Interim Report on the First Three Months of 2013

STADA Arzneimittel

STADA KEY FIGURES

Key figures for the Group in € million	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1]	± %
Group sales	477.0	443.4	+8%
• Generics (core segment)	305.7	299.3	+2%
• Branded Products (core segment)	163.1	135.2	+21%
Operating profit	71.0	46.2	+54%
Operating profit, adjusted[2) 3)]	*73.0*	*67.9*	*+8%*
EBITDA (Earnings before interest, taxes, depreciation and amortization)	96.9	77.2	+25%
EBITDA (Earnings before interest, taxes, depreciation and amortization), adjusted[2) 3)]	*98.5*	*92.3*	*+7%*
EBIT (Earnings before interest and taxes)	70.9	47.3	+50%
EBIT (Earnings before interest and taxes), adjusted[2) 3)]	*72.9*	*68.9*	*+6%*
EBT (Earnings before taxes)	55.6	31.9	+74%
EBT (Earnings before taxes), adjusted[2) 4)]	*58.1*	*53.5*	*+9%*
Net income	34.9	19.4	+80%
Net income, adjusted[2) 4)]	*36.7*	*39.3*	*-7%*
Cash flow from operating activities	42.6	46.1	-8%
Capital expenditure	23.5	276.6	-92%
Depreciation and amortization (net of write-ups)	26.0	30.0	-13%
Employees (average number for the year calculated on the basis of full-time employees Jan. 1 – Mar. 31)[5]	8,811	7,807	+13%
Employees (as of the balance sheet date calculated on the basis of full-time employees)	8,808	7,813	+13%

Key share figures	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1]	± %
Market capitalization (as of Mar. 28/Mar. 30) in € million	1,895.1	1,451.2	+31%
Closing price (XETRA®) in € (as of Mar. 28/Mar. 30)	31.94	24.61	+30%
Average number of shares (without treasury shares Jan. 1 – Mar. 31)	59,239,749	58,870,863	+1%
Earnings per share in €	0.59	0.33	+79%
Earnings per share in €, adjusted[2) 4)]	*0.62*	*0.67*	*-7%*
Diluted earnings per share in €	0.58	0.33	+76%
Diluted earnings per share in €, adjusted[2) 4)]	*0.61*	*0.66*	*-8%*

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).
2) The deduction of such effects which have an impact on the presentation of STADA's earnings situation and the derived key figures aims at improving the comparability of key figures with previous years. To achieve this, STADA uses adjusted key figures, which, as so called pro forma figures, are not governed by the accounting requirements in accordance with IFRS. As other companies may not calculate the pro forma figures presented by STADA in the same way, STADA's pro forma figures are only comparable with similarly designated disclosures by other companies to a limited extent.
3) Within the context of this interim report, adjustments in connection with the operating profit, EBITDA and EBIT, generally relate to one-time special effects.
4) Within the context of this interim report, adjustments in connection with EBT, net income, earnings per share and diluted earnings per share generally relate to one-time special effects and non-operational effects from the measurement of derivative financial instruments.
5) This average number includes initial consolidations on a pro-rata basis.

CONSOLIDATED INTERIM MANAGEMENT REPORT

Overview

In the first quarter of 2013, the STADA Group recorded a positive business development in line with the expectations of the Executive Board. Group sales went up by 8% to € 477.0 million (1-3/2012: € 443.4 million) in the reporting period. Reported earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 25% to € 96.9 million (1-3/2012[1)]: € 77.2 million). Reported net income recorded a plus of 80% to € 34.9 million (1-3/2012[1)]: € 19.4 million). Adjusted EBITDA recorded growth of 7% to € 98.5 million (1-3/2012[1)]: € 92.3 million). Adjusted net income decreased by 7% to € 36.7 million (1-3/2012[1)]: € 39.3 million).

In the Executive Board's assessment, STADA achieved good results with this development in the first three months of the current financial year and confirmed the market expectations.

The STADA Group's financial position remained stable in the reporting period. Net debt was at € 1,170.2 million as of March 31, 2013 (December 31, 2012: € 1,177.3 million). 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[1)]: 3.3) and was thus, due to temporary results of reporting date effects, below the value of December 31, 2012 in the amount of 3.2. Nevertheless, since this value could again go over 3 in the short-term over the course of financial year 2013 once the reporting date effects have ceased to exist, the Executive Board continues to strive to return this key figure to the level of 3 by the end of 2013.

For the outlook, the Executive Board, from today's perspective, still expects further growth in Group sales for financial years 2013 and 2014. Thereby, the Executive Board expects that sales growth can be achieved in both core segments in 2013 and 2014. In this context, the Branded Products core segment is expected to grow at a disproportionate rate, so that the share of branded products in Group sales will continue to grow. The Executive Board continues to anticipate the opportunity for further growth in adjusted EBITDA in the Group in the high single-digit percentage range in financial years 2013 and 2014, thereby achieving a new record value. In addition, the Executive Board expects an increase in adjusted EBITDA in both core segments in 2013 and 2014. Furthermore, the Executive Board affirms the long-term prognosis envisaged for 2014[2)], according to which Group sales of approx. € 2.15 billion, at an adjusted level, EBITDA of approx. € 430 million and net income of approx. € 215 million should be reached at minimum.

Sales development of the STADA Group

Group sales rose in the first quarter of 2013 – with varying development in the individual market regions – by 8% to € 477.0 million (1-3/2012: € 443.4 million).

When effects on sales based on changes in the Group portfolio and currency effects are deducted, Group sales increased by 4% to € 460.0 million in the first three months of the current financial year.

In detail, the effects on sales were as follows:

- Portfolio changes[3)] had a total share of € 18.7 million or 4.2 percentage points of the sales increase in the reporting period.
- As a result of applying foreign exchange rates from the first quarter of 2013 compared with those of the first quarter of 2012 for the translation of local sales contributions into the Group currency euro, STADA recorded a negative currency effect in the amount of € 3.5 million or 0.7 percentage points.

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).
2) See the Company's ad hoc releases of June 7, 2010, March 1, 2012 and February 28, 2013.

3) Sales of a branded product portfolio in Central Europe since February 1, 2012, sales of the French company LERO since February 1, 2012, sale of the Engineering companies as of March 30, 2012, sales of Ingavirin® for Ukraine since April 1, 2012, Sales of the branded product Tranexam® for Russia since May 2012, sales of a package of five branded products for Ukraine with a focus on the gynecology area of indication since September 2012, sales of the wholesale business of the Swiss subsidiary Spirig HealthCare since March 1, 2013, sales of a branded product portfolio of the Italian subsidiary Crinos disposed of in July 2012, as well as sales of the Vietnamese subsidiary Pymepharco due to full consolidation since January 1, 2013.

To the extent that adjusted sales figures are reported in the following, this refers to sales adjusted for portfolio effects and currency fluctuations in each case.

With a view to the reported sales development in the individual market regions in the reporting period, the Executive Board expects, from today's perspective, further growth in Group sales for financial years 2013 and 2014. Thereby, the Executive Board expects that sales growth can be achieved in both core segments in 2013 and 2014. In this context, the Branded Products core segment is expected to grow at a disproportionate rate, so that the share of branded products in Group sales will continue to grow.

Earnings development of the STADA Group

Earnings development in the first quarter of 2013 was characterized by an increase in operating performance as shown by growth in all of the Group's reported key earnings figures. When looking at the development of the adjusted key earnings figures in the reporting period, it should be taken into positive consideration that the corresponding quarter of the previous year stood at a very high level.

Reported operating profit increased by 54% to € 71.0 million in the first three months of the current financial year (1-3/2012[1)]: € 46.2 million). **Reported EBITDA** recorded a plus of 25% to € 96.9 million (1-3/2012[1)]: € 77.2 million). **Reported net income** recorded growth of 80% to € 34.9 million (1-3/2012[1)]: € 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** recorded a plus of 8% in the first quarter of 2013 to € 73.0 million (1-3/2012[1)]: € 67.9 million). **Adjusted EBITDA** increased by 7% to € 98.5 million (1-3/2012[1)]: € 92.3 million). **Adjusted net income** decreased by 7% to € 36.7 million (1-3/2012[1)]: € 39.3 million).

One-time special effects amounted to a net burden on earnings of € 1.9 million before or € 1.5 million after taxes in the first quarter of 2013 (first quarter of 2012: net burden on earnings in the amount of € 21.6 million before or € 20.0 million after taxes). In detail, the one-time special effects were as follows:

- a burden in the amount of € 0.7 million before or € 0.5 million after taxes for expenses in connection with the implementation of the Group-wide cost efficiency program "STADA – build the future" including consulting services and related follow-up projects
- a burden in the amount of € 0.6 million before or € 0.5 million after taxes for unscheduled personnel expenses due to personnel changes in the STADA Group
- a burden in the amount of € 0.3 million before or € 0.3 million after taxes for value adjustments netted of write-ups on intangible assets after impairment tests
- a burden in the amount of € 0.3 million before or € 0.2 million after taxes for the integration of a branded product portfolio in Central and Eastern Europe as well as in the Middle East and the conversion of the distribution model as well as the IT system of the Swiss sales company Spirig HealthCare AG

Non-operational effects from the measurement of derivative financial instruments amounted to a net burden on earnings in the amount of € 0.5 million before or € 0.3 million after taxes in the first three months of 2013 (first quarter of 2012: net relief on earnings due to non-operational effects from the measurement of derivative financial instruments in the amount of € 0.1 million before or € 0.1 million after taxes).

With a view to the currency effects in the first quarter of 2013, an even development was observable in translation of sales and earnings in the most important national currencies for STADA of the Russian ruble, Serbian dinar and the pound sterling. All three currencies were weaker in the first three months of 2013 than in the corresponding prior-year period. The Swiss franc, an important currency for the

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

STADA Group yet less so than the three aforementioned currencies, also developed weaker as compared to the euro. The currency relationships in other countries relevant for STADA only had a small influence on the translation of sales in local currencies into the Group currency euro.

