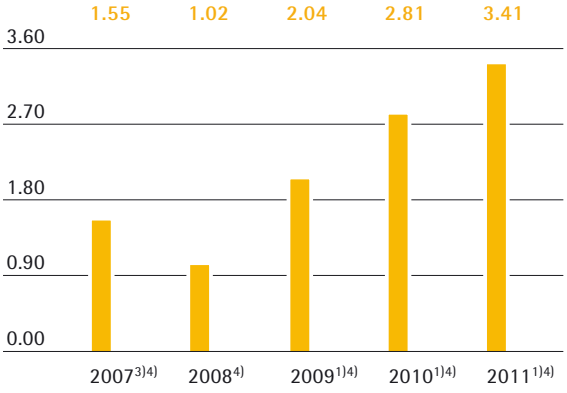
sartorius stedim biotech

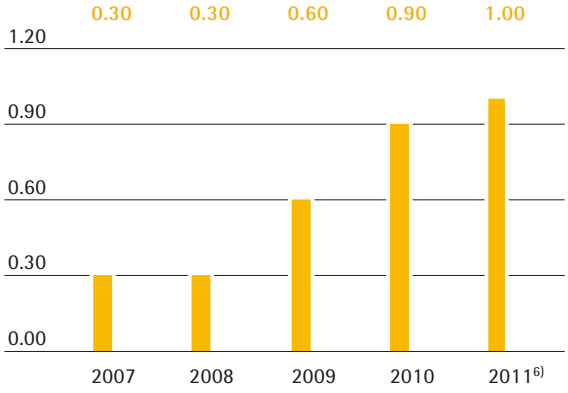
Sartorius Stedim Biotech Group
Reference Document 2011

2011

Earnings per Share
in €



Dividends
in €



Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified	**2011**	2010	2009	2008	2007
Results					
Sales revenue	477.3	432.9	401.2	368.0	375.9[2)]
EBITDA[7)]	99.6[1)]	85.9[1)]	75.2[1)]	54.6	66.2[3)]
EBITA[7)]	83.5[1)]	70.0[1)]	60.3[1)]	40.1	49.7[3)]
Net profit[7)] after non-controlling interest	43.1	38.5	29.1	13.1	21.2[3)]
Net profit[7)] after non-controlling interest[4)]	52.3[1)]	45.2[1)]	34.7[1)]	17.3	26.1[3)]
Earnings per share (in €)	2.81	2.39	1.71	0.77	1.26[3)]
Earnings per share (in €)[4)]	3.41[1)]	2.81[1)]	2.04[1)]	1.02	1.55[3)]
Dividend per share (in €)	1.00[6)]	0.90	0.60	0.30	0.30
As a % of sales revenue					
EBITDA[7)]	20.9[1)]	19.8[1)]	18.7[1)]	14.8	17.6[3)]
EBITA[7)]	17.5[1)]	16.2[1)]	15.0[1)]	10.9	13.2[3)]
Net profit[7)] after non-controlling interest[4)]	11.0[1)]	10.4[1)]	8.6[1)]	4.7	7.0[3)]
Balance sheet					
Balance sheet total	720.7	656.3	667.9	652.3	640.7
Equity	395.6	365.1	393.2	371.6	362.8
Equity ratio (in %)	54.9	55.6	58.9	57.0	56.6
Gearing ratio	0.3	0.3	0.2	0.4	0.4
Financials					
Capital expenditures	38.6	16.7	15.7	20.2	14.2
As a % of sales revenue	8.1	3.9	3.9	5.5	5.3[5)]
Depreciation and amortization	24.5	23.0	22.7	20.9	15.3
Net cash flow from operating activities	60.6	72.8	91.9	47.2	26.0
Net debt	100.1	102.8	87.6	150.1	153.8
Ratio of net debt to EBITDA[7)]	1.0[1)]	1.2[1)]	1.2[1)]	2.7	2.3[3)]
Total number of employees as of December 31	2,858	2,581	2,381	2,369	2,311

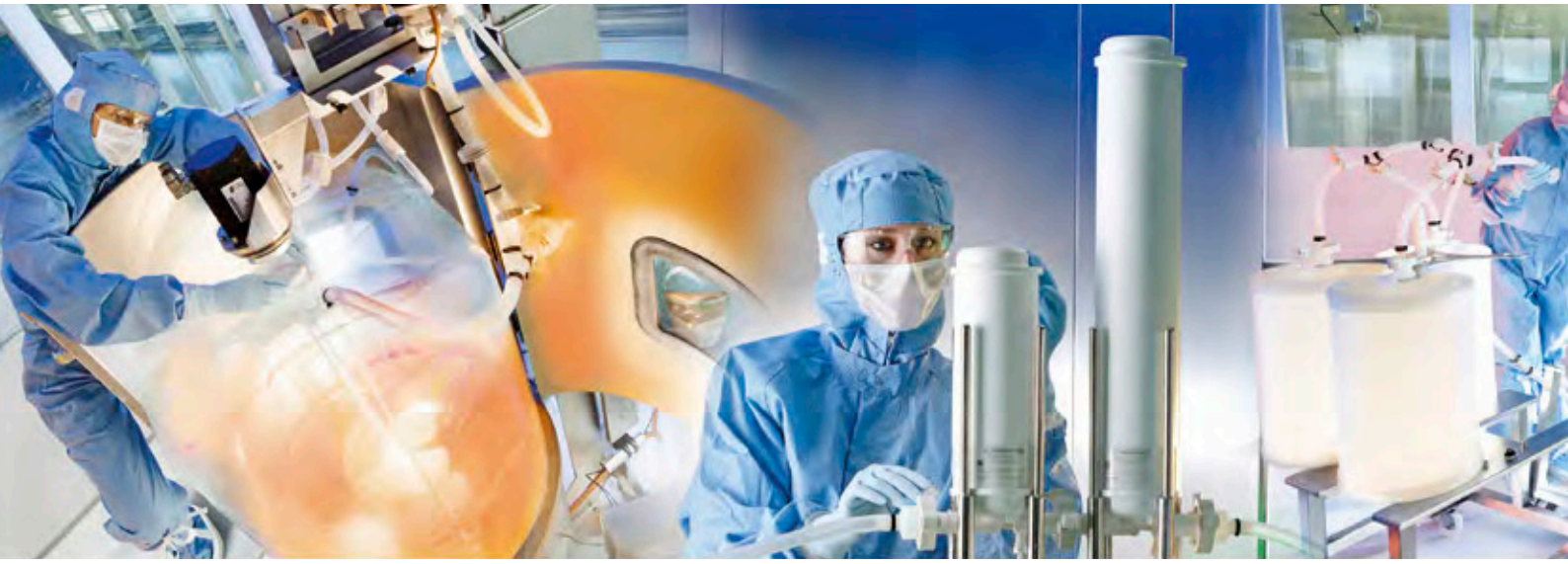
[1)] Underlying (adjusted for extraordinary items)
[2)] Pro forma
[3)] Pro forma underlying
[4)] Excluding amortization linked to business combinations
[5)] Based on actual sales revenue of €268.8 million
[6)] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting
[7)] For more information on EBITDA, EBITA, net profit and the underlying presentation, please refer to the chapter on Group Business Development and to the Glossary.

Leading in single-use bioprocessing

Sartorius Stedim Biotech offers the industry's widest range of single-use products for the manufacture of biopharmaceuticals. With its integrated solutions, the company makes it particularly easy for its customers to incorporate single-use products in their production processes. The FlexAct series, for example, covers different bioprocess steps with preconfigured single-use solutions that are ready to use. In 2011, Sartorius Stedim Biotech expanded this series for ultrafiltration and diafiltration as well as for filling sterile bags.

High growth dynamics in Asia

With sales up nearly 30 percent in 2011, Sartorius Stedim Biotech saw especially dynamic growth in Asia. As a result, the group now generates one fifth of its revenue in this region. An active presence in Asia for more than two decades at its six own production and sales sites, as well as intensive sales and marketing activities, constitutes a strong basis for the company to participate in the upsurge in this market region.



Innovative through alliances

Sartorius Stedim Biotech continuously extends its technology portfolio by propelling its own developments forward and by entering into strategic alliances with external partners. In the reporting year, the company collaborated with several leading suppliers and manufacturers, such as GE Healthcare, G-Con, Refine Technology and Raumedic. These strategic partnerships enable Sartorius Stedim Biotech to develop new products and process solutions rapidly, efficiently and at a low risk.

Fiscal 2011: Generating Growth Impulses

Profit margin significantly increased

The profitability of Sartorius Stedim Biotech, which is measured by its underlying EBITA margin, continued to grow from its already high level to nearly 18 percent. Profit growth was again fueled by business with single-use products.

Investments in capacity and processes

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

Creating a motivating work environment

Sartorius Stedim Biotech provides challenging tasks, gives employees the freedom to take the initiative and delegates responsibility at an early stage. The company continuously strives to be the best employer, actively encouraging people to achieve their full potential and attracting new talent. This creates long-term motivation and strong employee loyalty, which is demonstrated, among other things, by our low staff attrition rates; in 2011, these were under 5 percent in Europe.

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."

Reference Document 2011

The present original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on March 8, 2012, in accordance with Article 212-13 of its "règlement 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 has been made out by the issuer and engages the responsibility of his signatory.

This Reference Document incorporates by reference the preceding Reference Documents, D.10-0091 filed on March 9, 2010 and D. 11-0102 filed on March 8, 2011.

The following information is included by reference in the present Reference Document:

- The year 2010 consolidated financial statements of Sartorius Stedim Biotech prepared using international accounting standards and the report of the statutory auditors relating to these statements, and the Group 2010 management report appearing on pages 86 to 127 and 18 to 49, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 8, 2011, under the number D.11-0102.

- The year 2009 consolidated financial statements of Sartorius Stedim Biotech prepared using international accounting standards and the report of the statutory auditors relating to these statements, and the Group 2009 management report appearing on pages 92 to 131 and 20 to 47, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 9, 2010, under the number D.10-0091.

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 S.A.
  Z.I. Les Paluds - Avenue de Jouques
  BP 1051 - 13781 Aubagne Cedex
- Group website: www.sartorius-stedim.com
- Autorité des Marchés Financiers website:
  www.amf-france.org

01 To Our Shareholders

02 Management Report

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 2011". 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 Reference Document, differences may be apparent as a result of rounding during addition.

Contents

To Our Shareholders

01

Dear Shareholders,

I am pleased to report that 2011 was yet another successful year for the Sartorius Stedim Biotech Group (SSB). With double-digit sales and earnings growth, we fully achieved our ambitious financial targets and further enhanced our already strong financial foundation. Moreover, 2011 was a year in which we worked intensively on our organization and strategy. We reviewed and focused our corporate strategy as well as initiated important infrastructure projects. As a result, we have significantly strengthened our base for further profitable growth.

Based on our strong annual results, the Board of Directors will submit a proposal to the Annual General Shareholders' Meeting to raise the dividend by 11.1% to €1.00 per share. Our positive performance and prospects are also underscored by the development of our share prices. We find it encouraging that the capital market continues to assess SSB as an attractive investment. With the SSB share price up approximately 30% in 2011, our shares significantly outperformed the leading French indexes, and analysts continue to recommend buying our shares.

Let me now summarize the Group's key financial results for the reporting year:

Our Group sales revenue for 2011 was €477.3 million and thus 10.2% above the year-earlier figure. The gain in order intake was even stronger, 13.0%. Again, the company's business with single-use products for biopharmaceutical applications, which accounts for approx. 75% of Group revenues, fueled this growth. Moreover, business with process-scale biotech equipment also added positive momentum.

With rates surging to 28.7%, growth of our business in Asia was extraordinary in 2011. Several Asian countries have active programs in place to build up and strengthen their pharma industry so we see broad-based growth driven by both government and private investments as well as by business expansion of globally operating pharma groups. Europe and North America, which after a moderate start significantly accelerated its performance during the past year, also successfully closed the year with high upper-digit gains.

This positive development of sales revenue was also reflected by our profitability. Our continuous margin expansion over the past five years impressively reflects the attractiveness of our consumables-driven business model. In 2011, operating earnings improved 19.3% to €83.5 million, and our underlying EBITA-margin rose from 16.2% to 17.5%, even as we were making substantial investments in the expansion of key sites and facilities. Underlying earnings per share are at €3.41, up 21.5% from €2.81 in 2010.

All relevant balance sheet ratios and key financial figures of Sartorius Stedim Biotech are at highly robust levels. Operating cash flow, which at €60.6 million was strong again in 2011, contributed to this development. Reflected by an equity ratio of 54.9%, a gearing ratio of 0.3 and a net-debt-to-underlying-EBITDA ratio of 1.0, the financial position of our Group has remained solid.

The year 2011 was highly successful for us, and not just from an operational stance, given the new highs in sales revenue and earnings. We also defined the roadmap for continuing with our sustainable growth strategy.

Our strategy for the upcoming years is predominantly based on proven elements: We will continue to focus on our bioprocess business for pharma customers and, therefore, on the complex processes in the manufacture of biopharmaceuticals. Our key value proposition is to optimize pharmaceutical manufacturing processes and to lower costs, primarily by increased usage of

Chairman's Message

single-use products and solutions. Sartorius Stedim Biotech is among the world's leading providers of this mostly still young technology and, over the past decade, has built up one of the broadest and most attractive product portfolios in the industry. In the coming years, we will concentrate on further globalizing our business. We plan to expand our presence in the local markets, primarily in sales- and distribution-related functions, and will especially focus on North America as the world's largest pharma market and on the fast growing "pharmerging" Asian countries. In addition, we aim to further expand our product portfolio. Concerning our lab products, we see opportunities for future growth through cooperation with the Lab Products & Services division (LPS) of Sartorius AG, especially in sales, marketing and services. Encouraged by the good results of this cooperation last year, we have been using LPS as a distribution agency for our lab portfolio since the outset of 2012. In this setup, we optimally take advantage of LPS's excellent customer access in research and quality assurance laboratories within of a number of industries and at academic institutes.

Our investment projects represent further significant milestones in the reporting year: In 2011, we began to expand key sites and facilities, including our membrane production in Goettingen, Germany; and to construct a new plant for the manufacture of bioreactor equipment in Guxhagen, Germany; as well as to extend our plant in Yauco, Puerto Rico. All projects have been progressing on schedule and as budgeted and are due to be completed during 2012. We have also made progress with our operational business processes and supportive IT systems. In 2012, we plan to roll out our new ERP system, which is currently being designed based on business processes standardized across the entire Group. With this project, we are creating the conditions in terms of capacity and business processes for further profitable growth in the coming years as well.

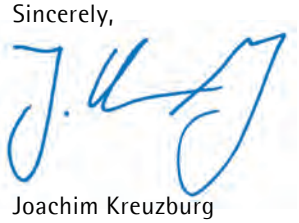
We continue to see excellent prospects for our business not only for 2012 but also over the medium and long term. The demographic trends have remained unchanged and indicate a growing world population and an increasing number of elderly people who need innovative and affordable medicines. At the same time, millions of people in the developing countries will obtain the purchasing power to afford adequate medical care.

For 2012, we are specifically aiming at increasing our sales revenue by around 6% - 8% in constant currencies. Furthermore, we project that we will be able to increase our operating earnings at approximately the same rate.

The success we gained in 2011 shows the potential behind our company and employees. Our goal is to unlock and further develop this potential in 2012 and in the following years as well. At this point, I would like to especially thank all staff members of the Sartorius Stedim Biotech Group worldwide, also on behalf of my colleagues on the Board of Directors, for their strong commitment in the past year, their outstanding accomplishments and their tremendous drive to succeed.

We equally appreciate the ongoing support, open dialogue and trust we have received from you, our customers, partners and shareholders.

Sincerely,



Joachim Kreuzburg
Chairman of the Board and CEO

Executive Committee

Joachim Kreuzburg 46

Chairman of the Board and Chief Executive Officer

is responsible for Finances, Human Resources, Compliance, Legal Affairs and Corporate Communications. He holds a doctorate in economics and a university degree in mechanical engineering. Joachim Kreuzburg is also the CEO of SSB's parent corporation Sartorius AG and the Chairman of the Sartorius Group Executive Committee.

Oscar-Werner Reif 47

Executive Vice President
Research and Development

manages the Group's global Research and Development unit. He holds a doctorate in chemical engineering and has studied chemistry and molecular biology in both Germany and the USA. Oscar-Werner Reif is also a member of the Sartorius Group Executive Committee.

Reinhard Vogt 56

Executive Vice President
Marketing, Sales and Services

heads Marketing, Sales and Services. He holds a vocational diploma in industrial business administration. Reinhard Vogt is also a member of the Executive Board of Sartorius AG and a member of the Sartorius Group Executive Committee.

Volker Niebel 55

Executive Vice President
Operations and IT

is responsible for Production, Supply Chain Management and IT Demands. He holds a university degree in business administration and economics. Volker Niebel also belongs to the Sartorius Group Executive Committee.

Sartorius Stedim Biotech Shares

Facts about the Share

ISIN	FR0000053266
Liquidity provider	Gilbert Dupont
Stock exchange	Euronext Paris
Market segment	Local Securities - Compartment B (Mid Caps)
Indexes	SBF 250; CAC AllSHARES; CAC MID & SMALL 190; CAC SMALL; CAC HEALTH CARE
Number of shares[1)]	17,025,948
thereof Sartorius AG	67%
thereof free float	23%
thereof treasury shares	10%
Number of shares outstanding[1)2)]	15,327,238
thereof Sartorius AG	74.46%
thereof free float	25.54%
Voting rights[1)]	28,857,961
Voting rights outstanding[1)3)]	27,159,251

[1)] As of December 31, 2011
[2)] Number of issued shares minus number of treasury shares
[3)] Number of voting rights minus number of voting rights connected to treasury shares

Stock Market Environment

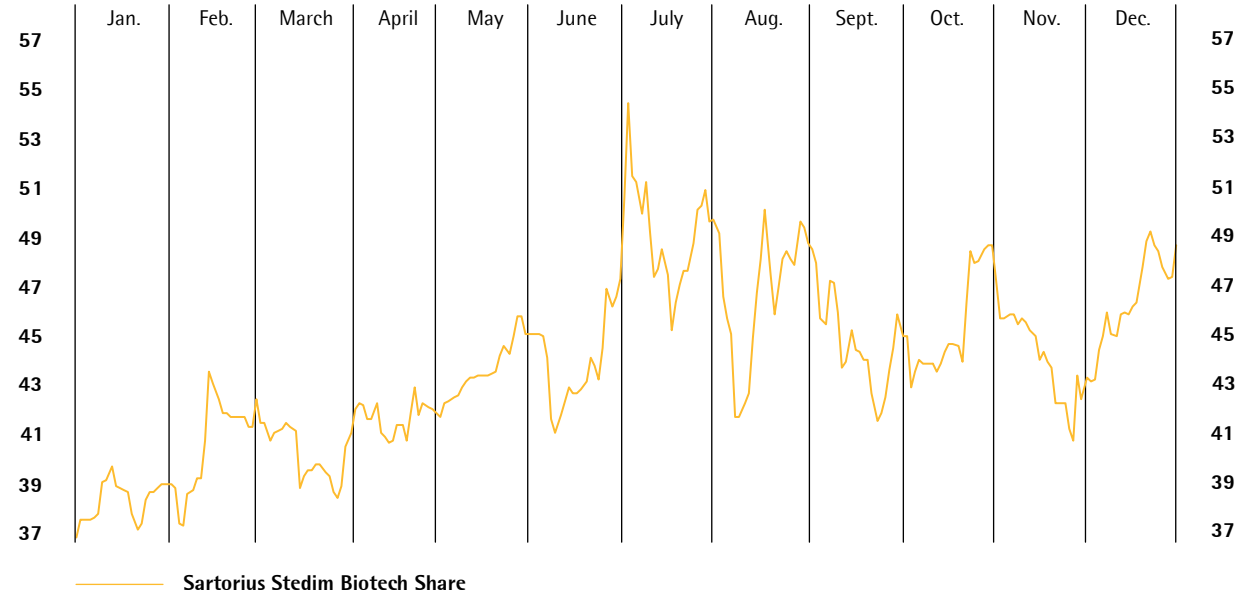
Against a backdrop of favourable economic prospects, 2011 got off to a positive start on the international stock markets. The SBF 250, for example, recorded a 9% rise on its year-end 2010 mark, reaching its high point for the year 2011 of 3,034 points in February. However the escalation of the sovereign debt crisis and the accompanying increase in country risks, along with the modest development of the U.S. economy negatively impacted sentiment on the stock markets as the year progressed. On balance, the SBF 250 declined by 16.3% to 2,344 points in 2011.

Share Price Development

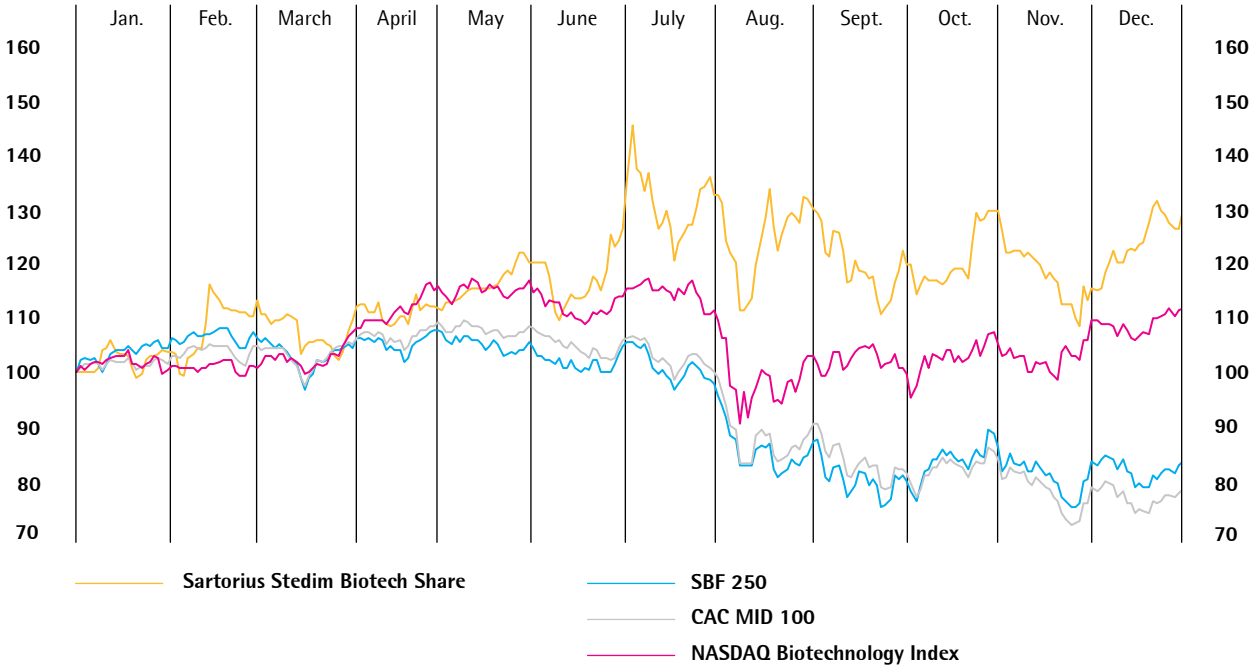
During 2011, the Sartorius Stedim Biotech share price performed better than the French stock market as a whole. From a close of €37.70 at the end of 2010, the share price rose by 30% to €49.00 by the end of 2011.

The share hit its lowest closing price for the year of €37.35 on January 20, 2011, before rising sharply over the next few months. The highest closing price was registered at €54.89 on July 4, 2011, buoyed by favourable business development and an improved overall forecast for the year.

The Sartorius Stedim Biotech Share in €
January 1, 2011, to December 31, 2011



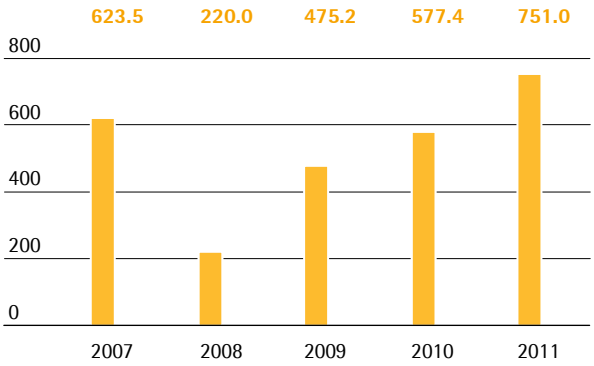
The Sartorius Stedim Biotech Share in Comparison to the SBF 250, CAC MID 100 and NASDAQ Biotechnology Index (indexed)
January 1, 2011, to December 31, 2011



Market Capitalization and Trading Volume

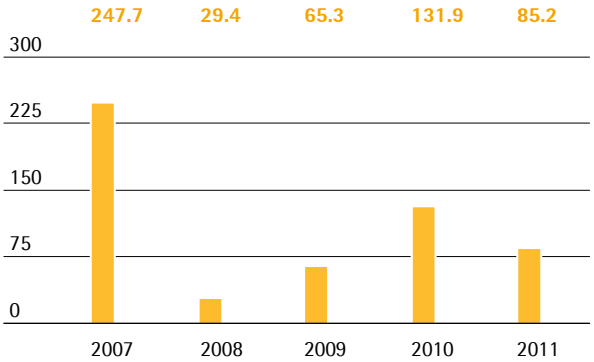
Reflecting the increase in the Sartorius Stedim Biotech share price, market capitalization surged by 30.1% over the course of the reporting year from €577.4 million on December 31, 2010 to €751.0 million on December 31, 2011.

Market Capitalization
€ in millions



The average number of Sartorius Stedim Biotech shares traded daily on the Paris Bourse in the reporting period was 7,435 and thus significantly below the previous year's figure of 14,965, which was impacted by our share buyback programme. The total trading volume on the Euronext stock exchange therefore fell from €131.9 million in 2010 to €85.2 million in 2011.

Trading Volume
€ in millions



Source : Euronext

Analysts

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

Research Coverage

Institute	Date	Recommendation
Oddo Midcap	February 3, 2012	Neutral
Portzamparc	February 3, 2012	Buy
Gilbert Dupont	February 2, 2012	Add
Société Générale	January 24, 2012	Buy

Investor Relations Activities

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

During 2011, we provided regular information on current business developments within the Sartorius Stedim Biotech Group via press releases and quarterly, half-year and annual reports. In addition to quarterly telephone/webcast conferences, we kept in contact with the capital markets at a series of roadshows in the European financial centers, amongst others in Paris and London. We were also able to step up our regular dialog within the context of various international investor conferences and many individual discussions.

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

Key Figures for the Sartorius Stedim Biotech Share

		2011	2010	2009	2008	2007
Share price[1] in €	Reporting date	49.00	37.70	28.00	13.00	36.90
	High	54.89	40.00	31.70	36.85	50.50
	Low	37.35	28.00	13.45	11.60	32.00
Dividends[2] in €		1.00	0.90	0.60	0.30	0.30
Total dividends paid[2] in millions of €		15.3	13.8	10.2	5.1	5.1
Payout ratio[3] in %		29.3	30.5	29.4	29.4	19.5
Dividend yield[4] in %		2.0	2.4	2.1	2.3	0.8
Market capitalization in millions of €		751.0	577.4	475.2	220.0	623.5
Average daily trading number of shares		7,435	14,965	10,427	4,576	22,785
Trading volume of shares in millions of €		85.2	131.9	65.3	29.4	247.7
CAC MID & SMALL		5,652	7,195	6,100	4,366	7,747
SBF 250		2,344	2,801	2,789	2,251	3,955

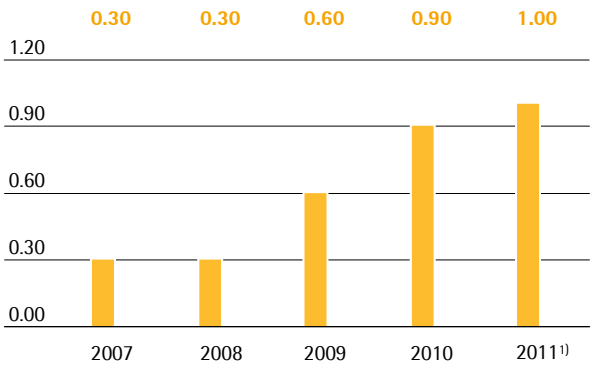
[1] Daily closing price
[2] For 2011, amounts suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting
[3] Based on the underlying net result excluding amortization (for 2007: pro forma)
[4] Dividends in relation to the corresponding closing prices of the year
Sources: Euronext; vwd | Stedim S.A. shares until June 29, 2007; Sartorius Stedim Biotech S.A. shares as of June 30, 2007

Dividends

For fiscal 2011 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 17, 2012, the Board of Directors will submit a proposal to pay a dividend of €1.00 per share from the net profit of €23.9 million reported by Sartorius Stedim Biotech S.A. This would represent a gain of 11.1% over the previous year's figure of €0.90. Therefore, the total profit distributed would increase from €13.8 million a year ago to €15.3 million.

Based on the underlying net profit (for more information on underlying net profit, please refer to the glossary), the dividend payout ratio would be 29.3% compared to 30.5% in the previous year. This would result in a dividend yield in relation to the closing price of the share on December 31, 2011 (€49.00) of 2.0% (previous year: 2.4%).

Dividends
in €



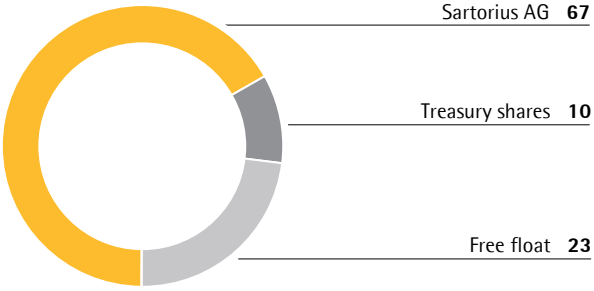
[1] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting

Shareholder Structure

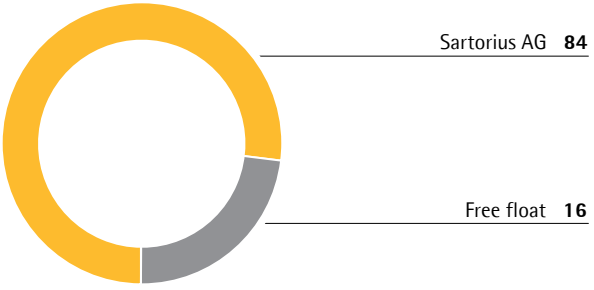
Sartorius Stedim Biotech S.A.'s issued capital amounted to €10.4 million as of the reporting date and is divided into 17,025,948 shares, each with a calculated par value of €0.61. Some of the shares convey double voting rights, with the result that there was a total of 28,857,961 voting rights as of the reporting date.

After the completion of the share buyback program in 2010, Sartorius Stedim Biotech S.A. holds 10% of its own shares as of the reporting date. Furthermore, Sartorius AG holds 67% of the shares and approximately 84% of the outstanding voting rights. Around 23% of the shares (16% of the outstanding voting rights) are in free float. Of the outstanding 15,327,238 shares, from which treasury shares are deducted, Sartorius AG owns 74.46% and free float accounts for the remaining 25.54%.

