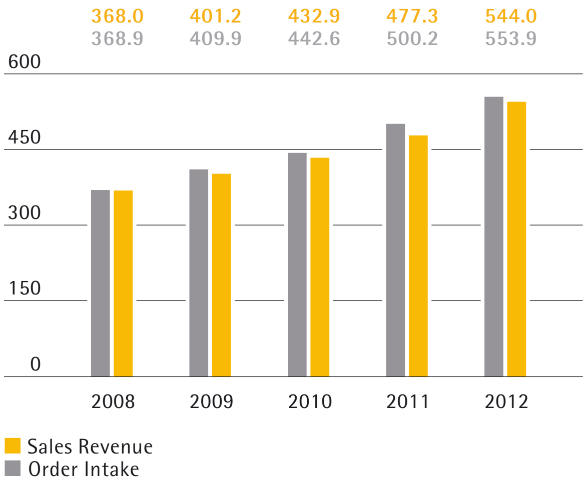
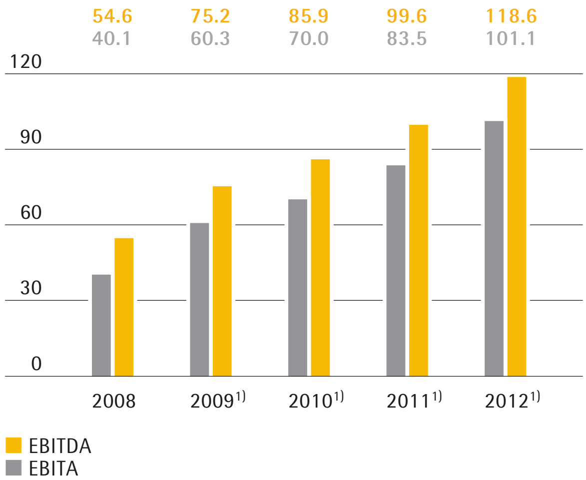
Sartorius Stedim Biotech Group
Reference Document 2012

2012

Order Intake and Sales Revenue
€ in millions



EBITDA and EBITA
€ in millions



Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified	**2012**	2011	2010	2009	2008
Order intake, sales revenue and earnings					
Order intake	553.9	500.2	442.6	409.9	368.9
Sales revenue	544.0	477.3	432.9	401.2	368.0
EBITDA[4]	118.6[1]	99.6[1]	85.9[1]	75.2[1]	54.6
EBITDA[4] as a % of sales revenue	21.8[1]	20.9[1]	19.8[1]	18.7[1]	14.8
EBITA[4]	101.1[1]	83.5[1]	70.0[1]	60.3[1]	40.1
EBITA[4] as a % of sales revenue	18.6[1]	17.5[1]	16.2[1]	15.0[1]	10.9
EBIT	87.2	71.2	59.9	48.6	33.7
EBIT as a % of sales revenue	16.0	14.9	13.8	12.1	9.2
Group net profit after non-controlling interest[4]	56.8	43.1	38.5	29.1	13.1
Group net profit[2] after non-controlling interest[4]	64.6[1]	53.4[1]	45.2[1]	34.7[1]	17.3
Research and development costs	31.0	28.6	27.8	24.5	24.5
Financial data per share					
Earnings per share (in €)	3.70	2.81	2.39	1.71	0.77
Earnings per share (in €)[2]	4.21[1]	3.49[1]	2.81[1]	2.04[1]	1.02
Dividend per share (in €)	1.10[3]	1.00	0.90	0.60	0.30
Balance sheet					
Balance sheet total	793.9	720.8	656.3	667.9	652.3
Equity	434.7	395.6	365.1	393.2	371.6
Equity ratio (in %)	54.8	54.9	55.6	58.9	57.0
Gearing	0.3	0.3	0.3	0.2	0.4
Financials					
Capital expenditures	50.0	38.6	16.7	15.7	20.2
As a % of sales revenue	9.2	8.1	3.9	3.9	5.5
Depreciation and amortization	25.9	24.5	23.0	22.7	20.9
Net cash flow from operating activities	48.9	60.6	72.8	91.9	47.2
Net debt	113.7	100.1	102.8	87.6	150.1
Ratio of net debt to EBITDA[4]	1.0[1]	1.0[1]	1.2[1]	1.2[1]	2.7
Total number of employees as of December 31	2,986	2,858	2,581	2,381	2,369

[1] Underlying[4] (adjusted for extraordinary items)
[2] Excluding amortization linked to business combinations and, for 2011 and 2012, fair value adjustments of hedging instruments
[3] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting
[4] For more information on EBITDA, EBITA, net profit and the underlying presentation, please refer to the group business development chapter and to the glossary.

Dynamic and Profitable Growth

Posting a gain of 14 percent, Sartorius Stedim Biotech grew at double-digit rates again in 2012 and thus faster than the market. Regionally, development was especially dynamic in North America. Through its various initiatives, the company is steadily becoming stronger in this key biotech market. In Asia as well, performance was excellent, and the company is fully participating in the opportunities afforded by this expanding region. Group earnings were also up overproportionately by around 20 percent – despite high investment in its global manufacturing and sales infrastructure.

Product Portfolio Extended by Cell Culture Media

In December 2012, Sartorius Stedim Biotech added cell culture media to its portfolio, as the next logical extension of its bioprocess offering, through a cooperation agreement with the Swiss life science group Lonza. This highly complementary product line will permit the company to create fully integrated single-use solutions for the entire cell culture process, all from a single source. Other recent examples of how the Group augmented its products and expertise through partnerships in 2012 are its alliances with Bosch Packaging Technology, G-Con, Umetrics, Refine and c-LEcta.

Investments for Further Growth

Sartorius Stedim Biotech invested heavily in 2012 to enable further growth in the future as well. A key project was the expansion of its manufacture of aseptic bags as well as filters at its site in Yauco, Puerto Rico, which entailed relocation of bag manufacture from Concord, California, to Yauco. Moreover, the company significantly expanded its membrane production in Goettingen, Germany, and started up operations with added capacity for equipment manufacture in Guxhagen, also in Germany. A new, globally standardized ERP system was implemented in October 2012 at the company's Goettingen site and will be rolled out throughout the Group beginning in 2013. Based on this system, Sartorius Stedim Biotech also created a business-process and IT platform for sustainable and profitable growth.

2012 – Sartorius Stedim Biotech Continues to Grow

More Employees, More Diversity, More Young Talent

Challenging tasks, freedom to take the initiative, great team spirit: Sartorius Stedim Biotech continuously strives to be the best employer, actively encouraging its people to achieve their full potential and attracting new talent. In fiscal 2012, around 3,000 employees worked at the company, a good 130 more than a year ago.

New Products Successfully Launched

In June 2012 at the ACHEMA, the world's largest trade show for process technology, Sartorius Stedim Biotech unveiled numerous product innovations. For example, it presented the sterilizing-grade filter Sartopore Platinum, which, thanks to its outstanding performance specifications, significantly increases the cost-effectiveness of biopharmaceutical manufacturing processes. The company also displayed further single-use bioreactors featuring high working volumes. With its alliance partner G-Con, Sartorius showcased its mobile cleanroom facility FlexMoSys. Its modular cleanroom pods enable fast and flexible manufacture of relatively small quantities of active pharmaceutical ingredients.

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 2012

The present original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on March 7, 2013, 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. 11 - 0102 filed on March 8, 2011 and D.12 - 0137 filed on March 8, 2012.

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

– The year 2011 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 2011 management report appearing on pages 86 to 127 and 18 to 48, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 8, 2012, under the number D.12 - 0137.

– 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 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
  CS 91051 - 13781 Aubagne Cedex
– Group website: www.sartorius-stedim.com
– Autorité des Marchés Financiers website:
  www.amf-france.org

Contents

To Our Shareholders

01

Chairman's Message

Dear Shareholders,

I am pleased to report that 2012 was yet another strong year for the Sartorius Stedim Biotech Group. This is the second year in a row that we grew at double-digit rates, faster than the market, and even slightly faster than expected at the beginning of the year. From a geographic perspective, development was especially dynamic in North America. Through our various initiatives, we are steadily becoming stronger in this key biotech market. In Asia as well, we continued to see excellent performance and are fully participating in the opportunities afforded by this exciting region.

Also earnings were up over-proportionally by around 20% – despite high investment in our global manufacturing and sales infrastructure. While at the beginning of the year we had issued guidance for stable earnings margins, operating leverage and favorable currencies pushed our EBITA margin up to 18.6%. Our continuous profitability expansion over the past five years demonstrates the strength of our consumables-driven business model.

Based on these results, the Board of Directors will submit a proposal to the Annual General Shareholders' Meeting to raise the dividend by 10% to €1.10 per share. Our positive performance and prospects were also underscored by the development of our share price, which was up around 50% in 2012 and outperformed all leading French indexes.

For Sartorius Stedim Biotech, 2012 was not only successful from a financial perspective with new highs in sales revenue and earnings. Operationally, we fully focused on executing on our long-term strategy and are well on track to achieve our strategic growth initiatives that we defined in 2011.

As total solution providers, we have a holistic view of our customers' entire production chains. Our key value proposition is to lower costs and facilitate flexible biopharmaceutical manufacturing processes, primarily by increased usage of single-use devices. We have pioneered and shaped the paradigm shift from stainless steel to single-use production technology, have built up one of the broadest product portfolios and have become one of the leading brands in the industry.

In 2012 we added cell culture media to our portfolio, as the next logical extension of our bioprocessing offering, through an acquisition from the Swiss life science group Lonza. Cell culture media, which are consumables by nature, are critical to the success of safe and efficient drug manufacture, just as are our filters, bioreactors and aseptic bags. This highly complementary addition will permit us to create a fully integrated single-use solution for the entire cell culture process, all from a single source. Other recent examples of how we augmented our products and expertise through partnerships in 2012 are our alliances with Bosch, G-Con, Umetrics, Refine and Celecta. Over time, each of these partnerships will make us an even more attractive partner to our customers and help drive our growth.

Expanding our footprint in North America and Asia is a further important pillar of our strategic initiatives. We have made major progress in balancing our regional sales shares, which is mirrored by 2012 as the first year in our history during which our European sales revenues – despite growing by more than 6% – accounted for less than 50% of our global business. North America and Asia extended their shares to 27% and 21%, respectively, proof that our action to enhance local presence and drive higher market share is gaining traction, particularly in North America. Integrating our independent sales representatives in 2010, ramping up sales and application resources in 2012 and relieving sales staff of administrative tasks all are enabling us to outpace the market.

Also in the "pharmerging" Asian countries, especially China, South Korea and India, we are well under way with double-digit growth, and will take further action in 2013. Several Asian countries have programs to develop their local pharma industry so their broad-based growth is being driven by both governmental and private investments. In response, we plan to open an application lab in Shanghai this year and further invest in sales and application people and training to build our participation in these attractive markets.

For 2013, we set ourselves ambitious financial targets yet again: we are aiming at increasing our sales revenue by around 8% to 11% in constant currencies, which includes approximately three percentage points that will be contributed by our new cell culture media business. Furthermore, we project that we can increase our operating EBITA margin to around 19%.

To keep up with growth, we will also continue to invest in our global infrastructure and capabilities. While we successfully finalized large investments last year, we will make a number of small- and medium-sized investments, including streamlining and reinforcing our business processes and IT systems.

Based on the strong fundamentals of our industry, we continue to see excellent prospects for our business, not only for 2013 but also over the medium and long term. Biotech will continue to drive innovation in the pharmaceutical industry, and a rising number of biologics will make their way from laboratories to the production line. As more and more of these biologics reach the commercial-scale stage, the need for more efficient manufacturing technologies will continue to grow. Single-use production technologies have made inroads into all major manufacturing steps, and all our customers are looking for innovative manufacturing platforms. New-generation production technologies are called for in response to mounting health cost pressure and increasing regulatory requirements.

The success we achieved in 2012 shows the potential behind our company and employees. I am grateful for the strong commitment of our staff worldwide and would like to thank them all for their outstanding accomplishments. I equally appreciate the ongoing support, open dialogue and the trust we have received from our valued customers, partners and shareholders.

As the biopharmaceutical sector keeps advancing, we will be at the forefront, providing new technologies to help our customers achieve their goals. Building on our attractive and durable business model, the strong fundamentals of our end markets and on the strengths and track record we have as a team, we cordially invite you to continue with us on the road to further success.

Sincerely,

Joachim Kreuzburg
Chairman of the Board and CEO

Executive Committee

Oscar-Werner Reif

Executive Vice President of 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.

Volker Niebel

Executive Vice President of
Operations and IT

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

Joachim Kreuzburg

Chairman of the Board and
Chief Executive Officer

heads 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.

Reinhard Vogt

Executive Vice President of
Marketing, Sales and Services

is in charge of 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.

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) | since January 1, 2013: Compartment A (Large Caps)
Indexes	SBF 250; CAC All SHARES; CAC MID & SMALL 190; CAC SMALL; CAC HEALTH CARE
Number of shares[1)]	17,041,306
thereof Sartorius AG	67%
thereof free float	23%
thereof treasury shares	10%
Number of shares outstanding[1)2)]	15,342,596
thereof Sartorius AG	74.38%
thereof free float	25.62%
Voting rights[1)]	28,664,315
Voting rights outstanding[1)3)]	26,965,605

[1)] As of December 31, 2012
[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

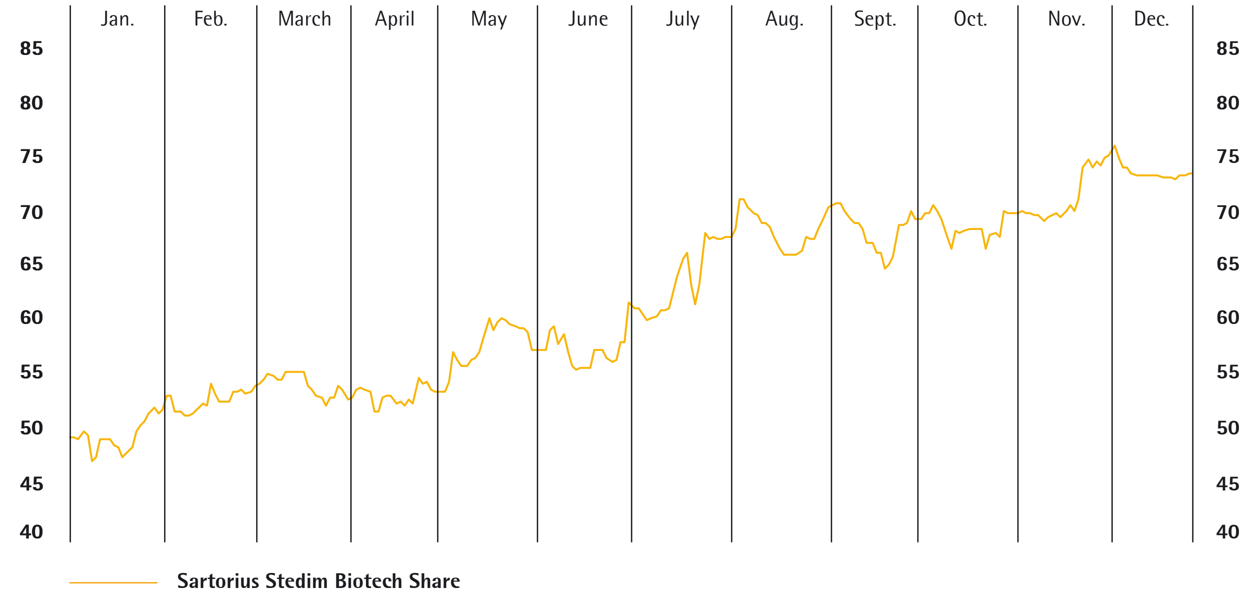
Persistently low interest rates and the adoption of addition bailout packages to shore up the finances of several countries – and the ensuing stabilization of the European single currency – provided support for stock markets. The SBF 250, for example, performed strongly between the start of the year and the month of December, when it reached its high point for the year of 2,751 points. The SBF 250 ended the year at 2,729 points, which represents an overall gain for 2012 of 16.4%.

Share Price Development

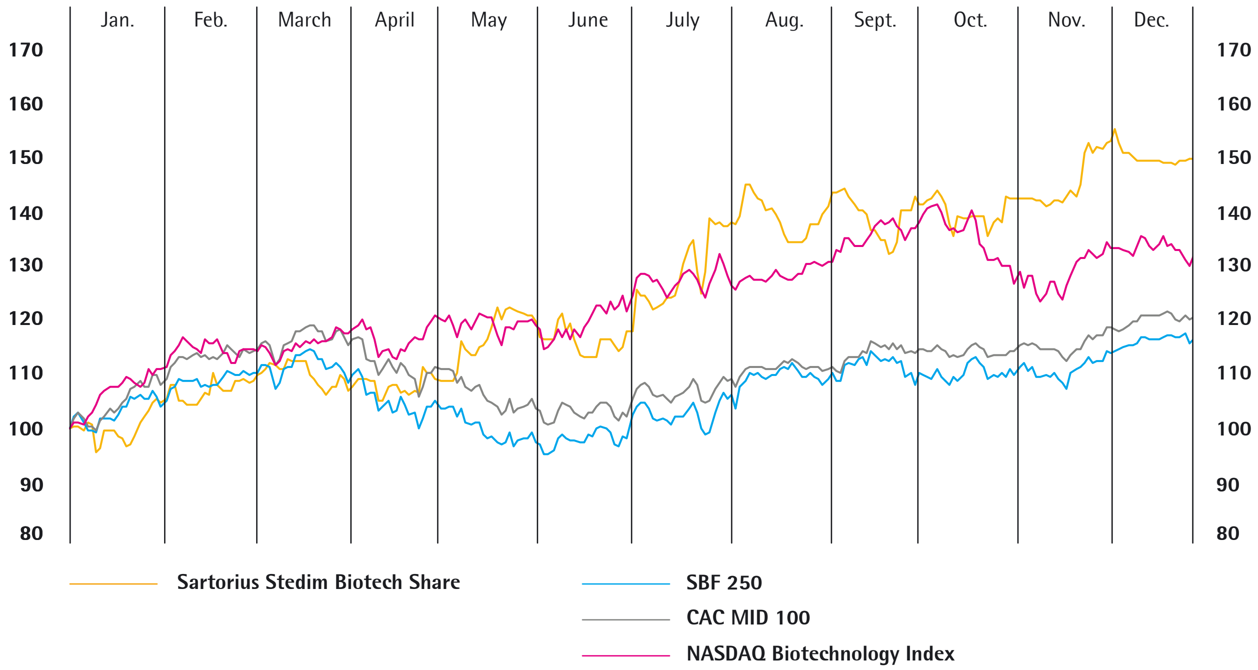
During 2012, the Sartorius Stedim Biotech share price performed better than the French stock market as a whole. From a close of €49.00 at the end of 2011, the share price rose by 49.9% to €73.40 by the end of 2012.

The share hit its lowest closing price for the year of €46.73 on January 9, 2012, before rising sharply over the next few months. The highest closing price was registered at €76.03 on December 3, 2012, buoyed by favourable business development and an improved overall forecast for the year.

The Sartorius Stedim Biotech Share in €
January 1, 2012, to December 31, 2012



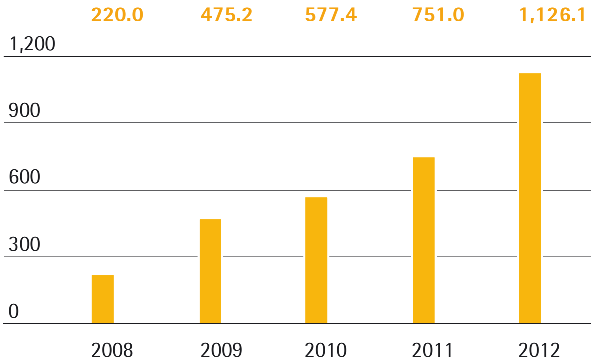
The Sartorius Stedim Biotech Share in Comparison to the SBF 250, CAC MID 100 and NASDAQ Biotechnology Index (indexed)
January 1, 2012, to December 31, 2012



Market Capitalization and Trading Volume

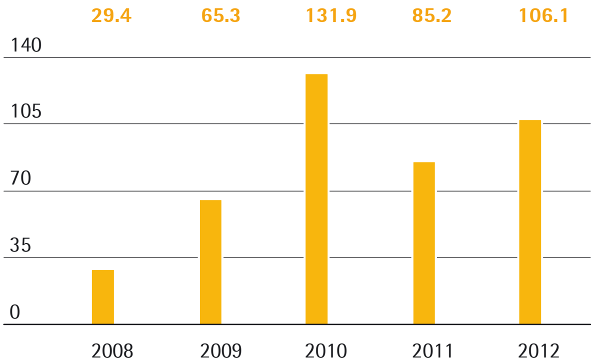
Reflecting the increase in the Sartorius Stedim Biotech share price, market capitalization surged by 49.9% over the course of the reporting year from €751.0 million on December 31, 2011 to €1.1 billion on December 31, 2012.

Market Capitalization
€ in millions



The average number of Sartorius Stedim Biotech shares traded daily on the Paris Bourse in the reporting period was 7,464 and thus about at the previous year's level of 7,435. The total trading volume on the Euronext stock exchange however increased from €85.2 million in 2011 to €106.1 million in 2012.

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
Portzamparc	January 30, 2013	Add
Société Générale	January 30, 2013	Buy
Oddo Midcap	January 29, 2013	Buy
Gilbert Dupont	January 29, 2013	Buy

Investor Relations Activities

Our investor relations work focuses on maintaining an ongoing, open dialogue with shareholders, potential investors and financial analysts. We 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 2012, we provided regular information on current business developments within the Sartorius Group via press releases and quarterly, half-year and annual reports. In addition to quarterly telephone | webcast conferences, we retained our contacts with the capital markets at a large number of roadshows in the financial centers London, Paris, Frankfurt am Main, Zurich and New York. We were also able to step up our regular dialog within the context of various international investor conferences and our analysts and investors meeting at the ACHEMA trade fair and numerous face-to-face meetings.

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 Sartorius Stedim Biotech Share

		2012	2011	2010	2009	2008
Share price[1] in €	Reporting date	73.40	49.00	37.70	28.00	13.00
	High	76.03	54.89	40.00	31.70	36.85
	Low	46.73	37.35	28.00	13.45	11.60
Dividends[2] in €		1.10	1.00	0.90	0.60	0.30
Total dividends paid[2] in millions of €		16.9	15.3	13.8	10.2	5.1
Payout ratio[3] in %		26.1	28.7	30.5	29.4	29.4
Dividend yield[4] in %		1.5	2.0	2.4	2.1	2.3
Market capitalization in millions of €		1,126.1	751.0	577.4	475.2	220.0
Average daily trading number of shares		7,464	7,435	14,965	10,427	4,576
Trading volume of shares in millions of €		106.1	85.2	131.9	65.3	29.4
CAC MID & SMALL		6,812	5,652	7,195	6,100	4,366
SBF 250		2,729	2,344	2,801	2,789	2,251

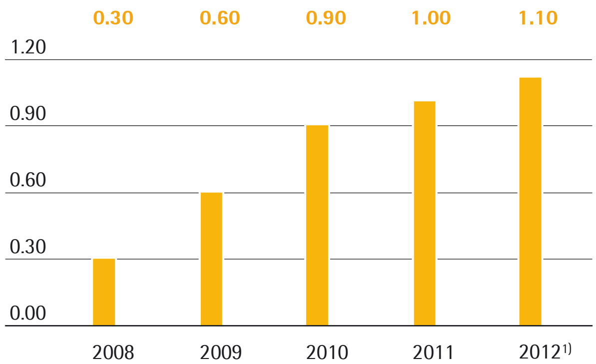
[1] Daily closing price
[2] For 2012, amounts suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting
[3] Based on the underlying net result excluding amortization
[4] Dividends in relation to the corresponding closing prices of the year
Sources: Euronext; vwd

Dividends

For fiscal 2012 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 16, 2013, the Board of Directors will submit a proposal to pay a dividend of €1.10 per share from the net profit of €26.2 million reported by Sartorius Stedim Biotech S.A. This would represent a gain of 10.0% over the previous year's figure of €1.00. Therefore, the total profit distributed would increase from €15.3 million a year ago to €16.9 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 26.1% compared to 28.7% in the previous year. This would result in a dividend yield in relation to the closing price of the share on December 31, 2012 (€73.40) of 1.5% (previous year: 2.0%).

