Sartorius Stedim Biotech Group
First-Half Financial Report from January to June 2013

2013

Key Figures for the First Half of 2013

in millions of **€** unless otherwise specified	**6 months 2013**	6 months 2012	Change in %	Change in % (in constant currencies)
Order intake	311.5	279.3	11.5	12.9
Sales revenue	292.6	272.6	7.3	8.8
- Europe[1]	146.0	133.4	9.4	9.8
- North America[1]	73.1	76.3	−4.2	−3.0
- Asia | Pacific[1]	60.1	53.2	13.0	17.5
- Other Markets[1]	13.4	9.6	38.9	38.9
EBITDA[2]	67.4	56.1	20.1	
EBITDA margin[2] in %	23.0	20.6		
EBITA[2][3]	57.4	47.8	20.0	
EBITA margin[2] in %	19.6%	17.5%		
Net profit[2][4]	38.0	31.3	21.4	
Earnings per share in **€**[2][4]	2.47	2.04	21.4	

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary items)
[3] Amortization refers only to amortization of intangible assets recognized in connection with purchase price allocation (PPA) according to IFRS 3
[4] Excluding amortization and fair value adjustments of hedging instruments

Macroeconomic Environment and Sector Situation

Macroeconomic Environment

Based on the most recent data available, the global economy continued to show uneven development at the beginning of 2013. According to information provided by the OECD, first-quarter growth in the twenty key industrialized countries and emerging-market nations (G20) was at 0.8%. Again, Asia showed the strongest growth momentum, while Europe's national economies continued to decline on the whole.

Economic output in the euro zone fell overall in the first quarter year over year by 0.7%. While activity of the two largest euro-zone economies, Germany and France, dipped only slightly, by 0.3% and 0.4%, respectively, the downturn in the Mediterranean region continued at a precipitous pace: Spain, -2.0%; Italy, -2.3%; and Greece, -5.3%.

Compared with the year-earlier quarter, the U.S. economy picked up pace, at 1.8%. This upturn in growth was fueled primarily by private consumer spending.

According to experts' estimates, the emerging-market nations are likely to have grown at a relatively stable rate again. According to OECD data, the Chinese economy grew at 7.7%. Experts believe that apart from the change in the government of China, weakening of its industrial production dampened its growth rate in the first quarter.

During the first three months of 2013, Japan's economy grew at 0.2%, faster than forecasted at the beginning of the year. This development was primarily attributed to the Japanese government's economic stimulus programs as well as its expansive monetary policy. Moreover, Japan's increasing exports resulting from depreciation of the yen contributed to this upturn.

Compared with the exchange rate at the end of 2012, the euro depreciated slightly against the U.S. dollar as the European economy slowed, from 1.32 to 1.31. The global average interest rates continued to remain at historically low levels.

(Sources: OECD: Quarterly National Accounts, June 2013; Eurostat: Flash estimate for the first quarter of 2013, May 2013; www.bea.gov)

Sector Situation

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

In the past, the global pharmaceutical market grew at a steady pace of 3-5% (IMS Health; 2010: 4.5%; 2011, 5.1%; 2012: 3-4%). Emerging-market economies contributed an above-average proportion to this growth.

Within the pharmaceutical market, biotechnology is the segment that has been expanding at an especially strong rate for years, as seen against the backdrop of many newly approved biopharmaceuticals and the extension of indications for medications already available. For instance, experts estimate that the proportion of sales generated by biomanufactured medicines has risen from about 12% in 2004 to around 20% in 2012. At the same time, the proportion of medicines manufactured using biotech methods among the top 100 products increased from 17% to 34%

Biotech production methods are much more complex than are conventional chemical processes and, so far, have also proved more cost-intensive. This is why manufacturers and suppliers are working intensively on enhancing the efficiency and effectiveness of these biomanufacturing processes by providing more productive process engineering solutions. Single-use products enabling greater flexibility are playing a decisive role in this effort because they are capable of significantly reducing production costs by approximately 15% to 40%.

