

Sartorius Group
Interim Report from January to September 2014

2014

Key Figures for the First Nine Months of 2014

in millions of € unless otherwise specified

	Group			Bioprocess Solutions			Lab Products & Services			Industrial Technologies		
	9-mo. 2014	9-mo. 2013	Δ in %	9-mo. 2014	9-mo. 2013	Δ in %	9-mo. 2014	9-mo. 2013	Δ in %	9-mo. 2014	9-mo. 2013	Δ in %
Order Intake and Sales												
Order intake	730.0	669.9	9.0	460.3	404.9	13.7	192.7	191.4	0.7	77.0	73.6	4.7
Sales revenue	712.7	657.3	8.4	444.7	382.4	16.3	195.7	199.1	-1.7	72.4	75.8	-4.6
- Europe ¹⁾	354.3	333.7	6.2	205.8	179.6	14.6	101.6	105.2	-3.5	46.9	48.9	-4.2
- North America ¹⁾	179.7	143.2	25.4	140.6	107.0	31.4	33.1	30.2	9.5	6.0	6.0	-0.8
- Asia Pacific ¹⁾	155.6	152.0	2.3	85.8	79.2	8.4	52.8	54.4	-2.9	16.9	18.4	-8.0
- Other Markets ¹⁾	23.2	28.3	-18.0	12.3	16.5	-25.3	8.3	9.3	-10.9	2.6	2.5	4.3
Results												
EBITDA ²⁾	139.5	126.0	10.7	103.6	86.8	19.4	28.5	32.4	-12.2	7.3	6.7	9.1
EBITDA margin ²⁾ in %	19.6	19.2		23.3	22.7		14.6	16.3		10.1	8.9	
EBITA ²⁾	110.7	100.3	10.3	86.4	72.5	19.1	18.7	22.7	-17.6	5.6	5.1	9.8
EBITA margin ²⁾ in %	15.5	15.3		19.4	19.0		9.6	11.4		7.7	6.7	
Relevant net profit ³⁾	50.5	47.0	7.6									
Earnings per ordinary share ³⁾ in €	2.96	2.75	7.6									
Earnings per preference share ³⁾ in €	2.98	2.77	7.6									

Key Figures for the Third Quarter of 2014

in millions of € unless otherwise specified

	Group			Bioprocess Solutions			Lab Products & Services			Industrial Technologies		
	Q3 2014	Q3 2013	Δ in %	Q3 2014	Q3 2013	Δ in %	Q3 2014	Q3 2013	Δ in %	Q3 2014	Q3 2013	Δ in %
Order Intake and Sales												
Order intake	241.4	211.8	14.0	155.4	126.2	23.2	60.4	61.0	-1.0	25.6	24.6	4.2
Sales revenue	246.5	216.0	14.1	153.6	126.4	21.5	67.2	63.7	5.6	25.7	25.9	-1.0
- Europe ¹⁾	115.2	105.3	9.4	66.3	55.9	18.5	33.2	33.1	0.2	15.7	16.3	-3.6
- North America ¹⁾	69.5	49.9	39.3	53.5	37.8	41.5	13.5	9.6	40.0	2.4	2.4	1.9
- Asia Pacific ¹⁾	53.6	51.3	4.5	29.3	27.2	7.9	17.8	17.6	1.2	6.5	6.6	-1.1
- Other Markets ¹⁾	8.3	9.5	-13.5	4.4	5.5	-19.4	2.8	3.3	-17.4	1.1	0.7	49.3
Results												
EBITDA ²⁾	50.6	41.2	22.8	36.8	28.7	28.0	10.4	9.7	6.9	3.5	2.8	25.7
EBITDA margin ²⁾	20.5	19.1		23.9	22.7		15.5	15.3		13.5	10.6	
EBITA ²⁾	40.7	31.9	27.5	30.7	23.6	30.4	7.2	6.2	16.1	2.8	2.2	28.3
EBITA margin ²⁾	16.5	14.8		20.0	18.6		10.6	9.7		11.0	8.5	
Relevant net profit ²⁾³⁾	19.3	14.7	31.3									
Earnings per ordinary share ³⁾ in €	1.13	0.86	31.3									
Earnings per preference share ³⁾ in €	1.13	0.86	31.3									

