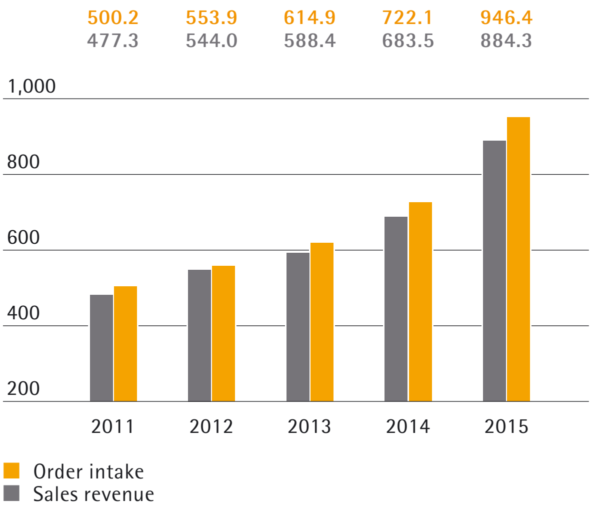
sartorius stedim
biotech

Sartorius Stedim Biotech Group

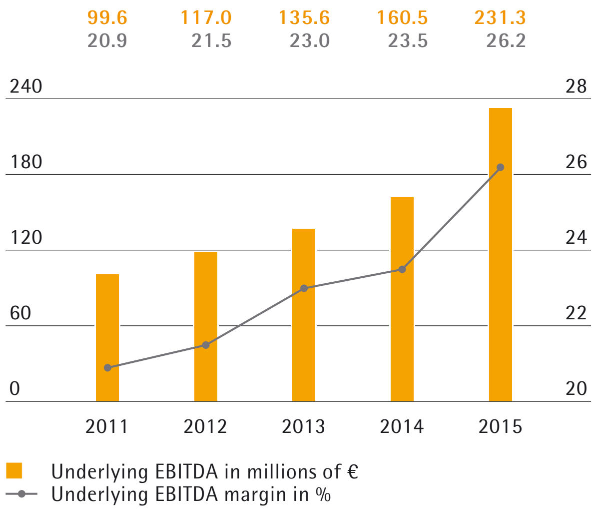
Reference Document 2015
including the annual financial report

2015

Order Intake and Sales Revenue
€ in millions



Underlying EBITDA and Margin[1)]



Key Figures

All figures are given in millions of € according to IFRS, unless otherwise specified	**2015**	2014	2013	2012	2011
Order intake, sales revenue and earnings					
Order intake	946.4	722.1	614.9	553.9	500.2
Sales revenue	884.3	683.5	588.4	544.0	477.3
Underlying EBITDA[1)2)]	231.3	160.5	135.6	117.0	99.6
Underlying EBITDA[1)2)] as % of sales revenue	26.2	23.5	23.0	21.5	20.9
Net profit after non-controlling interest	118.0	72.4	66.3	56.8	43.1
Underlying net profit[1)] after non-controlling interest[2)]	139.3	87.2	75.2	64.6	53.4
Research and development costs	41.5	34.1[3)]	36.0	31.8	28.6
Financial data per share					
Earnings per share in €	7.68	4.72	4.32	3.70	2.81
Earnings per share[1)4)] in €	9.06	5.68	4.90	4.21	3.49
Dividend per share in €	2.00[5)]	1.30	1.20	1.10	1.00
Balance sheet					
Balance sheet total	1.066.1	907.3	873.4	793.9	720.8
Equity	647.2	539.1	481.8	435.0	395.6
Equity ratio in %	60.7	59.4	55.2	54.8	54.9
Financials					
Capital expenditures	54.5	44.2	34.2	50.0	38.6
Capital expenditures as % of sales revenue	6.2	6.5	5.8	9.2	8.1
Depreciation and amortization	39.9	35.6	30.6	25.9	24.5
Net cash flow from operating activities	142.8	111.3	90.1	48.9	60.6
Net debt[6)]	86.4	87.4	130.0	113.7	100.1
Ratio of net debt[6)] to underlying EBITDA[1)2)]	0.4	0.5	1.0	1.0	1.0
Total number of employees as of December 31	4,202	3,697	3,289[7)]	2,986	2,858

[1)] Adjusted for extraordinary items
[2)] For more information on EBITDA, net profit and the underlying presentation, please refer to the chapter on Group Business Development and to the Glossary.
[3)] Restated; for more information, please refer to the consolidated financial statements and notes.
[4)] After non-controlling interest; adjusted for extraordinary items, non-cash amortization and fair value adjustments of hedging instruments, as well as the corresponding tax effects for each of these items
[5)] Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.
[6)] Net debt excludes the liability for the remaining purchase price for acquisitions; 2015: €47.5 million; 2014: €42.8 million; 2013: €34.8 million; 2012: €34.2 million
[7)] Excluding TAP Biosystems

Our Mission

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

Reference Document 2015

The present original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on 25 February, 2016, 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.15 -0090 filed on 27 February 2015 and D.14-0094 filed on 27 February 2014.

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

The year 2014 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 2014 management report appearing on pages 103 to 148 and 18 to 56, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on 27 February 2015, under the number D.15-0090.

- 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 142 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 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

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,

For SSB, 2015 was an exceptionally dynamic year marked by very strong and profitable growth. Though the company has been recording double-digit growth over the past four years, the company's increase in revenue by nearly one fifth in constant currencies clearly exceeded our own expectations for the reporting year.

On the one hand, we benefited from a very healthy biopharma market environment: new medical drugs were approved at high rates; we saw indications expand for various existing biologics; and the initial signs of an accelerating biosimilars market began to appear. In addition, the trend towards single-use bioprocessing systems has continued unabated at our customers' drug manufacturing facilities.

Moreover, we once again succeeded in gaining market share, especially in North America, a region in which we have been underrepresented in the past. Over the reporting year, we generated more than 36% of our sales in this region, starting from 25% five years ago. In view of our product lines, all were up in the double digits, including those of our recent acquisitions, so expansion was very broad-based.

A key feature of our consumables-driven business model is that top-line growth results in an expansion of profitability. Driven by these economies of scale and the additional tailwind of the favorable currency environment in 2015, underlying EBITDA was up by more than 44%, and our margin surged to 26.2%.

Our profitable growth translated into a significant increase in our underlying earnings per share, which soared 59.5%, reaching €9.06. Based on these strong results, the Board of Directors will submit a proposal to the Annual General Shareholders' Meeting to raise dividends yet again, by 53.8% to €2.00 per share. After the price of our shares had steadily increased over the past years, they again outperformed the French stock market, gaining 119% in 2015.

Fiscal 2015 was characterized not only by financial success, however, but also by further operational achievements. As the further expansion of our portfolio is a key element of our total solutions provider strategy, we acquired two smaller companies. Both offer products and services for the development phases of bioprocesses. While BioOutsource specializes in contract testing services that are required particularly for the development of biosimilars, Cellca provides services for designing robust and efficient production processes. Besides offering great growth prospects on their own, both of these acquisitions offer promising synergy potential for our existing product portfolio.

We have also successfully progressed in our multi-year investment program, expanding membrane casting capacity at our Goettingen site in Germany, upgrading our bag production in Tunisia and Puerto Rico, and opening up a new application lab in the U.S. To keep up with our high growth rates, we have decided to even accelerate the progress of our multi-year investment program and started to prepare for the further expansion of our various production sites worldwide.

For 2016, we have set ourselves ambitious targets again. Specifically, we are aiming to increase our sales revenue by around 12% to 16% and to increase our operational profit margin by one percentage point, with both figures given in constant currencies. Our investments in global infrastructure and capacities are expected to result in a capex ratio in the range of 6% to 8%.

Furthermore, we have been reviewing and updating our targets for 2020 that were set a few years ago. In view of their successful achievement so far and our stronger-than-expected organic growth, we now expect that in 2020 sales revenue will reach about €1.5 to 1.6 billion in constant currencies. We further anticipate that the underlying EBITDA margin will attain about 29 to 30% in constant currencies, assuming that the companies we acquire in the future reach a similar profitability level as our existing business has done.

In this effort, our primary focus will remain on the biopharma market with its various submarkets. Biotech will continue to outperform the growing global pharma market, remaining the innovation engine of this industry. Providing our customers with cost-effective bioprocessing technologies will become even more essential as this market matures and the biosimilars market emerges.

This is why in 2016 and beyond, we will continue to challenge ourselves to come up with the right products, services and processes. We as the pioneer of single-use technologies aim to remain at the forefront in making our customers' biopharmaceutical production processes even more reliable and efficient in the future.

The success we achieved in 2015 shows the capabilities and the potential of our company and its employees. Therefore, I would like to thank our worldwide teams for their dedication, passion and accomplishments. I also appreciate the continued trust 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

Volker Niebel

Executive Vice President of Operations and IT

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

Joachim Kreuzburg

Chairman of the Board and
Chief Executive Officer

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

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.

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 120; SBF 250; CAC All SHARES; CAC MID & SMALL 190; CAC SMALL; CAC HEALTH CARE
Number of shares	15,367,238
thereof Sartorius AG	74.3%
thereof free float	25.7%
Voting rights	26,994,624
thereof Sartorius AG	84.6%
thereof free float	15.4%

[1] As of December 31, 2015

Share Markets Volatile on the Whole

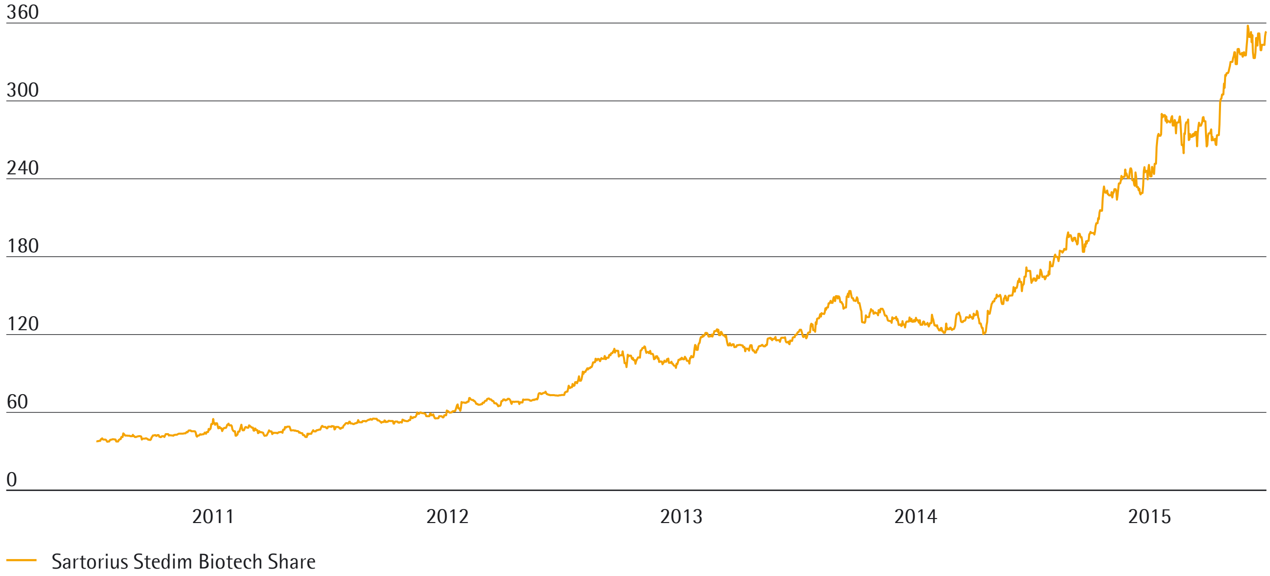
During the reporting year, the developments of the global stock markets were volatile on the whole. They were supported at the beginning of the year primarily by the ECB's expansive fiscal policy, but the remainder of the year was characterized by uncertainty over China's economic development and the extent and speed of the recovery of the U.S. economy. As a consequence, the SBF 120, for example, reached an all-time high of 4,143 points on April 27, 2015, but leveled off at 3,664 points at year-end, which represented an overall gain of 9.0% over the previous year. The industry-specific index NASDAQ Biotechnology reached a high of 4,166 points on July 20 and ended the year at 3,540. This equates to a gain of 11.4%.

Dynamic Share Price Development

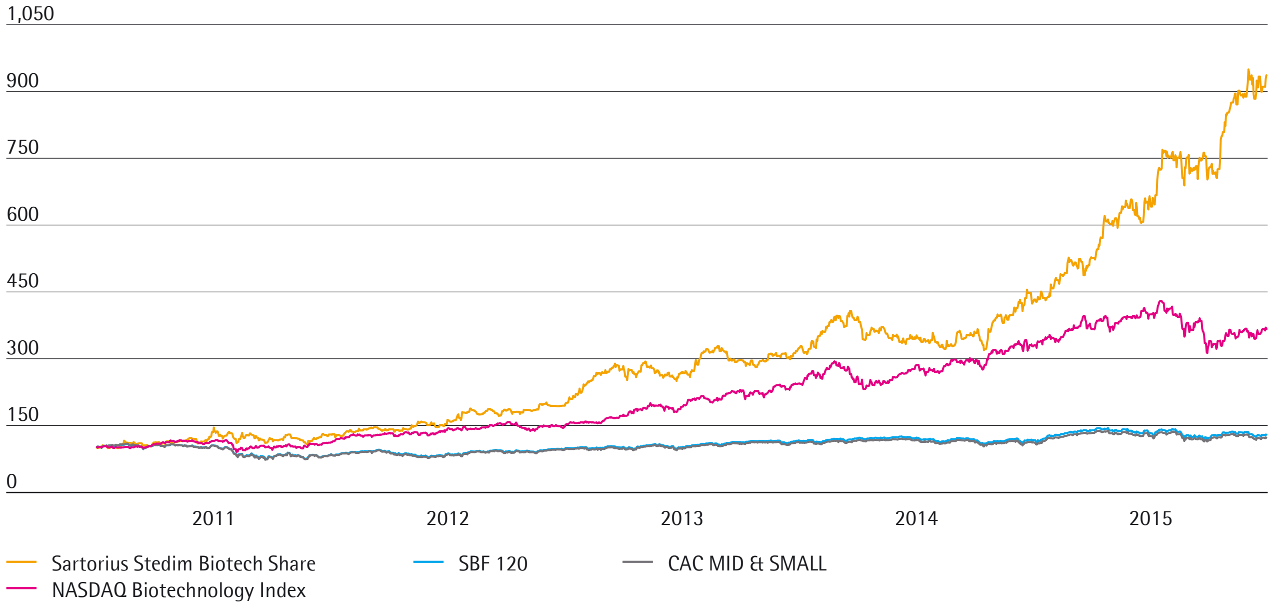
During 2015, the Sartorius Stedim Biotech share price showed a dynamic development and performed better than the French stock market as a whole. From a close of €161.30 at the end of 2014, the share price surged by 119.1%, reaching €353.40 at year-end 2015.

The share hit its lowest closing price for the year of €161.35 on January 5, 2015, and peaked on December 2, 2015, with €358.00.

Sartorius Stedim Biotech Share in €
January 1, 2011, to December 31, 2015



Sartorius Stedim Biotech Share in Comparison to the SBF 120, CAC MID & SMALL and NASDAQ Biotechnology Index (indexed)
January 1, 2011, to December 31, 2015



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 2015. Moreover, our management team was available to capital market participants at our sites in Goettingen and in Aubagne as well as at conferences and road shows for one-on-one meetings in international financial market centers such as London, Paris, Frankfurt am Main or New York. During the year under review, our communication focused in particular on explaining our current operating developments as well as our portfolio expansion in the wake of acquisitions.

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, five institutions regularly prepare reports and updates on Sartorius Stedim Biotech shares.

Research Coverage

Institute	Date	Recommendation
Société Générale	February 4, 2016	Buy
Equita	February 2, 2016	Hold
Gilbert Dupont	February 1, 2016	Add
Oddo Midcap	February 1, 2016	Buy
Portzamparc	February 1, 2016	Add

Key Figures for Sartorius Stedim Biotech Share

		2015	2014	2013	2012	2011
Share price[1] in €	Reporting date	353.40	161.30	121.85	73.40	49.00
	High	358.00	171.65	124.00	76.03	54.89
	Low	161.35	117.00	75.35	46.73	37.35
Dividends[2] in €		2.00	1.30	1.20	1.10	1.00
Total dividends paid[2] in millions of €		30.7	20.0	18.4	16.9	15.3
Payout ratio[3] in %		22.1	22.9	24.5	26.1	28.7
Dividend yield[4] in %		0.6	0.8	1.0	1.5	2.0
Market capitalization in millions of €		5,430.8	2,477.4	1,869.6	1,126.1	751.0
Average daily trading number of shares		7,353	7,014	9,011	7,464	7,435
Trading volume of shares in millions of €		485.2	243.8	237.8	106.1	85.2
CAC MID & SMALL (closing prices of the year)		11,054	9,354	8,629	6,812	5,652
SBF 120 (closing prices of the year)		3,664	3,360	3,337	2,793	2,397

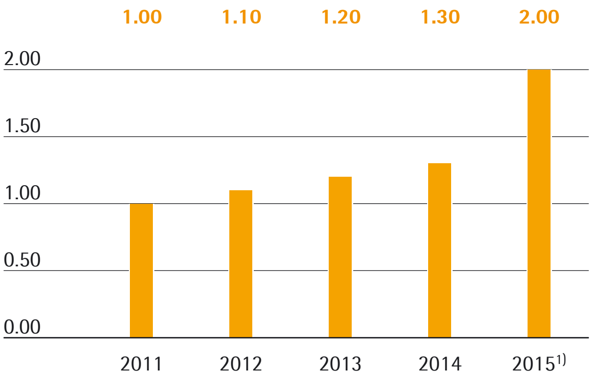
1) Daily closing price
2) For 2015, amounts suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting
3) Based on the underlying net result
4) Dividends in relation to the corresponding closing prices of the year
Sources: Euronext; Bloomberg

Dividends

Sartorius Stedim Biotech strives to enable its shareholders to participate adequately in the company's success and has continuously increased its dividend in recent years. In line with this objective, we basically follow the policy of paying out a relatively stable share of relevant net profit (see definition on page 224) to our shareholders.

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 5, 2016, to pay a dividend for fiscal 2015 of €2.00 per share from the net profit of €139.3 million. This would represent a gain of 53.8% over the previous year's figure of €1.30. Therefore, the total profit distributed would increase from €20.0 million a year ago to €30.7 million. The corresponding dividend payout ratio would be 22.1% compared to 22.9% in the previous year. In relation to the shares' closing price of €353.40 on December 31, 2015, the dividend yield would be 0.6% (previous year: 0.8%).

Dividends
in €



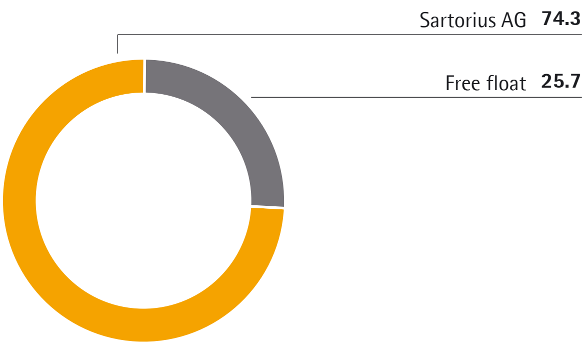
[1] Amount suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting

Shareholder Structure

Sartorius Stedim Biotech S.A.'s issued capital amounted to €15.4 million as of December 31, 2015, and is divided into 15,367,238 shares; each with a calculated par value of €1.00. As some of the shares convey double voting rights, there were a total of 26,994,624 voting rights as of the reporting date.

As of December 31, 2015, Sartorius AG holds 74.3% of the share capital and 84.6% of the outstanding voting rights. The remaining 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 4,000 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. The list of affiliates is shown on page 127.

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

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 10.

Organization and Management of the Group Changes in the Group Portfolio

The Sartorius Stedim Biotech Group is consistently organized by function worldwide. The company is therefore 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 Board of Directors of Sartorius Stedim Biotech S.A. is composed of ten members. Four of the non-executive Directors are members of the Groups Audit and Remuneration Committees. On an operating level the Group is managed by the four executive members. 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. Please see details of the Board of Directors in section "Corporate Governance".

Changes in the Group Portfolio

During the year 2015, Sartorius Stedim Biotech acquired the companies BioOutsource Ltd. and Cellca GmbH in April 2015 and July 2015, respectively.

Headquartered in Glasgow, UK, BioOutsource Ltd. specializes in contract testing services in bioanalytics and biosafety, and generated annual sales of approximately €9 million. Cellca GmbH, based in Laupheim, Germany, offers biopharmaceutical companies services in product development. Its annual sales revenue amounted to around €6 million. Both acquisitions provide complementary products and services to the portfolio of Sartorius Stedim Biotech and were each initially consolidated as of the transaction date.

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 sales revenue.

The key profitability measure is EBITDA adjusted for extraordinary items, i.e. underlying EBITDA, and the corresponding margin.. For a definition of this term and more information on its presentation, see Glossary and page 224.

Further important indicators include the ratio of net debt to underlying EBITDA as well as the capex ratio.

The following financial and non-financial indicators are also reported on a regular basis:

- Order intake
- Underlying net profit | Earnings per share
- Net profit | Earnings per share
- Equity 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 as well as a directional forecast for the ratio of net debt to underlying EBITDA is also 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 virtually all steps of their production processes and increasingly their process development. These encompass 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. For our customers, single-use products are an innovative alternative to conventional reusable stainless steel systems: they provide 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 rates. Its sales and distribution activities are carried out globally by its own field force. As our customers' manufacturing processes are validated by the respective authorities, product quality and assurance of supply are essential.

We see the leading market positions of Sartorius Stedim Biotech in process filtration, fluid management, fermentation and membrane chromatography as good stepping stones for sustained dynamic and profitable growth in the future. Besides realizing its organic growth potential, we also plans to continue expanding through complementary acquisitions and alliances.

Integrated Products and Services Along the Customer's Process Chain

Sartorius Stedim Biotech 2020 Strategy

In 2011, the Group developed its strategy and long-term targets for 2020 to achieve profitable growth. Assessment of Sartorius' performance nearly at the midpoint of this trajectory is positive. The company updated its financial plan for the first time at the beginning of 2016, raising both its sales revenue and profitability forecast for 2020.

In view of sales revenue, Sartorius Stedim Biotech has slightly increased its target for 2020 from around €1.5 billion to €1.5 - €1.6 billion, based on current exchange rates. Regarding the company's continued strong organic growth and its relatively small acquisitions, the increase in sales contributed by organic growth is expected to be higher from today's stance than had been projected in 2011, and the share of revenue generated by acquisitions is anticipated to be slightly lower.

Sartorius Stedim Biotech has substantially increased its profitability since the implementation of its 2020 strategy, improving its underlying EBITDA margin to 26.2% in the reporting year. The reasons for this better-than-expected development were higher economies of scale and positive currency effects. The company's underlying EBITDA margin is now expected to reach about 29% to 30% in constant currencies in 2020 instead of avout 28% formerly projected. This is assuming that the profitability of any future acquisitions would be at a level comparable to that of the existing business.

Sartorius Stedim Biotech's 2020 strategic plan is being implemented by various growth initiatives with the following areas of focus:

Regional Growth Initiatives

Regionally, North America and selected countries in Asia are at the focus of Sartorius' growth strategy.

North America is the world's largest market for the manufacture of biopharmaceuticals. Because this market is home to the main competitors of the Group, we historically had lower market share in this region than in Europe and Asia. Accordingly, Sartorius Stedim Biotech is striving to gain market share, primarily by strengthening its sales and service capacities and reorganizing its sales and distribution processes.

Our second regional focus is on Asia, especially on China, South Korea and India. These markets have tremendous potential and, by international comparison, are growing at higher-than-average rates. To participate in this momentum in the best possible way, we invested substantially in its Asian sales infrastructure as well.

Expansion of Product Portfolio

Concerning the further development of our portfolio, the 2020 strategy also provides for making acquisitions besides conducting our own R&D activities and entering into alliances. Such acquisitions will be primarily focused on adding complementary technologies and products that make the company's portfolio even more attractive from a customer perspective. We have strengthened our portfolio by five small- and medium-sized acquisitions since 2011: Lonza, TAP Biosystems, AllPure Technologies, Cellca, BioOutsource.

Infrastructure

Efficient business processes, a powerful IT infrastructure and sufficient production capacities are to constitute the backbone of our projected growth. Sartorius Stedim Biotech is increasingly using standardized business processes and is considerably extending its production capacities at various locations.

Sector Conditions

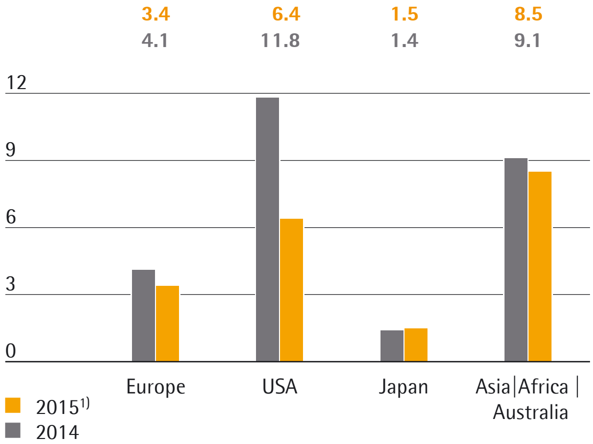
Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry, which makes its business particularly sensitive to the development of this industry.

Significant Growth in the Pharmaceutical Markets

The most important growth drivers in the global pharmaceutical industry remained unchanged during the reporting year: the world's steadily growing population, demographic change, improved access to health care in emerging markets in particular, and the availability of new medications. These positive factors were countered by austerity measures in healthcare systems and the expiration of patents.

According to the market research institute IMS Health, growth in the global pharmaceuticals market in 2015 was, at 6%, slightly above the long-term average of 5.4% (2009-14). As in previous years, the strongest growth dynamic was evident in the regions of Asia and Latin America, where conditions were favorable owing to the expansion of state-funded healthcare provision and higher out-of-the pocket spending. In the USA, the world's largest pharmaceutical market, growth normalized in comparison with the extraordinarily strong dynamic of the previous year, which was driven by a large number of new product approvals.

Growth of the Regional Pharma Markets
in %



[1)] Mid-point of forecast range

Source: IMS Health

Above-Average Growth in the Biotechnology Market

The market for pharmaceuticals manufactured using biotech methods has grown overproportionately within the world's pharmaceutical market for many years now, and enjoyed particularly dynamic development during the reporting year. This is primarily attributable to the launch of many new biopharmaceutical drugs as well as additional market penetration of existing medicines, in part through expanded indications. For instance, the high R&D productivity of the biotechnology sector led to almost twice as many new approvals in the USA in 2014 as in previous years. Overall, the proportion of sales revenue on the world's pharmaceutical market accounted for by medications manufactured using biotech methods grew from around 20% in 2012 to approximately 24% during the reporting year.

Biosimilars, which are biological copycat medications, played a minor role in the growth of the biotechnology market in 2015. Compared with the markets for biosimilars in Europe and Asia, the important U.S. market is still underdeveloped. However, here the industry recorded significant progress during the reporting year: five biosimilars have meanwhile been submitted to the U.S. health authority FDA for approval, and the first market authorization was granted on the basis of an abbreviated approval procedure.

Trend Towards Single-Use Systems in Biopharmaceutical Production Continues

Biotech production methods are much more complex and cost-intensive than traditional methods. Consequently, manufacturers and suppliers are continuously looking to develop more efficient production technologies. Single-use products play a decisive role in this effort, because they require significantly less capital expenditure, reduce costs for cleaning and validation, and minimize downtime. They also offer greater flexibility and help accelerate time to market. Thanks in particular to their cost-efficiency, single-use technologies have already become well established in a large number of process steps of the manufacture of medicines.

Continued Soft Demand in the Public Research Sector

Some of the demand for our laboratory products comes from public-sector research. According to the market observers Frost & Sullivan, public-sector spending during the reporting year lay only slightly above last year's levels, thus corresponding to the moderate growth of the world's economy overall.

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

Sources: IMS: IMS Health Market Prognosis, May 2015; Evaluate Pharma: World Preview 2015, Outlook to 2020, June 2015; Frost & Sullivan: 2015 Annual Report: Forecast and Analysis of the Global Market for Laboratory Products, November 2015; www.fda.gov; Citi Research: Biosimilars Real, Dangerous, Coming Soon, February 2015; Bernstein: Biosimilars Who is doing what?, November 2015.

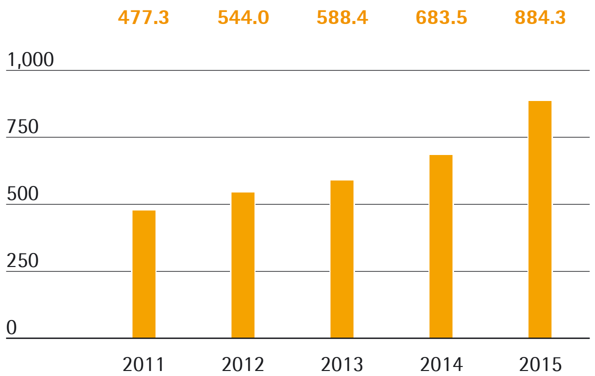
Group Business Development

Sales Revenue

In the reporting year, the Sartorius Stedim Biotech Group achieved double-digit growth rates yet again, which were significantly higher than projected at the beginning of the year. This development was driven by both stronger than expected growth of the biopharma market and market share gains.

Thus sales revenue rose by 19.4% in constant currencies to €844.3 million, surpassing our guidance issued at the outset of year of 4% to 7% in constant currencies. Including the effects from currencies, Sartorius Stedim Biotech sales revenues surged by 29.4%.

Sales Revenue 2011 to 2015
in € million

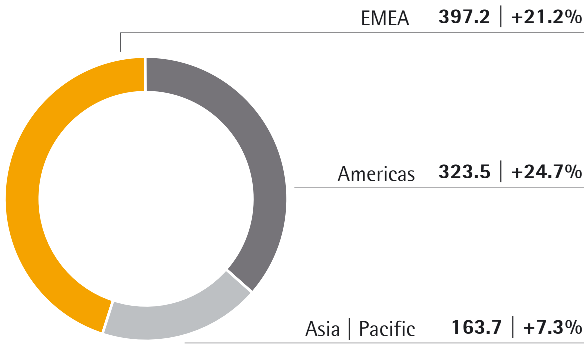


Sales Revenue and Order Intake

in € millions	2015	2014	Δ in % reported	Δ in % const. fx
Sales Revenue	884.3	683.5	29.4	19.4
Order Intake	946.4	722.1	31.1	21.1

All product segments contributed to this expansion, especially single-use technologies, such as filters and bags. BioOutsource Ltd. and Cellca GmbH acquired in the reporting year also developed very positively and contributed around 1.5 percentage points in constant currencies to sales revenue growth.

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



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

All following regional changes are in constant currencies, unless otherwise specified.

In 2015, all regions reported strong gains in sales revenue. The Americas and EMEA regions grew very dynamically in which we gained market share according to our estimates.

EMEA, which generated the highest share accounting for around 45% of sales revenue, reported a sharp increase in sales revenue of 21.2% to €397.2 million (reported +23.3% compared to €322.1 million). The Americas region, which represented around 37% of sales revenue, saw a strong upsurge of 24.7% to €323.5 million (reported +47.3% compared to €219.6 million). In the Asia | Pacific region, which accounted for around 18% of total sales, Sartorius Stedim Biotech recorded double-digit gains in order volume. Sales revenue for this region rose 7.3% to €163.7 million compared to a strong basis in 2014 (reported +15.5% compared to €141.8 million.

Development of Costs and Earnings

Sartorius Stedim Biotech adopted a slight change to its reporting structure of its results in fiscal 2015. Depreciation related to capitalized development costs are now shown within cost of sales. To ensure comparability, business figures for 2014 have been restated (see Consolidated Financial Statement and Notes).

In the reporting year, the cost of sales was at €432.5 million. This equates an underproportionate increase of 24.9% compared to sales revenue growth of 29.4%. The cost of sales ratio was 48.9% relative to 50.7% a year ago.

Functional costs for the Sartorius Stedim Biotech Group developed in fiscal 2015 as follows: Selling and distribution costs rose slower than sales by 15.8% to €167.2 million. The ratio of selling and distribution costs to sales revenue was 18.9% compared with 21.1% in the previous year.

Expenses for research and development rose in the reporting year by 21.7% to €41.5 million. This equates to 4.7% of sales revenue, compared with 5.0% in the prior year.

