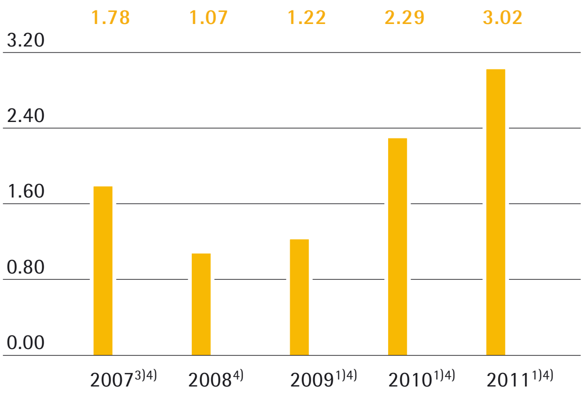
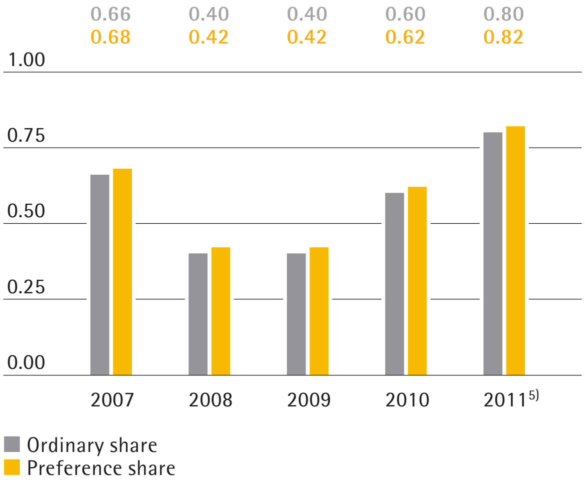
Sartorius Group
2011 Annual Report

2011

Earnings per Share
in €



Dividends
in €



Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified	**2011**	2010	2009	2008	2007
Results					
Sales revenue	733.1	659.3	602.1	611.6	622.7[2]
EBITDA	136.6[1]	110.2[1]	85.1[1]	80.1	95.1[3]
EBITA	112.2[1]	85.5[1]	60.9[1]	56.8	71.1[3]
Net profit after non-controlling interest	41.6	31.0	–7.3	12.4	27.0[3]
Net profit after non-controlling interest[4]	51.5[1]	39.0[1]	20.8[1]	18.2	30.4[3]
Earnings per share (in €)	2.44	1.82	–0.43	0.73	1.58[3]
Earnings per share (in €)[4]	3.02[1]	2.29[1]	1.22[1]	1.07	1.78[3]
Dividend per ordinary share (in €)	0.80[5]	0.60	0.40	0.40	0.66
Dividend per preference share (in €)	0.82[5]	0.62	0.42	0.42	0.68
As a % of sales revenue					
EBITDA	18.6[1]	16.7[1]	14.1[1]	13.1	15.3[3]
EBITA	15.3[1]	13.0[1]	10.1[1]	9.3	11.4[3]
Net profit after non-controlling interest[4]	7.0[1]	5.9[1]	3.4[1]	3.0	4.9[3]
Balance sheet					
Balance sheet total	963.8	807.7	820.4	865.0	783.9
Equity	366.0	327.2	319.2	333.4	334.1
Equity ratio (in %)	38.0	40.5	38.9	38.5	42.6
Gearing ratio	0.7	0.6	0.7	0.7	0.6
Financials					
Capital expenditures	51.8	24.4	23.9	33.7	41.5
As a % of sales revenue	7.1	3.7	4.0	5.5	7.0[6]
Depreciation and amortization[7]	32.8	31.9	33.4	29.6	27.4
Net cash flow from operating activities	79.0	96.0	143.4	53.0	33.1
Net debt	264.8	196.9	224.7	217.6	189.6
Ratio of net debt to EBITDA	1.9[1]	1.8[1]	2.6[1]	2.7	2.0[3]
Employees as of Dec. 31	4,887[8]	4,515	4,323	4,660	4,518

1) Underlying
2) Pro forma
3) Pro forma underlying
4) Excluding non-cash amortization and, for 2008 and 2009, non-cash interest expenses for share price warrants
5) Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG
6) Based on the actual sales revenue of €589.0 million
7) Excluding impairment losses
8) Excluding Biohit Liquid Handling

New holding structure

In April 2011, the Annual General Shareholders’ Meeting resolved to transform the legal structure of the Sartorius Group into a pure holding company. Before that, Sartorius AG had conducted a small part of the Group’s operating business in Germany, in addition to overseeing its holding functions. Advantages of this new structure: more flexibility, greater transparency and more robust dividend capability.

High growth dynamics in Asia

With sales up nearly 25 percent in 2011, Sartorius saw especially dynamic growth in Asia. As a result, the company now generates more than one fifth of its revenue in this region. An active presence in Asia for more than two decades at its 13 own production and sales sites, as well as intensive sales and marketing activities, constitutes a strong basis for the company to participate in the upsurge in this market region.

Laboratory product portfolio extended

The Sartorius laboratory range includes lab balances, further instruments, consumables and, since the end of 2011, pipettes as well. By acquiring the liquid handling business of the Finnish laboratory supplier Biohit, Sartorius has broadened its portfolio and strengthened its strategic position. Thus, Sartorius is becoming one of the global market leaders in the segment of pipettes, which are among the types of small instrumentation most frequently used in laboratories, just as are balances.

Fiscal 2011: Generating Growth Impulses

Earnings boosted by nearly a third

As growth was strongly driven by economies of scale, Sartorius again increased its earnings overproportionately in the reporting year and achieved an operating profit margin of over 15 percent. The profitability of its Biotechnology Division continued to grow from its already high level. The Mechatronics Division even nearly doubled earnings in 2011.

Investments in capacity and processes

Sartorius has continued to invest in its global infrastructure. Its filter manufacturing plant in Yauco, Puerto Rico, is undergoing extension and will additionally take over single-use bag production from Concord, California. In Germany, the company is augmenting its production capacity for filter membranes and is installing advanced manufacturing facilities for biotech equipment. With a new, globally standardized ERP system, Sartorius is additionally creating the required business process and IT platform for further profitable growth.

New division alignment

Since the outset of 2012, Sartorius has been conducting its operational business in three new divisions: Bioprocess Solutions, Lab Products & Services and Industrial Weighing. The divisions are set up so that they each combine businesses for the same customer groups and application areas. Thus, they more clearly reflect Sartorius's major markets. While Sartorius will systematically expand its bioprocess and lab businesses, it is considering a medium-term divestiture of its Industrial Weighing business.

Our Mission

Sartorius is a leading international laboratory and process technology provider for the biotech, pharmaceutical and food industries. As partners, we help our customers all over the globe to implement complex and quality-critical laboratory and production processes in a time- and cost-efficient way. Our innovative products, solutions and services therefore focus on the key value-creating segments of our target markets. Strongly rooted in the scientific and research communities and closely allied with customers and technology partners, we are dedicated to our philosophy of "turning science into solutions" on a daily basis.

In the future as well, we will further seek to systematically expand our position as an application-oriented technology group. 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.

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

Dear Shareholders,
Ladies and Gentlemen:

I am pleased to report that 2011 was an exceptionally successful business year for Sartorius. With double-digit sales growth and nearly one-third higher earnings, we fully achieved our ambitious financial targets. Moreover, 2011 was a year in which we worked intensively on our organization and strategy and set the stage for sustainable growth in the next decade. So I would like to thank the entire Sartorius team very much for their great commitment and good results in the year ended.

Sartorius shares were also among the winners in 2011. With the price of our ordinary shares up more than 9% and that of our preference shares up around 29%, they bucked the weak market trend and substantially outperformed their respective comparable indices. Based on our strong annual results, the Supervisory Board and the Executive Board jointly decided to submit a proposal at the Annual Shareholders' Meeting to pay dividends of €0.82 per preference share and €0.80 per ordinary share.

Let us now take a somewhat detailed look at the business figures of the past year: Our consolidated sales revenue was €733.1 million in 2011, up 11.2% from a year ago. Order intake grew at a similarly dynamic pace and was up 10.0%. This strong development of volume was accompanied by overproportionate gains in profit and return on sales: Operating EBITA soared 31.2% to €112.2 million; our respective margin rose 2.3 percentage points to 15.3%. This highly encouraging development was broad based: Both Group divisions recorded highs in sales revenue and earnings. The Biotechnology Division grew 10.2% and achieved an operating EBITA margin of 17.5%; the Mechatronics Division boosted its revenue by 13.0% and nearly doubled its margin to 11.3%. All key balance sheet ratios and financials have also continued to remain at very healthy levels and give us the financial leeway we need for the future in order to actively pursue growth opportunities.

The year 2011 was especially successful for us, and not just because of the numbers. Beyond business performance, we defined key organizational and strategic roadmaps and strengthened our foundation to set the course for further growth.

First, a few words about an important organizational step: In April 2011, the Annual Shareholders' Meeting approved the transformation of the Sartorius Group into a holding structure. Granted that Sartorius AG as the Group's parent company had already predominantly performed holding tasks, whereas its operating activities accounted for only a comparably small part of these. All the same, this remnant operational business had an overproportionate impact on the Group's ability to pay dividends and was not optimal under tax aspects. By mid-year, we already had our new holding structure in place and thus took the final step in converting from a parent company group into a group with flexible and transparent ownership and shareholding structures.

We also made considerable headway with our strategic further development. Based on the approach taken in 2010 and additionally encouraged by the results of a comprehensive review of our strategy in 2011, we realigned our divisions to some extent. As a result, we have now been conducting our business since January 2012 in three new divisions: Bioprocess Solutions, Lab Products & Services and Industrial Weighing. These divisions are set up so that they each combine the businesses for the same customer groups and application areas and thus clearly reflect the major markets of Sartorius.

The strategy of Bioprocess Solutions, currently our largest division that generates the highest profitability, is predominantly based on proven elements: As the successor to the former Biotechnology Division, it concentrates on its strategic and operational core, bioprocess business for pharma customers. Accordingly, Bioprocess Solutions focuses on complex processes in the manufacture of biotech medications. Its key value proposition is to optimize pharmaceutical manufacturing processes and to lower costs, primarily by increased usage of single-use products and solutions. Sartorius is among the world's leading providers of this mostly still young technology and, over the past decade, has built up one of the broadest and most attractive product portfolios in the industry. In the coming years, we will be placing our focus on the further globalization of our business. We plan to expand our local presence, primarily in sales- and distribution-related functions, and will concentrate on North America as the world's largest pharma market and on the high-growth Asian countries. In addition, we aim to further expand our product portfolio.

Our second division, Lab Products & Services, combines our entire Sartorius laboratory portfolio, which was formerly distributed between the Biotechnology and Mechatronics Divisions, into one product offering. The major customers of this division are research and quality assurance laboratories of the pharmaceutical, chemical and food industries as well as academic laboratories. The strategic focus we defined for this new lab division is laboratory instruments business. Generating the highest share of revenue, our laboratory weighing equipment today constitutes the core of this lab division, which also includes further types of small instrumentation as well as consumables. We additionally expanded our laboratory portfolio at year-end by acquiring the Biohit pipette business, a further highlight of the reporting year. Concerning the ongoing development of the lab division, we see substantial potential for organic growth. Not least of the reasons for such potential is that Sartorius has been a well recognized lab brand for over 140 years. We plan to leverage our excellent reputation and our strong position to considerably step up our direct sales activities and expand our service offering. This will enable us to reinforce our customers' loyalty and create further unique features that set us apart from our competitors. Regionally, we see especially strong growth opportunities in North America and Asia. In addition, we plan to continue to broaden our portfolio through alliances or even through acquisitions.

Since the outset of 2012, we have been conducting our business with industrial weighing and control equipment in a new division, Industrial Weighing. With high-grade measurement and inspection systems, this division addresses the needs for monitoring and control applications in the production processes of various industries. As our market positions in this sector are less strong compared with those in our bioprocess and lab businesses, we are exploring options for a medium-term divestiture of this activity. In 2011, we therefore created the organizational prerequisites for such a move.

Our investment projects represent further significant milestones in the reporting year: In 2011, we began with a number of relatively large construction projects. To cite a few examples, we have been expanding our facilities to increase membrane production capacity and have been building additional R&D labs in Goettingen, Germany; constructing a new plant for the manufacture of bioreactor equipment in Guxhagen, Germany; and have been extending our plant in Yauco, Puerto Rico. All projects have been progressing on schedule and as budgeted and are due to be completed during 2012. We have also made progress with our operational business processes and supportive IT systems. In 2012, we plan to roll our new ERP system, which is currently being designed based on business processes standardized across the entire Group. With this project, we are creating the conditions in terms of capacity and business processes for further profitable growth in the coming years as well.

The reason: we see excellent prospects for our business not only for 2012 but also over the medium and long term. The demographic trends have remained unchanged and indicate a growing world population and an increasing number of elderly people who need innovative and affordable medicines. At the same time, millions of people in the developing countries will obtain the purchasing power to afford adequate medical care. Our lab business, though somewhat cyclical in nature unlike our bioprocess activities, is also positioned in a long-term growth market that has highly attractive earnings potential. For 2012, we are specifically aiming at increasing our sales revenue by around 10% in constant currencies. Around five percentage points of this gain are forecast to be generated by the initial consolidation of our Biohit liquid handling business. Furthermore, we project that we will be able to increase our operating earnings by around 10%.

The success we gained in 2011 shows the potential behind our company and employees that can be achieved at Sartorius. Our goal is to unlock and further develop this potential in 2012 and in the following years as well. My special thanks go out to you, dear shareholders, customers and business partners, for your trust and open dialogue. 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.

Joachim Kreuzburg

Chairman

Corporate Strategy, Human Resources,
Legal, Compliance, Communications

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

With Sartorius for 13 years

Jörg Pfirrmann

Finance, Information Technology

Member of the Executive Board of Sartorius AG

With Sartorius for 13 years

Reinhard Vogt

Marketing, Sales, Services, Business Development
Bioprocess Solutions

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

With Sartorius for 28 years

Oscar-Werner Reif

Research and Development

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

With Sartorius for 17 years

Volker Niebel

Procurement, Production, Supply Chain Management

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

With Sartorius for 10 years

Dominique Baly

Marketing, Sales, Services, Business Development
Lab Products & Services

With Sartorius since January 2011

Report of the Supervisory Board

In fiscal 2011, the Supervisory Board of Sartorius AG thoroughly dealt with the situation and prospects of the company. It advised the Executive Board and performed the tasks assigned by German corporate law and the company's articles of association. The Supervisory Board especially focused in the reporting year on the further strategic development of the corporation. In this connection, the board held in-depth consultations on the various acquisition, investment and structural projects designed to support the company's further growth. These discussions additionally centered on the transformation of the Group's legal structure into a holding company organization.

The Executive Board provided the Supervisory Board with regular, prompt and detailed reports, both written and verbal, about all relevant corporate planning and strategic development issues, the progress of business in both divisions, the situation of the Group, including its risk situation, internal control systems, risk management and about compliance. Any discrepancies between actual business developments and the Group's forecasts and targets were explained in detail during the meetings of the Supervisory Board, which reviewed all documents submitted.

Both the Executive Task Committee and the full Supervisory Board discussed all of the company's significant transactions in depth on the basis of the reports provided by the Executive Board. Following thorough review, the Supervisory Board cast a positive vote on the Executive Board's reports and proposed resolutions, where required. In addition to the regular written reports provided to all Supervisory Board members and at committee and full Supervisory Board meetings, the board received continuous updates on the latest developments of the company's business situation and the principal business transactions.

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, which the Executive Board also attended. These regular conferences primarily revolved around the development of sales revenue, earnings and employment for the Group and the financial situation of the company and of its affiliates as well as strategic projects. In addition, an extraordinary meeting was held at which the Supervisory Board dealt with the acquisition of the liquid handling segment of Biohit, the Finnish laboratory supplier.

At its meeting on March 9, 2011, the Supervisory Board thoroughly discussed the annual and consolidated financial statements for fiscal 2010 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, the board members conferred upon and approved the agenda, along with the proposed resolutions, for the 2011 Annual Shareholders' Meeting and the proposal for appropriation of the annual profit. In addition, the Supervisory Board dealt in detail with the further development of the Group structure into a holding company organization. It approved this proposal presented by the Executive Board and authorized the latter to draft the individual resolutions required for submission to a vote at the Annual Shareholders' Meeting in April. Furthermore, the Executive Board informed the Supervisory Board about its project plan to further develop the Group's strategy and presented the major items of this plan. The Supervisory Board agreed to have this project implemented. In addition, following the preparations made by the Executive Task Committee and careful consideration by the full Supervisory Board, the board decided to adjust the Executive Board's remuneration in 2011.

In the meeting on April 20, 2011, the Executive Board reported to the Supervisory Board on the status of various investment projects and informed the latter in detail about the project to set up a new, Group-wide ERP system. The Supervisory Board also conferred on

the planned acquisition of a minority stake in the sales company Sartorius Biotech Korea and approved the refinancing of Sartorius AG's syndicated loan.

Discussions at the Supervisory Board meeting on August 26, 2011, centered on Group strategy. Based on a detailed presentation, the Supervisory Board and the Executive Board deliberated on the long-term strategic positioning of both Group divisions and potential growth areas. In this context, the Supervisory Board discussed the new division structure planned for the outset of 2012 as well as a possible divestiture of the industrial weighing business. In addition, the Executive Board informed the Supervisory Board about a potential acquisition project to supplement the company's laboratory activities. Furthermore, the Supervisory Board treated matters concerning the Executive Board and resolved to reappoint Executive Board member Jörg Pfirrmann for a further five years as of July 24, 2012.

In an extraordinary meeting on September 16, 2011, the Supervisory Board conferred on the planned acquisition of the liquid handling business of Biohit Oyj. Following thorough discussion, the board approved these acquisition plans. Beyond this, the Supervisory Board discussed the further development of the Group's organization.

After thorough consultation at the meeting on December 8, 2011, the Supervisory Board decided upon the wording of the Declaration of Compliance in accordance with the Corporate Governance Code. This declaration confirms that Sartorius complies with the recommendations of the current code to the full extent. Moreover, the Supervisory Board approved the budget submitted by the Executive Board for 2012. Furthermore, the Executive Board informed the Supervisory Board about the progress of the acquisition process of the Biohit liquid handling business and about plans for integrating this activity. In a further item on the agenda, independent auditors held a presentation after which in-depth discussions followed about the responsibility of the Supervisory Board concerning the review of annual financial statements. In this connection, the Supervisory Board also gained specific insights into the way independent auditors conduct their reviews and into the current legal situation. Also, the Supervisory Board examined the results of the efficiency review of its work.

Activity Report of the Committees

The Supervisory Board set up four committees to enhance the efficiency of performing its tasks. These 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 chairmen reported regularly to the Supervisory Board on the details of their committee work.

The Executive Task Committee met six times during the reporting year. In addition to preparing for full Supervisory Board meetings, this committee primarily deliberated on the further development and implementation of the Group strategy as part of its intensive discussions. Furthermore, the committee dealt with matters involving the Executive Board and prepared for decisions on the remuneration of the latter.

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 2010 and intensively discussed the quarterly and first-half financial reports of 2011. Furthermore, the committee dealt with monitoring of the accounting process, the effectiveness of the company's internal control system, in-house auditing and compliance. With respect to the audit of the annual financial statements for fiscal 2011, the committee reviewed and confirmed the independence of the auditors, and conferred in detail on the selection of auditors to recommend at the Annual Shareholders' Meeting for appointment, commissioning the 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 five times during the past year in order to prepare for filling the vacancy resulting from the death of Dr. Michael Schulenburg and for drawing up the Supervisory Board's election proposal to be submitted to the Annual Shareholders' Meeting. 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 2011 and the management report of Sartorius AG were reviewed by the independent auditing company Deloitte & Touche GmbH, 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 20, 2011. The independent auditors issued an unqualified audit certificate. Deloitte & Touche auditors attended the Audit Committee meeting on February 29, 2012, and the Supervisory Meeting on March 1, 2012, 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 intensely discussed 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 Deloitte & Touche and, at the meeting on March 1, 2012, 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 19, 2012, that shareholders be paid dividends of €0.82 per preference share and €0.80 per ordinary share from the retained profit.

Composition of the Supervisory Board and the Executive Board

The composition of the Supervisory Board changed in 2011. Following a serious illness, Supervisory Board member Dr. Michael Schulenburg passed away in May. Dr. Schulenburg had been a member of the Supervisory Board for nearly a decade, as well as the chairman of the Audit Committee and a member on the Execuive Task, Nomination and Conciliation Committees since 2007. The Supervisory Board, the Executive Board and employees of Sartorius will honor his memory as an exceptionally dedicated, knowledgeable and experienced advisor.

Dr. Schulenburg's death made it necessary to fill the vacant positions on the Supervisory Board and its committees. At the suggestion of the Supervisory Board, Prof. Dr. Klaus Rüdiger Trützschler was appointed a new member of this board on November 29, 2011, by court order. At its meeting on December 8, 2011 the Supervisory Board elected Prof. Trützschler as its member and as the chairman of the Audit Committee. Before that, Dr. Lothar Kappich had temporarily assumed the duties of Dr. Schulenburg on the Audit Committee and Prof. Dr. Arnold Picot became this committee's acting chairman. For information on the composition of the Supervisory Board and its individual committees, a list is provided on pp. 134 et seq. of this Annual Report.

There were no changes to the membership of the Executive Board in the reporting year. The position held by Jörg Pfirrmann as Executive Vice President of Finance was extended ahead of time for a further term of five years up to July 23, 2017.

Sartorius closed the year 2011 with excellent financial results. Also considering the Group's strategy as well as structures and processes, the company strengthened its foundation for continuing on its growth track. Based on the acquisition of the Biohit liquid handling business at year-end, the Executive Board has generated additional growth momentum.

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

For the Supervisory Board

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

Munich, March 2012

Sartorius Shares

Stock Market Environment

Against a backdrop of favourable economic prospects, 2011 got off to a positive start on the international stock markets. The Deutsche Aktienindex (DAX), for example, recorded a 9% rise on its year-end 2011 mark, reaching its high point for the year of 7,528 points at the beginning of May. However the escalation of the sovereign debt crisis and the accompanying increase in country risks, along with the modest development of the US economy negatively impacted sentiment on the stock markets as the year progressed. On balance, the DAX declined by 14.7% to 5,898 points in 2011. During the same period the TecDax technology index fell by 19.5% to 685 points.

Share Price Development

During 2011, the Sartorius Group's share price performed better than the market as a whole. From a close of €28.21 at the end of 2010, the ordinary share price rose to €30.83 by the end of 2011. This represents an increase of 9.3%. Starting from a price of €27.45 at year-end 2010, the Group's preference shares rose by 29.3% to €35.50 as at December 31, 2011.

The preference share hit its lowest level for the year, €26.00, on January 17, 2011, while the lowest closing price for the ordinary share, €26.50, was reached on March 15, 2011. The ordinary and preference shares peaked at €39.00, based on daily closing prices (Xetra), on August 2, 2011 and November 30, 2011 respectively, buoyed by favourable business development and an improved overall forecast for the year.

Facts about the Shares

ISIN	DE0007165607 (Ordinary share)
	DE0007165631 (Preference share)
Designated sponsor	DZ Bank AG | Close Brothers Seydler Bank AG
Market segment	Prime Standard
Indexes	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	8,528,056 ordinary shares
	8,519,017 preference shares

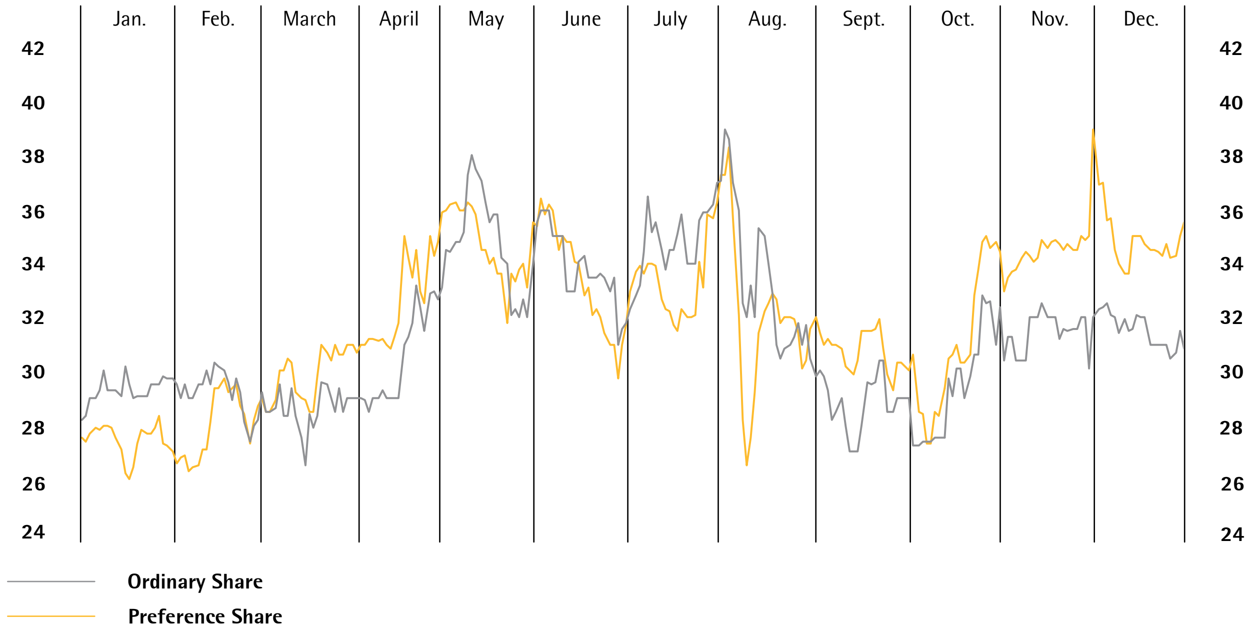
Trading Volume and Share Price Development

	2011	2010	Change in %
Preference share in € (Xetra year-end closing price)	35.50	27.45	29.3
Ordinary share in € (Xetra year-end closing price)	30.83	28.21	9.3
Market capitalization in millions of €[1]	565.3	474.4	19.2
Average daily trading volume of preference shares	10,718	9,758	9.8
Average daily trading volume of ordinary shares	1,454	1,198	21.4
Trading volume of preference shares in millions of €	87.8	49.9	75.9
Trading volume of ordinary shares in millions of €	11.9	6.2	92.6
Total trading volume in millions of €	99.6	56.1	77.8
TecDAX	685	851	– 19.5
DAX	5,898	6,914	– 14.7

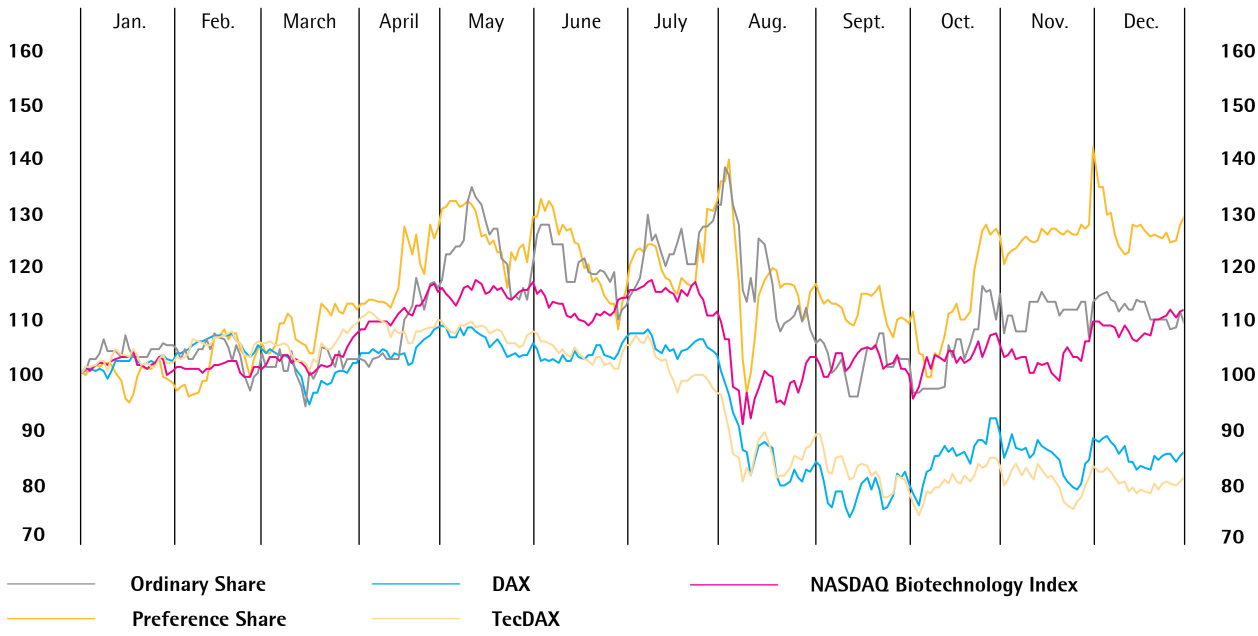
[1] without treasury shares

Sources: Deutsche Börse AG, vwd

Sartorius Shares in €
December 30, 2010 to December 30, 2011



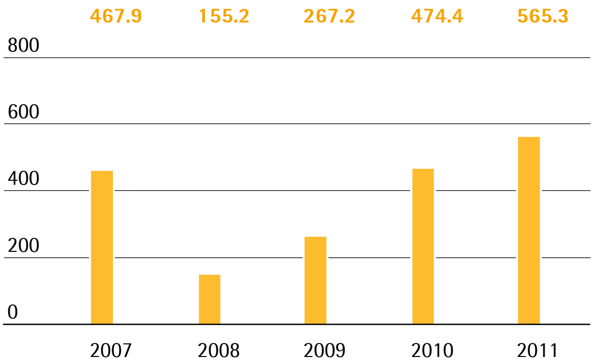
Sartorius Shares in Comparison to the DAX, TecDAX, and NASDAQ Biotechnology Index (indexed)
December 30, 2010 to December 30, 2011



Market Capitalization and Trading Volume

Along with the positive development of the share price, market capitalization increased while the number of shares remained unchanged during the reporting period. As of December 31, 2011 this stood at €565.3 million, equating to an increase of 19.2% above the previous year's figure (€474.4 million).

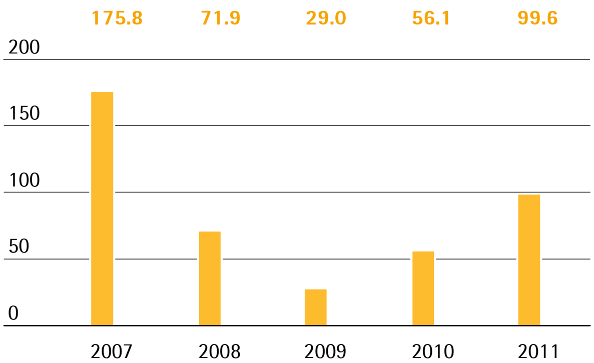
Market Capitalization[1)]
€ in millions (without treasury shares, based on Xetra)



[1)] as of December 31 of the respective year

Over the period under review the number of preference shares traded on the Frankfurt Stock Exchange (Xetra + trading floor) each day rose to an average of 10,718 (previous year: 9,758). The average number of ordinary shares traded on a daily basis rose from 1,198 to 1,454.

Trading Volume
€ in millions (preference & ordinary shares, FSE)



Based on the increased price of the Sartorius ordinary and preference shares and the greater number of shares traded, the trading volumes for both types of share on the Frankfurt Stock Exchange were up significantly in 2011. The volume of ordinary shares traded reached €11.9 million (+92.6 %), while the equivalent figure for preference shares rose by 75.9% to €87.8 million. The trading volume of the Sartorius shares thus grew much more rapidly than the overall volume of shares traded on the Frankfurt Stock Exchange in 2011, which gained 12.4%.

Investor Relations Activities

Our investor relations work focuses on maintaining an ongoing, open dialogue with shareholders, potential investors and financial analysts. We strive to ensure the highest possible level of transparency and provide shareholders and the interested general public alike with equal and timely access to information relevant to our share prices. Therefore, as part of our reporting, we regularly disclose detailed information about our strategic approach, the current progress of our business and about our prospects.

During 2011, we provided regular information on current business developments within the Sartorius Group via press releases and adhoc announcements, in addition to quarterly, half-year and annual reports. In addition to quarterly telephone/webcast conferences, we kept in contact with the capital markets at a series of roadshows in the European financial centers in Paris, London, Frankfurt am Main and Zurich. We were also able to step up our regular dialog within the context of various international investor conferences and many individual discussions. While IR communication activities during the previous year were centered on the dynamic recovery following the global economic and financial crisis, key themes in 2011 included in particular corporate strategy and the prospects for growth.

All information and publications relating to our company and its shares may be found on our Internet page at www.sartorius.com. The Sartorius Investor Relations Team is available to private and institutional investors as well as financial analysts wishing to contact it direct on questions relating to the Sartorius Group.

Analysts

The recommendations of financial analysts serve as an important foundation for the decisions of private and institutional investors when investing in shares. Currently, the following institutions regularly prepare reports and updates on Sartorius AG's shares:

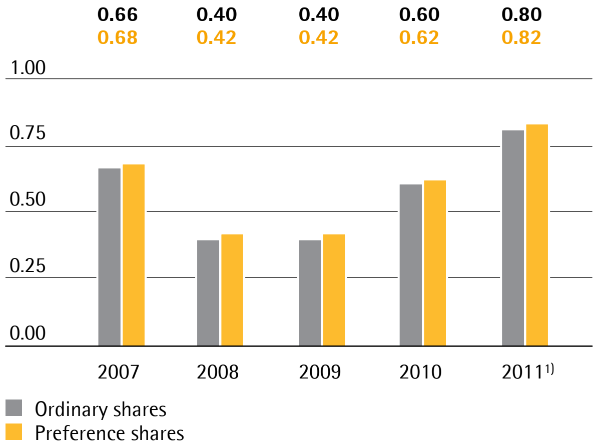
Research Coverage

Institute	Date	Vote
Cheuvreux	February 2, 2012	Outperform
Commerzbank	February 3, 2012	Buy
DZ Bank	February 7, 2012	Buy
Nord LB	February 7, 2012	Buy
WestLB	February 2, 2012	Buy

Dividends

The management of Sartorius intends, as usual, to distribute an appropriate proportion of the company's profits for fiscal 2011 to shareholders. The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting scheduled for April 19, 2012 for a dividend payment of €0.82 (previous year: €0.62) per preference share and €0.80 (previous year: €0.60) per ordinary share.

Dividends
in €



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

This would increase the total profit distributed from €10.4 million for the previous year to €13.8 million. The total profit distributed, based on the underlying net profit (see on page 27) would be 26.8%, compared with the previous year's figure of 26.7%. Based on the 2011 year-end share price, this would give a dividend yield of 2.3% (previous year: 2.3%) for Sartorius' preference shares, and 2.6% (previous year: 2.1%) for Sartorius' ordinary shares. Treasury shares held by Sartorius AG are not entitled to dividends.

Key Figures for Sartorius Shares

		2011	2010	2009	2008	2007
Ordinary shares[1] in €	Reporting date	30.83	28.21	15.45	10.05	27.90
	High	39.00	29.20	18.00	31.00	46.99
	Low	26.50	15.40	9.70	8.41	26.00
Preference shares[1] in €	Reporting date	35.50	27.45	15.90	8.16	27.00
	High	39.00	27.87	17.40	27.01	47.05
	Low	26.00	15.84	6.10	6.17	26.25
Market capitalization[2] in millions of €		565.3	474.4	267.2	155.2	467.9
Dividend per ordinary share[3] in €		0.80	0.60	0.40	0.40	0.66
Dividend per preference share[3] in €		0.82	0.62	0.42	0.42	0.68
Total dividends[3] [4] in millions of €		13.8	10.4	7.0	7.0	11.4
Payout ratio[3] [5] in %		26.8	26.7	33.7	38.4	37.8
Dividend yield per ordinary share[6] in %		2.6	2.1	2.6	4.0	2.4
Dividend yield per preference share[6] in %		2.3	2.3	2.6	5.1	2.5

[1] Xetra daily closing price
[2] Without treasury shares
[3] For 2011, 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 underlying net result excluding amortization (for 2007: pro forma; for 2008 and 2009: excluding interest on share price warrants)
[6] In relation to the closing price in the year concerned

Share Indexes

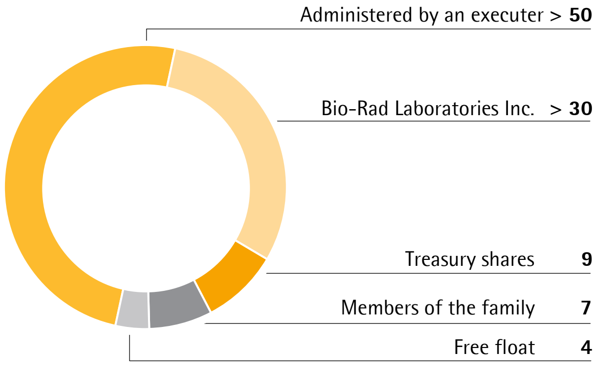
Sartorius shares are listed in indexes including Deutsche Börse's CDAX, Prime All Share and Technology All Share indexes and Norddeutsche Landesbank's NISAX20 index.

Deutsche Börse's free float rankings currently put the Sartorius preference in position 17 under the market capitalization criterion (previous year: 25th). This means that one of the conditions of the 35 | 35 rule governing inclusion in the TecDAX has been met. The preference share improved its ranking under the stock-exchange turnover criterion (volume traded on the Frankfurt Stock Exchange over the preceding twelve months) to 40 in the reporting year (previous year: 51st).

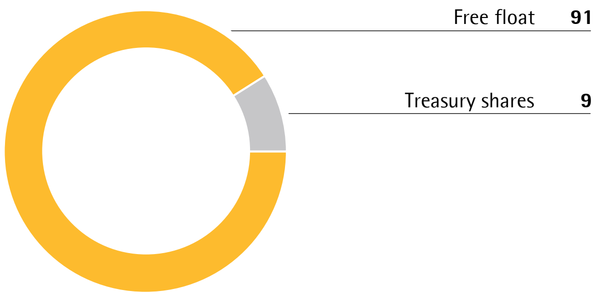
Shareholder Structure

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. Roughly 9% of preference shares are held as treasury shares; the remaining 91% can be attributed to free float. The majority of the ordinary shares are held by the Sartorius family, with a good 50% under the management of an executor. Approximately 7% are held directly by members of the family and approximately 9% are held as treasury shares by the corporation. According to the most recent information available, which is dated April 1, 2011, US company Bio-Rad Laboratories Inc. holds around 30% of the ordinary shares. According to our current information, the remaining portion, comprising around 4% of the ordinary shares, is in free float.

Shareholder Structure Ordinary Shares
in %



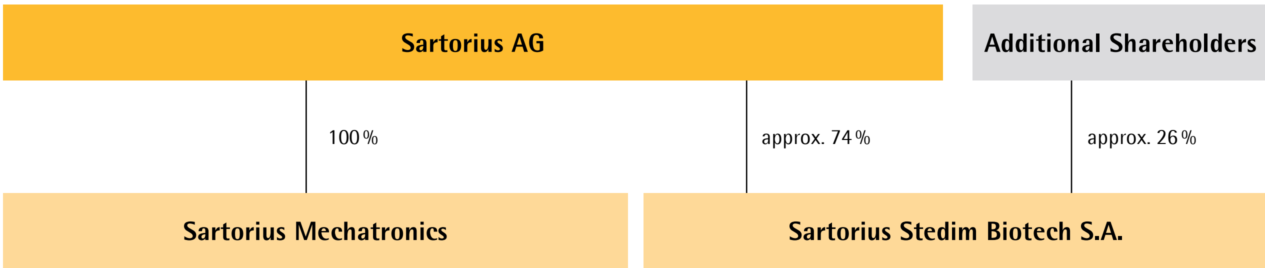
Shareholder Structure Preference Share
in %



Group Management Report

02

Structure and Management of the Group



Group Legal Structure

Sartorius is a globally operating company with more than 50 subsidiaries and some 5,000 employees around the world. Sartorius AG is the parent company of the Sartorius Group and controls its direct and indirect affiliates as a holding company. The Annual Shareholders' Meeting in April 2011 passed a resolution concerning the legal evolution of the Group structure to transform Sartorius AG into a pure holding company. Sartorius AG had previously conducted a part of the organization's operating business in Germany independently in addition to performing its holding functions.

