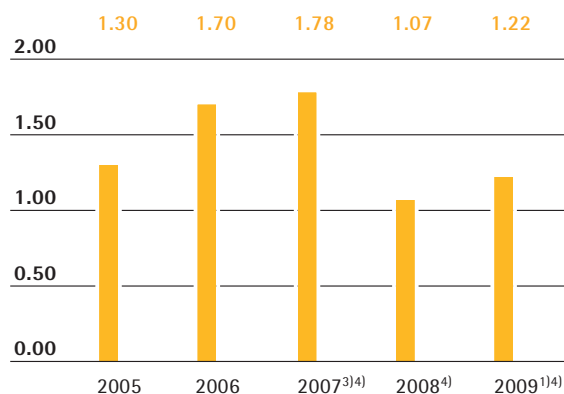


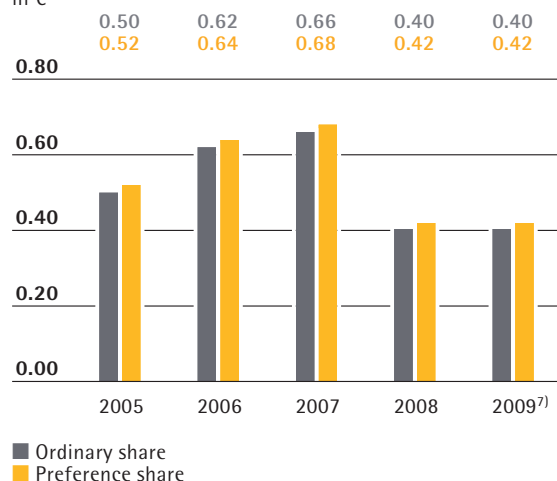
Sartorius Group 2009 Annual Report



Earnings per Share in €



Dividends in €



Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified

	2009	2008	2007	2006	2005
Results					
Sales revenue	602.1	611.6	622.7 ²⁾	521.1	484.3
EBITDA	85.1 ¹⁾	80.1	95.1 ³⁾	71.3	62.1
EBITA	60.9 ¹⁾	56.8	71.1 ³⁾	52.1	43.7
Net profit after minority interest	-7.3	12.4	27.0 ³⁾	29.0	22.1
Net profit after minority interest ⁴⁾	20.8 ¹⁾	18.2	30.4 ³⁾	29.0	22.1
Earnings per share (in €)	-0.43	0.73	1.58 ³⁾	1.70	1.30
Earnings per share (in €) ⁴⁾	1.22 ¹⁾	1.07	1.78 ³⁾	1.70	1.30
Dividend per ordinary share (in €)	0.40 ⁷⁾	0.40	0.66	0.62	0.50
Dividend per preference share (in €)	0.42 ⁷⁾	0.42	0.68	0.64	0.52
As a % of sales revenue					
EBITDA	14.1 ¹⁾	13.1	15.3 ³⁾	13.7	12.8
EBITA	10.1 ¹⁾	9.3	11.4 ³⁾	10.0	9.0
Net profit after minority interest ⁴⁾	3.4 ¹⁾	3.0	4.9 ³⁾	5.6	4.6
Balance sheet					
Balance sheet total	820.4	865.0	783.9	377.3	362.5
Equity	319.2	333.4	334.1	168.9	148.4
Equity ratio (in %)	38.9	38.5	42.6	44.8	40.9
Gearing	0.7	0.7	0.6	0.3	0.4
Financials					
Capital expenditures	23.9	33.7	41.5	31.2	13.8
As a % of sales revenue	4.0	5.5	7.0 ⁶⁾	6.0	2.8
Depreciation and amortization ⁵⁾	33.4	29.6	27.4	19.2	18.5
Net cash flow from operating activities	143.4	53.0	33.1	51.7	43.9
Net debt	224.7	217.6	189.6	54.4	60.7
Ratio of net debt to EBITDA	2.6 ¹⁾	2.7	2.0 ³⁾	0.8	1.0
Employees as of Dec. 31	4,323	4,660	4,518	3,749	3,606

¹⁾ Underlying

²⁾ Pro forma

³⁾ Pro forma underlying

⁴⁾ Excluding non-cash amortization and, for 2008 and 2009, non-cash interest expenses for share price warrants

⁵⁾ Excluding goodwill amortization

⁶⁾ Based on the actual sales revenue of €589.0 million

⁷⁾ Amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

Dynamic Growth for Sartorius Stedim Biotech

Single-use Technologies on the Rise

Sartorius Stedim Biotech grows by a good nine percent in 2009. Generating double-digit growth rates, the key drivers fueling this growth are single-use products for biopharmaceutical applications on which the company has been focusing for several years. This business receives a significant boost from the emergence of a new strain of influenza.

As a partner much in demand by the vaccine industry, Sartorius Stedim Biotech ramps up its production capacity, and gains the appreciation of customers based on flexibility, delivery speed and product quality. Thus, we make a further good case in helping to drive the change in technology toward single-use products and establish the basis for sustainable growth.



Trendsetters for New Bioprocesses

With the new FlexAct product family, whose first member Sartorius Stedim Biotech introduces at the end of 2009, the company sets a milestone for single-use biomanufacturing. Thanks to its intelligent combination of different disposable components, FlexAct covers entire process steps with single-use solutions in the production of biopharmaceuticals and vaccines. This fast and easy-to-use package solution offers our customers real added value. FlexAct makes the change from stainless steel to single-use equipment easier than ever before.

Advanced Infrastructure in Growth Markets

In November 2009, Sartorius officially opens the Sartorius India Campus, its new plant in Bangalore. Built on the cutting edge of technology, it provides both Group divisions optimal conditions for production meeting high global standards. As a large and fast-growing national economy, India is also gaining increasing importance as an exporter for the pharma and food industries in our target markets. Sartorius as a global supplier is a first-class partner for our locally based international key accounts and local manufacturers.

Highlights of 2009

Realignment of Sartorius Mechatronics

Worldwide Cost-cutting and Restructuring Program

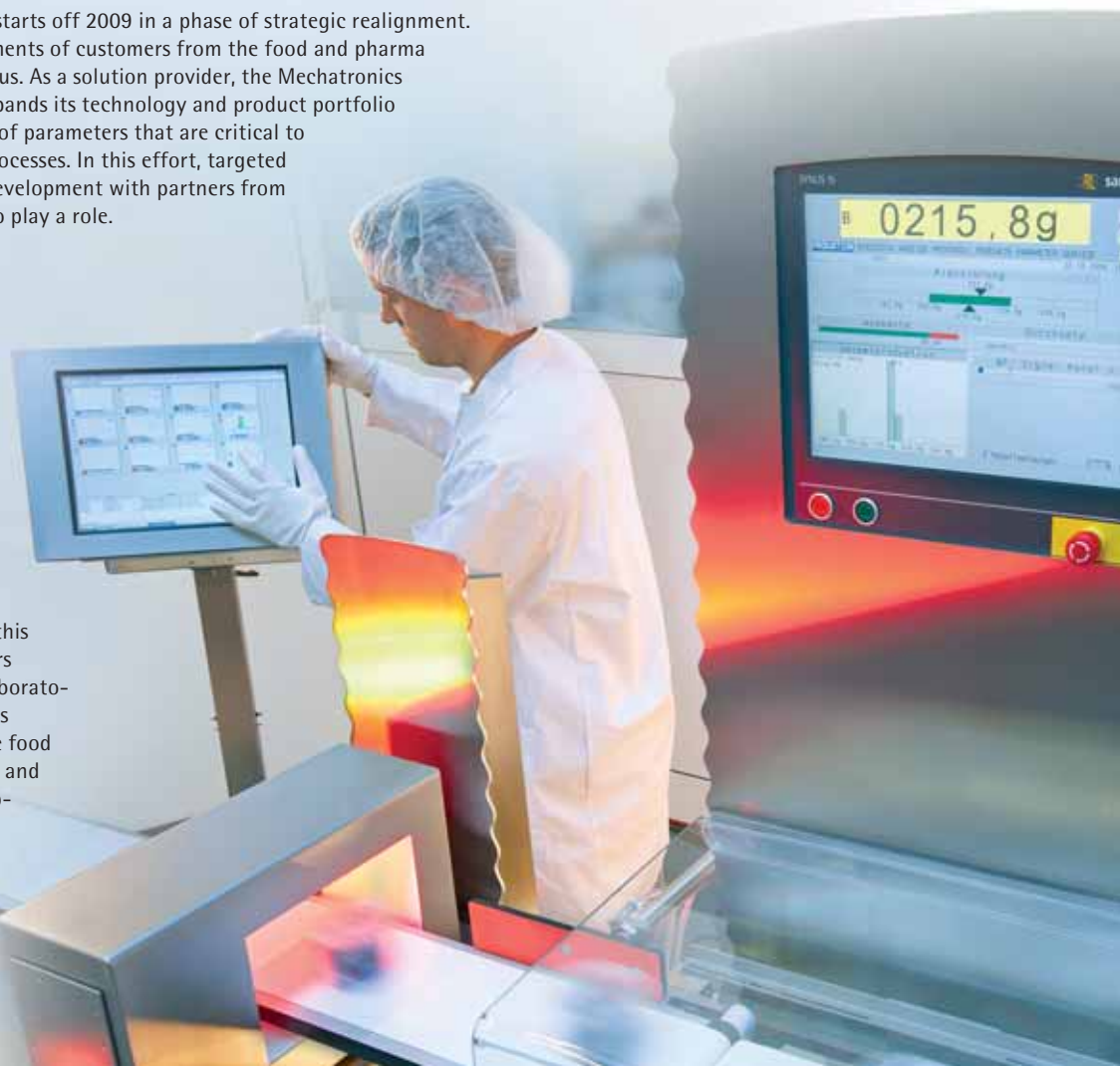
The global economic crisis hits Sartorius Mechatronics hard; within a short time, demand plunges nearly 20 percent. Sartorius responds rapidly and adjusts its cost structure to meet the changed order situation on a lasting basis. A comprehensive worldwide restructuring program ensues. The Mechatronics Division reviews its business strategy and resets its course to adapt to the accelerated changes in its sectors.

From a Weighing Technology Marketer to an Applications Specialist

Sartorius Mechatronics starts off 2009 in a phase of strategic realignment. The application requirements of customers from the food and pharma industries move into focus. As a solution provider, the Mechatronics Division significantly expands its technology and product portfolio for analysis and control of parameters that are critical to success in production processes. In this effort, targeted alliances for sales and development with partners from industry and science also play a role.

Targeted Use of Synergies

Sartorius uses synergies between the two Group divisions everywhere customers think this is a good idea. For instance, pharma customers use equipment from both divisions in their laboratories and production processes, and this applies similarly to quality assurance processes in the food industry. Sartorius realigns its European sales and marketing organization and introduces group-wide responsibilities. Our global Key Account Management for Biopharma and Food is also geared to operate cross-divisionally.





Our Mission

Sartorius is a leading international laboratory and process technology provider for the biotech, pharmaceutical and food industries. We help our customers all over the globe to implement complex and quality-critical laboratory and production processes in a time- and cost-efficient way. Our innovative products, solutions and services therefore focus on key value-creating segments in our target markets. Strongly rooted in the scientific and research communities and closely allied with customers and technology partners, we are dedicated to our philosophy of "turning science into solutions" on a daily basis.

In the future as well, we will further seek to systematically expand our position as an application-oriented technology group. Based on our clear-cut strategy, we will continue to sustainably create value for customers and shareholders alike and translate our growth into additional profitability.



This annual report contains 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.

This is a translation of the original German-language annual report. Sartorius shall not assume any liability for the correctness of this translation. The original German annual report is the legally binding version. Furthermore, Sartorius 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.

Throughout the Annual Report, differences may be apparent as a result of rounding during addition.

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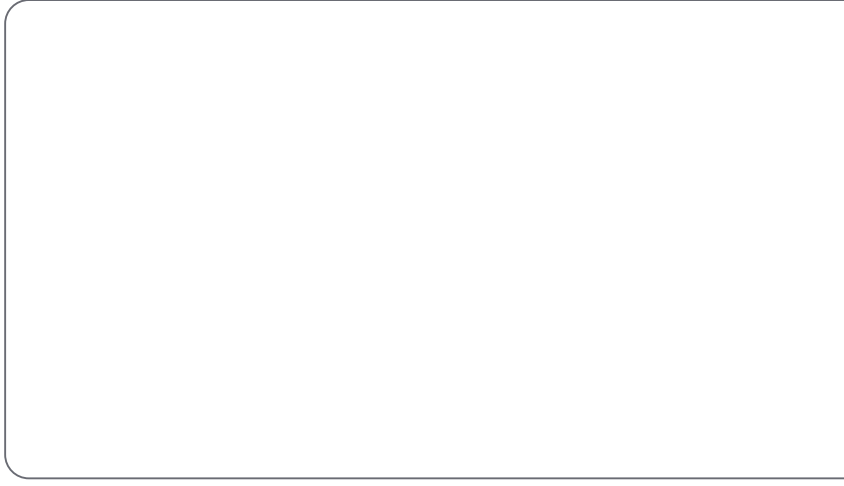
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To Our Shareholders

Letter to Our Shareholders



**Dear Shareholders,
Ladies and Gentlemen:**

We look back on an intensive year that, as expected, could scarcely have been more different for our two Group divisions. Our Biotechnology Division, which manufactures primarily consumables for the biopharmaceutical industry, grew dynamically and attained a new level of profitability – the merger with Stedim two and a half years ago has fully paid off. By contrast, the Mechatronics Division, which predominantly produces weighing and control equipment belonging to the capital-goods category, saw demand for its products plunge by nearly one fifth because of the steep downturn in the economy, and had to be extensively restructured. This is why we need to differentiate in the analysis of overall Group results: on the one hand, consolidated net profit came in negative as a result of the significant restructuring charges for the Mechatronics Division and, on the other hand, operating earnings increased, cash flow was strong and key balance sheet ratios and financials were robust. Let me summarize the key topics and results of our business development in 2009 as follows:

: The Biotechnology Division boosted its order intake and sales revenue in constant currencies by a good 10% and 8%, respectively. Strong double-digit rates of increase in our strategic growth area of innovative single-use technologies contributed overproportionately to these results; in particular, the segment of single-use bags gained through Stedim performed outstandingly. Compounding the development in this segment that was already excellent in the first place, we benefited from the exceptionally high demand generated in 2009 by influenza vaccine manufacturers. Through the interaction between growth and stringent cost management, we saw the division's operating profitability jump from 10.9% to 15.0% in terms of EBITA margin.

: At the end of 2008, it was already foreseeable that business for the Mechatronics Division would decline significantly because of the growing global recession. We responded to the drop in order intake and sales revenue of around 17% and 19%, respectively, by taking extensive cost-cutting measures. Therefore, through our restructuring program entailing approximately €25 million in one-time expenses, we were able to reduce our cost base by a good €30 million per year. Together with employee representatives, we agreed on socially responsible arrangements as far as possible in making the unavoidable cuts in staff costs. After the division had posted losses for the first two quarters, it achieved a slight operating profit of 0.4% in EBITA margin, though it was down from 7.0% a year earlier.

: At Group level, the strong development of the Biotechnology Division's business offset the recession-induced losses in the Mechatronics Division to a large extent. Consolidated order intake and sales revenue, which we recorded at -0.4% and -2.7%, respectively, in constant currencies, eased just slightly year on year. It is noteworthy that in this overall difficult economic climate, we even achieved a gain of approximately 7% in consolidated operating earnings based on the rise in the Biotechnology Division's earnings; the corresponding EBITA margin rose from 9.3% to 10.1%. The Group's relevant net profit – i.e., consolidated net profit adjusted particularly for extraordinary expenses to ensure better comparability of the year-to-year figures – was also slightly up from the year-earlier level; the respective consolidated earnings per share were €1.22, up from €1.07 a year ago. Including one-time consolidated extraordinary expenses of just under €30 million, especially those incurred for restructuring the Mechatronics Division, consolidated net profit after minority interest is -€7.3 million relative to €12.4 million in the previous year.

: As announced a year ago, we focused on strengthening cash flow in fiscal 2009. As a result of the highly successful measures taken, we boosted operating cash flow from approximately €53 million to a good €143. Accordingly, the key balance sheet ratios and financials of the Group – equity ratio, ratio of net debt to EBITDA, and gearing – are at a robust level that improved overall.

: Against the backdrop of these results, the Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting on April 21, 2010, to approve payment of dividends in the same amounts as in the previous year, i.e., €0.42 per preference share and €0.40 per ordinary share. According to our assessment, this proposal adequately mirrors business development in fiscal 2009 and the highly positive future prospects of the Group.

Additional highlights during the fiscal year ended December 31, 2009, were the Biotechnology Division's market launches of new single-use individual products and entire systems. For instance, we introduced a series of single-use bioreactors that are scalable in a wide range of working volumes, as well as a platform and control unit system on the market. The latter system features a completely new design approach that enables our customers to employ single-use equipment preconfigured for various biopharmaceutical production steps "right out of the box" in their unit operations. Thanks to our broad product portfolio, along with our high innovative strength and applications expertise, we further enhanced our strong position on the market in all regions, underscoring our capabilities as a total solution provider for safe, reliable, flexible and efficient biomanufacturing of pharmaceuticals.

In the Mechatronics Division, we not only adjusted our cost structures in 2009, but also initiated measures for the comprehensive strategic realignment of this division, which we stepped up especially toward the middle of the year. The division's alignment is now more strongly application-oriented and less product- or technology-focused, consistently throughout all functions, i.e., ranging from R&D on up to sales, marketing and service. Building on our excellent market position in weighing technology, we have thus been concentrating on helping our customers to assure the quality of their products and increase the productivity of their manufacturing processes. In this effort, we are focusing on the food and pharmaceutical industries; both are long-term growth sectors with a relatively low dependency on economic cycles. We additionally see excellent opportunities in leveraging the additional synergies between our two divisions in executing this strategy.

Looking ahead at 2010, we expect to achieve sales growth for the Biotechnology Division in the upper single-digit range, based on constant currencies, and a slight increase in operating EBITA margin. Despite the persistent uncertainty about economic development, we assume that there will be a slight upturn in the economy and, therefore, anticipate that the Mechatronics Division will report currency-adjusted sales growth in the lower single-digit percentage range and an operating EBITA margin of around 5%. For the Group as a whole, we accordingly expect sales growth in constant currencies to be slightly above 5% and operating EBITA margin to continue to improve by one to two percentage points. Furthermore, we forecast a significantly positive operating cash flow. Despite these positive prospects, another word of caution is nonetheless warranted here as forecasts continue to be subject to rather considerable unknowns in the current business cycle.

On behalf of the Executive Board, I would first like to express my heartfelt thanks to all employees of the Sartorius Group for their outstanding work and commitment in a truly intensive and challenging year 2009. Moreover, my special thanks go out to our customers, business partners and shareholders for their successful, ongoing support and the confidence they have invested in this company, often throughout many years. In the new fiscal year under way, we will also work as partners in a focused manner in turning the excellent prospects of the Sartorius Group into reality for our mutual benefit.

As a result of the global economic crisis, few companies have closed the year 2009 with such an overall robust development in operating profit as ours has. This is a very solid basis for the further progress of the Group in view of innovations, market presence and applications expertise. In these areas, we are aiming to propel the company consistently and dynamically to new heights in the future as well. I would be pleased if you would continue accompanying us on the road marked by the milestones of our innovative and profitable technology group.

Yours sincerely,



Dr. Joachim Kreuzburg
CEO and Executive Board Chairman

Goettingen, March 2010

The Executive Board

Dr. Joachim Kreuzburg | shown center

**CEO, Chairman of the Board and
Executive for Labor Relations**

Joachim Kreuzburg, 44, is responsible on the Executive Board for Operations, Human Resources, Legal Issues, Internal Auditing and Corporate Communications. Dr. Kreuzburg, who earned his doctorate in economics and a university degree in mechanical engineering, has been a member of the Executive Board since November 2002 and has been at its helm since May 2003. Before that, he held various managerial positions in the Finances unit at Sartorius. As Chairman of the Board of Directors and CEO, Joachim Kreuzburg also heads the subgroup Sartorius Stedim Biotech S.A.

Reinhard Vogt | shown right

Marketing, Sales and Service

Reinhard Vogt, 54, has been a member of the Sartorius Executive Board since July 2009 and is responsible for Marketing, Sales and Service. Mr. Vogt, who completed his vocational training as an industrial business administrator, has been working for the company since 1983. During this time, he served in various managerial positions within the Biotechnology Division. As a member of the Executive Committee of Sartorius Stedim Biotech S.A., Reinhard Vogt is also responsible for the Marketing, Sales and Service units at this firm.

Jörg Pfirrmann | shown left

Finances, IT and General Administration

Jörg Pfirrmann, 37, was appointed a member of the Executive Board in July 2009 and heads the Finances, IT and General Administration units. He has been working for Sartorius since 1999 and during this time has held various finance managerial positions at Sartorius AG and its subsidiaries. Jörg Pfirrmann earned a degree in business economics from the University of Hannover, Germany.



Report of the Supervisory Board



In fiscal 2009, the Supervisory Board of Sartorius AG thoroughly dealt with the situation and prospects of the company, advised the Executive Board, and performed the tasks assigned by German corporate law and the bylaws of the company. Amid the global economic and financial crisis, the Supervisory Board especially focused in the reporting year on the difficult situation in the Mechatronics Division and the measures that the Executive Board had initiated to cut costs and to realign this division in terms of strategy and staffing. Moreover, rearrangement of the Executive Board and the organizational changes this entailed within the Group were the key topics of 2009.

The Executive Board provided the Supervisory Board with regular, prompt and detailed reports, both written and verbal, about all relevant corporate planning and strategic development issues, the progress of business and the situation of the Group, including the risk situation, and about the company's risk management and compliance. Any discrepancies between actual business developments and the Group's forecasts and targets were detailed during the Supervisory Board meetings, and the Supervisory Board reviewed all documents presented to it.

Both the Executive Task Committee and the full Supervisory Board discussed all of the company's significant transactions in depth on the basis of the reports submitted by the Executive Board. Following thorough review, the Supervisory Board cast a positive vote on the Executive Board's reports and proposed resolutions, where required. In addition to the regular written reports provided to all Supervisory Board members and at committee and full Supervisory Board meetings, the Supervisory Board Chairman received continuous updates concerning the latest developments of the business situation and the principal business transactions.

Cooperation between the Supervisory Board and the Executive Board was always characterized by openness, constructive dialogue and trust.

Focus of the Supervisory Board's Conferences

In the reporting year, the Supervisory Board convened at four ordinary meetings, which the Executive Board also attended. These regular conferences revolved around the development of sales revenue, earnings and employment for the Group and its divisions as well as the financial situation of the company and of its affiliates. In addition, one extraordinary meeting was held, at which the Supervisory Board dealt with the membership and terms of the Executive Board.

At its meeting on March 10, 2009, the Supervisory Board thoroughly discussed the financial statements for fiscal 2008 and endorsed them on the basis of the Audit Committee's and independent auditors' report. Furthermore, the members conferred upon and approved the agenda, along with the proposed resolutions, for the 2009 Annual Shareholders' Meeting and the proposal for appropriation of profits. The Executive Board informed the Supervisory Board in detail about the difficult financial situation of the Mechatronics Division that occurred at the end of 2008 in conjunction with the sharp global economic downturn and about the measures already initiated, including the further ones planned to reduce costs. The Supervisory Board also thoroughly examined the remuneration of the Executive Board based on comparative figures to determine whether it was in line with the prevailing remuneration on the market and commensurate with the scope of duties entailed.

At the meeting on April 23, 2009, that took place at the end of the Annual Shareholders' Meeting, first-quarter business development for both divisions was discussed. A further focus was the presentation of the current R&D and cooperation projects of the Biotechnology Division.

The extraordinary Supervisory Board meeting on July 24, 2009, centered on rearranging the Executive Board, which entailed changing the division of areas of responsibility among its members. These personnel and organizational changes had previously been intensively deliberated upon and prepared by the Executive Task Committee. The Supervisory Board appointed Messrs. Reinhard Vogt and Jörg Pfirrmann as new Executive Board members with immediate effect. Furthermore, CEO and Executive Board Chairman Dr. Joachim Kreuzburg was appointed Executive for Labor Relations. Concurrently, the Supervisory Board resolved to accept Dr. Günther Maaz's retirement from the Executive Board by mutual consent. Moreover, the Supervisory Board resolved to change the division of areas of responsibility so that these areas would be cross-divisional from then on.

Various aspects of Group financing were discussed as a topic on the agenda of the Supervisory Board meeting on August 27, 2009. For instance, the Executive Board reported on the factoring program that had been introduced as of June 2009 and on the status of syndicated loans, which required that specific key financial ratios be maintained. Furthermore, the implementation status of the restructuring package of measures in the Mechatronics Division was again the subject of thorough consideration. During this discussion, the Executive Board presented a new business strategy for this division, which entails a stronger focus on the two customer segments of food and pharma, as well as on expansion of the division's portfolio by adding a number of different process technologies. An additional topic on the agenda that was treated in depth was the incident of fraudulent breach of trust at a subsidiary, which had been discovered by the Internal Group Auditing unit. In dealing with this incident, the Supervisory Board and the Executive Board concentrated on further improving the respective preventative and monitoring and control systems already in place.

At the meeting on December 10, 2009, the Supervisory Board unanimously approved the resolution to extend the appointment of the Group's CEO Dr. Joachim Kreuzburg by a further five-year period up to November 10, 2015. In addition, the Supervisory Board held in-depth discussions concerning the remuneration structure for the Executive Board.

In light of the new German legal provisions concerning stock corporations, the Supervisory Board approved a revised variable compensation plan that basically sets limits on variable remuneration components and uses multi-year assessment bases more strongly than before. Furthermore, the Supervisory Board approved the budget submitted by the Executive Board for 2010 and, following thorough deliberation, resolved to approve the Declaration of Compliance with the German Corporate Governance Code for 2009. In addition, the Supervisory Board dealt with an efficiency review of its work.

Activity Report of the Committees

In the reporting year, the Executive Task Committee met twelve times, at a frequency that was above-average, to deal particularly with the issues concerning Executive Board matters and restructuring and realignment of the Mechatronics Division. Concerning the Executive Board, the subjects discussed in depth were changes to its composition, reassignment of organizational areas of responsibility, revised compensation structure and retirement benefit arrangements. In view of the unit sales crunch affecting the Mechatronics Division, the Supervisory Board intensely debated cost-cutting and restructuring measures and those for strategic realignment.

The Audit Committee met four times in the reporting year. At its first meeting during that year, the committee, in the presence of the auditors, prepared for the Supervisory Board's conference on the annual financial statements. The committee conferred on the annual financial statements of Sartorius AG, the consolidated financial statements and on the proposal for the appropriation of profit. Beyond this, the committee used its further meetings to obtain detailed information on the results of the individual business quarters, operations and specific determinations of the Internal Group Auditing unit, particularly on a case of fraudulent breach of trust discovered at one of the subsidiaries, as well as the IT security systems in place and risk management. Further topics entailed the new pertinent legislative proposals in Germany, amendments to the German Corporate Governance Code and compliance issues. Furthermore, the Audit Committee defined the major focal points of the audit of fiscal 2009 and, in accordance with the resolution passed by the company's shareholders, commissioned the auditors to perform an audit review. The Audit Committee also thoroughly debated the effects of the economic crisis on the Mechatronics Division, particularly with regard to the issues of corporate financing.

Reports on the committee conferences were presented regularly at the meetings of the full Supervisory Board. The Nomination Committee did not meet during the year under review, and there was no reason to convene the Conciliation Committee pursuant to Section 27, Subsection 3, of the German Codetermination Law (MitBestG).

Audit of the Annual and Consolidated Financial Statements

The annual and consolidated financial statements for fiscal 2009 and the management report of Sartorius AG were reviewed by the independent auditing company Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, based in Hanover, Germany. This company had been commissioned by the Audit Committee of the Supervisory Board pursuant to the resolution passed at the Annual Shareholders' Meeting on April 23, 2009. The independent auditors issued an unqualified audit certificate. Deloitte & Touche auditors attended the Audit Committee meeting on March 5, 2010, and the Supervisory Board meeting on March 8, 2010, and reported on the essential results of their audits. Sufficient time was allotted for discussion of all issues with the auditors. Written information and audit reports had been sent to all Supervisory Board members on time and were intensely discussed during the meetings mentioned.

On the basis of its own examination of the annual Sartorius AG and consolidated financial statements, the Sartorius AG management report and the Group management report, the Supervisory Board concurred with the results of the audit conducted by Deloitte & Touche and, at the meeting on March 8, 2010, endorsed the financial statements of Sartorius AG and the Group on recommendation by the Audit Committee. The annual financial statements were thus approved. The Supervisory Board and the Executive Board will submit a proposal at the Annual Shareholders' Meeting on April 21, 2010, that shareholders be paid dividends of €0.42 per preference share and €0.40 per ordinary share from the retained profit.

Composition of the Supervisory Board and Executive Board

In addition to the rearrangement of the Executive Board already mentioned, there was also a temporary change in the composition of the Supervisory Board. The position held by Supervisory Board member Manfred Werner, who represents the executive officers on this board, remained dormant in the period from August 27, 2009, to March 7, 2010.

The reason was that Manfred Werner, with the approval of the Supervisory Board, had temporarily assumed management of the Group affiliate Sartorius Mechatronics C&D GmbH & Co. KG.

As already described, Reinhard Vogt and Jörg Pfirrmann were appointed as new members to the Executive Board of Sartorius AG, effective July 24, 2009. Both have already been working for the company for many years and have been highly successful in their respective managerial positions. In addition to his position as CEO, Dr. Joachim Kreuzburg was also appointed Executive for Labor Relations. Furthermore, his appointment as CEO and Chairman of the Executive Board was extended on December 10, 2009, for an additional five years until November 10, 2015. Dr. Günther Maaz retired from the Executive Board at the end of his appointment as of July 24, 2009. The Supervisory Board wishes to thank Dr. Maaz for his successful service spanning more than three decades in various functions for Sartorius.

The year 2009 was one replete with challenges for Sartorius AG and the Group. For the Mechatronics Division, 2009 represented a year of crisis, entailing extensive restructuring measures, yet was also one of realignment of its strategy and staffing. For the Biotechnology Division, 2009 was a highly successful year with extraordinarily profitable growth that confirms the company's strategic and operating moves of the past years. Sartorius met all challenges with great energy under the leadership of the Executive Board and is well prepared for 2010.

The Supervisory Board would like to thank the Executive Board and all employees across the globe for their great commitment and successful hard work over the course of the fiscal year ended. The Board expresses its appreciation to its shareholders for the confidence they have shown yet again in the company.

For the Supervisory Board



Prof. Dr. Dres. h.c. Arnold Picot
Chairman

Munich, March 2010

Sartorius Shares

Share Price Development

The market price of the Sartorius ordinary and preference shares rose substantially over the course of 2009. The preference share, which had closed at €8.16 at the end of fiscal 2008, was trading at €15.90 by the end of fiscal 2009. This means that its value nearly doubled over the course of the year. The ordinary share was worth €15.45 at the end of 2009, which represents an increase of around 50%, compared with year-end 2008 (€10.05).

The preference share reached its highest daily closing price (Xetra) for the year, €17.40, on November 18 and its lowest price, €6.10, on February 27 and again on March 20. The ordinary share reached its highest price for the year, €18.00, on September 8 and again on November 18. The ordinary share's lowest closing price was €9.70 on February 9.

The ordinary share traded at a considerably higher price than the preference share at times during the first three quarters. The preference share then closed the gap over the course of the fourth quarter such that the two classes of share were trading at a similar level by the end of the year.

The marked increase in the value of the Sartorius shares coincided with a clear upward trend on the German stock market. The Deutsche Aktienindex (DAX), for example, rose 1,147 points, or 23.8% from its year-end 2008 level of 4,810 points, to stand at 5,957 points on December 30, 2009. The TecDAX soared 60.8% from 508 points to 818 points over the same period. This means that the Sartorius shares performed significantly better overall than the market as a whole in 2009 and were able to recover some of the ground lost in 2008.

Facts about the Shares

ISIN	DE0007165607 (ordinary share) DE0007165631 (preference share)
Designated sponsor	Commerzbank AG
Market segment	Prime Standard
Indexes	CDAX Prime All Share Index Technology All Share Index Prime Industrial Performance Index NISAX20
Stock exchanges	Xetra Frankfurt Hanover Duesseldorf Munich Berlin Hamburg Bremen Stuttgart
Number of shares	18,720,000 no-par individual share certificates with a calculated par value of €1 per share
Of which	9,360,000 ordinary shares 9,360,000 preference shares
Of which shares outstanding	8,528,056 ordinary shares 8,519,017 preference shares

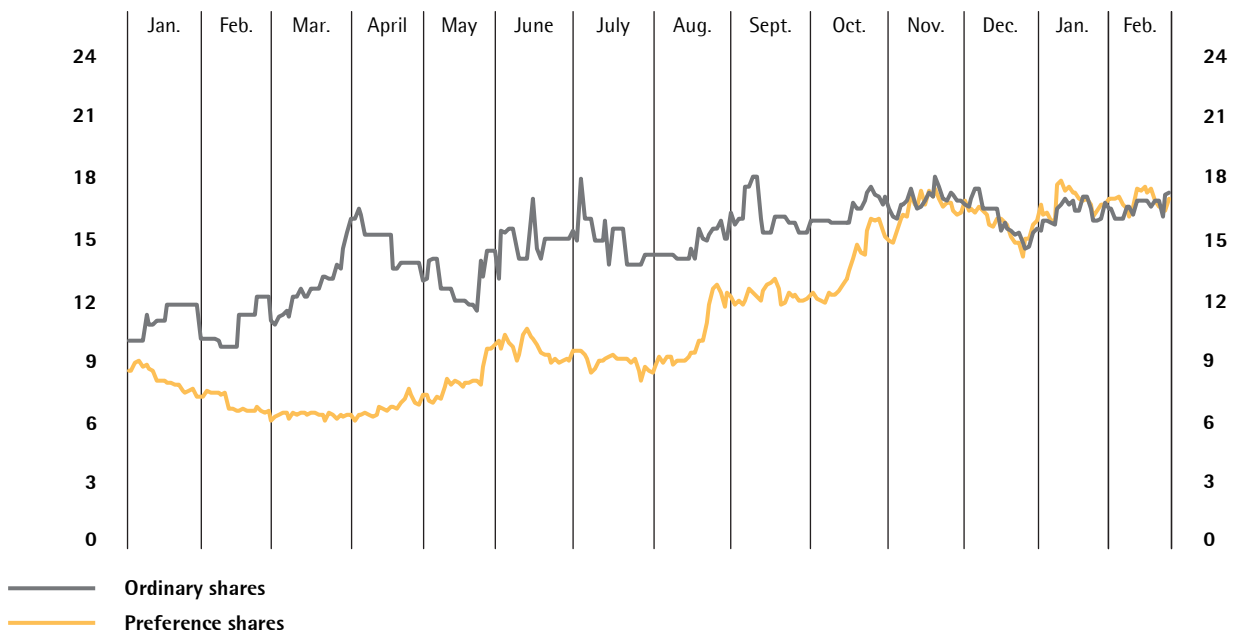
Trading Volume and Share Price Development

	2009	2008	Change in %
Preference share in € (Xetra year-end closing price)	15.90	8.16	94.9
Ordinary share in € (Xetra year-end closing price)	15.45	10.05	53.7
Market capitalization in millions of €*	267.2	155.2	72.2
Average daily trading volume of preference shares	10,645	13,732	- 22.5
Average daily trading volume of ordinary shares	662	2,119	- 68.8
Trading volume of preference shares in millions of €	26.6	61.9	- 57.1
Trading volume of ordinary shares in millions of €	2.4	10.0	- 75.6
Total trading volume in millions of €	29.0	71.9	- 59.7
TecDAX	818	508	60.8
DAX	5,957	4,810	23.8

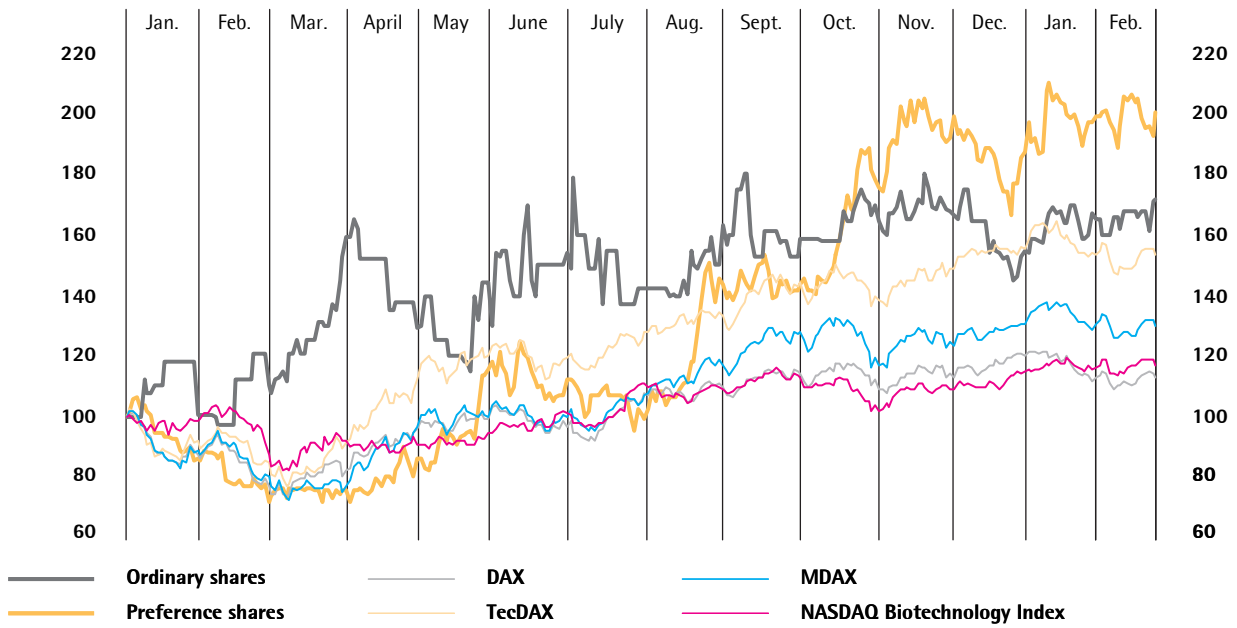
* without treasury shares

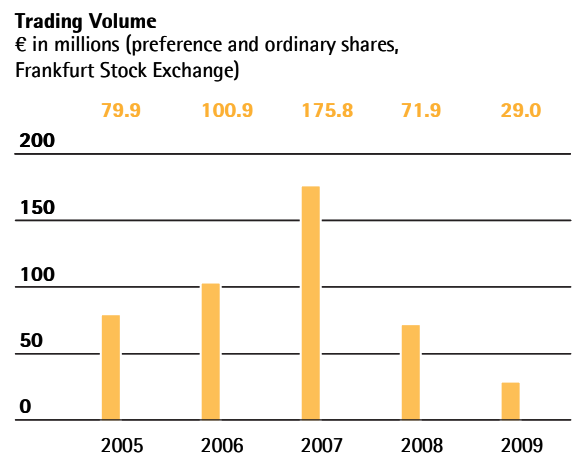
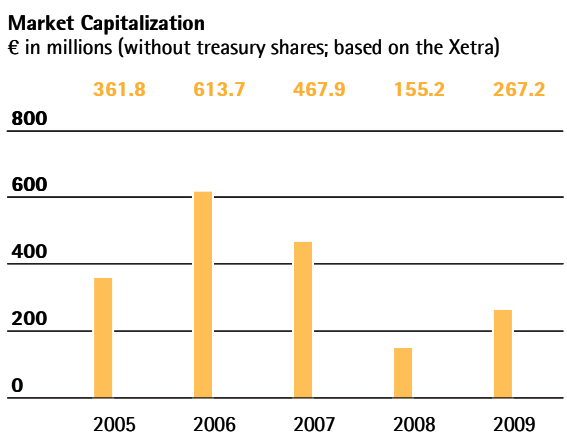
Sources: Deutsche Börse AG and vwd

Sartorius Shares in €
January 2, 2009, to February 23, 2010



Sartorius Shares in Comparison to the DAX, TecDAX, MDAX and NASDAQ Biotechnology Index (indexed)
January 2, 2009, to February 23, 2010





* as of December 31 of the respective year

Market Capitalization and Trading Volume

The Group's market capitalization – the total number of outstanding shares of both classes multiplied by the corresponding share price – increased over the course of the reporting year in line with the rise in share prices. The company's market capitalization as of December 31, 2009, amounted to €267.2 million, a gain of 72.2% over the year-earlier figure of €155.2 million.

The number of preference shares traded daily on the Frankfurt Stock Exchange in the reporting period averaged 10,645 (previous year: 13,732). The average number of ordinary shares traded every day was also down from 2,119 in 2008 at 662.

The trading volume of both types of share more than halved over the same period as a result of the drop in the number of shares traded. The value of preference shares traded on the Frankfurt Stock Exchange (Xetra and on the floor) in 2009 fell 57.1% year on year to €26.6 million (previous year: €61.9 million). The volume of ordinary shares traded plummeted 75.6% overall to €2.4 million from €10.0 million a year ago. This plunge in volume occurred against the backdrop of a 50.2% fall in the total volume of shares traded across all German stock exchanges in 2009.

The Analysts' View

We remained in regular contact with analysts from institutions including Crédit Agricole Cheuvreux, WestLB and Nord/LB in 2009. Many analysts chose to concentrate primarily on the high-profile and liquid shares listed on the DAX, MDAX and TecDAX, so research coverage of the Sartorius share consequently declined over the course of the year.

Investor Relations Activities

Effective communication with shareholders and potential investors in Sartorius AG is the major focus of our investor relations work. We strive to provide the highest possible level of transparency. Our annual and quarterly reports, press releases and ad hoc announcements together provide regular, detailed insight into the latest developments of our business. The members of our Investor Relations team also serve as a direct point of contact for all questions relating to the Sartorius Group and maintain close links with the Executive Board to ensure they are able to make important information available to our investors promptly and comprehensively.

Regular teleconferences that can also be followed on the internet are held to accompany the publication of the quarterly results. These webcast conferences give shareholders and analysts alike the opportunity to find out about the latest developments in the business quickly and in detail.

Research Coverage

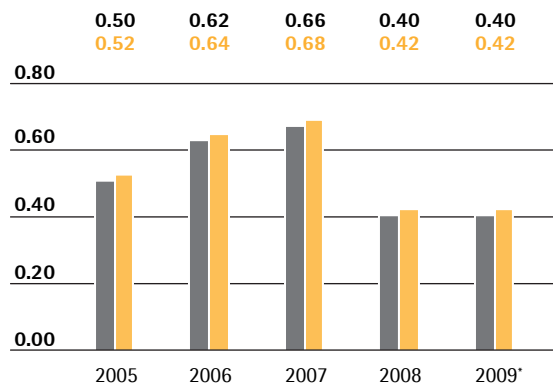
Institute	Date	Vote
Nord/LB	February 16, 2010	Hold
Cheuvreux	February 10, 2010	Outperform
WestLB	February 10, 2010	Neutral

Moreover, during the past year, we presented Sartorius at a number of conferences and roadshows. These included a variety of events in the early part of fiscal 2009, such as Cheuvreux's 8th German Corporate Conference in Frankfurt am Main. We hosted an investors' day at the Frankfurt trade fairgrounds during the 29thACHEMA World Exhibition Congress on Chemical Engineering, Environmental Protection and Biotechnology to give analysts and investors the chance to learn more about the Group's product range and meet representatives from various parts of the company face to face.

