sartorius

Sartorius Group

First-Half Financial Report from January to June 2010

turning science into solutions

Interim Management Report

Economic Report

Macroeconomic Environment

In the first half of 2010, global recovery from the financial and economic crisis during 2008 and 2009 continued to progress, albeit at different rates in the individual regions. Although the economic dynamics in the industrialized countries were moderate, despite extensive support provided by government-backed economic stimulus programs, a few emerging markets, most notably in Asia, showed particularly strong expansion. Though production in the Asian region also saw a sharp downturn in the fall of 2008, the effects of the financial crisis had a less severe impact on the medium-term growth path taken by the emerging markets thanks to their mostly solid financial sectors, a hardly overindebted private sector and a generally favorable macroeconomic environment.

In Europe and the USA, by contrast, the situation on the financial markets had already considerably eased in the summer of 2009, but has seen little improvement since then, however. In addition, substantial differences among the member states of the euro zone became apparent. While economic performance in Germany and France noticeably perked back up, some euro-zone countries, primarily Greece, yet also including Spain, Portugal and Italy, came under increasing pressure because of their high national debt.

This also hurt confidence in the euro, which has been increasingly depreciating against the U.S. dollar since the beginning of the year. Thus, the euro hit an interim low of U.S. $1.19. However, the dollar to euro exchange rate remained fairly constant on average during the first half of this year compared with the year-earlier period (U.S. $1.33 | €).

For the industrialized countries, the IMF expects economic growth to reach 2.3% in 2010 following a decline of 3.2% in 2009. According to the IMF's forecasts so far for 2010, the emerging markets are set to expand by an overall 6.3% (2009: +2.4%), with growth estimated to be the highest for China and India, at 10.0% (2009: +8.7%) and 8.8% (2009: +5.7%), respectively. Based on the IMF's prognosis, global economic performance is likely to pick up by 4.2% (2009: -0.6%).

The prime rates of key central banks remained stuck at their historic lows during the past six months (the Fed's rate at 0 - 0.25%; the ECB's at 1.0%), with the central banks expected to retain their expansive interest rate policy for the time being. Currently, it is anticipated that the emerging nations will swiftly return to a tighter monetary policy. During the first half, China and India have already initiated measures to limit credit expansion.

Compared with the year-earlier period, global interest levels lowered, which benefited the Group's financing costs. For instance, the 3-month Euribor decreased on average from 1.7% during the first six months of 2009 to 0.7% in the first half of 2010.

(Sources: IMF, World Economic Outlook April 2010; Joint Economic Forecast Group; Joint Economic Forecast Spring 2010 prepared for the German Federal Ministry of Economics and Technology)

Sector Situation for the Biotechnology Division and the Mechatronics Division

Sartorius primarily supplies the pharmaceutical and biopharmaceutical industry, food manufacturers and customers from the chemical sector and the public research sector.

The pharmaceutical industry, which has so far proven to be largely immune to the economic crisis, grew 7.0% in 2009. For the full year of 2010, the international market research institute IMS Health expects sales growth in the industry to continue at a steady pace between 4.0% and 6.0%. While the pharmaceutical markets in the western industrialized countries have been expanding at rates in the low single-digit percentage range, those in the emerging economies of Asia, Eastern Europe and Latin America are enjoying overproportionately strong growth.

The biopharmaceutical industry, which has been experiencing especially dynamic expansion and reporting rates of growth that are as high as double those of the overall market, currently accounts for a share of around only 15% of the pharmaceutical market. This share is bound to increase substantially in the future. Furthermore, growing economic and technological challenges are fueling the considerable trend towards employing innovative single-use products in biomanufacturing.

The food industry was also less impacted by the economic crisis and showed comparably stable development. Whereas food industry sales in the western industrialized countries stagnated in 2009, the Asian countries of China and India reported dynamic gains in this sector. Accordingly, this sector is striving to continue opening up the high-growth markets that are located especially in the Asian region. Producers are continuing to adapt their manufacturing processes to comply with international safety and quality standards and to enhance productivity while maintaining consistent quality in order to meet the growing demand for affordable food products.

According to industry experts, the markets for chemicals are gradually beginning to pick up steam following the sharp drop-off in sales of the past year. Thus, the chemical industry slowly recovered in the first half from economic turbulence, with the market conditions continuing to remain volatile and the sector showing uneven development to some extent in the individual regions. In Asia and, above all, China, the chemical industry saw dynamic expansion. But in the western industrialized countries, too, the sector recovered from setbacks in their respective economies, though it still has a long way to go before it reaches pre-crisis levels.