The Sartorius Group conducts its operating business through two divisions, Biotechnology and Mechatronics. The Biotechnology Division, which operates under the name Sartorius Stedim Biotech S.A., is run as a legally independent subgroup. As of December 31, 2011, Sartorius held approximately 74% of the shares outstanding and 84% of the voting rights in Sartorius Stedim Biotech, whose parent company, Sartorius Stedim Biotech S.A., has its headquarters at Aubagne in southern France and is listed on the Paris Bourse. The Mechatronics Division is legally owned 100% by Sartorius AG.

Changes in the Group Portfolio

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 27. The list of consolidated companies has changed as described below since December 31, 2010.

In October 2011, Sartorius signed an agreement to acquire the liquid handling business of Finnish laboratory equipment supplier Biohit Oyj. The transaction covered the acquisition of all assets of the liquid handling segment, including a number of production and sales companies, and was closed in December 2011.

Moreover, in November 2011, Sartorius acquired a 49% stake in former franchise partner Sartorius Korea Biotech Co. Ltd. and an option to purchase the remaining shares in the company.

Organization and Management of the Group

The Sartorius Group is consistently organized by function worldwide and is accordingly controlled through the core operating functions. An exception to this function-led organizational structure has been made for our industrial weighing equipment area, which became an autonomous business unit for organizational purposes at the beginning of 2011.

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 and one further senior manager with cross-divisional responsibility.

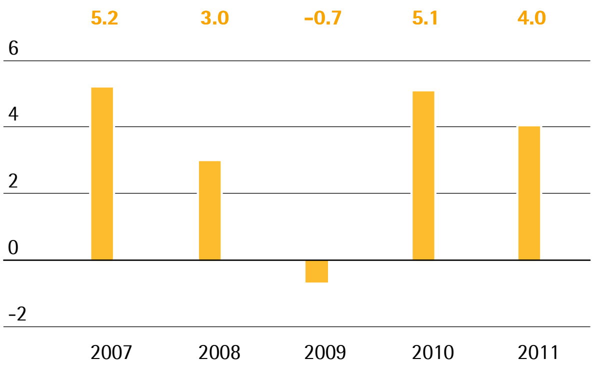
Functional responsibility is also assigned at a global level across all sites and regions in the senior management tiers immediately beneath the GEC. Implementing the Group's various strategies and projects at the local level is the responsibility of the national affiliates. The management bodies of the local companies manage their organizations in accordance with the applicable statutory provisions, company bylaws and rules of procedure and in keeping with the principles of corporate governance that apply throughout the Sartorius Group worldwide.

Macroeconomic Environment and Conditions in the Sectors

Macroeconomic Environment

After initially continuing its healthy recovery during 2011, the global economy lost some of its impetus as the year progressed. While the real GDP figures for the leading economies managed a growth rate of around 2.4% during the first quarter, the figure for the third stood at a meager 1.8%. Among the significant factors influencing the weakening of global economic growth, alongside the diminishing effects of post-crisis recovery, the natural disaster in Japan and high raw material prices, was the escalation of the government debt crisis in many of the industrialized nations. According to estimates from the International Monetary Fund (IMF), the global economy grew by 4.0% in the year under review, compared with 5.1% in 2010.

Global Development GDP (2007 to 2011)
in %



Source: International Monetary Fund

Economic Development in the Industrialized Countries

The economic development in the industrialized countries was once again relatively disparate. IMF figures reveal that overall, economic output in the industrialized countries rose by 1.6% in 2011, compared with the previous year's rate of 3.1%.

The US economy continued to be influenced primarily by structural problems. Persistently high levels of unemployment, a weak real estate market and the comparatively high rates of private and public indebtedness acted as negative factors impacting a nation heavily dependent on private consumption. After a growth rate of 3.0% in 2010, which benefitted from wide-ranging economic stimulus programs, the IMF estimates that economic output increased by just 1.5% in the reporting period.

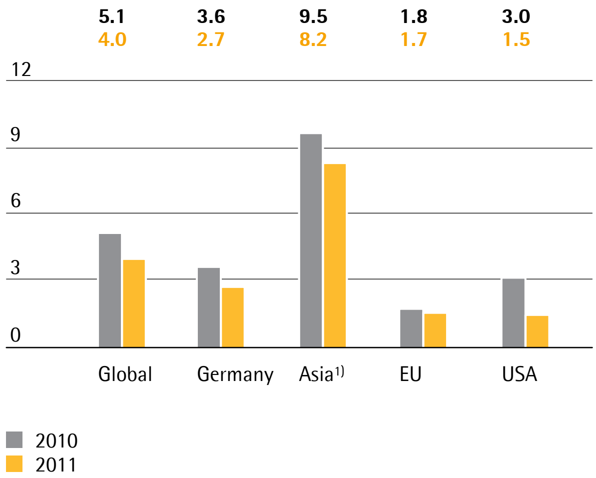
As in the previous year, economic development in the eurozone states likewise presents an extremely patchy picture. Over the course of the year the sovereign debt crisis increased in severity and culminated in a series of downgrades in the credit rating of certain states. In Greece and Portugal, the austerity measures pursued in the wake of the worsening budgetary situation led to a marked decline in economic output. By contrast, output in the two largest economies in the euro zone, Germany and France, grew during 2011.

Thanks in particular to healthy growth in exports, the German economy presented a robust picture over the course of the last year. At the same time domestic demand recovered, buoyed by factors such as private spending by consumers. In light of the dynamic recovery of the global economy following the crisis of 2009 and continued low interest levels, corporate investment picked up noticeably too. All in all, however, the year saw a marked weakening in economic growth rates, attributable to the spread of the government debt crisis. The IMF is reckoning on a 2.7% growth in GDP for 2011 (2010: 3.6%).

In France overall economic output is expected to post a growth rate of 1.7% in 2011 following a figure of 1.4% for the year 2010. Here, private consumption presented a robust picture, despite persistently high joblessness figures and the announcement of substantial government savings packages aimed at keeping spending within certain debt limits.

IMF forecasts see the Japanese economy shrinking by 0.5% (previous year: 4.0%) during the reporting year, influenced by the earthquake and the subsequent tsunami.

Gross Domestic Product by Region
in %



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

Source: International Monetary Fund

Economic Development in the Emerging Countries

Dynamic economic growth rates in many of Asia's emerging countries slowed over the course of the year due to a downturn in demand in the euro zone and the USA. Overall, the Asian economy (China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam) grew by 8.2% in 2011 (previous year: 9.5%).

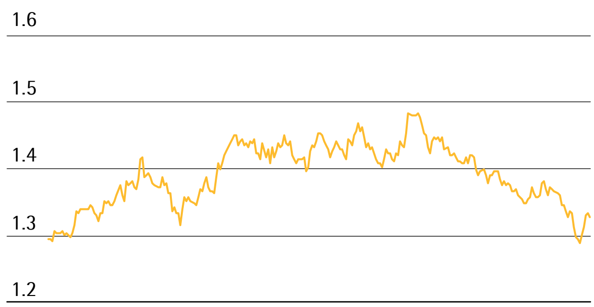
To counter this trend China's central bank, for example, reduced the minimum reserve ratios for banks in the reporting period. Overall, the IMF forecast for China's economic growth rate for the year 2011 stands at 9.5% (previous year: 10.3%).

In India, progress during the year under review was impacted both by the general downturn in the global economy and increasingly by successive interest rate hikes aimed at stemming inflationary pressure. According to the IMF the country's GDP is set to grow by 7.8% (previous year: 10.1%).

Exchange Rate Trends

As well as the euro, a further important currency for the Sartorius Group is the U.S. dollar, to which a number of other significant currencies are linked. At the outset of 2011, the euro appreciated against the U.S. dollar amid the healthy economic development in Europe, reaching around 1.48 in May 2011. Over the remaining year, the external value of the single currency weakened significantly, falling to 1.32 U.S. dollars in October 2011. Since then the value of the euro has enjoyed a modest recovery against the dollar. Averaged out over the year, however, the euro strengthened, registering a rate of 1.39 U.S. dollars compared with the 2010 figure of 1.33.

Development of the EUR | U.S. Dollar
Period: Dec. 30, 2010 to Dec. 30, 2011



Source: vwd

Interest Rate Trends

Average global interest rates rose slightly during the year under review, while remaining at historically low levels. The 3-month EURIBOR rate, that is the rate of interest on fixed-term deposits denominated in euros in interbank business, rose from 1.0% as at December 31, 2010 to 1.4% on December 31, 2011.

Sources: International Monetary Fund: World Economic Outlook September 2011; OECD: Quarterly National Accounts; Statistisches Bundesamt; vwd; IMF, World Economic Outlook Database, September 2011.

Sector Conditions

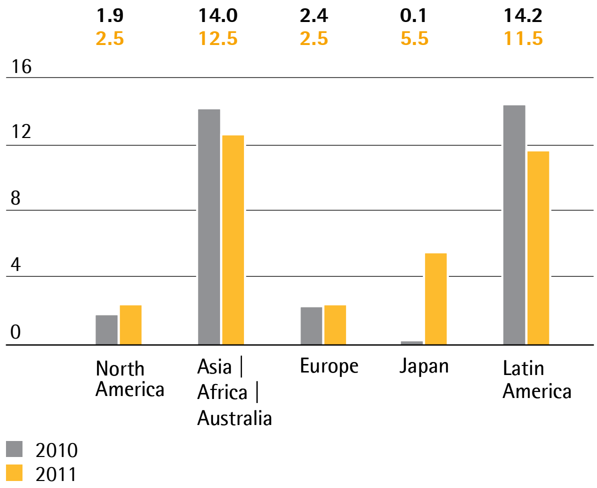
Sartorius serves customers mainly from the pharmaceutical and biopharmaceutical industry, the chemical and the food industries and from the public research sector. The progress of the Group's business accordingly depends to a considerable extent on developments in these areas.

Growth in Pharmaceutical Markets Remained Stable

The key factors influencing the pharmaceutical sector remained largely unchanged during the reporting period. While demographic developments, improving access to healthcare, particularly in the Emerging Markets, the spread of lifestyle diseases and chronic illnesses and the development of new drugs serve as important growth-drivers, their effects are countered especially by austerity measures affecting the healthcare systems of the industrialized nations and the expiration of patents.

The market research institute IMS Health forecast growth of 4% to 5% for the global pharmaceutical market in 2011 following a 4.1% rise in the previous year.

Growth of the Regional Pharma Markets
in %



Source: IMS Health

Strongest growth rates were once again posted in the regions of Asia, Africa, Australia and Latin America, with IMS forecasting 12% to 13% and 11% to 12% respectively. The regions benefited primarily from the expansion of state-funded healthcare systems and higher expenditures of private households. With an average growth rate in excess of 20% over the last five years, China has become the world's third-largest pharmaceutical market.

Biotechnology Market Growth Remains Above Average

Over recent years, growth in the biotechnology market has significantly outstripped the global pharmaceutical market. This is attributable in particular to the launch of many new biopharmaceutical drugs in the last few years and expanded indications for existing medicines. According to experts the proportion of biomanufactured medicines has risen from 13% in 2005 to around 19% in 2011. One in every two newly approved drugs now has its origins in a biotech lab.

Medications produced using biopharmaceutical methods can essentially be divided into three categories based on active ingredient: therapeutic proteins, monoclonal antibodies and vaccines. Therapeutic proteins, which play an important role in the treatment of conditions including diabetes and chronic anemia, currently make up the largest category of active ingredients produced using biotech methods, but experts expect active ingredients from the other categories to become more important over the next few years. They are developed for applications including the treatment of cancer, HIV and autoimmune diseases such as multiple sclerosis or rheumatism. Some 300 monoclonal antibodies are currently undergoing clinical development (Phase I-III).

Acquisitions and Alliances Between Pharmaceutical and Biotech Companies

Alliances and small- and medium-scale acquisitions featured prominently in the pharmaceutical industry in the reporting year, albeit on a modestly lower level compared to 2010. Activity was mainly driven by companies aiming to accelerate the development of new drugs, tap into new business areas and expand business in the Emerging Markets.

Basically, the ongoing concentration of the pharmaceutical industry can affect certain supplier sectors. The supplier structures of newly merged companies can, for example, be examined, and the number of suppliers reduced. A particular preference has emerged for global suppliers with a strategically significant product portfolio, a high level of application expertise and better-than-average performance. The key account management function at supplier companies is accordingly assuming ever greater importance, especially in respect of the deployment of new technologies and knowledge of specific applications.

Pronounced Move to Single-use Systems in Biopharmaceutical Production

Biotech production methods are much more complex than traditional methods and have so far also proved more cost-intensive. Manufacturers and suppliers are consequently engaged in an intensive search for more productive process technologies. Single-use products, which require less capital expenditure, reduce cleaning and validation costs and minimize downtime, have a crucial role to play here. The actual figures vary from application to application, but single-use technology can prune production costs over the full lifecycle by anything from 15% to 40%. Single-use products deliver greater flexibility too and help to bring developments to market faster. The advantages of single-use technologies over permanently installed stainless steel systems are particularly compelling when working with relatively small production volumes. Thanks to their excellent cost-efficiency, single-use products have now become well established in just about every process step. The clear move to single-use products for the manufacture, transport and storage of biopharmaceutical products continued in the reporting year. As single-use equipment has penetrated further and further into the market, so have manufacturers become increasingly interested in integrated system solutions that cover entire process steps and further reduce the complexity of biotech production methods.

The Public Research Sector – Emerging Countries Growing in Significance

A proportion of the demand for our laboratory equipment comes from public-sector research. According to the OECD, some countries have announced and instituted cuts in R&D budgets in the wake of the economic crisis. Overall, the growth in R&D spending in the OECD states has slowed over the last few years. This has been offset by a contrasting development in the Emerging Countries, whose share of total R&D spending has grown steadily in recent years.

The Chemical Industry – Production Increase Slows

The chemical industry commenced the reporting year with a marked increase in production. Production volumes for the first quarter of 2011, for example, were up by 5.3%. As the year progressed, however, growth weakened as a result of the troubled economic environment, so that according to data from the European Chemical Industry Council (Cefic), the sector recorded growth in production of just 0.2% during the third quarter. Cefic calculates that overall production for the year under review will be up by 2.0%. As a result of sharply rising prices, particularly in the petrochemicals sector, the industry's sales figures are likely to grow overproportionately during 2011.

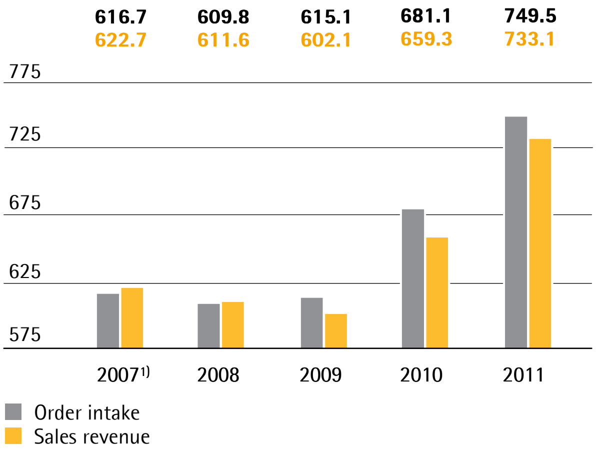
Sources: IMS Health: Market Prognosis, March 2011; Datamonitor: Monoclonal Antibodies 2010; Evaluate Pharma: World Preview 2016; OECD Science Technology and Industry Outlook 2010; Cefic: Monthly Reports, Facts and Figures 2011; WestLB: European Pharmaceuticals.

Group Business Development

Order Intake and Sales Revenue

In the reporting year, business for the Sartorius Group performed significantly better than originally forecasted at the outset, with double-digit sales growth surpassing guidance of 6% to 8% in constant currencies. This excellent business development was driven by both divisions and all regions.

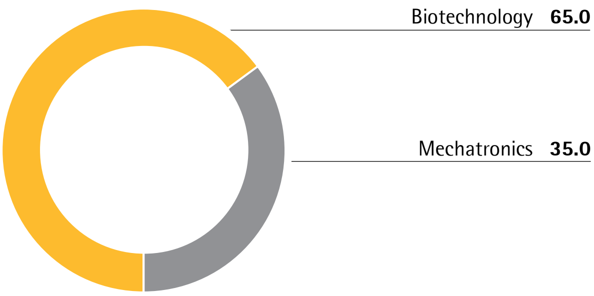
Group Order Intake and Sales Revenue
€ in millions



[1)] pro forma (including Stedim and excluding the hydrodynamic bearing business)

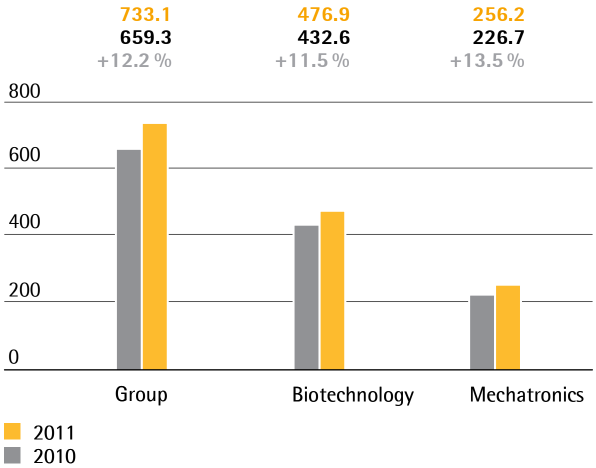
Order intake rose 10.0%, or 11.0% in constant currencies, to €749.5 million from €681.1 million a year earlier. Group sales revenue jumped considerably by 11.2%, or 12.2% in constant currencies, from €659.3 million to €733.1 million.

Group Sales Revenue by Division
in %



Both divisions reported significant growth in the reporting year. Order intake for the Biotechnology Division thus rose 13.0%, or 14.3% in constant currencies, from €442.3 million to €499.8 million. Its sales revenue grew 10.2%, or 11.5% in constant currencies, from €432.6 million to €476.9 million. Our single-use products especially contributed to this gain. The division's equipment business also showed positive development due to strong demand from Asia and to robust performance in Europe.

Group Sales Revenue and Growth[1)]
€ in millions, unless otherwise specified



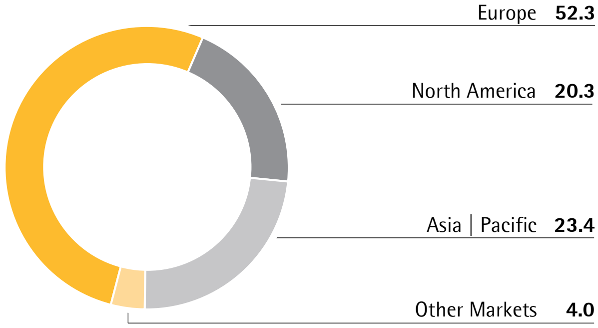
	Sales revenue € in millions	Growth in %	Growth[1)] in %
Total Group	**733.1**	**11.2**	**12.2**
Biotechnology	476.9	10.2	11.5
Mechatronics	256.2	13.0	13.5

[1)] currency-adjusted

In fiscal 2011, the Mechatronics Division received orders amounting to €249.7 million, up from €238.8 million a year ago. This equates to a gain of 4.6%, or 5.0% in constant currencies. The division continued to benefit from the marked recovery in the economy, especially during the first half. Business both with laboratory instruments and with industrial weighing equipment fueled this increase in sales revenue. The division's overall sales revenue, which was also favorably impacted by the comparably high order backlog from the year earlier, climbed substantially by 13.0%, or 13.5% in constant currencies, from €226.7 million to €256.2 million.

Further information on the business development of the two Group divisions is given on pp. 32 et seq. (Biotechnology Division) and pp. 40 et seq. (Mechatronics Division).

Group Sales Revenue by Region[1]
in %



[1] acc. to customers' location

	Sales revenue[1] € in millions	Growth in %	Growth[2] in %
Total Group	**733.1**	**11.2**	**12.2**
Europe	383.7	10.7	10.7
North America	148.6	1.2	6.2
Asia | Pacific	171.8	23.8	23.2
Other Markets	29.0	7.2	7.3

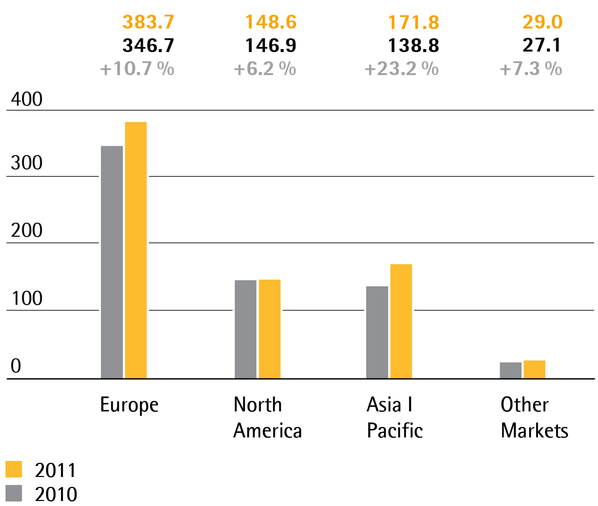
[1] acc. to customers' location
[2] currency-adjusted

In Europe, the Sartorius Group reported a gain in sales of 10.7% in constant currencies. While the Biotechnology Division posted an increase of 8.2% in constant currencies for this region, the Mechatronics Division contributed overproportionately to positive development in Europe by recording a gain of 15.4% based on constant currencies, which was buoyed by its high order backlog from the previous year.

In North America, business performed moderately, with sales up 6.2% in constant currencies, which were fueled by the Biotechnology Division (+7.6%). Revenue for the Mechatronics Division edged up by just 1.1% in constant currencies.

In the Asia | Pacific region, the Biotechnology Division delivered overproportionately strong sales growth of 28.8% in constant currencies, while the Mechatronics Division also boosted its revenue in the double-digit range – up 16.8%. On the whole, sales for the Asia | Pacific region surged 23.2%, as reported in local currencies.

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

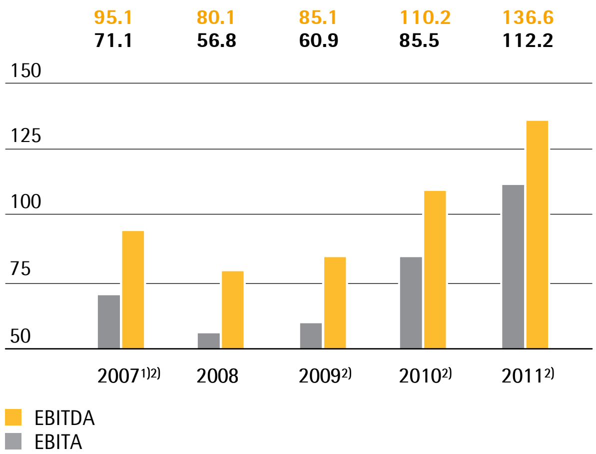


Earnings

The Sartorius Group uses earnings before interest, taxes and amortization, EBITA, as the key profitability measure. Amortization in this context refers exclusively to purchase price allocation to intangible assets acquired, as specified by IFRS 3. To provide a complete and transparent presentation of the Group's profitability, we additionally report earnings adjusted for extraordinary expenses and income (= underlying EBITA or operating earnings).

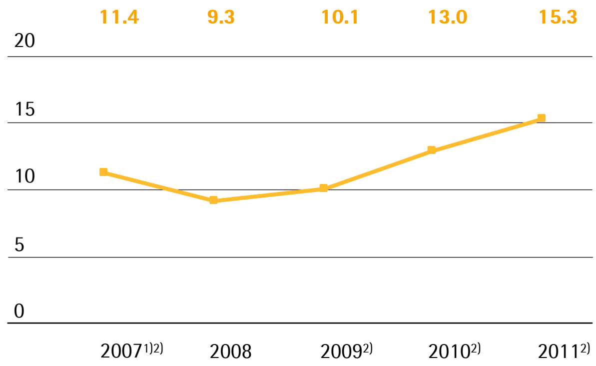
In the reporting year, development of earnings for the Sartorius Group was highly positive again. For operating earnings, we posted an increase of 31.2% to €112.2 million, up from €85.5 million a year ago. Our respective margin rose from 13.0% to 15.3%.

Group EBITA and EBITDA
€ in millions



[1] pro forma (including Stedim and excluding the hydrodynamic bearing business)
[2] underlying

Group EBITA Margin
in %



[1)] pro forma (including Stedim and excluding the hydrodynamic bearing business)
[2)] underlying

In fiscal 2011, the Biotechnology Division increased its operating EBITA overproportionately by 18.7% from €70.2 million to €83.3 million and thus contributed nearly 75% to operating earnings for the entire Group. The Biotechnology Division's operating margin improved from 16.2% to 17.5%. Essentially, these increases resulted from sales growth-induced economies of scale. For the Mechatronics Division, dynamic sales growth, in conjunction with the optimized cost base as a result of restructuring in 2009, led to a sharp increase in profit. This division nearly doubled its operating earnings from €15.3 million a year earlier to €28.9 million. Its corresponding margin rose significantly from 6.8% to 11.3% and thus improved substantially beyond the 8% forecasted at the beginning of the reporting year.

	EBITA[1)] € in millions	EBITA Margin[1)] in %
Total Group	**112.2**	**15.3**
Biotechnology	83.3	17.5
Mechatronics	28.9	11.3

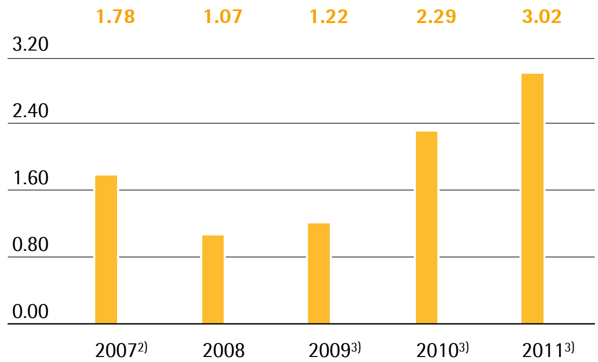
[1)] underlying

Extraordinary items totaled - €11.3 million (previous year: - €6.3 million), which essentially related to expenses for the planned relocation of our U.S. manufacturing site from Concord, California, and for optimization of European sales structures in the Mechatronics Division as well as transaction costs in conjunction with the acquisition of the Biohit liquid handling business and other non-operating expenses and income. Including all these extraordinary items, consolidated EBITA amounts to €100.9 million, up from €79.2 million a year earlier. The Group's respective EBITA margin was at 13.8%, compared with 12.0% a year ago. For the reporting year, unadjusted consolidated net profit after non-controlling interest totaled €41.6 million, up from €31.0 million in fiscal 2010.

The relevant underlying net profit for the Group surged 32.2% to €51.5 million from €39.0 million in the year before. This profit figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization of €7.7 million (2010: 7.1 million) and by taking tax effects into account. The corresponding earnings per share are at €3.02, up from €2.29 in the previous year.

Further information on the earnings development and the extraordinary items for the two Group divisions is given on pages 35 and 41.

Group Earnings per Share[1)]
in €



[1)] excluding non-cash amortization and, for 2008 and 2009, non-cash interest expenses for share price warrants
[2)] pro forma underlying
[3)] underlying

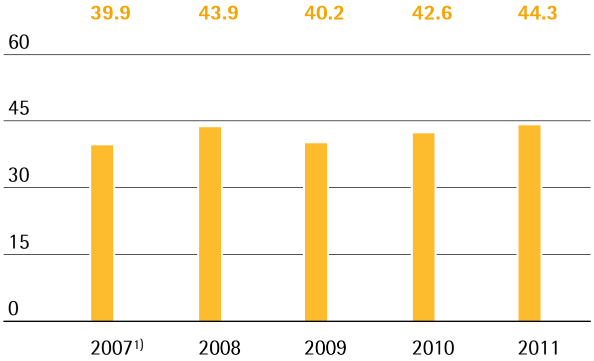
Appropriation of Profits

The Supervisory Board and the Executive Board will submit a proposal at the Annual Shareholders' Meeting on April 19, 2012, to raise dividends for fiscal 2011. According to this proposal, dividends are set to increase from €0.62 a year ago to €0.82 per preference share and from €0.60 a year earlier to €0.80 per ordinary share. The total amount disbursed under this proposal would thus rise from €10.4 million to €13.8 million.

Research and Development

The Group as a whole invested a total of €44.3 million in research and development (R&D) in the reporting year. This represents a year-on-year increase of 3.9% (previous year: €42.6 million). The ratio of R&D costs to sales revenue was at 6.0%, down slightly from the previous year's mark of 6.5%.

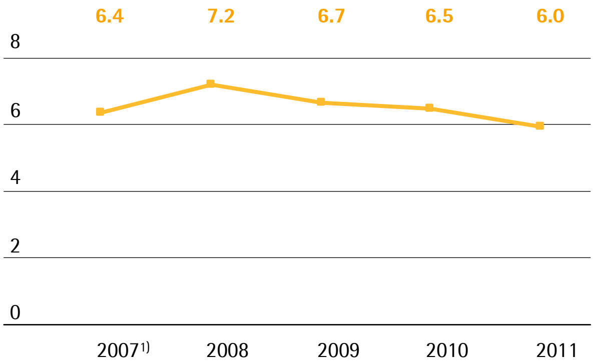
R&D Costs
€ in millions



1) pro forma underlying

We stepped up our research and development activities in the Biotechnology Division in the 2011 fiscal year, increasing spending in this area by 2.7% to €28.6 million (previous year: €27.8 million). This produced an R&D ratio of 6.0% (previous year: 6.4%). R&D spending in the Mechatronics Division increased by 6.2% to €15.7 million (previous year: €14.8 million). Due to the marked increase in sales revenue in the Mechatronics Division in 2011, the R&D ratio fell from 6.5% to 6.1%.

R&D Ratio
in %



1) pro forma underlying

In addition to conducting our own research and development, we also endeavor to continuously expand our product portfolio by integrating technologies through alliances.

To protect our know-how, we pursue a targeted intellectual and industrial property rights policy in both divisions. We systematically monitor compliance with these rights and review from a cost/benefit viewpoint whether it is necessary to continue to maintain individual rights.

The number of applications for intellectual and industrial property rights filed in 2011 increased on the previous year (239) to 259. As a result of the applications submitted in the past years, we were issued 182 patents and trademarks (previous year: 205). As of the balance sheet date, we had a total of 2,365 patents and trademarks in our portfolio (previous year: 2,261).

Further information is provided in the section entitled "Business Development of the Biotechnology Division" on pages 37 to 38 and in the section entitled "Business Development of the Mechatronics Division" on pages 43 to 44.

Group Employees

The numbers of employees reported in the following include all staff members except for vocational trainees, interns, employees on extended leaves of absence and those participating in an early retirement plan. These numbers are recorded as head counts; i.e., all employees are counted, regardless of whether they work full or part time.

As of December 31, 2011, the Sartorius Group employed 4,887 people. This number does not include the workforce of 412 at the Finnish laboratory supplier Biohit, whose liquid handling business Sartorius acquired on December 14, 2011, and whose sales have not yet been consolidated in the revenue figures of the Sartorius Group. Compared with December 31, 2010, head count thus rose year on year by 372 people, or 8.2%.

Group Employees

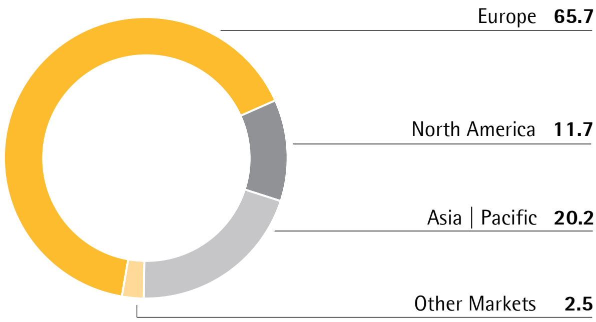
	2011	2010	%
Division Biotechnology	2,858	2,581	10.7%
Mechatronics[1]	2,029	1,934	4.9%
Total Group [1]	**4,887**	**4,515**	**8.2%**

[1] excluding Biohit liquid handling

Most of the new staff hired were for the Biotechnology Division. At year-end, a total of 2,858 employees worked for this division, 277 persons, or 10.7%, more than on the reporting date a year earlier. We reinforced our personnel capacity especially at the production sites in Goettingen, Germany, and in Aubagne, France, due to the continued high demand for single-use products. In the Mechatronics Division, the number of employees in the reporting period increased by 95, or 4.9%.

Seen regionally, head count rose the highest in Europe. There, a total of 3,211 persons worked for Sartorius as of December 31, 2011, or 8.7% more than the workforce of 2,954 at the end of 2010. In the Asia | Pacific region, head count increased 7.9%. At the end of the fiscal year, 985 employees worked in this region, compared with 913 a year earlier. Of the total 72 new staff members in this region, 44 employees from the former franchise partner Sartorius Korea Biotech were assimilated into the workforce after Sartorius had acquired a stake in this partner in November 2011. The largest percentage increase in head count was at our production site in Tunisia, which we report under Other Markets. In view of continued strong business with single-use bags, we raised personnel capacity there by 23.7% to 120 employees from 97 a year ago. In North America, head count climbed 3.6% from 551 a year earlier to 571 as of December 31, 2011.

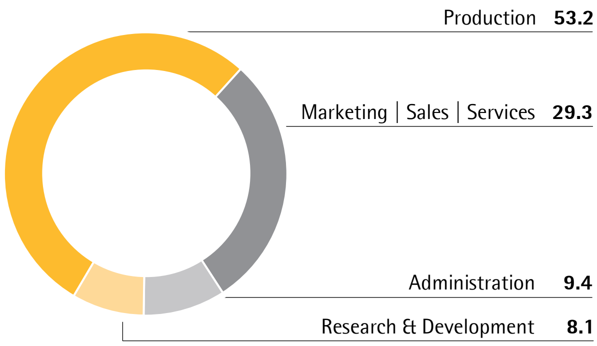
Employees by Region[1]
December 31, 2011; in %



[1] excluding Biohit liquid handling

Over half of Sartorius employees work in production. These employees accounted for 2,600 of our total Group workforce as of the reporting date, up from 2,359 in the previous year. With a head count of 1,433, nearly one third of the total Group staff works in marketing, sales and services, up year on year from 1,356. The number of employees in the administrative units, such as finances and IT, edged up slightly from 420 a year earlier to 457. In the research and development unit, we employed 396 people at the end of the reporting year, up from 378 a year ago.

Employees by Function[1]
December 31, 2011; in %



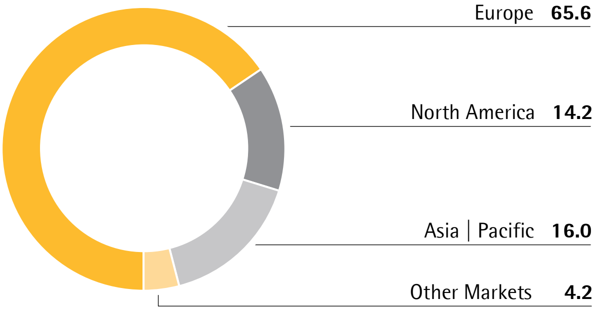
[1] excluding Biohit liquid handling

Further information on head counts is provided in the following chapters entitled "Employees of the Biotechnology Division" on page 30 and "Employees of the Mechatronics Division" on page 31.

Employees of the Biotechnology Division

The Biotechnology Division employed 2,858 people as of December 31, 2011. Compared with the workforce of 2,581 on the reporting date a year earlier, this equates to an increase of 277 or 10.7%.

Biotechnology Employees by Region
December 31, 2011; in %



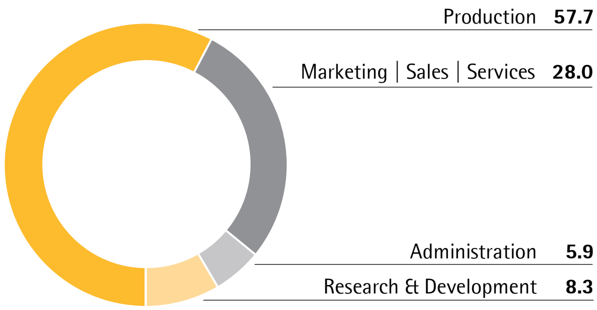
The number of employees increased the most in Europe. By adding 155 employees alone for this region, we reinforced our production capacity in Goettingen, Germany, and in Aubagne, France. We thus responded to the continued high demand for single-use products. The number of people employed by the division in this region increased overall by 11.4%, or 192 persons, to 1,876 from 1,684 a year ago.

In the Asia | Pacific region, Sartorius employed 457 people at year-end, thus 62 persons, or 15.7%, more than on the year-earlier reporting date (395). Of this number, 44 employees from our former franchise partner Sartorius Korea Biotech were assimilated into our workforce after Sartorius had acquired a stake in this partner in November 2011.

In North America, head count remained constant at 405 as of December 31, 2011, considering that we had begun to increase our personnel capacity in Yauco, Puerto Rico, by hiring 11 new staff. There, we intend to expand production of filters and bags from mid-2012 onwards. As the workforce was slightly reduced in other areas, however, no changes in head count were recorded for the North American region.

At our production site for single-use bags in Tunisia, which we report under Other Markets, the number of employees rose 23.7% to a total of 120 from 97 a year earlier.

Biotechnology Employees by Function
December 31, 2011; in %

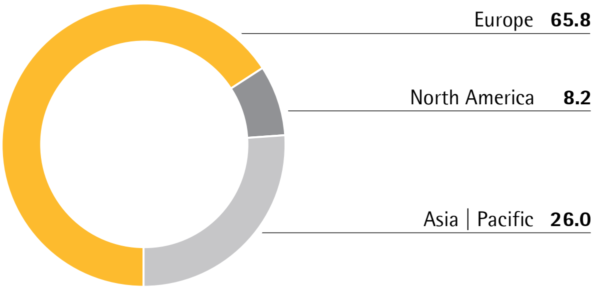


According to function, the highest percentage of our staff members work in the production unit for which we hire the most people. In this area, head count rose to 1,650 from 1,457 a year ago. With a work force numbering 801, the units comprising marketing | sales and distribution | services accounted for a good fourth of our total head count (previous year: 748). The research and development unit employed 236 staff, compared with 226 a year earlier. Tasks in the administration units were distributed among 170 employees (previous year: 149).

Employees of the Mechatronics Division

As of December 31, 2011, the Mechatronics Division employed 2,029 people. Compared with the workforce of 1,934 on the reporting date a year earlier, this equates to an increase of 95, or 4.9%.

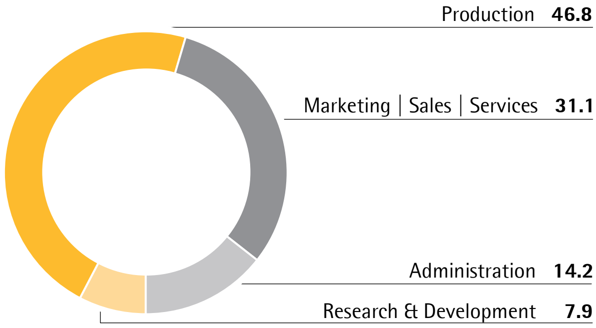
Mechatronics Employees by Region[1)]
December 31,2011; in %



[1)] excluding Biohit liquid handling

Head count rose in all regions. In Europe, which accounts for the highest number of our total staff, or nearly two-thirds of our entire workforce, we employed 1,335 people, or 5.1% more than reported a year ago (1,270). The number of employees in North America climbed 13.7% to 166 from 146 in 2010 during the expansion of our sales and marketing activities in 2011. In the reporting year, we slightly increased our personnel capacity in the Asia | Pacific region by 1.9% from 518 to 528 employees.