We attended roadshows in the financial centers of Paris and London and in other key venues including Duesseldorf and Munich, as well as held our annual analysts' conference as part of the German Equity Forum in Frankfurt at the beginning of November. In addition, we presented Sartorius at the end of October at the Börsentag Hannover investors' day, where private investors in particular had the opportunity to speak with representatives of the company and have their questions answered first hand.

Dividends

in €



■ Ordinary shares
■ Preference shares

* amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

Dividends

For fiscal 2009 as well, management plans to enable shareholders to participate adequately in the company's success. Therefore, at the Annual Shareholders' Meeting on April 21, 2010, the Supervisory Board and the Executive Board will submit a proposal to pay shareholders dividends in the same amounts as in the year before, €0.42 per preference share and €0.40 per ordinary share, from Sartorius AG's retained profit of €23.1 million (previous year: €27.8 million).

The total profit distributed under this dividend proposal would be unchanged from the previous year at €7.0 million and the dividend payout ratio based on underlying net profit, excluding the two non-cash items of amortization and interest expense for share price warrants, would be 33.7% (previous year: 38.4%). The dividend yield based on the opening price for 2009 (preference €8.19; ordinary: €10.55) would amount to 5.1% for the Sartorius preference share and 3.8% for the Sartorius ordinary share. Treasury shares held by Sartorius AG are not entitled to dividends.

Key Figures for Sartorius Shares

		Feb. 23, 2010	2009	2008	2007	2006	2005
Ordinary shares ¹⁾ in €	Reporting date	17.20	15.45	10.05	27.90	39.00	22.00
	High		18.00	31.00	46.99	44.00	22.90
	Low		9.70	8.41	26.00	20.60	16.00
Preference shares ¹⁾ in €	Reporting date	16.99	15.90	8.16	27.00	33.00	20.45
	High		17.40	27.01	47.05	33.30	23.00
	Low		6.10	6.17	26.25	20.35	14.21
Market capitalization ²⁾ in millions of €		291.4	267.2	155.2	467.9	613.7	361.8
Dividend per ordinary share ³⁾ in €			0.40	0.40	0.66	0.62	0.50
Dividend per preference share ³⁾ in €			0.42	0.42	0.68	0.64	0.52
Total dividends ⁴⁾ in millions of €			7.0	7.0	11.4	10.7	8.7
Dividend yield per ordinary share ⁵⁾ in %			3.8	1.5	1.7	2.9	3.1
Dividend yield per preference share ⁵⁾ in %			5.1	1.6	2.1	3.2	3.4

¹⁾ Xetra daily closing price

²⁾ Without treasury shares

³⁾ For 2009, amounts suggested by the Supervisory Board and the Executive Board of Sartorius AG

⁴⁾ Calculated on the basis of the number of shares entitled to dividends

⁵⁾ Dividends for 2005 in relation to the closing price in the previous year; dividends for 2006 to 2009 in relation to the opening price in the year concerned

Share Indexes

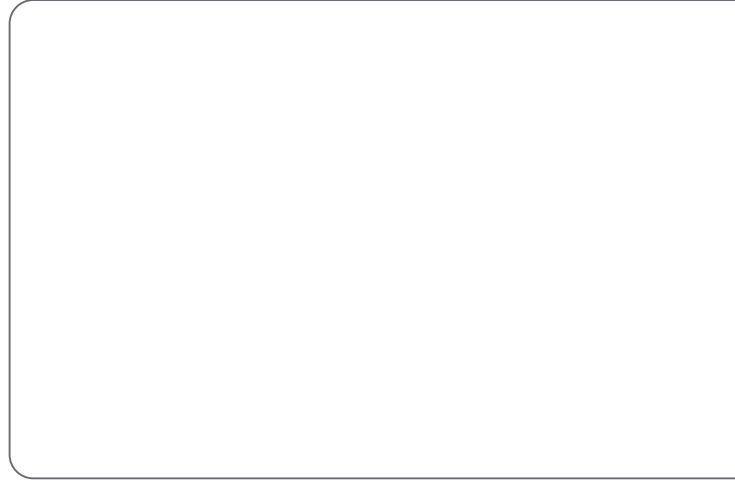
Sartorius shares are listed in indexes including, inter alia, Deutsche Börse's CDAX, Prime All Share and Technology All Share indexes and Norddeutsche Landesbank's NISAX20 index.

Deutsche Börse's free float rankings currently place the Sartorius preference share 29th under the market capitalization criterion (previous year: 41st). This means that one of the conditions for inclusion in the TecDAX – subject to the 35 | 35 rule – has been met. Under the stock-exchange turnover criterion (volume traded on the Frankfurt Stock Exchange over the preceding twelve months), the preference share ranks 56th (previous year: 50th).

Shareholder Structure

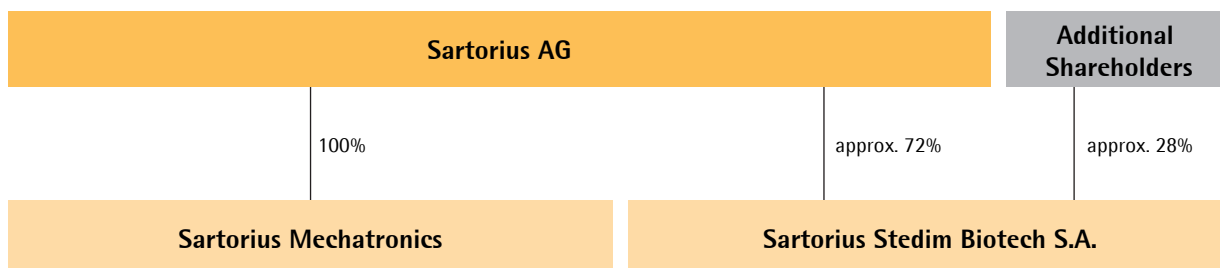
Sartorius AG's issued capital comprises 9.36 million ordinary shares and the same number of preference shares, each with a calculated par value of €1. Roughly 9% of preference shares are held as treasury shares; the remaining 91% can be attributed to free float. The majority of the ordinary shares are held by the Sartorius family, with a good 50% under the management of an executor. Approximately 7% are held directly by members of the family and approximately 9% are held as treasury shares by the corporation. According to the most recent information available, which is dated September 19, 2006, the U.S. company Bio-Rad Laboratories Inc. holds around 25% of the ordinary shares. Based on our current information, the remaining portion comprising around 9% of the ordinary shares is in free float.

02



Group Management Report

Group Structure



The Sartorius Group comprises two divisions, Biotechnology and Mechatronics, which operate in the market under the names Sartorius Stedim Biotech and Sartorius Mechatronics. The Mechatronics Division is legally wholly owned by Sartorius AG. In 2007, the Biotechnology Division merged with French company Stedim S.A. and in the process was carved out as a legally independent subgroup. The parent company of this subgroup, Sartorius Stedim Biotech S.A., has its headquarters at Aubagne in southern France and is listed on the Paris Bourse. As of the reporting date on December 31, 2009, Sartorius AG holds a controlling stake in Sartorius Stedim Biotech S.A. of around 72% of its shares and 74% of its voting rights.

Sartorius Stedim Biotech and Sartorius Mechatronics are largely managed separately for strategic and operational purposes. The company's two divisions use synergies in selected functions, such as key account management, laboratory sales and a few R&D and production areas. Concerning administrative functions, both Group divisions share a common global infrastructure as far as possible in order to ensure compliance with uniform standards within the Group and to use economies of scale.

The Sartorius Group is consistently organized by function worldwide. The company is accordingly controlled through the core operating functions – marketing, sales and distribution, service, research and development, operations, finances, etc. Responsibility for the various functions in the higher tiers of management is assigned at the global level and hence spans all sites and regions.

This global functional organization creates an effective platform for central strategic control and fast and efficient collaboration within the Group. Also, this organization makes it easier for the two divisions to pursue their strategy of presenting and positioning themselves effectively as solution providers with respect to customers, especially those operating on a global level.

Macroeconomic Environment and Conditions in the Sectors

Macroeconomic Environment

Events in fiscal 2009 were dominated by the most severe economic crisis since the Second World War. The crisis in the financial markets, which reached its peak toward the end of the previous year, triggered a recession in a large number of countries. The effects of this dramatic downturn were particularly pronounced during the first half of 2009; by the fall there were signs of a turnaround. This resulted in large part from the massive intervention programs implemented by central banks around the world, which sought to maintain liquidity in the interbank markets by drastic cuts in interest rates. Government support packages and guarantees also helped to bring about a gradual stabilization of the financial markets. The global economic recovery gathered pace in the third quarter, not least as a consequence of the major economic stimulus packages introduced. According to IMF estimates, the gross domestic product (GDP) shrank 1.1% overall in 2009 following growth of 3.0% and 5.2% in 2008 and 2007, respectively.

The western industrialized countries, which experienced a massive slump during the winter half-year, began to see the first signs of an upturn in the spring of 2009. Economic activity still remained well below pre-crisis levels, however, and GDP in these countries for the year as a whole fell 3.4% according to IMF data (previous year: +0.6%)

The rate of decline in GDP in the USA slowed in the second quarter of 2009 as compared with the previous quarter. Economic activity apparently picked up in the second half of 2009, largely as a result of the end of a marked period of destocking and the effects of the U.S. federal government's stimulus program. However, slack private consumption due to high unemployment and uncertainty about future earnings prospects seem to have slowed the pace of this recovery. GDP slid 2.7% overall in the USA in 2009 according to IMF estimates.

GDP began to rise again in the euro zone's two largest economies, Germany and France, in the second quarter of 2009. The German economy, which is highly dependent on exports, was hit particularly hard by the sharp downturn in international orders in the preceding winter half-year. The economic policy measures immediately implemented in response to this development played a significant part in stabilizing the situation. Production across the German economy increased significantly in the third quarter of 2009, but this momentum appears not to have been sustained into the final quarter. GDP in Germany is forecast to have fallen by 5.3% overall in 2009. The rate of decline in GDP in France in 2009 was actually slower than in the previous year, with the country benefiting from its consumer-goods-oriented export and production structure, among other factors. The IMF estimates that overall, French GDP in 2009 was down 2.4% on the 2008 figure. The euro zone as a whole, which still saw positive growth of 0.7% in the previous year, is expected to experience a drop of 4.2% in 2009.

The global recession left its mark on the emerging markets of Asia, too, with the sharp drop in demand from the industrialized countries in particular leading to a substantial slowdown in Asian economic growth. A few of the countries in this region that have significant commodity export activities suffered a further blow by the rapid slide in commodity prices over the preceding winter half-year. Production across the economy as a whole in the emerging countries began to recover relatively strongly as early as the second quarter of 2009, however, not least as a result of the liquidity being pumped into the economy by central banks in the industrialized countries and the rapid implementation of stimulus programs. The main economic driving force was China, where economic growth – fueled primarily by investment and private consumption – reached 8.5% in 2009 according to IMF forecasts. India likewise proved to be relatively resilient in the face of the global financial and economic crisis in 2009 and is estimated to have achieved economic growth of 5.4% for the year as a whole.

The U.S. dollar weakened substantially against the euro in the period extending into autumn 2009 until one euro was worth more than U.S. \$1.50. On average, however, the U.S. currency traded at a stronger level than in the previous year at U.S. \$1.39 to the euro (2008: U.S. \$1.48). Sartorius generates about a third of its sales revenue in U.S. dollars or currencies pegged to the U.S. dollar, so this trend had a positive impact overall on the development of the Group's business.

Interest rates fell around the world once again over the course of the year under review. The 3-month Euribor rate, for example, dropped from 2.9% on December 31, 2008 to 0.7% on December 31, 2009. The majority of the Sartorius Group's loans are variable rate arrangements, so the low level of interest rates had a positive effect on financing costs.

(Sources: International Monetary Fund, World Economic Outlook October 2009; Joint Economic Forecast Project Group, Joint Economic Forecast Autumn 2009 prepared for the German Federal Ministry of Economics and Technology)

Sector Conditions: Biotechnology Division

Sartorius's position as a leading supplier of products and services for development, quality assurance and production processes to customers in the biopharmaceutical industry makes the Biotechnology Division's business particularly sensitive to trends in this industry.

Stable Growth in the Pharmaceutical and Biotech Markets

Unlike most other areas of industry, the pharmaceutical sector proved to be immune to cyclical effects in 2009 in all but a few subsegments and maintained its pattern of stable growth. The forecast for global sales growth in the sector published by international market research institute IMS Health changed over the course of the year from a relatively low 2.5% to 3.5% in April 2009 to around 5.5% to 6.5% – much the same as in previous years – by the end of 2009. Growth of this magnitude would put overall market volume at U.S. \$775–785 billion. IMS Health expects the U.S. market, the world's largest for pharmaceuticals, to have recovered considerably, with growth of between 4.5% and 5.5% in 2009 as compared with just 1.5% in 2008. The overall volume of the U.S. market would amount to around U.S. \$300 billion on this basis. While the pharmaceutical markets in the western industrialized countries expand at rates in the low single-digit percentage range, those in the

emerging economies of Asia, Eastern Europe and Latin America are enjoying disproportionately strong growth.

The biotechnology segment of the pharmaceutical market has been experiencing particularly dynamic expansion for many years, with growth rates around double those of the market as a whole. The main driving forces behind this rapid growth are vaccines and the development of innovative therapeutics for the treatment of cancer and autoimmune disorders. The PhRMA sector report "Medicines in Development" published in 2008 states that at that time more than 630 medications manufactured using biotech methods had already reached the clinical trials phase. One in every two newly approved drugs now has its origins in a biotech lab.

According to data from the experts at IMS Health, the biopharmaceutical industry generated global sales revenue of just short of U.S. \$90 billion in the period from the beginning of the fourth quarter of 2008 through the end of the third quarter of 2009. This represents an increase in sales revenue of around 9% as compared with the same period a year earlier. The biopharmaceutical industry accounts for approximately 11% to 12% of the pharmaceutical market as a whole in terms of sales revenue.

Strong Demand for Single-use Production Systems

Biotech production methods are much more complex and cost-intensive than traditional methods. Manufacturers and suppliers are consequently involved in an intensive search for new technologies to improve the effectiveness and efficiency of the manufacturing processes concerned. Pharmaceutical companies clearly require greater flexibility, safety and reliability as well as lower validation and purification process costs.

The marked rise in the use of innovative single-use products in the production, transport and storage of biopharmaceutical media continued in the reporting year on the back of these economic and technical challenges. Single-use systems are increasingly replacing their stainless steel equivalents, which often entail substantial investment and relatively long planning and construction periods.

The need to prepare large quantities of vaccine very quickly as the swine flu pandemic emerged in 2009 forcefully underlined the technical advantages of single-use components in production applications. Those suppliers capable of quickly delivering large quantities of single-use components such as bags and filters to the vaccine industry did especially well as production rocketed.

Moreover, the need to upgrade more conventional production facilities that have quite a high proportion of reusable stainless steel components is also generating significant demand in the market for hybrid systems, which combine old and new technologies to share in the benefits of single-use systems.

Sector Influenced by M&A Activities

The concentration processes evident in the pharmaceutical industry over recent years persisted as a result of factors including the expiration of patents for blockbuster medications and the unequal distribution of potential active pharmaceutical ingredients undergoing various phases of clinical tests. This situation ensured that innovative biotech companies remained among the most coveted takeover candidates. Mergers and acquisitions in the pharmaceutical industry also affected suppliers of the companies concerned in some cases, with the integration phase frequently involving a review of the supplier structures of the newly combined companies followed by a reduction in the total number of suppliers. A particular preference has emerged for global suppliers with a strategically significant product portfolio, a high level of application expertise and better-than-average performance. The key account management function at supplier companies is accordingly assuming ever greater importance, especially in respect of the deployment of new technologies and knowledge of specific applications.

Sector Conditions: Mechatronics Division

Sartorius Mechatronics serves customers in the pharmaceutical, food and chemical industries and public research sectors. Cyclical trends in these industries have a major influence on the course of business at the Mechatronics Division. The food and pharmaceutical industries both achieved stable growth in 2009, but the chemical industry contracted significantly. In the reporting year, Sartorius Mechatronics therefore began to concentrate more on its target sectors, the food and pharmaceutical industries. By doing this, we are aiming at making ourselves less dependent on the chemical industry and its highly cyclical demand trends.

Pharmaceutical Companies Boost R&D Budgets

The year's significant events in the area of pharmaceutical production processes are discussed in detail in the previous section (see page 22). Sartorius Mechatronics additionally offers analytical and weighing equipment for the research and development phase and for process and quality management in the pharmaceutical industry, so research spending among the pharmaceutical companies is also of interest. The pharmaceutical groups increased their investment in research and development once again in the reporting year in search of new active pharmaceutical ingredients and innovative medications. According to the EU Industrial R&D Investment Scoreboard, the pharmaceutical and biotechnology industry has now become the sector with the highest private research and development investment in the world.

Acquisitions and alliances also featured prominently once again in 2009 as companies sought to accelerate the development of new drugs or tap into new business areas.

Companies want technologies that are scalable so that they can transfer the results of their research step-by-step from laboratory scale to full production scale. These scalable systems enable customers to generate the increasing quantities of substances required for each successive test phase quickly and with optimal yields.

Food Industry Largely Stable

The food industry suffered less than other sectors in 2009 from the effects of the economic crisis. Growth in the western industrialized countries stagnated; in China and India, in contrast, the industry enjoyed renewed dynamic expansion as a result primarily of the rapid rate of population growth in these countries and their increasingly affluent middle and upper class, who are increasingly modeling their patterns of consumption on western standards. For this reason, producers responded by continuing to move their manufacturing processes onto a more industrial footing and to adapt them to reflect international safety and quality standards. Multinational food groups have further expanded their presence in China and India too in order to gain a larger slice of these burgeoning markets and are investing on a substantial scale to build up their capacity.

In the western industrialized countries, the wellness and health trend persisted, with demand for foods fortified with health-promoting ingredients – so-called functional foods – again remaining very high. Industrially processed convenience products that are quick and easy to prepare or ready to eat also remained very popular. Both of these segments continued to achieve better-than-average growth rates in the reporting year. Demand for affordable foodstuffs also rose considerably, however, and companies in the sector went to great lengths to make their processes even more productive without compromising on product quality in order to keep prices down as much as possible.

The levels of safety and quality required by consumers and lawmakers alike have risen again over recent years and ensuring that products are safe and of high quality has consequently become a critical issue for many producers in the food industry. Companies are accordingly looking to measurement and control systems that enable them to monitor and control parameters affecting costs, quality and safety directly in order to maintain product standards.

Chemical Industry Significantly Contracted

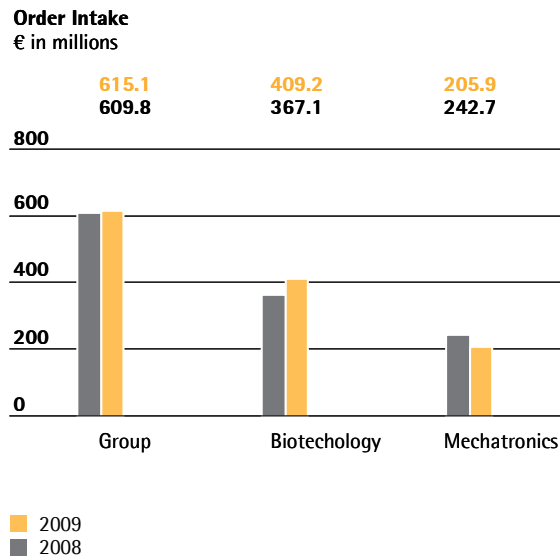
The economic crisis hit the chemical industry particularly hard in the reporting year. Following years of dynamic growth, numerous industrialized countries suffered declines in the double-digit range. The fall in sales revenue and income in the industry was blamed on the slump in major customer sectors including automotive, construction and textiles. These sectors reduced their inventories as well as scaling back production, leading to a further decline in orders for the chemical companies. Many chemical groups moved quickly to introduce cost-cutting measures, trimming their production capacity, mothballing plants and production facilities and putting off planned capital expenditure.

Public Research Sector Supported by National Stimulus Packages

According to OECD estimates, research and development is generally one of the first areas to be affected by spending cuts in times of recession. This time, however, many governments have provided large sums of money in the form of state economic stimulus packages to ameliorate the effects of the crisis and science and education have been among the beneficiaries. The federal government in the USA, for example, presented an innovation strategy whose aims include strengthening fundamental research and creating a more innovation-friendly climate for business. Other countries, Germany and France among them, have also directed additional state funding into science and education.

The newly industrialized countries are becoming more and more important in the context of public sector research. Although China currently spends about 1.5% of its gross national product on research and consequently still trails the leading research regions – Japan, the USA and Europe – on this measure, it intends to boost this figure to 2.0% in 2010 and 2.5% by 2020. India and other countries in Asia have also similarly introduced substantial reforms in their funding for science and technology with the aim of encouraging greater innovation.

Group Business Development



Order Intake and Sales Revenue

Business in both Group divisions showed substantially divergent trajectories over the course of the year ended. Business for the Mechatronics Division declined significantly against the background of the global recession, but the effects of this downturn were mostly offset by the positive performance of the Biotechnology Division, where order intake and sales revenue both increased considerably. Overall, the Sartorius Group received orders worth €615.1 million in fiscal 2009, which represents a year-on-year increase of 0.9% (previous year: €609.8 million). Order intake was almost unchanged from the previous year on the basis of constant currencies (-0.4%). Consolidated sales revenue for fiscal 2009 eased slightly (-1.6%) to €602.1 million from €611.6 million a year ago. Currency-adjusted sales revenue fell 2.7%.

The Biotechnology Division posted double-digit growth in order intake, which rose 11.5% to €409.2 million from €367.1 million a year earlier. Its order volume on the basis of constant currencies also increased by double digits, 10.3%. Its sales revenue accordingly climbed 9.4% to €400.4 million from €366.0 million a year ago.

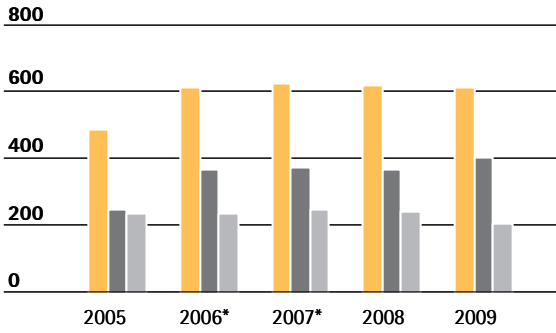
The currency-adjusted increase in sales revenue amounts to 8.3%. Gains in order intake and sales revenue stemmed primarily from single-use products business, where growth rates pushed well into the double-digit range.

The Mechatronics Division received orders worth a total of €205.9 million over the course of the year. Order intake was thus at -15.2%, down from the previous year's figure of €242.7 million. The volume of orders was at -16.6% on the basis of constant currencies. The recession-induced collapse in demand that set in during November 2008 became particularly acute in the first half of the reporting year, but by the end of fiscal 2009 mechatronics business was beginning to show initial signs of recovery. Division sales revenue after the full twelve months shows -17.9% (currency-adjusted: -19.3%) and stands at €201.7 million, down from €245.6 million a year ago, as a result of the drop in order volume.

Further information about order intake and sales revenue trends in the two divisions is provided on pages 46 and 54.

Sales Revenue
€ in millions

484.3	602.6	622.7	611.6	602.1
249.8	365.5	375.9	366.0	400.4
234.5	237.1	246.8	245.6	201.7

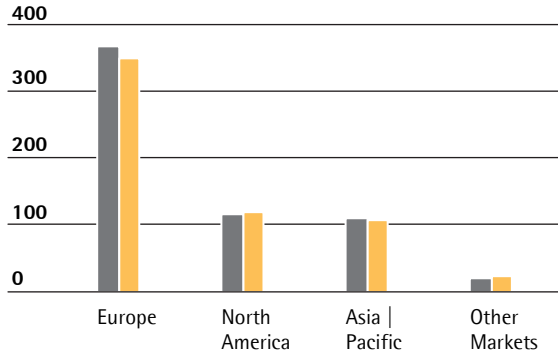


■ Group
■ Biotechnology
■ Mechatronics

* pro forma (including Stedim and excluding the hydrodynamic bearings business)

Sales Revenue by Region
currency-adjusted, € in millions

347.9	119.0	105.1	22.9
364.6	115.9	110.2	20.9



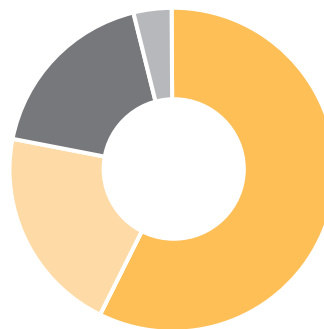
■ 2009
■ 2008

Regional analysis shows that in North America, the Biotechnology Division's solidly double-digit currency-adjusted growth in both order intake and sales revenue more than offset the double-digit decline in mechatronics business, with Group order intake overall in the region jumping 10.5% in currency-adjusted terms. Consolidated sales revenue in North America also improved, with currency-adjusted growth of 2.7%.

The Biotechnology Division performed well in Europe, too, achieving growth rates in the high single-digit range; mechatronics business, by contrast, declined faster in this region than anywhere else. The currency-adjusted value of orders at Group level in Europe accordingly was at -3.3%, with sales revenue at -4.6% in a year-on-year comparison.

The value of orders at Group level in the Asia | Pacific region came very close to equaling the previous year's figure (-0.6%) on the basis of constant currencies. Growth in order intake at the Biotechnology Division in this region was in the double-digit range. The reduction in order intake at the Mechatronics Division in the Asia | Pacific region was less severe than in the other regions and did not exceed single digits. Based on a year-on-year comparison, currency-adjusted consolidated sales revenue in the Asia | Pacific region was at -4.6%.

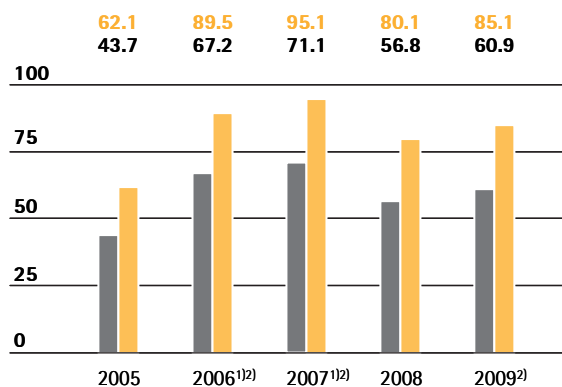
Sales Revenue by Region
in %



■ Europe 57.1
■ North America 20.9
■ Asia | Pacific 18.2
■ Other Markets 3.8

EBITA and EBITDA

€ in millions



■ EBITDA
■ EBITA

¹⁾ pro forma (including Stedim and excluding the hydrodynamic bearings business)

²⁾ underlying

Earnings

The Sartorius Group uses earnings before interest, taxes and amortization (EBITA) as the key profitability measure. Amortization in this context refers exclusively to the purchase price allocation (PPA) to acquired intangible assets according to IFRS 3. To provide a complete and transparent presentation of the Group's profitability, we additionally report earnings adjusted for extraordinary expenses, i.e., underlying EBITA or operating earnings, for fiscal 2009.

Earnings considerably differed between the two divisions as did their order intake and sales revenue. The Mechatronics Division contributed a slight proportion to earnings, so nearly the entire Group earnings figure for the year is attributable to the Biotechnology Division. Buoyed by its single-use products business, the Biotechnology Division boosted its operating earnings by a significant 51.5% to €60.2 million from €39.7 million a year earlier. The corresponding margin improved from 10.9% to 15.0%. Underlying EBITA for the Mechatronics Division, in contrast, steeply declined from €17.1 million in the previous year to €0.7 million in fiscal 2009, as a result of the recession. The margin sank from 7.0% to 0.4%. Although the Mechatronics Division had reported losses during fiscal 2009, it closed the full year with slightly positive operating earnings as a consequence of its restructuring measures.

Earnings

€ in millions	2009*	2008
EBITDA	85.1	80.1
As a % of sales revenue	14.1	13.1
EBITA	60.9	56.8
As a % of sales revenue	10.1	9.3
Earnings per share (in €)**	1.22	1.07

* underlying

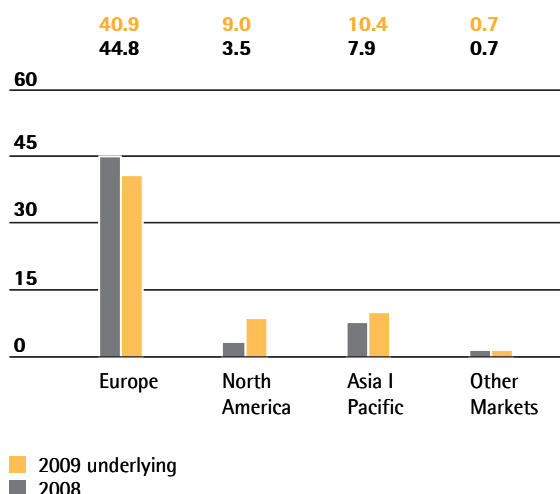
** excluding amortization & interest on share price warrants

On the whole, the excellent earnings of the Biotechnology Division more than compensated for the decline reported by the Mechatronics Division, with underlying EBITA at Group level rising 7.2% to €60.9 million over the course of the reporting year from €56.8 million a year ago. The corresponding margin improved from 9.3% to 10.1%.

While the Biotechnology Division generated a significant contribution to the profitability of the Group in fiscal 2009 with overproportionate gains in earnings in all regions, especially North America, the Mechatronics Division contributed positive earnings to the Group's overall figure only in the Asia | Pacific region.

Underlying EBITA at Group level was highest in Europe at €40.9 million (previous year: €44.8 million). The underlying EBITA margin here contracted slightly from 10.6% a year earlier to 10.3% in fiscal 2009. The drop in earnings in Europe stems from the Mechatronics Division's negative contribution to earnings in this region. We once again achieved our strongest profitability figures in the Asia | Pacific region, where the underlying EBITA margin hit 13.5%, up from 10.9% a year ago. Underlying EBITA there amounted to €10.4 million, up from €7.9 million in the previous year. We improved our operating earnings from €3.5 million to €9.0 million in North America, where the margin accordingly rose from 3.0% to 7.1%.

EBITA by Region € in millions



The Group's EBITA including all extraordinary items amounts to €30.9 million (previous year: €56.8 million), with extraordinary expenses reported at -€30.0 million. The corresponding EBITA margin is 5.1% relative to 9.3% a year ago. The main component of the extraordinary expenses item is €20.5 million for human resources measures in conjunction with the restructuring activities at the Mechatronics Division. Additional components include non-operating depreciation and write-downs of €4.4 million as well as other non-operating items. Unadjusted consolidated net profit after minority interest amounts to -€7.3 million (previous year: €12.4 million). This is primarily due to the significant restructuring charges in the Mechatronics Division.

The relevant Group underlying net profit totals €20.8 million, up from €18.2 million a year earlier. This figure is calculated by adjusting for extraordinary expenses and eliminating the two non-cash items of amortization (€7.0 million; previous year: €6.3 million) and interest expense resulting from recognition of the share price warrants granted to Sartorius Stedim Biotech shareholders over the first seven months of the year (€0.7 million; previous year: €2.7 million), as well as by allowing for tax effects. The corresponding earnings per share amount to €1.22, up from €1.07 a year ago.

Further information about earnings trends in the two divisions is provided on pages 47 and 55.

Cash Flow Statement Summary

€ in millions	2009	2008
Net cash flow from operating activities	143.4	53.0
Net cash flow from investing activities	- 128.2	- 44.7
Net cash flow from financing activities	21.5	- 3.1
Cash and cash equivalents	58.6	21.9
Gross debt owed to banks	283.3	239.5
Net debt owed to banks	224.7	217.6

Cash Flow

Cash flows from operating activities were solidly positive at €143.4 million. The significant rise over the year-earlier figure of €53.0 million partially stems from the €44.5 million sale of trade receivables as part of an international factoring program and from additional substantial improvement in working capital items (receivables and other assets, inventories and liabilities) of a similar amount. Cash flows from investing activities totaled -€128.2 million (previous year: -€44.7 million). This figure includes the €103.7 million payment of the share price warrants issued in 2007 in connection with the Stedim transaction. Cash flows from financing activities stand at €21.5 million (previous year: -€3.1 million) as a result of loans and borrowings raised and interest and dividends paid.

Appropriation of Profits

The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting to be held on April 21, 2010, for the payment of dividends in the same amount as in the previous year, i.e. €0.42 per preference share and €0.40 per ordinary share, for fiscal 2009. The total profit distributed under this dividend proposal would be unchanged from a year ago at €7.0 million. The remaining retained profit for Sartorius AG of €16.1 million is to be carried over to the new account.

Research and Development

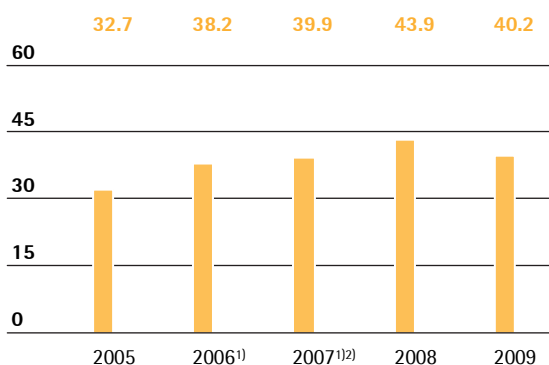
	2009	2008
R&D costs, € in millions	40.2	43.9
As a % of sales revenue	6.7	7.2
Number of patent and trademark applications	187	192
Registered patents and trademarks	122	129

Research and Development

For the Biotechnology Division, research and development (R&D) costs remained nearly constant at €24.5 million relative to the previous year (-0.2%). In the Mechatronics Division, we implemented a number of measures including a reduction in staffing levels to bring R&D spending into line with the changed market conditions. Investment in R&D in 2009 in this division consequently declined to €15.7 million from €19.4 million a year ago; compared year on year, this is -19.1%. By strategically realigning the Mechatronics Division, we are striving to expand this division's technology integration through alliances as well in order to extend our product portfolio, just as we have already done in our Biotechnology Division. The Group as a whole invested a total of €40.2 million in research and development in the reporting year. In a year-on-year comparison, this represents -8.6% (previous year: €43.9 million). The Group's ratio of R&D costs to sales revenue eased to 6.7% from 7.2% a year earlier.

Research and Development Costs

€ in millions



¹⁾ pro forma (including Stedim and excluding the hydrodynamic bearings business)

²⁾ underlying

To protect our available know-how, we pursue a targeted policy for intellectual and industrial property rights in both divisions. We systematically monitor whether these rights are observed and review whether it is necessary under cost | benefit aspects to continue maintaining individual rights.

We filed 187 applications for intellectual and industrial property rights in 2009, which is slightly fewer than in the year before (192). As a result of the applications submitted in the past years, we were issued 122 patents and trademarks (previous year: 129). As of the reporting date, we owned a total of 2,178 patents and trademarks, up from 1,938 a year ago.

Further information is provided in the section entitled "Business Development of the Biotechnology Division" on pages 50-51 and in the section entitled "Business Development of the Mechatronics Division" on pages 57-58.

Employees

	2009	2008
Biotechnology	2,381	2,362
Mechatronics	1,942	2,298
Total	4,323	4,660

Employees by Division
December 31, 2009; in %



■ Biotechnology 55.1
■ Mechatronics 44.9

Employees

The Sartorius Group had 4,323 employees at the end of the fiscal year relative to 4,660 in the previous year. This represents a reduction of 337 or -7.2% compared with December 31, 2008.

The decrease in headcount essentially resulted from adjustment of staffing levels in the Mechatronics Division to accommodate the current business situation. Overall, the global package of cost-cutting and restructuring measures implemented in this context led to a reduction in jobs worldwide to 356. The number of people employed in the Mechatronics Division as of December 31, 2009, was accordingly down at 1,942 from 2,298 as of December 31, 2008, which equates to -15.5% year on year.

A total of 247 jobs were cut across the German sites. Extensive use was made in this connection of the government-sponsored short-time working program. As of the reporting date, the employees affected were on a 100% reduced workhour schedule and were participating in training measures to obtain qualifications for potential new tasks.

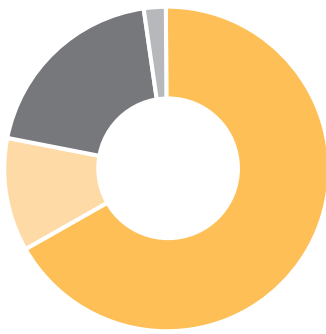
The number of persons employed in the Biotechnology Division on the reporting date rose slightly by 19 (0.8%) from 2,362 as of December 31, 2008, to 2,381 at the end of 2009.

Although the workforce in Europe remained stable at the Biotechnology Division in a year-to-year comparison, the region bore the brunt of the restructuring measures in the Mechatronics Division, and the total number of staff employed by the Group in Europe as of December 31, 2009, was consequently down 267 (-8.5%) year on year to 2,884 (December 31, 2008: 3,151). Employee numbers on the reporting date also fell year on year in the other regions as a result of the restructuring measures in the Mechatronics Division. Total headcount in North America at the end of the last fiscal year stood at 495 (previous year: 540), which represents a reduction of 45 employees (-8.3%) compared with December 31, 2008. The number of employees in the Asia | Pacific region at the end of the reporting year totaled 854, which is 44 (-4.9%) fewer than on December 31, 2008 (898).

Further information is provided in the section entitled "Business Development of the Biotechnology Division" on page 52 and in the section entitled "Business Development of the Mechatronics Division" on page 59.

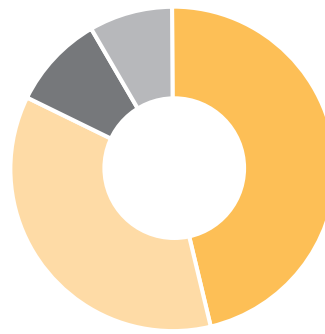
We made no change to the number of training positions available in the reporting year despite the economic crisis and the short-time working arrangements in the Mechatronics Division. Currently, we have around 130 trainees and interns on our programs, which are based primarily at our German sites, and place a premium on providing thorough professional training with an international focus.

Employees by Region
December 31, 2009; in %



Europe	66.7
North America	11.5
Asia Pacific	19.8
Other Markets	2.1

Employees by Function
December 31, 2009; in %



Production	46.1
Marketing Sales Service	36.1
Administration	9.5
Research & Development	8.4

Highly practical work-study programs in both the natural sciences and business administration, which provide targeted hands-on development, also give promising young individuals the opportunity to prepare themselves for future roles.

Our International Biosciences Scholarship program gives natural sciences and engineering students and graduates, particularly those from outside Germany, an opportunity to gain preliminary professional experience with Sartorius through an internship lasting several months. The program is intended to attract appropriately qualified young people from the global growth markets of Asia, Eastern Europe and Latin America in particular to our company and enhance international project activities at Sartorius.

The Sartorius management development program aims to ensure that we can fill management vacancies primarily from within our own ranks. This means that high-performing employees have attractive options for advancement and helps to retain them at the company. We reorganized a number of areas and made new appointments to a whole series of management positions in the reporting year as a result of the strategic realignment of the Mechatronics Division. In the great majority of cases, we were able to find the right candidates for these positions from within the ranks of our own junior managers.

We continuously adapt job safety and work organization conditions in line with the applicable laws and regulations as well as guidance issued by the German Occupational Health and Safety Agency. Notable events in this area in 2009 included an audit of the occupational health and safety management system operated by Sartorius Mechatronics at the Hamburg site, which resulted in our successful recertification under OHSAS 18001. The number of occupational accidents at Sartorius was below the statistical mean calculated by BG ETEM, the German institution for statutory accident insurance and prevention with responsibility for our industry, for the eighth time in succession in 2009.

Our corporate health management policy enhances the performance and motivation of our employees and cuts illness-related costs. In the reporting year, we made further technical and organizational improvements to working conditions in order to reduce job-related medical conditions, risks to health and potential causes of industrial accidents. We recognize that health can suffer as a result of psychosocial factors besides physical stress and will therefore include these aspects in our health management activities more strongly in the future.

Environmental Management

We take great care to ensure that Sartorius always uses natural resources in a thoroughly responsible manner in all areas of its operations. We operate an environmental management system certified in accordance with international standard ISO 14001. Originally introduced at our Group headquarters in Goettingen, the system now also applies at our international sites. Our cross-divisional environmental protection programs and activities aim to conserve resources and avoid emissions and waste.

Sartorius has made finding ways to improve its energy efficiency a particular priority. The combined heating and power plant that came into service at Goettingen in 2008 enables us to reach efficiencies of over 80% as compared with 35% for an ordinary power plant, reducing our carbon dioxide emissions by around 3,400 metric tons a year. We now generate 15% of the total electricity required by the Group's largest production site ourselves and the waste heat produced in the process covers 20% of our in-house heating requirements. Our investment in the plant has led to a meaningful reduction in our environmental impact and cut the company's energy costs significantly at the same time. We also employ optimized control programs to increase energy efficiency in production on a continuous basis. Another energy issue to which we have devoted special attention is the consumption of our fleet of vehicles. Fuel consumption at our Goettingen headquarters fell noticeably in 2009 after we provided training in economical and environmentally-friendly driving techniques for employees who travel extensively on business.

We have made progress on improving recycling performance, too. We operate an advanced solvent recycling plant located on the premises at our Goettingen plant, where we produce membranes for our filter cartridges. The used alcohols from membrane production are processed directly on site and then fed back into the production process, enabling us simultaneously to close material cycles on site, reduce the volume of waste produced and minimize transport requirements. The success of our advanced approach to managing potential pollutants and waste at the sites in Aubagne and Lourdes, France, and in M'Hamdia, Tunisia, meant that 80% of the sites' waste was recycled and used for purposes such as thermal energy in the reporting year.

The integration of advanced environmental technology also always plays a role when we plan site extensions and new builds to expand our global infrastructure, as various measures taken at our Beijing, Bangalore, Arvada and Goettingen sites over the last two years ably demonstrate. The new plant opened at Bangalore, India, in 2009, for example, was consistently designed to minimize energy requirements, and both it and our site at Arvada in Colorado, USA, employ environmentally-friendly systems to collect and reuse rainwater and wastewater.

We harmonized and integrated our internal procedures in relation to the different standards for environmental protection (ISO 14001) and quality (ISO 9001) at the Goettingen site in 2009. A large number of workflows were simplified and simultaneously made more effective as part of this process. The two management systems involved ensure that maximum care is taken in the manufacture of our products and that we are prudent in our use of natural resources. We continue to work on improving our existing systems and extending them in stages to the Group's other sites. In 2009, it was our Hamburg site's turn to be audited; it successfully passed this audit and was certified for compliance with both standards.

Sartorius not only strives to minimize the environmental impact of its own processes and products, but also actively assists its customers to be more environmentally friendly themselves. The Biotechnology Division's single-use products, which are used in the biopharmaceutical industry, play a significant part in this. Studies have shown that single-use solutions account for considerably lower consumption of energy, water and chemicals over their complete life cycle than reusable equipment. Single-use equipment also usually requires considerably less space. The experts compared scenarios including a typical industrial manufacturing process for monoclonal antibodies using predominantly reusable materials and predominantly single-use materials, concluding that manufacturers using mostly single-use solutions consume around 87% less water and 30% less energy and need about 38% less space. Production processes based on single-use equipment are thus less harmful to the environment than conventional manufacturing methods as well as being safer and more economic.

