



Press Release

STADA: STADA and Indian pharmaceutical company Hetero sign letter of intent for the founding of a contractual joint venture

Bad Vilbel, March 26, 2015 – STADA Arzneimittel AG announced today on March 26, 2015, that it has signed a letter of intent with Indian pharmaceutical company Hetero Labs for the founding of a contractual joint venture.

The planned cooperation initially calls for STADA to procure selected oncology products at attractive conditions. These relate to both existing products as well as new developments. An expansion of the cooperation into further areas is imaginable at a later point in time.

STADA and Hetero Labs have been working together successfully for a number of years – especially in the areas of active ingredient procurement and in-licensing. While the Indian pharmaceutical company is active mainly in India and in the USA, the focus of STADA's business activities is in Europe. It is therefore planned that STADA, within the framework of a contractual joint venture, will take over marketing exclusively in Europe and in a sub-license in further regions outside of India and the USA.

Hetero, founded in 1993, has its headquarters in Hyderabad, India, and is a vertically integrated pharmaceutical company. This includes both the production of active pharmaceutical ingredients as well as the development and production of pharmaceutical products. In financial year 2014, the company generated sales of over USD 1 billion, currently employs more than 15,000 people and is thus the largest privately-owned pharmaceutical company in India. The company has a broad network including 27 production facilities around the world – with certifications from the US Federal Drug Administration (FDA), the World Health Organization (WHO) and various EU countries.



"Through a cooperation with Hetero, we could expand our product offering in areas in which we are not yet extensively represented. These include in a first step for example, selected oncology products", says STADA Chairman of the Executive Board Hartmut Retzlaff. "In addition, we would achieve substantial synergies because we can procure the products at a significantly lower cost of goods than is the case with our current in-licensing", continues Retzlaff.

As part of the cooperation, the financial investment on the part of STADA would be relatively limited. STADA will, among other things, contribute its broad marketing platform and approval expertise to the cooperation. Sales would be allocated in equal parts to STADA and Hetero.

"Through this partnership with STADA, Hetero will provide a complete range of oncology products to European markets. As Hetero is vertically integrated with its API's we believe the collaboration will mutually benefit both companies", says Dr. B.P.S. Reddy, Chairman Hetero group.

The current schedule calls for the final joint venture contracts to be signed in the course of 2015.

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