Mechatronics Employees by Function[1)]
December 31, 2011; in %



[1)] excluding Biohit liquid handling

The breakdown of employees by function shows that the production unit accounted for the largest share of the division's workforce, 950 employees, up from 902 a year ago. The units comprising marketing | sales and distribution | services employed 632 people relative to 608 in the previous year. The workforce in the research and development unit numbered 160, up from 152 a year earlier. A total of 287 employees worked in the Administration unit, up year on year from 270; this head count includes an administrative department that works for both divisions.

Business Development of the Biotechnology Division

Strategy

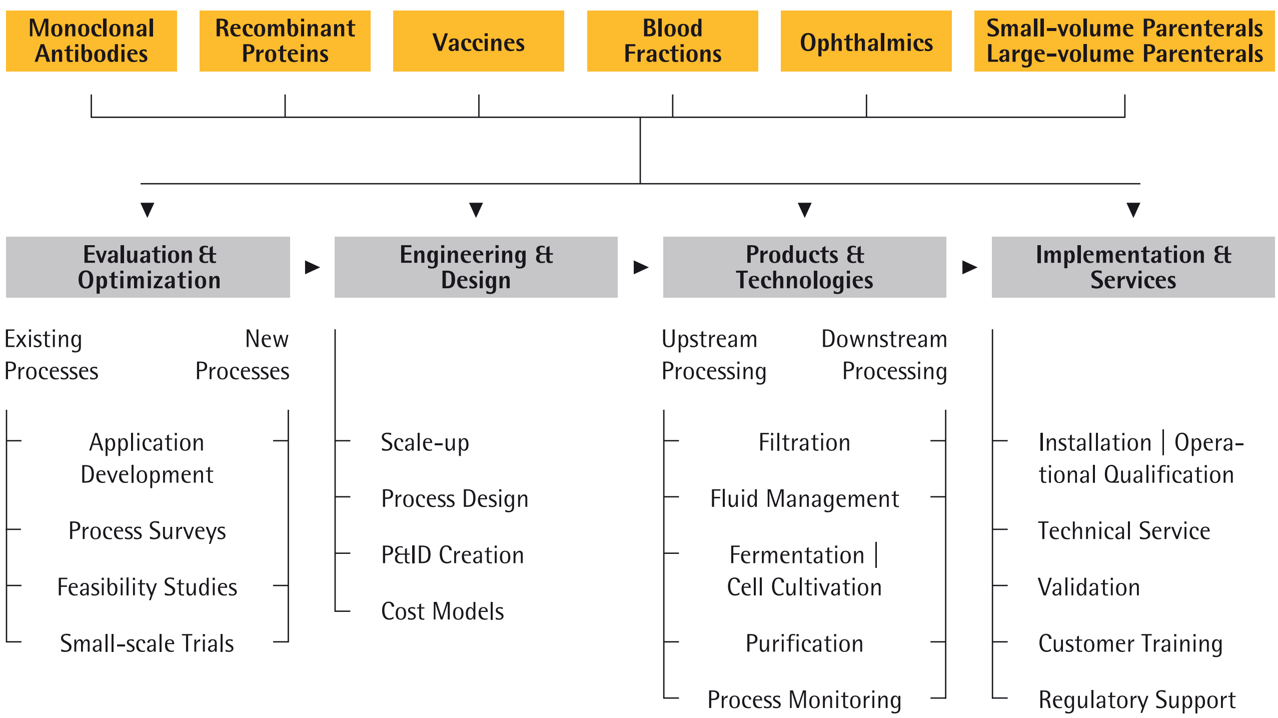
Bioprocess Business Leads the Way

The Biotechnology Division acts in its bioprocess business, which accounts for almost 90% of the division's sales revenue, as a provider of integrated solutions for all key processes in biopharmaceutical production (Total Solution Provider strategy). Our extensive range of technologies, products and services helps our customers to develop and manufacture medications and vaccines using biological methods safely and efficient. We are global leaders in process filtration, fermentation, fluid management technology and membrane chromatography.

Most Extensive Single-use Portfolio in the Sector

Our major focus is to provide single-use products to our biopharmaceutical customers to serve their needs in production processes. Our innovative single-use products, which account for approximately three quarters of division's sales revenue, are an innovative alternative to conventional reusable stainless steel systems thanks to significant cost- and time-savings and reduce the risk of contamination. We have the most extensive portfolio of single-use technologies in the sector and also offer integrated single-use systems. Our services, which we tailor specifically to the requirements of individual applications, and our comprehensive technical consulting differentiate ourselves from the competition.

Process Solutions for Biomanufacturing of Active Pharmaceutical Ingredients and Drugs



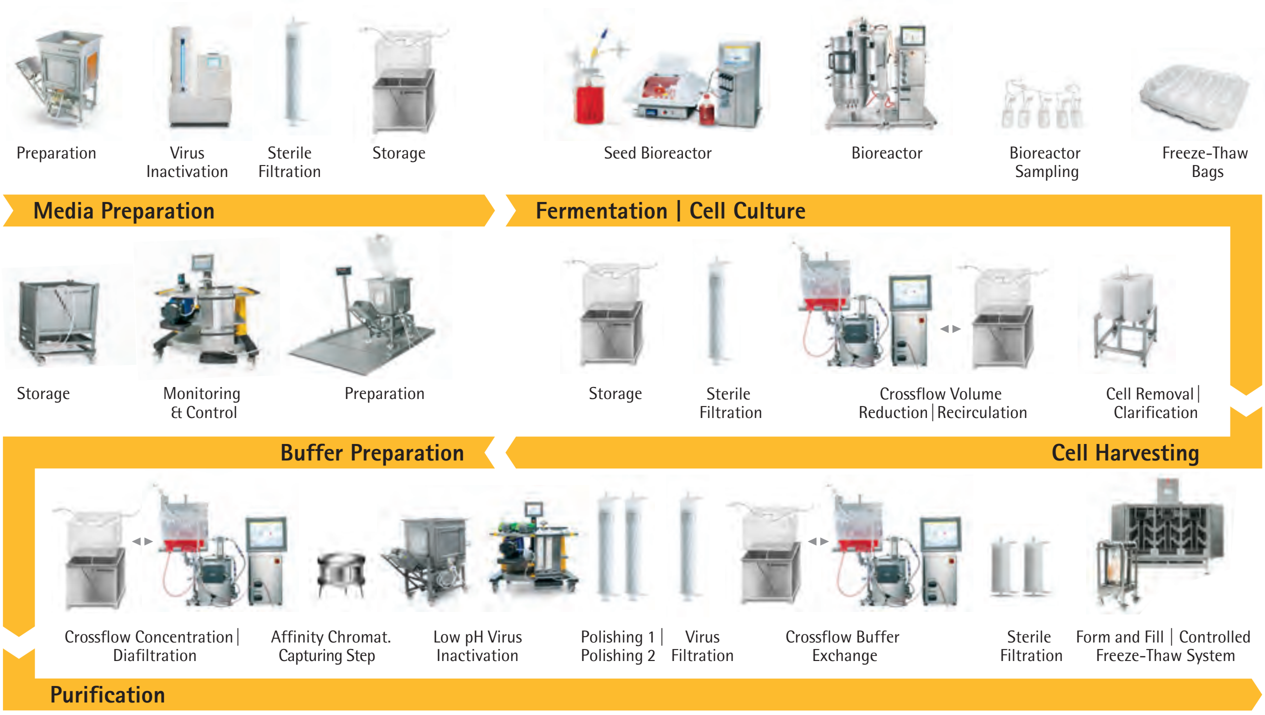
Laboratory Portfolio for a Wide Range of Applications

A smaller part of our business, which accounts for around 10% of the division's sales revenue, is focussed on biopharmaceutical laboratories. Our product range includes conventional laboratory instruments like water purification systems and fermenters as well as consumables such as filters, bags and cell culture vessels. The respective products help our customers to develop and test methods for obtaining active pharmaceutical ingredients.

Broad-based R&D Strategy

Carefully targeted alliances and acquisitions play a central role alongside our own research and development activities in putting our Total Solution Provider strategy into practice. Our R&D department, which accordingly has expanded its expertise in technology integration, quickly combines the technologies contributed by our partners with our own components to create innovative new products.

Integrated Products Along the Customer's Process Chain



Key Figures for Biotechnology

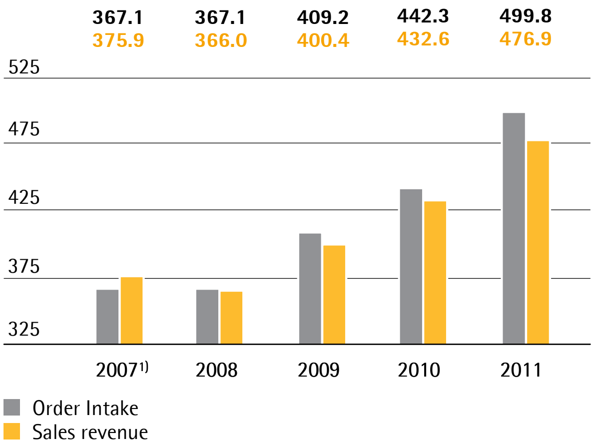
€ in millions	2011	2010
Order intake	499.8	442.3
Sales revenue	476.9	432.6
EBITDA[1]	99.3	86.0
- as a % of sales revenue	20.8	19.9
Depreciation and amortization	24.5	22.7
EBITA[1]	83.3	70.2
- as a % of sales revenue	17.5	16.2
Employees as of Dec. 31	2,857	2,581

[1] underlying

Order Intake and Sales Revenue

In the reporting year, the Biotechnology Division recorded a total volume of €499.8 million in order intake. Compared with the year-earlier figure of €442.3 million, this equates to a gain of 13.0%, or 14.3% in constant currencies. In the same period, sales revenue grew 10.2%, or 11.5% in constant currencies, from €432.6 million to €476.9 million, and thus performed significantly better than the currency-adjusted 6% to 8% growth we had forecasted at the outset of the year.

Biotechnology Order Intake and Sales Revenue
€ in millions

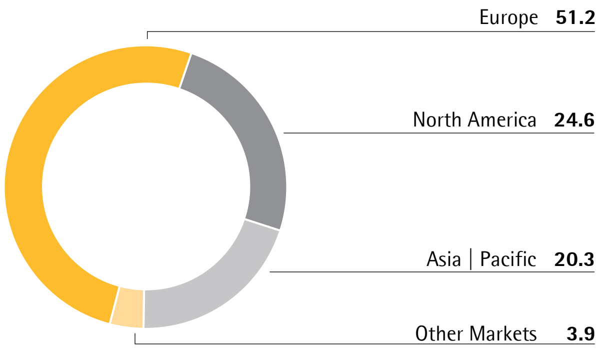


[1] pro forma (including Stedim)

This revenue was also fueled by our single-use products and technologies, which overall continued to develop very dynamically. Besides our established solutions, such as single-use filters, integrated solutions for entire process steps, in particular, and also newer products, such as membrane adsorbers for the purification of biopharmaceutical media and single-use bioreactors, showed substantial growth.

Due to strong demand from Asia and good expansion in Europe, the equipment business also significantly contributed to growth in the Biotechnology Division.

Biotechnology Sales Revenue by Region[1]
in %



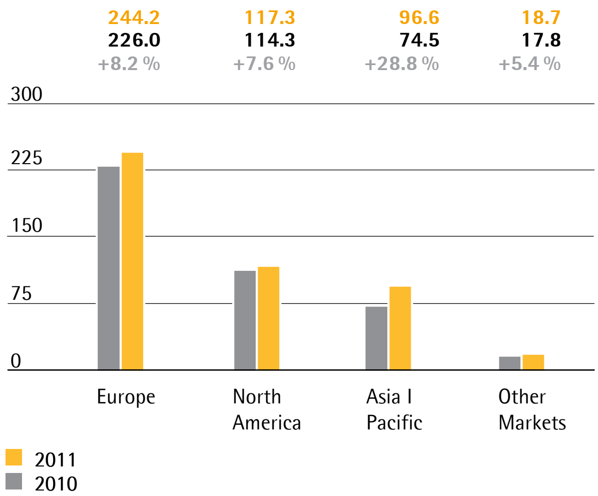
[1] acc. to customers' location

The division's business development showed quite a variegated pattern in the individual regions. Europe, our region that generated the highest revenues and that accounts for around 51% of our biotechnology business, posted a gain of 8.2% in currency-adjusted sales.

In North America, we earned around 25% of the total revenue for the division. In the reporting year, the North American market also contributed positively to the division's growth, posting a gain in sales of 7.6% based on constant currencies.

The Asia | Pacific region, which in 2011 accounted for around 20% of the division's business, again developed very dynamically. In this region, we recorded the highest regional sales increases of 28.8% in constant currencies.

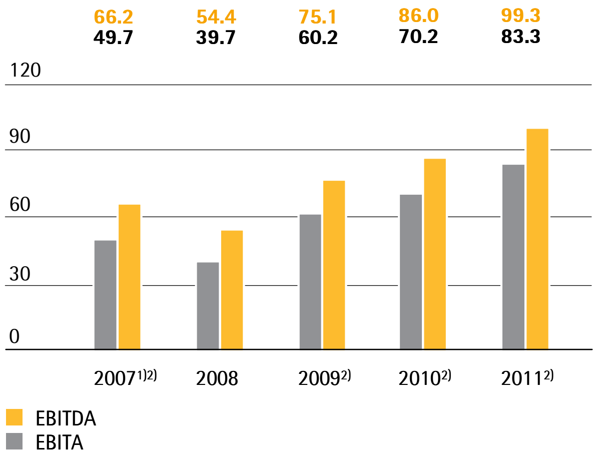
Biotechnology Sales Revenue[1] and Growth[2] by Region
€ in millions, unless otherwise specified



	Sales revenue[1] € in millions	Growth in %	Growth[2] in %
Total Biotechnology	**476.9**	**10.2**	**11.5**
Europe	244.2	8.1	8.2
North America	117.3	2.6	7.6
Asia | Pacific	96.6	29.7	28.8
Other Markets	18.7	5.3	5.4

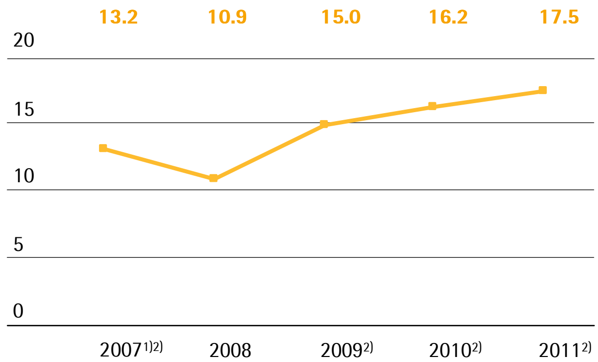
[1] acc. to customers' location
[2] currency-adjusted

Biotechnology EBITA and EBITDA
€ in millions



[1] pro forma (including Stedim)
[2] underlying

Biotechnolgy EBITA Margin
in %



[1] pro forma (including Stedim)
[2] underlying

Earnings

To provide a complete and transparent presentation of the Biotechnology Division's profitability, we additionally report earnings adjusted for extraordinary items (= underlying EBITA or operating earnings).

In fiscal 2011, the Biotechnology Division increased its operating EBITA overproportionately by 18.7% from €70.2 million to €83.3 million and thus contributed nearly 75% to operating earnings for the entire Group. The Biotechnology Division's operating margin improved from 16.2% to 17.5%. Essentially, these increases resulted from sales growth-induced economies of scale. The changes in foreign exchange rates from the previous year's rates had a slightly dampening effect on the development of our earnings.

Extraordinary items amounted to - €4.7 million (previous year: - €3.0 million) and essentially cover one-time expenses for the planned relocation of our U.S. manufacturing site for single-use bags from Concord, California, to Yauco, Puerto Rico, in 2012, as well as to various cross-divisional projects. Including all extraordinary items, the division's EBITA rose from €67.2 million to €78.6 million; its respective margin increased from 15.5% to 16.5%.

Marketing | Sales and Distribution | Service

As a total solution provider, the Biotechnology Division, Sartorius Stedim Biotech, ranks among the market leaders. In 2011, we focused our marketing and sales and distribution activities in particular on launching further single-use solutions. Single-use bioreactors, which we offer in the full scale-up range from laboratory scale to production scale, did especially well. So did our products required for the purification of biopharmaceutical media, such as membrane adsorbers and crossflow filtration systems.

Expanding Range of Integrated Process Solutions

When new production plants are designed and existing ones modernized, the wide range of potential applications for single-use products become especially evident. We have expanded our Integrated Solutions business unit to enable it to focus more strongly on identifying projects suitable for large-scale deployment of single-use products. Interest in this area is particularly high at the moment in the rapidly developing Asian countries, such as China, South Korea, Singapore and India. In this region, we realized several major projects in the reporting year. Comprehensive consulting services are a central component of our service offering for such projects. We also augmented our range of preconfigured FlexAct modules to make integrating single-use solutions easy for our customers.

Sales and Distribution Structure Boosted in Asia

The Biotechnology Division has dedicated sales and service organizations all over the world, especially in the major pharmaceutical markets, and offers products, solutions and service in line with uniform global quality standards. We have reinforced our sales and distribution structures, particularly in Asia, in order to meet the requirements of our global customers even more effectively. Developments such as the purchase of a stake in former franchise partner Sartorius Korea Biotech Co. is part of this structural expansion process.

Our key account management (KAM) efforts focused in particular on the activities of U.S. and European key accounts and their projects in the growth regions of Asia. We also established new functions within our KAM organization to assist customers with the transfer of products within clinical development phases. Key account management not only ensures customers receive intensive support on the sales side, but also often brings R&D experts into projects to implement customer-specific product and process developments quickly. In the reporting year, we also concluded preferred supplier contracts with a number of key accounts.

Service Activities Successfully Expanded

We provide expertise-intensive services in order to ensure optimal support for the complex production processes employed by our customers. These services play an essential role in establishing new technological developments and promoting their acceptance in the market. In the year under review, we reported an increase in demand for our validation services, which represent an important component of our service offering. Moreover, we have added to our service range for laboratory equipment and taken further steps to establish our services in Asia. Our training program held in the reporting year delivered training around the world for some 1,000 customers from the biotech and food industries.

Expert Forums a Success

For many years, Sartorius has been organizing special forums designed to accelerate innovation in specific technical fields by bringing our experts together with researchers and users from industry to discuss topics of particular relevance. During the reporting year, we hosted new events including Single Use Days and Purification Days, as well as our familiar Downstream Technology Forums in the USA and Europe, and also organized a Latin American Biomanufacturing Forum especially for customers from this region. The Extractables and Leachables Forum launched for customers interested in current issues surrounding the validation of single-use products was repeated in 2011 and again proved both successful and generated considerable interest among our customers.

Products

Our range of products includes a wealth of single-use products for both upstream and downstream applications. In particular, we offer a broad array of filter membranes, single-use and reusable bioreactors, as well as single-use bags, connectors, tanks and containers. Our product offering is supplemented by laboratory instruments, such as shakers, incubators and laboratory water purification systems, as well as an extensive range of services.

New Prefiltration Membrane; Membrane Adsorber Line Completed

We launched a series of new filter products in the reporting year including a new membrane for the prefiltration of biopharmaceutical media that is particularly effective at retaining particles of the type likely to lead to rapid blockage of downstream sterilizing-grade filters. We made additions to our range of single-use filter units too and augmented the existing product line with a salt-tolerant membrane adsorber that makes it possible to purify target proteins without the otherwise essential step of diluting the biopharmaceutical medium.

Highly Flexible Filtration System Unveiled

We have revealed a new crossflow filtration system for purifying vaccines, monoclonal antibodies and recombinant proteins. Compact in design, the modular Sartoflow Advanced system enables users to concentrate small batches efficiently and is suitable for ultrafiltration, microfiltration and diafiltration. It offers customers great flexibility, as it can be employed in both laboratory development processes and small-scale production operations.

New Bioreactors Presented

We have launched a small-volume single-use bioreactor for cell cultivation applications. Conceived specifically for use in process development, the system can be deployed immediately whenever spikes in capacity utilization, for example, create a need for additional cell culture process capacity. We also presented a traditional, yet configurable, bioreactor system for development and production processes. Designed first and foremost for cell lines that cannot yet be managed using single-use systems, it also promises to be useful in cell culture applications for which customers are currently still reliant on traditional glass culture vessels.

Fluid Management Portfolio Expanded

During the reporting year, we expanded our fluid management range by new single-use bags, plastic tubing, connectors and other equipment. Among these products introduced is the all-new TuFlux line of high-performance polymer and silicone tubing for single-use systems. In addition, we expanded our selection of single-use bags for various product lines. Bags in volumes of up to 2,000 liters are now available for our magnetic mixing systems, for example.

New Product Line for Microbiological Monitoring; Ultrapure Water Systems Added

We unveiled a new single-use filter unit for microbiological quality control developed specifically for the quantitative detection of microorganisms in pharmaceuticals. Supplied in a sterile package and ready for immediate use, the new unit provides users with reliable analysis results in just a few steps from sampling to incubation. We also added a new version to supplement the system we introduced last year for the production of ultrapure water in the laboratory.

Research and Development

Sartorius Stedim Biotech has made significant additions to its extensive technology portfolio over recent years both through its own development activities and through alliances with external partners. Our core technical expertise lies in the fields of filtration, cell culture, fluid management, membrane and plastics technology, sensors and automation. Finding novel ways to combine elements of these different technologies remains one of the division's principal methods of developing innovative products. Our single-use bioreactors and FlexAct series modules, for example, both stem from this approach. In the reporting year, Sartorius invested 2.7% more, or a total of €28.6 million, in research and development (R&D) for the Biotechnology Division than in the previous year (€27.8 million). At 6.0%, the ratio of R&D costs to sales revenue eased slightly below the year-earlier figure (6.4%).

Technology Platforms and New Filter Membranes Developed

We established technology platforms for a number of product groups in the reporting year as well as concluding various other research and development projects. Examples include the complete redevelopment of the Sartopore 3 filter membrane, which involved both extensive research into surface modification and the development of entirely new membrane processing techniques, and the creation of a novel platform for future filter products involving the development of the first filter cartridge to use nanofleece for biopharmaceutical applications. In addition we developed a number of OEM membranes designed especially for specific customer applications.

Alliances to Develop New Single-use Products for Fluid Management

The study of new synthetic materials formed another focal point of our R&D activities. We plan to use the materials identified in future to produce single-use tubing and more robust single-use bags suitable primarily for transporting large volumes of media. We signed cooperation agreements with two development partners in connection with this work. Our agreement with Südpack Medica AG, a manufacturer of innovative packaging solutions, covers the development, manufacture and supply of synthetic polymer films for use in the transportation and storage of biopharmaceutical media plus a cooperative project to develop novel multi-layer films for cell culture applications.

The other of these two cooperation agreements provides for the joint development of innovative fluid management systems with Raumedic, a leading OEM specializing in polymer products. This alliance will help to expand significantly our portfolio of fluid management products and services and enable us to offer an even more comprehensive range of single-use solutions.

New Standardized Bioreactors

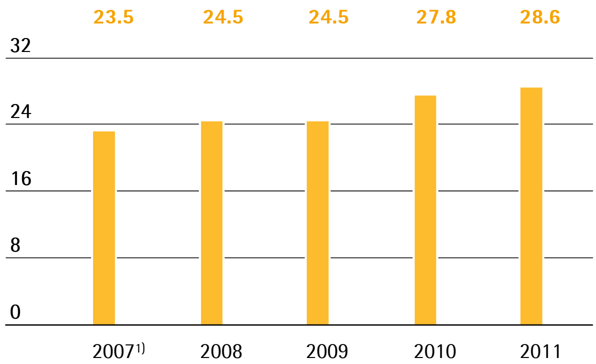
Another important R&D project undertaken in the reporting year concerned the development of configurable traditional bioreactors. Our BIOSTAT D-DCU series products make us the very first provider to offer the market stainless steel bioreactors in volumes of up to 1,000 liters as standardized products. Thanks to the shared technology platform at the heart of all of these bioreactors, customers also stand to benefit from lower costs and reduced delivery times. The year brought progress in the field of single-use technology cell culture systems too: we refined our UniVessel SU and modified it so that it can now also accept control systems from other vendors and we introduced a new system for the BIOSTAT RM bioreactor that permits simultaneous control of multiple cell culture processes.

Collaboration with Indian Biotech Companies

The research and development side of our Bangalore plant in India is taking on an increasing volume of verification work for fluid management products to ease the strain on the Goettingen and Aubagne sites. We were able to augment our existing alliances with Indian universities in 2011 with the cementing of cooperative arrangements with two Indian biotech companies. We also entered into strategic partnerships concerning the realization of customer-specific applications and product development programs with several well-known vaccine manufacturers in the reporting year.

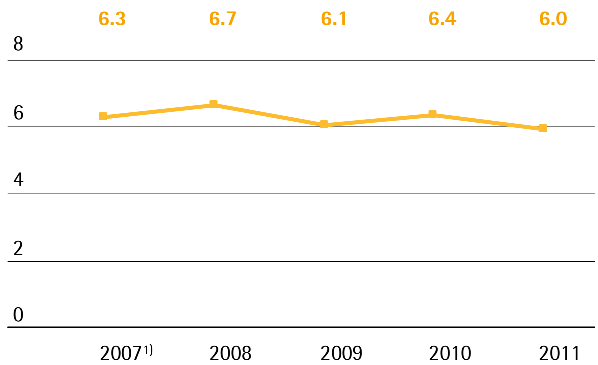
	2011	2010
Number of patent and trademark applications	155	162
Registered patents and trademarks	85	142

Biotechnology R&D Costs
€ in millions



[1] pro forma underlying

Biotechnology R&D Ratio
in %



[1] pro forma underlying

Production and Supply Chain Management

We operate a well-developed global production network. Our largest sites are the plants at Goettingen in Germany and Aubagne in France. Next in size order come the production facilities at Bangalore in India, Melsungen in Germany and Yauco in Puerto Rico. We commenced a number of construction projects in the reporting year. Intended to expand, optimize and modernize our production infrastructure, these activities represent a significant step for future growth.

Yauco Becomes Central Production and Logistics Site in the USA

In the reporting year, we began an extensive construction project in Yauco. This site will become the main production and logistics facility for the North American market once we complete our advanced new building for assembly and final packaging. This facility will be used to manufacture single-use filters, single-use bags and selected laboratory products in full compliance with the highly stringent production environment requirements imposed by our multinational key accounts in the pharmaceutical industry. Construction work on this new plant facility began in May of the reporting year. Once completed, this building complex will provide approximately 4,000 square meters of space. Relocation to this plant facility is scheduled for mid-2012.

As a consequence of this considerable expansion of our Puerto Rican site, we initiated measures to cease production activities at our smaller Concord, California, site in the U.S. by the end of 2012. Manufacturing of the single-use bags and fluid management systems currently produced at Concord will over the course of 2012 be gradually transferred to the Yauco plant, from where we will increasingly supply many of our U.S. customers with combinations of single-use products pre-assembled at the factory. Concentrating all of our production and supply chain activities in Puerto Rico will not only improve our logistics operations, but also reduce complexity and open up cost advantages.

Expansion of Membrane Production

In spring 2011 we commenced work on the construction of a new building at Goettingen, in which a modern casting machine for the production of polyethersulfone membranes will be commissioned in the spring of 2012. This will considerably increase our production capacities at the Goettingen site. We have also carried out a technology upgrade on an existing casting machine and drawn up plans for the modernization of another plant to help us respond even faster to changing market and quality requirements. Moreover, in the reporting year, we decided to expand our injection molding operations at Sartorius Stedim Plastics in Goettingen. All of the necessary planning work for an extension to house the new injection molding plants has already been completed.

Expansion of Fermenter Production Capacity

The construction of our modern new industrial building at Guxhagen has proceeded as planned, with work beginning in April. The building, which will have a total area of approximately 9,000 square meters, will provide additional production capacity to meet burgeoning demand for single-use bioreactors and will enable us to improve our production processes considerably. Group company Sartorius Stedim Systems, which is still based in Melsungen at the moment, will relocate to the new site in mid-2012.

Standardization of Business Processes

In 2011, we redefined Sartorius' Group-wide processes with the goal of creating a consistent global platform for sustainable and profitable growth. These processes will be implemented on the basis of a completely new ERP system, which we plan to introduce in 2012 at our Group headquarters in Germany first, then at our other sites worldwide.

Business Development of the Mechatronics Division

Strategy

The Mechatronics Division is a global provider of weighing and analytical instruments as well as monitoring and control equipment for a wide range of laboratory and industrial process applications.

Strong Position in Laboratory Weighing Technology

Our laboratory business comprises products such as laboratory balances and moisture analyzers. As a provider of products with high requirements regarding accuracy, safety and service, we are positioned in the standard and premium market segments. Sartorius ranks as the second largest provider of laboratory weighing equipment in the world and disposes of a long-established brand as well as a very strong position in the market, especially in Europe and Asia. Most of our customers come from the fields of research and quality assurance in the pharmaceutical, chemical and food industries and public-sector research and educational institutions.

Laboratory Portfolio Expanded by Acquisition

We expanded our laboratory products range in the reporting period with the acquisition of Biohit Oyj's liquid handling business. The portfolio acquired, which generated sales revenue of around €40 million in 2011, consists of mechanical and electronic pipettes plus associated consumables and services.

The pipette business represents an ideal fit with our existing product range, as the customer groups are virtually identical and given the necessity for professional service. We acquired all of the assets of Biohit Oyj's liquid handling segment, including two production facilities in Finland and one in China, as well as sales subsidiaries in several countries. The takeover was completed on December 14, 2011 at a purchase price of €68 million.

Industrial Weighing on a Discrete Footing

Our industrial weighing business provides sophisticated analytical and inspection systems that help to keep production operations safe and efficient and maintain the quality of end products. Our systems are used in production processes mainly of the food, chemical, pharmaceutical and primary industries. Our business though has a relatively low market share in most regions in an overall highly fragmented market.

Both our laboratory business and our industrial weighing operations count the pharmaceutical and food industries among their main customers. However, the synergies between the two areas, from a market perspective, are quite limited as purchasing in the industries concerned tends to be mainly application-led. Therefore, the separation of the two businesses was decided and the industrial weighing equipment activities have been put fully autonomous within our organization. This process was completed at the end of the reporting year. This autonomous status gives the industrial weighing business greater flexibility and enables it to focus more closely on its core activities, which should help it to continue enhancing its market position. During the reporting period, the stage was set to permit the sale of this business in the medium term.

Key Figures for Mechatronics

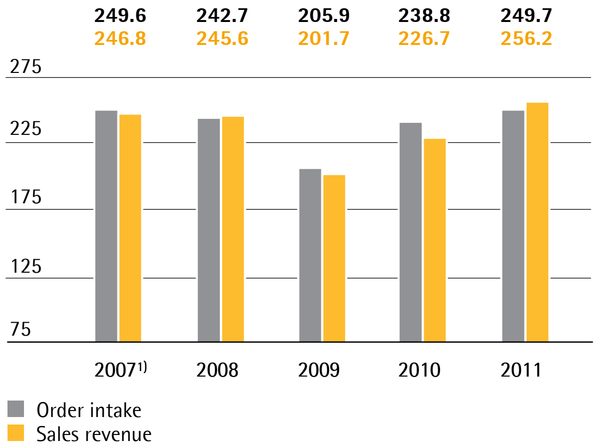
€ in millions	**2011**	2010
Order intake	249.7	238.8
Sales revenue	256.2	226.7
EBITDA[1]	37.3	24.2
- as a % of sales revenue	14.5	10.7
Depreciation and amortization	8.3	8.9
EBITA[1]	28.9	15.3
- as a % of sales revenue	11.3	6.8
Employees as of Dec. 31[2]	2,029	1,934

[1] underlying
[2] excluding Biohit liquid handling

Order Intake and Sales Revenue for the Mechatronics Division

Bolstered by the continuing global economic recovery, business for the Mechatronics Division grew dynamically in the reporting year, especially in the first half. As momentum returned to a normal level in the second half of the reporting year, the division's order intake rose 4.6%, or 5.0% in constant currencies, to €249.7 million from €238.8 million in 2010. Sales revenue considerably expanded beyond the currency-adjusted 6% to 8% growth we had originally expected. It increased in the reporting year by 13.0%, or 13.5% in constant currencies, from €226.7 million a year ago to €256.2 million, also because of the comparably high order backlog from the previous year.

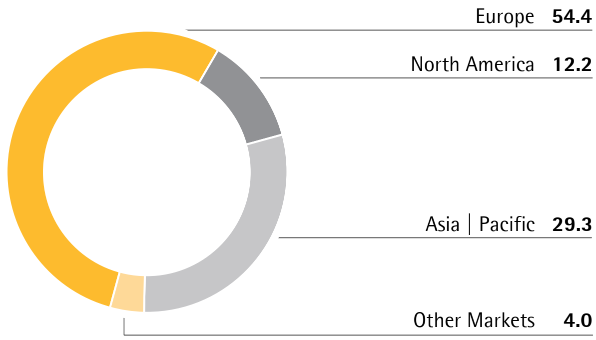
Mechatronics Order Intake and Sales Revenue
€ in millions



[1] pro forma (excluding the hydrodynamic bearing business)

This growth in sales revenue for the Mechatronics Division was fueled by both of its businesses with laboratory instruments as well as with industrial weighing and control equipment, respectively. These two business areas increased their order intake over the year-earlier figures, expanding their sales at significantly double-digit growth rates.

Mechatronics Sales Revenue by Region[1]
in %



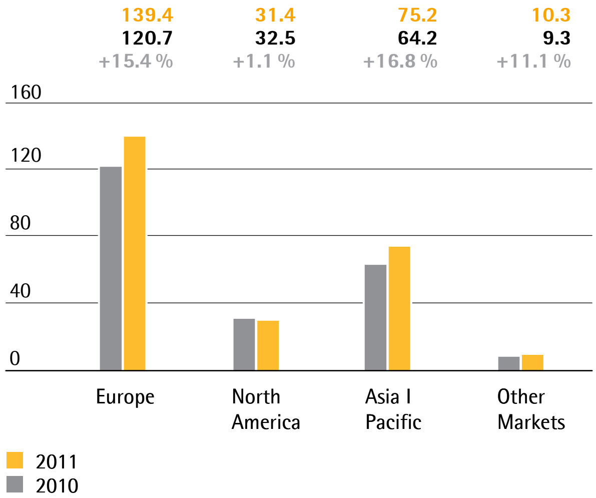
[1] acc. to customers' location

In the reporting year, all regions contributed to the division's growth based on constant currencies. In Europe, the region contributing the highest share of sales revenue (54%), sales were substantially up 15.4% in constant currencies. This figure was also positively impacted by the high order backlog from the previous year.

The Asia | Pacific region generated approximately 29% of the division's total revenue and, seen regionally, recorded the highest growth, with sales up 16.8% in constant currencies.

In North America, which generates roughly 12% of total division sales, the Mechatronics Division reported a slight increase of 1.1% based on constant currencies.

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



	Sales revenue[1] € in millions	Growth in %	Growth[2] in %
Total Mechatronics	**256.2**	**13.0**	**13.5**
Europe	139.4	15.6	15.4
North America	31.4	– 3.6	1.1
Asia | Pacific	75.2	17.1	16.8
Other Markets	10.3	10.7	11.1

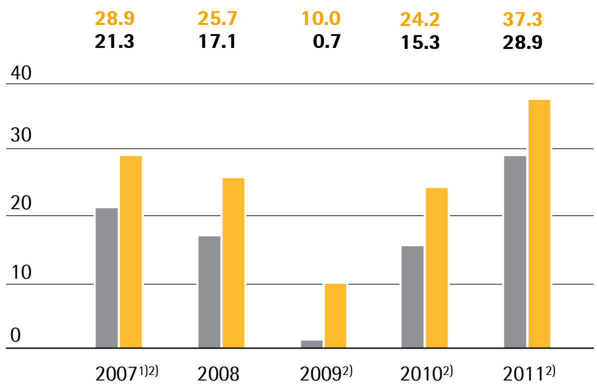
[1] acc. to customers' location
[2] currency-adjusted

Earnings

To provide a complete and transparent presentation of the profitability of the Mechatronics Division, we additionally report earnings adjusted for extraordinary items (= underlying EBITA or operating earnings.

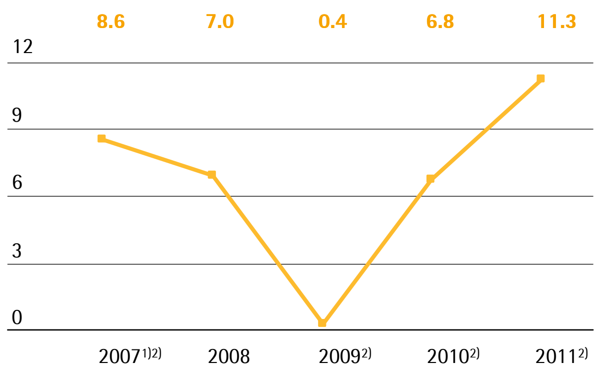
In conjunction with the division's cost base that was optimized in the previous year, dynamic growth during the reporting year enabled the Mechatronics Division to post a substantial gain in profit. The changes in foreign exchange rates from the previous year's rates had a slightly negative impact on the development of the division's earnings. On the whole, the operating earnings of the Mechatronics Division soared 88.7% from €15.3 million a year ago to €28.9 million. Its corresponding margin rose significantly year on year from 6.8% to 11.3% and thus increased substantially beyond the 8% forecasted at the beginning of the reporting year.

Mechatronis EBITA and EBITDA
€ in millions



1) pro forma (excluding the hydrodynamic bearing business)
2) underlying

Mechatronics EBITA Margin
in %



1) pro forma (excluding the hydrodynamic bearing business)
2) underlying

Extraordinary items related in particular to the optimization of the division's European sales structures, transaction costs in conjunction with the acquisition of the Biohit liquid handling business, as well as from various cross-divisional projects, and amounted to - €6.6 million (previous year: - €3.3 million). Including all extraordinary expenses and income, the Mechatronics Division achieved an EBITA of €22.3 million compared with €12.0 million a year earlier.

Marketing | Sales and Distribution | Service

Our extensive laboratory portfolio, which includes laboratory balances, pH meters, moisture analyzers and also – since the end of the year – pipettes, primarily addresses customers in research, quality assurance and academic laboratories. We provide targeted support to help our customers improve productivity in the lab and optimize the quality of their products, while ensuring compliance with all the relevant international regulatory requirements.

Direct Lab Sales Extended

Since we target our laboratory customers equally with products from both divisions, we already began in 2009 to handle sales and distribution for our laboratory products in Europe jointly. In 2011, we extended this integrated approach to sales and distribution for laboratory products also to the USA, China and India. In this context, we developed a new training concept to prepare staff for the special requirements of cross-divisional sales. Our new sales and distribution alliance with one of the world's largest distributors for laboratory instruments and consumables opened up additional sales potential in North America, which remains strategically the most important market.

Service Offering Expanded

The new DKD calibration laboratory accredited for weights and measures at the Goettingen site was formally opened in summer 2011 in the presence of representatives from DKD, the German national calibration service, and PTB, the country's national metrology institute. The new DKD lab offers laboratory and industrial customers highly accurate calibration of weights and calibration of high-capacity weights of up to one metric ton. Calibration in the high-capacity range and on-site calibration, i.e., the calibration of weights at the customer's site, are new services we offer.