(Sources: Pharmaceutical Technology Europe Vol. 22 No. 10, Oct. 2010; IMS Health: IMS Market Prognosis, May 2012, IMS The Global Use of Medicines: Outlook Through 2016, July 2012; Pharma: World Preview 2018, June 2012)

Business Development and Outlook

– Dynamic growth in order intake and sales revenue

– Underlying EBITDA up 20.1%

– Guidance slightly raised for fiscal 2013

Order Intake and Sales Revenue

In the first half of 2013, the Sartorius Stedim Biotech Group reported strong growth in order intake, sales revenue and profit. Order intake rose 11.5% from €279.3 million to €311.5 million; adjusted for currency effects, this figure was up 12.9%. This considerable increase was due to high demand for single-use products as well as to special growth impulses in the first quarter, particularly from large equipment orders.

Sales revenue was up 7.3% to €292.6 million, relative to a comparably strong base of €272.6 million in the first half of 2012. Growth in the first six months was driven by both single-use products and equipment business. In constant currencies, sales revenue was up 8.8%. The company's acquisition in the field of cell culture media showed promising development, although it did not yet have a material impact on sales revenue in the reporting period.

Business expansion in the period under review was most pronounced in Asia and Europe, with sales revenue in constant currencies up 17.5% and 9.8%, respectively. As expected, sales revenue in North America remained slightly below the outstanding level reached in the first half of 2012. However, order intake in the region was significantly ahead of last years' level.

Earnings Development

Along with the increase in sales revenue, profitability rose significantly during the first six months of 2013. Underlying EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) jumped 20.1% from €56.1 million to €67.4 million. The respective margin improved substantially, predominantly driven by economies of scale and product mix effects, from 20.6% to 23.0%.

Underlying EBITA reached €57.4 million (margin: 19.6%) in the reporting period compared with €47.8 million (margin: 17.5%) in the first half of 2012.

Extraordinary items totaled -€0.6 million, relative to -€3.9 million a year earlier. Including all extraordinary items and amortizations, the Group's EBIT amounted to €52.4 million, up from €39.9 million a year ago. The respective EBIT margin was at 17.9%, compared with 14.6% for the first half a year earlier.

The relevant net profit for the first-half period totaled €38.0 million, up from €31.3 million in the year before. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization of €4.4 million (H1 2012: €4.0 million) and fair value adjustments of hedging instruments as well as the corresponding tax effects for each of these items. The respective earnings per share are at €2.47, up from €2.04 in the previous year.

Employees

As of June 30, 2013, the Sartorius Stedim Biotech Group employed 3,156 people worldwide. Compared with December 31, 2012, head count thus rose by 170 or 5.7%. This increase in the workforce was focused on the European region where we employed 148 additional staff.

Net Worth and Financial Position

Statements of Financial Position and of Cash Flows

The balance sheet total for the Sartorius Stedim Biotech Group rose to €814.9 million as of June 30, 2013, from €793.9 million as of December 31, 2012. The rise in the balance sheet total resulted solely from the seasonal buildup in working capital.

Equity increased from €435.0 million as of December 31, 2012, to €452.5 million as of the reporting date. At 55.5%, the equity ratio continues to remain at a very comfortable level (December 31, 2012: 54.8%).

Gross debt rose from €141.5 million as of December 31, 2012, to €168.2 million as of June 30, 2013. In addition to the buildup of net working capital of €34.4 million, this figure reflects, inter alia, dividends totaling €16.9 million that were paid in the second quarter. At the same time, cash and cash equivalents remained virtually unchanged at €27.5 million as of June 30, 2013 (December 31, 2012: €27.8 million). Accordingly, net debt amounted to €140.7 million as of the reporting date, compared with €113.7 million as of December 31, 2012. The gearing ratio, or ratio of net debt to equity, remained unchanged at 0.3 in the period under review.

Net cash flow from operating activities in the first half of the current fiscal year was €19.6 million relative to €6.8 million in the year-earlier period, which was impacted by non-periodic tax payments. Net cash flow from investing activities of -€14.2 million was substantially lower, as planned, than the previous year's level of -€23.0 million, which had been impacted by large investment projects. Hence, the Group financed its investments entirely from operating cash flows.

Including cash outflows related to the acquisition in the field of cell culture media, net cash flow from investing activities and acquisitions stood at -€29.1 million (H1 2012: -€23.0 million). Net cash flow from financing activities amounted to €7.8 million compared with €8.4 million a year earlier.