In the charts below, further essential key earnings figures of the STADA Group as well as the resulting margins are presented both as reported figures as well as adjusted for aforementioned one-time special effects and non-operational effects from the measurement of derivative financial instruments for the first quarter of 2013 with the corresponding period of the previous year to allow for comparison.

Development of the STADA Group's reported key earnings figures

in € million	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1]	± %	Margin[2] 3 months 2013 Jan. 1 – Mar. 31	Margin[2] 3 months 2012 Jan. 1 – Mar. 31[1]
Operating profit	71.0	46.2	+54%	14.9%	10.4%
• Operating segment result Generics	44.2	32.1	+38%	14.5%	10.7%
• Operating segment result Branded Products	43.1	28.7	+50%	26.4%	21.3%
EBITDA[3]	96.9	77.2	+25%	20.3%	17.4%
EBIT[4]	70.9	47.3	+50%	14.9%	10.7%
EBT[5]	55.6	31.9	+74%	11.7%	7.2%
Net income	34.9	19.4	+80%	7.3%	4.4%
Earnings per share in €	0.59	0.33	+79%		
Diluted earnings per share in €	0.58	0.33	+76%		

Development of the STADA Group's adjusted[6] key earnings figures

in € million	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1]	± %	Margin[2] 3 months 2013 Jan. 1 – Mar. 31	Margin[2] 3 months 2012 Jan. 1 – Mar. 31[1]
Operating profit, adjusted	73.0	67.9	+8%	15.3%	15.3%
• Operating segment result Generics, adjusted	44.4	49.1	-9%	14.5%	16.4%
• Operating segment result Branded Products, adjusted	43.4	28.7	+51%	26.6%	21.3%
EBITDA[3], adjusted	98.5	92.3	+7%	20.7%	20.8%
• EBITDA Generics, adjusted	55.8	59.6	-6%	18.2%	19.9%
• EBITDA Branded Products, adjusted	55.1	40.2	+37%	33.8%	29.7%
EBIT[4], adjusted	72.9	68.9	+6%	15.3%	15.5%
EBT[5], adjusted	58.1	53.5	+9%	12.2%	12.1%
Net income, adjusted	36.7	39.3	-7%	7.7%	8.9%
Earnings per share in €, adjusted	0.62	0.67	-7%		
Diluted earnings per share in €, adjusted	0.61	0.66	-8%		

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).
2) Related to relevant Group sales.
3) Earnings before interest, taxes, depreciation and amortization.
4) Earnings before interest and taxes.
5) Earnings before taxes.
6) Adjusted for one-time special effects and non-operational effects from the measurement of derivative financial instruments.

In the context of the outlook for the key earnings figures, the Executive Board continues to anticipate the opportunity for further growth in adjusted EBITDA in the Group in the high single-digit percentage range in financial years 2013 and 2014, thereby achieving a new record value. In addition, the Executive Board expects an increase in adjusted EBITDA in both core segments in 2013 and 2014.

"STADA – build the future"

In the reporting period, the Group continued to implement the outstanding measures of the Group-wide cost efficiency program "STADA – build the future", which aims at strengthening the mid and long-term earnings potential.

In the course of the disposal of the two Russian production facilities in financial year 2012, the purchaser assumed the contractual obligation for a further up to approx. 212 full-time positions, which initially remained with local STADA subsidiaries at the locations of both sold production sites in order to secure the ongoing production and product transfers. This ensured that each affected person would be offered employment at previous conditions when laid off by the local STADA subsidiaries after completion of the transfers at the latest. In the first quarter of 2013, a further approx. 195 of these approx. 212 full-time positions had already been transferred to the buyer. For the outstanding personnel reduction, STADA expected in 2012 additional possible one-time burdens of an amount up to € 2 million; following the further personnel reduction that took place in the first quarter of 2013, additional one-time burdens of just up to € 0.2 million are now expected. However, STADA anticipates in this connection a total amount of € 0.1 million from today's perspective.

Considering that the operational implementation of "STADA – build the future" is already nearly complete, the Executive Board introduced a preliminary evaluation of a potential follow-up program "STADA – build the future II" as announced at the end of 2012. To that end, external consultants were called on in the first quarter of 2013.

Development of segments

Sales of the two **core segments** Generics and Branded Products increased in the reporting period by a total of 8%, so that their share in Group sales amounted to 98.3% (1-3/2012: 98.0%). Adjusted for portfolio effects and currency influences, sales of the two core segments increased by 5% in the first three months of 2013.

Sales of the core segment **Generics** grew by 2% to € 305.7 million in the reporting period (1-3/2012: € 299.3 million). Generics thus contributed 64.1% to Group sales in the first quarter of 2013 (1-3/2012: 67.5%). Adjusted, Generics sales in the Group increased by 1%.

The core segment **Branded Products** recorded sales growth of 21% to € 163.1 million in the first three months of the current financial year (1-3/2012: € 135.2 million). Branded Products thus contributed 34.2% to Group sales in the reporting period (1-3/2012: 30.5%). Adjusted sales of Branded Products in the Group recorded a plus of 13%.

In the **Commercial Business** segment, which is not part of the core segments, sales increased to € 8.0 million in the reporting period (1-3/2012: € 4.9 million). This development is based for the most part on the acquisition of the pharmaceutical wholesale and commercial business in Switzerland that has been consolidated since March 1, 2013. Sales reported under the position **Group holding/Other** decreased to € 0.1 million in the first three months of 2013 (1-3/2012: € 4.0 million). This reduction was particularly due to reduced sales with a Dutch contract manufacturer and changes to the local supply chain.

The development of the **operating segment earnings** and the resulting **operating segment margins** based on the respective segment sales can be seen in the above charts "Development of the STADA Group's reported key earnings figures" and "Development of the STADA Group's adjusted key earnings figures".

Development of the market regions

The following describes the business development of STADA's four market regions Germany, Central Europe, CIS / Eastern Europe and Asia & Pacific. The development of the most important countries according to sales within these market regions is also described.

Market Region Germany

In the **market region Germany**, sales in the first quarter of 2013 were approximately at the same level of the corresponding quarter of the previous year with € 126.0 million (1-3/2012: € 127.4 million). This market region contributed 26.5% to Group sales (1-3/2012: 28.7%). Of the sales generated in the market region Germany, € 7.7 million (1-3/2012: € 6.6 million) were achieved with export sales. Adjusted sales in this market region decreased by 1%.

Sales generated in **Germany** (i.e. sales excluding export sales in the market region Germany[1)] and excluding sales of other market regions in Germany) decreased by 2% to € 118.3 million in the reporting period (1-3/2012: € 120.7 million).

This sales decrease experienced in the German market overall was attributable to the unchanged difficult local framework conditions for generics characterized by the intensive competition in tenders for discount agreements from public health insurance organizations. In light of this, sales of the German generics segment declined according to expectations – notwithstanding the partially high volume discount agreements concluded in 2012 – in the first three months of 2013 by 7% to € 80.0 million (1-3/2012: € 86.2 million). Sales generated in Germany with generics in the first quarter of the current financial year amounted to 68% (1-3/2012: 71%) of the total sales achieved in the German market. The market share of generics sold in German pharmacies by volume was at the level of 2012 in the reporting period with approx. 13.3%[2)] (1-3/2012: approx. 13.3%[2)]). The Group's overall primary objective of appropriate operating profitability in the German generics market led to a decrease in sales in the reporting period for the Generics segment in Germany without, however, negatively affecting the position of the STADA Group as the clear number 3.[2)]

This development in Germany in the first quarter of 2013 was still primarily based on the results achieved by German sales companies in the generics market with numerous tenders for discount agreements through statutory health insurance organizations. In the view of the Executive Board, the various German sales companies achieved very good results. These included, among others, the tenth[3)] and eleventh[4)] tender round of the AOK, the fourth[3)] of Barmer GEK and the eighth[3)] of Techniker Krankenkasse. The German sales companies will continue in the future to participate on an ongoing basis in the numerous tenders for discount agreements by statutory health insurance organizations using various bid strategies characterized by margin and market share aspects and consequently also with a large variation in terms of award results.

Generics sales generated in the German market were achieved via various sales companies. Sales of the largest German sales company ALIUD PHARMA GmbH in Laichingen decreased in the reporting period by 10% to € 43.4 million (1-3/2012: € 48.1 million). Sales achieved in the first three months of 2013 by the German generics sales company STADApharm GmbH, Bad Vilbel, decreased as compared to the corresponding period of the previous year to € 27.4 million (1-3/2012: € 30.1 million). Sales of the generics sales company cell pharm Gesellschaft für pharmazeutische und diagnostische Präparate mbH, Bad Vilbel, a special supplier for the indication areas oncology and nephrology, increased significantly in the first quarter of the current financial year by 18% to € 9.0 million (1-3/2012: € 7.6 million).

1) As of January 1, 2013, the local business activities of Croatia and Slovenia were allocated to the market region Germany due to the corresponding management responsibility.
2) Data from IMS Health on pharmacy sales to customers (source: IMS/Pharmascope national).
3) See the Company's corporate news of January 25, 2013.
4) See the Company's corporate news of February 5, 2013.

Sales generated with branded products in Germany – primarily under the local sales labels STADA GmbH and Hemopharm GmbH Pharmazeutisches Unternehmen – recorded significant growth of 11% in the reporting period to € 38.2 million (1-3/2012: € 34.3 million).

Sales achieved in the German market with branded products in the first quarter of 2013 amounted to 32% (1-3/2012: 29%) of total sales achieved in Germany.

For financial year 2013, the Executive Board continues to expect sales in the market region Germany to be approximately at the same level as the previous year. Operating profitability is expected to be slightly below the Group average.

