

# Interim Report on the First Nine Months of 2009



## STADA KEY FIGURES

Key figures for the Group in € million	1/1-9/30/2009	1/1-9/30/2008 <sup>1)</sup>	± %
Sales	1,138.5	1,231.8	-8%
• Generics (core segment)	816.6	854.2	-4%
• Branded Products (core segment)	278.7	273.0	+2%
• Commercial Business	36.9	42.5	-13%
• Group Holdings/other	6.2	62.1	-90%
Operating profit	129.1	149.8	-14%
<i>Operating profit, adjusted<sup>2)</sup></i>	<i>143.5</i>	<i>166.2</i>	<i>-14%</i>
EBITDA (Earnings before interest, taxes, depreciation and amortization)	190.2	208.4	-9%
<i>EBITDA (Earnings before interest, taxes, depreciation and amortization), adjusted<sup>2)</sup></i>	<i>200.4</i>	<i>218.5</i>	<i>-8%</i>
EBIT (Earnings before interest and taxes)	129.9	148.5	-13%
<i>EBIT (Earnings before interest and taxes), adjusted<sup>2)</sup></i>	<i>143.5</i>	<i>163.9</i>	<i>-12%</i>
EBT (Earnings before taxes)	91.7	107.9	-15%
<i>EBT (Earnings before taxes), adjusted<sup>2)</sup></i>	<i>108.8</i>	<i>123.7</i>	<i>-12%</i>
Net income <sup>3)</sup>	71.5	79.6	-10%
<i>Net income<sup>3)</sup>, adjusted<sup>2)</sup></i>	<i>84.3</i>	<i>90.6</i>	<i>-7%</i>
Cash flow (gross)	131.0	142.7	-8%
Equity capital (as of Sept. 30)	850.8	960.9	-11%
Capital expenditure	88.1	102.7	-14%
Depreciation (net of write-ups)	60.3	59.9	+1%
Average number of employees (Jan. 1 – Sept. 30)	8,061	8,293	-3%

Key share figures	1/1-9/30/2009	1/1-9/30/2008 <sup>1)</sup>	± %
Market capitalization in € million (as of Sept. 30)	1,097.6	1,661.7	-34%
Closing price (XETRA <sup>®</sup> ) in € (as of Sept. 30)	18.68	28.28	-34%
Average number of shares not including treasury shares (Jan. 1 – Sept. 30)	58,654,553	58,626,128	0%
Basic earnings per share <sup>4)</sup> in €	1.22	1.36	-10%
<i>Basic earnings per share<sup>4)</sup> in €, adjusted<sup>2)</sup></i>	<i>1.44</i>	<i>1.55</i>	<i>-7%</i>
Diluted earnings per share <sup>5)</sup> in €	1.22	1.32	-8%
<i>Diluted earnings per share<sup>5)</sup> in €, adjusted<sup>2)</sup></i>	<i>1.44</i>	<i>1.51</i>	<i>-5%</i>

1) The earnings figures of the third quarter of 2008 as well as of the first nine months of 2008 reported in this interim report were adjusted in accordance with IAS 8 (see "Notes 1.2.>").

2) Adjusted for one-time special effects as well as effects from currency influences and interest rate hedge transactions in the first nine months of 2008 and the first nine months of 2009.

3) Unless otherwise stated, "net income" in this interim report refers to income attributable to the shareholders' stake in STADA Arzneimittel AG, which under IFRS also represents the basis for calculating earnings per share and diluted earnings per share.

4) In accordance with IAS 33.10.

5) In accordance with IAS 33.31.

## MANAGEMENT REPORT

### Overview

The sales and earnings development in the first nine months of 2009 lies within the scope of the outlook provided by the Executive Board for the STADA Group at the beginning of the year. This also applies to expectations for the further development of the current fiscal year and medium-term business prospects.

In the first three quarters of 2009, STADA achieved sales of € 1,138.5 million (1-9/2008: € 1,231.8 million). In the first nine months of 2009, STADA Group sales thereby declined indeed by 8% as compared to the corresponding period of the previous year. Also in the third quarter of 2009 taken alone, sales were 6% lower than the level of the previous year at € 383.3 million (third quarter of 2008: € 409.0 million). The primary reasons for this decline were the continuingly difficult framework conditions in individual national markets, partially also against the backdrop of the continuing global financial and economic crisis, disposals of non-core activities in the United Kingdom made since then and negative currency effects, particularly from the Russian ruble and the Serbian dinar. Adjusting for non-operational effects from acquisitions and disposals as well as currency effects, however, results in a sales increase of 2% after the first three quarters of the current fiscal year as compared to the same period of the previous year. In the third quarter of 2009 taken alone, Group sales adjusted analogously increased in a seasonal comparison with the third quarter of 2008 by a stronger 4%.

However, even including the sales increase expected for the fourth quarter of the current fiscal year, in fiscal year 2009 overall, it is no longer expected that the record sales level of the previous year will be reached. Adjusted for effects from acquisitions and disposals as well as currency effects, a sales increase compared to the previous year, however, continues to appear possible for fiscal year 2009.

Also STADA Group's key earnings figures in the first nine months of the current fiscal year were characterized by difficult framework conditions and continued to be in decline as planned. The earnings shortfall of the current fiscal year as compared with the previous year, however, has – as expected by the Executive Board – clearly decreased in the third quarter of 2009, because in a seasonal comparison of the third quarter taken alone all key earnings figures of the Group in the third quarter of 2009, however, partly even significantly exceeded the level of the third quarter of 2008.

Thus, net income decreased by 10% to € 71.5 million (1-9/2008: € 79.6 million) in the reporting period; by taking the third quarter of 2009 alone, however, an increase in net income of 40% was achieved as compared to the corresponding period of the previous year. This seasonal comparison clearly reflects the revival of the Group's business situation, which occurred as expected.

Adjusted for one-time special effects as well as non-operational effects, adjusted net income decreased in the first nine months of 2009 by 7% to € 84.3 million; in the third quarter taken alone, however, adjusted net income increased by 25%. Earnings before interest, taxes, depreciation and amortization analogously adjusted (adjusted EBITDA)

amounted to € 200.4 million in the first three quarters of 2009 (1-9/2008: € 218.5 million), thus 8% lower than the same period of the previous year; in the third quarter taken alone, however, adjusted EBITDA increased by 8% to € 74.1 million (third quarter 2008: € 68.7 million). From today's perspective of the Executive Board, the minimum goal of adjusted EBITDA of € 250 million for fiscal year 2009 should thus continue to be achievable.

So with continued revival of business in the current fourth quarter, there continues to be the opportunity in fiscal year 2009 to exceed the earnings level reported in the 2008 annual financial statements. However, the clearly higher earnings level adjusted for one-time special effects as well as non-operational effects of the previous year will probably no longer be reached in 2009.

### Sales development of the STADA Group

In the first nine months of 2009, against the backdrop of the continually difficult framework conditions in individual national markets as well as the continuing global financial and economic crisis, **Group sales** decreased as expected by 8% to € 1,138.5 million (1-9/2008: € 1,231.8 million). Also, in the third quarter of 2009 taken alone, sales of € 383.3 million (third quarter of 2008: € 409.0 million) were 6% lower than the level of the previous year.

**Adjusted Group sales** increased by a moderate 2% in the reporting period and by 4% when taking the third quarter of 2009 alone into consideration. These adjustments are carried out in order to better compare sales development with the figures from the corresponding period of the previous year and to neutralize the following influences distorting the period comparison:

- **Influence on sales due to changes in the Group portfolio**

In the first nine months of 2009, changes in the Group portfolio as compared to the first three quarters of 2008 resulted from disposals made since then and business activities sold and discontinued as well as acquisitions of products or companies.

In this context, in the first nine months of 2008, disposals<sup>1)</sup> made since then or business activities sold<sup>2)</sup> and discontinued<sup>3)</sup> still contributed a total of € 59.0 million to sales at that time. The lack of these sales in the first nine months of the current fiscal year thus had a curbing effect on growth of 5 percentage points as compared to the same period of the previous year. Considering the third quarter alone, this sales gap amounted to € 16.7 million or this curbing effect on growth to 4 percentage points.

From only small acquisitions of products<sup>4)</sup> and companies<sup>5)</sup> in the past twelve months in view of the current cautious acquisition policy, STADA achieved sales totaling € 5.4 million in the first three quarters of 2009 and € 1.6 million in the third quarter of 2009. In the first nine months of 2009, these sales therefore contributed 0.5 percentage points to Group sales and 0.4 percentage points in the third quarter of 2009.

1) Low-margin non-core activities of Forum Products (division of the British Forum Bioscience group), deconsolidated since August 31, 2008, sales contribution Jan. 1 – Aug. 31, 2008: € 49.8 million. Health Vision Enterprise Ltd., deconsolidated since January 1, 2009, sales contribution Jan. 1 – Sept. 30, 2008: € 4.3 million.  
2) Defibrotide products, sales contribution Jan. 1 – Sept. 30, 2008: € 3.2 million.

3) Discontinuation of the Dutch commercial business, sales contribution Jan. 1 – Sept. 30, 2008: € 1.8 million.

4) Acquisition of the Italian branded products Keritrina® as of November 14, 2008 and Keralflox® as of December 17, 2008, sales contribution Jan. – Sept. 2009: € 4.9 million.

5) Acquisition of the Danish Dermalog on January 26, 2009 and subsequently initiated merger with the Danish STADA subsidiary PharmaCoDane, sales contribution Jan. – Sept. 2009: € 0.5 million.

Offsetting these changes in the Group portfolio against each other thus curbed sales development in the first three quarters of 2009 by 4 percentage points or by 4 percentage points in the third quarter of 2009 as compared to the corresponding period in the previous year.

