

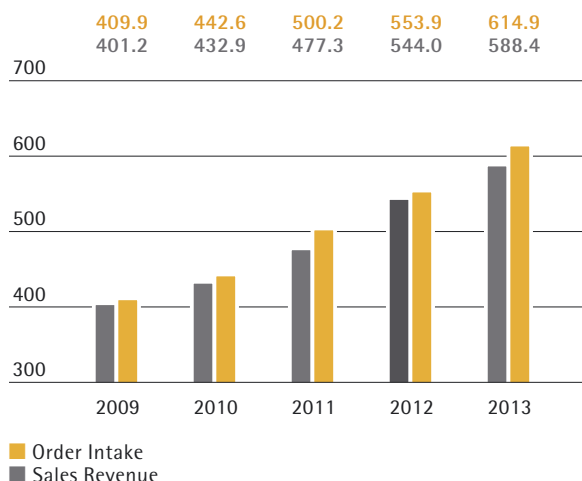


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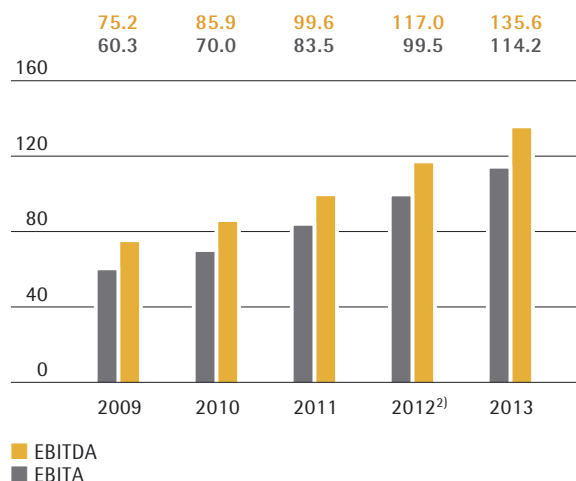
Sartorius Stedim Biotech Group
Reference Document 2013

2013

Order Intake and Sales Revenue € in millions



Underlying EBITDA and EBITA € in millions



Key Figures

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

	2013	2012	2011	2010	2009
Order intake, sales revenue and earnings					
Order intake	614.9	553.9	500.2	442.6	409.9
Sales revenue	588.4	544.0	477.3	432.9	401.2
Underlying EBITDA ¹⁾³⁾	135.6	117.0 ²⁾	99.6	85.9	75.2
Underlying EBITDA as % of sales revenue ¹⁾³⁾	23.0	21.5 ²⁾	20.9	19.8	18.7
Underlying EBITA ¹⁾³⁾	114.2	99.5 ²⁾	83.5	70.0	60.3
Underlying EBITA as % of sales revenue ¹⁾³⁾	19.4	18.3 ²⁾	17.5	16.2	15.0
EBIT	101.3	85.6 ²⁾	71.2	59.9	48.6
EBIT as % of sales revenue	17.2	15.7 ²⁾	14.9	13.8	12.1
Net profit after non-controlling interest	66.3	56.8	43.1	38.5	29.1
Group net profit ¹⁾⁴⁾ after non-controlling interest ³⁾	75.2	64.6	53.4	45.2	34.7
Research and development costs	36.0	31.8 ²⁾	28.6	27.8	24.5
Financial data per share					
Earnings per share	4.32	3.70	2.81	2.39	1.71
Earnings per share (in €) ¹⁾⁴⁾	4.90	4.21	3.49	2.81	2.04
Dividend per share (in €)	1.20 ⁵⁾	1.10	1.00	0.90	0.60
Balance sheet					
Balance sheet total	871.2	793.9	720.8	656.3	667.9
Equity	481.8	435.0	395.6	365.1	393.2
Equity ratio (in %)	55.3	54.8	54.9	55.6	58.9
Gearing ratio	0.3	0.3	0.3	0.3	0.2
Financials					
Capital expenditures (excluding financial assets and goodwill)	34.2	50.0	38.6	16.7	15.7
As % of sales revenue	5.8	9.2	8.1	3.9	3.9
Depreciation and amortization	30.6	25.9	24.5	23.0	22.7
Net cash flow from operating activities	90.1	48.9	60.6	72.8	91.9
Net debt	130.0	113.7	100.1	102.8	87.6
Ratio of net debt to underlying EBITDA ¹⁾³⁾	1.0	1.0	1.0	1.2	1.2
Total number of employees as of December 31	3,289⁶⁾	2,986	2,858	2,581	2,381

¹⁾ Adjusted for extraordinary items

²⁾ Restated (see Notes to the Financial Statements, pp. 102–103)

³⁾ For more information on EBITDA, EBITA, net profit and the underlying presentation, please refer to the group business development chapter and to the glossary.

⁴⁾ Excluding amortization linked to business combinations and, for 2011 to 2013, excluding fair value adjustments of hedging instruments.

⁵⁾ Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.

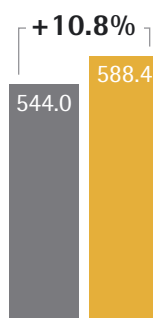
⁶⁾ Excluding TAP Biosystems

2013 – Sustainable Growth

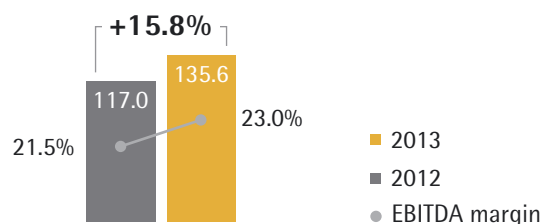
Financial Targets Fully Achieved

Sartorius Stedim Biotech (SSB) posted double-digit growth in order intake as well as sales revenue in its third consecutive year. Business was fueled by single-use products and equipment for biomanufacturing. From a regional perspective, Asia led growth, where sales revenue increased 19%. SSB again boosted its earnings over-proportionately, which were mainly driven by economies of scale. Its underlying EBITDA margin surged to 23%. Both sales revenue and earnings reached the upper end of the guidance provided at the beginning of fiscal 2013.

Sales revenue

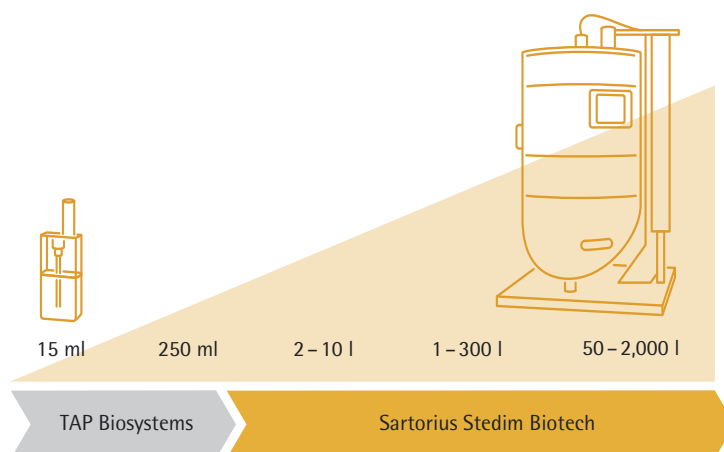


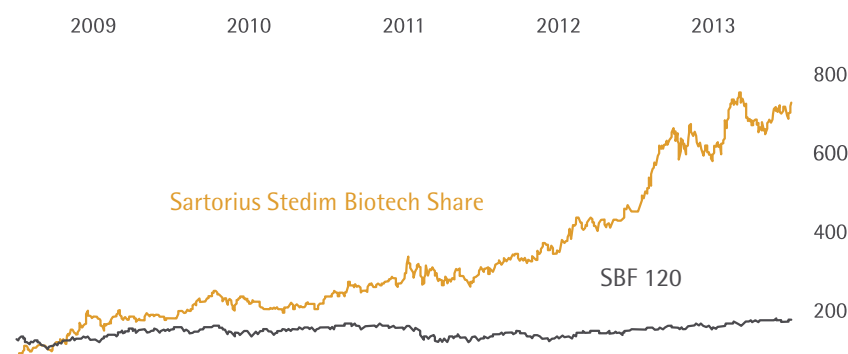
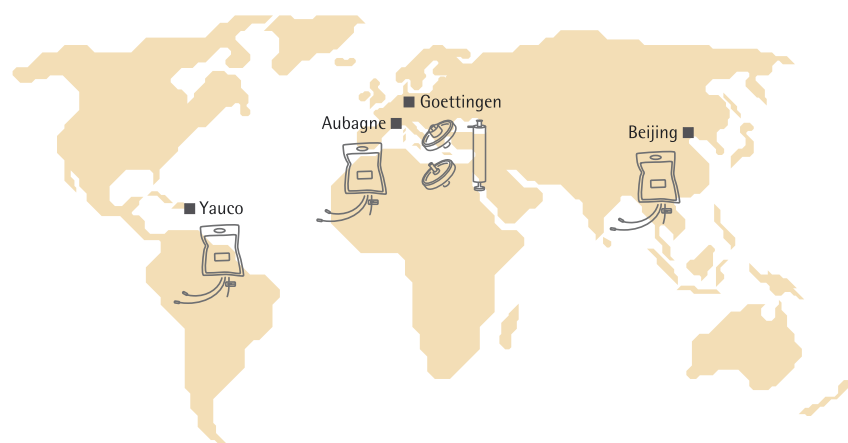
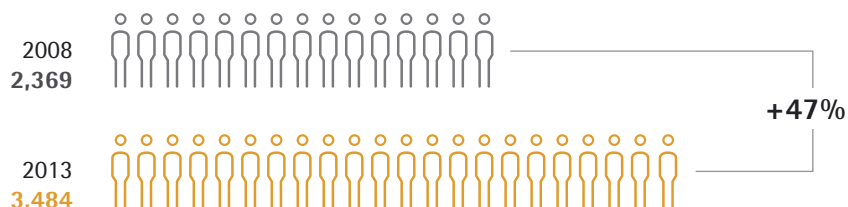
Earnings



Acquisitions and Partnerships for Growth

In addition to its own product development, Sartorius Stedim Biotech focuses on alliances and bolt-on acquisitions to further extend its offering. In 2013, SSB acquired TAP Biosystems Group plc, which added bioreactors for the early phases of process development to the portfolio. In addition, the cell culture media business taken over by SSB at the end of 2012 was fully integrated and performed strongly in the first year under its new roof.





Highly Dedicated Employees

In 2013, some 3,480 employees worked for Sartorius Stedim Biotech, a good 47% more than five years ago. Compared with the previous year alone, the number of employees increased 17% across the SSB Group; new jobs were created in all regions. The first global employee engagement survey mirrored the company's success in active people management: Both the response rate and the results were clearly above industry benchmarks.

Production Capacity Expanded

Sartorius Stedim Biotech constantly expands its capacities to accompany growth: In 2013, the company significantly extended its manufacturing area for injection molding in Goettingen. Moreover, investments were made at its headquarters in Aubagne and in Yauco, Puerto Rico, to increase the production of single-use bags. At the Chinese site in Beijing, a cleanroom was installed to prepare for the manufacture of fluid management products for this market. In Shanghai, SSB opened new sales headquarters for the Group in Asia.

Stock Moved Up to the SBF 120 Index

SSB's profitable growth was also reflected by the development of its share price, which was up around 66% in 2013 and outperformed the French stock market again. As a result of increased liquidity and free float market capitalization, SSB stock moved up in June 2013 to the SBF 120 index, which is composed of the 120 most active shares on the Paris stock exchange.



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Our mission

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



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Reference Document 2013



The present original French "Document de Référence" of this translated Reference Document was filed with the Autorité des Marchés Financiers on February 27, 2014, in accordance with Article 212-13 of its "règlement général". It may be used in connection with an offering of securities if it is supplemented by a prospectus ("note d'opération") for which the Autorité des Marchés Financiers has issued an endorsement. This Reference Document has been made out by the issuer and engages the responsibility of his signatory.

This Reference Document incorporates by reference the preceding Reference Documents, D. 13-0109 filed on March 7, 2013 and D.12-0137 filed on March 8, 2012.

The following information is included by reference in the present Reference Document:

- The year 2012 consolidated financial statements of Sartorius Stedim Biotech prepared using international accounting standards and the report of the statutory auditors relating to these statements, and the Group 2012 management report appearing on pages 90 to 130 and 18 to 52, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 7, 2013, under the number D.13-0109.
- The year 2011 consolidated financial statements of Sartorius Stedim Biotech prepared using international accounting standards and the report of the statutory auditors relating to these statements, and the Group 2011 management report appearing on pages 86 to 127 and 18 to 48, respectively, of the Reference Document filed with the Autorité des Marchés Financiers on March 8, 2012, under the number D.12-0137.

The sections of these documents not included are not of interest to an investor, and are covered in another part of this Reference Document.

Copies of the present Reference Document can be obtained from the following:

- Sartorius Stedim Biotech S.A.
Z.I. Les Paluds - Avenue de Jouques
CS 91051 - 13781 Aubagne Cedex
- Group website: www.sartorius-stedim.com
- Autorité des Marchés Financiers website: www.amf-france.org

01 To Our Shareholders

- 8 Chairman's Message
- 10 Executive Committee
- 12 Sartorius Stedim Biotech Shares

02 Management Report

- 18 About Sartorius Stedim Biotech
- 20 Macroeconomic Environment and Conditions in the Sector
- 24 Group Business Development
- 32 Sustainability Report
- 45 Statutory Auditors' Report on the review of environmental, social and societal information
- 47 Net Worth and Financial Position
- 50 Risk and Opportunity Report
- 57 Forecast Report
- 61 Financial Statements of the Parent Company Sartorius Stedim Biotech S.A.

This Reference Document contains statements concerning the future performance of Sartorius Stedim Biotech S.A. 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.

This is a translation of the original French-language Reference Document "Document de Référence 2013". Sartorius shall not assume any liability for the correctness of this translation. The original French Reference Document 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.

Throughout the Reference Document, differences may be apparent as a result of rounding during addition.

Contents

03 Corporate Governance

70	The Board of Directors and Its Committees
77	The Executive Committee
78	Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code
85	Remuneration of the Executive and Non-executive Members of the Board
93	Statutory Auditors' Report Prepared in Accordance with Article L. 225-235
94	Independent Auditors' Fees

04 Consolidated Financial Statements and Notes

98	Statement of Profit or Loss and Other Comprehensive Income
99	Statement of Financial Position
100	Statement of Cash Flows
101	Statement of Changes in Equity
102	Notes to the Financial Statements
117	Notes to the Statement of Profit or Loss
120	Notes to the Individual Balance Sheet Items
140	Other Disclosures
142	Statutory Auditors' Report on the Consolidated Financial Statements

05 Annual Financial Statements of Sartorius Stedim Biotech S.A. and Notes

144	Annual Financial Statements
158	Statutory Auditors' Report on the Financial Statements

06 Supplementary Information

160	Other Information of a Legal Nature
170	Special Report of the Statutory Auditors on Related Party Agreements and Commitments
171	Resolutions Submitted to the Annual Combined Shareholder's Meeting on April 8, 2014
191	Information on the Reference Document and the Annual Financial Report
194	Glossary
196	Addresses
200	Product Highlights in 2013

To Our Shareholders

01

Chairman's Message

Dear Shareholders,

I am pleased to report that 2013 marked another year of progress for the Sartorius Stedim Biotech Group. Sales, which were up 10.8%, and operational profit margin at 23.0% both reached the upper end of the guidance we provided in January 2013. This is the third year in succession that we posted double-digit top-line growth, which was even slightly higher than our expectations and above the market rate. We are also very satisfied with our profit development: Over the past five years, we were able to add more than one percentage point to our underlying EBITDA margin year over year. On the whole, I see us well on track to achieve our strategic 2020 plan that we defined two years ago.

From a geographic perspective, Asia led growth in 2013. The share of our sales on the Asian market has meanwhile surpassed the 20% mark, and I see us fully participating in the growth opportunities afforded by this region. In the key U.S. biotech market, we are also steadily becoming stronger. Even though our sales figures show more moderate expansion for 2013, this was mainly due to high comparables after the previous year's extraordinary performance. Finally, in Europe, where we still generate almost 50% of our sales, we grew at a very solid rate of 10%.

The strong growth of sales also resulted in a significant increase of our underlying earnings per share, which were up from €4.21 to €4.90. Based on these positive results, the Board of Directors will submit a proposal to the Annual General Shareholders' Meeting to raise dividends again, by 9% to €1.20 per share.

Our positive development was also reflected by the development of our share price, which soared 66% in 2013 and outperformed the French stock market. As a result of increased liquidity and free float market capitalization the SSB stock moved up in June to the SBF 120 index, which is composed of the 120 most active shares on the Paris stock exchange.

However, 2013 was a success for our company, not only from a financial perspective, but also from an operational viewpoint: A key element of our total solution provider strategy is to continuously add new offerings to our portfolio for our customers through own product developments, alliances and bolt-on acquisitions. I am satisfied that our cell culture media business, which we have started to integrate in the first quarter of 2013, performed strongly in its first year under SSB's roof. Moreover, at year-end, we were able to move forward with a further acquisition, the TAP Biosystems Group plc. TAP is bringing in a promising product line of small-scale single-use bioreactors for the early phases of process development and we will now concentrate on extending the global reach of this innovative technology. With regard to partnerships, we entered into alliances with several companies, for example, in the field of process analytical tools.

The year 2014 will keep us busy again: We will continue to execute on our regional growth initiatives and strive to further outpace the market in North America and leverage market growth in Asia. Obviously, integration of TAP will be on our agenda as well, and we will further unlock synergies between our cell culture media and the complementary products of our portfolio.



To ensure we are properly structured to keep up with growth, we will also continue to invest in our global infrastructure and capabilities. We decided to initiate a multi-year investment program at our Goettingen site, which involves expanding production capacities as well as demonstration and application laboratories. Active people development will also remain a priority at our company. We are happy that our global employee engagement survey showed above-average results in all categories. This positive feedback inspires us to become even better as an employer, for example by promoting more cross-functional and cross-regional career paths to enable our staff to fully develop their potential.

From a financial standpoint, we have set ourselves ambitious targets and aim to increase our sales revenue by around 11% to 14% and our operational profit margin to 23.5%. Also over the medium and long term we see excellent prospects for our business. The global pharma market is continuing to grow and biotech will remain the innovation engine of the pharma industry. Furthermore, single-use production devices have made inroads into all major biomanufacturing steps and are penetrating the market with high momentum. Strong advantages in regard to production costs and flexibility are driving this change. Still, there are considerable challenges that remain to be jointly solved by suppliers and users. Full scalability and increased standardization of single-use devices are required, just is further innovation. We at SSB, as one of the pioneers of single-use technologies, are fully committed to be at the forefront and to deliver new solutions.

What we have achieved in 2013 shows the potential behind our company and its employees. I would like to thank our worldwide teams for their outstanding commitment and accomplishments. I equally appreciate the continued trust our valued customers, partners and shareholders have placed in us.

Building on our attractive business model, our track record and our strengths as a team, we cordially invite you to continue with us on the road to further success.

Sincerely,

Joachim Kreuzburg
Chairman of the Board and CEO

Executive Committee

Joachim Kreuzburg

Chairman of the Board and
Chief Executive Officer

heads Finances, Human Resources, Compliance, Legal Affairs and Corporate Communications. He holds a doctorate in economics and a university degree in mechanical engineering. Joachim Kreuzburg is also the CEO of SSB's parent corporation Sartorius AG and the Chairman of the Sartorius Group Executive Committee.



Oscar-Werner Reif

Executive Vice President of
Research and Development

manages the Group's global Research and Development unit. He holds a doctorate in chemical engineering and has studied chemistry and molecular biology in both Germany and the USA. Oscar-Werner Reif is also a member of the Sartorius Group Executive Committee.





Volker Niebel

Executive Vice President of
Operations and IT

is responsible for Production, Supply Chain Management, Business Process Management and Information Technology. He holds a university degree in business administration and economics. Volker Niebel also belongs to the Sartorius Group Executive Committee.



Reinhard Vogt

Executive Vice President of
Marketing, Sales and Services

is in charge of Marketing, Sales and Services. He holds a vocational diploma in industrial business administration. Reinhard Vogt is also a member of the Executive Board of Sartorius AG and a member of the Sartorius Group Executive Committee.

Sartorius Stedim Biotech Shares

Facts about the Share

ISIN	FR0000053266
Liquidity provider	Gilbert Dupont
Stock exchange	Euronext Paris
Market segment	Local Securities – Compartment A (Large Caps)
Indexes	SBF 120; SBF 250; CAC MID 60; CAC All SHARES; CAC MID & SMALL 190; CAC SMALL; CAC HEALTH CARE
Number of shares¹⁾	17,042,306
thereof Sartorius AG	67.0%
thereof free float	23.0%
thereof treasury shares	10.0%
Number of shares outstanding¹⁾²⁾	15,343,596
thereof Sartorius AG	74.4%
thereof free float	25.6%
Voting rights¹⁾	28,665,315
Voting rights outstanding¹⁾³⁾	26,966,605

¹⁾ As of December 31, 2013

²⁾ Number of issued shares minus number of treasury shares

³⁾ Number of voting rights minus number of voting rights connected to treasury shares

Stock Markets Up Significantly

Stock markets around the world developed strongly in 2013 after a slow start to the year. Contributing factors included historically low interest rates as well as the expectation that the European economy in particular would increasingly return to an even keel.

The SBF 250, for example, rose significantly over the course of the year to reach an all-time high of 3,267 points on November 18. It ended the year at 3,263 points, which represents an overall gain for 2013 of 19.6%.

Strong Share Price Development

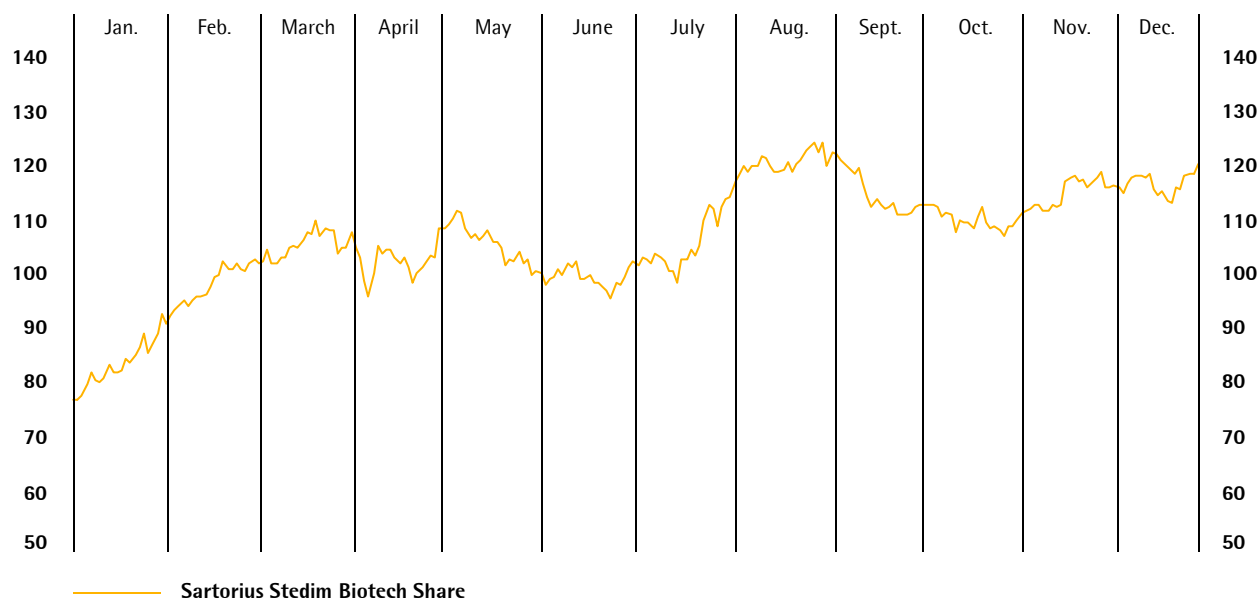
During 2013, the Sartorius Stedim Biotech share price performed better than the French stock market as a whole. From a close of €73.40 at the end of 2012, the share price rose by 66.0% to €121.85 by the end of 2013.

The share hit its lowest closing price for the year of €75.35 on January 3, 2013, before rising sharply over the next few months. The highest closing price was registered at €124.00 on August 27, 2013, buoyed by favourable business development and an improved overall forecast for the year.

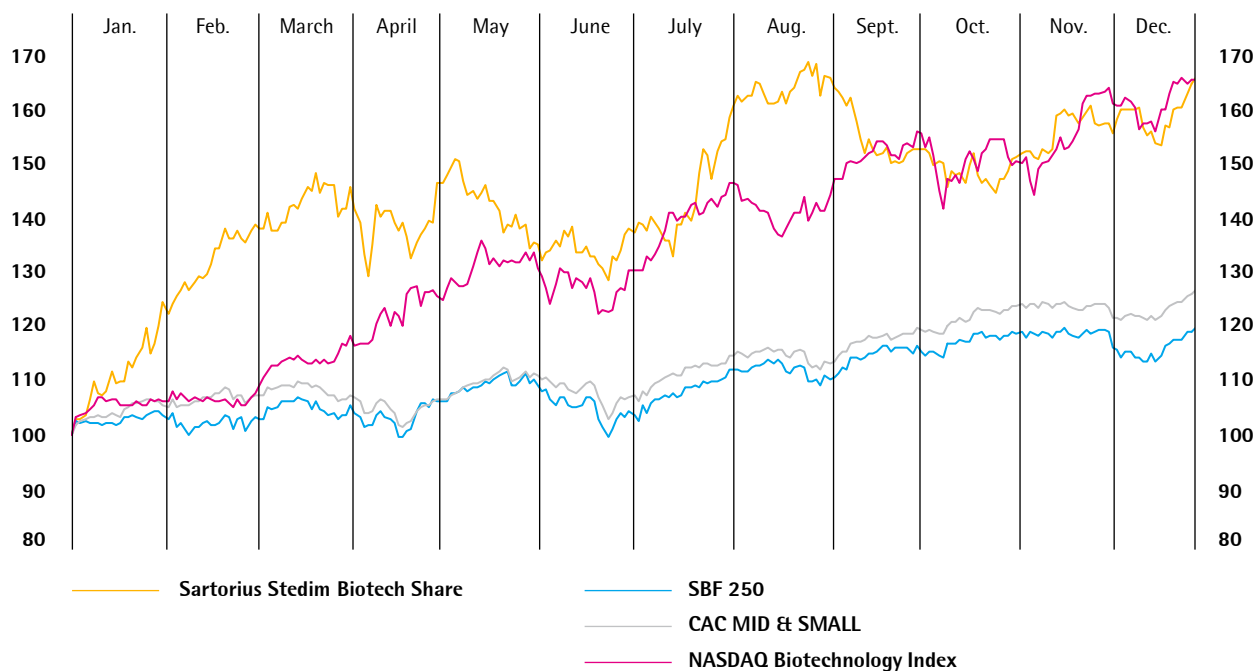
SSB included in SBF 120 Index

As of June 21, 2013, Sartorius Stedim Biotech has been included in the SBF 120 index of Euronext Paris. The SBF 120 index is composed of the 120 most active stocks on the Paris stock exchange, i.e., the 40 components of the CAC 40 index plus 80 stocks quoted continuously on Euronext Paris. Criteria for admission to this index are liquidity and free float market capitalization.

The Sartorius Stedim Biotech Share in €
January 1, 2013, to December 31, 2013



The Sartorius Stedim Biotech Share in Comparison to the SBF 250, CAC MID & SMALL and NASDAQ Biotechnology Index (indexed)
January 1, 2013, to December 31, 2013



Market Capitalization and Trading Volume

Reflecting the increase in the Sartorius Stedim Biotech share price, market capitalization surged by 66.0% over the course of the reporting year from €1.1 billion on December 31, 2012 to €1.9 billion on December 31, 2013.

The average number of Sartorius Stedim Biotech shares traded daily on the Paris Bourse in the reporting period was 9,011 and thus substantially ahead of the previous year's level of 7,464. The total trading volume on the Euronext stock exchange however increased from €106.1 million in 2012 to €237.8 million in 2013.

Investor Relations Activities

Our investor relations work focuses on maintaining an ongoing, open dialog with shareholders, potential investors and financial analysts. We ensure the highest possible level of transparency and provide shareholders and the interested general public alike with equal and timely access to information relevant to our share prices. Our reportings together provide a regular, detailed insight into our strategy, the latest developments in our business and our prospects.

During 2013, we provided regular information on current business developments via press releases and half-year and annual reports. In addition to our quarterly telephone/webcast conferences we stepped up our contacts with the capital markets, including a large number of one-on-one meetings plus conferences and road shows not only in the main European financial centers – London, Paris, Frankfurt am Main and Zurich – but also in New York and elsewhere. Our investor relations communication activities in the reporting year made a particular point of explaining our current business performance and corporate strategy as well as the changes to our portfolio, i.e. the acquisitions in the area of cell culture media and small-volume single-use bioreactors.

All information and publications relating to our company and its shares may be found on our Internet page at www.sartorius-stedim.com. The Sartorius Stedim Biotech Investor Relations Team is available to private and institutional investors as well as financial analysts wishing to contact it directly on questions relating to our Group Sartorius Stedim Biotech.

Analysts

The recommendations of financial analysts serve as an important foundation for the decisions of private and institutional investors when investing in shares. Currently, the following institutions regularly prepare reports and updates on Sartorius Stedim Biotech shares.

Research Coverage

Institute	Date	Recommendation
Portzamparc	January 29, 2014	Add
Société Générale	January 29, 2014	Hold
Oddo Midcap	January 28, 2014	Buy
Gilbert Dupont	January 28, 2014	Add

Financial Calendar 2014

Financial Calendar 2014	
AGM 2014	April 8, 2014
3 mo. 2014	April 28, 2014
HY 2014	July 22, 2014
9 mo. 2014	October 21, 2014

Key Figures for Sartorius Stedim Biotech Share

		2013	2012	2011	2010	2009
Share price ¹⁾ in €	Reporting date	121.85	73.40	49.00	37.70	28.00
	High	124.00	76.03	54.89	40.00	31.70
	Low	75.35	46.73	37.35	28.00	13.45
Dividends ²⁾ in €		1.20	1.10	1.00	0.90	0.60
Total dividends paid ²⁾ in millions of €		18.4	16.9	15.3	13.8	10.2
Payout ratio ³⁾ in %		24.5	26.1	28.7	30.5	29.4
Dividend yield ⁴⁾ in %		1.0	1.5	2.0	2.4	2.1
Market capitalization in millions of €		1,869.6	1,126.1	751.0	577.4	475.2
Average daily trading number of shares		9,011	7,464	7,435	14,965	10,427
Trading volume of shares in millions of €		237.8	106.1	85.2	131.9	65.3
CAC MID & SMALL in millions of €		8,629	6,812	5,652	7,195	6,100
SBF 250 in millions of €		3,263	2,729	2,344	2,801	2,789

¹⁾ Daily closing price

²⁾ For 2013, amounts suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting

³⁾ Based on the underlying net result excluding amortization

⁴⁾ Dividends in relation to the corresponding closing prices of the year

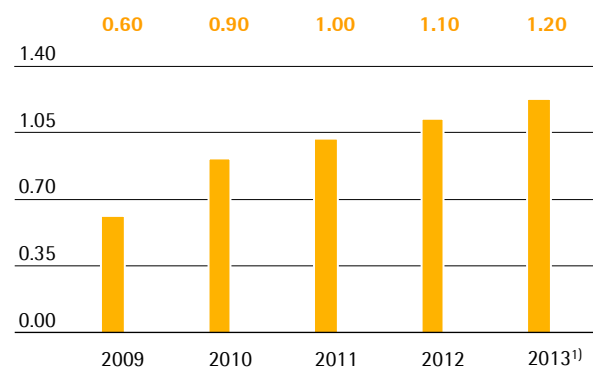
Sources: Euronext; Bloomberg

Dividends

The Sartorius Stedim Biotech Group applies a dividend policy intended to ensure shareholders are adequately rewarded for the company's sustained success. The dividend is accordingly determined on the basis of the underlying net profit for the year (for definition see p. xx). Sartorius Stedim Biotech endeavors in principle to distribute between 25% and 30% of its underlying net profit.

For fiscal 2013 as well, the Board of Directors plans to enable shareholders to participate adequately in the company's success. Therefore, at the Annual General Shareholders' Meeting on April 8, 2014, the Board of Directors will submit a proposal to pay a dividend of €1.20 per share from the net profit of €20.9 million reported by Sartorius Stedim Biotech S.A. This would represent a gain of 9.1% over the previous year's figure of €1.10. Therefore, the total profit distributed would increase from €16.9 million a year ago to €18.4 million.

Based on the underlying net profit (for more information on underlying net profit, please refer to the glossary), the dividend payout ratio would be 24.5% compared to 26.1% in the previous year. This would result in a dividend yield in relation to the closing price of the share on December 31, 2013 (€121.85) of 1.0% (previous year: 1.5%).

Dividends
in €

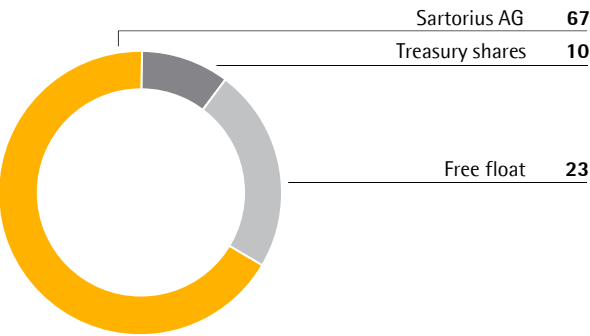
¹⁾ Amount suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting

Shareholder Structure

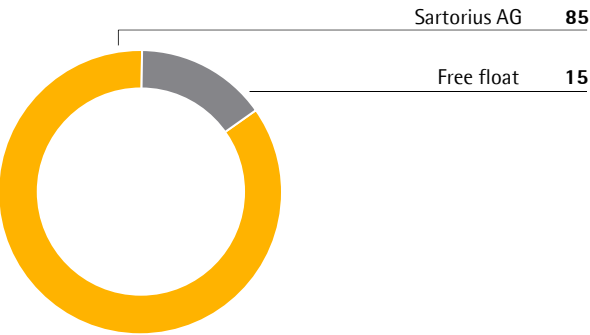
Sartorius Stedim Biotech S.A.'s issued capital amounted to €10.4 million as of the reporting date and is divided into 17,042,306 shares, each with a calculated par value of €0.61. Some of the shares convey double voting rights, with the result that there were a total of 28,665,315 voting rights as of the reporting date.

After the completion of the share buyback program in 2010, Sartorius Stedim Biotech S.A. holds 10% of its own shares as of the reporting date. Furthermore, Sartorius AG holds 67% of the shares and approximately 85% of the outstanding voting rights. Around 23% of the shares (15% of the outstanding voting rights) are in free float. Of the outstanding 15,343,596 shares, from which treasury shares are deducted, Sartorius AG owns 74% and free float accounts for the remaining 26%.

Shareholding Structure
% of share capital



Shareholding Structure
% of voting rights



Management Report

02

About Sartorius Stedim Biotech

Strategy

Sartorius Stedim Biotech provides integrated solutions for core process steps in biopharmaceutical production under its total solution provider strategy. Its extensive range of technologies, products and services helps customers to manufacture medications and vaccines safely and efficiently using biological methods.

We are a global leader in the fields of process filtration, fermentation, fluid management technology, membrane chromatography and cell culture. Furthermore, we offer a range of conventional lab products to biopharmaceutical laboratories.

Integrated Products and Services Along the Customer's Process Chain



Most Extensive Single-use Portfolio in the Sector

We specialize in providing single-use products for biopharmaceutical production processes. Single-use products, which account for around three quarters of sales revenue, provide biopharmaceutical customers an innovative alternative to conventional reusable stainless steel systems. The cost- and time-savings they offer are particularly attractive and they also reduce the risk of contamination. We dispose of the most extensive portfolio of single-use technologies in the sector and are also able to offer integrated single-use systems for a variety of process steps. Our services, which we tailor specifically to the requirements of individual applications, and our comprehensive technical consulting give us additional edge over the competition.

Total Solution Provider Strategy Offers Great Potential

Sartorius Stedim Biotech is continuing to execute its solution provider strategy that has proven successful over the past decade. We focus on the biopharmaceutical market, which we regard as highly attractive with its stable, better-than-average growth potential.

We aim to capitalize on the very strong position we already enjoy in our core technologies and target to achieve continued significant organic growth in the future. Regionally we prioritize North America, the world's leading biopharmaceutical market, and the rapidly expanding pharmaceutical markets of Asia.

Expanding the Product Portfolio

Besides realizing our organic growth potential, we intend to expand the position of Sartorius Stedim Biotech Group also through strategic alliances and acquisitions. The acquisition of the cell culture media business of Swiss life sciences group Lonza in December 2012 added another important element to our product portfolio.

We also completed the acquisition of British company TAP Biosystems Group plc on December 16, 2013 in a move that further enhances our fermentation range, especially for the early phases of process development.

Organization

The Sartorius Stedim Biotech Group is organized strictly by function worldwide. The company is accordingly controlled through the core operating functions marketing, sales and distribution, service, research and development, operations, finance, etc. Responsibility for the various functions in the higher tiers of management is assigned at the global level and hence spans both sites and countries.

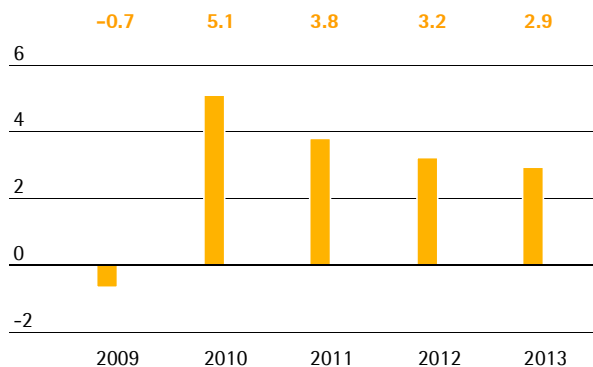
This global functional organization creates an effective platform for central strategic control and fast and efficient collaboration within the Group, and also makes it easier for the company to realize its total solution provider strategy and position itself effectively in respect of global customers.

Macroeconomic Environment and Conditions in the Sector

Macroeconomic Environment

The global economy expanded by 2.9% in 2013 (previous year: 3.2%) according to the International Monetary Fund (IMF). This is slightly less than the 3.1% rate still being forecast in the middle of the year. The IMF suggests the effect of the gradual recovery in economic activity in the industrialized countries was partially offset by weakening impetus from the emerging countries.

Global Development GDP (2009 to 2013)
in %



Source: International Monetary Fund

Economic output in the industrialized countries rose by 1.2% overall in the reporting year according to the IMF figures (previous year: 1.5%), with performance once again varying enormously from country to country.

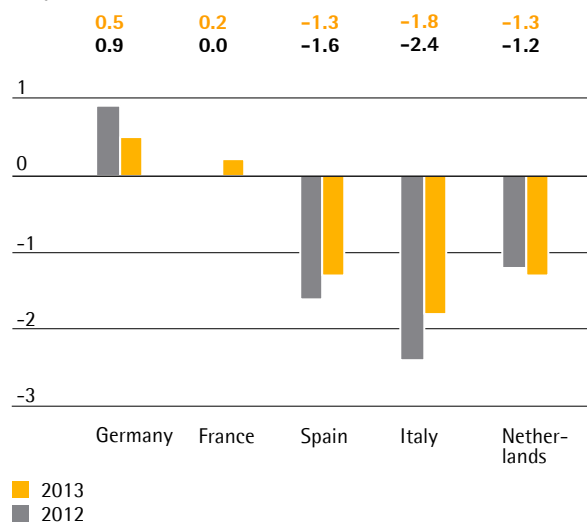
The rate of growth in the U.S. economy is likely to have reached only 1.6%, well short of the 2012 figure of 2.8%, in the reporting year due to declining exports and, most significantly, reduced government spending as a result of the country's automatic budget cuts.

Economic activity in the eurozone as a whole declined slightly with a growth rate of -0.4% (previous year: -0.6%). The German economy – the eurozone's largest – continued to expand, but the rate of growth slowed again to 0.5% (previous year: +0.9%). Private consumption, public consumption and investment in buildings and equipment all provided momentum, but these effects were offset by a weak start to the year and a negative net exports figure.

Forecasts indicate a slight improvement in the French economy, which is expected to have grown by 0.2% in 2013 after a period of no growth at all in the previous year. Economic activity in France suffered as a result of further significant falls in corporate investment.

The Southern eurozone countries remained in recession for the second year in succession, with growth rates of -1.8% (previous year -2.4%) for Italy – the third-largest economy in the eurozone – and -1.3% for Spain (previous year: -1.6%) confirming another period of recession.

Gross Domestic Product EU
in %

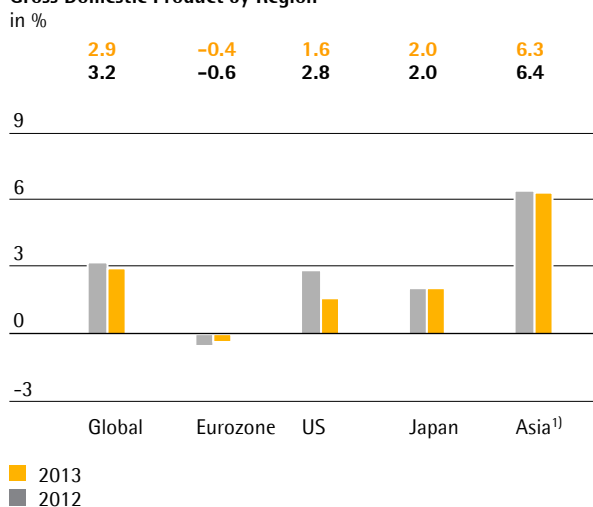


Source: International Monetary Fund

Economic growth in Asia (China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam) was impacted by a weak start to the year especially in China but eventually reached almost the same level as in the previous year at 6.3% (2012: 6.4%). This was however still short of the mid-year forecast of 6.9%.

The IMF puts the likely rate of growth in economic output in Japan at around 2.0% in 2013 just as in the previous year. This growth was fueled largely by the government's expansionary fiscal policy, which prompted rising consumer spending and corporate investment, and by economic stimulus programs. An upturn in exports following the devaluation of the yen also helped.

Gross Domestic Product by Region



¹⁾ Asia = China, India and Asean-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)

Source: International Monetary Fund

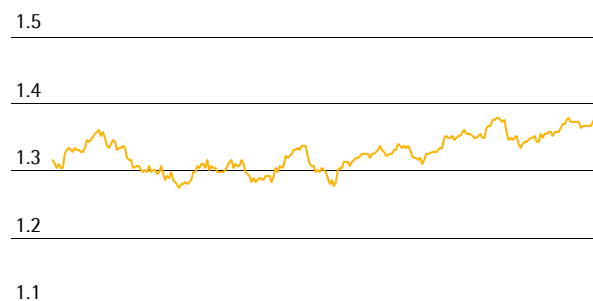
Exchange Rate Trends

Important currencies for the Sartorius Group besides the euro include especially the U.S. dollar as well as other currencies like the Chinese Yuan and the Indian Rupee.

The euro-U.S. dollar exchange rate slipped to its low for the year of 1.27 U.S. dollars at the end of March as a result of uncertainty surrounding economic developments in Europe. The euro then strengthened again against the U.S. dollar to finish the year at 1.37 U.S. dollars (December 31, 2013).

Development of the EUR | U.S. Dollar

January 1, 2013, to December 31, 2013



Source: Bloomberg

Interest Rate Trends

Average global interest rates fell to historic lows in the reporting year. The ECB, for example, cut its base rate twice in the reporting year from 0.75% to a record low of 0.25%. The 3-month EURIBOR rate – the rate of interest on fixed-term deposits denominated in euros in interbank business – was still at the very low level of 0.3% at December 31, 2013 (previous year: 0.2%).

Sources: International Monetary Fund: World Economic Outlook October 2013; vwd; ECB; de.euribor-rates.eu.

Sector Conditions

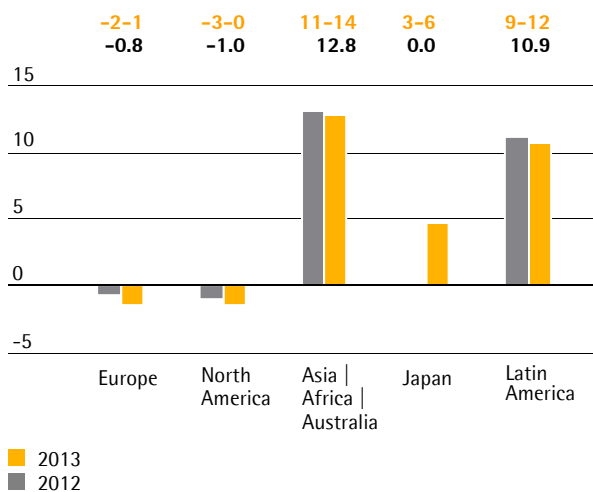
Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry which makes its business particularly sensitive to the development of this industry.

Stable Growth in the Pharmaceutical Markets

International market research institute IMS Health expects the global pharmaceutical market to grow by 3.3% in 2013. This follows growth of 2.6% in the previous year.

The principal factors influencing the global pharmaceutical industry remained unchanged in the reporting year, with demographic change and improved access to healthcare, especially in the emerging markets, again featuring among the key drivers of growth. The availability of new drugs remained high too, with more than 30 approvals in the U.S. market – the world's largest – in the reporting period. These positive factors were countered by the effects of austerity measures, most notably in the healthcare systems of the industrialized nations, and the expiration of patents.

Growth of the Regional Pharma Markets
in %



Source: IMS Health

According to IMS, growth was once again strongest in the regions of Asia | Africa | Australia and Latin America, where amongst others the expansion of state-funded healthcare provision and higher consumer spending on medicines fueled market growth.

Biotechnology Market Growth Above Average

The global market for pharmaceuticals manufactured using biotech methods grew by around 8% in the reporting year, again outperforming the global pharmaceutical market as a whole. This is attributable in particular to the launch of many new biopharmaceutical drugs in the last few years and expanded indications for existing medicines. The proportion of sales revenue accounted for by medications manufactured using biotech methods doubled in the ten years to 2013 and now stands at around 21% - 22%. Therapeutic proteins, which play an important role in the treatment of conditions including diabetes and chronic anemia, still make up the largest category of active ingredients produced using biotech methods. The importance of monoclonal antibodies, which are used for applications including the treatment of cancer, HIV and autoimmune diseases such as multiple sclerosis and rheumatoid arthritis, also continues to grow: according to a study from Boston Consulting Group, there were more than

300 monoclonal antibodies undergoing clinical development (Phase I-III) in 2012, which represents a significant increase on the previous year.

Pronounced Move to Single-use Systems in Biopharmaceutical Production

Biotech production methods are much more complex than traditional methods and have so far also proved more cost-intensive. Manufacturers and suppliers are consequently engaged in an intensive effort to develop more efficient production technologies. Single-use products, which require significantly less capital expenditure, reduce cleaning and validation costs and minimize downtime, have a crucial role to play here. Single-use products deliver greater flexibility too and help to bring developments to market faster. Thanks in particular to their cost-efficiency, single-use products have now become well established in a large number of process steps.

Budget Consolidation affects Public Research Sector

A proportion of the demand for our laboratory products comes from public-sector research. Research budgets in many countries were unchanged or slightly down as compared with the previous year as a knock-on effect of the economic crisis and the reporting year consequently brought a slight year-on-year fall in demand from the public research sector according to data from Frost & Sullivan.

Competition

The primary means by which companies in the biotechnology market differentiate themselves from competitors are innovative prowess and the quality and performance of their products. The biotechnology sector is constantly discovering new areas of application and expects suppliers to be equally fast-moving and creative in developing new equipment for the manufacture of biotech products. New suppliers in particular seek to exploit the opportunities inherent in this environment to gain a foothold in the market with carefully targeted niche products. The more established suppliers, meanwhile, are expanding their product range continuously.

We generate round 85% of our sales revenue from validated processes in which replacing products during the production cycle is very expensive, so we receive a high proportion of follow-up and repeat business. The particular strength of Sartorius Stedim Biotech lies in its integrated process solutions: from the investigation and development of substances in the lab to the production of the end product, we offer the broadest range in the industry. Our strategic focus on single-use products gives us another edge over the competition. Sartorius Stedim Biotech occupies a strong position in the market worldwide in the fields of bioprocess filtration, fermentation, fluid management and membrane chromatography.

Most of our competitors are multinationals based in the USA. Merck Millipore, Pall and General Electric Healthcare are among our main rivals in the process area, Thermo Fisher and Merck Millipore are key players in the laboratory field. We also face competition from smaller companies such as Applikon and ATMI in individual segments.

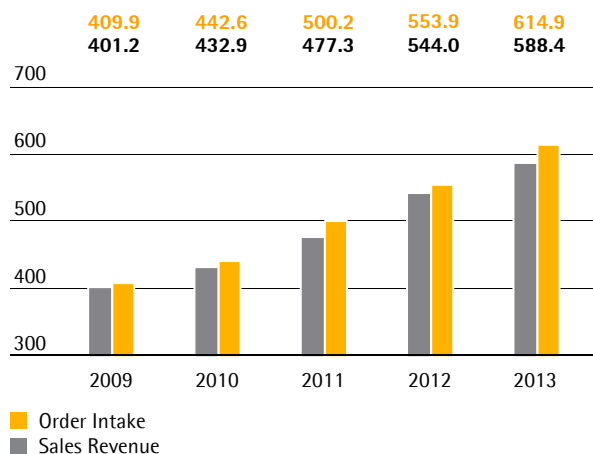
Sources: The Boston Consulting Group: "Medizinische Biotechnologie in Deutschland 2013" [Medical Biotechnology in Germany 2013]; IMS Health Market Prognosis June 2013; Evaluate Pharma: World Preview 2018, June 2013; Frost & Sullivan: 2012 Annual Forecast and Analysis of the Global Market for Laboratory Products; ICIS: Market outlook.

Group Business Development

Order Intake and Sales Revenue

The Sartorius Stedim Biotech Group adopted a few slight changes to its reporting structure of its results in fiscal 2013. These changes relate to Amortization (please refer to pages 102 and 103) and Other Taxes, which have since been shown under functional expenses. These changes to cost allocation do not have any impact on the Group's net profit. To ensure comparability, the business figures for 2012 have been restated (see Consolidated Financial Statements and Notes). Moreover, underlying EBITDA is used as a key performance indicator since the beginning of 2013 instead of underlying EBITA. However, both profit figures continue to be reported.

Order Intake and Sales Revenue
€ in millions

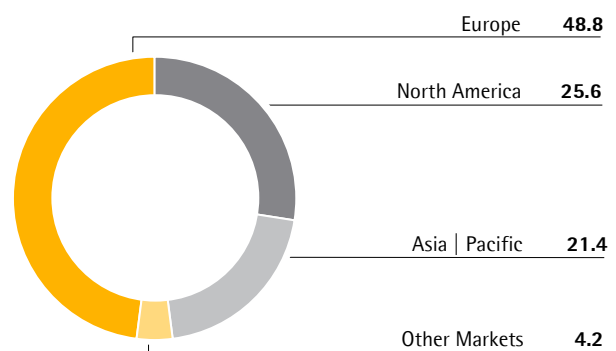


The Sartorius Stedim Biotech Group reported strong growth in order intake in the reporting year. At €614.9 million, order intake was up 13.7% in constant currencies (cc) compared with the year-earlier figure of €553.9 million. This considerable increase was driven by high demand for single-use products, as well as by special growth impulses in form of large equipment orders.

