

STADA



General information

By making use of this document the reader acknowledges and agrees to the following:

We accept no liability arising from the use of this document.

STADA Arzneimittel AG, Bad Vilbel (in the following "STADA"), has made every effort to make sure that this document contains correct and up-to-date information. However, it accepts no responsibility or guarantee whatsoever in respect of topicality, accuracy and completeness of the information and assumes no obligation to update, complete or correct the information contained therein.

The anticipated opportunities and risks to STADA's activities have been described in detail in the Executive Board's management reports in the annual reports. Current possible opportunities and risks are mentioned in the respective interim report.

STADA's performance indicators are partly influenced by one-time special effects and/or effects not arising from the operating business. Disclosure of key figures adjusted for these effects (so called "pro forma" key figures) by STADA is only to provide a supplement to the recorded IFRS key figures for a transparent comparison to a relevant period from the previous year.

All text, pictures, trademarks, and other information contained in this document are subject to the copyright of STADA or subject to rights acquired from third parties. Trademark protection may apply even for preparations not indicated as trade marks. This document may not be reproduced in whole or in part without the express written consent of STADA.

Any disputes arising out of or in connection with the content of this document, insofar as they are directed against STADA, shall be subject to German law, without prejudice to mandatory provisions of foreign law. The place of jurisdiction is Frankfurt am Main to the extent legally permissible.

Note:
The previous year's figures in this presentation have been adjusted according to the new IFRS 11 in connection with IAS 8 in connection with IAS 1, as the new accounting standard IFRS 11 "Joint Arrangements" is to be applied with retrospective effect as from January 1, 2014. The adjustments relate to the presentation of the balance sheet of December 31, 2013 as well as the income statement and the derived key figures including the cash flow statement in the first quarter of 2013.

Forward-looking-statements

This STADA Arzneimittel AG presentation (subsequently "STADA") 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 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 not assume any obligation to update these forward-looking statements or adapt them to future events and developments.

The STADA Executive Board:
H. Retzlaff (Chairman), H. Kraft, Dr. M. Wiedenfels

Strategy and Outlook

Focus on strategy

Consumer focus

- Expansion of leading brands, cementing the strong position in pharmacies
- Limited governmental regulation allows for increased prices
- Goal: 2/3 adjusted operating profit of the two core segments out of Branded Products (1-3/2014: 58%)

Spreading the Generics portfolio across market regions

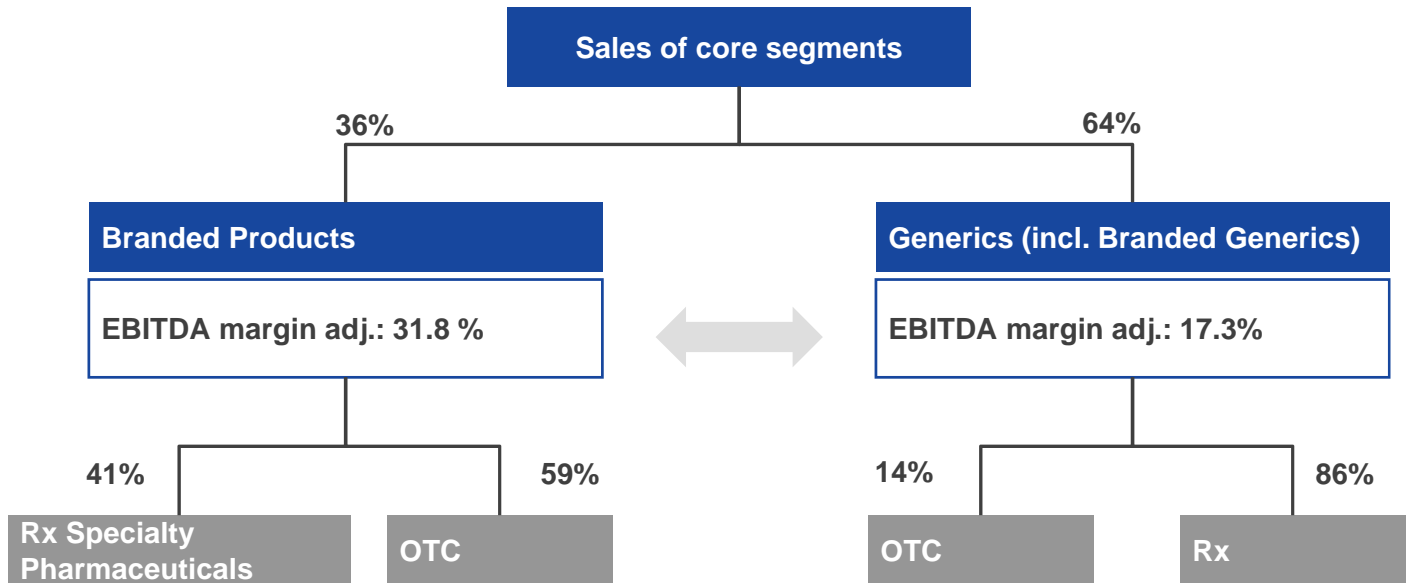
- Focus on growth markets with high share of self-pay patients, e.g. CIS, Asia and MENA
- Establishment of a biosimilar portfolio with low-risk licensing approach

