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Sartorius 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

	Group			Bioprocess Solutions			Lab Products & Services			Industrial Weighing		
	6-mo. 2013	6-mo. 2012	Δ in %	**6-mo. 2013**	6-mo. 2012	Δ in %	**6-mo. 2013**	6-mo. 2012	Δ in %	**6-mo. 2013**	6-mo. 2012	Δ in %
Order Intake and Sales												
Order intake	458.1	434.2	5.5	278.7	243.4	14.5	130.4	139.7	–6.6	49.0	51.1	–4.1
Sales revenue	441.3	422.1	4.5	255.9	237.4	7.8	135.4	133.0	1.9	49.9	51.8	–3.6
- Europe[1]	228.4	212.0	7.7	123.7	113.0	9.4	72.1	67.3	7.1	32.7	31.6	3.3
- North America[1]	93.4	97.7	–4.4	69.2	72.5	–4.5	20.5	21.3	–3.5	3.6	3.9	–6.8
- Asia | Pacific[1]	100.7	97.0	3.9	52.0	44.7	16.5	36.9	37.8	–2.5	11.8	14.5	–18.3
- Other Markets[1]	18.7	15.5	21.2	11.0	7.2	53.2	5.9	6.5	–8.6	1.8	1.8	0.3
Results												
EBITDA[2]	84.8	75.8	11.8	58.1	50.3	15.5	22.7	20.5	11.0	4.0	5.0	–21.4
EBITDA margin[2] in %	19.2	18.0		22.7	21.2		16.8	15.4		8.0	9.7	
EBITA[2]	68.4	62.1	10.0	48.9	42.0	16.6	16.5	16.1	2.7	2.9	4.1	–29.2
EBITA margin[2] in %	15.5	14.7		19.1	17.7		12.2	12.1		5.8	7.9	
Relevant net profit[2][3]	32.3	29.7	8.8									
Earnings per ordinary share[2][3] in €	1.88	1.73	8.9									
Earnings per preference share[2][3] in €	1.90	1.75	8.8									

[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

Economic Report

Macroeconomic Environment

Based on the most recent data available, the global economy evolved at a moderate pace on the whole at the beginning of 2013, with a broad range of variation in the rates seen in individual countries. According to information provided by the OECD, first-quarter growth was only at 0.8%.

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%.

The U.S. economy grew at 1.8%, showing waning momentum relative to the year-earlier quarter (Q1 2012: +2.4%). This growth was fueled primarily by private consumer spending.

Expansion in the emerging-market nations significantly slowed as well at the outset of 2013 compared with the previous year. In response to this development, some countries lowered their key interest rates. According to OECD data, the Chinese economy still grew at 7.7%. Apart from the change in China's government, weakening exports, among other factors, dampened its economy.

In the first quarter of 2013, Japan's economy posted a moderate gain of 0.2%, which was primarily fueled by the Japanese government's economic stimulus programs as well as its expansive monetary policy. Moreover, Japan's rising exports resulting from depreciation of the yen contributed to this upturn.

In summary, the macroeconomic environment in the reporting period was characterized by overall sluggish growth, as well as weaker and more volatile demand in some countries.

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 for the Divisions of Bioprocess Solutions, Lab Products & Services and Industrial Weighing

The key customers that Sartorius serves are from the biopharmaceutical and pharmaceutical industries, the chemical and food sectors and from public research institutes. Therefore, the trends in these specific sectors are important catalysts for the business development of the Sartorius Group.

According to the international market research institute, IMS Health, the global pharmaceutical market has grown at a relatively stable pace between 3% and 5% over the past years (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, 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 share of biologics among the top 100 drugs has risen 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%.

The food industry is among the major customer groups of our two divisions Lab Products & Services and Industrial Weighing. In the mature markets, the food industry has grown recently at low single-digit rates; by contrast, in the emerging-market economies, it expanded overproportionately over the past years. In these markets, the industry is responding to the steadily growing demand for processed food by generally increasing its production capacity levels.

In view of the public sector, which is likewise a customer group served by the Sartorius Lab Products & Services Division, growth in R&D spending in the OECD member nations has slowed on the whole over recent years. While some countries raised their research spending as part of their economic stimulus programs, other nations cut back on these expenses. Just as for the food industry, the emerging-market nations have been fueling growth in the public sector as their investments in research and development have recently risen.

