Sanquin
Blood Supply

Blood and Beyond

Annual Accounts 2011

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Annual Report

1. Objective

The Blood Supply Act (Wet inzake bloedvoorziening) aims to safeguard the quality, safety and availability of blood and blood products in the Netherlands. Sanquin has taken over this objective. Sanquin's mission statement reads:

On a non-profit basis the Foundation works to provide blood supplies and to promote transfusion medicine, in such a way as to meet the most stringent quality, safety and efficiency requirements. It provides products and services, carries out scientific research and offers education, refresher courses and further training.

2. Core activities

The Blood Bank division collects blood from donors. The blood is tested and separated into red blood cell concentrates, blood platelets and plasma. These products – with the exception of the major part of the plasma – are supplied to the Dutch hospitals. Blood products and intermediate products are sometimes made available to research institutes for research purposes.
For the major part, plasma is supplied to the Plasma Products division. In that division the various proteins are removed from the plasma and processed into medicinal products, such as clotting factors for the treatment of haemophilia, albumin for (among other things) the treatment of burns and immunoglobulins for e.g. patients who suffer from a shortage of antibodies. These long shelf-life blood products go to pharmacists, hospitals and pharmaceutical wholesalers. Plasma contains many different
proteins which form the basis for the medicinal products to be prepared. Sufficient plasma is collected to meet the demand in the Netherlands for the most rare protein. Because of the nature of this preparation process proteins are also left over. The proteins that are not needed for the Dutch market are exported for therapeutic use outside the Netherlands.
The Diagnostic Services division carries out all test activities of donations for the blood banks. In addition, this division also provides a large number of services in respect of specialist blood research to hospitals. The Foundation's scientific research is concentrated in the Research division. Together with academic medical centres and many general hospitals the division works at a coherent clinical and social research programme. Part of the research budget is financed by a surcharge on the prices of short shelf-life blood products. In addition, funding takes place from external subsidies, contract research and co-development. Revenues of the Plasma Products and Diagnostic Services divisions are also used for Research & Development (R&D).
Within the Reagents division test reagents are developed and produced which are used in laboratories of e.g. hospitals, blood banks and universities.
The Pharmaceutical Services business unit develops production processes based on mammal cell culture and protein technology with the aim to bring new biological medicines on the market, in cooperation with the pharmaceutical industry. In addition, specialist quality controls are carried out on commission.

3. Legal structure

Sanquin's activities in the Netherlands are carried out in a Foundation. In conformity with competition legislation Sanquin's administrative organisation has been organised in such a way that a distinction can be made between the commercial activities and the public activities of the blood banks. In Belgium Sanquin participates for 50.01% in CAF. This enterprise (Cooperative Company with Limited Liability) in which the Belgian Red Cross and the French plasma fractionation organisation LFB also participate, exploits a fractionation facility in Belgium. Sanquin Oy in Finland is a wholly-owned subsidiary of Sanquin.

4. Corporate Governance

The principles of the Tabaksblat Code fit in well with Sanquin's articles of association and administrative organisation. However, the Code itself does not directly and fully apply to a Foundation such as Sanquin. The Dutch Hospitals Association NVZ has adopted a Corporate Governance Code for the health care sector on the basis of a model. This code too is not applicable in all respects, as Sanquin is not a care institution. Sanquin has therefore decided to draw up and implement a code of its own.
In 2006 the Supervisory Board adopted this Corporate Governance code for Sanquin.

In 2011 the Executive Board consisted of:
Dr T.J.F. Buunen (chairman)
H.J.C. de Wit (vice-chairman)
Prof. R.A.W. van Lier

Secretary: Mrs H.M.H. de Bruijn-van Beek

In 2011 the Supervisory Board consisted of:
J.H. Schraven (chairman)
Prof. F.C. Breedveld
Prof. B. Löwenberg

J.C.M. Schönfeld (until 30-9-2011)
M. van Rijn

Mr Schönfeld's official retirement created an opening on the Board that could not be filled during the reporting year. Mr Schönfeld was willing to remain on temporarily as an advisor to the Supervisory Board.

5. Report from the Supervisory Board

The Board supervises the Executive Board's policies and the general course of affairs at Sanquin. The Supervisory Board also provides advice regarding Sanquin's strategy and activities and makes decisions about important proposals submitted by the Executive Board. In this annual report, the Board gives an account of its activities during 2011. The Sanquin Corporate Governance Code, adopted by the Board, contains rules and codes of conduct for good governance, effective supervision and clear accountability.

The Board met four times in 2011. In addition, the members of the Supervisory Board maintained individual contact with Sanquin managers and employees. The policy plan, the 2012 budget and the Medium-Term Plan were all discussed, as well as the financial reports, the annual report, the annual accounts and the auditor's report. The modification of the so-called "treasury statute" recommended by the Executive Board as well as a note regarding Sanquin's financial policy were approved. The Supervisory Board established that the budget submitted to the Ministry of Health, Welfare and Sport for 2012 had been approved by the Minister after some adjustments.

The Board took note of the results of the follow-up research initiated in 2010 by the Ministry of Health, Welfare and Sport and carried out by ConQuaestor regarding the Plexus benchmark, which had been initiated by the Ministry of Health, Welfare and Sport earlier in 2009 regarding the prices of perishable blood products within Europe. The new research investigated the long-term shelf life of the supply of plasma medications by Sanquin and the system of rates for deliveries between Sanquin's public and private sections.

The Board asked for information about the intention to reorganise the Blood Bank division, Sanquin's research policy, and the work being done by a new department within the Research division in the field of cultivating red blood cells. The Supervisory Board also addressed Sanquin's approach to external and internal communication. The Board learned of the measures Sanquin has taken to guarantee the quality of the blood supply.

The structure of the donor input organisation was changed in 2010. The Board is grateful to the members of the Regional Donor Councils and the National Donor Council as well as the various donor associations for their activities aimed at improving Sanquin's cooperation with donors. The Board greatly values the voluntary and selfless character of blood donations in the Netherlands and finds that donors are entitled to expect good, friendly service provision by Sanquin.

The fall meeting of the Supervisory Board was combined with a visit to CAF-cvba in Brussels, where, after presentations by representatives of the Ministry of Health, Welfare and Sport and Sanquin's French sister organisation EFS, the Supervisory Board and the Executive Board engaged in a joint brainstorming session about the future of blood supply and the development of Sanquin's market-aligned activities.

On 17 November, the Chair of the Supervisory Board spoke with the Works Council about the general course of affairs in the organisation.

The Supervisory Board corresponded with the Minister of Health, Welfare and Sport about the composition of the Supervisory Board and the remuneration of its members. Due to the partly market-aligned actitvities of Sanquin, a good balance needs to be found in this respect. Sanquin's plasma medicines activities are growing more extensive. The Supervisory Board is of the opinion that the competencies needed for managing an organisation in the farmaceutical industry have therefore become more important to the profile of the Board. The remuneration policy of the Supervisory Board is partly determined by this fact.

As can be gleaned from the overviews in other sections of this annual report, the Board's composition amply complied with the statutory requirements regarding professionalism and experience.

The Supervisory Board evaluated both its own operations as well as those of the Executive Board and established that its members are sufficiently independent. The decision-making procedure in the Supervisory Board is designed in such a way as to avoid any conflict of interest. Mr Schönfeld officially retired in October. The Supervisory Board sought candidates to succeed him, and will fill the position in the spring of 2012. Luckily, Mr Schönfeld was willing to act in the capacity of advisor to the Supervisory Board during the interim period. The Board owes Mr Schönfeld a debt of gratitude for the careful and expert way in which he fulfilled his duties for more than eight years.

The quality, safety and availability of blood products were made possible in 2011 thanks to the tremendous commitment and efforts of donors. The Supervisory Board is most grateful to them and to all Sanquin's employees for the manner in which they have achieved Sanquin's objectives.

Amsterdam, May 2012
Supervisory Board

6. Personnel and organisation

Workforce and sickness absence

During the year 2011, the company employed 2,545 people on average, based on full-time employment (2010: 2,439). 207 of these employees were working abroad (2010: 191). This growth is in line with the growth of the activities in the Plasma Products division.
The sickness absence rate (excluding maternity leave) increased slightly from 4.39% in 2010 to 4.7% in 2011. Just like in 2009 and 2010, the absence rate was lower than in the entire health care sector (5.29%). In contrast to 2009 and 2010, the absence rate was higher than in the hospital sector (4.51%).

Blueprint for the Sanquin Blood Bank in the future

In 2011 one of Sanquin's internal goals was to establish and announce its strategic vision: to reflect the course to remain the strong, reliable organisation in 2015 that Sanquin Blood Supply envisions. Improving efficiency is a top priority. Division Director and vice-chairman of the Executive Board Jeroen de Wit talks about the expected changes.

'In 2010 we underwent the Quartslag reorganisation whereby four separate blood bank divisions of Sanquin Blood Supply were merged into one National Blood Bank. This showed us the areas where we could improve efficiency. Based on this insight, the management teams, together with various employee workgroups, debated how we could optimise our organisation. These plans were the first impetus for our strategic vision Blueprint 2015.'
'At the beginning of 2011 we were able to compare the various plans in order to get everything together. This resulted in Blueprint 2015 in the form that we presented to our people,' says De Wit. 'We used the second half of 2011 to further work out the changes and to link a timeline to these changes. This gave rise to the Spoorboek (Timetable) document, which stipulates exactly when every partial change will take place.'
The changes are necessary to improve and safeguard Sanquin's competitive position. Not only in the Netherlands, but on the European market as well. 'In the Netherlands we are unique when it comes to collecting blood and plasma, which we then process and test in order to supply it to hospitals. We are therefore also protected in our uniqueness by Dutch legislation, but this legislation is evaluated every four years and can change. From the European legislation perspective we are not protected.'
The pressure applied by the Ministry of Health, Welfare and Sport as well as the hospitals on the prices of Dutch blood products is increasing, especially for the short shelf-life blood products. De Wit comments: Now that things are going so well, we already have to set up our organisation so that it will be more efficient in 2015. This includes decreasing the costs of our short shelf-life blood products. According to research by Plexus, in 2011 we were still 7% more expensive in this respect than the average of other, comparable European organisations.'
The changes that will be taking place are good for the Blood Bank division as a whole, but could be painful for employees. 'I am well aware of this,' says De Wit. 'I myself experienced 2011 as an incredibly dynamic year. The earlier organisational changes constructively resulted in an image of Sanquin for the future. But in 2011 it also became clear that this will have unpleasant personal consequences for many people. We are only doing this because we are convinced that the changes are necessary for ensuring Sanquin Blood Supply's long-term success in the future.'

7. Development during the financial year

Key figures of the Dutch blood supply

In 2011 Sanquin was once again able to supply all hospitals with sufficient safe blood products. These key figures show that the use of blood products has decreased again. This is in part due to the efforts of Sanquin's Clinical Consultative Service, which advises hospitals how to handle blood products more efficiently, thereby helping decrease the use of blood. The decreasing use of blood products results in a decreasing number of donations and therefore a smaller donor base. The donation frequency remained the same: Sanquin does not need to call upon donors more often in order to keep up the blood supply. The decline in the donor base does not result in problems for the blood supply, therefore.

Donors

Sanquin Blood Supply could not exist without its 400,000 repeat donors. We paid a lot of attention to this fact in 2011 with the introduction of the donor passport, a wait time study and the inauguration of the new National Donor Council.

These three important developments characterised 2011 for Sanquin's donors. Director of Donor Issues Wim de Kort was closely involved with these developments.
'All donors have had the donor passport since 2011, which increases the donors' commitment to Sanquin.'
The passport contains the donor's personal information and the information important for blood collection. Registration when the donor comes in to give blood goes a lot faster with the passport, because the information can be scanned. 'We don't put confidential/privileged information in the passport; you can't use it for identification purposes,' says De Kort. 'The donor passport is ready for future digital developments that can offer our donors convenience or advantages.'

