



## Ad hoc release

### STADA: Successful financial year 2013 – Adjusted EBITDA reaches new record high – Dividend to increase by 32 percent – 2014 outlook adjusted

#### Important items at a glance

- Adjusted EBITDA increases to new record high of Euro 415.2 million (+13 percent) – adjusted EBITDA margin 20.6 percent (previous year: 20.0 percent)
- Group sales rise to Euro 2,014.4 million (+10 percent) and exceed the two-billion-euro mark
- International expansion of self-pay patient portfolio from high sales growth in branded products (+19 percent)
- Substantial growth in emerging markets – particularly Russia (+22 percent) and Vietnam (+328 percent)
- Dividend to increase by 32 percent to Euro 0.66 per common share
- 2014 outlook adjusted due to CIS crisis

#### STADA key figures

	2013	2012	+/-
Group sales	Euro 2,014.4 million	Euro 1,837.5 million	+10%
Operating profit	Euro 251.5 million	Euro 202.1 million	+24%
<i>Operating profit, adjusted</i>	<i>Euro 306.3 million</i>	<i>Euro 266.2 million</i>	+15%
EBITDA	Euro 383.5 million	Euro 323.7 million	+18%
<i>EBITDA, adjusted</i>	<i>Euro 415.2 million</i>	<i>Euro 367.4 million</i>	+13%
Net income	Euro 121.4 million	Euro 86.5 million	+40%
<i>Net income, adjusted</i>	<i>Euro 160.6 million</i>	<i>Euro 147.9 million</i>	+9%
Earnings per share	Euro 2.04	Euro 1.46	+40%
<i>Earnings per share, adjusted</i>	<i>Euro 2.70</i>	<i>Euro 2.50</i>	+8%

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Proposed dividend	Euro 0.66	Euro 0.50	+32%
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Bad Vilbel, March 24, 2014 – Today, on March 24, 2014, the Executive Board of STADA Arzneimittel AG confirmed the preliminary figures for financial year 2013 already published on March 3, 2014 and announced details on the development of segments as well as the 2014 adjusted outlook.

“The figures for financial year 2013 are within the scope of our expectations. Our activities in the two market regions of CIS/Eastern Europe and Asia & Pacific, as well as our strong Branded Products segment, contributed to the positive development in particular. In light of this, we recommend a significant dividend increase of 32 percent to Euro 0.66 per common share”, says Hartmut Retzlaff, STADA's Chairman of the Executive Board.

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

STADA's **Group sales** increased in the reporting year by 10 percent to Euro 2,014.4 million (previous year: Euro 1,837.5 million) and thereby amount to over two billion euros for the first time in Company history.

Sales of the core segment **Generics** showed a rise of 2 percent to Euro 1,234.8 million in financial year 2013 (previous year: Euro 1,213.1 million). Generics thereby contributed 61.3 percent to Group sales (previous year: 66.0 percent). Sales of the core segment **Branded Products** increased by 19 percent to Euro 708.5 million in 2013 (previous year: Euro 596.2 million). Branded products thus contributed 35.2 percent to Group sales (previous year: 32.5 percent).

#### ***Development of earnings***

The development of earnings in financial year 2013 was characterized by an increase in financial performance as shown by growth in all of the Group's reported and adjusted key earnings figures.

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**Reported operating profit** recorded a plus of 24 percent to Euro 251.5 million (previous year: Euro 202.1 million). **Reported EBITDA** increased by 18 percent to Euro 383.5 million (previous year: Euro 323.7 million). **Reported net income** recorded an increase of 40 percent to Euro 121.4 million (previous year: Euro 86.5 million).

After adjusting the key earnings figures for influences distorting the year-on-year comparison resulting from one-time special effects, **adjusted operating profit** increased by 15 percent to Euro 306.3 million (previous year: Euro 266.2 million). **Adjusted EBITDA** recorded a plus of 13 percent to Euro 415.2 million (previous year: Euro 367.4 million) and thereby reached a new record high in STADA company history. **Net income, adjusted** for one-time special effects and effects from the measurement of derivative financial instruments under financial income and expenses, increased by 9 percent to Euro 160.6 million (previous year: Euro 147.9 million).

