



sartorius



Sartorius Group  
First-Half Financial Report  
January to June 2008

## Economic Report

### Macroeconomic Environment

According to the leading German economic research institutes in their spring 2008 Joint Economic Forecast, the global economy is currently losing momentum. Therefore, they expect the global economy to grow 2.7%, down from 3.6% in the past year.

In the USA, the persistent woes on the financial markets, along with eroding prices on the real-estate markets, are expected to hurt property values of homeowners, and considerably dampen private consumption that is important for the US economy. For the current year, the German economic research institutes predict that the gross domestic product in the USA will grow 1.5%, compared with 2.2% a year ago.

For the eurozone economy, the leading German economic institutes likewise forecast moderate economic activity during the further course of the year and project that growth will be 1.7% (2.6% in 2007). Germany is expected to attain a rate of 1.8% and France 1.5%.

For Japan as well, experts anticipate that cyclical expansion during the current year will weaken to 1.4% from 2.1% in 2007.

While the economy in the emerging Asian countries has largely remained unfazed by the financial crisis so far, the weakness of the US economy and the risk of inflation are bound to have a dampening effect from now on. For 2008, German research analysts forecast growth of around 10% for China (2007: 11.9%) and 7.0% (2007: 9.2%) for India.

The European Central Bank (ECB) raised its base rate, which had remained constant at 4.0% since June 2007, to 4.25% in June 2008. By contrast, the US Federal Reserve (Fed) trimmed its prime rate by 25 basis points to 2.0% during the last cut on April 30 to shore up the faltering economy.

As a result of the weakening US economy and the substantially lowered key interest rates in the USA, the dollar continued to plummet in the first half of 2008. Thus, the average first-half exchange rate of 1.53 US dollars to the euro was 20 cents higher than the year-earlier exchange rate of 1.33 US dollars to the euro.

### Sector Situation for the Biotechnology and Mechatronics Divisions

The international market research institute IMS Health estimates that overall global growth in the pharmaceutical industry will dip slightly from 6%-7% in 2007 to 5%-6% in 2008. The trend toward increasing utilization of single-use products is expected to continue dominating this sector.

In 2008, IMS Health experts predict that the pharmaceutical market will grow between 4% and 5% in the USA and the five largest European markets. Tightened regulatory standards concerning testing, safety and, ultimately, the cost-efficiency of pharmaceuticals have delayed the launch of new medications. On top of this, many pharmaceutical companies have been facing mounting cost pressure, according to IMS Health. As a consequence, a few companies, particularly those in the USA, implemented programs for optimizing their inventory.

For the production of chemicals, analysts expect growth in 2008 to ease slightly to 3.7% (2007: 4.0%).

Moderate growth is predicted for the food industry in Western countries. In the developing Asian countries, by contrast, the demand for food is anticipated to continue to rise steadily.

To ensure the best possible comparability, the first-half figures of 2008 are presented in parallel with those of 2007 on a pro forma basis. This means the latter include Stedim, exclude the hydrodynamic bearings business and are adjusted for extraordinary expenses and non-permanent effects.

### Order Intake

On the basis of constant currencies, Group order intake attained approximately the same level of the strong first half in 2007 (+0.1%). In the reporting currency, order intake is at €311.3 million (first half 2007 pro forma: €324.0 million). This corresponds to a decrease of -3.9% that are primarily attributed to fluctuations in the Biotechnology Division's project business.

In the Biotechnology Division, we received orders worth €187.1 million (first half 2007 pro forma: €198.3 million). The currency-adjusted figure corresponds to a decline of -1.6% (at the current exchange rates -5.6%). This figure is impacted by last year's strong second-quarter order intake due to a large order in our project business.

Order intake for the Mechatronics Division rose 2.7% on a currency-adjusted basis. The development of order intake lost momentum on account of the slowing global economic activity in the second quarter. In the reporting currency, the level of order intake dipped -1.2% to €124.1 million (first half 2007 pro forma: €125.6 million).

### Sales Revenue

In the first half of the current financial year, the Sartorius Group increased its sales revenue by a currency-adjusted 3.8%. In the reporting currency, the Group achieved sales revenue of €304.0 million, and thus approximately attained its pro forma year-earlier level of €304.8 million.

Currency-adjusted sales revenue for the Biotechnology Division rose 2.8%. At €184.1 million, the division's sales revenue is -1.3% below the pro forma year-earlier figure of €186.6 million.

The Biotechnology Division's business in Europe showed highly dynamic development, attaining a double-digit growth rate, and thus reflects the successful integration of the former entity Stedim S.A. and the new company's enhanced market positioning. In the US pharmaceutical market, sales revenue fell as a result of the weaker demand of individual key accounts in the biopharmaceutical sector. The reason is that these key accounts had to accept delayed or restricted FDA drug approvals and, as a consequence, manufactured considerably fewer medications than they had originally planned in some instances. In addition, a few key customers initiated programs to reduce their inventory and thus temporarily dampened the demand for our products on top of this.

The Mechatronics Division increased its sales revenue by 5.5% on a currency-adjusted basis. At the current exchange rates, sales growth is up 1.5%, and sales revenue is accordingly €119.9 million, up from pro forma €118.2 million a year ago. Again, in the Asia | Pacific region, we reported the strongest growth. Also, the European region showed positive development.