The Mechatronics Division's precision instruments and monitoring and control equipment, which are used in process control and optimization, also help to make customer processes not just more productive, but more environmentally friendly as well by reducing material consumption and waste generation, for example, and helping to maintain compliance with emissions standards. In addition our product inspection systems, which are used in the food and beverage industry in particular, help to protect consumers from harmful substances and contaminants.

Social Responsibility

In our social activities, we seek to maintain tangible links with our scientific and regional roots. At the international level we give our backing to scientific events and academic education. We also support selected projects in the athletic and cultural spheres at a local and site level.

Our sponsoring activities in 2009 once again concentrated on supporting scientific symposia and conferences and also educational institutions. One prominent example in the latter category in the reporting year saw Sartorius Stedim Biotech assist the University of North Carolina in the USA to fit out its new biotechnology research and education center. Our sophisticated laboratory equipment helps to create a contemporary learning environment that accurately reflects everyday practice in the industry. Endowed professorships represent another way for us to support university-level education. Sartorius Mechatronics has a five-year agreement in place to fund a chair of precision metrology at Ilmenau University of Technology in Germany. The Mechatronics Division's research and development department has been working closely with the university on development projects for many years, but this arrangement, which runs until 2012, elevates the relationship to a new level. Sartorius also supports the International Graduate School of Metrology in Brunswick, Germany. The graduate program in metrology is a joint project run by technical university TU Braunschweig and PTB, the German national metrology institute, both of which are based in the city. Sartorius Mechatronics plays its part here as an industrial partner by arranging excursions and technical presentations to bring young scientists together with companies active in the field of metrology. We also sponsor the next generation of young scientists through our own international scholarship program, the Sartorius International Biosciences Scholarship.

Sartorius believes it is important to generate enthusiasm for the natural sciences and engineering among young people and to stimulate their interest in careers in these areas. Sartorius Stedim Biotech's support for Californian nonprofit organization Biotech Partners in 2009 benefitted young people from families with low incomes and little history of educational achievement in particular. Biotech Partners organizes internships and other opportunities for disadvantaged young people in order to give them access to promising careers in biotechnology that would otherwise generally be out of their reach. IdeenExpo 2009, a trade-fair-style event held in Hanover, Germany, to open young people's eyes to the possibilities of a career in science and engineering, provided another excellent opportunity for Sartorius to reach out to potential future recruits. Goettingen-based trainees from the Mechatronics Division used interactive exhibits to encourage their peers attending the event to become involved. The 2009 event, which was the second to be held, attracted more than 280,000 visitors, the great majority of them young people.

Sartorius also lends its support to regional projects in the school, social and cultural spheres, especially at its larger production sites. In Puerto Rico, for example, Sartorius has become an official sponsor of a number of schools in the area surrounding the Yauco site. It works very closely with the schools concerned to help improve their infrastructure and awards scholarships to outstanding students. In the area around its Goettingen, Germany, site, Sartorius has been a partner of a variety of cultural events for many years. Cultural highlights produced with the company's support include the internationally renowned Goettingen Handel Festival and the city's "Literaturherbst" autumn literature festival. Sartorius collaborates with schools in Goettingen too. The company is an industry partner of several Goettingen high schools, among them Felix Klein Gymnasium, which offers an internationally-recognized English-language high school diploma as well as the usual German university admission qualifications to graduates.

Productive and safe

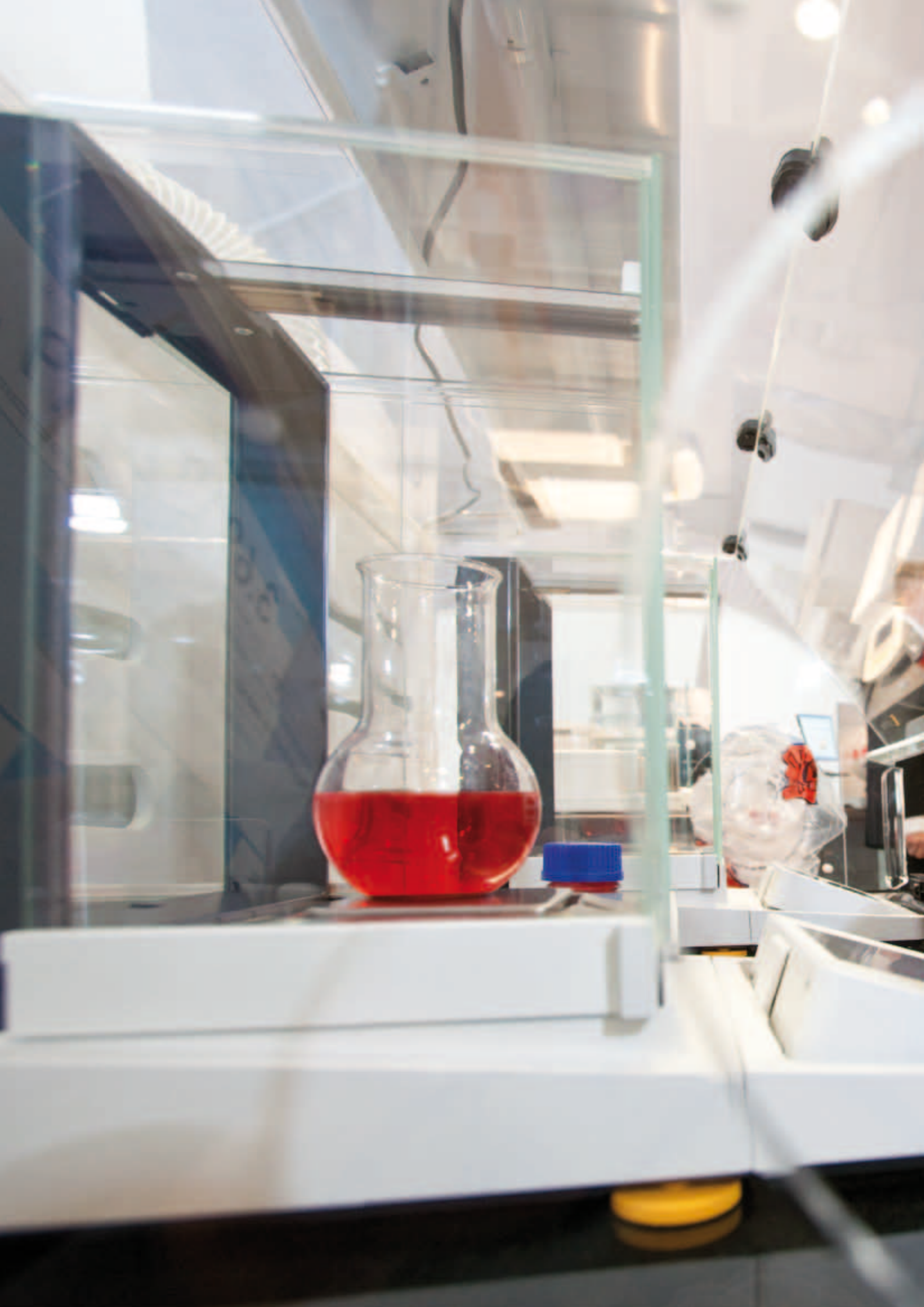
Manufacturers rely on Sartorius

Foreign particles, weights, moisture values, fill levels or piece counts: Sartorius inspection and measurement systems deliver these mission-critical data within seconds to our food-industry customers. We thus enable productive manufacturing of safe and high-quality final products. New trends and solutions for our customers were also at the focus of our discussions with experts from industry and science at the ACHEMA 2009, the world's largest trade show for the process industry.



The image shows a close-up, low-angle shot of a curved, metallic surface, likely a piece of industrial equipment. The word "sartorius" is printed in a bold, dark blue, sans-serif font on the surface. The background is out of focus, showing a modern interior with bright, yellow, oval-shaped lights and a computer monitor mounted on a wall. The overall lighting is bright and clean, suggesting a high-tech or laboratory environment.

sartorius





Intelligent and user-friendly Scales with added value

Exact, repeatable and fast results along with ease of use: these are basic requirements on weighing equipment. Yet Sartorius lab balances and industrial scales can do much more. With intelligent software, modular design and well-engineered accessories, they create added value and help our customers design efficient and error-free processes. Also, safe work environments are important to us. For instance, our safety weighing cabinet for weighing hazardous materials forms a contained area surrounding the balance, which prevents contaminated air or particulates from infiltrating a user's workspace. Both the balance and the weighing cabinet are ideally matched.



Innovative and reliable

New winning solutions

Customers define innovation. They drive product development at Sartorius. This is why we work closely with the users of our products, analyze their processes and create tailored solutions with true added value. Sometimes it takes an eye for simple details, as in the case of our customer who kept losing expensive product left inside a bypass tube connecting two filter capsules. Our new T-shaped connectors now enable him to join the capsules directly, further increasing product yield and cost-efficiency. Small effort, big payoff: our customer is completely satisfied with this winning solution and so are we.



FlexAct



sartorius stedim
biotech

Flexible and efficient

Single-use technology, perfectly combined

In biomanufacturing, the change in technology from reusable to single-use systems is in full swing. Flexible single-use solutions are increasingly replacing large, permanently installed stainless steel systems. With our new FlexAct product family, we are helping to make this switch easier than ever before: this innovative system combines single-use components and system control into a completely integrated production unit. All components are perfectly matched to one another and preconfigured into a mobile platform by Sartorius. For the manufacturer, this means that processes can be controlled rapidly, flexibly and cost-efficiently.

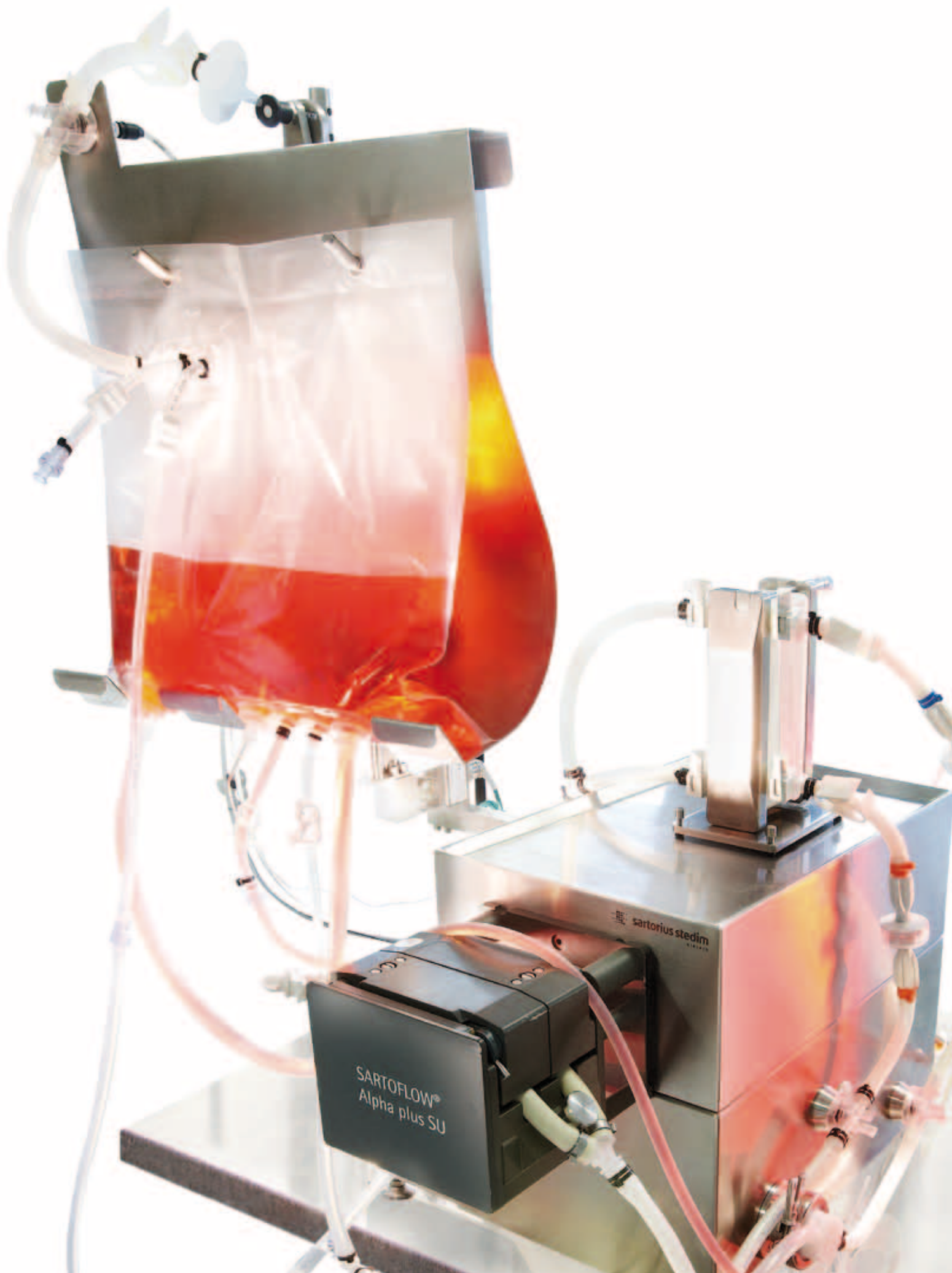


Capable and customer-focused

Consultation is our calling

At Sartorius, products and services effectively go hand in hand. Our services are comprehensive and start by thoroughly "sizing up" a process. We reliably uncover potential for optimization that lies hidden in every process. Then we find the best solution, which is different for each customer. Take our crossflow filtration systems: they can be operated either with disposable bags or with permanently installed stainless steel tanks. There are good reasons for using either version so Sartorius applications specialists exactly check which solution is the best fit. Available on site, our specialists have your entire process on their radar.





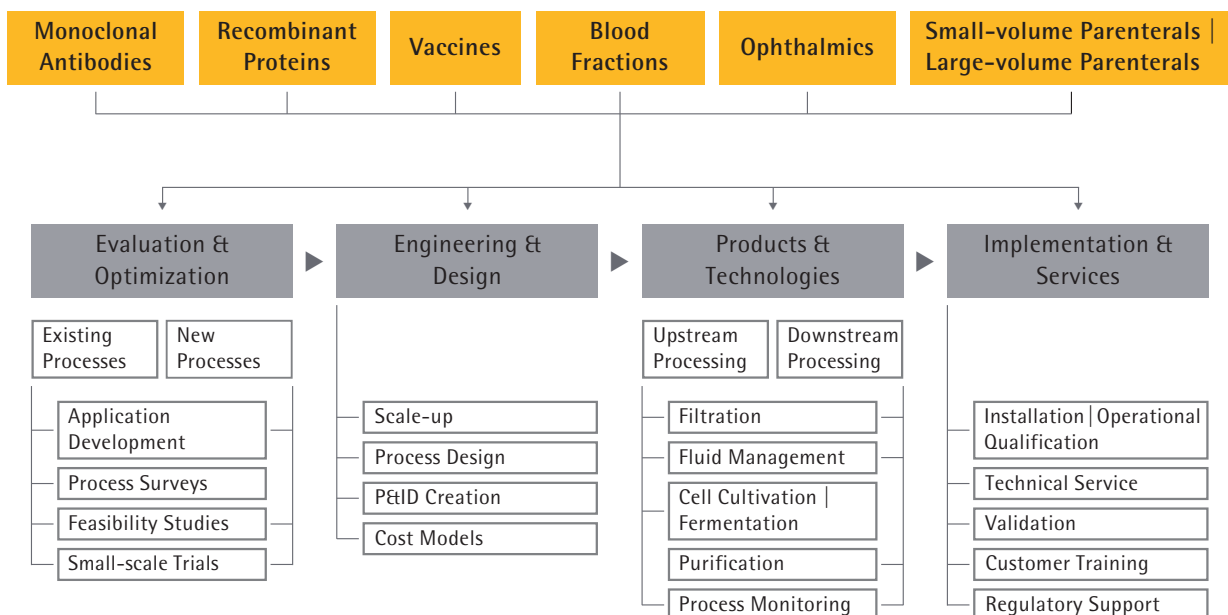
Business Development of the Biotechnology Division

Strategy

In the Biotechnology Division, the Sartorius Group operates as a total solution provider; i.e., a provider of integrated solutions for all key process steps in biopharmaceutical production. Our extensive range of technologies, products and services helps customers develop and manufacture medications and vaccines using biological methods – safely and efficiently. We rank among the global leaders in bioprocess filtration, fermentation, fluid management technology and membrane chromatography and in a variety of other purification technologies. Our unique range of products covers virtually all upstream and downstream steps in the production of active pharmaceutical ingredients.

One of our major areas of focus is on increasingly offering our biopharmaceutical customers single-use products to serve their needs in production processes. Single-use products, which account for approximately three quarters of our division's sales revenue, represent an innovative alternative to conventional reusable stainless steel systems for our customers thanks to the significant cost- and time-savings they provide. We already have the most comprehensive single-use technologies portfolio in the sector, and our comprehensive technical consulting and services, which we tailor specifically to the requirements of individual applications, set us apart from the competition.

Solution Provider Along the Customer's Process Chain



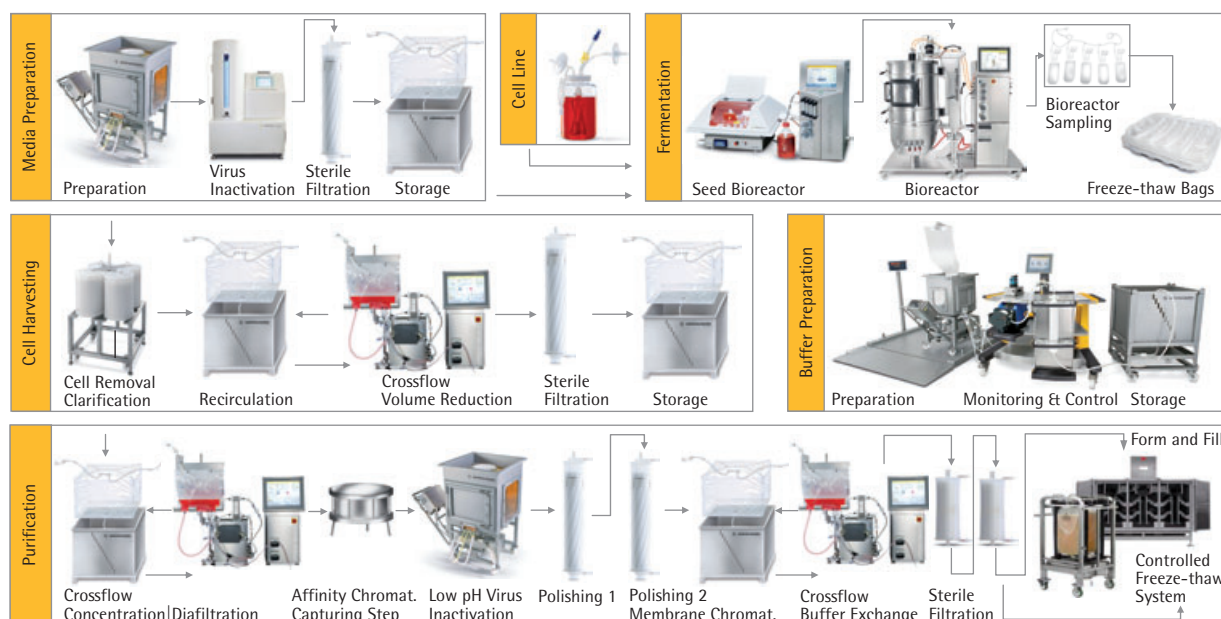
We focus a smaller part of our activities on biopharmaceutical laboratories. In addition to conventional laboratory instruments, such as water purification systems, shakers, centrifuges, bioreactors and fermenters, we offer a range primarily consisting of consumables for the laboratory, including filters, bags and cell culture vessels, among other items. These products help our customers to perform small-scale development and testing of active pharmaceutical ingredients first before fully scaling up to large-volume production. All of our technologies are fully scalable, so customers can easily increase the quantities of different substances as required for the process phase concerned.

The above-average organic growth achieved in the Biotechnology Division over recent years stems to a considerable extent from our total solution provider approach, which has seen us continuously expand the product range right along our customers' process chain. Carefully targeted alliances and acquisitions play a central role alongside our own research and development activities in putting this growth stra-

tegy into practice. Our R&D department, which has accordingly stepped up its efforts to build up expertise in technology integration, quickly combines the technologies contributed by our partners with our own components to create innovative new products. We expect to see additional growth momentum, both from closer collaboration between the Biotechnology Division and selected areas of the Mechatronics Division – which is the natural choice given our similar customer structures in areas including the laboratory segment – and from the development of new technologies in fields, such as process analytics.

Our Biotechnology Division's strong dedicated sales, distribution and service organizations and manufacturing companies give it a global presence with a particularly high profile in the major pharmaceutical markets. We offer our customers, who predominantly operate worldwide, products and services that consistently meet the same global quality standards throughout all production facilities.

Complete Product Portfolio for Single-use Biomanufacturing



Key Figures for Biotechnology

€ in millions	2009	2008
Order Intake	409.2	367.1
Sales revenue	400.4	366.0
EBITDA	75.1*	54.4
As a % of sales revenue	18.7	14.8
Depreciation and amortization	22.7	21.0
EBITA	60.2*	39.7
As a % of sales revenue	15.0	10.9
Employees as of Dec. 31	2,381	2,362

* underlying

Order Intake and Sales Revenue

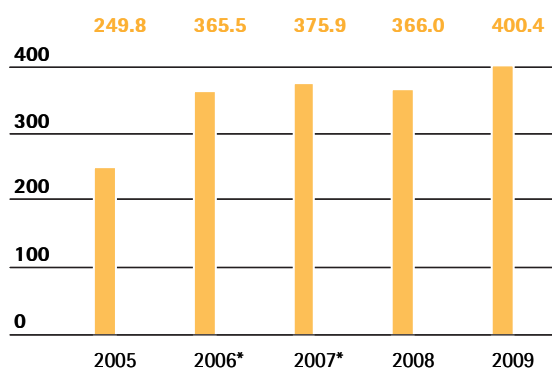
Fiscal 2009 provided yet another year of dynamic growth for the Biotechnology Division. On the whole, order intake rose by double digits, 11.6%, to €409.2 million from €367.1 million a year ago. Based on constant currencies, the volume of orders was also up by a considerable 10.3%.

Much of the excellent progress made stemmed from overproportionate growth rates generated by the division's business with single-use products, which are increasingly being used in the manufacture of biopharmaceuticals, such as monoclonal antibodies and vaccines, on account of the advantages these disposables offer over conventional reusable technologies. Business was already strong before the emergence of the H1N1 virus (swine flu), but the ensuing increase in demand from vaccine manufacturers contributed additional momentum. As expected, equipment business with reusable large-scale bioreactors slightly declined, by contrast, but saw positive momentum as of the second half of the year.

The division increased its sales revenue 9.4% to €400.4 million from €366.0 million a year ago. The currency-adjusted gain amounts to 8.3%. Elevated demand from vaccine producers added two percentage points to this growth figure.

Sales Revenue for Biotechnology

€ in millions

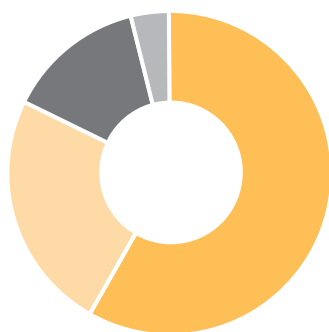


* pro forma (including Stedim)

In North America, we reported a surge in currency-adjusted order intake of 20.4%. We also posted a double-digit increase in sales revenue, which was up 11.6% on the basis of constant currencies. These figures mark a return to substantial growth in sales revenue and order intake following the temporarily unsatisfactory development in North America in 2008 when several major customers in the biopharmaceutical industry cut production in response to delayed or restricted drug approvals.

We achieved substantial increases in order intake and sales revenue in both Europe and the Asia|Pacific region, too. In Europe, the volume of orders grew by a currency-adjusted 7.1%; sales revenue, by a currency-adjusted 6.5%. In the Asia|Pacific region, we recorded double-digit growth of 11.6% in order intake and an increase of 4.7% in sales revenue.

Sales Revenue by Region
in %



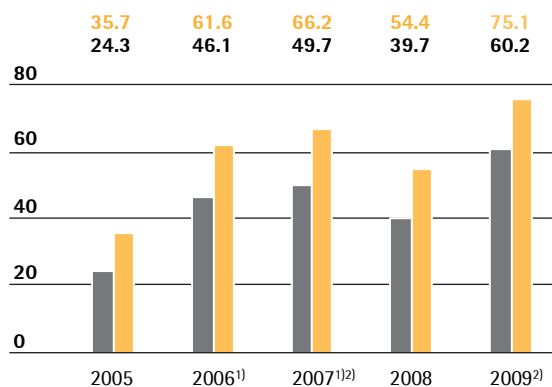
Europe	58.1
North America	24.2
Asia Pacific	13.8
Other Markets	3.9

Earnings

For fiscal 2009, we additionally indicate earnings adjusted for extraordinary expenses, i.e. underlying EBITA or operating earnings, in order to provide a complete and transparent presentation of the Biotechnology Division's profitability.

The Biotechnology Division contributed the majority of earnings to the Sartorius Group, boosting its operating earnings 51.5% year on year from €39.7 million to €60.2 million. The underlying EBITA margin also improved markedly from 10.9% to 15.0%. Besides the increase in sales volume, the enhanced product mix favoring high-margin single-use products and stringent cost management contributed to this surge in profitability, even though significant destocking as part of our global measures taken to optimize working capital had a dilutive effect on earnings.

EBITA and EBITDA for Biotechnology
€ in millions



EBITDA	75.1
EBITA	60.2

¹⁾ pro forma (including Stedim)
²⁾ underlying

Extraordinary expenses accounted for €4.6 million. These include, inter alia, one-time expenses of €1.8 million for consolidation of production sites as well as non-operating depreciation and write-downs of €1.7 million.

By posting positive results and considerably improved margins, all regions contributed to the increase in the Biotechnology Division's earnings. Underlying EBITA was highest in the European region at €44.7 million, up from €32.7 million a year earlier. Europe also returned the highest profitability figures, with the underlying EBITA margin rising from 12.7% in the previous year to 16.4% in fiscal 2009. The division's margin grew the fastest in North America, where the underlying EBITA margin jumped significantly from 4.2% to 10.7% as a result of the strong surge in sales revenue. Operating earnings also soared, from €3.5 million in the previous year to €10.3 million in fiscal 2009. In the Asia | Pacific region, the Biotechnology Division recorded underlying EBITA of €4.5 million, up from €2.9 million a year ago. The corresponding margin rose from 11.4% to 14.3%.

Marketing | Sales and Distribution | Service

The Biotechnology Division offers a comprehensive and innovative range of products covering large parts of the biopharmaceutical process chain. Particularly prominent in our portfolio are single-use products, which are penetrating the market in almost every area of biopharmaceutical manufacturing processes thanks to their impressive cost-effectiveness. Consistent with this trend, our marketing and sales and distribution activities in the reporting period concentrated on launching additional single-use products and complete single-use solutions.

Integrated Solutions in Demand

The Biotechnology Division has built a leading position in the market. As the market now very much embraces single-use solutions, this opens up innovative design possibilities, especially for new production plants. We have now introduced a new business unit, Integrated Solutions, to leverage these opportunities by actively targeting projects in which single-use technologies play a leading role. Integrated Solutions, which has access to all of the company's technologies, will help customers realize specific projects – a service for which there is currently strong demand from Asian countries like India, Singapore and South Korea in particular. Consulting services are very important in the concept development phase of such projects and we are consequently also increasing our marketing efforts in this area.

We added the new FlexAct series of products to our portfolio in the reporting year in response to rising demand for innovative and immediately deployable single-use solutions to cover entire process steps. FlexAct products, which consist of a number of modules based on pre-configured and ready-to-operate single-use system solutions, meet the associated requirements with unprecedented effectiveness. Designed for the various upstream and downstream biopharmaceutical processes, they present customers with new and straightforward ways to take advantage of single-use products. We launched the first module in the new series, FlexAct PB, during the reporting year.

Key Account Management Strengthened, Service Expanded

We extended our team of global key account managers in the reporting year to help us respond even better to the concentration and globalization processes at work in the sector and provide even more effective support to our major customers. For the new Integrated Solutions unit, we also created sales and distribution structures and held sales training sessions worldwide to provide continuing personal development and qualification opportunities for our field service employees. Moreover, we further expanded our global service structures, opening new validation laboratories in South Korea and India that have enabled us to increase our services offered to customers in Asia.

Successful Marketing Communication

Measures to promote active knowledge sharing between our own experts and researchers and users in industry are a permanent feature of our organization. We once again organized several of our Downstream Technology Forums in Europe and the USA in order to facilitate knowledge transfer and thereby boost the pace of innovation in specifically targeted technical fields including, for example, the purification process. Attending conferences and international trade shows was another key component of our marketing activities in the reporting period. Among the events at which we presented the company was theACHEMA 2009 World Exhibition Congress on Chemical Engineering, Environmental Protection and Biotechnology in Frankfurt, where our stand exhibiting a production process based exclusively on single-use technologies attracted tremendous attention. In fiscal 2009, we once again published a special supplement with the prestigious scientific journal BioProcess International. Entitled "Biomanufacturing – The Age of Disposables," the supplement contained articles contributed by from leading scientists, application specialists and Sartorius experts, and examined current trends and challenges within the biopharmaceutical industry. This journal will consequently have a positive effect on our marketing communication for some time to come.

Products

Sartorius Stedim Biotech is a total solution provider supplying customers in the biopharmaceutical industry with an extensive range of products and technologies for medium- and large-scale production processes. Some of these products we also offer in smaller, scaled-down versions for use in the laboratory.

Our range of products for filtration applications in the upstream and downstream areas includes a wealth of filter membranes for sterile filtration, ultrafiltration and depth filtration. The membranes are supplied as single-use filter elements and are available in a variety of sizes. We cover the entire upstream and downstream process, too, with a comprehensive line-up of single-use bags, connectors and containers for storing and transporting biopharmaceutical media, and also offer filtration systems and filter integrity testing equipment. Sartorius Stedim Biotech provides a highly extensive range of bioreactors|fermenters for cell culture applications covering all size requirements from laboratory and pilot scale to process scale, where single-use bioreactor systems make up a growing proportion of our range. We supplement our range with bioreactors featuring a conventional design in which either glass or stainless steel culture medium vessels are used, depending on size.

Our products are also used in the laboratory, too. Small-volume filter units and single-use bags, for example, are employed primarily for research and development work in the lab environment and hence often represent the first stage in the successful transfer of a process from laboratory scale to pilot and, eventually, production scale. Moreover, laboratory products, such as incubators, homogenizers, shakers and laboratory water purification systems, extend our range of laboratory equipment.

We round off our product array by offering our customers a range of services and application-specific training programs. Subjects addressed by our training activities focus on validation, process optimization and quality assurance beside the standard application areas of filtration, cell cultivation and purification.

We launched numerous new products in the reporting period. One, the FlexAct BP module, introduces a completely new approach to the production of buffer solutions: we provide all of the equipment

necessary for production in a ready-configured single-use package, sparing customers the time-consuming chore of coordinating and validating the individual components required and making this whole process step easier than ever before. Another welcome labor-saving addition is the new SENSOLUX shaker platform, which incorporates an innovative optical sensor system. Used in combination with SENSOLUX EF single-use Erlenmeyer flasks, this highly practical product generates valuable data even in the early stages of animal cell cultivation.

We also launched a completely new type of membrane adsorber in 2009: Sartobind Phenyl, the world's first membrane adsorber for hydrophobic interaction chromatography (HIC), provides increased flow rates to speed up processes, and opens up new possibilities in the purification of therapeutic proteins.

The BIOSTAT B-DCU II, a compact new bioreactor system designed especially for complex requirements in the development of processes for microbial and cell culture applications, was another of the products launched in the reporting year. Its key features include highly flexible gassing strategies and the ability to operate up to six culture vessels separately.

Our range of filter integrity testing equipment also gained a new member in the form of the Sartocheck mini, which checks membrane filters for damage and defects. Particularly small and lightweight, the Sartocheck mini offers enormous flexibility when used in the production environment. Electronic data transfer via a computer makes it easy for the user to program the system and ensures that test results are securely archived.

We also expanded our range of single-use bags, connectors and transport containers substantially in the reporting year. For example, we installed a pH sensor in the Flexel LevMixer to permit monitoring of the pH of biopharmaceutical media even during the mixing process; added new products in 5, 10 and 50 liter sizes to the Flexel 3D series, which had previously been limited to bags for larger volumes; and launched the new OPTA SFT connector, which provides an exceptionally straightforward and user-friendly way to realize a sterile connection between single-use bags and tubes.

Research and Development

	2009	2008
R&D costs, € in millions	24.5	24.5
As a % of sales revenue	6.1	6.7
Number of patent and trademark applications	120	147
Registered patents and trademarks	79	79

Research and Development

Sartorius Stedim Biotech has an extensive technology portfolio, which we continue to expand through our own development activities, alliances with external partners and acquisitions. Our core technical expertise lies in the fields of filtration, cell cultivation, fluid management technology, chromatography, membrane and plastics technology, sensors and automation. Finding novel ways to combine elements of these different technologies remains one of the principal methods employed at Sartorius Stedim Biotech to create innovative and integrated products.

Our new FlexAct series is a good recent example of how this approach works in practice. The series consists of a number of modules – ready-configured system solutions based on single-use components – designed for upstream and downstream processes in the biopharmaceutical industry. The first module in the series, which was developed at an international level, has already been launched.

Moreover, we expanded our range of single-use bioreactors in the reporting year. We completed the BIOSTAT Cultibag STR bioreactor product line, which has enjoyed great success since its launch, with the addition of three new variants. BIOSTAT Cultibag STR products are now available for cell culture applications from 50 to 1,000 liters. We enhanced the the design of the bioreactor itself again as well and will be able to begin offering it for high cell density microbial – and hence technically even more demanding – applications in 2010.

In addition to our own internal research and development activities, we actively seek out opportunities for alliances with industrial partners as a low-cost and low-risk way of advancing new products and technologies quickly. Examples of this approach in action include an alliance with Bayer Technology Services to develop and market a single-use oscillating bioreactor and another similar alliance with Swiss company ExcellGene to collaborate on an orbital shake bioreactor. Each of these two bioreactors thus features a novel mixing method for cell culture applications.

Much of our work in the field of filtration concentrated on the expansion of our line of prefilters. We are the very first company to have developed a prefilter membrane that is exclusively based on polyethersulfone (PESU) and is used in our new Sartoguard PS filter cartridge. Also, we completed the capsule lines for the Sartopore 2 XLI and XLG sterile filters and developed a new design for gamma-sterilizable filter units. We devoted considerable effort in the reporting year to creating additional chemical ligands for hydrophobic and high-salt chromatography, too, in order to enhance our market-leading position in the field of membrane chromatography once again.

Many customers in the pharmaceutical industry look to Sartorius Stedim Biotech not just as a supplier, but also as a partner with which they work closely on the development of their own products. The fruits of such collaborations include a number of customer-specific OEM membranes we successfully developed during the reporting year to meet customers' diagnostic requirements.

One of the highlights of the reporting year in the area of laboratory equipment came with the launch of the CERTOMAT CTplus incubation shaker featuring the innovative SENSOLUX shaker tray. The technologies combined in this system make it the very first to permit the monitoring of different process parameters in a number of flasks in the incubator in parallel. The pH and dissolved oxygen values of cultures can be checked very easily online, without any invasive disturbance of the product, by means of an optical sensor integrated into single-use flasks.

All of our planned research and development activities at our new plant in India commenced on schedule. The resources we have now amassed there enable us to develop new products faster and more flexibly and to provide even better local support for our customers in Asia. We have already embarked on initial development alliances with customers, moreover, and intend to step up these activities considerably in 2010.

Production and Supply Chain Management

In the reporting year, we continued to work on our consistent business process improvement measures in keeping with our commitment to supply customers around the world promptly and reliably. It remains our strategy here to supply the various markets directly from our production facilities wherever possible to minimize order processing and turn-around times.

We operate a well-developed global production network. The largest sites based on criteria such as number of employees and production volume are the Goettingen, Germany, and Aubagne, France, plants followed by the production facilities in Concord, California, USA; Bangalore, India; Melsungen, Germany; and in Yauco, Puerto Rico.

The commissioning of a new plant in Bangalore in the reporting year was an event of great strategic importance. This advanced production facility

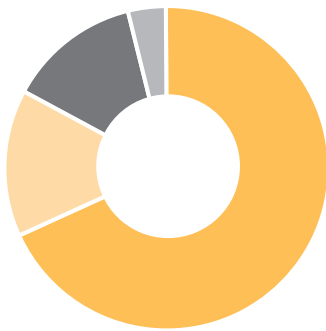
brings the resources previously spread across a number of separate sites in Bangalore together on one new campus and transforms our capabilities regarding our rapidly expanding business in India. The 10,000 m² plant encompasses a GMP-compliant manufacturing environment and meets all international regulatory requirements, making it an ideal base from which to develop our system business in India and other Asian countries. The new production facility is also becoming more and more important as an internal supplier and is slated to produce laboratory equipment for the Asian market and manufacturing components, such as stainless steel containers and relatively large systems in the future. Our Indian plant provides cost advantages and gives us greater flexibility with respect to customer needs and the possibilities for internal order processing.

We expanded our production capacity in the reporting year at the Aubagne, Lourdes, M'Hamdia and Concord sites as a result of additional orders from vaccine manufacturers triggered by the outbreak and rapid spread of the H1N1 influenza virus, also known as the swine flu. Demand from vaccine producers for single-use bags rose sharply as soon as the World Health Organization raised its state of alert to the highest level in June. We added extra shifts at the relevant production sites, temporarily increasing our output by close to 30 percent, in order to cope with the exceptional order intake.

Furthermore, in the reporting period, we focused on reducing tied-up capital. We substantially reduced our inventories of finished and semi-finished goods around the world and worked to further enhance our processes. Much of our effort in the latter area was channeled into the optimization of our global purchasing processes.

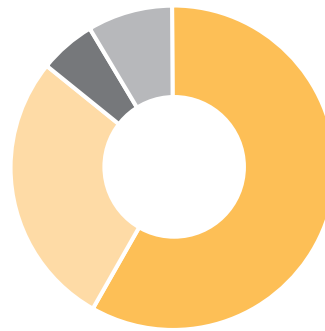
Moreover, we are aiming at providing greater access to standardized fluid management products in the future and have accordingly launched a project to introduce a product configurator.

Employees by Region
December 31, 2009; in %



Europe	68.1
North America	14.7
Asia Pacific	13.5
Other Markets	3.8

Employees by Function
December 31, 2009; in %



Production	58.0
Marketing Sales Service	27.8
Administration	5.6
Research & Development	8.6

Employees

The Biotechnology Division employed 2,381 people as of December 31, 2009, which equates to an increase of 19 (0.8%) over the year-to-year figure (2,362).

The number of employees in Europe remained constant at 1,621 relative to the year earlier. Our North American operations employed 349 people as of the fiscal year ended December 31, 2009, down year on year from 364. Employee numbers in this region fell by 15 (-4.1%) as a result of general measures taken to increase efficiency at production sites. As the scope of consolidation was extended to include our Chinese sales company Sartorius Stedim Biotech (Beijing) Co., Ltd., the number of staff reported in the Asia | Pacific region as of December 31, 2009, was up 15 year on year to 321 from 306. As a consequence of rising demand for single-use bags, we strengthened our workforce by adding 19 new employees (total workforce in 2008: 71) at our site in Tunisia, which we classify in our Other Markets category.

The majority of the division's employees – some 58% in the reporting year – work in production and functions directly linked to production, such as quality management and supply chain management. Nearly 28% work in the Marketing, Sales and Service units. Research and development functions accounted for almost 9% of the division's workforce as of the end of the year; administrative functions, approximately 6%. This means that the percentages of employees by function have largely remained unchanged from the previous year.

Business Development of the Mechatronics Division

Strategy

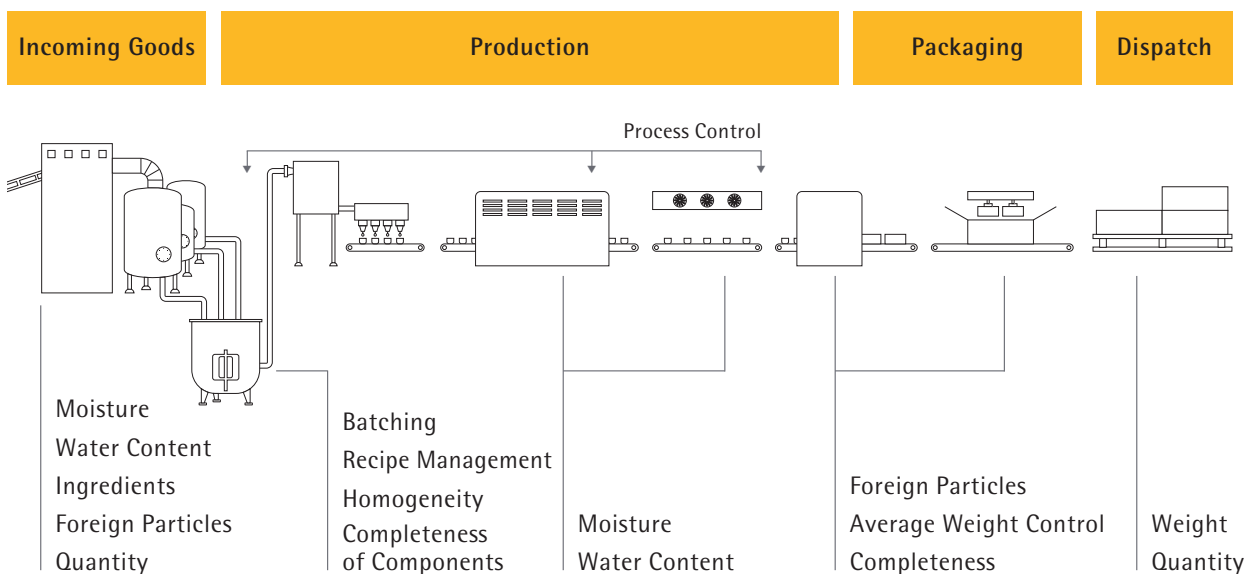
Sartorius Mechatronics provides weighing and similar measurement and control equipment in the premium and standard segments for a wide range of laboratory and industrial process applications. Our high-quality precision instruments, IT solutions and service offers help customers to improve efficiency in their labs, streamline their manufacturing processes, enhance the quality of their products and raise their production yields.

In the reporting year, we began a process to realign the operations of Sartorius Mechatronics. We intend in future to concentrate our activities as a solution provider more closely on the development of technologies for monitoring and control of critical process parameters in the food and pharmaceutical industries and to expand our product range

to this end. Building on our strong position in weighing technology, moisture analysis and foreign object detection, we have been stepping up our efforts in the Mechatronics Division to produce application-focused solutions for our customers and extend our technology portfolio in the respective fields. In this process, we are concentrating especially on the factors deemed by our customers to be critical for quality and productivity.

We are already working on measurement and control solutions to transfer quality assurance from the lab directly into production, for example, and are developing new solutions for accompanying data collection, analysis and documentation that will fully automate these procedures to reduce errors and free up staff.