Dividends
in €



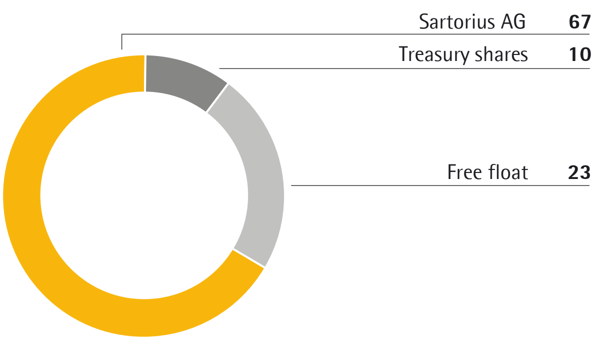
[1)] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting

Shareholder Structure

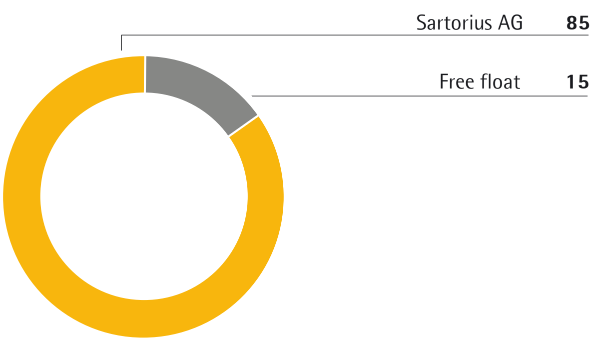
Sartorius Stedim Biotech S.A.'s issued capital amounted to €10.4 million as of the reporting date and is divided into 17,041,306 shares, each with a calculated par value of €0.61. Some of the shares convey double voting rights, with the result that there were a total of 28,664,315 voting rights as of 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 85% of the outstanding voting rights. Around 23% of the shares (15% of the outstanding voting rights) are in free float. Of the outstanding 15,342,596 shares, from which treasury shares are deducted, Sartorius AG owns 74% and free float accounts for the remaining 26%.

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 the main process steps in biopharmaceutical production (Total Solution Provider strategy). Our extensive range of technologies, products and services helps our customers to manufacture medications and vaccines using biological methods safely and efficiently.

We are a global leader in process filtration, fermentation, fluid management technology and membrane chromatography. Furhermore, we offer a range of conventional lab products to biopharmaceutical laboratories.

Integrated Products and Services Along the Customer's Process Chain

Cell Culture Media	Fermentation	Cell Harvesting	Buffer | Preparation	Purification
▪ Media ▪ Prefilled bags ▪ Mixing Systems ▪ Sterile Filters ▪ Storage Bags ▪ Virus Inactivation Technologies	▪ Seed Bioreactor ▪ Production Bioreactor ▪ Freeze-Thaw Technologies ▪ Monitoring & Control Technologies	▪ Cell Removal & Clarification Filters ▪ Crossflow Systems & Consumables ▪ Configurable Solutions ▪ Sterile Filters	▪ Buffers ▪ Prefilled bags ▪ Single-Use-Mixing Technologies ▪ Bags & Tanks ▪ Monitoring & Control Technologies	▪ Crossflow Systems & Consumables ▪ Membrane Chromatography ▪ Virus Inactivation Technologies ▪ Sterile Filters





Services

Evaluation & Optimization | Engineering & Design | Implementation & Technical Services

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.

Total Solution Provider Strategy Offers Great Potential

We consistently implement our solution provider strategy that has proven so successful over the past decade. Accordingly, we focus on the biopharmaceutical market, which we continue to regard as highly attractive with stable, above-average growth potential.

We aim to achieve further significant organic growth going forward. We plan to expand our existing business worldwide based on the strong position we have already attained and, in the process, to continue enhancing our regional presence. North America remains the leading market in the world for biopharmaceuticals and we have consequently expanded our capacities, especially in sales and distribution and application development, in this region in order to grow our business even faster and gain market share. We have also enlarged our organization in the dynamically expanding pharmaceutical markets of Asia, especially China, India and South Korea, which we have identified as our second regional focal point. Here too we have been concentrating on expanding capacity in sales, distribution and in application technology functions.

Expanding the Product Portfolio

The cooperation agreement signed with Swiss life sciences group Lonza in December 2012 concerning the marketing of cell culture media adds another key element to our product portfolio. In addition we intend to expand our product range – already one of the broadest and most attractive in the sector – step-by-step across the biopharmaceutical industry process chain.

Broad-based R&D Strategy

Carefully chosen strategic partnerships and acquisitions play a central role alongside our own research and development activities in putting our strategy into practice. Our R&D department, which has actively expanded its expertise in technology integration in line with this approach, 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.

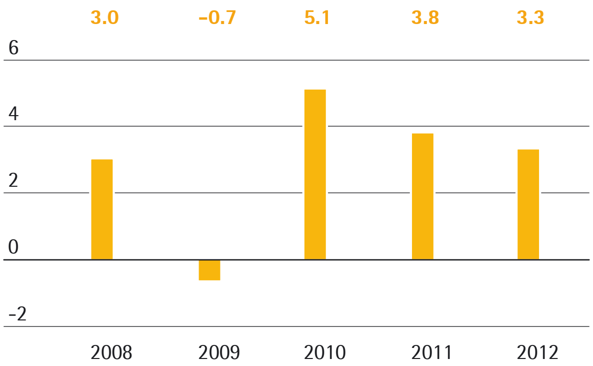
This global functional organization creates an effective platform for central strategic control and fast and efficient collaboration within the Group, and also makes it easier for the company to realize its total solution provider strategy and position itself effectively in respect of global customers.

Macroeconomic Environment and Conditions in the Sector

Macroeconomic Environment

The global economy grew by around 3.3% in 2012 according to International Monetary Fund (IMF) estimates (previous year: 3.8%). The main cause of this slight dip in the rate of growth was the worsening sovereign debt crisis in many industrialized nations.

Global Development GDP (2008 to 2012)
in %



Source: International Monetary Fund

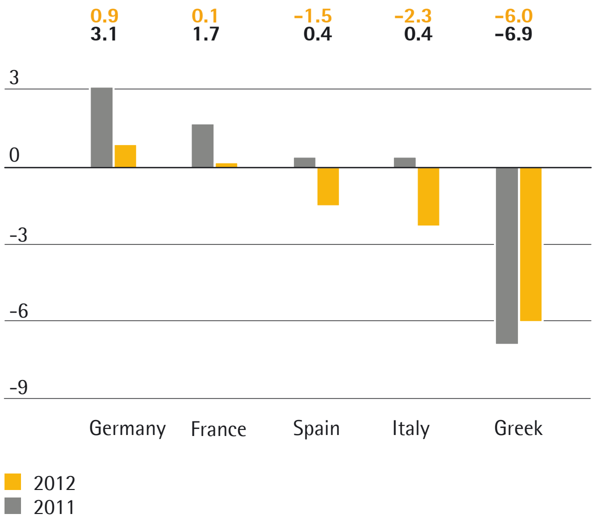
The IMF data shows that economic output in the industrialized countries increased by 1.3% in the reporting year (2011: 1.6%), with performance once again varying enormously from country to country.

The U.S. economy is predicted to have grown by 2.2% (2011: 1.8%) in the reporting year. Strong private demand was the main factor driving growth, but rising government spending and exports also made a significant contribution.

The slowdown of economic momentum evident since the end of 2011 in Germany persisted and while private consumers and the state both increased spending, companies responded to the uncertain business outlook by reducing capital expenditure and lowering inventories. Given these developments and softer demand from the eurozone, the IMF expects German gross domestic product to have risen by 0.9% in the reporting year (previous year: 3.1%).

Economic activity appears to have slowed in France too, with the rate of growth forecast to have dropped back from 1.7% in the previous year to just 0.1% in 2012. Rising unemployment and a sharp fall in capital expenditure are considered the main cause of this change.

Gross Domestic Product EU
in %



Source: International Monetary Fund

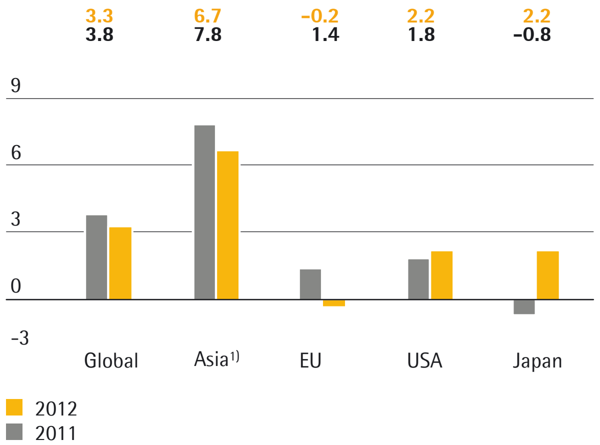
The rapid growth rates of many Asian countries (China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam) slowed slightly in the reporting year in the face of weakening demand from the eurozone and the U.S.A. They remained high by global standards, however, with overall growth in the region in 2012 expected to reach 6.7% (previous year: 7.8%).

China's economy is likely to have grown by around 7.8% in the reporting year according to the IMF (previous year: 9.2%). The main factors driving this growth were investment in plant and equipment and infrastructure measures.

India felt the effects of weak demand due to the debt crisis and the tightening of fiscal policy as part of efforts to combat budget deficit concerns and economic growth in the country consequently dropped back to 4.9% according to the IMF (previous year: 6.8%).

The IMF estimates that the Japanese economy will have grown by 2.2% in 2012 (previous year: -0.8%). This growth was driven mainly by the government investment program introduced following the natural disaster of the previous year. The positive effects of this spending were particularly pronounced in the first half of 2012.

Gross Domestic Product by Region
in %



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

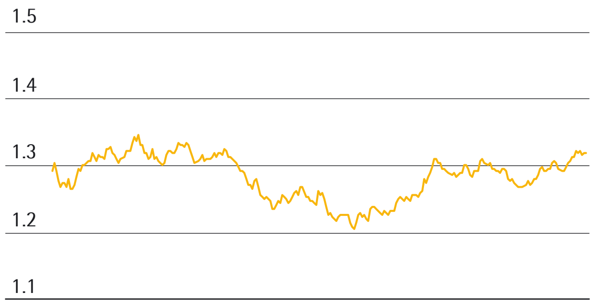
Source: International Monetary Fund

Exchange Rate Trends

Important currencies for the Sartorius Group include the U.S. dollar, to which a number of other significant currencies are linked, as well as the euro.

The euro weakened against the U.S. dollar in the mid of the reporting period, reaching 1.20 U.S. dollars in July. However, the euro strengthened towards the end of the year 2012, registering a rate of 1.32 U.S. dollars.

Development of the EUR | U.S. Dollar
Period: January 1, 2012 to December 31, 2012



Source: vwd

Interest Rate Trends

Average global interest rates fell sharply during the year under review and reached historically low levels. The 3-month EURIBOR rate – the rate of interest on fixed-term deposits denominated in euros in interbank business – fell from 1.4% as at December 31, 2011 to 0.2% on December 31, 2012.

Sources: International Monetary Fund: World Economic Outlook October 2012; vwd; Bundesbank.

Sector Conditions

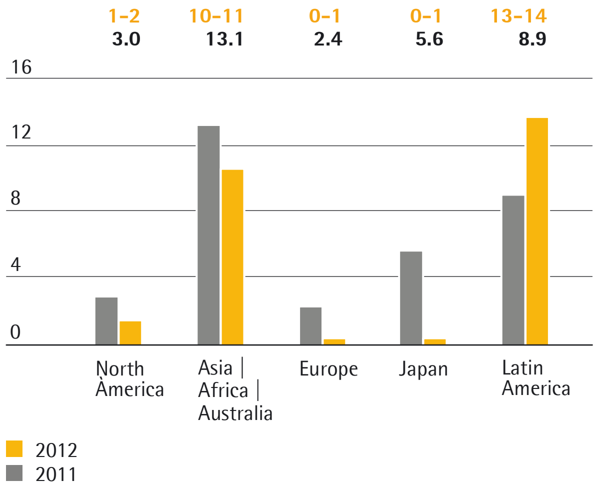
Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry which makes its business particularly sensitive to the development of this industry.

Continued Stable Growth in the Pharmaceutical Markets

The key factors influencing the pharmaceutical sector remained largely unchanged during the reporting period. While demographic change, improving access to healthcare, particularly in the Emerging Markets, the increasing prevalence of lifestyle diseases and chronic illnesses and the development of new drugs continued to drive growth, austerity measures affecting the healthcare systems of the industrialized nations and the expiration of patents exerted a braking effect.

International market research institute IMS Health expects growth of 3% to 4% for the global pharmaceutical market in 2012 (previous year: 5.1%).

Growth of the Regional Pharma Markets
in %



Source: IMS Health

According to IMS, growth was once again strongest in the regions of Asia | Africa | Australia, at 10% to 11%, and Latin America, at 13% to 14%. The expansion of state-funded healthcare systems was the main factor behind the growth seen in this area.

Biotechnology Market Continues to Grow Faster than Market as a Whole

The biotechnology market again grew significantly faster than the global pharmaceutical market as a whole. This is attributable in particular to the launch of many new biopharmaceutical drugs in the last few years and expanded indications for existing medicines. IMS Health is forecasting an average annual growth rate for the period 2012 - 2015 of around 7.7%. Expert studies suggest that the proportion of sales revenue accounted for by medications manufactured using biotech methods rose from 10% to around 20% between 2002 and 2012.

Therapeutic proteins, which play an important role in the treatment of conditions including diabetes and chronic anemia, still make up the largest category of active ingredients produced using biotech methods at the moment, but experts expect the importance of other categories, especially monoclonal antibodies, to continue growing over the next few years. Monoclonal antibodies are used for applications including the treatment of cancer, HIV and autoimmune diseases such as multiple sclerosis and rheumatoid arthritis. A study produced by the Boston Consulting Group found that there were approximately 300 monoclonal antibodies undergoing clinical development (Phase I-III) in 2011, which represents a significant increase even on the previous year.

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 significantly less capital expenditure, reduce cleaning and validation costs and minimize downtime, have a crucial role to play here. Single-use products deliver greater flexibility too and help to bring developments to market faster. Thanks in particular to their cost-efficiency, single-use products have now become well established in a large number of process steps.

The Public Research Sector – Emerging Countries Growing in Significance

A proportion of the demand for our laboratory equipment comes from public-sector research. The OECD reports that some countries have announced and instituted cuts in R&D budgets in the wake of the economic crisis but still expects overall global R&D spending to have risen from 1.3 billion U.S. dollars in 2011 to 1.4 billion U.S. dollars in 2012. It credits this increase chiefly to greater total spending on R&D in the emerging countries; no change is expected in R&D investment in the industrialized countries.

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 area, 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.

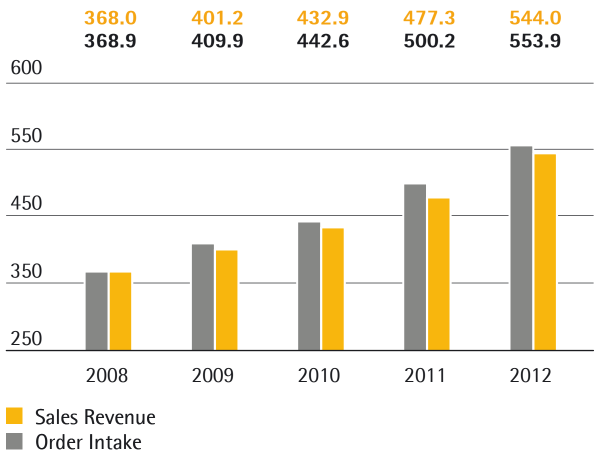
Sources: The Boston Consulting Group: "Medizinische Biotechnologie in Deutschland 2012" [Medical Biotechnology in Germany 2012]; Evaluate Pharma: World Preview 2018; OECD: Science, Technology and Industry Outlook 2012; IMS: IMS Health Market Prognosis May 2012.

Group Business Development

Order Intake and Sales Revenue

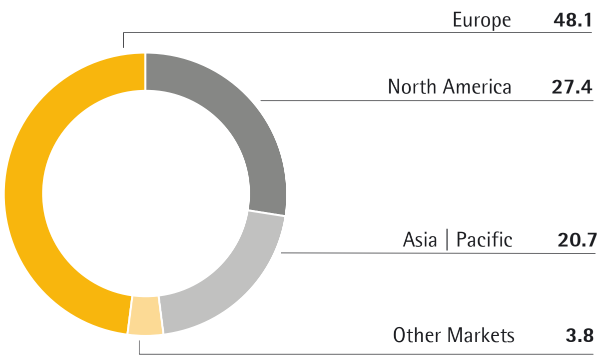
The Sartorius Stedim Biotech Group recorded a total volume of €553.9 million in order intake in the reporting year. Compared with the year-earlier figure of €500.2 million, this equates to a gain of 10.7%, or 7.2% in constant currencies. In the same period, sales revenue grew 14.0%, or 10.3% in constant currencies, from €477.3 million to 544.0 million, and thus performed significantly better than the currency-adjusted 6% to 8% growth we had forecasted at the outset of the year minaly driven by strong growth in North America. Overall we believe we have gained further market share in the reporting period.

Order Intake and Sales Revenue
€ in millions



Business development with our single-use products continued to grow very dynamically. Besides our established single-use filters, our new sterile filter membrane Sartopore platinum was received very well by our customers. Moreover, our bags business as well as our products for the purification of biopharmaceutical media showed substantial growth.

Sales Revenue by Region[1]
in €



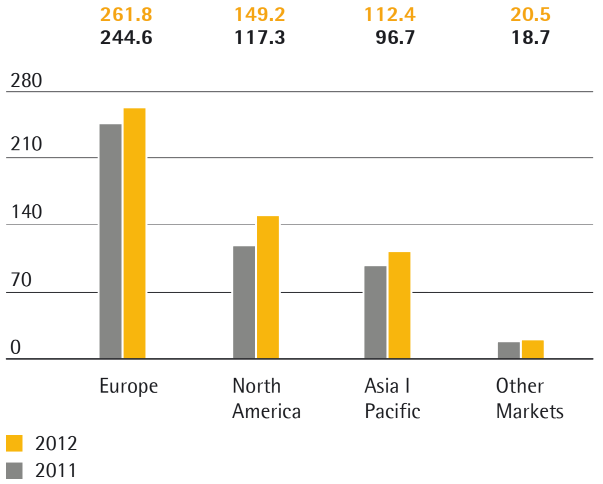
[1] acc. to customers location

The Groups development has been supported by all regions. Europe, our region that generated the highest revenues and that accounts for around 48% of our business, posted a gain of 6.4% in currency-adjusted sales.

In North America, we earned around 27% of our total sales revenue. In the reporting year, this region posted the strongest growth dynamics with sales up stronger than expected by 17.5% in constant currencies. This growth was mainly fueled by our single-use products, but also our equipment business performed well.

The Asia | Pacific region, which in 2012 accounted for around 21% of total sales revenue, again developed dynamically. In this region, we recorded a gain of sales of 11.4% in constant currencies.

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



	Sales[1] € in millions	Growth in %	Growth[2] in %
Group	**544.0**	**14.0%**	**10.3%**
Europe	261.8	7.0%	6.4%
North America	149.2	27.2%	17.5%
Asia | Pacific	112.4	16.2%	11.4%
Other Markets	20.5	9.6%	9.5%

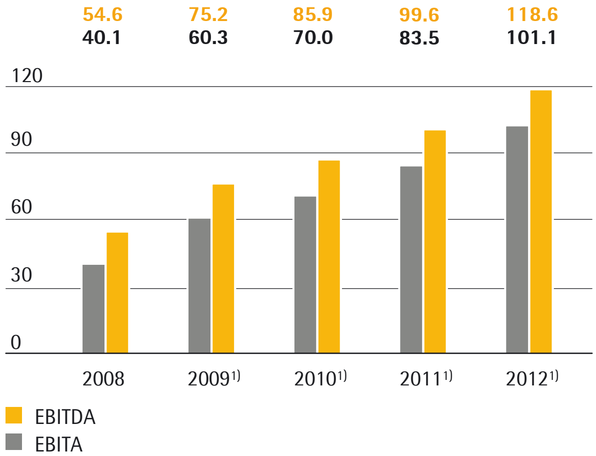
[1] acc. to customers' location
[2] currency-adjusted

Earnings

At the Sartorius Stedim Biotech Group, earnings before Amortization linked to business combinations (EBITA) are linked to the business combination used as the key profitability measure. In this context Amortization refers exclusively to the sole Amortization in connection with 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 EBITDA, underlying EBITA). For more information about definitions please refer to the glossary on page 171. Underlying presentation is reconciled with EBITA (see glossary) key indicator on the following page.

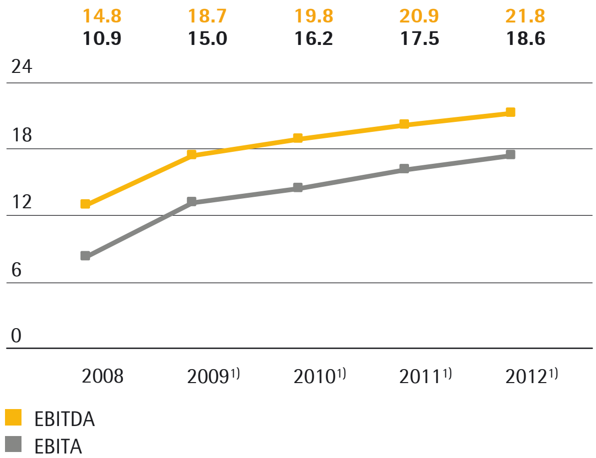
In fiscal 2012, earnings of the Sartorius Stedim Biotech Group developed substantially better than expected at the beginning of the year. This mainly related to strong sales revenue growth as well as positive effects from foreign exchange rate fluctuations. Thus, underlying EBITDA increased overproportionately by 19.1% to €118.6 million. The respective margin improved from 20.9% to 21.8% The underlying EBITA soared at a rate of 21.0% reaching €101.1 million. The related margin improved from 17.5% to 18.6%.

EBITDA and EBITA
€ in millions



[1] underlying

EBITDA and EBITA Margin
in %

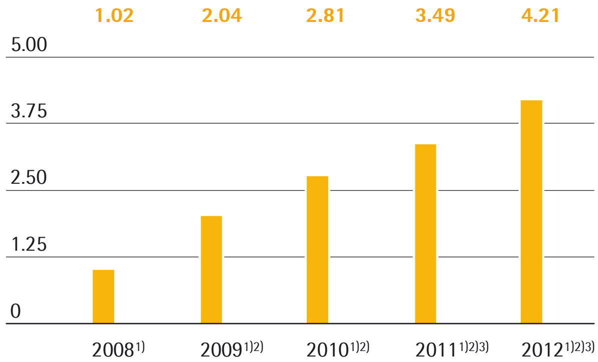


[1] underlying

Extraordinary items amounted to -€5.9 million (previous year: -€4.7 million) and essentially cover one-time expenses for the relocation of our U.S. manufacturing site for bags from Concord, California, to Yauco, Puerto Rico, as well as to various corporate projects. Including all special items, the Group's EBITA (see glossary) rose from €78.9 million to €95.2 million; its respective margin increased from 16.5% to 17.5%.

The relevant underlying consolidated net profit surged from €53.4 million a year ago to €64.6 million in fiscal 2012. This profit figure is yielded by adjustment for extraordinary items, elimination of non-cash amortization of €8.0 million (previous year: €7.7 million) and valuation adjustments from hedging instruments and by taking tax effects into account. The corresponding earnings per share are at €4.21, up from €3.49 a year earlier.

Earnings per Share
in €



1) excluding amortization
2) underlying (excluding extraordinary items)
3) excluding fair value adjustments of hedging instruments

Reconciliation between Underlying Presentation and EBITA Key Indicator

€ in K	2012	2011
EBITA	**95,205**	**78,866**
Extraordinary items	–5,896	–4,684
Underlying EBITA	**101,101**	**83,550**
Amortization | IFRS 3	–8,005	–7,711
Financial Result	–3,742	–6,488
Other taxes	–1,592	–1,955
Normalized income tax (30% in 2011 and 2012)	–27,500	–19,228
Underlying net result	**60,264**	**48,169**
Amortization | IFRS 3	8,005	7,711
Tax on Amortization	–2,562	–2,314
Non-controlling interest	–1,130	–137
Underlying net result excluding Amortization | IFRS 3 and non-controlling interest	**64,576**	**53,429**

See glossary for definition of aggregates mentioned above.