## Key Figures

in millions of € (unless otherwise specified)	Group				Biotechnology				Mechatronics			
	1st half 2008	1st half 2007 pro forma	Change. in %	(in const. currencies) <sup>4)</sup>	1st half 2008	1st half 2007 pro forma	Change in %	(in const. currencies) <sup>4)</sup>	1st half 2008	1st half 2007 pro forma	Change in %	(in const. currencies) <sup>4)</sup>
<b>Sales revenue</b>	<b>304.0</b>	<b>304.8</b>	<b>-0.2</b>	<b>+3.8</b>	<b>184.1</b>	<b>186.6</b>	<b>-1.3</b>	<b>+2.8</b>	<b>119.9</b>	<b>118.2</b>	<b>+1.5</b>	<b>+5.5</b>
<b>Europe<sup>1)</sup></b>	<b>189.4</b>	<b>175.1</b>	<b>+8.2</b>	<b>+9.6</b>	<b>117.8</b>	<b>106.7</b>	<b>+10.4</b>	<b>+11.9</b>	<b>71.6</b>	<b>68.5</b>	<b>+4.6</b>	<b>+6.0</b>
<b>North America<sup>1)</sup></b>	<b>54.2</b>	<b>69.6</b>	<b>-22.2</b>	<b>-10.6</b>	<b>37.6</b>	<b>50.4</b>	<b>-25.2</b>	<b>-14.2</b>	<b>16.5</b>	<b>19.3</b>	<b>-14.1</b>	<b>-1.3</b>
<b>Asia   Pacific<sup>1)</sup></b>	<b>50.4</b>	<b>49.8</b>	<b>+1.3</b>	<b>+5.0</b>	<b>23.3</b>	<b>23.8</b>	<b>-2.3</b>	<b>+0.2</b>	<b>27.2</b>	<b>26.0</b>	<b>+4.6</b>	<b>+9.4</b>
<b>Other Markets<sup>1)</sup></b>	<b>10.0</b>	<b>10.2</b>	<b>-2.5</b>	<b>-1.4</b>	<b>5.4</b>	<b>5.8</b>	<b>-6.7</b>	<b>-6.3</b>	<b>4.6</b>	<b>4.5</b>	<b>+3.0</b>	<b>+4.8</b>
<b>EBITA<sup>2)</sup></b>	<b>27.0</b>	<b>28.9</b>	<b>-6.6</b>		<b>20.4</b>	<b>21.3</b>	<b>-3.8</b>		<b>6.6</b>	<b>7.7</b>	<b>-14.4</b>	
<b>EBITA margin<sup>2)</sup></b>	<b>8.9</b>	<b>9.5</b>			<b>11.1</b>	<b>11.4</b>			<b>5.5</b>	<b>6.5</b>		
<b>Net profit<sup>2)3)</sup></b>	<b>9.6</b>	<b>11.5</b>	<b>-16.2</b>									
<b>Earnings per share<sup>2)3)</sup> in €</b>	<b>0.57</b>	<b>0.67</b>	<b>-16.2</b>									

<sup>1)</sup> According to customers' location

<sup>2)</sup> For 2007: underlying

<sup>3)</sup> Excluding amortization (as a result of the Stedim transaction) and interest expenses for share price warrants

<sup>4)</sup> In constant currencies

## Earnings Development

Operating earnings, reported as EBITA (earnings before interest, taxes and amortization), are at 27.0 million euros (1<sup>st</sup> half 2007, pro forma underlying: 28.9 million euros). The corresponding EBITA margin is thus 8.9% (1<sup>st</sup> half 2007 pro forma underlying: 9.5%). At the previous year's exchange rates, this margin is very close to 10%.

For the Biotechnology Division, EBITA was €20.4 million relative to pro forma underlying €21.3 million a year ago. This corresponds to an EBITA margin of 11.1% (1<sup>st</sup> half 2007 pro forma underlying: 11.4%). On the basis of the previous year's exchange rates, this margin rose to a solid 12%.

At €6.6 million, EBITA for the Mechatronics Division was below the year-earlier pro forma figure of €7.7 million. Its EBITA margin decreased accordingly from 6.5% to 5.5%. In this case as well, the division's margin at the previous year's exchange rates is approximately one percentage point higher and thus at the year-earlier level.

First-half amortization was €3.1 million as budgeted (1<sup>st</sup> half 2007: €3.7 million). The increase in the Group's first-half financial result to €7.9 million (1<sup>st</sup> half 2007 pro forma underlying: €5.9 million) can be attributed to the hike in the euro base interest rates, among other things. Non-cash interest expenses incurred for share price warrants granted to Sartorius Stedim Biotech shareholders was €1.3 million (1<sup>st</sup> half 2007: €0.0 million).

