



## Corporate News

### STADA: Good start in the first quarter of 2013 – organic growth accelerated

#### Important items at a glance

- Adjusted EBITDA increases – despite the high comparable basis – to Euro 98.5 million (+7 percent) – adjusted EBITDA margin at a high level with 20.7 percent – reported EBITDA increases to Euro 96.9 million (+25 percent)
- Group sales rise to Euro 477.0 million (+8 percent) – organic growth records growth to 4 percent
- Substantial sales rise in branded products (+21 percent)
- Significant sales increase in the market region CIS/Eastern Europe – particularly in Russia (+39 percent) and Serbia (+22 percent)
- Temporary increase in the tax rate leads to a decrease in adjusted net income by 7 percent – reported net income increases by 80 percent
- Outlook to 2014 confirmed

#### STADA Key Figures

|   | 1-3/2013                 | 1-3/2012                 | +/-  |
|---|--------------------------|--------------------------|------|
| Group sales   | Euro 477.0 million       | Euro 443.4 million       | +8%  |
| Operating profit  | Euro 71.0 million        | Euro 46.2 million        | +54% |
| <i>Operating profit, adjusted</i>                                       | <i>Euro 73.0 million</i> | <i>Euro 67.9 million</i> | +8%  |
| EBITDA (Earnings before interest, taxes, depreciation and amortization) | Euro 96.9 million        | Euro 77.2 million        | +25% |
| <i>EBITDA, adjusted</i>   | <i>Euro 98.5 million</i> | <i>Euro 92.3 million</i> | +7%  |
| Net income  | Euro 34.9 million        | Euro 19.4 million        | +80% |
| <i>Net income, adjusted</i>   | <i>Euro 36.7 million</i> | <i>Euro 39.3 million</i> | -7%  |
| Earnings per share  | Euro 0.59                | Euro 0.33                | +79% |
| <i>Earnings per share, adjusted</i>                                     | <i>Euro 0.62</i>         | <i>Euro 0.67</i>         | -7%  |

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 Chairman of the Supervisory Board: Dr. Martin Abend



Bad Vilbel, May 7, 2013 – In the first quarter of 2013, STADA Arzneimittel AG was able to increase both the Group sales as well as all reported key earnings figures. Organic growth increased to 4 percent.

“We are very satisfied with our good start in the first quarter of 2013 and thus remain on a good path towards being able to achieve our long-term prognosis in 2014. In addition to an increase in Group sales in the amount of 8 percent, we were also able to achieve an acceleration in organic growth with 4 percent in the first three months of the current financial year. Contributing to this were the very successful developments in Russia and Serbia as well as in some Western European countries such as France and Italy, but also a strong sales plus of 21 percent in branded products”, says Hartmut Retzlaff, Chairman of the Executive Board at STADA.

#### ***Development of sales***

In the first quarter of 2013, **Group sales** rose by 8 percent to Euro 477.0 million (1-3/2012: Euro 443.4 million).

Sales of the core segment **Generics** showed an increase of 2 percent to Euro 305.7 million in the first three months of the current financial year (1-3/2012: Euro 299.3 million). Generics thus had a share in Group sales of 64.1 percent (1-3/2012: 67.5 percent). The core segment **Branded Products** recorded sales growth of 21 percent to Euro 163.1 million in the first quarter of 2013 (1-3/2012: Euro 135.2 million). Branded Products thus contributed 34.2 percent to Group sales (1-3/2012: 30.5 percent).

#### ***Earnings development***

**Reported operating profit** increased in the reporting period by 54 percent to Euro 71.0 million (1-3/2012: Euro 46.2 million). **Reported EBITDA** rose by 25 percent to Euro 96.9 million (1-3/2012: Euro 77.2 million). **Reported net income** recorded an increase of 80 percent to Euro 34.9 million (1-3/2012: Euro 19.4 million).

After adjusting the key earnings figures for influences distorting the period comparison resulting from one-time special effects and non-operational effects from the measurement of derivative financial instruments, **adjusted operating profit** increased

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by 8 percent in the first quarter of 2013 to Euro 73.0 million (1-3/2012: Euro 67.9 million). **Adjusted EBITDA** showed a plus of 7 percent to Euro 98.5 million (1-3/2012: Euro 92.3 million). **Adjusted net income** recorded a minus of 7 percent to Euro 36.7 million (1-3/2012: Euro 39.3 million) due to a temporarily increased tax rate.

The **net debt to adjusted EBITDA ratio** amounted in the reporting period on linear extrapolation of the adjusted EBITDA of the first quarter of 2013 on a full year basis to 3.0 (1-3/2012: 3.3) and was thus below the value of December 31, 2012 in the amount of 3.2.