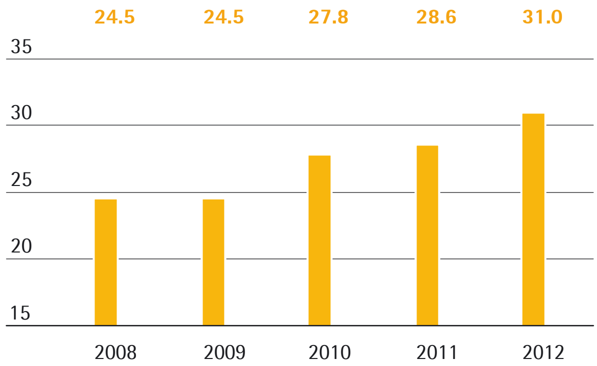
Appropriation of Profits

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 16, 2013, for payment of a dividend of €1.10 per share for fiscal 2012, up from €1.00 in the previous year. The total profit distributed would accordingly increase by 10.1% from €15.3 million a year earlier to €16.9 million. In relation to the closing price of the share of €73.40 on December 31, 2012, this would result in a dividend yield of 1.5% (previous year: 2.0%).

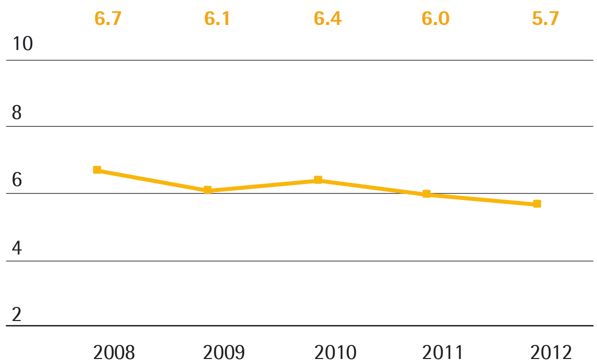
Research and Development

The Sartorius Stedim Biotech Group stepped up its research and development activities in the 2012 fiscal year, increasing spending in this area by 8.4% to €31.0 million (previous year: €28.6 million). This resulted in an R&D ratio of 5.7% (previous year: 6.0%).

Research & Development Costs
€ in millions



Research & Development Ratio
in % of sales revenue



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 2012 amounted to 135 compared to 155 in the previous year. As a result of the applications submitted in the past years, we were issued 127 patents and trademarks (previous year: 85). As of the balance sheet date, we had a total of 1,641 patents and trademarks in our portfolio (previous year: 1,397).

	2012	2011
Number of patent and trademark applications	135	155
Registered patents and trademarks	127	85

High Number of New Developments for ACHEMA

In 2012, we focused our R&D efforts on the development and the completion of a large number of new products in time for ACHEMA, the world's leading trade fair, where we unveiled highlights including a new FlexAct module for integrity testing single-use bags, two new generations of bioreactor and the new Sartopore 3 and Sartoguard NF filter membranes. The new membrane structures and surface technologies we developed for these filter membranes are still unmatched in the market. We also developed a new generation of filter cartridges whose structure and membrane pleating enlarge the filter area and significantly enhance filtration performance.

New Plastic Films and Tubing Developed

The new plastic films we developed in the reporting year in cooperation with one of our partners are highly robust and break new ground with their particular suitability for microbial organisms and cell cultures. We are using these films for a new generation of single-use bags designed for fluid management and cell culture applications. Examples include an additional model for our successful Biostat STR line of single-use bioreactors. The 2,000 liter model completes this product line giving customers a highly attractive alternative to conventional stainless steel systems for production-scale processes. We also conducted projects on single-use tubing for fluid management too, developing not only new silicone tubing, but also another type of single-use tubing that we intend to use right across the fluid management product range.

Alliance to Develop Single-use Products for Pharmaceutical Filling Processes

We signed a cooperation agreement in the reporting year with Bosch Packaging Technology, a leading manufacturer of process and packing technology for the pharmaceutical industry, concerning a global collaboration in the area of pharmaceutical filling processes. As well as working with Bosch to develop single-use solutions for sterile medication filling, we are supplying our partner with preconfigured single-use sets that it will combine with its sterile filling and isolator technology to create new sterile filling systems.

Marketing | Sales and Distribution | Services

Sartorius Stedim Biotech offers a comprehensive range of products covering large parts of the bio-pharmaceutical process chain. Single-use products, which have now become established in almost all process steps and are increasingly replacing conventional solutions, are central to the portfolio and we consequently made a priority in the reporting year of launching new single-use products and complete system solutions based on single-use technology.

Sales Offensive Underway in the USA

We launched a sales initiative in the USA in the reporting year in a bid to optimize our activities in the world's largest pharmaceutical market. The initiative involved an analysis of our customers as well as a comprehensive examination of existing sales and distribution structures and processes. The results of these investigations led us to prioritize sales resources and adopt a sharper focus in certain biotech regions. Following its successful debut in the U.S.A. the sales initiative is now also to be rolled out in Europe and Asia.

Successful Marketing Communication

Our 2012 marketing highlights included ACHEMA, the world's largest process engineering trade fair, where we presented a host of product developments in the areas of filtration, fermentation and fluid management, and a supplement entitled "Experience Innovations" that we distributed through carefully selected technical journals in order to reach just the right customer groups. We also attended a series of other international exhibitions during the reporting year.

We significantly expanded our marketing communication in the online sphere in 2012 and now provide regular updates on new products, events and offers in a newsletter distributed to over 260,000 prospective customers. We comprehensively revised our global internet presence too: launched in April 2012, our new website provides comprehensive information about products and applications in a number of languages and also includes an expanded e-shop that represents an important sales channel for dealers and end customers.

Service Activities Established in Asia; Validation Services in Demand

We provide expertise-intensive services that ensure optimal support for the often highly complex production processes employed by our customers. These services play an essential role in establishing new technological developments. Demand for our validation services increased notably in the reporting year and we received a particularly large volume of requests for validation studies in Asia, where we completed a project to expand our service structures during 2012. The "Extractables and Leachables Forum", which we extended to the U.S.A. as well for the first time in 2012, proved very popular with our customers.

PAT Software Distribution Partnership Agreed

We agreed a distribution partnership with Swedish company Umetrics in the reporting year to help optimize biopharmaceutical development and production processes. We are integrating Umetrics' software solutions into our own PAT portfolio and marketing the results to the pharmaceutical and biotech industry worldwide. This will enable us to offer customers a way to identify critical process parameters in cell culture and purification processes efficiently and speed up development.

Products

We supply customers in the biopharmaceutical industry with an extensive portfolio of products for the production of active ingredients for medical applications. Our range includes a considerable number of single-use products for use in upstream and downstream applications. We offer a broad array of filter membranes, the great majority of them single-use solutions, single-use and reusable bioreactors, single-use bags, tubing, connectors and containers plus filtration systems, filter integrity testing equipment and sophisticated services.

High-Performance Product Developments for Filtration

Highlights in the reporting year included the launch of the new Sartopore Platinum sterilizing-grade filter membrane, which, based on its outstanding performance, raises the bar considerably in the competitive area. Sartopore Platinum increases product yields significantly thanks to its low protein binding. Other advantages of the new membrane include its exceptionally low water requirement for wetting and its exceptionally wide range of applications covering nearly all filtration processes. This filter helps improve the cost-efficiency of biopharmaceutical manufacturing processes substantially.

We completed our range of prefilters in 2012 with the addition of a new product line. We introduced more new filter modules for viral clearance and unveiled new cassettes for crossflow filtration. The new, highly compact SartoflowStudy filtration system makes it possible to concentrate very small product batches. Designed for flexibility, it can be used both for process development and for filtration tasks in small-scale production.

New Generation of Bioreactors Unveiled

We presented two new generations of established bioreactor lines for cell cultivation in the reporting year. The Biostat B type bioreactor, which can be used for both microbial and cell culture applications, has been comprehensively revised. A highly flexible system, it comes in a variety of configurations and can be employed in all kinds of processes in biotech research and development and in validated GMP environments. The arrival of the latest generation of the Biostat D-DCU marked our launch of standardized stainless steel bioreactors. The modular design of the system allows customers to configure their bioreactor to their specific requirements. Thanks to the line's shared technology platform, customers can also expect lower costs and faster delivery times.

Innovative Cleanroom System Presented

We unveiled the FlexMoSys modular cleanroom system together with our American partner G-Con at the ACHEMA trade fair. This innovative GMP-compatible cleanroom module, which integrates our extensive portfolio of products and technologies, offers manufacturers in need of additional production capacity at short notice a way to create a cleanroom environment faster and more affordably than conventional alternatives.

Product Portfolio Enhanced with Cell Culture Media

The cooperation agreement signed with Swiss life sciences group Lonza at the end of 2012 significantly enhances our product range in the area of cell culture. The media and buffer solutions concerned are required in every biopharmaceutical manufacturing process, enabling us to supply customers with even more products from a single source.

Production and Supply Chain Management

Sartorius operates a well-developed global production network that ensures we supply customers around the world promptly and reliably. Our modern production facilities support the efficient manufacturing processes and short lead times and fast order processing we need to maintain our competitive edge around the world. Our largest sites are the plants at Goettingen in Germany and Aubagne in France, followed by the production facilities at Bangalore in India, Yauco in Puerto Rico and Guxhagen in Germany. The reporting year brought the successful completion of three major construction projects launched to expand, optimize and modernize our production infrastructure.

Membrane Production Capacity in Goettingen Increased

In April 2012, after approximately one year of construction, we officially opened our new production building in Goettingen and commissioned its advanced casting machine for filter membrane manufacture. This new casting machine and the technology upgrades completed on two other systems significantly increase our production capacity at the site. They also give us greater flexibility in configuring our manufacturing processes, enabling us to develop new products even faster and keep pace with our customers' ever more challenging quality requirements. The new building includes space for further expansion so that we can install another casting machine as necessary to accommodate future growth.

As we intend to establish the Goettingen site also as a center of competence for injection molding, we added a new annex to extend the production area available to Sartorius Stedim Plastics in the reporting year and increased the number of injection molding systems.

Yauco Plant Expanded and Upgraded; Single-use Bag Manufacture Successfully Relocated

We invested in the creation of new production capacity in Yauco, too, in response to rising demand from the pharmaceutical industry for single-use products. The expanded plant is now our central manufacturing and logistics site for the North American market. Single-use bags and filters are manufactured in an advanced new building that was completed on schedule in the summer of 2012 and includes space for cleanrooms, laboratories and offices. The building's cutting-edge energy management features and consistent use of natural resources earned it the best rating under the U.S. LEED certification system. Once the site expansion was complete, we relocated all single-use bag manufacturing activities to Yauco from their previous home at the Concord site in California, which was closed at the end of 2012.

New Production Facilities for Bioreactors at Guxhagen

In the summer of 2012, Group company Sartorius Stedim Systems moved into a new plant in Guxhagen near Kassel in Germany for the manufacture of bioreactors and other equipment for biopharmaceutical industry customers. Covering approximately 9,000 square meters, the new building provides for enhanced production processes and includes additional capacity to accommodate rising demand for single-use bioreactors. Sartorius vacated its old production site in nearby Melsungen when the Guxhagen facility opened.

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.

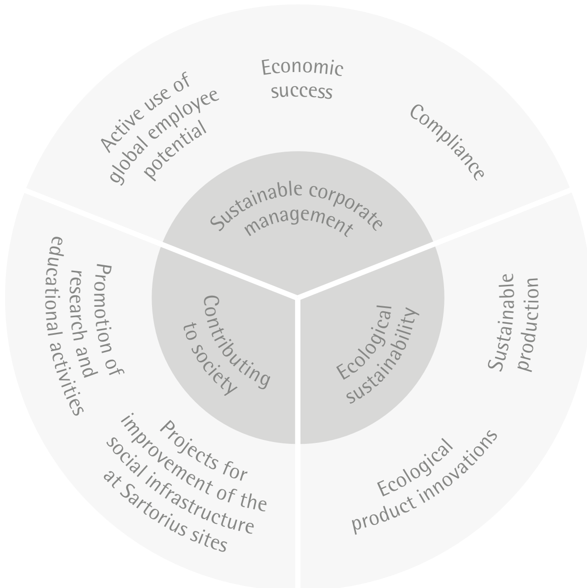
Our primary business responsibility is to offer attractive products and solutions to our customers. Innovation as well as strategic and operational excellence are key to meeting this objective. To us, sustainability in this context means that, in pursuing these business objectives, we take a long-term, 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 the global workforce. At the company sites around the world, we as employers and customers take an active part in developing the regional environments and increasing their attractiveness by supporting cultural and social projects.

In compliance with the French environmental law Grenelle II, Sartorius Stedim Biotech in 2012 introduced additional key personnel and environmental indicators and metrics and further enhanced Group-wide recording and reporting of environmental and personnel data. These indicators are oriented towards general standards and thus permit comparison with those of other companies. Internally, these figures provide the basis for defining, reviewing and controlling environmental and personnel targets. The following report provides an overview on the key indicators activities and on the projects in the three areas of "sustainable corporate management," "ecological sustainability" and "contributing to society."

Methodological Note

The personnel indicators and those regarding health and safety reported below refer to the entire Group. If an indicator is referenced to a range other than the global scope, the scope of consolidation is indicated separately. The environmental indicators refer to all Sartorius Stedim Biotech production sites. These are located in Aubagne, Lourdes, Mohamdia, Goettingen, Guxhagen, Stonehouse, Tagelswangen, Concord, Yauco and Bangalore, and represent 84% of the Group's total workforce. Globally, we are aiming at achieving continuous improvement of the indicators and the scopes to which they refer.



Sustainable Corporate Management

Detailed information on the economic dimension of sustainability at Sartorius Stedim Biotech is provided on pages 18 to 19 and 24 to 30, where we explain the strategies and measures we use to achieve profitable growth.

Compliance with Legal and Ethical Standards

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

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.

We adhere to a set of principles defined in the Code of Conduct: Sartorius Stedim Biotech supports and respects the principles of human rights defined in the United Nations Universal Declaration of Human Rights, the conventions of the International Labor Organization (ILO) and the United Nations Global Compact. Furthermore, we reject all forms of compulsory labor and child labor and respect the special need to protect young employees. All Sartorius Stedim Biotech employees are required to adopt a task-oriented, open, friendly and fair approach to interacting with colleagues, employees and third parties, thereby helping to create an atmosphere of respectful cooperation. We do not tolerate employees being discriminated against, disadvantaged, harassed or excluded based on their sex, ethnic origin, life philosophy, race, religion, age, disability, appearance, sexual preferences and identity, origin or political position.

We uphold freedom of association and the right of any individual to be fairly represented by a labor organization of their choosing, pursuant to local laws. The remuneration paid by Sartorius Stedim Biotech for regular working hours, overtime and compensation for hours worked in excess of contract or regular work schedules either meets or exceeds the industry standards or legal minimum wage.

The Code of Conduct helps to ensure we operate with the highest level of integrity and is binding on all employees, as are the anti-corruption guidelines. These measures are intended to help our employees act ethically and in accordance with the law in their daily work. All our employees around the globe are required to complete a training course that uses fictitious examples to train them to deal with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any dubious conduct.

As a business partner we adhere to the highest standards of business ethics and compliance in respect of our suppliers, subcontractors and business partners, whom we request to respect human rights not only by complying with our Code of Conduct and all applicable human rights laws and regulations themselves, but also by ensuring the same compliance throughout the supply chain.

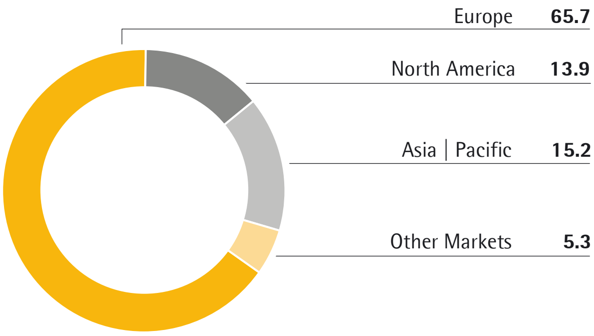
Sartorius Stedim Biotech does not supply its products directly to end consumers, but rather to manufacturers of pharmaceuticals, foods and chemicals, and also to research and development laboratories. To ensure that our products satisfy the most stringent quality requirements, we employ rigorous quality checks and advanced manufacturing methods and processes, such as cleanroom technology. 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 standard of quality achieved in Sartorius Stedim Biotech products and processes. 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.

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.

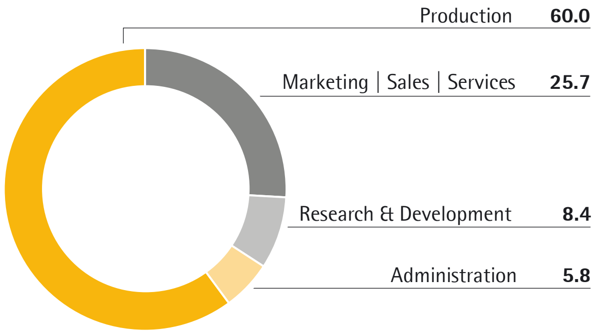
As of December 31, 2012, the Sartorius Stedim Biotech Group employed a total of 2,986 people. Compared with the workforce of 2,858 on the reporting date a year earlier, this equates to an increase of 4.5%.

Employees by Region
December 31, 2012; in %



The increase in head count was most pronounced in Europe, where Sartorius Stedim Biotech employed a total of 1,962 people as of December 31, 2012 (previous year: 1,876). This represents an increase of 4.6% as compared with the end of 2011. The number of people employed in North America rose by 2.2% year on year to 414 (2011: 405). We recruited a significant number of new sales and distribution and application specialists in this region. The number of people employed in the Asia | Pacific region was largely unchanged from the previous year at 453 (457). We increased head count at our bag manufacturing site at Mohamdia (Tunisia), which we report under Other Markets, from 120 to 157 people.

Employees by Function
December 31, 2012; in %



We had 1,793 people – that is to say 60% of our total workforce – employed in the Production function on the reporting date (previous year: 1,650). Active recruitment in response to strong demand for single-use products accounted for most of the increase. A total of 768 people, or more than a quarter of the company's total workforce, work in the Marketing, Sales and Distribution and Service functions (previous year: 802). The slight decrease in head count for these functions was due to outsourcing of our laboratory sales activities, which will be handled on a commission basis in the future, while we continued to build up our sales activities in bioprocessing as planned. Our head count in the Research and Development unit increased by 5.9% to 251, while the number of people employed in the Administrative functions, which include Finance, Human Resources and IT, also increased slightly (2.6%) to 175 at the end of the reporting year (previous year: 170). This figure does not include the additional administrative functions performed by Sartorius Corporate Administration GmbH, which is not part of the Sartorius Stedim Biotech Group.

Employees by Age

	In %
16 –20	1.0
21 –30	23.6
31 –40	31.1
41 –50	26.7
51 –60	16.0
61 and above	1.6

Sartorius Stedim Biotech employed 1,125 women and 1,861 men as of December 31, 2012, meaning that women make up 38% of the total workforce and men 62%. The largest group of employees by age is the 31 to 40 category, which contains 929 people. The average employee age across the entire workforce in the reporting period was 39.5 years.

Attrition and Seniority Rates, New Hires and Absenteeism

The attrition rate reported by Sartorius Stedim Biotech expresses the number of people leaving the company as a percentage of the average head count (2012: 2,994.25). It includes terminated contracts, retirements and other reasons for employees leaving the company. The attrition rate for the Group as a whole was 13.1% in the reporting period (previous year: 7.0%). The relocation of jobs from Concord, California, to Yauco as well as head-count variations due to temporary workers at the French production sites accounted for this increase. Adjusting the figures for this effect yields an attrition rate of 6.1% for the reporting year. The attrition rate for the Sartorius Stedim Biotech sites in Germany, where we employ 42.8% of our people, was 3.9% (previous year: 3.3%). As a result of company redundancies in 2012, three employees at the French sites and three at the German sites left our workforce. As of 2013, this information will be available at Group level.

In the reporting year, 563 new people were hired across all functions. Globally, employees remained with the company 8.7 years on average in 2012 (previous year: 8.3 years). In France, the average time employees stayed with the company was 8.6 years and in Germany, 11.2 years.

The calculated average period missed due to illness, amounted in the reporting year to 7.0 days per employee. This does not include time lost due to long-term health conditions and statutory maternity entitlements or days missed as a result of work-related accidents.

Applying Different Perspectives

Being a multicultural 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, the USA and India, for example, are represented at the second management level, that of Vice Presidents. We intend to continue striving for a more international line-up at management level over the medium term.

Another priority of our diversity strategy is to ensure women are adequately represented in management positions. We increased the proportion of women in our total workforce in the reporting year from 35% to 37.7%. This trend was mirrored at management level, with the number of posts held by women in the two tiers of management immediately below the Executive Board increasing by two percentage points year on year to just short of 24% at December 31, 2012.

Sartorius Stedim Biotech employed 80 people in the reporting period who are registered as disabled, 18 in France and 59 in Germany.

Further Developing the Potential of Employees Worldwide

To grow successfully in a dynamic market environment, we need competent, qualified employees and therefore endeavor continuously to enhance our appeal as an employer further both internally and externally. Providing our employees with good opportunities for continuing personal development is central to this effort. In 2012, Sartorius Stedim Biotech delivered an average of 16.5 hours of training per employee at its sites in France and Tunisia. Our employee annual performance reviews, the structure and assessment criteria for which we have now standardized, cover development opportunities as well as targets and performance. Our ultimate objective here is to expand human resources programs to cover the whole of our global operation and, where appropriate and expedient, to harmonize them throughout the Group.

Sartorius Stedim Biotech fills management vacancies largely from within its own ranks and accordingly develops and promotes employees with management potential at an international level. A one-year program that we made available to young management level staff across Europe for the second time in 2012 helps junior managers to develop their own management qualities through a variety of measures including opportunities to engage in face-to-face discussions with longstanding managers. Our separate development program for experienced managers, which we designed on the basis of our management guidelines, was administered successfully for the second time at international level in the reporting year. This program is particularly useful in helping to integrate our employees from different cultural backgrounds around the world and foster the further development of our common management culture.

Managing change processes successfully is an issue of ever-increasing importance for companies. Our change management, which enhances employee flexibility and openness to change, helps our people to implement change processes successfully.

The Sartorius College at the Goettingen headquarters site offers a wide range of training and continuing personal development opportunities for all employees to help them improve their language and methodological skills. The Value Selling course, for example, teaches field sales representatives and application specialists worldwide the strategic skills necessary to provide a first class customer advisory service.

One new training program developed in the reporting year at the Aubagne site helps production staff to acquire and develop valuable technical skills. We also enhanced training provision at the Yauco facility, where a new training center opened as part of the site expansion is helping us to train production staff in accordance with uniform standards and methods.

Finding and Developing Talented Young Staff

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.

The Sartorius Bioscience Scholarship program provides financial, technical and personal support to talented students and graduates in scientific and technical disciplines. Previously only available to candidates in Germany, the program was extended to India during the reporting year and we plan to launch it at other sites as well in the future.

Freedom and Flexibility at Work

Sartorius Stedim Biotech sets its employees demanding tasks, delegates responsibility at an early stage and leaves them the freedom to arrange their daily work. The importance of enabling flexible work practices is widely recognized across the company: the number of part-time employees is 128 (about 4.3%). Our 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.

Encouraging Social Dialogue

Sartorius Stedim Biotech places great importance on communication with its employees. Interoffice memos, newsletters and employees' magazines inform our staff, for example, about changes within the company, its goals and its economic situation. In France as well as in Germany, Sartorius Stedim Biotech staff are represented by three employee representative bodies. These employees' councils hold regular staff meetings. In 2012, nine collective agreements were signed at the French sites and eight at the German locations. They cover, in particular, salaries and working time, contracts for elderly employees and personnel development. As of 2013, this information will be available at Group level.

Employee Health and Safety

Sartorius Stedim Biotech operates a corporate health management policy covering both the physical and the psychosocial elements of health in order to enhance employee performance and motivation and reduce the costs associated with sickness. Sartorius Stedim Biotech also promotes awareness of personal health among all of its employees through special action days at individual sites. We offer our Vice Presidents in Germany an annual medical checkup at a selected partner clinic.

We strive to improve technical and organizational working conditions continuously in order to bring about further reductions in job-related medical conditions, risks to health and potential causes of industrial accidents as well as providing regular training for employees in the areas of occupational health and safety and environmental protection. We continuously adapt job safety and work organization conditions in line with the applicable laws and regulations.

The company recorded 21 work-related accidents in 2012 at its largest production site, Goettingen, eleven of which were reportable under German law. One in every four accidents occurred not on company premises but rather on the employee's journey between home and work. The number of reportable accidents per thousand employees at the Goettingen site amounted to 11.8 in 2012, meaning that it was once again well below the statistical mean calculated by BG ETEM, one of the German institutions for statutory accident insurance and prevention with responsibility for our industry (2011: 19.6 accidents per thousand employees). The great majority of the accidents recorded in Goettingen – and indeed at our other Group sites around the world – were minor accidents. In 2012, all work-related accidents throughout the Group combined resulted in 1,139 days missed, as measured in calendar days. We review the effectiveness of our accident prevention measures regularly with reference to accident analyses.