Shareholding Structure
% of share capital



Shareholding Structure
% of voting rights



Management Report

02

About Sartorius Stedim Biotech

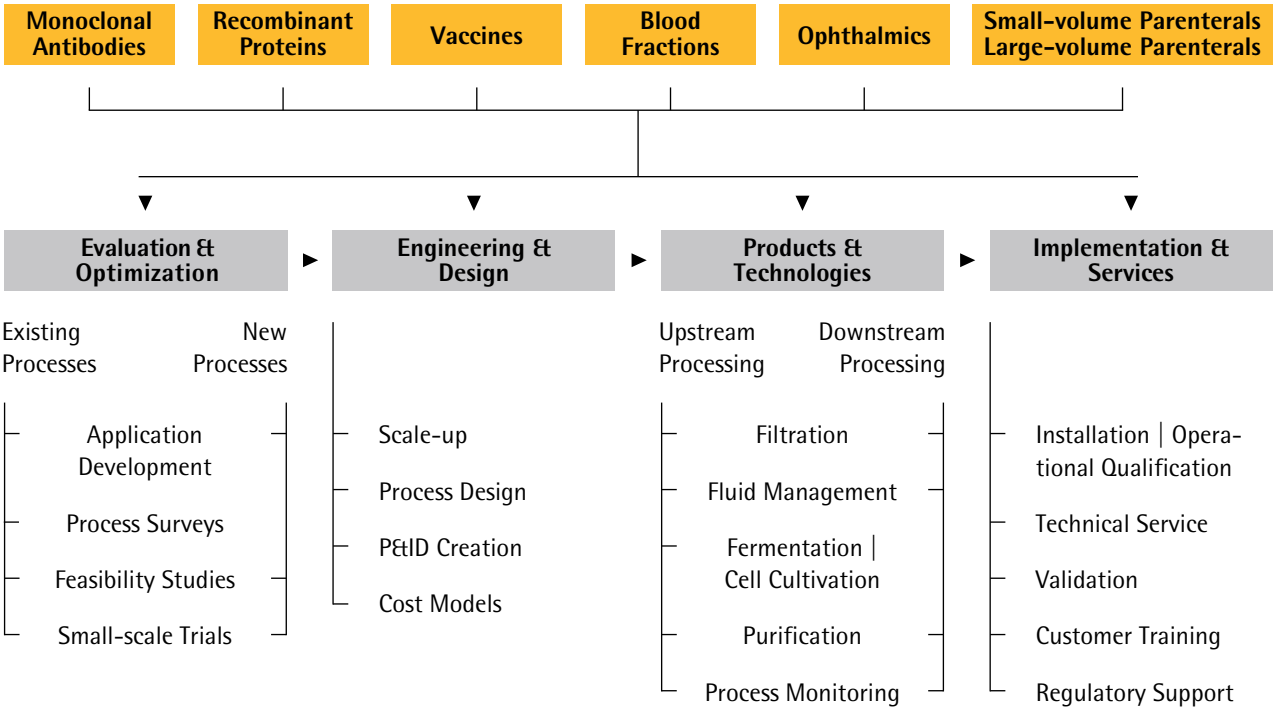
Strategy

Sartorius Stedim Biotech acts as a provider of integrated solutions for all key processes in biopharmaceutical production (Total Solution Provider strategy). Our extensive range of technologies, products and services helps our customers to develop and manufacture medications and vaccines using biological methods safely and efficiently. We are global leaders in process filtration, fermentation, fluid management technology and membrane chromatography.

Most Extensive Single-use Portfolio in the Sector

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

Process Solutions for Biomanufacturing of Active Pharmaceutical Ingredients and Drugs



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

Broad-based R&D Strategy

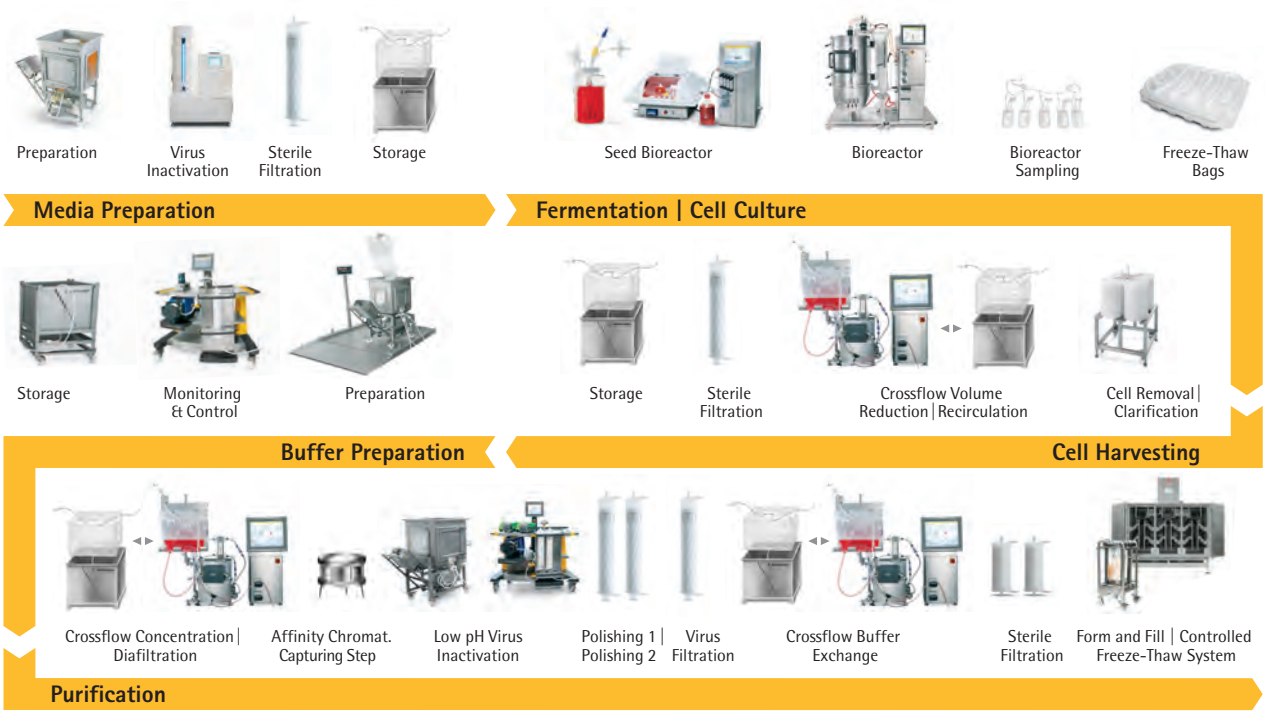
Carefully targeted alliances and acquisitions play a central role alongside our own research and development activities in putting our Total Solution Provider strategy into practice. Our R&D department, which accordingly has expanded its expertise in technology integration, quickly combines the technologies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

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.

Integrated Products Along the Customer's Process Chain

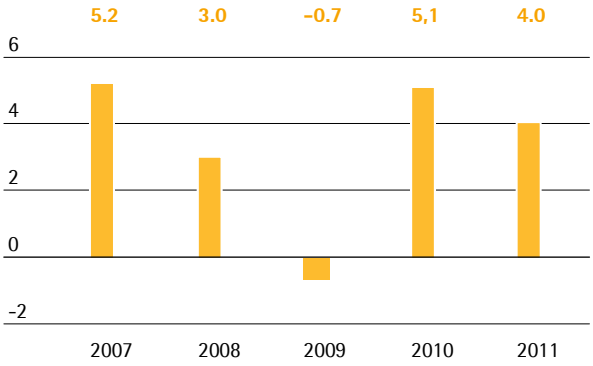


Macroeconomic Environment and Conditions in the Sector

Macroeconomic Environment

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

Global GDP Development (2007 to 2011)
in %



Source: International Monetary Fund

Economic Development in the Industrialized Countries

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

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

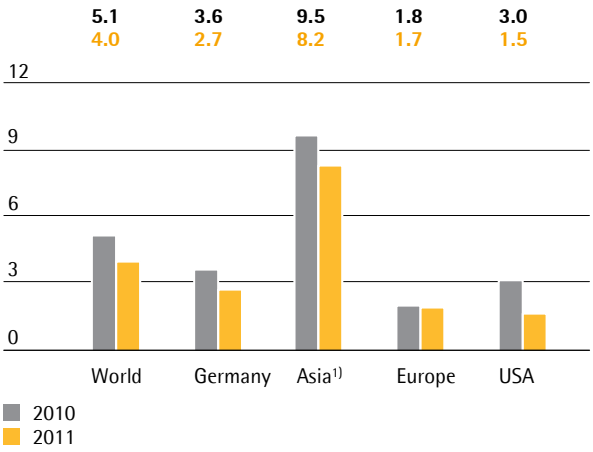
As in the previous year, economic development in the eurozone states likewise presents an extremely patchy picture. Over the course of the year the sovereign debt crisis increased in severity and culminated in a series of downgrades in the credit rating of certain states. In Greece and Portugal, the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

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

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

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

Gross Domestic Product
in %



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

Source: International Monetary Fund

Economic Development in the Emerging Countries

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

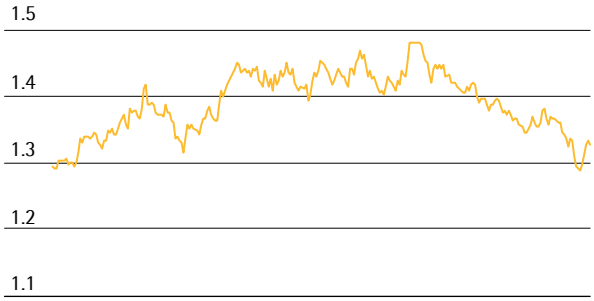
To counter this trend China's central bank, for example, reduced the minimum reserve ratios for banks in the reporting period. Overall, the IMF forecast for China's economic growth rate for the year 2011 stands at 9.5% (previous year: 10.3%).

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

Exchange Rate Trends

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

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



Source: vwd

Interest Rate Trends

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

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

Sector Conditions

Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry which makes its business particularly sensitive to the development of this industry.

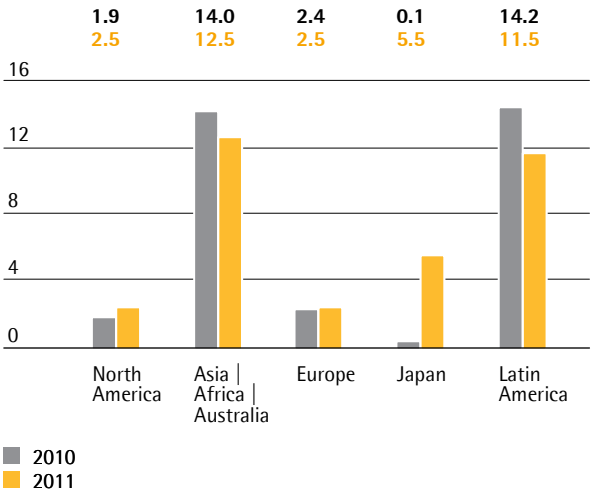
Growth in Pharmaceutical Markets Remained Stable

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

care systems of the industrialized nations and the expiration of patents.

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

Growth of the Regional Pharma Markets
in %



Source: IMS Health

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

Biotechnology Market Growth Remains Above Average

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

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

Acquisitions and Alliances between Pharmaceutical and Biotech Companies

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

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

Pronounced Move to Single-use Systems in Biopharmaceutical Production

Biotech production methods are much more complex than traditional methods and have so far also proved more cost-intensive. Manufacturers and suppliers are consequently engaged in an intensive search for more productive process technologies. Single-use products, which require less capital expenditure, reduce cleaning and validation costs and minimize downtime, have a crucial role to play here. The actual figures vary from application to application, but single-use technology can prune production costs over the full lifecycle by anything from 15% to 40%. Single-use products deliver greater flexibility too and help to bring developments to market faster. The advantages of single-use technologies over permanently installed stainless steel

systems are particularly compelling when working with relatively small production volumes. Thanks to their excellent cost-efficiency, single-use products have now become well established in just about every process step. The clear move to single-use products for the manufacture, transport and storage of biopharmaceutical products continued in the reporting year. As single-use equipment has penetrated further and further into the market, so manufacturers have become increasingly interested in integrated system solutions that cover entire process steps and thereby further reduce the complexity of biotech production methods.

The Public Research Sector – Emerging Countries Growing in Significance

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

Competition

The primary means by which companies in the biotechnology market differentiate themselves from competitors are innovative prowess and the quality and performance of their products. The biotechnology sector is constantly discovering new areas of application and expects suppliers to be equally fast-moving and creative in developing new equipment for the manufacture of biotech products. New suppliers in particular seek to exploit the opportunities inherent in this environment to gain a foothold in the market with carefully targeted niche products. The more established suppliers, meanwhile, are expanding their product range continuously.

We generate round 85% of our sales revenue from validated processes in which replacing products during the production cycle is very expensive, so we receive a high proportion of follow-up and repeat business. The particular strength of Sartorius Stedim Biotech lies in its integrated process solutions: from the investigation and development of substances in the lab to the production of the end product, we offer the broadest range in the industry. Our strategic focus on single-use products gives us another edge over the competition. Sartorius Stedim Biotech occupies a strong position in the market worldwide in the fields of bioprocess filtration, fermentation, fluid management and membrane chromatography.

Most of our competitors are multinationals based in the USA. Merck Millipore, Pall and General Electric Healthcare are among our main rivals in the process arena, Thermo Fisher and Corning are key players in the laboratory field. We also face competition from smaller companies such as Applikon and ATMI in individual segments.

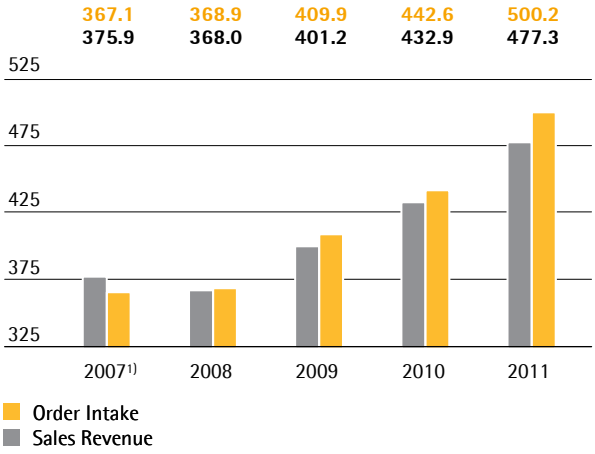
Sources: IMS Health: Market Prognosis, March 2011, Datamonitor: Monoclonal Antibodies 2010, Evaluate Pharma: World Preview 2016; OECD Science Technology and Industry Outlook 2010; Cefic: Monthly Reports, Facts and Figures 2011; WestLB: European Pharmaceuticals.

Group Business Development

Order Intake and Sales Revenue

The Sartorius Stedim Biotech Group recorded a total volume of €500.2 million in order intake in the reporting year. Compared with the year-earlier figure of €442.6 million, this equates to a gain of 13.0%, or 14.3% in constant currencies. In the same period, sales revenue grew 10.2%, or 11.5% in constant currencies, from €432.9 million to €477.3 million, and thus performed significantly better than the currency-adjusted 6% to 8% growth we had forecasted at the outset of the year.

Order Intake and Sales Revenue
€ in millions

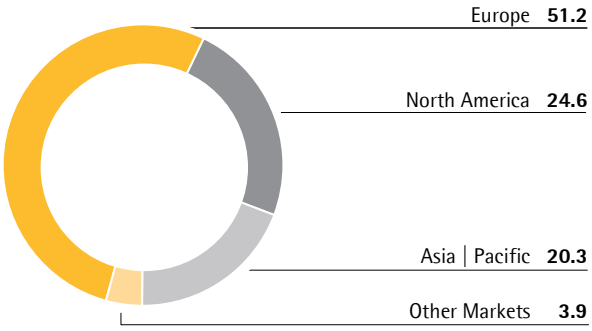


[1] pro forma

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

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

Sales Revenue by Region[1]
in %



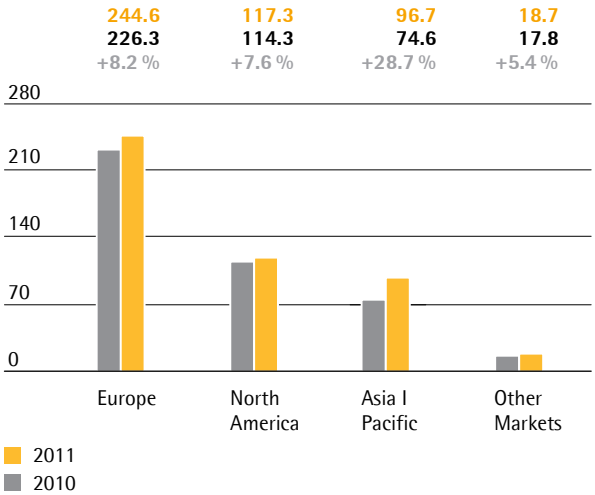
[1] acc. to customers' location

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

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

The Asia | Pacific region, which in 2011 accounted for around 20% of total sales revenue, again developed very dynamically. In this region, we recorded the highest regional sales increases of 28.7% in constant currencies.

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



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

	Sales[1] € in millions	Growth in %	Growth[2] in %
Group	**477.3**	**10.2%**	**11.5%**
Europe	244.6	8.1%	8.2%
North America	117.3	2.6%	7.6%
Asia | Pacific	96.7	29.6%	28.7%
Other Markets	18.7	5.3%	5.4%

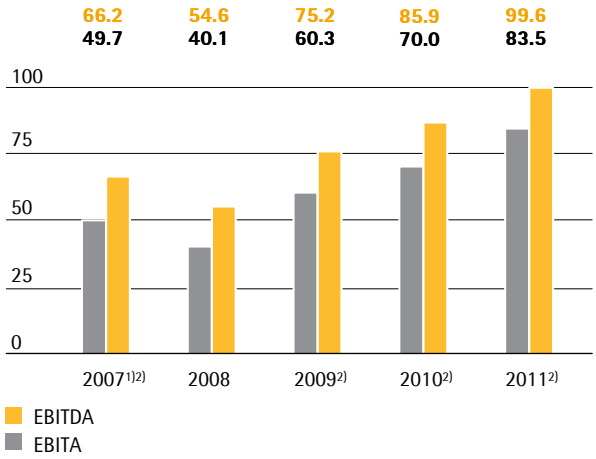
[1] acc. to customers' location
[2] currency-adjusted

Earnings

At the Sartorius Stedim Biotech Group, earnings before interest, taxes and amortization linked to business combinations (EBITA) are linked to the business combination used as the key profitability measure. Amortization in this context refers exclusively to purchase price allocation (PPA) to intangible assets acquired, as specified by IFRS 3. To provide a complete and transparent presentation of the Group's profitability, we additionally report earnings (EBITDA, EBITA [see glossary] and net result) adjusted for extraordinary items (=underlying or operating earnings). For more information about definitions please refer to the glossary on page 170. Underlying presentation is reconciled with EBITA (see glossary) key indicator on the following page.

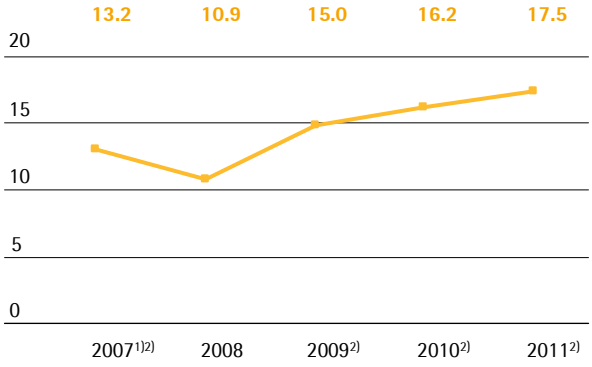
In fiscal 2011, the Sartorius Stedim Biotech Group increased its operating EBITA overproportionately by 19.3% from €70.0 million to €83.5 million. The operating margin improved from 16.2% to 17.5%. Essentially, these increases resulted from sales growth induced economies of scale. The changes in foreign exchange rates from the previous year's rates had a slightly dampening effect on the development of our earnings.

EBITDA and EBITA
€ in millions



[1] pro forma
[2] underlying

EBITA Margin
in %

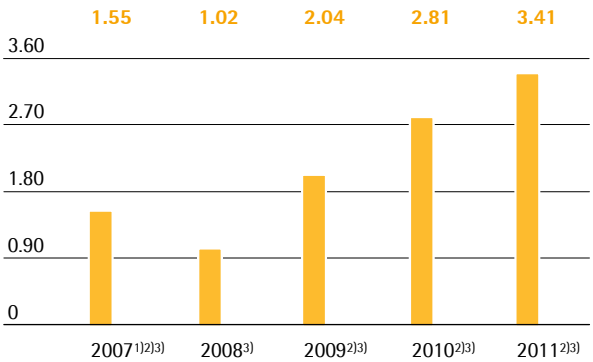


[1] pro forma
[2] underlying

Extraordinary items amounted to -€4.7 million (previous year: -€3.0 million) and essentially cover one-time expenses for the planned relocation of our U.S. manufacturing site for bags from Concord, California, to Yauco, Puerto Rico, in 2012, as well as to various cross-divisional projects. Including all special items, the Group's EBITA (see glossary) rose from €67.0 million to €78.9 million; its respective margin increased from 15.5% to 16.5%.

The relevant underlying consolidated net profit surged from €45.2 million a year ago to €52.3 million in fiscal 2011. This profit figure is yielded by adjustment for extraordinary items and elimination of non-cash amortization of €7.7 million (previous year: €7.1 million). The corresponding earnings per share are at €3.41, up from €2.81 a year earlier.

Earnings per Share
in €



[1)] pro forma
[2)] underlying
[3)] excluding amortization

Reconciliation between Underlying Presentation and EBITA Key Indicator

	2011	2010
EBITA	**78,866**	**67,012**
Extraordinary items	–4,684	–3,002
Underlying EBITA	**83,550**	**70,014**
Amortization	–7,711	–7,117
Financial Result	–6,488	–3,905
Other taxes	–1,955	–1,575
Normalized income tax (30% in 2011 and 2010)	–20,219	–17,225
Underlying net result	**47,177**	**40,192**
Amortization	7,711	7,117
Tax on Amortization	–2,469	–2,136
Non-controlling interest	–137	0
Underlying net result excluding amortization and non-controlling interest	**52,283**	**45,173**

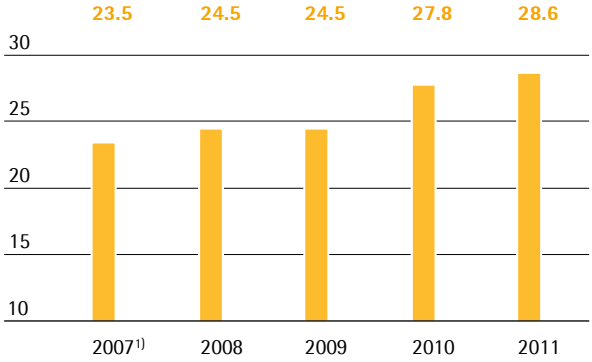
Appropriation of Profits

Management will submit a proposal to the Annual General Shareholders' Meeting on April 17, 2012, for payment of a dividend of €1.00 per share for fiscal 2011, up from €0.90 in the previous year. The total profit distributed would accordingly increase from €13.8 million a year earlier to €15.3 million. In relation to the closing price of the share of €49.00 on December 31, 2011, this would result in a dividend yield of 2.0% (previous year: 2.4%).

Research and Development (R&D)

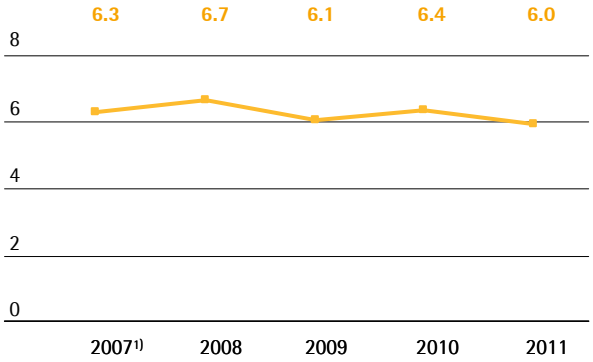
The Sartorius Stedim Biotech Group stepped up its research and development activities in the 2011 fiscal year, increasing spending in this area by 2.7% to €28.6 million (previous year: €27.8 million). This resulted in an R&D ratio of 6.0% (previous year: 6.4%).

Research & Development Costs
€ in millions



[1)] pro forma underlying

Research & Development Ratio
in % of sales revenue



[1)] pro forma underlying

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

The number of applications for intellectual and industrial property rights filed in 2011 amounted to 155 compared to 162 in the previous year. As a result of the applications submitted in the past years, we were issued 85 patents and trademarks (previous year: 142). As of the balance sheet date, we had a total of 1,397 patents and trademarks in our portfolio (previous year: 1,298).

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

Sartorius Stedim Biotech has made significant additions to its extensive technology portfolio over recent years both through its own development activities and through alliances with external partners. Our core technical expertise lies in the fields of filtration, cell culture, fluid management, membrane and plastics technology, sensors and automation. Finding novel ways to combine elements of these different technologies remains one of our principal methods of developing innovative products. Our single-use bioreactors and FlexAct series modules, for example, both stem from this approach.

Technology Platforms and New Filter Membranes Developed

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

Alliances to Develop New Single-use Products for Fluid Management

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

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

New Standardized Bioreactors

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

Collaboration with Indian Biotech Companies

The research and development site of our Bangalore plant in India is taking on an increasing volume of verification work for fluid management products to ease the strain on the Goettingen and Aubagne sites. We were able to augment our existing alliances with Indian universities in 2011 with the cementing of cooperative arrangements with two Indian biotech companies.

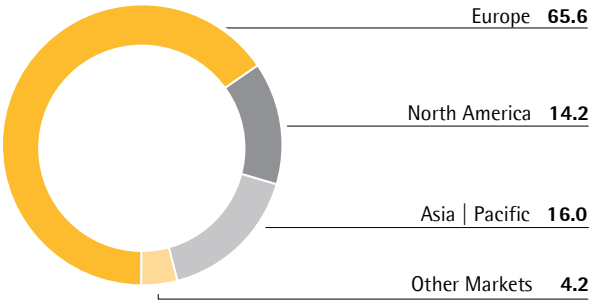
We also entered into strategic partnerships concerning the realization of customer-specific applications and product development programs with several well-known vaccine manufacturers in the reporting year.

Employees

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

As of December 31, 2011, the Sartorius Stedim Biotech Group employed a total of 2,858 people. Compared with the workforce of 2,581 on the reporting date a year earlier, this equates to an increase of 277 or 10.7%.

Employees by Region
Dec. 31, 2011; in %



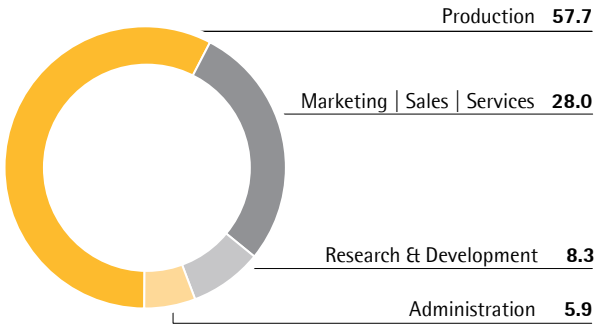
The number of employees increased the most in Europe. By adding 155 employees alone for this region, we reinforced our production capacity in Aubagne, France and Goettingen, Germany. We thus responded to the continued high demand for single-use products. The number of people employed in this region increased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

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

In North America, head count remained constant at 405 as of December 31, 2011, considering that we had begun to increase our personnel capacity in Yauco, Puerto Rico, by hiring 6 new staff. There, we intend to expand production of filters and bags from mid-2012 onwards. As the workforce was slightly reduced in other areas, however, no changes in head count were recorded for the North American region.

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

Employees by Function
Dec. 31, 2011; in %



According to function, the highest percentage of our staff members work in the Production unit for which we hire the most people. In this area, head count rose to 1,650 from 1,457 a year ago. With a workforce numbering 801, Marketing, Sales and Services units accounted for a good fourth of our total head count (previous year: 748 people). The research and development unit employed 237 staff, compared with 226 a year earlier. Tasks in the Administration units were distributed among 170 employees (previous year: 149 people). This figure did not include the additional administrative functions performed by Sartorius Corporate Administration GmbH, which is not part of the Sartorius Stedim Biotech Group.

Marketing | Sales and Distribution | Services

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

Expanding Range of Integrated Process Solutions

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

Sales and Distribution Structure Boosted in Asia

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

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

Service Activities Successfully Expanded

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

Expert Forums a Success

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

Products

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

New Prefiltration Membrane; Membrane Adsorber Line Completed

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

Highly Flexible Filtration System Unveiled

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

New Bioreactors Presented

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

Fluid Management Portfolio Expanded

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

New Product Line for Microbiological Monitoring; Ultrapure Water Systems Added

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

Production and Supply Chain Management

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

Yauco Becomes Central Production and Logistics Site in the USA

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

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

Expansion of Membrane Production

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

Expansion of Bioreactor Production Capacity

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

Standardization of Business Processes

In 2011, we redefined Sartorius' Group-wide processes with the goal of creating a consistent global platform for sustainable and profitable growth. These processes will be implemented on the basis of a completely new ERP system, which we plan to introduce first at our Group headquarters in the course of next year before its international rollout.

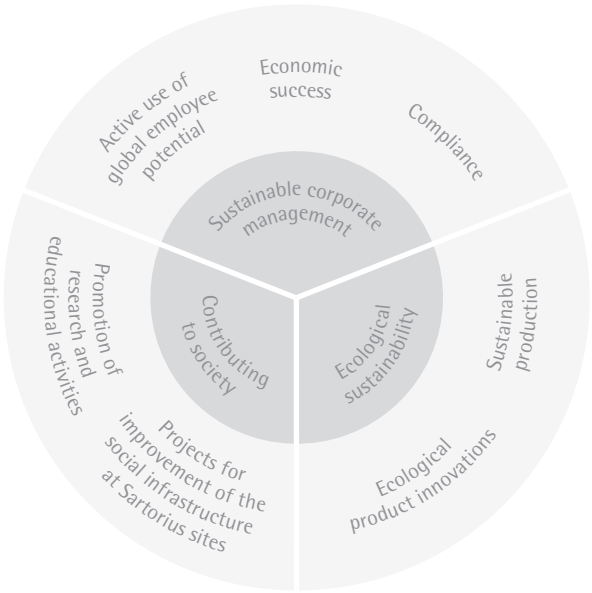
Sustainability Report

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

Our primary business responsibility is to offer attractive products and solutions to our customers. Innovation as well as strategic and operational excellence are key to meeting this objective. To us, sustainability in this context means that, in pursuing these business objectives, we take a long-term, broadly based view, which also specifically includes social and ecological interests. We take our responsibilities toward our various stakeholders seriously and believe in long-term relations that deliver benefits to all parties involved. Accordingly, we regard active management of social and ecological tasks not as compensation for our business activities, but rather as one of our success factors.

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

The report below provides, by way of examples, a summary of the projects and measures we implemented in 2011 in our three sustainability fields: "sustainable corporate management," "ecological sustainability," and "contributing to society."



Sustainable Corporate Management

Detailed information on the strategies and measures Sartorius Stedim Biotech use to achieve profitable growth is given in the sections of this document on pages 18 - 19 and 24 - 31.

Compliance with Legal and Ethical Standards

Sartorius Stedim Biotech conducts its business in accordance with the legal regulations of individual countries and with globally accepted ethical standards. Our actions follow the principles of responsible corporate governance and control focused on sustainable value added. This includes compliance with legal and Group-internal regulations, consideration of our stakeholders' interests, transparent corporate communications, appropriate risk management and proper accounting and auditing. Sartorius Stedim Biotech complies with the rules and recommendations of the AFEP-MEDEF Corporate Governance Code. More information can be found in the Chairman's Report in the chapter starting on page 66 of this Reference Document.

This compliance system is intended to ensure that members of executive bodies, managers, and employees comply with all legal regulations, codes, and internal guidelines. Designed to be pre-emptive in nature, it aims to prevent misconduct and avoid financial loss and damage to the company's image. Important pillars

on which our compliance system is based are the Code of Conduct and the Anticorruption Code. These Codes comprise the minimum standards for legally compliant and ethical behavior; they are binding on all employees, as are the anti-corruption guidelines. They are intended to help our employees to act ethically and in accordance with the law in their daily work. All our employees around the globe are required to complete a training course that uses fictitious examples to train them to deal with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any harmful conduct.