Sanquin conducted a wait time study amongst donors in

Key figures of the Dutch blood supply

	2011	2010	2009
Donor base			
Number of registered donors	398,379	406,127	404,184
Number of recorded donors*	389,350	395,226	393,811
Donation frequency of whole blood donors per year	1,63	1,63	1,70
Donation frequency of plasmapheresis donors per year	5,88	5,53	5,34
Number of donors per 1,000 inhabitants	23,3	24,4	23,7
Number of donations			
Total number of donations	885,836	883,346	906,767
Number of whole blood donations	538,282	542,160	575,050
Number of apheresis donations	347,554	341,186	331,717
Use			
Use of red blood cell concentrates	544,324	548,105	564,290
Number of platelets (from whole blood in donor units)	290,623	281,476	246,768
Number of units of fresh frozen plasma	89,631	81,742	90,390
Kilo of plasma in total (incl. of apheresis) supplied to Plasma Products division	347,044	348,369	342,995
Proportion of donors and supply of red blood cells			
Whole blood donors	329,283	333,439	331,738
Erythrocytes supplied	544,324	548,105	564,290

**Excluding donors who are registered but who have not yet donated*

2011. 'No one likes long wait times,' says De Kort. 'Certainly not if you are selflessly giving blood. We advise donors to come in at slower times. But we also understand that this is not feasible for everyone. The standard that we have set for ourselves is that whole blood donors should be able to go home within one hour of having arrived to give blood. We achieve this goal in 90% of cases for the whole blood donors. Giving plasma takes a bit longer, but here too, we remain largely within the limit that we've set for ourselves. There is still a 10% margin upon which we can improve. But this is a matter of minutes, not hours. We're looking at the options to reduce wait times even more or to make waiting more pleasant: a type of 'wait mitigation', if you will. Waiting is a real hassle to most people and we want to prevent it as much as possible.'

On 1 January, the new National Donor Council was inaugurated with its new independent president, Mr John van Eijndhoven. At the same time, the new structure for donor representation was introduced. In addition to the president, the National Donor Council consists of the presidents of the four regional donor councils, a representative of the national donor association and three independent members. The National Donor Council meets six times per year. De Kort comments: 'In 2011 we had very constructive discussions about the donor appreciation policy and the function of the Complaint Committee. That's a good thing. The National Donor Council brainstorms with us in a very constructive manner, and our policy reflects their opinions.' The Council also provides editorial feedback in the donor magazines and Donormail.

World Blood Donor Day

14 June is World Blood Donor Day. It is a day to honour blood donors, who save thousands of lives every day by donating blood. In 2011, Sanquin Blood Supply shone the spotlight on the 400,000 blood donors in the Netherlands in a very special fashion.
Sanquin placed an enormous thumbs up made of

chocolate in the Plein (Main Square) in The Hague similar to the Facebook 'like' thumb to thank all of the blood donors for their selfless contribution. Sanquin invited the blood donors and everyone who wanted to thank them to come to the Plein on 14 June 2011.
There, former television presenter and D66 Member of Parliament Pia Dijkstra unveiled the unique monument. The four-metre-high 'like' thumb attracted a lot of curious passers-by. Even a few politicians stopped by. There was a delicious chocolate lollypop in the shape of a 'like' thumb for all interested parties.
The chocolate monument for the blood donors was the result of a major national campaign by Sanquin. Some 30,000 visitors clicked on a 'like' button on the special temporary campaign website 'I like blood donors'. By doing so they showed their appreciation for everyone who gives blood to make someone else's life better. A fantastic gesture.

Awareness campaign

Three-quarters of the Dutch population is familiar with the blood donor phenomenon, according to research done by TNS Nipo on behalf of Sanquin Blood Supply in the autumn of 2011. Sanquin has been conducting an active campaign since 2009 to bring more awareness to blood donorship and its importance to the blood supply in the Netherlands.
TNS Nipo polled 1,059 Dutch residents regarding their familiarity with blood donorship and their willingness to become a blood donor. One in five participants in the survey indicated that they were more inclined to donate blood if they themselves knew a donor. The role of social media is becoming increasingly important when it comes to 'personal' acquaintanceship with a donor. Many donors tweet or report on Facebook that they will be giving blood. This way, their (online) friends also become familiar with blood donation. These are the most important reasons for giving blood: saving lives (66%), helping others (61%) and giving blood because you also want to receive blood if necessary (25%).
Since 2009, Sanquin has been conducting a special campaign with the goal of familiarising more people with the importance of blood donation and blood donorship. The essence of this long-running awareness campaign is to give blood to save someone's life! Donors can save someone else's life with their blood while they go about their daily business. Sanquin has been spreading this message via the internet, radio commercials and newspaper ads. All Sanquin vehicles are also labelled with the campaign slogans.
The research results show that the awareness campaign has been successful with the public. It is important to continue the awareness campaign in order to continue emphasising the importance of blood donorship. This can help ensure an adequate influx of new donors in the future.

Safety

Since 19 June 2011, for every donation, Sanquin has conducted a new test in the National Screening Laboratory (NSS) to be able to exclude donors with traces of an infection with the hepatitis B virus (HBV). Blood donations have been tested for the presence of HBV since the mid-1970s. This virus can cause a liver infection.
Initially, only the HbsAg test was used to test for HBV, which can prove the presence of HBV. This test was supplemented by another test as of November 2008: the HBV DNA test. 'Instead of the expected two to three donors per year, we found at least 10 donors who were HbsAg negative but who appeared to be positive in the HBV DNA test,' says Harry Bos, Manager of the NSS. 'These are primarily donors with a latent hepatitis B infection. They have recuperated from their HBV infection and are no longer contagious to their partners or children, but the virus is still "slumbering" in their bodies and can from time to time end up in their blood by way of the liver. It is during these brief contagious periods that they can infect others through blood donation.'
After the introduction of the HBV DNA test, Sanquin had to exclude 22 donors as blood donors. But research proved that this test is inadequate when the number of virus particles in the blood is too low. Harry Bos explains: 'For that reason, the Sanquin Medical Advisory Council recommended that blood also be tested for HBcore antibodies as a standard measure. This test has a much higher sensitivity for detecting latent infections compared to the HBV DNA test; it's probably optimal. Our routine screening already included tests for hepatitis B and C, HIV and a leukaemia virus. These have now been supplemented with a test for HBcore antibodies.'
'Our initial figures show that we should expect to exclude 800 of our 400,000 donors as a result of the introduction of the new test,' says Bos. 'Considering that we recruit about 40,000 new donors annually, we can absorb the one-time loss of 800 donors. For new donors, where the presence of infectious illnesses is relatively more frequent, the percentage of exclusions due to (latent) hepatitis B infection will be about five times as high (1%); that equates to about 400 people.'

Q fever

In 2011, research conducted by Sanquin Blood Supply demonstrated that many more people in the Dutch provinces of Noord-Brabant and Gelderland were infected with the Q fever bacteria *(Coxiella burnetii)* in recent years than previously thought. Boris Hogema, researcher in the Blood-borne Diseases division, talks about the research.
In order to better protect patients, Sanquin wanted to know how many people were still contagious, though they did not become sick. Examination among donors began in 2009 – the year that saw the most infections, as was determined later on. 'We had the biggest outbreak of Q fever ever over the past few years,' says Hogema. 'And you know that the number of infections is always higher than the number of registered patients. That's because some people are infected but do not exhibit any symptoms; or they experience symptoms but don't go to the doctor. These patients are not registered.'
Research showed that the difference between the number

of registered patients and the number of cases measured by Sanquin was approximately a factor of 10. That's a big difference. Converted into numbers, there are some 36,000 unregistered cases of Q fever compared to the 4,000 registered patients with Q fever. Hogema: 'When donors report that they had Q fever, they are rejected as donors in any case for the safety of patients in the Netherlands.
In order to research Q fever, Sanquin collected an additional vial of blood from the 40,000 donors in 2009 who gave blood in the region where Q fever occurred most frequently. Hogema: 'Thanks to the type of work we do and the willingness of the donors, 99% of whom cooperated, we were able to put together a large collection of samples. A selection of these samples was screened for Q fever.' In 2010, the blood of donors who lived in the region with the most Q fever infections was tested for Q fever. However, no positive donations were found because the epidemic diminished. Since 2011 the Q fever epidemic appears to have been eradicated thanks to the measures taken by the government in 2010.

How would Sanquin handle another outbreak were one to occur? Hogema: 'The Health Council has advised that donors again be screened for acute Q fever if there is another outbreak. In addition, the possibility of donors having to be screened for the development of chronic Q fever is being examined. This happens in 2%-5% of people who have had acute Q fever. The question is whether we will have to start screening all of the Netherlands or only people living in the risk areas. What would this cost? Should an outbreak happen again, then we would in any case be prepared.'

Development of short shelf-life blood products

In 2011 Sanquin Blood Supply started a new database of donors who are missing the IgA antibody in their blood. Their donations make life-saving treatments possible several times per year.
The IgA antibody protects people from fungi, bacteria and viruses, among other things. One in 700 people in the Netherlands is IgA-deficient. This means that they lack IgA. Most people don't notice this, but about 10% encounter health issues as a result, often due to repeated bacterial airway infections, ear, nose and throat infections and sometimes gastrointestinal issues. IgA-deficient people who receive regular blood products sometimes make antibodies against IgA. Any subsequent blood product that they are administered must not contain any (or virtually no) IgA because this could result in a serious allergic transfusion reaction.
Every year, Sanquin receives several requests for blood products containing little to no IgA. This was a good reason to set up a national database of IgA-deficient donors. Project Manager Marian van Kraaij explains: 'This concerns IgA-deficient platelets (thrombocytes) and plasma. These can be vitally important, for cardiac surgery, major trauma or intensive hemato-oncological therapies, for example. Red blood cells can be stored for up to five weeks, and if needed, you can wash these on demand, thereby ridding them of IgA. Our mission is to be able to deliver the right product to all patients who need a transfusion. Even for very rare blood cases.'
Sanquin would like to have a database of between 20 and 30 IgA-deficient donors. To this end, in 2011 Sanquin started the screening of 15,000 male donors who had already consented to the collection of thrombocytes via apheresis. With apheresis the necessary substances are removed from the blood. The rest of the components are returned to the donor. The choice of male donors is in accordance with the current guideline that prescribes the use of male plasma and thrombocytes. Blood from female donors can contain antibodies because a woman can produce antibodies during pregnancy against the antigens of her unborn child that the woman herself does not have. Such antibodies can result in adverse transfusion reactions. 'You cannot keep thrombocytes in stock,' says Van Kraaij. 'You can only keep them for seven days.' Due to the limited shelf life of thrombocytes, we are looking for people who are available on demand to donate thrombocytes. Donors are told that they are IgA-deficient at the screening. Does this make them into a patient themselves? 'No,' explains Van Kraaij. 'We provide the donors with comprehensive information about what this means for them. Ninety percent of people with IgA deficiency have no symptoms, except that they also have a chance of an allergic reaction after a blood transfusion.'
By the end of 2011 the tally stood at 11 new IgA-deficient donors. 'They immediately gave their consent,' says Van Kraaij. She cannot say whether or not the number of 20 or 30 intended donors will be reached. 'If we have sufficient donors for each different blood group, we're happy.'

Umbilical cord blood bank

Stem cell transplantation is becoming increasingly important in the treatment of different diseases, like leukaemia for instance. Stem cells can be easily recovered from umbilical cords and placentas, thus enabling these to be put to important use instead of being destroyed. This can prevent the need for stem cell recovery from donors using bone marrow extraction or a cytapheresis procedure after stimulation with growth factors. Another advantage of using stem cells from umbilical cord blood is that the recipients suffer less frequently from graft-versus-host disease, a dangerous complication of this kind of treatment.
The Netherlands is lagging behind other countries in building an adequate stem cell bank. We do benefit from foreign stem cell banks but contribute relatively little. This is an undesirable situation that makes us vulnerable and which is moreover difficult to defend morally. In the Netherlands we have 1.7 stem cell units available per 10,000 inhabitants, compared to 3 in the US and 4.8 in Belgium.
There is unequal access to this type of treatment at the moment. For people of immigrant background we can find a suitable donor in just 25% of cases; that figure is 75% for Caucasian Dutch patients. In the US, the Stem Cell Therapeutic and Research Act was adopted to address this

problem. This act provides for the finding of 150,000 extra donors/umbilical cord preparations in order to increase the chances for African Americans to find a suitable donor as well. The Institute of Medicine in the US has calculated that the umbilical cord blood banks worldwide will have to increase in size threefold in order to realise equal access to umbilical cord blood transplants.
The Europdonor Foundation, Eurocord Nederland and the Sanquin Blood Supply recently agreed on an organisation that would be necessary for obtaining, typing, testing, storing and issuing stem cells recovered from umbilical cord blood. Europdonor is well equipped to manage the computer files and the international exchange of data and stem cell preparations while Sanquin Blood Supply is well equipped to collect, test, type, process, store, thaw and issue the stem cell preparations. Both foundations already perform these tasks. In that context, Sanquin and Europdonor took over all of Eurocord's umbilical cord blood bank activities in 2011. The Eurocord Foundation was then discontinued and Eurocord's liquidation balance of approximately EUR 0.8 million was transferred to Sanquin in order to enable further investments in building a public supply.
The only bottleneck still to be resolved is the financing of this activity. What complicates this is the fact that the investments needed for building a bank of adequate size for the Netherlands (about EUR 11 million) cannot be financed from payments for the supply of stem cells since such supply only takes place many years after storage. Sanquin Blood Supply and Europdonor urge that these resources must be made available. This can be realised with a temporary subsidy or a percentage mark-up on the price of the blood products, for instance.

