



**sartorius stedim**  
biotech



Sartorius Stedim Biotech Group  
First-Quarter Report  
January to March 2008

# Business Development and Outlook

- Currency-adjusted sales revenue grew at a double-digit rate of 10.3%
- Currency-adjusted order intake up 3.1%
- EBITA rose from €8.4 million to €9.4 million
- EBITA margin increased to 10.3%

To ensure the best possible comparability of the first-quarter figures 2008 with those of the previous reporting period, the numbers for the first quarter of 2007 are presented on a pro forma basis, i.e., under the assumption that the Sartorius Biotechnology Division had been combined with Stedim as early as January 1, 2007. In addition, the profit of the year-earlier period is adjusted for non-operating and other non-permanent impacts.

## Key Figures

| € in million<br>(unless otherwise specified) | Q1<br>2008 | Q1<br>2007<br>pro forma | Change<br>in %             |
|--|------------|-------------------------|----------------------------|
| Sales revenue                                | 91.3       | 85.9                    | +6.2 (+10.3) <sup>3)</sup> |
| Order Intake                                 | 98.5       | 99.1                    | -0.7 (+3.1) <sup>3)</sup>  |
| EBITA  | 9.4        | 8.4 <sup>1)</sup>       | +12.2                      |
| As a % of sales revenue                      | 10.3       | 9.8 <sup>1)</sup>       |                            |
| Net profit for the period <sup>2)</sup>      | 4.6        | 3.8 <sup>1)</sup>       | +20.5                      |
| Earnings per share <sup>2)</sup><br>in €     | 0.27       | 0.22 <sup>1)</sup>      | +20.5                      |

- <sup>1)</sup> underlying
- <sup>2)</sup> excluding amortization
- <sup>3)</sup> currency-adjusted

## Order Intake and Sales Revenue

In the first quarter of fiscal 2008, sales revenue for the Sartorius Stedim Biotech Group climbed 10.3% in constant currencies to €91.3 million from €85.9 million a year ago. At the current rates of exchange, this corresponds to a growth rate of 6.2%. Again, this growth was driven in particular by business with filters and other disposables for biotechnological applications.

During the first quarter of 2008, the Sartorius Stedim Biotech Group received orders worth €98.5 million. Thus, order intake is above sales revenue and approximately at the strong previous year's level of €99.1 million. On the basis of unchanged currencies, we reported a gain of 3.1%. The difference between sales revenue and order intake essentially resulted from fluctuations in the equipment business.





### Earnings Development

Operating earnings (EBITA = earnings before interest, taxes and amortization) rose 12.2% to €9.4 million from €8.4 million a year ago. Despite the difficult currency environment, we further improved our profitability, posting an EBITA margin of 10.3%, up from 9.8% for the year-earlier period. At the previous year's exchange rates, the EBITA margin would have increased to more than 11%.

Net profit for the period is €3.5 million, up from €2.6 million reported in the first quarter of 2007; if non-cash amortization is excluded, net profit for the period is at €4.6 million (Q1 2007: €3.8 million). Earnings per share excluding amortization are €0.27 (Q1 2007: €0.22).

The gains in sales revenue and profitability achieved in the first quarter of 2008 are within the range of our expectations. Considering the regions, we have not yet been satisfied with business development in North America due to the difficult market environment. By contrast, business in our other regions showed gratifying development.

### Balance Sheet and Cash Flow

At €649.0 million, the balance sheet total of the Group rose slightly relative to the figure of €640.7 million reported for December 31, 2007. The equity ratio at 56.2% (Dec. 31, 2007: 56.6%) continues to remain at a comfortable level.

The Sartorius Stedim Biotech Group reported first-quarter cash earnings of €10.3 million in 2008. Cash flow from working capital was negative at –€6.6 million especially because inventories were increased in connection with the new product launches scheduled. Cash flows from operating activities were €2.7 million.

In the first quarter of 2008, we invested a total of €4.4 million in property, plant and equipment and in intangible assets. Thus, we reported an investment ratio of 4.8%. Overall, cash flows from investing activities were at –€4.2 million so a slightly negative net cash flow of –€1.6 million was yielded.