The Sartorius Group's net profit for the period after minority interest was €7.3 million (1<sup>st</sup> half 2007 pro forma underlying: €9.7 million) and was likewise impacted by the exchange and interest rates as described above. If the two non-cash items of amortization for the business combination and interest expenses for share price warrants are excluded, net profit is at €9.6 million (1<sup>st</sup> half 2007 pro forma underlying: €11.5 million). The corresponding earnings per share amount to €0.57 (1<sup>st</sup> half 2007 pro forma underlying: €0.67).

## Assessment of Business Development

The Biotechnology Division's sales increase in Europe shows that after integration of Stedim had successfully progressed, we positioned ourselves even better in the market. In the USA we were not immune to the effects elicited by the temporary weakness in the biotech markets, but we handled this challenge very well. Given the EBITA margin we achieved in the Biotechnology Division, we are continuing to perform on a very solid earnings level, against the backdrop of these difficult business conditions.

We are satisfied with the first-half growth for the Mechatronics Division. However, in the second quarter, the increasing slowdown in the global economy has already had an impact on order intake.

## Cash Flow

As of June 30, 2008, cash earnings were €29.2 million (1<sup>st</sup> half 2007: €28.7 million). First-half capital expenditures were €13.6 million (1<sup>st</sup> half 2007: €18.4 million). Thus, we invested around 4.5% of sales revenue in the Group. For the full year, we expect that our investment ratio will be at a similar level.

On the whole, first-half net cash flow was -€9.1 million. In the year-earlier period, net cash flow that was substantially impacted by the Stedim deal was at -€103.0 million. For the full year of 2008, we anticipate that net cash flow will be positive.

## Research and Development

As scheduled, research and development (R&D) costs rose 9.9% to €22.6 million in the first half of 2008 relative to a year ago (1<sup>st</sup> half 2008 pro forma: €22.0 million). The ratio of R&D costs to sales revenue consequently rose from 7.2% in the first half of 2007 to 7.4% in the reporting period.

## Employees

As of June 30, 2008, the Sartorius Group employed 4,619 persons. This number increased by 101 employees in comparison to 4,518 as of December 31, 2007.

A total of 2,338 persons worked within the Biotechnology Division as of June 30, 2008 (December 31, 2007: 2,304). As of the same date, the Mechatronics Division employed 2,281 staff (December 31, 2007: 2,214).

In North America, the number of the Group workforce decreased, as a result of the regional reorganization, from 612 to 552.



## Consolidated Balance Sheet

The balance sheet total of the Sartorius Group for the first half rose relative to December 31, 2007, from €783.9 million to €829.0 million.

At 39.4%, the equity ratio of the Sartorius Group continues to remain at a comfortable level (December 31, 2007: 42.6%).

We recognized the share price warrants, which were granted to Sartorius Stedim Biotech S.A. shareholders within the scope of the reverse merger deal, at a fair value of €15.20 per warrant. The resulting sum of €81.2 million (December 31, 2007: €50.8 million) is reported in the non-current liabilities.

The Group's gross debt owed to banks was at €234.6 million (December 31, 2007: €207.4 million). Net debt was €217.9 million (December 31, 2007: €189.6 million). The ratio of net debt to EBITDA was at 2.3 compared with 2.0 as of December 31, 2007. Gearing, the ratio of net debt to equity, was 0.7 (December 31, 2007: 0.6). Thus, the key ratios for assessing the company's creditworthiness are at robust levels.

## Financing | Treasury

To replace the bridge loan taken out to finance the Stedim transaction, in July 2008 we contracted Commerzbank AG, Dresdner Bank AG and West/LB AG as lead banks to arrange for two syndicated loans. Both financing packages, one for Sartorius Stedim Biotech S.A. and one for Sartorius AG, were originated on July 23, 2008.

## Further Information

Upon expiration of the one-year deadline at the end of Sartorius AG's mandatory offer to the external shareholders of Stedim S.A., Sartorius AG has been released as of July 26, 2008, from its obligation of not acquiring any additional shares in Stedim S.A. renamed to Sartorius Stedim Biotech S.A. Sartorius AG does not exclude the possibility of purchasing additional shares in Sartorius Stedim Biotech S.A. in the future.



## Future Macroeconomic Report

Based on the estimates of the leading German economic research institutes, global growth in 2008 is likely to remain stable for the most part at 2.7% in 2008 and at 2.9% in 2009, respectively. Growth in the global economy will be driven primarily by the positive development in the emerging Asian countries, among other things. On the whole, analysts see considerable uncertainties in their forecasts. These doubts will linger as long as the end and the extent of the financial crisis remain insufficiently known.

After registering a rise of 1.5% in the gross domestic product of the USA in 2008, the leading German economic institutes assume that the US economy will grow 2.2% in 2009.

For the eurozone economy, analysts expect that the momentum of the economic cycle will be moderate during the further course of the year. Thus, gross domestic product for 2008 is projected at 1.7%; for 2009, at 1.6%. For Germany, the leading German economic institutes anticipate that its economy will grow at 1.9%; for France, they estimate that the rate of increase will be 1.5%.

China's gross domestic product is forecasted to grow again in 2009 at approximately 10%, at a pace lower than that of 2008. India's economy is projected to remain at a high growth level of 7.0% in 2008 and 2009.

