sartorius

Sartorius Group

First-Half Financial Report from January to June 2016

2016

Key Figures for the First Half of 2016

In millions of € unless otherwise specified

	Group			Bioprocess Solutions			Lab Products & Services		
	6-mo. 2016	6-mo. 2015	Δ in % reported	**6-mo. 2016**	6-mo. 2015	Δ in % reported	**6-mo. 2016**	6-mo. 2015	Δ in % reported
Sales Revenue and Order Intake									
Sales revenue	**625.4**	535.3	16.8	**469.8**	384.9	22.1	**155.7**	150.5	3.5
Order intake	**677.6**	577.8	17.3	**519.2**	427.9	21.4	**158.4**	149.9	5.7
Results									
EBITDA[1]	**153.4**	121.1	26.6	**128.1**	97.8	31.0	**25.3**	23.4	8.4
EBITDA margin[1] in %	**24.5**	22.6		**27.3**	25.4		**16.3**	15.5	
Net result[2]	**62.4**	47.8	30.4						
Financial Data per Share									
Earnings per ord. share[2] in €	**0.91**	0.70[3]	29.6						
Earnings per pref. share[2] in €	**0.92**	0.71[3]	30.1						

	30.06.2016	31.12.2015
Balance Sheet | Financials		
Balance sheet total	**1,673.8**	1,437.2
Equity	**654.2**	644.8
Equity ratio in %	**39.1**	44.9
Net debt	**483.9**	344.0
Net debt | underlying EBITDA	**1.6**	1.3

Key Figures for the Second Quarter of 2016[4]

In millions of € unless otherwise specified

	Group			Bioprocess Solutions			Lab Products & Services		
	Q2 2016	Q2 2015	Δ in % reported	**Q2 2016**	Q2 2015	Δ in % reported	**Q2 2016**	Q2 2015	Δ in % reported
Sales Revenue and Order Intake									
Sales revenue	**323.5**	277.3	16.7	**242.8**	198.9	22.1	**80.7**	78.4	3.0
Order intake	**347.5**	301.7	15.2	**265.0**	223.2	18.7	**82.5**	78.4	5.1
Results									
EBITDA[1]	**81.1**	63.6	27.4	**67.1**	51.2	31.0	**14.0**	12.4	12.6
EBITDA margin[1] in %	**25.1**	23.0		**27.6**	25.8		**17.3**	15.8	
Net result[2]	**33.1**	25.7	28.9						
Financial Data per Share									
Earnings per ord. share[2] in €	**0.48**	0.38[3]	28.4						
Earnings per pref. share[2] in €	**0.48**	0.38[3]	28.4						

[1] Excluding extraordinary items
[2] After non-controlling interest, adjusted for extraordinary items as well as non-cash amortization, and based on the normalized financial result as well as the corresponding tax effects for each of these items; for H1 2015 continued operations.
[3] Adjusted for stock split; rounded values
[4] Figures are not audited nor reviewed

Macroeconomic Environment and Sector Conditions

Global Economy with Moderate Growth Rates

According to the most recent data, first-quarter growth in the OECD countries in 2016 was up 1.9%, approximately at the level of 2.0% in the prior-year quarter.

Growth drivers continued to be the emerging economies, especially the Asian economies. China's gross domestic product (GDP) thus rose 6.7% (previous year: +7.0%), despite the slowdown in industrial production in this country. Growth of India's economy accelerated from 7.3% in the year-earlier quarter to 8.0%. As one of the few oil-importing emerging countries, India was able to considerably benefit from the low crude oil price.

The world's largest economy, the USA, lost growth momentum at the beginning of the year, reporting first-quarter GDP growth of 2.0% (previous year: +2.9%). This was primarily due to lower public spending and declining capital investments.

The euro zone continued on the growth track in the first quarter of 2016 and, driven by further expansive monetary policy, low oil prices and the weak euro exchange rate, expanded by 1.7% after 1.3% in the comparative quarter of 2015.

The euro had continuously appreciated against the dollar since the beginning of the year. However, it then fell at the end of the reporting period as a consequence of the British referendum on ending E.U. membership, and was at U.S. $1.11 U.S. on June 30 (December 31, 2015: $1.09). The global average interest rate continued to remain at a very low level in the reporting period.

Sources: OECD: Quarterly National Accounts, June 2016; German Chamber of Commerce in China: Q1/2016 economic data on China; Monthly Report issued by the German Federal Ministry of Economics and Technology, BMWI, 06-2016; Bloomberg.

Positive Sector Development Continues

The key customers the Sartorius Group serves besides those of the biopharmaceutical and pharmaceutical industries are from public research institutes, the chemical industry and the food sector. The trends in these sectors thus provide important impulses for the business development of the Sartorius Group.

The international market research institute IMS Health estimates that the global pharmaceutical market has grown by around 6% on average over the past years. The regions comprising Asia and Latin America contributed an above-average proportion to this increase due to the expansion of their government healthcare systems and rising consumer spending.

The market for pharmaceuticals manufactured using biotech methods has been expanding overproportionately for quite some years within the global pharma marketplace and is currently showing especially dynamic growth. This is primarily attributable to many new approvals of biopharmaceuticals and additional market penetration by existing medicines. Overall, the proportion of sales revenue earned on the biotech market has nearly doubled over the last ten years, recently attaining around 24% of the global pharmaceutical market. Meanwhile, six biologics are among the Top 10 of pharmaceuticals that generate the highest sales.

Biosimilars, i.e., biotherapeutic products similar to originally patented reference biologics, are gaining significance, considering the number of patents due to expire. For instance, seven biosimilars alone were submitted for approval in the key U.S. market at the end of last year, and the first biosimilar antibody was approved by the U.S. Food and Drug Administration, FDA, in the reporting period.

Biotech production methods are much more complex and cost-intensive than are conventional methods. This is why the industry is continuously looking to develop more efficient production technologies. Single-use products play a decisive role in this effort. They significantly reduce production costs, offer greater flexibility and help accelerate time to market.

Among the main customer groups of the Lab Products & Services Division are the chemical and food industries, besides the pharmaceutical industry and the public research sector.

According to data provided by Frost & Sullivan, the global laboratory market grew 2.9% in 2015. While growth in Europe was only 1.9% given the moderate dynamics of its economy, Asian countries such as China and India grew at significantly overproportionate rates. Driven by strong demand from the biopharmaceutical industry and increasing spending by the public sector, the largest market for lab products, the USA, recorded an increase of 3.0%.

Sources: IMS Health: Delivering on the Potential of Biosimilars Medicines, March 2016; Global Medicines Use in 2020, November 2015; TOP 20 Global Products, December 2015; EvaluatePharma: World Preview 2015, Outlook to 2020, June 2015; www.gabionline.net, 8.4.2016; Frost & Sullivan: 2016 Spring Mid-year Report; May 2016.

