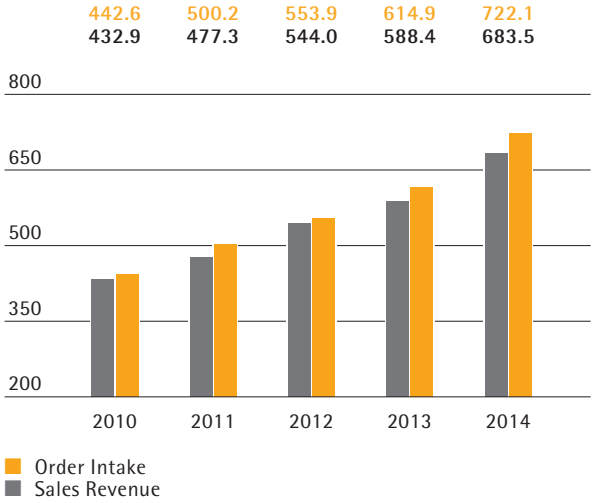
sartorius stedim
biotech

Sartorius Stedim Biotech Group

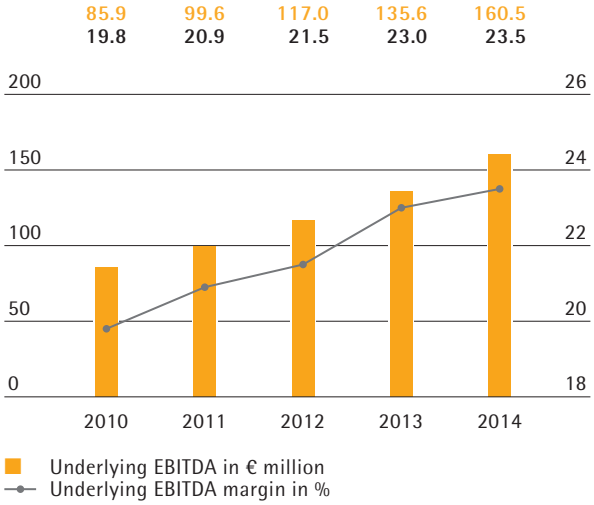
Reference Document 2014

2014

Order Intake and Sales Revenue
in € million



Underlying EBITDA and margin[1)]
in € million



Key Figures

All figures are given in millions of € according to IFRS, unless otherwise specified	**2014**	2013	2012	2011	2010
Oder intake, sales revenue and earnings					
Order intake	722.1	614.9	553.9	500.2	442.6
Sales revenue	683.5	588.4	544.0	477.3	432.9
Underlying EBITDA[1)2)]	160.5	135.6	117.0	99.6	85.9
Underlying EBITDA[1)2)] as % of sales revenue	23.5	23.0	21.5	20.9	19.8
Net profit after non-controlling interest	72.5	66.3	56.8	43.1	38.5
Underlying net profit[1)] after non-controlling interest[2)]	87.2	75.2	64.6	53.4	45.2
Research and development costs	38.6	36.0	31.8	28.6	27.8
Financial data per share					
Earnings per share (in €)	4.72	4.32	3.70	2.81	2.39
Earnings per share (in €)[3)4)]	5.68	4.90	4.21	3.49	2.81
Dividend per share (in €)	1.30[4)]	1.20	1.10	1.00	0.90
Bilan					
Balance sheet total	906.8	873.4	793.9	720.8	656.3
Equity	538.5	481.8	435.0	395.6	365.1
Equity ratio (in %)	59.4	55.2	54.8	54.9	55.6
Financials					
Capital expenditures (excluding financial assets and goodwill)	44.2	34.2	50.0	38.6	16.7
Capital expenditures as % of sales revenue	6.5	5.8	9.2	8.1	3.9
Depreciation and amortization	35.6	30.6	25.9	24.5	23.0
Net cash flow from operating activities	111.3	90.1	48.9	60.6	72.8
Net debt	87.4	130.0	113.7	100.1	102.8
Ratio of net debt to underlying EBITDA[1)2)]	0.5	1.0	1.0	1.0	1.2
Total number of employees as of December 31	3,697	3,289[5)]	2,986	2,858	2,581

[1)] Adjusted for extraordinary items
[2)] For more information on EBITDA, net profit and the underlying presentation, please refer to the group business development chapter and to the glossary.
[3)] Excluding amortization defined by IFRS 3 and, for 2011 to 2014, fair value adjustments of hedging instruments.
[4)] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.
[5)] Excluding TAP Biosystems

For more information on the key financial indicators, please refer to the glossary.

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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."

sartorius stedim biotech

Reference Document 2014

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The present original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on February 27, 2015, 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. 14-0094 filed on 27 February 2014 and D. 13-0109 filed on March 7, 2013.

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

- The year 2013 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 2013 management report appearing on pages 98 to 158 and 18 to 60, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on 27 February 2014, under the number D.14-0094.

- The year 2012 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 2012 management report appearing on pages 90 to 131 and 18 to 52, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 7, 2013, under the number D.13-0109.

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

01 To Our Shareholders

02 Management Report

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

This is a translation of the original French-language Reference Document "Document de Référence 2014". Sartorius shall not assume any liability for the correctness of this translation. The original French Reference Document is the legally binding version. Furthermore, Sartorius Stedim Biotech S.A. reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected.

Throughout the Reference Document, differences may be apparent as a result of rounding during addition.

Contents

To Our Shareholders

01

Chairman's Message

Dear Shareholders,

I am pleased to report that 2014 was yet another year of excellent performance by the Sartorius Stedim Biotech Group. This is the fourth year in succession that we posted double-digit topline growth. Sales slightly exceeded management guidance, increasing 15.9% in constant currencies. Business expanded across the entire portfolio and was driven both by strong organic growth and excellent development of recent acquisitions. From a geographic perspective, North America again led growth in 2014, also because the recent acquisitions here had an especially positive effect. The share of our sales on the key North American market has meanwhile surpassed the 30% mark.

We are also very satisfied with our profit development: the underlying EBITDA was up slightly over-proportionally by more than 18%, mainly driven by economies of scale. The company's underlying EBITDA margin reached 23.5%, as expected. Our continuous profitability expansion over the past years demonstrates the strength of our consumables-driven business model and our strategy as a total solutions provider. On the whole, I see us well on track to achieve our strategic 2020 growth targets that we defined three years ago.

Our strong, profitable growth resulted in a significant increase of our underlying earnings per share, which were up 16%, reaching €5.68. Based on these positive results, the Board of Directors will submit a proposal to the Annual General Shareholders' Meeting to raise dividends yet again, by 8.3% to €1.30 per share. Our positive performance and prospects were also reflected by the development of our share price, which soared 32.4% in 2014 and once again outperformed the French stock market.

The year 2014 was a success also from a strategic standpoint: A key element of our total solutions provider strategy is to continuously add new offerings to our portfolio through own product developments, alliances and bolt-on acquisitions. Therefore, I am pleased to report that both our recently acquired businesses, cell culture media as well as TAP's small-scale single-use bioreactors, developed very well under the Sartorius Stedim Biotech umbrella – even somewhat ahead of our business plans. I believe that we have once again proved our ability to smoothly integrate new companies and their people into our organization and to help extend the global reach of their innovative products. In 2014, we expanded our portfolio by adding single-use products for aseptic sampling when we acquired a majority stake in the U.S. startup AllPure Technologies.

Fiscal 2014 was also marked by further achievements: In product development, for example, we took important steps with our new generation of bags to meet the industry's demands of full scalability and increased standardization of single-use devices. As a result of our international sales initiative, we are deploying new strategies to better penetrate accounts with our entire product portfolio. We also progressed in our multi-year investment program at our Goettingen site by combining our two plants at a single site and expanding production capacities, as well as by building a demonstration and application laboratory at our Shanghai facility.

In 2015, we will continue to invest in our global infrastructure and capabilities to keep up with the growth of our company. We will also continue to expand our footprint in North America and Asia as important pillars of our strategic growth initiatives. In addition, we will strive to further outpace the market in North America and leverage market growth in Asia.

For 2015, we have set ourselves ambitious targets again: we are aiming to increase our sales revenue by around 4% to 7%. Our operational profit margin is projected to rise to approximately 24.0% to 24.5%. Continued investments in global infrastructure and capacities will result in a capex ratio in the range of 6% to 8%.

Based on the strong fundamentals of our industry, we see excellent prospects for our business, also over the medium and long term. Biotech is continuing to outperform the growing global pharma market, remaining the innovation engine of this industry. Biosimilars provide additional opportunities to grow the market. As health cost pressure is mounting and regulatory requirements are increasing, single-use production technologies are beginning to dominate all major biomanufacturing steps due to the lower production costs and higher flexibility they provide. We at SSB, as one of the pioneers of single-use technologies, constantly strive to make the production processes of our customers in the biopharma industry even more reliable and efficient.

The success we achieved in 2014 shows the potential behind our company and its employees. Therefore, our special thanks go out to our employees worldwide, who with their creativity and dedication constantly strive to enhance our business performance. We also appreciate the continued support of our customers, partners and shareholders, and cordially invite you to continue with us on the road to further success.

Sincerely,

Joachim Kreuzburg
Chairman of the Board and CEO

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.

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.

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[1)]

ISIN	FR0000053266
Liquidity provider	Gilbert Dupont
Stock exchange	Euronext Paris
Market segment	Local Securities - Compartment A (Large Caps)
Indexes	SBF 250; CAC All SHARES; CAC MID & SMALL 190; CAC SMALL; CAC HEALTH CARE
Number of shares	15,359,238
thereof Sartorius AG	74.3%
thereof free float	25.7%
Voting rights	26,994,873
thereof Sartorius AG	84.6%
thereof free float	15.4%

[1)] As of December 31, 2014

Stock Markets Characterized by High Volatility

In the reporting year, stock markets around the world showed volatile performance on the whole. While they were supported primarily by the expansive monetary policy of the ECB during the first half of the year, geopolitical tensions and worsening economic prospects fueled uncertainty in the course of the second half. The SBF 250, for example, reached an all-time high of 3,522 points by the middle of the year, on June 10, 2014, but then went down to 2,986 points on October 16, 2014. Supported by a very low interest environment, it ended the year at 3,289 points, which represents an overall gain for 2014 of 0.8%.

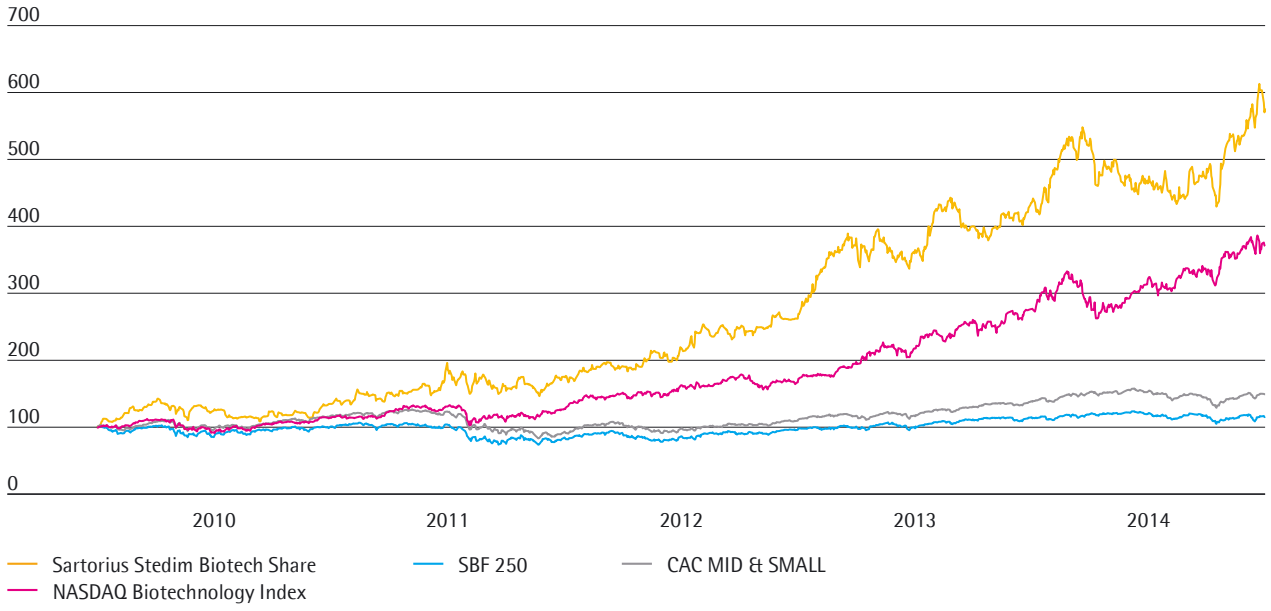
Strong Share Price Development

During 2014, the Sartorius Stedim Biotech share price performed better than the French stock market as a whole. From a close of €121.85 at the end of 2013, the share price rose by 32.4% to €161.30 by the end of 2014.

The share hit its lowest closing price for the year of €117.0 on January 13, 2014. The highest closing price was registered at the end of the reporting period on December 22, 2014, with €171.65.

Sartorius Stedim Biotech Share in €
January 4, 2010, to December 31, 2014

Sartorius Stedim Biotech Share in Comparison to the SBF 250, CAC MID & SMALL and NASDAQ Biotechnology Index (indexed)
January 4, 2010, to December 31, 2014



Investor Relations Activities

Sartorius Stedim Biotechs' investor relations activities focus on maintaining an ongoing, open dialogue with shareholders, potential investors and financial analysts.

Besides providing first-half and annual reports as well as holding quarterly telephone conferences, we also regularly published press releases presenting the significant company business developments and other material events in the reporting year of 2014. Moreover, our management team was available to capital market participants at our sites in Goettingen, Germany, and in Aubagne, France, and at conferences and road shows conducted in the financial market centers in London, UK; Paris, France; Frankfurt am Main, Germany; and New York, USA, to hold one-on-one meetings. Additionally, in September 2014, we hosted our first Capital Markets Day in Goettingen, Germany, providing an in-depth view into our business strategy and positioning as well as of our future business potential.

All information and publications relating to our company and its shares may be found on our website at www.sartorius-stedim.com.

Analysts

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

Research Coverage

Institute	Date	Recommendation
Portzamparc	January 29, 2015	Hold
Gilbert Dupont	January 28, 2015	Add
Oddo Midcap	January 27, 2015	Buy
Société Générale	January 27, 2015	Hold

Key Figures for Sartorius Stedim Biotech Share

		2014	2013	2012	2011	2010
Share price[1] in €	Reporting date	161.30	121.85	73.40	49.00	37.70
	High	171.65	124.00	76.03	54.89	40.00
	Low	117.00	75.35	46.73	37.35	28.00
Dividends[2] in €		1.30	1.20	1.10	1.00	0.90
Total dividends paid[2] in millions of €		20.0	18.4	16.9	15.3	13.8
Payout ratio[3] in %		22.9	24.5	26.1	28.7	30.5
Dividend yield[4] in %		0.8	1.0	1.5	2.0	2.4
Market capitalization in millions of €		2,477.4	1,869.6	1,126.1	751.0	577.4
Average daily trading number of shares		7,014	9,011	7,464	7,435	14,965
Trading volume of shares in millions of €		243.8	237.8	106.1	85.2	131.9
CAC MID & SMALL in millions of €		9,725	8,629	6,812	5,652	7,195
SBF 250 in millions of €		3,289	3,263	2,729	2,344	2,801

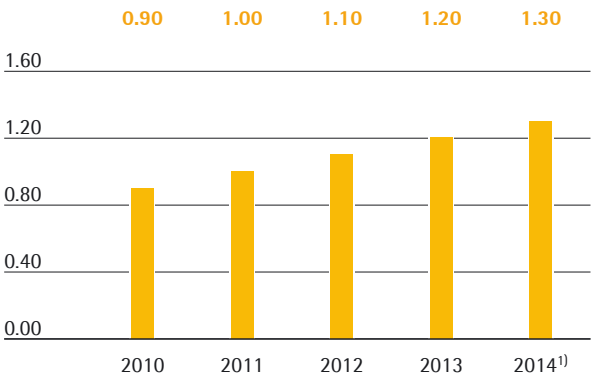
[1] Daily closing price
[2] For 2014, amounts suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting
[3] Based on the underlying net result
[4] Dividends in relation to the corresponding closing prices of the year
Sources: Euronext; Bloomberg

Dividends

The Sartorius Stedim Biotech Group applies a dividend policy intended to ensure shareholders are adequately rewarded for the company's success. Accordingly, we generally endeavor to distribute between 25% and 30% of the company' underlying net profit (for definition see p. 199).

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 7, 2015, to pay a dividend for fiscals 2014 of €1.30 per share from the net profit of €87.2 million. This would represent a gain of 8.3% over the previous year's figure of €1.20. Therefore, the total profit distributed would increase from €18.4 million a year ago to €20.0 million. The corresponding dividend payout ratio would be 22.9% compared to 24.5% in the previous year. In relation to the shares' closing price of €161.30 on December 31, 2014, the dividend yield would be 0.8% (previous year: 1.0%).

Dividends
in €



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

Shareholder Structure

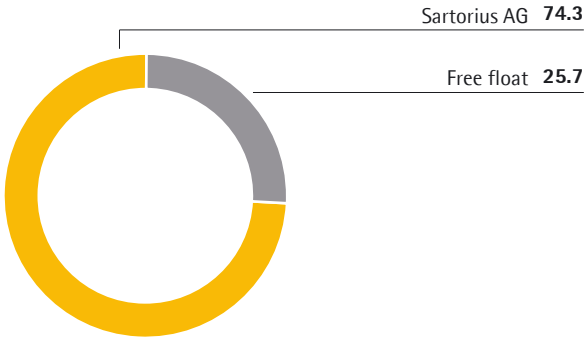
Pursuant to the authorization of the Annual General Shareholders Meeting, the Board of Directors in July 2014 resolved to cancel the company's 1,698,710 treasury shares representing approx. 10% of the company's total share capital. 2014. At the same time, the nominal value per share increased from €0.61 to €1.00.

As a result, the number of issued shares without exercisable options totaled 15,359,238 as of December 31, 2014 compared to 17,042,306 at year-end 2013. The issued capital of Sartorius Stedim Biotech S.A. however went up to €15.4 million against €10.4 million before.

As some of the shares convey double voting rights, there were a total of 26,993,188 voting rights as of the reporting date.

After the cancellation of treasury shares, Sartorius AG now holds 74.3% of the share capital and 84.6% of the outstanding voting rights. 25.7% of the shares are in free float; corresponding to 15.4% of the outstanding voting rights.

Shareholding Structure
in % of share capital



Management Report

02

Structure and Management of the Group

Group Legal Structure

Sartorius Stedim Biotech is a globally operating company with more than 3,600 employees worldwide and subsidiaries in more than 20 countries. The parent company of the Sartorius Stedim Biotech Group is Sartorius Stedim Biotech S.A., which, as a holding company, controls the Group's direct and indirect affiliates.

Approximately 74% of the share capital and around 85% of the voting rights of Sartorius Stedim Biotech S.A. are held by Sartorius AG and its subsidiaries.

Organization and Management of the Group

The Sartorius Stedim Biotech Group is consistently organized by function worldwide. The company is accordingly managed along its core operating functions.

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

The Group is managed by the executive members of the Board of Directors of Sartorius Stedim Biotech S.A. Implementing the Group's various strategies and projects at the local level is the responsibility of the national affiliates. The management bodies of the local companies manage their organizations in accordance with the applicable statutory provisions, articles of association and rules of procedure and in keeping with the principles of corporate governance that apply throughout the Sartorius Stedim Biotech Group worldwide.

Changes in the Group Portfolio

The consolidated financial statements include the parent company Sartorius Stedim Biotech S.A. and all major affiliates in which Sartorius Stedim Biotech S.A. has a controlling interest pursuant to IFRS 12.

In the reporting year, there was only a minor change to the company's portfolio. Sartorius Stedim Biotech acquired the majority stake in the U.S. start-up AllPure Technologies LLC. The company was initially consolidated on April 28, 2014.

Financial Controlling and Key Performance Indicators

The Sartorius Stedim Biotech Group is managed using a number of key performance indicators, which are also decisive for the determination of the variable remuneration component for the Executive Committee and managers.

Key management parameters that Sartorius Stedim Biotech uses to measure the development of its volume are currency-adjusted growth of order intake and sales revenue.

The key profitability measure is EBITDA adjusted for extraordinary items, i.e. underlying EBITDA, and the corresponding margin. Beyond these indicators, EBIT, relevant net profit for the year, net profit and earnings per share are reported.

A further important indicator is the ratio of net debt to underlying EBITDA.

In addition, the following financial and non-financial indicators are reported on a regular basis:

- Equity ratio
- Capex ratio
- Net working capital
- Net cash flow from operating activities
- Number of employees

As a rule, the annual financial forecast that is published by management at the beginning of a fiscal year for the Group refers to the development of sales revenue and of underlying EBITDA. The expected capex ratio is additionally indicated for the Group. Sales revenue and order intake are mostly at a similar level at Sartorius Stedim Biotech due to its structure, but generally do not show any considerable timing differences and are subject to similar growth assumptions. For this reason, order intake is usually not budgeted separately and is not a component of the financial forecast.

Strategy and Goals

Sartorius Stedim Biotech is a leading international supplier of products and technologies for the manufacture of medications and vaccines on a biological basis, so-called biopharmaceuticals.

As part of our strategy as a total solutions provider, we offer the biopharmaceutical industry a product portfolio that covers nearly all steps of their production processes. These cover cell culture media for seed fermentation and cultivation in various bioreactor sizes for cell propagation, as well as a range of technologies and equipment, such as filters and aseptic bags, for cell harvesting, purification and concentration, all the way to final filling.

Sartorius Stedim Biotech focuses in particular on single-use products, which represent around three quarters of its sales revenue. Those include, inter alia, filters, bags and cell culture media. For our customers, single-use products are an innovative alternative to conventional reusable stainless steel systems: they provides considerable cost and time savings and reduce the risk of contamination. Sartorius Stedim Biotech has the most extensive portfolio of single-use technologies in the industry.

With its products, the company addresses an attractive market with an above-average growth potential. Its sales and distribution activities are carried out globally by its own field force. As our customers' manufacturing processes are validated by respective authorities, product quality and supply security are essential.

We see our leading market positions in process filtration, fluid management, fermentation and membrane chromatography as good stepping stones for sustained dynamic and profitable growth in the future. Besides realizing our organic growth potential, the company also intends to continue expanding through complementary acquisitions and alliances.

Integrated Products and Services Along the Customer's Process Chain

Sector Conditions

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

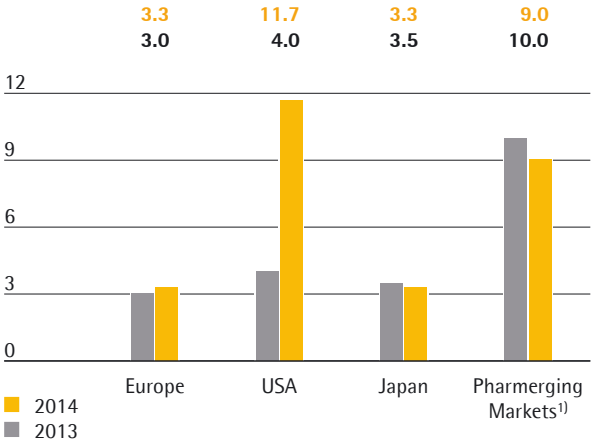
Strong Growth in the Pharmaceutical Markets

The international market research institute IMS Health estimates that the global pharmaceutical market has grown by around 7% in 2014, compared with a gain of about 3% in 2013.

This significant acceleration in growth can be primarily attributed to a comparably low number of patent expirations in the developed markets and to many new drugs approved. In addition, the introduction of government health insurance in the USA had a positive impact.

Pharmerging markets continued to expand dynamically on the whole in the reporting period. Growth in these markets was driven by the expansion of state healthcare and by higher private spending.

Growth of the Regional Pharma Markets
in %



[1)] Chine, Brésil, Russie, Inde, Algérie, Argentine, Colombie, Égypte, Indonésie, Mexique, Nigeria, Pakistan, Pologne, Roumanie, Arabie saoudite, Afrique du Sud, Thaïlande, Turquie, Ukraine, Venezuela, Vietnam

Source: IMS Health

Continued Above-Average Growth in the Biotechnology Market

The global market for pharmaceuticals manufactured using biotech methods grew overproportionately in the reporting year by around 9%, again outperforming the global pharmaceutical market. This is attributable mainly to the launch of many new biopharmaceuticals over the past years and to expanded indications for existing medicines. The proportion of sales revenue accounted for by biologically produced medications has risen over the last years and now stands at around 22% to 23%. Currently, 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 pharmaceutical ingredients manufactured using biotech methods. Monoclonal antibodies are also continuing to gain importance. These are used, for instance, for the treatment of cancer, HIV and autoimmune diseases, such as multiple sclerosis and rheumatism. According to a study conducted by the Boston Consulting Group, there were over 330 monoclonal antibodies undergoing clinical development (phases I–III) in 2013, significantly more than in 2012

Strong Trend Towards Single-Use Systems in Biopharmaceutical Production

Compared with classic procedures, biotechnological production processes are vastly more complex and cost-intensive. For this reason, manufacturers and suppliers are intensively working to develop more efficient production technologies. Single-use products are playing a crucial role in this effort. They require significantly less capital expenditure and, moreover, reduce costs for cleaning and validation and minimize downtime. Beyond these advantages, single-use products provide considerable flexibility and help accelerate time to market. Thanks in particular to their cost efficiency, single-use products are already well established in many process steps.

Continued Soft Demand in the Public Research Sector

A proportion of the demand for our laboratory products comes from public sector research. In many countries, research budgets have been declining as a result of excessive public debt. According to Frost & Sullivan, demand from the public research sector in the reporting year was slightly below the prior-year level.

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 90% 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. EMD Millipore, Pall and General Electric Healthcare are among our main rivals in the process area; Thermo Fisher and EMD Millipore are key players in the laboratory field. We also face competition from smaller companies, such as Applikon in individual segments.

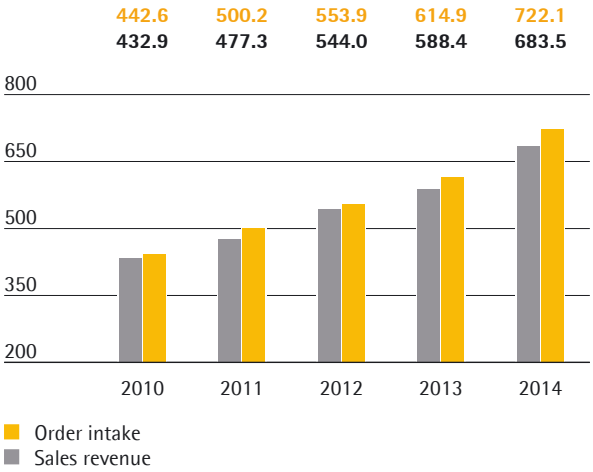
Sources: The Boston Consulting Group: Medizinische Biotechnologie in Deutschland 2014 (Medical Biotechnology in Germany 2014); IMS: Global Outlook for Medicines Through 2018; Evaluate Pharma: World Preview 2018, June 2013.

Group Business Development

Order Intake and Sales Revenue

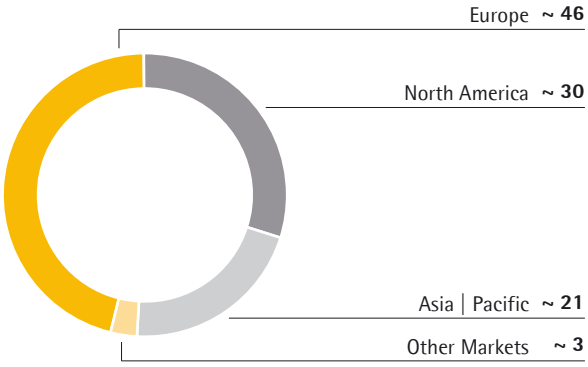
In the reporting year, business for the Sartorius Stedim Biotech Group performed very positively again, with substantial double-digit gains in order intake, sales revenue and earnings.

Order Intake and Sales Revenue
€ in millions



Order intake in the reporting year climbed by 17.1% to €722.1 million in constant currencies compared with a high prior-year revenue base. Sales revenue rose during the same period by 15.9% in constant currencies to €683.5 million, slightly surpassing our guidance issued at the outset of year of 11% to 14% in constant currencies. Organic growth of around 8.5 % exceeded our expectations and was driven by all product lines. Also, our recent acquisitions of the cell culture media business and TAP Biosystems developed dynamically in the reporting period and performed better than anticipated at the beginning of the year.

Sales Revenue by Region[1)]
in %



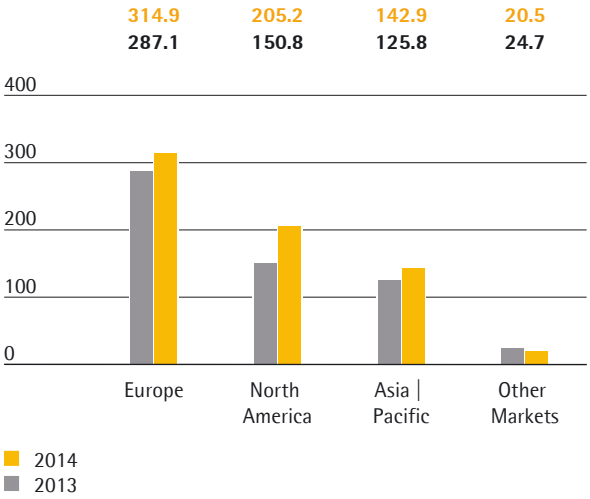
1) Acc. to customers' location

In 2014, all main regions reported strong gains in sales revenue. Especially in Europe and North America, the acquisitions mentioned above contributed significantly to growth. Europe, the region generating the highest sales and accounting for around 46% of total Group revenue, reported an increase in sales revenue of 8.8% in constant currencies to €314.9 million.

North America, which represented 30% of Sartorius Stedim Biotech's sales revenue, registered the highest growth dynamics in the reporting period. Sales in this region significantly increased by 35.5% in constant currencies to €205.2 million.

Asia | Pacific accounted for around 21% of total sales in 2014, recording a gain of 15.0% in constant currencies to €142.9 million.

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



	Sales[1] € in millions	Growth in %	Growth[2] in %
Group	**683.5**	**16.2**	**15.9**
Europe	314.9	9.7	8.8
North America	205.2	36.1	35.5
Asia | Pacific	142.9	13.6	15.0
Other Markets	20.5	–16.9	–16.9

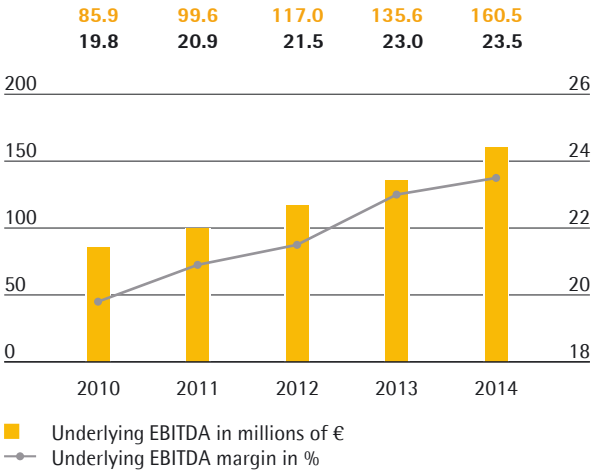
[1] Acc. to customers' location
[2] In constant currencies

Earnings

At the Sartorius Stedim Biotech Group, earnings before interest, taxes, depreciation and amortization (EBITDA) are used as the key profitability measure. To provide a complete and transparent presentation of the Group's profitability, we report earnings adjusted for extraordinary items (underlying EBITDA). For more information about definitions, please refer to the Glossary on page 198. The underlying presentation is reconciled with the EBITDA key indicator (see Glossary) on the following page.

In the reporting year, earnings of the Sartorius Stedim Biotech advanced significantly based on its strong growth in sales revenues. Due to economies of scale, underlying EBITDA increased overproportionally by 18.4% to €160.5 million. The respective margin rose from 23.0% to 23.5%, in line with the guidance provided at the beginning of the reporting year.

Underlying EBITDA and margin[1]

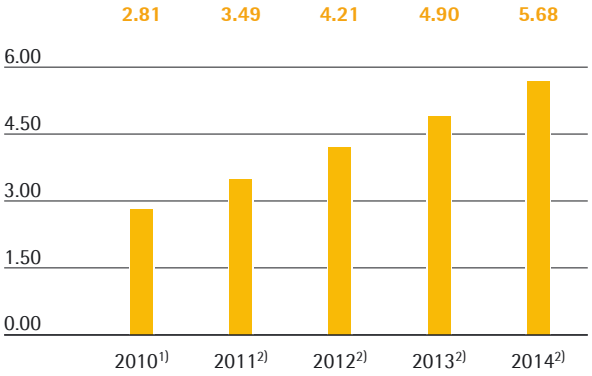


[1] Adjusted for extraordinary items

Extraordinary items amounted to -€4.9 million (previous year: -€3.7 million) and essentially related to the integration of TAP Biosystems and other corporate projects. Including all extraordinary items, depreciation and amortization, the Group's EBIT (see Glossary) rose from €101.3 million to €120.4 million; its respective margin increased from 17.2% to 17.6%.

Underlying net profit after non-controlling interest for the Group surged from €75.2 million a year ago to €87.2 million in fiscal 2014. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization of €10.8 million (previous year: €9.2 million) and fair value adjustments of hedging instruments as well as the corresponding tax effects for each of these items. The underlying earnings per share are at €5.68, up from €4.90 a year earlier.

Underlying Earnings per Share
in €



€ in millions	**2014**	2013
EBIT (operating result)	**120.4**	**101.3**
Extraordinary effects	4.9	3.7
Amortization | IFRS 3	10.8	9.2
Financial result	**–15.3**	**–6.9**
Valuation hedging instruments	3.8	0.3
Normalized income tax (2014: 29%, 2013: 29%)	–36.1	–31.2
Underlying net result	88.4	76.4
Non-controlling interest	–1.3	–1.2
Underlying net result excluding non-controlling interest	**87.2**	**75.2**
Underlying earnings per share (in €)	5.68	4.90

See Glossary for the definitions of the totals listed above.

Appropriation of Profits

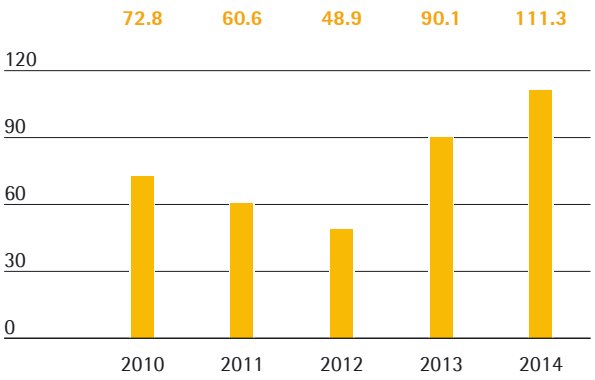
The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 7, 2015, for payment of a dividend of €1.30 per share for fiscal 2014, up from €1.20 in the previous year. The total profit distributed would accordingly increase by 8.4% from €18.4 million a year earlier to €20.0 million. In relation to the closing price of the share of €161.30 on December 31, 2014, this would result in a dividend yield of 0.8% (previous year: 1.0%).

Net Worth and Financial Position

Cash Flow

The net cash flow from operating activities of the Sartorius Stedim Biotech Group increased from €90.1 million to €111.3 million in the reporting period. This gain was essentially driven by higher earnings.

Net Cash Flow from Operating Activities
€ in millions



At €42.5 million, net cash flow from investing activities was substantially higher than last year's figure of €28.3 million, as planned. This increase mainly reflects higher investments for the expansion of our product capacities.

Cash outflows of €4.3 million related to acquisitions in the reporting period were attributable to the takeover of a majority stake in AllPure Technologies LLC. The figure of €45.1 million for 2013 reflected the acquisitions of the cell culture media business and the TAP Biosystems Group.

Net cash flow from investing activities and acquisitions thus amounted to €46.8 million compared with €73.4 million in 2013. Accordingly, the Group has financed its entire investments and acquisitions from operating cash flows.

Net cash flow from financing activities of -€84.2 million reflects payment of dividends and the payback of our debt (see Note 28).

Cash Flow Statement
Summary

€ in millions	**2014**	2013
Net cash flow from operating activities	111.3	90.1
Net cash flow from investing activities and acquisitions	–46.8	–73.4
Net cash flow from financing activities	–84.2	–8.0
Cash and cash equivalents	18.5	35.6
Gross debt owed to banks	106.0	165.6
Net debt owed to banks	87.4	130.0

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased moderately by €33.3 million to €906.8 million between year-end 2013 and the reporting date on December 31, 2014.

Non-current assets rose from €612.5 million in 2013 to €630.6 million in 2014, primarily due to investments in our production capacities.

Current assets grew from €260.9 million to €276.2 million. This increase was driven by the aforementioned buildup in working capital, which was partly compensated for by a decrease in cash and cash equivalents.

Key Working Capital Figures
in days

		2014	2013
Rate of turnover for inventories			
Inventories / Sales revenue	x 360	58	55
Rate of turnover for receivables			
Trade receivables / Sales revenue	x 360	66	63
Rate of turnover for net working capital			
Net working capital[1] / Sales revenue	x 360	81	79

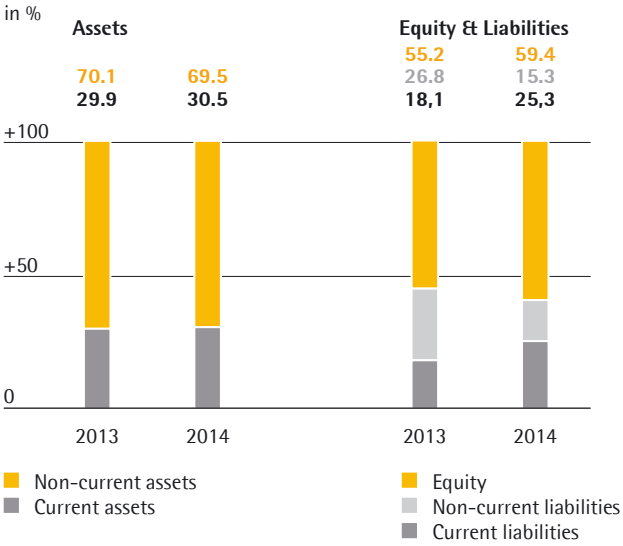
[1] Sum of inventories and trade receivables less the trade payables

Equity was up from €481.8 million in 2013 to €538.5 million in 2014. The Sartorius Stedim Biotech Group's equity ratio rose markedly to 59.4% (December 31, 2013: 55.2%).

Non-current liabilities were down at €138.7 million as of December 31, 2014, compared with €233.7 million as of December 31, 2013, while current liabilities were up year over year from €157.9 million to €229.6 million. This mainly reflects the significant reduction of our gross debt, as well as a change in maturity due to the refinancing of our syndicated loan in the reporting year.

Overall, gross debt was €106.0 million as of December 31, 2014, compared with €165.6 million for the year ended December 31, 2013. Net debt as of the reporting date was €87.4 million relative to €130.0 million a year ago.

Balance Sheet Structure



The ratio of long-term capital to fixed assets stood at 109.3% against 118.7% on December 31, 2013.

Financing | Treasury

The Sartorius Stedim Biotech Group is financed on a well-diversified basis. In the reporting year, the attractive credit market conditions were used to refinance existing syndicated credit facilities before maturity. Moreover, such financing facilities were pooled at the level of Sartorius AG, the majority shareholder of Sartorius Stedim Biotech. Therefore, the syndicated loan of Sartorius Stedim Biotech with a volume of €250 million was terminated in December 2014. Since then, Sartorius Stedim Biotech has been using a credit line with a volume of €300 million that is provided by Sartorius AG (see page 135 for more information).

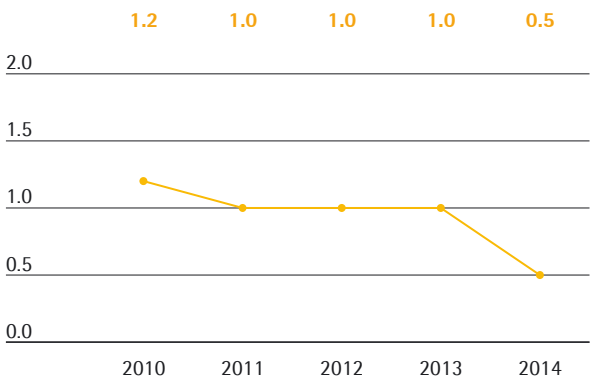
Furthermore, the Group has a long-term loan agreement with the Kreditanstalt für Wiederaufbau (KfW) for a current volume of €19 million relating to investments in production capacities.

Another element of our financing structure is a factoring program with a maximum volume of €35.0 million. Moreover, Sartorius Stedim Biotech has diverse bilateral credit lines of approximately €25 million in total.

The financing of the Sartorius Stedim Biotech Group comprises instruments with both fixed and variable interest. Financing facilities with variable interest rates are partly hedged against an increase in the general interest rate level.

The ratio of net debt to underlying EBITDA, which represents a key management indicator for the Sartorius Stedim Biotech Group, significantly improved to 0.5 for the year ended December 31, 2014.

Ratio of Net Debt to Underlying EBITDA



The Sartorius Stedim Biotech Group conducts business across the globe and thus is affected by currency fluctuations. For the Group, the U.S. dollar represents the most important foreign currency, besides the Japanese yen and British pound. Our global manufacturing network with production facilities outside Germany and France – in North America, the U.K., Switzerland and India – enables us to compensate for the majority of currency fluctuations (natural hedging).

We generally hedge the remaining net currency exposure for a period of up to 1.5 years ahead by about two-thirds through suitable currency transactions.

Research and Development

The research and development activities of Sartorius Stedim Biotech encompass in-house development in the area of our own core technologies as well as the integration of products through alliances with partners from universities and industry.

In-house research and development at Sartorius focuses in particular on the following technologies areas: membranes, which are the core component of all types of filter products; several base technologies for a broad spectrum of applications in bioprocesses like single use containers and sensors, as well as control technologies, e.g. for fermentation. Morevover, we have extensive expertise in application development.