Successful Marketing Communications

We launched a global image campaign in October to enhance the positioning of the Sartorius brand in the laboratory sector. The brand attributes of trust, quality and innovation were promoted as the core message throughout all relevant communication channels. In 2011, we presented our combined laboratory portfolio at all of the trade shows we attended. These included Interphex (New York), Expoquimia (Barcelona), Chemie (Moscow), Biotechnica (Hanover) and Medica (Duesseldorf), among others.

Products

Balances and measuring instruments from Sartorius can be found in practically every research and quality assurance laboratory worldwide and meet all requirements for advanced laboratory operations. Easy and reliable to use, they supply precise and reproducible results and are ideally suited to ensuring compliant documentation in accordance with all major global standards and regulations, including ISO, GMP and GLP. Moreover, they can also be readily integrated into a variety of IT environments including laboratory information and management systems (LIMS).

Laboratory Weighing Technology Range Expanded

We added two microbalances and an ultra-microbalance to our Cubis range of premium modular balances in the reporting period. Thanks to these new models, Cubis now covers even the most demanding weighing applications in the laboratory, in particular in the pharmaceutical and biotech sector. With its fully modular design, this line of laboratory balances allows customers to freely combine display and control units, weighing modules, draft shields, interfaces and other accessories to create the perfect laboratory balance for their individual requirements. We also converted our family of manual mass comparators entirely to monolithic weighing technology in 2011. Our comparators are used by national institutes, weights and measures authorities and private DKD laboratories, the German national calibration service, to identify differences in mass and calibrate weights.

New Product Generations of Industrial Weighing Equipment

In the reporting year, the Industrial Weighing business unit introduced further developments in the various product lines of its portfolio. A new metal detector for identifying metal contaminants helps protect consumers against potential harm to their health and manufacturers against potential negative financial implications. New software for monitoring and controlling complex food production processes enables customers to track all parameters in virtually real time and, if any non-conforming items are detected, intervene directly in a process. In addition we have made further improvements to the weighing technology used in pharmaceutical and food production. The weigh and load cells are now incorporated into the production infrastructure and are consequently less likely to be damaged or contaminated during the thorough cleaning procedures mandatory for production equipment in these areas.

Research and Development

Research and development activities at Sartorius are driven by the needs of our customers and trends in the industries we serve. We work closely with our customers to develop products that exactly match their requirements. In the reporting year, Sartorius invested 6.2% more, or a total of €15.7 million, in research and development (R&D) for the Mechatronics Division than in the previous year (€14.8 million). At 6.1%, the ratio of R&D costs to sales revenue eased slightly below the year-earlier figure (6.5%).

Alliances for More Effective R&D

Alliances with academic and industrial partners form an important pillar of our R&D strategy. Supplementing our own range with innovative technologies from external partners enables us to develop new products and process solutions quickly with relatively little risk. Hence, we stepped up our collaboration with research institutions, universities and companies again in the reporting year, for instance, in the area of process analytics.

New Developments in Laboratory Weighing Technology

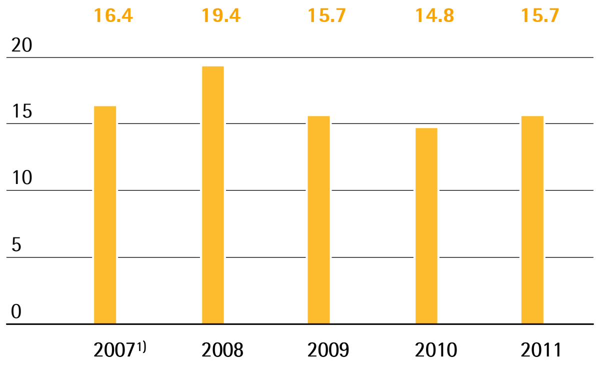
We once again expanded the range of potential applications for our Cubis line of premium laboratory balances in the reporting year. The balance will help customers to comply even more reliably with pharmacopeia quality assurance requirements by guiding users automatically through the various process steps, monitoring compliance with the prescribed tolerance limits and analyzing the measurement results. This new system of process control integrates the balance fully into laboratory workflows, minimizing potential sources of error.

Development Platform Restructured

We reduced the subassemblies in our processors – and hence the number of different models – in the reporting year. Our processors are manufactured independently of the product in which they are to be installed and their price and frequency of use varies from group to group. This means that each functionality provided by the processors only needs to be developed once. Having fewer variants of a product to manage over the entire lifecycle speeds up development, provides cost benefits and improves efficiency in production. Aspects of the hardware used in our products, such as lens and display design and screen size have also been standardized, enabling us to reduce the number of suppliers and gain additional benefits in production and costs.

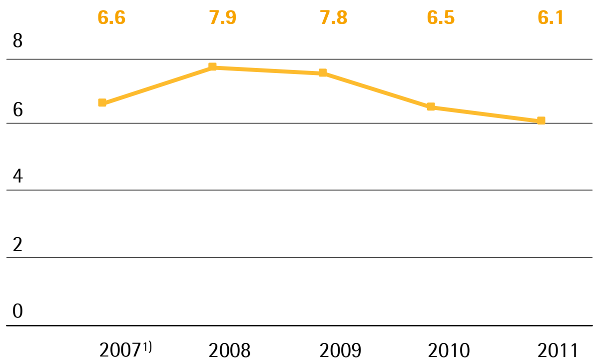
	2011	2010
Number of patent and trademark applications	104	77
Registered patents and trademarks	97	63

Mechatronics R&D Costs
€ in millions



1) pro forma underlying

Mechatronics R&D Ratio
in %



1) pro forma underlying

Production and Supply Chain Management

We manufacture our weighing and monitoring and control products close to our markets in the various regions to supply customers promptly, reliably and cost-effectively. Accordingly, we have production facilities at Denver in the USA, Beijing in China and Bangalore in India in addition to our German plants at Goettingen, Aachen and Hamburg.

Further Development of the Platform Strategy

We continued to develop our platform strategy in the reporting year with the aim of further reducing the number of subassemblies used and hence the complexity of our production operations, while maintaining the wide variety of end products available. We generally manufacture the instrument components for use in our products as modular subassemblies. We can thus combine these components as required to meet the specific needs of individual customers quickly and cost-effectively. We produce non-order-specific standardized subassemblies and platforms and then assemble them as required in line with customer specifications.

Electronic Component Manufacturing Expanded

Sartorius expanded its electronic component production capabilities in 2011 and will be manufacturing electronic components for measurement applications not only for weighing equipment but also, increasingly, for instruments supplied by the Biotechnology Division. We have also adopted a platform strategy for the production of these electronic components, enabling us to follow a flexible, demand-led approach to manufacturing and reduce the volume of components on stock. We will continue to purchase standardized electronic components, such as data interfaces and displays.

Business Processes Standardized

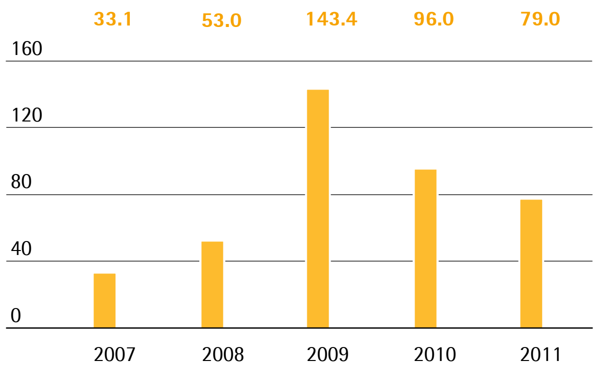
In 2001, Sartorius harmonized its Group-wide business processes with the goal of creating a standardized global platform for sustainable and profitable growth. These processes are to be implemented on the basis of a completely new ERP system, which we plan to introduce in 2012 at our Group headquarters first, then at our other sites worldwide.

Net Worth and Financial Position

Cash Flow

In the reporting year, the Sartorius Group generated a net cash flow from operating activities of €79.0 million, relative to €96.0 million a year ago. The encouraging development of consolidated earnings was offset by the buildup in working capital, which was essentially entailed by the company's dynamic growth. Furthermore, in the year under review, higher cash outflows due to a rise in pretax earnings were recorded on account of tax payments.

Net Cash Flow from Operating Activities
€ in millions



At -€122.7 million, net cash flow from investing activities was substantially above the prior-year level of -€22.6 million. This primarily reflects the acquisition of the Biohit liquid handling business for a purchase price of €68 million. Moreover, this figure increased due to relatively large investments made to expand our production capacity.

The net cash flow from financing activities of €53.0 million particularly includes loans and borrowings for financing the acquisition mentioned above. The comparative year-earlier figure of -€104.9 million included around €32 million for Sartorius Stedim Biotech S.A.'s share buyback program. On the whole, the development of cash flow resulted in an increase in net debt by €67.9 million to €264.8 million.

Cash Flow Statement
Summary

€ in millions	**2011**	2010
Net cash flow from operating activities	79.0	96.0
Net cash flow from investing activities	– 122.7	– 22.6
Net cash flow from financing activities	53.0	– 104.9
Cash and cash equivalents	41.0	27.7
Gross debt owed to banks	305.8	224.7
Net debt owed to banks	264.8	196.9

Consolidated Statement of Financial Position

The balance sheet total reported by the Sartorius Group rose by €156.1 million to €963.8 million between December 31, 2010, and the reporting date on December 31, 2011. This was mainly due to the acquisition of the Biohit liquid handling business and the buildup of working capital, predominantly induced by sales growth.

On the assets side, non-current assets increased by €99.7 million to €685.4 million because of the acquisition mentioned above and of investments in our production capacity.

Current assets climbed from €222.1 million to €278.5 million. This increase can essentially be attributed to the buildup in working capital by €41.6 million and to higher cash and cash equivalents.

Key Figures for Working Capital

in days		**2011**	2010
Rate of turnover for inventories			
Inventories / Sales revenue	x 360	50	42
Rate of turnover for receivables			
Trade receivables / Sales revenue	x 360	55	52
Rate of turnover for net working capital			
Net working capital[1)] / Sales revenue	x 360	70	61

[1)] sum of inventories and trade receivables less the trade payables

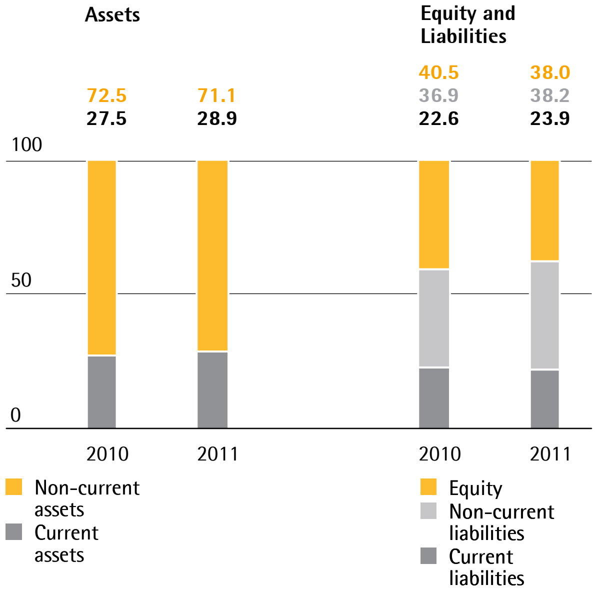
Key Balance Sheet Figures

	2011	2010
Equity ratio		
Equity / Balance sheet total	38.0%	40.5%
Long-term-capital-to-fixed-assets ratio		
Long-term capital / Fixed assets	112.1%	111.7%

On the equity and liabilities side, equity rose as a result of the positive consolidated earnings from €327.2 million to €366.0 million. In view of the increase in the balance sheet total, the equity ratio of the Sartorius Group edged slightly downward from 40.5% to 38.0%.

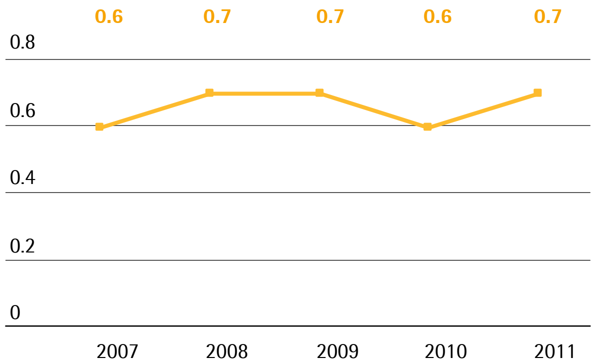
Non-current liabilities were up year over year from €298.1 million to €367.7 million, primarily due to an acquisition-led increase in loans and borrowings. At the same time, current liabilities rose from €182.5 million to €230.1 million because of the increase in trade payables and other liabilities.

Balance Sheet Structure
in %



In total, gross debt rose year on year from €224.7 million to €305.8 million. As of the reporting date, the ratio of long-term capital to fixed assets was at 112.1% relative to 111.7% as of December 31, 2010. The gearing ratio, which is calculated as the ratio of net debt to equity, increased slightly from 0.6 to 0.7.

Gearing



Financing | Treasury

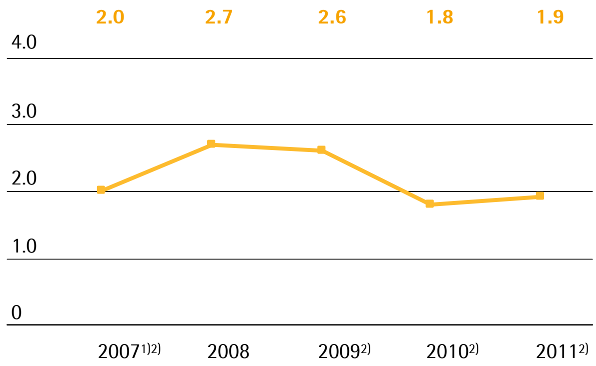
The financing of the Sartorius Group is on a broad-based and long-term footing. The key element of this financing consists of two syndicated credit lines for an aggregate total of €406.0 million and for a term until September 2013 and until April 2016, respectively. The volume of the credit line for the Sartorius Stedim Biotech subgroup is currently €181.0 million and is provided by a syndicate of banks led by Commerzbank and WestLB. The credit line for Sartorius AG amounts to €225.0 million and is provided by the lending syndicate led by Commerzbank, WestLB and NordLB.

Moreover, the long-term promotional loan of €25 million provided by Kreditanstalt für Wiederaufbau (KfW) is a financing component for expanding our production capacity.

In addition, we have diverse bilateral credit lines totaling approximately €55 million and a factoring program with a volume of €50.0 million.

The ratio of net debt to underlying EBITDA increased slightly from 1.8 a year ago to 1.9, as seen against the backdrop of the acquisition of the Biohit liquid handling business. The interest coverage ratio – the ratio of underlying EBITDA to cash interest expense – decreased from 15.4 to 13.9.

Ratio of Net Debt to Underlying EBITDA



[1)] pro forma (including Stedim and excluding the hydrodynamic bearing business)
[2)] underlying

As a consequence of our global sales and distribution structure, we generate payments in various foreign currencies. Essentially, these are payments in U.S. dollars, Japanese yen and British pounds. Using our global manufacturing network with production facilities in North America, the U.K., China and India, among other places, we can compensate for the majority of currency fluctuations (natural hedging).

We usually hedge our remaining net currency exposure up to 1.5 years ahead through currency transactions. Compared with 2010, we substantially increased our hedging level in the reporting year.

In view of the historically low interest rates, we entered into interest rate hedge agreements also in 2011. As a result, around two-thirds of our bank loans that we have taken out so far at variable interest rates are now hedged against an increase in the general interest rate level for approximately the next five years.

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 were drawn up according to the International Financial Reporting Standards (IFRS), the annual financial statements for Sartorius AG were prepared by applying the rules and regulations of the German Commercial Code (HGB). The individual financial statements drawn up according to HGB for Sartorius AG disclose dividend income of its subsidiaries. This disclosure is due to the holding function of Sartorius AG within the Sartorius Group. Consolidated results reported according to IFRS are impacted by dividend payments only to a limited extent in the form of tax effects.

In fiscal 2011, the weighing technology business unit allocated to the Mechatronics Division of the Sartorius Group was spun off from the assets of Sartorius AG. This part of the company's assets was transferred as a whole to the 100% subsidiary Sartorius Weighing Technology GmbH, which as the legal receiving entity granted a new share to the parent corporation, Sartorius AG. This measure is in connection with the goal of concentrating the business activity of Sartorius AG on performing the function of a strategic management holding company that leads the Sartorius Group. In a second step, Sartorius AG transferred the shares in Sartorius Weighing Technology GmbH to Sartorius Lab Holding GmbH and was concurrently granted a new share.

This spin-off excluded, in particular, the Executive Board of Sartorius AG with its three members as well as the respective company pension commitments and the fixed assets to be allocated to the Executive Board entity; the syndicated loan agreement with Commerzbank AG and further members of the bank syndicate; the liabilities resulting from loan agreements vis-à-vis individual affiliates; and the property and training center Sartorius College in Goettingen, Germany. The following was likewise excluded from the spin-off: the obligations of Sartorius AG's company pension scheme closed for new entries in 1983 with regard to employees retired from Sartorius AG before the effective spin-off date, who either already receive pension benefits or who retired from Sartorius Aktiengesellschaft with non-lapsable contingent rights and who do not yet receive pension benefits; as well as the pension obligations for retired members of the Executive Board and managing directors. Moreover, various equity investments in affiliates not to be allocated to the business unit that was spun off were also excluded.

The business unit spun off was the only operational business entity of Sartorius AG and was transferred as a fiscal operating business unit. For this reason, upon conclusion of the spin-off and take-over agreements, all assets, in particular, were transferred that were exclusively used by the asset entity to be spun off and that represented a material operating basis of this fiscal operating business unit. This was done by way of a spin-off by absorption pursuant to § 123, Subsection 3, No. 1, of the German Reorganization and Transformation Act (UmwG) in conjunction with § 124 et seq., § 138 and § 141 et seq. of UmwG. In return, Sartorius AG received a new share in Sartorius Weighing Technology GmbH, which resulted when the latter raised capital to execute the spin-off of the Mechatronics business unit.

This spin-off was executed retroactively, effective January 1, 2011. Assets and liabilities were transferred according to German commercial law by disclosing all hidden assets and liabilities at fair value and, for tax purposes, at their intermediate value. Income to be reported pursuant to German commercial law is disclosed in the amount of €155.8 million in the item "Extraordinary income" in the income statement and was recognized in equity. Furthermore, a profit and loss transfer agreement was concluded in the reporting year between Sartorius Aktiengesellschaft and Sartorius Corporate Administration GmbH.

Thus, the resolutions approved at the Annual Shareholders' Meeting on April 20, 2011, for reorganization of the corporate structure have been implemented.

This internal Group restructuring entailed considerable changes in the balance sheet structure and in the revenue and cost structures of Sartorius Aktiengesellschaft in fiscal 2011. Therefore, on the whole, the annual financial statements for the reporting year are not comparable to the year-earlier statements.

The complete annual financial statements of Sartorius AG, which were awarded an unqualified audit certificate by the independent auditing company, are published in the electronic German Federal Gazette (Bundesanzeiger).

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

Assets	Dec. 31, 2011	Dec. 31, 2010
A. Fixed Assets		
I. Intangible assets	0.0	0.4
II. Property, plant and equipment	5.6	13.0
III. Financial assets	466.8	365.2
	472.4	**378.7**
B. Current Assets		
I. Inventories	0.0	14.2
II. Trade and other receivables	4.1	26.5
III. Cash on hand, deposits in banks	0.1	4.3
	4.2	**45.0**
C. Prepaid Expenses	**1.4**	**0.7**
	478.0	**424.4**

Equity and Liabilities	Dec. 31, 2011	Dec. 31, 2010
A. Equity		
I. Issued capital	17.0	17.0
II. Capital reserves	101.4	101.4
III. Earnings reserves	10.9	10.9
IV. Retained profits incl. net profit for the period	170.1	27.0
	299.4	**156.3**
B. Provisions	**24.6**	**35.7**
C. Liabilities	**154.0**	**232.4**
	478.0	**424.4**

Income Statement of Sartorius AG
According to HGB[1], summary

€ in millions	2011	2010
Sales revenue	4.1	121.1
EBITDA	8.1	23.4
Depreciation and amortization	0.2	2.6
EBIT	7.9	20.9
Financial result	– 5.8	– 5.1
Profit before tax	2.1	15.7
Extraordinary result	155.8	– 4.4
Net profit for the period	153.5	10.9
Retained profit	**170.1**	**27.0**

[1] HGB = German Commercial Code

Forecast Report

Future Macroeconomic Environment

According to estimates by the International Monetary Fund (IMF); global economic output for 2012 should show a growth level of 4.0%, similar to that of reporting year 2011 (+ 4.0%). However, these forecasts are subject to above-average levels of risk according to economic institutes. Against this background the experts' predictions exhibit a considerable bandwidth, and have already been downgraded several times over recent months. According to the IMF the risk factors include the uncertainty bound up with the debt crisis, with its potentially negative effects on the real economy.

In the IMF's view, the debt problems and the crisis of confidence in the USA and some states in the euro zone have still not been conquered. It is seen as critical to global economic development whether governments will succeed in striking an appropriate balance between the impetus for economic growth and the necessary consolidation of national budgets. All in all, the IMF is unable to rule out the U.S. economy and certain of the euro zone countries sliding into recession.

Future economic Development in the Industrialized Countries

Overall, estimates suggest that GDP growth in the industrialized countries will reach 1.9% in 2012 (2011: 1.6%), with experts assuming that the trend towards savings evident in fiscal policy will tend to stifle economic revival in the short term.

The IMF estimates that the U.S. GDP will grow by 1.8 % in 2012 (2011: + 1.5 %). The slight upturn in growth compared with the previous year is attributable to the diminishing of the negative effects felt in the wake of the Japanese earthquake. Experts foresee significant risks to the development of the US economy in the weak real estate market, comparatively high debt levels of both public and private households, and diminishing consumer confidence.

The expert view is that Europe's economic development will be impacted in particular by the savings initiatives planned or already put in place in various of the eurozone states, so that economic expansion is likely to make only damped progress overall. Against this backdrop, forecasts for the individual countries in the eurozone vary widely.

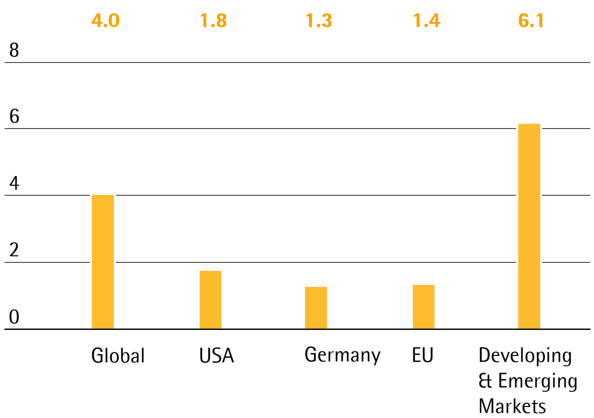
In Germany and France, economic growth is set to slow markedly compared with the reporting period. According to the IMF, Germany can expect a 1.3% growth in GDP for the current year, following the 2011 rate of 2.7%; the OECD, though, is predicting a figure of just 0.8%. France also faces a slowdown in growth according to economists. France's real GDP is expected to rise by 1.4% in 2012 (2011: 1.7%), although the OECD forecast is significantly lower at 0.3%.

The IMF anticipates the Japanese economy growing by 2.3% during 2012, though it should be noted that this is based on a figure from the previous year that was influenced by the natural disaster suffered by the country in March 2011.

Future Economic Development in the Emerging Countries

The IMF believes that the emerging countries as a whole will grow by 6.1% in 2012, based on data from around 80 percent of all developing and newly industrialized nations, after registering 6.4% for the previous year.

Forecasted GDP Growth Rates for 2012
in %



Source: International Monetary Fund

The IMF is expecting the Chinese economy to continue expanding at a high level, forecasting 9.0% growth in 2012 (2011: + 9.5%). Progress is likely to be slowed by factors including softening demand from Europe and the USA.

In India too, expert opinion foresees growth rates broadly matching those of the year 2011%, with experts predicting a figure for 2012 of about 7.5 (2011: + 7.8).

Future Exchange and Interest Rate Trends

It is expected that the leading central banks will keep interest rates at their current low level during 2012, or that further cuts in the main financing rates could be made in the euro zone. Forecasts for euro-U.S. dollar exchange rates over the course of 2012 range between 1.30 euro | U.S. dollar and 1.35 euro | U.S. dollar, thus putting it at a lower level than 2011, the year under review (average value: 1.39 euro | U.S. dollar).

Sources: International Monetary Fund, World Economic Outlook September 2011; OECD: National Statistics; Reuters, vwd.

Outlook for the Sectors

Stable Growth in the Pharmaceutical Sector

The pharmaceutical industry is likely to have grown by 4% to 5% in 2011 according to IMS Health. Looking ahead, the experts anticipate continued growth in the global pharmaceutical markets in the short to medium term on the basis that little change is expected in the main market drivers.

Specifically, demographic change, especially in the western industrialized countries, steadily increasing access to healthcare in the emerging and developing countries and a general rise in lifestyle and chronic diseases will continue to drive expansion in the sector. The development of new drugs is also expected to support future growth of the sector, although this effect will be countered by the expiry of patents and measures to restrict healthcare spending particularly in many industrialized countries as a consequence of the financial and debt crisis. The North American market – by far the industry's largest region in sales terms – will see drugs with combined sales of $26 billion run out of patent protection over the course of 2012.

Market researchers at IMS Health are forecasting overall growth of between 3% and 6% for the global pharmaceutical industry in the period 2010 to 2015.

Better-than-average Growth in the Newly Industrialized Countries

The strongest growth is again expected to come from the pharmerging markets, which according to IMS Health include the following 17 countries: Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam. For these countries growth of 13% to 16% is predicted in the period 2010 to 2015, although from a relatively low base compared to the overall market. The anticipated rise in population, the expansion of state healthcare provision and higher private spending provide the main impetus for growth of the pharmaceutical market in these countries.

Predictions for growth in China, the largest of the pharmerging markets, range from 19% to 22%, meaning that its relative share of the global market in terms of sales is likely to rise from around 5% in 2010 to approximately 14% by 2015.

Pharmaceutical markets in western countries are expected to expand only moderately in the years 2010 to 2015. IMS is forecasting average growth of just 0% to 3% (CAGR 2011-15) over the next few years for North America, for example, where the expiry of a large number of patents and cost-cutting measures on the part of public healthcare funding bodies are both expected to have a damping effect. Growth in Europe is forecast to be between 2% and 5% (CAGR 2011-15), with spending restrictions in various countries as a result of the debt crisis likely to have a negative impact.

Strong Long-Term Trends Drive Further Growth

Global Trends ►

- Aging population in Western countries
- Increasing population and improved access to health care in developing economies
- Growing number of chronic and civilization diseases

Pharma Market

- CAGR 2011 – 2015[1] 3% – 6%

▼

Biopharma Market

- CAGR 2011 – 2015[1] 6% – 9%

▼

Single-use Technologies

- Double-digit growth
- Highest growth in innovative segments, e.g., bioreactors, fluid management

◄ **Sector Trends**

- Patent expiries
- Healthcare reforms
- Decreasing R&D efficiency

◄ **Trends toward Biotech**

- Continued market penetration for approved indications
- Label expansion
- Personalized medicine
- Biosimilars
- Strong pipelines (e.g. mAbs[2])

Technology Trends ►

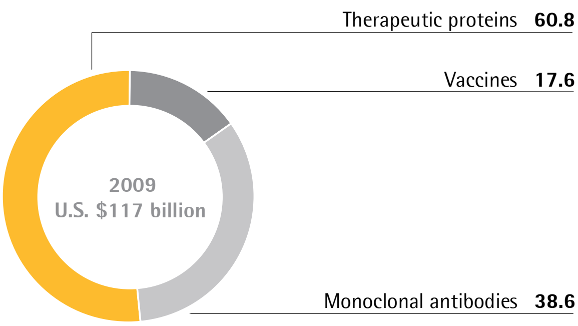
- Higher yields and higher efficiencies in cell cultures
- Increasing cost pressure
- Availability of innovative single-use technologies

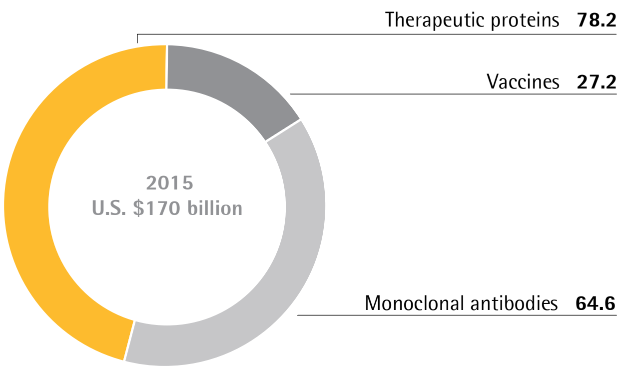
[1] Source: IMS Institute of Healthcare Informatics. The Global Use of Medicines: Outlook Through 2015
[2] Source: DataMonitor Monoclonal Antibodies 2010, HC00029 Slidepack 10/10

Biotech Sector Continue to Outgrow the Pharma Market

The biotechnology segment of the pharmaceutical market has been enjoying particularly strong growth for years and, according to forecasts from IMS Health, it should continue to outperform the market as a whole going forward, with growth of between 6% and 9% predicted for the segment in the period through 2015 (as compared with 3% to 6% for the pharmaceutical market as a whole). Market researchers at Business Insights, meanwhile, expect average growth of around 8% (CAGR 2010-15). These predictions for future growth are based largely on the anticipated launch of numerous new biotech drugs and the addition of new indications for existing drugs produced using biotech methods. Overall some 300 monoclonal antibodies are currently undergoing clinical development (Phase I-III).

Forecasted Biotechnology Market Volume Acc. to Substance Group
in billions of U.S. $





Source: Business Insights

Investment in Public-sector Research a Matter of National Interest

Research economists generally believe public investment in research and development will pick up again in the long term, despite the macroeconomic risks, because of the importance attached to innovativeness as a driver of national economic performance. Moves by several industrialized nations to increase the funding available for business, science and education have been mirrored by emerging countries with large markets, such as China and India, which have invested heavily in order to close the gap on the industrialized nations and reduce their dependence on foreign technologies.

Moderate Growth Expected in the Chemical Industry

The European Chemical Industry Council (Cefic) puts overall growth in the European chemical industry at 2.0% in the reporting year and is predicting a figure of 1.5% in 2012. Key risk factors to this forecast include the euro zone debt crisis, the high level of borrowing in the USA and government spending cuts according to Cefic.

Sources: 2011, IMS Health: IMS The Global Use of Medicine: Outlook Through 2015, IMS Market Prognosis Global, IMS MIDAS (73 markets around the world); PhRMA sector report; EU Industrial R&D Investment Scoreboard; OECD Science Technology and Industry Outlook 2011; Business Insights: The future of the Biologicals Market; VCI: Annual Press Conference, Cefic: Facts and Figures 2011, WestLB: European Pharmaceuticals, November 2011.

Future Structure and Strategy of the Group

We reviewed and analyzed our Group strategy in the reporting year in order to identify areas that offer particularly attractive medium- to long-term growth and earnings potential. This process largely confirmed our existing strategy, especially in our biotechnology area of business activity. It also led us to refocus the Group's divisions in certain respects as of January 1, 2012, and to rename them in line with the changes made. We have thus been conducting our operating business since the beginning of 2012 in three new divisions: Bioprocess Solutions, Lab Products & Services and Industrial Weighing.

Even Stronger Focus of the Biotechnology Division on Biopharmaceutical Process Technology

The Biotechnology Division, under its new name Bioprocess Solutions, will focus even more intensively on its core commercial and strategic objective, namely the bioprocess business. The laboratory business formerly conducted by the Biotechnology Division, where it was considerably smaller than the bioprocess business, became a part of our new Lab Products & Services Division at the beginning of January 2012.

The Bioprocess Solutions Division will continue to consistently implement its total solution provider strategy that has proven so successful over the past decade, and will accordingly focus on the biopharmaceutical market, which we continue to regard as highly attractive with stable, above-average growth potential. Business with single-use products will remain our strongest growth and profit driver.

In our activities over the next few years, we will emphasize achieving substantial organic growth. We plan to expand our existing business worldwide based on the excellent position we have already attained and, in the process, to continue enhancing our regional diversification. We consider a strong local presence to be a key success factor in these endeavors. Therefore, we intend to build up our capacities, especially in sales and distribution and applications development, in North America, the leading market in the world for biopharmaceuticals, in order to grow our business even faster and gain market share in this region. We have identified the dynamically expanding pharmaceutical markets of Asia, especially China and India, as our second regional focal areas. Here, too, we plan to expand our organization considerably, concentrating on sales, distribution and application technology functions.

We also plan to extend the Bioprocess Solutions product range – which we already regard as one of the broadest and most attractive in the sector – step by step across the process chain of the pharmaceutical industry. Besides pursuing these objectives through in-house developments and alliances, we will also consider acquisitions where they promise to further enhance the division's strategic position.

Pooling and Expansion of Our Laboratory Portfolio in a Dedicated Division

We have merged the laboratory product portfolios of our two former divisions, Biotechnology and Mechatronics, to create the new Lab Products & Services Division, which draws most of its business from research and quality assurance laboratories in the pharmaceutical, chemical and food industries as well as from academic laboratories. The main strategic focus of this new lab division is on laboratory instruments business. The division aims to operate as a broad-based provider of high-end laboratory instruments, top-grade consumables and outstanding services. We accordingly position ourselves as a premium provider that not only dependably delivers superior quality, exceptionally reliable products to customers but also offers them knowledgeable and efficient services that are available worldwide.

At the core of the new Lab Products & Services Division today is laboratory weighing equipment, which generates the highest share of sales revenue. Beyond weighing equipment, the division's existing product range includes other laboratory instruments, such as moisture analyzers and ultrapure water systems, and also consumables, especially laboratory filters and units for microbiological tests. Our laboratory range received an additional boost at year-end with the acquisition of Biohit's liquid handling business: our portfolio now includes Biohit pipettes, further types of small instrumentation that are essential, in addition to lab balances, for work in any laboratory.

We see substantial potential for the division to develop through organic growth. The strong reputation of our brand in laboratories gives us an excellent vantage point. Thus, we intend to capitalize on this edge and step up our direct sales activities. Regionally, we believe that North America and Asia harbor special potential for growth and are striving to expand our sales, distribution and service organization systematically to unlock these opportunities. This strategy also enables us to pursue further growth by adding complementary laboratory products to our offering through both alliances and acquisitions as possible options.

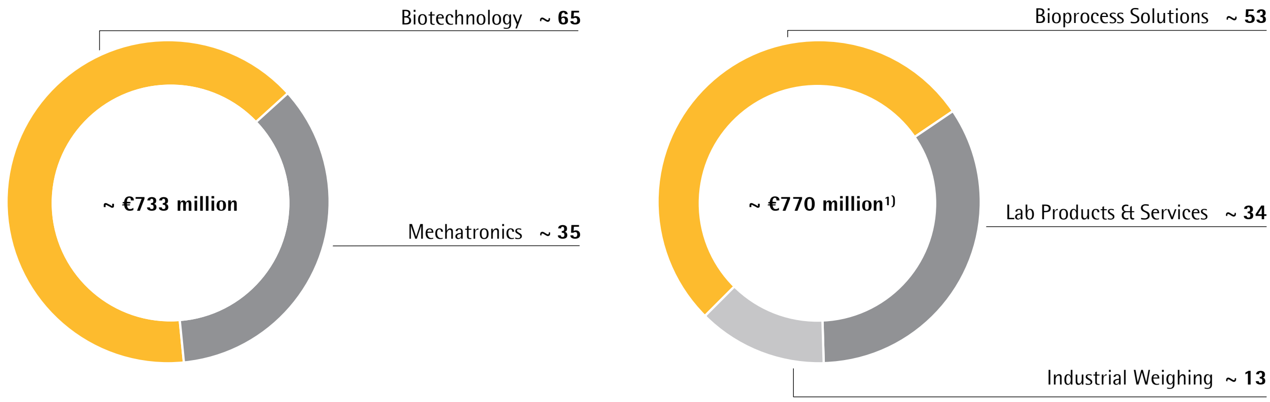
Separate Division Created for Industrial Weighing Equipment

Our business with industrial weighing, checkweighing and control equipment, which by generating a share of around 40% of sales was the somewhat smaller segment of our former Mechatronics Division, has been conducted as a separate unit, the new Industrial Weighing Division, since January 1, 2012. Specializing in sophisticated measurement and inspection systems, the division provides solutions for monitoring and control applications in production processes across a wide range of industries. Its major regional focus lies on Europe. As the market positions of the Industrial Weighing Division are not as strong compared with our bioprocess and laboratory businesses, Sartorius is assessing its options for spinning off this activity over the medium term. The organizational measures necessary to permit a possible divestiture of this unit were accordingly implemented during the reporting year.

Future Business Development

Sartorius expects significantly profitable growth for the year 2012 as well. The company anticipates that full-year sales will grow by about 10% in constant currencies. Around 5 percentage points of this gain is forecast to be generated by initial consolidation of the Biohit liquid handling business that was acquired at the end of 2011. In addition, management projects that operating earnings will likewise increase by around 10%. Assuming that the technology trends continue and the economic environment remains stable, management expects further growth in sales revenue and earnings for the following year.

Former Division Structure vs. New Division Structure
in % of Group revenue 2011



[1)] pro forma sales revenue incl. Biohit liquid handling

Risk and Opportunities Report

Risk Management System

The Sartorius Group is exposed to a variety of risks inherent to its operations around the world. To help us track existing and potential risks efficiently, we have implemented a risk management system (RMS). This RMS is designed to allow early identification, assessment and monitoring of risks. It keeps the Executive Board informed about the overall risk situation at all times, enabling it to take suitable action when required. In addition, the Audit Committee of the Supervisory Board receives a report every year on the development of the risk situation.

The prescribed reporting process obligates the managing directors and general managers of the individual Group companies as well as the business area managers and the managers of our central departments to review the risk situation within their area of responsibility regularly and to report any risks when defined critical threshold values are reached.

Where expedient and 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.

Independent auditors examine the early risk detection system every year as part of reviewing the annual financial statements.

Explanation of the Risk Situation

General Risks

Due to its various business areas, our company is insulated to a certain extent from the full force of wider cyclical effects. Nevertheless, our ability to foresee and mitigate the direct and indirect effects of risks in the broader sense, such as currency crises or natural disasters along with associated damage to commercially relevant or even critical infrastructure, is limited.

Supply Chain Risks

Our supply chain extends all the way from procurement and production to sales and distribution. Disruptions within this sequence can result, among other things, in delays to deliveries. The global supply chain management system we have instituted to prevent such problems largely minimizes the associated risks by analyzing and controlling all of the operations involved. The various risks encountered within our supply chain are explained in detail below.

Procurement Risks

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. Our global supply chain management system reduces these risks by enabling us to monitor and supervise 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.

Production Risks

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 limit and reduce these risks by planning production capacities carefully, using versatile machines, semi-automated individual workstations and flextime work schedules, and by continuously monitoring the production process. Moreover, our global manufacturing sites enable us to compensate for any capacity bottlenecks by shifting production to other regional plants.

Sales and Distribution Risks

We make use of 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.

Quality Risks

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 for which we may be made liable through damage compensation claims. We employ rigorous quality checks and state-of-the-art manufacturing methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality 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. To respond rapidly to any product defects and minimize any adverse consequences, Sartorius has established a traceability system that enables us to recall an entire production batch immediately, if necessary.

R&D Risks

We devote a considerable part 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 safeguard our technology position.

Customer Risks

Our key Sartorius customers come from the pharmaceutical, chemical and food industries as well as from public sector research and educational institutions. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. As we have a highly diversified customer base in most of our business areas, the Group as a whole is not dependent on individual key accounts to any significant degree. Our factoring program, which continued to operate in fiscal 2011, keeps our risk exposure as regards trade receivables from customers at a constantly low level. We also work continuously to enhance our trade receivables management and make use of external rating agencies to improve control of our credit risks.

