



Corporate News

STADA: Successful financial year 2012 – Adjusted EBITDA at record level – Dividend to increase by over 35 percent – Positive outlook to 2014

Important items at a glance

- Adjusted EBITDA increases to record level of Euro 367.5 million (+9 percent) – adjusted EBITDA margin 20.0 percent (previous year: 19.7 percent)
- Group sales rise to Euro 1,837.5 million (+7 percent)
- International expansion of self-pay patient portfolio from substantial growth in branded products (+26 percent)
- Continued strong growth in emerging markets – especially in Russia (+23 percent)
- “STADA – build the future”: operational implementation largely complete – reduction in the number of employees a year ahead of schedule
- Dividend to increase by over 35 percent to Euro 0.50 per common share
- Optimistic outlook to 2014 with confirmation of long-term prognosis

STADA Key Figures

	2012	2011	+/-
Group sales	Euro 1,837.5 million	Euro 1,715.4 million	+7%
Operating profit	Euro 202.1 million	Euro 120.1 million	+68%
<i>Operating profit, adjusted</i>	<i>Euro 266.3 million</i>	<i>Euro 257.6 million</i>	+3%
EBITDA	Euro 323.8 million	Euro 223.2 million	+45%
<i>EBITDA, adjusted</i>	<i>Euro 367.5 million</i>	<i>Euro 337.2 million</i>	+9%
Net income	Euro 86.5 million	Euro 22.0 million	>100%
<i>Net income, adjusted</i>	<i>Euro 147.9 million</i>	<i>Euro 146.6 million</i>	+1%

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Earnings per share	Euro 1.46	Euro 0.37	>100%
<i>Earnings per share, adjusted</i>	<i>Euro 2.50</i>	<i>Euro 2.49</i>	+0.4%
Proposed dividend	Euro 0.50	Euro 0.37	+35%

Bad Vilbel, March 21, 2013 – Today, on March 21, 2013, STADA Arzneimittel AG published the final results for financial year 2012 and thereby confirmed all preliminary figures published on February 28, 2013.

The Chairman of the Executive Board Hartmut Retzlaff expressed great satisfaction in the past financial year: “The Group's results for 2012 submitted today are within the scope of our positive expectations. In terms of adjusted EBITDA, we once again achieved a record value in the Company's history. Our success in financial year 2012 clearly proves how successful our strategy is with an intelligent product mix of generics and branded products on the one hand and increasing internationalization on the other. This allows us to consequently take advantage of growth opportunities in various product categories and geographical regions and minimize risks. We see ourselves as well positioned for the future and expect further growth in sales and earnings for the Group in 2013 as well as 2014. In concrete terms, for adjusted EBITDA, we see the opportunity for renewed growth in the high single-digit percent area and therefore another new record value for the current financial year 2013. Against the backdrop of the positive business development, we recommend a strong dividend increase of over 35 percent to Euro 0.50 per common share.”

Development of sales

STADA's **Group sales** increased in the reporting year by 7 percent to Euro 1,837.5 million (previous year: Euro 1,715.4 million).

Thereby, sales of the core segment **Generics** showed a rise of 2 percent to Euro 1,213.1 million in financial year 2012 (previous year: Euro 1,188.3 million). This gave Generics a share of 66.0 percent in Group sales (previous year: 69.3 percent). The core segment **Branded Products** recorded sales growth of 26 percent to Euro 596.2

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million in 2012 (previous year: Euro 471.9 million). Branded Products thus had a share of Group sales of 32.5 percent (previous year: 27.5 percent).

Earnings development

The earnings development in financial year 2012 was characterized by an increase in operating performance as shown by growth in all of the Group's reported key earnings figures. **Reported operating profit** increased in the reporting year by 68 percent to Euro 202.1 million (previous year: Euro 120.1 million). **Reported net income** increased to Euro 86.5 million (previous year: Euro 22.0 million). **Reported EBITDA** increased by 45 percent to Euro 323.8 million (previous year: Euro 223.2 million).

Even after being adjusted for one-time special effects or for one-time special effects and non-operational effects from the measurement of derivative financial instruments, numerous key earnings figures recorded growth. **Adjusted operating profit** recorded growth of 3 percent in 2012 to Euro 266.3 million (previous year: Euro 257.6 million). **Adjusted net income** was slightly above the level of the previous year with Euro 147.9 million (previous year: Euro 146.6 million). **Adjusted EBITDA** recorded a plus of 9 percent to Euro 367.5 million (previous year: Euro 337.2 million) and thereby reached a new record value in STADA Company history.