Quality Assurance and Process Control Based on the Food Industry as an Example



Simplified Process Flow Chart

Key Figures for Mechatronics

€ in millions	2009	2008
Order intake	205.9	242.7
Sales revenue	201.7	245.6
EBITDA	10.0*	25.7
As a % of sales revenue	5.0	10.5
Depreciation and amortization	10.8	8.6
EBITA	0.7*	17.1
As a % of sales revenue	0.4	7.0
Employees as of Dec. 31	1,942	2,298

* underlying

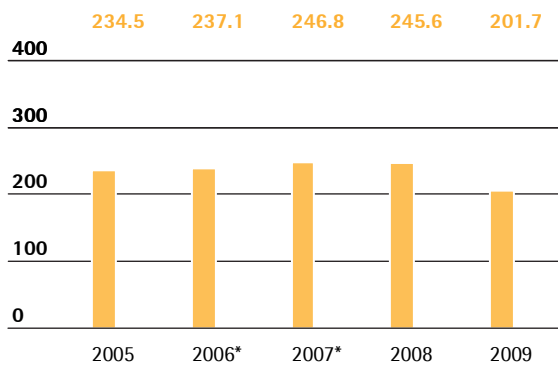
At Sartorius Mechatronics, we will be focusing more closely on the food and pharmaceutical industries, as well as adopting a more application-oriented approach. General industry assessments indicate that both of these principal customer sectors can expect sustained long-term growth and that both will place the highest demands on their suppliers in terms of technology and quality. Our new approach will render us less dependent on highly cyclical customer sectors like the chemical and primary industries, and the clearer customer focus gained will make us more effective in pooling and enhancing our applications expertise across the Group and converting it into innovative products and services.

As part of our realignment, we are developing new and innovative solutions that create genuine added value for our customers through our own R&D activities, through the leveraging of synergies with the Biotechnology Division in selected fields and, above all, through strategic alliances with external partners.

Sartorius Mechatronics has a global presence through its own manufacturing companies and an extensive sales, distribution and service network. We have systematically built up and expanded our infrastructure in accordance with international standards over recent years in the rapidly expanding economies of Asia, most notably China and India. Thanks to these efforts, we are able to provide comprehensive support for our global customers across their various sites, and can build strong local contacts with customers and respond quickly to local requirements.

Sales Revenue for Mechatronics

€ in millions



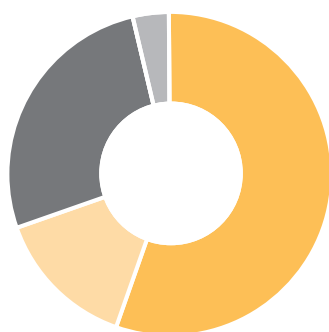
* pro forma (excluding the hydrodynamic bearings business)

Order Intake and Sales Revenue

Business at the Mechatronics Division declined sharply overall amid the global recession. The division received orders valued at €205.9 million in the reporting year compared with €242.7 million in the previous year, which represents a drop of -15.2% in the reporting currency or -16.6% in constant currencies. In the fiscal year ended, customers primarily from the chemical industry refrained from ordering products. The cyclical decline in demand at the Mechatronics Division affected both lab instruments business and industrial weighing and control equipment business, although taking the year as a whole, industrial business was slightly harder hit than laboratory business. Service business, on the other hand, remained robust. Sales revenue waned at the pace of the drop-off in demand: division sales revenue after the full twelve months ended at €201.7 million, -17.9% (currency-adjusted: -19.3%), down from €245.6 million a year ago.

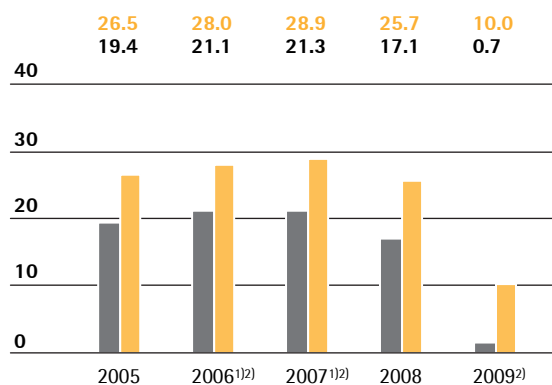
Business for the Mechatronics Division fell year on year in every region. The decline in demand was most pronounced in Europe, where currency-adjusted order intake skidded, ending at -19.9%, and sales revenue slid, halting at -21.7%. The pattern of development was similar in North America, where currency-adjusted order intake and sales revenue dropped, settling at -13.4% and -19.1%, respectively. The currency-adjusted deterioration in order intake turned out to be less severe in the Asia|Pacific region at -7.3%, but there also, the decline in sales revenue was into double digits at -12.7%.

Sales by Region
in %



Europe	55.2
North America	14.3
Asia Pacific	26.9
Other Markets	3.7

EBITA and EBITDA for Mechatronics
€ in millions



■ EBITDA
■ EBITA

¹⁾ pro forma (excluding the hydrodynamic bearings business)
²⁾ underlying

Cost-cutting Program

The Mechatronics Division carried out an extensive restructuring program in the reporting year in response to the considerable drop in orders at the end of 2008. Thus, we adapted the division's structures to accommodate the changed market conditions and trimmed our annual fixed costs by about €30 million on the whole, gaining the major proportion of our savings – approximately €25 million – in the area of employee benefits expense. The permanent nature of these cost reductions are designed to safeguard the future profitability of the Mechatronics Division even in the absence of a strong economic recovery. The cost-cutting measures implemented in the reporting year, which involved changes including approximately 350 job cuts around the world, entailed extraordinary expenses of €20.5 million.

Earnings

For fiscal 2009, we additionally indicate earnings adjusted for extraordinary expenses, i.e., underlying EBITA or operating earnings, to provide a complete and transparent presentation of the division's profitability.

Thanks to the sustained reduction in fixed costs achieved through its restructuring program, the Mechatronics Division, which had reported losses during 2009, closed the year with low but positive full-year operating earnings of €0.7 million (previous year: €17.1 million). The division's underlying EBITA margin slipped to 0.4% from 7.0% a year ago as a result of the significant drop in earnings. Extraordinary expenses of €20.5 million were incurred in conjunction with staff-related measures. In total, extraordinary items for the Mechatronics Division, which include non-operating depreciation and write-downs of €2.8 million, are at –€25.3 million.

The breakdown by region indicates that the Mechatronics Division recorded underlying EBITA of €5.9 million (previous year: €5.0 million) in the Asia | Pacific region, where the corresponding margin rose from 10.6% to 12.9%. However, in Europe, the division's principal sales market, it posted an operating loss of –€3.8 million, down from €12.1 million a year earlier. The underlying EBITA margin there amounts to –3.0% (previous year: 7.4%). The operating earnings figure was also negative in North America at –€1.4 million, down from €0.0 million a year ago. The margin was consequently also negative at –4.7% compared with 0.0% in 2008.

Marketing | Sales and Distribution | Service

We commenced work in the reporting year to bring our marketing, sales and distribution and service strategy into line with the new requirements in the Mechatronics Division. As part of this process, we will expand our portfolio of products and technologies considerably, especially in the field of sensors and software, to provide targeted support for customers seeking to optimize their quality assurance and productivity, capitalize on potential savings and maintain compliance with the relevant regulatory requirements. Alliances with other technology providers will play a central role here. With this in mind, we both stepped up collaboration with strategic academic and industrial partners and embarked on new joint projects in the reporting year.

We reorganized our marketing area over the course of 2009, too, introducing new structural units based on four application areas – Lab Instruments, Process Weighing, Process Analytics and Inspection Technologies – to pool our expertise and capabilities in the relevant application fields.

Our sales and distribution strategy for marketing our mechatronics portfolio now focuses more closely on the food and pharmaceutical industries. This has enabled us to use synergies with our Biotechnology Division's product portfolio in selected fields of relevance to the pharmaceutical industry.

Those products that require intensive sales support are marketed worldwide by our own sales team, as are our process-integrated solutions. Recognizing the steadily increasing importance of this particular sales and distribution channel, we created new structures in the reporting year to help us target customers more intensively as a solution provider. Working together with the Biotechnology Division, we realigned our worldwide key account management system, which supports our leading global customers, to reflect our target sectors and thus make more efficient use of our customer- and sector-specific applications expertise.

We market our standard products largely through specialized global and regional distributors. For our distribution partners, we ensure optimal support through our dealer management activities and distributor training programs and through the e-shop. This is a virtual Sartorius store that gives our partners access to convenient automated search, order and tracking features and supplies all of the information they need, including product details, prices and delivery dates, at the touch of a button. We added a number of new functions to the e-shop in the reporting year and began to prepare it for rollout in the USA, China and Poland.

A particular highlight in the service unit came with the introduction of a new software package created especially for service management at Sartorius. We can now transfer signatures, service reports and scheduling confirmation data electronically, which enhances our internal and external workflows, makes it easier to plan resource allocation and enables us to deliver results faster for our customers. In addition, we have begun to adapt our service activities to comply with GMP (Good Manufacturing Practice) standards, which are important for quality assurance in the pharmaceutical industry.

Products

At Sartorius Mechatronics, we are weighing and control equipment specialists who provide innovative products for laboratory and industrial process applications in the premium and standard segments in particular. In the reporting year, we expanded our range of products for both laboratory and industrial applications.

Products for the Laboratory

Laboratory equipment from Sartorius Mechatronics can be found in just about every research and quality assurance lab worldwide. Our balances, moisture analyzers and related measuring instruments permit straightforward sample handling, precise measurement results and traceable documentation compliant with the applicable regulations, and can be easily integrated into a variety of IT environments.

At the beginning of 2009, we launched our new Cubis premium laboratory balance, which enables the food and pharmaceutical industries to comply with the strict regulatory requirements that they must meet. The Cubis series permits seamless integration into existing computerized systems and supports the fully automated and traceable implementation of legal and individual in-house safety concepts. As the first truly modular-designed and custom-configurable laboratory balance, Cubis can be exactly tailored to the specific requirements of our customers. Equipped with the newly developed Q-Guide user interface and innovative off-center load compensation technology, Cubis delivers outstanding results, enabling the user to perform any applications ranging from simple weighing tasks to the most complex sequences.

We also launched a new generation of moisture analysis systems, the LMA320 series. Based on microwave resonance technology, these new moisture analyzers carry out non-destructive, density-independent moisture and density measurements of pourable and granulated substances in less than a second. They are used in quality assurance in the lab, in at-line quality control (i.e., directly next to the production line) and in incoming inspection applications. Thanks to the modular design of these systems, we can respond quickly and easily to customer-specific requirements.

Products for Industrial Processes

Our industry solutions support the entire product manufacturing process, from incoming inspection and production to final quality control testing and logistics. In the reporting year, our main priority in the process technology field was process analysis and, in particular, the measurement of relevant in-process parameters.

Manufacturers in the food and pharmaceutical industries pursue the goal of making their production more efficient and implement fully automated quality assurance processes. All process steps need to be controlled in compliance with the applicable regulations and traceably documented in an audit trail. We enable manufacturers to meet these requirements by supplying online measuring systems suitable for integration directly into the production process. Based on near infrared technology, the new PMD500 online series measures the concentration of constituents, such as water, fat and solvents, within seconds. These systems, which permit highly precise compliance with legal maximum values and product-dependent specifications, also ensure that raw material and energy usage is optimized and that processes are controlled directly, comprehensively and fully automatically in real time.

A further online analyzer that we introduced is the PMD320 series, our second generation for moisture and density measurement. These systems use microwave resonance technology to measure the moisture content and density of raw materials and intermediate and finished products during a process in progress. These two parameters have a decisive impact on the quality, processability and price of materials.

Notable developments in 2009 in the field of process weighing equipment included the addition of new stainless steel versions to our Signum range of industrial scales. The new models are extremely rugged and provide high overload protection. As these scales are offered in a wide variety of configurations, they can be readily customized with

different options to suit different operating environments. Thanks to the hygienic stainless steel design, all scales can be cleaned quickly and thoroughly. This is a particularly valuable attribute in the food and pharmaceutical industries, as fast and easy cleaning helps to minimize the risk of product contamination.

Research and Development

We adapted our research and development activities in the Mechatronics Division in the reporting year to bring them into line with the changed market conditions. As part of our realignment effort, we commenced research and development in a number of new fields and streamlined our activities in a few other R&D areas. The division concentrated in particular on the critical success factors in customer processes, a step that marks the beginning of moves to bring development work more into line with actual applications. Using demand analyses, process simulations and on-site analyses at customer facilities, we have been ramping up our efforts to adapt our products and technologies directly to manufacturers' production processes. Close collaboration of this nature with existing and potential customers, which requires expertise and openness on both sides, paves the way for equipment and systems that are precisely tailored to the production environment at our customers' plants.

Alliances with academic and industrial partners constitute an important component of our research and development strategy. Supplementing our own range with innovative technologies from external partners enables us to develop new products very quickly with relatively little risk. We stepped up our collaboration with research institutions, universities and companies significantly in the reporting year and laid the foundations for new alliances.

Research and Development

	2009	2008
R&D costs, € in millions	15.7	19.4
As a % of sales revenue	7.8	7.9
Number of patent and trademark applications	67	45
Registered patents and trademarks	43	50

Much of our development effort in the reporting period focused on process analytics, especially moisture analysis technology. Our research and development teams worked to enhance moisture measurement techniques, including microwave resonance technology and near infrared spectroscopy, to enable other relevant parameters such as protein content, temperature and density to be determined in addition to moisture content. The techniques provide the basis for the development of new online analytical equipment that can be integrated directly into the production process. Immediate access to measurement results enables customers to control and optimize their processes continuously in real time.

The focus in the lab instruments segment rested on the Cubis series of premium balances, which was launched during the reporting year. Initial customer feedback and customer-specific application requirements have been incorporated into the ongoing phased development of this range.

Production and Supply Chain Management

We manufacture our range of weighing and control equipment close to our markets in the various regions so that we can always supply customers promptly, reliable and cost-effectively. Therefore, in addition to our production facilities in Germany, we have manufacturing plants based in further countries, such as the USA (Denver, Colorado), China (Beijing) and India (Bangalore).

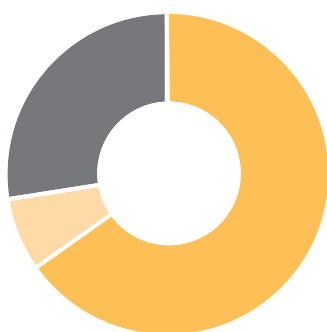
Our ability to combine different components as required helps us to meet the specific needs of individual customers quickly and accurately and still retain a cost-effective manufacturing operation. We produce non-order-specific standardized subassemblies and platforms and then assemble them as required to meet customer specifications such that the end product complies exactly with the customer's requirements in terms of both function and price. The most recent example in the reporting year is the modular Cubis premium laboratory balance.

We are already increasingly using our Beijing (China) and Bangalore (India) sites as internal suppliers. In addition to supplying the local markets in China and India from these plants, we manufacture components at these production facilities for other Group sites. The Beijing and Bangalore sites now occupy a prominent position in the procurement process, too, as we seek to leverage cost advantages and increase the value of procurement operations conducted in currencies tied to the U.S. dollar.

Focal activities in the USA during the reporting period include the commissioning of our new plant at Arvada in Colorado. The new facility will benefit customers in the U.S. market in the form of a more application-led service offering and faster delivery times, as well as a broader product range. Expanding production in the dollar zone additionally reduces our exposure to exchange rate fluctuations.

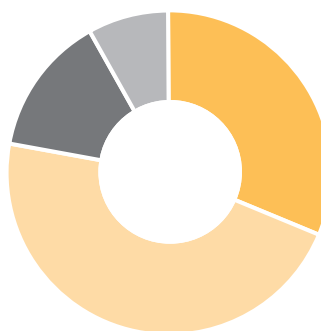
Optimizing inventory management throughout the Group was one of the main priorities for supply chain management in 2009. We analyzed inventories and purchasing patterns in a global project involving supply chain management, R&D, production, purchasing, logistics and quality management, revised internal and external workflows and held targeted sell-off campaigns that enabled us to reduce our inventory levels around the world by approximately a third.

Employees by Region
December 31, 2009; in %



Europe	65.0
North America	7.5
Asia Pacific	27.4

Employees by Function
December 31, 2009; in %



Production	31.4
Marketing Sales Service	46.4
Administration	14.2
Research & Development	8.0

Employees

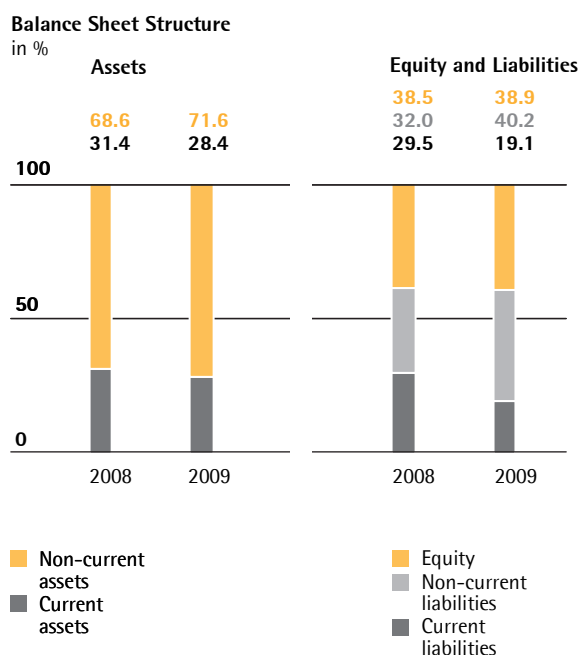
Over the course of the reporting year, we adapted staffing levels in the Mechatronics Division as part of an extensive restructuring program to accommodate the current business situation. The total number of people employed by the division as of December 31, 2009, was accordingly down 356, or -15.5%, year on year to 1,942 from 2,298.

The regional breakdown shows that Europe bore the brunt of the restructuring measures. Employee numbers there dropped 267 (-17.5%) from 1,530 as of December 31, 2008, to 1,263 as of December 31, 2009. However, we did reduce our headcount in the other regions as well in fiscal 2009: in North America, we had 146 employees at the end of 2009, down from 176 in the previous year, which represents a year-on-year decrease of -17.0%. The number of staff in the Asia | Pacific region declined 59 (-10.0%) to 533 from 592 a year ago.

We implemented our restructuring program in Germany without having to resort to redundancies, i.e., permanent layoffs for operational reasons. All of the employees who for the time being could no longer be deployed within the Group as a result of the measures were on a 100% reduced hour work schedule. At the same time, these employees were given the opportunity to participate in training courses to obtain qualifications for potential new tasks.

The Marketing | Sales and Distribution | Service units accounted for the largest share of the division's workforce: approximately 46% of employees worked in these functions in 2009 relative to 44% in 2008. Production and areas directly linked to production, such as quality management and supply chain management, accounted for a share of around 31% (previous year: approximately 33%). The proportion of employees in research and development declined slightly year on year to 8% from nearly 9% a year ago. As in the previous year, around 14% of employees carry out administrative work in units such as Finances and IT, performing these services for both the Mechatronics Division and the Biotechnology Division.

Net Worth and Financial Position



Consolidated Balance Sheet

The balance sheet total of the Sartorius Group decreased by €44.6 million to €820.4 million between December 31, 2008, and the reporting date on December 31, 2009.

On the assets side, current assets essentially shrank from €271.7 million a year earlier to €233.0 million, while non-current assets contracted to a less pronounced degree from €593.3 million a year ago to €587.5 million.

The reduction in current assets, which was achieved despite a significant increase in cash and cash equivalents, is the result of our successful working capital optimization and the implementation of a factoring program during the reporting period.

Key Balance Sheet Figures

	2009	2008
Equity ratio		
Equity	38.9%	38.5%
Balance sheet total		
Long-term-capital-to-fixed-assets ratio		
Long-term capital	117.9%	106.0%
Fixed assets		

On the equity and liabilities side, equity declined from €333.4 million to €319.2 million. The Sartorius Group's equity ratio nevertheless improved from

38.5% to 38.9% because of the reduction in the balance sheet total, and is accordingly at a comfortable level.

Non-current liabilities rose from €276.6 million to €344.3 million as a result of the payment of the share price warrants issued in 2007 in conjunction with the Stedim transaction and the associated increase in loans and borrowings. The provisions created previously for this purpose were utilized at the same time, so current liabilities dropped from €255.0 million to €156.9 million.

The long-term-capital-to-fixed-assets ratio rose further from 106.0% to 117.9%. Gearing, which is calculated as the ratio of net debt to equity, is unchanged from the previous year, at 0.7.

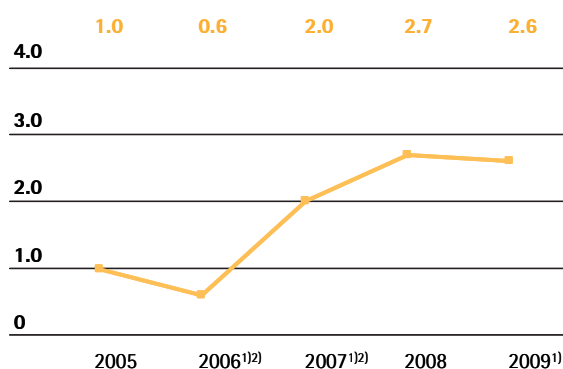
Key Figures for Working Capital

in days

	2009	2008
Rate of turnover for inventories		
Inventories		
Sales revenue	x 360	
	42	56
Rate of turnover for receivables		
Trade receivables		
Sales revenue	x 360	
	50	74
Rate of turnover for net working capital		
Net working capital*		
Sales revenue	x 360	
	66	104

* sum of inventories and trade receivables less the trade payables

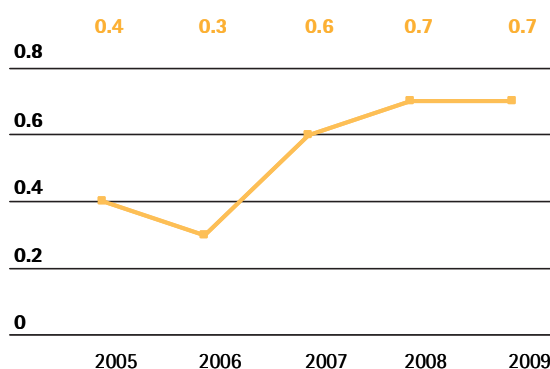
Ratio of Net Debt to Underlying EBITDA



¹⁾ pro forma (including Stedim and excluding the hydrodynamic bearings business)

²⁾ underlying

Gearing



Financing | Treasury

The Sartorius Group's long-term financing arrangements are based on two separate syndicated credit lines for an aggregate amount of €387.0million. The credit line for Sartorius Stedim Biotech has a current value of €207.0million; the credit line for Sartorius AG (Mechatronics Division), a current value of €180.0million. Both are provided by a syndicate of twelve banks led by Commerzbank and WestLB and run until September 2013.

We accordingly increased our utilization of the syndicated credit line for Sartorius AG in the third quarter of 2009 in conjunction with the payment of €103.7million for the share price warrants.

In the reporting year, we implemented a factoring program with a volume ceiling of €50.0million to diversify our financing structure. We also have at our disposal a variety of bilateral credit lines totaling around €70million.

The majority of our credit lines are not fully utilized at the present time. The Sartorius Group's financing arrangements are thus both long-term and broad-based.

Gross debt owed to banks on the reporting date rose year on year to €283.3million (previous year: €239.5million) largely as a result of the payment of the share price warrants. With cash on hand of €58.6million (December 31, 2008: €21.9million), net debt at €224.7million was nearly at the previous year's level of €217.6million.

The ratio of net debt to underlying EBITDA stood at 2.6 on December 31, 2009 (December 31, 2008: 2.7) and the interest coverage ratio – ratio of underlying EBITDA to interest paid – was 8.6 (December 31, 2008: 5.5).

As a consequence of our global sales and distribution structure, we generate payments in various foreign currencies. Essentially, these are payments in U.S. dollars, Japanese yen and British pounds. Using our global manufacturing network with production facilities in North America, the U.K., China and India, among other places, we can compensate for the majority of currency fluctuations (natural hedging).

We usually hedge the remaining net currency exposure through currency transactions, but were highly circumspect in concluding hedge contracts in fiscal 2009 on account of the volatility of exchange rates and the enormous variation between different exchange rate forecasts.

Annual Financial Statements of Sartorius AG

The retained profit of Sartorius AG is the key reference value for the payment of dividends to our shareholders. Whereas the Sartorius Group financial statements were drawn up according to the International Financial Reporting Standards (IFRS), the annual financial statements for Sartorius AG were prepared by applying the rules and regulations of the German Commercial Code (HGB). The individual financial statements drawn up according to HGB for Sartorius AG report dividend income from subsidiaries, which is due to the holding function of Sartorius AG within the Sartorius Group. Consolidated results according to IFRS are affected by dividend payments only to a limited extent in the form of tax effects.

Sartorius AG also carries out a large proportion of the Mechatronics business in addition to performing this holding function. The company's sales revenue fell from €129.7 million to €101.0 million, a drop of 22.1%, in fiscal 2009 as a result of the deterioration suffered in this area.

The percentage of sales revenue that Sartorius AG generated with other companies of the Sartorius Group was up slightly year on year at 52.2% from 49.4%. Just under two thirds of Sartorius AG's sales revenue (60.7%; previous year: 60.8%) was earned outside Germany.

EBIT fell from €18.2 million to €7.2 million, which was associated with the decline in sales revenue. The EBIT figure includes extraordinary expenses of €12.9 million, which were incurred particularly for staff-related measures as a part of restructuring. As a result of the interest rate that significantly decreased from a year ago, the financial result improved year on year from -€10.2 million to -€4.8 million. Thus, profit before tax is at €8.0 million compared with €2.3 million in the previous year. Net profit is also at the same level of €2.3 million relative to €7.6 million a year ago. Including the profit brought forward of €20.8 million (previous year: €20.2 million), the retained profit totals €23.1 million compared with €27.8 million a year earlier.

Sartorius AG's equity on the December 31, 2009 reporting date was €168.5 million, down slightly year on year from €173.2 million. The concurrent reduction in the balance sheet total from €463.6 million to €445.6 million means that the equity ratio nevertheless rose slightly, from 37.4% to 37.8%, and thus remained at a comfortable level.

The payment during the reporting period of the share price warrants issued in 2007 in conjunction with the Stedim transaction increased liabilities from €162.0 million to €244.9 million. The provisions created previously for this purpose simultaneously shrank by the same amount, so provisions on the whole fell from €128.3 million to €32.2 million. Total liabilities consequently declined from €290.4 million to €277.1 million; the implementation of a factoring program, among other measures, contributed to this decrease.

On the assets side of the balance sheet, current assets dropped from €75.0 million to €56.0 million following the implementation of a factoring program and improvement of working capital beyond that achieved by this program. Fixed assets remained virtually unchanged from the previous year (€387.1 million) at €388.5 million. As a result, the percentage of the balance sheet total attributable to fixed assets rose from 83.5% to 87.2%.

At -€6.1 million, cash earnings according to the DVFA|SG fell short of the year-earlier figure of €0.9 million. The cash flows from operating activities improved nonetheless to €26.0 million, up from -€10.6 million a year ago, because of the measures taken to optimize working capital and the higher provisions budgeted. Cash flows from investing activities include payment of €103.7 million for share price warrants and stand at -€109.3 million (previous year: -€11.1 million).

The complete annual financial statements of Sartorius AG, which were awarded an unqualified audit certificate by the independent auditing company, will be published in the electronic German Federal Gazette (Bundesanzeiger).

Balance Sheet of Sartorius AG
According to HGB*, in millions of €

Assets	Dec. 31, 2009	Dec. 31, 2008
A. Fixed Assets		
I. Intangible assets	0.7	1.0
II. Property, plant and equipment	16.7	18.0
III. Financial assets	371.2	368.2
	388.5	387.1
B. Current Assets		
I. Inventories	12.5	17.2
II. Trade and other receivables	27.2	40.7
III. Securities	16.1	15.1
IV. Cash on hand, deposits in banks	0.3	2.0
	56.0	75.0
C. Prepaid Expenses	1.0	1.4
	445.6	463.6
Equity and Liabilities	Dec. 31, 2009	Dec. 31, 2008
A. Equity		
I. Issued capital	18.7	18.7
II. Capital reserves	101.4	101.4
III. Earnings reserves	25.3	25.3
IV. Retained profits incl. net profit for the period	23.1	27.8
	168.5	173.2
B. Provisions	32.2	128.3
C. Liabilities	244.9	162.0
	445.6	463.6

Income Statement of Sartorius AG
According to HGB*, summary

€ in millions	2009	2008
Sales revenue	101.0	129.7
EBITDA	10.4	21.7
Depreciation and amortization	3.3	3.5
EBIT	7.2	18.2
Financial result	- 4.8	- 10.2
Profit before tax	2.3	8.0
Net profit for the period	2.3	7.6
Retained profit	23.1	27.8

* HGB =German Commercial Code

Forecast Report

Future Macroeconomic Environment

Experts anticipate that the dynamics of the economy will remain moderate in 2010. Despite the current recovery, they estimate that braking forces will counteract a rapid upturn. Thus, deep-seated concerns about the threat of another shock to the international financial and banking system reportedly continue to weigh down on the markets. Moreover, the effects of the recent economic policy measures and fiscal stimuli, which have played a central role in the current recovery, will begin to tail off, while the financial burden will remain high. Employment levels in many countries have yet to come into line with the significant drop in production. Therefore, in some of these countries, unemployment is expected to further increase in spite of rising production, and dampen domestic demand. The IMF estimated that in 2010 the global economy will grow 3.1%.

In the USA, momentum is likely to slow considerably during 2010, relative to that seen during the strong recovery in the second half of 2009. Therefore, no further stimulating effects are anticipated beyond the middle of the year. Experts predict that rising unemployment will probably cause long-term growth in private consumption to be slower than in the years before the financial market crisis and that this will put the brakes on economic recovery. They also believe the government's economic stimulus package has run its course and will not add any further impetus to the economy. IMF estimates indicate a rise of 1.5% in gross domestic product (GDP) in the USA in 2010.

The upturn in economic activity also seems likely to remain rather muted in Europe. The prospects for strong export-fueled growth remain poor despite increasing signs of recovery in the German export sector, which has taken a severe hit. Experts believe the situation in the German labor market, which remained relatively stable in 2009 because of government support for reduced workhours, could deteriorate in 2010 and depress private consumption.

The German economy is accordingly expected to take some time to put the crisis behind it. For the full year of 2010, the IMF predicts that German GDP will grow a mere 0.3%. Analysts at the IMF anticipate that private demand will drive economic expansion in France, where exports are likely to increase slightly as a result of the global economic recovery. The IMF forecasts a limited 0.9% rise in GDP overall for France in fiscal 2010. The corresponding figure for Europe as a whole is just 0.3%.

The emerging markets, most notably China and India, will once again provide the driving force behind global economic growth. The recovery in manufacturing output not only began much earlier in these countries, but has also been considerably stronger. Future growth in output in this part of the world, moreover, will be based predominantly on domestic demand rather than on exports as in previous years. The IMF expects the Chinese economy to expand at a rate of 9.0% in 2010. GDP in India is forecast to rise by 6.4%. Overall growth in the emerging markets is estimated by the IMF at 7.3%.

Sector Outlook: Biotechnology Division

International market research institute IMS Health expects further steady progress in the global pharmaceutical market in 2010, with rates of growth essentially unchanged from the previous year at between 4% and 6%. Growth of this magnitude would boost total sales revenue in the sector to U.S. \$820-830 billion.

IMS forecasts substantial variation in growth rates from region to region in 2010: above-average growth in the 12% to 14% range is expected in particular in key developing countries – China, India and South Korea as well as Brazil, Mexico and Russia, which IMS Health identifies as prominent “pharmerging markets”; the value of the U.S. pharmaceutical market is anticipated to increase between 4% and 6% to U.S. \$310-320 billion; and the five largest European countries are expected to see only moderate growth of between 1% and 3%, which would make the market here worth around U.S. \$150 billion in total. The forecast for Japan, in contrast, predicts that the country's pharmaceutical market will stagnate at best (0% growth) and could shrink by as much as 2%.

A combination of a steadily increasing global population, aging populations in the western industrialized countries and rising demand for better medical care in developing countries is expected to ensure stable growth in the global pharmaceutical market in the medium to long term as well. Experts at IMS Health predict a compound annual growth rate of between 4% and 7% in the period through 2013, by which time the market is expected to be worth around U.S. \$975 billion. Especially strong growth is forecast for the pharmaceutical market in China, which is expected to grow by more than 20% a year in the period through 2013.

Sector observers estimate that the biopharmaceutical segment, which is of particular interest to Sartorius Stedim Biotech, will again see significantly stronger growth than the pharmaceutical market as a whole. The compound annual growth rate in this area will reach 11.6% in the period from 2008 to 2014 according to data from analysts at Frost & Sullivan,

who assert that both new medications and new indications for existing drugs will help maintain this relatively high pace of expansion. The search for new active pharmaceutical ingredients will continue unabated, as many illnesses are still untreatable. Follow-on biologics, also known as biosimilars, and novel specialized therapeutics in fields such as cancer treatment will be the leading drivers of growth in the area of new medications. Sales of cancer treatment medications doubled from U.S. \$24 billion to U.S. \$48 billion between 2004 and 2008 and will reach U.S. \$70 billion by 2014 according to the experts. Drugs based on monoclonal antibodies have proven to be particularly successful.

For all their promise, the price of medications produced using biotech methods remains high and will undoubtedly have to fall if they are to achieve further market penetration. Biologics are more expensive primarily because they are more complex – and hence more cost-intensive – to produce. Manufacturers and suppliers accordingly need to further optimize their production processes and increase their efficiency if biologics are to become more affordable. One effective way is to make greater use of single-use technologies. Single-use products have now become a firmly established option for advanced manufacturing processes in the biopharmaceutical industry and frequently outperform traditional solutions in terms of production costs, flexibility and safety as well as the level of initial investment required. The spread of single-use bioreactors typifies the growing popularity of single-use products in general: the first single-use bioreactors were designed as small-volume laboratory systems, but they can now also be found in small- and medium-scale production applications.

As single-use equipment has penetrated further and further into the market, so manufacturers have become increasingly interested in complete system solutions that cover entire process steps and simultaneously reduce complexity, compared with existing manufacturing methods.

Looking ahead to 2010, the persistent pressure on pharmaceutical prices, health-care reform in the USA and, in particular, the expiration of patents on blockbuster medications seem likely to be among the most high-profile issues in the sector. IMS Health reports that medications due to lose patent protection in the period through 2013 account for sales of U.S. \$135 billion; based on this development, further cooperative arrangements and acquisitions appear inevitable.

The number of active pharmaceutical ingredients approved for the first time by U.S. regulatory authority the FDA rose again in 2009 with a total of 26 new substances given the green light. This represents an increase of more than a third over the low point of 2007 and is regarded as a positive development for the sector.

Sector Outlook: Mechatronics Division

Stable Growth in the Pharmaceutical Sector

Market researchers continue to predict stable growth for the global pharmaceutical market (see page 65). It is expected that the large pharmaceutical groups will further increase their investment in research and development on the whole to accelerate the search for new active pharmaceutical ingredients. At the same time, they will step up cooperation with academic researchers and innovative biotech companies.

Pharmaceutical companies seeking to optimize their manufacturing processes will focus increasingly on process analytics equipment and methods. One of the most high-profile issues in this context will be Process Analytical Technology (PAT), which aims to keep critical parameters within a specified range using an intelligent control system. Process analytics equipment enables the manufacturer to analyze the parameters it deems relevant and optimize its processes so that they produce the desired results at the lowest possible cost. PAT also enjoys the backing of the regulatory authorities, including the U.S. Food and Drug Administration (FDA). The overriding objective is to optimize production processes in the pharmaceutical industry.

Rising Pressure on Quality and Prices in the Food Industry

Although the food industry has survived the economic crisis largely unscathed, manufacturers still face increased pressure on costs as a result of factors including, inter alia, the high level of competition, pricing policies in the retail sector and consumer demand for inexpensive products. Producers will accordingly be pushing for improved efficiency in every process step, from the purchasing of raw materials to the completion of the finished product, while at the same time tackling more stringent approval and verification procedures.

The food industry in western industrialized countries can look forward to moderate growth, according to the experts. However, better-than average growth is forecast for certain segments, functional food and convenience products among them, thanks to the persistent wellness and health trend and demand for easy and convenient products. The lion's share of innovation is expected to come in these segments, so the big companies are likely to carry on increasing their investment in product development.

Demand for food products in the developing countries of Asia is expected to continue rising as a consequence of rapid population growth and increasing purchasing power. This is likely to lead to continued expansion of production facilities over the long term on the part not only of regional companies, but also of international companies, which are investing more and more in this part of the world.

Slight Growth in the Chemical Industry

Forecasters are predicting slight growth for the global chemical industry in 2010 following the collapse in demand in 2009. The recovery will be only moderate though, they say, and will still be supported in large part by government economic stimulus packages around the world. It is, they add, likely to be some years before the market returns to pre-crisis levels.

Based on the industry's regional assessment, the strongest growth is anticipated in China, at 10.5%, and India, at 6.9%. The USA and Europe, where production shrank by 7.2% and 12.4%, respectively, in 2009, are expected to see growth of 1.7% and 4.7%, respectively, in 2010. The experts believe it is too early to tell how sustainable this increase in demand will be, and many companies have announced further cost-cutting and restructuring measures with this uncertainty in mind.

Sector watchers also anticipate a rise in mergers and acquisitions. Backed by state assistance, they say, companies from China and the Near East in particular will invest heavily, especially in Europe, and move into new business areas.

Public Research Further Profits from National Stimulus Packages

Public sector research in many countries is likely to benefit from national economic stimulus programs. Both the long-established industrialized nations and many newly industrialized and developing countries have made substantial funding available for business, science and education in an attempt to counter the effects of the downturn. It is difficult to produce a reliable forecast at this time, however, as the effect of increased national debts on public research spending in the medium term remains unclear.

Research economists believe public investment in research and development will rise in the long term because of the importance attached to innovativeness as a driver of national economic performance. The emerging economies of Asia, in particular, will continue to invest in their research institutions as part of their effort to catch up with Western countries in advanced fields like biotechnology, nanotechnology and aerospace, and reduce their dependence on foreign technologies.

Future Business Development

Future Business Development of the Biotechnology Division

As a supplier to the biopharmaceutical industry, we are exposed to all of the risks typical of this market. The decisions of regulatory agencies, especially those concerning the granting or withholding of approval for new medications, can have a significant impact on our customers' investment and purchasing decisions and their timing. By contrast, the biopharmaceutical industry has shown itself to be comparatively resistant to general cyclical effects in the past. Because single-use technologies are strongly on the rise, we anticipate that our disposables business will be the principal driver of growth over the coming years.

For the Biotechnology Division, we expect to achieve sales growth in the upper single-digit percentage range in 2010. This increase is forecasted to comprise strong growth for single-use products and moderate growth for its equipment business. As additional business with the vaccine industry is not anticipated and, compared with the previous year, equipment business is likely to contribute a relatively high percentage to sales growth, the division's operating EBITA margin is expected to rise rather slightly relative to the strong increase in 2009.

Future Business Development of the Mechatronics Sector

The potential for growth in the Mechatronics Division depends to a relevant degree on economic developments in the respective markets. Therefore, despite the persistent uncertainty about economic development, we anticipate that there will be a slight upturn in 2010. Against this backdrop, we expect that currency-adjusted sales growth will be in the lower single-digit percentage range. Given the division's significantly reduced cost base as a result of extensive restructuring measures, its operating EBITA margin should reach about 5%.

Future Business Development of the Group

For the entire Group, we accordingly expect sales growth in constant currencies to be slightly above 5% and operating EBITA margin to continue to improve by one to two percentage points. Furthermore, we anticipate a significantly positive operating cash flow.

Risk and Opportunities Report

Risk Management System

As a group that operates internationally, Sartorius is inevitably exposed to various risks associated with these operations. To help us track existing and potential risks efficiently, we implemented a risk management system (RMS). This RMS is designed to allow early identification, assessment and monitoring of risks. It keeps the Executive Board informed about the overall risk situation at all times so the Board can take suitable action when required. In addition, the Audit Committee of the Supervisory Board receives a report every year on the development of the risk situation.

The prescribed reporting process obligates the managing directors and general managers of the individual Group companies as well as business area managers and the managers of our central departments to review the risk situation of their areas of responsibility regularly and to report any risks when defined critical threshold values are reached.

Where expedient and feasible, we adopted countermeasures and/or arranged for balance sheet measures during the reporting year to cover all discernible risks within the Sartorius Group that had the potential to damage our net worth, financial situation and profitability.

Independent auditors examine our risk management system every year as part of reviewing our annual financial statements.

Explanation of the Risk Situation

Supply Chain Risks

Our supply chain extends all the way from procurement to production to sales and distribution. Problems within this sequence can have consequential effects including delays in deliveries. The global supply chain management system we have introduced to prevent such problems largely minimizes the associated risks by analyzing and controlling all of the operations involved. The various risks encountered within our supply chain are explained in detail below.

Procurement Risks

We purchase a wide range of raw materials, components, parts and services from suppliers and are consequently exposed to the risks of unexpected delivery bottlenecks and/or price increases. Our global supply chain management system reduces these risks by enabling us to monitor and supervise procurement activities. Moreover, we conduct regular supplier reviews and also use early warning systems. In addition, we maintain reserve inventories for strategic raw materials, and work with alternative suppliers where possible.

Production Risks

We manufacture products that belong to our core areas of technical expertise ourselves, usually with a high level of vertical integration, and work in collaboration with partners to manufacture other non-core products. The latter approach entails transferring a portion of the production risks to external third parties. When we manufacture products ourselves, we also bear the associated risks of capacity bottlenecks | overcapacity, production downtimes, excessive reject rates and high levels of tied-up working capital. We limit and reduce these risks by planning production capacities carefully, using versatile machines, semi-automated individual workstations and flextime work schedules, and by continuously monitoring our production processes. Moreover, our global manufacturing sites enable us to compensate for any capacity bottlenecks by shifting production to other regional plants.

In the reporting year, we successfully implemented a project for optimization of our working capital management so that we were able to reduce our risks in this area as well.

Sales and Distribution Risks

The sale and distribution of our products is organized worldwide through various channels. The potential risks entailed are unexpected changes in the demand structure, growing price pressure and non-compliance with supply agreements concluded with customers. We employ targeted market analyses to identify emerging demand trends in individual segments early on so that we have time to respond appropriately.

Our technical innovations and our focus on less price-sensitive sales markets, such as products for validated production processes in the biopharmaceutical industry, reduce our exposure to the risk of growing price pressure. In the area of logistics, we have also minimized our risk exposure in recent years by setting up and using central warehouses to optimize distribution logistics.

Quality Risks

Our customers use Sartorius products in a wide range of critical production processes, including the manufacture of pharmaceuticals, foods and beverages and chemicals, and in research and development laboratories. The main risk encountered in these areas is non-compliance with prescribed quality criteria, which can lead to losses for our customers for which we may be made liable through damage claims. We employ rigorous quality checks and modern production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality requirements. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high level of quality achieved in Sartorius products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks.

R&D Risks

We use a considerable part of our resources for research and development. Potential risks in this area may arise from development results that diverge from market needs, exceeding planned development deadlines or unintentional transfer of know-how to competitors. Our advanced project management, intensive R&D controlling and early involvement of our customers in the development process substantially limit these R&D risks. Patents and continuous tracking of the technologies and competitors relevant to us secure our technology position.

Customer Risks

At Sartorius, we draw our key customers from the pharmaceutical, chemical and food and beverage industries as well as from research and educational institutions of the public sector. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. As most of our business areas have a highly diversified customer base, our dependence on individual key accounts remains relatively low across the Group as a whole, although the Stedim transaction in 2007 has created a certain amount of customer concentration in a few product segments. Moreover, the factoring program implemented in fiscal 2009 improves our risk situation with respect to customers. Furthermore, we are striving to enhance our trade receivables management continuously and use our external rating agencies to improve control of our credit risks.

