not impaired:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
1–30 days	31,774	18,874
31–90 days	17,442	11,023
91–180 days	8,787	2,218
181–360 days	2,901	1,004
More than 360 days	2,340	251
Total	**63,243**	**33,370**

For trade receivables of €62,243 K that were past due on the reporting date (2014: €33,370 K), no valuation allowances were made as there was no material change in the creditworthiness of the debtors and it could be expected that they would pay the amounts outstanding. The trade receivables not yet due and other financial assets were not written down as there was no indication of impairment.

22. Other Assets

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	44	120
Loan receivables from affiliates	3,495	0
Miscellaneous other financial assets	8,279	11,635
Other financial assets	**11,818**	**11,755**

23. Issued Capital

Sartorius AG's capital stock is divided into 9,360,000 bearer-type ordinary shares and 9,360,000 non-voting preference shares, each having a calculated par value of €1.00. According to the company's Articles of Association, preference shares are entitled to a dividend payment that is higher than the dividend payment for ordinary shares, by an amount equal to 2.0% of each preference share's calculated proportion of the issued capital (i.e., two euro cents per share). In any case, dividend entitlement shall be at least 4.0% of each preference share's calculated proportion of the issued capital (i.e., four euro cents per share). All shares have been paid in full.

Sartorius AG exercised the authority granted at the Annual Shareholders' Meeting on June 21, 2000, to repurchase treasury shares in the amount of €16,082 K pursuant to § 71, Subsection 1, No. 8, of the German Stock Corporation Law (AktG). According to IAS 32, treasury shares were deducted from equity and capital reserves.

These shares are held in particular as currency for future acquisitions of companies. From October 27, 2000, to the reporting date, 831,944 ordinary shares were repurchased at an average price of €11.27 and 840,983 preference shares at an average price of €7.98. This corresponds to a portion of €1,673 (8.9%) of the capital stock. In fiscal 2015, no treasury shares were purchased. The shares were deducted from the company's issued capital and capital reserves.

In December 2015, 25,000 ordinary shares and 25,000 preference shares were issued to CEO and Executive Board Chairman Dr. Joachim Kreuzburg pursuant to his 2014 remuneration agreement. Accordingly, issued capital rose by €50 K.

24. Reserves

Capital Reserves

The capital reserves include the amounts generated in the previous years beyond the nominal amount when Sartorius AG issued shares. Within the scope of the purchase of treasury shares (see above), €14,464 K was deducted from the capital reserves. Because 50,000 shares were issued to Dr. Kreuzburg as part of his share-based remuneration agreement, capital reserves decreased in 2015 by €50 K.

In fiscal 2015, the capital reserves increased by €1,356 K (2014: €56 K) due to the employee benefits expense to be offset in connection with this share-based remuneration component.

Cash Flow Hedging Reserves

Amounts recognized in other comprehensive income as part of an effective hedgeing relationship are transferred to the cash flow hedging reserves. In particular, these are fluctuations in the fair value of currency hedges as well as their respective tax effects. The cumulative amount to be transferred to other comprehensive income as of the reporting date stands at €5,979 K (2014: 4,256 K).

Pension Reserves

Actuarial gains and losses from defined benefit plan commitments, including their respective tax effects, are included in the pension reserves.

25. Non-controlling Interest

The Sartorius Stedim Biotech subgroup headquartered in Aubagne, France, accounts for the majority of non-controlling interest in the Sartorius Group. The latter holds approximately 74% of capital shares and 85% of the voting rights in this subgroup. The following subsidiaries account for further non-controlling interest amounts:

- Sartorius Korea Biotech based in Seoul, South Korea, with a 69% share in capital

- Sartorius Thailand located in Bangkok (with a 49% share in capital). The company is consolidated due to comparable contractual arrangements.

- AllPure Technologies LLC, New Oxford, USA (60%)

	2015 € in K	2014 € in K
Cumulative non-controlling interest as of Dec. 31		
Sartorius Stedim Biotech	120,726	92,668
Other	6,291	7,071
	127,017	**99,739**
Profit or loss allocated to non-controlling interest		
Sartorius Stedim Biotech	30,373	18,625
Other	1,563	1,264
	31,936	**19,889**
Dividends paid to non-controlling interest		
Sartorius Stedim Biotech	5,131	4,716
Other	446	401
	5,577	**5,117**

The following condensed financial information refers to the Sartorius Stedim Biotech Group:

Condensed Statement of Financial Position

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Non-current assets	715,306	631,177
Current assets	350,831	276,166
	1,066,137	**907,343**
Equity	647,219	539,097
Non-current liabilities	146,229	138,662
Current liabilities	272,690	229,584
	1,066,137	**907,343**

Condensed Statement of Profit or Loss and Other Comprehensive Income

	2015 € in K	2014 € in K
Sales revenue	884,331	683,524
Profit before tax	169,678	105,051
Income taxes	–50,184	–31,378
Net profit for the period	**119,494**	**73,673**
Other comprehensive income after tax	15,885	8,141
Total comprehensive income	**135,379**	**81,814**

Condensed Statement of Cash Flows

	2015 € in K	2014 € in K
Net cash flow from operating activities	142,789	111,312
Net cash flow from investing activities and acquisitions	–106,329	–46,813
Net cash flow from financing activities	–27,235	–84,208
Net increase | decrease in cash and cash equivalents	**9,226**	**–19,709**
Cash and cash equivalents at the beginning of the period	18,544	35,605
Net effect of currency translation on cash and cash equivalents	4,063	2,648
Cash and cash equivalents at the end of the period	**31,832**	**18,544**

26. Pension and Employee Benefits Provisions

Defined Contribution Plans

Most of the companies of the Group have defined contribution plans, frequently in the form of government-backed retirement insurance. In fiscal 2015, an amount of €23.0 million was recognized for defined contribution plans (2014: €21.5 million).

Defined Benefit Plans

Pension provisions and similar obligations have been recognized in the consolidated financial statements of the Sartorius Group in accordance with actuarial principles. All actuarial gains and losses are shown directly in other comprehensive income according to the IAS 19 Standard. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €24,517 K (2014: €30,295 K).

An amount of €49,269 K (2014: €52,745 K) relates in particular to the net amount of pension provisions for retirement pension plans in Germany. These provisions are based on direct commitments under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The pension benefits are generally not funded with assets. A substantial portion of these provisions relate to Sartorius AG. In this case, the obligations measured pertain to the General Pension Plan ("Allgemeine Versorgungsordnung") for employees whose employment commenced prior to January 1, 1983, on the one hand. On the other, individual commitments to active and former Executive Board members and executives exist in the form of performance-based post-employment benefit plans.

The assumed discount factors reflect the interest rates that were paid on the reporting date for prime corporate (industrial) bonds with matching maturities and denominated in the relevant currencies. If such corporate bonds are not available with matching long-term maturities or are insufficiently available, their matching interest rates are determined by extrapolation.

Measurement of the post-employment benefit obligations of the German Group companies is based on the following actuarial assumptions:

	2015	2014
Discount rate	2.27%	1.90%
Future salary increases	3.00%	3.00%
Future pension increases	2.00%	2.00%

The following parameters were used for the French companies:

	2015	2014
Discount rate	2.00%	1.80%
Future salary increases	2.50%	3.00%
Future pension increases	2.00%	2.00%

The amounts reported in the statement of profit or loss and in the statement of comprehensive income consist of the following:

	2015 € in K	2014 € in K
Service cost	1,332	1,207
Net interest cost	1,101	1,722
Components of defined benefit costs recognized in profit or loss	**2,433**	**2,929**
Return on plan assets (excl. interest)	31	3
Actuarial gains | losses	–2,226	14,352
Components of defined benefit costs recognized in other comprehensive income	**–2,195**	**14,355**
Total defined benefit costs	**238**	**17,284**

In the statement of profit or loss, the current service cost is disclosed according to the assignment of employees to the respective functions.

