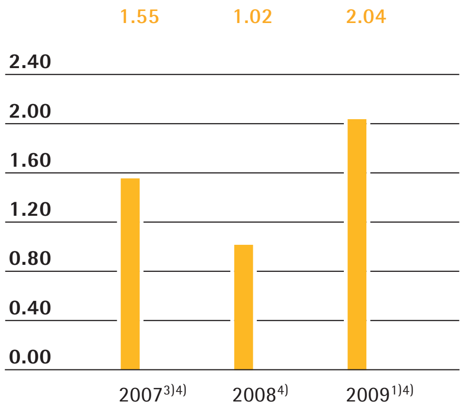
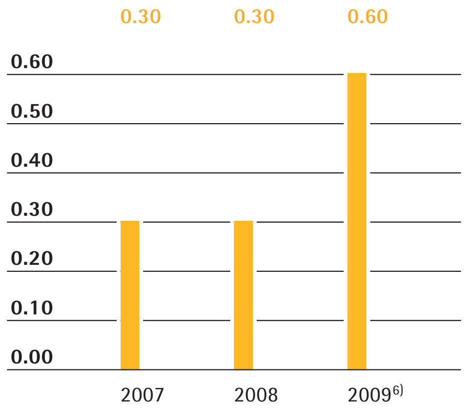
Sartorius Stedim Biotech Group

Reference Document 2009

Earnings per Share
in €



Dividends
in €



Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified	**2009**	2008	2007
Results			
Sales revenue	**401.2**	368.0	375.9[2)]
EBITDA	**75.2**[1)]	54.6	66.2[3)]
EBITA	**60.3**[1)]	40.1	49.7[3)]
Net profit after minority interest	**29.1**	13.1	21.2[3)]
Net profit after minority interest[4)]	**34.7**[1)]	17.3	26.1[3)]
Earnings per share (in €)	**1.71**	0.77	1.26[3)]
Earnings per share (in €)[4)]	**2.04**[1)]	1.02	1.55[3)]
Dividend per share (in €)	**0.60**[6)]	0.30	0.30
As a % of sales revenue			
EBITDA	**18.7**[1)]	14.8	17.6[3)]
EBITA	**15.0**[1)]	10.9	13.2[3)]
Net profit after minority interest[4)]	**8.6**[1)]	4.7	7.0
Balance sheet			
Balance sheet total	**667.9**	652.3	640.7
Equity	**393.2**	371.6	362.8
Equity ratio (in %)	**58.9**	57.0	56.6
Gearing	**0.2**	0.4	0.4
Financials			
Capital expenditures	**15.7**	20.2	14.2
As a % of sales revenue	**3.9**	5.5	5.3[5)]
Depreciation and amortization	**22.7**	20.9	15.3
Net cash flow from operating activities	**91.9**	47.2	26.0
Net debt	**87.6**	150.1	153.8
Ratio of net debt to EBITDA	**1.2**[1)]	2.7	2.3[3)]
Total number of employees as of December 31	**2,381**	2,369	2,311

1) Underlying
2) Pro forma
3) Pro forma underlying
4) Excluding amortization
5) Based on actual sales revenue of €268.8 million
6) Amounts suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting

Continuing on the road to success with single-use equipment

The trend toward increased usage of single-use technologies in biomanufacturing processes has remained uninterrupted. The market for single-use filters and bags has brought sustainable and profitable growth to the company. The outbreak of the H1N1 virus, or swine flu, additionally fueled the vaccine industry's demand for these products. To accommodate the flurry of additional orders, Sartorius Stedim Biotech ramped up production capacity and thus gained the appreciation of pharma customers based on flexibility, speed, reliability and product quality.

Enhancing profitability and cash flow

In 2009, Sartorius Stedim Biotech successfully implemented a number of initiatives to improve profitability and cash flow. We significantly reduced our tied-up capital by lowering global inventories, among other measures, and also enhanced our efficiency and our cost-effectiveness by successful global procurement management.

Showcasing our achievements

At the ACHEMA, the world's largest trade fair for the process industries, Sartorius Stedim Biotech once again underscored its status as a pioneer of new technologies and customer-specific solutions. It was the only company there to exhibit a pharmaceutical process chain based exclusively on single-use components.

Promoting strategic partnerships

In 2009, Sartorius Stedim Biotech substantially expanded its technology portfolio in single-use bioreactors. Working in cooperation with Bayer Technology Services and ExcellGene, we unveiled two novel mixing methods to the market to extend our successful BIOSTAT product line. The new bioreactors have been specially designed for the manufacture of monoclonal antibodies, recombinant proteins and vaccines. Our alliances with strong partners help us ensure we can always offer our customers the best solution, both technically and economically.

2009 – A Year of Acceleration and Profitable Growth

Driving innovation

The new FlexAct product line unveiled by Sartorius Stedim Biotech at the end of 2009 promises to revolutionize single-use biomanufacturing. FlexAct intelligently combines a variety of components to cover entire process steps in the production of biopharmaceuticals and vaccines using disposable solutions. Quick and straightforward to deploy, these packaged solutions offer our customers genuine added value: FlexAct now makes conversion from stainless steel to single-use equipment easier than ever.

Investing in global infrastructure

In November 2009, the Group inaugurated its new plant in Bangalore: the Sartorius India Campus. This state-of-the-art facility provides Sartorius Stedim Biotech with optimal conditions for the production of bioreactors and additional bioprocess equipment to global standards. Further service infrastructure – including an advanced applications laboratory – makes us the ideal partner for both national and international customers in the high-growth pharmaceutical market in India.

Helping our people thrive

Challenging tasks, freedom to take the initiative, great team spirit: inquiring minds along with world-class expertise make Sartorius Stedim Biotech a global leader in our industry. We continuously strive to be the best employer, actively encouraging our people to achieve their full potential and attracting new talent.

sartorius stedim
biotech

Our Mission

Sartorius Stedim Biotech is a leading provider of cutting-edge equipment and services for the development, quality assurance and production processes of the biopharmaceutical industry. Its integrated solutions covering fermentation, filtration, purification, fluid management and lab technologies are supporting the biopharmaceutical industry around the world to develop and produce drugs safely, timely and economically. For next generation processes, Sartorius Stedim Biotech focuses on single-use technologies and added-value services to meet the rapidly changing technology requirements of the industry it serves. Strongly rooted in the scientific community and closely allied with customers and technology partners, the company is dedicated to its philosophy of "turning science into solutions."

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Reference Document 2009

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on March 9, 2010, in accordance with Article 212-13 of its réglement général. It may be used in connection with an offering of securities if it is supplemented by a prospectus ("note d'opération") for which the Autorité des Marchés Financiers has issued an endorsement.

This Reference Document incorporates by reference the preceding Reference Documents, D.08-0106 filed on March 13, 2008, and D.09-0111 filed on March 11, 2009.

The following information is included by reference in the present Reference Document: the year 2008 consolidated financial statements of Stedim prepared using international accounting standards, analysis of these statements and the report of the statutory auditors on page 131 relating to these statements, and the Group 2008 management report appearing on pages 20 to 55 of the Reference Document filed with the Autorité des Marchés Financiers on March 11, 2009, under the number D.09–0111.

The sections of these documents not included are not of interest to an investor, and are covered in another part of this Reference Document.

Copies of the present Reference Document can be obtained from the following:

– Sartorius Stedim Biotech –
  BP 1051 - 13781 Aubagne Cedex
– Group website: www.sartorius-stedim.com
– Autorité des Marchés Financiers website:
  www.amf-france.org

This Reference Document contains statements concerning the future performance of Sartorius Stedim Biotech S.A. 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.

This is a translation of the original French-language Reference Document "Document de Référence 2009.". Sartorius shall not assume any liability for the correctness of this translation. The original French Reference Document is the legally binding version. Furthermore, Sartorius Stedim Biotech S.A. reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected.

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

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To Our Shareholders

Chairman's Message

Dear Shareholders,

In contrast to the overall global economic downturn, the biopharmaceutical industry had a very solid year 2009. In this environment, Sartorius Stedim Biotech performed particularly well, with significant top-line growth and a doubling of net profit. Equally importantly, we continued to launch numerous innovative products and systems on the market, extending our considerably strong position as a leading solution provider to biopharmaceutical manufacturers.

The key financial results of Sartorius Stedim Biotech for fiscal 2009 are as follows:

Order intake and sales revenue grew by 10% and 8% in constant currencies, respectively, with double-digit growth rates for our single-use products and an expected small decline for our equipment business. Two percentage points of our sales revenue were generated from producers of an extraordinarily high number of H1N1 flu vaccine doses. How ever, we achieved very significant growth rates particularly with our single-use fluid management technologies.

As a result of the substantial increase in business volume and stringent cost management, our operating margin moved up overproportionately from 10.9% to 15.0% of revenue. Net profit excluding amortization additionally benefited from both lower interest costs and a lower tax rate, and doubled to €34.7 million; the corresponding earnings per share for the year were €2.04. Our equity ratio further increased to nearly 59%, and, as a result of our strong cash flow, the ratio of net debt to EBITDA substantially improved to a very robust 1.2.

The Board of Directors will submit a proposal for approval by the next Annual General Shareholder's Meeting to pay a dividend of €0.60 per share, which equals the pay-out ratio of the previous fiscal year. This proposal follows our dividend policy that is oriented toward the actual performance of the company and its future prospects.

Besides focusing on growth of sales revenue and profit, we have launched a substantial number of new products on the market. The majority of these new products are based on single-use technologies, and many of them provide our customers for the first time with flexible and cost-efficient alternatives to established reusable equipment, e.g. in the field of bioreactors. The trend toward single-use concepts has gained additional momentum in the biopharmaceutical industry, and Sartorius Stedim Biotech possesses one of the most complete and innovative portfolios in this area. The merger of the Sartorius Biotechnology Division and Stedim in mid-2007 obviously has been a great success, creating a highly recognized supplier in this attractive industrial segment.

In the coming years, the biopharmaceutical industry is expected to achieve above-average growth rates, offering bright prospects for its suppliers. This is particularly the case in the area of products and solutions that help biomanufacturers increase the flexibility, output and safety of their production, while simultaneously reducing total life-cycle cost and environmental footprint. Sartorius Stedim Biotech is one of the pioneers and leading suppliers in this field, and is very well-positioned to substantially and sustainably shape this trend and benefit from it. For the year 2010, we therefore expect continuation and consolidation of the highly positive development of our company. Our main focus will be on the further consistent execution of our successful strategy and the optimization of our organizational structure and footprint to continuously expand the performance and the potential of Sartorius Stedim Biotech.

The achievements of the year 2009 have been the work of many. Therefore, I wish to thank our staff across the globe for their extraordinary commitment, competency and creativity that they have been investing in our company. I also would like to thank our customers and partners for their trust and support of our company, often throughout many years.

In conclusion, the Board of Directors and I would like to thank all our shareholders again for their active interest and confidence in our company.

Sincerely,

Joachim Kreuzburg
Chairman of the Board and CEO

Executive Committee of the Board

Joachim Kreuzburg

Chairman of the Board and Chief Executive Officer

Joachim Kreuzburg, 44, has been at the helm of Sartorius Stedim Biotech S.A. (SSB) since this Group was established in June 2007 by a merger between former Stedim S.A. and Sartorius AG's Biotechnology Division. On the Executive Committee of SSB's Board, he is responsible for Finances, Human Resources, Legal Affairs, Internal Auditing and Corporate Communications. Joachim Kreuzburg holds a doctorate in economics and a university degree in mechanical engineering. Mr. Kreuzburg is also the CEO and Executive for Labor Relations of SSB's parent corporation Sartorius AG.

Reinhard Vogt

Executive Vice President of Marketing, Sales and Service

Reinhard Vogt, 54, was appointed to the Executive Committee of SSB's Board as of June 2007 and heads the Marketing, Sales and Service units. Prior to his appointment, he served in various managerial positions for more than 20 years within the Biotechnology Division at Sartorius AG. Reinhard Vogt holds a vocational diploma in industrial business administration. Since July 2009, Mr. Vogt has also been a member of the Executive Board of SSB's parent corporation Sartorius AG.

Volker Niebel

Executive Vice President of Operations and IT

Volker Niebel, 53, joined the Executive Committee of Sartorius Stedim Biotech's Board as of June 2007. He is responsible for Production, Supply Chain Management and IT Demands. Prior to this time, he had served in diverse managerial positions in Operations at the former Sartorius Biotechnology Division. Mr. Niebel holds a university degree in business administration and economics.

Oscar-Werner Reif

Executive Vice President of Research and Development

Oscar-Werner Reif, 45, became a member of the Executive Committee of SSB's Board in April 2009. In this position, he heads the Group's global research and development unit. Before joining the Executive Committee, he was Vice President for R&D at SSB. Oscar-Werner Reif holds a doctorate in chemical engineering and has studied chemistry and molecular biology in both Germany and the USA.

Sartorius Stedim Biotech Shares

Share Price Development

The market price of the Sartorius Stedim Biotech share more than doubled over the past year from €13.00 at the end of fiscal 2008 to €28.00 by the end of fiscal 2009.

The share dropped to its lowest closing price, €13.45, on the first trading day of the year and reached its highest daily closing price for the year, €31.70, just six months later on June 11.

The marked increase in the value of the share coincided with a clear upward trend on the French stock market, most notably in the small and midcap segment. Thus, the CAC Mid 100, to which Sartorius Stedim Biotech was admitted on December 18, 2009, rose 1,672 points or 37.8% from its year-end 2008 mark of 4,422 points to stand at 6,094 points on December 31, 2009. The CAC Small 90, on which Sartorius Stedim was listed prior to December 18, surged 58.7% over the course of the year. The SBF 250 rose 23.9%, while the CAC 40 was up 22.3% by the end of the reporting year. This means that overall, the Sartorius Stedim Biotech share performed significantly better than the market as a whole in 2009.

Payment for Share Price Warrants

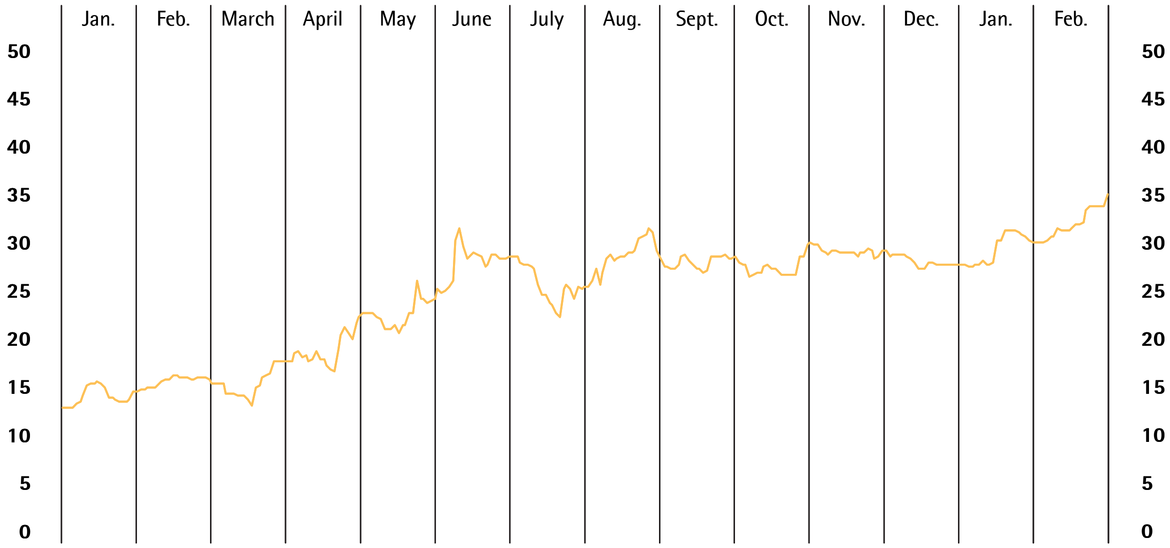
Share price warrants, which were issued in the summer of 2007 in conjunction with the merger of the Biotechnology Division of German company Sartorius AG with French-based Stedim S.A. that entailed a change in controlling interest, became due for payment in July 2009. The majority shareholder and parent company Sartorius AG paid entitled warrant holders the maximum amount of €20 per warrant held. For detailed information on this transaction and the terms of these share price warrants, please refer to pages 22 ff. in the Reference Document 2007.

Facts about the Shares

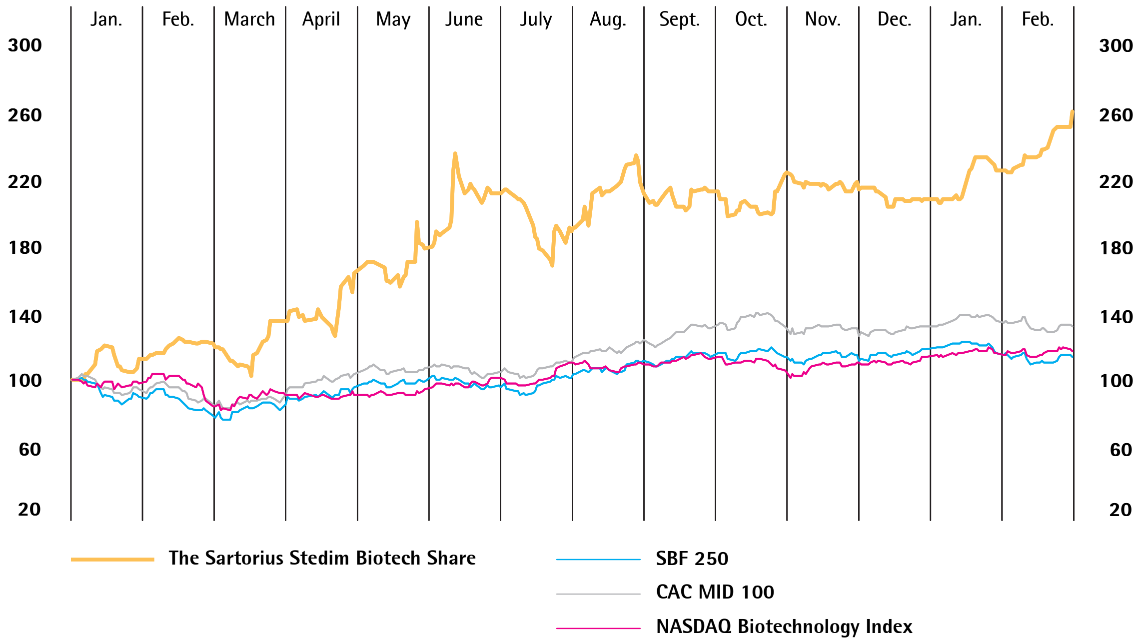
ISIN	FR0000053266
Liquidity provider	Gilbert Dupont
Market segment	Euronext Paris - Euronext - Local Securities - Compartment B (Mid Caps)
Indexes	SBF 250; CAC All SHARES; CAC MID & SMALL 190; CAC MID 100; CAC HEALTH CARE
Stock exchanges	Euronext Paris
Number of shares*	16,972,721
Voting rights*	18,992,529

* As of December 31, 2009

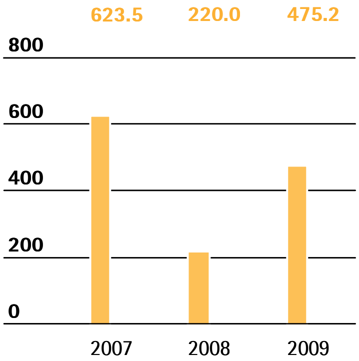
The Sartorius Stedim Biotech Share in €
January 2, 2009, to February 23, 2010



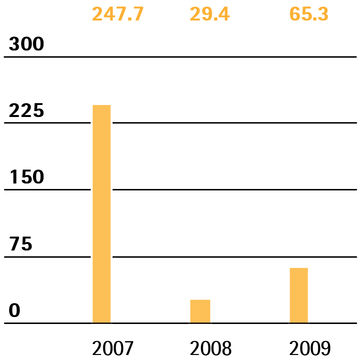
The Sartorius Stedim Biotech Share in Comparison to the SBF 250, CAC MID 100 and NASDAQ Biotechnology Index (indexed)
January 2, 2009, to February 23, 2010



Market Capitalization
€ in millions



Trading Volume
€ in millions



Source: Euronext

Market Capitalization and Trading Volume

Reflecting the positive development of the Sartorius Stedim Biotech share, market capitalization rose significantly over the course of the reporting year: It more than doubled from €220.0 million on December 31, 2008, to €475.2 million on December 31, 2009.

The average number of Sartorius Stedim Biotech shares traded daily on the Paris Bourse in the reporting period was 10,427. This represents a significant recovery in this particular indicator, which had fallen to 4,576 in 2008. The rise in the average number of shares traded combined with the strong increase in the share price boosted the trading volume in 2009 from €29.4 million in 2008 to €65.3 million.

The Analysts' View

Interest in the Sartorius Stedim Biotech share continued to be high during the year ended so we remained in regular contact with our analysts from Société Générale, Gilbert Dupont, Oddo Midcap, Portzamparc, Natixis and Arkeon Finance, who closely tracked the Sartorius Stedim Biotech share and commented on its performance. The analysts' predominant recommendation for the Sartorius Stedim Biotech share in 2009 was "buy."

Research Coverage

Institute	Date	Vote
Société Générale	February 24, 2010	Buy
Natixis	February 23, 2010	Buy
Oddo Midcap	February 11, 2010	Buy
Portzamparc	February 11, 2010	Buy
Gilbert Dupont	February 10, 2010	Buy
Arkeon Finance	February 10, 2010	Buy

Key Figures for Sartorius Stedim Biotech Shares

		February 23, 2010	**2009**	2008	2007
Share price[1] in €	Reporting date	**35.10**	**28.00**	13.00	36.90
	High		**31.70**	36.85	50.50
	Low		**13.45**	11.60	32.00
Dividends[2] in €			**0.60**	0.30	0.30
Total dividends paid in millions of €			**10.2**	5.1	5.1
Dividend yield[3] in %			**4.6**	0.8	0.8
Market capitalization in millions of €			**475.2**	220.0	623.5
Average daily trading number of shares			**10,427**	4,576	22,785
Trading volume of shares in millions of €			**65.3**	29.4	247.7
CAC MID 100			**6,094**	4,422	7,652
SBF 250			**2,789**	2,251	3,955

[1] Daily closing price
[2] For 2009, amounts suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting
[3] Dividends in relation to the corresponding opening prices of the year

Sources: Euronext; vwd | Stedim S.A. share until June 29, 2007; Sartorius Stedim Biotech S.A. share as of June 30, 2007

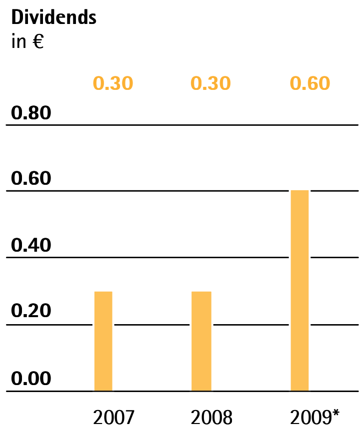
Investor Relations Activities

Effective communication with shareholders and potential investors in Sartorius Stedim Biotech is the major focus of our investor relations work. We strive to provide the highest possible level of transparency. Our annual and quarterly reports and press releases provide regular, detailed insight into the latest developments of our business. The members of our Investor Relations team also serve as a direct point of contact for all inquiries relating to the Sartorius Stedim Biotech Group and maintain close links with the Executive Committee to ensure that they can make important information available to our investors promptly and comprehensively.

A regular teleconference that can be followed on the internet is held to accompany the publication of the quarterly results. These webcast conferences give shareholders and analysts alike the opportunity to find out about the latest developments in the business quickly and in detail.

Moreover, during the past year we presented the company at a variety of conferences and roadshows. For instance, Sartorius Stedim Biotech participated in the Oddo Midcap Forum in Lyon, France in the early part of fiscal 2009. We hosted an investor day at the Frankfurt, Germany trade fairgrounds as part of the 29th ACHEMA World Exhibition Congress on Chemical Engineering, Environmental Protection and Biotechnology to give analysts and investors the chance to see the Group's product range for themselves and meet representatives from various parts of the company face to face.

We showcased Sartorius Stedim Biotech at conferences in Paris, France and roadshows in Paris, Frankfurt, Germany, and London, U.K., and also attended a midcap event in Nice, France for the first time. Also, we organized two analysts' conferences in Paris to accompany the releases of the full-year figures for 2008 and of our results for the first half of 2009, respectively.



* Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting

Dividends

For fiscal 2009 as well, the Board of Directors plans to enable shareholders to participate adequately in the company's success. Therefore, at the Annual General Shareholders' Meeting on April 19, 2010, the Board of Directors will submit a proposal to pay €0.60 net per share from the net profit of €14,160 million reported by Sartorius Stedim Biotech S.A. Compared with the year earlier figure of €0.30, dividends would double. The total profit distributed would thus increase from €5.1 million a year earlier to €10.2 million.

Based on the underlying net profit excluding non-cash amortization, the dividend payout ratio would be 29.4% as in the previous year. In relation to the opening price of the share on January 2, 2009, this would result in a dividend yield of 4.6%, up from 0.8% a year ago.

Shareholder Structure as of December 31, 2009

Sartorius Stedim Biotech S.A.'s issued capital amounted to €10.4 million as of the reporting date, and is divided into 16,972,721 shares, each with a calculated par value of €0.61. Some of the shares grant double voting rights, with the result that there were a total of 18,992,529 voting rights as of the reporting date.

As of the reporting date Sartorius AG holds close to 72% of the shares and roughly 75% of the voting rights. Around 19% of the shares (17% of the voting rights) were in free float. About 9% of the shares (8% of the voting rights) were held by the founders of Stedim.

02

Management Report

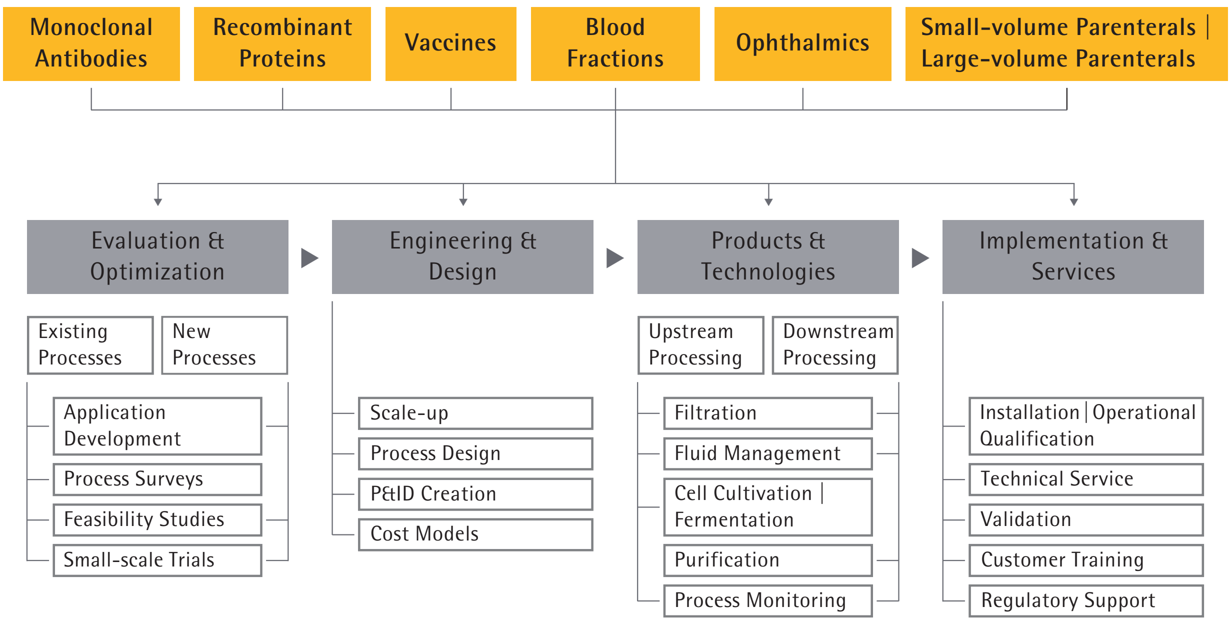
About Sartorius Stedim Biotech

Strategy

Sartorius Stedim Biotech operates as a total solution provider; i.e., a provider of integrated solutions for all key process steps in the production of biopharmaceuticals. Our extensive range of technologies, products and services helps customers to develop and manufacture medications and vaccines using biological methods – safely and efficiently. We rank among the global leaders in bioprocess filtration, fermentation, fluid management technology and membrane chromatography and in a variety of other purification technologies. Our unique range of products covers virtually all upstream and downstream steps in the production of active pharmaceutical ingredients.

Single-use products are a particular specialty of our company. We are steadily focusing on offering our biopharmaceutical customers single-use products to serve their needs in production processes. Single-use products, which account for approximately three quarters of our sales revenue, are an innovative alternative to conventional reusable stainless steel systems for our customers thanks to the significant cost- and time-savings they provide. We already have the most comprehensive single-use technologies portfolio in the sector. Furthermore, we differentiate ourselves from the competition by offering extensive technical consulting and services, which we tailor specifically to the requirements of individual applications.

Solution Provider Along the Customer's Process Chain



We focus a smaller part of our activities on biopharmaceutical laboratories. In addition to conventional laboratory instruments, such as water purification systems, shakers, centrifuges, bioreactors and fermenters, we offer a range primarily consisting of consumables for the laboratory, including filters, bags and cell culture vessels, among other items. These products help our customers perform small-scale development and testing of active pharmaceutical ingredients first before fully scaling up to large-volume production. All of our technologies are fully scalable, so customers can easily increase the quantities of different substances as required for the process phase concerned.

The above-average organic growth achieved over recent years stems to a very considerable extent from our "Total Solution Provider" approach, which has seen us continuously expand our product range right along our customers' process chain. Carefully targeted cooperative arrangements and acquisitions play a central role alongside our own research and development activities in putting this growth strategy into practice. Our R&D department, which has accordingly stepped up its efforts to build up expertise in technology integration, quickly combines the technologies contributed by our partners with our own components to create innovative new products. We expect to see additional growth momentum both from closer collaboration in selected fields with the Mechatronics Division of Sartorius AG – which is the natural choice given our similar customer structures in areas including the laboratory segment – and from the development of new technologies in fields such as process analytics.

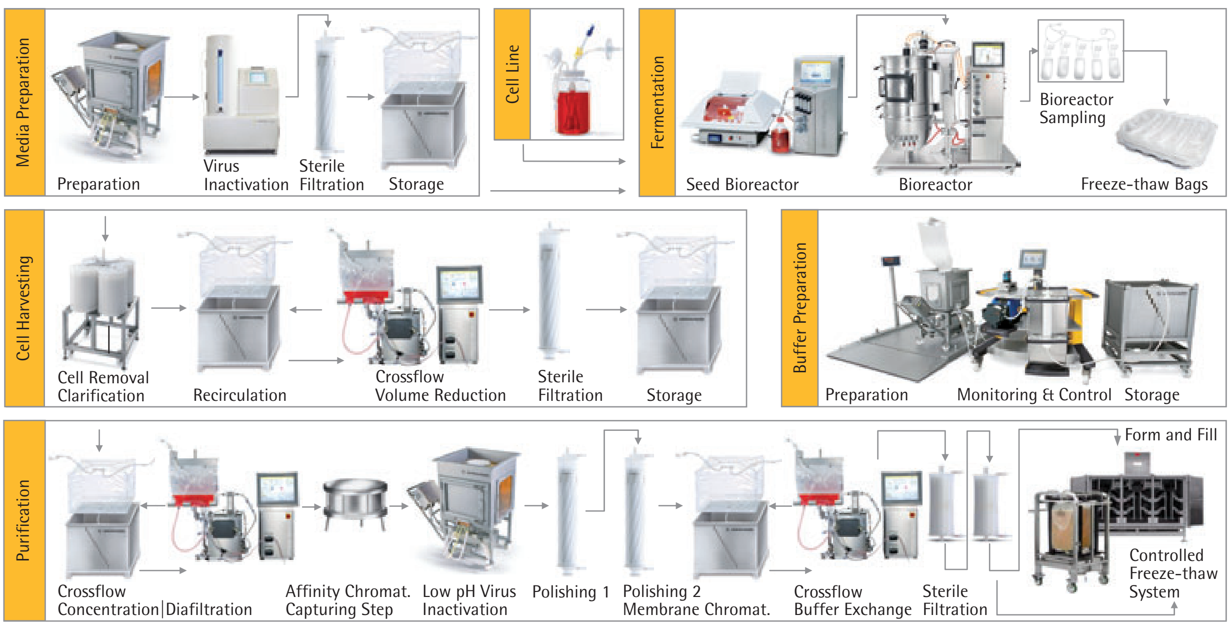
Sartorius Stedim Biotech's strong dedicated sales, distribution and service organizations and manufacturing companies give it a global presence with a particularly high profile in the major pharmaceutical markets. All of the products and services offered to our customers, most of which are them selves international companies, from our various production facilities around the world meet the same global quality standards.

Organization

The Sartorius Stedim Biotech Group is organized strictly by function worldwide. The company is accordingly controlled through the core operating functions – marketing, sales and distribution, service, research and development, operations, finance, etc. Responsibility for the various functions in the higher tiers of management is assigned at the global level and hence spans both sites and countries.

This global functional organization creates an effective platform for central strategic control and fast and efficient collaboration within the Group, and also makes it easier for the company to realize its total solution provider strategy and position itself effectively in respect of global customers.

Complete Product Portfolio for Single-use Biomanufacturing



Macroeconomic Environment and Conditions in the Sector

Macroeconomic Environment

Events in fiscal 2009 were dominated by the most severe economic crisis since the Second World War. The crisis in the financial markets, which reached its peak toward the end of the previous year, triggered a recession in a large number of countries. The effects of this dramatic downturn were particularly pronounced during the first half of 2009; by the fall there were signs of a turnaround. This resulted in large part from the massive intervention programs implemented by central banks around the world, which sought to maintain liquidity in the interbank markets by drastic cuts in interest rates. Government support packages and guarantees also helped to bring about a gradual stabilization of the financial markets. The global economic recovery gathered pace in the third quarter, not least as a consequence of the major economic stimulus packages introduced. According to IMF estimates, the gross domestic product (GDP) shrank 1.1% overall in 2009 following growth of 3.0% and 5.2% in 2008 and 2007, respectively.

The western industrialized countries, which experienced a massive slump during the winter half-year, began to see the first signs of an upturn in the spring of 2009. Economic activity still remained well below pre-crisis levels, however, and GDP in these countries for the year as a whole fell 3.4% according to IMF data (previous year: +0.6%).

The rate of decline in GDP in the USA slowed in the second quarter of 2009 as compared with the previous quarter. Economic activity apparently picked up in the second half of 2009, largely as a result of the end of a marked period of destocking and the effects of the U.S. federal government's stimulus program. However, slack private consumption due to high unemployment and uncertainty about future earnings prospects seem to have slowed the pace of this recovery. GDP slid 2.7% overall in the USA in 2009 according to IMF estimates.

GDP began to rise again in the euro zone's two largest economies, Germany and France, in the second quarter of 2009. The German economy, which is highly dependent on exports, was hit particularly hard by the sharp downturn in international orders in the preceding winter half-year. The economic policy measures immediately implemented in response to this development played a significant part in stabilizing the situation. Production across the German economy increased significantly in the third quarter of 2009, but this momentum appears not to have been sustained into the final quarter. GDP in Germany is forecast to have fallen by 5.3% overall in 2009. The rate of decline in GDP in France in 2009 was actually slower than in the previous year, with the country benefiting from its consumer-goods-oriented export and production structure, among other factors. The IMF estimates that overall, French GDP in 2009 was down 2.4% on the 2008 figure. The euro zone as a whole, which still saw positive growth of 0.7% in the previous year, is expected to experience a drop of 4.2% in 2009.

The global recession left its mark on the emerging markets of Asia, too, with the sharp drop in demand from the industrialized countries in particular leading to a substantial slowdown in Asian economic growth. A few of the countries in this region that have significant commodity export activities suffered a further blow by the rapid slide in commodity prices over the preceding winter half-year. Production across the economy as a whole in the emerging countries began to recover relatively strongly as early as the second quarter of 2009, however, not least as a result of the liquidity being pumped into the economy by central banks in the industrialized countries and the rapid implementation of stimulus programs. The main economic driving force was China, where economic growth – fueled primarily by investment and private consumption – reached 8.5% in 2009 according to IMF forecasts. India likewise proved to be relatively resilient in the face of the global financial and economic crisis in 2009 and is estimated to have achieved economic growth of 5.4% for the year as a whole.

The U.S. dollar weakened substantially against the euro in the period extending into autumn 2009 until one euro was worth more than U.S. $1.50. On average, however, the U.S. currency traded at a stronger level than in the previous year at U.S. $1.39 to the euro (2008: U.S. $1.48). Sartorius Stedim Biotech generates about a third of its sales revenue in U.S. dollars or currencies pegged to the U.S. dollar, so this trend had a positive impact overall on the development of the Group's business.