After having cut the prime rate for the seventh consecutive time since September 2007, the US Federal Reserve (Fed) has left it at 2.0% during the past few weeks. In the interim, the Fed has rated inflation as a major concern in its interest policy and thus ended its cycle of rate cuts for the time being. Some analysts estimate that the first rate hike will come in September of this year.

In their forecasts, the German institutes for economic research assumed that the crude oil price, which last stood at more than 140 US dollars per barrel, would be 98 US dollars per barrel this year and some 100 US dollars per barrel next year, and that the average exchange rate would be 1.58 US dollars to the euro.

## Future Business Development for 2008

For the second half, we expect that sales revenue for both divisions will be higher than for the first half. The company projects that the growth rate for the Biotechnology Division will be higher in the second half than in the first, whereas for Sartorius Mechatronics, it is anticipated that slower economic activity will slightly dampen its pace of growth. For both divisions, profitability in the second half should be higher than in the first. However, the company does not expect to reach its ambitious full-year targets. Because of the current uncertainties concerning the U.S. biotechnology market and the economic climate, it is not possible at this time to give a precise, quantitative forecast.

## Market Risks and Those Typical of the Sector

In our role in the Biotechnology Division as suppliers to the biopharmaceutical industry, we are exposed to a certain degree to the risks that are typical of this market. In particular, approval or denial of approval of new medications and other decisions of the regulatory authorities affect our customers' investment and purchase decisions as well as the timing of these decisions. We estimate that although these influential factors may have an impact on the Biotechnology Division's sales revenue and earnings in individual financial years, these factors will not affect our medium-term growth and profitability development.

The growth potential for the Mechatronics Division depends to a certain degree on the cyclical trends in the relevant markets. Seen against the background of the current and forecasted shares of sales revenue for the particular regions of the world, this applies in particular to Europe and Asia | Pacific. Consequently, our medium-term forecast is based on positive, yet, in our opinion, moderately optimistic expectations with regard to economic developments.

## Assessment of Risks that Could Jeopardize the Existence of the Company | Risk Management System

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. You will find a detailed description of our risk management system and of the individual risks and opportunities of the Sartorius Group in our 2007 Annual Report starting on page 83.





# Interim Financial Statements

## Balance Sheet

Assets	June 2008		December 2007	
	€ in mn	%	€ in mn	%
<b>Non-current assets</b>				
Goodwill	270.5	32.6	241.2	30.8
Intangible assets	112.5	13.6	114.9	14.7
Property, plant and equipment	149.2	18.0	149.3	19.0
Financial assets	3.8	0.5	3.4	0.4
	<b>535.9</b>	<b>64.6</b>	<b>508.8</b>	<b>64.9</b>
Receivables and other assets	1.1	0.1	1.0	0.1
Deferred tax assets	13.9	1.7	12.4	1.6
	<b>550.9</b>	<b>66.5</b>	<b>522.3</b>	<b>66.6</b>
<b>Current assets</b>				
<b>Inventories</b>	<b>98.7</b>	<b>11.9</b>	<b>85.7</b>	<b>10.9</b>
<b>Trade receivables</b>	<b>129.3</b>	<b>15.6</b>	<b>131.7</b>	<b>16.8</b>
<b>Current tax assets</b>	<b>15.8</b>	<b>1.9</b>	<b>11.6</b>	<b>1.5</b>
<b>Other assets</b>	<b>17.6</b>	<b>2.1</b>	<b>14.9</b>	<b>1.9</b>
<b>Cash and cash equivalents</b>	<b>16.7</b>	<b>2.0</b>	<b>17.7</b>	<b>2.3</b>
	<b>278.1</b>	<b>33.5</b>	<b>261.7</b>	<b>33.4</b>
<b>Total assets</b>	<b>829.0</b>	<b>100.0</b>	<b>783.9</b>	<b>100.0</b>
<b>Equity and Liabilities</b>				
	<b>June 2008</b>		<b>December 2007<sup>1)</sup></b>	
	€ in mn	%	€ in mn	%
<b>Equity</b>				
<b>Issued capital</b>	<b>17.0</b>	<b>2.1</b>	<b>17.0</b>	<b>2.2</b>
<b>Capital reserves</b>	<b>87.0</b>	<b>10.5</b>	<b>87.0</b>	<b>11.1</b>
<b>Retained earnings incl. the net result</b>	<b>180.3</b>	<b>21.7</b>	<b>187.2</b>	<b>23.9</b>
<b>Minority interest</b>	<b>42.5</b>	<b>5.1</b>	<b>42.8</b>	<b>5.5</b>
	<b>326.9</b>	<b>39.4</b>	<b>334.1</b>	<b>42.6</b>
<b>Non-current liabilities</b>				
<b>Pension provisions</b>	<b>34.8</b>	<b>4.2</b>	<b>34.0</b>	<b>4.3</b>
<b>Deferred tax liabilities</b>	<b>40.6</b>	<b>4.9</b>	<b>41.1</b>	<b>5.2</b>
<b>Other provisions</b>	<b>8.8</b>	<b>1.1</b>	<b>8.6</b>	<b>1.1</b>
<b>Loans and borrowings</b>	<b>13.7</b>	<b>1.6</b>	<b>13.6</b>	<b>1.7</b>
<b>Other liabilities</b>	<b>81.6</b>	<b>9.8</b>	<b>51.1</b>	<b>6.5</b>
	<b>179.4</b>	<b>21.6</b>	<b>148.5</b>	<b>18.9</b>
<b>Current liabilities</b>				
<b>Provisions</b>	<b>11.2</b>	<b>1.4</b>	<b>12.1</b>	<b>1.5</b>
<b>Trade payables</b>	<b>36.7</b>	<b>4.4</b>	<b>44.1</b>	<b>5.6</b>
<b>Loans and borrowings</b>	<b>220.9</b>	<b>26.6</b>	<b>193.7</b>	<b>24.7</b>
<b>Current tax liabilities</b>	<b>9.2</b>	<b>1.1</b>	<b>8.9</b>	<b>1.1</b>
<b>Other liabilities</b>	<b>44.7</b>	<b>5.4</b>	<b>42.6</b>	<b>5.4</b>
	<b>322.7</b>	<b>38.9</b>	<b>301.3</b>	<b>38.4</b>
<b>Total equity and liabilities</b>	<b>829.0</b>	<b>100.0</b>	<b>783.9</b>	<b>100.0</b>

