



sartorius stedim
biotech



Sartorius Stedim Biotech Group
Nine-Month Report
January to September 2008

Business Development and Outlook

- **Currency-adjusted sales revenue rose 1.6%**
- **Order intake in constant currencies -0.6%**
- **Operating result at €29.8 million; EBITA margin: 10.8%**
- **Financing on a solid, broad-based footing**
- **Despite persistently difficult economic environment, robust earnings for fourth quarter expected**

Important Note

To ensure the best possible comparability, the nine-month figures of 2008 are presented in parallel with those of 2007 on a pro forma basis and are adjusted for extraordinary expenses and non-permanent effects.

Order Intake

In the first nine months of the current business year, the Sartorius Stedim Biotech Group's order intake was €270.8 million (2007: €283.8 million). Due to the persistently difficult market environment in North America and, in the third quarter, lower demand for equipment that affected our business in Europe, order intake eased by 0.6% in constant currencies. At the current exchange rates, this translates to a decrease of 4.6%.

Sales Revenue

The currency-adjusted sales revenue of Sartorius Stedim Biotech Group rose 1.6%. Besides the persistently weak development in North America, we reported a third-quarter decline in equipment business, particularly in Europe, while revenue in Asia|Pacific grew moderately. At €275.0 million, sales revenue for the Group at the current exchange rates is 2.4% below the pro forma year-earlier figure of €281.8 million.



Key Figures

In millions of € (unless otherwise specified)	9 months 2008	9 months 2007 pro forma	Change in %	Change in % (in constant currencies)
Sales revenue	275.0	281.8	-2.4	+1.6
Europe ¹⁾	169.5	160.4	+5.7	+7.3
North America ¹⁾	59.5	74.9	-20.6	-10.4
Asia Pacific ¹⁾	37.2	37.5	-0.8	2.1
Other Markets ¹⁾	8.8	9.0	-1.6	-1.3
EBITA ²⁾	29.8	35.2	-15.5	
EBITA margin ²⁾ in %	10.8	12.5		
Net profit ²⁾³⁾	13.9	18.3		
Earnings per share ²⁾³⁾ in €	0.81	1.07		

¹⁾ According to customers' location

²⁾ For 2007: underlying

³⁾ Excluding amortization

Earnings Development

Operating earnings (EBITA = earnings before interest, taxes and amortization) were at €29.8 million for the first nine months in 2008. Pro forma underlying EBITA of the comparable year-earlier period was €35.2 million.

The EBITA margin eased from 12.5% to 10.8% against the nine-month figure for 2007. Besides sales revenue that was lower than our expectations, currency fluctuations weighed down on profitability. Based on the year-earlier exchange rates, this earnings margin is approximately at about 11.5%.

Nine-month amortization was €4.7 million as budgeted (previous year, pro forma: €5.5 million).

The increase in financing expenditures is due to the higher European base interest rate over last year's and the increased expenses for hedging transactions.

Nine-month net profit after minority interest for the Sartorius Stedim Biotech Group totals €10.7 million (previous year, pro forma underlying: €14.5 million). Earnings per share amount to €0.63 (previous year, pro forma underlying: €0.85). Without non-cash amortization, net profit is at €13.9 million (previous year, pro forma underlying: €18.3 million). The corresponding earnings per share are at €0.81 (previous year, pro forma underlying: €1.07).

Assessment

Sales revenue development for the Sartorius Stedim Biotech Group in the first nine months of 2008 was substantially below our forecast, especially because of the persistently difficult market situation in North America. However, this market situation has affected the entire competitive environment so according to our estimates, we reinforced our market position in this year and could continue to extend this position in a few submarkets.

Given the unfavorable currency impact, consolidated operating earnings have remained solid in accordance with our level of sales.

Financing | Treasury

Sartorius Stedim Biotech signed a facility agreement on September 17, 2008, with a five-year term, for credit lines amounting to an aggregate €220 million. Ten additional banks joined the syndicate of banks headed by the mandated lead arrangers Commerzbank Aktiengesellschaft, Dresdner Kleinwort, and WestLB AG, to participate in this credit facility. Sartorius Stedim Biotech's syndicated loan is part of a financing package of the Sartorius Group, which totals an aggregate €400 million. With this transaction, Sartorius Stedim Biotech has put its financing on a solid, broad-based footing over the long term.

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group rose slightly in the first nine months of the current financial year from €640.7 million to €644.6 million.

As of September 30, 2008, equity is at €366.6 million (Dec. 31, 2007: €362.8 million). This has resulted in a highly robust equity ratio of 56.9% (Dec. 31, 2007: 56.6%).