- **Influence on sales due to currency effects**

As compared to the corresponding period in the previous year, sales development in the first three quarters of 2009 was influenced by currency effects, since the currency relations of significant foreign currencies for STADA, particularly the Russian ruble<sup>1)</sup>, the Serbian dinar<sup>2)</sup> and the pound sterling<sup>3)</sup> with the euro were more unfavorable in the first nine months of 2009 as well as in the third quarter of 2009 considered alone than in the corresponding period of the previous year. Negative translation effects led to a sales burden of 5 percentage points in the first nine months of 2009 as compared to the first three quarters of 2008 and of 6 percentage points in the third quarter of 2009 as compared to the third quarter of 2008.<sup>4)</sup>

Overall, changes in the Group portfolio as well as currency effects in the first nine months of 2009 resulted in a sales burden of 9 percentage points as compared to the corresponding period of the previous year and of 10 percentage points when taking only the third quarter of 2009 into consideration. To the extent that adjusted sales figures are reported in the following, the sales adjustments carried out respectively include these effects in total.<sup>5)</sup>

**Scheme for calculating the Group's adjusted sales growth**

Jan. – Sept. 2008		Jan. – Sept. 2009
STADA Group sales € 1,231.8 million	— -8% —>	STADA Group sales € 1,138.5 million
∓ Remaining sales Defibrotide products Jan. 1 – Sept. 30, 2008		∓ Sales Dermalog (as part of PharmaCoDane) Jan. 1 – Sept. 30, 2009
∓ Sales Health Vision Enterprise Ltd. Jan. 1 – Sept. 30, 2008 due to deconsolidation as of Jan. 1, 2009 and sale as of Oct. 26, 2009		
∓ Sales Dutch commercial business Jan. 1 – Sept. 30, 2008		∓ Sales Keritrina® product Jan. 1 – Sept. 30, 2009
∓ Sales Forum Products division Jan. 1 – Aug. 31, 2008		∓ Sales Keraflox® product Jan. 1 – Sept. 30, 2009
		± Sales change by applying the same exchange rates i.e., those from the previous year for both nine-months periods
Base value for adjusted sales growth € 1,172.9 million	— +2% —>	Adjusted STADA Group sales € 1,193.6 million

In **Europe**, the STADA Group sales decreased in the first nine months of 2009 by 8% to € 1,093.0 million (1-9/2008: € 1,191.1 million). The sales share generated by STADA in Europe thus amounted to 96.0% of Group sales (1-9/2008: 96.7%). Adjusted, Group sales in Europe grew slightly by 1%.

In **Western Europe**, STADA recorded a sales decrease of 8% to € 825.8 million in the first nine months of 2009 (1-9/2008: € 895.2 million) – mainly due to the disposal of non-core business activities in the United Kingdom. STADA's Western European sales therefore contributed 72.5% to Group sales (1-9/2008: 72.7%). STADA's adjusted sales in Western European markets decreased by 2%.

1) Currency relation Russian ruble/euro 2009 vs. 2008: January – September average exchange rate -18%.

2) Currency relation Serbian dinar/euro 2009 vs. 2008: January – September average exchange rate -15%.

3) Currency relation pound Sterling/euro 2009 vs. 2008: January – September average exchange rate -12%.

4) In calculating all sales translations from local currency to the Group currency euro respectively with the same exchange rate relations from the previous year.

5) The adjusted sales figures are pro forma key figures which are solely aimed at a more transparent year-on-year comparison.

In **Eastern Europe**, in the so-called CEE<sup>1)</sup> countries, sales decreased by 10% to € 267.1 million (1-9/2008: € 285.9 million) primarily due to currency influences. STADA's Eastern European sales share thus amounted to 23.5% of Group sales (1-9/2008: 24.0%). Adjusted Group sales in Eastern Europe increased by 8%.

In **Asia**, STADA posted a decrease in sales in the first three quarters of 2009 of 11% to € 32.2 million (1-9/2008: € 36.3 million). Sales in the Asian markets thus contributed 2.8% (1-9/2008: 2.9%) to Group sales. STADA's adjusted sales in Asia increased by 8%.

Group sales in the **rest of the world** rose by 197% to € 13.3 million in the first nine months of 2009 (1-9/2008: € 4.5 million). Sales in the rest of the world thus had a share of 1.2% in Group sales (1-9/2008: 0.4%). Here, adjusted sales growth of the Group was 288%.

The sales development in national markets significant for STADA is described in more detail in the context of the reporting on regional developments (see "Regional development in individual national markets").

Even including the sales increase expected for the fourth quarter of the current fiscal year, in fiscal year 2009 overall, it is no longer expected that the record sales level of the previous year will be reached. Adjusted for effects from acquisitions and disposals as well as currency effects, a sales increase compared to the previous year, however, continues to appear possible for fiscal year 2009.

#### Earnings development of the STADA Group

With continuingly difficult framework conditions in individual national markets (see "Regional development in individual national markets") as well as unfavorable exchange rate relations (see "Sales development of the STADA Group"), the STADA Group's **key earnings figures** in the first nine months of the current fiscal year continued to be in decline. Considering the third quarter alone in a direct seasonal comparison, all key earnings figures of the Group in the third quarter of 2009, however, partly even significantly exceeded the level of the third quarter of 2008.

In the first nine months of the current fiscal year, **net income** decreased by 10% to € 71.5 million (1-9/2008: € 79.6 million) as compared to the corresponding period in the previous year, increased in contrast however in the third quarter of 2009 taken alone by 40% to € 23.2 million (third quarter of 2008: € 16.6 million). **Earnings before interest, taxes, depreciation and amortization (EBITDA)** after the first nine months of 2009 were € 190.2 million (1-9/2008: € 208.4 million) and were therefore 9% lower than the previous year. In the third quarter of 2009 taken alone, EBITDA grew by 8% to € 66.2 million (third quarter of 2008: € 61.3 million) as compared to the corresponding period of the previous year.

In the first three quarters of the current fiscal year, **adjusted net income** decreased by a total of 7% to € 84.3 million (1-9/2008: € 90.6 million), in the third quarter of 2009 taken alone, however, it grew by 25% to € 32.1 million (third quarter of 2008: € 25.7 million); although **adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)** decreased in the first nine months of 2009 by 8% to € 200.4 million (1-9/2008: € 218.5 million), they grew in the third quarter of 2009 taken alone by 8% to € 74.1 million (third quarter of 2008: € 68.7 million); from today's perspective of the Executive Board, the minimum goal of adjusted EBITDA of € 250 million for fiscal year 2009 should thus continue to be achievable. The adjustments made for these two key figures are carried out in order

1) Central Eastern Europe including Russia.

to better compare earnings development with the figures from the corresponding period of the previous year and to neutralize the following influences distorting the period comparison:

- **Influence on earnings due to one-time special effects**

The earnings development of the first nine months of 2009 was burdened by one-time special effects in the net amount of € 12.1 million before taxes or € 9.4 million after taxes (1-9/2008: net burden due to one-time special effects in the amount of € 15.0 million before taxes or € 10.5 million after taxes).

In the third quarter of 2009 taken alone, net burdens due to one-time special effects in the total amount of € 11.0 million before or € 8.0 million after taxes (third quarter of 2008: net burden due to one-time special effects in the amount of € 10.9 million before or € 7.8 million after taxes) were incurred.<sup>1)</sup>

In detail, these one-time special effects in the third quarter of 2009 related to:

- a burden in the amount of € 3.9 million before or € 2.4 million after taxes due to amortization on intangible assets in the scope of impairment tests.
- a relief in the amount of € 0.8 million before or € 0.4 million after taxes due to write-ups on intangible assets in the scope of impairment tests.
- a burden in the amount of € 5.0 million before or € 4.2 million after taxes due to value adjustments in various CEE countries (among others in particular also Serbia – see “Regional development in individual national markets – Serbia”) on receivables from local wholesalers against the backdrop of a liquidity situation of the local wholesalers which is tense due to the macroeconomic framework conditions of the global financial and economic crisis.
- a relief in the amount of € 0.2 million before or € 0.2 million after taxes for the merger of locations in the United Kingdom.<sup>2)</sup>
- a net burden in the amount of € 2.0 million before or € 1.3 million after taxes in connection with the departure of STADA’s Chief Financial Officer<sup>3)</sup> (see “Changes on the Executive Board and the Supervisory Board”).
- a burden in the amount of € 1.1 million before or € 0.7 million after taxes due to expenses for consulting firms in connection with the “STADA – build the future” project.

- **Influence on earnings due to non-operational effects from currency influences and interest rate hedge transactions**

Non-operational effects from currency influences and interest rate hedge transactions added up to a burden in the total amount of € 5.1 million before or € 3.4 million after taxes in the first nine months of 2009 (1-9/2008: net burden due to non-operational effects from currency influences and interest rate hedge transactions in the amount of € 0.8 million before or € 0.5 million after taxes).

In the third quarter of 2009 taken alone, these effects resulted in a net burden in the total amount of € 1.6 million before or € 1.0 million after taxes (third quarter of 2008: net burden due to non-operational effects from currency influences and interest rate hedge transactions in the amount of € 1.9 million before or € 1.3 million after taxes).<sup>4)</sup>

1) As is known, due to one-time special effects, a net burden in the total amount of € 1.1 million before or € 1.3 million after taxes had resulted in the first half year of 2009.  
2) This amount results from the final valuation of the merger of locations which in the first quarter of 2009 had initially led to a burden in the amount of € 2.0 million before or € 1.5 million after taxes reported as a one-time special effect.

3) See the Company’s ad hoc release of August 12, 2009 and Notes 5.3.  
4) As is known, due to various non-operational effects from currency influences and interest rate hedge transactions a burden in the total amount of € 3.4 million before or € 2.5 million after taxes had resulted in the first half year of 2009.

In detail, in the third quarter of 2009, the following effects were concerned:

- burden on earnings due to currency effects in the form of net currency translation expenses of a Russian subsidiary in connection with existing loans from an earlier acquisition financing in the amount of € 0.1 million before or € 0.0 million after taxes (third quarter of 2008: net relief in the amount of € 0.4 million before or € 0.3 million after taxes).
- burden on earnings due to valuation of an interest rate hedge transaction concluded in the fourth quarter of 2008 by a Russian subsidiary to stabilize interest rates of existing loans from an earlier acquisition financing in the amount of € 1.4 million before or € 1.0 million after taxes. As is known, when the transaction was concluded at the time the variable interest rate of an existing ruble loan was swapped against a fixed interest rate and a conditioned compensation payment the realization and amount of which depends on the ruble/euro currency relation at the end of the term of the interest rate hedge transaction in the year 2010. In view of an expected continued high volatility of the ruble, STADA concluded a hedge transaction in the course of the third quarter, which limits the loss exposure in the event of any further weakening of the ruble to a rate of 45 ruble to 1 euro.
- burden on earnings from the evaluation of further interest rate hedge transactions in the Group in the amount of € 0.1 million before or € 0.0 million after taxes (third quarter of 2008: net burden in the amount of € 2.3 million before or € 1.6 million after taxes).