<sup>1)</sup> The balance sheet figures for 2007 were adjusted with respect to the disclosure of trade payables. To make an accurate disclosure of this item, payables to affiliated companies and payments received from other liabilities were reclassified as trade payables.

# Income Statement

	2nd quarter 2008		2nd quarter 2007		1st half 2008		1st half 2007	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
<b>Sales revenue</b>	<b>154.8</b>	<b>100.0</b>	<b>138.5</b>	<b>100.0</b>	<b>304.0</b>	<b>100.0</b>	<b>266.1</b>	<b>100.0</b>
Cost of sales	79.4	51.3	71.8	51.9	158.5	52.1	138.0	51.9
<b>Gross profit on sales</b>	<b>75.5</b>	<b>48.7</b>	<b>66.7</b>	<b>48.1</b>	<b>145.5</b>	<b>47.9</b>	<b>128.1</b>	<b>48.1</b>
Selling and distribution costs	37.9	24.5	34.9	25.2	75.3	24.8	67.9	25.5
Research and development costs	12.2	7.9	10.5	7.6	22.6	7.4	20.6	7.7
General administrative expenses	10.4	6.7	7.7	5.6	21.0	6.9	16.0	6.0
Other operating income and expenses (-)	-0.2	-0.1	-0.2	-0.1	0.3	0.1	0.8	0.3
<b>EBITA</b>	<b>14.8</b>	<b>9.5</b>	<b>13.4</b>	<b>9.7</b>	<b>27.0</b>	<b>8.9</b>	<b>24.4</b>	<b>9.2</b>
Amortization <sup>1)</sup>	1.6	1.0	0.2	0.2	3.1	1.0	0.2	0.1
<b>EBIT</b>	<b>13.2</b>	<b>8.5</b>	<b>13.2</b>	<b>9.5</b>	<b>23.9</b>	<b>7.9</b>	<b>24.2</b>	<b>9.1</b>
Interest and similar income	0.3	0.2	0.6	0.5	0.7	0.2	0.8	0.3
Interest and similar expenses	4.5	2.9	5.1	3.7	8.7	2.9	7.0	2.6
<b>Profit before tax</b>	<b>9.0</b>	<b>5.8</b>	<b>8.7</b>	<b>6.3</b>	<b>15.9</b>	<b>5.2</b>	<b>18.0</b>	<b>6.8</b>
Income tax expense	-4.8	-3.1	-3.0	-2.2	-7.2	-2.4	-6.5	-2.4
Other taxes	-0.9	-0.6	-0.5	-0.4	-1.6	-0.5	-0.8	-0.3
Deferred taxes	2.3	1.5	0.7	0.5	2.6	0.9	1.0	0.4
<b>Net profit for the period</b>	<b>5.5</b>	<b>3.6</b>	<b>5.8</b>	<b>4.2</b>	<b>9.8</b>	<b>3.2</b>	<b>11.7</b>	<b>4.4</b>
Attributable to:								
Equity holders of the parent	4.1	2.7	0.0	0.0	7.3	2.4	0.0	0.0
Minority interest	1.4	0.9	5.8	4.2	2.5	0.8	11.6	4.4
<b>Earnings per ordinary share (€)</b>	<b>0.24</b>		<b>0.34</b>		<b>0.43</b>		<b>0.68</b>	
<b>Earnings per preference share (€)</b>	<b>0.24</b>		<b>0.34</b>		<b>0.43</b>		<b>0.68</b>	

<sup>1)</sup> Amortization refers to goodwill and to purchase price allocation (PPA) to intangible assets according to IFRS 3.