Interest rates fell around the world once again over the course of the year under review. The 3-month Euribor rate, for example, dropped from 2.9% on December 31, 2008 to 0.7% on December 31, 2009. The majority of the Sartorius Group's loans are variable rate arrangements, so the low level of interest rates had a positive effect on financing costs.

(Sources: International Monetary Fund, World Economic Outlook October 2009; Joint Economic Forecast Project Group, Joint Economic Forecast Autumn 2009 prepared for the German Federal Ministry of Economics and Technology)

Sector Conditions

Sartorius Stedim Biotech's position as a leading supplier of products and services for development, quality assurance and production processes to customers in the biopharmaceutical industry makes its business particularly sensitive to trends in this industry.

Stable Growth in the Pharmaceutical and Biotech Markets

Unlike most other areas of industry, the pharmaceutical sector proved to be immune to cyclical effects in 2009 in all but a few subsegments and maintained its pattern of stable growth. The forecast for global sales growth in the sector published by international market research institute IMS Health changed over the course of the year from a relatively low 2.5% to 3.5% in April 2009 to around 5.5% to 6.5% – much the same as in previous years – by the end of 2009. Growth of this magnitude would put overall market volume at U.S. $775-785 billion. IMS Health expects the U.S. market, the world's largest for pharmaceuticals, to have recovered considerably, with growth of between 4.5% and 5.5% in 2009 compared with just 1.5% in 2008. This would therefore put the total U.S. market volume at approximately U.S. $300 billion.

While the pharmaceutical markets in the western industrialized countries expand at rates in the low single-digit percentage range, those in the emerging economies of Asia, Eastern Europe and Latin America are enjoying disproportionately strong growth.

The biotechnology segment of the pharmaceutical market has been experiencing particularly dynamic expansion for many years, with growth rates around double those of the market as a whole. The main driving forces behind this rapid growth are vaccines and the development of innovative therapeutics for the treatment of cancer and autoimmune disorders. The PhRMA sector report "Medicines in Development" published in 2008 states that at that time more than 630 medications manufactured using biotech methods had already reached the clinical trials phase. One in every two newly approved drugs now has its origins in a biotech lab.

According to data from the experts at IMS Health, the biopharmaceutical industry generated global sales revenue of just short of U.S. $90 billion in the period from the beginning of the fourth quarter of 2008 through the end of the third quarter of 2009. This represents an increase in sales revenue of around 9% as compared with the same period a year earlier. The biopharmaceutical industry accounts for approximately 11% to 12% of the pharmaceutical market as a whole in terms of sales revenue.

Strong Demand for Single-use Production Systems

Biotech production methods are much more complex and cost-intensive than traditional methods. Manufacturers and suppliers are consequently involved in an intensive search for new technologies to improve the effectiveness and efficiency of the manufacturing processes concerned. Pharmaceutical companies clearly require greater flexibility, safety and reliability as well as lower validation and purification process costs.

The marked rise in the use of innovative single-use products in the production, transport and storage of biopharmaceutical media continued in the reporting year on the back of these economic and technical challenges. Single-use systems are increasingly replacing their stainless steel equivalents, which often entail substantial investment and relatively long planning and construction periods.

The need to prepare large quantities of vaccine very quickly as the swine flu pandemic emerged in 2009 forcefully underlined the technical advantages of single-use components in production applications. Those suppliers capable of quickly delivering large quantities of single-use components such as bags and filters to the vaccine industry did especially well as production rocketed.

Moreover, the need to upgrade more conventional production facilities that have quite a high proportion of reusable stainless steel components is also generating significant demand in the market for hybrid systems, which combine old and new technologies to share in the benefits of single-use systems.

Sector Influenced by M&A Activities

The concentration processes evident in the pharmaceutical industry over recent years persisted as a result of factors including the expiration of patents for blockbuster medications and the unequal distribution of potential active pharmaceutical ingredients undergoing various phases of clinical tests. This situation ensured that innovative biotech companies remained among the most coveted takeover candidates. Mergers and acquisitions in the pharmaceutical industry also affected suppliers of the companies concerned in some cases, with the integration phase frequently involving a review of the supplier structures of the newly combined companies followed by a reduction in the total number of suppliers. 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.

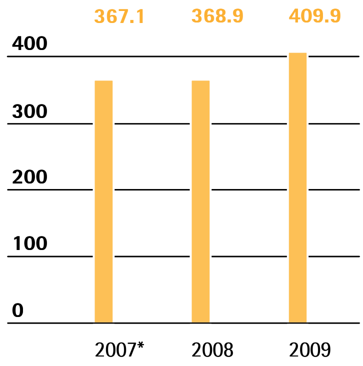
Competition

The markets for products and services supplied to the biopharmaceutical industry are highly competitive. Sartorius Stedim Biotech competes with a variety of companies that range from small suppliers focusing on special technologies to large companies supplying a broad product array, including manufacturers who are significantly larger than Sartorius Stedim Biotech. Most of our competitors are U.S. based and operating on a global level. Some of them are, to a limited extent, also our distributors, suppliers or customers, and in a few instances, we take the same roles for competitors as well.

Sartorius Stedim Biotech holds strong market positions in all of its areas of activity. In the fields of fluid management, cell culture and membrane chromatography, we are the worldwide market leader, while in biopharma filtration, we are a strong number three, with a global market share on almost the same level as the number one and two. We differentiate ourselves from the competition by our unique positioning as a total solution provider who strives to cover our customers' entire process chain. In addition, our strategic focus on single-use products including fully integrated disposable solutions gives us a major competitive edge. Among our main rivals are the companies Millipore, Pall, Applikon, New Brunswick, Thermo Fisher, ATMI, GE and Corning.

Group Business Development

Order Intake
€ in millions



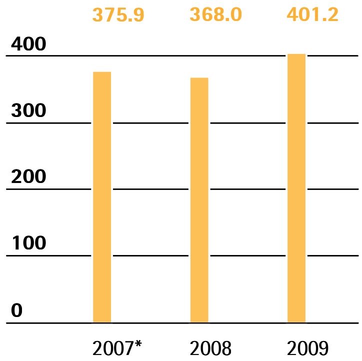
* pro forma

Order Intake and Sales Revenue

The dynamic growth of the Sartorius Stedim Biotech Group continued in the reporting year. Thus, overall order intake grew at a double-digit rate, 11.1%, from €368.9 million in 2008 to €409.9 million in 2009. In constant currencies, order volume also showed significant growth, rising 10.0%. Above-average growth rates generated by the company's business with single-use products substantially fueled this highly positive trend. As these disposable products have considerable advantages over conventional reusable technologies, they are increasingly being used in the manufacture of biopharmaceuticals, such as monoclonal antibodies and vaccines.

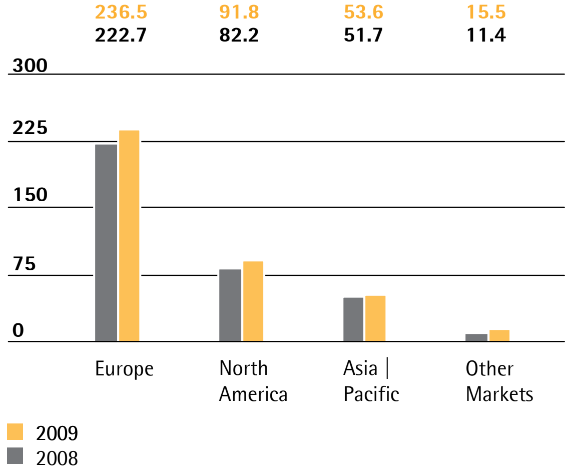
Business development, which was already good in the first place, gained additional momentum on account of rising demand from manufacturers of vaccines against the H1N1 virus (swine flu). As expected, business with large-scale bioreactor systems, by contrast, slightly declined, but saw positive momentum as of the second half of the year. Sartorius Stedim Biotech increased its sales revenue 9.0% to €401.2 million from €368.0 million a year earlier. When currency-adjusted, this gain in sales revenue was 8.0%. In this regard, the lift in demand from vaccine manufacturers had a positive impact of two percentage points on growth.

Sales Revenue
€ in millions



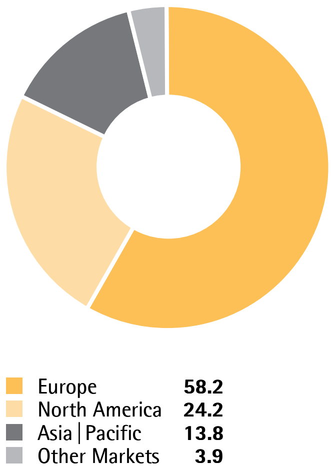
* pro forma

Sales Revenue by Region
currency-adjusted, € in millions

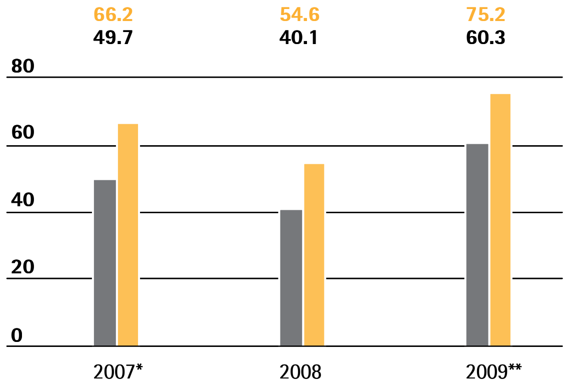


In North America, we reported a surge in currency-adjusted order intake of 20.4%; sales revenue in constant currencies also grew by double digits, at 11.6%. Following the development in North America in 2008, which saw a few large biopharma customers temporarily reduce their production volume as a result of delayed or restricted drug approvals, Sartorius Stedim Biotech thus considerably boosted its sales revenue and order intake again during the reporting year. In Europe and Asia | Pacific, order intake and sales revenue showed significantly positive development as well. Order volume rose at a currency-adjusted rate of 6.7% in Europe; growth in sales revenue there was 6.2% in constant currencies. Order intake in Asia | Pacific grew at a double-digit rate, rising 10.3%; sales revenue there was up 3.7%.

Sales Revenue by Region
in %

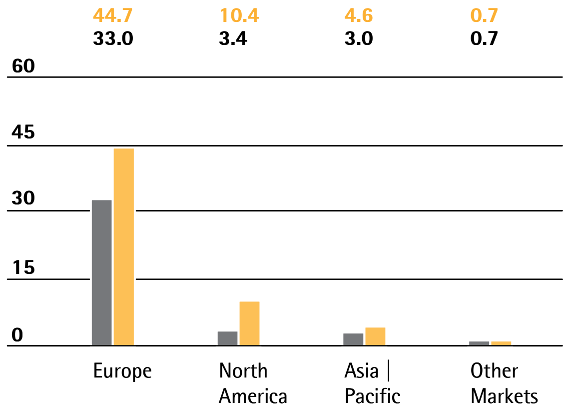


EBITDA[1] and EBITA
€ in millions



EBITDA
EBITA
* pro forma underlying
** underlying

EBITA by Region
€ in millions



2009 underlying
2008

Earnings

At the Sartorius Stedim Biotech Group, earnings before interest, taxes and amortization (EBITA) are used as the key profitability measure. Amortization in this context refers exclusively to purchase price allocation (PPA) to intangible assets acquired, as provided by IFRS 3. To provide a complete and transparent presentation of the Group's profitability, we additionally report earnings adjusted for extraordinary effects (=underlying) for fiscal 2009 (For more information about the underlying presentation, please see the following page).

The Sartorius Stedim Biotech Group boosted its underlying EBITA by 50.5% from €40.1 to €60.3 million. The respective margin also significantly improved from 10.9% to 15.0%. Besides the uplift generated by the increase in sales volume, the enhanced product mix favoring high-margin single-use products and stringent cost management contributed to this surge in profitability, even though significant destocking as part of our global measures taken to optimize working capital had a dilutive effect on earnings.

By posting positive earnings and considerably improved margins, all regions contributed to the increase in consolidated profit. In Europe, we reported the highest underlying EBITA of €44.7 million, up from €33.0 million in 2008. At the same time, Europe proved to be the region generating the highest profitability. Here, the underlying EBITA margin climbed from 14.8% in 2008 to 19.1%. We achieved the highest profitability gains in North America, where our underlying EBITA margin improved significantly from 4.2% to 10.7% as a result of strong growth in sales revenue.

[1] Earnings before interest, taxes, depreciation and amortization. These exclude amortization for business combinations which refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3 and amortization for intangible assets as well as depreciation for tangible assets. For 2009, we additionally report EBITDA adjusted for extraordinary expenses (underlying EBITDA). For more information about the underlying presentation, please see the following page.

Earnings

€ in millions	2009[2]	2008
EBITDA[1]	**75.2**	54.6
as a % of sales revenue	**18.7**	14.8
EBITA[1]	**60.3**	40.1
as a % of sales revenue	**15.0**	10.9
Earnings per share excluding amortization (in €)	**2.04**	1.02

[1] For more information on EBITDA and EBITA, please see the previous page.
[2] underlying

Cash Flow Statement
Summary

€ in millions	2009	2008
Net cash flow from operating activities	**91.9**	47.2
Net cash flow from investing activities	**–14.7**	–26.7
Net cash flow from financing activities	**–35.4**	–14.4
Cash and cash equivalents	**54.8**	13.2
Gross debt owed to banks	**142.5**	163.3
Net debt owed to banks	**87.6**	150.1

There, underlying EBITA[3] also jumped substantially from €3.4 million in 2008 to €10.4 million in 2009. In the Asia | Pacific region, Sartorius Stedim Biotech achieved an underlying EBITA[3] of €4.6 million, up from €3.0 million in 2008; the corresponding margin rose from 5.8 % to 8.3%.

Including all extraordinary effects consolidated EBITA[3] amounts to €55.6 million, up from €40.1 million in 2008. The respective EBITA[3] margin is at 13.9%, up from 10.9% in the previous reporting year. Extraordinary items, which mainly entailed costs for the consolidation of the production sites of €1.8 million and non-operating depreciation and write-downs of €1.7 million, accounted for €4.6 million.

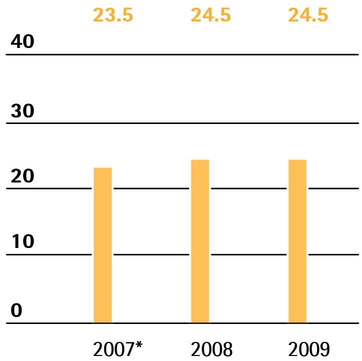
The relevant consolidated underlying net profit stands at €34.7 million, significantly up from €17.3 in 2008. This is yielded by adjustment for extraordinary expenses and elimination of non-cash amortization of €7.0 million (previous year: €6.3 million). The corresponding earnings per share are at €2.04, up from €1.02 in 2008.

[3] For more information on EBITA, please see the previous page.

Cash Flow

Net cash flow from operating activities nearly doubled from €47.2 million to €91.9 million because of the increase in earnings and significant improvements in working capital. At the same time, net cash flow from investing activities was -€14.7 million (2008: -€26.7 million) since capital expenditures were reduced as planned and the previous year's figure includes payment for the acquisition of Wave Biotech AG. Net cash flow from financing activities was at -€35.4 million for 2009 (2008: -€14.4 million) and comprises repayments of loans and borrowings of €20.8 million relative to the €1.9 million borrowed in 2008. Altogether, this led to a build-up of cash and cash equivalents from €13.2 million to €54.8 million and a substantial reduction in net debt from €150.1 million to €87.6 million (see also page 39 on the consolidated balance sheet).

Research and Development Costs
€ in millions



* pro forma underlying

Appropriation of Profits

Management will submit a proposal to the Annual General Shareholders' Meeting on April 19, 2010, for payment of a dividend of €0.60 per share for fiscal 2009, up from €0.30 in the previous year. Compared with a year earlier, dividends would be double those of the previous reporting year. The total profit distributed would accordingly increase from €5.1 million a year earlier to €10.2 million. In relation to the opening price of the share of €13.00 on January 2, 2009, this would result in a dividend yield of 4.6% (previous year: 0.8%).

Research and Development (R&D)

Our research and development spending in fiscal 2009 was as budgeted at €24.5 million, which is essentially unchanged from the previous year (-0.2%). The R&D ratio fell to 6.1% from 6.7% in the previous year as a result of the marked increase in sales revenue.

To protect our available know-how, we pursue a targeted policy for intellectual and industrial property rights. We systematically monitor whether these rights are observed and review whether it is necessary under cost | benefit aspects to maintain them. We made a total of 120 applications for intellectual and industrial property rights in 2009 (previous year: 147). As a result of the applications submitted in the past years, we were issued 79 patents and trademarks. As of the balance sheet date, we had a total of 1,243 patents and trademarks in our possession (previous year: 1,084).

Sartorius Stedim Biotech has an extensive technology portfolio, which we continue to expand through our own development activities, cooperative agreements with external partners and acquisitions. Our core technical expertise lies in the fields of filtration, cell culture engineering, fluid management technology, chromatography, membrane and plastics technology, sensors and automation. Finding novel ways to combine elements of these different technologies remains one of the principal methods employed at Sartorius Stedim Biotech to create innovative and integrated products.

Research and Development

	2009	2008
R&D costs, in millions of €	**24.5**	24.5
as a % of sales revenue	**6.1**	6.7
Number of patent and trademark applications	**120**	147
Registered patents and trademarks	**79**	79

Our new FlexAct series is a good recent example of how this process works in practice. The series consists of a number of modules designed as preconfigured system solutions for upstream and downstream processes in the biopharmaceutical industry and based on single-use components. The first module in the series was developed at an international level and launched at the end of the reporting year.

We also expanded our range of single-use bioreactors in the reporting year. We completed the BIOSTAT Cultibag STR bioreactor product line, which has enjoyed great success since its launch, with the addition of three new variants. BIOSTAT Cultibag STR products are now available for cell culture applications from 50 to 1000 liters. We refined the actual reactor itself again too and will be able to begin offering it for high cell density microbial – and hence technically even more demanding – applications in 2010.

In addition to our own internal research and development activities, we actively seek out opportunities for alliances with industrial partners as a low-cost and low-risk way of advancing new products and technologies quickly. This approach led us to conclude a development and marketing agreement for a single-use bioreactor with Bayer Technology Services and another similar agreement with Swiss company ExcellGene. Both of the single-use bioreactors involved feature new mixing methods for cell cultures.

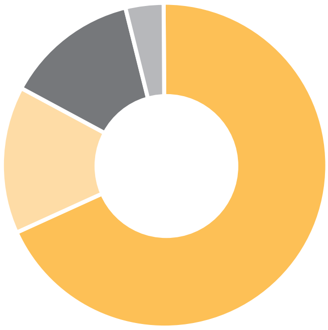
Much of our work in the field of filtration concentrated on the expansion of our line of prefilters. We are the very first company to have developed a prefilter membrane that is exclusively based on polyethersulfone (PESU) and is used in our new Sartoguard PS filter cartridge. Also, we completed the capsule lines for the Sartopore 2 XLI and XLG sterile filters and developed a new design for gamma-sterilizable filter units. We devoted considerable effort in the reporting year to creating additional chemical ligands for hydrophobic and high-salt chromatography too in order to enhance our market-leading position in the field of membrane chromatography once again.

Many customers in the pharmaceutical industry look to Sartorius Stedim Biotech not just as a supplier, but also as a partner with which they work closely on the development of their own products. The fruits of such collaborations include a number of customer-specific OEM membranes successfully developed by us during the reporting year to meet customer diagnostic requirements.

One of the highlights of the reporting year in the area of laboratory equipment came with the launch of the CERTOMAT CTplus incubation shaker featuring the innovative SENSOLUX shaker tray. The technologies combined in this system make it the very first to be capable of monitoring different process parameters in a number of vessels in the incubator in parallel. The pH and dissolved oxygen values of cultures can be checked very easily online without any invasive disturbance of the product by means of an integral optical sensor in single-use vessels.

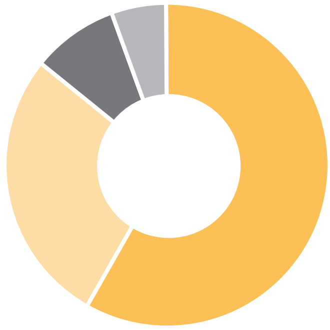
All of our intended research and development activities at our new plant in India commenced as planned. The resources we have now assembled there enable us to develop new products faster and more flexibly and to provide even better local support for our customers in Asia. We have already embarked on initial cooperative arrangements with customers, moreover, and intend to step up these activities considerably in 2010.

Employees by Region
Dec. 31, 2009; in %



Europe	**68.1**
North America	**14.7**
Asia | Pacific	**13.5**
Other Markets	**3.8**

Employees by Function
Dec. 31, 2009; in %



Production	**58.0**
Marketing | Sales | Service	**27.8**
Research & Development	**8.6**
Administration	**5.6**

Employees

As of December 31, 2009, the Sartorius Stedim Biotech Group employed 2,381 people. Compared with the total workforce on the year-earlier reporting date (2,369), the number of employees thus rose by 12 or 0.5%.

In Europe, headcount at 1,621 remained nearly constant compared with a year ago (1,626). At the end of fiscal 2009, our workforce in North America numbered 349 employees (2008: 363). As part of the general measures taken to increase efficiency at production sites, the number of staff decreased by 14 (-3.9%) in this region. Because we extended our scope of consolidation to include our Chinese sales company Sartorius Stedim Biotech (Beijing) Co., Ltd., we reported a higher number of employees in the Asia | Pacific region at the end of the 2009 than on the year-earlier reporting date. Thus, as of December 31, 2009, headcount there was 321 (2008: 309). As a consequence of the rising demand for single-use bags, we strengthened our workforce by hiring 19 employees for our site in Tunisia (total workforce as of December 31, 2008: 71), which we classify in our Other Markets region.

The largest percentage of our total workforce, 58%, is employed in production and in areas directly linked to production, such as quality management and supply chain management. Nearly 28% of all our employees work in the Marketing, Sales and Service units. At year-end, the proportion of employees in research and development was nearly 9%. Administrative tasks are distributed among staff members who constitute about 6% of our total staff. Thus, the percentages employed in the individual administrative functional areas relative to the total headcount have largely remained unchanged from the previous reporting year.

As an innovative technology group, Sartorius Stedim Biotech employs highly qualified staff, especially in the natural sciences and process engineering. We also maintain a number of teams in the administrative functions, such as purchasing, finances and human resources, in order to ensure that our operations run smoothly within the company and with our business partners and customers. We seek to retain our employees for the long term by presenting interesting opportunities for personal development. Thanks to the success of this retention strategy, many of our employees have gained considerable years of experience during their careers at the Sartorius Group or the Sartorius Stedim Biotech Group.

Beyond our long-term retention policy, we systematically use the option of hiring temporary employees to respond fast and flexibly in handling order peaks. For instance, as demand for single-use bags surged in the reporting year due to ramped-up production of vaccines against the H1N1 virus, we began early to recruit and qualify employees for sophisticated cleanroom work at our French sites in Aubagne and Lourdes.

As early as their traineeships with us, young people are promoted and trained according to need. Our highly practical work-study programs in both the natural sciences and business administration, which provide targeted hands-on development, are particularly effective at preparing promising young individuals for important future careers. The training we offer young people also includes an international component.

We prefer to fill management vacancies at Sartorius Stedim Biotech from within our own ranks. Our comprehensive management development program provides suitable employees with the opportunity to enhance and expand their individual management skills. For example, in 2009 Sartorius Stedim Biotech offered follow-up Leadership Check-up seminars, especially to its German-speaking managers. We cultivate an open, team-oriented environment at all levels of our company in line with our management guidelines.

At an international level, we aim to fill research and development posts by working to establish from an early stage strong ties between the company and students and graduates in the natural sciences and engineering from across the globe.

Our International Biosciences Scholarship program helps young people gain formal qualifications, and seeks to develop the skills employees need for effective international project and team work. Strength in this area is vital for us as a global company.

In addition to facilitating the continued education of our employees and providing opportunities for personal development, we also take a close interest in employees' health. Indeed, promoting health and job safety are the two pillars of our corporate health management policy. It aims to bring about sustained improvements in health awareness and industrial accident prevention and to ensure that the job demands and work organization are conducive to good health.

We continuously optimize and adapt job safety policies in line with the applicable laws and regulations and the relevant expert recommendations. Training events and information days about job safety and continuing education opportunities are also held regularly.

Environmental Management

The sustainable and responsible use of natural resources is a key commitment for all areas of our business operations at Sartorius Stedim Biotech.

In the reporting year, we made further significant improvements in our management of potential pollutants and waste at our sites in Aubagne and Lourdes, France, and in M'Hamdia, Tunisia. Approximately 80% of the total quantity of waste resulting from production was recycled and used to generate thermal energy for purposes such as heating, for instance. At the Goettingen plant, where we produce membranes for filter cartridges, Sartorius Stedim Biotech operates an advanced solvent-recycling facility located on the premises. Alcohol effluents resulting from membrane production are treated directly on site and recycled back into the production process, enabling us to simultaneously operate with a closed cycle of materials on site and to reduce our production footprint; i.e., lower the volume of waste produced and minimize transport requirements.

Moreover, we have made progress on improving the efficiency of our energy usage. The combined heating and power plant that was commissioned at our Goettingen site in 2008 enables us to reach efficiencies of more than 80% compared with the 35% attained by an ordinary power plant. This has reduced our carbon dioxide emissions from the site by around 2,800 metric tons a year. We now generate 15% of our total electricity requirements ourselves and recover the waste heat produced in the process to supply 20% of our internal heating requirements. Our investment in this plant has made a worthwhile contribution toward reducing our environmental impact and, furthermore, has helped cut our energy costs significantly. We also continuously increase energy efficiency in production by using optimized software programs for computerized control.

In addition, integration of advanced environmental technology always plays a role for Sartorius Stedim Biotech when we plan site extensions and new buildings to expand our infrastructure, as various measures taken at our Bangalore and Goettingen sites over the last two years demonstrate. The new plant opened at Bangalore, India, in 2009, for example, features optimal insulation to reduce energy requirements as well as environmentally-friendly systems to use rainwater and recycle wastewater.

In 2009, Sartorius Stedim Biotech harmonized and integrated its internal procedures in relation to the different standards for environmental protection (ISO 14001) and quality (ISO 9001) at the Goettingen site. A large number of workflows were thus simplified and simultaneously made more effective as part of this process. These two environmental and quality management systems ensure that maximum care is taken in the manufacture of our products and in the use of natural resources. We continue improve our existing systems and extend them in stages to the Sartorius Stedim Biotech Group's other sites.

Sartorius Stedim Biotech not only strives to minimize the environmental impact of its own processes and products, but also actively assists its customers in the biopharmaceutical industry to be more environmentally friendly themselves. Our single-use technology plays a significant part in this. Studies have shown that single-use solutions account for considerably lower consumption of energy, water and chemicals over their complete lifecycle than does reusable equipment. Single-use products also usually require noticeably less space. The experts compared scenarios including a typical industrial manufacturing process for monoclonal antibodies utilizing predominantly reusable materials and predominantly single-use materials, concluding that manufacturers employing mostly single-use solutions consume around 87% less water and 30% less energy and need about 38% less space. Production processes based on single-use technology thus have a lower impact on the environment than do conventional manufacturing methods, besides being safer and more economical.

Social Responsibility

In our social activities, we seek to maintain tangible links with our scientific and regional roots. On an international level, we are committed to providing assistance to scientific events and academic education. We also support selected projects in the athletic and cultural spheres at a local and site level.

Our sponsoring activities in 2009 once again concentrated on supporting scientific symposia and conferences as well as educational institutions. One prominent example in the latter category in the reporting year saw Sartorius Stedim Biotech assist the University of North Carolina in the USA to equip its new biotechnology research and education center. Our sophisticated, cutting-edge laboratory equipment helps create a learning environment that is contemporary and accurately reflects everyday practice in the industry. We also sponsor the next generation of young scientists through our own international scholarship program, the Sartorius International Biosciences Scholarship.

Sartorius Stedim Biotech believes it is important to generate enthusiasm for the natural sciences and engineering among young people and to stimulate their interest in careers in these areas. Our support for Californian nonprofit organization Biotech Partners in 2009 benefited young people from families with low incomes and little history of educational achievement. Biotech Partners organizes internships and other opportunities for disadvantaged young people in order to give them access to promising careers in biotechnology that would otherwise generally be out of their reach.

IdeenExpo 2009, a trade-fair-style event held in Hanover, Germany, to open young people's eyes to the possibilities of a career in science and engineering, provided another excellent opportunity for Sartorius Stedim Biotech to reach out to potential future recruits. Our trainees from Goettingen used interactive exhibits to encourage their peers attending the event to become involved. The 2009 event, which was the second to be held, attracted more than 280,000 visitors, the great majority of them young people.

Sartorius Stedim Biotech also lends its support to regional projects in the educational, social and cultural communities, especially at its relatively large production sites. In Puerto Rico, for example, Sartorius Stedim Biotech has become an official sponsor of a number of schools in the area surrounding the Yauco site. This involves helping to improve the school infrastructure and awarding scholarships to outstanding students. In Goettingen as well, Sartorius Stedim Biotech collaborates with schools. The company is an industry partner of several Goettingen high schools, among them Felix Klein Gymnasium, which offers an internationally recognized English-language high school diploma and the usual German "school-leaving" diploma that confers university entrance qualifications.

Marketing | Sales and Distribution | Service

Sartorius Stedim Biotech offers a comprehensive and innovative range of products covering large parts of the biopharmaceutical process chain. Particularly prominent in our portfolio are single-use products, which are penetrating the market in nearly all areas biopharmaceutical manufacturing processes thanks to their impressive cost-effectiveness. Consistent with this trend, our marketing, sales and distribution activities in the reporting period concentrated on launching additional single-use products and complete single-use solutions.

Integrated Solutions in Demand

Sartorius Stedim Biotech has built a leading position in the market. As the market now very much embraces single-use solutions, this opens up innovative design possibilities, especially for new production plants. We have now introduced a new business unit, Integrated Solutions, to leverage these opportunities by actively targeting projects in which single-use technologies play a leading role. Integrated Solutions, which has access to all of the company's technologies, will help customers realize specific projects – a service for which there is currently strong demand from Asian countries like India, Singapore and South Korea in particular. Consulting services are very important in the concept development phases of such projects. Consequently, we are also increasing our marketing efforts in this area.

We added the new FlexAct series of products to our portfolio in the reporting year in response to rising demand for innovative and immediately deployable single-use solutions to cover entire process steps. FlexAct products, which consist of a number of modules based on pre-configured and ready-to-operate single-use system solutions, meet the associated requirements with unprecedented effectiveness. Designed for the various upstream and downstream biopharmaceutical processes, they present customers with new and straightforward ways to take advantage of single-use products. We launched the first module in the new series, FlexAct PB, during the reporting year.

Key Account Management Strengthened, Service Expanded

We extended our team of global key account managers in the reporting year to help us respond even better to the concentration and globalization processes at work in the sector and provide even more effective support to our major customers. For the new Integrated Solutions unit, we created sales and distribution structures and held sales training sessions worldwide to provide continuing personnel development and qualification opportunities for our field service employees. Moreover, we further expanded our global service structures, opening new validation laboratories in South Korea and India that have enabled us to increase our services offered to customers in Asia.

Successful Marketing Communication

Measures to promote active knowledge sharing between our own experts and researchers and users in industry are a mainstay of our organization. We once again organized several of our Downstream Technology Forums in Europe and the USA in order to facilitate knowledge transfer and thereby boost the pace of innovation in specifically targeted technical fields including, for example, the purification process. Attending conferences and international trade shows was another key component of our marketing activities in the reporting period. Among the events at which we presented the company was the ACHEMA 2009 World Exhibition Congress on Chemical Engineering, Environmental Protection and Biotechnology in Frankfurt, where our stand exhibiting a production process based exclusively on single-use technologies attracted tremendous attention. In fiscal 2009, we once again published a special supplement in the prestigious scientific journal BioProcess International. Entitled "Biomanufacturing – The Age of Disposables," the supplement contained articles contributed by leading scientists, application specialists and Sartorius experts, and examined current trends and challenges within the biopharmaceutical industry. This journal will consequently have a positive effect on our marketing communication for some time to come.

Products

Sartorius Stedim Biotech is a total solution provider supplying customers in the biopharmaceutical industry with an extensive range of products and technologies for medium- and large-scale production processes. Some of these products we also offer in smaller, scaled-down versions for use in the laboratory.

Our range of products for filtration applications in the upstream and downstream areas includes a wealth of filter membranes for sterile filtration, ultrafiltration and depth filtration. The membranes are supplied as single-use filter elements and are available in a variety of sizes. We cover the entire upstream and downstream process, too, with a comprehensive line-up of single-use bags, connectors and containers for storing and transporting biopharmaceutical media, and also offer filtration systems and filter integrity testing equipment.

Sartorius Stedim Biotech provides a highly extensive range of bioreactors | fermenters for cell culture applications covering all size requirements from laboratory and pilot scale to process scale, where single-use bioreactor systems make up a growing proportion of our range. We supplement our range with bioreactors featuring a conventional design in which either glass or stainless steel culture medium vessels are used, depending on the size.

Our products are also used in the laboratory, too. Small-volume filter units and single-use bags, for example, are employed primarily for research and development work in the lab environment and hence often represent the first stage in the successful transfer of a process from laboratory scale to pilot and, eventually, production scale. Moreover, laboratory products, such as incubators, homogenizers, shakers and laboratory water purification systems, extend our range of laboratory equipment.

We round off our product array by offering our customers a range of services and application-specific training programs. Subjects addressed by our training activities focus on validation, process optimization and quality assurance besides the standard application areas of filtration, cell cultivation and purification.

We launched numerous new products in the reporting period. One, the FlexAct BP module, introduces a completely new approach to the production of buffer solutions: we provide all of the equipment necessary for production in a ready-configured single-use package, sparing customers the time-consuming chore of coordinating and validating the individual components required and making this whole process step easier than ever before. Another welcome labor-saving addition is the new SENSOLUX shaker platform, which incorporates an innovative optical sensor system. Used in combination with SENSOLUX EF single-use Erlenmeyer flasks, this highly practical product generates valuable data even in the early stages of animal cell cultivation.

We launched a completely new type of membrane adsorber in 2009 too: Sartobind Phenyl, the world's first membrane adsorber for hydrophobic interaction chromatography (HIC), provides increased flow rates to speed up processes, and opens up new possibilities in the purification of therapeutic proteins.

The BIOSTAT B-DCU II, a compact new bioreactor system designed especially for complex requirements in the development of processes for microbial and cell culture applications, was another of the products launched in the reporting year. Its key features include highly flexible gassing strategies and the ability to operate up to six culture vessels separately.

Our range of filter integrity testing equipment also gained a new member in the form of the Sartocheck mini, which checks membrane filters for damage and defects. Particularly small and lightweight, the Sartocheck mini offers enormous flexibility when used in the production environment. Electronic data transfer via a computer makes it easy for the user to program the system and ensures that test results are securely archived.

We also expanded our range of single-use bags, connectors and transport containers substantially in the reporting year. For example, we installed a pH sensor in the Flexel LevMixer to permit monitoring of the pH of biopharmaceutical media even during the mixing process; added new products in 5, 10 and 50 liter sizes to the Flexel 3D series, which had previously been limited to bags for larger volumes; and launched the new OPTA SFT connector, which provides an exceptionally straightforward and user-friendly way to create a sterile connection between single-use bags and tubes.

Production and Supply Chain Management

In the reporting year, we continued to work on our consistent business process improvement measures in keeping with our commitment to supply customers around the world promptly and reliably. It remains our strategy here to supply the various markets directly from our production facilities wherever possible in order to minimize order processing and turnaround times.

We operate a well-developed global production network. The largest sites in terms of criteria like number of employees and production volume are the Goettingen, Germany, and Aubagne, France, plants followed by the production facilities in Concord (USA), Bangalore (India), and Melsungen (Germany) and in Puerto Rico.

The commissioning of a new plant at Bangalore in India in the reporting year was an event of great strategic importance. This advanced production facility brings the resources previously spread across a number of separate sites in Bangalore together on one new campus and transforms our capabilities with respect to our rapidly expanding business in India. The 10,000 m^2 plant encompasses a GMP-compliant manufacturing environment and satisfies all international regulatory requirements, making it an ideal base from which to develop our system business in India and other Asian countries. The new production facility is also becoming more and more important as an internal supplier and is slated to produce laboratory equipment for the Asian market as well as manufacturing components, such as stainless steel containers, and relatively large systems in the future. Our Indian plant provides cost advantages and gives us greater flexibility with respect to both customer needs and the possibilities for internal order processing.

We expanded our production capacity in the reporting year at the Aubagne, Lourdes, M'Hamdia and Concord sites as a result of additional orders from vaccine manufacturers triggered by the outbreak and rapid spread of the H1N1 influenza virus (swine flu). Demand from vaccine producers for single-use bags increased sharply as soon as the World Health Organization raised its state of alert to the highest level in June. We added extra shifts at the relevant production sites, temporarily increasing our output by close to 30%, in order to cope with the exceptional order intake.

