Sartorius Group

Interim Report from January to September 2013

2013

Key Figures for the First Nine Months of 2013

in millions of € unless otherwise specified	Group			Bioprocess Solutions			Lab Products & Services			Industrial Weighing		
	9-mo. 2013	9-mo. 2012	Δ in %	9-mo. 2013	9-mo. 2012	Δ in %	9-mo. 2013	9-mo. 2012	Δ in %	9-mo. 2013	9-mo. 2012	Δ in %
Order Intake and Sales												
Order intake	669.9	636.6	5.2	404.9	356.6	13.5	191.4	203.9	–6.1	73.6	76.1	–3.2
Sales revenue	657.3	639.4	2.8	382.4	360.3	6.1	199.1	202.5	–1.7	75.8	76.7	–1.1
- Europe[1]	333.7	314.8	6.0	179.6	166.9	7.6	105.2	101.7	3.5	48.9	46.2	5.9
- North America[1]	143.2	149.9	–4.4	107.0	111.8	–4.3	30.2	32.7	–7.6	6.0	5.3	12.2
- Asia | Pacific[1]	152.0	149.7	1.6	79.2	69.3	14.3	54.4	58.1	–6.3	18.4	22.3	–17.4
- Other Markets[1]	28.3	25.1	12.8	16.5	12.2	34.9	9.3	10.0	–6.9	2.5	2.9	–13.2
Results												
EBITDA[2]	126.0	118.5	6.3	86.8	77.2	12.4	32.4	33.1	–1.9	6.7	8.2	–17.6
EBITDA margin[2] in %	19.2	18.5		22.7	21.4		16.3	16.3		8.9	10.6	
EBITA[2]	100.3	97.7	2.6	72.5	65.2	11.2	22.7	25.9	–12.1	5.1	6.7	–23.8
EBITA margin[2] in %	15.3	15.3		19.0	18.1		11.4	12.8		6.7	8.7	
Relevant net profit[2][3]	47.0	46.8	0.3									
Earnings per ordinary share[2][3] in €	2.75	2.74	0.3									
Earnings per preference share[2][3] in €	2.77	2.76	0.3									

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary items)
[3] Excluding non-cash amortization and fair value adjustments of hedging instruments

Interim Management Report

Business Development and Outlook

- Substantial gains in order intake and sales revenue in constant currencies
- Underlying EBITDA up 6.3%
- Group earnings guidance confirmed for the full year of 2013

Order Intake and Sales Revenue

On the whole, the Sartorius Group continued its positive business performance in the first nine months of fiscal 2013. Order intake in the reporting period rose 7.7%, in constant currencies (cc), from €636.6 million to €669.9 million (reported: +5.2%). Group sales revenue was up 5.2% (cc) from €639.4 million a year earlier to €657.3 million (reported: +2.8%).

In the first three quarters of the current fiscal year, the Bioprocess Solutions Department boosted its order volume by 15.9% (cc) to €404.9 million (reported: +13.5%). This increase is due to high demand for our single-use products as well as to special growth impulses from large equipment orders, especially in the first quarter. The division's sales revenue was up 8.4% (cc) to €382.4 million (reported: +6.1%), relative to a comparably strong base in the previous period. The acquisition in the field of cell culture media contributed approximately one percentage point to the division's sales growth.

Within the Bioprocess Solutions Division, the Asian and European regions showed the highest growth dynamics, with sales revenue increasing 20.4% and 8.2% (cc), respectively. In North America, sales eased slightly (cc: -1.6%) from the strong year-earlier level. However, nine-month order intake in this region rose sharply year over year.

