



sartorius stedim
biotech



Sartorius Stedim Biotech Group
Nine-Month Report
January to September 2009

Business Development and Outlook

- Significant growth in order intake (+12.3%) and sales revenue (+8.6%)
- Overproportionate earnings increase; underlying EBITA margin jumped from 10.8% to 15.5%
- Considerably positive cash flows from operating activities

Order Intake and Sales Revenue

In the third quarter, the Sartorius Stedim Biotech Group continued to grow dynamically. Thus, order intake from January to September 2009 rose 12.3% from €270.8 million a year ago to €304.1 million (currency-adjusted: +9.9%). Again, single-use products fueled this increase by generating clearly double-digit growth rates. In addition to its already strong fundamental growth rates, the company's business was buoyed by rising demand from the biopharmaceutical industry in conjunction with the production of vaccines against the H1N1, or swine flu, virus. Due to market conditions, equipment business slightly declined overall relative to the year-ago period that was characterized by high demand. However, this business saw positive momentum in the third quarter.

On the whole, Sartorius Stedim Biotech increased sales revenue 8.6% from €275.0 million to €298.7 million (in constant currencies: +6.3%). All geographical regions contributed positive growth rates to this rise in sales revenue.

Key Figures

€ in millions	9 months 2009	9 months 2008	Change in %	Change in % (in constant currencies)
Sales revenue	298.7	275.0	+8.6	+6.3
- Europe ¹⁾	173.6	169.5	+2.5	+4.0
- North America ¹⁾	72.5	59.5	+21.9	+9.6
- Asia Pacific ¹⁾	40.5	37.2	+8.8	+4.8
- Other Markets ¹⁾	12.1	8.8	+36.9	+36.8
EBITA ²⁾	46.4	29.8	+55.9	
EBITA margin ²⁾	15.5	10.8		
Net profit ²⁾³⁾	26.5	13.9	+91.6	
Earnings per share (€) ²⁾³⁾	1.55	0.81	+91.6	

¹⁾ Acc. to customers' location

²⁾ Underlying for 2009

³⁾ Excluding amortization

Earnings Development

During the first nine months, the Sartorius Stedim Biotech Group boosted its operating earnings (earnings before interest, taxes and amortization and adjusted for extraordinary expenses = underlying EBITA) by 55.9% to €46.4 million from €29.8 million a year ago. Thus, its underlying EBITA margin substantially improved from 10.8% to 15.5%. In addition to the strong increase in sales and the resulting economies of scale, the Group's enhanced product mix favoring single-use products especially contributed to this surge in profitability. Extraordinary expenses include, inter alia, non-operating depreciation and totaled €1.8 million.

Including all extraordinary expenses, consolidated EBITA is at €44.6 million, up from €29.8 million a year ago. The corresponding EBITA margin is at 14.9%, up from 10.8% in the previous year.

Excluding the non-cash item of amortization, consolidated underlying net profit after minority interest totaled €26.5 million, up from €13.9 million a year ago. The respective earnings per share were €1.55 relative to €0.81 in the first nine months of 2008.

Assessment of Business Development

We are satisfied with the dynamic development of our business. In particular, we take the clearly double-digit growth rates in our business with single-use products and the overproportionate increase in earnings as confirmation of our business model and our excellent prospects for the future.

Cash Flow

Cash flows from operating activities at €65.5 million are significantly positive, up from €35.9 million a year ago. This increase is essentially due to the rise in earnings and the improvement in working capital relative to the first three quarters of 2008. Cash flows from investing activities stood at -€11.0 million (previous year: -€13.1 million). Cash flows from financing activities stood at -€11.1 million relative to -€15.0 million in the previous year.

Consolidated Balance Sheet

In the reporting period ended September 30, 2009, the balance sheet total of the Sartorius Stedim Biotech Group rose to €678.3 million (December 31, 2008: €652.3 million). Equity also rose in the reporting period to €387.4 million (December 31, 2008: €371.6 million). As a result, the equity ratio at 57.1% remains nearly unchanged and thus at a very comfortable level (December 31, 2008: 57.0%). Gearing, the ratio of net debt to equity, is 0.3 (December 31, 2008: 0.4).