Furthermore, in the reporting period, we focused special attention on reducing tied-up capital. We substantially reduced our inventories of finished and semi-finished goods around the world and worked to further enhance our processes. Much of our effort in the latter area centered on the optimization of our global purchasing processes.

Finally, we are aiming at providing greater access to standardized products in the fluid management field and have accordingly launched a project to introduce a product configurator.

Net Worth and Financial Position

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased by €15.5 million to €667.9 million between December 31, 2008, and the reporting date on December 31, 2009.

On the assets side, non-current assets decreased from €489.1 million in 2008 to €482.3 million in 2009, essentially as a result of amortization of intangible assets. Additionally, reduced investments of €15.8 million in 2009 compared to €20.2 million in 2008 – which decreased the investment ratio from 5.5% to 3.9% – contributed to this development, as we focused on a few investment projects, such as the construction of a new plant in India.

Current assets climbed from €163.2 million to €185.6 million due to a highly significant increase of €41.6 million in cash and cash equivalents, coupled with a reduction in working capital of €17.8 million.

On the equity and liabilities side, equity rose from €371.6 million to €393.2 million. The Sartorius Stedim Biotech Group's equity ratio accordingly stands at 58.9% (December 31, 2008: 57.0%), which is a very comfortable level.

Non-current liabilities declined from €182.6 million as of December 31, 2008 to €155.0 million as of December 31, 2009, mainly because of the reduction in bank liabilities, while current liabilities rose from €98.1 million to €119.7 million.

The long-term-capital-to-fixed-assets ratio slightly rose from 115.6% to 116.4%. Gearing, which is calculated as the ratio of net debt to equity, further advanced from 0.4 to 0.2.

Financing | Treasury

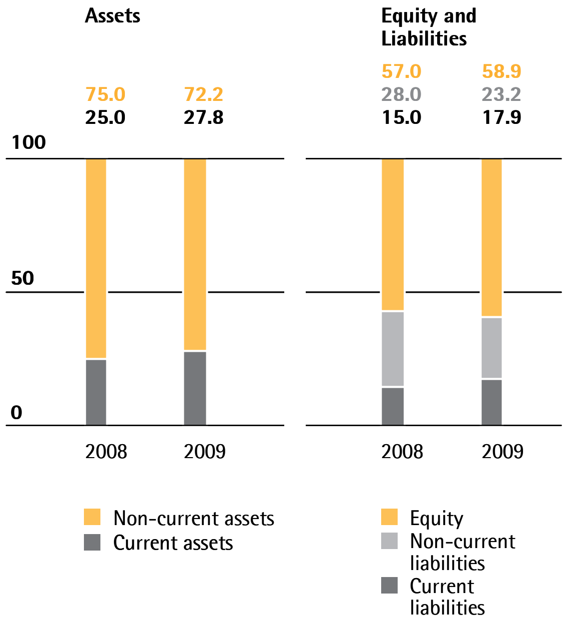
The basis for the financing of the Sartorius Stedim Biotech Group consists of a syndicated credit facility closed in September 2008. This credit line, which is for an aggregate of currently €207.0 million and a term until September 2013, is provided by a syndicate of twelve banks led by the German banks Commerzbank and WestLB.

In the reporting year, we implemented a factoring program with a maximum volume of €35.0 million to diversify our financing structure. Moreover, we have diverse bilateral credit lines of approximately €35.0 million in total. Thus, our financing is on a broad-based and long-term footing.

Gross debt owed to banks decreased from €163.3 million as of December 31, 2008, to €142.5 million as of December 31, 2009. In addition, we significantly increased cash and cash equivalents from €13.2 million to €54.8 million. Accordingly, net debt was reduced considerably from €150.1 million to €87.6 million.

The ratio of net debt to underlying EBITDA stood at 1.2 on December 31, 2009, down from 2.7 on December 31, 2008. The interest coverage ratio (ratio of underlying EBITDA to interest payable) was 12.6 (December 31, 2008: 5.6). The key financials are therefore at a very comfortable level.

Balance Sheet Structure
in %



Key Balance Sheet Figures

	2009	2008
Equity ratio		
Equity / Balance sheet total	**58.9%**	57.0%
Long-term-capital-to-fixed-assets ratio		
Long-term capital / Fixed assets	**116.4%**	115.6%

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. Because of this, we are affected by currency fluctuations, especially in the exchange rate of the euro to the U.S. dollar. Using our global manufacturing network with production facilities outside Germany and France – in North America, the U.K. and India – we can compensate for the majority of currency fluctuations (natural hedging). We generally hedge the remaining net currency exposure through suitable currency transactions, whereas we were highly circumspect in concluding hedge contracts during 2009 because of the volatile currency exchange rate development and the highly divergent currency exchange rate forecasts.

Key Working Capital Figures
in days

	2009	2008
Rate of turnover for inventories		
Inventories / Sales revenue x 360	**42**	60
Rate of turnover for receivables		
Trade receivables / Sales revenue x 360	**63**	72
Rate of turnover for net working capital		
Net working capital* / Sales revenue x 360	**76**	101

* Sum of inventories and trade receivables less the trade payables

Key Financials

	2009	2008
Net-debt-to-EBITDA ratio[1]		
Net debt / EBITDA[1]	**1.2**[2]	2.7
Interest coverage		
EBITDA[1] / Interest payable	**12.6**[2]	5.6
Gearing		
Net debt / Equity	**0.2**	0.4

[1] For more information on EBITDA, please see page 27.
[2] Underlying; for more information on underlying EBITDA, please see page 28

Risk and Opportunities Report

The company proceeded to review risks that may have an impact on its business activities, its financial situation or its results (or on its capacity to attain its goals) and presents them in the following paragraphs.

Risk Management System

As a group that operates internationally, the Sartorius Stedim Biotech Group is inevitably exposed to various risks associated with these operations. To help us track existing and potential risks efficiently, we implemented a risk management system (RMS). It keeps the executive management informed about the overall risk situation at all times so that executive management can take suitable action when required.

The prescribed reporting process obligates the managing directors and general managers of the individual Group companies and the business area managers and the managers of our central departments to review the risk situation of their areas 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 Stedim Biotech Group that had the potential to negatively impact our net worth, financial situation and/or profitability.

Explanation of the Risk Situation

Supply Chain Risks

Our supply chain extends all the way from procurement to production to sales and distribution. Problems within this sequence can have consequential effects, including delays in deliveries. The global supply chain management system we have introduced 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 maintain reserve inventories for strategic raw materials, and work with alternative suppliers where possible. Our acquisition of a development partner and supplier of components for single-use bioreactors in 2008 has given us greater independence on the procurement side

Production Risks

We manufacture products that belong to our core business areas of technical expertise ourselves, usually with a high level of vertical integration, and work in collaboration with partners to manufacture other non-core products. The latter entails transferring a portion of the production risks 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 our production processes. Moreover, our global manufacturing sites enable us to compensate for any capacity bottlenecks by shifting production to other regional plants.

Sales and Distribution Risks

The sale and distribution of our products is organized worldwide through various channels. 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. In the area of logistics, we have also minimized our risk exposure in recent years by setting up and using central warehouses to optimize distribution logistics.

Quality Risks

Our customers use Sartorius Stedim Biotech 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 prescribed quality criteria, which can lead to losses for our customers for which we may be made liable through damage claims. We employ rigorous quality checks and modern production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality requirements. 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 Stedim Biotech products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks.

R&D Risks

We use a considerable part of our resources for 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. Our policy of patent portfolio management and continuous tracking of the technologies and competitors relevant to us secure our technology position.

Customer Risks

At Sartorius Stedim Biotech, we draw our key customers from the pharmaceutical, chemical and food industries as well as from research and educational institutions of the public sector. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. As most of our business areas have a highly diversified customer base, our dependence on individual key accounts remains relatively low across the Group as a whole, although the merger of the Biotechnology Division of the German company Sartorius AG with French-based Stedim S.A. has created a certain amount of customer concentration in a few product segments. We are working to expand our customer base for the products concerned by targeting them at other existing customers to establish our products in even wider target group ranges. In fiscal 2009, we generated approximately 30% of sales revenue with our top ten customers.

Competitive Risks

Sartorius Stedim Biotech has a leading competitive position in most of its markets. Some of our competitors are large and share our status as a globally operating company, particularly Millipore and Pall. As we serve a considerable number of conservative 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 relevant competitors emerging as low. Furthermore, our global presence gives us a significant competitive edge.

Personnel Risks

As an innovative technology group, Sartorius Stedim Biotech employs a large number of highly qualified people. We counter the threat of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional training options, interesting development opportunities and a range of other attractive employee benefits. The success of these measures is evident from the exceptionally low attrition rates registered in recent years. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Financial Risks

The global nature of the Sartorius Stedim Biotech Group's operations means that its business activities are inevitably exposed to financial risks. These are primarily exchange rate risks, interest rate risks and liquidity risks, all of which are described below and addressed in detail in the following and in the Notes to the Consolidated Financial Statements (see pages 124 to 126).

Exchange Rate Risks

We generate approximately one 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 currencies are converted for balance sheet and income statement items. Yet our global production network enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs incurred in foreign currency. For example, we manufacture a large proportion 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 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 up to 1.5 years in advance. Hedging transactions are set up by one group of staff and monitored by another, separate group (see pages 124 to 126).

Interest Rate Risks

We have concluded fixed interest agreements for a small portion of our outstanding loans, and these consequently pose no risk of fluctuations in cash flows. However, the major portion of the loans outstanding on the reporting date is subject to interest based on the market rate and therefore exposed to interest rate risks. We monitor interest rate trends constantly and have the facility to arrange hedging transactions where we consider it necessary and economically advisable to do so.

We have undertaken to comply with common customary financial covenants in relation to our syndicated credit facility. We could fall into temporary non-compliance with these financial covenants if our business would develop significantly weaker than expected and this, in turn, would lead to an increase in our financing costs (see pages 124 to 126).

Liquidity Risks

The Sartorius Stedim Biotech Group's solvency is secured by a syndicated loan put in place in September 2008. Its financing is therefore based on a broad and long-term footing. Our fixed assets are covered by long-term capital. We ensure solvency at all times throughout the Group by short-, mid- and long-term liquidity planning and the use of advanced treasury software. The company specifically reviewed its liquidity risk and considers that it is in a position to meet its future payment obligations (see pages 124 – 126).

There are no relevant risks in the group with regard to securities.

Pharmaceutical, Medical and Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and health care providers means that the Sartorius Stedim Biotech Group 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 Stedim Biotech over the medium term.

To respond rapidly to any product defects and minimize any adverse consequences, Sartorius Stedim Biotech established a traceability system that enables us to recall an entire product batch immediately, if necessary.

Environmental Risks

The nature of the Sartorius Stedim Biotech Group's business and operations is such that its operations constantly interact with the environment so we thus need to deal with environmental risk issues, such as emissions and other potential sources of pollution. Responsibility for preventing incidents of this kind and monitoring all of our environmentally-relevant operations around the world rests with the Environmental Protection and Occupational Safety Department. The department's environmental management system, which is accredited under DIN EN ISO 14001, encompasses all divisions of the Group and covers a whole series of environmental regulations to minimize risks in this area.

Risks Associated with the Current Financial and Economic Crisis

Historically, our business was relatively immune to events in the wider economy. The current financial and economic crisis does not appear to be having any effect on our business at the moment.

IT and Other Risks

Besides the risks mentioned above, we face potential risks in the area of IT. We reduce IT risks by continuously enhancing IT security policies and using advanced hardware and software.

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. The nature and extent of our insurance protection are monitored and adjusted regularly by an independent department specially assigned to this task.

Estimate of the Overall Risk Situation

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 corporation.

Risks of Future Development

Similarly, based on our current review, there are no discernible risks that could threaten the further existence of the company.

Business Development Report

Future Macroeconomic Environment

Experts anticipate that the dynamics of the economy will remain moderate in 2010. Despite the current recovery, they estimate that braking forces will counteract a rapid upturn. Thus, deep-seated concerns about the threat of another shock to the international financial and banking system reportedly continue to weigh down on the markets. Moreover, the effects of the recent economic policy measures and fiscal stimuli, which have played a central role in the current recovery, will begin to tail off, while the financial burden will remain high. Employment levels in many countries have yet to come into line with the significant drop in production. Therefore, in some of these countries, unemployment is expected to further increase in spite of rising production, and dampen domestic demand. The IMF estimated that in 2010 the global economy will grow 3.1%.

In the USA, momentum is likely to slow considerably during 2010, relative to that seen during the strong recovery in the second half of 2009. Therefore, no further stimulating effects are anticipated beyond the middle of the year. Experts predict that rising unemployment will cause long-term growth in private consumption to be slower than in the years before the financial market crisis and that this will put the brakes on economic recovery. They also believe the government's economic stimulus package has run its course and will not add any further impetus to the economy. IMF estimates indicate a rise of 1.5% in gross domestic product (GDP) in the USA in 2010.

The upturn in economic activity also seems likely to remain rather muted in Europe. The prospects for strong export-fueled growth remain poor despite increasing signs of recovery in the German export sector, which has taken a severe hit. Experts believe the situation in the German labor market, which remained relatively stable in 2009 because of government support for reduced workhours, could deteriorate in 2010 and depress private consumption. The German economy is accordingly expected to take some time to put the crisis behind it. For the full year of 2010, the IMF predicts that German GDP will grow a mere 0.3%. Analysts at the IMF anticipate that private demand will drive economic expansion in France, where exports are likely to increase slightly as a result of the global economic recovery. The IMF forecasts a limited 0.9% rise in GDP overall for France in fiscal 2010. The corresponding figure for Europe as a whole is just 0.3%.

The emerging markets, most notably China and India, will once again provide the driving force behind global economic growth. The recovery in manufacturing output not only began much earlier in these countries, but has also been considerably stronger. Future growth in output in this part of the world, moreover, will be based predominantly on domestic demand rather than on exports as in previous years. The IMF expects the Chinese economy to expand at a rate of 9.0% in 2010. GDP in India is forecast to rise by 6.4%. Overall growth in the emerging markets is estimated by the IMF at 7.3%.

Sector Outlook

International market research institute IMS Health expects further steady progress in the global pharmaceutical market in 2010, with rates of growth essentially unchanged from the previous year at between 4% and 6%. Growth of this magnitude would boost total sales revenue in the sector to U.S. $820 - 830 billion. IMS forecasts that growth rates will vary from region to region in 2010: above-average growth in the 12% to 14% range is expected in key developing countries – China, India and South Korea, as well as Brazil, Mexico and Russia, which IMS Health identifies as prominent "pharmerging markets"; the value of the U.S. pharmaceutical market is anticipated to increase between 4% and 6% to U.S. $310 - 320 billion; and the five largest European countries are expected to see only moderate growth of between 1% and 3%, which would make the market here worth around U.S. $150 billion in total. The forecast for Japan, in contrast, forecasts that the country's pharmaceutical market will stagnate at best (0% growth) and could shrink by as much as 2%.

A combination of a steadily increasing global population, aging populations in the western industrialized countries and rising demand for better medical care in developing countries is expected to ensure stable growth in the global pharmaceutical market in the medium to long term too. The experts at IMS Health predict a compound annual growth rate of between 4% and 7% in the period through 2013, by which time the market is expected to be worth around U.S. $975 billion. Especially strong growth is forecast for the pharmaceutical market in China, which is expected to grow by more than 20% a year in the period through 2013.

Sector observers estimate that the biopharmaceutical segment, which is of particular interest to Sartorius Stedim Biotech, will again see significantly stronger growth than the pharmaceutical market as a whole. The compound annual growth rate in this area will reach 11.6% in the period from 2008 to 2014 according to data from analysts at Frost & Sullivan, who assert that both new medications and new indications for existing drugs will help maintain this relatively high pace of expansion. The search for new active pharmaceutical ingredients will continue unabated, as many illnesses are still untreatable. Follow-on biologics, also known as biosimilars, and novel specialized therapeutics in fields such as cancer treatment will be the leading drivers of growth in the area of new medications. Sales of cancer treatment medications doubled from U.S. $24 billion to U.S. $48 billion between 2004 and 2008 and will reach U.S. $70 by 2014 according to the experts. Drugs based on monoclonal antibodies have proven to be particularly successful.

For all their promise, the price of medications produced using biotech methods remains high and will undoubtedly have to fall if they are to achieve further market penetration. Biologics are more expensive primarily because they are more complex – and hence more cost-intensive – to produce.

Manufacturers and suppliers accordingly need to further optimize their production processes and their efficiency if biologics are to become more affordable. One effective way to help optimize these processes is to make greater use of single-use technologies. Single-use products have now become a firmly established option for advanced manufacturing processes in the biopharmaceutical industry and frequently outperform traditional solutions in terms of production costs, flexibility and safety as well as the level of initial investment required. The spread of single-use bioreactors typifies the growing popularity of single-use products in general: the first single-use bioreactors were designed as small-volume laboratory systems, but they can now also be found in small- and medium-scale production applications.

As single-use equipment has penetrated further and further into the market, so manufacturers have become increasingly interested in complete system solutions that cover entire process steps and simultaneously reduce complexity, compared with existing manufacturing methods.

Looking ahead to 2010, the persistent pressure on pharmaceutical prices, healthcare reform in the USA and, in particular, the expiration of patents on blockbuster medications seem likely to be among the most high-profile issues in the sector. IMS Health reports that medications due to lose patent protection in the period through 2013 account for sales of U.S. $135 billion; based on this development, further cooperative arrangements and acquisitions appear inevitable.

The number of active pharmaceutical ingredients approved for the first time by U.S. regulatory authority the FDA rose again in 2009 with a total of 26 new substances given the green light. This represents an increase of more than a third over the low point of 2007 and is regarded as a positive development for the sector.

Future Business Development

As suppliers to the biopharmaceutical industry, we are exposed to the risks typical of this market. The decisions of regulatory agencies, especially those concerning the granting or withholding of approval for new medications, can have a significant effect on our customers' investment and purchasing decisions and their timing. By contrast, the biopharmaceutical industry has shown itself to be comparatively resistant to general cyclical effects in the past. Single-use technologies are very much in the ascendant at the moment, and we anticipate that disposables product business will be our principal driver of growth over the coming years.

For 2010, we are aiming to achieve currency-adjusted growth of sales revenues in the upper single-digit percentage range, comprised of strong growth rates for single-use products and moderate growth of the equipment business. As 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, we anticipate a rather slight increase in operating EBITA margin following the strong increase in 2009. Furthermore, operating cash flow is targeted to be significantly positive.

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A.

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the holding company of the Group. In addition to its own operations that it conducts in close cooperation with corporate support functions based in Germany, it also acts as the Group's head office and performs some or all corporate functions, which include Finances, Human Resources, Research and Development, Information Systems, Quality Management and Purchasing.

In 2009, sales revenue generated at Sartorius Stedim Biotech S.A. was €64,626 K compared to €46,655 K in 2008, a gain of 38.5%. The operating profit was €3,061 K. The net financing income totaled €10,403 K and includes the effects of reorganizing its U.S. companies.

The net profit for 2009 is €14,160 K compared to €5,654 K in 2008.

The company is no longer indebted to banks.

Appropriation of the Net Profit

The Annual General Shareholders' Meeting (AGM) will decide on approving the appropriation of the net profit of €14,160,207 for the reporting year of 2009 as follows:

– Allocate to the legal reserves (within the limit of 10% of the issued capital), totalling €395,046.69;

– Allocate €3,581,527.50 to the retained earnings;

– In determining the existence of a distributable profit, said allocation results in a distributable profit of €10,183,632.60;

– The AGM thus decides to disburse to shareholders an amount totaling €10.183.632,60.

As a result, for every share with a par value of €0.61, a net dividend of €0.60 will be paid. Individual shareholders resident in France for tax purposes are eligible to receive the tax rebate provided in under Article 158 - 3 - 2° of the French General Tax Code.

The AGM acknowledges receipt of this information that individual shareholders resident in France, who are eligible to receive this tax rebate, may opt to pay 18% tax on this dividend income to fully satisfy their tax liability imposed on such income according to the "Prélévement forfaitaire libératoire."

The dividend will be paid out on April 30, 2010.

The amounts distributed after January 1, 2007, and eligible for a tax rebate were as follows:

Fiscal year ended on	Income eligible for a tax rebate	
	Dividends	Other income distributed
Dec. 31, 2008	€5,076,746	
Dec. 31, 2007	€5,069,396	
Dec. 31, 2006	€1,344,458	

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2009

Total capital amounts to ten million three hundred and fifty-three three hundred and fifty-nine euros and eighty-one cents (€10,353,359.81). It is divided into 16,972,721 shares worth sixty-one cents (€0.61) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws).

Movements in Sartorius Stedim Biotech S.A. Share Capital

The increase in share capital during 2009 is exclusively attributable to the exercise of stock options.

Date	Nature of the transaction	Share par value	Share capital increase	Share premium	Number of new shares	Number of shares after the transaction	Share capital after the transaction
Jan. 15, 2003	Exercise of share subscription options	3.1	268.4	4,763.4	88	1,144,530	3,490,816.5
May 23, 2003	Granting of a free share for every 10 shares held, deducted from share premium	3.1	349,081.7	–349,081.7	114,453	1,258,983	3,839,898.2
May 5, 2004	Granting of a free share for every 10 shares held, deducted from share premium	3.1	383,988.9	–383,988.9	125,898	1,384,881	4,223,887.1
May and June 2005	Exercise of share subscription options	3.1	10,226.7	129,972.6	3,353	1,388,234	4,234,113.7
June 10, 2005	5 for 1 split of share par value	0.6	0.0	0.0	5,552,936	6,941,170	4,234,113.7
2nd half of 2005	Exercise of share subscription options	0.6	28,197.3	368,513.3	46,225	6,987,395	4,262,311.0
1st half of 2006	Exercise of share subscription options	0.6	39,747.6	612,943.9	65,160	7,052,555	4,302,058.6
2nd half of 2006	Exercise of share subscription options	0.6	3,050.0	43,100.0	5,000	7,057,555	4,305,108.6
1st half of 2007	Exercise of share subscription options	0.6	48,354.7	818,031.9	79,270	7,136,825	4,353,463.3
June 29, 2007	Reverse merger between Sartorius and Stedim	0.6	5,948,209.4	44,102,031.0	9,751,163	16,887,988	10,301,672.7
2nd half of 2007	Exercise of share subscription options	0.6	6,050.0	134,400.0	10,000	16,897,988	10,307,722.7
1st half of 2008	Exercise of share subscription options	0.6	3,222.0	30,186.3	5,200	16,903,188	10,310,944.7
2nd half of 2008	Exercise of share subscription options	0.6	11,773.0	119,158.0	19,300	16,922,488	10,322,717.7
1st half of 2009	Exercise of share subscription options	0.6	19,459.0	269,126.0	31,900	16,954,388	10,342,176.7
2nd half of 2009	Exercise of share subscription options	0.6	11,183.1	190,160.6	18,333	16,972,721	10,353,359.8

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2009

Situation of Sartorius Stedim Biotech Shareholdings

Shareholders	Shares	Voting rights
More than 50%	Sartorius AG	Sartorius AG
More than 10% but less than 50%	None	None
More than 5% but less than 10%	Financière de la Seigneurie	Financière de la Seigneurie

Over the past three years, the ownership of Sartorius Stedim Biotech share capital has been distributed as follows:

	December 31, 2007			December 31, 2008			**December 31, 2009**		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	**Number of shares**	**% of share capital**	**% of voting rights**
Sartorius AG	9,770,178	57.8%	51.7%	10,025,360	59.2%	52.9%	**10,166,950**	**59.9%**	**53.5%**
- Single voting rights	9,770,178	57.8%	51.7%	10,025,360	59.2%	52.9%	**10,166,950**	**59.9%**	**53.5%**
- Double voting rights									
VL Finance [(a)]	2,012,095	11.9%	21.3%	2,012,095	11.9%	21.3%	**2,012,095**	**11.9%**	**21.2%**
- Single voting rights									
- Double voting rights	2,012,095	11.9%	21.3%	2,012,095	11.9%	21.3%	**2,012,095**	**11.9%**	**21.2%**
Total Sartorius Group	11,782,273	69.7%	72.9%	12,037,455	71.1%	74.2%	**12,179,045**	**71.8%**	**74.7%**
Financière de la Seigneurie	902,744	5.3%	4.8%	902,744	5.3%	4.8%	**902,744**	**5.3%**	**4.8%**
VAL Invest	608,884	3.6%	3.2%	608,884	3.6%	3.2%	**608,884**	**3.6%**	**3.2%**
Treasury shares									
Personnel and other shareholders									
General public	3,604,087	21.3%	19.1%	3,373,405	19.9%	17.8%	**3,282,048**	**19.3%**	**17.3%**
Total shares	16,897,988	100.0%	100.0%	16,922,488	100.0%	100.0%	**16,972,721**	**100.0%**	**100.0%**

[(a)] Belonging to Sartorius AG after the reverse merger between Sartorius and Stedim

Legal Disclosure of Thresholds Crossed

- In 2009, Sartorius Stedim Biotech S.A. did not register any threshold events involving upward or downward movement.

- By letter received on February 12, 2010, the Financière de la Seigneurie SAS (Athelia 4, Le Forum B, avenue de La Tramontane, 13600 La Ciotat) declared that it went below the lower threshold limit of 5% of Sartorius Stedim Biotech's share capital on February 11, 2010, because of a disposal of Sartorius Stedim Biotech shares on the market, and declared that it held 826,532 shares representing the following rights of Sartorius Stedim Biotech; i.e. 4.87% of the share capital and 4.35% of voting rights of this company.

The table mentioned above shows the distribution of the company's share capital as of December 31, 2009.

Control of the Company as of December 31, 2009

Sartorius AG holds, directly or indirectly, 71.76% of the share capital and 74.72% of the voting rights.

Staff Shareholdings

With the exception of stock subscription plans (stock option plans), the company does not run any employee profit-sharing schemes.

Treasury Shares Held by Sartorius Stedim Biotech

Sartorius Stedim Biotech is not currently planning to buy back any of its own shares.

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Other Securities Giving Access to the Share Capital

Stock Options

Share Subscription Plan

The stock option plans are detailed in the below tables. The delegation given to the Board of Directors for the settlement of a new plan has expired and is no longer applicable in 2009.

Date on which the AGM* authorized the plan	Board meeting	Total number of options granted	Total options granted to senior executives	Number of senior executive beneficiaries	Number of beneficiaries	Subscription price (€)	Number of shares subscribed from Jan. 1, 08 to Dec. 31, 09	Number of options granted and exercisable	Number of target performance-based options	Number of beneficiaries with valid options
June 23, 2000	Aug. 2, 2000	139,105			5	8.59	0	0		0
June 23, 2000	Sept. 28, 2001	142,855			7	11.94	0	4,060		1
June 23, 2000	Oct. 14, 2002	12,100			1	6.78	0	0		0
June 23, 2000	Sept. 10, 2003	22,000			1	7.9	4,400	0		0
June 23, 2000	Feb. 11, 2004	66,000			1	6.42	0	0		0
June 23, 2000	July 23, 2004	140,000			19	9.23	42,500	25,000		3
June 10, 2005	Sept. 15, 2005	127,500	10,000	1	15	18.87	3,333	46,667		4
June 10, 2005	Nov. 10, 2005	35,000			2	29.51	0	17,500		2
Total		**684,560**	**10,000**	**1**	**51**		**50,233**	**93,227**	**0**	**10**
									93,227	

* AGM = Annual General Shareholders' Meeting

Development of the number of stock options between January 1, 2007, and December 31, 2009:

	2009	2008	2007
Outstanding shares at January 1	**143,460**	179,027	318,450
Allocated during the period			0
Cancelled during the period	**0**	–11,067	–27,653
Exercised during the period	**–50,233**	–24,500	–89,270
Lapsed during the period	**0**	0	–22,500
Outstanding at December 31	**93,227**	143,460	179,027

Share Capital Dilution

At December 31, 2009, the total number of shares capable of being issued on the basis of performance-based share subscription options was a potential 93,227 shares, or 0.55%, of the fully diluted share capital.

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2009

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2009 Fiscal Year

None

Options Exercised during the Fiscal Year

Of the 50,233 options exercised during the fiscal year, the ten most significant beneficiaries accounted for a total of 50,233 options.

Share Subscription Warrants

Sartorius Stedim Biotech S.A. has not issued any share subscription warrants.

Pledging of Shares

No Sartorius Stedim Biotech S.A. shares were pledged.

Pledging of Assets

None

Dividend Distribution Policy

The company has a dividend distribution policy based on net profit generated at the Group level during the relevant fiscal year as well as on the Group's foreseeable growth and profitability.

On April 21, 2009, the Annual General Shareholders' Meeting voted for payment of a dividend of €0.30 per share. The dividend was available for payment on April 30, 2009.

Dividends and interim dividends unclaimed after five years following the payment date must be paid to the State, i.e., France (Article 2277 of the French Civil Code).

in €	2008	2007	2006	2005	2004
Dividend per share for the fiscal year	0.30	0.30	0.19	0.19	0.14
Number of shares	16,922,488	16,897,988	7,057,955	6,987,395	6,924,405
Dividend corrected per share[1)]	**0.30**	**0.30**	**0.08**	**0.08**	**0.06**

[1)] Compared to the number of shares as of December 31, 2008

Senior Executives

Information on Sartorius Stedim Biotech S.A. senior executives and a list of the positions they hold or have held over the past five years are included in the Corporate Governance report.

Directors' Meeting Attendance Fees

Directors' meeting attendance fees are calculated on an annual basis. They represent 5% of salaries of the ten best-paid individuals employed by Sartorius Stedim Biotech S.A.

A third of these directors' fees is evenly distributed among the Directors. The balance is allocated at the end of the year based on the number of board meetings each member attends.

A total of €62 K was paid in directors' meeting attendance fees in 2009.

Compensation of the Executive Management Team

		Base | fixed salaries € in K	Annual incentive[6] € in K	Pension plan € in K	Other[2] € in K	Stock options	Departure indemnity € in K	Directors' meeting attendance fees € in K
	2008	1,121.0	519.0	43.0	36.0	0.0	0.0	0.0
Total	**2009**	**1,159.0**	**645.0**	**31.0**	**300.0**	**0.0**	**0.0**	**0.0**
Joachim Kreuzburg[1] 2008		480.0	309.0	43.0	36.0	0.0	0.0	0.0
Joachim Kreuzburg[1] 2009		418.0	308.0	31.0	242.0	0.0	0.0	0.0
Reinhard Vogt[3] 2008		259.0	82.5	0.0	0.0	0.0	0.0	0.0
Reinhard Vogt[3] 2009		289.0	150.0	0.0	58.0	0.0	0.0	0.0
Volker Niebel[4] 2008		265.0	82.5	0.0	0.0	0.0	0.0	0.0
Volker Niebel[4] 2009		270.0	120.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif[5] 2008		117.0	45.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif[5] 2009		182.0	67.0	0.0	0.0	0.0	0.0	0.0

1) Dr. Joachim Kreuzburg and Reinhard Vogt receive their salaries from the Sartorius AG for their duties performed for the entire Sartorius Group including Sartorius Mechatronics. Their remuneration is determined annually by the Executive Task Committee of the Sartorius AG Supervisory Board.

2) The phantom stock plan is used as the variable long-term incentive component that incorporates risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least three years and is payable only if this price exceeds at least 10% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. 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. The use of a component that is designed to have a long-term incentive effect and incorporates risk corresponds to a suggestion from the German Corporate Governance Code. To date, no payments have been made to Joachim Kreuzburg and Reinhard Vogt according to this phantom stock plan.

3) Because of their employment contract with Sartorius AG, Joachim Kreuzburg and Reinhard Vogt are not allowed to receive additional remuneration in any other Group company. Their remuneration is determined annually by the majority shareholder of Sartorius Stedim Biotech GmbH.

4) Volker Niebel receives his salary from the subsidiary Sartorius Stedim Biotech GmbH for his work in the entire Sartorius Stedim Biotech Group. His remuneration is determined annually by the shareholders of Sartorius Stedim Biotech GmbH.

5) Oscar-Werner Reif receives his salary from the subsidiary Sartorius Stedim Biotech GmbH for his work in the entire Sartorius Stedim Biotech Group. His remuneration is determined annually by the shareholders of Sartorius Stedim Biotech GmbH.

As an executive corporate officer, Liliane de Lassus received €121 thousand in short-term benefits in 2008. In addition, she received severence benefits as a "departure indeminity" totaling €240 thousand for termination of her employment contract. As of March 31, 2008, Liliane de Lassus resigned from her duties as an executive corporate officer. Since then, she has been a non-executive member of the Board of Directors.

Independent Auditors

The independent auditors for Sartorius Stedim Biotech S.A. are:

– Ernst & Young, represented by Anis Nassif
  Alternate auditor: Auditex

– Deloitte & Associés, represented by Vincent Gros
  Alternate auditor: BEAS

Current and Regulated Agreements

The shareholders of the Sartorius Stedim Biotech Group are requested to approve the agreements that are covered by Article L.225 - 38 of the French Commercial Code and duly authorized by the Board of Directors, in the form submitted to them.

Payment Terms for Trade Payables

At December 31, 2009, the balance of trade payables totaled €7,307 thousand (K); these trade payables were comprised of the following:

- 57.38% of invoices to be paid in 30 days regarding the day of the invoices,

- 38.57% of invoices to be paid in 60 days regarding the day of the invoices.

At the same date, the cumulative overdue trade payables amounted to 4.05%.

Five-Year Financial Results of the Parent Company Sartorius Stedim Biotech S.A.

€ in K	2005	2006	2007	2008	**2009**
Share capital at end of period					
Share capital (capital stock)	4,262	4,305	10,308	10,323	**10,353**
Number of shares outstanding	6,987,395	7,057,555	16,897,988	16,922,488	**16,972,721**
Transactions and financial performance					
Sales revenue (excl. VAT)	41,449	52,158	48,616	46,655	**64,626**
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	4,180	13,401	6,502	– 6,298	**16,067**
Income tax	226	4,499	– 282	– 1364	**1813**
Contribution to employee profit-sharing plan	0	944	0	0	**0**
Net profit	504	7,858	– 11,481	5,654	**14,160**
Dividends	1,328	1,351	5,071	5,077	**10,183**
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	0.57	2.67	0.37	– 0.29	**0.84**
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	0.07	1.11	– 0.68	– 0.38	**0.84**
Dividend per share	0.19	0.19	0.30	0.30	**0.60**
Personnel					
Workforce size	229	240	246	285	**299**
Personnel costs	7,730	8,973	9,990	10,577	**11,381**
Social security costs	4,004	4,576	5,112	5,431	**5,758**

Mutually beneficial

Building strong alliances promotes success

Biomanufacturing calls for safe, integrated single-use solutions for all key process steps. To offer customers the right complete solution, Sartorius Stedim Biotech also forms alliances with strong partners to propel R&D. A prime example of this is the disposable bioreactor: in cooperation with our partners from science and industry, we rapidly developed four entire types of scalable single-use bioreactor, of which two are already launched. Today, Sartorius Stedim Biotech has the widest array of disposable bioreactors on the market. New trends and solutions for our customers were also at the focus of our discussions with experts from industry and science at the ACHEMA 2009, the world's largest trade show for the process industry.


sartorius stedim
biotech
900
700
500
300
100

Fully scalable

The perfect fit for any size

Success starts in the lab: Many steps are necessary before a medication reaches the market. Right in early phase development is when later production sequences are defined and products used are validated. At Sartorius Stedim Biotech, pharma customers are always on the safe side. With scalable products and customized services, we help them transfer proven lab-scale processes to full-scale production – reliably. For instance, our bioreactors hold working volumes of a few milliliters to 10,000 liters, offering the right scale-up solutions for increasing drug volumes. Yet their design, materials and hydrodynamic conditions remain unchanged at every level. As a result, we accelerate product development and ensure that medications come out on the market faster.

Innovative and reliable

New winning solutions meet real-world needs

Customers define innovation. They drive product development at Sartorius Stedim Biotech. This is why we work closely with the users of our products, analyze their processes and create tailored solutions with true added value. Sometimes it takes an eye for simple details, as in the case of our customer who kept losing expensive product left inside a bypass tube connecting two filter capsules. Our new T-shaped connectors now enable him to join the capsules directly, further increasing product yield and cost-efficiency. Small effort, big payoff: our customer is completely satisfied with this winning solution and so are we.