# Cash Flow Statement

	1st half 2008	1st half 2007
	€ in mn	€ in mn
Profit before income taxes	11.9	17.1
Deferred taxes	2.6	1.0
Portion of minority interest in the net profit	2.5	0.0
Depreciation and amortization of fixed assets	14.4	10.1
Change in non-current assets	-2.0	0.0
Change in non-current provisions	-0.2	0.4
<b>Cash earnings</b>	<b>29.2</b>	<b>28.7</b>
Change in current provisions	-0.5	-3.3
Change in inventories	-14.8	-9.6
Change in trade and other receivables	-2.3	-11.0
Change in liabilities (excluding loans and borrowings)	-3.8	5.2
<b>Cash flow from working capital</b>	<b>-21.3</b>	<b>-18.7</b>
Interest income	-0.7	-0.8
Interest expenses	8.7	7.0
Income taxes paid	-11.1	-6.5
<b>Cash flows from operating activities</b>	<b>4.7</b>	<b>9.7</b>
Proceeds from fixed asset disposals	0.4	1.5
Payments for intangible assets	-3.7	-3.3
Payments for property, plant and equipment	-9.9	-15.0
Payments for financial assets	-0.6	0.0
Payment for the acquisition of subsidiaries	0.0	-95.7
<b>Cash flows from investing activities</b>	<b>-13.8</b>	<b>-112.6</b>
<b>Net cash flow</b>	<b>-9.1</b>	<b>-103.0</b>
Dividend payments	-11.4	-10.7
Interest income	0.7	0.8
Interest expenses	-7.4	-7.0
Change in minority interest	-1.5	0.0
Additions to   repayment of financial liabilities	27.4	138.7
<b>Cash flows from financing activities</b>	<b>7.8</b>	<b>121.7</b>
<b>Change due to currency translation</b>	<b>0.2</b>	<b>-3.0</b>
<b>Change in cash and cash equivalents</b>	<b>-1.1</b>	<b>15.7</b>
Cash and cash equivalents at the beginning of the period	17.7	8.0
<b>Cash and cash equivalents at the end of the period</b>	<b>16.7</b>	<b>23.8</b>
<b>Gross debt owed to banks</b>	<b>234.6</b>	<b>230.8</b>
Net debt owed to banks	217.9	207.0

# Segment Reports

## By Division

€ in mn	Biotechnology			Mechatronics			Group		
	1st half 2008	1st half 2007	Δ	1st half 2008	1st half 2007	Δ	1st half 2008	1st half 2007	Δ
<b>Order intake</b>	<b>187.1</b>	<b>154.0</b>	<b>22 %</b>	<b>124.1</b>	<b>133.3</b>	<b>-7%</b>	311.3	287.3	8%
Sales revenue	<b>184.1</b>	<b>140.5</b>	<b>31%</b>	<b>119.9</b>	<b>125.6</b>	<b>-5%</b>	304.0	266.1	14%
As a total %	<b>60.6%</b>	<b>52.8%</b>		<b>39.4%</b>	<b>47.2%</b>		100.0%	100.0%	
EBITDA	<b>27.4</b>	<b>21.8</b>	<b>26%</b>	<b>10.9</b>	<b>12.5</b>	<b>-12%</b>	38.3	34.3	12%
As a % of sales revenue	<b>14.9%</b>	<b>15.5%</b>		<b>9.1%</b>	<b>9.9%</b>		12.6%	12.9%	
Depreciation and amortization	<b>10.1</b>	<b>6.2</b>	<b>61%</b>	<b>4.4</b>	<b>3.9</b>	<b>14%</b>	14.4	10.1	43.2%
EBITA	<b>20.4</b>	<b>15.8</b>	<b>30 %</b>	<b>6.6</b>	<b>8.6</b>	<b>-24.0%</b>	27.0	24.4	11 %
As a % of sales revenue	<b>11.1%</b>	<b>11.2%</b>		<b>5.5%</b>	<b>6.9%</b>		8.9%	9.2%	
EBIT	<b>17.3</b>	<b>15.6</b>	<b>11%</b>	<b>6.6</b>	<b>8.6</b>	<b>-24.0%</b>	23.9	24.2	-1%
As a % of sales revenue	<b>9.4%</b>	<b>11.1%</b>		<b>5.5%</b>	<b>6.9%</b>		7.9%	9.1%	
R&D costs	<b>12.8</b>	<b>11.7</b>	<b>10%</b>	<b>9.7</b>	<b>8.9</b>	<b>10%</b>	22.6	20.6	10%
No. of employees at June 30	<b>2,338</b>	<b>2,363</b>	<b>-1 %</b>	<b>2,281</b>	<b>2,142</b>	<b>6%</b>	4,619	4,505	3%

## By Region

€ in mn	Europe			North America		
	1st half 2008	1st half 2007	Δ	1st half 2008	1st half 2007	Δ
Sales revenue						
- acc. to customers' location	<b>189.4</b>	158.4	20%	<b>54.2</b>	<b>49.6</b>	<b>9%</b>
<b>As a total %</b>	<b>62.3%</b>	<b>59.5%</b>		<b>17.8%</b>	<b>18.6%</b>	
- acc. to company location	<b>215.4</b>	<b>183.1</b>	<b>18%</b>	<b>55.4</b>	<b>49.5</b>	<b>12%</b>
EBITA	<b>20.2</b>	<b>16.7</b>	<b>21 %</b>	<b>1.9</b>	<b>3.3</b>	<b>-43 %</b>
As a % of sales revenue	<b>9.4%</b>	<b>9.1%</b>		<b>3.4%</b>	<b>6.7%</b>	
No. of employees at June 30	<b>3,082</b>	<b>3,013</b>	<b>2%</b>	<b>552</b>	<b>614</b>	<b>-10%</b>

