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biotech



Sartorius Stedim Biotech Group
First-Half Financial Report
January to June 2009

Economic Report

Macroeconomic Environment

After the disaster in the financial markets had dramatically sharpened in September 2008, triggering a severe economic crisis across the globe, the economy continued its downward trend unabatedly in the first quarter of 2009. In the spring of this year, data from the leading economic institutes showed that the global economy was in a deep recession.

The central banks of the industrialized countries responded to the crisis by cutting interest rates to historic lows. The extensive programs initiated by governments to shore up the financial sector and to revive the economy had a stabilizing effect, but have so far been unable to turn the tide.

For 2009, production in the industrialized countries is expected to decline by 4.2% (previous year: +0.8%). In the newly industrialized countries, the economy is likely to shrink only slightly in 2009 on the whole, with China and India forecasted to markedly contribute +5.0% and +4.5%, respectively, on account of their sustained, albeit weaker, expansion (source: spring 2009 joint economic report "Gemeinschaftsdiagnose" issued by the project group consisting of the eight leading economic research institutes in Europe; April 21, 2009).

So far, there have been no significant signs that the economy has bottomed out and is on the rebound even though some indicators have been pointing to a slowdown in the downward spiral of production and demand in the coming months.

Sector Situation

According to information provided by the international market research institute IMS Health in April of this year, the global pharmaceutical market will grow 2.5% – 3.5% in 2009. This group of experts has thus revised its October 2008 forecast of 4.5%–5.5% downward by two percentage points. Among the reasons for this downward adjustment, the institute cites lower demand due to the sharp economic downturn. This has taken its toll in countries such as the USA, where patients must pay the majority of the costs of medications on their own.

Market watchers from Frost & Sullivan estimated in November 2008 that the biotech market would grow 9.8% in 2009. The trend toward increasing utilization of single-use technologies is bound to continue dominating the sector.

Since June 11, 2009, when the World Health Organization (WHO) identified a swine flu pandemic, the vaccine industry has been preparing to launch mass production of pandemic vaccines. Various countries' governments have already been requesting significant quantities of the vaccine from these producers in an effort to stockpile a sufficient supply for their populations. As demand for pandemic vaccines reacts differently from that for seasonal vaccines, with the latter being relatively easy to predict, production capacity planning for the former poses an enormous challenge to vaccine manufacturers. They have to be highly flexible in responding to fluctuations in demand. For this reason, cell-culture-based production methods and single-use products are gaining increasing importance. Single-use technology enables flexible production units to be installed for immediate startup of operations and validation so as a result, vaccines can be manufactured within a relatively short time.

Group Business Development

Order Intake and Sales Revenue

Dynamic growth in the first quarter accelerated slightly in the second. Thus, first-half order intake surged 8.3% (currency-adjusted: 5.4%) from €188.4 million a year ago to €204.0 million. Single-use products with their clearly double-digit growth rates fueled this increase. In particular, our disposable bag business profited from the added growth momentum generated by the rising demand from the vaccine industry. Order intake for equipment business remained below the year-earlier level due in part to the currently low demand for large-scale bioreactor systems.

Overall, the Sartorius Stedim Biotech Group increased its sales revenue 7.0% (currency-adjusted: 3.8%) from €185.4 million in the comparable year-earlier period to €198.3 million. Especially in North America, the Group grew significantly yet again.

Earnings Development

Sartorius Stedim Biotech boosted its first-half underlying operating earnings (EBITA = earnings before interest, taxes and amortization and adjusted for special items) 35.1% from €20.8 million a year ago to €28.1 million in 2009.

As a result, its EBITA margin significantly improved from 11.2% to 14.2%. Special items included inventory write-downs, among others, and in the first half totaled €1.6 million. These special items were disclosed in the other expenses on the income statement. Besides sales revenue growth and the economies of scale resulting from this gain, the enhanced product mix favoring single-use products strongly contributed to the significant boost in profitability. In addition, more favorable exchange rates had a positive impact on earnings.