(Sources: IMS Health: IMS Market Prognosis, May 2012, IMS
The Global Use of Medicines: Outlook Through 2016, July 2012;
EvaluatePharma: World Preview 2018, June 2012).

– Substantial gains in order intake and sales revenue

– Underlying EBITDA up 11.8%

– Group guidance confirmed for the full year of 2013

Business Development

Order Intake and Sales Revenue

In the first half of 2013, the Sartorius Group reported considerable gains in order intake, sales revenue and earnings. Order intake in the reporting period rose 5.5%, or 7.0% in constant currencies, from €434.2 million to €458.1 million. Group sales revenue increased 4.5%, or 6.1% in constant currencies, from €422.1 million a year earlier to €441.3 million.

In the reporting period, the Bioprocess Solutions Division boosted its order volume by 14.5%, or 15.9% in constant currencies, from €243.4 million a year ago to €278.7 million. High demand for single-use products as well as special growth impulses, especially from large equipment orders in the first quarter, had a positive impact on order intake. Sales revenue was up 7.8%, or 9.2% in constant currencies, to €255.9 million, relative to a comparably strong base of €237.4 million in the first half of 2012. This growth was driven by both single-use products and equipment business. The acquisition in the field of cell culture media showed promising development, although it did not yet have a material impact on the division's sales revenue in the reporting period.

Within the Bioprocess Solutions Division, Asia and Europe showed the highest growth dynamics, with sales revenue in constant currencies up 20.9% and 9.8%, respectively. As expected, sales revenue in North America was slightly below the exceptionally strong revenue base a year earlier. However, order intake in this region rose significantly compared with the first half of 2012.

Bioprocess Solutions

	6-mo. 2013	6-mo. 2012	Δ in %	Δ in % currency-adjusted
Order intake	278.7	243.4	14.5	15.9
Sales revenue	255.9	237.4	7.8	9.2
- Europe[1]	123.7	113.0	9.4	9.8
- North America[1]	69.2	72.5	–4.5	–3.3
- Asia | Pacific[1]	52.0	44.7	16.5	20.9
- Other Markets[1]	11.0	7.2	53.2	53.2
EBITDA[2]	58.1	50.3	15.5	
EBITDA margin[2]	22.7	21.2		
EBITA[2]	48.9	42.0	16.6	
EBITA margin[2]	19.1	17.7		

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

Given the sluggish start to the year, order intake for the Lab Products & Services Division of €130.4 million was still 6.6%, or -5.0% in constant currencies below the year-earlier level of €139.7 million. In particular, the phase-out of a few non-strategic products as well as a temporarily volatile and softer demand in some markets had an impact on this figure. By contrast, second-quarter order intake approximately attained the year-earlier level. First-half sales revenue rose 1.9%, or 3.6% in constant currencies, from €133.0 million a year ago to €135.4 million, with all product categories of the division contributing to this growth.

From a regional perspective, Europe generated the strongest momentum within the Lab Products & Services Division, reporting a currency-adjusted gain of 7.5%.

Lab Products & Services

	6-mo. 2013	6-mo. 2012	Δ in %	Δ in % currency-adjusted
Order intake	130.4	139.7	–6.6	–5.0
Sales revenue	135.4	133.0	1.9	3.6
- Europe[1]	72.1	67.3	7.1	7.5
- North America[1]	20.5	21.3	–3.5	–2.3
- Asia | Pacific[1]	36.9	37.8	–2.5	2.2
- Other Markets[1]	5.9	6.5	–8.6	–8.6
EBITDA[2]	22.7	20.5	11.0	
EBITDA margin[2]	16.8	15.4		
EBITA[2]	16.5	16.1	2.7	
EBITA margin[2]	12.2	12.1		

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

After starting off at a moderate pace in the reporting period, business for the Industrial Weighing Division picked up, though its order intake of €49.0 million in the first half year was slightly down 4.1%, or 2.2% in constant currencies, from the year-earlier figure of €51.1 million. Accordingly, order intake in the second quarter was slightly up from a year ago. The division's sales revenue amounted to €49.9 million, dipping 3.6% or 1.6% in constant currencies, from €51.8 million in the previous year. Reporting a 3.5% increase in currency-adjusted sales revenue, the European region showed the strongest expansion.