Sales revenue grew 10.8% (cc), from €544.0 million to €588.4 million, and thus reached the upper end of the 8% to 11% growth guidance (cc) we provided at the outset of the year. Organic sales revenue growth of 8.9% (cc) was ahead of our expectations. The cell culture media business acquired in December 2012 showed strong operating performance in the reporting

period. As some customers required more time for transition, its contribution to sales revenue of approx. 2 pct. points was slightly below our forecast. However, earnings from this business have been consolidated for the full year.

Sales Revenue by Region¹⁾
in %



¹⁾ Acc. to customers location

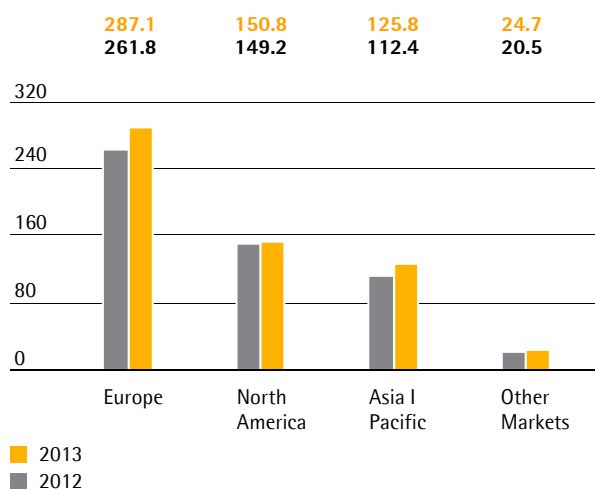
The Group's strong performance was supported by all regions. Europe, the region that generated the highest revenues and that accounted for around 49% of our business, posted a gain of 10.3% (cc), which was driven particularly by strong demand for single-use products.

In North America, we earned around 26% of our total sales revenue. Whereas sales revenue was up at a significant double-digit rate in the previous year, growth was more moderate, at 4.4% (cc) in the reporting period, given the high year-earlier base.

The Asia | Pacific region, which in 2013 accounted for around 21% of total sales revenue, developed dynamically yet again. In this region, we recorded a gain in sales revenues of 19.0% (cc). Growth was fueled by strong demand for both our single-use products and equipment.

Sales Revenue¹⁾ by Region

€ in millions; unless otherwise specified



	Sales ¹⁾ € in millions	Growth in %	Growth ²⁾ in %
Group	588.4	8.2%	10.8%
Europe	287.1	9.7%	10.3%
North America	150.8	1.1%	4.4%
Asia Pacific	125.8	11.9%	19.0%
Other Markets	24.7	20.0%	20.0%

¹⁾ acc. to customers' location

²⁾ currency-adjusted

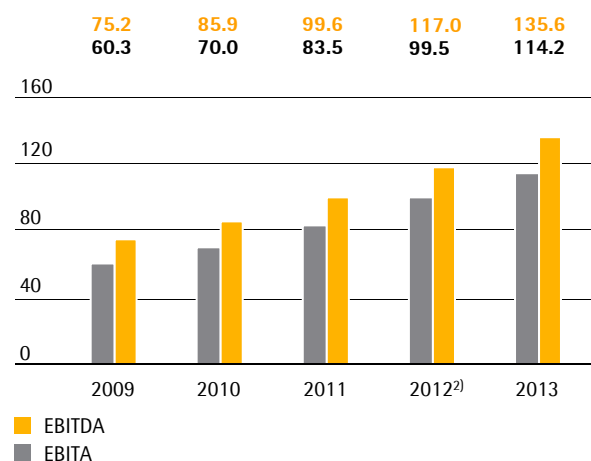
Earnings

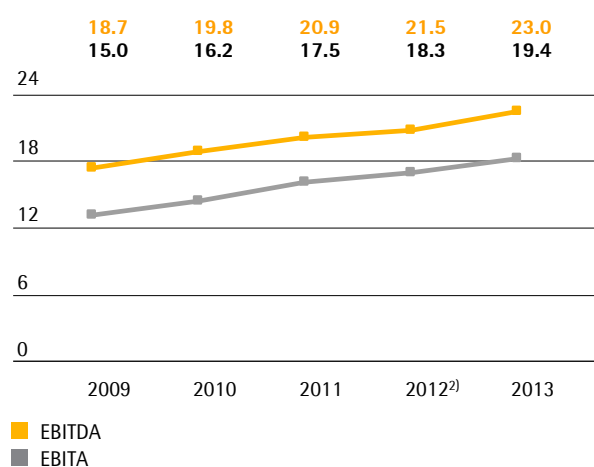
At the Sartorius Stedim Biotech Group, earnings before interest, taxes, depreciation and amortization (EBITDA) are used as the key profitability measure. In addition, we report EBITA as a profit figure. In this context, amortization refers exclusively to purchase price allocation (PPA) to intangible assets acquired, as specified by IFRS 3. To provide a complete and transparent presentation of the Group's profitability, we report earnings adjusted for extraordinary items (underlying EBITDA, underlying EBITA). For more information about definitions, please refer to the Glossary on page 195. The underlying presentation is reconciled with the EBITDA key indicator (see Glossary) on the following page.

In fiscal 2013, earnings of the Sartorius Stedim Biotech Group developed better than expected at the beginning of the year, given its excellent sales revenue growth. Thus, underlying EBITDA increased over-proportionately by 15.8% to €135.6million. The respective margin improved from 21.5% to 23.0%, compared with our initial forecast of 22.5%. The inclusion of the full earnings from the cell culture media business, with the corresponding sales revenue recognized pro rata, contributed to this increase in margin. In turn, currency fluctuations had a slightly negative impact. Underlying EBITA rose 14.8% to €114.2million. The corresponding margin increased from 18.3% to 19.4%.

Underlying EBITDA and EBITA

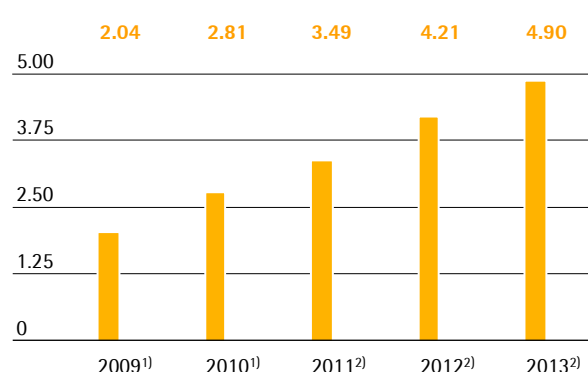
€ in millions



Underlying EBITDA¹⁾ and EBITA Margin
in %¹⁾ Adjusted for extraordinary items²⁾ Restated (see Notes to the Consolidated Financial Statements, pages 102 and 103)

Extraordinary items amounted to –€3.7 million (previous year: –€5.9 million) and essentially cover one-time expenses for various corporate projects. Including all extraordinary items and amortization, the Group's EBIT (see Glossary) rose from €85.6 million to €101.3 million; its respective margin increased from 15.7% to 17.2%.

Relevant underlying net profit for the Group surged from €64.6 million a year ago to €75.2 million in fiscal 2013. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization of €9.2 million (previous year: €8.0 million) and fair value adjustments of hedging instruments as well as the corresponding tax effects for each of these items. The corresponding earnings per share are at €4.90, up from €4.21 a year earlier.

Underlying Earnings per Share
in €¹⁾ Excluding amortization²⁾ Excluding amortization and excluding fair value adjustments of hedging instruments**Reconciliation between Underlying Presentation and EBITDA Key Indicator**

€ in millions	2013	2012 ¹⁾
Underlying EBITDA	135.6	117.0
Depreciation	–21.3	–17.5
Underlying EBITA	114.2	99.5
Amortization	–9.2	–8.0
Extraordinary effects	–3.7	–5.9
EBIT	101.3	85.6
Extraordinary effects	3.7	5.9
Amortization IFRS 3	9.2	8.0
Financial Result	–6.9	–3.7
Valuation hedging instruments	0.3	–1.9
Income tax (2013: 29%, 2012: 30%)	–31.2	–28.2
Underlying net result	76.4	65.7
Non-controlling interest	–1.2	–1.1
Underlying net result excluding Amortization IFRS 3 and non-controlling interest	75.2	64.6
Underlying earnings per share (in €)	4.90	4.21

¹⁾ Restated (see Consolidated Financial Statements and Notes, pages 102 and 103)

See Glossary for the definitions of the totals listed above.

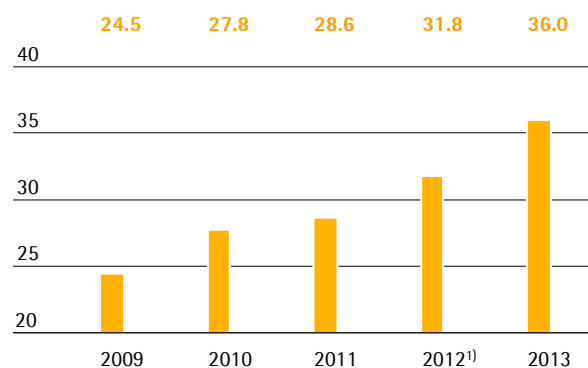
Appropriation of Profits

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting on April 8, 2014, for payment of a dividend of €1.20 per share for fiscal 2013, up from €1.10 in the previous year. The total profit distributed would accordingly increase by 9.1% from €16.9 million a year earlier to €18.4 million. In relation to the closing price of the share of €121.85 on December 31, 2013, this would result in a dividend yield of 1.0% (previous year: 1.5%).

Research and Development

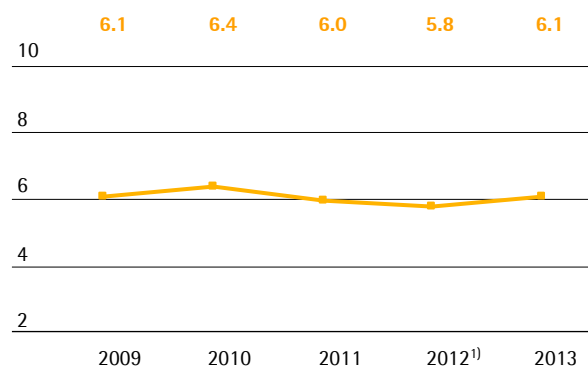
The Sartorius Stedim Biotech Group stepped up its research and development activities in the reporting year, increasing spending in this area by 13.3% to €36.0 million (previous year: €31.8 million). Our respective ratio of R&D costs to sales revenue was also higher, up 6.1% from 5.8% a year earlier.

Research & Development Costs
€ in millions



¹⁾ Restated (see Notes to the Consolidated Financial Statements, pages 102 and 103)

Research & Development Ratio
in % of sales revenue



¹⁾ Restated (see Notes to the Consolidated Financial Statements, pages 102 and 103)

To protect our know-how, we pursue a targeted intellectual and industrial property rights policy. We systematically monitor compliance with these rights and review from a cost|benefit viewpoint whether it is necessary to continue to maintain individual rights.

The number of applications for intellectual and industrial property rights filed in 2013 amounted to 87 compared to 135 in the previous year. As a result of the applications submitted in the past years, we were issued 120 patents and trademarks (previous year: 127). As of the balance sheet date, we had a total of 1,592 patents and trademarks in our portfolio (previous year: 1,641).

	2013	2012
Number of patent and trademark applications	87	135
Registered patents and trademarks	120	127

Brand-new Membranes for Virus Removal and Prefiltration

Our R&D priorities for the reporting year included the development of new filter membranes and of further designs and sizes to round off existing product lines. One highlight is the new Virosart HF hollow-fiber membrane, which is used in the purification process of biopharmaceutical media. Developed for virus removal in collaboration with one of our partners, this product's performance data set new benchmarks in the market. We also successfully completed the development of a new prefilter cartridge and extended our line of Sartopore Platinum sterilizing-grade filter membranes by adding a new version.

Biostat STR Bioreactor in a 2,000-Liter Version; Novel Plastic Film for Single-use Bags

The project to develop a 2,000-liter model for the successful Biostat STR range of single-use bioreactors was completed successfully in the reporting year, too, rounding off our range and enabling us to offer customers an attractive alternative to conventional stainless steel bioreactors for production-scale processes. The single-use bags for this new bioreactor, which is designed for large-scale cell cultivation, are the first to feature a novel polyethylene film developed in collaboration with one of our partners. Notably robust, the film is particularly well-suited to applications involving cell cultures and microbial fermentation applications, and we will use it in a wide range of new products for fermentation and fluid management.

New Controllers for Standard Bioreactors; Innovative Process Analytics Software

In the reporting year, we developed brand-new software solutions and continued to extend our system

control units in order to implement new operating concepts for our standard bioreactors. These technical upgrades give users the option of operating the bioreactor as either a reusable or a disposable system.

Sartorius Stedim Biotech developed a new package of process analytics software for the continuous control of fermentation processes. This software allows additional sensors to be linked and captures considerably more process data than previous options, paving the way to particularly efficient cell culture processes for customers.

Development of New Cell Culture Media with Lonza

In 2013, we worked on the development of new cell culture media suitable for cultivating cell lines to be used in the manufacture of vaccines. Moreover, we have already optimized an initial group of culture media for specific customers. These enhanced media provide optimal growth conditions for cells to ensure a high yield of the target biological active ingredient.

Marketing | Sales and Distribution | Services

Beyond supplying products for existing production processes, Sartorius Stedim Biotech makes a particular priority of working with customers starting right from the earliest phases of process development. The company accordingly markets its products directly through its own field sales representatives. Key accounts are additionally supported by a global key account management organization that collaborates closely with the direct sales team. Sartorius Stedim Biotech's activities focus in particular on new projects in which most of the solutions to be deployed feature a large proportion of single-use products.

Sales Initiatives in Europe and China; New Sales and Marketing Headquarters in Asia

After we had launched a sales initiative in the USA, still the world's largest pharmaceutical market, in 2012 to reorganize and further strengthen sales activities, it extended this initiative to the regions of Southern and Central Europe and China in the reporting year. The objective of this initiative was to achieve international harmonization of sales and marketing by analyzing and optimizing these activities. Spurred on by our continued growth in China and other Asian countries, we established new sales and marketing headquarters in Shanghai. We also stepped up our marketing, sales and distribution activities in Latin America, another attractive growth region for Sartorius.

Cell Culture Media Join the Product Portfolio

Our acquisition of the cell culture media business of the Swiss life sciences group Lonza in December 2012 added an important component to the Sartorius product portfolio. Like bioreactors and single-use bags and containers, cell culture media are key to the cell cultivation process, making them ideal complementary products for our range. We assumed global marketing, sales and distribution activities for cell culture media during the reporting period and, therefore, now offer customers fully integrated product solutions all from a single source. Moreover, we integrated the former Lonza employees into our team as application specialists.

Strong Demand for Validation and Maintenance Services

We provide a comprehensive range of services designed around the often complex manufacturing processes of our customers in the biopharmaceutical industry. As a result, this offering clearly sets us apart from the competition. Our validation services and our consulting expertise both enjoyed strong demand in the reporting year, particularly from customers in Asia. Business with maintenance services also made excellent progress. To ensure we keep pace with the burgeoning demand for our sophisticated service offers in the future as well, we conducted a further training program in 2013 for a large number of our service employees.

Acquisition of TAP Biosystems; Alliances Forged

We have continued to extend our leading market position in fermentation technology by acquiring TAP Biosystems, a British company that specializes in developing multiparallel bioreactors for small-scale cell culture volumes. With the market-leading mini-bioreactor system, called ambr 15, we now provide the biopharma industry with equipment solutions also for the early phases of process development.

Sartorius Stedim Biotech entered into a global sales partnership with German gas measurement specialist BlueSens in 2013 to expand its portfolio in the area of process analytics. In addition, the company forged a sales and development alliance with the Welsh company ABER Instruments, a highly specialized supplier of sensor technology.

Products

Sartorius Stedim Biotech's range of products includes a large number of single-use products for the manufacture of active pharmaceutical ingredients in upstream and downstream applications. The company offers an extensive line-up of single-use filter membranes plus single-use and reusable bioreactors, single-use bags, tubing, connectors, containers and cell culture media. Our range also includes filtration systems, filter integrity testing equipment and sophisticated services. In the reporting year, we added complementary products to many of our product lines and unveiled a series of new equipment generations.

New Filtration Products

Product launches in 2013 included the introduction of a second-generation crossflow filtration system for purifying vaccines, monoclonal antibodies and recombinant proteins. Designed for efficient purification of small batches, this compact modular system can be used both in development processes and in small-scale production operations. The filtration system features a new control unit and a large selection of filter elements to provide even greater flexibility. The reporting year saw the unveiling of our new Virosart HC filter membrane, too: designed specifically for the purification of protein-rich media, such as blood plasma, the Virosart HC is used to remove viral contaminants. We also added new filter elements to the Sartopore XLM and Sartobran filter membrane product lines in 2013.

Bioreactors with Additional Features

For cell cultivation, we included additional features in the Biostat Cplus bioreactor, which can be used for microbial as well as cell culture applications. As a result, it can be specifically custom-configured according to the user's special needs.

Another product that we equipped with new single-use sensors and additional accessories was the Univessel SU single-use bioreactor designed for process development and optimization tasks. It can now be operated with different controllers and, as a pre-sterilized and ready-to-use single-use system, is a flexible alternative to conventional glass bioreactors.

Enhanced Process Efficiency, Safety and Reliability

We introduced a special sensor for off-gas analysis in 2013 to facilitate the continuous control and monitoring of fermentation processes. Readily integratable into bioreactors of all sizes, the sensor allows bioprocesses to be monitored in real time and key parameters to be determined, helping to make such processes significantly more efficient and increasing yields as a result.

The new Sartocheck 4 plus Bag test system enables customers to check the integrity of a single-use bag once it has been installed in a bioreactor. Its ability to detect even the slightest damage to bags helps to make processes safer and more reliable.

Expanded Fluid Management Portfolio

In the year under review, Sartorius Stedim Biotech again expanded its array of single-use bags, plastic tubing, connectors and other equipment for fluid management applications. For example, we introduced new products to our Cultibag line of single-use bags for cell cultivation, launched the new generation of a mobile mixing system for biopharmaceutical media and extended the capabilities of our system for sterile disconnection of plastic tubing.

Production and Supply Chain Management

Sartorius Stedim Biotech operates a well developed global production network. Our largest sites are the plants at Goettingen in Germany and Aubagne in France, followed by the production facilities at Bangalore in India, Yauco in Puerto Rico and Guxhagen in Germany. Our advanced production facilities support the efficient manufacturing processes and short lead and order processing times we need to maintain our competitive edge around the world.

After we completed a number of significant capacity expansion projects in Goettingen, Guxhagen and in Yauco in the previous year, we implemented a series of small- and medium-scale projects in the reporting year to extend our manufacturing capacity. At the Goettingen site in April 2013, we opened a new building for manufacturing the plastic parts we use in products like single-use filters and bags. The substantially expanded production area provides ample space for the installation of additional injection molding machines, the first of which were commissioned during the reporting year. We also hired more employees to expand production capacity significantly at the new plant in Puerto Rico in response to persistently high demand for single-use bags from the pharmaceutical industry. Elsewhere, we acquired a building directly adjacent to our Aubagne facility in order to increase the space available at the site for producing single-use bags and plan to move additional machinery there in mid-2014. Moreover, at our Chinese site in Beijing, we installed a cleanroom in which we intend to manufacture fluid management products for the local market.

Initial preparatory steps have been taken for the installation of a further casting machine at the Goettingen site to provide greater capacity and flexibility in our filter membrane manufacturing operations. Work to install the machine is scheduled to commence in 2014.

Sustainability Report

Sustainability is one of the core values that are firmly embedded in Sartorius Stedim Biotech's corporate culture. Ever since the company was established, the sustainable development of the company has been its major objective.

Our primary business responsibility is to offer attractive products and solutions to our customers. Innovation as well as strategic and operational excellence are key to meeting this objective. To us, sustainability in this context means that, in pursuing these business objectives, we take a long-term, broadly based view, which also specifically includes social and ecological interests. We take our responsibilities toward our various stakeholders seriously and believe in long-term relations that deliver benefits to all parties involved. Accordingly, we regard active management of social and ecological tasks not as compensation for our business activities, but rather as one of our success factors.

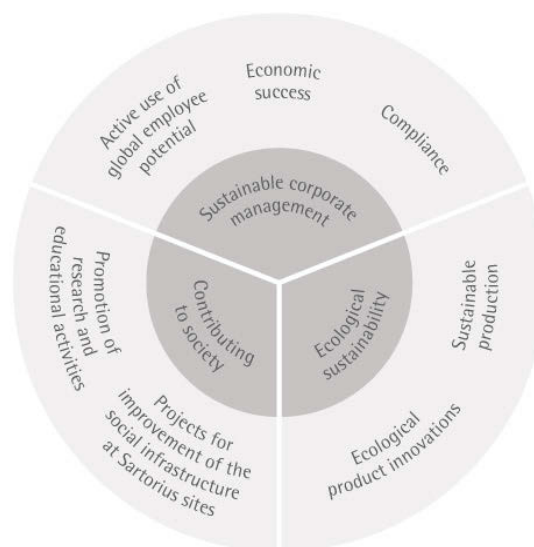
In line with this approach, we regard it as essential to comply with legal and ethical standards, manufacture with ecological responsibility, and keep the environmental impacts in mind when developing product innovations. Likewise, our HR policy is aimed at preserving the rights and interests of employees and at actively using and developing the potential of the global workforce. At the company sites around the world, we as employers and contractors take an active part in developing the regional environments and increasing their attractiveness by supporting cultural and social projects.

Since 2012, Sartorius Stedim Biotech has been reporting key personnel and environmental indicators and metrics in compliance with the French Grenelle II environmental law. These indicators are oriented towards general standards and thus permit comparison with those of other companies. Internally, the figures provide the basis for defining, reviewing and controlling environmental and personnel targets. We further enhanced Group-wide recording and reporting of environmental and personnel data in 2013. Sartorius Stedim Biotech now bases its recording of greenhouse gas emissions on the Greenhouse Gas Protocol. We also introduced a number of new performance indicators in 2013 including general absence rate, total amount of carbon and total consumption of chemicals, for example. In addition, an international Environment, Health and Occupational Safety Steering Group was established to harmonize and continuously improve our processes in these three areas worldwide.

The following report provides an overview on the key indicators activities and on the projects in the three areas of "sustainable corporate management," "ecological sustainability" and "contributing to society."

Methodological Note

The personnel indicators and those regarding health and safety reported below refer to the entire Group. If an indicator is referenced to a range other than the global scope, the scope of consolidation is indicated separately. The environmental indicators refer to all Sartorius Stedim Biotech production sites. These are located in Aubagne, Lourdes, M'Hamdia, Goettingen, Guxhagen, Stonehouse, Tagelswangen, Yauco and Bangalore, and represent 84,10 % of the Group's total workforce.



Sustainable Corporate Management

Detailed information on the economic dimension of sustainability at Sartorius Stedim Biotech is provided on pages 18 to 19 and 24 to 31, where we explain the strategies and measures we use to achieve profitable growth.

Compliance with Legal and Ethical Standards

Our activities are based on our corporate values: sustainability, openness, and enjoyment. These values govern how we treat our customers, business partners and investors as well as how we work together within our company. At the same time, these corporate values guide us in the direction in which we intend to further develop the company in the future.

Sartorius Stedim Biotech conducts its business in accordance with the legal regulations of individual countries and with globally accepted ethical standards. Our actions follow the principles of responsible corporate governance and control focused on sustainable value added. This includes compliance with legal and Group-internal regulations, consideration of our stakeholders' interests, transparent corporate communications, appropriate risk management and proper accounting and auditing. Sartorius Stedim Biotech complies with the rules and recommendations of the AFEP-MEDEF Corporate Governance Code. More information is provided in the Chairman's Report in the chapter starting on page 70 of this Reference Document.

This compliance system is intended to ensure that members of executive bodies, managers and employees comply with all legal regulations, codes and internal guidelines. Designed to be pre-emptive in nature, it aims to prevent misconduct and prevent financial loss and damage to the company's image. Important pillars on which our compliance system is based are the Code of Conduct and the Anticorruption Code. These Codes comprise the minimum standards for legally compliant and ethical behavior.

We adhere to a set of principles defined in the Code of Conduct: Sartorius Stedim Biotech supports and respects the principles of human rights defined in the United Nations Universal Declaration of Human Rights, the conventions of the International Labor

Organization (ILO) and the United Nations Global Compact. Furthermore, we reject all forms of compulsory labor and child labor and respect the special need to protect young employees. All Sartorius Stedim Biotech employees are required to adopt a task-oriented, open, friendly and fair approach to interacting with colleagues, employees and third parties, thereby helping to create an atmosphere of respectful cooperation. We do not tolerate employees being discriminated against, disadvantaged, harassed or excluded based on their gender, ethnic origin, life philosophy, race, religion, age, disability, appearance, sexual preferences and identity, origin or political position. We uphold freedom of association and the right of any individual to be fairly represented by a labor organization of their choosing, pursuant to local laws.

The Code of Conduct helps to ensure we operate with the highest level of integrity and is binding on all employees, as are the anti-corruption guidelines. These measures are intended to help our employees act ethically and in accordance with the law in their daily work. All our employees around the globe are required to complete a training course that uses fictitious examples to train them to deal with ethically or legally problematic situations. A whistleblower portal and a telephone hotline enable employees, suppliers, customers and partners to report any dubious conduct.

The remuneration paid by Sartorius Stedim Biotech for regular working hours, overtime and compensation for hours worked in excess of contract or regular work schedules either meets, or in some cases exceeds, the industry standards or legal minimum wage depending on the particular country. In Germany, for instance, compensation is paid according to the pay rates set by the trade union IG Metall, which stands for Industrial Union of Metalworkers.

Many of our employees are covered by remuneration systems that include variable as well as fixed compensation components. The level of the variable component is linked to both the progress of the company and the attainment of personal targets defined by employees and their respective managers in annual target agreements.

As a business partner, we adhere to the highest standards of business ethics and compliance in respect of our suppliers, subcontractors and partners, whom we request to respect human rights not only by

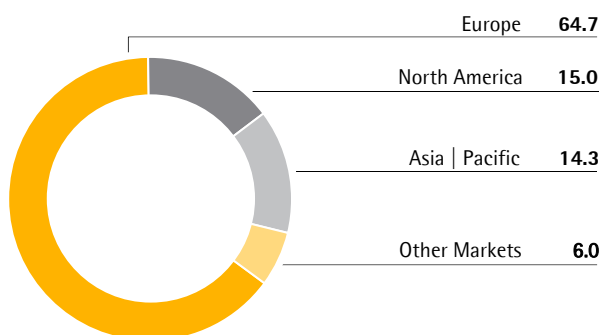
complying with our Code of Conduct and all applicable human rights laws and regulations themselves, but also by ensuring the same compliance throughout the supply chain.

Employees

The numbers of employees reported in the following include all staff members, except for vocational trainees, interns, employees on extended leaves of absence and those participating in an early retirement plan. This number is recorded as head count, i.e., all employees are counted, regardless of whether they work full or part time.

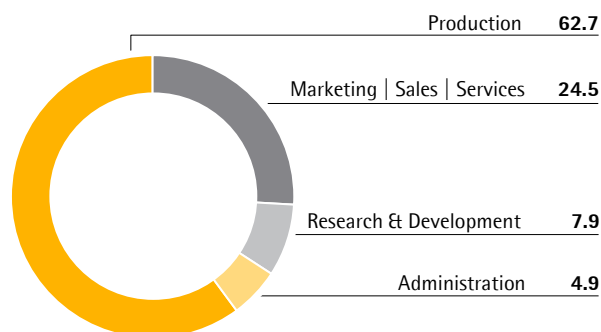
As of December 31, 2013, the Sartorius Stedim Biotech Group employed a total of 3,289 people. This figure does not yet include the approximately 200 employees of British company TAP Biosystems, which Sartorius Stedim Biotech acquired at the end of the reporting year. Compared with the workforce of 2,986 on the reporting date a year earlier, this equates to an increase of 10.2%.

Employees by Region
December 31, 2013; in %



Head count was up in all regions. Sartorius Stedim Biotech employed two-thirds of its total workforce – 2,127 people – in Europe as of December 31, 2013 (previous year: 1,962). This represents an increase of 8.4% as compared with the end of 2012. Our reported head count for 2013 rose from 414 to 492 (18.8%) in North America and from 453 to 472 in the Asia | Pacific region.

Employees by Function
December 31, 2013; in %



The number of employees by function shows that production and areas directly linked to production accounted for the largest share (2,063 people) of the company's total workforce in the reporting year (previous year: 1,793). Active recruitment in response to sustained strong demand for single-use products accounted for most of the year-on-year increase of 15.1%. A total of 807 people, or a quarter of the company's total workforce, work in the Marketing, Sales and Distribution and Service functions (previous year: 768). The number of people employed in the Research and Development unit increased by 3.4% to 259 (previous year: 251), while head count for the Administrative functions, which include Finance, Human Resources and IT, was little changed at 161 (previous year: 175). This figure does not include the additional administrative functions performed by Sartorius Corporate Administration GmbH, which is not part of the Sartorius Stedim Biotech Group.

Employees by Age

In %	2013
16 – 20	0.5
21 – 30	24.7
31 – 40	30.8
41 – 50	26.6
51 – 60	15.5
61 and above	1.9

Sartorius Stedim Biotech employed 1,268 women and 2,021 men as of December 31, 2013. Therefore, women make up 38.6% of the total workforce and men 61.4%. The largest group of employees by age is the 31 to 40 category, which has 1,013 people. The average employee age across the entire workforce was virtually unchanged in the reporting period at 39.3 years (previous year: 39.5 years).

New Hires, Attrition Rates, Average Seniority and Absenteeism

	2013	2012
New Hires	634	563
Redundancies ¹⁾	36	n.a.
Attrition Rate ²⁾ in %	10.0	13.1
Average Seniority in years	8.3	8.7

¹⁾ Redundancies are all company-driven dismissals or layoffs. This is the first reporting year in which it has been recorded for the Group as a whole.

²⁾ Expresses the number of people leaving the company as a percentage of the average head count (2013: 3,164.75), includes terminated contracts, retirements and other reasons for employees leaving the company

The attrition rate, which expresses the number of people leaving the company as a percentage of the average head count, fell to 10.0% for the Group as a whole in the reporting year (previous year: 13.1%). The attrition rate is generally subject to regional variations. Therefore, this also applies to Sartorius Stedim Biotech. The rate for the reporting year was 8.1% in Europe, 9.6% in the North American region and 11.7% in the Asia|Pacific region. The adjusted figure for 2013 excluding the resignation of employees on terminated contracts amounts for the Group as a whole to 7.4% (2012: 10.5%). The attrition rate was 3.1% (previous year: 3.9%) for our sites in Germany, where we employ 41.4% of our people, and 6.1% (previous year: 6.1%) in France.

The absence rate expresses the proportion of planned working time that is lost due to general absences. This rate stood at 4.3% for the Group as a whole in the reporting year. The average period missed due to illness amounted to 7.9 days per employee in 2013 (2012: 7.0 days). This does not include time lost due to long-term health conditions and statutory maternity entitlements or days missed as a result of work-related accidents.

Applying Different Perspectives

As we are a multicultural company, the diversity of our markets, business regions and customers is also reflected in our workforce. In setting up teams, we therefore ensure that the different perspectives and backgrounds are combined productively. Also, when filling management vacancies, we aim to achieve a mix of cultures, genders and age groups. Managers from Germany, France, the USA and India, for example, are

represented at the second management level, that of Vice Presidents. We intend to continue striving for a more international line-up at management level over the medium term.

Another priority of our diversity strategy is to ensure women are adequately represented in management positions. We succeeded in increasing the proportion of women in our total head count slightly once again year on year to 38.6% (2012: 37.7%). This trend was mirrored at management level, with the number of posts held by women in the two tiers of management immediately below the Executive Board rising year on year to 25.0% at December 31, 2013 (previous year: 24.3%).

In the reporting period, Sartorius Stedim Biotech employed 91 people who are registered as disabled – of which 21 work in France and 66 in Germany. This represents a year-on-year increase of 11.

Further Developing the Potential of Employees Worldwide

To grow successfully in a dynamic market environment, we need competent, qualified employees and, therefore, endeavor continuously to further enhance our appeal as an employer, both internally and externally. Providing our employees with good opportunities for continuing personal development is central to this effort. In 2013, Sartorius Stedim Biotech provided a total of 15,536.0 hours of training at its sites in France, Tunisia and Puerto Rico. This corresponds to an average of 16.0 hours of training at an average training cost of €311.10 per employee.

Our employee annual performance reviews, the structure and assessment criteria for which we have now standardized, cover development opportunities, as well as targets and performance. Our ultimate objective here is to expand human resources programs to cover the whole of our global operation and, where appropriate and expedient, to harmonize them throughout the Group.

Sartorius Stedim Biotech fills management vacancies largely from within its own ranks, and accordingly develops and promotes employees with management potential at an international level. We conduct a special program to help junior managers develop and refine their management skills through specific projects directly related to the company's business. Sartorius Stedim Biotech also provides a separate

development program for experienced management staff. Designed with reference to our management guidelines, this program promotes the establishment of a common management culture.

A structured Expert Career Path program was introduced throughout the Group in the reporting year to run alongside the existing management programs. This new addition enables Sartorius Stedim Biotech to provide specific development opportunities for scientists and engineers in our R&D function, and raises the profile of our experts both within and outside the company.

Managing change processes successfully is an issue of ever-increasing importance for companies. Sartorius Stedim Biotech operates a strategic change management system to help employees implement changes successfully and sustainably. Management-level staff worldwide received training in this area during the reporting year.

The Sartorius College offers a wide range of training and continuing personal development opportunities – in a number of languages – for all employees to help them improve their language and methodological skills. The Value Selling course, for example, teaches field sales representatives and application specialists worldwide the strategic skills necessary to provide a first-class customer advisory service. We added a new eLearning platform to the technical training program in 2013 that provides an interactive way for employees from the Marketing, Sales and Services functions to prepare individually for subsequent face-to-face training sessions.

We train our production staff for cleanroom working in accordance with uniform standards and methods. Special training programs, such as those offered at Aubagne and Yauco, focus on building and developing technical skills. In 2013 a total of 85 employees received 140 hours of training under these programs at the Aubagne site, for example.

Finding and Developing Talented Young Staff

Sartorius Stedim Biotech offers young people the opportunity to work within the company in order to enhance their professional knowledge, skills and experience. The company has been making use of corresponding European Union funding programs, including the Marie Curie scheme for young scientists

and the Leonardo da Vinci scheme for international vocational education, in this connection for many years. We support our interns in a number of ways, for example, by enabling them to take part in training initiatives. Thanks to an alliance with the Kedge Business School in Marseille, France, the interns at our Aubagne site, for instance, are able to attend the Master of Business Administration courses offered there.

Our own Sartorius Bioscience Scholarship program, meanwhile, has been supporting talented students and graduates in scientific and technical fields, not just financially, but also technically and personally, through the provision of a mentor from within our own organization. In the reporting year, we selected our first group of participants from India for this scholarship program.

Sartorius Stedim Biotech continued to develop its international links with research institutions and universities in 2013. Highlights in this area included our alliance with the École Nationale Supérieure de Technologie des Biomolécules de Bordeaux, to which we granted a scholarship for the first time in the reporting year.

Freedom and Flexibility at Work

Sartorius Stedim Biotech sets its employees demanding tasks, delegates responsibility at an early stage and leaves them the freedom to arrange their daily work. The importance of enabling flexible work practices is widely recognized across the company: The number of part-time employees is 137 (2012: 128), which equates to 4.2% of our total head count (2012: 4.3%). Our working time model gives employees at all German SSB sites the option of scheduling their working hours flexibly, for instance through flextime, part-time work or teleworking.

Encouraging Social Dialog

Sartorius Stedim Biotech places great importance on communication with its employees. Interoffice memos, newsletters and an employee magazine inform our staff, for example, about changes within the company, its goals and its economic situation. Our first global employee survey, which took place in 2013, achieved a participation rate of 60%. The questions posed covered both the company and respondents' personal working

conditions. The results were particularly good so we plan to repeat this employee survey at regular intervals in the future to enable us to identify changes over time and investigate their significance.

In France as well as in Germany, Sartorius Stedim Biotech staff are represented by three employee councils. These employees' councils hold regular staff meetings. In 2013, eight collective agreements were signed at the French sites and eight at the German locations. They cover, in particular, pay levels and working time, integration of young employees and retention of elderly employees, the deployment of industrial cameras in production and personnel development. We signed one collective agreement on environment, health and safety issues (EHS) in 2013 in Germany on occupational integration management for employees returning to work after relatively long illnesses. In France, an agreement was concluded in this same area for harmonization of health insurance.

Employee Health and Safety

Sartorius Stedim Biotech has a corporate health management policy covering both the physical and the psychosocial elements of health in order to enhance employee performance and motivation and reduce the costs associated with illness. Sartorius Stedim Biotech also promotes awareness of personal health among all of its employees through special action days at individual sites. We offer our Vice Presidents in Germany an annual medical checkup at a selected partner clinic.

At Sartorius Stedim Biotech, we strive to improve technical and organizational working conditions continuously in order to bring about further reductions in job-related medical conditions, risks to health and potential causes of industrial accidents, as well as providing regular training for employees in the areas of occupational health and safety and environmental protection. At our sites in Germany, we provided 2,995 hours total of training on EHS issues in 2013. We continuously adapt job safety and work organization conditions in line with the applicable laws and regulations. In this connection, we are responsive to the concerns of our employees too: at the Aubagne site, for example, we operate a special program for preventing potential health hazards that implements specific improvements suggested by employees.

We recorded 48 work-related accidents at our sites around the world in the reporting period (previous year: 82). The great majority was minor in nature and the number of days lost due to work accidents in 2013 was consequently considerably lower than in the previous year (858 as compared with 1,139 in 2012). There were 23 accidents at our largest production site at Goettingen in Germany in the reporting year (previous year: 21), seven of which occurred not on company premises but rather during the employee's travel between home and work. We review the effectiveness of our accident prevention measures regularly with reference to accident analyses.

Statistics on accidents at work 2013

	2013
Number of work accidents	48
Number of days lost due to work accidents ¹⁾	858
Frequency rate ²⁾	8.7
Severity rate ³⁾	155.6

¹⁾ Measured in calendar days

²⁾ Represents the number of accidents per 1,000,000 theoretical working hours (theoretical working hours in 2013: 5,515,100.6)

³⁾ Represents the number of days lost through accidents per 1,000,000 theoretical working hours

Ecological Sustainability

Sustainable production and ecological product innovations are an important basis for our long-term financial success. Sartorius Stedim Biotech designs its manufacturing processes so that they conserve resources and offer customers products that are not only efficient and safe, but also provide ecological benefits. When planning our operations, we look beyond our own immediate use of resources to understand the entire lifecycle of our products, including our customer's processes. Our suppliers are also required to meet the specifications of our green approach. Growth coupled with underproportionate use of natural resources – this is a goal Sartorius Stedim Biotech implements at various levels. Information on environmental protection adopted for Sartorius Stedim Biotech employees is described on pages 38 to 42.

High Standards in Quality and in Environmental Protection

Sartorius Stedim Biotech is certified according to internationally recognized standards for quality (ISO 9001) and environment (ISO 14001). These two management systems ensure that we comply with quality requirements in the manufacture of our products, are prudent in our use of resources and minimize environmental risks. All our manufacturing sites are certified for compliance with the ISO 9001 series of international standards apart from Tagelswangen in Switzerland, which employs around 40 staff members. The environmental management system is already certified for compliance with ISO 14001 at Sartorius Stedim India and Sartorius Stedim Biotech GmbH in Goettingen. For the latter, for Sartorius Stedim Biotech Plastics in Goettingen and for the site in Guxhagen, we additionally introduced an energy management system in 2013, as specified in ISO 50001. We intend to have this energy management system certified in 2014. The two environmental standards today set the benchmarks for our international sites. There, the respective company organizational units have to ensure that the laws and regulations relating to environmental protection are observed and that further technical possibilities for reducing environmental risks are identified. We strive to continuously improve these existing management systems and are working toward their gradual rollout to all our production sites, where appropriate and expedient. Overall, no environmental risks were identified that require the company to make specific provisions in its annual financial statements.

Sartorius Stedim Biotech does not supply its products directly to end consumers, but rather to manufacturers of pharmaceuticals, foods and chemicals, and also to research and development laboratories. To ensure that our products satisfy the most stringent quality requirements, we employ rigorous quality checks and advanced manufacturing methods and processes, such as cleanroom technology. These manufacturing methods and processes are subject to constant review under our continuous improvement processes, moreover, and are refined appropriately as requirements evolve. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high standard of quality achieved in Sartorius Stedim Biotech products and processes. To respond rapidly to any product defects and minimize any adverse consequences, Sartorius Stedim Biotech has established a traceability system that enables us to recall an entire product batch immediately, if necessary.

Improved Emissions Monitoring

Taking the Greenhouse Gas Protocol (GHG) – a global standard for the recording of greenhouse gas emissions – as its guide, Sartorius Stedim Biotech expanded the reach of its greenhouse gas emissions recording in the reporting year and significantly increased the level of detail captured. Emissions are categorized into three broad scopes: Scope 1 records CO₂ emissions caused directly at the production site, Scope 2 determines indirect emissions that arise in the course of power generation by external energy suppliers and Scope 3 considers all other CO₂ emissions associated with factors such as the manufacture of precursor products and distribution operations. Sartorius already reports Scope 1 and Scope 2 emissions and intends gradually to integrate Scope 3 emissions into its CO₂ accounting right along the value chain.

Our application of the GHG accounting method means that beginning in 2013, we now consider – and report in CO₂ equivalents (CO_{2eq}) – emissions not just of CO₂ but of all of the gases of relevance to climate change. The data for the previous year has been converted accordingly in order to make year-on-year comparisons more meaningful.

Greenhouse gas emissions at Sartorius Stedim Biotech S.A. developed as follows in 2013:

Energy consumption and greenhouse gases

	2013	2012 ¹⁾
Total energy consumption (in MWh)	68,952	61,110
- of which electricity	38,400	33,460
- of which natural gas	27,434	26,294
- of which fuels ²⁾	2,685	997
- of which other energy sources	433	359
Total Greenhouse Gas Emissions (in t CO_{2eq})³⁾	24,543	21,358
- Scope 1 ⁴⁾	6,834	6,015
- Scope 2	17,709	15,232
Key Indicators		
CO _{2eq} -Emissions per employee (in t)	9.2	8.5
CO _{2eq} -Emissions per sales revenue (in t/Mio. €)	41.7	39.3

¹⁾ All figures for 2012 corrected ex post because of inconsistencies

²⁾ Data range covers diesel consumption for electricity generators

³⁾ Emissions in t of CO_{2eq} were calculated by the University of Applied Sciences and Arts Goettingen using emission factors listed in professional software called "GaBi"

⁴⁾ Scope 1 excluding fuel consumption for car fleet

Scope 2 emissions from the consumption of electricity, which account for almost three quarters of the company's total emissions, represent the main source of emissions for Sartorius Stedim Biotech. The other quarter can be attributed largely to the combustion of fossil fuels (Scope 1).

The total amount of carbon released in solvent emissions, which occur principally in filter production at the Goettingen and Yauco sites, stood at about 50 metric tons in the reporting year. The share of this figure of relevance in terms of greenhouse gas emissions is taken into account in calculating the CO₂ equivalents figure.

Efficient Use of Energy

Sartorius Stedim Biotech strives to adapt to the consequences of climate change and to lower its own greenhouse gas emissions. Finding ways to improve our company's energy efficiency is one of our main approaches to reducing carbon dioxide. Our largest Group site in Goettingen accounts for approximately three-fourths of energy consumption. The newly

introduced energy management system at the two Goettingen sites and at the nearby Guxhagen site enables us to identify further strategic opportunities to reduce energy consumption. We intend to have certified this energy management system, as specified in ISO 50001, in 2014. Overall energy consumption at the Goettingen site has increased at a much slower rate than sales revenue over the last few years. The adoption of modern technology, including an energy efficient combined heat and power (CHP) plant and a compressed air center for controlling production machines, has brought reductions in annual carbon dioxide emissions of around 5,600 metric tons. The use of intelligent control systems enabled us to realize additional energy savings of 1,300 MWh in the reporting year. Sartorius Stedim Biotech will be commissioning a second combined heat and power plant at the Goettingen site in early 2014.

At its international sites as well, Sartorius Stedim Biotech continuously develops its manufacturing processes and enhances its building facilities to conserve resources. Particularly at our new buildings, we are increasing the proportion of renewable energy sources in our energy mix. At our plant in Yauco, we cover an estimated 9% of our energy consumption requirements on site from solar energy. Furthermore, at our Guxhagen factory in Germany, we source a part of our energy needs from the local photovoltaic plant and make use of geothermal energy.

On the whole, our strategy of supplying our local markets as far as possible directly from our local production facilities helps shorten transportation routes and thus lower carbon dioxide emissions.

Reducing Climate Change

Since 2010, Sartorius Stedim Biotech has been measuring Scope 3 as well as Scope 1 and Scope 2 emissions at its main production site for single-use bags in Aubagne. Using the "Bilan Carbone" method, we also measure total emissions of carbon dioxide and other greenhouse gases in all of the processes upstream and downstream of our own production operation. The analysis for 2012 found that business and work-related travel by employees account for around 22% of our environmental footprint. Other sources of CO₂ include raw materials obtained by Sartorius Stedim Biotech from its suppliers (19%), freight transport (18%) and packaging (10%). We have

drawn up a plan of action to make further cuts in the site's CO₂ emissions based on these findings. In 2013, for example, we set up, for the employees working on the site of Aubagne a moving plan to encourage carpooling and public transportation.

Sustainable Use of Water

Most of the water that Sartorius Stedim Biotech consumes is used for rinsing processes in the manufacture of filter membranes according to the precipitation bath method. Advanced casting machines help ensure the most efficient use of water. At its sites in Goettingen, Germany, and in Bangalore, India, the company operates its own water treatment systems, thus contributing to sustainable use of this raw material. According to our estimates for Yauco, Sartorius Stedim Biotech reduces its usage of drinking water by approximately 85% compared with a conventional plant. This is based on the low water strategy implemented inside its new building. Just as at our plant in India, we achieve this reduction through measures including an intelligent solution for making use of rain water.

Water Consumption

	2013	2012
Water consumption (in cbm)	280,705	297,450
Water consumption per employee (in cbm)	105	118
Waste water (Biological Oxygen Demand-BOD) ¹⁾ (in t)	175	175

¹⁾ Contaminated wastewater only; without sanitary wastewater

Return of Recyclable Materials

Sartorius Stedim Biotech strives to reduce the amount of waste generated and, by using waste sorting systems, contribute toward enabling reusable materials to be recycled and the proportion of waste stored in landfills to be lowered. Moreover, the company safely disposes of hazardous waste.

Amount of Waste

	2013 ¹⁾	2012
Total amount of waste (in t)	2,949	2,972
- of which waste for recycling	1,499	1,869
- of which waste for disposal	1,460	1,104
- of which non-hazardous waste	2,399	2,285
- of which hazardous waste	560	687
Waste per employee (in t)	1.11	1.18
Recycling rate (in %)	51	63
Proportion of hazardous waste (in %)	19	23

¹⁾ Regarding waste indicators in India, the group implemented a working group in order to improve the reliability of data reported.

Organic solvents, which Sartorius Stedim Biotech needs for manufacturing membranes for filter cartridges, are recovered and recycled. The Goettingen facility, which accounts for most of our solvent use, has a solvent reprocessing plant on site so that solvents can be used, recovered and fed back into production operations again without ever leaving our premises. In this way, we maintain closed material cycles, minimize transport requirements, and reduce the quantity of water used and the volume of waste water produced. By conducting our own research and development, we have also achieved an overall reduction in the amount of solvents required in membrane manufacture. In order to reduce consumption of polyethylene packaging, Sartorius Stedim Biotech has switched delivery of polypropylene from sack to silo for manufacture injection-molded components required for single-use products.

As a supplier to the pharmaceutical industry, Sartorius Stedim Biotech is currently prohibited by regulatory requirements from using recycled plastics on the grounds of product safety. Yet we consistently send our plastic waste for recycling or have it disposed of in an environmentally responsible way. To name an example, in 2013 approximately 91% of all waste produced at our French sites in Aubagne and Lourdes and our Tunisian site in Mohamdia were recycled. Energy-rich, but composite, plastic waste resulting from our bag manufacture was used to generate energy by incineration in a special power plant. The larger proportion of polymer waste was separated and collected according to type of material, such as polyamide and polyethylene, and reused as secondary materials. In the reporting year, we reduced paper consumption at the sites mentioned by a further 10% and returned waste paper for recycling or disposal in an environmentally responsible manner.

Sartorius Stedim Biotech complies with the European Directive on Waste from Electrical and Electronic Equipment (WEEE). At our sites in Germany, we have been using the electronic signature for hazardous materials, such as caustic solutions and oil, since 2010. As a result, we document the production of hazardous waste and provide digital proof of its proper recovery and/or disposal, ensuring that such waste is fully tracked from end to end.

Environmentally Friendly Expansion of Our Infrastructure

When expanding its infrastructure, Sartorius Stedim Biotech is in line with local regulations and practices for land use. Inside our new buildings and extended production facilities, we integrate advanced ecological utilities and technologies, e.g. regarding energy consumption, preventing waste, limiting noise pollution and reducing scrap resulting from manufacturing processes. In doing so, we often exceed the requirements imposed on us by local environmental protection regulations. The Sartorius Stedim Biotech site at Yauco, which we expanded in 2012 to serve as the central manufacturing and logistics site for the North American market, meets the highest U.S. standards for green, resource-saving and efficient construction. In 2012 we became the first pharmaceutical industry supplier worldwide to achieve Platinum-level certification under the U.S. Green

Building Council's LEED initiative. In Goettingen, we have invested in particular in energy-efficient air-conditioning systems and ventilation equipment and use energy-saving LED lighting. At our Guxhagen site, we substantially reduce our consumption of fossil fuels by using geothermal and solar energy. Because our manufacturing plants are mostly situated in industrial areas, noise pollution for residents is not a relevant issue for the company. We care for biodiversity, but estimate that our impact on biodiversity is low and, therefore, do not consider any action necessary in this area for the time being.

Sustainable Product Innovations

Our efforts to optimize the environmental performance of our products and production methods begin at the research and development stage. Wherever safety and functionality permit, we increase the proportion of renewable raw materials used and reduce packaging. Sartorius Stedim Biotech also works with partners from industry and the scientific community on sustainable product solutions and efficient use of raw materials. For instance, we explore the possibilities for obtaining polymers for membranes and capsules from renewable raw materials or recycled substances, or determine the green house gas emissions released during the manufacture of filter cartridges.

Use of Raw Materials According to Legal Regulations

Sartorius Stedim Biotech has established a material management system that tests the safety of all raw materials we use for compliance with environmental protection and occupational safety regulations. In Europe, these include the international RoHS Directive ("Restriction of the use of certain hazardous substances in electrical and electronic equipment") and the European REACH Regulation ("Registration, Evaluation, Authorisation of Chemicals"), as well as with comparable international standards. Customers are informed by safety data sheets, product safety information and warnings and alerts in operating instructions about any hazardous substances present in products.

Sartorius Stedim Biotech intends to gradually introduce various new indicators for raw material use over the next few years. We began in the reporting year with quantitative data for chemicals: the Group purchased 2,955 metric tons worldwide in 2013 for use in manufacturing its products.