Competitive Risks

Sartorius has a leading competitive position in most of its markets. Some of our competitors are larger than us, and most share our status as a globally operating company. Our competitors include Millipore and Pall in the Biotechnology Division and Mettler-Toledo in the Mechatronics Division. As we serve a large number of conservative customers from highly regulated sectors like the pharmaceutical and food and beverage industries, and the technological barriers to market entry are substantially high, we regard the risk of new competitors emerging as low. Furthermore, our global presence gives us a significant competitive edge.

Personnel Risks

As an innovative technology group, Sartorius employs a large number of highly qualified people. We counter the threat of demographic change and of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional development options, interesting development opportunities and a range of other attractive employee benefits. The success of these measures is evident from the exceptionally low attrition rates registered in recent years and employee loyalty, as our people tend on average to stay with the company for a long time. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Financial Risks

The global nature of the Sartorius Group's operations means that its business activities are inevitably exposed to financial risks. These are primarily exchange rate risks, interest rate risks and liquidity risks, all of which are described below and addressed in detail in the Notes to the Consolidated Financial Statements.

Exchange Rate Risks

We generate approximately a third of consolidated sales revenue in U.S. dollars or in currencies pegged to the U.S. dollar and a smaller proportion in other foreign currencies. Therefore, exchange rate fluctuations are a matter of concern, especially when currencies are converted for balance sheet and income statement items. Yet our global production network enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs incurred in foreign currency. For example, we manufacture many of our products for the North American market locally, and are therefore not disadvantaged in any way in competition with our U.S. rivals. We use derivative financial instruments arranged with domestic banks to hedge against net currency exposure, i.e., the proportion of our foreign currency sales revenue that remains after we have settled our costs. On principle, our hedging strategy provides for exposures to be hedged approximately 1.5 years in advance. Hedging transactions are set up by one group of staff and monitored by another, separate group.

Interest Rate Risks

We have concluded fixed interest agreements for a small portion of our outstanding loans so we are not exposed to the risk of fluctuations in payment flows. However, the major portion of the loans outstanding on the reporting date is subject to interest based on the market rate. Some of these are hedged with interest caps, but most are exposed to interest rate risks. We monitor interest rate trends constantly and have the facility to arrange additional hedging transactions where we consider it necessary and economically advisable to do so.

Liquidity Risks

The Group concluded two syndicated credit agreements worth a total of €400 million in September 2008 to place its financing on a broad-based, long-term footing. The overwhelming majority of our fixed assets are covered by long-term capital. We ensure solvency at all times throughout the Group by short-, mid- and long-term liquidity planning and the use of advanced treasury software.

Pharmaceutical, Medical and Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and health care providers means that Sartorius can also be affected by underlying developments in these areas. The possibility of the regulatory authorities (FDA, EMEA) adopting a more restrictive approach to the approval of new medications remains the principal source of risk in this context. Such a move would reduce the number of new pharmaceutical products to be marketed and would consequently downgrade future prospects for Sartorius over the medium term.

To respond rapidly to any product defects and minimize any adverse consequences, Sartorius established a traceability system that enables us to recall an entire product batch immediately, if necessary.

Environmental Risks

The nature of the Sartorius Group's business is such that our operations constantly interact with the environment so we thus need to deal with environmental risk issues. All our global sites are responsible for preventing and reducing negative environmental impacts. The central Environmental Protection and Occupational Safety Department supports this effort by observing and monitoring operations affecting the environment. Sartorius has a DIN EN ISO 14001 certified environmental management system that encompasses, and is integrated into, all divisions and covers a whole series of environmental regulations to minimize risks in this area. During the course of 2009, further efforts were made especially to increase the company's energy efficiency.

Risks Associated with the Current Financial and Economic Crisis

In fiscal 2009, the global recession that has persisted up to the present has serious implications for our Mechatronics Division, which is relatively sensitive to cyclical trends. We have responded to the unforeseeably severe downturn in demand with cost-cutting measures that include rapid and thorough steps to adapt our staffing levels. Far-reaching as they are, these measures cannot eliminate all risks in relation to the short- and mid-term profitability of the Mechatronics Division due to the tough economic situation and the difficulty of predicting future developments. The Biotechnology Division, in contrast, is relatively immune to events in the wider economy, and the current financial and economic crisis does not appear to be having any effect on its business at the moment.

We have undertaken to comply with common financial covenants in relation to our syndicated credit facilities. Despite the difficult earnings situation in the Mechatronics Division, we succeeded in maintaining these key ratios and financials during the reporting year ended. Because of the continued uncertainty surrounding the global economy, it cannot be completely ruled out that we might fall into temporary non-compliance with these financial covenants if the current recession impairs the progress of our business. This, in turn, would lead to an increase in our financing costs. Overall, however, we believe that the financial and economic crisis will not adversely affect our net worth, financial situation or profitability on a lasting basis.

IT Risks

Besides the risks mentioned above, we face potential risks in the area of IT. We reduce IT risks by continuously enhancing and implementing IT security guidelines and policies. These rules and measures are based on the requirements of ISO 27001 and the standards of the German Federal Office for Information Security (BSI Standards).

In addition, our company's existing IT applications and IT systems are reviewed in regular external and internal IT audits with respect to any potential risks, and the corresponding measures are taken to minimize these risks. Ongoing alignment of our IT strategy and our business strategy, tracking of technical further developments and the use of advanced hardware and software minimize risk in operations within our IT system environment.

Process Risks

There are no legal disputes or proceedings that could have a substantial negative impact on Group results, and allowances have been made on our balance sheet to cover the cost of any such potential proceedings.

Insurance

Where possible and economically advisable, we have taken out insurance policies to cover a wide range of risks. These insurance policies include coverage against liability, business interruption, transport, material and pecuniary damages and other risks and provide comprehensive coverage for legal costs. The nature and extent of our insurance protection are monitored and adjusted regularly by an independent department specially assigned to this task.

Estimate of the Overall Risk Situation

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks that could jeopardize the existence of the corporation.

Future Risks

Similarly, based on our current review, there are no discernible risks that could threaten the further existence of the company.

Description of the Key Features of the Internal Control and Risk Management System

In Relation to the Group Accounting Process (Section 289, Subsection 5, and Section 315, Subsection 2, No. 5, of the German Commercial Code (HGB))

Definitions and Elements of the Internal Control and Risk Management System at the Sartorius Group

The internal control system at the Sartorius Group encompasses all of the principles, procedures and measures adopted to ensure the organizational implementation of management decisions. The main priority of the system as it relates to the Group accounting process is to make sure that accounting is effective, cost-efficient and formally correct, and that it complies with the pertinent legal provisions.

The internal control system at the Sartorius Group consists of two components: the internal management system and the internal monitoring system. The Executive Board of Sartorius AG has assigned responsibility for the Sartorius Group's internal management system in particular to the Finances, Legal Issues and Human Resources units, which are managed by Sartorius Corporate Administration GmbH.

The Sartorius Group's internal monitoring system comprises a combination of process-integrated and non-process-integrated monitoring measures. The process-integrated security measures are subdivided, in turn, into organizational measures, such as the "four eyes or more principle" for double verification or access restrictions in relation to IT, and control measures (manual target | actual checks or programmed plausibility checks in the software used). The Supervisory Board, specifically the Sartorius AG Audit Committee in this case, and Sartorius AG's Group Internal Auditing Department are involved in the Sartorius Group's internal monitoring system through their non-process-related audit activities.

The independent Group auditors and other auditing authorities, such as the tax auditor, also play a role in the control environment of the Sartorius Group through their non-process-integrated audit activities. The review of the consolidated financial statements by the independent Group auditors and the audit of the individual financial statements of the Sartorius Group companies included in the consolidated financial statements constitute the key non-process-integrated monitoring measures in relation to the Group accounting process.

The Finances unit represents another important element of the internal monitoring system through its analysis of the monthly reports from the subsidiaries.

With respect to Group accounting, the risk management system as a component of the internal control system is primarily concerned in the context of Group accounting with the risk of misstatements in the Group's bookkeeping and in external reporting. One element of the Sartorius Group's risk management system is operational risk management, which involves matters such as the transfer of risk to insurance companies through coverage for damage and liability risks and the arrangement of suitable hedges to limit currency and interest rate risks. Another risk management element that the Sartorius Group has also established is a monitoring system for the early detection of risks that could jeopardize the company's continued existence as defined in Section 91, Subsection 2, of the German Stock Corporation Law (AktG). This system, which ensures systematic early risk detection throughout the Group, extends beyond the scope originally set forth by this law to cover the prompt identification, control and monitoring not just of existential risks, but also of other risks. The Sartorius Group adapts this system quickly in response to any relevant changes to the respective environment. The efficacy of the system is assessed by the independent Group auditors in accordance with Section 317, Subsection 4, of the German Commercial Code (HGB). Furthermore, the Group Internal Auditing Department conducts regular reviews of the system as part of its monitoring activities to ensure that it is functional and effective.

Use of IT Systems

Transactions of relevance for accounting are essentially recorded in the individual financial statements of the subsidiaries of Sartorius AG using local accounting systems manufactured by SAP. For the process of preparing the consolidated financial statements of Sartorius AG, subsidiaries add supplementary information to their individual financial statements to create standardized reporting packages, which are then submitted by all Group companies to the SAP BO FINANCE reporting system. The actual Sartorius AG consolidated financial statements are then created using the consolidation routines in SAP BO FINANCE, most of which have been developed by Sartorius AG itself and which have been supplemented by manual adaptation. Both in-house auditors and the independent Group auditors of Sartorius AG regularly verify that the reporting packages submitted to the SAP BO FINANCE reporting system concur with the individual companies' financial statements on which the audit is based in each case. All of the consolidation procedures necessary to prepare the consolidated financial statements of Sartorius AG, such as the consolidation of investments, the elimination of intercompany payables and receivables and the elimination of intercompany revenue and expense, are performed using, and documented in, SAP BO FINANCE. All of the components of the Sartorius AG consolidated financial statements, including the details presented in the Notes, are generated using the SAP BO FINANCE consolidation system, which also provides a wide range of analysis options.

Specific Risks Concerning Group Accounting

Specific risks concerning Group accounting can arise, for example, from the arrangement of unconventional or complex transactions that cannot be processed by routine means. The discretion granted to employees in recognition and measurement of assets and liabilities in the consolidated financial statements may result in further Group accounting-related risks. Outsourcing and transfer of tasks of specific relevance to accounting to external service providers, such as actuaries and management consultants, may

also entail specific risks. Group accounting-related risks from derivative financial instruments are explained in the Notes to the Consolidated Financial Statements.

Key Supervision and Control Activities to Ensure Proper and Reliable Group Accounting

The internal control system measures designed to maintain proper and reliable Group accounting ensure that transactions are recorded in full and in a timely manner in accordance with the applicable provisions of the law and the bylaws. In addition, these measures ensure that inventories are taken properly and that assets and liabilities are recognized, assessed and reported appropriately in the consolidated financial statements.

Examples of the control activities performed to ensure proper and reliable accounting include the analysis of situations and developments with reference to specific key indicators. The separation of administrative, executive, settlement and approval functions reduces the possibility of fraud. The organizational measures are also intended to record company- or group-wide restructuring steps or changes in the nature of the operations of individual business areas quickly and accurately in Group accounting. Finally, the internal control system also ensures that changes in the Sartorius Group's economic or legal environment are mapped and that new or amended legal provisions are applied in Group accounting.

The Sartorius Group accounting principles govern the standard recognition and measurement principles for the German and non-German companies included in the Sartorius consolidated financial statements. In addition to the general recognition principles and methods, the rules applied to the balance sheet, income statement, notes, Group management report, cash flow statement and to the segment reports have been established in compliance with EU legislation and are primarily those of the IFRS and German commercial law.

The Sartorius Group accounting rules also govern specific formal requirements for the consolidated financial statements. These include the mandatory use of a standardized and complete reporting package. The Group Internal Accounting Department assists the local units in settling complex accounting issues, such as measuring fair value to ensure consistent and accurate reporting in the consolidated financial statements.

The specific control activities performed at Group level to ensure proper and reliable Group accounting encompass the analysis and, where applicable, correction of the individual financial statements submitted by the Sartorius Group companies, in line with the reports authored by the independent auditors. Reporting packages containing errors are identified and, where necessary, corrected at Group level on the basis of a large number of control mechanisms already incorporated into the SAP BO FINANCE consolidation system. Impairment tests are conducted centrally for the specific cash-generating units, known as CGUs, from the Group's perspective to ensure that consistent, standardized evaluation criteria are applied.

The scope of regulation at Group level also extends to the central definition of measurement rules and parameters, among other factors. Additional data for the presentation of external information in the notes and Group Management Report (including material events after the reporting date) is also prepared and aggregated at Group level.

Qualifying Statements

The internal control and risk management system enables the complete recording, processing and evaluation of company-related matters, on the basis of the organizational, control and monitoring structures defined in the Sartorius Group, and their accurate presentation in Group accounting.

By their very nature, however, factors such as the exercise of personal discretion, erroneous controls, criminal acts and other variables that can impair the efficacy and reliability of the internal control and risk management system in place cannot be ruled out, so even the application throughout the Group of the systems adopted cannot provide an absolute assurance as to the accurate, complete and timely recording of matters in Group accounting.

The statements made relate solely to the subsidiaries included in the consolidated financial statements of Sartorius AG, where Sartorius AG can determine the financial and business policies of these subsidiaries directly or indirectly to obtain benefits from their activities.

Explanatory Report of the Executive Board on the Disclosures Pursuant to Section 289, Subsections 4 and 5, and Section 315, Subsection 4, of the German Commercial Code (HGB)

Composition of the Issued Capital | Limitations to Voting Rights

Sartorius AG's capital stock totals €18,720,000. It comprises 18,720,000 no par value individual bearer shares, 9,360,000 of which are ordinary shares and 9,360,000 of which are non-voting preference shares. Each share certificate represents a calculated proportion of €1 of the issued capital.

The rights and obligations associated with these shares are governed by the provisions of the German Stock Corporation Law (Aktiengesetz, abbreviated "AktG"). According to the company's bylaws, preference shares are entitled to a dividend payment that is higher than the dividend payment for ordinary shares, by an amount equal to 2.0% of each preference share's calculated proportion of the issued capital (i.e., two eurocents per share). In any case, the dividend entitlement shall be at least 4.0% of each preference share's calculated proportion of the issued capital (i.e., four eurocents per share). Apart from the cases provided for in Sections 140 and 141 of the German Stock Corporation Law (AktG), preference shares are non-voting. However, they do grant all other rights to which every shareholder is entitled.

The company holds 831,944 ordinary shares and 840,983 preference shares; these do not entitle the company to any membership rights.

Direct or Indirect Equity Ownership Exceeding 10.0% of Voting Rights

The community of heirs consisting of Mrs. U. Baro, resident of Munich, Germany; Mrs. C. Franken, resident of Bovenden, Germany; and Mrs. K. Sartorius-Herbst, resident of Northeim, Germany, holds a voting percentage of approximately 50.1% in Sartorius AG (4,688,540 votes; source: list of attendees at the Annual Shareholders' Meeting on April 23, 2008). The decedent Horst Sartorius ordered that his will be executed. The appointed executor of the will is Prof. Dr. Dres. h.c. Arnold Picot, resident of Gauting, Germany, who exercises the specified voting rights at his own discretion as defined by Section 22, Subsection 1, Sentence 1, No. 6, of the German Securities Trading Act (Wertpapierhandelsgesetz, abbreviated "WpHG").

According to a mandatory announcement dated September 19, 2006, Bio-Rad Laboratories Inc., 1000 Alfred Nobel Drive, Hercules, California 94547, USA, holds 25.02% (2,341,479 votes) of the voting rights in Sartorius AG. The voting rights are ascribed to Bio-Rad Laboratories GmbH, Heidemannstr. 164, 80939 Munich, Germany, according to Section 22, Subsection 1, Sentence 1, No. 1, of the German Securities Trading Act (WpHG).

Appointment and Dismissal of Executive Board Members | Amendment to the Bylaws

Executive Board members of Sartorius AG are nominated and/or appointed as well as dismissed in accordance with Sections 84 and 85 of the German Stock Corporation Law (AktG) and Sections 31 and 33 of the German Codetermination Law (Mitbestimmungsgesetz, abbreviated "MitBestG"). Amendments to Sartorius AG's bylaws are regulated by Sections 133 and 179 of the German Stock Corporation Law (AktG).

Powers of the Executive Board to Issue Shares

Subject to approval by the Supervisory Board, the Executive Board is authorized to sell treasury shares held by the corporation, including selling them through channels other than the stock exchange or by tendering an offer to all shareholders in proportion to their participation in the company, provided that these shares are offered within the scope of acquiring companies or shareholdings in companies in return. Under these circumstances, the preemptive rights of the shareholders are excluded.

All circumstances for which disclosure is mandatory pursuant to Section 289, Subsection 4, and Section 315, Subsection 4, of the German Commercial Code (HGB) are reported above, to the extent that such circumstances exist or are known to us.

Principal Features of the Internal Control System and the Risk Management System Pursuant to Section 289, Subsection 5, of the German Commercial Code (HGB)

Please refer to the complete text of the Risk Report for a description of the principal features of the internal control and risk management system.

Annual Corporate Governance Statement

The executive and supervisory bodies of Sartorius AG are guided in their actions by the principles of transparent and responsible corporate governance. The Executive Board and the Supervisory Board report on corporate governance in this statement pursuant to Section 289a of the German Commercial Code (HGB) and Article 3.10 of the German Corporate Governance Code. The statement contains the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Law (AktG) for fiscal 2009 as well as remarks concerning the mode of operation of the Executive Board and Supervisory Board and other governance measures employed by the company.

Declaration of the Executive Board and of the Supervisory Board of Sartorius AG Concerning the Recommendations of the Government Commission on the German Corporate Governance Code Pursuant to § 161 of the German Stock Corporation Law ("Aktengesetz")

The Executive Board and the Supervisory Board declare that full compliance will be achieved with the recommendations made by the Government Commission on the German Corporate Governance Code and published by German Federal Ministry of Justice in the official section of the electronic German Federal Gazette ("Elektronischer Bundesanzeiger"), as amended on June 18, 2009.

Since last year's Declaration of Compliance was issued, Sartorius AG has complied with the recommendations in the respectively valid version of the Government Commission on the German Corporate Governance Code to the full extent, apart from only two restrictions: remuneration of the Supervisory Board members is not disclosed individually, but rather reported as a total, subdivided into fixed and variable components, and as payments for services personally rendered, in the Notes to the Financial Statements and in the Corporate Governance Report (Code Item 5.4.6, Paragraph 3); and there was a D&O insurance policy without a deductible for the members of the Executive Board and the Supervisory Board (Code Item 3.8).

Remuneration of the Supervisory Board was not individualized; however, it was reported by differentiating between fixed and performance-based components. Disclosure of these components of the Supervisory Board's compensation makes it possible to assess whether its total remuneration is commensurate with the Supervisory Board members' level of responsibility and scope of duties as well as with the economic situation and performance of the company. Nevertheless, in concordance with individualized disclosure of the Executive Board members' remuneration, compensation of the Supervisory Board will be disclosed for the individual members in the future.

So far, the D&O insurance policy has not provided for any deductible for the Supervisory Board and Executive Board members. This was due to reasons involving legal certainty as the issue of which amount constituted a reasonable deductible for D&O insurance had not yet been clarified at the time the German Act on the Appropriateness of Management Board Compensation "Gesetz zur Angemessenheit der Vorstandsvergütung" entered into force. Upon entry into force of this Act, the amount of the deductible for management board members to be agreed is now legally prescribed. Accordingly, a deductible in the amount prescribed by this legal arrangement will be automatically agreed for Executive Board members as of July 1, 2010. The Supervisory Board of Sartorius AG will follow suit concerning this legal arrangement.

Goettingen, December 10, 2009

For the Supervisory Board



Prof. Dr. Dres. h.c.
Arnold Picot

For the Executive Board



Dr. Joachim Kreuzburg

Mode of Operation of the Executive Board and Supervisory Board

Sartorius AG is a company under German law founded on the dual management system with an Executive Board and a Supervisory Board, each of which has its own independent competencies.

The Supervisory Board comprises twelve members as defined in the German Codetermination Law (MitBestG) and has an equal number of shareholder representatives and employee representatives. The Supervisory Board monitors and advises the Executive Board in its management of the company.

The Supervisory Board has established four committees: the Executive Task Committee, the Audit Committee, the Conciliation Committee and the Nomination Committee. The Executive Task Committee, Audit Committee and Conciliation Committee each have four members and have an equal number of shareholder representatives and employee representatives. The Executive Task Committee and Audit Committee hold regular meetings; the Conciliation Committee and the Nomination Committee meet only as necessary.

The Executive Task Committee carries out preparatory work for resolutions and issues to be addressed in the meetings of the Supervisory Board. It also looks after the preparations for appointments including the remuneration and employment contract conditions of members of the Executive Board. The Audit Committee assists the Supervisory Board with the performance of its supervisory function. The chairperson of the Audit Committee is an independent member of the Supervisory Board and has detailed knowledge and extensive experience in the application of accounting standards and internal control systems from his or her own professional practice. The Conciliation Committee meets if the majority required in connection with the appointment of members to the bodies authorized to represent the company for legal purposes is not reached. The Nomination Committee comprises representatives of the shareholders only. Its function is to propose suitable candidates to the Supervisory Board for the latter's election proposals to the Annual Shareholders' Meeting.

The Executive Board of Sartorius AG currently consists of three members. This board has full responsibility for its actions in managing the company in the latter's interest, with the aim of creating sustainable value. The Executive Board provides the Supervisory Board with regular, prompt and detailed reports, both written and verbal, about all relevant corporate planning and strategic development issues and the progress of the Group's business. Significant transactions are discussed in depth by the full Supervisory Board in accordance with the rules of

procedure of the Executive Board. The rules of procedure of the Executive Board additionally define the legal transactions that cannot be effected without the approval of the Supervisory Board. The Executive Board and the Supervisory Board work closely together in a spirit of mutual trust on the management and supervision of the company.

Remuneration of the Executive Board and Supervisory Board

Details of the remuneration paid to the Executive Board and Supervisory Board are presented and disclosed in a standardized form in a Remuneration Report that forms an integral part of the Group Management Report. In order to avoid having to repeat these details, this Annual Corporate Governance Statement explicitly adopts and references the presentation included in the Group Management Report (see pp. 79 ff.).

Shareholders and Shareholders' Meeting

Sartorius AG shareholders exercise their rights at the company's Shareholders' Meeting. The Shareholders' Meeting is held at least once a year within the first eight months of the fiscal year. The Shareholders' Meeting decides on all of the matters for which it is responsible under the law.

Any shareholder who registers in due time may attend the Shareholders' Meeting. Shareholders who are unable to participate in the Shareholders' Meeting in person may arrange to have their vote cast by a bank, by a shareholders' association, by the proxies appointed by Sartorius AG, who are bound to follow the instructions issued to them, or by a different proxy of their choice.

Risk Management

Conscientious management of commercial risks is a central pillar of good corporate governance. Sartorius AG and the Group have at their disposal enterprise-wide and company-specific reporting and control systems designed to facilitate the recording, assessment and management of commercial risks. These systems are developed and adapted continuously as conditions evolve; all of the changes made are verified by the independent auditors. The Executive Board notifies the Supervisory Board regularly of existing risks and their development. The Audit Committee is concerned in particular with monitoring: the accounting process including reporting; the efficacy of the internal control system; risk management and the internal auditing system; compliance; and the independent audit. Details of risk management are presented in the Risk and Opportunities Report.

Transparency

Sartorius AG recognizes the importance of disclosing consistent and complete information promptly. Information about the economic position of the Group and relevant developments is consequently released regularly without delay as it becomes known for the use of participants in the capital market and interested members of the public at large. The annual report, first-half financial report and quarterly reports are published within the timeframes specified for this purpose. Current developments and material events are publicized in the form of press releases and, where appropriate, ad hoc announcements. This information is usually made available in German and English simultaneously and published via suitable media and on the Internet.

The chief recurring events and publications, such as the Annual Shareholders' Meeting, the annual report and the interim reports, are listed on a financial calendar that may be viewed at any time on the Group website.

Share Trading Activities of Supervisory and Executive Board Members

We received no reports under the applicable mandatory disclosure requirements of any purchases or sales of shares in Sartorius AG or of related financial instruments made by the members of the Executive Board and the Supervisory Board or other persons with management responsibilities or their related parties.

Supervisory Board Chairman Prof. Dr. Dres. h.c. Arnold Picot holds approximately 50.1% of the ordinary shares issued by the company in his capacity as executor of the estate of Horst Sartorius, but otherwise no member of the Executive Board or Supervisory Board has any holding of shares or financial instruments that directly or indirectly exceeds 1% of the shares issued by the company and that would thus be subject to the mandatory reporting requirements.

Accounting and Independent Audit

The consolidated financial statements and consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The annual financial statements of Sartorius AG are prepared in accordance with German commercial law (the German Commercial Code or HGB). The consolidated financial statements and the annual financial statements are prepared by the Executive Board, audited by the independent auditors elected by the Annual Shareholders' Meeting and approved by the Supervisory Board.

It has been agreed with the independent auditors that they will notify the Supervisory Board directly of any potential disqualification or bias issues and any material findings and incidents identified during the audit. This also encompasses the corporate governance reporting duties pursuant to Section 161 of the German Stock Corporation Law (AktG).

Code of Conduct

Central to the corporate culture of Sartorius AG is the understanding that we always conduct our business in a sustainable manner compatible with the pertinent economic, environmental and social imperatives. A Code of Conduct has been developed for the entire Group in order to ensure that our actions are consistent throughout the organization. This Code of Conduct, which is being introduced at the moment, lays down defined standards formulated to help overcome ethical and legal challenges in everyday operations and is intended to apply equally to all of the Group's people, be they members of the Executive Board, managing directors, managers or other employees. It is in the interest of all employees and of the company for breaches of the Code of Conduct to be investigated and for their causes to be eliminated. The compliance organization is to be expanded and centralized in a dedicated department to this end.

The Supervisory Board | The Executive Board

Remuneration Report

1. Main Features of the Remuneration Plan for the Executive Board

The remuneration paid to members of the Sartorius AG Executive Board is established by the full Supervisory Board. The total value of the remuneration of an Executive Board member reflects the scope of the responsibilities of the Executive Board member concerned, the Executive Board member's personal performance, the company's economic situation and sustainable progress as well as the extent to which this amount of remuneration is typical, taking into account peer companies and the remuneration structure in place in other areas of the company and in similar companies. It includes both fixed and variable components and is reviewed annually to ensure that it remains appropriate. The variable remuneration components paid in addition to the fixed base salary represent approximately half of the total remuneration in the case of 100% target achievement.

The variable portion of this remuneration contains components that are paid annually and elements designed as long-term incentives. Pursuant to the German Act on the Appropriateness of Management Board Compensation (VorstAG), the components that are paid annually and the elements designed as long-term incentives will each make up one half of the variable remuneration starting as of fiscal 2010. A cap is provided for all variable components.

The portion of the variable remuneration that is paid annually is based on the economic success of the Sartorius Group, especially its volume of business and profit.

There are two variable elements that serve as long-term incentives subject to risk: a phantom stock plan and, from fiscal 2010 onward, an element determined via a multi-year assessment based on Group net profit.

The phantom stock plan depends on the development of the Sartorius share price over a period of at least four years (previously three years) and is payable only if this price exceeds an established minimum stock appreciation or the development of a comparative index. The specific nature of this component is explained in Section 2.

In the case of the variable component referenced to consolidated net profit, target achievement of the sum awarded for each particular fiscal year is based on the average taken over a period of three consecutive fiscal years, beginning with that particular fiscal year, i.e., the current fiscal year. Full account is thus taken of any negative results that continue to affect the remuneration of the Executive Board member concerned even if he or she has left the company.

The members of the Executive Board receive an entitlement to use a company car, the right to reclaim expenses incurred on business travel, accident insurance and D&O insurance as fringe benefits in addition to the remuneration components mentioned. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

Executive Board members receive pension commitments when reappointed for the first time. The level of their entitlement to benefits paid under a company pension scheme depends on the term of their respective appointment.

The employment contracts concluded in connection with new appointments and reappointments include a severance pay cap at the level recommended in the German Corporate Governance Code to cover cases in which membership to the Executive Board is terminated prematurely.

2. Variable Remuneration Element with a Long-Term Incentive Effect (Phantom Stock Plan)

Through the issue of shadow shares, called phantom stock, Executive Board members are treated as if they were owners of a certain number of shares in Sartorius AG. The development of the value of this phantom stock is linked with the development of the Sartorius share; both increases and decreases in the share price are taken into account. Later, this phantom stock is valued based on the share price at the time and its equivalent is paid out, provided that the associated conditions are met. Phantom stock cannot be traded and does not entail any share subscription rights.

According to the Sartorius phantom stock plan, each Executive Board member is credited at the beginning of every year with phantom stock units valued at an agreed monetary sum. The value of this phantom stock can be paid out only as an entire annual tranche. Payment can be requested, at the earliest, after a period of four years (previously three years).

An Executive Board member is entitled to receive payment for phantom stock units only if the share price at the time of the payment request has appre-

ciated at least 10.0% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The phantom stock plan does not permit subsequent changes to the parameters used for comparative stock valuation. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock is assigned, based in each case on the actual annual tranche concerned.

Assignment of this phantom stock and payment of its monetary equivalent depend on the mean value calculated from the average prices of both classes of Sartorius AG share in the closing auction of Xetra trading on the Frankfurt Stock Exchange over the last 20 days of trading of the previous year or the 20 days of trading prior to submission of the payment request. This serves to compensate for any short-term fluctuations in the share price.

Payment for phantom stock is blocked for the four weeks preceding the scheduled publication date of quarterly and preliminary year-end results and for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These blackout periods are intended to prevent Executive Board members' profiting from their insider knowledge.

3. Remuneration of the Executive Board Members

€ in K	2009	2008
Total Remuneration for the Executive Board		
Total remuneration	1,390	1,362
- Performance-independent remuneration*	820	806
- Performance-related remuneration	570	556
- Phantom stock units paid out	0	0
- Fair value of the phantom stock units apportioned in the reporting year (see separate table)	413	55
- Change in the fair value of the phantom stock units apportioned in the previous reporting years	192	-399
- Fair value of mid-term remuneration components	0	63
- Addition to provisions for employee benefits	66	82

* In fiscal 2009, the Executive Board waived parts of its performance-independent remuneration.

€ in K	2009	2008
Dr. Joachim Kreuzburg		
Total remuneration	726	789
- Performance-independent remuneration*	418	480
- Performance-related remuneration	308	309
- Phantom stock units paid out	0	0
- Fair value of the phantom stock units apportioned in the reporting year (see separate table)	242	36
- Change in the fair value of the phantom stock units apportioned in the previous reporting years	121	-262
- Fair value of mid-term remuneration components	0	63
- Addition to provisions for employee benefits	31	42

Jörg Pfirrmann since July 24, 2009		
Total remuneration	144	
- Performance-independent remuneration*	84	
- Performance-related remuneration	60	
- Phantom stock units paid out	0	
- Fair value of the phantom stock units apportioned in the reporting year (see separate table)	39	
- Change in the fair value of the phantom stock units apportioned in the previous reporting years	-	

Reinhard Vogt since July 24, 2009		
Total remuneration	225	
- Performance-independent remuneration*	136	
- Performance-related remuneration	89	
- Phantom stock units paid out	0	
- Fair value of the phantom stock units apportioned in the reporting year (see separate table)	58	
- Change in the fair value of the phantom stock units apportioned in the previous reporting years	-	

Dr. Günther Maaz until July 24, 2009		
Total remuneration**	295	573
- Performance-independent remuneration*	182	326
- Performance-related remuneration	113	247
- Phantom stock units paid out	0	0
- Fair value of the phantom stock units apportioned in the reporting year (see separate table)	74	19
- Change in the fair value of the phantom stock units apportioned in the previous reporting years	71	-137
- Addition to provisions for employee benefits	35	40

* In fiscal 2009, the Executive Board waived parts of its performance-independent remuneration.

** up to the time he left the company

Components with a Long-term Incentive Effect	Number of phantom stock units	Allotment price* €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2009 € in K	Paid out € in K	Exercisable
Dr. Joachim Kreuzburg						
- Tranche of phantom stock units for 2005	4,053	15.42	63	64	0	No
- Tranche of phantom stock units for 2006	3,871	21.31	83	61	0	No
- Tranche of phantom stock units for 2007	3,593	34.79	125	55	0	No
- Tranche of phantom stock units for 2008	4,754	28.92	138	71	0	No
- Tranche of phantom stock units for 2009	16,851	8.16	138	242	0	No
	33,122		547	493	0	
Jörg Pffirmann						
- Tranche of phantom stock units for 2009	2,703	8.16	22	39	0	No
	2,703		22	39	0	
Reinhard Vogt						
- Tranche of phantom stock units for 2009	4,054	8.16	33	58	0	No
	4,054		33	58	0	
Dr. Günther Maaz						
- Tranche of phantom stock units for 2005	2,594	15.42	40	41	0	No
- Tranche of phantom stock units for 2006	2,580	21.31	55	41	0	No
- Tranche of phantom stock units for 2007	1,796	34.79	63	27	0	No
- Tranche of phantom stock units for 2008	2,507	28.92	73	37	0	No
- Tranche of phantom stock units for 2009	5,162	8.16	42	74	0	No
	14,639		273	220		

* Average share price of the last 20 days of trading in the previous fiscal year

4. Main Features of the Remuneration Plan for the Executive Board

The remuneration for Supervisory Board members is defined in the bylaws of Sartorius AG and comprises both fixed and performance-related components.

The members of the Supervisory Board receive fixed annual basic remuneration and meeting attendance fees. They also have their expenses reimbursed and receive performance-related remuneration that is calculated according to a defined index on the basis of the dividends paid to the ordinary shareholders. The Supervisory Board members serving as chairperson and vice chairperson of the Supervisory Board receive higher basic remuneration and a correspondingly higher dividend-dependent remuneration component than do the other Supervisory Board members.

Members and chairpersons of Supervisory Board committees are entitled to receive additional annual fixed amounts and meeting attendance fees and reimbursement of their additional expenses. These amounts do not apply in relation to the Nomination Committee or to the committee pursuant to Section 27, Subsection 3, of the German Codetermination Law (MitBestG).

5. Remuneration of the Supervisory Board Members

€ in K	2009	2008
Remuneration of the Supervisory Board		
Total remuneration	628	577
- Fixed remuneration	293	300
- Performance-related remuneration	73	75
- Compensation for committee work	60	60
- Meeting attendance fee	148	88
Total remuneration for the Sartorius Stedim Biotech subgroup	54	54
- Remuneration from Sartorius Stedim Biotech GmbH, Goettingen, Germany	38	38
- Remuneration from Sartorius Stedim Biotech S.A., Aubagne, France	16	16

€ in K	2009	2008
Prof. Dr. Dres. h.c. Arnold Picot (Chairman)		
Total remuneration	173	162
- Fixed remuneration	60	60
- Performance-related remuneration	15	15
- Compensation for committee work	18	18
- Meeting attendance fee	26	15
- Total remuneration for the - Sartorius Stedim Biotech subgroup	54	54
- Remuneration from Sartorius Stedim Biotech GmbH, Goettingen, Germany	38	38
- Remuneration from Sartorius Stedim Biotech S.A., Aubagne, France	16	16
Gerd-Uwe Boguslawski* (Vice Chairman)		
Total remuneration	88	77
- Fixed remuneration	40	40
- Performance-related remuneration	10	10
- Compensation for committee work	12	12
- Meeting attendance fee	26	15
Dr. Dirk Basting		
Total remuneration	30	29
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	5	4
Annette Becker*		
Total remuneration	31	29
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	6	4
Christiane Benner*		
Total remuneration	30	29
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	5	4
Uwe Bretthauer*		
Total remuneration	63	52
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Compensation for committee work	12	12
- Meeting attendance fee	26	15
Michael Dohrmann*		
Total remuneration	31	29
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	6	4
Dr. Lothar Kappich		
Total remuneration	31	28
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	6	3

€ in K	2009	2008
Prof. Dr. Gerd Krieger		
Total remuneration	31	28
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	6	3
Prof. Dr. rer. nat. Dr.-Ing. Heribert Offermanns		
Total remuneration	31	28
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Meeting attendance fee	6	3
Dr. Michael Schulenburg		
Total remuneration	68	57
- Fixed remuneration	20	20
- Performance-related remuneration	5	5
- Compensation for committee work	18	18
- Meeting attendance fee	25	14
Manfred Werner**		
Total remuneration	21	29
- Fixed remuneration	13	20
- Performance-related remuneration	3	5
- Meeting attendance fee	5	4

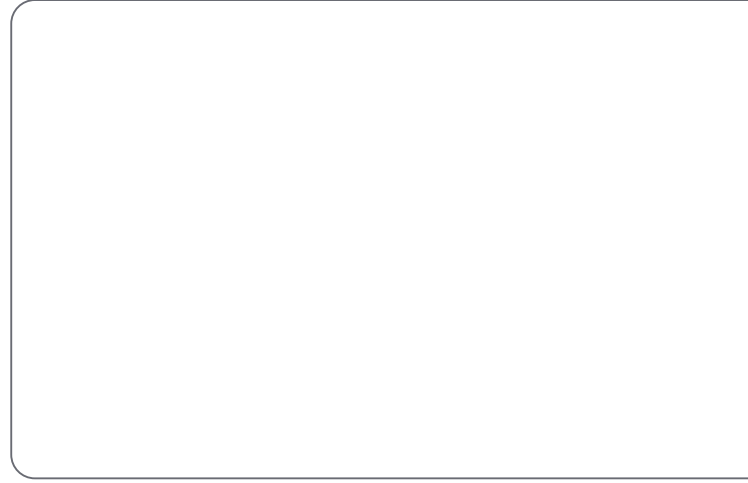
* The employee representatives declared that they donate their Supervisory Board remuneration to the foundation Hans Böckler Stiftung according to the guidelines of the German Trade Union Association.

** His position remained dormant from August 27, 2009, to March 7, 2010.

6. Remuneration of Former Managing Directors

€ in K	2009	2008
Remuneration of Former Managing Directors		
Remuneration of former managing directors, directors and their surviving dependents	1,084	256
Retirement benefits and pension obligations to former members of the Executive Board and their surviving dependents	4,991	4,683

03



Consolidated Financial Statements and Notes

Balance Sheet

Assets	Notes	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
A. Non-current Assets			
I. Goodwill	[9]	291,856	292,466
II. Intangible assets	[9]	114,586	122,442
III. Property, plant and equipment	[10]	150,863	155,710
IV. Financial assets	[11]	5,689	5,133
		562,994	575,751
V. Non-current trade and other receivables	[12]	2,997	3,454
VI. Deferred tax assets	[13]	21,478	14,139
		587,469	593,345
B. Current Assets			
I. Inventories	[14]	69,603	95,618
II. Trade receivables	[15]	82,992	125,073
III. Current tax assets		6,150	13,514
IV. Other assets	[15]	15,634	15,506
V. Cash and cash equivalents	[16]	58,576	21,948
		232,955	271,658
		820,424	865,004

K = thousand

Equity and Liabilities	Notes	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
A. Equity			
I. Issued capital	[17]	17,047	17,047
II. Capital reserves	[18]	86,988	86,988
III. Retained earnings (including net profit)	[19/20/21]	168,541	185,691
IV. Minority interest		46,669	43,656
		319,245	333,382
B. Non-current Liabilities			
I. Pension provisions	[22]	36,969	35,084
II. Deferred tax liabilities	[22]	37,861	40,018
III. Other provisions	[22]	7,886	8,537
IV. Loans and borrowings	[23]	261,414	192,736
V. Other liabilities	[23]	192	267
		344,322	276,642
C. Current Liabilities			
I. Provisions	[24]	23,100	8,919
II. Trade payables	[25]	42,220	44,391
III. Loans and borrowings	[25]	21,867	46,775
IV. Current tax liabilities	[25]	14,024	9,818
V. Other liabilities	[25]	55,647	145,077
		156,857	254,980
		820,424	865,004

Income Statement

	Notes	2009 € in K	2008 € in K
1. Sales revenue	[29]	602,084	611,621
2. Cost of sales	[30]	- 329,799	- 325,271
3. Gross profit on sales		272,285	286,351
4. Selling and distribution costs	[31]	- 137,457	- 150,230
5. Research and development costs	[32]	- 40,156	- 43,918
6. General administrative expenses	[33]	- 37,587	- 38,408
7. Other operating income and expenses	[34]	- 26,166	3,038
		- 241,366	- 229,517
8. Earnings before interest, taxes and amortization (EBITA)		30,919	56,834
9. Amortization		- 7,033	- 6,323
10. Earnings before interest and taxes (EBIT)		23,886	50,511
11. Interest and similar income	[35]	456	942
12. Interest and similar expenses	[35]	- 14,070	- 24,604
13. Financial result	[35]	- 13,614	- 23,662
14. Profit before tax		10,273	26,849
15. Income tax expense	[36]	- 15,535	- 11,748
16. Deferred tax income expenses	[36]	9,297	4,135
17. Other taxes		- 3,060	- 2,954
		- 9,298	- 10,567
18. Net profit		975	16,282
Attributable to:			
Equity holders of the parent		- 7,305	12,360
Minority interest		- 8,280	- 3,922
Earnings per ordinary share (€)	[37]	- 0.43	0.73
Earnings per preference share (€)	[37]	- 0.43	0.73

Statement of Comprehensive Income

	Notes	2009 € in K	2008 € in K
Net profit for the period		975	16,282
Cash flow hedges	[28]	1,360	- 4,804
Actuarial gains losses on defined benefit obligations	[22]	- 956	736
Differences resulting from currency translation		- 1,412	2,035
Net investment in a foreign operation		64	- 249
Deferred taxes		- 171	1,284
Net income recognized directly in equity		- 1,115	- 998
Total recognized income and expense		- 140	15,284
Attributable to:			
Equity holders of the parent		- 8,239	11,713
Minority interest		8,099	3,571

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Cash Flow Statement

	Notes	2009 € in K	2008 € in K
Cash flows from operating activities			
Net profit		- 7,305	12,360
Minority interest		8,280	3,922
Tax expenses	[36]	9,298	10,568
Financial expenses	[35]	13,614	23,662
Depreciation amortization of fixed assets		33,448	29,590
Increase decrease in provisions	[22/24]	12,383	- 4,184
Increase decrease in receivables and other assets	[12/15]	43,117	4,368
Increase decrease in inventories	[14]	25,305	- 7,570
Increase decrease in liabilities (without loans and borrowings)	[23/25]	9,190	- 7,018
Income taxes paid	[36]	- 3,966	- 12,708
Net cash flow from operating activities		143,364	52,990
Cash flows from investing activities			
Payments for financial assets	[11]	- 744	- 2,183
Payments for property, plant and equipment	[10]	- 15,787	- 24,625
Income from the disposal of fixed assets		2,724	2,367
Payments for intangible assets	[9]	- 8,084	- 9,204
Acquisition of subsidiaries	[5]	- 106,324	- 11,027
Net cash flow from investing activities		- 128,215	- 44,672
Cash flows from financing activities			
Interest received	[35]	456	585
Interest paid	[35]	- 11,241	- 14,112
Other financial charges	[35]	- 323	- 6,585
Dividends paid to:			
Shareholders of the parent company		- 6,989	- 11,421
Minority shareholders		- 1,539	- 1,536
Changes in minority interest		- 2,683	- 1,995
Loans and borrowings raised	[23/25]	43,836	31,918
Net cash flow from financing activities		21,517	- 3,146
Net increase decrease in cash and cash equivalents		36,666	5,172
Cash and cash equivalents at the beginning of the period		21,948	17,747
Net effect of currency translation on cash and cash equivalents		- 38	- 971
Cash and cash equivalents at the end of the period		58,576	21,948
Gross debt owed to banks		283,281	239,510
Net debt owed to banks		224,705	217,562

Statement of Changes in Equity

€ in K	Notes	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits
Balance at Jan. 1, 2008		17,047	86,988	2,256	- 1,695	201,199
Net income recognized directly in equity		0	0	- 2,883	376	- 124
Net profit for the period		0	0	0	0	12,360
Total recognized income and expense		0	0	- 2,883	376	12,236
Dividends		0	0	0	0	- 11,421
Acquisition of additional shares in subsidiaries	[5]	0	0	0	0	- 3,124
Change in minority interest		0	0	0	0	1,225
Other changes in equity		0	0	0	0	81
Balance at Dec. 31, 2008 / Jan. 1, 2009		17,047	86,988	- 627	- 1,319	200,196
Net income recognized directly in equity		0	0	830	- 585	32
Net profit for the period		0	0	0	0	- 7,305
Total recognized income and expense		0	0	830	- 585	- 7,273
Dividends		0	0	0	0	- 6,989
Acquisition of additional shares in subsidiaries	[5]	0	0	0	0	- 2,735
Change in minority interest		0	0	0	0	376
Other changes in equity		0	0	0	0	437
Balance at December 31, 2009		17,047	86,988	203	- 1,904	184,012

The item "Acquisition of additional shares in subsidiaries" discloses the purchase of the 20% remaining stake in Wave Biotech AG (in 2009) and the purchase of additional shares in Sartorius Stedim Biotech S.A. (cf. Section 5 in addition).

