

Sartorius Group
First-Quarter Report from January to March 2011

Q1 2011

Business Development and Outlook

- Double-digit growth rates in order intake and sales revenue
- Operating earnings increased overproportionately
- Outlook for 2011 confirmed by first-quarter results

Order Intake and Sales Revenue

From January to March 2011, business of the Sartorius Group developed at a highly brisk pace, with double-digit growth rates reported in order intake and sales revenue. Order intake thus rose 15.8% to €193.5 million from €167.2 million in the year-earlier quarter. This gain in constant currencies was 13.9%. Both the Biotechnology Division and the Mechatronics Division contributed to this development, posting double-digit rates of increase. Consolidated sales revenue climbed at the same time by 14.4%, or 12.6% in constant currencies, to €172.1 million from €150.4 million in the year-ago quarter.

The Biotechnology Division increased its first-quarter order volume by 16.8%, or 15.0% in constant currencies, year on year to €128.9 million from €110.4 million. This was primarily fueled by the strong demand from our customers for single-use products, especially filters, utilized in biopharmaceutical manufacturing processes.

Sales revenue rose 10.6%, or 8.9% in constant currencies, from €100.1 million to €110.7 million. All business regions reported positive growth rates in both order intake and sales revenue. Again, the Biotechnology Division's sales developed most dynamically in the Asia | Pacific region, where it posted double-digit rates of increase for both single-use products and equipment business. Substantial growth in equipment business continued to be buoyed by relatively large orders received in fiscal 2010 for bioreactor systems. In Europe, the Biotechnology Division reported a double-digit gain in order intake, which was especially due to strong demand for single-use products and was not yet completely reflected by its sales revenue figure.

In the first three months, the Mechatronics Division received orders valued at €64.6 million, up from €56.8 million a year earlier, and thus considerably increased its order intake by 13.8%, or 11.6% in constant currencies. First-quarter sales revenue for the Mechatronics Division surged to €61.5 million from €50.4 million a year ago and was therefore up 22.1%. In constant currencies, sales growth was 19.9%. This momentum was sustained especially by sales of laboratory instruments and also industrial weighing and control products. All business regions likewise contributed to positive growth, with Europe and Asia | Pacific posting the strongest gains. In North America as well, the division attained double-digit sales growth.



Key Figures

€ in millions (unless otherwise specified)	Group				Biotechnology				Mechatronics			
	Change in %				Change in %				Change in %			
	3 months 2011	3 months 2010	Actual rates	Const. rates	3 months 2011	3 months 2010	Actual rates	Const. rates	3 months 2011	3 months 2010	Actual rates	Const. rates
Sales revenue	172.1	150.4	14.4	12.6	110.7	100.1	10.6	8.9	61.5	50.4	22.1	19.9
- Europe ¹⁾	92.0	84.2	9.3	8.9	58.4	56.5	3.2	2.9	33.6	27.7	21.6	21.0
- North America ¹⁾	35.0	32.3	8.4	7.3	27.1	25.3	7.5	6.4	7.8	7.0	11.8	10.6
- Asia Pacific ¹⁾	38.3	28.4	35.2	28.1	21.0	14.7	43.0	35.1	17.3	13.7	26.8	20.5
- Other Markets ¹⁾	6.8	5.6	21.1	21.0	4.2	3.6	14.9	14.9	2.6	2.0	32.2	32.1
EBITA ²⁾	22.8	16.4	38.8		17.5	14.6	20.0		5.3	1.8	187.0	
EBITA margin ²⁾ in %	13.3	10.9			15.8	14.6			8.6	3.7		
Net profit ²⁾³⁾	10.9	6.9	58.3									
Earnings per share ²⁾³⁾ in €	0.64	0.41	58.3									

¹⁾ Acc. to customers' location

²⁾ Underlying (adjusted for extraordinary items)

³⁾ Excluding non-cash amortization

Earnings Development

During the first quarter, the Sartorius Group again increased its operating earnings (underlying EBITA = earnings before interest, taxes and amortization and adjusted for extraordinary items) overproportionately in relation to sales growth by 38.8% from €16.4 million to €22.8 million. The Group's respective EBITA margin improved from 10.9% to 13.3%. The Biotechnology Division contributed €17.5 million, up from €14.6 million in the year-ago quarter, and a margin increase from 14.6% to 15.8% to consolidated earnings, with margin expansion primarily driven by economies of scale. The Mechatronics Division nearly tripled its contribution to consolidated earnings from €1.8 million in the year-earlier quarter, which was still weak due to the economic crisis, to €5.3 million. Its operating margin rose significantly from 3.7% to 8.6%.