Opportunistic selection of value-adding acquisitions

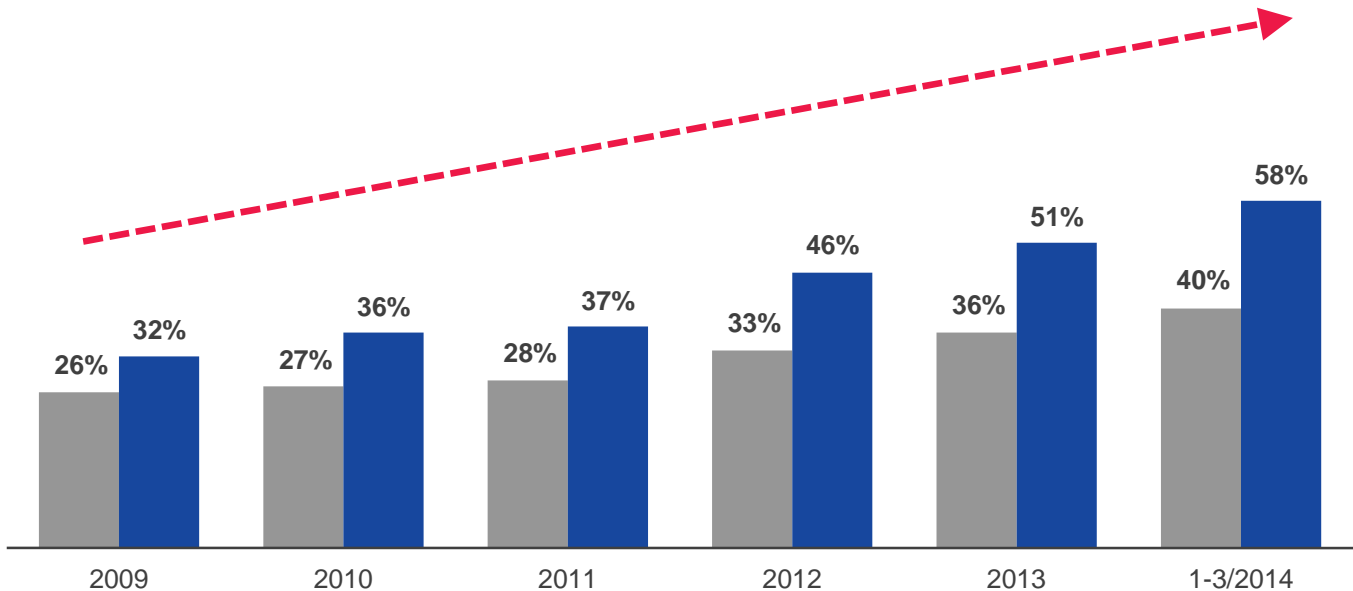
- Concentration on high-margin OTC product portfolio and/or emerging markets

Risk-averse business strategy: product portfolio without research, no risk concentration or liability risk

Sales split 2013



Branded Products contribute 58% to adjusted operating profit¹⁾



■ Share of Branded Products in sales¹⁾

■ Share of Branded Products in adjusted operating profit¹⁾

1) of the two core segments Generics and Branded Products..