High-Performance Products Improve Customers' Environmental Footprint

Single-use products are becoming increasingly widespread in the manufacture of innovative, effective medications. They are not only practical under economic aspects, but also provide ecological benefits: compared with conventional equipment made of steel and glass, single-use products eliminate the need for resource-intensive cleaning processes with ultrapure water as well as for subsequent waste-water processing. Studies have shown that single-use products made of plastic are far superior to complex reusable systems in their consumption of energy, water and chemicals over the product lifecycle. Experts have compared approaches based primarily on reusable materials with approaches based predominantly on single-use materials across various scenarios, including a typical industrial manufacturing process for monoclonal antibodies. The result is clear-cut: manufacturers employing mostly single-use solutions consume around 87% less water and 30% less energy. In addition, the experts found that the deployment of single-use solutions reduces the size of production units. Manufacturers are said to require 30% less space, thus also saving energy and materials. Other research has confirmed that the energy required for sterilization, cleaning and materials in processes based on single-use products is around half that of conventional processes.¹⁾

Although single-use products have clear ecological benefits regarding energy and water consumption, their use generates more waste. Yet consistent reuse and recycling could improve environmental performance here as well. The ultrapure plastics we use to manufacture our various single-use products contain around 80% to 90% of the energy of pure crude oil and are thus valuable secondary raw materials. The high energy content of polymers, for example, means that they can be reused as fuel in heat and/or power generation.

The integrated solutions of the Sartorius Stedim Biotech FlexAct product range are a further example of this approach: beyond the ecological benefits generally offered by single-use technologies, FlexAct solutions reduce the need for stationary installation of equipment and thus the quantity of materials consumed. The versatile central control unit of FlexAct, for instance, can be used in a number of different biopharmaceutical processes.

Technical refinements to its membrane filter series enabled Sartorius Stedim Biotech to slash consumption of ultrapure water for wetting and rinsing the membranes by around 95%. The filters' significantly lower adsorption lessens the amount of high-value protein solutions lost. As a result, pharmaceutical manufacturers can substantially reduce the quantity of resources they use, while recovering higher yields.

Our Services unit assists customers in adapting solutions optimally to their requirements on site. We always analyze customer processes as a whole and identify potential for both financial and ecological improvements. In this way, we contribute to making the processes of our customers more efficient and more environmentally compatible.

¹⁾ Sinclair A., Lindsay I., et al.: The Environmental Impact of Disposable Technologies. BioPharm Int. November 2, 2008. www.biopharmservices.com/docs/EnvironmentImpactDisposables.pdf; Rawlings B., Pora H.: Environmental Impact of Single-Use and Reusable Bioprocess Systems. BioProcess Int. February 2009: 18 - 25

Contributing to Society

Our business activities have many positive effects on the progress of the cities and communities in which Sartorius Stedim Biotech is based, for many years in most instances. We are often one of the largest local private employers and contractors in the area at our main manufacturing sites and consequently play a significant role in helping to increase local growth and purchasing power. Together with its cooperation partners, Sartorius Stedim Biotech actively help shape the economic and social environment. By providing financial support to projects in the spheres of education, culture, social affairs and sports, we contribute toward making the regions in which we operate more attractive for current and future Sartorius Stedim Biotech employees alike.

Our social outreach activities targeting areas beyond our home regions concentrate on fields that have a connection to our core business. Fostering research and education and supporting events for the scientific community remain our chief priorities.

Contributing Toward Regional Employment and Development

The relatively large production facilities of Sartorius Stedim Biotech in Aubagne, Yauco and Goettingen are among the key industrial employers in their respective regions. For instance, at our headquarters in Aubagne, a city with some 40,000 inhabitants, we provide attractive long-term jobs for a good 400 people. As a member of the large French employers' organization MEDEF, Sartorius Stedim Biotech collaborates closely with national and local institutes to help improve the job market situation. Our expanded Yauco plant provides employment for almost 300 people directly with Sartorius Stedim Biotech and for another approximately 100 people with local service providers and suppliers. Sartorius Stedim Biotech is one of the larger private employers in the university town of Goettingen with a local workforce of over 1,000 people and is also a major force in the local economy of the rural region surrounding nearby Guxhagen.

Our local subsidiaries are involved alongside representatives from the political, industrial and social communities in initiatives to strengthen the competitiveness of their respective regions. We focus here on areas that are directly or indirectly related to our business activities, such as infrastructure, logistics, environmental protection and education. We maintain an open and constructive dialogue with the various local stakeholders and inform them promptly and comprehensively about all our activities and developments that affect their concerns.

For standard functions, such as maintenance of machines and buildings, plant security or cafeteria operations, we use the services provided by various subcontractors at our local sites. Contracts for such services are awarded according to a standardized and transparent bidding procedure to companies that are mostly locally based. Sustainability criteria play a role in supplier assessments. The code of conduct for suppliers and subcontractors, which Sartorius Stedim Biotech drew up in 2013, requires them to comply with recognized quality and environmental standards. A supplier evaluation program is currently in preparation. Sartorius Stedim Biotech works with approximately 19 subcontractors at our French sites and 11 further providers of recruitment and training services. At our sites in Germany, we have long-standing relationships with 22 subcontractors.

Promoting sustainable development, long-term cooperation and reliable partnerships is a key tenet of our policy. In Aubagne, we have collaborated for many years with the local community. In Goettingen, we actively participate in several initiatives and networks, including the local climate protection initiative to reduce carbon dioxide emissions. Sartorius Stedim Biotech helps to enhance education, such as by granting scholarships and assisting with career guidance, and funds the charitable work of non-governmental organizations. For example, in Goettingen, the company operates as an industrial partner of several high schools and of the University of Goettingen. In Yauco, we cooperate with several public schools and award about 20 scholarships for both excellent students and students from low income families. Sartorius Stedim Biotech also supports cultural events and was one of the group of sponsors behind the cultural program presented in 2013 as part of Marseille's year as European Capital of Culture.

Supporting Students and Graduates

Sartorius Stedim Biotech ensures that it gains young talent through dedicated programs and alliances. Our international Bioscience Scholarship provides financial, technical and personal support to students and graduates in scientific and technical disciplines. The program is intended to attract appropriately qualified young people, particularly from the global growth markets, to our company and enhance international project activities at Sartorius Stedim Biotech. At the Group's headquarters in Aubagne, we collaborate with several schools and universities, including the École d'Ingénieurs in Marseille, to give recently qualified biotechnology engineers the opportunity to gain professional experience as application engineers in marketing. In 2013, we entered into a new partnership with the École Nationale Supérieure de Technologie des Biomolécules and will be providing a scholarship for a student of our choice. We also extended our collaboration with the École Nationale Supérieure des Arts & Métiers, students of which had the opportunity to attend company workshops, in the reporting year.

Helping young people from low-income families gain access to scientific and technical careers was another priority of our activities in the year under review. Sartorius Stedim Biotech supported the California nonprofit organization Biotech Partners, which organizes internships and other opportunities for disadvantaged young people.

Sponsoring Events for the Scientific Community

In addition to maintaining long-term alliances with scientific institutions, Sartorius Stedim Biotech regularly takes part in symposia, conventions and annual conferences. Examples in 2013 included a number of scientific events for the bioprocess industry covering subjects such as the development of antibodies and vaccines. Sartorius also supported the annual conference of the U.S.-based Parenteral Drug Association (PDA) and various PDA conventions, including events for single-use systems and microbiological analysis.

Statutory Auditors' Report on the review of environmental, social and societal information

Statutory Auditors' Report on the review of environmental, social and societal information published in the management report

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers.

Year ended December 31, 2013

For the attention of the Shareholders,

In our capacity as Statutory Auditor of Sartorius Stedim Biotech, and designated as an independent third-party entity, whose request for accreditation was deemed admissible by the French National Accreditation Body (COFRAC), we hereby present you with our report on the social, environmental and societal information presented in the management report prepared for the year ended December 31, 2013 (hereinafter the "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (Code du commerce).

Responsibility of the company

The Board of Directors of Sartorius Stedim Biotech is responsible for preparing a management report including the CSR Information provided by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting criteria used by Sartorius Stedim Biotech (the "Reporting Criteria"), some of which are presented throughout the management report and are available on request from the company's registered office.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third

paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR information);

- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a three-man team between January 28 and February 7, i.e. a period of around two weeks. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional standards applicable in France, the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment¹⁾ and, with regard to the fairness opinion, ISAE (International Standard on Assurance Engagements) 3000²⁾.

1. Attestation of completeness of the CSR Information

Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs³⁾.

We have compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission⁴⁾ of certain consolidated information, we have verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

¹⁾ Order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment

²⁾ ISAE 3000 – Assurance engagements other than audits or reviews of historical information

³⁾ Article A.225-2

⁴⁾ Art R.225-105-2 II a

We have verified that the CSR Information covered the consolidated scope, i.e., the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological memo paragraph presented in the management report.

Based on our work and considering the aforementioned limits, we attest to the completeness of the required CSR Information in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of procedures

We held seven interviews with the persons responsible for preparing the CSR Information with the departments in charge of the CSR Information collection process and, when appropriate, those who are responsible for internal control and risk management procedures, in order to:

- assess the appropriateness of the Reporting Criteria with respect to its relevance⁵⁾, completeness⁵⁾, reliability⁵⁾, neutrality⁵⁾ and clarity⁵⁾, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, process, and check the CSR Information with regard to its completeness and consistency and familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information⁶⁾.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR information that we consider to be most significant:

- for the consolidating entity, we consulted the documentary sources and held interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations as well as the data consolidation and we verified their consistency with the other information shown in the management report;

- for a representative sample of entities⁷⁾ that we selected according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence. The selected sample represented on average 51% of the quantitative information.

Regarding the other consolidated CSR information, we have assessed its consistency in relation to our knowledge of the Group.

Finally, we have assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Informations cannot be totally eliminated.

⁵⁾ Section 20 NEP 9090

⁶⁾ Art A.225 - 3-I

⁷⁾ Sartorius Stedim FMT S.A.S and Sartorius Stedim Biotech GmbH

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

Observations

Without qualifying the above conclusion, we draw your attention to the following matter: For the calculation of the waste indicators, it is specified in the Reporting Criteria under the "Recovery of recyclable materials" paragraph that, due to the insufficient level of internal control, the reliability level of reporting for waste is lower than that for other indicators.

Marseille, February 24, 2014

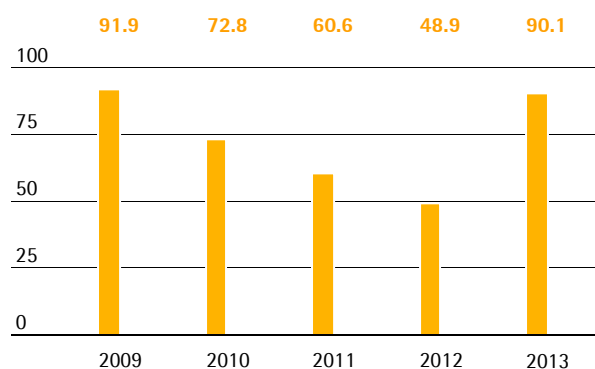
Deloitte & Associés
Christophe Perrau

Net Worth and Financial Position

Cash Flow

The Sartorius Stedim Biotech Group substantially increased its net cash flow from operating activities to €90.1 million in the reporting period compared with the year-earlier figure of €48.9 million. Essentially, this gain was driven by higher earnings. Moreover, net operating cash flow of fiscal 2012 was impacted by non-periodic tax payments.

Net Cash Flow from Operating Activities
€ in millions



As planned, net cash flow from investing activities (before taking into account cash flows from acquisitions and disposals of subsidiaries) of €28.3 million was below last year's figure of €38.4 million that, however, included several large capacity expansion projects. Investments were mainly related to several small- and medium-size projects in production.

Including cash outflows related to the acquisitions of cell culture media business and the TAP Biosystems Group, respectively, net cash flow from investing activities amounted to €73.4 million compared with €32.9 million in 2012. Thus, the Group has mainly financed its investments and acquisitions from operating cash flows.

Cash Flow Statement Summary

€ in millions	2013	2012
Net cash flow from operating activities	90.1	48.9
Net cash flow from investing activities and acquisitions	-73.4	-32.9
Net cash flow from financing activities	-8.0	-34.3
Cash and cash equivalents	35.6	27.8
Gross debt owed to banks	165.6	141.5
Net debt owed to banks	130.0	113.7

Consolidated Balance Sheet

The balance sheet total of the Sartorius Stedim Biotech Group increased by €77.4 million to €871.2 million between December 31, 2012, and the reporting date on December 31, 2013. This was mainly due to the acquisition of the TAP Biosystems Group, the expansion of our production capacities and the buildup of working capital, predominantly induced by sales growth.

On the assets side, non-current assets rose from €568.0 million in 2012 to €612.7 million in 2013, primarily due to the previously mentioned acquisitions and the investments made in our production capacities.

Current assets grew from €225.8 million to €258.5 million. This was due to a buildup of €22.5 million in working capital, which was partly related to the acquisition of TAP Biosystems.

Key Working Capital Figures¹⁾
in days

		2013	2012
Rate of turnover for inventories			
Inventories			
Sales revenue	x 360	54	56
Rate of turnover for receivables			
Trade receivables			
Sales revenue	x 360	63	61
Rate of turnover for net working capital			
Net working capital ²⁾			
Sales revenue	x 360	80	80

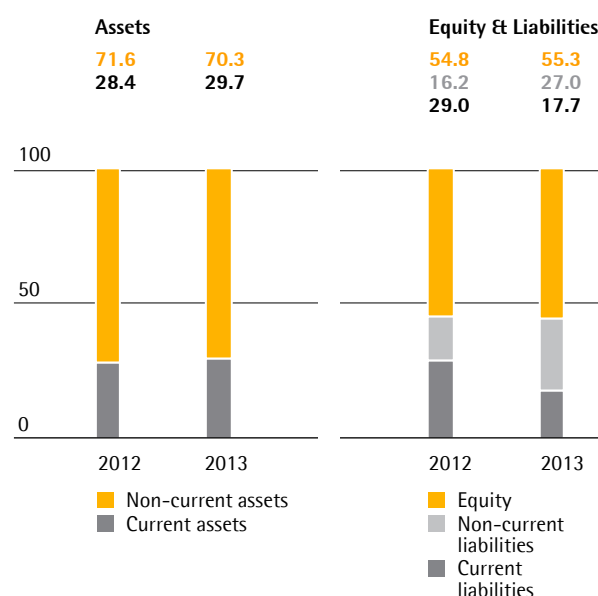
¹⁾ For better comparability, the pro forma sales revenue of TAP Biosystems was completely included for 2013.

²⁾ Sum of inventories and trade receivables less the trade payables

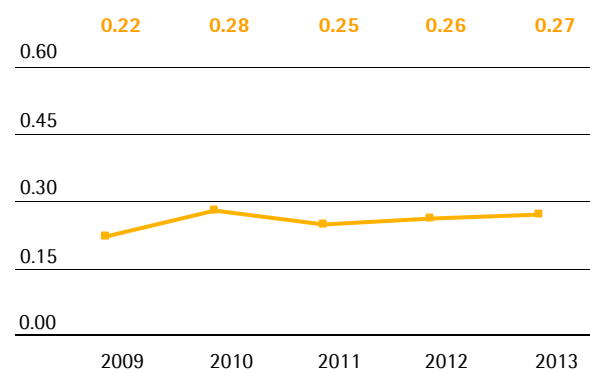
Equity was up from €435.0million in 2012 to €481.8million in 2013. The Sartorius Stedim Biotech Group's equity ratio rose slightly to 55.3% (December 31, 2012: 54.8%) and thus remained at a very comfortable level.

Non-current liabilities were markedly up at €235.0million as of December 31, 2013, compared with €128.4million as of December 31, 2012, while current liabilities were down year over year from €230.5million to €154.4million. This was mainly related to a change in maturity of our syndicated loan, which we refinanced in the reporting year.

Overall, gross debt increased from €141.5million as of December 31, 2012, to €165.6million as of December 31, 2013. Net debt as of the reporting date stood at €130.0million compared with €113.7million a year ago.

Balance Sheet Structure
in %

The ratio of long-term capital to fixed assets increased from 100.9% to 118.9%. The gearing ratio, which is calculated as the ratio of net debt to equity, remained at a very strong level of 0.27 (December 31, 2012: 0.26).

Gearing Ratio

Financing | Treasury

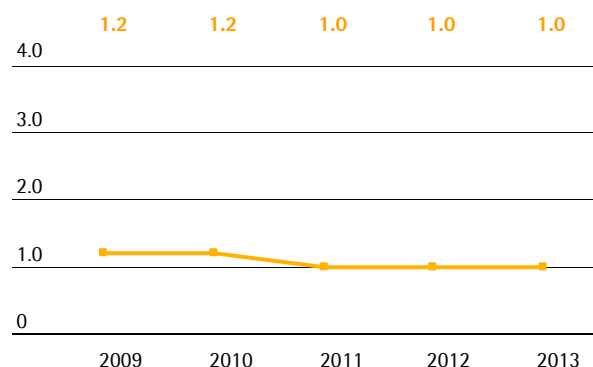
The Sartorius Stedim Biotech Group is financed on a long-term, well-diversified basis. An element of this financing is a syndicated credit facility, which was refinanced in the reporting year. As a result, the Sartorius Stedim Biotech Group entered into a new syndicated loan agreement with a volume of €250 million and a term until September 2018.

Furthermore, a long-term loan agreement with a volume of currently €22 million has been concluded with the Kreditanstalt für Wiederaufbau (KfW) relating to investments in production capacities.

Another element of our financing structure is a factoring program with a maximum volume of €35.0 million. Moreover, we have diverse bilateral credit lines of approximately €25 million in total.

The ratio of net debt to underlying EBITDA remained unchanged at 1.0 for the year ended December 31, 2013. The interest coverage ratio (ratio of underlying EBITDA to interest payable) stood at 25.9 (December 31, 2012: 27.9). Hence, these key financials remained at excellent levels.

Ratio of Net Debt to Underlying EBITDA



As a consequence of our global sales and distribution structure, we generate payments in various foreign currencies. Essentially, these are payments in U.S. dollars, Japanese yen and British pounds. Because of this, we are affected by currency fluctuations, especially in the exchange rate of the euro to the U.S. dollar. Using our global manufacturing network with production facilities outside Germany and France – in North America, the U.K. and India – we can compensate for the majority of currency fluctuations (natural hedging). We generally hedge about two-thirds of the remaining net currency exposure up to 1.5 years ahead through suitable currency transactions.

The financing of the Sartorius Stedim Biotech Group comprises instruments with both fixed and variable interest. We generally target to hedge about two-thirds of our bank loans that we have taken out so far at variable interest rates against an increase in the general interest rate level.

Key Financials

	2013	2012
Net-debt-to-Underlying EBITDA ratio¹⁾		
Net debt		
Underlying EBITDA ¹⁾	1.0	1.0
Interest coverage		
Underlying EBITDA ¹⁾		
Interest expenses	25.9	27.9
Gearing		
Net debt		
Equity	0.3	0.3

¹⁾ For more information on underlying EBITDA, please refer to the group business development chapter and to the glossary.

Risk and Opportunity Report

Every entrepreneurial act entails opportunities and risks. These opportunities and risks have to be managed and the skill with which this is done goes a long way to determining the future prospects of the company. Sartorius aims in its management of opportunities and risks to identify and exploit business opportunities systematically and to recognize and evaluate risks at an early stage and take measures to counter them where possible. It is unrealistic to expect risk management to eliminate all risks: our approach is consciously to accept a certain measure of risk in our entrepreneurial activities in order to be able to make use of opportunities successfully. It is most important in this connection to keep risks contained within acceptable limits and to control them carefully.

Sartorius has no single unit charged with managing opportunities and risks and prefers instead to make this function an integral element of the Group-wide planning and control system as described below.

Managing Opportunities

Our opportunity management centers on the analysis of target markets and sector environments and the assessment of trends, both of which give strong indications as to future business opportunities. The identification of the potential for development in this context is one of the key roles of the relevant managers and initially takes place at the local rather than the central level. The market-facing functions, such as the strategic marketing and product management departments in the individual divisions, play a leading role in this respect. The central Business Development section assists these departments with market monitoring, data analysis and the implementation of strategic projects.

The members of the Group Executive Committee regularly discuss short-, medium- and long-term opportunity potential for the various business areas with the managers having operational responsibility and the Business Development department as part of strategy reviews. The subsequent steps of prioritizing the opportunities and evaluating them from a business administration perspective, deriving strategic measures and allocating resources proceed in accordance with a standardized decision-making process that applies

throughout the Group. If the opportunities are short-term in nature, they are considered in annual budget planning. Medium- and longer-term opportunities are tracked systematically in the course of strategic planning. The status of opportunity management as a permanent fixture of the corporate management system means that it also features in the discussions and decision processes of the senior management bodies.

Key areas of opportunity are presented below. Where appropriate, reference is made to the relevant section of the Group Management Report in order to avoid repetition. Most of the risks presented in the section on specific risks could equally be seen as representing an opportunity should events develop in the opposite direction. These opportunities we accordingly discuss in the section on specific risks and opportunities at the end of this part of the document.

Areas of opportunity

The pharmaceutical and laboratory sectors from which Sartorius draws its customers combine strong growth and an appetite for advanced technology. The significant opportunities generated by the various market and technology trends are described in detail in the "Sector Conditions" and "Outlook for the Sectors" sections on pages 21 and 58.

Our assessments rank the company as one of the global market leaders in many subsegments and product areas and we believe the high quality of our products, our strong brand recognition and our established customer relationships put us in a very good position to continue building on this leading market position. The corresponding strategies and the growth opportunities and initiatives based on them are discussed in the section concerning the strategy which begins on page 18.

We also have access to opportunities to realize further improvements in our profitability through strict management of processes and costs. Key target areas in this respect include further improvements to our procurement chain and ongoing efforts to optimize production, which we present on page 30.

Other opportunities are discussed in the context of the presentation of specific risks and opportunities beginning on page 50.

Risk management

Just as in the case of opportunity management, overall responsibility for the maintenance of an effective risk management system ensuring comprehensive and consistent management of all material risks rests with the Board of Directors. Responsibility for coordinating and developing this system rests with the Internal Control Systems & Compliance corporate department. The Audit Committee of Sartorius Stedim Biotech S.A. monitors the effectiveness of the risk management system.

Risk Management System and Risk Reporting

At the heart of the risk management system sits the Sartorius Group Risk Management Handbook, which applies throughout the organization. The Handbook, which includes definitions of the framework, the structural organization, processes, risk reporting and the monitoring and control of the effectiveness of the risk management system, is based on the internationally recognized COSO standard. There are also a number of other sources that contain stipulations for the handling of risks, including the bylaws and rules of procedure of the Group companies and other internal guidelines.

The Group-wide risk reporting system forms the cornerstone of internal risk communication. The object is to make it possible to address risks in a structured manner and on a continuous basis and to document them in accordance with the relevant statutory and regulatory requirements.

The prescribed reporting process requires the heads of the central departments and the managing directors of the various Group companies to review the risk situation within their area of responsibility on an ongoing basis and to report on their findings every quarter. This process involves evaluating specific risks by probability of occurrence and scale of potential impact and reporting cases to the central risk management function whenever defined thresholds are breached.

We have an urgent reporting procedure in place to ensure that when a new or emerging significant risk to our net worth, financial position and profitability is identified, the Executive Board receives all of the necessary details without delay.

Risk classification

The first level of risk management relates to the four main risk categories defined by Sartorius: external risks, operating risks, financial risks and corporate governance risks.

The second level consists of additional sub-categories within these main categories, such as legal risks, production risks, receivables risks and organizational risks.

The process also includes allocation to functional categories, for example supply chain, sales and distribution or human resources, in accordance with the Group's structural organization.

We categorize risks according to the scale of their implications too and also perform a specific evaluation in which all risks are assigned the value of their maximum impact at the time of the risk analysis (that is to say we record the maximum risk without considering the probability of occurrence or the effects of risk alleviation measures).

Specific Risks and Opportunities

General and Macroeconomic Risks and Opportunities

The nature of our various business areas means that Sartorius as a whole is insulated to a certain extent from the full force of wider cyclical effects. If economic developments prove more positive than expected, this in turn can stimulate stronger growth for the two divisions.

Our ability to foresee and mitigate the direct and indirect effects of risks in the broader sense, for example currency crises or natural disasters and associated damage to commercially significant and critical infrastructure, is limited.

Supply Chain Risks and Opportunities

Our supply chain extends all the way from procurement to production to sales and distribution. Problems within this sequence can have consequential effects including delays in deliveries. The global supply chain management system we have introduced throughout our production processes to prevent such problems largely minimizes the associated risks by analyzing and controlling all of the operations involved. The strongly international alignment of our organization opens up a whole series of opportunities too. The various risks and opportunities encountered within our supply chain are explained in detail below.

Procurement Risks and Opportunities

We purchase a wide range of raw materials, components, parts and services from suppliers and are consequently exposed to the risks of unexpected delivery bottlenecks and/or price increases. Our global supply chain management system reduces these risks by enabling us to monitor and supervise procurement activities. Moreover, we conduct regular supplier reviews and also use early warning systems. We continued to increase the number of master agreements concluded to safeguard supplies with suppliers of strategically important raw materials in fiscal 2013. We always maintain reserve inventories for strategic raw materials too and work with multiple suppliers where possible. We created a risk manager function in purchasing in 2013 within the material group management system. The principal task of this function is to classify both our suppliers and the materials to be purchased according to risk factors and to derive and implement necessary risk containment measures on this basis.

Opportunities can arise in the area of procurement when our growth enables us to increase order quantities and thereby strengthen our position with our suppliers. Increased globalization of our supplier pool holds out the prospect of purchasing on more favorable terms, moreover, and there is also a possibility of our expanded purchasing activities in the international markets leading us to identify suppliers with special product and technical expertise that could eventually enhance our own competitive edge.

Production Risks and Opportunities

We manufacture a large proportion of the products that belong to our core areas of technical expertise and involve a high level of vertical integration ourselves. Examples include bags and filters. Other products, such as reusable fermenters and bioreactors, are manufactured in collaboration with suppliers such that some of the production risk is transferred to external third parties. When we manufacture products ourselves, we also bear the associated risks of capacity bottlenecks/overcapacity, production downtimes, excessive reject rates and high levels of tied-up working capital. We contain and reduce these risks by planning production capacities carefully, using versatile machines, semi-automated individual workstations and flextime work schedules, and by continuously monitoring the production process. Moreover, our global manufacturing network enables us to compensate for any capacity bottlenecks by shifting production to other regional plants.

We consider it an opportunity that the various production facilities are able to concentrate on specific production technologies and, as a result, refine their production operations for greater efficiency. Our international production network also makes it possible to capitalize on the cost advantages offered by individual sites. Furthermore, continuous improvements in production, such as simplifying processes and increasing levels of automation, can help to drive efficiency even higher.

Sales and Distribution Risks and Opportunities

We make use of a variety of channels to sell and distribute our products around the world. The potential risks entailed are unexpected changes in the demand structure, growing price pressure and non-compliance with supply agreements concluded with customers. We employ targeted market analyses to identify emerging demand trends in individual segments early on so that we have time to respond appropriately. Our technical innovations and our focus on less price-sensitive sales markets, such as products for validated production processes in the biopharmaceutical industry, reduce our exposure to the risk of growing price pressure. We have minimized our risk exposure in the area of logistics in recent years by setting up and using central warehouses to optimize distribution logistics.

Opportunities arise in the area of sales and distribution when the increasing breadth of our product range puts us in a position to sell new products to existing customers. Our business relationships, most of which are built for the long term, and our global presence present opportunities, moreover, and our ongoing project to strengthen direct sales also promises to improve our sales prospects.

Quality Risks and Opportunities

Our customers use Sartorius products in a wide range of critical production processes, including the manufacture of pharmaceuticals and in research and development laboratories. The main risk encountered in these areas is noncompliance with agreed quality criteria, which can lead to losses for our customers for which we may be made liable through compensation claims. We employ rigorous quality checks and modern production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality requirements. These manufacturing methods and processes are subject to constant review under our continuous improvement processes, moreover, and are refined appropriately as requirements evolve. Our successful completion of a host of annual audits by customers and our accreditation under ISO 9001 and ISO 13485 together document the high level of quality achieved in Sartorius products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks. Sartorius has established a traceability system that enables us to recall an entire production batch immediately, if necessary, and minimize any adverse consequences in the event of defects being discovered in a product.

Quality requirements are growing more and more stringent all the time, not least as a result of regulatory pressure, but we actually regard this first and foremost not as a risk but as an opportunity to explore new possibilities in the market. Challenging quality demands represent a considerable barrier to entry for potential new competitors, moreover, and provide stimulus for further technical innovation to which we are only too happy to respond.

R&D Risks and Opportunities

We devote a considerable share of our resources to research and development. Potential risks in this area may arise from development results that diverge from market needs, exceeding planned development deadlines or unintentional transfer of know-how to competitors. Our advanced project management, intensive R&D controlling and early involvement of our customers in the development process substantially limit these R&D risks. Patents and continuous tracking of the technologies and competitors relevant to us secure our technology position.

On the other hand, the R&D sphere also offers all kinds of potential opportunities. Firstly, our intensive collaborations with partners that rank among the global market leaders in their own fields open up the opportunity for us to develop particularly highly innovative products as a joint effort. In areas such as membrane technology, in turn, the expertise of our own specialists puts us right at the very forefront of global research and development and presents us with an opportunity to turn this technical knowledge into potential sales and a stronger position in the market.

Customer Risks and Opportunities

Sartorius draws its key customers from the pharmaceutical and biotech industries and from public sector research and educational institutions. These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. Most of our business areas have a highly diversified customer base, so the Group as a whole is not dependent on individual key accounts to any significant degree. The factoring program we introduced in 2009 keeps our risk exposure as regards trade receivables from customers at a constant low level and we work continuously to improve our receivables management.

Competitive Risks and Opportunities

Sartorius has a leading competitive position in most of its markets. Some of our competitors are larger than us and most share our status as a global operator. Examples include Merck Millipore and Pall. The very substantial technological barriers to market entry and

the fact that we serve a large number of customers from highly regulated sectors like the pharmaceutical industries lead us to assess the risk of new competitors emerging as low. Our global presence helps to attenuate the implications of regional risks significantly.

Changes in the competitive environment, for example consolidation in the markets, can throw up both opportunities and risks. Our sectors find themselves in an ongoing process of change in which Sartorius remains an active participant. We have made acquisitions continuously in recent years to reinforce its market position and open up new potential synergies.

Employee Risks and Opportunities

As an innovative technology group, Sartorius employs a large number of highly qualified people. A possible scarcity of necessary specialists represents an opportunity as well as a risk if the company proves to be particularly good at training and retaining its own staff. We counter the threat of demographic change and of losing employees, especially those in key positions, by offering performance-related remuneration models, targeted continuing professional development options, interesting development opportunities, continuous education and training for rising stars within our organization and a range of other attractive employee benefits. The success of these measures is apparent in the low attrition rates of recent years and the fact that our people tend on average to stay with the company for a long time. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

Financial Risks and Opportunities

The global nature of the Sartorius Group's operations means that its business activities are inevitably exposed to financial risks. The most significant of these, aside from specific risks associated with Group accounting, are exchange rate risks, interest rate risks and liquidity risks, all of which are described below and addressed in detail in the Notes to the Consolidated Financial Statements. Of course some financial risks, most notably exchange rate risks and interest rate risks, are balanced by opportunities of approximately equal magnitude.

Specific Risks Associated with Group Accounting

Specific risks concerning Group accounting can arise, for example, from the arrangement of unconventional or complex transactions that cannot be processed by routine means and from the discretion granted to employees involved in the preparation of the consolidated financial statements in respect of the recognition and measurement of assets and liabilities. The outsourcing and transfer of tasks of specific relevance to accounting to external service providers, such as actuaries and management consultants, may also entail risks. Risks associated with accounting that stem from derivative financial instruments are explained in the Notes to the Consolidated Financial Statements.

Exchange Rate Risks and Opportunities

We generate a good third of consolidated sales revenue in U.S. dollars or in currencies pegged to the U.S. dollar and a smaller proportion in other foreign currencies. Exchange rate fluctuations are consequently a matter of concern for us, especially when converting currencies for balance sheet and income statement items. At the same time, our global production network enables us to offset the lion's share of sales revenues received in foreign currency within the Group against costs likewise incurred in foreign currency. For example, we manufacture many of our products for the North American market locally, and are therefore not disadvantaged in any way in competition with our U.S. rivals. We continuously monitor both exchange rates and our net currency exposure (that proportion of our foreign currency sales revenue that remains after we have settled our costs) and make use of derivative financial instruments, most notably spot, forward and swap transactions, on the basis of current and anticipated net currency exposure and foreign currency levels. We hedge up to 70% of our exposure in advance for the following 18 months. Hedging transactions are set up by one group of staff and monitored by another, separate group.

Interest Rate Risks and Opportunities

We have concluded fixed interest agreements for a portion of our outstanding loans to eliminate the risk posed by variable interest payments. However most of the financial instruments outstanding on the reporting date are subject to interest based on the market rate. Almost two thirds of the lines of credits are currently covered by interest hedges, so interest rate risks and opportunities apply only to the remainder. We monitor interest rate trends and our interest rate exposure

constantly and have the facility to arrange additional hedging transactions where we consider it necessary and economically advisable to do so.

Liquidity Risks and Opportunities

The Sartorius Stedim Biotech Group actively manages liquidity centrally in order to check and minimize liquidity risks and optimize liquidity management within the organization.

The Group uses various financial instruments to ensure long-term liquidity supplies. The Sartorius Stedim Biotech Group has a syndicated loan agreement in place. The established factoring program was continued with a total scope of around €35 million.

The loan agreement for the Sartorius Stedim Biotech Group was refinanced in September 2013. The volume of the new facility, which ends in September 2018, has been increased to €250 million from the previous figure of €161.5 million. The refinancing arrangements have been configured to provide even greater flexibility in capital procurement in future and to diversify our lending base. Remaining terms of two and four and a half years respectively for the loan agreements mean a sound long-term financing base.

We employ various measures for short-term liquidity procurement in our central management of solvency throughout the Group. Credit lines that can be accessed and repaid at short notice have been agreed under the syndicated loan agreement. The individual Group companies also have bilateral credit lines in place on a smaller scale amounting up to €15 million. Cash pooling agreements between selected Group companies are the primary tool used to manage liquidity within the Group. These agreements are gradually being expanded.

Regulatory Risks

Our role as a supplier to the biopharmaceutical industry and health care providers means that Sartorius can also be affected by underlying developments in these areas. The possibility of the regulatory authorities (FDA, EMEA) adopting a more restrictive approach to the approval of new medications remains the principal source of risk in this context. Such a move would reduce the number of new pharmaceutical products to be marketed and would consequently downgrade future prospects for Sartorius over the medium term.

Environmental Risks

Sartorius has established an environmental management system that encompasses, and is integrated into, all divisions and covers a whole series of environmental regulations in order to minimize environmental risks. This system has been certified under ISO 14001 at several of the larger production facilities. Corresponding organizational units at the sites concerned ensure that the related laws and regulations are observed and that additional technical options for limiting environmental risks are identified on an ongoing basis.

IT Risks and Opportunities

The Sartorius Stedim Biotech Group is exposed to potential risks in the realm of IT, in addition to the risks already described, as a result of its pronounced dependence on effective IT systems, whose smooth functioning is essential to its operations. We reduce IT security risks by continuously enhancing and implementing IT security guidelines and policies. These rules and measures are based on the requirements of ISO 27001 and the standards of the German Federal Office for Information Security (BSI Standards). Our company's existing IT applications and IT systems are checked for potential risks in regular external and internal IT audits, moreover, and appropriate measures are taken to minimize any risks identified. Continuous alignment of our IT strategy and business strategy, tracking of new technical developments and the use of advanced hardware and software minimize the risk inherent in the operation of our IT system environment. A new ERP system commissioned by Sartorius at its production site in Goettingen is to be gradually rolled out to the Group sites around the world from 2014. We have paid particular attention throughout the delivery of this IT project to mastering the accompanying risks, not least by maintaining a precautionary backup system, and intend to continue in this vein. The implementation of the new system brings with it a whole series of opportunities, especially in relation to efficiency gains and the standardization and harmonization of business processes worldwide.

Process Risks

We have made allowances on our balance sheet for any pending legal disputes and proceedings that have the potential to produce a substantial negative impact on Group results.

Insurance

We have taken out insurance policies to cover a wide range of risks where possible and economically advisable. These insurance policies include coverage against liability, business interruption, transport, material and pecuniary damages and other risks and provide comprehensive coverage for legal costs. An independent department working in conjunction with an external insurance broker regularly reviews the nature and extent of our insurance protection and makes any adjustments necessary.

Assessment of the Overall Risk Situation and Risk Outlook

Where expedient and feasible, we adopted counter-measures and/or arranged for balance sheet measures during the reporting year to cover all discernible risks within the Sartorius Stedim Biotech Group that had the potential to damage our net worth, financial situation and profitability.

We judge the probability of occurrence of the risks presented here to be low, it being the case that their occurrence could be of material significance to the Sartorius Stedim Biotech Group as a whole or to individual Group companies.

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks that could jeopardize the existence of the Group.

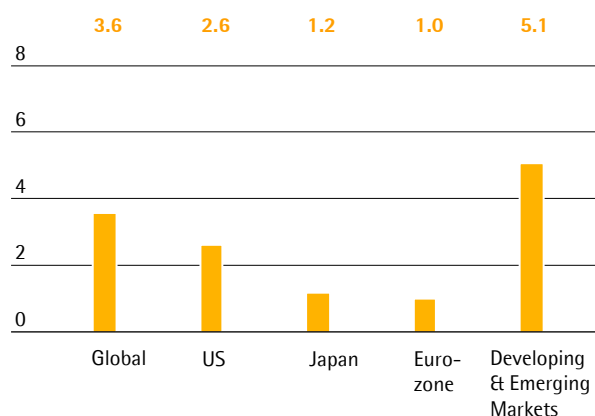
Similarly, based on our current review, there are no discernible risks that could jeopardize the existence of the Group in future.

Forecast Report

Future Macroeconomic Environment

The pace of global economic growth is likely to increase noticeably to 3.6% in 2014 according to figures from the IMF (2013: 2.9%).

Forecasted GDP Growth Rates for 2014
in %



Source: International Monetary Fund

Estimates for the industrialized countries suggest growth for the year of 2.0% (2013: 1.2%).

The IMF expects the rate of economic growth in the U.S. to pick up strongly from 1.6% in the reporting year to 2.6% in 2014. The decisive factors behind this forecast include higher government spending as well continued recovery in the U.S. real estate market.

Germany is expected to see growth of 1.4% (2013: 0.5%), a forecast based primarily on economic recovery within the eurozone and in particular in Germany's most important trading partner France.

The rate of economic growth in France is predicted to improve from 0.2% in the reporting year to 1.0%. This suggestion of increased growth in France reflects an expected upturn in business investment activity in the country.

Forecasts for the two southern countries of the eurozone, Italy and Spain, indicate a return to growth after two years of recession: gross domestic product is expected to expand by 0.7% in Italy (2013: -1.8%) and 0.2% in Spain (previous year: -1.3%). Information from the OECD points to increasing growth in exports and a stabilization of private domestic demand.

IMF forecasts for the emerging countries indicate growth of 5.1% for 2014 (2013: 4.5%). The prime driving force in this grouping will be Asia (China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam), where the rate of growth in economic output is expected to rise from 6.3% in the previous year to 6.5% in 2014. The Chinese economy, which appears set to grow by 7.3% (2013: 7.6%), will again make a strong contribution to the region's progress.

The IMF forecast for Japan suggests the rate of economic growth will drop back somewhat to 1.2% in 2014 (2013: 2.0%) as a result, in the main, of an anticipated gradual winding down of the expansive fiscal policy in effect for some time coupled with weaker private demand following the 3 percentage point increase in sales tax planned for April 2014.

Future Exchange and Interest Rate Trends

The leading central banks are expected to keep interest rates low in 2014, indeed the ECB has made it clear the option of further reductions in its base rate is not entirely off the table.

Forecasts for the euro-U.S. dollar exchange rate over the course of 2014 range between 1.10 euro | U.S. dollar and 1.45 euro | U.S. dollar.

Sources: International Monetary Fund, World Economic Outlook October 2013; Scotiabank: Global Forecast Update, November 2013; Reuters Forex Poll, December 2013; ECB; OECD: Economic Outlook, Volume 2013, Issue 2, November 2013.

Pharmaceutical Industry with Positive Prospects

Demographic change, steadily increasing access to healthcare in the emerging countries and a general rise in lifestyle and chronic diseases look set to remain the primary factors driving expansion of the pharmaceutical industry. New medications, especially those targeting conditions that are currently difficult to treat, will also make a significant contribution to future growth. The expiry of patents and austerity measures to cut healthcare spending, in particular in the industrialized countries, will nevertheless tend to weigh on future growth in the industry.

Market researchers at IMS Health are forecasting overall growth of between 3% and 6% for the global pharmaceutical industry in the period of 2012 to 2017.

Moderate Growth in the Industrialized Nations

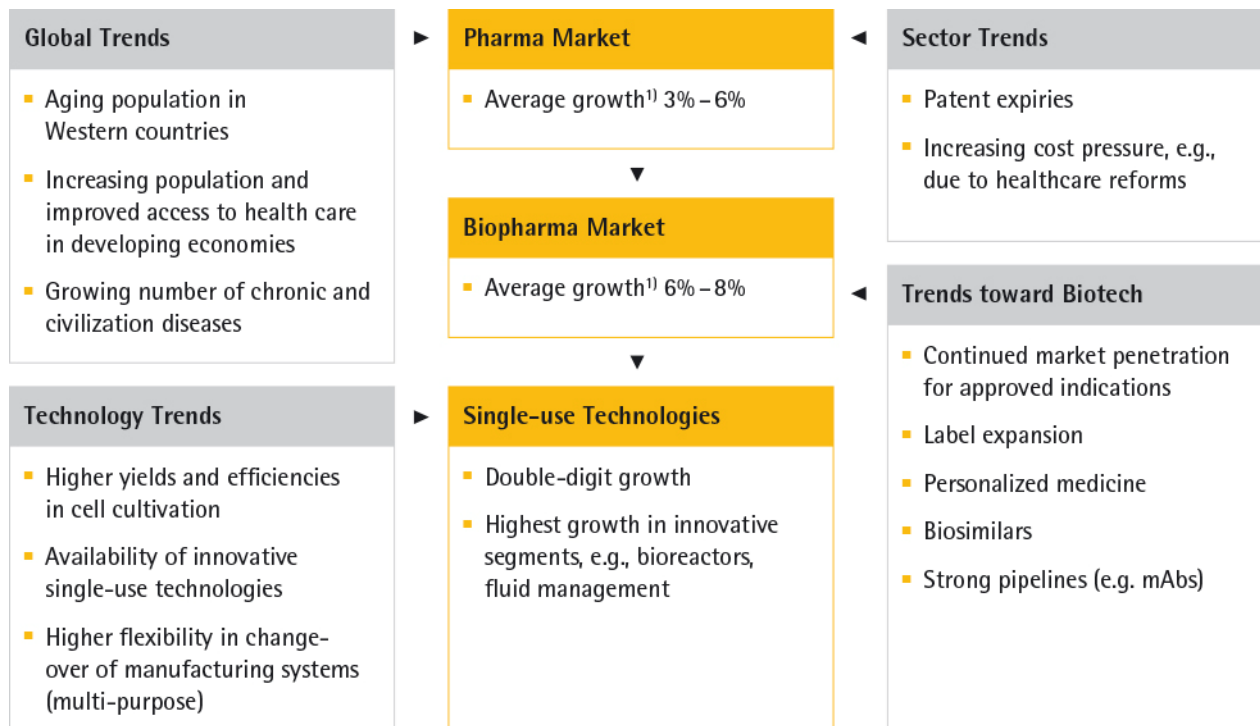
Growth in the North American, European and Japanese regions is expected to remain moderate, at an average of 1% to 4%, in the 2012-2017 period as patent

expiries and austerity measures make their presence felt. The effects of the introduction of state health insurance in the USA are yet to become apparent, but the Japanese government, for example, is planning more or less to double the use of favorably priced generics in the period through 2018.

Emerging Countries Continue to Drive Growth

Growth in the pharmerging markets, in contrast, will remain well above average at around 10% to 13% per year over the 2012-2017 period. Apart from demographic trends, this rapid growth will be driven most notably by rising levels of state investment in healthcare systems and increased private spending, especially among the fast-expanding middle class. Consequently, the share of the global pharmaceutical market accounted for by the pharmerging markets will increase by around ten percentage points to approximately 30% over the next five years.

Pronounced long-term trends drive average growth in the biopharmaceutical industry



¹⁾ Source: IMS: The Global Use of Medicines: Outlook Through 2016 | 2017; Evaluate Pharma: Returning to Growth, June 2013; BioPlan: 10th Annual Report, April 2013

Biotech Sector to Outgrow Market as a Whole

Expert forecasts suggest the biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, will continue to outperform the market as a whole going forward too: the proportion of sales revenue accounted for by medications and vaccines manufactured using biotech methods is expected to rise from currently around 21% to 22% to approximately 25% in the period through 2017.

This continued overproportionate growth will be driven in part by biopharmaceuticals that have already gained approval increasing their market penetration and expanding their range of indications. Additional growth impetus is expected from the segment's

persistently strong research and development pipeline, given that the proportion of new developments based on biological manufacturing processes is particularly high at around 40% of the total pharma pipeline.

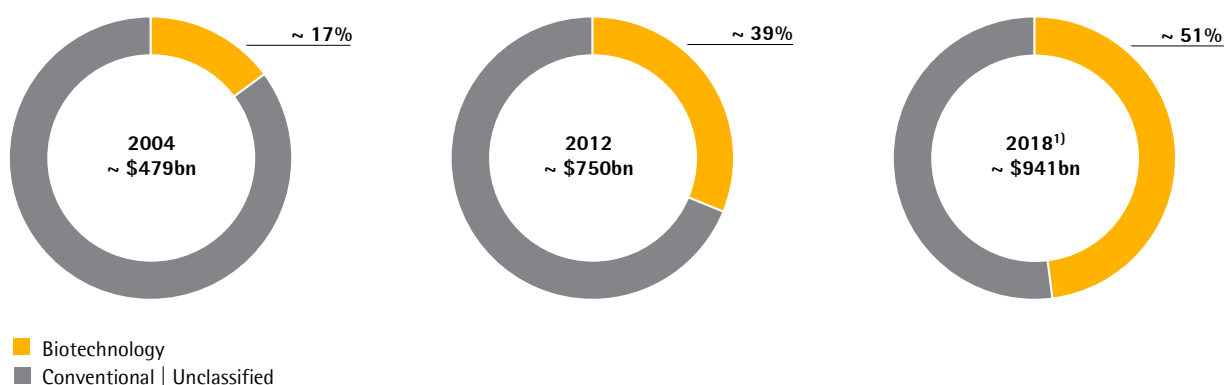
The expiry of patents is expected to have an increasingly strong effect on growth rates of the biotechnology sector in future. Noting the expiry of a whole series of patents, IMS Health forecasts that sales of biosimilars and biobetters are likely to swell from less than U.S.\$1 billion today to more than U.S.\$ 4 billion by 2017.

Market observers forecast that the biotechnology market as a whole will reach around U.S.\$ 220 billion by 2017. The average rate of growth for the period of 2012 - 2017 is expected at 6% to 8%.

Biopharma: A Growing Market

Percentage of Worldwide Rx & OTC Pharmaceutical Sales from Biotech vs. Conventional Technology

Biotech Share within Top 100 Products



¹⁾ 2018 Split: Biotech: n=45 (avg. \$3.1bn), Conv.: n=55 (avg. \$2.4bn)

Source: Evaluate Pharma®, June 2010

Squeeze on Public-sector Research to Continue

Experts expect a further reduction in overall public-sector R&D spending as a result of widespread consolidation for national budgets. Only in a handful of emerging countries with large markets, such as China and India, investment in science and education is likely to rise. Government plans in China, for example, provide for massive investment in pharmaceuticals research and the pharmaceutical industry.

Sources: The Global Use of Medicines: Outlook Through 2016 | 2017; Evaluate Pharma: Returning to Growth, June 2013; BioPlan: 10th Annual Report, April 2013; Cefic: Tough conditions lead to EU chemicals output contraction, growth return 2014; June 2013[^].

Future Business Development

The outlook for fiscal 2014 incorporates the risks and opportunities outlined in this report. As we supply the biopharmaceutical industry, our business development is generally driven by stable long-term trends. Therefore, economic fluctuations play less of a role than, for example, decisions of regulatory agencies regarding drug approvals or the use medications.

Assuming that the trends toward biomanufacturing of pharmaceuticals and increasing utilization of single-use technologies will continue, we forecast that sales revenue will rise by about 11% to 14% in constant currencies in 2014. The cell culture media and small-scale fermentation businesses acquired are projected to contribute around six percentage points to this growth. Management expects that the underlying EBITDA margin will rise to around 23.5%, without any currency effects considered. (Please refer to the definition for the operating earnings margin on page 25 and | or the Glossary.)

Moreover, in 2014 we plan to invest about 6% to 8% of sales revenue in the expansion of our production capacities, among other projects.

With regard to our financial position, we forecast that by the end of 2014, the ratio of net debt to underlying EBITDA will edge down slightly, without taking any potential portfolio changes into account.

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. as of December 31, 2013

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent company of the Group. In accordance with the decision of the Extraordinary Shareholders' Meeting held on 16 April 2013, Sartorius Stedim Biotech S.A. has been transformed in a mixt holding Company retroactively as of 1 January 2013. The Company is therefore from now on managing investments of the Group and real estates for the French Companies.

In 2013, sales revenue generated at Sartorius Stedim Biotech S.A. was €1,501 K relative to €81,942 K in 2012; this important reduction is in connection with the Contribution of partial assets from Sartorius Stedim Biotech SA to Sartorius Stedim FMT SAS. The operating profit is - €2,133 versus + €3,575 K in 2012. The net financing income totaled €22,717 versus €22,443 K in 2012.

The net profit for 2013 is €20,875 K compared to €26,198 K in 2012.

Appropriation of the Net Profit

The Annual General Shareholders' Meeting (AGM) will suggest to appropriate the net profit of €20,874,986.53 for the reporting year of 2013. The directors receive directors' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the AGM:

as follows:

- Legal reserves: €61.00
- Balance resulting from deduction of legal reserves: €20,874,925.53
- The following amount is to be added to this balance:
Year-earlier profit carried forward: €28,968,551.80
- This would yield a distributable profit of €49,843,477.33
- Total amount of dividends to be disbursed to shareholders: €18,412,315.20
- Balance resulting from disbursement: €31,431,162.13.

The remaining amount of €31,431,162.13 is to be carried out to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €1.20 will be paid for every share with a par value of €0.61.

The Annual Shareholders' Meeting acknowledges having been informed of the new tax regulations on dividends according to the 2013 Finance laws which abolished the right to choose for a withholding tax of 21% and is now submitting dividends and other distributions to progressive scales of tax income, after application, if any, of the 40% allowance retained without modification, in accordance with Article 158 - 3 - 2° to 4° of the French General Code.

The dividend will be paid out on April 15, 2014.

The amounts distributed after January 1, 2011, and eligible for a tax rebate were as follows:

Fiscal year ended on	Income eligible for a tax rebate	
	Dividends in €	Other income distributed
Dec. 31, 2012	16,876,856	0
Dec. 31, 2011	15,327,238	0
Dec. 31, 2010	13,783,264	0

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2013

Total capital amounts to ten million three hundred and ninety-five thousand eight hundred and six euros and sixty-six cents (€10,395,806.66). It is divided into 17,042,306 shares worth sixty-one cents (€0.61) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws).

Movements in Sartorius Stedim Biotech S.A. Share Capital

The increase in share capital during 2013 is exclusively attributable to the exercise of stock options.