€ in mn	Asia Pacific			Other Markets			Group		
	1st half 2008	1st half 2007	Δ	1st half 2008	1st half 2007	Δ	1st half 2008	1st half 2007	Δ
Sales revenue									
- acc. to customers' location	50.4	49.0	3%	10.0	9.1	9%	<b>304.0</b>	<b>266.1</b>	<b>14%</b>
<b>As a total %</b>	<b>16.6%</b>	<b>18.4%</b>		<b>3.3%</b>	<b>3.4%</b>		100.0%	100.0%	
- acc. to company location	<b>33.1</b>	<b>33.5</b>	<b>-1%</b>	<b>0.0</b>	<b>0.0</b>		304.0	266.1	14%
EBITA	<b>4.7</b>	<b>4.4</b>	<b>6%</b>	<b>0.3</b>	<b>0.0</b>		27.0	24.4	11%
As a % of sales revenue	<b>14.1%</b>	<b>13.1%</b>					8.9%	9.2%	
No. of employees at June 30	<b>870</b>	<b>793</b>	<b>10%</b>	<b>115</b>	<b>85</b>	<b>35%</b>	4,619	4,505	3%

## Statement of Changes in Equity

€ in mn	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Currency translation reserves	Total	Minority interest	Total equity
<b>Balance at Jan. 1, 2007</b>	17.0	87.0	0.8	-4.9	77.5	-8.5	168.9	0.0	168.9
Cash flow hedges	0.0	0.0	-0.8	0.0	0.0	0.0	-0.8	0.0	-0.8
Actuarial gains   losses from pension provisions	0.0	0.0	0.0	0.4	0.0	0.0	0.4	0.0	0.4
Currency translation differences	0.0	0.0	0.0	0.0	0.0	-3.3	-3.3	0.0	-3.3
Deferred taxes	0.0	0.0	0.3	-0.2	0.0	0.0	0.2	0.0	0.2
<b>Net income recognized directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.3</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.5</b>	<b>0.0</b>	<b>-3.5</b>
Net profit for the period	0.0	0.0	0.0	0.0	11.6	0.0	11.6	0.0	11.7
<b>Total recognized income and expense for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.3</b>	<b>11.6</b>	<b>-3.3</b>	<b>8.1</b>	<b>0.0</b>	<b>8.2</b>
Increase in equity in connection with the Stedim transaction	0.0	0.0	0.0	0.0	113.8	0.0	113.8	42.7	156.5
Dividends	0.0	0.0	0.0	0.0	-10.7	0.0	-10.7	0.0	-10.7
<b>Balance at June 30, 2007</b>	<b>17.0</b>	<b>87.0</b>	<b>0.3</b>	<b>-4.6</b>	<b>192.2</b>	<b>-11.8</b>	<b>280.1</b>	<b>42.7</b>	<b>322.8</b>

€ in mn	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Currency translation reserves	Total	Minority interest	Total equity
<b>Balance at Jan. 1, 2008</b>	17.0	87.0	2.3	-1.7	201.2	-14.5	291.3	42.8	334.1
Cash flow Hedges	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.5	1.5
Actuarial gains   losses from pension provisions	0.0	0.0	0.0	-0.5	0.0	0.0	-0.5	0.2	-0.3
Currency translation differences	0.0	0.0	0.0	0.0	0.0	-3.3	-3.3	-1.6	-4.9
Deferred taxes	0.0	0.0	-0.3	0.2	0.0	0.0	-0.1	-0.2	-0.4
<b>Net income recognized directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>-0.3</b>	<b>0.0</b>	<b>-3.3</b>	<b>-2.9</b>	<b>-1.1</b>	<b>-4.0</b>
Net profit for the period	0.0	0.0	0.0	0.0	7.3	0.0	7.3	2.5	9.8
<b>Total recognized income and expense for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>-0.3</b>	<b>7.3</b>	<b>-3.3</b>	<b>4.4</b>	<b>1.3</b>	<b>5.7</b>
Dividends	0.0	0.0	0.0	0.0	-11.4	0.0	-11.4	-1.5	-13.0
Other changes in equity	0.0	0.0	0.0	0.0	0.1	0.0	0.1	-0.1	0.0
<b>Balance at June 30, 2008</b>	<b>17.0</b>	<b>87.0</b>	<b>3.0</b>	<b>-2.0</b>	<b>197.2</b>	<b>-17.9</b>	<b>284.3</b>	<b>42.5</b>	<b>326.9</b>

# Key Figures

All figures are given in millions of € unless otherwise specified

	<b>1st half 2008</b>	1st half 2007	<b>Change in %</b>
<b>Results</b>			
Order intake	<b>311.3</b>	287.3	8.4
Sales revenue	<b>304.0</b>	266.1	14.2
EBITDA	<b>38.3</b>	34.3	11.8
EBITA	<b>27.0</b>	24.4	10.6
EBIT	<b>23.9</b>	24.2	-1.2
Profit before tax	<b>15.9</b>	18.0	-11.4
Net profit after minority interest	<b>7.3</b>	11.6	-37.3
Net profit for the period	<b>7.3</b>	11.6	-37.3
Earnings per share in €	<b>0.43</b>	0.68	-36.8