Outlook for 2014

Group:

- Slight growth in sales, adjusted EBITDA and adjusted net income

Segments:

- Generics: slight growth in sales, adjusted EBITDA slightly above previous year
- Branded Products: substantial growth in sales and adjusted EBITDA

Adjusted for special effects in connection with the translation expenses recorded in profit and loss resulting from the substantial devaluation of the ruble as well as further significant currencies of the market region CIS/Eastern Europe

Adjusted for additional impairments due to purchase price allocations as well as significant product acquisitions taking financial year 2013 as basis

Market region assumptions for 2014

Operational growth drivers

Germany

- Stabilization of income from Generics with slight decrease in sales
- Growth in highly profitable Branded Products

Central Europe

- Less regulatory impediments than in previous year
- Positive development of the top 3 markets of UK, Belgium and Italy with relatively higher profitability
- UK: strong growth in highly profitable branded products at Thornton & Ross and Britannia (Apo-Go®)

CIS/Eastern Europe

- Uncertainties regarding the future business development, but no escalation of the CIS crisis
- Excellent growth in high-margin products such as Vitaprost®, Chondroxide® and Aqualor® (consolidation since March 01, 2014) in Russia
- Strong performance in Central Asia

Asia & Pacific

- Growth in Vietnam after the consolidation of Pymepharco and STADA Vietnam as subsidiaries
- Licensing of STADA products in Myanmar – STADA one of the first to enter the market

Further assumptions

Non-operational growth drivers

Improved corporate structure

- Decreased tax rate
- Favorable refinancing

Cost efficiency

Culture of continuous cost optimization

- Individual efficiency improving projects, such as the founding of an IT shared service center in Serbia for the whole Group
- Strict spending management in the area of general and administrative expenses and marketing

Optimization of production

- Increased proportion of in-house developments
- Growing share of new developments from Serbia
- Own production of leading, high-margin branded products

Responsibility and sustainability

Code of Conduct

Markets and products

- STADA mission statement: care for people's health and well-being.
- Generics contribute to efficient and affordable health care for society
- Risk-averse business: limited research and clinical studies (no animal testing), no risk concentration
- Focus on marketing and sales in over the counter drug market

Environment

- Increased priority of quality and product safety
- GMP-certified production facilities
- Business model without significant emissions risk due to lack of active pharmaceutical ingredient production
- Regular Group-wide quality control reviews – in individual production facilities as well as suppliers

Society

- Strengthening of employee well-being through fitness and health care
- High share of women in management positions (2013: 51%)
- Professional training, language classes, talent development programs
- Additional forms of remuneration, such as child care contributions
- Sponsoring activities, support of culture and sports

Governance

- Annual Declaration of Compliance in accordance with the German Corporate Governance Code: determination of shareholder rights, cooperation between Executive Board and the Supervisory Board, as well as remuneration, reporting and transparency obligations
- Group-wide Compliance Management System based on best practices

Market regions

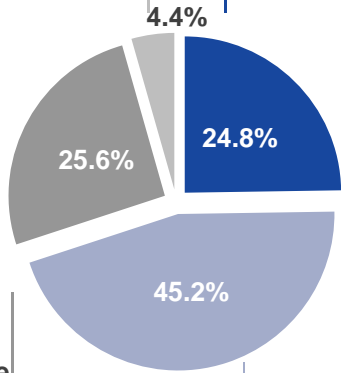
Sales 1-3/2014

By market region

Total group €507.4 million
+7% (+3%)