To the extent that reference is subsequently made to adjusted key earnings figures, the earnings adjustments carried out respectively include these effects in total both for the reporting period as well as for the corresponding prior-year period.<sup>1)2)</sup>

In the chart below further essential key earnings figures of the STADA Group as well as the resulting margins are each also reported adjusted for aforementioned one-time special effects and non-operational earnings-influencing effects from currency influences and interest rate hedge transactions accumulated for the first nine months of the current and the previous fiscal year to allow for comparison.

#### Development of the STADA Group's key earnings figures

in Mio. €	1-9/2009	1-9/2008	± %	Margin <sup>7)</sup> 1-9/2009	Margin <sup>7)</sup> 1-9/2008
Operating profit	129.1	149.8	-14%	11.3%	12.2%
• Generics operating segment earnings	105.6	118.3	-11%	12.9%	13.9%
• Branded Products operating segment earnings	52.3	47.5	+10%	18.8%	17.4%
EBITDA <sup>3)</sup>	190.2	208.4	-9%	16.7%	16.9%
EBIT <sup>4)</sup>	129.9	148.5	-13%	11.4%	12.1%
EBT (Earnings before taxes)	91.7	107.9	-15%	8.1%	8.8%
Net income	71.5	79.6	-10%	6.3%	6.5%
Basic earnings per share <sup>5)</sup> in €	1.22	1.36	-10%		
Diluted earnings per share <sup>6)</sup> in €	1.22	1.32	-8%		

1) The adjusted key earnings figures are pro forma key figures which are solely aimed at a more transparent year-on-year comparison (see "Notes 5.2.").

2) The earnings figures of the third quarter of 2008 as well as the first nine months of 2008 in this interim report were adjusted in accordance with IAS 8 (see "Notes 1.2.").

3) Earnings before interest, taxes, depreciation and amortization.

4) Earnings before interest and taxes.

5) In accordance with IAS 33.10.

6) In accordance with IAS 33.31.

7) Related to relevant Group sales.



*Development of the STADA Group's adjusted<sup>1)</sup> key earnings figures*

<i>in Mio. €</i>	<i>1-9/2009</i>	<i>1-9/2008</i>	<i>± %</i>	<i>Margin<sup>6)</sup></i> <i>1-9/2009</i>	<i>Margin<sup>6)</sup></i> <i>1-9/2008</i>
<i>Operating profit, adjusted</i>	143.5	166.2	-14%	12.6%	13.5%
• <i>Generics operating segment earnings, adjusted</i>	109.1	126.2	-14%	13.3%	14.8%
• <i>Branded Products operating segment earnings, adjusted</i>	56.8	48.2	+18%	20.4%	17.7%
<i>EBITDA<sup>2)</sup>, adjusted</i>	200.4	218.5	-8%	17.6%	17.7%
<i>EBIT<sup>3)</sup>, adjusted</i>	143.5	163.9	-12%	12.6%	13.3%
<i>EBT (Earnings before taxes), adjusted</i>	108.8	123.7	-12%	9.5%	10.0%
<i>Net income, adjusted</i>	84.3	90.6	-7%	7.4%	7.4%
<i>Basic earnings per share<sup>4)</sup> in €, adjusted</i>	1.44	1.55	-7%		
<i>Diluted earnings per share<sup>5)</sup> in €, adjusted</i>	1.44	1.51	-5%		

So with continued revival of business in the current fourth quarter, there continues to be the opportunity in fiscal year 2009 to exceed the earnings level reported in the 2008 annual financial statements. However, the clearly higher earnings level adjusted for one-time special effects as well as non-operational effects of the previous year will probably no longer be reached in 2009.

In order to strengthen the mid and long-term earnings potential, the "STADA – build the future" project was introduced Group-wide in 2009.

Strategic goals of this Group-wide project, in which external consultants are also partly deployed, are, as is known, a reduction of the complexity of the Group structures, a more efficient centralized control of Group companies as well as an acceleration of the continuous cost optimization with a focus on the fields of cost of sales/production locations as well as organizational, reporting and personnel structures.

In connection with this project in the current fiscal year 2009 to date, burdens in the amount of € 1.1 million before or € 0.7 million after taxes have been incurred, which STADA has recorded as one-time special effects. Also in the fourth quarter of 2009 and the first half year of 2010, from today's perspective, further burdening one-time special effects are initially expected as a result of the project.

The Works Council at the Bad Vilbel location had consented to complete a company agreement, which would include, among other things, provision for a mutually agreed increase in weekly working hours at Group headquarters in Bad Vilbel from the previous 37.5 to 39 hours with no wage increase. However, in the context of obtaining the legally required approval of parties to the wage agreement, it was not possible to obtain that of the union concerned, IG BCE, despite approval of the employer's association. The Executive Board therefore considers the negotiations as having failed and will look for alternative ways of achieving the expected savings in the area of personnel costs.

For an essential subproject in Russia, in addition, an implementation phase has also already begun in the current fourth quarter; from this Russian subproject alone, gradually increasing savings are expected to be reached in the course of implementation, which when all measures have been completed, are expected to add up to more than € 10 million per year. In the course of 2010, limited investments in the single-digit millions area will create the operational requirements for this purpose.

1) Adjusted for one-time special effects and non-operational earnings-influencing effects from currency influences and interest rate hedge transactions.

2) Earnings before interest, taxes, depreciation and amortization.

3) Earnings before interest and taxes.

4) In accordance with IAS 33.10.

5) In accordance with IAS 33.31.

6) Related to relevant Group sales.

Group-wide, the analysis of the results of the current full structure and process analysis is expected to be complete in the first quarter of 2010 and can then be used as the basis for decisions on the measures to be taken.

STADA's Executive Board stands by its expectation that the "STADA – build the future" project will allow additional earnings contributions to be achieved, which with the implementation of the individual measures will amount to annual savings in the double-digit million area.

### Development of Segments

Sales in the two **core segments**, Generics and Branded Products, decreased by a total of 3% in the first three quarters of 2009 as compared to the corresponding period of the previous year. Adjusted sales in these two core segments increased by 2%.

The core segments' share of Group sales thus amounted to 96.2% in the reporting period (1-9/2008: 91.5%). The increase of the core segments' relative sales significance continued to be primarily due to the disposal of non-core activities in Great Britain.

Sales of **Generics**, which continues to be the significantly larger core segment, decreased in the first nine months of the current fiscal year in view of the partly very difficult framework conditions (see "Regional development in individual national markets") by 4% to € 816.6 million (1-9/2008: € 854.2 million). Generics thus contributed 71.7% in the first nine months of 2009 (1-9/2008: 69.3%) to Group sales. In particular, Generics sales achieved in Russia and Serbia were also in the first nine months of 2009 burdened by the translation into the Group currency euro as a result of the continuingly weak respective local currencies (see "Sales development of the STADA Group"). Against this backdrop, adjusted Group sales of Generics in the first nine months of 2009 were at the level of the corresponding period of the previous year.

In **Branded Products**, STADA recorded sales growth in the amount of 2% to € 278.7 million (1-9/2008: € 273.0 million) in the first nine months of 2009. The share of Branded Products in Group sales thus amounted to 24.5% in the reporting period (1-9/2008: 22.2%). By taking into account portfolio changes and currency influences (see "Sales development of the STADA Group") adjusted sales of Branded Products even recorded an increase of 10% in the first nine months of 2009.

The difficult economic framework conditions in the course of the global financial and economic crisis still obviously did not significantly influence the demand for the Group's branded products, although these products are paid for predominantly by the patients themselves.

Sales from non-core **commercial business** decreased in the first nine months of the current fiscal year to € 36.9 million (1-9/2008: € 42.5 million). Sales reported under **Group holdings/other** declined in the first three quarters of 2009 to € 6.2 million (1-9/2008: € 62.1 million). Here, it must be taken into account that in 2008 this segment still included among other things partial sales in the amount of € 49.8 million from the British Forum Products division deconsolidated as of August 31, 2008 and not one of the core segments of the STADA Group.<sup>1)</sup>

1) As is known, since the sale of the Forum Products division, the Forum Bioscience group's remaining business is continued by STADA as Britannia Pharmaceuticals Ltd.

The development of **operating segment earnings** as well as the resulting **operating segment margins** based on the respective segment sales can be seen in the above chart “Development of the STADA Group’s key earnings figures” on page 6.

### Regional development in individual national markets

In **Germany**, which continues to be STADA’s largest national market, sales in the first nine months of 2009 fell by 6% to € 407.4 million (1-9/2008: € 435.5 million). STADA’s German business activities thus contributed 35.8% to Group sales in the reporting period (1-9/2008: 35.4%).

In Germany, sales in the core segment Generics had a share of 78% of Group sales (1-9/2008: 79%). The generics market in Germany continues to be characterized by constantly decreasing price levels and high discounts to health insurance organizations due to regulatory initiated discount agreements between manufacturers and health insurance organizations.

In view of the very difficult framework conditions, STADA’s Generics sales in Germany decreased in the first three quarters of 2009 by 8% to € 318.4 million (1-9/2008: € 345.6 million). The STADA Group’s market share in terms of generics sold in German pharmacies increased slightly however to 13.6% in the first three quarters of the current fiscal year (1-9/2008: 13.5%).

ALIUD PHARMA, the largest of the Group-owned sales labels in the German generics market, continued to make a particular contribution to Generics sales in Germany, which – affected by the difficult market conditions indicated above – recorded a slight decrease in sales of 1% to € 181.5 million (1-9/2008: € 182.7 million) after nine months. In the first nine months, ALIUD PHARMA remained on position three in the German generics market.

