Press Release – August 3, 2017

STADA shows good operational development in first six months of 2017

- Significant increase in Group sales (+10 percent), EBITDA (+10 percent) and net income (+10 percent)
- Strong growth and significant margin improvement in Generics – sales (+8 percent), EBITDA (+17 percent), EBITDA margin (+180 basis points)
- Significant growth in Branded Products – sales (+15 percent), EBITDA (+16 percent)
- Improvement in net debt to adjusted EBITDA ratio to 2.3

STADA Group Key Figures

	Q2/2017	Q2/2016	+/-	H1/2017	H1/2016	+/-
Group sales, reported	€ 576.9 million	€ 537.5 million	+7%	€ 1,143.2 million	€ 1,034.7 million	+10%
Group sales, adjusted	*€ 557.9 million*	*€ 535.7 million*	*+4%*	*€ 1,096.4 million*	*€ 1,032.4 million*	*+6%*
EBITDA, reported	€ 112.4 million	€ 115.5 million	-3%	€ 220.9 million	€ 200.7 million	+10%
EBITDA, adjusted	*€ 129.2 million*	*€ 110.2 million*	*+17%*	*€ 237.7 million*	*€ 202.3 million*	*+18%*
Net income, reported	€ 41.1 million	€ 52.4 million	-22%	€ 90.3 million	€ 82.0 million	+10%
Net income, adjusted	*€ 60.8 million*	*€ 56.0 million*	*+9%*	*€ 114.1 million*	*€ 96.1 million*	*+19%*
Earnings per share, reported	€ 0.66	€ 0.84	-21%	€ 1.45	€ 1.32	+10%
Earnings per share, adjusted	*€ 0.97*	*€ 0.90*	*+8%*	*€ 1.83*	*€ 1.54*	*+19%*

"STADA's operational development in the first six months of 2017 was good. We achieved growth that was well into the double digits in the Belgian Generics segment and in the Russian Branded Products segment. In addition to the strong sales growth, we were also able to further increase profitability", says STADA's Chairman of the Executive Board Engelbert Coster Tjeenk Willink.

Group sales increased – driven by Generics and Branded Products

Reported Group sales increased by 7 percent to Euro 576.9 million in the **second quarter of 2017** (Q2/2016: Euro 537.5 million). **Group sales adjusted** for currency and portfolio effects recorded an increase of 4 percent to Euro 557.9 million (Q2/2016: Euro 535.7 million). **Reported Group sales** in the **first six months of 2017** increased by 10 percent to Euro 1,143.2 million (1-6/2016: Euro 1,034.7 million). **Group sales adjusted** for currency and portfolio effects grew by 6 percent to Euro 1,096.4 million (1-6/2016: Euro 1,032.4 million).

Reported key earnings figures impacted by special items as expected

Due in particular to consultancy services incurred in connection with the takeover process, as expected there were special items especially in the second quarter of 2017 in the amount of Euro 17.1 million before and Euro 12.3 million after taxes which affected development of key earnings figures in the first six months of 2017.

Double digit increase in adjusted EBITDA

Reported EBITDA decreased by 3 percent to Euro 112.4 million in the **second quarter of 2017** (Q2/2016: Euro 115.5 million). **Adjusted EBITDA** was up 17 percent to Euro 129.2 million (Q2/2016: 110.2 million Euro). **Reported EBITDA** in the **first six months of 2017** increased by 10 percent to Euro 220.9 million (1-6/2016: Euro 200.7 million). **Adjusted EBITDA** recorded growth of 18 percent to Euro 237.7 million (1-6/2016: Euro 202.3 million).

Growth in adjusted net income

Reported net income decreased by 22 percent to Euro 41.1 million in the **second quarter of 2017** (Q2/2016: Euro 52.4 million). **Adjusted net income** recorded an increase of 9 percent to Euro 60.8 million (Q2/2016: Euro 56.0 million). There was a 10 percent increase in **reported net income in the first six months of 2017** to Euro 90.3 million (1-6/2016: Euro 82.0 million). **Adjusted net income** recorded growth of 19 percent to Euro 114.1 million (1-6/2016: Euro 96.1 million).

Operating cash flow below corresponding prior-year figure

Cash flow from operating activities decreased to Euro 89.5 million in the **first six months of 2017** (1-6/2016: Euro 113.0 million). **Free cash flow** increased to Euro 16.3 million (1-6/2016: Euro 15.0 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals increased to Euro 42.8 million (1-6/2016: Euro 42.5 million).

Net debt to adjusted EBITDA ratio improved

As of June 30, 2017, **net debt** was at Euro 1,110.9 million (December 31, 2016: Euro 1,118.2 million). The **net debt to adjusted EBITDA ratio** in the first six months of 2017 improved to 2.3 with a linear extrapolation of the adjusted EBITDA of the reporting period on a full-year basis (1-6/2016: 3.0).