The net amount or present value included in the consolidated statement of financial position arising from the Group's obligation in respect of defined benefit plans is as follows:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Present value of obligations	66,760	67,176
Fair value of the plan assets	6,959	5,994
Net liability	**59,801**	**61,182**

Defined Benefit Obligation

	2015 € in K	2014 € in K
Present value of obligations as of Jan. 1	**67,176**	**60,908**
Current service cost	2,020	1,535
Past service cost	–688	–328
Interest cost	1,219	1,887
Actuarial gains | losses	–2,227	14,340
Currency translation differences	893	287
Retirement benefits paid in the reporting year	–2,268	–3,031
Employer contributions	256	487
Employee contributions	188	194
Contributions by the plan participants	474	411
Reclassification in "held for sale"	0	–10,093
Other changes	–284	578
Present value of obligations as of Dec. 31	**66,760**	**67,176**

The actuarial gains and losses of the defined benefit obligation are allocated as follows:

	2015 € in K	2014 € in K
Experience adjustments	72	1,052
Changes in demographic assumptions	–201	154
Changes in financial assumptions	–2,129	13,137
Total	**–2,258**	**14,343**

Plan Assets

	2015 € in K	2014 € in K
Plan assets at Jan. 1	**5,994**	**6,643**
Interest income	118	165
Return on plan assets (excl. interest)	–31	–3
Actuarial gains | losses	–1	–12
Group contribution & payments	–904	–824
Employee contributions	188	205
Currency translation differences	586	202
Employer contributions	626	564
Contributions by the plan participants	522	459
Reclassification in "held for sale"	0	–1,404
Other changes	–140	0
Plan assets as of Dec. 31	**6,959**	**5,994**

Composition of Plan Assets

Plan assets essentially consist of insurance contracts with insurance companies in Germany and Switzerland. An amount of €1.2 million (2014: €0.9 million) is held by local banks as securities for a subsidiary in South Korea.

Risks

The defined benefit plans do not entail any significant entity-specific or plan-specific risks. Due to the rather low coverage of the defined benefit obligation by plan assets, liquidity risks basically arise, which are immaterial for the Group due to their low monetary amount.

Sensitivity Analysis

An increase or a decrease in the actuarial assumptions would have the following impacts on the defined benefit obligations for the year ended December 31, 2015 (a positive sign in front of the number means an increase in the obligation):

Demographic assumptions		
Change in life expectancy	–1 year	+1 year
Effect	–1,512	1,537
Financial assumptions		
Change in discount rate	–100 bps	+100 bps
Effect	10,953	–8,618
Change in future salary increase	–50 bps	+50 bps
Effect	–816	871
Change in future pension increase	–25 bps	+25 bps
Effect	–1,576	1,651

Present value of the defined benefit obligations for the year ended December 31, 2014:

Demographic assumptions		
Change in life expectancy	–1 year	+1 year
Effect	–1,696	1,726
Financial assumptions		
Change in discount rate	–100 bps	+100 bps
Effect	11,597	–9,143
Change in future salary increase	–50 bps	+50 bps
Effect	–827	882
Change in future pension increase	–25 bps	+25 bps
Effect	–1,701	1,785

The sensitivity analysis presented above might not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another. Furthermore, the present value of the defined benefit obligation has been calculated using the same method that was applied in calculating the defined benefit obligation liability recognized in the statement of financial position (projected unit credit method).

Maturity Analysis

The undiscounted cash flows from defined benefit obligations can be allocated to maturities as follows:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
<1 year	2,631	2,853
1–5 years	11,521	11,005
6–10 years	19,314	16,531
>10 years	85,427	83,272

The weighted average duration of the defined benefit obligations is 15.8 years (2014:15.9 years).

For fiscal 2015, payments of €2.7 million for defined benefit plan commitments are expected (2014: €2.6 million). These cover contributions to plan assets and payment of retirement benefits.

27. Other Non-current Provisions

	Payments to employees on early retirement plan € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2014	5,296	3,298	8,594
Currency translation	0	37	37
Consumption	–1,998	–219	–2,217
Reversals | Utilization	0	–1,630	–1,630
Additions	1,437	1,917	3,354
Reclassification in "held for sale"	–285	–593	–878
Balance at Dec. 31, 2014	**4,450**	**2,809**	**7,259**

	Payments to employees on early retirement plan € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2015	4,450	2,809	7,259
Currency translation	0	180	180
Consumption	–1,533	–379	–1,912
Reclassifications	0	234	234
Reversals | Utilization	0	–1,203	–1,203
Additions	1,798	1,380	3,178
Balance at Dec. 31, 2015	**4,715**	**3,021**	**7,736**

The non-current provisions comprise mainly provisions for partial retirement, a type of early retirement plan, and employee bonuses for their company anniversaries. These obligations arise mainly at German Group companies. The early retirement plans are partial retirement plans that permit employees to work part-time for 3 to 5 years directly before they are due to retire at the legal retirement age and that are financially supported by the company.

According to IAS 19, the expenses related to severance payments to be earned in future periods must be spread over the active employee's respective remaining period of service.

Bonuses for company anniversaries are generally granted to employees who have accumulated seniorities of 20, 25, 30 and 40 years, and cover additional special vacation as well as relatively small sums of money.

Non-current provisions are reported at their present value on the reporting date. The discount interest rate for employees on the early retirement plan is 0.3% (2014: 0.3%) and for provisions accrued for company anniversaries 1.6% (2014: 1.6%). In fiscal 2015, the effect from compounding non-current provisions, including the effects of changes in the interest rate, was €0.1 million (2014: €0.1 millon). IAS 19 Rules require that such actuarial gains and losses, as well as past service costs, on these obligations be recognized as income or expense in the statement of profit or loss.

28. Non-current Liabilities

Loans and Borrowings and Finance Lease Liabilities

	Balance at Dec. 31, 2014 € in K	**Of which non-current € in K**	Balance at Dec. 31, 2014 € in K	Of which non-current € in K
Loans and borrowings	374,991	346,791	370,980	359,875
Finance lease liabilities	21,796	19,253	21,094	18,790
	396,787	**366,044**	**392,074**	**378,665**

The major pillar of financing for the Sartorius Group is the syndicated credit line of €400 million concluded in December 2014 with a maturity term of five years. With this financing arrangement, Sartorius has replaced two syndicated credit lines ahead of schedule and has consolidated its financing within the Group.

A further component of the company's financing is the note loan ("Schuldscheindarlehen") placed in 2012 with a volume of €100 million and maturities of five to ten years.

In addition, several long-term loans totaling around €100 million are available to expand the company's production capacities, among other projects.

Beyond these components, the company has diverse working capital and guaranteed credit lines totaling approximately €60 million.

Other Non-current Liabilities

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	7,084	6,765
Other liabilities	47,451	42,843
Total	**54,535**	**49,608**

The derivative financial instruments represent the negative market values of interest rate swap agreements entered into as interest rate hedges, as well as of hedging transactions for currency hedges.

Other non-current liabilities essentially include the liability for payment of the remaining purchase price for the acquisition of Lonza's cell culture media business and the liability in connection with the non-controlling interests of AllPure.

29. Current Provisions

	Warranties € in K	Other € in K	Total € in K
Balance at Jan. 1, 2014	4,815	5,069	9,884
Currency translation	155	193	349
Change in the scope of consolidation	0	0	0
Consumption	–1,153	–1,319	–2,472
Reversals | Utilization	–1,738	–673	–2,411
Additions	3,047	1,352	4,398
Reclassification in "held for sale"	–636	–232	–868
Balance at Dec. 31, 2014	**4,489**	**4,390**	**8,880**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2015	4,489	4,390	8,880
Currency translation	160	145	305
Change in the scope of consolidation	151	79	230
Consumption	–1,540	–3,485	–5,025
Reclassifications	0	–525	–525
Reversals | Utilization	–791	–181	–972
Additions	2,614	12,580	15,194
Balance at Dec. 31, 2015	**5,084**	**13,003**	**18,087**

In measuring the other provisions, all recognizable obligations that are based on past business transactions or past events and are of uncertain timing or amount are recognized.

Provisions are recognized only if they result from a legal or constructive obligation with respect to third parties.

Provisions for warranties cover expected return of produts, replacement deliveries and repairs. Such provisions are set up to cover individual risks, provided that their occurrence is more probable than their nonoccurrence, as well as to cover general warranty risks based upon past experience.

The other provisions essentially include those for pending losses on onerous contracts and for uncertain obligations concerning employee benefits.

30. Current Liabilties

Trade Payables

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Payments received on account of orders	42,225	33,864
Trade payables to third parties	70,746	56,387
Payables to participations	114	85
Payables to non-consolidated subsidiaries	87	160
Trade payables	**113,171**	**90,497**

Other Financial Liabilities

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	5,378	6,555
Personnel-related liabilities	44,127	43,040
Other	17,373	29,195
Other financial liabilities	**66,878**	**78,789**

Other Liabilities

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Tax and social security	16,510	13,197
Other	4,909	2,490
Other liabilities	**21,419**	**15,687**

31. Other Financial Obligations | Contingent Assets and Liabilities

Other financial obligations in conjunction with operating leases consist of the following:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Operating leases		
-due within one year	10,851	11,624
-due within 2 to 5 years	18,494	14,780
-due thereafter	4,488	17,779

32. Financial Instruments | Financial Risks

General Information

This section gives an overview of the impact of financial instruments on the financial statements of the Sartorius Group and provides additional information on the items that contain financial instruments in the statement of financial position.