The second Group-owned German generics line STADApHarm has still not fully compensate for its aggressive price policy which was launched at the beginning of the year to complete a new sales alignment by means of growth in volume. In view of this, sales of this label decreased in the first nine months of 2009 by 22% to € 114.7 million (1-9/2008: € 146.4 million).

In the third quarter of 2009, the sales and earnings situation of the Group’s two German generics labels ALIUD PHARMA and STADApHarm was for the first time also characterized for a full quarter by the effects of an extensive package of new AOK discount agreements effective as of June 1, 2009; however, the degree of implementation of these new discount agreements – for whose tender, as is known, the STADA Group achieved a strong result – is in part considerably below expectations due to disputed detailed regulations (such as questionable indication equivalence or non-uniform package sizes), but also presumably as a result of fundamental reservations on the part of doctors, pharmacists and patients.

STADA’s generics sales label cell pharm, special supplier for the indication areas oncology and nephrology recorded a sales increase in the amount of 42% to € 21.0 million (1-9/2008: € 14.8 million) in the first nine months of the current fiscal year. One reason for this continuingly positive sales development was the further market penetration of the Group’s first biosimilar<sup>1)</sup> SILAPO® (active ingredient Epo-zeta<sup>2)</sup>), which achieved sales of € 9.0 million in the first three quarters of 2009 (1-9/2008: € 2.3 million, with introduction in the first quarter of 2008).

1) Biosimilar is a biopharmaceutical product, i.e. a drug with a protein as biopharmaceutical active ingredient which is produced by genetically modified cell lines which, despite different producing cell lines, compared to an initial supplier product which is already on the market, is so similar that the biosimilar has proven therapeutic equivalence.

2) Epo-zeta is used in nephrology for the treatment of renal anemia with chronic renal insufficiency and in oncology for the treatment of chemotherapy-induced anemia.

In addition, STADA generated further generics sales – particularly in the area of self-medication – in the German market with the label Hemopharm, which is now also responsible for sales management of some smaller branded products. Net sales of this label increased in the first three quarters of 2009 – also based on the reclassifications within the Group – by 61% to € 3.1 million (1-9/2008: € 1.9 million).

In the German generics market, further, tenders for discount agreements continue to be initiated or announced by various health insurance organizations. In this context, a larger variety of discount agreement structures becomes apparent, after in the meantime jurisdiction confirmed that the issuing of awards to several companies per active ingredient within one allotted area is permissible. The Executive Board continues to see a good opportunity, also in this case to achieve overall strong, i.e. improved results as compared to the previous market share. For all these processes, another lengthy period and comprehensive examinations with regard to tender regulations can be assumed so that agreements awarded in this context generally cannot be expected, from today's perspective, to take effect in the current fiscal year. In addition, there are further legal reviews on a national as well as an EU level of numerous existing discount agreements in the German generics market.

In addition, more structural changes in the German health care system are expected from the newly formed federal government for 2010. Thus under discussion are also changes to the structural element of discount agreements, which is central to the generics market, with the goal, among other things, of a greater degree of acceptance among patients and improved anti-trust protection. However, neither the passing nor the taking effect of such regulations are to be expected in the current fiscal year 2009.

STADA continues to prepare adequately in the scope of what is operatively possible for the various result scenarios as well as the possible legal or regulatory induced changes of the structural framework conditions in the German generics market. Thus, also the local sales strategy that STADA has been following so far in the German market is currently being closely examined.

In the Branded Products core segment, sales in Germany in the reporting period increased slightly by 3% to € 87.3 million (1-9/2008: € 85.1 million). Branded Products in Germany in the first nine months of 2009 thus had a share of German Group sales of 21% (1-9/2008: 20%).

Overall, it is to be expected for the Group in Germany for fiscal year 2009 that operating profitability will continue to be below the Group average, as planned, with moderately reduced sales.

In **Russia**, which continues to be STADA's second most important national market, the Group recorded – despite the ongoing difficult economic situation there – pleasing sales growth in the amount of 17% in local currency. In euro, sales decreased slightly by 3% to € 127.4 million (1-9/2008: € 132.0 million), because there, as compared to the corresponding period in the previous year, the average exchange rate of the Russian ruble for the first nine months of 2009 to the euro was significantly weaker.

As in the past, the two core segments in the Russian market had nearly the same share of local Group sales. Sales of generics thus amounted to € 67.6 million (1-9/2008: € 65.6 million) or 53% of STADA's sales in Russia (1-9/2008: 50%). Sales of branded products amounted to € 59.4 million (1-9/2008: € 65.5 million) or 47% of STADA's sales in Russia (1-9/2008: 50%).

Against the backdrop of this positive development, STADA continues to anticipate for 2009 a clear expansion of the Russian business with an operating profitability which continues to be above Group average. However, the further development of the currency relation of the Russian ruble to the euro will, also in the future, significantly influence sales and earnings contributions of the Russian business activities at Group level. In addition, within the scope of the Group-wide project "STADA – build the future" (see "Earnings development of the STADA Group"), the implementation phase of a substantial subproject in Russia began in the current fourth quarter. From this Russian subproject alone, successively increasing savings will be achieved over the course of the implementation which, once all measures have been completed, should add up to more than € 10 million per year. In the course of 2010, reasonable investments in the single-digit millions area will create the operational requirements.

In **Belgium**, sales generated by STADA in the first nine months of the current fiscal year increased by 10% to € 90.4 million (1-9/2008: € 82.5 million). In addition to new product launches, the Group benefited here especially from a moderate regulatory stimulation of generics introduced at the beginning of the year.

Generics continue to make the main contribution to Group sales in Belgium. Generic sales generated by STADA in the Belgian market in the first nine months of 2009 thereby increased by 9% to € 85.8 million (1-9/2008: € 78.5 million). Thus, Generics had a share of 95% of local sales in the reporting period (1-9/2008: 95%). Branded products, which STADA is currently establishing in the Belgian market, recorded sales of € 4.5 million in the first nine months of the current fiscal year (1-9/2008: € 4.0 million). Branded products thus contributed 5% (1-9/2008: 5%) to Belgian Group sales.

From today's perspective, STADA anticipates a significant sales increase for fiscal year 2009 with an operating profitability that will continue to be at about Group average.

In **Italy**, sales in the first nine months of 2009 rose slightly by 3% to € 83.1 million (1-9/2008: € 80.6 million).

Generics in Italy were exposed to contradictory developments in the reporting period. Margin pressure caused by intensive price competition was further strengthened by regulatory price decreases in April 2009; but at the same time, the newly introduced limitations on discounts for the trade channels made themselves noticed in terms of improvements in margins and volumes. Against this backdrop, the Group's generics sales in Italy in the first nine months of the current fiscal year fell by 3% to € 47.5 million (1-9/2008: € 49.1 million). Generics thus contributed 57% (1-9/2008: 61%) to local Group sales.

The Branded Products segment recorded – taking acquisitions and disposals into consideration – sales growth of 13% to € 35.7 million (1-9/2008: € 31.5 million). The share of Branded Products in Italian Group sales thus amounted to 43% (1-9/2008: 39%).

Continued moderate sales growth with an operating profitability which will again be at about Group average can, from today's perspective, be expected overall in Italy for fiscal year 2009.

In **Serbia**, STADA's sales in the first nine months of 2009 decreased by 9% in local currency and by 23% in euro to € 78.7 million (1-9/2008: € 101.9 million). The major contributors to this development were weaknesses in local demand as a result of the global financial and economic crisis. Considering the third quarter of 2009 alone, however, sales increased by 11% in local currency; in euro, sales decreased by 8% to € 33.5 million (third quarter of 2008: € 36.5 million). Nevertheless, for fiscal year 2009 overall it is no longer expected, from today's perspective, that the Group in Serbia will still be able to achieve the sales level of the previous year; rather, a sales decrease must be expected here.

For the most part, the STADA Group generates its sales in Serbia with generics. Generics thereby provided a sales contribution in the first nine months of 2009 of € 61.4 million (1-9/2008: € 81.7 million) and contributed 78% to Serbian Group sales (1-9/2008: 80%). In the Branded Products segment, sales in the reporting period amounted to € 5.1 million (1-9/2008: € 4.2 million). The share of branded products thus amounted to 7% (1-9/2008: 4%) of local Group sales.

The liquidity situation of local wholesalers in Serbia remains tense due to the macroeconomic framework conditions of the global financial and economic crisis. As a result, value adjustments of existing accounts receivable in the third quarter of 2009 amounted to € 3.8 million before or € 3.4 million after taxes, which have been disclosed as a one-time special effect by STADA (see "Earnings development of the STADA Group"). The local management is undertaking comprehensive efforts in order to limit the default risk for the Group, including for example also arranging transfers of physical securities by debtors to the STADA Group's local Serbian business units.

Taking this one-time special effect into account, the operating profitability in the subgroup<sup>1)</sup> managed from Serbia continued to be approximately in Group average in the first three quarters of 2009. From today's perspective, the question of whether the objective of this subgroup reaching profitability above the Group average can still be reached in fiscal year 2009 as well as in previous years, is open. In addition, the sales and earnings contributions of this subgroup will continue to largely depend on the development of the currency relation of the local currency, the Serbian dinar, in which the subsidiary consolidates all results, to the euro.

In Serbia, it remains open as to when the very difficult economic conditions there will again allow significant growth. Against the backdrop of the current economic situation in the country, increasing regulatory price pressure in Serbia is thus under discussion; also, further payment defaults cannot be ruled out. Against this backdrop, the Group continues to focus on cost reductions in operating business activities in Serbia; for this reason Serbia is also expected to be a focus for measures to improve earnings in the context of the Group-wide "STADA – build the future" project (see "Earnings Situation of the STADA Group").

The STADA Group's ten largest markets also include the following five national EU markets, whose mixed sales developments – comparing the first nine months of 2009 with the first nine months of 2008 respectively – were as follows:

1) The subgroup managed from Serbia includes Serbia along with several other countries mainly in the CEE area.