The public research sector is currently experiencing crisis-induced cuts. To mitigate the effects of these cutbacks, many governments have been providing state economic stimulus packages to shore up this sector. In an international comparison of such spending on public research and development in the various countries, the emerging Asian nations are gaining ever-increasing importance.

Business Development

Order Intake and Sales Revenue

The strong development of the Biotechnology Division continued during the first six months of the current fiscal year. Thus, order intake rose 8.8% (in constant currencies: +7.4%) from €203.5 million a year ago to €221.4 million, with order volume for the equipment business comprising bioreactors, in particular, increasing as expected. First-half sales revenue grew 5.7% (in constant currencies: +4.6%) from €197.8 million a year earlier to €209.1 million. Primarily the Asia | Pacific region, and also the North American region, specifically contributed to this growth in revenue, whereas development in Europe was flat due to the phase-out of extraordinary business with producers of H1N1 vaccines.

In the first six months, the Mechatronics Division received orders valued at €115.1 million, thus considerably boosting order intake by 11.8% (constant currencies: +10.4%) over its year-earlier figure of €102.9 million. Primarily the demand for lab products continued to rise briskly, and orders for industrial weighing and control products rebounded compared with the previous year. The Mechatronics Division increased its sales revenue 7.5% (constant currencies: +6.1%) to €106.1 million from €98.7 million a year ago, achieving the highest rates of growth in the Asia | Pacific region.

At the Group level, order intake rose 9.8% to €336.4 million from €306.4 million a year earlier, which equates to a gain of 8.4% in constant currencies. Consolidated sales revenue grew 6.3% (constant currencies: +5.1%) to €315.2 million, up from €296.5 million a year ago.

Key Figures

€ in millions (unless otherwise specified)	Group				Biotechnology				Mechatronics			
			Change in %				Change in %				Change in %	
	1st half 2010	1st half 2009	Actual rates	Const. rates	**1st half 2010**	1st half 2009	Actual rates	Const. rates	**1st half 2010**	1st half 2009	Actual rates	Const. rates
Sales revenue	**315.2**	296.5	6.3	5.1	**209.1**	197.8	5.7	4.6	**106.1**	98.7	7.5	6.1
- Europe[1]	**170.1**	167.2	1.7	1.4	**113.3**	112.6	0.6	0.3	**56.7**	54.6	4.0	3.6
- North America[1]	**71.2**	66.7	6.7	6.4	**55.6**	51.8	7.3	7.0	**15.6**	14.9	4.6	4.3
- Asia | Pacific[1]	**61.4**	51.2	19.9	14.6	**31.9**	25.3	25.9	19.6	**29.5**	25.9	14.1	9.7
- Other Markets[1]	**12.5**	11.4	10.0	10.0	**8.3**	8.1	3.2	3.2	**4.2**	3.3	26.7	26.6
EBITA[2]	**36.3**	24.7	47.0		**31.5**	28.0	12.2		**4.8**	–3.4	243.7	
EBITA margin[2]	**11.5%**	8.3%			**15.0%**	14.2%			**4.5%**	–3.4%		
Net profit[2][3]	**15.9**	6.4	149.9									
Earnings per share in €[2][3]	**0.93**	0.37	149.9									

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary expenses)
[3] Excluding non-cash amortization, and for 2009, additionally excluding interest for share price warrants

Earnings Development

In the first six months of 2010, the Biotechnology Division increased its operating earnings (earnings before interest, taxes and amortization and adjusted for extraordinary expenses = underlying EBITA) from €28.0 million in 2009 to €31.5 million. The respective margin improved from 14.2% to 15.0%, which can be primarily attributed to the economies of scale resulting from the increase in sales revenue. First-half extraordinary expenses are at €0.5 million, down from €1.6 million in 2009.

At €4.8 million, the Mechatronics Division generated positive operating earnings (underlying EBITA) during the first six months of 2010 after having to report an operating loss of €3.4 million for the year-earlier period. The division's respective margin jumped from -3.4% to 4.5%. In particular, the profitable growth in Asia and the cost-reduction program successfully implemented in 2009 contributed to this development. The division's first-half extraordinary expenses stand at €1.4 million, down from €14.7 million a year ago.