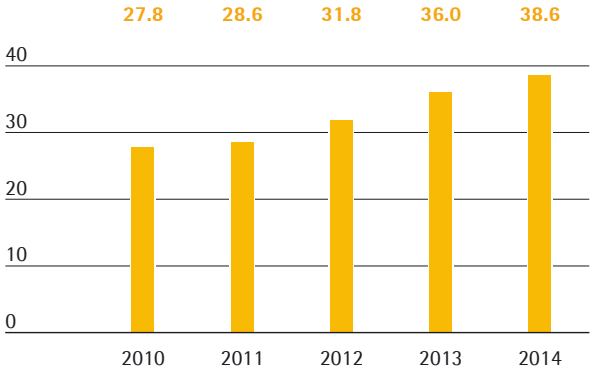
From a regional perspective, the largest R&D site is located in Goettingen. We have additional key R&D activities in Aubagne, Guxhagen, Bangalore and Royston. Overall, our research and development activities become increasingly international. One of our R&D priorities for the reporting year was to develop additional applications for our new polyethylene film. Thus, we continued our efforts to bring the new film to market in areas such as storage or freeze-thaw applications.

In connection with the acquisition of AllPure Technologies, we began work in the reporting year to develop new standardized products for taking samples from bioreactors.

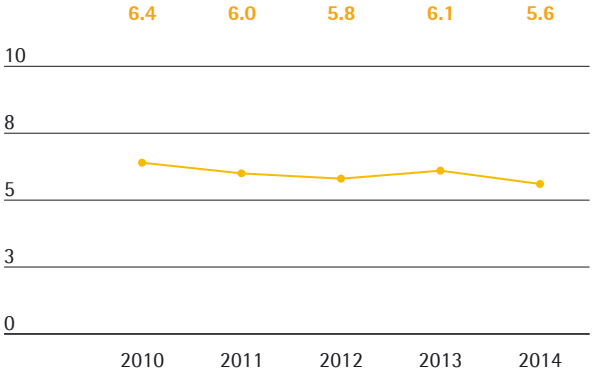
We are also collaborating with industrial and university partners on the development of new control technologies for manufacturing processes of active medical ingredients, so-called process analytical tools.

The Sartorius Stedim Biotech Group stepped up its research and development activities in the reporting year, increasing spending in this area by 7.1% to €38.6 million (previous year: €36.0 million). Our respective ratio of R&D costs to sales revenue was at 5.6% compared to 6.1% a year earlier.

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 property rights filed in 2014 amounted to 125 compared to 87 in the previous year. As a result of the applications submitted in the past years, we were issued 134 patents and trademarks (previous year: 120). As of the balance sheet date, we had a total of 1,811 patents and trademarks in our portfolio (previous year: 1,592).

	2014	2013
Number of patent and trademark applications	125	87
Registered patents and trademarks	134	120

Products and Sales

Sartorius Stedim Biotech provides products to cover virtually every step in biopharmaceutical production processes, from media for cell cultivation, bioreactors in various sizes for cell propagation and filters for purifying cell material to systems for the storage and transport of intermediate and finished products. This offering is complemented by a range of services including consulting, validation and application-specific packages.

Sartorius Stedim Biotech launched new generations of existing product lines in the reporting year and added several completely new products, most notably in the areas of fluid management and fermentation.

New Generation of Single-Use Bags

Together with a cooperation partner, we developed a new polyethylene film based on which we launched new single-use bags for fermentation applications in the reporting year. One of the main benefits of this new film is that it does not interact with the cell material, so stable cell growth is ensured. The new film combines both robustness and flexibility at the same time, meaning that it can also be used for large-volume fermentation and storage processes and in a wide range of applications. Another advantage for customers is that now only a single film has to be validated, which paves the way to significant reductions in validation time and costs.

Acquisitions Strengthen the Product Range

The acquisition of the British company TAP Biosystems at the end of 2013 added two small-volume single-use bioreactor systems for process development applications to our product range. These innovative systems enable our customers to perform a large number of cell culture experiments simultaneously, providing a quick and cost-effective way to determine the optimal development conditions for their cell cultures. It allows us to begin working with the customer at an early stage in process development.

The product range gained new sampling systems too with the acquisition of a majority stake in U.S. startup AllPure Technologies. The AllPure system, which is based on single-use technology, allows samples to be taken from the bioreactor in a sterile, closed environment. The technology replaces traditional reusable sampling systems, which pose a greater risk of contamination.

Extensive Range of Services

The sophisticated manufacturing processes employed by our customers are subject to strict regulations on quality control and quality assurance. Compliance with these regulations is subject to regular checks by the relevant authorities. We offer an extensive range of services encompassing validation and consulting activities as well as equipment installation, maintenance and repair to help customers comply with the applicable regulatory requirements.

Sales and Distribution Activities Expanded

Sartorius Stedim Biotech markets its product portfolio exclusively through the direct channel. It maintains its own team of field sales representatives and also has a global key account management organization to coordinate and support sales and distribution activities for key accounts. Sartorius Stedim Biotech began in the reporting year to introduce a new global CRM system to provide further support for sales and distribution activities. It also stepped up sales and distribution activities in Asia once again in the reporting year in connection with the implementation of the 2020 strategy. The new application center opened in Shanghai, for example, allows the presentation of all of the key products plus demonstrations of a variety of different applications to customers.

Production and Supply Chain Management

Sartorius Stedim Biotech operates a well-developed global production network with plants in Europe, North America and Asia. The largest production sites are located in Germany, France and Puerto Rico. Sartorius Stedim Biotech also has manufacturing operations in Switzerland, the U.K., Tunisia and India.

Each of our production sites generally serves as a center of competence for particular technologies. The Group's largest plant in Goettingen, for example, concentrates chiefly on the production of membrane filters; the Aubagne and Mohamdia sites primarily manufacture single-use bags. Our plant in Yauco supplies membrane filters and single-use bags principally for the U.S. market. The Guxhagen site specializes in bioreactors and other systems for bioprocess applications. It collaborates closely with the Bangalore site, which mainly manufactures stainless steel units for these systems.

Production Capacity Expanded

Sartorius Stedim Biotech expanded its production capacity at various sites in the reporting year in response to the dynamic growth of the bioprocess business. Thus, new bag production systems were commissioned at the Yauco, Aubagne and Mohamdia plants. The company installed a new casting machine for the production of filter membranes at the Goettingen site too in the reporting year. It is scheduled to be commissioned in 2015. Production capacity has also been expanded at the Bangalore plant for fermentation.

Central Distribution Centers

Sartorius Stedim Biotech and a partner built a new, highly automated logistics center at the Goettingen site in the reporting year. The facility handles product shipping as well as supplying production units at all of the Goettingen plants. We intend to implement a central distribution center for the Asian markets too in future based at the Suzhou site in China.

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. Innovations, as well as strategic and operational excellence, are key to meeting this objective. To us, sustainability means that in pursuing these business objectives, we use a long-term, broadly based approach encompassing social and ecological interests. We take our responsibilities toward our various stakeholders seriously and foster long-term relations that deliver benefits to all parties involved. Therefore, active management of social and ecological tasks is one of our success factors.

In line with this approach, we consider it essential to comply with legal and ethical standards, manufacture with ecological responsibility, and keep the environmental impacts in mind when developing product innovations. Likewise, our HR policy is aimed at preserving the rights and interests of employees and at actively using and developing the potential of our global workforce. At the company sites around the world, we as employers and contractors take an active part in developing the regional environments.

Our indicators for social, health and safety, environmental and raw material data have been defined to cover most of the impacts of the Group's activities. Since 2012, Sartorius Stedim Biotech has been reporting key personnel and environmental indicators and metrics in compliance with the French Grenelle II environmental law. The recommended Table of Concordance is shown on pages 182 and 183. As these indicators are based on generally accepted standards, they permit comparison with those of other companies. Internally, the figures provide the basis for defining, reviewing and controlling environmental and HR targets.

Methodological Note

If not indicated otherwise, the indicators reported below for HR and health and safety refer to the entire Group, excluding the U.S. start-up AllPure, which was acquired in 2014. These figures thus represent over 99% of total headcount. The environmental indicators cover all our production sites in Aubagne, Lourdes, M'Hamdia, Goettingen, Guxhagen, Stonehouse, Tagelswangen, Yauco, Bangalore and Royston, representing 83.3% of the Group's total workforce.

Most data is collected using SAP for social information and EMC for environmental data. In some cases, our local sites transmit data via other software systems. As a general rule, the required data is reported monthly, and the HR and EHS units at the largest Group site in Goettingen review and consolidate this data. Sartorius Stedim Biotech set up a process of continuous improvement of Group-wide recording and reporting of environmental and personnel data.

Sustainable Corporate Management

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. In addition, these values guide us in the future development of our company.

Sartorius Stedim Biotech conducts its business in accordance with the legal regulations of individual countries and with globally accepted ethical standards. Our actions are in line with good corporate governance and control, focusing on sustainable value added. These principles include compliance with legal and internal Group regulations, protection of our stakeholders' interests, transparent communications, appropriate risk management and proper accounting and auditing. Sartorius Stedim Biotech follows the rules and recommendations of the AFEP-MEDEF Corporate Governance Code. More information is provided in the Chairman's Report on page 79 of this Reference Document.

Our compliance system is pre-emptive in nature and aims to prevent misconduct, financial loss and damage to the company's image. Key principles of this system are our Code of Conduct and Anticorruption Code comprising the basic standards for legally compliant and ethical behavior. Both help to ensure we operate with the highest level of integrity and are binding on all employees.

In following its Code of Conduct, Sartorius Stedim Biotech supports and respects the principles 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 and/or child labor and respect the special need to protect young employees. All Sartorius Stedim Biotech employees are committed to a task-oriented, open, friendly and fair approach for interacting with colleagues, employees and third parties, helping to create an atmosphere of respectful cooperation. We do not tolerate employees being discriminated against, disadvantaged, harassed or excluded based on their gender, 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 guidelines defined in the Anticorruption Code 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 training on dealing with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any dubious conduct.

Sartorius Stedim Biotech has a remuneration policy that aims to attract, retain and motivate employees. It ensures internal and external competitiveness by conducting regular reviews of the local markets. Our two global incentive programs, in which many of our employees are eligible to participate, are linked to both the success of the company and the achievement of targets defined in annual performance reviews. Generally, the company applies industry standards or complies with union agreements. In Germany and France, for instance, compensation is paid according to the pay rates set by the trade unions, or even above, based on local performance-related components.

As business partners, we request our suppliers and associates to respect human rights not only by signing our Code of Conduct and upholding all applicable human rights laws and regulations, but also by ensuring that these same principles are complied with throughout their entire supply chains.

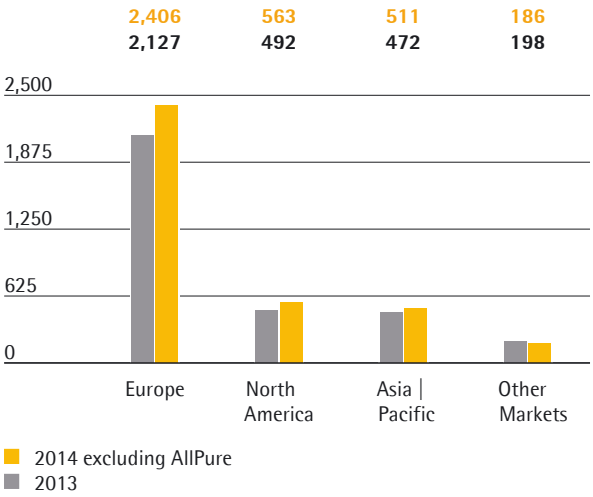
Employment

The employment numbers 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.

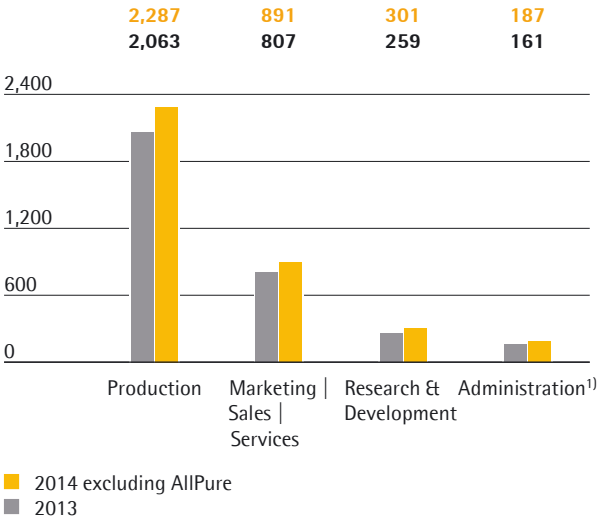
As of December 31, 2014, the Sartorius Stedim Biotech Group employed 3,666 people total (2013: 3,289). These figures do not yet include the 31 employees of U.S. start-up AllPure Technologies, which Sartorius Stedim Biotech acquired in April 2014. As we recruited new staff in response to the sustained strong demand for single-use products and included 173 TAP Biosystems employees for the first time in 2014, headcount increased by 11.5%.

Europe continued as the region with the highest number of employees, accounting for nearly two-thirds of our workforce. North America recorded the highest increase in the reporting year by 14.4%, mainly due to new hires in production at our site in Puerto Rico and in sales and marketing.

Employees by Region

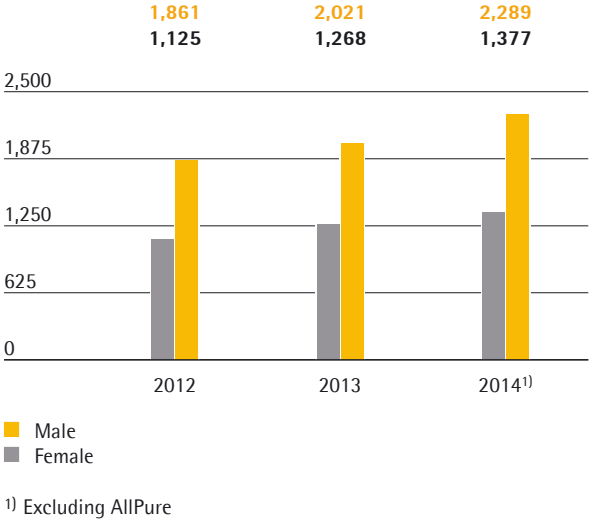


Employees by Function



[1)] Excluding administrative functions performed by Sartorius Corporate Administration GmbH, which is not part of the Sartorius Stedim Biotech Group

Employees by Gender



[1)] Excluding AllPure

Employees by Age

	2014[1]		2013	
	number	**in %**	number	in %
16 –20	18	0.5	17	0.5
21 –30	844	23.0	811	24.7
31 –40	1,129	30.8	1,013	30.8
41 –50	964	26.3	876	26.6
51 –60	628	17.1	509	15.5
61 and above	83	2.3	63	1.9

[1] Excluding AllPure

The number of employees by function shows that approximately two-thirds of our employees work in manufacture and areas directly related to production. In this area most new staff members were hired, followed by marketing, sales and services as optimized marketing activities are a decisive factor for achieving our growth targets.

The proportion of women in the entire workforce slightly decreased in the reporting year and is 37.6% (2013: 38.6%). The average employee age remains just under 40 years.

Employee benefits expense totaled €206.076 million in the reporting year, of which €168.036 million accounted for wages and salaries, excluding AllPure. For further details, please see page 121.

New Hires, Attrition Rates, Average Seniority and Absenteeism

	2014[1]	2013
New Hires	504	634
Redundancies[2]	43	36
Attrition Rate[3] in %	8.7	10.0
Average Seniority in years	8.4	8.3
Absenteeism[4] Rate in %	3.9	4.3

[1] Excluding AllPure
[2] Redundancies are all company-driven dismissals or layoffs
[3] Expresses the number of people leaving the company as a percentage of the average headcount (2014: 3,601.75), including fixed-term contracts, retirements and other reasons for employees leaving the company
[4] Excluding time lost due to long-term health conditions, and maternity, parental and sabbatical leave, Sartorius Biotech Korea Co. Ltd. that represents 1.6% of the Group's total workforce is not included.

The attrition rate is generally subject to regional variations. While the rate for the reporting year was between 6.3% and 8.3% in North America, Asia | Pacific and in Europe, the rate in the Other Markets, which primarily includes our bag manufacturing site in M'Hamdia, Tunisia, was 23%. However, this is not uncommon for Africa. Germany traditionally has one of the world's lowest fluctuation rates. At our sites in Germany, where we employ 38.1% of the Group's staff, this rate was 4.3% in 2014, in line with the German average. In France, the attrition rate was 16.2%, primarily due to fixed-term contracts. Excluding fixed-term contracts, the rate in France was 7.4%.

The absenteeism rate expresses the proportion of planned working time that is lost due to general absences. The average time missed due to illness was 6.9 days per employee in 2014 (2013: 7.9 days).

Applying Different Perspectives

As we are an international company, the diversity of our markets, business regions and customers is also reflected in our workforce. In setting up teams, we 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 are continuing to internationalize our management line-up over the medium term.

Another priority of our diversity strategy is to ensure that women are adequately represented in management positions. The number of posts held by women in the two tiers of management immediately below the Executive Board was 25.2% as of December 31, 2014 (2013: 25.0%).

In the reporting period, Sartorius Stedim Biotech employed 96 people (2013: 91 people) who are registered as disabled – of this number, 24 work in France and 69 in Germany.

Further Developing the Potential of Employees Worldwide

To grow successfully in a dynamic market environment, we need competent, qualified employees and, therefore, make every effort to further enhance our appeal as an employer, both internally and externally. With an employer brand and talent management, we aim to increase the quantity and quality of talented staff available for positions required by the company, focusing especially on female employees.

Annual performance reviews conducted for employees at all Group subsidiaries encourage individual and collective performance. These appraisals cover identification of development opportunities, as well as review of targets and performance.

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 special program helps junior managers develop and refine their management skills through specific projects directly related to the company's business. Sartorius Stedim Biotech also provides a separate development program in line with our leadership guidelines for experienced management staff to strengthen our common managerial culture.

A structured Expert Career Path program enables Sartorius Stedim Biotech to provide specific development opportunities for scientists and engineers in our R&D functions, and raises the profile of our experts both within and outside the company. As a result, experts for key Sartorius Stedim Biotech technologies have an even greater incentive to stay with the company. In the reporting year, we together with our expert scientists further developed the content of this program and extended it internationally.

Sartorius Stedim Biotech generally encourages employees to gain new perspectives in other areas of work or at other company locations. After all, the company also benefits from employees who think and act across departments and locations. Departments are actively supported in relocating staff.

Sartorius College offers a wide range of training seminars and continuing development opportunities for all employees to extend their foreign language skills and professional qualifications. The Value Selling course, for example, teaches field sales representatives and application specialists worldwide the strategic skills necessary to provide first-class customer advisory services. An eLearning platform within the technical training program provides an interactive way for employees from the Marketing, Sales and Services units to prepare individually for subsequent face-to-face training sessions.

To help employees manage change processes successfully and sustainably, Sartorius Stedim Biotech operates a strategic change management system.

At its sites in France, Tunisia and Puerto Rico, Sartorius Stedim Biotech provided 14,616.9 hours of training in 2014. This corresponds to an average of 13.1 hours of training at an average cost of €328.90 per employee. The scope of training hours currently corresponds to 31,3% of total headcount. Sartorius Stedim Biotech intends to broaden the scope of collected data thereby allowing a more representative statement about the Groups activities in this area.

Finding and Developing Talented Young Staff

In order to enhance their professional knowledge, skills and experience, Sartorius Stedim Biotech offers young people the opportunity to work within the company. For many years, we have been using the corresponding European Union funding programs, such as the Marie Curie scheme for young scientists and the Leonardo da Vinci scheme for international vocational education. If possible, we give interns also the possibility to participate in trainings. Thanks to an alliance with the Kedge Business School in Marseille, France, the interns at our Aubagne site, for example, can attend the Master of Business Administration courses offered there.

Our own international scholarship program, meanwhile, has been supporting talented students and graduates in scientific and technical fields, not just financially, but also technically and personally, mentoring these students from within our own organization.

Freedom and Flexibility at Work

Sartorius Stedim Biotech complies with statutory and contractual working time obligations at all its subsidiaries. Working time varies depending on local environments and business activities.

Generally, we set our employees demanding tasks, delegate responsibility at an early stage and give them the freedom to define their daily work schedule. For instance, at all German SSB sites, employees can opt for various workweek schedules, such as flextime, part-time work or teleworking. The number of part-time employees is 185 (2013: 137), which equates to 5.1% of our total head count (2013: 4.2%).

Encouraging Social Dialog

Sartorius Stedim Biotech places great importance on communication with its employees. Interoffice memos, newsletters and an employee magazine inform our staff, for example, about changes within the company, its goals and its economic situation. Our first global employee survey held in 2013 yielded particularly good results. Employees were especially satisfied with their present job and tasks, their immediate manager and the cooperation within the company. In 2014, we developed follow-up plans of action for areas given slightly lower ratings, such as career advancement opportunities. Besides several activities on a local level, the planned new talent management reflects some of the key findings from the employee survey.

In France, as well as in Germany, Sartorius Stedim Biotech staff is represented by three employee councils. These employees' councils hold regular staff meetings. In 2014, 12 collective agreements were signed at the French sites and 10 at the German locations. They cover profit sharing and incentive systems, weekend work, electronic voting and annual performance reviews. In France, five collective agreements on health insurance were signed in the reporting year to address environmental, health and safety issues (EHS).

Employee Health and Safety

The Group's corporate health management policy covers both the physical and the psycho-social elements of health to enhance employee performance and motivation and reduce illness-related costs. We promote awareness of personal health among all employees, through special action days at individual sites for example. In 2014, we introduced advisory and assistance services especially for employees traveling on business to a foreign country or staying abroad. In the event of any medical emergencies or safety risks, our employees can obtain assistance by phone or find help on-site at all times. Vice presidents in Germany may take advantage of an annual medical checkup at a selected partner clinic.

At Sartorius Stedim Biotech, we align job safety and work organization conditions according to the applicable laws and regulations. We strive to improve technical and organizational working conditions continuously to further reduce job-related medical conditions, risks to health and potential causes of industrial accidents. In this effort, we are responsive to the concerns of our employees as well: At the Aubagne site, for example, we operate a special program that implements specific improvements suggested by employees to prevent potential health hazards. Sartorius Stedim Biotech offers regular training for employees in occupational health and safety and in environmental protection. At our sites in Germany, we provided 2,928 hours of training on EHS issues in 2014 (2013: 2,995 hours), of which 50% were estimated as follows: 1.5 hours per employee on average multiplied with the headcount at the end of the year and with an attendance rate of 70%.

Statistics on accidents at work

	2014[1)]	2013
Number of work accidents[2)]	54	48
Number of days lost due to work accidents[3)]	1,132	858
Frequency rate[4)]	8.8	8.7
Severity rate[5)]	184.0	155.6

1) Excluding AllPure
2) Excluding accidents that occurred during the employee's travel between home and work
3) Measured in calendar days, excluding Sartorius Biotech Korea Co. Ltd. that represents 1.6% of the Group's total workforce
4) Represents the number of accidents per 1,000,000 theoretical working hours (theoretical working hours in 2014: 6,169,623.31)
5) Represents the number of days lost through accidents per 1,000,000 theoretical working hours

Due to the higher headcount, work-related accidents at our sites around the world and the number of days lost due to work accidents slightly increased compared with the previous year. The number of accidents in relation to working hours, however, was 8.8, nearly the same as in 2013. Most of the work-related accidents were minor in nature. We review the effectiveness of our accident prevention measures regularly based on accident analysis.

Ecological Sustainability

Sustainable production and ecological product innovations are important for our long-term financial success. When planning our operations, we look beyond our own immediate use of resources to understand the entire lifecycle of our products, including our customers' processes. We develop products that are not only efficient and safe, but also provide ecological benefits. Before building or renovating a factory, Sartorius Stedim Biotech assesses potential environmental impacts and defines mitigation strategies, where necessary. Our suppliers are also required to meet the specifications of our green approach. Growth coupled with under-proportionate use of natural resources – this is a goal Sartorius Stedim Biotech achieves at various levels. Information on health and safety measures adopted for Sartorius Stedim Biotech employees is described on pages 34 to 35.

In the reporting year, no environmental risks were identified that require the company to make specific provisions in its annual financial statements.

High Standards in Quality and in Environmental Protection

Sartorius Stedim Biotech is certified according to internationally recognized standards for quality (ISO 9001) and the environment (ISO 14001). As a result, we comply with quality requirements in the manufacture of our products, are prudent in our use of resources and minimize environmental risks. All our manufacturing sites are certified under the ISO 9001 series of international standards, apart from Tagelswangen in Switzerland, which employs around 40 staff members. Our environmental management system is already certified for compliance with ISO 14001 at Sartorius Stedim India and Sartorius Stedim Biotech GmbH in Goettingen. In 2014, we received certification of the energy management system introduced at Sartorius Stedim Biotech GmbH and Sartorius Stedim Biotech Plastics, both in Goettingen, as well as at Sartorius Stedim Systems in Guxhagen, for compliance with ISO 50001. We strive to continuously improve these existing management systems and are working toward their gradual rollout to all our production sites, where appropriate and expedient. Locally, the respective company organizational units need to ensure that the laws and regulations related to environmental protection are observed and that further technical possibilities for reducing environmental risks are identified. The company's international Environmental, Health and Occupational Safety Steering Group is responsible for harmonizing and continuously improving our processes in these three areas worldwide.

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 methods and processes are subject to constant review as part of our continuous improvement policy, moreover, and are refined appropriately as requirements evolve. The high standard of quality achieved in Sartorius Stedim Biotech products and processes is documented both by our successful completion of a host of annual audits by customers and our certification according to the standards for quality (ISO 9001) and for quality management for medical devices (ISO 13485). To respond rapidly to any product defects and minimize any adverse consequences, Sartorius Stedim Biotech has established a traceability system that enables us to recall an entire product batch immediately, if necessary.

Improved Emissions Monitoring

Since 2013, Sartorius Stedim Biotech has been using the Greenhouse Gas Protocol (GHG) – a global standard for recording greenhouse gas emissions – as a guide for reporting its CO_2 emissions. Thus we consider, and report in CO_2 equivalents (CO_{2eq}), all CO_2 emissions and gases causing climate change. At the present stage, we account for emissions categorized as Scope 1 and Scope 2. Scope 1 records CO_{2eq} emissions caused directly at a production site; Scope 2 determines indirect emissions that arise during power generation by external energy suppliers. Sartorius Stedim Biotech does not yet report Scope 3, but intends to integrate this category gradually into its CO_{2eq} accounting across its value chain in the future. Scope 3 considers all other CO_{2eq} emissions associated with factors such as the manufacture of precursor products and distribution operations.

Greenhouse gas emissions at Sartorius Stedim Biotech S.A. developed as follows in 2014.

Energy consumption and greenhouse gases

	2014	2013
Total energy consumption (in MWh)	**71,231**	**68,952**
- of which electricity	39,323	38,400
- of which natural gas	29,119	27,434
- of which fuels[1)]	2,009	2,685
- of which other energy sources[2)]	780	433
Total Greenhouse Gas Emissions (in t CO_{2eq})[3)]	**19,924**	**24,543**
- Scope 1[4)]	6,053	6,834
- Scope 2	13,871	17,709
Key Indicators		
CO_{2eq}-Emissions per employee (in t)	6.6	9.2
CO_{2eq}-Emissions per sales revenue (in t/Mio. €)	29.2	41.7

1) Data range covers diesel consumption for electricity generators; data collection at the India site has been invoiced instead based on meter readings since 2014. Without this effect, consumption would have slightly increased.
2) Liquid gas was added to natural gas in 2013; data collection has been invoiced instead based on meter readings since 2014; without these effects, consumption would have slightly decreased.
3) Emissions in t of CO_{2eq} were calculated by the University of Applied Sciences and Arts Goettingen using emission factors listed in professional software called "Gabi".
4) Scope 1 excluding fuel consumption for car fleet.

Electricity and natural gas are the main energy sources representing more than 95% of the total energy consumption. Scope 2 emissions occurring mainly from the consumption of electricity account for close to 70% of the company's total emissions. Apart from energy savings, the reduction in CO_{2eq} by nearly 19% compared with 2013 is also the result of the improved accuracy of conversion factors for specific energy sources and individual processes. Furthermore, the electricity consumption value at our site in Stonehouse was adjusted downwards which accounts for an approximately 6% decrease in CO_{2eq}.

The amount of total carbon emissions released in solvent emissions, which occur mainly in filter manufacturing at the Goettingen and Yauco sites, was about 51.6 metric tons in the reporting year (2013: 50 metric tons). The proportion of this figure of relevance to greenhouse gas emissions is taken into account by calculating the CO_{2eq} figure.

Efficient Use of Energy

Sartorius Stedim Biotech strives to adapt to the consequences of climate change and to reduce greenhouse gas emissions linked to its business. Improving our company's energy efficiency is one of our major approaches to reducing carbon dioxide emissions. The largest Group site in Goettingen that accounts for approximately 72% of energy consumption is especially important in this effort. In the reporting year, we introduced an energy management system certified under ISO 50001 at this site, as well as at the second Goettingen plant and at the nearby Guxhagen site. This system enables us to identify further strategic opportunities to reduce energy consumption. The adoption of advanced technology, which includes an energy-efficient combined heat and power (CHP) plant and a compressed air center for controlling production machinery, has resulted in reductions of around 5,600 metric tons in annual carbon dioxide emissions. Intelligent control systems have enabled us to realize additional energy savings. In 2014, a second CHP unit went into operation that will bring down carbon dioxide emissions by around 400 metric tons annually. As a result of all these measures, overall energy consumption at the Goettingen site has increased at a much slower rate than sales revenue over the last few years.

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 cover around 3% of our energy requirements on site from solar energy. Furthermore, at our factories in Guxhagen and Tagelswangen, we source a part of our energy needs from the local photovoltaic plant and use geothermal energy.

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

Sartorius Stedim Biotech has been measuring Scope 3 as well as Scope 1 and Scope 2 emissions since 2010 only at its main production site in Aubagne for single-use bags. Using the "Bilan Carbone" method developed by the French Environment and Energy Management Agency (ADEME), we record all emissions of carbon dioxide and other greenhouse gases resulting from the entire processes upstream and downstream of our own production operations. The latest analysis for 2013 roughly corresponds to the values obtained in the previous year. Considering the main sources of emissions, business and work-related travel by employees account for around 22% of our environmental footprint at the Aubagne site, freight transport for 18% and packaging for 10%. The impact of incoming raw materials represents 19% of our emissions. Following identification and quantification of the main sources of greenhouse gas emissions, the local current action plan was updated to optimize distribution of finished products and include a moving plan to encourage carpooling and public transportation, among other measures.

Sustainable Use of Water

Most of the water that Sartorius Stedim Biotech uses is for rinsing in the manufacture of filter membranes according to the precipitation bath method. Advanced casting machines help maximize water efficiency. 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 limited resource. Based on the low water strategy implemented at our green facility in Yauco, Sartorius Stedim Biotech reduces its consumption of drinking water by approximately 85% compared with a conventional plant, for example by using rain water.

Water Consumption

	2014	2013
Water consumption (in cbm)	299,596	280,705
Water consumption per employee (in cbm)	100	105
Waste water (Biological Oxygen Demand-BOD)[1] (in t)	201	175

[1] Contaminated wastewater only; without sanitary wastewater

Use of Raw Materials According to Legal Regulations

Sartorius Stedim Biotech has 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. Customers are informed by safety data sheets, product safety information and warnings and alerts in operating instructions about any hazardous substances present in products.

Sartorius Stedim Biotech defined three types of raw materials as particularly important for manufacturing its products: chemicals and solvents for membranes for filter cartridges, polymers for single-use materials and stainless steel for reusable bioreactors and systems. As of 2013, the Group has been gradually implementing quantitative indicators for these raw materials. In 2014, Sartorius Stedim Biotech purchased 3,448 metric tons of chemicals and solvents (2013: 2,955 metric tons) and 1,157 metric tons of polymers recorded for the first time in the reporting year. Each figure indicates the quantities purchased and invoiced instead of the amounts used.

Return of Recyclable Materials

Sartorius Stedim Biotech strives to reduce waste and, by using waste sorting systems, contributes toward recycling reusable materials and lowering the proportion of waste stored in landfills.

Amount of Waste

	2014	2013
Total amount of waste (in t)	**2,812**	**2,949**
- of which waste for recycling	1,461	1,499
- of which waste for disposal	1,351	1,460
Waste per employee (in t)	0.93	1.11
Recycling rate (in %)	52	51

Organic solvents used in our manufacture of membranes for filter cartridges are recovered and recycled. The Goettingen facility, which accounts for most of our solvent usage, has a solvent reprocessing plant on site so that solvents can be recovered and fed back into production operations again, without ever leaving our premises. In this way, we maintain closed material cycles, minimize transport requirements and reduce the quantities of water used and waste water produced. By conducting our own research and development, we are also continuously reducing the overall amount of solvents required in membrane manufacture. To use less polyethylene packaging, Sartorius Stedim Biotech has switched delivery of polypropylene from sacks to silos for the manufacture of injection-molded components for single-use products.

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. Energy-rich, but composite, plastic waste resulting from our bag manufacture in France is reused to generate energy by incineration in a special power plant. The larger proportion of polymer waste is separated and collected according to type of material, such as polyamide and polyethylene, for recyling as secondary materials.

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 an 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 the Group's Infrastructure

When expanding its infrastructure, Sartorius Stedim Biotech complies with local regulations and practices for land use. The company reduces the impact on the environment by selecting areas for its premises that are already developed as industrial zones. None of our production sites is situated in natural spaces or in intact ecosystems. Where possible, we maximize green space and minimize impermeable areas at our facilities. A good example of this is our site in Bangalore. Although we generally estimate that our impact on biodiversity is negligible, Sartorius Stedim Biotech strives to meet the special protection needs of biodiversity hotspots where our factories in Tunisia and Puerto Rico are located. For example, our site in Puerto Rico, which was expanded in 2012 to serve as the central manufacturing and logistics site for the North American market, meets the highest U.S. standards for green, resource-saving and efficient construction. We became the first pharmaceutical industry supplier worldwide to achieve Platinum-level certification under the U.S. Green Building Council's LEED initiative.

Because our manufacturing plants are mostly situated in industrial areas, noise pollution for residents is not a relevant issue for the company.

Within all of our new buildings and extended production facilities, we integrate advanced ecological utilities and technologies for lowering energy consumption, preventing waste, limiting noise pollution for employees and reducing scrap that results from manufacturing processes. In doing so, we often exceed the requirements imposed on us by local environmental protection regulations.

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 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, and determine greenhouse gas emissions released during the manufacture of filter cartridges.

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 steel and glass equipment, single-use products eliminate resource-intensive cleaning processes with ultrapure water as well as subsequent waste-water processing. Studies have shown that single-use products are far superior to complex reusable systems in their consumption of energy, water and chemicals over a product's lifecycle. Experts have compared approaches based primarily on reusable materials with those based predominantly on single-use materials across various scenarios, which included a typical industrial manufacturing process for monoclonal antibodies. The result is clear-cut: manufacturers employing mostly single-use solutions use 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 needed 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, their usage generates more waste. Yet consistent reuse and recycling can improve environmental performance here as well. The ultrapure plastics we utilize 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 recycled as fuel in heat and | or for 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 and land required. The versatile central control unit of FlexAct, for instance, can be used in a number of different biopharmaceutical processes.

Technical refinements to its membrane filter series enabled Sartorius Stedim Biotech to slash 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 resources, 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 increasing the efficiency and environmental compatibility of our customers' processes.

[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 progress of the cities and communities in which Sartorius Stedim Biotech is based – for many years in most instances. We are often one of the largest local private employers and contractors at our main manufacturing sites, thus supporting local employment and actively promoting regional development. Together with cooperation partners, our company helps shape the economic and social environment. By providing financial support to projects in education, culture, social affairs and sports, we contribute toward making the regions in which we operate more attractive for current and future Sartorius Stedim Biotech employees alike.

Our social outreach activities targeting areas beyond our home regions concentrate on fields related to our core business. Fostering research and education and supporting events for the scientific community remain our chief priorities.

Supporting Regional Employment and Development

The relatively 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 provide attractive long-term jobs for more than 450 people, an increase of around 10% compared with 2013. As a member of the large French employers' organization MEDEF, Sartorius Stedim Biotech collaborates closely with national and local institutes to help improve the job market situation. Another 180 jobs in the industrial sector are provided at the production site for single-use bags in M'Hamdia, Tunisia. Our expanded Yauco plant provides employment for around 350 people directly with Sartorius Stedim Biotech and for around 120 additional people with local service providers and suppliers, such as for maintenance of machines and buildings and for plant security. With a local workforce of nearly 1,150 people, Sartorius Stedim Biotech is among the large private employers in the university town of Goettingen and also a major force in the local economy of the rural region surrounding nearby Guxhagen.

Our local subsidiaries are involved alongside representatives from the political, industrial and social communities in initiatives to 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. Promoting sustainable development, long-term cooperation and reliable partnerships is a key tenet of our policy. Our local organizations maintain a constructive, open dialogue with the various local stakeholders, informing them promptly and comprehensively about all our activities and developments that could affect them. A few examples of such projects funded in the reporting year are highlighted below.

In Yauco, we cooperate with several public schools and annually award around 20 scholarships for both outstanding students and students from low-income families. In 2014, Sartorius Stedim Biotech also shared the costs for equipping community sports groups, supporting needy families during Thanksgiving and donating to the American Cancer Society charity walk in support of cancer research. In Bohemia, New York, Sartorius Stedim Biotech participated in the local Adopt-A-School program in the reporting year. This program aims to create school and community partnerships that positively impact student achievement.

At the Group level, Sartorius Stedim Biotech donated €50,000 to the non-profit organization AFM-TÉLÉTHON that focuses on innovative genetic therapies and stem cell cures for the Wiskott-Aldrich syndrome, chronic immunodeficiency and debilitating diseases affecting blood, muscles and eyes, for instance.

Supporting Students and Graduates

Sartorius Stedim Biotech ensures that it gains young talent through dedicated programs and alliances. Our international scholarship program 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, to our company and enhance international project activities at Sartorius Stedim Biotech.

At Group headquarters in Aubagne, we collaborate with several schools and universities, which included the École d'Ingénieurs in Marseille, to enable recently qualified biotechnology engineers to gain professional experience as application engineers in marketing. In partnership with the French higher national school of biomolecular engineering, École Nationale Supérieure de Technologie des Biomolécules, we help finance a scholarship that is awarded to a student of our choice. We also successfully collaborate with the École Nationale Supérieure des Arts & Métiers, whose students are given the opportunity to attend company workshops. In California, USA, Sartorius Stedim Biotech participates for many years actively in a

program of the nonprofit organization Biotech Partners, helping young people from low-income families gain access to scientific and technical careers.

Sponsoring Events for the Scientific Community

In addition to maintaining long-term alliances with scientific institutions, Sartorius Stedim Biotech regularly contributes to symposia, conventions and annual conferences for the bioprocess industry, which cover subjects such as the development of antibodies and vaccines, single-use systems and microbiological analysis. In 2014, we supported, for example, the annual Aseptic Processing Conference of the U.S.-based International Society for Pharmaceutical Engineering (ISPE), the Annual Meeting of the Parenteral Drug Association (PDA) as well as various regional ISPE and PDA conventions and the Annual Meeting of the non-profit Society of Industrial Microbiology that covered topics such as fermentation and cell culture and environmental microbiology, among others.

Sustainable Purchasing Policy

Sartorius Stedim Biotech requires all business partners, particularly its suppliers, to conduct their business activities in compliance with the prevailing laws and in line with corporate social responsibility and ethical responsibility in a sustainable way. The company's Code of Conduct defines a set of values and principles, such as those regarding human rights, anticorruption and protection of the environment. Our suppliers confirm by their signature on this Code of Conduct that they acknowledge and agree to uphold these standards. Sartorius Stedim Biotech has globally standardized its procurement channels. Contracts are awarded in a fair and transparent process that meets generally recognized standards.

According to its general manufacturing policy, Sartorius Stedim Biotech has a high in-house manufacturing rate, which is in some cases nearly 100% such as for filter membranes. Regarding trading goods, Sartorius Stedim Biotech spent €40.6 million in the reporting year, mainly for supplies from companies based in Europe and the U.S. This equates to a rate of just under 6% of sales revenue.

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Statutory Auditors' Report – Sustainability report

Report of one of the Statutory Auditors, appointed as independent third-party, on the consolidated environmental, social and societal information published in the management report

Year ended December 31st 2014

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of Sartorius Stedim Biotech SA, and appointed as independent third-party, for whom the certification request has been approved by the French National Accreditation Body (COFRAC) under the number 3-10481) we hereby present you with our report on the social, environmental and societal information prepared for the year ended December 31st, 2014 presented in the management report (hereinafter the "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company

The Board of Directors of Sartorius Stedim Biotech is responsible for preparing a management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting protocols and guidelines used by Sartorius Stedim Biotech (hereafter the "Reporting Guidelines"), which are available for consultation at the headquarters of the company and for which a summary is presented in the management report.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional auditing standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of CSR information);

- to express limited assurance on the fact that, taken as a whole, CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Guidelines (Formed opinion on the fair presentation of CSR Information).

Our work was carried out by a team of 4 people between December 2014 and February 2015. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional auditing standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, concerning the formed opinion on the fair presentation of CSR Information, with the international standard ISAE 3000[2)].

1. Attestation of completeness of CSR Information

Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs.

We compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e., the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limitations presented in the methodological memo of the management report.

Based on these procedures and considering the limitations mentioned above, we attest that the required CSR Information is presented in the management report.

2. Formed opinion on the fair presentation of CSR Information

Nature and scope of procedures

We conducted around twenty interviews with the people responsible for preparing the CSR Information in the departments in charge of data collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, when relevant, the sector's best practices;

- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR Information that we have considered to be most important[3].

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the management report;

- for a representative sample of entities that we have selected[4] according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and performed substantive tests using sampling techniques, consisting in verifying the calculations made and reconciling the data with supporting evidence. The selected sample represented 45% of the headcount and between 18% and 96% of the environmental quantitative information.

Regarding the other consolidated CSR Information, we have assessed its consistency in relation to our understanding of the Group.