Difference resulting from currency translation	Total	Minority interest	Total equity
- 14,543	291,252	42,846	334,098
1,984	- 647	- 351	- 998
0	12,360	3,922	16,282
1,984	11,713	3,571	15,284
0	- 11,421	- 1,536	- 12,957
0	- 3,124	0	- 3,124
0	1,225	- 1,225	0
0	81	0	81
- 12,559	289,726	43,656	333,382
- 1,211	- 934	- 181	- 1,115
0	- 7,305	8,280	975
- 1,211	- 8,239	8,099	- 140
0	- 6,989	- 1,539	- 8,528
0	- 2,735	- 3,171	- 5,906
0	376	- 376	0
0	437	0	437
- 13,770	272,576	46,669	319,245

Segment Reports

Operating Segments

€ in millions	Biotechnology			Mechatronics		
	2009	2008	Change in %	2009	2008	Change in %
Order intake	409.2	367.1	11.5%	205.9	242.7	-15.2%
Sales revenue	400.4	366.0	9.4%	201.7	245.6	-17.9%
- as a total %	66.5%	59.8%		33.5%	40.2%	
EBITDA	71.2	54.4	31.0%	- 13.9	25.7	-153.8%
- as a % of sales revenue	17.8%	14.8%		- 6.9%	10.5%	
EBITA	55.5	39.7	39.8%	- 24.6	17.1	-243.8%
- as a % of sales revenue	13.9%	10.9%		- 12.2%	7.0%	
Amortization						
Financial result						
Profit before tax						
Depreciation and amortization	22.7	21.0	8.2%	10.8	8.6	24.7%
Capital expenditures	15.7	20.2	-22.2%	8.1	13.5	-39.9%
- as a % of sales revenue	3.9%	5.5%		4.0%	5.5%	
Total assets of the group	678.6	688.9	-1.5%	141.8	176.1	-19.5%
- of which: working capital	93.9	131.4	-28.5%	58.7	89.3	-34.3%
No. of employees at Dec. 31	2,381	2,362	0.8%	1,942	2,298	-15.5%

Geographical Information

€ in millions	Europe			North America			Asia Pacific		
	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %
Sales revenue									
- acc. to customers' location	343.8	364.6	-5.7%	125.9	115.9	8.7%	109.4	110.2	-0.7%
- as a total %	57.1%	59.6%		20.9%	18.9%		18.2%	18.0%	
- acc. to company location	398.3	422.1	-5.6%	126.4	116.8	8.2%	77.4	72.7	6.4%
- as a total %	66.2%	69.0%		21.0%	19.1%		12.9%	11.9%	
EBITDA	38.1	65.4	-41.8%	6.9	5.0	39.6%	11.5	8.9	29.3%
- as a % of sales revenue	9.6%	15.5%		5.5%	4.2%		14.8%	12.2%	
EBITA	15.2	44.8	-66.0%	5.2	3.5	51.2%	9.8	7.9	23.7%
- as a % of sales revenue	3.8%	10.6%		4.1%	3.0%		12.6%	10.9%	
Depreciation and amortization	29.7	26.7	11.1%	1.9	1.7	10.8%	1.7	1.0	75.0%
Capital expenditures	17.4	26.0	-32.9%	3.4	3.7	-7.8%	3.0	4.1	-25.5%
- as a % of sales revenue	4.4%	6.1%		2.7%	3.1%		3.9%	5.6%	
Non-current assets	521.7	536.3	-2.7%	15.0	14.5	3.5%	18.8	17.8	5.7%
No. of employees at Dec. 31	2,884	3,151	-8.5%	495	540	-8.3%	854	898	-4.9%

2009	Non-allocated Items			2009	2008	Group Change in %
	2008	Change in %				
			615.1	609.8	0.9%	
			602.1	611.6	- 1.6%	
			100.0%	100.0%		
			57.3	80.1	- 28.4%	
			9.5%	13.1%		
			30.9	56.8	- 45.6%	
			5.1%	9.3%		
- 7.0	- 6.3	11.2%	- 7.0	- 6.3	11.2%	
- 13.6	- 23.7	- 42.5%	- 13.6	- 23.7	- 42.5%	
			10.3	26.8	- 61.7%	
			33.4	29.6	13.0%	
			23.9	33.7	- 29.3%	
			4.0%	5.5%		
			820.4	865.0	- 5.2%	
			152.6	220.7	- 30.9%	
			4,323	4,660	- 7.2%	

2009	Other Markets			2009	2008	Group Change in %
	2008	Change in %				
22.9	20.9	9.6%	602.1	611.6	- 1.6%	
3.8%	3.4%		100.0%	100.0%		
			602.1	611.6	- 1.6%	
			100.0%	100.0%		
0.9	0.9	0.1%	57.3	80.1	- 28.4%	
			9.5%	13.1%		
0.7	0.7	1.4%	30.9	56.8	- 45.6%	
			5.1%	9.3%		
0.2	0.2	- 3.2%	33.4	29.6	13.0%	
0.0	0.0	- 7.9%	23.9	33.7	- 29.3%	
			4.0%	5.5%		
1.8	2.1	- 13.9%	557.3	570.6	- 2.3%	
90	71	26.8%	4,323	4,660	- 7.2%	

Notes to the Consolidated Financial Statements

Sartorius AG is a listed joint stock corporation established according to German law and is the highest-level parent company of the Sartorius Group. The corporation is recorded in the German Commercial Register of the District Court of Goettingen (HRB 1970) and is headquartered in Weender Landstrasse 94–108, Goettingen, Federal Republic of Germany.

The Sartorius Group is a leading international laboratory and process technology provider covering the segments of biotechnology and mechatronics. Its biotechnology segment focuses on the major areas of activity of filtration, fluid management, fermentation, purification and laboratory applications. In the mechatronics segment, the Sartorius Group primarily manufactures equipment and systems featuring weighing, measurement and automation technology for laboratory and industrial applications. Key Sartorius customers are from the pharmaceutical and food industries and from numerous research and educational institutes of the public sector.

1. Accounting Principles

The consolidated financial statements of Sartorius AG for the year ended December 31, 2009, were prepared in accordance with § 315a, Subsection 1, of the German Commercial Code (HGB) in conjunction with Art. 4 of the Regulation (EC) No. 1606/2002 of the European Parliament and Council, dated July 19, 2002 (OJ L243 p. 1). These statements conform to the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – observing all IFRS/IAS to be applied effective December 31, 2009, as well as the corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The requirements imposed by these regulations were met without exception, so that the consolidated financial statements of Sartorius AG present a true and fair view of the financial, liquidity and earnings positions, as well as the cash flows during the past financial year. The Executive Board is scheduled to submit the consolidated financial statements on March 8, 2010, to the Supervisory Board.

2. Cash Flow Statement

In the cash flow statement, cash flows are presented in tabular form, according to operating activities, investing activities and financing activities.

In this instance, cash flows from operating activities are calculated using the indirect method; i.e., expenses not affecting payments are added to the net profit, while income without an effect on payments is subtracted.

Cash flows from financing activities are primarily comprised of loans and borrowings and dividend payments. Cash and cash equivalents includes all liquid assets, i.e., all cash on hand and deposits to banks.

In addition to operating investments in intangible assets and plant, property and equipment, cash flows from investing activities particularly encompassed payment of share price warrants to former Stedim shareholders. In the previous year, this increase in the cost of acquisition for Stedim was not an integral part of our cash flow statement as this was a non-cash transaction.

3. Segment Reporting

According to IFRS 8, Operating Segments, which is to be applied for the first time to the reporting year, segments are defined by the so-called management approach, i.e., the segments are defined analogously to the internal control and reporting structure of an entity. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses, its operating results are regularly reviewed by the entity's chief operating decision maker and discrete financial information is available in its internal reporting. Internal control and reporting in the Sartorius Group is primarily done on the basis of its two divisions, Biotechnology and Mechatronics. Accordingly, the Group's operating segments must be defined on this basis, as already done under IAS 14.

The Sartorius Group uses EBITA, i.e. earnings before interest, taxes and amortization, as the key profitability measure. Amortization in this context refers to impairments of goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3. Therefore, amortization and income tax as well as interest expense and income are not included in the operating results of the segments for the respective reporting period. The recognition and measurement methods for the reportable segments conform to the general Group accounting guidelines.

The results reported by the segments for fiscal 2009 include expenses of €2.8 million (Mechatronics) and €1.7 million (Biotechnology), respectively, for impairment of value.

The segment assets that are relevant for management's decision making comprise inventories and trade receivables (= working capital); for this reason, these assets are reported on separately. Segment debt is not reported on a regular basis to the chief operating decision maker and is thus not an integral part of our segment reporting.

In fiscal 2009, all employees responsible for Group-wide administrative tasks at Sartorius Corporate Administration GmbH (SCA) were mathematically allocated to the Mechatronics Division.

Concerning the geographical information, the following applies: The European region includes the markets of Western and Eastern Europe. The North American region reflects the U.S. marketplace and the Canadian market. Japan, China, Australia and India, among other countries, were allocated to the Asia | Pacific region. The Other Markets segment primarily consists of Latin America and Africa. The key figures of the regional segments refer to the company location, except for sales revenue, which is also reported according to the customer's location. The non-current assets correspond to property, plant and equipment as well as intangible assets of the Group affiliates to be allocated to these various regions. In the European region, the following countries account for the material non-current assets: Germany (€139.0 million; 2008: €144.4 million) and France (€364.2 million; 2008: €372.1 million). Goodwill resulting from purchase price allocation concerning the Stedim acquisition and the associated intangible assets were regionally allocated to France.

4. Principles and Methods of Consolidation

The consolidated financial statements of Sartorius AG include the annual financial statements of all material companies, which are controlled directly or indirectly by Sartorius AG via its subsidiaries. In terms of IAS 27, Consolidated Financial Statements and Accounting for Investments in Subsidiaries, a controlling interest exists if Sartorius AG or its subsidiaries have the power to govern the financial and operating policies of an enterprise so as to obtain economic benefits from its activities. Such enterprises are included in the consolidated financial statements from the time when Sartorius AG or its subsidiaries acquired such control. They are no longer included as of the time control is relinquished.

Capital has been consolidated in accordance with the purchase method, under which the acquisition costs of the shareholding are offset against their equity share at the time of the acquisition. Any excess of the acquisition costs over the fair value of the identifiable assets and liabilities is disclosed as goodwill, unless it can be allocated to the other assets of the subsidiary.

Goodwill may not be amortized as scheduled, but rather must be tested for impairment at least annually according to IFRS 3. Any impairment loss is immediately recognized in the result for the period and is not reversed in subsequent periods.

Any excess of the parent corporation's interest beyond the cost of the business combination, which resulted from initial consolidation, is recognized in the income statement, provided that after reassessment it cannot be allocated as identifiable assets, liabilities and contingent liabilities of the acquiree.

The acquisition of additional shares in a subsidiary is treated as a transaction between shareholders. The difference between the cost of acquisition and the minority share is directly recognized in equity.

Subsidiaries have been included on the basis of their annual financial statements, which have been adapted to uniform Group recognition and measurement methods.

Accounts receivable and debts between the consolidated companies have been netted out, and internal Group valuation allowances and provisions reversed. Intragroup results, revenues and expenses have been eliminated. Taxes are deferred on consolidation processes.

The consolidation methods applied remained unchanged with respect to the previous year's figures that were contrasted with the figures of fiscal 2009 for comparative purposes. Therefore, a description of the effect on the net worth, financial situation and profitability was omitted.

5. Scope of Consolidation and List of Subsidiaries

The Group financial statements include the financial statements of Sartorius AG and of the following fully consolidated subsidiaries and investments in subsidiaries and participating interests carried at cost:

	Sartorius AG's ownership in %	Equity at Dec. 31, 2009 € in K	Net profit at Dec. 31, 2009 € in K	Consolidated
Sartorius AG, Goettingen, Germany	Parent corporation	168,476	2,261	X
Sartorius Stedim Biotech S.A., Aubagne, France, along with its subsidiaries:	71.8	84,320	14,159	X
Europe (Biotechnology)				
Sartorius Stedim Belgium N.V., Vilvoorde, Belgium	100.0	1,002	965	X
Distribo GmbH, Goettingen, Germany*)	26.0	828	146	
Sartorius Stedim Nordic A/S, Taastrup, Denmark	100.0	208	- 15	X
Sartorius Stedim Biotech GmbH, Goettingen, Germany	100.0	71,353	16,266	X
Sartorius Stedim Systems GmbH, Melsungen, Germany	100.0	14,140	1,538	X
Sartorius Stedim Plastics GmbH, Goettingen, Germany	100.0	2,348	1,060	X
Munktell & Filtrak GmbH, Baerenstein, Germany*)	49.0	3,997	743	
Sartorius Technologies & Services GmbH, Goettingen, Germany	100.0	112	11	X
Sartorius Stedim UK Ltd., Epsom, U.K.	100.0	930	1,007	X
Sartorius Stedim Lab Ltd., Louth, U.K.	100.0	1,391	736	X
Sartorius Stedim France S.A.S, Aubagne, France	100.0	3,017	1,996	X
Sartorius Stedim Aseptics S.A., Lourdes, France	100.0	3,611	1,787	X
Sartorius Stedim Italy S.p.A., Florence, Italy	100.0	3,625	646	X
Sartorius Stedim Netherlands B.V., Nieuwegein, Netherlands	100.0	454	441	X
Sartorius Stedim Austria GmbH, Vienna, Austria	100.0	846	492	X
Sartorius Stedim Poland Sp. z.o.o., Kostrzyn, Poland	100.0	205	10	
Sartorius Stedim Switzerland GmbH, Dietikon, Switzerland	100.0	40	- 24	X
Integrated Biosystems Sàrl, Fribourg, Switzerland	100.0	1,604	- 152	X
Wave Biotech AG, Tagelswangen, Switzerland	100.0	1,567	98	X
Sartorius Stedim Spain S.A., Madrid, Spain	100.0	- 645	117	X
Sartorius Stedim Hungaria Kft., Budapest, Hungary*)	100.0	94	93	
North America (Biotechnology)				
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100.0	5,282	3,503	X
Sartorius Stedim North America Inc., Bohemia, New York, USA	100.0	30,439	- 5,587	X
Sartorius Stedim SUS Inc., Concord, California, USA	100.0	6,316	705	X
Asia Pacific (Biotechnology)				
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	1,343	992	X
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100.0	790	619	X
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100.0	3,770	12	X
Sartorius Stedim Japan K.K., Tokyo, Japan	100.0	1,749	812	X
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	844	350	X
Sartorius Stedim Singapore Pte. Ltd., Singapore	100.0	725	275	X
Other Markets (Biotechnology)				
Sartorius Stedim SUS S.A.R.L., M'Hamdia, Tunisia	100.0	787	596	X

Equity and net profit are indicated in thousands of euros and are abbreviated throughout the tables as K.

	Sartorius AG's ownership in %	Equity at Dec. 31, 2009 € in K	Net profit at Dec. 31, 2009 € in K	Consolidated
Europe (Mechatronics)				
Sartorius Mechatronics Belgium N.V., Vilvoorde, Belgium	100.0	- 71	- 501	X
Denver Instrument GmbH, Goettingen, Germany	100.0	1,394	- 59	X
Sartorius Mechatronics C&D GmbH & Co. KG, Aachen, Germany, including Sartorius-Verwaltungs-GmbH	100.0	- 3,312	- 2,743	X
Sartorius Mechatronics T&H Hamburg GmbH, Hamburg, Germany	100.0	17,902	- 2,309	X
Sartorius Corporate Administration GmbH, Goettingen, Germany	100.0	129	- 1,264	X
Sartorius Mechatronics UK Ltd., Epsom, UK	100.0	1,856	- 90	X
Sartorius Mechatronics France S.A.S, Palaiseau, France	100.0	668	- 861	X
VL Finance S.A.S., Aubagne, France	100.0	37,567	832	X
Sartorius Mechatronics Italy S.r.L., Florence, Italy	100.0	936	- 208	X
Sartorius Mechatronics Netherlands B.V., Nieuwegein, Netherlands, along with its subsidiary:	100.0	- 520	- 1,094	X
GWT Global Weighing Technologies B.V. Netherlands, Nieuwegein, Netherlands	100.0	5	0	X
Sartorius Mechatronics Austria GmbH, Vienna, Austria	100.0	2,913	238	X
Sartorius Mechatronics Poland Sp. z.o.o., Kostrzyn, Poland	100.0	590	237	
ZA0 Sartogsm, St. Petersburg, Russia*)	51.0	- 7	- 114	
OOO Sartorius ICR, St. Petersburg, Russia	100.0			
Sartorius Mechatronics Switzerland AG, Dietikon, Switzerland	100.0	- 195	- 198	X
Sartorius Mechatronics Spain, S.A., Madrid, Spain	100.0	- 912	- 979	X
Sartorius Mechatronics Hungaria Kft., Budapest, Hungary*)	100.0	599	177	
North America (Mechatronics)				
Sartorius North America Inc., Bohemia, New York, USA	100.0	22,448	0	X
Sartorius Mechatronics Corporation, Bohemia, New York, USA	100.0	7,550	- 618	X
Sartorius TCC Company, Arvada, Colorado, USA	100.0	5,961	- 1,085	X
Sartorius Mechatronics Canada Inc., Mississauga, Canada	100.0	233	23	X

	Sartorius AG's ownership in %	Equity at Dec. 31, 2009 € in K	Net profit at Dec. 31, 2009 € in K	Consolidated
Asia Pacific (Mechatronics)				
Sartorius Mechatronics Australia Pty. Ltd., Dandenong South, Victoria, Australia	100.0	275	189	X
Beijing Sartorius Instrument & System Engineering Co. Ltd., Beijing, China	100.0	4,378	19	X
Sartorius Scientific Instruments (Beijing) Co. Ltd., Beijing, China	100.0	10,647	1,160	X
Sartorius Mechatronics Hong Kong Ltd., Kowloon, Hong Kong, China	100.0	2,983	589	X
Sartorius Mechatronics India Pvt. Ltd., Bangalore, India	100.0	4,617	477	X
PT. Sartorius Mechatronics Indonesia, Jakarta, Indonesia*)	95.0	19	5	
Sartorius Mechatronics Japan K.K., Tokyo, Japan	100.0	7,454	1,044	X
Sartorius Mechatronics Philippines Inc., Makati City, Philippines	100.0	268	69	
Sartorius Mechatronics Singapore Pte. Ltd., Singapore	100	1,109	139	X
Sartorius Mechatronics Korea Ltd., Seoul, South Korea	100.0	1,967	329	X
Sartorius Mechatronics (Thailand) Co. Ltd., Bangkok, Thailand	49.0	118	37	X
Other Markets (Mechatronics)				
Sartorius Argentina S.A., Buenos Aires, Argentina*)	99.0	319	- 20	
Sartorius do Brasil Ltda., São Paulo, Brazil*)	100.0	- 266	- 92	
Sartorius de México S.A. de C.V., Naucalpan, Mexico*)	99.0	109	- 203	

As the financial statements of the subsidiaries identified by an *) were not available at the time our consolidated financial statements were prepared, the information from the annual financial statements from 2008 were considered.

The non-consolidated companies were not included in the consolidated Group financial statements because they have minor importance for assessment of the actual net worth, financial situation and profitability of the Sartorius Group.

Change in the Scope of Consolidation

In the year under review, Sartorius Stedim Biotech (Beijing) Co. Ltd., China, was consolidated for the first time in the Group financial statements. Until then, the company had not been included due to its minor importance for assessment of the actual net worth, financial situation and profitability of the Sartorius Group

Furthermore, in fiscal 2009, various internal reorganization measures were carried out in the Group; in particular, this restructuring involved combining unit operations.

The shares of the companies not included in the consolidated financial statements were not accounted for at fair value because no active market exists for them, and an appraisal report was not obtained due to minor importance.

Acquisition of Stedim

In the reporting year, the share price warrants already measured for former Stedim shareholders on the basis of option pricing models as of December 31, 2008, were paid out in the amount of €103.7 million. Goodwill decreased (€0.6 million) in the amount of the difference between the actual payment and the acquisition costs taken into account as of December 31, 2008.

In addition, Sartorius AG acquired further shares in Sartorius Stedim Biotech in the reporting year. Therefore, as of the reporting date, the Group holds 71.8% of Sartorius Stedim Biotech's shares and 74.7% of its voting rights.

Acquisition of Wave Biotech AG

On December 1, 2008, Sartorius Stedim Biotech had acquired a majority stake of 80% in Wave Biotech AG, Tagelswangen, Switzerland. As obligatorily agreed in the purchase contract, Sartorius acquired the remaining stake of 20% in the company as of November 1, 2009, at a purchase price of €2.3 million. This purchase was treated as a business combination under joint control. Accordingly, the difference between the purchase price of the shares and the minority shareholdings previously disclosed was offset against Group equity.

Because of more recent information concerning the fair values of the assets and liabilities to be disclosed for acquiree, the original acquisition costs were allocated to the acquired assets and liabilities, respectively, as follows, unlike the provisionally disclosed purchase price allocation for 2008:

The total purchase price of €8.1 million was paid in cash and is allocated to the acquired assets and liabilities as follows:

	Carrying amounts directly before the business combination € in K	Fair values on the acquisition date € in K
Intangible assets	0	9,711
Property, plant and equipment	649	773
Inventories	1,484	1,530
Trade and other receivables	1,104	1,104
Cash and cash equivalents	364	364
Net deferred taxes	- 124	- 2,240
Pension provisions	0	- 134
Financial liabilities	- 333	- 333
Other liabilities	- 1,482	- 1,767
Net assets acquired	1,662	9,008
Of which 80%		7,206
Acquisition cost		8,015
Costs directly attributed to the business combination		162
Goodwill		971

Compared with the originally disclosed purchase price allocation, the amount of the goodwill reported differed by only €8 K.

Goodwill contains assets that are not separable, such as, for instance, expertise in replacing reusable products in biomanufacturing by innovative single-use solutions.

6. Recognition and Measurement Principles

The consolidated financial statements of Sartorius AG have been prepared in accordance with the regulations of the IASB. In the course of the transition to the International Financial Reporting Standards, methods of recognition and measurement have been applied which diverge from the provisions of German commercial law.

Compared to the year-earlier consolidated financial statements, the following Standards and Interpretations were to be obligatorily applied for the first time:

- Amendments to IAS 1: Presentation of Financial Statements: A Revised Presentation
- Amendments to IAS 23: Borrowing Costs
- Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to IAS 39: Reclassification of Financial Assets: Effective Date and Transition
- Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments
- Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate
- Amendments to IFRS 2: Share-Based Payment: Vesting Conditions and Cancellations
- Amendments to IFRS 7: Improving Disclosures about Financial Instruments

- IFRS 8: Operating Segments

- Various: Annual Improvements to IFRSs (Issued May 2008)

- IFRIC 13: Customer Loyalty Programmes

- IFRIC 14: IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The first-time application of the Standards and Interpretations listed above resulted in slight adjustments of the presentation of the items of the financial statements (IAS 1), segment reporting (IFRS 8) and in the disclosures pertaining to financial instruments (IFRS 7).

The following Standards, Interpretations or revisions were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the EU or their application was not obligatory for 2009:

Standard Interpretation	Applicable for financial years from	Endorsement by the EU comission
Revised IFRS 1: First-time Adoption of IFRS (Revised 2008)	July 1, 2009	Yes
Amendments to IFRS 1: Additional Exemptions for First-time Adopters	January 1, 2010	No
Amendments to IFRS 2: Group Cash-settled Share-based Payment Transactions	January 1, 2010	No
Revised IFRS 3: Business Combinations	July 1, 2009	Yes
IFRS 9: Financial Instruments	January 1, 2013	No
Revised IAS 24: Related Party Disclosures	January 1, 2011	No
Amendments to IAS 27: Consolidated and Separate Financial Statements	July 1, 2009	Yes
Amendments to IAS 32: Financial Instruments: Presentation: Classification of Rights Issues	February 1, 2010	Yes
Amendments to IAS 39: Financial Instruments: Recognition and Measurement: Eligible Hedged Items	July 1, 2009	Yes
Amendments to IFRIC 9 and IAS 39: Embedded Derivatives	July 1, 2009	Yes
Various: Annual Improvements to IFRSs (Issued April 2009)	Mostly January 1, 2010	No
IFRIC 12: Service Concession Arrangements	April 1, 2009	Yes
Amendments to IFRIC 14: Prepayments of a Minimum Funding Requirement	January 1, 2011	No
IFRIC 15: Agreements for the Construction of Real Estate	January 1, 2010	Yes
IFRIC 16: Hedges of a Net Investment in a Foreign Operation	July 1, 2009	Yes
IFRIC 17: Distributions of Non-Cash Assets to Owners	July 1, 2009	Yes
IFRIC 18: Transfers of Assets from Customers	July 1, 2009	Yes
IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	No

The process of measuring the potential impact of these Standards and Interpretations on the net worth, financial position and earnings of the Sartorius Group is in progress and so a reliable assessment of this

impact cannot be given at this point. Presently, first-time application is planned for each reporting period in which the Standards, Interpretations or Amendments must be obligatorily applied.

During the preparation of consolidated financial statements, estimates must be used to a certain degree, and these affect the recognized sums of the assets, equity and liabilities as well as income and expenses during the reporting period. The amounts actually yielded may differ from these estimates.

7. Presentation of the Balance Sheet and Income Statement

To enhance the clarity of the presentation, individual balance sheet and income statement items have been combined and reported separately in the Notes. To better account for the particularities of the consolidation, other earnings reserves and retained profits have been combined into a single item in the consolidated financial statements.

The Sartorius Group uses earnings before interest, taxes and amortization (EBITA) as the key profitability measure. Amortization in this context refers to impairments of goodwill and to the purchase price allocation (PPA) to intangible assets according to IFRS 3.

8. Currency Translation

The consolidated financial statements of Sartorius AG were prepared in thousands of euros [abbreviated throughout text and tables as K]. In the annual financial statements of the individual companies, foreign currency transactions were translated at the exchange rates applicable at the time of the transaction. Monetary assets and debts whose value is

given in a foreign currency have been translated at the exchange rate on the balance sheet date. Rate gains and losses have been recognized directly in the item "Other operating income and expenses."

The Group concludes option and forward exchange transactions to hedge against currency risks. The Group's recognition and measurement methods with respect to these derivative financial instruments are presented under Section 28.

Subsidiaries' annual financial statements prepared in foreign currencies are translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of a functional currency. Foreign subsidiaries are regarded as independent subdivisions of the Sartorius Group. Balance sheet items are translated at the exchange rates on the balance sheet date, with the exception of the equity of consolidated subsidiaries, which are translated at historical exchange rates. Income and expense items are converted at the average annual rates. Any translation differences resulting from the use of different exchange rates for balance sheet items and the income statement are recognized directly in shareholders' equity.

For certain defined loans granted on a long-term basis, the Group applies the concept of "net investments in a foreign operation." The foreign exchange translation differences resulting from these loans are recognized directly in equity according to IAS 21.32.

The following exchange rates were used for currency translation:

	Year-end exchange rates		Average annual exchange rates	
	2009	2008	2009	2008
USD	1.44050	1.39760	1.39405	1.47564
GBP	0.89000	0.95890	0.89136	0.79468
CAD	1.51000	1.71700	1.58649	1.55915
AUD	1.60040	2.02800	1.77501	1.73430
HKD	11.16520	10.83070	10.80610	11.48901
JPY	133.06000	126.40000	130.23913	153.26959
INR	67.00340	67.71000	67.35752	63.60717
CNY	9.82990	9.53580	9.22590	10.25928
KRW	1,678.97	1,753.15	1,768.90	1,594.42
CHF	1.48400	1.48800	1.51021	1.58951
SGD	2.01850	2.01450	2.02338	2.07855
MYR	4.93000	4.83570	4.90456	4.89096
THB	47.96900	48.45000	47.79750	48.49479
TND	1.89920	1.82160	1.87617	1.80203
DKK	7.44200	7.45200	7.44643	7.45619

Notes to the Individual Balance Sheet Items

Non-current Assets

9. Goodwill and Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2008	241,197
Change in the scope of consolidation	0
Investments	51,269
Disposals	0
Gross book values at Dec. 31, 2008	292,466
Impairment losses at Jan. 1, 2008	0
Change in the scope of consolidation	0
Impairment losses in 2008	0
Disposals	0
Impairment losses at Dec. 31, 2008	0
Net book values at Dec. 31, 2008	292,466
Gross book values at Jan. 1, 2009	292,466
Change in the scope of consolidation	0
Investments	8
Disposals	- 618
Gross book values at Dec. 31, 2009	291,856
Impairment losses at Jan. 1, 2009	0
Impairment losses in 2009	0
Disposals	0
Impairment losses at Dec. 31, 2009	0
Net book values at Dec. 31, 2009	291,856

The item reported as goodwill in the amount of €291,856 K is the capitalized difference in assets resulting from capital consolidation. According to IFRS 3, goodwill may not be amortized on a scheduled basis, but rather, must be tested annually for impairment.

In conjunction with the combination of our Biotechnology Division with Stedim, the structure of our biotechnology business has permanently changed. For this reason, in fiscal 2007 the existing goodwill had to be reallocated to the particular cash-generating units of the division. Because of the increasing level of integration of our entire

biotechnology business, we assume that since this time, the cash-generating unit has been referring to the entire biotechnology segment. Because of the substantial decline in demand reported by the Mechatronics Division, this division implemented extensive restructuring measures in fiscal 2009. In addition to cost-cutting measures, these measures also covered a change in the strategic alignment of its business and rearrangement of its management structures. Against this background, goodwill of the Mechatronics Division had to be reallocated. Ultimately, this also led to reassessment of goodwill at the division level so the entire Mechatronics Division must be regarded as one cash-generating unit. Thus, goodwill is distributed to the Biotechnology Division (€285.4 million; 2008: €286.0 million) and the Mechatronics Division (€6.5 million; 2008: €6.5 million) as cash-generating units.

The impairment tests conducted for fiscal 2009 measure the recoverable amount on the basis of the value in use of the particular cash-generating unit. Our cash flow forecasts consider previous experiences and are generally based on the budgets approved by the Executive Board for a period of three to five years. For the Biotechnology Division, calculations were based on a discount interest rate of 8.0% (2008: 8.0%) and a terminal growth rate of 3.0% (2008: 3.0%) for the fiscal years after 2014. The terminal growth rate for the Biotechnology Division is derived from market expectations, which forecast long-term double-digit growth rates for the targeted biopharmaceutical market. The major growth driver for Sartorius Stedim Biotech will be, among others, the currently ongoing paradigm shift from usage of reusable products to utilization of single-use products, such as filters and bags, in biomanufacturing.

For the Mechatronics Division, a discount interest rate of 9% (2008: 8%) and a terminal growth rate of 1.0% (2008: 1.0%) has been used for fiscal years after 2014.

In fiscal 2009, our impairment tests did not result in recognition of impairment losses.

Intangible Assets

	Concessions, industrial property rights and similar rights as well as licenses to such rights and assets € in K	Brand name € in K	Customer relationships € in K	Capitalized development costs € in K	Payments on account € in K	Total € in K
Gross book values at Jan. 1, 2008	30,389	10,779	81,351	19,180	196	141,895
Currency translation	- 88	0	0	13	7	- 68
Change in the scope of consolidation	8,295	0	0	2,053	0	10,348
Investments	2,755	0	0	6,231	133	9,119
Disposals	- 61	0	0	- 48	- 8	- 117
Transfers	- 27	0	0	0	- 145	- 172
Gross book values at Dec. 31, 2008	41,263	10,779	81,351	27,429	184	161,005
Amortization at Jan. 1, 2008	- 16,176	0	- 2,787	- 8,039	0	- 27,002
Currency translation	72	0	0	- 1	0	71
Amortization in 2008	- 3,740	0	- 5,488	- 2,591	0	- 11,819
Impairment losses in 2008	0	0	0	0	0	0
Disposals	185	0	0	3	0	188
Transfers	156	0	0	- 160	4	0
Amortization at Dec. 31, 2008	- 19,503	0	- 8,275	- 10,788	4	- 38,563
Net book values at Dec. 31, 2008	21,759	10,779	73,076	16,641	188	122,442
Gross book values at Jan. 1, 2009	41,263	10,779	81,351	27,429	184	161,005
Currency translation	- 7	0	0	4	0	- 3
Change in the scope of consolidation	- 99	0	0	- 81	0	- 180
Investments	1,572	0	0	6,503	9	8,084
Disposals	- 820	0	0	- 247	0	- 1,067
Transfers	379	0	- 84	0	- 188	107
Gross book values at Dec. 31, 2009	42,288	10,779	81,267	33,608	5	167,946
Amortization at Jan. 1, 2009	- 19,503	0	- 8,275	- 10,788	4	- 38,563
Currency translation	- 22	0	0	- 2	0	- 24
Amortization in 2009	- 4,303	0	- 5,437	- 3,738	0	- 13,478
Impairment losses in 2009	- 142	0	0	- 1,490	0	- 1,632
Disposals	523	0	0	12	0	535
Transfers	- 190	0	- 9	0	0	- 199
Amortization at Dec. 31, 2009	- 23,637	0	- 13,721	- 16,006	4	- 53,361
Net book values at Dec. 31, 2009	18,650	10,779	67,546	17,602	9	114,586

Intangible assets acquired are stated at cost less the accumulated, regular amortization that is calculated according to the straight-line method.

The brand name acquired in the Stedim transaction is considered to have an indefinite useful life and is therefore not amortized. There is no foreseeable limit to the period over which the brand name is expected to generate net cash inflows for the company. Because of the integration of the "Stedim" brand into the "Sartorius Stedim Biotech" brand, a separate measurement of relevant cash flows is not possible, however. Therefore, no separate impairment test has been carried out since 2008; the recoverability of the brand name was considered at the next-higher level of the cash-generating unit (CGU), i.e., the Biotechnology Division.

Costs incurred within the scope of the development of new products and methods in the Biotechnology and Mechatronics entities were capitalized as internally generated intangible assets if the following criteria were met:

- The internally generated asset is identifiable (e.g., software and new methods);
- It is probable that the internally generated asset will generate future economic benefits; and
- The development costs of the asset can be reliably measured.

In fiscal 2009, the development costs of €6,503 K (2008: €6,231 K) were recognized as assets. The capitalized development costs essentially covered the costs that were allocated to the staff involved in the R&D effort, raw materials and supplies, outside services and directly attributable overhead. Internally generated intangible assets were amortized according to the straight-line method over their useful life, which usually did not exceed four years.

If an internally generated intangible asset may not be recognized, the development costs are included in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

Amortization of intangible assets is based on the following periods of useful life:

Software	2 to 5 years
Customer relationships and technologies	5 to 15 years
Backlog	6 months
Brand name	N A

Amortization of intangible assets is allocated to the corresponding functions in the income statement. For capitalized development costs, amortization is disclosed in the research and development costs. Amortization of intangible assets identifiable within the scope of purchase price allocation is reported in the "Amortization" item.

As the useful life of specific intangible assets were reassessed, material impairment expenses of €1,632 K (2008: €0 K) were recognized in fiscal 2009. The recoverable amount of the respective assets was measured based on the value in use at a discount interest rate of 9%.

10. Property, Plant and Equipment

	Land and leasehold rights and improvements including buildings on third-party land € in K	Technical machinery and equipment € in K	Leasing of equipment € in K	Other equipment, factory and office equipment € in K	Payments on account relating to equipment and construction in progress € in K	Total € in K
Gross book values at Jan. 1, 2008	125,666	75,844	6,354	83,522	2,510	293,896
Currency translation	763	79	-1	-177	112	776
Investments	2,413	6,884	284	8,978	6,067	24,626
Disposals	-22	-2,487	-742	-4,797	-1	-8,049
Transfers	266	-170	133	869	-950	148
Change in scope of consolidation	294	219	0	234	0	747
Gross book values at Dec. 31, 2008	129,380	80,369	6,028	88,629	7,738	312,144
Depreciation at Jan. 1, 2008	-30,451	-49,566	-4,668	-59,875	0	-144,560
Currency translation	-57	-175	1	22	0	-209
Depreciation in 2008	-4,266	-5,360	-714	-7,431	-1	-17,772
Impairment losses in 2008	0	0	0	0	0	0
Disposals	4	1,661	606	3,811	0	6,082
Transfers	-2	96	-131	62	0	25
Depreciation at Dec. 31, 2008	-34,772	-53,344	-4,906	-63,411	-1	-156,434
Net book values at Dec. 31, 2008	94,608	27,025	1,122	25,218	7,737	155,710
Gross book values at Jan. 1, 2009	129,380	80,369	6,028	88,629	7,738	312,144
Currency translation	-512	-270	0	-39	23	-798
Investments	1,984	5,254	0	6,988	1,561	15,787
Disposals	-1,516	-3,767	-518	-10,343	-340	-16,484
Transfers	1,672	1,429	4	3,741	-5,314	1,532
Change in the scope of consolidation	25	70	0	0	0	95
Gross book values at Dec. 31, 2009	131,033	83,085	5,514	88,976	3,668	312,276
Depreciation at Jan. 1, 2009	-34,772	-53,344	-4,906	-63,411	-1	-156,434
Currency translation	93	188	0	17	0	298
Depreciation in 2009	-4,447	-5,960	-106	-7,218	0	-17,731
Impairment losses in 2009	0	-608	0	0	0	-608
Disposals	1,288	3,319	470	9,198	1	14,276
Transfers	-87	465	-1	-1,591	0	-1,214
Depreciation at Dec. 31, 2009	-37,925	-55,940	-4,543	-63,005	0	-161,413
Net book values at Dec. 31, 2009	93,108	27,145	971	25,971	3,668	150,863

The item "Property, plant and equipment" is reported at cost, and if subject to depreciation, is depreciated as scheduled. The straight-line method is used to standardize the depreciation reported in the consolidated financial statements. The cost of conversion covers full production-related costs.

The amounts capitalized as part of the cost of the assets in the reporting year do not contain any borrowing costs as none of the amounts could be directly attributable to the acquisition or production of qualifying assets.

The Sartorius Group leases its filtration systems and equipment to third parties within the scope of operating leases pursuant to IAS 17, Leases. We have two basic types of leasing contracts, which can be adapted to meet the individual requirements of the lessee. Here, we distinguish between a regular leasing contract that merely covers a specific number of filtration modules as the initial consumables supplied. This means that replacement modules are ordered through our spare part business.

In addition, we offer a "global filtration policy" in which replacement modules are also an integral part of the contract. Our leasing business essentially covers Italy, France, Spain and Germany. In fiscal 2009, we received lease payments of €1,265 K (2008: €1,087 K). For 2010, the expected lease payments for existing leasing contracts are €627 K and for 2011 to 2014, a total of €773 K.

Depreciation of fixed assets is based on the following periods of useful life:

Buildings	15 to 50 years
Machinery	5 to 15 years
Factory and office equipment	3 to 13 years

In fiscal 2009, material impairment losses of €608 K were recognized for property, plant and equipment; these essentially are related to restructuring in the Mechatronics Division. The recoverable amount of the respective assets was determined based on their value in use.

Impairment of Assets

The book values (carrying amounts) of property, plant and equipment as well as intangible assets are examined at each balance sheet date for indications that an asset might be impaired, pursuant to IAS 36, Impairment of Assets. If an asset is impaired, the recoverable amount of the asset is estimated in order to determine the amount of the potential impairment loss. In the event that the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit is estimated.

If the estimated recoverable amount of an asset (or a cash-generating unit) goes below its book value (carrying amount), this carrying amount is reduced to the recoverable amount. If the causes of the asset impairment are removed, the book value of the asset (or the cash-generating unit) is credited to the newly estimated recoverable amount in a manner recognized in net profit. However, the book value increase is limited to the value that the asset (or cash-generating unit) would have had if no asset impairment loss would have been assessed in previous years.

11. Financial Assets

	Investment in affiliated companies € in K	Participating interests € in K	Securities as fixed assets and other loans € in K	Total € in K
Gross book values at Jan. 1, 2008	1,504	3,488	359	5,351
Currency translation	0	0	- 12	- 12
Change in the scope of consolidation	- 72	0	0	- 72
Investments	2,055	123	5	2,183
Disposals	0	- 253	- 123	- 376
Transfers	0	0	0	0
Gross book values at Dec. 31, 2008	3,487	3,358	229	7,074
Impairment losses at Jan. 1, 2008	- 388	- 1,522	- 18	- 1,928
Impairment losses in 2008	0	- 14	- 1	- 15
Disposals	0	0	2	2
Impairment losses at Dec. 31, 2008	- 388	- 1,536	- 17	- 1,941
Net book values at Dec. 31, 2008	3,099	1,822	212	5,133
<hr/>				
Gross book values at Jan. 1, 2009	3,487	3,358	229	7,074
Currency translation	0	0	1	1
Change in the scope of consolidation	- 169	0	0	- 169
Investments	451	259	34	744
Disposals	0	0	- 6	- 6
Gross book values at Dec. 31, 2009	3,769	3,617	258	7,644
Impairment losses at Jan. 1, 2009	- 388	- 1,536	- 17	- 1,941
Impairment losses in 2009	0	- 14	0	- 14
Disposals	0	0	0	0
Impairment losses at Dec. 31, 2009	- 388	- 1,550	- 17	- 1,955
Net book values at Dec. 31, 2009	3,381	2,067	241	5,689

Investments in subsidiaries, associates and securities as fixed assets are measured at cost because they do not have a quoted market price in an active market, and the fair values of these assets cannot be reliably measured at a reasonable cost.

The other financial assets are accounted for at cost or nominal value unless they have to be reported at a lower recoverable amount on the reporting date.

For a list of the companies consolidated and their ownership percentages, please refer to "Scope of Consolidation and List of Subsidiaries."