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

Applying Different Perspectives

Because we operate as a global company, the diversity of our markets, business regions and customers is also reflected in our workforce. In setting up teams, we therefore ensure that the different perspectives and backgrounds are combined productively. Also, when filling management vacancies, we aim to achieve a mix of cultures, genders and age groups. Managers from Germany, France and the USA, for example, are represented on the second management level, that of Vice Presidents. Subject to a representative assessment in the reporting year, more than 27% of the approximately 370 managerial employees at Sartorius Stedim Biotech are women; in upper management, they make up nearly 22%. The percentage of women in our entire workforce is 35%. Therefore, according to its own estimates, Sartorius Stedim Biotech currently employs an above-average proportion of women compared with companies that operate in similar sectors. We continue to strive to increase the proportion of women in managerial positions and to internationalize our management even further over medium term.

Further Developing the Potential of Employees Worldwide

To grow successfully in a dynamic market environment, we need competent, qualified employees. Sartorius Stedim Biotech invests continuously in the development of its employees. At its French sites, for example, Sartorius Stedim Biotech spent 3% of its total annual salary budget to train employees. Our stated goal is to harmonize our personnel policy worldwide. A global training policy is aimed at ensuring that employees are assessed according to uniform global standards.

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

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

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

Finding and Developing Talented Young Staff

To secure a future workforce of highly qualified, talented professionals; at its sites in France and Puerto Rico, Sartorius Stedim Biotech in 2011 began to set up a vocational training program based on the German model. We offer students internships for training purposes as an effective way to help them expand their professional knowledge, skills and experience. Moreover, we support our interns in a number of ways, for example, by enabling them to take part in training initiatives. Thanks to an alliance with the Euromed Business School in Marseille, France, the international interns at our Aubagne site, for instance, are able to attend the Master of Business Administration courses offered there.

Freedom, Flexibility and Safety at Work

Sartorius Stedim Biotech sets its employees demanding tasks, leaves them the freedom to arrange their daily work, and delegates responsibility to them at an early stage. This creates long-term motivation and strong employee loyalty, which is evidenced, for example, by our low staff attrition rates of only 4.9% in France and of 3,3% in Germany. According to analysis conducted by the German Institute for Employment Research (IAB), both of these rates are well below average. Flexible working hours are a key aspect in achieving a work-life balance. The Sartoflex working time model gives employees at all German SSB sites the option of scheduling their working hours flexibly, for instance, through flextime, part-time work, or teleworking. We continuously adapt job safety and work organization conditions. To cite an example, at our German companies, we follow the guidance issued by the German Occupational Health and Safety Agency in addition to the applicable laws and regulations.

Source : Thomas Rein- Ist Europa auf dem Weg zum "Turbo-Arbeitsmarkt"? - Institut für Arbeitsmarkt - und Berufsforschung (IAB) - Kurzbericht 19/2010 - http:\\iab.de.

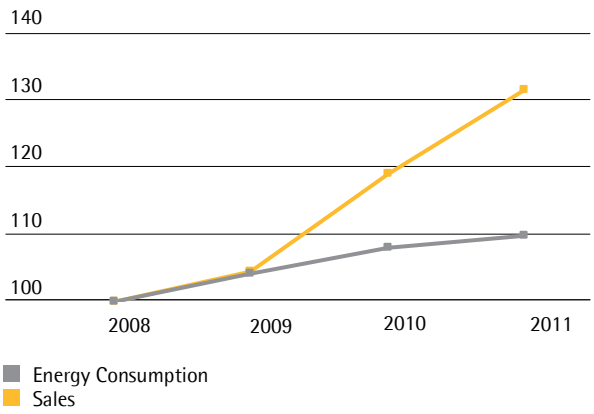
Ecological Sustainability

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

High Standards in Quality and in Environmental Protection

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

Development of Sales[1] and Energy Consumption
in %



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

Environmentally Friendly Expansion of Our Infrastructure

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

Efficient Use of Energy

Finding ways to improve our company's energy efficiency is one of our major approaches. Since 2008, we have been operating a combined heat and power plant (CHP plant) at our largest production site in Goettingen, achieving efficiencies of 80%. This is more than twice as efficient as a conventional power plant. The CHP plant generates around 15% of the power required by this site, and the waste heat produced in the process covers one fifth of our heating requirements. Operating our own combined heat and power plant not only substantially contributes towards protecting the environment, but also significantly reduces our energy costs. We invest continuously in optimized control programs and advanced technology to achieve the greatest possible efficiency while minimizing the use of energy. The compressed air center that we use to manage and control our production machinery at the Goettingen site and that we upgraded in 2010 consumes around 45% less power than its predecessor. This upgrade alone has reduced our annual carbon dioxide footprint by 400 metric tons. Taken together, the environmental protection measures implemented to date at the Goettingen site have resulted in reducing our carbon dioxide emissions annually by around 5,600 metric tons. Energy consumption in Goettingen has remained significantly underproportionate overall in the last years: although Sartorius Stedim Biotech has added more buildings to its manufacturing complex at its Goettingen site, produces more filters there and has considerably boosted its revenue generated with its own manufactured products, the consumption of power and natural gas has remained nearly constant since 2008. In Tunisia, we modernized the lighting throughout our entire production facilities in 2011 under the aspects of energy efficiency.

Return of Recyclable Materials

We have also made further progress with our recycling activities. At the Goettingen plant, where we produce membranes for our filter cartridges, we operate an advanced solvent recycling plant. The alcohol effluents resulting from membrane production are purified directly on site and then fed back in the production process. In this way, we maintain closed material cycles, minimize transport requirements, and reduce the quantity of water used and the volume of waste water produced. The design of the solvent distillation plant offers sufficient capacity to accommodate the planned expansion of membrane production as of 2012. By conducting our own research and development, we have also achieved an overall reduction in the amount of solvents required in membrane manufacture.

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

Sartorius Stedim Biotech complies with the European Directive and Regulations for environmentally friendly reuse and recovery of electronic products (WEEE). At our sites in Germany, we have been using the electronic signature for hazardous materials, such as caustics and oil, since 2010. As a result, we document the production of hazardous waste and provide digital proof of its proper recovery and/or disposal, ensuring that such waste is fully tracked from end to end.

Ecological Product Innovations

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

Sustainable Products Improve Customers' Environmental Footprint

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

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

Our Services unit assists customers to adapt solutions optimally to their requirements on site. We always analyze customer processes as a whole and identify potential for both financial and ecological improvements. In this way, we contribute to making the processes of our customers more efficient and more environmentally compatible.

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

Database for Identifying Potential Energy Savings

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

Contributing to Society

In our social outreach activities, we concentrate on areas that have a connection to our core business. Promoting research and supporting events for the scientific community remain our chief priorities. At the larger Group production sites, we are also involved in educational and social activities.

Supporting Students and Graduates

Sartorius Stedim Biotech ensures that it gains young talent through dedicated programs and alliances. Our international Bioscience Scholarship provides financial, technical and personal support to students and graduates in scientific and technical disciplines. The program is intended to attract appropriately qualified young people, particularly from the global growth markets of Asia, Eastern Europe, and Latin America, to our company and enhance international project activities at Sartorius Stedim Biotech. At the Group's headquarters in Aubagne, we cooperate with the École d'Ingénieurs in Marseille to give recently qualified biotechnology engineers the opportunity to gain professional experience as application engineers in marketing. Sartorius Stedim Biotech offers students internships for training purposes to help them expand their professional expertise, skills and experience. We support our interns, for example, by enabling them to take part in our training initiatives. Thanks to an alliance with the Euromed Business School in Marseille, our international interns have the option of attending the local Master of Business Administration courses.

Sponsoring Events for the Scientific Community

In addition to maintaining long-term alliances with scientific institutions, we regularly take part in symposia, conventions and annual conferences. In 2011, these included the annual conferences of the American Society of Cell Biology (ASCB,) the American Society of Microbiology (ASM) and the American Society for Industrial Microbiology (SIM). These non-profit organizations introduce and discuss the latest scientific insights. Moreover, Sartorius Stedim Biotech sponsored the annual meetings of the German Neuroscience Society (SFN) and the American Association for Cancer Research (AACR), which aim to drive the development of advanced medical treatment methods. Also in the reporting year, we supported the International Society for Pharmaceutical Engineering, which dealt with global production standards (GMP) at its annual meeting in 2011.

Promoting Social Communities at Group Sites

Helping to equip schools, providing scholarships, assisting with career advice and promoting practice-based learning: at its regional company sites, Sartorius Stedim Biotech is involved in a variety of education projects.

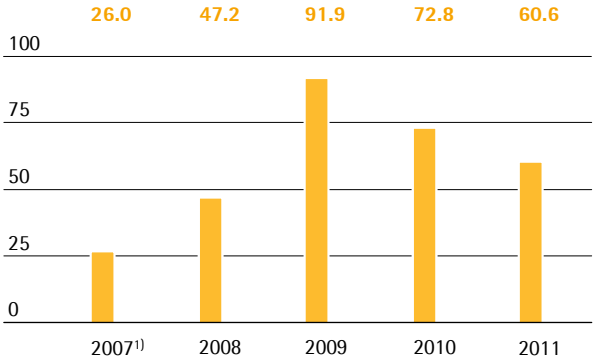
At its production site for filters in Yauco, Puerto Rico, for example, Sartorius Stedim Biotech has for years supported several schools and promoted special talent. In Goettingen as well, we serve as an industrial partner for several high schools, among them, the Felix-Klein-Gymnasium, which offers the internationally recognized Baccalaureate, as well as the usual German university admission qualifications. At our site in Bangalore, India, Sartorius Stedim Biotech in 2011 supported the local elementary school near the company campus to add new classrooms to the ones already available. Moreover, at the suggestion of a customer from India, we, together with the local Rotary Club, organized a blood-donation drive in 2011 to take place on the company grounds in Bangalore. In Aubagne, we supported a community initiative to prepare unemployed people in special training courses to apply for jobs.

Net Worth and Financial Position

Cash Flow

The Sartorius Stedim Biotech Group generated a net cash flow from operating activities of €60.6 million in the reporting period compared to the year-earlier figure of €72.8 million. Whereas the higher profit contribution had a positive effect, it was more than offset by higher tax payments. Moreover, cash flow from operating activities was impacted by the buildup in working capital that primarily resulted from sales revenue growth.

Net Cash Flow from Operating Activities
€ in millions



[1)] The cash flow statement for 2007 corresponds to 9 months of business for the former Sartorius Biotech subgroup (from April 1, 2007, to December 31, 2007) and to 6 months of business for the former Stedim Group (from July 1, 2007, to December 31, 2007).

Net cash flow from investing activities increased as planned to -€41.8 million compared to -€15.3 million in the previous year, primarily due to large investment into our production capacities as well as the acquisition of a participation in our hitherto franchise partner Sartorius Korea Biotech.

At -€4.9 million net cash flow from financing activities was substantially lower than a year earlier (-€82.5 million), as the latter figure included payments made in conjunction with the share buyback of €61.3 million. On balance, net debt as of the reporting date stood at €100.1 million compared with €102.8 million a year ago.

Cash Flow Statement
Summary

€ in millions	**2011**	2010
Net cash flow from operating activities	60.6	72.8
Net cash flow from investing activities	–41.8	–15.3
Net cash flow from financing activities	–4.9	–82.5
Cash and cash equivalents	46.8	29.7
Gross debt owed to banks	146.9	132.4
Net debt owed to banks	100.1	102.8

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased by €64.3 million to €720.7 million between December 31, 2010, and the reporting date on December 31, 2011.

On the assets side, non-current assets rose from €480.0 million in 2010 to €500.5 million in 2011, essentially as a result of the large investment projects in the reporting period, which amounted to €38.6 million (previous year: €16.7 million). Accordingly, the investment ratio rose from 3.9% to 8.1% in the reporting period.

Current assets also increased from €176.4 million to €220.2 million due to a rise of €17.2 million in cash and cash equivalents, coupled with an increase in working capital of €25.6 million.

Key Working Capital Figures
in days

		2011	2010
Rate of turnover for inventories			
Inventories / Sales revenue	x 360	50	42
Rate of turnover for receivables			
Trade receivables / Sales revenue	x 360	70	69
Rate of turnover for net working capital			
Net working capital[1] / Sales revenue	x 360	78	73

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

Equity was up from €365.1 million to €395.6 million. Sartorius Stedim Biotech Group's equity ratio stood at 54.9% (December 31, 2010: 55.6%) and thus remained at a very comfortable level.

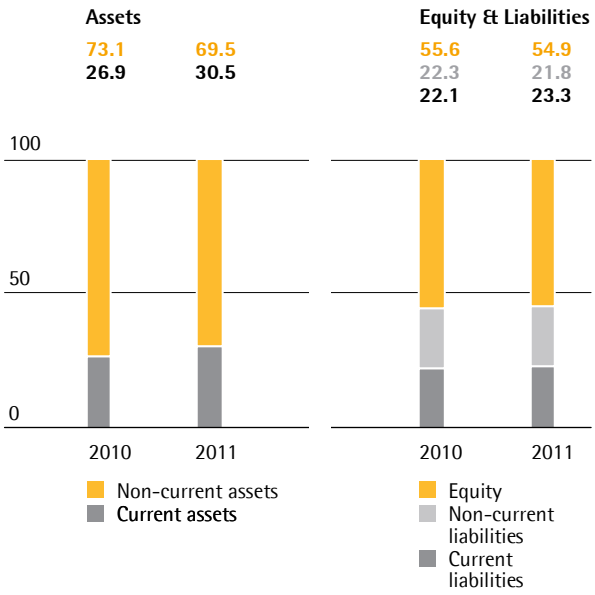
Key Balance Sheet Figures

	2011	2010
Equity ratio		
Equity / Balance sheet total	54.9%	55.6%
Long-term-capital-to-fixed-assets ratio		
Long-term capital / Fixed assets	113.3%	109.4%

Non-current liabilities were slightly up from €146.4 million as of December 31, 2010, to €156.8 million as of December 31, 2011, mainly because of an increase in loans and borrowings. Current liabilities also rose from €144.9 million to €168.2 million, predominantly as a result of higher trade payables.

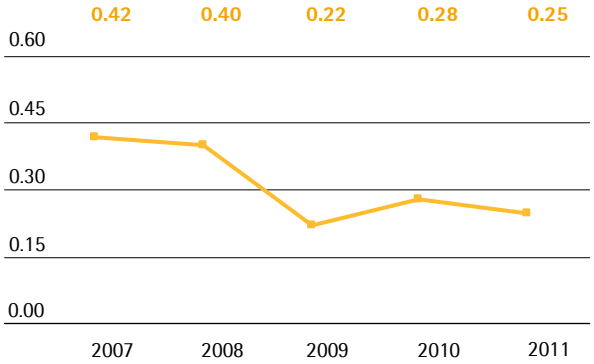
Overall, gross debt owed to banks increased from €132.4 million as of December 31, 2010, to €146.9 million as of December 31, 2011.

Balance Sheet Structure
in %



The ratio of long-term capital to fixed assets increased from 109.4% to 113.3%. The gearing ratio, which is calculated as the ratio of net debt to equity, remained at a very strong level of 0.3 (December 31, 2010: 0.3).

Gearing Ratio



Financing | Treasury

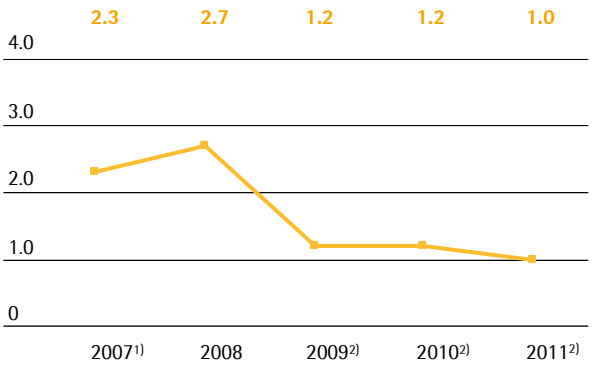
The financing of the Sartorius Stedim Biotech Group is on a broad-based and long-term footing. The key element of this financing consists of a syndicated credit facility. This credit line, which is for an aggregate total of currently €181.0 million and a term until September 2013, is provided by a syndicate of twelve banks led by the German banks Commerzbank and WestLB.

Furthermore, a long-term promotional loan agreement with a volume of €25 million has been concluded with the Kreditanstalt für Wiederaufbau (KfW) relating to investments into production capacities.

To diversify our financing structure, we are additionally participating in a factoring program with a maximum volume of €35.0 million. Moreover, we have diverse bilateral credit lines of approximately €22 million in total.

The ratio of net debt to underlying EBITDA was at 1.0 for the year ended December 31, 2011, and thus further improved from December 31, 2010 (1.2). The interest coverage ratio (ratio of underlying EBITDA to interest payable) stood at 22.5 (December 31, 2010: 25.8). The key financials are therefore at excellent levels.

Ratio of Net Debt to EBITDA



[1)] pro forma underlying
[2)] underlying

As a consequence of our global sales and distribution structure, we generate payments in various foreign currencies. Essentially, these are payments in U.S. dollars, Japanese yen and British pounds. 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 parts of the remaining net currency exposure up to 1.5 years ahead through suitable currency transactions. Compared to 2010, we significantly increased our hedge level during 2011.

In view of the historically low interest rates, we additionally entered into interest rate hedge agreements in the reporting period. As a result, nearly two-thirds of our bank loans that we have taken out so far at variable interest rates are hedged against an increase in the general interest rate level.

Key Financials

	2011	2010
Net-debt-to-EBITDA ratio[1)]		
Net debt / EBITDA[1)]	1.0[2)]	1.2[2)]
Interest coverage		
EBITDA[1)] / Interest payable	22.5[2)]	25.8[2)]
Gearing		
Net debt / Equity	0.3	0.3

[1)] For more information on EBITDA, please refer to the group business development chapter and to the glossary.
[2)] underlying; For more information on underlying, please refer to the group business development chapter and to the glossary.

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). This RMS is designed to allow early identification, assessment and monitoring of risks. 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

The Company has looked over all risks which may have a significant negative impact on its activity, financial situation or its results (or on its ability to reach its goals) and considers there is no other significant risks, except those presented.

General Risks

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

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 audits and also use early warning systems. In addition, we maintain reserve inventories for strategic raw materials, and work with alternative suppliers where possible.

Production Risks

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

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

Quality Risks

Our customers use Sartorius 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 agreed quality criteria, which can lead to losses for our customers for which we may be made liable through compensation claims. We employ rigorous quality checks and modern manufacturing methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality requirements. These manufacturing methods and processes are subject to constant review under our continuous improvement processes, moreover, and are refined appropriately as requirements evolve. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high level of quality achieved in Sartorius Stedim Biotech products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks. To respond rapidly to any product defects and minimize any adverse consequences, Sartorius has established a traceability system that enables us to recall an entire product batch immediately if necessary.

R&D Risks

We devote 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. Patents and continuous tracking of the technologies and competitors relevant to us safeguard our technology position.

Customer Risks

At Sartorius Stedim Biotech, we draw our key customers from the pharmaceutical, and chemical industries , and public sector research and educational establishments. 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. Our factoring program, which continued to operate in the 2011 fiscal year, keeps our risk exposure as regards trade receivables from customers at a constant low level. We also work continuously to enhance our trade receivables management and make use of external rating agencies to improve control of our credit risks.

Competitive Risks

Sartorius Stedim Biotech has a leading competitive position in most of its markets. Some of our competitors are larger than us and most share our status as a globally operating company, particularly Merck Millipore and Pall. As we serve a considerable number of customers from highly regulated sectors like the pharmaceutical and food industries, and the technological barriers to market entry are substantially high, we regard the risk of new 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 posed by demographic change and the risk of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional training options, interesting development opportunities, continuous education and training for rising stars within our organization and a range of other attractive employee benefits. The success of these measures is apparent in the exceptionally low attrition rates registered in recent years and the fact that our people tend on average to stay with the company for a long time. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Financial Risks

The global nature of the Sartorius Stedim Biotech Group's operations means that its business activities are inevitably exposed to financial risks. In addition to specific risks associated with Group accounting, these are primarily exchange rate risks, interest rate risks and liquidity risks, all of which are described below and addressed in detail in the Notes to the Consolidated Financial Statements.

Specific Risks Associated with Group Accounting

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

Exchange Rate Risks

We generate a good third of consolidated sales revenue in U.S. dollars or in currencies pegged to the U.S. dollar and a smaller proportion in other foreign currencies. Therefore, exchange rate fluctuations are a matter of concern, especially when currencies are converted for balance sheet and income statement items. At the same time our global production network enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs incurred in foreign currency. For example, we manufacture a many of our products for the North American market locally, and are therefore not disadvantaged in any way in competition with our U.S. rivals. We use derivative financial instruments 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 in principle for exposures to be hedged up to 1.5 years in advance. Hedging transactions are set up by one group of staff and monitored by another, separate group. (See Section 4, Chapter 28 - Part E - Page 118).

Interest Rate Risks

We have concluded fixed interest agreements for a comparatively small portion of our outstanding loans, and these consequently pose no risk of fluctuations in payment flows. However, the major portion of the loans outstanding on the reporting date is subject to interest based on the market rate. Almost two thirds of these are currently covered by interest hedges, so interest rate risks apply only to the remainder. We monitor interest rate trends constantly and have the facility to arrange hedging transactions where we consider it necessary and economically advisable to do so. (See Section 4, Chapter 28 - Part F - Page 119).

Liquidity Risks

The Group was able to refinance one of the two existing syndicated credit agreements on more favorable terms and with an increased credit volume in April 2011. This new agreement runs through April 2016. No changes have been made to the second syndicated credit agreement, which runs through September 2013 on the existing terms.

The overwhelming majority of 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 (See Section 4, Chapter 28 - Part G - Page 120).

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.

Environmental Risks

The nature of the Sartorius Stedim Biotech Group's business is such that our operations constantly have the potential to cause pollution or otherwise harm the environment. All staff with relevant responsibilities across our global sites are expected to reduce and prevent negative environmental impacts. The Central Department Environment, Health and Safety supports this effort by observing and monitoring operations affecting the environment. Sartorius Stedim Biotech has set up an environmental management system certified under DIN EN ISO 14001 that encompasses, and is integrated into, the entire group and covers a whole series of environmental regulations to minimize risks in this area.

IT and Other Risks

Besides the risks already mentioned above, we face potential risks in the area of IT, since error-free operation of the corresponding systems is essential for the smooth functioning of the company's business operations.. We reduce IT risks by continuously devising and adopting enhanced IT security guidelines and policies. These rules and measures are based on the requirements of ISO 27001 and the standards of the German Federal Office for Information Security (BSI Standards). Our company's existing IT applications and IT systems are checked for potential risks in regular external and internal IT audits, moreover, and appropriate measures are taken to minimize any risks identified. Continuous alignment of our IT strategy and business strategy, tracking of new technical developments and the use of advanced hardware and software minimize the risk inherent in the operation of our IT system environment.

Process Risks

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

There is no other governmental, judiciary or arbitration procedure to the knowledge of the Company, pending, on which the Company is threatened, that may have or has occurred within the last twelve months with significant consequences on the Company and/or on the group financial situation of profitability.

Insurance

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

Assessment of the Overall Risk Situation and Risk Outlook

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

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

Forecast Report

Future Macroeconomic Environment

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

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

Future Economic Development in the Industrialized Countries

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

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

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

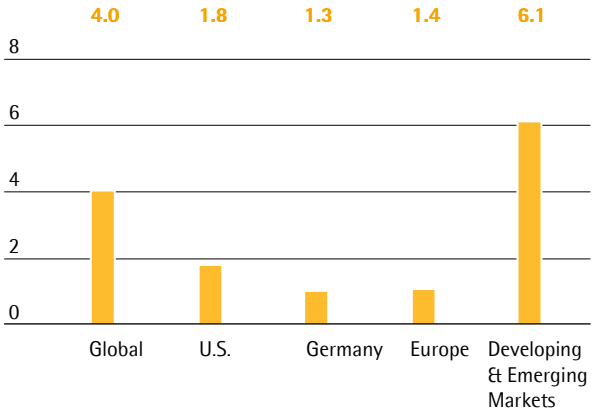
In Germany and France, economic growth is set to slow markedly compared with the reporting period. According to the IMF, Germany can expect a 1.3% growth in GDP for the current year, following the 2011 rate of 2.7%; the OECD, though, is predicting a figure of just 0.8%. France also faces a slowdown in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

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

Future Economic Development in the Emerging Countries

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

Forecasted GDP Growth Rates for 2012
in %



Source: International Monetary Fund

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

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

Future Exchange and Interest Rate Trends

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

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

Outlook for the Sectors

Stable Growth in the Pharmaceutical Sector

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

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

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

Better-than-Average Growth in the Newly Industrialized Countries

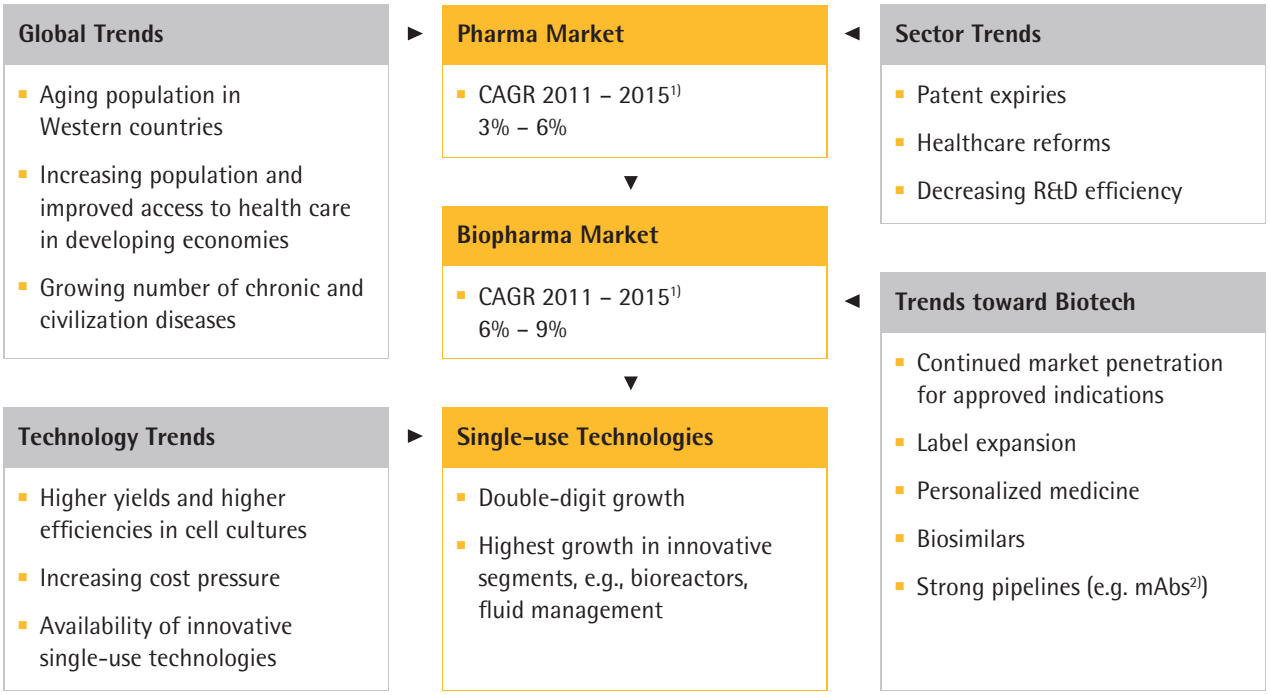
The strongest growth is again expected to come from the pharmerging markets, which according to IMS Health include the following 17 countries: Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam.

For these countries growth of 13% to 16% is predicted in the period 2010 to 2015, although from a relatively low base compared to the overall market. The anticipated rise in population, the expansion of state healthcare provision and higher private spending provide the main impetus for growth of the pharmaceutical market in these countries.

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

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

Strong Long-Term Trends Drive Further Growth



[1)] IMS Institute of Healthcare Informatics. The Global Use of Medicines: Outlook Through 2015
[2)] DataMonitor Monoclonal Antibodies 2010, HC00029-002 Slidepack 10/10

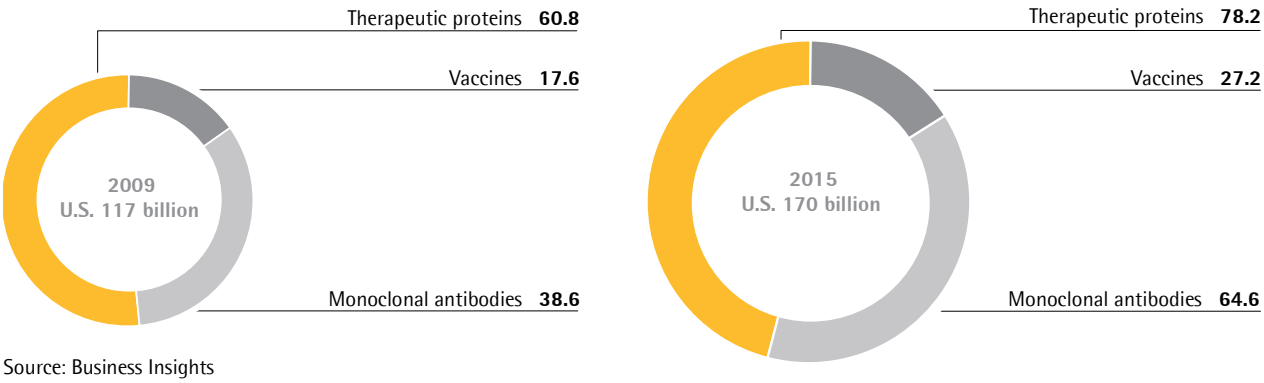
Biotech Sector Continue to Outgrow the Pharmamarket

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

Investment in Public-Sector Research a Matter of National Interest

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

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



Source: Business Insights

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

Future Business Development

As we supply the biopharmaceutical industry, our business development is less impacted by cyclical trends than, for example, by the decisions of regulatory agencies, such as granting or denying approval of new medications. Assuming that the trends toward biomanufacturing of pharmaceuticals and increasing utilization of single-use technologies will continue, we forecast that sales revenue will rise by about 6% and 8% in constant currencies in 2012. We expect our business with single-use products to grow more strongly again than our equipment business. Furthermore, management expects underlying EBITA to rise at approximately the rate of around 6%–8% (See on page 25 the definition of the operating earnings margin and | or in the glossary).

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2011

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent 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 2011, sales revenue generated at Sartorius Stedim Biotech S.A. was €71,855 K relative to €65,026 K in 2010, a gain of 10.5%. The operating profit was €3,277 K. The net financing income totaled €20,347 K.

The net profit for 2011 is €23,860 K compared to €21,066 K in 2010.

Appropriation of the Net Profit

The Annual General Shareholders' Meeting (AGM) will suggest to appropriate the net profit of €23,860,107.84 for the reporting year of 2010 as follows:

- Legal reserves: €762.51
- Balance resulting from deduction of legal reserves: €23,859,345.33
- The following amount is to be added to this balance: Year-earlier profit carried forward: €11,112,043.49.

This would yield a distributable profit of €34,971,388.82.

- Total amount of dividends to be disbursed to shareholders: €15,327,238.00
- Balance resulting from disbursement: €19,644,150.82 is to be carried forward to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €0.90 will be paid for every share with a par value of €1.00. 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 19% withholding tax "prélèvement forfaitaire libératoire" on this dividend income to fully satisfy their tax liability imposed on such income and to exempt them from French personal income tax.

The dividend will be paid out on April 20, 2012.

The amounts distributed after January 1, 2009, and eligible for a tax rebate were as follows:

		Income eligible for a tax rebate
Fiscal year ended on	Dividends in €	Other income distributed
Dec. 31, 2010	13,783,264	
Dec. 31, 2009	10,183,633	
Dec. 31, 2008	5,076,746	

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2011

Total capital amounts to ten million three hundred and eighty-five eight hundred and twenty-eight euros and twenty-eight cents (€10,385,828.28). It is divided into 17,025,948 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 2011 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
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
1st half of 2010	Exercise of share subscription options	0.6	16,266.9	486,939.4	26,667	16,999,388	10,369,626.7
2nd half of 2010	Exercise of share subscription options	0.6	8,576.6	228,599.9	14,060	17,013,448	10,378,203.3
1st half of 2011	Exercise of share subscription options	0.6	6,100.0	134,400.0	10,000	17,023,448	10,384,303.3
2nd half of 2011	Exercise of share subscription options	0.6	1,525.0	72,250.0	2,500	17,025,948	10,385,828.3

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2011

Situation of Sartorius Stedim Biotech S.A. 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%	None	None

The table below discloses the distribution of the company's share capital as of the reporting date on December 31, 2011.