Derivatives are measured at fair value determined according to the marking-to-market method in which recognized mathematical methods are used. The fair values are based on the market data available at the time the value of these derivatives is calculated.

In the fiscal year ended, there were no reclassificatrions of financial instruments.

Carrying Amounts and Fair Values

The following table compares the carrying amounts and the fair values of all categories of financial instruments and reconciles these with the items on the statement of financial position.

	Categories	**Carrying amount Dec. 31, 2015 € in K**	**Fair value Dec. 31, 2015 € in K**	Carrying amount Dec. 31, 2014 € in K	Fair value Dec. 31, 2014 € in K
Financial investments	Available for sale	4,805	4,805	6,067	6,067
Financial assets	Loans and receivables	3,306	3,306	1,669	1,669
Financial assets (non-current)		**8,111**	**8,111**	**7,736**	**7,736**
Trade receivables	**Loans and receivables**	**193,034**	**193,034**	**140,365**	**140,365**
Receivables and other assets	Loans and receivables	11,774	11,774	11,635	11,635
Derivative financial instruments	Held for trading	0	0	13	13
Derivative financial instruments in hedge relationships	n/a	44	44	107	107
Other financial assets (current)		**11,818**	**11,818**	**11,755**	**11,755**
Cash and cash equivalents	**Loans and receivables**	**52,796**	**52,796**	**40,559**	**40,559**
Loans and borrowings	**Financial liabilities at cost**	**374,991**	**389,240**	**370,980**	**380,859**
Finance lease liabilities	**IAS 17**	**21,796**	**28,528**	**21,094**	**24,221**
Trade payables	Financial liabilities at cost	70,946	70,946	56,632	56,632
Trade payables	n/a	42,225	42,225	33,864	33,864
Trade payables		**113,171**	**113,171**	**90,497**	**90,497**
Derivative financial instruments	Held for trading	6,439	6,439	8,957	8,957
Derivative financial instruments in hedge relationships	n/a	6,023	6,023	4,363	4,363
Other financial liabilities	Financial liabilities at cost	59,396	66,984	70,930	74,003
Other financial liabilities	At fair value through profit or loss	5,428	5,428	6,183	6,183
Other financial liabilities	n/a	44,127	44,127	37,964	37,964
Other financial liabilities		**121,413**	**129,001**	**128,398**	**131,471**

The aggregate carrying amounts of the financial instruments for each IAS 39 category are shown in the following table:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Available-for-sale assets	4,805	6,067
Loans and receivables	260,911	194,228
Held for trading assets	0	13
Financial liabilities at cost	505,334	498,543
At fair value through profit or loss	5,428	6,183
Held for trading liabilities	6,439	8,957

For the equity investments measured at acquisition cost (financial assets), it is not possible to determine fair values reliably due to the absence of active markets. This applies mainly to shares in non-consolidated subsidiaries. These are essentially sales companies of the Group; the calculation of fair values for their activities would therefore not be relevant for the economic decisions of the users. There is currently no intention to sell these shares in such affiliates

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are calculated on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are calculated on the basis of input factors, which are derivable from observable market data, or on the basis of market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors that cannot be derived from observable market data.

The financial instruments to be recognized at fair value on the reporting date are exclusively derivatives in the form of forward contracts and interest rate swaps. They were measured on the basis of their quoted exchange rates and market yield curves, taking counterparty risks into account (Level 2).

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans ("Schuldscheindarlehen"), were measured on the basis of the market interest rate curve according to the zero coupon method, taking the current indicative credit spreads into account (Level 3).

The AllPure liability is required to be disclosed in the amount of the present value of the expected purchase price payments for the non-controlling interest in this company. This present value is to be derived from the expected AllPure sales revenues as of the exercise date and from the risk-adjusted discount rate presented above (Level 3).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity.

The maximum default risk to be disclosed is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

Measurement of Fair Value

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which the change has occurred. In the current reporting period, there were no transfers between the levels.

The valuation of the Level 3 liability is based on a discounted cash flow technique in which the expected future payments that are discounted using a risk-adjusted discount rate are taken into account. The expected payments are determined by considering possible developments of future revenue and the amounts to be paid under each scenario. The significant unobservable input in this calculation is the future revenue which was considered at a growth rate of approximately €5 million per year on average.

The carrying amount of the liability developed as follows:

€ in K	**2015**	2014
Balance at January 1	6,183	0
Initial measurement	0	7,113
Changes in fair values	0	–1,678
Financial charges	93	72
Payments	–1,532	0
Currency effects	684	676
Balance at December 31	**5,428**	**6,183**

An increase (decrease) of the expected sales revenue by 10% in each of the following years would lead to an increase (decrease) of the liability by €0.6 million (€0.6 million).

Net Result for Financial Instruments

The net gains and losses of the various categories of financial instruments are presented in the following table:

	2015 € in K	2014 € in K
Available-for-sale assets	34	1,166
Loans and receivables	3,251	3,626
Financial assets and liabilities held for trading	2,505	–779
Financial liabilities at cost	–13,104	1,421
At fair value through profit or loss	93	–1,606

The net result of available-for-sale financial assets essentially is comprised of dividends and capital gains or losses from equity investments and non-consolidated subsidiaries.

The net result of borrowings and receivables primarily includes effects from currency translation and changes in valuation adjustments.

The net result of a financial assets and liabilities held for trading is primarily comprised of changes in the market value of derivative financial instruments and of interest income and expenses for these instruments.

The net result of liabilities measured at acquisition cost mainly consists of effects from currency translation.

The total interest income and expenses for financial assets and liabilities that are not recognized at fair value through profit and loss are as follows:

	2015 € in K	2014 € in K
Interest income	571	–5,882
Interest expenses	–10,228	4,166

Capital Management

In the Sartorius Group, capital is managed in order to maximize earnings of the company's stakeholders by optimizing the ratio of equity to liabilities. Furthermore, we ensure that all Group companies operate under the premise of the going-concern principle.

The financial liabilities described in Section 28 are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital.

Goals of Financial Risk Management

The Treasury Management unit of the Group coordinates access to national and international financial markets. In addition, the Treasury Management unit monitors and controls financial risks, which essentially entail currency, interest rate and liquidity risks.

The Sartorius Group strives to minimize the impact of currency and interest rate risks using derivative financial instruments. Hedging transactions and their controlling are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Trading with derivative financial instruments is done for hedging purposes only.

Management of Exchange Rate Risks

The Group is exposed to currency risks as approximately one-third of sales revenue is generated in U.S. dollars or currencies linked to the U.S. dollar and, to a lesser extent, in other foreign currencies. At the same time, Sartorius' global manufacturing network enables the company to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. The portion of sales revenue in foreign currency that remains after we have settled our costs, i.e., net currency exposure resulting from currency translation, is hedged to a large extent by derivative financial instruments. Our hedging strategy generally provides for hedging remaining net currency exposure up to 2 years ahead. Hedging measures are regularly reviewed to adapt them to expected exchange rate fluctuations.

Using forward contracts concluded by the end of the reporting date, we secure the right, and simultaneously create the obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the exchange rate actually valid on this date. The profit or loss resulting from the difference between the current and the previously established exchange rate is generally measured as income or an expense in the statement of profit or loss.

In addition, structured hedges, so-called target profit forwards, are used in part to optimize hedging transactions. These transactions secure the right and create the obligation to swap an agreed amount in a foreign currency for the corresponding euro amount at a fixed exchange rate on several target dates as long as the profit resulting from these exchange transactions does not exceed a contractually defined limit.

As of the reporting date, the company had forward contracts for a total volume of U.S.$139 million (2014: $82 million) to hedge against the risk of fluctuation in the EUR | USD exchange rate. Furthermore, the Japanese yen, British pound and Swiss franc were hedged in relatively small volumes, in part using structured forwards in the form of target profit forwards. The remaining net currency exposure related to the U.S. dollar is approx. €243 million for the years 2016 and 2017.

