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biotech

Sartorius Stedim Biotech Group
First-Half Financial Report from January to June 2011

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Macroeconomic Environment and Sector Conditions

Macroeconomic Environment

In the first half of 2011, the world economy was on the rebound. Overall, economic recovery has picked up steam, and global real gross domestic product (GDP) is bound to grow at a similarly dynamic pace this year. Experts forecast that real GDP will rise nearly 3.5% (Joint Economic Forecast Group) or 4.5% (International Monetary Fund, IMF) for the full year.

Development in the individual regions was very uneven. After a few clouds had appeared on the horizon during the storm of the global economic and financial crisis, primarily the emerging market economies regained their high momentum. By contrast, the rate of expansion in the U.S. economy was only moderate compared with previous upswings.

In the euro zone, the pattern of development has likewise been uneven: While Germany and a few of its neighboring countries continued on the upswing, the national economies in the Mediterranean region stagnated. In Japan, the first half was impacted by the earthquake and the subsequent nuclear plant catastrophe. However, these disasters have not had any serious effects on the global economy so far.

According to experts' estimates, the emerging nations projected to increase their GDP by 7.0% (Joint Economic Forecast Group) or 6.5% (IMF) are expected to contribute the highest proportion of growth again, whereas the advanced economies are predicted to generate significantly lower growth, estimated at 2.2% (Joint Economic Forecast Group) and 2.5% (IMF), respectively.

Despite the sharpening European sovereign debt crisis, especially in Greece, the euro continued to stabilize against the U.S. dollar in the first six months, from 1.34 to 1.45. This can likely be attributed to the sluggish U.S. economy, the debt problems there and to the rising interest rate levels in the euro zone.

Since April, the European Central Bank has raised its key interest rate from 1.0% to 1.5% and thus ushered in a turning point in interest rates, according to the opinion of most capital market experts. In the USA, the prime rate has hovered since the end of 2008 at historic lows between 0% and 0.25%. Unlike monetary policy, financial policy was no longer explicitly expansionary. Many of the policy measures taken to combat the financial and economic crisis have already run their course or are due to expire soon.

(Sources: IMF, World Economic Outlook, April 2011; Joint Economic Forecast Group; Joint Economic Forecast, Spring 2011, prepared for the German Federal Ministry of Economics and Technology)



Sector Situation

Sartorius Stedim Biotech almost exclusively serves the pharmaceutical and biopharmaceutical industries. Around 85% of our products are used in our customers' production processes and about 15% in research and development laboratories.

In the past, growth of the global pharma market was stable and above average in the emerging market countries. On the whole, the pace of growth in the pharma sector has slightly slackened over the last few quarters. The international market research institute IMS Health estimates that growth of this sector was 4.1% in 2010; projections for 2011 are not yet available.

Within the pharma market, biotechnology is a segment that has been strongly expanding for years, delivering growth rates that are approximately double those of the overall market. Gauged by the revenue generated by the entire pharma market, biotechnology accounts for about 11%.

Compared with classic procedures, biotechnological production processes are vastly more complex and have so far been more cost-intensive. This is why manufacturers and suppliers are working intensively on enhancing the efficiency and effectiveness of manufacturing processes by providing more productive process engineering solutions. Single-use products play a decisive role in this effort as they significantly reduce production costs, while enabling higher flexibility. As around 75% of sales revenue is earned with single-use products, Sartorius Stedim Biotech substantially benefits from this trend.

Over the past few years, growth in R&D spending in the OECD member nations has slowed on the whole. While some countries, such as the USA, Germany and South Korea, raised their research spending as part of their economic stimulus packages, other nations cut back on these expenses. In this area as well, the emerging market nations have been fueling growth as their investments in research and development have recently risen.

(Sources: IMS Health: IMS Market Prognosis Global (200 markets around the world), IMS MIDAS (73 markets around the world); PhRMA sector report; EU Industrial R&D Investment Scoreboard; Booz & Company; Kalorama; OECD Science Technology and Industry Outlook; Business Insights: The Future of the Biologicals Market)

Group Business Development

Order Intake and Sales Revenue

Dynamic development in order intake seen at the beginning of the year continued in the second quarter at a double-digit rate. The Sartorius Stedim Biotech Group increased order intake in the first half of 2011 by 16.2% from €221.6 million to €257.4 million. Adjusted for currency effects, order intake grew 17.4%. This was primarily fueled by the strong demand from our customers for single-use products, such as filters and bags, utilized in biopharmaceutical manufacturing processes. Sales revenue rose 9.7% to €229.6 million, up from €209.3 million a year ago. In constant currencies, revenue was up 10.8%.