Bioprocess Solutions

in millions of € unless otherwise specified	**9-mo. 2013**	9-mo. 2012	Δ in %	Δ in % currency adjusted
Order intake	404.9	356.6	13.5	15.9
Sales revenue	382.4	360.3	6.1	8.4
- Europe[1]	179.6	166.9	7.6	8.2
- North America[1]	107.0	111.8	-4.3	-1.6
- Asia | Pacific[1]	79.2	69.3	14.3	20.4
- Other Markets[1]	16.5	12.2	34.9	34.9
EBITDA[2]	86.8	77.2	12.4	
EBITDA margin[2] in %	22.7	21.4		
EBITA[2]	72.5	65.2	11.2	
EBITA margin[2] in %	19.0	18.1		

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary items)

For the Lab Products & Services Division, order intake at €191.4 million remained below the prior-year figure (cc: -3.6%; reported: -6.1%; 9-mo. 2012: €203.9 million). This was due to the sluggish recovery of the market environment in North America and Asia and to adjustments in the division's product portfolio. Without the phase-out of a few non-strategic products, the division's order intake on a currency-adjusted basis would have been approximately at the previous year's level. While the North American and Asian regions for Lab Products & Services expanded less dynamically than expected, its European business development was robust. In the reporting period, the division's sales revenue at €199.1 million was approximately at the previous year's level of €202.5 million (cc: +0.9%; reported: -1.7%).

From a regional perspective, Europe generated the strongest momentum within the Lab Products & Services Division, reporting a gain of 4.1% (cc).

Lab Products & Services				
in millions of € unless otherwise specified	**9-mo. 2013**	9-mo. 2012	Δ in %	Δ in % currency adjusted
Order intake	191.4	203.9	–6.1	–3.6
Sales revenue	199.1	202.5	–1.7	0.9
- Europe[1]	105.2	101.7	3.5	4.1
- North America[1]	30.2	32.7	–7.6	–5.0
- Asia | Pacific[1]	54.4	58.1	–6.3	0.0
- Other Markets[1]	9.3	10.0	–6.9	–6.9
EBITDA[2]	32.4	33.1	–1.9	
EBITDA margin[2] in %	16.3	16.3		
EBITA[2]	22.7	25.9	–12.1	
EBITA margin[2] in %	11.4	12.8		

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary items)

After starting off in a challenging market environment at the beginning of the year, the Industrial Weighing Division continued to show positive performance, though its order intake of €73.6 million in the first nine months was still slightly below the prior-year level of €76.1 million (cc: -0.5%; reported: -3.2%). By contrast, in the third quarter, order intake in constant currencies rose by around 3%. The division's sales revenue at €75.8 million was approximately at the year-earlier level of €76.7 million (cc: +1.5%; reported: -1.1%).

Expansion of the Industrial Weighing Division was especially driven by the North American and European regions, at 15.3% and 6.2% (cc), respectively.

Industrial Weighing				
in millions of € unless otherwise specified	**9-mo. 2013**	9-mo. 2012	Δ in %	Δ in % currency adjusted
Order intake	73.6	76.1	–3.2	–0.5
Sales revenue	75.8	76.7	–1.1	1.5
- Europe[1]	48.9	46.2	5.9	6.2
- North America[1]	6.0	5.3	12.2	15.3
- Asia | Pacific[1]	18.4	22.3	–17.4	–9.6
- Other Markets[1]	2.5	2.9	–13.2	–13.2
EBITDA[2]	6.7	8.2	–17.6	
EBITDA margin[2] in %	8.9	10.6		
EBITA[2]	5.1	6.7	–23.8	
EBITA margin[2] in %	6.7	8.7		

[1] Acc. to customers' location
[2] Underlying (adjusted for extraordinary items)

Earnings Development

The Sartorius Group continued to expand its earnings in the first three quarters of the year relative to the previous period. Thus, underlying EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) increased overproportionately by 6.3%, despite the negative impact of currency effects, from €118.5 million to €126.0 million. Its respective margin improved from 18.5% to 19.2%. Driven by economies of scale, the share of earnings contributed by the Bioprocess Solutions Division was up 12.4%, to €86.8 million. The division's corresponding margin rose year over year from 21.4% to 22.7%. The Lab Products & Services Division achieved an underlying EBITDA of €32.4 million, which was approximately at the previous year's level of €33.1 million. The division's margin remained unchanged at 16.3%. In conjunction with product mix effects, earnings for the Industrial Weighing Division were at €6.7 million compared with €8.2 million a year ago. Its respective margin was at 8.9% relative to 10.6% a year earlier.

At the Group level, underlying EBITA at €100.3 million (margin: 15.3%) was 2.6% higher than the previous year's figure of €97.7 million (margin: 15.3%).