Excluding the non-cash item of amortization, consolidated underlying net profit after minority interest totaled €15.4 million, up from €10.2 million a year ago. The corresponding earnings per share were €0.91 relative to €0.60 in the first half of 2008.

Key Figures

Unaudited financial data € in millions (unless otherwise specified)	1st half 2009	1st half 2008	Change in %	Change in % (in constant currencies)
Sales revenue	198.3	185.4	+7.0	+3.8
- Europe ¹⁾	113.2	118.7	-4.6	-3.1
- North America ¹⁾	51.8	37.6	+37.5	+19.9
- Asia Pacific ¹⁾	25.3	23.8	+6.6	+2.4
- Other Markets ¹⁾	8.1	5.4	+50.4	+50.4
EBITA ²⁾	28.1	20.8	+35.0	
EBITA margin ²⁾	14.2	11.2		
Net profit ^{2) 3)}	15.4	10.2	+51.0	
Earnings per share (€) ^{2) 3)}	0.91	0.60	+51.7	

¹⁾ Acc. to customers' location

²⁾ Underlying for 2009

³⁾ Excluding amortization

Assessment of Business Development

The growth momentum of business in the first quarter continued on into the second quarter and even accelerated in some segments. Therefore, we are satisfied with the progress of our first-half business. In particular, we take the clearly double-digit growth rates in our business with single-use products and the overproportionate increase in earnings as confirmation of our business model and our excellent prospects for the future.

Employees

As of June 30, 2009, the Sartorius Stedim Biotech Group employed 2,415 people. The number of employees thus rose by just under 2% from 2,369 as of December 31, 2008. This increase in the workforce focused on the European region, where 1,666 people were employed as of the end of the first half (December 31, 2008: 1,626).



Net Worth and Financial Position

Cash Flow

Up from €5.7 million a year ago, net cash flow from operating activities at €36.5 million is clearly positive. This increase over last year's figure can be essentially explained by the significant optimization of working capital in comparison with the year-earlier period and by earnings growth. Against the comparable year-ago period, cash outflows from investing activities decreased from €8.4 million to €7.6 million. Cash flows from financing activities were at -€11.1 million (previous year: €2.8 million). This figure includes dividend payments of €5.1 million.

Financing | Treasury

In the second quarter, we implemented an international factoring program and sold trade receivables valued at approximately €20 million to diversify our financing structure. We plan to successively increase this volume to €30 – €35 million. This does not have any impact on the trade receivables disclosed on the consolidated balance sheet; however, the cash and cash equivalents and liabilities to banks increased accordingly.

Nevertheless, in the first six months, gross debt remained nearly unchanged at €162.5 million (December 31, 2008: €163.3 million), while cash and cash equivalents rose €17.9 million to €31.1 million. Thus, net debt was reduced from 150.1 million to €131.5 million. The ratio of net debt to underlying EBITDA improved from 2.7 as of December 31, 2008, to 2.1. The interest coverage ratio (underlying EBITDA divided by cash interest expense of the past 12 months) rose from 5.6 as of December 31, 2008, to 7.1. These key ratios for assessing the company's financial condition thus continue to remain robust.

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group rose from €652.3 million as of December 31, 2008, to €661.7 million as of the reporting date on June 30, 2009. Equity also increased from €371.6 million as of December 31, 2008, to €379.1 million for the half year ended on June 30, 2009. The equity ratio was 57.3% (December 31, 2008: 57.0%) and is thus at a very comfortable level. Gearing, which is calculated as the ratio of net debt to equity, is at 0.3.

Additional Information

The share price warrants issued for the Sartorius Stedim Biotech stock as part of the business combination with the Sartorius Biotechnology Division were due to mature on July 27, 2009, and were to be paid by Sartorius AG on July 30, 2009. The decisive reference trading price of the Sartorius Stedim Biotech share was previously established at €20.00. This resulted in a payment totaling €103.7 million.