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

	December 31, 2009			December 31, 2010			**December 31, 2011**		
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	10,166,950	59.9%	53.5%	9,770,178	57.4%	57.6%	9,770,178	57.4%	71.9%
Single voting rights	10,166,950	59.9%	53.5%	9,770,178	57.4%	57.6%			
Double voting rights							9,770,178	57.4%	71.9%
VL Finance [a]	2,012,095	11.9%	21.2%	1,642,095	9.7%	19.4%	1,642,095	9.6%	12.1%
Single voting rights									
Double voting rights	2,012,095	11.9%	21.2%	1,642,095	9.7%	19.4%	1,642,095	9.6%	12.1%
Total Sartorius Group	**12,179,045**	**71.8%**	**74.7%**	**11,412,273**	**67.1%**	**77.0%**	**11,412,273**	**67.0%**	**84.0%**
Financière de la Seigneurie	902,744	5.3%	4.8%	[b]	[b]	[b]	[b]	[b]	[b]
Treasury shares				1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%
Personnel and other shareholders									
General public	3,890,932	22.9%	20.5%	3,902,465	22.9%	23.0%	3,914,965	23.0%	16.0%
Single voting rights	3,890,932	59.9%	53.5%	3,902,465	22.9%	23.0%	3,495,225		12.9%
Double voting rights							419,740		3.1%
Total shares	**16,972,721**	**100.0%**	**100.0%**	**17,013,448**	**100.0%**	**100.0%**	**17,025,948**	**100.0%**	**100.0%**

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

[b] Considering that the 5% threshold was crossed on February 12, 2010, the Sartorius Stedim Biotech Group no longer communicates this information. The Financière de la Seigneurie & Val Invest shares are included in the item designed as "General public".

Legal Disclosure of Thresholds Crossed

In 2011, no legal disclosure of thresholds crossed has been registered by the company.

Control of the Company as of December 31, 2011

Sartorius AG holds, directly or indirectly, 67% of the share capital and 84% of the voting rights. Treasury shares are without 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 S.A.

According to a resolution passed during the Annual General Shareholders' Meeting (AGM) on April 19, 2010, a share buyback program was implemented by Sartorius Stedim Biotech S.A. in 2010. No movement was registered in the 2011 financial year with regards to the share buyback program.

As a reminder, the following transactions were registered in the 2010 financial year.

Number of shares bought	1,698,710
Average purchase price (in €)	36.10
Amount of negotiation cost (in €)	2,243
Number of shares held at the end of the year	1,698,710
Value at the purchase price (in €)	61,327,190
Nominal value (in €)	0.61
Corresponding fraction of share capital	9.98%

The treasury shares held by the company are affected, to the following goals:

- 5%: to return shares for exchange or payment within the scope of potential external projects.
- 5%: 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.

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority Delegated by the Annual General Shareholders' Meeting to the Board of Directors

The Annual General Shareholders' Meeting did not delegate any authority to the Board of Directors to increase capital.

Other Securities Giving Access to the Share Capital

Stock Options

The stock option plans are detailed in the tables below. The authority delegated to the Board of Directors for setting up a new plan has recently expired. The Board of Directors no longer has any such delegated authority to set up any new plan.

Share Subscription Plan

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 initial beneficiaries	Subscription price (€)	Number of shares subscribed from Jan. 1, 11 to Dec. 31, 11	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				
June 23, 2000	Sept. 28, 2001	142,855			7	11.94				
June 23, 2000	Oct. 14, 2002	12,100			1	6.78				
June 23, 2000	Sept. 10, 2003	22,000			1	7.9				
June 23, 2000	Feb. 11, 2004	66,000			1	6.42				
June 23, 2000	July 23, 2004	140,000			19	9.23	5,000	20,000		2
June 10, 2005	Sept. 15, 2005	127,500			15	18.87	5,000	5,000		1
June 10, 2005	Nov. 10, 2005	35,000			2	29.51	2,500	15,000		2
Total		**684,560**	**0**	**0**	**51**		**12,500**	**40,000**	**0**	**5**
									40,000	

* AGM = Annual General Shareholders' Meeting

Development of the number of stock options between January 1, 2009, and December 31, 2011:

	2011	2010	2009
Outstanding shares at January 1	52,500	93,227	143,460
Allocated during the period		0	0
Cancelled during the period	0	0	0
Exercised during the period	–12,500	–40,727	–50,233
Lapsed during the period	0	0	0
Outstanding at December 31	**40,000**	**52,500**	**93,227**

Share Capital Dilution

At December 31, 2011, the total number of shares capable of being issued on the basis of performance-based share subscription options was a potential 40,000 shares, or 0.23%, of the fully diluted share capital.

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2011

None.

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2011 Fiscal Year

None

Options Exercised during the Fiscal Year

Of the 12,500 options exercised during the fiscal year, the ten most significant beneficiaries accounted for a total of 12,500 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 18, 2011, the Annual General Shareholders' Meeting voted for payment of a net dividend of €0.90 per share. The dividend was available for payment on April 29, 2011.

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 €	2010	2009	2008	2007	2006
Dividend per share for the fiscal year	0.90	0.60	0.30	0.30	0.19
Number of shares	15,314,738	16,972,721	16,922,488	16,897,988	7,057,955
Dividend corrected per share[1)]	**0.90**	**0.66**	**0.33**	**0.33**	**0.08**

[1)] Compared to the number of shares as of December 31, 2010

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. The method of calculating these fees remained unchanged in the 2011 fiscal year.

The directors receive directors' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the AGM:

- Each member of the Board of Directors will receive fixed remuneration of €10,000.00 per year, to be paid after the annual financial statements have been adopted by the AGM 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 will receive an attendance fee of €1,000.00 per meeting and reimbursement of their expenses in addition to their annual remuneration.

- For their membership of any committee, each director will 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 will 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 is due together with the remuneration under the terms of previous paragraph.

- Any value-added tax shall be reimbursed by the corporation, insofar as the members of the Board of Directors are entitled to invoice the corporation separately for the value-added tax and they exercise this right.

A total of €160 K will be paid in directors' meeting attendance fees for 2011.

Compensation of the Executive Management Team

		Base | fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other[2] € in K	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
	2010	1,440.0	822.0	768.0	326.0	0.0	0.0	0.0
Total	**2011**	**1,460.0**	**963.0**	**541.0**	**252.0**	**0.0**	**0.0**	**0.0**
Joachim Kreuzburg[1] 2010		568.0	313.0	668.0	211.0	0.0	0.0	0.0
Joachim Kreuzburg[1] 2011		568.0	318.0	416.0	156.0	0.0	0.0	0.0
Reinhard Vogt[3] 2010		334.0	171.0	100.0	115.0	0.0	0.0	0.0
Reinhard Vogt[3] 2011		356.0	197.0	125.0	96.0	0.0	0.0	0.0
Volker Niebel[4] 2010		270.0	169.0	0.0	0.0	0.0	0.0	0.0
Volker Niebel[4] 2011		270.0	224.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif[5] 2010		268.0	169.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif[5] 2011		266.0	224.0	0.0	0.0	0.0	0.0	0.0

[1] Dr. Joachim Kreuzburg receives his salary from Sartorius AG for his duty for the entire Sartorius Group including Sartorius Mechatronics. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

[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 four (formerly three) years and is payable only if this price exceeds at least 7.5% (formerly 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 French and German Corporate Governance Code. To date no payment has been made to Joachim Kreuzburg or Reinhard Vogt according to this phantom stock plan.

[3] Reinhard Vogt receives his salary from Sartorius AG for his duty for the entire Sartorius Group including Sartorius Mechatronics. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

[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.

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, 2011, the balance of trade payables totaled €9,817,403 these trade payables were comprised of the following:

- 69.02% of invoices to be paid in 30 days regarding the invoice issue dates,

- 12.58% of invoices to be paid in 60 days regarding the invoice issue dates.

At the same date, the cumulative overdue trade payables amounted to 18.40%.

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

€ in K	2007	2008	2009	2010	**2011**
Share capital at end of period					
Share capital (capital stock)	10,308	10,323	10,353	10,378	10,386
Number of shares outstanding	16,897,988	16,922,488	16,972,721	17,013,448	17,025,948
Transactions and financial performance					
Sales revenue (excl. VAT)	48,616	46,655	64,626	65,026	71,855
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	6,502	–6,298	16,067	25,884	23,617
Income tax	–282	–1,364	1,813	1,185	1,069
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	–11,481	5,654	14,160	21,066	23,860
Dividends paid or proposal of dividend	5,071	5,077	10,184	13,783	15,327
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	0.37	–0.29	1.05	1.59	1.45
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	–0.68	–0.38	0.84	1.24	1.40
Dividend per share	0.30	0.30	0.60	0.90	1.00
Personnel					
Workforce size	246	285	299	293	336
Personnel costs	9,990	10,577	11,381	11,177	11,843
Social security costs	5,112	5,431	5,758	6,007	6,574

Corporate Governance

03

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, 2011

Joachim Kreuzburg

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

Appointed on: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions within the Group:
Chairman of the Executive Board (Vorstand) of Sartorius AG;
Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Vice Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH;
Managing Director of Sartorius Lab Holding 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 Denver Instrument (Beijing) 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 of Directors of Sartorius Biohit Liquid Handling Oy, Finland

Other current directorships and positions outside the Group:
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 (Wirtschaftsbeirat) of Norddeutsche Landesbank, Germany

Past directorships (held during the past five years) outside the Group:
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 Hanover, Germany
Since May 1, 1999	Sartorius AG, Goettingen, Germany Most recent position before promotion to the Executive Board: 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, Compliance and Corporate Communications

Volker Niebel

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

Appointed on: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:
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 of Sartorius Stedim Aseptics S.A.;
Managing Director of Sartorius Stedim Biotech SARL;
Managing Director of Sartorius Stedim Integrated SARL;
Managing Director of Sartorius Stedim Bioprocess 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 within the Group:
Managing Director of Sartorius Stedim Biotech GmbH;
Member of the Board of Sartorius Stedim Switzerland 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 and molecular biology, doctorate in chemical engineering)

1991–1995	Research associate at the Institute of Chemical Engineering at the University of Hanover. 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: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:
Member of the Executive Board of
Sartorius AG;
Managing Director of
Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Weighing Technology GmbH;
Managing Director of Sartorius Lab Holding 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
Denver Instrument (Beijing) 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 of
Sartorius Stedim Switzerland AG, Switzerland;
Member of the Board of Sartorius Mechatronics Japan K.K.;

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 of Sartorius AG in Goettingen, Germany; currently responsible for Marketing, Sales and Services

Liliane de Lassus

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

Appointed on: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech shares held: 1

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

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 the University of California, 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 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: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech shares held: 252,744

Other current directorships and positions outside the Group:
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) outside the Group:
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: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:
Chairman of the Supervisory Board of Sartorius AG;
Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH

Other current directorships and positions outside the Group:
Member of the Supervisory Board of Takkt AG;
Member of the Supervisory Board of Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH und WIK-Consult GmbH

Past directorships (held during the past five years) outside the Group:
Vice Chairman of the Supervisory Board 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 Hanover, 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 Munich 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: April 19, 2010
Appointed until: date of the Annual General Shareholders' Meeting in 2013 to approve the financial statements for the fiscal year ending December 31, 2012

Number of Sartorius Stedim Biotech Shares held: 300

Other current directorships and positions outside the Group:
President of Aidea
President of Groupe HR S.A.S.

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 Paribas bank
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.

Registered Addresses

With regards to their social mandates, the members of the Board of Directors and of the General Management are domiciled at the Company's headquarters.

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 Biotech S.A. Board of Directors includes one independent director, Mr. Henri Riey.

The criteria needed to qualify as an independent director are the following:

- May not be an employee or senior executive employee or director of his or her parent company or of one of its consolidated companies and may not have been so during the five previous years;
- May not be a senior executive of a company in which the company directly or indirectly holds a director's position or in which an employee as such or a senior executive of the company (either currently or having been so for less than five years) holds a director's position;
- May not be a significant client, supplier, business banker or investment banker of the company or of its group, for which the company or its group represents a significant part of its business;
- May not have any close family ties with one of the senior executives;
- May not have been an auditor of the company for the five past years;
- May not have been a director of the company for more than twelve years.

Other Information:

To the company's knowledge, within the last five years, 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 Sartorius Stedim Biotech Group and granting him or 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 during fiscal 2011.

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 fiscal 2011.

For more information on the organization, functions and activities of each Committee during fiscal 2011, please refer to the Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code included in this publication (following pages).

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. The Executive Committee also implements decisions and resolutions of the Board of Directors in daily business. It has been composed of the following persons:

- Joachim Kreuzburg
- Volker Niebel
- Reinhard Vogt
- Oscar-Werner Reif
- Joerg Pfirrmann
- Dominique Baly

The Executive Committee met twelve times during fiscal 2011.

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, 2011, 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

Since fiscal 2008, the Sartorius Stedim Biotech S.A. Board of Directors therefore decided to adopt the AFEP-MEDEF recommendations as the reference code for corporate governance (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 is currently examining whether the number of its members needs to be increased in the future, particularly by appointing independent members. This topic will be finalised in the course of 2012 taking into account also the regulation Copé / Zimmermann. The integration process is also the reason that explains why the company has a Président-Directeur général (Chairman and CEO) instead of separating the functions of Président (Chairman) 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. Possible changes to the structure of the Board may be considered at a later date.

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 of Directors for Fiscal 2011

The Board of Directors met five times during the fiscal year. The average attendance was 92.50%.

The Board reviewed and approved the corporate and consolidated accounts for 2010.

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;
– Approval of bank guarantees;
– Sale of Lab Water product line and Purchase of PAT product line (related parties agreement);
– Significant off-balance sheet commitments;
– Risk indicators for the Group;
– Internal organization projects;
– Stock market performance;
– Self assessment of the Board members.

The Board members carried out for the second consecutive year a formal assessment of the work of the Board of Directors. A questionnaire was sent to each Board member. A summary of the results shows a very positive overall assessment of board performance.

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 Provided to Directors

Before each Board Meeting, Directors receive a report on the agenda items that require prior consideration, in due time and following notification.

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 is always held on the day of or on the day before the Board 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

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, treasury and hedging instruments, internal and external controlling, financial communication and risk management.

The Audit Committee has used the Poupart Lafarge report dated July 22nd, 2010 to define the duties of the Committee.

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

- Examining the annual corporate and consolidated accounts: reviewing 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 fiscal 2011, and presenting its observations and recommendations to the Board of Directors;
- Ensuring the suitability and consistent application of the accounting methods and procedures chosen by the company, and guaranteeing their correct application; and
- Examining the accounting treatment of any significant transactions carried out by the company.

The Audit Committee's duties in the area of external 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.
- Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.
- Analyzing the independence of the legal auditors.

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 a report on the audits carried out and defining, if necessary, action plans for implementing new procedures in the respective companies.
- Examining the company's exposure to significant risks (risk mapping); 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 publication of 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 2011

The Audit Committee met five times during the fiscal year. The average attendance was 100%.

The Audit Committee dealt with the following major topics:

- Examining the corporate and consolidated annual accounts: reviewing all financial statements, quarterly, half-yearly and annual corporate and consolidated accounts, including the implementation of specific actions related to IFRS standards;
- Working on hedging instruments.
- Review of the internal audit work.
- Review of the quarterly risk management report.
- Approval of the auditors fees.
- Approval of bank guarantees.

Duties of the Remuneration Committee:

The purpose of the Remuneration Committee is to help the company's Board of Directors to 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.

The Remuneration Committee has also the responsibility to give recommendations with regards to the new potential Directors and committee members.

Activity Report of the Remuneration Committee for 2011:

The Remuneration Committee met twice during the fiscal year. The average attendance was 100%.

The Remuneration Committee deliberated on the main following topics:

- Reviewing the remuneration for corporate officers;
- Reviewing payment of directors' fees;
- Reviewing the nominations | renewals of the members of the Board of Directors.
- Validation of the respect of a balanced representation between men and women in the Board of Directors.

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

- The total budget allotted to directors' fees and the terms of allocation thereof, taking into account the actual presence of the Directors at Board meetings and possibly at Committee meetings.
- The fixed remuneration for corporate officers and the terms of variable remuneration.
- The general policy on the granting of share subscription options, share purchase options or free allotment of company shares.
- Its policy of Directors' nomination or renewal.

The Remuneration Committee has recommended renewing the mandate of Oscar-Werner Reif for a three-year period until the 2015 ASM deciding upon the financial statements ended December 31, 2014.

Limitations on the Powers of the Chairman and Chief Executive Officer

On June 29, 2007, the Board of Directors voted to combine the functions of Chairman and Chief Executive Officer without any limitations on powers other than those included in the internal regulations of the Board of Directors, which are mainly strategic investment projects and any transactions, especially acquisitions or disposals, which may lead to a material profit and loss impact. This procedure concerns operations above one million euros.

Remuneration of Senior Executive and Senior Non-Executive Board Members ("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 pages 73 to 80).

A Remuneration Committee has been set up to review the remuneration of Board of Directors' executive members. Furthermore, the Remuneration Committee is also responsible for checking the annual directors' fees paid to directors.

Dr. Joachim Kreuzburg's and Reinhard Vogt's remuneration is determined annually by the 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 short-, mid- and long-term components. The short-term components are paid out every year. The mid term component is paid out every three years based on the average of the achieved target for the three-year term. The long term component is comprised of a phantom stock plan that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three years) years and is payable only if this price exceeds at least 7.5% (formerly 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 and French Corporate Governance Codes. To date, no payment has been made to Dr. Kreuzburg or Reinhard Vogt according to this phantom stock plan.

The remuneration for Oscar-Werner Reif and Volker Niebel is discussed within the Remuneration Committee and subsequently voted on by the Annual General Shareholders' Meeting of Sartorius Stedim Biotech GmbH, with which Oscar-Werner Reif and Volker Niebel have employment contracts. Their remuneration consists of fixed and variable components and is in line with their respective degrees 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 quality of the assets of Sartorius Stedim Biotech or even its existence;
- Ensure that the executive management activities, the transactions completed and the conduct of employees comply with the guidelines defined by executive management, applicable laws and regulations, the fundamental values, standards and internal rules of the business and the ethical codes and conventions of the healthcare industry;
- Ensure that accounting and financial information and management data provided to the executive management of the company accurately reflect the operations of Sartorius Stedim Biotech;
- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

Scope of Internal Control

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 expertise – 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 company must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate them 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 undertaken at every level of the Group to ensure that internal control is efficient: 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

The availability 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 at all levels of a company for internal control 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

Executive 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 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 pages 67 and 68.

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. Accordingly, an internal risk management system has been set up to help identify, assess and manage these risks efficiently. Within this risk management system, an ad hoc committee comprised of representatives of different departments regularly studies current issues of risk management. This enables the committee to provide executive management with an overview of the risk to which the company is exposed, enabling it to take appropriate action when required.

Internal Auditing Department

The Internal Auditing Department is in charge of monitoring the effectiveness and suitability of risk management and the internal control system in Sartorius Stedim Biotech Group companies, as well as compliance of all activities and processes with internal and external rules and standards. It provides independent auditing and consulting services that focus primarily on compliance with all relevant legal provisions and the improvement of business processes at the company. To ensure the independence of the internal auditors, the Audit Committee receives at least once a year a report from the Internal Auditing Department on the work they have done (according to the audit plan established by this committee) and their findings with regard to Group affiliates.

Finance and Controlling Departments

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

These two departments define the Group's accounting rules and methods and its principle financial processes (five-year business plan, budget, etc.) as well as reporting tools, in order to monitor the day-to-day business.

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

The accounts of subsidiaries are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce company accounts that comply with the applicable local 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 accounting standards as currently adopted by the European Union. The consolidated financial statements comply with accounting rules and methods as detailed in the Notes to the Consolidated Financial Statements.

Roles of the Group's Finance and Controlling Departments

The Finance and Controlling Departments check the quality of the reporting packages submitted by subsidiaries, focusing primarily on the following elements: checking corporate data and consolidated adjustments entered locally, inter-company eliminations, 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 Department also verifies the results of procedures, including currency translation, intercompany 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 finance director of each subsidiary. They must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Executive 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 international accounting standards as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

Internal Control in 2011

From an internal control perspective, the Group focused on the following this year:

Training on Code of Conduct and Anti-Corruption Code

Further to the implementation of the Sartorius Code of Conduct and the Sartorius Anti-Corruption Code, that apply equally to all persons employed at the Group a training has been developed that is offered to every employee to provide guidance in meeting ethical and legal challenges encountered during daily work.

Mid-term Prospects

The Group will continue to work on Internal Control issues by strengthening its approach to risk mapping and risk management. This process will be based on elements of the AMF Internal Control Reference Framework.

Aubagne, February 29, 2012

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
(Chairman of the Board and Chief Executive Officer)

€ in K	**Year 2011**	Year 2010
Due remuneration	1,302	1,549
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted during the reporting period	156	211
Total	**1,458**	**1,760**

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	**Year 2011**	Year 2010
Due remuneration	494	439
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted during the reporting period	0	0
Total	**494**	**439**

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

€ in K	**Year 2011**	Year 2010
Due remuneration	678	605
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted during the reporting period	96	115
Total	**774**	**720**

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

€ in K	**Year 2011**	Year 2010
Due remuneration	490	437
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted during the reporting period	0	0
Total	**490**	**437**

Summary of the Remuneration for Each Corporate Officer

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

	Year 2011		Year 2010	
€ in K	**Due amounts**	**Paid amounts**	Due amounts	Paid amounts
Fixed remuneration		550		550
Variable remuneration[2)]	318		313	0
Long-Term Incentive[3)]	572		879	
Exceptional remuneration				
Director fees				
Benefits in kind[4)]		18		18
Total	**890**	**568**	**1,192**	**568**

[1)] Joachim Kreuzburg receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group including Sartorius Mechatronics. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

[2)] The 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)] Addition to the pension plan, the addition to the Phantom Stock Plan and one other long-term component, including the valuation of these components granted in prior years.

[4)] Company car

Volker Niebel[1]
(Executive Vice President of Operations and IT)

	Year 2011		Year 2010	
€ in K	**Due amounts**	**Paid amounts**	Due amounts	Paid amounts
Fixed remuneration		260		260
Variable remuneration[2]	224		169	0
Exceptional remuneration				
Director fees				
Benefits in kind[3]		10		10
Total	**224**	**270**	**169**	**270**

[1] Volker Niebel receives his salary from Sartorius Stedim Biotech GmbH for its duties performed for the Sartorius Stedim Biotech Group.
[2] The 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

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

	Year 2011		Year 2010	
€ in K	**Due amounts**	**Paid amounts**	Due amounts	Paid amounts
Fixed remuneration		340		320
Variable remuneration[2]	197		171	
Long-Term Incentive[3]	221		215	
Exceptional remuneration				
Director fees				
Benefits in kind[4]		16		14
Total	**418**	**356**	**386**	**334**

[1] Reinhard Vogt receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group including Sartorius Mechatronics. His remuneration is determined annually by the Supervisory Board of Sartorius AG.
[2] The 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] Addition to the pension plan, the addition to the Phantom Stock Plan and one other long-term component, including the valuation of these components granted in prior years.
[4] Company car

Oscar-Werner Reif[1]
(Executive Vice President of Research and Development)

	Year 2011		Year 2010	
€ in K	**Due amounts**	**Paid amounts**	Due amounts	Paid amounts
Fixed remuneration		260		262
Variable remuneration[2]	224		169	0
Exceptional remuneration				
Director fees				
Benefits in kind[3]		6		6
Total	**224**	**266**	**169**	**268**

[1] Oscar-Werner Reif receives his salary from Sartorius Stedim Biotech GmbH for its duties performed for the Sartorius Stedim Biotech Group.
[2] The 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

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

€ in K	**Year 2011**	Year 2010
Bernard Lemaître		
Director fees	42	41
Other remuneration		
Arnold Picot		
Director fees	45	44
Other remuneration		
Liliane de Lassus		
Director fees	28	28
Other remuneration		
Henri Riey		
Director fees	45	44
Other remuneration		
Total	**160**	**157**

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 reporting period	Price of exercised options	Window period
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 exercised stock options	Price of exercise
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 the commercial law, and which are subjected to additional requirements laid down by recommendations AFEP/MEDEF 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		5,165	156	Jan. 01, 2011	Jan. 01, 2015	
Volker Niebel		0				
Reinhard Vogt		3,193	96	Jan. 01, 2011	Jan. 01, 2015	
Oscar-Werner Reif		0				
Liliane de Lassus						
Bernard Lemaître						
Henri Riey						
Total		**8,358**				

[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 four (formerly three) years and is payable only if this price exceeds at least 7.5% (formerly 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 French and German Corporate Governance Codes.

Stock Options Granted | Historical Information

	Plan N°2	Plan N°3	Plan N°4	Plan N°5	Plan N°6	Plan N°7	Plan N°8	Plan N°9
Annual Shareholders Meeting								
Board of Directors Meeting								
Total number of stock subscribed or bought | thereof for the following people :								
Joachim Kreuzburg CEO and Chairman of the Board								
Reinhard Vogt								
Volker Niebel				NONE				
Arnold Picot								
Oscar-Werner Reif								
Bernard Lemaître								
Liliane de Lassus								
Henri Riey								
Starting point of the stock options								
Expiration date								
Price								
Exercised modalities								
Number of stock options suscribed as of Dec. 2011								
Number of erased stock options								
Stock options not yet exercised								

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

Stock options granted to the top 10 employees non corporate officers and exercised by them	Total number of granted stock options	Average price in €	Plan N°2	Plan N°3	Plan N°4	Plan N°5	Plan N°6	Plan N°7	Plan N°8	Plan N°9
Option granted, during the reporting period, by the issuer or other companies in the Group, to the top 10 employees to the issuer of the companies of the Group that lead to the maximum number	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, which lead to the maximum number	40,727	18.18	0	4,060	0	0	0	0	36,667	0

Additional Information about the Executive Board Members

Corporate officer	Employment contract		Additional pension plan		Indemnities or due compensations with regard to termination contracts or positions		Non compete clause indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Joachim Kreuzburg CEO and Chairman	[1]		[4]		[5]		[6]	
Reinhard Vogt	[2]			none	[5]		[6]	
Oscar-Werner Reif	[3]			none	[5]		[7]	
Volker Niebel	[3]			none		none	[7]	

[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 severance cap for the members of the Executive Committee is the remuneration for two years based on the actual remuneration at the time of the termination of the employment contract. In case of the employment contract lasts less than two years, the severance payment is capped at an amount of the remaining remuneration of the employment contract.

[6] Joachim Kreuzburg and Reinhard Vogt have a mandatory non-compete clause for the time they are appointed as members of the Executive Board of Sartorius AG. For the time period of two years after the end of their appointments as members of the Executive Board of Sartorius AG, they have got an additional non-compete clause, which grants them an indemnity of half of the received gross salary per year of the non-compete period. The non-compete period is two years.

[7] For a two-year period after the end of their employment contract with Sartorius Stedim Biotech GmbH, Volker Niebel and Oscar-Werner Reif are bound by a non-competition clause, which grants a compensation equal to half of their annual gross salary during the non-competition period. This non-compete period is two years.

Additional Information about the Remuneration of the Executive Board Members

General and Fixed Remuneration

The total value of the remuneration of an Executive member reflects the scope of the responsibilities of the Executive member concerned, the Executive member's personal performance, the company's economic situation and sustainable progress. In addition, the extent to which this amount of remuneration is typical is considered, taking into account peer companies and the remuneration structure in place in other areas of the company and in similar companies. Remuneration is comprised of both fixed and variable components and is reviewed annually to ensure that it remains appropriate. The variable remuneration components paid in addition to the fixed base salary represent approximately half of the total remuneration excluding pension commitments and fringe benefits in the case of 100% target achievement.

Variable Remuneration

The variable portion of this remuneration contains components that are paid annually (subordinate targets measured against sales revenue/order intake, EBITA (see glossary), ratio of net debt to EBITDA and individual goals) and components determined by multi-year assessment (measured against consolidated net profit).

a) Annually paid variable remuneration

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

Sales Revenue | Order Intake

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

EBITA (see glossary)

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

Ratio of Net Debt to EBITDA

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

Individual Goals

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

b) Variable remuneration: consolidated net profit

Components determined by multi-year assessment depend on the degree to which the target is achieved. Consolidated net profit has to be considered in this context.

Consolidated Net Profit

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

c) Variable remuneration: phantom stock plan

Phantom Stock Plan

Joachim Kreuzburg and Reinhard Vogt have access to the Phantom Stock Plan because of their responsibilities at the Sartorius AG level.

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

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

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

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

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

Statutory Auditors' Report Prepared in Accordance with Article L. 225-235

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

(Freely translated from the French original by the auditors)

Year ended December 31, 2011

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, 2011.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on internal control and risk management procedures implemented by the company and to provide the 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 any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the 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 the internal control and risk management 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 the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of 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 the internal control procedures relating to the preparation and processing of the 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 no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the 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 also contains the other information required by article L. 225-37 of the French commercial code (Code de commerce).

Marseille, 28 February, 2012

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

408, avenue du Prado – BP 116 – 13267 Marseille Cedex 08 – 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.

Proposition to renew Deloitte et Associés at the 17 April 2012 Annual General Shareholders' meeting.

Independent Auditors' Fees

			Ernst & Young				**Deloitte**	
€ in K		**2011**		2010		**2011**		2010
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	115	92.0%	108	78.8%	115	17.3%	113	19.8%
Subsidiaries	5	4.0%	9	6.6%	332	49.8%	315	55.1%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**120**	**96.0%**	**117**	**85.4%**	**447**	**67.1%**	**428**	**74.8%**
Other services								
Legal, tax, corporate					50	7.5%	71	12.4%
Information technology, other	5	4.0%	20	14.6%	169	25.4%	73	12.8%
Subtotal	**5**	**4.0%**	**20**	**14.6%**	**219**	**32.9%**	**144**	**25.2%**
Total	**125**	**100%**	**137**	**100%**	**666**	**100%**	**572**	**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.

Proposition to renew BEAS at the 17 April 2012 Annual General Shareholders' meeting.