December 31, 2014	Currency	Volume	Maturity	**Fair value € in K**
Forward contract	USD	29,000,000	Q1 2015	–1,839
	USD	20,000,000	Q2 2015	–1,160
	USD	17,000,000	Q3 2015	–1,075
	USD	9,000,000	Q4 2015	–442
	USD	7,000,000	Q1 2016	–108
	USD	**82,000,000**		**–4,624**
Forward contract	JPY	130,000,000	Q2 2015	55
	JPY	130,000,000	Q3 2015	30
	JPY	**260,000,000**		**85**
Target profit forward	JPY	300,000,000	Q4 2015	32

December 31, 2015	Currency	Volume	Maturity	**Fair value € in K**
Forward contract	USD	19,000	Q1 2016	–1,406
	USD	19,000	Q2 2016	–947
	USD	21,000	Q3 2016	–931
	USD	19,000	Q4 2016	–1,017
	USD	14,500	Q1 2017	–589
	USD	14,500	Q2 2017	–721
	USD	16,000	Q3 2017	–763
	USD	16,000	Q4 2017	–593
	USD	**139,000**		**–6,967**
Target profit forward	USD	14,000	Q3 2017	–53
Forward contract	GBP	–1,200	Q1 2016	10
Forward contract	CHF	–2,000	Q1 2016	–49
	CHF	–1,000	Q2 2016	–51
	CHF	**–3,000**		**–100**
Target profit forward	JPY	525,000	Q3 2017	–46

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent reporting dates. The changes in value of the derivative financial instruments are recognized in the statement of profit or loss on the reporting date. If the derivative financial instruments serve to hedge against cash flow risk and a qualified hedging relationship exists based on the criteria of IAS 39, the valuation adjustments for the portion determined to be effective hedges are recognized in other comprehensive income. The ineffective portion of the gain or loss is recognized in the financial result.

Concerning the exchange rate of the U.S. dollar to the euro, the following sensitivities provide the estimated impacts: If the U.S. dollar would have depreciated 10% against the euro, equity would have been €16.3 million higher (2014: €10.6 million) than actually reported and annual profit before tax would have been up €4.4 million (2014: €2.7 million) from the currently disclosed figure. Vice versa, if the U.S. dollar would have appreciated 10% against the euro, the resulting impact on the annual profit before tax would have been -€9.4 million (2014: -€3.3 million) and the impact on equity -€19.9 million (2014: -€13.0 million). These impacts include effects from the Group's intercompany loans, which are partially compensated for by effects of currency reserves for translation.

A change in the Swiss franc (CHF) would have primarily affected measurement of the liability recorded in CHF resulting from the acquisition of the Lonza cell culture media business in 2012. An increase or a decrease of the CHF rate by 5% would have had an effect of -€2.2 million (2014: -€1.9 million) or +€2.0 million (2014: -€1.7 million), respectively, on this measurement.

Interest Risk Management

After the refinancing arrangements were implemented in December 2014, the entire Sartorius Group has been financed exclusively through Sartorius AG, which uses internal Group loans to ensure the financing of all Group companies.

As most of the loans are predominantly taken out at variable interest rates, the Sartorius Group is exposed to interest rate risks. To control the interest rate risk, the Group concluded interest rate hedges in the form of interest swaps, which cover part of the loans outstanding at variable interest rates. As a result, the Group receives the particular (variable) interest rate valid on the market and pays a fixed interest rate.

The following table provides an overview of the interest hedging contracts available on the reporting date:

Instrument	**Hedged volume at Dec. 31, 2015 € in K**	Hedged volume at Dec. 31, 2014 € in K	End of term	Hedged interest rate	**Fair value Dec. 31, 2015 € in K**	Fair value Dec. 31, 2014 € in K
Swaps	160,000	170,000	Mar. 16 - Aug. 18	1.83% –2.89%	–2,862	–4,732
Forward swaps	40,000	80,000	Mar. 19	1.96% –2.02%	–2,399	–3,959
					–5,261	**–8,691**

As of the reporting date on December 31, 2015, the volume of variable interest loans was around €240 million. The hedging volume for the next five years is between €40 million and €160 million so that up to two-thirds of the company's exposure to interest rate risks is hedged (2014: debt of €220 million vs. a hedging volume of €80 million to €170 million).

For the financial instruments held as of the reporting date, a sensitivity analysis yields the following results: If the market interest rate would have been 1.0 percentage point higher, this would have had an impact of -€2.4 million resulting from the variable interest loan (2014: -€2.3 million). The opposite effect would have been yielded by the valuation of the interest rate swaps of €2.4 million (2014: €4.1 million) so that there would have been no impact on the annual profit. (2014: +€1.8 million).

A decrease in the base interest rate to 0% was used to measure the sensitivities of declining interest rates. Under this condition, the corresponding impact on profit before tax would have been +€1.3 million (2014: -€0.5 million).

Liquidity Risk Management

The following table shows the liquidity analysis for financial liabilities, excluding derivatives, in the form of contractually agreed undiscounted cash flows based on conditions as of the reporting date:

	Carrying amount Dec. 31, 2014 € in K	Cash flow Dec. 31, 2014 € in K	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings	370,980	398,593	96,319	201,119	101,154
Finance leases	21,094	39,472	2,472	9,809	27,191
Trade payables	56,632	56,632	56,632	0	0
Other liabilities (excluding derivatives)	77,114	86,448	34,271	23,069	29,108
Financial liabilities	**525,821**	**581,144**	**189,695**	**233,997**	**157,453**

	Carrying amount Dec. 31, 2015 € in K	**Cash flow Dec. 31, 2015 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings	374,991	397,311	34,764	227,518	135,029
Finance leases	21,796	40,293	3,054	10,270	26,968
Trade payables	70,946	70,946	70,946	0	0
Other liabilities (excluding derivatives)	64,825	73,564	17,373	23,887	32,303
Financial liabilities	**532,558**	**582,113**	**126,138**	**261,676**	**194,300**

The carrying amounts and cash flows for the derivatives are shown as follows:

	Carrying amount Dec. 31, 2014 € in K	Cash flow Dec. 31, 2014 € in K	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Gross fulfillment					
Forward contracts	**4,617**	**4,652**	**4,511**	**141**	**0**
Payment obligation			63,565	5,765	
Payment claim			–59,054	–5,624	
Net fulfillment					
Interest rate swaps	**8,703**	**11,629**	**3,488**	**8,141**	**0**
Derivatives	**13,320**	**16,281**	**12,510**	**8,423**	**0**

	Carrying amount Dec. 31, 2015 € in K	**Cash flow Dec. 31, 2015 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Gross fulfillment					
Forward contracts	**7,200**	**7,198**	**4,533**	**2,665**	
Payment obligation			68,554	54,976	
Payment claim			–64,021	–52,311	
Net fulfillment					
Interest rate swaps	**5,262**	**5,299**	**2,352**	**2,947**	**0**
Derivatives	**12,462**	**12,497**	**11,418**	**8,277**	**0**

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, continuously tracking the forecasted and actual cash flows and by managing the maturity profiles of financial assets and liabilities.

It is not expected that cash outflows will occur at materially different reporting dates or with materially different amounts.

There is no material offsetting potential for financial instruments due to global netting agreements.

Credit Lines

€ in K	Credit line at Dec. 31, 2014	<1 year	1 to 5 years	>5 years	Interest rate	Credit line used at Dec. 31, 2014	Credit line unused as of Dec. 31, 2014
Syndicated credit lines	400,000	0	400,000	0	Variable	160,000	240,000
Note loan (Schuldscheindarlehen)	100,000	0	78,500	21,500	Variable and fixed	100,000	0
Bilateral credit line	171,441	70,016	12,500	88,925	Variable and fixed	110,980	60,461
Total	**671,441**	**70,016**	**491,000**	**110,425**		**370,980**	**300,461**

€ in K	Credit line at Dec. 31, 2015	<1 year	1 to 5 years	>5 years	Interest rate	Credit line used at Dec. 31, 2015	Credit line unused as of Dec. 31, 2015
Syndicated credit lines	400,000	0	400,000	0	variabel	60,000	340,000
Note loan (Schuldscheindarlehen)	100,000	0	78,500	21,500	variabel und fix	100,000	0
Bilateral credit line	257,425	71,363	75,400	110,663	variabel und fix	236,787	20,638
Total	**757,425**	**71,363**	**553,900**	**132,163**		**396,787**	**360,638**

As explained in Section 28, the Group is essentially financed by a syndicated loan and a note loan ("Schuldscheindarlehen"). Under these agreements, the Group is required to comply with standard financial key ratios, or covenants. In this context, the ratio of net debt to underlying EBITDA may not be greater than 3.25 and 4.00, respectively. In fiscal 2015, the Group achieved a ratio of net debt to underlying EBITDA of 1.3 compared with 1.7 in 2014 (both ratios include the company's discontinued operation). Based on the current information available, the company considers it unlikely that it would not comply with these covenants.

Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Group had not been exposed to any significant risk of volatility in share prices; only vested portions of share-based payments are linked directly to the price development of Sartorius stock.

For details concerning further types of risk, please refer to the Group Management Report.

33. Share-based Payments

Within the Sartorius Group, share-based payments exist in the form of so-called phantom stock units at Sartorius AG and stock option plans at Sartorius Stedim Biotech S.A.

The so-called phantom stocks are virtual options on the shares of Sartorius AG. Specifically, the company's phantom stock plan credits each member of the Executive Board or GEC at the beginning of every year with phantom stock units valued at an agreed monetary sum. These phantom stock options may be exercised no earlier than four years after this sum has been credited and only if certain conditions with respect to the performance of Sartorius AG shares are met. If an Executive Board member exercises an option, the number of phantom stock units granted is evaluated at the current stock exchange price. The amount paid out is capped at 2.5 times the grant price. For further details, please refer to the Remuneration Report. The fair value of the phantom stock units was measured using a Black-Scholes model and is disclosed as follows:

Components with a long-term incentive effect	Number of phantom stock units	**Fair value at year-end on Dec. 31, 2015 € in K**	Fair value at year-end on Dec. 31, 2014 € in K	Paid out € in K
Tranche for 2011	10,706	0	712	712
Tranche for 2012	9,052	748	748	0
Tranche for 2013	4,676	811	458	0
Tranche for 2014	4,760	1,064	458	0
Tranche Geschäftsjahr 2015	4,498	1,110	0	
	33,692	**2,623**	**2,376**	**712**

In fiscal 2015, the expenses relating to granting and valuation of phantom stock units were €2,005 K (2014: €626 K). As in the prior year, no phantom stock units were exercisable on the reporting date. Of the phantom stock units granted in the reporting year, 3,739 units with a fair value of €368 K on the grant date were attributable to members of the Executive Board. For details on phantom stock units, please refer to the Remuneration Report that is an integral part of the Group Management Report.

By resolution of the Supervisory Board on December 16, 2014, Dr. Kreuzburg was reappointed as a member of the Executive Board and as its Chairman and CEO for the term of November 11, 2015, to November 10, 2020. His employment contract, which has been in effect since November 11, 2015, provides that 25,000 ordinary shares and 25,000 preference shares of the company shall be transferred as a supplementary compensation component to Dr. Kreuzburg. This share-based payment is subject to the rules of IFRS 2 and is deemed to have been granted upon the resolution approved by the Supervisory Board on December 16, 2014. Considering the agreed conditions, the amount resulting as of December 16, 2014, is to be spread as an employee benefits expense over the full vesting period of the plan. In fiscal 2015, an amount of €1,356 K (2014: €56 K) was accordingly recognized as an employee benefits expense resulting from the grant of shares. For further details, please refer to the Remuneration Report.

The stock option plans for staff of the Sartorius Stedim Biotech Group relate to shares of Sartorius Stedim Biotech S.A. The various stock option plans outstanding or exercisable on the reporting date are shown as follows:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Outstanding at the beginning of the period	8,000	23,642
Granted during the period	0	0
Forfeited during the period	0	0
Exercised during the period	–8,000	–15,642
Expired in the period	0	0
Outstanding at the end of the period	**0**	**8,000**
Exercisable at the end of the period	**0**	**8,000**

The various stock option plans are summarized as follows:

Date the General Annual Shareholders' Meeting authorized the plan	Date on which the Board granted approval	Initial number of shares subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Total number of beneficiaries	Subscription price in €	Number of shares subscribed over fiscal 2014	Number of options granted and exercisable on Dec. 31, 2014	Number of options subject to target performance as of Dec. 31, 2014	Number of beneficiaries of valid options
23.06.2000	23.07.2004	140,000	0	0	19	9.23	15,642	0	0	0
10.06.2005	15.09.2005	127,500	0	0	15	18.87	0	5,000	0	1
10.06.2006	10.11.2006	35,000	0	0	2	29.51	0	3,000	0	1
Total		**302,500**	**0**	**0**	**36**		**15,642**	**8,000**	**0**	**2**

Date the General Annual Shareholders' Meeting authorized the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Total number of beneficiaries	Subscription price in €	Number of shares subscribed over fiscal 2015	**Number of options granted and exercisable on Dec. 31, 2015**	Number of options subject to target performance as of Dec. 31, 2015	Number of beneficiaries of valid options
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	0	0	0	0
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	5,000	0	0	0
June 10, 2006	Nov. 10, 2006	35,000	0	0	2	29.51	3,000	0	0	0
Total		**302,500**	**0**	**0**	**36**		**8,000**	**0**	**0**	**0**

Sartorius Stedim Biotech share purchase options have been allocated to some of its employees and directors of this subgroup. These plans have been inactive since 2006, and no new stock options have been issued since this time. The options exercised in the reporting year were based on an average share price of €186.53 on the date of exercise. In fiscal 2015, all share options still outstanding were exercised. The fair value of services performed is measured by reference to the fair value of these options at the date of allocation, using a binomial-type mathematic model. The fair value thus measured is recognized as an employee benefits expense spread over the full vesting period of the plan, provided that this stock option entitlement has actually been acquired.

Cash received from the exercise of options on Sartorius Stedim Biotech shares is disclosed as cash and cash equivalents with an offsetting item in non-controlling interest reported for equity.

34. Disclosures on a Discontinued Operation

As described in Section 2, the Intec business operation was sold at the beginning of fiscal 2015, and this division was accordingly deconsolidated as of February 1, 2015.

In 2014, the Intec Division had already been classified as a discontinued operation under IFRS 5 and its assets and liabilities had been reported in separate items on the statement of financial position.

The carrying values of the Intec Division for the reporting year ended December 31, 2014, are shown in the following summary:

	Dec. 31, 2014 € in K
Non-current assets	
Goodwill	2,504
Other intangible assets	4,876
Property, plant and equipment	4,455
Financial assets	287
Other assets	47
Deferred tax assets	7,955
	20,124
Current assets	
Inventories	11,905
Trade receivables	24,777
Other financial assets	262
Current tax assets	1,963
Other assets	968
Cash and cash equivalents	15,879
	55,754
Assets classified as held for sale	**75,878**
Non-current liabilities	
Pension provisions	8,689
Other provisions	878
Deferred tax liabilities	60
	9,627
Current liabilities	
Provisions	868
Trade payables	9,931
Other financial liabilities	5,076
Current tax liabilities	2,067
Other liabilities	3,014
	20,956
Liabilities associated with assets classified as held for sale	**30,583**

The earnings attributable to the shareholders of Sartorius AG for the division classified as a discontinued operation are as follows:

	2015 € in K	2014 € in K
Sales revenue	6,818	103,826
Expenses	–5,417	–94,309
Other operating income and expenses	39,762	–2,131
Earnings before interest and taxes (EBIT)	**41,163**	**7,386**
Financial result	**315**	**250**
Profit before tax	**41,478**	**7,636**
Income taxes	–636	–3,106
Profit after tax from discontinued operation	**40,841**	**4,530**

Other Disclosures

The consolidated financial statements were prepared on a going-concern basis.

The exemptions options provided by § 264, Subsection 3, of the German Commercial Code (HGB) were applied to the annual financial statements reported by Sartorius Lab Holding GmbH, Sartorius Weighing Technology GmbH and Sartorius Corporate Administration GmbH, all based in Goettingen, Germany, for the year ended December 31, 2015.

The exemption options provided by § 264 b of the German Commercial Code (HGB) were used in the annual financial statements reported by SIV Weende GmbH & Co. KG, SIV Grone 1 GmbH & Co. KG and Sartorius Lab Instruments GmbH & Co. KG, all based in Goettingen, Germany, for the year ended December 31, 2015.

Material Events after the Reporting Date

No material events occurred up to the end of the preparation of these consolidated financial statements.

Declaration According to § 314, Subsec. 1, No. 8, of the German Commercial Code (HGB)

The declaration prescribed by § 161 of the German Stock Corporation Law (AktG) was submitted on December 8, 2015, and made available to the shareholders of Sartorius AG on the company's website "www.sartorius.com."