Forecast Report

Future Macroeconomic Environment

As a number of indicators meanwhile have been pointing to a slowdown in the economic downturn during the past months, the global economy is expected to stabilize in the second half of 2009. The leading economic institutes think that the economy cannot be expected to bottom out until the winter of 2009-2010 at the very earliest, and the ensuing recovery is likely to be initially feeble at best. For 2010, the economic institutes do not expect any substantial rebound in the global economy, which is anticipated to contract again by 0.5% in 2010.

These forecasts of the economic institutes are based on the assumptions that the international banking systems will soon recover and the economic stimulus packages initiated by governments will take effect.

Future Business Development in 2009

In view of the positive development of first-half business and the number of promising projects on which we are currently working together with our customers, especially in vaccine production, we project that sales revenue will grow and earnings will increase overproportionately in fiscal 2009.

Given the continued high uncertainty regarding the global economy, however, we do not consider it possible to make a precise quantitative forecast of Group business development in 2009.



Risk and Opportunities Report

Market and Sector Risks

As suppliers to the biopharmaceutical industry, we are exposed to 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 on their timing. According to our estimates, these influential factors can have an impact on the revenue and earnings of the Sartorius Stedim Biotech Group in individual financial years, but not on our mid-term growth and profitability development.

Risks Associated with the Current Financial and Economic Crisis

Currently, we do not see any risks posed by the present global financial and economic crisis on our business, which is relatively independent of business cycles.

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 further existence of the corporation. Similarly, based on our current review, there are no discernible risks that could threaten the further existence of the company. A detailed description of our risk management system and the individual opportunities and risks is given on pages 42–45 in our "Reference Document 2008."



Consolidated Balance Sheet

Assets	June 30, 2009		Dec. 31, 2008	
	€ in mn	%	€ in mn	Audited %
Non-current assets				
Goodwill	250.3	37.8	250.3	38.4
Intangible assets	109.3	16.5	112.6	17.3
Property, plant and equipment	113.5	17.2	114.4	17.5
Financial assets	2.1	0.3	2.0	0.3
	475.2	71.8	479.3	73.5
Receivables and other assets	1.5	0.2	1.7	0.3
Deferred tax assets	7.3	1.1	8.1	1.2
	484.0	73.1	489.1	75.0
Current assets				
Inventories	57.3	8.7	60.9	9.3
Trade receivables	73.3	11.1	74.1	11.4
Current tax assets	5.6	0.9	4.3	0.7
Other assets	10.4	1.6	10.7	1.6
Cash and cash equivalents	31.1	4.7	13.2	2.0
	177.7	26.9	163.2	25.0
Total assets	661.7	100.0	652.3	100.0
Equity and liabilities				
	June 30, 2009		Dec. 31, 2008	
	€ in mn	%	€ in mn	Audited %
Equity				
Issued capital	10.4	1.6	10.3	1.6
Capital reserves	338.7	51.2	338.4	51.9
Retained earnings (including net profit)	28.3	4.3	21.1	3.2
Minority interest	1.7	0.3	1.9	0.3
	379.1	57.3	371.6	57.0
Non-current liabilities				
Pension provisions	12.2	1.9	11.8	1.8
Deferred tax liabilities	35.8	5.4	36.6	5.6
Other provisions	2.9	0.4	3.1	0.5
Loans and borrowings	114.1	17.2	130.8	20.1
Other liabilities	0.2	0.0	0.2	0.0
	165.3	25.0	182.6	28.0
Current liabilities				
Provisions	4.2	0.6	5.2	0.8
Trade payables	33.3	5.0	31.7	4.9
Loans and borrowings	48.5	7.3	32.5	5.0
Current tax liabilities	6.8	1.0	4.5	0.7
Other liabilities	24.5	3.7	24.2	3.7
	117.3	17.7	98.1	15.0
Total equity and liabilities	661.7	100.0	652.3	100.0