STADA Segment Key Figures Generics

	Q2/2017	Q2/2016	+/-	H1/2017	H1/2016	+/-
Sales, reported	€ 348.5 million	€ 319.9 million	+9%	€ 674.4 million	€ 627.2 million	+8%
Sales, adjusted	*€ 336.6 million*	*€ 318.1 million*	*+6%*	*€ 648.3 million*	*€ 624.9 million*	*+4%*
EBITDA, adjusted	*€ 81.3 million*	*€ 66.0 million*	*+23%*	*€ 150.7 million*	*€ 129.6 million*	*+16%*
Margin, adjusted	*23.3%*	*20.6%*		*22.3%*	*20.7%*	

Sales development Generics

Reported sales in the **Generics** segment recorded an increase of 9 percent to Euro 348.5 million in the **second quarter of 2017** (Q2/2016: Euro 319.9 million). **Sales** in the **Generics** segment **adjusted** for portfolio and currency effects increased by 6 percent to Euro 336.6 million (Q2/2016: Euro 318.1 million). In the **first six months of 2017**, **reported sales** in the **Generics** segment were up by 8 percent to Euro 674.4 million (1-6/2016: Euro 627.2 million). **Sales** of the **Generics** segment **adjusted** for portfolio and currency effects grew by 4 percent to Euro 648.3 million (1-6/2016: Euro 624.9 million). This development was primarily attributable to the initial consolidation of the Serbian Velexfarm. Furthermore, segment sales increased in Belgium and Italy. Generics contributed 59.0 percent to Group sales (1-6/2016: 60.6 percent).

Country development Generics

Within the **Generics** segment, the **eight largest countries** according to sales developed as follows in the **second quarter of 2017** and in the **first six months of 2017**:

Sales generated with generics in **Germany** increased in the **second quarter of 2017** by 1 percent to Euro 75.2 million (Q2/2016: Euro 74.6 million). In the **first six months of 2017**, sales decreased by 3 percent to Euro 145.9 million (1-6/2016: Euro 150.5 million). This development was due to opposing factors. As a result of discount agreement tenders won, ALIUD PHARMA recorded positive sales development. In contrast, the high comparable basis of the corresponding period of the previous year following the fully expired discount agreements in December 2016 had a dampening effect on sales at STADApharm. However, the company recorded positive sales development outside of the discount agreement tenders.

Sales achieved with generics in **Italy** grew by 11 percent in the **second quarter of 2017** to Euro 45.6 million despite strong competition (Q2/2016: Euro 41.3 million) and by 6 percent in the **first six months of 2017** to Euro 84.8 million (1-6/2016: Euro 79.8 million).

In **Belgium**, sales achieved with generics in the **second quarter of 2017** increased by 125 percent to Euro 31.3 million (Q2/2016: Euro 13.9 million) and by 37 percent in the **first six months of 2017** to Euro 56.0 million (1-6/2016: Euro 40.8 million). This development primarily resulted from positive volume effects due to the takeover of the sales activities since January 2017.

Sales generated with generics in **Spain** were down in the **second quarter of 2017** by 5 percent to Euro 24.6 million (Q2/2016: Euro 25.9 million). In the **first six months of 2017**, sales of Euro 53.0 million were at approximately the level of the corresponding period of the previous year (1-6/2016: Euro 52.8 million).

In **Russia**, sales with generics, applying the exchange rates of the previous year, declined by 17 percent in the **second quarter of 2017** and by 13 percent in the **first six months of 2017**. This development was particularly due to lower volume effects. As a result of the very positive currency effect of the Russian ruble, however, sales in Euro in the **second quarter of 2017** declined by 4 percent to Euro 27.8 million (Q2/2016: Euro 29.1 million). There was a 6 percent increase in the **first six months of 2017** to Euro 52.3 million (1-6/2016: Euro 49.3 million).

In **Serbia**, sales with generics, applying the exchange rates of the previous year, increased by 32 percent in the **second quarter of 2017** and by 72 percent in the **first six months of 2017**. In Euro, as a result of a stable currency effect from the Serbian dinar, sales increased in the **second quarter of 2017** by 32 percent to Euro 22.0 million (Q2/2016: Euro 16.6 million) and in the **first six months of 2017** by 72 percent to Euro 44.0 million (1-6/2016: Euro 25.6 million). This development was primarily attributable to the initial consolidation of a Serbian wholesaler. In addition, this development resulted from the change to the previous distribution model in the Serbian generics market, in the course of which the Serbian STADA subsidiary will now be increasingly focused on direct sales rather than sales through a wholesaler.