The **net debt to adjusted EBITDA ratio** was 3.1 in the reporting year (previous year: 3.2).

### ***Dividend proposal***

On March 3, 2014, the Executive Board already proposed to distribute a significantly increased dividend as compared to the previous year of Euro 0.66 per common share for financial year 2013 (previous year: Euro 0.50). This corresponds to a substantial dividend increase of 32 percent. Should STADA's Annual General Meeting follow this proposal on June 4, 2014, this corresponds to total dividend payments of Euro 39.8 million (previous year: Euro 29.6 million).

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

Sales increased in three out of the total of four STADA market regions in the reporting year.

In the market region **Central Europe**, sales increased by 5 percent to Euro 858.7 million in financial year 2013 (previous year: Euro 816.0 million). Sales generated in this market region thereby had a share of 42.6 percent in Group sales (previous year: 44.4 percent). The sales in **Italy**, the **United Kingdom**, **Switzerland** and **Ireland** developed particularly

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well in the market region Central Europe in 2013. After regulatory intervention in 2012, sales in **Belgium** and **Spain** increasingly stabilized in the course of the reporting year.

Sales in the **market region CIS/Eastern Europe** recorded substantial growth in 2013 of 19 percent to Euro 629.2 million (previous year: Euro 526.5 million). Sales of the market region thereby contributed 31.2 percent to Group sales (previous year: 28.7 percent).

**Russia** recorded a strong sales increase in the reporting year of 30 percent applying the exchange rates of the previous year. In euro, sales grew significantly by 22 percent to Euro 418.8 million despite a negative currency effect of the Russian ruble (previous year: Euro 343.0 million). In **Serbia**, sales grew by 6 percent in financial year 2013 applying the exchange rates of the previous year. In euro, sales also increased by 6 percent to Euro 86.0 million with a slightly positive currency effect of the Serbian dinar (previous year: Euro 80.9 million).

In the **market region Germany**, sales in financial year 2013 decreased by 3 percent to Euro 454.1 million (previous year: Euro 470.0 million). This development was based on opposing effects. On one hand, the German generics market recorded a sales decrease, which is primarily based on now fully expired portfolio agreements as well as a deliberate partial renouncement of sales from discount agreements for the benefit of operating profitability. On the other hand, there was a positive effect in connection with a sale of intangible assets with subsequent back-licensing for further utilization in sales. Overall, this market region contributed 22.6 percent to Group sales (previous year: 25.6 percent).

Sales in the **market region Asia & Pacific** recorded substantial growth in 2013 of 190 percent to Euro 72.4 million (previous year: Euro 25.0 million). The market region contributed 3.6 percent to Group sales (previous year: 1.3 percent). The growth in the market region Asia & Pacific was primarily attributable to the sales increase in the Vietnamese market as a result of the consolidation of Pymepharco and STADA Vietnam as subsidiaries.

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

**Research and development costs** were at Euro 55.7 million in financial year 2013 (previous year: Euro 52.2 million). STADA launched a total of 724 individual products worldwide in the reporting year (previous year: 717 product launches) – thus once again the highest number in Company history.

### ***Outlook***

Against the backdrop of the strong devaluation of the Russian ruble and the Ukrainian hryvnia, as well as the uncertainties regarding the future business development in the context of the current CIS crisis, the Executive Board no longer expects to completely achieve the outlook for 2014 as published in the context of a long-term prognosis in 2010. STADA does, however, expect slight growth in Group sales, adjusted EBITDA and adjusted net income. For reasons of transparency, the adjustments as from 2014 will also include negative currency effects from the devaluation of the Russian ruble as well as further significant currencies of the market region CIS/Eastern Europe.

Additional information:

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