- **France:** -9% to € 58.6 million (1-9/2008: € 64.6 million) – in view of the very difficult environment in the French market in particular high discounts, STADA accepts sales losses here for the benefit of operating profitability.
- **Spain:** +12% to € 56.2 million (1-9/2008: € 50.4 million) – with an operating profitability which, however, remains below Group average.
- **United Kingdom:** -57% – mainly due to disposals of non-core activities and currency effects – to € 38.1 million (1-9/2008: € 87.8 million); adjusted sales development was at -10%.
- **The Netherlands:** -5% to € 28.4 million (1-9/2008: € 30.1 million); adjusted sales development amounted to +1%.
- **Denmark:** +49% to € 18.6 million (1-9/2008: € 12.5 million); adjusted sales development amounted to +44%.

In the 15 **additional European countries** with Group-owned local sales companies, sales decreased in the first three quarters of the current fiscal year by 6% to € 96.6 million (1-9/2008: € 103.0 million). Adjusted sales increased there by 11%.

In countries without own sales companies, **export sales** generated by STADA recorded in the reporting period a sales increase of 24% to € 30.8 million (1-9/2008: € 24.9 million).

#### Research and development

In the first nine months of 2009, STADA's **research and development costs** reached a volume of € 33.8 million (1-9/2008: € 34.1 million). Because the business model specific to STADA does not call for research into new active pharmaceutical ingredients, this continues to relate only to development costs. In addition, in accordance with existing accounting guidelines, development costs for new products in the amount of € 12.0 million (1-9/2008: € 9.7 million) were capitalized in the first nine months of 2009.

Overall, STADA launched 335 individual products worldwide in the first three quarters of the current fiscal year (1-9/2008: 322 product launches) in individual national markets.

The continuing well-filled product pipeline at STADA leads to the expectation, in the view of the Executive Board, of a continuous flow of new products in the future, particularly from generics in EU countries.

#### Financial position and cash flow

In the Executive Board's view, the STADA Group's financial position is and will continue to be stable. Thus, the **equity-to-assets ratio** was 34.5% as of September 30, 2009 (December 31, 2008: 34.0%) and thereby remains clearly, from the Executive Board's perspective, in a satisfying area of above 30%.

**Net financial liabilities** amounted to € 1,004.8 million as of September 30, 2009 (December 31, 2008: € 1,015.7 million) – thus a pleasing € 58.0 million below the value of June 30, 2009 – and continues to be mainly financed via long-term promissory notes from various international and national banks with maturities in the area of 2010-2015.

Existing credit requirements in the scope of the Group's third-party financing relate exclusively to a minimum equity-to-assets ratio of 20%. In the course of the continuous and partially also early renewal and/or restructuring of utilized credit lines, it was possible to reduce the weighted interest rate to 4.0% as of September 30, 2009 as compared to the relevant figure from the previous year of 4.8%.

STADA also continues to have access to over approximately € 500 million in open, i.e. not utilized by the Group, credit lines.

STADA's **gross cash flow** amounted to € 131.0 million (1-9/2008: € 142.7 million) in the reporting period. The **cash flow from operating activities** in the first nine months of 2009 amounted to € 124.7 million, adjusted for influences outside of the accounting period<sup>1)</sup> € 135.4 million (1-9/2008: € 53.0 million, adjusted for influences outside of the accounting period at that time<sup>2)</sup> € 75.2 million). The pleasing increase of the Group's cash flow from operating activities results from the Group's more intensive cash management.

#### Shareholding in BIOEUTICALS Arzneimittel AG accounted for at equity

BIOEUTICALS Arzneimittel AG, a company initiated by STADA and financed primarily through venture capital<sup>3)</sup> whose business activities are focused on so-called biosimilar products, is accounted for in the STADA Group as per STADA's shareholding of 15.86% in accordance with the equity method. Thereby, in the first three quarters of 2009, a burden on earnings in the total amount of € 0.1 million (1-9/2008: a burden on earnings of € 2.5 million) was recognized.

The reason for this nearly balanced earnings contribution from the BIOEUTICALS shareholding was, on the one hand, increasing license income from Erythropoietin-zeta<sup>4)</sup>, a Biosimilar developed by BIOEUTICALS and on the market in various EU countries since the beginning of 2008. On the other hand, also contributing to this, as is known, was an agreement which was newly completed in the second quarter of 2009 by which BIOEUTICALS, due to existing commercial patent rights for special pharmaceutical technological formulations of the biosimilar active ingredient Filgrastim<sup>5)</sup>, receives compensation payments.

Development activities of BIOEUTICALS currently focus on Epo-zeta. In addition to studies on pharmacovigilance, an expansion of the existing EU-wide approval for the subcutaneous application in the indication area of nephrology is being strived for. The current development activities for Filgrastim are suspended until further notice; at the present time various application opportunities for the development results achieved to date are being investigated.

#### Acquisitions and Disposals

As a result of the increasing concentration process in the industry, the Executive Board continues to see the opportunity, but also the necessity, to complement the Group's organic growth with additional external growth impulses. Against this backdrop, STADA will, also in the future, pursue an active but at the same time cautious acquisition policy and will continue to apply stringent standards in terms of profitability and appropriateness of the purchase price. Thereby, the Executive Board does not exclude cooperations with a significant capital investment.

1) Utilization of provisions from 2008 as a consequence of the negative patent decision in Germany in connection with the active pharmaceutical ingredient Olanzapine.

2) Utilization of provisions from 2007 for the restructuring of the German generics business.

3) STADA financial commitment as of September 30, 2009: € 19.3 million payment for stake, € 35.8 million loan and € 5.8 million utilization of capital guarantee.

4) Erythropoietin is a biopharmaceutical active ingredient used in nephrology for treatment of renal anaemia for chronic renal insufficiency and in oncology for treatment of chemotherapy-induced anaemia.

5) Filgrastim is a biopharmaceutical active ingredient in protein form which is produced by living cell lines and used, among other things, in the treatment of neutropenia, for example following cytotoxic chemotherapy or bone marrow transplants.



The Executive Board is currently hesitant to further increase the Group's net financial liabilities in order to finance external growth without, however, excluding taking advantage of special opportunities. To create a sufficient financial framework for corresponding acquisition projects as well as cooperations with equity investments, appropriate capital measures continue, however, also to be imaginable if such acquisitions or cooperations too strongly burdened the equity-to-assets ratio.

In the context of this cautious acquisition policy currently pursued, STADA only made one very small acquisition of specific production facilities for one individual Group product in the third quarter of 2009. As is known, on July 10, 2009, STADA completed – taking advantage of a local opportunity – a contract with the Japanese pharmaceutical company Daiichi Sankyo for the takeover of production facilities for ointments and gels in Pfaffenhofen near Munich with more than 30 employees and an annual production volume of more than 600 tons. Mobilat®, a product for the local treatment of blunt injuries such as contusions or sports injuries whose trademark rights were acquired by various STADA subsidiaries from SANKYO PHARMA group Europe in the scope of a package of eleven European branded products already in 2005 is produced in these facilities, among others. The takeover of the production facilities guarantees long-term production capacities for an important Group product and takes effect on January 1, 2010. The total investment volume amounts to approx. € 0.1 million.<sup>1)</sup> For the integration and optimization of the location, costs in the amount of approx. € 1.0 million will be incurred in 2010 within the scope of one-time special effects.

In the current fourth quarter, STADA parted with non-core activities in China and sold the 51% share in Health Vision Enterprise Ltd. Hong Kong, China, to two companies. Health Vision Enterprise Ltd. is primarily active in the area of commercial business which, as is known, is not part of the Group's core business. The sales agreement was completed in the current fourth quarter, on October 26, 2009. The agreement provides for staggered payments of the purchase price in the total amount of approx. € 4.2 million. In the context of the sale STADA expects moderate book profit. As is known, due to lack of material significance Health Vision Enterprise Ltd. was deconsolidated from the Group already as of January 1, 2009.

#### STADA share

Also as a result of the global financial and economic crisis, the development of the STADA share in the first nine months of 2009 was very volatile and occasionally strongly decreasing. Compared to the first quarter of 2009, however, the share price could significantly increase in value from the second quarter of 2009. The STADA share closed at € 12.32 on March 31, 2009, was listed at € 17.81 on June 30, 2009 and reached € 18.68 on September 30, 2009. At the end of 2008, the price of the STADA share was € 20.50. On the reporting date September 30, 2009, the market capitalization of STADA amounted to € 1.098 billion.

As of September 30, 2009, subscribed share capital of the STADA Arzneimittel AG consisted of 58,759,820<sup>2)</sup> restricted<sup>3)</sup> registered common shares, each with an arithmetical share in share capital of € 2.60 (December 31, 2008: 58,759,820 registered common shares). There were thus no changes in the number of shares and the share capital in the amount of € 152,775,532.00 (December 31, 2008: € 152,775,532.00) in the first nine months of 2009. As of September 30, 2009, 181,520 warrants 2000/2015<sup>4)</sup> for the subscription of 3,630,400 STADA registered common shares continued to be outstanding.

1) See STADA Interim Report on the first Six Months of 2009.

2) After deducting treasury shares, 58,655,553 registered common shares are entitled to vote.

3) Under the Company's articles of incorporation, STADA's restricted registered common shares 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 Shareholders' 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 Shareholders' Meeting and to exercise voting rights. No shareholder and no shareholder group shall have any special rights.

4) The legally binding option terms and conditions are published on the Company website under [www.stada.de](http://www.stada.de) and [www.stada.com](http://www.stada.com).

In the first three quarters of 2009 STADA did not purchase any treasury shares and sold 5,392 treasury shares at an average price of € 13.87. As of September 30, 2009, 104,267 treasury shares were thereby held by STADA, compared to 109,659 treasury shares which the Company had held as of December 31, 2008.