As recently announced, Sartorius postponed the planned divestiture of its Industrial Weighing Division for the time being. While this division has attracted the wide interest of a number of investors, their investment decisions are being impacted by the current uncertain economic environment. However, this will not alter the Group's long-term plans to sell this business.

Industrial Weighing

	6-mo. 2013	6-mo. 2012	Δ in %	Δ in % currency-adjusted
Order intake	49.0	51.1	−4.1	−2.2
Sales revenue	49.9	51.8	−3.6	−1.6
- Europe[1]	32.7	31.6	3.3	3.5
- North America[1]	3.6	3.9	−6.8	−5.6
- Asia | Pacific[1]	11.8	14.5	−18.3	−11.9
- Other Markets[1]	1.8	1.8	0.3	0.3
EBITDA[2]	4.0	5.0	−21.4	
EBITDA margin[2]	8.0	9.7		
EBITA[2]	2.9	4.1	−29.2	
EBITA margin[2]	5.8	7.9		

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

Earnings Development

The Sartorius Group continued to significantly expand its earnings in the first six months of the year. Thus, underlying EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) rose 11.8% from €75.8 million to €84.8 million. The respective margin improved from 18.0% to 19.2%. Driven by economies of scale and product mix effects, the share of earnings contributed by the Bioprocess Solutions Division was up 15.5%, to €58.1 million. The division's corresponding margin was at 22.7% relative to 21.2% a year earlier. The Lab Products & Services Division posted an underlying EBITDA of €22.7 million, up from €20.5 million a year ago. This equates to a gain of 11.0%. Its margin was 16.8% compared with 15.4% in the year before. In conjunction with sales performance and as a result of product mix effects, earnings for the Industrial Weighing Division at €4.0 million were below €5.0 million reported in the comparable period a year earlier. Its respective margin was at 8.0%, down year over year from 9.7%.

At the Group level, underlying EBITA at €68.4 million (margin: 15.5%) was 10.0% higher than the previous year's figure of €62.1 million (margin: 14.7%).

Extraordinary items for the reporting period amounted to -€3.2 million, relative to -€7.1 a year ago. Including all extraordinary items, depreciation and amortization, Group EBIT amounted to €59.1 million, up from €49.2 million a year earlier. The respective EBIT margin was at 13.4%, compared with 11.7% a year ago.

The relevant underlying net profit attributable to Sartorius AG shareholders for the period totals €32.3 million, up year over year from €29.7 million, which equates to a gain of 8.8%. 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 corresponding tax effects. The corresponding underlying earnings per ordinary share are at €1.88, up from €1.73 in the previous year; earnings per preference share, at €1.90, up from €1.75 a year ago.

Employees

As of June 30, 2013, the Sartorius Group employed 5,718 people worldwide. Compared with December 31, 2012, head count thus rose by 227 or 4.1%. Considering the number of employees per region as of the reporting date, the Sartorius Group employed 4,001 people in Europe, including Tunisia; 616 in North America; and 1,101 in Asia | Pacific.

Net Worth and Financial Position

Statements of Financial Position and Cash Flows

The balance sheet total for the Sartorius Group rose to €1,096.7 million as of June 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 €420.3 million as of the reporting date. At 38.3%, the equity ratio continues to remain at a comfortable level (December 31, 2012: 37.8%).

Gross debt was up from €343.3 million as of December 31, 2012, to €379.0 million as of June 30, 2013. In addition to the seasonal buildup in net working capital by €40.7 million, dividend payments of €16.2 million (H1 2012: €13.8 million) are reflected in this gross debt figure. Cash and cash equivalents were down from €39.5 million as of December 31, 2012, to €35.9 million as of June 30, 2013. Accordingly, net debt stands at €343.1 million (December 31, 2012: €303.8 million).

The gearing ratio, or ratio of net debt to equity, has remained unchanged at 0.8.

Net cash flow from operating activities stood at €22.9 million. The previous year's figure of €3.2 million was significantly impacted by non-periodic tax payments. At -€23.1 million, net cash flow from investing activities was lower than the year-earlier level of -€34.4 million as planned. Therefore, the Group financed its investments almost entirely from operating cash flows. Including all cash outflows related to the takeover in the field of cell culture media, net cash flow from investing activities and acquisitions was at -€38.0 million (H1 2012: -€34.4 million).