FlexAct
sartorius stedim
biotech
WATSON/
MARLOW

Flexible and efficient

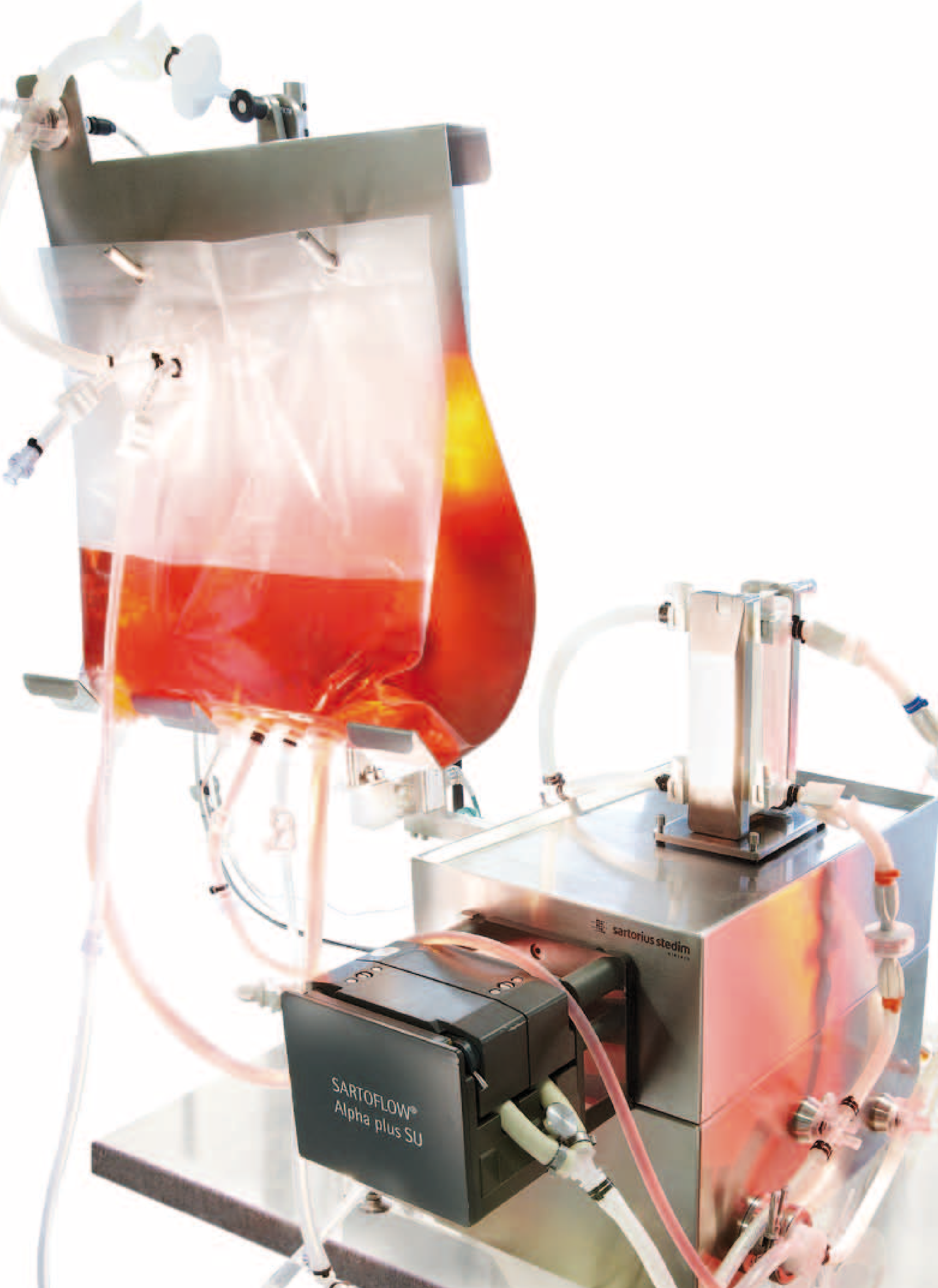
Single-use technology, perfectly combined

In biomanufacturing, the change in technology from reusable to single-use systems is in full swing. Flexible single-use solutions are increasingly replacing large, permanently installed stainless steel systems. With our new FlexAct product family, we are helping to make this switch easier than ever before: this innovative system combines single-use components and system control into a completely integrated production unit. All components are perfectly matched to one another and preconfigured into a mobile platform by Sartorius Stedim Biotech. For the manufacturer, this means that processes can be controlled rapidly, flexibly and cost-efficiently.

Capable and customer-focused

Consultation is our calling

At Sartorius Stedim Biotech, products and services effectively go hand in hand. Our services are comprehensive and start by thoroughly "sizing up" a process. We reliably uncover potential for optimization that lies hidden in every process. We then find the best solution, which is different for each customer. Take our crossflow filtration systems: they can be operated either with disposable bags or with permanently installed stainless steel tanks. There are good reasons for using either version so Sartorius Stedim Biotech applications specialists exactly check which solution is the best fit. Available on site, our specialists have your entire process on their radar.


sartorius stedim
SARTOFLOW®
Alpha plus SU

03

Corporate Governance

The Board of Directors and Its Committees

The Board of Directors

The Board of Directors is composed of eight members, one of whom is independent. The directors are appointed for a three-year period.

Composition of the Board of Directors as of December 31, 2009

Joachim Kreuzburg

Chairman and Chief Executive Officer
Date of birth: April 22, 1965
Nationality: German

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:
Chairman of the Executive Board (Vorstand) of Sartorius AG;
Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim Filters Inc.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Président of VL Finance S.A.S.;
Member of the Board of Directors of Sartorius Mechatronics Japan K.K.;
Member of the Board of Directors of Beijing Sartorius Instrument & System Engineering Co. Ltd.;
Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Mechatronics Hong Kong Ltd., Hong Kong, China;
Member of the Advisory Board (Regionalbeirat) of Commerzbank AG;
Member of the Advisory Board (Beirat) of Hameln Group GmbH, Germany;
Member of the Economic Advisory Board (Wirtschafts-beirat) of Norddeutsche Landesbank, Germany

Past directorships (held during the past five years):
Managing Director (Geschäftsführer) of Sartorius Corporate Administration GmbH;
Member of the Board of Directors of Sartorius North America Inc.;
Member of the Board of Directors of Sartorius Mechatronics Corp.;
Member of the Board of Directors of Sartorius TCC Company;
Member of the Board of Directors of Denver Instrument Inc.;
Member of the Board of Directors of Sartorius Omnimark Instrument Corporation;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
Member of the Board of Directors of Sartorius Mechatronics UK Ltd.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Stedim France S.A.S.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Mechatronics France S.A.S.;
Member of the Board of Directors (Consiglio di Amministrazione) of Sartorius Stedim Italy S.p.A.;
Member of the Board of Directors (Consiglio di Amministrazione) of Sartorius Mechatronics Italy S.R.L.;
President of the Board of Directors (Verwaltungsrat) of Sartorius Mechatronics Switzerland AG;
Member of the Supervisory Board (Aufsichtsrat) of E.ON Mitte AG

Educational and professional background:
Diplom-Maschinenbau-Ingenieur, Dr. rer. pol.
(University degree in mechanical engineering, doctorate in economics)

1992–1995	Research associate at the Institute for Solar Energy Research in Hamelin, Germany
1995–1999	Research associate at the Faculty of Economics and Management at the University of Hannover, Germany
Since May 1, 1999	Sartorius AG, Goettingen, Germany Most recent position: Vice President, Finances and Investor Relations
Since Nov. 11, 2002	Member of the Executive Board of Sartorius AG, Goettingen, Germany
May 1, 2003, to Nov. 10, 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany
Since Nov. 11, 2005	CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany; currently responsible for Operations, Human Resources, Legal Affairs, Internal Auditing and Corporate Communications

Volker Niebel

Executive member
Executive Vice President of Operations and IT
Date of birth: August 14, 1956
Nationality: German

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions:
Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Sartorius Stedim Filters Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors (Conseil d'administration) of Sartorius Stedim Aseptics S.A.;
Managing Director (Gérant) of Sartorius Stedim SUS SARL

Past directorships (held during the past five years):
Member of the Board of Directors of Sartorius Stedim Systems Inc.;
Member of the Board of Directors of Sartorius Mechatronics Corporation;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
Managing Director (Geschäftsführer) of Sartorius Stedim Plastics GmbH;
Managing Director (Gérant) of Sartorius Stedim Industries SARL

Educational and professional background:
Diplom-Betriebswirt (university degree in business administration and economics)

1983–1985	Schmidt & Clemens, Lindlar, Germany Sales Manager at Petro Chemical Industry (USA)
1985–1998	Gambro AB, Lund, Sweden
1998–2001	Skanska AB, Malmö, Sweden Member of the Executive Management Team of Poggenpohl GmbH in Herford, Germany
2001–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Operations, Biotechnology Division
Since 2007	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Oscar-Werner Reif

Executive member
Executive Vice President of Research and Development
Date of birth: November 11, 1964
Nationality: German

Appointed on: April 21, 2009
Appointed until: date of the Annual General Shareholders' Meeting in 2012 to approve the financial statements for the fiscal year ending December 31, 2011

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions:
Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board (Verwaltungsrat) of Wave Biotech AG, Switzerland

Past directorships (held during the past five years):
None

Educational and professional background:
Diplom-Chemiker, Dr. rer. nat. (university degree M.S. degree in chemistry, doctorate in chemical engineering)

1991–1995	Research associate at the Institute of Chemical Engineering at the University of Hannover. Germany
1995–2009	Sartorius AG, Goettingen, Germany Most recent position: Vice President of R&D and Technology
2007 - 2009	Sartorius Stedim Biotech GmbH Most recent position: Vice President of R&D and Technology
Since 2009	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Reinhard Vogt

Executive member
Executive Vice President of Marketing, Sales and Service
Date of birth: August 4, 1955
Nationality: German

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions:
Member of the Executive Board (Vorstand) of Sartorius AG;
Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Stedim Malaysia Sdn. Bhd.;
Member of the Board of Directors of Sartorius Stedim Australia Pty. Ltd.;
Member of the Board of Directors of Beijing Sartorius Instrument & System Engineering Co. Ltd.;
Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Mechatronics Hong Kong Ltd., Hong Kong, China;
Member of the Board (Verwaltungsrat) of Wave Biotech AG, Switzerland

Past directorships (held during the past five years):
Managing Director (Geschäftsführer) of Sartorius Technologies & Services GmbH;
Managing Director (Geschäftsführer) of Sartorius Stedim F&B GmbH
Managing Director (Geschäftsführer) of Sartorius Stedim Poland sp. z o.o.;
Managing Director (Geschäftsführer) of Sartorius Stedim Hungária Kft.;
Member of the Board of Directors of Sartorius Mechatronics UK Ltd.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Stedim France S.A.S.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Mechatronics France S.A.S.;
Member of the Board of Directors of Sartorius Mechatronics Australia Pty. Ltd.

Educational and professional background:
Industriekaufmann (vocational diploma in industrial business administration)

1979–1983	Sarstedt AG, Nuembrecht, Germany General Manager of Sarstedt AB, Sweden
1983–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Sales & Marketing, Biotechnology Division
Since 2007	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2009	Member of the Executive Board (Vorstand) of Sartorius AG in Goettingen, Germany; currently responsible for Marketing, Sales and Service

Liliane de Lassus

Non-executive member
Date of birth: December 29, 1943
Nationality: French

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech shares held: 10,001

Other current directorships and positions:
Managing Director (Gérant) of L2 L Conseil SARL (management consulting services; human resources management)

Past directorships (held during the past five years):
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
President (Président) and Member of the Board of Directors (Conseil d'administration) of Sartorius Stedim Aseptics S.A.;
Managing Director (Gérant) of Integrated Biosystems SARL

Educational and professional background:
Ph.D. in organic chemistry (1972)
MBA (1966)
Masters' degree in Sanskrit (1969)

1969–1977	Scientific employee in charge of research at the French CNRS (National Center for Scientific Research), later at UC Berkeley (California, USA)
1977–1981	PSA — Automobiles Citroën Head of department; in charge of overall manufacturing planning and programming
1981–1985	Renault Automation (Robotics) Vice President of Strategic Planning
1985–1989	CEO and Chairman of the Board of a high-tech startup company specializing in artificial intelligence (Cognitech)
1989–2005	Consultant in human resources management for company executives, especially in a multi-cultural environment
2005–2007	CEO of Stedim Biosystems
2007-2008	Executive Vice President of Sartorius Stedim Biotech
Since May 2008	Managing Director (Gérant) of L2 L Conseil SARL (management consulting services; management of human resources)

Bernard Lemaître

Non-executive member
Date of birth: December 16, 1938
Nationality: French

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech shares held: 902,744 via Financière de La Seigneurie S.A.S.

Other current directorships and positions:
Président of Financière de La Seigneurie S.A.S.;
Member of the Board of Directors of Senova Systems Inc.

Past directorships (held during the past five years):
President of VL Finance S.A.S.;
Chairman of the Board and CEO of Stedim S.A.;
Chairman of the Board of Isolateur Dénominateur Commun (IDC) S.A.;
Chairman of the Board of Stedim Inc.;
Chairman of the Board of Integrated Biosystems Inc.;
Member of the Supervisory Board of Intrasense S.A.

Educational and professional background:

1979–2007 Founder, CEO and Chairman of Stedim S.A.

Arnold Picot

Non-executive member
Date of birth: December 28, 1944
Nationality: German

Appointed on: June 29, 2007
Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions:
Chairman of the Supervisory Board (Aufsichtsrat) of Sartorius AG;
Chairman of the Supervisory Board (Aufsichtsrat) of Sartorius Stedim Biotech GmbH;
Member of the Supervisory Board (Aufsichtsrat) of Takkt AG;
Member of the Supervisory Board (Aufsichtsrat) of Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH und WIK-Consult GmbH

Past directorships (held during the past five years):
Chairman of the Supervisory Board (Aufsichtsrat) of Datango AG;
Vice Chairman of the Supervisory Board (Aufsichtsrat) of etelon e-solutions AG

Educational and professional background:
Bankkaufmann, Diplom-Kaufmann (banker, university degree in business administration), Dr. rer. pol., post-doctoral lecture qualification | Venia Legendi (Betriebswirtschaftslehre) = authorization to teach business and managerial economics at a university

1970–1975	Research assistant and assistant professor, University of Munich
1976–1984	University professor, Faculty of Business Administration, University of Hannover, Germany Director of the Institute for Management and Organization
1980–1981	Visiting scholar, Stanford University, California, USA
1984–1987	University professor, Faculty of Business Administration, Technical University of Munich; Director of the Institute for General and Industrial Business Administration
Since 1988	University professor, Faculty of Business Administration, University of Munic Director of the Institute for Information, Organization and Management
2004–2005	Konrad Adenauer visiting professor, Georgetown University, Washington, D.C., USA

Henri Riey

Non-executive member
Independent member
Date of birth: November 5, 1961
Nationality: Monegasque

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the financial statements for the fiscal year ended December 31, 2009

Number of Sartorius Stedim Biotech Shares held: 500

Other current directorships and positions:
Member of the Board of Hendyplan S.A., Belgium;
President of Aidea

Past directorships (held during the past five years):
Member of the Board of Groupe Ginger S.A.;
Member of the Board of Technofirst S.A., Executive Vice President;
Member of the Board of Barclays Asset Management

Educational and professional background:
Diplôme Institut Supérieur de Gestion (France) (degree earned at the French Higher Institute of Business Management "Institut supérieur de gestion")

1985–1988	Fund Manager at Banque Paribas
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Executive Vice President of Barclays Asset Management; in charge of all fund management businesses
Since 2004	CFO of Hendyplan S.A.

Changes in the Membership of the Board of Directors:

On the April 21, 2009, the Annual General Shareholders' Meeting appointed Dr. Oscar-Werner Reif a member of the Board of Directors for three years; i.e., until the 2012 Annual General Shareholders' meeting to approve the financial statements for the year ending December 31, 2011.

Independent Directors

Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or major customers, nor may they have any other link likely to impair their judgment.

The Sartorius Stedim Board of Directors includes one independent director, Mr. Henri Riey.

To the company's knowledge, no member of the Board of Directors:
- has been convicted of fraud during the last five years or has been subject to any official public investigation or sanction by statutory regulatory authorities;
- has been associated in his | her capacity of manager in any bankruptcy, receivership or liquidation for the past five years;
- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer for the past five years.

To the company's knowledge, no family relationships exist among the members of the company's Board of Directors.

Furthermore, to the company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and|or other duties. A Director must inform the Board as soon as he|she is aware of any conflict of interests, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions.

To the company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

To the company's knowledge, there is no service contract linking a Board member to the SSB Group and granting him|her benefits.

The Audit Committee

The Audit Committee is currently composed of three members:

Mr. Henri Riey
Chairman of the Committee since December 5, 2007

Mr. Arnold Picot

Mr. Bernard Lemaître

The Chairman of the Audit Committee is independent. The Chairman of the Board of Directors, who is also the CEO of the Group, is a permanent guest of the Audit Committee, but has no voting rights.

The Audit Committee met five times in 2009.

Remuneration Committee

The Remuneration Committee is currently composed of four members:

Mr. Arnold Picot, Chairman of the Committee since June 29, 2007

Dr. Joachim Kreuzburg

Mr. Henri Riey

Mr. Bernard Lemaître

One of the four members of the Remuneration Committee is independent.

The Remuneration Committee met twice in 2009.

For more information on the organization, functions and activities of each Committee during fiscal 2009, please refer to the Chairman's Report Pursuant to Article L. 225 - 37 of the French Commercial Code included in this publication (page 76).

The Executive Committee

The Executive Committee manages the operational business of the company. It decides on strategic and important topics relating to the company, provided that these decisions do not interfere with the responsibilities of the Board of Directors. However, the Executive Committee also implements decisions and resolutions of the Board of Directors in daily business. Since April 21, 2009, it has been composed of the following persons:

– Joachim Kreuzburg
– Volker Niebel
– Reinhard Vogt
– Oscar-Werner Reif

The Executive Committee met thirteen times during fiscal 2009.

Until April 20, 2009, it had been composed of the following members:

– Joachim Kreuzburg
– Volker Niebel
– Reinhard Vogt

Pursuant to the Annual General Shareholders' Meeting on April 21, 2009, Oscar-Werner Reif was appointed Executive Vice President and a member of the Board of Directors of Sartorius Stedim Biotech S.A. This appointment reflects the Board's objective to have an executive director with proven research and development expertise additionally represented in the Sartorius Stedim Biotech Group's top executive committee. Oscar-Werner Reif has been working in various managerial positions in research and development (R&D) and production and has experience in several industry-related national and international professional associations.

Chairman's Report Pursuant to Article L. 225 - 37 of the French Commercial Code

Pursuant to Article L. 225 - 37 of the French Commercial Code, the Chairman of the Board of Directors uses this report, which covers the fiscal year ended December 31, 2009, to present the conditions of the preparation and organization of the work of the Board of Directors and the internal controlling and control procedures implemented by the company within the Group.

Pursuant to the last paragraph of Article L. 225 - 235 of the French Commercial Code, the company's independent auditors prepare their own report concerning the report by the Chairman of the Board of Directors on the internal control procedures relative to the preparation and processing of accounting and financial information.

Corporate Governance Code

During the course of fiscal 2008, it was decided by the French Authorities that listed French stock corporations were to adhere to a Corporate Governance Code. The Board of Directors therefore decided to adopt to the AFEP-MEDEF recommendations (see www.medef.fr).

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. If a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

Sartorius Stedim Biotech S.A. essentially complies with the Code, though Sartorius Stedim Biotech S.A. needs to explain certain divergences from this Code.

The Board of Sartorius Stedim Biotech S.A. is not composed of at least one third of independent members, nor are its Board committees comprised of at least two thirds, or a majority of, independent members. As Sartorius Stedim Biotech S.A. was established in 2007 by a merger, it required the strong involvement of the management team in the integration process. The Board will examine whether the number of its members needs to be increased in the future, particularly by appointing independent members. The integration process is also the rationale that explains why the company has a Président-Directeur général instead of separating the functions of Président and CEO. We have not implemented any gradual renewal of the Board because the company was completely reorganized in 2007 by the merger and all Board members had to be elected. This option will possibly be discussed within the Remuneration Committee after it will have assumed this responsibility in 2010 for simplification purposes.

Conditions for Preparation and Organization of the Work of the Board of Directors

Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the Internal Rules and Regulations of the Board.

The Board of Directors deals with all matters concerning the proper operation of the company and takes decisions on subjects that concern it.

Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the company in pursuit of this strategy and review all delegations of authority;

- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the company's shareholdings;

- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the company's results, the structure of its balance sheet or risk profile;

- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;

- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options;

- The Board of Directors shall convene general shareholders' meetings and propose changes to the articles of association.

The missions mentioned above summarize the internal bylaws of the Board of Directors.

Activity Report of the Board for Fiscal 2009

The Board of Directors met six times during the fiscal year. The average attendance was 92.5%.

The Board reviewed and approved the consolidated and parent corporation's financial statements for 2008.

The Board of Directors considered and debated on the following at its meetings:

- Strategic direction and major Group projects;
- The annual, half-year and quarterly financial statements;
- Budgets presented by executive management;
- Information on the financial structure and cash flow items;
- Implementation of a factoring contract;
- Guarantees to be given to Group subsidiaries in order to manage Group cash flow resources efficiently (central treasury management);
- Significant off-balance sheet commitments;
- Risk indicators for the Group;
- Internal organization projects;
- Stock market performance, stock options.

The committee chairmen submitted their committee work reports to the Board for discussion.

The independent auditors were invited to two Board meetings.

Information to Be Supplied to the Directors

The Directors receive a report on the agenda items that require prior examination and consideration in due time and with prior notice in advance of each Board meeting.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which always precedes the Board meeting, either the day before or on the same day of this meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The Directors receive copies of any press releases that are issued by the company and have not been specifically approved by the Board. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.Board Committees

Board Committees

The Board of Directors has created two Committees since mid- 2007. These bodies, the Audit Committee and the Remuneration Committee, are responsible for studying and making preparations for the Board's main deliberations in order to improve the Board's efficiency.

Each Board meeting is preceded by a meeting of at least one of the two Committees, depending on the items on the agenda. The Committees report to the Board on their work and observations and submit their opinions, proposals and recommendations.

The procedures of each Committee are also defined by Internal Rules and Regulations.

Duties of the Audit Committee:

The Audit Committee assists the Board of Directors with the company's accounting policy, reporting, tresuary and hedging instruments, internal and external controlling, financial communication and risk management.

The Audit Committee's duties in the field of accounting policy and internal controlling consist mainly of:

- Examining all annual parent corporation and consolidated financial statements: review half-yearly and annual corporation and consolidated accounts, including the notes to the financial statements and the management report presented by the Board of Directors to the Annual General Shareholders' Meeting convened to approve the statements for the financial year ended in 2009; and presenting its observations and recommendations to the Board of Directors;
- Ensuring that the accounting methods and procedures chosen by the company are appropriate, compliant and that they are correctly applied; and
- Examining the accounting treatment of any significant transactions carried out by the company.

The Audit Committee's duties in the area of extenal controlling consist of:

– Submitting recommendations to the Board of Directors concerning the statutory auditors and their appointment or reappointment by the Annual General Shareholders' Meeting; and
– Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.

The Audit Committee's duties in the field of risk analysis and prevention consist of:

– Defining the internal audit plan for the Group companies, obtaining the outcome of the audit and defining, if necessary, action plans to be implemented in the respective companies.
– Examining the company's exposure to significant financial risks; and
– Verifying appropriate application of internal controls and accounting and financial reporting procedures.

The Audit Committee's duties in the area of financial communication consist of:

– Reviewing the company's proposed financial communication with respect to its half-yearly and annual corporate accounts and its quarterly results.

The Committee may also perform any other activities deemed necessary or appropriate by the Committee and the Board of Directors.

Activity Report of the Audit Committee on Fiscal 2009:

The Audit Committee met five times during the fiscal year. The average attendance was 93.33%.

The Audit Committee dealt with the following major topics:

– Examining all parent corporation's and consolidated financial statements: reviewing the quarterly, half-yearly and annual corporate accounts and consolidated accounts, including the implementation of new IFRS standards (mainly IFRS 8);
– Following up on and reviewing the responses to be sent out to the "Autorité des Marchés Financiers," concerning the issuers' department and accounting department review;
– Working on hedging instruments.

Duties of the Remuneration Committee:

The purpose of the Remuneration Committee is to help the company's Board of Directors establish the remuneration policy for corporate officers and, in particular, the incentive mechanisms (granting of share subscription options, share purchase options or free allotment of shares) that the company may introduce.

Activity Report of the Remuneration Committee for 2009:

The Remuneration Committee met two times during the fiscal year. The average attendance was 87.50%.

The Remuneration Committee deliberated on the following topics:

– Reviewing the remuneration for corporate officers;
– Reviewing the remuneration of the meeting attendance fees granted to the Directors.

Within this scope, the Remuneration Committee is consulted by the Board of Directors on any proposal concerning:

– The amount of the global budget allotted to directors' fees granted to Directors and the terms of allocation thereof, by taking into account the effective presence of the Directors at Board meetings and possibly at Committee meetings;
– The amount of fixed remuneration for corporate officers and the terms of the variable remuneration; and
– The general policy on the granting of share subscription options, share purchase options or free allotment of company shares.

Limitations on the Powers of the Chairman and Chief Executive Officer

As of June 29, 2007, the Board of Directors voted to combine the functions of Chairman and Chief Executive Officer without any limitations on powers included in the internal bylaws of the company, which are mainly strategic investment projects, especially acquisition or disposal, which may lead to a material profit and loss impact. In this context, this procedure concerns operations above one million euros.

Remuneration of Executive and Non-Executive Directors ("Mandataires sociaux")

The total remuneration, including all benefits paid during the year to each senior executive (Chairman of the Board of Directors, Chief Executive Officer, Directors) including share-based payments, is disclosed in the Corporate Governance Report of the Sartorius Stedim Biotech Group (see page 66).

For changes to the remuneration of Board of Directors' executive members, a Remuneration Committee has been set up that deals with these topics. Furthermore, the Remuneration Committee discusses and agrees on the meeting attendance fees for the non-executive members of the Board of Directors.

Dr. Joachim Kreuzburg's and Reinhard Vogt's remuneration is determined annually by the Executive Task Committee of Sartorius AG's Supervisory Board. Their remuneration consists of fixed and variable components and is in line with their respective areas of responsibility. The variable portion contains both short-term and long-term components. The short-term components are paid out every year. A phantom stock plan is used as a variable long-term incentive component that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least three years and is payable only if this price exceeds at least 10% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. 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. The use of a component that is designed to have a long-term incentive effect and entails risk is a recommendation adopted from the German Corporate Governance Code. To date, no payment has been made to Dr. Kreuzburg or Reinhard Vogt according to this phantom stock plan.

The remuneration for Dr. Oscar-Werner Reif and Volker Niebel is discussed within the Remuneration Committee and is approved afterwards by the Annual General Shareholders' Meeting of Sartorius Stedim Biotech GmbH (Germany), with which Oscar-Werner Reif and Volker Niebel have signed their employment contracts. Their remuneration consists of fixed and variable components and is in line with their respective areas of responsibility.

Internal Control Procedures

Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are as follows:

- Prevent risks that would endanger the assets of Sartorius Stedim or even its existence;
- Ensure that management activities, the transactions completed and the conduct of employees are within the framework defined by senior executives and the applicable laws and regulations, by the fundamental values, standards and internal rules of the business and by the ethical codes and conventions of the health industry;
- Ensure that accounting and financial information and management data provided to senior executives of the company accurately reflect the operations of Sartorius Stedim Biotech; and
- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

Scope of Consolidation

The internal control system described covers the parent company and its affiliates.

Components of Internal Control

Environment for Internal Control

The core of any business is its people — their individual attributes, including integrity, ethical values and competence — and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

Risk Assessment Process — Risk Mapping

The organization must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate these objectives into its sales, production, marketing, financial and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyze and manage the related risks.

Control Activities

These control activities are the range of activities that are undertaken at every level of the Group to ensure that internal control is efficient. Possible control activities include checking the accuracy, completeness, authorization, validation and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

Information and Communication

Availability and dissemination of accurate, reliable and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

Monitoring, Control and Management

Responsibilities and authorities must be defined and understood on a unit level as well as on an entire company level if internal control is to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned permits, responsibility for initiating, authorizing, recording and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

Internal Controlling Roles

Senior Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation, monitoring and management of the internal control and controlling systems and for providing the necessary assurances that these steps have been implemented.

Audit Committee

The Audit Committee, which was created in mid-2007, is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee, see page 74.

Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks by the nature of its operations around the world. A risk management system has been instituted to help track existing and potential risks efficiently. This system is designed to allow early identification, assessment and monitoring of risks. Within this risk management system, an ad hoc committee comprised of representatives of various specialized departments additionally deals with current issues of risk management. The information it provides keeps the executive management team abreast of the overall risk situation at all times and enables it to take appropriate action when required.

Internal Auditing Department

The Internal Auditing Department is a function that is managed at the level of the Sartorius AG Group. This department addresses the effectiveness and appropriateness of the risk management and the internal controlling system at the headquarters of the companies constituting the Sartorius Stedim Biotech Group, as well as the compliance of all activities and processes with internal and external rules and standards. The Internal Auditing Department provides independent and objective auditing and consulting services that focus on compliance with all relevant legal provisions and the improvement of business processes at the company. To ensure the independence of this Department's in-house auditors, the Audit Committee receives a yearly report from them on their findings and their work concerning the Group affiliates (according to the audit plan established by this same committee).

Finance and Controlling Departments

The Finance and Controlling Departments track and monitor the businesses, operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

The Finance and Controlling Departments define the Group's principles and key financial processes (five-year business plan, budget, etc.) as well as reporting tools to monitor the day-to-day business.

Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of local affiliates are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to provide company accounts that comply with the locally applicable legal and tax provisions. Integrated consolidation software is used both for management reporting purposes and to produce the Group financial statements.

Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS as currently adopted by the European Union. The consolidated financial statements comply with accounting policies as detailed in the Notes to the Consolidated Financial Statements.

Roles of the Group's Finances and Controlling Departments

These departments check the quality of the reporting packages submitted by the local affiliates, focus ing primarily on reconciliations between legal entities and reporting entities, inter-company eliminations and on the accounting treatment of non-recurring transactions for the reporting period, and verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.

The Finance Director also verifies the results of procedures, including currency translation, inter-company eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Accounting and Reporting Manual. Application of and compliance with these principles, rules and procedures are the direct responsibility of the relevant local Finance Director of each subsidiary. Local Finance Directors must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the timelines and accuracy of accounting for transactions and assets in circulation.

Internal Control in 2009

During the extension of the Internal Control Reference Framework project initiated on the basis of the AMF recommendations, the Group gave special priority to internal control in fiscal 2009.

Implementation of a Code of Conduct

An indispensable element of Sartorius Stedim Biotech S.A.'s corporate culture is to act sustainably from economic, ecological and social perspectives. To ensure consistent standards of behavior throughout the entire Group, a Code of Conduct was developed that is currently being introduced across the Group. This Code of Conduct shall apply equally to all persons employed at the Group, whether they are members of the Executive Board, managing directors, officers, managers, non-managerial staff or further employees. The Code sets defined standards intended to provide guidance in meeting ethical and legal challenges encountered during daily work. In the interest of all employees and the company, any violations of this Code of Conduct are to be investigated and their causes eliminated. For this purpose, the Group's compliance organization is being further developed and will be centralized in its own department.

Mid-term Prospects

The Group will continue to work on the Internal Control by strengthening the risk mapping and the risk management approaches. In this respect, the Group will utilize the Internal Control Reference Framework as the basis for this development.

Aubagne, March 4, 2010

The Chairman and the members of the Board of Directors

Joachim Kreuzburg

Volker Niebel

Reinhard Vogt

Oscar-Werner Reif

Liliane de Lassus

Bernard Lemaître

Arnold Picot

Henri Riey

Remuneration of the Executive and Non-executive Members of the Board

Tables Summarizing the Remuneration and Options and Shares Granted to Each Corporate Officer

Joachim Kreuzburg[1)]
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2009	Year 2008
Remuneration due	**757**	832
Valuation of options granted during the reporting period	**0**	0
Valuation of the performance shares granted during the reporting period	**242**	36
Total	**999**	868

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	Year 2009	Year 2008
Remuneration due	**390**	348
Valuation of options granted during the reporting period	**0**	0
Valuation of the performance shares granted during the reporting period	**0**	0
Total	**390**	348

Reinhard Vogt[1)]
(Executive Vice President of Marketing, Sales and Service)

€ in K	Year 2009	Year 2008
Remuneration due	**439**	342
Valuation of options granted during the reporting period	**0**	0
Valuation of the performance shares granted during the reporting period	**58**	0
Total	**497**	342

Oscar-Werner Reif
(Executive Vice President Research and Development)

€ in K	Year 2009	Year 2008
Remuneration due	**249**	162
Valuation of options granted during the reporting period	**0**	0
Valuation of the performance shares granted during the reporting period	**0**	0
Total	**249**	162

Summary of the Remuneration for Each Corporate Officer

Joachim Kreuzburg
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2009		Year 2008	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration		400		462
Variable remuneration[2)]	308		309	0
Pension plan	31		43	
Exceptional remuneration				
Directors' meeting attendance fees				
Benefits in kind[3)]		18		18
Total	339	418	352	480

[1)] Dr. Joachim Kreuzburg and Reinhard Vogt receive their salaries from Sartorius AG for their duties performed for the entire Sartorius Group including Sartorius Mechatronics. Their remuneration is determined annually by the Executive Task Committee of the Sartorius AG Supervisory Board.
[2)] Variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit, and, in addition, individually defined targets that reflect the operating and strategic goals of the Group.
[3)] Company car

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	Year 2009		Year 2008	
	Amounts due	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration		**260**		256
Variable remuneration[1]	**84**	**36**	82.5	0
Exceptional remuneration				
Directors' meeting attendance fees				
Benefits in kind[2]		**10**		9
Total	**84**	**306**	82.5	265

[1] Variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit, and, in addition, individually defined targets that reflect the operating and strategic goals of the Group.
[2] Company car

Oscar-Werner Reif
(Executive Vice President Research and Development)

€ in K	Year 2009		Year 2008	
	Amount s due	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration		**176**		112
Variable remuneration[1]	**47**	**20**	45	
Exceptional remuneration				
Directors' meeting attendance fees				
Benefits in kind[2]		**6**		5
Total	**47**	**202**	45	117

[1] Variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit, and, in addition, individually defined targets that reflect the operating and strategic goals of the Group.
[2] Company car

Reinhard Vogt
(Executive Vice President of Marketing, Sales and Service)

€ in K	Year 2009		Year 2008	
	Amount s due	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration		**275**		245
Variable remuneration[1]	**89**	**61**	82.5	0
Exceptional remuneration				
Directors' meeting attendance fees				
Benefits in kind[2]		**14**		14
Total	**89**	**350**	82.5	259

[1] Variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit, and, in addition, individually defined targets that reflect the operating and strategic goals of the Group.
[2] Company car

Table on Directors' Meeting Attendance Fees and Other Remuneration Received by Non-Executive Corporate Officers

€ in K	Year 2009	Year 2008
Bernard Lemaître		
Directors' meeting attendance fees	**13.0**	20.0
Other remuneration		
Arnold Picot		
Directors' meeting attendance fees	**16.0**	16.0
Other remuneration		
Liliane de Lassus		
Directors' meeting attendance fees	**16.0**	13.0
Other remuneration		
Henri Riey		
Directors' meeting attendance fees	**16.0**	16.0
Other remuneration		
Total	**61**	65

Stock Options Granted During the Reporting Period to the Executive Corporate Officers by the Issuer or Any Other Company of the Group

Name of the executive corporate officer	Date of the plan	Nature of options	Valuation of these options with regard to calculation method	Number of options granted during the rerpoting period	Price of exercised options	Period for exercising options
Joachim Kreuzburg						
Volker Niebel			NONE			
Reinhard Vogt						
Oscar-Werner Reif						
Total						

Stock Options Exercised During the Reporting Period by Each Corporate Officer

Name of the executive corporate officer	Date of the plan	Number of stock options exercised	Price of options exercised
Joachim Kreuzburg			
Volker Niebel		NONE	
Reinhard Vogt			
Oscar-Werner Reif			
Total			

Performance Shares Available for Each Corporate Officer

Performance shares available for each corporate officer[1]	Date of the plan	Number of shares available during the reporting period	Acquisition conditions
Joachim Kreuzburg		None	
Volker Niebel		Not applicable	
Reinhard Vogt		None	
Oscar-Werner Reif		Not applicable	
Liliane de Lassus		Not applicable	
Bernard Lemaître		Not applicable	
Henri Riey		Not applicable	
Total			

[1] The performance shares are bonus shares allocated to the corporate officers, within the framework of the L225 - 197 - 1 articles and following of French commercial law, and subject to additional requirements provided by the AFEP | MEDEF recommendations of October 2008.