Extraordinary items for the first nine months of the current fiscal year amounted to -€4.8 million, relative to -€9.7 a year ago. Including all extraordinary items, depreciation and amortization, Group EBIT totaled €86.3 million, up from €79.3 million a year earlier. The respective EBIT margin was at 13.1%, compared with 12.4% a year ago.

The relevant underlying net profit attributable to Sartorius AG shareholders for the period remained nearly unchanged at €47.0 million, up year over year from €46.8 million. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization and fair value adjustments of hedging instruments, as well as by taking tax effects into account. The respective underlying earnings per ordinary share amounted to €2.75, up from €2.74 in the previous year; earnings per preference share at €2.77 were also up, from €2.76 in the year before.

Statements of Financial Position and Cash Flows

The balance sheet total for the Sartorius Group rose to €1,106.8 million as of September 30, 2013, from €1,070.9 million as of December 31, 2012. The rise in the balance sheet total resulted predominantly from the seasonal buildup in working capital.

Equity increased from €404.4 million as of December 31, 2012, to €434.1 million as of the reporting date. The equity ratio rose to 39.2% from 37.8% as of December 31, 2012, and has continued to remain at a comfortable level.

Gross debt was up from €343.3 million as of December 31, 2012, to €366.1 million as of September 30, 2013. In addition to the seasonal buildup in net working capital, the acquisition in the field of cell culture media and dividend payments are reflected in this gross debt figure. Cash and cash equivalents edged up slightly from €39.5 million as of December 31, 2012, to €41.4 million as of September 30, 2013. Accordingly, net debt stood at €324.7 million (December 31, 2012: €303.8 million).

The gearing ratio, or ratio of net debt to equity, was at 0.7 compared with 0.8 as of December 31, 2012.

Net cash flow from operating activities stood at €67.6 million in the reporting period. The previous year's figure of €37.2 million was significantly impacted by non-periodic tax payments. At -€41.8 million, net cash flow from investing activities was lower than the year-earlier level of -€49.2 million as planned. Therefore, the Group financed its investments entirely from operating cash flows. Including cash outflows related to the takeover in the field of cell culture media, net cash flow from investing activities and acquisitions was at -€56.7 million (9-mo. 2012: -€49.7 million).

Net cash flow from financing activities in the reporting period amounted to €10.1 million relative to €4.9 million a year earlier.

On the reporting date, the ratio of net debt to underlying EBITDA based on the past 12 months remained unchanged from December 31, 2012, at 1.9. The interest coverage ratio, calculated as underlying EBITDA divided by cash interest expense of the past 12 months, continued to remain at a very comfortable level, at 18.4 (December 31, 2012: 17.0).

Assessment and Outlook

Based on the Group's overall strong business performance in the first nine months, the Group confirmed its 2013 full-year earnings forecast and specified its sales guidance as follows:

Consolidated sales revenue is expected to increase approx. 7% in constant currencies, within the growth corridor of 6% to 9% communicated at the beginning of the year, but not quite reach the upper half of this corridor as forecasted at mid-year.

Sartorius continues to anticipate an increase in its underlying EBITDA margin to around 19.5% in constant currencies.

The company confirms its forecast for the Bioprocess Solutions Division. Accordingly, it expects the division to reach, or slightly exceed, the upper end of the range of 9% to 12% in currency-adjusted sales growth. The division's underlying EBITDA margin continues to be projected to increase to 22.5% to 23.0%.

Given the uneven market environment, Sartorius forecasts that currency-adjusted full-year sales revenue for the Lab Products & Services Division in 2013 will be approximately at the previous year's level (former guidance: lower limit of the growth corridor of 3% to 6%). Accordingly, the division's underlying EBITDA margin in constant currencies is expected to be around 16.0% (former guidance: 17.0% to 17.5%).

For the Industrial Weighing Division, Sartorius' guidance remains unchanged: its currency-adjusted sales are projected to attain the lower end of the growth range of 0% to 3%. The division's underlying EBITDA margin is forecast to be around 10.0% in constant currencies for the current fiscal year.