¹⁾ Acc. to customers' location

²⁾ Underlying (adjusted for extraordinary items)

³⁾ Der maßgebliche Konzernnettogewinn bzw. das Ergebnis je Aktie ergibt sich durch Bereinigung um Sondereffekte, Herausrechnung nicht zahlungswirksamer Amortisation und Bewertungseffekten aus Hedginggeschäften, jeweils einschließlich entsprechender Effekte auf Steuern und Minderheitenanteile

Interim Management Report

- Significant gains in order intake and sales revenue
- Underlying EBITDA up 10.7%
- Guidance for the full year of 2014 confirmed

Business Development

Order Intake and Sales Revenue

In the first nine months of the current fiscal year, the Sartorius Group reported significant gains in order intake, sales revenue and earnings. Order intake in the reporting period rose 10.1% in constant currencies (cc) from €669.9 million to €730.0 million (reported: +9.0%). At €712.7 million, consolidated sales were up 9.6% (cc) from €657.3 million a year earlier (reported: +8.4%).

Compared with a strong prior-year base, the Bioprocess Solutions Division substantially increased its order intake by 14.6% (cc) from €404.9 million to €460.3 million (reported: 13.7%). The division's sales revenue surged 17.2% (cc) to €444.7 million (reported: +16.3%). Organic growth of the division was especially driven by strong business with single-use products. All newly acquired business activities showed excellent development in the reporting period. Consolidation of the acquisitions of TAP Biosystems, the cell culture media business and AllPure Technologies together contributed around 10 percentage points (cc) to sales growth.

All major regions contributed to the positive business performance of the Bioprocess Solutions Division, recording double-digit growth rates. North America reported the highest growth momentum, with an increase of around 34% (cc) in sales revenue, which was mainly fueled by recent acquisitions.

Bioprocess Solutions				
in millions of € unless otherwise specified	9-mo. 2014	9-mo. 2013	Δ in %	Δ in % const. fx
Order intake	460.3	404.9	13.7	14.6
Sales revenue	444.7	382.4	16.3	17.2
- Europe ¹⁾	205.8	179.6	14.6	13.8
- North America ¹⁾	140.6	107.0	31.4	34.1
- Asia Pacific ¹⁾	85.8	79.2	8.4	11.2
- Other Markets ¹⁾	12.3	16.5	-25.3	-25.3
EBITDA ²⁾	103.6	86.8	19.4	
EBITDA margin ²⁾ in %	23.3	22.7		
EBITA ²⁾	86.4	72.5	19.1	
EBITA margin ²⁾ in %	19.4	19.0		

¹⁾ Acc. to customers' location

²⁾ Underlying (adjusted for extraordinary items)

Order intake for the Lab Products & Services Division rose by 2.3% (cc) to €192.7 million (reported: +0.7%) in the first nine months of fiscal 2014. The phase-out of a few non-strategic product lines only marginally impacted order intake. By contrast, this effect continued to have a noticeable impact on sales revenue in the reporting period as expected. However, this figure of €195.7 million approximately reached the prior-year's level (cc: -0.1%; reported: -1.7%).

Reporting a gain of 12.6% (cc) in sales revenue, the North American region contributed the highest growth, whereas the European region did not yet reach its year-earlier sales level. The market environment in the Asian region continued to have a dampening effect on the division's performance.