Lastly, we assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, and subject to the above-mentioned qualification, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

1) The scope of which is available at www.cofrac.fr
2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information
3) Social indicators : Total number of employees as of December 31, 2014, Employees by Age, Employees by gender, New Hires, Redundancies, Personnel Expenses (in euros, Absenteeism rate, Number of work-related accidents (including commuting accidents), Number of calendar days lost due to work accidents, Frequency rate, Severity rate, Number of training hours.
Environmental indicators : Total hours of training on EHS issues, Total amount of waste (in tons), Water consumption, Quantity of chemicals and solvents purchased, Quantity of polymers purchased, Energy consumption in MWh (electricity, natural gas, fuels), Total greenhouse gas emissions (in t CO2eq) for Scope 1 and Scope 2; Qualitative information : « Sustainable Corporate Management » : Paragraph about remuneration, « Encouraging Social dialogue » : Employee survey results , Employee Health & Safety », Sustainable Corporate Management », Contributing toward regional employment and development, supporting students and graduates", Contributing toward regional employment and development, Sustainable Corporate Management
4) Sartorius Stedim System GmbH, Sartorius Stedim Biotech GmbH et Sartorius Stedim Filter Inc.

Marseille, February 19th, 2015

French original signed by one of the statutory auditors:

DELOITTE & ASSOCIES

Christophe Perrau	Julien Rivals
Associé	Associé
	Sustainability Services

Opportunity and Risk Report

Every business activity entails opportunities and risks, which have to be managed. The skill with which this is done goes a long way in determining the future development of a company's shareholder value. In managing risks and opportunities, Sartorius Stedim Biotech aims to identify and use business opportunities systematically, as well as to recognize and evaluate risks at an early stage and take measures to counter them where possible. It is unrealistic to expect risk management to eliminate all risks: rather, our approach is to intentionally to take a certain measure of risk in our business activities in order to be successful in unlocking opportunities. However, in this endeavor, it is important to keep risks contained within acceptable limits and to control them carefully.

Sartorius Stedim Biotech has no single unit tasked with identifying and managing opportunities and risks. Instead, it prefers to make this function an integral component of the Group-wide planning and control system described below. The Internal Control Systems & Compliance department is responsible for the further development of the Group's risk management system, including the organization of the respective reporting process.

Managing Opportunities

Our opportunity management centers on the analysis of target markets and sector environments, as well as the assessment of trends, both of which give strong indications as to future business opportunities. The identification of the potential for development in this context is one of the key roles of the relevant managers and initially takes place at the local rather than the central level. The market-facing functions, such as strategic marketing and product management in the individual divisions, play a leading role in this respect. The central Business Development unit additionally supports these areas with market monitoring, data analysis and the implementation of strategic projects.

As part of strategy reviews, the members of the Group Executive Committee regularly meet with the managers having operational responsibility and the Business Development unit to discuss short-, medium- and long-term opportunity potential for the various business areas. The subsequent steps of prioritizing the opportunities and evaluating them from a business management perspective, deriving strategic measures and allocating resources proceed in accordance with a standardized decision-making process that applies throughout the Group. If the opportunities are short-term in nature, they are considered in annual budget planning. Medium- and longer-term opportunities are tracked systematically as part of strategic planning. The status of opportunity management as a permanent fixture of the corporate management system means that it also features in the discussions and decision-making processes of top-level management.

Key areas of opportunity are presented below. Most of the risks presented in the section on specific risks represent opportunities should events develop in the opposite, positive direction. For this reason, we discuss these opportunities in the section on specific risks and opportunities at the end of this chapter.

Areas of Opportunity

As a supplier for the pharmaceutical and laboratory industries, Sartorius Stedim Biotech operates in future-oriented and high-growth sectors.

Our assessments rank the company as one of the global market leaders in many and product areas. We believe the high quality of our products, our strong brand recognition and our established customer relationships give us strong opportunities to continue extending our market leadership.

Strict management of processes and costs provides opportunities to further increase our profitability. Key target areas in this respect include continued enhancements of our procurement chain and ongoing efforts to optimize production.

Other opportunities are discussed in the context of the presentation of specific risks and opportunities beginning on page 47.

Risk Management

Just as for opportunity management, overall responsibility for the maintenance of an effective risk management system ensuring comprehensive and consistent management of all material risks rests with the Audit Committee. Coordinating and developing this system is the responsibility of the central Internal Control Systems & Compliance department. The Audit Committee monitors the effectiveness of the risk management system. Furthermore, while carrying out their statutory audit mandate for the annual financial statements and consolidated financial statements, the independent auditors examine whether the early warning system in place is capable of prompt identification of risks that could put the future of the company in jeopardy.

Risk Management System and Risk Reporting

At the heart of the risk management system is the Sartorius Stedim Biotech Risk Management Handbook, which applies throughout the entire Group organization. The Handbook, which includes definitions of the framework, the structural organization, processes, risk reporting and monitoring and control of the effectiveness of the risk management system, is based on the internationally recognized COSO standard. There are also a number of other sources that contain stipulations for the handling of risks, including the articles of association and rules of procedure of the Group companies and other internal guidelines.

The Group-wide risk reporting system forms the cornerstone of internal risk communication. The object is to make it possible to address risks in a structured, continuous manner and to document them in accordance with the relevant statutory and regulatory requirements.

The prescribed reporting process requires the heads of the central departments and the managing directors of all Group companies to review the risk situation within their area of responsibility on an ongoing basis and to report on their findings every quarter. New organizational units joining the consolidated Group companies are successively integrated into this reporting process, which involves evaluating specific risks by probability of occurrence and scale of potential impact, as well as reporting cases to the central risk management unit whenever defined thresholds are breached.

We have an urgent reporting procedure in place to ensure that when a new or emerging significant risk to our net worth, financial position and profitability is identified, the Audit Committee receives all of the necessary details without undue delay.

Risk Classification

The first level of risk management relates to the four main risk categories defined by Sartorius Stedim Biotech: external risks, operating risks, financial risks and corporate governance risks.

The second level consists of additional subcategories within these main categories, such as legal risks, production risks, receivables risks and organizational risks.

The process also includes allocation to functional categories, for example, supply chain, sales and distribution or human resources, in accordance with the Group's structural organization.

We categorize risks according to the scale of their implications too, and also perform a specific evaluation in which all risks are assigned the value of their maximum impact at the time of risk analysis. In other words, we record the maximum risk without considering the probability of occurrence or the effects of risk mitigation measures.

Specific Risks and Opportunities

General and Macroeconomic Risks and Opportunities

The nature of our various business areas means that Sartorius Stedim Biotech as a whole is insulated to a certain extent from the full force of wider cyclical effects. Macroeconomic effects have very little bearing on the progress of our business.

Our ability to foresee and mitigate the direct and indirect effects of risks in the broader sense, for example, currency crises or natural disasters and associated damage to commercially significant and critical infrastructure, is limited.

For the risks discussed in this section, we consider the probability of their occurrence low to medium, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Supply Chain Risks and Opportunities

Our supply chain extends all the way from procurement to production to sales and distribution. Problems within this sequence can have consequential effects including delays in deliveries. The global supply chain management system we have instituted throughout our production processes to prevent such problems largely minimizes the associated risks by analyzing and controlling all of the operations involved. The strongly international alignment of our organization opens up a whole series of opportunities too. The various risks and opportunities encountered within our supply chain are explained in detail below.

Procurement Risks and Opportunities

We purchase a wide range of raw materials, components, parts and services from suppliers and are consequently exposed to the risks of unexpected delivery bottlenecks and | or price increases. Our global supply chain management system reduces these risks by enabling us to monitor and supervise procurement activities. Moreover, we conduct regular supplier reviews and also use early warning systems. We continued to increase the number of framework agreements concluded to safeguard supplies with suppliers of strategically important raw materials in fiscal 2014. In addition, we always maintain reserve inventories for strategic raw materials and work with alternative suppliers where possible.

At present, we see a low probability of occurrence for the risks described here. If such risks happen to occur, they are likely to have only limited significance for the Sartorius Stedim Biotech Group.

Opportunities can arise in the area of procurement when our growth enables us to increase order quantities and thereby strengthen our position with our suppliers. Increased globalization of our supplier pool holds the prospect of purchasing on more favorable terms, moreover, and there is also a possibility of our expanded purchasing activities in the international markets leading us to identify suppliers with special product and technical expertise that could eventually enhance our own competitive edge.

Production Risks and Opportunities

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

We regard the probability of occurrence concerning the risks described here as low. If such risks happen to occur, they can be significant for individual Group companies.

We consider it an opportunity that the various production facilities are able to concentrate on specific production technologies and, as a result, enhance their production operations for greater efficiency. Our international production network also makes it possible to capitalize on the cost advantages offered by individual sites. Furthermore, continuous improvements in production, such as simplifying processes and increasing levels of automation, can help to drive efficiency even higher.

Sales and Distribution Risks and Opportunities

We use 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.

In this area as well, the probability of such risks occurring is low to medium according to our estimates, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Opportunities arise in the area of sales and distribution when the increasing breadth of our product range – in both bioprocess and lab segments – puts us in a position to sell new products to existing customers. Our business relationships, most of which are established for the long term, and our global presence provide opportunities, moreover, and our ongoing project to strengthen direct sales, especially in the lab segment, also promises to enhance our sales prospects.

Quality Risks and Opportunities

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 state-of-the-art production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality requirements. These manufacturing methods and processes are subject to constant review under our continuous improvement processes, moreover, and are refined appropriately as requirements evolve. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high level of quality achieved in Sartorius Stedim Biotech products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks. Sartorius Stedim Biotech has established a traceability system that enables us to recall an entire production batch immediately, if necessary, and minimize any adverse consequences in the event of defects being discovered in a product.

We consider that the probability of occurrence of the risks described here is low, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Quality requirements are growing more and more stringent all the time, not least as a result of regulatory pressure, so we actually regard this first and foremost not as a risk but as an opportunity that opens up new market prospects. Also, challenging quality demands represent a considerable barrier to entry for potential new competitors and provide stimulus for further technical innovation to which we actively respond.

R&D Risks and Opportunities

We devote a considerable share of our resources to research and development. Potential risks in this area may arise from development results that diverge from market needs, exceeding planned development deadlines or unintentional transfer of know-how to competitors. Our advanced project management, intensive R&D controlling and early involvement of our customers in the development process substantially limit these R&D risks. Patents and continuous tracking of the technologies and competitors relevant to us secure our technology position.

For this reason, we see only a low probability at present that the risks described here might occur, in the case of which they could be significant for the Sartorius Stedim Biotech Group as a whole.

On the other hand, the R&D sphere also offers a number of potential opportunities. Our intensive collaboration with partners that rank among the global market leaders in their own fields opens up the opportunity for us to jointly develop innovative products with an especially high level of innovation. In areas such as membrane technology, in turn, the expertise of our own specialists puts us at the very forefront of global research and development and presents us with an opportunity to turn this technical knowledge into potential sales and an even stronger position on the market.

Customer Risks and Opportunities

Sartorius Stedim Biotech sources its key customers from the pharmaceutical, chemical and food industries and from public sector research and educational institutions. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. Most of our business areas have a highly diversified customer base, so the Group as a whole is not dependent on individual key accounts to any significant degree. Above all, the factoring program we additionally have in place keeps our risk exposure to trade receivables from customers at a constant, low level and we work continuously to improve our receivables management.

This is why at present, we see a low probability that risks associated with customers might occur, it being the case that their occurrence would likely have limited significance for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Competitive Risks and Opportunities

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. Examples include EMD Millipore and Pall. As we serve a large number of customers from highly regulated sectors like the pharmaceutical and food industries, and the technology barriers to market entry are substantially high, we regard the risk of new competitors emerging as low. Furthermore, our global presence significantly mitigates regional risks.

Changes in the competitive environment, for example, consolidation in the markets, can pose both opportunities and risks. Our sectors find themselves in an ongoing process of change in which Sartorius Stedim Biotech remains an active participant. We have made acquisitions continuously in recent years to reinforce its market position and open up new potential synergies.

We consider that the probability of occurrence for the risks described here is low, it being the case that their occurrence is likely to have limited significance for the Sartorius Stedim Biotech Group. However, it cannot be entirely ruled out that such risks might be significant for individual Group companies.

Acquisition Risks and Opportunities

By nature, acquisitions provide many opportunities, such as sales growth, extension of our product portfolio and development of new markets. By contrast, the purchase and sale of companies or parts of companies entail a number of inherent risks, such as incorrect valuation assumptions or insufficient usage of anticipated synergy effects. To prevent such risks, we take various measures during each particular acquisition process, such as performing a standard due diligence review. In addition, we involve external consultants and experts in the purchase or sales process as early as possible. We especially focus on drafting transaction contracts so that they adequately counter such risks, especially by clauses assuring specific characteristics or contractual warranty or guarantee provisions, as well as agreements on mechanisms for adjustment of the purchase price and liability clauses. Immediately after an acquisition has taken place, an integration phase is initiated in which any potential risks can likewise be detected as early as possible and prevented or minimized by taking the appropriate counteractions.

We consider that the probability of occurrence of the risks described here is low, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Personnel Risks and Opportunities

Sartorius Stedim Biotech employs a large number of highly qualified people. A possible scarcity of required specialists represents an opportunity as well as a risk if, for instance, the company proves to be particularly good at training and retaining its own staff. We counter the threat of demographic change and of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional development options, further attractive social benefits, continuous education and training for junior staff members within our organization and interesting people development opportunities. The success of these measures is apparent in the low attrition rates of recent years and the many years of seniority our people accumulate on average. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

For this reason, we regard the probability of such risks occuring as low. If these risks happen to occur, they are likely to be of limited importance for the Sartorius Stedim Biotech Group as a whole.

Financial Risks and Opportunities

The global nature of the Sartorius Stedim Biotech Group's operations means that its business activities are inevitably exposed to financial risks. The most significant of these, aside from risks associated with Group accounting, are 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. Vice versa, some financial risks, most notably exchange rate risks and interest rate risks, are balanced by opportunities of approximately equal magnitude.

We consider that the probability of occurrence for the risks described in the following is low. If these risks happen to occur, they can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

Risks Associated with Group Accounting

Except for the general, typical risks inherent in any accounting process, no specific risks concerning Group accounting are discernible. Typical accounting errors in this connection are, for example, incorrect discretionary decisions in the measurement of assets and liabilities. The use of various common and standardized control mechanisms integrated into our accounting process ensures that such errors are recognized and corrected at an early stage.

Exchange Rate Risks and Opportunities

As we generate around half of consolidated sales revenue in foreign currencies and two-thirds of this total revenue in U.S. dollars or in currencies pegged to the U.S. dollar, we are positively or negatively impacted by currency effects, especially when converting the currencies of balance sheet items and profit or loss items, respectively. To largely compensate for the general risk resulting from the impact of individual foreign currencies, we have taken a number of measures besides hedging currencies. Our global production network thus enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. For example, we manufacture many of our products for the North American market locally, and are therefore not disadvantaged in any way in competition with our U.S. rivals. We continuously monitor both exchange rates and our net currency exposure – i.e. that proportion of our foreign currency sales revenue that remains after we have settled our costs – and use derivative financial instruments, most notably spot, forward and swap transactions, on the basis of current and anticipated net currency exposure and foreign currency levels. We make it a policy to hedge up to 70% of our exposure in advance for the following 18 months. Hedging transactions are set up by one group of staff and monitored by another, separate group.

Interest Rate Risks and Opportunities

We have concluded fixed interest agreements for a portion of our outstanding loans to eliminate the risk posed by variable interest payments. However, most of the financial instruments outstanding on the reporting date are subject to interest based on the market rate. Almost two-thirds of these are currently covered by interest rate swaps, so interest rate risks and opportunities apply only to the remainder. We monitor interest rate trends and our interest rate exposure constantly and have the facility to arrange additional hedging transactions where we consider it necessary and economically advisable to do so for individual loans.

Liquidity Risks and Opportunities

The Sartorius Stedim Biotech Group actively manages liquidity centrally in order to check and minimize liquidity risks and optimize liquidity management within the organization.

We use various long- and short-term financial instruments for this purpose.

The syndicated credit facilities in place so far for the Group were refinanced ahead of schedule in December 2014 based on the highly attractive market conditions prevailing. At the same time, the financing structure was converted to that of a holding company for Group-wide financing. Subsidiaries are financed primarily through financing contracts within the Group.

For short-term liquidity procurement, we also employ various measures. In addition to the credit line that can be accessed and repaid at short notice, we have a number of bilateral credit lines in place on a smaller scale for individual Group companies. Furthermore, we use cash pooling agreements between selected Group companies as the primary tool to manage liquidity within the Group.

Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and health care providers means that Sartorius Stedim Biotech 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 Stedim Biotech has established an environmental management system that encompasses, and is integrated into, all divisions and covers a whole series of environmentally relevant regulations to minimize environmental risks. This management system has been 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 identified on an ongoing basis.

We assess the probability of occurrence of environmental risks as low, it being the case that their occurrence can be significant for the Group company affected.

IT Risks and Opportunities

Besides the risks already described, the Sartorius Stedim Biotech Group is exposed to potential risks in the area of IT as a result of its pronounced dependence on these systems, since their error-free operation is essential for the smooth functioning of the company's business processes. We reduce IT security risks by continuously enhancing and implementing 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. A new ERP system commissioned by Sartorius Stedim Biotech at its Goettingen Group headquarters in 2012 is to be successively rolled out to the Group sites around the world starting in 2014. In conducting this IT project, we have continued to focus on controlling the risks involved, such as by maintaining a precautionary backup system. The implementation of the new system brings with it a whole series of opportunities, especially in relation to efficiency gains and the standardization and harmonization of business processes worldwide. We believe there is a low probability of occurrence for the risks mentioned above, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole.

Process Risks

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

Insurance

We have taken out insurance policies to cover a wide range of risks where possible and economically advisable. 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

Where expedient and feasible, we adopted countermeasures and | or arranged for balance sheet measures during the reporting year to cover all discernible risks within the Sartorius Stedim Biotech Group that had the potential to damage our net worth, financial situation and profitability.

We judge the probability of occurrence of the risks presented here to be low, it being the case that their occurrence can be significant for the Sartorius Stedim Biotech Group as a whole or for individual Group companies.

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

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

Forecast Report

Strong Growth Prospects for the Pharmaceutical Industry

The future of the global pharmaceutical industry will be driven in large part by the constantly expanding and aging global population, increasing access to healthcare in the emerging and developing countries and a general increase in the prevalence of lifestyle and chronic diseases. New medications, especially those targeting conditions that are currently difficult to treat, will also fuel significant growth. The expiry of patents and austerity measures to cut healthcare spending, in particular in the industrialized countries, on the other hand, will tend to slow future growth in the industry.

Market researchers at IMS Health are forecasting overall growth of between 4% and 7% for the global pharmaceutical industry in the period 2014 to 2018.

U.S. Pharmaceutical Market Expected to Post Solid Growth

The U.S. pharmaceutical market – the world's largest – is expected to register growth of between 5% and 8% on average in the period 2014 through 2018. This expansion will be driven principally by the continuous rollout of state health insurance, demographic change and price increases.

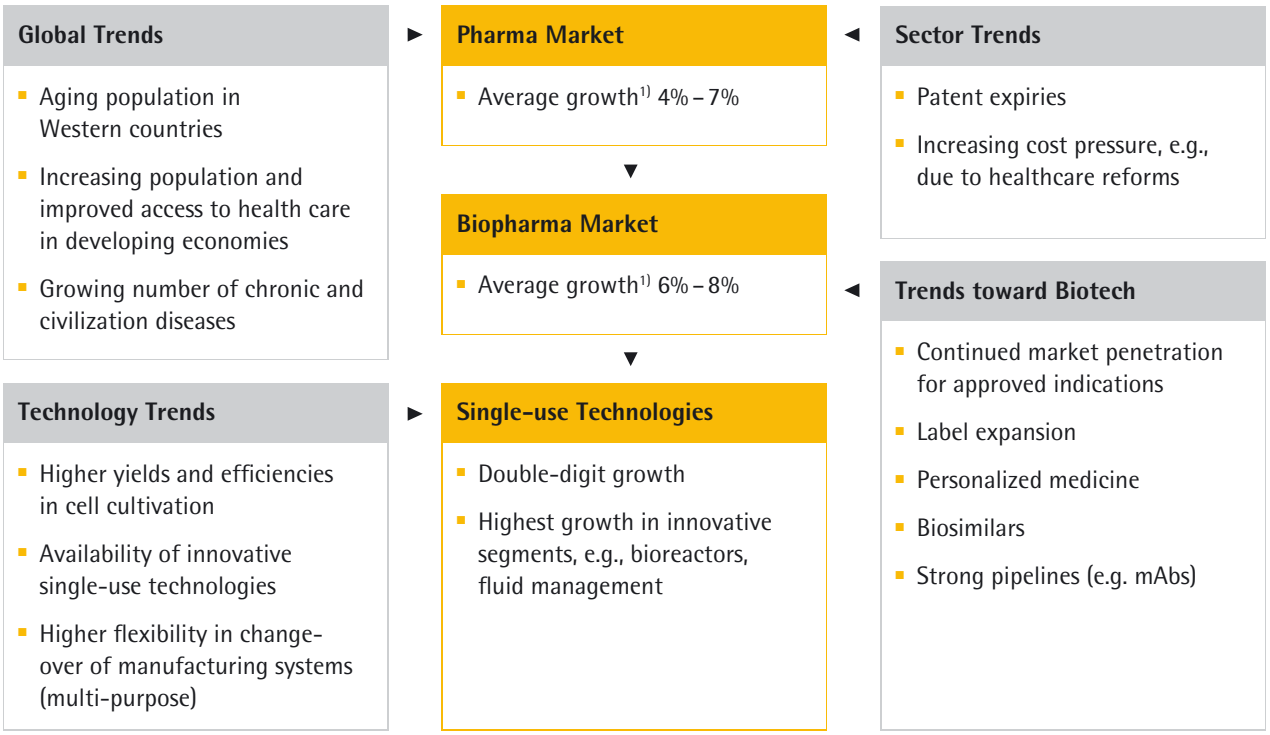
Moderate Growth for Europe and Japan

Growth in the European and Japanese pharmaceutical markets is likely to remain moderate at between 1% and 4% over the next few years as continuing austerity measures impact on the respective healthcare systems.

Emerging Countries Still Driving Growth

Expansion in the pharmerging markets, in contrast, will remain above average at around 8% to 11% per annum over the 2014 - 2018 period. This rapid growth will be driven not only by demographic trends, but also, most notably, by rising levels of state investment in healthcare systems and increased private spending, especially among the fast-expanding middle class. Thus, the share of the global pharmaceutical market accounted for by the pharmerging markets will likely increase again over the next five years to approximately 30%.

Pronounced long-term trends drive average growth in the biopharmaceutical industry



1) Source: IMS: The Global Use of Medicines: Outlook Through 2017 | 2018; Evaluate Pharma: World Preview 2013|2014; June 2013|2014; BioPlan: 10th Annual Report, April 2013

Biotech Sector Still Growing Faster than the Market as a Whole

Expert forecasts suggest the biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, should continue to outperform the market as a whole going forward too: the proportion of sales revenue accounted for by medications and vaccines manufactured using biotech methods is expected to rise from today's figure of around 22% to 23% to approximately 26% in the period through 2018.

This continued exceptional growth will be driven in part by biopharmaceuticals that have already gained approval increasing their market penetration and expanding their range of indications and in part by the segment's persistently strong research and development pipeline (the proportion of new developments based on biological manufacturing processes is particularly high at around 40 %).

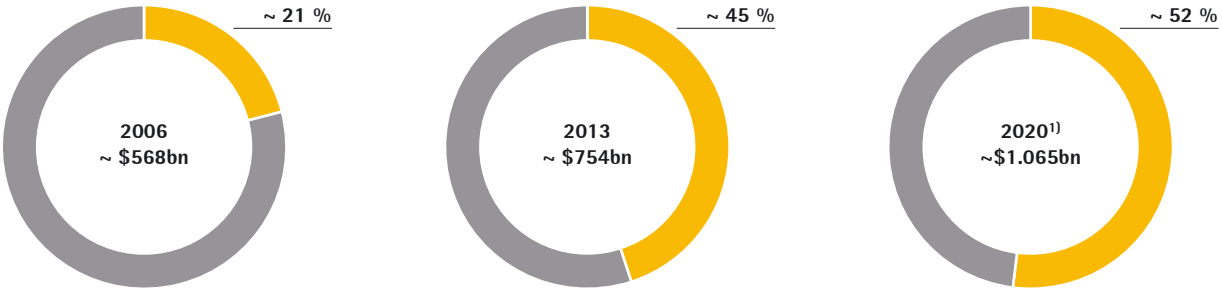
The expiry of patents, a significant factor in the traditional market, is likely to have an increasing effect on growth of the biotechnology market. Noting the expiry of a whole series of patents, IMS Health reports that sales of what have come to be known as biosimilars and biobetters are likely to swell to more than U.S. $10 billion by 2020.

Experts expect the biotechnology market as a whole to grow by around 6 % to 8 % on average between 2014 and 2018.

Biopharma: A Growing Market

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

Biotech Share within Top 100 Products



Biotechnology
Conventional | Unclassified

[1)] 2020 Split: Biotech: n=45 (avg. $3.6bn), Conv.: n=55 (avg. $2.7bn)

Source: Evaluate Pharma®, World Preview 2014, Outlook to 2020; June 2014

Public-sector Research: Demand Stabilizes

Ongoing widespread reductions in national budgets are likely to affect overall levels of demand from the public sector again in 2015. However, according to Frost & Sullivan, the important U.S. market is likely to stabilize in the current year. Thus, global demand of the public sector may be broadly flat in 2015.

Sources: IMS: The Global Use of Medicines: Outlook Through 2017 | 2018; IMS: Searching for Terra Firma in the Biosimilars and Non-Original Biologics Market; Evaluate Pharma: Preview 2013|2014; June 2013|2014; BioPlan: 10th Annual Report, April 2013; 2014 Mid-year Report: Forecast and Analysis of the Global Market for Laboratory Products.

Future Business Development

The outlook for fiscal 2015 incorporates the risks and opportunities outlined in this report. 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 regarding drug approvals or the use medications.

Assuming that the trends toward biomanufacturing of pharmaceuticals and increasing utilization of single-use technologies will continue, we expect sales revenue to grow considerably in 2015. Thus, we forecast that sales revenue will rise by about 4% to 7% in constant currencies compared with a strong prior-year base. Management expects that the underlying EBITDA margin will rise to about 24.0% to 24.5%, without any currency effects considered. (Please refer to the definition for the underlying EBITDA margin on page 199 in the Glossary.)

Moreover, in 2015 we plan to invest about 6% to 8% of sales revenue mainly in the expansion of our production capacities.

With regard to our financial position, we forecast that by the end of 2015, the ratio of net debt to underlying EBITDA will edge down, without taking any potential portfolio changes into account.

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2014

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent company of the Group. As a reminder, since 1 January 2013 the company has been transformed in a mixt holding Company. The company from now on is managing investments of the Group and reals estates for the French Companies.

In 2014, sales revenue generated at Sartorius Stedim Biotech S.A. was €1,465 K relative to €1,501 K in 2013. The operating profit is - € 2,817 K versus + €2,133 K in 2013. The net financing income totalled €27,194K versus €22,717K in 2013.

The net profit for 2014 is €20,875 K compared to €26,198 K in 2012.

Appropriation of the Net Profit

The Annual Shareholders' Meeting (ASM) will suggest to appropriate the net profit of €24,845,263.66 for the reporting year of 2014. 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 ASM as follows:

- Legal reserves: €496,343.13
- Balance resulting from deduction of legal reserves: €24,348,920.53
- The following amount is to be added to this balance: Year-earlier profit carried forward: €9,032,348.34
- This would yield a distributable profit of €33,381,268.87
- Total amount of dividends to be disbursed to shareholders: €19,967,009.40
- Balance resulting from disbursement: €13,414,259.47.

The remaining amount of €13,414,259.47 is to be carried out to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €1.30 will be paid for every share with a par value of €1.

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 14, 2015.

The amounts distributed after January 1, 2011, 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, 2013	18,412,315	0
Dec. 31, 2012	16,876,856	0
Dec. 31, 2011	15,327,238	0

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2014

Total capital amounts to fifteen million three hundred and fifty-nine thousand two hundred and thirty-eight euros (€15,359,238). It is divided into 15,359,238 shares worth one euros (€1) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws).

Evolution of the share capital of Sartorius Stedim Biotech S.A.

At the beginning of the 2014 fiscal year, the share capital of the Company was of ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66). During the year, the share capital of the Company rose [i] from ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66) to ten million four hundred and five thousand three hundred and forty eight euros and twenty eight cents (€10,405,348.28) because of stock options exercised and reduced [ii] to nine million three hundred sixty-nine thousand one hundred thirty-five euros and eighteen cents (9,369,135.18€),

then rose [iii] to fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (€15,359,238) under the following conditions.

Reduction of the share capital

It must be kept in mind that the Extraordinary Shareholder's Meeting held on 19 April 2010 under the terms of its seventh resolution has authorized the Board of Directors to trade on its own shares under a shares buyback program, it being specified that the maximum number of shares being purchased by the Company under this authorisation could not exceed ten per cent (10%) of the total number of the shares comprising the share capital, with a maximum purchase price of forty-five euros (€45) per share and (ii) the shares thus purchased were allocated to the following objectives:

- to handle the secondary market or the liquidity of the share of the Company,
- to deliver the shares in case of exercise of any rights attached to securities giving access to the Company's share capital,
- to allocate the repurchased shares bought from the Company officers or the employees of the Company and/or the companies of its group within the scope of a stock options plan, or through a free granting of shares, or a Company savings plan, etc.,
- 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,
- to cancel some or all of the repurchased shares, through a share capital reduction of the Company,
- to pursue any other objective that will subsequently be permitted by applicable laws or regulations.

During its meeting held on 19 April 2010, the Board of Directors has unanimously decided to implement the share buyback program pursuant to the conditions set forth by the Extraordinary shareholder's meeting held on 19 April 2010.

In the course of the 2010 fiscal year, the Company acquired one million six thousand and ninety-eight seven hundred and ten (1,698,710) shares, representing approximately, but not exceeding, ten per cent (10%) of its share capital pursuant to the share buyback program authorized by the Extraordinary Shareholders' Meeting held on 19 April 2010.

The shares were acquired for an aggregate amount of sixty-one million three hundred and twenty-seven thousand one hundred and ninety euros and seven cents (€61,327,190.07) corresponding to the average price of thirty-six euros and ten cents (€36.10) per share.

The shares purchased under the share buyback program have been allocated to the following objectives:

- 849,969 shares, representing approximately five per cent (5%) of the Company's share capital, for exchange or payment within the scope of potential external projects.
- 848,741 shares, representing approximately five per cent (5%) of the Company's share capital, to be delivered, in the case of exercise of any rights attached to securities giving access by any means, immediately or at a future date, to the share capital of the company.

The Board of Directors in its report submitted to the Extraordinary Shareholder's Meeting of 8 April 2014 proposed to said meeting to reallocate the shares purchased under the share buyback program to the objective of cancellation of part or all of these shares through a share capital reduction in accordance with the authorisation granted by the Extraordinary shareholder's meeting of 19 April 2010.

The Extraordinary Shareholder's Meeting held on 8 April 2014 authorized the Board of Directors to proceed with the cancellation, in one or several installments, on its decision alone, of all or a portion of the shares acquired by the Company in the context of the share repurchase programmes, up to a limit of ten per cent (10%) of the Company's share capital for a period of twenty-four (24) months, provided that such ten percent (10%) limit is applied to the Company's share capital which will be, if necessary, adjusted to take into account transactions affecting the share capital of the Company that occur subsequent to this Shareholders' Meeting.

The Extraordinary Shareholder's Meeting held on 8 April 2014 authorized the Board of Directors to reduce the Company's share capital accordingly.

The Extraordinary Shareholder's Meeting held on 8 April 2014 granted the Board of Directors, an authorization for a period of twenty-six (26) months as of the date of the Extraordinary Shareholders' Meeting held on 8 April 2014.

During the meeting of 17 July 2014, the Board of Directors, in light of the above authorisation granted by the Extraordinary Shareholder's Meeting hold on 8 April 2014, reduced the share capital by a nominal amount of one million thirty-six thousand two hundred and thirteen euros and ten cents (€1,036,213.10), by cancelling the entirety of the shares acquired under the share buyback program authorised by the Extraordinary Shareholders' Meeting held on 19 April 2010, i.e. one million six hundred and ninety-eight seven hundred and ten (1,698,710) shares, it being specified that this amount of shares represents less than ten per cent (10%) of the share capital of the Company at the date of this operation, The difference between the purchase price of the cancelled shares (€61,327,190.07) and their nominal value (€1,036,213.10), difference equals to sixty million two hundred and ninety thousand nine hundred and seventy-six euros and ninety-seven cents (€60,290,976.97) has been charged against the available premiums up to thirty-seven million eight hundred eighty-eight thousand nine hundred twenty-nine euros and eighteen cents (€37,888,929.18) and the balance twenty-two million four hundred and two thousand forty-seven euros and seventy-nine cents (€22,402,047.79) on the item "retained earnings".

After this operation of reduction of the share capital, le share capital amounted to nine million three hundred sixty-nine thousand one hundred thirty-five euros and eighteen cents (€9,369,135.18), divided into fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares of a nominal unit value of sixty-one cents (€0.61) each.

Increase of the share capital

The Extraordinary Shareholders' Meeting held on 8 April 2014 decided to increase the share capital by a maximum nominal amount of six million six hundred and forty-six thousand four hundred and ninety-nine euros and thirty-four cents (€6,646,499.34) calculated on the basis of the number of shares existing on the date of the aforementioned Shareholders' Meeting, and will be carried out through the proportional capitalisation of available sums drawn from the "issue premiums".

This operation should be done through an increase of the nominal unit value of seventeen million forty-two thousand three hundred and six (17,042,306) existing shares from sixty-one cents (€0.61) to one euro (€1).

The said Extraordinary Shareholders' Meeting authorized the Board of Directors to implement this decision to increase the share capital and consequently to determine the definitive nominal amount of the share capital increase based on the number of shares existing as at the date of the decision of the Board of Directors to complete the share capital increase.

This authorisation has been granted for a period of five (5) years as of the date of the Extraordinary Shareholders' Meeting held on 8 April 2014.

On 17 July 2014, the Board of Directors using the delegation of powers it has been granted by the Extraordinary Shareholders' Meeting of 8 April 2014, decides to carry out this share capital increase through the capitalization of five million nine hundred ninety thousand one hundred and two euros and eighty-two cents (€5,990,102.82) to be drawn from the "issue premiums", that are set forth in the annual accounts for the Company's financial period closed on 31 December 2013, and approved by the Extraordinary Shareholders' Meeting held on 8 April 2014.

This share capital increase is carried out by the increase of thirty-nine cents (€0.39) of the nominal amount of fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares comprising the share capital of the Company, this nominal unit value went up from sixty-one cents (€0.61) to one euro (€1).

The sum of the costs relating to this share capital increase will be charged against one or several available reserves and to deduct, from this amount, the sum necessary to increase the legal reserve.

At the end of the definite completion reduction and increase of the Company's share capital, done on 17 July 2014, the Company's share capital now amounts to fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (€15,359,238), divided into fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares of a nominal unit value of one euro (€1) each.

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 2010	Exercise of share subscription options	0.61	16,266.9	486,939.4	26,667	16,999,388	10,369,627.0
2nd half of 2010	Exercise of share subscription options	0.61	8,576.6	228,599.9	14,060	17,013,448	10,378,203.6
1nd half of 2011	Exercise of share subscription options	0.61	6,100.0	134,400.0	10,000	17,023,448	10,384,303.6
2ndhalf of 2011	Exercise of share subscription options	0.61	1,525.0	72,250.0	2,500.0	17,025,948	10,385,828.6
1st half of 2012	Exercise of share subscription options	0.61	5,098.0	173,446.0	8,358.0	17,034,306	10,390,926.6
2st half of 2012	Exercise of share subscription options	0.61	4,270.0	202,300.0	7,000.0	17,041,306	10,395,196.6
Year 2013	Exercise of share subscription options	0.61	610.0	8,620.0	1,000.0	17,042,306	10,395,806.6
Year 2014	Exercise of share subscription options	0.61	9,541.6	134,834.0	15,642.0	17,057,948	10,405,348.2
Year 2014	Reduction of Capital: Cancellation of Treasury Shares	0.61	–1,036,213.1		–1,698,710.0	15,359,238	9,369,135.1
Year 2014	Increase of Capital: nominal value change	1.00	5,990,102.8			15,359,238	15,359,238.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2014

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

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

	December 31.2012			December 31, 2013			**December 31, 2014**		
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	57.3%	72.5%	9,770,178	57.3%	72.5%	9,770,178	63.6%	72.6%
Single voting rights									
Double voting rights	9,770,178	57.3%	72.5%	9,770,178	57.3%	72.5%	9,770,178	63.6%	72.6%
VL Finance [(a)]	1,642,095	9.6%	12.2%	1,642,095	9.6%	12.2%	1,642,095	10.7%	12.2%
Single voting rights									
Double voting rights	1,642,095	9.6%	12.2%	1,642,095	9.6%	12.2%	1,642,095	10.7%	12.2%
Total Sartorius Group	**11,412,273**	**67.0%**	**84.6%**	**11,412,273**	**67.0%**	**84.6%**	**11,412,273**	**74.3%**	**84.8%**
Treasury shares	1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%			
Personnel and other shareholders									
General public	3,930,323	23.1%	15.4%	3,931,323	23.1%	15.4%	3,946,965	25.7%	15.2%
Single voting rights	3,719,587	21.8%	13.8%	3,720,587	21.8%	13.8%	3,736,229	24.3%	13.9%
Double voting rights	210,736	1.2%	1.6%	210,736	1.2%	1.6%	183,150	1.2%	1.4%
Total shares	**17,041,306**	**100.0%**	**100.0%**	**17,042,306**	**100.0%**	**100.0%**	**15,359,238**	**100.0%**	**100.0%**

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

Legal Disclosure of Thresholds Crossed

By letter received 7 August 7 2014, the AMF (Autorité des Marché Financiers) has been the intended person of the following thresholds occurred for regularization:

- The simplified joint stock Company VL Finance[1)] (Zone industrielle Les Paluds, Avenue de Jouques, 13400 Aubagne) said it had individually passed down on 31 December 2007, following a sale off market of shares Sartorius Stedim Biotech, thresholds 1/3, and 25% of the voting rights and 20%, and 15% of the issued capital of Sartorius Stedim Biotech and held individually at that date, 2,012,095 shares of Sartorius Stedim Biotech representing 4,024,190 voting rights, or 11.91% of the capital and 21.28% of the voting rights of this Company[2)].

- The German company Sartorius AG (Weender Landstrasse 94-108, 37075 Goettingen, Germany), said it had individually passed above, 31 December 2007, following a decrease in the total number of the company Sartorius Stedim Biotech voting rights, the threshold of 50% of the voting rights of the Sartorius Stedim Biotech and individually held at that date, 9,770,178 shares of Sartorius Stedim Biotech representing as many voting rights, ie 57.82% of the issued capital and 51.66% of the voting rights of this Company[2)];

- The company VL Finance said it had individually passed down on 9 December 2010, following the sale of Sartorius Stedim Biotech shares under the share buyback program of shares, the threshold of 20% of the voting rights and 10 % of the issued capital in Sartorius Stedim Biotech and held individually at that date, 1,642,095 shares of Sartorius Stedim Biotech representing 3,284,190 voting rights, or 9.65% of the issued capital and 17.60% of the voting rights of this Company[3)].

- The Company Sartorius AG said it had individually passed above, 7 December 2011, following an allocation of double voting rights, the threshold of 2/3 of the voting rights of the company Sartorius Stedim Biotech and held individually, at that date, 9,770,178 shares of Sartorius Stedim Biotech representing 19,540,356 voting rights, or 57.38% of the issued capital and 67.71% of the voting rights of this Company[4)]; and

- The company VL Finance said it had individually passed down, 7 December 2011, following an increase in the total number of the voting rights of the Company Sartorius Stedim Biotech, the threshold of 15% of the voting rights of the Company Sartorius Stedim Biotech and held individually at that date, 1,642,095 shares of Sartorius Stedim Biotech representing 3,284,190 voting rights, or

9.64% of the issued capital and 11.38% of the voting rights of this Company[4].

By letter received on 18 July 2014, completed in particular by a letter received 7 August 2014, the Company VL Finance[5] had individually passed above on 17 July 2014, because of a reduction of the issued capital of the Company Sartorius Stedim Biotech[6] the threshold of 10% of the issued capital of Sartorius Stedim Biotech and held individually 1642095 of Sartorius Stedim Biotech shares representing 3,284,190 voting rights, ie 10.69% of the issued capital and 12.17% of the voting rights of this Company[7].

On this occasion, the Company Sartorius AG has passed directly and indirectly through the company VL Finance that it controls, no threshold and it said to have held on 1 August 2014, 11,412,273 shares of Sartorius Stedim Biotech representing 22,824,546 voting rights, ie 74.30% of the issued capital and 84.56% of the voting rights of that Company[7], as follows:

	Shares	% Issued Capital	Voting rights	% Voting rights
VL Finance	1,642,095	10.69	3,284,190	12.17
Sartorius AG	9,770,178	63.61	19,540,356	72.39
Total Sartorius AG	**11,412,273**	**74.30**	**22,824,546**	**84.56**

By the same letters, the following declaration of intent was made:

"The Company VL Finance says for the six (6) months to come, as provided in Article L. 233-7 of the Commercial Code VII that :

- the threshold crossing is of a passive nature, without any acquisition of shares, and results from the cancellation of treasury shares held by the Company Sartorius Stedim Biotech;
- it does not consider any other additional acquisitions of Sartorius Stedim Biotech shares;
- it acts in agreement with another shareholder, the Company Sartorius AG, towards the Sartorius Stedim Biotech Company;
- it already has control of the Sartorius Stedim Biotech Company, as a member of the concert Sartorius AG - VL Finance SAS holding at the date of this declaration 74.30% of the issued capital and 84.56% of the voting rights of Sartorius Stedim Biotech;
- it wishes to pursue the strategy implemented by the Company Sartorius Stedim Biotech as described in the Company's Reference Document of the Company Sartorius Stedim Biotech filed with the AMF 27 February 2014;
- it does not consider any of the transactions listed in Article 223-17 I 6 of the General Regulations of the AMF;
- it does not hold agreements or financial instruments referred to 4 and 4 bis of I of Article L. 233-9 of the Commercial Code;
- it has not entered into any temporary reverse agreement to the shares and / or voting rights of the Company Sartorius Stedim Biotech;
- it does not intend to request the appointment of new members to the Board of Directors of Sartorius Stedim Biotech, provided that the concert Sartorius AG - VL Finance SAS is already represented on that Board by five (5) out of a total of eight (8) Directors."