Growth was driven by all regions, with Asia | Pacific contributing the highest share, up 34.1% in constant currencies. Overproportionate development in this region resulted from relatively large orders for bioreactor systems (equipment business) as well as from strong growth generated by single-use products. The European region, which accounts for more than half of our Group business, reported an increase in sales revenue of 8.8%, while currency-adjusted sales in North America grew 2.7%.

Key Figures

€ in millions	1st half 2011	1st half 2010	Change in %	Change in % (in constant currencies)
Sales revenue	229.6	209.3	+9.7	+10.8
- Europe ¹⁾	123.4	113.5	+8.8	+8.8
- North America ¹⁾	54.0	55.6	-2.7	+2.7
- Asia Pacific ¹⁾	43.6	31.9	+36.7	+34.1
- Other Markets ¹⁾	8.5	8.3	+2.2	+2.2
EBITA ²⁾³⁾	38.6	31.5	+22.9	
EBITA margin ²⁾	16.8%	15.0%		
Net profit ²⁾⁴⁾	25.0	19.5	+28.3	
Earnings per share in € ²⁾⁴⁾	1.63	1.18	+38.4	

¹⁾ Acc. to customers' location

²⁾ Underlying (see the definition on p. 19)

³⁾ For more information, see p. 19

⁴⁾ Excluding amortization

Earnings Development

Along with the increase in sales revenue, profitability continued to rise during the second quarter of 2011. Consolidated operating earnings (underlying EBITA = earnings before interest, taxes and amortization and adjusted for extraordinary items) jumped significantly by 22.9% from €31.5 million to €38.6 million. The respective margin improved, predominantly driven by economies of scale, from 15.0% to 16.8%.

Extraordinary items for the first half totaled -€2.9 million, relative to -€0.5 a year earlier. These essentially were provisions for the relocation of our U.S. manufacturing site for single-use bags from Concord, California, to Yauco, Puerto Rico, in 2012. Including all extraordinary items, EBITA amounts to €35.7 million, up from €30.9 million a year ago. The Group's respective EBITA margin is at 15.5%, compared with 14.8% for the first half a year earlier.

The relevant net profit for the first-half period totals €25.0 million, up from €19.5 million in the year before. This profit figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization of €3.8 million (H1 2010: €3.5 million) and by taking tax effects into account. The corresponding earnings per share are at €1.63, up from €1.18 in the previous year.

Employees

As of June 30, 2011, the Sartorius Stedim Biotech Group employed a total of 2,692 people worldwide. Compared with December 31, 2010, headcount thus rose by 111 or 4.3%. The increase in the workforce was focused on the European region where we hired 80 additional employees (4.8%).