Group Business Development

- Strong double-digit growth in order intake and sales revenue
- Excellent performance of Bioprocess Solutions; increase in order intake stronger than expected
- Continued positive development of Lab Products & Services business
- Forecast for the full year of 2016 raised

Product Portfolio Expanded by Acquisitions

As part of the continuous implementation of its strategy, Sartorius further expanded its product offering with innovative, complementary technologies over the past weeks by three acquisitions. The portfolio of the Lab Products & Services Division was thus extended in the area of bioanalytics by the acquisition of the companies IntelliCyt and ViroCyt, strengthening the division's position with biopharmaceutical customers and public research. Moreover, the Bioprocess Solutions Division added complementary products to its extensive array of single-use solutions through the acquisition of kSep.

IntelliCyt was acquired immediately before the end of the current reporting period and the two other companies were purchased shortly after the reporting date. Accordingly, these acquisitions did not have any effect on the development of sales revenue or earnings of Sartorius in the first half. For further information, please see pp. 7 et seq.

Sartorius Achieves Double-Digit Sales Growth in the First Half

In the first half of 2016, the Sartorius Group grew very dynamically at significant double-digit rates. Reflecting the positive business development of both of its divisions, the company's sales revenue rose 18.7% in constant currencies from €535.3 million to €625.4 million; the reported increase was 16.8%.

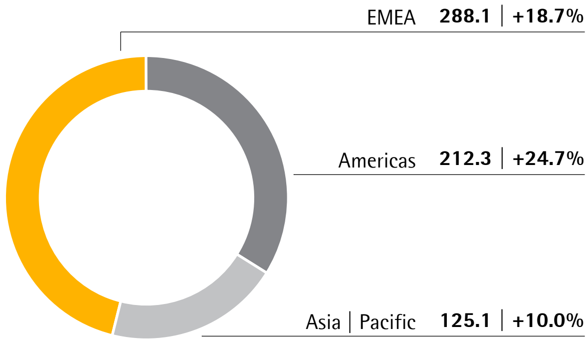
Sales Revenue and Order Intake

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in % reported	Δ in % cc[1]
Sales revenue	**625.4**	535.3	16.8	18.7
Order intake	**677.6**	577.8	17.3	19.5

[1] In constant currencies

All regions achieved double-digit growth rates. The Americas region, which accounted for about 34% of consolidated sales, again showed the highest growth momentum, recording an increase in sales of 24.7% to €212.3 million (reported: +23.1%, up from €172.4 million).

Sales Revenue and Growth[1] by Region[2]
in millions of € unless otherwise specified



[1] In constant currencies
[2] Acc. to customers' location

In the EMEA region, which generates the highest share of Group sales of around 46%, sales grew by 18.7% in the reporting period, to €288.1 million (reported: +17.1%, up from €245.9 million).

Sales revenue in the Asia | Pacific region, which accounts for around 20% of Group sales, rose 10.0% to €125.1 million (reported: +6.9%, up from €117.0 million).

All changes given for the regional development are in constant currencies, unless otherwise specified.

Underlying EBITDA Increases Overproportionately

The Sartorius Group uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator.

The Sartorius Group increased its earnings overproportionately yet again in the first half of 2016 due to economies of scale. Underlying EBITDA thus rose 26.6% from €121.1 million to €153.4 million. The respective EBITDA margin climbed from 22.6% in the year-earlier period to 24.5%.

Underlying EBITDA and EBITDA Margin Group

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in %
Underlying EBITDA	**153.4**	121.1	26.6
Underlying EBITDA margin	**24.5**	22.6	

Consolidated EBIT, including all extraordinary items of -€9.9 million (H1 2015: -€3.8 million), depreciation and amortization, rose from €90.6 million to €109.9 million. Extraordinary items were primarily related to various cross-divisional projects. The Group's EBIT margin reached 17.6%, up from 16.9% a year ago.

The financial result of the Sartorius Group was -€3.9 million in the reporting period relative to -€15.2 million for the prior-year period. This change is essentially attributable to valuation effects related to foreign currency liabilities and hedging instruments.

Net profit for the period totaled €74.2 million relative to €91.7 million in the comparable period. The prior-year figure includes €38.9 million related to the sale of the Industrial Technologies Division in the first quarter of 2015.

Net profit after non-controlling interest amounted to €53.4 million relative to €76.9 million in the year-earlier period, with non-controlling interest accounting for €20.8 million (H1 2015: €14.8 million).

Relevant Net Profit Surges 30.4%

The relevant net profit attributable to the shareholders of Sartorius AG rose sharply by 30.4% from €47.8 million[1] to €62.4 million. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization, and is based on the normalized financial result as well as the corresponding tax effects for each of theseitems. Underlying earnings per ordinary share grew 29.6% to €0.91 (H1 2015: €0.70) and by 30.1% per preference share to €0.92 (H1 2015: €0.71).

The prior-year figures were restated according to the stock split completed on June 13, 2016.

€ in millions	**6-mo. 2016**	6-mo. 2015[1]
EBIT	109.9	90.6
Extraordinary effects	9.9	3.8
Amortization	8.5	6.9
Normalized financial result[2]	–6.8	–7.7
Normalized income tax (2016: 30% | 2015: 30%)[3]	–36.4	–28.1
Underlying net result after tax	**85.0**	**65.6**
Non-controlling interest	–22.6	–17.7
Underlying earnings after taxes and non-controlling interest	**62.4**	**47.8**
Underlying earnings per share		
per ordinary share in €	0.91	0.70[4]
per preference share in €	0.92	0.71[4]

[1] Continued operations

[2] Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities

[3] Underlying income tax, based on the underlying profit before taxes and non-cash amortization

[4] Adjusted for stock split; rounded values

Robust Operating Cash Flow Development

In the first six months of the current fiscal year, the Sartorius Group reported a net cash flow from operating activities of €43.1 million relative to €56.2 million a year ago. In particular, the seasonal and growth-related increase in funds allocated to working capital influenced this figure.

Net cash flow from investing activities was -€69.0 million, above the year-earlier figure of -€40.6 million, as planned. Capital expenditures in the reporting period were related to, inter alia, the expansion of production capacity and the consolidation of Group headquarters in Goettingen, Germany.

Cash outflows associated with acquisitions of €79.1 million in the first half reflect the purchase of IntelliCyt Corporation in June (see the section on Business Development of the Divisions). On the whole, net cash flow from investment activities and acquisitions | divestitures was -€148.1 million. The prior-year figure of €3.1 million was significantly affected by the sale of the Industrial Technologies Division.