From January to June, underlying EBITA for the Group surged nearly 50%, from €24.7 million to €36.3 million. Its underlying EBITA margin improved from 8.3% to 11.5%.

Including all extraordinary expenses of €1.9 million (previous year: €16.3 million), which essentially entail severance payments, consolidated EBITA amounts to €34.4 million, up from €8.4 million a year earlier. The Group's respective EBITA margin is at 10.9%, up from 2.8% in the year before.

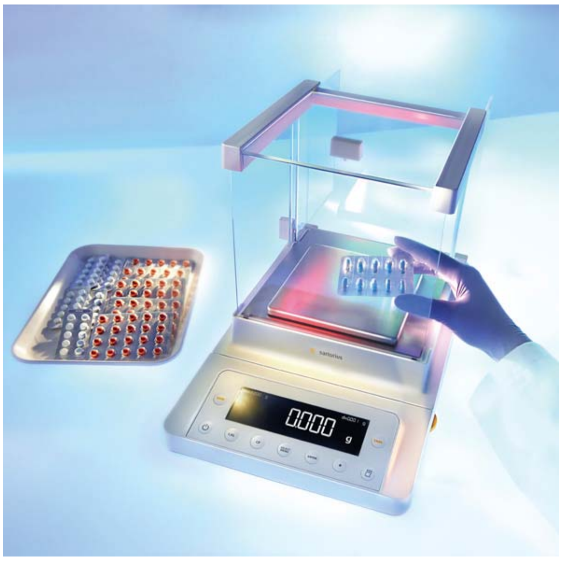
The Group's relevant net profit totals €15.9 million, significantly up from €6.4 a year earlier. This profit is calculated by excluding extraordinary expenses, as well as non-cash amortization of €3.5 million (previous year: €4.1 million, which additionally includes non-cash interest expenses for share price warrants), and by allowing for tax effects. The corresponding earnings per share are €0.93, well up from €0.37 a year ago.

Employees

As of June 30, 2010, the Sartorius Group employed a total of 4,365 people worldwide. Compared with December 31, 2009, headcount thus slightly rose by 42 or 1.0%.

At the end of the first half, 2,445 employees were working within the Biotechnology Division. Therefore, this number had increased since December 31, 2009, by 64 or 2.7%. The increase in the workforce was focused on the European and North American regions.

At the same time, the Mechatronics Division employed 1,920 staff and thus 22 (-1.1%) fewer than on December 31, 2009.



Net Worth and Financial Position

Cash Flow and Financing

Cash flows from operating activities at €28.2 million (previous year: €66.0 million) were clearly positive. The comparably high year-earlier figure partially stems from the initial sale of trade receivables of approximately €28 million in the second quarter of 2009 as part of a factoring program.

At -€9.0 million, cash outflows from investing activities were lower than in the year-earlier period (-€13.1 million).

In the second quarter of 2010, the subgroup Sartorius Stedim Biotech (SSB) initiated a share buyback program in which Sartorius AG as the majority shareholder participated and sold shares to its subsidiary SSB S.A. At the Group level, SSB shares valued at €16.0 million were acquired within the scope of this program, after Sartorius AG had already acquired additional shares in SSB S.A., likewise valued at €16.0 million, in the first quarter. This essentially resulted in lower cash flows from financing activities, at -€56.4 million compared with -€39.3 million reported in the previous year.

The Sartorius Group's net debt rose from €224.7 million as of December 31, 2009, to €246.8 million as of June 30, 2010. The ratio of net debt to underlying EBITDA of the past 12 months improved to 2.5 as of June 30, 2010, from 2.6 as of December 31, 2009, because of the increase in earnings. The interest coverage ratio, calculated as underlying EBITDA divided by cash interest expense of the past 12 months, also further improved to 12.3 from 8.6 as of December 31, 2009. Thus, these important key financial indicators are at a robust level.

Consolidated Statement of Financial Position

As of June 30, 2010, the total on the statement of the financial position for the Sartorius Group remained nearly unchanged, at €817.1 million, from December 31, 2009 (€820.4 million).

On the assets side, inventories and trade receivables rose along with sales revenue, while cash and cash equivalents decreased substantially, particularly in the second quarter in connection with the share buyback program of the SSB subgroup.