			Other				Total
	2011		2010		**2011**		2010
				230	19.8%	221	20.1%
296	80.4%	260	66.5%	633	54.6%	584	53.1%
296	**80.4%**	**260**	**66.5%**	**863**	**74.5%**	**805**	**73.2%**
45	12.2%	131	33.5%	95	8.2%	202	18.4%
27	7.3%			201	17.3%	93	8.5%
72	**19.6%**	**131**	**33.5%**	**296**	**25.5%**	**295**	**26.8%**
368	**100%**	**391**	**100%**	**1,159**	**100%**	**1,100**	**100%**

Consolidated Financial Statements and Notes

04

Statement of Financial Position

Assets	Notes	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
A. Non-current assets			
I. Goodwill	[13]	254,436	250,277
II. Intangible assets	[13]	98,733	102,067
III. Property, plant and equipment	[14/15]	131,569	112,683
IV. Investments	[16]	2,764	2,247
		487,501	**467,274**
V. Receivables and other assets	[19]	576	806
VI. Deferred tax assets	[17]	12,435	11,882
		500,512	**479,962**
B. Current assets			
I. Inventories	[18]	66,432	50,776
II. Trade receivables	[19]	92,482	82,508
III. Current tax assets	[19]	3,384	3,363
IV. Other assets	[19]	11,030	10,066
V. Cash and cash equivalents		46,825	29,661
		220,153	**176,373**
Total assets		**720,665**	**656,335**

Equity and Liabilities	Notes	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
A. Equity			
I. Issued capital	[20]	10,386	10,378
II. Capital reserves	[21]	278,406	278,199
III. Retained earnings (including net profit)	[21]	105,177	76,491
IV. Non-controlling interest		1,657	0
		395,626	**365,068**
B. Non-current liabilities			
I. Pension provisions	[22]	17,640	15,984
II. Deferred tax liabilities	[17]	29,932	34,202
III. Other provisions	[23]	3,733	3,946
IV. Loans and borrowings	[24]	103,945	92,133
V. Other liabilities	[24]	1,589	87
		156,839	**146,352**
C. Current liabilities			
I. Provisions	[25]	5,370	4,789
II. Trade payables	[26]	55,935	45,999
III. Loans and borrowings	[26]	42,996	40,285
IV. Current tax liabilities	[26]	19,108	16,094
V. Other liabilities	[26]	44,793	37,748
		168,201	**144,915**
Total equity and liabilities		**720,665**	**656,335**

Income Statement

	Notes	**2011 12 months € in K**	2010 12 months € in K
1. Sales revenue	[30]	477,300	432,949
2. Cost of sales	[31]	–238,880	–217,292
3. Gross profit on sales		**238,420**	**215,657**
4. Selling and distribution costs	[32]	–100,128	–94,792
5. Research and development costs	[33]	–28,580	–27,824
6. General administrative expenses	[34]	–26,329	–24,887
7. Other operating income and expenses	[35]	–4,517	–1,142
8. Earnings before interest, taxes and amortization linked to the business combinations (EBITA)[1)]		**78,866**	**67,012**
9. Amortization[2)]		–7,711	–7,117
10. Earnings before interest and taxes (EBIT)		**71,155**	**59,894**
11. Interest and similar income	[36]	978	431
12. Interest and similar expenses	[36]	–7,466	–4,336
13. Financial result		**–6,488**	**–3,905**
14. Profit before tax		**64,667**	**55,989**
15. Deferred tax income I expenses	[37]	3,591	2,245
16. Income tax expenses	[37]	–23,113	–18,148
17. Other taxes		–1,955	–1,575
18. Taxes		**–21,477**	**–17,478**
19. Net profit for the period		**43,190**	**38,511**
Attributable to:			
20. Equity holders of Sartorius Stedim Biotech		**43,053**	**38,511**
21. Non-controlling interest		137	0
Earnings per share (€)	[38]	2.82	2.39
Diluted earnings per share (€)	[38]	2.81	2.39

[1)] The Sartorius Stedim Biotech Group uses earnings before interests, taxes, and amortization linked to the business combinations (EBITA) as the key figure for measuring performance and profitability of the Group.

[2)] 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 (See note 9 - Business Combinations).

Statement of Comprehensive Income

	2011 12 months € in K	2010 12 months € in K
Net profit for the period	43,190	38,511
Net gain	(losses) on cash flow hedges	–4,617	1,158
Actuarial gains I (losses) from pension provisions	–148	–2,016
Currency translation differences	3,280	5,165
Net investment in a foreign operation	–777	–963
Deferred taxes	1,672	532
Net income recognized directly in equity	**–590**	**3,876**
Comprehensive income	**42,600**	**42,387**
Attributable to:		
Equity holders of Sartorius Stedim Biotech	42,433	42,387
Non-controlling interest	167	0

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	**Total equity**
Balance at Jan. 1, 2010	**10,353**	**338,810**	**–104**	**–189**	**49,696**	**–5,367**	**393,199**	**0**	**393,199**
Comprehensive income	**0**	**0**	**811**	**–1,497**	**37,837**	**5,236**	**42,387**	**0**	**42,387**
Stock options	25	716	0	0	0	0	741	0	741
Dividends	0	0	0	0	–10,183	0	–10,183	0	–10,183
Share buyback program[1)]	0	–61,327	0	0	0	0	–61,327	0	–61,327
Other changes	0	0	0	–14	265	0	251	0	251
Balance at Dec. 31, 2010 I Jan. 1, 2011	**10,378**	**278,199**	**707**	**–1,700**	**77,615**	**–131**	**365,068**	**0**	**365,068**
Comprehensive income	**0**	**0**	**–3,232**	**–116**	**42,508**	**3,272**	**42,432**	**167**	**42,600**
Stock options	8	207	0	0	0	0	215	0	215
Dividends	0	0	0	0	–13,779	0	–13,779	0	–13,779
Change in non-controlling interest	0	0	0	0	0	0	0	1,489	1,489
Other changes	0	0	0	0	33	0	33	0	33
Balance at December 31, 2011	**10,386**	**278,406**	**–2,525**	**–1,816**	**106,378**	**3,141**	**393,969**	**1,657**	**395,626**

[1)] See specific paragraph in the Notes to the Financial Statements (please refer to Notes 10 and 20).

Statement of Cash Flows

	Notes	**2011 12 months € in K**	2010 12 months € in K
Cash flows from operating activities			
Net result		43,190	38,511
Non-controlling interest		0	0
Tax expenses	[37]	21,477	17,477
Financial expenses	[36]	6,488	3,905
Depreciation | amortization of fixed assets		24,484	22,982
Increase | decrease in provisions	[23/25]	434	191
Increase | decrease in receivables	[19]	–12,239	–7,611
Increase | decrease in inventories	[18]	–13,513	–2,589
Increase | decrease in liabilities	[26]	11,210	12,803
Gains from the disposal of fixed assets		–818	0
Income taxes paid	[37]	–20,120	–12,911
Net cash flow from operating activities		**60,593**	**72,759**
Cash flows from investing activities			
Payments for financial assets	[16]	–15	–10
Payments for property, plant and equipment	[14/15]	–32,786	–12,346
Income from the disposal of fixed assets	[14/15]	1,642	1,397
Payments for intangible assets	[13]	–5,766	–4,339
Acquisition of intangible assets		0	0
Effects from business combinations		–4,923	0
Net cash flow from investing activities		**–41,848**	**–15,298**
Cash flows from financing activities			
Changes in capital		215	741
Interest received	[36]	800	431
Interest paid	[36]	–4,283	–1,949
Other financial charges		–218	0
Payments for derivative financial instruments	[36]		0
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech SA		–13,779	–10,183
- Non-controlling interest		0	0
Changes in non-controlling interest		0	0
Share buyback program	[20]	0	–61,327
Loans and borrowings repaid (-) | raised (+)	[24/26]	12,405	–10,212
Net cash flow from financing activities		**–4,860**	**–82,499**
Net increase | decrease in cash and cash equivalents		13,885	–25,039
Cash and cash equivalents at the beginning of the period		29,661	54,849
Net effect of currency translation on cash and cash equivalents		3,280	–150
Cash and cash equivalents at the end of the period		**46,825**	**29,661**
Gross debt owed to banks		**146,940**	**132,418**
Net debt owed to banks		**100,115**	**102,758**

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

In compliance with the European Regulation 1606/202 of July 19, 2002, requiring listed companies to use International Accounting Standards, the consolidated financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2011, are compliant with the Standards and Interpretations IFRS and IFRIC of the IASB as adopted by the European Union on December 31, 2011, and that are available at the following site:

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

As of December 31, 2011, the Standards and Interpretations adopted by the European Union are similar to the Standards and Interpretations that are to be obligatorily applied and were published by the IASB, except for the point concerning the carve-out pursuant to IAS 39 and for the Standards not yet adopted or in progress, which does not affect the Group's accounts. Therefore, the consolidated financial statements of the Sartorius Stedim Biotech Group are established in conformity with the IFRS Standards and Interpretations published by the IASB.

These consolidated financial statements were approved by the Board of Directors on February 28, 2012.

These accounting principles applied are consistent with those used in the preparation of the consolidated statements for the year ended December 31, 2010, with the exception of the following new Standards and Interpretations that were obligatorily adopted as of December 2011:

- IAS 24 Related Party Disclosures (Applicable to accounting periods beginning on January 1, 2011);
- Amendments to IAS 32: Classification of Right Issues (applicable to accounting periods beginning on January 1, 2011);
- IFRIC 14: Prepayments of a Minimum Funding Requirement (applicable to accounting periods beginning on January 1, 2011);
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments (applicable to accounting periods beginning on January 1, 2011);
- Various Annual Improvements to IFRSs (May 2010);
- Amendments to IFRS 7: Disclosures - Transfers of Financial Assets (applicable to accounting periods beginning on July 1, 2011).

Regarding the Standards and Interpretations adopted by the European Union for which the application is not obligatory as of January 1, 2011, the Sartorius Stedim Biotech Group decided not to apply the following by anticipation:

- None.

Moreover, the Group does not apply the following texts, which were not adopted by the European Union on December 31, 2011:

- Please refer to the following table:

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

The process of measuring the potential impact of these Standards and Interpretations on the 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 Judgment and Key Sources of Estimation Uncertainty

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

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

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. These primary estimations are explained in Note 17.

- IAS 19: Employee Benefits: The valuation of pension provisions depends on assumptions, including the future development of salaries and interest rates. These primary estimations are explained in Note 22.

- 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 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. These primary estimations are explained in Notes 13 and 14.

- 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. These primary estimations are explained in 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. These primary estimations are explained in Note 13.

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 or repayments of loans.

The item "Cash and cash equivalents" 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, applicable as of January 1, 2009, the identification of reportable operating 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 operating 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 Committee 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 is based on the approach of operating as a "total solution provider" for our customers. Accordingly, the identification of reportable operating segments remains unchanged in comparison with IAS 14: Sartorius Stedim Biotech's reportable segment is Biopharm.

The segment result that is the key profitability measured used internally is EBITA or earnings before tax, interest and amortization linked to the business combinations (see Note 11). Therefore, taxes and financing expenses 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.

The key profitability indicators EBIT (see glossary) and EBITDA (see glossary) are described in Note 11.

Segment Report by Division

		Biopharma			Non-allocated assets and liabilities			Group	
€ in K	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
Order intake	500,200	442,568	13%				500,200	442,568	13%
Sales revenue	477,300	432,949	10%				477,300	432,949	10%
as a total %	100.0%	100.0%					100.0%	100.0%	
EBITDA	95,639	82,877	15%				95,639	82,877	15%
as a % of sales revenue	20.0%	19.1%					20.0%	19.1%	
Depreciation and amortization	16,773	15,865	6%				16,773	15,865	6%
EBITA	78,866	67,012	18%				78,866	67,012	18%
as a % of sales revenue	16.5%	15.5%					16.5%	15.5%	
Amortization	7,711	7,117	8%				7,711	7,117	8%
EBIT	71,155	59,894	19%				71,155	59,894	19%
as a % of sales revenue	14.9%	13.8%					14.9%	13.8%	
Segment assets	658,022	611,430	8%	62,643	44,905	40%	720,665	656,335	10%
Segment liabilities	121,103	106,859	13%	203,936	184,408	11%	325,039	291,267	12%
Investments	38,552	16,686	131%				38,552	16,686	131%
as a % of sales revenue	8.1%	3.9%					8.1%	3.9%	
R&D costs	28,580	27,824	3%				28,580	27,824	3%
No. of employees at December 31	2,858	2,581	11%				2,858	2,581	11%

6. Supplementary Information by Region

To provide additional information required by the IFRS 8 Standard, the table below presents the supplementary information by geographical region. The European region includes the markets of Western and Eastern Europe. The North American region is comprised of the U.S. marketplace and the Canadian market. Japan, China, Australia and India, as well as 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 geographical areas refer to the company location, except for sales revenue, which is also reported according to the customer's location.

Supplementary Information by Region

		Europe			North America	
€ in K	**2011**	2010	Change	**2011**	2010	Change
Sales revenue						
acc. to customers' location	244,606	226,276	8%	117,280	114,313	3%
as a total %	51.2%	52.3%		24.6%	26.4%	
acc. to company location	300,041	272,404	10%	118,597	114,032	4%
Investments	26,328	13,623	93%	11,258	1,310	759%
as a % of sales revenue	8.8%	5.0%		9.5%	1.1%	
No. of employees at December 31	1,876	1,684	11%	405	405	0%

Asia | Pacific			Other Markets			Non-allocated assets and liabilities			Group		
2011	2010	Change	**2011**	2010	Change	**2011**	2010	Change	**2011**	2010	Change
96,670	74,565	30%	18,744	17,795	5%				477,300	432,949	10%
20.3%	17.2%		3.9%	4.1%					100.0%	100.0%	
58,662	46,513	26%	0	0					477,300	432,949	10%
890	1,674	–47%	76	79	–4%				38,552	16,686	131%
1.5%	3.6%		--	--					8.1%	3.9%	
457	395	16%	120	97	24%				2,858	2,581	11%

7. 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 as of the time control is transferred to an entity outside the Group.

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.

8. Scope of Consolidation

The 2011 financial statements of the following subsidiaries:

– Sartorius Stedim, Hungary

– Sartorius Stedim, Poland

– Sartorius ICR, Russia

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

The subsidiary Sartorius Korea Biotech Co. Ltd was consolidated in the Group financial statements for the first time. This company was acquired in the reporting year (Please refer to Note 9 on page 98).

The financial statements of the following companies have been included by global integration 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 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
Sartorius 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 AG, Tagelswangen, Switzerland	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
Sartorius Stedim Ireland, Dublin, Ireland	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
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	49
Other Markets	
Sartorius Stedim Bioprocess SARL	99.9

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

9. Business Combinations

The group applies the revised IFRS 3 Standard for business combinations as of January 1, 2010.

Business combinations are measured according to the acquisition method. The assets, liabilities and potential liabilities acquired by the Group are recorded at fair value on the date of combination. Goodwill equals the difference between the acquisition costs of the shares and the fair value of the assets, liabilities and potential liabilities on the date on which control of the entity changes. In a one-shot combination, the quota of assets and liabilities of the non-controlling interests are evaluated at the fair value of the assets and liabilities acquired or at their fair value, where the Group can choose between these two options for each business combination.

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

A business combination took place during the reporting year and concerns the acquisition of Sartorius Korea Biotech Co. Ltd.

Effective November 1, 2011, Sartorius Stedim Biotech has acquired 49% of the shares in Sartorius Korea Biotech Co Ltd. Additionally Sartorius Stedim Biotech holds a call option on the purchase of the remaining 51% of shares. As this option is currently exercisable it is assumed that Sartorius Stedim Biotech has the power to govern the financial and operating policies

of this entity and an inclusion in the consolidated financial statements is required.

The preliminary purchase price allocation has been carried out as follows:

	Carrying amounts immediately before the business combination € in K	Fair values on the date of acquisition € in K
Intangible assets	68	1,468
Property, plant and equipment	718	718
Inventories	1,817	1,817
Trade and other receivables	4,303	4,303
Liquid funds	694	694
Net deferred taxes	0	–350
Provisions	–328	–328
Financial liabilities	–2,165	–2,165
Other liabilities	–3,172	–3,172
Net assets acquired	**1,935**	**2,985**
Percentage of acquisition (49%)		1,463
Purchase price		5,622
Goodwill		**4,159**

10. 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 67% in equity capital, taking into account treasury shares – 74.5% excluding the treasury shares – and 84% of the voting rights.

Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries (presented in Note 8), which are related parties of the company, have been eliminated on consolidation and are not disclosed under this Note. 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 companies (Mechatronics Division) 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) 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 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 2011, services for approx. €13.9 million were provided to Sartorius Stedim Biotech GmbH (€11.5 million in 2010). These services primarily covered administrative functions (accounting and controlling, legal affairs, human resources management and IT) as well as corporate marketing and public relations, 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 they provide.

During 2011, the Group continued the following contractual relationships with related parties (Sartorius Group Mechatronics Division and entities non consolidated):

	Sales revenue 2011 € in K	**Purchases 2011 € in K**	**Receivables Dec. 31, 2011 € in K**	**Payables Dec. 31, 2011 € in K**
Related parties of Sartorius Group	8,480	8,241	4,964	8,893
	Sales revenue 2010 € in K	Purchases 2010 € in K	Receivables Dec. 31, 2010 € in K	Payables Dec. 31, 2010 € in K
Related parties - Mechatronics Division	7,223	6,091	3,483	5,464

In connection with the service agreements described above, the Group companies rendered administrative services worth €0.7 million to related parties that are part of the Group and spent €16.6 million in 2011 for services received (€0.6 million and €14.2 million in 2010, respectively).

Effective Dec. 31, 2011 Sartorius Stedim Biotech purchased from Sartorius Mechatronics Group affiliates the business line "Process Analytics" and sold to the same the business line "Lab Water". The transactions were carried out at arms' length at purchase prices of approximately 1.5 million € each.

Compensation of Key Management Personnel:

In 2010 and 2011, 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 e in K	Share-based payments[2] € in K
2011[1]	2,171	793	0	0	252
2010[1]	2,151	879	0	0	326

[1] The amounts include Dr. Joachim Kreuzburg's and Reinhard Vogt's salaries, which they receive from Sartorius AG for their work performed for the entire Sartorius Group, including Sartorius Mechatronics. Theirs remunerations are determined annually by the Supervisory Board of Sartorius AG.

[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 four years (formerly three) 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, as suggested by the French and German Corporate Governance Codes.

Share Buyback Program:

The AGM held on April 19, 2010, authorized the company Sartorius Stedim Biotech S.A. to introduce its own share buyback program for a maximum period of eighteen (18) months or until October 19, 2011.

As a reminder, the following transactions between related parties were recorded during the year 2010:

	Number of shares	Unit price in €	Amount in €
Bernard Lemaître	250,000	37.50	9,375,000
Sartorius AG	449,719	37.50	16,864,463
Sartorius AG	449,053	35.01	15,721,346
VL Finance SAS	370,000	34.32	12,698,400
Total	1,518,772		54,659,208

No transaction was recorded under the share repurchase program for the year 2011.

11. Definitions and Balance Sheet and Income Statement Presentation

The Sartorius Stedim Biotech Group uses EBITA (see glossary) as the key figure for measuring the performance and profitability of 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 (see glossary) 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 (see glossary) used in the segment information refers to earnings before interest, taxes, depreciation and amortization. Compared with EBITA (see glossary), the EBITDA (see glossary) excludes depreciation on tangible assets and amortization of all "classic" intangible assets.

The key indicator EBIT (see glossary) used in the income statement and in the segment information 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 carried out when 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.

12. 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 39.102.

The following exchange rates were used for currency translations:

	Year-end exchange rates		Average exchange rates	
For 1 €	**2011**	2010	**2011**	2010
USD	1.29320	1.33800	1.39154	1.32657
GBP	0.83670	0.86250	0.86769	0.85790
AUD	1.27140	1.31680	1.34857	1.44290
JPY	100.07000	108.80000	110.92595	116.26929
INR	68.58550	59.82760	64.85982	60.64245
CHF	1.21700	1.25300	1.23336	1.38080
SGD	1.68130	1.71620	1.74896	1.80718
MYR	4.10100	4.12680	4.25512	4.27069
TND	1.93230	1.92680	1.95676	1.89747
CNY	8.14350	8.82050	8.99564	8.98047
DKK	7.43400	7.45400	7.45072	7.44743

Notes to the Individual Balance Sheet Items

Non-current Assets

13. Goodwill and Other Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2010	250,277
Currency translation	0
Change in the scope of consolidation	0
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2010	250,277
Amortization at Jan. 1, 2010	0
Currency translation	0
Amortization in 2010	0
Disposals	0
Transfers	0
Amortization at Dec. 31, 2010	0
Net book values at Dec. 31, 2010	**250,277**

	Goodwill € in K
Gross book values at Jan. 1, 2011	250,277
Currency translation	0
Change in the scope of consolidation	4,159
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2011	254,436
Amortization at Jan. 1, 2011	0
Currency translation	0
Amortization in 2011	0
Disposals	0
Transfers	0
Amortization at Dec. 31, 2011	0
Net book values at Dec. 31, 2011	**254,436**

The item reported as goodwill in the amount of €254,436 K is the capitalized difference in assets resulting from business combinations. According to IFRS 3 (Revised), goodwill acquired in a business combination may not be amortized, but rather, must be tested annually for impairment and as soon as there is any indication of asset impairment.

The additional goodwill recorded in 2011 concerns the purchase of Sartorius Biotech Korea Co Ltd. (See note 9 on page 98).

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 cash-generating unit (CGU) represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment. 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 allocated to this CGU.

As in 2010, the impairment test conducted for 2011 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. The calculations were based on a discount rate of 5.8% and a terminal year growth rate of 3.0% for the years after 2016. The latter is derived from market expectations, which forecast significant 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 2011, our impairment test did not result in recognition of impairment losses. Therefore, no depreciation was recorded this year.

In this context, various sensitivity analyses based on scenarios with different assumptions for discount rates (+16.6% against the assumptions disclosed above) and terminal growth rate (-25.60% against the assumptions disclosed above) would lead a recoverable value equivalent to the net book value.

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, 2010	25,538	10,779	81,267	20,797	0	138,381
Currency translation	1,648	0	52	367	0	2,067
Change in the scope of consolidation	0	0	0	0	0	0
Investments	327	0	0	3,900	112	4,339
Disposals	–181	0	0	–648	0	–829
Transfers	21	0	0	–93	0	–72
Gross book values at Dec. 31, 2010	**27,353**	**10,779**	**81,319**	**24,323**	**112**	**143,886**
Amortization at Jan. 1, 2010	–9,031	0	–13,721	–9,039	0	–31,791
Currency translation	–292	0	–6	–7	0	–305
Amortization in 2010	–2,413	0	–5,489	–2,368	0	–10,270
Disposals	181	0	0	294	0	475
Transfers	–21	0	0	93	0	72
Amortization at Dec. 31, 2010	**–11,576**	**0**	**–19,216**	**–11,027**	**0**	**–41,819**
Net book values at Dec. 31, 2010	**15,777**	**10,779**	**62,103**	**13,296**	**112**	**102,067**

	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, 2011	27,353	10,779	81,319	24,323	112	143,886
Currency translation	301	0	25	68		394
Change in the scope of consolidation	68	0	1,400	0		1,468
Investments	817	0	270	4,625	54	5,766
Disposals	–278	0	0	0		–278
Transfers	8	0	0	0	–112	–104
Gross book values at Dec. 31, 2011	**28,269**	**10,779**	**83,014**	**29,016**	**54**	**151,132**
Amortization at Jan. 1, 2011	–11,576	0	–19,216	–11,027	0	–41,819
Currency translation	–90	0	–9	–7		–106
Change in the scope of consolidation	0	0	0	0		0
Amortization in 2011	–2,459	0	–5,399	–2,874		–10,732
Disposals	258	0	0	0		258
Transfers		0	0	0		0
Amortization at Dec. 31, 2011	**–13,867**	**0**	**–24,624**	**–13,908**	**0**	**–52,399**
Net book values at Dec. 31, 2011	**14,402**	**10,779**	**58,390**	**15,108**	**54**	**98,733**

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. The brand name is tested annually for impairment and as soon as there is any indication of asset impairment.

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 2011; the recoverability of the brand name was considered at the level of the "Biopharm 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.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

In 2011, the development costs of €4,625 K were recognized as assets (€3,900 K in 2010). 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

14. 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, 2010	92,818	59,298	42,210	3,287	197,613
Currency translation	626	1,013	649	314	2,602
Investments	324	3,170	4,245	4,607	12,346
Disposals	–4	–940	–1,133	–32	–2,109
Transfers	4,150	1,231	606	–4,402	1,585
Change in the scope of consolidation	0	0	0	0	0
Gross book values at Dec. 31, 2010	**97,914**	**63,772**	**46,577**	**3,774**	**212,037**
Depreciation at Jan. 1, 2010	–24,263	–37,462	–25,093	0	–86,818
Currency translation	–211	–643	–395	0	–1,249
Depreciation in 2010	–3,450	–4,273	–4,715	0	–12,438
Disposals	0	266	886	0	1,152
Transfers	–23	–376	–2	0	–401
Change in the scope of consolidation	0	0	0	0	0
Depreciation at Dec. 31, 2010	**–27,947**	**–42,488**	**–29,319**	**0**	**–99,754**
Net book values at Dec. 31, 2010	**69,967**	**21,284**	**17,258**	**3,774**	**112,283**

	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, 2011	97,914	63,772	46,577	3,774	212,037
Currency translation	–357	149	23	525	340
Investments	3,451	3,587	4,960	20,788	32,786
Disposals	–760	–968	–540	–156	–2,423
Transfers	17	407	472	–791	105
Change in the scope of consolidation	0	0	684		684
Gross book values at Dec. 31, 2011	**100,266**	**66,946**	**52,177**	**24,140**	**243,528**
Depreciation at Jan. 1, 2011	–27,947	–42,488	–29,319	0	–99,754
Currency translation	–123	–270	–75		–467
Depreciation in 2011	–4,070	–4,393	–5,126	0	–13,589
Disposals	364	812	443	0	1,619
Transfers	0	–17	17	0	0
Change in the scope of consolidation	0	0	0	0	0
Depreciation at Dec. 31, 2011	**–31,776**	**–46,356**	**–34,060**	**0**	**–112,192**
Net book values at Dec. 31, 2011	**68,490**	**20,590**	**18,117**	**24,139**	**131,337**

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). An amount of €300 K was capitalized in 2011 for interest on borrowings.

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 (except goodwill and brand names) are examined on whether there is any indication 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. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value – less costs to sell the asset or its CGU – and its value in use. In the event the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit (CGU) is estimated.

If the estimated recoverable amount of an asset (or a CGU) goes below its book value (carrying amount), this carrying amount 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 2011, as for fiscal 2010, there were no significant impairment losses to recognize in the intangible assets and the property, plant and equipment.

15. Leasing Contracts

	Leasing equipment € in K
Gross book values at Jan. 1, 2010	5,514
Currency translation	0
Investments	0
Disposals	–1,075
Transfers	–305
Change in the scope of consolidation	0
Gross book values at Dec. 31, 2010	**4,134**
Depreciation at Jan. 1, 2010	–4,543
Currency translation	0
Depreciation in 2010	–275
Disposals	1,000
Transfers	83
Change in the scope of consolidation	0
Depreciation at Dec. 31, 2010	**–3,735**
Net book values at Dec. 31, 2010	**399**
Gross book values at Jan. 1, 2011	4,134
Currency translation	0
Investments	0
Disposals	–234
Transfers	0
Change in the scope of consolidation	0
Gross book values at Dec. 31, 2011	**3,900**
Depreciation at Jan. 1, 2011	–3,735
Currency translation	0
Depreciation in 2011	–163
Disposals	230
Transfers	0
Change in the scope of consolidation	0
Depreciation at Dec. 31, 2011	**–3,668**
Net book values at Dec. 31, 2011	**232**

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 2011, we received lease payments of €545 K (2010: €688 K). For 2012, we expect to receive lease payments of €498 K for existing leasing contracts and for 2013 to 2016, a total of €655 K for these contracts.

16. Investments

Investments in non-consolidated subsidiaries, associates and securities are measured at cost because no active market exists for these shares and securities and the fair values of these assets cannot be reliably measured. These companies are not included in the scope of consolidation, because they do not meet the criteria defined by the IAS 27 Standard.

17. Deferred Tax

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K	**Dec. 31, 2011 € in K**	Dec. 31, 2010 € in K
Intangible assets	3,608	3,279	27,477	28,792
Tangible assets	193	374	4,277	4,880
Inventory	1,882	2,041	0	0
Receivables and other current assets	774	421	1,225	1,436
Provisions	4,140	3,199	0	0
Liabilities	97	250	0	0
Gross amount	**10,694**	**9,564**	**32,979**	**35,109**
Carry forward of taxable losses	1,741	2,318	0	0
Offset	0	0	–3,047	–907
	12,435	**11,882**	**29,932**	**34,202**

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 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 tax liabilities are recognized for all taxable temporary differences and are reported separately as deferred tax liabilities in the balance sheet. 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 2012: 33.33%. In Germany, we can expect a corporate tax rate of 15% for 2012. 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 approx. 30%.

Deferred Tax Assets

On the balance sheet date, the Group had unused tax loss amounts carried forward of €5.9 million to be deducted from future taxable profits (€9.6 million in 2010). A deferred tax amount was reported on approx. €4.2 million of these losses (€8.4 million in 2010). Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of visibility of future taxable profits.

Deferred Tax Liabilities

The deferred tax liabilities in connection with intangible assets refer to assets acquired in business combinations and consequently are mainly linked to customer relationships (2011: €19.5 million; 2010: €20.5 million).

In addition, the Group recorded deferred tax liabilities for a tax amount of €0.5 million on approx. €33 million in cumulative undistributed earnings of subsidiaries. In effect, the Group considers that these cumulative undistributed earnings are not intended to be systematically reinvested in its subsidiaries, but rather might be used to pay out dividends in France or Germany.

The Group did not recognize deferred tax liabilities on the remaining retained earnings of subsidiaries because these earnings are intended to be reinvested in these operations. If the dividends are paid out, an amount of 5% of the dividends will be taxed under the French and German taxation rules and, if applicable, with withholding tax. Furthermore, additional income tax consequences could arise in the case of an intermediate holding company. Therefore, it is not possible to estimate the amount of taxable temporary differences for these undistributed earnings.

Current Assets

18. Inventories

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Raw materials and supplies	17,507	13,632
Work in progress	15,765	13,430
Finished goods and merchandise	31,246	22,482
Payments on account	1,914	1,232
	66,432	**50,776**

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 the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly.

19. Current Trade | Other Receivables

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Trade receivables to third parties	87,419	78,922
Receivables from subsidiaries of the Sartorius AG Group	4,964	3,483
Receivables from participations	99	103
Trade receivables	**92,482**	**82,508**
Other assets including derivatives	9,059	8,662
Prepaid expenses	1,971	1,404
Other assets	**11,030**	**10,066**
Current tax assets	3,384	3,363
	106,896	**95,937**

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

In 2011, the Group transferred €27.4 million in the "Trade receivables" item to an unrelated entity (€26.2 million in 2010) under the factoring program.

As the Group provided the transferee with a credit guarantee over a part 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 recognized the cash received on the transfer as a secured borrowing.

Trade and other receivables were reported so that all discernable risks are covered. 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 28.

Development of trade allowances:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Valuation allowance at the beginning of the year	–3,767	–3,561
Increase during the year	–1,895	–1,494
Derecognition and consumption	648	237
Recoveries of amounts previously impaired	1,136	1,098
Change in the scope of consolidation	–54	0
Foreign currency translation differences	46	–47
Valuation allowance at the end of the year	**–3,887**	**–3,767**

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
1–30 days	12,810	9,855
31–90 days	5,116	4,305
91–180 days	2,441	2,045
181–360 days	652	583
More than 360 days	155	751
	21,175	**17,539**

Construction Contracts

In the Fermentation business, 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 €16,426 K (2010: €13,246 K). For these projects, advance payments of €12,806 K (2010: €7,499 K) were recorded. For this year, the contract revenue for projects in progress is €11,026 K.

20. Issued Capital

At December 31, 2011, Group share capital totalled €10,386 K. The equity structure reflects the issued shares of the legal parent company, Sartorius Stedim Biotech S.A., which comprise 17,025,948 shares with a par value of €0.61. All shares are fully paid up.

As of December 31, 2010, and December 31, 2011, 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 AGM held on April 19, 2010, authorized Sartorius Stedim Biotech S.A. to introduce its own share buyback program for a maximum period of eighteen (18) months or until October 19, 2011.

At the end of December 2010, Sartorius Stedim Biotech S.A. bought back 1,698,710 treasury shares for an amount of €61.3 million. Some of these shares were repurchased near the Related Parties (see Note 10). No movements have been recorded during the year 2011.

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

21. 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 reported in the "Pension reserves" item.

Foreign currency translation Reserves

The Foreign currency translation reserves include gains or losses arising from translation into euro of the financial statements of subsidiaries that are not part of the Euro zone.

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, 2011, as follows: payment of a net dividend of €1.00 per share, i.e., a total disbursement of €15,327,238.