ConQuaestor study

In 2011 the results were announced of the follow-up research initiated in 2010 by the Ministry of Health, Welfare and Sport and carried out by ConQuaestor regarding the Plexus benchmark, which was initiated by the Ministry of Health, Welfare and Sport earlier in 2009 regarding the prices of short shelf-life blood products within Europe. The new study was focused on the long-term shelf life of the supply of plasma medications by Sanquin and the system of rates for supply between Sanquin's public and private sections.

Plasma Products

Sanquin Blood Supply's Plasma Products division achieved a milestone in 2011. The year marked the first time that revenues from international activities exceeded plasma product sales in the Netherlands. This is especially remarkable in view of the fact that Sanquin primarily supplies the Dutch health care sector. The change is the result of more efficient use of the available production capacity for international customers and increased international demand for Sanquin products and services. Sanquin receives both blood and blood plasma from donors. From the blood plasma, Sanquin isolates a series of medications for treating a number of disorders. The need for blood plasma is determined by the medication that is most needed to treat patients. Division Director of Plasma Products Robert Tiebout comments: 'For the Dutch market, the need for immunoglobulins is decisive for collecting sufficient blood plasma. The Dutch health care sector is seeing a growing need for immunoglobulins because more patients are being diagnosed with immune diseases and an increasing number of other illnesses are being treated with immunoglobulins.'
The demand for immunoglobulins is increasing not only in the Netherlands but worldwide as well. Tiebout: 'In recent years we were confronted with the discontinuation of an immunoglobulin product made by another manufacturer – on a global scale. This did not cause supply shortages in the Netherlands because Sanquin was able to meet the demand.' Maintaining adequate availability of immunoglobulins is very important. Many patients have to take immunoglobulins for long-term therapy; some even for lifelong therapy. They are dependent on these products in order to be treated and to be able to function. Immunoglobulins are administered intravenously (through the vein). Tiebout: 'We responded to this need with our Sanquin Home Service. People with an immune disease, for example, have the medications delivered to their homes. They learn how to administer the medications themselves or with the help of a nurse. They no longer need to go to the hospital for this. The illness thus affects their work and social lives to a much lesser degree.'

Because the need for immunoglobulins is decisive for the quantity of plasma to be collected in the Netherlands, there is a surplus of remaining protein from the plasma. After splitting the immunoglobulins from the blood plasma, residual product is left over. Tiebout: 'Not using this product is not an option, either for the donor who was kind enough to help patients or for the organisation's efficiency.' The medications that are in surplus in the Netherlands are offered on the international market. 'This is our first international line of business,' says Tiebout. 'Our second international line of business involves contract manufacturing medications from foreign plasma for (bio)pharmaceutical organisations, among others, that also produce or sell plasma products. A good example of this is the production of Cinryze for the US market. We are commissioned to manufacture the product. Our customers supply us with the plasma and then sell the medications.' It is through all of these international activities that the Plasma Products division achieves the necessary scale to maintain efficient production in the Netherlands – and to play the important role in the Dutch health care sector that is expected of Sanquin.
'Production for the international market is important for Sanquin in terms of another aspect as well. We manufacture for customers in various countries, including the US, Germany, France, Finland, Turkey and Indonesia. Therefore, we comply with many international quality requirements, meaning that we make very good, high-quality products. And that's a reassuring thought,' concludes Robert Tiebout.

Diagnostic Services

In 2011, Sanquin Blood Supply was commissioned by the National Institute for Public Health and the Environment to conduct rhesus D screening. A new blood test makes it possible to determine an unborn child's rhesus D blood group in the 27th week of pregnancy. The research and development of this rhesus D screening is a Sanquin discovery. The national adoption of this test in 2011 makes it unique throughout the world.

Until recently, all pregnant women in the rhesus D negative blood group received the so-called anti-D shot in order to prevent them from producing antibodies in the event of a rhesus D positive child. But this is now a thing of the past with Sanquin's new blood test. This scientific breakthrough has resulted in a reduction of 11,000 anti-D shots. And that's good news, because it was becoming increasingly difficult to find suitable donors for the 43,000 annual shots that were given in the past, since the vaccine is made of plasma from women who at one time produced the antibodies themselves during their pregnancy.

An excellent example of constructive cooperation between the Research, Diagnostic Services, Blood Bank and Plasma Products divisions, which was a long time in the making. Prof. Ellen van der Schoot discovered back in 1997 from literature review that it had to be possible to determine the rhesus D type of the unborn child based on DNA released in the mother's blood. 'I was looking for a solution to this antibody problem because I believe that antibodies should be administered in the most targeted manner possible. In principle, it's not dangerous, but it always entails an unknown risk. You shouldn't administer blood products if that isn't necessary.'

Dr Masja de Haas from the Diagnostic Services department turned Van der Schoot's research into a real test over the past few years. 'Our department makes sure that the logistics are correct and the facilities are in place to immediately determine and quickly process the results of the on average 105 samples per day that we receive from throughout the Netherlands. This centralised approach, which is unique to the Netherlands, is always the same and makes the results very reliable.'

The introduction of the test has greatly affected the number of anti-D shots needed. Forty percent of rhesus D negative women appear to be pregnant with a rhesus D negative child. The shot is unnecessary for them. This was taken into account after delivery, but this was not possible for the shot during pregnancy. 'All in all, 25% less anti-D will be needed,' says Christine Kramer, product manager of Plasma Products. 'Sanquin produces the anti-D shot itself. The Health Council has indicated that it is an advocate of the anti-D that was received from unpaid Dutch donors. Sanquin's anti-D is thus in line with the Health Council's preference. With less anti-D needed, it will be possible to become self-sufficient. Sanquin has a social task in this respect, which it wants to carry out together with a group of motivated donors and midwives.'

Research

During immunotherapy, a patient's or donor's immune cells are used to fight certain forms of cancer. Unfortunately, this therapy is not always equally successful. Sanquin researchers discovered that the immune system automatically stops when immune cells attack cancer cells. This is because immune cells view the cancer cells as being naturally produced by the body. By temporarily turning off the automatic brake, immunotherapy becomes more effective, say cellular biologist and immunologist Timo van den Berg and his research group, whose research on the subject was published in 2011.

Timo van den Berg has been working on this research for six years, but the long-awaited break-through came in 2011. Van den Berg comments: 'The immune system sees the cancer cells as healthy cells that are produced by the body, which, naturally, it doesn't want to attack. That's why the brake is applied when cancer cells are attacked by the immune system. We have now found a substance that temporarily blocks this braking process. In animal studies, the effect of immunotherapy increased to 100% with this substance. We are now going to investigate whether it will work just as well in people.'

The discovery sounds promising, but what does this mean for patients in concrete terms? Van den Berg comments: 'If we can also improve the effect of immunotherapy for patients, then this means that chemotherapy might no longer be necessary for cancer. This would be wonderful because immunotherapy is a much less invasive treatment; the body clears away the harmful cells and leaves the healthy cells alone.'

At the moment, many pharmaceutical companies are working on developing antibodies that can be used in immunotherapy. Van den Berg comments: 'We believe that the temporary removal of the brake is a way to improve the effect of the antibodies. Thereafter, it may be possible to use immunotherapy for various forms of cancer. This would be good news for patients.'

The current discovery has put Sanquin on the trail of something interesting. 'We are currently examining various aspects of this phenomenon,' says Van den Berg. 'How are immune cells told that they have to keep quiet? Or that they have to work harder when you release the brake? And what are the possible side effects of temporarily shutting the brake off? We want to find out.'

'A discovery almost always raises more questions than it answers. That's certainly true in this case,' says Van den Berg. 'But that's a good thing. It puts you on the trail of new relevant questions as a researcher. Knowledge is continuously in motion, and this is no exception at Sanquin. In that respect, 2011 was no different than any other year.'

Researchers at Sanquin Blood Supply discovered how they might keep the powerful antibody IgG3 alive longer. In 2011 they published an article about this in *Nature Communications*, one of the online publications from renowned magazine *Nature*.

Immunotherapies use antibodies to fight tumour cells. The IgG3 antibody is by far the best at this. But while other

antibodies live for three weeks, this antibody disappears from the body after just one week. While other scientists left IgG3 alone for this reason, Gestur Vidarsson, researcher in the Experimental Immunohematology department, went to work on this antibody.
'If IgG3 only remains alive for one week, you have to make large quantities of it because you have to treat the patient more often with larger doses. This makes it very expensive. I wanted to discover why this antibody has a shorter life span than other antibodies and how we could extend this life span,' says Vidarsson enthusiastically.
The answer lay in the amino acids that make up the IgG3 antibody. In contrast to other antibodies, IgG3 contains the amino acid arginine in a certain position. Other antibodies contain the amino acid histidine in that position. Vidarsson: 'This is why IgG3 loses the battle to be recycled in the body. When we change the arginine to histidine in IgG3, then IgG3 is recycled normally. You then get a very strong antibody that remains in the body just as long as the lower-quality antibodies.'
The next step in the research consisted of Vidarsson and his colleagues confirming that IgG3 antibodies from donors who produce histidine naturally survive longer in people. 'We made this version and an IgG1 version which both recognise pneumococci – a bacterium that causes pneumonia. We then tested whether both antibodies protect mice from pneumonia. We treated some of the mice with the IgG1 antibody because this version would normally be the first choice. Other mice were administered the IgG3 with histidine. This test confirmed that the IgG3 antibody with histidine lives just as long as the other antibody but does a much better job of bringing about healing.'
Vidarsson's discovery resulted in a publication in 2011. But this is not the end of the research. Vidarsson: 'The question of whether the IgG3 antibody with histidine can be used for therapy in people is our next step. Ideally, our discovery would mean the creation of a better medicine. We believe that the IgG3 with histidine could be very beneficial in immunotherapy against cancer. That is what we are going to research further.'

Reagents

Sanquin Blood Supply's Reagents division develops, produces and sells blood group reagents and immunoreagents. Focusing on Magister and Cellbind, Sanquin has been crossing borders with renewed enthusiasm since 2011. By increasing the international market, Sanquin hopes to shape the growth strategy of Magister and Cellbind.
Magister is a fully automated system for blood group serology. The system was designed for use in combination with Cellbind. Cellbind is a plastic card with six small columns. It can be used to determine someone's blood group and which antibodies are present in the blood. Cellbind cards have a barcode that allow you to record the correct results for the correct patient using software. All results are sent to special analysis software.
'We are very proud of Magister and Cellbind,' says Paul Brockhoff, Marketing Manager of the Reagents division. 'Our division makes a lot of products. Since 2011 the focus has been on the sale of the Magister and Cellbind combination. But in their wake, we also sell other products for blood group serology. To achieve growth through the sale of Magister and Cellbind, we had to go to Eastern Europe and Asia, because many Western European countries are already fully automated.'
'This is why we primarily approach countries where laboratories still work mostly with manual processes,' continues Brockhoff. 'Some promising countries for us are China, Italy and Hungary. Bulgaria and Turkey were added to this list in 2011. We also have contacts in the Czech Republic, Poland and South America. These are interesting markets for us. Many laboratories there will become automated sooner or later. And that's what we are capitalising on.'
Paul Brockhoff is enthusiastic about the new course that has been set in 2011. 'We have to create more sales in order to shape the Magister and Cellbind growth strategy. It appears that we've made a good start. The focus is on foreign countries because a lot of things can still be automated there. In the future, there will be opportunities again in the Netherlands. After all, analysis equipment will have to be replaced in a few years. We were too late for the first round of automation, but we plan to play catch-up in the coming years.'

Together with Siemens Healthcare Diagnostics, Sanquin Blood Supply developed new test kits to improve detection of a certain form of bone marrow cancer. The test kits were marketed in 2011, initially only in Europe, but interest in the product soon spread.
Sanquin Blood Supply's Reagents division produces the tests for Siemens. Siemens handles worldwide distribution and sales. Together they introduced the test kits in a number of European countries, including the Netherlands. These tests were in development for five years. During the final development stage, Sanquin worked together with the Clinical Chemical and Hematological Laboratory of the Jeroen Bosch Hospital in Den Bosch.
Project Manager Henk te Velthuis was involved in promoting the tests. 'In May 2011, Siemens organised a special introduction session at a large international congress in Berlin. There I gave a presentation of the test kits together with Rein Hoedmakers, a clinical chemist who works at the Jeroen Bosch Hospital. Siemens provided the supporting informative material. In September 2011, I held a presentation at a webinar, a digital seminar. Two hundred interested participants logged in to listen to my talk. We also promoted the tests in two articles in scientific publications.'
Working with Siemens, Te Velthuis presented the joint product in various countries. 'There are big cultural differences between the various countries. This required an individual approach for each country. We took stock of which clinics are doing a lot of research into bone marrow cancer and also receive many patients. For reasons of comparison, we had these clinics perform our tests in

addition to existing tests. To our delight, many clinics switched to our tests.'
Interest quickly spread beyond the borders of Europe. Te Velthuis explains: 'In Australia, a number of clinics are also using our tests. And we've begun registering test kits in China, Japan and the US. I don't anticipate any problems in complying with the registration requirements. The next few years will focus on continued implementation of the test kits for bone marrow cancer in clinics in those countries.'