On the equity and liabilities side, equity declined slightly as a result of the share buyback program and the dividend payments also made in the second quarter. At 37.9% (December 31, 2009: 38.9%), the Group's equity ratio continues to remain at a comfortable level. In the course of the second half, we reduced gross debt from €283.3 million as of December 31, 2009, to €271.1 million as of June 30, 2010. In the same period, trade payables rose as sales revenue grew.

As of the reporting date, the gearing ratio was at 0.8 relative to 0.7 as of December 31, 2009.

Forecast Report

Future Macroeconomic Environment

Assessment of the economic situation remains inconsistent and is therefore difficult. Despite signs of an upturn in the economy, basic concerns about numerous risks weigh down on the current development prospects, according to estimates made by economic research institutes. In the western industrialized countries, economic recovery has not yet gained a solid footing; rather, expansive economic policy measures will play a major role in shoring up this recovery. The ability of the financial markets to absorb risks is bound to have weakened ever since the crisis. As a consequence, another crisis of confidence in the western industrialized countries cannot be entirely ruled out. Moreover, as a corollary to the financial crisis, private households are likely to remain reluctant to spend for quite some time. In addition, national debt is burgeoning nearly everywhere, which will force governments to enter a tight consolidation phase from a mid-term perspective. In the emerging nations, by contrast, their high pace of expansion is even increasing the risk of overheating their economies.

Overall, economic momentum in the industrialized countries is expected to remain moderate in the second half of 2010 and well into 2011. The IMF estimates that economic growth in these countries in 2010 will attain 2.3% and in 2011 2.4%. As the emerging market nations have suffered less from the financial and economic crisis on the whole than have the industrialized countries, the former are projected by the IMF to continue to expand quite considerably, at a rate of 6.3% in 2010 and 6.5% in 2011. Based on the IMF's analysis, the emerging Asian economics are likely to post the highest rates of growth at 8.7% in each of the two upcoming years.

According to the IMF's estimates, global economic growth is expected to reach 4.2% this year and 4.3% in the coming year.

Assessment and Outlook for 2010

The present first-half results for 2010 meet our expectations and confirm our outlook for the current year.

This outlook forecasts sales revenue growth in the upper single-digit percentrage range in constant currencies for the Biotechnology Division. As in 2010 no extraordinary business with the vaccine industry is expected and, compared with the previous year, equipment business is likely to contribute a relatively high percentage to sales growth, a slight increase in the division's operating EBITA margin is anticipated following its strong rise in 2009.

For the Mechatronics Division, we expect that in constant currencies, sales growth will be within the lower single-digit percentage range. Given the division's cost base that was substantially reduced by extensive restructuring measures, the division should achieve an operating EBITA margin of around 5%.

For the entire Group, management projects that sales growth in constant currencies will be slightly above 5%, the operating EBITA margin will increase by one to two percentage points and that operating cash flow will be significantly positive.

Risk and Opportunities Report

The risk and opportunities situation of the Sartorius Group has not materially changed since the publication of its 2009 Annual Report. For this reason, please refer to a detailed description of the Group's risk management system and of the risks and opportunities for the Sartorius Group on pp. 68 ff. of the 2009 Annual Report.

Contrary to the statements made in the section referenced, we estimate that the risk of temporary non-compliance with the covenants agreed to in connection with our syndicated credit facilities has further decreased based on our positive business development.

Assessment of Risks that Could Jeopardize the Company's Existence

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks that could jeopardize the existence of the company. Similarly, based on our present review, there are no discernible future risks that could threaten the further existence of the company.

Interim Financial Statements

Statement of Financial Position

Assets	June 2010 € in mn	June 2010 %	December 2009 € in mn	December 2009 %
Non-current Assets				
Goodwill	**291.9**	**35.7**	291.9	35.6
Intangible assets	**112.6**	**13.8**	114.6	14.0
Property, plant and equipment	**153.2**	**18.8**	150.9	18.4
Financial assets	**5.7**	**0.7**	5.7	0.7
	563.4	**69.0**	563.0	68.6
Non-current trade and other receivables	**2.5**	**0.3**	3.0	0.4
Deferred tax assets	**24.8**	**3.0**	21.5	2.6
	590.7	**72.3**	587.5	71.6
Current Assets				
Inventories	**83.8**	**10.3**	69.6	8.5
Trade receivables	**90.8**	**11.1**	83.0	10.1
Current tax assets	**8.2**	**1.0**	6.2	0.7
Other assets	**19.3**	**2.4**	15.6	1.9
Cash and cash equivalents	**24.3**	**3.0**	58.6	7.1
	226.4	**27.7**	233.0	28.4
Total Assets	**817.1**	**100.0**	820.4	100.0