Market region Central Europe

In the **market region Central Europe**, sales in the reporting quarter decreased by 4% to € 199.1 million (1-3/2012: € 208.2 million). Sales generated in this market region thus had a share of 41.7% of Group sales (1-3/2012: 47.0%). Of the sales generated by the market region Central Europe, € 4.5 million was attributable to export sales (1-3/2012: € 3.7 million). Adjusted Group sales in this market region decreased by 5%.

For financial year 2013, the Executive Board nevertheless expects an increase in sales with operating profitability at Group average for the market region Central Europe.

Sales of the market region Central Europe were characterized by opposing developments in the individual markets. The development of the five largest markets according to sales within this market region is described in detail below.

In **Italy**, sales in the first quarter of 2013 increased by 4% to € 42.5 million (1-3/2012: € 41.0 million) whereby the two segments of Generics and Branded Products showed opposing developments.

Sales generated in the Italian market with generics increased by 18% to € 37.1 million (1-3/2012: € 31.4 million), primarily due to regulatory measures introduced in the course of financial year 2012 to advance generics. Thereby, Generics contributed 87% (1-3/2012: 77%) to local sales.

Sales recorded in Italy with branded products declined as expected by 43% to € 5.4 million (1-3/2012: € 9.6 million). The decline was, among other things, based on the disposal of a portfolio in the third quarter of 2012, the products of which are being gradually transferred to the acquirer. Branded products thereby had a 13% share of STADA's Italian sales (1-3/2012: 23%).

In **Belgium**, sales decreased by 13% to € 34.9 million in the reporting period (1-3/2012: € 39.9 million). The decrease was primarily attributable to the changes to regulatory framework conditions which went into effect in the second quarter of 2012 and resulted in a substantial increase in price competition.

Sales generated by generics in the Belgian market declined by 13% to € 33.1 million (1-3/2012: € 38.1 million). Generics thus contributed 95% (1-3/2012: 96%) to local sales.

Sales achieved in Belgium with branded products were at the same level of the previous year with € 1.7 million (1-3/2012: € 1.7 million). Branded products thus contributed 5% (1-3/2012: 4%) to sales in Belgium.

In **Spain**, sales decreased by 24% to € 27.4 million in the first three months of 2013 (1-3/2012: € 35.9 million).

Sales generated with generics in the Spanish market declined by 26% to € 24.1 million (1-3/2012: € 32.6 million). In addition to the termination of the hospital business in 2012 and increasingly intense price competition, this development was attributable to changes in various regulatory framework conditions carried out in the third quarter of 2012. Generics contributed in total 88% (1-3/2012: 91%) to local sales.

Sales of branded products in Spain, however, were at the same level as the previous year with € 3.3 million (1-3/2012: € 3.3 million). Branded products thereby had a 12% share of STADA's Spanish sales (1-3/2012: 9%).

In **France**, sales rose by 17% to € 22.2 million in the reporting quarter (1-3/2012: € 19.0 million).

Despite a high level of price competition, sales of generics in France increased by 16% to € 19.5 million (1-3/2012: € 16.9 million) as a result of favorable regulatory framework conditions for generics that went into effect in the second half of 2012. Generics thereby contributed 88% (1-3/2012: 89%) to local sales.

Sales recorded with branded products in the French market showed a significant plus of 27% to € 2.7 million (1-3/2012: € 2.1 million). This positive development was primarily attributable to the purchase of the French company LERO carried out in the first quarter of 2012. Overall, branded products had a share in sales of 12% in France (1-3/2012: 11%).

In the **United Kingdom**, applying the exchange rates of the previous year, sales were at the same level as the corresponding quarter of the previous year at € 13.2 million in the first three months of the current financial year (1-3/2012: € 13.2 million). In euro, sales decreased by 2% to € 12.9 million due to a slightly negative currency effect of the pound sterling (1-3/2012: € 13.2 million). On the whole, the very positive development of the two branded products ApoGo®[1] and Cetraben®[2] were not able to compensate for the difficult market environment for generics.

Sales with branded products decreased by 2% to € 10.7 million (1-3/2012: € 11.0 million). Branded products thus contributed 83% (1-3/2012: 83%) to sales in the United Kingdom. Sales of generics, where STADA is a niche provider of selected generics in the United Kingdom with only a few active pharmaceutical ingredients, was approximately at the same level as the corresponding quarter of the previous year – amidst growing competition – with € 2.1 million (1-3/2012: € 2.2 million). Generics thus contributed 17% to local sales (1-3/2012: 17%).

Market region CIS / Eastern Europe

In the **market region CIS / Eastern Europe**[3], sales in the first quarter of 2013 rose significantly by 33% to € 135.7 million (1-3/2012: € 101.7 million). Sales generated in this market region thus had a share of 28.4% in Group sales (1-3/2012: 22.9%). Of the sales generated by the market region CIS / Eastern Europe, € 1.7 million was attributable to export sales (1-3/2012: € 2.1 million). Adjusted Group sales in this market region increased by 31%.

For financial year 2013, the Executive Board anticipates significant growth in sales in the market region CIS / Eastern Europe. Operating profitability is expected to be above Group average.

The development of the two largest markets according to sales within this market region, Russia and Serbia, is described in detail below.

1) Active ingredient apomorphine for the treatment of Parkinson's disease.
2) Treatment series for the treatment of skin eczema and dry skin.
3) So-called CEE countries (Central and Eastern Europe) including Russia.

Russia recorded a clear sales increase in the first three months of 2013 of 42% applying the exchange rates of the previous year. In euro, sales grew by 39% to € 89.9 million (1-3/2012: € 64.8 million) due to a negative currency effect of the Russian ruble.

Generics recorded substantial sales growth of 29% to € 36.2 million in the Russian market (1-3/2012: € 28.0 million), so that their share in sales achieved in Russia amounted to 40% (1-3/2012: 43%).

Sales of branded products rose significantly by 48% to € 53.7 million (1-3/2012: € 36.3 million) and thus to 60% of Russian sales (1-3/2012: 56%).

In **Serbia**, sales achieved in the first quarter of 2013 rose significantly by 24% applying the exchange rates of the previous year. In euro, sales increased by 22% to € 20.1 million with a negative currency effect of the Serbian dinar (1-3/2012: € 16.5 million). Following the conversion of the local distribution model for improved controlling of cash flows carried out in the fourth quarter of 2011 and a correlated, expected sales decrease in 2012, sales achieved in Serbia in the first quarter of 2013 – independent of the low comparable basis of the corresponding period of the previous quarter – were attributable to increasing demand.

Reported sales generated by generics in the Serbian market increased by 42% to € 17.1 million (1-3/2012: € 12.1 million). Generics thus contributed 85% (1-3/2012: 73%) to Serbian sales.

Sales of branded products in Serbia rose by 28% to € 3.1 million (1-3/2012: € 2.4 million). Branded products thereby contributed a share of 15% (1-3/2012: 15%) to sales in the Serbian market.

STADA still assumes that its own operating business in Serbia is fundamentally stable and that it offers further growth opportunities. In addition to the development of the liquidity situation of the wholesalers and distribution partners in the Serbian market, sales and earnings contributions in Serbia will continue to be significantly dependent on the currency relationship of the Serbian dinar to the euro in the future.

Market region Asia & Pacific

In the **market region Asia & Pacific**, sales in the first quarter of 2013 increased significantly by 165% to € 16.2 million (1-3/2012: € 6.1 million). Sales of the market region thus contributed 3.4% to Group sales (1-3/2012: 1.4%). The growth in the market region Asia & Pacific is primarily a result of the sales increase in Vietnam following the consolidation of Pymepharco Joint Stock Company as a subsidiary since January 1, 2013 (see "Acquisitions and disposals"). Nevertheless, adjusted sales in the market region increased by 9%.

For financial year 2013, the Executive Board still expects another sales increase in the market region Asia & Pacific with operating profitability above Group average.

Development, production and procurement

Research and development costs amounted to € 13.2 million in the first three months of the current financial year (1-3/2012: € 13.1 million). Since STADA does not carry out any research into new active pharmaceutical ingredients due to its business model, it is only a matter of development costs. In addition, the Group capitalized development costs for new products in the amount of € 3.1 million in the reporting period (1-3/2012: € 3.3 million).

Overall, STADA launched 145 individual products worldwide in the first quarter of 2013 (1-3/2012: 181 product launches) in individual national markets.

In view of the product pipeline, which remains well filled, the Executive Board expects to be able to continuously launch new products in the individual national markets of the respective market regions, with a focus on generics in European countries, in the future as well.

In the course of the restructuring of the Russian production units in financial year 2012 according to "STADA – build the future" and therefore the connected disposal of the two Russian production facilities, the purchaser assumed the contractual obligation for a further up to approx. 212 full-time positions, which initially remained with local STADA subsidiaries at the locations of both sold production sites in order to secure the ongoing production and product transfers. This ensured that each affected person would be offered employment at previous conditions when laid off by the local STADA subsidiaries after completion of the transfers at the latest. In the first quarter of 2013, a further approx. 195 of these approx. 212 full-time positions had already been transferred to the buyer. For the outstanding personnel reduction, STADA expected in 2012 additional possible one-time burdens of an amount up to € 2 million; following the further personnel reduction that took place in the first quarter of 2013 additional one-time burdens of just up to € 0.2 million are now expected. However, STADA anticipates in this connection a total amount of € 0.1 million from today's perspective.

As a result of the control of the Vietnamese subsidiary Pymepharco achieved on January 1, 2013, the number of Group production sites increased in the first quarter of 2013 by one production site in Tuy Hoa. 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 received in the first quarter of 2013 for a section of this facility, the technical potential of this production facility makes gradual Group integration seem fundamentally possible.

As a general rule, STADA makes appropriate investments to ensure that all Group-owned production facilities are maintained at the level required by legal stipulations and technical production considerations. For the expansion and renewal of production sites and facilities, the Group invested a total of € 2.1 million in the reporting period (1-3/2012: € 2.0 million).