Net cash flow from financing activities in the reporting period amounted to €9.8 million relative to €19.2 million a year earlier.

The ratio of net debt to underlying EBITDA based on the past 12 months slightly edged up from 1.9 as of December 31, 2012, to 2.0 as of the reporting date. 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 18.9 (December 31, 2012: 17.0).

Forecast Report

Future Macroeconomic Environment

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. In view of weak development in Europe and the economic dent in the emerging-market countries, market observers predict that this forecast will be downgraded during the year. On the whole, there appear to be strong risks that the expected rebound in the global economy may not materialize in the second half.

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 their 2012 rates 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 remain on a robust trajectory.

While the Asian economy is likely to expand at 7.1% in the current year according to the most recent IMF forecast, doubts are growing that this target can actually be attained. There are concerns particularly about the Chinese economy as the structural policies put in place by the new government might fall short of the mark in accelerating the growth of its economy at a sustainable pace.

According to IMF projections, the Japanese economy will see GDP growth of 1.6%, relative to 2.0% in the previous year.

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).

Assessment and Outlook

Based on the Group's overall strong business performance in the first half, management confirms its full-year 2013 guidance for sales growth and earnings.

Assuming that the economic environment continues to remain stable on the whole, the company thus anticipates that it will reach the upper half of its forecasted growth corridor of 6% to 9% in constant currencies. Guidance for the company's underlying EBITDA margin has remained unchanged at around 19.5% compared with 19.0% a year ago.

In view of the high volatility in individual markets, there is major uncertainty in the forecast for the Lab Products & Services and Industrial Weighing Divisions. For this reason, the divisions' guidance communicated at the beginning of the year is updated as follows:

For the Bioprocess Solutions Division, sales growth is forecasted to reach the upper end of, or slightly exceed, the 9% to 12% range projected in constant currencies. The division's underlying EBITDA margin is projected to reach a level of 22.5% to 23.0% (previous guidance: around 22.5%).

For the Lab Products & Services Division, sales revenue in constant currencies is forecasted to increase at the lower limit of the previously communicated growth corridor of 3% to 6%. The division's underlying EBITDA margin is expected to be at 17.0% to 17.5% in constant currencies for the full year of 2013 (previous guidance: around 17.0%).

Currency-adjusted sales revenue for the Industrial Weighing Division is also projected to attain the lower end of the growth range (0% to 3%) already announced. Its underlying EBITDA margin is forecasted to be at around 10.0% in constant currencies in the current fiscal year (previous guidance: around 11.5%).

Risk and Opportunities Report

The risk and opportunities situation of the Sartorius Group has not materially changed since the publication of its 2012 Annual Report. 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 Group on pp. 54 ff. of the 2012 Annual Report.

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.

Interim Financial Statements

Income Statement

	2nd quarter 2013 € in mn	2nd quarter 2012[2] € in mn	**1st half 2013 € in mn**	1st half 2012[2] € in mn
Sales revenue	226.9	214.0	441.3	422.1
Cost of sales	–113.7	–110.0	–223.3	–216.7
Gross profit on sales	**113.3**	**104.0**	**217.9**	**205.4**
Selling and distribution costs	–53.4	–49.5	–104.0	–98.6
Research and development costs	–13.0	–12.1	–26.2	–24.3
General administrative expenses	–12.7	–12.7	–26.1	–25.4
Other operating income and expenses[1]	–2.7	–4.2	–2.5	–7.8
Earnings before interest and taxes (EBIT)	**31.5**	**25.6**	**59.1**	**49.2**
Interest and similar income	0.6	–0.1	1.8	2.5
Interest and similar expenses	–3.9	–5.5	–8.3	–8.9
Financial result	**–3.2**	**–5.6**	**–6.5**	**–6.4**
Profit before tax	**28.3**	**20.0**	**52.6**	**42.8**
Income taxes	–8.0	–6.4	–15.8	–13.7
Net profit for the period	**20.3**	**13.6**	**36.8**	**29.1**
Attributable to:				
Shareholders of Sartorius AG	14.3	10.2	27.1	22.1
Non-controlling interest	6.0	3.4	9.7	7.0
Earnings per ordinary share[3] (€)	0.84	0.60	1.58	1.29
Earnings per preference share[3] (€)	0.84	0.60	1.60	1.31