As of the reporting date, the ratio of net debt to underlying EBITDA (based on the past 12 months) edged up slightly to 1.1 relative to 1.0 as of December 31, 2012, yet it has remained at a very comfortable level. The interest coverage ratio, calculated as underlying EBITDA divided by cash interest expense of the past 12 months, was at 33.7 (December 31, 2012: 27.9).

Forecast Report

Macroeconomic Forecast

Based on its forecast issued in April for the full year of 2013, the International Monetary Fund expects the global economy to grow at 3.3% (2012: 3.2%), down from its 3.5% projection at the beginning of the year. This is primarily due to the cautious start into the year seen in the advanced industrialized economies. However, the IMF projects that activity will gradually accelerate in these countries in the second half of the year.

According to the IMF, economic output in the euro area will continue to be impacted by the austerity measures taken by individual euro-zone countries. Given these conditions, the IMF expects the euro-zone economy to contract again by 0.3% (2012: -0.6%). On the whole, economic development within the euro-zone countries will probably continue to vary widely. While growth for Germany is projected to be slightly up, at 0.6% compared with 0.9% a year earlier, IMF expectations for France and Italy are -0.1% and -1.5%, respectively, relative to the development in 2012 of 0.0% and -2.4%, respectively.

For the U.S. economy, the IMF currently forecasts that GDP will grow 1.9%, down from its year-earlier projection of 2.2% and from its estimate of 2.1% at the outset of this year. This development is essentially due to the negative impact of the automatic spending cuts in the U.S. budget, while private consumer spending is expected to be robust.

Based on the most recent IMF forecast, the Asian economy is likely to show strong dynamic growth of 7.1% and thus pick up steam slightly, compared with 6.6% in the previous year. The Chinese economy is set to contribute to this momentum at a rate of 8.0%, up from 7.8% a year earlier. However, experts project that the structural policies, which were put in place by the new Chinese government and aimed at better balancing growth, are insufficient in order for China to achieve its growth target for this year.

According to IMF projections, the Japanese economy will see GDP growth of 1.6%, relative to 2.0% in the previous year. However, in view of the economic stimulus programs initiated as well as a low interest rate policy, experts project that its economic growth may turn out to be higher than expected.

Concerning the development of interest rates, market observers anticipate that the key central banks will continue to maintain their prime rates at historically low levels. For the second half of the year, forecasts on the exchange rate of the U.S. dollar to the euro are between 1.19 euros and 1.38 euros.

(Sources: IMF: World Economic Outlook, April 2013; IMF Global Financial Stability Report, April 2013).

Future Business Development in 2013

Based on the strong results for the first six months, management has raised its 2013 full-year guidance as follows:

Sales growth is now forecasted to reach the upper end of, or slightly exceed, the 8% to 11% range projected so far in constant currencies. SSB's underlying EBITDA margin is expected to rise to approximately 23.0% (previous guidance around 22.5%) without any currency effects considered.

Risk and Opportunities Report

The risk and opportunities situation of the Sartorius Stedim Biotech Group has not materially changed since the publication of its Reference Document 2012. 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. 46 ff. of the Reference Document 2012.

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

Income Statement

	2nd quarter 2013 [1]	2nd quarter 2012 [1]	1st half 2013	1st half 2012
	€ in mn	€ in mn	€ in mn	€ in mn
Sales revenue	154.6	139.1	292.6	272.6
Cost of sales [2]	–73.7	–70.4	–143.0	–137.6
Gross profit on sales [2]	**80.9**	**68.7**	**149.6**	**134.9**
Selling and distribution costs [2]	–33.5	–30.0	–64.8	–60.1
Research and development costs [2]	–8.4	–7.8	–17.0	–15.9
General administrative expenses [2]	–7.8	–7.3	–15.7	–14.9
Other operating income and expenses	–0.5	–2.9	0.3	–4.2
Earnings before interest & taxes (EBIT) [2]	**30.6**	**20.7**	**52.4**	**39.9**
Interest and similar income	0.5	0.0	1.1	1.9
Interest and similar expenses	–1.6	–3.2	–3.8	–4.6
Financial result	**–1.0**	**–3.2**	**–2.7**	**–2.7**
Profit before tax [2]	**29.6**	**17.5**	**49.6**	**37.2**
Deferred tax income | expenses	–1.1	0.5	–0.9	0.4
Income tax expenses	–7.3	–5.8	–13.5	–11.6
Taxes [2]	**–8.4**	**–5.2**	**–14.4**	**–11.2**
Net profit for the period	**21.2**	**12.3**	**35.2**	**26.0**
Attributable to:				
Equity holders of Sartorius Stedim Biotech	20.6	12.0	34.3	25.6
Non-controlling interest	0.6	0.3	0.9	0.4
Earnings per share (€)	1.34	0.78	2.24	1.67
Diluted earnings per share (€)	1.34	0.78	2.23	1.67