In the third quarter of 2009 there was, in accordance with section 21 (1) of the German Securities Trading Act (WpHG), only one announcement on exceeding or falling below one of the legal reporting thresholds. On August 11, 2009, SKAGEN AS, Stavanger, Norway, provided information that their stake on August 4, 2009 of 1,769,272 shares, corresponding to 3.01% of the shares in STADA Arzneimittel AG, had exceeded the legal reporting threshold of 3% of STADA Arzneimittel AG.<sup>1)</sup> On September 30, 2009 STADA therefore assumes, by considering the announcements on exceeding or falling below reporting thresholds available to the Company that only SKAGEN holds a stake that exceeds one of the legal reporting thresholds. In accordance with Deutsche Börse AG regulations, the free float of STADA Arzneimittel AG thus remains 100%.

#### Changes in the Executive Board and Supervisory Board

The Supervisory Board of STADA Arzneimittel AG and the former Chief Financial Officer of STADA, Wolfgang Jeblonski, agreed on August 12, 2009 that Wolfgang Jeblonski would leave the Executive Board of STADA Arzneimittel AG by mutual agreement and with the thanks of the Executive Board and Supervisory Board for his many years of successful service to the Group with immediate effect – however, he makes his knowledge and experience available to the Company as a consultant until the end of this year.<sup>2)</sup> In connection with the departure of the Chief Financial Officer of STADA, a cost burden recognized as a one-time special effect in the amount of € 2.0 million before or € 1.3 million after taxes was incurred in the third quarter of 2009.

The former responsibilities of the departed member of the Executive Board will be assumed, for the time being, by the Chairman of the Executive Board Hartmut Retzlaff and Chief Production and Development Officer Christof Schumann. In this context, Hartmut Retzlaff is now also responsible for the Finance area and IT, while Christof Schumann additionally assumes responsibility for the Procurement and Logistics areas.

On October 29, 2009 STADA announced that Helmut Kraft will become the new Chief Financial Officer of STADA Arzneimittel AG. The Supervisory Board appointed Kraft to the Executive Board effective January 1, 2010 for a three-year term.<sup>3)</sup>

Further, STADA's Supervisory Board in its meeting on August 24, 2009, elected Dr. Martin Abend new Chairman of this committee. The previous Chairman, since 2001, of STADA's Supervisory Board Dr. Eckhard Brüggemann had resigned from his position as Chairman of the Supervisory Board before; he will, however, remain a member of the Supervisory Board. Moreover, on the same day, Supervisory Board member Uwe E. Flach resigned from the Supervisory Board as of September 24, 2009, after the one-month period stipulated by the Company's articles of incorporation.<sup>4)</sup>

#### Outlook

The Executive Board fundamentally confirms the outlook and risk report for the Group published in the STADA Annual Report 2008 including the related supplementary statements in the interim reports of the current fiscal year 2009.

1) See the disclosure of August 11, 2009.

2) See the Company's ad hoc release of August 12, 2009. Against this backdrop, the STADA Executive Board also decided, in order to avoid speculation, to move forward publication of the Group's half-year results which, according to the STADA Financial Calendar were originally scheduled for August 13, 2009, by several hours to the evening of August 12, 2009 immediately following publication of the ad hoc release on the departure of the Chief Financial Officer.

3) See the Company's ad hoc release of October 29, 2009.

4) See the Company's ad hoc release of August 24, 2009.

Accordingly, the further development of the STADA Group is, on the one hand, characterized by existing structural and operative growth opportunities; on the other hand there is a continued operationally challenging environment and significant burdens due to the global financial and economic crisis.

The Executive Board continues to constantly align the Group to this operationally challenging environment. In view of the strategic focus on growth markets, the established operating success factors and the intended supplementing of organic growth by means of additional external growth impulses in the context of a cautious acquisition policy, opportunities open up which, in the Executive Board's assessment, generally allow for the operating challenges and risks in individual national markets to be successfully coped with.

Against this backdrop, the Executive Board continues to deem STADA's operative business model sustainable and viable for the future and sees, from today's perspective, the fundamental chance to achieve growth in terms of sales and net income in the years to come regardless of conditions which remain challenging.

Even including the sales increase expected for the fourth quarter of 2009 compared to the fourth quarter of 2008, in fiscal year 2009 overall, it is no longer anticipated, from today's perspective, that the record sales level of the previous year will be reached. Adjusted for effects from acquisitions and disposals as well as currency effects, a sales increase compared to the previous year, however, continues to appear possible in the Group for fiscal year 2009 overall.

As regards earnings development, with continued revival of business in the current fourth quarter, there continues to be the opportunity in fiscal year 2009 to exceed the earnings level reported in the 2008 annual financial statements. However, the clearly higher earnings level adjusted for one-time special effects as well as non-operational effects of the previous year will probably no longer be reached in 2009. The minimum goal of adjusted EBITDA of € 250 million for fiscal year 2009 should however continue to be achievable.



H. Retzlaff



C. Schumann

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST NINE MONTHS OF 2009 (ABRIDGED)

### Consolidated Income Statement

in € 000s	1/1-9/30/2009	1/1-9/30/2008 <sup>1)</sup>	7/1-9/30/2009	7/1-9/30/2008 <sup>1)</sup>
01. Sales	1,138,499	1,231,834	383,272	408,992
02. Cost of sales	617,725	673,724	201,208	229,457
<b>03. Gross profit</b>	<b>520,774</b>	<b>558,110</b>	<b>182,064</b>	<b>179,535</b>
04. Other operating income	32,693	30,978	5,655	7,807
05. Selling expenses	260,066	272,747	86,984	89,911
06. General and administrative expenses	89,023	94,649	30,147	33,400
07. Research and development expenses	33,790	34,096	11,609	11,355
08. Other operating expenses	41,449	37,825	15,259	12,368
<b>09. Operating profit</b>	<b>129,139</b>	<b>149,771</b>	<b>43,720</b>	<b>40,308</b>
10. Investment result	845	1,196	-21	13
11. Result from the accounting of associated companies under the equity method	-69	-2,451	-348	-722
12. Interest result	-38,258	-40,659	-12,579	-18,107
<b>13. Financial result</b>	<b>-37,482</b>	<b>-41,914</b>	<b>-12,948</b>	<b>-18,816</b>
<b>14. Earnings before taxes</b>	<b>91,657</b>	<b>107,857</b>	<b>30,772</b>	<b>21,492</b>
15. Taxes on income	19,986	27,387	7,547	4,547
<b>16. Net income<sup>2)</sup></b>	<b>71,671</b>	<b>80,470</b>	<b>23,225</b>	<b>16,945</b>
<i>thereof</i>				
• net income distributable to shareholders of STADA Arzneimittel AG	71,469	79,558	23,155	16,581
• net income relating to minority interests	202	912	70	364
17. Earnings per share in € (in accordance with IAS 33.10)	1.22	1.36	0.39	0.28
18. Earnings per share in € (diluted) (in accordance with IAS 33.31)	1.22	1.32	0.39	0.28

1) The earnings figures of the third quarter of 2008 as well as of the first nine months of 2008 reported in this interim report were adjusted in accordance with IAS 8 (see "Notes 1.2.").

2) Unless otherwise stated, "net income" in this interim report refers to income attributable to the shareholders' stake in STADA Arzneimittel AG, which under IFRS also represents the basis for calculating earnings per share and diluted earnings per share.

## Consolidated Balance Sheet

Assets € 000s	Sept. 30, 2009	Dec. 31, 2008
<b>A. Non-current assets</b>	<b>1,410,802</b>	<b>1,412,913</b>
1. Intangible assets	997,987	1,000,852
2. Property, plant and equipment	312,800	306,621
3. Financial assets	23,977	20,811
4. Shares in associated companies accounted for under the equity method	7,396	4,388
5. Non-current trade accounts receivable	1,037	1,325
6. Other non-current assets	39,139	50,160
7. Deferred tax assets	28,466	28,756
<b>B. Current assets</b>	<b>1,057,951</b>	<b>1,056,561</b>
1. Inventories	381,854	396,873
2. Current trade accounts receivable	493,347	458,186
3. Other current assets	85,394	88,854
4. Non-current assets held for sale	582	2,103
5. Current securities	67	66
6. Cash and cash equivalents	96,707	110,479
<b>Total assets</b>	<b>2,468,753</b>	<b>2,469,474</b>
<b>Equity and Liabilities</b>		
<b>A. Shareholders' equity</b>	<b>850,831</b>	<b>839,735</b>
1. Share capital	152,775	152,775
2. Reserves and unappropriated retained earnings	689,749	674,581
3. Minority interests	8,307	12,379
<b>B. Non-current liabilities and provisions</b>	<b>684,157</b>	<b>887,664</b>
1. Non-current provisions	21,194	22,872
2. Non-current financial liabilities	566,448	761,138
3. Non-current trade accounts payable	88	88
4. Other non-current liabilities	24,498	30,785
5. Deferred tax liabilities	71,929	72,781
<b>C. Current liabilities and provisions</b>	<b>933,765</b>	<b>742,075</b>
1. Current provisions	9,604	20,339
2. Current financial liabilities	535,137	365,099
3. Current trade accounts payable	248,321	228,605
4. Other current liabilities	140,703	128,032
<b>Total equity and liabilities</b>	<b>2,468,753</b>	<b>2,469,474</b>

## Consolidated Cash Flow Statement

in € 000s (excerpt)	1/1-9/30/2009	1/1-9/30/2008
Cash flow (gross)	130,962	142,690
Cash flow from operating activities	124,670	52,962
Cash flow from investing activities	-72,911	-109,285
Cash flow from financing activities	-55,154	59,381
Other changes in shareholders' equity / currency translation	-10,377	-2,110
Net cash flow for the period	-13,772	948

## Statement of Recognized Income and Expenses

in € 000s	1/1-9/30/2009	1/1-9/30/2008
<b>Net income</b>	<b>71,671</b>	<b>80,470</b>
<i>thereof</i>		
• net income distributable to shareholders of STADA Arzneimittel AG	71,469	79,558
• net income relating to minority interests	202	912
<b>Income and expenses recognized directly in shareholders' equity</b>	<b>-25,518</b>	<b>12,277</b>
<i>thereof</i>		
• Currency translation differences relating to shareholders of STADA Arzneimittel AG	-24,570	11,174
• Currency translation differences relating to minority interests	245	-92
• Derivative financial instruments	-2,038	1,530
• Actuarial gains (+) and losses (-) from provisions for pensions	410	97
• Deferred taxes	435	-432
<b>Total of all recognized income and expenses</b>	<b>46,153</b>	<b>92,747</b>
<i>thereof</i>		
• recognized income and expenses relating to shareholders of STADA Arzneimittel AG	45,706	91,927
• recognized income and expenses relating to minority interests	447	820

## Consolidated Statement of Changes in Shareholders' Equity

in € 000s	1/1-9/30/2009	1/1-9/30/2008
Equity capital at the beginning of the period	839,735	919,636
Net income including profit relating to minority interest	71,671	80,470
Capital increase through the exercising of warrants	-	636
Changes in provisions for payments to employees in accordance with IAS 19	301	73
Dissolution of reserves for fair value assessment and cash flow hedges	-1,494	1,122
Dividend payments of STADA Arzneimittel AG	-30,501	-41,612
Other changes/currency translation	-28,881	539
Equity capital at the end of the period	850,831	960,864

## 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 September 30, 2009 have been prepared under consideration of the regulations outlined in the 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, 2008 was selected.