Equity and Liabilities	June 2010 € in mn	June 2010 %	December 2009 € in mn	December 2009 %
Equity				
Issued capital	**17.0**	**2.1**	17.0	2.1
Capital reserves	**87.0**	**10.6**	87.0	10.6
Retained earnings (including net profit)	**161.1**	**19.7**	168.5	20.5
Minority interest	**44.2**	**5.4**	46.7	5.7
	309.4	**37.9**	319.2	38.9
Non-current Liabilities				
Pension provisions	**38.0**	**4.7**	37.0	4.5
Deferred tax liabilities	**38.4**	**4.7**	37.9	4.6
Other provisions	**8.2**	**1.0**	7.9	1.0
Loans and borrowings	**254.8**	**31.2**	261.4	31.9
Other liabilities	**0.2**	**0.0**	0.2	0.0
	339.5	**41.5**	344.3	42.0
Current Liabilities				
Provisions	**20.2**	**2.5**	23.1	2.8
Trade payables	**52.2**	**6.4**	42.2	5.1
Loans and borrowings	**16.3**	**2.0**	21.9	2.7
Current tax liabilities	**19.0**	**2.3**	14.0	1.7
Other liabilities	**60.5**	**7.4**	55.6	6.8
	168.2	**20.6**	156.9	19.1
Total Equity and Liabilities	**817.1**	**100.0**	820.4	100.0

Income Statement

	2nd quarter 2010		2nd quarter 2009		1st half 2010		1st half 2009	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
Sales revenue	**164.8**	**100.0**	150.5	100.0	**315.2**	**100.0**	296.5	100.0
Cost of sales	**–85.7**	**–52.0**	–79.7	–52.9	**–165.3**	**–52.5**	–159.6	–53.8
Gross profit on sales	**79.0**	**48.0**	70.8	47.1	**149.9**	**47.5**	136.9	46.2
Selling and distribution costs	**–36.5**	**–22.2**	–36.4	–24.2	**–72.2**	**–22.9**	–72.4	–24.4
Research and development costs	**–10.1**	**–6.1**	–9.5	–6.3	**–20.4**	**–6.5**	–19.5	–6.6
General administrative expenses	**–9.4**	**–5.7**	–9.4	–6.3	**–19.0**	**–6.0**	–19.8	–6.7
Other operating income and expenses[1]	**–4.1**	**–2.5**	–17.1	–11.4	**–3.9**	**–1.2**	–16.7	–5.6
	–60.2	**–36.5**	–72.4	–48.1	**–115.5**	**–36.6**	–128.5	–43.3
Earnings before interest, taxes and amortization (EBITA)	**18.8**	**11.4**	–1.6	–1.1	**34.4**	**10.9**	8.4	2.8
Amortization[2]	**–1.8**	**–1.1**	–1.8	–1.2	**–3.5**	**–1.1**	–3.5	–1.2
Earnings before interest and taxes (EBIT)	**17.0**	**10.3**	–3.4	–2.2	**30.8**	**9.8**	4.9	1.6
Interest and similar income	**0.1**	**0.0**	0.1	0.1	**0.2**	**0.1**	0.2	0.1
Interest and similar expenses	**–2.3**	**–1.4**	–3.9	–2.6	**–4.6**	**–1.5**	–8.2	–2.8
Financial result	**–2.2**	**–1.3**	–3.8	–2.5	**–4.4**	**–1.4**	–8.0	–2.7
Profit before tax	**14.9**	**9.0**	–7.1	–4.7	**26.4**	**8.4**	–3.1	–1.1
Income tax expense	**–6.0**	**–3.6**	–3.5	–2.3	**–10.4**	**–3.3**	–6.6	–2.2
Deferred tax income | expenses	**1.0**	**0.6**	4.3	2.9	**1.6**	**0.5**	6.4	2.2
Other taxes	**–0.7**	**–0.4**	–0.8	–0.5	**–1.4**	**–0.4**	–1.4	–0.5
	–5.7	**–3.4**	0.0	0.0	**–10.2**	**–3.2**	–1.7	–0.6
Net result for the period	**9.2**	**5.6**	–7.1	–4.7	**16.3**	**5.2**	–4.8	–1.6
Attributable to:								
Equity holders of the parent	**6.9**	**4.2**	–8.9	–5.9	**12.1**	**3.8**	–8.1	–2.7
Minority interest	**2.3**	**1.4**	1.8	1.2	**4.2**	**1.3**	3.3	1.1
Earnings per ordinary share (€)	**0.41**		–0.53		**0.71**		–0.48	
Earnings per preference share (€)	**0.41**		–0.53		**0.71**		–0.48	