[1] Controlled by the Company Sartorius AG, itself controlled by liability proceedings constituted by Mrs C. Franken, Mrs U. Baro and Mrs K. Sartorius-Herbst, dealing with the property bequeathed by Mr Horst Sartorius, and administered independently by executor, Mr Arnold Picot.

[2] Based on an issued capital at that date of 16,897,988 shares representing 18,912,368 voting rights, pursuant to the second paragraph of Article 223-11 of the General Regulation.

[3] Based on an issued capital at that date of 17,013,448 shares representing 18,664,042 voting rights, pursuant to the second paragraph of Article 223-11 of the General Regulation.

[4] Based on an issued capital at that date of 17,025,948 shares representing 28,857,961 voting rights, pursuant to the second paragraph of Article 223-11 of the General Regulation

[5] Controlled by the Company Sartorius AG, itself controlled by a liability proceeding constituted by Mrs C. Franken, Mr. U. Baro and Mrs K. Sartorius-Herbst, dealing with the property bequeathed by Mr Horst Sartorius, and administered independently by an executor, Mr Arnold Picot

[6] See press publications of the Company dated 17 July 17 2014.

[7] On the basis of an issued capital composed of 15,359,238 shares representing 26,993,188 voting rights, pursuant to the second paragraph of Article 223-11 of the General Regulation.Control of the Company as of December 31, 2014

Control of the Company as of December 31, 2014

Sartorius AG holds, directly or indirectly, 74% 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.

Following the decision taken by the Extraordinary Shareholders' Meeting of 8 April 2014, the treasury shares held by the Company have been cancelled (see information page 57: Sartorius Stedim Biotech S.A. share capital)

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority Delegated by the Annual Shareholders' Meeting to the Board of Directors still valid.

Multiple delegations were granted at the board of directors by the combined shareholder's meeting of 8 April 2014 that is:

1) Being able to increase the share capital of the company by capitalizing everything or a portion of the issue premium by increasing the nominal value of the existing shares currently amounting €0.61 to €1. The limit is equal to €6,646,499.34 (corresponding to the maximum nominal amount of the increase of the share capital). This delegation of power is granted for a period of 5 years as of the date of this shareholders meeting on 8 April 2014. On 17 July 2014, the Board of Directors decided that the share capital should be increased by capitalizing the amount of €5,990,102.82 deducted from the "share premium" account, such as contained in the year ended 31 December 2013; This operation was realized by increasing the nominal value of the existing shares amounting €0.61 to €1.

2) Being able to reduce the share capital through the cancellation of shares purchased under a share buyback program. The limit amounts 10% of the adjusted capital to account, if necessary, transactions affecting the share capital performed between the combined shareholder's meeting of 8 April 2014 and the actual completion date of the capital reduction made by the board of directors. This authorization is granted for a period of 26 months as of the date of the Shareholders' meeting on 8 April 2014. On 17 July 2014, the Board of Directors decided that the share capital should be reduced by a nominal amount of €1,036,213.10 by the cancellation of the overall treasury shares pursued under a share buyback program, amounting to 1,698,710 shares, representing less than 10% of the share capital by the time of this transaction. The difference between the value of cancelled shares (€61,327,190.07) and their nominal amount (€1,036,213.10), equal to €60,290,976.97, has been charged on the "share premium" account amounting to €37,888,929.18 and the "retained earnings" account, amounting to €22,402,047.79.

3) Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders. The limit is €2,000,000 (corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

4) Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right of the allotment of debt instruments, without preferential subscription rights of the shareholders – through public offerings. The limit is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

5) Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through private placements as set forth in article L.411-2 II of the French Monetary and Financial Code. The limit is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

6) Ability to, in the event of an issuance of shares and/or securities giving access to the share capital of the Company through public offerings or private placements as set forth in article L.411-2 II of the French Monetary and Financial Code, without preferential subscription rights of the shareholders, to set the issuance price under the conditions defined by the shareholders' meeting, up to a maximum of ten per cent (10%) of the share capital per year). The limit amount 10% of the share capital on a period of 12 months. It is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

7) Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders. The limit amount 15% of initial issue of shares. It is deducted on the overall limit of €2.000.000 (increase of the share capital) and on the overall limit of €2.000.000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

8) Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for contributions in kind consisting of a company's shares and/or securities giving access to the share capital up to a maximum of ten per cent (10%) of the share capital, outside public exchange offers initiated by the Company. The limit amount 10% of the share capital. It is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

9) Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders. The limit is deducted on the overall limit of €2,000,000 (increase of the share capital) and on the overall limit of €2,000,000 (debt instruments). This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

10) Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. The limit is €2,000,.000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit. This delegation of authority is granted for a period of 26 months as of the date of this shareholders' meeting on 8 April 2014.

1. 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 bene-ficiaries	Number of initial bene-ficiaries	Sub-scrip-tion price (€)	Number of shares subscribed from Jan. 1, to Dec. 31, 14	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	15,642	0	0	0
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	0	3,000	0	1
Total		**684,560**	**0**	**0**	**51**		**15,642**	**8,000**	**0**	**2**
									8,000	

* AGM = Annual General Shareholders' Meeting

Changes in the number of stock options between January 1, 2012 and December 31, 2014:

	2014	2013	2012
Outstanding shares at January 1	23,642	24,642	40,000
Allocated during the period		0	0
Cancelled during the period		0	0
Exercised during the period	–15,642	–1,000	–15,358
Lapsed during the period		0	0
Outstanding at December 31	**8,000**	**23,642**	**24,642**

Share Capital Dilution

At December 31, 2014, the total number of shares capable of being issued on the basis of performance-based share subscription options was a potential 8,000 shares, or 0.052%, of the fully diluted share capital.

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2014

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2014 Fiscal Year

None

Options Exercised During the Fiscal Year

In the reported year, 15,642 options were exercised. The ten most significant accounted for the total of the options exercised in 2014.

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 8, 2014, the Annual Shareholders' Meeting voted for payment of a net dividend of €1.20 per share. The dividend was available for payment on April 15, 2014.

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 €	2013	2012	2011	2010	2009
Dividend per share for the fiscal year	1.20	1.10	1.00	0.90	0.60
Number of shares	15,343,596	15,342,596	15,327,238	15,314,738	16,972,721
Dividend corrected per share[1)]	**1.20**	**1.10**	**1.00**	**0.90**	**0.66**

[1)] Compared to the number of shares as of December 31, 2013

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 has been changed in the 2014 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 ASM:

- Each Director receives a fixed remuneration of €25,000 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 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 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair, instead of this, they receive a lump-sum amount of €8,000 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.

A total of €207,200 is paid in directors' meeting attendance fees for 2014.

Compensation of the Executive Management Team

		Base | fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other € in K	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
Total 2013	**3,356.0**	**1,583.0**	**846.0**	**874.0**	**53.0**	**0.0**	**0.0**	**0.0**
Total 2014	**4,173.0**	**1,685.0**	**1,085.0**	**1,350.0**	**53.0**	**0.0**	**0.0**	**0.0**
Joachim Kreuzburg[1] 2013	1,443.0	635.0	268.0	521.0	19.0	0.0	0.0	0.0
Joachim Kreuzburg[1] 2014	1,733.0	675.0	373.0	667.0	18.0	0.0	0.0	0.0
Volker Niebel[1] 2013	551.0	280.0	207.0	54.0	10.0	0.0	0.0	0.0
Volker Niebel[1] 2014	625.0	300.0	243.0	71.0	11.0	0.0	0.0	0.0
Oscar-Werner Reif[1] 2013	549.0	280.0	207.0	54.0	8.0	0.0	0.0	0.0
Oscar-Werner Reif[1] 2014	622.0	300.0	243.0	71.0	8.0	0.0	0.0	0.0
Reinhard Vogt[1] 2013	813.0	388.0	164.0	245.0	16.0	0.0	0.0	0.0
Reinhard Vogt[1] 2014	1,193.0	410.0	226.0	541.0	16.0	0.0	0.0	0.0

[1] For more details please refer to the Chapter Corporate Governance in pages 86 to 93.

Independent Auditors

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

- Ernst & Young, represented by Xavier Senent Alternate auditor: Auditex.

- Deloitte & Associés, represented by Christophe Perrau. Alternate auditor: BEAS.

The group has decided to settle the recommendations of the Green Book of the European Community as of the approval of the financial statements of 31 December 2014. The Annual Shareholders' Meeting of 7 April 2015 will propose the nomination of KPMG to replace Ernst & Young Audit.

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, 2014, the balance of trade payables totaled €975,229; these trade payables were comprised of the following:

- 76% of invoices to be paid in 30 days regarding the invoice issue dates,

- 23% of invoices to be paid in 60 days regarding the invoice issue dates.

At the same date, the cumulative overdue trade payables amounted to 1%.

At December 31, 2013, the balance of trade payables totaled €1,701,683; these trade payables were comprised of the following:

- 81.83% of invoices to be paid in 30 days regarding the invoice issue dates,

- 18% of invoices to be paid in 60 days regarding the invoice issue dates.

At the same date, the cumulative overdue trade payables amounted to 0.17%.

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

€ in K	2010	2011	2012	2013	**2014**
Share capital at end of period					
Share capital (capital stock)	10,378	10,386	10,395	10,396	15,359
Number of shares outstanding	17,013,448	17,025,948	17,041,306	17,042,306	15,359,238
Transactions and financial performance					
Sales revenue (excl. VAT)	65,026	71,855	81,942	1,501	1,465
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	25,884	23,617	26,218	21,180	25,967
Income tax	1,185	1,069	678	292	468
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	21,066	23,860	26,198	20,875	24,845
Dividends paid or proposal of dividend	13,783	15,327	16,877	16,878	18,412
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	1.59	1.45	1.58	1.26	1.66
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	1.24	1.40	1.54	1.22	1.62
Dividend per share	0.90	1.00	1.10	1.10	1.20
Personnel					
Workforce size	293	336	388	0	0
Personnel costs	11,177	11,843	14,171	0	0
Social security costs	6,007	6,574	7,969	0	0

Corporate Governance

03

The Board of Directors and Its Committees

The Board of Directors

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

The organization of the works of the Board and its composition must be suited to the shareholding structure, to the size and the nature of the activity of Sartorius Stedim Biotech S.A. and the particular circumstances facing it.

Composition of the Board of Directors as of December 31, 2014

For historical reasons due to the shareholding structure of the Company, the composition of the Board of Directors an its Comittees reflected the search by our reference shareholder of a long lasting balance between the Directors representing these shareholders, the Independant Directors and the executives.

Our reference shareholder takes its own responsibility towards the other shareholders, direct and distinct from the Board of Directors' one. He takes particular care to avoid possible conflicts of interests in the transparency of the information provided to the market and to fairly take all interests into account.

The Board of Directors should consider what would be the desirable balance in its membership and that of the Committees it has stablished, in particular in the representation of women and men, nationalities and diversity of skills by taking measures appropriate to guarantee to the shareholders and to the market that its missions are carried out with the necessary independence and objectivity. It makes public in the Reference Document the objectives, methods and resuts of its politics on these subjects.

Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: April 22, 1965
Nationality: German

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

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;
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 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 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 Hong Kong Ltd.;
Member of the Board of Directors of Sartorius North America Inc.;
Président and Member of the Executive Committee of Sartorius Stedim FMT S.A.S.

Past directorships (held during the past five years) within the Group:
Vice Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Biohit Liquid Handling OY.

Other current directorships and positions
outside the Group:
Member of the Advisory Board (Regionalbeirat) of
Commerzbank AG, Germany;
Member of the Advisory Board (Beirat) of
Otto Bock Holding GmbH & Co. KG, Germany;
Member of the Economic Advisory Board (Wirtschafts-
beirat) of Norddeutsche Landesbank, Germany;
Member of the Supervisory Board (Aufsichtsrat) of
Carl Zeiss AG, Germany.

Past directorships (held during the past five years)
outside the Group:
Member of the Advisory Board (Beirat) of
Hameln Group GmbH, 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, Corporate Strategy, 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

First appointment: 29 June 2007
Mandate renewed : 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions
within the Group:
Managing Director (Geschäftsführer) of
Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of
Sartorius Stedim North America Inc.;
Member of the Board of Directors of
Sartorius 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 Weighing 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 Bioprocess SARL;
Managing Director of Sartorius Stedim Biotech SARL;
Managing Director of
Sartorius Stedim Integrated Services SARL;
Managing Director and Member of the
Executive Committee of Sartorius Stedim FMT S.A.S.;
Member of the Board of Directors of
Biohit Biotech (Suzhou) Co. Ltd.

Past directorships (held during the past five years)
within the Group:
Member of the Board of Directors of
Sartorius Stedim SUS Inc.;
Managing Director of Sartorius Stedim SUS SARL;
Managing Director of Sartorius Stedim DDS SARL;
Managing Director of Sartorius Stedim Industries SARL;
Member of the Board of Directors of
Sartorius Stedim Systems Inc.

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

First appointment: 29 April 2009
Appointed on: 17 April 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 Directors of Sartorius Stedim Switzerland AG.

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

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

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

Reinhard Vogt

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

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

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;
Member of the Board of Directors of
Sartorius Stedim North America Inc.;
Member of the Board of Directors of
Sartorius North America Inc.;
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
Sartorius 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 (Shanghai) Trading Co. Ltd.;
Member of the Board of Directors of
Sartorius Stedim (Shanghai) Trading Co. Ltd.;
Member of the Board of Directors of
Sartorius Hong Kong Ltd.;
Member of the Board of Directors of
TAP Biosystems Group Ltd.;
Member of the Board of Directors of
Sartorius Stedim Switzerland AG;

Member of the Board of Directors of
Sartorius Japan K.K.;
Member of the Board of Directors of
Sartorius Stedim Japan K.K.;
Member of the Board of Directors of
Sartorius Korea Ltd.

Past directorships (held during the past five years) within the Group:
Member of the Board of Directors of
Sartorius Stedim SUS Inc.;
Member of the Board of Directors of
Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of
Sartorius Stedim Biotech (Beijing) Co. Ltd.;
Managing Director (Geschäftsführer) of
Sartorius Weighing Technology GmbH;
Managing Director (Geschäftsführer) of
Sartorius Lab Holding GmbH.

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

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

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

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 200 691

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

Member of the Board of Directors of
Sycovest Asset Management, Paris;
Member of the Supervisory Board of
Azulis Capital S.A., Paris;
Member of the Supervisory Board of
Solon Ventures Ltd., London;
Member of the Supervisory Board of
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

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December, 2015

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.

Past directorships (held during the past five years) within the Group:
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:
none

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, Executive Director of the Institute of Information, Organization and Management, Faculty of Economics, Ludwig Maximilian University in Munich
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

First appointment: 29 June 2007
Mandate renewed:16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December, 2015.

Number of Sartorius Stedim Biotech Shares held: 50

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

Past directorships (held during the past five years) outside the Group: none

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
2004 - 2013	CFO of Hendyplan S.A.

The Board of Directors of 18 February 2015 has proposed to the Annual Shareholders' Meeting to nominate as Independent Members Mrs Anne-Marie Griffin and Mrs Susan Dexter. Here below are their professional backgrounds.

Anne-Marie Graffin

Non-executive member
Independent Director
Date of birth: 3 May 1961
Nationality: French

Number of shares of Sartorius Stedim Biotech held: 0

Mandates and current functions:
Member of the Supervisory Board of Valneva SE since March 2013
Member of the Supervisory Board of Nanobiotix S.A. since January 2014
Managing Director of SMAG Consulting SARL since September 2011

Number of mandates exercised achieved within the last past five years:
Member of the Board of Directors of Themis Bioscience GmBH from July 2012 to December 2014
Member of the Board of Directors of Portugal Sanofi Pasteur MSD from March 2008 to December 2010
Member of the Board of Directors of Spain Sanofi Pasteur MSD from March 2009 to December 2010
Member of the Board of Directors of UK Sanofi Pasteur MSD from March 2009 to December 2010
Member of the Board of Directors of Ireland Sanofi Pasteur MSD from March 2009 to December 2010

Educationnal and professional background:

Graduated from ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales)

1984- 1987	International Distillers and Vinters, France Products Manager
1988- 1990	URGO Laboratories - adhesive Marketing Manager
1991- 1995	RoC S.A (Johnson & Johnson) - Head of International Marketing Group
1998- 2000	Sanofi Pasteur MSD - France Products Manager Adults Vaccines
2001- 2005	Sanofi Pasteur - Head of range then Europe Adults Vaccines Marketing Director
2006- 2008	Sanofi Pasteur MSD - Executive Manager Business Management
2009- 2010	Sanofi Pasteur MSD - Vice President Business Management
Since 2011	Managing Director SMAG Sàrl - Advice Biotech and Medtech Strategy Management

Susan Dexter

Non-executive member.
Independant Director.
Date of Birth: October 11, 1955
Nationality: American

Number of Sartorius Stedim Biotech Shares held: 0

Other current directorships and positions:
BioSense Technologies, Woburn, Massachusetts, USA- Clinical diagnostic technology based on cellular impedence

Past directorships (held during the past five years):
BioSense Technologies, Woburn, Massachusetts, USA (active)
Kalon Biotherapeutics, College Station, Texas, USA (retired) - CMO

Degrees and Certifications:

BS in Immunology and Marketing (double major, honors), American University, Washington, D.C., USA
Harvard University Negotiation Course for Lawyers, Harvard University, Cambridge, Massachusetts, USA
Finance for non-financial Managers, Harvard University through Dow Chemical Company internal training program

Work History

1975 - 1980	University of Massachusetts Medical School, Research, mammalian cell culture, animal toxicology studies, basic research
1980- 1986	Collaborative Research, Biotechnology Sales in emerging markets for bioprocessing supplements and raw materials for biomanufacuting
1986- 1998	Celltech Biologics, Lonza Biologics, Business Development-bioprocessing and manufacturing of biotechnology based biotherapeutics
1998- 2004	Collaborative BioAlliance, Dow Chemical Company (Dow Biotechnology Contract Manufacturing Services) - Vice President, Business Develoment for microbial fermentation services, technologies and implementation of single use bioprocessing technologies
2004- 2008	Xcellerex, Inc. (now GE Healthcare),- Chief Business Officer; CMO services using fully integrated single-use bioprocessing technology, sales of single use bioprocessing technologies
2008-Present	Latham Biopharm Group, Principal Consultant- VP Business Development for multiple CMO's offering contract manufacturing services to the biotechnology life sciences industry, strategic consulting, single-use disposable technology implementation, project management and high-level business development and marketing, Advisor and speak for BioProcess International

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

The Company being controlled by a majority shareholder, the portion of independent administrators board members should be at least a third of the Board. As of 31 December 2014, the Board of Directors of Sartorius Stedim S.A. is composed of 25% of independent members under the independence criteria defined by the APEF-MEDEF code. In order to comply, it is proposed to the Shareholders' meeting of 7 April 2015 to nominate two new independent administrators in order to reach this threshold.

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 two independent directors, Mrs. Liliane de Lassus and 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.

Balanced representation of women and men

In terms of men and women representation, the objective is that each Board reaches and maintains a percentage of at least 20% of women in a three-year notice and at least 40% of women in a six-year notice, starting from the 2010 Shareholders' meeting. When the Board is composed of at least ten members, the difference during this six-year period between administrators from each gender can't be higher than two. As of 31 December 2014, the Board of Directors is composed of 12.5% of women, which does not respect the 20% percentage mentioned above. In order to get in line, it is proposed to the 7 April 2015 Shareholders' meeting to nominate two new women administrators in order to reach this threshold.

Staggering of the mandate terms

According the APEF MEDEF governance code for listed companies, the staggering of terms should be organized in order to avoid renewing a group mandates and promote harmonious renewing of the administrators' mandates. As of 31 December 2014, the afferent rule relating staggering of the terms was not respected given that the operation of the firm was closely related to the presence of a reference Shareholder purchasing the company Sartorius Stedim in 2007 and thereby nominated most of the members of the Board at this time. In order to get in line with these rules, the Board of Directors will partially be renewed up to seven members in 2016 and up to three members in 2018.

Plurality of mandates

In accordance with the APEF MEDEF governance code for listed companies, an executive Director can't exercise more than two other mandates of Director in listed companies outside its group, including foreign companies. It should in addition collect the notice from the Board before accepting a new Director mandate in a listed company.

Moreover, an administrator can't exercise more than four other mandates in listed companies outside its group, including foreign companies. This recommendation is applied during the nomination or the renewal of the administrator's mandate.

Other Information

The Board of Directors met eight times during fiscal 2014.

In accordance with the bylaws of Sartorius Stedim Biotech S.A. company, each Diretor owns personally at least one share of the company.

All Directors fulfill the below mentioned thresholds with regards to numbers of mandates in listed companies:

- For the executive Directors: maximum of two mandates in companies not belonging to the group,

- For non executive Directors: maximum of four mandated in companies not belonging to the group.

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.

To knowledge of the Company, no administrator is linked to the Sartorius Stedim Biotech by a service contract conferring him advantages.

Measures taken to ensure that control is not done in an abusive way are the following:
- 2 independent members of the board on 8 are members of the board of directors.
- 2 independent members of the board on 4 are members of the audit committee.
- 2 independent members of the board on 4 are members of the remuneration committee.

The Audit Committee

The Audit Committee is currently composed of four members:

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

– Mr. Arnold Picot
– Mrs Liliane de Lassus
– Mr. Bernard Lemaître

The Chairman of the Audit Committee and Mrs. de Lassus are 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 2014.

Remuneration Committee

The Remuneration Committee is currently composed of four members:

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

– Mrs Liliane de Lassus
– Mr. Henri Riey
– Mr. Bernard Lemaître

Two of the four members of the Remuneration Committee are independent.

The Remuneration Committee met twice in fiscal 2014.

For more information on the organization, functions and activities of each Committee during fiscal 2013, please refer to the Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code included in this publication (following pages).

Chairman's Report Pursuant to Article L. 225 - 37

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, 2014, to present the composition of the Board of Directors and the application of the principles of balanced representation between men and women, 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 and risk management 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.

In accordance with article 25.1 of the Corporate Governance Code for listed companies in effect from the presented date (the "Code"); listed companies referring to the code are required to precisely identify, in their reference document, the application of these recommendations. In case on non-application of one of these provisions, companies are required to provide a comprehensible, relevant and circumstantial explanation according to the rule "apply or explain". It is recommended by the AMF (recommendation n°2014-08 of 22 September 2014) that companies indicate in a specific table each recommendation that are not applied and the related explanations.

SPECIFIC TABLE ON RECOMMENDATIONS OF THE AFEP MEDEF CODE FOR THE GOVERNANCE OF LISTED COMPANIES

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
3.2	**Disclosure of the option selected** In this respect, it is essential for the shareholders and third parties to be fully informed of the choice made between separation of the offices of Chairman and Chief Executive Officer and maintenance of these positions as a single office.	The Board of Directors has opted for the Chairman's functions meeting of the Board Committee and as Chief Executive Officer in order to simplify the company operational management and increase its effectiveness. This organization takes into account the presence of controlling shareholders to the Company share capital.
10.4	**Non-executive directors meeting** It is recommended that the non-executive directors meet periodically without the executive or "in-house" directors. The internal rules of operation of the Board of Directors must provide for such a meeting once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Deputy Chief Executive's respective performance shall be carried out, and the participants shall reflect on the future of the company's executive management.	The non-executives directors do not meet without the executive members tough and when an open and transparent debate is possible even with the presence of the the executive members.
16.1	**Independent directors within the audit Committee** The proportion of independent directors on the audit committee (excluding the directors representing employee shareholders and directors representing employees, who are not taken into account) should be at least equal to two-thirds, and the committee should not include any executive director.	For historical reasons related to the company share options, the composition of the specialized committee was reflecting the research by our shareholder in order to reflect a balance between the directors representing the shareholders and the independent directors. It is composed of 50% of independent directors.
16.2.1	**Examination deadline of the accounts between the Audit committee and the Board** The appointment or extension of the term of office of the audit committee's Chairman is proposed by the appointments/nominations committee, and should be specially reviewed by the Board.	For practical reasons, to the fact that non-residents members are part of the committee, the audit committee verifies the accounts on the Board of Directors meeting. The members of the Committee have however access to all documents and information necessary to their functions within reasonable deadline allowing them to take notice and verify in a satisfactory manner.
18.	**THE COMMITTEE IN CHARGE OF COMPENSATION**	
18.1	Independent directors within the compensation Committee	For historical reasons related to the company share options, the composition of the specialized committee was reflecting the research by our shareholder in order to reflect a balance between the directors representing the shareholders and the independent directors.
	It should be composed of mainly independent directors	It is composed of 50% independent directors The Chairman of the compensation committee of the Sartorius Stedim Biotech Group, non-independent, is also the Chairman of the compensation committee of the Sartorius Group AG for management and coherency reasons.
20.	**THE DIRECTOR'S ETHICS**	
20.	**Attendance fees / retained actions** The director should be a shareholder personally and hold a fairly significant number of shares to the received attendance fees: by default if he does hold the shares upon assuming his functions, he must use the acquired attendance fees when acquired. It is the responsibility of the Board to complete otherwise this list of directors' basic obligations	The Board of Directors has left until now the freedom to each director to invest insignificantly for the company. The executive members not perceiving attendance fees, therefore no stock options purchase obligations have been formulated to them.
22.	**TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS EXECUTIVE DIRECTOR**	
22.	TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS A EXECUTIVE DIRECTOR When an employee is appointed as executive director, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group, whether through contractual termination or resignation23	This recommendation is only applied to 2 out of 4 of the directors.. Volker Niebel has still his employment contract with Sartorius Stedim Biotech GmbH that was put in place when he started to work for Sartorius Group. According to German law it is not necessary to change such employment contract when someone becomes a Managing Director of the company he works for. It should be also considered that Sartorius Stedim Biotech Group is controlled by a German majority shareholder and the biggest group company is a German company, therefore in this respect German rules and regulations are very common in the whole group and have to be observed at the respective group level.

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
23.	**COMPENSATION OF EXECUTIVE DIRECTORS**	
23.2.4	**Award** Awards of options and shares to executive directors must be conditional on the attainment of performance targets.	Not applicable for Oscar Werner Reif and Volker Niebel Joachim Kreuzburg and Reinhard Vogt are representing the Group Sartorius AG, their compensation policy is deliberated and decided at the level of the mother house of Sartorius Stedim Biotech. The performance action elements are detailed in the document reference within the parts of the company's governance Report and the internal control.
	An executive director may not be awarded any stock option or performance share at the time of his or her departure. In accordance with legal provisions, if stock options or performance shares are not awarded to all employees, then it is necessary to provide for another scheme involving them in corporate performance (incentive scheme, profit-sharing scheme other than the mandatory scheme, granting of bonus shares, etc.). The total amount of the stock option plans and performance shares must represent a small fraction of the capital, and the right balance must be struck according to the benefits derived by shareholders from the management. The level of dilution must be taken into account.	The shares Joachim Kreuzburg will receive on 11 November 2015 are not subject to any performance criteria. Nevertheless he has to give back all of the shares if he leaves the Sartorius AG before 11 November 2017 and half of the shares if he leaves Sartorius AG before 11 November 2019. The shares will be transferred as an incentive to further grow Sartorius Group as he would participate from the increase of the share price.
	Furthermore, it is necessary to ensure that:	
	The awarded stock options and performance shares valued in accordance with IFRS standards do not represent a disproportionate percentage of the aggregate of all compensation, options and shares awarded to each executive director. To that end, the Board must systematically review the award of new stock options and performance shares in view of all compensation items awarded to the executive director concerned. The Board shall then be responsible for determining the percentage of the compensation (in accordance with market standards) not to be exceeded by the said award;	
	Awards are not overly concentrated on executive directors. According to the situation of each company (size, industry, broad or narrow scope of the award, number of officers, etc.), the Board must define the maximum percentage of options and performance shares that may be awarded to executive directors, as compared with the aggregate award approved by shareholders. The resolution for authorizing the award plan submitted to a vote at the meeting of shareholders must mention this maximum percentage in the form of an award sub-ceiling for executive directors;	
	Awards are made at the same calendar periods, e.g. after the disclosure of the financial statements for the previous financial year, and probably each year, in order to limit any windfall effects;	
	Any windfall effects associated with a bear market are prohibited. The value of awarded options and performance shares may not be markedly different from the company's earlier practices, unless a material change in the scope of business justifies a revision of the scheme;	
	In accordance with terms determined by the Board and announced upon the award, the performance shares awarded to executive directors are conditional upon the acquisition of a defined quantity of shares once the awarded shares are available.	
	Price No discount should be applied upon the award of stock options and in particular for stock options awarded to executive directors.	
	Executive directors who are beneficiaries of stock options and/or performance shares must make a formal commitment not to engage in any hedging transactions in respect of their own risks, either on options or on shares resulting from the exercise of options or on performance shares, until the end of the period determined by the Board of Directors for holding shares.	

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
	Exercise The exercise by executive directors of all of the options and the acquisition of the shares must be related to serious and demanding performance conditions that are to be met over a period of several consecutive years. These conditions may be internal and/or external performance requirements, i.e. related to the performance of other companies, a benchmark sector, etc. Where it is possible and relevant, these internal and external performance requirements are combined.	
	It is necessary to determine periods preceding the disclosure of the annual and interim financial statements, during which the exercise of the stock options is not possible. The Board of Directors or Supervisory Board must determine these periods and where applicable determine the procedure to be implemented by executive directors prior to any exercise of the stock options in order to ensure that they do not hold any information likely to prevent such exercise.	
23.2.5	**Termination payments** It is not acceptable that executive directors whose company has failed or who have personally failed may receive termination payments upon departure.	Severance payments for Joachim Kreuzburg, Reinhard Vogt and Oscar-Werner Reif are capped at the maximum of a two years remuneration. Reference is made in this respect to remuneration that has been agreed in the service contract. As lined out in the remuneration report approximately half of the remuneration is a fix remuneration and half of the remuneration is a variable remuneration. The performance targets of the variable remuneration have to be taken into account when calculating the severance payment in case of an early termination of the service contract.
	The law gives a major role to shareholders by making these predefined benefits, paid on termination of office of the executive director, subject to the procedure for related parties agreement. It imposes total transparency and makes termination payments conditional upon performance requirements. These performance requirements must be assessed over at least two financial years.	
	These performance requirements set by the Board must be demanding and may not allow for the indemnification of an executive director, unless his or her departure is imposed, regardless of the form of this departure, and linked to a change in control or strategy.	
	The payment of any termination benefits to an executive director must be excluded if the said executive director elects to leave the company in order to hold another position or is assigned to another position within the same group or is able to benefit in the near future from pension rights.	
	The termination payment should not exceed when applicable two years of compensation (fixed and variable). If a NO-competition clause is additionally applied, the aggregate of these two benefits must not exceed this ceiling (see hereafter).	
	Any artificial increase in compensation during the period preceding the departure should be prohibited.	

The group also communicates in the appendix the applied recommendations in order to give an overall idea on practices concerning corporate governance.

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 which is published on the website of Sartorius Stedim Biotech S.A. as of the publication of this particular report.

The internal rule has been modified by the Board of Directors of 18 February 2015 in order to bring it into line with the new provisions of the AFRP MEDEF governance code for listed companies.

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 will beforehand decide for each significant transaction outside the scope of the announced strategy;

- 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;

- Although it is not a modification with a social purpose, the Board of Directors must seize the Shareholders' Meeting if the transaction concerns a preponderant share of the assets or the activities of the group;

- The Board of Directors shall convene annual 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 2014

The Board of Directors met eight times during the fiscal year. The average attendance was 98%.

The Board reviewed and approved the corporate and consolidated accounts for 2013.

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

1. Strategic direction and major Group projects.
2. The annual, half-year and quarterly financial statements.
3. Budgets presented by executive management.
4. Information on the financial structure and cash flow items.
5. Significant off-balance sheet commitments.
6. Risk indicators for the Group.
7. Internal organization projects.
8. Stock market performance.
9. Self-assessment of the Board members.
10. Elements of remuneration due or attributed.
11. Modification of the bylaws.
12. Operations on capital.
13. Projects on acquisition and follow up of recent acquisitions.
14. Situation of the statutory auditors with regards to the Green Book.

In 2014, the Board members carried out 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 self-assessment

shows that the Directors consider to be well informed by the executive management of the company and believes that the CEO is moderating properly the discussions during Board of Directors.

This evaluation has three objectives:

- Take stock on the modalities of the performance of the Board.
- Verify that important questions have properly been prepared and debated.
- Measure the effective contribution of each Administrator at the Board's work due to its competency and involvement in the debate.

The committee chairmen submitted their 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 members of the Board of Directors receive a copy of each press release published by the Company. 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.

Under no circumstances do these committees relieve the Board which has the only legal power of decision nor are allowed to cause division within its college which is and stays responsible of the accomplishment of its missions. The committees don't replace but are an emanation of the Board of Directors facilitating its work.

The Committees of the Board may consult, in the performance of their functions, any of the main company's executive members after having informed the Chairman of the Board of Directors and subject to reporting back to the Board.

The Committee of the Board may request external technical studies relating to matters within their competence, at the expense of the Company, after having informed the Chairman of the Board of Directors or the Board of Directors itself and subject to reporting back to the Board.

In case of making use of external consultancy services (for example a remuneration advice in order to obtain information concerning systems and levels of remuneration in force in the main markets), the Committees should ensure the objectivity of the concerned services.

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.

Members of the Committees of the Board are chosen by the Board of Directors. The appointment or renewal of the president of the Audit Committee's mandate, proposed by the Remuneration Committee, is subject to a specific review by the Board of Directors.

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.

Members of the Audit Committee therefore have either a financial or accountant expertise.

The proportion of independent administrators in the audit committee is lower than two thirds.

The Committee does not include any executive director.

In this respect, the Audit Committee shall consult the statutory auditors, as well as the financial, accounting and financial investment directors. It shall be possible for such interviews to take place when the Committee requires them, without the presence of the Management of the Company.

The Committee can ask external experts if needed ensuring their expertise and independence.

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

- Review 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 2014, and presenting its observations and recommendations to the Board of Directors. During the review of the accounts, the Committee consider important operations through which a conflict of interest could have occurred;

- Ensuring the suitability and consistent application of the accounting methods and procedures chosen by the company, and guaranteeing their correct application;

- Review the accounting treatment of any significant transactions carried out by the company;

- Review the scope of the consolidated companies, and if necessary, the reasons why certain companies are not included.

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 Shareholders' Meeting. To that end, the Committee steers the statutory auditor's selection procedure and submits a recommendation to the Board of Directors proposed to the Shareholders' Meeting. The Committee proposes to the Board of Directors the selection procedure and particularly if a tender might be necessary. It supervises the tender and validates the tender specifications and also approves the choice of the consulted firms, while ensuring that the "highest" and not the "lowest" bidder is selected.

- Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.

- Analyzing the independence of the legal auditors.

To that end, the committee is informed each year by the statutory auditors:

- Their declaration of independence;

- The amount of the fees paid to the network of the statutory auditors by the companies controlled by the firm or entity which it holds, on accrued benefit that is not directly linked to the mission of the auditors;

- Information concerning benefits accomplished under the audit directly linked to the auditors' mission.

The committee examines with the statutory auditors risks threating their independence and protective measures made to reduce these risks. It should also ensure that the amount of the fees paid by the Company and its group, or the portion that it represents in the revenue of these offices and networks, are not likely to impair the statutory auditors' independence. In this context and in accordance with the Green Book on the policy and the role of the audit established by the European Commission, it is proposed at the next Sartorius Stedim Biotech S.A. Shareholders 'meeting of 7 April 2015 to nominate:

- KPMG as the auditory auditors, replacing Ernst & Young Audit;

- Salustro Reydel as alternate auditors, replacing Auditex.

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). The Committee reviews risks and off balance sheet commitments, appreciates the importance of the weaknesses received and informs the Board when appropriate.

- Verifying appropriate application of internal controls and accounting and financial reporting procedures.

The Audit Committee's duties in the area of financial communication consists of reviewing the company's proposed financial communication with respect to publication of its half-yearly and annual corporate accounts and its quarterly results.

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

Activity Report of the Audit Committee on Fiscal 2014:

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

The activity reports of the Audit Committee at the Board of Directors help the Board to be fully informed, facilitating its deliberations.

The main subjects the Audit Committee reviews are the following:

1. 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;
2. Working on hedging instruments.
3. Review of the internal audit work.
4. Review of the quarterly risk management report.
5. Approval of the auditors' fees.
6. On 30 June and 31 December 2014 audits of accounts, the auditors have presented the essential results of the audits and the options decided.
7. Situation of the statutory auditors with regard to the Green Book.

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 must put the Board of Directors in the best conditions to determine the overall remunerations and benefits of the executive directors, the Board of Directors being responsible of this decision. Otherwise, the Committee must be informed of the remuneration policy of the non-executive directors. On this occasion, the Committee associates with the executive directors.

The Remuneration Committee has also the responsibility to give recommendations with regards to the new potential Directors and Committees members after having circumstantially considered each element that needs to be taken into account in its deliberation: desirable balance in the membership of the Board with regard to the composition and the evolution of the shareholding of the Company, balance between men and women within the Board, identification and evaluation of potential candidates, desirability of extensions of terms. It needs in particular to organize a procedure in order to select future independent administrators and achieve its own studies on potential candidates before taking any measure regarding these others.

Activity Report of the Remuneration Committee for 2014:

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

Its activity reports to the Board of Director help the Board to be fully informed, facilitating its deliberations. During the presentation of these reports made by the Remuneration Committee, it is necessary that the Board deliberate on remunerations of the executive directors, without their presence.

The Remuneration Committee deliberated on the main following topics:

1. Targets achievement.
2. Reviewing the remuneration for corporate officers.
3. Reviewing payment of directors' fees.
4. Structure of the Board of Directors / Evaluation of an implementation of an Executive Board / Supervisory Board.
5. Number of women in the Board of Directors and renewal of the terms of duty of some Directors.

Remunerations of Mr. Joachim Kreuzburg and Mr. Reinhard Vogt are not discussed within the Remuneration Committee of Sartorius Stedim Biotech. They are determined by the Remuneration Committee of Sartorius AG.

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 Committees 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.

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. This corporate governance structure, adopted by an overwhelming majory of French companies that have a Board of Directors, allows simplifying the operational management of the company in order to further increase its efficiency, while taking into account the presence of controlling shareholders of the company's capital as well as the continued application by the company of the best principles of corporate governance.

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.

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

Dr. Joachim Kreuzburg's and Reinhard Vogt's remuneration is determined annually by the Sartorius AG's Supervisory Board. Their remuneration consists of fixed and variable components and is in line with their respective areas of responsibility. The variable portion contains short-, mid- and long-term components. The short-term components are paid out every year. The mid term component is paid out every three years based on the average of the achieved target for the three-year term. The long term component is comprised of a phantom stock plan that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three years) years and is payable only if this price exceeds at least 7.5% (formerly 10%) per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and entails risk is a recommendation adopted from the German and French Corporate Governance Codes. To date, no payment has been made to Dr. Kreuzburg or Reinhard Vogt according to this phantom stock plan.

A part of this remuneration is cross charged annually to the Sartorius Stedim Biotech Group.

The remuneration for Oscar-Werner Reif and Volker Niebel is discussed within the Remuneration Committee and subsequently voted on by the Annual 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 page 78.

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 affiliates 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.

Since 2013, the Group has decided to implement a hard close process as of 30 November in order to anticipate and improve the annual audit.

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 affiliates, 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 affiliate. 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 2014

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

Training on Code of Conduct and Anti-Corruption Code

The collaborators can consult the Sartorius Code of Conduct and the Sartorius Anti-Corruption Code, the initial training process has been closed and transferred 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.

In addition the process of defining mandatory minimum standards of internal controls applying to all Group companies has been followed and will be pursued further in 2015.

Aubagne, February 18, 2015

The Chairman

Joachim Kreuzburg

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

Information about the Remuneration of the Executive Board Members

Some elements and parameters of the remuneration of the Executive Board Members differ between those members who are at the same time members of the Executive Board of the major shareholder Sartorius AG and those members who are not. Those who are members of Sartorius AG´s Executive Board receive their fixed and variable remuneration from Sartorius AG. A portion of their fixed remuneration is charged to Sartorius Stedim Biotech S.A., reflecting their role as Directors of the Company. This portion is defined in the scheme for Director´s meeting attendance fees, which is part of the bylaws of the Company. A further portion of their total remuneration is charged to the SSB Group for their management services (for more details please refer to section "Related Parties" of the "Financial Statements and Notes" on page 146).

1. Remuneration of Executive Members of the Board who are members of the Executive Board of the major shareholder Sartorius AG (Joachim Kreuzburg | Reinhard Vogt)

General and Fixed Remuneration

The total amount of the remuneration of an Executive Board member of Sartorius AG 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, this amount is benchmarked with those at peer companies and with the vertical remuneration structure within the company as well as at peer companies. The remuneration is comprised of both fixed and variable components and is reviewed annually by the Supervisory Board of Sartorius AG to ensure that it remains appropriate. In the case of 100 % target achievement, the variable remuneration components represent approximately half of the total remuneration, excluding pension commitments and fringe benefits. The targets set for the variable remuneration refer to financial key figures of the Sartorius Group in which the Sartorius Stedim Biotech Group is fully consolidated. Specifically, Sartorius Stedim Biotech represents approx. 70% of the business and assets of the Sartorius Group. Therefore, the development of Sartorius Stedim Biotech has a significant influence on the financial results of the Sartorius Group and thus on the variable remuneration of Sartorius AG´s Executive Board members who also are executive members of the Board of Sartorius Stedim Biotech. However, all components of the remuneration of those members described below refer to parameters and financial key figures of the Sartorius Group in total.

Variable Remuneration

The variable portion of this remuneration contains components that are paid annually and those components determined by multi-year performance assessment, with each category of the components in general making up one half of the target achievement that is possible.

a) Annually paid variable remuneration

The portion of the variable remuneration that is paid annually is linked to the weighted target achievement of the following financial key figures: sales revenue | order intake, underlying EBITDA and the ratio of net debt to underlying EBITDA. For each of these components, a minimum target achievement is required and a maximum pay-out ratio is defined. The amount to be paid out depends on the degree to which the respective financial target is achieved. The financial targets mentioned above are in line with the budget approved annually by the Supervisory Board of Sartorius AG.

b) Long-term incentive

The components determined by multi-year assessment depend on the degree to which the respective target is achieved.

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 due to business combinations pursuant to IFRS 3). The target achievement for this component is based on the three-year average for consolidated net profit achieved compared to the average of the annual budgets for these same three years. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for the first fiscal year will be effected. Any overpayments as a result of these partial payments will be offset after the final calculation of the target achievement after the third year against other remuneration components (fixed or variable). A minimum target achievement and a cap are applied for this component as well.