[1] Data not reviewed by the Auditors

[2] See specific paragraph in the Notes to the Interim Financial Statements related to Earnings Reporting

Statement of Comprehensive Income

	2nd quarter 2013 [1)] € in mn	2nd quarter 2012 [1)] € in mn	**1st half 2013 € in mn**	1st half 2012 € in mn
Net profit for the period	21.2	12.3	35.2	26.0
Net gains | (losses) on cash flow hedges	2.0	–3.1	1.3	–1.6
Net investment in a foreign operation	0.8	–2.3	–0.3	–1.6
Currency translation differences	–3.5	5.4	–1.3	2.9
Tax effects on items that probably will be reclassified in profit/loss	–0.8	1.6	–0.3	0.9
Items that probably will be reclassified in profit/loss	**–1.6**	**1.6**	**–0.6**	**0.7**
Actuarial gains | (losses) from pension provisions	0.0	0.0	0.0	0.0
Tax effects on items that will not be reclassified in profit/loss	0.0	0.0	0.0	0.0
Items that will not be reclassified in profit/loss	**0.0**	**0.0**	**0.0**	**0.0**
Net income recognized directly in equity	**–1.6**	**1.6**	**–0.6**	**0.7**
Comprehensive income	**19.7**	**13.9**	**34.7**	**26.7**
Equity holders of Sartorius Stedim Biotech	19.2	13.5	33.9	26.2
Non-controlling interest	0.5	0.4	0.7	0.5

[1)] Data not reviewed by the Auditors

Statement of Financial Position

Assets	June 30, 2013 € in mn	Dec. 31, 2012 [1] Audited € in mn
Non-current assets		
Goodwill	279.2	279.5
Intangible assets	113.4	117.3
Property, plant and equipment	163.2	160.3
Investments	1.2	1.2
	557.0	**558.3**
Receivables and other assets	0.4	1.1
Deferred tax assets	8.4	8.7
	565.8	**568.0**
Current assets		
Inventories	89.7	85.1
Trade receivables	109.7	92.2
Current tax assets	4.5	6.5
Other assets	17.7	14.3
Cash and cash equivalents	27.5	27.8
	249.1	**225.8**
Total assets	**814.9**	**793.9**

Equity and liabilities	June 30, 2013 € in mn	Dec. 31, 2012 [1] Audited € in mn
Equity		
Issued capital	10.4	10.4
Capital reserves	278.8	278.8
Retained earnings (including net profit)	160.2	143.1
Non-controlling interest	3.1	2.7
	452.5	**435.0**
Non-current liabilities		
Pension provisions	23.5	22.9
Deferred tax liabilities	30.5	29.5
Other provisions	3.5	3.6
Loans and borrowings	30.8	35.6
Other liabilities	36.3	36.7
	124.6	**128.4**
Current liabilities		
Provisions	4.3	4.4
Trade payables	53.6	57.0
Loans and borrowings	137.4	105.9
Current tax liabilities	2.3	3.8
Other liabilities	40.1	59.4
	237.8	**230.5**
Total equity and liabilities	**814.9**	**793.9**

[1] Figures restated due to the first-time application of IAS 19 (revised).