Financing | Treasury

To diversify our financing structure, we implemented an international factoring program in the second quarter and sold trade receivables, valued at approximately €26 million, as of September 30, 2009. This does not have any impact on the trade receivables disclosed on the consolidated balance sheet; however, cash and cash equivalents and liabilities to banks increased accordingly.

Nevertheless, in the first nine months, gross debt remained nearly unchanged at €162.9 million (December 31, 2008: €163.3 million), while cash and cash equivalents rose from €13.2 million to €56.6 million. Thus, net debt was reduced from €150.1 million to €106.3 million, mainly driven by the significantly positive cash flows from operating activities. The ratio of net debt to underlying EBITDA improved from 2.7 as of December 31, 2008, to 1.5. The interest coverage ratio – underlying EBITDA divided by cash interest expense of the past 12 months – rose from 5.6 in the period ended December 31, 2008, to 9.5. These key ratios for assessing the company's financial condition further improved, and therefore, continue to remain at a highly robust level.

Employees

The number of employees at the Sartorius Stedim Biotech Group rose from 2,369 as of December 31, 2008, to 2,396 as of September 30, 2009 (+1.1%).

Outlook

For the Sartorius Stedim Biotech Group, company management expects sales revenue to increase and earnings to rise overproportionately in the last three months of the current fiscal year relative to the fourth quarter of 2008.



Consolidated Balance Sheet

Assets	Sept. 30, 2009		Dec. 31, 2008	
	€ in mn	%	€ in mn	Audited %
Non-current assets				
Goodwill	250.4	36.9	250.3	38.4
Intangible assets	108.1	15.9	112.6	17.3
Property, plant and equipment	112.1	16.5	114.4	17.5
Financial assets	2.2	0.3	2.0	0.3
	<u>472.8</u>	<u>69.7</u>	<u>479.3</u>	<u>73.5</u>
Receivables and other assets	1.5	0.2	1.7	0.3
Deferred tax assets	7.0	1.0	8.1	1.2
	<u>481.4</u>	<u>71.0</u>	<u>489.1</u>	<u>75.0</u>
Current assets				
Inventories	56.0	8.2	60.9	9.3
Trade receivables	72.6	10.7	74.1	11.4
Current tax assets	3.0	0.4	4.3	0.7
Other assets	8.8	1.3	10.7	1.6
Cash and cash equivalents	56.6	8.3	13.2	2.0
	<u>197.0</u>	<u>29.0</u>	<u>163.2</u>	<u>25.0</u>
Total assets	<u>678.3</u>	<u>100.0</u>	<u>652.3</u>	<u>100.0</u>
Equity and liabilities	Sept. 30, 2009		Dec. 31, 2008	
	€ in mn	%	€ in mn	Audited %
Equity				
Issued capital	10.4	1.5	10.3	1.6
Capital reserves	338.7	49.9	338.4	51.9
Retained earnings (including net profit)	36.5	5.4	21.1	3.2
Minority interest	1.8	0.3	1.9	0.3
	<u>387.4</u>	<u>57.1</u>	<u>371.6</u>	<u>57.0</u>
Non-current liabilities				
Pension provisions	12.4	1.8	11.8	1.8
Deferred tax liabilities	35.8	5.3	36.6	5.6
Other provisions	2.9	0.4	3.1	0.5
Loans and borrowings	110.9	16.3	130.8	20.1
Other liabilities	0.2	0.0	0.2	0.0
	<u>162.1</u>	<u>23.9</u>	<u>182.6</u>	<u>28.0</u>
Current liabilities				
Provisions	5.9	0.9	5.2	0.8
Trade payables	32.5	4.8	31.7	4.9
Loans and borrowings	52.1	7.7	32.5	5.0
Current tax liabilities	9.1	1.3	4.5	0.7
Other liabilities	29.2	4.3	24.2	3.7
	<u>128.8</u>	<u>19.0</u>	<u>98.1</u>	<u>15.0</u>
Total equity and liabilities	<u>678.3</u>	<u>100.0</u>	<u>652.3</u>	<u>100.0</u>