Key Financial Indicators Remain at Good Levels

The balance sheet total for the Sartorius Group stood at €1,673.8 million in the period ended June 30, 2016, up from €1,437.2 million as of December 31, 2015. This increase is mainly due to the acquisition of IntelliCyt and the buildup of working capital.

Equity rose slightly from €644.8 million to €654.2 million between December 31, 2015, and the reporting date. The equity ratio continued to remain at a comfortable level at 39.1% (December 31, 2015: 44.9%).

Gross debt increased from €396.8 million as of December 31, 2015, to €559.9 million as of June 30, 2016, primarily due to the acquisition mentioned above and the increase in working capital. Net debt was €483.9 million relative to €344.0 million as of December 31, 2015.

In this context, the ratio of net debt to underlying EBITDA based on the past 12 months edged up slightly from 1.3 at year-end 2015, to 1.6 as of June 20, 2016.

Number of Employees Increases

As of June 30, 2016, the Sartorius Group employed a total of 6,697 people worldwide. Compared with December 31, 2015, head count thus rose by 512 or around 8%. This figure includes 57 staff from the acquisition of IntelliCyt Corporation. From a geographical perspective, personnel increased predominantly in the EMEA region. With a workforce of 4,733, Sartorius employed 360 more people in this region than at the end of the previous year. The number of employees in the Americas was 919, which is 113 higher than the prior-year head count. In Asia | Pacific, Sartorius employed 1,045 people as of the end of the reporting period (December 31, 2015: 1,006 staff).

Business Development of the Divisions

Bioprocess Solutions Division Shows Excellent Performance

In the first half, the Bioprocess Solutions Division reported significant double-digit growth rates in a continued dynamic market environment. Driven by strong demand both for single-use products and equipment, the division's sales revenue rose sharply by 23.9% in constant currencies to €469.8 million (reported: +22.1%). All regions recorded substantial growth. Besides very dynamic organic performance, BioOutsource and Cellca consolidated since April and July 2015, respectively, contributed approximately 3 percentage points of non-organic growth.

Bioprocess Solutions

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in % reported	Δ in % const. fx
Sales revenue	**469.8**	384.9	22.1	23.9
- EMEA[1]	**207.2**	169.3	22.4	23.7
- Americas[1]	**181.1**	142.6	27.0	28.5
- Asia | Pacific[1]	**81.5**	73.0	11.6	15.1
Order Intake	**519.2**	427.9	21.4	23.5

[1] Acc. to customers' location

The division's order intake climbed 23.5% in constant currencies and exceeded our expectations, especially due to some bigger equipment orders.

The underlying EBITDA of the Bioprocess Solutions Division rose significantly by 31.0% from €97.8 million to €128.1 million. Its respective margin rose from 25.4% to 27.3%, especially due to economies of scale.

Underlying EBITDA and EBITDA Margin Bioprocess Solutions

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in %
Underlying EBITDA	**128.1**	97.8	31.0
Underlying EBITDA margin in %	**27.3**	25.4	

Lab Products & Services Continues Positive Business Development

In the first half of 2016, the Lab Products & Services Division continued its positive development as expected, reporting sales growth of 5.5% to €155.7 million in constant currencies (reported +3.5%). Demand was especially strong for laboratory consumables, such lab filters. The EMEA region showed the highest growth rates, with sales up by 7.5%, while the Asia | Pacific region exceeded its high prior-year level by 1.5%.

With the acquisition of U.S. IntelliCyt Corporation on June 28, 2016, Sartorius expanded its laboratory product portfolio by an innovative, powerful cell screening platform for drug discovery in the area of bioanalytics. In 2016, IntelliCyt is expected to generate sales revenue of more than U.S. $18 million; approximately half of this revenue will be consolidated in the second half of the year in Sartorius Group sales. Break-even on underlying EBITDA for IntelliCyt is projected to be achieved by the end of 2017. This acquisition has not had any effect on the sales and earnings development in the first half.

Lab Products & Services

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in % reported	Δ in % const. fx
Sales revenue	**155.7**	150.5	3.5	5.5
- EMEA[1]	**80.8**	76.6	5.5	7.5
- Americas[1]	**31.2**	29.9	4.5	6.4
- Asia | Pacific[1]	**43.6**	44.0	–0.8	1.5
Order Intake	**158.4**	149.9	5.7	8.1

[1] Acc. to customers' location

Underlying EBITDA of the Lab Products & Services Division rose in the first half of 2016 by 8.4% from €23.4 million to €25.3 million. Driven by higher sales, the division's underlying EBITDA earnings margin improved from 15.5% a year ago to 16.3%.

Underlying EBITDA and EBITDA Margin Lab Products & Services

in millions of €	**6-mo. 2016**	6-mo. 2015	Δ in %
Underlying EBITDA	**25.3**	23.4	8.4
Underlying EBITDA margin in %	**16.3**	15.5	

Opportunity and Risk Report

The opportunities and risk situation of the Sartorius Group has not materially changed since the publication of its 2015 Annual Report. For this reason, please refer to the detailed description of the opportunities and risks on pp. 53 et seq., as well as the risk management system on pp. 56 et seq., for the Sartorius Group in the 2015 Annual Report.

From today's perspective, the outcome of the U.K. referendum to leave the European Union is not expected to materially impact the company's overall risk situation as Sartorius primarily addresses robust markets.

Forecast Report

Future Macroeconomic Outlook Impacted by Political Uncertainties

According to the most recent forecast of the International Monetary Fund, IMF, for the full year of 2016, expansion of the global economy is expected to progress somewhat more slowly than projected at the beginning of the year. This is due to political uncertainties, among other causes. After originally forecasting growth of 3.4%, the IMF now assumes that the global economy will grow 3.2% (2015: +3.1%). Any negative influences potentially resulting from the U.K. referendum to leave the European Union are not reflected by this forecast.

For the U.S. market, the IMF projects that growth of this economy will remain at last year's level. Fueled by private spending, the U.S. economy is anticipated to expand by 2.4% (January forecast: +2.6%).

While the IMF expected at the beginning of the year that the euro zone would grow at a rate slightly above the previous year's figure (+1.6%), it most recently revised its forecast downward to 1.5%. Especially lower exports to emerging countries are projected to dampen the euro-zone economies. The U.K. economy is forecasted to expand 1.9%, while Germany and France are each expected to grow by 1.5% and 1.1%, respectively.

Contrary to its overall moderate expectations for both industrialized and emerging countries, the IMF revised its growth forecast slightly upwards for the Asian region to 6.4%. This development is projected to be driven by a stronger-than-expected increase of 6.5% in China's economic performance (January forecast: +6.3%). Above all, the financial policy measures taken by the Chinese government are anticipated to generate positive impulses.