Statement of Cash Flow

	1st half 2013 € in mn	1st half 2012 € in mn
Cash flows from operating activities		
Profit before tax	49.6	37.2
Financial Result	2.7	2.7
Earnings before interest & taxes (EBIT)	**52.4**	**39.9**
Depreciation | amortization of fixed assets	14.4	12.3
Increase | decrease in provisions	0.1	–1.1
Gains from the disposal of fixed assets	0.0	0.0
Income taxes paid	–12.9	–22.7
Gross cash flows from operating activities	**54.0**	**28.5**
Increase | decrease in receivables	–19.7	–8.2
Increase | decrease in inventories	–5.2	–11.1
Increase | decrease in liabilities	–9.5	–2.4
Net cash flow from operating activities	**19.6**	**6.8**
Cash flows from investing activities		
Capital expenditure	–14.3	–23.1
Proceeds from the disposal of fixed assets	0.2	0.3
Other payments	0.0	–0.2
Net cash flow from investing activities	**–14.2**	**–23.0**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	–14.9	0.0
Proceeds from the disposal of consolidated subsidiaries and other business operations	0.0	0.0
Net cash flow from investing activities and acquisitions	**–29.1**	**–23.0**
Cash flows from financing activities		
Changes in capital	0.0	0.2
Interest received	0.2	0.3
Interest paid and other financial expenses	–1.9	–2.5
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	–16.9	–15.3
- Non-controlling Interest	–0.3	0.0
Gross cash flows from financing activities	**–19.0**	**–17.3**
Changes in non-controlling interest	0.0	0.0
Share buyback program[1)]	0.0	0.0
Loans and borrowings repaid (-) | raised (+)	26.8	25.8
Net cash flow from financing activities	**7.8**	**8.4**
Net increase | decrease in cash and cash equivalents	–1.6	–7.8
Cash and cash equivalents at the beginning of the period	27.8	46.8
Net effect of currency translation on cash and cash equivalents	1.3	1.8
Cash and cash equivalents at the end of the period	**27.5**	**40.8**
Free cash flows	**5.4**	**–16.2**
Net cash flows	**–28.4**	**–33.6**
Gross debt owed to banks	**168.2**	**187.0**
Net debt owed to banks	**140.7**	**146.2**

Operating Segments

Internal management and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solution provider" for our customers. Accordingly, one reportable operating segment has been identified by Sartorius Stedim Biotech: Biopharm.

The segment result that is the key profitability measure used internally is "underlying EBITDA", or earnings before interest, taxes and depreciation and amortization adjusted for extraordinary expenses. 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 Information by Division

			Biopharm | Group
€ in millions	**1st half 2013**	1st half 2012	Change
Sales revenue	292.6	272.6	7%
Underlying EBITDA	67.4	56.1	20%
- as a % of sales revenue	23.0%	20.6%	
EBIT	52.4	39.9	31%
- as a % of sales revenue	17.9%	14.6%	
No. of employees at June 30	3,156	3,013	5%

Reconciliation of Segment Profit or Loss

€ in millions	**1st half 2013**	1st half 2012
Underlying EBITDA of the segment	67.4	56.1
Depreciation and amortization	−14.4	−12.3
Extraordinary effects	−0.6	−3.9
EBIT	**52.4**	**39.9**
Financial result	−2.7	−2.7
Profit before tax	**49.6**	**37.2**

Supplementary Information by Region

€ in millions	Europe **1st half 2013**	1st half 2012	Change	North America **1st half 2013**	1st half 2012	Change
Sales revenue	146.0	133.4	9%	73.1	76.3	–4%
- as a total %	49.9%	49.0%		25.0%	28.0%	
No. of employees at June 30	2,068	1,922	8%	432	497	–13%

€ in millions	Asia | Pacific **1st half 2013**	1st half 2012	Change	Other Markets **1st half 2013**	1st half 2012	Change	Group **1st half 2013**	1st half 2012	Change
Sales revenue	60.1	53.2	13%	13.4	9.6	39%	292.6	272.6	7%
- as a total %	20.5%	19.5%		4.6%	3.5%		100.0%	100.0%	
No. of employees at June 30	457	456	0%	199	138	44%	3,156	3,013	5%

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, 2012	**10.4**	**278.4**	**–2.5**	**–1.8**	**106.5**	**3.1**	**394.1**	**1.7**	**395.8**
Comprehensive income	**0.0**	**0.0**	**–1.1**	**0.0**	**24.5**	**2.8**	**26.2**	**0.5**	**26.7**
Stock options	0.0	0.2	0.0	0.0	0.0		0.2	0.0	0.2
Dividends					–15.3		–15.3	0.0	–15.3
Other changes					0.0		0.0	0.0	0.0
Balance at June 30, 2012	**10.4**	**278.6**	**–3.6**	**–1.8**	**115.7**	**5.9**	**405.2**	**2.2**	**407.4**
Balance at Jan. 1, 2013	**10.4**	**278.8**	**–1.3**	**–5.2**	**148.3**	**1.3**	**432.3**	**2.7**	**435.0**
Comprehensive income	**0.0**	**0.0**	**0.9**	**0.0**	**34.1**	**–1.1**	**33.9**	**0.7**	**34.7**
Stock options	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
Dividends					–16.9		–16.9	–0.3	–17.2
Other changes					0.0		0.0	0.0	0.0
Balance at June 30, 2013	**10.4**	**278.8**	**–0.4**	**–5.2**	**165.5**	**0.2**	**449.3**	**3.1**	**452.5**