[1] The item "Other operating income and expenses" includes extraordinary expenses amounting to €1.9 million (previous year: €16.3 million) for the first half of 2010.

[2] Amortization refers to goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3.

Statement of Comprehensive Income

	2nd quarter 2010 € in mn	2nd quarter 2009 € in mn	1st half 2010 € in mn	1st half 2009 € in mn
Net result for the period	**9.2**	–7.1	**16.3**	–4.8
Cash flow hedges	**–0.9**	2.7	**–1.3**	1.7
Actuarial gains | losses from pension provisions	**0.0**	0.1	**–0.3**	0.1
Currency translation differences	**9.6**	–3.1	**16.0**	–0.8
Net investment in a foreign operation	**–0.2**	0.1	**–0.4**	0.0
Tax effects due to net income recognized directly in equity	**0.4**	–0.9	**0.6**	–0.6
Net income recognized directly in equity	**8.9**	–1.1	**14.7**	0.5
Total recognized income and expense	**18.1**	–8.2	**30.9**	–4.3
Equity holders of the parent	**14.6**	–9.8	**24.8**	–7.7
Minority interest	**3.5**	1.6	**6.2**	3.4

Statement of Cash Flows

	1st half 2010 € in mn	1st half 2009 € in mn
Cash flows from operating activities		
Net result for the period	**12.1**	–8.1
Minority interest	**4.2**	3.3
Tax expenses	**10.2**	1.7
Financial expenses	**4.4**	8.0
Depreciation | amortization of fixed assets	**15.7**	17.1
Increase | decrease in provisions	**–3.5**	8.3
Increase | decrease in receivables and other assets	**–5.0**	32.1
Increase | decrease in inventories	**–10.7**	5.5
Increase | decrease in liabilities (without loans and borrowings)	**8.3**	0.2
Income taxes received | paid	**–7.5**	–2.0
Net cash flow from operating activities	**28.2**	66.0
Cash flows from investing activities		
Payments for financial assets	**0.0**	–0.4
Payments for property, plant and equipment	**–6.0**	–9.4
Income from the disposal of fixed assets	**0.6**	1.1
Payments for intangible assets	**–3.5**	–4.5
Effects from business combinations	**0.0**	0.1
Net cash flow from investing activities	**–9.0**	–13.1
Cash flows from financing activities		
Changes in capital	**0.0**	0.0
Interest received	**0.2**	0.2
Interest paid	**–3.1**	–7.1
Other financial charges	**–0.1**	–0.2
Dividends paid to:		
- Shareholders of the parent company	**–7.0**	–7.0
- Minority shareholders	**–2.3**	–1.5
Changes in minority interest	**0.5**	0.4
Acquisition of additional shares in subsidiaries	**–32.0**	–2.2
Loans and borrowings repaid | raised	**–12.6**	–21.8
Net cash flow from financing activities	**–56.4**	–39.3
Net increase | decrease in cash and cash equivalents	**–37.2**	13.7
Cash and cash equivalents at the beginning of the period	**58.6**	21.9
Net effect of currency translation on cash and cash equivalents	**2.9**	0.1
Cash and cash equivalents at the end of the period	**24.3**	35.8
Gross debt owed to banks	**271.1**	217.7
Net debt owed to banks	**246.8**	181.9