Since the company recently signed a new long-term facility agreement, which entailed a decrease in the "current liabilities item," the maturity structure of our balance sheet substantially improved.

Gross debt owed to banks are at €158.6 million (Dec. 31, 2007: €161.3 million); net debt amounts to €142.7 million (Dec. 31, 2007: €153.8 million). The ratio of net debt to EBITDA of the past 12 months is 2.3 (Dec. 31, 2007: 2.3).

Gearing, the ratio of net debt to equity, remains unchanged at 0.4. Thus, these key ratios for assessing creditworthiness continue to remain at robust levels.

Cash Flow

Nine-month cash earnings total €29.9 million (previous year: €18.2 million). Cash flow from working capital is positive at €2.3 million, up from -€7.3 million a year ago. We invested €14.3 million, up from €9.3 million a year earlier, or 5.2% of sales revenue (previous year: 5.4%). On the whole, nine-month net cash flow is €22.8 million (previous year: €4.1 million).

Research and Development

During the first three quarters, research and development (R&D) costs eased slightly from the pro forma year-earlier figure of €19.7 million to €19.4 million. The ratio of R&D costs to sales revenue edged up from 6.9% to 7.0%.



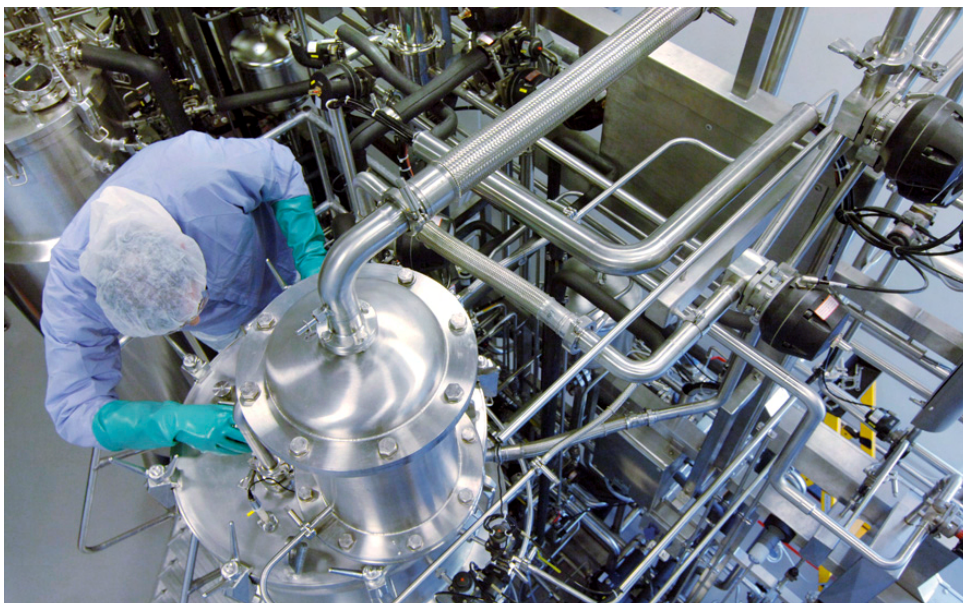
Employees

As of September 30, 2008, the Sartorius Stedim Biotech Group employed 2,358 persons and thus 47 more than at the end of 2007 (2,311). The number of employees rose in Asia and especially in Europe, whereas the workforce in North America decreased from 426 employees as of December 31, 2007, to 371, due to reorganization measures.

Outlook for the Full Year of 2008

Because of the increasingly difficult and uncertain global economic conditions, we do not consider it possible to make an accurate and reliable quantitative forecast about further business development in the fourth quarter. Nevertheless, we do expect that the overall stable development of the first three quarters seen so far, though at a level downscaled from our earlier forecasts, will continue on into the following months. For this reason, we do not expect to reach our full-year targets announced after the first half, which, among others, projected that sales revenue and profitability would be higher in the second half than in the first half. Yet we do anticipate a robust operating result and significantly positive operating cash flows for the fourth quarter.

We continue to uphold our assessment of our markets as having above-average attractiveness, and consider ourselves very well-positioned in these markets. In the overall global economic situation that is anticipated to become even gloomier, our major customer segment, the biopharmaceutical industry, is expected to prove to be relatively robust on the whole. Moreover, we assess our broad-based geographical presence and the recent increase in the value of the U.S. dollar as positive factors for the further development of the Group.