Concerning general administrative expenses, we reported a 26.5% increase to €48.9 million. The increase is inter alia attributable to the expansion of certain functions such as IT in connection with our 2020-strategy. In relation to sales revenue, general administrative expenses were at 5.5% relative to 5.7% in the previous year.

In fiscal 2015, the balance of other operating income and expenses was - €9.6 million relative to €0.2 million a year earlier. This change related amongst others to higher extraordinary items as well as currency-related hedging effects.

Overall, Group operating expenses rose 24.3% year over year. Accordingly, EBIT increased over-proportionately with respect to sales revenue by 53.4% to €184.5 million. The Group's EBIT margin was 20.9% (2014: 17.6%).

At - €14.9 million the financial result remained broadly at prior year level of - €15.3 million. In the reporting period, lower year-over-year interest expenses were compensated by higher fair value effects of hedging instruments and foreign currency loans.

Income taxes totaled €50.2 million (2014: €31.4 million). The company's tax rate was 29.6% after 29.9% in the year before.

In the reporting year, net profit attributable to share-holders of Sartorius Stedim Biotech S.A. was €118.0 million relative to €72.4 million a year earlier.

Statement of Profit or Loss

€ in millions	**2015**	2014[1]	in %
Sales revenue	884.3	683.5	29.4
Cost of sales	–432.5	–346.3	–24.9
Gross profit on sales	451.8	337.2	34.0
Selling and distribution costs	–167.2	–144.4	–15.8
Research and development costs	–41.5	–34.1	–21.7
General administrative expenses	–48.9	–38.7	–26.5
Other operating income and expenses	–9.6	0.2	n.m.
Earnings before interest and taxes (EBIT)	184.5	120.3	53.4
Financial income	2.9	2.4	18.4
Financial expenses	–17.7	–17.7	0.0
Financial result	–14.9	–15.3	2.7
Profit before tax	169.7	105.1	61.5
Income taxes	–50.2	–31.4	–59.9
Net result	119.5	73.7	62.2
Attributable to:			
Equity holders of SSB S.A.	118.0	72.4	62.9
Non-controlling interest	1.5	1.2	21.4

[1] restated; for more information please refer to the consolidated financial statements and notes on page 110

Earnings

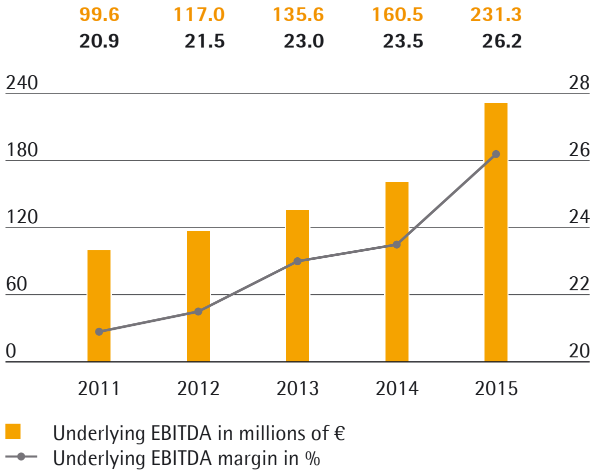
At the Sartorius Stedim Biotech Group, earnings before interest, taxes, depreciation and amortization (EBITDA) are used as the key profitability measure. To provide a complete and transparent presentation of the Group's profitability, we report earnings adjusted for extraordinary items (underlying EBITDA). For more information about definitions, please refer to the Glossary on page 224. The underlying presentation is reconciled with the EBITDA key indicator (see Glossary) as follows:

Reconciliation between EBIT and underlying EBITDA

€ in millions	**2015**	2014
EBIT	184.5	120.3
Extraordinary items	7.4	4.9
Amortization	39.4	35.3
Underlying EBITDA	231.3	160.5

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 44.2% to €231.3 million. The respective margin rose from 23.5% to 26.2%, exceeding our initial guidance of 24.0% to 24.5%. Currency effects added around 0.5 percentage points to this margin improvement.

Underlying EBITDA and margin[1)]

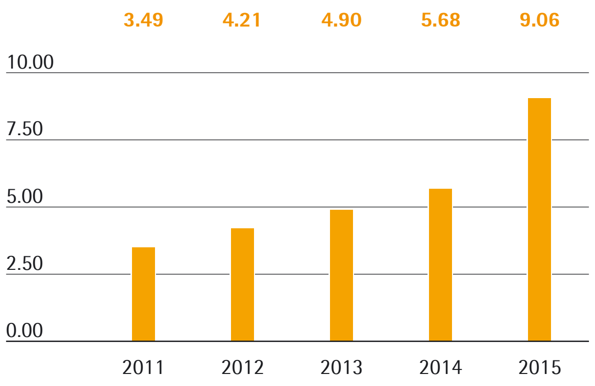


1) Adjusted for extraordinary items

Extraordinary items amounted to - €7.4 million (previous year - €4.9 million) and essentially related to various corporate projects and the integration of BioOutsource and Cellca. Including all extraordinary items, depreciation and amortization, the Group's EBIT (see Glossary) rose from €120.3 million to €184.5 million; its respective margin increased from 17.6% to 20.9%.

Underlying net profit after non-controlling interest for the Group surged from €87.2 million a year ago to €139.3 million in fiscal 2015. This profit figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization of €12.9 million (previous year: €10.8 million), and is based on the normalized financial result, as well as the corresponding tax effects for each of these items. The underlying earnings per share surged by 59.5% from €5.68 a year earlier to €9.06.

Underlying Earnings per Share[1)]
in €



1) Excluding extraordinary items

€ in millions	**2015**	2014
EBIT (operating result)	**184.5**	**120.3**
Extraordinary effects	7.4	4.9
Amortization | IFRS 3	12.9	10.8
Normalized financial result[1)]	**–6.6**	**–11.5**
Normalized income tax (2015: 29%, 2014: 29%)[2)]	–57.5	–36.1
Underlying net result	140.8	88.5
Non-controlling interest	–1.5	–1.2
Underlying net result after non-controlling interest	**139.3**	**87.2**
Underlying earnings per share (in €)	9.06	5.68

1) Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans
2) Underlying income tax, based on the underlying profit before taxes and non-cash amortization

See Glossary for the definitions of the totals listed above.

Appropriation of Profits

Sartorius Stedim Biotech strives to enable its shareholders to participate adequately in the company's success and has continuously increased its dividend in recent years. In line with this objective, we basically follow the policy of paying out a relatively stable share of the underlying net profit after non controlling interest (see definition on page 139) to our shareholders.

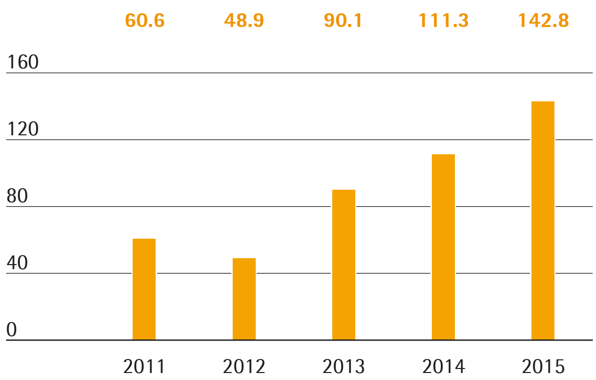
The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 5, 2016, for payment of a dividend of €2.00 per share for fiscal 2015, up from €1.30 in the previous year. The total profit distributed would accordingly increase by 53.9% from €20.0 million a year earlier to €30.7 million. The corresponding dividend payout ratio would be 22.1% compared to 22.9% in the previous year. In relation to the closing price of the share of €353.40 on December 31, 2015, this would result in a dividend yield of 0.6% (previous year 0.8%).

Net Worth and Financial Position

Cash Flow

The net cash flow from operating activities of the Sartorius Stedim Biotech Group increased substantially from €111.3 million to €142.8 million in the reporting period. This gain was essentially driven by higher earnings. Net working capital expanded at a slightly lower pace than sales revenues in fiscal 2015.

Net Cash Flow from Operating Activities
€ in millions



At €52.4 million, net cash flow from investing activities was higher than last year's figure of €42.5 million, as planned. This increase mainly reflects higher investments for the expansion of our production capacities.

Cash outflows of €53.9 million related to acquisitions in the reporting period were attributable to the purchase of BioOutsource Ltd. and Cellca GmbH.

Net cash outflow from investing activities and acquisitions thus amounted to €106.3 million compared with €46.8 million in 2014. Accordingly, the Group has again financed its entire investments and acquisitions from operating cash flows.

Net cash flow from financing activities of -€27.2 million essentially reflects the payment of dividends.

Cash Flow Statement
Summary

€ in millions	**2015**	2014
Net cash flow from operating activities	142.8	111.3
Net cash flow from investing activities and acquisitions	–106.3	–46.8
Net cash flow from financing activities	–27.2	–84.2
Cash and cash equivalents	31.8	18.5
Gross debt owed to banks	118.3	106.0
Net debt owed to banks	86.4	87.4

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased by €158.8 million to €1,066.1 million between year-end 2014 and the reporting date on December 31, 2015.

Non-current assets rose from €631.2 million in 2014 to €715.3 million in 2015, primarily due to the acquisitions made in the reporting year and investments in our production capacities.

Current assets grew from €276.2 million to €350.8 million. This increase was mainly driven by the aforementioned buildup in working capital and higher cash and cash equivalents compared to December 31, 2014.

Key Working Capital Figures
in days

		2015	2014
Rate of turnover for inventories			
Inventories / Sales revenue	x 360	60	58
Rate of turnover for receivables			
Trade receivables / Sales revenue	x 360	58	66
Rate of turnover for net working capital			
Net working capital[1)] / Sales revenue	x 360	77	81

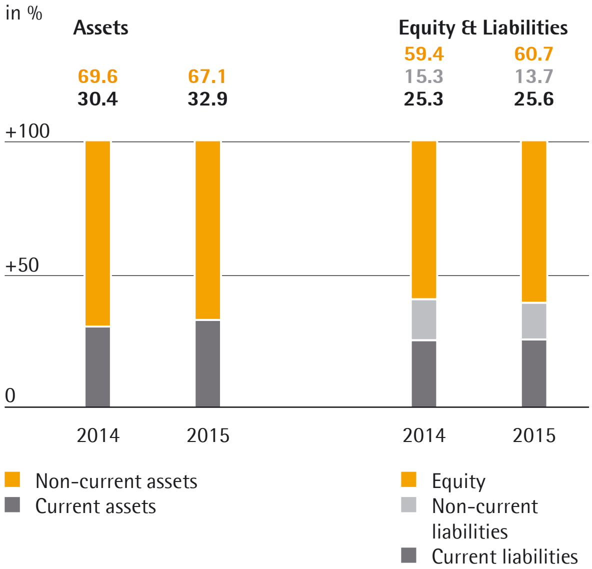
1) Sum of inventories and trade receivables less the trade payables

Driven by strong earnings, equity of the Sartorius Stedim Biotech Group grew from €539.1 million in 2014 to €647.2 million in 2015. Its equity ratio rose markedly to 60.7% (December 31, 2014: 59.4%).

Current and non-current liabilities were up by €50.7 million to reach €418.9 million. This mainly reflects the sales-led expansion of working capital and an increase of our gross debt.

Overall, gross debt was €118.3 million as of December 31, 2015, compared with €106.0 million for the year ended December 31, 2014. Net debt as of the reporting date was almost unchanged at €86.4 million relative to €87.4 million a year ago. This figure excludes the liability for the remaining purchase price for acquisitions amounting to €47.5 million in 2015.

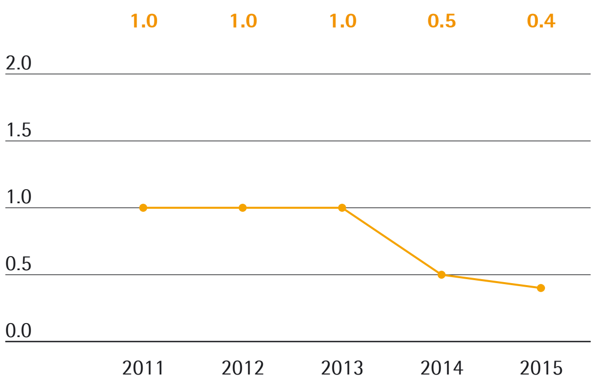
Balance Sheet Structure



Net Debt to Underlying EBITDA

Regarding the debt financing potential of the Sartorius Stedim Biotech Group, the ratio of net debt to underlying EBITDA represents a key management indicator. This ratio further improved from 0.5 to 0.4 for the year ended December 31, 2015, despite two acquisitions executed.

Ratio of Net Debt to Underlying EBITDA



1) The net debt excludes the liability for the remaining purchase price for acquisitions; 2015: €47.5 million, 2014: €42.8 million, 2013: €34.8 million, 2012: €34.2 million

Financing | Treasury

The Sartorius Stedim Biotech Group is financed on a long-term, well-diversified basis, which covers both its short-term cash requirements and its long-term strategy.

In December 2014 Sartorius AG has entered into a syndicated credit line agreement of €400 million with a maturity term that was extended in the reporting year to six years in total. Since then, Sartorius Stedim Biotech is using a credit line with a volume of €300 million that is provided by Sartorius AG (see page 151 for more information).

Furthermore, the Group has a long-term loan agreement with the Kreditanstalt für Wiederaufbau (KfW) for a current volume of €16 million relating to investments in production capacities. Moreover, we have diverse bilateral credit lines of approximately €36 million in total.

The above mentioned financing comprise 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 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, British pound and Swiss franc. 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 by about two-thirds for a period of up to 1.5 years ahead through suitable currency transactions.

Research and Development

The research and development activities of Sartorius Stedim Biotech encompass both in-house developments in 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 Stedim Biotech focuses in particular on the following technology areas: membranes, which are the core component of all types of filter products; various base technologies for a broad spectrum of applications in bioprocesses, such as single-use containers and sensors; and control technologies, for instance for fermentation. Moreover, we have extensive expertise in bioprocess application development.

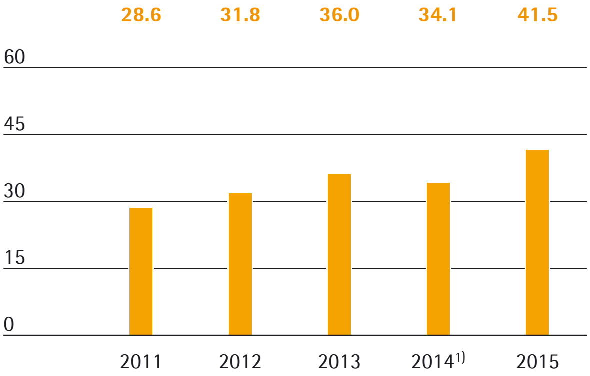
Our research and development activities have the goal of helping our customers continually optimize their processes and steadily increase their efficiency. Thus during the reporting year, one focus of our R&D activities was the development of a fermentation system with which up to eight small-volume single use bioreactors can be operated simultaneously. This multiparallel operation will enable our customers to significantly increase their process development productivity.

In the area of depth filtration, we are working on the development of a single-use solution for the preparation of cultures with low cell density. This solution is characterized in particular by ease of use and flexible scalability.

From a regional perspective, the largest R&D site is located in Goettingen, with other key R&D activities taking place in Aubagne, Guxhagen, Bangalore and Royston. Overall, our research and development activities are becoming increasingly international.

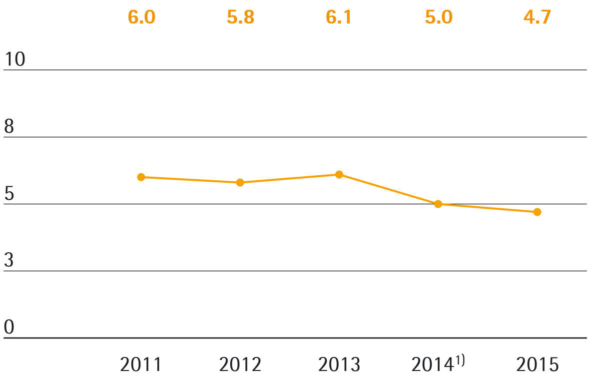
The Sartorius Stedim Biotech Group stepped up its research and development activities in the reporting year, increasing spending in this area by 21.7% to €41.5 million (previous year: €34.1 million). Our respective ratio of R&D costs to sales revenue was at 4.7% compared to 5.0% a year earlier.

Research & Development Costs
€ in millions



[1] adjusted; for more information please refer to the consolidated financial statements and notes on page 110

Research & Development Ratio
In % of sales revenue



[1] adjusted; for more information please refer to the consolidated financial statements and notes on page 110

The IFRS require that certain development costs be capitalized on the balance sheet and then amortized over subsequent years. In the reporting year, these development investments amounted to €8.2 million, down slightly from €8.4 million the year before. This amounts to a share of 16.4% (2014: 19.8%) of the Group's total R&D expenses. Depreciation related to capitalized development costs amounted to €5.2 million during the reporting period (2014: €6.4 million). These expenses are disclosed in the cost of sales.

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 2015 amounted to 95 compared to 125 in the previous year. As a result of the applications submitted in the past years, we were issued 183 patents and trademarks (previous year: 134). As of the balance sheet date, we had a total of 1,959 patents and trademarks in our portfolio (previous year: 1,811).

	2015	2014
Number of patent and trademark applications	95	125
Registered patents and trademarks	183	134

Products and Sales

The product portfolio of Sartorius Stedim Biotech covers virtually all steps in biopharmaceutical production processes, from media for cell cultivation to bioreactors in various sizes for cell propagation, filters for purifying cell material, and systems for the storage and transport of intermediate and finished products. We also offer an extensive range of services to support our customers in complying with stringent regulatory process requirements, including installation, maintenance and repair as well as validation and consulting activities and contract testing.

Acquisitions Expand the Process Development Product Range

So far, the product portfolio of Sartorius Stedim Biotech was primarily focussed on large-scale biopharmaceutical production processes. However, during the reporting year we expanded our offering in the area of process development through the acquisition of the two companies BioOutsource and Cellca.

The acquisition of BioOutsource now enables Sartorius Stedim Biotech to offer a broad spectrum of analytic services. These tests are used in the development of drug candidates, for instance in the characterization of and comparisons between reference and generic products, as well as in later production processes such as the release of batches of medications. BioOutsource's service offer is aimed especially at the strongly growing biosimilar industry.

We also strengthened our portfolio by acquiring Cellca, a company with a platform technology for biopharmaceutical companies that pursue in-house process development only partially or not at all. Its offer comprises the optimization of the expression system as well as cell line, media, and process development.

Together with our single-use products, cell culture media and small-volume bioreactors, we have now built up an attractive portfolio for process development and optimization especially for younger biopharma and biosimilar companies.

Portfolio Extended Further

In addition to extending the product portfolio during the reporting year through acquisitions, Sartorius Stedim Biotech launched new generations of existing product lines as well as new single-use technologies.

In 2014 we introduced single-use fermentation bags made from a newly developed polyethylene film, and extended the application spectrum of this film to bags for storage processes during the year under review. As a result, our customers only have to obtain validation for a single film material and can thus significantly reduce their validation time and costs. In addition, the new single-use bags are preconfigured for specific process steps and can therefore be used directly upon delivery.

During the reporting year, Sartorius Stedim Biotech also introduced a new single-use-based technology for clarification that offers an alternative to the traditional preparation of cultures using centrifuges. What used to be separate process steps can now be carried out in a single step with all the advantages of a single-use system, saving both time and money.

To expand our offer of process analytical tools (PAT), we concluded a development cooperation during the reporting year with EM-TEC, a company that specializes in non-invasive flow measurement. Their disposable sensors are used in a variety of biopharmaceutical process steps to determine the flow and mass of cell material, and enable critical parameters to be measured in real time without direct contact with the medium. This will allow our customers to automate and optimize their processes even more strongly than before.

Sales Activities Expanded

Sartorius Stedim Biotech markets its bioprocess product portfolio directly through its own field sales representatives. Sales activities for key accounts are coordinated and supported by global key account management. Moreover, sales and distribution activities in North America were stepped up during the reporting year in connection with the implementation of the 2020 strategy. We established a new applications center in Bohemia in 2015 following the opening of a new center in Shanghai the year before. These centers allow the presentation of all of the key products and complete solutions as well as demonstrations of a variety of different applications. Our customers also have the opportunity to simulate experiments or take part in training. We also formed a sales cooperation for membrane chromatography with GE Healthcare, the market leader in chromatography. We see this cooperation with GE as a good opportunity to establish our single-use solution on a broader base on the market as an attractive alternative to traditional reusable chromatography systems.

In 2014 the company began to introduce a new global CRM system to make its processes even more efficient, and during the reporting year this system was implemented in Europe.

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 fundamentally serves as a center of competence for particular technologies. The Group's biggest plant in Goettingen, for example, concentrates chiefly on the production of membrane filters, whereas 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 produces stainless steel units for these systems.

In response to its double-digit growth, Sartorius Stedim Biotech is making ongoing investments in the expansion of its production capacity as well as the optimization of its production processes. For instance, an additional casting machine for the production of filter membranes was commissioned at the Goettingen site, and in Yauco preparations were undertaken for the expansion of production. In addition, production turnaround times have been shortened at the three main bag production plants in Yauco, Aubagne and Mohamdia, and individual process steps have been decoupled. As a result, during the year under review we were able to improve delivery times for single-use bags despite very strong demand.

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 and societal commitment is one of our success factors.

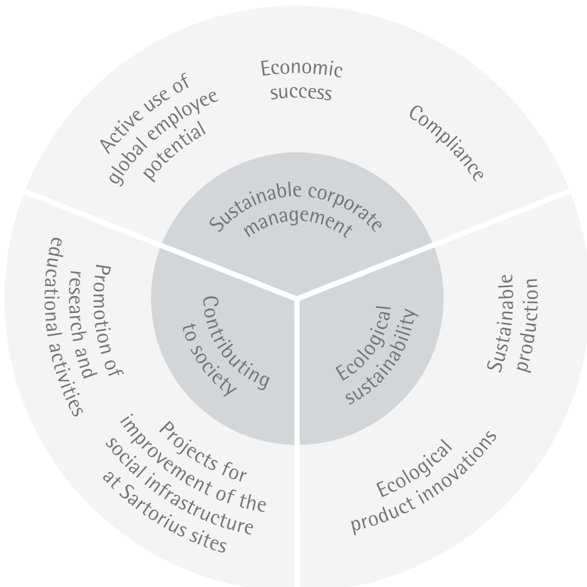
In line with this approach, we consider it essential to comply with legal and ethical standards, manufacture with ecological responsibility, and keep the environmental impacts in mind when developing product innovations. Likewise, our HR policy is aimed at preserving the rights and interests of employees 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 social, environmental and societal information and metrics in compliance with the French Grenelle II environmental law. The recommended Table of Concordance is shown on page 48 and the Statutory Auditor's Report starting with page 49. 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 latest acquisitions of BioOutsource and Cellca that together have 132 employees. The headcounts of these acquisitions are included only in the indicator "total headcount" and the subindicators "headcount by region" and "headcount by function". The Group figures thus represent over 97% of total headcount. The environmental indicators cover all our production sites in Aubagne, Bangalore, Goettingen, Guxhagen, Lourdes, Mohamdia, New Oxford, Royston, Stonehouse, Tagelswangen and Yauco, representing 84% 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;it is controlled and consolidated by the HR and EHS units at the largest Group site in Goettingen. Sartorius Stedim Biotech set up a process of continuous improvement of Group-wide recording, reporting and controlling of environmental and social 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 globally accepted ethical standards and in compliance with the national legal norms. Our actions are in line with good corporate governance and control, focusing on sustainable value added. These principles include 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 pages 85 to 96 of this Reference Document.

With our global compliance system we ensure that members of the executive bodies, managers and employees comply with all legal regulations and codes and act in accordance with our internal regulations. By systematically providing information, we prevent misconduct and avoid financial loss and damage to the company's image. Key principles of this system are our Code of Conduct and Anticorruption Code that are binding on all employees.

Our Code of Conduct and our Anticorruption Code serve as specific guides to our requirements regarding responsible actions on the part of our employees. These codes help them on the job each day to work in a legally correct, morally appropriate manner. In a training course that all employees worldwide attend, employees are schooled in the way to deal with morally or legally questionable situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to anonymously report any dubious conduct. Compliance is also a regular topic of our corporate audit program, which we conduct regularly with our international subsidiaries.

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, race, religion, age, disability, appearance, sexual preferences and identity, origin or political position and we expect our suppliers to apply the same standards. We respect the freedom of association and the right of any individual to be fairly represented by a labor organization of their choosing, pursuant to local laws.

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, for instance, compensation is paid according to the pay rates set by the trade unions, or even above, based on local performance-related components.

We require our suppliers and associates as our business partners to respect all applicable human rights laws and regulations, for example, by signing our Code of Conduct.

Encouraging Social Dialogue

As a fair and responsibly acting company, Sartorius Stedim Biotech maintains an open, constructive dialogue with its stakeholder groups. The topics of this dialogue also include sustainability issues that are of relevance to our stakeholders today and in the future.

In its dealings with customers, business partners and suppliers, Sartorius Stedim Biotech takes advantage of its close relationships, some of which have been maintained for years, to also discuss the standards that apply to sustainable corporate management.

Through regional and Group-wide employee surveys, we learn what our employees like about our company and where they see a need for improvement. We draw on the results to identify relevant issues and then implement specific measures at our local business sites.

With our investors, we also conduct a dialogue about environmental and social responsibility at such venues as road shows, investor conferences and our Capital Markets Day events.

Our country companies maintain good, neighborly relationships with nearby residents and government officials, finding out more about their interests and expectations about our business operations.

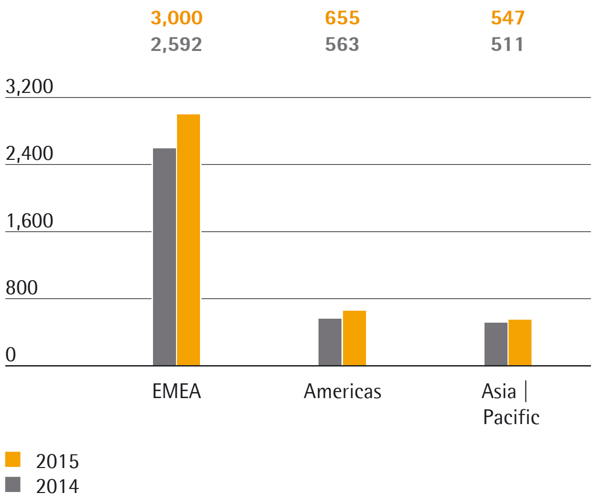
Employment

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.

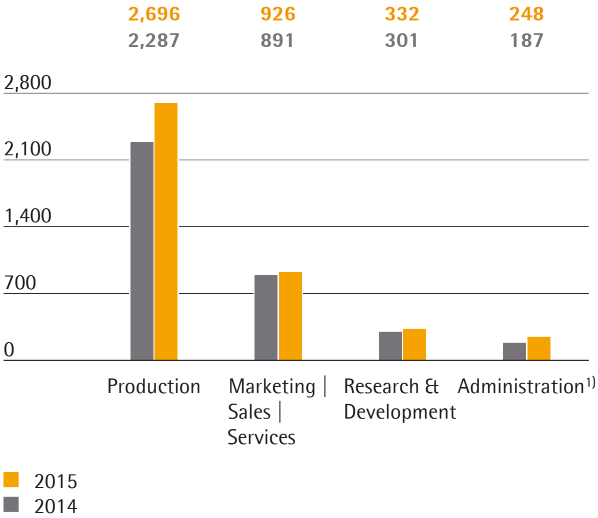
As of December 31, 2015, the Sartorius Stedim Biotech Group employed a total of 4,202 people, 536 more than in the previous year. Headcount increased by 14.6%. These figures also include the 132 employees from our two most recent acquisitions.

At 16.3%, the Americas recorded the highest increase in staff numbers, now accounting for 15.6% of the workforce. This is mainly due to first-time consolidation of AllPure and to recruitments in Puerto Rico. EMEA continued as the region with the highest number of employees, accounting for 71.4% of the workforce. A total of 3 percentage points of the 15.7% rise in the workforce was attributed to our two acquisitions during the reporting year with the remaining growth due primarily to the expansion of our production in France and Tunisia. Staff numbers in Asia | Pacific rose by 7.1%.

Employees by Region



Employees by Function

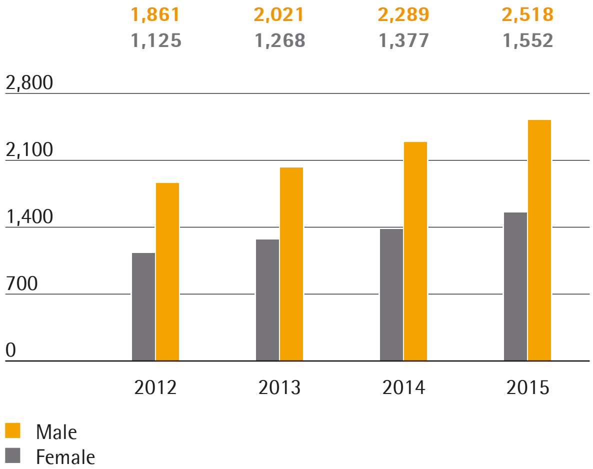


1) Excluding administrative functions performed by Sartorius Corporate Administration GmbH, which is not part of the Sartorius Stedim Biotech Group

When broken down by function, manufacture and areas directly related to production accounted for approximately two-thirds of our workforce. An increase of 17.9% is attributable primarily to the fact that Sartorius Stedim Biotech hired new employees at its production sites in Aubagne und Mohamdia in response to the good demand for disposable bags. 22.0% of the Group's employees worked in marketing and sales, a gain of 3.9%. A total of 7.9% of our staff worked in Research & Development in 2015, representing an increase of 10.3% that is partly due to the two acquisitions, since a majority of the employees in these companies work in R&D functions. Growth of 32.5% in administration is mainly attributable to the consolidation of the two most recent acquisitions, new hires in the Finance, IT and HR units in France and Germany, as well as to new staff recruited for supportive functions in Puerto Rico. During the reporting year, administrative employees had a 5.9% share in the total workforce.

The following analyses do not include the 132 employees of BioOutsource and Cellca.

Employees by Gender



Employees by Age

	2015		2014	
	number	**in %**	number	in %
16 –20 years	25	0.6	18	0.5
21 –30 years	1,012	24.9	844	23
31 –40 years	1,242	30.5	1,129	30.8
41 –50 years	996	24.5	964	26.3
51 –60 years	687	16.9	628	17.1
61 years and above	108	2.7	83	2.3

The proportion of women in the entire workforce increased by one-half of a percentage point and is 38.1%.

The average employee age slightly decreased from 40.0 to 39.5 years.

Employee benefits expense totaled €242.9 million in the reporting year, of which €196.8 million accounted for wages and salaries. For further details, please refer to page 130.

New Hires, Attrition Rates, Average Seniority and Absenteeism

	2015	2014
New Hires	852	504
Redundancies[1)]	52	43
Attrition Rate[2)] including expired fixed-term contracts in %	11.3	8.7
Attrition Rate[2)] excluding expired fixed-term contracts in %	7.0	5.6
Average Seniority in years	8.0	8.4
Absenteeism[3)] Rate in %	4.0	3.9

1) Redundancies are all company-driven dismissals or layoffs
2) Expresses the number of people leaving the company as a percentage of the average headcount (2015: 3,918), including retirements and other reasons for employees leaving the company
3) Excluding time lost due to maternity, parental and sabbatical leave; unpaid leave and extended sick leave of more than six weeks including weekends

The attrition rate, which expresses the number of people leaving the company as a percentage of the average head count, was at 11.3% in 2015. However, if expired fixed-term contracts are excluded, the rate only slightly increased from 5.6% to 7.0%. In general, turnover is subject to sizable regional differences: Europe, and especially Germany, traditionally have the lowest levels of fluctuation, whereas a change in employers is more common in Asia and turnover there is thus usually high. At Sartorius Stedim Biotech, too, the turnover at the Group's German sites is lowest at 2.6%, in France, attrition rate was 7.8%, both figures excluding expired fixed-term contracts. Yet in India, for instance, Sartorius Stedim Biotech was able to reduce turnover significantly in recent years through a variety of measures aimed at increasing employee loyalty and motivation, so that fluctuation have been more than halved from 15.5% in 2012 to 7.0% in 2015 (excluding expired fixed-term contracts).