8. Financial results and financial position

Operating income

The total operating income increased by EUR 20.3 million to EUR 399.6 million (+5%) in 2011. The most important developments in relation to the operating income can be summarised as follows:

- There was an increase in turnover at the Blood Bank of EUR 4.1 million (+3%). With sales of short shelf-life blood products to hospitals remaining virtually the same, this increase was mainly due to an increase in prices by 3.2%.
- The supply of plasma products resulted in an increase in turnover of EUR 16.2 million (+10%). This increase was mainly the result of production of Cinryze™ for the US market.
- The turnover from diagnostic services for blood samples from Dutch healthcare institutions grew by EUR 1.3 million (+7%) in 2011 because of an expansion of services combined with a regular increase of the rates.
- Research saw an increase in turnover from external subsidy income and contract research of EUR 1.4 million (+16%). Continued attention to external funding is required in order to ensure structural financing of a research programme adequate for the organisation.
- The turnover of Reagents increased by EUR 1.2 million (+14%) in 2011.
- The other operating income showed an increase of EUR 5.1 million. This increase was mainly due to the cancellation of a repayment obligation on a loan.

Operating costs

Operating costs rose by EUR 29.5 million in 2011, to EUR 378.6 million (+8%). The most important reasons for this were:

- The costs of 'Raw materials and consumables' rose by EUR 7.4 million (+8%), mainly because of increased production of plasma products and the price increases implemented from 2010 for the purchase of Dutch plasma.
- The costs for wages, salaries, social charges and pension contributions increased by EUR 9.6 million (+7%) in 2011. The most important cause was the growth in the workforce (+4%) in line with the increase in activities. Salaries were increased in accordance with the Sanquin CLA 2009-2011 and social charges and pension contributions also increased (+3%).
- Depreciation on tangible fixed assets rose by EUR 1.9 million (+9%), primarily as the result of extra depreciation on a business premises, the expected life span of which was decreased.
- Other operating costs increased by EUR 10.7 million (+11%). The most important reason for this was the formation of a provision for the costs of reorganising the blood bank activities.

Result

Operating costs increased faster than operating income in 2011, mainly because a provision was formed in 2011 for the reorganisation costs of the blood bank activities.
The operating result consequently fell to EUR 21.0 million (-/-31%).
On balance, interest income of EUR 0.4 million was realised in 2011 (2010: interest charges of EUR 0.1 million).
The item 'Tax' had a negative effect on the result of EUR 0.6 million in 2011. In 2010 a tax charge of EUR 1.0 million was reported.
The share of third-parties of -/- EUR 0.7 million is included to correct Sanquin's consolidated result, which includes CAF for 100%, for the minority interest in CAF that is not owned by Sanquin.
The operating result, combined with the financial income and charges and taxes mentioned above, result on balance in a net result of EUR 20.1 million, compared to EUR 29.3 million in 2010.

The specification of the increase in the result from ordinary business activities before tax is as follows:

(* EUR 1,000)		
Increase in total operating income		**20,273**
Increase in raw materials and consumables	-/- 7,388	
Increase in salaries and social charges	-/-9,626	
Increase in depreciation costs	-/-1,854	
Increase in other operating costs	-/-10,679	
Increase in total operating costs		**-/-29,547**
Decrease in operating result		**-/-9,274**

Financial position

The Foundation's liquidity decreased in 2011. On the one hand there were positive results, on the other a great deal of liquidity was needed to finance investments and expand the working capital.

Sanquin's working capital can be specified as follows:

(* EUR 1,000)	31-12-2011	31-12-2010
Liquid assets	76,044	88,256
Short-term receivables	66,525	65,232
Stocks	119,485	104,859
Current liabilities	-/-69,090	-/-69,995
Working capital	**192,964**	**188,352**

The Foundation's working capital increased by EUR 4.6 million to EUR 193.0 million, in particular as a result of the increase in the activities of the Plasma Products division.

Investments in property, plant and equipment are preferably financed with resources available to the Foundation for the long term. The specification below shows that this was achieved:

(* EUR 1,000)	31-12-2011	31-12-2010
Tangible fixed assets	157,348	133,749
Financing with long-term resources	350,312	322,101

The financing with long-term resources can be specified as follows:

(* EUR 1,000)	31-12-2011	31-12-2010
Group equity	301,584	281,594
Provisions	18,814	9,953
Long-term liabilities	29,914	30,554
Financing with long-term resources	**350,312**	**322,101**

It can be concluded from the balance sheet that Sanquin's solvency (Group equity / Total assets) remained stable at 72% compared to 2010, despite the high investment level.

9. Risks and risk management

Risk profile

Sanquin's activities are based in part on a public duty set by the Dutch government. For the rest, they take place in an international, commercial environment. The Dutch government's approval of Sanquin's budget and annual accounts is set down by law and is primarily focused on the public section. By the very nature of the environment, the commercial section involves inevitable risks, and risks different from those of the public section.
Sanquin devotes a great deal of attention to fully and frequently informing the government, customers and users of its products on this topic.
Scientific developments by which synthetic alternatives for blood products are developed and introduced on the market can pose a threat to the commercially sound operation of the preparation of plasma products in particular.
Because of the decline in demand for some products, fewer different products are being isolated from the same quantity of raw material. This reduces the number of factors that bear the joint costs of collecting, testing and preparing plasma products. Synthetic alternatives have been or will be put on the market for some products, which is expected to push down sales of some products. A faster than expected replacement of plasma products with synthetic alternatives can have a major impact on the operating result.
Sanquin is increasingly exporting plasma products and producing them on contract basis. This can cause sales to fluctuate significantly from year to year; Sanquin is also exposed more than in the past to export risks and political risks connected with the countries to which

products are supplied. Without the contribution of export and contract production, the supply of plasma medications in the Netherlands could be jeopardised and become more expensive.
Quality assurance plays an important role in the preparation of medications from plasma. One of the starting points is that production disruptions immediately cause production batches to be blocked so as to prevent any uncertainty about quality assurance. Stepping up quality measures reduces the chance of production disruptions.

One of Sanquin's main activities is to supply products for therapeutic use in humans. Collecting the raw materials for these products, testing these raw materials and carrying out the preparation all take place within an extensive system of national legislation and European directives. Sanquin complies with this legislation and these directives, which, among other things, stipulate detailed requirements for quality assurance. The raw material for many of our products is biological human material, which therefore has a special risk profile. Sanquin makes every effort to maximise the safety of its products, but is aware of the limitations involved in this respect when working with biological raw materials. Sanquin feels it is necessary to carry out R&D in order to constantly increase the quality and reliability of the products.
Sanquin is an organisation whose sometimes extremely varied activities are accommodated in separate divisions. The risks confronted by Sanquin are assessed per division and compared and determined on the corporate level.

Sanquin has a variety of ICT systems (hardware, software, computer networks and data communication). The ICT infrastructure has been designed to support the organisation effectively, reliably and safely. The continuity of the business operations is largely contingent on the proper functioning of the ICT systems. The performance and functioning of the safety measures in the ICT environment are permanently monitored, therefore, so that adjustments can be made quickly in the event of disruptions or the threat thereof. For applications that support time-critical processes, like the national test laboratory for donations, procedures have been developed whereby alternative procedures can be used temporarily in the event of technical breakdowns. An agreement has also been concluded with a laboratory in Belgium so that this laboratory can be used as a back-up in the event of an emergency. The emergency procedures are tested in practice from time to time.

Risk management

The 'Committee of Sponsoring Organizations' (COSO) framework for internal control is used as a working model for risk management. The elements included in the framework are present at Sanquin to a significant degree. All divisions have policy rules and procedures to manage the risks identified. The most significant of these are:

- The structure of the organisation as set down in the articles of association, documents on the organisation's set-up, the decision-making procedures of the Executive Board and division directors, procedures for the internal delegation of powers and authorisations for the external representation of the organisation.
- The 'accounting manual', instructing how the financial reporting is structured and containing the procedures to be followed for drawing up the reports.
- The treasury policy, containing the policy rules for cash and currency management.
- The quality policy, which describes the quality assurance system.
- Project control procedures, in which responsibilities, powers and reports on projects to be carried out are documented.
- Standard Operating Procedures for the many implementation processes on the implementation level.
- Rules of conduct and a whistleblower scheme.
- Procedures to prevent fraud in scientific research.
- Risk inventories and evaluations in the context of the occupational health and safety and environmental policies.
- Insurance in relation to product liability and other business risks.
- Procedures and facilities to secure the ICT infrastructure and back-up facilities in the event of technical breakdowns.

The organisational structure and the policy are focused on clear information and communication. Formalised work consultation is the most important basis for this. There are also internal notifications, a staff magazine, a magazine for hospitals, a magazine for donors, an intranet and a website. Financial information is communicated internally on a monthly basis. Management information on employee matters and quality issues is distributed within a formalised system on a quarterly basis. Education and training also contribute to communication. There are structured internal and external training programmes for the various divisions. There is a structure for communication with representatives of donors and of users of the Sanquin products and services, both nationally and per blood bank division. Advisory boards have been set up with external experts who advise the Executive Board on ethics, science, medical issues and donor affairs.
The control measures are monitored through periodic monthly discussion of financial management information by the Executive Board and the directors. The financial reporting is also discussed with the Supervisory Board. At least twice per year the Executive Board also discusses the general course of affairs at each division during a company visit. Finances, employee affairs, quality issues and construction are standard items on the agenda.
Internal regulations for reporting claims and lawsuits from third parties are set down in writing. The Executive Board reports claims during its meeting with the Supervisory Board. A discussion of the most important risks on the strategic level is part of the discussion of Sanquin's

medium-term plan each year.
Sanquin's quality policy is set down in writing and is focused on the GMP and ISO quality systems. In this context, the different business units are frequently inspected by the Healthcare Inspectorate of the Ministry of Health, Welfare and Sport and in the context of ISO certifications. There are also audits by audit authorities from countries where the Plasma Products division supplies products, such as the US, Brazil and Turkey. Performing periodic internal audits is one of the duties of the group department Quality Assurance and is part of the constant monitoring of the risk management system. External risk inventories and evaluations take place periodically, and incidentally also in connection with the product liability insurance.
During the audit of the annual accounts, the external auditor assesses the functioning of the operational procedures. The findings are reported to the division directors and the Executive Board. The external auditor reports to the Executive Board and the Supervisory Board on the basis of the annual audit report. By signing the "Letter of Representation", the Executive Board declares that the information provided is complete and accurate. In doing this, the Executive Board also bases its declaration on the statements from the division directors.
In addition to the elements mentioned above, there are a number of others that together form the framework for the risk management. Elements such as integrity, professional ethics, employee expertise, management style and how powers and responsibilities are delegated are part of this. The Executive Board has set down a number of core values in the Sanquin rules of conduct. These include service, result-orientation, flexibility and cooperation.

On grounds of the activities described, the Executive Board states to the best of its knowledge that the internal risk management process in general functioned properly in the 2011 reporting year. No major incidents or disruptions of business operations occurred in 2011. The actual effectiveness can only be assessed with reference to the results over a longer period of time. Further expansion and completion of the control processes will take place in the coming years, in any case because the external world continues to change and Sanquin wants to and must adapt in line with those changes.
The Executive Board's policy remains focused on constantly testing and improving the risk management system.

10. Safety, quality and corporate social responsibility

Sanquin's work is deeply rooted in Dutch society. Sanquin ensures a sufficient and safe supply of blood, and shoulders an important social responsibility in doing so. The knowledge acquired in this work is exported to developing countries in order to promote a safe blood supply and transfusion medicine worldwide.