Competitive Risks

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. Our competitors include Merck Millipore and Pall in the Biotechnology Division and Mettler-Toledo in the Mechatronics Division. As we serve a large number of customers from highly regulated sectors like the pharmaceutical and food industries, and the technological barriers to market entry are substantially high, we regard the risk of new competitors emerging as low. Furthermore, our global presence gives us a significant competitive edge.

Personnel Risks

As an innovative technology group, Sartorius employs a large number of highly qualified people. We counter the threat posed by demographic change and the risk of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional development options, interesting development opportunities, continuous education and training for junior staff members within our organization and a range of other attractive employee benefits. The success of these measures is apparent in the exceptionally low attrition rates registered in recent years and the fact that our people tend on average to stay with the company for a long time. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Financial Risks

The global nature of the Sartorius Group's operations means that its business activities are inevitably exposed to financial risks. In addition to specific risks associated with Group accounting, these are primarily 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.

Specific Risks Associated with Group Accounting

Specific risks associated with Group accounting can arise, for example, from the arrangement of unconventional or complex transactions that cannot be processed by routine means and from the discretion granted to employees involved in the preparation of the consolidated financial statements with respect to the recognition and measurement of assets and liabilities. The outsourcing and transfer of tasks of specific relevance to accounting to external service providers, such as actuaries and management consultants, may also entail risks. Risks associated with accounting that stem from derivative financial instruments are explained in the Notes to the Consolidated Financial Statements.

Exchange Rate Risks

We generate a good third of consolidated sales revenue in U.S. dollars or in currencies pegged to the U.S. dollar and a smaller proportion in other foreign currencies. Therefore, exchange rate fluctuations are a matter of concern, especially when converting currencies for balance sheet and income statement items. At the same time, our global production network 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 use derivative financial instruments arranged centrally, predominantly with domestic banks, to hedge against net currency exposure, i.e., that proportion of our foreign currency sales revenue that remains after we have settled our costs. Our hedging strategy provides, in principle, for exposures to be hedged up to 1.5 years in advance. Hedging transactions are set up by one group of staff and monitored by another, separate group.

Interest Rate Risks

We have concluded fixed interest agreements for a comparatively small portion of our outstanding loans so these consequently pose no risk of fluctuations in payment flows. However, the major portion of the loans outstanding on the reporting date are subject to interest based on the market rate. Almost two thirds of these are currently covered by interest hedges, so interest rate risks apply only to the remainder. We monitor interest rate trends constantly and have the facility to arrange additional hedging transactions where we consider it necessary and economically advisable to do so.

Liquidity Risks

In April 2011, we refinanced one of the two existing syndicated credit agreements at more favorable terms and with an increased credit volume. This new agreement runs until April 2016. No changes have been made to the second syndicated credit agreement, which runs until September 2013 under the existing terms. We currently have an aggregate total of €406 million available under the two agreements, meaning that our Group financing moved onto an even broader long-term footing in the reporting year. The overwhelming majority of our fixed assets are covered by long-term capital. We ensure solvency at all times throughout the Group by means of short-, mid- and long-term liquidity planning and the use of advanced treasury software.

Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and healthcare 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

The nature of the Sartorius Group's business is such that our operations interact with the environment so we thus need to deal with environmental risk issues. All staff with relevant responsibilities across our global sites are expected to reduce and prevent negative environmental impacts. The Central Department Environment, Health and Safety supports this effort by observing and monitoring operations affecting the environment. Sartorius has set up an environmental management system certified under DIN EN ISO 14001 that encompasses, and is integrated into, all divisions and covers a whole series of environmental regulations to minimize risks in this area.

IT Risks

Besides the risks already mentioned above, we face potential risks in the area of IT, since error-free operation of the corresponding systems is essential for the smooth functioning of the company's business operations. We reduce IT security risks by continuously devising and adopting enhanced 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). Our company's existing IT applications and IT systems are checked for potential risks in regular external and internal IT audits, moreover, 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.

Process Risks

There are no legal disputes or proceedings that could have a substantial negative impact on Group results, and allowances have been made on our balance sheet to cover the cost of any such potential proceedings.

Insurance

Where possible and economically advisable, we have taken out insurance policies to cover a wide range of risks. These insurance policies include coverage against liability, 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

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.

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 Sartorius Group's internal control system 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 the Group 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 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 System / Compliance unit of Sartorius AG's Internal 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, such as the tax auditor, also play a role in the control environment of the Sartorius Group through their non-process-integrated audit activities. 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 Finances 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 the early 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 quickly 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 have been rolled out 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. The actual Sartorius AG 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 which have been 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 of the components of the Sartorius AG 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 bylaws. 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.

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 quickly 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 balance sheet, income statement, notes, Group management report, cash flow statement 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 for the consolidated financial statements. These include the mandatory use of a standardized and complete reporting package. The Group Internal 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 specific control activities performed at Group level 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, where necessary, 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.

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 (including material events after the reporting date) is also prepared and aggregated at Group level.

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, and their accurate presentation in Group accounting.

Factors such as the exercise of personal discretion, erroneous controls, criminal acts and other variables 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 5, 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 bylaws, 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 eurocents per share). In any case, the dividend entitlement shall be at least 4.0% of each preference share's calculated proportion of the issued capital (i.e., four eurocents 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 831,944 ordinary shares and 840,983 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; and Mrs. K. Sartorius-Herbst, resident of Northeim, Germany; holds a voting percentage of approximately 50.1% in Sartorius AG (4,688,540 votes according to the list of attendees at the Annual Shareholders' Meeting on April 20, 2011). 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 Bylaws

Executive Board members of Sartorius AG are nominated and | or appointed as well as dismissed in accordance with Sections 84 and 85 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 bylaws 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 offered within the scope of acquiring companies or shareholdings in companies in return. Under these circumstances, the preemptive rights of the shareholders are excluded.

All circumstances for which disclosure is mandatory pursuant to Section 289, Subsection 4, and Section 315, Subsection 4, of the German Commercial Code (HGB) are reported above, to the extent that such circumstances exist or are known to us.

Principal Features of the Internal Control System and the Risk Management System Pursuant to Section 289, Subsection 5, of the German Commercial Code (HGB)

Please refer to the Risk and Opportunities Report for a full description of the principal features of the internal control and risk management system.

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. This report also contains the Annual Corporate Governance Statement in accordance with Section 289a of the German Commercial Code (HGB), which statement presents details concerning the mode of operation of the Executive Board and Supervisory Board and other governance measures employed by the company.

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 electronic German Federal Gazette ("Elektronischer Bundesanzeiger"), as amended on May 26, 2010.

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, 2011

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

Further Remarks Concerning Corporate Governance

The Executive Board and the Supervisory Board concerned themselves again during the reporting year with the issues raised by the version of the German Corporate Governance Code introduced on May 26, 2010, which remains in force. Sartorius AG continues to comply with the regulations implemented over the course of the year ended. The targets for the composition of the Supervisory Board defined in this connection continue to apply:

- Women should make up no less than 25% of the Supervisory Board.

- Independent members should make up no less than 25% of the Supervisory Board.

- The aim of selecting candidates having international experience or an international background should be taken into consideration, 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 in the interests of the company in spite of the age limit being exceeded.

The company already meets these targets. The target for the proportion of women is somewhat higher than the proportion of women in management positions in the Sartorius Group.

Corporate Governance Statement 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.

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 to the Annual Shareholders' Meeting.

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 cannot be effected without the approval of the Supervisory Board. The Executive Board and the Supervisory Board work closely together in a spirit of mutual trust on the management and supervision of the company.

Remuneration of the Executive Board and Supervisory Board

Details of the remuneration paid to the Executive Board and Supervisory Board are presented and disclosed in a standardized form in a Remuneration Report that forms an integral part of the Group Management Report. In order to avoid having to repeat these details, this Annual Corporate Governance Statement explicitly adopts and references the presentation included in the Group Management Report (see on pp. 65 et seq.).

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' association, by the proxies appointed by Sartorius AG, who 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 central pillar 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; all of the changes made are verified by the independent auditors. The Executive Board notifies the Supervisory Board regularly of existing risks and their development. The Audit Committee is concerned in particular with monitoring: the accounting process including reporting; the efficacy of the internal control system; risk management and the internal auditing system; compliance; and the independent audit. Details of risk management are presented in the Risk and Opportunities Report.

Transparency

Sartorius AG recognizes the importance of disclosing consistent and complete information promptly. Information about the economic position of the Group and relevant developments is consequently released regularly without delay as it becomes known for the use of 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 in the form of 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 received no 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.

Accounting and Independent Audit

The consolidated financial statements and consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied within the EU. The annual financial statements of Sartorius AG are prepared in accordance with German commercial law (the German Commercial Code or 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, be they 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 System/Compliance department established for the purpose, and for their causes to be eliminated.

The Supervisory Board | The Executive Board

Remuneration Report

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

General and Fixed Remuneration

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 and variable components and is reviewed annually to ensure that it remains appropriate. The variable remuneration components paid in addition to the fixed base salary represent approximately half of the total remuneration excluding pension commitments and fringe benefits in the case of 100% target achievement.

Variable Remuneration

The variable portion of this remuneration contains components that are paid annually (subordinate targets measured against sales revenue | order intake, EBITA, ratio of net debt to EBITDA and individual goals) and components determined by multi-year assessment (measured against consolidated net profit and the phantom stock plan). The components to be annually paid and the elements determined by multi-year assessment each make up one half of the target achievement that is possible. A cap is provided for all variable components to be paid.

Of the total that can be awarded for 100% target achievement, the subordinate targets of the components to be annually paid are weighted as follows: sales revenue | order intake 10%; EBITA 15%; ratio of net debt to EBITDA 15%; and individual goals 10%. The subordinate targets constituted by consolidated net profit and the phantom stock plan as components determined by multi-year assessment are each weighted at 25%.

a) Annually paid variable remuneration

The portion of the variable remuneration that is to be paid annually depends on the degree to which the target is achieved, which the Supervisory Board defines by setting each individual subordinate target. Thus, target achievement is subdivided into the previously mentioned four subordinate targets, which are each separately paid.

Sales Revenue | Order Intake

If the degree of target achievement is below 90%, no remuneration is paid. If 90% is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 104%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

EBITA

If the degree of target achievement is below 70%, no remuneration is paid. If 70% is achieved, 70% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

Ratio of Net Debt to EBITDA

No remuneration is paid if the ratio of net debt to EBITDA achieved is below the lower limit defined. If this defined value is achieved, 50% of the sum awarded is paid out. Thereafter, payment increases linearly up to a target achievement of 120%, at which a maximum of 120% of the sum awarded is paid out. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

Individual Goals

Reasonable quantitative and qualitative targets are agreed upon annually according to the area of responsibilities of each member of the Executive Board and in line with the current priority projects and objectives of the Group. At the end of a fiscal year, the Supervisory Board individually determines this component of variable remuneration, where a degree of payment exceeding 100% can be attained only if it is in adequate proportion to the situation of the company.

b) Variable remuneration with multi-year components

On the one hand, components determined by multi-year assessment depend on the degree to which the target is achieved, which the Supervisory Board defines by setting the subordinate target constituted by consolidated net profit. On the other hand, these multi-year components depend on the value of the monetary sum ascribed to the Executive Board member at the beginning of each year.

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, such as customer databases or patents, which results from purchase price allocation within the scope of business combinations pursuant to IFRS 3). Target achievement for assessing annual variable remuneration is based on the average taken over a period of three fiscal years, beginning with the present fiscal year. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for a fiscal year will be effected. Any overpayments as a result of these partial payments will be offset in the following year against other remuneration components (fixed or variable). No partial payment will be made in the year prior to an Executive Board member's resignation. Full account is thus taken of any negative results, and the effects thereof continue to have an impact on the remuneration of the Executive Board member concerned even after he or she has left the company. If a defined minimum value is attained, payment of the awarded sum will increase linearly from 0% to a maximum of 120% of the subordinate target achievement value defined by the Supervisory Board. The degree of payment of 120% constitutes the cap for this subordinate target at the same time.

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, this phantom stock is valuated 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 the 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

Executive Board members receive pension commitments when reappointed for the first time. Until now, the level of their entitlement to benefits paid under a company pension scheme had been calculated based on the salary of a German federal civil servant of salary class B for ministry officials according to the Federal Civil Service Remuneration Act (Bundesbesoldungsgesetz), and depended on the term of their respective appointments. Benefits under the company pension scheme are still granted in the form of a retirement pension for old age and invalidity and 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 retire.

If an Executive Board member is appointed for a second time, the benefits under the company pension scheme used to be extended by an externally financed defined contribution plan commitment. Besides securing a basic retirement amount, this commitment used to provide for the second-term Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount.

This practice was modified by the resolution adopted by the Supervisory Board on August 24, 2011, in that upon being appointed for the first time, an Executive Board member will receive an externally financed defined contribution plan commitment, which, in addition to securing a basic retirement amount, now provides for this first-term Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount.

Severance Cap

The employment contracts concluded in connection with new appointments and reappointments include a severance pay cap of a maximum of two annual salaries to cover cases in which membership of the Executive Board is terminated prematurely.

Fringe Benefits

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 in addition to receiving the remuneration components mentioned. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

2. Remuneration of the Executive Board Members

Unlike in the previous years, the remuneration expenses actually recognized in the income statements are used to increase transparency in disclosing the remuneration of the Executive Board; the year-earlier figures were adjusted accordingly to reflect these actual amounts. Variable remuneration for a fiscal year is not accounted for and paid out until the following year in which the annual financial statements for that respective fiscal year have been approved. Variable remuneration based on multi-year performance is paid out no earlier than two or three years after a fiscal year has ended and only then if the prerequisites for such payment have been met.

€ in K	**2011**	2010
Total Remuneration for the Executive Board		
Cash benefits	**2,458**	**2,415**
Fixed remuneration	1,186	1,122
Annually paid variable remuneration	659	603
Variable remuneration with multi-year components (fair value)	613	690
Change in the fair values of the multi-year components of remuneration from previous years	**223**	**293**
Pension commitments		
Additions to provisions for retirement benefits[1]	120	261

€ in K	**2011**	2010
Dr. Joachim Kreuzburg		
Cash benefits	**1,182**	**1,238**
Fixed remuneration	568	568
Annually paid variable remuneration	318	313
Variable remuneration with multi-year components (fair value)	296	358
Change in the fair values of the multi-year components of remuneration from previous years	**156**	**260**
Pension commitments		
Additions to provisions for retirement benefits[1]	120	261

[1] The additions figure for 2010 is much higher than it would otherwise be as a result of changes in valuation assumptions and methods following the amendments introduced to the German Commercial Code (HGB) by the German Accounting Law Modernization Act (Bilanzrechtsmodernisierunsgesetz, BilMoG), as the entire amount of the addition associated with the conversion has been recorded in fiscal 2010 as permitted under the option provided.

€ in K	**2011**	2010
Jörg Pfirrmann		
Cash benefits	**541**	**477**
Fixed remuneration	262	220
Annually paid variable remuneration	145	120
Variable remuneration with multi-year components (fair value)	135	137
Change in the fair values of the multi-year components of remuneration from previous years	**27**	**13**

€ in K	**2011**	2010
Reinhard Vogt		
Cash benefits	**735**	**700**
Fixed remuneration	356	334
Annually paid variable remuneration	197	171
Variable remuneration with multi-year components (fair value)	182	195
Change in the fair values of the multi-year components of remuneration from previous years	**39**	**20**

	Fair value when granted as of Jan. 1 of the particular year € in K	Fair value at year end Dec. 31, 2010 € in K	**Fair value at year end Dec. 31, 2011 € in K**	Change in value in fiscal 2011 € in K
Remuneration determined using a multi-year assessment				
Dr. Joachim Kreuzburg				
Granted for fiscal 2010	138	147	149	2
Granted for fiscal 2011	138	0	140	2
Total	**275**	**147**	**289**	**5**
Jörg Pfirrmann				
Granted for fiscal 2010	53	56	57	1
Granted for fiscal 2011	63	0	64	1
Total	**115**	**56**	**121**	**2**
Reinhard Vogt				
Granted for fiscal 2010	75	80	81	1
Granted for fiscal 2011	85	0	86	1
Total	**160**	**80**	**168**	**3**

	Number of phantom stock units	Price on assignment[1] in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2010 € in K	**Fair value at year-end on Dec. 31, 2011 € in K**	Paid in fiscal 2011 € in K	Change in value in fiscal 2011 € in K	Status
Dr. Joachim Kreuzburg								
Tranche for 2005	4,053	15.42	63	108	0	118	10	Paid in 2011
Tranche for 2006	3,871	21.31	83	103	128	0	25	Exercisable
Tranche for 2007	3,593	34.79	125	96	119	0	23	Exercisable
Tranche for 2008	4,754	28.92	138	123	0	138	15	Paid in 2011
Tranche for 2009	16,851	8.16	138	323	344	0	21	Not exercisable
Tranche for 2010	8,715	15.78	138	211	271	0	60	Not exercisable
Sum of the tranches from the previous years	**41,837**		**685**	**964**	**862**	**256**	**154**	
Tranche for 2011	5,165	26.62	138	0	156	0	18	Not exercisable
Total sum of tranches	**47,002**		**823**	**964**	**1,018**	**256**	**172**	
Jörg Pfirrmann								
Tranche for 2009	2,703	8.16	22	52	55	0	3	Not exercisable
Tranche for 2010	3,334	15.78	53	81	104	0	23	Not exercisable
Sum of the tranches from the previous years	**6,037**		**75**	**133**	**159**	**0**	**26**	
Tranche for 2011	2,348	26.62	63	0	71	0	8	Not exercisable
Total sum of tranches	**8,385**		**138**	**133**	**230**	**0**	**34**	
Reinhard Vogt								
Tranche for 2009	4,054	8.16	33	78	83	0	5	Not exercisable
Tranche for 2010	4,754	15.78	75	115	148	0	33	Not exercisable
Sum of the tranches from the previous years	**8,808**		**108**	**193**	**231**	**0**	**38**	
Tranche for 2011	3,193	26.62	85	0	96	0	11	not exercisable
Total sum of tranches	**12,001**		**193**	**193**	**327**	**0**	**49**	

[1] Average share price over the last 20 days of trading in the previous fiscal year

3. 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 both fixed and performance-related components. The members of the Supervisory Board receive fixed annual basic remuneration and meeting attendance fees. They also have their expenses reimbursed and receive performance-related remuneration that is calculated according to a defined index on the basis of the dividends paid to the ordinary shareholders. The Supervisory Board members serving as chairperson and vice chairperson of the Supervisory Board receive higher basic remuneration and a correspondingly higher dividend-dependent remuneration component than do the other Supervisory Board members.

Members and chairpersons of Supervisory Board committees are entitled to receive additional annual fixed amounts and meeting attendance fees and reimbursement of their additional 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).

4. Remuneration of the Supervisory Board Members

€ in K	**2011**	2010
Remuneration for the Supervisory Board		
Total remuneration	**773**	**696**
Fixed remuneration	290	296
Performance-related remuneration	217	149
Compensation for committee work	58	60
Meeting attendance fee	123	109
Remuneration from Sartorius Weighing Technology GmbH, Goettingen	2	0
Total remuneration for the Sartorius Stedim Biotech Subgroup	83	82
Remuneration from the Sartorius Stedim Biotech GmbH, Goettingen	38	38
Remuneration from the Sartorius Stedim Biotech S.A., Aubagne	45	44

€ in K	**2011**	2010
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)		
Total remuneration	**230**	**206**
Fixed remuneration	60	60
Performance-related remuneration	45	30
Compensation for committee work	20	18
Meeting attendance fee	20	16
Remuneration from Sartorius Weighing Technology GmbH, Goettingen	2	0
Total remuneration for the Sartorius Stedim Biotech Subgroup	83	82
Remuneration from the Sartorius Stedim Biotech GmbH, Goettingen	38	38
Remuneration from the Sartorius Stedim Biotech S.A., Aubagne	45	44

€ in K	**2011**	2010
Gerd-Uwe Boguslawski[1)] (Vice Chairman)		
Total remuneration	**102**	**87**
Fixed remuneration	40	40
Performance-related remuneration	30	20
Compensation for committee work	12	12
Meeting attendance fee	20	15

€ in K	**2011**	2010
Dr. Dirk Basting		
Total remuneration	**41**	**35**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Meeting attendance fee	6	5

€ in K	**2011**	2010
Annette Becker[1)]		
Total remuneration	**41**	**36**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Meeting attendance fee	6	6

€ in K	**2011**	2010
Christiane Benner[1)]		
Total remuneration	**41**	**36**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Meeting attendance fee	6	6

€ in K	**2011**	2010
Uwe Bretthauer[1)]		
Total remuneration	**67**	**58**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Compensation for committee work	12	12
Meeting attendance fee	20	16

€ in K	**2011**	2010
Michael Dohrmann[1)]		
Total remuneration	**40**	**36**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Meeting attendance fee	5	6

[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

€ in K	2011	2010
Dr. Lothar Kappich		
Total remuneration	**48**	**36**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Compensation for committee work	3	0
Meeting attendance fee	10	6

€ in K	2011	2010
Prof. Dr. Gerd Krieger		
Total remuneration	**47**	**34**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Compensation for committee work	3	0
Meeting attendance fee	9	4

€ in K	2011	2010
Prof. Dr. rer. nat. Dr.-Ing. Heribert Offermanns		
Total remuneration	**41**	**36**
Fixed remuneration	20	20
Performance-related remuneration	15	10
Meeting attendance fee	6	6

€ in K	2011	2010
Dr. Michael Schulenburg		
Total remuneration	**29**	**63**
Fixed remuneration	8	20
Performance-related remuneration	6	10
Compensation for committee work	7	18
Meeting attendance fee	8	15

€ in K	2011	2010
Petra Kirchhoff (as of October 1, 2010)		
Total remuneration	**41**	**11**
Fixed remuneration	20	5
Performance-related remuneration	15	3
Meeting attendance fee	6	3

€ in K	2011	2010
Prof. Dr. Klaus Trützschler (as of November 29, 2011)		
Total remuneration	**5**	**0**
Fixed remuneration	2	0
Performance-related remuneration	1	0
Compensation for committee work	1	0
Meeting attendance fee	1	0

€ in K	2011	2010
Manfred Werner[2] (from March 7, 2010, to September 30, 2010)		
Total remuneration	0	22
Fixed remuneration	0	11
Performance-related remuneration	0	6
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] His position remained dormant from August 27, 2009, until March 6, 2010.

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. In total, these employee representatives received €327 K (2010: €307 K) for such employment.

5. Remuneration of Former Managing Directors

€ in K	2011	2010
Remuneration of Former Managing Directors		
Remuneration of former managing directors, directors and their surviving dependents	390	282
Retirement benefits and pension obligations to former members of the Executive Board and their surviving dependents[1]	6,692	5,937

[1] Retirement benefits and pension obligations increased significantly on December 31, 2010, as a result of the use of valuation assumptions and methods that changed upon the amendments introduced to the German Commercial Code (HGB) by the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz, BilMoG) because the entire amount of the increase was incorporated into the statement of financial position on this date as permitted under the option provided. Asset values from pledged reinsurance coverage were offset against the retirement benefits and pension obligations for the first time after HGB had been amended. Applying the same valuation parameters as in the previous year would have yielded a figure for retirement benefits and pension

Sustainability Report

03

Sustainability at Sartorius

Sustainability is one of the core values that are firmly embedded in Sartorius' corporate culture. Ever since the company was established in 1870, the sustainable development of the company has been its major objective.

Our primary commercial mission is to offer attractive products and solutions to our customers. Innovation as well as strategic and operational excellence are key to accomplishing our mission. For us, sustainability in this context means taking a broad-based, long-term view of our business that specifically 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. Accordingly, we regard active management of social and ecological tasks not as compensation for our business activities, but rather as one of our success factors.

In line with this approach, we regard it as essential to comply with legal and ethical standards, manufacture with ecological responsibility and keep environmental impacts in mind when developing product innovations. Likewise, our HR policy is aimed at preserving the rights and interests of employees and at actively using and developing the potential of our global workforce. In addition, we support social and cultural activities on a project basis at our Company's sites around the world, helping to make the social and cultural environment even more attractive.

Dimensions of Sustainability

The examples presented in the following report are illustrative of the projects and measures we implemented in 2011 in our three sustainability fields: sustainable corporate management; ecological sustainability; and contributing in society.

Sustainable Corporate Management

Detailed information on the strategies and measures we use to achieve profitable growth is given in the sections of our Group Management Report on pages 20 through 71.

Compliance with Legal and Ethical Standards

Sartorius conducts its business in compliance with the legal regulations of individual countries and with globally accepted ethical standards. Our actions follow the principles of responsible corporate governance and control focused on sustainable value added. This includes compliance with legal and Group-internal regulations, consideration of our stakeholders' interests, transparent corporate communications, appropriate risk management and proper accounting and auditing. Sartorius complies with the stipulations and recommendations of the German Corporate Governance Code in the most recent version published on May 26, 2010. Further information on this topic is given in the Corporate Governance Report on page 62.

Sartorius has set up a global compliance system to monitor fulfillment of legal and ethical standards. This system is intended to ensure that members of the executive bodies, managers and employees comply with all legal regulations, codes and internal guidelines. Designed to be pre-emptive in nature, it aims to prevent misconduct, financial losses and damage to the company's image. Our Internal Control Systems | Compliance department is responsible for the task areas encompassing internal auditing, corporate security, environmental management, data protection, risk management, anti-corruption and export control.

The Sartorius Code of Conduct and the Sartorius Anti-Corruption Code play a central role in maintaining compliance within our organization. These two Codes establish the minimum standards for legally compliant and ethical behavior to which all employees are subject, as well as specific rules of conduct to counter corruption. They are intended to help our employees act ethically and in accordance with the law in their daily work. All our employees around the globe are required to complete a training course that uses fictitious examples to train them to deal with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any harmful conduct.

Our activities are based on our corporate values: sustainability, openness and enjoyment. These values govern how we treat our customers, business partners and investors as well as how we work together within our company. At the same time, these corporate values guide us in the direction in which we intend to further develop our company in the future.

Applying Different Perspectives

Because we operate as a global company, the diversity of our markets, business regions and customers is also reflected in our workforce. In setting up teams, we therefore ensure that the different perspectives and backgrounds are combined productively. Also, when filling management vacancies, we strive to achieve a mix of genders, age groups and cultures. A representative assessment in the reporting year shows that over half of the approximately 600 managerial employees at Sartorius originate from countries other than Germany. This reflects the situation in our entire workforce: More than 50% of our employees work at Sartorius subsidiaries outside Germany. With women accounting for more than 30% of our entire workforce, their proportion in managerial positions is nearly 25% and in upper management, around 18%. Therefore, according to its own estimates, Sartorius currently employs an above-average proportion of women compared with companies that operate in similar sectors. We continue to strive to increase the proportion of women in managerial positions and to internationalize our management even further over the medium term.

Further Developing the Potential of Employees Worldwide

To grow successfully in a dynamic market environment, we need competent, qualified employees. Sartorius invests continuously in the development of its employees. In this effort, our stated goal is to harmonize our personnel policy worldwide. A global training policy is aimed at ensuring that employees are assessed according to uniform global standards.

In the reporting year, our new Value Selling Program initiative was launched for all our field sales representatives and application specialists across the globe. Besides enhancing skills in asking questions to better understand customer needs, this training program teaches specific customer-focused consulting skills. Project management training enables our employees around the world to extend their skills in this area according to uniform standards.

Our leadership development program, which was designed on the basis of our leadership guidelines, has been in place since 2010 at our international sites. With such development programs, the Group promotes the integration of its employees from different cultural backgrounds all over the world to achieve its objective of developing a common management culture shared by everyone. Annual performance reviews, the content and assessment criteria of which were standardized across all sites in 2010, also foster such integration.

Sartorius aims to fill management vacancies largely from within its own ranks and accordingly develops and promotes employees with management potential at an international level. The reporting year saw the extension of our Leadership Training program, which only German employees had previously attended, to our European-wide company sites. This one-year program helps junior managers develop their own leadership skills, also by engaging in face to face discussions with long-standing managers and learning from these managers' experiences. We intend to offer the program at further Group sites in 2012.

To support our staff in shaping changes at our company and to take on new tasks, Sartorius enhanced its change management program in the reporting year. For instance, at the Goettingen site, change agents were designated to facilitate the process of converting to globally standardized business processes and to new SAP software.

Finding and Developing Talented Young Staff

Sartorius offers thorough initial vocational training to secure a future workforce of highly qualified, talented professionals. In Germany, the Group provides training and education in a total of 19 different professions and eight work-study programs. As of December 31, 2011, at its German sites Sartorius employed 106 vocational trainees and students altogether. We offer 41 trainee positions available every year, which is up from the former figure of 28. In 2011, Sartorius approached its goal of establishing a Group-wide standardized vocational training program.

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 communication management assistant, IT system integration specialist, IT application specialist
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 sheet metal worker for design engineering, Skilled machine and plant operator, Design draftsman | draftswoman, Certified production technician, Industrial electrician for equipment and systems
Work-study programs
Bachelor of Science in Biotechnology Bachelor of Engineering in Electrical and Electronics Engineering | Information Technology Bachelor of Science in Physical Engineering Technologies Bachelor of Engineering in Precision Machinery Bachelor of Engineering in Production Technology Bachelor of Science in Information Technology for Technical Applications Bachelor of Science in Business Information Management Systems Bachelor of Arts in Economics

At its sites in Puerto Rico and France, a vocational training program based on the German model is being set up. In addition, highly practical work-study programs in the natural sciences and business administration, which provide targeted, hands-on development, give promising young individuals the opportunity to prepare themselves for their future roles. Beyond this, we offer students internships for training purposes as an effective way to help them expand their professional knowledge, skills and experience. Moreover, we support our interns in a number of ways, for example, by enabling them to take part in training initiatives. Thanks to an alliance with the Euromed Business School in Marseille, France, the international interns at our Aubagne site, for instance, are able to attend the Master of Business Administration courses offered there. In addition, to retain young staff with high potential at our companies, Sartorius is expanding its internal and external talent management program.

Freedom, Flexibility and Safety at Work

Sartorius sets its employees demanding tasks, leaves them the freedom to arrange their daily work and delegates responsibility to them at an early stage. This creates long-term motivation and strong employee loyalty. This is evidenced, for example, that in Germany our staff attrition rate is very low, at 4.2%, and employees stay with us for nearly 14 years on average.

Flexible working hours are a key aspect in achieving a work-life balance. Our working time model gives employees at German sites the option of scheduling their working hours flexibly, for example, through flextime, part-time work or teleworking. Sartorius has already won a number of awards for its family-friendly policies.

Sartorius operates a corporate health management program covering both the physical and the psychosocial elements of health in order to enhance employee performance and motivation and reduce illness-related costs. We continuously improve workplace environments technically and organizationally to reduce job-related medical conditions, risks to health and potential causes of industrial accidents. By holding special safety awareness days at individual sites, Sartorius promotes its employees' individual health behavior.

We continuously adapt job safety and work organization conditions in line with the applicable laws and regulations. At our German companies, for example, we follow the guidance issued by the German Occupational Health and Safety Agency. In the reporting year, the number of notifiable workplace accidents at Sartorius in Germany was substantially below the statistical mean, calculated by Berufsgenossenschaft Energie Textil Elektro Medienerzeugnisse, the German institution for statutory accident insurance and prevention with responsibility for our industry, for the tenth year in succession. At our Beijing site, which has been certified under the OHSAS 18001 occupational health and safety management system since 2010, not a single notifiable workplace accident occurred among the more than 200 employees in 2011, a zero-accident record achieved yet again.

Ecological Sustainability

Sustainable production processes and sustainable products are an important basis for our long-term financial success. We design our manufacturing processes to conserve natural resources and offer products that are not only cost-efficient and reliable, but also provide ecological benefits. When planning our operations, we look beyond our own immediate use of resources to understand the entire lifecycle of our products, including our customers' processes. Our suppliers are also required to meet the requirements of our green approach. Growth coupled with underproportionate use of natural resources – this is a goal Sartorius implements at various levels.

High Standards in Environmental Protection and Quality

Sartorius is certified according to international standards for environmental protection (ISO 14001) and quality (ISO 9001). These two management systems ensure that we are prudent in our use of resources and comply with quality requirements in the manufacture of our products. Originally introduced at our Group headquarters in Goettingen, the two standards today set the benchmark for our international sites. We strive to continuously improve our existing systems and phase them in at all Group sites. Our site in Beijing, for example, has been certified for compliance with both standards since 2010. For 2012, Sartorius in India plans to obtain certification according to ISO 14001.

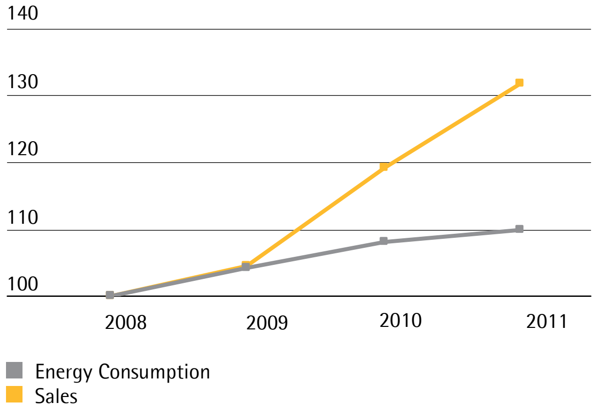
Environmentally Friendly Expansion of Our Infrastructure

With three major construction projects at our two sites in Germany, Goettingen and Guxhagen, and at our Puerto Rican site in Yauco, 2011 was an intensive year for Sartorius in expanding its infrastructure. In our new buildings and extensions of our production facilities, we integrate advanced ecological utilities and technologies, and often exceed the requirements imposed on us by local environmental protection regulations. For instance, at our Puerto Rican facility in Yauco, which we are expanding into a major production and logistics center for the North American market, Sartorius is striving to meet high U.S. standards for environmentally friendly, sustainable building environments that conserve resources and to achieve one of the highest quality ratings on the LEED scale, the certification system for green buildings in the USA. To cite an example, the new Yauco building complex is being designed to save 85% of water used and more than one fifth of energy consumed so far. Sartorius plans to obtain nearly 10% of its energy needs from renewable sources, such as from solar cells installed on the factory roof.

Efficient Use of Energy

Finding ways to improve our company's energy efficiency is one of our major approaches. The combined heat and power plant, which has been in operation at our Group's largest production site in Goettingen since 2008, achieves efficiencies of 80%, making it more than twice as efficient as a conventional power plant. The plant generates around 15% of the power required by our Goettingen site, and the waste heat produced in the process covers one fifth of our heating requirements. Operating our own combined heat and power plant not only substantially contributes towards protecting the environment but also significantly reduces our energy costs. We invest continuously in optimized control programs and advanced technology to achieve the greatest possible efficiency while minimizing the use of energy. The compressed air center that we use to manage and control our production machinery and that we upgraded in 2010 consumes around 45% less power than its predecessor. This upgrade alone has reduced our annual carbon dioxide footprint by 400 metric tons. Taken together, the environmental protection measures implemented to date at our Goettingen site have resulted in reducing our carbon dioxide emissions annually by around 5,600 metric tons. Energy consumption at the company's headquarters in Germany has remained significantly underproportionate overall in the last years: although we have added buildings to our plant operations produce more filters there and have considerably boost our revenue generated with our own manufactured products, our consumption of electricity and natural gas has remained almost constant since 2008. At our international sites, we also use various options available to save energy. In the reporting year, we modernized the lighting throughout our entire production facilities in Tunisia, for example, under the aspects of energy efficiency.

Development of Sales[1] and Energy Consumption
in %



[1] Source: Sartorius Stedim Biotech GmbH, Goettingen, for its own manufactured products

Return of Recyclable Materials

At our Goettingen site, where we produce membranes for filter cartridges, we operate an advanced solvent recycling plant. The alcohol effluents resulting from membrane production are purified directly on site and then fed back into the production process, enabling us simultaneously to maintain closed material cycles, minimize transport requirements and reduce the volume of water used and of wastewater produced. The design of our solvent recovery plant offers sufficient capacity to accommodate the planned expansion of membrane production as of 2012. By conducting our own research and development, we have reduced the overall quantities of solvents required in membrane manufacture.

As suppliers to the pharmaceutical industry, we are prohibited by regulatory requirements from using any recycled plastics on the grounds of product safety. Yet we consistently send our plastic waste for recycling or dispose of it in an environmentally responsible way. To name an example, in 2011 over 90% of all waste produced at our French sites in Aubagne and Lourdes and our Tunisian site in M'Hamdia were recycled. Energy-rich, but composite, plastic waste resulting from our bag manufacture was used to generate energy by incineration in a special power plant. The larger proportion of polymer waste was separated and collected according to type of material, such as polyamide and polyethylene, and reused as secondary materials. In the reporting year, we reduced paper consumption at the sites mentioned by a further 10% and returned waste paper for recycling or disposal in an environmentally responsible manner.

Sartorius applies the European Directive and Regulations for environmentally friendly reuse and recovery of its electronic products, such as laboratory balances and related instruments. As a result, equipment components, such as heavy or precious metals, do not end up in a landfill, but are recovered for further use. At our Sartorius sites in Germany, we have been using the electronic signature for hazardous materials, such as caustics and oil, since 2010. Therefore, we document the production of hazardous waste and provide digital proof of its proper recovery and/or disposal, ensuring that such waste is fully tracked from end to end.

Ecological Product Innovations

Our efforts to optimize the environmental performance of our products and production methods begin at the research and development stage. Wherever safety and functionality permit, we increase the proportion of renewable raw materials used and reduce packaging. In 2011, for instance, we initiated a long-term cooperative project with industrial partners to explore the options for obtaining polymers for our membranes and capsules from renewable or recycled raw materials. The integrated solutions of our FlexAct product range are further examples of our approach: beyond the ecological benefits generally offered by single-use technologies, FlexAct solutions reduce the need for stationary installation of equipment and thus the quantity of materials consumed. The versatile central control unit of FlexAct, for instance, can be used in a number of different biopharmaceutical processes.

Sustainable Products Improve Customers' Environmental Footprint

Single-use products are becoming increasingly wide-spread in the manufacture of innovative, effective medications. They are not only practical under economic aspects, but also provide ecological benefits: compared with conventional equipment made of steel and glass, single-use products eliminate the need for resource-intensive cleaning processes with ultrapure water as well as for subsequent waste-water processing. Studies have shown that single-use products made of plastic are far superior to complex reusable systems in their consumption of energy, water and chemicals over the product lifecycle. Experts have compared approaches based primarily on reusable materials with approaches based predominantly on single-use materials across various scenarios including a typical industrial manufacturing process for monoclonal antibodies. The result is clear-cut: manufacturers employing mostly single-use solutions consume around 87% less water and 30% less energy. In addition, the experts found that the deployment of single-use solutions reduces the size of production units. Manufacturers are said to require 30% less space, thus also saving energy and materials. Other research has confirmed that the energy required for sterilization, cleaning and materials in processes based on single-use products is around half that of conventional processes.

Although single-use products have clear ecological benefits regarding energy and water consumption, their use generates more waste. Yet consistent reuse and recycling can significantly improve environmental performance here as well. The ultrapure plastics we use to manufacture our 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.

Sartorius systems help customers not only make their products safer and their processes more productive, but also more environmentally friendly. This is true, for example, of the monitoring and control technology provided by our Mechatronics Division for process control applications. Solutions, such as in-line analytical equipment, for example, can cut material consumption and prevent defective batches. Our Services unit, meanwhile, assists customers to adapt solutions optimally to their requirements on site. We always analyze customer processes as a whole and identify potential for both financial and ecological improvements.