Consolidated Income Statement

	3rd quarter 2009		3rd quarter 2008		9 months 2009		9 months 2008	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
Sales revenue	100.4	100.0	89.6	100.0	298.7	100.0	275.0	100.0
Cost of sales	-51.3	-51.1	-47.3	-52.8	-154.0	-51.5	-142.2	-51.7
Gross profit on sales	49.1	48.9	42.3	47.2	144.8	48.5	132.8	48.3
Selling and distribution costs	-20.1	-20.0	-21.7	-24.2	-62.9	-21.1	-65.8	-23.9
Research and development costs	-6.3	-6.3	-6.6	-7.4	-18.0	-6.0	-19.4	-7.1
General administrative expenses	-6.0	-5.9	-5.7	-6.3	-18.8	-6.3	-18.3	-6.6
Other operating income and expenses ¹⁾	1.3	1.3	0.6	0.7	-0.6	-0.2	0.4	0.1
Earnings before interest, taxes and amortization (EBITA)	18.0	17.9	8.9	10.0	44.6	14.9	29.8	10.8
Amortization ²⁾	-1.8	-1.7	-1.6	-1.7	-5.3	-1.8	-4.7	-1.7
Earnings before interest and taxes (EBIT)	16.3	16.2	7.4	8.2	39.3	13.2	25.1	9.1
Interest and similar income	0.1	0.1	0.1	0.1	0.2	0.1	0.4	0.1
Interest and similar expenses	-1.5	-1.5	-3.2	-3.6	-6.1	-2.0	-8.1	-2.9
Financial result	-1.4	-1.4	-3.2	-3.5	-5.8	-2.0	-7.7	-2.8
Profit before tax	14.9	14.8	4.2	4.7	33.4	11.2	17.4	6.3
Deferred tax income expenses	-0.2	-0.2	0.0	0.0	0.0	0.0	1.3	0.5
Income tax expenses	-4.5	-4.4	-1.2	-1.3	-10.2	-3.4	-6.3	-2.3
Other taxes	-0.5	-0.5	-0.5	-0.6	-1.6	-0.5	-1.7	-0.6
Taxes	-5.1	-5.1	-1.7	-1.9	-11.8	-3.9	-6.7	-2.4
Net profit for the period	9.8	9.8	2.5	2.8	21.7	7.2	10.7	3.9
Attributable to:								
Equity holders of Sartorius Stedim Biotech	9.7	9.7	2.5	2.8	21.7	7.3	10.7	3.9
Minority interest	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share (€) (16,969,388 shares)	0.57		0.15		1.28		0.63	
Diluted earnings per share (€) (17,065,948 shares)	0.57		0.15		1.27		0.63	

¹⁾ The item "Other operating income and expenses" includes extraordinary items amounting to €1.8 million for the nine-month period of 2009.

²⁾ The item "Amortization" refers to goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3.

Interim Consolidated Statement of Comprehensive Income

	9 months 2009	9 months 2008
	€ in mn	€ in mn
Net profit for the period	21.7	10.7
Net (loss) gain on cash flow hedges	0.6	-2.6
Actuarial gains losses from pension provisions	0.1	-0.1
Currency translation differences	-1.8	0.1
Net investment in a foreign operation	0.1	0.0
Deferred taxes	-0.3	0.9
Total gains and losses directly recognized in equity	-1.2	-1.8
Total comprehensive income for the period	20.4	8.9
Equity holders of Sartorius Stedim Biotech	20.5	8.9
Minority interest	-0.1	0.0