With cash and cash equivalents at €6.4 million, net debt of the Group as of March 31, 2008, was €157.6 million. The ratio of net debt to pro forma underlying EBITDA of the past twelve months was 2.4 as of March 31, 2008.

## Research and Development

First-quarter R&D costs for the Sartorius Stedim Biotech Group in 2008 were €6.1 million. This corresponds to a 6.7% ratio of R&D costs to sales revenue.

During the first quarter of 2008, a number of products based on the joint R&D effort of the combined group have already been successfully launched on the market. For instance, we introduced a new generation of Sartopore filter cartridges, a highly efficient and powerful product family comprised of sterilizing-grade filters. We also offer these as capsules in combination with large-volume, single-use bags for processing, storage and transport of biopharmaceuticals.

## Dividends

At the Annual Shareholders' Meeting of Sartorius Stedim Biotech S.A. on April 21, 2008, shareholders approved the resolution to pay a dividend of €0.30 per share to the shareowners for fiscal 2007.

## Outlook

For the full fiscal year of 2008, we maintain our estimate of achieving sales growth at a rate of more than 12% in constant currencies. This growth will be driven especially by our business with single-use products. Based on this sales revenue target and on an average exchange rate of 1.40 US dollars to the euro, we are aiming at increasing our EBITA margin to around 14%.



# Balance Sheet

## Assets

|  | March 31, 2008           |              | Dec. 31, 2007 |              |
|--|--------------------------|--------------|---------------|--------------|
|  | Unaudited financial data |              | audited       |              |
|  | € in mn                  | %            | € in mn       | %            |
| <b>Non current assets</b>                  |                          |              |               |              |
| Goodwill                                   | 249.3                    | 38.4         | 249.3         | 38.9         |
| Intangible assets                          | 104.0                    | 16.0         | 105.2         | 16.4         |
| Property, plant and equipment              | 113.4                    | 17.5         | 113.9         | 17.8         |
| Financial assets                           | 1.8                      | 0.3          | 1.8           | 0.3          |
|  | <b>468.5</b>             | <b>72.2</b>  | <b>470.2</b>  | <b>73.4</b>  |
| Non-current trade and other receivables    | 0.1                      | 0.0          | 0.3           | 0.0          |
| Deferred tax assets                        | 8.5                      | 1.3          | 8.5           | 1.3          |
|  | <b>477.1</b>             | <b>73.5</b>  | <b>479.0</b>  | <b>74.8</b>  |
| <b>Current assets</b>                      |                          |              |               |              |
| Inventories                                | 61.1                     | 9.4          | 53.8          | 8.4          |
| Trade receivables and other current assets | 97.9                     | 15.1         | 95.2          | 14.9         |
| Current tax assets                         | 6.4                      | 1.0          | 5.3           | 0.8          |
| Cash and cash equivalents                  | 6.4                      | 1.0          | 7.5           | 1.2          |
|  | <b>171.9</b>             | <b>26.5</b>  | <b>161.7</b>  | <b>25.2</b>  |
| <b>Total assets</b>                        | <b>649.0</b>             | <b>100.0</b> | <b>640.7</b>  | <b>100.0</b> |