The absenteeism rate, defined as the proportion of planned working time that is not worked due to general absences, is generally dependent on factors such as influenza waves. At Sartorius Stedim Biotech, absenteeism during the reporting year remained constant at 4.0%. The average number of days missed per employee due to illness slightly increased from 6.9 days in 2014 to 7.5 days in 2015.

Further Developing and Promoting the Potential of Employees

Professional development and promotion opportunities, as well as the assumption of project responsibility, play a key role in employee satisfaction. These steps enhance individuals' employability and create new professional opportunities for them. For us as a company, motivated, well-trained employees are a key factor in our success. The professional development program of Sartorius Stedim Biotech covers a broad range of topics. To help improve language and methodological skills, we provide all employees with a large number of advanced training and professional development opportunities offered in several different languages. Specialist training programs and targeted on-the-job courses teach necessary skills and knowledge. To meet the evolving needs of our employees and company, we refine the programs and modify them, both at a Group level and at a regional site level.

Annual performance reviews conducted for employees at all Group subsidiaries encourage individual and collective performance. These appraisals cover performance, review of targets and identification of development opportunities. Sartorius Stedim Biotech conducts them worldwide in accordance with uniform criteria.

When possible, Sartorius Stedim Biotech fills management vacancies 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. For experienced management staff, Sartorius Stedim Biotech provides a separate development program in line with our leadership guidelines 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.

By using our internal job center, employees can pursue their professional goals. In addition to management and specialist careers, the company continuously offers new challenging tasks that enable employees to join cross-departmental projects or make a horizontal transfer to a different position or area. After all, the company benefits from employees who think and act across departments and locations. Departments are actively supported in relocating staff.

At its sites in France, Tunisia, Puerto Rico, India and Germany, Sartorius Stedim Biotech provided 37,285.44 hours of training in 2015. This corresponds to an average of 12.4 hours of training per employee. The scope of training hours currently reported corresponds to 77.2% of total headcount.

Identifying and Training Talented Individuals

Sartorius Stedim Biotech is an interesting and attractive employer, a fact that is reflected in a relatively low turnover rate and average company service of eight years (see page 38). We continuously expand our personnel-related programs as a way of attracting, retaining and developing qualified employees. By taking this approach, we ensure the company will remain successful in the future even when faced with today's shortage of skilled workers.

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. Since 2015, students majoring in sales and marketing have had the opportunity to apply for a scholarship.

Diversity as an Opportunity

As an international company, we do business in the widest range of regions and markets in the world. Today, people from more than 60 countries work well together in our company. 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.

The number of posts held by women in the two tiers of management immediately below the Executive Board was 24.6% as of December 31, 2015 (2014: 25.2%). Sartorius Stedim Biotech aims to increase the proportion of women in managerial positions. In 2015, we defined targets for the proportion of women in management at the German legal entities to be achieved by June 30, 2017. The proportion of women in the first tier of management below the Executive Board is scheduled to increase from 15.0% (on the reporting date of June 30, 2015) to 25.0%, and in the second tier from 26.0% to 30.0%.

In 2015, Sartorius Stedim Biotech employed 96 people (2014: 96 people) who are registered as disabled – of this number, 21 work in France and 72 in Germany.

Freedom and Flexibility at Work

Generally, we set our employees demanding tasks, delegate responsibility at an early stage and give them the freedom to define their daily work schedule. An increasing number of sites respond to the wide range of employee needs and lifestyles by permitting the company's workers to flexibly set their work schedules. The options of flextime, part-time work and teleworking enable employees to create a good work-life balance. 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 234 (2014: 185), which equates to 5.8% of our total headcount (2014: 5.1%). 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.

A Trusting Relationship between Employer and Employee

One aspect of our corporate culture is that we regularly and promptly share information with our employees about our financial progress, strategic objectives and changes within the company. This information is disseminated in internal notices, newsletters and the company magazine, among other ways. Our country companies also comply with the national regulations governing the minimum reporting deadlines regarding changes to operations.

In France, Sartorius Stedim Biotech staff is represented by three employee councils; this also applies for the German sites. These employees' councils hold regular staff meetings. In 2015, 10 collective agreements were signed at the French sites, 12 at the German locations. They cover profit sharing, home office, equality between men and women, Employee Self-Services (ESS) and Manager Self-Services (MSS). At the Indian subsidiary, one collective agreement was signed that deals with manufacturing targets and vacation time, for instance. Regarding environmental, health and safety issues (EHS), this agreement refers to the company's safety policy and several insurance plans. In France, three collective agreements on health insurance were signed in the reporting year.

Occupational 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. In France and Germany, employees experiencing professional and personal problems can consult with an external support service at no charge. Vice presidents in Germany may take advantage of an annual medical checkup at a selected partner clinic.

Sartorius Stedim Biotech has a high safety standard to further reduce job-related medical conditions, risks to health and potential causes of industrial accidents. We draw on the standards of the International Labor Organization as well as on national regulations and recommendations. The job safety and occupational conditions are continuously improved. 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. Regular employee training on occupational health and safety, as well as on environmental protection, ensures that employees can recognize risks and avoid them.

Statistics on Accidents at Work

	2015	2014
Number of work accidents[1]	41	54
Number of days lost due to work accidents[2]	1,710	1,132
Frequency rate[3]	6.0	8.8
Severity rate[4]	250.5	184.0

[1] Excluding accidents that occurred during the employee's travel between home and work
[2] Measured in calendar days
[3] Represents the number of accidents per 1,000,000 theoretical working hours (theoretical working hours in 2015: 6,826 106.13)
[4] Represents the number of days lost through accidents per 1,000,000 theoretical working hours

While work-related accidents at our sites around the world dropped from 54 to 41, the absolute number of days lost due to work accidents at the same time increased compared with the previous year. This is mainly due to two reasons: Of the 41 accidents that occurred, only five, or 12.5%, resulted in more than 100 days of absence in each case. Although the latter did not involve major accidents, they caused approximately 889 days of absence. Furthermore, this increase is explained by the higher headcount; at 6.0, the frequency rate dropped well below the previous year's level of 8.8. Sartorius Stedim Biotech regularly analyzes accidents and derives preventive measures, also for use by other business sites.

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 page 40.

In the reporting year as well, 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

At Sartorius Stedim Biotech, an increasing number of subsidiaries apply for certification with international standards, thus continuously widening the scope. Currently, all our manufacturing sites are certified according to internationally recognized quality standards (ISO 9001), apart from Tagelswangen in Switzerland, which employs around 50 staff members. The legal entities Sartorius Stedim India, Sartorius Stedim Biotech in Goettingen and, since 2015, Sartorius Stedim FMT in Aubagne are certified under the international environmental management standard ISO 14001. On the whole, 61% of our manufacturing sites meet the requirements of the ISO 14001 International Standard. In addition, the subsidiaries in Lourdes, Mohamdia and Yauco are preparing for certification under ISO 14001. The two plants in Goettingen and the one in Guxhagen, where we manufacture equipment and systems for biopharmaceutical production, operate an energy management system that complies with ISO 50001. This equates to a coverage range of 44%. The management systems are reviewed each year by independent organizations. Supported by regular EHS meetings and briefings, EHS officers at our international sites ensure that the company complies with the relevant environmental laws, regulations and standards. The company's international Environmental, Health and Occupational Safety Steering Group gives recommendations 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. A high level of product quality and delivery reliability is critical for our customers in these strictly regulated industries. The company employs rigorous quality checks and advanced manufacturing methods and processes, such as cleanroom technology, to ensure that these products, when used as intended, comply with current Good Manufacturing Practices (cGMPs) and do not pose any risk to health or safety. Our 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). Detailed application brochures and our service team provide guidance to the customer on the correct use of our products. 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 entire product batches 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. Other greenhouse gas emissions that are created, for instance, in the manufacture of precursor products or through distribution (Scope 3) are analyzed only at our plant for single-use bags in Aubagne. Sartorius Stedim Biotech is considering the the options for gradually extending its reporting to include Scope 3 emissions that are difficult to track and to calculate.

Greenhouse gas emissions at Sartorius Stedim Biotech developed as follows in 2015.

Energy Consumption and Greenhouse Gases

	2015	2014
Total energy consumption (in MWh)	**89,237**	**71,231**
- of which electricity	42,746	39,323
- of which natural gas	43,059	29,119
- of which fuels[1)]	2,331	2,009
- of which other energy sources[2)]	1,101	780
Total Greenhouse Gas Emissions (in t CO_{2eq})[3)]	**24,107**	**20,837[4)]**
- Scope 1[5)]	9,556	6,966[4)]
- Scope 2	14,551	13,871
Key Indicators		
CO_{2eq}-Emissions per employee (in t)	7.4	6.9[4)]
CO_{2eq}-Emissions per sales revenue (in t/Mio. €)	27.3	30.5[4)]

1) Data range covers diesel consumption for electricity generators
2) Including liquid gas
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) Adjusted
5) Excluding fuel consumption for car fleet

Electricity and natural gas are the main energy sources representing more than 95% of the total energy consumption. At our Goettingen site, we produce our own electricity and heat using two combined heat and power plants, but we purchase most of our electricity from suppliers. The largest amount of energy consumed outside the organization is linked to the transport of products and materials. Added to this is the energy used during business trips and employee commuting. These uses are included in Scope 3 and are not currently recorded.

Scope 2 emissions generated by the use of electricity at Sartorius Stedim Biotech make up two-thirds of climate-relevant emissions. One-third of these emissions primarily result from the use of fossil fuels (Scope 1). Natural gas is the largest source of primary energy in the company. The mix of secondary energy sources varies among the particular regions where we do business. Where available, we consider the specific conversion values from our suppliers; in other cases, we use country-specific conversion values.

The amount of total carbon emissions released in solvent emissions, which occur mainly in filter manufacturing at the Goettingen and Yauco sites, was about 40.6 metric tons in the reporting year (2014: 51.6 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. In addition, it makes business sense to efficiently use energy. The company's largest location, Goettingen, is responsible for about 76% of our total energy usage. It is the focal point of our efforts and serves as a pacesetter at the company. By employing state-of-the-art technology, such as two energy-efficient combined heat and power plants and a compressed air center for controlling and regulating production equipment, Sartorius Stedim Biotech lowers its carbon dioxide emissions by about 6,000 tons each year. Smart control systems facilitate energy savings of up to 1,300 MWh each year. The company's energy management system facilitates systematic identification of additional energy savings potential.

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 a small part of our energy requirements on site from solar energy. Furthermore, at our factories in Gux-hagen and Tagelswangen, we source some of our energy needs from the local photovoltaic plant and use geothermal energy.

Sartorius reduces environmentally harmful transport distances by supplying the respective market directly from the company's own production sites to the greatest degree possible. When feasible and reasonable, we use environmentally conscious means of transport like ships and trains. Sartorius lowers the amount of energy used for business trips by taking such steps as increasing the use of video conferences.

The success of these and other eco-friendly measures is reflected in the company's overall energy consumption and greenhouse gas emissions, which have increased at a much lower rate over the last few years than the company's expansion in terms of sales revenue.

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 2014 roughly corresponds to the values obtained in the previous year. The main source of emissions is freight transport, which accounts for 29% of our environmental footprint at the Aubagne site. The impact of incoming raw materials represents 22% of our emissions; business and work-related travel by employees, 20%; buildings, 10%; and packaging, 9%. 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 commuting plan to encourage carpooling and public transportation, among other measures.

Sustainable Use of Water Resources

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. Based on the low water usage 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

	2015	2014
Water consumption (in cbm)	336,917	299,596
Water consumption per employee (in cbm)	103	100
Wastewater (Biological Oxygen Demand-BOD)[1] (in t)	243	201

[1] Contaminated wastewater only; without sanitary wastewater

Water is primarily drawn from public sources. Sartorius Stedim Biotech also uses surface water. The amount of wastewater discharged into public sewage systems roughly corresponds to total water consumption, plus rainwater drainage. The biochemical oxygen demand is determined for production wastewater classified as significant. This figure identifies the amount of dissolved oxygen needed to break down organic material present in wastewater.

Use of Raw Materials According to Legal Regulations

Sartorius Stedim Biotech tests the safety of all raw materials used to ensure they comply with environmental protection and occupational safety regulations. In Europe, these include the 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"). Most of the respective international standards are comparable to these European regulations. 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 2015, Sartorius Stedim Biotech purchased 4,325 metric tons of chemicals and solvents (2014: 3,448 metric tons) and 1,467 metric tons of polymers, 310 metric tons more than in 2014. The amount of purchased stainless steel, which is reported for the first time, totaled 25,870 metric tons in 2015. 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. Although the Global EHS policy provides guidelines, it does not specify any targets to be met by the local sites. The latter are requested to develop appropriate measures according to the national legal requirements and options as well as internal policy. Particular efforts have been made to share best practices as exemplified by the Goettingen site.

Amount of Waste

	2015	2014
Total amount of waste (in t)	**3,471**	**2,812**
- of which waste for recycling	1,712	1,461
- of which waste for disposal	1,759	1,351
Waste per employee (in t)	1.06	0.93
Recycling rate (in %)	49	52

Regarding plant-based solvents, the Goettingen site made significant improvements during the past years, for instance. The solvents that are used in our manufacture of membranes for filter cartridges are recovered and recycled in a solvent reprocessing plant on site. Afterwards, they are 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. The Goettingen facility accounts for most of our solvent usage. 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 for the pharmaceutical industry, Sartorius Stedim Biotech is currently prohibited by regulatory requirements from using recycled plastics on the grounds of product safety. In Germany, we consistently employ special waste disposal companies that send plastic waste for recycling or have it disposed of in an environmentally responsible way. In France, energy-rich, but composite, plastic waste resulting from our bag manufacture is reused to generate energy by incineration in a special power plant. A large proportion of polymer waste is separated and collected according to type of material, such as polyamide and polyethylene, for recycling as secondary materials.

Sartorius Stedim Biotech complies with the European Directive on Waste from Electrical and Electronic Equipment (WEEE).

At our sites in Germany, where about 43% of total waste is produced, we have been using an electronic signature for hazardous materials, such as acids 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.

Sartorius Stedim Biotech primarily disposes of waste in the countries where such waste is created. Exceptions to this principle are only made in justified cases. For instance, the Mohamdia site sends a small part of its waste to Aubagne to be disposed properly.

Environmentally Friendly Expansion of the Group's Infrastructure

We invest continuously in new plants and plant expansions to accommodate our constant growth. In the process, 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 nature reserves 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. As part of the expansion of the Goettingen site, we are seeking to gain certification from the German Sustainable Building Council.

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. We reduce the amount of packaging and increase the share of environmentally friendly raw materials when such steps do not affect the safety and functionality of products and packaging. Sartorius Stedim Biotech also works with partners from industry and the scientific community on sustainable product solutions and efficient use of raw materials.

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. 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 made by our R&D specialists to the Sartopore Platinum membrane filter series slashed 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 has been operating 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 additionally 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.

Shaping the Regional Environment

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 45,000 inhabitants, we provide attractive long-term jobs for more than 700 people, an increase of around 22% compared with 2014. 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 250 jobs in the industrial sector are provided at the production site for single-use bags in Mohamdia, Tunisia. Our expanded Yauco plant provides employment for around 380 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 1,178 people, Sartorius Stedim Biotech is among the large private employers in the university city of Goettingen and also a major force in the local economy of the rural German region surrounding nearby Guxhagen.

Our local subsidiaries are involved alongside representatives from city councils, the industrial and social communities in initiatives to strengthen the competitiveness of their respective regions. Here, we focus on areas such as infrastructure, logistics, environmental protection and education that are directly or indirectly affected by our business activities. Our corporate values of sustainability, openness and enjoyment guide us, also in our relationships with various local stakeholders. We remain a reliable partner for regional organizations. As part of our policy to maintain a constructive, open dialogue with the communities in which we are based, we inform them promptly and comprehensively about all our activities and developments that could affect them. We also involve them in our projects, where possible and expedient. For example, in 2015 Sartorius Stedim Biotech worked in close cooperation with the city of Goettingen and the local employment agency to employ nine refugees as trainees, offering them specific and practical prospects for integration into the German community. We have subsequently provided the majority of these interns with opportunities for further qualification and with jobs. A few examples of projects funded in Yauco in the reporting year are highlighted below.

Our local company in Puerto Rico has been cooperating with more than ten local schools, and awards around 20 scholarships per year to especially talented students from low-income families. Visits to the company are intended to further motivate them to take up vocational training or start their university studies. Sartorius Stedim Biotech sponsors various youth sports teams and other local sports activities. In addition, the company supports two local organizations that take care of the homeless in Yauco.

Alongside its commitment to the regional community, Sartorius Stedim Biotech has also been contributing to international charitable organizations as part of its initiative "Christmas Donations Instead of Gifts" since 2014. In the reporting year, the company donated €50,000 to the globally active medical aid organization “action medeor” to provide healthcare to people in refugee camps in northern Iraq. In 2014, AFM-TÉLÉTHON received a donation to conduct research on rare neuromuscular diseases and to develop genetic and stem-cell therapies as promising cures.

Sartorius Stedim Biotech is politically independent and does not support any politicians or political parties, nor does it finance them or make any contributions to them in kind.

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

As a partner of the pharmaceutical and biopharmaceutical industries, Sartorius Stedim Biotech regularly contributes to symposia, conventions and annual conferences, which cover subjects such as the development of antibodies and vaccines, single-use systems and microbiological analysis. We support, 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) and various regional ISPE and PDA conventions.

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. We exclude any existing or new suppliers for which we detect a substantial risk that they might engage in child labor, or forced or compulsory labor, commit any other violations of human rights or have any negative impacts on our company. We have established our requirements in a Code of Conduct for Suppliers, which we send to all suppliers and service providers. Our major suppliers are required to sign written confirmation acknowledging their commitment to comply with the Code of Conduct for Suppliers. Moreover, compliance topics are part of annual supplier performance reviews and are additionally monitored in part by regular quality audits. 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 nearly 100% in some cases, such as for filter membranes. Regarding trading goods, Sartorius Stedim Biotech spent €53.9 million in the reporting year, mainly for supplies sourced from companies based in Europe and the U.S. This equates to a rate of just under 6.1% of sales revenue.

Table of Concordance

Grenelle II - French Decree of April 24, 2012	Page
Sustainable Corporate Management	
Sustainability policy	34, 35
Scope of reporting	34
Methodological notes	34
Attestation with regard to the exhaustiveness and fairness of information	50
Social Information	
Employment	
- Total workforce and breakdown by region, function, gender and age	36, 37
- New hires and redundancies	38
- Compensation; benefits expense	35, 37
Work Organization	
– Organization of working time	39, 40
- Absenteeism	38
Social Relations	
- Organization of social dialogue	36, 40
- Outcome of collective agreements	40
Health & Safety	
- Health and safety conditions at work	40
- Agreements signed regarding occupational health and safety	40
- Work accidents	40
Training & People Development	
- Policies implemented regarding people development	38, 39
- Training hours and costs	39
Equal Treatment	
- Gender equality	39
- Employment of people with disabilities	39
- Policy against discrimination	35
Promotion & Compliance with the Provisions of the ILO Conventions	
- Compliance with freedom of association and the right of collective bargaining	35, 40
- Elimination of discrimination with respect to employment and occupation	35, 47
- Elimination of forced and compulsory labor	35, 47
- Abolition of child labor	35, 47
Environmental Information	
General Environmental Policy	
- Environment-related assessment and certificates	49
- Training for employees on EHS issues	39
- Provisions for environmental risks	41
Pollution and Waste Management	
- Emissions into the air	42, 44
- Waste prevention, recycling and reduction measures	44
- Noise pollution	45
Sustainable Use of Resources	
- Water consumption	43
- Raw materials and measures undertaken to improve efficiency of their usage	43, 44, 45
- Total energy consumption and breakdown by electricity, natural gas and fuel	42
- Land use	45
Climate Change	
- Greenhouse gas emissions	42
Biodiversity Protection	
- Impact on biodiversity	44, 45
Societal Information	
Territorial, Economic and Social Impacts of the Company's Activities	
- Impact on employment and regional development	46, 47
- Impact on neighboring communities	46, 47
Relations Maintained with Stakeholders	
- Conditions for dialogue with stakeholders	36, 40
- Philanthrophic or sponsorship activities	46, 47
Subcontractors and Suppliers	
- Integration of social and environmental stakes into the company's purchasing policy	35, 47
- Importance of subcontracting and integration of CSR into relationships with suppliers and subcontractors	47
Fair Operating Practices	
- Actions implemented to prevent corruption	35, 47
- Measures implemented to promote health and safety of consumers	40
Other Activities in Support of Human Rights	35

Statutory Auditors' Report – Sustainability report

Report by one of the Statutory Auditors, appointed as independent third party (parties), on the consolidated human resources, environmental and social information included in the management report

This is a free English translation of the Statutory Auditors' 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 standards applicable in France.

For the year ended December 31st 2015

To the Shareholders,

In our capacity as Statutory Auditors of Sartorius Stedim Biotech, (the "Company"), appointed as independent third party (parties) and certified by COFRAC under number(s) 3-1048[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31st, 2015 included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor(s)'s responsibility

On the basis of our work, our responsibility is to:
- 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);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work was carried out by a team of four persons between December 2015 and February 2016 and lasted around three weeks. We were assisted in our work by our experts in corporate social responsibility.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. Attestation of completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided 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.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the management report.

Conclusion

Based on this work and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted approximately twenty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate ;

- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[3]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

- at the level of a representative sample of entities[4] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 44% of the headcount and between 43% and 98% of quantitative environmental data.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

[1] Whose scope is available at www.cofrac.fr
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information
[3] Quantitative : Total number of employees at the end of the year, New Hires, Redundancies, Number of part-time employees, Absenteeism rate, Number of work-related accidents (including commuting accidents), Number of days lost due to work accidents, Frequency rate, Severity rate, Total Number of training hours, Wastewater, Quantity of waste for recycling, Quantity of waste for disposal, Recyling rate (%), Water consumption in m^3, Purchase of chemicals and solvents, Purchase of polymers, Energy consumption in MWh (electricity, natural gas, fuels), Total greenhousegas emissions (scope 1 and 2).
Qualitative : Encouraging Social Dialogue, High Standards in Quality and Environmental Protection, Information related to the code of conduct, Return of recyclable materials, Supporting Regional Employment and Development.
[4] Sartorius Stedim System GmbH, Sartorius Stedim Bioprocess SARL Sartorius Automation Ltd.

Neuilly-sur-Seine, February 19, 2016

One of the statutory auditors,
DELOITTE & ASSOCIES

Christophe Perrau Partner	Julien Rivals Partner, 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 organizational 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 we describe 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 subsegments 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 54.

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 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 jeopardize the future of the company.

Risk Management System and Risk Reporting

At the heart of the risk management system is the Sartorius Group 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 in the risk categories subsequently described establishes the rules for the ongoing review of and information on the risk situation. 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 and estimated as involving €2.5 million or higher, 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 that we classify within these main categories, such as supply chain risks, sales and distribution risks, and quality risks.

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.

For the purposes of this report, we have assessed the probability of the risks as shown below and, in the adjacent columns, classify their particular significance for the entire Group.

Probability of occurrence	
Low	< 5%
Medium	5%-20%
High	> 20%

Significance in thousands of €	Impact on Earnings*	Impact on Assets*
Of limited significance	< 1,000	< 5,000
Significant	> 1,000	> 5,000

Explanation of Principal Risks and Opportunities

General and Macroeconomic Risks and Opportunities

Business Cycle Risks

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.

If economic developments prove more positive than expected, this, in turn, can additionally stimulate stronger growth for Lab Products & Services.

General Risks

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 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 workflow 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, as well as obligatory minimum purchase quantities that may result in claims for compensation if we do not reach such quantities. Our global supply chain management system reduces these risks by enabling us to monitor and control procurement activities. Moreover, we conduct regular supplier reviews and also use early warning systems. 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 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 manufacturing 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 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 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 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, or their 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 standards and high regulatory 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 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 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 products with an especially high level of innovation. In areas such as membrane technology and fermentation 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 research and educational institutions of the public sector. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. 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.

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 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 Merck|Millipore and Danaher|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 probability of new competitors emerging within the short term as low. Furthermore, our global presence significantly mitigates individual regional risks.

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

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 these 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 required. 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 on 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 Group as a whole or for individual Group companies.

Personnel Risks and Opportunities

As an innovative technology group, Sartorius Stedim Biotech employs a large number of highly qualified people. 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 Group as a whole. Opportunities for Sartorius Stedim Biotech primarily arise in that it can further qualify its staff by offering its own training courses and retain such staff over the long term, thus covering company needs for qualified personnel particularly well.

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 if necessary 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 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, likewise in a foreign currency – and use derivative financial instruments for hedging. These instruments are primarily spot, forward and swap transactions, on the basis of current and anticipated net currency exposure and foreign currency levels. In individual cases, target redemption forwards are used to optimize exchange rates. We make it a policy to hedge up to 70% of our exposure in advance for the following 18 months. Due to the historic exchange rate lows, we extended our hedges for the U.S. dollar for up to 36 months in the reporting year. Hedging transactions are set up by one group of staff and monitored by another, separate group (see consolidated financial statements p 148).

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 (see consolidated financial statements p 150).

.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. For this purpose, we use various long- and short-term financial instruments.

The term of the syndicated loan agreement was extended by one further year until the end of 2020. Subsidiaries continue to be financed primarily through financing contracts within the Group.

For short-term liquidity procurement, we also employ various instruments. 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 (see consolidated financial statements p 150).

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 a number of 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 has been successively rolled out to the Group sites around the world since 2015. This ERP system was successfully commissioned in 2015 in North America. 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 Group as a whole.

Process Risks

Process risks for Sartorius Stedim Biotech can arise from pending or forthcoming legal disputes or from administrative proceedings. All judicial or extrajudicial disputes are attended to the company's own legal experts, who engage external lawyers as needed.

At present, there are no pending or discernible legal disputes or proceedings that lack any cost coverage allowances in the statement of financial position or that could have a substantial negative impact on Group.

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, property damage, 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 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 Group as a whole or for individual Group companies.

Risk Category	Probability of Occurrence	Significance
General and macroeconomic risks		
Business cycle risks	Medium	Significant
General risks	Low	Significant
Supply chain risks		
Procurement risks	Low	Of limited significance
Produktion risks	Low	Significant
Sales and distribution risks	Medium	Significant
Quality risks	Low	Significant
R&D risks	Low	Significant
Customer risks	Low	Of limited significance
Competitive risks	Low	Of limited significance
Akquisition risks	Low	Significant
Personnel risks	Low	Of limited significance
Financial risks		
Risks associated with Group accounting	Low	Of limited significance
Exchange rate risks	Medium	Significant
Interest rate risks	Medium	Significant
Liquidity risks	Low	Significant
Regulatory risks	Low	Of limited significance
Environmental risks	Low	Of limited significance
IT risks	Low	Significant
Process risks	Low	Of limited significance

For the purposes of this report, we have assessed the probability of occurence for the risks as shown below and, in the adjacent columns, classify their particular significance for the entire Group. 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

Solid Prospects in the Pharmaceutical Industry

The future of the global pharmaceutical industry continues to be driven in large part by the constantly expanding and aging global population, increasing access to healthcare in the emerging and developing countries, and the development of new medicines, particularly for diseases that are currently difficult to treat. However, the expiration of patents and austerity measures to restrict healthcare spending, in particular in industrialized countries, trend to slow growth in the industry. Market researchers at IMS Health are forecasting overall growth of between 4% and 7% for the global pharmaceutical industry during the period 2015 to 2020.

The U.S. pharmaceutical market – the world's largest – is expected to grow at a rate of 5% to 8% on average during the period 2015 to 2020. Expansion will be driven principally by new, innovative medications, a fading influence from expiring patents, and the expansion of state health insurance.

Growth in the European pharmaceutical market is likely to remain moderate over the next few years as continuing austerity measures affect its national healthcare systems. Thus, average growth of between 1% and 4% is projected for the region until 2020. Expansion in the emerging economies (including China, India, Brazil and Russia), in contrast, will remain above average at around 7% to 10% per annum from 2015 - 2020 owing to demographic trends, rising levels of state investment in healthcare systems and increased private spending.

Biotech Sector Enjoys Above-Average Growth

Experts forecast that the biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, will continue to outperform the market: the proportion of sales revenue accounted for by medications and vaccines manufactured using biotech methods is expected to rise from currently around 24% to approximately 27% in 2020.

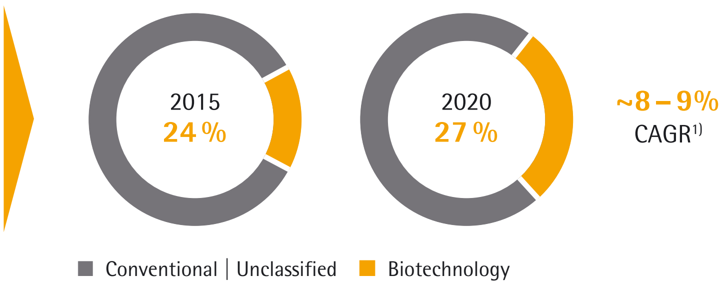
This ongoing overproportionate growth will be driven largely by the increasing market penetration of already approved biopharmaceuticals and an expansion in the range of indications. However, this comparatively young segment also has great innovative power, as reflected in strong research and development pipelines. Overall, around 40% of the medications in these pipelines are based on biological manufacturing processes.

The great innovative power of the biotechnology sector, particularly in recent years, can also be seen in the rising number of new product approvals: the number of newly approved biological medications in the USA during the last five years is around 50% higher than the number of approvals from the period 2006 to 2010.

On the whole, the market observer Evaluate Pharma estimates that growth in the global biotechnology market will average 8% to 9% per year during the years 2015 to 2020.

Biopharma: A Growing Market

- Growing & aging population
- Increasing access to healthcare
- Strong R&D pipelines
- Emerging biosimilars market



1) Evaluate Pharma®: World Preview 2015, Outlook to 2020; June 2015; CAGR 2014 to 2020

Since a number of medications manufactured using biotech methods are due to lose their patent protection over the next few years, experts forecast that the market for biosimilars will post strong growth. Currently, more than 200 companies are working around the world on more than 700 projects for the development of biotech copycat medicines. However, regulatory, patent- and marketing-related uncertainties are making it difficult to predict the market launch of these drugs accurately. The market share of biosimilars is currently still very small, but experts estimate that by the year 2020, sales will quadruple to more than U.S. $10 billion.

Public-Sector Research: Moderate Growth Expected

Demand from the public sector is likely to rise slightly in 2016. Frost & Sullivan expects growth of around 2% in the USA, the world's largest market for laboratory products. In Europe, comparatively moderate economic growth is likely to result in demand that is only slightly above last year's levels. One source of support is the EU-wide Horizon 2020 research and development program, which will provide a total of €80 billion in funding between 2014 and 2020.

Sources: IMS: IMS Health Market Prognosis, May 2015; Evaluate Pharma: World Preview 2015, Outlook to 2020, June 2015; Frost & Sullivan: 2015 Annual Report: Forecast and Analysis of the Global Market for Laboratory Products, November 2015; www.fda.gov; Citi Research: Biosimilars Real, Dangerous, Coming Soon, February 2015; Bernstein: Biosimilars Who is doing what?, November 2015.

Future Business Development

The outlook for fiscal 2016 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 of medications.

Based on the assumption that the relevant trends for Sartorius Stedim Biotech have been correctly anticipated, we expect sales revenue to grow considerably again in 2016. Thus, we forecast that sales revenue will rise by about 12% to 16% in constant currencies.

Management expects that the underlying EBITDA margin will rise by about 1 percentage point in constant currencies (2015: 26.2%). This margin improvement is projected to be about equally driven by economies of scale as well as the favorable currency development in 2015. The development of last year's currency environment will have its full positive effect on the margin only in 2016 because of our hedging activities.

With regard to our financial position, we forecast that by the end of 2016, the ratio of net debt to underlying EBITDA will edge down from the level of 0.4 reported for 2015, without taking any potential acquisitions into account.

Moreover, in 2016 we plan to invest about 6% to 8% of sales revenue primarily in the expansion of our production capacities.

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2015

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent company of the Group. The company is a mixt holding Company. The company from now on is managing investments of the Group and reals estates for the French Companies.

In 2015, sales revenue generated at Sartorius Stedim Biotech S.A. was €1,593 K relative to €1,465 K in 2014. The operating profit is -€ -3,307 K versus -€2,817 K in 2014. The net financing income totalled €33,286K versus €27,194K in 2014.