Net Worth and Financial Position

Statement of Financial Position and of Cash Flows

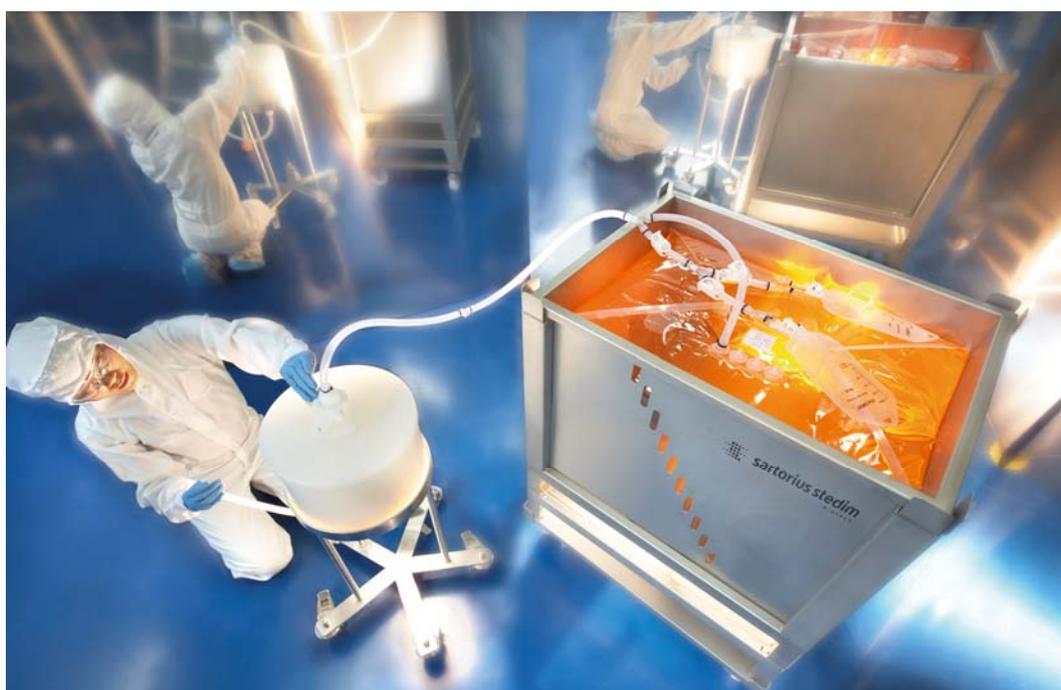
The balance sheet total for the Sartorius Stedim Biotech Group rose to €687.8 million as of June 30, 2011, from €656.3 million as of December 31, 2010. The increase in the balance sheet total primarily resulted from the buildup in working capital entailed by the gain in sales revenue.

Equity rose from €365.1 million as of December 31, 2010, to €371.0 million as of the reporting date. At 53.9%, the equity ratio eased slightly from the figure reported as of December 31, 2010 (55.6%), yet still continues to remain at a very comfortable level.

Gross debt rose from €132.4 million as of December 31, 2010, to €154.7 million as of June 30, 2011. At the same time, cash and cash equivalents increased from €29.7 million as of December 31, 2010, to €40.3 million as of June 30, 2011. Accordingly, net debt stands at €114.4 million (December 31, 2010: €102.8 million). In addition to the buildup in working capital totaling €15.1 million, this figure reflects, inter alia, dividends of €13.8 million paid in the second quarter. The gearing ratio, or ratio of net debt to equity, is at 0.3 as on December 31, 2010.

First-half cash flows from operating activities were €13.8 million relative to €24.9 million a year ago. This development predominantly resulted from the higher profit, on the one hand, and the buildup of working capital entailed by sales revenue growth, on the other hand. At -€8.9 million, cash flows from investing activities were higher than the year-earlier level of -€6.5 million as planned, due to the relatively large investment projects currently in progress. Cash flows from financing activities were €7.3 million, where the comparative year-ago figure of -€48.1 million includes the acquisition of treasury shares as part of a share buyback program.

As of the reporting date, the ratio of net debt to underlying EBITDA (based on the past 12 months) has remained unchanged at 1.2 relative to December 31, 2010. The interest coverage ratio, calculated as underlying EBITDA divided by cash interest expense (both based on the past 12 months), is also at a very comfortable level, at 23.6 (December 31, 2010: 25.8).



Forecast Report

Future Macroeconomic and Sector Environment

In the opinion of the Joint Economic Forecast Group, the upturn in the global economy is expected to last this year and the next, though it is likely to weaken slightly over this period.

To rein in mounting inflation, economic policy will probably become more restrictive, especially in the emerging market countries, which would slightly dampen their high growth rates. Moreover, this will probably have a stronger impact on real income in these countries than in the advanced economies. There, the recovery is likely to continue, though at a slightly lower pace, as monetary policy will remain expansive in all probability and the dampening effects of the financial and economic crisis are gradually abating.

In the U.S., fiscal policy measures continue to support economic activity, but their effects are bound to lessen over the course of time. In the European Union, by contrast, financial policy is already having dampening effects. In addition, the higher prices for food and commodities in this region are having a drag on the economy.

According to the estimates of the Joint Economic Forecast Group, global production on the whole is set to expand by nearly 3.5% this year and by 3.3% in the coming year. The IMF projects that growth will be 4.5% both for this year and the next.