Accident statistics

	2012
Number of work-related accidents	82
Number of days lost due to work-related accidents	1,139
Accidents per 1,000 employees	27.4
Days missed per accident	13.9

As of 2013, the frequency and severity rate will be reported on the basis of lost-time accidents per million hours worked by Sartorius Stedim Biotech staff.

Ecological Sustainability

Sustainable production and ecological product innovations are an important basis for our long-term financial success. Sartorius Stedim Biotech designs its manufacturing processes so that they conserve resources and offer 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 specifications of our green approach. Growth coupled with underproportionate use of natural resources – this is a goal Sartorius Stedim Biotech implements at various levels. Information on environmental protection adopted for Sartorius Stedim Biotech employees is described on pages 38-40.

High Standards in Quality and in Environmental Protection

Sartorius Stedim Biotech is certified according to internationally recognized standards for quality (ISO 9001) and environmental protection (ISO 14001). These two management systems ensure that we comply with quality requirements in the manufacture of our products and are prudent in our use of resources. Originally introduced at our company in Goettingen, Germany, the two standards today set the benchmarks for our international sites. We strive to continuously improve these existing management systems and are working toward their gradual rollout to all our production sites. In the reporting year, all manufacturing sites, except for Tagelswangen, Switzerland, were certified for compliance with the ISO 9001 series of international standards.

Efficient Use of Energy

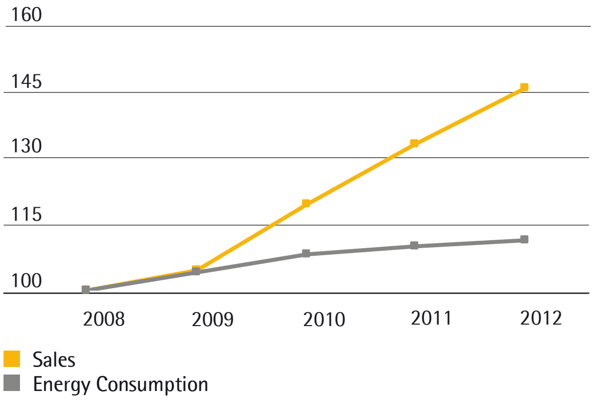
Finding ways to improve our company's energy efficiency is one of our major approaches to reducing carbon dioxide emissions, which represent the only greenhouse gases Sartorius Stedim Biotech emits.

Energy Consumption in Manufacturing and Greenhouse Gases

	2012
Energy consumption (in MWh)	63,491
Electricity (in MWh)	33,460
Natural Gas (in MWh)	26,294
Fuel (in MWh)	3,399
Other energy sources (in MWh)	338
CO_2 Production (in t)	18,457
CO_2 Production per employee (in t)	7.35

Our largest Group site in Goettingen accounts for approximately three-fourths of energy consumption. At this location, Sartorius Stedim Biotech has continuously invested over the past years in measures to increase energy efficiency. For example, we operate a combined heat and power plant (CHP plant) and a compressed air center there for controlling production machines. Compared with the former air center, the energy needs of new unit have been reduced by approximately half. 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. Therefore, energy consumption in Goettingen has remained significantly underproportionate overall over the past years.

Development of Sales[1] and Energy Consumption
in %



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

At its international sites as well, Sartorius Stedim Biotech continuously develops its manufacturing processes and enhances its building facilities to conserve resources. Particularly at our new buildings, we are increasing the proportion of renewable energy sources in our energy mix. At our plant in Yauco, we will be using solar energy to cover around 9% of our energy consumption requirements. Furthermore, at our Guxhagen factory in Germany, we source a part of our energy needs from the local photovoltaic plant.

On the whole, our strategy of supplying our local markets as far as possible directly from our local production facilities helps shorten transportation routes and thus lower carbon dioxide emissions.

Reducing Climate Change

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, France, at the end of 2010. Based on the French "bilan carbone" method, emissions of carbon dioxide and other greenhouse gases were measured in all processes performed upstream and downstream of our manufacturing. The result of this analysis is that raw materials delivered by our suppliers account for roughly 42% of the site's carbon footprint. Other sources adding to its footprint are freight (20%), packaging (12%) and travel of employees to work, business trips and travel by suppliers (14%). Based on this study, we have drawn up a plan of action to further reduce our CO_2 impact.

Sustainable Use of Water

Most of the water that Sartorius Stedim Biotech consumes is used for rinsing processes in the manufacture of filter membranes according to the precipitation bath method. Advanced casting machines help ensure the most efficient use of water. At its sites in Goettingen, Germany, and in Bangalore, India, the company operates its own water treatment systems, thus contributing to sustainable use of this raw material. In Yauco, Puerto Rico, Sartorius Stedim Biotech reduces its usage of drinking water by approximately 85% compared with a conventional plant.

This is based on the low water strategy implemented inside its new building. Just as at our plant in India, we achieve this reduction through an intelligent design for use of rain water.

Water Consumption

	2012
Water consumption (in cbm)	297,450
Water consumtion per employee (in cbm)	118
Waste water (Biological Oxygen Demand-BDO)[1] (in t)	175

[1] Contaminated wastewater only; without sanitary wastewater

Return of Recyclable Materials

Sartorius Stedim Biotech strives to reduce the amount of waste generated and, by using waste sorting systems, contribute toward enabling reusable materials to be recycled and the proportion of waste stored in landfills to be lowered. Moreover, the company safely disposes of hazardous waste.

Amount of Waste

	2012
Total amount of waste (in t)	2,972
of which waste for recycling (in t)	1,869
of which waste for disposal (in t)	1,104
of which non-hazardous waste (in t)	2,285
of which hazardous waste (in t)	687
Waste per employee (in t)	1.18
Recycling quota (in %)	63
Rate of hazardous waste (in %)	23

To recycle organic solvents that Sartorius Stedim Biotech uses in the manufacture of membranes for filter cartridges, we work with a solvent recovery system at our Goettingen site, where the most solvents are needed. The alcohol effluents resulting from membrane production are purified directly on site and then fed back into 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. 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, Sartorius Stedim Biotech is 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 have it disposed of in an environmentally responsible way. To name an example, in 2012 approximately 90% of all waste produced at our French sites in Aubagne and Lourdes and our Tunisian site in Mohamdia 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 5% and returned waste paper for recycling or disposal in an environmentally responsible manner.

Sartorius Stedim Biotech complies with the European Directive on Waste from Electrical and Electronic Equipment (WEEE). At our sites in Germany, we have been using the electronic signature for hazardous materials, such as caustic solutions 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.

Environmentally Friendly Expansion of Our Infrastructure

Inside our new buildings and extended production facilities, we integrate advanced ecological utilities and technologies, and often exceed the requirements imposed on us by local environmental protection regulations. In 2012, Sartorius Stedim Biotech started up operations at three new buildings. For example, in Yauco, which we expanded to serve as the central manufacturing and logistics site for the North American market, Sartorius Stedim Biotech meets the highest U.S. standards for green, resource-saving and efficient construction. So far, Sartorius is the world's only supplier for the pharmaceutical industry to have received Platinum certification on the LEED scale, the certification system for green buildings in the USA. In Goettingen, we have invested in particular in energy-efficient air-conditioning systems and ventilation equipment and use energy-saving LED lighting. At our Guxhagen site, we substantially reduce our consumption of fossil fuels by using geothermal and solar energy.

Sustainable 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. Sartorius Stedim Biotech also works with partners from industry and the scientific community on sustainable product solutions and efficient use of raw materials. For instance, we explore the possibilities for obtaining polymers for membranes and capsules from renewable raw materials or recycled substances, or determine the green house gas emissions released during the manufacture of filter cartridges.

Use of Raw Materials According to Legal Regulations

The raw materials that Sartorius Stedim Biotech uses in its products are primarily solvents and plastics. We established a material management system that tests the safety of all raw materials we use for compliance with environmental protection and occupational safety regulations. In Europe, these include the international RoHS Directive ("Restriction of the use of certain hazardous substances in electrical and electronic equipment") and the European REACH Regulation ("Registration, Evaluation, Authorisation of Chemicals"), as well as with comparable international standards, particularly those for the USA, Canada, China and Japan. Customers are informed by safety data sheets, product safety information and warnings and alerts in operating instructions about any hazardous substances present in products.

High-Performance 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.[1)]

Although single-use products have clear ecological benefits regarding energy and water consumption, their use generates more waste. Yet consistent reuse and recycling could 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.

The integrated solutions of the Sartorius Stedim Biotech FlexAct product range are a further example of this 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.

Thanks to their innovative technology, the new membrane filter series of Sartorius Stedim Biotech reduces the consumption of ultrapure water for wetting and rinsing the membranes by around 95%. The filters' significantly lower adsorption lessens the amount of high-value protein solutions lost. As a result, pharmaceutical manufacturers can substantially reduce the quantity of resources they use, while recovering higher yields.

Our Services unit assists customers in adapting 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.

[1)] 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.

Contributing to Society

Our business activities have many positive effects on the development of the cities and communities where we have been located, for many years in most cases. Especially at our main manufacturing sites, we, as usually one of the largest local private employers and customers, do our part in helping to increase growth and purchasing power. Together with our cooperation partners, we at Sartorius Stedim Biotech actively help shape the economic and social environment. By financially supporting projects in the areas of education, culture, social affairs and sports, we contribute toward making our particular business regions attractive also for our current and future employees alike.

In our social outreach activities that extend beyond individual regions, we concentrate on areas that have a connection to our core business. Fostering research and education, as well as supporting events for the scientific community, remain our chief priorities.

Contributing Toward Regional Employment and Development

The comparably large production facilities of Sartorius Stedim Biotech in Aubagne, Yauco and Goettingen are among the key industrial employers in their respective regions. For instance, at our headquarters in Aubagne, a city with some 40,000 inhabitants, we offer nearly 400 people long-term and attractive jobs. As a member of the two large French employers' organizations MEDEF and CGPME, Sartorius Stedim Biotech collaborates closely with national and local institutes for improving the job market situation. In 2012, for example, the company promoted job application training programs for the unemployed. By expanding our plant in Yauco, we created at least 100 new jobs in the reporting year. As a result, 240 people total have found employment directly at Yauco site of Sartorius Stedim Biotech and around 100 additional people work at the company's local suppliers and subcontractors. In university-oriented Goettingen, Sartorius Stedim Biotech with a workforce numbering more than 1,000 is one of the relatively large private employers. For the rural Hessian region in Guxhagen near Goettingen, our company is also important for this region's local economy.

Our locally based subsidiaries together with representatives from the political, industrial and social communities participate in initiatives that strengthen the competitiveness of their respective regions. Here we focus on areas that are directly or indirectly related to our business activities, such as infrastructure, logistics, environmental protection and education. We maintain an open and constructive dialogue with the various local stakeholders and inform them promptly and comprehensively about all our activities and developments that affect their concerns.

For standard functions, such as maintenance of machines and buildings, plant security or cafeteria operations, we use the services provided by various subcontractors at our local sites. Contracts for such services are awarded according to a standardized bidding procedure to companies that are mostly locally based. Sartorius Stedim Biotech requires its subcontractors to comply with recognized quality and environmental standards. At our headquarters in Aubagne, France, we work together with approximately 20 subcontractors and in Goettingen, with approximately 30.

Promoting sustainable development, long-term cooperation and reliable partnerships is a key tenet of our policy. For instance, we have collaborated for many years with the local community at Aubagne; in 2012, we worked on a new traffic policy for the industrial zone where we are based. In Goettingen, we actively participate in several initiatives and networks, for example, regarding local climate protection. Sartorius Stedim Biotech helps to enhance education, such as by granting scholarships or providing career guidance assistance and funds the charity work of non-governmental organizations. Regarding support for cultural events, Sartorius Stedim Biotech agreed in the reporting year to participate in funding the project for Marseille to be featured as the European capital of culture in 2013.

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

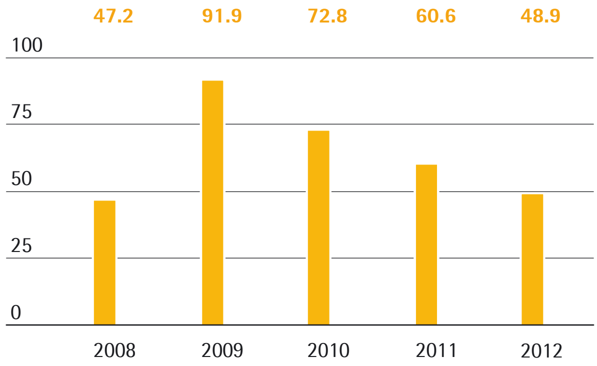
In addition to maintaining long-term alliances with scientific institutions, we regularly take part in symposia, conventions and annual conferences. In 2012, these included, for example, a science week at the Cambridge Healthtech Institute (CHI) for protein development and processing, as well as several events for the bioprocess industry on issues such as the virus safety of biomanufactured medications and the development of biopharmaceuticals. Moreover, Sartorius Stedim Biotech supported the annual meeting of the U.S. Parenteral Drug Association (PDA). Also in the reporting year, we supported the Biotech-forum of the ESIL University in Marseille, France.

Net Worth and Financial Position

Cash Flow

The Sartorius Stedim Biotech Group generated a net cash flow from operating activities of €48.9 million in the reporting period compared to the year-earlier figure of €60.6 million. Essentially, this development is due to non-periodic tax payments of approximately €10 million.

Net Cash Flow from Operating Activities
€ in millions



Investments remained at a high level in the reporting period largely due to our capacity expansion projects. However, net cash flow from investing activities decreased to -€32.9 million compared to -€41.8 million in the previous year, which included the acquisition of a participation in our hitherto franchise partner Sartorius Korea Biotech.

At -€34.3 million net cash flow from financing activities was substantially higher than a year earlier (-€4.9 million), largely due to debt repayments of €16.8m in the reporting year.

Cash Flow Statement
Summary

€ in millions	**2012**	2011
Net cash flow from operating activities	48.9	60.6
Net cash flow from investing activities	−32.9	−41.8
Net cash flow from financing activities	−34.3	−4.9
Cash and cash equivalents	27.8	46.8
Gross debt owed to banks	141.5	146.9
Net debt owed to banks	113.7	100.1

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased by €73.0 million to €793.9 million between December 31, 2011, and the reporting date on December 31, 2012. This was mainly due to the buildup of working capital, predominantly induced by sales growth; expansion of our production capacities; and to cooperation in cell culture media according to the agreement signed in 2012.

On the assets side, non-current assets rose from €500.7 million in 2011 to €568.0 million in 2012, primarily on account of the investments made in our production capacities and the expansion of our product portfolio.

Current assets slightly increased from €220.2 million to €225.8 million due to a rise of €18.4 million in working capital, partly offset by a decrease in cash and cash equivalents of €19.0 million.

Key Working Capital Figures
in days

		2012	2011
Rate of turnover for inventories — Inventories / Sales revenue	x 360	56	50
Rate of turnover for receivables — Trade receivables / Sales revenue	x 360	61	70
Rate of turnover for net working capital — Net working capital[1)] / Sales revenue	x 360	80	78

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

Equity was up from €395.6 million in 2011 to €434.7 million in 2012. Sartorius Stedim Biotech Group's equity ratio stood largely unchanged at 54.8% (December 31, 2011: 54.9%) and thus remained at a very comfortable level.

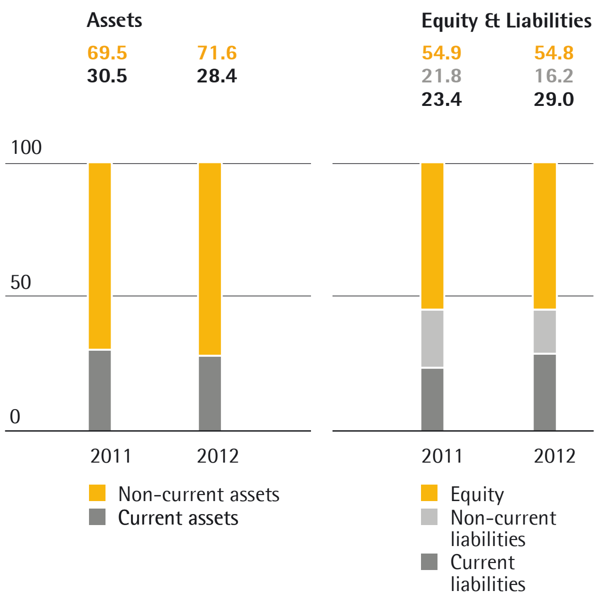
Key Balance Sheet Figures

	2012	2011
Equity ratio — Equity / Balance sheet total	54.8%	54.9%
Long-term-capital-to-fixed-assets ratio — Long-term capital / Fixed assets	100.9%	113.3%

Non-current liabilities were markedly down at €128.7 million as of December 31, 2012, compared to €156.8 million as of December 31, 2011, while current liabilities rose from €168.4 million to €230.5 million. This mainly related to our syndicated loan, which has been reported under current liabilities due to the remaining duration of the contract.

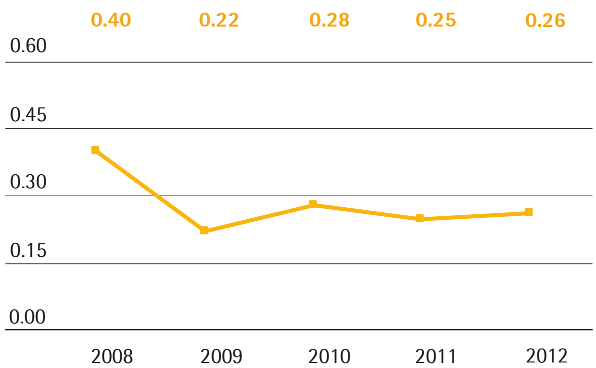
Overall, gross debt slightly decreased from €146.9 million as of December 31, 2011, to €141.5 million as of December 31, 2012. Net debt as of the reporting date stood at €113.7 million compared to €100.1 million a year ago.

Balance Sheet Structure
in %



The ratio of long-term capital to fixed assets decreased from 113.3% to 100.9%. The gearing ratio, which is calculated as the ratio of net debt to equity, remained at a very strong level of 0.26 (December 31, 2011: 0.25).

Gearing Ratio



Financing | Treasury

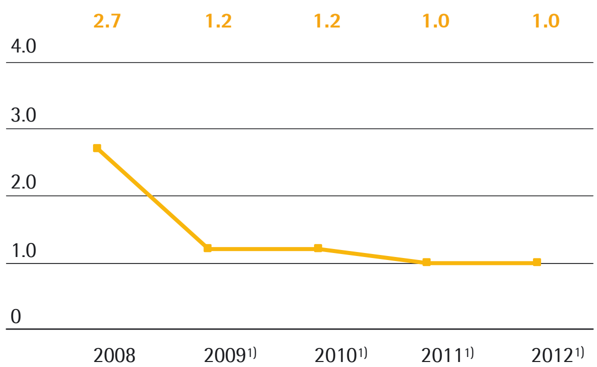
The financing of the Sartorius Stedim Biotech Group is on a broad-based and long-term footing. The key element of this financing consists of a syndicated credit facility, which is for an aggregate total of currently €168.0 million and a term until September 2013.

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 €23 million in total.

The ratio of net debt to underlying EBITDA was at 1.0 for the year ended December 31, 2012, and thus at the same level as of December 31, 2011 (1.0). The interest coverage ratio (ratio of underlying EBITDA to interest payable) further improved to 27.9 (December 31, 2011: 22.5). The key financials therefore remained at excellent levels.

Ratio of Net Debt to EBITDA



[1] 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 about two-thirds of the remaining net currency exposure up to 1.5 years ahead through suitable currency transactions.

The financing of the Sartorius Stedim Biotech Group comprises of both instruments with fixed and variable interest. We generally target to hedge about two-thirds of our bank loans that we have taken out so far at variable interest rates against an increase in the general interest rate level.

Key Financials

	2012	2011
Net-debt-to-EBITDA ratio[1] — Net debt / EBITDA[1]	1.0[2]	1.0[2]
Interest coverage — EBITDA[1] / Interest expenses	27.9[2]	22.5[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, enabling it to take controlling 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 counter-measures 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. Disruptions 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 the reporting year of 2012, we substantially increased the number of framework contracts with the suppliers of strategic raw materials. In addition, we maintain reserve inventories for strategic raw materials, and work with alternative suppliers where possible. Furthermore, in 2012 we introduced a management system for material groups in which our suppliers are also classified according to risk aspects and are centrally supported and managed.

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 standard 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 was introduced in fiscal 2009, 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 significantly mitigates regional risks.

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, a range of other attractive employee benefits, continuous education and training for junior staff members within our organization and advice provided to our employees concerning interesting development opportunities. The success of these measures is apparent in the low attrition rates registered in recent years and the high seniority of our people on average 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 that are arranged centrally for the most part 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 122).

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 123).

Liquidity Risks

In April 2011, we refinanced one of the two existing syndicated credit agreements at favorable terms and with an increased credit volume. This new agreement runs until April 2016. No changes have been made to the second syndicated credit agreement, which runs until September 2013 under the existing terms. We currently have an aggregate total of €378 million available under the two agreements. In November 2012, moreover, a note loan, a so-called "Schuldscheindarlehen," was issued with long terms of maturity. As a result, our Group financing moved onto an even broader long-term footing in the reporting year. The majority of our fixed assets are covered by long-term capital. We ensure solvency at all times throughout the Group by means of short-, mid- and long-term liquidity planning and the use of advanced treasury software. (See section 4, chapter 28 - part G - page 124).

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

Sartorius has an environmental management system in place that encompasses, and is integrated into, all divisions and covers a whole series of environmentally relevant regulations to minimize risks in this area. This management system is certified for compliance with ISO 14001 at the company's relatively large manufacturing sites. The respective company organizational units ensure at the particular sites that the laws and regulations relating to environmental protection are observed and that further technical possibilities for limiting environmental risks are continuously identified.

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). Furthermore, our company's existing IT applications and IT systems are checked for potential risks in regular external and internal IT audits 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. In 2012, Sartorius began operating a new ERP system that as of 2013 will be successively rolled out at further Group sites. In conducting this IT project, we have continued to focus on controlling the risks involved, such as by maintaining a running backup system.

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.

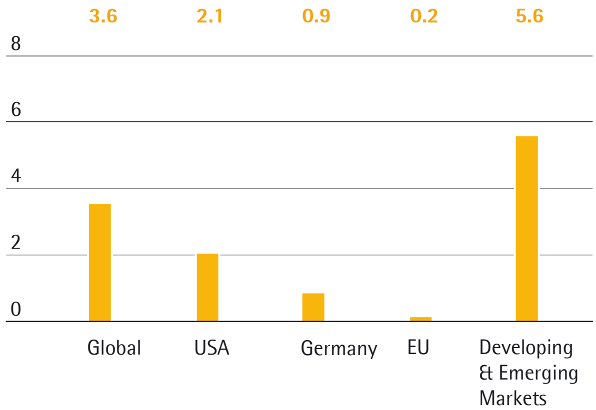
Forecast Report

Future Macroeconomic Environment

Global economic growth is likely to increase slightly year on year to 3.6% in 2013 according to figures from the IMF (2012: 3.3%).

Average economic growth in the industrialized countries is forecast to rise slightly from 1.3% in 2012 to 1.5% in 2013.

Forecasted GDP Growth Rates for 2013
in %



Source: International Monetary Fund

The IMF expects the rate of growth in the U.S. economy in 2013 to be broadly similar to the previous year at 2.1% (2012: +2.2%), although these figures are subject to significant risk factors in the form of the expiry of various tax cuts at the end of 2012 and the reduction of the budget deficit and associated spending curbs.

For Germany the IMF forecasts only negligible growth, with GDP expected to increase by 0.9% just as in the previous year. This figure reflects the general economic weakness of Europe as it wrestles with the debt crisis.

France can expect to see a mild improvement in economic activity leading to growth of 0.4% (2012: 0.1%) according to economists, who suggest the country's tax breaks for business will begin to bear fruit from the second half of 2013. Poor competitiveness, the experts suggest, will though continue to hold back the recovery in France.

Average growth across the emerging countries will increase to 5.6% in 2013 according to IMF (2012: 5.3%) with China leading the way at 8.2% (2012: 7.8%).

The IMF forecast for Japan puts estimated economic growth at 1.2%, significantly lower than in the previous year (2012: 2.2%).

Future Exchange and Interest Rate Trends

It is expected that the leading central banks will keep interest rates at their current low level during 2013. Further cuts in the main financing rates remain a possibility in the eurozone. Forecasts for the euro-US dollar exchange rate over the course of 2013 range between 1.10 US dollar | euro and 1.40 US dollar | euro.