Consolidated Income Statement

	2nd quarter 2009		2nd quarter 2008		1st half 2009		1st half 2008	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
Sales revenue	101.5	100.0	94.2	100.0	198.3	100.0	185.4	100.0
Cost of sales	-51.9	-51.1	-47.1	-50.1	-102.7	-51.8	-94.9	-51.2
Gross profit on sales	49.6	48.9	47.0	49.9	95.6	48.2	90.6	48.8
Selling and distribution costs	-21.6	-21.3	-22.2	-23.6	-42.8	-21.6	-44.1	-23.8
Research and development costs	-5.7	-5.7	-6.7	-7.1	-11.7	-5.9	-12.8	-6.9
General administrative expenses	-6.3	-6.2	-6.1	-6.5	-12.8	-6.4	-12.6	-6.8
Other operating income and expenses ¹⁾	-2.1	-2.1	-0.5	-0.6	-1.8	-0.9	-0.2	-0.1
Earnings before interest, taxes and amortization (EBITA)	13.9	13.7	11.4	12.1	26.5	13.4	20.8	11.2
Amortization ²⁾	-1.8	-1.7	-1.6	-1.6	-3.5	-1.8	-3.1	-1.7
Earnings before interest and taxes (EBIT)	12.2	12.0	9.9	10.5	23.0	11.6	17.7	9.5
Interest and similar income	0.0	0.0	0.0	0.0	0.1	0.0	0.3	0.2
Interest and similar expenses	-2.0	-1.9	-2.5	-2.6	-4.5	-2.3	-4.9	-2.6
Financial result	-1.9	-1.9	-2.4	-2.6	-4.5	-2.3	-4.6	-2.5
Profit before tax	10.2	10.1	7.5	7.9	18.5	9.3	13.2	7.1
Deferred tax income expenses	0.2	0.2	1.2	1.2	0.1	0.1	1.3	0.7
Income tax expenses	-3.3	-3.2	-3.4	-3.6	-5.7	-2.9	-5.1	-2.7
Other taxes	-0.6	-0.6	-0.6	-0.7	-1.1	-0.6	-1.2	-0.6
Taxes	-3.7	-3.6	-2.8	-3.0	-6.7	-3.4	-5.0	-2.7
Net profit for the period	6.5	6.4	4.6	4.9	11.9	6.0	8.1	4.4
Attributable to:								
Equity holders of Sartorius Stedim Biotech	6.6	6.5	4.6	4.9	12.0	6.0	8.1	4.4
Minority interest	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0
Earnings per share (€) (16,966,888 shares)	0.39		0.27		0.71		0.48	
Diluted earnings per share (€) (17,065,948 shares)	0.39		0.27		0.70		0.48	

¹⁾ The other income and expenses include extraordinary effects amounting to 1.6 million EUR. The amount comprises mainly inventory depreciation, severance payments and R&D projects write-off.

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

Interim consolidated statement of Comprehensive Income

	1st half 2009	1st half 2008
	€ in mn	€ in mn
Net profit for the period	11.9	8.1
Net (loss) gain on cash flow hedges	0.8	0.8
Actuarial gains losses from pension provisions	0.0	- 0.1
Currency translation differences	- 0.3	- 2.9
Net investment in a foreign operation	0.0	0.0
Deferred taxes	- 0.3	- 0.2
Total gains and losses directly recognized in equity	0.3	- 2.5
Total comprehensive income for the period	12.1	5.7
Equity holders of Sartorius Stedim Biotech	12.3	5.7
Minority interest	- 0.2	0.0