The net profit for 2015 is €29,312 K compared to €24,845 K in 2014.

Appropriation of the Net Profit

The ASM will suggest to appropriate the net profit of €29,311,748.42 for the reporting year of 2015. as follows:

- Legal reserves: €800.00

- Balance resulting from deduction of legal reserves: €29,310,948.42

- The following amount is to be added to this balance: Year-earlier profit carried forward: €13,415,530.87

- This would yield a distributable profit of €42,726,479.29

- Total amount of dividends to be disbursed to shareholders: €30,734,476.00

- Balance resulting from disbursement: €11,992,003.29.

The remaining amount of €11,992,003.29 is to be carried out to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €2.00 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 Income Code.

The dividend will be paid out on April 15, 2016.

The amounts distributed after January 1, 2012, and eligible for a tax rebate were as follows:

	Income eligible or non-eligible for a tax rebate	
Fiscal year ended on	Dividends in €	Other income distributed
Dec. 31, 2014	19,967,009	0
Dec. 31, 2013	18,412,315	0
Dec. 31, 2012	16,876,856	0

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2015

Total capital amounts to fifteen million three hundred and sixty-seven thousand two hundred and thirty-eight euros (€15,367,238). It is divided into 15,367,238 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 2015 fiscal year, the share capital of the Company was of fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (€15,359,238). During the year, the share capital of the Company rose from fifteen million three hundred and fifty-nine thousand two hundred thirty-eight euros (€15,359,238) to fifteen million three hundred and sixty-seven thousand two hundred thirty-eight euros (€15,367,238) because of stock options exercised.

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
Year 2015	Exercise of share subscription options	1.00	8,000.0	174,880.0	8,000.0	15,367,238	15,367,238.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2015

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 31.2013			December 31, 2014			**December 31, 2015**		
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	63.6%	72.6%	9,770,178	63.6%	72.4%
Single voting rights									
Double voting rights	9,770,178	57.3%	72.5%	9,770,178	63.6%	72.6%	9,770,178	63.6%	72.4%
VL Finance [(a)]	1,642,095	9.6%	12.2%	1,642,095	10.7%	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	10.7%	12.2%	1,642,095	10.7%	12.2%
Total Sartorius Group	**11,412,273**	**67.0%**	**84.6%**	**11,412,273**	**74.3%**	**84.8%**	**11,412,273**	**74.3%**	**84.6%**
Treasury shares	1,698,710	10.0%	0.0%						
Personnel and other shareholders									
General public	3,931,323	23.1%	15.4%	3,946,965	25.7%	15.2%	3,954,965	25.7%	15.4%
Single voting rights	3,720,587	21.8%	13.8%	3,736,229	24.3%	13.9%	3,744,229	24.4%	13.9%
Double voting rights	210,736	1.2%	1.6%	183,150	1.2%	1.4%	212,925	1.4%	1.6%
Total shares	**17,042,306**	**100.0%**	**100.0%**	**15,359,238**	**100.0%**	**100.0%**	**15,367,238**	**100.0%**	**100.0%**

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

Legal Disclosure of Thresholds Crossed

No legal disclosure of thresholds crossed has been registered during the fiscal year under study.

	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**

Control of the Company as of December 31, 2015

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

None

Treasury Shares Held by Sartorius Stedim Biotech S.A.

None

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.

DELEGATION GRANTED BY THE SHAREHOLDER'S MEETING OF 8 APRIL 2014 TO THE BOARD OF DIRECTORS

1. Delegation of power

Object - Duration	Limit	Use in 2015
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. Granted for a period of 5 years as from 08 April 2014.	The limit is equal to €6,646,499.34 (corresponding to the maximum nominal amount of the increase of the share capital).	None
Being able to reduce the share capital through the cancellation of shares purchased under a share buyback program. Granted for a period of 26 months as from 08 April 2014.	The limit amounts 10% of the adjusted capital to account, if necessary, transactions affecting the share capital performed between the Combined Shareholders' Meeting of 08 April 2014 and the actual completion date of the capital reduction made by the Board of Directors.	None

2. Delegation of competence

Object - Duration	Limit	Use in 2015
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. Granted for a period of 26 months as from 08 April 2014.	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 and €2,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments.	None
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. Granted for a period of 26 months as from 08 April 2014.	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).	None
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. Granted for a period of 26 months as from 08 April 2014.	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).	None
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). Granted for a period of 26 months as from 08 April 2014.	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).	None
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).	None

Granted for a period of 26 months as from 08 April 2014.		
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. Granted for a period of 26 months as from 08 April 2014.	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).	None
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. Granted for a period of 26 months as from 08 April 2014.	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).	None
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. Granted for a period of 26 months as from 08 April 2014.	The limit is €2.000.000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit.	None

Other Securities Giving Access to the Share Capital

None

Stock Options

None

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-scription price (€)	Number of shares subscribed from Jan. 1, to Dec. 31, 15	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	0	0	0	0
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	5,000	0	0	0
June 10, 2005	Nov. 10, 2005	35,000	0	0	2	29.51	3,000	0	0	0
Total		**684,560**	**0**	**0**	**51**		**8,000**	**0**	**0**	**0**
									0	

* AGM = Annual General Shareholders' Meeting

Changes in the number of stock options between January 1, 2012 and December 31, 2015:

	2015	2014	2013
Outstanding shares at January 1	8,000	23,642	24,642
Allocated during the period		0	0
Cancelled during the period		0	0
Exercised during the period	–8,000	–15,642	–1,000
Lapsed during the period		0	0
Outstanding at December 31	**0**	**8,000**	**23,642**

Share Capital Dilution

None

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2015

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2015 Fiscal Year

None

Options Exercised During the Fiscal Year

In the reported year, 8,000 options were exercised. The ten most significant accounted for the total of the options exercised in 2015. All the options have been exercised, the stock option plans are now expired.

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 7, 2015, the Annual Shareholders' Meeting voted for payment of a net dividend of €1.30 per share. The dividend was available for payment on April 14, 2015.

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 €	2014	2013	2012	2011	2010
Dividend per share for the fiscal year	1.30	1.20	1.10	1.00	0.90
Number of shares	15,359,238	15,343,596	15,342,596	15,327,238	15,314,738
Dividend corrected per share[1)]	**1.30**	**1.20**	**1.10**	**1.00**	**0.90**

[1)] Compared to the number of shares as of December 31, 2014

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 remains the same.It is as follows.

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 €283,200 is paid in directors' meeting attendance fees for 2015.

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 2014	**4,173.0**	**1,685.0**	**1,085.0**	**1,350.0**	**53.0**	**0.0**	**0.0**	**0.0**
Total 2015	**6,721.0**	**1,826.0**	**1,300.0**	**3,542.0**	**53.0**	**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
Joachim Kreuzburg[1] 2015	3,841.0	726.0	436.0	2,664.0	15.0	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
Volker Niebel[1] 2015	719.0	330.0	300.0	78.0	11.0	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
Oscar-Werner Reif[1] 2015	716.0	330.0	300.0	78.0	8.0	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
Reinhard Vogt[1] 2015	1,445.0	440.0	264.0	722.0	19.0	0.0	0.0	0.0

[1] For more details please refer to the Chapter Corporate Governance on pages 75 to 109.

Independent Auditors

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

– KPMG S.A., represented by John Evans.
  Alternate auditor: Salustro Reydel..

– 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 proposed 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, 2015, the balance of trade payables totaled €1,145,428; these trade payables were comprised of the following:

– 89% of invoices to be paid in 30 days regarding the invoice issue dates,

– 11% 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, 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%.

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

€ in K	2011	2012	2013	2014	**2015**
Share capital at end of period					
Share capital (capital stock)	10,386	10,395	10,396	15,359	15,367
Number of shares outstanding	17,025,948	17,041,306	17,042,306	15,359,238	15,367,238
Transactions and financial performance					
Sales revenue (excl. VAT)	71,855	81,942	1,501	1,465	1,593
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	23,617	26,218	21,180	25,967	29,343
Income tax	1,069	678	292	468	–653
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	23,860	26,198	20,875	24,845	29,312
Dividends paid or proposal of dividend	13,783	15,327	16,878	18,412	19,967
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	1.45	1.58	1.26	1.66	1.95
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	1.40	1.54	1.22	1.62	1.91
Dividend per share	0.90	1.00	1.10	1.20	1.30
Personnel					
Workforce size	336	388	0	0	0
Personnel costs	11,843	14,171	0	0	0
Social security costs	6,574	7,969	0	0	0

Corporate Governance

03

The Board of Directors and its Committees

The Board of Directors

The Board of Directors is composed of ten members, four 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 it can face.

Composition of the Board of Directors as of
31 December 2015

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: 22 April 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.;
Member of the Board of Directors of
Sartorius Stedim BioOutsource Ltd.;
President of VL Finance S.A.S.;
Member of the Board of Directors of
Denver Instrument (Beijing) Co. Ltd.;
Member of the Board of Directors of
Sartorius North America Inc.;
President 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 Hong Kong Ltd.;
Member of the Board of Directors of
Sartorius Scientific Instruments (Beijing) Co. Ltd.;
Member of the Board of Directors of

Sartorius Japan K.K.;
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;
Chairman of the Advisory Board (Beirat) of Otto Bock Holding GmbH & Co. KG, Germany;
Member of the Economic Advisory Board (Wirtschaftsbeirat) 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 1 May 1999	Sartorius AG, Goettingen, Germany Most recent position before promotion to the Executive Board: Vice President, Finances and Investor Relations
Since 11 Nov. 2002	Member of the Executive Board of Sartorius AG, Goettingen, Germany
1 May 2003, to 10 Nov. 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany
Since 11 Nov. 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: 14 August 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:

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 Stedim Biotech (Beijing) Co. 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;
Member of the Executive Committee of
Sartorius Stedim FMT S.A.S.

Past directorships (held during the past five years)
within the Group:

Managing Director (Geschäftsführer) of
Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of
Sartorius Weighing India Pvt. Ltd.;
Member of the Board of Directors of
Biohit Biotech (Suzhou) Co. Ltd.;
Managing Director of Sartorius Stedim FMT S.A.S.;
Member of the Board of Directors of
Sartorius Stedim SUS Inc.;
Managing Director of Sartorius Stedim Biotech SARL;
Managing Director of
Sartorius Stedim Integrated Services SARL;
Managing Director of Sartorius Stedim SUS SARL.

Educational and professional background:

Diplom-Betriebswirt (university degree in business administration and economics)

1983–1985	Schmidt & Clemens, Lindlar, Germany Sales Manager at Petro Chemical Industry (USA)
1985–1998	Gambro AB, Lund, Sweden
1998–2001	Skanska AB, Malmö, Sweden Member of the Executive Management Team of Poggenpohl GmbH in Herford, Germany
2001–2007	Sartorius AG, Goettingen, Germany Most recent position: Senior Vice President, Operations, Biotechnology Division
2007-2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2010	Member of the Group Executive Committee of Sartorius Group

Oscar-Werner Reif

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

First appointment: 21 April 2009
Mandate renewed: 7 April 2015
Appointed until: date of the Annual General Shareholders' Meeting in 2018 to approve the financial statements for the fiscal year ending 31 December 2017

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Member of the Board of Directors of
Sartorius Stedim Switzerland AG.

Past directorships (held during the past five years) within the Group:

Managing Director (Geschäftsführer) of
Sartorius Stedim Biotech GmbH.

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
2009- 2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2010	Member of the Group Executive Committee of Sartorius Group

Reinhard Vogt

Executive member
Executive Vice President of Marketing, Sales and Service
Date of birth: 4 August 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;
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 Management Board of
AllPure Technologies, LLC
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 (Shanghai) Trading Co. Ltd.;
Member of the Board of Directors of
Sartorius Stedim (Shanghai) Trading Co. Ltd.;
Member of the Board of Directors of
TAP Biosystems Group Ltd.;

Member of the Board of Directors of
The Automation Partnership (Cambridge) Ltd.;
Member of the Board of Directors of
Sartorius Stedim BioOutsource Ltd.;
Member of the Board of Directors of
Sartorius Stedim Switzerland AG;
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 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 Stedim Biotech (Beijing) Co. Ltd.;
Member of the Board of Directors of
Sartorius Hong Kong Ltd.;
Member of the Board of Directors of
Sartorius Japan K.K.;
Managing Director (Geschäftsführer) of
Sartorius Weighing Technology GmbH;
Managing Director (Geschäftsführer) of
Sartorius Stedim Biotech 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 2009	Member of the Executive Board of Sartorius AG in Goettingen, Germany; currently responsible for Marketing, Sales and Services
2007-2014	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Liliane de Lassus

Non-executive member
Independent Director
Date of birth: 29 December 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: 16 December 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: 1

Other current directorships and positions outside the Group:

President of Financière de La Seigneurie S.A.S., La Ciotat;
Member of the Board of Directors of Senova Systems Inc., USA;
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: 28 December 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.

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
1988–2012	University professor, Executive Director of the Institute of Information, Organization and Management, Faculty of Economics, Ludwig Maximilians University in Munich
2004–2005	Konrad Adenauer visiting professor, Georgetown University, Washington, D.C., USA
Since 2013	Research Position at the Center of Information, Organization and Management, Faculty of Business Adm,, Ludwig Maximilians University in Munich

Henri Riey

Non-executive member
Independent Director
Date of birth: 5 November 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)

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.

Anne-Marie Graffin

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

First appointment: 7 April 2015
Appointed until: date of the Annual General Shareholders' Meeting in 2018 to approve the financial statements for the fiscal year ending 31 December 2017

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group:

Member of the Supervisory Board of Valneva SE;
Member of the Supervisory Board of Nanobiotix S.A.;
Managing Director of SMAG Consulting SARL.

Past directorships (held during the past five years) outside the Group:

Member of the Board of Directors of Themis Bioscience GmbH;
Member of the Board of Directors of Portugal Sanofi Pasteur MSD;
Member of the Board of Directors of Spain Sanofi Pasteur MSD;
Member of the Board of Directors of UK Sanofi Pasteur MSD;
Member of the Board of Directors of Ireland Sanofi Pasteur MSD.

Educational 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
Independent Director
Date of Birth: 11 October 1955
Nationality: American

First appointment: 7 April 2015
Appointed until: date of the Annual General Shareholders' Meeting in 2018 to approve the financial statements for the fiscal year ending 31 December 2017

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group:

BioSense Technologies, Woburn, Massachusetts, USA- Clinical diagnostic technology based on cellular impedence

Past directorships (held during the past five years) outside the Group:
Kalon Biotherapeutics, College Station, Texas, USA (retired) - CMO

Educational and professional background:

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

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
Since 2008	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 2015, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 40% of independent members under the independence criteria defined by the APEF-MEDEF code. The Shareholders' meeting as of 7 April 2015 elected two new independent administrators.

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 four independent directors Mrs Susan Dexter, Mrs Anne-Marie Graffin, 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. The Board is composed of ten members. On the 7 April 2015 the Shareholders' meeting nominated two additional women administrators. The treshold 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 2015, the afferent rule relating to staggering terms was respected. The Board of Directors will be partially renewed up to seven memberships in 2016 and up to three members in 2018. The mandates to renew in 2016 are detailed in this Reference Document, in the Supplementary Information part, section Resolutions submitted to the Annual Combined Shareholders' Meeting on 5 April 2016, as ordinary resolutions.

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 nine times during fiscal 2015.

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:

- Four independent members of the Board on ten are members of the Board of Directors.
- Two independent members of the Board on four are members of the Audit Committee.
- Two independent members of the Board on four 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 2015.

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 once in fiscal 2015.

For more information on the organization, functions and activities of each Committee during fiscal 2015, 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, 2015, 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 turned out to be a factor of efficient governance considering the organization of the Sartorius Stedim Biotech Group. Mr Joachim Kreuzburg is Chairman of the Board and CEO of Sartorius AG mother company of the group. He is on one hand bound to the controlling shareholder and on the other hand very involved in the business affairs of the Group which he particularly knows and experienced.
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.	Board meetings are organized in the presence of the executive members to maintain the same degree of information between the members of the Board and strengthen the open and transparent collective character. According to the Code AFEP-MEDEF planning that the non executive members have to meet annually without the presence of the executive or internal members, the internal rules of the Board mentions the possibility for the non executive members to organize this kind of meeting.
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.	.This measure has not been chosen because the company is controlled by a majority shareholder. Moreover, the Remuneration Committee is composed of 50% of independent members which insures the independence required to achieve a smooth running. Moreover, the Chairman of this committee is an independent member.
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, connected in particular to the presence within the Committee of a majority of non resident members, the meetings of the Audit committee usually take place the same days as those of the Board of Directors. Taking into consideration this obligation, and in order to give to the Audit committee the possibility of achieving completely its missions, the internal rules of the Board mentions that any documents and useful information must be communicated to the Board by the Chairman and Chief Executive Officer uprfront and in a sufficient delay. The files are like this transmitted to the members of the Audit Committee with a sufficient upstream delay and at the latest three days before every meeting of the Committee or of the Board allowing them to have a sufficient delay for the examination of the statements before these meetings..
18.	**THE COMMITTEE IN CHARGE OF COMPENSATION**	
18.1	Independent directors within the compensation Committee It should be composed of mainly independent directors	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% 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	This recommendation is only applied to 2 out of 4 of the directors.

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
	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	Mr. 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.
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 Mr Oscar Werner Reif and Mr Volker Niebel Mr Joachim Kreuzburg and Mr 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 (cf. p96).
	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 Mr Joachim Kreuzburg has received in course of December 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
	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	

ARTICLE	PROVISIONS OF THE CODE REMOVED	EXPLANATIONS
	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.	
	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 fix 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 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 at the effective date of 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 2015

The Board of Directors met nine times during the fiscal year. The average attendance was 100%.

The Board reviewed and approved the corporate and consolidated accounts for 2014.

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. Internal rules modifications of the Board of Directors, Audit Committee and Remuneration Committee.
13. Renewal of the mandate of one Executive Vice President.

14. Nomination of two new independent Board of Directors members.
15. Change of one co-statutory auditor.
16. Operations on the share capital.
17. Projects on acquisition and follow up of recent acquisitions.
18. Situation of the statutory auditors with regards to the Green Book.

In 2015, 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 2015, 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 has beenproposed at the Sartorius Stedim Biotech S.A. Shareholders 'meeting of 7 April 2015 to nominate:

- KPMG S.A. 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 the parent's company and consolidated 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 2015:

The Audit Committee met five times during the fiscal year. The average attendance was 95%.

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 2015 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.
8. Internal rules modifications of the, Audit Committee.
9. Nomination of statutory auditors.
10. VL Finance S.A.S. internal organization / Sartorius Stedim Biotech S.A..
11. Share buyback program
12. Capital increase.

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 2015:

The Remuneration Committee met once 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 of the executive members of the Board of Directors.
3. Reviewing payment of directors' fees.
4. Structure of the Board of Directors.
5. Update of the internal rules.

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 allocated 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.

Mr Joachim Kreuzburg's and Mr Reinhard Vogt's remuneration are 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 Mr Joachim Kreuzburg orMr 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 Mr Oscar-Werner Reif and Mr Volker Niebel is discussed within the Remuneration Committee and subsequently voted on by the Annual Shareholders' Meeting of Sartorius Stedim Biotech GmbH, with which Mr Oscar-Werner Reif and Mr 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.

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 2015

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 by publishing the Group Internal Controls Handbook and will be pursued further in 2016.

Aubagne, February 18, 2016

The Chairman

Mr. 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 based on their proportional work for Sartorius Stedim Biotech (please refer also to section "Related Parties" of the "Financial Statements and Notes". This allocation key is applied to all components of their remuneration.

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. Remuneration is comprised of both fixed non-performance-based components and of variable performance-based components, and is reviewed annually to ensure that it remains appropriate. The variable performance-based remuneration components consist of those to be paid annually and of multi-year components intended to have a long-term incentive. Fixed non-performance-based remuneration is paid in the year in which it is granted. For 100% target achievement, the variable annual and long-term performance-based components generally represent half of total remuneration, which excludes pension commitments under a defined benefit plan as well as fringe benefits. The targets set for the performance-based 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 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. A cap is provided for each variable component to be paid out. Variable performance-based remuneration is calculated upon approval of the company's annual financial statements for the respective fiscal year and not settled and paid out until the following fiscal year.

Multi-year Components as Long-term Incentives

Weighted components determined by multi-year assessment depend on the degree to which the target is achieved, which the Supervisory Board defines by setting the subordinate target constituted by consolidated net profit, and by assessing the development of the company's share prices. Multi-year components providing a long-term incentive are based on a three-year average of consolidated net profit and on a four-year average of share prices, respectively. These components are paid out after two fiscal years for net profit and at the earliest after three fiscal years for share prices.

a) 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. A minimum target achievement and a cap are applied for this component as well.

b) 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 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.

c) 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.

d) 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. Potential amounts have to be paid by Sartorius AG.

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.

Joachim Kreuzburg's third appointment as a member of the Executive Board and its Chairman and CEO expired on November 10, 2015. By resolution of the Supervisory Board on December 16, 2014, Joachim Kreuzburg was reappointed as a member of the Executive Board and its Chairman and CEO of the company for the term of November 11, 2015, to November 10, 2020. His employment contract that entered into force on November 11, 2015, provides for granting Joachim Kreuzburg 25,000 ordinary shares and 25,000 preference shares in the company as a supplementary compensation component. These shares were transferred to him on December 18, 2015 and are thus considered granted in 2015. The shares transferred are 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, he shall be required to transfer all such shares back to the company; if Joachim Kreuzburg leaves the company after November 11, 2017, and before November 11, 2019, at his own request, Joachim Kreuzburg shall be required to transfer half of the shares granted to him back to the company. The amount resulting since December 16, 2014, for the shares granted are to be spread as an employee benefits expense over the full vesting period and recognized as such in profit or loss. In fiscal 2015, an amount of €542 K was accordingly recognized in the accounts of Sartorius Stedim Biotech.

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. 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. Potential amounts would be paid by Sartorius Stedim Biotech GmbH. 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 2015**	Year 2014
Remuneration due	3,439	1,652
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	402	81
Total	**3,841**	**1,733**

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Joachim Kreuzburg is €1.583 K, the amount charged to Sartorius Stedim Biotech S.A. is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €804 K.

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	**Year 2015**	Year 2014
Remuneration due	716	625
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
Total	**716**	**625**

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

€ in K	**Year 2015**	Year 2014
Remuneration due	713	622
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	0	0
Total	**713**	**622**

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

€ in K	**Year 2015**	Year 2014
Remuneration due	1,201	1,144
Valuation of options granted during the reporting period	0	0
Valuation of the performance of shares granted in previous years	244	49
Total	**1,445**	**1,193**

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Reinhard Vogt is €1.158 K, the amount charged to Sartorius Stedim Biotech S.A. is submitted to the vote of the Annual Shareholders' Meeting in accordance with the AFEP-MEDEF code and amounted to €568 K.

Summary of the Remuneration for Each Executive Board Member

Joachim Kreuzburg[1]

(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2015 Amounts due	Year 2015 Amounts paid	Year 2014 Amounts due	Year 2014 Amounts paid
Fixed remuneration	726	726	675	675
Variable remuneration				
Annually paid	436	373	373	268
Long-term incentive	2,664	5,378	667	479
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2]	15	15	18	18
Total	**3,841**	**6,492**	**1,733**	**1,440**

[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)

€ in K	Year 2015 Amounts due	Year 2015 Amounts paid	Year 2014 Amounts due	Year 2014 Amounts paid
Fixed remuneration	330	330	300	300
Variable remuneration				
Annually paid	297	256	243	189
Long-term incentive	78	54	71	68
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2]	11	11	11	11
Total	**716**	**651**	**625**	**568**

[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 2015 Amounts due	Year 2015 Amounts paid	Year 2014 Amounts due	Year 2014 Amounts paid
Fixed remuneration	330	330	300	300
Variable remuneration				
Annually paid	297	256	243	189
Long-term incentive	78	54	71	68
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2]	8	8	8	8
Total	**713**	**648**	**622**	**564.5**

[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 2015 Amounts due	Year 2015 Amounts paid	Year 2014 Amounts due	Year 2014 Amounts paid
Fixed remuneration	440	440	410	410
Variable remuneration				
Annually paid	264	226	226	164
Long-term incentive	722	300	541	270
Exceptional remuneration				
Director's attendance fees				
Benefits in kind[2]	19	19	16	16
Total	**1,445**	**985**	**1,193**	**860**

[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 Board of Directors internal rules 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 2015**	Year 2014
Liliane de Lassus		
Director's attendance fees	51.0	49.8
Other remuneration		
Bernard Lemaître		
Director's attendance fees	49.8	49.8
Other remuneration		
Arnold Picot		
Director's attendance fees	55.0	53.8
Other remuneration		
Henri Riey		
Director's attendance fees	55.0	53.8
Other remuneration		
Susan Dexter		
Director's attendance fees	36.2	
Other remuneration		
Anne-Marie Graffin		
Director's attendance fees	36.2	
Other remuneration		
Total	**283.2**	**207.2**

Performance Shares Available for Each Board Member

Performance shares available for each corporate officer

Performance shares available for each corporate officer[1]	Date of the plan	Number of shares available during the reporting period	Acquisition conditions
Joachim Kreuzburg		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. 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		1,840	454	Jan. 1, 2015	Jan. 1, 2019	
Volker Niebel						
Oscar-Werner Reif						
Reinhard Vogt		1,114	275	Jan. 1, 2015	Jan. 1, 2019	
Liliane de Lassus						
Bernard Lemaître						
Arnold Picot						
Henri Riey						
Total		**2,954**	**729**			

	2015 € in K	2014 € in K
Total	**2,731**	**496**
Phantom Stocks	1,375	440
Sartorius AG shares granted	1,356	56
Dr. Joachim Kreuzburg	**2,212**	**330**
Phantom Stocks	856	274
Sartorius AG shares granted	1,356	56
Reinhard Vogt	**519**	**166**
Phantom Stocks	519	166
Sartorius AG shares granted	0	0

	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	**Fair value at year-end on Dec. 31, 2015 € in K**	Paid out € in K	Change in fair value in 2015	Exercisable
Dr. Joachim Kreuzburg								
Tranche of phantom stock units for 2011	5,165	26.62	138	344	0	344	0	paid out in 2015
Tranche of phantom stock units for 2012	4,416	33.12	146	365	365	0	0	no
Tranche of phantom stock units for 2013	2,289	69.36	159	224	397	0	173	no
Tranche of phantom stock units for 2014	2,008	84.03	169	193	422	0	229	no
Total tranches previous years	**13,878**		**612**	**1,126**	**1,184**	**344**	**402**	
Tranche of phantom stock units for 2015	1,840	98.78	182	0	454	0	272	no
Total	**15,718**		**794**	**1,126**	**1,638**	**344**	**674**	
Reinhard Vogt								
Tranche of phantom stock units for 2011	3,193	26.62	85	212	0	212	0	paid out in 2015
Tranche of phantom stock units for 2012	2,699	33.12	90	223	223	0	0	no
Tranche of phantom stock units for 2013	1,397	69.36	97	137	242	0	105	no
Tranche of phantom stock units for 2014	1,220	84.03	103	117	256	0	139	no
Total tranches previous years	**8,509**		**375**	**689**	**721**	**212**	**244**	
Tranche of phantom stock units for 2015	1,114	98.78	110	0	275	0	165	no
Total	**9,623**		**485**	**689**	**996**	**212**	**409**	

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

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. 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 31 December 2015

To the shareholders,

In our capacity as Statutory Auditors of Sartorius Stedim Biotech S.A., and in accordance with Article L.225-235 of the French Commercial Code ("Code de commerce"), we hereby report (to you) on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended 31 December 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

– to report to you on 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
– to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code ("Code de commerce"), it being specified that we are not responsible for verifying the fairness of these disclosures.

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

These 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 consisted 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 existing documentation;
– obtaining an understanding of the work involved in the preparation of this information and existing documentation;
– determining if any significant 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 engagement are properly disclosed in the Chairman's report.

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

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code ("Code de commerce").

Marseille, February 19, 2016

The Statutory Auditors
French original signed

KPMG Audit A division of KPMG S.A.	Deloitte & Associés
John Evans Partner	Christophe Perrau Partner

Independent Auditors' Fees

Principal Independent Auditors

KPMG S.A.

480, avenue du Prado – CS 90021 – 13272 Marseille Cedex 08 – France

Represented by John Evans.

First commissioned by the Combined General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2021 Annual General Shareholders' Meeting to approve the 2020 financial statements.

Member ofthe 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 19 May 2006.

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

Member of the Compagnie régionale de Versailles.

Independent Auditors' Fees

	KPMG				Deloitte			
€ in K		**2015**		2014		**2015**		2014
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	56	9.8%			75	27.0%	87	17.1%
Subsidiaries	511	89.8%			161	58.1%	398	78.3%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	**567**	**99.7%**			**236**	**85.0%**	**485**	**95.5%**
Other services								
Legal, tax, corporate	2	0.3%			11	3.8%	23	4.5%
Information technology, other	0	0.0%			31	11.2%	0	0.0%
Subtotal	**2**	**0.3%**			**42**	**15.0%**	**23**	**4.5%**
Total	**569**	**100.0%**			**278**	**100.0%**	**508**	**100%**

Substitute Independent Auditors

SALUSTRO REYDEL

3, cours du Triangle – Immeuble Le Palatin - 92939 Paris-La Défense Cedex – France

Represented by Jean-Claude Reydel.

First commissioned by the Annual General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2021 Annual General Shareholders' Meeting to approve the 2020 financial statements.

Member of the 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 19 May 2006.

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

Member of the Compagnie régionale de Versailles.

Ernst & Young				**Other**				**Total**			
	2015		2014		**2015**		2014		**2015**		2014
13	52.0%	55	45.8%					144	13.7%	142	15.1%
12	48.0%	61	50.8%	132	74.9%	255	81.7%	816	77.9%	714	76.0%
25	**100.0%**	**116**	**96.7%**	**132**	**74.9%**	**255**	**81.7%**	**960**	**91.6%**	**856**	**91.1%**
0	0.0%	4		18	10.1%	57	18.3%	30	2.9%	84	8.9%
0	0.0%	0	0.0%	27	15.1%	0	0.0%	58	5.5%	0	0.0%
0	**0.0%**	**4**	**3.3%**	**44**	**25.1%**	**57**	**18.3%**	**88**	**8.4%**	**84**	**8.9%**
25	**100.0%**	**120**	**100%**	**176**	**100.0%**	**312**	**100%**	**1,048**	**100.0%**	**940**	**100%**

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss and Other Comprehensive Income

	Notes	**2015 12 months € in K**	2014 12 months € in K
Sales revenue	[10]	884,331	683,524
Cost of sales		–432,546	–346,315
Gross profit on sales		**451,785**	**337,209**
Selling and distribution costs		–167,191	–144,356
Research and development costs		–41,529	–34,121
General administrative expenses		–48,912	–38,653
Other operating income and expenses	[12]	–9,621	233
Earnings before interest and taxes (EBIT)		**184,532**	**120,312**
Financial income	[13]	2,854	2,411
Financial expenses	[13]	–17,708	–17,672
Financial result		**–14,854**	**–15,261**
Profit before tax		**169,678**	**105,051**
Income taxes	[14]	–50,184	–31,378
Net profit for the period		**119,494**	**73,673**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		117,999	72,442
Non-controlling interest	[24]	1,495	1,231
Earnings per share (€)	[16]	7.68	4.72
Diluted earnings per share (€)	[16]	7.68	4.72

Other Comprehensive Income

	Notes	**2015 12 months € in K**	2014 12 months € in K
Net profit for the period		119,494	73,673
Cash flow hedges	[31]	–1,392	–3,612
of which effective portion of changes in fair value		–9,320	–3,295
of which reclassified to profit or loss		7,928	–317
Income tax on cash flow hedges	[19]	418	1,084
Net investment in a foreign operation[1]		–6,646	–6,898
Income tax on net investment in a foreign operation	[19]	1,992	2,069
Foreign currency translation differences		21,840	20,570
Items that are or may be reclassified subsequently to profit or loss		**16,212**	**13,213**
Remeasurements of the net defined benefit liabilities	[25]	–195	–6,957
Income tax on remeasurements of the net defined benefits liabilities	[19]	–7	1,885
Items that will not be reclassified to profit or loss		**–202**	**–5,072**
Other comprehensive income after tax		**16,010**	**8,141**
Total comprehensive income		**135,504**	**81,814**
Attributable to:			
Equity holders of Sartorius Stedim Biotech		133,697	80,047
Non-controlling interest		1,807	1,767

[1] This caption refers to foreign exchange gains and losses in connection with intragroup loans granted on a long-term basis.