	Dec. 31, 2011	Dec. 31, 2010
Number of shares at the beginning of the period	17,013,448	16,972,721
Stock options exercised	12,500	40,727
Increase in capital	0	0
Number of shares at the end of the period	**17,025,948**	**17,013,448**
Nominal value per share (in €)	0.61	0.61
Issued capital amount (€ in K)	10,386	10,378

Non-current Liabilities

22. Pension and Employee Benefits Provisions

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Pension provisions and similar obligations	17,640	15,984
Other non-current provisions	3,733	3,946
	21,373	**19,929**

Defined benefit plans

The global amount of €17,640 K relates in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €13,820 K in 2011 (2010: €13,517 K) and primarily relate to direct commitments under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The benefits earned depend on the salary level and the age of the respective employees. The pension benefits are generally not funded with assets.

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. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €148 K (actuarial loss of €2,016 K in 2010).

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

For Germany:

in %	**Dec. 31, 2011**	Dec. 31, 2010
Discount rate	4.80	4.70
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

For France:

in %	**Dec. 31, 2011**	Dec. 31, 2010
Discount rate	4.50	4.20
Future salary increases	3.00	2.75
Future pension increases	2.00	2.00

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

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Current service cost[1)]	662	630
Interest cost[2)]	818	749
	1,480	**1,379**

[1)] The current service cost is included in the operating result
[2)] The interest cost is included in the financial result

A Swiss Group company has a multi-employer plan that is generally to be accounted for as a defined benefit obligation. Until December 31, 2009, this plan had been treated as a defined contribution plan according to IAS 19.30, as the required information could not be provided. Starting in 2010, the plan has been recognized as a defined benefit obligation.

The present value developed as follows in 2011:

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Present value of the obligations as of Jan. 1	18,462	12,888
Recognition of the Swiss subsidiary	0	2,331
Current service cost	662	630
Interest cost	818	749
Change in the scope of consolidation	0	0
Actuarial gains | losses	123	1,770
Currency translation differences	158	335
Retirement benefits paid in the reporting year	–901	–807
Change in the scope of consolidation	579	0
Other changes	1,640	566
Present value of the obligations as of Dec. 31	**21,541**	**18,462**

The "Other changes" item includes primarily contributions by the plan participants and plan curtailments.

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

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Plan assets as Jan. 1	2,478	0
Expected income	93	81
Recognition of the Swiss subsidiary	0	2,331
Actuarial gains | losses	–25	–246
Group contribution	492	81
Currency translation differences	96	231
Change in the scope of consolidation	317	0
Other changes	450	0
Plan assets as Dec. 31	**3,901**	**2,478**

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Present value of the obligations as of Dec. 31	21,541	18,462
Fair value of the plan assets (-)	–3,901	–2,478
Present value of obligations	17,640	15,984

On the reporting date, the net liability (€17,640 K) that was wholly unfunded was €15,215 K as of December 31, 2011, and €14,616 K as of December 31, 2010.

In 2012, Sartorius Stedim Biotech expects to make payments for defined benefit plans at the same level as 2011.

For the defined benefits obligations in Germany, we expect payments for 2012 in an amount comparable to 2011 (approximately €1.0 million).

Defined Contribution Plans

Most of the Sartorius Stedim Biotech Group companies make payments under defined contributions plans, primarily relating to government-run pension plans.

In 2011, the total expense recognized for these plans amounted to € 9,783 K (2010: € 9,120 K).

23. 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, 2010	2,683	336	176	3,195
Currency translation	0	0	17	17
Consumption	0	–9	–54	–63
Reversals	–180	–20	–2	–202
Additions	949	42	8	999
Reclassification	0	0	0	0
Balance at Dec. 31, 2010	**3,452**	**349**	**145**	**3,946**

	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, 2011	3,452	349	145	3,946
Currency translation	0	0	8	8
Consumption	–308	0	0	–308
Reversals	0	0	–2	–2
Additions	63	22	4	89
Reclassification	0	0	0	0
Balance at Dec. 31, 2011	**3,207**	**371**	**155**	**3,733**

The non-current provisions comprise mainly provisions for partial retirement and employee anniversary bonuses. These obligations arise mainly in German Group companies. The partial retirement plans allow employees to work part-time for 3 - 5 years before their actual retirement. Anniversary bonuses are granted after 20, 25, 30 and 40 years of service and entail additional days of leave and relatively small amounts in money.

Non-current provisions are reported at their present value on the reporting date. The discount rate for employees on the early retirement plan and for provisions accrued for company anniversaries is 4.8%. Provisions for employees as beneficiaries of the early retirement plan (partial retirement) are for a maximum period of five years.

Actuarial gains and losses, as well as past service costs, on obligations are recognized as income or expense.

24. Non-current Liabilities

This item consists of the following:

	Balance at Dec. 31, 2011 € in K	**Remaining term of more than five years Dec. 31, 2011 € in K**	Balance at Dec. 31, 2010 € in K	Remaining term of more than five years Dec. 31, 2010 € in K
Loans and borrowings	103,945	12,629	92,133	557
Other liabilities	1,589	0	87	0
	105,534	**12,629**	**92,220**	**557**

The Sartorius Stedim Biotech Group signed a facility agreement in September 2008, with a five-year term, for credit lines amounting to an aggregate of €220 million. With this transaction, Sartorius Stedim Biotech has put its financing on a solid, broad-based footing over the long term. 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 28, part G, for more information.)

Current Liabilities

25. Current Provisions

During financial 2010 and 2011, the current provisions developed as follows:

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2010	1,162	3,767	4,929
Currency translation	56	210	266
Change in the scope of consolidation	0	0	0
Consumption	–477	–935	–1,412
Release	–126	–654	–780
Additions	1,142	644	1,786
Balance at Dec. 31, 2010	**1,757**	**3,032**	**4,789**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2011	1,757	3,032	4,789
Currency translation	3	48	51
Change in the scope of consolidation	0	0	0
Consumption	–1,063	–153	–1,216
Release	–70	–71	–141
Additions	1,116	622	1,737
Other changes	0	150	150
Balance at Dec. 31, 2011	**1,742**	**3,627**	**5,370**

In measuring the other provisions, all recognizable obligations that are based on past business transactions or past events probably resulting in cash payments for resources, which are representative of economic benefits and whose the amount can be reliably estimated, were reported as provisions.

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

The "Other provisions" essentially refer onerous contracts in connection with the restructuring measures carried out in the equipment business in the U.S.

26. Current Liabilities

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Payments received on account of orders	12,180	11,022
Trade payables to third parties	34,482	29,080
Payables to participations	380	433
Payables to subsidiaries of the Sartorius AG Group	8,893	5,464
Trade payables	**55,935**	**45,999**
Loans and borrowings	42,996	40,285
Current tax liabilities	19,108	16,094
Other liabilities	44,792	37,748
	162,831	**140,126**

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

27. Other Financial Obligations | Contingent Assets and Liabilities

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

	Dec. 31, 2011 € in K	Dec. 31, 2010 € in K
Rental and leasing contracts		
- due in the financial year 2012	4,622	
- due in the financial year 2011		4,626
- due in any one financial year from 2013 to 2016	9,995	
- due in any one financial year from 2012 to 2015		11,571
- due after 2016	10,237	
- due after 2015		11,382
Guarantee commitments	0	0
Other financial commitments	5,377	0

28. 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 market conditions at the end of the year.

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, 2010	Financial assets at fair value through profit or loss		Financial assets at fair value recognized directly in equity			Subtotal		**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	€ in K	Not in scope of IFRS 7 | IAS 39 € in K	**€ in K**
Non-current assets								
Financial assets					33	33	2,214	**2,247**
Receivables and other assets				302		302	504	**806**
Current assets						**-**		
Trade receivables				80,933		80,933	1,575	**82,508**
Other assets			943	4,410		5,353	4,713	**10,066**
Cash and cash equivalents				29,661		29,661		**29,661**
Total						116,282	9,006	**125,288**

December 31, 2011	Financial assets at fair value through profit or loss		Financial assets at fair value recognized directly in equity			Subtotal		**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	€ in K	Not in scope of IFRS 7 | IAS 39 € in K	**€ in K**
Non-current assets								
Financial assets					536	536	2,228	**2,764**
Receivables and other assets				576		576		**576**
Current assets						**-**		
Trade receivables				92,482		92,482	-	**92,482**
Other assets			-	4,175		4,175	6,855	**11,030**
Cash and cash equivalents				46,825		46,825		**46,825**
Total						144,594	9,083	**153,677**

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

See Note 27 for the commitments given by the Group.

December 31, 2010	Financial liabilities at fair value through profit or loss		Financial liabilities at fair value through profit or loss			Subtotal		**Total**
	Hedging instruments € in K		Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Financial liabilities at amortized cost € in K	€ in K	Not in scope of IFRS 7 | IAS 39 € in K	**€ in K**
Non-current liabilities								
Loans and borrowings					92,133	92,133		**92,133**
Other liabilities					87	87		**87**
Current liabilities								
Loans and borrowings					40,285	40,285		**40,285**
Trade payables					34,977	34,977	11,022	**45,999**
Other liabilities	11				17,639	17,650	20,098	**37,748**
Total						185,132	31,120	**216,252**

December 31, 2011	Financial liabilities at fair value through profit or loss		Financial liabilities at fair value through profit or loss			Subtotal		**Total**
	Hedging instruments € in K		Initially designated at fair value € in K	Held for trading (including derivatives) € in K	Financial liabilities at amortized cost € in K	€ in K	Not in scope of IFRS 7 | IAS 39 € in K	**€ in K**
Non-current liabilities								
Loans and borrowings					103,945	103,945		**103,945**
Other liabilities	1,589					1,589		**1,589**
Current liabilities								
Loans and borrowings					42,996	42,996		**42,996**
Trade payables					43,755	43,755	12,180	**55,935**
Other liabilities	3,732				32,311	36,043	8,748	**44,791**
Total						228,328	20,928	**249,256**

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

Result from receivables and payables

	2011 12 months € in K	2010 12 months € in K
Interest income	0	0
Allowances	–1,895	–1,494
Income from the decrease in allowances for bad debts	1,136	1,098
Exchange gains I losses	–2,264	431
	–3,024	**35**

The total cash and cash equivalents have a maturity of less than one year.

The maturity of the financial liabilities shows the following pattern:

	Carrying amount Dec. 31, 2010 € in K	Cash Flow Dec. 31, 2010 € in K	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings (Non-current & current)	132,418	138,497	42,769	95,171	557
Trade payables	45,999	45,999	45,999	0	0
Other liabilities	33,046	33,046	32,959	87	0
Financial Liabilities	**211,463**	**217,542**	**121,727**	**95,258**	**557**

	Carrying amount Dec. 31, 2011 € in K	**Cash Flow Dec. 31, 2011 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings (Non-current & current)	146,941	155,146	45,922	95,474	13,750
Trade payables	43,755	43,755	43,755	0	0
Other liabilities	37,632	37,632	36,043	1,589	0
Financial Liabilities	**228,328**	**236,533**	**125,720**	**97,063**	**13,750**

The current loans and borrowings include liabilities arising from the sale of trade receivables under a factoring program that was initiated in 2009.

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 below are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital in Notes 20 to 21.

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.

Following thorough analysis of the current and anticipated interest rate situation, the Group decided to carry out interest hedging. In this context, several interest hedging contracts have been closed within fiscal 2011. We counteract liquidity risks by maintaining sufficient credit lines as well as by planning short-, mid- and long-term liquidity.

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. Therefore, we also use derivative financial instruments to hedge the net currency exposure resulting from currency translation of our sales revenue.

As a rule, we use forward exchange dealings in order to guarantee the exchange rate. In addition, we use target profit forward contracts to further optimize our currency hedging. These contracts give us the right to guarantee an exchange rate for future sales with a ceiling rate and a floor rate.

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

At the balance sheet date we have carried out forward contracts in an amount of $ 108 million to hedge against the risk of fluctuation in the EUR | USD exchange rate. This amount covers roughly two thirds of the expected net exposure for the U.S. dollar within the period of 1.5 years.

Furthermore, we have hedged Japanese yen in the amount of JPY 800 million.

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent balance sheet dates. The 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 (treasury hedging), 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.

In 2011, a negative amount of €2,124 K (2010: a positive impact of €67 K) was recognized directly in equity (hedging reserves) under an effective hedging relationship; the ineffective portion of -€1,608 K (2010: -€78 K) was included in the financial result. The amount that was recognized in the hedging reserve (-€78 K) was transferred to the income statement in 2011 (2010: -€148 K).

If the U.S. dollar would have depreciated 5% against the euro, the equity would have increased by €4.7 million (2010: €1.3 million) and the result would have been increased by €2.8 million.

Vice versa, if the U.S. dollar would have appreciated 5% against the euro, the resulting impact of the financial result would have been -€1.7 million and the other comprehensive income -€3.6 million (2010: -€1.1 million).

The following table shows the forward transactions as well as the target profit forward contracts as of December 31, 2011:

Type of Contract	Currency	Volume	Maturity	Forward rate for 1 €	Market value € in K
Forward contract	USD	9,000,000	Q1 2012	1.3468	–256
Forward contract	USD	15,000,000	Q2 2012	1.3496	–438
Forward contract	USD	8,500,000	Q3 2012	1.3631	–304
Forward contract	USD	8,500,000	Q4 2012	1.3913	–416
Forward contract	USD	5,500,000	Q1 2013	1.3766	–219
Forward contract	USD	7,000,000	Q2 2013	1.3410	–178
	USD	**53,500,000**			**–1,811**
Forward contract	JPY	100,000,000	Q1 2012	109.9600	–91
Forward contract	JPY	200,000,000	Q2 2012	103.0050	–56
Forward contract	JPY	100,000,000	Q3 2012	100.0000	–0
Forward contract	JPY	100,000,000	Q4 2012	112.1300	–109
Forward contract	JPY	150,000,000	Q1 2013	103.6500	–56
Forward contract	JPY	150,000,000	Q2 2013	101.4700	–28
		800,000,000			**–341**
Target Profit Forward	USD	12,000,000	Q4 2012	1.3590	–533
Cash contract	USD	30,000,000	Q4 2013	1.2715	–753
Target Profit Forward	USD	12,000,000	Q4 2013	1.2500	–293
		54,000,000			**–1,579**

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. In fiscal 2011, we entered into several interest hedging contracts as shown in the table below.

With interest rate swaps accounted for on the reporting date, we secure the right to receive a variable interest rate depending on the interest rate actually valid, and obligate ourselves to pay a fixed interest rate for certain specified time periods.

The table on the following page provides an overview of the interest hedging contracts available on the reporting date.

Nr.	Instrument	Hedging volume as of Dec. 31, 2011 € in K	Hedging volume as of Dec. 31, 2010 € in K	Start of term	End of term	Hedged interest rate	Market value as of Dec. 31, 2011 € in K
1	Swaps	30,000	30,000	Dec. 2010	Sep. 2013	1.52%	–93
2	Swaps	30,000	30,000	Dec. 2010	Sep. 2013	1.86%	–298
3	Swaps	20,000	20,000	Dec. 2010	Sep. 2013	1.91%	–212
	Subtotal	**80,000**	80,000				**–603**
4	Forward Swaps	30,000	30,000	Sep. 2013	Sep. 2015	2.37%	–376
5	Forward Swaps	30,000	30,000	Sep. 2013	Sep. 2015	2.77%	–610
	Subtotal	**60,000**	60,000				**–986**
	Total						**–1,589**

December 31, 2011	Financial liabilities		Hedging instruments		Net exposure after hedging	
(€ in K)	Fix rate	Variable rate	Fix rate	Variable rate	Fix rate	Variable rate
<1 year	25,631	91,000	0	80,000	25,631	11,000
1 to 3 years	9,638	78,000		80,000	9,638	–2,000
3 to 5 years	15,904	0		60,000	15,904	–60,000

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

	Credit line at Dec. 31, 2010	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	Credit line used at Dec. 31, 2010	Credit line unused as of Dec. 31, 2010
Syndicated credit line	194,000	13,000	181,000	0	Variable	104,000	90,000
Bilateral credit line	33,626	33,626	0	0	Variable and fixed	28,418	5,208
Total	**227,626**	**46,626**	**181,000**	**0**		**132,418**	**95,208**

	Credit line at Dec. 31, 2011	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	**Credit line used at Dec. 31, 2011**	**Credit line unused as of Dec. 31, 2011**
Syndicated credit line	181,000	13,000	168,000	0	Variable	91,000	90,000
Bilateral credit line	46,891	21,891	0	25,000	Variable and fixed	33,825	13,066
Total	**227,891**	**34,891**	**168,000**	**25,000**		**124,825**	**103,066**

If the market interest rate had been 1.0 percentage point higher, the interest expenses in the income statement would have been €0.4 million higher and +€3.3 million would have been shown directly in equity as part of an effective hedging transaction.

If this interest rate had been 1.0 percentage point lower, the impact on the financial result would have been €0.7 million and on the equity -€0.8 million.

Opposite effects would have been reflected in the interest expenses on the underlying debts.

As explained in Note 24, in September 2008 the Group put in place a syndicated loan agreement with a credit line of €220 million for a term of five years. 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 (see glossary) may not be greater than 3.0 and the interest coverage ratio (underlying EBITDA (see glossary) 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, 2011, Sartorius Stedim Biotech achieved the following ratios:

Net debt € in K	Related EBITDA € in K	Ratio of net debt | EBITDA	Interest payable € in K	Interest coverage
100,115	100,346	1.0	4,507	22.26

Underlying EBITDA (see glossary) corresponds to the EBITDA (see glossary) adjusted for reorganization items. The net debt is defined as outstanding bank loans less cash and cash equivalents held.

29. Share-based Payments

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

	Dec. 31, 2011 Number of options	Dec. 31, 2010 Number of options
Outstanding at beginning of period	52,500	93,227
Allocated during the period	0	0
Cancelled during the period	0	0
Exercised during the period	–12,500	–40,727
Lapsed in the period	**0**	**0**
Outstanding at end of period	40,000	52,500
Exercisable at the end of period	40,000	52,500

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

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 initial beneficiaries	Subscription price in €	Number of shares subscribed over the fiscal year 2010	Number of options granted and exercisable at Dec. 31, 2010	Number of options subject to target performance at Dec. 31, 2010	Total of number of beneficiaries of valid options
June 23, 2000	Aug. 2, 2000	139,105	0	0	5	8.59	0	0	0	0
June 23, 2000	Sept. 28, 2001	142,855	0	0	7	11.94	4,060	0	0	0
June 23, 2000	Nov. 14, 2002	12,100	0	0	1	6.78	0	0	0	0
June 23, 2000	Sept. 10, 2003	22,000	0	0	1	7.9	0	0	0	0
June 23, 2000	Feb. 11, 2004	66,000	0	0	1	6.42	0	0	0	0
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	0	25,000	0	3
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	36,667	10,000	0	2
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	29.51	0	17,500	0	2
Total		**684,560**	**0**		**51**	**0**	**40,727**	**52,500**	**0**	**7**
									52,500	

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

The cost for fiscal 2011 is €0 K. No new additional stock options were granted in 2011.

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 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.

The total fair value of each plan 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 in €	Fair value when granted on Jan. 1 of the particular year € in K	**Fair value at year-end on Dec. 31, 2011 € in K**	Paid out € in K	Exercisable
Tranche of phantom stock units for 2008	4,754	28.92	138	0	138	yes
Tranche of phantom stock units for 2009	20,905	8.16	171	427	0	no
Tranche of phantom stock units for 2010	13,469	15.78	213	419	0	no
Tranche of phantom stock units for 2011	8,358	26.62	223	252	0	no
	47,486		**745**	**1,098**	**0**	

Notes to the Income Statement

30. Sales Revenue

Sales revenue is recognized at the time the risk has passed to the purchaser. An exception is contract revenue from customer-specific construction contracts, which are accounted for according to the percentage of completion method. 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 (for more information see Note 19).

Sales revenue, which is broken down by geographical areas, consists of the following:

	2011 12 months € in K	2010 12 months € in K
France	42,763	39,090
Germany	62,096	64,372
All other countries	372,441	329,487
	477,300	**432,949**

An amount of €8,480 K was earned with subsidiaries (Mechatronics) in 2011 and €7,223 K in 2010.

31. Cost of Sales

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

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

32. Selling and Distribution Costs

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

33. Research and Development Costs

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

34. General Administrative Expenses

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

35. Other Operating Income and Expenses

	2011 12 months € in K	2010 12 months € in K
Currency translation gains	6,769	10,369
Income from the decrease in allowances for bad debts	1,134	1,098
Income from release and use of provisions and liabilities	2,160	690
Income from grants	1,628	2,181
Other income	1,418	726
Other operating income	**13,109**	**15,064**
Currency translation losses	–4,684	–9,937
Reorganization expenses	–9,034	–3,002
Allowances for bad debts	–1,896	–1,507
Other expenses	–2,012	–1,760
Other operating expenses	**–17,626**	**–16,206**
Total other operating income and expenses	**–4,517**	**–1,142**

Extraordinary items amounted to -€4.7 million (previous year: -€3.0 million) and essentially cover one-time expenses for the planned relocation of our U.S. manufacturing site for bags from Concord, California, to Yauco, Puerto Rico, in 2012, as well as to various cross-divisional projects. Including all special items, the Group's EBITA (see glossary) rose from €67.0 million to €78.9 million; its respective margin increased from 15.5% to 16.5%.

36. Financial Result

	2011 12 months € in K	2010 12 months € in K
Interest and similar income	978	431
- of which from affiliated companies	[600]	[251]
Interest and similar expenses[1)]	–4,507	–3,325
- of which from affiliated companies	[71]	[63]
Expenses for derivative financial instruments	–1,913	–116
Interest expense for pensions	–899	–888
Other financial expenses	–147	–7
	–6,488	**–3,905**

[1)] The interest and similar expenses correspond mainly to the interests relative to loans and credit lines.

37. Income Tax Expense

	2011 12 months € in K	2010 12 months € in K
Current income taxes	–23,113	–18,148
Deferred taxes	3,591	2,245
	–19,522	**–15,902**

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. 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 between 30% and 32%. The following table describes the difference between the tax expense to be expected and the income tax expenses reported for the particular financial year.

	2011 12 months € in K	2010 12 months € in K
Expected tax expense (30% in 2011 and 2010)	18,814	16,324
Difference from the Group average income tax rate	–352	–344
Expenses not deductible for tax purposes	417	414
Losses and temporary differences not considered as assets	484	–73
Adjustments from previous years	22	–990
Tax-free income and other tax exemptions	–262	–14
Other	399	585
	19,522	**15,902**
Effective tax rate	31.1%	29.2%

38. Earnings per Share

Diluted net earnings per share were measured by taking into account share subscription options outstanding at December 31, 2011, resulting in certain Group employees acquiring entitlements to subscribe to a total of 40,000 shares.

Therefore, the diluted net earnings per share at December 31, 2011, is calculated on the basis of 2011 financial year items, including the number of existing and potential future shares (including optional shares). Treasury shares are not included in the calculation of the earning per share.

	2011	2010
Net profit after tax (€ in K)	43,190	38,511
Group net profit after tax (€ in K)	43,053	38,511
Earnings per share (€)	2.82	2.39
Diluted earnings per share (€)	2.81	2.39
Number of shares (statutory level)	17,025,948	17,013,448
Treasury shares (share buyback Program): average amount	–1,698,710	–932,764
Number of shares used in earnings per share calculation	15,327,238	16,080,684
Future options	40,000	52,500
Potential options	0	0
Number of shares used in diluted earnings per share calculation	**15,367,238**	**16,133,184**

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 ordinary shares during the period.

39. 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

	2011 12 months € in K	2010 12 months € in K
Sales revenue	477,300	432,949
Purchases consumed	–127,066	–109,252
Cost of purchased services	–11,334	–10,405
Personnel costs	–146,731	–131,261
Amortization and depreciation	–24,484	–22,982
Other operating costs	–96,530	–99,154
	–406,145	**–373,055**
Operating profit	**71,155**	**59,894**
Financial income I expenses	–6,488	–3,905
Income tax and other taxes	–21,477	–17,478
Non-controlling interest	–137	0
Group net profit	**43,053**	**38,511**

Raw Materials and Supplies

This item consists of the following:

	2011 12 months € in K	2010 12 months € in K
Purchases consumed	127,066	109,252
Cost of purchased services	11,334	10,405
	138,400	**119,657**

Employee Benefits Expense

This item can be broken down as follows:

	2011 12 months € in K	2010 12 months € in K
Wages and salaries	119,871	106,361
Social security	25,083	22,813
Expenses for retirement benefits and pensions	1,777	2,088
	146,731	**131,261**

Number of Employees

The average workforce employed during the year 2011 was 2,741 (2,492 in 2010).

Statutory Auditors' Report on the Consolidated Financial Statements

(Freely translated from the French original by the auditors)

Year ended December 31, 2011

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, 2011, on:

- the audit of the accompanying consolidated financial statements of SARTORIUS STEDIM BIOTECH;
- the justification of our assessments;
- the specific verification required by law.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

The accounting estimates used in the preparation of the consolidated financial statements as at December 31, 2011 were made in a context of uncertainty, arising as a result of the sovereign debt crisis of some euro-zone countries (most notably in Greece). This crisis is accompanied by an economic and also a liquidity crisis resulting in a lack of visibility concerning economic prospects. Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of article L. 823-9 of the French commercial code (« Code de commerce »):

Paragraph 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, your Company systematically performs an impairment test on goodwill and assets with indefinite useful lives and also assesses whether there is an indication of a loss in value for long-term assets, according to the terms and conditions defined in Note 13 "Goodwill and intangible assets" to the consolidated 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 your 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 consolidated financial statements provide an appropriate disclosure on the assumptions and options adopted by your Company.

These assessments were made as part of our audit of the consolidated 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

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

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

Marseille, February 28, 2012

The Statutory Auditors

DELOITTE & Associés	ERNST & YOUNG Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

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

05

Annual Financial Statements

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

	Gross at Dec. 31, 2011	Depreciation, amortization and provisions Dec. 31, 2011	Net at Dec. 31, 2011	Net at Dec. 31, 2010
Intangible assets	2,867	–2,456	411	330
Property, plant and equipment	29,376	–18,829	10,547	10,167
Financial investments	146,301		146,301	144,095
Total non-current assets	**178,544**	**–21,285**	**157,259**	**154,592**
Inventories and work in progress	9,390	–1,112	8,278	5,960
Receivables				
Trade receivables to third parties	10,656	–297	10,359	9,819
Other receivables	8,844	0	8,844	4,884
Marketable securities	0	0	0	0
Deposits and cash equivalents	95	0	95	96
Total current assets	**28,985**	**–1,409**	**27,576**	**20,759**
Prepaid expenses	101	0	101	72
Currency translation adjustment	3,607	0	3,607	2,470
Total assets	**211,237**	**–22,694**	**188,543**	**177,893**

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

	At Dec. 31, 2011	At Dec. 31, 2010
Share capital	10,386	10,378
Share premium	59,500	59,295
Reserves	1,628	1,625
Retained earnings carried forward	11,112	3,827
Profit for the period	23,860	21,066
Regulated provisions	3,679	2,862
Total equity	**110,165**	**99,053**
Provisions for liabilities and charges	4,110	3,119
Total provisions for liabilities and charges	**4,110**	**3,119**
Loans and borrowings	0	0
Trade payables	9,752	7,349
Tax and social charges payable	4,938	4,391
Liabilities for non-current assets	382	182
Other liabilities	59,186	63,795
Total liabilities	**74,258**	**75,717**
Currency translation adjustment	10	4
Total equity and liabilities	**188,543**	**177,893**

Parent Company: Income Statement (in thousands of €)

	At Dec. 31, 2011	At Dec. 31, 2010
Sales revenue	71,855	65,026
Inventory movements	352	–936
Capitalized production costs	0	0
Depreciation or amortization reversals	4,518	2,093
Other operating income and expense reallocation	312	139
Purchases consumed	–36,885	–31,303
External charges for services	–10,775	–8,480
Tax and duties	–1,738	–1,712
Personnel costs	–18,417	–17,184
Additions to amortization, depreciation and provision	–5,038	–3,912
Other operating expenses	–907	–250
Operating profit	**3,277**	**3,481**
Net financing income	(expense)	20,347	17,325
**Profit	(loss) from ordinary activities**	**23,624**	**20,806**
Exceptional income	(expense)	–833	–925
Contribution to employee profit sharing plan	0	0
Income tax	1,069	1,185
**Net profit	(loss)**	**23,860**	**21,066**

1. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2011, 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, 2011.

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 €4,004 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 reported, on an ongoing basis.

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

1.1.3. Financial Investments

Investments relate mainly to shareholdings in subsidiaries and other treasury shares held within the scope of the share buyback program; they are recorded at their acquisition cost, including fees linked to their acquisition.

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

Shareholdings in subsidiaries are subject to impairment tests.

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 write-down provision 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.

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 write-down provision 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 "Currency 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, 2010	**Increase in 2011**	**Decrease in 2011**	**At Dec. 31, 2011**
Incorporation costs	4	0	0	4
Patents	325	0	0	325
Software, licenses	2,353	39	–38	2,354
Business goodwill	2	0	0	2
Intangible assets in progress	50	132	0	182
Total	**2,734**	**171**	**–38**	**2,867**
Amortization and depreciation	2,404	65	–13	2,456
Net amount	**330**	**106**	**–25**	**411**

2.2. Property, Plant and Equipment

Gross values	At Dec. 31, 2010	**Increase in 2011**	**Decrease in 2011**	**At Dec. 31, 2011**
Land	396	0	0	396
Buildings	13,591	28	0	13,619
Plant and equipment	7,908	569	–126	8,351
Other	5,791	113	–101	5,803
Property, plant and equipment in progress	221	987		1,208
Total	**27,907**	**1,697**	**–227**	**29,377**

Amortization and depreciation	At Dec. 31, 2010	**Addition**	**Release**	**At Dec. 31, 2011**
Buildings	6,807	487		7,294
Plant and equipment	6,379	478	–103	6,754
Other	4,554	326	–98	4,782
Total	**17,740**	**1,291**	**–201**	**18,830**
Property, plant and equipment, net	**10,167**			**10,547**

The variation in tangible assets (+€1,470 K) was primarily due to industrial equipment investments (€569 K) and tangible assets in progress (€987 K). The reduction corresponds to Tangible assets sales (€54 K) and disposals of fixed assets of €147 K.

2.3. Financial Investments

Investments	At Dec. 31, 2010	**Increase in 2011**	**Decrease in 2011**	**At Dec. 31, 2011**
Shareholdings	84,426	3,140	–2,629	84,937
Write-down of shareholdings	0	0	0	0
Deposits and guarantees	19	28	–10	37
Treasury shares	61,327	0	0	61,327
Write-down of treasury shares	–1,677	0	1,677	0
Total	**144,095**	**3,168**	**–962**	**146,301**

The following is included under "Financial investments":

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company who has merged with the entity Sartorius Stedim SUS SARL, acquired in January 2002, the 1st of January 2011. This merger has generated a merger gain of €498 K, the land and buildings have been revalued to market value by an external Auditor, while other assets have been valued at the value net book;

- 100% of the share capital of Sartorius Stedim Biotech GmbH, a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007;

- 100% of the share capital of Sartorius Stedim Aseptics S.A., a French company acquired in 2004;

- Other investments: €0.1 K.

The "Treasury shares" item corresponds to the share buyback program implemented following the approval of the seventh and eighth resolutions by the Annual General Shareholders' Meeting on April 19, 2010. At the end of 2010 and 2011, the number of shares rose to 1,698,710, repurchased at an average price of €36.10, for a total amount of €61,327,190. A write-down of €1,676,553 was recorded on December 31, 2010 but was released in 2011.