All regions reported substantial gains in earnings, contributing positive growth to consolidated profit. The Sartorius Group achieved both the highest earnings, €14.1 million (Q1 2010: €9.8 million), and the highest rate of increase in earnings, +43.7%, in Europe. North America and Asia | Pacific delivered

earnings contributions of €3.5 million (+37.8%; Q1 2010: €2.6 million) and €5.0 million (+39.7%; Q1 2010: €3.6 million).

Including all extraordinary items of +€0.3 million (Q1 2010: -€0.9 million), consolidated EBITA amounts to €23.1 million, up from €15.6 million in the year-ago quarter. The Group's respective EBITA margin is at 13.4% compared with 10.3% for the year-earlier quarter.

The relevant underlying net profit for the first-quarter period totals €10.9 million, up from €6.9 million in the year before. This profit figure is calculated by adjusting for extraordinary items, eliminating non-cash amortization of €1.9 million (Q1 2010: €1.8 million) and by taking tax effects into account. The corresponding earnings per share are at €0.64, up from €0.41 in the previous year.

Statement of Financial Position and Cash Flow

The balance sheet total for the Sartorius Group reported in the Statement of Financial Position as of March 31, 2011, rose to €820.2 million (December 31, 2010: €807.7 million), primarily due to the buildup in inventories and trade receivables resulting from the increase in sales as well as to the increase in equity on account of earnings.

Equity increased from €327.2 million on December 31, 2010, to €339.7 million. At 41.5%, the equity ratio as of March 31, 2011, was nearly one percentage point higher than the figure reported on December 31, 2010, and thus continues to remain at a comfortable level.

At €224.8 million, gross debt as of March 31, 2011, remained constant (December 31, 2010: €224.7 million). At the same time, cash and cash equivalents declined from €27.7 million as of December 31, 2010, to €21.2 million as of March 31, 2011. Accordingly, net debt is at €203.6 million (December 31, 2010: €196.9 million). The gearing ratio, or ratio of net debt to equity, is at 0.6 as on December 31, 2010.

Cash flows from operating activities amounted to €1.2 million (Q1 2010: €11.9 million), mainly due to the buildup in inventories and trade receivables resulting from the increase in sales. At –€4.5 million, cash flows from investing activities were at a similar level as in the year-earlier period (–€4.7 million). Cash flows from financing activities were –€1.4 million. The corresponding year-ago figure (–€6.5 million) included both the amount for Sartorius AG's acquisition of further shares in Sartorius Stedim Biotech S.A. and the amount of loans and borrowings utilized.

As of the reporting date, the ratio of net debt to underlying EBITDA (based on the past 12 months) has remained unchanged at 1.8 relative to December 31, 2010. The interest coverage ratio, calculated as underlying EBITDA divided by cash interest expense of the past 12 months, slightly improved from 15.4 as of December 31, 2010, to 16.0.



New Syndicated Loan Agreement Signed

On April 19, 2011, Sartorius AG signed a new syndicated loan agreement for €225 million with a banking syndicate led by Commerzbank, WestLB and Nord/LB. This agreement is for a five-year term and replaces the facility agreement concluded in 2008 for €180 million, of which approximately 60% was last used. This new financing agreement has created the credit facility prerequisites for implementing the company holding structure as planned and provides greater leeway for taking further strides in strategic growth. The facility agreement of around €200 million for the Sartorius Stedim Biotech subgroup has remained unchanged.

Dividends

On April 20, 2011, the Annual Shareholders' Meeting of Sartorius AG resolved to pay dividends of €0.62 per preference share (previous year: €0.42) and €0.60 per ordinary share (previous year: €0.40 €) to its shareholders for fiscal 2010.

Dividends, which were disbursed on April 21, 2011, totaled €10.4 million, up from €7.0 million in the previous year. Relative to the underlying net profit (excluding non-cash amortization) reported for fiscal 2010, this equates to a dividend payout ratio of 26.7% (previous year: 33.7%).

Transformation of the Group into a Management Holding Company

Furthermore, the Annual Shareholders' Meeting on April 20, 2011, approved the proposal to transform the Group into a management holding company. Sartorius AG will therefore operate as a holding company in the future and will hold shares in and manage the operational Group companies. As a result, this will ensure that the company will maintain its ability to generate dividends even more consistently and, beyond this, will help support flexible control of the Group and unlock growth potential over the medium and long term. This new corporate structure is planned to be implemented by August 2011.