Date	Nature of the transaction	Share par value	Share capital increase	Share premium	Number of new shares	Number of shares after the transaction	Share capital after the transaction
1 st half of 2008	Exercise of share subscription options	0.61	3,222.0	30,186.3	5,200	16,903,188	10,310,945.0
2 nd half of 2008	Exercise of share subscription options	0.61	11,773.0	119,158.0	19,300	16,922,488	10,322,717.7
1 st half of 2009	Exercise of share subscription options	0.61	19,459.0	269,126.0	31,900	16,954,388	10,342,177.0
2 nd half of 2009	Exercise of share subscription options	0.61	11,183.1	190,160.6	18,333	16,972,721	10,353,360.1
1 st half of 2010	Exercise of share subscription options	0.61	16,266.9	486,939.4	26,667	16,999,388	10,369,627.0
2 nd half of 2010	Exercise of share subscription options	0.61	8,576.6	228,599.9	14,060	17,013,448	10,378,203.6
1 nd half of 2011	Exercise of share subscription options	0.61	6,100.0	134,400.0	10,000	17,023,448	10,384,303.6
2 nd half of 2011	Exercise of share subscription options	0.61	1,525.0	72,250.0	2,500.0	17,025,948	10,385,828.6
1 st half of 2012	Exercise of share subscription options	0.61	5,098.0	173,446.0	8,358.0	17,034,306	10,390,926.6
2 st half of 2012	Exercise of share subscription options	0.61	4,270.0	202,300.0	7,000.0	17,041,306	10,395,196.6
Year 2013	Exercise of share subscription options	0.61	610.0	8,620.0	1,000.0	17,042,306	10,395,806.6

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2013

Situation of Sartorius Stedim Biotech S.A. Shareholdings

Shareholders	Shares	Voting rights
More than 50%	Sartorius AG	Sartorius AG
More than 10% but less than 50%	None	None
More than 5% but less than 10%	None	None

Over the past three years, the ownership of Sartorius Stedim Biotech share capital has been distributed as follows:

	December 31, 2011			December 31, 2012			December 31, 2013		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Shareholders									
Sartorius AG	9,770,178	57.3%	71.9%	9,770,178	57.3%	72.5%	9,771,178	57.3%	72.5%
Single voting rights									
Double voting rights	9,770,178	57.3%	71.9%	9,770,178	57.3%	72.5%	9,771,178	57.3%	72.5%
VL Finance ^(a)	1,642,095	9.6%	12.1%	1,642,095	9.6%	12.2%	1,642,095	9.6%	12.2%
Single voting rights									
Double voting rights	1,642,095	9.6%	12.1%	1,642,095	9.6%	12.2%	1,642,095	9.6%	12.2%
Total Sartorius Group	11,412,273	67.0%	84.0%	11,412,273	67.0%	84.6%	11,413,273	67.0%	84.7%
Treasury shares	1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%	1,698,710	10.0%	0.0%
Personnel and other shareholders									
General public	3,914,965	23.0%	16.0%	3,930,323	23.1%	15.4%	3,930,323	23.1%	15.4%
Single voting rights	3,495,225	20.5%	12.9%	3,719,587		13.8%	3,719,587		13.8%
Double voting rights	419,740	2.5%	3.1%	210,736		1.6%	210,736		1.6%
Total shares	17,025,948	99.9%	100.0%	17,041,306	100.0%	100.0%	17,042,306	100.0%	100.0%

^(a) Belonging to Sartorius AG after the reverse merger between Sartorius and Stedim

Legal Disclosure of Thresholds Crossed

In 2013, no legal disclosure of thresholds crossed has been registered by the company.

Control of the Company as of December 31, 2013

Sartorius AG holds, directly or indirectly, 67% of the share capital and 85% of the outstanding voting rights. Treasury shares are without voting rights.

Staff Shareholdings

With the exception of stock subscription plans (stock option plans), the company does not run any employee profit-sharing schemes.

Treasury Shares Held by Sartorius Stedim Biotech S.A.

According to a resolution passed during the Annual General Shareholders' Meeting (AGM) on April 19, 2010, a share buyback program was implemented by Sartorius Stedim Biotech S.A. in 2010.

For information, the following movements were done in 2010. No other movement has been registered since that time:

Number of shares bought	1,698,710
Average purchase price (in €)	36.10
Amount of negotiation cost (in €)	2,243
Number of shares held at the end of the year	1,698,710
Value at the purchase price (in €)	61,327,190
Nominal value (in €)	0.61
Corresponding fraction of share capital	9.97%

The treasury shares held by the company are affected, to the following goals:

- 5%: to return shares for exchange or payment within the scope of potential external projects.
- 5%: to deliver the shares, in case of exercise of any rights attached to securities giving access by any means, immediately or at a certain future date, to the capital of the company.

The Board of Directors has decided to propose a resolution to the 8 April 2014 Ordinary Annual Shareholders' Meeting in order to modify the allocation of the treasury shares knowing that the maximum purchase price paid by the company for its own shares shall not exceed forty-five euros (€45) per share. It is specified - for informative purposes, as the 16,994,388 shares constitute the share capital of the company- that the maximum sum allocated for the share buyback plan amounts to seventy-six million four hundred seventy-four thousand seven hundred and ten euros (€76,474,710).

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority Delegated by the Annual General Shareholders' Meeting to the Board of Directors

The Annual General Shareholders' Meeting did not delegate any authority to the Board of Directors to increase capital.

Other Securities Giving Access to the Share Capital

Stock Options

Share Subscription Plan

The stock option plans are detailed in the tables below. The authority delegated to the Board of Directors for setting up a new plan has recently expired. The Board of Directors no longer has any such delegated authority to set up any new plan.

Date on which the AGM* authorized the plan	Board meeting	Total number of options granted	Total options granted to senior executives	Number of senior executive beneficiaries	Number of initial beneficiaries	Subscription price (€)	Number of shares subscribed from Jan. 1, to Dec. 31, 2013	Number of options granted and exercisable	Number of target performance-based options	Number of beneficiaries with valid options
June 23, 2000	Aug. 2, 2000	139,105	0	0	5	8.59	0	0	0	0
June 23, 2000	Sept. 28, 2001	142,855	0	0	7	11.94	0	0	0	0
June 23, 2000	Oct. 14, 2002	12,100	0	0	1	6.78	0	0	0	0
June 23, 2000	Sept. 10, 2003	22,000	0	0	1	7.9	0	0	0	0
June 23, 2000	Feb. 11, 2004	66,000	0	0	1	6.42	0	0	0	0
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	1,000	15,642	0	2
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	0	5,000	0	1
June 10, 2005	Nov. 10, 2005	35,000	0	0	2	29.51	0	3,000	0	1
Total		684,560	0	0	51		1,000	23,642	0	4
										23,642

* AGM = Annual General Shareholders' Meeting

Changes in the number of stock options between January 1, 2011 and December 31, 2013:

	2013	2012	2011
Outstanding shares at January 1	24,642	40,000	52,500
Allocated during the period		0	0
Cancelled during the period		0	0
Exercised during the period	-1,000	-15,358	-12,500
Lapsed during the period		0	0
Outstanding at December 31	23,642	24,642	40,000

Share Capital Dilution

At December 31, 2013, the total number of shares capable of being issued on the basis of performance-based share subscription options was a potential 23,642 shares, or 0.14%, of the fully diluted share capital.

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2013

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2013 Fiscal Year

None

Options Exercised during the Fiscal Year

In the reported year, 1,000 options were exercised. The ten most significant accounted for the total of the options exercised in 2013.

Share Subscription Warrants

Sartorius Stedim Biotech S.A. has not issued any share subscription warrants.

Pledging of Shares

No Sartorius Stedim Biotech S.A. shares were pledged.

Pledging of Assets

None

Dividend Distribution Policy

The company has a dividend distribution policy based on net profit generated at the Group level during the relevant fiscal year as well as on the Group's foreseeable growth and profitability.

On April 16, 2013, the Annual General Shareholders' Meeting voted for payment of a net dividend of €1.10 per share. The dividend was available for payment on April 19, 2013.

Dividends and interim dividends unclaimed after five years following the payment date must be paid to the State, i.e., France (Article 2277 of the French Civil Code).

in €	2012	2011	2010	2009	2008
Dividend per share for the fiscal year	1.10	1.00	0.90	0.60	0.30
Number of shares	15,342,596	15,327,238	15,314,738	16,972,721	16,922,488
Dividend corrected per share¹⁾	1.10	1.00	0.90	0.66	0.33

¹⁾ Compared to the number of shares as of December 31, 2012

Senior Executives

Information on Sartorius Stedim Biotech S.A. senior executives and a list of the positions they hold or have held over the past five years are included in the Corporate Governance report.

Directors' Meeting Attendance Fees

Directors' meeting attendance fees are calculated on an annual basis. The method of calculating these fees has been changed in the 2013 fiscal year.

The directors receive directors' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the AGM:

- Each Director receives a fixed remuneration of €25,000 per year, to be paid after the annual financial statements have been adopted by the Annual Shareholders' Meeting and which falls due for payment after the Annual Shareholders' Meeting. The chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €1,200 per meeting and reimbursement of its expenses in addition to the annual remuneration.

- For their membership of any committee each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair, instead of this, they receive a lump-sum amount of €8,000 per full year that they hold the chairperson in addition to the attendance fee. The remuneration for the activities on any committee is due together with the remuneration under the terms of previous Subsection hereof.

- Any value-added tax is reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.

- All these resolutions will not be applied for the Directors that got an executive top management activity at the group level. In this context, the executive corporate officers will not receive any remuneration for their membership.

A total of €197,600 will be paid in directors' meeting attendance fees for 2013.

Compensation of the Executive Management Team

		Base fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other ²⁾ € in K	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
Total	2012	1,555.0	960.0	860.0	508.0	0.0	0.0	0.0
Total	2013	1,637.0	954.0	648.0	118.0	0.0	0.0	0.0
Joachim Kreuzburg ¹⁾ 2012		603.0	272.0	599.0	366.0	0.0	0.0	0.0
Joachim Kreuzburg ¹⁾ 2013		654.0	268.0	447.0	74.0	0.0	0.0	0.0
Reinhard Vogt ³⁾ 2012		374.0	166.0	261.0	142.0	0.0	0.0	0.0
Reinhard Vogt ³⁾ 2013		404.0	164.0	201.0	44.0	0.0	0.0	0.0
Volker Niebel ⁴⁾ 2012		290.0	261.0	0.0	0.0	0.0	0.0	0.0
Volker Niebel ⁴⁾ 2013		291.0	261.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif ⁵⁾ 2012		288.0	261.0	0.0	0.0	0.0	0.0	0.0
Oscar-Werner Reif ⁵⁾ 2013		288.0	261.0	0.0	0.0	0.0	0.0	0.0

¹⁾ Dr. Joachim Kreuzburg receives his salary from Sartorius AG for his duty for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

²⁾ The phantom stock plan is used as the variable long-term incentive component that incorporates risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three) years and is payable only if this price exceeds at least 7.5% (formerly 10%) per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and incorporates risk corresponds to a suggestion from the French and German Corporate Governance Code. To date no payment has been made to Joachim Kreuzburg or Reinhard Vogt according to this phantom stock plan.

³⁾ Reinhard Vogt receives his salary from Sartorius AG for his duty for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

⁴⁾ Volker Niebel receives his salary from the subsidiary Sartorius Stedim Biotech GmbH for his work in the entire Sartorius Stedim Biotech Group. His remuneration is determined annually by the shareholders of Sartorius Stedim Biotech GmbH.

⁵⁾ Oscar-Werner Reif receives his salary from the subsidiary Sartorius Stedim Biotech GmbH for his work in the entire Sartorius Stedim Biotech Group. His remuneration is determined annually by the shareholders of Sartorius Stedim Biotech GmbH.

Independent Auditors

The independent auditors for Sartorius Stedim Biotech S.A. are:

– Ernst & Young, represented by Xavier Senent.
Alternate auditor: Auditex.

– Deloitte & Associés, represented by Christophe Perrau.
Alternate auditor: BEAS.

Current and Regulated Agreements

The shareholders of the Sartorius Stedim Biotech Group are requested to approve the agreements that are covered by Article L.225-38 of the French Commercial Code and duly authorized by the Board of Directors, in the form submitted to them.

Payment Terms for Trade Payables

At December 31, 2013, the balance of trade payables totaled €1,701,683; these trade payables were comprised of the following:

– 81.83% of invoices to be paid in 30 days regarding the invoice issue dates,

- 18% of invoices to be paid in 60 days regarding the invoice issue dates.
- At the same date, the cumulative overdue trade payables amounted to 0.17%.

At December 31, 2012, the balance of trade payables totaled €7,070,317.00; these trade payables were comprised of the following:

- 88.50% of invoices to be paid in 30 days regarding the invoice issue dates,
- 0.42% of invoices to be paid in 60 days regarding the invoice issue dates.
- At the same date, the cumulative overdue trade payables amounted to 11.08%.

Five-Year Financial Results of the Parent Company Sartorius Stedim Biotech S.A.

€ in K	2009	2010	2011	2012	2013
Share capital at end of period					
Share capital (capital stock)	10,353	10,378	10,386	10,395	10,396
Number of shares outstanding	16,972,721	17,013,448	17,025,948	17,041,306	17,042,306
Transactions and financial performance					
Sales revenue (excl. VAT)	64,626	65,026	71,855	81,942	1,501
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	16,067	25,884	23,617	26,218	21,180
Income tax	1,813	1,185	1,069	678	292
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	14,160	21,066	23,860	26,198	20,875
Dividends paid or proposal of dividend	10,184	13,783	15,327	16,877	16,878
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	1.05	1.59	1.45	1.58	1.26
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	0.84	1.24	1.40	1.54	1.22
Dividend per share	0.60	0.90	1.00	1.10	1.10
Personnel					
Workforce size	299	293	336	388	0
Personnel costs	11,381	11,177	11,843	14,171	0
Social security costs	5,758	6,007	6,574	6,574	0

Corporate Governance

03

The Board of Directors and Its Committees

The Board of Directors

The Board of Directors is composed of eight members, two of whom are independent. The directors are appointed for a three-year period.

Composition of the Board of Directors as of December 31, 2013

Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: April 22, 1965

Nationality: German

Appointed on: April 19, 2010

First appointment: 29 June 2007

Mandate renewed: 16 April 2013

Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015.

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions within the Group:

Chairman of the Executive Board (Vorstand) of Sartorius AG;

Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;

Managing Director of Sartorius Lab Holding GmbH;

Member of the Board of Directors of Sartorius Stedim North America Inc.;

Member of the Board of Directors of Sartorius Stedim Filters Inc.;

Member of the Board of Directors of Sartorius Stedim Japan K.K.;

Member of the Board of Directors of Sartorius Stedim Lab Ltd.;

Président of VL Finance S.A.S.;

Member of the Board of Directors of Sartorius Japan K.K.;

Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;

Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;

Member of the Board of Directors of Sartorius Hong Kong Ltd.;

Member of the Board of Directors of Sartorius Biohit Liquid Handling Oy;

Member of the Board of Directors of Sartorius North America Inc.;

Président and Member of the Comité Exécutif of Sartorius Stedim FMT S.A.S.;

Member of the Board of Directors of Sartorius Stedim Biotech SARL;

Member of the Board of Directors of Sartorius Stedim Integrated Services SARL;

Member of the Board of Directors of Sartorius Stedim Bioprocess SARL.

Past directorships (held during the past five years) within the Group:

Vice Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH;
Managing Director (Geschäftsführer) of Sartorius Corporate Administration GmbH;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim Industries SARL;
Member of the Board of Directors of Sartorius Stedim SUS SARL.

Other current directorships and positions outside the Group:

Member of the Advisory Board (Regionalbeirat) of Commerzbank AG, Germany;
Member of the Advisory Board (Beirat) of Hameln Group GmbH, Germany;
Member of the Advisory Board (Beirat) of Otto Bock Holding GmbH & Co. KG, Germany;
Member of the Economic Advisory Board (Wirtschaftsbeirat) of Norddeutsche Landesbank, Germany.

Educational and professional background:
Diplom-Maschinenbau-Ingenieur, Dr. rer. pol.
(University degree in mechanical engineering, doctorate in economics)

1992–1995	Research associate at the Institute for Solar Energy Research in Hamelin, Germany
1995–1999	Research associate at the Faculty of Economics and Management at the University of Hanover, Germany
Since May 1, 1999	Sartorius AG, Goettingen, Germany Most recent position before promotion to the Executive Board: Vice President, Finances and Investor Relations
Since Nov. 11, 2002	Member of the Executive Board of Sartorius AG, Goettingen, Germany
May 1, 2003, to Nov. 10, 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany
Since Nov. 11, 2005	CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany; currently responsible for Operations, Human Resources, Legal Affairs, Compliance and Corporate Communications

Volker Niebel

Executive member
Executive Vice President of Operations and IT
Date of birth: August 14, 1956
Nationality: German

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius North America Inc.;
Member of the Board of Sartorius Stedim Filters Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors of Sartorius Stedim Aseptics S.A.;
Managing Director and Member of the Board of Directors of Sartorius Stedim Biotech SARL;
Managing Director and Member of the Board of Directors of Sartorius Stedim Integrated Services SARL;
Managing Director and Member of the Board of Directors of Sartorius Stedim Bioprocess SARL;
Directeur Général and Member of the Comité Exécutif of Sartorius Stedim FMT S.A.S.

Past directorships (held during the past five years) within the Group:

Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Managing Director and Member of the Board of Directors of Sartorius Stedim SUS SARL;
Managing Director of Sartorius Stedim DDS SARL;
Managing Director and Member of the Board of Directors of Sartorius Stedim Industries SARL;
Member of the Board of Directors of Sartorius Stedim Systems Inc.

Educational and professional background:
Diplom-Betriebswirt (university degree in business administration and economics)

1983–1985 Schmidt & Clemens, Lindlar, Germany; Sales Manager at Petro Chemical Industry (USA)

1985–1998 Gambro AB, Lund, Sweden

1998–2001 Skanska AB, Malmö, Sweden
Member of the Executive Management Team of Poggenpohl GmbH in Herford, Germany

2001–2007 Sartorius AG, Goettingen, Germany
Most recent position: Senior Vice President, Operations, Biotechnology Division

Since 2007 Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Oscar-Werner Reif

Executive member
Executive Vice President of Research and Development
Date of birth: November 11, 1964
Nationality: German

First appointment: 29 April 2009
Appointed on: 17 April 2012
Appointed until: date of the Annual General Shareholders' Meeting in 2015 to approve the financial statements for the fiscal year ending December 31, 2014

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:
Managing Director of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim Switzerland AG, Switzerland.

Past directorships (held during the past five years):
None

Educational and professional background:
Diplom-Chemiker, Dr. rer. nat. (university degree in chemistry and molecular biology, "M.Sc."; doctorate in chemical engineering)

1991–1995 Research associate at the Institute of Chemical Engineering at the University of Hanover, Germany

1995–2009 Sartorius AG, Goettingen, Germany
Most recent position: Vice President of R&D and Technology

2007 - 2009 Sartorius Stedim Biotech GmbH
Most recent position: Vice President of R&D and Technology

Since 2009 Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Reinhard Vogt

Executive member
Executive Vice President of Marketing, Sales and Service
Date of birth: August 4, 1955
Nationality: German

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:
Member of the Executive Board of Sartorius AG;
Managing Director of Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Weighing Technology GmbH;
Managing Director of Sartorius Lab Holding GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius North America Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Malaysia Sdn. Bhd.;
Member of the Board of Directors of Sartorius Stedim Australia Pty. Ltd.;
Member of the Board of Directors of Sartorius Australia Pty. Ltd.;
Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Hong Kong Ltd.;
Member of the Board of Directors of Sartorius Stedim Switzerland AG;
Member of the Board of Directors of Sartorius Japan K.K.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Korea Ltd.

Past directorships (held during the past five years) within the Group:

Member of the Board of Directors of Sartorius Stedim SUS Inc;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co. Ltd.;
Managing Director (Geschäftsführer) of Sartorius Technologies & Services GmbH;
Managing Director (Geschäftsführer) of Sartorius Food & Beverage GmbH;
Managing Director of Sartorius Stedim Poland sp. z o.o.;
Managing Director of Sartorius Stedim Hungária Kft.

Educational and professional background: Industriekaufmann (vocational diploma in industrial business administration)

1979–1983	Sarstedt AG, Nuembrecht, Germany
	General Manager of Sarstedt AB, Sweden
1983–2007	Sartorius AG, Goettingen, Germany, Most recent position: Senior Vice President, Sales & Marketing, Biotechnology Division
Since 2007	Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany
Since 2009	Member of the Executive Board of Sartorius AG in Goettingen, Germany; currently responsible for Marketing, Sales and Services

Liliane de Lassus

Non-executive member
Date of birth: December 29, 1943
Nationality: French

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group:
Managing Director of L2 L Conseil SARL (management consulting services; human resources management)

Educational and professional background:
Ph.D. in organic chemistry (1972), MBA (1966),
Masters' degree in Sanskrit (1969)

1969–1977	Scientific employee in charge of research at the French CNRS (National Center for Scientific
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1977–1981

1981–1986

1986–1989

1989–2005

2005–2007

2007–2008

Since

May 2008

Research), later at the University of California, Berkeley (California, USA)
PSA – Automobiles Citroën
Head of department; in charge of overall manufacturing planning and programming
Renault Automation (Robotics)
Vice President of Strategic Planning
CEO and Chairman of the Board of a high-tech startup company specializing in artificial intelligence (Cognitech)
Consultant in human resources management for company executives, especially in a multi-cultural environment
CEO of Stedim Biosystems
Executive Vice President of Sartorius Stedim Biotech
Managing Director of L2 L Conseil SARL (management consulting services; management of human resources)

Bernard Lemaître

Non-executive member
Date of birth: December 16, 1938
Nationality: French

First appointment: 29 June 2007
Mandate renewed: 16 April 2013
Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for fiscal year ending 31 December 2015

Number of Sartorius Stedim Biotech shares held: 202,744

Other current directorships and positions outside the Group:
Président of Financière de La Seigneurie S.A.S.;
Member of the Board of Directors of Senova Systems Inc.;
Member of the Board of Directors of Sycovest Asset Management, Paris;
Member of the Supervisory Board of: Azulis Capital S.A., Paris;
Solon Ventures Ltd., London;
Qualium Investments S.A.S., Paris.

Past directorships (held during the past five years) outside the Group:
Member of the Supervisory Board of Intrinsense S.A.

Educational and professional background:
1979–2007 Founder, CEO and Chairman of Stedim S.A.

Arnold Picot

Non-executive member

Date of birth: December 28, 1944

Nationality: German

First appointment: 29 June 2007

Mandate renewed: 16 April 2013

Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December, 2015

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Chairman of the Supervisory Board of Sartorius AG;

Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH.

Past directorships (held during the past five years) within the Group:

Chairman of the Supervisory Board of Sartorius Weighing Technology GmbH.

Other current directorships and positions outside the Group:

Member of the Supervisory Board of Takkt AG;
Member of the Supervisory Board of Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH und WIK-Consult GmbH.

Past directorships (held during the past five years) outside the Group:

Vice Chairman of the Supervisory Board of Etelon e-solutions AG

Educational and professional background:

Bankkaufmann, Diplom-Kaufmann (banker, university degree in business administration), Dr. rer. pol., post-doctoral lecture qualification | Venia Legendi (Betriebswirtschaftslehre) = authorization to teach business and managerial economics at a university

1970–1975 Research assistant and assistant professor, University of Munich

1976–1984 University professor, Faculty of Business Administration, University of Hanover, Germany; Director of the Institute for Management and Organization

1980–1981 Visiting scholar, Stanford University, California, USA

1984–1987

University professor, Faculty of Business Administration, Technical University of Munich; Director of the Institute for General and Industrial Business Administration

Since 1988

University professor, Faculty of Business Administration, University of Munich, Director of the Institute for Information, Organization and Management

2004–2005

Konrad Adenauer visiting professor, Georgetown University, Washington, D.C., USA

Henri Riey

Non-executive member

Independent member

Date of birth: November 5, 1961

Nationality: Monegasque

First appointment: 29 June 2007

Mandate renewed: 16 April 2013

Appointed until: date of the Annual General Shareholders' Meeting in 2016 to approve the financial statements for the fiscal year ending 31 December 31 2015.

Number of Sartorius Stedim Biotech Shares held: 100

Other current directorships and positions outside the Group:

President of Aidea;

President of Groupe HR S.A.S.;

Director of The Princess Grace of Monaco Foundation

Past directorships (held during the past five years) outside the Group: none

Educational and professional background:

Diplôme Institut Supérieur de Gestion (France) (degree earned at the French Higher Institute of Business Management "Institut supérieur de gestion")

1985–1988

Fund Manager at Paribas bank

1988–1996

Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France

1996–1999

Head of Research of Barclays Asset Management Europe

1999–2004

Executive Vice President of Barclays Asset Management; in charge of all fund management businesses

2004 - 2013

CFO of Hendyplan S.A.

Registered Addresses

With regards to their social mandates, the members of the Board of Directors and of the General Management are domiciled at the Company's headquarters.

Independent Directors

Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or major customers, nor may they have any other link likely to impair their judgment.

The Sartorius Stedim Biotech S.A. Board of Directors includes two independent directors, Mrs. Liliane de Lassus and Mr. Henri Riey.

The criteria needed to qualify as an independent director are the following:

- May not be an employee or senior executive employee or director of his or her parent company or of one of its consolidated companies and may not have been so during the five previous years;
- May not be a senior executive of a company in which the company directly or indirectly holds a director's position or in which an employee as such or a senior executive of the company (either currently or having been so for less than five years) holds a director's position;
- May not be a significant client, supplier, business banker or investment banker of the company or of its group, for which the company or its group represents a significant part of its business;
- May not have any close family ties with one of the senior executives;
- May not have been an auditor of the company for the five past years;
- May not have been a director of the company for more than twelve years.

Other Information:

In accordance with the bylaws of Sartorius Stedim Biotech S.A. company, each Director owns personally at least one share of the company.

All Directors fulfill the below mentioned thresholds with regards to numbers of mandates in listed companies:

- For the executive Directors: maximum of two mandates in companies not belonging to the group,
- For non executive Directors: maximum of four mandated in companies not belonging to the group.

To the company's knowledge, within the last five years, no member of the Board of Directors:

- has been convicted of fraud during the last five years or has been subject to any official public investigation or sanction by statutory regulatory authorities;
- has been associated in his | her capacity of manager in any bankruptcy, receivership or liquidation for the past five years;
- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer for the past five years.

To the company's knowledge, no family relationships exist among the members of the company's Board of Directors.

Furthermore, to the company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and | or other duties. A Director must inform the Board as soon as he | she is aware of any conflict of interests, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions.

To the company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

To the company's knowledge, there is no service contract linking a Board member to the Sartorius Stedim Biotech Group and granting him or her benefits.

The Audit Committee

The Audit Committee is currently composed of four members:

Mr. Henri Riey,
Chairman of the Committee since December 5, 2007

- Mr. Arnold Picot
- Mrs Liliane de Lassus
- Mr. Bernard Lemaître

The Chairman of the Audit Committee and Mrs. de Lassus are independent.

The Chairman of the Board of Directors, who is also the CEO of the Group, is a permanent guest of the Audit Committee, but has no voting rights.

The Audit Committee met five times during fiscal 2013.

Remuneration Committee

The Remuneration Committee is currently composed of four members:

Mr. Arnold Picot, Chairman of the Committee since June 29, 2007

- Mrs Liliane de Lassus
- Mr. Henri Riey
- Mr. Bernard Lemaître

Two of the four members of the Remuneration Committee are independent.

The Remuneration Committee met once in fiscal 2013.

The company has decided to move forward to taking into account the best practices of the Corporate Governance Code. Mr Joachim Kreuzburg, Executive board member, has been replaced in this Committee by Mrs Liliane de Lassus.

For more information on the organization, functions and activities of each Committee during fiscal 2013, please refer to the Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code included in this publication (following pages).

The Executive Committee

The Executive Committee manages the operational business of the company. It decides on strategic and important topics relating to the company, provided that these decisions do not interfere with the responsibilities of the Board of Directors. The Executive Committee also implements decisions and resolutions of the Board of Directors in daily business. It has been composed of the following persons:

- Joachim Kreuzburg
- Volker Niebel
- Reinhard Vogt
- Oscar-Werner Reif
- Joerg Pfirrmann
- Dominique Baly

The Executive Committee met twelve times during fiscal 2013.

Chairman's Report Pursuant to Article L. 225 - 37 of the French Commercial Code

Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors uses this report, which covers the fiscal year ended December 31, 2013, to present the composition of the Board of Directors and the application of the principles of balanced representation between men and women, the conditions of the preparation and organization of the work of the Board of Directors and the internal controlling and control procedures implemented by the company within the Group.

Pursuant to the last paragraph of Article L. 225-235 of the French Commercial Code, the company's independent auditors prepare their own report concerning the report by the Chairman of the Board of Directors on the internal control and risk management procedures relative to the preparation and processing of accounting and financial information.

Corporate Governance Code

Since fiscal 2008, the Sartorius Stedim Biotech S.A. Board of Directors therefore decided to adopt the AFEP-MEDEF recommendations as the reference code for corporate governance (see www.medef.fr).

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. If a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

Sartorius Stedim Biotech S.A. essentially complies with the Code, though Sartorius Stedim Biotech S.A. needs to explain certain divergences from this Code.

The Board of Sartorius Stedim Biotech S.A. is composed of currently 25% independent members in accordance with the AFEP-MEDEF independency criteria. According to that Code, the Board of Directors of the company should be comprised of at least 33% of independent Directors. The Board of Directors has

decided to go for a joint Chairman and CEO of the Board of Directors, and not two separated functions. This corporate governance structure, implemented by most of the French listed companies with a Board of Directors, allow us to simplify the daily business and increase efficiency. In addition, this approach takes into account that the company is owned by a majority shareholder and is following up the implementation of corporate governance best practices. Due to historical reasons related to the shareholding of the company, the composition of the Board of Directors and its Committees gives the majority shareholder the possibility to get a fair balance between representation of the directors representing shareholders, independent members and executive directors. For that reason, and contrary to the AFEP-MEDEF recommendations, gradual renewal of director membership has not been implemented. On top, the company is closely related to the German regulation with regards to corporate governance code. This code has cancelled the gradual renewal recommendation recently. In addition, the Board of Directors is composed of 12.5% of women. This is not in compliance with AFEP-MEDEF code which is requiring 20%. However the company is working on getting conform with the corporate governance best practices and will follow up that topic in the coming year. Indeed, possible changes to the structure of the Board will be considered during fiscal 2014 with regard to its structure in general and with regard to independent members and the participation of women in the board, e.g. the Board will discuss a change from the current one-tier structure to a two tier structure with an executive and a supervisory board and/or to add another independent woman to the Board. The threshold of 66% independent members in the Audit Committee is not reached at the company level because this not practical with a majority shareholder. However, two out of four are independent members. Last, the chairman of the Remuneration committee is not an independent member. The company has decided not to apply the AFEP-MEDEF recommendation in order to get the same Chairman of Remuneration committees at both groups level to be consistent with Sartorius Stedim Biotech and Sartorius AG.

Conditions for Preparation and Organization of the Work of the Board of Directors

Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the Internal Rules and Regulations of the Board.

The Board of Directors deals with all matters concerning the proper operation of the company and takes decisions on subjects that concern it.

Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the company in pursuit of this strategy and review all delegations of authority;
- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the company's shareholdings;
- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the company's results, the structure of its balance sheet or risk profile;
- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;
- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options;
- The Board of Directors shall convene general shareholders' meetings and propose changes to the articles of association.

The missions mentioned above summarize the internal bylaws of the Board of Directors.

Activity Report of the Board of Directors for Fiscal 2013

The Board of Directors met sept times during the fiscal year. The average attendance was 96%.

The Board reviewed and approved the corporate and consolidated accounts for 2012.

The Board of Directors considered and debated on the following at its meetings:

1. Strategic direction and major Group projects.
2. The annual, half-year and quarterly financial statements.
3. Budgets presented by executive management.
4. Information on the financial structure and cash flow items
5. Significant off-balance sheet commitments.
6. Risk indicators for the Group.
7. Internal organization projects.
8. Stock market performance.
9. Self-assessment of the Board members.
10. Implementation of syndicated loan Sartorius Stedim Biotech Group.
11. Legal reorganization: split of Sartorius Stedim Biotech S.A. activities in a pure holding company and a manufacturing company.
12. Renewal of the mandates of the Chairman-Chief Executive Officer and two Executive Vice Presidents.
13. Elections of the Members of the Audit Committee and of the Remuneration Committee.
14. Strategy: Partnership/Acquisitions (Lonza/TAP Biosystems plc);

The Board members carried out a formal assessment of the work of the Board of Directors. A questionnaire was sent to each Board member. A summary of the results shows a very positive overall assessment of board performance. The self-assessment shows that the Directors consider to be well informed by the executive management of the company and believes that the CEO is moderating properly the discussions during Board of Directors.

The committee chairmen submitted their committee work reports to the Board for discussion.

The independent auditors were invited to two Board meetings.

Information to Be Provided to Directors

Before each Board Meeting, Directors receive a report on the agenda items that require prior consideration, in due time and following notification.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which is always held on the day of or on the day before the Board meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The members of the Board of Directors receive a copy of each press release published by the Company. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.

Board Committees

The Audit Committee and the Remuneration Committee are responsible for studying and making preparations for the Board's main deliberations in order to improve the Board's efficiency.

Each Board meeting is preceded by a meeting of at least one of the two Committees, depending on the items on the agenda. The Committees report to the Board on their work and observations and submit their opinions, proposals and recommendations.

The procedures of each Committee are also defined by Internal Rules and Regulations.

Duties of the Audit Committee:

The Audit Committee assists the Board of Directors with the company's accounting policy, reporting, treasury and hedging instruments, internal and external controlling, financial communication and risk management.

The Audit Committee's duties in the field of accounting policy and internal controlling consist mainly of:

- Examining the annual corporate and consolidated accounts: reviewing half-yearly and annual corporation and consolidated accounts, including the notes to the financial statements and the management report presented by the Board of Directors to the Annual General Shareholders' Meeting convened to approve the statements for fiscal 2013, and presenting its observations and recommendations to the Board of Directors;
- Ensuring the suitability and consistent application of the accounting methods and procedures chosen by the company, and guaranteeing their correct application; and
- Examining the accounting treatment of any significant transactions carried out by the company.

The Audit Committee's duties in the area of external controlling consist of:

- Submitting recommendations to the Board of Directors concerning the statutory auditors and their appointment or reappointment by the Annual General Shareholders' Meeting.
- Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.
- Analyzing the independence of the legal auditors.

The Audit Committee's duties in the field of risk analysis and prevention consist of:

- Defining the internal audit plan for the Group companies, obtaining a report on the audits carried out and defining, if necessary, action plans for implementing new procedures in the respective companies.
- Examining the company's exposure to significant risks (risk mapping); and
- Verifying appropriate application of internal controls and accounting and financial reporting procedures.

The Audit Committee's duties in the area of financial communication consists of reviewing the company's proposed financial communication with respect to publication of its half-yearly and annual corporate accounts and its quarterly results.

The Committee may also perform any other activities deemed necessary or appropriate by the Committee and the Board of Directors.

Activity Report of the Audit Committee on Fiscal 2013:

The Audit Committee met five times during the fiscal year. The average attendance was 95%.

The Audit Committee dealt with the following major topics:

1. Examining the corporate and consolidated annual accounts: reviewing all financial statements, quarterly, half-yearly and annual corporate and consolidated accounts, including the implementation of specific actions related to IFRS standards;
2. Working on hedging instruments.
3. Review of the internal audit work.
4. Review of the quarterly risk management report.
5. Approval of the auditors' fees.
6. Implementation of a syndicated loan Sartorius Stedim Biotech S.A.
7. Asset contribution project
8. On 30 June and 31 December 2013 audits of accounts, the auditors have presented the essential results of the audits and the options decided.

Duties of the Remuneration Committee:

The purpose of the Remuneration Committee is to help the company's Board of Directors to establish the remuneration policy for corporate officers and, in particular, the incentive mechanisms (granting of share subscription options, share purchase options or free allotment of shares) that the company may introduce.

The Remuneration Committee has also the responsibility to give recommendations with regards to the new potential Directors and committee members.

Activity Report of the Remuneration Committee for 2013:

The Remuneration Committee met once during the fiscal year. The average attendance was 100%.

The Remuneration Committee deliberated on the main following topics:

- Reviewing the remuneration for corporate officers.
- Reviewing payment of directors' fees.
- Reviewing the nominations | renewals of the members of the Board of Directors.
- Validation of the respect of a balanced representation between men and women in the Board of Directors.

Within this scope, the Remuneration Committee is consulted by the Board of Directors on any proposal concerning:

- The total budget allotted to directors' fees and the terms of allocation thereof, taking into account the actual presence of the Directors at Board meetings and possibly at Committee meetings.
- The fixed remuneration for corporate officers and the terms of variable remuneration.
- The general policy on the granting of share subscription options, share purchase options or free allotment of company shares.
- Its policy of Directors' nomination or renewal.

In 2013 the mandates of Joachim Kreuzburg, Reinhard Vogt, Volker Niebel, Arnold Picot, Bernard Lemaître, Liliane de Lassus and Henri Riey, Board of Directors' members, have been renewed.

Limitations on the Powers of the Chairman and Chief Executive Officer

On June 29, 2007, the Board of Directors voted to combine the functions of Chairman and Chief Executive Officer without any limitations on powers other than those included in the internal regulations of the Board of Directors, which are mainly strategic investment projects and any transactions, especially acquisitions or disposals, which may lead to a material profit and loss impact. This procedure concerns operations above one million euros.

Remuneration of Senior Executive and Senior Non-Executive Board Members ("Mandataires sociaux")

The total remuneration, including all benefits paid during the year to each senior executive (Chairman of the Board of Directors, Chief Executive Officer, Directors) including share-based payments, is disclosed in the Corporate Governance Report of the Sartorius Stedim Biotech Group (see pages 77 to 84).

A Remuneration Committee has been set up to review the remuneration of Board of Directors' executive members. Furthermore, the Remuneration Committee is also responsible for checking the annual directors' fees paid to directors.

Dr. Joachim Kreuzburg's and Reinhard Vogt's remuneration is determined annually by the Sartorius AG's Supervisory Board. Their remuneration consists of fixed and variable components and is in line with their respective areas of responsibility. The variable portion contains short-, mid- and long-term components. The short-term components are paid out every year. The mid term component is paid out every three years based on the average of the achieved target for the three-year term. The long term component is comprised of a phantom stock plan that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three years) years and is payable only if this price exceeds at least 7.5% (formerly 10%) per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and entails risk is a recommendation adopted from the German and French Corporate Governance Codes. To date, no payment has been made to Dr. Kreuzburg or Reinhard Vogt according to this phantom stock plan.

A part of this remuneration is cross charged annually to the Sartorius Stedim Biotech Group.

The remuneration for Oscar-Werner Reif and Volker Niebel is discussed within the Remuneration Committee and subsequently voted on by the Annual General Shareholders' Meeting of Sartorius Stedim Biotech GmbH, with which Oscar-Werner Reif and Volker Niebel have employment contracts. Their remuneration consists of fixed and variable components and is in line with their respective degrees of responsibility.

Internal Control Procedures

Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are as follows:

- Prevent risks that would endanger the quality of the assets of Sartorius Stedim Biotech or even its existence;
- Ensure that the executive management activities, the transactions completed and the conduct of employees comply with the guidelines defined by executive management, applicable laws and regulations, the fundamental values, standards and internal rules of the business and the ethical codes and conventions of the healthcare industry;
- Ensure that accounting and financial information and management data provided to the executive management of the company accurately reflect the operations of Sartorius Stedim Biotech;
- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

Scope of Internal Control

The internal control system described covers the parent company and its affiliates.

Components of Internal Control

Environment for Internal Control

The core of any business is its people – their individual attributes, including integrity, ethical values and expertise – and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

Risk Assessment Process – Risk Mapping

The company must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate them into its sales, production, marketing, financial and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyze and manage the related risks.

Control Activities

These control activities are undertaken at every level of the Group to ensure that internal control is efficient: checking the accuracy, completeness, authorization, validation and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

Information and Communication

The availability of accurate, reliable and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

Monitoring, Control and Management

Responsibilities and authorities must be defined and understood at all levels of a company for internal control to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned permits, responsibility for initiating, authorizing, recording and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

Internal Controlling Roles

Executive Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation, monitoring and management of the internal control and controlling systems and for providing the necessary assurances that these steps have been implemented.

Audit Committee

The Audit Committee is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee, see pages 80 and 81.

Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks by the nature of its operations around the world. Accordingly, an internal risk management system has been set up to help identify, assess and manage these risks efficiently. Within this risk management system, an ad hoc committee comprised of representatives of different departments regularly studies current issues of risk management. This enables the committee to provide executive management with an overview of the risk to which the company is exposed, enabling it to take appropriate action when required.

Internal Auditing Department

The Internal Auditing Department is in charge of monitoring the effectiveness and suitability of risk management and the internal control system in Sartorius Stedim Biotech Group companies, as well as compliance of all activities and processes with internal and external rules and standards. It provides independent auditing and consulting services that focus primarily on compliance with all relevant legal provisions and the improvement of business processes at the company. To ensure the independence of the internal auditors, the Audit Committee receives at least once a year a report from the Internal Auditing Department on the work they have done (according to the audit plan established by this committee) and their findings with regard to Group affiliates.

Finance and Controlling Departments

The Finance and Controlling Departments track and monitor operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

These two departments define the Group's accounting rules and methods and its principle financial processes (five-year business plan, budget, etc.) as well as reporting tools, in order to monitor the day-to-day business.

Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of subsidiaries are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce company accounts that comply with the applicable local legal and tax provisions. Integrated consolidation software is used both for management reporting purposes and to produce the Group financial statements.

The Group has decided to implement a hard close process as of 30 November 2013 in order to anticipate and improve the annual audit.

Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS accounting standards as currently adopted by the European Union. The consolidated financial statements comply with accounting rules and methods as detailed in the Notes to the Consolidated Financial Statements.

Roles of the Group's Finance and Controlling Departments

The Finance and Controlling Departments check the quality of the reporting packages submitted by subsidiaries, focusing primarily on the following elements: checking corporate data and consolidated adjustments entered locally, inter-company eliminations, the accounting treatment of non-recurring transactions for the reporting period, and verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.

The Finance Department also verifies the results of procedures, including currency translation, intercompany eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Accounting and Reporting Manual. Application of and compliance with these principles, rules and procedures are the direct responsibility of the finance director of each subsidiary. They must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Executive Management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS international accounting standards as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

Internal Control in 2013

From an internal control perspective, the Group focused on the following this year:

Training on Code of Conduct and Anti-Corruption Code

The collaborators can consult the Sartorius Code of Conduct and the Sartorius Anti-Corruption Code, the initial training process has been closed and transferred to controlled operation.

Mid-term Prospects

The Group will continue to work on Internal Control issues by strengthening its approach to risk mapping and risk management. This process will be based on elements of the AMF Internal Control Reference Framework. Hereto in 2013 the Groups Risk Management Handbook was revised and is expected to enter into force within short. In addition a process of defining mandatory minimum standards of internal controls applying to all Group companies has been initiated and will be pursued further in 2014.

Aubagne, February 20, 2014

The Chairman

Joachim Kreuzburg

Remuneration of the Executive and Non-executive Members of the Board

Tables Summarizing the Remuneration as well as Options and Shares Granted to Each Corporate Officer

Joachim Kreuzburg
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2013	Year 2012
Due remuneration	1,369	1,474
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	74	366
Total	1,443	1,840

Volker Niebel
(Executive Vice President of Operations and IT)

€ in K	Year 2013	Year 2012
Due remuneration	552	551
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	0	0
Total	552	551

Reinhard Vogt
(Executive Vice President of Marketing, Sales and Service)

€ in K	Year 2013	Year 2012
Due remuneration	769	801
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	44	142
Total	813	943

Oscar-Werner Reif
(Executive Vice President Research and Development)

€ in K	Year 2013	Year 2012
Due remuneration	549	549
Options valuation granted during the reporting period	0	0
Valuation of the performance shares granted in previous years	0	0
Total	549	549

Summary of the Remuneration for Each Corporate Officer

Joachim Kreuzburg¹⁾
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2013		Year 2012	
	Due amounts	Paid amounts	Due amounts	Paid amounts
Fixed remuneration		635		585
Variable remuneration ²⁾	268		272	
Long-Term Incentive ³⁾	521		965	
Exceptional remuneration				
Director fees				
Benefits in kind ⁴⁾		19		18
Total	789	654	1,237	603

¹⁾ Joachim Kreuzburg receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

²⁾ The variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit and the ratio of net debt to EBITDA.

³⁾ Addition to the pension plan, the addition to the Phantom Stock Plan and one other long-term component, including the valuation of these components granted in prior years.

⁴⁾ Company car

Volker Niebel¹⁾

(Executive Vice President of Operations and IT)

€ in K	Year 2013		Year 2012	
	Due amounts	Paid amounts	Due amounts	Paid amounts
Fixed remuneration		280		280
Variable remuneration ²⁾	261		261	
Exceptional remuneration				
Director fees				
Benefits in kind ³⁾		11		10
Total	261	291	261	290

¹⁾ Volker Niebel receives his salary from Sartorius Stedim Biotech GmbH for its duties performed for the Sartorius Stedim Biotech Group.

²⁾ The variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit and the ratio of net debt to EBITDA.

³⁾ Company car

Reinhard Vogt¹⁾

(Executive Vice President of Marketing, Sales and Service)

€ in K	Year 2013		Year 2012	
	Due amounts	Paid amounts	Due amounts	Paid amounts
Fixed remuneration		388		358
Variable remuneration ²⁾	164		166	
Long-Term Incentive ³⁾	245		403	
Exceptional remuneration				
Director fees				
Benefits in kind ⁴⁾		16		16
Total	409	404	569	374

¹⁾ Reinhard Vogt receives his salary from Sartorius AG for its duties performed for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG.

²⁾ The variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit and the ratio of net debt to EBITDA.

³⁾ Addition to the pension plan, the addition to the Phantom Stock Plan and one other long-term component, including the valuation of these components granted in prior years.

⁴⁾ Company car

Oscar-Werner Reif¹⁾

(Executive Vice President of Research and Development)

€ in K	Year 2013		Year 2012	
	Due amounts	Paid amounts	Due amounts	Paid amounts
Fixed remuneration		280		280
Variable remuneration ²⁾	261		261	
Exceptional remuneration				
Director fees				
Benefits in kind ³⁾		8		8
Total	261	288	261	288

¹⁾ Oscar-Werner Reif receives his salary from Sartorius Stedim Biotech GmbH for its duties performed for the Sartorius Stedim Biotech Group.

²⁾ The variable remuneration contains components that are based on the economic success of the Group, in particular sales revenue and profit and the ratio of net debt to EBITDA.

³⁾ Company car

Table on Directors' Meeting Attendance Fees and Other Remuneration Received by Non-Executive Corporate Officers

€ in K	Year 2013	Year 2012
Bernard Lemaître		
Director fees	45.0	41.0
Other remuneration		
Arnold Picot		
Director fees	52.6	47.0
Other remuneration		
Liliane de Lassus		
Director fees	47.4	31.0
Other remuneration		
Henri Riey		
Director fees	52.6	44.0
Other remuneration		
Total	197.6	163.0

Stock Options Granted During the Reporting Period to the Executive Corporate Officers by the Issuer or Any Other Company of the Group

Name of the executive corporate officer	Date of the plan	Nature of options	Valuation of these options with regard to calculation method	Number of options granted during the reporting period	Price of exercised options	Window period
Joachim Kreuzburg						
Volker Niebel			NONE			
Reinhard Vogt						
Oscar-Werner Reif						
Total						

Stock Options Exercised During the Reporting Period by Each Corporate Officer

Name of the executive corporate officer	Date of the plan	Number of exercised stock options	Price of exercise
Joachim Kreuzburg			
Volker Niebel		NONE	
Reinhard Vogt			
Oscar-Werner Reif			
Total			

Performance Shares Available for Each Corporate Officer

Performance shares available for each corporate officer ¹⁾	Date of the plan	Number of shares available during the reporting period	Acquisition conditions
Joachim Kreuzburg		none	
Volker Niebel		not applicable	
Reinhard Vogt		none	
Oscar-Werner Reif		not applicable	
Liliane de Lassus		not applicable	
Bernard Lemaître		not applicable	
Henri Riey		not applicable	
Total			

¹⁾ The performance shares are bonus shares allocated to the corporate officers within the framework of the L225-197-1 articles and following of the commercial law, and which are subjected to additional requirements laid down by recommendations AFEP/MEDEF of October 2008.

Performance Shares Granted to Corporate Officers

Performance shares granted by the ASM during the reporting period to any corporate officer by the issuer or any other company of the Group	Date of the plan	Number of shares granted during the year	Valuation of the shares according to the consolidated accounts methodology	Date of acquisition	Date of availability	Performance conditions ¹⁾
Joachim Kreuzburg		2,289	175	Jan. 01, 2013	Jan. 01, 2017	
Volker Niebel		0				
Reinhard Vogt		1,397	107	Jan. 01, 2013	Jan. 01, 2017	
Oscar-Werner Reif		0				
Liliane de Lassus						
Bernard Lemaître						
Henri Riey						
Total		3,686	282			

¹⁾ The performance shares are comprised of a phantom stock plan. The phantom stock plan is used as the variable incentive component that includes a risk portion. This remuneration component depends on the development of the Sartorius AG share price over a period of at least four (formerly three) years and is payable only if this price exceeds at least 7.5% (formerly 10%) per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and entails risk is recommended by the French and German Corporate Governance Codes.

Stock Options Granted | Historical Information

	Plan N°2	Plan N°3	Plan N°4	Plan N°5	Plan N°6	Plan N°7	Plan N°8	Plan N°9
Annual Shareholders Meeting								
Board of Directors Meeting								
Total number of stock subscribed or bought thereof for the following people :								
Joachim Kreuzburg CEO and Chairman of the Board								
Reinhard Vogt								
Volker Niebel				NONE				
Arnold Picot								
Oscar-Werner Reif								
Bernard Lemaître								
Liliane de Lassus								
Henri Riey								
Starting point of the stock options								
Expiration date								
Price								
Exercised modalities								
Number of stock options subscribed as of Dec. 2013								
Number of erased stock options								
Stock options not yet exercised								

Stock Options Granted to the Top Ten Non-corporate Officers and Exercised by Them

	Total number of granted stock options	Average price in €	Plan N°2	Plan N°3	Plan N°4	Plan N°5	Plan N°6	Plan N°7	Plan N°8	Plan N°9
Stock options granted to the top 10 employees non corporate officers and exercised by them										
Option granted, during the reporting period, by the issuer or other companies in the Group, to the top 10 employees to the issuer of the companies of the Group that lead to the maximum number	0	0	0	0	0	0	0	0	0	0
Options owned on the issuer or other companies of the Group, exercised during the reporting period by the top 10 employees, which lead to the maximum number	1,000	8.62	0	0	0	0	0	1,000	0	0

Additional Information about the Executive Board Members

Corporate officer	Employment contract		Additional pension plan		Indemnities or due compensations with regard to termination contracts or positions		Non compete clause indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Joachim Kreuzburg CEO and Chairman	[1]		[4]		[5]		[6]	
Reinhard Vogt	[2]			none (1)	[5]		[6]	
Oscar-Werner Reif	[3]			none (1)	[5]		[7]	
Volker Niebel	[3]			none (1)		none	[7]	

[1] Joachim Kreuzburg has a service contract (without social security components) with Sartorius AG for his duties performed as CEO of the entire Sartorius Group, including Sartorius Lab Products and Services. This is standard practice in Germany.