Performance Shares Granted to Corporate Officers

Performance shares granted by the ASM during the reporting period to any corporate officer by the issuer or any other company of the Group	Date of the plan	Number of shares granted during the year	Valuation of the shares according to the consolidated accounts' methodology	Date of acquisition	Date of availability	Performance conditions[1]
Joachim Kreuzburg		16,851	242	Jan. 1, 2009	Jan. 1, 2012	
Volker Niebel		0				
Reinhard Vogt		4,054	58	July 24, 2009	July 25, 2012	
Oscar-Werner Reif		0				
Liliane de Lassus						
Bernard Lemaître						
Henri Riey						
Total		20,905				

[1] The performance shares are comprised of a phantom stock plan. The phantom stock plan is used as the variable incentive component that includes a risk portion. This remuneration component depends on the development of the Sartorius AG share price over a period of at least three years and is payable only if this price exceeds at least 10% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. 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. The use of a component that is designed to have a long-term incentive effect and entails risk is recommended by the German Corporate Governance Code.

Stock Options Granted / Historical Information

	Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6	Plan no. 7	Plan no. 8	Plan no. 9
Annual General Shareholders' Meeting								
Board of Directors' Meeting								
Total number of stock suscribed or bought | of which for the following persons:								
Joachim Kreuzburg CEO and Chairman of the Board								
Reinardt Vogt								
Volker Niebel								
Arnold Picot								
Bernard Lemaître								
Liliane de Lassus							30,000.0	
Henri Riey								
Starting date for exercise of stock options							Sept. 15, 2005	
Expiration date							Sept. 14, 2014	
Price							18.87	
Terms for exercise of stock options								
Number of stock options suscribed as of December 31, 2009								
Number of cancelled or expired stock options							20,000	
Stock options not yet exercised							10,000	

Liliane de Lassus exercised 10,000 stock options at the beginning of January 2010.

Stock Options Granted to the Top Ten Non-corporate Officers and Exercised by Them

Stock options granted to the top 10 non-corporate officers and exercised by them	Total number of granted stock options	Average price	Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6	Plan no. 7	Plan no. 8	Plan no. 9
Option granted, during the reporting period, by the issuer or other Group companies, to the top 10 employees of the issuer or other Group companies, where the maximum number of options bought is attained	0	0	0	0	0	0	0	0	0	0
Options owned on the issuer or other companies of the Group, exercised during the reporting period by the top 10 employees, where the maximum number of options bought is attained	50,233	9.75	0	0	0	4,400	0	42,500	3,333	0

Additional Information about the Executive Board Members

Corporate officer	Employment contract		Additional pension plan		Severance or compensation due with regard to termination of contracts or positions		No compensation due based on non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Joachim Kreuzburg CEO and Chairman	[1]		[4]			None	[6]	
Beginning of the position held								
End of his term on the Board								
End of his contract								
Reinhard Vogt	[2]			None	[5]		[6]	
Oscar-Werner Reif	[3]				[5]		[7]	
Volker Niebel	[3]			None		None		None
Arnold Picot		None		None		None		None

[1] Joachim Kreuzburg has an employment contract with Sartorius AG for his duties performed as CEO of the entire Sartorius Group, including Sartorius Mechatronics. This is standard practice in Germany.

[2] Reinhard Vogt has an employment contract with Sartorius AG for his duties performed as a member of the Executive Board of the entire Sartorius Group, including Sartorius Mechatronics. This is standard practice in Germany.

[3] Oscar-Werner Reif and Volker Niebel each have an employment contract with Sartorius Stedim Biotech GmbH for their duties performed as managing directors of the company. This is standard practice in Germany.

[4] There is a common pension plan in place at the Sartorius AG level for Joachim Kreuzburg. The level of his entitlement to benefits paid under a company pension plan depends on his respective tenure.

[5] The employment contract concluded in connection with new appointments and reappointments includes a severance pay cap at the level recommended in the German Corporate Governance Code to cover cases in which membership of the Executive Board is terminated prematurely.

[6] Joachim Kreuzburg and Reinhard Vogt have a mandatory non-competition clause for the time they are appointed as members of the Sartorius AG Executive Board. For a two-year period after the end of their appointments as members of the Sartorius AG Executive Board, they bound by an additional non-competition clause, which grants them compensation equal to half of their annual gross salary during the non-competition period. This non-competition period is two years.

[7] For a two-year period after the end of his employment contract with Sartorius Stedim Biotech GmbH, he is bound by a non-competition clause, which grants him compensation equal to half of his annual gross salary during the non-competition period. This non-competition period is two years.

Statutory Auditors' Report Prepared in Accordance with Article L. 225–235 of the French Commercial Code ("Code de Commerce")

Statutory Auditors' Report Prepared in Accordance with Article L. 225–235 of the French Commercial Code ("Code de Commerce") on the report prepared by the Chairman of the Board of Directors of Sartorius Stedim Biotech S.A.

(Freely translated from the French original by the auditors)

To the Shareholders,

In our capacity as statutory auditors of Sartorius Stedim Biotech and in accordance with article L. 225 - 235 of the French commercial code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225 - 37 of the French commercial code (Code de Commerce) for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare and submit for the Board of Directors's approval a report on internal control and risk management procedures implemented by the company and to provide other information required by article L. 225 - 37 of the French commercial code (Code de Commerce) relating to matters such as corporate governance.

Our role is to:

– report on information contained in the Chairman's report in respect of internal control procedures relating to the preparation and processing of accounting and financial information,

– confirm that the report also includes other information required by article L. 225 - 37 of the French commercial code (Code de Commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of internal control procedures relating to the preparation and processing of accounting and financial information. These procedures consist mainly in:

– obtaining an understanding of the internal control procedures relating to the preparation and processing of accounting and financial information on which the information presented in the chairman's report is based and the existing documentation

– obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;

– determining if any material weaknesses in internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225 - 37 of the French commercial code (Code de Commerce).

Other information

We confirm that the report prepared by the chairman of the Board of Directors or supervisory board also contains other information required by article L. 225 - 37 of the French commercial code (Code de Commerce).

Marseilles, March 5, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

Independent Auditors' Fees

Principal Independent Auditors

Ernst and Young Audit

400, Promenade des Anglais — BP 33124 — 06203 Nice Cedex 3 — France
Represented by Anis Nassif.
First commissioned by the Combined General Shareholders' Meeting on June 28, 1985. Date commission expires: 2015 Annual General Shareholders' Meeting to approve the 2014 financial statements. Member of Compagnie régionale de Versailles.

Deloitte et Associés

10, Place de la Joliette — Les Docks — Atrium 10.4 — BP 64529 - 13567 Marseille Cedex 02 — France
Represented by Vincent Gros.
First commissioned by the Annual General Shareholders' Meeting on May 19, 2006. Date commission expires: 2012 Annual General Shareholders' Meeting to approve the 2011 financial statements.

Independent Auditors' Fees

	Ernst & Young				Deloitte			
€ in K	**2009**		2008		**2009**		2008	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	**105**	**75.0%**	183	96.8%	**110**	**21.6%**	163	29.5%
Subsidiaries	**31**	**22.1%**	6	3.2%	**370**	**72.5%**	308.1	55.7%
Services directly related to audit services								
Parent company								
Subsidiaries				0.0%		**0.0%**		0.0%
Subtotal	**136**	**97.1%**	189	100.0%	**480**	**94.1%**	471.1	85.2%
Other services								
Legal, tax, corporate	**2**				**30**		82	
Information technology, other	**2**							
Subtotal	**4**	**3%**	0	0%	**30**	**6%**	82	15%
Total	**140**	**100%**	189	100%	**510**	**100%**	553.1	100%

Substitute Independent Auditors

Auditex

Tour Ernst & Young – Faubourg de l'Arche – 92037 Paris-La Défense Cedex
Member of Compagnie régionale de Versailles.
First commissioned by the Annual General Shareholders' Meeting on April 21, 2009. Date commission expires: 2015 Annual General Shareholders' Meeting to approve the 2014 financial statements.

BEAS

7/9, Villa Houssay – 92200 Neuilly sur Seine – France
Represented by Alain Pons.
Commissioned by the Annual General Shareholders' Meeting on May 19, 2006. Date commission expires: 2012 Annual General Shareholders' Meeting to approve the 2011 financial statements.

Other				**Total**			
2009		2008		**2009**		2008	
	0.0%		0.0%	**215**	**19.1%**	346	35.5%
249	**52.1%**	232.8	100.0%	**650**	**57.6%**	546.9	56.1%
				0		0	
	0.0%		0.0%	**0**	**0.0%**	0	0.0%
249	**52.1%**	232.8	100.0%	**865**	**76.7%**	892.9	91.6%
229				**261**		82	
				2		0	
229	**48%**	0	0%	**263**	**23%**	82	8%
478	**100%**	232.8	100%	**1,128**	**100%**	974.9	100%

04

Consolidated Financial Statements and Notes

Statement of Financial Position

Assets	Notes	**Dec. 31, 2009 € in K**	Dec. 31, 2008 € in K
A. Non-current assets			
I. Goodwill	[12]	**250,277**	250,269
II. Intangible assets	[12]	**106,590**	112,635
III. Property, plant and equipment	[13/14]	**111,765**	114,419
IV. Investments	[15]	**2,248**	1,997
		470,880	479,321
V. Receivables and other assets	[18]	**1,396**	1,693
VI. Deferred tax assets	[16]	**10,013**	8,121
		482,289	489,135
B. Current assets			
I. Inventories	[17]	**46,718**	60,915
II. Trade receivables	[18]	**70,458**	74,067
III. Current tax assets	[18]	**3,353**	4,303
IV. Other assets	[18]	**10,191**	10,699
V. Cash and cash equivalents		**54,849**	13,222
		185,568	163,207
Total assets		**667,857**	652,342

Equity and Liabilities	Notes	**Dec. 31, 2009 € in K**	Dec. 31, 2008 € in K
A. Equity			
I. Issued capital	[19]	**10,353**	10,323
II. Capital reserves	[20]	**338,810**	338,352
III. Retained earnings (including net profit)	[20]	**44,036**	21,093
IV. Minority interest		**0**	1,878
		393,199	371,646
B. Non-current liabilities			
I. Pension provisions	[21]	**12,888**	11,836
II. Deferred tax liabilities	[22]	**34,641**	36,613
III. Other provisions	[22]	**3,195**	3,076
IV. Loans and borrowings	[23]	**104,075**	130,819
V. Other liabilities	[23]	**169**	246
		154,967	182,589
C. Current liabilities			
I. Provisions	[24]	**4,929**	5,185
II. Trade payables	[25]	**32,725**	31,729
III. Loans and borrowings	[25]	**38,417**	32,458
IV. Current tax liabilities	[25]	**10,848**	4,550
V. Other liabilities	[25]	**32,773**	24,186
		119,692	98,107
Total equity and liabilities		**667,857**	652,342

Income Statement

	Notes	**2009 12 months € in K**	2008 12 months € in K
1. Sales revenue	[29]	**401,231**	367,996
2. Cost of sales	[30]	**–210,901**	–192,189
3. Gross profit on sales		**190,330**	175,806
4. Selling and distribution costs	[31]	**–84,510**	–87,887
5. Research and development costs	[32]	**–24,493**	–24,548
6. General administrative expenses	[33]	**–24,420**	–23,344
7. Other operating income and expenses	[34]	**–1,264**	25
8. Earnings before interest, taxes and amortization (EBITA)[2)]		**55,643**	40,053
9. Amortization[1)]		**–7,033**	–6,323
10. Earnings before interest and taxes (EBIT)		**48,611**	33,730
11. Interest and similar income	[35]	**354**	607
12. Interest and similar expenses	[35]	**–7,297**	–13,129
13. Financial result		**–6,943**	–12,522
14. Profit before tax		**41,667**	21,208
15. Deferred tax income | expenses	[36]	**3,429**	1,538
16. Income tax expenses	[36]	**–13,676**	–7,621
17. Other taxes		**–2,328**	–2,021
18. Taxes		**–12,575**	–8,104
19. Net profit for the period		**29,092**	13,104
Attributable to:			
20. Equity holders of Sartorius Stedim Biotech		**29,092**	13,091
21. Minority interest		**0**	13
Earnings per share (€)	[37]	**1.71**	0.77
Diluted earnings per share (€)	[37]	**1.70**	0.77

1) Amortization refers only to amortization of goodwill (if applicable) and of intangible assets recognized in connection with purchase price allocation (PPA) according to IFRS 3.
2) The Sartorius Stedim Biotech Group uses EBITA (earnings before interests, taxes, and amortization) as the key figure for measuring performance and profitability of the Group.

Statement of Comprehensive Income

	2009 12 months € in K	2008 12 months € in K
Net profit for the period	**29,092**	13,104
Cash flow hedges	**620**	–2,379
Actuarial gains | losses from pension provisions	**–575**	633
Currency translation differences	**–714**	178
Net investment in a foreign operation	**64**	–249
Deferred taxes	**–37**	603
Total income and expenses recognized directly in equity	**–642**	–1,214
Comprehensive income	**28,450**	11,890

Attributable to:		
Equity holders of Sartorius Stedim Biotech	**28,450**	11,877
Minority interest	**0**	13

Consolidated Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Minority interest	**Total equity**
Balance at Jan.1, 2008	10,308	338,202	1,128	–230	18,180	–4,831	362,757	0	**362,757**
Comprehensive income	0	0	–1,666	448	12,917	178	11,877	13	**11,890**
Stock options	15	150	0	0	0	0	165	0	**165**
Change in minority interest	0	0	0	0	0	0	0	1,865	**1,865**
Dividends	0	0	0	0	–5,070		–5,070		**–5,070**
Other changes	0	0	0	0	39	0	39	0	**39**
Balance at Dec. 31, 2008 | Jan. 1, 2009	**10,323**	**338,352**	**–538**	**218**	**26,066**	**–4,653**	**369,768**	**1,878**	**371,646**
Comprehensive income	0	0	434	–407	29,137	–714	28,450	0	**28,450**
Stock options	30	458	0	0	0	0	488	0	**488**
Change in minority interest	0	0	0	0	0	0	0	0	**0**
Dividends	0	0	0	0	–5,077	0	–5,077	0	**–5,077**
Acquisition of additional shares in subsidiaries	0	0	0	0	–458	0	–458	–1,878	**–2,336**
Other changes	0	0	0	0	28	0	28	0	**28**
Balance at December 31, 2009	**10,353**	**338,810**	**–104**	**–189**	**49,696**	**–5,367**	**393,199**	**0**	**393,199**

Consolidated Cash Flow Statement

	Notes	**2009 12 months € in K**	2008 12 months € in K
Cash flows from operating activities			
Net result		**29,092**	13,091
Minority interest		**0**	13
Tax expenses	[36]	**12,575**	8,105
Financial expenses	[35]	**6,943**	12,522
Depreciation | amortization of fixed assets		**22,685**	20,896
Increase | decrease in provisions	[22/24]	**–361**	–3,881
Increase | decrease in receivables	[16/18]	**4,532**	9,802
Increase | decrease in inventories	[17]	**13,909**	–5,341
Increase | decrease in liabilities	[25]	**8,908**	–2,428
Income taxes paid	[36]	**–6,428**	–5,553
Net cash flow from operating activities		**91,855**	47,226
Cash flows from investing activities			
Payments for financial assets	[15]	**–420**	–309
Payments for property, plant and equipment	[13/14]	**–10,841**	–14,512
Income from the disposal of fixed assets	[13/14]	**1,776**	1,789
Payments for intangible assets	[12]	**–4,913**	–5,719
Acquisition of intangible assets		**–291**	–7,903
Net cash flow from investing activities		**–14,689**	–26,654
Cash flows from financing activities			
Changes in capital		**488**	165
Interest received	[35]	**316**	464
Interest paid and other financial charges	[35]	**–8,278**	–8,658
Payments for derivative financial instruments	[35]	**–151**	–3,138
Dividends paid to:			
- Shareholders of the parent company		**–5,077**	–5,070
- Minority shareholders		**0**	0
Changes in minority interest		**–1,878**	–13
Loans and borrowings	[23/25]	**–20,813**	1,856
Net cash flow from financing activities		**–35,393**	–14,394
Net increase | decrease in cash and cash equivalents		**41,773**	6,178
Cash and cash equivalents at the beginning of the period		**13,222**	7,461
Net effect of currency translation on cash and cash equivalents		**–146**	–417
Cash and cash equivalents at the end of the period		**54,849**	13,222
Gross debt owed to banks		**142,492**	163,276
Net debt owed to banks		**87,644**	150,054

Notes to the Financial Statements

1. Corporate Information

Sartorius Stedim Biotech is a leading provider of cutting-edge equipment and services for the development, quality assurance and production processes of the biopharmaceutical industry. Its integrated solutions covering fermentation, filtration, purification, fluid management and lab technologies are supporting the biopharmaceutical industry around the world to develop and produce drugs safely, timely and economically. For next-generation processes, Sartorius Stedim Biotech focuses on single-use technologies and added-value services to meet the rapidly changing technology requirements of the industry it serves. Strongly rooted in the scientific community and closely allied with customers and technology partners, the company is dedicated to its philosophy of "Turning science into solutions."

Headquartered in Aubagne, France, Sartorius Stedim Biotech S.A. is listed on the Euronext Paris (ISIN code: FR 0000053266).

2. Accounting Principles

The consolidated financial statements of the Sartorius Stedim Biotech Group for the financial year ended December 31, 2009, are to be read in addition to the audited consolidated financial statements of the financial year ended December 31, 2008, such as they appear in the Reference Document 2008 filed with the Autorité des Marchés Financiers on March 11, 2009, under the number D09 - 0111.

In compliance with the European regulation 1606/202 of July 19, 2002, requiring listed companies to use International Accounting Standards, the 2009 consolidated financial statements of the Sartorius Stedim Biotech Group are compliant with the Standards and Interpretations (IFRS and IFRIC) of the IASB as adopted by the European Union on December 31, 2009, and available on the following site:

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

These accounting principles applied are consistent with those used in the preparation of the consolidated statements for the year ended December 31, 2008, with the exception of the following new Standards and Interpretations that were obligatorily adopted as of December 31, 2009:

– IAS 1R – Presentation of Financial Statements (revised in 2007)

– IAS 23R – Borrowing Costs (revised in 2007)

– IFRS 8 – Operating Segments

– Amendments to IFRS2 - Share-based Payments – Vesting Conditions and Cancellations

– IFRS Improvements - May 2008 (except for IFRS 5) - and, in particular, Amendments to IAS 38 Intangible Assets: Expenditure on Advertising and Promotional Activities

– IFRIC 13 – Customer Loyalty Programmes

These principles do not differ from IFRS Standards published by the IASB insofar as application of the following Standards and Interpretations, which are obligatory for financial years beginning on January 1, 2009, does not affect the financial statements of the Sartorius Stedim Biotech Group:

– IFRIC 12 – Service Concession Arrangements

– IFRIC 15 – Agreements for the Construction of Real Estate

– IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

– IFRIC 18 – Transfer of Assets from Customers

Regarding the Standards and Interpretations adopted by the European Union for which their application is not obligatory as of January 1, 2009, the Sartorius Stedim Biotech Group decided not to apply the following by anticipation:

– IFRS 3 (Revised) – Business Combinations

– Amendments to IAS 27 – Consolidated and Separate Statements

– Amendments to IAS 39 – Financial Instruments – Recognition and Measurement – Eligible Hedged Items

– Amendment to IAS 32 - Classification of Emission Rights

– IFRIC 17 – Distributions of Non-cash Assets to Owners

– Amendments to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation

Moreover, the Group does not apply the following texts, which were not adopted by the European Union on December 31, 2009:

– IFRS 9 Financial Instruments

– IAS 24 (Revised) – Related Party Disclosures

– IFRS Improvements (April 2009)

– IFRS 2 Amendment – Group Cash-settled Share-Based Payment Transactions

– IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

– IFRIC 14 Amendment – Prepayments of Minimum Funding Requirements

The process of measuring the potential impact of these Standards and Interpretations on the consolidated financial statements of the Sartorius Stedim Biotech Group is in progress. The Group does not anticipate, at this stage of analysis, any significant impact on its consolidated accounts. Presently, first-time application is planned for each reporting period in which the Standards, Interpretations or Amendments enter into force.

3. Critical Accounting Judgement and Key Sources of Estimation Uncertainty

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

Assumptions and estimates primarily concern the following standards:

– IAS 12: Income Taxes: Deferred tax assets have to be recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Therefore, the application of IAS 12 involves certain assumptions and estimations, e.g. with regard to the projection of future taxable profits of the entities concerned. Please refer to Note 16 for further details.

– IAS 19: Employee Benefits: The valuation of pension provisions depends on assumptions, including the future development of salaries and pensions, and interest rates. Differences between the assumptions made and the actual developments could lead to over- or underfunding of the liabilities. Please refer to Note 22 for more details.

– IAS 36: Impairment of Assets: An impairment test is conducted, if certain events lead to the assumption that an asset might be impaired. In this case, the carrying amount of the asset is compared to the recoverable amount, which is the higher of the two values, the net realizable value and the value in use. The calculation of the value in use takes into account cash flow projections made on the basis of the information available on the balance sheet date. These projections include assumptions on future sales revenue and cost developments. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded. For further details, please refer to Note 13.

– IAS 37: Provisions, Contingent Liabilities and Contingent Assets: Provisions are recognized for legal or constructive obligations that exist as of the balance sheet date. To determine the amount of the obligations, certain estimates and assumptions have to be applied, including the evaluation of the probability and the amount of costs incurred. Furthermore, calculation of the present value of non-current provisions includes the application of an estimated interest rate. Please also refer to Notes 23 and 25.

– IAS 38: Intangible Assets: The capitalization of self-constructed intangible assets also includes a certain level of estimations and assumptions, e.g., the evaluation of feasibility of a development project, the expected market prospects and the determination of useful lives. Please refer to Note 12.

4. Cash Flow Statement

In the cash flow statement, cash flows are presented in tabular form, according to operating activities, investing activities and financing activities.

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

The "Cash and cash equivalents" item essentially includes all liquid assets, i.e., cash on hand and deposits in banks. Gross debt comprises all liabilities to banks; net debt is the amount of gross debt less the "Cash and cash equivalents" item.

5. Operating Segments

According to IFRS 8, Operating Segments, which has had be applied as of January 1, 2009, the identification of reportable segments is based on the "management approach"; i.e., segments are defined according to the internal governance and reporting structures of an entity. A reportable segment is therefore a component of an entity that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the chief operating decision maker (=the Executive Comittee of the Board of Directors) to make decisions about the allocation of resources and to assess its performance; and for which discrete financial information is available. Internal management and reporting within Sartorius Stedim Biotech are based on the approach of operating as a "total solution provider" for our customers. Accordingly, identification of reportable segments remains unchanged in comparison with IAS 14: Sartorius Stedim Biotech's reportable segment is Biopharm.

The segment result that is relevant as the key profitability measure is EBITA, or earnings before tax, interest and amortization (see Note 10). Therefore, taxes and interest expenses and income are not included in the segment's measure of profit or loss. The accounting and measurement principles for the segments correspond to the general Group accounting principles. Segment liabilities are not provided regularly to the chief operating decision maker; thus, no respective disclosures are made in the segment information.

Operating Segments

Segment Information by Division

€ in K		Biopharma			Non-allocated assets and liabilities			Group	
	2009	2008	Change	**2009**	2008	Change	**2009**	2008	Change
Order intake	**409,928**	368,922	11%				**409,928**	368,922	11%
Sales revenue	**401,231**	367,996	9%				**401,231**	367,996	9%
- as a total %	**100.0%**	100.0%					**100.0%**	100.0%	
EBITDA	**71,295**	54,626	31%				**71,295**	54,626	31%
- as a % of sales revenue	**17.8%**	14.8%					**17.8%**	14.8%	
Depreciation and amortization	**15,652**	14,573	7%				**15,652**	14,573	7%
EBITA	**55,643**	40,053	39%				**55,643**	40,053	39%
- as a % of sales revenue	**13.9%**	10.9%					**13.9%**	10.9%	
Amortization	**7,033**	6,323					**7,033**	6,323	11%
EBIT	**48,611**	33,730	44%				**48,611**	33,730	44%
- as a % of sales revenue	**12.1%**	9.2%					**12.1%**	9.2%	
Segment assets	**599,643**	626,697	–4%	**68,214**	25,645	166%	**667,857**	652,342	2%
Segment liabilities	**86,118**	75,621	14%	**188,541**	205,075	–8%	**274,659**	280,697	–2%
Investments	**15,746**	20,232	– 22%				**15,746**	20,232	–22%
- as a % of sales revenue	**3.9%**	5.5%					**3.9%**	5.5%	
R&D costs	**24,493**	24,548	0%				**24,493**	24,548	0%
No. of employees at December 31	**2,381**	2,369	1%				**2,381**	2,369	1%

In addition, group-wide figures are presented on the level of geographical regions. 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.

Supplementary Information by Region

€ in K		Europe			North America	
	2009	2008	Change	**2009**	2008	Change
Sales revenue						
- acc. to customers' location	**233,401**	222,707	5%	**97,088**	82,215	18%
- as a total %	**58.2%**	60.5%		**24.2%**	22.3%	
- acc. to company location	**273,066**	259,939	5%	**96,615**	82,303	17%
EBITDA	**55,960**	45,778	22%	**9,532**	4,600	107%
- as a % of sales revenue	**20.5%**	17.6%		**9.9%**	5.6%	
EBITA	**42,213**	32,966	28%	**8,206**	3,426	140%
- as a % of sales revenue	**15.5%**	12.7%		**8.5%**	4.2%	
Amortization	**6,857**	6,144	12%	**176**	179	–2%
Investments	**11,337**	17,146	– 34%	**1,749**	1,428	22%
- as a % of sales revenue	**4.2%**	6.6%		**1.8%**	1.7%	
No. of employees at December 31	**1,621**	1,626	0%	**349**	363	–4%

	Asia | Pacific			Other Markets			Non-allocated assets and liabilities			Group
2009	2008	Change	**2009**	2008	Change	**2009**	2008	Change	**2009**	2008	Change
55,228	51,712	7%	**15,514**	11,362	37%				**401,231**	367,996	9%
13.8%	14.1%		**3.9%**	3.1%					**100.0%**	100.0%	
31,551	25,754	23%	**0**	0					**401,232**	367,996	9%
4,899	3,346		**904**	902	0%				**71,295**	54,626	31%
15.5%	13.0%		**--**	--					**17.8%**	14.8%	
4,560	3,007	52%	**664**	654	2%				**55,643**	40,053	39%
14.5%	11.7%								**13.9%**	10.9%	
0	0		**0**	0					**7,033**	6,323	11%
2,625	1,620	62%	**35**	38	– 7%				**15,746**	20,232	–22%
8.3%	6.3%		**--**	--					**3.9%**	5.5%	
321	309	4%	**90**	71	27%				**2,381**	2,369	1%

6. Principles and Methods of Consolidation

The consolidated financial statements of the Sartorius Stedim Biotech Group include the annual financial statements of all companies, which are controlled directly or indirectly by Sartorius Stedim Biotech S.A. In terms of IAS 27, Consolidated Financial Statements and Accounting for Investments in Subsidiaries, a controlling interest exists if Sartorius Stedim Biotech S.A. 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 Stedim Biotech S.A. or its subsidiaries acquired such control. They are no longer included in these statements as of the time control is relinquished.

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

Accounts receivable and debts between the consolidated companies have been netted out, and internal Group valuation allowances and provisions reversed. Intra-group income and expenses have been fully eliminated.

7. Scope of Consolidation

In fiscal 2009, the shareholding percentage in the subsidiary Wave Biotech AG, Switzerland, was increased in order to reach 100% (see Note 8 on "Business Combinations").

The 2009 financial statements of the following subsidiaries:

– Sartorius Stedim, Hungary

– Sartorius Stedim, Poland

were not included in the scope of consolidation, because the figures were of minor importance for assessing the financial position of the Group.

Additionally, Sartorius Stedim Biotech (Beijing) Co. Ltd., China, was initially included in the scope of consolidation in 2009. In the past, the company was not considered significant for assessing the financial position of the Group.

The entity Sartorius Stedim Systems Inc. is no longer included in the scope of consolidation, as this company was merged into Sartorius Stedim North America Inc. in 2009.

The entity Sartorius Stedim F&B GmbH is no longer included in the scope of consolidation, as this company was merged into Sartorius Stedim Biotech GmbH in 2009.

The financial statements of the following companies have been included in the Group financial statements:

	Ownership in %
Europe	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
Sartorius Stedim Austria GmbH, Vienna, Austria	100
Sartorius Stedim Belgium N.V., Vilvoorde, Belgium	100
Sartorius Stedim Nordic A/S, Taastrup, Denmark	100
Sartorius Stedim Biotech GmbH, Goettingen, Germany	100
Sartorius Technologies & Services GmbH, Goettingen, Germany	100
Sartorius Stedim Plastics GmbH, Goettingen, Germany	100
Sartorius Stedim Systems GmbH, Melsungen, Germany	100
Sartorius Stedim France S.A.S., Aubagne, France	100
Sartorius Stedim Aseptics S.A., Lourdes, France	100
Sartorius Stedim U.K. Ltd., Epsom, U.K.	100
Sartoriud Stedim Lab Ltd., Louth, U.K.	100
Sartorius Stedim Italy S.p.A., Florence, Italy	100
Sartorius Stedim Netherlands B.V., Nieuwegein, Netherlands	100
Sartorius Stedim Switzerland GmbH, Dietikon, Switzerland	100
Integrated Biosystems SARL, Fribourg, Switzerland	100
Wave Biotech AG, Tagelswangen, Switzerland	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
America	
Sartorius Stedim North America Inc., New York, USA	100
Sartorius Stedim SUS Inc., Concord, California, USA	100
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Asia | Pacific	
Sartorius Stedim Australia Pty. Ltd., East Oakleigh, Australia	100
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100
Sartorius Stedim Japan K.K., Tokyo, Japan	100
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore	100
Sartorius Stedim Biotech (Beijing) Co. Ltd, China	100
Other Markets	
Sartorius Stedim SUS SARL, M'Hamdia, Tunisia	99.9

There are no associates or joint ventures included in the scope of consolidation.

8. Business Combinations

Business combinations are measured according to the acquisition method. The assets, liabilities and contingent liabilities acquired by the Group are recorded at fair value on the date of the combination. Goodwill equals the difference between the acquisition costs of the shares and the fair value of the assets, liabilities and contingent liabilities on the date on which control of the entity changes. In a one-shot business combination, the assets and liabilities of the minority interest are recorded at fair value.

Acquisition of Wave Biotech AG in 2008

On December 1, 2008, the Sartorius Stedim Biotech Group acquired a majority stake of 80% in Wave Biotech AG, Tagelswangen, Switzerland. The purchase contract stipulated that Sartorius Stedim Biotech would obligatorily acquire the remaining stake of 20% in the company at a fixed price and at a later date as soon as these shares had been transferred to the seller. As this transfer entailed substantial uncertainties, we had not considered these additional shares in our 2008 financial statements. On November 1, 2009, the remaining 20% of shares were acquired at a purchase price of €2.3 million.

In the reporting period, the provisional determination of the fair values of the acquired assets and liabilities had to be slightly amended with regard to certain assets and liabilities. The purchase price of €8.1 million paid in cash in 2008 is allocated to the acquired assets and liabilities as follows:

	Carrying amounts directly before the business combination € in K	Fair value on the acquisition date € in K	Fair value on the acquisition date; provisional allocation € in K
Intangible assets	0	9,711	9,902
Property, plant and equipment	649	773	649
Inventories	1,484	1,530	1,530
Trade and other receivables	1,104	1,104	1,104
Cash and cash equivalents	364	364	364
Net deferred taxes	–124	–2,240	–2,770
Pension provisions	0	–134	0
Financial liabilities	–333	–333	–333
Other liabilities	–1,482	–1,767	–1,482
Net assets acquired	**1,662**	**9,008**	**8,964**
Of which 80%		7,206	7,171
Acquisition cost paid in cash		8,015	8,015
Costs directly attributable to the business combination		162	119
Goodwill		**971**	**963**

The acquisition of the remaining 20% of shares in the company was treated as a transaction between shareholders. Accordingly, the difference between the purchase price and the corresponding minority interest was recognized in equity. The related minority interest amounting to €1.9 million was eliminated.

Wave Biotech AG is among the globally leading companies for single-use bioreactors used by the biopharmaceutical industry to produce vaccines and monoclonal antibodies, for instance. With this acquisition, Sartorius Stedim Biotech has extended its strong position in classic and disposable fermentation technologies. The intangible assets acquired comprise mainly technologies (€7.8 million) and research and development work in progress (€1.9 million).

9. Related Parties

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds, either directly or indirectly through its 100% subsidiary VL Finance S.A.S., a controlling stake in the company of 71.8% in equity capital and 74.7% of the voting rights. Additional shareholders are the two Stedim founders and their families, who together hold an 8.9% stake. Shares in free float are 19.3%.

Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in these Notes to the Financial Statements. Details of transactions between the Group and other related parties, primarily with companies belonging to the Mechatronics Division of the Sartorius Group, are disclosed below.

Several service and sublease agreements are in place between Sartorius Group (Mechatronics Division) companies and Sartorius Stedim Biotech Group companies. The reason is that until Sartorius had carved out its Biotechnology Division as of April 1, 2007, business was done partially in mixed companies by sharing central service functions. These central service functions remained in one of the companies (Biotech or Mechatronics) – depending on the respective local carve-out process – and former cost allocations were replaced by service and sublease contracts on arm's length terms.

These contracts include a sublease for office space and central administrative functions, such as accounting and controlling, human resource management and information technology (IT). In this respect, the relevant companies charge rent, salaries, social security costs and other expenses for such services as consulting, as well as a pro-rated profit margin for the services they provide.

The most important contract in place is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH, Germany, a 100% affiliate of Sartorius AG. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH as well as to Sartorius AG on arm's length terms. In 2009, services for approx. €11.6 million were provided to Sartorius Stedim Biotech GmbH (€11.0 million in 2008). These services primarily covered administrative functions (accounting and controlling, legal affairs, human resource management and IT), as well as corporate marketing and public relations and central maintenance and facility management. In this respect, Sartorius Corporate Administration GmbH charges rent, salaries, social security costs and other expenses for such services as consulting, as well as a pro-rated profit margin for the services it provides.

During 2009, the Group continued the following contractual relationships with related parties that are not part of the Group (Sartorius Group Mechatronics Division):

	Sales revenue 2009 € in K	**Purchases 2009 € in K**	**Receivables Dec. 31, 2009 € in K**	**Payables Dec. 31, 2009 € in K**
Related parties – Mechatronics Division	**5,741**	**4,961**	**5,048**	**3,527**

	Sales revenue 2008 € in K	Purchases 2008 € in K	Receivables Dec. 31, 2008 € in K	Payables Dec. 31, 2008 € in K
Related parties – Mechatronics Division	4,251	6,488	5,490	4,806

In connection with the service agreements described above, the Group companies rendered administrative services worth €0.6 million to related parties that are not part of the Group; €14.0 million was paid for services received (€1.0 and €13.7 million in 2008, respectively).

Compensation of Key Management Personnel

In 2009, the Executive Board Management received the following remuneration:

	Short-term benefits € in K	Post-employment benefits € in K	Other long-term benefits € in K	Termination benefits € in K	Share-based payments[2] € in K
2009[1]	**1,804**	**31**	**0**	**0**	**300**
2008[1]	1,640	43	0	0	36

[1] Dr. Joachim Kreuzburg and Reinhard Vogt receive their salaries from the Sartorius AG for their duties performed for the entire Sartorius Group including Sartorius Mechatronics. Their remuneration is determined annually by the Executive Task Committee of the Sartorius AG Supervisory Board.

[2] This amount is a remuneration component of a phantom stock plan and depends on the development of the Sartorius share price over a period of at least three years and is payable only if this price exceeds an established minimum share price appreciation or outperforms a comparative index. The use of such a component, which is designed to have a long-term incentive effect and is subject to risk, is suggested by the German Corporate Governance Code.

As an executive corporate officer, Liliane de Lassus received €121 thousand as short-term benefits in 2008. In addition, she received termination benefits totaling €240 thousand as severance ("departure indemnity") for termination of her employment contract. At the end of March 2008, Liliane de Lassus resigned from her duties as an executive corporate officer. Since then, she has been a non-executive member of the Board of Directors.

10. Definitions and Balance Sheet and Income Statement Presentation

The Sartorius Stedim Biotech Group uses EBITA, or earnings before interests, taxes and amortization, as the key profitability measure for the Group. Amortization refers only to any possible amortization of goodwill and of the intangible assets measured within the scope of purchase price allocation according to IFRS 3 "Business Combinations."

Thus, EBITA includes depreciation and amortization of all other intangible and tangible assets and is a suitable figure for measuring the operating performance of the Sartorius Stedim Biotech Group. The key indicator EBITDA used in the segment reports refers to earnings before interest, taxes, depreciation and amortization. Compared with EBITA, the EBITDA excludes depreciation on tangible assets and amortization of all “classic” intangible assets.

The key indicator EBIT (earnings before interest and taxes) used in the income statement and in the segment reports refers to the operating profit.