12. Non-current Trade and Other Receivables

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Non-current trade receivables	286	581
Other non-current assets	2,711	2,873
Deferred tax assets	21,478	14,139
	24,475	17,594

13. Deferred Tax Assets

In accordance with IAS 12, Income Taxes, deferred taxes are measured using the balance sheet liability method with respect to temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet, which is prepared according to IFRS, and their corresponding tax base. Deferred taxes on the level of the individual companies as well as those resulting from consolidation are recognized in this manner.

Deferred tax liabilities are recognized for all taxable temporary differences and are reported separately as deferred tax provisions on the liabilities side of the balance sheet. Deferred tax assets are recognized if it is probable that taxable profits will be available in future, against which the deductible temporary difference or unused tax loss and interest amounts carried forward can be used.

On principle, deferred taxes are not recognized in particular if the temporary difference is yielded by goodwill or negative goodwill resulting from capital consolidation.

Deferred taxes are measured based on the tax rates expected when the temporary differences are realized or anticipated. In Germany, it can be assumed that the corporation tax rate will be 15%. Taking into account the 5.5% solidarity surcharge on the corporate tax rate amount, as well as the average Group trade income tax rate, the tax rate used to calculate deferred domestic taxes is thus approx. 30%.

The assets resulting from future tax relief developed as follows during fiscal 2008 and 2009:

	Deferred tax on losses and interest carried forward € in K	Pension benefits € in K	Consolidation measures € in K	Other € in K	Total € in K
Balance at Jan. 1, 2008	2,741	3,168	2,877	3,580	12,366
Changes in the scope of consolidation	0	0	0	83	83
Actuarial losses recognized directly in equity	0	0	0	- 230	- 230
Recognized as affecting income	2,285	- 143	146	- 613	1,675
Differences in currency translation	116	0	0	129	245
Balance at Dec. 31, 2008	5,142	3,025	3,023	2,949	14,139

	Deferred tax on losses and interest carried forward € in K	Pension benefits € in K	Consolidation measures € in K	Other € in K	Total € in K
Balance at Jan. 1, 2009	5,142	3,025	3,023	2,949	14,139
Changes in the scope of consolidation	0	0	0	0	0
Actuarial losses recognized directly in equity	0	0	0	227	227
Recognized as affecting income	4,190	428	- 791	3,464	7,291
Differences in currency translation	- 88	- 21	0	- 70	- 179
Balance at Dec. 31, 2009	9,244	3,432	2,232	6,570	21,478

In fiscal 2009, as in the previous years, a tax effect was yielded by reporting derivative financial instruments recognized outside the income statement according to IAS 39 rules for hedge accounting, and the deferred tax assets from recognition of actuarial losses in the pension reserves as well as currency translation differences were recognized directly in the consolidated equity.

On the balance sheet date, the Group had unused tax loss amounts carried forward of about €71 million (2008: approx. €46 million) to be deducted from future taxable profits. A deferred tax amount was reported on approx. €31 million (2008: approx. €12 million) of these losses.

Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of foreseeability of future taxable profits.

Deferred tax assets of around €8 million (2008: approx. €2 million) relate to companies that reported losses in this year under review or in earlier reporting years. These losses carried forward were reported as assets because it is assumed that taxable profits would be available in future, against which the unused tax losses, and the deductible temporary differences, can be offset.

In addition, the Group had unused interest carry-forwards from German companies of the Group in the amount of €10 million (2008: €7.8 million). Deferred tax assets were not considered for these carry-forwards (2008: €4.6 million) as use from today's stance is not sufficiently probable for the remaining amounts carried forward. The use or reversal of deferred tax assets recorded a year earlier resulted in a deferred tax expense of €1.4 million (2008: €1.4 million income).

Current Assets

14. Inventories

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Raw materials and supplies	21,355	26,646
Work in progress	18,733	26,951
Finished goods and merchandise	28,309	40,619
Payments on account	1,205	1,401
	69,603	95,618

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. For raw materials and supplies, the fixed valuation method is applied to some extent. On principle, finished goods and work in progress are reported at cost of conversion. This cost includes direct costs, which can be allocated to these materials, and the appropriate portion of production and materials handling overhead, general administrative expenses and fixed assets at normal depreciation/amortization rates, provided that these expenses are caused by production. Interest on borrowings is not capitalized.

In fiscal 2009, inventories in the amount of approx. €169 million were recognized as expenses (2008: €178 million).

Lower net realizable values are recognized by devaluation. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for marketing, sales and distribution. Where inventory risks exist, such as the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly. In fiscal 2009, extraordinary material impairment losses of €2.2 million were recognized in the income statement; these were essentially related to restructuring in the Mechatronics Division.

15. Current Trade and Other Receivables

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Trade receivables	82,992	125,073
- of which to third parties	77,924	118,996
- of which to affiliated companies	5,009	5,989
- of which to companies in which investments are held	60	88
Remaining assets	12,974	12,819
Prepaid expenses	2,660	2,687
	98,626	140,579

Trade and other receivables were reported so that all discernable risks are covered. Valuation allowances were determined on the basis of past experience with actual credit losses. Concerning the expenses and income resulting from these allowances that were reported on the income statement, we refer to Section 34. In the opinion of the Executive Board, the carrying amounts of trade receivables and other financial instruments reported in the other receivables approximate their respective fair value based on their short-term maturity.

The reduction in trade receivables can be essentially attributed to the implementation of a factoring program as of June 30, 2009. Within the scope of this program, receivables totaling €30.4 million were sold to a factor, i.e., purchaser of accounts receivable, as of December 31, 2009.

In selling trade receivables to a factor, we retain a part of the risks (essentially credit risks) associated with these assets. The carrying amount of this continuing involvement stands at €2.5 million as of the end of fiscal 2009; that of the associated liabilities, €2.9 million.

In the fiscal year, valuation allowances developed as follows:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Valuation allowances at the beginning of the year	- 7,935	- 6,589
Increases during the fiscal year	- 3,542	- 4,675
Derecognition and consumption	1,156	1,511
Recoveries of amounts previously impaired	2,264	1,690
Currency translation differences	- 19	128
Valuation allowances at the end of the year	- 8,075	- 7,935

In determining the recoverability of trade receivables, the Group considers any change in the credit quality from the date the credit was originally granted up to the reporting date. There are no significant concentrations of credit risks due to the large base of unrelated customers. Accordingly, the Executive Board believes that it is not necessary to make any further provision to cover risks beyond the allowances already considered.

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
1 - 30 days	10,305	20,999
31 - 90 days	6,310	12,814
91 - 180 days	3,256	4,661
181 - 360 days	1,275	2,579
More than 360 days	860	2,464

For trade receivables in the amount of €22,006 K (2008: € 43,517 K), which were past due on the reporting date, no valuation allowances were made as there was no material change in the credit-worthiness of the debtors and it could be expected that they would pay the amounts outstanding. The trade receivables not yet due and other financial assets were not written down as there was no indication of impairment.

Customer-specific construction contracts are recognized by the application of IAS 11, Construction Contracts, based on the percentage of completion method. The amount requiring capitalization is reported under the receivables, while an equal amount is recorded as "sales revenue." The stage of completion corresponds to the partial performance rendered by the Group as of the balance sheet date, and is equal to the ratio of expenses accrued prior

to the balance sheet date to the expected total expense (Cost to Cost Method). Expected contract losses are taken into account through allowances. Revenues fixed by contract are defined as contract revenues. The aggregate amount of costs incurred and recognized profits|losses for projects in progress on the reporting date is €15,793 K (2008: €11,139 K). For these projects, advance payments of €14,803 K (2008: €12,840 K) were received.

16. Cash and Cash Equivalents

Cash and cash equivalents are comprised exclusively of cash on hand and deposits in banks. The book values of these assets approximate their fair values.

17. Issued Capital

Sartorius AG's capital stock is divided into 9,360,000 bearer-type ordinary shares and 9,360,000 non-voting preference shares, each having a calculated par value of €1.00. The non-voting preference shares yield a 2% higher dividend than do the ordinary shares. All shares have been paid in full.

The development of issued capital is shown in the "Statement of Changes in Equity."

Sartorius AG exercised the authority granted at the Annual Shareholders' Meeting on June 21, 2000, to repurchase treasury shares in the amount of €16,082 K pursuant to §71, Subsection 1, No. 8, of the German Stock Corporation Law (AktG). According to IAS 32, treasury shares must be deducted from equity.

These shares are held in particular as currency for future acquisitions of companies. From October 27, 2000, to the reporting date, 831,944 ordinary shares were repurchased at an average price of €11.27 and 840,983 preference shares at an average price of €7.98. This corresponds to a portion of €1,673 (8.9%) of the capital stock. In fiscal 2009, no treasury shares were purchased.

The shares were deducted from the company's issued capital and capital reserves.

18. Capital Reserves

The development of the capital reserves is presented in the "Statement of Changes in Equity."

19. Hedging Reserves

The hedging reserves recognize the offsetting effects of the changes in the fair value of derivative financial instruments, which meet the requirements of IAS 39 for effective hedging of the exposure of the corresponding underlying transactions. The development of hedging reserves is presented in the "Statement of Changes in Equity."

20. Pension Reserves

Essentially, actuarial gains and losses from measurement of the pension provisions according to IAS 19 are allocated to the pension reserves. The development of the pension reserves is presented in the "Statement of Changes in Equity."

21. Other Earnings Reserves and Retained Profits

The development of the earnings reserves and retained profits is presented in the "Statement of Changes in Equity."

Non-current Liabilities

22. Non-current Provisions

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Pension provisions and similar obligations	36,969	35,084
Deferred tax provisions	37,861	40,018
Other non-current provisions	7,886	8,537
	82,715	83,639

A substantial portion of the pension provisions refers to Sartorius AG. In this case, the obligations measured pertain to the General Pension Plan for employees whose employment commenced prior to January 1, 1983, on the one hand. On the other, individual commitments to active and former Executive board members and executives exist in the form of performance-based post-employment benefit plans.

Pension provisions and similar obligations have been recognized in the consolidated financial statements of Sartorius AG in accordance with actuarial principles. IAS 19, Employee Benefits, stipulates the Projected Unit Credit Method as the method of measurement. In addition to known pensions and expectancies, this expected cash value method takes into account future salary and pension increases.

All actuarial gains and losses are directly recognized in equity (outside the income statement) according to the IAS 19.93A option. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €2,751 K (2008: €1,824 K).

Measurement of the post-employment benefit obligations is based on the following actuarial assumptions:

	2009	2008
Discount rate	4.80 – 5.50%	5.10 – 5.75%
Future salary increases	2.75 – 3.00%	2.75 – 3.00%
Future pension increases	1.75 – 2.00%	1.75 – 2.00%
Expected return on plan assets	2.25%	2.25%

The amounts reported in the income statement consist of the following:

	2009 € in K	2008 € in K
Current service cost	875	659
Interest cost	1,897	1,702
Expected return on plan assets	- 15	- 14
	2,757	2,347

The pension expenses to be reported for the next fiscal year will be approx. €2.5 million, of which interest will account for around €1.9 million.

The present value of the defined benefit plans and experience adjustments developed as follows during the past years:

	2009 € in K	2008 € in K	2007 € in K
Present value of obligations	37,682	35,754	34,668
Fair value of the plan assets	713	670	620
Net liability	36,969	35,084	34,048
Experience adjustments			
Present value of obligations	- 251	779	649
Fair value of the plan assets	4	4	- 1

The net value and the present value, respectively, recognized in the balance sheet developed as follows in fiscal 2009:

	2009 € in K	2008 € in K
Present value of obligations as of Dec. 31 of the prior year	35,754	34,668
Change in the scope of consolidation	0	0
Transfers	0	742
Current service cost	875	659
Interest cost	1,897	1,702
Actuarial gains losses	956	- 739
Currency translation differences	- 53	262
Retirement benefits paid in the reporting year	- 1,747	- 1,540
Present value of obligations as of Dec. 31	37,682	35,754

The amount of transfers refers to obligations that were disclosed in prior years under "Other non-current provisions."

Plan assets developed as follows:

	2009 € in K	2008 € in K
Plan assets at Jan. 1	670	628
Expected income	15	14
Actuarial gains losses	- 3	- 3
Group contributions	31	31
Plan assets at Dec. 31	713	670

The plan assets consist exclusively of life insurance policies.

The net liability on the reporting date that was wholly unfunded was €34.5 million (2008: €32.4 million).

Other Non-current Provisions:

	Payments to employees on early retirement plan € in K	Provisions for company anniversaries € in K	Other € in K	Total € in K
Balance at Jan. 1, 2009	5,798	1,104	1,635	8,537
Currency translation	0	0	- 66	- 66
Change in the scope of consolidation	0	0	0	0
Consumption	- 1,024	- 14	- 115	- 1,153
Reversal	- 236	- 237	0	- 473
Addition	808	36	197	1,041
Transfer	0	0	0	0
Balance at Dec. 31, 2009	5,346	889	1,651	7,886

Non-current provisions are reported at their present value on the reporting date. The discount rate for employees on the early retirement plan and for provisions accrued for company anniversaries is 5.5% (2008: 5.75%).

The provision for employees on the early retirement plan has a term of up to five years.

Development of Deferred Tax Provisions:

	Differences in useful lives in the fixed assets € in K	Intangible assets € in K	Capitalized development costs € in K	Other € in K	Total € in K
Balance at Jan. 1, 2008	6,010	28,206	3,382	3,531	41,129
Change in the scope of consolidation	0	2,199	683	0	2,882
Hedge accounting, not affecting net income	0	0	0	- 1,440	- 1,440
Affecting net income in the fiscal year	- 92	- 2,487	618	- 498	- 2,459
Currency translation differences	- 56	0	0	- 38	- 94
Balance at Dec. 31, 2008	5,862	27,918	4,683	1,555	40,018

	Differences in useful lives in the fixed assets € in K	Intangible assets € in K	Capitalized development costs € in K	Other € in K	Total € in K
Balance at Jan. 1, 2009	5,862	27,918	4,683	1,555	40,018
Change in the scope of consolidation	28	- 435	- 262	102	- 567
Hedge accounting, not affecting net income	0	0	0	408	408
Affecting net income in the fiscal year	52	- 1,889	403	- 572	- 2,006
Currency translation differences	12	0	0	- 4	8
Balance at Dec. 31, 2009	5,954	25,594	4,824	1,489	37,861

As in the previous reporting years, in fiscal 2009, the tax effect from accounting of derivative financial instruments that were recognized outside the

income statement according to the rules of IAS 39 on hedge accounting was recognized directly in equity.

23. Non-current Liabilities

This item consists of the following:

	Balance at Dec. 31, 2009 € in K	Remaining term of more than five years € in K	Balance at Dec. 31, 2008 € in K	Remaining term of more than five years € in K
Loans and borrowings	261,414	0	192,736	0
Other non-current liabilities	192	0	267	0
	261,606	0	193,003	0

In September 2008, the bridge loan taken out in March 2007 in connection with the Stedim transaction was refinanced by concluding a facility agreement. In this agreement, we secured a separate syndicated credit line each for the Sartorius Stedim Biotech subgroup and the Mechatronics Division. Both credit lines were provided by a syndicate of 13 banks headed by the mandated lead arrangers Commerzbank, WestLB and Dresdner Kleinwort.

The tranche of the credit facility for Sartorius Stedim Biotech is €207 million; that for the Mechatronics Division, €180 million. With each credit facility having a term of five years, financing of both subgroups is on a solid, broad-based and, from today's perspective, highly favorable footing.

The major terms of the credit lines that the Group uses are presented in Section 28.

Current Liabilities

24. Current Provisions

In fiscal 2009, current provisions developed as follows:

	Warranties € in K	Restructuring € in K	Other € in K	Total € in K
Balance at Jan. 1, 2009	3,457	0	5,462	8,919
Currency translation	- 30	0	- 77	- 107
Change in the scope of consolidation	0	0	0	0
Consumption	- 1,125	0	- 2,638	- 3,763
Reversals	- 636	0	- 1,668	- 2,304
Additions	1,505	15,722	3,181	20,408
Transfer	0	0	- 53	- 53
Balance at Dec. 31, 2009	3,171	15,722	4,207	23,100

In measuring the other provisions, all recognizable obligations that are based on past business transactions or past events and are of uncertain timing or amount are recognized.

Provisions are considered only if they result from a legal or constructive obligation with respect to third parties.

The increase in provisions is primarily attributable to the provisions of approx. €16 million made for restructuring measures in the Mechatronics Division (2008: €2,159 K in employee benefits expense).

25. Current Liabilities

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Payments received on account of orders	4,870	3,791
Payables to non-Group entities	36,733	40,059
Payables to companies in which investments are held	412	392
Payables to affiliated companies	205	149
Trade payables	42,220	44,391
Loans and borrowings	21,867	46,775
Income tax expense	14,024	9,818
Other liabilities	55,647	145,077
	133,758	246,061

The decrease in the "Other liabilities" can be attributed to payment of the price warrants in August 2009, which had been granted in conjunction with the acquisition of Stedim.

Sartorius had guaranteed former Stedim shareholders a price of €47.50 per share for a term of two years after the acquisition had been completed. If the price had gone below this price, the warrant provided for compensation payment to be made, which is the difference between €47.50 and the 30-day average trading price of the Sartorius Stedim Biotech share over the reference period. Each warrant, which was capped at a maximum of €20.00 per share, was paid to the respectively entitled shareholders, with the total payment amounting to €103.7 million.

The current loans and borrowings predominantly consist of a syndicated credit line along with account credits within bilateral credit lines. Because of the solidly positive operating cash flow, the amounts within the current financial liabilities could be reduced significantly in the reporting year.

The "Other liabilities" include liabilities relating to taxes of €3,993 K (2008: €5,666 K) and liabilities relating to social security of €3,414 K (2008: €3,382).

26. Contingent Liabilities

As of the reporting date, the Group had the following contingent liabilities:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Contingent liabilities and similar liabilities	5,352	8,588

27. Other Financial Obligations

Besides provisions, liabilities and contingent liabilities, our other financial obligations consist of the following:

	Dec. 31, 2009 € in K	Dec. 31, 2008 € in K
Rental and leasing contracts		
- due in fiscal 2010	10,678	
(2008: due in the financial year 2009)		10,245
- due in any one financial year from 2011 to 2014	17,389	
(2008: due in any one year from 2010 to 2013)		19,965
- due after 2014	1,999	
(2008: due after 2013)		3,061

As part of the carve-out of the Biotechnology Division, numerous reorganization measures required by corporate law were taken worldwide in fiscal 2007. Despite careful auditing conducted by the companies concerned and the tax consultants involved, we cannot exclude the possibility that these reorganization measures may entail the risk of future tax impacts. We do not consider it probable that this contingent liability will be incurred and therefore did not account for this in the balance sheet. The total risk is approximately €3 million.

28. Other Information on Financial Instruments

A. General Information

This section gives a comprehensive overview of the significance of financial instruments for Sartorius and provides additional information on the balance sheet items that contain financial instruments.

Derivatives are measured at fair value determined according to the marking-to-market method in which recognized mathematical methods are used. The fair values are based on the market data available at the time the value of these derivatives is calculated and reflect the estimates of the banks concerning the market conditions at this time.

B. Classes of Financial Instruments | Net Earnings | Maturity

The following tables compare the carrying amounts and the fair values of all categories of financial instruments and reconcile these with the balance sheet items. The fair values of the financial assets and liabilities approximate the carrying amounts on account of their predominantly short-term maturity. With respect to the non-current liabilities, the fair values also approximate the carrying amounts because of the variable interest rate.

	Held up to maturity € in K	Loans and receivables at amortized cost € in K	Carrying amount at Dec. 31, 2008 € in K	Not in the scope of IFRS 7 € in K	Disclosed on Dec. 31, 2008 € in K
Non-current assets					
Financial assets	211	0	211	4,922	5,133
Receivables and other assets	0	1,441	1,441	2,013	3,454
- of which receivables	0	581	581	0	581
- of which other assets	0	860	860	2,013	2,873
Current assets					
Trade receivables	0	123,786	123,786	1,287	125,073
Other assets	0	6,910	6,910	8,596	15,506
Cash and cash equivalents	0	21,948	21,948	0	21,948

	Financial liabilities accounted for at cost € in K	Held for hedging purposes at fair value € in K	Carrying amount at Dec. 31, 2008 € in K	Not in the scope of IFRS 7 € in K	Disclosed on Dec. 31, 2008 € in K
Non-current liabilities					
Loans and borrowings	192,736	0	192,736	0	192,736
Other liabilities	267	0	267	0	267
Current liabilities					
Provisions	5,462	0	5,462	3,457	8,919
Loans and borrowings	46,775	0	46,775	0	46,775
Trade payables	40,600	0	40,600	3,791	44,391
Other liabilities	130,432	640	131,072	14,005	145,077
- of which derivatives	0	640	640	0	640
- of which other liabilities	130,432	0	130,432	14,005	144,437

	Held up to maturity € in K	Loans and receivables at amortized cost € in K	Carrying amount € in K	Not in the scope of IFRS 7 € in K	Disclosed on Dec. 31.2009 € in K
Non-current assets					
Financial assets	242	0	242	5,447	5,689
Receivables and other assets	0	1,527	1,527	1,470	2,997
- of which receivables	0	286	286	0	286
- of which other assets	0	1,241	1,241	1,470	2,711
Current assets					
Trade receivables	0	81,435	81,435	1,557	82,992
Other assets	0	7,882	7,882	7,752	15,634
Cash and cash equivalents	0	58,576	58,576	0	58,576

	Financial liabilities accounted for at cost € in K	Held for hedging purposes at fair value € in K	Carrying amount € in K	Not in the scope of IFRS 7 € in K	Disclosed on Dec. 31.2009 € in K
Non-current liabilities					
Loans and borrowings	261,414	0	261,414	0	261,414
Other liabilities	192	0	192	0	192
Current liabilities					
Provisions	19,929	0	19,929	3,171	23,100
Loans and borrowings	21,867	0	21,867	0	21,867
Trade payables	37,350	0	37,350	4,870	42,220
Other liabilities	45,319	183	45,502	10,145	55,647
- of which derivatives	0	183	183	0	183
- of which other liabilities	45,319	0	45,319	10,145	55,464

The maximum credit risk from financial assets corresponds to their carrying amounts.

The derivatives indicated in the table above were measured within the scope of a so-called Level 2 assessment at fair value; i.e., their assessment is based on parameters that are derived from their quoted prices.

The net gains and losses per category are as follows:

	2009 € in K	2008 € in K
Result from financial instruments held for hedging purposes		
Interest income	10	306
Results from measurement on the reporting date	57	-5,892
Gains Losses realized	- 1,229	3,961
	- 1,162	-1,625

	2009 € in K	2008 € in K
Result from loans and receivables		
Impairment losses	- 3,542	-4,675
Allowances	2,264	1,690
Results from currency translation	- 352	-2,327
	- 1,630	-5,312

	2009 € in K	2008 € in K
Result from financial liabilities accounted for at cost		
Interest expenses	- 9,451	-14,469
	- 9,451	-14,469

The maturity of the financial liabilities shows the following pattern:

	< 1 year € in K	1-5 years € in K	> 5 years € in K	Carrying amount Dec. 31, 2008 € in K
Non-current liabilities				
Loans and borrowings	0	192,736	0	192,736
Other liabilities	0	267	0	267
Current liabilities				
Provisions	5,462	0	0	5,462
Loans and borrowings	46,775	0	0	46,775
Trade payables	40,600	0	0	40,600
Other liabilities	131,072	0	0	131,072

	< 1 year € in K	1-5 years € in K	> 5 years € in K	Carrying amount Dec. 31, 2009 € in K
Non-current liabilities				
Loans and borrowings	0	261,414	0	261,414
Other liabilities	0	192	0	192
Current liabilities				
Provisions	19,929	0	0	19,929
Loans and borrowings	21,867	0	0	21,867
Trade payables	37,350	0	0	37,350
Other liabilities	45,502	0	0	45,502

Based on the very low interest rates valid on the reporting date, the amount of interest expenses for current liabilities is disclosed as of the reporting date at €0.4 million as anticipated for fiscal 2010. For non-current loans and borrowings, interest

expenses can be expected to total €16.2 million for 2013, on the same interest rate basis and taking into account the defined loan repayments up to expiration of the term of the syndicated credit line.

C. Capital Risk Management

In the Sartorius Group, capital is managed in order to maximize earnings of those participating in the company by optimizing the ratio of equity to liabilities. Furthermore, we ensure that all Group companies can operate under the premise of the going-concern principle.

The financial liabilities detailed in Sections 23 and 25 are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital in Sections 17-21.

D. Goals of Financial Risk Management

The Treasury Department of the Sartorius Group is centrally focused in Sartorius Corporate Administration GmbH, and performs services for all companies of the Sartorius Group as well as coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting; these risks essentially entail currency, interest rate and liquidity risks.

The Group strives to minimize the impact of currency risks using derivative financial instruments. Hedging transactions and their controlling are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Trading with derivative financial instruments is done for hedging purposes only – there is no speculative trading on the stock exchange. We counteract liquidity risks by maintaining sufficient credit lines as well as by planning short-, mid- and long-term liquidity using the most advanced treasury software.

E. Management of Exchange Rate Risks

The Group is exposed to currency risks as a good third of its sales revenue is generated in U.S. dollars or currencies linked to the U.S. dollar and, to a lesser extent, in other foreign currencies. At the same time, our global production network enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. We use derivative financial instruments to hedge against net currency exposure within the scope of cash flow hedging. Our hedging strategy provides for exposures to be hedged approximately up to 1.5 years in advance. These hedging measures are reviewed at regular intervals to adapt them, when necessary, to expected exchange rate fluctuations.

For currency hedging, we use foreign currency options and forward exchange transactions, where all these options and transactions exclusively serve this purpose – there is no trading for speculative purposes.

Using the forward exchange transactions entered into up to the reporting date, we secure the right, and simultaneously enter into an obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the exchange rate actually valid on this date. The profit or loss resulting from the difference between the current and the previously established exchange rate is measured as income or an expense in the income statement.

Derivative financial instruments are measured at the time of acquisition at cost, which is equal to zero for forward exchange transactions, and at fair value on subsequent balance sheet dates. The changes in value of the derivative financial instruments are to be recognized in the income statement on the reporting date. If the derivative financial instruments serve to hedge against cash flow risk and a qualified hedging relationship exists based on the criteria of IAS 39, the value adjustments are recognized directly in equity. The non-effective portion of the hedged transactions is recognized in the result of the respective period. In fiscal 2009, income for non-effective hedging relationships was €57 K (2008: expenses were €2,058 K); an amount of -€221 K was recognized directly in equity. The amount of -€1,582 recognized in equity in 2008 was recognized in the reporting year in the income statement.

The following chart provides an overview of the foreign currency options held as of December 31, 2008. At the end of fiscal 2009, there were no foreign currency options:

Currency	Volume	Term	Hedged exchange rate	Fair value € in K
Reporting date on Dec. 31, 2008				
USD	55,000,000	Up to 6 months	1.4547	- 83
USD	10,000,000	Up to 12 months	1.5625	- 501
USD	0	More than 12 months		0
JPY	800,000,000	Up to 6 months	129.4688	- 101
JPY	0	Up to 12 months		0
JPY	0	More than 12 months		0
CHF	3,500,000	Up to 6 months	1.4600	41
CHF	0	Up to 12 months		0
CHF	0	More than 12 months		0
				- 644

If the exchange rate of the U.S. dollar to the euro would have dropped 5%, the impact resulting from currency hedging transactions on the net result and on equity for fiscal 2009 would have been around €1.5 million higher than actually reported (2008: €1.5 million). Had the exchange rate of the U.S. dollar to the euro risen by 5%, the impact resulting

from currency hedging transactions on the net result and on equity for fiscal 2009 would have been about €1.7 million lower than actually reported (2008: €1.6 million). Overall, the impact of fluctuations in foreign currencies on other financial instruments with respect to the net result and equity is immaterial.

On the reporting date, the Group concluded the following forward exchange transactions for hedging against currency risks:

Currency	Volume	Maturity	Forward rate	Fair value € in K
USD	800,000	Jan. 1, 2010	1.4405	- 2
USD	2,000,000	Jan. 1, 2010	1.4405	- 5
USD	3,000,000	Jan. 1, 2010	1.4587	- 26
USD	3,000,000	Feb. 18, 2010	1.4585	- 26
USD	3,000,000	Mar. 3, 2010	1.4584	- 27
USD	3,000,000	Apr. 19, 2010	1.4583	- 28
USD	3,000,000	May 18, 2010	1.4581	- 28
USD	3,000,000	June 18, 2010	1.4580	- 29
20,800,000				- 172

F. Interest Risk Management

Financing of the entire group is usually done through Sartorius AG and Sartorius Stedim Biotech S.A. as well as by a few additional companies, which ensure the financing of all Group companies using internal group loans. In this case, the Sartorius Group is exposed to interest rate risks as these loans are taken out mostly at variable interest rates. As a result, the company benefits from money market interest rates that have recently been very low. To control the interest risk, we maintain an appropriate ratio between fixed and variable loans.

This is done using interest rate contracts, so-called interest caps, that limit the risk of the market interest rates increasing beyond an established level. By purchasing interest caps, we secure compensatory payment for specific dates during the term of an interest rate contract in the amount of the positive difference between the market rate of interest, which is current at the particular time, and a previously established maximum interest rate (cap).

Our interest hedging measures are reviewed at regular intervals to adapt them, when necessary, to anticipated interest rate expectations and risk coverage.

The following chart provides an overview of the interest caps on the reporting date:

No.	Initial amount hedged € in K	Hedge volume at Dec. 31, 2009 € in K	Hedge volume at Dec. 31, 2008 € in K	Term	Strike	Fair value at year-end on Dec. 31, 2009 € in K	Fair value at December 31, 2008 € in K
1	7,670	1,443	2,401	March 10	4.5%	0	10
2	7,669	1,440	2,400	March 11	4.5%	0	1
3	3,159	351	1,053	June 10	2.5%	- 1	- 2
4	12,636	1,404	4,212	June 10	2.5%	- 4	- 7
5	15,795	1,755	5,265	June 10	2.5%	- 6	- 3
	46,929	6,393	15,331			- 11	- 2

If the market rate of interest had increased by 0.5 of a percentage point in fiscal 2009, our net result and equity for fiscal 2009 would have decreased by around €0.9 million (2008: €0.7 million). If the interest rate had decreased by 0.5 of a percentage point in fiscal 2009, the net result and equity for the reporting year would have increased by €0.9 million (2008: €0.7 million). These effects are essentially due to the considerable proportion of variable interest liabilities.

G. Liquidity Risk Management

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, selling trade receivables within the scope of a factoring program, continuously tracking the forecasted and actual cash flows and by managing the maturity profiles of financial assets and liabilities.

The difference between the agreed credit lines of €458.2 million as of December 31, 2009 (2008: €489.2 million), and the amount used, which is comprised of net debt and guaranteed bills outstanding and totaled €290.4 million (2008: €247.7 million), shows the amount of unused credit lines, which was at €167.8 million in the reporting year (2008: €241.5 million).

The table below provides an overview of the credit lines available on the reporting date.

	Dec. 31, 2009 € in K	Credit lines Dec. 31, 2008 € in K	Interest rate	End of term
Syndicated credits	387,000	400,000	Variable interest rate	2013
Bilateral credit lines	71,182	89,245	Variable interest rate	Until further notice
	458,182	489,245		

When we concluded syndicated credit facilities, we committed to maintaining the usual key financial ratios, so-called covenants. Because of the continued uncertain global economic climate, we cannot

completely exclude the possibility that we may temporarily not comply with these covenants and that, as a consequence, may incur higher financing costs.

H. Share-based Payments

Within the Sartorius Group, share-based payments exist in the form of so-called phantom stock units at Sartorius AG, and stock option plans at Sartorius Stedim Biotech S.A. The fair value of the phantom stock units is disclosed as follows:

Components with a long-term incentive effect	Number of phantom stock units	Fair value at year-end on Dec. 31, 2009 € in K	Fair value at year-end on Dec. 31, 2008 € in K	Paid out € in K
Tranche of phantom stock units, fiscal 2005	6,647	105	54	0
Tranche of phantom stock units, fiscal 2006	6,451	102	53	0
Tranche of phantom stock units, fiscal 2007	5,389	82	42	0
Tranche of phantom stock units, fiscal 2008	7,261	108	56	0
Tranche of phantom stock units, fiscal 2009	28,770	413	0	0
	54,518	810	205	0

In fiscal 2009, expenses related to granting and valuation of phantom stock units was €605 K (2008: income of €308 K). Concerning the details of entitlement to receive payment for phantom stock units, please refer to the Remuneration Report that is an integral part of the Group Management Report.

The stock option plans for staff of the Sartorius Stedim Biotech Group relate to shares of Sartorius Stedim Biotech S.A. The various stock option plans outstanding or exercisable on the reporting date are shown in the adjacent table:

	Dec. 31, 2009	Dec. 31, 2008
Outstanding at the beginning of the period	143,460	179,027
Granted during the period	0	0
Forfeited during the period	0	- 11,067
Exercised during the period	- 50,233	- 24,500
Expired in the period	0	0
Outstanding at the end of the period	93,227	143,460
Exercisable at the end of the period	93,227	143,460

The various stock option plans outstanding at December 31, 2009, and December 31, 2008, are summarized as follows:

December 31, 2009

Date the General Annual Shareholders' Meeting authorized the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Total number of beneficiaries	Sub- scription price in €	Number of shares subscribed over fiscal 2009	Number of options granted and exercisable on Dec. 31, 2009	Number of options subject to target performance as of Dec. 31, 2009	Number of beneficiaries of valid options
06/23/2000	08/02/2000	139,105	0	0	5	8.59	0	0	0	0
06/23/2000	09/28/2001	142,855	0	0	7	11.94	0	4,060	0	1
06/23/2000	11/14/2002	12,100	0	0	1	6.78	0	0	0	0
06/23/2000	09/10/2003	22,000	0	0	1	7.90	4,400	0	0	0
06/23/2000	02/11/2004	66,000	0	0	1	6.42	0	0	0	0
06/23/2000	07/23/2004	140,000	0	0	19	9.23	42,500	25,000	0	3
06/10/2005	09/15/2005	127,500	10,000	1	15	18.87	3,333	46,667	0	4
06/10/2005	11/10/2006	35,000	0	0	2	29.51	0	17,500	0	2
Total		684,560	10,000	1	51		50,233	93,227	0	10

December 31, 2008

Date the General Annual Shareholders' Meeting authorized the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Total number of beneficiaries	Sub- scription price in €	Number of shares subscribed over fiscal 2008	Number of options granted and exercisable on Dec. 31, 2008	Number of options subject to target performance as of Dec. 31, 2008	Number of beneficiaries of valid options
06/23/2000	08/02/2000	139,105	0	0	5	8.59	0	0	0	0
06/23/2000	09/28/2001	142,855	0	0	7	11.94	0	4,060	0	1
06/23/2000	11/14/2002	12,100	0	0	1	6.78	0	0	0	0
06/23/2000	09/10/2003	22,000	0	0	1	7.90	0	4,400	0	1
06/23/2000	02/11/2004	66,000	0	0	1	6.42	22,000	0	0	0
06/23/2000	07/23/2004	140,000	0	0	19	9.23	2,500	67,500	0	10
06/10/2005	09/15/2005	127,500	10,000	1	15	18.87	0	50,000	0	5
06/10/2005	11/10/2006	35,000	0	0	2	29.51	0	17,500	0	2
Total		684,560	10,000	1	51		24,500	143,460	0	19

Sartorius Stedim Biotech share purchase options have been allocated to some of its employees and directors of the subgroup. The fair value of services performed is measured by reference to the fair value of these options at the date of allocation, using a binomial-type mathematic model. During the entitlement acquisition period, the total fair value thus measured is recognized as an expense spread over the full vesting period of the plan, provided that this entitlement has actually been acquired.

In fiscal 2009, the expenses for stock options recognized in the income statement is €605 K (2008: income of €308 K) and accounts entirely for phantom stock units of Sartorius AG. Cash received upon the exercise of these options is recognized in the cash and cash equivalents by disclosing a corresponding item in the minority interest for equity.

Notes to the Income Statement

29. Sales Revenue

Sales revenue is recognized at the time the risk has passed to the purchaser. An exception is contract revenue from customer-specific construction contracts, which are accounted for according to the percentage of completion method.

Sales revenue, which is broken down by operating segments and geographical markets, consists of the following:

2009	Biotechnology € in K	Mechatronics € in K	Total € in K
Germany	66,907	43,676	110,583
All other countries	333,524	157,977	491,501
	400,431	201,654	602,084

2008	Biotechnology € in K	Mechatronics € in K	Total € in K
Germany	69,062	57,516	126,578
All other countries	296,960	188,083	485,043
	366,022	245,599	611,621

In 2009, sales revenue for the Sartorius Group eased 1.6% to €602,084 K (2008: €611,621 K). Currency-adjusted, the decrease for the Group was 2.7%. An amount of €9,718 K (2008: €8,868 K) was earned with affiliated companies.

30. Cost of Sales

This item reports the costs of products sold and the acquisition costs of merchandise sold.

Besides the directly allocatable expenses, such as raw materials and supplies, employee benefits expense and energy expenses, the cost of sales also includes overhead, which is attributed to the manufacturing area, and the corresponding depreciation and amortization.

31. Selling and Distribution Costs

These costs pertain, in particular, to the expenses of the sales and marketing organization, distribution, advertising and market research.

32. Research and Development Costs

This item reports the costs for research and product and process development. Development costs are recognized as assets, provided that they fully meet the prerequisites of IAS 38 for recognition of intangible assets. Amortization on development costs recognized as assets is also indicated in this item.

33. General Administrative Expenses

Above all, this item includes employee benefits expense and the cost of materials of the general administrative area.

34. Other Operating Income and Expenses

	2009 € in K	2008 € in K
Currency translation gains	8,675	15,693
Income from release and use of provisions and liabilities	2,759	3,865
Income from grants	2,607	2,160
Income from the decrease in allowances for bad debts	2,264	1,690
Other income	2,837	2,832
Other operating income	19,142	26,240
Reorganization expenses	- 29,985	- 1,800
Currency translation losses	- 9,015	- 14,059
Allowances for bad debts	- 3,542	- 4,675
Other expenses	- 2,767	- 2,668
Other operating expenses	- 45,309	- 23,202
Other operating income and expenses	- 26,166	3,038

The item reported as income from grants discloses the grants for expenses, which are measured as income as soon as there is sufficiently reliable indication that the necessary prerequisites for this are met.

The expenses of €20.7 million essentially cover the reorganization measures taken within the Mechatronics Division and impairment of value as well as other non-operating items.

35. Financial Result

	2009 € in K	2008 € in K
Interest and similar income	456	942
- of which from affiliated companies	[104]	[51]
Interest and similar expenses	- 9,451	- 14,469
- of which from affiliated companies	[- 4]	[0]
Expenses for derivative financial instruments	- 1,285	- 5,337
Interest expenses for share price warrants	- 690	- 2,693
Interest expenses for pensions and others	- 1,897	- 1,710
Interest expenses for factoring	- 456	0
Other financial charges	- 291	- 395
	- 13,614	- 23,662

36. Income Tax Expense

	2009 € in K	2008 € in K
Current income taxes	- 15,535	- 11,748
Deferred taxes	9,297	4,135
	- 6,238	- 7,613

As a matter of principle, domestic income taxes has been calculated at 30.0% of the estimated taxable profit for fiscal 2009. Income generated outside Germany is taxed at the particular rates that are valid in the corresponding country.

Because we are required to use the income tax rate to be applied for deferred taxes at the time the temporary difference is reversed, this rate was calculated for German companies on the basis of the tax rates of around 30% applicable as of 2008. Taking the local tax rates that are to be applied for subsidiaries outside Germany into account, we expected the income tax rate to average 32.0%. The following table shows the difference between the tax expense to be expected and the income tax expenses reported for the particular fiscal year:

	2009 € in K	2008 € in K
Expected tax expense (32.0%)	2,308	7,647
Difference from the Group average income tax rate	- 916	- 1,491
Expenses not deductible for tax purposes	1,709	1,897
Effects from losses and interest carried forward, for which no deferred taxes were accrued	1,572	- 262
Effects from temporary differences, for which no deferred taxes were accrued	1,716	8
Other	- 151	- 186
	6,238	7,613
Effective tax rate	86.5%	31.9%

37. Earnings per Share

According to IAS 33, Earnings per Share, the earnings per share for each class must be determined separately. The undiluted earnings per share (basic EPS) are calculated on the basis of the number of shares outstanding during the period. Net profit after minority interest was divided according to the ratio of the weighted number of ordinary shares to preference shares. The diluted earnings per share (diluted EPS) were not calculated because there are no option or conversion rights to be exercised on Sartorius shares.

	2009	2008
Ordinary shares		
Basis for calculating undiluted earnings per ordinary share (net profit after minority interest)	- 3,654,505	6,183,094
Weighted average number of shares outstanding	8,528,056	8,528,056
Earnings per ordinary share in €	- 0.43	0.73
Preference shares		
Basis for calculating undiluted earnings per preference share (net profit after minority interest)	- 3,650,632	6,176,540
Weighted average number of shares outstanding	8,519,017	8,519,017
Earnings per preference share in €	- 0.43	0.73

Treasury shares may not be included for calculating the average number of shares outstanding.

38. Other Disclosures

The consolidated financial statements were prepared on a going concern basis.

No material events occurred up to the end of the preparation of these consolidated financial statements.

For the annual financial statements reported by Sartorius Mechatronics C&D GmbH & Co. KG, Aachen, Germany, for the year ended December 31, 2009, the exemption provided by §264 b of the German Commercial Code (HGB) was applied.

Declaration According to § 314, Subsec. 1, No. 8, of the German Commercial Code (HGB)

The declaration prescribed by §161 of the German Stock Corporation Law (AktG) was submitted on December 10, 2009, and made available to the shareholders of Sartorius AG on the company's website "www.sartorius.com".

Members of the Supervisory Board and the Executive Board

The members of the Supervisory Board and the Executive Board are listed at the end of this section.

Total Remuneration of the Supervisory Board and the Executive Board Members

The total remuneration of the Supervisory Board members was €628 K (2008: €577 K); that of the Executive Board members, €1,390 K (2008: €1,362 K). The remuneration of former managing directors and members of the Executive Board and their surviving dependents was €1,084 K (2008: €256 K).

The pension obligations for former managing directors, Executive Board members and their surviving dependants were €4,991 K (2008: €4,683 K). Concerning the details of this remuneration, please refer to the Remuneration Report, which is an integral part of the Group Management Report.

Non-periodic Income and Expenses

Non-periodic income and expenses are items that do influence current results, but concern changes in transactions of the past years. Essentially, these are reported in other operating income and expenses.

During the reporting year, other income that can be allocated to other periods was €5,519 K (2008: €5,864 K). Expenses attributable to other periods and including those incurred for personnel measures taken in the Mechatronics Division amounted to €23,829 K (2008: €2,893 K). Essentially, non-periodic income includes income from the release of provisions of €3,133 K (2008: €4,120) and income from reversal of valuation allowances in the amount of €2,264 K (2008: €1,690 K).