For the non-cyclical pharmaceutical market, market researchers continue to predict stable growth. The international market research institute IMS Health expects the global pharmaceutical market to grow by a good 6.5% in 2011.

(Sources: IMF, World Economic Outlook, April 2011; Joint Economic Forecast Group; Joint Economic Forecast, Spring 2011, prepared for the German Federal Ministry of Economics and Technology; IMS Health, IMS Global Pharma Market Forecast)

Future Business Development in 2011

In the first half, business developed slightly better than expected. Based on the results for the first six months, management now projects higher growth in sales revenue and earnings than previously anticipated and has adjusted its 2011 full-year guidance accordingly.

This guidance predicts that the growth trend will continue, so sales revenue in constant currencies is forecasted to increase between 8% and 10% (former guidance: 6% - 8%). Due to the economies of scale entailed by growth in revenue, profitability is projected to continue to rise so the underlying EBITA margin based on constant currencies is forecasted to improve from 16.2% in 2010 to 17.0% to 18.0% in 2011 (former guidance: around 17%).

In addition, management continues to expect that operating cash flow will be significantly positive.

Risk and Opportunity Report

The risk and opportunities situation of the Sartorius Stedim Biotech Group has not materially changed since the publication of its Reference Document 2010. For this reason, please refer to a detailed description of the Group's risk management system and of the risks and opportunities for the Sartorius Stedim Biotech Group on pp. 43 ff. of the Reference Document 2010.

Assessment of Risks that Could Jeopardize the Company's Future Existence

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



Statement of Financial Position

Assets	June 30, 2011		Dec. 31, 2010 Audited	
	€ in mn	%	€ in mn	%
Non-current assets				
Goodwill	250.3	36.4	250.3	38.1
Intangible assets	99.1	14.4	102.1	15.6
Property, plant and equipment	111.7	16.2	112.7	17.2
Investments	2.2	0.3	2.2	0.3
	463.4	67.4	467.3	71.2
Receivables and other assets	2.1	0.3	0.8	0.1
Deferred tax assets	11.2	1.6	11.9	1.8
	476.7	69.3	480.0	73.1
Current assets				
Inventories	62.5	9.1	50.8	7.7
Trade receivables	85.9	12.5	82.5	12.6
Current tax assets	3.6	0.5	3.4	0.5
Other assets	18.9	2.7	10.1	1.5
Cash and cash equivalents	40.3	5.9	29.7	4.5
	211.1	30.7	176.4	26.9
Total assets	687.8	100.0	656.3	100.0

Equity and liabilities	June 30, 2011		Dec. 31, 2010 Audited	
	€ in mn	%	€ in mn	%
Equity				
Issued capital	10.4	1.5	10.4	1.6
Capital reserves	278.3	40.5	278.2	42.4
Retained earnings (including net profit)	82.3	12.0	76.5	11.7
Non-controlling interest	0.0	0.0	0.0	0.0
	371.0	53.9	365.1	55.6
Non-current liabilities				
Pension provisions	16.5	2.4	16.0	2.4
Deferred tax liabilities	34.0	5.0	34.2	5.2
Other provisions	3.9	0.6	3.9	0.6
Loans and borrowings	110.6	16.1	92.1	14.0
Other liabilities	0.1	0.0	0.1	0.0
	165.0	24.0	146.4	22.3
Current liabilities				
Provisions	6.1	0.9	4.8	0.7
Trade payables	44.9	6.5	46.0	7.0
Loans and borrowings	44.1	6.4	40.3	6.1
Current tax liabilities	17.5	2.5	16.1	2.5
Other liabilities	39.1	5.7	37.7	5.8
	151.7	22.1	144.9	22.1
Total equity and liabilities	687.8	100.0	656.3	100.0