Material Events after the Reporting Date

On October 7, 2013, Sartorius submitted a cash offer to acquire the U.K. company TAP Biosystems Group plc through its wholly owned subsidiary Sartorius Stedim Biotech GmbH. The proposed transaction, which is subject to customary closing conditions and the approval of TAP's shareholders, values the equity of TAP Biosystems at approximately €33 million. The transaction has been unanimously approved by the boards of directors of both companies. Sartorius expects to close the acquisition deal at the end of 2013. Further information is available on our website at www.sartorius.com.

Interim Financial Statements

Income Statement

	3rd quarter 2013 € in mn	3rd quarter 2012[2] € in mn	**9-month 2013 € in mn**	9-month 2012[2] € in mn
Sales revenue	216.0	217.3	657.3	639.4
Cost of sales	-111.4	-110.2	-334.7	-326.9
Gross profit on sales	**104.6**	**107.1**	**322.5**	**312.4**
Selling and distribution costs	-51.1	-48.6	-155.2	-147.2
Research and development costs	-14.2	-13.0	-40.4	-37.3
General administrative expenses	-13.0	-12.5	-39.0	-37.9
Other operating income and expenses[1]	0.9	-2.9	-1.6	-10.8
Earnings before interest and taxes (EBIT)	**27.2**	**30.1**	**86.3**	**79.3**
Interest and similar income	0.3	1.3	2.1	3.7
Interest and similar expenses	-4.1	-2.4	-12.4	-11.3
Financial result	**-3.9**	**-1.2**	**-10.4**	**-7.6**
Profit before tax	**23.3**	**28.9**	**75.9**	**71.7**
Income taxes	-7.0	-9.2	-22.8	-22.9
Net profit for the period	**16.3**	**19.6**	**53.1**	**48.8**
Attributable to:				
Shareholders of Sartorius AG	12.3	14.8	39.4	36.9
Non-controlling interest	4.0	4.9	13.7	11.9
Earnings per ordinary share[3] (€)	0.72	0.87	2.30	2.15
Earnings per preference share[3] (€)	0.72	0.87	2.32	2.17

[1] The item "Other operating income and expenses" includes extraordinary expenses of €4.8 million for the nine-month period of 2013 (2012: €9.7 million).
[2] The 2012 figures have been restated. For more information, please see the Notes to the Interim Financial Statements.
[3] The diluted earnings per share were not determined as there are no option rights or conversion rights for Sartorius shares.

Statement of Comprehensive Income

	3rd quarter 2013 € in mn	3rd quarter 2012 € in mn	**9-month 2013 € in mn**	9-month 2012 € in mn
Net profit for the period	**16.3**	**19.6**	**53.1**	**48.8**
Cash flow hedges	1.6	2.3	4.0	−1.2
Net investment in a foreign operation	0.7	0.9	0.5	−0.5
Difference resulting from foreign currency translation	−4.1	−2.6	−6.0	0.7
Tax effects on items that probably will be reclassified in the income statement	−0.7	−1.0	−1.1	0.5
Items that probably will be reclassified in the income statement	**−2.5**	**−0.4**	**−2.6**	**−0.4**
Actuarial gains | losses on defined benefit obligations	0.0	0.0	0.0	0.0
Tax effects on items that will not be reclassified in the income statement	0.0	0.0	0.0	0.0
Items that will not be reclassified in the income statement	**0.0**	**0.0**	**0.0**	**0.0**
Other comprehensive result after tax	**−2.5**	**−0.4**	**−2.6**	**−0.4**
Total comprehensive income	**13.9**	**19.3**	**50.5**	**48.3**
Attributable to:				
Shareholders of Sartorius AG	10.1	14.6	37.4	36.5
Non-controlling interest	3.8	4.6	13.2	11.8

Statement of Financial Position

Assets	Sept. 2013 € in mn	December 2012[1)] € in mn
Non-current assets		
Goodwill	349.4	349.6
Intangible assets	163.0	165.6
Property, plant and equipment	217.7	208.5
Financial assets	4.8	4.6
	734.9	**728.3**
Non-current trade and other receivables	0.8	1.6
Deferred tax assets	23.6	25.9
	759.3	**755.8**
Current assets		
Inventories	142.7	126.3
Trade receivables	121.3	117.1
Current tax assets	11.7	8.8
Other assets	30.4	23.3
Cash and cash equivalents	41.4	39.5
	347.5	**315.1**
Total assets	**1,106.8**	**1,070.9**