Database for Identifying Potential Energy Savings

To obtain reliable data on our own emissions across our value-added chain, we determined our carbon dioxide emissions, or "carbon footprint," at our main manufacturing site for single-use bags in Aubagne, France, at the end of 2010 using the method Bilan Carbone. The result of this analysis is that raw materials delivered by its suppliers account for roughly 42% of the site's carbon footprint. Other sources adding to its footprint are freight (20%), packaging (12%) and transportation (14%); this evaluation also takes into account employees' travel to work and their business travel. Based on this study, we have drawn up a plan of action to further reduce our CO_2 impact. On the whole, our strategy to supply our local markets as far as possible directly from our local production facilities helps shorten transportation routes and thus lower our carbon dioxide emissions.

Contributing to Society

In our social outreach activities, we concentrate on areas that have a connection to our core business. Promoting research and education and supporting events for the scientific community remain our chief priorities. At our larger Group production sites, we also give our backing to a variety of cultural and sporting events, as well as social initiatives to make these sites attractive to both our current staff and future employees.

Alliances with Research and Educational Institutions

The focus of our long-term cooperative projects with research and educational institutes is to promote scientific excellence and interdisciplinary exchange. The Florenz Sartorius Prize, which has been awarded twice a year since April 2010, to the best graduate from the University of Goettingen's Faculty of Economic Sciences, recognizes outstanding achievements in the fields relevant to a global operation like ours: business administration, economics, business information systems and business and human resources education. In the field of precision metrology, Sartorius Mechatronics has been funding a five-year professorship at the Technical University of Ilmenau in Germany since 2007. The Mechatronics Division's research and development department has been working closely with the university for many years, and this arrangement continues our long-standing cooperation. Sartorius also supports the International Graduate School of Metrology in Brunswick, Germany. The graduate program in metrology is a joint project run by the technical university TU Braunschweig and PTB, the German national metrology institute, both of which are based in the city. Sartorius supports the program as an industrial partner by arranging excursions and technical presentations to bring young scientists together with companies from the field of metrology. Elsewhere, our Aubagne site has entered into an alliance with the École d'Ingénieurs in Marseille to assist recently qualified biotechnology engineers in easing into professional life.

Our international Bioscience Scholarship provides financial, technical and personal support to talented students and graduates in scientific and technical disciplines. The program is intended to attract appropriately qualified young people from the global growth markets of Asia, Eastern Europe and Latin America in particular to our organization and enhance international project activities at Sartorius.

By donating to the business ethics fund established in 2011 by the German foundation Hanns-Lilje-Stiftung, Sartorius is involved in the interdisciplinary exchange about the role that ethics plays in economics. For instance, the fund deals with issues concerning how ethics can be practically integrated into day-to-day business. Since 2006, Sartorius has already been supporting the university round of talks "Universitätsrede" at Georg-August University of Goettingen. This event provides an interdisciplinary forum for all members of the university in order to discuss ethical responsibility issues surrounding scientific knowledge.

Sponsoring Events for the Scientific Community

In addition to long-term alliances with scientific institutions, we regularly take part in symposia, conventions and annual conferences. In 2011, these included the annual conferences of the American Society of Cell Biology (ASCB), the American Society of Microbiology (ASM) and the American Society for Industrial Microbiology (SIM). These non-profit organizations introduce and discuss the latest scientific insights. Moreover, Sartorius sponsored the annual meetings of the German Neuroscience Society (SFN) and the American Association for Cancer Research (AACR), which aim to drive the development of advanced medical treatment methods. Also in the reporting year, Sartorius supported the International Society for Pharmaceutical Engineering, which dealt with global production standards (GMP) at its the annual meeting in 2011. Our activities in the mechatronics field in 2011 included sponsoring the National Conference of Standards Laboratories (NCSL) symposium, which addresses issues including voluntary steps to improve the quality of measurement and testing of products and services.

Promotion of the Social and Cultural Environments at Group Sites

Helping to equip schools, providing scholarships, assisting with career advice and promoting practice-based learning: Sartorius plays an active role in a variety of education projects at its regional company sites. In Goettingen, Sartorius operates as an industrial partner of several high schools including the Felix Klein Gymnasium, which offers the globally recognized International Baccalaureate alongside the usual German university admission qualifications. At our site in Bangalore, India, the company in 2011 supported the local elementary school near the Sartorius Campus to add new classrooms to the ones already available.

Moreover, Sartorius is committed to different projects at its international sites. At the suggestion of a customer from India, for example, Sartorius together with the local Rotary Club organized a blood-donation drive in 2011 to take place on the Sartorius company grounds in Bangalore. Some 100 Sartorius staff members readily answered the call to donate blood. In Aubagne, France, Sartorius supports a community initiative to prepare unemployed people in special training courses to apply for jobs. Near our German headquarters, Sartorius is also a long-standing backer of various cultural and sporting events. We support the internationally renowned Goettingen Handel Festival and the city's "Literaturherbst" fall literature festival, for example. Since March 2011, Sartorius has also been one of the sponsors of the men's basketball team, BG Göttingen.

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.

Consolidated Financial Statements and Notes

04

Statement of Financial Position

Assets	Notes	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
A. Non-current Assets			
I. Goodwill	[10]	329,499	291,856
II. Intangible assets	[10]	137,008	110,675
III. Property, plant and equipment	[11]	179,747	151,188
IV. Financial assets	[12]	8,213	5,790
		654,467	**559,510**
V. Non-current trade and other receivables	[13]	819	1,873
VI. Deferred tax assets	[14]	30,093	24,268
		685,378	**585,650**
B. Current Assets			
I. Inventories	[15]	102,805	76,757
II. Trade receivables	[16]	111,072	95,565
III. Current tax assets		4,584	5,255
IV. Other assets	[16]	18,983	16,773
V. Cash and cash equivalents	[17]	41,016	27,743
		278,461	**222,092**
		963,839	**807,742**

Equity and Liabilities	Notes	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
A. Equity			
I. Issued capital	[18]	17,047	17,047
II. Capital reserves	[19]	86,988	86,988
III. Other reserves and retained earnings	[20/21/22]	202,842	173,140
IV. Non-controlling interest		59,147	50,006
		366,024	**327,182**
B. Non-current Liabilities			
I. Pension provisions	[23]	44,356	42,772
II. Deferred tax liabilities	[14]	37,788	38,251
III. Other provisions	[23]	10,440	10,309
IV. Loans and borrowings	[24]	271,244	206,608
V. Other liabilities	[24]	3,886	111
		367,715	**298,051**
C. Current Liabilities			
I. Provisions	[25]	11,440	17,255
II. Trade payables	[26]	72,008	60,377
III. Loans and borrowings	[26]	34,573	18,062
IV. Current tax liabilities	[26]	29,546	20,258
V. Other liabilities	[26]	82,533	66,558
		230,101	**182,509**
		963,839	**807,742**

Income Statement

	Notes	**2011 € in K**	2010 € in K
1. Sales revenue	[30]	733,100	659,317
2. Cost of sales	[31]	– 375,661	– 343,160
3. Gross profit on sales		357,438	316,157
4. Selling and distribution costs	[32]	– 159,517	– 148,527
5. Research and development costs	[33]	– 44,305	– 42,634
6. General administrative expenses	[34]	– 41,645	– 39,055
7. Other operating income and expenses	[35]	– 11,112	– 6,748
		– 256,580	– 236,964
8. Earnings before interest, taxes and amortization (EBITA)		100,858	79,193
9. Amortization		– 7,711	– 7,117
10. Earnings before interest and taxes (EBIT)		93,148	72,075
11. Interest and similar income	[36]	801	359
12. Interest and similar expenses	[36]	– 14,903	– 9,717
13. Financial result		– 14,102	– 9,358
14. Profit before tax		79,045	62,717
15. Income tax expense	[37]	– 33,631	– 21,396
16. Deferred tax income | expenses	[37]	10,090	1,709
17. Other taxes		– 2,709	– 2,346
		– 26,250	– 22,033
18. Net profit		52,795	40,684
Attributable to:			
Shareholders of Sartorius AG		41,563	31,020
Non-controlling interest		11,232	9,664
Earnings per ordinary share (€)	[38]	2.44	1.82
Earnings per preference share (€)	[38]	2.44	1.82

Statement of Comprehensive Income

	Notes	**2011 € in K**	2010 € in K
Net profit for the period		52,795	40,684
Cash flow hedges	[29]	– 9,555	2,313
Actuarial gains | losses on defined benefit obligations	[23]	– 3	– 4,164
Currency translation differences		5,423	9,742
Net investment in a foreign operation		– 777	– 963
Tax effects relating to comprehensive income		3,130	885
Other comprehensive income after tax		**– 1,782**	**7,813**
Total comprehensive income		**51,013**	**48,497**
Attributable to:			
Shareholders of Sartorius AG		39,931	37,854
Non-controlling interest		11,082	10,643

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

Statement of Cash Flows

	Notes	**2011 € in K**	2010 € in K
Cash flow from operating activities			
Net profit		52,795	40,684
Tax expenses	[37]	26,250	22,033
Financial expenses	[36]	14,102	9,358
Depreciation | amortization of fixed assets		32,807	31,853
Increase | decrease in provisions	[23/25]	– 6,528	– 5,532
Increase | decrease in receivables and other assets	[13/16]	– 16,305	– 4,823
Increase | decrease in inventories	[15]	– 17,010	– 4,973
Increase | decrease in liabilities (without loans and borrowings)	[24/26]	17,662	21,674
Gains from the disposal of fixed assets		– 818	0
Income taxes paid	[37]	– 23,922	– 14,267
Net cash flow from operating activities		**79,034**	**96,008**
Cash flows from investing activities			
Payments for financial assets	[12]	– 2,035	– 237
Payments for property, plant and equipment	[11]	– 38,860	– 15,795
Income from the sale of fixed assets		2,429	1,987
Payments for intangible assets	[10]	– 12,989	– 8,564
Effects from business combinations	[2/5]	– 71,266	0
Net cash flow from investing activities		**– 122,721**	**– 22,609**
Cash flows from financing activities			
Interest received	[36]	801	359
Interest paid	[36]	– 10,095	– 5,837
Other financial charges	[36]	– 265	0
Dividends paid to:			
- Shareholders of Sartorius AG		– 10,399	– 6,989
- Non-controlling interest		– 3,508	– 2,329
Changes in non-controlling interest		215	741
Acquisition of additional shares in subsidiaries	[2/5]	0	– 32,007
Loans and borrowings raised | repaid	[24/26]	76,243	– 58,869
Net cash flow from financing activities		**52,992**	**– 104,931**
Net increase | decrease in cash and cash equivalents		9,304	– 31,532
Cash and cash equivalents at the beginning of the period		27,743	58,576
Net effect of currency translation on cash and cash equivalents		3,969	699
Cash and cash equivalents at the end of the period		41,016	27,743
Gross debt owed to banks		**305,817**	**224,669**
Net debt owed to banks		**264,801**	**196,926**

Statement of Changes in Equity

€ in K	Notes	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits
Balance at Jan. 1, 2010		**17,047**	**86,988**	**203**	**– 1,904**	**184,012**
Other comprehensive income after tax		**0**	**0**	**1,334**	**– 2,647**	**– 507**
Net profit for the period		0	0	0	0	31,020
Total comprehensive income		**0**	**0**	**1,334**	**– 2,647**	**30,513**
Dividends		0	0	0	0	– 6,989
Acquisition of additional shares in subsidiaries	[5]	0	0	0	0	– 26,751
Change in non-controlling interest		0	0	0	0	– 279
Other changes in equity		0	0	0	0	765
Balance at Dec. 31, 2010 | Jan. 1, 2011		**17,047**	**86,988**	**1,537**	**– 4,551**	**181,271**
Other comprehensive income after tax		**0**	**0**	**– 5,903**	**– 19**	**– 380**
Net profit for the period		0	0	0	0	41,563
Total comprehensive income		**0**	**0**	**– 5,903**	**– 19**	**41,183**
Dividends		0	0	0	0	– 10,399
Acquisition of additional shares in subsidiaries	[5]	0	0	0	0	0
Change in non-controlling interest		0	0	0	0	– 78
Other changes in equity		0	0	0	0	247
Balance at December 31, 2011		**17,047**	**86,988**	**– 4,366**	**– 4,570**	**212,224**

The item "Acquisition of additional shares in subsidiaries" discloses the purchase of additional shares in Sartorius Stedim Biotech S.A. (cf. Section 5 in addition).

The dividends paid per share are as follows:

	Per share in €	**2011 total € in K**	Per share in €	2010 total € in K
Dividend for ordinary shares	0.60	5,117	0.40	3,411
Dividend for preference shares	0.62	5,282	0.42	3,578
		10,399		**6,989**

Difference resulting from currency translation	Equity attributable to shareholders of Sartorius AG	Non-controlling interest	Total equity
– 13,770	**272,576**	**46,669**	**319,245**
8,654	**6,834**	**979**	**7,813**
0	31,020	9,664	40,684
8,654	**37,854**	**10,643**	**48,497**
0	– 6,989	– 2,329	– 9,318
0	– 26,751	– 5,256	– 32,007
0	– 279	279	0
0	765	0	765
– 5,116	**277,176**	**50,006**	**327,182**
4,670	**– 1,632**	**– 150**	**– 1,782**
0	41,563	11,232	52,795
4,670	**39,931**	**11,082**	**51,013**
0	– 10,399	– 3,508	– 13,907
0	0	0	0
0	– 78	1,567	1,489
0	247	0	247
– 446	**306,877**	**59,147**	**366,024**

Segment Reports

Operating Segments

€ in millions	**Biotechnology** 2011	2010	Change in %	**Mechatronics** 2011	2010	Change in %			
Order intake	499.8	442.3	13.0%	249.7	238.8	4.6%			
Sales revenue	476.9	432.6	10.2%	256.2	226.7	13.0%			
- as a total %	65.0%	65.6%		35.0%	34.4%				
EBITDA	95.3	83.0	14.8%	30.6	20.9	46.4%			
- as a % of sales revenue	20.0%	19.2%		11.9%	9.2%				
EBITA	78.6	67.2	17.0%	22.3	12.0	85.2%			
- as a % of sales revenue	16.5%	15.5%		8.7%	5.3%				
Amortization									
Financial result									
Tax expenses									
Profit after tax									
Depreciation and amortization	24.5	23.0	6.5%	8.3	8.9	– 6.2%			
Capital expenditures	38.0	16.7	127.9%	13.8	7.7	80.1%			
- as a % of sales revenue	8.0%	3.9%		5.4%	3.4%				
Total assets of the group	700.0	655.3	6.8%	263.9	152.4	73.1%			
- of which: working capital	130.9	107.7	21.5%	83.0	64.6	28.5%			
No. of employees at Dec. 31	2,858	2,581	10.7%	2,441	1,934	26.2%			

Geographical Information

€ in millions	**Europe** 2011	2010	Change in %	**North America** 2011	2010	Change in %	**Asia | Pacific** 2011	2010	Change in %
Sales revenue									
- acc. to customers' location	383.7	346.7	10.7%	148.6	146.9	1.2%	171.8	138.8	23.8%
as a total %	52.3%	52.6%		20.3%	22.3%		23.4%	21.0%	
- acc. to company location	460.0	412.0	11.7%	150.7	147.7	2.0%	122.4	99.6	22.9%
as a total %	62.7%	62.5%		20.6%	22.4%		16.7%	15.1%	
Non-current assets	592.8	515.1	15.1%	24.7	15.1	63.2%	27.3	21.9	24.8%
No. of employees at Dec. 31	3,493	2,954	18.2%	598	551	8.5%	1,088	913	19.2%

EBITA adjusted for extraordinary expenses, such as restructuring costs, for example ("underlying EBITA"), is reported as follows:

	2011 € in K	2010 € in K
Biotechnology	83,254	70,156
Mechatronics	28,938	15,338
	112,192	**85,494**

		Non-allocated Items			Group
2011	2010	Change in %	**2011**	2010	Change in %
			749.5	681.1	10.0%
			733.1	659.3	11.2%
			100.0%	100.0%	
			126.0	103.9	21.2%
			17.2%	15.8%	
			100.9	79.2	27.4%
			13.8%	12.0%	
– 7.7	– 7.1	– 8.3%	– 7.7	– 7.1	– 8.3%
– 14.1	– 9.4	– 50.7%	– 14.1	– 9.4	– 50.7%
– 26.3	– 22.0		– 26.3	– 22.0	– 19.1%
			52.8	**40.7**	**29.8%**
			32.8	31.9	3.0%
			51.8	24.4	112.8%
			7.1%	3.7%	
			963.8	807.7	19.3%
			213.9	172.3	24.1%
			5,299	4,515	17.4%

		Other Markets			Group
2011	2010	Change in %	**2011**	2010	Change in %
29.0	27.1	7.2%	733.1	659.3	11.2%
4.0%	4.1%		100.0%	100.0%	
0.0	0.0		733.1	659.3	11.2%
			100.0%	100.0%	
1.4	1.6	– 10.9%	646.3	553.7	16.7%
120	97	23.7%	5,299	4,515	17.4%

Notes to the Consolidated Financial Statements

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 in Weender Landstrasse 94–108, Goettingen, Federal Republic of Germany.

The Sartorius Group is a leading international laboratory and process technology provider covering the segments of biotechnology and mechatronics. Its biotechnology segment focuses on the major areas of activity of filtration, fluid management, fermentation, purification, laboratory applications and services. In the mechatronics segment, the Sartorius Group primarily manufactures equipment and systems featuring weighing, measurement and automation technology for laboratory and industrial applications. Key Sartorius customers are from the pharmaceutical and food industries and from numerous research institutes of the public sector.

1. Accounting Principles

The consolidated financial statements of Sartorius AG for the year ended December 31, 2011, were prepared in accordance 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). These statements conform to the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – observing all IFRS | IAS to be applied effective December 31, 2011, as well as the corresponding Interpretations of the International Financial Reporting Interpretations Committee (IFRS IC). The requirements imposed by these regulations were met without exception so that the consolidated financial statements of Sartorius AG present a true and fair view of the financial, liquidity and earnings positions, as well as the cash flows during the past financial year. The Executive Board is scheduled to submit the consolidated financial statements on March 1, 2012, to the Supervisory Board.

2. Cash Flow Statement

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

In this instance, cash flows from operating activities are calculated using the indirect method; i.e., expenses not affecting payments are added to the net profit, while income without an effect on payments is subtracted.

Besides including operating investments in intangible assets and in property, plant and equipment, cash flows from investing activities in the reporting year covered the acquisition of the liquid handling business of Biohit Oyj, the Finnish laboratory supplier, as well as the takeover of 49% of its shares in addition to a purchase option granted for the remaining shares.

Cash flows from financing activities are comprised of loans and borrowings and dividend payments, as well as transactions between owners. Cash and cash equivalents include all liquid assets, i.e., all cash on hand and deposits to banks.

3. Segment Reporting

According to IFRS 8, Operating Segments, segments are defined by the so-called 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 and discrete financial information is available in its internal reporting. Internal control and reporting in the Sartorius Group is primarily done on the basis of its two divisions, Biotechnology and Mechatronics. Accordingly, the Group's operating segments must be defined on this basis.

The Sartorius Group uses EBITA, i.e., earnings before interest, taxes and amortization, as the key profitability measure of its operating segments. Amortization in this context refers to impairments of goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3. Therefore, amortization and income tax, as well as interest expense and income, are not included in the operating results of the segments for the respective reporting period. The recognition and measurement methods for the reportable segments conform to the general Group accounting guidelines.

For intersegment receivables, internal transfer prices are set 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 results reported by the segments for fiscal 2011 include impairment expenses of €0.7 million (2010: €1.3 million) for the Biotechnology Division; for the Mechatronics Division, no significant impairment expenses were incurred (2010: €0.3 million).

The segment assets that are relevant for management's decision making comprise inventories and trade receivables (= working capital); for this reason, these assets are reported on separately. Segment debt is not reported on a regular basis to the chief operating decision maker and is thus not an integral part of our segment reporting.

As in fiscal 2010, all employees responsible for Group-wide administrative tasks at Sartorius Corporate Administration GmbH (SCA) were mathematically allocated to the Mechatronics Division in fiscal 2011.

Concerning the geographical information, the following applies: The European region includes the markets of Western and Eastern Europe. The North American region reflects the U.S. marketplace and the Canadian market. Japan, China, Australia and India, among other countries, were allocated to the Asia | Pacific region. The Other Markets segment primarily consists of Latin America and Africa. The key figures of the regional segments refer to the company location, except for sales revenue, which is also reported according to the customer's location. The non-current assets correspond to property, plant and equipment as well as to intangible assets of the Group affiliates that are to be allocated to these various regions. In the European region, the following countries account for the material non-current assets: Germany (€155.9 million; €138.9 million in 2010) and France €351.8 million; €356.9 million in 2010). Goodwill resulting from purchase price allocation concerning the Stedim acquisition and the associated intangible assets were regionally allocated to France.

4. Principles and Methods of Consolidation

The consolidated financial statements of Sartorius AG include the annual financial statements of all material companies, which are controlled directly or indirectly by Sartorius AG via its subsidiaries.

As defined by IAS 27, Consolidated Financial Statements and Accounting for Investments in Subsidiaries, a controlling interest exists if Sartorius AG or its subsidiaries have the power to govern the financial and operating policies of an enterprise so as to obtain economic benefits from its activities. Such enterprises are included in the consolidated financial statements from the time when Sartorius AG or its subsidiaries acquired such control. They are no longer included as of the time control is relinquished.

Capital has been consolidated in accordance with the purchase method, under which the acquisition costs of the shareholding are offset against their equity share at the time of the acquisition. Any excess of the acquisition costs over the fair value of the identifiable assets and liabilities is disclosed as goodwill, unless it can be allocated to the other assets of the subsidiary. Goodwill may not be amortized as scheduled, but rather must be tested for impairment at least annually according to IFRS 3. Any impairment loss is immediately recognized in the result for the period and is not reversed in subsequent periods.

Any excess of the parent corporation's interest beyond the cost of the business combination, which resulted from initial consolidation, is recognized in the income statement, provided that after reassessment it cannot be allocated as identifiable assets, liabilities and contingent liabilities of the acquiree.

Non-controlling interest is recognized as the percentage of the identifiable net assets of the acquiree.

The acquisition of additional shares in a subsidiary is treated as a transaction between owners. The difference between the cost of acquisition and the non-controlling share is directly recognized in equity.

Subsidiaries have been included on the basis of their annual financial statements, which have been adapted to uniform Group recognition and measurement methods.

Accounts receivable and debts between the consolidated companies have been netted out, and internal Group valuation allowances and provisions reversed. Intragroup results, revenues and expenses have been eliminated. Taxes are deferred on consolidation processes.

The consolidation methods applied have remained unchanged with respect to the 2010 figures that were contrasted with the figures of fiscal 2011 for comparative purposes. Therefore, a description of the effect on the net worth, financial situation and profitability is omitted.

5. Scope of Consolidation and List of Subsidiaries

The Group financial statements include the financial statements of Sartorius AG and of the following fully consolidated subsidiaries and investments in subsidiaries and participating interests carried at cost:

	Sartorius AG's ownership in %	Equity at Dec. 31, 2011 € in K	Net profit at Dec. 31, 2011 € in K	Consolidated
Sartorius AG, Goettingen, Germany	Parent corporation	299,370	153,474	X
Sartorius Stedim Biotech S.A., Aubagne, France, along with its subsidiaries:	74.5	106,485	23,861	X
Europe (Biotechnology)				
Sartorius Stedim Belgium N.V., Vilvoorde, Belgium	100.0	1,658	382	X
Distribo GmbH, Goettingen, Germany *)	26.0	652	95	
Sartorius Stedim Nordic A/S, Taastrup, Denmark	100.0	210	168	X
Sartorius Stedim Biotech GmbH, Goettingen, Germany	100.0	81,449	20,153	X
Sartorius Stedim Systems GmbH, Melsungen, Germany	100.0	13,987	419	X
Sartorius Stedim Plastics GmbH, Goettingen, Germany	100.0	3,934	1,471	X
Munktell & Filtrak GmbH, Baerenstein, Germany *)	49.0	4,673	1,025	
Sartorius Stedim UK Ltd., Epsom, U.K.	100.0	1,420	445	X
Sartorius Stedim Lab Ltd., Louth, U.K.	100.0	1,917	759	X
Sartorius Stedim France S.A.S., Aubagne, France	100.0	5,234	2,037	X
Sartorius Stedim Aseptics S.A., Lourdes, France	100.0	4,373	1,781	X
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100.0	406	156	X
Sartorius Stedim Italy S.p.A., Florence, Italy	100.0	4,146	1,028	X
Sartorius Stedim Netherlands B.V., Nieuwegein, Netherlands	100.0	1,046	345	X
Sartorius Stedim Austria GmbH, Vienna, Austria	100.0	1,162	494	X
Sartorius Stedim Poland Sp. z.o.o., Kostrzyn, Poland *)	100.0	530	318	
OOO Sartorius ICR, St. Petersburg, Russia	100.0	121	125	
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100.0	3,930	– 59	X
Sartorius Stedim Spain S.A., Madrid, Spain	100.0	118	500	X
Sartorius Stedim Hungaria Kft., Budapest, Hungary *)	100.0	321	13	
North America (Biotechnology)				
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100.0	17,232	4,902	X
Sartorius Stedim North America Inc., Bohemia, New York, USA	100.0	43,547	6,443	X
Sartorius Stedim SUS Inc., Concord, California, USA	100.0	9,947	1,070	X
Asia | Pacific (Biotechnology)				
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	1,040	1,050	X
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100.0	1,865	434	X
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100.0	2,947	– 1,165	X
Sartorius Stedim Japan K.K., Tokyo, Japan	100.0	3,259	1,191	X
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	49.0	2,206	269	X
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	914	544	X
Sartorius Stedim Singapore Pte. Ltd., Singapore	100.0	1,616	1,511	X
Other Markets (Biotechnology)				
Sartorius Stedim SUS S.A.R.L., M'Hamdia, Tunisia	100.0	3,725	642	X

	Sartorius AG's ownership in %	Equity at Dec. 31, 2011 € in K	Net profit at Dec. 31, 2011 € in K	Consolidated
Europe (Mechatronics)				
Sartorius Mechatronics Belgium N.V., Vilvoorde, Belgium	100.0	– 558	– 192	X
Sartorius Mechatronics Nordic A/S, Taastrup, Denmark	100.0	– 211	– 311	X
Sartorius Weighing Technology GmbH, Goettingen, Germany	100.0	42,843	– 4,893	X
Denver Instrument GmbH, Goettingen, Germany	100.0	1,639	156	X
Sartorius Mechatronics C&D GmbH & Co. KG, Aachen, Germany, including Sartorius-Verwaltungs-GmbH	100.0	– 1,730	1,678	X
Sartorius Mechatronics T&H Hamburg GmbH, Hamburg, Germany	100.0	21,126	3,025	X
Sartorius Corporate Administration GmbH, Goettingen, Germany	100.0	639	0	X
SI Weende-Verwaltungs-GmbH, Goettingen, Germany	100.0	24	0	X
SIV Weende GmbH & Co. KG, Goettingen, Germany	100.0	2,918	135	X
SI Grone 1-Verwaltungs-GmbH, Goettingen, Germany	100.0	24	– 1	X
SIV Grone 1 GmbH & Co. KG, Goettingen, Germany	100.0	5,500	49	X
SI Grone 2-Verwaltungs-GmbH, Goettingen, Germany	100.0	25	0	X
SIV Grone 2 GmbH & Co. KG, Goettingen, Germany	100.0	10	0	X
Sartorius Lab Holding GmbH, Goettingen, Germany	100.0	148,053	– 1,528	X
Biohit Deutschland GmbH, Rosbach, Germany	100.0	– 123		X
Sartorius Mechatronics UK Ltd., Epsom, UK	100.0	2,078	– 128	X
Biohit Ltd., Torquay, UK	100.0	526		X
Sartorius Biohit LH Oy, Helsinki, Finland	100.0	6,000		X
Sartorius Mechatronics France S.A.S., Aubagne, France	100.0	1,679	– 2,576	X
VL Finance S.A.S., Aubagne, France	100.0	52,595	1,671	X
Biohit S.A.S., Dourdan, France	100.0	1,630		X
Sartorius Mechatronics Ireland Ltd., Dublin, Ireland	100.0	52	– 198	X
Sartorius Mechatronics Italy S.r.l., Florence, Italy	100.0	1,015	46	X
Sartorius Mechatronics Netherlands B.V., Nieuwegein, Netherlands	100.0	144	502	X
Sartorius Mechatronics Austria GmbH, Vienna, Austria	100.0	3,349	341	X
Sartorius Mechatronics Poland Sp. z.o.o., Kostrzyn, Poland *)	100.0	546	– 14	
ZAO Sartogosm, St. Petersburg, Russia *)	51.0	494	421	
Biohit OOO, St. Petersburg, Russia	100.0	653		X
Sartorius Mechatronics Switzerland AG, Dietikon, Switzerland	100.0	– 208	114	X
Sartorius Mechatronics Spain S.A., Madrid, Spain	100.0	– 1,212	– 417	X
Sartorius Mechatronics Hungaria Kft., Budapest, Hungary *)	100.0	754	116	
North America (Mechatronics)				
Sartorius North America Inc., Bohemia, New York, USA	100.0	25,005	0	X
Sartorius Mechatronics Corporation, Bohemia, New York, USA	100.0	6,105	– 1,230	X
Sartorius TCC Company, Arvada, Colorado, USA	100.0	6,930	193	X
Biohit Inc., Neptune, New Jersey, USA	100.0	– 442		X
Sartorius Mechatronics Canada Inc., Mississauga, Canada	100.0	139	28	X

	Sartorius AG's ownership in %	Equity at Dec. 31, 2011 € in K	Net profit at Dec. 31, 2011 € in K	Consolidated
Asia | Pacific (Mechatronics)				
Sartorius Mechatronics Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	370	283	X
Denver Instrument (Beijing) Co. Ltd., Beijing, China	100.0	5,640	239	X
Sartorius Scientific Instruments (Beijing) Co. Ltd., Beijing, China	100.0	20,668	4,356	X
Biohit Biotech (Suzhou) Co. Ltd., Shanghai, China	100.0	985		X
Sartorius Mechatronics Hong Kong Ltd., Kowloon, Hong Kong	100.0	3,659	409	X
Sartorius Mechatronics India Pvt. Ltd., Bangalore, India	100.0	5,239	230	X
Sartorius Weighing India Pvt. Ltd., Bangalore, India	100.0	1	0	X
Biohit Biotech Systems (India) Pvt. Ltd., Chennai, India	100.0	33		X
Sartorius Mechatronics Japan K.K., Tokyo, Japan	100.0	8,026	1,489	X
Biohit Japan Co. Ltd., Tokyo, Japan	100.0	– 910		X
Sartorius Mechatronics Philippines Inc., Makati City, Philippines	100.0	389	41	
Sartorius Mechatronics Singapore Pte. Ltd., Singapore	100.0	873	300	X
Sartorius Mechatronics Korea Ltd., Seoul, South Korea	100.0	3,320	548	X
Sartorius Mechatronics (Thailand) Co. Ltd., Bangkok, Thailand	49.0	479	195	X
Other Markets (Mechatronics)				
Sartorius Argentina S.A., Buenos Aires, Argentina *)	99.0	591	212	
Sartorius do Brasil Ltda., São Paulo, Brazil *)	100.0	– 1,367	– 577	
Sartorius de México S.A. de C.V., Naucalpan, Mexico *)	99.0	252	38	

As the financial statements of the subsidiaries identified by an *) were not available at the time our consolidated financial statements were prepared, the information from the annual financial statements from 2010 was considered.

The non-consolidated companies were not included in the consolidated Group financial statements because they have minor importance for assessment of the actual net worth, financial situation and profitability of the Sartorius Group. Instead, these companies were accounted for at acquisition cost.

Change in the Scope of Consolidation

The subsidiaries Sartorius Stedim Ireland Ltd., Sartorius Mechatronics Ireland Ltd., Sartorius Mechatronics Nordic A/S and Sartorius Weighing Technology GmbH were consolidated in the Group financial statements for the first time. These companies were founded in the reporting year.

On December 14, 2011, the liquid handling business of the Finnish laboratory supplier Biohit Oyj was acquired. In this connection, Sartorius Biohit Liquid Handling Oyj, Finland, as well as several production and sales companies, were initially consolidated in the Group financial statements in fiscal 2011.

Effective November 1, 2011, 49% of the shares in Sartorius Korea Biotech Co. Ltd. were acquired. As a call option exercisable at any time was additionally agreed upon for the purchase of the remaining 51% shares, control of this subsidiary exists as defined by IAS 27. For that reason, this South Korean subsidiary was fully consolidated in the financial statements of the parent company.

Details of the transactions are given in the subsections below.

The shares of the companies not included in the consolidated financial statements were not accounted for at fair value because no active market exists for them, and an appraisal report was not obtained due to their minor importance.

Stedim Share Buyback Program

In the second quarter of 2010, the Sartorius Stedim Biotech (SSB) subgroup initiated a share buyback program in which Sartorius AG participated as the majority shareholder with a controlling interest in this subgroup and sold shares to its subsidiary SSB S.A. From the Sartorius Group viewpoint, 429,938 SSB shares valued at €16.0 million were repurchased from the minority shareholders within the scope of this program, after Sartorius AG had already acquired an additional 502,000 shares, likewise valued at €16.0 million, in SSB S.A. as early as in the first quarter of 2010. No further shares were purchased in the third or fourth quarter of fiscal 2010 or in fiscal 2011. As of the reporting date, the Group thus holds 74.5% (2010: 74.5 %) of Sartorius Stedim Biotech shares and

84.0 % (2010: 76.9 %) of the voting rights in this company. The increase in the percentages of voting shares can be attributed to reinstatement of multiple voting rights in the fiscal year.

Acquisition of the Liquid Handling Segment of Biohit Oyj

On December 14, 2011, the Sartorius Group acquired the liquid handling segment of the Finnish laboratory supplier Biohit Oyj based in Helsinki to expand the Sartorius laboratory product portfolio. This company is among the market leaders for mechanical and electronic pipettes as well as for the associated consumables. In addition to covering production facilities in Finland and China, this acquisition included sales companies in eight countries.

Within the scope of a preliminary purchase price allocation, the assets and liabilities acquired were measured at the following fair values:

	Fair values on the acquisition date € in K
Intangible assets	25,480
Property, plant and equipment	8,616
Inventories	6,569
Trade receivables	5,834
Other assets	1,782
Cash and cash equivalents	1,657
Net deferred taxes	– 6,656
Provisions	– 303
Financial liabilities	– 2,780
Other liabilities	– 5,526
Net assets acquired	**34,673**
Acquisition cost	68,000
Goodwill	**33,327**

Costs directly attributable to the acquisition that were incurred in the reporting year were recognized in the amount of €2.7 million under other expenses. The acquisition price was paid in cash.

The goodwill disclosed primarily reflects Sartorius's position in its relevant laboratory market. Sartorius's position was enhanced by the expansion of its laboratory product offering through the Biohit acquisition, as well as by the synergies resulting from the business combination.

Based on the transaction structure, we assume that parts of this goodwill are tax-deductible. The calculations and audit review in this segment have not yet been completed at present.

If Biohit would have belonged to the Sartorius Group already as of January 1, 2011, sales revenue would have been approximately €40 million higher and net profit – without eliminating extraordinary items or the added Biohit holding costs – would have been approximately €2 million more than actually reported.

Acquisition of Sartorius Korea Biotech Co. Ltd.

As of November 1, 2011, Sartorius Stedim Biotech GmbH acquired 49% of the shares in Sartorius Korea Biotech Co. Ltd., based in Seoul, South Korea. In addition, a call option that can be exercised at any time exists for the remaining 51% shares in this subsidiary. For this reason, Sartorius Stedim Biotech GmbH controls this company pursuant to IAS 27. The preliminary purchase price allocation is presented below:

	Fair values on the acquisition date € in K
Intangible assets	1,468
Property, plant and equipment	718
Inventories	1,817
Trade receivables	3,343
Other assets	960
Cash and cash equivalents	694
Net deferred taxes	– 350
Provisions	– 328
Financial liabilities	– 2,165
Other liabilities	– 3,172
Net assets acquired	**2,985**
Non-controlling interest	1,522
Shares held by the Group	1,463
Acquisition cost	5,622
Goodwill	**4,159**

The cost of this acquisition and measurement of the call option acquired are also to be regarded as preliminary. Based on current knowledge, this option is to be recognized at a value of approximately €0.1 million. On the whole, the purchase price was paid in cash and cash equivalents.

The costs of €0.1 million that were directly attributed to the business combination were treated as periodic expenses (other operating expenses) according to IFRS 3.

The shares of the non-controlling owners were measured according to their respective proportion of the identifiable net assets in the acquiree.

The biotech subsidiary had already operated as a sales partner for the Sartorius Biotechnology Division in

South Korea. By acquiring its shares, Sartorius aims to further reinforce its position in the relevant markets in Asia, which is also shown by the company's goodwill disclosed.

As of the acquisition date, Sartorius Korea Biotech Co. Ltd. contributed sales revenue of €1.6 million and an EBITA of €0.3 million to the Group's results.

If Sartorius Korea Biotech Co. Ltd. would have belonged to the Sartorius Group already as of January 1, 2011, sales revenue would have been approximately €7 million higher, EBITA would have been €0.9 million higher and net profit would have been around €0.7 million higher than actually reported.

6. Recognition and Measurement Principles

The consolidated financial statements of Sartorius AG have been prepared in accordance with the regulations of the IASB. In the course of the transition to the International Financial Reporting Standards, methods of recognition and measurement have been applied which diverge from the provisions of German commercial law.

Compared to the year-earlier consolidated financial statements, the following Standards and Interpretations were to be obligatorily applied for the first time:

- Amendments to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

- Revised IAS 24: Related Party Disclosures

- Amendments to IAS 32: Financial Instruments: Presentation: Classification of Rights Issues

- Various: Annual Improvements to IFRSs (issued in May 2010)

- Amendments to IFRIC 14: Prepayments of a Minimum Funding Requirement

- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

The first-time application of the Standards and Interpretations listed above did not result in any material impacts on the Group financial statements of Sartorius AG.

The following Standards, Interpretations or revisions 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 2011:

Standard | Interpretation	Title	Applicable for financial years from	Endorsement by the EU Commission
Standard			
Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011	No
Amendments to IFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets	July 1, 2011	Yes
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets	January 1, 2012	No
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012	No
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013	No
IFRS 10	Consolidated Financial Statements	January 1, 2013	No
IFRS 11	Joint Arrangements	January 1, 2013	No
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2013	No
IFRS 13	Fair Value Measurement	January 1, 2013	No
Amendments to IAS 19	Employee Benefits	January 1, 2013	No
Revised IAS 27	Separate Financial Statements	January 1, 2013	No
Revised IAS 28	Investments in Associates and Joint Ventures	January 1, 2013	No
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	No
IFRS 9	Financial Instruments	January 1, 2015	No
Interpretation			
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	No

The process of measuring the potential impact of these Standards and Interpretations on the net worth, financial position and earnings of the Sartorius Group is in progress and so a reliable assessment of this impact cannot be given at this point. Presently, first-time application is planned for each reporting period in which the Standards, Interpretations or Amendments must be obligatorily applied.

During the preparation of consolidated financial statements, estimates must be used to a certain degree, and these affect the recognized sums of the assets, equity and liabilities as well as income and expenses for the reporting period. The major issues affected by such estimates, assessments and assumptions concern the following:

– Recoverable amounts of trade receivables;

– Assumptions about the future cash flows of cash-generating units and development projects, e.g., within the scope of impairment tests;

– Measurement of net realizable value of assets reported in inventories;

– Recoverability of deferred tax assets, including the usability of tax loss carry-forwards;

– Periods of useful life of property, plant and equipment;

– Assets and obligations related to employee benefits (e.g., for determining the parameters for measurement of pension provisions;

– Choice of parameters for the measurement of derivatives; and

– Recognition of the fair values of intangible assets, plant, property and equipment and liabilities acquired within the scope of a business combination.