Income Statement

	2nd quarter 2011		2nd quarter 2010		1st half 2011		1st half 2010	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
Sales revenue	118.8	100.0	109.1	100.0	229.6	100.0	209.3	100.0
Cost of sales	-58.6	-49.3	-54.4	-49.8	-113.0	-49.2	-105.4	-50.4
Gross profit on sales	60.2	50.7	54.7	50.2	116.6	50.8	103.8	49.6
Selling and distribution costs	-24.1	-20.3	-23.5	-21.5	-48.4	-21.1	-45.9	-21.9
Research and development costs	-7.4	-6.3	-6.8	-6.2	-14.8	-6.4	-13.7	-6.5
General administrative expenses	-6.5	-5.5	-6.1	-5.6	-13.1	-5.7	-12.4	-5.9
Other operating income and expenses	-4.9	-4.1	-1.7	-1.6	-4.5	-2.0	-1.0	-0.5
Earnings before interest, taxes and amortization (EBITA)¹⁾	17.3	14.6	16.6	15.2	35.7	15.5	30.9	14.8
Amortization ²⁾	-1.9	-1.6	-1.8	-1.6	-3.8	-1.7	-3.5	-1.7
Earnings before interest and taxes (EBIT)	15.4	12.9	14.8	13.6	31.9	13.9	27.4	13.1
Interest and similar income	0.3	0.3	0.1	0.1	0.9	0.4	0.2	0.1
Interest and similar expenses	-1.7	-1.4	-1.0	-0.9	-3.0	-1.3	-2.0	-1.0
Financial result	-1.3	-1.1	-0.9	-0.8	-2.1	-0.9	-1.8	-0.9
Profit before tax	14.0	11.8	14.0	12.8	29.8	13.0	25.6	12.2
Deferred tax income expenses	1.6	1.3	0.7	0.6	0.8	0.3	1.0	0.5
Income tax expenses	-5.7	-4.8	-5.0	-4.6	-9.5	-4.1	-8.9	-4.2
Other taxes	-0.4	-0.4	-0.5	-0.5	-0.8	-0.3	-1.1	-0.5
Taxes	-4.5	-3.8	-4.8	-4.4	-9.5	-4.1	-8.9	-4.3
Net profit for the period	9.5	8.0	9.1	8.4	20.3	8.8	16.7	8.0
Attributable to:								
Equity holders of Sartorius Stedim Biotech	9.5	8.0	9.0	8.3	20.3	8.8	16.7	8.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share (€)	0.62		0.57		1.32		1.01	
Diluted earnings per share (€)	0.62		0.57		1.32		1.01	

¹⁾ The Sartorius Stedim Biotech Group uses earnings before interest, taxes and amortization (EBITA) as the key figure for measuring the performance and profitability of the Group.

²⁾ Amortization refers only to amortization of goodwill (if applicable) and of intangible assets recognized in connection with purchase price allocation (PPA) according to IFRS 3 (see note 9 of the Reference Document 2010).

The quarterly financial statements have not been reviewed by the statutory auditors.

Statement of Comprehensive Income

	2nd quarter 2011 € in mn	2nd quarter 2010 € in mn	1st half 2011 € in mn	1st half 2010 € in mn
Net profit for the period	9.5	9.1	20.3	16.7
Net gains (losses) on cash flow hedges	-0.4	-0.7	3.2	-1.0
Actuarial gains (losses) from pension provisions	0.0	0.0	0.0	-0.4
Currency translation differences	-0.7	5.5	-4.1	9.1
Net investment in a foreign operation	0.5	-0.2	1.7	-0.4
Deferred taxes	0.0	0.4	-1.5	0.5
Net income recognized directly in equity	-0.6	5.0	-0.7	7.9
Comprehensive income	8.9	14.1	19.6	24.6
Equity holders of Sartorius Stedim Biotech	8.9	14.1	19.6	24.6
Non-controlling interest	0.0	0.0	0.0	0.0