[1] The item "Other operating income and expenses" includes extraordinary expenses of €3.2 million for the six-month period of 2013 (2012: €7.1 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

	2nd quarter 2013 € in mn	2nd quarter 2012 € in mn	**1st half 2013 € in mn**	1st half 2012 € in mn
Net profit for the period	**20.3**	**13.6**	**36.8**	**29.1**
Cash flow hedges	2.7	–6.1	2.4	–3.5
Net investment in a foreign operation	0.7	–1.6	–0.2	–1.4
Difference resulting from foreign currency translation	–5.0	6.8	–1.9	3.4
Tax effects on items that probably will be reclassified in the income statement	–1.0	2.3	–0.4	1.5
Items that probably will be reclassified in the income statement	**–2.5**	**1.5**	**–0.1**	**–0.1**
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**	**1.5**	**–0.1**	**–0.1**
Total comprehensive income	**17.7**	**15.1**	**36.7**	**29.1**
Attributable to:				
Shareholders of Sartorius AG	12.4	11.3	27.3	21.9
Non-controlling interest	5.4	3.8	9.4	7.2

Statement of Financial Position

Assets	June 2013 € in mn	December 2012[1)] € in mn
Non-current assets		
Goodwill	349.3	349.6
Intangible assets	160.9	165.6
Property, plant and equipment	213.1	208.5
Financial assets	4.7	4.6
	727.9	**728.3**
Non-current trade and other receivables	0.7	1.6
Deferred tax assets	25.7	25.9
	754.3	**755.8**
Current assets		
Inventories	138.5	126.3
Trade receivables	128.5	117.1
Current tax assets	8.3	8.8
Other assets	31.2	23.3
Cash and cash equivalents	35.9	39.5
	342.4	**315.1**
Total assets	**1,096.7**	**1,070.9**

Equity and liabilities	June 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	241.4	230.3
Non-controlling interest	74.9	70.0
	420.3	**404.4**
Non-current liabilities		
Pension provisions	57.3	55.5
Deferred tax liabilities	33.1	32.4
Other provisions	9.5	9.7
Loans and borrowings	244.3	246.6
Other liabilities	40.3	41.4
	384.5	**385.7**
Current liabilities		
Provisions	9.0	8.7
Trade payables	64.8	66.6
Loans and borrowings	134.7	96.7
Current tax liabilities	5.5	10.2
Other liabilities	77.8	98.6
	291.9	**280.8**
Total equity and liabilities	**1,096.7**	**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

	1st half 2013 € in mn	1st half 2012 € in mn
Cash flows from operating activities		
Profit before tax	52.6	42.8
Financial result	6.5	6.4
Earnings before interest & taxes (EBIT)	**59.1**	**49.2**
Depreciation | amortization of fixed assets	22.4	19.5
Depreciation of financial assets	0.0	0.5
Increase | decrease in provisions	1.6	−2.6
Income taxes paid	−19.5	−30.3
Gross cash flow from operating activities	**63.7**	**36.3**
Increase | decrease in receivables and other assets	−17.6	−15.1
Increase | decrease in inventories	−13.0	−16.9
Increase | decrease in liabilities (without loans and borrowings)	−10.2	−1.1
Net cash flow from operating activities	**22.9**	**3.2**
Cash flows from investing activities		
Capital expenditures	−23.3	−34.7
Proceeds from the disposal of fixed assets	0.4	0.6
Other payments	−0.2	−0.1
Net cash flow from investing activities	**−23.1**	**−34.2**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	−14.9	−0.2
Proceeds from the disposal of consolidated subsidiaries and other business operations	0.0	0.0
Net cash flow from investing activities and acquisitions	**−38.0**	**−34.4**
Cash flows from financing activities		
Interest received	0.2	0.1
Interest paid and other financial charges	−5.3	−4.8
Dividends paid to:		
- Shareholders of Sartorius AG	−16.2	−13.8
- Non-controlling interest	−4.7	−3.9
Gross cash flow from financing activities	**−26.0**	**−22.3**
Changes in non-controlling interest	0.0	0.2
Loans and borrowings repaid | raised	35.8	41.3
Net cash flow from financing activities	**9.8**	**19.2**
Net increase | decrease in cash and cash equivalents	−5.3	−12.0
Cash and cash equivalents at the beginning of the period	39.5	41.0
Net effect of currency translation on cash and cash equivalents	1.6	1.5
Cash and cash equivalents at the end of the period	**35.9**	**30.6**
Free cash flow[1)]	**−0.1**	**−31.0**
Net cash flow[2)]	**−41.1**	**−53.5**