Concerning the interest rate environment, there have been no material changes to the information we provided in our 2015 Annual Report. Therefore, experts continue to expect that key interest rates will remain at a very low level throughout 2016. Market forecasts for the exchange rate of the euro to the U.S. dollar for the second half of the year range between 0.99 and 1.24.

Sources: International Monetary Fund, World Economic Outlook, April 2016; Reuters Forex Poll, May 2016.

Sector Environment Expected to Remain Positive

The trends described on pp. 61-63 of our 2015 Annual Report have remained unchanged with respect to their impacts on the development of the Sartorius Group.

According to most recent estimates, a compound average growth rate (CAGR) of between 4% and 7% is forecasted for the global pharmaceutical industry in the period of 2015 to 2020. For the biopharma subsegment, market observers are projecting a CAGR of around 8% to 9% in view of the further penetration of biopharmaceuticals already approved, the expansion of their areas of indication and the industry's strong research and development pipelines.

Based on Frost & Sullivan estimates, global demand for lab products is forecasted to remain stable. Therefore, growth of around 3% is projected for 2016, with the Asian region expected to generate the highest growth momentum, whereas Europe is anticipated to grow moderately at about 2%.

Sources: IMS Health: Delivering on the Potential of Biosimilars Medicines, March 2016; Global Medicines Use in 2020, November 2015 EvaluatePharma: World Preview 2015, Outlook to 2020, June 2015 and June 2014; Frost & Sullivan: 2016 Spring Mid-year Report; May 2016.

Guidance for Fiscal 2016 Raised

Based on the company's excellent first-half performance in fiscal 2016, strong order intake for the Bioprocess Solutions Division and the most recent acquisitions, the Sartorius Group has raised and specified its forecast for the current year as follows:

Group

Based on constant currencies, Group sales revenue is now projected to increase by about 15% to 18%. According to the company's previous guidance excluding the acquisitions of IntelliCyt, kSep and ViroCyt, consolidated sales for the full year were forecasted to grow approximately 10% to 14%. The Group's underlying EBITDA margin is now expected to increase to about 25.0% compared with the year-earlier figure of 23.6% (previous guidance: around +1 percentage point).

For 2016, Sartorius continues to plan on investing around 10% of sales revenue. Its investing activities remain focused on the consolidation and extension of Group headquarters in Goettingen, Germany, and on the expansion of global production capacity and IT structure.

Regarding its financial position, Sartorius expects that in light of its most recent acquisitions, its ratio of net debt to underlying EBITDA by year-end will be slightly below the level of the first half of 2016 of 1.6. This forecast does not take any potential further acquisitions into account. Former guidance without acqusitions had projected that this ratio would be below the prior-year level of 1.3.

Divisions

For the Bioprocess Solutions Division, management upgraded its full-year sales forecast from the previously expected increase of about 13% to 17% to about 19% to 22% in view of some equipment orders and the positive overall business outlook. This guidance includes a good 2 percentage points of non-organic growth contributed by consolidation of the two companies BioOutsource and Cellca acquired in the previous year, as well as by kSep that will be consolidated as of the second half of 2016. The division's underlying EBITDA margin is projected to rise from 26.5% a year earlier to around 28.0% (previous guidance: around +1 percentage point).

Due to consolidation of the acquisitions of IntelliCyt and ViroCyt and assuming an overall stable economic environment, Sartorius now projects that sales for the Lab Products & Services Division will grow approximately 6% to 9% (previous guidance: approx. 3% to 7%). The acquisitions are expected to contribute approximately 3 percentage points of growth. As both acquisitions will temporarily dilute earnings slightly, management expects that the division's underlying EBITDA margin will remain approximately at the prior-year level of 16.0%. Without this earnings dilution, the forecast for the division's underlying EBITDA margin would have remained unchanged at a projected increase by around 1 percentage point.

All forecasts are based on constant currencies.

Report on Material Events

On July 6, 2016, Sartorius signed an agreement through its subgroup Sartorius Stedim Biotech to acquire U.S. technology start-up kSep Holdings, Inc., based in Morrisville, North Carolina, USA. kSep develops and markets fully automated single-use centrifugation systems for biopharmaceutical manufacturing and thus complements the product portfolio of the Bioprocess Solutions Division.

For fiscal 2016, kSep is expected to achieve significant double-digit growth and to generate sales revenue of more than U.S. $7 million and a strong double-digit EBITDA margin. The transaction values kSep at around $28 million and is expected to close by the end of July 2016.

In addition, on July 15, 2016, Sartorius announced the acquisition ViroCyt Incorporated, an innovator in the field of rapid virus quantification. Based in Broomfield, Colorado, USA, the start-up is expected to achieve high double-digit growth and to generate sales revenue of more than $3 million in 2016 while achieving break-even on underlying EBITDA by the end of 2018. The transaction values ViroCyt at approx. $16 million. Following Sartorius' acquisition of cell screening specialist IntelliCyt, ViroCyt is now adding a further very innovative bioanalytical tool to the Lab Products & Services portfolio.

The consolidation periods for kSep and ViroCyt will cover a good five months in 2016. Therefore, the respective shares of their annual sales revenues will be included in consolidated Group sales.

Condensed Interim Financial Statements

Statement of Profit or Loss | Statement of Comprehensive Income

	2nd quarter[1] 2016 € in mn	2nd quarter[1] 2015 € in mn	**1st half 2016 € in mn**	1st half 2015 € in mn
Sales revenue	323.5	277.3	625.4	535.3
Cost of sales	−167.3	−137.0	−320.4	−270.5
Gross profit on sales	**156.2**	**140.3**	**305.1**	**264.8**
Selling and distribution costs	−62.3	−55.7	−123.1	−109.7
Research and development expenses	−15.2	−12.6	−29.6	−25.3
General administrative expenses	−18.5	−16.1	−36.2	−31.7
Other operating income and expenses[2]	−0.3	−7.7	−6.3	−7.5
Earnings before interest and taxes (EBIT)	**60.0**	**48.2**	**109.9**	**90.6**
Financial income	3.6	0.3	8.1	5.0
Financial expenses	−6.7	−0.8	−12.0	−20.1
Financial result	**−3.1**	**−0.5**	**−3.9**	**−15.2**
Profit before tax	**56.9**	**47.7**	**106.0**	**75.5**
Income taxes	−17.1	−14.3	−31.8	−22.7
Profit after tax from continuing operations	**39.8**	**33.4**	**74.2**	**52.8**
Profit after tax from discontinued operation	**0.0**	**2.9**	**0.0**	**38.9**
Net profit for the period	**39.8**	**36.3**	**74.2**	**91.7**
Attributable to:				
Shareholders of Sartorius AG	29.1	27.1	53.4	76.9
Non-controlling interest	10.7	9.2	20.8	14.8
Earnings per ordinary share (€) (basic)	**0.43**	**0.40**	**0.78**	**1.12**
Of which from continuing operations	0.43	0.35	0.78	0.55
Of which from discontinued operation	0.00	0.04	0.00	0.57
Earnings per preference share (€) (basic)	**0.43**	**0.40**	**0.79**	**1.13**
Of which from continuing operations	0.43	0.35	0.79	0.56
Of which from discontinued operation	0.00	0.04	0.00	0.57
Earnings per ordinary share (€) (diluted)	**0.43**	**0.40**	**0.78**	**1.12**
Of which from continuing operations	0.43	0.35	0.78	0.55
Of which from discontinued operation	0.00	0.04	0.00	0.57
Earnings per preference share (€) (diluted)	**0.43**	**0.40**	**0.79**	**1.13**
Of which from continuing operations	0.43	0.35	0.79	0.56
Of which from discontinued operation	0.00	0.04	0.00	0.57