Sources: International Monetary Fund, World Economic Outlook October 2012; OECD: National Statistics; Reuters.

Stable Growth in the Pharmaceutical Sector

Experts at IMS Health expect continued growth in the global pharmaceutical markets going forward.

Demographic change, steadily increasing access to healthcare in the emerging and developing countries and a general rise in lifestyle and chronic diseases will remain the primary factors driving expansion in the sector, although the development of new drugs will also help to fuel growth.

Market researchers at IMS Health are forecasting overall growth of between 3% and 6% for the global pharmaceutical industry in the period 2012 to 2016.

Growth in the Sector Especially Strong in the Emerging Countries

The strongest growth is again expected to come in what are known as the pharmerging markets, a label IMS Health applies to 17 countries: Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam. Growth of between 12% to 15% is predicted here in the period 2012 to 2016. Population growth, the expansion of state healthcare provision and higher private spending are driving up demand for healthcare rapidly in these countries and the share of the global pharmaceutical market accounted for by the pharmerging markets is consequently forecast to increase by around ten percentage points to 30% over the next five years.

Pharmaceutical markets in the countries of the West, in contrast, are predicted to expand only moderately in the years 2012 to 2016. IMS is forecasting average growth of just 1% to 4% (CAGR 2012 - 2016) over the next few years for North America, for example, while Europe is expected to see a slight fall of 1 - 2% (CAGR 2012 - 2016) as a result of the austerity measures imposed on healthcare systems following the financial and debt crises.

Strong Long-Term Trends Drive Further Growth

Global Trends ►

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

Pharma Market

- Average growth[1] 3% – 6%

▼

Biopharma Market

- Average growth[1] 6% – 9%

▼

Single-use Technologies

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

◄ **Sector Trends**

- Patent expiries
- Increasing cost pressure, e.g., due to healthcare reforms

◄ **Trends toward Biotech**

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

Technology Trends ►

- Higher yields and efficiencies in cell cultivation
- Availability of innovative single-use technologies
- Higher flexibility in change-over of manufacturing systems (multi-purpose)

[1] IMS Institute of Healthcare Informatics. The Global Use of Medicines: Outlook Through 2015

Biopharma Sector Still Growing Faster than the Market as a Whole

The biopharma segment of the pharmaceutical market has been enjoying particularly strong growth for years. According to forecasts from the experts at IMS Health, it should continue to outperform the market as a whole going forward too, with growth of between 6% and 9% forecast for the segment in the period through 2015. Market researchers at Business Insights, meanwhile, expect average growth of around 8% (CAGR 2010 - 15).

EvaluatePharma predicts that the proportion of sales of the pharmaceuticals market accounted for by medications manufactured using biotech methods will increase from 20% in 2012 to 23% in 2016.

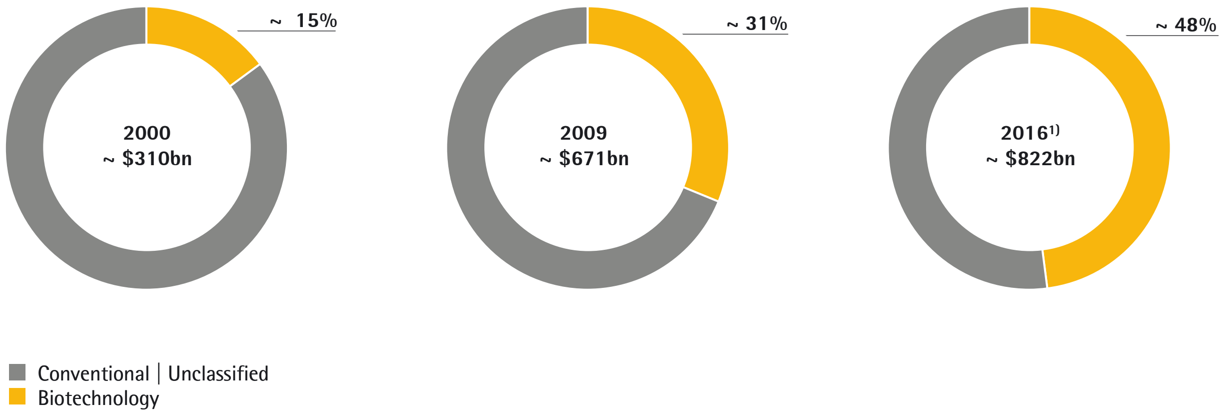
These predictions for future growth are largely based on the anticipated launch of numerous new biopharmaceuticals and the addition of new indications for existing drugs produced using biotech methods. Some 300 monoclonal antibodies are currently undergoing clinical development (Phase I-III).

Total sales revenues generated with drugs produced using biotech methods are expected to rise to U.S. $200-210 billion in the medium term, while biosimilars are predicted to reach sales revenues of U.S. $4-6 billion or 2% of spending on biologics.

Biopharma: A Growing Market

Percentage of Worldwide Rx & OTC Pharmaceutical Sales from Biotech vs. Conventional Technology

Biotech Share within Top 100 Products



[1] 2016 Split:
Biotech: n=41 (avg. $2.85bn), Conv.: n=59 (avg. $2.2bn)

Source: Evaluate Pharma®, 30 APR 2010

Investment in Public-sector Research

Research economists generally believe public investment in research and development will pick up again in the long term despite the macroeconomic risks. Emerging countries with large markets, such as China and India, have made substantial funding available for business, science and education, as have several of the industrialized nations. Government plans in China provide for massive investment in pharmaceuticals research and the pharmaceutical industry.

Sources: 2012, IMS Health: IMS The Global Use of Medicine: Outlook Through 2015/2016, 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.

Future Business Development

As we supply the biopharmaceutical industry, our business development is generally driven by stable long-term trends. Therefore, economic fluctuations play less of a role than, for example, decisions of regulatory agencies, such as granting or denying approval of new mediations. 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 8% and 11% in constant currencies in 2013. The cooperation in cell culture media, based on the agreement signed in December 2012 with the Swiss life science group Lonza, is projected to contribute around three percentage points to this growth. We expect our business with single-use products to grow more strongly again than our equipment business. Furthermore, management expects the underlying EBITA margin to rise to around 19%. (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, 2012

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 2012, sales revenue generated at Sartorius Stedim Biotech S.A. was €81,942 K relative to €71,855 K in 2011, a gain of 14%. The operating profit was €3,575 K. The net financing income totaled €22,443 K.

The net profit for 2012 is €26,198 K compared to €23,860 K in 2011.

Appropriation of the Net Profit

The Annual General Shareholders' Meeting (AGM) will suggest to appropriate the net profit of €26,197,848.82 for the reporting year of 2012 as follows:

- Legal reserves: €936.84

- Balance resulting from deduction of legal reserves: €26,196,911.98

- The following amount is to be added to this balance: Year-earlier profit carried forward: €19,646,717.82

- This would yield a distributable profit of €45,843,629.80

- Total amount of dividends to be disbursed to shareholders: €16,876,855.60

- Balance resulting from disbursement: €28,966,774.20. The remaining amount of €28,966,774.20 is to be carried out to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €1.10 will be paid for every share with a par value of €0.61.

The Annual Shareholders' Meeting acknowledges having been informed of the new tax regulations on dividends according to the 2013 Finance laws which abolished the right to choose for a withholding tax of 21% and is now submitting dividends and other distributions to progressive scales of tax income, after application, if any, of the 40 % allowance retained without modification, in accordance with Article 158-3-2° to 4° of the French General Code.

The dividend will be paid out on April 19, 2013.

The amounts distributed after January 1, 2010, 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, 2011	15,327,238	0
Dec. 31, 2010	13,783,264	0
Dec. 31, 2009	10,183,633	0

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2012

Total capital amounts to ten million three hundred and ninety-five thousand one hundred and ninety-six euros and sixty-six cents (€10,395,196.66). It is divided into 17,041,306 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 2012 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 2008	Exercise of share subscription options	0.61	3,222.0	30,186.3	5,200	16,903,188	10,310,944.7
2nd half of 2008	Exercise of share subscription options	0.61	11,773.0	119,158.0	19,300	16,922,488	10,322,717.7
1st half of 2009	Exercise of share subscription options	0.61	19,459.0	269,126.0	31,900	16,954,388	10,342,176.7
2nd half of 2009	Exercise of share subscription options	0.61	11,183.1	190,160.6	18,333	16,972,721	10,353,359.8
1st half of 2010	Exercise of share subscription options	0.61	16,266.9	486,939.4	26,667	16,999,388	10,369,626.7
2nd half of 2010	Exercise of share subscription options	0.61	8,576.6	228,599.9	14,060	17,013,448	10,378,203.3
1nd half of 2011	Exercise of share subscription options	0.61	6,100.0	134,400.0	10,000	17,023,448	10,384,303.3
2nd half of 2011	Exercise of share subscription options	0.61	1,525.0	72,250.0	2,500.0	17,025,948	10,385,828.3
1st half of 2012	Exercise of share subscription options	0.61	5,098.0	173,446.0	8,358.0	17,034,306	10,390,926.3
2st half of 2012	Exercise of share subscription options	0.61	4,270.0	202,300.0	7,000.0	17,041,306	10,395,196.3

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2012

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, 2012.

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

	December 31, 2010			December 31, 2011			**December 31, 2012**		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	**Number of shares**	**% of share capital**	**% of voting rights**
Sartorius AG	9,770,178	57.4%	57.6%	9,770,178	57.4%	71.9%	9,770,178	57.3%	72.5%
Single voting rights	9,770,178	57.4%	57.6%						
Double voting rights				9,770,178	57.4%	71.9%	9,770,178	57.3%	72.5%
VL Finance [a]	1,642,095	9.7%	19.4%	1,642,095	9.6%	12.1%	1,642,095	9.6%	12.2%
Single voting rights									
Double voting rights	1,642,095	9.7%	21.2%	1,642,095	9.6%	12.1%	1,642,095	9.6%	12.2%
Total Sartorius Group	**11,412,273**	**67.1%**	**77.0%**	**11,412,273**	**67.0%**	**84.0%**	**11,412,273**	**67.0%**	**84.6%**
Treasury shares	1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%
Personnel and other shareholders									
General public	3,902,465	22.9%	23.0%	3,914,965	23.0%	16.0%	3,930,323	23.1%	15.4%
Single voting rights	3,902,465	22.9%	23.0%	3,495,225	20.5%	12.9%	3,719,587		13.8%
Double voting rights				419,740	2.5%	3.1%	210,736		1.6%
Total shares	**17,013,448**	**100.0%**	**100.0%**	**17,025,948**	**100.0%**	**100.0%**	**17,041,306**	**100.0%**	**100.0%**

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

Legal Disclosure of Thresholds Crossed

In 2012, no legal disclosure of thresholds crossed has been registered by the company.

Control of the Company as of December 31, 2012

Sartorius AG holds, directly or indirectly, 67% of the share capital and 85% of the outstanding 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.

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	9.97%

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

Share Subscription Plan

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.

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, 12 to Dec. 31, 12	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	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	Oct. 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	3,358	16,642	0	2
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	0	5,000	0	1
June 10, 2005	Nov. 10, 2005	35,000	0	0	2	29.51	12,000	3,000	0	1
Total		**684,560**	**0**	**0**	**51**		**15,358**	**24,642**	**0**	**4**
									24,642	

* AGM = Annual General Shareholders' Meeting

Development of the number of stock options between January 1, 2010, and December 31, 2012:

	2012	2011	2010
Outstanding shares at January 1	40,000	52,500	93,227
Allocated during the period	0	0	0
Cancelled during the period	0	0	0
Exercised during the period	–15,358	–12,500	–40,727
Lapsed during the period	0	0	0
Outstanding at December 31	**24,642**	**40,000**	**52,500**

Share Capital Dilution

At December 31, 2012, the total number of shares capable of being issued on the basis of performance-based share subscription options was a potential 24,642 shares, or 0.14%, of the fully diluted share capital.

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2012

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2012 Fiscal Year

None

Options Exercised during the Fiscal Year

Of the 15,358 options exercised during the fiscal year, the ten most significant beneficiaries accounted for a total of 15,358 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 17, 2012, the Annual General Shareholders' Meeting voted for payment of a net dividend of €1.00 per share. The dividend was available for payment on April 20, 2012.

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 €	2011	2010	2009	2008	2007
Dividend per share for the fiscal year	1.00	0.90	0.60	0.30	0.30
Number of shares	15,327,238	15,314,738	16,972,721	16,922,488	16,897,988
Dividend corrected per share[1)]	**1.00**	**0.90**	**0.66**	**0.33**	**0.33**

[1)] Compared to the number of shares as of December 31, 2011

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 2012 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 163 K will be paid in directors' meeting attendance fees for 2012.

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
Total	**2011**	**1,460.0**	**963.0**	**598.0**	**195.0**	**0.0**	**0.0**	**0.0**
Total	**2012**	**1,555.0**	**960.0**	**860.0**	**508.0**	**0.0**	**0.0**	**0.0**
Joachim Kreuzburg[1] 2011		568.0	318.0	416.0	156.0	0.0	0.0	0.0
Joachim Kreuzburg[1] 2012		603.0	272.0	599.0	366.0	0.0	0.0	0.0
Reinhard Vogt[3] 2011		356.0	197.0	182.0	39.0	0.0	0.0	0.0
Reinhard Vogt[3] 2012		374.0	166.0	261.0	142.0	0.0	0.0	0.0
Volker Niebel[4] 2011		270.0	224.0	0.0	0.0	0.0	0.0	0.0
Volker Niebel[4] 2012		290.0	261.0	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
Oscar-Werner Reif[5] 2012		288.0	261.0	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. 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. 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 Christophe Perrau.
  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, 2012, the balance of trade payables totaled € 7,070,317.00 these trade payables were comprised of the following:

- 88.50% of invoices to be paid in 30 days regarding the invoice issue dates,

- 0.42% of invoices to be paid in 60 days regarding the invoice issue dates.

At the same date, the cumulative overdue trade payables amounted to 11.09%.

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

€ in K	2008	2009	2010	2011	**2012**
Share capital at end of period					
Share capital (capital stock)	10,323	10,353	10,378	10,386	10,395
Number of shares outstanding	16,922,488	16,972,721	17,013,448	17,025,948	17,041,306
Transactions and financial performance					
Sales revenue (excl. VAT)	46,655	64,626	65,026	71,855	81,942
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	–6,298	16,067	25,884	23,617	26,218
Income tax	–1,364	1,813	1,185	1,069	678
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	5,654	14,160	21,066	23,860	26,198
Dividends paid or proposal of dividend	5,071	10,184	13,783	15,327	16,877
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	–0.29	1.05	1.59	1.45	1.58
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	–0.38	0.84	1.24	1.40	1.54
Dividend per share	0.30	0.60	0.90	1.00	1.10
Personnel					
Workforce size	285	299	293	336	388
Personnel costs	10,577	11,381	11,177	11,843	14,171
Social security costs	5,431	5,758	6,007	6,574	7,970

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, 2012

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.

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 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.

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

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 17, 2012
Appointed until: date of the Annual General Shareholders' Meeting in 2015 to approve the financial statements for the fiscal year ending December 31, 2014

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 Services
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 India Pvt. 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 Hong Kong Ltd., Hong Kong, China;
Member of the Board of
Sartorius Stedim Switzerland AG, Switzerland;
Member of the Board of Sartorius Japan K.K.;
Member of the Board of Sartorius Stedim Japan K.K.;
Member of the Board of Sartorius Korea Ltd.

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

1979–1983	Sarstedt AG, Nuembrecht, Germany General Manager of Sarstedt AB, Sweden
1983–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Sales & Marketing, Biotechnology Division
Since 2007	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2009	Member of the Executive Board 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: 202 744

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.
Member of the Supervisory Board of:
Azulis Capital S.A., Paris;
Solon Ventures Ltd., London;
Qualium Investments S.A.S., Paris.

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: 200

Other current directorships and positions outside the Group:
President of Aidea;
President of Groupe HR S.A.S.;
Director of The Princess Grace of Monaco Foundation

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 2012.

Remuneration Committee

The Remuneration Committee is currently composed of four members:

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

Mr. 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 2012.

For more information on the organization, functions and activities of each Committee during fiscal 2012, 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 eleven times during fiscal 2012.

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, 2012, 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 will change the number of its members in 2013, initialy planned in 2012, taking into account 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 2012

The Board of Directors met five times during the fiscal year. The average attendance was 95%.

The Board reviewed and approved the corporate and consolidated accounts for 2011.

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.
– Bylaws harmonization according to the decrees n°2010 - 684 of 23 June 2010, n°2010 - 1619 of 23 December 2010 to the ruling n°2010 - 1511 of 9 December 2010 and to the law 2011 - 103 of 27 January 2011 and to the following bylaws modifications.
– Investment in Tunisia.
– Implementation of cash pooling between France and Germany.
– Legal reorganization: split of Sartorius Stedim Biotech SA activities in a pure holding company and a manufacturing company.
– Significant off-balance sheet commitments.
– Risk indicators for the Group.
– Internal organization projects.
– Stock market performance.
– Self assessment of the Board members.
– Project of strategic cooperation with Lonza.

The Board members carried out for the third 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 2012, 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.

For the first time this year the Audit Committee had a discussion on environmental and societal responsibilities.

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 2012:

The Audit Committee met five times during the fiscal year. The average attendance was 86%.

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.
- Implementation of cash pooling between Germany and France.

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 2012:

The Remuneration Committee met twice during the fiscal year. The average attendance was 75%.

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 will recommend to renew the mandates of Joachim Kreuzburg, Reinhard Vogt, Volker Niebel, Arnold Picot, Bernard Lemaître, Liliane de Lassus and Henri Riey for a three-year period until the 2016 ASM deciding upon the financial statements ended December 31, 2015.

The Remuneration Committee will propose to the Board of Directors the nomination of an additional Director during the 2013 financial year so that the Group complies with the regulations in terms of equality between men and women.

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 77 to 84).

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. Joachim 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 71 and 72.

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 2012

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, the initial training process has been closed and transfered to controlled operation.

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. Hereto in 2012 the Groups Risk Management Handbook was revised and is expected to enter into force within short. In addition a process of defining mandatory minimum standards of internal controls applying to all Group companies has been initiated and will be pursued further in 2013.

Aubagne, February 27, 2013

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 2012	Year 2011
Due remuneration	1,474	1,302
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	366	156
Total	**1,840**	**1,458**

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	Year 2012	Year 2011
Due remuneration	551	494
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	0	0
Total	**551**	**494**

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

€ in K	Year 2012	Year 2011
Due remuneration	801	735
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	142	39
Total	**943**	**774**

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

€ in K	Year 2012	Year 2011
Due remuneration	549	490
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	0	0
Total	**549**	**490**

Summary of the Remuneration for Each Corporate Officer

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

	Year 2012		Year 2011	
€ in K	Due amounts	Paid amounts	Due amounts	Paid amounts
Fixed remuneration		585		550
Variable remuneration[2)]	272		318	
Long-Term Incentive[3)]	965		572	
Exceptional remuneration				
Director fees				
Benefits in kind[4)]		18		18
Total	**1,237**	**603**	**890**	**568**

1) Joachim Kreuzburg receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group. 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 the ratio of net debt to EBITDA.
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)

€ in K	Year 2012 Due amounts	Year 2012 Paid amounts	Year 2011 Due amounts	Year 2011 Paid amounts
Fixed remuneration		280		260
Variable remuneration[2)]	261		224	
Exceptional remuneration				
Director fees				
Benefits in kind[3)]		10		10
Total	**261**	**290**	**224**	**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 the ratio of net debt to EBITDA.
[3)] Company car

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

€ in K	Year 2012 Due amounts	Year 2012 Paid amounts	Year 2011 Due amounts	Year 2011 Paid amounts
Fixed remuneration		280		260
Variable remuneration[2)]	261		224	
Exceptional remuneration				
Director fees				
Benefits in kind[3)]		8		6
Total	**261**	**288**	**224**	**266**

[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 the ratio of net debt to EBITDA.
[3)] Company car

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

€ in K	Year 2012 Due amounts	Year 2012 Paid amounts	Year 2011 Due amounts	Year 2011 Paid amounts
Fixed remuneration		358		340
Variable remuneration[2)]	166		197	
Long-Term Incentive[3)]	403		221	
Exceptional remuneration				
Director fees				
Benefits in kind[4)]		16		16
Total	**569**	**374**	**418**	**356**

[1)] Reinhard Vogt receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group. 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 the ratio of net debt to EBITDA.
[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

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

€ in K	Year 2012	Year 2011
Bernard Lemaître		
Director fees	41	42
Other remuneration		
Arnold Picot		
Director fees	47	45
Other remuneration		
Liliane de Lassus		
Director fees	31	28
Other remuneration		
Henri Riey		
Director fees	44	45
Other remuneration		
Total	**163**	**160**

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

Name of the executive corporate officer	Date of the plan	Nature of options	Valuation of these options with regard to calculation method	Number of options granted during the rerpoting period	Price of exercised options	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		4,416	279	Jan. 01, 2012	Jan. 01, 2016	
Volker Niebel		0				
Reinhard Vogt		2,699	170	Jan. 01, 2012	Jan. 01, 2016	
Oscar-Werner Reif		0				
Liliane de Lassus						
Bernard Lemaître						
Henri Riey						
Total		**7,115**	**449**			

[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. 2012								
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	15,358	24.47	0	0	0	0	0	3,358	0	12,000

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 Lab Products and Services. 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 Lab Products and Services. 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) and ratio of net debt to EBITDA) 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 three 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.

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 in 2011. 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.

Pension Commitments

Executive Board members receive pension commitments when reappointed for the first time. Until now, the level of their entitlement to benefits paid under a company pension scheme had been calculated based on the salary of a German federal civil servant of salary class B for ministry officials according to the Federal Civil Service Remuneration Act (Bundesbesoldungsgesetz), and depended on the term of their respective appointments. Benefits under the company pension scheme are still granted in the form of a retirement pension for old age and invalidity and in the form of survivors' benefits for the surviving spouse and children of the decedent. After a member has turned 65, this shall be considered the regular age limit at which this member shall automatically retire.

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

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

Other Remuneration Components

In the reporting year, the remuneration policy was amended to include a rule to authorize the Supervisory Board to grant special remuneration, according to equitable discretion, to an Executive Board member for the latter's extraordinary performance.

Severance Cap

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

Fringe Benefits

The members of the Executive Board are each entitled to use a company car, reclaim expenses incurred on business travel and to be covered by accident insurance and D&O insurance as fringe benefits in addition to receiving the remuneration components mentioned. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

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, 2012

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, 2012.

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, February 27, 2013

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Christophe Perrau	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 Christophe Perrau.
First commissioned by the Annual General Shareholders' Meeting on May 19, 2006. Date commission expires: 2018 Annual General Shareholders' Meeting to aoprove the 2017 financial statements.

Member of Compagnie régionale de Versailles.

Independent Auditors' Fees

				Ernst & Young				Deloitte
€ in K		**2012**		2011		**2012**		2011
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	129	94.9%	115	92.0%	129	20.9%	115	17.3%
Subsidiaries	5	3.7%	5	4.0%	391	63.5%	332	49.8%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**134**	**98.5%**	**120**	**96.0%**	**520**	**84.4%**	**447**	**67.1%**
Other services								
Legal, tax, corporate					18	2.9%	50	7.5%
Information technology, other	2	1.5%	5	4.0%	78	12.7%	169	25.4%
Subtotal	**2**	**1.5%**	**5**	**4.0%**	**96**	**15.6%**	**219**	**32.9%**
Total	**136**	**100%**	**125**	**100%**	**616**	**100%**	**666**	**100%**

Substitute Independent Auditors

Auditex

Tour Ernst & Young – Faubourg de l'Arche – 92037 Paris-La Défense Cedex
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.

Member of Compagnie régionale de Versailles.

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: 2018 Annual General Shareholders' Meeting to approve the 2017 financial statements.

Member of Compagnie régionale de Versailles.