Assessment and Outlook

Based on the results available for the first three months, management confirms its outlook for the current fiscal year.

This outlook forecasts that sales will grow between 6% and 8% in constant currencies for both the Biotechnology Division and the Mechatronics Division and thus for the entire Group.

Along with growth in sales, profitability is projected to further increase, and an underlying EBITA margin of around 14% in constant currencies is forecasted at Group level. The Biotechnology Division is expected to contribute an underlying EBITA margin of approximately 17% and the Mechatronics Division a margin of around 8% to this result.

In addition, management anticipates a significantly positive cash flow.



Statement of Financial Position

Assets	March 2011		December 2010	
	€ in mn	%	€ in mn	%
Non-current Assets				
Goodwill	291.9	35.6	291.9	36.1
Intangible assets	108.7	13.3	110.7	13.7
Property, plant and equipment	149.0	18.2	151.2	18.7
Financial assets	5.7	0.7	5.8	0.7
	555.3	67.7	559.5	69.3
Non-current trade and other receivables	1.7	0.2	1.9	0.2
Deferred tax assets	22.4	2.7	24.3	3.0
	579.4	70.6	585.7	72.5
Current Assets				
Inventories	90.4	11.0	76.8	9.5
Trade receivables	97.5	11.9	95.6	11.8
Current tax assets	6.0	0.7	5.3	0.7
Other assets	25.6	3.1	16.8	2.1
Cash and cash equivalents	21.2	2.6	27.7	3.4
	240.8	29.4	222.1	27.5
Total assets	820.2	100.0	807.7	100.0
Equity and Liabilities				
Equity				
Issued capital	17.0	2.1	17.0	2.1
Capital reserves	87.0	10.6	87.0	10.8
Retained earnings (including net profit)	182.9	22.3	173.1	21.4
Minority interest	52.8	6.4	50.0	6.2
	339.7	41.4	327.2	40.5
Non-current Liabilities				
Pension provisions	42.9	5.2	42.8	5.3
Deferred tax liabilities	39.9	4.9	38.3	4.7
Other provisions	10.0	1.2	10.3	1.3
Loans and borrowings	206.4	25.2	206.6	25.6
Other liabilities	0.1	0.0	0.1	0.0
	299.3	36.5	298.1	36.9
Current Liabilities				
Provisions	15.5	1.9	17.3	2.1
Trade payables	60.2	7.3	60.4	7.5
Loans and borrowings	18.4	2.2	18.1	2.2
Current tax liabilities	18.7	2.3	20.3	2.5
Other liabilities	68.4	8.3	66.6	8.2
	181.2	22.1	182.5	22.6
Total equity and liabilities	820.2	100.0	807.7	100.0

Income Statement

	1st quarter 2011		1st quarter 2010	
	€ in mn	%	€ in mn	%
Sales revenue	172.1	100.0	150.4	100.0
Cost of sales	-88.2	-51.2	-79.6	-52.9
Gross profit on sales	83.9	48.8	70.8	47.1
Selling and distribution costs	-38.9	-22.6	-35.6	-23.7
Research and development costs	-11.1	-6.5	-10.3	-6.8
General administrative expenses	-10.3	-6.0	-9.6	-6.4
Other operating income and expenses ¹⁾	-0.4	-0.3	0.2	0.2
	-60.8	-35.3	-55.3	-36.7
Earnings before interest, taxes and amortization (EBITA)	23.1	13.4	15.6	10.3
Amortization ²⁾	-1.9	-1.1	-1.8	-1.2
Earnings before interest and taxes (EBIT)	21.2	12.3	13.8	9.2
Interest and similar income	0.7	0.4	0.1	0.1
Interest and similar expenses	-2.5	-1.5	-2.3	-1.6
Financial result	-1.8	-1.1	-2.2	-1.5
Profit before tax	19.4	11.3	11.6	7.7
Income tax expense	-4.8	-2.8	-4.4	-2.9
Deferred tax income expenses	-1.2	-0.7	0.6	0.4
Other taxes	-0.5	-0.3	-0.7	-0.5
	-6.6	-3.8	-4.5	-3.0
Net profit for the period	12.8	7.5	7.1	4.7
Attributable to:				
Equity owners of the parent company	10.1	5.9	5.1	3.4
Minority interest	2.8	1.6	1.9	1.3
Earnings per ordinary share (€)	0.59		0.30	
Earnings per preference share (€)	0.59		0.30	

¹⁾ The item "Other operating income and expenses" includes extraordinary income of €0.3 million for the three-month period of 2011 (2010: extraordinary expenses of €0.9 million).