[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**	**212.7**	**–0.4**	**307.4**	**59.2**	**366.5**
Net profit for the period					22.1		22.1	7.0	29.1
Other comprehensive result after tax			–2.3	0.0	–0.6	2.7	–0.2	0.2	–0.1
Total comprehensive income			**–2.3**	**0.0**	**21.5**	**2.7**	**21.9**	**7.2**	**29.1**
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					0.1		0.1	0.0	0.1
Balance at June 30, 2012	**17.0**	**87.0**	**–6.6**	**–4.6**	**220.3**	**2.2**	**315.4**	**62.5**	**377.9**

€ 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					27.1		27.1	9.7	36.8
Other comprehensive result after tax			1.6	0.1	–0.1	–1.5	0.2	–0.3	–0.1
Total comprehensive income			**1.6**	**0.1**	**27.0**	**–1.5**	**27.3**	**9.4**	**36.7**
Dividends					–16.2		–16.2	–4.7	–20.9
Change in non-controlling interest					–0.1		–0.1	0.1	0.0
Other changes in equity					0.1		0.1	0.0	0.1
Balance at June 30, 2013	**17.0**	**87.0**	**–1.5**	**–11.8**	**258.3**	**–3.6**	**345.4**	**74.9**	**420.3**

Segment Reports

€ in millions	Bioprocess Solutions 6-mo. 2013	Bioprocess Solutions 6-mo. 2012	Lab Products & Services 6-mo. 2013	Lab Products & Services 6-mo. 2012	Industrial Weighing 6-mo. 2013	Industrial Weighing 6-mo. 2012	Group 6-mo. 2013	Group 6-mo. 2012
Sales revenue	255.9	237.4	135.4	133.0	49.9	51.8	441.3	422.1
- as a total %	58.0%	56.2%	30.7%	31.5%	11.3%	12.3%	100.0%	100.0%
Underlying EBITDA	58.1	50.3	22.7	20.5	4.0	5.0	84.8	75.8
- as a % of sales revenue	22.7%	21.2%	16.8%	15.4%	8.0%	9.7%	19.2%	18.0%
EBIT	44.0	34.4	13.3	10.8	1.7	3.9	59.1	49.2
- as a % of sales revenue	17.2%	14.5%	9.8%	8.2%	3.5%	7.6%	13.4%	11.7%
No. of employees at June 30	2,967	2,806	2,024	1,971	727	727	5,718	5,504

€ in millions	Europe 6-mo. 2013	Europe 6-mo. 2012	North America 6-mo. 2013	North America 6-mo. 2012
Sales revenue	228.4	212.0	93.4	97.7
- as a total %	51.8%	50.2%	21.2%	23.1%
No. of employees at June 30	3,802	3,599	616	704

€ in millions	Asia | Pacific 6-mo. 2013	Asia | Pacific 6-mo. 2012	Other Markets 6-mo. 2013	Other Markets 6-mo. 2012	Group 6-mo. 2013	Group 6-mo. 2012
Sales revenue	100.7	97.0	18.7	15.5	441.3	422.1
- as a total %	22.8%	23.0%	4.2%	3.7%	100.0%	100.0%
No. of employees at June 30	1,101	1,063	199	138	5,718	5,504

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 June 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 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.

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 half 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 half of 2012 according to these changes.