Lab Products & Services				
in millions of € unless otherwise specified	9-mo. 2014	9-mo. 2013	Δ in %	Δ in % const. fx
Order intake	192.7	191.4	0.7	2.3
Sales revenue	195.7	199.1	-1.7	-0.1
- Europe ¹⁾	101.6	105.2	-3.5	-3.3
- North America ¹⁾	33.1	30.2	9.5	12.6
- Asia Pacific ¹⁾	52.8	54.4	-2.9	0.9
- Other Markets ¹⁾	8.3	9.3	-10.9	-10.9
EBITDA ²⁾	28.5	32.4	-12.2	
EBITDA margin ²⁾ in %	14.6	16.3		
EBITA ²⁾	18.7	22.7	-17.6	
EBITA margin ²⁾ in %	9.6	11.4		

¹⁾ Acc. to customers' location

²⁾ Underlying (adjusted for extraordinary items)

Following a weak start into the current fiscal year, the Industrial Technologies Division reported overall robust business performance. Its order intake thus rose in the reporting period by 5.9% (cc) to €77.0 million (reported: +4.7%).

The division's sales revenue was still down -3.5% (cc) from a year ago due to timing effects related to completion of contracts.

Industrial Technologies				
in millions of € unless otherwise specified	9-mo. 2014	9-mo. 2013	Δ in %	Δ in % const. fx
Order intake	77.0	73.6	4.7	5.9
Sales revenue	72.4	75.8	-4.6	-3.5
- Europe ¹⁾	46.9	48.9	-4.2	-4.6
- North America ¹⁾	6.0	6.0	-0.8	1.9
- Asia Pacific ¹⁾	16.9	18.4	-8.0	-3.3
- Other Markets ¹⁾	2.6	2.5	4.3	4.3
EBITDA ²⁾	7.3	6.7	9.1	
EBITDA margin ²⁾ in %	10.1	8.9		
EBITA ²⁾	5.6	5.1	9.8	
EBITA margin ²⁾ in %	7.7	6.7		

¹⁾ Acc. to customers' location

²⁾ Underlying (adjusted for extraordinary items)

Earnings Development

The Sartorius Group uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization) as the key profitability indicator. In addition, EBITA adjusted for extraordinary items (underlying EBITA) is reported, where amortization in this context refers exclusively to the purchase price allocation to intangible assets acquired, as specified by IFRS 3.

The Sartorius Group considerably increased its underlying EBITDA in the first nine months of the current fiscal year by 10.7% from €126.0 million to €139.5 million. Its respective margin rose to 19.6% relative to 19.2% a year ago. The Bioprocess Solutions Division boosted its underlying EBITDA over-proportionally based on economies of scale by 19.4% to €103.6 million; its EBITDA margin reached 23.3% compared with 22.7% in the prior year. The Lab Products & Services Division reported an underlying EBITDA of €28.5 million relative to €32.4 million a year earlier, which was essentially influenced by its sales performance. The division's margin was accordingly 14.6% relative to 16.3% in the comparative period. The Industrial Technologies Division increased its underlying EBITDA by 9.1% from €6.7 million a year ago to €7.3 million due to product mix effects. The division's margin rose accordingly from 8.9% to 10.1%.

At Group level, underlying EBITA climbed 10.3% in the reporting period to €110.7 (margin: 15.5%), compared with €100.3 million (margin: 15.3%) in the previous year.

Extraordinary items for the first nine months of the current fiscal year were -€5.6 million after -€4.8 million in the previous year. These items were related to, inter alia, the integration of TAP Biosystems and various cross-divisional projects. Consolidated EBIT, including all extraordinary items, depreciation and amortization, was €94.4 million (9M 2013: €86.3 million). The Group's

respective EBIT margin was 13.2%, slightly higher than the previous year's level of 13.1%.

The relevant net profit attributable to the shareholders of Sartorius AG for the reporting period totaled €50.5 million (9M 2013: €47.0 million). This profit figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization and valuation adjustments from hedging instruments, as well as the corresponding tax effects for each of these items. Underlying earnings per ordinary share were €2.96 (9M 2013: €2.75) and per preference share €2.98 (9M 2013: €2.77).