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	**Total**	Minority interest	**Total equity**
Balance at Jan. 1, 2009	**17.0**	**87.0**	**–0.6**	**–1.3**	**200.2**	**–12.6**	**289.7**	**43.7**	**333.4**
Total recognized income and expense	**0.0**	**0.0**	**1.0**	**0.1**	**–8.1**	**–0.6**	**–7.7**	**3.4**	**–4.3**
Dividends	0.0	0.0	0.0	0.0	–7.0	0.0	**–7.0**	–1.5	**–8.5**
Acquisition of additional shares in subsidiaries	0.0	0.0	0.0	0.0	–1.4	0.0	**–1.4**	–0.8	**–2.2**
Change in minority interest	0.0	0.0	0.0	0.0	–0.2	0.0	**–0.2**	0.2	**0.0**
Other changes in equity	0.0	0.0	0.0	0.0	0.4	0.0	**0.4**	0.0	**0.4**
Balance at June 30, 2009	**17.0**	**87.0**	**0.4**	**–1.3**	**183.9**	**–13.2**	**273.8**	**44.9**	**318.7**

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	**Total**	Minority interest	**Total equity**
Balance at Jan. 1, 2010	**17.0**	**87.0**	**0.2**	**–1.9**	**184.0**	**–13.8**	**272.6**	**46.7**	**319.2**
Total recognized income and expense	**0.0**	**0.0**	**–0.8**	**–0.1**	**11.9**	**13.7**	**24.8**	**6.2**	**30.9**
Dividends	0.0	0.0	0.0	0.0	–7.0	0.0	**–7.0**	–2.3	**–9.3**
Acquisition of additional shares in subsidiaries	0.0	0.0	0.0	0.0	–26.8	0.0	**–26.8**	–5.3	**–32.0**
Change in minority interest	0.0	0.0	0.0	0.0	1.0	0.0	**1.0**	–1.0	**0.0**
Other changes in equity	0.0	0.0	0.0	0.0	0.5	0.0	**0.5**	0.0	**0.5**
Balance at June 30, 2010	**17.0**	**87.0**	**–0.6**	**–2.0**	**163.8**	**0.0**	**265.1**	**44.2**	**309.4**

Segment Reports

Operating Segments

€ in millions	1st half 2010	1st half 2009	Change	1st half 2010	1st half 2009	Change	1st half 2010	1st half 2009	Change
	Biotechnology			**Mechatronics**			**Group**		
Order intake	**221.4**	203.5	9%	**115.1**	102.9	12%	**336.4**	306.4	10%
Sales revenue	**209.1**	197.8	6%	**106.1**	98.7	7%	**315.2**	296.5	6%
- as a total %	**66.3%**	66.7%		**33.7%**	33.3%		**100.0%**	100.0%	
EBITDA	**38.9**	34.4	13%	**7.7**	−12.4	162%	**46.6**	22.0	112%
- as a % of sales revenue	**18.6%**	17.4%		**7.3%**	−12.6%		**14.8%**	7.4%	
Depreciation and amortization	**11.5**	11.5	0%	**4.3**	5.6	−24%	**15.7**	17.1	−8%
EBITA	**30.9**	26.5	17%	**3.4**	−18.1	119%	**34.4**	8.4	309%
- as a % of sales revenue	**14.8%**	13.4%		**3.2%**	−18.3%		**10.9%**	2.8%	
EBIT	**27.4**	22.9	19%	**3.4**	−18.1	119%	**30.8**	4.9	532%
- as a % of sales revenue	**13.1%**	11.6%		**3.2%**	−18.3%		**9.8%**	1.6%	
R&D costs	**13.7**	11.7	17%	**6.7**	7.9	−14%	**20.4**	19.5	4%
No. of employees at June 30	**2,445**	2,411	1%	**1,920**	2,233	−14%	**4,365**	4,644	−6%

Geographical Information

€ in millions	1st half 2010	1st half 2009	Change	1st half 2010	1st half 2009	Change
	Europe			**North America**		
Sales revenue						
- acc. to customers' location	**170.1**	167.2	2%	**71.2**	66.7	7%
- as a total %	**54.0%**	56.4%		**22.6%**	22.5%	
- acc. to company location	**199.6**	193.9	3%	**71.5**	66.9	7%
EBITA	**20.6**	−0.9		**6.3**	5.1	23%
- as a % of sales revenue	**10.3%**	−0.5%		**8.8%**	7.6%	
No. of employees at June 30	**2,917**	3,151	−7%	**508**	520	−2%