Equity and liabilities	Sept. 2013 € in mn	December 2012[1)] € in mn
Equity		
Issued capital	17.0	17.0
Capital reserves	87.0	87.0
Other reserves and retained earnings	251.5	230.3
Non-controlling interest	78.6	70.0
	434.1	**404.4**
Non-current liabilities		
Pension provisions	57.5	55.5
Deferred tax liabilities	30.8	32.4
Other provisions	9.5	9.7
Loans and borrowings	336.9	246.6
Other liabilities	41.3	41.4
	476.0	**385.7**
Current liabilities		
Provisions	10.5	8.7
Trade payables	65.5	66.6
Loans and borrowings	29.2	96.7
Current tax liabilities	7.8	10.2
Other liabilities	83.7	98.6
	196.7	**280.8**
Total equity and liabilities	**1,106.8**	**1,070.9**

[1)] The 2012 figures have been restated due to the first-time application of IAS 19 (Revised 2011).

Statement of Cash Flows

	9-month 2013 € in mn	9-month 2012 € in mn
Cash flows from operating activities		
Profit before tax	75.9	71.7
Financial result	10.4	7.6
Earnings before interest & taxes (EBIT)	**86.3**	**79.3**
Depreciation | amortization of fixed assets	34.9	29.5
Depreciation of financial assets	0.0	0.5
Increase | decrease in provisions	3.0	–2.2
Income taxes paid	–28.5	–36.9
Gross cash flow from operating activities	**95.7**	**70.3**
Increase | decrease in receivables and other assets	–9.9	–2.3
Increase | decrease in inventories	–18.0	–24.6
Increase | decrease in liabilities (without loans and borrowings)	–0.1	–6.2
Net cash flow from operating activities	**67.6**	**37.2**
Cash flows from investing activities		
Capital expenditures	–42.2	–50.4
Proceeds from the disposal of fixed assets	0.6	1.4
Other payments	–0.2	–0.2
Net cash flow from investing activities	**–41.8**	**–49.2**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	–14.9	–0.6
Proceeds from the disposal of consolidated subsidiaries and other business operations	0.0	0.0
Net cash flow from investing activities and acquisitions	**–56.7**	**–49.7**
Cash flows from financing activities		
Interest received	0.2	0.2
Interest paid and other financial charges	–10.2	–7.2
Dividends paid to:		
- Shareholders of Sartorius AG	–16.2	–13.8
- Non-controlling interest	–4.7	–3.9
Gross cash flow from financing activities	**–30.8**	**–24.7**
Changes in non-controlling interest	0.0	0.2
Loans and borrowings repaid | raised	20.7	29.4
Net cash flow from financing activities	**–10.1**	**4.9**
Net increase | decrease in cash and cash equivalents	0.9	–7.7
Cash and cash equivalents at the beginning of the period	39.5	41.0
Net effect of currency translation on cash and cash equivalents	1.0	–0.2
Cash and cash equivalents at the end of the period	**41.4**	**33.2**
Free cash flow[1)]	**25.8**	**–12.0**
Net cash flow[2)]	**–19.8**	**–37.2**

[1)] Net cash flow from operating activities and investing activities
[2)] Before loans and borrowings repaid | raised

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to shareholders of Sartorius AG	Non-controlling interest	Total equity
Balance at Jan. 1, 2012	**17.0**	**87.0**	**–4.4**	**–4.6**	**212.9**	**–0.4**	**307.5**	**59.2**	**366.7**
Net profit for the period					36.9		36.9	11.9	48.8
Other comprehensive result after tax			–0.8	0.0	–0.2	0.6	–0.4	–0.1	–0.4
Total comprehensive income			**–0.8**	**0.0**	**36.6**	**0.6**	**36.5**	**11.8**	**48.3**
Dividends					–13.8		–13.8	–3.9	–17.7
Change in non-controlling interest					–0.1		–0.1	0.1	0.0
Other changes in equity					0.2		0.2	0.0	0.2
Balance at Sept. 30, 2012	**17.0**	**87.0**	**–5.1**	**–4.6**	**235.8**	**0.2**	**330.3**	**67.2**	**397.5**