[1] The 2nd quarter figures were not included in the auditors' review.
[2] The item "Other operating income and expenses" includes extraordinary expenses of €9.9 million for the six-month period of 2016 (6-mo. 2015: €3.8 million).

Disclosures in the statement of profit or loss were restarted. Amortization on capitalized development costs of €2.5 million are now disclosed in the cost of sales (earlier, this amortization item had been reported in the research and development expenses). This does not yield any impacts on Group EBIT or net profit for the period.

In addition, the prior-year figures were slightly restated due to the final purchase price allocation of BioOutsource.

Statement of Comprehensive Income

	2nd quarter[1] 2016 € in mn	2nd quarter[1] 2015 € in mn	**1st half 2016 € in mn**	1st half 2015 € in mn
Net profit for the period	**39.8**	**36.3**	**74.2**	**91.7**
Cash flow hedges	–0.3	9.0	0.5	–1.6
Of which effective portion of the changes in fair value	–0.8	7.6	–1.4	–6.5
Of which reclassified to profit or loss	0.5	1.3	1.9	4.9
Income tax on cash flow hedges	0.1	–2.7	–0.2	0.5
Net investment in a foreign operation	–2.1	2.1	0.2	–4.1
Income tax on net investment in a foreign operation	0.5	–0.5	–0.2	1.4
Currency translation differences	3.1	–11.1	–13.7	22.3
Items that may be reclassified in the profit or loss statement, net of tax	**1.4**	**–3.3**	**–13.2**	**18.6**
Remeasurements of the net defined benefit liability	–7.4	5.3	–7.4	5.2
Income tax on items that will not be reclassified in the profit or loss statement	2.2	–1.6	2.2	–1.6
Items that will not be reclassified in the profit or loss statement, net of tax	**–5.2**	**3.8**	**–5.2**	**3.7**
Other comprehensive result after tax	**–3.8**	**0.5**	**–18.4**	**22.2**
Total comprehensive income	**36.0**	**36.8**	**55.8**	**113.9**
Attributable to:				
Shareholders of Sartorius AG	25.2	27.5	38.8	94.0
Non-controlling interest	10.8	9.3	17.0	20.0

[1] The 2nd quarter figures were not included in the auditors' review.

Statement of Financial Position

Assets	June 30, 2016 € in mn	December 31, 2015 € in mn
Non-current assets		
Goodwill	444.7	405.4
Other intangible assets	258.4	209.3
Property, plant and equipment	356.1	317.4
Financial assets	6.2	8.1
Other assets	0.9	0.8
Deferred tax assets	20.9	18.9
	1,087.2	**959.9**
Current assets		
Inventories	220.5	189.8
Trade receivables	238.0	193.0
Other financial assets	15.8	11.8
Current tax assets	11.0	12.0
Other assets	25.2	17.9
Cash and cash equivalents	76.0	52.8
	586.6	**477.4**
Total assets	**1,673.8**	**1,437.2**

Equity and liabilities	June 30, 2016 € in mn	December 31, 2015 € in mn
Equity		
Equity attributable to Sartorius AG shareholders	**519.0**	**517.7**
Issued capital	68.4	17.1
Capital reserves	37.7	88.4
Other reserves and retained earnings	412.9	412.3
Non-controlling interest	135.1	127.0
	654.2	**644.8**
Non-current liabilities		
Pension provisions	66.6	59.8
Other provisions	7.9	7.7
Loans and borrowings	500.7	346.8
Finance lease liabilities	19.2	19.3
Other financial liabilities	70.3	54.5
Deferred tax liabilities	54.8	33.4
	719.5	**521.5**
Current liabilities		
Provisions	19.8	18.1
Trade payables	131.1	113.2
Loans and borrowings	37.5	28.2
Finance lease liabilities	2.6	2.5
Other financial liabilities	67.3	66.9
Current tax liabilities	20.4	20.7
Other liabilities	21.4	21.4
	300.1	**271.0**
Total equity and liabilities	**1,673.8**	**1,437.2**

Statement of Cash Flows

	6-month 2016 € in mn	6-month 2015 € in mn
Profit before tax	106.0	115.1
Financial result	3.9	14.9
Earnings before interest and taxes (EBIT)	**109.9**	**130.0**
Depreciation | amortization of intangible and tangible assets	33.6	26.7
Increase | decrease in provisions	1.1	11.6
Gains | losses from the disposal of fixed assets	0.0	–38.5
Income taxes paid	–32.0	–23.2
Other non-cash items	0.7	0.9
Gross cash flows from operating activities	**113.3**	**107.6**
Increase | decrease in receivables and other assets	–51.8	–26.8
Increase | decrease in inventories	–29.8	–31.0
Increase | decrease in liabilities (without loans and borrowings)	11.5	6.5
Net cash flow from operating activities	**43.1**	**56.2**
Net cash flow from operating activities – continuing operations	**43.1**	**54.8**
Net cash flow from operating activities – discontinued operation	**0.0**	**1.4**
Capital expenditures	–69.4	–40.6
Proceeds from the disposal of fixed assets	0.4	0.3
Other payments	0.0	–0.3
Net cash flow from investing activities	**–69.0**	**–40.6**
Payments for acquisitions of consolidated subsidiaries and other business operations, net of cash acquired	–79.1	–29.3
Proceeds from the disposal of consolidated subsidiaries, net of cash disposed	0.0	72.9
Net cash flow from investing activities, acquisitions and disposals	**–148.1**	**3.1**
Net cash flow from investing activities – continuing operations	**–148.1**	**–69.7**
Net cash flow from investing activities – discontinued operation	**0.0**	**72.7**
Interest received	2.1	0.2
Interest paid and other financial charges	–3.6	–4.4
Dividends paid to:		
- Shareholders of Sartorius AG	–25.8	–18.2
- Non-controlling interest	–8.7	–5.6
Gross cash flows from financing activities	**–36.0**	**–28.1**
Changes in non-controlling interest	0.0	–1.4
Loans repaid	–2.3	–130.7
Loans raised	164.5	90.0
Net cash flow from financing activities	**126.3**	**–70.2**
Net cash flow from financing activities – continuing operations	**126.3**	**–70.2**
Net cash flow from financing activities – discontinued operation	**0.0**	**0.0**
Net increase | decrease in cash and cash equivalents	21.3	–10.9
Cash and cash equivalents at the beginning of the period	52.8	56.4
Net effect of currency translation on cash and cash equivalents	2.0	3.3
Cash and cash equivalents at the end of the period	**76.0**	**48.8**