Statement of Financial Position

	Notes	**Dec. 31, 2015 € in K**	Dec. 31, 2014 € in K
Non-current assets			
Goodwill	[17]	336,959	313,786
Other Intangible Assets	[17]	143,349	113,160
Property, plant and equipment	[18]	222,875	192,195
Financial Assets		1,330	1,214
Other Assets		751	653
Deferred tax assets	[19]	10,042	10,169
		715,306	**631,177**
Current assets			
Inventories	[20]	146,970	109,975
Trade receivables	[21]	142,344	124,787
Other financial assets	[22]	8,362	6,847
Current tax assets		9,783	8,890
Other assets		11,541	7,123
Cash and cash equivalents		31,831	18,544
		350,831	**276,166**
Total assets		**1,066,137**	**907,343**
Equity			
Equity attributable to SSB S.A. shareholders		**641,441**	**532,445**
Issued capital	[23]	15,367	15,359
Capital reserves		235,231	235,047
Retained earnings (including net profit)		390,843	282,039
Non-controlling interest	[24]	**5,778**	**6,653**
		647,219	**539,097**
Non-current liabilities			
Pension provisions	[25]	31,737	30,583
Other provisions	[28]	3,278	2,891
Loans and borrowings	[26]	12,602	15,880
Finance lease liabilities	[30]	16,937	16,770
Other financial liabilities	[27]	51,488	44,724
Deferred tax liabilities	[19]	30,186	27,814
		146,229	**138,662**
Current liabilities			
Provisions	[28]	8,014	6,224
Trade payables	[29]	100,598	81,139
Loans and borrowings	[26]	87,214	71,764
Finance lease liabilities	[30]	1,506	1,567
Other financial liabilities	[29]	41,327	48,078
Current tax liabilities		19,964	10,107
Other liabilities		14,067	10,705
		272,690	**229,584**
Total equity and liabilities		**1,066,137**	**907,343**

Statement of Cash Flows

	Notes	**2015 12 months € in K**	2014 12 months € in K
Profit before tax		169,678	105,051
Financial result	[13]	14,854	15,261
Earnings before interest and taxes (EBIT)		**184,532**	**120,312**
Depreciation | amortization of fixed assets	[17][18]	39,856	35,620
Increase | decrease in provisions	[25][28]	–730	1,314
Income taxes paid	[14]	–43,570	–27,793
Gross cash flows from operating activities		**180,087**	**129,453**
Increase | decrease in receivables and other assets	[21][22]	–11,466	–15,285
Increase | decrease in inventories	[20]	–32,428	–11,053
Increase | decrease in liabilities	[27][29]	6,596	8,197
Net cash flow from operating activities		**142,789**	**111,312**
Acquisitions of intangible and tangible assets	[17][18]	–52,985	–47,067
Proceeds from the disposal of fixed assets		657	592
Other payments		–113	3,953
Net cash flow from investing activities		**–52,441**	**–42,522**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	[9]	–53,888	–4,291
Net cash flow from investing activities and acquisitions		**–106,329**	**–46,813**
Changes in capital	[23]	175	144
Interest received	[13]	129	688
Interest paid and other financial charges	[13]	–2,937	–4,982
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech SA		–19,967	–18,410
- Non-controlling interest		–446	–401
Gross cash flows from financing activities		**–23,046**	**–22,961**
Changes in non-controlling interest	[24]	–7,531	0
Proceeds from loans and borrowings raised	[26]	35,234	0
Repayments of loans and borrowings	[26]	–31,891	–61,247
Net cash flow from financing activities		**–27,234**	**–84,208**
Net increase | decrease in cash and cash equivalents		9,226	–19,709
Cash and cash equivalents at the beginning of the period		18,543	35,605
Net effect of currency translation on cash and cash equivalents		4,062	2,648
Cash and cash equivalents at the end of the period		**31,832**	**18,544**

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

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 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	72,442	0	72,442	1,231	73,673
Other comprehensive income for the period	**0**	**0**	**–2,528**	**–5,033**	**–4,829**	**19,995**	**7,605**	**535**	**8,141**
Total comprehensive income	**0**	**0**	**–2,528**	**–5,033**	**67,613**	**19,995**	**80,047**	**1,767**	**81,814**
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	1,876	1,876
Changes in capital	4,954	–43,879			38,925	0	0	0	0
Other changes	0	0	0	0	–421	0	–421	–88	–509
Balance at Dec. 31, 2014 I Jan. 1, 2015	**15,359**	**235,047**	**–2,306**	**–9,461**	**279,473**	**14,333**	**532,444**	**6,653**	**539,097**
Net profit for the period	0	0	0	0	117,999	0	117,999	1,495	119,494
Other comprehensive income for the period	**0**	**0**	**–974**	**–78**	**–4,654**	**21,404**	**15,698**	**313**	**16,010**
Total comprehensive income	**0**	**0**	**–974**	**–78**	**113,345**	**21,404**	**133,697**	**1,807**	**135,504**
Stock options	8	184	0	0	0	0	192	0	192
Dividends	0	0	0	0	–19,967	0	–19,967	–446	–20,413
Changes in non-controlling interest	0	0	0	0	–5,064	0	–5,064	–2,235	–7,299
Other changes	0	0	0	0	139	0	139	0	139
Balance at December 31, 2015	**15,367**	**235,231**	**–3,280**	**–9,539**	**367,926**	**35,736**	**641,441**	**5,779**	**647,220**

The amount of €7,255k shown in the retained earnings in 2014 refers to the acquisition of AllPure Technologies LLC. Please refer to note 9.

The changes in capital in 2014 include the cancellation of treasury shares, capital increases and changes in the nominal value of the shares. For details please refer to note 23.

The increase in non-controlling interest in fiscal 2015 refers to the acquisition of additional shares in the company Sartorius Korea Biotech (please refer also to note 24).

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, cell culture media and lab technologies are supporting the biopharmaceutical industry around the world to develop and produce drugs safely, timely and economically. For next-generation processes, Sartorius Stedim Biotech focuses on single-use technologies and added-value services to meet the rapidly changing technology requirements of the industry it serves. Strongly rooted in the scientific community and closely allied with customers and technology partners, the company is dedicated to its philosophy of "Turning science into solutions."

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

Sartorius Stedim Biotech S.A.'s ultimate parent company is Sartorius AG, headquartered in Goettingen, Germany, and listed at several German stock exchanges (ISIN codes: 0007165607 ordinary shares, 0007165631 preference shares).

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, 2015, 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, 2016 and will be submitted for approval by the Shareholders' Meeting on April 5, 2016.

2. Changes in the format of the statement of profit or loss

Starting 2015 the Group recognizes amortization on capitalized development costs within the cost of sales. The presentation of the comparative figures 2014 has been adjusted accordingly. Previously the related expenses have been allocated to research & development expenses. The effects on the two concerned items are as follows (no impact on EBITDA, EBIT and Net Profit):

€ in millions	**2015**	2014
Cost of sales	–4.0	–4.4
Research and development costs	4.0	4.4
	0	**0**

3. Effects of New Financial Reporting Standards

The following new accounting rules were applicable for the first time to the present financial statements and had no impact on the presentation of the company's net worth, financial position and profitability or earnings per share:

- Annual improvements to IFRS 2011–2013 Cycle (issued on December 2013); includes amnedments to IFRS 1, IFRS 3, IFRS 13 and IAS 40

- IFRIC 21: Levies

The following standards 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 2015:

Standard	Title	Applicable for financial years from[1]	Endorsement by the EU Commission
Amendments to IAS 19	Employee Contributions	February 1, 2015[1]	Yes
Various	Annual Improvements to IFRSs 2010–2012 Cycle (issued in Dec. 2013)	February 1, 2015[1]	Yes
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016	No
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016	Yes
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	No
Amendments to IAS 1	Disclosure Initiative	January 1, 2016	Yes
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016	Yes
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016	Yes
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016	Yes
Various	Annual Improvements to IFRSs 2012–2014 Cycle (issued in Sep. 2014)	January 1, 2016	Yes
IFRS 15	Revenue from Contracts with Customers	January 1, 2018	No
IFRS 9	Financial Instruments	January 1, 2018	No
IFRS 16	Leases	January 1, 2019	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between its Investor and its Associate or Joint Venture	n/a	No

[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 Group does not anticipate, at this stage of analysis, any significant impact on its consolidated accounts from the other changes. Moreover, the Group has elected not to early adopt the new standards, amendments and interpretations of standards as mandatory application is subsequent to December 31, 2015.

4. 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, the Group Sartorius Stedim Biotech controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the liability to affect those returns through its power over the entity.

Such enterprises are included in the consolidated financial statements from the time when Sartorius Stedim Biotech S.A. or its subsidiaries acquired such control until the date on which control ceases.

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.

The Group determines goodwill at the acquisition date as:

- the fair value of the consideration transferred; and
- the amount recognized for any non-controlling interest in the acquiree; and
- if the business combination is carried out in stages, the fair value of any previously held equity interest in the acquiree; less
- the net recognized amount (generally fair value) for the identifiable assets acquired and liabilities assumed.

When the difference is negative, a gain for the purchase gain is recognized immediately in income.

Expenses directly related to business combinations are recorded in the profit or loss as they are incurred.

Foreign Currency Transactions

The functional currency and the presentation currency of the consolidated financial statements of the Sartorius Stedim Biotech Group is the euro (financial statements presented in thousands of euros). In the financial statements of each company, transactions denominated in foreign currencies have been translated into the functional currency of the subsidiary at the exchange rate applicable on the date of the transaction. Monetary assets and debts denominated 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.

Translation of financial statements prepared in foreign currencies

Subsidiaries' 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 The assets (including goodwill) and liabilities of the entities that have a functional currency different from the presentation currency are translated at the exchange rate prevailing at the balance sheet date. The incomes, expenses, and cash flows of these entities have been translated using the average rate for the year, to the extent that this rate represents an approximate value of exchange rates used as of the date of the transaction in the absence of significant fluctuations. Resulting translation differences are recognized in other comprehensive income.

For long-term loans for which settlement is neither planned nor likely in the foreseeable future, the Group applies the principle of "net investment in a foreign operation." Exchange differences resulting from these loans are recognized in other comprehensive income in accordance with 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 €	**2015**	2014	**2015**	2014
USD	1.08870	1.21410	1.10969	1.32881
GBP	0.73395	0.77890	0.72593	0.80619
JPY	131.07000	145.23000	134.35238	140.30709
INR	72.02150	76.71900	71.22490	81.06162
KRW	1280.78000	1324.80000	1257.47421	1398.65446
CNY	7.06080	7.53580	6.97587	8.18674

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 probable that the economic benefits associated with the transaction will flow to the company.

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.

Functional Costs

In general, operating expenses are recognized in profit or loss based on function within the Group. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The caption "cost of sales" includes the costs of products sold and the acquisition costs of merchandise sold. In addition to directly attributable expenses, such as raw materials and supplies, employee benefits expense
and energy expenses, 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 function, distribution, advertising and market research.

Research and development costs comprise the costs of research and product and process development, unless they are recognized as assets.

The item "general administrative expenses" mainly includes 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 translation of transactions in foreign currencies, 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 systematically as income over the period in which the related costs are recorded.

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 substantial period of time (six to 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 except for changes recognized in other comprehensive income.

Deferred tax assets or liabilities are determined based on temporary differences between the carrying amounts and the tax basis of assets and liabilities (except in special cases provided by IAS 12) including 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 for deductible temporary differences and tax losses and unused tax credits only to the extent that it is probable that the Group will have future taxable income against which they can be charged.

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 CGU is the smallest group of assets that generates cash flows from continuing use largely independent of the cash flows from other assets.

Other Intangible Assets

Intangible assets acquired are recorded at cost less the accumulated, regular amortization that is calculated according to the straight-line method and any impairment loss. The useful life of an intangible asset is the period during which the Group expects to use the asset.

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 five 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 estimated useful lives:

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" caption is recorded at cost, and related assets are depreciated over their estimated useful life using the straight line method.

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

Tangible assets are subject to impairment tests whenever there are indicators of impairment (see note "Impairment of non-financial assets").

Impairment of Non-financial Assets

The book values (carrying amounts) of property, plant and equipment and intangible assets are subject to impairment testing if there is an indication of impairment and at least once a year for assets with an indefinite useful life or not yet in service (category composed primarily of goodwill) in accordance with 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 (allocated in priority to goodwill).

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 had been recognized in previous financial years.

Leases

A lease is an arrangement 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.

When 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.

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. In 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, based on the normal production capacity, provided that these expenses are caused by production.

Inventories must be valued 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.

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 (pension reserves) in accordance with the standard IAS 19.

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 closing date. Provisions with a maturity of which the outcome is expected to intervene in over 12 months are discounted (determination of the present value of the expenditures expected to settle the obligation).

Provisions are reviewed regularly and adjusted as further information becomes available or circumstances change. The estimate of 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 of the Group 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 borrowed from banks, trade payables, finance lease payables and derivative financial instruments with a negative fair value.

Non-derivative Financial Instruments

Upon initial recognition, non-derivative financial instruments are recognized at their fair value plus transaction costs, except for financial assets at fair value through profit or loss for which transaction costs, as incurred, are recognized in profit or loss. At the acquisition date the Group determines the classification of financial assets into one of the categories provided by IAS 39 "Financial instruments: recognition and measurement" (Available-for-sale financial assets, loans and receivables, financial liabilities). This classification determines the asset or liability financial valuation method in subsequent closing (amortized cost or fair value).

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 fair value. For purposes of the consolidated cash flow statement, cash and cash equivalents include cash and cash equivalents as defined above.

Investments

Investments in non-consolidated subsidiaries 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.

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.

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 cash flow hedges, in other comprehensive income for the effective portion of changes in fair value.

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.

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 instruments and additions or repayments of loans.

5. Use of Judgments and Estimates

During the preparation of consolidated financial statements, management uses estimates and assumptions based on their best knowledge of the current and future situation. However, actual results may differ from these estimates. These estimates and assumptions are revised on a regular basis, and the impact of changes in estimates is recognized prospectively.

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.

These measurements are 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 using cash flow projections up to five years. These projections take into account past experience 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.

Intangible Assets

The capitalization of self-constructed intangible assets also includes a significant level of judgment, 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 other comprehensive income in the period in which they occur. For a sensitivity analysis, see note 25, 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 determination of the probability and the amount of future outflows of resources. 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 be recovered.

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 recorded.

6. 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 financial reporting 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 analyzed on a regular basis to the chief operating decision maker and are therefore not part of the segment report.

			Biopharm			**Group**
€ in K	**2015**	2014	Change	**2015**	2014	Change
Sales revenue	884,331	683,524	29%	884,331	683,524	29%
Underlying EBITDA	231,347	160,474	44%	231,347	160,474	44%
as a % of sales revenue	26.2%	23.5%		26.2%	23.5%	
EBIT	184,532	120,312	53%	184,532	120,312	53%
as a % of sales revenue	20.9%	17.6%		20.9%	17.6%	
Acquisitions of intangible and tangible assets	54,521	44,242	23%	54,521	44,242	23%

Reconciliation of Segment Profit or Loss:

€ in K	**2015**	2014
Underlying EBITDA of the segment	231,347	160,474
Depreciation and amortization	–39,422	–35,289
Extraordinary effects	–7,393	–4,873
EBIT	**184,532**	**120,312**
Financial result	–14,854	–15,261
Profit before tax	**169,678**	**105,051**

Supplementary Information by Region

To provide additional information required by IFRS 8, the table below presents the supplementary information by geographical region. In fiscal 2015, the presentation of the regions was slightly changed. As a result, the countries formerly allocated to "Other Markets" are now assigned to the regions defined as EMEA (Europe, the MiddleEast and Africa), the Americas and Asia|Pacific.

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.

The amount of sales revenue with a single customer does not exceed 10% of the consolidated sales revenue (2015 and 2014).

	Sales revenue		Non-current assets	
€ in K	**2015**	2014	**2015**	2014
EMEA	397,162	322,135	653,946	574,847
thereof Germany	105,974	87,963	248,384	208,258
thereof France	50,486	45,515	301,876	306,735
Americas	323,461	219,597	31,681	27,464
thereof USA	298,552	204,576	31,681	27,464
Asia | Pacific	163,707	141,793	17,556	16,830
thereof China	38,682	37,290	1,305	1,439
thereof South Korea	43,320	31,537	7,563	7,365
Group	**884,331**	**683,524**	**703,183**	**619,141**

7. Scope of Consolidation

The 2015 financial statements of the following subsidiaries:

- Sartorius Stedim, Russia
- TAP Biosystems (PHC) Ltd., UK
- TAP Biosystems Ltd., UK
- Sartorius Stedim Financiére S.A.S., France,

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 %
EMEA	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
Sartorius Stedim Belgium N.V., Brussels, 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 North America Holding GmbH, Hanover, Germany	100
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100
Sartorius Stedim Cellca GmbH, Laupheim, Germany	100
Sartorius Stedim UK Ltd., Epsom, UK	100
Sartorius Stedim BioOutsource Ltd., Glasgow, 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
Sartorius Stedim Hungaria Kft., Budapest, Hungary	100
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100
Americas	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Sartorius Stedim North America Inc., Bohemia, New York, USA	100
AllPure Technologies, LLC , New Oxford, USA	60
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	69
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore	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 Hungary 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 consolidated financial statements.

8. 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 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).

9. Business Combinations

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). All Pure specializes in single-use component solutions for biopharmaceutical applications and provides products that are complementary to the Group's portfolio.

The shares in Allpure remaining with the former owners will also be transferred to Sartorius Stedim Biotech by 2022 at the latest (purchase commitment | forward of non-controlling interests). The exact time of this acquisition, as well as the purchase price, depend on the future business performance of the acquired entity. At the acquisition date the corresponding liability was disclosed in the other non-current financial liabilities as the present value of the expected future payments of €7.1 million. This liability was initially recognized in the retained earnings according to IAS 32.23; its subsequent measurement is recognized through profit or loss in the financial result.

The purchase price allocation was finalized in 2015 as follows:

	Preliminary fair values on the acquisition date € in K	Fair values on the date of acquisition € in K
Intangible and tangible assets	2,068	3,245
Inventories	468	476
Trade receivables and other assets	307	312
Cash and cash equivalents	41	42
Provisions and liabilities	–484	–406
Net assets acquired	**2,400**	**3,669**
– of which 50.01%	**1,200**	**1,835**
Purchase price	**4,332**	**4,332**
Goodwill	**3,132**	**2,497**
Non-controlling interest	**1,200**	**1,834**

Recognized goodwill relates to assets that have not been separately identified and recorded but which will also generate economic benefits to the Group. Main benefits include the expansion of the Group's portfolio, a strengthened position in the relevant biopharmaceutical market together with synergies resulting from the combination. The full amount of goodwill is deductible for local tax purposes.

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).

On May 31, 2015 Sartorius Stedim Biotech acquired an additional stake of 10% at a price of 1.7 million US$. This transaction between owners was recognized in equity reducing the non-controlling interest and retained earnings.

Acquisition of BioOutsource Ltd.

On April 17, 2015 Sartorius Stedim Biotech acquired 100% of the voting rights in the company BioOutsource headquartered in Glasgow, Scotland. BioOutsource tests the safety and quality of biologic drugs and vaccines for pharmaceutical clients, and has become specialized in offering a comprehensive range of services for the growing biosimilar industry. The services provided by BioOutsource are part of the Sartorius Stedim Biotech's customers' core processes and extend significantly beyond the Group's current service offering.

The company has achieved sales revenue of approx. €9 million in the past twelve months and employed 85 people.

The purchase price allocation has been the following:

	Fair values on the date of acquisition € in K
Intangible assets	11,409
Property, plant and equipment	1,517
Inventories	842
Trade receivables and other assets	2,576
Cash and cash equivalents	1,410
Deferred taxes - net	–2,282
Provisions and liabilities	–2,125
Loans and borrowings	–699
Net assets acquired	**12,648**
Purchase price	30,602
Goodwill	**17,954**

The purchase price of approx. €30.6 million was paid in cash. The expenses directly attributable to the acquisition amounting to €0.2 million were recognized as other expenses in profit or loss.

Acquisition Cellca GmbH

On July 1, 2015, Sartorius acquired 100% of the shares in Cella GmbH based in Laupheim, Germany. Founded in 2005, this company with around 30 employees generated sales revenue of approximately 6 million euros in 2014. Cellca's major customers are biopharmaceutical companies as well as biosimilar firms that do not or only partly conduct their process development in their inhouse facilities.

The purchase price allocation is as follows:

	Fair values on the date of acquisition € in K
Intangible assets	27,175
Property, plant and equipment	1,558
Trade receivables and other assets	914
Cash and cash equivalents	1,804
Deferred taxes - net	–7,533
Provisions and liabilities	–1,329
Net assets acquired	**22,589**
Purchase price	26,500
Goodwill	**3,911**

The purchase price of €26.5 million was paid in cash. The expenses directly attributable to the acquisition amounting to €0.1 million were recognized as other expenses in profit or loss.

Since their initial consolidation in the Group financial statements, the acquisitions of BioOutsource and Cellca have contributed around €13 million to sales revenue and around €1 million to Group earnings. If the acquisitions had taken place as of January 1, 2015, Group sales revenue would have amounted to approx. €891 million and Group earnings to approx. €120 million.

The acquisitions of BioOutsource and Cellca are focused on an extension of the product portfolio, especially in the areas of process development and validation. The recognized goodwills represent this aspect as well as other assets not separately identifiable. The goodwills are not deductible for tax purposes.

Notes to the Statement of Profit or Loss

10. Sales Revenue

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

	2015 12 months € in K	2014 12 months € in K
France	50,486	45,515
Germany	105,974	87,963
All other countries	727,870	550,045
Total	**884,331**	**683,524**

An amount of €36,450 K was realized with other subsidiaries of the Sartorius Group in 2015 and €13,441 K in 2014.

The turnover is broken down into product sales amounting to €844.1 million and services amounting to €40.2 million (respectively €651.1 million and €32.4 million in 2014).

For further details by country please refer to the geographical information given in section 6.

11. Functional Costs

The statement of profit or loss has been presented 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 presented in the Profit or Loss Statement by nature in the Note 15.

In 2015 rental payments amounting to €7.9 million (2014: €5.5 million) were made for assets leased under operating leases.

The material expense and personnel cost are as follows:

Raw Materials and Supplies

This caption consists of the following:

	2015 12 months € in K	2014 12 months € in K
Purchases consumed	197,707	165,023
Cost of purchased services	36,770	26,651
Total	**234,477**	**191,674**

Personnel Cost

This caption can be broken down as follows:

	2015 12 months € in K	2014 12 months € in K
Wages and salaries	196,837	168,470
Social security	40,418	33,192
Expenses for retirement benefits and pensions	5,624	4,901
Total	**242,878**	**206,564**

12. Other Operating Income and Expenses

	2015 12 months € in K	2014 12 months € in K
Currency translation gains	12,204	10,327
Income from the decrease in allowances for bad debts	723	793
Income from release of provisions and liabilities	909	1,627
Income from grants	2,944	2,185
Other income	4,459	3,655
Other operating income	**21,239**	**18,588**
Currency translation losses	–17,919	–7,650
Extraordinary expenses	–7,393	–4,873
Allowances for bad debts	–1,600	–933
Other expenses	–3,947	–4,899
Other operating expenses	**–30,860**	**–18,355**
Total other operating income and expenses	**–9,621**	**233**

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 - €7.4 million (previous year: - €4.9 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

13. Financial Result

	2015 12 months € in K	2014 12 months € in K
Interest and similar income	150	423
- of which from affiliated companies	0	0
Income from derivative financial instruments	1,275	105
Other financial income	1,429	1,883
Financial income	**2,854**	**2,411**
Interest and similar expenses	–3,543	–5,283
- of which from affiliated companies	–903	–122
Expenses for derivative financial instruments	–681	–4,655
Interest expense for pensions	–652	–837
Other financial expenses	–12,832	–6,896
Financial expenses	**–17,708**	**–17,672**
Total	**–14,854**	**–15,261**

The other financial income and other financial expenses include mainly the fair value changes (including foreign exchange losses) in the liabilities in connection with the purchase of the non-controlling interest of All Pure and the Lonza liability (see also chapter 26).

The expenses from derivatives in 2014 contain the effects from the cancellation of the hedging relationship for the interest rate swaps upon the refinancing of the Group.

14. Income Taxes

	2015 12 months € in K	2014 12 months € in K
Current income taxes	–55,098	–34,675
Deferred taxes	4,914	3,297
Total	**–50,184**	**–31,378**

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 rates applicable 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 expected tax expense and the income tax expenses reported for the particular financial year.

	2015 12 months € in K	2014 12 months € in K
Expected tax expense (29%)	–49,207	–30,465
Differences from the Group average income tax rate	4,401	2,375
Permanent differences	–2,916	–1,251
Tax-free income and other tax exemptions	1,246	1,444
Withholding and similar taxes	–2,742	–2,030
Other	–966	–1,451
Total	**–50,184**	**–31,378**
Effective tax rate	–29.6%	–29.9%

15. Profit or Loss Statement by Nature

	2015 12 months € in K	2014 12 months € in K
Sales revenue	**884,331**	**683,524**
Purchases consumed	–197,707	–165,023
Cost of purchased services	–36,770	–26,651
Personnel costs	–242,878	–206,564
Amortization and depreciation	–39,856	–35,620
Other operating costs	–182,588	–129,355
Subtotal	**–699,799**	**–563,212**
Operating profit (EBIT)	**184,532**	**120,312**
Financial income I expenses	–14,854	–15,261
Income tax	–50,184	–31,378
Non-controlling interest	–1,495	–1,231
Group net profit	**117,999**	**72,442**

16. 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. The effect of share options is therefore considered in the weighted average number of shares.

	2015	2014
Net profit after tax (€ in K)	119,494	73,673
Group net profit after tax (€ in K)	117,999	72,442
Earnings per share (€)	7.68	4.72
Diluted earnings per share (€)	7.68	4.72
Number of shares (statutory level)	15,367,238	15,359,238
Other dilutions (Stock-options exercised)	–1,247	–7,871
Weighted average number of shares used in earnings per share calculation	**15,365,991**	**15,351,367**
Future options	0	8,000
Potential options	0	0
Weighted average number of shares used in diluted earnings per share calculation	**15,365,991**	**15,359,367**

Notes to the Individual Balance Sheet Items

17. Goodwill and Other Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2014	**308,955**
Currency translation	2,259
Business combinations	2,572
Gross book values at Dec. 31, 2014	**313,786**
Impairment losses at Jan. 1, 2014	**0**
Currency translation	0
Impairment losses	0
Impairment losses at Dec. 31, 2014	**0**
Net book values at Dec. 31, 2014	**313,786**

	Goodwill € in K
Gross book values at Jan. 1, 2015	**313,786**
Currency translation	1,711
Business combinations	21,462
Gross book values at Dec. 31, 2015	**336,959**
Impairment losses at Jan. 1, 2015	**0**
Currency translation	0
Impairment losses	0
Impairment losses at Dec. 31, 2015	**0**
Net book values at Dec. 31, 2015	**336,959**

The caption reported as goodwill in the amount of €336,959 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 2014 concerns the acquisition of AllPure; the 2015 acquisition refers to BioOutsource and Cellca (see note 9).

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 2014, the impairment test conducted for 2015 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 four years. The calculations were based on a terminal year growth rate of 2.5% for the years after 2019. 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 and 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:

	2015		2014	
	Before tax	**After tax**	Before tax	After tax
Biopharm segment	7.6%	6.1%	8.3%	6.5%

In 2015, 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":

	2015	2014
Discount rates	21.2%	15.7%
Terminal growth rate	–47.1%	–17.9%
Cash flows	–83.2%	–71.7%

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, 2014	**33,738**	**10,779**	**108,314**	**40,410**	**54**	**193,295**
Currency translation	1,183	0	809	223	0	2,214
Business combinations	2,580	0	678	0	0	3,258
Acquisitions	491	0	0	8,447	251	9,189
Disposals	–119	0	0	–68	0	–187
Transfers	88	0	0	0	–54	34
Gross book values at Dec. 31, 2014	**37,962**	**10,779**	**109,800**	**49,012**	**251**	**207,804**
Amortization and impairment losses at Jan. 1, 2014	**–11,794**	**0**	**–43,432**	**–21,610**	**0**	**–76,836**
Currency translation	–348	0	–149	–48	0	–545
Amortization and impairment losses	–3,212	0	–7,787	–6,384	0	–17,382
Disposals	119	0	0	0	0	119
Transfers	0	0	0	0	0	0
Amortization and impairment losses at Dec. 31, 2014	**–15,234**	**0**	**–51,368**	**–28,042**	**0**	**–94,644**
Net book values at Dec. 31, 2014	**22,727**	**10,779**	**58,433**	**20,970**	**251**	**113,160**

	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, 2015	**37,962**	**10,779**	**109,800**	**49,012**	**251**	**207,804**
Currency translation	2,067	–4	565	456	0	3,084
Business combinations	30,617	207	7,875	0	0	38,699
Acquisitions	644	0	0	8,154	67	8,865
Disposals	–384	0	–275	–117	0	–776
Transfers	28	0	0	0	0	28
Gross book values at Dec. 31, 2015	**70,933**	**10,982**	**117,965**	**57,506**	**318**	**257,704**
Amortization and impairment losses at Jan. 1, 2015	**–15,234**	**0**	**–51,368**	**–28,042**	**0**	**–94,644**
Currency translation	–888	1	–124	–270	0	–1,281
Amortization and impairment losses	–5,487	–28	–8,374	–5,167	0	–19,056
Disposals	355	0	275	0	0	630
Transfers	–5	0	0	0	0	–5
Amortization and impairment losses at Dec. 31, 2015	**–21,259**	**–27**	**–59,590**	**–33,479**	**0**	**–114,355**
Net book values at Dec. 31, 2015	**49,675**	**10,955**	**58,375**	**24,027**	**318**	**143,349**

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 2015; the recoverable amount 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 €34.8 million (2014: €40.5 million) for the year ended December 31, 2015; the remaining useful life is seven years.

In 2015, the development costs of €8,154 K were recognized as assets (€8,447 K in 2014). 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 line "cost of sales".

18. 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, 2014	**138,763**	**92,150**	**63,628**	**14,406**	**308,948**
Currency translation	2,747	1,739	1,499	81.1	6,066
Business combinations	5	1	107	6.1	120
Grants related to assets	–4,060	0	0	0.0	–4,060
Acquisitions	3,642	6,181	6,470	18,759.6	35,053
Disposals	–626	–1,997	–5,925	–404.3	–8,952
Transfers	3,189	3,066	842	–6,921.9	175
Gross book values at Dec. 31, 2014	**143,661**	**101,141**	**66,622**	**25,926**	**337,349**
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	601	2,360	5,465	0	8,426
Transfers	0	–6	0	6	0
Depreciation at Dec. 31, 2014	**–42,400**	**–58,682**	**–44,072**	**0**	**–145,154**
Net book values at Dec. 31, 2014	**101,260**	**42,458**	**22,550**	**25,926**	**192,195**

	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, 2015	**143,661**	**101,141**	**66,622**	**25,926**	**337,349**
Currency translation	2,489	1,768	1,340	–34	5,563
Business combinations	4,220	1,271	1,510	–1	7,000
Grants related to assets	–4,060	0	0	0	–4,060
Acquisitions	6,485	9,195	7,877	22,099	45,656
Disposals	–432	–2,145	–5,091	–86	–7,755
Transfers	3,193	7,620	–2,515	–8,105	192
Gross book values at Dec. 31, 2015	**155,555**	**118,850**	**69,742**	**39,799**	**383,946**
Depreciation at Jan. 1, 2015	**–42,400**	**–58,682**	**–44,072**	**0**	**–145,154**
Currency translation	–427	–1,141	–796	7	–2,357
Depreciation	–5,571	–8,558	–6,237	–434	–20,800
Disposals	432	2,249	4,565	0	7,247
Transfers	0	–1,931	1,926	0	–5
Depreciation at Dec. 31, 2015	**–47,966**	**–68,064**	**–44,614**	**–426**	**–161,070**
Net book values at Dec. 31, 2015	**107,589**	**50,786**	**25,128**	**39,373**	**222,875**

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 2015, as for fiscal 2014, 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 €17,137 K (2014: €17,384 K). The cost of acquisition of these assets totals €19,480 (2014: €18,702 K).