To enhance the clarity of the presentation, some individual items have been combined in the balance sheet and the income statement and are reported separately in the Notes. Changes of presentation or reclassifications are made if they make it possible to provide reliable and more relevant information for the users of these financial statements and if the modified presentation is likely to be persistent, so as not to affect the comparability. When such changes to the presentation are made and their impacts on the financial statements are considered significant, comparative information is also modified.

11. Currency Translation

The consolidated financial statements of the Sartorius Stedim Biotech Group were prepared in thousands of euros [abbreviated throughout the following text and tables as K]. In the annual financial statements of the individual companies, foreign currency transactions were 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."

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

For certain defined loans granted on a long-term basis, the Group applies the principle of "net investments in a foreign operation." The foreign currency translation differences resulting from these loans are recognized directly in equity according to IAS 21.15 and IAS 21.32.

The following exchange rates were used for currency translations:

	Year-end exchange rates		Average exchange rates	
	2009	2008	**2009**	2008
USD	**1.44050**	1.39760	**1.39405**	1.47564
GBP	**0.89000**	0.95890	**0.89136**	0.79468
AUD	**1.60040**	2.02800	**1.77501**	1.73430
JPY	**133.06000**	126.40000	**130.23913**	153.26959
INR	**67.00340**	67.71000	**67.35752**	63.60717
CHF	**1.48400**	1.48800	**1.51021**	1.58951
SGD	**2.01850**	2.01450	**2.02338**	2.07855
MYR	**4.93000**	4.83570	**4.90456**	4.89096
TND	**1.89920**	1.82160	**1.87617**	1.80203
DKK	**7.44200**	7.45200	**7.44643**	7.45619

Notes to the Individual Balance Sheet Items

Non-current Assets

12. Goodwill and Other Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2008	249,306
Currency translation	0
Change in the scope of consolidation	963
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2008	250,269
Amortization at Jan. 1, 2008	0
Currency translation	0
Amortization in 2008	0
Disposals	0
Transfers	0
Amortization at Dec. 31, 2008	**0**
Net book values at Dec. 31, 2008	**250,269**

	Goodwill € in K
Gross book values at Jan. 1, 2009	250,269
Currency translation	0
Change in the scope of consolidation	8
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2009	250,277
Amortization at Jan. 1, 2009	0
Currency translation	0
Amortization in 2009	0
Disposals	0
Transfers	0
Amortization at Dec. 31, 2009	0
Net book values at Dec. 31, 2009	**250,277**

The item reported as goodwill in the amount of €250,277 K is the capitalized difference in assets resulting from business combinations. According to IFRS 3, goodwill acquired in a business combination may not be amortized, but rather, must be tested annually for impairment.

For the purpose of impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. The CGU represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than an operating segment. With the combination of the former Sartorius Biotechnology Division and the former Stedim Group, the newly founded Sartorius Stedim Biotech Group follows the strategy to be a total solution provider for its customers. Because of the various interdependencies within the business, the lowest level at which goodwill is monitored is that of the Biopharma segment. Therefore, the goodwill acquired is completely allocated to this CGU.

As in 2008, the impairment test conducted for 2009 measures the recoverable amount on the basis of the value in use of the particular cash-generating unit (Biopharma segment). Our cash flow forecasts consider previous experiences and are generally based on the budgets approved by management for a period of three to five years. In 2009, the Group decided on the following hypothetical assumptions: a discount rate of 8.0% and a terminal year growth rate of 3.0% for the years after 2014. The latter is derived from market expectations that forecast double-digit growth rates for the targeted biopharmaceutical market. The major growth driver for the Sartorius Stedim Biotech Group will be, among others, the currently ongoing paradigm shift from reusable products to single-use products (e.g., filters and bags) utilized in biomanufacturing by the biopharmaceutical industry.

In 2009, our impairment test did not result in recognition of impairment losses. As a consequence, no depreciation was recorded in 2009.

In this context, calculations based on scenarios with different assumptions for discount rates (+5% against the assumptions disclosed above) and terminal growth rate (–3% against the assumptions disclosed above) also came to the same result.

Intangible Assets

	Concessions, industrial property rights and similar rights as well as licenses for 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, 2008	14,895	10,779	81,351	11,038	168	**118,231**
Currency translation	–82	0	0	0	7	**–75**
Change in the scope of consolidation	8,295	0	0	2,053	0	**10,348**
Investments	1,831	0	0	3,765	124	**5,720**
Disposals	–4	0	0	0	0	**–4**
Transfers	–37	0	0	0	–151	**–188**
Gross book values at Dec. 31, 2008	**24,898**	**10,779**	**81,351**	**16,856**	**148**	**134,032**
Amortization at Jan. 1, 2008	–4,878	0	–2,787	–5,330	0	**–12,995**
Currency translation	58	0	0	0	0	**58**
Amortization in 2008	–1,671	0	–5,488	–1,346	0	**–8,505**
Disposals	45	0	0	0	0	**45**
Transfers	–4	0	0	0	4	**0**
Amortization at Dec. 31, 2008	**–6,450**	**0**	**–8,275**	**–6,676**	**4**	**–21,397**
Net book values at Dec. 31, 2008	**18,448**	**10,779**	**73,076**	**10,180**	**152**	**112,635**

	Concessions, industrial property rights and similar rights as well as licenses for 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, 2009	24,898	10,779	81,351	16,856	148	**134,032**
Currency translation	20	0	3	4	0	**27**
Change in the scope of consolidation	–99	0	0	–81	0	**–180**
Investments	887	0	0	4,018	0	**4,905**
Disposals	–516	0	0	0	0	**–516**
Transfers	348	0	–87	0	–148	**113**
Gross book values at Dec. 31, 2009	**25,538**	**10,779**	**81,267**	**20,797**	**0**	**138,381**
Amortization at Jan. 1, 2009	–6,450	0	–8,275	–6,676	4	**–21,397**
Currency translation	–21	0	–23	–1	0	**–45**
Amortization in 2009	–2,566	0	–5,437	–2,362	0	**–10,365**
Disposals	220	0	0	0	0	**220**
Transfers	–214	0	14	0	–4	**–204**
Amortization at Dec. 31, 2009	**–9,031**	**0**	**–13,721**	**–9,039**	**0**	**–31,791**
Net book values at Dec. 31, 2009	**16,507**	**10,779**	**67,546**	**11,758**	**0**	**106,590**

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

The brand name acquired in the previous year's business combination is considered to have an indefinite useful life and is therefore not amortized. There is no foreseeable limit to the period over which the brand name is expected to generate net cash inflows for the Group.

Because of the integration of the Stedim brand into the Sartorius Stedim Biotech brand, a separate measurement of relevant cash flows is no longer possible. Therefore, no separate impairment test was carried out in 2009; the recoverability of the brand name was considered at the level of the "Biopharma segment" cash-generating unit (CGU).

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

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

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

- The ability to use or sell the intangible asset

- The demonstration of how the intangible asset will generate probable future economics benefits

In 2009, the development costs of €4,018 K were recognized as assets (€3,765 K in 2008). The capitalized development costs essentially covered the costs that were allocated to the staff involved in R&D, 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 in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

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

Software	2 to 5 years
Customer relations and technologies	5 to 15 years
Brand name	n/a

13. Property, Plant and Equipment

	Land and leasehold rights and improvements, including buildings on third-party land € in K	Technical machinery and equipment € in K	Other equipment, factory and office equipment € in K	Payments on account relating to plant and equipment and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2008	90,387	56,328	39,294	1,686	**187,695**
Currency translation	–204	–16	–213	–91	**–524**
Investments	2,020	4,058	4,924	3,227	**14,229**
Disposals	–21	–2,184	–3,230	–1	**–5,436**
Transfers	266	716	492	–1,418	**56**
Change in the scope of consolidation	294	219	234	0	**747**
Gross book values at Dec. 31, 2008	**92,742**	**59,121**	**41,501**	**3,403**	**196,767**
Depreciation at Jan. 1, 2008	–17,832	–33,501	–24,196	0	**–75,529**
Currency translation	–48	–115	21	0	**–142**
Depreciation in 2008	–3,212	–4,195	–4,269	–1	**–11,677**
Disposals	3	1,444	2,300	0	**3,747**
Transfers	0	56	75	0	**131**
Change in the scope of consolidation	0	0	0	0	**0**
Depreciation at Dec. 31, 2008	**–21,089**	**–36,311**	**–26,069**	**–1**	**–83,470**
Net book values at Dec. 31, 2008	**71,653**	**22,810**	**15,432**	**3,402**	**113,297**

	Land and leasehold rights and improvements, including buildings on third-party land € in K	Technical machinery and equipment € in K	Other equipment, factory and office equipment € in K	Payments on account relating to plant and equipment and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2009	92,742	59,121	41,501	3,403	**196,767**
Currency translation	–143	–159	–45	21	**–326**
Investments	718	2,804	4,768	2,551	**10,841**
Disposals	–65	–3,097	–6,604	–331	**–10,097**
Transfers	–459	559	2,558	–2,357	**301**
Change in the scope of consolidation	25	70	32	0	**127**
Gross book values at Dec. 31, 2009	**92,818**	**59,298**	**42,210**	**3,287**	**197,613**
Depreciation at Jan. 1, 2009	–21,089	–36,311	–26,069	–1	**–83,470**
Currency translation	81	127	38	0	**246**
Depreciation in 2009	–3,307	–4,756	–4,150	0	**–12,213**
Disposals	51	2,835	5,740	1	**8,627**
Transfers	1	643	– 652	0	**–8**
Change in the scope of consolidation	0	0	0	0	**0**
Depreciation at Dec. 31, 2009	**–24,263**	**–37,462**	**–25,093**	**0**	**–86,818**
Net book values at Dec. 31, 2009	**68,555**	**21,836**	**17,117**	**3,287**	**110,795**

Property, Plant and Equipment

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

Interest on borrowings is capitalized according to IAS 23 (revised).

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

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

Impairment of Assets

The book values (carrying amounts) of property, plant and equipment and intangible assets are examined on each reporting 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. The recoverable amount of an asset or a cash-generating unit (CGU) is the higher of the two values, fair value – less costs to sell the asset or the CGU – and its value in use. In the event the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit (CGU) is estimated.

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

If the causes of the asset impairment are removed, the book value of the asset (or the CGU) is credited to the newly estimated recoverable amount in a manner recognized in net profit. However, the book value increase is limited to the value that the asset (or CGU) would have had if no asset impairment loss would have been assessed in previous financial years. In 2009, as for fiscal 2008, there were no impairment losses to recognize in the intangible assets and the property, plant and equipment.

14. Leasing Contracts

	Leasing equipment € in K
Gross book values at Jan. 1, 2008	6,354
Currency translation	–1
Investments	284
Disposals	–742
Transfers	133
Change in the scope of consolidation	0
Gross book values at Dec. 31, 2008	**6,028**
Depreciation at Jan. 1, 2008	–4,668
Currency translation	1
Depreciation in 2008	–714
Disposals	606
Transfers	–131
Change in the scope of consolidation	0
Depreciation at Dec. 31, 2008	**–4,906**
Net book values at Dec. 31, 2008	**1,122**

	Leasing equipment € in K
Gross book values at Jan. 1, 2009	6,028
Currency translation	0
Investments	0
Disposals	–514
Transfers	0
Change in the scope of consolidation	0
Gross book values at Dec. 31, 2009	**5,514**
Depreciation at Jan. 1, 2009	–4,906
Currency translation	0
Depreciation in 2009	–106
Disposals	469
Transfers	0
Change in the scope of consolidation	0
Depreciation at Dec. 31, 2009	**–4,543**
Net book values at Dec. 31, 2009	**971**

The Sartorius Stedim Biotech Group acts as a lessor in connection with filtration systems and equipment. These assets are leased to customers within operating leasing transactions. We have two basic types of leasing contracts, which can be adapted to meet the individual requirements of the lessee. Here, we distinguish between a "regular" leasing contract that merely covers a specific number of filtration modules as the initial consumables supplied. In addition, we offer a "global filtration policy" in which replacement modules are also an integral part of the lease payments. Our leasing business essentially covers Italy, France, Spain and Germany.

In fiscal 2009, we received lease payments of €1,265 K (2008: €1,087 K). For 2010, we expect to receive lease payments of €627 K for existing leasing contracts and for 2011 to 2014, a total of €773 K.

15. Investments

Investments in non-consolidated subsidiaries, associates and securities are measured at cost because no active market exists for these shares and securities, and the fair value of these assets cannot be reliably measured. These companies are not included in the scope of consolidation, because the impact on the Group's financial position, earnings and cash flows is not material.

16. Deferred Tax Assets

In accordance with IAS 12, Income Taxes, deferred taxes are measured using the balance sheet liability method with respect to temporary differences between the carrying amount of assets and liabilities in the balance sheet and their corresponding tax base. Deferred taxes on the level of the individual companies and those resulting from consolidation are recognized in this manner.

Deferred tax liabilities are recognized for all taxable temporary differences and are reported separately as deferred tax liabilities in the balance sheet. 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 amounts carried forward can be used. Deferred taxes are not recognized, in particular, 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. Deferred tax items in France were measured at the expected tax rate for 2010: 33.33%. In Germany, we can expect a corporate tax rate of 15% for 2010. Taking into account the 5.5% solidarity surcharge as well as the average Group trade income tax rate, the tax rate used to calculate deferred taxes is thus approximately 30%.

The deferred tax assets developed as follows during 2009:

	Deferred taxes on losses carried forward € in K	Pension benefits € in K	Consolidation processes € in K	Other deductible temporary differences € in K	**Total € in K**
Balance at Jan.1, 2008	2,378	1,039	2,400	2,718	**8,535**
Change in the scope of consolidation	0	0	0	83	**83**
Actuarial gains | losses recognized directly in equity	0	–205	0	0	**–205**
Recognized as affecting net income	254	177	–192	–608	**–369**
Differences in currency translation	53	23	0	1	**77**
Balance at Dec. 31, 2008	**2,685**	**1,034**	**2,208**	**2,194**	**8,121**

	Deferred taxes on losses carried forward € in K	Pension benefits € in K	Consolidation processes € in K	Other deductible temporary differences € in K	**Total € in K**
Balance at Jan. 1, 2009	2,685	1,034	2,208	2,194	**8,121**
Change in the scope of consolidation	0	0	0	0	**0**
Actuarial gains | losses recognized directly in equity	0	0	0	139	**139**
Recognized as affecting net income	–692	275	–516	2,765	**1,832**
Differences in currency translation	0	–79	0	0	**–79**
Balance at Dec. 31, 2009	**1,993**	**1,230**	**1,692**	**5,098**	**10,013**

The deferred taxes column on "Consolidation processes" refers to tax effects on the elimination of gains from the sale of inventories or fixed assets within the Group.

On the balance sheet date, the Group had unused tax loss amounts carried forward of €12.3 million to be deducted from future taxable profits (€20.9 million in 2008). A deferred tax amount was reported on approximately €5.5 million of these losses (€7.8 million in 2008). Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of foreseeability of future taxable profits.

Current Assets

17. Inventories

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Raw materials and supplies	**12,389**	14,707
Work in progress	**12,491**	15,970
Finished goods and merchandise	**21,201**	29,411
Payments on account	**637**	828
	46,718	60,915

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. On principle, finished goods and work in progress are reported at cost of conversion. This cost includes direct costs, which can be allocated to these materials, and the appropriate portion of production and materials handling overhead, general administrative expenses and fixed assets at normal depreciation and/or amortization rates, provided that these expenses are caused by production. Interest on borrowings is not capitalized.

Inventories must be evaluated at the lower amount of cost and the net realizable value.

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 estimated costs necessary for marketing, sales and distribution. Where inventory risks exist, such as those related to overstocking or slow inventory turnover, for example, inventories are marked down accordingly.

To enhance working capital, the Group substantially reduced its inventory levels as of December 31, 2009.

18. Current Trade | Other Receivables

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Trade receivables to third parties	**65,349**	68,489
Receivables from subsidiaries of the Sartorius AG Group	**5,048**	5,490
Receivables from participations	**60**	87
Trade receivables	**70,458**	74,067
Other assets including derivatives	**8,519**	9,253
Prepaid expenses	**1,672**	1,446
Other assets including derivative financial instruments	**10,191**	10,699
Current tax assets	**3,353**	4,303
	94,193	99,768

The "Receivables from subsidiaries of the Sartorius AG Group" item refers to companies of the Mechatronics Division of the Sartorius Group.

Trade and other receivables were reported so that all discernable risks are covered. Valuation allowances were determined on the basis of past experience with actual credit losses. The book values of trade receivables and other receivables are representative of their fair value considering the maturity date and the credit risks. In determining the recoverability of trade receivables, the Group considers any change in the credit quality from the date the credit was originally granted. There are no significant concentrations of credit risks due to a large base of unrelated customers.

For further details regarding the other assets including derivatives, please refer to Note 27.

In the fermentation business area, the Group carries out long-term construction contracts. These customer-specific contracts are recognized by the application of IAS 11, Construction Contracts, based on the percentage of completion method.

The aggregate amount of costs incurred and recognized profits | losses for projects in progress on the reporting date is €15,793 K (2008: €11,139 K). For these projects, advance payments of €14,803 K (2008: €12,840 K) were recorded.

Development of allowances:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Valuation allowance at the beginning of the year	**–3,966**	–3,707
Increase during the year	**–1,811**	–2,524
Derecognition and consumption	**728**	1,226
Recoveries of amounts previously impaired	**1,502**	966
Foreign currency translation differences	**–14**	73
Valuation allowance at the end of the year	**–3,561**	–3,966

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
1 - 30 days	**9,785**	11,772
31 - 90 days	**5,108**	7,585
91 - 180 days	**2,216**	2,415
181 - 360 days	**421**	1,651
More than 360 days	**131**	1,438
	17,661	24,861

19. Issued Capital

At December 31, 2009, Group share capital totaled €10,353 K. The equity structure reflects the issued shares of the legal parent company, Sartorius Stedim Biotech S.A., which comprise 16,972,721 shares with a par value of €0.61. All shares are fully paid up.

As of December 31, 2007, December 31, 2008, and December 31, 2009, there were no dilutive instruments other than share subscription option plans.

Shares registered in the name of the same owner for at least four years benefit from a double voting right.

The Group did not hold any treasury shares as of December 31, 2007, December 31, 2008, or December 31, 2009.

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

20. Capital Reserves, Hedging Reserves, Pension Reserves, Earnings Reserves and Retained Profits

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

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.

Pension Reserves

Essentially, actuarial gains and losses from measurement of the pension provisions according to IAS 19 are allocated to the pension reserves.

Dividends

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting for payment of a dividend for the year ended December 31, 2009, as follows: payment of a dividend of €0.60 per share, i.e., a total disbursement of €10,183,632.

	Dec. 31, 2009	Dec. 31, 2008
Number of shares at the beginning of the period	**16,922,488**	16,897,988
Stock options exercised	**50,233**	24,500
Increase in capital	**0**	0
Number of shares at the end of the period	**16,972,721**	16,922,488
Nominal value per share (in €)	**0.61**	0.61
Issued capital amount (€ in K)	**10,353**	10,323

Non-current Liabilities

21. Pension Provisions

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Pension provisions and similar obligations	**12,888**	11,836
Other non-current provisions	**3,195**	3,076
	16,082	14,911

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

All actuarial gains and losses are directly recognized in the equity (outside the income statement) according to the option of the standard IAS 19 option. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €296 K (gain of €279 K in 2008).

Measurement of the post-employment benefit obligations is based on the following actuarial assumptions:

For Germany:

in %	Dec. 31, 2009	Dec. 31, 2008
Discount rate	**5.5**	5.76
Future salary increases	**3**	3.1
Future pension increases	**2.00**	3.00

For France:

in %	Dec. 31, 2009	Dec. 31, 2008
Discount rate	**4.8**	5.1
Future salary increases	**2.75**	2.75
Future pension increases	**2.00**	3.00

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

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Current service cost	**325**	362
Interest cost	**618**	383
	943	745

The net value and the present value, respectively, recognized in the balance sheet developed as follows in 2009:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Present value of the obligations as of Jan. 1	**11,836**	11,426
Transfers	**0**	284
Current service cost	**325**	398
Interest cost	**618**	552
Change in the scope of consolidation	**0**	0
Actuarial gains | losses	**575**	–633
Currency translation differences	**–10**	62
Retirement benefits paid in the reporting year	**–456**	–253
Present value of the obligations as of Dec. 31	**12,888**	11,836

On the reporting date, the net liability that was wholly unfunded was €12,442 K as of December 31, 2009, and €11,159 K as of December 31, 2008.

22. Other Non-current Provisions

	Payments to employees on early retirement plan for offsetting reduced work hours € in K	Provisions for anniversaries and company awards € in K	Other € in K	**Total € in K**
Balance at Jan.1, 2008	1,694	514	417	**2,625**
Currency translation	0	0	19	**19**
Consumption	–303	–252	–1	**–556**
Reversals	–8	–13	0	**–21**
Additions	954	289	50	**1,293**
Reclassification	0	0	–284	**–284**
Balance at Dec. 31, 2008	**2,337**	**538**	**201**	**3,076**

	Payments to employees on early retirement plan for offsetting reduced work hours € in K	Provisions for anniversaries and company awards € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2009	2,337	538	201	**3,076**
Currency translation	0	0	–4	**–4**
Consumption	–272	–14	–28	**–314**
Reversals	0	–201	0	**–201**
Additions	618	13	7	**638**
Reclassification	0	0	0	**0**
Balance at Dec. 31, 2009	**2,683**	**336**	**176**	**3,195**

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 5.5%. The provision for employees on the early retirement plan has a term of up to five years.

Deferred Tax Liabilities

	Differences in useful lives in the fixed assets € in K	Intangible assets € in K	Capitalized development costs € in K	Other taxable temporary differences € in K	**Total € in K**
Balance at Jan.1, 2008	4,739	27,874	1,673	2,139	**36,425**
Change in the scope of consolidation	0	2,882	0	0	**2,882**
Hedge accounting, not affecting net income	0	0	0	–713	**–713**
Affecting net income in the fiscal year	–112	–2,947	1,293	–141	**–1,907**
Effect of currency differences	–46	0	0	–27	**–73**
Balance at Dec. 31, 2008	**4,581**	**27,809**	**2,966**	**1,258**	**36,614**

	Differences in useful lives in the fixed assets € in K	Intangible assets € in K	Capitalized development costs € in K	Other taxable temporary differences € in K	**Total € in K**
Balance at Jan. 1, 2009	4,581	27,809	2,966	1,258	**36,614**
Change in the scope of consolidation	0	–567	0	0	**–567**
Hedge accounting, not affecting net income	0	0	0	186	**186**
Affecting net income in the fiscal year	227	–1,721	434	–537	**–1,597**
Effect of currency differences	0	0	0	5	**5**
Balance at Dec. 31, 2009	**4,808**	**25,521**	**3,400**	**912**	**34,641**

The deferred tax liabilities in connection with intangible assets refer to assets acquired in business combinations and consequently are mainly linked to customer relationships (2009: €20.9 million; 2008: €23.4 million).

23. Non-current Liabilities

This item consists of the following:

	Balance at Dec. 31, 2009 € in K	**Remaining term of more than five years Dec. 31, 2009 € in K**	Balance at Dec. 31, 2008 € in K	Remaining term of more than five years Dec. 31, 2008 € in K
Loans and borrowings	**104,075**	**0**	130,819	0
Other liabilities	**169**	**0**	246	0
	104,244	**0**	131,065	0

The increase in non-current liabilities is due to the signing of a facility agreement in September 2008, with a five-year term, for credit lines amounting to an aggregate of €220 million. Ten additional banks joined the syndicate of banks headed by the mandated lead arrangers Commerzbank Aktiengesellschaft, Dresdner Kleinwort and WestLB AG, to participate in this credit facility.

The Sartorius Stedim Biotech Group's syndicated loan is part of a financing package of the Sartorius Group, which totals an aggregate of €400 million.

(See Note 27, part G, for more information.)

Current Liabilities

24. Current Provisions

During financial 2008 and 2009, the current provisions developed as follows:

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan.1, 2008	1,349	6,169	**7,518**
Currency translation	–14	79	**65**
Change in the scope of consolidation	54	135	**189**
Consumption	–652	–2,004	**–2,656**
Release	–338	–3,670	**–4,008**
Additions	1,055	3,022	**4,077**
Balance at Dec. 31, 2008	**1,454**	**3,731**	**5,185**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2009	1,454	3,731	**5,185**
Currency translation	–11	–77	**–88**
Change in the scope of consolidation	0	0	**0**
Consumption	–695	–1,846	**–2,541**
Release	–430	–1,496	**–1,926**
Additions	844	3,455	**4,299**
Balance at Dec. 31, 2009	**1,162**	**3,767**	**4,929**

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 "Other" item for provisions essentially refer to onerous contracts in connection with the restructuring measures carried out at our production sites in the U.S. in 2009.

25. Current Liabilities

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Payments received on account of orders	**3,988**	2,545
Trade payables to third parties	**24,847**	23,996
Payables to participations	**363**	382
Payables to subsidiaries of the Sartorius AG Group	**3,527**	4,806
Trade payables	**32,725**	31,729
Loans and borrowings	**38,417**	32,458
Current tax liabilities	**10,848**	4,550
Other liabilities	**32,773**	24,186
	114,763	92,922

The “Payables to subsidiaries of the Sartorius AG Group” refer to companies of the Mechatronics Division of the Sartorius Group.

The increase in the items "Loans and borrowings" and "Other liabilities" is related to the implementation of a factoring program in 2009 under which the Group transferred €22.6 million of the "Trade receivables" item to an unrelated entity. As the Group provided the transferee with a credit guarantee above a partial amount of the expected losses of these receivables, the transfer did not qualify for derecognition under IAS 39. Accordingly, the Group continues to recognize the full carrying amount of the receivables, and has accounted for the cash received on the transfer as a secured borrowing.

26. Other Financial Obligations | Contingent Assets and Liabilities

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

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Rental and leasing contracts		
- due in the financial year 2010	**4,681**	
- due in the financial year 2009		4,285
- due in any one financial year from 2011 to 2014	**8,915**	
- due in any one financial year from 2010 to 2013		10,327
- due after 2014	**1,538**	
- due after 2013		2,358
Forward exchange transactions for hedging of commodity trade	**9,719**	3,578
Guarantee commitments	**5,224**	5,634

27. Financial Instruments | Financial Risks

A. General Information

This section gives an overview of the impact of financial instruments on the financial statements of the Sartorius Stedim Biotech Group and provides additional information on the balance sheet items, which contain financial instruments.

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 this time.

B. 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 balance sheet items. The fair values of the financial assets and liabilities approximate the carrying amounts on account of their predominantly short-term maturity.

December 31, 2009	Financial assets at fair value through profit or loss		Financial assets at fair value recognized directly in equity				Total
	Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Hedging instruments € in K	Loans and receivables € in K	Held-to-maturity financial assets € in K	Not in scope of IFRS 7 / IAS 39 € in K	**€ in K**
Non-current assets							
Financial assets					33	2,215	**2,248**
Receivables and other assets				598		798	**1,396**
Current assets							
Trade receivables				70,458			**70,458**
Other assets including derivative financial instruments				4,845		5,346	**10,191**
Cash and cash equivalents				54,849			**54,849**

December 31, 2008	Financial assets at fair value through profit or loss		Financial assets at fair value recognized directly in equity				Total
	Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Hedging instruments € in K	Loans and receivables € in K	Held-to-maturity financial assets € in K	Not in scope of IFRS 7 / IAS 39 € in K	**€ in K**
Non-current assets							
Financial assets					33	1,964	**1,997**
Receivables and other assets				600		1,093	**1,693**
Current assets							
Trade receivables				74,067			**74,067**
Other assets including derivative financial instruments				5,440		5,259	**10,699**
Cash and cash equivalents				13,222			**13,222**

December 31, 2009	Financial liabilities at fair value recognized directly in equity	Financial liabilities at fair value through profit or loss				**Total**
	Hedging instruments € in K	Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Financial liabilities at amortized cost	Not in scope of IFRS 7 / IAS 39 € in K	**€ in K**
Non-current liabilities						
Provisions				3,195		**3,195**
Loans and borrowings				104,075		**104,075**
Other liabilities				169		**169**
Current liabilities						
Provisions				3,767	1,162	**4,929**
Loans and borrowings				38,417		**38,417**
Trade payables				28,737	3,988	**32,725**
Other liabilities	115			27,114	5,544	**32,773**

December 31, 2008	Financial liabilities at fair value recognized directly in equity	Financial liabilities at fair value through profit or loss				**Total**
	Hedging instruments € in K	Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Financial liabilities at amortized cost	Not in scope of IFRS 7 / IAS 39 € in K	**€ in K**
Non-current liabilities						
Provisions				3,076		**3,076**
Loans and borrowings				130,819		**130,819**
Other liabilities				246		**246**
Current liabilities						
Provisions				3,731	1,454	**5,185**
Loans and borrowings				32,458		**32,458**
Trade payables				29,184	2,545	**31,729**
Other liabilities				15,341	8,845	**24,186**

The maximum credit risk from financial assets corresponds to their carrying amounts.

The net gains and losses of the various categories of financial instruments are presented in the following table:

Result from financial instruments held for trading

	2009 12 months € in K	2008 12 months € in K
Valuation	**–557**	–1,307
Losses | gains on realizations	**–6**	2,284
Exchange gains I losses	**0**	0
	–563	977

Result from receivables and payables

	2009 12 months € in K	2008 12 months € in K
Interest income	**0**	0
Allowances	**–1,811**	–2,524
Income from the decrease in allowances for bad debts	**1,502**	966
Exchange gains I losses	**96**	–1,027
	–213	–2,585

The maturity of the financial liabilities shows the following pattern:

	< 1 year € in K	1 - 5 years € in K	> 5 years € in K	**Carrying amount Dec. 31, 2009 € in K**
Non-current liabilities				
Provisions	0	3,195	0	**3,195**
Loans and borrowings	0	104,075	0	**104,075**
Other liabilities	0	169	0	**169**
Current liabilities				
Provisions	3,767	0	0	**3,767**
Loans and borrowings	38,417	0	0	**38,417**
Trade payables	28,737	0	0	**28,737**
Other liabilities	27,229	0	0	**27,229**

	< 1 year € in K	1 - 5 years € in K	> 5 years € in K	**Carrying amount Dec. 31, 2008 € in K**
Non-current liabilities				
Provisions	0	3,076	0	**3,076**
Loans and borrowings	0	130,819	0	**130,819**
Other liabilities	0	246	0	**246**
Current liabilities				
Provisions	3,731	0	0	**3,731**
Loans and borrowings	32,458	0	0	**32,458**
Trade payables	29,184	0	0	**29,184**
Other liabilities	15,341	0	0	**15,341**

C. Capital Risk Management

In the Sartorius Stedim Biotech 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 operate under the premise of the going-concern principle.

The financial liabilities detailed in Notes 27 and 29 are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital in Notes 21 to 24.

D. Goals of Financial Risk Management

The Treasury Department of the Sartorius Stedim Biotech Group is centrally focused in Sartorius Corporate Administration GmbH, a subsidiary of Sartorius AG. This centralized Treasury Department performs services for all companies of the Sartorius Group, including the Sartorius Stedim Biotech Group, and coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting, which analyzes risks according to their degree and scope. Essentially, these risks entail currency, interest rate and liquidity risks.

The Sartorius Stedim Biotech Group strives to minimize the impact of currency risk 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 – there is no speculative trading on the stock exchange. Following thorough analysis of the current and anticipated interest rate situation, the Group has not carried out interest hedging to date. We counteract liquidity risks by maintaining sufficient credit lines as well as by planning short-, mid- and long-term liquidity using advanced treasury software.

E. Management of Exchange Rate Risks

The Group is exposed to currency risks as more than one third of sales revenue is generated in U.S. dollars or currencies linked to the U.S. dollar and, to a lesser extent, in other foreign currencies. On principle, we use derivative financial instruments to hedge the net currency exposure resulting from currency translation of our sales revenue.

As a rule, we use zero-cost options and forward exchange dealings. With these forward exchange dealings accounted for on the reporting date, we secure the right, and obligated ourselves, 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.

Our strategy provides for hedging of up to one and a half years in advance. Also, our hedging measures are reviewed at regular intervals in order to adapt them to currency fluctuations.

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent balance sheet dates. All changes in value of the derivative financial instruments are recognized in the income statement on the balance sheet date. If the derivative financial instruments serve to hedge against cash flow risk and a qualified hedging relationship exists based on the criteria of IAS 39, the valuation adjustments are recognized directly in equity. The amounts recognized in equity are included in the income statement in the period in which the hedged transactions affect this result.

As of the balance sheet date, there are no options outstanding. The chart on the next page provides an overview of the foreign currency options held in the previous year.

Currency	Volume	Term	Hedged exchange rate	Fair value € in K
Reporting date on Dec. 31, 2009				
				0

Currency	Volume	Term	Hedged exchange rate	Fair value € in K
Reporting date on Dec. 31, 2008				
USD	27,500,000	Up to 6 months	1.4547	–41
USD	5,000,000	Up to 12 months	1.5625	–251
USD		More than 12 months		
JPY	300,000,000	Up to 6 months	129.0000	–31
JPY		Up to 12 months		
JPY		More than 12 months		
				–324

If the U.S. dollar would have depreciated 5% against the euro, earnings from currency hedging transactions in 2009 would have risen by around €1.1 million (2008: €0.8 million).

Vice versa, if the U.S. dollar would have appreciated 5% against the euro, earnings from currency hedging transactions in 2009 would have fallen by about €1.3 million (2008: €0.7 million).

The following table shows the forward transactions as of December 31, 2009:

Currency	Volume	Maturity	Forward rate	Fair value € in K
USD	2,000,000	January 19, 2010	1.4405	–5
USD	2,000,000	January 19, 2010	1.4587	–17
USD	2,000,000	February 18, 2010	1.4585	–17
USD	2,000,000	March 18, 2010	1.4584	–18
USD	2,000,000	April 19, 2010	1.4583	–18
USD	2,000,000	May 18, 2010	1.4581	–19
USD	2,000,000	June 18, 2010	1.4580	–19
USD	**14,000,000**			**–115**

F. Interest Risk Management

Financing of the Sartorius Stedim Biotech Group is usually done through the German subsidiary Sartorius Stedim Biotech GmbH and the French parent company Sartorius Stedim Biotech S.A., which ensure the financing of all Group companies using internal group loans. In this case, the Group is exposed to interest rate risks as these loans are primarily taken out at variable interest rates. To control the interest risk, we maintain an appropriate ratio between fixed and variable loans. Furthermore, we regularly review which interest hedging measures are required.

G. Liquidity Risk Management

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, by continuously tracking the forecasted and actual cash flows and by managing the maturity profiles of financial assets and liabilities.

The difference between the existing credit line of €243.7 million as of December 31, 2009, and credit line used of €119.9 million shows the amount of unused credit lines (€123.8 million).

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

	Credit line at Dec. 31, 2009	< 1 year € in K	1 - 5 years € in K	> 5 years € in K	Interest rate	**Credit line used as at Dec. 31, 2009**
Syndicated credit line	**207,000**	13,000	194,000	0	Variable	**117,000**
Bilateral credit line	**36,711**	25,678	9,033	2,000	Variable and fixed	**2,931**
	243,711					**119,931**

	Credit line at Dec. 31, 2008	< 1 year € in K	1 - 5 years € in K	> 5 years € in K	Interest rate	Credit line used as at Dec. 31, 2008
Syndicated credit line	220,000	13,000	207,000	0	Variable	140,000
Bilateral credit line	46,624	26,131	14,565	5,928	Variable and fixed	23,276
	266,624					**163,276**

If the market interest rate had been 1.0 percentage point higher, interest expenses in 2009 would have increased by about €1.6 million (2008: €1.6 million). If this interest rate had been 1.0 percentage point lower, interest expenses for 2009 would have decreased by about €1.6 million (2008: €1.6 million).

As explained in Note 23, the Group put in place a syndicated loan agreement with a credit line of €220 million. Under this agreement, Sartorius Stedim Biotech is required to comply with standard financial key ratios (covenants). In this context, the ratio of net debt to underlying EBITDA may not be greater than 3.0 and the interest coverage ratio (underlying EBITDA to interest payable) may not be lower than 5.0 for the financial years of 2008 to 2010, or 6.0 for the financial years thereafter. As of December 31, 2009, Sartorius Stedim Biotech achieved the following ratios:

Net debt € in K	Underlying EBITDA € in K	Ratio of net debt / EBITDA	Interest payable € in K	Interest coverage
87,643	75,163	1.2	5,959	12.61

Underlying EBITDA corresponds to the EBITDA adjusted for extraordinary items.

28. Share-based Payments

Share-based payments relate to stock option plans allocated for Group personnel.