The amounts actually yielded may differ from these estimates.

7. Presentation of the Statement of Financial Position and the Statement of Comprehensive Income

To enhance the clarity of the presentation, individual balance sheet and income statement items have been combined and reported separately in the Notes.

The income and expenses disclosed for the period were reported in two statements an income statement presented using the cost-of-sales method and a statement of comprehensive income that discloses the total comprehensive income.

The Sartorius Group uses earnings before interest, taxes and amortization (EBITA) as the key profitability measure. Amortization in this context refers to impairments and amortization of goodwill and to the intangible assets resulting from purchase price allocation (PPA) according to IFRS 3.

8. Currency Translation

The consolidated financial statements of Sartorius AG are prepared in thousands of euros [abbreviated throughout text and tables as K]. In the annual financial statements of the individual companies, foreign currency transactions have been translated at the exchange rates applicable at the time of the transaction. Monetary assets and debts whose value is given in a foreign currency have been translated at the exchange rate on the balance sheet date. Rate gains and losses have been recognized directly in the item "Other operating income and expenses."

The Group concludes option and forward contracts to hedge against currency risks. The Group's recognition and measurement methods with respect to these derivative financial instruments are presented under Section 29.

Subsidiaries' annual financial statements prepared in foreign currencies are 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 economically independent subsidiary entities of the Sartorius Group. Balance sheet items are translated at the exchange rates on the balance sheet date, with the exception of the equity of consolidated subsidiaries, which is translated at historical exchange rates. Income and expense items are converted at the average annual rates. Any translation differences resulting from the use of different exchange rates for balance sheet items and the income statement are recognized directly in shareholders' equity.

For certain defined loans granted on a long-term basis, the Group applies the concept of "net investments in a foreign operation." The foreign exchange translation differences resulting from these loans are recognized directly in equity according to IAS 21.32.

The following exchange rates were used for currency translation:

	Year-end exchange rates		Average annual exchange rates	
	2011	2010	**2011**	2010
USD	1.29320	1.33800	1.39154	1.32657
GBP	0.83670	0.86250	0.86769	0.85790
CAD	1.31920	1.33700	1.37570	1.36583
AUD	1.27140	1.31680	1.34857	1.44290
HKD	10.04920	10.40250	10.83423	10.30970
JPY	100.07000	108.80000	110.92595	116.26929
INR	68.58550	59.82760	64.85982	60.64245
CNY	8.14350	8.82050	8.99564	8.98047
KRW	1,499.59	1,500.89	1,540.00	1,531.73
CHF	1.21700	1.25300	1.23336	1.38080
SGD	1.68130	1.71620	1.74896	1.80718
MYR	4.10100	4.12680	4.25512	4.27069
THB	40.82900	40.21100	42.41945	42.05055
TND	1.93230	1.92680	1.95676	1.89747
DKK	7.43400	7.45400	7.45072	7.44743

9. Related Companies and Persons

In addition to the subsidiaries included in the consolidated financial statements, the Sartorius Group carries out transactions with further related companies as defined by IAS 24. These transactions with non-consolidated subsidiaries and associated companies are 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 16, 26 and 30.

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 €773 K (2010: €696 K); that of the Executive Board €2,458 K (2010: €2,415 K). The remuneration of former managing directors and members of the Executive Board and their surviving dependents was €390 K (2010: €282 K). The pension obligations to former managing directors and members of the Executive Board and their surviving dependents totaled €6,692 K (2010: €5,937 K). For details on remuneration, please refer to the Remuneration Report, which is an integral part of the Group Management Report. There were no further material transactions with related persons.

Notes to the Individual Balance Sheet Items

Non-current Assets

10. Goodwill and Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2010	291,856
Change in the scope of consolidation	0
Investments	0
Disposals	0
Currency translation	0
Gross book values at Dec. 31, 2010	**291,856**
Impairment losses at Jan. 1, 2010	0
Change in the scope of consolidation	0
Impairment losses in 2010	0
Disposals	0
Impairment losses at Dec. 31, 2010	0
Net book values at Dec. 31, 2010	**291,856**
Gross book values at Jan. 1, 2011	**291,856**
Change in the scope of consolidation	37,486
Investments	0
Disposals	0
Currency translation	157
Gross book values at Dec. 31, 2011	**329,499**
Impairment losses at Jan. 1, 2011	0
Impairment losses in 2011	0
Disposals	0
Impairment losses at Dec. 31, 2011	0
Net book values at Dec. 31, 2011	**329,499**

The item reported as goodwill in the amount of €329,499 K (2010: €291,856 K) is the capitalized difference in assets resulting from capital consolidation, which to some extent also covers asset deals. According to IFRS 3, goodwill may not be amortized on a scheduled basis, but rather, must be tested annually for impairment.

Because of the increasing level of integration of our businesses in the Biotechnology and Mechatronics Divisions and our respective positioning as a Total Solution Provider, we regard these segments on the whole as cash-generating units. Thus, goodwill is distributed to the Biotechnology Division (€289.5 million; 2010: €285.4 million) and to the Mechatronics Division (€40.0 million; 2010: €6.5 million).

The impairment tests conducted for fiscal 2011 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 budgets approved by the Executive Board for a period of three to five years. For the Biotechnology Division, calculations were based on an average terminal growth rate of 3.0 % (2010: 3.0 %) for the fiscal years after 2016. The terminal growth rate for the Biotechnology Division is derived from market expectations, which forecast medium-term growth rates in the high upper single-digit range for the biopharmaceutical market targeted by Sartorius Stedim Biotech. The major growth driver for Sartorius Stedim Biotech will be, among others, the currently ongoing paradigm shift from the employment of reusable products to utilization of single-use products, such as filters and bags, in biomanufacturing of pharmaceuticals. For the Mechatronics Division, a terminal growth rate of 1.0% (2010: 1.0%) was used for the fiscal years after 2016.

The discount rates of the cash-generating units correspond to their weighted capital cost rates and were recognized as follows:

		2011		2010
	before tax	**after tax**	before tax	after tax
Biotechnology	7.0%	5.8%	9.5%	7.5%
Mechatronics	8.5%	6.2%	11.7%	8.5%

In fiscal 2011, our 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

	Concessions, industrial property rights and similar rights as well as licenses to such rights and assets € 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, 2010	42,288	10,779	81,267	33,608	5	167,946
Change in the scope of consolidation	0	0	0	0	0	0
Investments	2,871	0	0	5,523	170	8,564
Disposals	– 952	0	0	– 647	0	– 1,599
Currency translation	1,721	0	52	368	0	2,141
Transfers	142	0	0	– 163	– 9	– 30
Gross book values at Dec. 31, 2010	**46,070**	**10,779**	**81,319**	**38,689**	**166**	**177,023**
Amortization at Jan. 1, 2010	– 23,637	0	– 13,721	– 16,006	4	– 53,360
Amortization in 2010	– 4,088	0	– 5,489	– 4,299	0	– 13,876
Impairment losses in 2010	0	0	0	0	0	0
Disposals	921	0	0	293	0	1,214
Currency translation	– 335	0	– 6	– 8	0	– 349
Transfers	– 97	0	0	121	0	24
Amortization at Dec. 31, 2010	– 27,236	0	– 19,216	– 19,899	4	– 66,347
Net book values at Dec. 31, 2010	**18,833**	**10,779**	**62,103**	**18,790**	**170**	**110,675**
Gross book values at Jan. 1, 2011	46,070	10,779	81,319	38,689	166	177,023
Change in the scope of consolidation	8,645	5,903	11,400	1,000	0	26,948
Investments	5,975	0	0	6,913	101	12,989
Disposals	– 341	0	0	0	0	– 341
Currency translation	330	0	25	69	0	424
Transfers	40	0	0	0	– 144	– 104
Gross book values at Dec. 31, 2011	**60,719**	**16,682**	**92,744**	**46,671**	**123**	**216,939**
Amortization at Jan. 1, 2011	– 27,236	0	– 19,216	– 19,899	4	– 66,347
Amortization in 2011	– 3,953	0	– 5,400	– 4,420	0	– 13,773
Impairment losses in 2011	0	0	0	0	0	0
Disposals	314	0	0	0	0	314
Currency translation	– 107	0	– 8	– 9	0	– 124
Transfers	0	0	0	0	0	0
Amortization at Dec. 31, 2011	– 30,982	0	– 24,624	– 24,328	4	– 79,930
Net book values at Dec. 31, 2011	**29,736**	**16,682**	**68,120**	**22,343**	**127**	**137,008**

Intangible assets acquired are stated at cost less the accumulated, regular amortization that is calculated according to the straight-line method.

The brand name acquired in the Stedim transaction 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. Therefore, no separate impairment test has been carried out since 2008; 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 Biotechnology Division.

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

The development costs of the asset can be reliably measured; and the product or method as an internally generated asset is technically and economically feasible and is likely to generate future economic benefits. Moreover, the reporting entity must have the intention to and ensure the availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it. In fiscal 2011, the development costs of €6,913 K (2010: €5,523 K) were recognized as assets. The capitalized development costs essentially covered the costs that were 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, which usually did not exceed four years.

If an internally generated intangible asset may not be recognized, the development costs are included as expenses in the period in which they are incurred. If an internally generated intangible asset may not be recognized, the development costs are included as expenses in the period in which they are incurred. Costs for research activities are also 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 5 years
Customer relationships and technologies	5 to 15 years
Brand name	N | A

Amortization of intangible assets is allocated to the corresponding functions in the income statement. For capitalized development costs, amortization is disclosed in the research and development costs. Amortization of intangible assets identifiable within the scope of purchase price allocation is reported in the "Amortization" item.

In fiscal 2011, as well as in the year before, no material impairment expenses were recognized.

11. Property, Plant and Equipment

	Land and leasehold rights and improvements including buildings on third-party land € in K	Technical machinery and equipment € in K	Leasing of equipment € in K	Other equipment, factory and office equipment € in K	Payments on account relating to equipment and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2010	131,033	83,085	5,514	88,976	3,668	312,276
Change in scope of consolidation	0	0	0	0	0	0
Investments	565	3,642	0	6,365	5,223	15,795
Disposals	– 49	– 1,476	– 1,075	– 2,828	– 270	– 5,698
Currency translation	1,960	1,404	0	1,151	328	4,843
Transfers	4,241	1,276	– 305	694	– 4,468	1,438
Gross book values at Dec. 31, 2010	**137,750**	**87,931**	**4,134**	**94,358**	**4,481**	**328,654**
Depreciation at Jan. 1, 2010	– 37,925	– 55,940	– 4,543	– 63,005	0	– 161,413
Depreciation in 2010	– 4,632	– 5,379	– 275	– 7,690	0	– 17,976
Impairment losses in 2010	0	0	0	0	0	0
Disposals	41	678	1,000	2,517	0	4,236
Currency translation	– 358	– 852	0	– 772	0	– 1,982
Transfers	18	– 396	83	– 36	0	– 331
Depreciation at Dec. 31, 2010	– 42,856	– 61,889	– 3,735	– 68,986	0	– 177,466
Net book values at Dec. 31, 2010	**94,894**	**26,042**	**399**	**25,372**	**4,481**	**151,188**
Gross book values at Jan. 1, 2011	137,750	87,931	4,134	94,358	4,481	328,654
Change in the scope of consolidation	3,620	4,021	0	1,029	664	9,334
Investments	3,513	4,456	0	8,991	21,901	38,861
Disposals	– 775	– 1,820	– 234	– 2,673	– 161	– 5,663
Currency translation	618	389	0	196	527	1,730
Transfers	277	537	0	766	– 1,476	104
Gross book values at Dec. 31, 2011	**145,003**	**95,514**	**3,900**	**102,667**	**25,936**	**373,020**
Depreciation at Jan. 1, 2011	– 42,856	– 61,889	– 3,735	– 68,986	0	– 177,466
Depreciation in 2011	– 4,503	– 5,350	– 163	– 8,300	0	– 18,316
Impairment losses in 2011	– 719	0	0	0	0	– 719
Disposals	376	1,588	230	2,023	0	4,217
Currency translation	– 305	– 469	0	– 215	0	– 989
Transfers	0	– 29	0	29	0	0
Depreciation at Dec. 31, 2011	– 48,007	– 66,149	– 3,668	– 75,449	0	– 193,273
Net book values at Dec. 31, 2011	**96,996**	**29,365**	**232**	**27,218**	**25,936**	**179,747**

The item "Property, plant and equipment" is reported at cost, and if subject to depreciation, is depreciated as scheduled. The straight-line method is used to standardize the depreciation reported in the consolidated financial statements. The cost of conversion covers full production-related costs.

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

Depreciation is included in the income statement according to use of the assets in the cost of conversion of sales revenue, selling and distribution costs, research and development costs, administrative expenses and other operating expenses.

The Sartorius Group leases its filtration systems and equipment to third parties within the scope of operating leases pursuant to IAS 17, Leases. This leasing business essentially covers Italy, France and Germany, and has no longer been actively pursued for quite some time. In fiscal 2011, the Sartorius Group received lease payments totaling €545 K (2010: €688 K) from the contracts already concluded in the previous years. For 2012, the expected lease payments for existing leasing contracts are €498 K and for 2013 to 2016, a total of €655 K.

In fiscal 2011, impairment losses for plant, property and equipment of €0.7 million were recognized (2010: 0). The recoverable amounts of the respective assets were measured according to their value in use.

Impairment of Assets

The book values (carrying amounts) of property, plant and equipment as well as intangible assets are examined at each balance sheet date for indications that an asset might be impaired, pursuant to IAS 36, Impairment of Assets. If an asset is impaired, the recoverable amount of the asset is estimated in order to determine the amount of the potential impairment loss.

In the event that the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit is estimated.

If the estimated recoverable amount of an asset (or a cash-generating unit) goes below its book value (carrying amount), this carrying amount is reduced to the recoverable amount. If the causes of the asset impairment are removed, the book value of the asset (or the cash-generating unit) is credited to the newly estimated recoverable amount in a manner recognized in net profit. However, the book value increase is limited to the value that the asset (or cash-generating unit) would have had if no asset impairment loss would have been assessed in previous years.

12. Financial Assets

	Investment in affiliated companies € in K	Participating interests € in K	Securities as fixed assets and other loans € in K	**Total € in K**
Gross book values at Jan. 1, 2010	3,769	3,617	258	7,644
Change in the scope of consolidation	0	0	0	0
Investments	100	0	127	227
Disposals	0	– 131	0	– 131
Currency translation	0	0	5	5
Transfers	0	0	0	0
Gross book values at Dec. 31, 2010	**3,869**	**3,486**	**390**	**7,745**
Impairment losses at Jan. 1, 2010	– 388	– 1,550	– 17	– 1,955
Impairment losses in 2010	0	0	0	0
Disposals	0	0	0	0
Impairment losses at Dec. 31, 2010	**– 388**	**– 1,550**	**– 17**	**– 1,955**
Net book values at Dec. 31, 2010	**3,481**	**1,936**	**373**	**5,790**
Gross book values at Jan. 1, 2011	3,869	3,486	390	7,745
Change in the scope of consolidation	– 100	0	489	389
Investments	0	2,014	20	2,034
Disposals	0	– 11	0	– 11
Currency translation	0	0	14	14
Transfers	0	0	0	0
Gross book values at Dec. 31, 2011	**3,769**	**5,489**	**913**	**10,171**
Impairment losses at Jan. 1, 2011	– 388	– 1,550	– 17	– 1,955
Impairment losses in 2011	0	0	– 3	– 3
Disposals	0	0	0	0
Impairment losses at Dec. 31, 2011	**– 388**	**– 1,550**	**– 20**	**– 1,958**
Net book values at Dec. 31, 2011	**3,381**	**3,939**	**893**	**8,213**

Investments in subsidiaries, participating interest and securities as fixed assets are measured at cost because they do not have a quoted market price in an active market, and the fair values of these assets cannot be reliably measured at a reasonable cost. Please refer to the Scope of Consolidation and List of Subsidiaries.

13. Non-current Trade and Other Receivables

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Non-current receivables	83	7
Other non-current assets	736	1,866
	819	**1,873**

14. Deferred Taxes

In accordance with IAS 12, Income Taxes, deferred taxes are measured using the balance sheet liability method. Accordingly, temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet, which is prepared according to IFRS, and their corresponding tax base used for calculating the result to be taxed is considered. Deferred taxes on the level of the individual companies as well as those resulting from consolidation are recognized in this manner.

On principle, deferred tax liabilities are recognized for all taxable temporary differences and are reported separately as deferred tax provisions on the liabilities side of the statement of financial position. Deferred tax assets are recognized if it is probable that taxable profits will be available in future, against which the deductible temporary difference or unused tax loss and interest amounts carried forward can be used.

In principle, deferred taxes are not recognized if the temporary difference is yielded by goodwill or negative goodwill resulting from capital consolidation.

Deferred taxes are measured based on the tax rates expected when the temporary differences are realized or anticipated. In Germany, it can be assumed that the corporate tax rate will be 15%. Taking into account the 5.5% solidarity surcharge on the corporate tax rate amount, as well as the average Group trade income tax rate, the tax rate used to calculate deferred domestic taxes is thus approximately 30%.

In fiscal 2011, as in the previous years, a tax effect was yielded by reporting derivative financial instruments recognized outside the income statement according to IAS 39 rules for hedge accounting, and the deferred tax assets from recognition of actuarial gains and losses in the pension reserves were recognized directly in the consolidated equity. Likewise, the amount of current income taxes incurred by net investment in a foreign operation was recognized directly in equity. The deferred and current income taxes recognized directly in equity are disclosed as follows in the table:

	2011 € in K	2010 € in K
Cash flow hedges	2,866	– 693
Actuarial gains | losses on defined benefit obligations	31	1,289
Net investment in a foreign operation	233	289
Total	**3,130**	**885**

On the balance sheet date, the Group had unused tax loss amounts carried forward of about €29 million (2010: around €62 million) to be deducted from future taxable profits. A deferred tax amount was reported on approx. €16 million (2010: approx. €29 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.

The decrease in existing loss carry-forwards can be attributed to the use of loss carry-forwards in connection with the spin-off of the Mechatronics business unit from Sartorius AG as well as to newer information concerning the existence of loss carry-forwards disclosed by our Hong Kong-based subsidiary.

Deferred tax assets of approximately €2 million (2010: around €7 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 €4 million (2010: €13 million). As in the previous year, 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. It must be considered that a part of the interest carry-forwards resulting in the previous years were able to be used within the scope of transforming Sartorius AG into a holding company in conjunction with the spin-off of its operating business.

The company has taxable temporary differences of €108 million (2010: €94 million) with respect to its shareholdings in subsidiaries ("Investments in subsidiaries"). Deferred tax liabilities of €1.6 million (2010: €1.4 million) were recognized on these temporary differences as their realization can be expected within the foreseeable future. Moreover, there are deductible temporary differences of €40 million (2010: -€38 million) for which no deferred taxes 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. Determination of the tax effect would entail unreasonable expense and effort.

The balance sheet items for deferred taxes are disclosed as follows for fiscal 2010 and 2011:

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
Intangible assets	10,824	2,997	34,765	30,329
Tangible assets	656	147	4,603	5,878
Inventories	3,588	3,299	0	0
Receivables and other current assets	1,093	787	1,225	1,762
Provisions	7,618	8,143	0	0
Liabilities	1,437	459	0	0
Gross amount	**25,216**	**15,834**	**40,593**	**37,969**
Taxable losses carried forward	4,877	8,434	0	0
Tax on non-distributed earnings of subsidiaries	0	0	1,621	1,415
Offset	0	0	– 4,425	– 1,133
	30,093	**24,268**	**37,788**	**38,251**

Current Assets

15. Inventories

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Raw materials and supplies	31,426	24,219
Work in progress	25,657	20,822
Finished goods and merchandise	43,623	29,905
Payments on account	2,100	1,811
	102,805	**76,757**

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. 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 | amortization rates, provided that these expenses are caused by production. Interest on borrowings is not capitalized.

In fiscal 2011, inventories in the amount of approximately €200 million were recognized as expenses (2010: around €175 million).

In the reporting year, the increase in inventories of around €8 million is attributable to the acquisitions made.

Lower net realizable values are recognized by devaluation. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the direct costs 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. In fiscal 2011, no material extraordinary impairment losses were recognized in the income statement (2010: €1.6 million).

16. Current Trade and Other Receivables

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Trade receivables	**111,072**	**95,565**
- of which to third parties	98,443	80,608
- of which to affiliated companies	5,051	4,948
- of which to companies in which investments are held	99	103
- of which from construction contracts	7,480	9,906
Remaining assets	16,062	13,951
Prepaid expenses	2,921	2,822
	130,055	**112,338**

Trade and other receivables are reported so that all discernable risks are covered. Valuation allowances are determined on the basis of past experience with actual credit losses. Concerning the expenses and income resulting from these allowances that are reported on the income statement, we refer to Section 35. In the opinion of the Executive Board, the carrying amounts of trade receivables and other financial instruments reported in the other receivables approximate their respective fair value based on their short-term maturity.

The increase in the trade and other receivables of approximately €9 million is related to the acquisition of the Biohit liquid handling business and of Sartorius Korea Biotech.

Within the scope of implementing our factoring program in fiscal 2009, we retained part of the risks (essentially credit risks) associated with these assets. The carrying amount of this continuing involvement stood at €2.5 million (2010: €2.5 million); that of the associated liabilities, €3.1 million (2010: €3.1 million). The total amount of the original assets was €36.7 million (2010: €34.9 million).

In the fiscal year, valuation allowances developed as follows:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Valuation allowances at the beginning of the year	– 8,878	– 8,075
Increases during the fiscal year	– 3,415	– 3,464
Derecognition and consumption	1,017	464
Recoveries of amounts previously impaired	2,130	2,292
Changes in the scope of consolidation	– 54	0
Currency translation differences	83	– 95
Valuation allowances at the end of the year	**– 9,117**	**– 8,878**

The recoverability of trade receivables is determined on the basis of estimates and assessments of individual receivables that depend on the creditworthiness of the particular customer, the current economic developments and analysis of the history of uncollectable receivables. There are no significant concentrations of credit risks due to the large base of unrelated customers. Accordingly, the Executive Board believes that it is not necessary to make any further provision to cover risks beyond the allowances already considered.

The following table shows the aging of trade receivables past due, but not impaired:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
1–30 days	11,349	8,936
31–90 days	7,392	5,591
91–180 days	3,103	2,569
181–360 days	684	1,257
More than 360 days	741	2,115

For trade receivables of €23,269 K (2010: €20,468 K) that were past due on the reporting date, 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.

Customer-specific construction contracts are recognized by the application of IAS 11, Construction Contracts, based on the percentage of completion method. The amount requiring capitalization is reported under the receivables and other assets, while an equal amount is recorded as "sales revenue." The stage of completion corresponds to the partial performance rendered by the Group as of the date for the statement of financial position, and is equal to the ratio of expenses accrued prior to this balance sheet date to the expected total expense (Cost to Cost Method). Expected contract losses are taken into account through allowances. Revenues fixed by contract are defined as contract revenues. In the reporting year, contract revenues of €11,026 K were earned (2010: €20,533 K); the aggregate amount of costs incurred and recognized profits | losses for projects in progress on the reporting date is €16,426 K (2010: €13,246 K). For these projects, advance payments of €12,806 K were received in 2011 (2010: €7,499 K).

17. Cash and Cash Equivalents

Cash and cash equivalents are comprised exclusively of cash on hand and deposits in banks. The book values of these assets approximate their fair values.

18. 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. The non-voting preference shares yield a 2% higher dividend than do the ordinary shares. In addition, dividend entitlement is 4.0% of each preference share's calculated proportion of the issued capital. All shares have been paid in full.

The development of issued capital is shown in the "Statement of Changes in Equity."

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 must be deducted from equity.

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 2011, no treasury shares were purchased.

The shares were deducted from the company's issued capital and capital reserves.

19. Capital Reserves

The development of the capital reserves is presented in the "Statement of Changes in Equity."

20. Hedging Reserves

The hedging reserves recognize the offsetting effects of the changes in the fair value of derivative financial instruments, which meet the requirements of IAS 39 for effective hedging of the exposure of the corresponding underlying transactions. The development of hedging reserves is presented in the "Statement of Changes in Equity."

21. Pension Reserves

Essentially, actuarial gains and losses from measurement of the pension provisions according to IAS 19 are allocated to the pension reserves. The development of the pension reserves is presented in the "Statement of Changes in Equity."

22. Other Earnings Reserves and Retained Profits

The development of the earnings reserves and retained profits is presented in the "Statement of Changes in Equity."

Non-current Liabilities

23. Non-current Provisions

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Pension provisions and similar obligations	44,356	42,772
Other non-current provisions	10,440	10,309
	54,796	**53,081**

Most of the companies of the Group have defined contribution plans, frequently in the form of government-backed retirement insurance. In some countries, the percentage the companies pay as social security contributions, or national insurance contributions, for old-age retirement benefits cannot be reliably determined. In fiscal 2011, an amount of €17.6 million was recognized for defined contribution plans (2010: €16.5 million) for the remaining Group companies.

A substantial portion of the pension provisions for defined benefit plans refers to Sartorius AG. In this case, the obligations measured pertain to the General Pension Plan 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.

Pension provisions and similar obligations have been recognized as defined benefit plans in the consolidated financial statements of Sartorius AG 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 expectancies, this expected cash value method takes into account future salary and pension increases.

As permitted by the IAS 19.93A option, all actuarial gains and losses are recognized in their full amounts outside profit or loss (recognized in equity outside the income statement). The actuarial losses, which were transferred to the pension reserves, essentially resulted from changes in the discount rate and totaled €7,264 K (2010: €7,176 K).

Measurement of the post-employment benefit obligations of the German Group companies, which account for approximately 90% of the total provisions, is based on the following actuarial assumptions:

	2011	2010
Discount rate	4.80%	4.70 %
Future salary increases	3.00%	3.00 %
Future pension increases	2.00%	2.00 %
Expected return on plan assets	2.25%	2.25 %

The following parameters were used for the French companies:

	2011	2010
Discount rate	4.50%	4.20 %
Future salary increases	3.00%	2.75 %
Future pension increases	2.00%	2.00 %

The amounts reported in the income statement consist of the following:

	2011 € in K	2010 € in K
Current service cost	968	992
Interest cost	2,052	1,995
Expected return on plan assets	– 140	– 132
	2,880	**2,855**

In the income statement, the current service cost is disclosed according to the assignment of employees to the respective functions.

The net value, or the present value, respectively, recognized in the balance sheet developed as follows in fiscal 2011:

	2011 € in K	2010 € in K
Present value of obligations as of Dec. 31 of the prior year	47,762	37,682
Change in the scope of consolidation	716	0
First-time recognition of Swiss subsidiary	0	4,152
Current service cost	968	992
Interest cost	2,052	1,995
Actuarial gains | losses	– 3	3,915
Currency translation differences	291	402
Retirement benefits paid in the reporting year	– 2,298	– 2,012
Other changes	986	636
Present value of obligations as of Dec. 31	**50,474**	**47,762**

The other changes essentially cover contributions made by the plan participants, as well as plan curtailments or settlements of employee benefit obligations.

Plan assets developed as follows:

	2011 € in K	2010 € in K
Plan assets at Jan. 1	**4,990**	**713**
Expected income	140	132
First-time recognition of Swiss subsidiary	0	4,152
Actuarial gains | losses	– 6	– 249
Group contributions	557	112
Foreign exchange differences	142	232
Change in the scope of consolidation	316	
Other changes	– 21	– 102
Plan assets at Dec. 31	**6,118**	**4,990**

For fiscal 2012, payments for defined benefit plan obligations are expected to be at around €2.4 million. These cover contributions to plan assets and payments of retirement benefits.

The plan assets essentially consist of fixed-interest securities and life insurance policies. The net liability on the reporting date that was wholly unfunded was €40.0 million (2010: €40.5 million).

The present value of the defined benefit plans and experience adjustments developed as follows during the past years:

	2011 € in K	2010 € in K	2009 € in K	2008 € in K	2007 € in K
Present value of obligations	50,474	47,762	37,682	35,754	34,668
Fair value of the plan assets	6,118	4,990	713	670	620
Net liability	**44,356**	**42,772**	**36,969**	**35,084**	**34,048**
Experience adjustments					
Present value of obligations	– 208	– 165	– 251	779	649
Fair value of the plan assets	6	3	4	4	– 1

Other Non-current Provisions:

	Payments to employees on early retirement plan € in K	Provisions for company anniversaries € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2011	7,201	879	2,229	10,309
Currency translation	0	0	176	176
Change in the scope of consolidation	0	0	66	66
Consumption	– 735	– 5	– 141	– 881
Reversals | Utilization	– 50	– 16	– 5	– 71
Additions	357	52	410	819
Transfers	25	– 9	5	21
Balance at Dec. 31, 2011	**6,798**	**901**	**2,741**	**10,440**

The other non-current provisions essentially encompass provisions for employees on the early retirement plan to offset payment for reduced workhours as well as provisions for company anniversaries, which generally only exist for German companies. The early retirement plans are agreements with elder employees who participate in a part-time work schedule for a period of three to five years ("semi-retirement") immediately preceding normal retirement. This combined semi-retirement and part-time work schedule is financially supported by the company.

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 rate for employees on the early retirement plan and for provisions accrued for company anniversaries is 4.8% (2010: 4.7%). In fiscal 2011, the effect from compounding non-current provisions was €289 K (2010: €361 K). According to the rules of IAS 19, actuarial gains and losses as well as past service costs are immediately recognized in profit and loss.

24. Non-current Liabilities

This item consists of the following:

	Balance at Dec. 31, 2011 € in K	Remaining term of more than five years € in K	Balance at Dec. 31, 2010 € in K	Remaining term of more than five years € in K
Loans and borrowings	271,244	14,472	206,608	557
Other non-current liabilities	3,886	0	111	0
	275,130	**14,472**	**206,719**	**557**

The Sartorius Group has two syndicated loans. The credit line agreement for the Sartorius Stedim Biotech subgroup was concluded in 2008 with a lending syndicate of 13 banks led by Commerzbank and West/LB. The syndicated loan agreement for Sartorius AG with a total of seven banks led by Commerzbank, West/LB and Nord/LB was refinanced in April 2011, and the volume of this credit line was increased from €180 million to €225 million. The term of this agreement will end in April 2016.

The tranche of the credit facility for Sartorius Stedim Biotech amounted to €181 million as of the reporting date (2010: €194 million); that for the Mechatronics Division, €225 million (2010: €180 million). With each credit facility per division having a term of one-and-a-half years and four years, respectively, financing of both subgroups is thus on a long-term and broad-based footing. The major terms and conditions of the credit lines that the Group uses are presented in Section 29.

25. Current Provisions

In fiscal 2011, current provisions developed as follows:

	Warranties € in K	Restructurings € in k	Other € in K	**Total € in K**
Balance at Jan. 1, 2011	4,884	8,618	3,753	17,255
Currency translation	47	0	58	105
Change in the scope of consolidation	123	0	19	142
Consumption	– 1,470	– 6,309	– 312	– 8,091
Reversals | Utilization	– 446	– 1,512	– 128	– 2,085
Additions	2,008	16	1,945	3,969
Transfers	0	– 5	151	146
Balance at Dec. 31, 2011	**5,146**	**808**	**5,486**	**11,440**

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 considered only if they result from a legal or constructive obligation with respect to third parties.

The decrease in provisions is primarily attributable to the use of provisions for restructuring measures ("Consumption" item) in the Mechatronics Division.

The other provisions include obligations of €1.7 million (2010: €1.9 million), which essentially arose as a consequence of our reorganization of equipment business in North America.

26. Current Liabilities

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Payments received on account of orders	14,407	12,847
Payables to non-Group entities	56,925	46,807
Payables to companies in which investments are held	428	481
Payables to affiliated companies	249	243
Trade payables	**72,009**	**60,377**
Loans and borrowings	34,573	18,062
Income tax expense	29,546	20,258
Other liabilities	82,533	66,558
	218,661	**165,255**

The current loans and borrowings primarily consist of the syndicated credit line used and of account credits within bilateral credit lines.

The "Other liabilities" item includes liabilities relating to taxes of €7,224 K (2010: €6,759 K) and liabilities relating to social security of €4,010 K (2010: €2,942 K).

27. Contingent Liabilities

As of the reporting date, the Group had the following contingent liabilities:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Contingent liabilities and similar liabilities	1,826	229

28. Other Financial Obligations

Besides provisions, liabilities and contingent liabilities, our other financial obligations consist of the following:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Rental and leasing contracts		
- due in fiscal 2012	11,164	
(2010: due in the financial year 2011)		9,464
- due in any one financial year from 2013 to 2016	17,770	
(2010: due in any one year from 2012 to 2015)		18,601
- due after 2016	10,611	
(2010: due after 2015)		11,647

In the reporting period, payments incurred from operating leases were recognized in the amount of €10 million (2010: €9 million) as expenses. These payments are essentially related to buildings and company cars.

As part of the carve-out of the Biotechnology Division, numerous reorganization measures required by corporate law were taken worldwide in fiscal 2007. Despite careful auditing conducted by the companies concerned and the tax consultants involved, we cannot exclude the possibility that these reorganization measures may entail the risk of future tax impacts. We do not consider it probable that this contingent liability will be incurred and therefore did not account for this in the balance sheet. The total risk is approximately €3 million.

In individual legal decisions, the transfer of company shares in connection with the spin-off of the operating business from Sartorius AG in fiscal 2011 may result in contingent liabilities comprised of withholding taxes and similar fees. In individual legal decisions, the transfer of company shares in connection with the spin-off of the operating business from Sartorius AG in fiscal 2011 may result in contingent liabilities comprised of withholding taxes and similar fees. The risk of such tax impacts is estimated at around €2 million.

Within the scope of expanding production capacity, the Group entered into obligations with external contractors to accept construction services and related deliveries and services for a total amount of approximately €15 million.

29. Other Information on Financial Instruments

A. General Information

This section gives a comprehensive overview of the significance of financial instruments for Sartorius 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 and reflect the estimates of the banks concerning the market conditions at the time fair values are calculated.

B. Definitions and General Principles

Financial instruments are contracts that give rise to a financial asset for one contractual entity and to a financial liability or an equity instrument for the other entity. Accordingly, financial assets primarily cover cash, trade receivables, other liabilities, securities, financial investments and derivatives that are assets. Financial liabilities particularly include trade payables, contractual obligations to exchange financial assets or liabilities that are potentially unfavorable to the entity and derivatives that are liabilities. Financial instruments are initially recognized at fair value.

The particular classification of these financial instruments according to the categories defined in IAS 39 is decisive for their subsequent measurement:

Loans and receivables: Trade receivables, other receivables and cash are mainly recognized in this category. The item "Cash and cash equivalents" disclosed on our statement of financial position is essentially comprised of checks, cash on hand and deposits in banks.

After initial recognition, the other financial assets assigned to this category are measured at amortized cost using the effective interest method less any impairments. Receivables are derecognized if they are settled or become uncollectible. Other assets are derecognized after disposal on the settlement date or due to the lack of recoverability of their carrying amounts.

Financial assets recognized at fair value through profit or loss: This category consists of securities "held for trading" that have been acquired with the intention of being sold over the short term. Derivatives that are assets are also classified as securities held for trading unless they form part of a hedging relationship according to IAS 39. They are recognized at fair value. Changes in their fair value are recognized directly in profit or loss.

Available-for-sale financial assets: This category covers all financial assets not assigned to any of the categories stated above. Securities are basically classified as available-for-sale assets unless a different categorization is required for an explicitly designated purpose. These available-for-sale assets are initially recognized on the settlement date of purchase. Equity instruments, such as investments in (non-consolidated) affiliates and shares held in companies quoted on a stock exchange, likewise fall under this category.

Essentially, financial instruments of this category are subsequently recognized at fair value. Changes in fair value resulting upon subsequent measurement are recorded in the revaluation surplus and not recognized in profit or loss. Realized gains or losses are recognized in profit or loss only at the time of sale of financial assets. The amount recorded in the revaluation surplus is derecognized without being recognized in profit or loss. Subsequent impairment reversals are not recognized in profit or loss.

Financial liabilities carried at amortized cost: All financial liabilities, except for derivative financial instruments, are measured at amortized cost using the effective interest method. These liabilities are derecognized on settlement or if the reasons for recognizing a liability no longer apply.

Financial liabilities measured at fair value through profit or loss (held for trading): Derivative financial instruments that are liabilities are basically classified in this category as liabilities held for trading. This rule excludes derivatives that form part of a hedging relationship according to IAS 39.

Derivatives: In the Sartorius Group, derivatives are regularly held for hedging purposes. These derivatives are recognized as their particular market value. Changes in market value in derivatives held for hedging purposes are considered in other income and allocated to the hedging reserve, whereas derivatives held for trading purposes are recognized directly in profit or loss. These derivatives are derecognized on the settlement date.

C. Classes of Financial Instruments | Net Earnings | Maturity

The following tables compare the carrying amounts and the fair values of all categories of financial instruments and reconcile these with the items disclosed in the statement of financial position. The fair values of the financial assets and liabilities approximate the carrying amounts on account of their predominantly short-term maturity. With respect to the non-current liabilities, the fair values also approximate the carrying amounts because of the mostly variable interest rate.

	Held up to maturity € in K	Loans and receivables at amortized cost € in K	Held for hedging purposes at fair value € in K	Available for sale € in K	Carrying amount at Dec. 31, 2010 € in K	Not in the scope of IAS 39 € in K	**Disclosed on Dec. 31, 2010 € in K**
Non-current assets							
Financial assets	373	0		5,417	5,790	0	5,790
Receivables and other assets	**0**	**945**	**0**	**0**	**945**	**928**	**1,873**
- of which receivables	0	7		0	7	0	7
- of which other assets	0	938		0	938	928	1,866
Current assets							
Trade receivables	0	85,659		0	85,659	9,906	95,565
Other assets	0	9,684	2,029	0	11,713	5,060	16,773
- of which derivatives	0	0	2,029	0	2,029	0	2,029
- of which other assets	0	9,684	0	0	9,684	5,060	14,744
Cash and cash equivalents	0	27,743	0	0	27,743	0	27,743

	Financial liabilities accounted for at cost € in K	Financial liabilities held for trading € in K	Held for hedging purposes at fair value € in K	Carrying amount at Dec. 31, 2010 € in K	Not in the scope of IAS 39 € in K	**Disclosed on Dec. 31, 2010 € in K**
Non-current liabilities						
Loans and borrowings	206,608	0	0	206,608	0	206,608
Other liabilities	111	0	0	111	0	111
Current liabilities						
Loans and borrowings	18,062	0	0	18,062	0	18,062
Trade payables	47,531	0	0	47,531	12,847	60,377
Other liabilities	**29,063**	**12**	**29**	**29,104**	**37,454**	**66,558**
- of which derivatives	0	12	29	41	0	41
- of which other liabilities	29,063	0	0	29,063	37,454	66,517

	Loans and receivables at amortized cost € in K	Held for hedging purposes at fair value € in K	Available for sale € in K	Carrying amount at Dec. 31, 2011 € in K	Not in the scope of IAS 39 € in K	**Disclosed on Dec. 31, 2011 € in K**
Non-current assets						
Financial assets	0	0	8,213	8,213	0	8,213
Receivables and other assets	**819**	**0**	**0**	**819**	**0**	**819**
- of which receivables	83	0	0	83	0	83
- of which other assets	736	0	0	736	0	736
Current assets						
Trade receivables	103,592	0	0	103,592	7,480	111,072
Other assets	9,525	0	0	9,525	9,458	18,983
- of which derivatives	94	0	0	94	0	94
- of which other assets	9,431	0	0	9,431	9,458	18,889
Cash and cash equivalents	41,016	0	0	41,016	0	41,016

	Financial liabilities accounted for at cost € in K	Financial liabilities held for trading € in K	Held for hedging purposes at fair value € in K	Carrying amount at Dec. 31, 2011 € in K	Not in the scope of IAS 39 € in K	**Disclosed on Dec. 31, 2011 € in K**
Non-current liabilities						
Loans and borrowings	271,244	0	0	271,244	0	271,244
Other liabilities	**32**	**106**	**3,748**	**3,886**	**0**	**3,886**
- of which derivatives	0	106	3,748	3,854	0	3,854
- of which other liabilities	32	0	0	32	0	32
Current liabilities						
Loans and borrowings	34,573	0	0	34,573	0	34,573
Trade payables	57,601	0	0	57,601	14,407	72,008
Other liabilities	**28,196**	**2,342**	**3,702**	**34,240**	**48,293**	**82,533**
- of which derivatives	0	2,342	3,702	6,044	0	6,044
- of which other liabilities	28,196	0	0	28,196	48,293	76,489

In the reporting year, the financial instruments disclosed under "Held up to maturity" were reclassified into "Held for trading."