As a result of new EU regulations, as of July 2, 2013 increased documentation and information requirements will be placed on pre-suppliers of pharmaceutical ingredients, in particular also from non EU countries, which require greater involvement of national and/or local authorities in the third countries. Meanwhile in the third countries, there is in fact the overall willingness to act in accordance to the new EU regulations; however, it remains questionable as to whether the corresponding necessary national activities of third countries everywhere will be implemented to a sufficient extent by the effective date of the guideline of July 2, 2013. The Group nevertheless assumes, from today's perspective, that as a result of measures introduced by STADA as well as ongoing efforts from the entire industry at both the EU and national level, no significant delivery bottlenecks for active ingredient procurement will arise for the STADA Group as a result of the new regulations, even if individual delivery bottlenecks and an increased procurement expenditure cannot yet be ruled out from today's perspective.

Financial position and cash flow

The financial position of the STADA Group remains stable. As of the reporting date March 31, 2013, the **equity-to-assets ratio** was 31.7% (December 31, 2012[1)]: 30.6%) and thereby satisfactory in the opinion of the Executive Board.

Net debt was at € 1,170.2 million as of March 31, 2013 (December 31, 2012: € 1,177.3 million). 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[1)]: 3.3) and was thus, due to temporary results of reporting date effects, below the value of December 31, 2012 in the amount of 3.2. Nevertheless, since this value could again go over 3 in the short-term in the course of financial year 2013 once the reporting date effects have ceased to exist, the Executive Board continues to strive to return this key figure to the level of 3 by the end of 2013.

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

In addition to a five-year corporate bond that was placed in 2010 in the amount of € 350 million with an interest rate of 4.00% p.a., there were as of March 31, 2013 long-term promissory notes with maturities in the area of 2013–2017 in the total amount of € 765.0 million for the long-term refinancing of the Group. In consideration that promissory notes in the total amount of € 189.5 million reach maturity in the second half of the current financial year, STADA is currently evaluating various refinancing possibilities.

As of March 31, 2013, **intangible assets** included € 473.0 million goodwill (December 31, 2012: € 455.8 million) including the additions from the preliminary purchase price allocations. Furthermore, there were additions to the other intangible assets from business combinations – not considering amortization in the reporting period – in the amount of € 29.6 million, which corresponds to the fair values determined in the context of the preliminary purchase price allocations.

Investments in associates decreased by € 26.8 million to € 8.1 million (December 31, 2012: € 34.9 million) primarily due to the control achieved as of January 1, 2013 of the subsidiary Pymepharco Joint Stock Company, which was previously included in the consolidated financial statements as an associated company and has been consolidated as a subsidiary as of 2013.

The increase of **inventories** to € 494.1 million (December 31, 2012: € 475.3 million) was also predominantly a result of the consolidation of the subsidiary Pymepharco Joint Stock Company since January 1, 2013.

Trade accounts receivable increased by € 25.7 million to € 517.8 million (December 31, 2012: € 492.1 million). This was also primarily attributable to the consolidation of the subsidiary Pymepharco Joint Stock Company since January 1, 2013.

The increase in **trade accounts payable** to € 302.3 million (December 31, 2012: € 269.0 million) was primarily a result of temporary results of reporting date effects.

Cash flow from operating activities – which consists of changes in items not covered by investment activities, financing activities or by changes in cash and cash equivalents due to the scope of consolidation or exchange rates – amounted to € 42.6 million (1-3/2012: € 46.1 million) in the first three months of 2013. The decrease of € 3.5 million compared to the corresponding period of the previous year was primarily due to the cash-effective increase of trade accounts receivable as well as the cash-effective decrease of other financial liabilities within the change of other working capital. In opposition, the other non-cash expenses and earnings increased as compared to the corresponding period of the previous year. However, this only partially compensated for the decrease in cash flow from operating activities.

Cash flow from investing activities – which reflects the cash outflows for investments reduced by the inflows from disposals – amounted to € -19.1 million (1-3/2012: € -357.2 million) in the period under review. Cash flow from investment activities was particularly influenced in the first quarter of 2013 by payments for investments in intangible assets, whereas it was primarily characterized by payments for investments in business combinations according to IFRS 3 in the corresponding quarter of the previous year.

Free cash flow in the reporting period amounted to € 23.5 million (1-3/2012: € -311.1 million). **Free cash flow adjusted** for payments for significant acquisitions and proceeds from significant disposals amounted to € 28.9 million in the first three months of 2013 (1-3/2012: € 30.4 million).

Cash flow from financing activities amounted to € -28.6 million in the first quarter of the current financial year, while cash flow from financing activities in the amount of € 98.3 million was recorded in the corresponding period in the previous year. This decrease was primarily a result of reduced acceptance and increased repayment of financial liabilities as compared to the corresponding period of the previous year.

Net cash flow for the period is the balance of cash inflows and outflows from operating cash flow, cash flow from investing and financing activities as well as from changes in cash and cash equivalents due to Group composition and exchange rates and amounted to € -6.1 million in the first quarter of 2013 (previous year: € -214.8 million).

Result from associated companies

Earnings from associated companies reported in the period under review in the amount of € -0.1 million (1-3/2012: € 0.2 million) relate to the company BIOCEUTICALS Arzneimittel AG, which is accounted for using the equity method, and both French companies Pharm Ortho Pedic SAS and AELIA SAS.

Acquisitions and disposals

With a view to the continued concentration processes in the industry, the Executive Board still intends to complement the Group's organic growth with additional external growth impulses. Further progress was made in these efforts in the first quarter of 2013. The main focus in the context of STADA's active acquisition policy is generally on the regional expansion of business activities with concentration on high-growth emerging markets, as well as on the expansion and internationalization of the core segments, in particular Branded Products, which is generally characterized by better margins and less regulatory intervention than in generics.

Despite the active approach to acquisition, in the Group strict benchmarks are still applied which are geared towards the profitability and appropriateness of the purchase price. For larger acquisitions or cooperations with capital investments, appropriate capital measures are generally imaginable if the burden on the equity-to-assets ratio from such acquisitions or cooperations is too high.

STADA has controlled the Vietnamese pharmaceutical company Pymepharco Joint Stock Company since January 1, 2013. Its business activities focus on the production and sale of pharmaceutical products as well as import activities for the Vietnamese health and pharmaceutical market via additional indirect investments and legal arrangements. Accordingly, Pymepharco, which was previously treated as an associated company, has been consolidated in the STADA Group as a subsidiary since January 1, 2013 adjusting for minority interests. STADA therefore intends to benefit even more from the local growth opportunities in the future.

STADA concluded a contract with Spirig HealthCare AG in the third quarter of 2012 for the acquisition of the pharmaceutical wholesale and commercial business of Spirig Pharma AG. The acquisition was completed in the first quarter of 2013.

Establishment of a logistics and distribution center in Dubai

In the first quarter of 2013, STADA announced it would establish a logistics and distribution center for the Middle East and North Africa (MENA region) in Dubai within the current financial year in order to supply all countries of this region where the Group is active using the central supply hub in the future.[1)] In the context of implementing the project, STADA plans to found a subsidiary in Dubai and to build up the new sales organization in cooperation with a local partner in the third and fourth quarters of 2013. On the one hand, the initiative takes account of the increased STADA sales in the MENA region and, on the other hand, more efficiently positions the sales activities of the respective countries which were previously locally organized.

STADA share

In the first quarter of 2013, the STADA share recorded a very positive development. Whereas the STADA share price closed at € 24.41 at the end of 2012, it amounted to € 31.94 at the end of the first quarter of 2013 and thus rose by nearly 31%. At the end of the first three months of 2013, STADA's market capitalization amounted to € 1.895 billion. At the end of 2012, this figure was € 1.448 billion.

1) See the Company's corporate news of March 21, 2013.

As of March 31, 2013, the subscribed share capital of STADA Arzneimittel AG amounted to € 154,266,476.00 (December 31, 2012: € 154,263,876.00) consisting of 59,333,260 registered shares with restricted transferability[1], each with an arithmetical share in share capital of € 2.60 (December 31, 2012: 59,332,260 registered shares). Changes in the first quarter of 2013 resulted from the exercising of 50 warrants 2000/2015[2]. As of March 31, 2013, 152,848 warrants 2000/2015 for the subscription of 3,056,960 STADA registered shares were thus still outstanding.

STADA assumes, as of March 31, 2013, in accordance with the announcements on exceeding or falling below reporting thresholds available to the Company according to Section 21 (1) of the German Securities Trading Act (WpHG) that Gryphon International Investment Corporation[3], Toronto/Ontario, Canada, with 3.20%, holds a stake that exceeds the legal reporting threshold of 3%. Of the shareholding of Gryphon International Investment Corporation, 3.15% is attributable to Gryphon International Investment Corporation, Toronto/Ontario, Canada, and 0.05% to Gryphon Investment Counsel Inc., Toronto/Ontario, Canada. SOCIETE GENERALE SA[4], Paris, France, reported, according to reports made to the Company as of March 31, 2013, pursuant to Section 25a (1) of the German Securities Trading Act (WpHG) that they held a share in voting rights requiring notification of 11.35% in relation to the entire amount of shares with voting rights of STADA Arzneimittel AG of 59,332,260. Thereby, SOCIETE GENERALE SA directly holds 0.07% of shares and has the option to purchase, via financial or other instruments according to section 25a of the German Securities Trading Act, a 11.10% shareholding in STADA Arzneimittel AG (thereby indirectly 5.56% via SOCIETE GENERALE EFFEKTEN GMBH), as well as the option to purchase a 0.18% shareholding in STADA Arzneimittel AG via financial or other instruments according to section 25 of the German Securities Trading Act. Furthermore, STADA assumes, as of March 31, 2013, in accordance with the announcements on exceeding or falling below reporting thresholds available to the Company according to Section 25a (1) of the German Securities Trading Act (WpHG) that SOCIETE GENERALE EFFEKTEN GMBH[4], Frankfurt, Germany, has the option to purchase, via financial or other instruments according to section 25a of the German Securities Trading Act, a 5.56% shareholding in STADA Arzneimittel AG. In accordance with Deutsche Börse AG regulations, the free float of STADA Arzneimittel AG thus remains 100%.