	Dec. 31, 2009	Dec. 31, 2008
Outstanding at the beginning of the period	**143,460**	179,027
Allocated during the period	**0**	0
Cancelled during the period	**0**	–11,067
Exercised during the period	**–50,233**	–24,500
Lapsed in the period	**0**	0
Outstanding at the end of the period	**93,227**	143,460
Exercisable at the end of the period	**93,227**	143,460

The various stock option plans outstanding at December 31, 2008, and December 31, 2009, are summarized in the following tables.

Date of General Meeting authorizing 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	Number of bene- ficiaries	Subscrip- tion on price in €	Number of shares subscribed over the fiscal year 2009	Number of options granted and exercisable at Dec. 31, 2009	Number of options subject to target perfor- mance at Dec. 31, 2009	Number of bene- ficiaries of valid options
June 23, 2000	Aug. 2, 2000	139,105	0	0	5	9	0	0	0	0
June 23, 2000	Sept. 28, 2001	142,855	0	0	7	12	0	4,060	0	1
June 23, 2000	Nov. 14, 2002	12,100	0	0	1	7	0	0	0	0
June 23, 2000	Sept. 10, 2003	22,000	0	0	1	8	4,400	0	0	0
June 23, 2000	Feb. 11, 2004	66,000	0	0	1	6	0	0	0	0
June 23, 2000	July 23, 2004	140,000	0	0	19	9	42,500	25,000	0	3
June 10, 2005	Sept. 15, 2005	127,500	10,000	1	15	19	3,333	46,667	0	4
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	30	0	17,500	0	2
Total		**684,560**	**10,000**		**51**	**0**	**50,233**	**93,227**	**0**	**10**
									93,227	

Date of General Meeting authorizing 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	Number of bene- ficiaries	Subscrip- tion on price in €	Number of shares subscribed over the fiscal year 2008	Number of options granted and exercisable at Dec. 31, 2008	Number of options subject to target perfor- mance at Dec. 31, 2008	Number of bene- ficiaries of valid options
June 23, 2000	Aug. 2, 2000	139,105			5	8.59	0			0
June 23, 2000	Sept. 28, 2001	142,855			7	11.94	0	4,060		1
June 23, 2000	Nov. 14, 2002	12,100			1	6.78	0			0
June 23, 2000	Sept. 10, 2003	22,000			1	7.9	0	4,400		1
June 23, 2000	Feb. 11, 2004	66,000			1	6.42	22,000	0		0
June 23, 2000	July 23, 2004	140,000			19	9.23	2,500	67,500		10
June 10, 2005	Sept. 15, 2005	127,500	10,000	1	15	18.87	0	50,000		5
June 10, 2005	Nov. 10, 2006	35,000			2	29.51	0	17,500		2
Total		**684,560**	**10,000**		**51**	**0**	**24,500**	**143,460**	**0**	**19**
									143,460	

The cost for fiscal 2009 is €0 K. No additional stock options were granted in 2008.

Sartorius Stedim Biotech share purchase options have been allocated by the Group to some of its senior managerial employees and directors. The fair value of services performed as consideration for the allocation of these options is measured definitively by reference to the fair value of these options at the date of allocation. In order to perform this estimate, the Group uses 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. This expense is recognized under personnel costs and offset by an increase in reserves.

Cash received by the Group upon the exercise of these options is recognized in the cash and cash equivalents with a corresponding item in the issued capital and the reserves.

On the level of Sartorius Stedim Biotech's majority shareholder Sartorius AG, share-based payments exist in the form of so-called phantom stock units. The fair value of the phantom stock units is disclosed as follows:

Components with a Long-term Incentive Effect	Number of phantom stock units	Subscription price	Fair value when granted on Jan. 1 of the particular year € in K	**Fair value at year-end on Dec. 31, 2009 € in K**	Paid out € in K	Exercisable
Tranche of phantom stock units for 2007	3,593	34.79	125	**55**	0	No
Tranche of phantom stock units for 2008	4,754	28.92	138	**71**	0	No
Tranche of phantom stock units for 2009	20,905	16.32	171	**300**	0	No
	37,176		**33**	**58**	**0**	

Notes to the Income Statement

29. 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. The stage of completion corresponds to the partial work performed by the Group on the contract as of the fiscal year ended. The percentage of completion is the ratio (contract costs incurred as of the reporting date | total contract cost estimated). The losses on contract expected are taken into account by means of provisions. Contract revenue is defined by the amount agreed in the respective contract.

Sales revenue, which is broken down by operating segment and geographical area, consists of the following:

	2009 12 months € in K	2008 12 months € in K
France	**67,098**	31,901
Germany	**36,286**	69,408
All other countries	**297,847**	266,687
	401,231	367,996

An amount of €5,741 K was earned with subsidiaries in 2009 and €4,251 K in 2008.

30. 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 can be allocated to the manufacturing area, and the corresponding depreciation and amortization.

31. Selling and Distribution Costs

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

32. 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.

33. General Administrative Expenses

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

34. Other Operating Income and Expenses

	2009 12 months € in K	2008 12 months € in K
Currency translation gains	**5,068**	8,834
Income from the decrease in allowances for bad debts	**1,502**	966
Income from release and use of provisions and liabilities	**1,063**	2,047
Income from grants	**1,893**	1,164
Other income	**1,802**	1,439
Other operating income	**11,330**	14,450
Currency translation losses	**–4,978**	–7,577
Reorganization expenses	**–4,642**	–1,800
Allowances for bad debts	**–1,811**	–2,524
Other expenses	**–1,163**	–2,524
Other operating expenses	**–12,594**	–14,425
Total other operating income and expenses	**–1,264**	25

Extraordinary items, which mainly entailed costs for the consolidation of the production sites of €1.8 million and non-operating depreciation and write-downs of €1.7 million, accounted for a total of €4.6 million.

35. Financial Result

	2009 12 months € in K	2008 12 months € in K
Interest and similar income	**354**	607
- of which from affiliated companies	**[146]**	[282]
Interest and similar expenses	**–5,959**	–9,792
- of which from affiliated companies	**[28]**	[103]
Expenses for derivative financial instruments	**–597**	–2,658
Interest expense for pensions	**–607**	–552
Other financial expenses	**–134**	–127
	–6,943	–12,522

36. Income Tax Expense

	2009 12 months € in K	2008 12 months € in K
Current income taxes	**–13,676**	–7,621
Deferred taxes	**3,429**	1,538
	–10,247	–6,083

As a matter of principle, income taxes in France are calculated at 33.33% of the estimated taxable profit for the year. For Germany, a rate of 30% was applied to the taxable income for 2008 and 2009, and will be applied to the fiscal years thereafter. Income generated outside France and Germany is taxed at the particular rates that are valid in the corresponding country.

Considering the French and German average tax rates and the impact of other tax legislation, the expected tax rate for the Sartorius Stedim Biotech Group is roughly 26%. The following table describes the difference between the tax expense to be expected and the income tax expenses reported for the particular financial year.

	2009 12 months € in K	2008 12 months € in K
Expected tax expense (32%)	**12,588**	6,140
Difference from the Group average income tax rate	**–1,316**	–1,146
Expenses not deductible for tax purposes	**280**	517
Losses and temporary differences not considered as assets	**–35**	339
Adjustments from previous years	**–1,068**	246
Tax-free income and other tax exemptions	**–341**	–607
Other	**139**	594
	10,247	6,083
Effective tax rate	**26.0%**	31.7%

37. Earnings per Share

Diluted net earnings per share were measured by taking into account share subscription options outstanding at December 31, 2009, resulting in certain Group employees acquiring entitlements to subscribe to a total of 93,227 shares.

Therefore, the diluted net earnings per share at December 31, 2007, December 31, 2008, and December 31, 2009, were calculated on the following basis:

- At December 31, 2007 – on the basis of 2007 financial year items – the number of existing and potential future shares (including optional shares and the shares created by the carve-out of the Sartorius Biotechnology Division) was 12,201,434.
- At December 31, 2008 – on the basis of 2008 financial year items – the number of existing and potential future shares (including optional shares) was 17,065,948.
- At December 31, 2009 – on the basis of 2009 financial year items – the number of existing and potential future shares (including optional shares) was 17,065,948.

	2009	2008
Net profit after tax (€ in K)	**29,092**	13,104
Group net profit after tax (€ in K)	**29,092**	13,091
Earnings per share (€)	**1.71**	0.77
Diluted earnings per share (€)	**1.70**	0.77
Number of shares used in earnings per share calculation	**16,972,721**	16,922,488
Future options	**93,227**	143,460
Potential options	**0**	0
Number of shares used in diluted earnings per share calculation	**17,065,948**	17,065,948

According to IAS 33, Earnings per Share, the earnings per share for each class must be determined separately. The basic earnings per share (basic EPS) are calculated on the basis of the weighted average number of shares outstanding during the period. Net profit after minority interest was divided according to the ratio of the weighted number of ordinary shares.

38. Other Disclosures

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

Material Events after the Reporting Date

No material events occurred after the reporting date.

Analysis of Operating Profit by Category

	2009 12 months € in K	2008 12 months € in K
Sales revenue	**401,231**	367,996
Purchases consumed	**–111,112**	–114,043
Cost of purchased services	**–10,695**	–6,840
Personnel costs	**–121,539**	–116,482
Amortization and depreciation	**–22,685**	–20,896
Other operating costs	**–86,590**	–76,005
	–352,621	–334,266
Operating profit	**48,610**	33,730
Financial income I expenses	**–6,943**	–12,522
Income tax and other taxes	**–12,575**	–8,104
Minority interest	**0**	–13
Net profit	**29,091**	13,091

Raw Materials and Supplies

This item consists of the following:

	2009 12 months € in K	2008 12 months € in K
Expenses for raw materials, supplies and purchased materials	**111,112**	114,043
Cost of purchased services	**10,695**	6,840
	121,807	120,883

Employee Benefits Expense

This item can be broken down as follows:

	2009 12 months € in K	2008 12 months € in K
Wages and salaries	**99,463**	94,282
Social security	**20,150**	19,315
Expenses for retirement benefits and pensions	**1,926**	2,884
	121,539	116,482

Number of Employees

The average workforce employed during the year 2009 was 2,395 (2,343 persons in 2008).

Statutory Auditors' Report on the Consolidated Financial Statements

(Freely translated from the French original by the auditors)

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2009 on:

- the audit of the accompanying consolidated financial statements of Sartorius Stedim Biotech;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management, and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group in accordance with the accounting rules and principles applicable under IFRS, as adopted by the European Union.

Without modifying the conclusion expressed above, we draw your attention to note "Accounting Rules and Methods" to consolidated financial statements which sets out the standards and applications applied by Sartorius Stedim Biotech from January 1, 2009.

II. Justification of assessments

In accordance with the requirements of article L. 823 - 9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Note 3 "Accounting policies / assumptions and estimates" to the consolidated financial statements refers to the significant judgments and estimates made by management, particularly those concerning the capitalization of research and development expenditure and the impairment tests on goodwill and assets with indefinite useful lives.

At each period-end, the Company systematically performs an impairment test on goodwill and assets with indefinite useful lives and also assess whether there is an indication of a loss in value for long-term assets, according to the terms and conditions defined in Note 12 "Goodwill and intangible assets" to the financial statements.

Our work consisted in assessing the data and assumptions on which these judgments and estimates were based, reviewing, on a test basis, the calculations performed by the Company, comparing the accounting estimates of previous periods with the corresponding achievements, examining the procedures implemented by management to approve the estimates and verifying that the notes to the financial statements provide an appropriate disclosure on the assumptions and options adopted by the Company.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.

III. Specific verification

We have also verified the information given in the group management report as required by French law.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Marseilles, March 5, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

05

Annual Financial Statements of Sartorius Stedim Biotech S.A. and Notes

Annual Financial Statements

Parent Company Balance Sheet: Assets (in thousands of €)

	Gross at Dec. 31, 2009	Depreciation, amortization, and provisions Dec. 31, 2009	Net at Dec. 31, 2009	Net at Dec. 31, 2008
Intangible assets	**2,634**	**–2,320**	**314**	596
Property, plant and equipment	**30,229**	**–18,557**	**11,672**	12,497
Financial investments	**84,445**		**84,445**	84,445
Total non-current assets	**117,308**	**–20,877**	**96,431**	97,537
Inventories and work in progress	**8,129**	**–1,646**	**6,483**	10,358
Receivables				
Trade receivables to third parties	**10,125**	**–501**	**9,624**	8,619
Other receivables	**6,069**	**–10**	**6,059**	8,135
Marketable securities	**376**	**–376**	**0**	0
Deposits and cash equivalents	**563**		**563**	869
Total current assets	**25,262**	**–2,533**	**22,729**	27,981
Prepaid expenses	**34**		**34**	96
Currency translation adjustment	**743**		**743**	1,136
Total assets	**143,347**	**–23,410**	**119,937**	126,750

Parent Company Balance Sheet: Equity and Liabilities (in thousands of €)

	At Dec. 31, 2009	At Dec. 31, 2008
Share capital	**10,353**	10,323
Share premium	**58,577**	59,231
Reserves	**1,231**	1,023
Retained earnings carried forward	**0**	–1,482
Profit for the period	**14,160**	5,654
Regulated provisions	**2,045**	1,228
Total equity	**86,366**	75,977
Provisions for liabilities and charges	**1,020**	1,176
Total provisions for liabilities and charges	**1,020**	1,176
Loans and borrowings	**0**	20,615
Trade payables	**7,307**	4,680
Tax and social charges payable	**4,524**	3,950
Liabilities for non-current assets	**119**	881
Other liabilities	**20,577**	19,453
Total liabilities	**32,527**	49,579
Currency translation adjustment	**24**	17
Total equity and liabilities	**119,937**	126,750

Parent Company Balance Sheet: Income Statement (in thousands of €)

	At Dec. 31, 2009	At Dec. 31, 2008
Sales revenue	**64,626**	46,655
Inventory movements	**–1,374**	2,832
Capitalized production costs	**98**	0
Depreciation or amortization reversals	**2,646**	1,175
Other operating income and expense reallocation	**229**	107
Purchases consumed	**–31,264**	–22,696
External charges for services	**–7,062**	–8,916
Tax and duties	**–1,793**	–1,520
Personnel costs	**–17,140**	–16,006
Additions to amortization, depreciation and provisions	**–5,671**	–4,074
Other operating expenses	**–234**	–109
Operating profit	**3,061**	–2,551
Net financing income | (expense)	**10,403**	7,448
Profit | (loss) from ordinary activities	**13,464**	4,896
Exceptional income | (expense)	**–1,117**	–606
Contribution to employee profit-sharing plan	**0**	0
Income tax	**1,813**	1,364
Net profit | (loss)	**14,160**	5,654

1. Accounting Principles and Methods

The parent company financial statements for the year ended December 31, 2009, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of a going concern. The annual financial statements have been prepared in accordance with the provisions of the French Commercial Code Accounting Decree of November 29, 1983, and CRC Regulation 99 - 03 of April 29, 1999, on the revision of the French chart of accounts.

Sartorius Stedim Biotech S.A. is listed in Compartment B of the Euronext Paris Stock Exchange (ISIN FR code 0000053266) and also prepares consolidated financial statements in accordance with IFRS standards, as adopted by the European Union on December 31, 2009.

1.1 Non-current Assets

Non-current intangible and tangible assets are valued at their acquisition costs, excluding costs incurred for their acquisition.

For intangible assets and property, plant and equipment, the Company applied the French Regulation CRC No. 2002 - 10, recodified by Article 2 - 4 of Regulation CRC No. 2004 - 06 relative to the amortization, depreciation and impairment of assets according to the "Component approach."

1.1.1 Intangible Assets

The following is thus valuated under this heading: incorporation costs, patents and software.

All these assets are amortized on a straight-line basis using the following indicative useful lives:

– Incorporation costs:	One to five years
– Software:	One to three years
– Patents:	Twenty years

As part of the implementation of integrated software, the direct labor costs concerned are included in the amount capitalized as cost, as a function of the time elapsed.

Intangible assets are valued at acquisition cost less amortization and impairments reported, on an ongoing basis.

The expenses of research and development are not capitalized. They are considered expenses in the annual accounts and amount to €2,287 K.

1.1.2. Property, Plant and Equipment

Property, plant and equipment (PPE) are recognized at their acquisition value, including the installation cost of these assets.

Depreciation is calculated over the standard and economic life of the assets using the straight-line method.

All these non-current assets are depreciated on a straight-line basis using the following indicative periods of use:

- Buildings: Twenty to forty years
- Improvements, fixtures and fittings: Ten to fifteen years
- Plant and equipment: Four to ten years
- Office and IT equipment: Three to five years
- Motor vehicles: Four to five years

Property, plant and equipment are valued at acquisition cost less depreciation and impairments noted, on an ongoing basis.

1.1.3. Financial Investments

Investments relate mainly to shareholdings in subsidiaries and are recorded at their acquisition cost, including fees linked to the acquisition.

A provision for write-down may be established to take into account, in particular, the underlying assets of these subsidiaries, their financial position and their prospects.

Shareholdings in subsidiaries are subject to impairment tests.

At December 31, 2009, no depreciation of investments has been recorded.

1.2. Inventories and Work in Progress

The value of merchandise and supplies is determined using the FIFO method.

Storage and acquisition costs are not included.

Work in progress and finished products are valuated at production cost using the full industrial cost method.

A provision for write-down is made where appropriate when the realizable value or the prospects of use and/or sale of these inventories are lower than the gross carrying value.

Inventories held by third parties are subject to an annual write-down as a function of their estimated useful life.

1.3. Receivables and Payables

Receivables and payables are recorded at their nominal value.

Receivables whose collection is doubtful are subject to a provision for doubtful debts.

1.4. Marketable Securities

Marketable securities are valued at their historic cost.

A provision for write-down is made when the realizable value is lower than the historic cost.

In return, no unrealized capital gain is recognized in the financial statements.

1.5. Currency Translation Adjustment

Foreign currency-denominated receivables and liabilities were converted and recognized based on the December 31 exchange rate. The difference observed with the historical cost is posted to the "Currrency translation adjustment" item.

Unrealized losses resulting from currency translation are recognized under currency translation loss when the value of the receivable or liability has not been hedged by forward transactions (see Section 6.1).

2. Non-Current Assets (in thousands of €)

2.1 Intangible Assets

Gross values	At Dec. 31, 2008	Increase 2009	Decrease 2009	At Dec. 31, 2009
Incorporation costs	4	**0**	**0**	**4**
Patents	336	**0**	**11**	**325**
Software, licenses	2,260	**185**	**142**	**2,303**
Business goodwill	2	**0**	**0**	**2**
Intangible assets in progress	0	**0**	**0**	**0**
Total	2,602	**185**	**153**	**2,634**
Amortization and depreciation	2,006	**314**	**1**	**2,320**
Net amount	596	**–129**	**152**	**314**

2.2 Property, Plant and Equipment

Gross values	At Dec. 31, 2008	Increase 2009	Decrease 2009	At Dec. 31, 2009
Land	396	**0**	**0**	**396**
Buildings	14,008	**76**	**521**	**13,563**
Plant and equipment	10,321	**1,457**	**1,537**	**10,241**
Other	6,066	**2,256**	**2,298**	**6,024**
Property, plant and equipment in progress	1,235	**4**	**1,235**	**4**
Total	32,027	**3,793**	**5,591**	**30,229**

Amortization and depreciation	At Dec. 31, 2008	Addition	Release	At Dec. 31, 2009
Buildings	5,892	**477**	**24**	**6,345**
Plant and equipment	8,319	**919**	**1,534**	**7,704**
Other	5,319	**1,459**	**2,270**	**4,508**
Total	19,531	**2,855**	**3,828**	**18,558**
Property, plant and equipment, net	12,496			**11,672**

The variation in property, plant and equipment (€3,793 K) was primarily due to industrial equipment investments (€1,457 K), fixtures and other tangible assets (€2,256 K) - including the transfer of €1,235 K for work-in-progress assets - and disposals of fixed assets of €3,828 K.

2.3 Financial Investments

Investments	At Dec. 31, 2008	**Increase 2009**	**Decrease 2009**	**At Dec. 31, 2009**
Shareholdings	84,426	**0**	**0**	**84,426**
Write-down of shareholdings	0	**0**	**0**	**0**
Deposits and guarantees	19	**0**	**0**	**19**
Total	84,445	**0**	**0**	**84,445**

The following is included under "Financial investments":

- 99.99% of the share capital of Sartorius Stedim SUS SARL, a Tunisian company acquired in January 2002.
- 100% of the share capital of Sartorius Stedim Aseptics S.A., a French company acquired in 2004.
- 100% of the share capital of Sartorius GmbH (now Sartorius Stedim Biotech GmbH), a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007.
- Other investments: € 0.1 K.

3. Inventories and Trade Receivables (in thousands of €)

3.1 Inventories at Year-end

Inventories	At Dec. 31, 2008	Movements	**At Dec. 31, 2009**
Raw materials	4,078	–1,015	**3,063**
Other consumables	262	–37	**225**
Work in progress and finished goods	5,594	–1,374	**4,220**
Merchandise	1,941	–1,319	**622**
Gross value	11,875	–3,745	**8,130**
Depreciation for write-down of raw materials and consumables	–307	–176	**–483**
Depreciation for write-down of work in progress and finished goods	–169	–658	**–827**
Depreciation for write-down of merchandise	–1,041	704	**–337**
Depreciation for write-down of inventories	–1,517	–130	**–1,647**
Net value	10,358	–3,875	**6,483**

In 2009, the company substantially reduced its inventory level (-€ 3.7 million) to improve its net working capital. This decrease concerns either the raw materials or the finished products. The reduction resulted in enhanced monitoring of the procurement flows and collaborative planning with our customers.

3.2 Maturity of Receivables at Year-end

Type of receivable	Net amount	One year or less	More than 1 year
Deposits and guarantees	20	0	20
Non-current assets	**20**	**0**	**20**
Advances payments on account	497	497	
Trade receivables	9,624	9,624	0
Personnel	14	14	
Social security	1	1	
Taxes and duties	1,703	1,703	
Group	3,693	3,693	
Other receivables	152	152	
Current assets	**15,684**	**15,684**	**0**
Prepaid expenses	34	34	0
Total receivables	**15,738**	**15,718**	**20**

The "Trade receivables" item includes an amount of €1,083 K for invoices to be issued.

Receivables from Group subsidiaries (€3,693 K) relate to current account cash advances provided to Sartorius Stedim SUS SARL and VL Finance.

The caption "taxes" correponds mainly to the receivables linked to the French tax relief.

4. Maturity of Liabilities at Year-end (in thousands of €)

Type of liability	Net amount	Less than one year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years				
Originally more than 2 years		0	0	0
Current bank overdrafts and accrued interest		0	0	0
Trade payables	7,307	7,307	0	0
- including bills of exchange	896	896	0	0
Advances and payments on account for orders	0	0	0	0
Tax and social security payable	4,524	4,524	0	0
Liabilities for non-current assets	119	119	0	0
Group and associates	20,265	20,265	0	0
Other	312	312	0	0
Total liabilities	**32,527**	**32,527**	**0**	**0**

Accrued expenses included in these accounts represented €5,438 K and concerned the following items:

Type of expense	At Dec. 31, 2009
Accrued banking charges	**5**
Suppliers' invoices to be received	**1,963**
Vacation and holidays including social security and payroll fringe costs	**1,372**
Bonuses, including social security, payroll fringe costs and profit-sharing	**1,519**
Social security payable	**176**
Taxes payable	**246**
Employee profit sharing	**157**
Total charges payable	**5,438**

5. Parent Company Statement of Changes in Equity (in thousands of €)

5.1 Equity

At December 31, 2009, the share capital was €10,353 K, comprising 16,972,721 shares of a €0.61 par value. The changes in equity in 2009 are the result of the following events:

- The exercise of stock options resulting in the issue of 50,233 shares with a par value of €0.61 each, for a total of €30 K;

- A €460 K share premium associated with this share capital increase.

The Annual General Shareholders' Meeting on April 21, 2009, approved the appropriation of the net profit for the year of €5,654 K, as follows:

- Allocation to the retained earnings carried forward: -€1,482 K

- 5% paid into the legal reserves: €209 K

A dividend total of €5,076 K, or a dividend per share of €0.30, was paid by removing part of it from the share premium of €1,112 K and allocating €3,964 K to the remaining net result.

	Appropriation of profit in 2008 Before	Changes	After	Increases	Decreases	**Equity before appropriation of profit in 2009**
Number of shares:	16,922,488		16,922,488	50,233		**16,972,721**
Share capital	10,323		10,323	30		**10,353**
Share premium	43,091	−1,112	41,979	459		**42,438**
Merger premium	16,140		16,140			**16,140**
Legal reserve	432	208	640			**640**
Other reserves	590		590			**590**
Balance carried forward	−1,482	1,482	0			**0**
Dividend paid	0	5,076	5,076		5,076	**0**
Net profit to be appropriated	5,654	−5,654	0			**0**
Profit for the year			0	14,160		**14,160**
Regulated provisions	1,228		1,228	817		**2,045**
Total	75,976	0	75,977	15,466	5,076	**86,366**

No treasury shares were held at December 31, 2009.

5.2. Stock Options

As part of its policy of motivating the Group's senior executives, Sartorius Stedim Biotech S.A. has granted stock options to a number of its employees.

The number of share subscription options vested and not exercised to date is 93,227.

There are no more potential stock options to be issued depending on the achievement of future targets.

6. Risks and Provisions (in thousands of €)

6.1 Provisions

Type of provision	Provisions at Dec. 31, 2008	Additions 2009	Releases 2009	**Provisions at Dec. 31, 2009**
Regulated provisions				
Accelerated amortization and depreciation	1,228	817	0	**2,045**
Subtotal – 1	1,228	817	0	**2,045**
Provisions for liabilities and charges				
Exchange risk	1,136	743	1,136	**743**
Other costs	8	277	8	**277**
Taxation	33	0	33	**0**
Subtotal – 2	1,177	1,020	1,177	**1,020**
Grand total	2,405	1,837	1,177	**3,065**

There was no need to make any comments on the provisions reported as of December 31, 2009.

6.2. Market Risk Exposure

Operating Cash Flow Risk

At December 31, 2009, foreign currency denominated trade receivables and payables totaled:

– USD 2,837 K (debit position)

– USD 7,293 K (credit position)

– JPY 706,088 K (credit position)

Unhedged trade receivables are revaluated at the year-end rate. A provision is systematically established for unrealized losses. However, unrealized gains are not recognized.

Asset and liability translation adjustments can be broken down as follows:

€ in K	Balance at Dec. 31, 2009 Assets	Liabilities
Decrease in assets | liabilities	**742**	
Suppliers	11	
Customers	7	
Inter-company accounts	724	
Exchange hedgings (assets)	**0**	
Suppliers	0	
Customers	0	
Inter-company customers	0	
Increase in assets | liabilities		**23**
Suppliers		1
Customers		22
Inter-company accounts		0
Exchange hedgings (liabilities)		**0**
Suppliers		0
Customers		0
Inter-company customers		0
Currency translation differences	**742**	**23**

Over the years, Sartorius Stedim Biotech GmbH has refined a development and management policy providing enhanced control over the foreign exchange risk:

– Group treasury is centralized by the parent company Sartorius Stedim Biotech GmbH.

– The net financial risk, after offsetting, is managed by hedging transactions, if necessary.

– U.S. dollar risk management is therefore optimized.

7. Loans and Borrowings (in thousands of €)

Type of commitment	At Dec. 31, 2008	Increases	Refundings	**At Dec. 31, 2009**
Loans	4,884		−4,884	**0**
Credit lines and bank overdrafts	15,707		−15,707	**0**
Total	20,591	0	−20,591	**0**

Sartorius Stedim Biotech has repaid all its loan and credit lines over the course of 2009.

8. Future Tax Position (in thousands of €)

The future income tax position results from:

- Tax paid in advance on expenses recognized during the fiscal year, but tax deductible in subsequent fiscal years;
- Tax paid in advance on unrecognized and unrealized gains.

These deferred taxes were not recognized in the balance sheet.

The temporary differences between taxable income and expenses were as follows:

Future tax position		Dec. 31
Increases		
2009 solidarity contribution	103	
Net movement in 2009 currency translation differences	24	
Employee profit-sharing for 2009	0	
Customers and inventory depreciation	129	
Total increases		**256**
Decreases		
2008 solidarity contribution	75	
Net movement in 2008 currency translation differences	17	
2008 Employee profit-sharing	0	
Write-down of subscription warrants	0	
Total decreases		**92**
2009 future tax position		**164**
Increases		
2008 solidarity contribution	75	
Net movement in 2008 currency translation differences	17	
Employee profit-sharing for 2008	0	
Write-down of subscription warrants	0	
Total increases		**92**
Decreases		
2007 solidarity contribution	78	
Net movement in 2007 currency translation differences	1,233	
2007 Employee profit-sharing	0	
Total decreases		**1,311**
2008 future tax position		**−1,219**

As of December 31, 2009, the cumulative amount of carry-forward losses was €3,058 K for the parent company and €0 K for French tax consolidation relief.

9. Operating Income (in thousands of €)

9.1. Sales Revenue by Operating Segment

Operating segment; € in K	2009	%	2008	%
Biopharm	**64,626**	**100%**	46,655	100%
Total	**64,626**	**100%**	46,655	100%

9.2. Sales Revenue by Geographic Region

Geographic region (€ in K)	2009	%	2008	%
France	**7,939**	**12%**	5,978	13%
Export	**56,687**	**88%**	40,677	87%
- of which EU and other countries	**49,590**		29,324	
- of which North American continent	**7,097**		11,352	
Total	**64,626**	**100%**	46,655	100%

10. Exceptional Income and Expense (in thousands of €)

		Dec. 31, 2009	Dec. 31, 2008
Exceptional income			
- On operations		**0**	176
- On capital transactions		**0**	20,470
- Release of provisions and transfer			
- Of charges		**33**	15,421
Total exceptional income		**33**	36,067

Exceptional expense			
- On operations		**0**	55
- On capital transactions		**38**	35,801
Additions to amortization, depreciation and provisions	[1]	**1,112**	817
Total exceptional expense		**1,150**	36,673
Exceptional income | (expense)		**–1,117**	–606

[1] Amortization and depreciation charges comprised accelerated depreciation and amortization of capitalized costs associated with the acquisition of Stedim by Sartorius. Where expenses are charged to the share premium, they are treated as a deduction in calculation of the company's tax liability.

At December 31, 2007, €4,104,860 was recognized under "Non-current assets" and will be amortized pro rata temporis over 5 years.

11. Employee Profit-Sharing

The company implements a profit-sharing agreement for senior executives.

No payments will be made with regard to fiscal 2009.

12. Individual Training Right

This individual occupational training right provides every employee who has at least one year of seniority to accumulate training time capital of 20 hours minimum per year over a maximum of six years, which is to be used at the employee's initiative, but with his or her employer's consent.

The number of accumulated training hours with respect to rights acquired at December 31, 2009, was 22,575 hours.

13. Breakdown of Income Tax (in thousands of €)

			At Dec. 31, 2009			At Dec. 31, 2008
	Profit before tax	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	**13,464**	**–21**	**13,443**	20,231	0	20,231
Exceptional income | (expense)	**–1,117**	**0**	**–1,117**	–15,941	0	–15,941
Employee profit-sharing contribution	**0**	**0**	**0**	0	0	0
R&D tax credit	**0**	**943**	**943**	0	719	719
French tax integration relief	**0**	**891**	**891**	0	645	645
Net taxable income	**12,347**	**1,813**	**14,160**	4,291	1,364	5,654

As of January 1, 2008, the company chose to adopt the integration tax relief within the framework of a tax group. The lead company is Sartorius Stedim Biotech S.A. The other "members" forming part of this integration tax relief are Sartorius Stedim Aseptics S.A and Sartorius Stedim France S.A.S as of January 1, 2009.

The "members" record the income tax as if there were no integration tax relief. The gains and losses are compensated at the parent company in order to determine the group income tax to be paid. For fiscal 2009, this resulted in a tax expense of €937 K.

14. Workforce Analysis

Workforce at December 31:

Workforce at December 31			**2009**			2008
	Men	**Women**	**Total**	Men	Women	Total
Executives	**37**	**52**	**89**	53	36	89
Employees	**125**	**85**	**210**	77	119	196
Total	**162**	**137**	**299**	130	155	285

15. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €66 K. These fees related to the 2008 fiscal year and were paid in 2009.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2009.

16. Off-Balance Sheet Commitments (in thousands of €)

Type of commitment	Comment	At **Dec. 31, 2009**	At Dec. 31, 2008
Commitments given			
Retirement commitment	[1]	**899**	510
Guarantee commitment given to Société Générale on behalf of Integrated Biosystems SARL		**5,000**	5,000
Commitments received			
Contractual loan capacity from credit institutions	[2]	**10,995**	15,707

[1] Pension commitments were not recognized in the company's accounts. This assessment takes account of the age profile of company personnel, their seniority and attrition rate.

[2] During the reporting year of 2008, Sartorius Stedim Biotech S.A. concluded a 5-year syndicated loan agreement for a total amount of €220 million. This loan is booked in Sartorius Stedim Biotech GmbH financial statements. Under this agreement, Sartorius Stedim Biotech is required to comply with key financial ratios (covenants). For more details, please refer to Note 27 | Section G of the Consolidated Statements on page 126.

Pension commitments and other long-term employee benefits concern staff currently employed by the company. The plan implemented to cover these benefits is a defined contribution plan, which gives rise to provisions and primarily includes retirement bonuses.

The probability that every employee will remain with the company until retirement age was taken into account, based on the age bracket they fall into. Sartorius Stedim Biotech S.A. assumes that employees will voluntarily retire at the age of sixty-five.

The following actuarial assumptions were used:

Year	Discount rate	Rate of increase	Average age on retirement
2008	5.10%	2.75%	65 years
2009	**4.80%**	**2.75%**	**65 years**

Attrition assumptions by age bracket were as follows:

Age range	**Attrition at Dec. 31, 2009**	**Attrition at Dec. 31, 2009**
	Executives	**Employees**
20 to 29 years	**5%**	**2%**
30 to 39 years	**5%**	**2%**
40 to 49 years	**2%**	**2%**
50 to 65 years	**1%**	**1%**

17. Information on Affiliates (in thousands of €)

Affiliates are companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim SUS SARL, Sartorius Stedim Aseptics S.A. and Sartorius Stedim Biotech GmbH.

The company Sartorius Stedim Biotech S.A. is consolidated in the financial statements of Sartorius AG, Weender Landstrasse 94 - 108, 37075 Goettingen (Germany).

Accounts	**At Dec. 31, 2009**	At Dec. 31, 2008
Investments	**84,425**	84,425
Trade receivables	**8,418**	6,625
Other receivables	**3,693**	3,786
Trade payables	**2,379**	1,075
Other liablilities	**20,265**	18,993
Income from investments	**11,000**	9,000
Other financial income	**80**	203
Finance expenses	**374**	480

In the following, you will find the table of subsidiaries and shareholdings:

At Dec. 31, 2009	Share capital	Reserves, share premium and retained earnings before appropri-ation	Ownership in %	Book value of shares held Amounts Gross	Book value of shares held Amounts Net	Loans out-standing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) for the financial year	Net profit	Dividends received
Sartorius Stedim Biotech GmbH			100.0%							
(Euros)	6,000	49,087		79,949	79,949	–13,830	0	190,204	16,222	10,000
Sartorius Stedim SUS SARL			100.0%							
(Dinars)	4,357	– 3,980						14,941	1,118	0
(Euros)				2,628	2,628	3,351	0	7,964	596	0
Sartorius Stedim Aseptics S.A.			100.0%							
(Euros)	448	1,376		1,848	1,848	–2,318	0	8,120	1,787	1,000

At Dec. 31, 2008	Share capital	Reserves, share premium and retained earnings before appropri-ation	Ownership in %	Book value of shares held Amounts Gross	Book value of shares held Amounts Net	Loans out-standing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) for the financial year	Net profit	Dividends received
Sartorius Stedim Biotech GmbH			100.0%							
(Euros)	6,000	47,754		79,949	79,949	–13,879	0	177,758	11,044	8,000
Sartorius Stedim SUS SARL			100.0%							
(Dinars)	4,357	–4,438						10,560	458	0
(Euros)				2,628	2,628	3,786	0	5,860	254	0
Sartorius Stedim Aseptics S.A.			100.0%							
(Euros)	448	960		1,848	1,848	–1,264	0	5,610	1,416	1,000

Statutory Auditors' Report on the Annual Financial Statements

(Freely translated from the French original by the auditors)

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' general meetings, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of Sartorius Stedim Biotech;
- the justification of our assessments;
- the specific verifications and information required by French law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. – Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management, and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at December 31, 2009 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

II. – Justification of assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

The notes to the annual financial statements set out the rules and accounting methods relative to the valuation of investments. Within the scope of our assessment of the rules and accounting principles of your company, we have verified the appropriateness of the accounting methods specified above and the information provided in the notes to the annual financial statements and have assured ourselves of their correct application.

These assessments were made as part of our audit of the financial statements taken as a whole and, therefore, contributed to the opinion we formed which is expressed in the first part of this report.