Members of the Supervisory Board and the Executive Board

The members of the Supervisory Board and the Executive Board are listed at the end of this section as are the further disclosures pursuant to § 285, No. 10, of the German Commerical Code (HGB).

Number of Employees

This table shows the average workforce employed during the fiscal year:

	2015	2014
Bioprocess Solutions	3,824	3,205
Lab Products & Services	2,117	1,903
Continuing Operations	**5,941**	**5,109**
Industrial Technologies	0	741
Total	**5,941**	**5,850**

Auditors' Fee

In fiscal 2014 and 2015, the following fees were incurred by the Group for the auditors (2014: Deloitte & Touche GmbH; 2015 KPMG AG):

	2015 € in K	2014 € in K
Audits	431	571
Tax consultation services	0	57
Other services	0	82
	431	**710**

The fees for statutory audits include the audit review fee of €55 K (2014: €98 K) for the first-half financial report pursuant to § 37w of the German Securities Trading Act (WpHG), as well as other services directly prompted by the audit.

Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries and are generally concluded according to the customary market terms. Details on the transactions completed in the reporting year and the balances outstanding on the reporting date are provided in the relevant sections of these Notes to the Financial Statements, specifically in Sections 11 and 21.

According to IAS 24, related persons are those who are responsible for planning, management and control of a reporting entity. In particular, such persons include the members of the Executive Board and of the Supervisory Board of Sartorius AG. In particular, such persons include the members of the Executive Board and of the Supervisory Board of Sartorius AG. In the reporting year, the total remuneration of the Supervisory Board members was €960K (2014: €926K); that of the Executive Board, €3,222K (2014: €7,767K). The remuneration of former managing directors and members of the Executive Board and their surviving dependents was €487K (2012: €405K). The pension obligations to former managing directors and members of the Executive Board and their surviving dependents totaled €9,689K (2014: €9,229K). For details on remuneration, please refer to the Remuneration Report, which is an integral part of the combined Group Management Report. Beyond their Supervisory Board remuneration, the employee representatives who are employees within the Sartorius Group receive compensation that is not related to their service on the Supervisory Board.

The total remuneration of the Executive Board members according to IFRS is shown in the following table:

	2015 € in K	2014 € in K
Short-term benefits (excl. share-based remuneration)	2,411	2,183
Post-employment benefits	364	503
Other long-term benefits	443	289
Share-based payments	3,098	561
Total remuneration	**6,315**	**3,536**

Partial payments on multi-year variable remuneration of the Executive Board members:

	2015 € in K	2014 € in K
Balance as of Jan. 1 of a fiscal year	302	306
Partial payments deducted	–156	–150
Partial payments effected	165	146
Balance as of Dec. 31 of a fiscal year	**311**	**302**

The total remuneration of the Supervisory Board members is as follows:

	2015 € in K	2014 € in K
Short-term benefits (excl. share-based remuneration)	960	926
Post-employment benefits	0	0
Other long-term benefits	0	0
Share-based payments	0	0
Total remuneration	**960**	**926**

:

Proposal for Appropriation of Profits

The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting to appropriate the retained profit of €194,343,770.48 reported by Sartorius AG for the year ended December 31, 2015, as follows:

	€
Payment of a dividend of €1.50 per ordinary share	12,829,584.00
Payment of a dividend of €1.52 per preference share	12,986,905.84
Unappropriated profit carried forward	168,527,280.64
	194,343,770.48

Goettingen, February 10, 2016

Sartorius Aktiengesellschaft

The Executive Board

Declaration of the Executive Board

We declare to the best of our knowledge that the consolidated financial statements for fiscal 2015 present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards used in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group Management Report in all material respects and present the most important opportunities and risks of the Group's future development during the fiscal year.

Goettingen, February 10, 2016

Sartorius Aktiengesellschaft
The Executive Board

Dr. Joachim Kreuzburg

Jörg Pfirrmann

Reinhard Vogt

Independent Auditors' Report

We audited the consolidated year-end financial statements, which consist of the consolidated statement of profit or loss along with the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes to the financial statements – as well as the combined management report – and which Sartorius Aktiengesellschaft, Germany, prepared for the fiscal year from January 1 through December 31, 2015. Preparation of the consolidated financial statements and the Group Management Report according to the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and according to the commercial rules to be additionally applied in conformance with § 315a, Subsection 1, of the German Commercial Code (HGB), is the responsibility of the Executive Board of the parent corporation, Sartorius Aktiengesellschaft. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit according to § 317 HGB, taking into account the principles of proper auditing established by the German Institute of Independent Auditors, "Institut der Wirtschaftsprüfer" (IDW). These principles require that we plan and perform the audit to obtain reasonable assurance that there are no misrepresentations or infractions that have a material impact on the presentation of the net worth, financial position and earnings in the consolidated financial statements, in consideration of the accounting principles to be applied, or in the combined management report. In determining the audit focus, information on the business activities and the economic and legal background of the Group as well as expectations on possible errors are taken into account. Within the scope of the audit, the effectiveness of the accounting-related internal control system as well as evidence supporting the amounts and disclosures made in the consolidated financial statements and the combined management report are predominantly examined on a test basis.

This audit covers assessment of the annual financial statements of the companies included in the consolidated financial statements, definition of the scope of consolidation, the accounting and con-solidation principles applied and the significant estimates made by the Executive Board as well as evaluation of the overall presentation of the consoli-dated year-end financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any objections.

According to our assessment based on the information we obtained during the audit, the consolidated financial statements of Sartorius Aktiengesellschaft, Goettingen, conform to the IFRS, as they are to be applied in the EU, and to the commercial rules to be additionally applied in compliance with § 315a, Subsection 1, of HGB, and present fairly, in all material respects, the net worth, financial position and earnings of the Group. The combined management report is consistent with the consolidated financial statements and provides an overall true and fair view of the Group's situation, and accurately presents the opportunities and risks of its future development.

Hanover, Germany, February 10, 2016

KPMG AG

Wirtschaftsprüfungsgesellschaft

Marc Ufer Wirtschaftsprüfer	Frank Thiele Wirtschaftsprüfe
(German Public Auditor)	(German Public Auditor)

Executive Board and Supervisory Board

During Fiscal 2015

Executive Board

Dr. rer. pol. Joachim Kreuzburg
Dipl.-Ingenieur (Graduate Engineer)
CEO and Chairman
Corporate Strategy, Operations, Legal Affairs, Compliance and Corporate Communications
Born April 22, 1965
Resident of Hanover, Germany
Member since November 11, 2002
"Sprecher" (Spokesman) from May 1, 2003, to November 10, 2005
Chairman since November 11, 2005
Appointed until November 10, 2020

Jörg Pfirrmann
Dipl.-Ökonom (Graduate Economist)
Executive for Labor Relations
Finance, Human Resources, IT and General Administration
Born November 30, 1972
Resident of Noerten-Hardenberg, Germany
Member since July 24, 2009
Appointed until July 23, 2017

Reinhard Vogt
Industriekaufmann (Industrial Business Manager)
Marketing, Sales and Services
Born August 4, 1955
Resident of Dransfeld, Germany
Member since July 24, 2009
Appointed until July 23, 2019

Supervisory Board

All members of the Supervisory Board were elected for a term up to the end of the Annual Shareholders' Meeting in 2017, which will decide on their discharge for fiscal 2016.