The cash flows shown for the 6-month period of 2015 generally include our discontinued operation. For the net cash flows from operating, investing and financing activities, these total figures are each broken down into the net cash flow for continuing operations and for our discontinued operation, respectively.

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
Balance at January 1, 2015	**17.0**	**87.0**	**–2.2**	**–19.4**	**307.6**	**7.8**	**397.9**	**99.7**	**497.7**
Net profit for the period	0.0	0.0	0.0	0.0	76.9	0.0	76.9	14.8	91.7
Other comprehensive result after tax	0.0	0.0	–0.9	3.2	–2.0	16.8	17.1	5.2	22.2
Total comprehensive income	**0.0**	**0.0**	**–0.9**	**3.2**	**74.9**	**16.8**	**94.0**	**20.0**	**113.9**
Share-based payment	0.0	0.7	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Dividends	0.0	0.0	0.0	0.0	–18.2	0.0	–18.2	–5.6	–23.8
Reclassification of pension reserves for Intec	0.0	0.0	0.0	2.7	–2.7	0.0	0.0	0.0	0.0
Other changes in non-controlling interest	0.0	0.0	0.0	0.0	0.5	0.0	0.5	–0.5	0.0
Other changes in equity	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Balance at June 30, 2015	**17.0**	**87.7**	**–3.1**	**–13.5**	**362.1**	**24.5**	**474.9**	**113.7**	**588.5**

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
Balance at January 1, 2016	**17.1**	**88.4**	**–3.1**	**–15.1**	**406.5**	**24.0**	**517.7**	**127.0**	**644.8**
Net profit for the period	0.0	0.0	0.0	0.0	53.4	0.0	53.4	20.8	74.2
Other comprehensive result after tax	0.0	0.0	0.2	–4.6	–0.1	–10.2	–14.6	–3.8	–18.4
Total comprehensive income	**0.0**	**0.0**	**0.2**	**–4.6**	**53.3**	**–10.2**	**38.8**	**17.0**	**55.8**
Share-based payment	0.0	0.7	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Dividends	0.0	0.0	0.0	0.0	–25.8	0.0	–25.8	–8.7	–34.5
Capital increase[1)]	51.3	–51.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification of pension reserves for Japanese subsidiaries	0.0	0.0	0.0	0.5	–0.5	0.0	0.0	0.0	0.0
Put option for Sartorius Israel	0.0	0.0	0.0	0.0	–13.4	0.0	–13.4	0.0	–13.4
Other changes in non-controlling interest	0.0	0.0	0.0	0.0	0.2	0.0	0.2	–0.2	0.0
Other changes in equity	0.0	0.0	0.0	0.0	0.8	0.0	0.8	0.0	0.8
Balance at June 30, 2016	**68.4**	**37.7**	**–2.9**	**–19.2**	**421.1**	**13.9**	**519.0**	**135.1**	**654.2**

[1)] In fiscal 2016, capital was increased by the use of retained earnings to perform a stock split; see Section 6.

Segment Reports

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal control and reporting structure of an entity. As a result of the classification of the Intec Division as a discontinued operation, the divisions called Bioprocess Solutions and Lab Products & Services are to be considered operating segments.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Group. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation and amortization. "Underlying EBITDA" means EBITDA adjusted for extraordinary items. In this connection, extraordinary items are expenses and income that are of an exceptional or a one-time nature and accordingly distort the sustainable profitability of a segment and, from the Group's perspective, have a material impact on the net worth, financial position and earnings of the Group.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

		Sales revenue		Underlying EBITDA
€ in millions	**6-mo. 2016**	6-mo. 2015	**6-mo. 2016**	6-mo. 2015
Bioprocess Solutions	469.8	384.9	128.1	97.8
Lab Products & Services	155.7	150.5	25.3	23.4
Total continuing operations	**625.4**	**535.3**	**153.4**	**121.1**
Reconciliation to the profit before tax				
Depreciation and amortization			–33.6	–26.7
Extraordinary items			–9.9	–3.8
Earnings before interest and taxes (EBIT)			**109.9**	**90.6**
Financial result			–3.9	–15.2
Profit before tax from continuing operations			**106.0**	**75.5**

Geographical Information

		Sales revenue
€ in millions	**6-mo. 2016**	6-mo. 2015
EMEA	**288.1**	**245.9**
Americas	**212.3**	**172.4**
Asia | Pacific	**125.1**	**117.0**
Group	**625.4**	**535.3**

Notes to the Condensed Interim Financial Statements

1. General Information

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

The Sartorius Group organizes its business in two divisions: Bioprocess Solutions and Lab Products & Services. With its Bioprocess Solutions Division, Sartorius is a leading international supplier of products and technologies for the manufacture of medications and vaccines on a biological basis, so-called biopharmaceuticals. As part of its total solutions provider strategy, the Bioprocess Solutions Division offers the biopharmaceutical industry a product portfolio that covers nearly all process steps of the industry's manufacture. These products encompass cell culture media for the cultivation of cells, bioreactors of various sizes for cell propagation and different technologies, such as filters and bags for cell harvesting, purification and concentration, all the way to filling.

The Lab Products & Services Division focuses on laboratories in the research and quality assurance sectors of pharmaceutical and biopharmaceutical companies and on academic research institutes. It serves further customers in the chemical and food industries. The division's portfolio covers instruments and consumables that laboratories use, for example, in sample preparation or in other standard applications. The Industrial Technologies Division (formerly called Industrial Weighing) was sold in the first quarter of 2015.

2. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2015, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – as they are to be applied in the EU. 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 2015 were based.