Assets and Financial Position

Cash Flow

In the first nine months of the current fiscal year, the Sartorius Group reported a net cash flow from operating activities of €58.8 million (9M 2013: €67.6 million). The seasonal increase in funds tied up in working capital especially influenced this figure.

As planned, net cash flow from investing activities was €49.3 million, up from the year-earlier figure of €41.8 million. Thus, the Group financed its investments entirely from operating cash flows.

Acquisition activities in the reporting period accounted for €4.3 million for the purchase of the majority stake in AllPure Technologies LLC. The previous year's figure of €14.9 million was related to the takeover of the cell culture media business. Accordingly, net cash flow from investing activities and acquisitions was -€53.6 million, slightly below the prior-year figure of -€56.7 million.

Consolidated Statement of Financial Position

The balance sheet total for the Sartorius Group rose from €1,174.4 million at December 31, 2013, to €1,240.9 million as of the period ended September 30, 2014. This increase was primarily due to the buildup of working capital and to investments in fixed assets.

Equity increased from €450.3 million to €483.9 million between December 31, 2013, and the reporting date. The equity ratio has continued to remain at a robust level, at 39.0% (December 31, 2013: 38.3%).

Gross debt rose from €397.0 million at December 31, 2013, to €411.5 million as of September 30, 2014. In addition to the buildup in net working capital, this figure reflects, inter alia, dividend payments. Net debt was €367.6 million relative to €345.1 million as of December 31, 2013.

The gearing ratio, which is calculated as the ratio of net debt to equity, remained unchanged at 0.8 as of the reporting date.

For the period ended September 30, 2014, the ratio of net debt to underlying EBITDA based on the past 12 months was at the same level reported on December 31, 2013, at 2.0. The interest coverage ratio – the ratio of underlying EBITDA to interest payable of the past 12 months – also continued to remain at a comfortable level, at 11.8 (December 31, 2013: 13.7).

Forecast

Outlook for 2014

Based on the strong overall performance during the first nine months of fiscal 2014, the Group confirms its full-year sales and earnings forecast updated after the first half, both at the Group level and at the divisions' level. In view of the increasingly uncertain economic environment, the Group does not expect any major impacts on its results of the current year.

Thus, the company projects on a constant currency basis that full-year sales will grow 8% to 10% and the Group's underlying EBITDA margin will increase year over year from 19.5% to around 20.0%.

For fiscal 2014, the company plans on investing around 8% to 10% of sales revenue in projects that include the consolidation and extension of Group headquarters in Goettingen, expansion of production capacities and the international rollout of its new ERP system.

Regarding the company's financial position, the Group maintains its expectations for year-end 2014: if the targets previously mentioned are achieved, the ratio of net debt to underlying EBITDA will remain approximately at the year-end level of 2013 or edge down slightly, without any potential portfolio changes considered.

For the Bioprocess Solutions Division, sales growth continues to be forecasted to reach the upper end of the 12% to 15% range in constant currencies. The division's underlying EBITDA margin remains projected to reach around 23.5% on a constant currency basis (previous year: 23.0%).

For the Lab Products & Services Division, sales revenue in constant currencies remains forecasted to attain the lower end of the previously communicated growth corridor of 1% to 4%. The division's underlying EBITDA margin is expected to be at around 15.0% in constant currencies in line with the company's guidance issued so far.

Currency-adjusted sales revenue for the Industrial Technologies Division is also projected to attain the lower end of the growth range of 1% to 4% already announced. Its underlying EBITDA margin remains forecasted at around 10.5% in constant currencies (previous year: 10.1%).

Report on Material Events

No material events occurred after the period ended September 30, 2014.