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, 2013, were approved by the Board of Directors on July 17, 2013.

Accounting Rules and Methods

The consolidated financial statements of the Sartorius Stedim Biotech Group for the period ended June 30, 2013, 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, 2012.

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, 2013, and are available on the website:

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

The accounting principles maintained are identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2012, except for the new Standards and Interpretations adopted below as these are obligatory for the Group at the end of June 2013:

- IFRS 13 (Fair Value Measurement) provides a uniform definition of fair value and how it is measured. Fair value is now defined as the price that would be received to sell an asset or paid to transfer a liability. IFRS 13 also requires specific notes to the consolidated financial statements for assets and liabilities measured at fair value. IAS 34 requires for the first time that certain explanatory notes pertaining to the fair values of financial instruments carried at amortized cost or measured at fair value also be included in interim financial statements.

- Pursuant to the amendments to IAS 1 (Presentation of Financial Statements) published in June 2011, items of other comprehensive income are for the first time reported separately according to whether or not they may subsequently become reclassifiable to profit or loss.

- IAS 19 Employee Benefits (Revised 2011), referred to in the following as IAS 19R, contains revised accounting rules for defined benefit pension plans and severance agreements. Contrary to the previous rule, IAS 19R requires that past service cost be recognized immediately in profit and loss. In addition, net interest cost calculated on the net pension liability by applying a discount rate for high-quality corporate bonds is now recognized in profit or loss. Measurement effects resulting from actuarial gains and losses and the effect of the asset ceiling are recognized outside profit or loss in the statement of comprehensive income. Net interest expense continues to be recognized in the financial result.

  IAS 19R further specifies that severance payments to be earned in future periods must be recognized in profit or loss over the respective period of service. This revision led to a change in the accounting for payments to employees under pre-retirement part-time working agreements (partial retirement provisions) in Germany. In the past, provisions were established at the time the offer of a respective working agreement was made or the agreement was concluded, even when service remained to be provided by the employee in the future.

Sartorius Stedim Biotech is applying IAS 19R retrospectively. The data in the statement of financial position as of January 1, 2012, and in the income statement and the statement of comprehensive income for the first half of 2012 were restated, including the relating tax impacts.

The Group did not anticipate the adopted Standards and Interpretations whose application was not obligatory as of June 30, 2013 and 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 2012 presents the list of subsidiaries (see page 101).

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 (29%).

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 74% in equity capital and 85% of the voting rights (From which treasury shares were deducted in regards of the share buy back program). Shares in free float are 26%.

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 (mainly Lab Products and Services Division) and the Sartorius Stedim Biotech Group. These contracts that are based on arm's length terms 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

As the end of June 2013, we have not identified any assets impairment.

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 2013, the number of shares held has not changed since the December 31, 2011; namely, the company Sartorius Stedim Biotech S.A. bought back 1,698,710 treasury shares for an amount of €61.3 million.

Earnings Reporting

In financial year 2013 the Sartorius Stedim Biotech Group changed slightly its reporting format for the income statement, in order to follow established international reporting practice and thus to provide financial data in the best comparable manner. Relevant changes relate to amortization as well as to other taxes, which are now shown under functional expenses. These changes to cost allocations do not influence the net result of Sartorius Stedim Biotech.

Furthermore, from 2013 on Sartorius Stedim Biotech uses the indicator "underlying EBITDA" as the key figure for measuring earnings. The key indicator "EBITDA" refers to earnings before interest, taxes, depreciation and amortization. The key indicator "underlying EBITDA" corresponds to the key indicator EBITDA adjusted for extraordinary expenses considered during the relevant period.