Quality and safety are very important for the organisation. The quality policy extends to all aspects of the business operations. All organisational units at Sanquin use a quality (management) system that satisfies the requirements of GMP (Good Manufacturing Practices), GLP (Good Laboratory Practices) and ISO 9001:2000. At individual units this is supplemented with specific systems, such as JACIE (for work with stem cells) and NedCordFact (for work with umbilical cord blood). The management regularly assesses the work processes to be certain that these satisfy any changing circumstances or requirements.
In December 2011, Sanquin Blood Supply launched the use of Trackwise. Trackwise is an electronic management system that has been tried and tested by the pharmaceutical industry. Thanks to this product, Sanquin has fast, complete and continuous access to all quality management information.
Trackwise assists Sanquin with registering and tracking complaints, reported deviations in products or stipulated operating procedures, audit and inspection findings and the controlled implementation of changes in the operating procedures, materials and equipment used. Sanquin purchased Trackwise because the Dutch government and foreign healthcare inspectorates set high demands.

Sanquin does its utmost to prevent or limit as much as possible noise, soil, water and air pollution and the generation of residual material or hazardous substances. The logistics processes at Sanquin incorporate full attention for the consequences entailed by working in a strictly regulated GMP environment. The Energy & Environment working group plays an important role in this. For example, the paper flows in the organisation are examined critically and only paper with the FSC quality mark is used for printing at Sanquin.

Particular attention was devoted in 2011 to fire safety in and around Sanquin's buildings. The fire safety risks were charted out by means of inspections. Measures were then taken to limit the risks ascertained. Where necessary, structural adjustments were made to counter any spread of fire or smoke. The smoking policy was also tightened up and more stringent procedures were introduced for performing risky work, such as welding. The safety of donors, patients and employees is a high priority for Sanquin.
Since 2008, all blood and plasma donations are tested for HBV, HIV and HCV in mini-pools of six donations using a nucleic acid amplification test (NAT). Developments abroad demonstrate that the new NAT test for HBV in particular can detect chronic HBV infections that cannot be found using the traditional test.
Emerging infections are infectious diseases that were

previously unknown and have arisen recently (like SARS, for instance) or that were already known but whose spread is suddenly increasing or changing. In 2011 Sanquin, like other blood transfusion services in Europe, was confronted with an increase in emerging infections. These often involved outbreaks or epidemics of infections transmitted by insects, which are migrating further and further north because of climate changes.

11. Outlook for 2012

In 2010 a start was made on a large-scale investment programme. In this context, a great deal of effort went into the new construction at the Amsterdam location for the Plasma Products and Research divisions, which is expected to be completed in 2012. Investment was also made in an upgrade of the technical processes and systems so that Sanquin can continue to satisfy safety and quality requirements in future. This investment programme is funded from the organisation's own resources. The Foundation's liquid assets are expected to decline significantly in the coming years as a result.

The supply of short shelf-life blood products in 2012 is expected to drop somewhat compared to 2011. The prices of short shelf-life blood products will increase by 2.0% compared to 2011; turnover is consequently expected to remain stable. The research contribution that is incorporated in the prices will increase by EUR 1.1 million (from 4.8% to 5.55% of the blood bank's revenue). The costs will increase because of the CLA agreements and higher prices for raw materials and services. The minister of Health, Welfare and Sport approved Sanquin's 2012 budget and their corresponding prices for short shelf-life blood products.

The turnover from plasma products is expected to continue to increase in 2012. This increase is mainly expected in the contract production for third parties (primarily Cinryze™ for the US market). The turnover from the other products is expected to remain stable. There will once again be relatively large investments in buildings and process equipment for the innovation of the product range, but also for the integration of the production activities with CAF.
A slight increase in revenue is expected for the Diagnostic Services, Reagents and Research divisions.

Annual Accounts 2011

Consolidated Annual Accounts 2011

Consolidated balance sheet as at 31 December 2011

(prior to profit appropriation)

			31 december 2011		31 december 2010
(* EUR 1,000)	Ref.	EUR	EUR	EUR	EUR
Assets					
Fixed assets					
Tangible fixed assets	5	157,348		133,749	
Financial fixed assets	6	0		0	
			157,348		**133,749**
Current assets					
Stocks	7	119,485		104,859	
Receivables	8	66,525		65,232	
Liquid assets	9	76,044		88,256	
			262,054		**258,347**
			419,402		**392,096**
Liabilities					
Group capital					
Equity	10	282,920		262,834	
Share of third parties	11	18,664		18,760	
			301,584		**281,594**
Provisions	12		18,814		9,953
Long-term debt	13		29,914		30,554
Short-term debt	14		69,090		69,995
			419,402		**392,096**

Consolidated profit and loss account for 2011

(* EUR 1,000)	Ref.	EUR	31 december 2011 EUR	EUR	31 december 2010 EUR
Net turnover	16	381,177		356,971	
Changes in stocks of finished products and work in progress		7,265		16,300	
Other operating income		11,134		6,032	
Total operating income			**399,576**		**379,303**
Costs of raw materials and consumables		100,114		92,726	
Wages and salaries	17	119,582		111,654	
Social security charges incl, pension	17	25,138		23,440	
Depreciation of tangible fixed assets	21	21,857		20,003	
Other operating expenses	22	111,888		101,209	
Total operating expenses			**378,579**		**349,032**
Operating result			**20,997**		**30,271**
Proceeds from tangible fixed asets	24		0		1,373
Proceeds from financial fixed assets	24		0		133
Interest income	24		3,714		3,161
Interest expenses	24		-3,302		-3,291
Result from ordinary business operations before taxes			**21,409**		**31,647**
Taxes on result from ordinary business operations	26		-604		-966
Share of third parties			-719		-1,365
Result after taxes			**20,086**		**29,316**

Consolidated cash flow statement for 2011

(* EUR 1,000)	EUR	2011 EUR	EUR	2010 EUR
Cash flow from operating activities				
Operating result		**20,997**		**30,271**
Adjustments for:				
Depreciation of tangible fixed assets	21,857		20,003	
Change in provisions	8,861		-584	
		30,718		**19,419**
***Change in operating capital*:**				
Increase of Stocks	-14,626		-12,089	
Increase of Receivables	-1,293		-6,461	
Decrease of Short-term debt	-901		7,029	
		-16,820		**-11,341**
Cash flow from business operations		**34,895**		**38,349**
Proceeds from fixed assets	0		1,506	
Other movements in consolidation	-819		0	
Interest received	3,714		3,161	
Corporation tax	-604		-966	
Interest paid	-3,302		-3,291	
		-1,011		**410**
Cash flow from operating activities		**33,884**		**38,759**

(* EUR 1,000)	EUR	2011 EUR	EUR	2010 EUR
Cash flow from investing activities				
Investments in tangible fixed assets	-45,456		-32,555	
Divestment in tangible fixed assets	0		9,774	
Cash flow from investing activities		**-45,456**		**-22,781**
		-11,572		**15,978**
Cash flow from financing activities				
Receipts from long-term debt	5,518		5,000	
Repayments of long-term debt	-6,158		-3,259	
Cash flow from financing activities		**-640**		**1,741**
Net cash flow		**-12,212**		**17,719**
Increase/(decrease) of cash		**-12,212**		**17,719**

The development of cash is as follows:

(* EUR 1,000)	2011 EUR	2010 EUR
Balance as at 1 January	**88,256**	**70,537**
Change during the financial year	-12,212	17,719
Balance as at 31 December	**76,044**	**88,256**

Notes to the consolidated balance sheet and profit and loss account

General notes

1.1 Activities

Sanquin's activities involve the preparation and supply of long and short shelf-life blood products in the Netherlands as well as contract blood testing for third parties. Sanquin also performs subsidised and contract research and provides education in cooperation with the University of Amsterdam. In Belgium, long shelf-life blood products are prepared and supplied by subsidiary CAF. In Finland, Sanquin Oy provides the marketing of the long shelf-life blood products for the local market.
Sanquin Blood Supply Foundation has its main office at Plesmanlaan 125, 1066 CK in Amsterdam and is registered with the Chamber of Commerce in Amsterdam under number 41217565.

1.2 Consolidation

The consolidation includes the financial data of Sanquin Blood Supply Foundation, its group companies and other legal entities in which it can exercise dominant control or over which it has central management. Group companies are legal entities in which Sanquin Blood Supply Foundation can directly or indirectly exercise dominant control because it has the majority of voting rights or can control the financial and operational activities in some other way. Potential voting rights that can be exercised directly on the balance sheet date are also taken into account here.
The group companies and other legal entities in which it can exercise dominant control or over which it has central management are included in the consolidation 100%. The share of third parties in the group equity and in the group's profits is reported separately.

Intercompany transactions, intercompany results and receivables and debts between the group companies and other legal entities included in the consolidation are eliminated. Unrealised losses on intercompany transactions are also eliminated unless there is an impairment. Accounting policies of group companies and other legal entities included in the consolidation have been adapted where necessary to achieve consistency with the accounting policies used for the Group.

Since Sanquin Blood Supply Foundation's 2011 profit and loss account is included in the consolidated annual accounts, limited notes to the balance sheet and profit and loss account have been included in the separate annual accounts.

The companies included in the consolidation are:
- Sanquin Blood Supply Foundation (Stichting Sanquin Bloedvoorziening), Amsterdam, the Netherlands
- CAF-DCF CVBA, Brussels, Belgium (50.01%)
- Sanquin Oy, Helsinki, Finland (100%)
- Euroclone BV, Amsterdam, the Netherlands (100%)

1.3 Affiliated parties

All legal entities over which dominant control, joint control or significant influence can be exercised are designated as affiliated parties. Legal entities that can exercise dominant control are also designated as affiliated parties. The members of the Executive Board under the articles of association, other key officers in Sanquin's management and those closely related are also affiliated parties.
Significant transactions with affiliated parties are explained to the extent these have been entered into not at arm's length. The nature and size of the transaction are explained in this case and other information necessary to provide insight is also given.

1.4 Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents in the cash flow statement consist of liquid assets. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences relating to liquid assets are shown separately in the cash flow statement. Income and expenditure arising from interest, dividends received and tax on profits are included in cash flow from operating activities. Transactions that involve no influx or outflow of cash or cash equivalents are not included in the cash flow statement.

1.5 Estimates

In order to be able to apply the policies and rules for drawing up the annual accounts, the management of Sanquin Blood Supply Foundation must reach a judgement on certain matters and make estimates that could be essential for the amounts included in the annual accounts. If necessary for providing the insight required by Article 2:362 (1) of the Dutch Civil Code, the nature of these judgements and estimates, including the corresponding assumptions, is included in the notes to the particular items of the annual accounts.

2. Accounting policies for the valuation of assets and liabilities

2.1 General

The consolidated annual accounts have been drawn up in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board, The annual accounts are presented in euros.

Assets and liabilities are generally stated at acquisition price or manufacturing cost. If no specific basis is reported for the valuation, valuation takes place at acquisition price. References are included in the balance sheet, profit and loss account and cash flow statement. These references refer to the notes.

2.2 Comparison to previous year

The accounting policies used are unchanged with respect to the previous financial year.

2.3 Foreign currency

Functional currency

The items in the annual accounts of the group companies are valued taking into account the currency of the economic environment in which the group company mainly conducts its business activities (the functional currency). The consolidated annual accounts are presented in euros, the functional and presentation currency of Sanquin.

Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are included in the annual accounts at the exchange rate in effect on the transaction date.
Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the balance sheet date. The exchange rate differences arising from settlement and conversion are added to or deducted from the profit and loss account.

Non-monetary assets that are valued at acquisition price in a foreign currency are converted at the exchange rate in effect on the transaction date.

2.4 Tangible fixed assets

Company buildings and sites are valued at acquisition price plus additional costs or manufacturing cost net of straight-line depreciation during their estimated useful economic lives. No depreciation is charged on land.
Fixed assets in progress are not depreciated until the asset is taken into use.
Impairments expected on the balance sheet date are taken into account. See section 2.6 with regard to the determination as to whether a tangible fixed asset is subject to an impairment.

Other fixed assets are valued at the lower of acquisition price/manufacturing cost, including directly attributable costs, net of straight-line depreciation during the expected future useful life, or value in use. The manufacturing cost consists of the purchasing costs of raw materials and consumables and costs that can be directly allocated to the manufacture, including installation costs. Software implementation costs are directly deducted from the result.

There is no obligation to restore the asset at the end of its use. No provision for major maintenance has been formed for the future costs of major maintenance to the company buildings. The costs are reported directly in the result.

2.5 Financial fixed assets

Participating interests

Participating interests in group companies and other participating interests where significant influence can be exercised are valued according to the net asset value method. Significant influence is assumed if 20% or more of the voting rights can be exercised.

The net asset value is calculated according to the policies that apply for these annual accounts.
If the valuation of a participating interest is negative according to the net asset value, it is valued at zero. A provision is created if and insofar as Sanquin Blood Supply Foundation wholly or partially guarantees the participating interest's debts in this situation, or has the firm intention of enabling the participating interest to pay its debts.
The first valuation of acquired participating interests is based on the fair value of the identifiable assets and liabilities at the moment of acquisition. For the next valuation, the policies that apply for these annual accounts are used, with the value indicated upon the first valuation used as basis.