Consolidated Cash Flow Statement

	9 months 2009	9 months 2008
	€ in mn	€ in mn
Cash flows from operating activities		
Net result	21.7	10.7
Minority interest	0.0	0.0
Tax expenses	11.8	6.7
Financial expenses	5.8	7.7
Depreciation amortization of fixed assets	16.8	15.1
Increase decrease in provisions	-0.1	-1.0
Increase decrease in receivables	4.2	9.8
Increase decrease in inventories	4.3	-11.5
Increase decrease in liabilities	5.2	2.4
Income taxes paid	-4.3	-4.0
Net cash flow from operating activities	65.5	35.9
Cash flows from investing activities		
Payments for financial assets	-0.4	-0.2
Payments for property, plant and equipment	-7.9	-11.5
Income from the disposal of fixed assets	0.9	1.4
Payments for intangible assets	-3.8	-2.8
Effects from business combinations	0.2	0.0
Net cash flow from investing activities	-11.0	-13.1
Cash flows from financing activities		
Changes in capital	0.4	0.0
Interest received	0.2	0.4
Interest paid	-6.1	-7.8
Other financial charges	-0.2	0.0
Dividends paid to:		
- Shareholders of the parent company	-5.1	-5.1
- Minority shareholders	0.0	0.0
Changes in minority interest	0.0	0.0
Loans and borrowings repaid (-) raised (+)	-0.3	-2.5
Net cash flow from financing activities	-11.1	-15.0
Net increase decrease in cash and cash equivalents	43.3	7.9
Cash and cash equivalents at the beginning of the period	13.2	7.5
Net effect of currency translation on cash and cash equivalents	0.1	0.5
Cash and cash equivalents at the end of the period	56.6	15.9
Gross debt owed to banks	162.9	158.6
Net debt owed to banks	106.3	142.7

Segments Reports

It is the core strategy of the Sartorius Stedim Biotech Group to operate as a total solution provider along the process chain of our customers. Consequently, we provide a complete range of products to our customers, covering all product groups and product combinations. For this reason, the key performance indicator for the Group, EBITA, is reviewed by the chief operating decision-maker primarily at the level of the Biopharm business segment. The segment reportable under IFRS 8 is thus the Biopharm segment. Additionally, the Group presents regional figures in order to provide more transparency about its business.

Operating Segments

€ in millions	Biopharma			Group		
	9 months 2009	9 months 2008	Change	9 months 2009	9 months 2008	Change
Order intake	304.1	270.8	12%	304.1	270.8	12%
Sales revenue	298.7	275.0	9%	298.7	275.0	9%
- as a total %	100.0%	100.0%		100.0%	100.0%	
EBITDA	56.1	40.2	39%	56.1	40.2	39%
- as a % of sales revenue	18.8%	14.6%		18.8%	14.6%	
Depreciation and amortization	11.5	10.5	10%	11.5	10.5	10%
EBITA	44.6	29.8	50%	44.6	29.8	50%
- as a % of sales revenue	14.9%	10.8%		14.9%	10.8%	
Amortization	5.3	4.7	13%	5.3	4.7	13%
EBIT	39.3	25.1	57%	39.3	25.1	57%
- as a % of sales revenue	13.2%	9.1%		13.2%	9.1%	
R&D costs	18.0	19.4	- 8%	18.0	19.4	- 8%
No. of employees at September 30	2,396	2,358	2%	2,396	2,358	2%

Reports by Region

€ in millions	Europe			North America		
	9 months 2009	9 months 2008	Change	9 months 2009	9 months 2008	Change
Sales revenue						
- acc. to customers' location	173.6	169.5	2%	72.5	59.5	22%
- as a total %	58.1%	61.6%		24.3%	21.6%	
- acc. to company location	203.9	196.3	4%	72.0	59.7	21%
EBITA	32.5	22.8	43%	8.3	3.5	133%
- as a % of sales revenue	15.9%	11.6%		11.5%	5.9%	
No. of employees at September 30	1,636	1,567	4%	355	371	- 4%