Interim Financial Statements

Statement of Profit or Loss

	3rd quarter 2014 € in mn	3rd quarter 2013 € in mn	9-month 2014 € in mn	9-month 2013 € in mn
Sales revenue	246.5	216.0	712.7	657.3
Cost of sales	-127.0	-111.4	-367.6	-334.7
Gross profit on sales	119.5	104.6	345.2	322.5
Selling and distribution costs	-55.3	-51.1	-166.3	-155.2
Research and development costs	-14.1	-14.2	-42.3	-40.4
General administrative expenses	-14.7	-13.0	-44.0	-39.0
Other operating income and expenses ¹⁾	-0.5	0.9	2.0	-1.6
Earnings before interest and taxes (EBIT)	34.8	27.2	94.4	86.3
Financial income	0.3	0.3	0.4	2.1
Financial expenses	-6.7	-4.1	-17.0	-12.4
Financial result	-6.4	-3.9	-16.6	-10.4
Profit before tax	28.4	23.3	77.8	75.9
Income taxes	-8.6	-7.0	-26.5	-22.8
Net profit for the period	19.9	16.3	51.3	53.1
Attributable to:				
Shareholders of Sartorius AG	14.6	12.3	37.0	39.4
Non-controlling interest	5.3	4.0	14.3	13.7
Earnings per ordinary share (€) (basic = diluted)	0.85	0.72	2.16	2.30
Earnings per preference share (€) (basic = diluted)	0.85	0.72	2.18	2.32

¹⁾ The item "Other operating income and expenses" includes extraordinary expenses of €5.6 million for the nine-month period of 2014 (9-mo. 2013: €4.8 million).

Statement of Comprehensive Income

	3rd quarter 2014 € in mn	3rd quarter 2013 € in mn	9-month 2014 € in mn	9-month 2013 € in mn
Net profit for the period	19.9	16.3	51.3	53.1
Cash flow hedges	-1.7	1.6	-7.0	4.0
Income tax on cash flow hedges	0.5	-0.5	2.1	-1.2
Net investment in a foreign operation	-3.6	0.7	-4.0	0.5
Income tax on net investment in a foreign operation	1.2	-0.2	1.2	0.1
Currency translation differences	14.5	-4.1	18.2	-6.0
Items that will be reclassified in the profit or loss statement, net of tax	11.0	-2.5	10.5	-2.6
Actuarial gains losses on defined benefit obligations	0.0	0.0	0.0	0.0
Income tax on items that will not be reclassified in the profit or loss statement	0.0	0.0	0.0	0.0
Items that will not be reclassified in the profit or loss statement, net of tax	0.0	0.0	0.0	0.0
Other comprehensive result after tax	11.0	-2.5	10.5	-2.6
Total comprehensive income	30.8	13.9	61.8	50.5
Attributable to:				
Shareholders of Sartorius AG	23.4	10.1	45.0	37.4
Non-controlling interest	7.4	3.8	16.8	13.2

Statement of Financial Position

	Sept. 30, 2014	December 31, 2013
Assets	€ in mn	€ in mn
Non-current assets		
Goodwill	378.4	373.1
Intangible assets	179.5	175.6
Property, plant and equipment	242.2	229.5
Financial assets	8.1	7.7
Deferred tax assets	28.6	26.4
Other assets	1.0	1.0
	837.8	813.3
Current assets		
Inventories	169.2	136.2
Trade receivables	149.1	134.5
Other financial assets	13.3	15.8
Current tax assets	15.8	14.1
Other assets	11.8	8.6
Cash and cash equivalents	43.9	51.9
	403.1	361.1
Total assets	1,240.9	1,174.4
	Sept. 30, 2014	December 31, 2013
Equity and liabilities	€ in mn	€ in mn
Equity		
Equity attributable to shareholders of Sartorius AG	390.3	367.6
Issued capital	17.0	17.0
Capital reserves	87.0	87.0
Other reserves and retained earnings	286.2	263.6
Non-controlling interest	93.6	82.6
	483.9	450.3
Non-current liabilities		
Pension provisions	55.6	54.3
Other provisions	8.6	8.6
Loans and borrowings	375.3	368.8
Other financial liabilities	51.4	41.8
Deferred tax liabilities	34.4	37.0
	525.4	510.5
Current liabilities		
Provisions	8.4	9.9
Trade payables	83.1	76.2
Loans and borrowings	36.2	28.2
Other financial liabilities	77.5	72.7
Current tax liabilities	11.1	8.9
Other liabilities	15.4	17.8
	231.7	213.7
Total equity and liabilities	1,240.9	1,174.4