The Executive Board and the Supervisory Board propose a dividend for financial year 2012 in the amount of € 0.50 per common share to the next Annual General Meeting on June 5, 2013.[5] This corresponds to a significant dividend increase of 35.1% as compared to € 0.37 per common share in the previous year. The total dividend payments amount to € 29.6 million (previous year: € 21.8 million). The distribution ratio amounts to approx. 34% of reported net income (previous year: approx. 99%). With this proposed resolution, STADA aims to give shareholders a share in the increased reported net income without placing too great a restriction on the Group's financial flexibility for further growth or jeopardizing the mid-term goal of further decreasing net debt.

The agenda of this year's Annual General Meeting includes, among other things, the resolution on the creation of a new authorized capital, a new authorization to issue bonds with warrants and/or convertible bonds, participation rights and/or participating bonds as well as a new conditional capital and a new authorization to acquire treasury shares and their utilization.[6] A further item on the agenda addresses the new election of the STADA Supervisory Board.

Report on expected developments and associated material opportunities and risks

The Executive Board confirms the fundamental outlook and the opportunities and risk report published for the Group in the Management Report of STADA's Annual Report 2012 on page 112 ff. Together with the supplements and updates, especially with reference to the current financial year, listed in this interim report, it gives, in the view of the Executive Board, an up-to-date overall picture of the opportunities and risks for the STADA Group.

STADA's business model is therefore geared towards markets with long-term growth potential and growth opportunities in the health care and pharmaceutical market. Linked to this, however, are also inseparable risks and challenges resulting in particular from changed or

1) Under the Company's Articles of Association, STADA's registered shares with restricted transferability can only be transferred in the share register with the consent of the Company and, pursuant to the statutes, grant one vote each in the Annual General Meeting. Shareholders are only those who are registered as such in the share registry and only such persons are authorized to participate in the Annual General Meeting and to exercise voting rights. No shareholder and no shareholder group shall have any special rights.
2) The legally binding option terms and conditions are published on the Company website under www.stada.de and www.stada.com.
3) See the Company's disclosure of January 14, 2011.
4) See the Company's disclosure of January 29, 2013.
5) See the Company's ad hoc release of February 28, 2013.
6) See the Invitation to the 2013 Annual General Meeting on the Company's website at www.stada.de or www.stada.com.

additional state regulation and intensive competition. In view of this, in the Executive Board's assessment, far-reaching regulatory interventions, a high level of competition, default risks and significant margin pressure can continue to occur in individual markets of the respective market regions in the future. The latter applies primarily to the increasing volume of business activities in the Generics core segment characterized by tenders.

In addition, STADA will continue to have to deal with non-operational influence factors. The most important currency relations for the Group, in particular of the Serbian dinar and the Russian ruble to the euro, will thus also affect the Group's future development in financial years 2013 and 2014. Furthermore, STADA will have to deal with the effects of the ongoing global economic and financial crisis also in the future. In view of this, the Group continues to prepare itself, within the realm of possibility, for specific potential risks in this regard, such as a significantly increased default risk of business partners, subsidies to crisis-prone competitors that distort competition or strong volatility in interest rate levels and currency relations that are relevant for the Group. However, in view of the extraordinary dimension of the ongoing global financial and economic crisis, burdens which result from this such as one-time special effects from payment defaults or non-operational burdens on earnings from currency influences cannot be ruled out.

In future, the sales and earnings development of the STADA Group will also continue to be characterized by both stimulating and challenging framework conditions in the individual markets of the respective market regions in which STADA is active. In the overall assessment of opposing influence factors, the Executive Board, from today's perspective, nevertheless expects further growth in Group sales for financial years 2013 and 2014.

Thereby, the Executive Board expects that sales growth can be achieved in both core segments in 2013 and 2014. In this context, the Branded Products core segment is expected to grow at a disproportionate rate, so that the share of branded products in Group sales will continue to grow.

In order to strengthen the mid and long-term earnings potential, the Group will pursue the outstanding measures of the Group-wide cost efficiency program "STADA – build the future" scheduled for the period of 2010 to the end of 2013. In the process, the remaining expected, project-related costs[1)] – from today's perspective only in the single-digit million-euro area – will be reported as one-time special effects according to the progress of the project as planned.

Nevertheless, in light of the Group's general growth prospects, the Executive Board continues to anticipate the opportunity for further growth in adjusted EBITDA in the Group in the high single-digit percentage range in financial years 2013 and 2014, thereby achieving a new record value. In addition, the Executive Board expects an increase in adjusted EBITDA in both core segments in financial years 2013 and 2014.

Furthermore, the Executive Board affirms the long-term prognosis envisaged for 2014[2)], according to which Group sales of approx. € 2.15 billion, at an adjusted level, EBITDA of approx. € 430 million and net income of approx. € 215 million should be reached at minimum.

H. Retzlaff H. Kraft Dr. A. Müller

1) See the Company's ad hoc release of June 7, 2010.
2) See the Company's ad hoc releases of June 7, 2010, March 1, 2012 and February 28, 2013.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST THREE MONTHS OF 2013 (ABRIDGED)

Consolidated Income Statement

Consolidated Income Statement for the period from Jan. 1 to Mar. 31 in € 000s	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1]
Sales	476,966	443,374
Cost of sales	242,979	220,722
Gross profit	**233,987**	**222,652**
Selling expenses	109,559	102,429
General and administrative expenses	39,942	38,249
Research and development expenses	13,217	13,079
Other income	6,553	11,166
Other expenses	6,129	14,893
Expenses in connection with the “STADA – build the future” project	675	18,922
Operating profit	**71,018**	**46,246**
Result from associated companies	-71	245
Investment income	-	772
Financial income	1,247	1,019
Financial expenses	16,564	16,359
Financial result	**-15,388**	**-14,323**
Earnings before taxes	**55,630**	**31,923**
Taxes on income	20,394	12,301
Earnings after taxes	**35,236**	**19,622**
thereof		
• distributable to shareholders of STADA Arzneimittel AG (net income)	34,924	19,448
• distributable to non-controlling shareholders	312	174
Earnings per share in € (basic)	0.59	0.33
Earnings per share in € (diluted)	0.58	0.33

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income in € 000s	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1)]
Earnings after taxes	35,236	19,622
Items to be recycled to the income statement in future:		
Currency translation gains and losses	3,816	-4,842
thereof		
• income taxes	-159	218
Gains and losses on available-for-sale financial assets	-3	3
thereof		
• income taxes	1	-1
Gains and losses on hedging instruments (cash flow hedges)	893	-242
thereof		
• income taxes	-331	90
Items not to be recycled to the income statement in future:		
Actuarial gains and losses from defined benefit plans	0	40
thereof		
• income taxes	0	7
Other comprehensive income	4,706	-5,041
Consolidated comprehensive income	39,942	14,581
thereof		
• distributable to shareholders of STADA Arzneimittel AG	38,937	14,013
• distributable to non-controlling shareholders	1,005	568

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

Consolidated Balance Sheet

Consolidated Balance Sheet as of Mar. 31 in € 000s Assets	Mar. 31, 2013	Dec. 31, 2012[1]
Non-current assets	**1,817,712**	**1,801,437**
Intangible assets	1,454,004	1,417,083
Property, plant and equipment	283,839	273,822
Financial assets	9,272	12,463
Investments in associates	8,132	34,885
Other financial assets	20,870	16,160
Other assets	2,186	1,677
Deferred tax assets	39,409	45,347
Current assets	**1,235,467**	**1,180,645**
Inventories	494,054	475,311
Trade accounts receivable	517,812	492,143
Income tax receivables	35,233	31,209
Other financial assets	43,128	36,137
Other assets	56,531	51,039
Non-current assets and disposal groups held for sale	2,084	2,076
Cash and cash equivalents	86,625	92,730
Total assets	**3,053,179**	**2,982,082**

Equity and liabilities	Mar. 31, 2013	Dec. 31, 2012[1]
Equity	**969,224**	**912,315**
Share capital	154,267	154,264
Capital reserve	472,472	472,459
Retained earnings including net income	495,844	460,922
Other provisions	-180,452	-184,467
Treasury shares	-1,564	-1,572
Equity attributable to shareholders of the parent	**940,567**	**901,606**
Shares relating to non-controlling shareholders	28,657	10,709
Non-current borrowed capital	**1,108,537**	**1,100,174**
Other non-current provisions	47,984	47,749
Financial liabilities	939,878	941,572
Other financial liabilities	21,373	24,528
Other liabilities	3,680	3,561
Deferred tax liabilities	95,622	82,764
Current borrowed capital	**975,418**	**969,593**
Other provisions	13,078	10,538
Financial liabilities	316,998	328,519
Trade accounts payable	302,252	268,973
Income tax liabilities	22,776	25,759
Other financial liabilities	217,917	221,943
Other liabilities	102,397	113,861
Total equity and liabilities	**3,053,179**	**2,982,082**