In **France**, sales generated with generics, mainly due to continued strong price and discount competition, decreased in the **second quarter of 2017** by 6 percent to Euro 20.3 million (Q2/2016:

Euro 21.6 million) and by 4 percent in the **first six months of 2017** to Euro 38.7 million (1-6/2016: Euro 40.4 million).

Despite continued high price pressure, sales generated with generics in **Vietnam**, applying the exchange rates of the previous year, increased by 9 percent in the **second quarter of 2017** and by 7 percent in the **first six months of 2017**. As a result of a stable currency effect from the Vietnamese dong, sales in Euro increased in the **second quarter of 2017** by 10 percent to Euro 17.7 million (Q2/2016: Euro 16.1 million) and in the **first six months of 2017** by 8 percent to Euro 35.1 million (1-6/2016: Euro 32.4 million). This development primarily resulted from tenders that were won in the hospital market.

EBITDA and margin development Generics

Adjusted EBITDA of **Generics** grew by 23 percent in the **second quarter of 2017** to Euro 81.3 million (Q2/2016: Euro 66.0 million) and by 16 percent in the **first six months of 2017** to Euro 150.7 million (1-6/2016: Euro 129.6 million). This development was based primarily on the improvement in the operating profit in Belgium as a result of the termination in December 2016 of a sales cooperation that had been in place until that date as well as the improvement in the operating profit in the German Generics segment. The **adjusted EBITDA margin** for **Generics** was 23.3 percent in the **second quarter of 2017** (Q2/2016: 20.6 percent) and 22.3 percent in the **first six months of 2017** (1-6/2016: 20.7 percent).

STADA Segment Key Figures Branded Products

	Q2/2017	Q2/2016	+/-	H1/2017	H1/2016	+/-
Sales, reported	€ 228.4 million	€ 217.5 million	+5%	€ 468.8 million	€ 407.3 million	+15%
Sales*, *adjusted	*€ 221.3 million*	*€ 217.5 million*	*+2%*	*€ 448.1 million*	*€ 407.3 million*	*+10%*
EBITDA, adjusted	*€ 64.4 million*	*€ 60.4 million*	*+7%*	*€ 121.4 million*	*€ 108.6 million*	*+12%*
Margin, adjusted	*28.2%*	*27.8%*		*25.9%*	*26.7%*	

Sales development Branded Products

Reported sales of the **Branded Products** segment increased by 5 percent to Euro 228.4 million in the **second quarter of 2017** (Q2/2016: Euro 217.5 million). **Sales** in the **Branded Products** segment **adjusted** for portfolio and currency effects recorded growth of 2 percent to Euro 221.3 million (Q2/2016: Euro 217.5 million). In the **first six months of 2017**, **reported sale**s in the **Branded Products** segment were up by 15 percent to Euro 468.8 million (1-6/2016: Euro 407.3 million). **Sales** in the **Branded Products** segment **adjusted** for portfolio and currency effects increased by 10 percent to Euro 448.1 million (1-6/2016: Euro 407.3 million). This development was based in particular on the strong development of segment sales in Russia. The increased sales contribution from the Serbian subgroup also contributed here. Branded Products had a share of 41.0% of Group sales (1-6/2016: 39.4 percent).

Country development Branded Products

Within the **Branded Products** segment, development of the **five largest countries** according to sales in the **second quarter of 2017** and in the **first six months of 2017** was as follows:

Sales generated with branded products in **Russia**, applying the exchange rates of the previous year, increased by 14 percent in the **second quarter of 2017** and by 48 percent in the **first six months of 2017**. In light of a very positive currency effect from the Russian ruble, sales in Euro – primarily as a result of higher volume effects – increased in the **second quarter of 2017** by 32 percent to Euro 55.6 million (Q2/2016: Euro 42.2 million) and in the **first six months of 2017** by 80 percent to Euro 108.0 million (1-6/2016: Euro 60.2 million).

In **Germany**, sales achieved with branded products in the **second quarter of 2017** decreased by 26 percent to Euro 28.5 million (Q2/2016: Euro 38.4 million) and by 9 percent in the **first six months of 2017** to Euro 91.4 million (1-6/2016: Euro 100.2 million). In addition to a high comparable basis in the corresponding period of the previous year, this development resulted primarily from two effects. On the one hand, the Group made the conscious decision to reduce seasonal annual orders, which in previous years had been made in the first six months and had a correspondingly positive effect on sales. On the other hand, the upcoming relaunch of Ladival in 2018 had a dampening effect on sales.

In the **United Kingdom**, sales with branded products, applying the exchange rates of the previous year, rose by 3 percent in the **second quarter of 2017** and by 8 percent in the **first six months of 2017**. This development was particularly attributable to acquisitions, despite levels of stock in the supply chain in the fourth quarter of 2016 as well as a weak cough and cold season in the first six months of 2017. In light of a negative currency effect as a consequence of the referendum decision in favor of the United Kingdom leaving the European Union, sales in Euro in the **second quarter of 2017** decreased by 6 percent to Euro 47.3 million (Q2/2016: Euro 50.2 million) and by 2 percent in the **first six months of 2017** to Euro 82.1 million (1-6/2016: Euro 83.6 million).

