

## **Nine-month figures: Sartorius Stedim Biotech starts successfully; impact of currency fluctuations dampens growth**

- **Gains in sales revenue, order intake and operating earnings**
- **Integration process at an advanced stage**
- **Sales revenue and earnings targets for 2007 adjusted slightly downward especially due to impact of currency fluctuations**

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Aubagne | Goettingen, October 31, 2007 – Sartorius Stedim Biotech, which is a leading supplier of products and solutions for the biopharmaceutical industry and resulted from the combination of the Biotechnology Division of German-based Sartorius AG with French-based Stedim S.A. at the end of June 2007, successfully started up its joint business activities. In the reporting period, the company increased its sales revenue, order intake and operating earnings. Moreover, significant milestones in integration processes were reached. Unfavorable exchange rates and a temporary weakening in the demand of individual pharmaceutical key accounts due to delayed or restricted drug approvals had a somewhat negative impact on the company's overall positive development.

To provide an informative picture of the financial situation of Sartorius Stedim Biotech in comparison with the year-earlier period, the pro forma figures given in the following assume that the business combination had already taken place on January 1, 2006.

On a pro forma basis, Sartorius Stedim Biotech reported a plus in nine-month order intake for 2007 of 8.6 percent to 283.8 million euros (currency-adjusted, up 11.2 percent) as well as an increase in sales revenue of 2.8 percent to 281.8 million euros (currency-adjusted, up 5.3 percent). Business was fueled by hefty gains in disposables for biopharmaceutical applications; order intake and sales revenue of specialty filters, in particular, grew at double-digit rates.

Yet in the third quarter, a temporary weakening in demand of individual pharmaceutical key accounts had a noticeable impact. This was due to delays that these customers experienced in obtaining regulatory approval of new

drugs and to restriction of the indications for active pharmaceutical ingredients already on the market.

The equipment business of Sartorius Stedim Biotech, which by nature may lead to certain fluctuations in order intake and sales revenue, showed a variegated nine-month pattern. While a high order intake for fermentors and bioreactors was achieved in Europe, order intake and sales revenue development for the equipment business continued to be soft in North America. Sartorius Stedim Biotech's management took action to streamline the corresponding organizational structures in this region and, in an initial step, combined two of its U.S. locations.

For Sartorius Stedim Biotech, EBITA adjusted for extraordinary expenses (underlying EBITA) rose slightly on a pro forma basis from 34.7 million euros to 35.2 million euros. This corresponds to an adjusted EBITA margin of 12.5 percent relative to 12.7 percent a year ago. Without the unfavorable impact of currency fluctuations, the EBITA margin would have increased to around 13 percent. In the reporting period, the division incurred extraordinary expenses totaling 9.3 million euros, which were essentially comprised of extraordinary expenses for Stedim as well as transaction and integration expenses.

At the end of the third quarter, integration of Sartorius Biotechnology and Stedim has already reached an advanced stage. Since the beginning of July, the company has presented itself under the globally uniform Sartorius Stedim Biotech brand. In Europe, the process for combining sales organizations and supply chain procedures has nearly been completed. For North America, sales organizations are scheduled to be completely integrated in the first quarter of 2008.

### **Assessment and Outlook**

Joachim Kreuzburg, CEO und Chairman of the Board of Sartorius Stedim Biotech, assessed nine-month business development and integration as positive: "We are very satisfied with the major part of our business and are gaining market share. Also, our integration process is rapidly making strides and is fully on track. For the equipment business in North America, which showed less positive development in the past few months, we have meanwhile launched a package of measures aimed at strengthening this area strategically and operationally on a sustainable basis."

### **Forecast for Fiscal 2007**

Group management adjusted its sales revenue and earnings forecast for fiscal 2007 slightly downward, especially because of the unfavorable impact of fluctuations in the exchange rates. For 2007, pro forma sales revenue is anticipated to attain more than 375 million euros (earlier forecast: 390 to 410 million euros). The underlying EBITA margin is estimated to increase to approximately 13.0 to 13.5 percent (previous forecast: approx. 14 percent).

### **Forecast for Fiscal 2008**

For fiscal 2008, Sartorius Stedim Biotech expects sales revenue, fueled in particular by the disposables business, to grow by more than 12 percent in constant currencies and that it will achieve an overproportionate increase in profit.

### **Mid-term Forecast**

The company's unchanged mid-term forecast up to 2011 targets a compound annual growth rate (CAGR) of 14 to 15 percent in constant currencies. In this period, the operating EBITA margin driven by the positive effects of economies of scale is expected to increase to 16 to 16.5 percent.

This press release contains statements about the future development of the Sartorius Stedim Biotech Group. We cannot guarantee that the content of these statements will actually apply because these statements are based upon assumptions and estimates that harbor certain risks and uncertainties.

### **Current Image Files:**

Sartorius Stedim Biotech:

[www.sartorius-stedim.com/media/content/press/support/Fluid\\_Management.jpg](http://www.sartorius-stedim.com/media/content/press/support/Fluid_Management.jpg)

Joachim Kreuzburg,

CEO und Chairman of the Board of Sartorius Stedim Biotech S.A.

[www.sartorius-stedim.com/media/content/press/support/Dr\\_Kreuzburg.jpg](http://www.sartorius-stedim.com/media/content/press/support/Dr_Kreuzburg.jpg)

### **A profile of Sartorius Stedim Biotech**

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."

Headquartered in Aubagne, France, Sartorius Stedim Biotech is listed on the Eurolist of Euronext Paris. With its own manufacturing and sales companies in Europe, North America and Asia, Sartorius Stedim Biotech enjoys a worldwide presence. Its key manufacturing and R&D location is in Germany. The company employs over 2,200 people, and for 2007 expects to earn pro forma sales revenue of more than 375 million euros.

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