Statement of Cash Flow

	1st half 2011 € in mn	1st half 2010 € in mn
Cash flows from operating activities		
Net result	20.3	16.7
Tax expenses	9.5	8.9
Financial expenses	2.1	1.8
Depreciation amortization of fixed assets	12.8	11.5
Increase decrease in provisions	1.4	0.0
Increase decrease in receivables	-12.5	-4.7
Increase decrease in inventories	-12.7	-7.6
Increase decrease in liabilities	2.1	4.4
Gains from the disposal of fixed assets	-0.9	0.0
Income taxes paid	-8.2	-6.2
Net cash flow from operating activities	13.8	24.9
Cash flows from investing activities		
Payments for financial assets	0.0	0.0
Payments for property, plant and equipment	-8.2	-4.6
Income from the disposal of fixed assets	1.9	0.3
Payments for intangible assets	-2.6	-2.2
Effects from business combinations	0.0	0.0
Net cash flow from investing activities	-8.9	-6.5
Cash flows from financing activities		
Changes in capital	0.1	0.5
Interest received	0.9	0.2
Interest paid	-2.1	-1.3
Other financial charges	-0.2	0.0
Dividends paid to:		
- Shareholders of the parent company	-13.8	-10.2
- Minority shareholders	0.0	0.0
Changes in non-controlling interest	0.0	0.0
Share buyback program ¹⁾	0.0	-48.6
Loans and borrowings repaid (-) raised (+)	22.3	11.3
Net cash flow from financing activities	7.3	-48.1
Net increase decrease in cash and cash equivalents	12.2	-29.7
Cash and cash equivalents at the beginning of the period	29.7	54.8
Net effect of currency translation on cash and cash equivalents	-1.6	1.4
Cash and cash equivalents at the end of the period	40.3	26.5
Gross debt owed to banks	154.7	154.0
Net debt owed to banks	114.4	127.5

¹⁾ See specific paragraph in the Notes to the Interim Financial Statements.

Operating Segments

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

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

Segment information by Division

€ in millions	Biopharm Group		
	1st half 2011	1st half 2010	Change
Order intake	257.4	221.6	16%
Sales revenue	229.6	209.3	10%
- as a total %	100.0%	100.0%	
EBITDA	44.7	38.9	15%
- as a % of sales revenue	19.4%	18.6%	
Depreciation and amortization	9.0	7.9	13%
EBITA	35.7	30.9	15%
- as a % of sales revenue	15.5%	14.8%	
Amortization	3.8	3.5	8%
EBIT	31.9	27.4	16%
- as a % of sales revenue	13.9%	13.1%	
R&D costs	14.8	13.7	8%
No. of employees at June 30	2,692	2,445	10%

Supplementary Information by Region

€ in millions	Europe			North America		
	1st half 2011	1st half 2010	Change	1st half 2011	1st half 2010	Change
Sales revenue						
- acc. to customers' location	123.4	113.5	9%	54.0	55.6	-3%
- as a total %	53.7%	54.2%		23.5%	26.6%	
- acc. to company location	147.5	134.1	10%	54.3	55.4	-2%
No. of employees at June 30	1,764	1,659	6%	398	365	9%

€ in millions	Asia Pacific			Other Markets			Group		
	1st half 2011	1st half 2010	Change	1st half 2011	1st half 2010	Change	1st half 2011	1st half 2010	Change
Sales revenue									
- acc. to customers' location	43.6	31.9	37%	8.5	8.3	2%	229.6	209.3	10%
- as a total %	19.0%	15.2%		3.7%	4.0%		100.0%	100.0%	
- acc. to company location	27.8	19.8	40%	0.0	0.0		229.6	209.3	10%
No. of employees at June 30	406	328	24%	124	93	33%	2,692	2,445	10%

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 2010	10.4	338.8	-0.1	-0.2	49.7	-5.4	393.2	0.0	393.2
Comprehensive income	0.0	0.0	-0.7	-0.2	16.5	9.1	24.6	0.0	24.6
Stock options	0.0	0.5	0.0	0.0	0.0	0.0	0.5	0.0	0.5
Change in non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	-10.2	0.0	-10.2	0.0	-10.2
Share buyback program ¹⁾	0.0	-48.6	0.0	0.0	0.0	0.0	-48.6	0.0	-48.6
Other changes	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.3
Balance at June 30, 2010	10.4	290.7	-0.8	-0.4	56.2	3.7	359.8	0.0	359.8
Balance at Jan. 1, 2011	10.4	278.2	0.7	-1.7	77.6	-0.1	365.1	0.0	365.1
Comprehensive income	0.0	0.0	2.3	0.0	21.5	-4.1	19.6	0.0	19.6
Stock options	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Change in non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	-13.8	0.0	-13.8	0.0	-13.8
Share buyback program ¹⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at June 30, 2011	10.4	278.3	3.0	-1.7	85.3	-4.3	371.0	0.0	371.0

¹⁾ See specific paragraph in the Notes to the Interim Financial Statements.