## As a % of sales revenue

EBITDA	<b>12.6%</b>	12.9%
EBITA	<b>8.9%</b>	9.2%
EBIT	<b>7.9%</b>	9.1%
Profit before tax	<b>5.2%</b>	6.8%
Net profit after minority interest	<b>2.4%</b>	4.4%

## Finances and capital expenditures

Cash earnings	<b>29.2</b>	28.7	1.7
Depreciation	<b>14.4</b>	10.1	43.2
Net cash flow	<b>-9.1</b>	-103.0	-91.2
Capital expenditures	<b>13.6</b>	18.4	-25.9
As a % of sales revenue	<b>4.5%</b>	6.9%	
Net debt	<b>217.9</b>	207.0	5.3

## Employees

Total as of reporting date	<b>4,619</b>	4,505	2,5
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## R&D

R&D costs	<b>22.6</b>	20.6	9.9
As a % of sales revenue	<b>7.4%</b>	7.7%	

## Recognition and Measurement Principles

The financial statements of Sartorius AG for the period ended December 31, 2007, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS). In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 “Interim financial reporting,” basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2007 were based.

Furthermore, all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied effective June 30, 2008, were observed. An explanation of the individual accounting and measurement principles applied is given in the Notes to the Financial Statements of the Group for the year ended December 31, 2007.

## Other Disclosures

In the reporting period, Sartorius AG paid a dividend total of €11.4 million, of which ordinary shares accounted for €5.6 million and preference shares for €5.8 million of this total disbursed. This consolidated first-half report has been reviewed by independent, certified auditors.

We reviewed the condensed interim consolidated financial statements – comprising the condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of the changes in equity and selected explanatory notes – and the interim Group management report of Sartorius AG, Goettingen, Germany, for the period of January 1 to June 30, 2008, which are part of the half-year financial report pursuant to § 37w WpHG (“Wertpapiershandelsgesetz”: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim reporting, as adopted by the EU, and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of parent company’s Executive Board. Our responsibility is to issue a report on the condensed interim Group management report based on our review.

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

therefore does not provide the assurance attainable in a financial statement audit. As, within the scope of our review, we have not performed a financial statement audit, we cannot express an audit opinion.

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

Hanover, August 5, 2008

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

Reker	Tenambergen
Auditor	Auditor



# Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements of the Sartorius Group give a true and fair view of the net worth, financial position and earnings of the group, and the interim management

report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Goettingen, August 5, 2008  
Sartorius AG  
The Executive Board

# Contacts

Sartorius AG  
Weender Landstrasse 94–108  
37075 Goettingen, Germany

Phone +49.551.308 0  
Fax +49.551.308 3289  
www.sartorius.com

## Investor Relations

Heiko Imöhl  
Vice President  
Phone +49.551.308 4034  
heiko.imoehl@sartorius.com

Andreas Wiederhold  
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

Elke Schild  
Phone +49.551.308 3684  
elke.schild@sartorius.com

# Financial Schedule

**September 10, 2008**  
Roadshow in Paris, France

**September 11, 2008**  
Company presentation at the  
Baader Small & Mid Cap Conference  
in Unterschleißheim, Germany

**September 22–25, 2008**  
Company presentation at the  
2008 UBS Global Life Sciences Conference  
in New York City, USA

**October 2, 2008**  
Company presentation at the  
German Pharma & Healthcare Conference  
in Zurich, Switzerland

**October 16, 2008**  
Commerzbank Life Sciences Forum  
in Frankfurt am Main, Germany

**October 2008**  
Publication of the  
nine-month figures for Jan.–Sept. 2008

**November 10–12, 2008**  
Company presentation at the  
German Equity Forum, Fall 2008,  
in Frankfurt am Main, Germany

**November 26, 2008**  
HSBC European Healthcare Conference  
in London, UK

**January 19–21, 2009**  
Company presentation at the  
8th Cheuvreux Corporate Conference  
in Frankfurt am Main, Germany

**March 2009**  
Annual press conference in Goettingen,  
Germany

**April 23, 2009\***  
Annual Shareholders' Meeting in  
Goettingen, Germany

**April 2009**  
Publication of the  
first-quarter figures for Jan.–March 2009

\* tentative date scheduled

This is a translation of the original German-language first-half financial report "Sartorius Konzern Halbjahresfinanzbericht." Sartorius AG shall not assume any liability for the correctness of this translation. The original German interim report is the legally binding version. Furthermore, Sartorius AG reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected.

### **Forward-looking Statements Contain Risks**

This interim report contains various statements concerning the Sartorius Group's future performance. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually apply. This is because our assumptions harbor risks and uncertainties that could lead to actual results diverging substantially from the expected ones. It is not planned to update our forward-looking statements.

Throughout the entire report, differences may be apparent as a result of rounding during addition.