Helmut Kraft, Chief Financial Officer, said the following regarding the financial development in the first three months of 2013: "We are very satisfied with the level of profitability reached in the first quarter of 2013. The strong adjusted EBITDA margin of 20.7 percent impressively underlines that we have been more than able to compensate for the challenging environment in Western Europe with the cost efficiency practiced within the Company and our investment focus on emerging markets and highly profitable branded products. As a result we have in the meantime achieved almost 50 percent of the adjusted operating profit of the core segments with our branded products with a clear upward progression and our most important emerging market Russia has again grown strongly in the first quarter by 39 percent."

#### ***Development of the market regions***

The four STADA market regions recorded varying developments in the reporting period. Whereas sales of the market region Germany remained approximately at the same level of the corresponding quarter of the previous year, sales of the market region Central Europe decreased. On the other hand, sales were able to show significant growth in the market regions CIS/Eastern Europe and Asia & Pacific.

In the largest **market region Central Europe**, sales decreased in the first quarter of the current financial year by 4 percent to Euro 199.1 million (1-3/2012: Euro 208.2 million). Sales generated in this market region thus had a share of 41.7 percent of Group sales (1-3/2012: 47.0 percent). Sales developed positively in this market region in **Italy, France**, – as a result of acquisition – **Switzerland, Ireland and Austria**.

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In the **market region CIS/Eastern Europe**, sales achieved in the first three months of 2013 increased significantly – in part due to acquisitions – by 33 percent to Euro 135.7 million (1-3/2012: Euro 101.7 million). Sales generated in this market region thus contributed 28.4 percent to Group sales (1-3/2012: 22.9 percent). **Russia** recorded a strong sales increase of 42 percent applying the exchange rates of the previous year. In euro, sales recorded growth of 39 percent to Euro 89.9 million due to a negative currency effect of the Russian ruble (1-3/2012: Euro 64.8 million). In **Serbia**, sales increased significantly by 24 percent applying the exchange rates of the previous year. In euro, sales increased by 22 percent to Euro 20.1 million due to a negative currency effect of the Serbian dinar (1-3/2012: Euro 16.5 million).

In the **market region Germany**, – in view of the continued very difficult framework conditions in the German generics market due to high margin pressure from discount agreements with public health insurance organizations – sales in the reporting period were approximately at the level of the corresponding quarter of the previous year at Euro 126.0 million (1-3/2012: Euro 127.4 million), even though various German sales companies recorded numerous awards in various tenders for such discount agreements in financial year 2012. This market region thus had a share of Group sales of just 26.5 percent (1-3/2012: 28.7 percent).

In the **market region Asia & Pacific**, sales in the reporting period increased significantly by 165 percent to Euro 16.2 million (1-3/2012: Euro 6.1 million). Sales of the market region thereby contributed 3.4 percent to Group sales (1-3/2012: 1.4 percent). The growth in this market region was primarily based on the sales increase in **Vietnam** as a result of the consolidation of Pymepharco Joint Stock Company as a subsidiary as of January 1, 2013.

#### ***Development, production and procurement***

**Research and development costs** amounted to Euro 13.2 million in the first three months of the current financial year (1-3/2012: Euro 13.1 million). Overall, STADA launched 145 individual products worldwide in the first quarter of 2013 (1-3/2012: 181 product launches) in individual national markets.

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“With the control achieved of the Vietnamese subsidiary Pymepharco, the number of production facilities in the Group increased by one production site in Tuy Hoa in the first quarter of 2013. This production facility is actually predominately focused on products for the Vietnamese market and, as a result, will not initially be integrated into the central production controlling for products with Group significance. However, looking to the EU certification now received for a section of this facility, the technical potential of this production facility makes gradual Group integration seem fundamentally possible”, comments Dr. Axel Müller, Chief Production & Development Officer.

### **Outlook**

The Executive Board confirms the **outlook** for the future development of the STADA Group published at the beginning of the year. Thus, the Executive Board expects, from today's perspective, further growth in sales and earnings for the Group in 2013 and 2014. Furthermore, the Executive Board sees the opportunity for further growth in the Group's adjusted EBITDA in the high single-digit percent area in 2013 and thereby achieving a new record value. In addition, the Executive Board affirms the long-term prognosis envisaged for 2014, according to which Group sales of approximately Euro 2.15 billion, at an adjusted level, EBITDA of approximately Euro 430 million and net income of approximately Euro 215 million should be reached at minimum.

Additional information:

STADA Arzneimittel AG / Corporate Communications / Stadastrasse 2–18 / 61118 Bad Vilbel – Germany / Phone: +49 (0) 6101 603-113 / Fax: +49 (0) 6101 603-506 / E-mail: [communications@stada.de](mailto:communications@stada.de)

Or visit us in the Internet at [www.stada.com](http://www.stada.com).

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