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to shareholders of Sartorius AG	Non-controlling interest	Total equity
Balance at Jan. 1, 2013	**17.0**	**87.0**	**–3.1**	**–11.9**	**247.4**	**–2.1**	**334.4**	**70.0**	**404.4**
Net profit for the period					39.4		39.4	13.7	53.1
Other comprehensive result after tax			2.5	0.1	0.2	–4.9	–2.0	–0.6	–2.6
Total comprehensive income			**2.5**	**0.1**	**39.6**	**–4.9**	**37.4**	**13.2**	**50.5**
Dividends					–16.2		–16.2	–4.7	–20.9
Change in non-controlling interest					0.0		0.0	0.0	0.0
Other changes in equity					0.0		0.0	0.0	0.0
Balance at Sept. 30, 2013	**17.0**	**87.0**	**–0.6**	**–11.8**	**270.8**	**–7.0**	**355.6**	**78.6**	**434.1**

Segment Reports

€ in millions	Bioprocess Solutions		Lab Products & Services		Industrial Weighing		Group	
	9-mo. 2013	9-mo. 2012	**9-mo. 2013**	9-mo. 2012	**9-mo. 2013**	9-mo. 2012	**9-mo. 2013**	9-mo. 2012
Sales revenue	382.4	360.3	199.1	202.5	75.8	76.7	657.3	639.4
- as a total %	58.2%	56.3%	30.3%	31.7%	11.5%	12.0%	100.0%	100.0%
Underlying EBITDA	86.8	77.2	32.4	33.1	6.7	8.2	126.0	118.5
- as a % of sales revenue	22.7%	21.4%	16.3%	16.3%	8.9%	10.6%	19.2%	18.5%
EBIT	64.1	54.3	18.5	18.7	3.7	6.3	86.3	79.3
- as a % of sales revenue	16.8%	15.1%	9.3%	9.2%	4.9%	8.2%	13.1%	12.4%
No. of employees at Sept. 30	3,031	2,822	2,028	1,973	733	738	5,792	5,533

€ in millions	Europe		North America	
	9-mo. 2013	9-mo. 2012	**9-mo. 2013**	9-mo. 2012
Sales revenue	333.7	314.8	143.2	149.9
- as a total %	50.8%	49.2%	21.8%	23.4%
No. of employees at Sept. 30	3,845	3,631	632	689

€ in millions	Asia | Pacific		Other Markets		Group	
	9-mo. 2013	9-mo. 2012	**9-mo. 2013**	9-mo. 2012	**9-mo. 2013**	9-mo. 2012
Sales revenue	152.0	149.7	28.3	25.1	657.3	639.4
- as a total %	23.1%	23.4%	4.3%	3.9%	100.0%	100.0%
No. of employees at Sept. 30	1,112	1,068	203	145	5,792	5,533

Notes to the Interim Financial Statements

1. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2012, 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 2012 were based.

Furthermore, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied effective September 30, 2013, 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, 2012.

2. First-time Application of Accounting Rules and Amendments to Accounting Methods

The following new accounting rules were applicable for the first time to the present interim financial statements and had an impact on the presentation of the company's net worth, financial position and profitability or earnings per share:

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

IFRS 13 (Fair Value Measurement) provides a uniform definition of fair value and how it is measured. Moreover, IFRS 13 also requires specific notes to the consolidated financial statements for assets and liabilities measusred 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.

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.

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.

The Sartorius Group has applied IAS 19R retroactively. 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 nine months of 2012 were restated, including the related deferred tax impacts.

3. Changes to the Presentation of the Income Statement

In fiscal 2013, the Sartorius Group slightly changed 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 have any impact on the net profit of Sartorius.

Furthermore, from 2013 onwards, Sartorius 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 figures for the previous year were restated accordingly.