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

3.1. Inventories at Year-end

Inventories	At Dec. 31, 2010	Movements	**At Dec. 31, 2011**
Raw materials	3,566	1,328	4,894
Other consumables	149	0	149
Work in progress and finished goods	3,284	351	3,635
Merchandise	561	151	712
Gross value	**7,560**	**1,830**	**9,390**
Depreciation for write-down of raw materials and consumables	–607	130	–477
Depreciation for write-down of work in progress and finished goods	–574	419	–155
Depreciation for write-down of merchandise	–419	–61	–480
Depreciation for write-down of inventories	**–1,600**	**488**	**–1,112**
Net	**5,960**	**2,318**	**8,278**

In 2011, the level of inventories increased €1.8 million in gross value and €2.3 million in net value. The raw materials inventory was deliberately increased to cope with the increase of the activity, about 10% and to secure stocks of strategic components. In addition, we have stored in advance to reduce delivery times, especially on the new market in growth of disposables for the bio-fermentation. The ongoing negotiations with our suppliers allow us in 2012 to reduce the upstream supply chain and thus reduce the value of our inventories. The increase of €0.4 million of finished goods is due to portfolio order growth, with deliveries scheduled early in 2012. The decrease of €0.5 million depreciation for write-down is mainly due to the cleaning up of inventory of components become obsolete.

3.2. Maturity of Receivables at Year-end

Type of receivable	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	36	0	36
Non-current assets	**36**	**0**	**36**
Advance payments on account	299	299	0
Trade receivables	10,359	10,359	0
Personnel	6	6	0
Social security	5	5	0
Taxes and duties	2,002	2,002	0
Group	6,496	6,496	0
Other receivables	36	36	0
Current assets	**19,203**	**19,203**	**0**
Prepaid expenses	101	101	0
Total receivables	**19,340**	**19,304**	**36**

The "Trade receivables" item includes an amount of €8,704 K concerning the trade receivables of the Group entities and €1,290 K for invoices to be issued.

The "Group" item for receivables from Group subsidiaries (€6,496 K) relates to current account cash advances provided to Sartorius Stedim Biotech GmbH, Sartorius Stedim SUS SARL and Sartorius Stedim France.

The "Taxes and duties" (€2,002 K) item primarily entails the tax research grant and VAT receivables.

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

Type of liability	Net amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years	0	0	0	0
Originally more than 2 years	0	0	0	0
Current bank overdrafts and accrued interest	0	0	0	0
Trade payables	9,752	9,752	0	0
- including bills of exchange	0	0	0	0
Advances and payments on account for orders	0	0	0	0
Tax and social security payable	4,938	4,938	0	0
Liabilities for non-current assets	382	382	0	0
Group and associates	58,976	58,976	0	0
Other	210	186	24	0
Total liabilities	**74,258**	**74,234**	**24**	**0**

Accrued expenses included in these accounts represented €6,334 K and concerned the following items:

Type of expense	**At Dec. 31, 2011**
Accrued banking charges	2
Suppliers' invoices to be received	2,817
Paid vacation including social charges	1,526
Bonuses, including social charges and profit sharing	1,549
Social security payable	219
Taxes payable	254
Employee profit sharing	0
Total charges payable	**6,367**

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

5.1. Equity

At December 31, 2011, the share capital was €10,386 K, comprising 17,025,948 shares of a €0.61 par value. The changes in equity in 2011 are the result of the following events:

– The exercise of stock options resulting in the issue of 12,500 shares, each with a par value of €0.61, for a total of €8 K;

– A €206 K share premium associated with this share capital increase.

The Annual General Shareholders' Meeting on April 18, 2011, approved the appropriation of the net profit for the year of €21,066 K, as follows:

– Allocation to the retained earnings carried forward: €7,280 K

– Paid into the legal reserves: €3 K

A dividend total of €13,783 K, or a net dividend per share of €0.90, was paid, "Treasury shares" excluded.

	Appropriation of profit in 2010					**Equity before appropriation of profit in 2011**
	Before	Changes	After	Increases	Decreases	
Number of shares:	17,013,448		17,013,448	12,500		17,025,948
Share capital	10,378		10,378	8		10,386
Share premium	43,155		43,155	206		43,361
Merger premium	16,140		16,140			16,140
Legal reserve	1,035	3	1,038			1,038
Other reserves	590		590			590
Balance carried forward	3,827	7,280	11,107	5		11,112
Dividends paid	0	13,783	13,783		13,783	0
Net profit to be appropriated	0		0			0
Profit for the reporting year	21,066	–21,066	0	23,860		23,860
Regulated provisions	2,862		2,862	817		3,679
Total	**99,053**	**0**	**99,053**	**24,895**	**13,783**	**110,165**

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 40,000.

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, 2010	Additions 2011	Releases 2011	**Provisions at Dec. 31, 2011**
Regulated provisions				
Accelerated amortization and depreciation	2,862	817	0	3,679
Subtotal –1	**2,862**	**817**	**0**	**3,679**
Provisions for liabilities and charges				
Exchange risk	2,470	3,607	2,470	3,607
Other costs	649	76	222	503
Taxation	0	0	0	0
Subtotal –2	**3,119**	**3,683**	**2,692**	**4,110**
Grand total	**5,981**	**4,500**	**2,692**	**7,789**

6.2. Market Risk Exposure

Operating Cash Flow Risk

At December 31, 2011, foreign currency denominated current assets and liabilities totalized:

– USD 2,595 K (debit position)

– USD 6,112 K (credit position)

– JPY 1,184,871 K (credit position)

– GBP 370 K (debit 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:

	Balance at Dec. 31, 2011	
€ in K	Assets	Liabilities
Decrease in assets | liabilities	**3,607**	
Suppliers	103	
Customers	16	
Intercompany accounts	3,488	
Exchange hedges (assets)	**0**	
Suppliers	0	
Customers	0	
Intercompany customers	0	
Increase in assets | liabilities		**10**
Suppliers		0
Customers		10
Intercompany accounts		0
Exchange hedges (liabilities)		**0**
Suppliers		0
Customers		0
Intercompany customers		0
Currency translation differences	**3,607**	**10**

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 at 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. Current and Future Tax Position (in thousands of €)

As of January 1, 2008, the company chose to adopt the French tax integration regime within the framework of a tax group. The lead company of this group is Sartorius Stedim Biotech S.A. The other member companies of this tax integration group for tax relief are Sartorius Stedim Aseptics S.A. and Sartorius Stedim France S.A.S.

The member companies report income tax as if there were no integration tax regime. The parent corporation benefits from tax relief related to consolidating the gains and losses of the other member companies.

As of December 31, 2011, the cumulative amount of carry-forward losses was €1,439 K for the parent company.

For 2011, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an expense of €150 K. The amount of income tax for fiscal 2011 to be settled by Sartorius Stedim Biotech SA in 2012 under this tax integration regime is €2,195 K.

The future income tax position results from:

- Tax paid in advance on expenses recognized during the fiscal year, but that is deductible in subsequent fiscal years;
- Tax paid in advance on unrecognized and unrealized gains.

These deferred taxes were not recognized on the balance sheet.

The temporary differences between taxable income and expenses were as follows:

Future tax position			**Dec. 31**
Increases			
2011 solidarity contribution		115	
Net movement in 2011 currency translation differences		10	
2011 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total increases			**125**
Decreases			
2010 solidarity contribution		104	
Net movement in 2010 currency translation differences		4	
2010 employee profit sharing		0	
Depreciation for customers and inventories		519	
Total decreases			**627**
2011 future tax position			**–502**
Increases			
2010 solidarity contribution		104	
Net movement in 2010 currency translation differences		4	
2010 employee profit sharing		0	
Depreciation for customers and inventories		542	
Total increases			**650**
Decreases			
2009 solidarity contribution		103	
Net movement in 2009 currency translation differences		24	
2009 employee profit sharing		0	
Write-down of subscription warrants		129	
Total decreases			**256**
2010 future tax position			**394**

8. Operating Income (in thousands of €)

8.1. Sales Revenue by Operating Segment

Operating segment	**2011**	**%**	2010	%
Biopharm	71,855	100%	65,026	100%
Total	**71,855**	**100%**	**65,026**	**100%**

8.2. Sales Revenue by Geographical Region

Geographical region	**2011**	**%**	2010	%
France	**10,248**	**14%**	**8,280**	**13%**
Export	**61,607**	**86%**	**56,746**	**87%**
EU and other countries	55,160	89.54%	50,025	88.16%
North American continent	6,447	10.46%	6,721	11.84%
Total	**71,855**	**100%**	**65,026**	**100%**

9. Exceptional Income and Expense (in thousands of €)

		Dec. 31, 2011	Dec. 31, 2010
Exceptional income			
on operations		0	0
on capital transactions		19	607
Release of provisions and transfer of charges		16	0
Total exceptional income		**35**	**607**
Exceptional expense			
on operations		2	144
on capital transactions		22	571
Additions to amortization, depreciation and provisions	[1]	844	817
Total exceptional expense		**868**	**1,532**
**Exceptional income	(expense)**		**–833**	**–925**

[1] Amortization and depreciation charges comprised accelerated depreciation and amortization of capitalized costs associated with the acquisition of Stedim by Sartorius in June 2007. Where expenses are charged to the share premium, they are treated as a deduction in calculation of the company's tax liability.

In 2007, €4,104,860 was recognized under "Non-current assets" and will be amortized on a pro-rated basis over 5 years.

10. Employee Profit-Sharing

The company implements a profit-sharing agreement for senior executives.

No payments will be made with regard to fiscal 2011.

11. Individual Training Entitlement

This individual occupational training entitlement 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, 2011, was 24,418 hours.

12. Breakdown of Income Tax (in thousands of €)

			At Dec. 31, 2011			At Dec. 31, 2010
	Profit before tax	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	23,624	–33	23,591	20,806	–8	20,798
Exceptional income | (expense)	–833	–32	–865	–925	0	–925
Employee profit-sharing contribution	0	0	0	0	0	0
R&D tax credit	0	1,284	1,284	0	1,084	1,084
French tax integration relief	0	–150	–150	0	109	109
Net taxable income	**22,791**	**1,069**	**23,860**	**19,881**	**1,185**	**21,066**

13. Workforce Analysis

Workforce at December 31			**2011**			2010
	Men	**Women**	**Total**	Men	Women	Total
Executives	51	48	99	49	40	89
Employees	90	147	237	77	127	204
Total	**141**	**195**	**336**	**126**	**167**	**293**

14. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €157 K. These fees related to the 2010 fiscal year and were paid in 2011.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2011.

15. Off-Balance Sheet Commitments (in thousands of €)

Type of commitment	Comment	**At Dec. 31, 2011**	At Dec. 31, 2010
Commitments given			
Retirement commitment	[1]	1,271	1,076
Guarantees for bilateral credit lines	[2] / [3]	14,500	14,500
Guarantees for currency hedging contracts	[2] / [3]	33,000	33,000
Commitments from renting / leasing		225	346
Commitments received			
Contractual loan capacity from credit institutions		4,458	6,226

[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.

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 entails provisions and primarily includes retirement benefits.

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**
2010	4.20%	2.75%	65 years
2011	4.50%	2.75%	65 years

Attrition assumptions by age bracket were as follows:

Age bracket	**Attrition at Dec. 31, 2011**	**Attrition at Dec. 31, 2011**
	Executives	**Employees**
20 to 29 years	4.00%	4.00%
30 to 39 years	3.00%	3.00%
40 to 49 years	2.75%	2.75%
50 to 59 years	2.75%	2.50%
60 to 65 years	2.50%	2.25%

[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 28 | Section G of the Consolidated Statements on page 121.

[3] The commitments given concern the company Sartorius Stedim Biotech GmbH.

16. Information on Related Parties (in thousands of €)

Affiliates are companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim Bioprocess 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).

Share Buyback Program:

The AGM held on April 19, 2010, authorized the company Sartorius Stedim Biotech S.A. to introduce its own share buyback program for a maximum duration of eighteen (18) months or until the October 19, 2011.

No movements have been recorded during the year 2011.

In the following, you will find the table of the main amounts with the related parties:

Items	**At Dec. 31, 2011**	At Dec. 31, 2010
Investments	84,937	84,425
Trade receivables	9,994	9,542
Other receivables	6,495	3,500
Trade payables	3,170	2,555
Other liabilities	58,976	63,451
Income from investments	21,000	21,500
Other financial income	27	32
Finance expense	1,615	869

In the following, you will find the table of subsidiaries and shareholdings:

At Dec. 31, 2011	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	55,296		79,949	79,949	–48,180	0	237,860	20,153	20,000
Sartorius Stedim Bioprocess SARL [1]			**99.99%**							
(Dinars)	5,940	0						18,239	1,257	0
(Euros)				3,132	3,132	948	0	9,321	642	0
Sartorius ICR			**100.00%**							
(Rubles)	0	0						0	0	0
(Euros)				0	0	0	0	0	0	0
Sartorius Stedim Aseptics S.A.			**100.00%**							
(Euros)	448	2,144		1,848	1,848	–3,280	0	6,859	1,781	1,000

At Dec. 31, 2010	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	45,353		79,949	79,949	–57,792	0	213,036	29,943	20,000
Sartorius Stedim SUS SARL			**99.99%**							
(Dinars)	4,357	–2,662						16,884	1,664	0
(Euros)				2,628	2,628	719	0	8,898	877	0
Sartorius Stedim Aseptics S.A.			**100.00%**							
(Euros)	448	1,663		1,848	1,848	–2,603	0	6,664	1,481	1,500

[1] Merger of the entity Sartorius Stedim SUS SARL with the entity Sartorius Stedim Bioprocess SARL January 1, 2011

Statutory Auditors' Report on the Annual Financial Statements

(Freely translated from the French original by the auditors)

Year ended December 31, 2011

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, 2011, on:

- the audit of the accompanying financial statements of SARTORIUS STEDIM BIOTECH;
- the justification of our assessments;
- the specific verifications and information required by 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 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. - Justification of our 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 1.1.3 and 2.3 to the financial statements set out the rules and accounting methods relative to the valuation of investments and treasury shares. 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 financial statements and made sure 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 verifications 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 the 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 verified that the required information concerning the identity of the principal shareholders and holders of the voting rights has been properly disclosed in the management report.

Marseille, February 28, 2012

The Statutory Auditors

DELOITTE & Associés	ERNST & YOUNG Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

Supplementary Information

06

Annual Information Document

History and availability of information published since January 2011 and information relating to corporate governance and shareholders.

The types and publication dates are disclosed for each of these themes.

Document Type	Title of the Publication	Website	BALO	AMF	Euronext	La Tribune	Business Wire
2011							
Release	Bilan annuel du contrat de liquidité (available only in French)	Jan. 7	-	Jan. 7	Jan. 7	-	Jan. 7
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	Jan. 10	-	Jan. 10	Jan. 10	-	Jan. 10
Press release: results	Preliminary figures: Sartorius Closes 2010 With Strong Gains in Sales Revenue and Earnings	Feb. 9	-	Feb. 9	Feb. 9	Feb. 9	Feb. 9
Press release	Dividend Proposal by the Board	March 3	-	March 3	March 3	-	March 3
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	March 8	-	March 8	March 8	-	March 8
Reference Document 2010, French version	Groupe Sartorius Stedim Biotech | Document de Référence 2010	March 10	-	March 10	March 10	-	March 10
Convocation	Assemblées d'actionnaires et de porteurs de parts (available only in French)	March 11	March 11	-	-	-	-
Press release: results	First-quarter figures: SSB off to a Dynamic Start in 2011	April 20	-	April 20	April 20	April 20	April 20
Release	Sartorius Stedim Biotech: Document; communication concerning availability (First-Quarter Report January to March 2011)	-	-	May 3	May 3	-	May 3
Results: 3-month report	Sartorius Stedim Biotech Group: First-Quarter Report January to March 2011	May 6	-	May 6	May 6	May 6	May 6
Press release: results	First-half figures: SSB raises full-year 2011 guidance	July 25	-	July 25	July 25	July 25	July 25
Release: liquidity contract	Bilan semestriel du contrat de Liquidité (available only in French)	July 28	-	July 28	July 28	July 28	July 28
Release	Sartorius Stedim Biotech: Document; communication concerning availability (First-Half Report January to June 2011)	-	-	July 30	July 30	-	July 30
Results: 6-month report	Sartorius Stedim Biotech Group: First-Half Report January to June 2010	Aug 5	-	Aug 5	Aug 5	-	Aug 5
Press release: results	Nine-month figures: Further profitable growth for SSB	Oct. 21	-	Oct. 21	Oct. 21	Oct. 21	Oct. 21
Release	Sartorius Stedim Biotech: Document availability communications (Nine-Month Report January to September 2011)	-	-	Oct. 29	Oct. 29	-	Oct. 29
Results: 9-month report	Sartorius Stedim Biotech Group: Nine-Month Report January to September 2011	Nov. 2	-	Nov. 2	Nov. 2	-	Nov. 2
Release	Sartorius Stedim Biotech S.A.: Declaration relative to the Number of Shares and Voting Rights Making up the Issued Capital	Dec. 13	-	Dec. 13	Dec. 13	-	Dec .13
2012							
Release: liquidity contract	Bilan annuel du contrat de liquidité	Jan 6	-	Jan. 6	Jan. 6	-	Jan. 6
Press release: results	Preliminary figures for fiscal 2011	Feb. 2	-	Feb. 2	Feb. 2	Feb. 2	Feb. 2
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	Feb. 7	-	Feb. 7	Feb. 7	-	Feb. 7

All information referred to above is available for downloading from these websites:

– Sartorius Stedim Biotech (www.sartorius-stedim-com)

– AMF (www.amf-france.org)

– Official Journal BALO (www.journal-officiel.gouv.fr)

– La Tribune (www.latribune.fr)

– Euronext (www.euronext.com)

– Business Wire (www.businesswire.com)

The financial calendar is available and regularly updated at www.sartorius-stedim.com.

To date, no additional information has been published.

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, Z.I. Les Paluds, avenue de Jouques. Phone number: +33 (0)4 42 84 56 00.

This office may be transferred to another location in the same "département" [French county or state] or an adjacent county or state 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], subject to the French legislation particularly to the French Commercial Code.

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. During the validity of the present Reference Document, the bylaws, the Statutory Auditors' reports and the financial statements of the last three fiscal years, although with reports, mails and other documents, historical financial information of the company and its subsidiaries of the last three fiscal year, evaluation and declarations made by an expert, when these documents are statutory and any other statutory document, can be found at the registered office.

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 Company 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 considers necessary 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 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 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 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 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 ten days in advance in the same form as the first meeting (Heading 3, excerpt of Article 14 of the bylaws).

Admission to Meetings – Powers (Heading 3, Excerpt of Article 14, of the 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 of their mandate.

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.

Provisions applicable to the administration and management of the Company

Board of Directors

1 – Subject to legal exemptions, the Company is directed by a Board of Directors composed of a minimum of three members and a maximum of eighteen.

2 – During the duration of the company's existence, directors shall be appointed or renewed in office by the ordinary general meeting. However, in case of merger, directors may be appointed by the extraordinary general meeting deciding on the transaction.

3 – Each director must, during his entire term of office, own at least one share.

4 – Directors have a term of office of three years.

Directors' duties shall cease at the end of the ordinary general meeting deciding on the accounts of the financial year elapsed, held in the year when the term of office of the director concerned expires.

Directors may be renewed in office. They may be removed from office at any time by the ordinary general meeting.

5 – No person may be appointed director if, having reached the age of 75, his appointment would result in more than one third of the members of the board of directors exceeding that age. If that proportion is exceeded, the oldest director shall automatically be deemed to have resigned at the end of the ordinary general meeting approving the accounts of the financial year when exceeded.

6 – Directors may be individuals or legal entities. Directors who are legal entities are required, upon their appointment, to appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same liability as though personally a director, without prejudice to the several liability of the legal entity represented.

When the legal entity who is a director terminates the mandate given to its permanent representative, it shall promptly notify the Company, by registered letter, of its decision as well as the identity of its new permanent representative. The same applies in the event of death or resignation of the permanent representative.

7 – If one or more directors' seats become vacant between two general meetings due to death or resignation, the board of directors may proceed to make appointments on an interim basis so as to fill the seats on the Board. These appointments must be made within three months of the vacancy, when the number of directors has fallen below the minimum under the articles of association but without falling below the statutory minimum.

Interim appointments made in this manner by the Board are subject to ratification by the next ordinary general meeting. Failing ratification, the decisions taken or the acts accomplished shall nonetheless remain valid.

When the number of directors falls below the statutory minimum, the directors remaining in office are required to immediately call an ordinary meeting so as to fill the vacant seats on the Board.

A director appointed in replacement of another shall only remain in office for the remaining term of office of his predecessor.

8 – Directors who are individuals cannot concomitantly hold more than five seats on the board of directors or supervisory boards of sociétés anonymes having their registered office in metropolitan France, subject to the exceptions provided by law.

9 – A Company employee may not be appointed a director unless his employment agreement corresponds to effective employment. He shall not lose the benefit of his employment agreement. The number of directors bound to the Company by an employment agreement may not exceed one third of the directors in office.

Organisation and management of the Board of Directors

1 - The Board of Directors elects a Chairman from among its members who are individuals and determines his remuneration. It sets the duration of the Chairman's term of office, which may not exceed his office as director.

2 – No person may be appointed Chairman of the Board of Directors if over the age of 75. If the Chairman in office exceeds that age, he shall be deemed to have automatically resigned.

3 – The Chairman represents the Board of Directors. He organises and directs its work, and reports on it to the general meeting. He ensures the proper operation of the Company's decision-making bodies and ensures, in particular, that the directors are themselves in a position to fulfill their duties.

4 – In case of absence or impediment affecting the Chairman, the Board of Directors appoints an acting Chairman of the meeting.

5 - The Board of Directors appoints a secretary who may be chosen, either from among the directors or outside them. The secretary shall be replaced by simple decision of the Board.

Meetings and decisions of the Board

1 - The Board of Directors meets, upon the call of its Chairman, as often as required by the interest of the Company. However, directors representing at least one third of the members of the Board of Directors may, by precisely indicating the meeting's agenda, call a Board if it has not met within the last two months.

The CEO, if not chairing the Board of Directors, may request the Chairman to call a Board meeting with a specified agenda.

2 – The meeting shall take place at the registered office or in any other location indicated in the notice of call. The call to meeting, indicating the agenda, should be sent at least 7 days beforehand by letter, telegram, telex or fax. The call may be verbal and the meeting may be held immediately if all of the directors are in agreement.

3 – For the Board of Directors to validly deliberate, at least one half of the directors are required to be present or represented.

The Board's decisions are taken at a majority of the members present or represented.

The acting Chairman has a casting vote.

4 – An attendance sheet shall be held and signed by directors participating in the Board meeting.

5 – The internal regulations established by the Board of Directors may provide that directors participating in a Board meeting by videoconference in accordance with the applicable regulations are deemed present for the purposes of calculating quorum and majority. This provision shall not apply for the adoption of the following decisions:

- appointment, remuneration, removal of the Chairman, CEO and vice CEOs,

- closing of annual accounts, consolidated accounts and preparation of management report and report on the management of the group.

6 – The Board of Directors' deliberations are recorded in minutes held in accordance with the applicable laws. The minutes are signed by the acting Chairman and by one or two directors.

Copies or excerpts of the minutes of the Board of Directors' deliberations shall be validly certified by the Chairman or by the CEO.

Powers of the Board of Directors

1 - The Board of Directors determines the Company's business guidelines and ensures that they are implemented. Subject to the powers expressly granted by law to shareholders' meetings and within the limit of its corporate objects, it deals with any matter relating to the proper running of the Company and by its deliberations governs the affairs of the company.

In its dealings with third parties, the Company is bound even by acts of the Board of Directors that are outside its corporate purpose, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

2 - The Board of Directors shall carry out any controls and verifications it deems appropriate.

Each director shall receive the information necessary to the performance of his duties and may obtain all documents he considers useful from the General Management.

3 - The Board of Directors may give all delegations of authority to the representatives of its choice within the limit of its authority under the law and under these articles of association.

The Board may decide on the creation of review committees in charge of studying the issues that the Board or its Chairman submits to it.

General Management

Mode of operation

In accordance with Article L. 225-51-1 of the Commercial Code, the Company's General Management is ensured, under his responsibility, either by the Chairman of the Board of Directors or by any other individual appointed by the Board of Directors with the title of CEO.

The choice between these two modes of operation of General Management is made by the Board of Directors. The Board's decision concerning the choice of mode of operation of General Management is taken by majority vote of the directors present or represented. Shareholders and third parties are informed of the choice made by the Board of Directors under the conditions set forth by the applicable regulations.

The Board of Directors may modify the option chosen at any time.

A change in the mode of operation of General Management shall not entail any modification of the articles of association.

General Management

Depending on the mode of exercise chosen by the Board of Directors, the Chairman or a CEO shall ensure, under his responsibility, the General Management of the Company.

The CEO is appointed by the Board of Directors, which sets the duration of his term of office, determines his remuneration and, as applicable, the restrictions on his powers.

For the performance of his duties, the CEO must be under the age of 75. When this age limit is exceeded during the course of his term of office, the CEO shall be deemed to have automatically resigned and a new CEO shall be appointed.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Powers of the CEO

The CEO is vested with the broadest powers to act in all circumstances in the name of the Company. The CEO shall exercise these powers within the limit of the corporate objects, and subject to the powers expressly granted by law to shareholders' meetings and to the Board of Directors.

The CEO represents the Company in its dealings with third parties. The Company is bound even by those acts of the CEO that are outside its corporate objects, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

Vice CEOs

Upon the motion of the CEO, whether this position is filled by the Chairman of the Board of Directors or by another person, the Board of Directors may name one or more individuals with responsibility for assisting the CEO with the title of Vice CEOs.

The maximum number of Vice CEOs may not exceed five.

In agreement with the CEO, the Board of Directors shall determine the scope and the extent of the powers granted to the Vice CEOs and set their remuneration.

As regards third parties, the Vice CEO or the Vice CEOs have the same powers as the CEO.

Upon the cessation of his duties or in case of impediment affecting the CEO, the Vice CEOs shall retain, unless otherwise decided by the Board of Directors, their office and authority until the appointment of a new CEO.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Conditions for the Exercise of Voting Rights — Majority Quorum (Heading 3, Article 15, of the 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.

A double voting right is conferred to the holders of registered shares that are fully paid up and that have been registered in the name of the same holder for at least four years.

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 extra-ordinary 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, 2011, there were 11,832,013 shares with a double voting right out of a total of 17,025,948 shares. Thus, the total voting rights are 28,857,961. After deduction of the buyback value of the treasury shares repurchased during fiscal 2010 (1,698,710), the total voting rights are 27,159,251.

Excerpt of bylaws 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

Elements of the share buyback program implemented (in accordance with provisions of Articles L. 225-209 et seq. of the French commercial code, modified by the ordinance issued on January 30, 2009).

The AGM of April 19, 2010 granted authorization to the Board of Directors, for a maximum period of 18 months in accordance with provisions of Articles L 225-209 and seq. and with the provisions of the European Regulation 2273/2003 of December 22, 2003, to have the company buy its own (treasury) shares:

(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 in 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 to perform 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, an employee stock ownership program or in an employee savings plan or in capital forming benefits, or through a free granting of shares, as well as to carry out 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 number of shares that may be purchased to this end shall not exceed five percent (5%) of the total number of shares constituting the share capital of the company;

(v) to cancel a few or all of the repurchased shares, through a decrease of the company's capital;

(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.

The maximum purchase price shall not exceed forty-five euros (€45) per share, nor may the maximum number of shares to buy exceed 10% of the total number of shares constituting the share capital, which is 17,013,448 shares (number of shares outstanding as of December 31, 2010), for a maximum amount of seventy-six million five hundred sixty thousand five hundred and sixteen euros (€76,560,516), subject to the legal limits.

In using this authorization, the Board of Directors has undertaken the following:

- The purchase of 1,698,710 shares for a total price of €61,327,190.07, i.e., at an average price of €36.10.

The total amount of the negotiation fees, excluding VAT, amounted to 6 K.

Owned shares are split between the following objectives:

- 5% to return shares for exchange or payment within the scope of potential external projects,
- 5% 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,

No shares have been bought back by the company during the 2011 financial year.

On December 31, 2011, because of these operations, the company directly controlled 1,698,710 shares (representing 9.99% of the share capital) allocated for the purpose of use for exchange or as payment in the event of any external expansion operations (849,969 shares), and for transferring shares when rights related to financial instruments (848,741 shares) are exercised.

Liquidity Contract

Under the liquidity contract concluded between Sartorius Stedim Biotech S.A. and the stockbroker Gilbert Dupont, the following assets appeared on the liquidity account at December 31, 2011:

- Number of shares: 3 674
- Liquidity account cash balance: €241 834

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: €421,860

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 2011 totaled K€13,888.

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	13/08/2007 No. 006228019 13/08/2017			16/11/2007 No. 962279 16/11/2017 + AU CH KR RU SG TR VN	17/08/2007 No. 3709002 11/10/2019		14/01/2008 Applications filed for 13 different classes; reg. in progress			09/11/2007 No. 1371410 reg. in progress
BIOSTAT		04/10/1968 No. 873661 31/10/2018		26/06/1985 No. 494574 26/06/2015 + AT BX CH DE ES FR IT PT	22/07/1988 No. 1572999 26/12/2019				16/07/1988 No. 1246230 16/07/2016	
HYDROSART	12/11/2001 No. 002458461 12/11/2021	07/04/1983 No. 1065357 07/04/2013			10/12/2001 No. 2677224 21/01/2013					28/11/2001 No. 609610 06/05/2019
MAXICAPS	04/10/1999 No. 001330885 04/10/2019				15/11/1999 No. 2450203 08/05/2021					
MIDICAPS	15/02/2005 No. 004289724 15/02/2015				16/02/2005 No. 3195052 02/01/2017					
MINISART		09/08/1978 No. 980370 09/08/2018	26/10/1988 No. 1495753 26/10/2018		07/02/1979 No. 1144895 30/12/2020				18/01/1979 No. 1107904 09/08/2019 18/01/1979 No. 1107903 18/01/2020	
SARTOCHECK		13/06/1979 No. 987883 13/06/2019	17/10/1989 No. 1555685 17/10/2019		05/12/1979 No. 1200237 06/07/2012				20/12/1986 No. 1125952 20/12/2020	
SARTOCON		06/06/1979 No. 988000 06/06/2019	17/10/1989 No. 1555684 17/10/2019		15/06/1982 No. 1197792 15/06/2012				20/12/1986 No. 1125951 20/12/2020	
VIROSART	02/11/2004 No. 004103701 02/11/2014	28/07/2004 No. 30443764 31/07/2014			10/11/2004 No. 3178067 28/11/2016					
SARTOFLOW		03/06/1983 No. 1057870 30/06/2013		06/03/1985 No. 494396 06/03/2015 + AT BX CH DE DZ EG ES FR HU IT KP LI MA MC PT RO RS RU SD VN	08/08/2007 No. 3689721 09/29/2019				25/10/1984 No. 1228900 25/10/2015	
SARTOPORE	10/01/2000 No. 001454461 10/01/2020				15/02/2000 No. 2429825 20/02/2021					
FLEXBOY	31/08/2005 No. 004614038 31/08/2015		19/04/1993 No. 93465632 19/04/2013	24/01/1995 No. 630378 24/01/2015 + DE AT BX IT CH 27/02/2006 No. 879252 27/02/2016 + JP	31/08/1993 No. 2041550 04/03/2017	31/01/1995 No. 651778 31/01/2015	15/07/2003 No. 825688744 15/07/2013	03/09/2003 No. 810249 03/09/2013	31/01/1995 No. 2009384 31/01/2015	
FLEXEL	20/02/1998 No. 000753202 20/02/2018		02/09/1997 No. 97693975 02/09/2017		27/02/1998 No. 2414947 26/12/2020		15/07/2003 No. 825688736 15/07/2013	03/09/2003 No. 810250 03/09/2013		
PALLETANK	01/07/1998 No. 000865865 01/07/2018									
RAFT	31/08/2005 No. 004614046 31/08/2015									
EVAM	15/10/1999 No. 001344266 15/10/2019									
STEDIM	08/08/2005 No .004582037 08/08/2015			09/10/2006 No. 904339 09/10/2016 + JP	30/03/1984 No. 1366524 22/10/2015					
NUTRIBAG			19/07/1989 No. 1627260 19/07/2019							
NUTRIKIT			05/06/1989 No. 1535354 05/06/2019							
NUTRIMIX			05/06/1989 No. 1535353 05/06/2019							
NUTRIPOCHE			05/06/1989 No. 1535352 05/06/2019							
BIOSAFE			01/02/1995 No. 95556118 01/02/2015	22/02/2001 No. 758706 22/02/2021 + DE DK GB CH						
BIOSTEAM			01/08/2005 No. 053373523 01/08/2015							
FLUXBULLE			03/11/1994 No. 94543057 03/11/2014							

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 337 different trademarks in various countries [the dates are indicated as day/month/year].