[2] Reinhard Vogt has a service contract (without social security components) with Sartorius AG for his duties performed as a member of the Executive Board of the entire Sartorius Group, including Sartorius Lab Products and Services. This is standard practice in Germany.

[3] Oscar-Werner Reif and Volker Niebel each have an employment contract with Sartorius Stedim Biotech GmbH for their duties performed as managing directors of the company. This is standard practice in Germany.

[4] There is a common pension plan in place at the Sartorius AG level for Joachim Kreuzburg. The level of his entitlement to benefits paid under a company pension plan depends on his respective tenure.

[5] The severance cap for the members of the Executive Committee is the remuneration for two years based on the actual remuneration at the time of the termination of the employment contract. In case of the employment contract lasts less than two years, the severance payment is capped at an amount of the remaining remuneration of the employment contract.

[6] Joachim Kreuzburg and Reinhard Vogt have a mandatory non-compete clause for the time they are appointed as members of the Executive Board of Sartorius AG. For the time period of two years after the end of their appointments as members of the Executive Board of Sartorius AG, they have got an additional non-compete clause, which grants them an indemnity of half of the received gross salary per year of the non-compete period. The non-compete period is two years.

[7] For a two-year period after the end of their employment contract with Sartorius Stedim Biotech GmbH, Volker Niebel and Oscar-Werner Reif are bound by a non-competition clause, which grants a compensation equal to half of their annual gross salary during the non-competition period. This non-compete period is two years.

Additional Information about the Remuneration of the Executive Board Members

General and Fixed Remuneration

The total value of the remuneration of an Executive member reflects the scope of the responsibilities of the Executive member concerned, the Executive member's personal performance, the company's economic situation and sustainable progress. In addition, the extent to which this amount of remuneration is typical is considered, taking into account peer companies and the remuneration structure in place in other areas of

the company and in similar companies. Remuneration is comprised of both fixed and variable components and is reviewed annually to ensure that it remains appropriate. The variable remuneration components paid in addition to the fixed base salary represent approximately half of the total remuneration excluding pension commitments and fringe benefits in the case of 100% target achievement.

Variable Remuneration

The variable portion of this remuneration contains components that are paid annually and those components determined by multi-year assessment, with each category of the components making up one half of the target achievement that is possible.

a) Annually paid variable remuneration

The portion of the variable remuneration that is paid annually consists of the following weighted components: sales revenue | order intake, EBITA and the ratio of net debt to EBITDA. Minimum target achievement is required for these components. The amount to be paid out depends on the degree to which the target is achieved. A cap is provided for each variable component to be paid out.

The elements mentioned above are in fine compared to the budget approved annually by the Board of Directors in order to pay the concerned amounts.

b) Variable remuneration: consolidated net profit

Components determined by multi-year assessment depend on the degree to which the target is achieved. Consolidated net profit has to be considered in this context.

Consolidated Net Profit

For this subordinate target, the basis for assessment is the consolidated net profit after minority interest excluding amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3). Target achievement for assessing annual variable remuneration is based on the average taken over a period of three fiscal years, beginning in 2011. To smooth the amounts to be paid out, a partial payment amounting to 50% of the target achievement for a fiscal year will be effected. Any overpayments as a result of these partial payments will be offset in the following year against other remuneration components (fixed or variable). A cap for this component is provided as well.

c) Variable remuneration: phantom stock plan

Phantom Stock Plan

Joachim Kreuzburg and Reinhard Vogt have access to the Phantom Stock Plan because of their responsibilities at the Sartorius AG level.

Through the issue of shadow shares, called phantom stock, Executive members are treated as if they were owners of a certain number of shares in Sartorius AG, without, however, being entitled to receive dividends. The development of the value of this phantom stock is linked with the development of the Sartorius share; both increases and decreases in the share price are taken into account. Later, this phantom stock is valued based on the share price at the time and its equivalent is paid out, provided that the associated conditions are met. Phantom stock cannot be traded and does not entail any share subscription rights.

According to the Sartorius phantom stock plan, each Executive member is credited at the beginning of every year with phantom stock units valued at an agreed monetary sum. The value of this phantom stock can be paid out only as an entire annual tranche. Payment can be requested, at the earliest, after a period of four years and no later than after eight years.

An Executive member is entitled to receive payment for phantom stock units only if the share price at the time of the payment request has appreciated at least 7.5% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The phantom stock plan rules out subsequent changes to the parameters used for comparative stock valuation. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned.

Assignment of this phantom stock and payment of its monetary equivalent depend on the mean value calculated from the average prices of both classes of Sartorius AG share in the closing auction of Xetra trading on the Frankfurt Stock Exchange over the last 20 days of trading of the previous year or the 20 days of trading prior to submission of the payment request. This serves to compensate for any short-term fluctuations in the share price.

Payment for phantom stock is blocked for the four weeks preceding the scheduled publication date of quarterly and preliminary yearend results and for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These blackout periods are intended to prevent Executive Board members profiting from their insider knowledge.

Pension Commitments

Executive Board members receive pension commitments when reappointed for the first time. Until now, the level of their entitlement to benefits paid under a company pension scheme had been calculated based on the salary of a German federal civil servant of salary class B for ministry officials according to the Federal Civil Service Remuneration Act (Bundesbesoldungsgesetz), and depended on the term of their respective appointments. Benefits under the company pension scheme are still granted in the form of a retirement pension for old age and invalidity and in the form of survivors' benefits for the surviving spouse and children of the decedent. After a member has turned 65, this shall be considered the regular age limit at which this member shall automatically retire.

If an Executive Board member is reappointed for a second time, the benefits under the company pension scheme used to be extended by an externally financed defined contribution plan commitment. Besides securing a basic retirement amount, this commitment used to provide for the third-term Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount.

This practice was modified by the resolution adopted by the Supervisory Board on August 24, 2011, in that upon being reappointed for the first time, an Executive Board member will receive an externally financed defined contribution plan commitment, which, in addition to securing a basic retirement amount, now provides for this second-term Executive Board member to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount.

Other Remuneration Components

In the reporting year, the remuneration policy was amended to include a rule to authorize the Supervisory Board to grant special remuneration, according to equitable discretion, to an Executive Board member for the latter's extraordinary performance.

Severance Cap

The service contracts concluded in connection with new appointments and reappointments include a severance pay cap of a maximum of two annual salaries to cover cases in which membership of the Executive Board is terminated prematurely.

Fringe Benefits

The members of the Executive Board are each entitled to use a company car, reclaim expenses incurred on business travel and to be covered by accident insurance and D&O insurance as fringe benefits in addition to receiving the remuneration components mentioned. The D&O insurance provides for the application of a deductible or excess in the amount required by law.

Statutory Auditors' Report Prepared in Accordance with Article L. 225-235

Statutory Auditors' Report, Prepared in Accordance with Article L. 225 - 235 of the French Commercial Code (Code de Commerce), on the Report Prepared by the Chairman of the Board of Directors of Sartorius Stedim Biotech

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed French law and professional standards applicable in France.

Year ended December 31, 2013

To the Shareholders,

In our capacity as statutory auditors of Sartorius Stedim Biotech and in accordance with article L. 225-235 of the French Commercial Code (code de commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (code de commerce) for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' ou Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code (code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code (code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors with article L. 225-37 of the French Commercial Code (code de commerce).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code (code de commerce).

Marseille, 24 February, 2014

Ernst & Young Audit
Xavier Senent

Deloitte & Associés
Christophe Perrau

Independent Auditors' Fees

Principal Independent Auditors

Ernst and Young Audit

08, avenue du Prado – BP 116 – 13267 Marseille Cedex 08 – France

Represented by Xavier Senent.

First commissioned by the Combined General Shareholders' Meeting on June 28, 1985. Date commission expires: 2015 Annual General Shareholders' Meeting to approve the 2014 financial statements.

Member of Compagnie régionale de Versailles.

Deloitte et Associés

10, Place de la Joliette – Les Docks – Atrium 10.4 – BP 64529 - 13567 Marseille Cedex 02 – France

Represented by Christophe Perrau.

First commissioned by the Annual General Shareholders' Meeting on May 19, 2006. Date commission expires: 2018 Annual General Shareholders' Meeting to approve the 2017 financial statements.

Member of Compagnie régionale de Versailles.

Independent Auditors' Fees

€ in K	Ernst & Young				Deloitte			
	2013		2012		2013		2012	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	80	34.9%	129	94.9%	110	23.2%	129	20.9%
Subsidiaries	50	21.8%	5	3.7%	340	71.6%	391	63.5%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	130	56.8%	134	98.5%	450	94.7%	520	84.4%
Other services								
Legal, tax, corporate	0				17	3.6%	18	2.9%
Information technology, other	99	43.2%	2	1.5%	8	1.7%	78	12.7%
Subtotal	99	43.2%	2	1.5%	25	5.3%	96	15.6%
Total	229	100%	136	100%	475	100%	616	100%

Substitute Independent Auditors

Auditex

Tour Ernst & Young – Faubourg de l'Arche –
92037 Paris-La Défense

First commissioned by the Annual General Shareholders' Meeting on April 21, 2009. Date commission expires: 2015 Annual General Shareholders' Meeting to approve the 2014 financial statements.

Member of Compagnie régionale de Versailles.

BEAS

7/9, Villa Houssay – 92200 Neuilly sur Seine – France

Represented by Alain Pons.
Commissioned by the Annual General Shareholders' Meeting on May 19, 2006. Date commission expires: 2018 Annual General Shareholders' Meeting to approve the 2017 financial statements.

Member of Compagnie régionale de Versailles.

2013		Other 2012		2013		Total 2012	
				190	18.8%	258	22.9%
277	89.9%	273	72.4%	667	65.9%	669	59.3%
277	89.9%	273	72.4%	857	84.7%	927	82.1%
25	8.1%	58	15.4%	42	4.2%	76	6.7%
6	1.9%	46	12.2%	113	11.2%	126	11.2%
31	10.1%	104	27.6%	155	15.3%	202	17.9%
308	100%	377	100%	1,012	100%	1,129	100%

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2013 12 months € in K	2012 12 months € in K ¹⁾
Sales revenue	[10]	588,378	543,964
Cost of sales		-295,253	-272,078
Gross profit on sales		293,125	271,886
Selling and distribution costs		-128,674	-119,405
Research and development costs		-35,998	-31,776
General administrative expenses		-30,022	-29,637
Other operating income and expenses	[12]	2,915	-5,460
Earnings before interest and taxes (EBIT)		101,346	85,609
Financial income	[13]	949	2,929
Financial expenses	[13]	-7,850	-6,671
Financial result		-6,901	-3,742
Profit before tax		94,445	81,867
Income taxes	[14]	-26,970	-23,981
Net profit for the period		67,474	57,886
Attributable to:			
Equity holders of Sartorius Stedim Biotech		66,276	56,756
Non-controlling interest		1,198	1,130
Earnings per share (€)	[16]	4.32	3.70
Diluted earnings per share (€)	[16]	4.31	3.70

¹⁾ The presentation of the statement of profit or loss has been adjusted compared to the previous year. For details see chapter 2.

Statement of Comprehensive Income

	2013 12 months € in K	2012 12 months € in K ¹⁾
Net profit for the period	67,474	57,886
Cash flow hedges	2,141	1,783
Income tax on cash flow hedges	-642	-535
Net investment in a foreign operation	1,832	304
Income tax on net investment in a foreign operation	-549	-91
Currency translation differences	-6,986	-1,723
Items that probably will be reclassified to profit or loss, net of tax	-4,204	-262
Actuarial gains losses on defined benefit obligations	1,048	-4,833
Income tax on actuarial gains losses	-314	1,337
Items that will not be reclassified to profit or loss, net of tax	734	-3,496
Total comprehensive income	64,005	54,128
Attributable to:		
Equity holders of Sartorius Stedim Biotech	62,893	52,967
Non-controlling interest	1,112	1,161

¹⁾ The presentation of the comprehensive income includes the retroactive application of IAS 19R.

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Statement of Financial Position

	Notes	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K ¹⁾
Non-current assets			
Goodwill	[17]	303,041	288,055
Intangible assets	[17]	122,590	108,734
Property, plant and equipment	[18]	175,858	160,291
Investments in non-consolidated subsidiaries		1,300	1,236
Receivables and other assets		571	1,056
Deferred tax assets	[19]	9,359	8,655
		612,719	568,027
Current assets			
Inventories	[20]	92,178	85,079
Trade receivables	[21]	107,555	92,202
Current tax assets		8,073	6,501
Other assets	[22]	15,097	14,251
Cash and cash equivalents		35,605	27,807
		258,507	225,839
Total assets		871,226	793,866
Equity			
Issued capital	[23]	10,396	10,395
Capital reserves		278,791	278,782
Retained earnings (including net profit)		189,152	143,122
Non-controlling interest		3,499	2,727
		481,838	435,026
Non-current liabilities			
Pension provisions	[24]	22,601	22,883
Deferred tax liabilities	[19]	34,855	29,523
Other provisions	[25]	3,003	3,648
Loans and borrowings	[26]	137,207	35,636
Other liabilities	[26]	37,338	36,690
		235,005	128,380
Current liabilities			
Provisions	[27]	4,998	4,433
Trade payables	[28]	62,843	56,952
Loans and borrowings	[26]	28,352	105,859
Current tax liabilities		4,476	3,777
Other liabilities	[28]	53,714	59,440
		154,383	230,461
Total equity and liabilities		871,226	793,866

¹⁾ Figures adjusted because of the final purchase price allocation of the Cell Culture Media business of Lonza and the retroactive application of IAS 19R.

Statement of Cash Flows

	2013 12 months € in K	2012 12 months € in K
Profit before tax	94,445	81,867
Financial result	6,901	3,742
Earnings before interest and taxes (EBIT)	101,346	85,609
Depreciation amortization of fixed assets	30,558	25,868
Increase decrease in provisions	440	-1,355
Gains from the disposal of fixed assets	0	-3,522
Income taxes paid	-28,247	-38,448
Gross cash flows from operating activities	104,096	68,152
Increase decrease in receivables	-7,260	-294
Increase decrease in inventories	-5,016	-18,981
Increase decrease in liabilities	-1,714	51
Net cash flow from operating activities	90,106	48,927
Capital expenditures	-29,276	-38,783
Proceeds from the disposal of fixed assets	1,058	510
Other payments	-99	-121
Net cash flow from investing activities	-28,318	-38,394
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-45,090	0
Proceeds from the disposal of consolidated subsidiaries and other business operations	0	5,454
Net cash flow from investing activities and acquisitions	-73,408	-32,940
Changes in capital	10	385
Interest received	267	929
Interest paid and other financial charges	-5,604	-3,432
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	-16,875	-15,325
- Non-controlling interest	-342	-104
Gross cash flows from financing activities	-22,544	-17,547
Loans and borrowings raised	103,590	0
Loans and borrowings repaid	-89,055	-16,751
Net cash flow from financing activities	-8,010	-34,297
Net increase decrease in cash and cash equivalents	8,689	-18,310
Cash and cash equivalents at the beginning of the period	27,807	46,825
Net effect of currency translation on cash and cash equivalents	-891	-708
Cash and cash equivalents at the end of the period	35,605	27,807

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Cash flow hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 2012	10,386	278,406	-2,525	-1,816	106,692	3,141	394,283	1,667	395,950
Net profit for the period	0	0	0	0	56,756	0	56,756	1,130	57,886
Cash flow hedges	0	0	1,783	0	0	0	1,783	0	1,783
Actuarial gains I losses on defined benefit obligations	0	0	0	-4,694	0	0	-4,694	-139	-4,833
Currency translation differences	0	0	0	0	0	-1,863	-1,863	140	-1,723
Net investment in a foreign operation	0	0	0	0	304	0	304	0	304
Related deferred tax	0	0	-535	1,307	-91	0	681	30	711
Other comprehensive income for the period	0	0	1,248	-3,387	213	-1,863	-3,789	31	-3,758
Total comprehensive income	0	0	1,248	-3,387	56,969	-1,863	52,967	1,161	54,128
Stock options	9	376	0	0	0	0	385	0	385
Dividends	0	0	0	0	-15,325	0	-15,325	-104	-15,429
Other changes	0	0	0	0	-11	0	-11	3	-8
Balance at Dec. 31, 2012 I Jan. 1, 2013	10,395	278,782	-1,277	-5,203	148,324	1,278	432,299	2,727	435,026
Net profit for the period	0	0	0	0	66,276	0	66,276	1,198	67,474
Other comprehensive income for the period	0	0	1,499	775	1,283	-6,940	-3,383	-86	-3,470
Total comprehensive income	0	0	1,499	775	67,559	-6,940	62,893	1,112	64,005
Stock options	1	9	0	0	0	0	10	0	10
Dividends	0	0	0	0	-16,875	0	-16,875	-341	-17,216
Other changes	0	0	0	0	12	0	12	2	14
Balance at December 31, 2013	10,396	278,791	222	-4,428	199,021	-5,662	478,340	3,499	481,838

Notes to the Financial Statements

1. General Information

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

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

In compliance with the European Regulation 1606/2002 of July 19, 2002, requiring listed companies to use International Accounting Standards, the consolidated financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2013, are compliant with the Standards and Interpretations IFRS and IFRIC of the IASB as adopted by the European Union, that are available at the following site:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in thousands of euros (abbreviated as € in K). In some cases, the sum of the figures given in this report may not precisely equal the stated totals and percentages may not be exact due to rounding.

These consolidated financial statements were approved by the Board of Directors on February 20, 2014 and will be submitted for approval by the Shareholders' Meeting on April 8, 2014.

2. Changes to the Presentation of the Statement of Profit or Loss and Other Statements

In fiscal 2013 the Sartorius Stedim Biotech Group slightly changed its reporting format for the statement of profit or loss, in order to follow established international reporting practice and thus to provide financial data in the best comparable manner. Relevant changes relate to amortization as well as to other taxes, which are now shown under functional expenses. These changes to cost allocations do not have any impact on the net profit of the Sartorius Stedim Biotech Group.

The following table translates the business figures of the financial year 2012 to this new format:

€ in K	2012 Before restatement	Amortization	Restatement Other taxes	2012 After restatement
Sales revenue	543,964	0	0	543,964
Cost of sales	-269,455	-1,663	-960	-272,078
Gross profit on sales	274,510	-1,663	-960	271,886
Selling and distribution costs	-113,586	-5,592	-227	-119,405
Research and development costs	-30,972	-749	-54	-31,776
General administrative expenses	-29,286	0	-351	-29,637
Other operating income and expenses	-5,460	0	0	-5,460
Earnings before interest and taxes and amortization (EBITA)	95,206	-8,005	-1,592	85,609
Amortization	-8,005	8,005	0	0
Earnings before interest and taxes (EBIT)	87,201	0	-1,592	85,609
Financial income	2,929	0	0	2,929
Financial expenses	-6,671	0	0	-6,671
Financial result	-3,742	0	0	-3,742
Profit before tax	83,459	0	-1,592	81,867
Income taxes	-23,981	0	0	-23,981
Other taxes	-1,592	0	1,592	0
Net profit for the period	57,886	0	0	57,886

Furthermore slight changes were applied to the presentation of the Statement of Changes in Equity and the Statement of Cash Flows. Especially the subtotal "gross cash flow from operating activities" has been implemented (operating cash flow before changes in working capital).

3. Effects of New Financial Reporting Standards

Compared to the year-earlier consolidated financial statements, the following new or amended standards were to be obligatorily applied for the first time:

- IFRS 13 (Fair Value Measurement) provides a uniform definition of fair value and how it is measured. Fair value is now defined as the price that would be received to sell an asset or paid to transfer a liability. IFRS 13 also requires specific notes to the consolidated financial statements for assets and liabilities measured at fair value.
- Pursuant to the amendments to IAS 1 (Presentation of Financial Statements) published in June 2011, items of other comprehensive income are for the first time reported separately according to whether or not they may subsequently become reclassifiable to profit or loss.
- IAS 19 Employee Benefits (Revised 2011), referred to in the following as IAS 19R, contains revised accounting rules for defined benefit pension plans and severance agreements. Contrary to the previous rule, IAS 19R requires that past service cost be recognized immediately in profit and loss. In addition, net interest cost calculated on the net pension liability by applying a discount rate for high-quality corporate bonds is now recognized in profit or loss. Measurement effects resulting from actuarial gains and losses and the effect of the asset ceiling are recognized outside profit or loss in the statement of comprehensive income. Net interest expense continues to be recognized in the financial result. The described changes did not lead to significant changes in the statement of financial position or the statement of profit or loss, because the Group did already recognize actuarial gains and losses in the other comprehensive income in the previous periods.
- IAS 19R further specifies that severance payments to be earned in future periods must be recognized in profit or loss over the respective period of service. This revision led to a change in the accounting for payments to employees under pre-retirement part-time working agreements (partial retirement provisions) in Germany. In the past, provisions were established at the time the offer of a respective working agreement was made or the agreement was concluded, even when service remained to be provided by the employee in the future.

– Sartorius Stedim Biotech is applying IAS 19R retrospectively. The data in the statement of financial position as of January 1, 2012, and in the statement of profit or loss and the statement of comprehensive income were restated, including the relating tax im-pacts.

Furthermore the following standards and interpretations were applied initially:

- Amendments to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to IFRS 1: Government Loans
- Amendments to IFRS 7: Offsetting Financial Assets and Financial Liabilities

– Amendments to IAS 12: Deferred Tax: Recovery of Underlying Assets

– Annual Improvements to IFRSs 2009–2011 (issued in May 2012)

– IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

All amendments mentioned above are not necessarily applicable to the Group and the first-time application did not result in any material impacts on the Group financial statements of Sartorius Stedim Biotech.

The following standards, interpretations or revisions and amendments were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the EU or their application was not obligatory for 2013:

Standard Interpretation	Title	Applicable for financial years from ¹⁾	Endorsement by the EU commission
Standard			
IFRS 10	Consolidated Financial Statements	January 1, 2014	Yes
IFRS 11	Joint Arrangements	January 1, 2014	Yes
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2014	Yes
Amendments to IFRS 10, IFRS11 & IFRS 12	Transition Guidance	January 1, 2014	Yes
Amendments to IFRS 10, IFRS12 & IAS 27	Investments Entities	January 1, 2014	Yes
Revised IAS 27	Separate Financial Statements	January 1, 2014	Yes
Revised IAS 28	Investments in Associates and Joint Ventures	January 1, 2014	Yes
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	January 1, 2014	Yes
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014	Yes
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014	Yes
Amendments to IAS 19	Employee Contributions	July 1, 2014	No
Various	Annual Improvements to IFRSs (2010–2012 Cycle)	July 1, 2014	No
Various	Annual Improvements to IFRSs (2011–2013 Cycle)	July 1, 2014	No
IFRS 9	Financial Instruments	not published	No
Interpretation			
IFRIC 21	Levies	January 1, 2014	No

¹⁾ These are required to be applied once they are endorsed by the EU Commission. The Standards themselves may provide for earlier mandatory application.

The process of measuring the potential impact of these standards and interpretations on the consolidated financial statements of the Sartorius Stedim Biotech Group is in progress. The Group does not anticipate, at this stage of analysis, any significant impact on its consolidated accounts. Likewise, the first-time application of IFRS 10, 11 and 12 will not lead to any

changes in the consolidated financial statements, because there are no special purpose entities, associates or joint operations. Presently, first-time application is planned for each reporting period in which the standards, interpretations or amendments enter into force.

4. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value, such as financial assets held for trading or available for sale, and derivatives.

Consolidation

The consolidated financial statements of the Sartorius Stedim Biotech Group include the annual financial statements of all companies, which are controlled directly or indirectly by Sartorius Stedim Biotech S.A. In terms of IAS 27, Consolidated Financial Statements and Accounting for Investments in Subsidiaries, a controlling interest exists if Sartorius Stedim Biotech S.A. or its subsidiaries have the power to govern the financial and operating policies of an enterprise so as to obtain economic benefits from its activities. Such enterprises are included in the consolidated financial statements from the time when Sartorius Stedim Biotech S.A. or its subsidiaries acquired such control. They are no longer included as of the time control is transferred to an entity outside the Group.

Subsidiaries have been included on the basis of their annual financial statements for the same reporting period as the parent company, using uniform Group recognition and measurement methods.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combinations

Business combinations are measured according to the acquisition method. The identifiable acquired assets, assumed liabilities and potential liabilities are recorded at fair value on the date of combination.

For significant acquisitions, the purchase price allocation is carried out with assistance from independent third-party valuation specialists. The valuations are based on the information available at the acquisition date.

Expenses directly related to business combinations are reported in the profit or loss for the period.

Foreign Currency Translation

The consolidated financial statements of the Sartorius Stedim Biotech Group were prepared in thousands of euros. In the annual financial statements of the individual companies, foreign currency transactions were translated at the exchange rates applicable at the time of the transaction. Monetary assets and debts whose value is given in a foreign currency have been translated at the exchange rate on the balance sheet date. Rate gains and losses have been recognized in profit or loss for the period.

Subsidiaries' annual financial statements prepared in foreign currencies have been translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of a functional currency. Foreign subsidiaries have been regarded as independent subdivisions of the Sartorius Stedim Biotech Group. Balance sheet items have been translated at the exchange rates on the balance sheet date. Income and expense items have been converted at the average rates. Any translation differences resulting from the use of different exchange rates for balance sheet items and the statement of profit or loss have been recognized in the other comprehensive income in shareholders' equity.

For certain defined loans granted on a long-term basis, the Group applies the principle of "net investments in a foreign operation." The foreign currency translation differences resulting from these loans are recognized in other comprehensive income according to IAS 21.32.

The exchange rates for major currencies against the euro were considered as follows:

For 1 €	Year-end exchange rates		Average exchange rates	
	2013	2012	2013	2012
USD	1.37910	1.31940	1.32806	1.28519
GBP	0.83370	0.81610	0.84938	0.81107
JPY	144.72000	113.61000	129.58904	102.55169
INR	85.36600	72.56000	77.93433	68.57962
CNY	8.34910	8.22070	8.16496	8.11078

Sales Revenue

All revenues derived from the selling of products or rendering of services are recognized as sales revenue. Other operational revenues are recognized as other operating income. Sales are recognized in the statement of profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the customer, the company retains neither continuing managerial nor effective control over the goods sold, the amount of revenue and costs incurred or to be incurred can be measured reliably, and it is sufficiently probable that the economic benefits associated with the transaction will flow to the company.

Functional Costs

In general, operating expenses by types are assigned to the functions following the functional area of the corresponding profit and cost centers. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The item cost of sales reports the costs of products sold and the acquisition costs of merchandise sold. Besides the directly imputable expenses, such as raw materials and supplies, employee benefits expense and energy expenses, the cost of sales also includes overhead, which can be allocated to the manufacturing area, and the corresponding depreciation and amortization.

The selling and distribution costs pertain, in particular, to the costs of the sales and marketing organization, distribution, advertising and market research.

Research and development costs comprise the costs for research and product and process development, unless they are recognized as assets. Amortization on capitalized development costs is also indicated in this item.

The item general administrative expenses includes mainly employee benefits expense and the cost of materials of the general administrative area.

All profit and loss items that cannot be allocated to one of the mentioned functional areas are recognized as other income and expenses. This includes essentially effects from currency translation, sale of fixed assets, allowances on trade receivables and reorganization and other extraordinary expenses. Income from grants related to income are recognized as other income, when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. They are recognized over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated.

Borrowing Costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction or production of a qualifying asset and are therefore part of the cost of that asset. A qualifying asset is defined as an asset, that takes a period of at least twelve months to get ready for its intended use.

Income Taxes

Current income taxes are determined based on the respective local taxable income of the period and local tax rules. In addition, current income taxes include adjustments for uncertain tax payments or tax refunds for periods not yet assessed. Changes in deferred tax assets and liabilities are included in income taxes except for changes recognized in other comprehensive income directly in equity.

Deferred tax assets or liabilities are determined based on temporary differences between the carrying amounts and the tax basis of assets and liabilities including differences from consolidation, loss carry forwards and tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is realized or a liability is settled.

For this purpose, the tax rates and tax rules are used which have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit at the level of the relevant tax authority will be available for the utilization of the deductible temporary differences or losses carried forward.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

According to IAS 36, goodwill acquired in a business combination may not be amortized, but rather, must be tested annually for impairment and as soon as there is any indication of asset impairment.

For the purpose of impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. The cash-generating unit (CGU) represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment.

Other Intangible Assets

Intangible assets acquired are stated at cost less the accumulated, regular amortization that is calculated according to the straight-line method. The useful life of an intangible asset is the period over which this asset is expected to contribute directly or indirectly to the cash flows of that entity.

Costs incurred within the scope of the development of new products and methods were capitalized as internally generated intangible assets if the following criteria were met:

- The technical feasibility of completing the intangible assets so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- The demonstration of how the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The capitalized development costs essentially cover the costs that were allocated to the staff involved in R&D, raw materials and supplies, outside services and directly attributable overhead. Intangible assets generated internally are amortized on a straight line basis over their useful lives, which generally does not exceed four years.

If an internally generated intangible asset may not be recognized, the development costs are included in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

Amortization of intangible assets is based on the following periods of useful life:

Software	2 to 5 years
Customer relations and technologies	5 to 15 years
Brand name	n/a

Property, Plant and Equipment

The "Property, plant and equipment" item is reported at cost, and if subject to depreciation, is depreciated as scheduled. The straight-line method is applied to depreciation reported in the consolidated financial statements.

Depreciation of fixed assets is based on the following periods of useful life:

Buildings	15 to 50 years
Machinery	5 to 15 years
Factory and office equipment	3 to 13 years

Impairment of Intangible and Tangible Assets

The book values (carrying amounts) of property, plant and equipment and intangible assets are examined on whether there is any indication that an asset might be impaired, pursuant to IAS 36, Impairment of Assets. If an asset is impaired, the recoverable amount of the asset is estimated. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value – less costs to sell the asset or its CGU – and its value in use. In the event the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's cash-generating unit (CGU) is estimated.

If the estimated recoverable amount of an asset (or a CGU) goes below its book value (carrying amount), this carrying amount is reduced to the recoverable amount.

If the causes of the asset impairment are removed, the book value of the asset (or the CGU) is credited to the newly estimated recoverable amount. However, the book value increase is limited to the value that the asset (or CGU) would have had if no asset impairment loss would have been assessed in previous financial years.

Leases

A lease is considered an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. According to IAS 17 a lease is classified as either an operating or a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are designated as operating leases.

If the Group is a lessee in a finance lease, the amount equal to the fair value of the leased property, or if lower, the present value of the minimum lease payments is recognized as an asset on the balance sheet and simultaneously recognized as a financial liability. The minimum lease payments essentially consist of the finance charge and the reduction of the outstanding liability, which are measured according to the effective interest method. A leased asset is depreciated on a straight-line basis over the period of its expected useful life or over the shorter lease term.

If the Group is a lessor in a finance lease, sales revenue is equal to its net investment in the lease is recognized as well as a lease receivable. The leasing rates it receives are also apportioned between the finance charge and the reduction of liability according to the effective interest method.

For an operating lease, the lease rates to be paid by the lessee are recognized as expenses and the lease rates received by the lessor are recognized as income, respectively. The leased asset continues to be recognized on the lessor's balance sheet as property, plant and equipment.

Inventories

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. On principle, finished goods and work in progress are reported at cost of conversion. This cost includes direct costs, which can be allocated to these materials, and the appropriate portion of production and materials handling overhead, general administrative expenses and fixed assets at normal depreciation and/or amortization rates, provided that these expenses are caused by production.

Inventories must be evaluated at the lower amount of cost and the net realizable value. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for marketing, sales and distribution. Where inventory risks exist, such as the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly.

Trade Receivables

Trade and other receivables are reported so that all discernible risks are covered. The book values of trade receivables and other receivables are representative of their fair value considering the maturity date and the credit risks. In determining the recoverability of trade receivables, the Group considers any change in the credit quality from the date the credit was originally granted.

Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. When the outcome of a construction contract can be estimated reliably, revenues from construction-type projects are generally recognized under the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately.

Contracts are disclosed under receivables or liabilities from percentage of completion. If cumulative work (contract costs and contract result) exceeds the advance payments received, the construction contracts are recognized under receivables as amounts due from customers. If the balance after deduction of advance payments received is negative, this obligation from construction contracts is recognized as a liability under amounts due from customers.

Pension Obligations

Pension provisions and similar obligations are recognized in the consolidated financial statements of Sartorius Stedim Biotech Group in accordance with actuarial principles. IAS 19, Employee Benefits, stipulates the Projected Unit Credit Method as the method of measurement. In addition to known pensions and life expectancies, this expected cash value method takes into account future salary and pension increases.

All actuarial gains and losses are recognized in other comprehensive income directly in equity (pension reserves) according to the standard IAS 19R.

Provisions

A provision is recognized when a liability to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation at the balance sheet date. Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period.

Provisions are regularly reviewed and adjusted as further information becomes available or circumstances change. The provision for warranty costs is based on historical experience.

Restructuring provisions are set up in connection with programs that materially change the scope of business performed by a segment or business unit or the manner in which business is conducted. In most cases, restructuring expenses include termination benefits and compensation payments due to the termination of

agreements with suppliers and dealers, including leasing contracts. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

Financial Instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets mainly include cash and cash equivalents, available-for-sale financial assets, trade and loan receivables and derivative financial instruments with a positive fair value.

Financial liabilities of the Group mainly comprise loans from banks, trade payables, finance lease payables and derivative financial instruments with a negative fair value.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognized in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities classified as held for trading – to which they are assigned.

Cash and Cash Equivalents

The Group considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. This mainly includes checks, cash on hand and deposits in banks. Cash and cash equivalents are measured at cost.

Investments

Investments in non-consolidated subsidiaries, associates and securities are measured at cost because no active market exists for these shares and securities and the fair values of these assets cannot be reliably measured.

Loans and Receivables

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

Financial Liabilities

Financial liabilities are measured, except for derivative financial instruments, at amortized cost using the effective interest method.

Derivative Financial Instruments

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are measured at fair value. Derivative financial instruments are classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized either in net income or, in the case of a hedge, in other comprehensive income.

Cash Flow Hedges

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognized in other comprehensive income. Any ineffective portion is recognized immediately in net income (financial result). Amounts accumulated in equity are reclassified into net income in the same periods in which the hedged item affects net income.

Statement of Cash Flows

In the statement of cash flows, cash flows are presented according to the allocation to operating activities, investing activities and financing activities.

In this instance, cash flows from operating activities are determined using the indirect method; i.e., expenses without an effect on payments are added to the profit before tax, while income without an effect on payments is subtracted. The cash flows from financing activities are composed primarily of changes in equity and additions or repayments of loans.

5. Critical Accounting Judgment and Key Sources of Estimation Uncertainty

During the preparation of consolidated financial statements, management uses estimates and assumptions based on their best knowledge of the current and future situation of the period. However, actual results may differ from these estimates. These estimates and assumptions are revised on a regular basis, and the impact of all changes is immediately recognized as income or expense for the period.

In addition, Group management exercises its judgment in defining the accounting treatment of specific transactions when the existing Standards and Interpretations do not specifically treat the accounting problems concerned.

Assumptions and estimates primarily concern the following topics:

Business Combinations

The accounting for business combinations requires that the assets acquired and liabilities assumed be recorded at their respective fair values on the date the Group obtains control. The application of the acquisition method requires certain estimates and assumptions to be made, especially concerning the fair values of the acquired intangible assets, property, plant and equipment and the liabilities assumed at the acquisition date, and the useful lives of the acquired intangible assets, property, plant and equipment.

This measurement is based to a large extent on anticipated cash flows. If actual cash flows vary from those used in calculating fair values, this may materially affect the Group's future results of operations.

Impairment of Assets

An impairment test is conducted, if certain events lead to the assumption that an asset might be impaired. In this case, the carrying amount of the asset is compared to the recoverable amount, which is the higher of the net realizable value and the value in use. The calculation of the value in use is generally based on discounted cash flow methods that are using cash flow projections up to five years. These projections take into account past experiences and represent management's best estimate about future sales revenue and cost developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of the value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates can have a material impact on the respective values and ultimately the amount of any impairment. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded.

Intangible Assets

The capitalization of self-constructed intangible assets also includes a certain level of estimations and assumptions, e.g. the evaluation of feasibility of a development project, the expected market prospects and the determination of useful lives.

Trade and Other Receivables

The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness and current economic trends as well as an analysis of historical bad debts on a portfolio basis.

Employee Benefits – Pension provisions

Obligations for pension and other post-employment benefits are determined in accordance with actuarial valuations. These valuations rely on key assumptions including discount rates, expected salary increases and mortality rates. The discount rate assumptions are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period.

Due to changing market and economic conditions the underlying key assumptions may differ from actual developments and may lead to significant changes in pension and other post-employment benefit obligations.

Such differences are recognized in full directly in equity in the period in which they occur without affecting profit or loss. For a sensitivity analysis, see note0, Pension and Employee Benefits Provisions.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for legal or constructive obligations that exist as of the balance sheet date. To determine the amount of the obligations, certain estimates and assumptions have to be applied, including the evaluation of the probability and the amount of costs incurred. Typically, significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings.

Income Taxes

The Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views which can be complex and subject to different interpretations of taxpayers and local tax authorities.

Deferred tax assets have to be recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. As future developments are uncertain and partly beyond management's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will recover.

Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account.

6. Operating Segments

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. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses, its operating results are regularly reviewed by the entity's chief operating decision maker (= the Executive Committee of the Board of Directors) and discrete financial information is available in its internal reporting. Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solution provider" for its customers. Accordingly, the identification for Sartorius Stedim Biotech's reportable operating segment is Biopharm.

The key performance indicator of the operating segment of the Sartorius Stedim Biotech Group is the so-called "underlying EBITDA". EBITDA corresponds to earnings before interest, 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 have a material impact on the net worth, financial position and earnings of the Group. Examples of such items are restructuring expenses, large Group projects as well as proceeds or losses from the disposal, sale or other transfer of financial assets or of property, plant and equipment, provided that these are not of a recurrent nature.

Previously, the Sartorius Stedim Biotech Group had also used the "underlying EBITA" as a key performance indicator. This figure referred to earnings before interest, taxes and amortization (amortization resulting from the recognition of intangible assets arising from business combinations). Chapter 2 contains a reconciliation table from the former format of the statement of profit or loss, including the item amortization.

Segment assets and segment liabilities are not reported on a regular basis to the chief operating decision maker and are therefore not part of the segment report.

€ in K	Biopharm			Group		
	2013	2012	Change	2013	2012	Change
Sales revenue	588,378	543,964	8%	588,378	543,964	8%
Underlying EBITDA	135,586	117,049	16%	135,586	117,049	16%
as a % of sales revenue	23.0%	21.5%		23.0%	21.5%	
EBIT	101,346	85,609	18%	101,346	85,609	18%
as a % of sales revenue	17.2%	15.7%		17.2%	15.7%	
No. of employees at December 31	3,484	2,986	17%	3,484	2,986	17%

Reconciliation of Segment Profit or Loss

€ in K	2013	2012
Underlying EBITDA of the segment	135,586	117,049
Depreciation and amortization	-30,558	-25,545
Extraordinary effects	-3,682	-5,896
EBIT	101,346	85,609
Financial result	-6,901	-3,742
Profit before tax	94,445	81,867

Supplementary Information by Region

To provide additional information required by IFRS 8, the table below presents the supplementary information by geographical region. The European region includes the markets of Western and Eastern Europe. The North American region is comprised of the U.S. marketplace and the Canadian Market. Japan, China, Australia, South Korea and India, as well as

other countries, were allocated to the Asia | Pacific region. The Other Markets segment primarily consists of Latin America and Africa.

The key figures of the geographical areas refer to the company location, except for sales revenue, which is reported according to the customer's location.

The non-current assets correspond to property, plant and equipment as well as to intangible assets of the Group affiliates that are to be allocated to these various regions. In the European region, the following countries account for the material non-current assets: Germany (€197.4 million; €192.5 million in 2012) and France (€310.2 million; €312.3 million in 2012). Goodwill resulting from reverse acquisition of Stedim in 2007 and the associated intangible assets were presented in non-current assets in Europe.

The amount of sales revenue with a single customer does not exceed 10% of the consolidated sales revenue (2013 and 2012).

€ in K	Europe			North America					
	2013	2012	Change	2013	2012	Change			
Sales revenue	287,145	261,830	10%	150,807	149,216	1%			
as a % of total	48.8%	48.1%		25.6%	27.4%				
Non-current assets	565,259	519,799	9%	19,599	20,175	-3%			
No. of employees at December 31	2,291	1,962	17%	523	414	26%			

€ in K	Asia Pacific			Other Markets			Group		
	2013	2012	Change	2013	2012	Change	2013	2012	Change
Sales revenue	125,769	112,375	12%	24,657	20,544	20%	588,378	543,964	8%
as a % of total	21.4%	20.7%		4.2%	3.8%		100.0%	100.0%	
Non-current assets	15,537	15,729	-1%	1,094	1,377	-21%	601,489	557,080	8%
No. of employees at December 31	472	453	4%	198	157	26%	3,484	2,986	17%

7. Scope of Consolidation

The 2013 financial statements of the following subsidiaries:

- Sartorius Stedim, Hungary
- Sartorius Stedim, Poland
- Sartorius ICR, Russia
- TAP Biosystems (PHC) Ltd., UK
- TAP Biosystems Ltd., UK
- Sartorius Stedim Financière S.A.S., France,
- Sartorius Stedim Integrated Services S.A.R.L., Tunisia
- Sartorius Stedim Biotech S.A.R.L., Tunisia

were not included in the scope of consolidation, because the figures were of minor importance for assessing the financial position of the Group.

The sales revenue and total assets of the non-consolidated companies are below 1% of the Group figures.

The financial statements of the following companies have been included in the Group financial statements:

	Ownership in %
Europe	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
Sartorius Stedim Belgium N.V., Vilvoorde, Belgium	100
Sartorius Stedim Nordic A/S, Taastrup, Denmark	100
Sartorius Stedim Biotech GmbH, Goettingen, Germany	100
Sartorius Stedim Plastics GmbH, Goettingen, Germany	100
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100
Sartorius Stedim UK Ltd., Epsom, UK	100
Sartorius Stedim Lab Ltd., Louth, UK	100
TAP Biosystems Group Ltd., Royston, UK	100
TAP ESOP Management Ltd., Royston, UK	100
The Automation Partnership Cambridge Ltd., Royston, UK	100
Sartorius Stedim FMT S.A.S., Aubagne, France	100
Sartorius Stedim France S.A.S., Aubagne, France	100
Sartorius Stedim Aseptics S.A., Lourdes, France	100
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100
Sartorius Stedim Italy S.p.A., Florence, Italy	100
Sartorius Stedim Netherlands B.V., Rotterdam, Netherlands	100
Sartorius Stedim Austria GmbH, Vienna, Austria	100
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
North America	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Sartorius Stedim North America Inc., Bohemia, New York, USA	100
The Automation Partnership Inc., Greenville, USA	100
Asia Pacific	
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100
Sartorius Stedim Japan K.K., Tokyo, Japan	100
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea ¹⁾	49
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore	100
Other Markets	
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100

There are no associates or joint ventures included in the scope of consolidation, all companies are consolidated in full. The ownership rate equals the share in voting rights.

¹⁾ The company Sartorius Korea Biotech is included in the scope of consolidation due to contractual agreements (call option).

8. Statement of Cash Flows

The statement of cash flows shows the impact of cash inflows and outflows on the cash and cash equivalents of the Group. The cash flows are classified by operating, investing and financing activities according to IAS 7 (Statement of Cash Flows).

In this context cash equivalents are assets than can be converted into cash within a short maturity (generally less than three months). The amount considered in the statement of cash flows includes mainly cash on hand, bank balances and similar items and is equal to the amount in the statement of financial position.

The following non-cash transactions were concluded that are not reflected in the Statement of Cash Flows:

- The acquisition of the cell culture media business in December 2012 did not lead to cash outflows in 2012. In 2013 a payment of € 14.9 million was made and is recognized in the cash flows from investing activities and acquisitions.
- Capital expenditures under finance lease amounted to € 2.2 million in 2013 and to € 11.2 million in 2012.

9. Business Combinations

Acquisition of the Cell Culture Media Business of Lonza

In December 2012 Sartorius Stedim Biotech has acquired the exclusive sales and marketing rights for the cell culture media business of the Swiss-located Life Science company Lonza and has taken over the respective employees. This acquisition was treated according to IFRS 3, Business Combinations. The purchase price has been determined as the present value of the future cash payments (1st tranche in 2013, two further tranches after 5 and 10 years).

The following table shows the preliminary and the final purchase price allocation:

	Preliminary fair values on the acquisition date € in K	Fair values on the date of acquisition € in K
Trademark Right to use	0	4,625
Customer relationship	24,519	11,355
Net assets acquired	24,519	15,980
Purchase price	49,140	49,140
Goodwill	24,621	33,160

The intangible assets identified in the purchase price allocation are the right to use the trademark "Lonza" and the customer relationships in connection with the cell culture media business. The assumed useful lives of the acquired assets are 15 years (trademark) and 12 years (customer relation) respectively.

The recognized goodwill represents the assets that have not been separately identified and recognized, but that will also generate economic benefits to the Group. Here, especially the expansion of the Group's portfolio and its strengthened position in the relevant biopharm market as well as synergies resulting from the combination are to be named.

Deferred taxes have not been recognized upon initial consolidation due to the structure of the transaction. In future periods deferred tax liabilities will be recognized on the arising taxable temporary difference, because the full amount of goodwill is deductible for local tax purposes.

Acquisition of TAP Biosystems Group plc.

In December 2013 Sartorius Stedim Biotech has acquired 100% of shares of the British TAP Biosystems Group plc. This company primarily specializes in the design and development of small scale, multi-parallel fermentation systems particularly for biopharmaceutical applications. In addition, the company's array of products covers automated cell culture systems for bioprocessing and other bench top equipment for biotech applications.

With this acquisition, Sartorius Stedim Biotech extends its current portfolio in the fermentation business by multi-parallel, small scale bioreactors in the range of 15 milliliters and 250 milliliters. The TAP portfolio stands to gain substantial market penetration based on Sartorius Stedim Biotech's greater sales strength and global reach as well as to benefit from the synergies with the related products in the Fluid Management and Cell Culture Media businesses.

The purchase price allocation has been made on a provisional basis, as the timeframe between the acquisition and the balance sheet date has not been sufficient to gather all relevant information on the fair values of the acquiree.

	Preliminary fair values on the acquisition date € in K
Intangible assets	22,075
Property, plant and equipment	6,960
Inventories	3,681
Trade receivables	7,610
Other assets	810
Cash and cash equivalents	2,846
Deferred taxes - net	-3,475
Provisions	-208
Loans and borrowings	-7,413
Other liabilities	-14,966
Net assets acquired	17,920
Purchase price	33,050
Goodwill	15,130

The purchase price was paid in cash. The acquisition related cost amounting to €376 K have been recognized in other expenses in the statement of profit or loss.

As the acquisition was closed right before the balance sheet date the inclusion of TAP Group had only a minor impact on the consolidated sales revenue and earnings. If the acquisition had been made as of January 1, 2013 the sales would have been approx. €618 million and the net result approx. €69 million (excluding synergies and hypothetical financing cost).

Notes to the Statement of Profit or Loss

10. Sales Revenue

Sales revenue, which is broken down by geographical areas, consists of the following:

	2013 12 months € in K	2012 12 months € in K
France	43,247	40,115
Germany	79,186	70,603
All other countries	465,945	433,247
Total	588,378	543,964

An amount of €11,198 K was earned with other subsidiaries of the Sartorius Group in 2013 and €11,260 K in 2012.

A sum of approximately €23.4 million was earned by providing services (2012: approx. €20.9 million).

11. Functional Costs

The statement of profit or loss has been built according to the "cost of sales format", i.e. expenses have been allocated to the relevant functions production, sales & marketing, research & development and general administration.

Operating expenses by nature are reconciled to the Profit or Loss Statement by nature in the Note 15.

The material expense and employee benefits expense are as follows:

Raw Materials and Supplies

This item consists of the following:

	2013 12 months € in K	2012 12 months € in K
Purchases consumed	143,964	126,379
Cost of purchased services	13,847	11,488
Total	157,811	137,867

Employee Benefits Expense

This item can be broken down as follows:

	2013 12 months € in K	2012 12 months € in K
Wages and salaries	140,487	134,662
Social security	28,895	28,543
Expenses for retirement benefits and pensions	2,768	2,493
Total	172,149	165,698

12. Other Operating Income and Expenses

	2013 12 months € in K	2012 12 months € in K
Currency translation gains	9,654	10,201
Income from the decrease in allowances for bad debts	1,636	724
Income from release and use of provisions and liabilities	937	575
Income from grants	2,186	2,070
Other income	4,409	1,959
Other operating income	18,823	15,530
Currency translation losses	-10,062	-10,987
Extraordinary expenses	-3,682	-5,896
Allowances for bad debts	-789	-1,404
Other expenses	-1,375	-2,703
Other operating expenses	-15,908	-20,990
Total other operating income and expenses	2,915	-5,460

The item reported as income from grants discloses the grants for expenses (essentially related to research and development projects), which are recognized as income as soon as there is sufficiently reliable indication that the necessary prerequisites are met.

The other income in fiscal 2013 includes income from the acquired cell culture media business.

Extraordinary items amounted to -€3.7 million (previous year: -€5.9 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

13. Financial Result

	2013 12 months € in K	2012 12 months € in K
Interest and similar income	168	909
– of which from affiliated companies	137	844
Income from derivative financial instruments	0	1,901
Other financial income	781	119
Financial income	949	2,929
Interest and similar expenses	–4,050	–4,766
– of which from affiliated companies	–96	–100
Expenses for derivative financial instruments	0	–450
Interest expense for pensions	–778	–855
Other financial expenses	–3,022	–601
Financial expenses	–7,850	–6,671
Total	–6,901	–3,742

14. Income Taxes

	2013 12 months € in K	2012 12 months € in K
Current income taxes	–27,374	–19,999
Deferred taxes	404	–3,982
Total	–26,970	–23,981

As a matter of principle, income taxes in France are calculated at 33.33% of the estimated taxable profit for the year. For Germany, a rate of 30% was applied to the taxable income. Income generated outside France and Germany is taxed at the particular rates that are valid in the corresponding country.

Considering the French and German average tax rates and the impact of other tax legislation, the expected tax rate for the Sartorius Stedim Biotech Group is roughly 29% (30% in 2012). The following table describes the difference between the tax expense to be expected and the income tax expenses reported for the particular financial year.

	2013 12 months € in K	2012 12 months € in K
Expected tax expense (30% in 2012 and 29% in 2013)	–27,389	–24,560
Differences from the Group average income tax rate	1,050	–1,419
Permanent differences	–895	1,236
Tax-free income and other tax exemptions	884	1,334
Other	–620	–572
Total	–26,970	–23,981
Effective tax rate	–28.6%	–29.3%

15. Profit or Loss Statement by Nature

	2013 12 months € in K	2012 12 months € in K
Sales revenue	588,378	543,964
Purchases consumed	–143,964	–126,379
Cost of purchased services	–13,847	–11,488
Personnel costs	–172,149	–165,698
Amortization and depreciation	–30,558	–25,868
Other operating costs	–126,514	–128,922
Subtotal	–487,031	–458,356
Operating profit (EBIT)	101,346	85,609
Financial income expenses	–6,901	–3,742
Income tax	–26,970	–23,981
Non-controlling interest	–1,198	–1,130
Group net profit	66,276	56,756

16. Earnings per Share

According to IAS 33, Earnings per Share, the earnings per share for each class of shares must be determined separately. The basic earnings per share (basic EPS) are calculated on the basis of the weighted average number of ordinary shares during the period.