Sales generated with branded products in **Italy** declined in the **second quarter of 2017** by 2 percent to Euro 11.0 million (Q2/2016: Euro 11.3 million). In the **first six months of 2017**, sales increased by 1 percent to Euro 21.6 million (1-6/2016: Euro 21.5 million).

Sales generated with branded products in **Vietnam**, applying the exchange rates of the previous year, increased by 11 percent in the **second quarter of 2017** and by 9 percent in the **first six months of 2017**. Due to a stable currency effect from the Vietnamese dong, sales in Euro showed growth in the **second quarter of 2017** by 12 percent to Euro 9.7 million (Q2/2016: Euro 8.6 million) and in the **first six months of 2017** by 10 percent to Euro 19.4 million (1-6/2016: Euro 17.5 million).

EBITDA and margin development Branded Products

Reported EBITDA for **Branded Products** increased by 7 percent to Euro 64.4 million in the **second quarter of 2017** (Q2/2016: Euro 60.4 million) and by 12 percent to Euro 121.4 million in the **first six months of 2017** (1-6/2016: Euro 108.6 million). This development was particularly attributable to strong sales development and positive translation effects in Russia. Other contributing factors included an increased earnings contribution in the Serbian subgroup due to the integration of a consumer health product portfolio acquired in the third quarter of 2016 and a resulting strengthened market position. The **adjusted EBITDA margin** for **Branded Products** was 28.2 percent in the **second quarter of 2017** (Q2/2016: 27.8 percent) and 25.9 percent in the **first six months of 2017** (1-6/2016: 26.7 percent).

STADA reconciliation –special items second quarter of 2017

in € million[1]	**Second quarter of 2017 reported**	Impair-ments/write-ups on fixed assets	Effects from purchase price allocations and acquisitions[2]	Consultancy services in connection with the takeover process	Reversal of tax provisions	***Second quarter of 2017 adjusted***
Earnings before interest, taxes and amortization (EBITDA)	**112.4**	--	-0.2	17.1	--	***129.2***
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	**48.4**	-17.5	-4.4	--	--	***26.4***
Financial income and expenses	**10.7**	--	--	--	--	***10.7***
Income taxes	**9.8**	3.0	0.5	4.8	10.4	***28.5***
Result distributable to non-controlling shareholders	**2.5**	0.3	0.1	--	--	***2.9***
Result distributable to shareholders of STADA Arzneimittel AG (net income)	**41.1**	14.2	3.6	12.3	-10.4	***60.8***

1 As a result of the presentation in Euro million, deviations due to rounding may occur in the tables.
2 Relates to additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis.

STADA reconciliation –special items first six months of 2017

in € million[1]	**First six months of 2017 reported**	Impair-ments/write-ups on fixed assets	Effects from purchase price allocations and acquisitions[2]	Consultancy services in connection with the takeover process	Reversal of tax provisions	***First six months of 2017 adjusted***
Earnings before interest, taxes and amortization (EBITDA)	**220.9**	--	-0.3	17.1	--	***237.7***
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	**79.2**	-18.2	-9.0	--	--	***52.0***
Financial income and expenses	**21.5**	--	--	--	--	***21.5***
Income taxes	**24.9**	3.3	1.2	4.8	10.4	***44.6***
Result distributable to non-controlling shareholders	**5.0**	0.3	0.2	--	--	***5.5***
Result distributable to shareholders of STADA Arzneimittel AG (net income)	**90.3**	14.6	7.3	12.3	-10.4	***114.1***

1 As a result of the presentation in Euro million, deviations due to rounding may occur in the tables.
2 Relates to additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis.

Note: As part of the preparation of the Consolidated Financial Statements of STADA Arzneimittel AG, the most up-to-date planning information available was used for STADA Vietnam J.V. Co. Ltd. for April to June 2017 as a result of a lack of financial information.

About STADA Arzneimittel AG

STADA Arzneimittel AG is a publicly-listed company with headquarters in Bad Vilbel, Germany. STADA consistently focuses on a multi-pillar strategy of generics and branded products (OTC) with an increasingly international market orientation. The Group is the only independent generics producer in Germany. Worldwide, STADA is represented in more than 30 countries with more than 50 subsidiaries. Branded products such as Grippostad and Ladival are among the highest selling in their product categories in Germany. In financial year 2016, STADA achieved adjusted Group sales of Euro 2,167.2 million, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of Euro 398 million and adjusted net income of Euro 177.3 million. As of December 31, 2016, STADA employed about 10,900 people worldwide.

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