Registered Trademarks and Trademark Applications

Name	Japan	Denmark	Finland	Ireland	Malaysia	Norway	Sweden	China	Switzerland	India	Taiwan
SARTORIUS STEDIM BIOTECH	08/11/2007 No. 5170560 03/10/2018				28/11/2007 1 Trademarks 12 Trademark Applications			14/01/2008 11 Trademarks 2 Trademark Applications		19/11/2007 10 Trademarks 3 Trademark Applications	18/01/2008 10 Trademarks 3 Trademark Applications
BIOSTAT	22/02/1988 No. 2021770 22/02/2018 27/08/1986 No. 1880889 27/08/2016	28/06/1985 No. 233586 29/08/2016	05/01/1988 No. 100350 05/01/2018	01/07/1985 No. 116688 30/06/2016	11/07/1985 No. 8502982 11/07/2012	27/05/1987 No. 128877 27/05/2017	31/03/1988 No. 209760 31/03/2018				
HYDROSART	21/11/2001 No. 4663672 18/04/2013										
MAXICAPS	15/10/1999 No. 4535058 11/01/2012										
MIDICAPS	25/02/2005 No. 4906540 04/11/2015										
MINISART	09/02/1979 No. 1583197 26/04/2013										
SARTOCHECK	29/09/1983 No. 1618759 29/09/2013										
SARTOCON											
VIROSART	28/01/2005 No. 5040228 13/04/2017							24/11/2004 No. 4379959 21/06/2018	20/01/2005 No. 533,632 20/01/2015		
SARTOFLOW											
SARTOPORE	02/02/2000 No. 4495393 03/08/2021										
FLEXBOY							19/01/1995 No. 323347 16/05/2017				
FLEXEL	02/03/1998 No. 4470133 27/04/2021										
PALLETANK	28/02/2006 No. 5005301 24/11/2016										
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 337 different trademarks in various countries [the dates are indicated as day/month/year].

Special Report of the Statutory Auditors on Related Party Agreements and Commitments

(Freely translated from the French original by the auditors)

For the year ended December 31, 2011

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225 - 31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225 - 31 of the French commercial code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and Commitments Submitted for Approval by the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with article L. 225 - 40 of the French commercial code (Code de commerce), we have been advised of certain related party agreements and commitments which received prior authorization from your board of directors.

With Sartorius Stedim Biotech GmbH, subsidiary of your company, and Sartorius Weighing Technology GmbH, subsidiary of Sartorius AG (parent company)

a) Nature and purpose

The board of directors dated December 7, 2011 has authorized the sale of the Sartorius Stedim Biotech GmbH activity "Lab Water" to Sartorius Weighing Technology GmbH.

Conditions

The sale of the activity "Lab Water" was carried out on December 31, 2011 for a sale price of K€ 1,422 (VAT included) and an accounting value of K€ 569 in the books of Sartorius Stedim Biotech GmbH.

b) Nature and purpose

The board of directors dated December 7, 2011 has authorized the acquisition of the Sartorius Weighing Technology GmbH activity "P.A.T." by Sartorius Stedim Biotech GmbH.

Conditions

The acquisition of the activity " P.A.T." was carried out on December 31, 2011 for a purchase price of K€ 1,562 (VAT included) and an accounting value of K€ 1,078 in the books of Sartorius Weighing Technology GmbH.

Agreements and Commitments Already Approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Marseille, February 28, 2012

The Statutory Auditors

DELOITE & Associés	ERNST & YOUNG Audit
French original signed by Vincent Gros	French original signed by Anis Nassif

Resolutions Submitted to the Annual Combined Ordinary and Extraordinary Shareholders' Meeting on April 17, 2012

RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

First Resolution

The Annual Shareholders' Meeting (ASM), 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, 2011, which disclosed a net profit of €23,860,107.84 as presented, and the transactions reflected in these financial statements or summarized in these reports.

The ASM, 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, 2011, which disclose a net profit of €43 053 attributable to equity holders, and the transactions included therein or summarized in the Group Management Report.

As a result, the ASM grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The ASM also approves the overall amount of €55,000 in excess amortization, or other amortization not deductible from profits subject to corporate income tax, as well as the corresponding tax.

Second Resolution

The ASM approves appropriation of the net profit of €23,860,107.84 for 2011 as follows:

- Legal reserves: €762,51
- Balance resulting from deduction of legal reserves: €23,859,345.33
- The following is to be added to this balance: Year-earlier profit carried forward: €11,112,043.49
- This would yield a distributable profit of €34,971,388.82.

Total amount of dividends to be disbursed to shareholders €16,859,388.82

Balance resulting from disbursement: €15,327,238,00

Thus, the remaining amount of €19,644,150.82 is to be carried forward to the next year.

As a result, considering that our company holds treasury shares, a net dividend of €1.00 will be paid for every share with a par value of €0.61. 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 ASM acknowledges receipt of this information that individual shareholders resident in France, who are eligible to receive this tax rebate, may opt to pay 21% withholding tax "prélèvement forfaitaire libératoire" on this dividend income to fully satisfy their tax liability imposed on such income (Article 117 quarter of the French General Tax Code).

The dividend will be paid out on April 20, 2012.

The amounts distributed after January 1, 2008, and eligible for a tax rebate were as follows:

	Income eligible for a tax rebate	
Fiscal year ended on	Dividends in €	Other income distributed
Dec. 31, 2010	13,783,264	
Dec. 31, 2009	10,183,633	
Dec. 31, 2008	5,076,746	

Third Resolution

The ASM, 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 the said report and the agreements contained therein.

Fourth Resolution

The ASM approves the amount of €160,000 to be paid to the directors with regard to their meeting attendance fees for the reporting year of 2011.

Fifth Resolution

As the appointment of the company director Mr. Oscar-Werner Reif was due to expire today, the ASM resolves to renew Mr. Oscar-Werner Reif's appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2015 for endorsing the financial statements for the year ending on December 31, 2014.

Mr. Oscar-Werner Reif, prior to his appointment, made it known that he accepted this nomination and that he was not prohibited from and was capable of accepting such an appointment.

Sixth Resolution

As the appointment of the principal legal Auditors:

DELOITTE & ASSOCIES – 10 Place de la Joliette – Les Docks Atrium 10.4 – 13002 Marseille in quality of co-Auditors to the account holder.

-BEAS – 7/9 Villa Houssay – 92200 Neuilly/Seine, in quality of substituting co-Auditors to the account holder, was due to expire, the ASM resolved to renew their appointments for a six-year term i.e., to expire at the end of the ASM to be convened for endorsing the financial statements in 2018 for the year ending on December 31, 2017.

RESOLUTIONS SUBMITTED TO THE ANNUAL EXTRAORDINARY SHAREHOLDERS' MEETING

Seventh Resolution

The ASM having considered the report of the Board of Directors, resolved to harmonize the bylaws with issued dispositions:

- Decrees no. 2010-684 of 23 June 2010, no. 2010-1619 of 23 December 2010 and order no. 2010-1511 of 9 December 2010, in relation with the rights and information of shareholders participating to the ASM.

- Law no. 2011-103 of 27 January 2011 concerning the obligation male-female parity representation at Board of Directors.

The ASM resolved to modify the bylaws (Articles 6, 14 and 19) in order to harmonise them with the above new legal and regulatory dispositions.

As a result, the ASM resolves to rewrite completely Articles 6, 14 and 19 of the bylaws, adopts the new bylaws, which will be attached to the hereby Minutes.

Eighth Resolution

The ASM after having considered the report of the Board of Directors, the special report of the legal Auditors, resolved according to the Articles L.225-129-6 and L.225-138-1 of the French Commercial Code (''Code du Commerce'') on increasing social capital up to a maximum of 1% in one or several times, by flotation with letter of credit certain, cash and payable on the Company.

This increase in capital reserved to the employees member of the Company Saving Plans, is completed under conditions provided under the Articles L.3332-18 to L.3332-24 of the French Labor Code (''Code du Travail'').

The ASM resolves to revoke the preferential subscription rights to the new shares to float reserved to shareholders in favor of company employees being members of the Company Savings Plan (CSP) of the Company established in common by the Company and French and foreigners companies according to the Article L.3344-1 of the Labor Code ("Code du travail") and of the Article L. 233-16 of the French Commercial Code ("Code de commerce") which also follow the conditions that may be settled by the Board of Directors which are bond under Article L.225-138-1 of the French Commercial Code (''Code du Commerce'') and L.3332-18 and followings of the Labor code (''Code du Travail'').

Ninth Resolution

The ASM decides to delegate to the Board of Directors with, if necessary, the sub delegation right under conditions provided by the law, all powers in order to set the other terms of issuance of securities more precisely for:

1. To realize in a maximum five-years delay from the hereby decision, the increase of the share capital, in one or several times, on its own deliberations, in issuing subscription shares to the employees that are subscribers to the company savings plan of the Company in favor of whom the shares preferential subscription rights was revoked.

2. To decide, if applicable, under legal limits, the employee seniority conditions required to subscribe to an increase of capital, establish the precise list of beneficiaries, the numbers of titles which will be attributed to each of them in the aforesaid limit.

3. To decide with justification, the price of the new shares subscription according to Article L.3332.20 of Labour Code (Code du Travail), turning to, if applicable, to an independent expert to determine the value of share on a multi-measures basis.

4. In one or several times under the limit of a maximum amount of 1% of the share capital, decide of the amount of each issuing, decide of the subscription duration period and decide of the date of the new shares use.

5. Decide on the subscriptions dates of opening and closing; and collect the subscriptions.

6. Decide on the legal limit of 3 years beginning on the subscription date, the agreed delay to subscribers for paying up their subscription amount, being precised that, according to legal dispositions, the subscribed shares could be released, under request of the Company or of the subscriber, either with periodic payment, or by equal and regular debits on the subscriber's salary.

7. Collect the sums corresponding to the subscriptions paying up, being paid by cash payment or with credit letter of payment; if necessary in compensation, close the settle of the current account of the subscriber.

8. Determine if subscriptions to the new shares would be made directly or through a mutual fund.

9. Establish the realization of capital increases up to the limit of shares amount which will be really subscribed according to the herewith delegation.

10. Should the case arise, charge the increase capital charges on the pertaining bonus amount and deduct, on this amount the required sums to reach the legal reserve to the minimum required by the law.

11. Pass any convention to successfully reach the end of the forecasted issues, take all measures and make all useful formalities to the issue according to the herewith delegation, as well as to exercise shares which are linked to.

12. Proceed to consecutive formalities and make correlate modifications to the bylaws.

13. In any case, take all measures to realize the capital increase under the forecasted legal and regulatory disposals established.

Tenth Resolution

The Annual Combined Ordinary and Extraordinary Shareholders' Meeting grants all powers to the bearer of an original, a copy or one extract of the Minutes of the herewith Annual Combined Ordinary and Extraordinary Shareholders' Meeting to accomplish all formalities if required.

Report of the Board of Directors on the Increase in Capital Reserved for Employees

By voting for the eighth resolution, the ASM would delegate to the Board of Directors the proxy to proceed to increase the amount of issued capital, where necessary, within the limit of maximum nominal amount representing 1% of the share capital on the date the ASM takes place. This may lead to the issuance of ordinary shares to the employees subscribing to the company savings plan. The proxy delegated would be for a 5-year term.

Report of the Statutory Auditors on the Increase in Capital Reserved for Employees

Report of the Statutory Auditors on the Increase in Capital with Cancellation of Preferential Subscription Rights Reserved for Employees Who Are Members of a Company Savings Scheme

(Freely translated from the French original by the auditors)

Year ended December 31, 2011

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 225-135 and seq. of the French commercial code (Code de commerce), we hereby report on the proposed increase in capital by an issue of ordinary shares with cancellation of preferential subscription rights of a maximum amount of 1% of share capital reserved for employees of Sartorius Stedim Biotech, an operation upon which you are called to vote.

This increase in capital is submitted for your approval in compliance with articles L. 225-129-6 of the French commercial code (Code de commerce) and L. 3332-18 and seq. of the French labour code (Code du travail).

Your board of directors proposes that, on the basis of its report, it be authorized for a period of five years to determine the conditions of this operation and proposes to cancel your preferential subscription rights to the ordinary shares to be issued.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French commercial code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue contained in this report.

We have performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the information provided in the board of directors' report relating to this operation and the methods used to determine the issue price of the shares.

Subject to a subsequent examination of the conditions for the proposed increase in capital, we have no matters to report as to the issue price for the ordinary shares to be issued provided in the board of directors' report.

As the final conditions for the increase in capital have not yet been determined, we cannot report on these conditions, and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French commercial code (Code de commerce), we will issue a supplementary report when your board of directors has exercised this authorization.

Marseille, February 28, 2012

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 2011 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 18 to 56 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.

The historical financial information presented in the Document has been discussed in the auditors' reports found on pages 127 and 144 of this Reference Document.

March 8, 2012

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 pages of the present document.

Headings of Part 1 of European Regulation N°809/2004 of April 29, 2004		Pages
1.	**Persons responsible**	
1.1.	Persons responsible for information	159
1.2.	Certification of persons responsible for registering document	159
2.	**Independent auditors**	
2.1.	Name and address of Independent Auditors of the issuer	82
3.	**Selected financial information**	
3.1.	Presentation of selected historical financial information for every year of the period covered by this financial information	1, 25 – 27, 40 – 42
4.	**Risk factors**	**43 – 46**
5.	**Information on the issuer**	
5.1.	History and development of the company	25
5.1.1.	Corporate name and commercial name of issuer	148
5.1.2.	Place and registration number of issuer	148
5.1.3.	Date of establishment and life of issuer	148
5.1.4.	Registered office and legal form of issuer, legislation governing its operation, country of origin, address	148
5.2.	Investments	33, 40, 90
5.2.1.	Principal investments (including their amounts) carried out	33, 40, 90
6.	**Overview of operations**	
6.1.	Principal operations	18 – 24
6.2.	Principal markets	20 – 24
6.3.	Dependence on patents, licenses and contracts	154 – 155
6.4.	Competition	24, 44
7.	**Organigram (organizational charts)**	
7.1.	Description of group	97
7.2.	List of subsidiaries	97
8.	**Property, plant and equipment**	
8.1.	Significant existing or planned property, plant and equipment	104 – 105
8.2.	Environmental issues	35 – 38, 46
9.	**Analysis of financial situation and results**	
9.1.	Financial position	40 – 42, 86 – 90
9.2.	Operating profit	25 – 26, 87
10.	**Cash position and capital**	**51 – 54**
10.1.	Issuer's capital (short and long-term)	108, 151 – 152
10.2.	Cash flow	90
10.3.	Borrowing conditions and financial structure	40 – 42, 112, 119 – 121
10.4.	Expected sources of financing	40 – 42, 112, 119 – 121
11.	**Research and development, patents and licenses**	**28 – 29, 154 – 155**
12.	**Information on trends**	**20 – 24, 47 – 49**
13.	**Profit forecasts or estimates**	**Not applicable**
14.	**Governing, management, supervisory and executive bodies**	
14.1.	Composition of governing and management bodies Nature of all family links amongst these persons	58 – 65
14.1.1.	Conviction for fraud within the last five years at least	64
14.1.2.	Bankruptcy, sequestration or liquidation of a member of governing bodies	64
14.1.3.	Indictment and/or official public sanction against a member of governing bodies	64
14.2.	Conflict of interest at the level of governing and management bodies	64
15.	**Remunerations and benefits**	
15.1.	Remuneration paid and benefits in kind	55, 69, 73 – 80
15.2.	Pensions, retirement or other benefits	55, 69, 73 – 80

Headings of Part 1 of European Regulation N°809/2004 of April 29, 2004		Pages
16.	**Operation of governing and management bodies**	
16.1.	Expiration date of current mandates and terms of office	58 – 65
16.2.	Service agreements with the members	97 – 98
16.3.	Audit and Remuneration Committees of issuer	65, 67 – 69
16.4.	Corporate governance	66, 70
17.	**Employees**	
17.1.	Workforce at end of period covered by historical financial information	28, 126
17.2.	Shareholding in capital	121 – 122
17.3.	Employee shareholding in capital	52
18.	**Principal shareholders**	**52**
18.1.	Crossing thresholds	52, 151
18.2.	Double voting rights	52, 150
18.3.	Control of the business	16, 52
19.	**Transactions with related parties**	**97 – 98**
20.	**Financial information on the Issuer's assets, financial situation and profit**	
20.1.	Historical financial information (results of the last five years)	56
20.2.	2009/2010 consolidated financial results	26 – 27
20.3.	2010 consolidated income statement	87
20.4.	2009/2010 consolidated financial statements (balance sheet, income statement, cash flow, equity, notes to the consolidated financial statements)	86 – 126
20.5.	Verification of annual historical information (Independent Auditors' Reports)	144
20.6.	Last financial information	3
20.7.	Dividend distribution policy	15, 151
20.8.	Legal and arbitration procedures	Not applicable
20.9.	Significant change in financial or commercial situation	126
21.	**Additional information**	
21.1.	Share capital	51
21.1.1.	Amount of issued capital, number of shares authorized, number of shares issued and fully paid, number of shares issued but not fully paid, par value per share and reconciliation of the number of shares outstanding at the beginning and end of the year	51, 120 – 122
21.1.2.	Shares not representing capital	Not applicable
21.1.3.	Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	52
21.1.4.	Amount of convertible securities, exchangeable securities or securities with warrants	Not applicable
21.1.5.	Information about and terms of any acquisition rights or obligations over authorized but unissued capital, or an undertaking to increase the capital	Not applicable
21.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	Not applicable
21.1.7.	History of share capital for the period covered by the historical financial information	51, 56
21.2.	Memorandum and articles of association	148 – 152
21.2.1.	Objects and purposes of the issuer	148
21.2.2.	Member of administrative, management and supervisory bodies	58 – 65
21.2.3.	Rights, preferences and restrictions attaching to each class of the existing shares	Not applicable
21.2.4.	Actions required to change the rights of shareholders	Not applicable
21.2.5.	Conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission	149, 151
21.2.6.	Provisions in the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer	Not applicable
21.2.7.	Provisions in the articles of association, statutes, charter or bylaws governing the ownership threshold above which shareholder ownership must be disclosed	151
21.2.8.	Conditions imposed by the memorandum and articles of association, statutes, charter or bylaws governing changes in the capital, where such conditions are more stringent than is required by law	Not applicable
22.	**Major contracts**	**153**
23.	**Information provided by third parties, declaration by experts and declaration of interests**	**Not applicable**
24.	**Documents accessible to the public**	**3**
25.	**Information on shareholdings**	**97**

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

EBIT
Earnings before interest and taxes

EBIT margin
Ratio of EBIT (see EBIT) to sales revenue

EBITA
Earnings before interest, taxes and amortization linked to business combinations. This figure excludes amortization for business combinations, which refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to the revised IFRS 3.

EBITA margin
Ratio of EBITA (see EBITA) to sales

EBITDA
Earnings before interest, taxes, depreciation and amortization. This figure excludes amortization for business combinations, which refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3 revised as well as to amortization for intangible assets and depreciation for tangible assets.

EBITDA margin
Ratio of EBITDA (see EBITDA) to sales revenue

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.

Supply chain management
Setup and coordinated control of integrated flows of materials, information and finances (supply chains) over the entire value-added process

TecDAX®
German stock index of the transaction service provider and marketplace organizer Deutsche Börse AG

Treasury
Short- and medium-term liquidity management

Underlying EBITA (= operating EBITA)
EBITA (see EBITA) adjusted for non-operating items. For 2011 non-operating items amounted to -€4.7 million (previous year: -€3.0 million) and essentially cover one-time expenses for the planned relocation of our U.S. manufacturing site for bags from Concord, California, to Yauco, Puerto Rico, in 2012, as well as to various cross-divisional projects.

Underlying EBITA margin
Ratio of operating EBITA (see underlying EBITA) to sales revenue

Underlying EBITDA (= operating EBITDA)
EBITDA (see EBITDA) adjusted for non-operating items. For 2011 non-operating items amounted to -€4.7 million (previous year: -€3.0 million) and essentially cover one-time expenses for the planned relocation of our U.S. manufacturing site for bags from Concord, California, to Yauco, Puerto Rico, in 2012, as well as to various cross-divisional projects.

Underlying EBITDA margin
Ratio of operating EBITDA (see underlying EBITDA) to sales revenue

Underlying (consolidated) net profit
This profit figure is yielded by adjustment for non-operating items and amortization for business combinations, which refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to the revised IFRS 3.

Addresses

Europe

France

Sartorius Stedim Biotech S.A.
Zone Industrielle Les Paluds
Av. de Jouques – BP 1051
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.56.19
info@sartorius-stedim.com

Sartorius Stedim France S.A.S.
Zone Industrielle Les Paluds
Av. de Jouques – CS 71058
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.65.45
info-biotech.france@
sartorius-stedim.com

Sartorius Stedim Aseptics S.A.
Zone Industrielle de Saux, 6 Rue Ampère
65100 Lourdes
Phone +33.5.62.42.73.73
Fax +33 5.62.42.08.44
info@sartorius-stedim.com

Germany

Sartorius Stedim Biotech GmbH
August-Spindler-Str. 11
37079 Goettingen
Phone +49.551.308.0
Fax +49.551.308.3289
info@sartorius-stedim.com

Sartorius Stedim Plastics GmbH
Karl-Arnold-Str. 21
37079 Goettingen
Phone +49.551.50450.0
Fax +49.551.50450.50
info@sartorius-stedim.com

Sartorius Stedim Systems GmbH
Schwarzenberger Weg 73 - 79
34212 Melsungen
Phone +49.5661.71.3400
Fax +49.5661.71.3702
info@sartorius-stedim.com

Austria

Sartorius Stedim Austria GmbH
Franzosengraben 12
1030 Vienna
Phone +43.1.796.5763.45
Fax +43.1.796.5763.44
separation.austria@sartorius.com

Belgium

Sartorius Stedim Belgium N.V.
Leuvensesteenweg 248/B
1800 Vilvoorde
Phone +32.2.756.06.80
Fax +32.2.756.06.81
info.belgium@sartorius.com

Denmark

Sartorius Stedim Nordic A/S
Hørskætten 6D, 1
2630 Taastrup
Phone +45.7023.4400
Fax +45.4630.4030
dk_info@sartorius-stedim.com

Hungary

Sartorius Stedim Hungária Kft.
Kagyló u. 5.
2092 Budakeszi
Phone +36.23.457.227
Fax +36.23.457.147
ssb@sartorius.hu

Ireland

Sartorius Stedim Ireland Ltd.
Unit 41, The Business Centre
Stadium Business Park
Ballycoolin Road
Dublin 11
Phone +353.1.823.4394
Fax +353.1.808.9388
info.ireland@sartorius-stedim.com

Italy

Sartorius Stedim Italy S.p.A.
Via dell'Antella 76/A
50012 Antella – Bagno a Ripoli (Florence)
Phone +39.055.634041
Fax +39.055.6340526
info@sartorius.it

Netherlands

Sartorius Stedim Netherlands B.V.
Postbus 1265, 3430 BG Nieuwegein
Edisonbaan 24, 3439 MN Nieuwegein
Phone +31.30.602.5080
Fax +31.30.602.5099
filtratie.nederland@sartorius.com

Poland

Sartorius Stedim Poland Sp. z.o.o.
ul. Wrzesinska 70
62 - 025 Kostrzyn
Phone +48.61.647.38.40
Fax +48.61.879.25.04
biuro.pl@sartorius.com

Portugal

Sartorius Stedim Spain S.A.
(Branch Office)
Rua Professor Aires de Sousa, 4 B
Lisboa Concelho, Lumiar
1600 590 Lisbon
Phone +351.2175.01000
Fax +351.2175.40461
biotech_spain@sartorius-stedim.com

Africa

Spain

Sartorius Stedim Spain S.A.
C/Isabel Colbrand 10 - 12, Oficina 70
Polígono Industrial de Fuencarral
28050 Madrid
Phone +34.91.358.6091
Fax +34.91.358.9623
biotech_spain@sartorius-stedim.com

Switzerland

Sartorius Stedim Switzerland AG
Ringstrasse 24a
8317 Tagelswangen
Phone +41.52.354.36.36
Fax +41.52.354.36.46
biotech.switzerland@sartorius-stedim.com

UK

Sartorius Stedim UK Ltd.
Longmead Business Centre
Blenheim Road
Epsom, Surrey KT19 9QQ
Phone +44.1372.737159
Fax +44.1372.726171
uk.sartorius@sartorius-stedim.com

Sartorius Stedim Lab Ltd.
Unit 6, Oldends Lane Industrial Estate
Stonedale Road
Stonehouse, Gloucestershire GL10 3RQ
Phone +44.1453.821972
Fax +44.1453.827928
uk.stedimlab@sartorius-stedim.com

Tunisia

Sartorius Stedim SUS Sàrl
Km 24 Route de Zaghouan
BP 87 - Bourebiaâ
1145 M'Hamdia
Phone +216.71.366.069
Fax +216.71.366.068
info@sartorius-stedim.com

North America

Puerto Rico

Sartorius Stedim Filters Inc.
Carretera 128 Int. 376
Barriada Arturo Lluveras
P.O. Box 6
Yauco, Puerto Rico 00698
Phone +1.787.856.5020
Fax +1.787.856.7945
marcos.lopez@sartorius.com

USA

Sartorius Stedim North America Inc.
5 Orville Drive
Bohemia, New York 11716
Phone +1.631.254.4249
Fax +1.631.254.4264
info@sartorius-stedim.com

Sartorius Stedim SUS Inc.
1910 Mark Court
Concord, California 94520
Phone +1.925.689.6650
Fax +1.925.689.6988
info@sartorius-stedim.com

Latin America

Argentina

Sartorius Argentina S.A.
Int. A. Avalos 4251
B1605ECS Munro
Buenos Aires
Phone +54.11.47.210505
Fax +54.11.47.622333
sartorius@sartorius.com.ar

Brazil

Sartorius do Brasil Ltda.
Av. Dom Pedro I, 241
Bairro Vila Pires
Santo André - São Paulo
CEP 09110 - 001
Phone +55.11.4451.6226
Fax +55.11.4451.4369
sartorius@sartorius.com.br

Mexico

Sartorius de México S.A. de C.V.
Circuito Circunvalación Poniente No. 149
Ciudad Satélite
53100 Naucalpan, Estado de México
Phone +52.55.55.62.1102
Fax +52.55.55.62.2942
sartorius@sartomex.com.mx

Asia | Pacific

China

Sartorius Stedim Biotech (Beijing) Co. Ltd.
No. 33 Yu An Road, Tianzhu Airport
Industrial Zone B
Shun Yi District, 101300 Beijing
Phone +86.10.8042.6516
Fax +86.10.8042.6580
enquiry.cn@sartorius-stedim.com

India

Sartorius Stedim India Pvt. Ltd.
No: 69/2 & 69/3, Jakkasandra
Kunigal Road
Nelamangala, Bangalore - 562123
Phone +91.80.435052.50
Fax +91.80.435052.55
biotech.india@sartorius-stedim.com

Japan

Sartorius Stedim Japan K.K.
1st Floor, Kiba Koen Bldg.
5 - 11 - 13 Kiba, Koto-Ku
Tokyo 135 - 0042
Phone +81.3.5639.9981
Fax +81.3.5639.9983
info@sartorius.co.jp

Malaysia

Sartorius Stedim Malaysia Sdn. Bhd.
Lot L3 -E- 3B, Enterprise 4
Technology Park Malaysia
Bukit Jalil
57000 Kuala Lumpur
Phone +60.3.8996.0622
Fax +60.3.8996.0755
ehtan@sartorius.com.my

Australia

Singapore

Sartorius Stedim Singapore Pte. Ltd.
1 Science Park Road
#05 - 08A, The Capricorn
Singapore Science Park II
Singapore 117528
Phone +65.6872.3966
Fax +65.6778.2494
choolee.pang@sartorius-stedim.com

South Korea

Sartorius Korea Biotech Co. Ltd.
8th Floor, Solid Space B/D
PanGyoYeok-Ro 220
BunDang-Gu, SeongNam-Si
GyeongGi-Do, 463 - 400
Phone +82.31.622.5700
Fax +82.31.622.5798
info@sartorius.or.kr

Vietnam

Sartorius Representative Office
Unit C, 17th floor, A Tower, BIG Building
Pham Hung Street
My Dinh, Tu Llem, Hanoi
Phone +84.4.6414.631
Fax +84.4..6414.634
sartoriusvn@hn.vnn.vn

Australia

Sartorius Stedim Australia Pty. Ltd.
Unit 5, 7 - 11 Rodeo Drive
Dandenong South, Melbourne
Victoria 3175
Phone +61.3.8762.1800
Fax +61.3. 8762.1828
info.australia@sartorius-stedim.com

For further addresses, visit our website
on the Internet at: www.sartorius.com

A Selection of Our Products

BIOSTAT® RM
Bioreactor system for cultivation of shear-sensitive cells in single-use bags (working volumes of up to 50 l)

Microsart® @vance®
Single-use filter unit for microbiological quality control in laboratories of the pharmaceutical industry

UniVessel® SU
Small-volume single-use culture vessel with integrated sensor patches for optical measurement of the pH and dissolved oxygen

Sartorius MidiCaps® | MaxiCaps®
Scalable disposable filter capsules with different filter membranes and connector options for process development and production

SARTOFLOW® Advanced
Compact crossflow system for filtration in laboratory-scale and small production-scale applications

BIOSTAT® D-DCU
Fermentor | Bioreactor system for fermentation and cell cultivation processes ranging from pilot to production scale

FlexAct®
Preconfigured system based on single-use components utilized in upstream and downstream processes of the biopharmaceutical industry

Clipster® Aseptic Disconnector
Single-use solution for sterile disconnection of silicone tubing

Flexel® Palletank® System
Container for mixing, transportation and storage of biopharmaceutical culture media in sterile Flexel® 3D single-use bags

Financial Schedule

Analysts' Conference (SFAF), Paris, France	March 14, 2012
Annual General Shareholders' Meeting, Aubagne, France	April 17, 2012
Payment of dividends[1)]	April 20, 2012
Publication of first-quarter figures for 2012	April 24, 2012
Publication of first-half figures for 2012	July 25, 2012
12th MidCap Event, Paris, France	September 24-25, 2012
Publication of nine-month figures for 2012	October 29, 2012
Publication of preliminary figures for fiscal 2012	January 2013
Annual General Shareholders' Meeting, Aubagne, France	April 2013
Publication of first-quarter figures for 2013	April 2013

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

Contacts

Petra Kirchhoff
Vice President
Corporate Communications & IR

Phone: +49.551.308.1686
petra.kirchhoff@sartorius.com

Andreas Theisen
Director
Investor Relations

Phone: +49.551.308.1668
andreas.theisen@sartorius.com

About This Publication

Published by
Sartorius Stedim Biotech S.A.
Corporate Communications
B.P. 1051
13781 Aubagne Cedex, France

Editorial Deadline
February 28, 2012

Published on
March 8, 2012

Financial Reporting System FIRE.sys
Michael Konrad GmbH
Frankfurt | Main, Germany

Photography
Peter Ginter | Lohmar, Germany

This is a translation of the original French-language "Document de Référence 2011".

A Local Presence Worldwide

sartorius stedim biotech

Sartorius Stedim Biotech S.A.
Z.I. Les Paluds
Avenue de Jouques
B.P. 1051
13781 Aubagne Cedex, France

Phone +33.442.84.56.00
Fax +33.442.84.56.19

info@sartorius-stedim.com
www.sartorius-stedim.com

turning science into solutions