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement in € 000s	Mar. 31, 2013	Mar. 31, 2012[1)]
Net income	35,236	19,622
Depreciation and amortization net of write-ups of non-current assets	25,958	29,965
Income taxes	20,394	12,301
Interest income and expenses	14,844	15,396
Result from associated companies	71	-245
Result from the disposals of non-current assets	-258	-370
Changes in pension provisions	15	-831
Currency translation income and expenses	1,040	-2,880
Other non-cash expenses and gains	97,609	79,557
Gross cash flow	**194,909**	**152,515**
Changes in inventories	-10,176	-31,506
Changes in trade accounts receivable	-13,662	16,919
Changes in trade accounts payable	28,630	-11,900
Changes in other working capital	-134,756	-68,911
Interest and dividends received	1,457	1,426
Interest paid	-9,042	-6,455
Income tax paid	-14,777	-5,950
Cash flow from operating activities	**42,583**	**46,138**
Payments for investments in		
• intangible assets	-12,928	-23,030
• property, plant and equipment	-4,585	-6,880
• financial assets	-	-367
• Shares in associated companies	-	-
• business combinations according to IFRS 3	-3,063	-324,593
Proceeds from the disposal of		
• intangible assets	567	83
• property, plant and equipment	492	538
• financial assets	405	480
• Shares in consolidated companies	-	-3,455
Cash flows from investing activities	**-19,112**	**-357,224**
Borrowing of funds	86,616	189,406
Settlement of financial liabilities	-114,441	-91,065
Dividend distribution	-844	-98
Capital increase from share options	17	3
Changes in non-controlling interests	-	-
Changes in treasury shares	7	12
Cash flows from financing activities	**-28,645**	**98,258**
Changes in cash and cash equivalents	**-5,174**	**-212,828**
Changes in cash and cash equivalents due to Group composition	-	157
Changes in cash and cash equivalents due to exchange rates	-931	-2,140
Net change in cash and cash equivalents	**-6,105**	**-214,811**
Balance at beginning of the period	**92,730**	**320,740**
Balance at end of the period	**86,625**	**105,929**

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

Consolidated Statement of Changes in Shareholders' Equity

Consolidated Statement of Changes in Shareholders' Equity in € 000s

2013	Number of shares	Share capital	Capital reserve
Balance as of Mar. 31, 2013	59,333,260	154,267	472,472
Dividend distribution			
Capital increase from share options	1,000	3	14
Changes in treasury shares			-1
Appropriation from retained earnings			
Changes in non-controlling interests			
Changes in the scope of consolidation			
Other income			
Net income			
Balance as of Jan. 1, 2013[1]	59,332,260	154,264	472,459
Previous year			
Balance as of Mar. 31, 2012[1]	58,966,480	153,313	467,400
Dividend distribution			
Capital increase from share options	120	1	2
Changes in treasury shares			-5
Appropriation from retained earnings			
Changes in non-controlling interests			
Changes in the scope of consolidation			
Other income[1]			
Net income[1]			
Balance as of Jan. 1, 2012 adjusted	58,966,360	153,312	467,403
IAS 19 adjustments			
Balance as of Jan. 1, 2012	58,966,360	153,312	467,403

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

Retained earnings including net income	Provisions for currency translation	Provisions available for sale	Provisions for cash flow hedges	Treasury shares	Equity attributable to shareholders of the parent	Shares relating to non-controlling shareholders	Group equity
495,844	-175,548	38	-4,942	-1,564	940,567	28,657	969,224
					-	-844	-844
					17		17
				8	7		7
					-		-
					-	17,392	17,392
					-	395	395
-2	3,124	-2	893		4,013	693	4,706
34,924					34,924	312	35,236
460,922	-178,672	40	-5,835	-1,572	901,606	10,709	912,315
425,227	-171,575	53	-4,783	-1,604	868,031	10,471	878,502
					-	-98	-98
					3		3
				17	12		12
					-		-
					-		-
					-		-
40	-5,239	6	-242		-5,435	394	-5,041
19,448					19,448	174	19,622
405,739	-166,336	47	-4,541	-1,621	854,003	10,001	864,004
93					93		93
405,646	-166,336	47	-4,541	-1,621	853,910	10,001	863,911

Notes

1. General

1.1. Accounting policies

In accordance with the regulations of section 37x (3) of the German Securities Trading Act (WpHG), this interim report of STADA includes consolidated interim financial statements and a consolidated interim management report. The consolidated interim financial statements have been prepared under consideration of the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the EU.

The consolidated interim management report has been prepared in consideration of the applicable WpHG regulations. The consolidated interim financial statements as of March 31, 2013 were prepared under consideration of the regulations outlined in International Accounting Standard (IAS) 34. In accordance with the provisions of IAS 34, an abridged scope of reporting as compared to the consolidated financial statements as of December 31, 2012 was selected.

All IFRS' published by the International Accounting Standards Board (IASB) and endorsed by the European Union which are mandatory for financial years starting as of January 1, 2013 have been observed by STADA.

In these consolidated interim financial statements – with the exception of the changed accounting policies listed in Note 1.2. –, the same accounting policies and methods of computation are applied as in the consolidated financial statements for financial year 2012. With regard to the principles and methods used in the context of Group Accounting we insofar generally refer to the Notes on the consolidated financial statements of the Annual Report 2012.

1.2. Changes in accounting policies

In the first quarter of 2013, STADA observed and, if relevant, applied the following IASB pronouncements and amendments to pronouncements published by the IASB and endorsed by the EU which were first applicable as of January 1, 2013, which had no or no significant effect on the presentation of STADA's business, financial, earnings situation or cash flow:

- **IFRS 1 "First-time Adoption of IFRS":** The amendment introduces a new exception of general retrospective application of IFRS by first-time adopters in relation to government loans. As STADA already prepares the consolidated financial statements according to IFRS, revised versions of the standard or amendments to it are not relevant.
- **IFRS 7 "Financial Instruments: Disclosures":** The amendment relates to expanded disclosures in the reporting of netting agreements. Comprehensive disclosures are also intended for those netting rights that do not lead to offsetting according to IFRS.
- **IFRS 13 "Fair Value Measurement":** The new standard contains a definition of fair value, provides a framework for the measurement of fair value in a single IFRS and contains, moreover, regulations on disclosures of fair value measurement. IFRS 13 thus seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- **IAS 1 "Presentation of Financial Statements":** The amendment relates to the reporting of items in other comprehensive income within the statement of comprehensive income. According to the amendment, items reported under other comprehensive income are to be divided into two categories dependent on whether or not they will be recognized in the income statement (recycling) in the future.
- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine":** The new interpretation deals with the question of the recognition and measurement of the costs of stripping at a surface mine that fall due during the production phase.

- **Amendments in the context of the Annual Improvement Project 2009–2011:**
  IFRS 1 "First-time Adoption of IFRS": The amendment includes clarifications that relate to a possible repeat application of IFRS 1, subject to certain conditions, as well as the application of the regulations of IAS 23. As STADA already prepares the consolidated financial statements according to IFRS, revised versions of the standard or amendments to it are not relevant.
  IAS 1 "Presentation of Financial Statements": The amendment includes a clarification on comparative information required to be disclosed when providing a third balance sheet either voluntarily or as required.
  IAS 16 "Property, Plant and Equipment": The amendment includes a clarification relating to the classification of spare parts and servicing equipment as property, plant and equipment or inventory.
  IAS 32 "Financial Instruments: Presentation": The amendment includes a clarification that tax effects of distributions and transaction costs from the issue or buyback of equity instruments is to be recognized in accordance with IAS 12.
  IAS 34 "Interim Financial Reporting": The amendment clarifies that the disclosure of segment assets and liabilities shall only be required if they are regularly reported to the Chief Operating Decision Maker and there has been a material change in these since the last annual financial statements.

The amended standard IAS 19 "Employee Benefits" was to be applied starting from the beginning of financial year 2013 and had significant effects on STADA's consolidated financial statements as described below. A significant change as compared to the previous regulation includes the elimination of the previously optional corridor method for recognizing actuarial gains and losses. Actuarial gains and losses shall hereafter only be recognized under other comprehensive income. In accordance with the new regulation, income from the return on plan assets shall now be exclusively recognized in the amount of the discount rate and thus a net interest on the net liabilities or net assets is introduced. Past service cost shall be recognized immediately in profit or loss. Furthermore, the amended IAS 19 requires more extensive notes. In consideration that STADA already immediately recognizes actuarial gains and losses under other comprehensive income, this does not result in any changes for STADA's consolidated financial statements. For STADA, the remaining amendments result primarily in the immediate recognition of a potential past service cost, a different calculation and a different recognition of income from the return on plan assets as well as additional notes. The new regulations additionally result in a different treatment of additional compensation in the context of partial retirement (Altersteilzeit) agreements.

In the context of the retrospective adjustments carried out in accordance with IAS 19 and IAS 8, balance sheet items changed as of December 31, 2012 as follows: Other non-current provisions decreased by € 0.12 million to € 47.75 million. Other current and non-current liabilities decreased overall by € 0.04 million to € 117.42 million. Equity increased – relating to retained earnings including net income as well as other provisions – overall by € 0.14 million to € 912.32 million. Deferred tax assets increased by € 0.05 million to € 45.35 million. Deferred tax liabilities increased by € 0.07 million to € 82.76 million.

Due to the retrospective adjustments, the following changes resulted for the income statement in the first quarter of 2012: .