Key Figures

All figures are given in millions of €, unless otherwise specified	1st half 2011	1st half 2010	Change in %
Results			
Order intake	257.4	221.6	16.2
Sales revenue	229.6	209.3	9.7
EBITDA	44.7	38.9	14.9
EBITA	35.7	30.9	15.4
EBIT	31.9	27.4	16.4
Profit before tax	29.8	25.6	16.4
Net profit for the period	20.3	16.7	21.6
Earnings per share (in €)	1.32	1.01	31.2
As a % of sales revenue			
EBITDA	19.4	18.6	
EBITA	15.5	14.8	
EBIT	13.9	13.1	
Net profit for the period	8.8	8.0	
Statement of financial position			
Statement of financial position total	687.8	660.3	
Equity	371.0	359.8	
Equity ratio (in %)	53.9	54.5	
Gearing ratio	0.3	0.4	
Financials			
Capital expenditures	10.7	6.8	57.6
- as a % of sales revenue	4.7	3.3	
Depreciation and amortization	12.8	11.5	11.3
Net cash flow from operating activities	13.8	24.9	-44.4
Net debt	114.4	127.5	-10.2
Total number of employees as of June 30	2,692	2,445	10.1
R&D			
R&D costs	14.8	13.7	8.3
- as a % of sales revenue	6.4	6.5	

Notes to the Interim Financial Statements

Corporate Information

Sartorius Stedim Biotech is a leading provider of cutting-edge equipment and services for the development, quality assurance and production processes of the pharmaceutical 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 and define 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 is listed on the Euronext Paris (ISIN code: FR 0000053266).

The interim condensed consolidated financial statements of the Group for the six months ended June 30, 2011, were approved by the Board of Directors on July 21, 2011.

Accounting Rules and Methods

The consolidated financial statements of the Sartorius Stedim Biotech Group for the period ended June 30, 2011, were prepared in conformance with the IAS 34 Standard "Interim financial reporting," of the IFRS reference system as adopted by the European Union. These first-half statements are condensed statements that do not include all the information required by the IFRS reference system and must be read in relation to the consolidated annual financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2010.

The accounting principles retained for preparing the consolidated half-year statements are in conformance with the IFRS Standards and Interpretations as adopted by the European Union on June 30, 2011, and are available on the website:

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

These accounting principles maintained are identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2010, except for the new Standards and Interpretations adopted below as these are obligatory for the Group at the end of June 2011:

- IAS 24 Related Party Disclosures (Applicable to accounting periods beginning on January 1, 2011);
- Amendments to IAS 32: Classification of Right Issues (applicable to accounting periods beginning on January 1, 2011);
- IFRIC 14: Prepayments of a Minimum Funding Requirement (applicable to accounting periods beginning on January 1, 2011);
- Improvements to IFRS (May 2010).

Adoption of these Standards and Interpretations did not have any significant impact on the first-half consolidated financial statements for the period ended June 30, 2011.

The Group did not anticipate the Standards and Interpretations whose application was not obligatory as of June 30, 2011:

- Amendments to IFRS 7: Disclosures - Transfers of Financial Assets (applicable to accounting periods beginning on July 1, 2011).

The Group did not anticipate the Standards and Interpretations in adoption process by the European Commission.

The process of measuring the potential impact of these Standards and Interpretations on the consolidated financial statements of the Sartorius Stedim Biotech Group is in progress. The Group does not anticipate, at this stage of analysis, any significant impact on its consolidated accounts.

The Reference Document 2010 presents the list of subsidiaries (see page 97).

It is to be noted that during the first half 2011, a subsidiary has been created in Ireland: Sartorius Stedim Ireland.

For calculation of income tax expenses, the provisions of IAS 34.30c) were adopted; i.e., the best estimate of the weighted average annual income tax rate expected for the full financial year was applied.

Related Parties

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds, either directly or indirectly through its subsidiary VL Finance S.A.S., a controlling stake in the company of 75% in equity capital (78% of the voting rights). (From which treasury shares were deducted in regards of the share buy back program). Shares in free float are 25%.

Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in these Notes to the Interim Financial Statements.