Balance Sheet

Assets

	September 2008		December 2007 Audited	
	€ in mn	%	€ in mn	%
Non-current assets				
Goodwill	249.3	38.7	249.3	38.9
Intangible assets	101.7	15.8	105.2	16.4
Property, plant and equipment	114.7	17.8	113.9	17.8
Financial assets	1.9	0.3	1.8	0.3
	467.6	72.5	470.2	73.4
Receivables and other assets	1.5	0.2	0.3	0.0
Deferred tax assets	8.5	1.3	8.5	1.3
	477.6	74.1	479.0	74.8
Current assets				
Inventories	65.4	10.1	53.8	8.4
Trade receivables	72.5	11.3	84.9	13.2
Current tax assets	4.4	0.7	5.3	0.8
Other assets	8.8	1.4	10.4	1.6
Cash and cash equivalents	15.9	2.5	7.5	1.2
	167.0	25.9	161.7	25.2
Total assets	644.6	100.0	640.7	100.0

Equity and Liabilities

	September 2008		December 2007 ¹⁾	
	€ in mn	%	€ in mn	%
Equity				
Issued capital	10.3	1.6	10.3	1.6
Capital reserves	338.2	52.5	338.2	52.8
Retained earnings	18.1	2.8	14.2	2.2
Minority interest	0.0	0.0	0.0	0.0
	366.6	56.9	362.8	56.6
Non-current liabilities				
Pension provisions	12.0	1.9	11.4	1.8
Deferred tax liabilities	34.2	5.3	36.4	5.7
Other provisions	2.7	0.4	2.6	0.4
Loans and borrowings	127.6	19.8	4.9	0.8
Other liabilities	0.3	0.0	0.3	0.0
	176.8	27.4	55.7	8.7
Current liabilities				
Provisions	6.4	1.0	7.5	1.2
Trade payables	32.1	5.0	31.3	4.9
Loans and borrowings	31.0	4.8	156.4	24.4
Current tax liabilities	4.9	0.8	3.5	0.5
Other liabilities	26.9	4.2	23.6	3.7
	101.3	15.7	222.3	34.7
Total equity and liabilities	644.6	100.0	640.7	100.0

¹⁾ The figures of the balance sheet consolidated as of December 31, 2007, have been adjusted with regard to the allocation of liabilities of the Sartorius AG Group subsidiaries and payments received for orders. These have been reclassified from the item "Other liabilities" into "Trade payables" in order to better reflect their nature.

Income Statement

	3rd quarter 2008		3rd quarter 2007		9 months 2008 ¹⁾		9 months 2007 ¹⁾	
	€ in mn	%	€ in mn	%	€ in mn	%	€ in mn	%
Sales revenue	89.6	100.0	96.3	100.0	275.0	100.0	173.9	100.0
Cost of sales	-47.3	-52.8	-52.0	-54.0	-142.2	-51.7	-93.5	-53.8
Gross profit on sales	42.3	47.2	44.3	46.0	132.8	48.3	80.4	46.2
Selling and distribution costs	-21.7	-24.2	-20.9	-21.7	-65.8	-23.9	-38.5	-22.1
Research and development costs	-6.6	-7.4	-6.3	-6.6	-19.4	-7.1	-12.2	-7.0
General administrative expenses	-5.7	-6.3	-6.0	-6.3	-18.3	-6.6	-10.2	-5.8
Other operating income and expenses	0.6	0.7	-3.6	-3.8	0.4	0.1	-3.5	-2.0
Earnings before interest, taxes and amortization (EBITA)	8.9	10.0	7.4	7.7	29.8	10.8	16.1	9.2
Amortization ²⁾	-1.6	-1.7	-2.5	-2.6	-4.7	-1.7	-2.6	-1.5
Earnings before interest and taxes (EBIT)	7.4	8.2	4.9	5.1	25.1	9.1	13.4	7.7
Interest and similar income	0.1	0.1	0.0	0.0	0.4	0.1	0.1	0.0
Interest and similar expenses	-3.2	-3.6	-2.3	-2.4	-8.1	-2.9	-3.9	-2.2
Profit before tax	4.2	4.7	2.6	2.7	17.4	6.3	9.6	5.5
Income tax expenses	-1.2	-1.3	-2.7	-2.8	-6.3	-2.3	-4.6	-2.7
Other taxes	-0.5	-0.6	-0.2	-0.2	-1.7	-0.6	-0.4	-0.2
Deferred taxes	0.0	0.0	1.8	1.9	1.3	0.5	1.4	0.8
Net profit for the period	2.5	2.8	1.6	1.7	10.7	3.9	6.0	3.5
Attributable to:								
Equity holders of Sartorius Stedim Biotech	2.5	2.8	1.6	1.6	10.7	3.9	6.0	3.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic earnings per share (in €)	0.15				0.63		0.55	
Diluted earnings per share (in €)	0.15				0.63		0.54	

¹⁾ The nine-month figures for 2007 refer to the former Sartorius Biotech subgroup from April 1, 2007, to June 30, 2007, and to the activity of the combined Sartorius Stedim Biotech subgroup from July 1, 2007, to September 30, 2007. The nine-month figures for 2008 refer to the activity of the combined Sartorius Stedim Biotech Group from January 1, 2008, to September 30, 2008.