Furthermore, all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) to be applied effective June 30, 2016, 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, 2015.

A list of the companies included in the scope of consolidation for the Group financial statements is provided in our 2015 Annual Report in the current fiscal year, the following companies were consolidated for the first time in the reporting period:

- OOO Sartorius Stedim RUS
- OOO Sartogosm
- Sartorius Israel Ltd.
- IntelliCyt Corporation (see also Section 5)

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, 30%, was applied.

3. Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions, based on their best knowledge of the current and future situation, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates, however.

The significant judgments and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty have remained the same as those that were applied to the consolidated financial statements as at and for the year ended December 31, 2015.

4. Accounting Rules Applied for the First Time in the Current Fiscal Year

The following new accounting rules were applicable for the first time to the present interim financial statements and had no impact on the presentation of the company's net worth, financial position and profitability or earnings per share:

- Amendments to IAS 19, Employee Contributions
- Annual Improvements to IFRSs – 2010–2012 Cycle (issued in Dec. 2013); various standards
- Amendments to IAS 1, Disclosure Initiative
- Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants
- Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to IAS 27, Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs – 2012–2014 Cycle (issued in Sep. 2014); various standards

Standards or interpretations that were not yet mandatory as of June 30, 2016, were not applied in advance. Presently, first-time application is planned for each reporting period in which the standards, interpretations or amendments enter into force. The following amendments are to be applied as of 2018 and 2019, respectively:

IFRS 15, Revenue from Contracts with Customers, defines a comprehensive framework for determining whether, in which amount and at which point in time revenue is to be recognized.

IFRS 15 will essentially have an impact on the accounting of construction contracts as defined by IAS 11. Based on the latter, revenue is currently recognized according to the percentage of completion (PoC method) under which the progress of the project work performed is measured according to the costs incurred (cost-to-cost method). Under IFRS 15, control of an asset is the decisive criterion for recognition of revenue. Compared with the former recognition method according to IAS 11, IFRS 15 principles may prompt changes in the recognition of revenue.

The new standard for accounting of leases, IFRS 16, eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a way similar to that of finance leases under IAS 17. Leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment.

As a consequence of the application of IFRS 16, the Group expects an increase in lease assets and financial liabilities. According to its present state of knowledge, the Group does not anticipate any material impacts on its key performance indicators, such as equity ratio or underlying EBITDA, however.

IFRS 9 ultimately changes the rules for classification and measurement and impairment testing of financial instruments, as well as the guidelines for hedge accounting.

The impacts of these and other future amendments are currently being analyzed. According to the current audit review status, the Group does not anticipate any overall significant impact on its consolidated accounts arising from the application of new or amended standards.

5. Business Acquisitions and Divestitures

Acquisition of IntelliCyt Corporation

On June 28, the Sartorius Group acquired the U.S. IntelliCyt Corporation based in Albuquerque, New Mexico. This purchase expands the product portfolio of the Lab Products & Services Division for its customers at research laboratories in the biopharmaceutical industry and in public research.

Founded in 2006, the company developed a novel cell screening platform that integrates instruments, software and reagents, enabling rapid, high-throughput cell analysis for assessing multiple cellular parameters.

IntelliCyt has achieved a compound annual growth rate above 50% over the past years and, with 55 employees, is expected in 2016 to generate sales revenue of more than U.S. $18 million.

As the time this company was acquired was close to the reporting date, the purchase price could be allocated only on a preliminary basis:

	Preliminary purchase price allocation € in mn
Other intangible assets	56.9
Property, plant and equipment	0.5
Inventories	2.1
Trade receivables and other assets	3.3
Cash and cash equivalents	7.4
Provisions and liabilities	–5.6
Deferred tax	–22.7
Net assets acquired	**41.9**
Purchase price	**86.5**
Goodwill	**44.5**

The converted purchase price of €86.5 was paid in cash. The expenses directly attributable to the acqusition amounting to €0.1 million were recognized as other operating expenses. Goodwill is not expected to be tax-deductible.

6. Financial Instruments

Carrying Amounts and Fair Values

€ in millions	Categories	June 30, 2016 Carrying amount	June 30, 2016 Fair value	Dec. 31, 2015 Carrying amount	Dec. 31, 2015 Fair value
Financial assets	Held for sale	3.4	3.4	4.8	4.8
Financial assets	Loans and receivables	2.6	2.6	3.3	3.3
Financial assets (non-current)		**6.1**	**6.1**	**8.1**	**8.1**
Trade receivables	**Loans and receivables**	**238.0**	**238.0**	**193.0**	**193.0**
Receivables and other assets	Loans and receivables	15.5	15.5	11.8	11.8
Derivative financial instruments	Held for trading	0.0	0.0	0.0	0.0
Derivative financial instruments designated as hedging instruments	n/a	0.4	0.4	0.0	0.0
Other financial assets (current)		**15.9**	**15.9**	**11.8**	**11.8**
Cash and cash equivalents	**Loans and receivables**	**76.0**	**76.0**	**52.8**	**52.8**
Loans and borrowings	**Financial liabilities at cost**	**538.2**	**554.3**	**375.0**	**389.2**
Finance lease liabilities	**IAS 17**	**21.7**	**33.3**	**21.8**	**28.5**
Trade payables	Financial liabilities at cost	77.8	77.8	70.9	70.9
Trade payables	n/a	53.3	53.3	42.2	42.2
Trade payables		**131.1**	**131.1**	**113.2**	**113.2**
Derivative financial instruments	Held for trading	7.4	7.4	6.4	6.4
Derivative financial instruments designated as hedging instruments	n/a	5.8	5.8	6.0	6.0
Other financial liabilities	Financial liabilities at cost	72.7	82.3	59.4	67.0
Other financial liabilities	Fair value through profit or loss	5.4	5.4	5.4	5.4
Other financial liabilities	n/a	46.3	46.3	44.1	44.1
Other financial liabilities		**137.6**	**147.2**	**121.4**	**129.0**

For the equity investments measured at acquisition cost (financial assets), it is not possible to determine fair values reliably due to the absence of active markets. This applies mainly to shares in non-consolidated subsidiaries. These are essentially sales companies of the Group; the calculation of fair values for their activities would therefore not be relevant for the economic decisions of the users. There is currently no intention to sell the assets of Sartorius Group affiliates.

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are calculated on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are calculated on the basis of input factors, which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors that cannot be derived from observable market data.

The financial instruments to be recognized at fair value on the reporting date are exclusively derivatives in the form of forward contracts and interest rate swaps. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans ("Schuldscheindarlehen"), as well as finance lease liabilities, were measured on the basis of the market interest rate curve, taking the current indicative credit spreads into account (Level 2).