			Other				**Total**
	2012		2011		**2012**		2011
				258	22.9%	230	19.8%
273	72.4%	296	80.4%	669	59.3%	633	54.6%
273	**72.4%**	**296**	**80.4%**	**927**	**82.1%**	**863**	**74.5%**
58	15.4%	45	12.2%	76	6.7%	95	8.2%
46	12.2%	27		126	11.2%	201	17.3%
104	**27.6%**	**72**	**19.6%**	**202**	**17.9%**	**296**	**25.5%**
377	**100%**	**368**	**100%**	**1,129**	**100%**	**1,159**	**100%**

Consolidated Financial Statements and Notes

04

Statement of Financial Position

Assets	Notes	**Dec. 31, 2012 € in K**	Dec. 31, 2011 € in K[1]
A. Non-current assets			
I. Goodwill	[13]	279,515	254,608
II. Intangible assets	[13]	117,274	98,733
III. Property, plant and equipment	[14/15]	160,291	131,569
IV. Investments	[16]	1,236	2,764
		558,316	**487,674**
V. Receivables and other assets	[19]	1,056	576
VI. Deferred tax assets	[17]	8,655	12,435
		568,027	**500,685**
B. Current assets			
I. Inventories	[18]	85,079	66,432
II. Trade receivables	[19]	92,202	92,482
III. Current tax assets	[19]	6,501	3,384
IV. Other assets	[19]	14,251	11,030
V. Cash and cash equivalents		27,807	46,825
		225,839	**220,153**
Total assets		**793,866**	**720,838**

Equity and Liabilities	Notes	**Dec. 31, 2012 € in K**	Dec. 31, 2011 € in K[1]
A. Equity			
I. Issued capital	[20]	10,395	10,386
II. Capital reserves	[21]	278,782	278,406
III. Retained earnings (including net profit)	[21]	142,819	105,167
IV. Non-controlling interest		2,727	1,667
		434,723	**395,626**
B. Non-current liabilities			
I. Pension provisions	[22]	23,058	17,640
II. Deferred tax liabilities	[17]	29,407	29,921
III. Other provisions	[23]	3,892	3,733
IV. Loans and borrowings	[24]	35,636	103,945
V. Other liabilities	[24]	36,690	1,589
		128,683	**156,828**
C. Current liabilities			
I. Provisions	[25]	4,433	5,370
II. Trade payables	[26]	56,952	55,935
III. Loans and borrowings	[26]	105,859	42,996
IV. Current tax liabilities	[26]	3,777	19,108
V. Other liabilities	[26]	59,440	44,977
		230,461	**168,385**
Total equity and liabilities		**793,866**	**720,838**

[1] The figures 2011 have been slightly adjusted due to final PPA of Sartorius Korea Biotech Co. Ltd. according to IFRS 3.

Income Statement

	Notes	**2012 12 months € in K**	2011 12 months € in K
1. Sales revenue	[30]	543,964	477,300
2. Cost of sales	[31]	–269,455	–238,880
3. Gross profit on sales		**274,510**	**238,420**
4. Selling and distribution costs	[32]	–113,586	–100,128
5. Research and development costs	[33]	–30,972	–28,580
6. General administrative expenses	[34]	–29,286	–26,329
7. Other operating income and expenses	[35]	–5,460	–4,517
8. Earnings before interest, taxes and amortization linked to the business combinations (EBITA)[1)]		**95,205**	**78,866**
9. Amortization[2)]		–8,005	–7,711
10. Earnings before interest and taxes (EBIT)		**87,201**	**71,155**
11. Interest and similar income	[36]	2,929	978
12. Interest and similar expenses	[36]	–6,671	–7,466
13. Financial result		**–3,742**	**–6,488**
14. Profit before tax		**83,459**	**64,667**
15. Deferred tax income I expenses	[37]	–3,982	3,591
16. Income tax expense	[37]	–19,999	–23,113
17. Other taxes		–1,592	–1,955
18. Taxes		**–25,573**	**–21,477**
19. Net profit for the period		**57,886**	**43,190**
Attributable to:			
20. Equity holders of Sartorius Stedim Biotech		**56,756**	**43,053**
21. Non-controlling interest		1,130	137
Earnings per share (€)	[38]	3.70	2.81
Diluted earnings per share (€)	[38]	3.70	2.80

[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

	2012 12 months € in K	2011 12 months € in K
Net profit for the period	57,886	43,190
Net gain | (losses) on cash flow hedges	1,783	–4,617
Actuarial gains I (losses) from pension provisions	–4,833	–148
Currency translation differences	–1,723	3,280
Net investment in a foreign operation	304	–777
Deferred taxes	711	1,672
Net income recognized directly in equity	**–3,758**	**–590**
Comprehensive income	**54,128**	**42,600**
Attributable to:		
Equity holders of Sartorius Stedim Biotech	52,967	42,433
Non-controlling interest	1,161	167

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, 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	23	0	23	10	33
Balance at Dec. 31, 2011 I Jan. 1, 2012	**10,386**	**278,406**	**–2,525**	**–1,816**	**106,368**	**3,141**	**393,959**	**1,667**	**395,626**
Comprehensive income	**0**	**0**	**1,248**	**–3,387**	**56,969**	**–1,863**	**52,967**	**1,161**	**54,128**
Stock options	9	376	0	0	0	0	385	0	385
Dividends	0	0	0	0	–15,325	0	–15,325	–104	–15,429
Other changes	0	0	0	0	10	0	10	3	13
Balance at December 31, 2012	**10,395**	**278,782**	**–1,277**	**–5,203**	**148,021**	**1,278**	**431,996**	**2,727**	**434,723**

Statement of Cash Flows

	Notes	**2012 12 months € in K**	2011 12 months € in K
Cash flows from operating activities			
Net result		57,886	43,190
Income tax expense	[37]	25,573	21,477
Financial expenses	[36]	3,742	6,488
Depreciation | amortization of fixed assets		25,868	24,484
Increase | decrease in provisions	[23/25]	–1,355	434
Increase | decrease in receivables	[19]	–294	–12,239
Increase | decrease in inventories	[18]	–18,981	–13,513
Increase | decrease in liabilities	[26]	–1,541	11,210
Gains from the disposal of fixed assets		–3,522	–818
Income taxes paid	[37]	–38,448	–20,120
Net cash flow from operating activities		**48,927**	**60,593**
Cash flows from investing activities			
Payments for financial assets	[16]	–121	–15
Payments for property, plant and equipment	[14/15]	–33,883	–32,786
Income from the disposal of fixed assets	[14/15]	5,964	1,642
Payments for intangible assets	[13]	–4,900	–5,766
Effects from business combinations		0	–4,923
Net cash flow from investing activities		**–32,940**	**–41,848**
Cash flows from financing activities			
Changes in capital		385	215
Interest received	[36]	929	800
Interest paid	[36]	–3,432	–4,283
Other financial charges		0	–218
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech SA		–15,325	–13,779
- Non-controlling interest		–104	0
Changes in non-controlling interest		0	0
Loans and borrowings repaid (-) | raised (+)	[24/26]	–16,751	12,405
Net cash flow from financing activities		**–34,297**	**–4,860**
Net increase | decrease in cash and cash equivalents		–18,310	13,885
Cash and cash equivalents at the beginning of the period		46,825	29,661
Net effect of currency translation on cash and cash equivalents		–709	3,280
Cash and cash equivalents at the end of the period		**27,807**	**46,825**
Gross debt owed to banks		**141,495**	**146,940**
Net debt owed to banks		**113,688**	**100,115**

Notes on 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, 2012, are compliant with the Standards and Interpretations IFRS and IFRIC of the IASB as adopted by the European Union on December 31, 2012, and that are available at the following site:

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

As of December 31, 2012, 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 27, 2013.

These consolidated financial statements will be submitted for approval by the Shareholders' Meeting on April 16, 2013.

These accounting principles applied are consistent with those used in the preparation of the consolidated statements for the year ended December 31, 2011, with the exception of the following new Standards and Interpretations that were obligatorily adopted as of December 2012.

Regarding the Standards and Interpretations adopted by the European Union for which the application is not obligatory as of January 1, 2012, 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, 2012:

– Please refer to the following table:

Standard | Interpretation	Title	Applicable for financial years from	Endorsement by the EU commission
Standard			
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	July 1, 2012	Yes
Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	January 1, 2013	Yes
Amendments to IFRS 1	Government Loans	January 1, 2013	No
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013	Yes
IFRS 13	Fair Value Measurement	January 1, 2013	Yes
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets	January 1, 2013	Yes
Amendments to IAS 19	Employee Benefits	January 1, 2013	Yes
Various	Annual Improvements to IFRSs 2009–2011 (issued in May 2012)	January 1, 2013	No
IFRS 10	Consolidated Financial Statements	January 1, 2014	Yes
IFRS 11	Joint Arrangements	January 1, 2014	Yes
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2014	Yes
Amendments to IFRS 10, IFRS11 & IFRS 12	Transition Guidance	January 1, 2014	No
Amendments to IFRS 10, IFRS12 & IAS 27	Investments Entities	January 1, 2014	No
Revised IAS 27	Separate Financial Statements	January 1, 2014	Yes
Revised IAS 28	Investments in Associates and Joint Ventures	January 1, 2014	Yes
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	Yes
IFRS 9	Financial Instruments	January 1, 2015	No
Interpretation			
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	Yes

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 and liabilities arising from finance leases; 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., the segments are defined analogously to the internal control and reporting structure of an entity. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses; ist operating results are regularly reviewed by the entity's chief operating decision maker (= the Executive Committee of the Board of Directors) and discrete financial information is available in ist internal reporting. Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solution provider" for our customers. Accordingly, the identification for Sartorius Stedim Biotech's reportable operating segment is Biopharm.

The key performance indicators of the operating segments of the Sartorius Stedim Biotech Group continue to be EBITA and so-called "underlying EBITA." EBITA corresponds to earnings before interest, taxes and amortization (EBIT), adjusted for amortization expenses. Amortization in this context refers to impairments of goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3. Therefore, amortization and income tax, as well as interest expense and income, are not included in the operating results of the segments for the respective reporting period. In addition to EBITA, "underlying EBITA" is also used as an internal key performance indicator. This denotes operating earnings adjusted for extraordinary items. In this connection, extraordinary items are expenses and income that are of an exceptional or a one-time nature and accordingly distort the sustainable profitability of a segment and, from the Group's viewpoint, also have a material impact on the net worth, financial position and earnings of the Group. Examples of such items are restructuring expenses, relatively large Group projects as well as proceeds or losses from the disposal, sale other transfer of financial assets or of property, plant and equipment, provided that these are not of a recurrent nature. The recognition and measurement methods for the reportable segments conform to the general Group accounting guidelines.

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

Segment Report by Division

			Biopharma			Group
€ in K	**2012**	2011	Change	**2012**	2011	Change
Order intake	553,883	500,200	11%	553,883	500,200	11%
Sales revenue	543,964	477,300	14%	543,964	477,300	14%
EBITDA	113,069	95,639	18%	113,069	95,639	18%
Underlying EBITA	101,101	83,550	21%	101,101	83,550	21%
EBITA	95,205	78,866	21%	95,205	78,866	21%
Depreciation and amortization	17,863	16,773	6%	17,863	16,773	6%
Investments	49,997	38,552	30%	49,997	38,552	30%
No. of employees at December 31	2,986	2,858	4%	2,986	2,858	4%

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, South Korea 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	**2012**	2011	Change	**2012**	2011	Change
Sales revenue						
acc. to customers' location	261,830	244,606	7%	149,216	117,280	27%
acc. to company location	311,920	300,041	4%	149,192	118,597	26%
Segment assets	653,042	569,079	15%	53,100	46,633	14%
No. of employees at December 31	1,962	1,876	5%	414	405	2%

	Asia | Pacific			Other Markets			Group	
2012	2011	Change	**2012**	2011	Change	**2012**	2011	Change
112,375	96,670	16%	20,544	18,744	10%	543,964	477,300	14%
82,853	58,662	41%	0	0		543,964	477,300	14%
41,888	39,701	6%	3,200	2,609	23%	751,230	658,022	14%
453	457	–1%	157	120	31%	2,986	2,858	4%

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 2012 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 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, Guxhagen, 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 Ltd., Dublin, Ireland	100
America	
Sartorius Stedim North America Inc., New York, USA	100
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Asia | Pacific	
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Melbourne, 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, M'Hamdia, Tunisia	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.

Acquisition of the cell culture media business of Lonza

With the contract dated December 18, 2013 Sartorius Stedim Biotech has acquired the exclusive sales and marketing rights for the cell culture media business of the Swiss-located Life Science company Lonza and has taken over the employees in the respective areas. This acquisition has to be treated according to IFRS 3, Business Combination. The provisional purchase price allocation is based on the assumption that roughly 50% of the amount refers to customer relations and the remaining amount is recognized as goodwill. The purchase price has been determined as the present value of the future cash payments (1st tranche in 2013, two further tranches after 5 and 10 years).

Provisional purchase price allocation:

	Fair values on the date of acquisition € in K
Intangible assets	24,519
Net assets acquired	**24,519**
Purchase price	49,140
Goodwill	**24,621**

The recognized goodwill represents the expansion of the Bioproces Solutions portfolio and SSB's strengthened position in the relevant pharma market as well as synergies resulting from the combination.

As the acquisition was concluded close to the balance sheet date, there was no impact on the revenues and profits of the financial year 2012. Furthermore, as the complete recognition of revenues and expenses from this business will only be achieved after the integration of the business (2nd quarter of 2013), the disclosure of revenues and expenses under the assumption that the business combination had occured at the beginning of the year is impracticable.

Regarding the acquisition in November 2011 by Sartorius Stedim Biotech (49% of the shares in Sartorius Korea Biotech Co. Ltd. and the fact that Sartorius Stedim Biotech holds a call option on the purchase of the remaining 51% of shares), 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 final purchase price allocation has been carried out as follows (Please note the final allocation does not significant changes regarding the previous provisory allocation determined in 2011):

	Fair values on the date of acquisition € in K
Intangible assets	1,468
Property, plant and equipment	718
Inventories	1,817
Trade and other receivables	4,303
Liquid funds	694
Net deferred taxes	–350
Provisions	–328
Financial liabilities	–2,165
Other liabilities	–3,172
Net assets acquired	**2,985**
Percentage of acquisition (49%)	1,463
Purchase price	5,806
Goodwill	**4,343**

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 – 74.4% excluding the treasury shares – and 84.6% 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 other companies belonging to the Sartorius Group, are disclosed below.

Several service and sublease agreements are in place between other Sartorius Group companies and Sartorius Stedim Biotech Group companies. The reason is that until Sartorius had carved out its Biotechnology Division as of April 1, 2007, business was done partially in mixed companies by sharing central service functions. These central service functions remained in one of the companies (Biotech or Sartorius) 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 2012, services for approx. €15.2 million were provided to Sartorius Stedim Biotech GmbH (€13.9 million in 2011). 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 2012, the Group continued the following contractual relationships with related parties (Other Sartorius Group entities and entities non-consolidated):

	Sales revenue 2012 € in K	**Purchases 2012 € in K**	**Receivables Dec. 31, 2012 € in K**	**Payables Dec. 31, 2012 € in K**
Related parties of Sartorius Group	11,260	5,489	4,026	9,338

	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

In connection with the service agreements described above, the Group companies rendered administrative services worth €1.1 million to related parties that are part of the Group and spent €18.3 million in 2012 for services received (€0.7 million and €16.6 million in 2011, respectively).

Compensation of Key Management Personnel:

In 2011 and 2012, 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
2012[1]	**2,549**	**1,376**	**0**	**0**	**0**
2011[1]	2,392	572	0	0	252

[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.

No transaction was recorded under the share repurchase program for the years 2011 and 2012.

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 21.32.

The following exchange rates were used for currency translations:

	Year-end exchange rates		Average exchange rates	
For 1 €	**2012**	2011	**2012**	2011
USD	1.31940	1.29320	1.28519	1.39154
GBP	0.81610	0.83670	0.81107	0.86769
AUD	1.27120	1.27140	1.24096	1.34857
JPY	113.61000	100.07000	102.55169	110.92595
INR	72.56000	68.58550	68.57962	64.85982
CHF	1.20720	1.21700	1.20525	1.23336
SGD	1.61110	1.68130	1.60568	1.74896
MYR	4.03470	4.10100	3.96801	4.25512
TND	2.04720	1.93230	2.00325	1.95676
CNY	8.22070	8.14350	8.11078	8.99564
DKK	7.46100	7.43400	7.44412	7.45072

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, 2011	250,277
Currency translation	–12
Change in the scope of consolidation and other acquisitions	4,343
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2011	254,608
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	**254,608**

	Goodwill € in K
Gross book values at Jan. 1, 2012	254,608
Currency translation	286
Change in the scope of consolidation and other acquisitions	24,621
Investments	0
Disposals	0
Transfers	0
Gross book values at Dec. 31, 2012	279,515
Amortization at Jan. 1, 2012	0
Currency translation	0
Amortization in 2012	0
Disposals	0
Transfers	0
Amortization at Dec. 31, 2012	0
Net book values at Dec. 31, 2012	**279,515**

The item reported as goodwill in the amount of €279,515 K is the capitalized difference in assets resulting from business combinations. According to IAS 36, 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.

At the end of 2011, the goodwill was €254 436 K). The additional goodwill (€172 K) recorded in 2012 but concerning the exercise 2011 is the additional amount of purchase of Sartorius Biotech Korea Co. Ltd. (See note 9 on page 102).

The amount recorded in 2012 concerns the acquisition of the cell culture media business from the Swiss entity Lonza (See note 9 on page 102).

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 2011, the impairment test conducted for 2012 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 6.0% and a terminal year growth rate of 2.5% for the years after 2017. 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 2012, 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 (+ 15.5% instead of the assumptions disclosed above) and terminal growth rate (- 21.5% instead of 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, 2011	27,353	10,779	81,319	24,323	112	143,886
Currency translation	301	0	25	68	0	394
Change in the scope of consolidation	68	0	1,400	0	0	1,468
Investments	817	0	270	4,625	54	5,766
Disposals	−278	0	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	0	−106
Amortization in 2011	−2,459	0	−5,399	−2,874	0	−10,732
Disposals	0	0	0	0	0	0
Transfers	258	0	0	0	0	258
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**

	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, 2012	28,269	10,779	83,014	29,016	54	151,132
Currency translation	40	0	77	19	0	137
Change in the scope of consolidation	0	0	24,519	0	0	24,519
Investments	279	0	0	4,621	0	4,900
Disposals	−445	0	0	0	0	−445
Transfers	−6,014	0	6,532	0	0	518
Gross book values at Dec. 31, 2012	**22,129**	**10,779**	**114,142**	**33,656**	**54**	**180,761**
Amortization at Jan. 1, 2012	−13,867	0	−24,624	−13,908	0	−52,399
Currency translation	3	0	−1	−4	0	−2
Change in the scope of consolidation	0	0	0	0	0	0
Amortization in 2012	−1,568	0	−6,516	−2,942	0	−11,025
Disposals	443	0	0	0	0	443
Transfers	4,446	0	−4,949	0	0	−503
Amortization at Dec. 31, 2012	**−10,543**	**0**	**−36,090**	**−16,854**	**0**	**−63,487**
Net book values at Dec. 31, 2012	**11,586**	**10,779**	**78,053**	**16,802**	**54**	**117,274**

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 Stedim brand name acquired in 2007 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 2012; 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 2012, the development costs of €4,621 K were recognized as assets (€4,625 K in 2011). 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	Land, Buidings and Improvements (Leasing) € 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	0	63,772	46,577	3,774	212,037
Currency translation	–357	0	149	23	525	340
Investments	3,451	0	3,587	4,960	20,788	32,786
Disposals	–760	0	–968	–540	–156	–2,423
Transfers	17	0	407	472	–791	105
Change in the scope of consolidation	0	0	0	684	0	684
Gross book values at Dec. 31, 2011	**100,266**	**0**	**66,946**	**52,177**	**24,140**	**243,528**
Depreciation at Jan. 1, 2011	–27,947	0	–42,488	–29,319	0	–99,754
Currency translation	–123	0	–270	–75	0	–467
Depreciation in 2011	–4,070	0	–4,393	–5,126	0	–13,589
Disposals	364	0	812	443	0	1,619
Transfers	0	0	–17	17	0	0
Change in the scope of consolidation	0	0	0	0	0	0
Depreciation at Dec. 31, 2011	**–31,776**	**0**	**–46,356**	**–34,060**	**0**	**–112,192**
Net book values at Dec. 31, 2011	**68,490**	**0**	**20,590**	**18,117**	**24,139**	**131,337**

	Land, and leasehold rights and improvements, including buildings on third-party land € in K	Land, Buidings and Improvements (Leasing) € 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, 2012	100,266	0	66,946	52,177	24,140	243,528
Currency translation	–732	0	–330	–134	51	–1,145
Investments	9,309	11,214	11,118	7,700	5,756	45,097
Disposals	–2,038	0	–1,397	–5,948	–32	–9,415
Transfers	12,896	0	5,962	902	–20,426	–666
Change in the scope of consolidation	0	0	0	0	0	0
Gross book values at Dec. 31, 2012	**119,701**	**11,214**	**82,300**	**54,696**	**9,489**	**277,400**
Depreciation at Jan. 1, 2012	–31,776	0	–46,356	–34,060	0	–112,192
Currency translation	90	0	190	104	0	385
Depreciation in 2012	–3,793	–218	–4,849	–5,852	0	–14,712
Disposals	2,018	0	1,253	5,447	0	8,718
Transfers	106	0	723	–153	0	676
Change in the scope of consolidation	0	0	0	0	0	0
Depreciation at Dec. 31, 2012	**–33,354**	**–218**	**–49,039**	**–34,513**	**0**	**–117,124**
Net book values at Dec. 31, 2012	**86,347**	**10,996**	**33,262**	**20,182**	**9,489**	**160,276**

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.

The main investments are detailled in the Management Report (Pages 28 and 29).

Interest on borrowings is capitalized according to IAS 23 (revised). No amount was capitalized in 2012 for interest on borrowings (In 2011, an amount of €300 K was capitalized).

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 2012, as for fiscal 2011, 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, 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**
Gross book values at Jan. 1, 2012	3,900
Currency translation	0
Investments	0
Disposals	–187
Transfers	0
Change in the scope of consolidation	0
Gross book values at Dec. 31, 2012	**3,713**
Depreciation at Jan. 1, 2012	–3,668
Currency translation	0
Depreciation in 2012	–131
Disposals	102
Transfers	0
Change in the scope of consolidation	0
Depreciation at Dec. 31, 2012	**–3,697**
Net book values at Dec. 31, 2012	**16**

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 2012, we received lease payments of €544 K (2011: €545 K). For 2013, we expect to receive lease payments of €426 K for existing leasing contracts and for 2014 to 2017, a total of €806 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, 2012 € in K	Dec. 31, 2011 € in K	**Dec. 31, 2012 € in K**	Dec. 31, 2011 € in K
Intangible assets	361	3,608	25,507	27,477
Tangible assets	0	193	3,906	4,277
Inventory	2,917	1,882	181	0
Receivables and other current assets	622	774	1,873	1,225
Provisions	3,911	4,140	0	0
Liabilities	300	97	1,428	0
Gross amount	**8,111**	**10,694**	**32,896**	**32,979**
Carry forward of taxable losses	544	1,741	0	0
Offset	0	0	–3,489	–3,058
Net amount	**8,655**	**12,435**	**29,407**	**29,921**

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 2013: 33.33%. In Germany, we can expect a corporate tax rate of 15% for 2013. 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 €2.8 million to be deducted from future taxable profits (€5.9 million in 2011). A deferred tax amount was reported on approx. €1.7 million of these losses (€4.2 million in 2011). 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 (2012: €17.2 million; 2011: €19.5 million).

In addition, the Group recorded deferred tax liabilities for a tax amount of €0.5 million on approx. €31 million in cumulative undistributed earnings of subsidiaries as in 2011. 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, 2012 € in K	Dec. 31, 2011 € in K
Raw materials and supplies	21,745	17,507
Work in progress	20,793	15,765
Finished goods and merchandise	37,704	31,246
Payments on account	4,837	1,914
Total	**85,079**	**66,432**

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, 2012 € in K	Dec. 31, 2011 € in K
Trade receivables to third parties	88,176	87,419
Receivables from subsidiaries of the Sartorius AG Group	4,026	4,964
Receivables from participations	0	99
Trade receivables	**92,202**	**92,482**
Other assets including derivatives	12,783	9,059
Prepaid expenses	1,468	1,971
Total of Other Assets	**14,251**	**11,030**
Current tax assets	6,501	3,384
Total	**112,954**	**106,896**

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

In 2012, the Group transferred €25.7 million in the "Trade receivables" item to an unrelated entity (€27.4 million in 2011) 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, 2012 € in K	Dec. 31, 2011 € in K
Valuation allowance at the beginning of the year	–3,886	–3,767
Increase during the year	–1,404	–1,895
Derecognition and consumption	256	648
Recoveries of amounts previously impaired	724	1,136
Change in the scope of consolidation	0	–54
Foreign currency translation differences	32	46
Valuation allowance at the end of the year	**–4,278**	**–3,886**

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
1–30 days	12,556	12,810
31–90 days	9,048	5,116
91–180 days	2,449	2,441
181–360 days	1,121	652
More than 360 days	161	155
Total	**25,334**	**21,175**

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 €11,248 K (2011: €16,426 K). For these projects, advance payments of €13,514 K (2011: €12,806 K) were recorded. For this year, the contract revenue for projects in progress is €6,513 K 2011: €11,026 K).