Consolidated Cash Flow Statement

	1st half 2009	1st half 2008
	€ in mn	€ in mn
Cash flows from operating activities		
Net result	12.0	8.1
Minority interest	- 0.1	0.0
Tax expenses	6.7	5.0
Financial expenses	4.5	4.6
Depreciation amortization of fixed assets	11.5	10.1
Increase decrease in provisions	- 1.8	- 1.1
Increase decrease in receivables	2.9	- 10.4
Increase decrease in inventories	3.5	- 9.1
Increase decrease in liabilities	2.2	1.5
Income taxes paid	- 4.8	- 3.0
Net cash flows from operating activities	36.5	5.7
Cash flows from investing activities		
Payments for financial assets	- 0.2	0.0
Payments for property, plant and equipment	- 5.8	- 6.8
Income from the disposal of fixed assets	0.6	0.3
Payments for intangible assets	- 2.4	- 1.9
Effects from business combinations	0.2	0.0
Net cash flows from investing activities	- 7.6	- 8.4
Cash flows from financing activities		
Changes in capital	0.4	0.0
Interest received	0.1	0.3
Interest paid	- 5.6	- 4.6
Other financial charges	- 0.2	- 0.3
Dividends paid to:		
- Shareholders of the parent company	- 5.1	- 5.1
- Minority shareholders	0.0	0.0
Changes in minority interest	0.0	0.0
Loans and borrowings	- 0.8	12.4
Net cash flows from financing activities	- 11.1	2.8
Net increase decrease in cash and cash equivalents	17.8	0.0
Cash and cash equivalents at the beginning of the period	13.2	7.5
Net effect of currency translation on cash and cash equivalents	0.1	0.4
Cash and cash equivalents at the end of the period	31.1	7.9
Gross debt owed to banks	162.5	173.5
Net debt owed to banks	131.5	165.6

Segments Reports

It is SSB's core strategy to act as a total solution provider along the process chain of our customers. Consequently we are providing a complete set of products to our customers covering all product groups and product combinations. For this reason the key performance indicator of the group, the EBITA, is reviewed by the chief operating decision maker primarily on the level of the Biopharm business segment. The reportable segment under IFRS 8 is thus the Biopharm segment. Additionally the Group is presenting regional figures, in order to deliver more transparency about our business.

Operating segments

€ in millions	Biopharma			Group		
	1st half 2009	1st half 2008	Change	1st half 2009	1st half 2008	Change
Order intake	204.0	188.4	8%	204.0	188.4	8%
Sales revenue	198.3	185.4	7%	198.3	185.4	7%
- as a total %	100.0%	100.0%		100.0%	100.0%	
EBITDA	34.5	27.8	24%	34.5	27.8	24%
- as a % of sales revenue	17.4%	15.0%		17.4%	15.0%	
Depreciation and amortization	7.9	6.9	14%	7.9	6.9	14%
EBITA	26.5	20.8	27%	26.5	20.8	27%
- as a % of sales revenue	13.4%	11.2%		13.4%	11.2%	
Amortization	3.5	3.1	13%	3.5	3.1	13%
EBIT	23.0	17.7	30%	23.0	17.7	30%
- as a % of sales revenue	11.6%	9.5%		11.6%	9.5%	
R&D costs	11.7	12.8	-9%	11.7	12.8	-9%
No. of employees at June 30	2,415	2,343	3%	2,415	2,343	3%

Reports by Region

€ in millions	Europe			North America		
	1st half 2009	1st half 2008	Change	1st half 2009	1st half 2008	Change
Sales revenue						
- acc. to customers' location	113.2	118.7	-5%	51.8	37.6	37%
- as a total %	57.1%	64.0%		26.1%	20.3%	
- acc. to company location	132.5	135.0	-2%	51.6	38.4	34%
EBITA	17.8	17.1	4%	6.7	1.7	296%
- as a % of sales revenue	13.4%	12.6%		13.0%	4.4%	
No. of employees at June 30	1,666	1,550	7%	357	371	-4%