Participating interests in which no significant influence can be exercised are valued at acquisition price. If there is a permanent reduction in value, the participating interest is stated at this lower value; downward revaluation takes place at the expense of the profit and loss account.

Receivables from participating interests

The receivables included under financial fixed assets are stated at the fair value of the amount provided less any provisions deemed necessary.

Securities

The securities included under financial fixed assets that are intended to serve permanently for the conduct of the company's activities are valued at the lower of acquisition

price or market value. Reductions in the value of these securities are included at the expense of the profit and loss account.

Other receivables
The other receivables included under financial fixed assets include loans that will be held until the maturity date. These receivables are valued at repayment value. Impairments are deducted from the repayment value and reported directly in the profit and loss account.

2.6 Impairments of fixed assets

The Foundation determines on every balance sheet date whether a fixed asset may be subject to impairment. If there are indications that this is the case, the realisable value of the asset is determined. An impairment applies if the book value of an asset is higher than the realisable value; the realisable value is usually equal to the direct realisable value in the event of sale.

2.7 Stocks

Raw materials and consumables and semi-manufactures
The raw materials include plasma and auxiliary materials. These stocks are stated at the lower of cost price or market value. A provision for obsolescent stock is deducted from the value of the stock where necessary.
The semi-manufactures, including the production in progress as at the balance sheet date, are stated at the lower of direct cost plus a mark-up for direct manufacturing costs or market value. A provision for obsolescent stock is deducted from the value of the stock where necessary.

Finished products and goods for resale
The stock of finished products is stated at the lower of raw materials costs plus directly attributable manufacturing costs or market value. A provision for obsolescent stock is deducted from the value of the stock where necessary.
Goods for resale are stated at the lower of acquisition price or market value. A provision for obsolescent stock is deducted from the value of the stock where necessary.

2.8 Receivables

Upon first inclusion receivables are stated at the fair value of the consideration received in return. Trade receivables are stated at amortised cost price after first inclusion. If the receipt of the receivable is deferred on grounds of an agreed extension to a payment term, the fair value is determined with reference to the present value of the expected receipts and interest income based on the effective interest rate is added to the profit and loss account. Provisions for bad debt are deducted from the book value of the receivable.

2.9 Liquid assets

Liquid assets consist of cash, bank balances and call deposits with a term of less than twelve months. Current account debts at banks are included under debts to credit institutions in current liabilities. Liquid assets are stated at face value.

2.10 Share of third parties

Share of third parties as part of the group equity is stated at the amount of the net interest in the particular group companies.

2.11 Provisions

General
Provisions are formed for legally enforceable or actual liabilities that exist on the balance sheet date and which will most likely require the outflow of funds the size of which can be reliably estimated.
The provisions are stated at the best estimate of the amounts that will be needed to settle the liabilities as at the balance sheet date. The provisions are stated at the face value of the expenditures that are expected to be necessary to settle the liabilities, unless otherwise reported.

Personnel provisions
The personnel provisions consist of obligations relating to existing redundancy arrangements, reorganisation costs, reserved pension contributions and contributions to be compensated, long-service bonuses, continued payment in the event of long-term illness and obligations concerning the transition scheme for the personal age-related leave scheme under the Sanquin CLA.

Deferred tax assets and liabilities
Deferred tax assets and liabilities are included for temporary differences between the value of the assets and liabilities according to tax regulations on the one hand and the book values followed in these annual accounts on the other. Deferred tax assets and liabilities are calculated at the tax rates in effect at the end of the reporting year, or at the rates that are to apply in coming years, to the extent these have already been set by law.
Deferred tax assets due to offsettable differences and available losses to be carried forward are included to the extent it is likely that future taxable profit will be available against which losses can be offset and netting possibilities can be utilised.
Deferred taxes are reported for temporary differences concerning group companies, participating interests and joint ventures, unless Sanquin is able to determine at what moment the temporary difference will expire and it is unlikely that the temporary difference will expire in the foreseeable future.
Deferred taxes are stated at nominal value.

Other provisions
The other provisions are mainly formed for the expected extra costs of full blood typing of the donor base.

2.12 Long-term debt

Long-term debt are stated at repayment value upon first valuation. Transaction costs that can be allocated to the

acquisition of the debt are directly included in the profit and loss account. After first inclusion, debts are stated at the repayment value in effect at that moment. The portion of the long-term debts that will be repaid in the coming financial year is included under the current debt.

2.13 Leasing

Sanquin Blood Supply Foundation may have lease contracts whereby a large part of the advantages and disadvantages associated with ownership are not enjoyed or suffered by the Foundation. These lease contracts are reported as operational leases. Obligations under an operational lease are included on straight-line basis in the profit and loss account for the term of the contract, taking into account compensations received from the lessor.

3. Accounting policies for determining the result

3.1 General

The result is determined as the difference between the realisable value of the performance delivered and the costs and other charges for the year. The results on transactions are reported in the year in which they are realised; losses can be realised as soon as they are foreseeable.

3.2 Revenue recognition

Sale of goods

Revenue from the sale of goods is included as soon as all significant rights and risks related to the ownership of the goods pass to the purchaser.

Provision of services

Revenue from the provision of services is included if and insofar as the particular services have actually been performed.

Exchange differences

Exchange differences that take place in the settlement of monetary items are included in the profit and loss account in the period in which they occur.

3.3 Net turnover

Net turnover includes the revenue from the supply of goods and services less discounts etc. and less taxes levied on the turnover and after elimination of transactions within the group.

3.4 Other operating income

Other operating income includes subsidy income. Subsidies are reported in the profit and loss account as income in the year in which the subsidised costs are incurred. The income is reported when it is likely that it will be received and Sanquin Blood Supply Foundation can demonstrate the conditions for receipt.

3.5 Costs of raw materials and consumables

The raw materials and consumables are raw materials that are used and are directly attributable to the net turnover, as well as the costs of manufacturing at cost, or, for goods for resale, the direct cost. This also includes, if applicable, the devaluation of stocks to a lower market value and any provisions created for obsolescent stock.

3.6 Employee benefits

Periodically payable benefits

Wages, salaries, social security charges and pension contributions are, on grounds of the employment conditions, included in the profit and loss account to the extent they are payable to employees.

Pensions

Sanquin utilises Pensioenfonds Zorg & Welzijn (pension fund for the healthcare and social welfare sectors) for the pension scheme in the Netherlands. Eligible employees are entitled at retirement age to a pension based on the average wage earned calculated over the years that the employee accrued pension at the Zorg & Welzijn industry pension fund for the healthcare and social welfare sectors. The obligations arising from the employees' rights are placed at the industry pension fund for the healthcare and social welfare sectors. Sanquin pays contributions to this pension scheme; half of the contribution is financed by the employer and the other half by the employee. The pension rights are indexed annually, if and insofar as the pension fund's funding ratio (the pension fund's capital divided by its financial obligations) permits this.
As of the end of March 2012, the pension fund's funding ratio was 96% (source: website www.pfzw.nl dated 3 May 2012). In 2014 the pension fund must have a funding ratio of at least 105%. The pension fund expects to be able to satisfy this and foresees no need for the affiliated institutions to make extra contributions or for special increases in the contribution to be implemented. Sanquin has no obligation to pay additional contributions in the event of a shortfall in the fund, other than the effect of higher future premiums. Sanquin has therefore only reported the contributions owed to the end of the financial year as a charge in the profit and loss account.
Pension schemes of subsidiaries abroad, which are organised and function similarly to the Dutch pension system, are also included according to the obligation approach. For foreign pension schemes that are not similar, a best estimate is made of the obligation existing as at the balance sheet date, based on an actuarial valuation method generally accepted in the Netherlands.

3.7 Depreciation of tangible fixed assets

Tangible fixed assets are depreciated over the expected future useful life from the moment they are taken into use. No depreciation is charged on land. If a change is made to

the estimate of the economic useful life, the future depreciation is adjusted.

3.8 Exceptional items

Exceptional items are income or charges that arise from events or transactions that belong to the result from ordinary activities but which, for the sake of comparability, are explained separately on grounds of the nature, size or incidental character of the item.

3.9 Financial income and expenses

Interest received and interest paid are time-weighted, taking into account the effective interest rate for the particular assets and liabilities.

3.10 Taxes

The tax on the result is calculated on the result before tax in the profit and loss account, taking into account the exempt profit components and investment and other facilities. The liability for tax only applies to the commercial section of the organisation.

4. Management of financial risks

Sanquin Blood Supply Foundation is exposed to various financial risks: price risk (including exchange rate risk, market risk and interest-rate and cash flow risk), credit risk and liquidity risk. The size of these risks in the daily operations is not such that financial instruments are used to hedge the risks. Financial risks are managed centrally by the Group Control department on the basis of policy adopted by the Executive Board.

4.1 Price risk

Exchange rate risk

Sanquin Blood Supply mainly operates in the European Union. If significant long-term supply obligations are entered into, such as the supply of Cinryze for the US market, price agreements are, in principle, made in euros, even if the supply is to countries outside the European Union.
The remaining transactions in foreign currency are relatively limited and any residual risks from these are therefore not hedged.

Market risk

Sanquin Blood Supply Foundation is exposed to risks relating to raw material and energy prices. This risk is managed by reducing the dependency on suppliers as much as possible, centralising procurement where possible and making long-term price agreements with suppliers wherever possible. The starting point when entering into procurement relationships is to agree on price increases that fall within the margins of the government regulation for price compensation for budgets in the healthcare sector.

Interest-rate and cash flow risk

Sanquin Blood Supply Foundation is exposed to interest-rate risk on the interest-bearing receivables (in particular those under financial fixed assets and liquid assets) and interest-bearing long-term and current liabilities (including debts to credit institutions).
For receivables and liabilities with variable interest-rate agreements, the Foundation is exposed to risk in relation to future cash flows; in relation to fixed-interest receivables and liabilities, the Foundation is exposed to risks concerning the market value.
No financial derivatives for interest-rate risks are contracted in connection with these receivables and liabilities.

4.2 Credit risk

Sanquin Blood Supply Foundation has no significant concentrations of credit risk. Short shelf-life blood products are sold to Dutch hospitals. Long shelf-life blood products are only sold to customers that satisfy the Foundation's creditworthiness test. Products are sold on the basis of credit terms of 14 to 60 days. Additional securities, such as prepayments and guarantees, may be requested for large supplies, or credit insurance may be concluded.

4.3 Liquidity risk

Sanquin Blood Supply Foundation uses several banks in order to have access to a number of credit facilities. Further securities are provided to the bank for available credit facilities as necessary. No specific bank covenants apply to date.

Notes to the balance sheet

5. Tangible fixed assets

The changes in the tangible fixed assets can be specified as follows:

(* EUR 1,000)	Company buildings and sites EUR	Machines and installations EUR	Other fixed operating assets EUR	Fixed operating assets in progress EUR	Total EUR
Balance as at 1 January 2011					
Acquisition price or manufacturing cost	102,220	122,946	22,886	21,899	269,951
Accumulated depreciation	-29,765	-89,608	-16,487	-342	-136,202
Book values	**72,455**	**33,338**	**6,399**	**21,557**	**133,749**
Changes					
Investments	2,571	20,053	2,617	20,215	45,456
Changes	3,084	16,353	176	-19,613	0
Divestments	-736	-6,764	-643	-438	-8,581
Depreciation	-5,649	-13,273	-2,839	-96	-21,857
Depreciation of divestments	736	6,764	643	438	8,581
Balance	**6**	**23,133**	**-46**	**506**	**23,599**
Balance as at 31 December 2011					
Acquisition price or manufacturing cost	107,139	152,588	25,036	22,063	306,826
Accumulated depreciation	-34,678	-96,117	-18,683	0	-149,478
Book values	**72,461**	**56,471**	**6,353**	**22,063**	**157,348**
Depreciation rates	**0%-10%**	**10%-20%**	**20%-33%**	**0%**	

Investments in projects that are still in progress as at the balance sheet date are reported in the column 'Fixed operating assets in progress'. After completion, these projects are reported as 'Company buildings and sites', 'Machines and installations' or 'Other fixed operating assets'. The corresponding debit in 'Fixed operating assets in progress' is visible as a negative item under 'Investments'.
The assets are at the free disposal of the Foundation. The current value of the fixed assets does not deviate significantly from the book value.