Phantom Stock Plan

Only Joachim Kreuzburg and Reinhard Vogt are eligible to participate in a phantom stock plan because of their responsibilities at the Sartorius AG level.

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

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

An Executive Board member is entitled to receive payment for phantom stock units only if the share price at the time of 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 over the last 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 year-end results and for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These blackout periods are intended to prevent Executive Board members from profiting from their insider knowledge.

Pension Commitments

According to the company's remuneration policy, Executive Board members of Sartorius AG receive performance-related benefit commitments under a defined benefit plan when reappointed for the first time. In addition to including a basic pension, these commitments provide for the Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount. An Executive Board member may choose to receive such defined benefits in the form of a monthly retirement pension for old age or as a one-time payment to cover the member's retirement pension for old age and invalidity as well as in the form of survivor's benefits for the surviving spouse and children of the decedent.

Beyond such commitments, Joachim Kreuzburg is additionally entitled under a former company pension scheme to receive performance-based retirement benefits based on the salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act [Bundesbesoldungsgesetz]. Such benefits are paid in the form of a retirement pension for old age and invalidity as well as 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 be entitled to receive all such benefits.

Other Remuneration Components

The remuneration system provides that the Supervisory Board of Sartorius AG at its discretion may grant an Executive Board member special compensation based on that member's exceptional performance.

Severance Caps

The service contracts include a severance pay cap of a maximum of two annual salaries to cover cases in which Sartorius AG Executive Board membership is terminated prematurely.

Non-competition Clause

All Executive Board members of Sartorius AG have a post-contractual non-competition obligation, which is in accordance with German law. This obligation will last for two years after an Executive Board member has left the Group. During this time, if the non-competition clause is not waived or terminated, this Executive Board member may claim half of his most recent annual remuneration received from the company.

Fringe Benefits

The members of the Executive Board of Sartorius AG 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.

Share-based Payment

The remuneration policy for Executive Board members of Sartorius AG does not provide for the transfer of Sartorius AG shares as compensation for members. An exception to this was made in December 2014 for Joachim Kreuzburg, who was granted entitlement to receive share-based remuneration due to his third reappointment as a member of the Executive Board and Chairman and CEO of Sartorius AG.

The third term of Joachim Kreuzburg as a member of the Executive Board and Chairman and CEO of Sartorius AG will expire on November 10, 2015. By resolution of the Supervisory Board of Sartorius AG on December 16, 2014, Joachim Kreuzburg was reappointed as a member of the Executive Board and as its Chairman and CEO for the term of November 11, 2015, to November 10, 2020. Due to Joachim Kreuzburg's excellent performance in developing the company since the start of his tenure on the Executive Board, the company wished to continue this successful cooperation with him, despite alternative offers that were made to him. For this reason, his new remuneration contract provides for a supplementary remuneration component to transfer 25,000 ordinary shares and 25,000 preference shares in Sartorius AG to Joachim Kreuzburg. The following basic structure has been agreed upon: The transfer of the shares granted shall be effected at the time to be determined by Joachim Kreuzburg, but no earlier than on November 11, 2015, however. The shares granted shall be subject to a holding period that will end on November 10, 2019. Should Joachim Kreuzburg leave the company prior to November 11, 2017, at his own request, his entitlement to be granted said shares by transfer shall lapse in its entirety. If Joachim Kreuzburg leaves the company after November 11, 2017, and before November 11, 2019, at his own request, half of his entitlement to be granted said shares shall lapse. Shares already transferred and for which his entitlements have lapsed shall be returned to the company. This remuneration component is to be included in his total remuneration at fair value as of the time he was granted these shares. This respective fair value is to be derived from the number of shares granted and the price of each class of share on the grant date and amounts to €4,950 K. Considering the agreed conditions, the amount resulting as of December 16, 2014, is to be spread as an employee benefits expense in the accounts of Sartorius AG and recognized over the full vesting period. The accounts of Sartorius Stedim Biotech have not been affected in fiscal 2014.

2. Remuneration of Executive Members of the Board who are only part of the Sartorius Stedim Biotech Group (Oscar-Werner Reif | Volker Niebel)

General and Fixed Remuneration

The total amount of the remuneration of an executive member reflects the role as a Director of the company and 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, this amount is benchmarked with those at peer companies and with the vertical remuneration structure within the company as well as at peer companies. The remuneration is comprised of both fixed and variable components and is reviewed annually to ensure that it remains appropriate. In the case of 100 % target achievement, the variable remuneration components represent approximately half of the total remuneration, excluding fringe benefits. A portion of the fixed component is allocated to the role as a Director of the company. This portion is defined in the scheme for Director´s meeting attendance fees, which is part of the bylaws of the company.

Variable Remuneration

The variable portion of this remuneration contains components that are paid annually and a component determined by a multi-year assessment.

a) Annually paid variable remuneration

The portion of the variable remuneration that is paid annually is linked to the weighted target achievement of the following financial key figures: sales revenue | order intake, underlying EBITDA and the ratio of net debt to underlying EBITDA. For each of these components, a minimum target achievement is required and a maximum pay-out ratio is defined. The amount to be paid out depends on the degree to which the respective financial target is achieved. The financial targets mentioned above are in line with the budget approved annually.

b) Long-term incentive

For the long-term component, a multi-year assessment determines the degree to which the target is achieved.

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 due to business combinations pursuant to IFRS 3). The target achievement for this component is based on the three-year average achieved compared to the three-year average of the annual budgets. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for the first fiscal year will be effected. Any overpayments as a result of these partial payments will be offset after the final calculation of the target achievement after the third year against other remuneration components (fixed or variable). A minimum target achievement and a cap are applied for this component as well.

Severance Cap

Oscar-Werner Reif has a limited service agreement with Sartorius Stedim Biotech GmbH in place. In the case of any severance, he would receive a payment amount reflecting the remaining duration of his contract, capped at two years. Given that his contract will expire on April 30, 2016, this severance payment would reflect this remaining duration. Volker Niebel is employed by Sartorius Stedim Biotech according to a German labor contract. In case of termination, German labor laws would apply to a potential severance to be due, amounting to half of his monthly salary, based on the total package, per year of employment as a minimum.

Non-competition Clause

All executive directors have a post-contractual non-competition obligation, which is in accordance with German law because Sartorius Stedim Biotech S.A. is controlled by a German company. This obligation will last for two years after a director has left the Group. During this time, if the non-competition clause is not waived or terminated, this director may claim half of his most recent annual remuneration received from the company.

Fringe Benefits

The executive members 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.

Tables Summarizing the Remuneration and Options and Shares Granted to Each Executive Board Member

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

€ in K	**Year 2014**	Year 2013
Remuneration due	1,652	1,369
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	81	74
Total	**1,733**	**1,443**

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Joachim Kreuzburg is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €743 K.

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	**Year 2014**	Year 2013
Remuneration due	625	551
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
Total	**625**	**551**

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

€ in K	Year 2014	Year 2013
Remuneration due	622	549
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
Total	**622**	**549**

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

€ in K	**Year 2014**	Year 2013
Remuneration due	1,144	769
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	49	44
Total	**1,193**	**813**

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Reinhard Vogt is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €749 K.

Summary of the Remuneration for Each Executive Board Member

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

	Year 2014		Year 2013	
€ in K	**Amounts due**	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration	675	675	635	635
Variable remuneration				
Annually paid	373	268	268	272
Long-term incentive	667	479	521	395
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2)]	18	18	19	19
Total	**1,733**	**1,440**	**1,443**	**1,321**

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

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

	Year 2014		Year 2013	
€ in K	**Amounts due**	**Amounts paid**	Amounts due	Amounts paid
Fixed remuneration	300	300	280	280
Variable remuneration				
Annually paid	243	189	207	201
Long-term incentive	71	68	54	54
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2)]	11	11	10	10
Total	**625**	**568**	**551**	**545**

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

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

€ in K	Year 2014 Amounts due	Year 2014 Amounts paid	Year 2013 Amounts due	Year 2013 Amounts paid
Fixed remuneration	300	300	280	280
Variable remuneration				
Annually paid	243	189	207	201
Long-term incentive	71	68	54	54
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2)]	8	8	8	8
Total	**622**	**565**	**549**	**543**

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

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

€ in K	Year 2014 Amounts due	Year 2014 Amounts paid	Year 2013 Amounts due	Year 2013 Amounts paid
Fixed remuneration	410	410	388	388
Variable remuneration				
Annually paid	226	164	164	166
Long-term incentive	541	270	245	86
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2)]	16	16	16	16
Total	**1,193**	**860**	**813**	**656**

[1)] Reinhard Vogt receives his salary from Sartorius AG for his duties performed for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.
[2)] Company car

Information about the Remuneration of the Non-executive Board Members

The remuneration for non-executive board members is defined in the bylaws of Sartorius Stedim Biotech S.A. and comprises fixed remuneration, meeting attendance fees and reimbursement of out-of-pocket expenses. Members also serving as a member of a committee of the Board receive higher fixed remuneration.

Table on Directors' Meeting Attendance Fees and Other Remuneration Received by Non-executive Board Members

€ in K	Year 2014	Year 2013
Liliane de Lassus		
Director's attendance fees	49.8	47.4
Other remuneration		
Bernard Lemaître		
Director's attendance fees	49.8	45.0
Other remuneration		
Arnold Picot		
Director's attendance fees	53.8	52.6
Other remuneration		
Henri Riey		
Director's attendance fees	53.8	52.6
Other remuneration		
Total	**207.2**	**197.6**

Performance Shares Available for Each Board Member

Performance shares available for each corporate officer[1)]	Date of the plan	Number of shares available during the reporting period	Acquisition conditions
Joachim Kreuzburg		Not applicable	
Volker Niebel		Not applicable	
Oscar-Werner Reif		Not applicable	
Reinhard Vogt		Not applicable	
Liliane de Lassus		Not applicable	
Bernard Lemaître		Not applicable	
Arnold Picot		Not applicable	
Henri Riey		Not applicable	
Total			

[1)] The performance shares are bonus shares allocated to the Board members 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 the recommendations AFEP/MEDEF of October 2008.

Performance Shares Granted to Board Members

There is no performance share program in place for the board members of Sartorius Stedim Biotech S.A.

The information provided in the table below refers to the phantom stock plan of Sartorius AG described on page 92. This plan only relates to Joachim Kreuzburg and Reinhard Vogt who are Executive Board members of Sartorius AG.

Performance shares granted by the AGM 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		2,008	193	Jan. 1, 2014	Jan. 1, 2018	
Volker Niebel						
Oscar-Werner Reif						
Reinhard Vogt		1,220	117	Jan. 1, 2014	Jan. 1, 2018	
Liliane de Lassus						
Bernard Lemaître						
Arnold Picot						
Henri Riey						
Total		**3,228**	**310**			

Stock Options Granted During the Reporting Period to the Board Members by the Issuer or Any Other Company of the Group

Not applicable

Stock Options Exercised During the Reporting Period by Each Board Member

Not applicable

Stock Options Granted | Historical Information

Not applicable

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

Not applicable

Additional Information about the Executive Board Members

Corporate officer	Employment contract		Additional pension plan		Indemnities or compensation due with regard to termination of contracts or positions		Non-competition clause indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Joachim Kreuzburg CEO and Chairman	[1]		[3]		2,700		675	
Volker Niebel	[2]			None	350		300	
Oscar-Werner Reif	[2]			None	800		300	
Reinhard Vogt	[1]		[3]		1,640		410	

[1] Joachim Kreuzburg and Reinhard Vogt have a service contract (without social security components) with Sartorius AG for their duties performed as members of the Executive Board of the major shareholder Sartorius AG. This is standard practice in Germany.

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

[3] There is a general pension plan in place at the Sartorius AG level for Joachim Kreuzburg and Reinhard Vogt. The level of their entitlement to benefits paid under a company pension plan depends on their respective tenure.

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)

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is construed in accordance with French law and professional standards applicable in France.

Year ended December 31, 2014

To the Shaeholders,

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, 2014.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on the 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 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 19, 2015

French original signed by
The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Xavier Senent	Christophe Perrau

Independent Auditors' Fees

Principal Independent Auditors

Ernst and Young Audit

08, avenue du Prado – BP 116 – 13267 Marseille Cedex 08 – France

Represented by Xavier Senent.
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 approve the 2017 financial statements.

Member of Compagnie régionale de Versailles.

Independent Auditors' Fees

			Ernst & Young				Deloitte	
€ in K		**2014**		2013		**2014**		2013
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	55	45.8%	80	34.9%	87	17.1%	110	23.2%
Subsidiaries	61	50.8%	50	21.8%	398	78.3%	340	71.6%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**116**	**96.7%**	**130**	**56.8%**	**485**	**95.5%**	**450**	**94.7%**
Other services								
Legal, tax, corporate	4	3.3%			23	4.5%	17	3.6%
Information technology, other	0	0.0%	99	43.2%	0	0.0%	8	1.7%
Subtotal	**4**	**3.3%**	**99**	**43.2%**	**23**	**4.5%**	**25**	**5.3%**
Total	**120**	**100.0%**	**229**	**100%**	**508**	**100.0%**	**475**	**100%**

Substitute Independent Auditors

Auditex

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

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
	2014		2013		**2014**		2013
				142	15.1%	190	18.8%
255	81.7%	277	89.9%	714	76.0%	667	65.9%
255	**81.7%**	**277**	**89.9%**	**856**	**91.1%**	**857**	**84.7%**
57	18.3%	25	8.1%	84	8.9%	42	4.2%
0	0.0%	6	1.9%	0	0.0%	113	11.2%
57	**18.3%**	**31**	**10.1%**	**84**	**8.9%**	**155**	**15.3%**
312	**100.0%**	**308**	**100%**	**940**	**100.0%**	**1,012**	**100%**

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss and Other Comprehensive Income

	Notes	**2014 12 months € in K**	2013 12 months € in K
Sales revenue	[9]	683,524	588,378
Cost of sales		–341,873	–295,253
Gross profit on sales		**341,652**	**293,125**
Selling and distribution costs		–144,295	–128,674
Research and development costs		–38,563	–35,998
General administrative expenses		–38,653	–30,022
Other operating income and expenses	[11]	233	2,915
Earnings before interest and taxes (EBIT)		**120,373**	**101,346**
Financial income	[12]	2,411	949
Financial expenses	[12]	–17,672	–7,850
Financial result		**–15,261**	**–6,901**
Profit before tax		**105,112**	**94,445**
Income taxes	[13]	–31,378	–26,970
Net profit for the period		**73,734**	**67,474**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		72,472	66,276
Non-controlling interest	[23]	1,262	1,198
Earnings per share (€)	[15]	4.72	4.32
Diluted earnings per share (€)	[15]	4.72	4.31

Statement of Comprehensive Income

	2014 12 months € in K	2013 12 months € in K
Net profit for the period	73,734	67,474
Cash flow hedges	–3,612	2,141
Income tax on cash flow hedges	1,084	–642
Net investment in a foreign operation	–6,898	1,832
Income tax on net investment in a foreign operation	2,069	–549
Currency translation differences	20,560	–6,986
Items that probably will be reclassified to profit or loss, net of tax	**13,203**	**–4,204**
Actuarial gains I losses on defined benefit obligations	–6,957	1,048
Income tax on actuarial gains | losses	1,885	–314
Items that will not be reclassified to profit or loss, net of tax	**–5,072**	**734**
Total comprehensive income	**81,865**	**64,005**
Attributable to:		
Equity holders of Sartorius Stedim Biotech	80,111	62,893
Non-controlling interest	1,753	1,112

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

Statement of Financial Position

	Notes	**Dec. 31, 2014 € in K**	Dec. 31, 2013 € in K[1)]
Non-current assets			
Goodwill	[16]	314,437	308,955
Other Intangible Assets	[16]	111,924	116,459
Property, plant and equipment	[17]	192,195	175,858
Financial Assets		1,214	1,304
Other Assets		653	567
Deferred tax assets	[18]	10,169	9,359
		630,593	**612,503**
Current assets			
Inventories	[19]	109,975	94,939
Trade receivables	[20]	124,787	107,199
Other financial assets	[21]	6,847	9,585
Current tax assets		8,890	8,073
Other assets		7,123	5,512
Cash and cash equivalents		18,544	35,605
		276,166	**260,912**
Total assets		**906,758**	**873,415**
Equity			
Equity attributable to SSB S.A. shareholders		**532,478**	**478,340**
Issued capital	[22]	15,359	10,396
Capital reserves		235,047	278,791
Retained earnings (including net profit)		282,072	189,152
Non-controlling interest	[23]	**6,034**	**3,499**
		538,512	**481,838**
Non-current liabilities			
Pension provisions	[24]	30,583	22,601
Other provisions	[25]	2,891	3,003
Loans and borrowings	[26]	15,880	119,911
Finance lease liabilities		16,770	17,296
Other financial liabilities	[26]	44,724	37,338
Deferred tax liabilities	[18]	27,814	33,536
		138,662	**233,685**
Current liabilities			
Provisions	[27]	6,224	4,998
Trade payables	[28]	81,139	66,351
Loans and borrowings	[26]	71,764	27,078
Finance lease liabilities		1,567	1,274
Other financial liabilities	[28]	48,078	41,129
Current tax liabilities		10,107	4,476
Other liabilities		10,705	12,585
		229,584	**157,891**
Total equity and liabilities		**906,758**	**873,415**

[1)] Figures adjusted because of the final purchase price allocation of TAP Biosystems as detailed in note 8.

Statement of Cash Flows

	2014 12 months € in K	2013 12 months € in K
Profit before tax	105,112	94,445
Financial result	15,261	6,901
Earnings before interest and taxes (EBIT)	**120,373**	**101,346**
Depreciation | amortization of fixed assets	35,559	30,558
Increase | decrease in provisions	1,314	440
Income taxes paid	–27,793	–28,247
Gross cash flows from operating activities	**129,453**	**104,097**
Increase | decrease in receivables	–15,285	–7,260
Increase | decrease in inventories	–11,053	–5,016
Increase | decrease in liabilities	8,197	–1,714
Net cash flow from operating activities	**111,312**	**90,107**
Capital expenditures	–47,067	–29,276
Proceeds from the disposal of fixed assets	592	1,058
Other payments	3,953	–99
Net cash flow from investing activities	**–42,522**	**–28,318**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	–4,291	–45,090
Proceeds from the disposal of consolidated subsidiaries and other business operations	0	0
Net cash flow from investing activities and acquisitions	**–46,813**	**–73,408**
Changes in capital	144	10
Interest received	688	267
Interest paid and other financial charges	–4,982	–5,604
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	–18,410	–16,875
- Non-controlling interest	–401	–342
Gross cash flows from financing activities	**–22,961**	**–22,544**
Loans and borrowings raised	0	103,590
Loans and borrowings repaid	–61,247	–89,055
Net cash flow from financing activities	**–84,208**	**–8,010**
Net increase | decrease in cash and cash equivalents	–19,709	8,689
Cash and cash equivalents at the beginning of the period	35,605	27,807
Net effect of currency translation on cash and cash equivalents	2,648	–891
Cash and cash equivalents at the end of the period	**18,544**	**35,605**

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Cash flow hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 2013	**10,395**	**278,782**	**–1,277**	**–5,203**	**148,324**	**1,278**	**432,299**	**2,727**	**435,026**
Net profit for the period	0	0	0	0	66,276	0	66,276	1,198	67,474
Other comprehensive income for the period	**0**	**0**	**1,499**	**775**	**1,283**	**–6,940**	**–3,383**	**–86**	**–3,470**
Total comprehensive income	**0**	**0**	**1,499**	**775**	**67,559**	**–6,940**	**62,893**	**1,112**	**64,005**
Stock options	1	9	0	0	0	0	10	0	10
Dividends	0	0	0	0	–16,875	0	–16,875	–341	–17,216
Other changes	0	0	0	0	12	0	12	2	14
Balance at Dec. 31, 2013 I Jan. 1, 2014	**10,396**	**278,791**	**222**	**–4,428**	**199,021**	**–5,662**	**478,339**	**3,499**	**481,838**
Net profit for the period	0	0	0	0	72,472	0	72,472	1,262	73,734
Other comprehensive income for the period	**0**	**0**	**–2,528**	**–5,033**	**–4,829**	**20,029**	**7,639**	**491**	**8,131**
Total comprehensive income	**0**	**0**	**–2,528**	**–5,033**	**67,643**	**20,029**	**80,111**	**1,753**	**81,865**
Stock options	9	135	0	0	0	0	144	0	144
Dividends	0	0	0	0	–18,410	0	–18,410	–401	–18,811
Purchase price liability forward non-controlling interest	0	0	0	0	–7,255	0	–7,255	0	–7,255
Changes in non-controlling interest	0	0	0	0	0	0	0	1,271	1,271
Changes in capital	4,954	–43,879			38,925	0	0	0	0
Other changes	0	0	0	0	–452	0	–452	–88	–540
Balance at December 31, 2014	**15,359**	**235,047**	**–2,306**	**–9,461**	**279,473**	**14,367**	**532,478**	**6,035**	**538,513**

The amount of € 7,225k shown in the retained earnings refers to the acquisition of AllPure Technologies LLC. Please refer to note 8.

The changes in capital include the cancellation of treasury shares, capital increases and changes in the nominal value of the shares. For details please refer to note 22.

Notes to the Financial Statements

1. General 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 cell culture media 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).

In compliance with the European Regulation 1606/2002 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, 2014, are compliant with the Standards and Interpretations IFRS and IFRIC of the IASB as adopted by the European Union, that are available at the following site:

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

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in thousands of euros (abbreviated as € in K). In some cases, the sum of the figures given in this report may not precisely equal the stated totals and percentages may not be exact due to rounding.

These consolidated financial statements were approved by the Board of Directors on February 18, 2015 and will be submitted for approval by the Shareholders' Meeting on April 7, 2015.

2. Effects of New Financial Reporting Standards

Compared to the year-earlier consolidated financial statements, the following new or amended standards were to be obligatorily applied for the first time:

- IFRS 10 (Consolidated Financial Statements)
- IFRS 11 (Joint Arrangements)
- IFRS 12 (Disclosure of Interests in Other Entities)
- Amendments to IAS 27 (Separate Financial Statements)
- Amendments to IAS 28 (Investments in Associates and Joint Ventures)

IFRS 10 revises the definition of „control" that is the basis for the determination of the scope of consolidated entities. IFRS 11 stipulates the accounting for joint arrangements and IFRS 12 combines the disclosure requirements for interests in subsidiaries, joint arrangements, associates and non-consolidated structures entities.

The initial application of IFRS 10 and 11 did not lead to significant for the Sartorius Stedim Biotech Group, as no special purpose entities, associates or jointly controlled entities are existing. IFRS 12 leads to additional disclosures in the Consolidated Financial Statements (see note 6).

Furthermore the following standards and interpretations were applied initially:

- Amendments to IAS 32: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10, 11, 12 – Transition Guidance
- Amendments to IFRS 10, 12 and IAS 27 – Investment Entities
- Amendments to IAS 36 - Recoverable Amount Disclosures for Non-financial Assets
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

All amendments mentioned above are not necessarily applicable to the Group and the first-time application did not result in any material impacts on the Group financial statements of Sartorius Stedim Biotech.

The following standards, interpretations or revisions and amendments were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the EU or their application was not obligatory for 2014:

Standard | Interpretation	Title	Applicable for financial years from[1]	Endorsement by the EU Commission
Standard			
Amendments to IAS 19	Employee Contributions	July 1, 2014	Yes
Various	Annual Improvements to IFRSs 2010–2012 Cycle (issued in Dec. 2013)	July 1, 2014	Yes
Various	Annual Improvements to IFRSs 2011–2013 Cycle (issued in Dec. 2013)	January 1, 2015	Yes
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between its Investor and its Associate or Joint Venture	January 1, 2016	No
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016	No
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	No
Amendments to IAS 1	Disclosure Initiative	January 1, 2016	No
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016	No
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016	No
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016	No
Various	Annual Improvements to IFRSs 2012–2014 Cycle (issued in Sep. 2014)	January 1, 2016	No
IFRS 15	Revenue from Contracts with Customers	January 1, 2017	No
IFRS 9	Financial Instruments	January 1, 2018	No
Interpretation			
IFRIC 21	Levies	June 17, 2014	Yes

[1] These are required to be applied once they are endorsed by the EU Commission.
The Standards themselves may provide for earlier mandatory application.

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. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value, such as financial assets held for trading or available for sale, and derivatives.

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 IFRS 10, 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.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combinations

Business combinations are measured according to the acquisition method. The identifiable acquired assets, assumed liabilities and potential liabilities are recorded at fair value on the date of combination.

For significant acquisitions, the purchase price allocation is carried out with assistance from independent third-party valuation specialists. The valuations are based on the information available at the acquisition date.

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

Foreign Currency Translation

The consolidated financial statements of the Sartorius Stedim Biotech Group were prepared in thousands of euros. 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 in profit or loss for the period.

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 statement of profit or loss have been recognized in the other comprehensive income 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 in other comprehensive income according to IAS 21.32.

The exchange rates for major currencies against the euro were considered as follows:

	Year-end exchange rates		Average exchange rates	
For 1 €	**2014**	2013	**2014**	2013
USD	1.21410	1.37910	1.32881	1.32806
GBP	0.77890	0.83370	0.80619	0.84938
JPY	145.23000	144.72000	140.30709	129.58904
INR	76.71900	85.36600	81.06162	77.93433
CNY	7.53580	8.34910	8.18674	8.16496

Sales Revenue

All revenues derived from the selling of products or rendering of services are recognized as sales revenue. Other operational revenues are recognized as other operating income. Sales are recognized in the statement of profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the customer, the company retains neither continuing managerial nor effective control over the goods sold, the amount of revenue and costs incurred or to be incurred can be measured reliably, and it is sufficiently probable that the economic benefits associated with the transaction will flow to the company.

Functional Costs

In general, operating expenses by types are assigned to the functions following the functional area of the corresponding profit and cost centers. Expenses relating to cross-functional initiatives or projects are as-signed to the respective functional costs based on an appropriate allocation principle.

The item cost of sales 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.

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

Research and development costs comprise the costs for research and product and process development, unless they are recognized as assets. Amortization on capitalized development costs is also indicated in this item.

The item general administrative expenses includes mainly employee benefits expense and the cost of materials of the general administrative area.

All profit and loss items that cannot be allocated to one of the mentioned functional areas are recognized as other income and expenses. This includes essentially effects from currency translation, sale of fixed assets, allowances on trade receivables and reorganization and other extraordinary expenses. Income from grants related to income is recognized as other income, when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. They are recognized over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated.

Borrowing Costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction or production of a qualifying asset and are therefore part of the cost of that asset. A qualifying asset is defined as an asset that takes a period of at least twelve months to get ready for its intended use.

Income Taxes

Current income taxes are determined based on the respective local taxable income of the period and local tax rules. In addition, current income taxes include adjustments for uncertain tax payments or tax refunds for periods not yet assessed. Changes in deferred tax assets and liabilities are included in income taxes ex-cept for changes recognized in other comprehensive income directly in equity.

Deferred tax assets or liabilities are determined based on temporary differences between the carrying amounts and the tax basis of assets and liabilities including differences from consolidation, loss carry forwards and tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is realized or a liability is settled.

For this purpose, the tax rates and tax rules are used which have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit at the level of the relevant tax authority will be available for the utilization of the deductible temporary differences or losses carried forward.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

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.

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.

Other Intangible Assets

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.

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 economic 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.

The capitalized development costs essentially cover the costs that were allocated to the staff involved in R&D, raw materials and supplies, outside services and directly attributable overhead. Intangible assets generated internally are amortized on a straight line basis over their useful lives, which generally do 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
Capitalized development cost	4 to 6 years
Customer relations and technologies	5 to 15 years
Brand name	n/a

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.

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 Intangible and Tangible Assets

The book values (carrying amounts) of property, plant and equipment and intangible assets 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. 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.

Leases

A lease is considered an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. According to IAS 17 a lease is classified as either an operating or a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are designated as operating leases.

If the Group is a lessee in a finance lease, the amount equal to the fair value of the leased property, or if lower, the present value of the minimum lease payments is recognized as an asset on the balance sheet and simultaneously recognized as a financial liability. The minimum lease payments essentially consist of the finance charge and the reduction of the outstanding liability, which are measured according to the effective interest method. A leased asset is depreciated on a straight-line basis over the period of its expected useful life or over the shorter lease term.

If the Group is a lessor in a finance lease, sales revenue in equal to its net investment in the lease is recognized as well as a lease receivable. The leasing rates it receives are also apportioned between the finance charge and the reduction of liability according to the effective interest method.

For an operating lease, the lease rates to be paid by the lessee are recognized as expenses and the lease rates received by the lessor are recognized as income, respectively. The leased asset continues to be recognized on the lessor's balance sheet as property, plant and equipment.

Inventories

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.

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

Trade Receivables

Trade and other receivables are reported so that all discernible 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.

Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. When the outcome of a construction contract can be estimated reliably, revenues from construction-type projects are generally recognized under the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately.

Contracts are disclosed under receivables or liabilities from percentage of completion. If cumulative work (contract costs and contract result) exceeds the advance payments received, the construction contracts are recognized under receivables as amounts due from customers. If the balance after deduction of advance payments received is negative, this obligation from construction contracts is recognized as a liability under amounts due from customers.

Pension Obligations

Pension provisions and similar obligations are 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 life expectancies, this expected cash value method takes into account future salary and pension increases.

All actuarial gains and losses are recognized in other comprehensive income directly in equity (pension reserves) according to the standard IAS 19R.

Provisions

A provision is recognized when a liability to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation at the balance sheet date. Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period.

Provisions are regularly reviewed and adjusted as further information becomes available or circumstances change. The provision for warranty costs is based on historical experience.

Restructuring provisions are set up in connection with programs that materially change the scope of business performed by a segment or business unit or the manner in which business is conducted. In most cases, restructuring expenses include termination benefits and compensation payments due to the termination of agreements with suppliers and dealers, including leasing contracts. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets mainly include cash and cash equivalents, available-for-sale financial assets, trade and loan receivables and derivative financial instruments with a positive fair value.

Financial liabilities of the Group mainly comprise loans from banks, trade payables, finance lease payables and derivative financial instruments with a negative fair value.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognized in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities classified as held for trading – to which they are assigned.

Cash and Cash Equivalents

The Group considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. This mainly includes checks, cash on hand and deposits in banks. Cash and cash equivalents are measured at cost.

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.

Loans and Receivables

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

Financial Liabilities

Financial liabilities are measured, except for derivative financial instruments, at amortized cost using the effective interest method.

Derivative Financial Instruments

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are measured at fair value. Derivative financial instruments are classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized either in net income or, in the case of a hedge, in other comprehensive income.

Cash Flow Hedges

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognized in other comprehensive income. Any ineffective portion is recognized immediately in net income (financial result). Amounts accumulated in equity are reclassified into net income in the same periods in which the hedged item affects net income.

Statement of Cash Flows

In the statement of cash flows, cash flows are presented according to the allocation 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 profit before tax, 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.

4. 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 topics:

Business Combinations

The accounting for business combinations requires that the assets acquired and liabilities assumed be recorded at their respective fair values on the date the Group obtains control. The application of the acquisition method requires certain estimates and assumptions to be made, especially concerning the fair values of the acquired intangible assets, property, plant and equipment and the liabilities assumed at the acquisition date, and the useful lives of the acquired intangible assets, property, plant and equipment.

This measurement is based to a large extent on anticipated cash flows. If actual cash flows vary from those used in calculating fair values, this may materially affect the Group's future results of operations.

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 is generally based on discounted cash flow methods that are using cash flow projections up to five years. These projections take into account past experiences and represent management's best estimate about future sales revenue and cost developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of the value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates can have a material impact on the respective values and ultimately the amount of any impairment. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded.

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.

Trade and Other Receivables

The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness and current economic trends as well as an analysis of historical bad debts on a portfolio basis.

Employee Benefits – Pension Provisions

Obligations for pension and other post-employment benefits are determined in accordance with actuarial valuations. These valuations rely on key assumptions including discount rates, expected salary increases and mortality rates. The discount rate assumptions are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period.

Due to changing market and economic conditions the underlying key assumptions may differ from actual developments and may lead to significant changes in pension and other post-employment benefit obligations.

Such differences are recognized in full directly in equity in the period in which they occur without affecting profit or loss. For a sensitivity analysis, see note 23, Pension and Employee Benefits Provisions.

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. Typically, significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings.

Income Taxes

The Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views which can be complex and subject to different interpretations of taxpayers and local tax authorities. 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. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover.

Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account.

5. Operating Segments

According to IFRS 8, Operating Segments 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, its operating results are regularly reviewed by the entity's chief operating decision maker (= the Executive Members of the Board of Directors) and discrete financial information is available in its internal reporting. Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solution provider" for its customers. Accordingly, the identification for Sartorius Stedim Biotech's reportable operating segment is Biopharm.

The key performance indicator of the operating segment of the Sartorius Stedim Biotech Group is the so-called "underlying EBITDA". EBITDA corresponds to earnings before interest, taxes, depreciation and amortization; "underlying EBITDA" means EBITDA 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 have a material impact on the net worth, financial position and earnings of the Group. Examples of such items are restructuring expenses, large Group projects as well as proceeds or losses from the disposal, sale or other transfer of financial assets or of property, plant and equipment, provided that these are not of a recurrent nature.

Segment assets and segment liabilities are not reported on a regular basis to the chief operating decision maker and are therefore not part of the segment report.

			Biopharm			**Group**
€ in K	**2014**	2013	Change	**2014**	2013	Change
Sales revenue	683,524	588,378	16%	683,524	588,378	16%
Underlying EBITDA	160,474	135,586	18%	160,474	135,586	18%
as a % of sales revenue	23.5%	23.0%		23.5%	23.0%	
EBIT	120,373	101,346	19%	120,373	101,346	19%
as a % of sales revenue	17.6%	17.2%		17.6%	17.2%	
Capital expenditures	44,242	34,217	29%	44,242	34,217	29%

Reconciliation of Segment Profit or Loss:

€ in K	**2014**	2013
Underlying EBITDA of the segment	160,474	135,586
Depreciation and amortization	–35,227	–30,558
Extraordinary effects	–4,873	–3,682
EBIT	**120,373**	**101,346**
Financial result	–15,261	–6,901
Profit before tax	**105,112**	**94,445**

Supplementary Information by Region

To provide additional information required by IFRS 8, 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 reported according to the customer's location.

The non-current assets correspond to property, plant and equipment as well as to intangible assets of the Group affiliates that are to be allocated to these various regions. Goodwill resulting from reverse acquisition of Stedim in 2007 and the associated intangible assets are presented in non-current assets in Europe. In the European region, the following countries account for the material non-current assets: Germany (€208.3 million; €197.4 million in 2013) and France (€306.7 million; €310.2 million in 2013).

The amount of sales revenue with a single customer does not exceed 10% of the consolidated sales revenue (2014 and 2013).

	Sales revenue		**Non-current assets**	
€ in K	**2014**	2013	**2014**	2013
Europe	314,888	287,145	573,100	565,043
North America	205,234	150,807	26,879	19,599
Asia	Pacific	142,920	125,769	16,830	15,537
Other Markets	20,481	24,657	1,747	1,094
Group	**683,524**	**588,378**	**618,556**	**601,273**

6. Scope of Consolidation

The 2014 financial statements of the following subsidiaries:

– Sartorius Stedim, Hungary
– Sartorius ICR, Russia
– TAP Biosystems (PHC) Ltd., UK
– TAP Biosystems Ltd., UK
– Sartorius Stedim Financiére S.A.S., France,
– Sartorius Stedim Integrated Services S.A.R.L., Tunisia
– Sartorius Stedim Biotech S.A.R.L., Tunisia

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

The sales revenue and total assets of the non-consolidated companies are below 1% of the Group figures.

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

	Ownership in %
Europe	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
Sartorius Stedim 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 UK Ltd., Epsom, UK	100
Sartorius Stedim Lab Ltd., Louth, UK	100
TAP Biosystems Group Ltd., Royston, UK	100
TAP ESOP Management Ltd., Royston, UK	100
The Automation Partnership Cambridge Ltd., Royston, UK	100
Sartorius Stedim FMT S.A.S., Aubagne, France	100
Sartorius Stedim France S.A.S., Aubagne, France	100
Sartorius Stedim Aseptics S.A., Lourdes, France	100
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100
Sartorius Stedim Italy S.p.A., Florence, Italy	100
Sartorius Stedim Netherlands B.V., Rotterdam, Netherlands	100
Sartorius Stedim Austria GmbH, Vienna, Austria	100
Sartorius Stedim Poland sp. z.o.o., Kostrzyn, Poland	100
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
North America	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Sartorius Stedim North America Inc., Bohemia, New York, USA	100
The Automation Partnership Inc., Greenville, USA	100
AllPure Technologies, LLC , New Oxford, USA	50
Asia | Pacific	
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100
Sartorius Stedim Japan K.K., Tokyo, Japan	100
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	49
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore	100
Other Markets	
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100

There are no associates or joint ventures included in the scope of consolidation, all companies are consolidated in full. The ownership rate equals the share in voting rights.

The company Sartorius Stedim Poland sp. z.o.o. was included in the scope of consolidation for the first time. So far the company was not included due to minor importance of the company. The initial consolidation did not lead to material effect on the Group's figures.

The company Sartorius Korea Biotech Co. Ltd.is included in the scope of consolidation based on contractual agreements. The Group holds exercisable call options on the remaining interests in the company (see note 23).

7. Statement of Cash Flows

The statement of cash flows shows the impact of cash inflows and outflows on the cash and cash equivalents of the Group. The cash flows are classified by operating, investing and financing activities according to IAS 7 (Statement of Cash Flows).

In this context cash equivalents are assets than can be converted into cash within a short maturity (generally less than three months). The amount considered in the statement of cash flows includes mainly cash on hand, bank balances and similar items and is equal to the amount in the statement of financial position.

In 2014 the Group received a grant related to assets in connection with the purchase and construction of production facilities in Puerto Rico in the amount of €4.1 million. This cash inflow is reported in the cash flow investing activities (other payments).

The following non-cash transactions were concluded that are not reflected in the Statement of Cash Flows:

- Capital expenditures under finance lease amounted to €0.0 million in 2014 and to €2.2 million in 2013.

8. Business Combinations

Acquisition of TAP Biosystems Group plc.

In December 2013 Sartorius Stedim Biotech has acquired 100% of shares of the British TAP Biosystems Group plc. This company primarily specializes in the design and development of small scale, multi-parallel fermentation systems particularly for biopharmaceutical applications. In addition, the company's array of products covers automated cell culture systems for bioprocessing and other bench top equipment for biotech applications.

With this acquisition, Sartorius Stedim Biotech extends its current portfolio in the fermentation business by multi-parallel, small scale bioreactors in the range of 15 milliliters and 250 milliliters. The TAP portfolio stands to gain substantial market penetration based on Sartorius Stedim Biotech's greater sales strength and global reach as well as to benefit from the synergies with the related products in the Fluid Management and Cell Culture Media businesses.

The preliminary purchase price allocation determined in 2013 has been finalized in 2014 as follows:

	Preliminary fair values on the acquisition date € in K	Fair values on the date of acquisition € in K
Intangible assets	22,075	15,945
Property, plant and equipment	6,960	6,960
Inventories	3,681	6,442
Trade receivables	7,610	7,254
Other assets	810	816
Cash and cash equivalents	2,846	2,846
Deferred taxes - net	–3,475	–2,155
Provisions	–208	–208
Loans and borrowings	–7,413	–7,413
Other liabilities	–14,966	–18,474
Net assets acquired	**17,920**	**12,013**
Purchase price	33,050	33,050
Goodwill	**15,130**	**21,037**

The 2013 comparative column of the Statement of Financial Position has been retreated of these impacts.

The purchase price was paid in cash. The acquisition related costs amounting to €376 K have been recognized in other expenses in the statement of profit or loss in 2013.

Acquisition of All Pure Technologies LLC

On April 25, 2014, Sartorius Stedim Biotech acquired 50.01% of the U.S. startup All Pure Technologies LLC for an amount of 6 million U.S. dollars (Cash payment). The latter company based in New Oxford, Pennsylvania, USA, has been operating on the market for four years and in 2013 earned sales revenue of around 3 million U.S. dollars with 25 employees. All Pure specializes in single-use component solutions for biopharmaceutical applications and provides products that are complementary to the Group's portfolio in the Bioprocess Solutions segment.

The shares in All Pure remaining with the former owners will also be transferred to Sartorius Stedim Biotech by 2022 at the latest. The exact time of this acquisition, as well as the purchase price, depend on the future business performance of the entity purchased. The respective liability was recognized as the present value of the expected future payments and was disclosed as a financial liability in the amount of €7.1 million. The counterpart of this financial liability was recognized in equity according to the present access method. Changes in the fair value of the liability are posted within the financial result within the profit or loss for the year.

The preliminary purchase price allocation was as follows:

	Preliminary fair values on the acquisition date € in K
Intangible and tangible assets	2,067
Inventories	467
Trade receivables and other assets	307
Cash and cash equivalents	41
Provisions and liabilities	–484
Net assets acquired	**2,398**
– of which 50.01%	**1,199**
Purchase price	**4,332**
Goodwill	**3,133**
Non-controlling interest	**1,199**

The goodwill recognized represents the assets that have not been separately identified and recognized, but that will also generate economic benefits to the Group. Here, especially the expansion of the Group's portfolio and its strengthened position in the relevant biopharmaceutical market as well as synergies resulting from the combination are to be named. The Sartorius Stedim Biotech Group has chosen to recognize the amount of non-controlling interest at the level of the pro-rated share of net identifiable assets without goodwill (partial goodwill method).

Deferred taxes were not recognized upon initial consolidation due to the structure of the transaction. In future periods, deferred tax liabilities will be recognized on the arising taxable temporary difference, because the full amount of goodwill is deductible for local tax purposes.

The inclusion of the company in the scope of consolidation from January 1 on would not have had a significant impact on the Group's figures due to the low business volume of that activity. Since the acquisition date, the acquired company has not contributed materially to the Group's results either.

The transaction costs of €0.2 million were recognized in other expenses.

Notes to the Statement of Profit or Loss

9. Sales Revenue

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

	2014 12 months € in K	2013 12 months € in K
France	45,515	43,247
Germany	87,963	79,186
All other countries	550,045	465,945
Total	**683,524**	**588,378**

An amount of €13,441 K was earned with other subsidiaries of the Sartorius Group in 2014 and €11,198 K in 2013.