Raw Materials and Supplies

This item consists of the following:

	2009 € in K	2008 € in K
Expenses for raw material, supplies and purchased materials including changes in inventory	168,589	178,007
Cost of purchased services	15,455	11,395
	184,044	189,402

Employee Benefits Expense

This item can be broken down as follows:

	2009 € in K	2008 € in K
Wages and salaries	186,994	189,697
Social security	37,215	37,031
Expenses for retirement benefits and pensions	3,246	4,955
	227,455	231,683

Number of Employees

This table shows the average workforce employed during the fiscal year:

	2009	2008
Biotechnology	2,391	2,337
Mechatronics	2,130	2,286
	4,522	4,623

Auditors' Fee

In fiscal 2009, the following fees were incurred by the Group for the auditors Deloitte & Touche GmbH:

	2009 € in K	2008 € in K
Audits	560	559
Other certification and verification services	250	120
Tax consultation services	75	82
	885	761

Declaration of the Executive Board

Proposal for Appropriation of Profits

The Supervisory Board and the Executive Board will submit a proposal to the Annual Shareholders' Meeting to appropriate the retained profit of €23,081,595.25 reported by Sartorius AG for the year ended December 31, 2009, as follows:

	€
Payment of a dividend of €0.40 per ordinary share	3,411,222.40
Payment of a dividend of €0.42 per preference share	3,577,987.14
Unappropriated profit carried forward	16,092,385.71
	<u>23,081,595.25</u>

Goettingen, February 19, 2010

Sartorius Aktiengesellschaft

The Executive Board

To the best of our knowledge, we declare that the consolidated financial statements for fiscal 2009 present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards used in preparing these statements. We also certify that the progress of the Group's business, including its business performance and the situation of the Group, are represented accurately in the Group Management Report in all material respects and present the most important opportunities and risks of the Group's future development during the fiscal year.

Goettingen, February 2010

Sartorius Aktiengesellschaft

The Executive Board

Dr. Joachim Kreuzburg

Jörg Pfirrmann

Reinhard Vogt

Independent Auditors' Report

We audited the consolidated year-end financial statements, which consist of the consolidated balance sheet, income statement along with the statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements – along with the management report integrated into the Group management report – and which Sartorius Aktiengesellschaft, Germany, prepared for the fiscal year from January 1 through December 31, 2009. Preparation of the consolidated financial statements and the Group Management Report according to the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and according to the commercial rules to be additionally applied in conformance with §315a, Subsection 1, of the German Commercial Code (HGB), is the responsibility of the Executive Board of the parent corporation, Sartorius Aktiengesellschaft. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit in accordance with §317 HGB, taking into account the principles of proper auditing established by the German Institute of Independent Auditors, "Institut der Wirtschaftsprüfer." These principles require that we plan and perform the audit to obtain reasonable assurance that there are no misrepresentations or infractions that have a material impact on the presentation of the net worth, financial position and earnings in the consolidated financial statements, in consideration of the accounting principles to be applied, or in the Group Management Report. In determining the audit focus, information on the business activities and the economic and legal background of the Group as well as expectations on possible errors are taken into account. Within the scope of the audit, the effectiveness of the accounting-related internal control system as well as evidence supporting the amounts and disclosures made in the consolidated financial statements and Group Management Report are predominantly examined on a test basis.

This audit covers assessment of the annual financial statements of the companies included in the consolidated financial statements, definition of the scope of consolidation, the accounting and consolidation principles applied and the significant estimates made by the Executive Board as well as evaluation of the overall presentation of the consolidated year-end financial statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any objections.

According to our assessment based on the information we obtained during the audit, the consolidated financial statements of Sartorius Aktiengesellschaft, Goettingen, conform to the IFRS, as they are to be applied in the EU, and to the commercial rules to be additionally applied in compliance with §315a, Subsection 1, of HGB, and present fairly, in all material respects, the net worth, financial position and earnings of the Group. The Group Management Report is consistent with the consolidated financial statements and provides an overall true and fair view of the Group's situation, and accurately presents the opportunities and risks of its future development.

Hanover, February 19, 2010

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

Jürgen Reker

Auditor

Dieter Tenambergen

Auditor

Executive Board and Supervisory Board

During Fiscal 2009¹⁾

Executive Board

Dr. rer. pol. Joachim Kreuzburg
Dipl.-Ingenieur (Graduate Engineer)
CEO and Chairman
Executive for Labor Relations
Operations, Human Resources, Legal Issues,
Internal Auditing and Corporate Communications
Born April 22, 1965
Hanover, Germany
Member since Nov. 11, 2002
Sprecher (Spokesman) from May 1, 2003,
to Nov. 10, 2005
Chairman since Nov. 11, 2005
Executive for Labor Relations since July 24, 2009
Appointed until Nov. 10, 2015

Jörg Pfirrmann
Dipl.-Ökonom (Graduate Economist)
Finance, IT and General Administration
Born Nov. 30, 1972
Nörten-Hardenberg, Germany
Member since July 24, 2009
Appointed until July 23, 2012

Reinhard Vogt
Industriekaufmann (Industrial Business Manager)
Marketing, Sales and Service
Born Aug. 4, 1955
Dransfeld, Germany
Member since July 24, 2009
Appointed until July 23, 2014

Dr. rer. nat. Günther Maaz
Dipl.-Physiker (Graduate Physicist)
Member and Executive for Labor Relations
until July 24, 2009
Mechatronics Division, Human Resources and
General Administration
Born Sept. 13, 1949
Uslar, Germany
Member since Nov. 11, 2002
Executive for Labor Relations from Sept. 8, 2007,
to July 24, 2009

Supervisory Board

Prof. Dr. Dres. h.c. Arnold Picot
Dipl.-Kaufmann (Graduate in Business Administration), university professor
Chairman of the Supervisory Board
CEO and Executive Director of the Institute of
Information, Organization and Management,
Faculty of Economics at the Ludwig Maximilian University
in Munich
Gauting, Germany

Gerd-Uwe Boguslawski
Dipl.-Sozialwirt (Graduate Social Economist)
Vice Chairman of the Supervisory Board
1st Senior Officer of the German Metalworkers'
Union in the southern Lower Saxony | Harz region
Northeim, Germany

Dr. Dirk Basting
Dipl.-Chemiker (Graduate Chemical Engineer)
Fort Lauderdale, Florida, USA

Annette Becker
Kauffrau (Business Administrator)
Chairwoman of the Employees' Council of
Sartorius Corporate Administration GmbH
Goettingen, Germany

Christiane Benner
Dipl.-Soziologin (Graduate Sociologist)
Gewerkschaftssekretärin (Union Secretary)
Executive Committee, German Metalworkers' Union
Frankfurt am Main, Germany

Uwe Bretthauer
Dipl.-Ingenieur (Graduate Engineer)
Chairman of the Employees' Council of Sartorius AG
Goettingen, Germany

¹⁾ Information required pursuant to Section 285, No. 10, of the German Commercial Code (HGB)

Michael Dohrmann

Feinmechaniker (Precision Engineer)
Chairman of the Employees' Council of
Sartorius Stedim Biotech GmbH
Goettingen, Germany

Dr. Lothar Kappich

Dipl.-Ökonom (Graduate Economist)
Managing Director of
ECE Projektmanagement GmbH & Co. KG
Hamburg, Germany

Prof. Dr. Gerd Krieger

Lawyer
Honorary professor at the Heinrich-Heine
University in Duesseldorf
Duesseldorf, Germany

Prof. Dr. rer. nat. Dr.-Ing. E.h.**Heribert Offermanns**

Dipl.-Chemiker (Graduate Chemical Engineer)
Honorary professor at the Johann Wolfgang Goethe
University in Frankfurt am Main
Hanau, Germany

Dr. Michael Schulenburg

Dipl.-Ingenieur (Graduate Engineer)
Management Consultant
Mettmann, Germany

Manfred Werner

Dipl.-Ökonom (Graduate Economist)
Senior Vice President of Administration,
Organization and Auditing at
Sartorius Corporate Administration GmbH
Goettingen, Germany

Committees of the Supervisory Board**Executive Task Committee**

Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Gerd-Uwe Boguslawski
Uwe Bretthauer
Dr. Michael Schulenburg

Audit Committee

Dr. Michael Schulenburg (Chairman)
Gerd-Uwe Boguslawski
Uwe Bretthauer
Prof. Dr. Dres. h.c. Arnold Picot

Conciliation Committee

Prof. Dr. Dres. h.c. Arnold Picot (Chairman)
Gerd-Uwe Boguslawski
Uwe Bretthauer
Dr. Michael Schulenburg

Nomination Committee

Prof. Dr. Gerd Krieger
Prof. Dr. Dres. h.c. Arnold Picot
Dr. Michael Schulenburg

¹⁾ Information required pursuant to Section 285, No. 10,
of the German Commercial Code (HGB)

Positions Held by the Members of the Executive Board¹⁾ as of December 31, 2009

Dr. rer. pol. Joachim Kreuzburg

Président-Directeur Général (CEO) of:
Sartorius Stedim Biotech S.A., France²⁾

On the Supervisory Board of:

– Sartorius Stedim Biotech GmbH, Germany;
Vice Chairman²⁾

On the Board of Directors of:

– Sartorius Stedim North America, Inc., USA²⁾

– Sartorius Stedim SUS, Inc., USA²⁾

– Sartorius Stedim Filters, Inc., Puerto Rico²⁾

– Sartorius Mechatronics Japan K.K., Japan²⁾

– Sartorius Stedim Japan K.K., Japan²⁾

– Beijing Sartorius Instrument & System
Engineering Co. Ltd., China²⁾

– Sartorius Scientific Instruments
(Beijing) Co. Ltd., China²⁾

– Sartorius Mechatronics Hong Kong Ltd., China²⁾

– Sartorius Stedim Lab Ltd., United Kingdom²⁾

On the Regionalbeirat (Regional Advisory Board) of:

– Commerzbank AG, Hamburg, Germany³⁾

On the Beirat (Advisory Board) of:

– Hameln Group GmbH, Germany³⁾

On the Wirtschaftsbeirat (Economic Advisory Board) of:

– Norddeutsche Landesbank, Germany³⁾

Jörg Pfirrmann

On the Verwaltungsrat (Administrative Board) of:

– Sartorius Mechatronics Switzerland AG,
Switzerland²⁾

On the Board of Directors of:

– Sartorius North America, Inc., USA²⁾

– Sartorius Mechatronics Corporation, USA²⁾

– Sartorius TCC Company, USA²⁾

– Sartorius Stedim UK Ltd., United Kingdom²⁾

On the Comité Exécutif (Executive Committee) of:

– Sartorius Stedim France S.A.S., France²⁾

On the Consiglio di Amministrazione
(Board of Directors) of:

– Sartorius Stedim Italy S.p.A., Italy²⁾

On the Consejo de Administración

(Board of Directors) of:

– Sartorius Stedim Spain S.A.²⁾

On the Supervisory Board of:

– Sartorius Stedim Nordic A/S²⁾

Reinhard Vogt

On the Conseil d'Administration (Board of Directors) of:

– Sartorius Stedim Biotech S.A., France²⁾

On the Board of Directors of:

– Sartorius Stedim North America, Inc., USA²⁾

– Sartorius Stedim SUS, Inc., USA²⁾

– Beijing Sartorius Instrument & System
Engineering Co. Ltd., China²⁾

– Sartorius Scientific Instruments (Beijing) Co. Ltd.,
China²⁾

– Sartorius Stedim Biotech (Beijing) Co. Ltd., China²⁾

– Sartorius Stedim India Pvt. Ltd., India²⁾

– Sartorius Stedim Malaysia Sdn. Bhd., Malaysia²⁾

– Sartorius Mechatronics Hong Kong Ltd., China²⁾

– Sartorius Stedim Australia Pty. Ltd., Australia²⁾

On the Verwaltungsrat (Administrative Board) of:

– Wave Biotech AG, Switzerland, Chairman²⁾

Dr. rer. nat. Günther Maaz

On the Board of Directors of:

– Sartorius North America, Inc., USA, until
July 24, 2009²⁾

– Sartorius Mechatronics Corporation, USA,
until July 24, 2009²⁾

– Sartorius TCC Company, USA, until July 24, 2009²⁾

– Denver Instrument, Inc., USA, until July 24, 2009²⁾

– Sartorius Stedim Filters, Inc., Puerto Rico,
until July 24, 2009²⁾

– Sartorius Mechatronics Hong Kong Ltd., China,
until July 24, 2009²⁾

– Beijing Sartorius Instrument & System Engineering
Co. Ltd., China; Vice Chairman until July 24, 2009²⁾

– Sartorius Scientific Instruments (Beijing) Co. Ltd.,
China; Vice Chairman until July 24, 2009²⁾

– Sartorius Mechatronics India Pvt. Ltd., India,
until July 24, 2009²⁾

¹⁾ Information required pursuant to Section 285, No. 10, of the German Commercial Code (HGB)

²⁾ Positions held within the Group

³⁾ External positions held by the Executive Board members as at December 31, 2009

Positions Held by the Members of the Supervisory Board¹⁾ as of December 31, 2009

Prof. Dr. Dres. h.c. Arnold Picot

On the Conseil d'Administration (Board of Directors) of:

- Sartorius Stedim Biotech S.A., France²⁾
- On the Supervisory Board of:
- Sartorius Stedim Biotech GmbH, Germany; Chairman²⁾
- Takkt AG, Germany³⁾
- Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH (Scientific Institute for Communication Services) and WIK-Consult GmbH, Germany³⁾

Gerd-Uwe Boguslawski

On the Supervisory Board of:

- Demag Cranes & Components GmbH, Germany³⁾
- Demag Cranes AG, Germany³⁾

Dr. Dirk Basting

None

Annette Becker

None

Christiane Benner

On the Supervisory Board of:

- T-Systems International GmbH, Germany³⁾

Uwe Bretthauer

None

Michael Dohrmann

None

Dr. Lothar Kappich

None

Prof. Dr. Gerd Krieger

On the Supervisory Board of:

- ARAG Lebensversicherungs-AG, Germany³⁾
- ARAG Krankenversicherungs-AG, Germany³⁾

Prof. Dr. rer. nat. Dr.-Ing. E.h.

Heribert Offermanns

On the Supervisory Board of:

- Innovectis (Gesellschaft für Innovative Technologien und FuE-Dienstleistungen) GmbH, Germany; Vice Chairman³⁾

Dr. Michael Schulenburg

On the Administrative Board of:

- TÜV Rheinland, Berlin, Brandenburg, Pfalz e.V., Cologne, Germany³⁾

On the Advisory Board of:

- Lohmann GmbH & Co. KG, Germany³⁾

- On the Board of Directors of:

- Cognis Holding Luxembourg S.à.r.l., Luxembourg³⁾

On the Supervisory Board of:

- Cognis GmbH, Germany; Chairman³⁾

Manfred Werner

On the Consejo de Administración (Board of Directors) of:

- Sartorius Mechatronics Spain S.A., Spain; Presidente (President)²⁾

- Sartorius Stedim Spain S.A., Spain; Presidente (President)²⁾

On the Raad van Bestuur (Board of Directors) of:

- Sartorius Mechatronics Belgium N.V., Belgium²⁾
- Sartorius Stedim Belgium N.V., Belgium²⁾

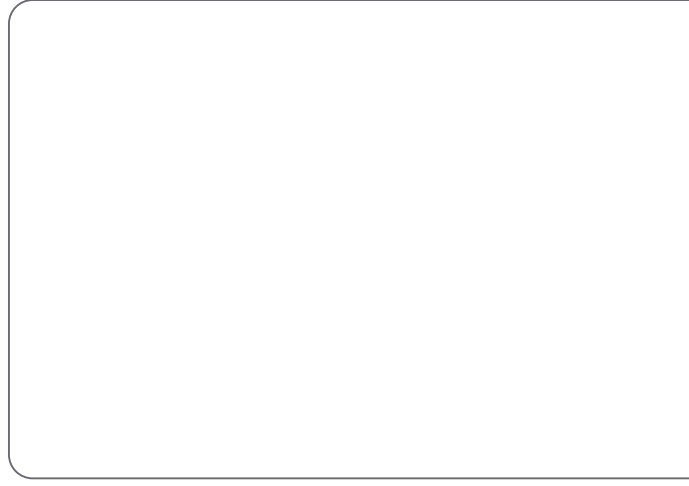
¹⁾ Information required pursuant to Section 285, No. 10, of the German Commercial Code (HGB)

²⁾ Positions held within the Group

³⁾ External positions held by the Supervisory Board members as at December 31, 2009

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4



Supplementary Information

Glossary

Industrial | Product-specific Terms

Bioreactor

In English-speaking countries, a bioreactor is used as a vessel for cultivating animal or human cells in a culture medium. In non-English-speaking countries, this term is also used synonymously with "fermentor" that is a system in which microorganisms (bacteria, yeast, fungi) multiply. In any case, these vessels are used to obtain cells, parts of these or one of their metabolites.

Capsules

Ready-to-use filter units consisting of a filter housing with hose connectors and an incorporated filter cartridge; for connection to piping

cGMPs

Abbreviation for "current Good Manufacturing Practices"

Crossflow

Term taken from filtration technology. Instead of directly flowing through a filter (static filtration), a liquid flows perpendicularly to the filter surface; this prevents filter blockage, resulting in a longer in-service life of the filter disposable.

Detection of foreign objects; metal detectors; X-ray inspection systems for detection of foreign particles

Systems integrated into a manufacturing process to detect contaminants (e.g., metal particles) in products. These are used in industries, such as food processing, to protect consumers, or as auxiliary equipment on machines to prevent contaminant particles from damaging downstream machinery, thus avoiding repairs and machine downtimes.

Disposable

A product for a single use; "single-use" is usually used for bioreactors and containers; cf. "Single-use product"

Downstream processing

Collective term for the various steps that follow fermentation or cell cultivation in the production of biopharmaceuticals, for example separation, purification and concentration

FDA – Food and Drug Administration

This is the U.S. governmental agency responsible for the areas of foods and biotechnological, medical, veterinary, and pharmaceutical products

Fermentation

Technical process used to produce or transform intra- or extracellular substances with the help of microorganisms

Fluid management technologies

Technologies and systems for use in handling sensitive biological liquids; for example, transportation and storage of these media

Freeze-thaw technologies

Technologies used in the controlled freezing and thawing of biological liquids

Mechatronics

Interdisciplinary field that combines mechanical, electrical and electronic engineering, intelligent control technology and computer science. These technologies interact to compensate for the distorting effects that material properties and ambient conditions may have on the accuracy of measured results.

Membrane chromatography

Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system

Membrane (filter)

Thin film or foil made of polymers; because of the porous structure, this film can be used for filtration applications.

Microwave resonance technology

Fast analytical method that takes just seconds instead of hours required by other procedures, and indirectly measures the moisture content of materials

Monoclonal antibodies

Synthetic antibodies that are increasingly used in medical diagnosis and treatment

Purification

An important step in downstream processing

Recombinant protein

Protein manufactured using genetically modified organisms. Examples include pharmaceutical proteins, such as insulin and vaccines.

Scale-up

Transfer of scale or increase in size. This term is used to denote the progression of a process that increases in a range from lab scale to pilot scale to process scale, while retaining the same technology, materials of construction and geometries throughout.

Single-use product

See "disposable"

Sterile filter, sterilizing-grade filter

Membrane filter whose pore size is usually 0.2 µm or smaller. Product- and process-specific validation tests are required to confirm whether the filter type selected delivers a sterile filtrate.

Sterility test, sterility testing

Test to verify that a sample contains no living or viable substances

Validation

Systematic checking of essential steps and facilities in research and development and in production, including testing pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality

Business | Economic Terms

Amortization

Amortization relates exclusively to potential reductions in the value of goodwill and the assignment of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3

Cash flow

The flow of funds or financial resources that are earned through day-to-day business activities; the amount of cash earned after paying all expenses and taxes; in other words, the cash balance of inflows and outflows of funds.

DAX®, MDAX®, SDAX®, TecDAX®

German stock indexes of the transaction service provider and marketplace organizer Deutscher Börse AG

D&O insurance – Directors' and Officers' liability insurance

This liability insurance provides coverage to Supervisory and Executive Board members, including managerial employees.

DVFA | SG

The Methods Commission of the Society of Investment Professionals in Germany (DFVA e.V.), also commonly referred to as the German association for financial analysis and asset management, and the Schmalenbach-Gesellschaft, one of the leading scientific societies in the area of business administration and financial reporting

EBITA

Earnings before interest, taxes and amortization. Amortization in this context refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3.

EBITA margin

Ratio of EBITA (earnings before interest, taxes and amortization) to sales revenue

EBITDA

Earnings before interest, taxes, depreciation and amortization. In this context, amortization refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to IFRS 3.

Equity ratio

The ratio of equity to the balance sheet total

Fixed assets

The sum of intangible assets, property, plant and equipment and financial assets

Free float

A public company's shares that are freely available to the investing public (at least 5% by definition)

Goodwill

Represents the difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

IAS – International Accounting Standards

Internationally recognized accounting principles

IFRS – International Financial Reporting Standards

Internationally recognized accounting principles

Prime Standard

Market segment of the Frankfurt Stock Exchange with high, internationally accepted transparency requirements. This segment is intended to meet the needs of companies seeking to attract the attention of international investors.

Pro forma

The pro forma presentation for 2007 means that Stedim business, which was consolidated for the first time as of June 29, 2007, was included for that full year. At the same time, the hydrodynamic bearings business, which was sold on October 31, 2007, was excluded and the proceeds of the sale were also eliminated.

Supply chain management

Setup and coordination of integrated flows of materials, information and finances (supply chains) over the entire value-added process

Treasury

Short- and medium-term liquidity management

Underlying

The adjustments of the earnings of the reporting year relate to extraordinary expenses of €20.5 million, which were incurred essentially for restructuring within the Mechatronics Division. In addition these extraordinary items include non-operating depreciation and write-downs of €4.4 million and other non-operating effects.

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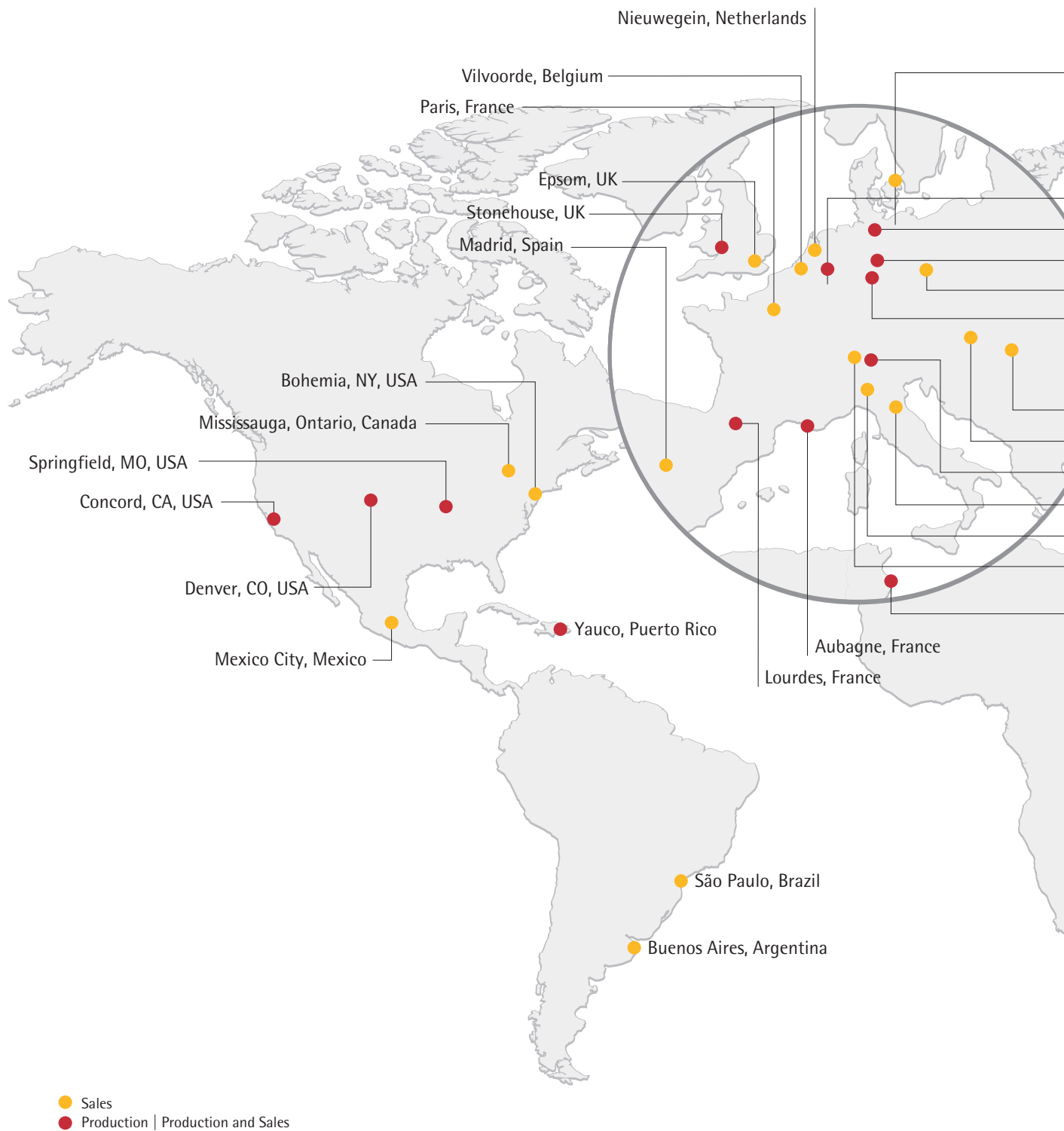
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A Local Presence Worldwide





sartorius



Supplementary Information

Addresses

Europe

Germany

Sartorius AG
Weender Landstr. 94–108
37075 Goettingen
Phone +49.551.308.0
Fax +49.551.308.3289
info@sartorius.com

Sartorius Stedim Biotech GmbH
August-Spindler-Str. 11
37079 Goettingen
Phone +49.551.308.0
Fax +49.551.308.3289
info@sartorius-stedim.com

Sartorius Stedim Plastics GmbH
Karl-Arnold-Str. 21
37079 Goettingen
Phone +49.551.504.500
Fax +49.551.504.5050
info@sartorius-stedim.com

Sartorius Stedim Systems GmbH
Schwarzenberger Weg 73–79
34212 Melsungen
Phone +49.5661.71.3400
Fax +49.5661.71.3702
info@sartorius-bbi-systems.com

Sartorius Mechatronics T&H GmbH
Meiendorfer Str. 205
22145 Hamburg
Phone +49.40.67960.303
Fax +49.40.67960.383
sales.hamburg@sartorius.com

Sartorius Mechatronics C&D GmbH & Co. KG
Am Gut Wolf 11
52070 Aachen
Phone +49.241.1827.0
Fax +49.241.1827.213
info@sartorius.com

Denver Instrument GmbH
Robert-Bosch-Breite 10
37079 Goettingen
Phone +49.551.209.7730
Fax +49.551.209.7739
info@denverinstrument.de

Sartorius Corporate Administration GmbH
Weender Landstr. 94–108
37075 Goettingen
Phone +49.551.308.0
Fax +49.551.308.3289
info@sartorius.com

Austria

Sartorius Stedim Austria GmbH
Franzosengraben 12
1030 Vienna
Phone +43.1.7965763.0
Fax +43.1.7965763.44
info.austria@sartorius.com

Sartorius Mechatronics Austria GmbH
Franzosengraben 12
1030 Vienna
Phone +43.1.796.5760.0
Fax +43.1.796.5760.24
info.austria@sartorius.com

Belgium

Sartorius Stedim Belgium N.V.
Leuvensesteenweg 248b
1800 Vilvoorde
Phone +32.2.7560670
Fax +32.2.4818411
info.belgium@sartorius.com

Sartorius Mechatronics Belgium N.V.
Leuvensesteenweg 248b
1800 Vilvoorde
Phone +32.2.7560670
Fax +32.2.4818411
info.belgium@sartorius.com

Denmark

Sartorius Stedim Nordic A/S
Hørskættens 6D, 1
2630 Taastrup
Phone +45.7023.4400
Fax +45.4630.4030
dk_info@sartorius-stedim.com

France

Sartorius Stedim Biotech S.A.
Zone Industrielle Les Paluds
Av. de Jouques – BP 1051
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.56.19
info@sartorius-stedim.com

Sartorius Stedim France S.A.S.
Zone Industrielle Les Paluds
Av. de Jouques – CS 71058
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.65.45
support_vente.france@
sartorius-stedim.com

Sartorius Stedim Aseptics S.A.
Zone Industrielle de Saux
6 Rue Ampère
65100 Lourdes
Phone +33.5.62.42.73.73
Fax +33.5.62.42.08.44
info@sartorius-stedim.com

Sartorius Mechatronics France S.A.S.
4, rue Emile Baudot
91127 Palaiseau Cedex
Phone +33.1.69.192100
Fax +33.1.69.200922
pesage.france@sartorius.com

VL Finance S.A.S.
Zone Industrielle Les Paluds
Av. de Jouques – BP 1051
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.56.19

Hungary

Sartorius Stedim Hungary Kft.
Kagyló u. 5
2092 Budakeszi
Phone +36.23.457.227
Fax +36.23.457.147
ssb@sartorius.hu

Sartorius Mechatronics Hungary Kft.
Kagyló u. 5
2092 Budakeszi
Phone +36.23.457.227
Fax +36.23.457.147
mechatronika@sartorius.hu

Ireland

Sartorius Stedim UK Ltd.
(Branch Office)
Unit 41, The Business Centre
Stadium Business Park
Ballycoolin Road
Dublin 11
Phone +353.1.823.4394
Fax +353.1.808.9388
uk.sartorius@sartorius-stedim.com

Sartorius Mechatronics UK Ltd.
(Branch Office)
Unit 41, The Business Centre
Stadium Business Park
Ballycoolin Road
Dublin 11
Phone +353.1.808.9050
Fax +353.1.808.9388
info.ireland@sartorius.com

Italy

Sartorius Stedim Italy S.p.A.
Via dell'Antella 76/A
50012 Antella – Bagno a Ripoli (Florence)
Phone +39.055.6340.41
Fax +39.055.6340.526
info@sartorius.it

Sartorius Mechatronics Italy S.r.l.
Viale Alfonso Casati 4
20053 Muggiò (Monza e Brianza)
Phone +39.039.46591
Fax +39.039.465988
info@sartorius.it

Netherlands

Sartorius Stedim Netherlands B.V.
Postbus 1265, 3430 BG Nieuwegein
Edisonbaan 24, 3439 MN Nieuwegein
Phone +31.30.602.5080
Fax +31.30.602.5099
biotechnologie.nederland@
sartorius-stedim.com

Sartorius Mechatronics Netherlands B.V.
Postbus 1265, 3430 BG Nieuwegein
Edisonbaan 24, 3439 MN Nieuwegein
Phone +31.30.602.5030
Fax +31.30.605.2917
weegetechniek.nl@sartorius.com

Poland

Sartorius Stedim Poland Sp. z o.o.
ul. Wrzesinska 70
62-025 Kostrzyn
Phone +48.61.647.38.40
Fax +48.61.879.25.04
biuro.pl@sartorius.com

Sartorius Mechatronics Poland z o.o.
ul. Wrzesinska 70
62-025 Kostrzyn
Phone +48.61.647.38.30
+48.61.877.1743
Fax +48.61.647.38.39
info.pl@sartorius.com

Portugal

Sartorius Stedim Spain S.A.
(Branch Office)
Rua Professor Aires de Sousa, 4 B
Lisboa Concelho, Lumiar
1600 590 Lisbon
Phone +351.2175.0100
Fax +351.2175.40461
biotech_spain@sartorius-stedim.com

Sartorius Mechatronics Spain S.A.
(Branch Office)
Rua Professor Aires de Sousa, 4 B
Lisboa Concelho, Lumiar
1600 590 Lisbon
Phone +351.2175.0100
Fax +351.2175.40461
spain.weighing@sartorius.com

Russia

ZAO Sartogsm
Uliza Rasstannaja Dom 2 Korp.2 Lit. A
192007 St. Petersburg
Phone +7.812.380.2569
Fax +7.812.380.2562
referent@sartogsm.ru

Spain

Sartorius Stedim Spain S.A.
C/Isabel Colbrand 10-12, Oficina 70
Polígono Industrial de Fuencarral
28050 Madrid
Phone +34.91.358.6091
Fax +34.91.358.9623
biotech_spain@sartorius-stedim.com

Sartorius Mechatronics Spain S.A.
C/Isabel Colbrand 10-12, Oficina 70
Polígono Industrial de Fuencarral
28050 Madrid
Phone +34.91.2123367
Fax +34.91.358.8485
spain.weighing@sartorius.com
spain.service@sartorius.com

Switzerland

Sartorius Stedim Switzerland GmbH
Lerzenstrasse 21
8953 Dietikon
Phone +41.44.746.50.00
Fax +41.44.746.50.50
biotechnology.switzerland@
sartorius-stedim.com

Integrated Biosystems Sàrl
Route des Arsenaux 41
Case Postale 87
1705 Fribourg
Phone +41.26.341.04.50
Fax +41.26.341.04.51
info@sartorius-stedim.com

Sartorius Mechatronics Switzerland AG
Lerzenstrasse 21
8953 Dietikon
Phone +41.44.746.50.00
Fax +41.44.746.50.50
mechatronics.switzerland@sartorius.com

Wave Biotech AG
Ringstrasse 24a
8317 Tagelswangen
Phone +41.52.354.36.36
Fax +41.52.354.36.46
info@wavebiotech.net

UK

Sartorius Stedim UK Ltd.
Longmead Business Centre
Blenheim Road
Epsom, Surrey KT19 9QQ
Phone +44.1372.737159
Fax +44.1372.726171
uk.sartorius@sartorius-stedim.com

Sartorius Stedim Lab Ltd.
Binbrook Hill
Binbrook, Louth LN8 6BL
Phone +44.1472.39.8888
Fax +44.1472.39.8111
uk.stedimlab@sartorius-stedim.com

Sartorius Stedim Lab Ltd.
Unit 6, Oldends Lane Industrial Estate
Stonedale Road, Stonehouse
Gloucestershire GL10 3RQ
Phone +44.1453.821972
Fax +44.1453.827928
uk.stedimlab@sartorius-stedim.com

Sartorius Mechatronics UK Ltd.
Longmead Business Centre
Blenheim Road
Epsom, Surrey KT19 9QQ
Phone +44.1372.737100
Fax +44.1372.726171
uk.sartorius@sartorius.com

Africa

Tunisia

Sartorius Stedim SUS Sàrl
Km 24 route de Zaghouan 1145
Bourbiaa – BP 69, M'Hamdia
Phone +216.71.366.069
Fax +216.71.366.068
info@sartorius-stedim.com

North America

Canada

Sartorius Mechatronics Canada Inc.
2179 Dunwin Drive, Units 4+5
Mississauga, Ontario L5L 1X2
Phone +1.905.569.7977
Fax +1.905.569.7021
sales.canada@sartorius.com

Puerto Rico

Sartorius Stedim Filters Inc.
Carretera 128 Int. 376
Barriada Arturo Lluveras
P.O. Box 6
Yauco, Puerto Rico 00698
Phone +1.787.856.5020
Fax +1.787.856.7945
marcos.lopez@sartorius.com

USA

Sartorius Stedim North America Inc.
5 Orville Drive
Bohemia, New York 11716
Phone +1.631.254.4249
Fax +1.631.254.4253
ny.reception@sartorius-stedim.com

Sartorius Stedim North America Inc.
(Engineering Office)
201 S. Ingram Mill Road
Springfield, Missouri 65802
Phone +1.417.873.9636
Fax +1.417.873.9275
info@sartorius-stedim.com

Sartorius Stedim North America Inc.
(Service Office)
2800 Baglyos Circle
Bethlehem, Pennsylvania 18020
Phone +1.610.866.4800
Fax +1.610.866.4890
ny.reception@sartorius-stedim.com

Sartorius Stedim SUS Inc.
1910 Mark Court
Concord, California 94520
Phone +1.925.689.6650
Fax +1.925.689.6988
info@sartorius-stedim.com

Sartorius Mechatronics Corporation
5 Orville Drive.
Bohemia, New York 11716
Phone +1.631.254.4249
Fax +1.631.254.4252
ny.reception@sartorius-stedim.com

Sartorius TCC Company
6542 Fig Street
Arvada, Colorado 80004
Phone +1.303.403.4690
Fax +1.303.431.4540
info@denverinstrument.com

Latin America

Argentina

Sartorius Argentina S.A.
Int. A. Avalos 4251
B1605ECS Munro
Buenos Aires
Phone +54.11.47.210505
Fax +54.11.47.622333
sartorius@sartorius.com.ar

Brazil

Sartorius do Brasil Ltda.
Av. Dom Pedro I, 241
Bairro Vila Pires
Santo André - São Paulo
CEP 09110-001
Phone +55.11.4451.6226
Fax +55.11.4451.4369
sartorius@sartorius.com.br

Mexico

Sartorius de México S.A. de C.V.
Circuito Circunvalación Poniente No. 149
Ciudad Satélite
53100 Naucalpan
Phone +52.55.55.62.1102
Fax +52.55.55.62.2942
sartorius@sartomex.com.mx

Asia | Pacific

China

Sartorius Scientific Instruments
(Beijing) Co. Ltd.
No. 33 Yu An Road, Tianzhu Airport
Industrial Zone B
Shun Yi District, 101300 Beijing
Phone +86.10.8042.6300
Fax +86.10.8042.6486
SSILAG@Sartorius.com

Beijing Sartorius Instrument & System
Engineering Co. Ltd.
No. 33 Yu An Road, Tianzhu Airport
Industrial Zone B
Shun Yi District, 101300 Beijing
Phone +86.10.8042.6300
Fax +86.10.8042.6486
BSISL@sartorius.com

Sartorius Mechatronics Hong Kong Ltd.
Unit 1110-12, Lu Plaza,
2 Wing Yip Street Kwun Tong
Kowloon, Hong Kong
Phone +85.2.2774.2678
Fax +85.2.2766.3526
enquiry.hongkong@sartorius.com

Sartorius Stedim Biotech
(Beijing) Co., Ltd.
No. 33 Yu An Road, Tianzhu Airport
Industrial Zone B
Shun Yi District, 101300 Beijing
Phone + 86.10.8042.6516
Fax + 86.10.8042.6580
enquiry.cn@sartorius-stedim.com

India

Sartorius Stedim India Pvt. Ltd.
69/2 & 69/3, Jakkasandra,
Kunigal Road
Nelamangala, Bangalore - 562123
Phone +91.80.4350.52.5052
Fax +91.80.4350.52.55
biotech.india@sartorius-stedim.com

Sartorius Mechatronics India Pvt. Ltd.
69/2 & 69/3, Jakkasandra
Kunigal Road
Nelamangala, Bangalore - 562123
Phone +91.80.4350.52.5052
Fax +91.80.4350.52.55
mechatronics.india@sartorius.com

Indonesia

PT. Sartorius Mechatronics Indonesia
Prisma Kedoya Plaza Block C No. 5
Jl. Raya Perjuangan - Kebon Jeruk
Jakarta Barat 11530
Phone +62.21.5365.1248
Fax +62.21.5365.1246
enquiry.indonesia@sartorius.com

Japan

Sartorius Stedim Japan K.K.
1st Floor, Kiba Koen Bldg.
5-11-13 Kiba, Koto-Ku
Tokyo 135-0042
Phone +81.3.5639.9981
Fax +81.3.5639.9983
info.jp@sartorius.com

Sartorius Mechatronics Japan K.K.
4th Floor, da Vinci Shinagawa II
1-8-11 Kita-Shinagawa, Shinagawa-Ku
Tokyo 140-0001
Phone +81.3.3740.5407
Fax +81.3.3740.5406
info.jp@sartorius.com

Malaysia

Sartorius Stedim Malaysia Sdn. Bhd.
 Lot L3-E-3B, Enterprise 4
 Technology Park Malaysia
 Bukit Jalil
 57000 Kuala Lumpur
 Phone +60.3.89960.622
 Fax +60.3.89960.755
 ehtan@sartorius.com.my

Philippines

Sartorius Mechatronics Philippines Incorporated
 Unit 20-A The World Centre Building
 Senator Gil Puyat Avenue
 Makati City, Philippines 1209
 Phone +63.2.864.0929
 Fax +63.2.864.0932
 enquiry.philippines@sartorius.com

Singapore

Sartorius Stedim Singapore Pte. Ltd.
 10 Science Park Road
 #02-25, The Alpha
 Singapore Science Park II
 Singapore 117684
 Phone +65.6872.3966
 Fax +65.6778.2494
 choolee.pang@sartorius-stedim.com

Sartorius Mechatronics Singapore Pte. Ltd.
 10 Science Park Road
 #02-26, The Alpha
 Singapore Science Park II
 Singapore 117684
 Phone +65.6872.3966
 Fax +65.6778.2494
 victor.wu@sartorius.com

South Korea

Sartorius Mechatronics Korea Ltd.
 4th Floor, Yangjae B/D 209-3
 Yangjae-Dong
 Seocho-Ku, 137-893 Seoul
 Phone +82.2.575.6945
 Fax +82.2.575.6949
 kyungsoo.lee@sartorius.com

Sartorius Korea Biotech Co., Ltd.
 431 Michelan Chereville
 180 Jeongja-Dong
 Bundang-Gu, Seongnam-Si
 Gyeonggi-Do, 463-858
 Phone: +82.31.782.7011
 Fax: +82.31.782.7090
 info@sartorius-stedim.kr

Thailand

Sartorius Mechatronics (Thailand) Co. Ltd.
 No. 129 Rama 9 Rd.
 Huaykwang, Huaykwang
 Bangkok 10310
 Phone +66.2643.8361
 Fax +66.2643.8367
 enquiry.thailand@sartorius.com

Vietnam

Sartorius Representative Office
 Unit 407, 4th floor
 CC2A Building
 Bac Linh Dam
 Hoang Mai District, Hanoi
 Phone +84.4.6414.631
 Fax +84.4.6414.634
 sartoriusvn@hn.vnn.vn

Australia**Australia**

Sartorius Stedim Australia Pty. Ltd.
 Unit 5, 7 - 11 Rodeo Drive
 Dandenong South, Melbourne
 Victoria 3175
 Phone +61.3.8762.1800
 Fax +61.3. 8762.1828
 info.australia@sartorius-stedim.com

Sartorius Mechatronics Australia Pty. Ltd.
 Unit 5, 7-11 Rodeo Drive
 Dandenong South Melbourne,
 Victoria 3175
 Phone +61.3.8762.1800
 Fax +61.3. 8762.1828
 info.australia@sartorius-stedim.com

For further addresses, visit our website on
 the Internet at: www.sartorius.com

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Financial Schedule and Contacts

Financial Schedule

April 21, 2010

Annual Shareholders' Meeting
in Goettingen, Germany

April 2010

Publication of
first-quarter figures for 2010

July 2010

Publication of
first-half figures for 2010

October 2010

Publication of
nine-month figures for 2010

March 2011

Annual press conference
in Goettingen, Germany

April 20, 2011*

Annual Shareholders' Meeting
in Goettingen, Germany

April 2011

Publication of
first-quarter figures for 2011

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German-language annual report.

* Tentative date scheduled

Investor Relations

Andreas Wiederhold

Team Leader
Phone +49.551.308.1668
andreas.wiederhold@sartorius.com

Henriette Meyer

Phone +49.551.308.3232
henriette.meyer@sartorius.com

Corporate Communications

Petra Kirchhoff

Vice President
Phone +49.551.308.1686
petra.kirchhoff@sartorius.com

Dominic Grone

Phone +49.551.308.3324
dominic.grone@sartorius.com

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Corporate Communications
37070 Goettingen, Germany

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Michael Konrad GmbH
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Peter Ginter | Lohmar, Germany
Heiko Meyer | Kassel, Germany

Sartorius AG
Weender Landstrasse 94-108
37075 Goettingen, Germany

Phone +49.551.308.0
Fax +49.551.308.3289

www.sartorius.com