The following table translates the business figures for the first half of 2012 according to these changes.

	1st half 2012	Reallocation		1st half 2012	1st half 2013
	Before reallocation	Amortisation	Other taxes	After Reallocation	
	€ in mn	€ in mn	€ in mn	€ in mn	€ in mn
Sales revenue	272.6	0.0	0.0	272.6	292.6
Cost of sales	–136.2	–0.8	–0.6	–137.6	–143.0
Gross profit on sales	**136.3**	**–0.8**	**–0.6**	**134.9**	**149.6**
Selling and distribution costs	–57.2	–2.8	–0.1	–60.1	–64.8
Research and development costs	–15.5	–0.4	0.0	–15.9	–17.0
General administrative expenses	–14.7	0.0	–0.2	–14.9	–15.7
Other operating income and expenses	–4.2	0.0	0.0	–4.2	0.3
Earnings before interest, taxes and amortization linked to business combinations (EBITA) [1]	**44.9**	**–4.0**	**–1.0**	**39.9**	
Amortization	–4.0	4.0	0.0	0.0	
Earnings before interests and taxes (EBIT)	**40.9**	**0.0**	**–1.0**	**39.9**	**52.4**
Financial result	–2.7	0.0	0.0	–2.7	–2.7
Profit before tax	**38.2**	**0.0**	**–1.0**	**37.2**	**49.6**
Income taxes | deferred taxes	–11.2	0.0	0.0	–11.2	–14.4
Other taxes	–1.0	0.0	1.0	0.0	
Non-controlling interest	–0.4	0.0	0.0	–0.4	–0.9
Net profit for the period	**25.6**	**0.0**	**0.0**	**25.6**	**34.3**

Financial Instruments

The following table compares the carrying amounts of financial assets and liabilities for each category of financial instruments with their fair values.

€ in millions	Category acc. to IAS 39	June 2013 carrying amount	June 2013 fair value	December 2012 carrying amount	December 2012 fair value
Financial Assets	available for sale	1.2	1.2	1.2	1.2
Trade Receivables	loans and receivables	109.7	109.7	92.2	92.2
Derivatives	held for trading	0.2	0.2	0.3	0.3
Derivatives	hedged items	2.0	2.0	1.7	1.7
Other Assets	loans and receivables	8.2	8.2	7.4	7.4
Other Assets	not IFRS 7	7.6	7.6	6.0	6.0
Cash and Cash Equivalents	loans and receivables	27.5	27.5	27.8	27.8
Loans and Borrowings	financial liabilities at amortized cost	157.2	157.2	130.4	130.4
Finance Lease Liabilities	IFRS 7	11.0	11.0	11.1	11.1
Trade Payables	financial liabilities at amortized cost	41.0	41.0	40.1	40.1
Trade Payables	not IFRS 7	12.6	12.6	16.8	16.8
Derivatives	held for trading	0.2	0.2	0.2	0.2
Derivatives	hedged items	2.5	2.5	3.3	3.3
Other Liabilities	financial liabilities at amortized cost	63.8	63.8	83.5	83.5
Other Liabilities	not IFRS 7	9.9	9.9	9.0	9.0

The fair values of the financial instruments were mainly determined on the basis of the market information available on the balance sheet 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 which are not derivable from observable market data. As of June 30, 2013 all derivative financial assets and liabilities are to be allocated to Level 2 of the fair value hierarchy. There are no financial instruments at Levels 1 and 3 of the fair value hierarchy.

Other Disclosures

In the reporting period, Sartorius Stedim Biotech S.A. paid a dividend total of €16.9 million.

Statutory Auditors' Review Report on the First-Half Year Financial Information 2013

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, 2013,

- 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.

Without qualifying our conclusion, we draw your attention to note "Earnings Reporting" to the half-year consolidated financial statements which sets out the change in presentation of the Profit and Loss statement.

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, July 23, 2013

The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Anis Nassif	Christophe Perrau

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, 2013, 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 15 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

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Financial Schedule

October 02 - 03, 2013

13th Midcap Event, Paris | France

October 21, 2013

Publication of nine-month figures for 2013

January 2014

Publication of preliminary figures for fiscal 2013

April 2014

Annual General Shareholders' Meeting, Aubagne | France

April 2014

Publication of first-quarter figures for 2014

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.