Diluted earnings per share have to be measured by taking into account share subscription options outstanding at the end of the period. Certain Group employees have acquired entitlements to subscribe to a total of 23,642 shares (24,642 at December 31, 2012). Therefore, the diluted net earnings per share are calculated on the basis of 2013 financial year items, including the number of existing and potential future shares (including optional shares).

Treasury shares are not included in the calculation of the earnings per share.

	2013	2012
Net profit after tax (€ in K)	67,474	57,886
Group net profit after tax (€ in K)	66,276	56,756
Earnings per share (€)	4.32	3.70
Diluted earnings per share (€)	4.31	3.70
Number of shares (statutory level)	17,042,306	17,041,306
Treasury shares (share buyback Program): average amount	-1,698,710	-1,698,710
Other dilutions (Stock-options exercised)	-63	-9,509
Number of shares used in earnings per share calculation	15,343,533	15,333,087
Future options	23,642	24,642
Potential options	0	0
Number of shares used in diluted earnings per share calculation	15,367,175	15,357,729

Notes to the Individual Balance Sheet Items

17. Goodwill and Other Intangible Assets

Goodwill

	Goodwill € in K
Gross book values at Jan. 1, 2012	254,608
Currency translation	286
Change in the scope of consolidation and other acquisitions	33,161
Gross book values at Dec. 31, 2012	288,055
Amortization and impairment losses at Jan. 1, 2012	0
Currency translation	0
Amortization and impairment losses	0
Amortization and impairment losses at Dec. 31, 2012	0
Net book values at Dec. 31, 2012	288,055
	Goodwill € in K
Gross book values at Jan. 1, 2013	288,055
Currency translation	-144
Change in the scope of consolidation and other acquisitions	15,130
Gross book values at Dec. 31, 2013	303,041
Amortization and impairment losses at Jan. 1, 2013	0
Currency translation	0
Amortization and impairment losses	0
Amortization and impairment losses at Dec. 31, 2013	0
Net book values at Dec. 31, 2013	303,041

The item reported as goodwill in the amount of €303,041 K is the capitalized difference in assets resulting from business combinations. According to IAS 36, goodwill acquired in a business combination may not be amortized, but rather, must be tested annually for impairment and as soon as there is any indication of asset impairment.

The increase recorded in 2012 concerns the acquisition of the cell culture media business from the Swiss entity Lonza, the 2013 acquisition refers to TAP Biosystems (See note 9).

For the purpose of impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. The cash-generating unit

(CGU) represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment. With the combination of the former Sartorius Biotechnology Division and the former Stedim Group, the newly founded Sartorius Stedim Biotech Group follows the strategy to be a total solution provider for its customers. Because of the various interdependencies within the business, the lowest level at which goodwill is monitored is that of the Biopharm segment. Therefore, the acquired goodwill is allocated to this CGU.

As in 2012, the impairment test conducted for 2013 measures the recoverable amount on the basis of the value in use of the particular cash-generating unit (Biopharm segment). The cash flow forecasts consider previous experiences and are generally based on Group management's forecasts for a period of three to five years. The calculations were based on a terminal year growth rate of 2.5% for the years after 2017. This rate is derived from market expectations, which forecast significant growth rates for the targeted biopharmaceutical market. The major growth driver for the Sartorius Stedim Biotech Group will be the aging of people, the increase in population and the improved access to drugs in the emerging markets as well as the ongoing paradigm shift from reusable products to single-use products utilized in biomanufacturing by the biopharmaceutical industry.

The discount rates applied correspond to the weighted capital cost rates and were recognized as follows:

	2013		2012	
	Before tax	After tax	Before tax	After tax
Biopharm segment	8.4	6.8	7.8%	6.0%

In 2013, our impairment test did not result in recognition of impairment losses. In this context, various sensitivity analyses based on realistic variations of the assumptions disclosed above did not result in an impairment either. The following variations would theoretically represent the "break-even point":

	2013	2012
Discount rate WACC after tax	14.4%	15.5%
Terminal Growth rate	-13.2%	-21.5%
Cash flows	-66%	-75%

Intangible Assets

	Patents, licences and similar rights € in K	Brand name € in K	Customer relationships € in K	Capitalized development costs € in K	Payments on account € in K	Total € in K
Gross book values at Jan. 1, 2012	28,269	10,779	83,014	29,016	54	151,132
Currency translation	40	0	77	19	0	137
Change in the scope of consolidation and other acquisitions	4,625	0	11,354	0	0	15,979
Capital expenditures	279	0	0	4,621	0	4,900
Disposals	-445	0	0	0	0	-445
Transfers	-6,014	0	6,532	0	0	518
Gross book values at Dec. 31, 2012	26,754	10,779	100,977	33,656	54	172,221
Amortization and impairment losses at Jan. 1, 2012	-13,867	0	-24,624	-13,908	0	-52,399
Currency translation	3	0	-2	-4	0	-2
Amortization and impairment losses	-1,568	0	-6,516	-2,942	0	-11,025
Disposals	443	0	0	0	0	443
Transfers	4,446	0	-4,949	0	0	-503
Amortization and impairment losses at Dec. 31, 2012	-10,543	0	-36,090	-16,854	0	-63,487
Net book values at Dec. 31, 2012	16,212	10,779	64,887	16,802	54	108,734

	Patents, licences and similar rights € in K	Brand name € in K	Customer relationships € in K	Capitalized development costs € in K	Payments on account € in K	Total € in K
Gross book values at Jan. 1, 2013	26,754	10,779	100,977	33,656	54	172,221
Currency translation	-297	0	-78	-40	0	-415
Change in the scope of consolidation and other acquisitions	5,528	888	9,103	6,586	0	22,105
Capital expenditures	890	0	0	5,139	0	6,029
Disposals	-595	0	0	0	0	-595
Transfers	82	0	0	0	0	82
Gross book values at Dec. 31, 2013	32,363	11,667	110,002	45,342	54	199,427
Amortization and impairment losses at Jan. 1, 2013	-10,543	0	-36,090	-16,854	0	-63,487
Currency translation	155	0	20	18	0	193
Amortization and impairment losses	-2,000	0	-7,362	-4,775	0	-14,137
Disposals	593	0	0	0	0	593
Transfers	0	0	0	0	0	0
Amortization and impairment losses at Dec. 31, 2013	-11,794	0	-43,432	-21,612	0	-76,837
Net book values at Dec. 31, 2013	20,569	11,667	66,570	23,730	54	122,590

The Stedim brand name acquired in 2007 is considered to have an indefinite useful life and is therefore not amortized. There is no foreseeable limit to the period over which the brand name is expected to generate net cash inflows for the Group. The brand name is tested annually for impairment and as soon as there is any indication of asset impairment.

Because of the integration of the Stedim brand into the Sartorius Stedim Biotech brand, a separate measurement of relevant cash flows is no longer possible. Therefore, no separate impairment test was carried out in 2013; the recoverability of the brand name was considered at the level of the "Biopharm segment" cash-generating unit (CGU).

The customer relationships obtained as part of the reverse acquisition of Stedim constitute a material intangible asset. The book value of these customer

relationships amounted to €45.9 million (2012: €51.3 million) for the year ended December 31, 2013; the remaining period of useful life is nine years.

In 2013, the development costs of €5,139 K were recognized as assets (€4,621 K in 2012). The capitalized development costs essentially covered the costs that were allocated to the staff involved in R&D, raw materials and supplies, outside services and directly attributable overhead. Internally generated intangible assets were amortized according to the straight-line method over their useful life, which usually did not exceed four years.

Amortization of intangible assets is allocated to the corresponding functions in the statement of profit or loss. For capitalized development costs, amortization is disclosed in the research and development costs.

18. Property, Plant and Equipment

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	Total € in K
Gross book values at Jan. 1, 2012	100,266	66,946	56,077	24,140	247,429
Currency translation	-732	-330	-135	51	-1,145
Change in the scope of consolidation and other acquisitions	0	0	0	0	0
Capital expenditures	20,523	11,118	7,700	5,756	45,097
Disposals	-2,038	-1,397	-6,135	-32	-9,601
Transfers	12,896	5,962	901	-20,426	-667
Gross book values at Dec. 31, 2012	130,914	82,300	58,409	9,489	281,112
Depreciation at Jan. 1, 2012	-31,776	-46,356	-37,728	0	-115,860
Currency translation	90	190	104	0	385
Depreciation	-4,011	-4,849	-5,983	0	-14,843
Disposals	2,018	1,253	5,549	0	8,820
Transfers	106	724	-153	0	676
Depreciation at Dec. 31, 2012	-33,572	-49,038	-38,211	0	-120,821
Net book values at Dec. 31, 2012	97,343	33,262	20,198	9,489	160,292

	Land, buildings and improvements € in K	Technical machinery and equipment € in K	Factory and office equipment and other equipment € in K	Payments on account and construction in progress € in K	Total € in K
Gross book values at Jan. 1, 2013	130,914	82,300	58,409	9,489	281,112
Currency translation	-1,539	-962	-741	-28	-3,269
Change in the scope of consolidation and other acquisitions	5,555	1,212	225	0	6,992
Capital expenditures	3,398	7,823	7,625	9,342	28,188
Disposals	-212	-896	-3,156	-78	-4,342
Transfers	646	2,673	1,266	-4,319	266
Gross book values at Dec. 31, 2013	138,764	92,150	63,627	14,406	308,948
Depreciation at Jan. 1, 2013	-33,572	-49,038	-38,211	0	-120,821
Currency translation	261	540	440	0	1,240
Depreciation	-4,458	-5,470	-6,487	-6	-16,421
Disposals	58	468	2,734	0	3,260
Transfers	0	27	-375	0	-348
Depreciation at Dec. 31, 2012	-37,711	-53,473	-41,900	-6	-133,090
Net book values at Dec. 31, 2013	101,053	38,678	21,727	14,400	175,858

Depreciation is included in the income statement according to use of the assets in the cost of sales, selling and distribution costs, research and development costs, general administrative expenses and other operating expenses.

In 2013, as for fiscal 2012, there were no significant impairment losses to recognize in the intangible assets and the property, plant and equipment.

Capitalized property, plant and equipment include assets held under finance leases amounting to €17.760K (2012: €10,996 K). The cost of acquisition of these assets totals €18.352 (2012: €11,214 K).

In 2013 rental payments amounting to €4.4million (2012: €4.1million) were made for assets leased under operating leases.

19. Deferred Tax

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Intangible assets	272	361	28,664	25,507
Tangible assets	0	0	3,673	3,906
Inventory	2,857	2,917	2,281	181
Receivables and other current assets	664	622	959	1,873
Provisions	3,541	3,911	0	116
Liabilities	628	300	726	1,428
Gross amount	7,962	8,111	36,303	33,012
Carry forward of taxable losses	1,535	544	0	0
Offset	-138	0	-1,448	-3,489
Net amount	9,359	8,655	34,855	29,523
Change	704		-5,332	
thereof recognized in profit or loss	-87		491	

Deferred Tax Assets

On the balance sheet date, the Group had unused tax loss amounts carried forward of €8.1 million to be deducted from future taxable profits (€2.8 million in 2012). A deferred tax amount was reported on approx. € 6.9 million of these losses (€1.7 million in 2012). Concerning the remaining losses to be carried forward, no deferred tax amounts were recognized because of the lack of visibility of future taxable profits.

Like in 2012 there are no deferred tax assets in relation to companies that reported losses in this year under review or in the earlier reporting year.

Deferred Tax Liabilities

The deferred tax liabilities in connection with intangible assets refer to assets acquired in business combinations and consequently are mainly linked to customer relationships.

In addition, the Group recorded deferred tax liabilities for a tax amount of €1.3 million on approx. €88 million in cumulative undistributed earnings of subsidiaries (€0.5 million in 2012). In effect, the Group considers that these cumulative undistributed earnings are not intended to be systematically reinvested in its subsidiaries, but rather might be used to pay out dividends in France or Germany.

The Group did not recognize deferred tax liabilities on the remaining retained earnings of subsidiaries because these earnings are intended to be reinvested in these operations. If the dividends are paid out, an amount of 5% of the dividends will be taxed under the French and German taxation rules and, if applicable, with withholding tax. Furthermore, additional income tax consequences could arise in the case of an intermediate holding company. Therefore, it is not possible to estimate the amount of taxable temporary differences for these undistributed earnings.

In fiscal 2013, as in the previous years, the tax effect from hedging instruments, and the deferred tax assets from the recognition of actuarial gains and losses in the pension reserves were recognized directly in the consolidated equity. Likewise, the amount of current income taxes incurred by net investment in a foreign operation was recognized in other comprehensive income. The deferred and current income taxes recognized in other comprehensive income are disclosed as follows in the table:

€ in K	2013	2012
Cash flow hedges	-642	-535
Actuarial gains losses on defined benefit obligations	-314	1,337
Net investment in a foreign operation	-549	-91
Total	-1,505	711

20. Inventories

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Raw materials and supplies	27,472	21,745
Work in progress	22,624	20,793
Finished goods and merchandise	40,396	37,704
Payments on account	1,686	4,837
Total	92,178	85,079

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Gross amount inventories	100,905	94,305
Write-downs	-8,727	-9,225
Net Amount Inventories	92,178	85,079

21. Current Trade | Other Receivables

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Trade receivables to third parties	94,921	80,437
Amounts due from customers for contract work	7,705	7,739
Receivables from subsidiaries of the Sartorius AG Group	4,929	4,026
Trade receivables	107,555	92,202

The "Receivables from subsidiaries of the Sartorius AG Group" item refers to other companies of the Sartorius Group.

In 2013, the Group transferred €21.6 million in the "Trade receivables" item to an unrelated entity (€25.7 million in 2012) under the factoring program. As the Group provided the transferee with a credit guarantee over a part of the expected losses of these receivables, the transfer did not qualify for derecognition under IAS 39. Accordingly, the Group continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing.

In some of the Group's business areas, the Group carries out long-term construction contracts. These customer-specific contracts are recognized by the application of IAS 11, Construction Contracts, based on the percentage of completion method.

The item "amounts due from customers for contract work" represents the net amount of costs incurred plus recognized profits less recognized losses and progress billings in connection with construction contracts. The aggregate amount of costs incurred and recognized profits | losses for projects in progress on the reporting date is €29,921 K (2012: €11,248 K). For these projects, advance payments of €22,215 K (2012: €13,514 K) were recorded. For this year, the contract revenue for projects in progress is €21,901 K (2012: €6,513 K).

Trade and other receivables were reported so that all discernible risks are covered. The book values of trade receivables and other receivables are representative of their fair value considering the maturity date and the credit risks. In determining the recoverability of trade receivables, the Group considers any change in the credit quality from the date the credit was originally granted. There are no significant concentrations of credit risks due to a large base of unrelated customers. Accordingly, it is not necessary to make any further provision to cover risks beyond the allowances already considered.

Development of trade allowances:

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Valuation allowance at the beginning of the year	-4,278	-3,886
Increase during the year	-789	-1,404
Derecognition and consumption	449	256
Recoveries of amounts previously impaired	1,636	724
Foreign currency translation differences	86	32
Valuation allowance at the end of the year	-2,897	-4,278

Aging of trade receivables past due, but not impaired:

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
1-30 days	14,059	12,556
31-90 days	8,757	9,048
91-180 days	3,502	2,449
181-360 days	298	1,121
More than 360 days	302	161
Total	26,917	25,334

For trade receivables of €26,917 K (2012: €25,334 K) that were past due on the reporting date, no valuation allowances were made as there was no material change in the creditworthiness of the debtors and it could be expected that they would pay the amounts outstanding. The trade receivables not yet due and other financial assets were not written down as there was no indication of impairment.

22. Other Assets

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Derivative financial instruments	2,890	1,173
Other financial assets	6,695	7,099
Other assets incl. prepaid expenses	5,512	5,979
Total	15,097	14,251

23. Issued Capital

At December 31, 2013, Group share capital totaled €10,396 K. The equity structure reflects the issued shares of the legal parent company, Sartorius Stedim Biotech S.A., which comprise 17,042,306 shares with a par value of €0.61. All shares are fully paid up.

As of December 31, 2012, and December 31, 2013, there were no dilutive instruments other than share subscription option plans.

Shares registered in the name of the same owner for at least four years benefit from a double voting right.

The AGM held on April 19, 2010, authorized Sartorius Stedim Biotech S.A. to introduce its own share buyback program for a maximum period of eighteen (18) months or until October 19, 2011.

At the end of December 2010, Sartorius Stedim Biotech S.A. bought back 1,698,710 treasury shares for an amount of €61.3 million. Some of these shares were repurchased by the Related Parties (see Note 32). No movements have been recorded during the years 2011 to 2013.

Dividends

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting for payment of a dividend for the year ended December 31, 2013, as follows: payment of a net dividend of €1.20 per share (2012: €1.10), i.e., a total disbursement of €18,412,315.2 (2012:16,876,856).

	Dec. 31, 2013	Dec. 31, 2012
Number of shares at the beginning of the period	17,041,306	17,025,948
Stock options exercised	1,000	15,358
Increase in capital	0	0
Number of shares at the end of the period	17,042,306	17,041,306
Nominal value per share (in €)	0.61	0.61
Issued capital amount (€ in K)	10,396	10,395

24. Pension and Employee Benefits Provisions

Defined Contribution Plans

Most of the Sartorius Stedim Biotech Group companies make payments under defined contributions plans, primarily relating to government-run pension plans. In some countries, the percentage the companies pay as social security contributions, or national insurance contributions, for old-age retirement benefits cannot be reliably determined. In 2013, the total expense recognized for the remaining companies amounted to €11,108 K (2012: €10,685 K).

Defined benefit plans

Pension provisions and similar obligations have been recognized in the consolidated financial statements of Sartorius Stedim Biotech Group in accordance with actuarial principles. All actuarial gains and losses are shown directly in other comprehensive income according to the standard IAS 19R. The actuarial gains, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €1,048 K (actuarial loss of €4,833 K in 2012).

An amount of €17,837 K relates in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €18,276 K in 2012 and primarily relate to direct commitments under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The benefits earned depend on the salary level and the age of the respective employees. The pension benefits are generally not funded with assets.

The assumed discount factors reflect the interest rates that were paid on the reporting date for prime corporate (industrial) bonds with matching maturities and denominated in the relevant currencies. If such corporate bonds are not available with matching long-term maturities or are insufficiently available, their matching interest rates are determined by extrapolation.

Measurement of the post-employment benefit obligations is based on the following actuarial assumptions:

For Germany:

in %	Dec. 31, 2013	Dec. 31, 2012
Discount rate	3.50	3.30
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

For France:

in %	Dec. 31, 2013	Dec. 31, 2012
Discount rate	3.50	2.80
Future salary increases	3.00	3.00
Future pension increases	2.00	2.50

The amounts reported in the statement of profit or loss and other comprehensive income consist of the following:

	2013 € in K	2012 € in K
Current service cost	-1,089	-980
Past service cost	0	0
Net interest expenses	-690	-765
Components of defined benefit costs recognized in profit or loss	-1,779	-1,746
Return on plan assets (excl. interest)	35	0
Actuarial gains losses	1,025	-4,851
Components of defined benefit costs recognized in other comprehensive income	1,060	-4,851
Total	-719	-6,597

In the statement of profit or loss, the current service cost is disclosed according to the assignment of employees to the respective functions.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of defined benefit plans is as follows:

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K	Jan. 1, 2012 € in K
Present value of the obligations	27,017	26,831	21,542
Fair value of the plan assets	-4,416	-3,948	-3,901
Net Liability	22,601	22,883	17,640

The present value of the defined benefit obligation developed as follows:

	2013 € in K	2012 € in K
Present value of the obligations as of Jan. 1	26,831	21,339
Current service cost	1,089	980
Past service cost	0	0
Interest cost	778	855
Actuarial gains losses	-1,030	4,876
Currency translation differences	-159	53
Retirement benefits paid in the reporting year	-1,115	-1,651
Employee contributions	153	178
Contributions by plan participants	391	143
Change in the scope of consolidation	0	0
Other changes	79	58
Present value of the obligations as of Dec. 31	27,017	26,831

The actuarial gains and losses of the defined benefit obligation can be allocated as follows:

	2013 € in K	2012 € in K
Experience adjustments	-492	184
Changes in demographic assumptions	55	0
Changes in financial assumptions	-588	4,667
Total	-1,025	4,851

Plan Assets:

	2013 € in K	2012 € in K
Plan assets as of Jan. 1	3,948	3,901
Interest income	88	90
Return on plan assets (excl. interest)	35	0
Actuarial gains losses	-5	26
Group contribution & payments	-572	-563
Currency translation differences	-74	60
Employee contributions	153	178
Employer contributions	451	227
Contributions by plan participants	391	143
Change in the scope of consolidation	0	0
Other changes	0	-114
Plan assets as of Dec. 31	4,416	3,948

Composition of Plan Assets:

The plan assets do primarily refer to insurance contracts in Germany and Switzerland, there are no major equity or debt investments included. The subsidiary in South Korea has deposited an amount of €0.8million to local banks as cash and cash equivalents.

Sensitivity Analysis:

An increase | decrease of the actuarial assumptions would have the following impacts on the defined benefit obligations:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	-1 year
Effect	421	-402
Financial assumptions		
Discount rate	+100 bps	-100 bps
Effect	-3,226	4,098
Future salary increases	+50 bps	-50 bps
Effect	475	-449
Future pension increases	+25 bps	-25 bps
Effect	599	-571

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another. Furthermore, the present value of the defined benefit obligation has been calculated using the same method that was applied in calculating the defined benefit obligation liability recognized in the statement of financial position (projected unit credit method).

Maturity Analysis

The undiscounted cash flows from defined benefits obligations can be allocated to maturities as follows:

	Dec. 31, 2013 € in K
<1 year	865
1-5 years	4,046
6-10 years	6,922
>10 years	46,260
Total	58,093

The weighted average duration of the defined benefit obligations is 15.1 years.

25. Other Non-current Provisions

	Payments to employees on early retirement plan € in K	Other € in K	Total € in K
Balance at Jan. 1, 2012	2,963	526	3,489
Currency translation	0	-11	-11
Consumption	-363	-12	-375
Reversals	0	0	0
Additions	456	89	545
Reclassification	0	0	0
Balance at Dec. 31, 2012	3,056	592	3,648

	Payments to employees on early retirement plan € in K	Other € in K	Total € in K
Balance at Jan. 1, 2013	3,056	592	3,648
Currency translation	0	-17	-17
Consumption	-1,170	-35	-1,205
Reversals	-33	0	-33
Additions	527	84	611
Reclassification	0	0	0
Balance at Dec. 31, 2013	2,380	623	3,003

The non-current provisions comprise mainly provisions for partial retirement and employee anniversary bonuses (included in the item "other"). These obligations arise mainly in German Group companies. The partial retirement plans allow employees to work part-time for 3-5 years before their actual retirement.

According to IAS 19R the treatment of severance payments to be earned in future periods must be recognized in profit or loss over the respective period of service. As explained in section 3 this revision led to a change in the accounting for payments to employees under pre-retirement part-time working agreements (partial retirement provisions) in Germany. In the past, provisions were established at the time the offer of a respective working agreement was made or the agreement was concluded, even when service remained to be provided by the employee in the future. The retroactive application of IAS 19R resulted in an adjustment to the statement of financial position as of January 1, 2012 by €244 K.

Non-current provisions are reported at their present value on the reporting date. The discount rate for employees on the early retirement plan and for provisions accrued for company anniversaries is 0.8% (2012: 0.7%).

Provisions for employees as beneficiaries of the early retirement plan (partial retirement) are for a maximum period of five years. Actuarial gains and losses, as well as past service costs, on these obligations are recognized as income or expense.

26. Non-current Liabilities

Loans and Borrowings

	Balance at Dec. 31, 2013 € in K	of which current Dec. 31, 2013 € in K	Balance at Dec. 31, 2012 € in K	of which current Dec. 31, 2012 € in K
Liabilities to banks	146,989	27,078	130,410	104,871
Finance lease liabilities	18,570	1,274	11,085	988
Total loans and borrowings	165,559	28,352	141,495	105,859

In September 2013 Sartorius Stedim Biotech took out a long-term syndicated credit line of €250 million for the next five years. The agreement was signed with an international bank syndicate led by Commerzbank AG and Nord/LB. In addition, syndicate participants are BNP Paribas, Deutsche Bank, DZ Bank, HSBC, LBBW and Société Générale.

With this transaction, the Group is putting its financing on a broad-based, international footing over the long term. The credit line is based on a variable interest rate.

Other Non-current Liabilities

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Derivative financial instruments	2,573	2,460
Other liabilities	34,765	34,230
Total	37,338	36,690

The derivative financial instruments represent the fair value of interest rate swap agreements.

The non-current liabilities include the liability for the remaining purchase price for the cell culture media business of the company Lonza (see chapter 8).

27. Current Provisions

During financial 2012 and 2013, the current provisions developed as follows:

	Warranties € in K	Other € in K	Total € in K
Balance at Jan. 1, 2012	1,742	3,627	5,370
Currency translation	-12	-43	-55
Consumption	-925	-1,395	-2,320
Release	-55	-940	-995
Additions	579	1,854	2,434
Other changes	0	0	0
Balance at Dec. 31, 2012	1,331	3,103	4,433

	Warranties € in K	Other € in K	Total € in K
Balance at Jan. 1, 2013	1,331	3,103	4,433
Currency translation	-23	-105	-128
Change in the scope of consolidation	208	0	208
Consumption	-425	-890	-1,315
Release	-246	-3,980	-4,226
Additions	1,165	4,861	6,026
Other changes	0	0	0
Balance at Dec. 31, 2013	2,009	2,989	4,998

In measuring the other provisions, all recognizable obligations that are based on past business transactions or past events probably resulting in cash payments for resources, which are representative of economic benefits and whose the amount can be reliably estimated, were reported as provisions.

Provisions are considered only if they result from a legal or constructive obligation with respect to third parties.

The "Other provisions" entail mainly onerous contracts and uncertain employee benefits.

28. Current Liabilities

Trade Payables

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Payments received on account of orders	14,731	16,810
Trade payables to third parties	39,787	30,529
Payables to participations	352	275
Payables to subsidiaries of the Sartorius AG Group	7,973	9,338
Total	62,843	56,952

The "Payables to subsidiaries of the Sartorius AG Group" refer to other companies of the Sartorius Group.

Other Liabilities

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Derivative financial instruments	106	1,126
Tax and social security	10,610	7,413
Personnel-related liabilities	14,631	16,372
Other liabilities	28,367	34,529
Total	53,714	59,440

29. Other Financial Obligations | Contingent Assets and Liabilities

Like in the previous years there are no significant contingent liabilities or contingent assets to be reported. The Group's major financial obligations refer to operate leases as follows:

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Operate leases		
- due within one year	4,333	3,815
- due within 2 to 5 years	7,645	6,653
- due thereafter	2,249	696

30. Financial Instruments | Financial Risks

A. General Information

This section gives an overview of the impact of financial instruments on the financial statements of the Sartorius Stedim Biotech Group and provides additional information on the balance sheet items, which contain financial instruments.

Derivatives are measured at fair value determined according to the mark-to-market method in which recognized mathematical methods are used. The fair values are based on the market data available at the time the value of these derivatives is calculated and reflect the estimates of the market conditions at the end of the year.

B. Classes of Financial Instruments

The following tables compare the carrying amounts and the fair values of all categories of financial instruments and reconcile these with the balance sheet items.

	Category acc. to IAS 39	Carrying amount Dec. 31, 2013 € in K	Fair value Dec. 31, 2013 € in K	Carrying amount Dec. 31, 2012 € in K	Fair value Dec. 31, 2012 € in K
Investments in non-consolidated subsidiaries	Available for sale	1,300	1,300	1,236	1,236
Trade receivables	Loans and receivables	107,555	107,555	92,202	92,202
Receivables and other assets	Loans and receivables	7,266	7,266	7,379	7,379
Derivative financial instruments	Held for trading	0	0	318	318
Derivative financial instruments	Hedging Instruments	2,890	2,890	1,631	1,631
Other assets	Not IFRS 7	5,512	5,512	5,979	5,979
Receivables and other assets		15,668	15,668	15,307	15,307
Cash and cash equivalents	Loans and receivables	35,605	35,605	27,807	27,807
Loans and borrowings	Financial liabilities at cost	146,989	147,659	130,410	130,633
Finance lease liabilities	IFRS 7	18,570	18,253	11,085	11,770
Loans and borrowings		165,559	165,912	141,495	142,403
Trade payables	Financial liabilities at cost	48,112	48,112	40,142	40,142
Trade payables	Not IFRS 7	14,731	14,731	16,810	16,810
Trade payables		62,843	62,843	56,952	56,952
Derivative financial instruments	Held for trading	0	0	0	0
Derivative financial instruments	Hedging Instruments	2,679	2,679	3,586	3,586
Other liabilities	Financial liabilities at cost	61,464	67,424	67,456	67,456
Other liabilities	Not IFRS 7	26,909	26,909	25,088	25,088
Other liabilities		91,052	97,012	96,130	96,130

The carrying amounts of the financial instruments for each category are shown in the following table:

	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Available for sale assets	1,300	1,236
Loans and receivables	150,425	127,387
Held for trading assets	0	318
Assets held as hedging instruments	2,890	1,631
Financial liabilities at cost	256,565	238,008
Held for trading liabilities	0	0
Liabilities held as hedging instruments	2,679	3,586

The fair values of the financial instruments were determined on the basis of the market information available on the balance sheet date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 7.

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 which are not derivable from observable market data.

For the equity investments measured at acquisition cost (mainly investments in nonconsolidated subsidiaries), 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. It is assumed that the carrying amounts correspond to the fair values as at the balance sheet date.

The financial instruments carried at fair value at the balance sheet date are derivatives in the form of forward contracts and interest rate swap agreements. The valuation was done based on quoted foreign exchange rates and available interest rate curves and taking into consideration the counterparty risk (level 2).

The calculation of the fair values of the financial liabilities at amortized cost (especially loans to banks) and finance lease liabilities was done as a level 3 calculation based on the market interest rate curve following the zero-coupon method in consideration of expected (indicative) credit spreads.

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

Net Gains and Losses from Financial Instruments

The net gains and losses of the various categories of financial instruments are presented in the following table:

	2013 12 months € in K	2012 12 months € in K
Available for sale assets	0	4,339
Loans and receivables	-3,414	-1,859
Financial assets and liabilities held for trading	742	-437
Financial liabilities at cost	1,246	393

The net result from financial assets available for sale mainly comprises gains or losses on equity investments (dividends or gains from the disposal of shares).

The net result from loans and receivables mainly includes the effects of currency translation and changes in allowances.

The net result from financial assets and liabilities held for trading predominantly comprises changes in the fair value of derivative financial instruments as well as interest income and interest expenses for these financial instruments.

The net result from liabilities measured at amortized cost mainly comprises the effects of foreign currency translation.

Total interest income and expenses for financial assets and liabilities that are measured at fair value without recognition in profit or loss were as follows:

	2013 12 months € in K	2012 12 months € in K
Interest income	362	1,028
Interest expenses	-4,492	-4,551

C. Capital Risk Management

In the Sartorius Stedim Biotech Group, capital is managed in order to maximize earnings of those participating in the company by optimizing the ratio of equity to liabilities. Furthermore, we ensure that all Group companies operate under the premise of the going-concern principle.

The financial liabilities detailed below are regarded as managed capital and, furthermore, so are the cash and cash equivalents as well as equity capital.

D. Goals of Financial Risk Management

The Treasury Department of the Sartorius Stedim Biotech Group is centrally focused in Sartorius Corporate Administration GmbH, a subsidiary of Sartorius AG. This centralized Treasury Department performs services for all companies of the Sartorius Group, including the Sartorius Stedim Biotech Group, and coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting, which analyzes risks according to their degree and scope. Essentially, these risks entail currency, interest rate and liquidity risks.

The Sartorius Stedim Biotech Group strives to minimize the impact of currency and interest rate risks using derivative financial instruments. Hedging transactions and their controlling are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Trading with derivative financial instruments is done for hedging purposes only.

E. Management of Exchange Rate Risks

The Group is exposed to currency risks as more than one third of sales revenue is generated in U.S. dollars or currencies linked to the U.S. dollar and, to a lesser extent, in other foreign currencies. Therefore, derivative financial instruments are used to hedge the net currency exposure resulting from currency translation of the sales revenue. For currency hedging, foreign currency options and forward contracts are used and, to a limited extent, structured hedge transactions.

Forward contracts secure the right, and simultaneously create the obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the exchange rate actually valid on this date. The profit or loss resulting from the difference between the current and the previously established exchange rate is generally measured as income or an expense in the statement of profit or loss.

In addition, target profit forwards have been concluded to optimize hedging transactions. These transactions secure the right and create the obligation

to swap an agreed amount in a foreign currency for the corresponding euro amount at a fixed exchange rate on several target dates as long as the profit resulting from these exchange transactions does not exceed a contractually defined limit.

The Group's strategy provides for hedging of up to one and a half years. Also, the hedging measures are reviewed at regular intervals in order to adapt them to currency fluctuations.

At the balance sheet date forward contracts have been carried out in an amount of \$46 million (2012: \$57 million) to hedge against the risk of fluctuation in the EUR|USD exchange rate. This amount covers roughly two thirds of the expected net exposure for the U.S. dollar within the period of 1.5 years. Furthermore, Japanese yen in the amount of JPY 650 million (JPY 800 million) have been hedged.

The following table shows the forward transactions as well as the target profit forward contracts as of the balance sheet date:

Dec. 31, 2012	Currency	Volume	Maturity	Fair value € in K
Forward contract	USD	5,500,000	Q1 2013	-171
	USD	13,000,000	Q2 2013	-13
	USD	9,000,000	Q3 2013	102
	USD	10,500,000	Q4 2013	118
	USD	8,000,000	Q1 2014	512
	USD	46,000,000		548
Forward contract	JPY	150,000,000	Q1 2013	127
	JPY	150,000,000	Q2 2013	158
	JPY	100,000,000	Q3 2013	174
	JPY	250,000,000	Q4 2013	356
	JPY	150,000,000	Q1 2014	268
	JPY	800,000,000		1,083
Target Profit Forward	USD	12,000,000	Q4 2013	318
	USD	12,000,000		318

Dec. 31, 2013	Currency	Volume	Maturity	Fair value € in K
Forward contract	USD	11,500,000	Q1 2014	749
	USD	18,500,000	Q2 2014	687
	USD	19,500,000	Q3 2014	552
	USD	7,500,000	Q4 2014	11
	USD	57,000,000		1,999
Forward contract	JPY	150,000,000	Q1 2014	551
	JPY	100,000,000	Q2 2014	68
	JPY	200,000,000	Q3 2014	136
	JPY	200,000,000	Q4 2014	136
	JPY	650,000,000		891

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent balance sheet dates. The changes in value of the derivative financial instruments are recognized in the statement of profit or loss on the balance sheet date. If the derivative financial instruments serve to hedge against cash flow risk and a qualified hedging relationship exists based on the criteria of IAS 39 (treasury hedging), the valuation adjustments are recognized directly in equity. The amounts recognized in equity are included in the profit or loss in the period in which the hedged transactions affect this result.

In 2013, a positive amount of €2,141 K (2012: a positive impact of €1,783 K) was recognized in other comprehensive income (cash flow hedging reserves) under an effective hedging relationship; there was no ineffective portion (2012: €293 K). An amount of €851 K has been transferred into the profit or loss for the period (2012: -€1,459 K).

If the U.S. dollar would have depreciated 5% against the euro, the equity would have increased by €4.5 million (2012: €2.5 million) and the result would have been increased by €0.4 million (2012: €0.6 million).

Vice versa, if the U.S. dollar would have appreciated 5% against the euro, the resulting impact of the financial result would have been -€0.4 million (2012: -€0.5 million) and the other comprehensive income -€4.9 million (2012: -€3.3 million).

F. Interest Risk Management

Financing of the Sartorius Stedim Biotech Group is usually done through the German subsidiary Sartorius Stedim Biotech GmbH and the French parent company Sartorius Stedim Biotech S.A., which ensure the financing of all Group companies using internal group loans.

As most of the loans are taken out at variable interest rates, the Group is exposed to interest rate risks. To control the interest risk, an appropriate ratio between fixed and variable loans is maintained. Furthermore, the Group concluded interest rate hedges in the form of interest swaps, which cover the majority of the loans outstanding at variable interest rates. As a result, the Group receives the particular (variable) interest rate valid on the market and pays a fixed interest rate. The following table provides an overview of the interest hedging contracts available on the reporting date.

Instrument	Hedging volume as of Dec. 31, 2013 € in K	Hedging volume as of Dec. 31, 2012 € in K	End of term	Hedged interest rate	Fair value as of Dec. 31, 2013 € in K	Fair value as of Dec. 31, 2012 € in K
Swaps	60,000	80,000	up to Sep. 2015	2.37%–2.77%	–2,378	–1,020
Forward Swaps	40,000	60,000	up to Aug. 2018	1.68%–1.78%	–195	–2,460
Total					–2,573	–3,480

The Group's hedging strategy is to secure between one third and 50% of the risk exposure for a period up to five years. As of Dec. 31, 2013 the raised loans with

variable interest rates amount to €100million and the hedged volume is between €40million and €60million for the next five years.

G. Liquidity Risk Management

The maturity of the financial liabilities excluding derivative financial instruments shows the following pattern:

	Carrying amount Dec. 31, 2012 € in K	Cash Flow Dec. 31, 2012 € in K	< 1 year € in K	1 – 5 years € in K	> 5 years € in K
Loans and borrowings	130,410	135,272	106,626	15,385	13,261
Finance Leases	11,085	29,247	1,029	4,782	23,436
Trade payables	40,142	40,142	40,142	0	0
Other liabilities (excluding derivatives)	67,456	78,787	33,226	16,567	28,994
Financial Liabilities	249,092	283,447	181,022	36,734	65,691

	Carrying amount Dec. 31, 2013 € in K	Cash Flow Dec. 31, 2013 € in K	< 1 year € in K	1 – 5 years € in K	> 5 years € in K
Loans and borrowings	146,989	157,325	27,135	123,547	6,643
Finance Leases	18,570	41,681	5,956	7,495	28,230
Trade payables	48,112	48,112	48,112	0	0
Other liabilities (excluding derivatives)	61,464	71,502	26,699	16,292	28,511
Financial Liabilities	275,135	318,620	107,902	147,333	63,384

The loans and borrowings include liabilities arising from the sale of trade receivables under a factoring program that was initiated in 2009. The other liabilities include the liability for the acquisition of cell culture media business of the company Lonza.

The following tables illustrate the liquidity analysis for derivative financial instruments based on undiscounted cash flows:

	Carrying amount Dec. 31, 2012 € in K	Cash Flow Dec. 31, 2012 € in K	< 1 year € in K	1 – 5 years € in K	> 5 years € in K
Interest rate swaps	3,586	3,679	1,321	2,358	0
Derivatives	3,586	3,679	1,321	2,358	0

	Carrying amount Dec. 31, 2013 € in K	Cash Flow Dec. 31, 2013 € in K	< 1 year € in K	1 – 5 years € in K	> 5 years € in K
Interest rate swaps	2,679	3,900	1,266	2,634	0
Derivatives	2,679	3,900	1,266	2,634	0

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, by continuously tracking the forecasted and actual cash flows and by managing the maturity profiles of financial assets and liabilities.

The table below provides an overview of the credit lines available on the reporting date:

	Credit line at Dec. 31, 2012	< 1 year € in K	1 – 5 years € in K	> 5 years € in K	Interest rate	Credit line used at Dec. 31, 2012	Credit line unused as of Dec. 31, 2012
Syndicated credit line	168,000	168,000	0	0	Variable	78,000	90,000
Bilateral credit line	47,919	26,044	12,500	9,375	Variable and fixed	35,818	12,101
Total	215,919	194,044	12,500	9,375		113,818	102,101

	Credit line at Dec. 31, 2013	< 1 year € in K	1 – 5 years € in K	> 5 years € in K	Interest rate	Credit line used at Dec. 31, 2013	Credit line unused as of Dec. 31, 2013
Syndicated credit line	250,000	0	250,000	0	Variable	100,000	150,000
Bilateral credit line	46,500	27,750	12,500	6,250	Variable and fixed	38,200	8,300
Total	296,500	27,750	262,500	6,250		138,200	158,300

If the market interest rate had been 1.0 percentage point higher, the interest expenses in the statement of profit or loss would have been €1.0 million (2012: €0.4 million) higher and €2.0 million (+€2.2 million) would have been shown in other comprehensive income as part of an effective hedging transaction.

With regard to a decrease in interest rates we have considered a base interest rate of 0%. The resulting impact on the financial result would have been €0.3 million (€0.1 million) and on the equity –€2.0 million (–€1.0 million).

As explained in Note 26, in September 2013 the Group has put in place a syndicated loan agreement with a credit line of €250 million for a term of five years.

Under this agreement, Sartorius Stedim Biotech is required to comply with standard financial key ratios (covenants). In this context, the ratio of net debt to underlying EBITDA (see glossary) may not be greater than 3.0 and the interest coverage ratio (underlying EBITDA (see glossary) to interest payable) may not be lower than 6.0 (essentially unchanged compared to the previous financing). As of December 31, 2012 and 2013 Sartorius Stedim Biotech achieved the following ratios:

€ in K	Dec. 31, 2013 € in K	Dec. 31, 2012 € in K
Ratio of net debt EBITDA	1.0	1.0
Interest coverage	25.9	27.9

Underlying EBITDA corresponds to the EBITDA (Earnings before interest, taxes, depreciation and amortization) adjusted for extraordinary items. The net debt is defined as outstanding bank loans less cash and cash equivalents held. The interest payable amount refers to interest expenses on loans.

Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Stedim Biotech Group has not been exposed to the risk of volatility in share prices.

31. Share-based Payments

Share-based payments relate to stock option plans allocated to Group personnel.

	Dec. 31, 2013 Number of options	Dec. 31, 2012 Number of options
Outstanding at beginning of period	24,642	40,000
Allocated during the period	0	0
Cancelled during the period	0	0
Exercised during the period	-1,000	-15,358
Lapsed in the period	0	0
Outstanding at end of period	23,642	24,642
Exercisable at the end of period	23,642	24,642

The various stock option plans outstanding at December 31, 2012, and December 31, 2013, are summarized as follows:

Date of General Meeting authorizing the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Number of initial beneficiaries	Subscription price in €	Number of shares subscribed over the fiscal year 2012	Number of options granted and exercisable at Dec. 31, 2012	Number of options subject to target performance at Dec. 31, 2012	Total of number of beneficiaries of valid options
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	3,358	16,642	0	2
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	0	5,000	0	1
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	29.51	12,000	3,000	0	1
Total		302,500	0		36		15,358	24,642	0	4
									24,642	

Date of General Meeting authorizing the plan	Date on which the Board granted approval	Initial number of shares to be subscribed	Number of shares to be subscribed by directors and executives	Number of directors and executives concerned	Number of initial beneficiaries	Subscription price in €	Number of shares subscribed over the fiscal year 2013	Number of options granted and exercisable at Dec. 31, 2013	Number of options subject to target performance at Dec. 31, 2013	Total of number of beneficiaries of valid options
June 23, 2000	July 23, 2004	140,000	0	0	19	9.23	1,000	15,642	0	2
June 10, 2005	Sept. 15, 2005	127,500	0	0	15	18.87	0	5,000	0	1
June 10, 2005	Nov. 10, 2006	35,000	0	0	2	29.51	0	3,000	0	1
Total		302,500	0		36		1,000	23,642	0	4
									23,642	

The cost for fiscal 2013 is €0 K. No new additional stock options were granted in 2013.

Sartorius Stedim Biotech share purchase options have been allocated by the Group to some of its senior managerial employees and directors. The fair value of

services performed as consideration for the allocation of these options is measured by reference to the fair value of these options at the date of allocation. In order to perform this estimate, the Group uses a binomial-type mathematic model.

The total fair value of each plan thus measured is recognized as an expense spread over the full vesting period of the plan. This expense is recognized under personnel costs and offset by an increase in reserves. Cash received by the Group upon the exercise of these options is recognized in the cash and cash equivalents with a corresponding item in the issued capital and the reserves.

On the level of Sartorius Stedim Biotech's majority shareholder Sartorius AG, share-based payments exist in the form of so-called phantom stock units. Under this plan the respective board member is granted a

certain number of phantom stocks each year that represent an agreed amount of money. The exercise of these stocks is not possible before four years and is depending on certain requirements regarding the performance of the Sartorius AG shares. When the stocks are paid out the amount is based on the share price at the exercise date. The payment is capped at an amount of 2.5 times the share price at the time the virtual options were granted. For further details please refer to the Remuneration Report.

The fair value of the phantom stock units is disclosed as follows:

	Number of phantom stock units	Subscription price in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2013 € in K	Paid out € in K	Exercisable
Tranche of phantom stock units for 2010	13,469	15.78	213	531	0	no
Tranche of phantom stock units for 2011	8,358	26.62	223	539	0	no
Tranche of phantom stock units for 2012	7,115	33.12	235	554	0	no
Tranche of phantom stock units for 2013	3,686	69.36	256	282	0	no
Total	32,628		927	1,906	0	

Other Disclosures

The consolidated financial statements were prepared on a going concern basis.

Material Events after the Reporting Date

No material events occurred after the reporting date.

Number of Employees

The average workforce employed during the year 2013 was 3,226 (2,994 in 2012).

32. Related Parties

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds, either directly or indirectly through its 100% subsidiary VL Finance S.A.S., a controlling stake in the company of 67% in equity capital, taking into account treasury shares – 74.4% excluding the treasury shares – and 84.6% of the voting rights.

Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries (presented in Note 7), which are related parties of the company, have been eliminated on consolidation and are not disclosed under this Note. Details of transactions between the Group and other related parties, primarily with other companies belonging to the Sartorius Group, are disclosed below.

Several service and sublease agreements are in place between other Sartorius Group companies and Sartorius Stedim Biotech Group companies. These contracts include mainly subleases for office space and central administrative functions, such as accounting and controlling, human resource management and IT. In this respect, the relevant companies charge rent, salaries, social security costs and other expenses for such services, as well as a pro-rated profit margin for the services they provide.

The most important contract in place is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH, Germany, a 100% affiliate of Sartorius AG. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH as well as to Sartorius AG on arm's length terms. In 2013, services for approx. €18.9 million were provided to Sartorius Stedim Biotech GmbH (€15.2 million in 2012).

Furthermore, under comparable service agreements other Group companies rendered administrative services worth €1.3 million to related parties that are part of the Group and spent €24.2 million in 2013 for services received (€1.1 million and €18.3 million in 2012, respectively). This amount includes charges to Sartorius Stedim Biotech S.A. for board members (€0.7 million) and administrative services (€0.7 million).

During 2013, the Group continued the following contractual relationships with related parties (other Sartorius Group entities and entities non-consolidated):

	Sales revenue 2013 € in K	Purchases 2013 € in K	Receivables Dec. 31, 2013 € in K	Payables Dec. 31, 2013 € in K
Related parties of Sartorius Group	11,198	5,722	4,929	7,973
	Sales revenue 2012 € in K	Purchases 2012 € in K	Receivables Dec. 31, 2012 € in K	Payables Dec. 31, 2012 € in K
Related parties of Sartorius Group	11,260	5,499	4,026	9,338

Compensation of Key Management Personnel:

In 2012 and 2013, the Executive Board Management received the following remuneration:

	Short-term benefits € in K	Post- employment benefits € in K	Other long- term benefits € in K	Termination benefits € in K	Share-based payments ²⁾ € in K
2013 ¹⁾	2,473	118	348	0	418
2012 ¹⁾	2,350	172	388	0	781

¹⁾ The amounts include Dr. Joachim Kreuzburg's and Reinhard Vogt's salaries, which they receive from Sartorius AG for their work performed for the entire Sartorius Group. Their remunerations are determined annually by the Supervisory Board of Sartorius AG.

²⁾ This amount is a remuneration component of a phantom stock plan and depends on the development of the Sartorius AG share price over a period of at least four years (formerly three) and is payable only if this price exceeds an established minimum share price appreciation or outperforms a comparative index. The use of such a component, which is designed to have a long-term incentive effect, is subject to risk, as suggested by the French and German Corporate Governance Codes.

Statutory Auditors' Report on the Consolidated Financial Statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Sartorius Stedim Biotech;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Director. Our role is to express an opinion on these consolidated financial statements based on our audit.

I Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 2 of the notes to the consolidated financial statements "which describes the changes made in the presentation of the Statement of Profit or Loss and Other Statements

II Justification of our assessments

In accordance with the requirements of article L. 823 - 9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Note 3 "Accounting policies / assumptions and estimates" to the consolidated financial statements refers to the significant judgments and estimates made by management, particularly those concerning the capitalization of research and development expenditure and the impairment tests on goodwill and assets with indefinite useful lives.

At each period-end, your Company systematically performs an impairment test on goodwill and assets with indefinite useful lives and also assesses whether there is an indication of a loss in value for long-term assets, according to the terms and conditions defined in Note 15 "Goodwill and intangible assets" to the consolidated financial statements.

Our work consisted in assessing the data and assumptions on which these judgments and estimates were based, reviewing, on a test basis, the calculations performed by your Company, comparing the accounting estimates of previous periods with the corresponding achievements, examining the procedures implemented by management to approve the estimates and verifying that the notes to the consolidated financial statements provide an appropriate disclosure on the assumptions and options adopted by your Company.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Marseille, 24 February, 2014

Ernst & Young Audit
Xavier Senet

Deloitte & Associés
Christophe Perrau

Annual Financial Statements of
Sartorius Stedim Biotech S.A. and Notes

05

Annual Financial Statements

Parent Company Balance Sheet: Assets (in thousands of €)

Material events during the fiscal year on page 146	Gross at Dec. 31, 2013	Depreciation, amortization and provisions Dec. 31, 2013	Net at Dec. 31, 2013	Net at Dec. 31, 2012
Intangible assets	552	-4	548	463
Property, plant and equipment	15,273	-8,387	6,885	11,545
Financial investments	189,465	0	189,465	146,302
Total non-current assets	205,290	-8,391	196,899	158,310
Inventories and work in progress	0	0	0	8,306
Receivables				
Trade receivables to third parties	0	0	0	12,291
Other receivables	9,426	0	9,426	40,759
Marketable securities	0	0	0	0
Deposits and cash equivalents	559		559	158
Total current assets	9,985	0	9,985	61,514
Prepaid expenses	45		45	57
Currency translation adjustment	0		0	2,162
Total assets	215,320	-8,391	206,929	222,043

Parent Company Balance Sheet: Equity and Liabilities (in thousands of €)

Material events during the fiscal year on page 146	At Dec. 31, 2013	At Dec. 31, 2012
Share capital	10,396	10,395
Share premium	59,884	59,876
Reserves	1,630	1,629
Retained earnings carried forward	28,969	19,647
Profit for the period	20,875	26,198
Regulated provisions	4,088	4,088
Total equity	125,841	121,833
Provisions for liabilities and charges	0	2,789
Total provisions for liabilities and charges	0	2,789
Loans and borrowings	0	0
Trade payables	1,702	7,455
Tax and social charges payable	337	5,538
Liabilities for non-current assets	0	220
Other liabilities	79,049	84,185
Total liabilities	81,088	97,398
Currency translation adjustment		23
Total equity and liabilities	206,929	222,043

Parent Company: Income Statement (in thousands of €)

Material events during the fiscal year on page 146	At Dec. 31, 2013	At Dec. 31, 2012
Sales revenue	1,501	81,942
Inventory movements	0	-17
Capitalized production costs	0	0
Depreciation or amortization reversals	0	1,322
Other operating income and expense reallocation	0	428
Purchases consumed	0	-41,930
External charges for services	-2,021	-10,654
Tax and duties	-793	-1,870
Personnel costs	0	-22,140
Additions to amortization, depreciation and provision	-598	-3,041
Other operating expenses	-223	-465
Operating profit (EBIT)	(2,133)	3,575
Net financing income (expense)	22,716	22,443
Profit (loss) from ordinary activities	20,583	26,018
Exceptional income (expense)	0	-498
Income tax	292	678
Net profit (loss)	20,875	26,198

1. Materiel Events during the Fiscal Year

The 16th of April 2013, the shareholders of the company Sartorius Stedim Biotech SA approved the 13th resolution of the Extraordinary Shareholders' Meeting proposed a draft of a partial asset contribution to which the company Sartorius Stedim Biotech SA made contribution to Sartorius Stedim FMT SAS of its complete and autonomous branch of activity on management of fluids.