19. Deferred Tax

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K	**Dec. 31, 2015 € in K**	Dec. 31, 2014 € in K
Intangible assets	0	179	34,693	22,066
Tangible assets	0	13	6,826	5,748
Inventory	6,195	3,124	0	1,011
Receivables and other current assets	633	1,097	1,148	347
Provisions	9,040	6,604	0	0
Liabilities	7,450	1,578	45	0
Gross amount	**23,318**	**12,595**	**42,712**	**29,172**
Carry forward of taxable losses	574	259	0	0
Tax on undistributed earnings of subsidiaries	0	0	1,325	1,325
Offset	–13,850	–2,685	–13,850	–2,685
Net amount	**10,042**	**10,169**	**30,187**	**27,813**
Change	**–127**		**–2,374**	
thereof recognized in profit or loss	**74**		**4,840**	

Deferred Tax Assets

On the balance sheet date, the Group had unused tax loss amounts carried forward of €6.0 million to be deducted from future taxable profits (€3.5 million in 2014). A deferred tax amount was reported on approx. €2.6 million of these losses (€1.3 million in 2014). Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of visibility of future taxable profits.

Deferred tax assets in the amount of €0.1 million relate 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 and technologies.

In addition, the Group recorded deferred tax liabilities for a tax amount of €1.3 million (€1.3 million in 2014) on approx. €307 million (€200 million) in cumulative undistributed earnings of subsidiaries). In effect, the Group considers that these cumulative undistributed earnings are not intended to be systematically reinvested in its subsidiaries, but rather might be used to pay out dividends in France or Germany.

The Group did not recognize deferred tax liabilities on the remaining retained earnings of subsidiaries because these earnings are intended to be reinvested in these operations. 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.

In fiscal 2015, as in the previous years, the tax effect from hedging instruments, and the deferred tax assets from the recognition of the remeasurements of defined benefit liabilities (assets) and the amount of income taxes incurred by the net investment in a foreign operation were recognized in other comprehensive income. The income taxes recognized in other comprehensive income are disclosed as follows in the table:

€ in K	**2015**	2014
Cash flow hedges	418	1,084
Remeasurements of the net defined benefit obligations	–7	1,885
Net investment in a foreign operation	1,992	2,069
Total	**2,403**	**5,038**

20. Inventories

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Raw materials and supplies	37,765	29,017
Work in progress	45,632	33,434
Finished goods and merchandise	60,280	45,941
Payments on account	3,293	1,583
Total	**146,970**	**109,975**

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Gross amount inventories	160,048	119,626
Write-downs	–13,078	–9,651
Net Amount Inventories	**146,970**	**109,975**

21. Current Trade Receivables | Other Receivables

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Trade receivables from third parties	132,964	116,703
Amounts due from customers for contract work	3,678	2,070
Receivables from subsidiaries of the Sartorius AG Group	5,702	6,014
Trade receivables	**142,344**	**124,787**

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

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 €17,892 K (2014: €17,426 K). For these projects, advance payments of €14,214 K (2014: €15,356 K) were recorded. For this year, the contract revenue for projects in progress is €11,747 K (2014: €12,423 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, 2015 € in K	Dec. 31, 2014 € in K
Valuation allowance at the beginning of the year	−2,615	−2,897
Increase during the year	−1,599	−933
Derecognition and consumption	296	504
Recoveries of amounts previously impaired	721	793
Foreign currency translation differences	−71	−82
Business combinations	−91	0
Valuation allowance at the end of the year	**−3,359**	**−2,615**

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
1–30 days	24,094	19,790
31–90 days	13,142	8,775
91–180 days	6,857	1,496
181–360 days	1,894	485
More than 360 days	668	118
Total	**46,656**	**30,665**

For trade receivables of €46,656 K (2014: €30,665 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.

22. Other Financial Assets

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	9	57
Other financial assets	8,353	6,790
Current financial assets	**8,362**	**6,847**

23. Issued Capital

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

During 2014, 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 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 (included in the line "capital reserves") 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 share capital reduction transaction, 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" (included in the line "capital reserves"), 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, 2014, and December 31, 2015, 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.

	Dec. 31, 2015 € in K	Dec. 31, 2014
Number of shares at the beginning of the period	15,359,238	17,042,306
Stock options exercised	8,000	15,642
Cancellation of treasury shares	0	–1,698,710
Number of shares at the end of the period	**15,367,238**	**15,359,238**
Nominal value per share (in €)	1.00	1.00
Issued capital amount (€ in K)	15,367	15,359

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, 2015, as follows: payment of a net dividend of €2.00 per share (2014: €1.30), i.e., a total disbursement of 30,734,476.00 € (2014: 19,967,009.40 €).

24. Non-Controlling Interest

The non-controlling interest recognized in the statement of financial position amounting to €5,778 K relate to the subsidiaries Sartorius Korea Biotech and All Pure Technologies LLC. The interest in Sartorius Korea Biotech is 69%, the remaining 31% are subject to an exercisable call option. The interest in All Pure Technologies is 60.01%. The remaining shares will be purchased by Sartorius Stedim Biotech before the end of 2022 at the latest.

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

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

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Sartorius Korea Biotech Co. Ltd.	4,080	4,639
AllPure Technologies, LLC	1,699	2,013
Total	**5,778**	**6,653**

Key Figures

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Sartorius Korea Biotech Co. Ltd.		
Sales revenue	43,395	28,576
Net result	5,129	2,426
Total assets	25,204	19,338
Attributed profit or loss (-)	1,590	1,238
AllPure Technologies, LLC		
Sales revenue	5,023	1,885
Net result	–239	–12
Total assets	5,474	4,564
Attributed profit or loss (-)	–96	–6

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

25. 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 2015, the total expense recognized for the defined contribution plans amounted to €14,779 K (2014: €13,786 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. The remeasurements of defined benefit liabilities (asset) are shown in other comprehensive income according to the standard IAS 19. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €308 K (actuarial loss of €6,957 K in 2014).

An amount of €22,888 K relates in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €24,054 K in 2014 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 rates reflect the interest rates payable 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, 2015	Dec. 31, 2014
Discount rate	2.27	1.90
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

With regard to the assumptions for mortality and invalidity the tables "Richttafeln (RT) 2005 G" by Klaus Heubeck were applied.

For France:

in %	Dec. 31, 2015	Dec. 31, 2014
Discount rate	2.00	1.80
Future salary increases	**2.50**	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:

	2015 € in K	2014 € in K
Current service cost	–1,625	–1,175
Past service cost	688	336
Net interest expenses	–554	–732
Components of defined benefit costs recognized in profit or loss	**–1,492**	**–1,571**
Return on plan assets (excl. interest)	–31	–3
Remeasurements	–194	–6,907
Components of defined benefit costs recognized in other comprehensive income	**–225**	**–6,910**
Total	**–1,717**	**–8,481**

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, 2015 € in K	Dec. 31, 2014 € in K
Present value of the obligations	37,651	35,557
Fair value of the plan assets	–5,914	–4,974
Net Liability	**31,737**	**30,583**

The present value of the defined benefit obligation developed as follows:

	2015 € in K	2014 € in K
Present value of the obligations as of Jan. 1	**35,557**	**27,017**
Current service cost	1,625	1,175
Past service cost	–688	–336
Interest cost	652	837
Remeasurements	193	6,895
Foreign currency translation differences	632	253
Retirement benefits paid in the reporting year	–998	–877
Employee contributions	188	160
Contributions by plan participants	474	411
Other changes	16	23
Present value of the obligations as of Dec. 31	**37,651**	**35,557**

The remeasurements of defined benefit liability (asset) can be allocated as follows:

	2015 € in K	2014 € in K
Experience adjustments	542	508
Changes in demographic assumptions	393	154
Changes in financial assumptions	–741	6,255
Total	**195**	**6,918**

Plan Assets:

	2015 € in K	2014 € in K
Plan assets as of Jan. 1	**4,974**	**4,416**
Interest income	98	105
Return on plan assets (excl. interest)	–31	–3
Remeasurements	–2	–12
Group contribution & payments	–904	–798
Foreign currency translation differences	447	174
Employee contributions	188	160
Employer contributions	621	475
Contributions by plan participants	522	459
Other changes	0	0
Plan assets as of Dec. 31	**5,914**	**4,974**

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 €1.2 million (€0.9 million in 2014) 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 (a positive sign (+) means an increase of the obligation):

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

2015:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	754	–741
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–5,385	6,957
Future salary increases	+50 bps	–50 bps
Effect	755	–707
Future pension increases	+25 bps	–25 bps
Effect	879	–838

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, 2015 € in K	Dec. 31, 2014 € in K
<1 year	1,267	1,204
1–5 years	5,898	4,924
6–10 years	11,847	8,794
>10 years	47,919	49,263
Total	**66,931**	**64,185**

The weighted average duration of the defined benefit obligations is 18.0 years (2014: 18.1 years).

26. Loans and Borrowings

	Balance at Dec. 31, 2015 € in K	**of which current Dec. 31, 2015 € in K**	Balance at Dec. 31, 2014 € in K	of which current Dec. 31, 2014 € in K
Liabilities to banks	26,438	13,835	48,132	32,253
Loans from Sartorius AG	73,379	73,379	39,511	39,511
Total loans and borrowings	**99,817**	**87,214**	**87,643**	**71,764**

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.

The non-current loans and borrowings do not include the liabilities in connection with acquisitions which are presented in the caption "other non-current liabilities" (please refer to chapter 27).

27. Other Non-current Liabilities

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	4,037	1,881
Other liabilities	47,451	42,843
Total	**51,488**	**44,724**

The derivative financial instruments represent the fair value of interest rate swap agreements and foreign currency forward contracts. 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 other comprehensive income was posted to 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 €42,023 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 purchase commitment of the non-controlling interest in the company All Pure (see chapter 9) for an amount of €5,428 K. The owners of the remaining shares have to sell their shares in the company to Sartorius Stedim Biotech Group by 2022 at the latest. The purchase price depends on the performance of the activity.

28. Other Provisions

Other Non-current Provisions

	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**

	Payments to employees on early retirement plan € in K	Other € in K	Total ¤ in K
Balance at Jan. 1, 2015	2,209	682	2,891
Currency translation	0	8	8
Consumption	–780	–33	–813
Reversals	0	–6	–6
Additions	1,117	53	1,170
Reclassification	0	29	29
Balance at Dec. 31, 2015	**2,546**	**732**	**3,278**

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 19 the treatment of severance payments to be earned in future periods must be recognized in profit or loss over the respective period of service. Actuarial gains and losses, as well as past service costs, on these obligations are recognized as income or expense.

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% (2014: 0.3%).

Current Provisions

During financial 2014 and 2015, the current provisions developed as follows:

	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
Consumption	–817	–438	–1,255
Release	–799	–487	–1,286
Additions	2,787	815	3,602
Change in the scope of consolidation	0	0	0
Other changes	0	0	0
Balance at Dec. 31, 2014	**3,235**	**2,989**	**6,224**

	Warranties € in K	Other € in K	**Total € in K**
Balance at Jan. 1, 2015	3,235	2,989	6,224
Currency translation	92	62	154
Change in the scope of consolidation	151	79	230
Consumption	–1,343	–245	–1,588
Release	–440	–141	–581
Additions	1,873	1,989	3,862
Other changes	0	–288	–288
Balance at Dec. 31, 2015	**3,569**	**4,445**	**8,014**

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 recognized for legal or constructive obligations against third parties. Warranty provisions contain expenses for returned products, replacement deliveries and repairs. Specific risks are recognized when the occurrence is more likely than not. General warranty risks are considered on the basis of experiences in the past. The other provisions contain mainly onerous contracts and uncertain liabilities to employees.

29. Current Liabilities

Trade Payables

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Payments received on account of orders	39,242	31,964
Trade payables to third parties	54,532	36,964
Payables to subsidiaries of the Sartorius AG Group	6,824	12,210
Total	**100,598**	**81,139**

Other Financial Liabilities

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Derivative financial instruments	3,460	4,867
Personnel-related liabilities	26,374	22,437
Other liabilities	11,493	20,774
Total	**41,327**	**48,078**

The derivative financial instruments refer to the fair values of interest rate swap agreements and foreign currency hedging transaction such as forward contracts (mainly related to the US$).

30. Other Financial Obligations | Contingent Assets and Liabilities

As was the case in the previous years there are no significant contingent liabilities or contingent assets to be reported. The group's financial obligations refer to rental obligations (future minimum lease payments under the lease under non-cancellable leases), which break down as follows:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Operate leases		
- due within one year	5,771	4,439
- due within 2 to 5 years	11,506	7,212
- due thereafter	3,301	2,070

31. 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, 2015 € in K**	**Fair value Dec. 31, 2015 € in K**	Carrying amount Dec. 31, 2014 € in K	Fair value Dec. 31, 2014 € in K
Financial Assets	**Available for sale**	**1,330**	**1,330**	**1,214**	**1,214**
Trade receivables	**Loans and receivables**	**142,344**	**142,344**	**124,787**	**124,787**
Financial Assets	**Loans and receivables**	**8,353**	**8,353**	**6,790**	**6,790**
Derivative financial instruments	Held for trading	0	0	12	12
Derivative financial instruments in hedging relationship	Hedging Instruments	9	9	45	45
Other financial assets		**8,362**	**8,362**	**6,847**	**6,847**
Cash and cash equivalents	**Loans and receivables**	**31,831**	**31,831**	**18,544**	**18,544**
Loans and borrowings	Financial liabilities at cost	99,817	100,919	87,643	88,976
Finance lease liabilities	IAS 17	18,443	25,175	18,338	21,465
Trade payables	Financial liabilities at cost	61,356	61,356	49,175	49,175
Trade payables	n/a	39,242	39,242	31,964	31,964
Trade payables		**100,598**	**100,598**	**81,139**	**81,139**
Derivative financial instruments	Held for trading	2,801	2,801	3,408	3,408
Derivative financial instruments in hedging relationship	Hedging Instruments	4,696	4,696	3,340	3,340
Other financial liabilities	Financial liabilities at cost	53,906	61,494	57,784	60,805
Other financial liabilities	Fair value through profit or loss	5,428	5,428	6,183	6,183
Other financial liabilities	n/a	25,985	25,985	22,088	22,088
Other financial liabilities		**92,815**	**100,403**	**92,802**	**95,823**

The carrying amounts of the financial instruments for each category are shown in the following table:

	Dec. 31, 2015 € in K	Dec. 31, 2014 € in K
Available for sale assets	1,330	1,214
Loans and receivables	182,528	150,121
Held for trading assets	0	12
Assets held as hedging instruments	9	45
Financial liabilities at cost	215,078	194,602
Held for trading liabilities	2,801	3,408
Fair value through profit or loss	5,428	6,183
Liabilities held as hedging instruments	4,696	3,340

For the equity investments measured at acquisition cost (financial assets), 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. These are mainly linked to sales affiliates of the Group; the calculation of fair values for those activities would therefore not be relevant for the economic decisions of the users. Currently, it is not planned to sell these assets.

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

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 that cannot be derived from observable market data.

The financial instruments to be recognized at fair value on the reporting date are exclusively derivatives in the form of forward contracts and interest rate swaps. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and finance leases, were measured on the basis of the market interest rate, taking the current indicative credit spreads into account (Level 2).

The liability in connection with the forward to acquire the non-controlling interest of AllPure has been recognized at the present value of the expected future payments. These payments are derived from the expected revenues of the AllPure business at the time of the purchase taking into consideration the above mentioned risk-adjusted discount rate (level 3).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity.

Measurement of Fair Values

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which the change has occurred. In the current reporting period there were no transfers between the levels.

The valuation of the level 3 liability is based on a discounted cash flow technique, taking into consideration the expected future payments discounted using a risk-adjusted discount rate. The expected payments are determined by considering possible developments of future revenue and the amounts to be paid under each scenario. The significant unobservable input in this calculation is the future revenue which was considered at a growth rate of approximately €5 million per year on average.

The carrying amount of the liability can be reconciled as follows:

€ in K	**2015**	2014
Balance at Jan. 1	**6,183**	**0**
Initial recognition	0	7,113
Fair value changes	0	–1,678
Interest expense included in profit or loss	93	72
Payment	–1,532	0
Effects from foreign exchange translation	684	676
Balance at Dec. 31	**5,428**	**6,183**

An increase (decrease) of the sales revenue by 10% in each of the following years would lead to an increase (decrease) of the liability by €0.6 million (€0.6 million).

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:

	2015 12 months € in K	2014 12 months € in K
Available for sale assets	0	97
Loans and receivables	3,103	2,276
Financial assets and liabilities held for trading	595	–3,396
Fair value through profit or loss	93	–1,606
Financial liabilities at cost	–13,503	–1,668

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:

	2015 12 months € in K	2014 12 months € in K
Interest income	362	628
Interest expenses	–3,767	–5,624

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, 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 $107 million (2014: $62.5 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 two years. Furthermore, Japanese yen, British pounds and Swiss francs have been hedged in smaller volumes.

The following table shows the forward transactions as well as the target profit forward contracts as of the balance sheet date:

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**

Dec. 31, 2015	Currency	Volume	Maturity	**Fair value € in K**
Forward contract	USD	15,000,000	Q1 2016	–1,098
	USD	14,500,000	Q2 2016	–734
	USD	15,500,000	Q3 2016	–680
	USD	15,000,000	Q4 2016	–844
	USD	11,500,000	Q1 2017	–463
	USD	10,500,000	Q2 2017	–520
	USD	12,000,000	Q3 2017	–577
	USD	13,000,000	Q4 2017	–492
	USD	**107,000,000**		**–5,407**
Target Profit Forward	**USD**	**14,000,000**	**Q3 2017**	**–43**
Forward contract	**GBP**	**–500,000**	**Q1 2016**	**4**
Forward contract	CHF	–2,000,000	Q1 2016	–49
	CHF	–1,000,000	Q2 2016	–51
	CHF	**–3,000,000**		**–100**
Target Profit Forward	**JPY**	**525,000,000**	**Q3 2017**	**–23**

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 in other comprehensive income (cumulative amount in 2015: €4.7 million; 2014: €3.3 million). The amounts recognized in equity are included in the profit or loss in the period in which the hedged transactions affect this result.

If the U.S. dollar would have depreciated 10% against the euro, the equity would have increased by €14.6 million (2014: €10.0 million) and the result would have been increased by €3.6 million (2014: €2.7 million).

Vice versa, if the U.S. dollar would have appreciated 10% against the euro, the resulting impact of the result would have been - €4.5 million (2014: - €3.3 million) and the other comprehensive income - €17.9 million (2013: - €12.2 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). An increase of the CHF against the Euro by 5% would lead to an increase of the liability amounting to €2.2 million (2014: €1.9 million), a decrease of the CHF against the Euro by 5% would lead to a decrease of the liability amounting to €2.0 million (€1.7 million).

F. Interest Risk Management

Sartorius Stedim Biotech is 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, 2015 € in K**	Hedging volume as of Dec. 31, 2014 € in K	End of term	Hedged interest rate	**Fair value as of Dec. 31, 2015 € in K**	Fair value as of Dec. 31, 2014 € in K
Swaps	40,000	60,000	up to Aug. 2018	1.68% –1.79%	–1,920	–1,385
Forward Swaps	0	40,000	up to March 2019	1.68%–1.78%	0	–1,822
Total					**–1,920**	**–3,207**

The Group's hedging strategy is to secure roughly 50% of the risk exposure for a period up to five years. As of Dec. 31, 2015 the raised loans with variable interest rates amount to approx. €80 million and the hedged volume is up to €40 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, 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**

	Carrying amount Dec. 31, 2015 € in K	**Cash Flow Dec. 31, 2015 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Loans and borrowings	99,817	115,053	101,556	13,497	0
Finance Leases	18,443	36,600	1,954	8,616	26,029
Trade payables	61,356	61,356	61,356	0	0
Other liabilities (excluding derivatives)	59,334	68,073	11,882	23,887	32,303
Financial Liabilities	**238,949**	**281,081**	**176,748**	**46,001**	**58,332**

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 based on the interest rates as of the balance sheet date.

The loans and borrowings include the loan raised from the parent company Sartorius AG. The other liabilities include the liability for the purchase commitment 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, 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**

	Carrying amount Dec. 31, 2015 € in K	**Cash Flow Dec. 31, 2015 € in K**	< 1 year € in K	1 –5 years € in K	> 5 years € in K
Gross fulfilment					
Forward contracts	**5,577**	**5,569**	**3,517**	**2,052**	**0**
Payment obligation		93,668	51,311	42,357	0
Payment claim		–88,165	–47,860	–40,305	0
Net fulfilment					
Interest rate swaps	1,920	1,947	761	1,186	0
Derivatives	**7,497**	**13,019**	**7,729**	**5,290**	**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, 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**

	Credit line at Dec. 31, 2015	< 1 year € in K	1 –5 years € in K	> 5 years € in K	Interest rate	**Credit line used at Dec. 31, 2015**	**Credit line unused as of Dec. 31, 2015**
Loan from Sartorius AG	300,000	0	300,000	0	Variable	73,379	226,621
Bilateral credit line	32,525	20,025	12,500	0	Variable and fixed	26,438	6,087
Total	**332,525**	**20,025**	**312,500**	**0**		**99,817**	**232,708**

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 €0.8 million (2014: €0.5 million) higher. This effect would have been overcompensated by an increase in the fair values of the interest rate swaps by €1.0 million € (€1.6 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 €0.1 million (-€0.3 million in 2014), caused by the valuation of the interest rate swaps.

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.

32. Share-based Payments

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

The various stock option plans outstanding at December 31, 2014, and December 31, 2015, are summarized as follows:

	Dec. 31, 2015 Number of options	Dec. 31, 2014 Number of options
Outstanding at beginning of period	8,000	23,642
Allocated during the period	0	0
Cancelled during the period	0	0
Exercised during the period	–8,000	–15,642
Lapsed in the period	0	0
Outstanding at end of period	**0**	**8,000**
Exercisable at the end of period	**0**	**8,000**

Date of General Meeting authorizing the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Number of initial 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 performan ce 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		

Date of General Meeting authorizing the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Number of initial bene-ficiaries	Subscrip-tion on price in €	Number of shares subscribed over the fiscal year 2015	Number of options granted and exercisable at Dec. 31, 2015	Number of options subject to target performanc e at Dec. 31, 2015	Total of number of beneficiaries of valid options
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	5,000	0	0	0
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	29.51	3,000	0	0	0
Total		**162,500**	**0**		**17**		**8,000**	**0**	**0**	**0**
								0		

The cost for fiscal 2015 is €0 K. No new additional stock options were granted in 2015. All options have now been exercised, the program is therefore closed.

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, 2015 € in K**	Paid out € in K	Exercisable
Tranche of phantom stock units for 2011	8,358	26.62	223	**0**	556	paid out in 2015
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
Tranche of phantom stock units for 2015	2,954	98.78	292	729	0	no
Total	**25,341**		**1,277**	**1,935**	**556**	

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 2015 was 3,995 (3,642 in 2014).

33. 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 84.5% 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 7), 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 revenue" and "purchases".

	Sales revenue 2015 € in K	**Purchases 2015 € in K**
Related parties of Sartorius Group	**36,450**	**4,762**
	Sales revenue 2014 € in K	**Purchases 2014 € in K**
Related parties of Sartorius Group	13,441	5,850

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 €8.9 million (€7.0 million in 2014). 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. (€1.4 million in 2015; €0.7 million in 2014) and charged to Sartorius Stedim Biotech GmbH (€1.6 million in 2015; €0.8 million in 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 (2014: €0.6 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. €73 million (2014: €40 million). The interest charged 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 with arm´s length principles for routine tasks, following OECD and EU guidelines. In 2015, services for approx. €30.8 million were provided to Sartorius Stedim Biotech GmbH (€23.9 million in 2014). 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 2014 and 2015, 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
2015[1)]	**6,715**	**3,173**	**305**	**506**	**0**	**2,731**
2014[1)]	4,116	2,823	450	404	0	458

[1)] For more information please refer to the chapter Corporate Governance (See pages 75 to 109)

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, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2015, on:
– the audit of the accompanying consolidated financial statements of Sartorius Stedim Biotech;
– the justification of our assessments;
– the specific verification required by law.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 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 5 "Judgements 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 17 "Goodwill and other 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 verifications

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, 2016

The Statutory Auditors

French original signed

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
John Evans	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, 2015	Depreciation, amortization and provisions Dec. 31, 2015	Net at Dec. 31, 2015	Net at Dec. 31, 2014
Intangible assets	552	–32	520	548
Property, plant and equipment	17,430	–9,698	7,732	7,491
Financial investments	128,079		128,079	128,113
Total non-current assets	**146,061**	**–9,730**	**136,331**	**136,152**
Inventories and work in progress	0	0	0	0
Receivables				
Trade receivables to third parties	0	0	0	0
Other receivables	15,376	0	15,376	4,663
Marketable securities	0	0	0	0
Deposits and cash equivalents	13		13	6
Total current assets	**15,389**	**0**	**15,389**	**4,669**
Prepaid expenses	50		50	62
Currency translation adjustment	0		0	0
Total assets	**161,500**	**–9,730**	**151,770**	**140,883**

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

	At Dec. 31, 2015	At Dec. 31, 2014
Share capital	15,367	15,359
Share premium	16,315	16,140
Reserves	2,126	1,630
Retained earnings carried forward	13,416	9,032
Profit for the period	29,312	24,845
Regulated provisions	4,088	4,088
Total equity	**80,623**	**71,094**
Provisions for liabilities and charges	0	0
Total provisions for liabilities and charges	**0**	**0**
Loans and borrowings	0	0
Trade payables	1,070	784
Tax and social charges payable	57	46
Liabilities for non-current assets	75	193
Other liabilities	69,945	68,767
Total liabilities	**71,147**	**69,789**
Currency translation adjustment	0	0
Total equity and liabilities	**151,770**	**140,883**

Parent Company: Income Statement (in thousands of €)

	At Dec. 31, 2015	At Dec. 31, 2014
Sales revenue	1,593	1,465
Inventory movements	0	0
Capitalized production costs	0	0
Depreciation or amortization reversals	0	0
Other operating income and expense reallocation	5	0
Purchases consumed	0	0
External charges for services	–3,058	–2,597
Tax and duties	–814	–800
Personnel costs	0	0
Additions to amortization, depreciation and provision	–684	–654
Other operating expenses	–349	–231
Operating profit (EBIT)	**(3,307)**	**(2,817)**
Net financing income | (expense)	33,286	27,194
Profit | (loss) from ordinary activities	**29,979**	**24,377**
Exceptional income | (expense)	–14	0
Income tax	–653	468
Net profit | (loss)	**29,312**	**24,845**

1. Materiel Events during the Exercise

Sartorius Stedim Biotech SA has been the subject of a French tax audit bduring the exercise 2015. The audit covered the years 2012 and 2013.

The amount of the adjustment is not significant.

2. Materiel Events after the Reporting date

It is envisaged that Sartorius Stedim Biotech SA absorbs, pursuant to a merger by absorption, the company VL Finance, a simplified joint stock company with a share capital of 4,614,710 euros, whose the registered office is at Zone Industrielle Les Paluds - Avenue de Jouques 13400 Aubagne, Company's registry of Marseille under the number 377 509 112 .

The proposed merger is part of an internal reorganization project of the Sartorius Group to simplify its legal structure, including the detention of the French subsidiaries and to achieve savings in operating costs. It appeared that the existence of VL Finance legal structure has now no more legal interest because this company is an holding company, with only one financial investment in the entity Sartorius Stedim Biotech SA.

Please note VL Finance has no employees, does not have any brand, any patent and has no commercial activity.

3. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2015, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of a going concern.

The annual financial statements have been prepared in accordance with the clauses of the CRC Regulation 2014-03 of September 8, 2014 on 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, 2015.

3.1. 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."

3.1.1. 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
– Leasehold: Eighteen years (Based on the period of use).

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.

3.1.2. 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.

3.1.3. 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.

3.2. 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.

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

4.1. Intangible Assets

Gross values	At Dec. 31, 2014	Increase in 2015	Decrease in 2015	At Dec. 31, 2015
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	28	0	32
Net amount	**548**	**–28**	**0**	**520**

4.2. Property, Plant and Equipment

Gross values	At Dec. 31, 2014	Increase in 2015	Decrease in 2015	At Dec. 31, 2015
Land	496	0	0	496
Buildings	14,402	372	0	14,774
Plant and equipment	0	0	0	0
Other	1,143	331	0	1,474
Property, plant and equipment in progress	492	193	0	685
Total	**16,533**	**897**	**0**	**17,430**
Amortization and depreciation	At Dec. 31, 2014	**Addition**	**Release**	**At Dec. 31, 2015**
Buildings	8,953	449	0	9,402
Plant and equipment	0	0	0	0
Other	89	207	0	296
Total	**9,042**	**656**	**0**	**9,698**
Property, plant and equipment, net	**7,491**	**241**	**0**	**7,732**

The increase in tangible assets includes fixtures and fittings for an amount of €703 K and assets under construction for an amount of €193 K.

4.3. Financial Investments

Investments	At Dec. 31, 2014	**Increase in 2015**	**Decrease in 2015**	**At Dec. 31, 2015**
Shareholdings	127,877	0	–8	127,869
Write-down of shareholdings	0	0	0	0
Deposits and guarantees	235	0	–25	210
Treasury shares	0	0	0	0
Write-down of treasury shares	0	0	0	0
Total	**128,112**	**0**	**–33**	**128,079**

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.

Among the "Other investments", the two other Tunisian entities have been liquidated during the year 2015. The amount now corresponds to the share of Sartorius Stedim Biotech in the Russian company Sartorius Stedim RUS.

5. 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	210	0	210
Non-current assets	**210**	**0**	**210**
Advance payments on account	0	0	0
Trade receivables	0	0	0
Personnel	0	0	0
Social security	0	0	0
Taxes and duties	249	249	0
Group	15,125	15,125	0
Other receivables	2	2	0
Current assets	**15,376**	**15,376**	**0**
Prepaid expenses	50	50	0
Total receivables	**15,636**	**15,426**	**210**

The "Group" item for receivables from Group subsidiaries (€15,125 K) relates to current account cash advances provided to Sartorius Stedim Biotech GmbH, Sartorius Stedim FMT SAS and Sartorius Stedim Bioprocess Tunisia.

The "Taxes and duties" (€249 K) item primarily entails the net tax receivable including French tax relief system (€222 K) and VAT receivables.

6. 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	1,070	1,070	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	57	57	0	0
Liabilities for non-current assets	75	75	0	0
Group and associates	69,945	69,945	0	0
Other	1	1	0	0
Total liabilities	**71,147**	**71,147**	**0**	**0**

The "Group" item for liabilities from Group subsidiaries (€69,945 K) relates to cash-pooling liabilities and current account cash advances provided by Sartorius AG, Sartorius Stedim France SAS, Sartorius Stedim FMT SAS and Sartorius Stedim Aseptics SA.

Accrued expenses included in these accounts represented €,380 K and concerned the following items:

Type of expense	**At Dec. 31, 2015**
Accrued banking charges	0
Suppliers' invoices to be received	324
Paid vacation including social charges	0
Bonuses, including social charges and profit sharing	0
Social security payable	57
Taxes payable	0
Employee profit sharing	0
Total charges payable	**380**

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

7.1. Equity

At December 31, 2015, the share capital was €15,367 K, comprising 15,367,238 shares of a €1 par value.

The changes in equity in 2015 are the result of the following events:

- The exercise of stock options resulting in the issue of 8,000 shares, each with a par value of €1, for a total of €8 K;

- A €175 K share premium associated with this share capital increase;

The Annual General Shareholders' Meeting on April 7, 2015, approved the appropriation of the net profit for the year of €24,845 K, as follows:

- Allocation to the retained earnings carried forward: €4,383 K

- Paid into the legal reserves: €496 K

A dividend total of €19,966 K, or a net dividend per share of €1.30, was paid.

	Appropriation of profit in 2014 Before	Appropriation of profit in 2014 Changes	Appropriation of profit in 2014 After	Increases	Decreases	**Equity before appropriation of profit in 2015 Total**
Number of shares:	15,359,238		15,359,238	8,000		**15,367,238**
Share capital	15,359		15,359	8		**15,367**
Share premium	0		0	175		**175**
Merger premium	16,140		16,140			**16,140**
Legal reserve	1,040	496	1,536			**1,536**
Other reserves	590		591			**591**
Balance carried forward	9,032	4,383	13,415			**13,415**
Dividends paid	0	19,966	19,966		19,966	**0**
Net profit to be appropriated	24,845	(24,845)	0			**0**
Profit for the reporting year			0	29,312		**29,312**
Regulated provisions	4,088		4,088			**4,088**
Total	**71,095**	**0**	**71,096**	**29,495**	**19,966**	**80,624**

7.2. 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 share subscription options vested and not exercised at the end of 2014 (8,000) were exercized in the first semester 2015.