## Equity and Liabilities

|                                     | March 31, 2008           |              | Dec. 31, 2007 |              |
|-------------------------------------|--------------------------|--------------|---------------|--------------|
|                                     | Unaudited financial data |              | audited       |              |
|                                     | € in mn                  | %            | € in mn       | %            |
| <b>Equity</b>                       |                          |              |               |              |
| Issued capital                      | 10.3                     | 1.6          | 10.3          | 1.6          |
| Capital reserves                    | 338.2                    | 52.1         | 338.2         | 52.8         |
| Retained earnings                   | 16.1                     | 2.5          | 14.2          | 2.2          |
| Minority interest                   | 0.0                      | 0.0          | 0.0           | 0.0          |
|                                     | <b>364.6</b>             | <b>56.2</b>  | <b>362.8</b>  | <b>56.6</b>  |
| <b>Non-current liabilities</b>      |                          |              |               |              |
| Pension provisions                  | 11.6                     | 1.8          | 11.4          | 1.8          |
| Deferred tax liabilities            | 36.8                     | 5.7          | 36.4          | 5.7          |
| Other non-current provisions        | 2.6                      | 0.4          | 2.6           | 0.4          |
| Loans and borrowings                | 4.5                      | 0.7          | 4.9           | 0.8          |
| Other non-current liabilities       | 0.3                      | 0.0          | 0.3           | 0.0          |
|                                     | <b>55.9</b>              | <b>8.6</b>   | <b>55.7</b>   | <b>8.7</b>   |
| <b>Current liabilities</b>          |                          |              |               |              |
| Current provisions                  | 6.4                      | 1.0          | 7.5           | 1.2          |
| Current tax liabilities             | 3.3                      | 0.5          | 3.5           | 0.5          |
| Loans and borrowings                | 159.5                    | 24.6         | 156.4         | 24.4         |
| Trade payables                      | 31.4                     | 4.8          | 26.8          | 4.2          |
| Other current liabilities           | 28.0                     | 4.3          | 28.1          | 4.4          |
|                                     | <b>228.5</b>             | <b>35.2</b>  | <b>222.3</b>  | <b>34.7</b>  |
| <b>Total equity and liabilities</b> | <b>649.0</b>             | <b>100.0</b> | <b>640.7</b>  | <b>100.0</b> |

# Income Statement

|   | Q1 2008                  |              |
|---|--------------------------|--------------|
|   | Unaudited financial data |              |
|   | € in mn                  | %            |
| <b>Sales revenue</b>                            | <b>91.3</b>              | <b>100.0</b> |
| Cost of sales                                   | 47.7                     | 52.3         |
| <b>Gross profit on sales</b>                    | <b>43.5</b>              | <b>47.7</b>  |
| Selling and distribution costs                  | 21.9                     | 24.0         |
| Research and development costs                  | 6.1                      | 6.7          |
| General administrative expenses                 | 6.4                      | 7.1          |
| Other operating income and expenses (-)         | 0.3                      | 0.3          |
| <b>EBITA</b>                                    | <b>9.4</b>               | <b>10.3</b>  |
| Amortization <sup>1)</sup>                      | -1.6                     | -1.7         |
| <b>EBIT</b>                                     | <b>7.8</b>               | <b>8.6</b>   |
| Interest and similar income                     | 0.3                      | 0.3          |
| Interest and similar expenses                   | 2.4                      | 2.7          |
| <b>Profit before tax</b>                        | <b>5.7</b>               | <b>6.2</b>   |
| Income tax expenses                             | -1.7                     | -1.9         |
| Other taxes                                     | -0.5                     | -0.6         |
| Deferred taxes                                  | 0.1                      | 0.1          |
| <b>Net profit</b>                               | <b>3.5</b>               | <b>3.9</b>   |
| Attributable to:                                |                          |              |
| Equity holders of Sartorius Stedim Biotech S.A. | 3.5                      |              |
| Minority interest                               | 0.0                      |              |
| <b>Basic earnings per share (in €)</b>          | <b>0.21</b>              |              |
| <b>Diluted earnings per share (in €)</b>        | <b>0.21</b>              |              |