The turnover is broken down into product sales amounting to €651,1 million and services amounting to €32,4 million corresponds to providing services (respectively €565 million and €23,4 million in 2013).

10. Functional Costs

The statement of profit or loss has been built according to the "cost of sales format", i.e. expenses have been allocated to the relevant functions production, sales & marketing, research & development and general administration.

Operating expenses by nature are reconciled to the Profit or Loss Statement by nature in the Note 14.

The material expense and employee benefits expense are as follows:

Raw Materials and Supplies

This item consists of the following:

	2014 12 months € in K	2013 12 months € in K
Purchases consumed	165,023	143,964
Cost of purchased services	26,651	13,847
Total	**191,674**	**157,811**

Employee Benefits Expense

This item can be broken down as follows:

	2014 12 months € in K	2013 12 months € in K
Wages and salaries	168,470	140,487
Social security	33,192	28,895
Expenses for retirement benefits and pensions	4,901	2,768
Total	**206,564**	**172,149**

11. Other Operating Income and Expenses

	2014 12 months € in K	2013 12 months € in K
Currency translation gains	10,327	9,654
Income from the decrease in allowances for bad debts	793	1,633
Income from release and use of provisions and liabilities	1,627	937
Income from grants	2,185	2,186
Other income	3,655	4,412
Other operating income	**18,588**	**18,823**
Currency translation losses	–7,650	–10,062
Extraordinary expenses	–4,873	–3,682
Allowances for bad debts	–933	–790
Other expenses	–4,899	–1,374
Other operating expenses	**–18,355**	**–15,908**
Total other operating income and expenses	**233**	**2,915**

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

The other income includes income from the acquired cell culture media business.

Extraordinary items amounted to -€4.9 million (previous year: -€3.7 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

12. Financial Result

	2014 12 months € in K	2013 12 months € in K
Interest and similar income	423	168
- of which from affiliated companies	0	137
Income from derivative financial instruments	105	0
Other financial income	1,883	781
Financial income	**2,411**	**949**
Interest and similar expenses	–5,283	–4,050
- of which from affiliated companies	–122	–96
Expenses for derivative financial instruments	–4,655	–293
Interest expense for pensions	–837	–778
Other financial expenses	–6,896	–2,729
Financial expenses	**–17,672**	**–7,850**
Total	**–15,261**	**–6,901**

The other financial income includes mainly the fair value change in the liability in connection with the purchase of the non-controlling interest of All Pure (see note 8).

The expenses from derivatives contain the effects from the cancellation of the hedging relationship for the interest rate swaps upon the refinancing of the Group. The other financial expenses include currency effects on financial liabilities.

13. Income Taxes

	2014 12 months € in K	2013 12 months € in K
Current income taxes	–34,675	–27,374
Deferred taxes	3,297	404
Total	**–31,378**	**–26,970**

As a matter of principle, income taxes in France are calculated at 34.43% 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 legislations, the expected tax rate for the Sartorius Stedim Biotech Group is roughly 29%. The following table describes the difference between the tax expense to be expected and the income tax expenses reported for the particular financial year.

	2014 12 months € in K	2013 12 months € in K
Expected tax expense (29%)	–30,482	–27,389
Differences from the Group average income tax rate	2,375	1,050
Permanent differences	–1,251	–895
Tax-free income and other tax exemptions	1,444	884
Other	–3,463	–620
Total	**–31,377**	**–26,970**
Effective tax rate	–29.9%	–28.6%

The item "other" contains mainly withholding taxes, taxes for previous years and the impact from the French value-added tax "cotisation sur la valeur ajoutée des entreprises" (CVAE).

14. Profit or Loss Statement by Nature

	2014 12 months € in K	2013 12 months € in K
Sales revenue	**683,524**	**588,378**
Purchases consumed	–165,023	–143,964
Cost of purchased services	–26,651	–13,847
Personnel costs	–206,564	–172,149
Amortization and depreciation	–35,559	–30,558
Other operating costs	–129,355	–126,514
Subtotal	**–563,151**	**–487,031**
Operating profit (EBIT)	**120,373**	**101,346**
Financial income I expenses	–15,261	–6,901
Income tax	–31,378	–26,970
Non-controlling interest	–1,262	–1,198
Group net profit	**72,472**	**66,276**

15. Earnings per Share

According to IAS 33, Earnings per Share, the earnings per share for each class of shares 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.

Diluted earnings per share have to be measured by taking into account share subscription options outstanding at the end of the period. Certain Group employees have acquired entitlements to subscribe to a total of 15,642 shares (1,000 at December 31, 2013). Therefore, the diluted net earnings per share are calculated on the basis of 2014 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 earnings per share.

	2014	2013
Net profit after tax (€ in K)	73,734	67,474
Group net profit after tax (€ in K)	72,472	66,276
Earnings per share (€)	4.72	4.32
Diluted earnings per share (€)	4.72	4.31
Number of shares (statutory level)	15,359,238	17,042,306
Treasury shares (share buyback Program):	0	–1,698,710
Other dilutions (Stock-options exercised)	–7,871	–63
Number of shares used in earnings per share calculation	**15,351,367**	**15,343,533**
Future options	8,000	23,642
Potential options	0	0
Number of shares used in diluted earnings per share calculation	**15,359,367**	**15,367,175**

Notes to the Individual Balance Sheet Items

16. Goodwill and Other Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2013	**288,055**
Currency translation	–597
Change in the scope of consolidation and other acquisitions	21,497
Gross book values at Dec. 31, 2013	**308,955**
Amortization and impairment losses at Jan. 1, 2013	**0**
Currency translation	0
Amortization and impairment losses	0
Amortization and impairment losses at Dec. 31, 2013	**0**
Net book values at Dec. 31, 2013	**308,955**

	Goodwill € in K
Gross book values at Jan. 1, 2014	**308,955**
Currency translation	2,337
Change in the scope of consolidation and other acquisitions	3,146
Gross book values at Dec. 31, 2014	**314,437**
Amortization and impairment losses at Jan. 1, 2014	**0**
Currency translation	0
Amortization and impairment losses	0
Amortization and impairment losses at Dec. 31, 2014	**0**
Net book values at Dec. 31, 2014	**314,437**

The item reported as goodwill in the amount of €314,437 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.

The increase recorded in 2013 concerns the acquisition of TAP Biosystems; the 2014 acquisition refers to All Pure (See note 8).

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 Biopharm segment. Therefore, the acquired goodwill is allocated to this CGU.

As in 2013, the impairment test conducted for 2014 measures the recoverable amount on the basis of the value in use of the particular cash-generating unit (Biopharm segment). The cash flow forecasts consider previous experiences and are generally based on Group management's forecasts for a period of three to five years. The calculations were based on a terminal year growth rate of 2.5% for the years after 2017. This rate 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 the aging of people, the increase in population and the improved access to drugs in the emerging markets as well as the ongoing paradigm shift from reusable products to single-use products utilized in bio manufacturing by the biopharmaceutical industry.

The discount rates applied correspond to the weighted capital cost rates and were recognized as follows:

	2014		2013	
	Before tax	**After tax**	Before tax	After tax
Biopharm segment	8.3%	6.5%	8.4%	6.8%

In 2014, our impairment test did not result in recognition of impairment losses. In this context, various sensitivity analyses based on realistic variations of the assumptions disclosed above did not result in an impairment either. The following variations would theoretically represent the "break-even point":

	2014	2013
Discount rates	15.7%	14.4%
Terminal growth rate	–17.9%	–13.2%
Cash flows	–71.7%	–66.0%

Intangible Assets

	Patents, licenses and similar rights € 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, 2013	**26,754**	**10,779**	**100,978**	**33,655**	**54**	**172,220**
Currency translation	–297	0	–78	–40	0	–415
Change in the scope of consolidation and other acquisitions	6,904	0	7,414	1,656	0	15,974
Capital expenditures	890	0	0	5,139	0	6,029
Disposals	–595	0	0	0	0	–595
Transfers	82	0	0	0	0	82
Gross book values at Dec. 31, 2013	**33,738**	**10,779**	**108,314**	**40,410**	**54**	**193,295**
Amortization and impairment losses at Jan. 1, 2013	**–10,543**	**0**	**–36,090**	**–16,853**	**0**	**–63,486**
Currency translation	155	0	20	18	0	193
Amortization and impairment losses	–2,000	0	–7,362	–4,775	0	–14,137
Disposals	593	0	0	0	0	593
Transfers	0	0	0	0	0	0
Amortization and impairment losses at Dec. 31, 2013	**–11,794**	**0**	**–43,432**	**–21,610**	**0**	**–76,836**
Net book values at Dec. 31, 2013	**21,945**	**10,779**	**64,882**	**18,800**	**54**	**116,459**

	Patents, licenses and similar rights € 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, 2014	**33,738**	**10,779**	**108,314**	**40,410**	**54**	**193,295**
Currency translation	1,098	0	790	233	0	2,122
Change in the scope of consolidation and other acquisitions	1,478	0	437	134	0	2,049
Capital expenditures	491	0	0	8,447	251	9,189
Disposals	–126	0	0	–68	0	–194
Transfers	88	0	0	0	–54	34
Gross book values at Dec. 31, 2014	**36,768**	**10,779**	**109,541**	**49,156**	**251**	**206,495**
Amortization and impairment losses at Jan. 1, 2014	**–11,794**	**0**	**–43,432**	**–21,610**	**0**	**–76,836**
Currency translation	–349	0	–144	–48	0	–541
Amortization and impairment losses	–3,212	0	–7,726	–6,384	0	–17,321
Disposals	126	0	0	0	0	126
Transfers	0	0	0	0	0	0
Amortization and impairment losses at Dec. 31, 2014	**–15,228**	**0**	**–51,302**	**–28,042**	**0**	**–94,572**
Net book values at Dec. 31, 2014	**21,540**	**10,779**	**58,239**	**21,114**	**251**	**111,924**

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 2014; the recoverability of the brand name was considered at the level of the "Biopharm segment" cash-generating unit (CGU).

The customer relationships obtained as part of the reverse acquisition of Stedim constitute a material intangible asset. The book value of these customer relationships amounted to €40.5 million (2013: €45.9 million) for the year ended December 31, 2014; the remaining period of useful life is eight years.

In 2014, the development costs of €8,447 K were recognized as assets (€5,139 K in 2013). 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 five years.

Amortization of intangible assets is allocated to the corresponding functions in the statement of profit or loss. For capitalized development costs, amortization is disclosed in the research and development costs.

17. Property, Plant and Equipment

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2013	**130,914**	**82,300**	**58,409**	**9,488**	**281,112**
Currency translation	–1,539	–962	–741	–28	–3,269
Change in the scope of consolidation and other acquisitions	5,555	1,212	225	0	6,992
Capital expenditures	3,398	7,823	7,625	9,342	28,188
Disposals	–212	–896	–3,156	–78	–4,342
Transfers	646	2,673	1,266	–4,319	266
Gross book values at Dec. 31, 2013	**138,763**	**92,150**	**63,628**	**14,406**	**308,948**
Depreciation at Jan. 1, 2013	**–33,572**	**–49,038**	**–38,212**	**0**	**–120,822**
Currency translation	261	540	440	0	1,240
Depreciation	–4,458	–5,470	–6,487	–6	–16,421
Disposals	58	468	2,734	0	3,260
Transfers	0	27	–375	0	–348
Depreciation at Dec. 31, 2013	**–37,711**	**–53,472**	**–41,901**	**–6**	**–133,090**
Net book values at Dec. 31, 2013	**101,053**	**38,678**	**21,727**	**14,400**	**175,858**

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	**Total € in K**
Gross book values at Jan. 1, 2014	**138,763**	**92,150**	**63,628**	**14,406**	**308,948**
Currency translation	2,741	1,739	1,499	81	6,061
Change in the scope of consolidation and other acquisitions	5	1	107	6	119
Grants related to assets	–4,060	0	0	0	–4,060
Capital expenditures	3,642	6,181	6,470	18,760	35,053
Disposals	–626	–1,997	–5,925	–404	–8,952
Transfers	3,189	3,066	842	–6,922	175
Gross book values at Dec. 31, 2014	**143,654**	**101,141**	**66,622**	**25,926**	**337,343**
Depreciation at Jan. 1, 2014	**–37,711**	**–53,472**	**–41,901**	**–6**	**–133,090**
Currency translation	–393	–1,025	–834	0	–2,252
Depreciation	–4,898	–6,538	–6,802	0	–18,238
Disposals	607	2,360	5,465	0	8,432
Transfers	0	–6	0	6	0
Depreciation at Dec. 31, 2014	**–42,394**	**–58,682**	**–44,072**	**0**	**–145,148**
Net book values at Dec. 31, 2014	**101,260**	**42,458**	**22,550**	**25,926**	**192,195**

Depreciation is included in the statement of profit or loss according to use of the assets in the cost of sales, selling and distribution costs, research and development costs, general administrative expenses and other operating expenses.

In 2014, as for fiscal 2013, there were no significant impairment losses to recognize in the intangible assets and the property, plant and equipment.

Capitalized property, plant and equipment include assets held under finance leases amounting to €17,384 K (2013: €17,760 K). The cost of acquisition of these assets totals €18,702 (2013: €18,352 K).

In 2014 rental payments amounting to €5.7 million (2013: €4.4 million) were made for assets leased under operating leases.

18. Deferred Tax

	Deferred Tax Assets		**Deferred Tax Liabilities**	
	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K	**Dec. 31, 2014 € in K**	Dec. 31, 2013 € in K
Intangible assets	179	272	22,066	27,345
Tangible assets	13	0	5,748	3,811
Inventory	3,124	2,857	1,011	2,281
Receivables and other current assets	1,097	664	347	959
Provisions	6,604	4,989	0	0
Liabilities	1,578	628	1,326	726
Gross amount	**12,594**	**9,410**	**30,498**	**35,122**
Carry forward of taxable losses	259	1,535	0	0
Offset	–2,684	–1,586	–2,684	–1,586
Net amount	**10,169**	**9,359**	**27,814**	**33,536**
Change	**810**		**5,722**	
thereof recognized in profit or loss	**–1,099**		**4,396**	

Deferred Tax Assets

On the balance sheet date, the Group had unused tax loss amounts carried forward of €3.5 million to be deducted from future taxable profits (€8.1 million in 2013). A deferred tax amount was reported on approx. €1.3 million of these losses (€6.9 million in 2013). Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of visibility of future taxable profits.

Like in 2013 there are no deferred tax assets in relation to companies that reported losses in this year under review or in the earlier reporting year.

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.

In addition, the Group recorded deferred tax liabilities for a tax amount of €1.3 million on approx. €200 million in cumulative undistributed earnings of subsidiaries (€1.3 million in 2013). 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. When 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.

In fiscal 2014, as in the previous years, the tax effect from hedging instruments, and the deferred tax assets from the recognition of actuarial gains and losses in the pension reserves were recognized directly in the consolidated equity. Likewise, the amount of current income taxes incurred by net investment in a foreign operation was recognized in other comprehensive income. The deferred and current income taxes recognized in other comprehensive income are disclosed as follows in the table:

€ in K	**2014**	2013
Cash flow hedges	1,084	–642
Actuarial gains | losses on defined benefit obligations	1,885	–314
Net investment in a foreign operation	2,069	–549
Total	**5,038**	**–1,505**

19. Inventories

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Raw materials and supplies	29,017	27,472
Work in progress	33,434	22,624
Finished goods and merchandise	45,941	43,157
Payments on account	1,583	1,686
Total	**109,975**	**94,939**

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Gross amount inventories	119,626	103,666
Write-downs	–9,651	–8,727
Net Amount Inventories	**109,975**	**94,939**

20. Current Trade | Other Receivables

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Trade receivables to third parties	116,703	94,565
Amounts due from customers for contract work	2,070	7,705
Receivables from subsidiaries of the Sartorius AG Group	6,014	4,929
Trade receivables	**124,787**	**107,199**

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

In 2014, the Group transferred €24.9 million in the "Trade receivables" item to an unrelated entity (€21.6 million in 2013) 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.

In some of the Group's business areas, 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 item "amounts due from customers for contract work" represents the net amount of costs incurred plus recognized profits less recognized losses and progress billings in connection with construction contracts. The aggregate amount of costs incurred and recognized profits | losses for projects in progress on the reporting date is €17,426 K (2013: €29,921 K). For these projects, advance payments of €15,356 K (2013: €22,215 K) were recorded. For this year, the contract revenue for projects in progress is €12,423 K (2013: €21,901 K).

Trade and other receivables were reported so that all discernible 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. Accordingly, it is not necessary to make any further provision to cover risks beyond the allowances already considered.

Development of trade allowances:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Valuation allowance at the beginning of the year	–2,897	–4,278
Increase during the year	–933	–789
Derecognition and consumption	504	449
Recoveries of amounts previously impaired	793	1,636
Foreign currency translation differences	–82	86
Valuation allowance at the end of the year	**–2,615**	**–2,897**

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
1–30 days	19,790	14,059
31–90 days	8,775	8,757
91–180 days	1,496	3,502
181–360 days	485	298
More than 360 days	118	302
Total	**30,665**	**26,917**

For trade receivables of €30,665 K (2013: €26,917 K) that were past due on the reporting date, no valuation allowances were made as there was no material change in the creditworthiness of the debtors and it could be expected that they would pay the amounts outstanding. The trade receivables not yet due and other financial assets were not written down as there was no indication of impairment.

21. Other Financial Assets

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Derivative financial instruments	57	2,890
Other financial assets	6,790	6,695
Current financial assets	**6,847**	**9,585**

22. Issued Capital

At the beginning of the 2014 fiscal year, the share capital of the Company was of ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66).

During the year, the share capital of the Company rose from ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66) to fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (15,359,238€) under the following conditions:

- During the meeting of 17 July 2014, the Board of Directors, in light of the authorization granted by the Extraordinary Shareholder's Meeting hold on 8 April 2014, reduced the share capital by a nominal amount of one million thirty-six thousand two hundred and thirteen euros and ten cents (1,036,213.10€), by cancelling the entirety of the shares acquired under the share buyback program authorized by the Extraordinary Shareholders'

Meeting held on 19 April 2010, i.e. one million six hundred and ninety-eight seven hundred and ten (1,698,710) shares.

- The difference between the purchase price of the cancelled shares (61,327,190.07€) and their nominal value (1,036,213.10€), difference equals to sixty million two hundred and ninety thousand nine hundred and seventy-six euros and ninety-seven cents (60,290,976.97€) has been charged against the available premiums up to thirty-seven million eight hundred eighty-eight thousand nine hundred twenty-nine euros and eighteen cents (37,888,929.18€) and the balance twenty-two million four hundred and two thousand forty-seven euros and seventy-nine cents (22,402,047.79€) on the item "retained earnings".

- After this operation of reduction of the share capital, the share capital amounted to nine million three hundred sixty-nine thousand one hundred thirty-five euros and eighteen cents (9,369,135.18€), divided into fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares of a nominal unit value of sixty-one cents (0.61€) each.

- On 17 July 2014, the Board of Directors using the delegation of powers it has been granted by the Extraordinary Shareholders' Meeting of 8 April 2014, decides to carry out this share capital increase through the capitalization of five million nine hundred ninety thousand one hundred and two euros and eighty-two cents (5,990,102.82€) to be drawn from the "issue premiums", that are set forth in the annual accounts for the Company's financial period closed on 31 December 2013, and approved by the Extraordinary Shareholders' Meeting held on 8 April 2014.

- This share capital increase is carried out by the increase of thirty-nine cents (0.39€) of the nominal amount of fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares comprising the share capital of the Company, this nominal unit value went up from sixty-one cents (0.61€) to one euro (1,00€).

As of December 31, 2013, and December 31, 2014, 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.

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, 2014, as follows: payment of a net dividend of €1.30 per share (2013: €1.20), i.e., a total disbursement of €19,967,009.40 (2013: 18,412,315.20).

	Dec. 31, 2014	Dec. 31, 2013
Number of shares at the beginning of the period	17,042,306	17,041,306
Stock options exercised	15,642	1,000
Cancellation of treasury shares	–1,698,710	0
Number of shares at the end of the period	**15,359,238**	**17,042,306**
Nominal value per share (in €)	1.00	0.61
Issued capital amount (€ in K)	15,359	10,396

23. Non-Controlling Interest

The non-controlling interest recognized in the statement of financial position amounting €6,034 K refer to the subsidiaries Sartorius Korea Biotech and All Pure Technologies LLC. The interest in Sartorius Korea Biotech is 49%, the remaining 51% are subject to an exercisable call option; therefore it is assumed that Sartorius Stedim Biotech controls the entity. The interest in All Pure Technologies is 50.01%. The remaining shares will be purchased by Sartorius Stedim Biotech latest until the end of 2022.

The purchase prices for the non-controlling interests in both entities are variable and depending on the future performance of the activities.

The non-controlling interests are allocated as follows on the respective entities:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Sartorius Korea Biotech Co. Ltd.	4,639	3,499
AllPure Technologies, LLC	1,395	0
Total	**6,034**	**3,499**

Key Figures

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Sartorius Korea Biotech Co. Ltd.		
Sales revenue	28,576	21,595
Net result	2,426	2,349
Total assets	19,338	13,495
Attributed profit or loss (-)	1,238	1,198
AllPure Technologies, LLC		
Sales revenue	1,885	0
Net result	49	0
Total assets	3,328	0
Attributed profit or loss (-)	24	0

There are no significant restrictions on the Group's ability to access or use the assets or settle the liabilities of the mentioned entities.

24. Pension and Employee Benefits Provisions

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 some countries, the percentage the companies pay as social security contributions, or national insurance contributions, for old-age retirement benefits cannot be reliably determined. In 2014, the total expense recognized for the remaining companies amounted to € 13,786 K (2013: € 11,108 K).

Defined Benefit Plans

Pension provisions and similar obligations have been recognized in the consolidated financial statements of Sartorius Stedim Biotech Group in accordance with actuarial principles. All actuarial gains and losses are shown directly in other comprehensive income according to the standard IAS 19R. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €6,957 K (actuarial gain of €1,048 K in 2013).

An amount of €24,054 K relates in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €17,837 K in 2013 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.

The assumed discount factors reflect the interest rates that were paid on the reporting date for prime corporate (industrial) bonds with matching maturities and denominated in the relevant currencies. If such corporate bonds are not available with matching long-term maturities or are insufficiently available, their matching interest rates are determined by extrapolation.

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

For Germany:

in %	**Dec. 31, 2014**	Dec. 31, 2013
Discount rate	1.90	3.50
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

For France:

in %	**Dec. 31, 2014**	Dec. 31, 2013
Discount rate	1.80	3.50
Future salary increases	**3.00**	3.00
Future pension increases	2.00	2.00

The amounts reported in the statement of profit or loss and other comprehensive income consist of the following:

	2014 € in K	2013 € in K
Current service cost	–1,175	–1,089
Past service cost	336	0
Net interest expenses	–732	–690
Components of defined benefit costs recognized in profit or loss	**–1,571**	**–1,779**
Return on plan assets (excl. interest)	–3	35
Actuarial gains | losses	–6,907	1,025
Components of defined benefit costs recognized in other comprehensive income	**–6,910**	**1,060**
Total	**–8,481**	**–719**

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

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of defined benefit plans is as follows:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Present value of the obligations	35,557	27,017
Fair value of the plan assets	–4,974	–4,416
Net Liability	**30,583**	**22,601**

The present value of the defined benefit obligation developed as follows:

	2014 € in K	2013 € in K
Present value of the obligations as of Jan. 1	**27,017**	**26,831**
Current service cost	1,175	1,089
Past service cost	–336	0
Interest cost	837	778
Actuarial gains | losses	6,895	–1,030
Currency translation differences	253	–159
Retirement benefits paid in the reporting year	–877	–1,115
Employee contributions	160	153
Contributions by plan participants	411	391
Other changes	23	79
Present value of the obligations as of Dec. 31	**35,557**	**27,017**

The actuarial gains and losses of the defined benefit obligation can be allocated as follows:

	2014 € in K	2013 € in K
Experience adjustments	736	–492
Changes in demographic assumptions	0	55
Changes in financial assumptions	6,176	–588
Total	**6,913**	**–1,025**

Plan Assets:

	2014 € in K	2013 € in K
Plan assets as of Jan. 1	**4,416**	**3,948**
Interest income	105	88
Return on plan assets (excl. interest)	–3	35
Actuarial gains | losses	–12	–5
Group contribution & payments	–798	–572
Currency translation differences	174	–74
Employee contributions	160	153
Employer contributions	475	451
Contributions by plan participants	459	391
Change in the scope of consolidation	0	0
Other changes	0	0
Plan assets as of Dec. 31	**4,974**	**4,416**

Composition of Plan Assets:

The plan assets do primarily refer to insurance contracts in Germany and Switzerland, there are no major equity or debt investments included. The subsidiary in South Korea has deposited an amount of €0.9 million (€0.8 million in 2013) to local banks as cash and cash equivalents.

Sensitivity Analysis

An increase | decrease of the actuarial assumptions would have the following impacts on the defined benefit obligations:

2013:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	421	–402
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–3,226	4,098
Future salary increases	+50 bps	–50 bps
Effect	475	–449
Future pension increases	+25 bps	–25 bps
Effect	599	–571

2014:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	761	–749
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–5,244	6,729
Future salary increases	+50 bps	–50 bps
Effect	711	–667
Future pension increases	+25 bps	–25 bps
Effect	898	–854

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another. Furthermore, the present value of the defined benefit obligation has been calculated using the same method that was applied in calculating the defined benefit obligation liability recognized in the statement of financial position (projected unit credit method).

Maturity Analysis

The undiscounted cash flows from defined benefits obligations can be allocated to maturities as follows:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
<1 year	1,204	865
1–5 years	4,924	4,046
6–10 years	8,794	6,922
>10 years	49,263	46,260
Total	**64,185**	**58,093**

The weighted average duration of the defined benefit obligations is 15.9 years (2013: 15.1 years).

25. Other Non-current Provisions

	Payments to employees on early retirement plan € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2013	3,056	592	3,648
Currency translation	0	–17	–17
Consumption	–1,170	–35	–1,205
Reversals	–33	0	–33
Additions	527	84	611
Reclassification	0	0	0
Balance at Dec. 31, 2013	**2,380**	**623**	**3,003**

	Payments to employees on early retirement plan € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2014	2,380	623	3,003
Currency translation	0	0	0
Consumption	–1,062	0	–1,062
Reversals	0	0	0
Additions	891	53	944
Reclassification	0	6	6
Balance at Dec. 31, 2014	**2,209**	**682**	**2,891**

The non-current provisions comprise mainly provisions for partial retirement and employee anniversary bonuses (included in the item "other"). 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.

According to IAS 19R the treatment of severance payments to be earned in future periods must be recognized in profit or loss over the respective period of service.

Non-current provisions are reported at their present value on the reporting date. The discount rate for employees on the early retirement plan is 0.3% (2013: 0.8%).

Provisions for employees as beneficiaries of the early retirement plan (partial retirement) are for a maximum period of five years. Actuarial gains and losses, as well as past service costs, on these obligations are recognized as income or expense.

26. Non-current Liabilities

Loans and Borrowings

	Balance at Dec. 31, 2014 € in K	**of which current Dec. 31, 2014 € in K**	Balance at Dec. 31, 2013 € in K	of which current Dec. 31, 2013 € in K
Liabilities to banks	48,132	32,253	146,989	27,078
Loans from Sartorius AG	39,511	39,511	0	0
Total loans and borrowings	**87,643**	**71,764**	**146,989**	**27,078**

In December 2014 Sartorius Group refinanced both syndicated loan facilities led by BNP Paribas, Commerzbank AG and LBBW into a single 400 million loan facility. According to this loan agreement future financing of the Group will be channeled through the parent company Sartorius AG. At the same time Sartorius AG has signed a loan agreement with Sartorius Stedim Biotech GmbH which secures the financing of the Sartorius Stedim Biotech Group over the long term. The credit volume of this agreement is 300 million euros and the interest rate is variable with a credit margin based on arms'-length principles (see also note 322).

In parallel, the Sartorius Stedim Biotech Group reimbursed the long-term syndicated loan of 250 million euros negotiated in September 2013.

Other Non-current Liabilities

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Derivative financial instruments	1,881	2,573
Other liabilities	42,843	34,765
Total	**44,724**	**37,338**

The derivative financial instruments represent the fair value of interest rate swap agreements. In the context of the refinancing described above the designation of the interest rate swap agreements had to be cancelled and the amount recognized in the other comprehensive income was posted in the profit or loss for the period.

The other non-current liabilities include the liability for the remaining purchase price for the cell culture media business of the company Lonza in the amount of €36,660 K. Currently it is expected that this liability will be paid in two tranches in 2017 and 2022.

Furthermore this item includes the forward liability for the acquisition of the non-controlling interest in the company All Pure (see chapter 8) in amount of €6,183 K. The owners of the remaining shares have to sell their shares in the company to Sartorius Stedim Biotech Group latest until 2022. The purchase price is depending on the performance of the activity.

27. Current Provisions

During financial 2013 and 2014, the current provisions developed as follows:

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2013	1,331	3,103	4,433
Currency translation	–23	–105	–128
Consumption	–425	–890	–1,315
Release	–246	–3,980	–4,226
Additions	1,165	4,861	6,026
Change in the scope of consolidation	208	0	208
Other changes	0	0	0
Balance at Dec. 31, 2013	**2,009**	**2,989**	**4,998**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2014	2,009	2,989	4,998
Currency translation	55	110	165
Change in the scope of consolidation	0	0	0
Consumption	–817	–438	–1,255
Release	–799	–487	–1,286
Additions	2,787	815	3,602
Other changes	0	0	0
Balance at Dec. 31, 2014	**3,235**	**2,989**	**6,224**

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.

28. Current Liabilities

Trade Payables

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Payments received on account of orders	31,964	14,731
Trade payables to third parties	36,964	43,296
Payables to participations	0	352
Payables to subsidiaries of the Sartorius AG Group	12,210	7,973
Total	**81,139**	**66,351**

Other Financial Liabilities

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Derivative financial instruments	4,867	106
Personnel-related liabilities	22,437	14,631
Other liabilities	20,774	26,392
Total	**48,078**	**41,129**

The derivative financial instruments refer to the fair values interest rate swap agreements and foreign currency hedging transaction like forward contracts (mainly related to the US$).

29. Other Financial Obligations | Contingent Assets and Liabilities

Like in the previous years there are no significant contingent liabilities or contingent assets to be reported. The Group's major financial obligations refer to operate leases as follows:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Operate leases		
- due within one year	4,675	4,333
- due within 2 to 5 years	7,212	7,645
- due thereafter	2,070	2,249

30. 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 mark-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

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.

	Category acc. to IAS 39	**Carrying amount Dec. 31, 2014 € in K**	**Fair value Dec. 31, 2014 € in K**	Carrying amount Dec. 31, 2013 € in K	Fair value Dec. 31, 2013 € in K
Financial Assets	**Available for sale**	**1,214**	**1,214**	**1,304**	**1,304**
Trade receivables	**Loans and receivables**	**124,787**	**124,787**	**107,199**	**107,199**
Financial Assets	Loans and receivables	6,790	6,790	6,695	6,695
Derivative financial instruments	Held for trading	12	12	0	0
Derivative financial instruments	Hedging Instruments	45	45	2,890	2,890
Other financial assets		**6,847**	**6,847**	**9,585**	**9,585**
Cash and cash equivalents	**Loans and receivables**	**18,544**	**18,544**	**35,605**	**35,605**
Loans and borrowings	Financial liabilities at cost	87,643	88,976	146,989	147,659
Finance lease liabilities	IFRS 7	18,338	21,465	18,570	18,253
Trade payables	Financial liabilities at cost	49,175	49,175	51,620	51,620
Trade payables	Not IFRS 7	31,964	31,964	14,731	14,731
Trade payables		**81,139**	**81,139**	**66,351**	**66,351**
Derivative financial instruments	Held for trading	3,408	3,408	0	0
Derivative financial instruments	Hedging Instruments	3,340	3,340	2,679	2,679
Other financial liabilities	Financial liabilities at cost	63,967	66,988	61,464	67,424
Other financial liabilities	Not IFRS 7	22,088	22,088	14,324	14,324
Other financial liabilities		**92,802**	**95,823**	**78,467**	**84,427**

The carrying amounts of the financial instruments for each category are shown in the following table:

	Dec. 31, 2014 € in K	Dec. 31, 2013 € in K
Available for sale assets	1,214	1,304
Loans and receivables	150,121	149,498
Held for trading assets	12	0
Assets held as hedging instruments	45	2,890
Financial liabilities at cost	200,785	260,074
Held for trading liabilities	3,408	0
Liabilities held as hedging instruments	3,340	2,679

The fair values of the financial instruments were determined on the basis of the market information available on the balance sheet date and are allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 7.

Level 1 financial instruments are calculated on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are calculated on the basis of input factors which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors which are not derivable from observable market data.

For the equity investments measured at acquisition cost (mainly investments in nonconsolidated subsidiaries), it is not possible to determine fair values reliably due to the absence of active markets. This applies mainly to shares in non-consolidated subsidiaries. It is assumed that the carrying amounts correspond to the fair values as at the balance sheet date.

The financial instruments carried at fair value at the balance sheet date are derivatives in the form of forward contracts and interest rate swap agreements. The valuation was done based on quoted foreign exchange rates and available interest rate curves and taking into consideration the counterparty risk (level 2).

The calculation of the fair values of the financial liabilities at amortized cost (especially loans to banks) and finance lease liabilities was done as a level 3 calculation based on the market interest rate curve following the zero-coupon method in consideration of expected (indicative) credit spreads.

The All Pure liability is required to be disclosed in the amount of the present value of the expected purchase price payments for the non-controlling interest in this company. This present value can be derived from the expected All Pure sales revenues as of the exercise date and from the risk-adjusted discount rate presented above.

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

Net Gains and Losses from Financial Instruments

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

	2014 12 months € in K	2013 12 months € in K
Available for sale assets	97	0
Loans and receivables	2,276	–3,414
Financial assets and liabilities held for trading	–3,396	742
Financial liabilities at cost	–3,275	1,246

The net result from financial assets available for sale mainly comprises gains or losses on equity investments (dividends or gains from the disposal of shares).

The net result from loans and receivables mainly includes the effects of currency translation and changes in allowances.

The net result from financial assets and liabilities held for trading predominantly comprises changes in the fair value of derivative financial instruments as well as interest income and interest expenses for these financial instruments.

The net result from liabilities measured at amortized cost mainly comprises the effects of foreign currency translation and fair value changes.

Total interest income and expenses for financial assets and liabilities that are measured at fair value without recognition in profit or loss were as follows:

	2014 12 months € in K	2013 12 months € in K
Interest income	628	362
Interest expenses	–5,624	–4,492

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 above are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital.

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 and interest rate risks using derivative financial instruments. Hedging transactions and their controlling are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Trading with derivative financial instruments is done for hedging purposes only.

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, derivative financial instruments are used to hedge the net currency exposure resulting from currency translation of the sales revenue. For currency hedging, foreign currency options and forward contracts are used and, to a limited extent, structured hedge transactions.

Forward contracts secure the right, and simultaneously create the obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the exchange rate actually valid on this date. The profit or loss resulting from the difference between the current and the previously established exchange rate is generally measured as income or an expense in the statement of profit or loss.

In addition, target profit forwards have been concluded to optimize hedging transactions. These transactions secure the right and create the obligation to swap an agreed amount in a foreign currency for the corresponding euro amount at a fixed exchange rate on several target dates as long as the profit resulting from these exchange transactions does not exceed a contractually defined limit.

The Group's strategy provides for hedging of up to one and a half years. Also, the hedging measures are reviewed at regular intervals in order to adapt them to currency fluctuations.

At the balance sheet date forward contracts have been carried out in an amount of $62.5 million (2013: $57 million) to hedge against the risk of fluctuation in the EUR | USD exchange rate. This amount covers roughly one third of the expected net exposure for the U.S. dollar within the period of 1.5 years. Furthermore, Japanese yen for an amount of JPY 260 million has been hedged (JPY 650 million in 2013).

The following table shows the forward transactions as well as the target profit forward contracts as of the balance sheet date:

Dec. 31, 2013	Currency	Volume	Maturity	Fair value € in K
Forward contract	USD	11,500,000	Q1 2014	749
	USD	18,500,000	Q2 2014	687
	USD	19,500,000	Q3 2014	552
	USD	7,500,000	Q4 2014	11
	USD	**57,000,000**		**1,999**
Forward contract	JPY	150,000,000	Q1 2014	551
	JPY	100,000,000	Q2 2014	68
	JPY	200,000,000	Q3 2014	136
	JPY	200,000,000	Q4 2014	136
	JPY	**650,000,000**		**891**

Dec. 31, 2014	Currency	Volume	Maturity	Fair value € in K
Forward contract	USD	23,000,000	Q1 2015	–1,442
	USD	14,500,000	Q2 2015	–844
	USD	12,000,000	Q3 2015	–750
	USD	8,000,000	Q4 2015	–422
	USD	5,000,000	Q1 2016	–75
	USD	**62,500,000**		**–3,533**
Forward contract	JPY	50,000,000	Q2 2015	21
	JPY	60,000,000	Q3 2015	25
	JPY	**110,000,000**		**47**
Target profit forward	JPY	150,000,000	Q4 2015	15
	JPY	**150,000,000**		**15**

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 statement of profit or loss 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 profit or loss in the period in which the hedged transactions affect this result.

In 2014, a negative amount of €3,295 K (2013: a positive impact of €2,141 K) was recognized in other comprehensive income (cash flow hedging reserves) under an effective hedging relationship; the ineffective portion of €201 K was posted in profit or loss for the period. An amount of €2,890 K has been transferred from other comprehensive income into the profit or loss for the period (2013: €851 K).

If the U.S. dollar would have depreciated 5% against the euro, the equity would have increased by €5.2 million (2013: €4.5 million) and the result would have been increased by €1.4 million (2013: €0.4 million).

Vice versa, if the U.S. dollar would have appreciated 5% against the euro, the resulting impact of the financial result would have been -€1.6 million (2013: -€0.4 million) and the other comprehensive income -€5.8 million (2013: - €4.9 million).

A variation of the Swiss Franc (CHF) against the Euro would primarily have an impact on the valuation of the liability in connection with the acquisition of the cell culture media business of Lonza in 2012 (denominated in CHF) as described in note 26. An increase | decrease of the CHF against the Euro by 5% would lead to an impact amounting to -€ 1.9 million (increase) and +€1.7 million (decrease).

F. Interest Risk Management

As explained in note 26 Sartorius Stedim Biotech has paid off the syndicated loan raised in 2013 and is now mainly financed through its parent company Sartorius AG. This major loan is taken out at variable interest rates; therefore the Group continues to be exposed to interest rate risks. To control the interest risk, an appropriate ratio between fixed and variable loans is maintained. Furthermore, the Group concluded interest rate hedges in the form of interest swaps, which cover the majority of the loans outstanding at variable interest rates. As a result, the Group receives the particular (variable) interest rate valid on the market and pays a fixed interest rate.

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

Instrument	**Hedging volume as of Dec. 31, 2014 € in K**	Hedging volume as of Dec. 31, 2013 € in K	End of term	Hedged interest rate	**Fair value as of Dec. 31, 2014 € in K**	Fair value as of Dec. 31, 2013 € in K
Swaps	60,000	60,000	up to March 2016	2.37%–2.77%	–1,385	–2,378
Forward Swaps	40,000	40,000	up to March 2019	1.68%–1.78%	–1,822	–195
Total					**–3,207**	**–2,573**

The Group's hedging strategy is to secure up roughly 50% to 70% of the risk exposure for a period up to five years. As of Dec. 31, 2014 the raised loans with variable interest rates amount to approx. €70 million and the hedged volume is between €40 million and €60 million for the next five years.

G. Liquidity Risk Management

The maturity of the financial liabilities excluding derivative financial instruments shows the following pattern:

	Carrying amount Dec. 31, 2013 € in K	Cash Flow Dec. 31, 2013 € in K	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings	146,989	162,969	32,779	123,547	6,643
Finance Leases	18,570	37,311	1,586	7,495	28,230
Trade payables	51,620	51,620	51,620	0	0
Other liabilities (excluding derivatives)	67,723	71,502	26,699	16,292	28,511
Financial Liabilities	**284,902**	**323,403**	**112,685**	**147,333**	**63,384**

	Carrying amount Dec. 31, 2014 € in K	**Cash Flow Dec. 31, 2014 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings	87,643	98,509	80,200	14,299	4,010
Finance Leases	18,338	35,976	1,611	8,397	25,968
Trade payables	49,175	49,175	49,175	0	0
Other liabilities (excluding derivatives)	63,967	73,300	21,123	23,069	29,108
Financial Liabilities	**219,122**	**256,959**	**152,109**	**45,764**	**59,086**

The cash flows shown in the above tables include the undiscounted expected payments in connection with the respective financial liabilities including the associated interest payments.

The loans and borrowings include the loan raised from the parent company Sartorius AG (see note 26) and the liabilities arising from the sale of trade receivables under a factoring program that was initiated in 2009. The other liabilities include the liability for the acquisition of cell culture media business of the company Lonza and the forward liability for the acquisition of the remaining shares in All Pure.

The following tables illustrate the liquidity analysis for derivative financial instruments based on undiscounted cash flows:

	Carrying amount Dec. 31, 2013 € in K	Cash Flow Dec. 31, 2013 € in K	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Interest rate swaps	2,679	3,900	1,266	2,634	0
Derivatives	**2,679**	**3,900**	**1,266**	**2,634**	**0**

	Carrying amount Dec. 31, 2014 € in K	**Cash Flow Dec. 31, 2014 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Gross fulfilment					
Forward contracts	**3,541**	**3,599**	**3,501**	**98**	**0**
Payment obligation		52,236	48,118	4,118	0
Payment claim		–48,637	–44,617	–4,020	0
Net fulfilment					
Interest rate swaps	3,207	4,418	1,231	3,187	0
Derivatives	**6,748**	**11,616**	**8,233**	**3,383**	**0**

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, 2013	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	Credit line used at Dec. 31, 2013	Credit line unused as of Dec. 31, 2013
Syndicated Loan	250,000	0	250,000	0	Variable	100,000	150,000
Bilateral credit line	46,500	27,750	12,500	6,250	Variable and fixed	38,200	8,300
Total	**296,500**	**27,750**	**262,500**	**6,250**		**138,200**	**158,300**

	Credit line at Dec. 31, 2014	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	**Credit line used at Dec. 31, 2014**	**Credit line unused as of Dec. 31, 2014**
Loan from Sartorius AG	300,000	300,000	0	0	Variable	39,511	260,489
Bilateral credit line	67,846	52,221	12,500	3,125	Variable and fixed	48,132	19,714
Total	**367,846**	**352,221**	**12,500**	**3,125**		**87,643**	**280,203**

If the market interest rate had been 1.0 percentage point higher, the interest expenses in the statement of profit or loss would have been €0.5 million (2013: €1.0 million) higher. This effect would be over-compensated by an increase in the fair values of the interest rate swaps in the amount of €1.6 million, so that the overall impact on the profit or loss (before tax) would be +€1.1 million. As the derivative hedging instruments have been classified as held for trading there would be no impact on other comprehensive income (2013: +€2.0 million).