Several service and sublease agreements have been in place between the companies of the Sartorius Group (Mechatronics Division) and the Sartorius Stedim Biotech Group. The reason is that until Sartorius had carved out its Biotechnology Division, its so-called "support" activities were provided by mixed companies (Biotech and Mechatronics). From the period after the carve-out and onwards, service functions devolved upon the one or the other company. As a consequence, the former cost allocations were replaced by service and sublease contracts on arm's length terms.

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

The most important contract in place is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH, Germany, a 100% affiliate of Sartorius AG. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH as well as to Sartorius AG on arm's length terms.

Impairment Test

Although we did not observe any indication that goodwill might be impaired, we performed an impairment test on the reporting date. This impairment test did not lead to significant changes in comparison to the financial year ended December 31, 2010, and therefore we did not recognize any impairment losses.

Calculations based on scenarios with different assumptions for discount rates and growth rates also came to the same result.

Share Buyback Program

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

At the end of June 2011, the number of shares held has not changed since the December 31, 2010; namely, the company Sartorius Stedim Biotech S.A. bought back 1,698,710 treasury shares for an amount of €61.3 million.

Earnings Reporting

The Sartorius Stedim Biotech Group uses earnings before interest, taxes and amortization (EBITA) as the key figure for measuring earnings. The term "amortization" refers only to any possible amortization of goodwill and of the intangible assets measured within the scope of purchase price allocation according to IFRS 3 (Business combinations). Thus, EBITA includes depreciation and amortization of all other intangible and tangible assets and is a suitable figure for measuring the operating profitability of the Sartorius Stedim Biotech Group.

The key indicator "EBITDA" used in the segment reports and in the key figures refers to earnings before interest, taxes, depreciation and amortization. Compared with EBITA, EBITDA excludes depreciation on tangible assets and amortization of all intangible assets.

The key indicator "underlying EBITA" corresponds to the key indicator EBITA defined above and adjusted for extraordinary expenses considered during the period ended the June 30, 2011.

The key indicator "underlying EBITDA" corresponds to the key indicator EBITDA defined above and adjusted for extraordinary expenses considered during the period ended June 30, 2011.

Other Disclosures

In the reporting period, Sartorius Stedim Biotech S.A. paid a dividend total of €13.8 million.

Statutory Auditors' Review Report on the First-Half Year Financial Information 2011

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Sartorius Stedim Biotech, for the period from January 1 to June 30, 2011,
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

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

Marseille, August 1st, 2011

Ernst & Young Audit Deloitte & Associés

Anis Nassif Vincent Gros

Information on the First-Half Financial Report

Declaration of Responsibility for the First-Half Financial Report

I certify, to the best of my knowledge, that the condensed financial statements for the first half ended June 30, 2011, have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, the financial position and the results of the company and of the group of companies included in the consolidation, and that the first-half financial report on pages 2 to 19 presents a fair review of the important events that occurred during the first six months of the financial year, including their effects on the accounts, and of the major transactions between the related parties as well as of the description of the main risks and uncertainties for the remaining six months of the financial year.



Joachim Kreuzburg
CEO of the Sartorius Stedim
Biotech Group

Contacts

Sartorius Stedim Biotech S.A.
Z.I. des Paluds
Avenue de Jouques
B.P. 1051
13781 Aubagne, France

Phone +33.442.84 56.00
Fax +33.442.84 56.19
www.sartorius-stedim.com

Investor Relations

Andreas Wiederhold
Phone +49.551.308 1668
andreas.wiederhold@sartorius.com

Henriette Meyer
Phone +49.551.308 3232
henriette.meyer@sartorius.com

Corporate Communications

Petra Kirchhoff
Vice President
Phone +49.551.308 1686
petra.kirchhoff@sartorius.com

Dominic Grone
Phone +49.551.308 3324
dominic.grone@sartorius.com

Financial Schedule

September 22 - 23, 2011

Euronext Midcap Event in Paris, France

October 2011

Publication of nine-month figures for 2011

February 2012*

Publication of preliminary full-year figures for 2011

April 2012*

Annual General Shareholders' Meeting in Aubagne, France

April 2011

Publication of first-quarter figures for 2012

* Tentative date scheduled

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

Forward-looking Statements Contain Risks

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

Throughout the entire report, differences may be apparent as a result of rounding during addition.