All IFRS published by the International Accounting Standards Board (IASB) and effective when the present interim report was prepared and applicable in the European Union, have been observed by STADA.

As compared to fiscal year 2008 the following standards and interpretations are therefore applied:

- IAS 1 "Presentation of Financial Statements": In this context STADA makes use of the option to show an income statement as well as, based on profit for the period, a disclosure of income and expenses recognized in equity without effect on income. The presentation of the statement of changes in shareholders' equity is now made as a separate part of the report before the Notes.
- IAS 23 "Borrowing Costs": With this, for STADA the former option to directly recognize borrowing costs that can be directly allocated to the acquisition, construction or manufacture of a qualified asset as an expense no longer applies.
- IFRS 8: Since the beginning of the current fiscal year 2009 STADA, as required, has applied the regulations of IFRS 8, replacing the regulations of IAS 14 which were applied up to the end of 2008. Under IFRS 8 the identification of reportable operating segments is based on the "Management Approach", which has already been applied by STADA in the past in accordance with IAS 14. Moreover, external segment reporting is to be carried out based on the management and reporting figures used internally.
- IFRIC 13 "Customer Loyalty Programs": This interpretation deals with accounting and measurement of customer loyalty programs where the customer receives points (award credits) allowing him to receive free or discounted goods or services from the seller or third parties. There were no consequences from this for STADA.
- IFRIC 12 "Service Concession Arrangements": This interpretation aims at providing guidelines to enable a private enterprise to clarify certain questions of recognition and measurement relating to service concession arrangements with public-sector institutions.

- IFRIC 15 “Arrangements for the Construction of Real Estate”: IFRIC 15 deals with conditions on the application of IAS 11 and IAS 18 in connection with the construction and sale of buildings or parts of buildings. The focus is on sales agreements that were concluded before the buildings or parts of the building were completed or even before construction had started. The agreements are either to be recognized pursuant to IAS 11 (with revenue recognition in stages in accordance with the percentage of completion) or IAS 18 (generally with a respective later revenue recognition). The interpretation clarifies when to apply IAS 11 or IAS 18 as well as when to collect the revenue from the construction and sale of buildings or parts of buildings.
- IFRIC 16 “Hedges of a net investment in a foreign operation”: IFRIC 16 deals with specific questions all arising from the interplay between IAS 21 and IAS 39. They concern the nature and amount of the designatable risk as well as the questions about which company within the Group is allowed to hold the hedging instrument and how to deal with a disposal of the foreign operation in terms of accounting.

In the Executive Board's view, the interim report includes all usual adaptations that must be constantly made and which are necessary for an adequate presentation of the Group's business, financial and earnings situation. With regard to the principles and methods used in the context of Group Accounting we refer to the Appendix of the consolidated financial statements of the Annual Report 2008.

#### 1.2. Restatement of comparative information from the consolidated financial statements as of September 30, 2008 in accordance with IAS 8

Following the audit carried out by the German Financial Reporting Enforcement Panel DRP e.V. in fiscal year 2008 in accordance with section 342 b (2) sentence 3 no. 3 HGB (random sample audit) and the resulting findings, the comparative figures from the interim report as of September 30, 2008 have been restated accordingly. For more details, please refer to section 1.5. of the consolidated financial statements for fiscal year 2008.

The following overview summarizes the restated figures of the Income Statement for the period January 1 to September 30, 2008:

Significant income statement data (each Jan., 1 – Sept., 30) in € 000s	2008 as reported originally	Corrections in accordance with IAS 8	2008 after corrections
<b>Operating profit</b>	149,771	-	149,771
Investment income	1,196	-	1,196
Result from the accounting of associated companies under the equity method	-	-2,451	-2,451
Interest result	-40,659	-	-40,659
<b>Financial result</b>	-39,463	-2,451	-41,914
<b>Earnings before taxes</b>	110,308	-2,451	107,857
Taxes on income	27,387	-	27,387
<b>Net income</b>	82,921	-2,451	80,470
<i>thereof</i>			
• net income distributable to shareholders of STADA Arzneimittel AG	82,009	-2,451	79,558
• net income relating to minority interests	912	-	912



### 1.3. Scope of consolidation

STADA's consolidated financial statements have been prepared for STADA Arzneimittel AG as parent company.

As of September 30, 2009, there were no changes in the scope of consolidation as compared to June 30, 2009 as well as to March 31, 2009. Already in the first quarter of 2009, Health Vision Enterprise Ltd., Hong Kong, China, was deconsolidated due to lack of material significance. STADA Pharma Slovakia s.r.o., Bratislava, Slovakia, STADA PHARMA Poland Sp. z o.o., Warsaw, Poland, OOO STADA PharmDevelopment, Nizhny Novgorod, Russia, as well as HTP Huisapothek B.V. and Neocare B.V., both Etten-Leur, Netherlands were consolidated for the first time in the first quarter of 2009.

As of the balance sheet date on September 30, 2009, 65 companies were thereby fully consolidated in the STADA Group and two on a pro rata basis. Moreover, one company is accounted for as an associate in accordance with IAS 28 using the equity method.

## 2. Consolidated Income Statement: summary

### 2.1. Sales

Sales are recorded in this interim report in accordance with the principle of revenue recognition: Revenues from the sale of products and goods are recognized when goods have been delivered or services rendered and both risk and title have passed to the buyer.

### 2.2. Research and development expenses

In the case of research and development expenses, it must be considered that it is only a matter of development expenses because STADA, due to its business model, does not carry out any research into new active pharmaceutical ingredients. In accordance with STADA Group's accounting guidelines presented in the Annual Report 2008 a part of development costs is capitalized.

### 2.3. Investment in BIOEUTICALS Arzneimittel AG accounted for at equity

BIOEUTICALS Arzneimittel AG, a company initiated by STADA and predominantly financed via venture capital<sup>1)</sup> whose business activities focus on so-called biosimilar products, is accounted for in the STADA Group using the equity method in accordance with STADA's shareholding of 15.86%. A burden on earnings in the total amount of € 0.1 million was thereby recorded in the first three quarters of 2009 (1-9/2008: burden on earnings of € 2.5 million).

### 2.4. Taxes on income

Taxes on income are recognized in each reporting period based on the best estimate of the weighted average annual income tax rate expected for the full year. This tax rate is applied to the earnings before taxes of the Group's consolidated financial statements for the first nine months of 2009.

1) STADA's financial exposure as of September 30, 2009: € 19.3 million payments for equity share, € 35.8 million loans and € 5.8 million capital guarantee drawn.

### 3. Consolidated balance sheet: summary

#### 3.1. Intangible assets

As of September 30, 2009, intangible assets included € 333.5 million (December 31, 2008: € 339.1 million) goodwill.

#### 3.2. Consolidated statement of changes in shareholders' equity

Pursuant to IAS 1.124 b, STADA understands capital exclusively as equity reported in the Group's balance sheet and aims to continuously improve its market value through optimal capital management.

Shareholders' equity amounted to € 850.8 million as of September 30, 2009 (December 31, 2008: € 839.7 million). As of this reporting date, the equity-to-assets ratio was thus 34.5% (December 31, 2008: 34.0%).

#### 3.3. Financial liabilities

As of September 30, 2009, the Group's current and non-current financial liabilities in the amount of € 535.1 million or € 566.4 million (December 31, 2008: € 365.1 million or € 761.1 million) include non-current promissory notes in the amount of € 525 million (December 31, 2008: € 650.0 million).

#### 3.4. Other financial obligations

Other financial obligations mainly relate to obligations from rental and leasing obligations as well as additional financial obligations. On September 30, 2009 rental and leasing obligations amounted to € 48,537 thousand (December 31, 2008: € 47,477 thousand) and the remaining financial liabilities amounted to € 53,411 thousand (December 31, 2008: € 61,283 thousand).

### 4. Consolidated Cash Flow Statement: summary

#### 4.1. Cash flow from operating activities

Cash flow from operating activities consists of changes in items not affected by capital expenditure, financing, changes in exchange rates from the conversion of foreign financial statements or through the scope of consolidation and measurement-related changes in positions covered.

#### 4.2. Cash flow from investing activities

Cash flow from investing activities reflects the cash outflows for investments adjusted by the inflows from disposals.

#### 4.3. Cash flow from financing activities

Cash flow from financing activities encompasses changes in financial liabilities.

#### 4.4. Net cash flow for the period

Net cash flow for the period is the balance of cash inflows and outflows from operating activities, financing activities and investing activities, as well as from other changes in shareholders' equity and from currency translation as well as the influence of changes in the balance sheet by companies consolidated for the first time.

### 5. Other disclosures

#### 5.1. Related party disclosures

Related party disclosures made in the Annual Report 2008 remain unchanged for the Interim Report on the First Nine Months of 2009, with the two following exceptions that the utilization of the capital guarantee granted by STADA to BIOCEUTICALS Arzneimittel AG amounted to € 5.8 million as of September 30, 2009 and that a total of € 35.8 million has been used from the credit line facility given by STADA to BIOCEUTICALS.