€ in millions	Asia Pacific			Other Markets			Group		
	9 months 2009	9 months 2008	Change	9 months 2009	9 months 2008	Change	9 months 2009	9 months 2008	Change
Sales revenue									
- acc. to customers' location	40.5	37.2	9%	12.1	8.8	37%	298.7	275.0	9%
- as a total %	13.6%	13.5%		4.0%	3.2%		100.0%	100.0%	
- acc. to company location	22.8	18.9	20%	0.0	0.0		298.7	275.0	9%
EBITA	3.3	3.0	9%	0.5	0.4	9%	44.6	29.8	50%
- as a % of sales revenue	14.5%	16.1%		0.0%	0.0%		14.9%	10.8%	
No. of employees at September 30	322	314	3%	83	106	- 22%	2,396	2,358	2%

Consolidated Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Minority interest	Total equity
Balance at Jan. 1, 2008	10.3	338.2	1.1	-0.2	18.2	-4.8	362.8	0.0	362.8
Total comprehensive income for the period	0.0	0.0	-1.8	-0.1	10.7	0.1	8.9	0.0	8.9
Stock options	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Change in minority 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	-5.1	0.0	-5.1	0.0	-5.1
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at September 30, 2008	10.3	338.3	-0.7	-0.3	23.8	-4.8	366.6	0.0	366.6
Balance at Jan. 1, 2009	10.3	338.4	-0.5	0.2	26.1	-4.7	369.8	1.9	371.6
Total comprehensive income for the period	0.0	0.0	0.4	0.0	21.8	-1.8	20.5	-0.1	20.4
Stock options	0.0	0.4	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Change in minority 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	-5.1	0.0	-5.1	0.0	-5.1
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at September 30, 2009	10.4	338.8	-0.1	0.2	42.8	-6.4	385.6	1.8	387.4

Key Figures

All figures are given in millions of €, unless otherwise specified	9 months 2009	9 months 2008	Change in %
Results			
Order intake	304.1	270.8	12.3
Sales revenue	298.7	275.0	8.6
EBITDA	56.1	40.2	39.5
EBITA	44.6	29.8	49.7
EBIT	39.3	25.1	56.6
Profit before tax	33.4	17.4	92.5
Net profit for the period	21.7	10.7	102.8
Earnings per share (in €)	1.28	0.63	102.4
As a % of sales revenue			
EBITDA	18.8	14.6	
EBITA	14.9	10.8	
EBIT	13.2	9.1	
Net profit for the period	7.2	3.9	
Balance sheet			
Balance sheet total	678.3	644.6	
Equity	387.4	366.6	
Equity ratio (in %)	57.1	56.9	
Gearing	0.3	0.4	
Financials			
Capital expenditures	11.7	14.3	-18.4
- as a % of sales revenue	3.9	5.2	
Depreciation and amortization	16.8	15.1	11.1
Net cash flow from operating activities	65.5	35.9	82.2
Net debt	106.3	142.7	-25.5
Total number of employees as of September 30	2,396	2,358	1.6
R&D			
R&D costs	18.0	19.4	-7.6
- as a % of sales revenue	6.0	7.1	

Notes to the Interim Financial Statements

Accounting Rules and Methods

The annual consolidated financial statements of the Sartorius Stedim Biotech Group for the period ended December 31, 2008, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS). In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim financial reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2008 were based.

Furthermore, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied effective September 30, 2009, were observed. An explanation of the individual accounting and measurement principles applied is given in the Notes to the Financial Statements of the Group for the year ended December 31, 2008.

Other Disclosures

In the reporting period, Sartorius Stedim Biotech S.A. paid a dividend total of €5.1 million. This consolidated third-quarter report has not been reviewed by independent, certified auditors.

Contacts

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

Phone +33.44.284 5534
Fax +33.44.284 5617
www.sartorius-stedim.com

Investor Relations

Andreas Wiederhold
Team Leader
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

January 7 | 8, 2010

Oddo Midcap Forum in Lyon, France

February 2010*

Publication of preliminary full-year figures for 2009

March 10, 2010*

Analysts' conference (SFAF)
in Paris, France

March 11 | 12, 2010*

Roadshow

April 19, 2010*

General Annual Shareholders' Meeting
in Aubagne, France

April 2010*

Publication of first-quarter figures for 2010

* Tentative date scheduled

This is a translation of the original French-language nine-month financial report "Information financière trimestrielle." 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.