Statement of Cash Flows

	9-month 2014 € in mn	9-month 2013 € in mn
Profit before tax	77.8	75.9
Financial result	16.6	10.4
Earnings before interest and taxes (EBIT)	94.4	86.3
Depreciation amortization of intangible and tangible assets	39.4	34.9
Increase decrease in provisions	-1.7	3.0
Income taxes paid	-28.3	-28.5
Gross cash flows from operating activities	103.8	95.7
Increase decrease in receivables and other assets	-16.9	-9.9
Increase decrease in inventories	-26.0	-18.0
Increase decrease in liabilities (without loans and borrowings)	-2.1	-0.1
Net cash flow from operating activities	58.8	67.6
Capital expenditures	-53.6	-42.2
Proceeds from the disposal of fixed assets	0.7	0.6
Other payments	3.6	-0.2
Net cash flow from investing activities	-49.3	-41.8
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-4.3	-14.9
Net cash flow from investing activities and acquisitions	-53.6	-56.7
Interest received	0.3	0.2
Interest paid and other financial charges	-9.8	-10.2
Dividends paid to:		
- Shareholders of Sartorius AG	-17.2	-16.2
- Non-controlling interest	-5.1	-4.7
Gross cash flows from financing activities	-31.8	-30.8
Changes in non-controlling interest	0.2	0.0
Loans and borrowings repaid raised	13.5	20.7
Net cash flow from financing activities	-18.2	-10.1
Net increase decrease in cash and cash equivalents	-12.9	0.9
Cash and cash equivalents at the beginning of the period	51.9	39.5
Net effect of currency translation on cash and cash equivalents	5.0	1.0
Cash and cash equivalents at the end of the period	43.9	41.4

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to shareholders of Sartorius AG	Non-controlling interest	Total equity
Balance at Jan. 1, 2013	17.0	87.0	-3.1	-11.9	247.4	-2.1	334.4	70.0	404.4
Net profit for the period			0.0	0.0	39.4	0.0	39.4	13.7	53.1
Other comprehensive result after tax			2.5	0.1	0.2	-4.9	-2.0	-0.6	-2.6
Total comprehensive income			2.5	0.1	39.6	-4.9	37.4	13.2	50.5
Dividends					-16.2		-16.2	-4.7	-20.9
Other changes in equity					0.0		0.0	0.0	0.0
Balance at Sept. 30, 2013	17.0	87.0	-0.6	-11.8	270.8	-7.0	355.6	78.6	434.1

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to shareholders of Sartorius AG	Non-controlling interest	Total equity
Balance at Jan. 1, 2014	17.0	87.0	-1.4	-9.9	284.4	-9.5	367.6	82.6	450.3
Net profit for the period			0.0	0.0	37.0	0.0	37.0	14.3	51.3
Other comprehensive result after tax			-3.9	-0.1	-1.9	13.9	8.0	2.5	10.5
Total comprehensive income			-3.9	-0.1	35.1	13.9	45.0	16.8	61.8
Dividends					-17.2		-17.2	-5.1	-22.3
Purchase price liability forward for non-controlling interest					-5.3		-5.3	-1.8	-7.1
Increase in non-controlling interest					0.0		0.0	1.2	1.2
Other changes in equity					0.1		0.1	-0.1	0.0
Balance at Sept. 30, 2014	17.0	87.0	-5.3	-10.0	297.1	4.3	390.3	93.6	483.9