The net debt to adjusted EBITDA ratio increased to 3.2 (previous year: 2.7) despite this clear EBITDA increase as a result of investments made in 2012.

However, Helmut Kraft, Chief Financial Officer, referred here to the positive trend in the course of the year: "In the fourth quarter of 2012, we were fortunately able to significantly increase cash flow from operating activities whereby a substantial reduction in net working capital made a contribution. This significantly improved the net debt to adjusted EBITDA ratio in the reporting year to 3.2 within a short time as compared to the figure for the first nine months of 2012 which was still at 3.6."



Dividend proposal

On February 28, 2013, the Executive Board already proposed to distribute a significantly increased dividend as compared to the previous year of Euro 0.50 per common share for financial year 2012 (previous year: Euro 0.37). This corresponds to a dividend increase of over 35 percent. Should STADA's Annual General Meeting follow this proposal on June 5, 2013, this corresponds to total dividend payments of Euro 29.6 million (previous year: Euro 21.8 million).

Realignment of the reporting structure

Four market regions were defined in the context of the Group-wide cost efficiency program "STADA – build the future". By determining these market regions, STADA frees itself from the former reporting by country and thereby takes account of the changed structure resulting from the efficiency program. Therefore, all net sales to third parties generated by consolidated Group companies are reported in the individual market regions (according to the company's registered office, including export sales). The four regions correspond to the operating segments according to market region used for internal reporting since 2012.

Development of the market regions

Sales increased in three of the four market regions; in the two largest market regions, the growth was even in the double-digit percentage area.

In the largest STADA **market region Central Europe**, sales showed a plus of 15 percent to Euro 816.0 million in the reporting year (previous year: Euro 711.3 million). Sales generated in this market region thus had a share of 44.4 percent of Group sales (previous year: 41.5 percent). The sales development of the market region Central Europe was primarily based on the positive development in **Italy, France, the United Kingdom** and – due to acquisitions – **Switzerland**.

In the **market region CIS/Eastern Europe**, sales achieved in 2012 increased – in part due to acquisitions – by 10 percent to Euro 526.5 million (previous year: Euro 477.6 million). Sales generated in this market region thus had a share of 28.7 percent of Group sales (previous year: 27.8 percent). **Russia** recorded a significant sales

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increase in financial year 2012 of 20 percent applying the exchange rates of the previous year. In euro, sales recorded even stronger growth of 23 percent to Euro 343.0 million due to a positive currency effect of the Russian ruble (previous year: Euro 279.6 million).

In the **market region Germany**, sales in financial year 2012 decreased by 6 percent to Euro 470.0 million (previous year: Euro 501.8 million) in view of the continued very difficult framework conditions in the German generics market due to high margin pressure from discount agreements with public health insurance organizations, even though STADA sales companies recorded numerous awards in various tenders for such discount agreements in the past financial year. This market region thus had a share of Group sales of just 25.6 percent (previous year: 29.3 percent).

In the **market region Asia & Pacific**, sales in financial year 2012 increased by 1 percent to Euro 25.0 million (previous year: Euro 24.7 million). Sales of the market region thereby contributed 1.3 percent (previous year: 1.4 percent) to Group sales.

Development, production and procurement

Research and development costs were at Euro 52.2 million in financial year 2012 (previous year: Euro 50.4 million). STADA launched a total of 717 individual products worldwide (previous year: 600 product launches) – thus once again the highest number in Company history.

The Group-wide cost efficiency program “STADA – build the future” still running to the end of 2013 with particular focus on the area of production and procurement was continued as planned in 2012. As a result of the sale of production facilities in Ireland and Russia, the operational implementation of the program was able to be largely completed and the planned reduction in the number of employees in the context of the program was achieved a year earlier than planned.



“The great progress we have made in improving the efficiency of all of our operational processes is impressively reflected in the numerous awards we received in financial year 2012 in tenders with public health insurance organizations, particularly in the intensively competitive German market”, says Dr. Axel Müller, Chief Production & Development Officer.

Outlook

In the Annual Report published today, the Executive Board confirms the positive **outlook** for the future development of the STADA Group already given on February 28, 2013. Thus, the Executive Board expects, from today's perspective, further growth in sales and earnings for the Group in 2013 and 2014. Furthermore, the Executive Board sees the opportunity for further growth in the Group's adjusted EBITDA in the high single-digit percent area and thereby achieving a new record value for 2013. In addition, the Executive Board affirms the long-term prognosis envisaged for 2014, according to which Group sales of approximately Euro 2.15 billion, at an adjusted level, EBITDA of approximately Euro 430 million and net income of approximately Euro 215 million should be reached at minimum.

Additional information:

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