The asset transferred was valued at €68,632,974 and liabilities assumed at €25,692,854, therefore the net asset contributed to €42,940,120.

This transaction was completed on October 1, 2013 with retroactive effect from 1 January 2013.

This largely explains the significant changes that have been recorded in the balance sheet you will find details in the following chapters.

Sartorius Stedim Biotech SA now includes the activities of holding the Sartorius Stedim Biotech Group (ownership of shares in subsidiaries) and also covers all real estate related to the activity of holding and manufacturing activity of the site in Aubagne. Therefore, Sartorius Stedim Biotech SA presents an income statement including:

- Income and expenses from the rental business,
- Income and expenses arising from the holding activity (mainly dividends).

The 5th of July, Sartorius Stedim Biotech SA acquired a leasing contract of a building of warehouse-storage located in Aubagne.

The entire property is an amount of €3,251 K including land and building.

2. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2013, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of a going concern. The annual financial statements have been prepared in accordance with the provisions of the French Commercial Code Accounting Decree of November 29, 1983, and CRC Regulation 99-03 of April 29, 1999 on the revision of the French chart of accounts.

Sartorius Stedim Biotech S.A. is listed in Compartment A of the Euronext Paris Stock Exchange (ISIN FR code 0000053266) and also prepares consolidated financial statements in accordance with IFRS standards, as adopted by the European Union on December 31, 2013.

2.1. Non-current Assets

Non-current intangible and tangible assets are valued at their acquisition costs, excluding costs incurred for their acquisition.

For intangible assets and property, plant and equipment, the Company applied the French Regulation CRC No. 2002 - 10, recodified by Articles 2 - 4 of Regulation CRC No. 2004 - 06 relative to the amortization, depreciation and impairment of assets according to the "Component approach."

2.1.1. Intangible Assets

The following is thus valued under this heading: incorporation costs, patents and software.

All these assets are amortized on a straight-line basis using the following indicative useful lives:

- Incorporation costs: One to five years
- Software: One to three years
- Patents: Twenty years

As part of the implementation of integrated software, the direct labor costs concerned are included in the amount capitalized as cost, as a function of the time elapsed.

Intangible assets are valued at acquisition cost less amortization and impairments reported, on an ongoing basis.

2.1.2. Property, Plant and Equipment

Property, plant and equipment (PPE) are recognized at their acquisition value, including the installation cost of these assets.

Depreciation is calculated over the standard and economic life of the assets using the straight-line method.

All these non-current assets are depreciated on a straight-line basis using the following indicative periods of use:

- Buildings: Twenty to forty years
- Improvements, fixtures and fittings: Ten to fifteen years
- Plant and equipment: Four to ten years
- Office and IT equipment: Three to five years
- Motor vehicles: Four to five years

Property, plant and equipment are valued at acquisition cost less depreciation and impairments reported, on an ongoing basis.

2.1.3. Financial Investments

Investments relate mainly to shareholdings in subsidiaries and other treasury shares held within the scope of the share buyback program; they are recorded at their acquisition cost, including fees linked to their acquisition.

A write-down provision may be established to take into account, in particular, either the stock exchange price or the underlying assets of these subsidiaries, their financial position and their prospects.

Shareholdings in subsidiaries are subject to impairment tests.

2.2. Inventories and Work in Progress

The value of merchandise and supplies is determined using the FIFO method. Storage and acquisition costs are not included.

Work in progress and finished products are valued at production cost using the full industrial cost method.

A write-down provision is made where appropriate when the realizable value or the prospects of use and/or sale of these inventories are lower than the gross carrying value.

2.3. Receivables and Payables

Receivables and payables are recorded at their nominal value.

Receivables whose collection is doubtful are subject to a provision for doubtful debts.

2.4. Currency Translation Adjustment

Foreign currency-denominated receivables and liabilities were converted and recognized based on the December 31 exchange rate. The difference observed with the historical cost is posted to the "Currency translation adjustment" item.

Unrealized losses resulting from currency translation are recognized under currency translation loss when the value of the receivable or liability has not been hedged by forward transactions.

3. Non-Current Assets (in thousands of €)

3.1. Intangible Assets

Gross values	At Dec. 31, 2012	Increase in 2013	Decrease in 2013	Contribution Assets transfer	At Dec. 31, 2013
Incorporation costs	4	0	0	0	4
Patents	325	0	0	-325	0
Software, licenses	2,398	0	0	-2,398	0
Business goodwill	2	548	0	-2	548
Intangible assets in progress	243	0	0	-243	0
Total	2,972	548	0	-2,968	552
Amortization and depreciation	2,509	0	0	-2,505	4
Net amount	463	548	0	-463	548

3.2. Property, Plant and Equipment

Gross values	At Dec. 31, 2012	Increase in 2013	Decrease in 2013	Contribution Assets transfer	At Dec. 31, 2013
Land	396	100	0		496
Buildings	13,674	678	0		14,352
Plant and equipment	8,263	0	0	-8,263	0
Other	5,110	250	0	-5,110	250
Property, plant and equipment in progress	2,605	175	0	-2,605	175
Total	30,048	1,202	0	-15,978	15,272
Amortization and depreciation	At Dec. 31, 2012	Addition	Release	Contribution Assets transfer	At Dec. 31, 2013
Buildings	7,789	574	0	0	8,363
Plant and equipment	6,720	0	0	-6,720	0
Other	3,994	25	0	-3,994	25
Total	18,503	598	0	-10,714	8,387
Property, plant and equipment, net	11,545	604	0	-5,264	6,885

The net variation in tangible assets (-€14,776 K) was primarily due to the transfer of manufacturing activity from Sartorius Stedim Biotech SA to Sartorius Stedim FMT SAS for an amount of €15,978 K) and to the elements corresponding to the leasing contract (leaseback) for the new building for an amount of €1,202 K.

3.3. Financial Investments

Investments	At Dec. 31, 2012	Increase in 2013	Decrease in 2013	Contribution Assets transfer	At Dec. 31, 2013
Shareholdings	84,937	0	0	42,940	127,877
Write-down of shareholdings	0	0	0	0	0
Deposits and guarantees	38	260	0	-38	260
Treasury shares	61,327	0	0	0	61,327
Write-down of treasury shares	0	0	0	0	0
Total	146,302	260	0	42,902	189,465

The following is included under "Financial investments"

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company;
- 100% of the share capital of Sartorius Stedim Biotech GmbH, a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007;
- 100% of the share capital of Sartorius Stedim Aseptics S.A., a French company acquired in 2004;
- 100% of the share capital of Sartorius Stedim FMT S.A.S., a French company created in connection with the Contribution Assets transfer;
- Other investments: €0.1 K.

The "Treasury shares" item corresponds to the share buyback program implemented following the approval of the seventh and eighth resolutions by the Annual General Shareholders' Meeting on April 19, 2010. At the end of 2011 and 2012, the number of shares rose to 1,698,710, repurchased at an average price of €36.10, for a total amount of €61,327,190.

4. Inventories and Trade Receivables (in thousands of €)

4.1. Inventories at Year-end

Inventories	At Dec. 31, 2012	Contribution Assets transfer	At Dec. 31, 2013
Raw materials	5,059	-5,059	
Other consumables	163	-163	
Work in progress and finished goods	3,619	-3,619	
Merchandise	616	-616	
Gross value	9,457	-9,457	0
Depreciation for write-down of raw materials and consumables	-173	173	
Depreciation for write-down of work in progress and finished goods	-473	473	
Depreciation for write-down of merchandise	-505	505	
Depreciation for write-down of inventories	-1,151	1,151	0
Net	8,306	-8,306	0

The diminution recorded in 2013 corresponds to the inventories' transfer at the entity Sartorius Stedim FMT S.A.S. in the frame of the Contribution Assets transfer.

4.2. Maturity of Receivables at Year-end (in thousand of €)

Type of receivable	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	260	0	260
Non-current assets	260	0	260
Advance payments on account	0	0	0
Trade receivables	0	0	0
Personnel	0	0	0
Social security	0	0	0
Taxes and duties	1,932	1,932	0
Group	7,449	7,449	0
Other receivables	0	0	0
Current assets	9,381	9,381	0
Prepaid expenses	45	45	0
Total receivables	9,686	9,426	260

The "Group" item for receivables from Group subsidiaries (€7,449 K) relates to current account cash advances provided to Sartorius Stedim Biotech GmbH, Sartorius Stedim FMT SAS and Sartorius Stedim France.

The "Taxes and duties" (€1,932 K) item primarily entails the net tax receivable including French tax relief system (€1,735 K) and VAT receivables.

5. Maturity of Liabilities at Year-end (in thousands of €)

Type of liability	Net amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years	0	0	0	0
Originally more than 2 years	0	0	0	0
Current bank overdrafts and accrued interest	0	0	0	0
Trade payables	326	326	0	0
- including bills of exchange	0	0	0	0
Advances and payments on account for orders	0	0	0	0
Tax and social security payable	337	337	0	0
Liabilities for non-current assets	0	0	0	0
Group and associates	80,216	80,216	0	0
Other	210	210	0	0
Total liabilities	81,088	81,088	0	0

Accrued expenses included in these accounts represented €366 K and concerned the following items:

Type of expense	At Dec. 31, 2013
Accrued banking charges	0
Suppliers' invoices to be received	323
Paid vacation including social charges	0
Bonuses, including social charges and profit sharing	0
Social security payable	40
Taxes payable	2
Employee profit sharing	0
Total charges payable	366

6. Parent Company Statement of Changes in Equity (in thousands of €)

6.1. Equity

At December 31, 2013, the share capital was €10,396 K, comprising 17,042,306 shares of a €0.61 par value. The changes in equity in 2012 are the result of the following events:

- The exercise of stock options resulting in the issue of 1,000 shares, each with a par value of €0.61, for a total of €1 K;
- A €9 K share premium associated with this share capital increase.

The Annual General Shareholders' Meeting on April 16, 2013, approved the appropriation of the net profit for the year of €26,198 K, as follows:

- Allocation to the retained earnings carried forward: €9,321 K
- Paid into the legal reserves: €1 K

A dividend total of €16,877 K, or a net dividend per share of €1.10, was paid, "Treasury shares" excluded.

	Appropriation of profit in 2012					Equity before appropriation of profit in 2013
	Before	Changes	After	Increases	Decreases	
Number of shares:	17,041,306		17,041,306	1,000		17,042,306
Share capital	10,395		10,395	1		10,396
Share premium	43,736		43,736	8		43,744
Merger premium	16,140		16,140			16,140
Legal reserve	1,039	1	1,040			1,040
Other reserves	590		590			590
Balance carried forward	19,647	9,321	28,968			28,968
Dividends paid	0	16,877	16,877		16,877	0
Net profit to be appropriated	26,198	(26,198)	0			0
Profit for the reporting year			0	20,875		20,875
Regulated provisions	4,088		4,088			4,088
Total	121,833	0	121,834	20,884	16,877	125,841

6.2. Stock Options

As part of its policy of motivating the Group's senior executives, Sartorius Stedim Biotech S.A. has granted stock options to a number of its employees.

The number of share subscription options vested and not exercised to date is 23,642.

There are no more potential stock options to be issued depending on the achievement of future targets.

7. Risks and Provisions (in thousands of €)

7.1. Provisions

Type of provision	Provisions at Dec. 31, 2012	Additions 2013	Releases 2013	Contribution Assets transfer	Provisions at Dec. 31, 2013
Regulated provisions					
Accelerated amortization and depreciation	4,088	0	0	0	4,088
Subtotal (1)	4,088	0	0	0	4,088
Provisions for liabilities and charges					
Exchange risk	2,162			-2,162	0
Other costs	627			-627	0
Taxation	0	0	0	0	0
Subtotal (2)	2,789	0	0	-2,789	0
Grand total	6,877	0	0	-2,789	4,088

7.2. Market Risk Exposure

Operating Cash Flow risks

At December 31, 2013, there is no net amount in foreign currency in current assets and liabilities.

Current and Future Tax Position (in thousands of €)

As of January 1, 2008, the company chose to adopt the French tax integration regime within the framework of a tax group. The lead company of this group is Sartorius Stedim Biotech S.A. The other member companies of this tax integration group for tax relief are Sartorius Stedim Aseptics S.A., Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and Sartorius Stedim Financière S.A.S.

The member companies report income tax as if there were no integration tax regime. The parent corporation benefits from tax relief related to consolidating the gains and losses of the other members companies.

For 2013, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €799 K. The amount of income tax for fiscal 2013 to be settled by Sartorius Stedim Biotech SA in 2014 under this tax integration regime is €3,237 K.

The future income tax position results from:

- Tax paid in advance on expenses recognized during the fiscal year, but that is deductible in subsequent fiscal years;
- Tax paid in advance on unrecognized and unrealized gains.

These deferred taxes were not recognized on the balance sheet.

The temporary differences between taxable income and expenses were as follows:

Future tax position	Contribution Assets transfer		Dec. 31
Increases			
2013 solidarity contribution		2	
Net movement in 2013 currency translation differences			
2013 employee profit sharing			
Depreciation for customers and inventories			
Total increases			2
Decreases			
2012 solidarity contribution	131		
Net movement in 2012 currency translation differences	23		
2012 employee profit sharing	0		
Depreciation for customers and inventories	63		
Total decreases			0
2013 future tax position	217		2
Increases			
2012 solidarity contribution		131	
Net movement in 2012 currency translation differences		23	
2012 employee profit sharing		0	
Depreciation for customers and inventories		63	
Total increases			217
Decreases			
2011 solidarity contribution		115	
Net movement in 2011 currency translation differences		10	
2011 employee profit sharing		0	
Depreciation for customers and inventories		0	
Total decreases			125
2012 future tax position			92

8. Operating Income (in thousands of €)

8.1. Sales Revenue by Operating Segment

Operating segment (Non comparable regarding the Contribution of Assets)	2013	%	2012	%
Biopharm	1,501	100%	81,942	100%
Total	1,501	100%	81,942	100%

8.2. Sales Revenue by Geographical Region

Geographical region (Non comparable regarding the Contribution of Assets)	2013	%	2012	%
France	1,501	100%	12,066	15%
Export	0		69,876	85%
EU and other countries	0		60,251	86.23%
North American continent	0		9,625	13.77%
Total	1,501	100%	81,942	100%

The Sale revenue corresponds to rebilling of rent to the entity Sartorius Stedim FMT S.A.S. following the Contribution Assets transfer.

9. Exceptional Income and Expense (in thousands of €)

		At Dec. 31, 2013	At Dec. 31, 2012
Exceptional income			
on operations		0	0
on capital transactions		0	112
Release of provisions and transfer of charges		0	0
Total exceptional income		0	112
Exceptional expense			
on operations		0	26
on capital transactions		0	160
Additions to amortization, depreciation and provisions	[1]	0	424
Total exceptional expense		0	610
Exceptional income (expense)		0	-498

[1] Amortization and depreciation charges comprised accelerated depreciation and amortization of capitalized costs associated with the acquisition of Stedim by Sartorius in June 2007. Where expenses are charged to the share premium, they are treated as a deduction in calculation of the company's tax liability.

In 2007, €4,104,860 was recognized under "Non-current assets" and will be amortized on a pro-rated basis over 5 years.

10. Breakdown of Income Tax (in thousands of €)

	At Dec. 31, 2013			At Dec. 31, 2012		
	Profit before tax	Income tax charge	Profit after tax	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	20,583	-507	20,076	26,018	-38	25,980
Exceptional income (expense)	0	0	0	-498	0	-498
Employee profit-sharing contribution	0	0	0	0	0	0
R&D tax credit	0	0	0	0	1,436	1,436
French tax integration relief	0	799	799	0	-720	-720
Net taxable income	20,583	292	20,875	25,520	678	26,198

11. Workforce Analysis

Workforce at December 31	2013			2012		
	Men	Women	Total	Men	Women	Total
Executives			0	56	53	109
Employees			0	112	167	279
Total	0	0	0	168	220	388

Following the Contribution Assets transfer from Sartorius Stedim Biotech SA to Sartorius Stedim FMT SAS (Complete and autonomous branch of activity), Sartorius Stedim Biotech SA has no salaried people in 2013.

12. Information on Directors' Remuneration

Remuneration paid to members of the Board of Directors as directors' meeting attendance fees amounted to €163 K. These fees related to the 2012 fiscal year and were paid in 2013.

No meeting attendance fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2013.

A Part of the Executive Board's remuneration has been recharged to Sartorius Stedim Biotech S.A.

13. Off-Balance Sheet Commitments (in thousands of €)

Type of commitment	Comment	At Dec. 31, 2013	At Dec. 31, 2012
Commitments given			
Retirement commitment	[1]	0	1,756
Guarantees for bilateral credit lines	[2] / [3]	37,375	14,500
Guarantees for currency hedging contracts	[2] / [3]	20,000	31,500
Commitments from renting / leasing		0	362
Commitments received			
Contractual loan capacity from credit institutions		3,000	3,000

[1] In the frame of the Contribution Assets transfer, the totality of the salaried people was transferred to the entity Sartorius Stedim FMT S.A.S. the 1st of October 2013. Therefore, the pension commitments have been transferred to this entity.

[2] During this reporting year, Sartorius Stedim Biotech S.A. concluded a new 5 -year syndicated loan agreement for a total amount of €250million. This loan is booked in Sartorius Stedim Biotech GmbH

financial statements. Under this agreement, Sartorius Stedim Biotech is required to comply with key financial ratios (covenants). For more details, please refer to Note 29 | Section G of the Consolidated Statements on page 138.

[3] The commitments given concern the company Sartorius Stedim Biotech GmbH.

The commitments in connection with the lease are summarized in the following table:

Leasing	< 1 year € in K	1 – 5 years € in K	> 5 years € in K	Total	Buy-back value
Tangible Assets					
Buildings and Improvements	363	1,450	256	2,069	0
TOTAL	363	1,450	256	2,069	
Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvements	2,391	91	91	0	0
TOTAL	2,391	91	91	0	0

14. Information on Related Parties (in thousands of €)

Affiliates are companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim FMT S.A.S., Sartorius Stedim Bioprocess SARL, Sartorius Stedim Aseptics S.A. and Sartorius Stedim Biotech GmbH.

The company Sartorius Stedim Biotech S.A. is consolidated in the financial statements of Sartorius AG, Weender Landstrasse 94 - 108, 37075 Goettingen (Germany).

Share Buyback Program:

The AGM held on April 19, 2010, authorized the company Sartorius Stedim Biotech S.A. to introduce its own share buyback program for a maximum duration of eighteen (18) months or until the October 19, 2011.

In the following, you will find the table of the main amounts with the related parties:

Items	At Dec. 31, 2013	At Dec. 31, 2012
Investments	127,877	84,937
Trade receivables	1,770	12,233
Other receivables	5,672	39,402
Trade payables	1,376	3,040
Other liabilities	78,840	83,996
Income from investments	24,282	23,000
Other financial income	25	56
Finance expense	1,437	2,016

In the following, you will find the table of subsidiaries and shareholdings:

At Dec. 31, 2013	Share capital	Reserves, share premium and retained earnings before appropriation	Owner-ship in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6,000	84,232		79,949	79,949	-44,611	0	283,912	31,320	22,000
Sartorius Stedim FMT SAS			100.00%							
(Euros)	42,940	0		42,940	42,940	-44,611	0	84,325	2,870	0
Sartorius Stedim Bioprocess SarL			99.99%							
(Dinars)	5,950	2,743						29,959	3,012	608
(Euros)				3,132	3,132	-2,243	0	13,880	1,395	282
Sartorius ICR			100.00%							
(Rubles)	10	0						0	-677	0
(Euros)	0			0	0	0	0	0	-16	0
Sartorius Stedim Aseptics S.A.	448	3,277	100.00%							
(Euros)				1,848	1,848	-4,350	0	7,448	2,061	2,000

At Dec. 31, 2012	Share capital	Reserves, share premium and retained earnings before appropriation	Owner-ship in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6,000	67,629		79,949	79,949	-37,274	0	264,059	38,464	22,000
Sartorius Stedim Bioprocess SarL			99.99%							
(Dinars)	5,940	1,267						20,860	2,086	0
(Euros)				3,132	3,132	27	0	10,413	1,041	0
Sartorius ICR			100.00%							
(Rubles)	10	0						0	-509	0
(Euros)	0			0	0	0	0	0	-13	0
Sartorius Stedim Aseptics S.A.			100.00%							
(Euros)	448	2,970		1,848	1,848	-4,337	0	8,062	2,352	1,000

Statutory Auditors' Report on the Financial Statements

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying financial statements of Sartorius Stedim Biotech;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

The notes 2.1.3 and 3.3 to the financial statements set out the rules and accounting methods relative to the valuation of investments and treasury shares. Within the scope of our assessment of the rules and accounting principles of your company, we have verified the appropriateness of the accounting methods specified above and the information provided in the notes to the financial statements and made sure of their correct application.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. – Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the principal shareholders and holders of the voting rights has been properly disclosed in the management report.

Marseille, February 24, 2014

Ernst & Young Audit
Xavier Senaut

Deloitte & Associés
Christophe Perrau

Supplementary Information

06

Other Information of a Legal Nature

General Information on the Issuer

Corporate Name

The corporate name of the company is:
"Sartorius Stedim Biotech S.A.".

In all legal deeds and documents issued by the company, this is always preceded or followed by the words "société anonyme" or the abbreviation "S.A." and a statement of the share capital (Heading 1, Article 1, of the company bylaws).

Registered Office

The registered office is in Aubagne (13400), France, Z.I. Les Paluds, avenue de Jouques. Phone number: +33 (0)4 42 84 56 00.

This office may be transferred to another location in the same "département" [French county or state] or an adjacent county or state by simple decision of the Board of Directors subject to ratification by the next Annual General Shareholders' Meeting and anywhere else in France by a decision taken by an Extraordinary General Shareholders' Meeting.

If the Board of Directors decides to transfer the registered office, it is authorized to revise the bylaws as a result (Heading 1, Article 2, of the company bylaws).

Legal Form and Applicable Law

Public limited liability company or joint stock company [société anonyme], subject to the French legislation particularly to the French Commercial Code.

Date of Incorporation – Duration

The company was incorporated on September 28, 1978, as a "société anonyme." The company's duration is for 99 years, effective upon registration in the French trade and commercial register ("registre du commerce et des sociétés"), unless subject to dissolution or extension provided by the present company bylaws (Heading 1, Article 3).

Corporate Purpose

In France and abroad, the company's purpose is to manufacture, sell and distribute equipment to be used in the biopharmaceutical area and, more generally, carry out all property, financial and securities transactions that relate directly or indirectly to the operations above or are likely to assist their completion.

Trade and Commercial Register – APE Code

The company is registered with the "registre du commerce et des sociétés" de Marseille, under the number RCS B 314 093 352. Its economic activity code (APE) is 6420Z (Holding company activity).

Inspection of Legal Documents at the Registered Office of the Company

The reference document may be viewed at the registered office of the company, on its website and on the website of the AMF. During the validity of the present Reference Document, the bylaws, the Statutory Auditors' reports and the financial statements of the last three fiscal years, although with reports, mails and other documents, historical financial information of the company and its subsidiaries of the last three fiscal year, evaluation and declarations made by an expert, when these documents are statutory and any other statutory document, can be found at the registered office.

Financial Year

The financial year, also referred to as fiscal year, covers a period of twelve months, beginning on January 1 and ending on December 31 of each year.

Specific Clauses in the Company Bylaws

Form of Shares

Shares may be in nominative or bearer form according to the shareholders' choice. These shares are entitled to be recorded in an account in accordance with French law.

Appropriation of Profits

The income statement that summarizes the income and expenses of the reporting year discloses by difference, after deduction of amortization, depreciation and provisions, the profit for said reporting year. At least 5% must be deducted from the annual profit reduced, where appropriate, by prior losses, to set up the legal reserve. This deduction ceases to be obligatory when the legal reserve amounts to one tenth of the share capital. This obligatory deduction resumes when, for whatever reason, the legal reserve falls below this one tenth. The distributable profit comprises the profit for the reporting year less prior losses and amounts transferred to reserves, pursuant to French laws and the company bylaws, and increased by profit brought forward. This profit is distributed among all shareholders in proportion to the number of shares each one holds. The Annual General Shareholders' Meeting may decide to distribute amounts taken from reserves available to it by expressly indicating the reserve from which the transfers are made. However, dividends are disbursed by way of priority from the annual profit for the reporting year. Except for a reduction in capital, no distribution may be made to shareholders when the equity falls below, or would consequently fall below, the amount of the capital together with the reserves that French laws or the company bylaws do not permit to distribute. Revaluation surplus is not distributable. It may be incorporated in full or part into the company's capital. However, after transferring the amounts to the reserves, pursuant to French law, the Annual General Shareholders' Meeting may transfer any amount it considers necessary to all available reserves, ordinary or extra-ordinary reserves, or carry it forward.

Shareholders' Meetings

Convocation

Annual (or Ordinary) General Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary General Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the General Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated (Heading 3, Article 13, of the bylaws). General Meetings are convened by the Board of Directors or, by default, the independent auditors or a person thus empowered. General Meetings are held at the registered office or any other place stated in the notice of convocation (Heading 3, excerpt of Article 14, of the bylaws). The forms and timescale of the notice of convocation are governed by French laws.

Agenda

Heading 3, point 2, excerpt of Article 14, of the bylaws.

The notices and letters of call shall indicate the indications required by the law, particularly the agenda, the company electronic address where written questions of Shareholders may be sent and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities Shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion on the agenda of draft resolutions.

In accordance to the Articles R 225-71 to R 225-74 of the Commercial Code, requests made by the Shareholders to register draft resolutions on the agenda and written questions are sent to the Headquarters by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of draft resolutions, which may have a short explanation of reasons. These requests are subject to justification of possession or representation of required Share capital, in accordance to regulatory rules.

Moreover, in accordance to the Articles L. 2323-67 paragraph 2 of the Labor Code, requests of draft resolutions made by the Work Council, to be added on the agenda, are sent in the next 10 days following the publication of the Meeting announcement.

Heading 3, point 1, excerpt of Article 14, of the bylaws

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting adjourned are called at least ten days in advance in the same form as the first meeting (Heading 3, excerpt of Article 14 of the bylaws).

Admission to Meetings – Powers (Heading 3, Point 3, Excerpt of Article 14, of the Bylaws)

Every shareholder has the right to attend General Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a General Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the nominative share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the third working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the General Meeting in person but who have not received an admission pass by zero hours, Paris time, on the third working day prior to the meeting.

A Shareholder may be represented by another Shareholder, his or her spouse or by the partner with who he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other moral or physical person of his choice in accordance to the Articles L. 225-106 to -106-3 of the Commercial Code; in that aim, the representative must present valid proof of proxy.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

All Shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company 3 days before the date of the Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company.

Provisions applicable to the administration and management of the Company

Board of Directors

1 – Subject to legal exemptions, the Company is directed by a Board of Directors composed of a minimum of three members and a maximum of eighteen.

2 – During the duration of the company's existence, directors shall be appointed or renewed in office by the ordinary general meeting. However, in case of merger, directors may be appointed by the extraordinary general meeting deciding on the transaction.

3 – Each director must, during his entire term of office, own at least one share.

4 – Directors have a term of office of three years.

Directors' duties shall cease at the end of the ordinary general meeting deciding on the accounts of the financial year elapsed, held in the year when the term of office of the director concerned expires.

Directors may be renewed in office. They may be removed from office at any time by the ordinary general meeting.

5 – No person may be appointed director if, having reached the age of 75, his appointment would result in more than one third of the members of the board of directors exceeding that age. If that proportion is exceeded, the oldest director shall automatically be deemed to have resigned at the end of the ordinary general meeting approving the accounts of the financial year when exceeded.

6 – Directors may be individuals or legal entities. Directors who are legal entities are required, upon their appointment, to appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same liability as though personally a director, without prejudice to the several liability of the legal entity represented.

When the legal entity who is a director terminates the mandate given to its permanent representative, it shall promptly notify the Company, by registered letter, of

its decision as well as the identity of its new permanent representative. The same applies in the event of death or resignation of the permanent representative.

7 – If one or more directors' seats become vacant between two general meetings due to death or resignation, the board of directors may proceed to make appointments on an interim basis so as to fill the seats on the Board. These appointments must be made within three months of the vacancy, when the number of directors has fallen below the minimum under the articles of association but without falling below the statutory minimum.

Interim appointments made in this manner by the Board are subject to ratification by the next ordinary general meeting. Failing ratification, the decisions taken or the acts accomplished shall nonetheless remain valid.

When the number of directors falls below the statutory minimum, the directors remaining in office are required to immediately call an ordinary meeting so as to fill the vacant seats on the Board.

A director appointed in replacement of another shall only remain in office for the remaining term of office of his predecessor.

8 – Directors who are individuals cannot concomitantly hold more than five seats on the board of directors or supervisory boards of sociétés anonymes having their registered office in metropolitan France, subject to the exceptions provided by law.

9 – A Company employee may not be appointed a director unless his employment agreement corresponds to effective employment. He shall not lose the benefit of his employment agreement. The number of directors bound to the Company by an employment agreement may not exceed one third of the directors in office.

Organization and management of the Board of Directors

1 – The Board of Directors elects a Chairman from among its members who are individuals and determines his remuneration. It sets the duration of the Chairman's term of office, which may not exceed his office as director.

2 – No person may be appointed Chairman of the Board of Directors if over the age of 75. If the Chairman in office exceeds that age, he shall be deemed to have automatically resigned.

3 – The Chairman represents the Board of Directors. He organizes and directs its work, and reports on it to the general meeting. He ensures the proper operation of the Company's decision-making bodies and ensures, in particular, that the directors are themselves in a position to fulfill their duties.

4 – In case of absence or impediment affecting the Chairman, the Board of Directors appoints an acting Chairman of the meeting.

5 – The Board of Directors appoints a secretary who may be chosen, either from among the directors or outside them. The secretary shall be replaced by simple decision of the Board.

Meetings and decisions of the Board

1 – The Board of Directors meets, upon the call of its Chairman, as often as required by the interest of the Company. However, directors representing at least one third of the members of the Board of Directors may, by precisely indicating the meeting's agenda, call a Board if it has not met within the last two months.

The CEO, if not chairing the Board of Directors, may request the Chairman to call a Board meeting with a specified agenda.

2 – The meeting shall take place at the registered office or in any other location indicated in the notice of call. The call to meeting, indicating the agenda, should be sent at least 7 days beforehand by letter, telegram, telex or fax. The call may be verbal and the meeting may be held immediately if all of the directors are in agreement.

3 – For the Board of Directors to validly deliberate, at least one half of the directors are required to be present or represented.

The Board's decisions are taken at a majority of the members present or represented.

The acting Chairman has a casting vote.

4 – An attendance sheet shall be held and signed by directors participating in the Board meeting.

5 – The internal regulations established by the Board of Directors may provide that directors participating in a Board meeting by videoconference in accordance with the applicable regulations are deemed present for the purposes of calculating quorum and majority.

This provision shall not apply for the adoption of the following decisions:

- appointment, remuneration, removal of the Chairman, CEO and vice CEOs;
- closing of annual accounts, consolidated accounts and preparation of management report and report on the management of the group.

6 – The Board of Directors' deliberations are recorded in minutes held in accordance with the applicable laws. The minutes are signed by the acting Chairman and by one or two directors.

Copies or excerpts of the minutes of the Board of Directors' deliberations shall be validly certified by the Chairman or by the CEO.

Powers of the Board of Directors

1 – The Board of Directors determines the Company's business guidelines and ensures that they are implemented. Subject to the powers expressly granted by law to shareholders' meetings and within the limit of its corporate objects, it deals with any matter relating to the proper running of the Company and by its deliberations governs the affairs of the company.

In its dealings with third parties, the Company is bound even by acts of the Board of Directors that are outside its corporate purpose, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

2 – The Board of Directors shall carry out any controls and verifications it deems appropriate.

Each director shall receive the information necessary to the performance of his duties and may obtain all documents he considers useful from the General Management.

3 – The Board of Directors may give all delegations of authority to the representatives of its choice within the limit of its authority under the law and under these articles of association.

The Board may decide on the creation of review committees in charge of studying the issues that the Board or its Chairman submits to it.

General Management

Mode of operation

In accordance with Article L. 225-51-1 of the Commercial Code, the Company's General Management is ensured, under his responsibility, either by the Chairman of the Board of Directors or by any other individual appointed by the Board of Directors with the title of CEO.

The choice between these two modes of operation of General Management is made by the Board of Directors. The Board's decision concerning the choice of mode of operation of General Management is taken by majority vote of the directors present or represented. Shareholders and third parties are informed of the choice made by the Board of Directors under the conditions set forth by the applicable regulations.

The Board of Directors may modify the option chosen at any time.

A change in the mode of operation of General Management shall not entail any modification of the articles of association.

General Management

Depending on the mode of exercise chosen by the Board of Directors, the Chairman or a CEO shall ensure, under his responsibility, the General Management of the Company.

The CEO is appointed by the Board of Directors, which sets the duration of his term of office, determines his remuneration and, as applicable, the restrictions on his powers.

For the performance of his duties, the CEO must be under the age of 75. When this age limit is exceeded during the course of his term of office, the CEO shall be deemed to have automatically resigned and a new CEO shall be appointed.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Powers of the CEO

The CEO is vested with the broadest powers to act in all circumstances in the name of the Company. The CEO shall exercise these powers within the limit of the

corporate objects, and subject to the powers expressly granted by law to shareholders' meetings and to the Board of Directors.

The CEO represents the Company in its dealings with third parties. The Company is bound even by those acts of the CEO that are outside its corporate objects, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

Vice CEOs

Upon the motion of the CEO, whether this position is filled by the Chairman of the Board of Directors or by another person, the Board of Directors may name one or more individuals with responsibility for assisting the CEO with the title of Vice CEOs.

The maximum number of Vice CEOs may not exceed five.

In agreement with the CEO, the Board of Directors shall determine the scope and the extent of the powers granted to the Vice CEOs and set their remuneration.

As regards third parties, the Vice CEO or the Vice CEOs have the same powers as the CEO.

Upon the cessation of his duties or in case of impediment affecting the CEO, the Vice CEOs shall retain, unless otherwise decided by the Board of Directors, their office and authority until the appointment of a new CEO.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Conditions for the Exercise of Voting Rights – Majority Quorum (Heading 3, Article 15, of the bylaws).

At Annual and Extraordinary General Meetings, the quorum is calculated on the basis of the shares comprising the share capital and, in Special Meetings, on the basis of all the shares of the class concerned, net of shares not entitled to voting rights by virtue of the law.

A double voting right is conferred to the holders of registered shares that are fully paid up and that have been registered in the name of the same holder for at least four years.

In the event of postal voting, only the forms received by the company prior to the meeting will be considered when calculating the quorum, under the conditions and timeframe set by the decree.

The right to vote conferred to shares is proportional to the capital they represent. With an equal par value, every share in capital or income right carries the right to one vote.

In the event that the shares are pledged, the voting right is exercised by the holder of the securities. The issuing company may not validly vote with shares subscribed, acquired or taken in pledge by it; these shares are not taken into account to calculate the quorum.

The voting takes place and the votes are cast by show of hands, or by those sitting and standing, or by roll call, as decided by the officers of the meeting.

Further Information on Voting Rights

There is no limit in the bylaws on voting rights. In the event of conversion to bearer form, the converted share immediately forfeits its double voting right. In the event of a capital increase by incorporation of reserves, profits or share premium, this double voting right applies to new shares issued and allocated free of charge to a shareholder on the basis of existing shares that already carry this right (Heading 2, Article 3, of the company bylaws). This revision to the bylaws was unanimously passed by the General Shareholders' Meeting in an extra-ordinary session on August 24, 1994. It may be cancelled by a General Shareholders' Meeting convened in an extraordinary session and after ratification by a Special Meeting of the beneficiary shareholders.

As of December 31, 2013, there were 11,623,579 shares with a double voting right out of a total of 17,042,306 shares. Thus, the total voting rights are 28,664,315. After deduction of the buyback value of the treasury shares repurchased during fiscal 2010 (1,698,710), the total voting rights are 26,980,175.

Excerpt of bylaws with Heading 3, Article 16

The Annual General Shareholders' Meeting is held at least once a year, within six months of the year end, to consider the financial statements of that year, subject to an extension of this timeframe by a legal decision. The Annual General Shareholders' Meeting may only validly deliberate, upon the first convocation, if the shareholders present – represented or voting by post – hold at least one quarter of the shares with a right to vote. No quorum is required upon the second

convocation. The meeting decides on the basis of the majority of votes held by shareholders present or represented, including shareholders voting by post.

Crossing Legal Thresholds

Any shareholder whose shareholdings cross the legal thresholds defined by French law, either upwards or downwards, must declare said crossing by notification of the Autorité des Marchés Financiers, pursuant to the law in force. The bylaws of the company do not provide for any additional threshold declarations.

Identification of Shareholders

Within the legal and regulatory framework, the company is authorized to seek the identity of bearer shareholders.

Payment of Dividends

The Annual General Shareholders' Meeting has the power to give every shareholder, for all or part of a dividend payable, the option of receiving this dividend in shares, as provided by French law, or in cash.

The terms of the payment of the dividend in cash are set by the General Meeting or, by default, the Board of Directors. Cash dividends must be paid within a maximum of nine months after the end of the reporting year, unless this timeframe is extended by legal authorization. However, this profit may be distributed as an interim dividend prior to the approval of the annual financial statements when a balance sheet prepared during or at the end of a financial year and certified by the independent auditors discloses that the company has realized a profit since the close of the previous financial year, after recognition of the necessary amortization, depreciation and provisions, as well as after deduction, where relevant, of prior losses and amounts to be transferred to the reserves, as required by French laws or the company bylaws. These interim dividends may not exceed the profit thus defined. No reimbursement of dividends may be required from shareholders unless the distribution was made in violation of legal provisions and the company determines that the beneficiaries were aware of the illegality of this distribution at the time it occurred or could not ignore this nature of the dividends. Where this occurs, the shares in reimbursement are time-barred three years after the payment of these dividends. Dividends not collected within five years of their payment are time-barred.

Company's Acquisition of Own Shares

Elements of the share buyback program implemented (in accordance with provisions of Articles L. 225 - 209 et seq. of the French commercial code, modified by the ordinance issued on January 30, 2009).

The AGM of April 19, 2010 granted authorization to the Board of Directors, for a maximum period of 18 months in accordance with provisions of Articles L. 225 - 209 and seq. and with the provisions of the European Regulation 2273/2003 of December 22, 2003, to have the company buy its own (treasury) shares:

(i) to handle the secondary market or the liquidity of the shares of the company, where said handling shall be through an investment services provider acting in the scope of a liquidity agreement compliant with the deontology charter approved by the Autorité des Marchés Financiers;

(ii) to deliver the shares, in case of exercise of any rights attached to securities giving access by any means, immediately or at a certain future date, to the capital of the company, by refund, conversion, exchange, exercise of a warrant or by any other way, as well as to perform any hedging transactions related to the issuing of securities, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

(iii) to allocate the repurchased shares bought from the company officers or the employees of the company and/or the companies of its group according to applicable laws and regulations, especially within the scope of participation in the profit of the company's expansion, in stock-option plans, an employee stock ownership program or in an employee savings plan or in capital forming benefits, or through a free granting of shares, as well as to carry out any hedging operations related to these operations, according to regulations determined by the competent authorities and at the times the Board of Directors or the person acting pursuant to a delegation of authority by the Board of Directors deems appropriate;

(iv) to retain the company shares which will have been purchased in order to return them for exchange or payment within the scope of potential external projects, provided that the maximum number of shares that may be purchased to this end shall not exceed five percent (5%) of the total number of shares constituting the share capital of the company;

(v) to cancel a few or all of the repurchased shares, through a decrease of the company's capital;

(vi) to pursue any other objective that will subsequently be permitted by applicable laws or regulations or any market practice that will subsequently be recognized by the Autorités des Marchés Financiers, provided that in such a case, the company would inform its shareholders through a press release.

During the 2010 financial year, the company purchased 1,698,710 shares for a total price of €61,327,190.07, i.e., at an average price of €36.10. The total amount of the negotiation fees, excluding VAT, amounted to €6 K in 2010.

Owned shares are split between the following objectives:

- 5% to return shares for exchange or payment within the scope of potential external projects;
- 5% to deliver the shares, in case of exercise of any rights attached to securities giving access by any means, immediately or at a certain future date, to the capital of the company;

No shares have been bought back by the company during the 2012 and 2013 financial years.

On December 31, 2013, because of these operations, the company directly controlled 1,698,710 shares (representing 9.97% of the share capital) allocated for the purpose of use for exchange or as payment in the event of any external expansion operations (849,969 shares), and for transferring shares when rights related to financial instruments (848,741 shares) are exercised.

The Board of Directors has decided to propose a resolution to the 8 April 2014 Ordinary Annual Shareholders' Meeting in order to modify the allocation of the treasury shares knowing that the maximum purchase price paid by the company for its own shares shall not exceed forty-five euros (€45) per share. It is specified - for informative purposes, as the 16,994,388 shares constitute the share capital of the company- that the maximum sum allocated for the share buyback plan amounts to seventy-six million four hundred seventy-four thousand seven hundred and ten euros (€76,474,710).

Liquidity Contract

Under the liquidity contract concluded between Sartorius Stedim Biotech S.A. and the stockbroker Gilbert Dupont, the following assets appeared on the liquidity account at December 31, 2013:

- Number of shares: 715
- Liquidity account cash balance: €425,557.47

For information, the following assets appeared on the liquidity account on the date when the notification of contract implementation was issued:

- Number of shares: 0
- Liquidity account cash balance: €421,860

Major Contracts

Several service agreements were entered into between entities of the divisions of the Sartorius Group and Sartorius Stedim Biotech Group, in order to enable the entities from both divisions to benefit from certain general administrative services under the same terms.

Among these service agreements, the service agreement with the highest volume and importance is in place between Sartorius Stedim Biotech GmbH and Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG. Sartorius Corporate Administration GmbH provides general administrative services to Sartorius Stedim Biotech and the other entities of the Sartorius Group. Such services include, among others, accounting, treasury management, payroll accounting for human resources, IT systems and legal services. Sartorius Corporate Administration GmbH invoices its services on the basis of the internal and external costs incurred plus a margin of 3%. The services invoiced by Sartorius Corporate Administration GmbH to Sartorius Stedim Biotech GmbH in 2013 totaled million €18.9.

Apart from the above-mentioned service agreements, there are no other contracts with material obligations or commitments that have been concluded outside the ordinary course of the company's business or to which a member of the Sartorius Stedim Biotech Group is a party.

The strategy of the Sales and Marketing organization within the Sartorius Stedim Biotech Group towards customers is to create valuable long-term relationships. Therefore, for example, key account management endeavors to conclude long-term framework contracts with customers. As a total solution provider, Sartorius Stedim Biotech strives to use such contracts to cover the entire product portfolio of Sartorius Stedim Biotech that fits into the validated processes of the customer.

Registered Trademarks and Trademark Applications

Name	EU	Germany	France	International registration in the countries designated	USA	Australia	Brazil	Mexico	UK	Canada
SARTORIUS STEDIM BIOTECH	13/08/2007 No. 006228019 13/08/2017			16/11/2007 No. 962279 16/11/2017 + AU CH KR RU SG TR VN	17/08/2007 No. 3709002 10/11/2019		14/01/2008 Applications filed for 13 different classes; reg. in progress			09/11/2007 No. 1371410 reg. in progress
BIOSTAT		04/10/1968 No. 873661 31/10/2018		26/06/1985 No. 494574 26/06/2015 + AT BX CH DE ES FR IT PT	22/07/1988 No. 1572999 26/12/2019				16/07/1988 No. 1246230 16/07/2016	
HYDROSART	12/11/2001 No. 002458461 12/11/2021	07/04/1983 No. 1065357 07/04/2023			10/12/2001 No. 2677224 21/01/2023					28/11/2001 No. 609610 06/05/2019
MAXICAPS	04/10/1999 No. 001330885 04/10/2019				15/11/1999 No. 2450203 08/05/2021					
MIDICAPS	15/02/2005 No. 004289724 15/02/2015				16/02/2005 No. 3195052 02/01/2017					
MINISART		09/08/1978 No. 980370 09/08/2018	26/10/1988 No. 1495753 26/10/2018		07/02/1979 No. 1144895 30/12/2020				18/01/1979 No. 1107904 09/08/2019 18/01/1979 No. 1107903 18/01/2020	
SARTOCHECK		13/06/1979 No. 987883 13/06/2019	17/10/1989 No. 1555685 17/10/2019		05/12/1979 No. 1200237 06/07/2022				20/12/1986 No. 1125952 20/12/2020	
SARTOCON		06/06/1979 No. 988000 06/06/2019	17/10/1989 No. 1555684 17/10/2019		15/06/1982 No. 1197792 15/06/2022				20/12/1986 No. 1125951 20/12/2020	
VIROSART	02/11/2004 No. 004103701 02/11/2014	28/07/2004 No. 30443764 31/07/2014			10/11/2004 No. 3178067 28/11/2016					
SARTOFLOW		03/06/1983 No. 1057870 30/06/2023		06/03/1985 No. 494396 06/03/2015 + AT BX CH DE DZ EG ES FR HU IT KP LI MA MC PT RO RS RU SD VN	08/08/2007 No. 3689721 09/29/2019				25/10/1984 No. 1228900 25/10/2015	
SARTOPORE	10/01/2000 No. 001454461 10/01/2020				15/02/2000 No. 2429825 20/02/2021					
FLEXBOY	31/08/2005 No. 004614038 31/08/2015		19/04/1993 No. 93465632 19/04/2023	24/01/1995 No. 630378 24/01/2015 + DE AT BX IT CH 27/02/2006 No. 879252 27/02/2016 + JP	31/08/1993 No. 2041550 04/03/2017	31/01/1995 No. 651778 31/01/2015		03/09/2003 No. 810249 03/09/2023	31/01/1995 No. 2009384 31/01/2015	
FLEXEL	20/02/1998 No. 000753202 20/02/2018		02/09/1997 No. 97693975 02/09/2017		27/02/1998 No. 2414947 26/12/2020			03/09/2003 No. 810250 03/09/2023		
PALLETANK	01/07/1998 No. 000865865 01/07/2018									
RAFT	31/08/2005 No. 004614046 31/08/2015									
EVAM	15/10/1999 No. 001344266 15/10/2019									
STEDIM	08/08/2005 No. 004582037 08/08/2015			09/10/2006 No. 904339 09/10/2016 + JP	30/03/1984 No. 1366524 22/10/2015					
NUTRIBAG			19/07/1989 No. 1627260 19/07/2019							
NUTRIKIT			05/06/1989 No. 1535354 05/06/2019							
NUTRIMIX			05/06/1989 No. 1535353 05/06/2019							
NUTRIPOCHE			05/06/1989 No. 1535352 05/06/2019							
BIOSAFE			01/02/1995 No. 95556118 01/02/2015 + DE DK GB CH	22/02/2001 No. 758706 22/02/2021						
BIOSTEAM			01/08/2005 No. 053373523 01/08/2015							
FLUXBULLE			03/11/1994 No. 94543057 03/11/2014							

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 327 different trademarks in various countries [the dates are indicated as day/month/year].

Registered Trademarks and Trademark Applications

Name	Japan	Denmark	Finland	Ireland	Malaysia	Norway	Sweden	China	Switzerland	India	Taiwan
SARTORIUS STEDIM BIOTECH	08/11/2007 No. 5170560 03/10/2018				28/11/2007 12 Trademarks			14/01/2008 11 Trademarks 2 Trademarks Applications		19/11/2007 10 Trademarks 3 Trademarks Applications	18/01/2008 12 Trademarks 1 Trademark Application
BIOSTAT	22/02/1988 No. 2021770 22/02/2018 27/08/1986 No. 1880889 27/08/2016	28/06/1985 No. 233586 29/08/2016	05/01/1988 No. 100350 05/01/2018	01/07/1985 No. 116688 30/06/2016	11/07/1985 No. 8502982 11/07/2022	27/05/1987 No. 128877 27/05/2017	31/03/1988 No. 209760 31/03/2018				
HYDROSART	21/11/2001 No. 4663672 18/04/2023										
MAXICAPS	15/10/1999 No. 4535058 11/01/2022										
MIDICAPS	25/02/2005 No. 4906540 04/11/2015										
MINISART	09/02/1979 No. 1583197 26/04/2023										
SARTOCHECK	29/09/1983 No. 1618759 29/09/2023										
SARTOCON											
VIROSART	28/01/2005 No. 5040228 13/04/2017							24/11/2004 No. 4379959 21/06/2018	20/01/2005 No. 533,632 20/01/2015		
SARTOFLOW											
SARTOPORE	02/02/2000 No. 4495393 03/08/2021										
FLEXBOY							19/01/1995 No. 323347 16/05/2017				
FLEXEL	02/03/1998 No. 4470133 27/04/2021										
PALLETANK	28/02/2006 No. 5005301 24/11/2016										
RAFT											
EVAM											
STEDIM											
NUTRIBAG											
NUTRIKIT											
NUTRIMIX											
NUTRIPOCHE											
BIOSAFE											
BIOSTEAM											
FLUXBULLE											

Apart from the trademarks mentioned above, the Sartorius Stedim Biotech Group is the owner | applicant of 327 different trademarks in various countries [the dates are indicated as day/month/year]. .

Special Report of the Statutory Auditors on Related Party Agreements and Commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed French law and professional standards applicable in France

Year ended December 31, 2013

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (Code de Commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (Code de Commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French commercial code (Code de Commerce).

Agreements and commitments already approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Marseille, 24 February, 2014

Ernst & Young

Xavier Senent

Deloitte & Associés

Christophe Perrau

Resolutions Submitted to the Annual Combined Shareholders' Meeting on April 8, 2014

RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

First Resolution

The Annual Shareholders' Meeting (ASM), having considered the report of the Board of Directors, the General Report of the Independent Auditors and the Special Report of the Chairman, pursuant to Article L. 225-37 of the French Commercial Code, approves the financial statements for the year ended 31 December 2013, which disclosed a net profit of € 20,874,986.53 as presented, and the transactions reflected in these financial statements or summarized in these reports.

The ASM, having considered the reports of the independent auditors, on the consolidated financial statements of said reporting year, approves these financial statements for the year ended 31 December 2013, which disclose a net profit of €66,276 thousands and the transactions included therein or summarized in the Group Management Report.

As a result, the ASM grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The ASM also approves the overall amount of €0 in excess amortization, or other amortization not deductible from profits subject to corporate income tax, as well as the corresponding tax.

Second Resolution

The ASM approves appropriation of the net profit of €20,874,986.53 for 2013 as follows:

Legal reserves: €61

Balance resulting from deduction of legal reserves: €20,874,925.53

The following is to be added to this balance:
Year-earlier profit carried forward: €28,968,551.80.

This would yield a distributable profit of €49,843,477.33.