²⁾ Amortization refers only to amortization of goodwill (if applicable) and of intangible assets recognized in connection with the purchase price allocation (PPA) according to IFRS 3.

Cash Flow Statement

	9 months 2008 ¹⁾ € in mn	9 months 2007 ¹⁾ € in mn
Profit before income taxes	15.7	9.2
Deferred taxes	1.3	1.4
Minority interest	0.0	0.0
Depreciation and amortization of fixed assets	15.1	9.0
Change in non-current assets	-1.0	0.4
Change in non-current provisions	-1.2	-1.8
Cash earnings	29.9	18.2
Change in current provisions	-1.2	1.6
Change in inventories	-11.5	-4.3
Change in trade and other receivables	11.0	-1.6
Change in liabilities (excl. loans and borrowings)	4.0	-3.0
Cash flow from working capital	2.3	-7.3
Interest income	-0.4	-0.1
Interest expenses	8.1	3.9
Income taxes paid	-4.0	-4.6
Cash flows from operating activities	35.9	10.1
Proceeds from fixed asset disposals	1.4	0.2
Payments for intangible assets	-2.8	-1.7
Payments for property, plant and equipment	-11.5	-7.7
Payments for financial assets	-0.2	0.0
Cash and cash equivalents acquired in the business combination	0.0	3.2
Cash flows from investing activities	-13.1	-5.9
Net cash flow	22.8	4.1
Dividend payments	-5.1	0.0
Interest income	0.4	0.1
Interest expenses	-7.8	-3.9
Change in minority interest	0.0	0.0
Additions to repayment of loans and borrowings	-2.5	3.1
Cash flows from financing activities	-15.0	-0.7
Change due to currency translation	0.5	-0.3
Change in cash and cash equivalents	8.4	3.2
Cash and cash equivalents at the beginning of the period	7.5	2.9
Cash and cash equivalents at the end of the period	15.9	6.1
Gross debt owed to banks	158.6	158.7
Net debt owed to banks	142.7	152.6

¹⁾ The nine-month figures for 2007 refer to the former Sartorius Biotech subgroup from April 1, 2007, to June 30, 2007 and to the activity of the combined Sartorius Stedim Biotech subgroup from July 1, 2007, to September 30, 2007.

The nine-month figures for 2008 refer to the activity of the combined Sartorius Stedim Biotech Group from January 1, 2008, to September 30, 2008.

Segment Reports

Segment Report by Division

€ in mn	Biopharma			Group		
	9 months 2008	9 months 2007	Δ	9 months 2008	9 months 2007	Δ
Order intake	270.8	165.5	64%	270.8	165.5	64%
Sales revenue	275.0	173.9	58%	275.0	173.9	58%
As a total %	100.0%	100.0%		100.0%	100.0%	
EBITDA	40.2	22.4	80%	40.2	22.4	80%
As a % of sales revenue	14.6%	12.9%		14.6%	12.9%	
Depreciation and amortization	15.1	9.0	69%	15.1	9.0	69%
EBITA	29.8	16.1	85%	29.8	16.1	85%
As a % of sales revenue	10.8%	9.2%		10.8%	9.2%	
EBIT	25.1	13.4	87%	25.1	13.4	87%
As a % of sales revenue	9.1%	7.7%		9.1%	7.7%	
R&D costs	19.4	12.2	59%	19.4	12.2	59%
No. of employees at September 30	2,358	2,300	3%	2,358	2,300	3%