20. Issued Capital

At December 31, 2012, Group share capital totalled €10,395 K. The equity structure reflects the issued shares of the legal parent company, Sartorius Stedim Biotech S.A., which comprise 17,041,306 shares with a par value of €0.61. All shares are fully paid up.

As of December 31, 2011, and December 31, 2012, 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 years 2011 and 2012.

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, 2012, as follows: payment of a net dividend of €1.10 per share, i.e., a total disbursement of €16,876,856.

	Dec. 31, 2012	Dec. 31, 2011
Number of shares at the beginning of the period	17,025,948	17,013,448
Stock options exercised	15,358	12,500
Increase in capital	0	0
Number of shares at the end of the period	**17,041,306**	**17,025,948**
Nominal value per share (in €)	0.61	0.61
Issued capital amount (€ in K)	10,395	10,386

Non-current Liabilities

22. Pension and Employee Benefits Provisions

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
Pension provisions and similar obligations	23,058	17,640
Other non-current provisions	3,892	3,733
	26,949	**21,373**

Defined benefit plans

The global amount of €23,058 K relates in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €18,276 K in 2012 (2011: €13,820 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 €4,833 K (actuarial loss of €148 K in 2011).

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

For Germany:

in %	**Dec. 31, 2012**	Dec. 31, 2011
Discount rate	3.30	4.80
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

For France:

in %	**Dec. 31, 2012**	Dec. 31, 2011
Discount rate	2.80	4.50
Future salary increases	3.00	3.00
Future pension increases	2.50	2.00

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

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
Current service cost[1)]	980	662
Interest cost[2)]	855	818
Total	**1,835**	**1,480**

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

The present value developed as follows in 2012:

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
Present value of the obligations as of Jan. 1	21,541	18,462
Current service cost[1)]	980	662
Interest cost[2)]	855	818
Change in the scope of consolidation	0	0
Actuarial gains | losses	4,858	123
Currency translation differences	55	158
Retirement benefits paid in the reporting year	–1,651	–901
Change in the scope of consolidation	0	579
Other changes	367	1,640
Present value of the obligations as of Dec. 31	**27,006**	**21,541**

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 2012:

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
Plan assets as Jan. 1	3,901	2,478
Expected income	90	93
Actuarial gains | losses	26	–25
Group contribution & payments	–563	492
Currency translation differences	60	96
Change in the scope of consolidation	0	317
Other changes	434	450
Plan assets as Dec. 31	**3,948**	**3,901**

	Dec. 31, 2012 € in K	Dec. 31, 2011 € in K
Present value of the obligations as of Dec. 31	27,006	21,541
Fair value of the plan assets (-)	–3,948	–3,901
Present value of obligations	23,058	17,640

On the reporting date, the net liability (€23,058 K) that was wholly unfunded was €20,555 K as of December 31, 2012, and €15,215 K as of December 31, 2011.

In 2013, Sartorius Stedim Biotech expects to make payments for defined benefit plans at the same level as 2012.

For the defined benefits obligations in Germany, we expect payments for 2013 in an amount comparable to 2012 (approximately €0.5 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 2012, the total expense recognized for these plans amounted to € 10,685 K (2011: € 9,783 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, 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**

	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, 2012	3,207	371	155	3,733
Currency translation	0	0	–11	–11
Consumption	–363	–9	–3	–375
Reversals	0	0	0	0
Additions	456	68	21	545
Reclassification	0	0	0	0
Balance at Dec. 31, 2012	**3,300**	**430**	**162**	**3,892**

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 0.7%. 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, 2012 € in K	**Remaining term of more than five years Dec. 31, 2012 € in K**	Balance at Dec. 31, 2011 € in K	Remaining term of more than five years Dec. 31, 2011 € in K
Loans and borrowings	35,636	18,736	103,945	12,629
Other liabilities	36,690	19,353	1,589	0
Total	**72,326**	**38,089**	**105,534**	**12,629**

The financing of the Sartorius Stedim Biotech Group is based on a syndicated credit facility, which is for an aggregate total of currently €168.0 million and a term until September 2013.

The non-current liabilities include the non-current portion of the purchase price for the cell culture media business of the company LONZA.

The non-current debt includes finance leases.

The syndicated loan is shown in the current liabilities.

The Sartorius Stedim Biotech Group's syndicated loan is part of a financing package of the Sartorius Group, which totals €378 million.

(See Note 28, part G, for more information.)

Current Liabilities

25. Current Provisions

During financial 2011 and 2012, the current provisions developed as follows:

	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	1,738
Other changes	0	149	149
Balance at Dec. 31, 2011	**1,743**	**3,627**	**5,370**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2012	1,743	3,627	5,370
Currency translation	–12	–44	–55
Change in the scope of consolidation	0	0	0
Consumption	–925	–1,395	–2,320
Release	–54	–940	–995
Additions	579	1,854	2,433
Other changes	0	0	0
Balance at Dec. 31, 2012	**1,331**	**3,102**	**4,433**

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, 2012 € in K	Dec. 31, 2011 € in K
Payments received on account of orders	16,810	12,180
Trade payables to third parties	30,529	34,482
Payables to participations	275	380
Payables to subsidiaries of the Sartorius AG Group	9,338	8,893
Trade payables	**56,952**	**55,935**
Loans and borrowings	105,859	42,996
Current tax liabilities	3,777	19,108
Other liabilities	59,440	44,977
	226,028	**163,015**

The "Payables to subsidiaries of the Sartorius AG Group" refer to other companies 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, 2012 € in K	Dec. 31, 2011 € in K
Rental and leasing contracts		
- due within one Year	3,815	4,622
- due within 2 to 5 years	6,653	9,995
- due thereafter	696	10,237
Guarantee commitments	0	0
Other financial commitments	71	5,377

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, 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**

December 31, 2012	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	-	-	-		643	643	593	**1,236**
Receivables and other assets	-	-	776	280	-	1,056	-	**1,056**
Derivative financial instruments		-	776			776		**776**
Other assets	-	-	-	280		280		**280**
Current assets								
Trade receivables	-	-	-	92,202	-	92,202	-	**92,202**
Other assets	-	318	855	7,099	-	8,272	5,979	**14,251**
Derivative financial instruments	-	318	855		-	1,173		**1,173**
Other assets	-	-	-	7,099	-	7,099	5,979	**13,078**
Cash and cash equivalents	-	-	-	27,807	-	27,807		**27,807**
Total						**129,980**	**6,572**	**136,552**

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

See Note 27 for the commitments given by the Group.

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						**228,327**	**20,928**	**249,255**

December 31, 2012	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	-	-	-	-	35,636	35,636		**35,636**
Other liabilities	2,460	-	-	-	34,230	36,690		**36,690**
Derivative financial instruments	2,460	-				2,460		**2,460**
Other liabilities	-	-			34,230	34,230		**34,230**
Current liabilities								
Loans and borrowings	-	-	-	-	105,859	105,859		**105,859**
Trade payables	-	-	-	-	40,142	40,142	16,810	**56,952**
Other liabilities	1,126				49,277	50,403	9,037	**59,440**
Total						**268,730**	**25,847**	**294,577**

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

Result from receivables and payables

	2012 12 months € in K	2011 12 months € in K
Interest income	0	0
Allowances	–1,404	–1,895
Income from the decrease in allowances for bad debts	724	1,136
Exchange gains I losses	–786	–2,264
Total	**–1,466**	**–3,024**

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, 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)	146,940	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	**228,327**	**236,533**	**125,720**	**97,063**	**13,750**

	Carrying amount Dec. 31, 2012 € in K	**Cash Flow Dec. 31, 2012 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings (Non-current & current)	141,495	155,927	130,227	25,087	613
Trade payables	56,952	56,952	56,952	0	0
Other liabilities	87,093	98,423	50,403	19,027	28,993
Financial Liabilities	**285,540**	**311,302**	**237,582**	**44,114**	**29,606**

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

The other liabilities include the liability for the acquisition of cell culture media business of the company LONZA.

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 2010. 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 transactions in order to hedge 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 $ 58 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 2012, a positive amount of €1,656 K (2011: a negative impact of €2,124 K) was recognized directly in equity (hedging reserves) under an effective hedging relationship; the ineffective portion of +€293 K (2011: -€1,608 K) was included in the financial result. An amount of -€1,459 K has been transferred into the income statement for the period (2011: -€78 K).

If the U.S. dollar would have depreciated 5% against the euro, the equity would have increased by €2.5 million (2011: €4.7 million) and the result would have been increased by €0.6 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 -€0.5 million and the other comprehensive income -€3.3 million (2011: -€3.6 million).

The following table shows the forward transactions as well as the target profit forward contracts as of December 31, 2012:

Typ of Contract	Currency	Volume	Maturity	Forward rate for 1 €	Market value € in K
Forward contract	USD	5,500,000	Q1 2013	1.3776	–171
	USD	13,000,000	Q2 2013	1.3232	–13
	USD	9,000,000	Q3 2013	1.3040	102
	USD	10,500,000	Q4 2013	1.3058	118
	USD	8,000,000	Q1 2014	1.2224	512
	USD	**46,000,000**			**548**
Forward contract	JPY	150,000,000	Q1 2013	103.6500	127
	JPY	150,000,000	Q2 2013	101.4700	158
	JPY	100,000,000	Q3 2013	94.7500	174
	JPY	250,000,000	Q4 2013	98.8000	356
	JPY	150,000,000	Q1 2014	94.4200	268
	JPY	**800,000,000**			**1,083**
Target Profit Forward	USD	12,000,000	Q4 2013	1.2500	318
	USD	**12,000,000**			**318**

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. We entered into for 2010 sveral 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, 2012 € in K	Hedging volume as of Dec. 31, 2011 € in K	Start of term	End of term	Hedged interest rate	Market value as of Dec. 31, 2012 € in K
1	Swaps	30,000	30,000	Dec 2010	Sep. 2013	1.52%	–306
2	Swaps	30,000	30,000	Dec 2010	Sep. 2013	1.86%	–444
3	Swaps	20,000	20,000	Dec 2010	Sep. 2013	1.91%	–270
	Subtotal	**80,000**	80,000				**–1,020**
4	Forward Swaps	30,000	30,000	Sep.2013	Sep. 2015	2.37%	–1,109
5	Forward Swaps	30,000	30,000	Sep.2013	Sep. 2015	2.77%	–1,351
	Subtotal	**60,000**	60,000				**–2,460**
Total							**–3,480**

December 31, 2012	Financial liabilities		Hedging instruments		Net exposure after hedging	
(€ in K)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
<1 year	22,416	78,000	0	70,000	22,416	8,000
1 to 3 years	9,638	0	0	60,000	9,638	–60,000
3 to 5 years	15,904	0	0	0	15,904	0

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, 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**

	Credit line at Dec. 31, 2012	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	**Credit line used at Dec. 31, 2012**	**Credit line unused as of Dec. 31, 2012**
Syndicated credit line	168,000	168,000	0	0	Variable	78,000	90,000
Bilateral credit line	47,919	22,919	0	25,000	Variable and fixed	35,818	12,101
Total	**215,919**	**190,919**	**0**	**25,000**		**113,818**	**102,101**

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 +€2.2 million would have been shown directly in equity as part of an effective hedging transaction.

As the relevant interest rate (6-month EURIBOR) has been at 0.3% at the balance sheet date, we have considered a decline to 0.3% for sensitivity analyses. The resulting impact on the financial result would have been €0.1 million and on the equity -€1.0 million.

As explained in Note 24, in September 2008 the Group put in place a syndicated loan agreement with a credit line of €168 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, 2012, 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
113,688	118,641	1.0	4,251	27.91

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, 2012 Number of options	Dec. 31, 2011 Number of options
Outstanding at beginning of period	40,000	52,500
Allocated during the period	0	0
Cancelled during the period	0	0
Exercised during the period	–15,358	–12,500
Lapsed in the period	0	0
Outstanding at end of period	24,642	40,000
Exercisable at the end of period	24,642	40,000

The various stock option plans outstanding at December 31, 2011, and December 31, 2012, 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 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	7.9	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	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**		**12,500**	**40,000**	**0**	**5**
									40,000	

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 2012	Number of options granted and exercisable at Dec. 31, 2012	Number of options subject to target performance at Dec. 31, 2012	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	3,358	16,642	0	2
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	0	5,000	0	1
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	29.51	12,000	3,000	0	1
Total		**684,560**	**0**		**51**		**15,358**	**24,642**	**0**	**4**
									24,642	

The cost for fiscal 2012 is €0 K. No new additional stock options were granted in 2012.

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, 2012 € in K**	Paid out € in K	Exercisable
Tranche of phantom stock units for 2009	20,905	8.16	171	0	427	yes
Tranche of phantom stock units for 2010	13,469	15.78	213	516	0	no
Tranche of phantom stock units for 2011	8,358	26.62	223	523	0	no
Tranche of phantom stock units for 2012	7,115	33.12	235	449	0	no
Total	**49,847**		**842**	**1,488**	**427**	

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:

	2012 12 months € in K	2011 12 months € in K
France	40,115	42,763
Germany	70,603	62,096
All other countries	433,246	372,441
Total	**543,964**	**477,300**

An amount of €11,260 K was earned with other subsidiaries to the Sartorius Group in 2012 and €8,480 K in 2011.

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

	2012 12 months € in K	2011 12 months € in K
Currency translation gains	10,201	6,769
Income from the decrease in allowances for bad debts	724	1,134
Income from release and use of provisions and liabilities	575	2,160
Income from grants	2,070	1,628
Other income	1,960	1,418
Other operating income	**15,530**	**13,109**
Currency translation losses	–10,987	–4,684
Reorganization expenses	–5,896	–9,034
Allowances for bad debts	–1,404	–1,896
Other expenses	–2,703	–2,012
Other operating expenses	**–20,990**	**–17,626**
Total other operating income and expenses	**–5,460**	**–4,517**

Extraordinary items amounted to -€5.9 million (previous year: -€4.7 million) and essentially cover one-time expenses for the 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 €78.9 million to €95.2 million; its respective margin increased from 16.5% to 17.5%.

36. Financial Result

	2012 12 months € in K	2011 12 months € in K
Interest and similar income	1,028	978
- of which from affiliated companies	[844]	[600]
Incomes from derivative financial instruments	1,901	0
Interest and similar expenses[1)]	–4,250	–4,507
- of which from affiliated companies	[–100]	[–71]
Expenses for derivative financial instruments	–450	–1,913
Interest expense for pensions	–1,155	–899
Other financial expenses	–816	–147
Total	**–3,742**	**–6,488**

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

37. Income Tax Expense

	2012 12 months € in K	2011 12 months € in K
Current income taxes	–19,999	–23,113
Deferred taxes	–3,982	3,591
Total	**–23,981**	**–19,522**

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

	2012 12 months € in K	2011 12 months € in K
Expected tax expense (30% in 2011 and 2012)	24,560	18,814
Difference from the Group average income tax rate	1,419	–352
Permanent differences	–1,236	439
Losses and temporary differences not considered as assets	0	484
Tax-free income and other tax exemptions	–1,334	–262
Other	572	399
Total	**23,981**	**19,522**
Effective tax rate	29.3%	31.1%

38. Earnings per Share

Diluted net earnings per share were measured by taking into account share subscription options outstanding at December 31, 2012, resulting in certain Group employees acquiring entitlements to subscribe to a total of 24,642 shares.

Therefore, the diluted net earnings per share at December 31, 2012, is calculated on the basis of 2012 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.

	2012	2011
Net profit after tax (€ in K)	57,886	43,190
Group net profit after tax (€ in K)	56,756	43,053
Earnings per share (€)	3.70	2.81
Diluted earnings per share (€)	3.70	2.80
Number of shares (statutory level)	17,041,306	17,025,948
Treasury shares (share buyback Program): average amount	–1,698,710	–1,698,710
Other dilutions (Stock-options exercized)	–9,509	–3,370
Number of shares used in earnings per share calculation	15,333,087	15,323,868
Future options	24,642	40,000
Potential options	0	0
Number of shares used in diluted earnings per share calculation	**15,357,729**	**15,363,868**

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

	2012 12 months € in K	2011 12 months € in K
Sales revenue	**543,964**	**477,300**
Purchases consumed	–126,379	–127,066
Cost of purchased services	–11,488	–11,334
Personnel costs	–165,698	–146,731
Amortization and depreciation	–25,868	–24,484
Other operating costs	–127,331	–96,530
Subtotal	**–456,764**	**–406,145**
Operating profit	**87,201**	**71,155**
Financial income I expenses	–3,742	–6,488
Income tax and other taxes	–25,573	–21,477
Non-controlling interest	–1,130	–137
Group net profit	**56,756**	**43,053**

Raw Materials and Supplies

This item consists of the following:

	2012 12 months € in K	2011 12 months € in K
Purchases consumed	126,379	127,066
Cost of purchased services	11,488	11,334
	137,867	**138,400**

Employee Benefits Expense

This item can be broken down as follows:

	2012 12 months € in K	2011 12 months € in K
Wages and salaries	134,662	119,871
Social security	28,543	25,083
Expenses for retirement benefits and pensions	2,493	1,777
	165,698	**146,731**

Number of Employees

The average workforce employed during the year 2012 was 2,994 (2,741 in 2011).

Statutory Auditors' Report on the Consolidated Financial Statements

(Freely translated from the French original by the auditors)

Year ended December 31, 2012

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, 2012, 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 Director. 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, 2012 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

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:

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 27, 2013

The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
French original signed by Anis Nassif	French original signed by Christophe Perrau

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, 2012	Depreciation, amortization and provisions Dec. 31, 2012	Net at Dec. 31, 2012	Net at Dec. 31, 2011
Intangible assets	2,972	–2,509	463	411
Property, plant and equipment	30,048	–18,503	11,545	10,547
Financial investments	146,302	0	146,302	146,301
Total non-current assets	**179,322**	**–21,012**	**158,310**	**157,259**
Inventories and work in progress	9,457	–1,151	8,306	8,278
Receivables				
Trade receivables to third parties	12,572	–281	12,291	10,359
Other receivables	40,850	–91	40,759	8,844
Marketable securities	0	0	0	0
Deposits and cash equivalents	158	0	158	95
Total current assets	**63,037**	**–1,523**	**61,514**	**27,576**
Prepaid expenses	57	0	57	101
Currency translation adjustment	2,162	0	2,162	3,607
Total assets	**244,578**	**–22,535**	**222,043**	**188,543**

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

	At Dec. 31, 2012	At Dec. 31, 2011
Share capital	10,395	10,386
Share premium	59,876	59,500
Reserves	1,629	1,628
Retained earnings carried forward	19,647	11,112
Profit for the period	26,198	23,860
Regulated provisions	4,088	3,679
Total equity	**121,833**	**110,165**
Provisions for liabilities and charges	2,789	4,110
Total provisions for liabilities and charges	**2,789**	**4,110**
Loans and borrowings	0	0
Trade payables	7,455	9,752
Tax and social charges payable	5,538	4,938
Liabilities for non-current assets	220	382
Other liabilities	84,185	59,186
Total liabilities	**97,398**	**74,258**
Currency translation adjustment	23	10
Total equity and liabilities	**222,043**	**188,543**

Parent Company: Income Statement (in thousands of €)

	At Dec. 31, 2012	At Dec. 31, 2011
Sales revenue	81,942	71,855
Inventory movements	–17	352
Capitalized production costs	0	0
Depreciation or amortization reversals	1,322	4,518
Other operating income and expense reallocation	428	312
Purchases consumed	–41,930	–36,885
External charges for services	–10,654	–10,775
Tax and duties	–1,870	–1,738
Personnel costs	–22,140	–18,417
Additions to amortization, depreciation and provision	–3,041	–5,038
Other operating expenses	–465	–907
Operating profit	**3,575**	**3,277**
Net financing income | (expense)	22,443	20,347
Profit | (loss) from ordinary activities	**26,018**	**23,624**
Exceptional income | (expense)	–498	–833
Contribution to employee profit sharing plan	0	0
Income tax	678	1,069
Net profit | (loss)	**26,198**	**23,860**

1. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2012, 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 A 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, 2012.

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 €5,037 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, 2011	Increase in 2012	Decrease in 2012	At Dec. 31, 2012
Incorporation costs	4	0	0	4
Patents	325	0	0	325
Software, licenses	2,354	44		2,398
Business goodwill	2	0	0	2
Intangible assets in progress	182	61	0	243
Total	**2,867**	**105**	**0**	**2,972**
Amortization and depreciation	2,456	53	0	2,509
Net amount	**411**	**52**	**0**	**463**

2.2. Property, Plant and Equipment

Gross values	At Dec. 31, 2011	Increase in 2012	Decrease in 2012	At Dec. 31, 2012
Land	396	0	0	396
Buildings	13,619	55	0	13,674
Plant and equipment	8,351	601	–689	8,263
Other	5,803	532	–1,225	5,110
Property, plant and equipment in progress	1,208	1,397	0	2,605
Total	**29,377**	**2,585**	**–1,914**	**30,048**

Amortization and depreciation	At Dec. 31, 2011	Addition	Release	At Dec. 31, 2012
Buildings	7,294	495	0	7,789
Plant and equipment	6,754	548	–582	6,720
Other	4,782	385	–1,173	3,994
Total	**18,830**	**1,428**	**–1,755**	**18,503**
Property, plant and equipment, net	**10,547**			**11,545**

The variation in tangible assets (+€2,585 K) was primarily due to industrial equipment investments (€601 K) and tangible assets in progress (€1 397 K). The reduction corresponds to Tangible assets sales (€1 724 K) and disposals of fixed assets of €190 K.

2.3. Financial Investments

Investments	At Dec. 31, 2011	Increase in 2012	Decrease in 2012	At Dec. 31, 2012
Shareholdings	84,937	0	0	84,937
Write-down of shareholdings	0	0	0	0
Deposits and guarantees	37	1	0	38
Treasury shares	61,327	0	0	61,327
Write-down of treasury shares	0	0	0	0
Total	**146,301**	**1**	**0**	**146,302**

The following is included under “Financial investments”:

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company;

- 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 2011 and 2012, 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.

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

3.1. Inventories at Year-end

Inventories	At Dec. 31, 2011	Movements	At Dec. 31, 2012
Raw materials	4,894	165	5,059
Other consumables	149	14	163
Work in progress and finished goods	3,635	–16	3,619
Merchandise	712	–96	616
Gross value	**9,390**	**67**	**9,457**
Depreciation for write-down of raw materials and consumables	–477	304	–173
Depreciation for write-down of work in progress and finished goods	–155	–318	–473
Depreciation for write-down of merchandise	–480	–25	–505
Depreciation for write-down of inventories	**–1,112**	**–39**	**–1,151**
Net	**8,278**	**28**	**8,306**

In 2012, the level of inventories remained stable in both gross and net value. The actions realized with our suppliers at the end of 2011 and throughout 2012 have reduced the upstream supply chain and thus to maintain the value of our inventories, despite the increase of the activity of 7%. The reduction (€304 K) of the provision for raw materials depreciation is mainly due to the consolidation of component stocks become unusable. The increase (€318 K) of the provision for finished products depreciation is due to non-compliance, detected internal, on components of a range of products. This increase in depreciation was offset by compensation also obtained from the suppliers.

3.2. Maturity of Receivables at Year-end

Type of receivable	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	38	0	38
Non-current assets	**38**	**0**	**38**
Advance payments on account	132	132	0
Trade receivables	12,292	12,292	0
Personnel	7	7	0
Social security	2	2	0
Taxes and duties	965	965	0
Group	39,026	39,026	0
Other receivables	626	626	0
Current assets	**53,050**	**53,050**	**0**
Prepaid expenses	57	57	0
Total receivables	**53,145**	**53,107**	**38**

The "Trade receivables" item includes an amount of €12,233 K concerning the trade receivables of the Group entities and €12 K for invoices to be issued.

The "Group" item for receivables from Group subsidiaries (€39,026 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" (€965 K) item primarily entails the net tax receivable including 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	7,455	7,455	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	5,538	5,538	0	0
Liabilities for non-current assets	220	220	0	0
Group and associates	83,996	83,996	0	0
Other	189	187	2	0
Total liabilities	**97,398**	**97,396**	**2**	**0**

Accrued expenses included in these accounts represented €6,629 K and concerned the following items:

Type of expense	At Dec. 31, 2012
Accrued banking charges	3
Suppliers' invoices to be received	2,439
Paid vacation including social charges	1,751
Bonuses, including social charges and profit sharing	1,876
Social security payable	225
Taxes payable	335
Employee profit sharing	0
Total charges payable	**6,629**

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

5.1. Equity

At December 31, 2012, the share capital was €10,395 K, comprising 17,041,306 shares of a €0.61 par value. The changes in equity in 2012 are the result of the following events:

- The exercise of stock options resulting in the issue of 15,358 shares, each with a par value of €0.61, for a total of €9 K;

- A €376 K share premium associated with this share capital increase.