With regard to a decrease in interest rates a base interest rate of 0% has been considered. The resulting impact on the financial result would have been -€0.3 million (+€0.3 million in 2013), caused by the valuation of the interest rate swaps.

As explained in Note 26, in December 2014 the Group has replaced the syndicated loan agreement with an intercompany loan from its ultimate parent company Sartorius AG with a credit line volume of €300 million.

H. Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Stedim Biotech Group has not been exposed to the risk of volatility in share prices.

31. Share-based Payments

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

The various stock option plans outstanding at December 31, 2013, and December 31, 2014, are summarized as follows:

	Dec. 31, 2014 Number of options	Dec. 31, 2013 Number of options
Outstanding at beginning of period	23,642	24,642
Allocated during the period	0	0
Cancelled during the period	0	0
Exercised during the period	–15,642	–1,000
Lapsed in the period	0	0
Outstanding at end of period	**8,000**	**23,642**
Exercisable at the end of period	**8,000**	**23,642**

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 sub-scribed by directors and executives	Number of directors and executives concerned	Number of initial bene-ficiaries	Subscrip-tion on price in €	Number of shares subscribed over the fiscal year 2013	Number of options granted and exercisable at Dec. 31, 2013	Number of options subject to target per-formance at Dec. 31, 2013	Total of number of beneficiaries of valid options
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	1,000	15,642	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	0	3,000	0	1
Total		**302,500**	**0**		**36**		**1,000**	**23,642**	**0**	**4**
								23,642		

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 sub-scribed by directors and executives	Number of directors and executives concerned	Number of initial bene-ficiaries	Subscrip-tion on price in €	Number of shares subscribed over the fiscal year 2014	Number of options granted and exercisable at Dec. 31, 2014	Number of options subject to target per-formance at Dec. 31, 2014	Total of number of beneficiaries of valid options
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	15,642	0	0	0
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	0	3,000	0	1
Total		**302,500**	**0**		**36**		**15,642**	**8,000**	**0**	**2**
								8,000		

The cost for fiscal 2014 is €0 K. No new additional stock options were granted in 2014.

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. Under this plan the respective board member is granted a certain number of phantom stocks each year that represent an agreed amount of money. The exercise of these stocks is not possible before four years and is depending on certain requirements regarding the performance of the Sartorius AG shares. When the stocks are paid out the amount is based on the share price at the exercise date. The payment is capped at an amount of 2.5 times the share price at the time the virtual options were granted. For further details please refer to the Remuneration Report. The fair value of the phantom stock units is disclosed as follows:

	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, 2014 € in K**	Paid out € in K	Exercisable
Tranche of phantom stock units for 2010	13,469	15.78	213	**0**	531	
Tranche of phantom stock units for 2011	8,358	26.62	223	**556**	0	no
Tranche of phantom stock units for 2012	7,115	33.12	235	**572**	0	no
Tranche of phantom stock units for 2013	3,686	69.36	256	**343**	0	no
Tranche of phantom stock units for 2014	3,228	84.03	271	291	0	no
Total	**35,856**		**1,198**	**1,762**	**531**	

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.

Number of Employees

The average workforce employed during the year 2014 was 3,642 (3,226 in 2013).

32. Related Parties

General

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 74.3% in equity capital – and 84.6% of the voting rights.

The Sartorius Group itself is organized in two divisions: Bioprocess Solutions (mainly run by the Sartorius Stedim Biotech Group) and Lab Products & Services (mainly run by the other companies of Sartorius Group). This structure leads to the fact that the Group holds two subsidiaries in most of the countries and these companies partially share space, staff and other resources. Furthermore, the German group companies carry out various central functions and accordingly deliver services to the worldwide entities (e.g IT support). The company Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG has incorporated numerous Group functions like Group Finance, HR; IT, Investor Relations, Legal and Central Marketing. These services are charged within the Group and to a significant extent also to Sartorius Stedim Biotech.

The described structures lead to various relations and transactions with related parties. Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries (presented in Note 6), 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, belonging to the Sartorius Group, are disclosed below.

Sales, Purchases and Commissions

In certain business areas members of the Sartorius Group act as contract manufacturers for the Sartorius Stedim Biotech Group and vice versa. The respective transactions are carried out at arms' length principles and are disclosed in the table below as "sales" and "purchases".

	Sales revenue 2014 € in K	Purchases 2014 € in K
Related parties of Sartorius Group	**13,441**	**5,849**
	Sales revenue 2013 € in K	**Purchases 2013 € in K**
Related parties of Sartorius Group	11,198	5,722

Certain product groups of the Sartorius Stedim Biotech portfolio are sold through the sales force of other Sartorius entities. For the arranging of the sale the Sartorius Stedim Biotech Group has paid commissions in the amount of €7.0 million (€8.7 million in 2013). These commissions are typically calculated as a percentage of the generated sales revenue.

Management Fees and Other Shareholder Costs

Two of Sartorius Stedim Biotech S.A.'s board members are also members of the Sartorius AG Executive Board and are paid by the German parent company. For their services for Sartorius Stedim Biotech a portion of their remuneration is charged to Sartorius Stedim Biotech S.A. (€0.7 million in 2013 and 2014) and charged to Sartorius Stedim Biotech GmbH (€0.8 million in 2013 and 2014).

Other shareholder functions like Group Financial Reporting, Compliance and Investor Relations are performed by the above mentioned Sartorius Corporate Administration GmbH in Germany. These services have been charged to Sartorius Stedim Biotech S.A. in the amount of €0.6 million (2013: €0.7 million).

Shareholder Loan

As described in note 26 the Sartorius Stedim Biotech Group has raised a loan from its parent company Sartorius AG with a credit of €300 million and a current utilization of approx. €40 million. The charged interest is based on a variable interest rate plus an arms'-length credit margin.

Administration Charges and Shared Costs

As described above the companies in most the countries share certain functions and costs. The underlying contracts include mainly subleases 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 well as a pro-rated profit margin for the services they provide.

The most significant contract in this context is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH and other Group companies. The calculation for services fees typically includes a surcharge of 3% on total costs. 3% is a surcharge compliant to arm´s length principles for routine tasks, following OECD and EU guidelines. In 2014, services for approx. €23.9 million were provided to Sartorius Stedim Biotech GmbH (€18.9 million in 2013). This amount covers the following functions:

- Marketing Communication, e-Business, Business Development
- Environment, Health & Security, Factory Maintenance
- Finance, Human Resources, Information Technology
- Central Services & General Organization.

Compensation of Key Management Personnel

In 2013 and 2014, the Executive Board Management received the following remuneration:

	Total € in K	Short-term benefits € in K	Post-employment benefits € in K	Other long-term benefits € in K	Termination benefits € in K	Share-based payments € in K
2014[1)]	**4,173**	**2,823**	**450**	**404**	**0**	**496**
2013[1)]	3,356	2,483	118	356	0	418

[1)] For more information please refer to the chapter Corporate Governance (See pages 86 to 93).

Statutory Auditors' Report on the Consolidated Financial Statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the group's management report. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2014

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, 2014, on:
- the audit of the accompanying consolidated financial statements of Sartorius Stedim Biotech;
- the justification of our assessments;
- the specific verification required by law.

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

I. Opinion on the consolidated financial statemets

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, 2014 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:
Note 4 "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 16 "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 19, 2015
French original signed by

The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Xavier Senent	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, 2014	Depreciation, amortization and provisions Dec. 31, 2014	Net at Dec. 31, 2014	Net at Dec. 31, 2013
Intangible assets	552	–4	548	548
Property, plant and equipment	16,533	–9,042	7,491	6,885
Financial investments	128,113		128,113	189,465
Total non-current assets	**145,198**	**–9,046**	**136,152**	**196,899**
Inventories and work in progress	0	0	0	0
Receivables				
Trade receivables to third parties	0	0	0	0
Other receivables	4,663	0	4,663	9,426
Marketable securities	0	0	0	0
Deposits and cash equivalents	6		6	559
Total current assets	**4,669**	**0**	**4,669**	**9,985**
Prepaid expenses	62		62	45
Currency translation adjustment	0		0	0
Total assets	**149,929**	**–9,046**	**140,883**	**206,929**

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

	At Dec. 31, 2014	At Dec. 31, 2013
Share capital	15,359	10,396
Share premium	16,140	59,884
Reserves	1,630	1,630
Retained earnings carried forward	9,032	28,969
Profit for the period	24,845	20,875
Regulated provisions	4,088	4,088
Total equity	**71,094**	**125,841**
Provisions for liabilities and charges	0	0
Total provisions for liabilities and charges	**0**	**0**
Loans and borrowings	0	0
Trade payables	784	1,702
Tax and social charges payable	46	337
Liabilities for non-current assets	193	0
Other liabilities	68,767	79,049
Total liabilities	**69,789**	**81,088**
Currency translation adjustment	0	0
Total equity and liabilities	**140,883**	**206,929**

Parent Company: Income Statement (in thousands of €)

	At Dec. 31, 2014	At Dec. 31, 2013
Sales revenue	1,465	1,501
Inventory movements	0	0
Capitalized production costs	0	0
Depreciation or amortization reversals	0	0
Other operating income and expense reallocation	0	0
Purchases consumed	0	0
External charges for services	–2,597	–2,021
Tax and duties	–800	–793
Personnel costs	0	0
Additions to amortization, depreciation and provision	–654	–598
Other operating expenses	–231	–223
Operating profit (EBIT)	**(2,817)**	**(2,133)**
Net financing income	(expense)	27,194	22,716
**Profit	(loss) from ordinary activities**	**24,377**	**20,583**
Exceptional income	(expense)	0	0
Income tax	468	292
**Net profit	(loss)**	**24,845**	**20,875**

1. Activity / Materiel Events during the Exercise

Sartorius Stedim Biotech SA now includes the activities of holding the Sartorius Stedim Biotech Group (ownership of shares in subsidiaries) and also covers all real estate related to the activity of holding and manufacturing activity of the site in Aubagne. Therefore, Sartorius Stedim Biotech SA presents an income statement including:

- Income and expenses from the rental business,

- Income and expenses arising from the holding activity (mainly dividends).

Sartorius Stedim Biotech S.A. Share Capital

- At the beginning of the 2014 fiscal year, the share capital of the Company was of ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66).

- During the year, the share capital of the Company rose [i] from ten million three hundred and ninety five thousand eight hundred and six euros and sixty six cents (€10,395,806.66) to ten million four hundred and five thousand three hundred and forty eight euros and twenty eight cents (€10,405,348.28) because of stock options exercised and reduced [ii] to nine million three hundred sixty-nine thousand one hundred thirty-five euros and eighteen cents (9,369,135.18€), then rose [iii] to fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (15,359,238€) under the following conditions.

- Reduction of the share capital:

- During the meeting of 17 July 2014, the Board of Directors, in light of the above authorisation granted by the Extraordinary Shareholder's Meeting hold on 8 April 2014, reduced the share capital by a nominal amount of one million thirty-six thousand two hundred and thirteen euros and ten cents (1,036,213.10€), by cancelling the entirety of the shares acquired under the share buyback program authorised by the Extraordinary Shareholders' Meeting held on 19 April 2010, *i.e.* one million six hundred and ninety-eight seven hundred and ten (1,698,710) shares, it being specified that this amount of shares represents less than ten per cent (10%) of the share capital of the Company at the date of this operation.

- The difference between the purchase price of the cancelled shares (61,327,190.07€) and their nominal value (1,036,213.10€), difference equals to sixty million two hundred and ninety thousand nine hundred and seventy-six euros and ninety-seven cents (60,290,976.97€) has been charged against the available premiums up to thirty-seven million eight hundred eighty-eight thousand nine hundred twenty-nine euros and eighteen cents (37,888,929.18€) and the balance twenty-two million four hundred and two thousand forty-seven euros and seventy-nine cents (22,402,047.79€) on the item "retained earnings".

- After this operation of reduction of the share capital, le share capital amounted to nine million three hundred sixty-nine thousand one hundred thirty-five euros and eighteen cents (9,369,135.18€), divided into fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares of a nominal unit value of sixty-one cents (0.61€) each.

- Increase of the share capital:

- On 17 July 2014, the Board of Directors using the delegation of powers it has been granted by the Extraordinary Shareholders' Meeting of 8 April 2014, decides to carry out this share capital increase through the capitalization of five million nine hundred ninety thousand one hundred and two euros and eighty-two cents (5,990,102.82€) to be drawn from the "issue premiums", that are set forth in the annual accounts for the Company's financial period closed on 31 December 2013, and approved by the Extraordinay Shareholders' Meeting held on 8 April 2014.

- This share capital increase is carried out by the increase of thirty-nine cents (0.39€) of the nominal amount of fifteen million three hundred and fifty-nine thousand two hundred thirty-eight (15,359,238) shares comprising the share capital of the Company, this nominal unit value went up from sixty-one cents (0.61€) to one euro (1€).

2. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2014, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the pre-sumption 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 2014-03 of June 5, 2014 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, 2014.

2.1. 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."

2.1.1. 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.

2.1.2. 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.

2.1.3. 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.

2.2. 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.

3. Non-Current Assets (in thousands of ¤)

3.1. Intangible Assets

Gross values	At Dec. 31, 2013	Increase in 2014	Decrease in 2014	At Dec. 31, 2014
Incorporation costs	4	0	0	4
Patents	0	0	0	0
Software, licenses	0	0	0	0
Business goodwill	548		0	548
Intangible assets in progress	0	0	0	0
Total	**552**	**0**	**0**	**552**
Amortization and depreciation	4	0	0	4
Net amount	**548**	**0**	**0**	**548**

3.2. Property, Plant and Equipment

Gross values	At Dec. 31, 2013	Increase in 2014	Decrease in 2014	At Dec. 31, 2014
Land	496	0	0	496
Buildings	14,352	50	0	14,402
Plant and equipment	0	0	0	0
Other	250	893	0	1,143
Property, plant and equipment in progress	175	317	0	492
Total	**15,273**	**1,260**	**0**	**16,533**
Amortization and depreciation	At Dec. 31, 2013	Addition	Release	At Dec. 31, 2014
Buildings	8,363	590	0	8,953
Plant and equipment	0	0	0	0
Other	25	64	0	89
Total	**8,388**	**654**	**0**	**9,042**
Property, plant and equipment, net	**6,885**	**606**	**0**	**7,491**

The increase in tangible assets includes fixtures and fittings for an amount of €893 K and assets under construction for the new building acquired by leasing contract in 2013 for an amount of €317 K.

3.3. Financial Investments

Investments	At Dec. 31, 2013	**Increase in 2014**	**Decrease in 2014**	**At Dec. 31, 2014**
Shareholdings	127,877	0	0	127,877
Write-down of shareholdings	0	0	0	0
Deposits and guarantees	260	0	–25	235
Treasury shares	61,327	0	–61,327	0
Write-down of treasury shares	0	0	0	0
Total	**189,465**	**0**	**–61,352**	**128,113**

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;
- 100% of the share capital of Sartorius Stedim FMT S.A.S., a French company created in connection with the Contribution Assets transfer in 2013;
- Other investments: €0.1 K.

During the meeting of July 17, 2014, the Board of Directors, in light of the authorization granted by the Extraordinary Shareholders Meeting held on April 8, 2014, reduced the share capital by a nominal amount of one million thirty-six thousand two hundred and thirteen euros and ten cents (€1,036,213.10) by cancelling the entirety of the shares acquired under the share buyback program, i.e. one million six hundred ninety-eight thousand seven hundred and ten (1,698,710) shares.

The "Treasury shares" item, which corresponded to 1,698,710 shares repurchased at an average price of €36.10 euros for a total amount of €61,327,190, was therefore reduced by that amount.

4. Trade Receivables (in thousands of €)

Maturity of Receivables at Year-end (in thousands of €)

Type of receivable	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	235	0	235
Non-current assets	**235**	**0**	**235**
Advance payments on account	0	0	0
Trade receivables	0	0	0
Personnel	0	0	0
Social security	0	0	0
Taxes and duties	3,198	3,198	0
Group	1,434	1,434	0
Other receivables	31	31	0
Current assets	**4,663**	**4,663**	**0**
Prepaid expenses		0	0
Total receivables	**4,898**	**4,663**	**235**

The "Group" item for receivables from Group subsidiaries (€1,434 K) relates to current account cash advances provided to Sartorius Stedim Biotech GmbH, Sartorius Stedim FMT SAS and Sartorius Stedim France.

The "Taxes and duties" (€3,198 K) item primarily entails the net tax receivable including French tax relief system (€3,164 K) and VAT receivables.

5. 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	595	595	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	46	46	0	0
Liabilities for non-current assets	0	0	0	0
Group and associates	69,099	69,099	0	0
Other	49	49	0	0
Total liabilities	**69,789**	**69,789**	**0**	**0**

Accrued expenses included in these accounts represented €,434 K and concerned the following items:

Type of expense	At Dec. 31, 2014
Accrued banking charges	0
Suppliers' invoices to be received	388
Paid vacation including social charges	0
Bonuses, including social charges and profit sharing	0
Social security payable	41
Taxes payable	5
Employee profit sharing	0
Total charges payable	**434**

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

6.1. Equity

At December 31, 2014, the share capital was €15,359 K, comprising 15,359,238 shares of a €1 par value.

The changes in equity in 2014 are the result of the following events:

- The exercise of stock options resulting in the issue of 15,642 shares, each with a par value of €0.61, for a total of €9 K;
- A €135 K share premium associated with this share capital increase;
- A reduction of the share capital to cancel the treasury shares (1,698,710) for an amount of €61,327 K (Please to refer to Part 1 - Material Events during the Exercise);

– An increase of the share capital for an amount of €5,990 K to modify the nominal value of the shares from €0.61 to €1. (Please to refer to Part 1 - Materiel Events during the Exercise).

The Annual General Shareholders' Meeting on April 8, 2014, approved the appropriation of the net profit for the year of €20,875 K, as follows:

– Allocation to the retained earnings carried forward: €2,463 K

– Paid into the legal reserves: €0 K

A dividend total of €18,412 K, or a net dividend per share of €1.20, was paid, "Treasury shares" excluded.

	Appropriation of profit in 2013	Appropriation of profit in 2013	Appropriation of profit in 2013			**Equity before appropriation of profit in 2014**
	Before	Changes	After	Increases	Decreases	**Total**
Number of shares:	17,042,306		17,042,306	15,642	1,698,710	**15,359,238**
Share capital	10,396		10,396	5,999	1,036	**15,359**
Share premium	43,744		43,744	135	43,879	**0**
Merger premium	16,140		16,140			**16,140**
Legal reserve	1,040		1,040			**1,040**
Other reserves	590		590			**590**
Balance carried forward	28,968	2,463	31,431	3	22,402	**9,032**
Dividends paid	0	18,412	18,412		18,412	**0**
Net profit to be appropriated	20,875	(20,875)	0			**0**
Profit for the reporting year			0	24,845		**24,845**
Regulated provisions	4,088		4,088			**4,088**
Total	**125,841**	**0**	**125,841**	**30,982**	**85,729**	**71,095**

6.2. 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 8,000.

There are no more potential stock options to be issued depending on the achievement of future targets.

7. Risks and Provisions (in thousands of €)

7.1. Provisions

Type of provision	Provisions at Dec. 31, 2013	Additions 2014	Releases 2014	**Provisions at Dec. 31, 2014**
Regulated provisions				
Accelerated amortization and depreciation	4,088	0	0	4,088
Subtotal (1)	**4,088**	**0**	**0**	**4,088**
Provisions for liabilities and charges				
Exchange risk	0	0	0	0
Other costs	0	0	0	0
Taxation	0	0	0	0
Subtotal (2)	**0**	**0**	**0**	**0**
Grand total	**4,088**	**0**	**0**	**4,088**

7.2. Market Risk Exposure

Operating Cash Flow risks

At December 31, 2014, there is no net amount in foreign currency in current assets and liabilities.

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., Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and Sartorius Stedim Financière 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 members companies.

For 2014, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €1,020 K. The amount of income tax for fiscal 2014 to be settled by Sartorius Stedim Biotech SA in 2015 under this tax integration regime is €2,308 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	Contribution Assets transfer		Dec. 31
Increases			
2014 solidarity contribution		2	
Net movement in 2014 currency translation differences		0	
2014 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total increases			**2**
Decreases			
2013 solidarity contribution		2	
Net movement in 2013 currency translation differences		0	
2013 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total decreases			**2**
2014 future tax position	**0**		**0**
Increases			
2013 solidarity contribution		2	
Net movement in 2013 currency translation differences		0	
2013 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total increases			**2**
Decreases			
2012 solidarity contribution	131	0	
Net movement in 2012 currency translation differences	23	0	
2012 employee profit sharing	0	0	
Depreciation for customers and inventories	63	0	
Total decreases			**0**
2013 future tax position	**217**		**2**

8. Operating Income (in thousands of €)

8.1. Sales Revenue by Operating Segment

Operating segment	**At Dec. 31, 2014**	%	At Dec. 31, 2013	%
Services	1,465	100%	1,501	100%
Total	**1,465**	**100%**	**1,501**	**100%**

8.2. Sales Revenue by Geographical Region

Geographical region	**At Dec. 31, 2014**	**%**	At Dec. 31, 2013	%
France	**1,465**	**100%**	**1,501**	**100%**
Export	**0**		**0**	**0%**
EU and other countries	0		0	
North American continent	0		0	
Total	**1,465**	**100%**	**1,501**	**100%**

The Sale revenue corresponds to the rent paid by the entity Sartorius Stedim FMT S.A.S. for the use of premises located in Aubagne within its operational activity .

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

	At Dec. 31, 2014			At Dec. 31, 2013		
	Profit before tax	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	24,377	–552	23,825	20,583	–507	20,076
Exceptional income	(expense)	0	0	0	0	0	0
French tax integration relief	0	1,020	1,020	0	799	799
Net taxable income	**24,377**	**468**	**24,845**	**20,583**	**292**	**20,875**

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10. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €202 K. These fees related to the 2013 fiscal year and were paid in 2014.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2014.

A Part of the Executive Board's remuneration has been recharged to Sartorius Stedim Biotech S.A. for an amount of €746 K.

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

Type of commitment	Comment	At Dec. 31, 2014	At Dec. 31, 2013
Commitments given			
Guarantees for bilateral credit lines	[1] / [2]	**34,500**	37,375
Guarantees for currency hedging contracts	[1] / [2]	**20,000**	20,000
Commitments from renting / leasing		**0**	0
Commitments received			
Contractual loan capacity from credit institutions		0	3,000

[1] In December 2014 Sartorius Group refinanced both syndicated loan facilities led by BNP Paribas, Commerzbank AG and LBBW into a single €400 million loan facility. According to this loan agreement future financing of the Group will be channeled through the parent company Sartorius AG. At the same time Sartorius AG has signed a loan agreement with Sartorius Stedim Biotech GmbH which secures the financing of the Sartorius Stedim Biotech Group over the long term. The credit volume of this agreement is 300 million euros and the interest rate is variable with a credit margin based on arms'-length principles (see also note 32).

In parallel, the Sartorius Stedim Biotech Group reimbursed the long-term syndicated loan of €250 million negotiated in September 2013.

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

The commitments in connection with the lease are summarized in the following table:

Leasing	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Total	Buy-back value
Tangible Assets					
Buildings and Improvments	310	1,240	563	2,113	0
Total	**310**	**1,240**	**563**	**2,113**	

Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvments	2,391	268	359	0	0
Total	**2,391**	**268**	**359**	**0**	**0**

The building will be operational from the 1st of January 2015.

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

Affiliates are its parent company, Sartorius AG, and the companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim FMT S.A.S., 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).

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

Items	**At Dec. 31, 2014**	At Dec. 31, 2013
Investments	127,877	127,877
Trade receivables	440	1,771
Other receivables	994	5,672
Trade payables	381	1,377
Other liabilities	68,510	78,840
Income from investments	28,893	24,282
Other financial income	0	25
Finance expense	1,698	1,437

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

At Dec. 31, 2014	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held Gross	Book value of shares held Net	Loans out-standing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	84,232		79,949	79,949	–40,070	0	312,387	36,954	24,000
Sartorius Stedim FMT S.A.S.			**100.00%**							
(Euros)	42,940	0		42,940	42,940	–1,909	0	91,597	1,219	1,362
Sartorius Stedim Bioprocess SARL			**99.99%**							
(Dinars)	5,950	2,743						35,389	3,666	3,379
(Euros)				3,132	3,132	–73	0	15,709	1,627	1,500
Sartorius ICR			**100.00%**							
(Rubles)	10	0						70,710	2,514	0
(Euros)	0			0	0	0	0	1,391	49	0
Sartorius Stedim Aseptics S.A.	**448**	**3,277**	**100.00%**							
(Euros)				1,848	1,848	–5,002	0	7,678	2,295	2,031

At Dec. 31, 2013	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held Gross	Book value of shares held Net	Loans out-standing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	84,232		79,949	79,949	–44,611	0	283,912	31,320	22,000
Sartorius Stedim FMT S.A.S.			**100.00%**							
(Euros)	42,940	0		42,940	42,940	–14,629	0	84,325	2,870	0
Sartorius Stedim Bioprocess SARL			**99.99%**							
(Dinars)	5,950	2,743						29,959	3,012	608
(Euros)				3,132	3,132	–2,243	0	13,880	1,395	282
Sartorius ICR			**100.00%**							
(Rubles)	10	0						0	–677	0
(Euros)	0			0	0	0	0	0	–16	0
Sartorius Stedim Aseptics S.A.			**100.00%**							
(Euros)	448	3,277		1,848	1,848	–4,350	0	7,448	2,061	2,000

Statutory Auditors' Report on the Financial Statements

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2014

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, 2014, 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, 2014 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:

Notes 2.1.3 and 3.3 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 of the information provided in the notes to the financial statements and we 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 shareholders and holders of the voting rights has been properly disclosed in the management report.

Marseille, February 19, 2015
Original signed by
The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Xavier Senent	Christophe Perrau

Supplementary Information

06

Other Information of a Legal Nature

General Information on the Issuer

Corporate Name

The corporate name of the company is:
"Sartorius Stedim Biotech".

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 purchase, develop, administrate and manage a portfolio of equity security, securities, voting rights and other social rights in all companies regardless of their activity and this, by all means including by way of setting up of new companies, contribution in kind of any types of social rights, subscription rights, mergers, purchases of other social rights or incorporation of companies;

- to manage, conduct and coordinate the activities of its subsidiaries and affiliates; when applicable, to provide to said companies all services of an administrative, financial, accounting and legal nature and any opinion and advise or to order any studies or researches that are necessary for their development or growth;

- and more generally, all financial, commercial, industrial, personal and real property operations linked, directly or indirectly, to the above-mentioned corporate purpose or to all other complementary, related or similar purposes, which may promote the development or accomplishment thereof.

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 6420Z (Holding company activity).

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).

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 three 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
(Heading 3, Point 3, Excerpt of Article 6 to 9, of the bylaws)

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.

The composition of the Board of Directors is made with a balance number of men and women.

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 extra-ordinary 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 Executive Vice Presidents;

- 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
(Heading 3, Article 10, of the bylaws)

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.

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.

Executive Vice Presidents

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 Executive Vice Presidents.

The maximum number of Executive Vice Presidents 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 Executive Vice Presidents and set their remuneration.

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

Upon the cessation of his duties or in case of impediment affecting the CEO, the Executive Vice Presidents 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, 2014, there were 11,635,635 shares with a double voting right out of a total of 15,359,238 shares. Thus, the total voting rights are 26,994,873.

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 (excerpt of bylaws with Heading 3, Article 16).

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.

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, 2014:

– Number of shares: 1,502

– Liquidity account cash balance: € 273,902.30

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

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 2014 totaled million €23.9.

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 frame¬work 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 10/11/2019		14/01/2008 13 Trademark Applications			09/11/2007 No. 1371410 Reg. in Progress
BIOSTAT	23/10/2014 No. 013398722 Reg. in Progress	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		16/12/2014 4 Trademark Applications		16/07/1988 No. 1246230 16/07/2016	
HYDROSART	12/11/2001 No. 002458461 12/11/2021	07/04/1983 No. 1065357 07/04/2023			10/12/2001 No. 2677224 21/01/2023					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		18/11/2014 No. 908615248 Reg. in Progress		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 02/11/2024	28/07/2004 No. 30443764 31/07/2024			10/11/2004 No. 3178067 28/11/2016					
SARTOFLOW		03/06/1983 No. 1057870 30/06/2023		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		18/11/2014 2 Trademark Applications			
FLEXBOY	31/08/2005 No. 004614038 31/08/2015		19/04/1993 No. 93465632 19/04/2023	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		03/09/2003 No. 810249 03/09/2023	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			03/09/2003 No. 810250 03/09/2023		
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									
NUTRIKIT			05/06/1989 No. 1535354 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						
FLEXACT	07/05/2009 No. 008285173 07/05/2019			16/10/2009 No. 1028463 16/10/2019 + AU CN JP KR US			06/11/2009 4 Trademark Applications			26/10/2009 No. 793270 18/11/2026
FLEXSAFE	22/04/2014 No. 012807996 22/04/2024			22/10/2014 No. 1226740 22/10/2024 + CN IN JP KR MX SG TR US			21/10/2014 No. 9084706060 Reg. in Progress			

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 315 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	Argentina	India	Taiwan
SARTORIUS STEDIM BIOTECH	08/11/2007 No. 5170560 03/10/2018				28/11/2007 12 Trademarks			14/01/2008 11 Trademarks 2 Trademark Applications		19/11/2007 13 Trademarks	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	26/04/2012 No. 10830519 Reg. in Progress	17/12/2014 4 Trademark Applications	04/05/2012 No. 2326343 Reg. in Progress	
HYDROSART	21/11/2001 No. 4663672 18/04/2023										
MAXICAPS	15/10/1999 No. 4535058 11/01/2022										
MIDICAPS	25/02/2005 No. 4906540 04/11/2015										
MINISART	09/02/1979 No. 1583197 26/04/2023										
SARTOCHECK	29/09/1983 No. 1618759 29/09/2023								14/11/2014 No. 3367508 Reg. in Progress		
SARTOCON											
VIROSART	28/01/2005 No. 5040228 13/04/2017							24/11/2004 No. 4379959 21/06/2018			
SARTOFLOW											
SARTOPORE	02/02/2000 No. 4495393 03/08/2021								12/11/2014 2 Trademark Applications		
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											
NUTRIKIT											
NUTRIPOCHE											
BIOSAFE											
FLEXACT									12/11/2014 4 Trademark Applications	30/10/2009 4 Trademark Applications	
FLEXSAFE									21/10/2014 No. 3361996 Reg. in Progress		

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 315 different trademarks in various countries [the dates are indicated as day/month/year]. .

Special Report of the Statutory Auditors on Related Party Agreements and Commitments

Statutory auditors' report on related party agreements and commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is construed in accordance with French law and professional standards applicable in France.

General meeting of shareholders to approve the financial statements for the year ended December 31, 2014

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.

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, 19, 2015

French original signed by

The Statutory Audtitors

Ernst & Young	Deloitte & Associés
Xavier Senent	Christophe Perrau

Resolutions Submitted to the Annual Combined Shareholders' Meeting on April 7, 2015

RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

First resolution

(Approval of Financial statements for the year ended 31 December 2014 and discharge to all directors).

The Annual Shareholders' meeting, ,in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, after having considered the corporate accounts for the year ended 31 December 2014 as well as the report of the Board of Directors and the Report of the statutory auditors concerning these financial statements, approved the financial statements for the year ended 31 December 2014, which disclosed a net profit of € 24,845,263.66 as presented, and the transactions reflected in these financial statements or summarized in these reports.

As a result, the Annual Shareholders' meeting grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The Annual shareholder's meeting approves the overall amount of expenses referred to in article 39,4° of the general tax code amounting to € 757,645 as well as the corresponding tax reaching €252,548.

The Annual Shareholders' meeting recognizes terms of the report from the Chairman of the Board of Directors on the composition of the Board and the application of the principle of equal treatment between men and women in the Board, the conditions under which the Board of Directors prepares and organizes its work, as well as proceedings of internal control and risk management introduced by the company and the report of statutory auditors on this report.

Second resolution

(Approval of the consolidated financial statements for the year ended 31 December 2014

he Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders has, after having considered the corporate consolidated accounts for the year ended 31 December 2014 as well as the report of the Board of Directors and the report of statutory auditors concerning these consolidated accounts, approved the consolidated financial statements for the year ended 31 December 2014, which disclosed a net profit of K€ 73,734 as presented, and the transactions reflected in these financial statements or summarized in these reports.

Third resolution

(Assignment of the financial result for the year ended 31 December 2014)

The Annual Shareholders' meeting, acting with the quorum and majority requirements for Ordinary Meetings of Shareholders, has decided to assign as follows, income for the year ended 31 December 2014 totaling € 24,845,263.66.

- Legal reserves: € 496,343.13
- Balance resulting from deduction of legal reserves: € 24,348,920.53
- The following is to be added to this balance: Year-earlier profit carried forward: €9,032,348.34
- This would yield a distributable profit of € 33,381,268.87 Total amount of dividends to be disbursed to shareholders € 19,967,009.40
- Balance resulting from disbursement: 13,414,259.47
- The remaining amount of € 13,414,259.47 is to be carried forward to the next year.

Each share with a nominal value of €1 will lead to a payment of a net dividend valued at € 1.30.

The distributed amount of €19,967,009.40 for each share will be eligible to an allowance of 40% applied to physical people residing in France, as referred in article 158.3- 2 of the general code tax.

The dividend will be payed on the 14 April 2015.

hDistributed amounts under the three last financial years have amounted to:

		Income eligible for a tax rebate
Fiscal year ended on	Dividends in €	Other income distributed
Dec. 31, 2013	18,412,315	0
Dec. 31, 2012	16,876,856	0
Dec. 31, 2011	15,327,238	0

Fourth resolution

(Approval of regulated agreements as referred in articles L.225-38 and subsequent of the commercial code).

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders has, after having considered the special report of the statutory auditors concerning regulated agreements as referred in articles L.225-38 and subsequent of the commercial code, recognizes the report's conclusions stating the absence of concluded regulated agreements or agreements having continued during the past year.

Fifth resolution

(Fixing of the overall annual amount of the attendance fees for Board of Directors members).

The Annual Shareholder's Meeging, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders has approved the overall annual amount of the attendance fees allocated during the preceding financial year amounting to € 207,200.

Sixth resolution

(Notice on the elements of compensation due or granted for the 2014 financial year, to Mr Joachim Kreuzburg, Chairman and Chief executive Officer)

The Annual Shareholders' Meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, gives a favorable opinion on the elements of compensation due or granted for the 2014 financial year to Mr Joachim Kreuzburg, Chairman and Chief Executive Officer, described below: 743 K€.

Seventh resolution

(Notice on the elements of compensation due or granted for the for the 2014 financial year, to Mr Reinhard Vogt, Executive Vice President)

The Annual Shareholders' Meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2014 financial year to Mr Reinhard Vogt, Executive Vice President, described below: 749 K€.

Eighth resolution

(Notice on the elements of compensation due or granted for the for the 2014 financial year, to Mr Voleker Niebel, Executive Vice President)

The Annual Shareholders' Meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Mr Volker Niebel, Executive Vice President, described below: 625 K€.

Ninth resolution

(Notice on the elements of compensation due or granted for the for the 2014 financial year, to Mr Oscar-Werner Reif, Executive Vice President)

The Annual Shareholders' Meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Mr Oscar-Werner Reif, Executive Vice President described below: 622 K€.

Tenth resolution

(Nomination of Mrs Anne-Marie Graffin as a new member of the Board of Directors of the Company).

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders decides to appoint as from today, Mrs Anne-Marie Graffin, born 3 May 1961, of

French nationality, as the new member of the Board of Directors of the Company for a three year period expiring at the end of the Annual Shareholder's meeting acting in 2018 related to the approval of the financial statements of the year ended 31 December 2017.

Eleventh resolution

(Nomination of Mrs Susan Dexter as a new member of the Board of Directors of the Company).

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders decides to appoint as from today, Mrs Susan Dexter, born 11 octobre 1955, of American nationality, as the new member of the Board of Directors of the Company for a three year period expiring at the end of the Annual Shareholder's meeting acting in 2018 related to the approval of the financial statements of the year ended 31 December 2017.

Twelfth resolution

(Renewing appointment as member of the Board of Directors carried by Mr Oscar-Werner Reif)[2]

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, having considered the Board of Directors' report, decides to renew from today, the appointment as member of the Board of Directors exercised by Mr Oscar-Werner Reif, for a new three year period expiring at the end the Shareholder's meeting acting in 2018 related to the approval of the financial statements of the year ended 31 December 2017.

Thirteenth resolution

(Nominating of KPMG as statutory auditor)

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, having considered the Board of Directors' report, decides to appoint as from today and for a six year period, until the Annual Shareholder's Meeting acting in 2021 on the accounts of the year ended 31 december 2020, KPMG - 3 cours du Triangle – Immeuble Le Palatin – 93939 Paris La Défense Cedex, as statutory auditor, to replace Ernst & Young Audit whose mandate has expired.

Fourteenth resolution

(Nominating Salustro Reydel as deputy statutory auditor)

The Annual Shareholder's Meeting, in accordance with the quorum and majority requirements for Ordinary Meetings of Shareholders, having considered the Board of Directors' report, decides to appoint as from today and for a six year period, until the Annual Shareholders' Meeting acting in 2021 on the accounts of the year ended 31 December 2020, Salustro Reydel - 3 cours du Triangle – Immeuble Le Palatin – 93939 Paris La Défense Cedex, as deputy statutory auditor, to replace Auditex Audit whose mandate has expired.

RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fifteenth resolution

(Modification of article 11.3 under section 3 of the company's bylaws)

The Annual Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary Meetings of Shareholders,, having considered the Board of Directors' report and the modified bylaws project, decides to modify article 11.3 under section 3 of the company's bylaws as follows:

At the end of this article is added the sentence:

"The same applies to agreements intervening between the Company and another one which it holds the entire capital, directly or indirectly,, deducting the minimum number of shares required satisfying requirements of the article 1832 of the Civil Code or the articles l. 225- 1 and L. 226- 1 of the Commercial Code".

The rest of the article is unchanged

Sixteenth resolution

(Modification of article 14.3 under section 3 of the company's bylaws)

The Annual Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary Meetings of Shareholders,, having considered the Board of Directors' report and the modified bylaws project, decides to modify article 14.3 under section 3 of the company's bylaws as follows:

- "All shareholders have the right to participate in Annual Shareholders' Meetings and to vote, in person or through a proxy, regardless of the number of shares held, upon simple production of proof of their identity and ownership of the shares. The right to participate in Annual Shareholders' Meetings is evidenced by the book registration of the securities in the name of the shareholder or of the intermediary acting on its behalf, on the second business day preceding the meeting, at midnight Paris time, either in registered securities accounts held by the company, or in bearer securities accounts held by the authorised intermediary. For bearer securities, the authorised intermediary must deliver a certificate of attendance, which records the registration of the securities in a bearer securities account held by that intermediary, which must be attached to the postal voting ballot, proxy or admission card request prepared in the shareholder's name or on behalf of the shareholder represented by the registered intermediary. A certificate of attendance shall also be issued to any shareholder who would like to physically attend the meeting who has not received his admission card by midnight Paris time of the third business day preceding 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 L-106-3 of the Commercial Code, in that aim, the representative must present valid proof of proxy.

- Legal representatives of shareholders lacking legal capacity and individuals representing shareholders who are legal entities participate in meetings, whether or not they are personally shareholders."

Seventeenth resolution

(Authority for formalities)

The Annual Shareholders' Meeting gives full authority to the bearer of an original, a copy or an extract of the minutes from the present Annual Shareholders' Meeting to accomplish each necessary procedures.

Information on the Reference Document and the Annual Financial Report

Declaration of Responsibility for the Reference Document and the 2014 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 68 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 148 and 163 of this Reference Document.

February 25, 2015

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.

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AFEP MEDEF Code

INFORMATION ABOUT THE IMPLEMENTATION OF PROVISIONS OF THE AFEP MEDEF CODE RELATING TO CORPORATE GOVERNANCE OF LISTED COMPANIES

In accordance with the provisions of the article 25.1 of the corporate governance code for listed companies in effect on the date hereof (the "code"), listed companies referring to the code are required to precisely report on their reference document, implementation of these provisions. In case of non-appliance of one of these provisions, the companies are required to provide understandable, relevant and circumstantial information according to the rule "apply and explain". It is recommended by the AMF (recommendation n 2014-08 of 22 September 2014) that companies indicate in a specific table each provision that is not applied and the related information.