Consolidated Income Statement in € 000s	3 months 2012 Jan. 1 – Mar. 31	IAS 19 adjustments	3 months 2012 Jan. 1 – Mar. 31 adjusted
Sales	443,374	-	443,374
Cost of sales	220,723	-1	220,722
Gross profit	**222,651**	**1**	**222,652**
Selling expenses	102,431	-2	102,429
General and administrative expenses	38,221	28	38,249
Research and development expenses	13,079	-	13,079
Other income	11,166	-	11,166
Other expenses	14,893	-	14,893
Expenses in connection with the "STADA – build the future" project	18,922	-	18,922
Operating profit	**46,271**	**-25**	**46,246**
Result from associated companies	245	-	245
Investment income	772	-	772
Financial income	1,392	-373	1,019
Financial expenses	16,764	-405	16,359
Financial result	**-14,355**	**32**	**-14,323**
Earnings before taxes	**31,916**	**7**	**31,923**
Taxes on income	12,300	1	12,301
Earnings after taxes	**19,616**	**6**	**19,622**
thereof			
• distributable to shareholders of STADA Arzneimittel AG (net income)	19,442	6	19,448
• distributable to non-controlling shareholders	174	-	174
Earnings per share in € (basic)	0.33	-	0.33
Earnings per share in € (diluted)	0.33	-	0.33

In May 2011, the IASB adopted the new standards IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities". IFRS 10 replaces the consolidation requirements of the former IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities" and introduces a uniform consolidation model for all subsidiaries. IFRS 11 governs the accounting for joint operations and joint ventures and thus replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The former option to proportionately consolidate joint ventures is eliminated in favor of mandatory application of the equity method. In the context of IFRS 12, disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities are combined, expanded and replaced. The new regulations, which were adopted in European law in 2012, are applicable to financial years beginning on or after January 1, 2014. In June 2012, IASB published transition guidance adopted into European law in April 2013 (amendments to IFRS 10, IFRS 11 and IFRS 12) for the standards adopted in May 2011 of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities". In the context of these amendments, the transition guidance in IFRS 10 was clarified and additional simplification was ensured in all three standards. The significant change here results from IFRS 11 “Joint Arrangements”. Both joint ventures, STADA Import/Export Ltd. and STADA Vietnam J.V. Co. Ltd., which have been proportionately consolidated to date, are to be accounted for using the equity method as of financial year 2014. The proportionate share of assets and liabilities of these two companies will thereby no longer be included in the consolidated balance sheet and the proportionate share of aggregated earnings of both units will be disclosed under one item within the income statement, whereas a disclosure is currently made under the relevant income and expense items.

The other standards and interpretations adopted by the IASB in 2013, but not yet effective and/or changed, are not expected to have any significant effects on STADA’s consolidated financial statements in the future.

In the first quarter of 2013, STADA made a reporting change within equity. Retained earnings and net income including profit brought forward will now be reported in one item retained earnings including net income, as this allows for, according to IFRS, more relevant information on equity in the STADA Group as a result of the non-existence, according to IFRS, of a statement on the allocation of profits for the purpose of Group accounting. The prior-year figures were adjusted accordingly for the purpose of comparability. Overall, this change in reporting has no effects on equity beyond the combination of items previously reported separately.

1.3. Scope of consolidation

The consolidated financial statements of STADA have been prepared for STADA Arzneimittel AG as parent company.

Changes in the scope of consolidation as of March 31, 2013 as compared to December 31, 2012 resulted from the following listed mergers under company law:

- In Austria, the consolidated subsidiary STADA GmbH, Vienna, Austria, was merged in January 2012 with the subsidiary STADA Arzneimittel Gesellschaft m.b.H., Vienna, Austria, which was also already consolidated.[1)]
- In the Czech Republic, the consolidated subsidiary STADA s.r.o., Roztoky, Czech Republic, was merged in February 2012 with the subsidiary STADA PHARMA CZ, s.r.o., Prague, Czech Republic, which was also already consolidated.

These mergers did not have any effect on the Group’s business, financial and earnings situation.

Furthermore, the Vietnamese subsidiary Pymepharco Joint Stock Company was included in the scope of consolidation, which was previously included in the consolidated financial statements of STADA as an associate. Control of the subsidiary was achieved on January 1, 2013.

In the consolidated interim financial statements of the STADA Group, 63 companies were thereby consolidated as subsidiaries, two companies as joint ventures and three companies as associates as of the balance sheet date on March 31, 2013.

1.4. Business combinations

In the first quarter of 2013, the following significant business combination in the sense of IFRS 3 occurred, for which the preliminary purchase price allocation is described in more detail below.

STADA has controlled the Vietnamese pharmaceutical company Pymepharco Joint Stock Company since January 1, 2013. Its business activities focus on the production and sale of pharmaceutical products as well as import activities for the Vietnamese health and pharma-

1) The formal legal merger of the two Austrian subsidiaries has not yet been concluded as of March 31, 2013.

ceutical market via additional indirect investments and legal arrangements. Accordingly, Pymepharco, which was previously treated as an associated company, has been consolidated as a subsidiary since January 1, 2013 adjusting for minority interests.

In the context of the preliminary purchase price allocation, goodwill in the amount of approx. € 12.0 million resulted from the business combination and is broken down as follows:

in € million	
Purchase price for 10% of the shares in Pymepharco Joint Stock Company approx.	7.2
Fair value of shares recognized according to the equity method at the acquisition date approx.	29.8
Proportionate fair values of the assets and liabilities acquired approx.	25.0
Goodwill	**12.0**

An amount of approx. € 3.1 million resulted from the preliminary new valuation of shares recognized up to the acquisition date according to the equity method at the time control was achieved.

Goodwill here results primarily from a strengthened presence in the market region Asia & Pacific as well as a stronger participation in the growth market Vietnam. The partial goodwill method was used for the recognition of this goodwill.

The non-controlling share in the acquired company in the context of the preliminary purchase price allocation determined at the acquisition date is approx. € 17.4 million.

For the assets acquired and liabilities assumed in the context of the business combinations, the following preliminary fair values were recognized at the acquisition date:

Fair values in € million	
Intangible assets	28.0
Other non-current assets	12.9
Trade accounts receivable	12.8
Other current assets	14.6
Cash and cash equivalents	0.3
Assets	**68.6**
Deferred tax liabilities	8.0
Other non-current liabilities	0.1
Financial liabilities	9.0
Other current liabilities	9.1
Liabilities	**26.2**

Fair values were determined on the basis of observable market prices. To the extent that market prices could not be determined, income or cost-oriented procedures were used for the evaluation of acquired assets and liabilities assumed.

In the first quarter of 2013, furthermore, the following insignificant business combination in the sense of IFRS 3 was recorded:

STADA concluded a contract with Spirig HealthCare AG in the third quarter of 2012 for the acquisition of the pharmaceutical wholesale and commercial business of Spirig Pharma AG. The acquisition was completed in the first quarter of 2013. The purchase price was CHF 5.1 million (approx. € 4.2 million). The company has been consolidated in the STADA Group since March 1, 2013.

Sales achieved with the business operations of Pymepharco Joint Stock Company and the pharmaceutical wholesale and commercial business since their acquisition dates (January 1, 2013 and March 1, 2013 respectively) amounted to a total of about € 11 million in the first quarter of 2013. The operating profit adjusted for effects from the preliminary purchase price allocations (about € 1 million) of these business combinations amounted to about € 2 million in the first quarter of 2013. If STADA had purchased the pharmaceutical wholesale and commercial business on January 1, 2013, sales of approximately € 15 million and operating profit, adjusted for effects from the preliminary purchase price allocations (about € 1 million), of approximately € 2 million would have been achieved from the two business combinations in the first quarter of 2013.

2. Notes to the Consolidated Income Statement

2.1. Sales

The increase in sales compared to the corresponding period of the previous year resulted primarily from growth in both core segments as well as the growth in the market regions CIS / Eastern Europe, in particular in the Russian and Serbian markets, and Asia & Pacific. The influences of exchange rate effects and portfolio changes on the sales increase amounted to a total of 3.5 percentage points in the reporting period. Details on how sales are broken down according to segments and regions can be found in segment reporting.

2.2. Other income

Other income decreased as compared to the corresponding period of the previous year to € 6.6 million (1-3/2012: € 11.2 million). This development is primarily attributable to net currency translation income reported under this item in the previous year in the amount of € 2.9 million. The offsetting of currency translation income and expense results in a reported expense for the first quarter of 2013.

2.3. Other expenses

Other expenses decreased as compared to the corresponding period of the previous year to € 6.1 million (1-3/2012: € 14.9 million). This development is primarily attributable to a reduction in value adjustments of intangible assets.

2.4. Expenses in connection with the “STADA – build the future” project

Expenses in connection with the “STADA – build the future” project primarily included in the first three months of 2013, as special effects, burdens from external consulting services and related subsequent projects.

In the first quarter of 2012, this item primarily included burdens from the disposal of the Irish production facility STADA Production Ireland Limited, as well as the engineering companies that are not part of the Group’s core business.

3. Notes to the Consolidated Balance Sheet

3.1. Intangible assets

As of March 31, 2012, intangible assets included € 473.0 million goodwill (December 31, 2012: € 455.8 million) including the additions from the preliminary purchase price allocations. Furthermore, there were additions to the other intangible assets from business combinations – not considering amortization in the reporting period – in the amount of € 29.6 million, which corresponds to the fair values determined in the context of the preliminary purchase price allocations.

3.2. Investments in associates

Investments in associates decreased by € 26.8 million to € 8.1 million (December 31, 2012: € 34.9 million) primarily due to the control achieved as of January 1, 2013 of the subsidiary Pymepharco Joint Stock Company, which was previously included in the consolidated financial statements as an associated company and has been consolidated as a subsidiary as of 2013.

3.3. Inventories

The increase of inventories to € 494.1 million (December 31, 2012: € 475.3 million) was also predominantly a result of the consolidation of the subsidiary Pymepharco Joint Stock Company since January 1, 2013.

3.4. Trade accounts receivable

Trade accounts receivable increased by € 25.7 million to € 517.8 million (December 31, 2012: € 492.1 million). This was also primarily attributable to the consolidation of the subsidiary Pymepharco Joint Stock Company since January 1, 2013.

3.5. Financial liabilities

As of March 31, 2013, the Group's current and non-current financial liabilities in the amount of € 317.0 million and € 939.9 million (December 31, 2012: € 328.5 million and € 941.6 million) include, in particular, promissory notes and a bond which have a nominal value in the amount of € 765.0 million (December 31, 2012: € 794.5 million) and € 350.0 million (December 31, 2012: € 350.0 million) respectively.

3.6. Trade accounts payable

Trade accounts payable increased to € 302.3 million as of March 31, 2013 (December 31, 2012: € 269.0 million) primarily due to temporary results of reporting date effects.