Prof. Dr. Dres. h.c. Arnold Picot
Dipl.-Kaufmann (Graduate in Business Administration)
University professor
Chairman
Research Position at the Institute of Information, Organization and Management, Faculty of Economics, Ludwig Maximilians University in Munich, Germany
Resident of Gauting, Germany

Manfred Zaffke
Dipl.-Volkswirt (Graduate Political Economist)
Vice Chairman
First Authorized Representative of the German Metalworkers' Union (IG Metall) in the southern Lower Saxony/Harz region in Northeim, Germany
Resident of Osterode am Harz, Germany

Dr. Dirk Basting
Dipl.-Chemiker (Graduate Chemical Engineer)
Resident of Fort Lauderdale, Florida, USA

Annette Becker
Personalfachkauffrau (HR Specialist)
Chairwoman of the Employees' Council of Sartorius Corporate Administration GmbH in Goettingen, Germany
Chairwoman of the Group Employees' Council of Sartorius AG in Goettingen, Germany
Resident of Goettingen, Germany

Uwe Bretthauer
Dipl.-Ingenieur (Graduate Engineer)
Chairman of the Employees' Council of Sartorius Lab Instruments GmbH & Co. KG in Goettingen, Germany
Resident of Goettingen, Germany

Michael Dohrmann
Feinmechaniker (Precision Engineer)
Chairman of the Employees' Council of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Resident of Reinhausen, Germany

Dr. Lothar Kappich
Dipl.-Ökonom (Graduate Economist)
Managing Director of
ECE Projektmanagement GmbH & Co. KG
in Hamburg, Germany
Resident of Hamburg, Germany

Petra Kirchhoff
Dipl.-Volkswirtin (Graduate Political Economist)
Vice President of Corporate Communications and
Investor Relations
Sartorius Corporate Administration GmbH in
Goettingen, Germany
Resident of Goettingen, Germany

Karoline Kleinschmidt
Dipl.-Sozialwirtin (Graduate Social Economist)
Secretary of the German Metalworkers' Union (IG Metall)
of the district management of Lower Saxony and
Saxony-Anhalt in Hanover, Germany
Resident of Hanover, Germany

Prof. Dr. Gerd Krieger
Rechtsanwalt (Lawyer)
Honorary Professor at the Heinrich-Heine University
in Duesseldorf, Germany
Resident of Duesseldorf, Germany

Prof. Dr. Thomas Scheper
Dipl.-Chemiker (Graduate Chemical Engineer)
University professor and head of the Institute of
Technical Chemistry,
Gottfried Wilhelm Leibnitz University in Hanover,
Germany
Resident of Hanover, Germany

Prof. Dr. Klaus Rüdiger Trützschler
Dipl.-Wirtschaftsmathematiker (Graduate Business
Mathematician) and Dipl.-Mathematiker
(Graduate Mathematician)
Resident of Essen, Germany

Committees of the Supervisory Board

Executive Task Committee
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Manfred Zaffke
Uwe Bretthauer
Prof. Dr. Gerd Krieger

Audit Committee
Prof. Dr. Klaus Rüdiger Trützschler (Chairman)
Manfred Zaffke
Uwe Bretthauer
Prof. Dr. Dres. h.c. Arnold Picot

Conciliation Committee
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Manfred Zaffke
Uwe Bretthauer
Prof. Dr. Gerd Krieger

Nomination Committee
Prof. Dr. Gerd Krieger
Prof. Dr. Dres. h.c. Arnold Picot
Dr. Lothar Kappich

Positions Held by the Members of the Executive Board as of December 31, 2015

Dr. rer. pol. Joachim Kreuzburg
Positions held within the Group:
Président-Directeur Général (CEO) of:
– Sartorius Stedim Biotech S.A., France
On the Supervisory Board of:
– Sartorius Stedim Biotech GmbH, Germany, Vice Chairman
On the Board of Directors of:
– Sartorius North America, Inc., USA
– Sartorius Stedim North America, Inc., USA
– Sartorius Stedim Filters, Inc., Puerto Rico
– Sartorius Stedim Japan K.K., Japan
– Denver Instrument (Beijing) Co. Ltd., China
– Sartorius Stedim Lab Ltd., UK
On the Comité Exécutif (Executive Committee) of:
– Sartorius Stedim FMT S.A.S., France

External Positions:
On the Supervisory Board of:
– Carl Zeiss AG, Germany
On the Regionalbeirat (Regional Advisory Board) of:
– Commerzbank AG, Germany
On the Beirat (Advisory Board) of:
– Otto Bock Holding GmbH & Co. KG, Germany, Chairman
On the Wirtschaftsbeirat (Economic Advisory Board) of:
– Norddeutsche Landesbank, Germany

Jörg Pfirrmann
Positions held within the Group:
On the Board of Directors of:
– Sartorius Ireland Ltd., Ireland
– Sartorius Stedim Ireland Ltd., Ireland
– Sartorius Corporation, USA
– Sartorius Canada Inc., Canada
– Sartorius Stedim Nordic A/S, Denmark
– Sartorius Nordic A/S, Denmark
– Sartorius UK Ltd., UK
– Sartorius Stedim UK Ltd., UK
– Sartorius (Shanghai) Trading Co., Ltd., China
– Sartorius Stedim (Shanghai) Trading Co., Ltd., China
On the Comité Exécutif (Executive Committee) of:
- Sartorius Stedim France S.A.S., France
- Sartorius France S.A.S., France
On the Consiglio di Amministrazione (Board of Management) of:
– Sartorius Italy S.r.l., Italy
– Sartorius Stedim Italy S.p.A., Italy
On the Consejo de Administración (Board of Directors) of:
– Sartorius Spain S.A., Spain

External Positions:
On the Unternehmerbeirat (Employers' Advisory Board) of:
– Gothaer Versicherungsbank VVaG, Germany

Reinhard Vogt

Positions held within the Group:
On the Conseil d'Administration (Board of Directors) of:
– Sartorius Stedim Biotech S.A., France
On the Board of Directors of:
– TAP Biosystems Group Ltd., UK
– The Automation Partnership (Cambridge) Ltd., UK
– Sartorius Stedim BioOutsource Ltd., UK
– Sartorius North America, Inc., USA
– Sartorius Stedim North America, Inc., USA
– Sartorius (Shanghai) Trading Co., Ltd., China
– Sartorius Stedim (Shanghai) Trading Co., Ltd., China
– Sartorius Stedim Malaysia Sdn. Bhd., Malaysia
– Sartorius Stedim Japan K.K, Japan
– Sartorius Korea Ltd., South Korea
- Sartorius Stedim Australia Pty. Ltd., Australia
On the Management Board of:
- AllPure Technologies, LLC, USA
On the Verwaltungsrat (Administrative Board) of:
– Sartorius Stedim Switzerland AG, Switzerland, Chairman
External Positions: None

Positions Held by the Members of the Supervisory Board as of December 31, 2015

Prof. Dr. Dres. h.c. Arnold Picot
Positions held within the Group:
On the Conseil d'Administration (Board of Directors) of:
– Sartorius Stedim Biotech S.A., France
On the Supervisory Board of:
– Sartorius Stedim Biotech GmbH, Germany, Chairman

External Positions:
On the Supervisory Board of:
– Takkt AG, Germany
– WIK Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH (Scientific Institute for Communication Services), Germany
– WIK-Consult GmbH, Germany

Manfred Zaffke
Positions held within the Group:
None

External Positions:
On the Supervisory Board of:
– Terex MHPS GmbH, Germany
– GMH GUSS GmbH, Germany, Vice Chairman

Dr. Dirk Basting
None

Annette Becker
None

Uwe Bretthauer
None

Michael Dohrmann
None

Dr. Lothar Kappich
None

Petra Kirchhoff
Positions held within the Group:
None

External Positions:
On the Supervisory Board of:
– AWO Goettingen gGmbH
On the Foundation's Board of Directors of:
- SüdniedersachsenStiftung

Karoline Kleinschmidt
None

Prof. Dr. Gerd Krieger
Positions held within the Group:
None

External Positions:
On the Supervisory Board of:
– ARAG Lebensversicherungs-AG, Germany
– ARAG Krankenversicherungs-AG, Germany

Prof. Dr. Thomas Scheper
None

Prof. Dr. Klaus Rüdiger Trützschler
Positions held within the Group:
None

External Positions:
On the Supervisory Board of:
– Deutsche Bank AG, Germany
– Wuppermann AG, Germany, Chairman
– Zwiesel Kristallglas AG, Germany, Chairman
On the Verwaltungsrat (Administrative Board) of:
– Wilh. Werhahn KG, Germany

Supplementary Information

05

Glossary

Industrial | Product-specific Terms

Bags, single-use
Plastic disposable bag used in bioreactors and for storing liquids, such as culture media, intermediate products and biopharmaceuticals

Bioreactor
In English-speaking countries, a bioreactor is a vessel used for cultivating animal or human cells in a culture medium. In non-English-speaking countries, the term bioreactor is also used synonymously with the term fermentor to denote a system used to multiply microorganisms. In either case, the vessel is used to obtain cells, parts of these or one of their metabolites.

Disposable
Used synonymously with "single-use"

Downstream processing
Collective term for the various steps that follow fermentation or cell cultivation (upstream processing) in the production of biopharmaceuticals; for example, separation, purification and concentration

FDA – Food and Drug Administration
U.S. regulatory agency responsible for ensuring the safety and efficacy of human and veterinary pharmaceuticals, biological products, medical devices and foods

Fermentation
Technical process used to produce or transform intra- or extra-cellular substances with the help of microorganisms

Fluid management technologies
Technologies and systems for the transportation and storage of biological liquids

Membrane chromatography
Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system

Membrane (filter)
Thin film or foil made of polymers; because of the porous structure, this film is suitable for filtration applications.