GENERAL TABLE ON THE AFEP MEDEF CODE'S RECOMMENDATIONS

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
1.	**THE BOARD OF DIRECTORS: A COLLEGIAL BODY**		
1.3	**Composition and organization** The organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business, and to the particular circumstances facing it.	**Yes**, more than a half of the Board is represented by foreign Directors, proof of our group's international dimension	
	Publication of the internal rule Its organization and operation are described in the internal rules that it has drawn up, which are published in part or in full on the company's website or in the reference document.	**Yes**, the internal rule is synthetized in our Document Reference each year. The entire Document is published on the website.	
2.	**THE BOARD OF DIRECTORS AND THE MARKET**		
2.1.2 / 2.1.3	**Communication with the markets** Each corporation should have a very rigorous policy for communication with Analysts and the market. Certain practices of "selective disclosure", intended to assist analysts with their forecasts of results, should be prohibited. Any form of communication must allow everyone to access the same information at the same time. The Board should ensure that the investors receive relevant information, which is balanced and enlightens them about the strategy, development model and long-term strategies of the corporation.	**Yes**, press releases are published on the Company's website and transmitted to a professional distributor in order to assure an effective diffusion to all investors.	
2.2	**Off-balance sheet commitments and risks** Each listed company must be equipped with reliable procedures for the identification, monitoring and assessment of its commitments and risks, and provide shareholders and investors with relevant information in this area. For such purposes:		
	the annual report should specify the internal procedures set up to identify and monitor off-balance-sheet commitments, and to evaluate the corporation's material risks;	**Yes**, the rating on the company is published each year in our reference document.	
	each company must develop and clarify the information provided to shareholders and investors regarding off-balance-sheet commitments and material risks, and disclose the company's ratings by financial rating agencies as well as any changes occurred during the financial year.	The off sheet commitments are outlined in the reference document in the consolidated accounts.	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH
3.	**SEPARATION OF THE OFFICES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**	
3.1	When a corporation opts for separation of the offices of Chairman and Chief Executive Officer, if appropriate, the tasks entrusted to the Chairman of the Board of Directors in addition to those conferred upon him or she by law must be described	Not applicable
3.2	**Option between uniqueness and dissociation of the functions** it is essential for the shareholders and third parties to be fully informed of the choice made between separation of the offices of Chairman and Chief Executive Officer and maintenance of these positions as a single office. In addition to the forms of disclosure required by regulations, the reference document or the annual report may serve as the medium for the disclosure to which shareholders are entitled, and the Board should report to them the grounds and justifications for its decisions.	**Yes**, we are explaining in the Chairman's Company's governance and internal control report the motivation and choice of our governance in regards to the company's situation.
4.	**THE BOARD OF DIRECTORS AND STRATEGY**	
4.	**Internal rules** The Board of Directors should consider and decide upon transactions with a genuinely strategic importance, after review by an ad hoc committee if appropriate. The internal rules of the Board of Directors should specify:	
	the cases in which prior approval by the Board of Directors is required, setting out the related principles, which may differ according to which division of the group is concerned;	**Yes**, the Board of Directors has an internal rule. We are including this rule in our reference document each year. The opposite entire elements are an integral part of the Board of Directors internal rule.
	the principle that any material transaction outside the scope of the firm's stated strategy is subject to prior approval by the Board of Directors;	
	the rules according to which the Board of Directors is informed of the corporation's financial situation, cash position and commitments.	
	All of these rules are related not only to external acquisitions or disposal, but also to major investments in organic growth or internal restructuring action. The Board of Directors should be informed in a timely fashion of the corporation's cash position, and where appropriate take decisions relating to its funding and indebtedness.	
5.	**THE BOARD OF DIRECTORS AND THE GENERAL MEETING OF SHAREHOLDERS**	
5.2	**Communication with the Shareholders** The shareholders' meeting is a decision-making body for the areas stipulated by law; it is also a privileged moment for the company to engage a dialogue with its shareholders. Its sessions must be not only the occasion when the managing bodies report on the corporation's business and on the operation of the Board of Directors and the specialized committees (audit, compensation, etc.), but also an opportunity for a genuine and open dialogue with the shareholders.	**Yes**, The Annual Shareholders' Meeting is a place open to open discussion about the company's strategy, the past year's activities but also the functioning of the governance within the company.
	The Board of Directors must take care not to infringe upon the specific powers of the shareholders' meeting if the transaction that it proposes is such as to modify, in fact or in law, the corporate purpose of the company, which is the very basis of the contract founding the corporation. Even when no change in the corporate purpose of the company is involved, the Board of Directors must refer the matter to the meeting of shareholders if the transaction relates to a material part of the group's assets or businesses.	
	Even when no change in the corporate purpose of the company is involved, the Board of Directors must refer the matter to the meeting of shareholders if the transaction relates to a material part of the group's assets or businesses.	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
6.	**MEMBERSHIP OF THE BOARD OF DIRECTORS: GUIDING PRINCIPLES**		
6.3	**The composition of the board of directors** Each Board should consider what would be the desirable balance within its membership and within that of the committees of Board members which it has established, in particular as regards the representation of men and women, nationalities and the diversity of skills, and take appropriate action to assure the shareholders and the market that its of duties will be performed with the necessary independence and objectivity. It should publish in the reference document the objectives, methods and results of its policy in these matters.	**Yes**, the Board of Directors and its committees are composed of women and foreign directors. The group points out the willingness to pursue its international growth and diversity. This is why the Board of Directors suggests at the 2015 Shareholders meeting to nominate two independent women directors (French and American) within the Board of Directors.	
6.4	**Women and men representation** With regard to the representation of men and women, the objective is that each Board shall reach and maintain a percentage of at least 20% of women within a period of three years and at least 40% of women within a period of six years from the shareholders' meeting of 2010 or from the date of the listing of the company's shares on a regulated market, whichever is later. Directors who are permanent representatives of legal entities and directors representing employee shareholders are taken into account in order to determine these percentages, but this is not the case with directors representing employees. When the Board comprises fewer than nine members, the difference at the end of six years between the numbers of directors of each gender may not be in excess of two.	**Yes**, the Board of Directors gives a particular attention to the women and men representation. This is why the Board of Directors suggests at the 2015 Shareholders meeting to nominate two independent women directors (French and American) within the Board of Directors.	
6.5	**Specific assignment entrusted to a director** When the Board has decided to confer special tasks upon a director that relate to governance or shareholder relations, in particular by appointing them as Lead Director or Vice President, these tasks and the resources and prerogatives to which he or she has access must be described in the internal rules.	Not applicable	
7.	**REPRESENTATION OF EMPLOYEES**		
7.3	**Representation of the employees** In the same way as other directors, directors representing employee shareholders and directors representing employees are entitled to vote at the Board of Directors, a collegial body, which is assigned the duty of acting at all times in the interest of the company. As with the other directors, they may be selected by the Board to participate in committees.	Not applicable (The company does not fall within the scope of the obligation to appoint such directors)	
7.4	Without prejudice to the legal provisions specific to them, directors representing employee shareholders and directors representing employees have the same rights, are subject to the same obligations, in particular in relation to confidentiality, and take on the same responsibilities as the other members of the Board.		
8.	**MINORITY SHAREHOLDERS**		
8	It is not desirable to have within the Board representatives of various specific groups or interests because the Board could become a battleground for vested interests instead of representing the shareholders as a whole. When a corporation is controlled by a majority shareholder (or a group of shareholders acting in concert), the latter assumes a specific responsibility to the other shareholders, which is direct and separate from that of the Board of Directors. The majority shareholder must take particular care to avoid possible conflicts of interest, to secure transparency of the information provided to the market, and to fairly take all interests into account.	**Yes**, the company has a main shareholder, who takes responsibility for the conformity in regards to other shareholders, direct and distinct to the board of directors' one and monitor like this any conflict of interest.	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
9.	**INDEPENDENT DIRECTORS**		
9.2	**Independent directors** Although the quality of the Board of Directors cannot be defined simply by reference to a percentage of independent directors, as the directors are above all required to be honest, competent, active, regularly attending and involved, it is important to have on the Board of Directors the presence of a significant proportion of independent directors not only in order to satisfy an expectation of the market but also in order to improve the quality of proceedings.	**Yes**, Sartorius Stedim Biotech, company controlled by Sartorius AG, suggests to nominate an additional two directors at the 2015 shareholders meeting. The independent director's percentage would then increase higher than 40%.	
	The independent directors should account for half the members of the Board in widely held corporations without controlling shareholders. In controlled companies, independent directors should account for at least a third. Directors representing the employee shareholders and directors representing employees are not taken into account in order to determine these percentages.		
9.3	Qualification as an independent director should be discussed by the appointments committee and reviewed every year by the Board of Directors prior to publication of the annual report.		
	The Board of Directors must, upon the motion of the appointments committee, review individually the position of each of its members on the basis of the criteria mentioned below, then notify its conclusions to the shareholders in the annual report and to the shareholders 'meeting when the directors are appointed, so that identification of independent directors is carried out not only by the corporation's management but by the Board itself. The Board of Directors may consider that, although a particular director meets all of the above criteria, he or she cannot be held to be independent owing to the specific circumstances of the person or the company, of thee to its ownership structure or for any other reason.	**Yes**, the intendant director qualification is reviewed regularly by the Board of Directors. If the nomination of the additional two independent directors is approved at the 2015 shareholders meeting, then 4 out of 10 of the directors of the Board of Directors could be defined such as.	
	Conversely, the Board may consider that a director who does not meet the above criteria is nevertheless an independent director.		
9.4	The criteria to be reviewed by the committee and the Board in order for a director to qualify as independent and to prevent risks of conflicts of interest between the director and the management, the corporation, or its group, are the following:		
	not having been an employee or an executive director of the company, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;	**Yes**, the independent director's qualification is reviewed yearly by the Board of Directors. If 2015 the shareholders meeting approves the nomination of the additional 2 independent directors, then 4 out of 10 of the directors of the Board of Directors could be defined such as.	
	not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the company (currently in office or having held such office for less than five years) is a director;		
	not to be a customer, supplier, investment banker or commercial banker: - that is material to the company or its group - or for a significant part of whose business the corporation or its group accounts		
	The evaluation of how significant the relationship is with the company or its group must be debated by the Board and the criteria that lead to the evaluation must be explicitly stated in the reference document		
	not to be related by close family ties to an executive director;	**Yes**, the independent director qualification are regularly reviewed by the Board of Directors.	
	not to have been an auditor of the corporation within the previous five years;		
	not to have been a director of the corporation for more than twelve years.		
	Although he or she may be an executive director, a Chairman of the Board may be considered as independent if the company can justify this based on the criteria set out above.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
10.	**EVALUATION OF THE BOARD OF DIRECTORS**		
10.1	**Assessment of the Board's work** For sound corporate governance, the Board of Directors should evaluate its ability to meet the expectations of the shareholders that have entrusted authority to it to direct the corporation, by reviewing from time to time its membership, organization and operation (which implies a corresponding review of the Board's committees).	**Yes**, each year, the members of the Board of Directors do formal auto-evaluation of the Boards' performance based on specific criterias such as functioning modalities, effective contributions to its members.	
	Accordingly, each Board should think about the desirable balance in its membership and those of the committees created from its members and consider from time to time the adequacy of its organization and operation for the performance of its tasks.		
11.	**MEETINGS OF THE BOARD AND OF THE COMMITTEES**		
11	**Information on the Board of Directors meeting** The number of meetings of the Board of Directors and of the committees held during the past financial year should be mentioned in the annual report, which must also provide the shareholders with any relevant information relating to the directors' attendance at such meetings.	**Yes**, the reference document indicates the numbers of meetings and the level of attendance during the past year 2014: 1. The Board of Directors has held 8 meetings and the level of attendance was of 98%. 2. The Audit Committee has held 5 meetings and the level of attendance was of100%. 3. The Remuneration Committee had held meetings and the level of attendance was of 100%.	
	The frequency and duration of meetings of the Board of Directors should be such that they allow in-depth review and discussion of the matters subject to the Board's authority. The same applies to meetings of the Board's committees (audit, compensation, appointments nominations, etc.).		
	Proceedings should be unambiguous. The minutes of the meeting should summarize the discussion and specify the decisions made. They are of particular importance, since they provide, if necessary, a record of what the Board has done in order to carry out its duties. Without being unnecessarily detailed, they should mention briefly questions raised or reservations stated.		
12.	**DIRECTORS' ACCESS TO INFORMATION**		
12.	The law recognizes the principle that the Chairman or the Chief Executive Officer is bound to disclose to each director all the documents and information required for performance of his or her duties. The manner in which this right to disclosure is exercised and the related confidentiality duty should be set out in the internal rules of the Board of Directors, the Board being responsible, where necessary, for determining the relevance of the documents requested. Corporations must also provide their directors with the appropriate information throughout the life of the corporation between meetings of the Board, if the importance or urgency of the information so requires. Ongoing disclosure should also include any relevant information, including criticism, relating to the corporation, such as articles in the press and financial analysts' reports. Conversely, the directors are bound to request the appropriate information that they consider necessary to perform their duties. Accordingly, if a director considers that he or she has not been able to take part in the proceedings with appropriate information, he or she is bound to say so to the Board in order to obtain the necessary information.	**Yes**, the internal rule includes modalities about rights to information and confidentiality to its Directors.	
	Directors should have the opportunity to meet with the corporation's principal executive managers, even outside the presence of executive directors. In the latter case, these should be given prior notice.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
13.	**DIRECTORS' TRAINING**		
13.	**Directors training** One of the major conditions for appointing a director is his or her abilities, but it cannot be expected a priori that every director has specific prior knowledge of the corporation's organization and activities. Each director should accordingly be provided, if he or she considers it to be necessary, with supplementary training relating to the corporation's specific features, its businesses and its markets.	**Yes**, at a start of a Directors function, different training sessions are offered in order to help them to accomplish their missions at their best. It applies to specialized members of the Committee.	
	The audit committee members should be provided, at the time of appointment, with information relating to the corporation's specific accounting, financial and operational features.		
14.	**OF THERATION OF DIRECTORS' TERMS OF OFFICE**		
14.	**Time and timescale of terms of office** Without affecting the duration of current terms, the duration of directors' terms of office, set by the by-laws ("status"), should not exceed a maximum of four years, so that the shareholders are called to express themselves through elections with sufficient frequency.	**Yes**, conformed to the code's recommendations, the duration of an office term is 3 years. 7 Directors will be renewed for 2017, the other three (if the nomination of the directors is agreed at the next shareholders meeting) will be renewed in 2018.	
	Terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of directors.		
	Information on the Directors The annual report should detail the dates of the beginning and expiry of each director's term of office, to make the existing staggering clear. It should also mention, for each director, in addition to the list of offices and positions held in other corporations, his or her nationality, age and principal position, and a list by name of members of each Board committee.	**Yes**, these information are re-iterated in the Directors biographical presentation of the Board of Directors composition.	
	When the meeting of shareholders is asked to appoint a director or extend his or her term, the booklet or the notice calling the meeting of shareholders, must contain a biographical notice outlining his or her curriculum vitae, in addition to the items required by statute.		
	Even though it is not required by law, it is imperative that the by-laws or the internal rules set a minimum number of shares in the corporation concerned that each director must personally hold and which must appear in the annual report and/or in the booklet or the notice calling the meeting of shareholders.	**Yes**, the status Title III art 6.3, within the reference document provides this information.	
15.	**COMMITTEES OF THE BOARD**		
15	**Existence and composition of the committee** The number and structure of the committees are determined by each Board. However, in addition to the tasks assigned to the audit committee by law, it is recommended that the compensation and the appointments of directors and executive directors should be subject to preparatory work by a specialized committee of the Board of Directors.	**Yes**, the Board of Directors has a compensation Committee who has the duty to select and suggest the nomination of new Directors.	
	When the Board has appointed specialized committees to address particular concerns, the creation of such committees shall in no event remove the matter from the purview of the Board itself, which has sole statutory decision-making authority, nor be allowed to cause division within the Board which, as a collegial body, is and should remain accountable for the performance of its duties. The committees do not act in the place of the Board, but rather as an extension of the Board, facilitating its work. For this reason in particular, the quality of reports by the committees to the Board and the inclusion in the annual report of a description of the committees' activities should be stressed.	All the rights and obligations of the specialized Committees are specified in the internal rule inherent to each committee.	
	The committees of the Board may contact, when exercising their duties, the principal managers of the corporation after informing the Chairman of the Board of Directors and subject to reporting back to the Board on such contacts.	The internal rule complies with the majority of the recommendations formulated by the AFEP MEDEF code.	
	The committees of the Board may request external technical studies relating to matters within their competence, at the corporation's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself, and subject to reporting back to the Board thereon. In the event of committees having recourse to services offered by external consultants (e.g. a compensation consultant in order to obtain information on compensation systems and levels applicable in the main markets), the committees must ensure that the consultant concerned is objective.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	Each committee must be provided with internal rules setting out its duties and mode of operation. The committees' internal rules, which should be approved by the Board, may be integrated into the internal rules of the Board or be set out in separate provisions.		
	The committees' secretariat tasks shall be undertaken by the persons nominated by the Chairman of the committee or by agreement with the Chairman.		
	The existence of cross-directorships in the committees should be avoided.		
16.	**THE AUDIT COMMITTEE**		
16	**Existence** Each Board should appoint an audit committee, the duties of which are inseparable from those of the Board of Directors, which is legally bound to approve the corporate accounts and to prepare the consolidated accounts. Approving the accounts is the main occasion on which the Board assumes two of its essential duties: the review of management performance and verification of the reliability and clarity of the information to be provided to the shareholders and the market.	**Yes**, the Board of Directors has an Audit Committee.	
16.1	**Composition** The audit committee members should be competent in finance or accounting.	**Yes**, it is referred to the audit Committee Chairman's financial and accountancy competencies within the description of the Directors backgrounds.	
	The proportion of independent directors on the audit committee (excluding the directors representing employee shareholders and directors representing employees, who are not taken into account) should be at least equal to two-thirds, and the committee should not include any executive director. The appointment or extension of the term of office of the audit committee's Chairman is proposed by the appointments/nominations committee, and should be specially reviewed by the Board.	The Audit Committee is composed of 50% of independent directors, including its Chairman.	
16.2.1	It is also desirable, at the time of review of the accounts, for the committee to consider the major transactions in connection with which conflicts of interest could have arisen.	**Yes** the Audit Committee examines at least on a trimestral basis on the main financial operations and analysis of the accounts. The statutory auditors submit their conclusions twice a year at the Audit Committee.	
	The time available for reviewing the accounts should be sufficient (no less than two days before review by the Board). The review of accounts by the audit committee should be accompanied by a presentation from the statutory auditors stressing the essential points not only of the results of the statutory audit, in particular the adjustments resulting from the audit and significant weaknesses in internal control identified during the auditor's works, but also of the accounting methods chosen. It should also be accompanied by a presentation from the Chief financial officer describing the corporation's risk exposures and its material off-balance-sheet commitments.		
16.2.2	The committee must interview the statutory auditors regularly, including interviews without executive managers present.	**Yes**, the Audit Committee meets the statuary auditors at least twice a year.	
	The statutory auditors must, in particular, be interviewed at the committee meetings dealing with evaluation of the process for preparing financial information and review of the accounts in order to report on the execution of their tasks and the conclusions of their work.		
16.2.3	The committee should steer the procedure for selection of the statutory auditors and submit a recommendation to the Board of Directors regarding the statutory auditors proposed for appointment by the shareholders' meeting. The committee shall suggest to the Board a procedure for selection and in particular if there is a need to make a call for tenders. It must supervise the call for tenders and approve the specifications and the choice of firms consulted, making sure that the selection results in the appointment of the "best bidder" and not the "lowest bidder".	**Yes**, the Audit Committee pilots the selection of the statuary auditors.	
	The committee should in particular receive each year the following information from the statutory auditors: their statement of independence	In order to respond to the arisen subjects, by the green line of the European community, the group has decided to anticipate the problematic in realizing a tender in October November and December 2014 suggesting the change of the statuary auditors. This will be submitted at the 2015 shareholders meeting.	
	the amount of the fees paid to the network of statutory auditors by the companies controlled by the company or the entity controlling the company, in respect of services not directly related to the statutory auditors' assignment information concerning the services supplied in respect of the tasks directly related to the statutory auditors' engagement.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	The committee will review with the statutory auditors the risks weighing on their independence and the protection measures taken in order to reduce these risks. The committee must in particular ensure that the amount of the fees paid by the company and its group, or the share of such fees in the turnover of the firms and networks is not likely to impair the statutory auditors' independence.		
16.3	**Functioning** The audit committee's operating reports to the Board of Directors should provide the Board with full information, thereby facilitating the latter's proceedings.	**Yes**, the Audit Committee secretary takes minutes of the meetings. A summary of the deliberations is included in the reference document.	
	The annual report should include a statement on the audit committee's activity during the past financial year.	**Yes**, the audit committee working methods, the intervention of the financial director, the risks directors and other qualified people are specified within the Chairman's internal Control report.	
	The audit committee should interview the statutory auditors, and also the persons responsible for finance, accounting and treasury matters. It should be possible to hold these interviews, if the committee so wishes, without the presence of the corporation's executive management. The committee should review the consolidation scope, and if applicable, the reasons for excluding certain companies. The committee should be able to call upon outside experts as needed making sure they have the requisite skills and independence. As regards the effectiveness of internal control and risk management systems, the committee should ensure that these systems exist, that they are implemented and that corrective action is taken in the event of significant weaknesses or flaws. To this end, it must be informed of the main findings of the statutory auditors and the internal audit. It must interview those responsible for the internal audit and for risk control and give its opinion on the organization of their services. It should be informed of the program for the internal audit and receive internal audit reports or a regular summary of those reports. The committee shall examine the risks and the material off-balance-sheet commitments, assess the importance of any failures or weaknesses which are communicated to it and, if necessary, inform the Board.		
17.	**THE COMMITTEE IN CHARGE OF APPOINTMENTS OR NOMINATIONS**		
17	**Composition** The appointments or nominations committee plays an essential role in shaping the future of the company, as it is in charge of preparing the future membership of leadership bodies. Accordingly, each Board should appoint, from its members, a committee for the appointment or nomination of directors and executive directors, which may or may not be separate from the compensation committee.	**Yes**, the Remuneration Committee is also in charges of nominations and this in order to avoid the multiplication of specific committees.	
17.1	When the appointments or nominations committee is separate from the compensation committee, the recommendations relating to the latter's membership and mode of operation are also applicable to it (see hereafter). However, unlike the provisions governing the compensation committee, the Chief Executive Officer shall be associated with the appointments or nominations committee's proceedings. In the event that the offices of Chairman of the Board of Directors and Chief Executive Officer are separate, the Chairman may be a member of this committee.	Not applicable	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
17.2	**Allocations** This committee is in charge of submitting proposals to the Board after reviewing in detail all of the factors that it is to take into account in its proceedings: desirable balance in the membership of the Board with regard to the make-up of and changes in ownership of the corporation's stock, balance between men and women on the Board, identification and evaluation of potential candidates, desirability of extensions of terms. In particular, it should organize a procedure for the nomination of future independent directors and perform its own review of potential candidates before the latter are approached in any way.	**Yes**, the compensation committee has the competency to research, examine and select each new application to the nomination to Board of Directors.	
	The committee selection or of the nominations (or a ad hoc committee) should established a hand over plan to the new members of the administrators.		
18.	**THE COMMITTEE IN CHARGE OF COMPENSATION**		
18.1	**Composition** The committee should not include any executive directors, and should have a	**Yes**, all the members of the compensation committee are non-executives. It is composed of 50% of independent members.	
	majority of independent directors.		
	It should be chaired by an independent director. It is advised that an employee director be a member of this committee.		
18.2	The committee's operating reports to the Board of Directors should provide the Board with full information, thereby facilitating its proceedings. When the report on the proceedings of the compensation committee is presented, the Board should deliberate on issues relating to the compensation of the executive directors without the presence of the latter. The annual report should include a statement on the compensation committee's activity during the past financial year.	**Yes**, the audit committee secretary takes minutes of the meetings. A summary of the deliberations is supplied within the reference document.	
18.3	The remuneration committee must ensure that the Board of Directors is given the best conditions in which to determine all the compensation and benefits accruing to executive directors. All decisions are to be made by the Board of Directors. Furthermore, the committee must be informed of the compensation policy applicable to the principal executive managers who are not executive directors of the company. For that purpose, the executive directors attend meetings of the compensation committee.	**Yes**, the remuneration committee working methods are specified in the internal Control Chairman's report.	
19.	**NUMBER OF DIRECTORSHIPS FOR EXECUTIVE AND NO-EXECUTIVE DIRECTORS**		
19	An executive director should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with his or her group20. He or she must also seek the opinion of the Board before accepting a new directorship in a listed corporation.	**Yes**, the Chairman's exercise actually a term of office within the surveillance control of Carl Zeiss AG and 3 office terms within consultative committees.	
	In the case of a separate Chairman, the Board may draw up specific recommendations on this issue, taking into account its particular situation and the missions conferred to him/her.		
	A NO-executive director should not hold more than four other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. This recommendation will apply at the time of appointment or the next renewal of the term of office.		
	The director should keep the Board informed of directorships held in other companies, including his or her participation on committees of the Boards of these companies, both in France and abroad.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
20.	**ETHICAL RULES FOR DIRECTORS**		
21.	**DIRECTORS' COMPENSATION**		
21.1 / 21.2	**Member of the Board of Directors' compensation** It shall be recalled that the method of allocation of directors' compensation, the total amount of which is determined by the meeting of shareholders, is set by the Board of Directors. It should take account, in such ways as it shall determine, of the directors' actual attendance at meetings of the Board and committees, and therefore include a significant variable portion.	**Yes**, only the non-executives members of the committee benefit of the attendance fees which takes in accounts the effective participation of the members to the different meetings as recommended by the AFEP MEDEF. An additional fee is allocated to the specialized committees members.	
	It is natural that directors' attendance at meetings of specialized committees should give rise to an additional amount of directors' fees. Similarly, undertaking individual tasks such as those of Vice President or Lead Director may give rise to additional fees or payment of extraordinary compensation subject to the application of the procedure for related parties agreements.		
	The amount of the directors' fees should reflect the level of responsibilities assumed and the time that they need to apply to their duties.		
	Each Board must review the adequacy of the level of directors' fees with regard to the duties and responsibilities placed on directors.		
21.3	The rules for allocation of the directors' fees and the individual amounts of payments thereof made to the directors should be set out in the annual report	**Yes**, the attendances fees are stated and specified clearly in the reference document and in the in Chairman's report on the company corporate governance and internal control.	
22.	**TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS EXECUTIVE DIRECTOR**		
23.	**COMPENSATION OF EXECUTIVE DIRECTORS**		
23.1	**Principle for setting Executive Directors compensation and role of the Board of Directors** Boards of Directors and Supervisory Boards are responsible for determining the compensation of executive directors, based on proposals made by the compensation committee.	**Yes**, the compensation policy is deliberated at the remuneration committee, before submission to the Board to Oscar Werner Reif and Volker Niebel. Joachim Kreuzburg and Reinhard Vogt representing the group Sartorius AG, their compensation policies are deliberated and decided at the level of the mother house of Sartorius Stedim Biotech.	
	In order to determine the said compensation, the relevant Boards and committees must take into account the following principles:		
	comprehensiveness		
	balance		
	benchmark		
	consistency		
	understandability of the rules		
	proportionality		
23.2	**Compensation policy and allocation of stock option grants and free shares** The compensation of executive directors must be appropriate, balanced and fair. Such compensation must strengthen the sense of solidarity and motivation within the company. While the market is a benchmark, it may not be the sole one. An executive director's compensation depends on the work carried out, the results obtained and also the responsibilities taken on. An executive director bears the ultimate responsibility for the management team, and this warrants higher compensation. The general policy for the award of stock options and performance shares should be debated within the compensation committee, and, on the basis of a recommendation from the committee, approved by the Board of Directors.	**Yes**, the compensation policy is deliberated at the remuneration committee, before submission to the Board to Oscar Werner Reif and Volker Niebel. Joachim Kreuzburg and Reinhard Vogt representing the group Sartorius AG, their compensation policies are deliberated and decided at the level of the mother house of Sartorius Stedim Biotech.	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	The Board of Directors must monitor the evolution in all components of the compensation over several years, with regard to corporate performance		
23.2.2	**Fixed compensation** The fixed part may be calculated differently depending on whether the executive director has followed a continuous career within the company or is recruited from outside the company. In principle, such fixed compensation may only be reviewed at relatively long intervals, e.g. every three years. Any increases in compensation must be linked to events affecting the company and must take into account performance through other components of the compensation, including fringe benefits.	**Yes**, the compensation policy is deliberated at the remuneration committee, before submission to the Board to Oscar Werner Reif and Volker Niebel. Unless exceptional elements, its evolution stays moderated from one year to another one. The company applies to the AFEP MEDEF recommendations in regards to the increases moderation. Joachim Kreuzburg and Reinhard Vogt representing the group Sartorius AG, their compensation policies are deliberated and decided at the level of the mother house of Sartorius Stedim Biotech..	
	If, however, the company opts for annual increase of the executive director's fixed compensation, this increase must be moderated and must respect the principle of consistency mentioned in 23.1.		
23.2.3	**Variable compensation** The Board may decide to award executive director's annual or multi-annual variable compensation.	**Yes**, the variable compensation policy is reviewed at the remuneration committee by Oscar Werner Reif and Volker Niebel. An annual variable compensation and multi-annual has been set up for the company. Unless exceptional elements, its evolution stays moderated from one year to another one. The company applied to the AFEP MEDEF recommendations in regards to the increases moderation. The stock market price does not constitute an element of the compensation variation. Joachim Kreuzburg and Reinhard Vogt are representing the Group Sartorius AG, their compensation policy is deliberated and decided at the level of the mother house of Sartorius Stedim Biotech.	
	These different forms of variable compensation may be cumulative, but this cumulative amount must be decided on the basis of the aforementioned principles, in particular comprehensiveness and proportionality. The variable compensation must be determined by the Board of Directors for a fixed period. The rules governing the determination of the variable compensation must be consistent with the annual or multi-annual assessment of executive directors' performance and with the company's strategy. The variable compensation is a reward for the director's performance and the progress of the company in the period under consideration. The share price must not be the only criteria for measuring this performance.		
	The terms of the variable compensation must be understandable to shareholders, and clear and complete information must be provided each year in the annual report.		
	The variable compensation must be subject to the achievement of precise and, of course, predetermined objectives.		
	Quantitative criteria must be simple, relevant, objective, measurable and suited to the corporate strategy.		
	These criteria must be regularly reviewed in order to avoid any ad-hoc adjustments.		
	It is also necessary to pay considerable attention to possible threshold effects generated by quantitative criteria. Only highly specific circumstances may warrant the award of an extraordinary variable component. The qualitative criteria must be defined precisely. For the variable part, when qualitative criteria are used, a limit must be determined for the qualitative part while allowing, where applicable, exceptional circumstances to be taken into consideration.		
	The variable compensation must be set at a level that is balanced in relation to the fixed part. The variable part is a maximum percentage of the fixed part, and is adapted to the business conducted by the company and predefined by the Board. Except in justified cases, the award of variable compensation may not only be restricted to executive directors. In the event that an executive director leaves before completion of the term envisaged for assessment of the performance criteria, the payment of the variable part of the compensation must be ruled out, unless there are exceptional circumstances which can be justified by the Board.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
23.2.5	**Benefits for taking up a position** Benefits for taking up a position may only be granted to a new executive director who has come from a company outside the group. In this case the amount must be made public when it is determined.	**Yes**, there isn't a benefit for taking up functions	
	NO-competition benefits In the context of implementation of the procedure for related parties transactions as stipulated by law, the conclusion of a NO-competition agreement must be subject to substantial reflection in the compensation committee.	**Yes**, All executive directors have a post contractual non-competition obligation which is in accordance with German law due to the fact that Sartorius Stedim Biotech S.A. is controlled by a German company. This obligation lasts for two years after the director has left the Group. During that time, if the non-competition clause is not waived or terminated, the director can claim half of his latest remuneration received at the Company.	
	The Board must authorize the conclusion of the NO-competition agreement, the length of the requirement for NO-competition and the amount of benefits, taking into account the actual and effective scope of the NO-competition requirement. The decision of the Board must be made public.		
	The Board has to anticipate, during the conclusion of the agreement, a mention which allows the Board to cancel the agreement when a director leaves. The Board must announce whether or not the NO-competition agreement will be upheld at the time that the director leaves, in particular when the director leaves the company to claim, or after having claime²d his or her pension rights.		
	In any event, the NO-competition payment should not exceed a ceiling of two years of compensation (fixed and variable).		
	When a termination benefit is also paid, the aggregate of these two benefits must not exceed this ceiling (see above).		
23.2.6	The supplementary pension schemes mentioned in Article L.137- 11 of the Social Security Code for senior executives and executive directors must comply with conditions that prevent abuse.	**Yes**, the supplementary pension schemes ae according to the responsibilities of the executive directors of the Company.	
	Supplementary pension schemes with defined benefits must be subject to the condition that the beneficiary must be a director or employee of the company when claiming his or her pension rights pursuant to the applicable rules.		
	In order to prevent any abuse, it is necessary to impose certain additional rules (without prejudice to schemes closed to new beneficiaries which may not be altered):		
	the relevant benefit must be taken into account in the overall determination of the compensation on the basis of the general principles stated above; the group of potential beneficiaries must be materially broader than the sole executive directors; the beneficiaries must meet reasonable requirements of seniority within the company, for at least two years, as determined by the Board of Directors, to benefit from payments from a pension plan with defined benefits;		
	each year, the increase in potential rights shall be progressive in relation to the seniority in the scheme and shall only account for a percentage limited to 5% of the beneficiary's compensation. This progression must be described;		
	the benchmark period taken into account for the calculation of the benefits must cover several years, and it is necessary to avoid over the same period any artificial increase in compensation, aimed at increasing pension benefits;		
	It is necessary to exclude any schemes giving a right immediately or over a time to a high percentage of the total compensation at the end of the career.		

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	In addition, information on individual potential rights, in particular the reference income and the maximum percentage of this income, which the supplementary pension scheme would confer, must be made public. The percentage may not be more than 45% of the reference income (fixed and variable compensation of thee in the reference period).		
24.	**INFORMATION ON EXECUTIVE DIRECTORS' COMPENSATION AND THE AWARDING POLICY FOR SHARE OPTIONS AND PERFORMANCE SHARES**		
24	The law imposes on companies the obligation to disclose in their management report the aggregate compensation and benefits of all types paid during the financial year to each executive director as well as the amount of the compensation and benefits of any type that each of these directors has received during the financial year from companies of the group.	**Yes**, the Chairman's part on the company governance and internal control Report compiles these information about non-executives and executives directors compensation.	
	Comprehensive information must be provided to shareholders so that they can have a clear view, not only of the individual compensation paid to executive directors, but also of the policy applied by the company in order to determine the compensation paid.		
24.1	**Permanent information** All of the executive directors' compensation components, whether potential or vested, must be publicly disclosed, immediately after the meeting of the Board approving the relevant decisions.	**Yes**, the company applies to this recommendation	
24.2	The annual report must include a chapter, drawn up with the support of the compensation committee, informing shareholders of the compensation received by executive directors.		
	This chapter must contain the following:		
	A detailed presentation of the policy on determination of the compensation paid to executive directors and in particular the rules governing the award of the annual variable part. Without jeopardizing the confidentiality that may be linked to certain elements of determining the variable part of the compensation, this presentation must indicate the criteria on the basis of which this variable part is determined, the manner in which these criteria have been applied during the financial year, as compared with initial expectations, and whether the individual director's personal targets have been attained. It must also, where necessary, specify if the payment of this variable part is partly deferred and indicate the conditions and methods of this deferred payment. Finally, it must, where necessary, specify the rules governing the award of multi-annual variable compensation. Without jeopardizing the confidentiality that may be justified for certain elements of determining the variable part of the compensation, it must indicate the criteria on the basis of which this compensation is determined, and when the payment of the multi-annual variable part is made, the manner in which these criteria have been applied;	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document.	
	Information concerning the pension systems or commitments provided by the company. Taking into account the considerable variety of pension schemes, it is necessary to indicate whether executive directors benefit from the same pension schemes as the group's senior executives or benefit from a specific pension scheme and describe the main features of these schemes and in particular their calculation methods;	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document.	
	A detailed presentation of each executive director's individual compensation, compared with that of the preceding financial year, and broken down between fixed components and variable components. Although the French Commercial Code does not impose any such obligation, it appears that the information most relevant for shareholders consists in connecting the variable component to the financial year in respect of which it is calculated, even though the compensation is only paid during the following financial years. It is therefore recommended to disclose on a priority basis the compensation of thee in respect of the financial year and to show in a summary table the amounts of thee and paid for the current and the preceding financial years;	**Yes**, the company indicates personal compensation also.	
	The aggregate and individual amount of directors' fees paid to directors and the rules for allocating fees, as well as the rules governing the payment of the directors' fees awarded where applicable to the general management team in respect of corporate offices held in affiliates of the group;	**Yes**, the company indicates the total amount and individual attendance fees.	

ARTICLE	DISPOSITIONS OF THE CODE	IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	A description of the policy for the award of stock options to all beneficiaries by explaining separately, where applicable, the specific award policy applicable to executive directors. In particular, it is necessary to indicate the nature of the options (purchase or subscription options), where applicable the criteria used to define categories of beneficiaries, the periodicity of the plans, the conditions approved by the Board as regards the exercise of the options and the dilutive impact of each option award. A summary table must show all data relevant to the existing option plans, as used for the benchmark document;	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document.	
	A description of the share award policy applicable to employees or to certain categories of employees and to executive directors, the conditions and where applicable the criteria if determined by the Board of Directors and the dilutive impact of each share award. In the same manner as for stock options, a summary table must show all of these data and in particular the number of performance shares awarded to each executive director and the total number of shares awarded to the main beneficiaries who are employees of the group;	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document.	
	The valuation of stock options and performance shares awarded to executive directors, at the time of the award and in accordance with the method used for consolidated financial statements, and the fraction of the capital awarded to each executive director.	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document.	
	It is recommended to comply with the standardized presentation (attached as a schedule hereto) of all director compensation items.		
24.3	The Board must present the compensation of executive directors at the annual General Meeting. This presentation must cover the elements of the compensation due or warded at the end of the closed financial year to each executive director:	**Yes**, the company indicates this information within the part dedicated to the compensation within the reference document and applies to the AFEP MEDEF recommendations.	
	the fixed part;		
	the annual variable part and where necessary the multi-annual variable part with the objectives that contribute to the determination of this variable part;		
	extraordinary compensation; stock options, performance shares, and any other element of long-term compensation; benefits linked to taking up or terminating office; supplementary pension scheme; any other benefits.		
	This presentation should be followed by an advisory vote by shareholders. It is recommended that at the shareholders' vote, one resolution is presented for the Chief Executive Officer or the Chairman of the Management Board and one resolution for the Deputy Chief Executive Officers or for the other members of the Management Board.		
	When the ordinary shareholders' meeting issues a negative opinion, the Board, acting on the advice of the compensation committee, must discuss this matter at another meeting and immediately publish on the company's website a notice detailing how it intends to deal with the opinion expressed by the shareholders at the General Meeting.		

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 margin
Ratio of operating EBITA (see underlying EBITA) to sales revenue

Underlying EBITDA
EBITDA (see EBITDA) adjusted for extraordinary items. For 2013 Extraordinary items amounted to -€4.9 million (previous year: -€3.7 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

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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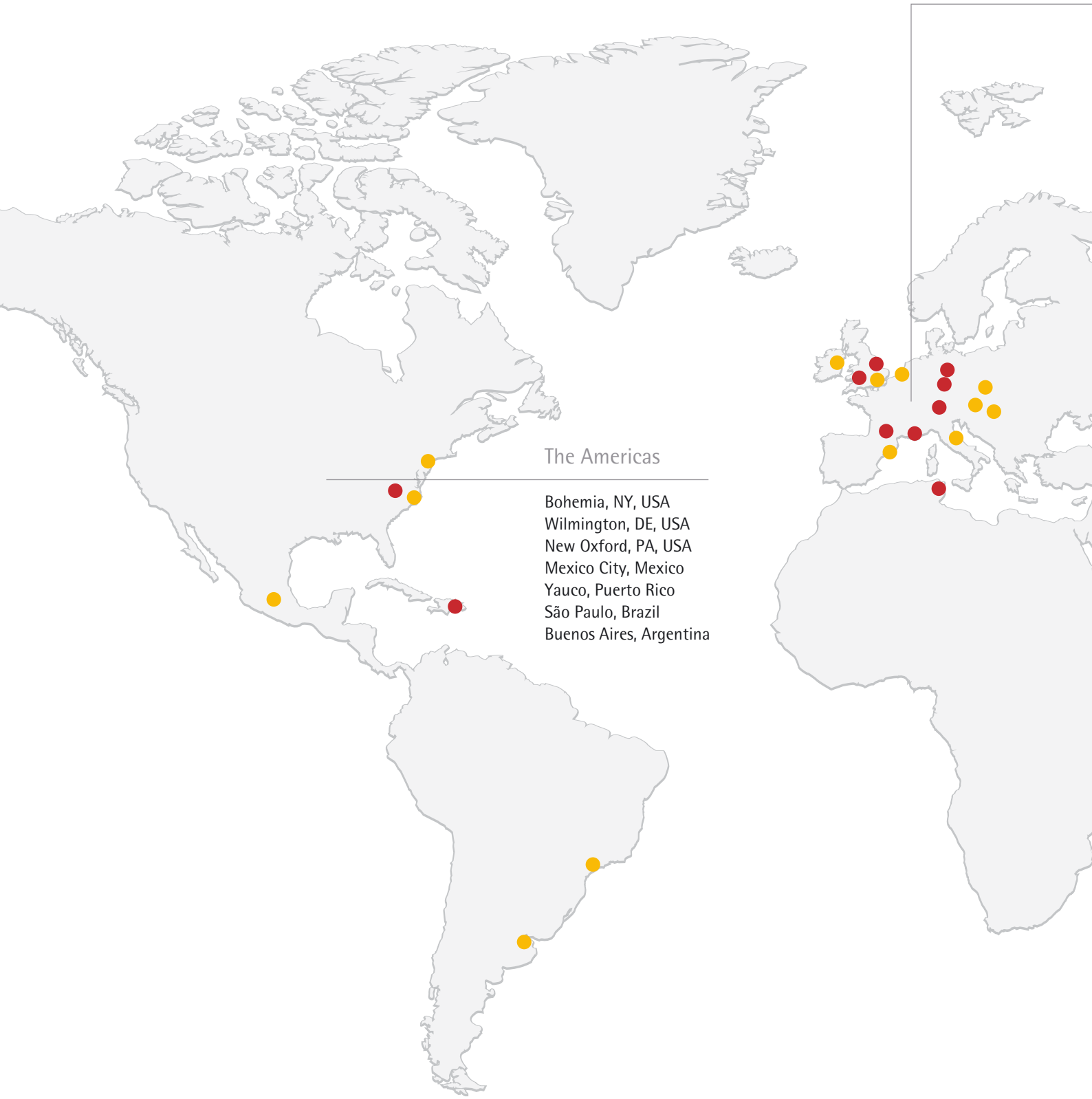

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Financial Schedule

Analysts' Conference (SFAF), Paris, France	March 5, 2015
Annual General Shareholders' Meeting, Aubagne, France	April 7, 2015
Payment of dividends[1)]	April 14, 2015
Publication of first-quarter figures for 2015	April 20, 2015
Publication of first-half figures for 2015	July 22, 2015
Publication of nine-month figures for 2015	October 20, 2015
Publication of preliminary figures for fiscal 2015	January 2016
Annual General Shareholders' Meeting, Aubagne, France	April 5, 2016
Publication of first-quarter figures for 2016	April 2016

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

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