€ in millions	Asia Pacific			Other Markets			Group		
	1st half 2009	1st half 2008	Change	1st half 2009	1st half 2008	Change	1st half 2009	1st half 2008	Change
Sales revenue									
- acc. to customers' location	25.3	23.8	7%	8.1	5.4	50%	198.3	185.4	7%
- as a total %	12.8%	12.8%		4.1%	2.9%		100.0%	100.0%	
- acc. to company location	14.2	12.0	19%	0.0	0.0		198.3	185.4	7%
EBITA	1.8	1.8	0%	0.3	0.3	-12%	26.5	20.8	27%
- as a % of sales revenue	12.3%	14.7%		0.0%	0.0%		13.4%	11.2%	
No. of employees at June 30	314	307	2%	78	115	-32%	2,415	2,343	3%

Consolidated Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Minority interest	Total equity
Balance at Jan. 1, 2008	10.3	338.2	1.1	- 0.2	18.2	- 4.8	362.8	0.0	362.8
Total comprehensive income for the period	0.0	0.0	0.5	-0.1	8.1	-2.9	5.7	0.0	5.7
Stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	-5.1	0.0	-5.1	0.0	-5.1
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at June 30, 2008	10.3	338.2	1.7	- 0.3	21.3	- 7.8	363.4	0.0	363.4
Balance at Jan. 1, 2009	10.3	338.4	- 0.5	0.2	26.1	- 4.7	369.8	1.9	371.6
Total comprehensive income for the period	0.0	0.0	0.6	0.0	12.0	-0.3	12.3	-0.2	12.1
Stock options	0.0	0.4	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Change in minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	-5.1	0.0	-5.1	0.0	-5.1
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at June 30, 2009	10.4	338.7	0.0	0.2	33.0	- 4.9	377.4	1.7	379.1

Key Figures

All figures are given in millions of ₺, unless otherwise specified	1st half 2009	1st half 2008	change in %
Results			
Order intake	204.0	188.4	8.3
Sales revenue	198.3	185.4	7.0
EBITDA	34.5	27.8	24.2
EBITA	26.5	20.8	27.5
EBIT	23.0	17.7	30.0
Profit before tax	18.5	13.2	41.0
Net profit for the period	11.9	8.1	45.5
Earnings per share (in €)	0.71	0.48	46.4
As a % of sales revenue			
EBITDA	17.4	15.0	
EBITA	13.4	11.2	
EBIT	11.6	9.5	
Net profit for the period	6.0	4.4	
Balance sheet			
Balance sheet total	661.7	654.3	
Equity	379.1	363.4	
Equity ratio (in %)	57.3	55.5	
Gearing	0.3	0.5	
Financials			
Capital expenditures	8.2	8.7	- 5.4
As a % of sales revenue	4.1	4.7	
Depreciation and amortization	11.5	10.1	13.9
Net cash flows from operating activities	36.5	5.7	543.3
Net debt	131.5	165.6	- 20.6
Total number of employees as of June 30	2,415	2,343	3.1
R&D			
R&D costs	11.7	12.8	- 9.1
As a % of sales revenue	5.9	6.9	

Notes to the Interim Financial Statements

Corporate Information

Sartorius Stedim Biotech is a leading provider of cutting-edge equipment and services for the development, quality assurance and production processes of the biopharmaceutical industry. Its integrated solutions covering fermentation, filtration, purification, fluid management and lab technologies are supporting the biopharmaceutical industry around the world to develop and produce drugs safely, timely and economically. For next generation processes, Sartorius Stedim Biotech focuses on single-use technologies and added-value services to meet and define the rapidly changing technology requirements of the industry it serves. Strongly rooted in the scientific community and closely allied with customers and technology partners, the company is dedicated to its philosophy of "Turning science into solutions."

Headquartered in Aubagne, France, Sartorius Stedim Biotech is listed on the Euronext Paris (ISIN code: FR 0000053266).

The interim condensed consolidated financial statements of the Group for the six months ended June 30, 2009, were approved by the Board of Directors on July 27, 2009.

Accounting Rules and Methods

The consolidated financial statements of the Sartorius Stedim Biotech Group for the period ended June 30, 2009, were prepared in conformance with the IAS 34 Standard "Interim financial reporting," of the IFRS reference system as adopted by the European Union. These first-half statements are condensed statements that do not include all the information required by the IFRS reference system and must be read in relation to the consolidated annual financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2008.