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

# Cash Flow Statement

Q1 2008  
Unaudited financial data  
€ in mn

|  |              |
|--|--------------|
| Profit before income taxes                                       | 5.2          |
| Deferred taxes   | 0.1          |
| Minority interest  | 0.0          |
| Depreciation and amortization of fixed assets                    | 5.0          |
| Change in non-current assets                                     | -0.2         |
| Changes in non-current provisions                                | 0.2          |
| <b>Cash earnings</b>   | <b>10.3</b>  |
| Changes in the current provisions                                | -0.8         |
| Change in inventories  | -8.5         |
| Change in trade and other receivables including prepaid expenses | -2.5         |
| Change in liabilities (excl. loans and borrowings)               | 5.2          |
| <b>Cash flow from working capital</b>                            | <b>-6.6</b>  |
| Interest income  | -0.3         |
| Interest expenses  | 2.4          |
| Income taxes paid  | -3.1         |
| <b>Cash flows from operating activities</b>                      | <b>2.7</b>   |
| Proceeds from fixed asset disposals                              | 0.5          |
| Payments for intangible assets                                   | -1.0         |
| Payment for property, plant and equipment                        | -3.4         |
| Payments for financial assets                                    | -0.3         |
| <b>Cash flows from investing activities</b>                      | <b>-4.2</b>  |
| <b>Net cash flow</b>   | <b>-1.6</b>  |
| Dividend payments  | 0.0          |
| Interest income  | 0.3          |
| Interest expenses  | -2.4         |
| Change in minority interest                                      | 0.0          |
| Additions to   repayment of financial liabilities                | 2.8          |
| <b>Cash flows from financing activities</b>                      | <b>0.7</b>   |
| <b>Change due to currency translation</b>                        | <b>-0.1</b>  |
| <b>Change in cash and cash equivalents</b>                       | <b>-1.0</b>  |
| Cash and cash equivalents at the beginning of the period         | 7.5          |
| <b>Cash and cash equivalents</b>                                 | <b>6.5</b>   |
| <b>Gross debt owed to banks</b>                                  | <b>164.0</b> |
| <b>Net debt owed to banks</b>                                    | <b>157.6</b> |

# Segment Report

## Segment Report by Division

|                                     | Biopharma          | Group              |
|-------------------------------------|--------------------|--------------------|
| Unaudited financial data<br>€ in mn | <b>Q1<br/>2008</b> | <b>Q1<br/>2008</b> |
| Order intake                        | 98.5               | 98.5               |
| Sales revenue                       | 91.3               | 91.3               |
| As a total %                        | 100.0%             | 100.0%             |
| EBITDA                              | 12.9               | 12.9               |
| As a % of sales revenue             | 14.1%              | 14.1%              |
| EBITA                               | 9.4                | 9.4                |
| As a % of sales revenue             | 10.3%              | 10.3%              |
| Depreciation and amortization       | 5.0                | 5.0                |
| EBIT                                | 7.8                | 7.8                |
| As a % of sales revenue             | 8.6%               | 8.6%               |
| R&D costs                           | 6.1                | 6.1                |
| No. of employees at March 31        | 2,302              | 2,302              |

## Segment Report by Region

|                                     | Europe             | North America      | Asia   Pacific     | Other Markets      | Group              |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Unaudited financial data<br>€ in mn | <b>Q1<br/>2008</b> | <b>Q1<br/>2008</b> | <b>Q1<br/>2008</b> | <b>Q1<br/>2008</b> | <b>Q1<br/>2008</b> |
| Sales revenue                       |                    |                    |                    |                    |                    |
| – acc. to customers' location       | 58.1               | 19.2               | 11.3               | 2.6                | 91.3               |
| As a total %                        | 63.7%              | 21.0%              | 12.4%              | 2.9%               | 100.0%             |
| – acc. to company location          | 66.3               | 19.4               | 5.5                | 0.0                | 91.3               |
| EBITA                               | 7.9                | 0.8                | 0.7                | 0.1                | 9.4                |
| As a % of sales revenue             | 11.9%              | 4.0%               | 12.3%              | –                  | 10.3%              |
| No. of employees at March 31        | 1,509              | 388                | 311                | 94                 | 2,302              |