Segment Reports

€ in millions	Bioprocess Solutions		Lab Products & Services		Industrial Technologies		Group	
	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013
Sales revenue	444.7	382.4	195.7	199.1	72.4	75.8	712.7	657.3
- as a total %	62.4%	58.2%	27.5%	30.3%	10.2%	11.5%	100.0%	100.0%
Underlying EBITDA	103.6	86.8	28.5	32.4	7.3	6.7	139.5	126.0
- as a % of sales revenue	23.3%	22.7%	14.6%	16.3%	10.1%	8.9%	19.6%	19.2%
EBIT	74.2	64.1	15.2	18.5	5.1	3.7	94.4	86.3
- as a % of sales revenue	16.7%	16.8%	7.7%	9.3%	7.0%	4.9%	13.2%	13.1%
No. of employees at Sept. 30	3,490	3,025	2,072	2,011	703	756	6,265	5,792

€ in millions	Europe		North America	
	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013
Sales revenue	354.3	333.7	179.7	143.2
- as a total %	49.7%	50.8%	25.2%	21.8%
No. of employees at Sept. 30	4,183	3,845	763	632

€ in millions	Asia Pacific		Other Markets		Group	
	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013	9-mo. 2014	9-mo. 2013
Sales revenue	155.6	152.0	23.2	28.3	712.7	657.3
- as a total %	21.8%	23.1%	3.3%	4.3%	100.0%	100.0%
No. of employees at Sept. 30	1,132	1,112	187	203	6,265	5,792

Notes to the Interim Financial Statements

1. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2013, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) as they are to be applied in the EU. In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim financial reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2013 were based.

Furthermore, all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) to be applied effective September 30, 2014, were observed. An explanation of the individual accounting and measurement principles applied is given in the

Notes to the Financial Statements of the Group for the year ended December 31, 2013.

2. First-time Application of Accounting Rules and Amendments to Accounting Methods

The following new accounting rules were applicable for the first time to the present interim financial statements and had no impact on the presentation of the company's net worth, financial position and profitability or earnings per share:

Standard	Title
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosures of Interests in Other Entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Transition Guidance
Amendments to IFRS 10, IFRS 12 and IAS 27	Investments Entities
Revised IAS 27	Separate Financial Statements
Revised IAS 28	Investments in Associates and Joint Ventures
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting

3. Acquisition of AllPure Technologies LLC

On April 25, 2014, Sartorius through its subgroup Sartorius Stedim Biotech acquired 50.01% in the U.S. startup AllPure Technologies LLC at a price of 6 million U.S. dollars. The latter company based in New Oxford, Pennsylvania, USA, has been operating on the market for four years and in 2013, earned revenue of around 3 million U.S. dollars with 25 employees. 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, depend on the future business performance of the entity purchased. The corresponding liability is disclosed in the financial liabilities as the present value of the expected future payments of €7.1 million.

The preliminary purchase price allocation was as follows:

	Preliminary purchase price allocation € in mn
Intangible and tangible assets	2.1
Inventories	0.5
Trade receivables and other assets	0.3
Cash and cash equivalents	0.0
Provisions and liabilities	-0.5
Net assets acquired	2.4
- of which 50.01%	1.2
Purchase price	4.3
Goodwill	3.1
Non-controlling interest	1.2

The goodwill disclosed represents the assets that were not separately identifiable and recognized, but that will generate economic benefits for the Group. Here, the expansion of the Group's portfolio and its strengthened position in the biopharmaceutical market are to be named, among other benefits that this acquisition will bring. Goodwill is expected to be tax-deductible in full.

Inclusion of AllPure in the consolidated financial statements as of January 1, 2014, would not have had any material impact on the Sartorius Group due to Allpure's low business volume. Consolidation of this business activity as of the date of acquisition likewise had only an insignificant impact on the Group figures.

Transaction costs of €0.2 million are disclosed in other operating expenses.