Regarding the potential purchase of non-controlling interest in AllPure and in Sartorius Israel Ltd., the Group has forward contracts and options in place. These liabilities are required to be disclosed in the amount of the present value of the expected purchase price payments for the non-controlling interest in these companies. Their present value is to be derived in both cases from the expected revenues as of the exercise date and from the risk-adjusted discount rate presented above (Level 3).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity.

Measurement of Fair Value

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which the change has occurred. In the current reporting period, there were no transfers between the levels.

The valuation of the level 3 liability is based on a discounted cash flow technique in which the expected future payments that are discounted using a risk-adjusted discount rate are taken into account. The expected payments are determined by considering possible developments of future revenue and the amounts to be paid under each scenario. The significant unobservable input in this calculation is the future revenue which was considered at a growth rate of approximately €3 million per year on average for the AllPure liability.

The carrying amount of the liability developed as follows:

	2016 € in mn	2015 € in mn
Balance at January 1	5.4	6.2
Changes in fair value	0.0	0.0
Financial expenses	0.0	0.1
Payments	0.0	–1.5
Translation effects	–0.1	0.5
Balance at June 30	**5.4**	**5.2**

An increase (decrease) of the sales revenue by 10% in each of the following years would lead to an increase (decrease) of the liability by €0.5 million (€0.5 million).

Concerning the liability for the purchase of the non-controlling interest in Sartorius Israel Ltd., the input factor that cannot be derived from observable market data is also sales growth for which a compound annual growth rate of approx. €1.6 million was assumed.

The carrying amount of this liability developed as follows:

	2016 € in mn
Balance at January 1	0.0
Initial measurement	13.4
Financial expenses	0.2
Payments	0.0
Translation effects	–0.1
Balance at June 30	**13.5**

An increase (decrease) in expected sales revenue by 10% in each of the following years would like to an increase (decrease) of the liability by €1.4 million (€1.4 million).

7. Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries and are generally concluded according to the customary market terms.

In the reporting period, sales revenue of €4.2 million (H1 2015: €7.3 million) were generated by these companies; there were liabilities from loans and borrowings as well as trade payables, both totaling €10.8

million (H1 2015: €11.2 million). A long-term service contract exists with an affiliate for which expenses of €3.1 million (H1 2015: €2.9 million) were incurred in the reporting period.

For further details, also on related companies and persons, see page 151 in our 2015 Anual Report.

8. Other Disclosures

In the interim reporting period, no asset impairments were identified. Generally, asset impairment tests need to be performed for goodwill and other assets with indefinite useful lives.

In the reporting period, Sartorius AG paid dividends totaling €25.8 million, of which €12.8 million were for ordinary shares and €13.0 million for preference shares.

Independent, certified auditors performed an audit review of this consolidated six-month report. The figures of the individual second quarter in the statement of profit or loss, as well as the statement of comprehensive income, were not part of this review.

9. Material Events After the Reporting Date

On July 6, Sartorius signed an agreement through its subgroup Sartorius Stedim Biotech to acquire the centrifuge specialist kSep Holdings, Inc., based in Morrisville, North Carolina, USA. For fiscal 2016, kSep is expected to achieve significant double-digit growth and to generate sales revenue of more than U.S. $7 million and a strong double-digit EBITDA margin. The transaction values kSep at around $28 million and is expected to close by the end of July 2016.

On July 14, the Sartorius Group acquired ViroCyt Incorporated based in Broomfield, Colorado, USA. The start-up is expected to achieve high double-digit growth and to generate sales revenue of more than $3 million in 2016 while achieving break-even underlying EBITDA by the end of 2018. The purchase price is around U.S. $16 million.

Among ViroCyt's major customers are pharma and biopharma R&D laboratories, vaccine manufacturers and academic institutes focusing on virology. This acquisition, along with the purchase of IntelliCyt, extends the product portfolio of the Lab Products & Services Division in the segment of bioanalytics.

Independent Auditors' Review Report

To Sartorius Aktiengesellschaft, Goettingen

We have reviewed the condensed interim consolidated financial statements of the Sartorius Aktiengesellschaft, Goettingen – comprising the condensed statement of profit or loss, statement of comprehensive income, statement of financial position, statement of cash flows, statement of the changes in equity and selected explanatory notes – together with the interim Group management report of the Sartorius Aktiengesellschaft, Goettingen, Germany, for the period from January 1 to June 30, 2016, that are part of the semiannual financial report according to § 37 w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, and of the interim Group management report in accordance with the requirements of WpHG applicable to interim Group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the 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 in accordance with the German generally accepted standards for the review of financial statements established by the German Institute of Independent Auditors, Institut der Wirtschaftsprüfer ("IDW"). These standards require that we plan and perform the review to obtain reasonable assurance that the condensed interim consolidated financial statements have been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and that the interim Group management report has been prepared, in all material respects, in accordance with WpHG requirements applicable to interim Group management reports. A review is limited primarily to company employees' responses to our inquiries and to analytical assessments and, therefore, does not provide the assurance attainable in a financial statement audit. Since, in accordance with our audit review assignment, we have not performed a full audit of the financial statements, we cannot issue an auditor's report.

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 IFRSs applicable to interim financial reporting as adopted by the EU or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of WpHG applicable to interim Group management reports.

Hanover, Germany, July 22, 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Ufer Auditor	Frank Thiele Auditor
(German Public Auditor)	(German Public Auditor)

Responsibility Statement of the Legal Representatives

Declaration of the Executive Board

We declare to the best of our knowledge that the condensed interim consolidated financial statements for the first half ended June 30, 2016, present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards to be applied in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group interim report in all material respects and describe the most important opportunities and risks of the Group's projected development for the remaining six months of the financial year.

Goettingen, July 22, 2016

Sartorius AG

The Executive Board

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Financial Schedule

August 30, 2016

Commerzbank Sector Conference Week | Frankfurt Main, Germany

September 7, 2016

Goldman Sachs European Medtech Conference | London, U.K.

September 13, 2016

Morgan Stanley Global Healthcare Conference | New York, USA

September 19–20, 2016

Berenberg German Corporate Conference | Munich, Germany

October 24, 2016

Publication of nine-month figures for 2016

November 21, 2016

German Equity Forum | Frankfurt Main, Germany

December 5, 2016

Berenberg European Conference | London, U.K.

January 2017

Publication of preliminary results for fiscal 2016

April 6, 2017

Annual General Shareholders' Meeting | Goettingen, Germany

April 2017

Publication of first-quarter figures for 2017

Forward-looking Statements Contain Risks

This Sartorius Group Interim Report for the period from the beginning of January 2016 to the end of June 2016 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.