# Statement of Changes in Equity

| Unaudited financial data<br>€ in mn                           | Issued<br>capital | Capital<br>reserves | Hedging<br>reserves | Pension<br>reserves | Retained<br>earnings | Foreign<br>currency<br>translation<br>reserve | Total        | Minority<br>interest | Total<br>equity |
|---|-------------------|---------------------|---------------------|---------------------|----------------------|---|--------------|----------------------|-----------------|
| <b>Balance at Jan. 1, 2008</b>                                | <b>10.3</b>       | <b>338.2</b>        | <b>1.1</b>          | <b>-0.2</b>         | <b>18.2</b>          | <b>-4.8</b>                                   | <b>362.8</b> | <b>0.0</b>           | <b>362.8</b>    |
| Cash flow hedges  | 0.0               | 0.0                 | 1.4                 | 0.0                 | 0.0                  | 0.0   | 1.4          | 0.0                  | 1.4             |
| Actuarial gains   losses from<br>pension provisions           | 0.0               | 0.0                 | 0.0                 | 0.0                 | 0.0                  | 0.0   | 0.0          | 0.0                  | 0.0             |
| Currency translation differences                              | 0.0               | 0.0                 | 0.0                 | 0.0                 | 0.0                  | -2.7  | -2.7         | 0.0                  | -2.7            |
| Deferred taxes  | 0.0               | 0.0                 | -0.4                | 0.0                 | 0.0                  | 0.0   | -0.4         | 0.0                  | -0.4            |
| <b>Net income recognized directly in equity</b>               | <b>0.0</b>        | <b>0.0</b>          | <b>1.0</b>          | <b>0.0</b>          | <b>0.0</b>           | <b>-2.7</b>                                   | <b>-1.7</b>  | <b>0.0</b>           | <b>-1.7</b>     |
| Net profit for the period                                     | 0.0               | 0.0                 | 0.0                 | 0.0                 | 3.5                  | 0.0   | 3.5          | 0.0                  | 3.5             |
| Change in minority interest                                   | 0.0               | 0.0                 | 0.0                 | 0.0                 | 0.0                  | 0.0   | 0.0          | 0.0                  | 0.0             |
| <b>Total recognized income and expense<br/>for the period</b> | <b>0.0</b>        | <b>0.0</b>          | <b>1.0</b>          | <b>0.0</b>          | <b>3.5</b>           | <b>-2.7</b>                                   | <b>1.8</b>   | <b>0.0</b>           | <b>1.8</b>      |
| Dividends   | 0.0               | 0.0                 | 0.0                 | 0.0                 | 0.0                  | 0.0   | 0.0          | 0.0                  | 0.0             |
| <b>Balance at March 31, 2008</b>                              | <b>10.3</b>       | <b>338.2</b>        | <b>2.1</b>          | <b>-0.2</b>         | <b>21.7</b>          | <b>-7.5</b>                                   | <b>364.6</b> | <b>0.0</b>           | <b>364.6</b>    |

# Key Figures

All figures are given in millions of €, unless otherwise specified

Q1 2008

Unaudited financial data

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| <b>Results</b>   |       |
|--|-------|
| Order intake   | 98.5  |
| Sales revenue  | 91.3  |
| EBITDA   | 12.9  |
| EBITA  | 9.4   |
| EBIT   | 7.8   |
| Earnings before taxes                                    | 5.7   |
| Net profit   | 3.5   |
| (Basic) earnings per share in €                          | 0.21  |
| <b>As a % of sales revenue</b>                           |       |
| EBITDA   | 14.1% |
| EBITA  | 10.3% |
| EBIT   | 8.6%  |
| Profit before taxes                                      | 6.2%  |
| Net profit   | 3.9%  |
| <b>Financials</b>  |       |
| Cash earnings  | 10.3  |
| Depreciation and amortization (without financial assets) | 5.0   |
| Net cash flow  | -1.6  |
| Capital expenditures                                     | 4.4   |
| As a % of sales revenue                                  | 4.8%  |
| Net debt   | 157.6 |
| <b>Employees</b>   |       |
| Total  | 2,302 |
| <b>R&amp;D</b>   |       |
| R&D costs  | 6.1   |
| As a % of sales revenues                                 | 6.7%  |

## Notes to the Interim Financial Statements

### Recognition and Measurement Principles

The financial statements of Sartorius Stedim Biotech S.A. 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 March 31, 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

This first-quarter report was not reviewed by the group auditor.

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This is a translation of the original French-language interim report. Sartorius Stedim Biotech shall not assume any liability for the correctness of this translation. The original French interim report is the legally binding version.

### 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.

**May 27, 2008**  
ESN Small & Mid Cap Conference  
in London, UK

**June 17, 2008**  
Mid Cap Event (6ème Forum Santé)  
Gilbert Dupont in Paris, France

**July 2008**  
Publication of the first-half figures  
(Jan. – June 2008)

**September 29–30, 2008**  
Mid Cap Event CF&B  
in Paris, France

**October 2008**  
Publication of the nine-month figures  
(Jan. – Sep. 2008)

**January 2009**  
European Mid Cap Event Oddo Midcap  
in Lyon, France