Monoclonal antibodies
Synthetic antibodies used, in particular, in the treatment of cancer, HIV and autoimmune diseases.

PAT – Process Analytical Technology
A strategy for the design, analysis and control of manufacturing processes according to which quality characteristics of intermediate or finished products are defined and then analyzed and monitored using the critical process parameters identified

Purification
An important step in downstream processing

Recombinant proteins
Proteins manufactured using genetically modified organisms that are used in the production of therapeutic proteins, such as insulin and vaccines

Scale-up
Transfer of scale or increase in size. Used to denote the progression of a process that increases in a range from lab scale to pilot scale to process scale, while retaining the same technology, materials of construction and geometries throughout

Single-use | Reusable product
Disposable product, i.e., for one-time usage. A reusable product is designed for repeated use.

Upstream processing
In the manufacture of biopharmaceuticals, designates the various steps that take place for seeding and propagating cells that produce an active pharmaceutical ingredient

Validation
Documented verification that systems, devices and processes reproducibly deliver the desired result

Business | Economic Terms

Amortization
Amortization relates exclusively to potential reductions in the value of goodwill and the allocation of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3

Cash flow
The flow of funds or financial resources that are earned through day-to-day business activities; the amount of cash earned after paying all expenses and taxes; in other words, the cash balance of inflows and outflows of funds

Compliance
Observance of applicable laws, codes and other relevant rules and regulations

DAX®, MDAX®, SDAX®, TecDAX®
German stock indexes of the transaction service provider and marketplace organizer Deutsche Börse AG

D&O insurance
Directors' and Officers' liability insurance that covers Supervisory and Executive Board members and managerial employees

DVFA | SG
The Methods Commission of the Society of Investment Professionals in Germany (DFVA e.V.) – also commonly referred to as the German association for financial analysis and asset management – and the Schmalenbach-Gesellschaft (SG), one of the leading scientific societies in the area of business administration and financial reporting

EBITDA
Earnings before interest, taxes, depreciation and amortization; in this context, amortization refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3.

EBITDA margin
The ratio of EBITDA (earnings before interest, taxes, depreciation and amortization) to sales revenue

Equity ratio
The ratio of equity to the balance sheet total

ERP
Stands for "Enterprise Resource Planning"; IT-based resource planning system

Extraordinary items
Exceptional or one-time expenses and income, such as acquisition costs, restructuring costs and other non-operating expenses.

Fixed assets
The sum of intangible assets, property, plant and equipment and financial assets

Free float
Proportion of a public company's shares that are freely available to the investing public (by definition at least 5%)

Goodwill
The difference between the price paid for a company or business and its net assets; a form of intangible asset

Holding company
A parent company that exists for the purpose of owning a controlling interest or shares in several legally independent subsidiaries that are subordinate to the parent company within the organizational hierarchy; this holding company conducts its business exclusively through these subsidiaries.

Market capitalization
The total number of shares outstanding of both classes issued by the company, multiplied by the corresponding share price

Normalized financial result
Financial result excluding fair value adjustments of hedging instruments, as well as excluding non-periodic expenses and income.

Normalized income tax
Underlying income tax, based on underlying profit before tax and on non-cash amortization.

Prime Standard
Market segment of the Frankfurt Stock Exchange with high, internationally accepted transparency requirements; this segment is intended to meet the needs of companies seeking to attract the attention of international investors.

Supply chain management
Setup and coordination of integrated flows of materials, information and finances (supply chains) over the entire value-added process

Treasury
Short- and medium-term liquidity management

Underlying
Adjusted to eliminate extraordinary items (see definition)

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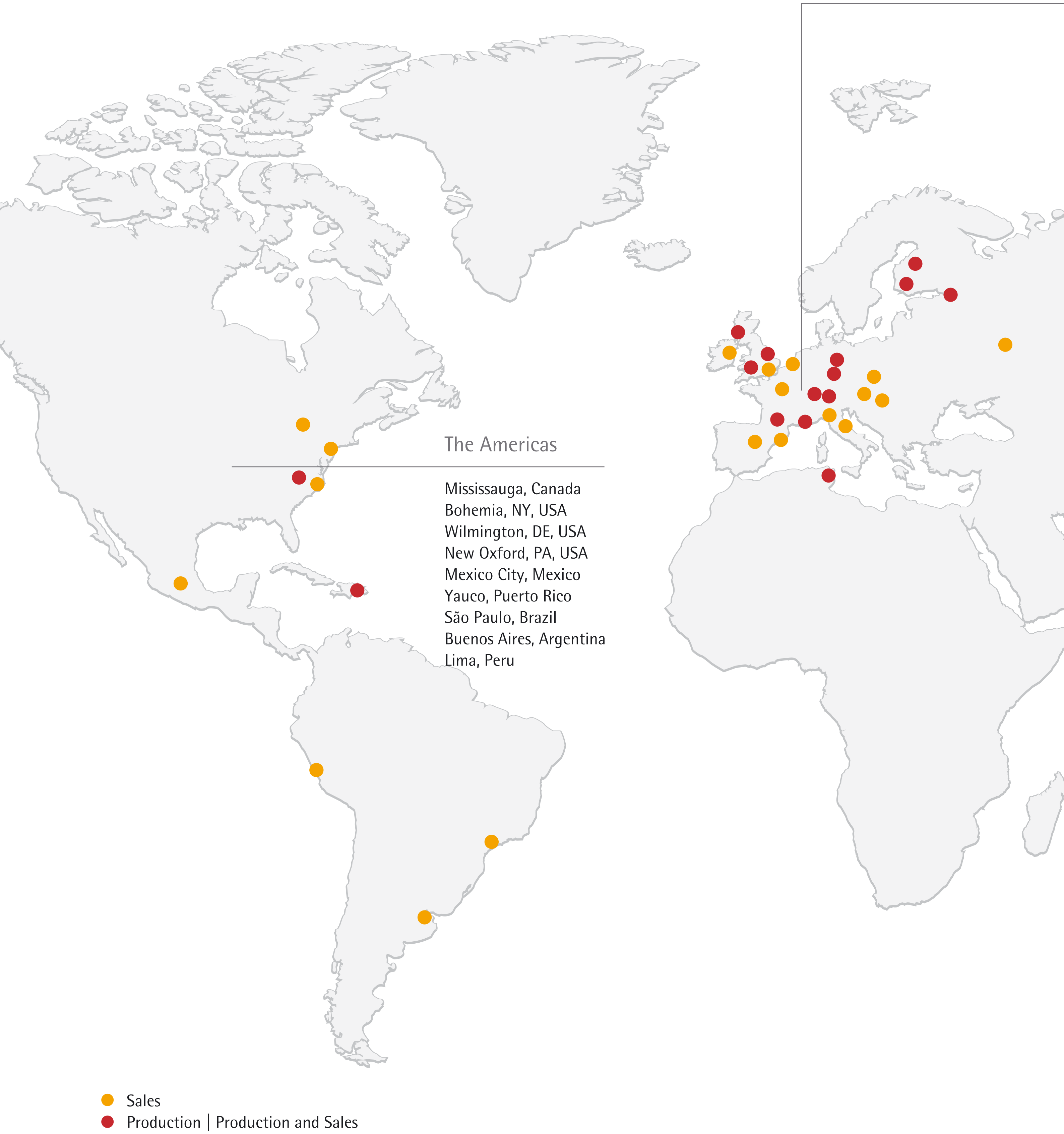
A Local Presence Worldwide



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Financial Schedule

Annual Shareholders' Meeting in Goettingen, Germany	April 7, 2016
Payment of dividends[1]	April 8, 2016
Publication of first-quarter figures for 2016	April 21, 2016
Publication of first-half figures for 2016	July 25, 2016
Publication of nine-month figures for 2016	October 24, 2016
German Equity Forum in Frankfurt / Main, Germany	November 21, 2016
Publication of preliminary figures for fiscal 2016	January 2017
Annual press conference in Goettingen, Germany	February 2017
Annual Shareholders' Meeting in Goettingen, Germany	April 6, 2017
Publication of first-quarter figures for 2017	April 2017

[1] Subject to approval by the Annual Shareholders' Meeting

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