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

Statement of Comprehensive Income

	3 months 2011 € in mn	3 months 2010 € in mn
Net profit for the period	12.8	7.1
Cash flow hedges	6.6	-0.4
Actuarial gains losses from pension provisions	0.0	-0.3
Currency translation differences	-5.9	6.4
Net investment in a foreign operation	1.2	-0.1
Tax effects due to net income recognized directly in equity	-2.3	0.2
Other comprehensive income after tax	-0.5	5.8
Total comprehensive income	12.4	12.8
Equity owners of the parent company	9.6	10.2
Non-controlling interest	2.7	2.7

Statement of Cash Flows

	3 months 2011 € in mn	3 months 2010 € in mn
Cash flows from operating activities		
Net profit for the period	10.1	5.1
Minority interest	2.8	1.9
Tax expenses	6.6	4.5
Financial expenses	1.8	2.2
Depreciation amortization of fixed assets	7.5	7.7
Increase decrease in provisions	-1.8	-2.6
Increase decrease in receivables and other assets	-6.5	-3.2
Increase decrease in inventories	-14.9	-7.0
Increase decrease in liabilities (without loans and borrowings)	3.6	8.5
Gains from the disposal of fixed assets	-0.9	0.0
Income taxes received paid	-7.1	-5.3
Net cash flow from operating activities	1.2	11.9
Cash flows from investing activities		
Payments for financial assets	0.0	0.0
Payments for property, plant and equipment	-4.5	-3.2
Income from the disposal of fixed assets	1.7	0.3
Payments for intangible assets	-1.7	-1.7
Effects from business combinations	0.1	0.0
Net cash flow from investing activities	-4.5	-4.7
Cash flows from financing activities		
Changes in capital	0.0	0.0
Interest received	0.0	0.1
Interest paid	-1.6	-1.7
Other financial charges	-0.2	0.0
Dividends paid to:		
- Shareholders of the parent company	0.0	0.0
- Minority shareholders	0.0	0.0
Changes in minority interest	0.1	0.5
Acquisition of additional shares in subsidiaries	0.0	-16.0
Loans and borrowings repaid raised	0.2	10.6
Net cash flow from financing activities	-1.4	-6.5
Net increase decrease in cash and cash equivalents	-4.7	0.8
Cash and cash equivalents at the beginning of the period	27.7	58.6
Net effect of currency translation on cash and cash equivalents	-1.9	0.7
Cash and cash equivalents at the end of the period	21.2	60.1
Gross debt owed to banks	224.8	294.0
Net debt owed to banks	203.6	234.0

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	Total	Non-controlling interest	Total equity
Balance at Jan. 1, 2010	17.0	87.0	0.2	-1.9	184.0	-13.8	272.6	46.7	319.2
Total comprehensive income	0.0	0.0	-0.2	-0.2	5.0	5.5	10.2	2.7	12.8
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of additional shares in subsidiaries	0.0	0.0	0.0	0.0	-10.7	0.0	-10.7	-5.3	-16.0
Change in non-controlling interest	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.1	0.0
Other changes in equity	0.0	0.0	0.0	0.0	0.5	0.0	0.5	0.0	0.5
Balance at March 31, 2010	17.0	87.0	0.0	-2.1	178.7	-8.2	272.4	44.2	316.6

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Total	Non-controlling interest	Total equity
Balance at Jan. 1, 2011	17.0	87.0	1.5	-4.6	181.3	-5.1	277.2	50.0	327.2
Total comprehensive income	0.0	0.0	4.0	0.1	10.7	-5.1	9.6	2.7	12.4
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of additional shares in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Balance at March 31, 2011	17.0	87.0	5.5	-4.5	192.1	-10.2	286.9	52.8	339.7