The accounting principles retained for preparing the consolidated half-year statements are in conformance with the IFRS Standards and Interpretations as adopted by the European Union on June 30, 2009, and are available on the website: http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission

These accounting principles maintained are consistent with those used to prepare the annual consolidated financial statements for the year ended December 31, 2008, except for the new Standards and Interpretations adopted below as these are obligatory for the Group:

- IAS 1 Presentation of Financial Statements (Revised);
- IAS 23 Amendment: Borrowing Costs;
- IFRS 8: Operating Segments;
- Amendments to IFRS 2: Share-based Payment
- Amendments to IAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation,
- IFRS amendments (May 2008) except IFRS 5 (Applicable to accounting periods beginning on July 1, 2009)
- IFRIC 11 : Group Treasury Share Transactions;
- IFRIC 13: Customer Loyalty Programs;
- IFRIC 14: IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The adoption of these Standards and Interpretations did not have any significant impact on the first-half consolidated financial statements for the period ended June 30, 2009.

These principles do not differ from the IFRS Standards published by the IASB to the extent that the application of the following Standards and Interpretations, which are obligatory for reporting periods commencing on January 1, 2009, and have been endorsed by the European Union at a later date , will not affect the financial statements of the Sartorius Stedim Biotech Group:

- IFRIC 12: Service Concession Arrangements (applicable to accounting periods beginning on March 29, 2009),
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- IFRIC 16: Hedges of a Net Investment in a Foreign Operation (applicable to accounting periods beginning on July 1, 2009).

The Group did not anticipate the Standards and Interpretations whose application was not obligatory as of January 1, 2009:

- IFRS 3: Business Combinations (revised) (applicable to accounting periods beginning on July 1, 2009);
- Amendments to IAS 27: Consolidated and Separate Financial Statements (applicable to accounting periods beginning on July 1, 2009);
- Amendments to IFRS 5: Non current assets held for sale and discontinued operations (applicable to accounting periods beginning on July 1, 2009);
- Amendment to IFRS 7: Improving Disclosures about Financial Instruments;
- Amendments to IFRIC 9 and IAS 39: Embedded Derivatives;
- IFRIC 15: Agreements for the Construction of Real Estate (applicable to accounting periods beginning on July 1, 2009);
- IFRIC 17: Distributions of Non-Cash Assets to Owners (applicable to accounting periods beginning on July 1, 2009);
- IFRIC 18: Transfers of Assets from Customers;
- Amendments to IFRS (April 2009).

The process of measuring the potential impact of these Standards and Interpretations on the consolidated financial statements of the Group is in progress. The Sartorius Stedim Biotech Group does not anticipate, at this stage of analysis, any significant impact on its consolidated accounts.

The Reference Document 2008 presents the list of subsidiaries (see page 101). Please note the subsidiary Sartorius Stedin Biotech (Beijing) Co. Ltd in China has been included in the scope of the consolidation.

For calculation of income tax expenses, the provisions of IAS 34.30c) were adopted; i.e., the best

estimate of the weighted average annual income tax rate expected for the full financial year was applied.

Related Parties

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds, either directly or indirectly through its subsidiary VL Finance S.A.S., a controlling stake in the company of 71.5% in equity capital and 74.5% of the voting rights. VL Finance S.A.S., a 100% subsidiary of Sartorius AG, owns a partial interest in the 71.5%. Additional shareholders are the two Stedim founders and their families, who together hold a 9.0% stake. Shares in free float are 19.5%.

Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in these Notes to the Interim Financial Statements.

Several service and sublease agreements have been in place between the companies of the Sartorius Group (Mechatronics Division) and the Sartorius Stedim Biotech Group. The reason is that until Sartorius had carved out its Biotechnology Division, its so-called "support" activities were provided by mixed companies (Biotech and Mechatronics). From the period after the carve-out and onwards, service functions devolved upon the one or the other company. As a consequence, the former cost allocations were replaced by service and sublease contracts on arm's length terms.