At the 31 december 2015, the stock options program is closed.

8. Risks and Provisions (in thousands of €)

8.1. Provisions

Type of provision	Provisions at Dec. 31, 2014	Additions 2015	Releases 2015	**Provisions at Dec. 31, 2015**
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**

8.2. Market Risk Exposure

Operating Cash Flow risks

At December 31, 2015, 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 2015, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €823 K. The amount of income tax for fiscal 2015 to be settled by Sartorius Stedim Biotech SA in 2016 under this tax integration regime is €3,661 K.

9. Operating Income (in thousands of €)

9.1. Sales Revenue by Operating Segment

Operating segment	**At Dec. 31, 2015**	%	At Dec. 31, 2014	%
Services	1,593	100%	1,465	100%
Total	**1,593**	**100%**	**1,465**	**100%**

9.2. Sales Revenue by Geographical Region

Geographical region	**At Dec. 31, 2015**	%	At Dec. 31, 2014	%
France	**1,593**	**100%**	**1,465**	**100%**
Export	**0**		**0**	**0%**
EU and other countries	0		0	
North American continent	0		0	
Total	**1,593**	**100%**	**1,465**	**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.

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

			At Dec. 31, 2015			At Dec. 31, 2014
	Profit before tax	**Income tax charge**	**Profit after tax**	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	29,979	–1,476	28,503	24,377	–552	23,825
Exceptional income | (expense)	–14	0	–14	0	0	0
French tax integration relief	0	823	823	0	1,020	1,020
Net taxable income	**29,965**	**–653**	**29,312**	**24,377**	**468**	**24,845**

11. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €207 K. These fees related to the 2014 fiscal year and were paid in 2015.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2015.

A Part of the Executive Board's remuneration has been recharged by Sartorius AG to Sartorius Stedim Biotech S.A. for an amount of €1,372 K.

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

Type of commitment	Comment	**At Dec. 31, 2015**	At Dec. 31, 2014
Commitments given			
Guarantees for bilateral credit lines		**0**	34,500
Guarantees for currency hedging contracts		**0**	20,000
Commitments from renting / leasing		**0**	0
Commitments received			
Contractual loan capacity from credit institutions		0	0

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	291	1,164	509	1,964	0
Total	**291**	**1,164**	**509**	**1,964**	
Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvments	2,391	271	681	133	133
Total	**2,391**	**271**	**681**	**133**	**133**

The building will be operational from the 1st of January 2015.

13. 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, 2015**	At Dec. 31, 2014
Investments	**127,869**	127,869
Trade receivables	**0**	440
Other receivables	**15,125**	994
Trade payables	**0**	381
Other liabilities	**69,661**	68,510
Income from investments	**34,405**	28,893
Other financial income	**781**	0
Finance expense	**1,899**	1,698

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

At Dec. 31, 2015	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstand-ing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	84,232		79,949	79,949	3,495	0	392,079	45,028	31,000
Sartorius Stedim FMT S.A.S.			**100.00%**							
(Euros)	42,940	0		42,940	42,940	–30,722	0	129,737	4,667	600
Sartorius Stedim Bioprocess SARL			**99.99%**							
(Dinars)	5,950	2,743						38,244	–234	3,603
(Euros)				3,132	3,132	4,139	0	17,571	–108	1,655
Sartorius Stedim RUS			**100.00%**							
(Rubles)	10	0						72,818	–1,171	0
(Euros)	0			0	0	0	0	1,067	–17	0
Sartorius Stedim Aseptics S.A.	**448**	**3,277**	**100.00%**							
(Euros)				1,848	1,848	–5,906	0	8,057	2,196	1,150

At Dec. 31, 2014	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstand-ing and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			**100.00%**							
(Euros)	6,000	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	91,527	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 Stedim RUS			**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.			**100.00%**							
(Euros)	448	3,277		1,848	1,848	–5,002	0	7,678	2,295	2,031

Statutory Auditors' Report on the Financial Statements

Year ended December 31, 2015

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.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Sartorius Stedim Biotech S.A.;
- 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, 2015 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 3.1.3 and 4.3 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, 2016

The Statutory Auditors

French original signed by

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
John Evans	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 second 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 second 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 three 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, 2015, there were 11,627,386 shares with a double voting right out of a total of 15,367,238 shares. Thus, the total voting rights are 26,994,624.

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, 2015:

– Number of shares: 658

– Liquidity account cash balance: €232,537.20

For information, the following assets appeared on the liquidity account on the date when the notification of contract implementation was issued:

– Number of shares: 0

– Liquidity account cash balance: €421,860

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

Major Contracts

Several service agreements were entered into between entities of the 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 2015 totaled million €30.8 against million €23.9 in 2014.

Apart from the above-mentioned service agreements, there are no other contracts with material obligations or commitments that have been concluded outside the ordinary course of the company's business or to which a member of the Sartorius Stedim Biotech Group is a party.

The strategy of the Sales and Marketing organization within the Sartorius Stedim Biotech Group towards customers is to create valuable long-term relationships. Therefore, for example, key account management endeavors to conclude long-term framework contracts with customers. As a total solution provider, Sartorius Stedim Biotech strives to use such contracts to cover the entire product portfolio of Sartorius Stedim Biotech that fits into the validated processes of the customer.

Registered Trademarks and Trademark Applications

Name	EU	Germany	France	International registration in the countries designated	USA	Australia	Brazil	Mexico	UK	Canada
SARTORIUS STEDIM BIOTECH	13/08/2007 No. 006228019 13/08/2017			16/11/2007 No. 962279 16/11/2017 + AU CH KR RU SG TR VN	17/08/2007 No. 3709002 10/11/2019		14/01/2008 13 Trademark Applications			09/11/2007 No. 1371410 Reg. in Progress
BIOSTAT	23/10/2014 No. 013398722 23/10/2024	04/10/1968 No. 873661 31/10/2018		26/06/1985 No. 494574 26/06/2025 + 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 15/02/2025				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 06/03/2025 + 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 25/10/2025	
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 31/08/2025		19/04/1993 No. 93465632 19/04/2023	24/01/1995 No. 630378 24/01/2025 + 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 31/01/2025		03/09/2003 No. 810249 03/09/2023	31/01/1995 No. 2009384 31/01/2025	
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 31/08/2025									
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 01/02/2025	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 338 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 11 Trademarks 2 Trademark Applications
BIOSTAT	22/02/1988 No. 2021770 22/02/2018 —————— 27/08/1986 No. 1880889 27/08/2016	28/06/1985 No. 233586 29/08/2016	05/01/1988 No. 100350 05/01/2018	01/07/1985 No. 116688 30/06/2016	11/07/1985 No. 8502982 11/07/2022	27/05/1987 No. 128877 27/05/2017	31/03/1988 No. 209760 31/03/2018	26/04/2012 No. 10830519 14/03/2025	17/12/2014 4 Trademark Applications	04/05/2012 No. 2326343 04/05/2022	
HYDROSART	21/11/2001 No. 4663672 18/04/2023										
MAXICAPS	15/10/1999 No. 4535058 11/01/2022										
MIDICAPS	25/02/2005 No. 4906540 04/11/2025										
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 Trademarks	
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 338 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

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

General meeting of shareholders to approve the financial statements for the year ended December 31, 2015.

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 French 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, 2016

The Statutory Auditors

French original signed by

KPMG Audit KPMG S.A. Departement	Deloitte & Associés
John Evans Partner	Christophe Perrau Partner

Resolutions Submitted to the Annual Combined Shareholders' Meeting on April 5, 2016

RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

First resolution

(Approval of the Company's absorption by merger of VL Finance SAS and of the increase of the share capital of the Company as remuneration for the said merger)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered:

- the draft agreement for the merger (including its schedules) executed on 18 February 2016 between the Company and VL Finance SAS, whereby VL Finance SAS will contribute all of its assets and liabilities to the Company in respect of the merger, retroactively to 1 January 2016 for accounting and tax purposes, subject to the satisfaction of the conditions precedent provided for in article 4 of this draft merger agreement;

- the Board of directors' report to this Shareholders' Meeting;

- the Document E established in connection with the merger, as registered by the French Financial Markets Authority (Autorité des marchés financiers); and

- the reports of the merger auditor on the terms of the merger and the value of the contributions;

1. Approves all of the provisions contained in the draft merger agreement and its schedules and consequently, subject to the satisfaction of the conditions precedent provided for in article 4 of the draft merger agreement, the merger by absorption of VL Finance SAS by the Company, and notably:

   a) the appraisal of the contributions (it being specified that the contribution value used shall be the accounting value), which amounts, on the basis of VL Finance SAS's financial statements as of 31 December 2015, to:

   - Value of assets contributed: five million two hundred and fifty-nine thousand five hundred fifty four euros (€5,259,554)

   - Total value of liabilities assumed: eight hundred and nine thousand seven hundred and four euros (€809,704)

   - Net assets contributed: four million four hundred and forty-nine thousand eight hundred and fifty euros (€4,449,850)

   b) the remuneration of the contributions made in respect of this merger according to an exchange ratio of three point fifty five (3.55) shares of the Company for each one (1) share of VL Finance SAS, i.e. to obtain a whole number of the Company's shares without fractional shares, seventy-one (71) shares of the Company for twenty (20)shares of VL Finance SAS;

   c) the completion of the merger-absorption transaction at the end of this Shareholders' Meeting, subject to the satisfaction of the conditions precedent set out in article 4 of the draft merger agreement;

   d) the setting of the retroactive effective date, for accounting and tax purposes, as of 1 January 2016, so that the result of all transactions carried out by VL Finance SAS between 1 January 2016 and the completion date of the merger will be deemed to be completed, as appropriate, to the benefit or cost of the Company and considered as completed by the Company since 1 January 2016.

2. As a result of the foregoing, the Shareholders' Meeting:

   a) resolves that, upon final completion of the merger, the capital of the Company will be increased by the amount of one million and six hundred and thirty eight thousand and two hundred and twenty two euros (€1,638,222), from fifteen million three hundred and sixty-seven thousand two hundred thirty-eight euros (€15,367,238) to seventeen million five thousand and four hundred and sixty euros (€17,005,460), through the creation of one million six hundred and thirty eight thousand and two hundred and twenty-two (1,638,222) new shares, with a par value of 1 euro per share, all fully paid up and providing beneficial ownership as from the date of the final completion of the merger, it being specified that for the VL Finance SAS shares whose ownership has been stripped, the rights stripped shall be transferred to the shares of the Company issued in consideration of the merger via the principle of equitable subrogation. Consequently, these new shares will entitle their holder to any distribution of dividends approved subsequent to their issuance. They will be subject to all statutory and regulatory provisions, and be fully fungible with the existing shares. The Company will request that Euronext Paris admit the new shares issued to trading

b) notes that, as the Company's articles of association provide for the granting of double voting rights to the benefit of shareholders holding their shares in registered form for at least four (4) years, the Company's shares which will be allocated to the sole shareholder of VL Finance SAS in the framework of the merger will be granted a double voting right, in accordance with the provisions of article L. 225-124 of the French Commercial Code, provided that it holds its VL Finance SAS's shares for at least four (4) years;

c) approves, under the condition precedent of the final completion of the merger-absorption that is the subject of this resolution, the amount of the merger premium (comprising the difference between the value of the net assets contributed, i.e. four million four hundred and forty nine thousand and eight hundred and fifty euros (€4 449 850), and the value of the capital increase carried out in consideration of the contribution, i.e. one million six hundred and thirty eight thousand and two hundred and twenty-two euros (€1 638 222), which will be credited to a "merger, premium" account in an amount of two million eight hundred and eleven thousand and six hundred and twenty eight euros (€2,811,628), to which both the existing and new shareholders will be entitled;

d) resolves, if necessary, to take from the "merger premium" account the amount needed to be added to all reserves, including the legal reserve or regulatory-type provisions resulting notably from the application of the favorable tax regime to which the merger is subject;

e) authorizes the Board of directors to charge to the "merger premium" account all or part of expenses, rights, taxes and fees resulting from the merger, as well as those resulting from the increase of the Company's capital and the final completion of the merger, and proceed on this premium with any deductions in order to comply with the requirements of tax regulations;

f) resolves that, in the event of any fractional rights, the VL Finance SAS sole shareholder not owning a sufficient number of shares to exercise all its rights will be responsible for selling or buying the necessary number of shares, and failing that, will renounce the rights attached to the fractional shares.

Second resolution

(Reduction of the share capital unrelated to losses by cancelling treasury shares held following the completion of the merger)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report on the reduction of share capital unrelated to losses:

1. notes that the assets contributed to the Company in connection with the merger referred to in the first resolution include one million six hundred and forty-two thousand and ninety-five (1,642,095) shares of the Company's stock, with a par value of one (1) euro that it cannot keep;

2. resolves, subject to the final completion of the merger referred to in the first resolution and to the absence of objections by creditors in connection with the capital reduction that is the subject of this resolution or the definitive resolution of these objections, to reduce the share capital of the Company by a nominal amount of one million six hundred and forty-two thousand and ninety-five euros (€1,642,095), decreasing it from seventeen million five thousand and four hundred and sixty euros (€17,005,460) down to fifteen million three hundred and sixty three thousand and three hundred and sixty five euros (€15,363,365);

3. resolves that on the basis of the share capital of the Company as of the date of this Shareholders' Meeting, the share capital decrease shall be carried out by cancelling all of the one million six hundred and forty-two thousand and ninety-five (1,642,095) shares of the Company contributed by VL Finance SAS to the Company in connection with the aforementioned merger;

4. resolves that the difference between the contribution value of the cancelled shares and their aggregate nominal value , i.e. two million eight hundred and forty three thousand and three hundred euros (€2,843,300) be set-off against the "merger premium" account for two million eight hundred and eleven thousand and six hundred and twenty eight euros (€2,811,628) and the balance amounting to thirty one thousand and six hundred and seventy-two euros (€31,672) shall be set of against the carry-forward account of the company.

The reduction of share capital that is the subject of this resolution will be carried out subject to the final completion of the merger of VL Finance SAS by the Company referred to in the first resolution and to the absence of objections by the creditors of the Company following the twenty (20) day period referred to in article L. 225-205 of the French Commercial Code or, in the event any such objections should be expressed, following the definitive resolution of these objections.

Following the final completion of this share capital decrease, the share capital of the Company shall be equal to fifteen million three hundred and sixty three thousand and three hundred and sixty five euros (€15,363,365) divided in fifteen million three hundred and sixty three thousand and three hundred and sixty five (15,363,365) shares with a one euro (€1) par value.

Accordingly, the Shareholders' Meeting gives all powers to the Board of directors for the purposes of:

1. acknowledging the absence of any objections by creditors or the definitive resolution of these objections or, in the event any objections are expressed, taking all measures necessary to resolve any such claims and, accordingly, noting the final completion of the capital reduction resolved under the terms of the present resolution and the corresponding amendment of the articles of association;

2. signing all documents necessary to carry out the capital reduction; and

3. ensuring the completion of all legal formalities, including the registration of the transaction with the tax authorities.

Third resolution

(Acknowledgement of the completion of the merger)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report, the draft agreement for the merger-absorption of VL Finance SAS by the Company dated 18 February 2016, the Statutory Auditors' special report on the reduction of share capital unrelated to losses subsequent to the merger, the minutes of the decisions of the Chairman of VL Finance SAS dated 18 February 2016, the "Document E" established in connection with the merger and registered by the French Financial Markets Authority (Autorité des marchés financiers) and after having noted that the sole shareholder of VL Finance SAS approved, by decision of this day, the merger referred to in the first resolution hereto;

after having recalled that the conditions precedent set out in article 4 of the merger agreement are:

- the registration by the French Financial Markets Authority (Autorité des marchés financiers) of the document referred to in article 212-34 of the General Regulation of the AMF;

- the approval by the company Sartorius AG, the sole shareholder of VL Finance SAS, of the merger and the early dissolution, without liquidation, of VL Finance SAS; and

- the approval by the Company's Combined Shareholders' Meeting of (i) the merger, as well as the capital increase resulting from the merger, and (ii) the subsequent Company's share capital decrease;

notes, as a result of the preceding resolutions, and having reviewed the aforementioned documents justifying the fulfillment of the conditions precedent set out in article 4 of the merger agreement between the Company and VL Finance SAS, that all such conditions precedent have been fulfilled;

and, consequently, acknowledges the final completion of the merger by absorption of VL Finance SAS by the Company under the terms of the draft merger agreement, and the resulting increase of the Company's share capital of a nominal amount of one million six hundred and thirty eight thousand and two hundred and twenty-two euros (€1,638,222), increasing the latter from fifteen million three hundred and sixty-seven thousand two hundred thirty-eight euros (€15,367,238) to seventeen million five thousand and four hundred and sixty euros (€17,005,460), through the creation of one million six hundred and thirty eight thousand and two hundred and twenty-two (1,638,222) new shares with a par value of one euro (€1) per share, fully paid-up, decided at the first resolution, it being understood that it is intended that, following the cancellation of the treasury shares held by the Company, the share capital shall be decreased from an aggregate par value of one million six hundred and forty two thousand and ninety five euros (€1,642,095), in accordance with the second resolution subject to the approval of this Shareholders' Meeting;

Fourth resolution

(Split by 6 of the par value of the Company's share, subject to the final completion of the merger referred to in the first resolution)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report, resolves to, subject to the final completion of the merger and of the share capital reduction referred to in the first to third resolutions, to split by six (6) the par value of each of the company's share in order to reduce the par value of each of the Company's share from one euro (€1) to an amount equal to one sixth of euro (€1/6) rounded up to sixteen cents decimal mark six thousand six hundred and sixty seven euro cents (€0.166667), and to multiply by six (6) the number of shares forming its share capital following completion of the above-mentioned merger and share capital reduction, which shall therefore increase from fifteen million three hundred and sixty three thousand and three hundred and sixty-five (15,363,365) shares to ninety-two million one hundred and eight thousand one hundred and ninety (92,180,190) shares, the amount of share capital of the company thus remaining unchanged.

Consequently, the Shareholders' Meeting resolves that the split of the share capital of the company by six (6) will result in the exchange of six (6) new shares with a par value rounded to sixteen cents decimal mark six thousand six hundred and sixty seven euro cents (€0.166667) against one (1) former share of a par value of one euro (€1).

The Shareholders' Meeting resolves that the split of the par value of each share will enter into effect immediately following the final completion of the share capital reduction referred to in the second resolution proposed to this Shareholders' Meeting.

The Shareholders' Meeting acknowledges that the split of the par value and the corresponding allocation of new shares to the shareholders shall not affect the rights granted to the shares provided in the Company's articles of association, the new shares benefiting from the same rights as those granted to the former shares which they will substitute. In particular the split of the shares' par value shall not affect the double voting right provided for in Article 3 of Title 2 ("Double Voting rights") of the Company's articles of association, which shall be applied to any new shares issued from the division of former shares, being specified that the period of four (4) years referred to in this article will be determined in relation to the date of the nominative registration of the new shares, in the name of the relevant shareholder.

The Shareholders' Meeting resolves that the expenses relating to the split of the par value of the shares shall be borne by the Company and the operation will thus be completed without charge to or formalities for the shareholders.

The Shareholders' Meeting grants all powers to the Board of directors which may further grant to any authorized person to the extent allowed by law, to:

carry out the exchange of new shares against former shares;

make all adjustments required by this share split, including adjustments to the number of shares that may be obtained by the beneficiaries of stock options granted prior to the split by six (6) of the par value together with the exercise price of these options;

amend the articles of association the Company accordingly; and

carry-out all acts, formalities, declarations as a result of this decision.

Fifth resolution

(Increase of the share capital of the company by way of incorporation reserves in order to increase the individual par value of the shares of the company up to €0.20)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements applying to ordinary shareholders' meetings, having read the report of the Board of directors and the report of the Statutory auditors establishing the existence of available reserves for an amount of twenty eight millions nine hundred and four thousand and eight hundred and eighty six point thirty eight euros (€28 904 886,38), subject to the approval of the first to fourth resolutions presented to this Shareholders' meeting and in compliance with the provisions of articles L. 225-109 to L. 225-129-6 and L. 225-130 of the French commercial code;

Having acknowledged that the split by six (6) of the par value of the company's share as a result of the fourth resolution presented to this Shareholders' Meeting results in the par value of the shares being a number with an indefinite number of digits after the decimal mark, rounded up to sixteen cents decimal mark six thousand six hundred and sixty seven euro cents (€0.166667);

Decides, in order to set the par value of the shares to a number with two digits after the decimal mark, and subject to the implementation of the transactions listed herein above in the first to the fourth resolutions presented to this Shareholders' Meeting, meaning the merger and correlative share capital increase, the share capital reduction, and the split of the par value of the shares, to increase the share capital of the company by an amount of three million seventy-two thousand and six hundred and seventy-three euros (€3,072,673) by way of incorporation of reserves available in the company's accounts;

Decides that the share capital increase contemplated in this resolution is be completed by way of increase of the individual par value of the shares of the company to set it to twenty euro cents (€0.20)°per share;

Decides that the share capital increase contemplated in this resolution shall be completed immediately after the implementation of the split by six (6) of the par value of the shares of the company referred to in the fourth resolution proposed to this shareholders' meeting.

As a result of this share capital increase, the share capital will be set to the amount of eighteen million four hundred and forty six thousand and thirty eight euros (18,436,038 €), divided in ninety-two million one hundred and eighty thousand and one hundred and ninety (92,180,190) shares with a twenty euro cents (0.20) individual par value.

Sixth resolution

(Amendment of article 5 of Title 1 ("Share capital") of the Company's articles of association accordingly)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, resolves, subject to the acknowledgement by the Board of directors of the completion of the reduction of capital referred to in the second resolution hereinabove, of the split of the par value of the shares and of the share capital increase respectively referred to in the fourth and fifth resolutions hereinabove, to amend article 5 of Title 1 ("Share capital") of the Company's articles of association as follows:

« Article 5: Share capital

The share capital is set to eighteen million four hundred and forty six thousand and thirty eight euros (18,436,038 €).

It is divided into ninety-two million one hundred and eighty thousand and one hundred and ninety (92,180,190) fully subscribed and paid-up shares with a par value of twenty euro cents (€0.20). »

Seventh resolution

(Delegation of authority granted to the Board of directors 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, with preferential subscription rights of the shareholders)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report and after having acknowledged that the share capital has been fully paid-up, and in accordance with the provisions of articles L. 225-129 to L. 225-129-6, L. 225-132 to L. 225-134 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with the applicable law and regulations, to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by way of compensation of receivables, certain due and payable held upon the Company;

2. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in

any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

3. sets the following limits to the amounts of the issuances that may be carried out pursuant to the present delegation of authority:

a) the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority, shall not exceed a maximum amount of two million four hundred thousand euros (€2,400 000,00), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that the limits of the nominal amount of the capital increases, with or without preferential subscription rights of the shareholders, set in the eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit;

b) the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000 000,00), or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the limits of issuance of debt instruments set in the eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit.

4. The Shareholders' Meeting:

- resolves that the Company's shareholders will have a preferential right to subscribe for the issuance or issuances of shares and/or securities that the Board of directors may decide pursuant to this delegation of authority on an irreducible basis in proportion of the number of shares then owned by them;

- notes that the Board of directors may grant Shareholders additional preferential rights by introducing a reducible subscription right exercisable in proportion to Shareholders' existing preferential rights and within the limits of their requests;

- notes that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- notes that, pursuant to article L. 225-134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the issuance of the shares or the securities giving access to the share capital of the Company, the Board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

  - to limit the capital increase to the amount of the subscriptions, provided that said amount equals at least three quarters of the amount of the issuance decided upon;

  - to freely allocate some or all the unsubscribed shares or securities giving access to the share capital of the Company;

  - to offer all or part of the unsubscribed shares or securities giving access to the share capital of the Company to the public on French market or abroad;

  - resolves that any issuance of warrants giving entitlement to subscribe for the Company's shares may also be made by way of free allocations to the owners of existing shares, it being specified that the Board of directors may decide that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold; and

  - acknowledges that the Board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

5. The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

decide the share capital increase and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the share capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, the terms and conditions of the share capital increase, the characteristics of the shares and/or securities to be issued, in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the relevant shares and/or the securities, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving access or that may give access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares and/or securities already issued by the Company, attached to the shares and/or securities giving access or that may give access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of canceling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Eighth resolution

(Delegation of authority granted to the Board of directors to issue shares and/or securities giving or capable of 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 public offerings)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report and after having acknowledged that the share capital has been fully paid-up, and in accordance with the provisions of articles L. 225-129 trough L. 225-129-6, L. 225-134 through L. 225-136 and L. 228-91 through L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities which are equity securities giving access to other equity securities or giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by way of compensation of receivables, certain due and payable held upon the Company, these shares and/or securities could be issued to pay the shares and/or securities and/or financial securities that would be contributed to the Company within a public exchange offer process realized either in France or abroad according to the local regulations (for instance within the frame of a "Triangular Merger" or a Anglo-Saxon "Scheme of Arrangement") and fulfilling the conditions fixed by article L. 225-148 of French Commercial Code;

2. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, the issuance of shares and/or of securities giving or capable of giving access to the share capital of the Company following the issuance by the companies that the Company holds directly or indirectly more than half of the share capital or by any company which directly or indirectly holds more than half of the Company's share capital, of securities giving or capable of giving access to the share capital of the Company; this delegation of authority automatically entails an express waiver by the shareholders of their preferential subscription rights in respect of the shares and/or the securities giving or capable of giving access to the share capital of the Company to which these securities may give access;

3. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4. sets the following limits to the amounts of the issuances that may be carried out pursuant to this delegation of authority:

a) the nominal value of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million four hundred thousand euros (€2,400 000,00), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that the nominal value of the share capital increases carried out pursuant to this delegation of authority shall be deducted from the overall limit set in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting;

b) the nominal value of the debt instruments that may be issued immediately or pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000 000,00), or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal value of the debt instruments shall be deducted from the overall limit set in paragraph 3.b) of the seventh resolution submitted to this Shareholders' Meeting;

5. resolves to waive the shareholders' preferential subscription rights on the shares and/or securities which may be issued pursuant to this delegation of authority, it being specified that the Board of directors may grant shareholders a priority subscription period, in respect of all or part of the issuance of shares and/or securities giving access to the share capital of the Company for such period and on such terms as it shall determine in accordance with the provisions of article L. 225-135 paragraph 5 of the French Commercial Code, this priority subscription period shall not give rise to the creation of negotiable rights, shall be exercised in proportion to the number of shares owned by each shareholder and may be exercised, as the Board of directors considers appropriate, on a reducible and irreducible basis, it being specified that shares and/or securities not subscribed for in said manner will be the subject to a public offering in France or abroad.

The public offerings of shares and/or securities decided pursuant to this delegation of authority may be carried out in one or more offerings issued simultaneously with the private placements as set forth in article L. 411-2, II of the French Monetary and Financial Code decided pursuant to the delegation of authority under the ninth resolution submitted to this Shareholders' Meeting.

The Shareholders' Meeting:

- notes that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the share capital of the Company, which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- notes that, pursuant to article L. 225-134 of the French Commercial Code, if the subscriptions, including when applicable, the subscriptions made by the shareholders of the Company, do not absorb the entirety of the issuance, the Board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

- to limit the share capital increase to the amount of the subscriptions received, provided that said amount equals at least three quarters of the amount of the issuance decided upon;

- to freely allocate some or all the unsubscribed shares or securities;

- notes that pursuant to article L. 225-136 of the French Commercial Code:

- the issue price of the shares to be issued shall be at least equal to the minimum set forth by applicable law and regulations as at the date of the issuance decision;

- the issue price of the securities giving or capable of giving access to the share capital of the Company to be issued shares shall be such that the amount collected by the Company immediately, increased if applicable, by the amount which could be collected later on by the Company shall be, for each share issued consequently to the issue of these securities, at least equal to the amount set forth in the paragraph above;

- states that the Board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving or capable of giving access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of canceling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Ninth resolution

(Delegation of authority granted to the Board of directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or the issuance of securities giving the right to the allotment of debt instruments, without the preferential subscription rights of the shareholders – through private placements referred to in article L. 411-2 II of the French Monetary and Financial Code)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report and noted that the share capital has been fully paid-up, and in accordance, on the one hand, with the provisions of articles L. 225-129, L. 225-129-2, L. 225-134 through L. 225-136 and L. 228-91 through L. 228-93 of the French Commercial Code, and, in the other hand, with those of article L. 411-2, II of the French Monetary and Financial Code :

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, through private placements referred to in article L. 411-2, II of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, under the conditions and maximum limits determined by laws and regulations, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving or capable of giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities which are equity securities giving access to other equity securities or giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by way of compensation of receivables, certain due and payable held upon the Company;

2. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, through private placements referred to in II of article L. 411-2 of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, under the conditions and maximum limits determined by laws and regulations, in euro or in any other currency or monetary unit established by reference to a basket of currencies, the issuance of shares and/or securities giving or capable of giving access to the share capital of the Company to issue after the issuance, by the companies in which the Company holds directly or indirectly more than half of the share capital or by any company that holds directly or indirectly more than half of the share capital, of securities giving or capable of giving access to the share capital of the Company; this decision shall automatically entails, to the benefits of the holders of the securities that may be issued by the above companies, an express waiver by shareholders of their preferential subscription rights in respect of the shares or securities giving or capable of giving access to the capital of the Company to which these securities entitle;

3. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of securities giving or capable of giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving or capable of giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4.sets the following limits to the amounts of the issuances that may be carried out pursuant to this delegation of authority:

a) the nominal value of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million four hundred thousand euros (€2,400 000,00) or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made, in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified firstly that this limit is mutual with the limit sets in paragraph 4.a) of the eighth resolution and shall be deducted from it and, secondly, that the nominal amount of either the capital increase or the share capital increases made under this delegation shall be deducted from the overall limit set in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting;

b) the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000.00) or the equivalent value of this amount as at the date of the issuance decision, it being specified, firstly, that this limit is mutual with the limit set in paragraph 4.b) of the eighth resolution and shall be deducted from it and, secondly, that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of debt instruments shall be deducted from the overall limit set in the paragraph 3.b) of the seventh resolution submitted to this Shareholders' Meeting;

5. decides to waive the preferential subscription rights of the shareholders of the Company on shares and/or securities that may be issued pursuant to this delegation of authority.

Private placements referred to in II of Article L. 411-2 of the French Monetary and Financial Code and decided under this delegation of authority may be associated, in the context of one issue or multiple issues of shares and/or securities, public offering of shares and/or securities decided under the delegation of authority, subject to the eighth resolution submitted to this Shareholders' Meeting.

The Shareholders' Meeting:

- notes that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the capital of the Company which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- notes that, pursuant to article L. 225-134 of the French Commercial Code, if subscriptions, including, when appropriate, the subscriptions of the shareholders of the Company, do not absorb the entirety of the issuance, the Board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

  - to limit the share capital increase to the amount of the subscription, provided that said amount equals at least three quarters of the amount of the issuance decided upon;

  - to freely allocate some or all the unsubscribed shares or securities giving access to the share capital of the Company;

- notes that, pursuant to article L. 225-136 of the French Commercial Code:

  - the issue price of shares issued directly shall be at least equal to the minimum stipulated by the laws and regulations applicable on the date of the issuance decision,

  - the issue price of securities giving or capable of giving access to the share capital of the Company will be such that the sum received immediately by the Company, increased, if applicable, by that likely to be subsequently received by it for each share issued as a result of the issuance of these securities, shall be at least equal to the minimum subscription price referred to in the preceding paragraph,

- acknowledges that the Board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide the share capital increase and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the share capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights), and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving or capable of giving access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of cancelling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving or capable of giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Tenth resolution

(Delegation of authority to the Board of directors to increase the number of shares and/or securities giving or capable of giving access to the share capital of the Company to be issued in case of share capital increase, with or without preferential subscription rights of the shareholders)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report, in accordance with the provisions of articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to decide, for each of the issuances made pursuant to the seventh to ninth resolutions, to increase the number of shares and/or securities giving or capable of giving access to the capital of the Company to be issued in case of share capital increase of the Company with or without preferential rights of shareholders at the same price as the price for the initial issuance and within the time and limits provided by law and regulations and market practices in the day of the issuance decision, and to this day for a period of thirty (30) calendar days from the closing of the subscription and within the limit of fifteen percent (15%) of the initial issue, particularly in order to grant an over-allotment option, provided that the release of shares and/or other securities issued under this delegation of authority may be made either in cash or by way of compensation of

receivables, certain due and payable held upon the Company;

2. decides that the nominal value of any share capital increases decided pursuant to this delegation of authority shall be deducted from the amount of the fixed overall limit in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting.