€ in millions	1st half 2010	1st half 2009	Change	1st half 2010	1st half 2009	Change	1st half 2010	1st half 2009	Change
	Asia | Pacific			**Other Markets**			**Group**		
Sales revenue									
- acc. to customers' location	**61.4**	51.2	20%	**12.5**	11.4	10%	**315.2**	296.5	6%
- as a total %	**19.5%**	17.3%		**4.0%**	3.8%		**100.0%**	100.0%	
- acc. to company location	**44.1**	35.7	23%	**0.0**	0.0		**315.2**	296.5	6%
EBITA	**6.9**	3.9	75%	**0.6**	0.3	115%	**34.4**	8.4	309%
- as a % of sales revenue	**15.7%**	11.0%					**10.9%**	2.8%	
No. of employees at June 30	**847**	895	−5%	**93**	78	19%	**4,365**	4,644	−6%

Key Figures

€ in millions (unless otherwise specified)	**1st half 2010**	1st half 2009	Change in %
Results			
Order intake	**336.4**	306.4	9.8
Sales revenue	**315.2**	296.5	6.3
EBITDA	**46.6**	22.0	111.9
EBITA	**34.4**	8.4	309.0
EBIT	**30.8**	4.9	531.5
Profit before tax	**26.4**	–3.1	942.9
Net result after minority interest	**12.1**	–8.1	248.6
Earnings per share (in €)	**0.71**	–0.48	248.6
As a % of sales revenue			
EBITDA	**14.8**	7.4	
EBITA	**10.9**	2.8	
EBIT	**9.8**	1.6	
Profit before tax	**8.4**	–1.1	
Net result after minority interest	**3.8**	–2.7	
Finances			
Capital expenditures	**9.5**	13.9	–31.6
- as a % of sales revenue	**3.0**	4.7	
Depreciation and amortization	**15.7**	17.1	–7.9
Net cash flow from operating activities	**28.2**	66.0	–57.3
Net debt	**246.8**	181.9	35.6
Employees as of June 30	**4,365**	4,644	–6.0
R&D			
R&D costs	**20.4**	19.5	4.4
- as a % of sales revenue	**6.5**	6.6	

Notes to the Interim Financial Statements

Recognition and Measurement Principles

The annual financial statements of Sartorius AG for the period ended December 31, 2009, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS). In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim financial reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2009 were based.

Furthermore, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied effective June 30, 2010, were observed. An explanation of the individual accounting and measurement principles applied is given in the Notes to the Financial Statements of the Group for the year ended December 31, 2009.

The acquisition of additional shares in subsidiaries was disclosed in the cash flows from financing activities as a transaction between equity owners.

Other Disclosures

In the reporting period, Sartorius AG paid a dividend total of €7.0 million, of which ordinary shares accounted for €3.4 million and preference shares for €3.6 million of this total disbursed. This consolidated first-half report has been reviewed by independent, certified auditors.

Independent Auditors' Report

To Sartorius Aktiengesellschaft, Goettingen

We reviewed the condensed interim consolidated financial statements - comprising the condensed statement of financial position, condensed income statement, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of the changes in equity and selected explanatory notes - and the interim Group management report of Sartorius AG, Goettingen, Germany, for the period of January 1 to June 30, 2010, which are part of the first-half financial report pursuant to § 37w WpHG ("Wertpapiershandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim reporting, as adopted by the EU, and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of parent company's Executive Board. Our responsibility is to issue a report on the condensed interim Group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim Group management report by observing the generally accepted German standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW = Institute of Public Auditors). These standards require that we plan and perform our review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to addressing inquiries to company employees and conducting analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. As, within the scope of our review, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of Sartorius Aktiengesellschaft, Goettingen, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the IASB, or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports.

Hanover, July 30, 2010

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

Jürgen Reker Auditor	Dieter Tenambergen Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements of the Sartorius Group give a true and fair view of the net worth, financial position and earnings of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Goettingen, July 30, 2010

Sartorius AG

The Executive Board

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Financial Schedule

September 7, 2010

Roadshow in Frankfurt | Main

October 2010

Publication of the nine-month figures for 2010

October 28, 2010

Baader Small and Mid Cap Conference 2010 in Munich, Germany

November 22 – 24, 2010

Equity Forum, Fall 2010, in Frankfurt | Main, Germany

February 2011*

Publication of the preliminary full-year figures for 2010

March 2011

Annual press conference in Goettingen, Germany

April 20, 2011*

Annual Shareholders' Meeting in Goettingen, Germany

April 2011

Publication of the first-quarter figures for 2011

* Tentative dates

Forward-looking Statements Contain Risks

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

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