4. Explanatory Notes to the Segment Reports

The following table restates the underlying EBITDA of the segments with respect to the Group's profit before tax:

€ in millions	9-mo. 2014	9-mo. 2013
Underlying EBITDA of the segments	139.5	126.0
Depreciation and amortization	-39.4	-34.9
Extraordinary items	-5.6	-4.8
EBIT	94.4	86.3
Financial result	-16.6	-10.4
Profit before tax	77.8	75.9

5. Financial Instruments

The following table compares the carrying amounts of financial assets and liabilities for each category of financial instruments with their fair values and reconciles these with the corresponding items on the statement of financial position.

€ in millions	Category acc. to IAS 39	Sept. 30, 2014 Carrying amount	Sept. 30, 2014 Fair value	Dec. 31, 2013 Carrying amount	Dec. 31, 2013 Fair value
Trade receivables	Loans and receivables	149.1	149.1	134.5	134.5
Other financial assets	Loans and receivables	14.7	14.7	13.0	13.0
Financial assets	Available for sale	6.5	6.5	6.3	6.3
Derivative financial instruments	Held for trading	0.0	0.0	0.0	0.0
Derivative financial instruments	Hedging instruments	0.2	0.2	4.3	4.3
Other financial liabilities		21.4	21.4	23.6	23.6
Cash and cash equivalents	Loans and receivables	43.9	43.9	51.9	51.9
Loans and borrowings	Financial liabilities at cost	390.4	394.8	375.4	377.8
Finance lease liabilities	IFRS 7	21.2	23.0	21.6	21.3
Loans and borrowings		411.5	417.8	397.0	399.1
Trade payables	Financial liabilities at cost	54.9	54.9	58.8	58.8
Trade payables	Not IFRS 7	28.1	28.1	17.4	17.4
Trade payables		83.1	83.1	76.2	76.2
Derivative financial instruments	Held for trading	2.4	2.4	0.8	0.8
Derivative financial instruments	Hedging instruments	9.1	9.1	6.4	6.4
Other financial liabilities	Financial liabilities at cost	62.1	64.5	73.5	79.5
AllPure liability	IFRS 7	7.1	7.1	0.0	0.0
Other financial liabilities	Not IFRS 7	48.2	48.2	33.8	33.8
Other financial liabilities		128.9	131.3	114.5	120.5

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.

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. It is assumed that the carrying amounts correspond to the fair values as of the reporting date.

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"), as well as finance lease liabilities, 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 can be derived from the expected AllPure sales revenues as of the exercise date and from the risk-adjusted discount rate presented above.

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.

6. Other Disclosures

In the reporting period, Sartorius AG paid a dividend total of €17.2 million, of which ordinary shares accounted for €8.5 million and preference shares for €8.7 million of this total disbursed.

Independent, certified auditors have not performed an audit review of this consolidated nine-month report.

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Financial Schedule

November 11, 2014

HSBC Healthcare Day in Frankfurt | Main, Germany

November 19, 2014

Jefferies Healthcare Conference in London, UK

November 25, 2014

German Equity Forum in Frankfurt | Main, Germany

January 27, 2015

Publication of preliminary figures for fiscal 2014

February 25, 2015

Annual press conference in Goettingen, Germany

April 9, 2015

Annual Shareholders' Meeting in Goettingen, Germany

April 20, 2015

Publication of first-quarter figures for 2015

This is a translation of the original German-language nine-month Group interim financial report (January to September 2014) entitled "Sartorius Konzern Zwischenbericht – Januar bis September 2014." Sartorius AG shall not assume any liability for the correctness of this translation. The original German interim report is the legally binding version. Furthermore, Sartorius AG reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected.

Forward-looking Statements Contain Risks

This interim report contains various statements concerning the Sartorius Group's future performance. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually apply. This is because our assumptions harbor risks and uncertainties that could lead to actual results diverging substantially from the expected ones. It is not planned to update our forward-looking statements.

Throughout the entire report, differences may be apparent as a result of rounding during addition.