The Annual General Shareholders' Meeting on April 17, 2012, approved the appropriation of the net profit for the year of €23,860 K, as follows:

- Allocation to the retained earnings carried forward: €8,532 K

- Paid into the legal reserves: €1 K

A dividend total of €15,327 K, or a net dividend per share of €1.00, was paid, "Treasury shares" excluded.

	Appropriation of profit in 2011					**Equity before appropriation of profit in 2012**
	Before	Changes	After	Increases	Decreases	
Number of shares:	17,025,948		17,025,948	15,358		17,041,306
Share capital	10,386		10,386	9		10,395
Share premium	43,360		43,360	376		43,736
Merger premium	16,140		16,140			16,140
Legal reserve	1,038	1	1,039			1,039
Other reserves	590		590			590
Balance carried forward	11,112	8,532	19,644	3		19,647
Dividends paid	0	15,327	15,327		15,327	0
Net profit to be appropriated	23,860	–23,860	0			0
Profit for the reporting year			0	26,198		26,198
Regulated provisions	3,679		3,679	409		4,088
Total	**110,165**	**0**	**110,165**	**26,995**	**15,327**	**121,833**

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 24,642.

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, 2011	Additions 2012	Releases 2012	**Provisions at Dec. 31, 2012**
Regulated provisions				
Accelerated amortization and depreciation	3,679	409	0	4,088
Subtotal –1	**3,679**	**409**	**0**	**4,088**
Provisions for liabilities and charges				
Exchange risk	3,607	2,162	3,607	2,162
Other costs	503	200	76	627
Taxation	0	0	0	0
Subtotal –2	**4,110**	**2,362**	**3,683**	**2,789**
Grand total	**7,789**	**2,771**	**3,683**	**6,877**

6.2. Market Risk Exposure

Operating Cash Flow Risk

At December 31, 2012, foreign currency denominated current assets and liabilities totalized:

– USD 658 K (debit position)

– USD 1,165 K (credit position)

– JPY 1,076,006 K (credit position)

– GBP 817 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, 2012	
€ in K	Assets	Liabilities
Decrease in assets | liabilities	**2,162**	
Suppliers	0	
Customers	9	
Intercompany accounts	2,153	
Exchange hedges (assets)	**0**	
Suppliers	0	
Customers	0	
Intercompany customers	0	
Increase in assets | liabilities		**23**
Suppliers		23
Customers		0
Intercompany accounts		0
Exchange hedges (liabilities)		**0**
Suppliers		0
Customers		0
Intercompany customers		0
Currency translation differences	**2,162**	**23**

Over the years, Sartorius Stedim Biotech GmbH has refined a development and management policy providing enhanced control over the foreign exchange risk:

- Group treasury is centralized by the parent company 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.

For 2012, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an expense of €722 K. The amount of income tax for fiscal 2012 to be settled by Sartorius Stedim Biotech SA in 2013 under this tax integration regime is €3,212 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			
2012 solidarity contribution		131	
Net movement in 2012 currency translation differences		23	
2012 employee profit sharing		0	
Depreciation for customers and inventories		63	
Total increases			**217**
Decreases			
2011 solidarity contribution		115	
Net movement in 2011 currency translation differences		10	
2011 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total decreases			**125**
2012 future tax position			**92**
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**

8. Operating Income (in thousands of €)

8.1. Sales Revenue by Operating Segment

Operating segment	2012	%	2011	%
Biopharm	81,942	100%	71,855	100%
Total	**81,942**	**100%**	**71,855**	**100%**

8.2. Sales Revenue by Geographical Region

Geographical region	2012	%	2011	%
France	**12,066**	**15%**	**10,248**	**14%**
Export	**69,876**	**85%**	**61,607**	**86%**
EU and other countries	60,251	86.23%	55,160	89.54%
North American continent	9,625	13.77%	6,447	10.46%
Total	**81,942**	**100%**	**71,855**	**100%**

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

		At Dec. 31, 2012	At Dec. 31, 2011
Exceptional income			
on operations		0	0
on capital transactions		112	19
Release of provisions and transfer of charges		0	16
Total exceptional income		**112**	**35**
Exceptional expense			
on operations		26	2
on capital transactions		160	22
Additions to amortization, depreciation and provisions	[1]	424	844
Total exceptional expense		**610**	**868**
Exceptional income | (expense)		**–498**	**–833**

[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 2012.

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, 2012, was 24,015 hours.

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

			At Dec. 31, 2012			At Dec. 31, 2011
	Profit before tax	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	26,018	–38	25,980	23,624	–33	23,591
Exceptional income | (expense)	–498	0	–498	–833	–32	–865
Employee profit-sharing contribution	0	0	0	0	0	0
R&D tax credit	0	1,436	1,436	0	1,284	1,284
French tax integration relief	0	–720	–720	0	–150	–150
Net taxable income	**25,520**	**678**	**26,198**	**22,791**	**1,069**	**23,860**

13. Workforce Analysis

Workforce at December 31			**2012**			2011
	Men	**Women**	**Total**	Men	Women	Total
Executives	56	53	109	51	48	99
Employees	112	167	279	90	147	237
Total	**168**	**220**	**388**	**141**	**195**	**336**

14. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €160 K. These fees related to the 2011 fiscal year and were paid in 2012.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2012.

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

Type of commitment	Comment	At Dec. 31, 2012	At Dec. 31, 2011
Commitments given			
Retirement commitment	[1]	1,756	1,271
Guarantees for bilateral credit lines	[2] /[3]	14,500	14,500
Guarantees for currency hedging contracts	[2] /[3]	31,500	33,000
Commitments from renting / leasing		362	225
Commitments received			
Contractual loan capacity from credit institutions		3,000	4,458

[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
2011	4.50%	2.75%	65 years
2012	2.80%	2.75%	65 years

Attrition assumptions by age bracket were as follows:

Age bracket	Attrition at Dec. 31, 2012	Attrition at Dec. 31, 2012
	Executives	**Employees**
20 to 29 years	14.00%	4.00%
30 to 39 years	12.00%	3.00%
40 to 49 years	10.00%	1.50%
50 to 59 years	1.00%	1.00%
60 to 65 years	0.00%	0.00%

[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.

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

Items	**At Dec. 31, 2012**	At Dec. 31, 2011
Investments	84,937	84,937
Trade receivables	12,233	9,994
Other receivables	39,402	6,495
Trade payables	3,040	3,170
Other liabilities	83,996	58,976
Income from investments	23,000	21,000
Other financial income	56	27
Finance expense	2,016	1,615

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

At Dec. 31, 2012	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	67,629		79,949	79,949	–37,274	0	264,059	38,464	22,000
Sartorius Stedim Bioprocess SARL [1]			**99.99%**							
(Dinars)	5,940	1,267						20,860	2,086	0
(Euros)				3,132	3,132	27	0	10,413	1,041	0
Sartorius ICR			**100.00%**							
(Rubles)	10	0						0	0	0
(Euros)	0			0	0	0	0	0	0	0
Sartorius Stedim Aseptics S.A.			**100.00%**					**8,062**	**2,352**	**1,000**
(Euros)	448	2,970		1,848	1,848	–4,337	0			

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)	10	0						10	5	0
(Euros)	0			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

(1) Merger of the entity Sartorius Stedim SUS SARL with the entity Sartorius Stedim Bioprocess SARL January 1, 2011.

Statutory Auditors' Report on the Financial Statements

(Freely translated from the French original by the auditors)

Year ended December 31, 2012

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, 2012, 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, 2012 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 27, 2013

The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
French original signed by Anis Nassif	French original signed by Christophe Perrau

Supplementary Information

06

Annual Information Document

History and availability of information published since January 2012 and information relating to corporate governance and shareholders.

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

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)

– Les Echos (www.lesechos.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.

Document Type	Title of the Publication	Website	BALO	AMF	Euronext	Les Echos	Business Wire
2012							
Release: liquidity contract	Bilan annuel du contrat de liquidité (available only in French)	Jan. 06	–	Jan. 06	Jan. 06	–	Jan. 06
Press release: results	Preliminary figures for fiscal 2011	Feb. 02	–	Feb. 02	Feb. 02	Feb. 02	Feb. 02
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	Feb. 07	–	Feb. 07	Feb. 07	–	Feb. 07
Release	Dividend Proposal by the Board	Feb. 29	–	Feb. 29	Feb. 29	–	Feb. 29
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	March 07	–	March 07	March 07	–	March 07
Release	Sartorius Stedim Biotech S.A.: Document; communication concerning availability		–	March 09	March 09	–	March 09
Reference Document 2011, French version	Reference Document 2011, French version	March 09	–	March 08	March 09	–	March 09
Invitation	Assemblées d'actionnaires et de porteurs de parts (available only in French)	March 12	March 12	–	–	–	–
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	April 05	–	April 05	April 05	–	April 05
IR release: 9 months results	Sartorius Stedim Biotech:	April 24	–	April 24	April 24	April 24	April 24
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	June 12	–	June 12	June 12	–	June 12
Release	Sartorius Stedim Biotech S.A.: Document; communication concerning availability		–	June 25	June 25	–	June 25
Report: 6 months results	Sartorius Stedim Biotech S.A.: First Half figures of 2012: SSB Continues on the Growth Track	June 25	–	June 25	June 25	June 25	June 25
Release: liquidity contract	Bilan semestriel du contrat de Liquidité (available only in French)	Aug. 01	–	Aug. 01	Aug. 01	–	Aug. 01
Release	Sartorius Stedim Biotech S.A.: Document; communication concerning availability		–	Oct. 29	Oct. 29	–	Oct. 29.
IR release: 9 months results	Sartorius Stedim Biotech:	Oct. 29	–	Oct. 29	–	Oct. 29.	Oct. 29
2013							
Release: liquidity contract	Bilan annuel du contrat de liquidité (available only in French)	Jan. 07	–	Jan. 07	Jan. 07	–	Jan. 07
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	Jan. 07	–	Jan. 07	Jan. 07	–	Jan. 07
Press release: results	Sartorius Stedim Biotech:	Jan. 29	–	Jan. 29	Jan. 29	Jan. 29	Jan. 29
Release	Sartorius Stedim Biotech S.A.: Declaration Relative to the Number of Shares and Voting Rights Making up the Issued Capital	Feb. 11	–	Feb. 11	Feb. 11	–	Feb. 11

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 in- corporated 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

Heading 3, point 2, excerpt of Article 14, of the bylaws.

The notices and letters of call shall indicate the indications required by the law, particularly the agenda, the company electronic address where written questions of Shareholders may be sent and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities Shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion on the agenda of draft resolutions.

In accordance to the Articles R 225-71 to R 225-74 of the Commercial Code, requests made by the Shareholders to register draft resolutions on the agenda and written questions are sent to the Headquarters by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of draft resolutions, which may have a short explanation of reasons. These requests are subject to justification of possession or representation of required Share capital, in accordance to regulatory rules.

Moreover, in accordance to the Articles L. 2323-67 paragraph 2 of the Labor Code, requests of draft resolutions made by the Work Council, to be added on the agenda, are sent in the next 10 days following the publication of the Meeting announcement.

Heading 3, point 1, 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, Point 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. A Shareholder may be represented by another Shareholder, his or her spouse or by the partner with who he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other moral or physical person of his choice in accordance to the Articles L. 225-106 to -106-3 of the Commercial Code; in that aim, the representative must present valid proof of proxy.

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.

All Shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company 3 days before the date of the Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

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.

Organization 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 organizes 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, 2012, there were 11,623,009 shares with a double voting right out of a total of 17,041,306 shares. Thus, the total voting rights are 28,664,315. After deduction of the buyback value of the treasury shares repurchased during fiscal 2010 (1,698,710), the total voting rights are 26,965,605.

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.

During the 2010 financial year, the company purchased 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 and 2012 financial years.

On December 31, 2012, 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, 2012:

– Number of shares: 3,688
– Liquidity account cash balance: €175,147

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

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, 2012

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

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the general meeting of shareholders for approval in accordance with Article L. 225-38 of the French commercial code (Code de commerce).

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 27, 2013

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
French original signed by Christophe Perrau	French original signed by Anis Nassif

Other Information on the Assets, Financial Position and Results for the Group

Major Contracts

Several service agreements were entered into between entities of the divisions of the Sartorius Group and Sartorius Stedim Biotech Group, 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 the other entities of the Sartorius Group. 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 2012 totaled million €15.2.

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 06/07/2022				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 15/06/2022				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 333 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 11 Trademarks 1 Trademark Application			14/01/2008 11 Trademarks 2 Trademarks Applications		19/11/2007 10 Trademarks 3 Trademarks Applications	18/01/2008 12 Trademarks 1 Trademark Application
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 11/07/2022	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 11/01/2022										
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 333 different trademarks in various countries [the dates are indicated as day/month/year].

Resolutions Submitted to the Annual Combined Ordinary and Extraordinary Shareholders' Meeting on April 16, 2013

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, 2012, which disclosed a net profit of €26,197,848.82 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, 2012, which disclose a net profit of €56,756 thousands 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 €162,043 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 €26,197,848.82 for 2012 as follows:

– Legal reserves: €936.84

– Balance resulting from deduction of legal reserves: €26,196,911.98

– The following is to be added to this balance: Year-earlier profit carried forward: €19,646,717.82

– This would yield a distributable profit of €45,843,629.80

Total amount of dividends to be disbursed to shareholders €16,876,855.60

Balance resulting from disbursement: €28,966,774.20
The remaining amount of €28,966,774.20 is to be carried forward to the next year.

As a result, considering that our company holds treasury shares, a net dividend of €1.10 will be paid for every share with a par value of €0.61.

Therefore, considering that our company holds treasury shares, a net dividend of €1.10 will be paid for every share with a par value of €0.61.

The ASM acknowledges having been informed of the new tax regulations on dividends according to the 2013 Finance laws which abolished the right to choose for a withholding tax of 21% and is now submitting dividends and other distributions to progressive scales of tax income, after application, if any, of the 40 % allowance retained without modification, in accordance with Article 158 - 3 - 2° to 4° of the French General Code.

The dividend will be paid out on 19 April 2013.

The amounts distributed after January 1, 2010, 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, 2011	15,327,238	
Dec. 31, 2010	13,783,264	
Dec. 31, 2009	10,183,633	

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 €163,000 to be paid to the directors with regard to their meeting attendance fees for the reporting year of 2012.

Fifth resolution

The ASM decides to set the calculations modalities of the shareholders fees as follows:

The Directors received Directors' fees which amount and allocation are fixed by the Board of Directors considering the limits fixed by the ASM:

- Each Director receives a fixed remuneration of €25,000.00 per year, to be paid after the annual financial statements have been adopted by the Annual Shareholders' Meeting and which falls due for payment after the Annual Shareholders' Meeting. The chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €1,200.00 per meeting and reimbursement of its expenses in addition to the annual remuneration.

- For their membership of any committee each Director receives a lump-sum amount of €4,000.00 per full year of membership in addition to the attendance fee of €1,200. In sofar as they hold the chair, instead of this, they receive a lump-sum amount of €8,000.00 per full year that they hold the chairperson in addition to the attendance fee. The remuneration for the activities on any committee is due together with the remuneration under the terms of previous Subsection hereof.

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

- All these resolutions will not be applied for the Directors that got an executive top management activity at the group level. In this context, the executive corporate officers will not receive any remuneration for their membership.

Sixth resolution

As the appointment of the company director Mr Joachim Kreuzburg was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Joachim Kreuzburg, 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.

Seventh resolution

As the appointment of the company director Mr Volker Niebel was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Volker Niebel, 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.

Eighth resolution

As the appointment of the company director Mr Reinhard Vogt was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Reinhard Vogt, 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.

Ninth resolution

As the appointment of the company director Mr Arnold Picot was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Arnold Picot 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

Tenth resolution

As the appointment of the company director Mr Bernard Lemaître was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Bernard Lemaître, 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.

Eleventh resolution

As the appointment of the company director Mrs Liliane de Lassus was due to expire today, the ASM resolves to renew her appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mrs Liliane de Lassus, prior to her appointment, made it known that she accepted this nomination and that she was not prohibited from and was capable of accepting such an appointment.

Twelvth resolution

As the appointment of the company director Mr Henri Riey was due to expire today, the ASM resolves to renew his appointment for a three-year period term, i.e., to expire at the end of the ASM to be convened in 2016 for endorsing the financial statements for the year ending on December 31, 2015.

Mr Henri Riey, 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.

RESOLUTIONS SUBMITTED TO THE ANNUAL EXTRAORDINARY SHAREHOLDERS' MEETING

Thirteenth resolution

The ASM after having considered the board of directors' report regarding the partial asset contribution, in agreement with the work council and the split auditor's report approve all measures regarding this project of treaty together with its appendices and concluded with SARTORIUS STEDIM FMT at term of which it is made contribution to this latter by SARTORIUS STEDIM BIOTECH of its complete and autonomous branch of activity on management of fluids which transmitted asset is estimated at 68,632,974 euros ; and the liabilities taken in charge are of 25,692,854 euros ; given a net brought asset of 42,940,120 euros.

The ASM decides that this partial asset contribution will be remunerated by the creation of 42,940,120 shares by Sartorius Stedim FMT of one (1) euro each, totally freed and affected to Sartorius Stedim Biotech with effect and use according to the definitive realization of the aimed partial asset contribution.

Fourteenth resolution

The ASM takes notice that the partial asset contribution will definitively be accomplished (i) at the term of the one Sartorius Stedim FMT shareholder's deliberations approving this contribution and realizing the correlative rise of his share capital and (ii) after the approval of the Partial Contribution of Assets by all the banks within the syndicated loan frame.

Accordingly the ASM subordinates to upfhold the preceding resolution to the fulfillment of these conditions.

The final realization of the Partial Contribution of Assets and of the increase of the share capital will be done by any other appropriate means.

Fifteenth resolution

The ASM gives all authority to the carrier of any original, copy or extract of the herewith ASM's minutes to undertake all formalities that may be necessary.

Information on the Reference Document and the Annual Financial Report

Declaration of Responsibility for the Reference Document and the 2012 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 60 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 131 and 148 of this Reference Document.

March 7, 2013

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.

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

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; 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 monitoring foods and biotechnological, medical, veterinary and pharmaceutical products.

Fermentation
Technical process used to produce or transform intra- or extra-cellular 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 being 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 related to business combinations. The amortization item refers only to the amortization confirmed in connection with purchase price allocation (PPA) to intangible assets acquired, as specified by the IFRS3 Standard.

EBITA margin
Ratio of EBITA (see EBITA) to sales

EBITDA
Earnings before interest, taxes, depreciation and amortization.

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 (adjusted for one-time items)
EBITA (see EBITA) adjusted for extraordinary items. For 2012 extraordinary items amounted to -€5.9 million (previous year: -€4.7 million) and essentially cover one-time expenses for the 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
EBITDA (see EBITDA) adjusted for extraordinary items. For 2012 extraordinary items amounted to -€5.9 million (previous year: -€4.7 million) and essentially cover one-time expenses for the 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 extraordinary 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.

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Product Highlights in 2012

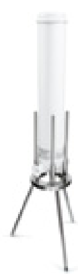
Bioprocess Solutions

Sartorius Stedim Biotech concentrates on bioprocess business for pharmaceutical customers. With a broad product portfolio, the company helps biotech medications and vaccines to be manufactured safely and efficiently. Its key mission is to optimize pharmaceutical manufacturing processes, primarily by increasing the usage of single-use products and solutions. Sartorius Stedim Biotech is a global leader in filtration, fermentation, cell cultivation, membrane chromatography and in fluid management.

BIOSTAT® Cultibag STR
Single-use bioreactor system for cell culture processes, scalable up to 1,000 L

Sartopore® Platinum
New, highly efficient filter generation for sterile filtration of biopharmaceutical media

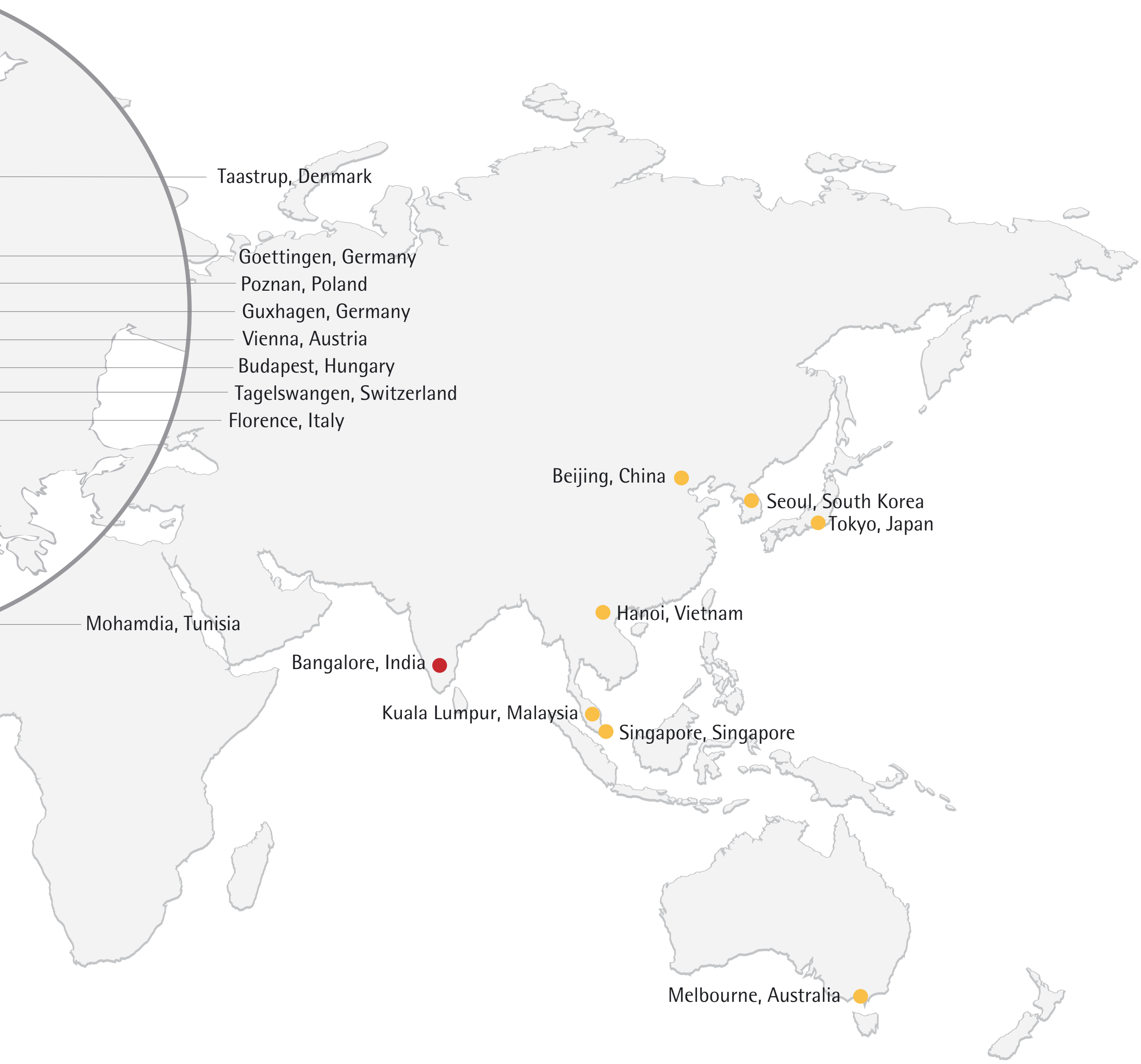
FlexAct®
Preconfigured system based on single-use components and designed for upstream and downstream processes



Virosart® HC
Filter for robust and efficient removal of viruses

A Local Presence Worldwide

sartorius stedim biotech



Financial Schedule

Analysts' Conference (SFAF), Paris, France	March 12, 2013
Annual General Shareholders' Meeting, Aubagne, France	April 16, 2013
Payment of dividends[1]	April 19, 2013
Publication of first-quarter figures for 2013	April 23, 2013
Publication of first-half figures for 2013	July 23, 2013
Large & Midcap Event, Paris, France	October 2–3, 2013
Publication of nine-month figures for 2013	October 21, 2013
Publication of preliminary figures for fiscal 2013	January 2014
Annual General Shareholders' Meeting, Aubagne, France	April 8, 2014
Publication of first-quarter figures for 2014	April 2014

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

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