The maximum credit risk exposure resulting from financial assets is equal to their carrying amounts.

The derivatives indicated in the table above were measured within the scope of a so-called Level 2 assessment at fair value; i.e., their assessment is based on parameters that are derived from their quoted prices. In assessing the option for acquisition of additional shares in Sartorius Korea Biotech, the company has also used in-house parameters to some extent. The net gains and losses per category are as follows:

Result from loans and receivables	**2011 € in K**	2010 € in K
Impairment losses	– 3,415	– 3,464
Impairment reversals	2,130	2,292
Results from currency translation	– 1,867	1,294
Interest income from affiliates	104	107
	– 3,048	**229**

Result from financial liabilities accounted for at cost	**2011 € in K**	2010 € in K
Interest expenses	– 8,660	– 6,129
	– 8,660	**– 6,129**

In the category "Available-for-sale financial assets," the company earned net income of €494 K from dividends (2010: €294 K). These dividends are reported in the cash flows from operating activities. The financial liabilities held for trading resulted in a loss of €2,448 K in fiscal 2011 (2010: - €12 K).

The following table shows the liquidity analysis of the financial liabilities in the form of contractually agreed undiscounted cash flows:

	Carrying amount	**Cash flows**			
	Dec. 31, 2010 € in K	**Total € in K**	< 1 year € in K	1– 5 years € in K	> 5 years € in K
Loans and borrowings	224,670	236,336	22,459	213,278	599
Trade payables	47,531	47,531	47,531	0	0
Other liabilities	29,215	29,215	29,104	111	0
- of which derivatives	41				
Settled gross[1)]	41	41	41	0	0
- of which other liabilities	29,174	29,174	29,063	111	0
Financial liabilities	**301,416**	**313,082**	**99,094**	**213,389**	**599**

	Carrying amount	**Cash flows**			
	Dec. 31, 2011 € in K	**Total € in K**	< 1 year € in K	1– 5 years € in K	> 5 years € in K
Loans and borrowings	305,817	333,387	42,433	275,085	15,869
Trade payables	57,601	57,601	57,601	0	0
Other liabilities	38,126				
- of which derivatives	9,898				
Settled gross[1)]	6,044	6,044	6,044	0	0
Settled net	3,854	5,063	1,625	3,438	0
- of which other liabilities	28,228	28,228	28,196	32	0
Financial liabilities	**401,544**	**390,988**	**100,034**	**275,085**	**15,869**

[1)] The forward contracts (derivative financial instruments settled gross) included in the “Other liabilities” are disclosed at their carrying amounts. Based on the exchange rates as of the reporting date, these gross-settled derivatives will lead to cash outflows of approximately €62.1 million in 2012 (previous year: cash outflows in 2011 of approx. €50.2 million) and of around €20.8 million in 2013 (previous year: cash outflows in 2012 of approx. €14.5 million). These cash outflows are offset by inflows of a similar amount.

D. Capital Risk Management

In the Sartorius Group, capital is managed in order to maximize earnings of those participating in the company by optimizing the ratio of equity to liabilities. Furthermore, we ensure that all Group companies can operate under the premise of the going-concern principle.

The financial liabilities detailed in Sections 24 and 26 are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital in Sections 18-22.

E. Goals of Financial Risk Management

The Treasury Department of the Sartorius Group is centrally focused in Sartorius Corporate Administration GmbH, and performs services for all companies of the Sartorius Group as well as coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting; these risks essentially entail currency, interest rate and liquidity risks.

The Group strives to minimize the impact of currency 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. We counteract liquidity risks by maintaining sufficient credit lines as well as by planning short-, mid- and long-term liquidity using the advanced treasury software.

F. Management of Exchange Rate Risks

The Sartorius Group is exposed to currency risks as a good third of its 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, our global production network 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. We use derivative financial instruments to a considerable extent to hedge against net currency exposure – i.e., the proportion of our foreign currency sales revenue that remains after we have settled our costs. Our hedging strategy provides for exposures to be hedged approximately up to one-and-a-half years in advance. These hedging measures are reviewed at regular intervals to adapt them, when necessary, to expected exchange rate fluctuations.

For currency hedging, we use foreign currency options and forward contracts and, to a limited extent, structured hedge transactions.

Using forward contracts entered into up to the reporting date, we secure the right, and simultaneously enter into an 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 measured as income or an expense in the income statement.

Derivative financial instruments are measured at the time of acquisition and, on subsequent balance sheet dates, at fair value. The changes in value of the derivative financial instruments are to be recognized in the income statement 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 value adjustments are recognized directly in equity. The non-effective portion of the hedged transactions is recognized in the result of the respective period. In fiscal 2011, income for non-effective hedging relationships was €14 K (2010: expenses of -€103 K); an amount of €3,716 K was recognized in the other comprehensive income (2010: €62 K). The amount of -€62 K recognized in equity in 2010 (-€221 K) was reclassified to profit or loss under the other operating expenses for the period in the reporting year.

The following chart provides an overview of the forward contracts concluded as currency hedges; these transactions are presented by quarter (Q1, Q2, etc.):

Reporting date: December 31, 2010

Currency	Volume	Maturity	Forward rate	**Fair value € in K**
USD	7,000,000	Q1 2011	1.3158	76
USD	12,000,000	Q2 2011	1.3422	– 28
USD	12,000,000	Q3 2011	1.3383	– 27
USD	12,000,000	Q4 2011	1.3409	– 63
USD	4,000,000	Q1 2012	1.3067	71
USD	4,000,000	Q2 2012	1.3155	43
	51,000,000			**72**

Currency	Volume	Maturity	Forward rate	**Fair value € in K**
JPY	100,000,000	Q2 2011	108.0500	2
JPY	100,000,000	Q3 2011	109.8100	– 14
JPY	300,000,000	Q4 2011	109.9467	– 51
JPY	200,000,000	Q1 2012	109.7650	– 37
	700,000,000			**– 100**

Reporting date: December 31, 2011

Currency	Volume	Maturity	Forward rate	**Fair value € in K**
USD	14,000,000	Q1 2012	1.3455	– 388
USD	22,000,000	Q2 2012	1.3519	– 673
USD	14,500,000	Q3 2012	1.3648	– 531
USD	13,000,000	Q4 2012	1.3821	– 571
USD	7,500,000	Q1 2013	1.3793	– 310
USD	11,000,000	Q2 2013	1.3472	– 296
	82,000,000			**– 2,769**

Currency	Volume	Maturity	Forward rate	**Fair value € in K**
JPY	200,000,000	Q1 2012	109.7650	– 179
JPY	400,000,000	Q2 2012	103.0275	– 115
JPY	300,000,000	Q3 2012	104.2700	– 117
JPY	400,000,000	Q4 2012	109.0825	– 329
JPY	350,000,000	Q1 2013	103.8614	– 138
JPY	300,000,000	Q2 2013	101.4800	– 56
	1,950,000,000			**– 933**

In addition, we use target profit forwards or cash hedges to optimize our hedging transactions. With the target forwards transacted up to the reporting date, we have secured the right, and have simultaneously entered into the obligation, of swapping 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 soon as the profit limit is reached, the transaction is terminated without entailing any further obligations for either contractual party.

As of December 31, 2011, we had target profit forwards for a total volume of $81 million (2010: $27 million) and with a maximum maturity date of December 31, 2013 (2010: June 30, 2012). As of the reporting date for fiscal 2011, the fair value of these derivatives was -€2,342 K (2010: -€12 K). This change in fair value was recognized in the financial result as no hedging relationship defined by IAS 39 was designated in this case.

Concerning the exchange rate of the U.S. dollar to the euro, the follow sensitivities provide the estimated impacts: If the exchange rate of the U.S. dollar to the euro would have dropped 5%, equity would have been around €7.4 million higher than actually reported (2010: €2.0 million) and annual profit before tax would have been up €3.4 million (2010: €0.1 million) from the currently disclosed figure. Had the exchange rate of the U.S. dollar to the euro risen by 5%, the impact would have been -€0.9 million on the annual profit before tax (2010: -€0.7 million) and -€4.2 million on equity (2010: -€1.8 million).

G. Interest Risk Management

Financing of the entire Group is usually done through Sartorius AG and Sartorius Stedim Biotech S.A. as well as by a few additional companies, which ensure the financing of all Group companies using internal group loans. In this case, the Sartorius Group is exposed to interest rate risks as these loans are taken out mostly at variable interest rates. To hedge against rising interest rates, the Group concluded interest rate hedges in the form of interest swaps, which cover the majority of the loans outstanding. As a result, the Group receives the particular (variable) interest rate valid on the market and pays a fixed interest rate. The transactions concluded for the year ended December 31, 2011, are presented in the following table:

Instrument	Hedged volume as at Dec. 31, 2011 € in K*	Hedged Volume at Dec. 31, 2010 € in K	Held for hedging purposes	End of term	Hedged interest rate	**Fair value Dec. 31, 2011 € in K***	Fair value Dec. 31, 2010 € in K
Swaps	190,000	165,000	Yes	Sept. 13 - Mar. 16	1.48% – 1.95%	– 1,531	685
Forward swaps	145,000	120,000	Yes	Sept. 15 - Mar. 16	2.28% – 2.89%	– 2,323	1,344
						– 3,854	**2,029**

From the assessment of the interest hedging transactions, an amount of €3,748 K was reported in equity (2010: €2,029 K); an amount of €106 K was recognized in the income statement.

These hedging measures are reviewed at regular intervals to adapt them, when necessary, to expected interest rates and risk coverage.

If the market interest rate for the financial instruments held as of the reporting date would have changed by plus or minus 1.0 percentage point, the financial result would have been €1.3 million higher or €1.0 million lower, respectively (2010: +/- €1.1 million). The impacts on equity in conjunction with market assessment of financial instruments held as hedged items would have been - €4.8 million (2010: - €4.1 million) or +€7.4 million (2010: +€6.0 million).

H. Liquidity Risk Management

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, selling trade receivables within the scope of a factoring program, continuously tracking the forecasted and actual cash flows and by managing the maturity profiles of financial assets and liabilities.

The difference between the agreed credit lines of €485.4 million as of December 31, 2011 (2010: €434.5 million) and the amount used – which is comprised of gross debt and guarantees and totaled €315.0 million (2010: €234.0 million) – shows the amount of unused credit lines, which was at €172.1 million in the reporting year (2010: €200.5 million).

The table below provides an overview of the credit lines available on the reporting date.

		Credit lines	Interest rate	End of term
	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K		
Syndicated loans	406,000	374,000	Variable interest rate	2013 and 2016
Bilateral credit lines	79,400	60,500	Variable interest rate	Until further notice
	485,400	**434,500**		

When we concluded syndicated credit facilities, we committed to maintaining the usual key financial ratios, called covenants. Based on current information, we consider it rather unlikely that we would temporarily not comply with these covenants and that, as a consequence, we would incur higher financing costs.

I. Other Risks Associated with Financial Instruments

The Sartorius Group is exposed to the risk of volatility in share prices to a limited extent. On the reporting date, available-for-sale instruments valued at €2.0 million were held (2010: 0). Had the share price changed by 10%, the sensitivity analysis shows that this would have had an impact of €0.2 million that would have had to be recognized in equity.

J. 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 fair value of the phantom stock units is disclosed as follows:

Components with a long-term incentive effect	Number of phantom stock units	**Fair value at year-end on Dec. 31, 2011 € in K**	Fair value at year-end on Dec. 31, 2010 € in K	Paid out € in K
Tranche for 2005	0	0	172	182
Tranche for 2006	3,871	128	172	90
Tranche for 2007	3,593	119	144	59
Tranche for 2008	0	0	188	205
Tranche for 2009	28,770	587	552	0
Tranche for 2010	16,803	523	407	0
Tranche for 2011	10,706	323	0	0
	63,743	**1,680**	**1,635**	**536**

In fiscal 2011, expenses related to granting and valuation of phantom stock units were €523 K (2010: €823 K). For details on phantom stock units, please refer to the Remuneration Report that is an integral part of the Group Management Report. On the reporting date, 7,464 phantom stock units totaling €247 K were exercisable. 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 in the adjacent table:

	Dec. 31, 2011	Dec. 31, 2010
Outstanding at the beginning of the period	52,500	93,227
Granted during the period	0	0
Forfeited during the period	0	0
Exercised during the period	– 12,500	– 40,727
Expired in the period	0	0
Outstanding at the end of the period	**40,000**	**52,500**
Exercisable at the end of the period	**40,000**	**52,500**

The various stock option plans outstanding at December 31, 2011, and December 31, 2010, respectively, are summarized as follows:

December 31, 2011

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 2011	Number of options granted and exercisable on Dec. 31, 2011	Number of options subject to target performance as of Dec. 31, 2011	Number of beneficiaries of valid options
June 23, 2000	Aug. 2, 2000	139,105	0	0	5	8.59	0	0	0	0
June 23, 2000	Sept. 28, 2001	142,855	0	0	7	11.94	0	0	0	0
June 23, 2000	Nov. 14, 2002	12,100	0	0	1	6.78	0	0	0	0
June 23, 2000	Sept. 10, 2003	22,000	0	0	1	7.90	0	0	0	0
June 23, 2000	Feb. 11, 2004	66,000	0	0	1	6.42	0	0	0	0
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	5,000	20,000	0	2
June 10, 2005	Sept. 15, 2005	127,500	10,000	1	15	18.87	5,000	5,000	0	1
June 10, 2006	Nov. 10, 2006	35,000	0	0	2	29.51	2,500	15,000	0	2
Total		**684,560**	**10,000**	**1**	**51**		**12,500**	**40,000**	**0**	**5**

December 31, 2010

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 2010	Number of options granted and exercisable on Dec. 31, 2010	Number of options subject to target performance as of Dec. 31, 2010	Number of beneficiaries of valid options
June 23, 2000	Aug. 2, 2000	139,105	0	0	5	8.59	0	0	0	0
June 23, 2000	Sept. 28, 2001	142,855	0	0	7	11.94	4,060	0	0	0
June 23, 2000	Nov. 14, 2002	12,100	0	0	1	6.78	0	0	0	0
June 23, 2000	Sept. 10, 2003	22,000	0	0	1	7.90	0	0	0	0
June 23, 2000	Feb. 11, 2004	66,000	0	0	1	6.42	0	0	0	0
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	0	25,000	0	3
June 10, 2005	Sept. 15, 2005	127,500	10,000	1	15	18.87	36,667	10,000	0	2
June 10, 2006	Nov. 10, 2006	35,000	0	0	2	29.51	0	17,500	0	2
Total		**684,560**	**10,000**	**1**	**51**		**40,727**	**52,500**	**0**	**7**

Sartorius Stedim Biotech share purchase options have been allocated to some of its employees and directors of the 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 €41.07 on the date of exercise. The share options still outstanding as of the reporting date for the statement of financial position will be exercisable until November 9, 2016, at the very latest. 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. During the entitlement acquisition period, the total fair value thus measured is recognized as an expense spread over the full vesting period of the plan, provided that this entitlement has actually been acquired.

In fiscal 2011, the expenses for share-based payments recognized in the income statement were €523 K (2010: expenses of €823 K) and account entirely for phantom stock units of Sartorius AG. Cash received upon the exercise of these options is recognized in the cash and cash equivalents by disclosing a corresponding item in the non-controlling interest for equity.

Notes to the Income Statement

30. Sales Revenue

Sales revenue is recognized at the time the risk has passed to the purchaser. An exception is contract revenue from customer-specific construction contracts, which are accounted for according to the percentage of completion method.

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

2011	Biotechnology € in K	Mechatronics € in K	**Total € in K**
Germany	61,789	60,273	122,062
All other countries	415,087	195,950	611,037
	476,877	**256,223**	**733,100**

2010	Biotechnology € in K	Mechatronics € in K	**Total € in K**
Germany	64,102	49,702	113,804
All other countries	368,524	176,989	545,513
	432,626	**226,691**	**659,317**

In 2011, sales revenue for the Sartorius Group rose 11.2% to €733,100 K (2010: €659,317 K). Currency-adjusted, the increase for the Group was 12.2%. An amount of €15,004 K (2010: €13,521 K) was earned with affiliated companies.

A sum of approximately €56 million was earned by providing services (2010: €56 million).

31. Cost of Sales

This item reports the costs of products sold and the acquisition costs of merchandise sold.

Besides the directly allocatable expenses, such as raw materials and supplies, employee benefits expense and energy expenses, the cost of sales also includes overhead, which is attributed to the manufacturing area, and the corresponding depreciation and amortization.

32. Selling and Distribution Costs

These costs pertain, in particular, to the expenses of the sales and marketing organization, distribution, advertising and market research.

33. Research and Development Costs

This item reports the costs for research and product and process development. Development costs are recognized as assets, provided that they fully meet the prerequisites of IAS 38 for recognition of intangible assets. Amortization on development costs recognized as assets is also indicated in this item.

34. General Administrative Expenses

Above all, this item includes employee benefits expense and the cost of materials of the general administrative area.

35. Other Operating Income and Expenses

	2011 € in K	2010 € in K
Currency translation gains	11,413	16,011
Income from release and use of provisions and liabilities	1,868	1,343
Income from grants	2,340	2,504
Income from the decrease in allowances for bad debts	2,130	2,292
Other income	2,561	1,294
Other operating income	**20,312**	**23,444**
Reorganization expenses	– 11,334	– 6,302
Currency translation losses	– 13,280	– 14,717
Allowances for bad debts	– 3,415	– 3,464
Other expenses	– 3,395	– 5,709
Other operating expenses	**– 31,424**	**– 30,192**
Other operating income and expenses	**– 11,112**	**– 6,748**

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

Reorganization expenses essentially were provisions for the planned relocation of our U.S. manufacturing site for single-use bags (Biotechnology Division) from Concord, California, to Yauco, Puerto Rico in 2012, for the optimization of the European sales structures of the Mechatronics Division as well as for various cross-divisional projects. In 2010, the Biotechnology Division incurred extraordinary expenses in connection with the integration of the majority of our formerly independent sales representatives in North America into our regular workforce. Reorganization expenses in the Mechatronics Division essentially covered restructuring costs of approximately €3 million.

36. Financial Result

	2011 € in K	2010 € in K
Interest and similar income	698	359
- of which from affiliated companies	[104]	[107]
Income from derivative financial instruments	103	0
Interest and similar expenses	– 8,660	– 6,129
- of which from affiliated companies	[0]	[0]
Expenses for derivative financial instruments	– 2,750	– 171
Interest for pensions and other retirement benefits	– 2,201	– 2,224
Interest expenses for factoring	– 1,172	– 1,045
Other financial charges	– 120	– 148
	– 14,102	**– 9,358**

In fiscal 2011, interest expenses of €0.3 million were recognized as assets in connection with the expansion of production capacity in Yauco, Puerto Rico, and in Goettingen, Germany (2010: 0). This interest rate was estimated at an average financing rate of 2.8%.

37. Income Tax Expense

	2011 € in K	2010 € in K
Current income taxes	– 33,631	– 21,396
Deferred taxes	10,090	1,709
	– 23,541	**– 19,687**

As a matter of principle, domestic income taxes have been calculated at 30.0% of the estimated taxable profit for fiscal 2011. Income generated outside Germany is taxed at the particular rates that are valid in the corresponding country.

Because we are required to use the income tax rate to be applied for deferred taxes at the time the temporary difference is reversed, this rate has been calculated for German companies on the basis of the tax rates of around 30% applicable since 2008. Taking the local tax rates that are to be applied for subsidiaries outside Germany into account, we expected the income tax rate to average 32.0%. The following table shows the difference between the tax expense to be expected and the income tax expenses reported for the particular fiscal year:

	2011 € in K	2010 € in K
Expected tax expense (32.0%)	– 24,428	– 19,319
Difference from the Group average income tax rate	2,565	1,942
Effects from losses and interest carried forward and from temporary differences for which no deferred taxes were accrued	– 3,047	1,917
Tax-free income and tax credits	999	634
Expenses not deductible for tax purposes	– 2,853	– 1,233
Adjustments from previous years	4,219	– 2,223
Withholding and similar taxes	– 901	– 603
Other	– 96	– 803
	– 23,541	**– 19,687**
Effective tax rate	**30.8 %**	**32.6 %**

The adjustments from the previous reporting years as well as the effects arising from losses and interest carried forward, for which no deferred taxes were accrued, essentially resulted from the spin-off of the operating business of Sartorius AG and transfer to its 100% subsidiary Sartorius Weighing Technology GmbH. The item "Adjustments from previous years" discloses the positive effects from the use of losses and interest carried forward for which no deferred taxes had to be accrued. Taxation of the hidden assets and liabilities disclosed offset these positive effects.

38. Earnings per Share

According to IAS 33, Earnings per Share, the earnings per share for each class must be determined separately. The undiluted earnings per share (basic EPS) are calculated on the basis of the number of shares outstanding during the period. Net profit after non-controlling interest was divided according to the ratio of the weighted number of ordinary shares to preference shares. The diluted earnings per share (diluted EPS) were not calculated because there are no option or conversion rights to be exercised on Sartorius shares.

	2011	2010
Ordinary shares		
Basis for calculating undiluted earnings per ordinary share (net profit after minority interest) in €	20,792,675	15,518,200
Weighted average number of shares outstanding	8,528,056	8,528,056
Earnings per ordinary share in €	2.44	1.82
Preference shares		
Basis for calculating undiluted earnings per preference share (net profit after minority interest) in €	20,770,637	15,501,752
Weighted average number of shares outstanding	8,519,017	8,519,017
Earnings per preference share in €	2.44	1.82

Treasury shares may not be included for calculating the average number of shares outstanding.

39. Other Disclosures

The consolidated financial statements were prepared on a going-concern basis.

No material events occurred up to the end of the preparation of these consolidated financial statements.

For the annual financial statements reported by Sartorius Mechatronics C&D GmbH & Co. KG, Aachen, Germany, for the year ended December 31, 2011, the exemption provided by § 264 b of the German Commercial Code (HGB) was applied.

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, 2011, 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.

Non-periodic Income and Expenses

Non-periodic income and expenses are items that do influence current results, but concern changes in transactions of the past years. Essentially, these are reported in other operating income and expenses.

During the reporting year, other income that can be allocated to other periods was €8,435 K (2010: €3,700 K). Expenses attributable to other periods amounted to €7,764 K and essentially covered restructuring expenses as in the previous year (2010: €4,677 K). In essence, non-periodic income includes income from the release of provisions of €3,776 K (2010: €1,363 K) and income from reversal of valuation allowances in the amount of €2,130 K (2010: €2,292 K).

Raw Materials and Supplies

This item consists of the following:

	2011 € in K	2010 € in K
Expenses for raw materials, supplies and purchased materials including changes in inventory)	200,179	175,500
Cost of purchased services	18,096	16,005
	218,274	**191,504**

Employee Benefits Expense

This item can be broken down as follows:

	2011 € in K	2010 € in K
Wages and salaries	218,166	193,818
Social security	42,621	41,251
Expenses for retirement benefits and pensions	3,160	3,649
	263,947	**238,717**

Number of Employees

This table shows the average workforce employed during the fiscal year:

	2011	2010
Biotechnology	2,741	2,492
Mechatronics	2,104	1,928
	4,845	**4,420**

Auditors' Fee

In fiscal 2011, the following fees were incurred by the Group for the auditors Deloitte & Touche GmbH:

	2011 € in K	2010 € in K
Audits	473	460
Other certification and verification services	493	240
Tax consultation services	248	119
Other Services	139	0
	1,353	**819**

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 €170,058,095.88 reported by Sartorius AG for the year ended December 31, 2011, as follows:

	€
Payment of a dividend of €0.80 per ordinary share	6,822,444.80
Payment of a dividend of €0.82 per preference share	6,985,593.94
Unappropriated profit carried forward	156,250,057.14
	170,058,095.88

Goettingen, February 15, 2012

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 2011 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 2012

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 financial position, income statement along with the statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements – along with the management report integrated into the Group Management Report – and which Sartorius Aktiengesellschaft, Germany, prepared for the fiscal year from January 1 through December 31, 2011. 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 in accordance with § 317 HGB, taking into account the principles of proper auditing established by the German Institute of Independent Auditors, "Institut der Wirtschaftsprüfer." 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 Group 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 Group 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 consolidation principles applied and the significant estimates made by the Executive Board as well as evaluation of the overall presentation of the consolidated year-end financial statements and the Group 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 Group 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 15, 2012

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft
(name of the independent auditing company)

Henning Scharpenberg
Auditor

Dieter Tenambergen
Auditor

Executive Board and Supervisory Board

During fiscal 2011[1)]

Executive Board

Dr. rer. pol. Joachim Kreuzburg
Dipl.-Ingenieur (Graduate Engineer)
CEO and Chairman
Executive for Labor Relations
Operations, Human Resources, Legal Issues, Compliance and Corporate Communications
Born April 22, 1965
Hanover, Germany
Member since November 11, 2002
"Sprecher" (Spokesman) from May 1, 2003 to November 10, 2005
Chairman since November 11, 2005
Executive for Labor Relations since July 24, 2009
Appointed until November 10, 2015

Jörg Pfirrmann
Dipl.-Ökonom (Graduate Economist)
Finance, IT and General Administration
Born November 30, 1972
Noerten-Hardenberg, Germany
Member since July 24, 2009
Appointed until July 23, 2017

Reinhard Vogt
Industriekaufmann (Industrial Business Manager)
Marketing, Sales and Service
Born August 4, 1955
Dransfeld, Germany
Member since July 24, 2009
Appointed until July 23, 2014

Supervisory Board

Prof. Dr. Dres. h.c. Arnold Picot
Dipl.-Kaufmann (Graduate in Business Administration), university professor
Chairman
Executive Director of the Institute of Information, Organization and Management, Faculty of Economics, Ludwig Maximilian University in Munich
Gauting, Germany

Gerd-Uwe Boguslawski
Dipl.-Sozialwirt (Graduate Social Manager)
Vice Chairman of the Supervisory Board
1st senior local officer of the German Metalworkers' Union (IG Metall) in the Southern Lower Saxony/Harz region,
Northeim, Germany

Dr. Dirk Basting
Dipl.-Chemiker (Graduate Chemical Engineer)
Fort Lauderdale, Florida,
USA

Annette Becker
Personalfachkauffrau (HR Specialist)
Chairwoman of the Employees' Council of Sartorius Corporate Administration GmbH
Goettingen, Germany

Christiane Benner
Dipl.-Soziologin (Graduate Sociologist)
Executive member of the managing committee of the German Metalworkers' Union (IG Metall)
Frankfurt | Main, Germany

Uwe Bretthauer
Dipl.-Ingenieur (Graduate Engineer)
Chairman of the Employees' Council of Sartorius Weighing Technology GmbH,
Chairman of the Group Employees' Council of Sartorius AG
Goettingen, Germany

[1)] Information required pursuant to Sec. 285, No. 10, of the German Commercial Code (HGB)

Michael Dohrmann
Feinmechaniker (Precision Engineer)
Chairman of the Employees' Council of
Sartorius Stedim Biotech GmbH
Goettingen, Germany

Dr. Lothar Kappich
Dipl.-Ökonom (Graduate Economist)
Managing Director of
ECE Projektmanagement GmbH & Co. KG
Hamburg, Germany

Petra Kirchhoff
Dipl.-Volkswirtin (Graduate Political Economist)
Vice President of Corporate Communications
and Investor Relations,
Sartorius Corporate Administration GmbH
Goettingen, Germany

Prof. Dr. Gerd Krieger
Rechtsanwalt (Lawyer)
Honorary professor at the Heinrich-Heine University
in Duesseldorf
Duesseldorf, Germany

Prof. Dr. rer. nat. Dr.-Ing. Heribert Offermanns
Dipl.-Chemiker (Graduate Chemical Engineer)
Honorary Professor at the Johann-Wolfgang-Goethe-
University of Frankfurt | Main
Hanau, Germany

Prof. Dr. Klaus Rüdiger Trützschler
Dipl.-Wirtschaftsmathematiker
(Graduate Business Mathematician) and
Dipl.-Mathematiker (Graduate Mathematician)
Member since November 29, 2011
Member of the Managing Board of
Franz Haniel & Cie. GmbH, Duisburg, Germany
Honorary Professor at the University of Münster
(WWU Münster)
Essen, Germany

Dr. Michael Schulenburg
Dipl.-Ingenieur (Graduate Engineer)
Member until May 20, 2011
Management Consultant
Mettmann, Germany

Committees of the Supervisory Board

Executive Task Committee
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Gerd-Uwe Boguslawski
Uwe Bretthauer
Dr. Michael Schulenburg until May 20, 2011
Prof. Dr. Gerd Krieger as of June 21, 2011

Audit Committee
Dr. Michael Schulenburg (Chairman)
until May 20, 2011
Dr. Lothar Kappich
from June 21, 2011, until December 8, 2011
Prof. Dr. Klaus Rüdiger Trützschler (Chairman)
as of December 8, 2011
Gerd-Uwe Boguslawski
Uwe Bretthauer
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
from August 24, 2011, until December 8, 2011

Conciliation Committee
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Gerd-Uwe Boguslawski
Uwe Bretthauer
Dr. Michael Schulenburg until May 20, 2011

Nomination Committee
Prof. Dr. Gerd Krieger
Prof. Dr. Dres. h.c. Arnold Picot
Dr. Michael Schulenburg until May 20, 2011
Dr. Lothar Kappich as of May 31, 2011

[1] Information required pursuant to Sec. 285, No. 10, of the German Commercial Code (HGB)

Positions Held by the Members of the Executive Board[1] as of December 31, 2011

Dr. rer. pol. Joachim Kreuzburg

Président-Directeur Général (CEO) of:
- Sartorius Stedim Biotech S.A., France[2]

On the Supervisory Board of:
- Sartorius Stedim Biotech GmbH, Germany, Vice Chairman[2]
- Sartorius Weighing Technology GmbH, Germany, Vice Chairman[2]

On the Board of Directors of:
- Sartorius Stedim North America, Inc., USA[2]
- Sartorius Stedim SUS, Inc., USA[2]
- Sartorius Stedim Filters, Inc., Puerto Rico[2]
- Sartorius Mechatronics Japan K.K., Japan[2]
- Sartorius Stedim Japan K.K., Japan[2]
- Denver Instrument (Beijing) Co. Ltd., China[2]
- Sartorius Scientific Instruments (Beijing) Co. Ltd., China[2]
- Sartorius Mechatronics Hong Kong Ltd., China[2]
- Sartorius Stedim Lab Ltd., UK[2]
- Sartorius Biohit Liquid Handling Oy, Finland[2]

On the Regionalbeirat (Regional Advisory Board) of:
- Commerzbank AG, Hamburg, Germany[3]

On the Beirat (Advisory Board) of:
- Hameln Group GmbH, Germany[3]

On the Wirtschaftsbeirat (Economic Advisory Board) of:
- Norddeutsche Landesbank, Germany[3]

Jörg Pfirrmann

On the Administrative Board of:
- Sartorius Mechatronics Switzerland AG, Switzerland[2]

On the Board of Directors of:
- Sartorius North America, Inc., USA[2]
- Sartorius Mechatronics Corporation, USA[2]
- Sartorius TCC Company, USA[2]
- Sartorius Stedim UK Ltd., United Kingdom[2]
- Sartorius Stedim Ireland Ltd., Ireland[2]

On the Comité Exécutif (Executive Committee) of:
- Sartorius Stedim France S.A.S., France[2]

On the Consiglio di Amministrazione (Board of Management) of:
- Sartorius Stedim Italy S.p.A., Italy[2]

On the Consejo de Administración (Board of Directors) of:
- Sartorius Stedim Spain S.A., Spain[2]

On the Supervisory Board of:
- Sartorius Stedim Nordic A/S, Denmark[2]
- Sartorius Mechatronics Nordic A/S, Denmark[2]

Reinhard Vogt

On the Conseil d'Administration (Board of Directors) of:
- Sartorius Stedim Biotech S.A., France[2]

On the Board of Directors of:
- Sartorius Stedim North America, Inc., USA[2]
- Sartorius Stedim SUS, Inc., USA[2]
- Denver Instrument (Beijing) Co. Ltd., China[2]
- Sartorius Scientific Instruments (Beijing) Co. Ltd., China[2]
- Sartorius Stedim Biotech (Beijing) Co. Ltd., China[2]
- Sartorius Stedim India Pvt. Ltd., India[2]
- Sartorius Stedim Malaysia Sdn. Bhd., Malaysia[2]
- Sartorius Mechatronics Japan K.K., Japan
- Sartorius Mechatronics Hong Kong Ltd., China[2]
- Sartorius Stedim Australia Pty. Ltd., Australia[2]

On the Verwaltungsrat (Administrative Board) of:
- Sartorius Stedim Switzerland AG, Switzerland, Chairman[2]

[1] Information required pursuant to Sec. 285, No. 10, of the German Commercial Code (HGB)
[2] Positions held within the Group
[3] External positions held by members of the Executive Board as of December 31, 2011

Positions Held by the Members of the Supervisory Board[1] as of December 31, 2011

Prof. Dr. Dres. h.c. Arnold Picot
On the Conseil d'Administration (Board of Directors) of:
– Sartorius Stedim Biotech S.A., France[2]
On the Supervisory Board of:
– Sartorius Stedim Biotech GmbH, Germany, Chairman[2]
– Sartorius Weighing Technology GmbH, Germany, Chairman[2]
– Takkt AG, Germany[3]
– Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH (Scientific Institute for Communication Services) and WIK-Consult GmbH, Germany[3]

Gerd-Uwe Boguslawski
On the Supervisory Board of:
– Demag Cranes & Components GmbH, Germany[3]
– Demag Cranes AG, Germany[3]

Dr. Dirk Basting
None

Annette Becker
None

Christiane Benner
On the Supervisory Board of:
– T-Systems International GmbH, Germany[3]

Uwe Bretthauer
None

Michael Dohrmann
None

Dr. Lothar Kappich
None

Petra Kirchhoff
None

Prof. Dr. Gerd Krieger
On the Supervisory Board of:
– ARAG Lebensversicherungs-AG, Germany[3]
– ARAG Krankenversicherungs-AG, Germany[3]

Prof. Dr. rer. nat. Dr.-Ing. E.h. Heribert Offermanns
None

Prof. Dr. Klaus Rüdiger Trützschler
On the Supervisory Board of:
– Takkt AG, Germany, Chairman[3]
– Wuppermann AG, Germany, Chairman[3]
– Zwiesel Kristallglas AG, Germany, Chairman[3]
– Bilfinger Berger AG, Germany[3]
– Celesio AG, Germany[3]
On the Verwaltungsrat (Administrative Board) of:
– Wilh. Werhahn KG, Germany[3]

[1] Information required pursuant to Sec. 285, No. 10, of the German Commercial Code (HGB)
[2] Positions held within the Group
[3] External positions held by members of the Supervisory Board as of December 31, 2011

Supplementary Information

05

Glossary

Industrial | Product-specific Terms

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.

Capsule
Ready-to-use filter unit consisting of a filter housing with hose connectors and an incorporated filter cartridge

cGMPs – Current Good Manufacturing Practices
U.S. quality assurance guidelines for the manufacture of pharmaceuticals, active ingredients, food and animal feed. In Europe, the standards are referred to as GMPs.

Crossflow
Term taken from filtration technology. Instead of directly flowing through the filter (static filtration), a liquid flows perpendicularly to the filter surface; this prevents filter blockage, resulting in a longer in-service life of the filter.

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 extracellular substances with the help of microorganisms

Fluid management technologies
Technologies and systems for the transportation and storage of biological liquids

Mechatronics
Interdisciplinary field that combines mechanical, electrical and electronic engineering, intelligent control technology and computer science. These technologies interact to compensate for the distorting effects that material properties and ambient conditions may have on the accuracy of measured results.

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.

Metal detector
A system integrated into a manufacturing process to detect product contaminants, such as foreign metal particles, in order to protect consumers against potential harm to their health and manufacturers against potential negative financial implications.

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

Sterile filter, sterilizing-grade filter
Membrane filter whose pore size is usually 0.2 µm or smaller; product- and process-specific validation tests are required to confirm that the filter type selected delivers a sterile filtrate.

Sterility test, sterility testing
Test to verify that a sample contains no living or viable substances

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 assignment 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

EBITA
Earnings before interest, taxes and amortization; in this context, amortization refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3

EBITA margin
The ratio of EBITA to sales revenue

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.

Equity ratio
The ratio of equity to the balance sheet total

ERP
Stands for "Enterprise Resource Planning"; IT-based resource planning system

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.

IAS
International Accounting Standards – internationally recognized accounting principles

IFRS
International Financial Reporting Standards – internationally recognized accounting principles

Market capitalization
The total number of shares outstanding of both classes issued by the company, multiplied by the corresponding share price

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.

Pro forma
The pro forma presentation for 2007 means that the Stedim business, which was consolidated for the first time as of June 29, 2007, was included for that full year. At the same time, the hydrodynamic bearings business, which was sold on October 31, 2007, was excluded and the proceeds of the sale were also eliminated.

Return on equity
The ratio of net profit to average equity

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 non-operating items; the main non-operating items are restructuring charges and other non-operating expenses.

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A Local Presence Worldwide

incl. locations of Sartorius Biohit Liquid Handling


Kajaani, Finland
Helsinki, Finland
Aachen, Germany
Hamburg, Germany
Goettingen, Germany
Poznan, Poland
Frankfurt, Germany
Melsungen, Germany
St. Petersburg, Russia
Moscow, Russia
Budapest, Hungary
Vienna, Austria
Tagelswangen, Switzerland
Florence, Italy
Milan, Italy
M'Hamdia, Tunisia
Beijing, China
Seoul, South Korea
Tokyo, Japan
Suzhou, China
Shanghai, China
Hong Kong, China
Hanoi, Vietnam
Bangkok, Thailand
Makati City, Philippines
Bangalore, India
Chennai, India
Kuala Lumpur, Malaysia
Singapore, Singapore
Melbourne, Australia

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Sartorius Weighing Technology GmbH
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Austria

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Denmark

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2630 Taastrup
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Finland

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00880 Helsinki
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France

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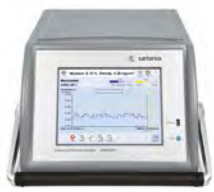

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Financial Schedule

Annual Shareholders' Meeting in Goettingen, Germany	April 19, 2012
Payment of dividends [1]	April 20, 2012
Publication of first-quarter figures for 2012	April 24, 2012
Cheuvreux Pan-Europe Forum in London, UK	May 21-22, 2012
Publication of first-half figures for 2012	July 25, 2012
Publication of nine-month figures for 2012	October 29, 2012
German Equity Forum in Frankfurt | Main, Germany	November 12-13, 2012
Publication of preliminary figures for fiscal 2012	January 2013
Annual press conference in Goettingen, Germany	March 2013
Annual Shareholders' Meeting in Goettingen, Germany	April 18, 2013
Publication of first-quarter figures for 2013	April 2013

[1] Subject to approval by the Annual Shareholders' Meeting

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