4. Notes to the Consolidated Cash Flow Statement

4.1. Cash flow from operating activities

Cash flow from operating activities – which consists of changes in items not covered by investment activities, financing activities or by changes in cash and cash equivalents due to the scope of consolidation or exchange rates – amounted to € 42.6 million (1-3/2012: € 46.1 million) in the first three months of 2013. The decrease of € 3.5 million compared to the corresponding period of the previous year was primarily due to the cash-effective increase of trade accounts receivable as well as the cash-effective decrease of other financial liabilities within the change of other working capital. In opposition, the other non-cash expenses and earnings increased as compared to the corresponding period of the previous year. However, this only partially compensated for the decrease in cash flow from operating activities.

4.2. Cash flow from investing activities

Cash flow from investing activities – which reflects the cash outflows for investments reduced by the inflows from disposals – amounted to € -19.1 million (1-3/2012: € -357.2 million) in the period under review. Cash flow from investing activities was particularly influenced in the first quarter of 2013 by payments for investments in intangible assets, whereas it was primarily characterized by payments for investments in business combinations according to IFRS 3 in the corresponding quarter of the previous year.

4.3. Cash flow from financing activities

Cash flow from financing activities amounted to € -28.6 million in the first quarter of the current financial year, while cash flow from financing activities in the amount of € 98.3 million was recorded in the corresponding period in the previous year. This development was primarily a result of reduced acceptance and increased repayment of financial liabilities as compared to the corresponding period of the previous year.

4.4. Net cash flow for the period

Net cash flow for the period is the balance of cash inflows and outflows from operating cash flow, cash flow from investing and financing activities as well as from changes in cash and cash equivalents due to Group composition and exchange rates and amounted to € -6.1 million in the first quarter of 2013 (previous year: € -214.8 million).

5. Segment Reporting

5.1. General information

The measurement approaches for segment reporting are in accordance with the financial reporting methods used in the IFRS consolidated financial statements. Services between the segments are charged based on market prices.

Reported segment result corresponds to the operating profit of the income statement of the STADA Group in accordance with IFRS. Reporting of individual non-current assets according to segment as well as segment liabilities is waived, as this information is not used for Group monitoring. The presentation of the total assets is also waived in accordance with IAS 34 as their value has not changed significantly as compared to December 31, 2012.

5.2. Information by operating segment

in € 000s		3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1)]
Generics	**External sales**	**305,742**	**299,293**
	Sales with other segments	249	425
	Total sales	305,991	299,718
	Operating profit	44,202	32,098
	Depreciation / amortization	11,341	10,307
	Impairment losses	204	3,993
	Reversals	-	-
	Significant non-cash items within operating result	96,983	71,878
Branded Products	**External sales**	**163,091**	**135,167**
	Sales with other segments	1,066	563
	Total sales	164,157	135,730
	Operating profit	43,053	28,731
	Depreciation / amortization	11,697	11,439
	Impairment losses	4	-
	Reversals	-	-
	Significant non-cash items within operating result	6,373	3,027
Commercial Business	**External sales**	**8,036**	**4,921**
	Sales with other segments	-	126
	Total sales	8,036	5,047
	Operating profit	131	-339
	Depreciation / amortization	49	115
	Impairment losses	-	-
	Reversals	-	-
	Significant non-cash items within operating result	-23	-267
Reconciliation Group Holdings/ other and consolidation	**External sales**	**97**	**3,993**
	Sales with other segments	-1,315	-1,114
	Total sales	-1,218	2,879
	Operating profit	-16,368	-14,244
	Depreciation / amortization	2,547	1,504
	Impairment losses	116	2,607
	Reversals	-	-
	Significant non-cash items within operating result	617	2,414
Group	**External sales**	**476,966**	**443,374**
	Sales with other segments	-	-
	Total sales	476,966	443,374
	Operating profit	71,018	46,246
	Depreciation / amortization	25,634	23,365
	Impairment losses	324	6,600
	Reversals	-	-
	Significant non-cash items within operating result	103,950	77,052

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

5.3. Reconciliation of segment results to net profit

in € 000s	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31[1)]
Operating segment profit	87,386	60,490
Reconciliation Group Holdings/other and consolidation	-16,368	-14,244
Result from associated companies	-71	245
Investment income	-	772
Financial income	1,247	1,423
Financial expenses	16,564	16,763
Earnings before taxes, Group	**55,630**	**31,923**

1) The previous year's figures have been adjusted in accordance with IAS 8 (see Note 1.2.).

6. Additional information

6.1. Information by market region

Sales by market regions in € 000s	3 months 2013 Jan. 1 – Mar. 31	3 months 2012 Jan. 1 – Mar. 31	±%[1]	±% adjusted[2]
Germany	**125,982**	**127,381**	**-1%**	***-1%***
• Germany	118,281	120,740	-2%	*-2%*
• Export sales of the market region Germany	7,701	6,641	+16%	*+12%*
Central Europe	**199,128**	**208,217**	**-4%**	***-5%***
• Italy	42,528	41,024	+4%	*+4%*
• Belgium	34,885	39,872	-13%	*-13%*
• Spain	27,384	35,913	-24%	*-24%*
• France	22,226	19,031	+17%	*+14%*
• United Kingdom	12,851	13,153	-2%	*0%*
• Switzerland	9,505	8,276	+15%	*-7%*
• The Netherlands	9,477	11,777	-20%	*-19%*
• Ireland	5,915	5,240	+13%	*+13%*
• Denmark	5,844	5,434	+8%	*+8%*
• Austria	4,665	3,629	+29%	*+29%*
• Other / Rest of Central Europe	19,391	21,176	-8%	*-11%*
• Export sales of the market region Central Europe	4,457	3,692	+21%	*+24%*
CIS / Eastern Europe	**135,690**	**101,671**	**+33%**	***+31%***
• Russia	89,874	64,783	+39%	*+33%*
• Serbia	20,119	16,504	+22%	*+33%*
• Ukraine	7,701	6,406	+20%	*-2%*
• Kazakhstan	3,940	3,267	+21%	*+22%*
• Bosnia-Herzegovina	2,975	2,394	+24%	*+27%*
• Other / Rest of CIS / Eastern Europe	9,366	6,233	+50%	*+53%*
• Export sales of the market region CIS / Eastern Europe	1,715	2,084	-18%	*-16%*
Asia & Pacific	**16,166**	**6,105**	**>100%**	***+9%***
• Vietnam	13,384	3,049	>100%	*+29%*
• China	932	1,219	-24%	*-24%*
• Thailand	763	598	+28%	*+22%*
• The Philippines	566	632	-10%	*-15%*
• Other / Rest of Asia & Pacific	474	607	-22%	*-23%*
• Export sales of the market region Asia & Pacific	47	-	>100%	*>100%*

1) Calculated on thousand euro basis.
2) Adjustments due to changes in the Group portfolio and currency effects.

7. Disclosures about financial instruments

The following disclosures are made for financial assets and financial liabilities whose fair value differs from the carrying amount as of March 31, 2013:

in € 000s	Carrying amount Mar. 31, 2013	Fair value Mar. 31, 2013	Carrying amount Dec. 31, 2012	Fair Value Dec. 31, 2012
Amounts due to banks	141,876	143,016	125,591	126,718
Promissory notes	765,000	822,892	794,500	836,330
Bonds	350,000	367,290	350,000	369,257
Financial liabilities	1,256,876	1,333,198	1,270,091	1,332,305

Financial liabilities shown in the chart are allocated to the valuation category Financial liabilities measured at amortized costs in accordance with IAS 39. There have been no changes regarding the division of financial assets and financial liabilities into valuation categories in accordance with IAS 39 in the first quarter of 2013 as compared to the presentation in the Annual Report 2012.

For all other financial assets and liabilities not displayed in the chart above, the carrying amounts – approximately or based on valuation methods taking as basis the listed prices on active markets or observable input parameters in the market – correspond to the respective fair values of the individual assets and liabilities.

8. Contingent liabilities and other financial obligations

Contingent liabilities reported in the Annual Report 2012 from residual risks in the amount of € 4.0 million relating to legal proceedings regarding the violation of competition law in Serbia no longer existed in the first quarter of 2013 as the claim for this is now excluded.

Furthermore, no significant changes occurred in the first quarter of 2013 with regard to contingent liabilities compared with the situation as described in the Annual Report 2012.

Other financial obligations primarily include obligations from rental and leasing obligations and remaining financial obligations that are primarily characterized by a guarantee amounting to € 25.0 million towards Hospira Inc., Lake Forest, Illinois, USA, in connection with a supply agreement between Hospira and the shares in the associated company BIOCEUTICALS Arzneimittel AG which are recognized according to the equity method. STADA, as guarantor, recognized this guarantee as of March 31, 2013 as a financial guarantee in accordance with IAS 39 with its fair value in the amount of € 0.3 million (December 31, 2012: € 0.3 million). Furthermore, there is a credit guarantee for BIOCEUTICALS Arzneimittel AG in the amount of € 5.0 million as of March 31, 2013. As of March 31, 2013, rental and leasing obligations totaled € 48.1 million (December 31, 2012: € 50.6 million) and the remaining financial liabilities totaled € 38.4 million (December 31, 2012: € 32.0 million).

9. Related party transactions

STADA continues to provide the associated company BIOCEUTICALS Arzneimittel AG with a credit line facility with an interest rate that is partly usual for risk capital and of which a total of € 18.4 million (December 31, 2012: € 13.8 million) had been used as of March 31, 2013.

In addition, there is a credit guarantee for BIOCEUTICALS Arzneimittel AG in the amount of € 5.0 million as of March 31, 2013.

Furthermore, no significant changes occurred with regard to related parties compared with the situation as described in the Annual Report 2012.

10. Significant events after the balance-sheet date

No material events have occurred since the reporting date that could have an effect on the Group's business, financial and earnings situation.

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1) Employee representatives.