The 2011 investments in tangible fixed assets that exceeded EUR 1.0 million were:

New construction of Research and Plasma Products facilities (building Y)	EUR 10.2 million
Expansion of existing production building for Plasma Products (building V)	EUR 3.3 million
Construction of stem cell laboratory for Research	EUR 2.1 million
Installations for expansion of alcohol fractionation at Plasma Products	EUR 2.0 million
Climate control systems for cleanrooms at Plasma Products	EUR 1.7 million

6. Financial fixed assets

Participating interests

Sanquin has a participating interest in another company that is not included in the consolidation: Vitaleech Bioscience NV in Rotterdam. Sanquin's equity interest is 11%.

Vitaleech is developing a substance to fight gum inflammation. Sanquin acquired most of the shares in the years 2000 to 2005 as compensation for products and services it supplied for Vitaleech's research. Because of uncertainty about the future profitability of the company, the interest has been fully written down.

7. Stocks

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Raw materials and consumables and semi-manufactures	82,549	57,811
Finished products and goods for resale	30,935	41,820
Contract fractionation work in progress	6,001	5,228
	119,485	**104,859**

The stocks have increased as a result of the expansion of the activities and because of the policy to increase the stocks of raw materials, consumables, semi-manufactures and finished products in connection with the higher safety margins in guaranteeing the blood supply.

In valuing the stocks, a provision for obsolescent has been taken into account for EUR 10.3 million (2010: EUR 9.9 million).

The stocks are at the free disposal of the Foundation. An exception to this is the work in progress involving contract fractionation for third parties. In the event of contract fractionation, Sanquin's contract party itself provides the plasma for fractionation. This plasma and the intermediate and end products created from it remain the property of the contract party throughout the entire production process. The value added by Sanquin as at the balance sheet date is reported as the work in progress.

8. Receivables

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Trade receivables	54,094	55,719
Taxes and social security contributions	3,708	3,178
Other receivables, prepayments and accrued income	8,723	6,335
	66,525	**65,232**

All receivables have a remaining term of less than one year.

Trade receivables

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Trade receivables	54,188	55,903
Debit: provision for bad debt	-94	-184
	54,094	**55,719**

Taxes and social security contributions

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Turnover tax	3,268	2,992
Social security charges	440	186
	3,708	**3,178**

Other receivables, prepayments and accrued income

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Security deposits	129	134
Prepaid expenses	3,675	1,461
Amounts to be received	4,919	4,740
	8,723	**6,335**

No securities have been provided to other parties with regard to the receivables.

9. Liquid assets

The item liquid assets in the cash flow statement can be specified as follows:

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Cash	40	35
Bank balances	15,360	9,817
Deposits	60,644	78,404
	76,044	**88,256**

The deposits all have a remaining term of less than one year.

10. Equity

The equity is further explained in the notes to the balance sheet in the separate annual accounts.

11. Share of third parties

Changes in the share of third parties were as follows:

(* EUR 1,000)	2011 EUR	2010 EUR
Balance as at 1 January	18,760	17,396
Result for the financial year	-96	1,364
Balance as at 31 December	**18,664**	**18,760**

12. Provisions

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Employee provisions	13,062	1,516
Deferred tax liabilities	5,378	4,233
Other provisions	374	4,204
	18,814	**9,953**

Changes in the provisions are as follows:

(* EUR 1,000)	Employee provisions EUR	Deferred taxes EUR	Other provisions EUR	Total EUR
Balance as at 1 January 2011	1,516	4,233	4,204	**9,953**
Allocation	11,727	1,145	4	**12,876**
	13,243	5,378	4,208	**22,829**
Withdrawals	0	0	-1,682	**-1,682**
Release	-181	0	-2,152	**-2,333**
Balance as at 31 December 2011	**13,062**	**5,378**	**374**	**18,814**

The employee provisions consist of obligations relating to existing redundancy arrangements, reorganisation costs, reserved pension contributions and contributions to be compensated, long-service bonuses and continued payment in the event of long-term illness. The increase in the employee provisions is due to the foreseen reorganisation costs resulting from the reorganisation of the Blood Bank activities.
A provision for deferred taxes has been created for the differences between the valuation for tax purposes and the corporate valuation of balance sheet items of CAF-DCF that result in a future obligation to pay corporation tax. The other provisions have been created primarily for risks relating to product liability. The portion of the provision intended for the expected extra costs of full blood typing of the donor base was spent in full in 2011.

The provisions can largely be regarded as long term (longer than one year).

13. Long-term debt

(* EUR 1,000)	Repayment value as at 31-12-2011 EUR	Repayment obligation 2012 EUR	Remaining term > 1 year EUR	Remaining term > 5 years EUR
Loans	23,550	0	23,550	0
Debts to credit institutions	7,656	-1,292	6,364	0
Balance as at 31 December	**31,206**	**-1,292**	**29,914**	**0**

Repayment obligations due within 12 months from the end of the financial year as explained above are included in the short-term debts.
The valuation of the long-term debts at repayment value approximates the amortised cost price of the debts.

Loans

The loans concern:

- A loan from the Landsteiner Foundation for Blood Transfusion Research (LSBR) of EUR 20.0 million. This loan runs to the end of 2014 and interest of 4.75% is owed on the outstanding amount. No securities have been provided for this loan.
- Two loans from ViroPharma, originally amounting to EUR 12.8 million, to finance the process installations for the preparation of Cinryze™. The loans run to the end of 2014 and no interest is owed on the outstanding amount. No securities have been provided for these loans. The loans will be repaid by granting a discount on the agreed rate for contract production of Cinryze™. On top of the regular repayments, an amount of EUR 2.4 million was waived by ViroPharma in 2011. The outstanding amount as at 31 December 2011 is EUR 3.5 million.

Debts to credit institutions

This involves three loans from credit institutions for investments in the Belgian production facilities. Two new loans were taken in 2011 for a total amount of EUR 5.5 million. An amount of EUR 0.8 million was repaid in 2011. The loans have terms ranging from 1-10 years and interest rates ranging from 2.8% to 4.5%. CAF provided the lenders with securities in the form of mortgage rights and pledge rights to CAF's assets for the two new loans.

14. Short-term debts

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Repayment obligations	1,292	774
Salaries and holiday allowance	13,561	12,488
Debts to suppliers and trade credit	29,740	35,378
Taxes and social security contributions	6,392	5,832
Pension contributions	1,380	1,438
Other liabilities, accruals and deferred income	16,725	14,085
Balance as at 31 December	***69,090***	***69,995***

The short-term debts all have a remaining term of less than one year.

15. Off-balance-sheet assets and commitments

As at the balance sheet date, Sanquin has entered into investment commitments for EUR 40.1 million. These are investments for the new construction to expand the Plasma Products and Research facilities and the process equipment for the preparation of plasma products and laboratory equipment. Approximately half of the investment commitments have a term of less than one year and the other half have been entered into for a term of up to 5 years.
Sanquin rents donor centres at many locations. The annual rental obligation related to this is EUR 1.2 million. The various leases have terms of between 1 and 5 years. In particular for the fleet, lease contracts have been concluded with an annual financial obligation in the amount of EUR 0.5 million. The lease contracts have a maximum term of 5 years.
A number of parties have been provided with bank guarantees totalling EUR 2.2 million.

Notes to the profit and loss account

16. Net turnover

The net turnover can be broken down by geographic area as follows:

(* EUR 1,000)	2011 EUR	2010 EUR
The Netherlands	259,747	246,444
Outside the Netherlands	121,430	110,527
	381,177	**356,971**

The net turnover can also be broken down as follows by main category:

(* EUR 1,000)	2011 EUR	2010 EUR
Blood Banks turnover	162,430	158,365
Plasma Products turnover	179,708	163,506
Diagnostic Services turnover	19,634	18,305
Reagents turnover	9,364	8,192
Research and Pharmaceutical Services turnover	10,041	8,603
	381,177	**356,971**

17. Wages and salaries

(* EUR 1,000)	2011 EUR	2010 EUR
Wages and salaries	119,582	111,654
Social security charges	16,353	14,889
Pension charges	8,785	8,551
	144,720	**135,094**

The costs for wages, salaries, social charges and pension contributions increased by EUR 9.6 million in 2011. The most important cause was the salary increase in line with the Sanquin 2009-2011 CLA. The social charges and pension contributions also increased. Finally, the workforce at the Plasma Products division grew in line with the increase in turnover.

18. Average number of employees

During the year 2011, the company employed 2,545 people on average, based on full-time employment (2010: 2,439). 207 of these employees were working abroad (2010: 191).

19. Remuneration of the Executive Board

(*EUR 1,000)

The total remuneration of the Executive Board, including social charges and pension contributions, was EUR 773. In 2010 the total remuneration of the Executive Board was EUR 861. The breakdown is as follows:

2011	Remuneration	Social charges	Pension contributions
T.J.F. Buunen	263	5	29
H.J.C. de Wit	230	5	25
R.A.W. van Lier	190	7	20

2010	Remuneration	Social charges	Pension contributions
T.J.F. Buunen	258	5	28
H.J.C. de Wit	226	5	24
R.A.W. van Lier (vanaf 1-9-2010)	62	2	7
E. Briët (tot en met 31-7-2010)	222	2	20

The salaries of the Executive Board members were adjusted in 2011 on the basis of the Sanquin CLA. The remuneration of the Executive Board is consistent with the Dutch remuneration code for directors in the healthcare sector *(Beloningscode Bestuurders in de Zorg)*.

20. Remuneration of the Supervisory Board

(*EUR 1,000)

The payment to the Supervisory Board was EUR 30 (2010: EUR 30) and can be specified as follows:

	2011	2010
B. Löwenberg	7	7
J.C.M. Schönfeld (until 30-9-2011)*)	0	0
J.H. Schraven	16	16
L.J. Gunning-Schepers (until 31-8-2010)*)	0	0
M.J. van Rijn	7	7
F.C. Breedveld (from 1-9-2010) *)	0	0

*) For some members of the Supervisory Board, Sanquin pays the compensation directly to a charity or the employer. In 2011 this concerned EUR 12.

21. Depreciation and other value adjustments of tangible fixed assets

(* EUR 1,000)	2011 EUR	2010 EUR
Tangible fixed assets (section 5	21,857	20,003
	21,857	**20,003**

22. Other operating expenses

(* EUR 1,000)	2011 EUR	2010 EUR
Other personnel expenses	20,611	7,635
Accommodation expenses	16,678	15,623
Donor expenses	3,605	3,913
Transport expenses	3,869	4,006
General expenses	67,125	70,032
	111,888	**101,209**

Other operating expenses increased by EUR 10.3 million. The most important reason for this was the formation of a provision for the reorganisation of the Blood Bank activities.

23. Auditor's fees

The following amounts in auditor's fees for the services of PricewaterhouseCoopers Accountants N.V. were charged to the result:

(* EUR 1,000)	2011 EUR	2010 EUR
Audit of the annual accounts	308	317
Other audit activities	18	6
Tax advice	0	3
Other non-audit services	0	0
	326	**326**

The fees above relate exclusively to the work performed at the company and the companies included in the consolidation by audit organisations and external auditors as referred to in Section 1 (1) of the Audit Firms (Supervision) Act *(Wet toezicht accountantsorganisaties)*.

24. Financial income and expenditure

(* EUR 1,000)	2011 EUR	2010 EUR
Revenue from tangible fixed assets	0	1,373
Revenue from financial fixed assets	0	133
Interest income	3,714	3,161
Interest expenses	-3,302	-3,291
	412	**1,376**

The revenue from tangible fixed assets in 2010 involved a book profit realised on the sale of a building in Leiden. The revenue from financial fixed assets in 2010 involved a recalculation of the book profit on the sale of shares in CAF-DCF that was reported in 2008. This recalculation became opportune because of contractual agreements in this respect in connection with the release of the Tax Busquin obligations at CAF.

25. Costs of research and development

The research and development costs charged to the result for 2011 amounted to EUR 27.0 million (2010: EUR 18.8 million).

26. Tax on result from ordinary business operations

Sanquin Blood Supply Foundation is a non-profit organisation. With regard to the Foundation's commercial activities, agreements have been made with the fiscal authorities on the determination of the taxable amount and the corporation tax owed on this.