Segment Reports

Operating Segments

€ in millions	Biotechnology			Mechatronics			Group		
	3 months 2011	3 months 2010	Change	3 months 2011	3 months 2010	Change	3 months 2011	3 months 2010	Change
Order intake	128.9	110.4	17%	64.6	56.8	14%	193.5	167.2	16%
Sales revenue	110.7	100.1	11%	61.5	50.4	22%	172.1	150.4	14%
- as a total %	64.3%	66.5%		35.7%	33.5%		100.0%	100.0%	
EBITDA	22.0	18.0	22%	6.7	3.5	94%	28.8	21.5	34%
- as a % of sales revenue	19.9%	18.0%		11.0%	6.9%		16.7%	14.3%	
Depreciation and amortization	5.6	5.6	1%	1.9	2.2	-12%	7.5	7.7	-3%
EBITA	18.3	14.2	29%	4.8	1.3	270%	23.1	15.6	49%
- as a % of sales revenue	16.5%	14.2%		7.9%	2.6%		13.4%	10.3%	
EBIT	16.4	12.5	31%	4.8	1.3	270%	21.2	13.8	54%
- as a % of sales revenue	14.8%	12.5%		7.9%	2.6%		12.3%	9.2%	
R&D costs	7.4	6.9	7%	3.8	3.4	11%	11.1	10.3	9%
No. of employees at March 31	2,638	2,409	10%	1,972	1,907	3%	4,610	4,316	7%

Geographical Information

€ in millions	Europe			North America		
	3 months 2011	3 months 2010	Change	3 months 2011	3 months 2010	Change
Sales revenue						
- acc. to customers' location	92.0	84.2	9%	35.0	32.3	8%
- as a total %	53.4%	56.0%		20.3%	21.5%	
- acc. to company location	108.3	97.8	11%	35.4	32.6	8%
EBITA	13.6	9.1	49%	3.5	2.3	51%
- as a % of sales revenue	12.6%	9.3%		10.0%	7.2%	
No. of employees at March 31	3,019	2,885	5%	547	485	13%

€ in millions	Asia Pacific			Other Markets			Group		
	3 months 2011	3 months 2010	Change	3 months 2011	3 months 2010	Change	3 months 2011	3 months 2010	Change
Sales revenue									
- acc. to customers' location	38.3	28.4	35%	6.8	5.6	21%	172.1	150.4	14%
- as a total %	22.3%	18.9%		3.9%	3.7%		100.0%	100.0%	
- acc. to company location	28.4	20.0	42%	0.0	0.0		172.1	150.4	14%
EBITA	5.8	3.6	63%	0.2	0.5	-55%	23.1	15.6	49%
- as a % of sales revenue	20.4%	17.8%					13.4%	10.3%	
No. of employees at March 31	924	850	9%	120	96	25%	4,610	4,316	7%

Key Figures

€ in millions (unless otherwise specified)	3 months 2011	3 months 2010	Change in %
Results			
Order intake	193.5	167.2	15.8
Sales revenue	172.1	150.4	14.4
EBITDA	28.8	21.5	33.7
EBITA	23.1	15.6	48.8
Profit before tax	19.4	11.6	67.5
Net profit after minority interest	10.1	5.1	95.9
Earnings per share (in €)	0.59	0.30	95.9
As a % of sales revenue			
EBITDA	16.7	14.3	
EBITA	13.4	10.3	
Profit before tax	11.3	7.7	
Net profit after minority interest	5.9	3.4	
Financials			
Capital expenditures	6.2	4.9	26.3
- as a % of sales revenue	3.6	3.3	
Depreciation and amortization	7.5	7.7	-2.5
Net cash flow from operating activities	1.2	11.9	-90.1
Net debt	203.6	234.0	-13.0
Employees as of March 31	4,610	4,316	6.8
R&D			
R&D costs	11.1	10.3	8.5
- as a % of sales revenue	6.5	6.8	

Notes to the Interim Financial Statements

Recognition and Measurement Principles

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2010, 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 2010 were based.

Furthermore, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied effective March 31, 2011, 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, 2010.

Other Disclosures

This consolidated three-month report has not been reviewed by independent, certified auditors.

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Financial Schedule

July 2011

Publication of first-half figures for 2011

October 2011

Publication of nine-month figures for 2011

November 21 – 23, 2011

Equity Forum Fall 2011 in Frankfurt | Main, Germany

March 2012

Annual press conference in Goettingen, Germany

April 19, 2012*

Annual Shareholders' Meeting in Goettingen, Germany

April 2012

Publication of first-quarter figures for 2012

* Tentative date

This is a translation of the original German-language first-quarter financial report "Sartorius Konzern 3-Monatsbericht." Sartorius AG shall not assume any liability for the correctness of this translation. The original German interim report is the legally binding version. Furthermore, Sartorius AG 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 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.