Total amount of dividends to be disbursed to shareholders €18,412,315.20.

Balance resulting from disbursement: €31,431,162.13.

The remaining amount of €31,431,162.13 is to be carried forward to the next year.

Therefore, considering that our company holds treasury shares, a net dividend of €1.20 will be paid for every share with a par value of €0.61.

The ASM acknowledges having been informed of the new tax regulations on dividends according to the 2013 Finance laws which abolished the right to choose for a withholding tax of 21% and is now submitting dividends and other distributions to progressive scales of tax income, after application, if any, of the 40% allowance retained without modification, in accordance with Article 158-3-2° to 4° of the French General Code.

The dividend will be paid out on 15 April 2014.

The amounts distributed after 1 January 2011, and eligible for a tax rebate were as follows:

Year ended on	Income eligible for a tax rebate	
	Dividends in €	Other income distributed
31 déc. 2012	16,876,855.60	0
31 déc. 2011	15,327,238	0
31 déc. 2010	13,783,264	0

Third Resolution

The ASM, having considered the special report of the Independent Auditors on the Agreements subject to Articles L. 225-38 and following of the French Commercial Code, approves the conclusions of the said report and the agreements contained therein.

Fourth Resolution

The ASM approve the amount of Directors' fees allocated in 2013 and set the aggregate amount of Directors' fees to be paid to the Board of Directors to €197,600.

Fifth resolution

The shareholders' meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Joachim Kreuzburg, Chairman and Chief Executive Officer, described below: €577 thousands.

Sixth resolution

The shareholders' meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Reinhard Vogt, Executive Vice President, described below: €650 thousands.

Seventh resolution

The shareholders' meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Volker Niebel, Executive Vice President, described below: €312 thousands.

Eighth resolution

The shareholders' meeting, complying with § 24.3 of the recommendations of the AFEP-MEDEF Code updated in June 2013, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, gives a favorable opinion on the elements of compensation due or granted for the 2013 financial year to Oscar-Werner Reif, Executive Vice President, described below: €429 thousands.

RESOLUTIONS SUBMITTED TO THE ANNUAL EXTRAORDINARY SHAREHOLDERS' MEETING**Ninth Resolution**

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report, decide to amend the article 4 "Company's purpose" Title 1 of its bylaws since it doesn't exercise any operating activities following the complete realization of the partial asset contribution related to the transfer of activity on management of fluids to the benefit of its subsidiary, Sartorius Stedim FMT, as follow:

"The Company's purpose both in France and abroad is;

- to purchase, develop, administrate and manage a portfolio of equity security, securities, voting rights and other social rights in all companies regardless of their activity and this, by all means including by way of setting up of new companies, contribution in kind of any types of social rights, subscription rights, mergers, purchases of other social rights or incorporation of companies;
- to manage, conduct and coordinate the activities of its subsidiaries and affiliates; when applicable, to provide to said companies all services of an administrative, financial, accounting and legal nature and any opinion and advise or to order any studies or researches that are necessary for their development or growth;
- and more generally, all financial, commercial, industrial, personal and real property operations linked, directly or indirectly, to the above-mentioned corporate purpose or to all other complementary, related or similar purposes, which may promote the development or accomplishment thereof".

Tenth Resolution

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and considering the opportunity of amending the article 8.5 Title III of its bylaws, decide to amend the said article as follow:

Article 8.5 Title III of the bylaws:

"The internal regulations established by the Board of Directors may provide that directors participating in a Board meeting by videoconference, teleconference or others means of telecommunication allowing the identification of participants and ensuring their effective participation in accordance with the applicable regulations, are deemed present for the purposes of calculating quorum and majority. This provision shall not apply for the adoption of the following decisions:

- appointments, remuneration, removal of the Chairman, CEO and Vice CEOs,
- closing of annual accounts, consolidated accounts and preparation of management report and report on the management of the group."

The rest of Article 8 remains unchanged.

Eleventh resolution

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and considering the opportunity of amending the article 8.5 Title III of its bylaws, decide to amend the said article as follow:

Article 11, Title III of the bylaws:

"1 – Directors other than legal entities, the CEO and the Vice CEOs are prohibited from contracting any form of borrowing from the Company, obtaining any current account or other overdraft facility from it, or endorsement or guarantee by it of their commitments with third parties. This prohibition also applies to the permanent representatives of directors who are legal entities, to the spouse, ascendants and descendants of the persons listed above as well as to any intermediary.

2 – Any agreement concluded directly or indirectly or via any intermediary between the Company and its CEO, one of its Vice CEOs, one of its directors, or one of its Shareholders holding more than 10% of the

voting rights or, if the Shareholder is a legal entity, the company controlling it within the meaning of Article L. 233 - 3 of the Commercial Code, requires the prior authorisation of the Board of Directors.

The same applies to agreements to which one of the persons listed above has an indirect interest.

Agreements concluded between the Company and an undertaking are also subject to the Board of Directors' prior authorisation, if the CEO, one of the Vice CEOs or one of the directors of the Company is the owner, unlimited liability partner, manager, director, member of the supervisory board or more generally a corporate officer of that undertaking".

These agreements must be authorised and approved under the conditions set forth by Article L. 225 - 40 of the Commercial Code.

3 – Agreements involving day-to-day transactions concluded at arm's length shall not be subject to the authorisation and approval procedure set forth by Articles L. 225 - 38 et seq. of the Commercial Code".

Twelfth resolution

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general shareholders' meetings, having considered the board of directors' report, and in accordance with the provisions of articles L. 225-129 *et seq.* and article L. 225-130 of the French Commercial Code:

1. decide to increase the share capital of the Company up to a maximum nominal amount of EUR six million six hundred forty six thousand four hundred ninety nine and thirty four cents (€ 6,646,499.34), it being specified that this maximum nominal amount is calculated based on the number of shares existing as at the date of this meeting, by increasing the nominal value of the existing shares currently amounting to EUR sixty one cents (€0.61) up to EUR one (€1);

2. decide that the increase of the share capital of the Company will be carried out through the capitalization of available sums of the item issue premiums as indicated in the Company's annual accounts of the fiscal year preceding the date of the decision of the board of directors to complete the share capital increase;

3. authorize the Board of Directors to implement this decision to increase the share capital and consequently to determine the definitive nominal amount of the share capital increase decided by the shareholders pursuant to this

resolution based on the number of shares existing as at the date of the decision of the Board of Directors to complete the share capital increase.

The shareholders grant the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of powers and, in particular:

- determine the date of completion of the share capital and decide the date from which the increase in the nominal value of the existing shares will take effect;
- make all adjustments to take account of the impact of transactions involving the share capital of the Company, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;
- at its own discretion, charge the costs of the capital increase against the premiums arising thereon and deduct from this premiums the sums necessary to increase the legal reserve;
- duly record completion of the capital increase decided by the shareholders pursuant to this resolution up to the definitive nominal amount of the share capital increase and make the necessary amendments to the articles of association of the Company;
- complete all necessary formalities, provide all declarations and disclosures with all authorities, particularly to the *Autorité des Marchés Financiers*; and
- generally, take all appropriate measures.

This delegation of powers is granted for a period of five (5) years as of the date of this shareholders' meeting.

Thirteenth resolution

(Authorization granted to the board of directors to reduce the share capital through the cancellation of shares purchased under a share buyback program).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of articles L. 225-209 et seq. and article L. 225-213 of the French Commercial Code:

1. authorize the board of directors to cancel, in one or several times, at its sole initiative, all or a portion of the shares purchased by the Company under a share buyback program, up to a limit of ten per cent (10%) of the Company's share capital for any twenty-four-month period, provided that such ten per cent (10%) limit being applied to the Company's share capital which will be, if necessary, adjusted to take into account transactions affecting the share capital of the Company that occur subsequently to this shareholders' meeting;

2. authorize the board of directors to reduce the share capital of the Company accordingly.

3. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this authorization and, in particular:

- establish the definitive amount of such capital reduction(s), determine the terms and conditions of such reduction(s), and duly record such reduction(s);
- charge the difference between the purchase price of the cancelled shares and their nominal value against any available premiums and reserves;
- amend the articles of association of the Company accordingly;
- complete all necessary formalities, provide all declarations and disclosures with all authorities, particularly to the *Autorité des Marchés Financiers*; and
- generally, take all appropriate measures.

This authorization is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Fourteenth resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, with preferential subscription rights of the shareholders).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report and noted that the share capital has been fully paid-up, and in accordance with the provisions of articles L. 225-129 through L. 225-129-6, L. 225-132 through L. 225-134 and L. 228-91 through L. 228-93 of the French Commercial Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by offset of debts of the Company;

2. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

3. set the following limits to the amount of the issuances that may be carried out pursuant to this delegation of authority:

a/ the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that the limits of the nominal amount of the capital increases, with or without preferential subscription rights of the shareholders, set in the 15th, 16th, 17th, 18th, 19th and 20th resolutions submitted to this shareholders' meeting shall be deducted from this overall limit;

b/ the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000) or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the limits of issuance of debt instruments set in the 15th, 16th, 17th, 18th, 19th and 20th resolutions submitted to this shareholders' meeting shall be deducted from this overall limit.

4. The shareholders:

– resolve that shareholders of the Company will have a preferential right to subscribe for the issuance or issuances of shares and/or securities that the board of directors may decide pursuant to this delegation of authority on an irreducible basis in proportion of the number of shares then owned by them;

– note that the board of directors may grant shareholders additional preferential right by introducing a reducible subscription right exercisable in proportion to shareholders' existing preferential rights and within the limits of their requests;

– note that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- note that, pursuant to article L. 225-134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the issuance of the shares or the securities giving access to the share capital of the Company, the board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

- to limit the capital increase to the amount of the subscription, provided that said amount equals at least three quarters of the amount of the issuance decided upon,

- to freely allocate some or all the unsubscribed shares or securities giving access to the share capital of the Company,

- to offer all or part of the unsubscribed shares or securities giving access to the share capital of the Company to the public on French or international markets or abroad;

- resolve that issuances of warrants giving entitlement to subscribe for the Company's shares may also be made by way of free allocations to the owners of existing shares, it being stipulated that the board of directors may decide that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold; and

- acknowledge that the board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

5. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the share capital increase, the issuance price of the shares and/or securities to be issued and, if applicable, the amount of the issuance premium;

- determine the dates and terms of the capital increase, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of

subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of canceling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and

deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Fifteenth resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offerings).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report and noted that the share capital has been fully paid-up, and in accordance with the provisions of articles L. 225 - 129 through L. 225 - 129 - 6, L. 225 - 134 through L. 225 - 136 and L. 228 - 91 through L. 228 - 93 of the French Commercial Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228 - 91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by offset of debts of the Company;

2. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, the issuance of shares and/or of securities giving access to the share capital of the Company following a the issuance by the companies that the Company holds directly or indirectly more than half of the share capital or by any company which directly or indirectly holds more than half of the Company's share capital, of securities giving access to the share capital of the Company; this delegation of authority automatically entails an express waiver by the shareholders of their preferential subscription rights in

respect of the shares and/or the securities giving access to the share capital of the Company to which these securities may give access;

3. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through public offerings, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4. set the following limits to the amount of the issuances that may be carried out pursuant to this delegation of authority:

a/ the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that the nominal amount of the capital increases carried out pursuant to this delegation of authority shall be deducted from the overall limit set in paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting;

b/ the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000) or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of the debt instruments shall be deducted from the overall limit set in paragraph 3.b/ of the 14th resolution submitted to this shareholders' meeting;

5. resolve to waive the shareholders' preferential subscription rights on the shares and/or securities giving access to the share capital of the Company which may be issued pursuant to this delegation of authority, it being specified that the board of directors may grant shareholders a priority subscription period, in respect of all or part of the issuance of shares and/or securities giving access to the share capital of the Company for such period and on such terms as it shall determine in accordance with the provisions of article L. 225 - 135/ 5 of the French Commercial Code; this priority subscription period shall not give rise to the creation of negotiable rights, shall be exercised in proportion to the number of shares owned by each shareholder and may be exercised, as the board of directors considers appropriate, on a reducible and irreducible basis; it being specified that shares and/or securities not subscribed for in said manner will be the subject of a public offering in France or abroad.

6. The public offerings of shares and/or securities decided pursuant to this delegation of authority, may be carried out in one or more offerings issued simultaneously with the private placements as set forth in article L.411 - 2, II of the French Monetary and Financial Code decided pursuant to the delegation of authority under the 16th resolution submitted to this shareholders' meeting.

7. The shareholders:

- note that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- note that, pursuant to article L. 225 - 134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the issuance of the shares or the securities giving access to the share capital of the Company, the board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

- to limit the capital increase to the amount of the subscription, provided that said amount equals at least three quarters of the amount of the issuance decided upon,
- to freely allocate some or all the unsubscribed shares or securities;

– note that pursuant to article L. 225-136 of the French Commercial Code:

- the issuance price of the shares to be issued shall be at least equal to the minimum set forth by applicable law and regulations as at the date of the issuance decision,
- the issuance price of the securities giving access to the share capital of the Company to be issued shares shall be such that the amount collected by the Company immediately, increased if applicable, by the amount which could be collected later on by the Company shall be, for each share issued consequently to the issue of these securities, at least equal to the amount set forth in paragraph (i) above;

– acknowledge that the board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

8. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company and determine the nature of the shares and/or the securities to be issued;
- decide the amount of the capital increase, the issuance price of the shares and/or securities to be issued and, if applicable, the amount of the issuance premium;
- determine the dates and terms of the capital increase, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or

subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving access to the share capital of the Company to be issued immediately or in the future;
- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);
- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of canceling such securities or not, taking into account the applicable legal provisions;
- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving

access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Sixteenth resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through private placements as set forth in article L.411-2 II of the French Monetary and Financial Code).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report and noted that the share capital has been fully paid-up, and in accordance with the provisions of articles L. 225-129, L. 225-129-2, L. 225-134 through L. 225-136 and L. 228-91 through L. 228-93 of the French Commercial Code and with article L. 411-2, II of the French Commercial Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through private placements as set forth in article L.411-2, II of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate in the conditions and limits set forth by applicable law and regulations, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by offset of debts of the Company;

2. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through private placements as set forth in article L.411-2, II of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate in the conditions and limits set forth by applicable law and regulations, in euro or in any other currency or monetary unit established by reference to a basket of currencies, the issuance of shares and/or of securities

giving access to the share capital of the Company following a the issuance by the companies that the Company holds directly or indirectly more than half of the share capital or by any company which directly or indirectly holds more than half of the Company's share capital, of securities giving access to the share capital of the Company; this delegation of authority automatically entails an express waiver by the shareholders of their preferential subscription rights in respect of the shares or the securities giving access to the share capital of the Company to which these securities may give access;

3. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, through private placements as set forth in article L.411-2, II of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate in the conditions and limits set forth by applicable law and regulations, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4. set the following limits to the amount of the issuances that may be carried out pursuant to this delegation of authority:

a/ the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that this limit is mutual with the limit sets in paragraph 4.a/ of the 15th resolution and that the nominal amount of the capital increases carried out pursuant to this delegation of authority shall be deducted from the overall limit set in paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting;

b/ the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, it being specified that this limit is mutual with the limit sets in paragraph 4.b/ of the 15th resolution and that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of the debt instruments shall be deducted from the overall limit set in paragraph 3.b/ of the 14th resolution submitted to this shareholders' meeting;

5. resolve to waive the shareholders' preferential subscription rights on the shares and/or securities giving access to the share capital of the Company which may be issued pursuant to this delegation of authority.

6. The private placements as set forth in article L.411-2, II of the French Monetary and Financial Code of shares and/or securities decided pursuant to this delegation of authority, may be carried out in one or more offerings issued simultaneously with the public offerings decided pursuant to the delegation of authority under the 15th resolution submitted to this shareholders' meeting.

7. The shareholders:

- note that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

- note that, pursuant to article L. 225-134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the issuance of the shares or the securities giving access to the share capital of the Company, the board of directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

- to limit the capital increase to the amount of the subscription, provided that said amount equals at least three quarters of the amount of the issuance decided upon,
- to freely allocate some or all the unsubscribed shares or securities;

– note that pursuant to article L. 225-136 of the French Commercial Code:

- the issuance price of the shares to be issued shall be at least equal to the minimum set forth by applicable law and regulations as at the date of the issuance decision,
- the issuance price of the securities giving access to the share capital of the Company to be issued shares shall be such that the amount collected by the Company immediately, increased if applicable, by the amount which could be collected later on by the Company shall be, for each share issued consequently to the issue of these securities, at least equal to the amount set forth in paragraph (i) above;

– acknowledge that the board of directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations.

8. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company and determine the nature of the shares and/or the securities to be issued;
- decide the amount of the capital increase, the issuance price of the shares and/or securities to be issued and, if applicable, the amount of the issuance premium;
- determine the dates and terms of the capital increase, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or

subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

– determine the means of payment of the shares and/or of the securities giving access to the share capital of the Company to be issued immediately or in the future;

– set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

– set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of canceling such securities or not, taking into account the applicable legal provisions;

– determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

– at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

– determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Seventeenth resolution

(Authorization granted to the board of directors in the event of an issuance of shares and/or securities giving access to the share capital of the Company through public offerings or private placements as set forth in article L.411-2 II of the French Monetary and Financial Code, without preferential subscription rights of the shareholders, to set the issuance price under the conditions defined by the shareholders' meeting, up to a maximum of ten per cent (10%) of the share capital per year).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of article L. 225-136 of the French Commercial Code:

1. authorize the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, for each of the issuances decided under the 15th and 16th resolutions to depart from the pricing terms set forth in the applicable law and regulations as at the date of the issuance decision, i.e. on this day by article R. 225-119 of the French Commercial Code, and to set the price of the shares and/or the securities giving access to the share capital of the Company to be issued through public offerings or through private placements as set forth in article L. 411-2, II of the French Monetary and Financial Code, in accordance with the following provisions:

- the issuance price is equal to, at the discretion of the board of directors, (a) the arithmetic average of the closing prices observed over a maximum period of three (3) months preceding the date of the issuance decision or (b) the volume-weighted average price on the market over the three (3) latest trading days preceding the date of the issuance decision, with a potential maximum discount of twenty per cent (20%),
- the issuance price of the securities giving access to the share capital of the Company shall be such that the amount collected by the Company immediately, increased if applicable, by the amount which could be collected later on by the Company shall be, for each share issued consequently to the issuance of these securities, at least equal to the amount set forth in the paragraph above;

2. resolve that the nominal amount of the capital increase or capital increases that may be carried out pursuant to this authorization shall not exceed the limit of ten per cent (10%) of the share capital of the Company (based on a share capital as at the date of the issuance decision) for a period of twelve (12) months, it being specified that the nominal amount of the capital increase or capital increases that may be carried out pursuant to this authorization will be deducted to the amount of the limits set forth either in paragraph 4.a/ of the 15th resolution or in paragraph 4.a/ in the 16th resolution, as the case may be.

3. The shareholders note that the board of directors must provide an additional report, duly certified by the statutory auditors, setting out the definitive conditions of the transaction and providing the assessment methods and tools used to evaluate the impact of the transaction on the situation of the shareholder.

This authorization is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Eighteenth resolution

(Delegation of authority granted to the board of directors to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and pursuant to the provisions of articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

1. delegate the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to decide, for each of the issuances carried out under the 14th to 16th resolutions, to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders, at the same price as that used for the initial issuance within the limits as to time and quantity terms set forth by the applicable law and regulations as well as the market practices as at the date of the issuance decision, i.e. on this day during a period of thirty (30) days from closing of subscriptions, up to a limit of fifteen per cent (15%) of the initial issuance, in particular with a view to granting an oversubscription option, it being specified that the shares and/or securities which may be issued pursuant to this delegation of authority may be subscribed for either in cash or by offset of debts of the Company;

2. resolve that the nominal amount of the capital increase or capital increases that may be carried out pursuant to this delegation of authority will be deducted to the amount of the limits sets forth in the resolution pursuant to which such issuance is decided.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Nineteenth resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company, as consideration for contributions in kind consisting of a company's shares and/or securities giving access to the share capital up to a maximum of ten per cent (10%) of the share capital, outside public exchange offers initiated by the Company).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of articles L. 225-129 et seq., the articles L. 225-147 and L. 228-91 through L. 228-93 of the French Commercial Code:

1. delegate the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, based on the report of the expert appraisers referred to in article L. 225-147 of the French Commercial Code, as consideration for contributions in kind consisting of shares and/or securities giving access to the share capital, in cases where article L. 225-148 of the French Commercial Code is not applicable;

2. resolve that the nominal amount of the capital increase or capital increases that may be carried out pursuant to this delegation of authority shall not exceed the limit of ten per cent (10%) of the share capital of the Company, it being specified that this limit is mutual with the limit sets in [paragraph 4.a/ of the 15th resolution and that the nominal amount of the capital increases carried out pursuant to this delegation of authority shall be deducted from the overall limit set in [paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting;

3. resolve that the securities giving access to the share capital of the Company, issued pursuant to this delegation of authority may, in particular, consist in debt instruments, be combined with the issuance of such debt instruments, or enable the issuance of such debt instruments as intermediate securities, it being specified on one hand, that the nominal amount of debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, and on the other hand, that this limit is mutual with the limit sets in paragraph 4.b/ of the 15th resolution and that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of the debt instruments shall be deducted from the overall limit set in paragraph 3.b/ of the 14th resolution submitted to this shareholders' meeting;

4. resolve to cancel the preferential subscription right given to the shareholders of the Company to shares and/or securities that may be issued under this delegation of authority to the holders of the shares and/or securities, subject to the contributions in kind referred to above;

5. note that this delegation of authority automatically entails, to the benefit of the holders of securities giving access to the share capital of the Company and which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

6. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company as consideration for the assets transferred to the Company, and determine the nature of the shares and/or securities to be issued;
- establish a list of the shares and/or securities transferred to the Company, approve the valuation of the contributions in kind, set the terms of the issuance of the shares and/or the securities made as consideration for said contributions and the amount of any cash portion to be paid, approve the granting of specific benefits and reduce, subject to the transferors' consent, the valuation of the contributions or the consideration for specific benefits;

- determine the characteristics of the securities to be issued as consideration for the contributions in kind and set the terms on which any rights of holders of securities giving access to the Company's capital are to be preserved;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Twentieth resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of articles L. 225-129 through L. 225-129-6, L. 225-135, L. 225-148 and L. 228-91 through L. 228-93 of the French Commercial Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares,

giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by articles L. 228-91 et seq. of the French Commercial Code, as consideration for securities tendered to a public exchange offer made by the company, in France or abroad, in accordance with local regulations, with respect to securities of a company whose shares are admitted to trading on a regulated market as referred to in article L. 225-148 of the French Commercial Code;

2. resolve that the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that this limit is mutual with the limit sets in paragraph 4.a/ of the 15th resolution and that the nominal amount of the capital increases carried out pursuant to this delegation of authority shall be deducted from the overall limit set in paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting;

3. resolve that the securities giving access to the share capital of the Company, issued pursuant to this delegation of authority may, in particular, consist in debt instruments, be combined with the issuance of such debt instruments, or enable the issuance of such debt instruments as intermediate securities, it being specified that, on one hand, the nominal amount of debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), or the equivalent value of this amount as at the date of the issuance decision, and on the other hand, that this limit is mutual with the limit sets in paragraph 4.b/ of the 15th resolution and that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of the debt instruments shall be deducted from the overall limit set in paragraph 3.b/ of the 14th resolution submitted to this shareholders' meeting;

4. resolve to waive the preferential subscription rights of shareholders with respect to the shares and/or the securities which may be issued pursuant to this delegation of authority, in favor of the holders of the securities above mentioned;

5. note that this delegation of authority automatically entails, to the benefit of the holders of securities giving access to the share capital of the Company and which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future.

6. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company as consideration for the securities above mentioned, and determine the nature of the shares and/or securities to be issued;
- set the exchange ratio and, if applicable, the cash balance of the consideration to be paid;
- confirm the number of securities tendered for exchange;
- determine the dates, terms and conditions of the issuance, the characteristics of the shares and/or securities which may be issued pursuant to this delegation of authority, in particular the price and date of first entitlement to dividends of the new shares and/or the securities giving access to the share capital of the Company;
- record on a "contribution premium" account, to which all shareholders shall have rights, as a balance sheet liability, the difference between the issuance price of new shares and their nominal value;
- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;
- at its own discretion, charge on the share premiums all expenses related to the completion of the share capital increases, as well as all sums required in order to constitute the legal reserve;
- determine and make all adjustments to take account of the impact of transactions involving the capital of

the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Twenty-first resolution

(Delegation of authority granted to the board of directors to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted).

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of articles L. 225-129 through L. 225-129-6 and L. 225-130 of the French Commercial Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, the increase of the share capital of the Company by the incorporation of share premiums, reserves, earnings or other amounts that may be converted into capital successively or simultaneously in accordance with applicable law and the articles of association, by freely allocating new shares and/or by increasing the nominal value of existing shares, or through a combination of the two procedures;

2. resolve the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), it being specified that this nominal amount is a limit separate from the overall limit set in paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting.

3. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

– determine the amount and nature of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the nominal value of the existing shares is to be increased and decide the date, which may be retrospective, from which the new shares will rank for dividend or the increase in the nominal value of the existing shares will take effect;

– decide, in the event of shares to be issued:

that fractional rights will not be negotiable and that the corresponding shares will be sold, the proceeds of such sale being allocated to the holders of the rights on terms specified in the law and regulations,

make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

– at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

– duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

– generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Twenty-second resolution

(Delegation of authority granted to the board of directors to issue shares and/or securities giving access to the share capital of the Company, reserved for members enrolled in an employer-sponsored company savings plan, without preferential subscription rights of the shareholders).

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general shareholders' meetings, having considered the board of directors' report and the statutory auditors' special report, and in accordance with the provisions of articles L. 225 - 129 et seq. and articles L. 225 - 138 and L. 225 - 138 - 1 of the French Commercial Code and with articles L. 3332 - 1 et seq. of the French Labor Code:

1. delegate to the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, its authority to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, reserved for members enrolled in an employer-sponsored savings plans or any other plan for whose members a capital increase may be reserved on equivalent terms under article L. 3332 - 18 of the French Labor Code, instituted within a French or foreign entity or group of entities falling within the scope of the Company's consolidated or combined financial statements pursuant to articles L. 3344 - 1 and L. 3344 - 2 of the French Labor Code, it being specified that the shares and securities referred to in (i) and (ii) above may be subscribed for either in cash or by offset of the debts of the Company;

2. resolve that the nominal amount of the capital increase or capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of two million euros (€2,000,000), it being specified that this limit is a limit separate from the overall limit set in paragraph 3.a/ of the 14th resolution submitted to this shareholders' meeting;

3. resolve to waive the preferential subscription rights of shareholders with respect to the shares and/or the securities giving access to the share capital of the Company which may be issued pursuant to this delegation of authority, in favor of the beneficiaries defined above;

4. resolve that the issuance price of the shares and/or securities giving access to the share capital of the Company will be set in accordance with articles L.3332 - 18 et seq. of the French Labor Code, provided that, pursuant to the above-mentioned articles, the discount set shall not exceed twenty per cent (20%) of the average quoted price of the Company's share on the regulated market NYSE Euronext Paris over the twenty (20) trading days preceding the date of the decision setting the opening date of the subscription period. The shareholders expressly authorize the board of directors to reduce or cancel the aforementioned discount, as it considers appropriate, in particular in order to take into consideration the international accounting standards, or, inter alia, locally applicable legal, accounting, tax or social provisions in the countries of certain beneficiaries; the board of directors may also substitute all or part of the discount by granting shares and/or securities giving access to the share capital of the Company pursuant to the provisions below;

5. authorize the Board of Directors to freely grant, pursuant to the terms of this delegation of authority, shares or securities giving an immediate or deferred claim to shares of the Company, as a substitute for all or part of the discount and/or the grant (abondement) as the case may be, provided that the total benefit resulting from the discount and/or the grant (abondement) may not exceed the applicable legal or regulatory limits.

6. The shareholders grant the board of directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- establish in accordance with the law a list of those companies for which the beneficiaries indicated above may subscribe for the shares or securities giving access to the capital thereby issued and who may be freely allotted shares and/or securities giving access to the capital;
- decide that subscriptions may be made directly by beneficiaries belonging to an entity or group savings plan (or similar plan), or via dedicated mutual funds or other vehicles or entities permitted under the applicable law and regulations;
- determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the capital increases;
- set the opening and closing dates for subscriptions;

- set the amounts of the issuances to be made under the present delegation of authority and in particular determine the issuance prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of entitlement to dividends of the shares and/or the securities, which may be retrospective, rules for pro- rating in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits;
- in the case of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

This delegation of authority is granted for a period of twenty-six (26) months as of the date of this shareholders' meeting.

Twenty-third resolution

The ASM gives all authority to the carrier of any original, copy or extract of the herewith ASM's minutes to undertake all formalities that may be necessary.

Information on the Reference Document and the Annual Financial Report

Declaration of Responsibility for the Reference Document and the 2013 Annual Financial Report

I hereby certify, after having taken all reasonable measures to this effect, that the information contained in the present Reference Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the company and all the activities included in the consolidation, and that the management report on pages 18 to 68 presents a fair review of the development and performance of the business and financial position of the company and of all the activities included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the auditors stating that they have audited the information contained in this Reference Document about the financial position and financial statements and that they have read this document in its entirety.

The historical financial information presented in the Document has been discussed in the auditors' reports found on pages 142 and 158 of this Reference Document.

February 27, 2014



Joachim Kreuzburg
Chairman of the Board and CEO

Table of Reconciliation

In order to facilitate understanding of the present document concerning the presentation of Sartorius Stedim Biotech S.A., the table below has, on the left, the headings from Note 1 of European Regulation

No. 809/2004 of April 29, 2004, of the European Commission and in the column on the right, the corresponding pages of the present document.

Headings of Part 1 of European Regulation N°809/2004 of April 29, 2004		Pages
1.	Persons responsible	
1.1.	Persons responsible for information	191
1.2.	Certification of persons responsible for registering document	191
2.	Independent auditors	
2.1.	Name and address of Independent Auditors of the issuer	94
3.	Selected financial information	
3.1.	Presentation of selected historical financial information for every year of the period covered by this financial information	2, 24 - 31, 47 - 49
4.	Risk factors	50 - 56
5.	Information on the issuer	
5.1.	History and development of the company	000
5.1.1.	Corporate name and commercial name of issuer	160
5.1.2.	Place and registration number of issuer	160
5.1.3.	Date of establishment and life of issuer	160
5.1.4.	Registered office and legal form of issuer, legislation governing its operation, country of origin, address	160
5.2.	Investments	47 - 49
5.2.1.	Principal investments (including their amounts) carried out	29, 114
6.	Overview of operations	
6.1.	Principal operations	18 - 31
6.2.	Principal markets	22 - 23
6.3.	Dependence on patents, licenses and contracts	53 - 54, 168 - 169
6.4.	Competition	22, 53
7.	Organigram (organizational charts)	
7.1.	Description of group	113 - 114
7.2.	List of subsidiaries	114
8.	Property, plant and equipment	
8.1.	Significant existing or planned property, plant and equipment	122 - 123
8.2.	Environmental issues	32 - 45
9.	Analysis of financial situation and results	
9.1.	Financial position	47 - 49, 99 - 101
9.2.	Operating profit	24 - 27, 98, 117
10.	Cash position and capital	
10.1.	Issuer's capital (short and long-term)	61-65, 101, 125-126, 151
10.2.	Cash flow	49, 100
10.3.	Borrowing conditions and financial structure	49, 132 - 133
10.4.	Expected sources of financing	43 - 45, 112, 121 - 123
11.	Research and development, patents and licenses	27 - 28, 168 - 169
12.	Information on trends	20 -23,
13.	Profit forecasts or estimates	Not applicable
14.	Governing, management, supervisory and executive bodies	
14.1.	Composition of governing and management bodies Nature of all family links amongst these persons	70 - 77
14.1.1.	Conviction for fraud within the last five years at least	75
14.1.2.	Bankruptcy, sequestration or liquidation of a member of governing bodies	75
14.1.3.	Indictment and/or official public sanction against a member of governing bodies	75
14.2.	Conflict of interest at the level of governing and management bodies	75
15.	Remunerations and benefits	
15.1.	Remuneration paid and benefits in kind	67, 73 - 80, 85 - 92
15.2.	Pensions, retirement or other benefits	57, 73, 77 - 84

Headings of Part 1 of European Regulation N°809/2004 of April 29, 2004		Pages
16.	Operation of governing and management bodies	
16.1.	Expiration date of current mandates and terms of office	70 - 75
16.2.	Service agreements with the members	70 - 75
16.3.	Audit and Remuneration Committees of issuer	76, 78 - 79, 83
16.4.	Corporate governance	70 - 84
17.	Employees	
17.1.	Workforce at end of period covered by historical financial information	34, 140
17.2.	Shareholding in capital	65, 138 - 139
17.3.	Employee shareholding in capital	51, 165 - 166
18.	Principal shareholders	
18.1.	Crossing thresholds	166
18.2.	Double voting rights	166
18.3.	Control of the business	16, 51
19.	Transactions with related parties	140
20.	Financial information on the Issuer's assets, financial situation and profit	
20.1.	Historical financial information (results of the last five years)	68
20.2.	2012/2013 Consolidated Financial Results	24 - 26
20.3.	2013 Statement of Profit or Loss	98
20.4.	2012/2013 Consolidated Financial Statements (Statement of Financial Position, Statement of Profit or Loss, Statement of Cash flows, Statement of Changes in Equity, Notes to the Consolidated Financial Statements)	97 - 148
20.5.	Verification of annual historical information (Independent Auditors' Reports)	143, 158
20.6.	Last financial information	3
20.7.	Dividend distribution policy	15, 153
20.8.	Legal and arbitration procedures	45
20.9.	Significant change in financial or commercial situation	47 - 49
21.	Additional information	
21.1.	Share capital	61
21.1.1.	Amount of issued capital, number of shares authorized, number of shares issued and fully paid, number of shares issued but not fully paid, par value per share and reconciliation of the number of shares outstanding at the beginning and end of the year	61 - 62, 125, 151
21.1.2.	Shares not representing capital	Not applicable
21.1.3.	Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	61 - 64
21.1.4.	Amount of convertible securities, exchangeable securities or securities with warrants	Not applicable
21.1.5.	Information about and terms of any acquisition rights or obligations over authorized but unissued capital, or an undertaking to increase the capital	Not applicable
21.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	Not applicable
21.1.7.	History of share capital for the period covered by the historical financial information	61 - 64
21.2.	Memorandum and articles of association	160 - 167
21.2.1.	Objects and purposes of the issuer	160
21.2.2.	Member of administrative, management and supervisory bodies	160 - 166
21.2.3.	Rights, preferences and restrictions attaching to each class of the existing shares	166 - 167
21.2.4.	Actions required to change the rights of shareholders	Not applicable
21.2.5.	Conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission	161 - 163
21.2.6.	Provisions in the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer	Not applicable
21.2.7.	Provisions in the articles of association, statutes, charter or bylaws governing the ownership threshold above which shareholder ownership must be disclosed	167
21.2.8.	Conditions imposed by the memorandum and articles of association, statutes, charter or bylaws governing changes in the capital, where such conditions are more stringent than is required by law	Not applicable
22.	Major contracts	167
23.	Information provided by third parties, declaration by experts and declaration of interests	Not applicable
24.	Documents accessible to the public	3
25.	Information on shareholdings	114

Glossary

Industrial | Product-specific Terms

Bioreactor

In English-speaking countries, a bioreactor is used as a vessel for cultivating animal or human cells in a culture medium. In non-English-speaking countries, this term is also used synonymously with "fermentor" that is a system in which microorganisms (bacteria, yeast, fungi) multiply. In any case, these vessels are used to obtain cells, parts of these or one of their metabolites.

Capsules

Ready-to-use filter units consisting of a filter housing with hose connectors and an incorporated filter cartridge; for connection to piping

Crossflow

Term taken from filtration technology. Instead of directly flowing through a filter (static filtration), a liquid flows perpendicularly to the filter surface; this prevents filter blockage, resulting in a longer in-service life of the filter.

Disposable

A product for a single use; cf. "Single-use" product

Downstream processing

Collective term for the various steps that follow fermentation or cell cultivation in the production of biopharmaceuticals, for example separation, purification and concentration

FDA – Food and Drug Administration

This is the U.S. governmental agency responsible for monitoring foods and biotechnological, medical, veterinary and pharmaceutical products.

Fermentation

Technical process used to produce or transform intra- or extra-cellular substances with the help of microorganisms

Fluid management technologies

Technologies and systems for use in handling sensitive biological liquids; for example, transportation and storage of these media

Freeze-thaw technologies

Technologies used in the controlled freezing and thawing of biological liquids (liquid "biologics")

Membrane chromatography

Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system

Membrane (filter)

Thin film or foil made of polymers; because of the porous structure, this film can be used for filtration applications.

Monoclonal antibodies

Synthetic antibodies that are increasingly being used in medical diagnosis and treatment

Purification

An important step in downstream processing

Recombinant protein

Protein manufactured using genetically modified organisms. Examples include pharmaceutical proteins such as insulin and vaccines.

Scale-up

Transfer of scale or increase in size. This term is used to denote the progression of a process that increases in a range from lab scale to pilot scale to process scale, while retaining the same technology, materials of construction and geometries throughout.

Single-use product

See "disposable"

Sterile filter, sterilizing-grade filter

Membrane filter whose pore size is usually 0.2 µm or smaller. Product- and process-specific validation tests are required to confirm whether the filter type selected delivers a sterile filtrate.

Sterility test, sterility testing

Test to verify that a sample contains no living or viable substances

Validation

Systematic checking of essential steps and facilities in research and development and in production, including testing pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality

Business | Economic Terms**Amortization**

Amortization relates exclusively to potential reductions in the value of goodwill and the allocation of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3.

Cash flow

Short- and long-term management of liquid funds; the cash balance of inflows and outflows of funds

Derivative financial instruments

Instruments for hedging against the risks of changes in market prices in foreign currencies

EBIT

Earnings before interest and taxes

EBIT margin

Ratio of EBIT (see EBIT) to sales revenue

EBITA

Earnings before interest, taxes and amortization related to business combinations. The amortization item refers only to the amortization confirmed in connection with purchase price allocation (PPA) to intangible assets acquired, as specified by the IFRS3 Standard.

EBITA margin

Ratio of EBITA (see EBITA) to sales

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EBITDA margin

Ratio of EBITDA (see EBITDA) to sales revenue

Fixed assets

The sum of intangible assets, property, plant and equipment and financial assets

Free float

Shares of a public company that are freely available to the investing public

Goodwill

Represents the difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

IAS – International Accounting Standards

Internationally recognized accounting principles

IFRS – International Financial Reporting Standards

Internationally recognized accounting principles

Investment rate

The ratio of capital expenditures to sales revenue

Pro forma

A pro forma presentation as used in this annual report means that figures include business generated by Stedim, which was consolidated for the first time as of June 29, 2007, for the full previous year, and business generated by Sartorius Stedim Plastics GmbH consolidated on January 1, 2007, for the full fiscal year of 2007 and the preceding year.

Supply chain management

Setup and coordinated control of integrated flows of materials, information and finances (supply chains) over the entire value-added process

TecDAX®

German stock index of the transaction service provider and marketplace organizer Deutsche Börse AG

Treasury

Short- and medium-term liquidity management

Underlying EBITA (adjusted for one-time items)

EBITA (see EBITA) adjusted for extraordinary items. For 2013 Extraordinary items amounted to –€3.7 million (previous year: –€5.9 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

Underlying EBITA margin

Ratio of operating EBITA (see underlying EBITA) to sales revenue

Underlying EBITDA

EBITDA (see EBITDA) adjusted for extraordinary items. For 2013 extraordinary items amounted to –€3.7 million (previous year: –€5.9 million) and essentially cover one-time expenses for strategic Group projects and integration and acquisition related items.

Underlying EBITDA margin

Ratio of operating EBITDA (see underlying EBITDA) to sales revenue

Underlying (consolidated) net profit

This profit figure is yielded by adjustment for extraordinary items and amortization for business combinations, which refers exclusively to the purchase price allocation (PPA) to intangible assets acquired according to the revised IFRS 3.

Adresses

Europe

France

Sartorius Stedim Biotech S.A.
Zone Industrielle Les Paluds
Avenue de Jouques – CS 91051
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.56.19
info@sartorius-stedim.com

Sartorius Stedim France S.A.S.
Zone Industrielle Les Paluds
Avenue de Jouques – CS 71058
13781 Aubagne Cedex
Phone +33.4.42.84.56.00
Fax +33.4.42.84.65.45
info-biotech.france@sartorius-stedim.com

Sartorius Stedim Aseptics S.A.
Zone Industrielle de Saux, 6 Rue Ampère
65100 Lourdes
Phone +33.5.62.42.73.73
Fax +33 5.62.42.08.44
info@sartorius-stedim.com

Germany

Sartorius Stedim Biotech GmbH
August-Spindler-Str. 11
37079 Goettingen
Phone +49.551.308.0
Fax +49.551.308.3289
info@sartorius-stedim.com

Sartorius Stedim Plastics GmbH
Karl-Arnold-Str. 21
37079 Goettingen
Phone +49.551.50450.0
Fax +49.551.50450.50
info@sartorius-stedim.com

Sartorius Stedim Systems GmbH
Robert-Bosch-Straße 5 - 7
34302 Guxhagen
Phone +49.5665.407.0
Fax +49.5665.407.2200
info@sartorius-stedim.com

Austria

Sartorius Stedim Austria GmbH
Franzosengraben 12
1030 Vienna
Phone +43.1.796.5763.0
Fax +43.1.796.5763.44
separation.austria@sartorius.com

Belgium

Sartorius Stedim Belgium N.V.
Leuvensesteenweg 248/B
1800 Vilvoorde
Phone +32.2.756.06.80
Fax +32.2.756.06.81
lind.reymen@sartorius.com

Denmark

Sartorius Stedim Nordic A/S
Lyskaer 3
2730 Herlev
Phone +45.7023.4400
Fax +45.4630.4030
info.dk@sartorius-stedim.com

Hungary

Sartorius Stedim Hungária Kft.
Kagyló u. 5.
2092 Budakeszi
Phone +36.23.457.227
Fax +36.23.457.147
ssb@sartorius.hu

Ireland

Sartorius Stedim Ireland Ltd.
Unit 41, The Business Centre
Stadium Business Park
Ballycoolin Road
Dublin 11
Phone +353.1.823.4394
Fax +353.1.808.9388
info.ireland@sartorius-stedim.com

Italy

Sartorius Stedim Italy S.p.A.
Via dell'Antella 76/A
50012 Antella – Bagno a Ripoli (Florence)
Phone +39.055.6340.41
Fax +39.055.6340.526
info.italy@sartorius.com

Netherlands

Sartorius Stedim NL
Westblaak 89
3012 KG Rotterdam
Phone +31.30.602.5080
Fax +31.30.602.5099
office.nl@sartorius.com

Poland

Sartorius Stedim Poland Sp. z o.o.
ul. Wrzesinska 70
62-025 Kostrzyn
Phone +48.61.647.38.40
Fax +48.61.879.25.04
biuro.pl@sartorius.com

Portugal

Sartorius Stedim Spain S.A.
C/Isabel Colbrand 10 - 12, Oficina 69/70
Polígono Industrial de Fuencarral
28050 Madrid
Phone 800.8.55800
Fax 800.8.55799
biotech_spain@sartorius-stedim.com

Russia

Sartorius ICR 000, Saint-Petersburg
 Rasstannaya str. 2, building 2, letter A
 192007 St. Petersburg
 Phone : + 7.812.327.53.27
 Fax : + 7.812.327.53.23
russia@sartorius.com

Spain

Sartorius Stedim Spain S.A.
 C/Isabel Colbrand 10-12, Oficina 69/70
 Polígono Industrial de Fuencarral
 28050 Madrid
 Phone +34.91.358.6091
 Fax +34.91.358.9623
biotech_spain@sartorius-stedim.com

Switzerland

Sartorius Stedim Switzerland AG
 Ringstrasse 24a
 8317 Tagelswangen
 Phone +41.52.354.36.36
 Fax +41.52.354.36.46
biotech.switzerland@sartorius-stedim.com

UK

Sartorius Stedim UK Ltd.
 Longmead Business Centre
 Blenheim Road
 Epsom, Surrey KT19 9QQ
 Phone +44.1372.737159
 Fax +44.1372.726171
uk.sartorius@sartorius-stedim.com

Sartorius Stedim Lab Ltd.
 Unit 6
 Stonedale Road
 Stonehouse, Gloucestershire GL10 3RQ
 Phone +44.1453.821972
 Fax +44.1453.827928
alan.johnson@sartorius-stedim.com

TAB Biosystems
 York Way
 Royston, Hertfordshire, SG8 5WY
 Phone: + 44.1763.227200
 Fax : + 44.1763.227201
info@tapbiosystems.com

Africa**Tunisia**

Sartorius Stedim Bioprocess S.A.R.L.
 Km 24, Route de Zaghouan
 M'Hamdia - Bourbiâa - 1145
 BP 87 - Ben Arous
 Phone +216.79.397.014
 Fax +216.79.397.019
info@sartorius-stedim.com

Sartorius Stedim Biotech S.A.R.L.
 Km 24, Route de Zaghouan
 M'Hamdia - Bourbiâa - 1145
 BP 87 - Ben Arous
 Phone +216.79.397.014
 Fax +216.79.397.019
info@sartorius-stedim.com

Sartorius Stedim Integrated Services S.A.R.L.
 Km 24, Route de Zaghouan
 M'Hamdia - Bourbiâa - 1145
 BP 87 - Ben Arous
 Phone +216.79.397.014
 Fax +216.79.397.019
info@sartorius-stedim.com

North America**USA**

Sartorius Stedim North America Inc.
5 Orville Drive
Bohemia, New York 11716
Phone +1.631.254.4249
Fax +1.631.254.4264
info@sartorius-stedim.com

TAP Biosystems
20 Montchanin Road
Greenville DE 19807
Phone + 1.302.478.9060
Fax + 1. 302.478.9575
info@tapbiosystems.com

Puerto Rico

Sartorius Stedim Filters Inc.
Carretera 128 Int. 376
Barriada Arturo Lluveras
P.O. Box 6
Yauco, Puerto Rico 00698
Phone +1.787.856.5020
Fax +1.787.856.7945
marcos.lopez@sartorius.com

Latin America**Argentina**

Sartorius Argentina S.A.
Int. A. Avalos 4251
B1605ECS Munro
Buenos Aires
Phone +54.11.47.210505
Fax +54.11.47.622333
sartorius@sartorius.com.ar

Brazil

Sartorius do Brasil Ltda.
Avenida Senador Vergueiro 2962
São Bernardo do Campo
CEP 09600-004 - SP
Phone +55.11.4362.8900
Fax +55.11.4362.8901
sartorius@sartorius.com.br

Mexico

Sartorius de México S.A. de C.V.
Circuito Circunvalación Poniente No. 149
Ciudad Satélite
53100 Naucalpan, Estado de México
Phone +52.55.5562.1102
Fax +52.55.5562.2942
sartorius@sartomex.com.mx

Asia | Pacific**China**

Sartorius Stedim Biotech (Beijing) Co. Ltd.
33 Yu An Road, Tianzhu Airport
Industrial Park Zone B
Shun Yi District, 101300 Beijing
Phone +86.10.8042.6516
Fax +86.10.8042.6580
enquiry.cn@sartorius-stedim.com

India

Sartorius Stedim India Pvt. Ltd.
No : 69/2 Et 69/3, Jakkasandra
Kunigal Road
Nelamangala, Bangalore - 562123
Phone + 91.80.43505250
Fax : + 91.80.43505255
biotech.india@sartorius.com

Japan

Sartorius Stedim Japan K.K.
4th Floor, Daiwa Shinagawa North Bldg.
1-8-11 - Kita-Shinagawa, Shinagawa-Ku
Tokyo 140-0001
Phone + 81.3.3740.5407
Fax + 81.3.3740.5406
info@sartorius.co.jp

Malaysia

Sartorius Stedim Malaysia Sdn. Bhd.
Lot L3 -E- 3B, Enterprise 4
Technology Park Malaysia
Bukit Jalil
57000 Kuala Lumpur
Phone +60.3.899.60622
Fax +60.3.899.60755
ehtan@sartorius.com.my

Singapore

Sartorius Stedim Singapore Pte. Ltd.
1 Science Park Road
#05-08A, The Capricorn
Singapore Science Park II
Singapore 117528
Phone +65.6872.3966
Fax +65.6778.2494
choolee.pang@sartorius-stedim.com

Australia

Sartorius Stedim Australia Pty. Ltd.
Unit 5, 7 - 11 Rodeo Drive
Dandenong South, Melbourne
Victoria 3175
Phone +61.3.8762.1800
Fax +61.3.8762.1828
info.australia@sartorius-stedim.com

South Korea

Sartorius Korea Biotech Co. Ltd.
8th Floor, Solid Space
220 Pangyoyeok-Ro
Bundang-Gu, Seongnam-Si
Gyeonggi-Do, 463 - 400
Phone +82.31.622.5700
Fax +82.31.622.5798
info@sartorius.co.kr

Vietnam

Sartorius Representative Office
Unit C, 17th floor, A Tower, BIG Building
18 Pham Hung Street
My Dinh, Tu Liem, Hanoi
Phone +84.4.3795.5587
Fax +84.4.3795.5589
sartoriusvn@hn.vnn.vn

Product Highlights in 2013



Bioprocess Solutions

Sartorius Stedim Biotech concentrates on bioprocess business for pharmaceutical customers. With a broad product portfolio, the company helps biotech medications and vaccines to be manufactured safely and efficiently. Its key mission is to optimize pharmaceutical manufacturing processes, primarily by increasing the usage of single-use products and solutions. Sartorius Stedim Biotech is a global leader in filtration, fermentation, cell cultivation, membrane chromatography and in fluid management.



BIOSTAT® Cultibag STR
Single-use bioreactor system
for cell culture processes,
scalable up to 2,000 L



Cell Culture Media
Nutrient solutions and buffers
for use in the production
of active biopharmaceutical
ingredients



Sartopore® Platinum
New, highly efficient filter
generation for sterile filtration
of biopharmaceutical media



Sartocheck® 4 plus Bag Tester
Test system for checking the
integrity of single-use bags

A Local Presence Worldwide





sartorius stedim
biotech



Financial Schedule

Analysts' Conference (SFAF), Paris, France	March 4, 2014
Annual General Shareholders' Meeting, Aubagne, France	April 8, 2014
Payment of dividends ¹⁾	April 15, 2014
Publication of first-quarter figures for 2014	April 8, 2014
Publication of first-half figures for 2014	July 22, 2014
Publication of nine-month figures for 2014	October 21, 2014
Publication of preliminary figures for fiscal 2014	January 2015
Annual General Shareholders' Meeting, Aubagne, France	April 7, 2015
Publication of first-quarter figures for 2015	April 2015

¹⁾ Subject to approval by the Annual General Shareholders' Meeting

Contacts

Petra Kirchhoff

Vice President
Corporate Communications & IR

Phone: +49.551.308.1686
petra.kirchhoff@sartorius.com

Andreas Theisen

Director
Investor Relations

Phone: +49.551.308.1668
andreas.theisen@sartorius.com

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13781 Aubagne Cedex, France

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Sartorius Stedim Biotech S.A.
Zone Industrielle Les Paluds
Avenue de Jouques – CS 91051
13781 Aubagne Cedex, France

Phone: +33.4.42.84.56.00
Fax: +33.4.42.84.56.19

info@sartorius-stedim.com
www.sartorius-stedim.com

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