III. – Specific verification and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders (and holders of voting rights) has been properly disclosed in the Directors' report.

Marseilles, March 5, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young
French original signed by Vincent Gros	French original signed by Anis Nassif

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Supplementary Information

Other Information of a Legal Nature

General Information on the Issuer

Corporate Name

The corporate name of the company is:
"Sartorius Stedim Biotech S.A."

In all legal deeds and documents issued by the company, this is always preceded or followed by the words "société anonyme" or the abbreviation "S.A." and a statement of the share capital (Heading 1, Article 1, of the company bylaws).

Registered Office

The registered office is in Aubagne (13400), France, ZI Les Paluds, avenue de Jouques.

This office may be transferred to another location in the same département [French country or state] or an adjacent département by simple decision of the Board of Directors subject to ratification by the next Annual General Shareholders' Meeting and anywhere else in France by a decision taken by an Extraordinary General Shareholders' Meeting.

If the Board of Directors decides to transfer the registered office, it is authorized to revise the bylaws as a result (Heading 1, Article 2, of the company bylaws).

Legal Form and Applicable Law

Public limited liability company or joint stock company [société anonyme], along with a Board of Directors, under French law, subject to the French Commercial Code ("Code de commerce") and Decree No. 67-236 of March 23, 1967, on commercial companies.

Date of Incorporation — Duration

The company was incorporated on September 28, 1978, as a "société anonyme." The company's duration is for 99 years, effective upon registration in the French trade and commercial register (Registre du Commerce et des Sociétés), unless subject to dissolution or extension provided by the present company bylaws (Heading 1, Article 3).

Corporate Purpose

In France and abroad, the company's purpose is to manufacture, sell and distribute equipment to be used in the biopharmaceutical area and, more generally, carry out all property, financial and securities transactions that relate directly or indirectly to the operations above or are likely to assist their completion.

Trade and Commercial Register — APE Code

The company is registered with the Registre du Commerce et des Sociétés de Marseille, under the number RCS B 314 093 352. Its economic activity code (APE) is 2222Z (conversion of plastic materials).

Inspection of Legal Documents at the Registered Office of the Company

The reference document may be viewed at the registered office of the company, on its website and on the website of the AMF.

Financial Year

The financial year, also referred to as fiscal year, covers a period of twelve months, beginning on January 1 and ending on December 31 of each year.

Specific Clauses in the Bylaws

Form of Shares

Shares may be in nominative or bearer form according to the shareholders' choice. These shares are entitled to be recorded in an account in accordance with French law.

Appropriation of Profits

The income statement that summarizes the income and expenses of the reporting year discloses by difference, after deduction of amortization, depreciation and provisions, the profit for said reporting year. At least 5% must be deducted from the annual profit reduced, where appropriate, by prior losses, to set up the legal reserve. This deduction ceases to be obligatory when the legal reserve amounts to one tenth of the share capital. This obligatory deduction resumes when, for whatever reason, the legal reserve falls below this one tenth. The distributable profit comprises the profit for the reporting year less prior losses and amounts transferred to reserves, pursuant to French laws and the company bylaws, and increased by profit brought forward. This profit is distributed among all shareholders in proportion to the number of shares each one holds. The Annual General Shareholders' Meeting may decide to distribute amounts taken from reserves available to it by expressly indicating the reserve from which the transfers are made. However, dividends are disbursed by way of priority from the annual profit for the reporting year. Except for a reduction in capital, no distribution may be made to shareholders when the equity falls below, or would consequently fall below, the amount of the capital together with the reserves that French laws or the company bylaws do not permit to distribute. Revaluation surplus is not distributable. It may be incorporated in full or part into the company's capital. However, after transferring the amounts to the reserves, pursuant to French law, the Annual General Shareholders' Meeting may transfer any amount it wishes to all available reserves, ordinary or extra-ordinary reserves, or carry it forward.

Shareholders' Meetings

Convocation

Annual (or Ordinary) General Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary General Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the General Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated (Heading 3, Article 13, of the company bylaws). General Meetings are convened by the Board of Directors or, by default, the independent auditors or a person thus empowered. General Meetings are held at the registered office or any other place stated in the notice of convocation (Heading 3, excerpt of Article 14, of the company bylaws). The forms and timescale of the notice of convocation are governed by French laws.

Agenda

The notice of the convocation must include the agenda approved by the author of the notice (Heading 3, excerpt of Article 14, of the company bylaws). The meeting may only consider matters included in the agenda. However, it may dismiss, in any circumstances, one or more directors (Heading 3, excerpt of Article 14, of the company bylaws). One or more shareholders representing a share of the capital provided by law may, subject to legal conditions and timeframe, require the inclusion of draft resolutions on the agenda (Heading 3, excerpt of Article 14, of the company bylaws).

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting adjourned are called at least six days in advance in the same form as the first meeting (Heading 3, excerpt of Article 14 of bylaws).

Admission to Meetings – Powers (Heading 3, Excerpt of Article 14, of the Company Bylaws)

Every shareholder has the right to attend General Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a General Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the nominative share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the third working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the General Meeting in person but who have not received an admission pass by zero hours, Paris time, on the third working day prior to the meeting. Shareholders may be represented only by their spouse or by another shareholder: the proxy holder must justify his or her mandate held.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

In the event of a postal vote, only the voting forms received by the company three days prior to the date of the meeting will be considered.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company.

Conditions for the Exercise of Voting Rights – Majority Quorum (Heading 3, Article 15, of the Company Bylaws)

At Annual and Extraordinary General Meetings, the quorum is calculated on the basis of the shares comprising the share capital and, in Special Meetings, on the basis of all the shares of the class concerned, net of shares not entitled to voting rights by virtue of the law.

In the event of postal voting, only the forms received by the company prior to the meeting will be considered when calculating the quorum, under the conditions and timeframe set by the decree.

The right to vote conferred to shares is proportional to the capital they represent. With an equal par value, every share in capital or income right carries the right to one vote.

In the event that the shares are pledged, the voting right is exercised by the holder of the securities. The issuing company may not validly vote with shares subscribed, acquired or taken in pledge by it; these shares are not taken into account to calculate the quorum.

The voting takes place and the votes are cast by show of hands, or by those sitting and standing, or by roll call, as decided by the officers of the meeting.

Further Information on Voting Rights

There is no limit in the bylaws on voting rights. In the event of conversion to bearer form, the converted share immediately forfeits its double voting right. In the event of a capital increase by incorporation of reserves, profits or share premium, this double voting right applies to new shares issued and allocated free of charge to a shareholder on the basis of existing shares that already carry this right (Heading 2, Article 3, of the company bylaws). This revision to the bylaws was unanimously passed by the General Shareholders' Meeting in an extraordinary session on August 24, 1994. It may be cancelled by a General Shareholders' Meeting convened in an extraordinary session and after ratification by a Special Meeting of the beneficiary shareholders. As of December 31, 2009, there were 2,019,808 shares with a double voting right out of a total of 16,972,721 shares. Thus, the total voting rights are 18,992,529.

Excerpt of Bylaw with Heading 3, Article 16

The Annual General Shareholders' Meeting is held at least once a year, within six months of the year end, to consider the financial statements of that year, subject to an extension of this timeframe by a legal decision. The Annual General Shareholders' Meeting may only validly deliberate, upon the first convocation, if the shareholders present – represented or voting by post – hold at least one quarter of the shares with a right to vote. No quorum is required upon the second convocation. The meeting decides on the basis of the majority of votes held by shareholders present or represented, including shareholders voting by post.

Crossing Legal Thresholds

Any shareholder whose shareholdings cross the legal thresholds defined by French law, either upwards or downwards, must declare said crossing by notification of the Autorité des Marchés Financiers, pursuant to the law in force. The bylaws of the company do not provide for any additional threshold declarations.

Identification of Shareholders

Within the legal and regulatory framework, the company is authorized to seek the identity of bearer shareholders.

Payment of Dividends

The Annual General Shareholders' Meeting has the power to give every shareholder, for all or part of a dividend payable, the option of receiving this dividend in shares, as provided by French law, or in cash.

The terms of the payment of the dividend in cash are set by the General Meeting or, by default, the Board of Directors. Cash dividends must be paid within a maximum of nine months after the end of the reporting year, unless this timeframe is extended by legal authorization. However, this profit may be distributed as an interim dividend prior to the approval of the annual financial statements when a balance sheet prepared during or at the end of a financial year and certified by the independent auditors discloses that the company has realized a profit since the close of the previous financial year, after recognition of the necessary amortization, depreciation and provisions, as well as after deduction, where relevant, of prior losses and amounts to be transferred to the reserves, as required by French laws or the company bylaws. These interim dividends may not exceed the profit thus defined. No reimbursement of dividends may be required from shareholders unless the distribution was made in violation of legal provisions and the company determines that the beneficiaries were aware of the illegality of this distribution at the time it occurred or could not ignore this nature of the dividends. Where this occurs, the shares in reimbursement are time-barred three years after the payment of these dividends. Dividends not collected within five years of their payment are time-barred.

Company's Acquisition of Own Shares

The company has not set up a share buyback program.

Liquidity Contract

Under the liquidity contract concluded between Sartorius Stedim Biotech and the stockbroker Gilbert Dupont, the following assets appeared on the liquidity account at December 31, 2009:

- Number of shares: 11,396
- Liquidity account cash balance: €101,892.10

For information, the following assets appeared on the liquidity account on the date when the notification of contract implementation was issued:

- Number of shares: 0
- Liquidity account cash balance: €450,000

Other Information on the Assets, Financial Position and Results for the Group

Major Contracts

Several service agreements were entered into between entities of the two divisions of the Sartorius Group, Sartorius Stedim Biotech and Sartorius Mechatronics, in order to enable the entities from both divisions to benefit from certain general administrative services under the same terms.

Among these service agreements, the service agreement with the highest volume and importance is in place between Sartorius Stedim Biotech GmbH and Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG. Sartorius Corporate Administration GmbH provides general administrative services to Sartorius Stedim Biotech and Sartorius Mechatronics. Such services include, among others, accounting, treasury management, payroll accounting for human resources, IT systems and legal services. Sartorius Corporate Administration GmbH invoices its services on the basis of the internal and external costs incurred plus a margin of 3%. The services invoiced by Sartorius Corporate Administration GmbH to Sartorius Stedim Biotech GmbH in 2009 totaled €11,616,858.70.

Apart from the above-mentioned service agreements, there are no other contracts with material obligations or commitments that have been concluded outside the ordinary course of the company's business or to which a member of the Sartorius Stedim Biotech Group is a party.

The strategy of the Sales and Marketing organization within the Sartorius Stedim Biotech Group towards customers is to create valuable long-term relationships. Therefore, for example, key account management endeavors to conclude long-term framework contracts with customers. As a total solution provider, Sartorius Stedim Biotech strives to use such contracts to cover the entire product portfolio of Sartorius Stedim Biotech that fits into the validated processes of the customer.

Registered Trademarks and Trademark Applications

Name	EU	Germany	France	International registration in the countries designated	USA	Australia	Brazil	Mexico	UK	Canada
Sartorius Stedim Biotech	08/13/2007 No. 006228019 08/132017			11/16/2007 No. 962279 11/16/2017 + AU CH KR RU SG TR VN	08/17/2007 No. 76/680,786 Reg. in progress		01/142008 Applications filed for 13 different classes; reg. in progress			11/09/2007 No. 1371410 Reg. in progress
BIOSTAT		10/04/1968 No. 873661 10/31/2018		06/26/1985 No. 494574 06/26/2015 + AT BX CH DE ES FR IT PT	07/22/1988 No. 1572999 12/26/2009				07/16/1988 No. 1246230 07/16/2016	
HYDROSART	11/12/2001 No. 002458461 11/12/2011	04/07/1983 No. 1065357 04/07/2013			12/10/2001 No. 2677224 01/21/2013					11/28/2001 No. 609610 05/06/2019
MAXICAPS	10/04/1999 No. 001330885 10/042009				11/15/1999 No. 2450203 05/08/2011					
MIDICAPS	02/15/2005 No. 004289724 02/15/2015				02/16/2005 No. 3195052 01/02/2017					
MINISART		08/09/1978 No. 980370 08/09/2018	10/26/1988 No. 1495753 10/26/2018		02/07/1979 No. 1144895 12/30/2010				01/18/1979 No. 1107904 08/09/2009 01/18/1979 No. 1107903 01/18/2010	
SARTOCHECK		06/13/1979 No. 987883 06/13/2009	10/17/1989 No. 1555685 10/17/2009		12/05/1979 No. 1200237 07/06/2012				12/20/1986 No. 1125952 12/20/2010	
SARTOCON		06/06/1979 No. 988000 06/06/2009	10/17/1989 No. 1555684 10/17/2009		06/15/1982 No. 1197792 06/15/2012				12/20/1986 No. 1125951 12/20/2010	
VIROSART	11/02/2004 No. 004103701 11/02/2014	07/28//2004 No. 30443764 07/31/2014			11/10/2004 No. 3178067 11/28/2016					
SARTOFLOW		06/03/1983 No. 1057870 06/30/2013		03/06/1985 No. 494396 03/06/2015 + AT BX CH DE DZ EG ES FR HU IT KP LI MA MC PT RO RS RU SD VN	08/08/2007 No. 76/680,474 Reg. in progress				10/25/1984 No. 1228900 10/25/2015	
SARTOPORE	01/10/2000 No. 001454461 01/10/2010				02/15/2000 No. 2429825 02/20/2011					
FLEXBOY	08/31/2005 No. 004614038 08/31/2015		04/19/1993 No. 93465632 04/19/2013	01/24/1995 No. 630378 01/24/2015 + DE AT BX IT CH 02/27/2006 No. 879252 02/27/2016 + JP	08/31/1993 No. 2041550 03/04/2017	01/31/1995 No. 651778 01/31/2015	07/15/2003 No. 825688744 07/15/2013	09/03/2003 No. 810249 09/03/2013	01/31/1995 No. 2009384 01/31/2015	
FLEXEL	02/20/1998 No. 000753202 02/20/2018		09/02/1997 No. 97693975 09/02/2017		02/27/1998 No. 2414947 12/26/2010		07/15/2003 No. 825688736 07/15/2013	09/03/2003 No. 810250 09/03/2013		
PALLETANK	07/01/1998 No. 000865865 07/01/2018									
RAFT	08/31/2005 No. 004614046 08/31/2015									
EVAM	01/15/1999 No. 001344266 10/15/2009									
STEDIM	08/08/2005 No. 004582037 08/08/2015			10/09/2006 No. 904339 10/09/2016 + JP	03/30/1984 No. 1366524 10/22/2015					
NUTRIBAG			07/19/1989 No. 1627260 07/19/2009							
NUTRIKIT			06/05/1989 No. 1535354 06/05/2009							
NUTRIMIX			06/05/1989 No. 1535353 06/05/2009							
NUTRIPOCHE			06/05/1989 No. 1535352 06/05/2009							
BIOSAFE			02/01/1995 No. 95556118 02/01/2015	02/22/2001 No. 758706 02/22/2011 + DE DK GB CH						
BIOSTEAM			08/01/2005 No. 053373523 08/01/2015							
FLUXBULLE			11/03/1994 No. 94543057 11/03/2014							

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 303 different trademarks in various countries [the dates are indicated as month/day/year].

Registered Trademarks and Trademark Applications

Name	Japan	Denmark	Finland	Ireland	Malaysia	Norway	Sweden	China	Switzerland	India	Taiwan
Sartorius Stedim Biotech	11/08/2007 No. 5170560 10/03/2018				11/28/2007 Applications filed for 13 different classes; reg. in progress			01/14/2008 Applications filed for 13 different classes; reg. in progress		11/19/2007 Applications filed for 13 different classes; reg. in progress	01/18/2008 Applications filed for 13 different classes; reg. in progress
BIOSTAT	02/22/1988 No. 2021770 02/22/2018 ——— 08/27/1986 No. 1880889 08/27/2016	06/28/1985 No. 233586 08/29/2016	01/05/1988 No. 100350 01/05/2018	07/01/1985 No. 116688 06/30/2016	07/11/1985 No. 8502982 07/11/2012	05/27/1987 No. 128877 05/27/2017	03/31/1988 No. 209760 03/31/2018				
HYDROSART	11/21/2001 No. 4663672 04/18/2013										
MAXICAPS	10/15/1999 No. 4535058 01/11/2012										
MIDICAPS	02/25/2005 No. 4906540 11/04/2015										
MINISART	02/09/1979 No. 1583197 04/26/2013										
SARTOCHECK	09/29/1983 No. 1618759 09/29/2013										
SARTOCON											
VIROSART	01/28/2005 No. 5040228 04/13/2017							11/24/2004 No. 4379959 06/21/2018	01/20/2005 No. 533,632 01/20/2015		
SARTOFLOW											
SARTOPORE	02/02/2000 No. 4495393 08/03/2011										
FLEXBOY							01/19/1995 No. 323347 05/16/2017				
FLEXEL	03/02/1998 No. 4470133 04/27/2011										
PALLETANK	02/28/2006 No. 5005301 11/24/2016										
RAFT											
EVAM											
STEDIM											
NUTRIBAG											
NUTRIKIT											
NUTRIMIX											
NUTRIPOCHE											
BIOSAFE											
BIOSTEAM											
FLUXBULLE											

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 303 different trademarks in various countries [the dates are indicated as month/day/year].

Special Report of the Statutory Auditors on Agreements and Commitments

(Freely translated from the French original by the auditors)

For the year ended December 31, 2009

To the Shareholders,

In our capacity as statutory auditors of your company, we are required to report on certain related party agreements and commitments of which we have been advised. We are not required to ascertain the existence of such agreements or commitments.

We hereby inform you that we have not been advised of any agreement or commitment covered by article L.225 - 38 of the French commercial code (Code de Commerce).

Marseilles, March 5, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

Resolutions Submitted to the Annual General Shareholders' Meeting on April 19, 2010

First Resolution

The Annual Shareholders' Meeting (AGM), having considered the report of the Board of Directors, the General Report of the Independent Auditors and the Special Report of the Chairman, pursuant to Article L. 225 - 37 of the French Commercial Code, approves the financial statements for the year ended December 31, 2009, which disclosed a net profit of €14,160,206.79 as presented, and the transactions reflected in these financial statements or summarized in these reports.

The AGM, having considered the reports of the independent auditors, on the consolidated financial statements of said reporting year, approves these financial statements for the year ended December 31, 2009, which disclose a net profit of €29,092 K attributable to equity holders, and the transactions included therein or summarized in the Group Management Report.

As a result, the AGM grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The AGM also approves the overall amount of €40,000 in excess amortization or other amortization, which is not deductible from profits subject to corporate income tax, as well as the corresponding tax.

Second Resolution

The AGM approves appropriation of the net profit of €14,160,206.79 for 2009 as follows:

- Allocate €395,046.69to the legal reserves;
- Allocate €3,581,527.50 to the retained earnings, while confirming the existence of a distributable profit of €10,183,632.60.

The AGM thus decides to disburse to shareholders an amount totaling €10,183,632.60.

As a result, for every share with a par value of €0.61, a net dividend of €0.60 will be paid. Individual shareholders resident in France for tax purposes are eligible to receive the tax rebate provided under Article 158 - 3 - 2° of the French General Tax Code.

The AGM acknowledges receipt of this information that individual shareholders resident in France, who are eligible to receive this tax rebate, may opt to pay 18% tax on this dividend income to fully satisfy their tax liability imposed on such income according to the "Prélévement forfaitaire libératoire."

The dividend will be paid out on April 30, 2010.

The amounts distributed after January 1, 2007, and eligible for a tax rebate were as follows:

Fiscal year ended on	Income eligible for a tax rebate	
	Dividends	Other income distributed
Dec. 31, 2008	€5,076,746	
Dec. 31, 2007	€5,069,396	
Dec. 31, 2006	€1,344,458	

Third Resolution

The AGM, having considered the special report of the Independent Auditors on the Agreements subject to Articles L. 225 - 38 and following of the French Commercial Code, approves the conclusions of said report and the agreements contained therein.

Fourth Resolution

The AGM approves the amount of €62,172 to be paid to the directors with regard to their meeting attendance fees for the reporting year of 2009.

Fifth Resolution

The AGM will decide to establish the basis for calculating the directors' meeting attendance fees starting in 2010 as follows:

The directors shall receive directors' meeting attendance fees whose amount and allocation shall be established by the Board of Directors in consideration of the limits set by the AGM:

- Each member of the Board of Directors shall receive fixed remuneration of €10,000.00 per year, to be paid after the annual financial statements have been adopted by the Annual General Shareholders' Meeting and which shall be due for payment after this meeting. This remuneration will be increased by €200.00 for every €0.01 of dividends paid to the ordinary shareholders, provided that this amount exceeds the amount of €0.30. The chairman of the Board shall receive double these amounts. Furthermore, members of the Board receive an attendance fee of €1,000.00 per meeting and reimbursement of their expenses in addition to their annual remuneration.

- For their membership in any committee, each director shall receive a lump sum of €3,000.00 per full year of membership in addition to his attendance fee of €1,000. Insofar as a director chairs a committee, he shall instead receive a lump sum of €6,000.00 per full year that he is chairperson, in addition to his attendance fee. Remuneration for the activities on any committee shall be due together with the remuneration under the terms of previous subsection hereof.

- Any value-added tax shall be reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.

Sixth Resolution

The AGM, acknowledging that the executive director positions of:

Joachim Kreuzburg

Arnold Picot

Reinhard Vogt

Volker Niebel

Bernard Lemaître

Liliane de Lassus

Henri Riey

are due to expire today, renew these positions for a three-year term, to expire at the end of the AGM to be convened in 2013 for endorsing the financial statements for the year ending on December 31, 2012.

The directors whose positions are renewed accept this renewal of their functions and state that no ban or inconsistency could be opposed to their renewal.

Seventh Resolution

The AGM, having satisfied the conditions of quorum and majority of the ordinary general meeting of shareholders, after review of the Board of Directors' report, and in accordance with provisions of articles L. 225 - 209 et seq. of French Commercial Code, with the provisions of the European Regulation 2273/2003 of December 22, 2003, and with Articles 241 - 1 et seq. of the Autorité des Marchés Financiers' General Regulation:

1. Authorizes the Board of Directors, with the option of subdelegation according to applicable laws and regulations, to trade the Board's own shares within the scope of a share buyback plan;

2. Decides that the number of shares that may be purchased according to the present authorization shall not exceed ten percent (10%) of the total shares constituting the share capital of the company, provided that the total number of shares the company holds, either directly or indirectly, shall under no circumstances exceed 10% of the share capital;

3. Decides that the maximum purchase price paid by the company for its own shares shall not exceed forty-five euros (€45) per share; it is specified – for informative purposes, and given that the 16,994,388 shares constituted the share capital of the company on the date of the publication of the notice of convocation of this AGM in the "Bulletin des annonces légales obligatoires" – that the maximum sum allocated for the share buyback plan amounts to seventy-six million four hundred seventy-four thousand seven hundred and ten euros (€76,474,710);

4. Decides that the present authorization is meant to allow the Company to reach the following objectives, in accordance with applicable laws and regulations:

(i) to handle the secondary market or the liquidity of the shares of the company, where said handling shall be through an investment services provider acting within the scope of a liquidity agreement compliant with the deontology charter approved by the Autorité des marchés Financiers;

(ii) to deliver the shares in case of exercise of any rights attached to securities giving access by any means, immediately or at a certain future date, to the capital of the company, by refund, conversion, exchange, exercise of a warrant or by any other way, as well as the performance of any hedging transactions related to the issuing of securities, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

(iii) to allocate the repurchased shares bought from the company officers or the employees of the company and/or the companies of its group according to applicable laws and regulations, especially within the scope of participation in the profit of the company's expansion, in stock-option plans or in an employee stock ownership program, or through a free granting of shares, as well as the carrying out of any hedging operations related to these operations, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

(iv) to retain the company shares which will have been purchased in order to return them for exchange or payment within the scope of potential external projects, provided that the maximum amount of shares that may be purchased to this end shall not exceed five percent (5%) of the total share capital of the company;

(v) to cancel a few or all of the repurchased shares, through a capital decrease of the company, subject to a vote on the eighth (8th) resolution of the present AGM relating to the authorization granted to the Board of Directors to decrease the capital of the company by cancellation of treasury shares;

(vi) to pursue any other objective that will subsequently be permitted by applicable laws or regulations or any market practice that will subsequently be recognized by the Autorités des Marchés Financiers, provided that in such a case, the company would inform its shareholders through a press release.

These purchase, sale, exchange or transfer transactions may be carried out by any means, particularly on market or off market, including through an acquisition or sale of a block of shares, or through financial instruments, especially derivatives negotiated on market or off market, or through the use of warrants, according to application of the regulations defined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate. The maximum portion of the company's capital purchased or transferred by purchase or sale of a block of shares may constitute the entirety of the program.

These operations may take place at any time, according to applicable laws and regulations, including during a tender offer filed by the company or filed by another company on the company's shares.

The AGM delegates its authority to the Board of Directors, with the option of subdelegation according to applicable laws and regulations, to adjust the above-mentioned purchase price so as to take into account the consequences of transactions affecting the value of the shares, where said transactions include modification of the par value of the shares, capital increase through reserves capitalization, granting of free shares, division or combination of shares, distribution of reserves or of any other asset, capital amortization, or any other operation entailing equity capital.

The AGM grants all powers to the Board of Directors, with the option of subdelegation according to applicable laws and regulations, to implement this present authorization, to specify, if necessary, its terms and conditions, to place any orders on the market, enter into any agreement, carry out all necessary formalities and make disclosures to any authority, and, in particular, to prepare and disclose the description of the share buyback plan (descriptif du programme) to any authority according to Article 241-2 of the Autorités des Marchés Financiers' General Regulation, unless Article 241-3 of the General Regulation exempts the company from publication of said description, and in general to take every measure necessary in order to implement the transactions to be conducted under the present authorization.

This authorization is granted for a maximum duration of eighteen (18) months as of the present AGM, or until October 19, 2011.

Eighth Resolution

The AGM, having satisfied the conditions of quorum and majority of the extraordinary general meeting of shareholders, after review of the Board of Directors' report and of the statutory auditor's special report and according to Articles L. 225 - 209 et seq. of the French Commercial Code:

1. Authorizes the Board of Directors to cancel, in a single or in several transaction, all or part of repurchased shares in application of the authorization granted to the Board or Directors to perform these transactions with company's shares according to the seventh (7th) resolution of this AGM, within the company's limit of ten percent (10%) for share capital for a twenty-four (24-) month period, with this amount being periodically adjusted to take into account transactions modifying the share capital after the present AGM;

2. Authorizes the Board of Directors to reduce the share capital accordingly and to use its discretion in electing to allocate the difference between the purchase price of the cancelled shares and their par value in the additional paid-in capital or reserves.

The AGM grants all powers to the Board of Directors to implement the present authorization and, in particular, to establish the final amount of any capital decrease, to determine the conditions for this decrease and to confirm the implementation of said decrease as well as to modify the company's bylaws accordingly. It also grants all powers to the Board of Directors, with the option of subdelegation according to applicable laws and regulations, to perform all necessary formalities, provide disclosures and declarations to any legal authority, particularly to the Autorité des Marchés Financiers, and, in general, take all the relevant steps required.

The present authorization is granted for a period of twenty-four (24) months as of the date of this AGM.

Ninth Resolution

The AGM grants all powers to a bearer of the original, a copy or an extract of the minutes of the present meeting to carry out all necessary formalities.

Description of the Share Buyback Program Pursuant to Article 241 - 1 et seq. of the General Regulation of the Autorité des Marchés Financiers (AMF)

Pursuant to Article 241 - 2 of the General Regulation of the AMF, this document is the description of the share buyback plan which the shareholders are to authorize at the AGM convened on April 19, 2010.

Allotment by Objectives of Shares Held by the Company

On the date of publication of this description, please note that the company does not hold any treasury shares.

Objectives of the Share Buyback Plan

The objectives of the share buyback plan, which the shareholders are to authorize at the AGM convened on April 19, 2010, are the following:

- Hand the secondary market or the liquidity of the company shares, where said handling will be through an investment services provider acting within the scope of a liquidity agreement compliant with the deontology charter approved by the AMF;

- Deliver the shares in case of exercise of any rights attached to securities giving access by any means, immediately or at a certain future date, to the capital of the company, by refund, conversion, exchange, exercise of a warrant or by any other way, as well as the performance of any hedging transactions related to the issuing of securities, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

- Allocate the repurchased shares bought from the company officers or the employees of the company and/or the companies of its group according to applicable laws and regulations, especially within the scope of participation in the profit of the company's expansion, in stock-option plans or in an employee stock ownership program, or through a free granting of shares, as well as the carrying out of any hedging transactions related to these operations, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

- Retain the company shares which will have been purchased in order to return them for exchange or payment within the scope of potential external projects, provided that the maximum amount of shares that may be purchased to this end shall not exceed five percent (5%) of the total share capital of the company;

- Cancel a few or all of the repurchased shares, through a capital decrease of the company, subject to a vote on the eighth (8th) resolution of the present AGM relating to the authorization granted to the Board of Directors to decrease the capital of the company by cancellation of treasury shares;

- Pursue any other objective that will subsequently be permitted by applicable laws or regulations or any market practice that will subsequently be recognized by the Autorités des Marchés Financiers, provided that in such a case, the company would inform its shareholders through a press release.

Terms and Conditions

Maximum Amount of the Operation

The maximum number of shares that may be repurchased according to authorization on which the AGM convened on April 19, 2010, will vote shall not exceed ten percent (10%) of the total number of shares constituting the company's share capital, with it being specified that such a limit applies to an amount of share capital that may be adjusted to take into account subsequent transactions, and that the total number of shares the company holds, either directly or indirectly, shall under no circumstances exceed 10% of the share capital.

The maximum purchase price is 45 euros.

By way of illustration, given the fact that the share capital is composed of 16,994,388 shares on the date of publication of the present share buyback plan's description, only 1,699,438 shares could be repurchased, which would represent a theoretical maximum investment for the operation of €76,474,710.

Repurchase Conditions

These purchase, sale, exchange or transfer transactions may be carried out by any means, particularly on market or off market, including through an acquisition or sale of a block of shares, or through financial instruments, especially derivatives negotiated on market or off market, or through the use of warrants, according to application regulations defined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of the Board of Directors deems appropriate. The maximum portion of the company's capital purchased or transferred by purchase or sale of a block of shares may constitute the entirety of the program.

These operations may take place at any time, according to applicable laws and regulations, including during a tender offer filed by the company or filed by another company on the company's shares.

Duration

In accordance with Article L. 225-209 of the French Commercial Code, the duration of the share buyback plan shall be eighteen (18) months as of the date of authorization by the AGM, i.e., April 19, 2010, and shall expire on October 19, 2011.

Statutory Auditors' Report on the Reduction in Capital by the Repurchase of Shares to Be Cancelled (8th Resolution)

(Freely translated from the French original by the auditors)

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L.225 - 209, paragraph 7 of French Company Law (Code de Commerce) in respect of the cancellation of a company's own shares previously repurchased, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to examine whether the terms and conditions for the proposed reduction in capital are fair.

This operation involves the repurchase by your Company of its own shares, representing an amount not in excess of 10% of its total capital, in accordance with Article L. 225 - 209 of French Company Law (Code de Commerce). Moreover, this purchase authorisation is proposed to your shareholders' meeting for approval and would be given for a period of eighteen months.

Your Board of Directors requests that it be empowered for a period of twenty-four months to proceed with the cancellation of own shares the Company was authorised to repurchase, representing an amount not exceeding 10% of its total capital for a period of twenty-four months.

We have nothing to report on the terms and conditions of the proposed reduction in capital, which can be performed only after your shareholders' meeting has already approved the repurchase by your Company of its own shares.

Marseilles, March 5, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

Information on the Reference Document and the Annual Financial Report

Declaration of Responsibility for the Reference Document and the 2009 Annual Financial Report

I hereby certify, after having taken all reasonable measures to this effect, that the information contained in the present Reference Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the company and all the activities included in the consolidation, and that the management report on pages 20 to 55 presents a fair review of the development and performance of the business and financial position of the company and of all the activities included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the auditors stating that they have audited the information contained in this Reference Document about the financial position and financial statements and that they have read this document in its entirety.

This letter does not contain any reservations, comments or objections.

The historical financial information presented in the Document has been discussed in the auditors' reports found on pages 131 and 147 of this Reference Document. The report on page 131 includes an observation.

March 5, 2010

Joachim Kreuzburg

Chairman of the Board and CEO

Table of Reconciliation

In order to facilitate understanding of the present document concerning the presentation of Sartorius Stedim Biotech S.A., the table below has, on the left, the headings from Note 1 of European Regulation No. 809/2004 of April 29, 2004, of the European Commission and in the column on the right, the corresponding sections of the present document.

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Glossary

Industrial | Product-specific Terms

Bioreactor
In English-speaking countries, a bioreactor is used as a vessel for cultivating animal or human cells in a culture medium. In non-English-speaking countries, this term is also used synonymously with "fermentor" that is a system in which microorganisms (bacteria, yeast, fungi) multiply. In any case, these vessels are used to obtain cells, parts of these or one of their metabolites.

Capsules
Ready-to-use filter units consisting of a filter housing with hose connectors and an incorporated filter cartridge; for connection to piping

cGMPs
Abbreviation for "current Good Manufacturing Practices"

Crossflow
Term taken from filtration technology. Instead of directly flowing through a 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
A product for a single use, particularly bags for transfer and storage of pharmaceutical liquids; "single-use" is usually used for bioreactors and containers; cf. "Single-use" product

Downstream processing
Collective term for the various steps that follow fermentation or cell cultivation in the production of biopharmaceuticals, for example separation, purification and concentration

FDA – Food and Drug Administration
This is the U.S. governmental agency responsible for the areas of foods and biotechnological, medical, veterinary, and pharmaceutical products.

Fermentation
Technical process used to produce or transform intra- or extracellular substances with the help of microorganisms

Fluid management technologies
Technologies and systems for use in handling sensitive biological liquids; for example, transportation and storage of these media

Freeze-thaw technologies
Technologies used in the controlled freezing and thawing of biological liquids (liquid "biologics")

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 can be used for filtration applications.

Monoclonal antibodies
Synthetic antibodies that are increasingly commonly used in medical diagnosis and treatment

Purification
An important step in downstream processing

Recombinant protein
Protein manufactured using genetically modified organisms. Examples include pharmaceutical proteins such as insulin and vaccines.

Scale-up
Transfer of scale or increase in size. This term is used to denote the progression of a process that increases in a range from lab scale to pilot scale to process scale, while retaining the same technology, materials of construction and geometries throughout.

Single-use product
See "disposable"

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 whether 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
Systematic checking of essential steps and facilities in research and development and in production, including testing pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality

Business | Economic Terms

Amortization
Amortization relates exclusively to potential reductions in the value of goodwill and the allocation of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3.

Cash flow
Short- and long-term management of liquid funds; the cash balance of inflows and outflows of funds.

Derivative financial instruments
Instruments for hedging against the risks of changes in market prices in foreign currencies

D&O insurance – Directors' and Officers' liability insurance
This liability insurance provides coverage to executives and senior 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, one of the leading scientific societies in the area of business administration and financial reporting

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

EBITA margin
Ratio of EBITA (earnings before interest, taxes and amortization) to sales revenue

EBITDA
Earnings before interest, taxes, depreciation and amortization. These exclude amortization for business combinations and intangible assets as well as depreciation for tangible assets.

Fixed assets
The sum of intangible assets, property, plant and equipment and financial assets

Free float
Shares of a public company that are freely available to the investing public

Goodwill
Represents the difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

IAS – International Accounting Standards
Internationally recognized accounting principles

IFRS – International Financial Reporting Standards
Internationally recognized accounting principles

Investment rate
The ratio of capital expenditures to sales revenue

Pro forma
A pro forma presentation as used in this annual report means that figures include business generated by Stedim, which was consolidated for the first time as of June 29, 2007, for the full previous year, and business generated by Sartorius Stedim Plastics GmbH consolidated on January 1, 2007, for the full fiscal year of 2007 and the preceding year.

Return on equity
Ratio of the net profit to the average equity

TecDAX®
German stock index of the transaction service provider and marketplace organizer Deutscher Börse AG

Treasury
Short- and medium-term liquidity management

Underlying
Earnings taking into account extraordinary charges, which essentially include the consolidation costs of production sites along with write-downs on non-operating items.

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Financial Schedule and Contacts

Financial Schedule

March 10, 2010
SFAF Conference in Paris, France

April 19, 2010
Annual Shareholders' Meeting
in Aubagne, France

April 2010
Publication of first-quarter figures
for 2010

July 2010
Publication of first-half figures
for 2010

October 2010
Publication of nine-month figures
for 2010

February 2011*
Publication of preliminary full-year
figures for 2010

April 2011*
Annual Shareholders' Meeting
in Aubagne, France

April 2011
Publication of first-quarter figures
for 2011

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