Segment Report by Region

€ in mn	Europe			North America			Asia Pacific			Other Markets			Group		
	9 months 2008	9 months 2007	Δ	9 months 2008	9 months 2007	Δ	9 months 2008	9 months 2007	Δ	9 months 2008	9 months 2007	Δ	9 months 2008	9 months 2007	Δ
Sales revenue															
- acc. to customers' location	169.5	97.9	73%	59.5	43.1	38%	37.2	27.2	37%	8.8	5.7	55%	275.0	173.9	58%
As a total %	61.6%	56.3%		21.6%	24.8%		13.5%	15.6%		3.2%	3.3%		100.0%	100.0%	
- acc. to company location	196.3	117.8	67%	59.7	41.7	43%	18.9	14.5	31%	0.0	0.0		275.0	173.9	58%
EBITA	22.8	10.7	112%	3.5	3.0	18%	3.0	2.2	36%	0.4	0.1		29.8	16.1	85%
As a % of sales revenue	11.6%	9.1%		5.9%	7.2%		16.1%	15.5%					10.8%	9.2%	
No. of employees at September 30	1,567	1,457	8%	371	446	-17%	314	313	0%	106	84	26%	2,358	2,300	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
Balance at April 1, 2007	4.3	34.5	0.0	-1.1	13.4	0.0	51.2	0.0	51.2
Currency translation differences	0.0	0.0	0.0	0.0	0.0	-2.6	-2.6	0.0	-2.6
Net income recognized directly in equity	0.0	0.0	0.0	0.0	0.0	-2.6	-2.6	0.0	-2.6
Net profit for the period	0.0	0.0	0.0	0.0	6.0	0.0	6.0	0.0	6.0
Total recognized income and expense for the period	0.0	0.0	0.0	0.0	6.0	-2.6	3.4	0.0	3.4
Effects from reverse acquisition	6.0	309.1	0.0	0.0	0.0	0.0	315.1	0.0	315.1
Equity issuance costs	0.0	-5.3	0.0	0.0	0.0	0.0	-5.3	0.0	-5.3
Change in minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance at September 30, 2007	10.3	338.3	0.0	-1.1	19.4	-2.6	364.3	0.3	364.6

€ in mn	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Currency translation reserves	Total	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
Cash flow hedges	0.0	0.0	-2.6	0.0	0.0	0.0	-2.6	0.0	-2.6
Actuarial losses from pension provisions	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.1
Currency translation differences	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
Deferred taxes	0.0	0.0	0.8	0.1	0.0	0.0	0.9	0.0	0.9
Net income recognized directly in equity	0.0	0.0	-1.8	-0.1	0.0	0.1	-1.8	0.0	-1.8
Net profit for the period	0.0	0.0	0.0	0.0	10.7	0.0	10.7	0.0	10.7
Total recognized income and expense for the period	0.0	0.0	-1.8	-0.1	10.7	0.1	8.9	0.0	8.9
Stock options	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Dividends	0.0	0.0	0.0	0.0	-5.1	0.0	-5.1	0.0	-5.1
Balance at September 30, 2008	10.3	338.3	-0.7	-0.3	23.8	-4.8	366.6	0.0	366.6

As explained in the Consolidated Statement of Changes in Equity included in the Reference Document 2007 and to apply the principles required by IFRS 3 (revised 2008), we retroactively adjusted the legal subsidiary's (Sartorius Stedim Biotech GmbH's) issued capital as of April 1, 2007, to reflect the equity structure of the legal parent (Sartorius Stedim Biotech S.A.).

Key Figures

All figures are given in millions of €, unless otherwise specified **9 months 2008** 9 months 2007 Change in %

Operating results			
Order intake	270.8	165.5	63.6
Sales revenue	275.0	173.9	58.1
EBITDA	40.2	22.4	79.9
EBITA	29.8	16.1	85.4
EBIT	25.1	13.4	87.1
Earnings before taxes	17.4	9.6	80.7
Net profit	10.7	6.0	78.3
(Basic) earnings per share in €	0.63	0.55	15.8
As a % of sales revenue			
EBITDA	14.6%	12.9%	
EBITA	10.8%	9.2%	
EBIT	9.1%	7.7%	
Profit before tax	6.3%	5.5%	
Net profit	3.9%	3.4%	
Financials			
Cash earnings	29.9	18.2	64.1
Depreciation and amortization (without financial assets)	15.1	9.0	69.1
Net cash flow	22.8	4.1	451.0
Capital expenditures	14.3	9.3	53.3
As a % of sales revenue	5.2%	5.4%	
Net debt	142.7	152.6	-6.5
Employees			
Total	2,358	2,300	2.5
R&D			
R&D costs	19.4	12.2	59.2
As a % of sales revenue	7.1%	7.0%	

Notes to the Interim Financial Statements

Recognition and Measurement Principles

The annual financial statements of the Sartorius Stedim Biotech Group. 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 September 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 Stedim Biotech S.A. paid a dividend of €5.1 million.

The third-quarter report was not reviewed by the Group auditors.

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January 8 – 9, 2009
European Mid Cap Event Oddo Midcap
in Lyon, France

This is a translation of the original French-language nine-month financial report "Information financière trimestrielle." Sartorius 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.