The Board of directors may not, without prior authorization granted by the Shareholders' Meeting, use this delegation as from the filing by a third party of a public tender offer on the Company's securities until the end of the offer period.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Eleventh resolution

(Delegation of authority granted to the Board of directors to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report, in accordance with the provisions of articles L. 225-129 et seq., L. 225-147 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to decide, in one or several times, in the proportion and at the times it considers appropriate, on the report of the contributions statutory auditor referred to in article L. 225-147 of the French Commercial Code, the issuance of shares, excluding preference shares and / or securities of any kind whatsoever, excluding securities giving or capable of giving entitlement to preference shares, giving or capable of giving access to the share capital of the Company, whether new or existing shares, in consideration for contributions in kind granted to the Company and consisting of shares and/or securities giving or capable of giving access to the capital when the provisions of article L. 225-148 of the French Commercial Code are not applicable;

2. decides that the nominal amount of any share capital increases that may be realized immediately or in the future under this delegation of authority may not exceed ten percent (10%) of the share capital of the Company, it is being specified, firstly, that this maximum is mutual with the limit set in paragraph 4.a) of the eighth resolution and shall be deducted from it and, secondly, that the nominal amount or the capital increases made under this delegation of authority shall be deducted from the overall limit set in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting;

3. decides that the securities giving or capable of giving access to the capital of the Company issued may consist of debt securities or be associated with the issuance of such securities or enable their issuance as intermediate securities, it is being specified, firstly, that the nominal amount of debt securities that may be issued pursuant this delegation of authority may not exceed the sum of two million euros (€2,000 000,00) or the equivalent value of the amount on the date of the issuance decision, and, secondly, that (i) this maximum is mutual with the limit set in paragraph 4.b) of the eighth resolution and shall be deducted from it and (ii) the nominal amount of debt securities shall be deducted from the overall limit set in paragraph 3.b) of the seventh resolution submitted to this shareholders' meeting;

4. decides to waive the preferential subscription rights of the shareholders of the Company on shares and/or securities giving or capable of giving access to the share capital of the Company that may be issued pursuant to this delegation to the holders of shares and/or securities, subject of the above contributions in kind;

5. notes that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the share capital of the Company and which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future.

The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company in consideration of the above contributions in kind and determine the nature of the shares and/or securities to be issued;

- set the list of shares and/or securities contributed, approve the valuation of contributions in kind, establish the terms for the issuance of shares and/or securities remunerating these contributions, and if necessary, the amount of the cash payment to be made, approve the granting of particular advantages, and reduce, if the contributors consent, the valuation of contributions in kind or the compensation of particular advantages;

- determine the issuance procedures and characteristics of the securities remunerating contributions in kind and make all adjustments to take into account the impact of transactions on the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company, and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Twelfth resolution

(Delegation of authority granted to the Board of directors to increase the share capital of the Company through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the ordinary shareholders' meetings, having considered the Board of directors' report and in accordance with the provisions of articles L. 225-129 to L. 225-129-6 and L. 225-130 of the French Commercial Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in the proportion and at the times it considers appropriate, the increase of the share capital of the Company by the incorporation of share premiums, reserves, earnings or other amounts that may be converted into capital successively or simultaneously in accordance with applicable law and the articles of association, by freely allocating new shares and/or by increasing the nominal value of existing shares, or through a combination of the two procedures according to the terms that it will set;

2. resolves that the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million four hundred thousand euros (€2,400 000,00) it being specified that this nominal amount is a limit separate from the overall limit set in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting.

The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- determine the amount and nature of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the nominal value of the existing shares is to be increased and decide the date, which may be retrospective, from which the new shares will be entitled for dividend or the increase in the nominal value of the existing shares will take effect;

– decide, in the event of shares to be issued:

  – that fractional rights will not be negotiable and that the corresponding shares will be sold, the proceeds of such sale being allocated to the holders of the rights on terms specified in the law and regulations;

  – make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

– at its own discretion, charge, if any, the costs of capital increases against available reserves arising thereon and deduct from this amount the sums necessary to increase the legal reserve;

– duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

– generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Thirteenth resolution

(Delegation of authority granted to the Board of directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to extraordinary shareholders' meetings, having considered the Board of directors' report and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129 et seq. and articles L. 225-138 and L. 225-138-1 of the French Commercial Code and with articles L. 3332-1 et seq. of the French Labor Code:

1. delegates its authority to the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in the proportion and at the times it considers appropriate, the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving or capable of giving access to the share capital of the Company, in new or existing shares, reserved for members of company savings plans or any other plan for whose members a capital increase may be reserved on equivalent terms under article L. 3332-18 of the French Labor Code, implemented within a French or foreign entity or group of entities falling within the scope of the Company's consolidated or combined financial statements pursuant to articles L. 3344-1 and L. 3344-2 of the French Labor Code, it being specified that the payment of the shares and/or securities may be subscribed either in cash or by way of compensation of receivables, certain due and payable held upon the Company, either by the incorporation of the reserves, the benefits or the premiums to the share capital in the event of free share allocation as the result of the discount and/or the abundance;

2. decides that the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million four hundred thousand euros (€2,400 000, 00) , it being specified that this maximum is separate from the overall limit set in paragraph 3.a) of the seventh resolution submitted to this Shareholders' Meeting;

3.resolves to waive the preferential subscription rights of shareholders of the Company with respect to the shares and/or the securities giving access to the share capital of the Company which may be issued pursuant to this delegation of authority, in favor of the beneficiaries defined in paragraph 1 above, and notes that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

4. resolves that the issue price of the shares and/or securities giving or capable of giving access to the share capital of the Company will be set in accordance with articles L. 3332- 18 et seq. of the French Labor Code, provided that, the discount set shall not be lower than twenty per cent (20%) of the average quoted price of the Company's share on the regulated market Euronext Paris over the twenty (20) trading days preceding the date of the decision setting the opening date of the subscription period reserved for the members of company savings plans, nor exceed twenty per cent (20%) of this average; however the Shareholders' Meeting expressly authorizes the Board of directors to reduce or cancel the aforementioned discount, as it considers appropriate, in particular in order to take into consideration the international accounting standards, or, inter alia, locally applicable legal, accounting, tax or social provisions in the countries of certain beneficiaries, the Board of directors may also substitute all or part of the discount by granting shares and/or securities giving access to the share capital of the Company pursuant to the provisions below;

- 5. authorizes the Board of directors, according to this delegation of authority, to freely allot shares and/or securities giving access immediately or in the future to share capital of the Company to the members of company savings plans to replace in part or all of the discount and/or, if applicable the abundance, it being specified that the total advantage resulting from this allocation in relation with the discount and/or the abundance may not exceed the legal and regulatory limits.

- The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- establish in accordance with the law a list of companies or groups of companies for which the beneficiaries indicated in paragraph 1 above may subscribe for the shares and/or securities giving or capable of giving access to the capital of the Company thereby issued and who may be freely allotted shares and/or securities giving or capable of giving access to the capital of the Company;

- decide that subscriptions for the shares and/or securities may be made directly by beneficiaries belonging to an entity or group savings plan, or via dedicated mutual funds or other vehicles or entities permitted under the applicable law and regulations;

- determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the new shares or securities that may be issued by the capital increases made according to this resolution;

- set the opening and closing dates for subscriptions of the shares and/or securities;

- set the amounts of the issuances to be made under the present delegation of authority and in particular determine the issue price, terms and conditions of subscription, payment, delivery and date of entitlement to dividends of the shares and/or the securities, which may be retrospective, rules for reduction in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits;

- provide for the possibility to proceed, according to the conditions it shall determine, as the case may be, with any adjustments required in accordance with the legal and regulatory provisions;

- in the case of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous delegation of authority with the same purpose.

Fourteenth resolution

(Authorization granted to the Board of directors to reduce the share capital of the Company by way of cancellation of shares acquired through the implementation of a share buy-back program)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the extraordinary meetings, having considered the Board of directors' report and the Statutory Auditors' special report, in accordance with the provisions of articles L. 225- 209 et seq. and article L. 225- 213 of the French Commercial Code:

1. authorizes the Board of directors to cancel, in one or several times, at its sole initiative, all or a portion of the shares acquired by the Company through the implementation of a share buy-back program, up to a limit of ten per cent (10%) of the Company's share capital for any twenty-four- (24) month period, provided that such ten per cent (10%) limit being applies to an amount of 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 subsequently to this Shareholder's Meeting;

2. authorizes the Board of directors to reduce the share capital of the Company accordingly.

The Shareholders' Meeting grants the Board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this authorization and, in particular:

- set the definitive amount of such capital reduction(s), determine the terms and conditions of such reduction(s), and duly record such reduction(s);

- charge the difference between the purchase price of the cancelled shares and their nominal value against any available premiums and reserves;

- amend the articles of association of the Company accordingly;

- complete all necessary formalities, provide all declarations and disclosures with all authorities, particularly to the Autorité des marchés financiers; and

- generally, take all appropriate measures.

This authorization is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting and renders ineffective as of this date and within the limit, as the case may be, of the unused portion, any previous authorization with the same purpose.

RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

Fifteenth resolution

(Approval of Financial statements for the year ended 31 December 2015 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 2015 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 2015, which disclosed a net profit of €29,311,748 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 asserts that no overall expenses referred to in article 39, 4° of the general tax code were noted.

Sixteenth resolution

(Approval of the consolidated financial statements for the year ended 31 December 2015)

The 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 2015 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 2015, which disclosed a net profit of K€ 119,494 as presented, and the transactions reflected in these financial statements or summarized in these reports.

Seventeenth resolution

(Assignment of the financial result for the year ended 31 December 2015 and setting of the dividend)

The Annual Shareholders' meeting, having fulfilled the quorum and majority requirements pertaining to the ordinary shareholders' meetings, has decided to assign as follows, income for the year ended 31 December 2015 totaling €29,311,748.42.

- Legal reserves: €800
- Balance resulting from deduction of legal reserves: €29,310,948.42
- The following is to be added to this balance: Year-earlier profit carried forward: €13,415,530.87
- This would yield a distributable profit of €42,726,479.29
- Total amount of dividends to be disbursed to shareholders €30,734,476
- Balance resulting from disbursement: €11,992,003.29
- The remaining amount of €11,992,003.29 is to be carried forward to the next year.

Each share of the company with a nominal value of €1.00, including the shares to be issued as a result of the completion of the merger referred to in the first and third resolutions hereinabove, will entitle its holder to a payment of a net dividend valued at €2.00.

The dividend will be paid as from 15 April 2016.

It is specified that the treasury shares and those having been canceled upon the date of detachment of the dividend shall not be entitled to a dividend distribution.

The distributed amount of €2.00 per 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 tax code.

It is reminded that the distributed amounts for 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, 2014	19,967,009	0
Dec. 31, 2013	18,412,315	0
Dec. 31, 2012	16,876,856	0

Eighteenth resolution

(Approval of related party 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.

Nineteenth resolution

(Fixing of the overall annual amount of the attendance fees for Board of Directors members).

The Annual Shareholder's Meeting, 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 €283,200.

Twentieth resolution

(Notice on the elements of compensation due or granted for the 2015 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 2015 financial year to Mr. Joachim Kreuzburg, Chairman and Chief Executive Officer, described below: K€ 804.

Twenty-first resolution

(Notice on the elements of compensation due or granted for the 2015 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 2015 financial year to Mr Reinhard Vogt, Executive Vice President, described below: K€ 568 .

Twenty-second resolution

(Notice on the elements of compensation due or granted for the 2015 financial year, to Mr. Volker 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: K€ 716.

Twenty-third resolution

(Notice on the elements of compensation due or granted for the 2015 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: K€ 713.

Twenty-fourth resolution

(Proposal of Renewal of the term of duty of Mr. Joachim Kreuzburg as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Joachim Kreuzburg as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Joachim Kreuzburg, whose term of of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Twenty-fifth resolution

(Proposal of Renewal of the term of duty of Mr. Volker Niebel as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Volker Niebel as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Volker Niebel, whose term of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Twenty-sixth resolution

(Proposal of Renewal of the term of duty of Mr. Reinhard Vogt as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Reinhard Vogt as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Reinhard Vogt, whose term of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Twenty-seventh resolution

(Proposal of Renewal of the term of duty of Mr. Arnold Picot as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Arnold Picot as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Arnold Picot, whose term of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Twenty-eighth resolution

(Proposal of Renewal of the term of duty of Mr. Bernard Lemaitre as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Bernard Lemaitre as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Bernard Lemaitre, whose term of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Twenty-ninth resolution

(Proposal of Renewal of the term of duty of Mrs. Liliane de Lassus as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mrs. Liliane de Lassus as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mrs. Liliane de Lassus, whose term of duty is renewed, accepts such renewal of her functions and declares that no incompatibility or prohibition prevents her renewal.

Thirtieth resolution

(Proposal of Renewal of the term of duty of Mr. Henri Riey as member of the board)

The Annual Shareholders' Meeting indicates that the term of duty of Mr. Henri Riey as a Director of the Company is due to expire at the end of the next Annual Shareholders' Meeting and, in that regard, resolves to approve the renewal of this term of duty for a new three-year term to expire at the end of the Annual Shareholders' Meeting of 2019 convoked to approve the financial statements of the financial year ending 31 December 2018.

Mr. Henri Riey, whose term of duty is renewed, accepts such renewal of his functions and declares that no incompatibility or prohibition prevents his renewal.

Thirty-first resolution

(Authorization granted to the Board of directors to enable the Company to trade in its own shares)

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to the ordinary shareholders' meetings, having considered the report of the Board of directors, in compliance with the provisions of articles L. 225- 209 et seq. of the French commercial Code, the directly applicable provisions of the European Commission regulation no. 2273/2003 of 22nd December 2003, the General regulation of the Autorité des marchés financiers (AMF – Financial market authority), and the market practices accepted by the AMF;

1. authorizes the Board of directors, having the right to sub-delegate in compliance with applicable laws and regulations, to make the Company purchase its own shares for the purposes of the animation of the company's shares market in the framework of a liquidity agreement complying with ethics rules recognized by the AMF;

2. decides that the maximum amount dedicated to the share buy-back program referred to in this resolution may not exceed, excluding acquisition costs, five millions euros (€5 000 000,00) (or the counter-value of such amount in any other currency on the same date). The Board of directors may however adjust the above-mentioned maximum amount of the share buy-back program in case of transactions on the share capital of the Company, including a change to the par value of the ordinary shares, a share capital increase by way of incorporation of receivable followed by the creation and the allocation of free shares, a division or regrouping of securities, in order to take into account the impact of said transactions on the share's value;

3. acknowledges that the maximum number of shares to be acquired by the Company may not in any way exceed (0,1%) of the overall number of shares composing the share capital of the Company.

The purchase of shares of the Company may be carried out at any time, to the exclusion of periods of public offerings relating to the share capital of the Company, by any means whatsoever, on any market outside the market, over-the-counter, including by way of purchase of blocks, by way of utilization of optional operational mechanisms or utilization of other forward financial instruments negotiated on a regulated market or over-the-counter, and possibly by any third party acting on behalf of the Company in compliance with the provisions of the last paragraph of article L. 225- 206 of the French commercial Code.

The shares of the Company so acquired may be exchanged, sold or transferred by any means on any market, outside the market, by mutual agreement, including by sale of share blocks, in compliance with applicable regulations.

The dividends attached to the treasury shares of the Company shall be affected to the retained earnings account.

The Shareholders' Meeting grants to the Board of directors, with right to sub-delegate in compliance with applicable laws and regulations, all necessary powers to implement this authorization and in particular to establish the terms and conditions of the share buy-back program in compliance with applicable laws and with the present resolution, and notably to proceed, as the case may be, with any adjustment required by transactions on the share capital; to place any purchase order on the stock market; to enter any agreement, notably for the keeping of registers of sale and purchase of shares, to make any and all declarations to the AMF and any other organization, to carry out all formalities, and more generally, to take all appropriate measures.

This authorization is granted for a twenty-fourth (24)-month term as from the date of the present Shareholder's Meeting and renders ineffective, as from the date hereof, up to the unused portion, as the case may be, any prior authorization given on an identical subject matter.

Thirty-second 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 procedure.

Information on the Reference Document and the Annual Financial Report

Declaration of Responsibility for the Reference Document and the 2015 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 17 to 73 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 156 and 169 of this Reference Document.

February 24, 2016

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.

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	MEASURES 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. Moreover each member of the Board has a professional background with the necessary degree of technical expertise which allows him/her to help the evolutions of the activity. In this framework the way the Board and its Committees work have been subject of a special attention for the Board to be totally able to work on its missions with an appropriate balance of its powers.	
	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. It has been updated by the Board in its meeting of 18 February 2015.	
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. The conference calls can be re listened on the website in addition to the presentation of the activity reflecting the permanent pedagogic effort towards our 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.	**Yes** these information are already presented in the notes of the financial statements of the Reference Document	
	For such purposes:		
	the annual report should specify the internal procedures set up to identify and monitor off-balance-sheet commitments, and to evaluate	**Yes**, the rating on the company is published each year in our	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	the corporation's material risks;	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	
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 this choice 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 and updating 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**, during the Annual Shareholders' Meeting a relevant time is dedicated to the presentation of the Board of Directors' activities and its committees in order to have an open exchange and prolific debate about governance purposes. This presentation is generally followed by an interesting debate with the shareholders.	
	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	MEASURES 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. Moreover, the diversity of skills and Board member career profile enable the Board to benefit from their experience on a management and scientific level.	
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.	**Yes**, the Board of Directors has appointed on April, 7th, 1015 two women, Mrs Susan Dexter and Anne Marie Graffin (respectively french and American citizen) as independant Board members. In that regard, the Group has effectively anticipated the provisions of law and the recommendation set out in the Code Afep-Medef. The Board of Directors is in parallell pursuing its efforts to select high profiles for potential additional applicants to seat in; the latter Board. In any case, the Board undertakes the commitment to use its best efforts to reach the rate of 40% of women in due time as legally required. i	
	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.	Not applicable	
6.5	**Specific assignment entrusted to a referent 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	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
7.	**REPRESENTATION OF EMPLOYEES**		
7.3	**Representation of the employees**The French Code de Commerce require the appointment by the shareholder assembly of one or more directors among employees, in case of reaching and holding a rate of 3% of the capital shares as employees shareholders.	Not applicable (The company does not fall within the scope of the obligation to appoint such directors)	
	The French Code de Commerce provides in a category type of companies (reaching a certain employees threshold) that one or more employees representatitves shall be elected to seat in the Board of Directors	The Board members are actually analyzing the impacts of this new regulation and its repercussions on the company if applicable.	
	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 As of December 31st, 2015 the Board of Director had no directors representing employees	
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.	Not Applicable (see above 7.2)	
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. Moreover this commitment is specifically stated in the Board Internal rule (provisions of article 5)	
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**, the company has duly appointed in its shareholders' meeting dated as of 7 April two additional independent directors 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. Moreover ,on the 7 April 2015 shareholders' meeting has approved the appointment of of two additional independent directors, 4 out of 10 of the directors of the Board of Directors could be defined such as.	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	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. Moreover the Board makes an evaluation both on quantitative and qualitative criterias.	
	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	This is particularly analyzed by the Board with regards to the aspect of the economical dependence between the company and the groups in which a member of the Board has a mandate or a function.	
	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. Then the Board makes during the meetings a steadiness examination in accordance with the announced criteria.	
	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.	See above	
10.	**EVALUATION OF THE BOARD OF DIRECTORS WORKS**		
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). Each and every board has to consider a balance between its organization and the committees he shall constitutes from time to time. In that perspective, the board has to monitor te fitness of its role and tasks, and those provided to its committees. Therefore, this evaluation process should take into account the followings goals: (i) make an assessment of its operating processes; (ii) Prepare the important debates and appropriate questionning lists with anticipated timeline; (iii) measure the effective contribution of each director in the framework of board preparation works	**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. In 2015 the Board has done a formal auto-evaluation of its works and of its members during the meeting of 9 December 2015 in application of the indicated criteria.	
	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 2015: 1. The Board of Directors has held 9 meetings and the level of attendance was of	
	The frequency and duration of meetings of the Board of Directors should be such that they allow in-depth review and discussion of the		

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	matters subject to the Board's authority. The same applies to meetings of the Board's committees (audit, compensation, appointments nominations, etc.).	100%. 2. The Audit Committee has held 5 meetings and the level of attendance was of 95%. 3. The Remuneration Committee had held 1meetings and the level of attendance was of 100%. 4. This rules are rigourously applied for all meeting minutes and are duly reflected in the internal rule.	
	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.	**Yes**, the internal rule includes modalities about rights to information and confidentiality to its Directors.	
	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.		
	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.		
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.	**Yes**, the members of the Audit Committee have the necessary expertise due to their professional background. In particular, they are provided infomations by the Remuneration Committee of the accounting and financial special figures of the company.	
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 duty of term will be renewed in 2016, the other three 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	**Yes**, these information are re-iterated in the Directors biographical presentation and in the Board of Directors composition.	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	committee.		
	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.	It is mentioned in the internal rule of the Board and in the bylaws of the company (Title III article 6.3) of the number of shares a member of the Board should have. It is also mentioned in the Reference Document.	
	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.		
	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.	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
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 Audit Committee is composed of 50% of independent directors, including its Chairman. **Yes**, no member of the Audit Committee is an executive manager and an 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.	Yes the Chairman of the Audit Committee has reached a relevant level of expertise in finance and accounting since the last years.	
16.2 16.2.1	Its missions; - to examine the statements et to insure of the relevance and permanency of the accounting methods used for the consolidated accounts and the annual accounts, - to follow the process of elaboration of the Company financial statements, - to follow the efficiency of the internal control system and management of risks 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 internal rule already includes the scope foreseen by the AFEP MEDEF Code; As indicated in the Reference Document, the statutory auditors refer to and inform closely the Audit Committee of the results of their missions by reports on the half year results, annual results and other audit missions.	
	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.	**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.	
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:	**Yes**, in order to deal with this topic related to the Green Book of the European community , the company has appointed Deloitte as co statutory auditor for the sustainability report.	
	their statement of independence		
	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		

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH
	information concerning the services supplied in respect of the tasks directly related to the statutory auditors' engagement.	
	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. **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 is regularly informed of the internal program.
	The annual report should include a statement on the audit committee's activity during the past financial year.	
	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).	Not applicable
	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.	
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. and to give his point of view or recommendations on the applicant to the 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.	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
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 The Committee has no employee director since the company had no obligation considering the requirements of article L 225-27-1 of the Commerce Code and is studying the current obligations.	
	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 provided 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.	**Yes**, the remuneration committee working methods are specified in the internal Control Chairman's report.	
	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.		
19.	**NUMBER OF DIRECTORSHIPS FOR EXECUTIVE AND NON-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. Moreover the Reference Document indicates the the executive director mandates in other listed companies including foreign ones.	
	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.		
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**, all information are indicated in the section "directors' fees" of the Reference Document. The method of allocation are defined by the Board of Directors and mentioned in the Reference Document in the President report on the company's governance and	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
		internal control.	
	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 .	
22.	TERMINATION OF EMPLOYMENT CONTRACT IN CASE OF APPOINTMENT AS EXECUTIVE DIRECTOR It is recommended , when an employee becomes an executive director of the company to stop the employee's contract with the company or any other company of the group either by conventional termination or by resignation	**Yes**, no executive director has **been, or is employed by the company.**	

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 parent company of Sartorius Stedim Biotech uses with with the utmost attention the Code Afep Medef principles.	
	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.	**Yes**, the compensation policy is deliberated at the remuneration committee, before submission to the Board to Oscar Werner Reif and Volker Niebel.	
	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.	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.	
	The Board of Directors must monitor the evolution in all components of the compensation over several years, with regard to corporate performance		

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
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.	**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. The Board takes care of this said fixed remuneration with regards to the performance of the company. 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 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.		
	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. It is based on quantitative criteria precisely measurable and challenging	
	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		

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	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.		
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 of executive directors	
	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		

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	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.		
	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.		
	Variable remunerations: 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 indication of the determination criteria and the information of the application of the criteria are indicated in the part dedicated to the compensation within the reference document.	
	Pensions: 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.	
	Individual compensation: 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	**Yes**, the company indicates personal compensation also A comparison with the previous year is made separating the compensation on due and the remuneration paid by financial year with the breakdown of the fixed part and the variable one	

ARTICLE	DISPOSITIONS OF THE CODE	MEASURES IMPLEMENTED BY SARTORIUS STEDIM BIOTECH	
	financial year and to show in a summary table the amounts of thee and paid for the current and the preceding financial years;		
	Director's fees: 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.	
	Stock options: 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.	
	Performance shares: 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.	
	Valorization of stock options and performance shares and fraction ot awarded to the executive managers and executive directors: 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.	
	Standardized presentation: It is recommended to comply with the standardized presentation (attached as a schedule hereto) of all director compensation items.		
24.3	Shareholders' consultation on individual remunerations fo executive managers and executive directors: 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

Biopharmaceuticals
Biopharmaceuticals, or biologics, are pharmaceutical drugs manufactured in or extracted from biological sources.

Bioreactor
Systems used for cultivating animal or human cells in a culture medium to obtain cells, parts of these or one of their metabolites.

Downstream processing
Collective term for the various steps that follow upstream processing in the production of biopharmaceuticals; for example, separation, purification and concentration. During the downstream processing step, the cell mass from the upstream steps are processed to meet purity and quality requirements.

FDA – Food and Drug Administration
U.S. regulatory agency responsible for monitoring and approving biotechnological, pharmaceutical, medical and veterinary products and food.

Fermentation
Anaerobic breakdown of molecules in a 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, single-use bags for preparation, storage and transportation of biopharmaceutical solutions, intermediates and final bulk products.

Membrane chromatography
Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system.

Membrane
Thin film or foil made of polymers; because of its porous structure, this film is used as core component for all filtration applications.

Monoclonal antibodies
Synthetic antibodies that are increasingly being used for the treatment of cancer, autoimmune diseases and HIV.

Purification
Step in downstream processing (see downstream processing); technique used to isolate one type of molecule or protein from a complex mixture, usually cells, tissues or whole organisms.

Single-use technologies
Technologies and products for a single use; for example, disposable filters or bags.

Upstream processing
Upstream processing is defined as the entire process from early cell isolation and cultivation, to cell banking and culture expansion of cells until final harvesting. It refers to the part of the bioprocess in which cells or cell lines are grown in bioreactors (see bioreactor).

Validation
Systematic checking of essential steps and facilities in research and development and in production, including testing of pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality.

Business | Economic Terms

Amortization
Amortization relates 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
Cash balance of inflows and outflows of funds, representing the operating activities of an organization.

Derivative financial instruments
Instruments for hedging against the risks of changes in market prices in foreign currencies as well as in interest rates.

EBIT
Earnings before interest and taxes.

EBIT margin
Ratio of EBIT (see EBIT) to sales revenue.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBITDA margin
Ratio of EBITDA (see EBITDA) to sales revenue.

Extraordinary items
These essentially cover one-time expenses for corporate projects, integration and acquisition-related items.

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
Difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

Capex ratio, investment rate
Ratio of capital expenditures to sales revenue.

Normalized financial result
Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans.

Normalized income tax
Underlying income tax, based on the underlying profit before taxes and non-cash amortization.

Supply chain management
Setup and coordinated control of integrated flows of materials, information and finances (supply chains) over the entire value-added process.

Underlying EBITDA
EBITDA (see EBITDA) adjusted for extraordinary items (see extraordinary items).

Underlying EBITDA margin
Ratio of operating EBITDA (see underlying EBITDA) to sales revenue.

Underlying (consolidated) net profit
Profit adjusted for extraordinary items, non-cash amortization and based on the normalized financial result (see normalized financial result) as well as the corresponding tax effects for each of these items.

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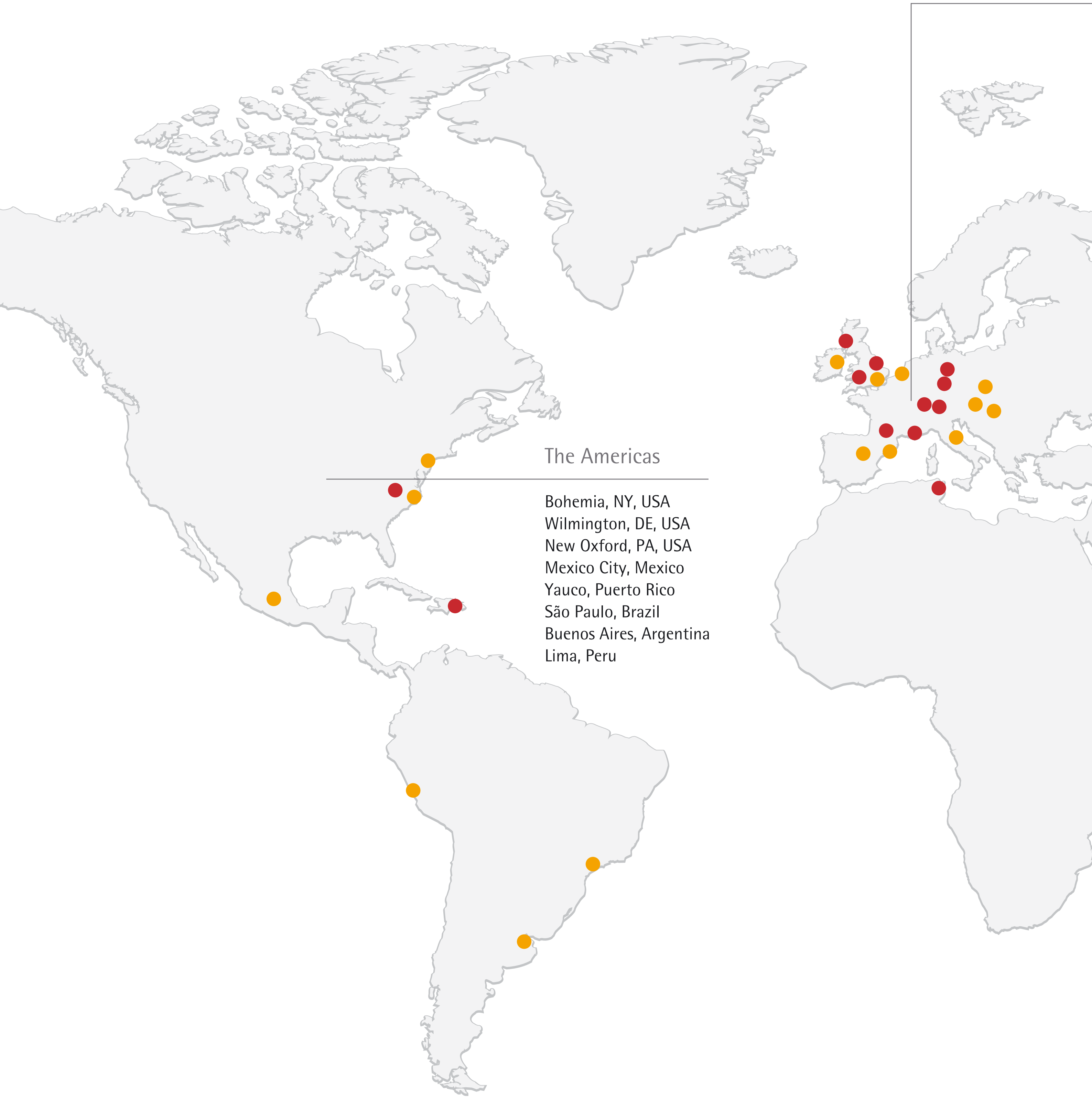

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Financial Schedule

Annual General Shareholders' Meeting, Aubagne, France	April 5, 2016
Payment of dividends[1)]	April 15, 2016
Publication of first-quarter figures for 2016	April 21, 2016
Publication of first-half figures for 2016	July 25, 2016
Publication of nine-month figures for 2016	October 24, 2016
Publication of preliminary figures for fiscal 2016	January 2017
Annual General Shareholders' Meeting, Aubagne, France	April 4, 2017
Publication of first-quarter figures for 2017	April 2017

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

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