These contracts include a sublease for office space and central administrative functions, such as accounting and controlling, human resource management and IT. In this respect, the relevant companies charge rent, salaries, social security costs and other expenses for such services as consulting as well as a pro-rated profit margin for the services they provide.

The most important contract in place is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH, Germany, a 100% affiliate of Sartorius AG. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH as well as to Sartorius AG on arm's length terms.

Business Combination

The purchase price allocation in connection with the acquisition of Wave Biotech in 2008 has remained unchanged from the time the Reference Document 2008 was published. In fact, we observed no changes in the determination of the fair values of the acquiree's identifiable assets and liabilities at the acquisition date.

Impairment Test

Although we did not observe any indication that the Goodwill may be impaired we performed an impairment test at the reporting date. This impairment test did not lead to significant changes in comparison to the financial year ended December 31, 2008 and therefore we did not recognize any impairment losses.

Calculations based on scenarios with different assumptions for discount rates and growth rates also came to the same result.

Financing | Treasury

As described in the Management report we implemented an international factoring program and sold trade receivables valued at approximately €20 million. This transaction did not have an impact on the trade receivables disclosed on the consolidated balance sheet; however, the cash and cash equivalents and current loans and borrowings increased accordingly.

Earnings Reporting

The Sartorius Stedim Biotech Group uses earnings before interest, taxes and amortization (EBITA) as the key figure for measuring earnings. The term "Amortization" refers only to any possible amortization of goodwill and of the intangible assets measured within the scope of purchase price allocation according to IFRS 3 (Business combinations). Thus, EBITA includes depreciation and amortization of all other intangible and tangible assets and is a suitable figure for measuring the operating profitability of the Sartorius Stedim Biotech Group.

The key indicator EBITDA used in the segment reports and in the key figures refers to earnings before interest, taxes depreciation and amortization. Compared with EBITA, EBITDA excludes depreciation on tangible assets and amortization of all intangible assets.

The key indicator Underlying EBITA corresponds to the key indicator EBITA adjusted for non-operating and other non-permanent effects observed during the period ended the 30th of June 2009

The key indicator Underlying EBITDA corresponds to the key indicator EBITDA adjusted for non-operating and other non-permanent effects observed during the period ended the 30th of June 2009

Other Disclosures

In the reporting period, Sartorius Stedim Biotech S.A. paid a dividend of €5.1 million.

Information on the First-Half Financial Report

Declaration of Responsibility for the First-Half Financial Report

I certify, to the best of my knowledge, that the condensed financial statements for the first half ended June 30, 2009 have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, the financial position and the results of the company and of the group of companies included in the consolidation, and that the first-half financial report on pages 2 to 17 presents a fair review of the important events that happened during the first six months of the financial year, including their effects on the accounts, and of the major transactions between the related parties as well as of the description of the main risks and uncertainties for the remaining six months of the financial year.



Joachim Kreuzburg
CEO of the Sartorius Stedim
Biotech Group

Contacts

Sartorius Stedim Biotech S.A.
Z.I. des Paluds
Avenue de Jouques
B.P. 1051
13781 Aubagne, France

Phone +33.44.284 5534
Fax +33.44.284 5617
www.sartorius-stedim.com

Investor Relations

Jörg Pfirrmann
Vice President Finance
Phone +49.551.308 4076
joerg.pfirrmann@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

Financial Schedule

September 21 to 22, 2009

Euronext Zone Midcap Event in Paris, France

October 2009*

Publication of nine-month figures for 2009

* Tentative date scheduled

This is a translation of the original French-language first-half financial report "Information financière semestrielle." Sartorius Stedim Biotech S.A. shall not assume any liability for the correctness of this translation. The original French interim report is the legally binding version. Furthermore, Sartorius Stedim Biotech S.A. 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 Stedim Biotech 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.