The following table translates the business figures for the first nine months of 2012 according to these changes:

€ in millions	9-mo. 2012 Before restatement	Restatement Amortization	Other taxes	9-mo. 2012 After restatement	**9-mo. 2013**
Sales revenue	639.4	0.0	0.0	639.4	657.3
Cost of sales	–323.7	–2.0	–1.2	–326.9	–334.7
Gross profit on sales	**315.7**	**–2.0**	**–1.2**	**312.4**	**322.5**
Selling and distribution costs	–140.7	–6.1	–0.4	–147.2	–155.2
Research and development costs	–36.6	–0.7	–0.1	–37.3	–40.4
General administrative expenses	–37.3	0.0	–0.6	–37.9	–39.0
Other operating income and expenses	–10.8	0.0	0.0	–10.8	–1.6
Earnings before interest and taxes and amortization (EBITA)	**90.3**	**–8.8**	**–2.3**	**79.3**	
Amortization	–8.8	8.8	0.0	0.0	
Earnings before interest and taxes (EBIT)	**81.5**	**0.0**	**–2.3**	**79.3**	**86.3**
Financial result	–7.6	0.0	0.0	–7.6	–10.4
Profit before tax	**74.0**	**0.0**	**–2.3**	**71.7**	**75.9**
Income taxes | deferred taxes	–22.9	0.0	0.0	–22.9	–22.8
Other taxes	–2.3	0.0	2.3	0.0	0.0
Non-controlling interest	–11.9	0.0	0.0	–11.9	–13.7
Net profit for the period	**36.9**	**0.0**	**0.0**	**36.9**	**39.4**

4. Reconciliation of Segment Profit or Loss – Explanatory Notes to the Segment Reports

The following table restates the underlying EBITDA of the segments with respect to the Group's profit before tax:

€ in millions	**9-month 2013**	9-month 2012
Underlying EBITDA of the segments	126.0	118.5
Depreciation and amortization	–34.9	–29.5
Extraordinary effects	–4.8	–9.7
EBIT	**86.3**	**79.3**
Financial result	–10.4	–7.6
Profit before tax	**75.9**	**71.7**

5. 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	**Sept. 2013 carrying amount**	Sept. 2013 fair value	Dec. 2012 carrying amount	Dec. 2012 fair value
Financial assets	Available for sale	4.8	4.8	4.6	4.6
Trade receivables	Loans and receivables	121.3	121.3	117.1	117.1
Receivables and other assets	Loans and receivables	15.0	15.0	13.3	13.3
Derivatives	Held for trading	0.4	0.4	0.3	0.3
Derivatives	Hedged items	5.2	5.2	3.0	3.0
Other assets	Not IFRS 7	10.7	10.7	8.3	8.3
Cash and cash equivalents	Loans and receivables	41.4	41.4	39.5	39.5
Loans and borrowings	Financial liabilities at cost	349.9	348.8	328.6	328.6
Finance lease liabilities	IFRS 7	16.2	16.2	14.8	14.8
Trade payables	Financial liabilities at cost	50.0	50.0	47.0	47.0
Trade payables	Not IFRS 7	15.5	15.5	19.6	19.6
Derivatives	Held for trading	0.9	0.9	2.0	2.0
Derivatives	Hedged items	5.8	5.8	7.5	7.5
Other liabilities	Financial liabilities at cost	100.5	100.5	115.5	115.5
Other liabilities	Not IFRS 7	17.8	17.8	15.1	15.1

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 that cannot be derived from observable market data.

As of September 30, 2013, all derivative financial assets and liabilities are to be allocated to Level 2 of the fair value hierarchy. The company does not have any financial instruments of level 1 or 3.

6. Other Disclosures

In the reporting period, Sartorius AG paid a dividend total of €16.2 million, of which ordinary shares accounted for €8.0 million and preference shares for €8.2 million of this total disbursed.

Independent, certified auditors have not performed an audit review of this consolidated nine-month report.

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Financial Schedule

November 12, 2013

German Equity Forum in Frankfurt | Main, Germany

January 28, 2014

Publication of preliminary figures for fiscal 2013

March 3, 2014

Annual press conference in Goettingen, Germany

April 10, 2014

Annual Shareholders' Meeting in Goettingen, Germany

April 2014

Publication of first-quarter figures for 2014 (Jan.–Mar.)

Forward-looking Statements Contain Risks

This interim report contains various statements concerning the Sartorius 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.