#### 5.2. One-time special effects and adjusted key figures

STADA's financial performance indicators have been influenced by a number of one-time special effects and/or non-operational effects both in the reporting period and in the same periods of the previous years.

The deduction of such effects which have an impact on STADA's earnings situation and the derived key figures aims at improving the comparability of key figures with previous periods. To achieve this, STADA uses adjusted key figures, which, as so called pro forma figures, are not governed by the international accounting requirements in accordance with the International Financial Reporting Standards (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. Adjusted key figures should not be viewed in isolation as an alternative to STADA's financial performance indicators presented in accordance with IFRS. In addition, a statement on the future development of adjusted key figures is only possible to a limited extent due to the one-time character of the special effects recognized in these figures.

### 5.3. Changes in the Executive Board

Effective August 12, 2009, the former Chief Financial Officer, Wolfgang Jeblonski, left the Executive Board of STADA Arzneimittel AG on the best possible terms with STADA's Supervisory Board.<sup>1)</sup> The Executive Board is thus now composed of the Chairman of the Executive Board Hartmut Retzlaff and member of Executive Board Christof Schumann.

On October 29, 2009 STADA announced that Helmut Kraft will become the new Chief Financial Officer of STADA Arzneimittel AG. The Supervisory Board appointed Kraft to the Executive Board effective January 1, 2010 for a three-year term.<sup>2)</sup>

### 5.4. Changes in the Supervisory Board

Effective August 24, 2009, the Supervisory Board of STADA Arzneimittel AG elected Dr. Martin Abend new Chairman of the Supervisory Board. The previous Chairman of STADA's Supervisory Board, Dr. Eckhard Brüggemann had already resigned from his position as Chairman of the Supervisory Board. He will, however, remain a member of the Supervisory Board. Moreover, the member of the Supervisory Board Uwe E. Flach resigned from the Supervisory Board on August 24, 2009, effective as of September 24, 2009, after the one-month period stipulated by the Company's articles of incorporation.<sup>3)</sup>

## 6. Segment reporting

### 6.1. General information

With the application of IFRS 8, in effect since 2009, STADA continues to report a segment result that corresponds to the operating profit of the income statement in accordance with IFRS.

Since the application of IFRS 8, disclosures on segment assets relate to non-current assets (intangible assets, property, plant and equipment as well as financial assets); the figures for the previous year were adjusted accordingly.

1) See the Company's ad hoc release of August 12, 2009.  
2) See the Company's ad hoc release of October 29, 2009.

3) See the Company's ad hoc release of August 24, 2009.

## 6.2. Segment information according to business segments

in € 000s		1/1-9/30/2009	1/1-9/30/2008
Generics	External sales	816,616	854,194
	Sales with other segments	1,830	110
	Total sales	818,446	854,304
	Operating profit	105,567	118,310
	Segment assets (as of Sept. 30)	910,952	822,622
Branded Products	External sales	278,713	272,987
	Sales with other segments	2,355	2,442
	Total sales	281,068	275,429
	Operating profit	52,331	47,476
	Segment assets (as of Sept. 30)	191,962	247,058
Commercial Business	External sales	36,925	42,539
	Sales with other segments	407	0
	Total sales	37,332	42,539
	Operating profit	227	6,361
	Segment assets (as of Sept. 30)	2,921	3,378
Group holdings/other	External sales	6,245	62,114
	Sales with other segments	0	1,318
	Total sales	6,245	63,432
	Operating profit	-28,986	-22,376
	Segment assets (as of Sept. 30)	228,929	389,858
Reconciliation consolidated financial statements	External sales	0	0
	Sales with other segments	-4,592	-3,870
	Total sales	-4,592	-3,870
	Operating profit	0	0
	Segment assets (as of Sept. 30)	0	0
Consolidated	External sales	1,138,499	1,231,834
	Sales with other segments	0	0
	Total sales	1,138,499	1,231,834
	Operating profit	129,139	149,771
	Segment assets (as of Sept. 30)	1,334,764	1,462,916

### 6.3. Reconciliation of segment results to net profit

in € 000s	1/1-9/30/2009	1/1-9/30/2008
Operating segment profit	129,139	149,771
Investment income	845	1,196
Result from the accounting of associated companies under the equity method	-69	-2,451
Interest result	-38,258	-40,659
<b>Earnings before taxes, Group</b>	<b>91,657</b>	<b>107,857</b>

### 6.4. Reconciliation of segment assets to Group assets

in € 000s	Sept. 30, 2009	Sept. 30, 2008
Segment assets	1,334,764	1,462,916
Other non-current assets	76,038	94,117
Current assets	1,057,951	1,099,971
<b>Total assets, Group</b>	<b>2,468,753</b>	<b>2,657,004</b>

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**Members of the Executive Board:** Hartmut Retzlaff (Chairman), Christof Schumann

**Members of the Supervisory Board:** Dr. Martin Abend (Chairman), Manfred Krüger<sup>1)</sup> (Vice Chairman), Dr. Eckhard Brüggemann, Heike Ebert<sup>1)</sup>, Dr. K. F. Arnold Hertzsch, Dieter Koch, Constantin Meyer, Karin Schöpfer<sup>1)</sup>

Forward-looking statements: This interim report of STADA Arzneimittel AG contains certain statements regarding future events (as understood in the U.S. Private Securities Litigation Reform Act of 1995) that express the beliefs and expectations of management. Such statements are based on current expectations, estimates and forecasts on the part of company management and imply various known and unknown risks and uncertainties, which may result in actual earnings, the financial situation, growth or performance to be materially different from the estimates expressed or implied in the forward-looking statements. Statements with respect to the future are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "believe", "estimate" and similar terms. STADA is of the opinion that the expectations reflected in forward-looking statements are appropriate; however, it cannot guarantee that these expectations will actually materialize. Risk factors include in particular: The influence of regulation of the pharmaceutical industry; the difficulty in making predictions concerning approvals by the regulatory authorities and other supervisory agencies; the regulatory environment and changes in the health-care policy and in the health care system of various countries; acceptance of and demand for new drugs and new therapies; the influence of competitive products and prices; the availability and costs of the active pharmaceutical ingredients used in the production of pharmaceutical products; uncertainty concerning market acceptance when innovative products are introduced, presently being sold or under development; the effect of changes in the customer structure; dependence on strategic alliances; exchange rate and interest rate fluctuations, operating results, as well as other factors detailed in the annual reports and in other Company statements. STADA Arzneimittel AG does not assume any obligation to update these forward-looking statements or adapt them to future events and developments.

Rounding: The key performance indicators presented in this interim report are occasionally stated in euro millions, while in the interim financial statements presented at the end of this report the same figures are generally stated more precisely in euro thousands. Thus, some rounding differences may occur, although they are not material by their nature.

This interim report is published in German (original version) and English (non-binding translation) and is subject to German law.

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1) Employee representatives.

## 7. Additional information

### 7.1. Regional sales<sup>1)</sup>

in € 000s	1/1-9/30/2009	1/1-9/30/2008	± % in euro	± % in local currency <sup>2)</sup>
<b>Europe</b>	<b>1,092,980</b>	<b>1,191,117</b>	<b>-8%</b>	
• Belgium	90,359	82,462	+10%	
• Bosnia-Herzegovina	13,698	15,960	-14%	-14%
• Bulgaria	4,838	4,419	+9%	+9%
• Denmark	18,629	12,528	+49%	+48% <sup>3)</sup>
• Germany	407,371	435,489	-6%	
• Finland	3,345	6,009	-44%	
• France	58,634	64,607	-9%	
• UK	38,091	87,769	-57%	-51% <sup>4)</sup>
• Ireland	14,855	20,278	-27% <sup>5)</sup>	
• Italy	83,149	80,623	+3% <sup>6)</sup>	
• Macedonia	2,043	1,901	+7%	+8%
• Montenegro	4,292	5,692	-25%	
• The Netherlands	28,441	30,050	-5% <sup>7)</sup>	
• Austria	10,934	10,531	+4%	
• Poland	2,128	638	+234%	+328%
• Portugal	8,656	8,080	+7%	
• Romania	2,854	2,201	+30%	+50%
• Russia	127,428	131,955	-3%	+17%
• Sweden	3,115	2,713	+15%	+30%
• Serbia	78,677	101,909	-23%	-9%
• Slovakia	4,103	3,651	+12%	
• Spain	56,156	50,356	+12%	
• Czech Republic	9,100	7,403	+23%	+31%
• Ukraine	12,367	12,842	-4%	+43%
• Rest of Europe	9,717	11,051	-12%	
<b>The Americas</b>	<b>9,125</b>	<b>2,822</b>	<b>+223%</b>	
<b>Asia</b>	<b>32,246</b>	<b>36,255</b>	<b>-11%</b>	
• China	1,582	5,709	-72%	-75% <sup>8)</sup>
• Kazakhstan	5,564	5,129	+8%	+19%
• The Philippines	8,630	8,316	+4%	+3%
• Thailand	1,684	1,751	-4%	-8%
• Vietnam	6,659	5,281	+26%	+23%
• Rest of Asia	8,127	10,069	-19%	
<b>Rest of world</b>	<b>4,148</b>	<b>1,640</b>	<b>+135%</b>	

1) Broken down according to the national market in which the sales were achieved.

2) In some cases, figures were converted into local currency since the invoicing company's reporting currency was euro.

3) Adjusted sales increase of 44% in local currency by taking into account acquisitions of branded products carried out there since then.

4) Adjusted sales decrease of 10% in local currency by taking into account the disposal (Forum Products, deconsolidated since August 31, 2008) carried out there since then.

5) Adjusted sales at the level of the corresponding period in the previous years by taking into account the disposal (Forum Products, deconsolidated since August 31, 2008) carried out there since then.

6) Adjusted sales increase of 1% by taking into account acquisition and disposal of branded products carried out there since then.

7) Adjusted growth increase of 1% by taking into account commercial business abandoned there since then.

8) Adjusted sales decrease of 4% in local currency by taking into account the disposal (Heath Vision Enterprise Ltd., deconsolidated since January 1, 2009) carried out there since then.