€ in millions	6-mo. 2012 Before restatement	Restatement Amortization	Other taxes	6-mo. 2012 After restatement	**6-mo. 2013**
Sales revenue	422.1	0.0	0.0	422.1	441.3
Cost of sales	–214.6	–1.3	–0.8	–216.7	–223.3
Gross profit on sales	**207.5**	**–1.3**	**–0.8**	**205.4**	**217.9**
Selling and distribution costs	–94.3	–4.1	–0.2	–98.6	–104.0
Research and development costs	–23.8	–0.5	0.0	–24.3	–26.2
General administrative expenses	–25.0	0.0	–0.4	–25.4	–26.1
Other operating income and expenses	–7.8	0.0	0.0	–7.8	–2.5
Earnings before interest and taxes and amortization (EBITA)	**56.5**	**–5.8**	**–1.4**	**49.2**	
Amortization	–5.8	5.8	0.0	0.0	
Earnings before interest and taxes (EBIT)	**50.6**	**0.0**	**–1.4**	**49.2**	**59.1**
Financial result	–6.4	0.0	0.0	–6.4	–6.5
Profit before tax	**44.3**	**0.0**	**–1.4**	**42.8**	**52.6**
Income taxes | deferred taxes	–13.7	0.0	0.0	–13.7	–15.8
Other taxes	–1.4	0.0	1.4	0.0	0.0
Non-controlling interest	–7.0	0.0	0.0	–7.0	–9.7
Net profit for the period	**22.1**	**0.0**	**0.0**	**22.1**	**27.1**

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 first-half profit before tax:

€ in millions	**1st half 2013**	1st half 2012
Underlying EBITDA of the segments	84.8	75.8
Depreciation and amortization	–22.4	–19.5
Extraordinary effects	–3.2	–7.1
EBIT	**59.1**	**49.2**
Financial result	–6.5	–6.4
Profit before tax	**52.6**	**42.8**

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	**June 2013 carrying amount**	June 2013 fair value	Dec. 2012 carrying amount	Dec. 2012 fair value
Financial assets	Available for sale	4.7	4.7	4.6	4.6
Trade receivables	Loans and receivables	128.5	128.5	117.1	117.1
Receivables and other assets	Loans and receivables	14.5	14.5	13.3	13.3
Derivatives	Hedged items	3.8	3.8	3.0	3.0
Derivatives	Held for trading	0.2	0.2	0.3	0.3
Other assets	Not IFRS 7	13.3	13.3	8.3	8.3
Cash and cash equivalents	Loans and receivables	35.9	35.9	39.5	39.5
Loans and borrowings	Financial liabilities at cost	365.1	364.0	328.6	328.6
Finance lease liabilities	IFRS 7	14.0	14.0	14.8	14.8
Trade payables	Financial liabilities at cost	50.6	50.6	47.0	47.0
Trade payables	Not IFRS 7	14.2	14.2	19.6	19.6
Derivatives	Held for trading	1.3	1.3	2.0	2.0
Derivatives	Hedged items	6.0	6.0	7.5	7.5
Other liabilities	Financial liabilities at cost	93.0	93.0	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 June 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 performed an audit review of this consolidated first-half report.

Independent Auditors' Report

To Sartorius Aktiengesellschaft, Goettingen

We reviewed the condensed interim consolidated financial statements - comprising the condensed statement of financial position, condensed income statement, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of the changes in equity and selected explanatory notes - and the interim Group management report of Sartorius AG, Goettingen, Germany, for the period of January 1 to June 30, 2013, which are part of the first-half financial report pursuant to § 37 WpHG ("Wertpapiershandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim reporting, as adopted by the EU, and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of parent company's Executive Board. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim Group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim Group management report by observing the generally accepted German standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW = German Institute of Public Auditors). These standards require that we plan and perform our review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to addressing inquiries to company employees and conducting analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. As, within the scope of our review, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of Sartorius Aktiengesellschaft, Goettingen, have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reportingor that the interim Group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports.

Hanover, Germany, July 23, 2013

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft
(name of the independent auditing company)

	By procuration
Henning Scharpenberg	Dr. Christian Meyer
Auditor	Auditor

Responsibility Statement of the Legal Representatives

We declare to the best of our knowledge and in accordance with the applicable reporting principles for interim financial statements that the interim consolidated financial statements of the Sartorius Group for the period ended June 30, 2013, give a true and fair view of the net worth, financial position and profitability of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Goettingen, July 23, 2013

Sartorius AG

The Executive Board

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Financial Schedule

October 21, 2013

Publication of nine-month figures for 2013 (Jan.–Sept.)

November 12–13, 2013

German Equity Forum in Frankfurt | Main, Germany

January 2014

Publication of preliminary figures for fiscal 2013

March 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.