Separate Annual Accounts 2011

Balance sheet as at 31 December 2011

(prior to profit appropriation)

			31 december 2011		31 december 2010
(* EUR 1,000)	Ref.	EUR	EUR	EUR	EUR
Assets					
Fixed assets					
Tangible fixed assets		128,912		110,900	
Financial fixed assets	28	18,846		18,902	
			147,758		**129,802**
Current assets					
Stocks		89,390		80,489	
Receivables	29	58,491		49,143	
Liquid assets	30	74,971		85,990	
			222,852		**215,622**
			370,610		**345,424**
Liabilities					
Equity	**31**				
Foundation capital		1,957		1,957	
Designated reserve	32	16,031		15,540	
Other reserves		244,846		216,021	
Result for the financial year		20,086		29,316	
			282,920		**262,834**
Provisions	33		13,408		4,386
Long-term debt	34		23,550		28,898
Short-term debt	35		50,732		49,306
			370,610		**345,424**

Profit and loss account for 2011

(* EUR 1,000)	EUR	31 december 2011 EUR	EUR	31 december 2010 EUR
Net turnover	327,700		308,152	
Change in stocks of finished products and work in progress	1,853		14,649	
Other operating income	8,773		5,660	
Total operating income		**338,326**		**328,461**
Costs of raw materials and consumables	75,796		75,813	
Wages and salaries	106,794		101,659	
Social security charges incl, pension	20,880		19,994	
Depreciation of tangible fixed assets	17,491		16,372	
Other operating expenses	97,678		88,092	
Total operating expenses		**318,639**		**301,930**
Operating result		**19,687**		**26,531**
Revenue from tangible fixed assets		0		1,373
Revenue from financial fixed assets		0		133
Interest income		3,692		3,120
Interest expenses		-3,127		-3,142
Result from ordinary business operations before taxes		**20,252**		**28,015**
Tax on result from ordinary business operations		-110		-106
Result of participating interests		-56		1,407
Result after taxes		**20,086**		**29,316**

Notes to the balance sheet and profit and loss account

27. General

The separate annual accounts have been drawn up in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board,

The same accounting policies apply for the separate annual accounts as for the consolidated annual accounts.
Participating interests in group companies are valued according to net asset value in line with section 2.5 of the consolidated annual accounts.
See the notes to the consolidated balance sheet and profit and loss account for the accounting policies for the valuation of assets and liabilities and for the determination of the result.

28. Financial fixed assets

Changes in the financial fixed assets can be specified as follows:

(* EUR 1,000)	Participating interests in group companies	Total EUR
Balance as at 1 January 2011	18,902	18,902
Investments	0	0
Result of participating interests	-56	-56
Divestments	0	0
Balance as at 31 December 201	**18,846**	**18,846**

List of participating interests
The participating interests held directly by Sanquin Blood Supply Foundation are:

	Share in issued capital as %
Fully consolidated	
CAF-DCF cbva, Brussels	50.01
Sanquin Oy, Helsinki	100.00
Euroclone BV, Amsterdam	100.00

The fully consolidated participating interests qualify as affiliated parties in which Sanquin Blood Supply Foundation can exercise decisive influence.

The Foundation has not declared itself guarantor for the debts of the consolidated participating interests and has no obligation or intention to do so.

	Share in issued capital as %
Capital interests that do not qualify as participating interests	
Vitaleech BV, Rotterdam	11.00

29. Receivables

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Debtors	46,771	40,937
Taxes and social security contributions	3,252	2,923
Other receivables, prepayments and accrued income	8,468	5,283
	58,491	**49,143**

30. Liquid assets

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Cash	40	35
Bank balances	14,288	9,451
Deposits	60,643	76,504
	74,971	**85,990**

31. Equity

(* EUR 1,000)	Foundation capital EUR	Designated reserve EUR	General reserve EUR	Undistributed profit EUR	Total EUR
Balance as at 1 January 2011	**1,957**	**15,540**	**216,021**	**29,316**	**262,834**
Changes					
Result for the current financial year	0	0	0	20,086	20,086
Profit appropriation	0	491	28,825	-29,316	0
Other changes in the reserves	0	0	0	0	0
Balance as at 31 December 2011	**1,957**	**16,031**	**244,846**	**20,086**	**282,920**

32. Designated reserve

The designated reserve relates entirely to the equalisation reserve for research. This reserve was originally created from the positive operating balances of the former Dr Karl Landsteiner Research Foundation, which was absorbed by Sanquin in the merger. With effect from 2004, the costs for product and process development for short shelf-life blood products still to be spent have been added to this. Commitments for this expenditure have already been made to internal projects. In accordance with the Executive Board's decision concerning the appropriation of the 2010 result, on balance EUR 0.5 million was added to the existing reserve.

33. Provisions

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Employee provisions	13,062	1,516
Other provisions	346	2,870
	13,408	**4,386**

The employee provisions consist of obligations relating to existing redundancy arrangements, reorganisation costs, reserved pension contributions and contributions to be compensated, long-service bonuses and continued payment in the event of long-term illness. The increase in the employee provisions is due to the foreseen reorganisation costs resulting from the reorganisation of the Blood Bank activities.

The other provisions have been formed primarily for risks relating to product liability. The portion of the provision intended for the expected extra costs of full blood typing of the donor base was spent in full in 2011.

The provisions can largely be regarded as long term (longer than one year).

34. Long-term debt

(* EUR 1,000)	Repayment value as at 31-12-2011 EUR	Repayment obligation 2012 EUR	Remaining term > 1 year EUR	Remaining term > 5 years EUR
Loans	23,550	0	23,550	0
Debts to credit institutions	0	0	0	0
	23,550	**0**	**23,550**	**0**

35. Short-term debt

(* EUR 1,000)	31-12-2011 EUR	31-12-2010 EUR
Salaries and holiday allowance	11,588	10,716
Debts to suppliers and trade credit	24,260	23,700
Taxes and social security contributions	5,645	4,934
Pension contributions	1,334	1,389
Other liabilities, accruals and deferred income	7,905	8,567
	50,732	**49,306**

36. Affiliated parties

The transactions between Sanquin Blood Supply Foundation and its affiliated parties - CAF-DCF, Sanquin Oy and Euroclone - primarily involve plasma fractionation that Sanquin and CAF-DCF perform for each other.
The prices charged on for these activities are in line with the market.

Executive Board
Dr T.J.F. Buunen
H.J.C. de Wit
Prof. R.A.W. van Lier

Supervisory Board
J.H. Schraven
Prof. F.C. Breedveld
Prof. B. Löwenberg
M.J. van Rijn

Other information

Proposal for profit appropriation

The Executive Board has decided to add the result after tax of EUR 20.1 million to the general reserve.
In 2011 the difference between the resources for product and process development of EUR 9.6 million achieved by means of a mark-up on the prices for short shelf-life blood products and the actual research expenditure for product and process development of EUR 9.8 million was, on balance, EUR 0.2 million. The Executive Board decided to withdraw this difference between research expenditure and funds obtained of EUR 0.2 million from the designated reserve for research and add it to the general reserve.

Events after the balance sheet date

There were no events after the balance sheet to be reported.

Appendixes

Appendix 1. Overview of other positions held by members of the Executive Board

The overview below includes the most important other positions held by members of the Executive Board of Sanquin Blood Supply.

Dr T.J.F. Buunen (1949)
Main position:
- Chair of the Executive Board of Sanquin

Other positions:
- Treasurer of the Board of Stichting Medisch Centrum Slotervaart
- Chair of the Supervisory Board of Sanquin Oy in Helsinki (consolidated in Sanquin's annual accounts)
- Chair of the Executive Board of CAF in Brussels (consolidated in Sanquin's annual accounts)
- Board member of the International Plasmafractionation Association
- Delegated Supervisory Director of Euroclone b.v. in Amsterdam (consolidated in Sanquin's annual accounts)
- Director of Landsteiner Foundation for Blood Transfusion Research
- Treasurer of Stichting Joghem van Loghem
- Chair of the Supervisory Board of Bevolkingsonderzoek Midden-West
- Member of the Supervisory Board of Bioprimatencentrum

H.J.C. de Wit (1953)
Main position:
- Deputy Chair of the Executive Board of Sanquin

Other positions:
- Chair of the Executive Board of the European Blood Alliance
- Member of the Executive Board of the Committee of Experts on Blood Transfusion of the Council of Europe's EDQM (European Directorate on the Quality of Medicines)
- Board member of Stichting IDTM
- Board member of Stichting Tekke Huizinga Fonds
- Member of the Board of Directors of the American Blood Centers
- Member of a communication platform for medical advisors at Fresenius
- EMEA customer panel member at Caridian BCT

Prof. R.A.W. van Lier (1956)
Main position:
- Member of the Executive Board of Sanquin

Other positions:
- Professor of experimental immunology at AMC-UvA
- Board member of Stichting Immunovalley
- Chair of the Netherlands Society for Immunology
- Member of the Council of the 'International Union of Immunological Societies'
- Secretary of the Scientific Advisory Council of MS Research
- Member of Scientific Advisory Council of the Dutch Astma Fonds
- Member of Scientific Advisory Council of the Landsteiner Foundation for Blood Transfusion Research
- Member of Scientific and Medical Advisory Council of Immunobank NV

When accepting other positions, the Executive Board always asks permission of the Supervisory Board.

Appendix 2. Overview of other positions held by members of the Supervisory Board

The overview below includes the most important other positions held by members of the Supervisory Board of Sanquin Blood Supply.

J.H. van Schraven, LLM (1942),
Chair from May 2006, appointed in May 2006, due to retire in May 2014, not eligible for reappointment.
Main position:
- Supervisory Board Chair of Tata Steel Nederland B.V. and non-executive director of Tata Steel Limited (India)

Other positions:
- Chair of the Board of the Netherlands Standardisation Institute
- Member of the Board of the Carnegie Foundation
- Chair of the Board of the International Longevity Centre/Zorg voor Later
- Chair of the Board of SEO Economisch Onderzoek
- Chair of the Supervisory Boards of Stork B.V., NUON Energy B.V, and BNP Paribas OBAM N.V.

M.J. van Rijn (1956),
appointed in May 2008, due to retire in May 2012, eligible for re-appointment.
Main position:
- Chair of the Executive Committee PGGM

Other positions:
- Member of the Supervisory Board of Rijnland Zorggroep
- Member of Advisory Council of the Dutch Healthcare Authority
- Chair of the Supervisory Board of Cardea
- Chair of the Supervisory Board of Espira
- Member of the Board of Stichting Steun Alzheimercentrum
- Chair of the Board of De Groene Zaak

J.C.M. Schönfeld (1949),
appointed in October 2003, retired in October 2011.
Other positions:
- Member of the Supervisory Board of Arcadis N.V.
- Member of the Supervisory Board of Brunel International N.V.
- Member of the Supervisory Board of S&B Industrial Minerals S.A. Athens, Greece
- Member of the Supervisory Board of Delft University of Technology
- Member of Supervisory Board of the Royal Academy of Art (Hogeschool der Kunsten) in The Hague
- Board member of the Dutch Association of Listed Companies (Vereniging Effectenuitgevende Ondernemingen (VEUO)
- Member of AFM Committee on Financial Reporting

Prof. B. Löwenberg (1946),
appointed in May 2005, due to retire in May 2013, not eligible for reappointment.
Main position:
- Professor of Hematology at Erasmus MC Rotterdam

Other positions:
- Member of the Royal Netherlands Academy of Arts and Sciences (Koninklijke Nederlandse Academie van Wetenschappen (KNAW)
- Scientific Director of Skyline Diagnostics B.V.
- Member of the Netherlands Health Council
- Member of the International Scientific Advisory Council, Lund Strategic Center for Stem Cell Biology and Cell Therapy, Lund University, Sweden
- Member of the External Scientific Advisory Board Tumorzentrum Ludwig Heilmeyer-Comprehensive Cancer Center, Freiburg
- Member of the International Scientific Advisory Board, Department of Biomedicine, Basel University
- Deputy Chair of the Board and Chair of International Science Committee, European School of Hematology, Paris

Prof. F. C. Breedveld (1950),
appointed in September 2010, due to retire in September 2014, eligible for reappointment.
Main position:
- Chair of the Executive Board of Leids Universitair Medisch Centrum

Other positions:
- Chair of Stichting Curium
- Chair of Stichting Trombosedienst Leiden and environs
- Chair of Stichting Houdster van Aandelen Medipark B.V.
- Member of the Board of Stichting Leiden Bio Science Park
- Member of the General Board of Leids Universiteits Fonds
- Member of the Board of the Bontius Stichting
- Chair of the Supervisory Board of Stichting Ipse de Bruggen
- Member of the Supervisory Board of VeerStichting

Independent auditor's report

To: the Executive Board and Supervisory Board of Sanquin Blood Supply Foundation

Report on the financial statements

We have audited the accompanying financial statements 2011 as set out on pages 19 to 45 of Sanquin Blood Supply Foundation, Amsterdam, which comprise the consolidated and company balance sheet as at 31 December 2011, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

The Executive Board's responsibility

The Executive Board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Executive Board, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sanquin Blood Supply Foundation as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Annual report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 24 May 2012
PricewaterhouseCoopers Accountants N.V.
Andre Loogman RA

Credits

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