Asia & Pacific
€22.4 million
+81% (+3%)

Germany
€125.6 million
0% (0%)



CIS/Eastern Europe
€130.0 million
-4% (+9%)

Central Europe
€229.4 million
+15% (+2%)

- Germany: Decrease in Generics, Branded Products seasonally strong, successful start of new STADAvita

- Central Europe shows overall positive trend

- CIS/Eastern Europe: CIS crisis with dampening effects on Russian business

- Asia & Pacific: continuing on expansion path

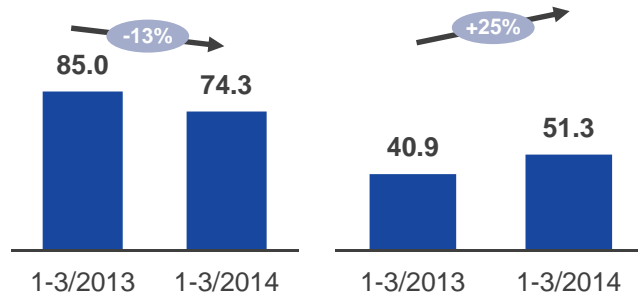
(x) = Adjusted for changes in the Group portfolio and currency effects.

Market region Germany

Generics sales (in € million)

Branded product sales (in € million)

Total 1-3/2014: €125.6 million (-0.3%)



Market

- Expiration of portfolio agreements in Q2/2013 leads to substantial decrease in Generics
- Branded Products increase by 15% in Germany, Ladival is primary driver
- Exports doubled to € 15 million, attributable to reclassification within the Group

Optimization of the German sales activities



- Successful start of STADAvita
- Footballer of the century Pelé is the new Eunova® brand ambassador

Outlook STADA 2014

- Sales decrease
- Operating profitability under Group average

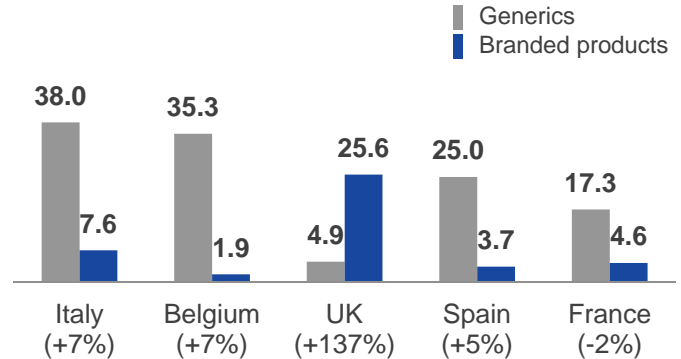
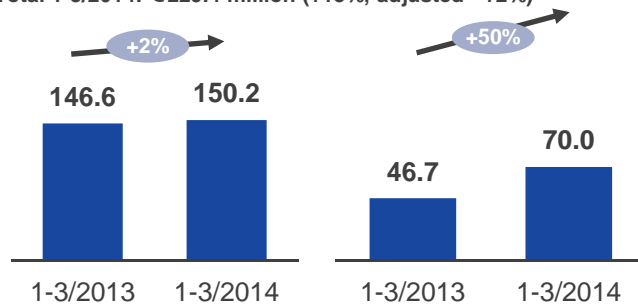
Market region Central Europe

Generics sales (in € million)

Branded product sales (in € million)

Most important countries (Sales in € million)

Total 1-3/2014: €229.4 million (+15%, adjusted¹⁾ +2%)



Market

Outlook STADA 2014

- Key markets such as Italy, Belgium and the UK grow
- For Europe in 2014, IMS Health expects sales growth of +6% for Generics and +4.4% for OTC products

- Substantial sales growth
- Operating profitability at Group averaged

1) Adjusted for changes in the portfolio and currency effects.

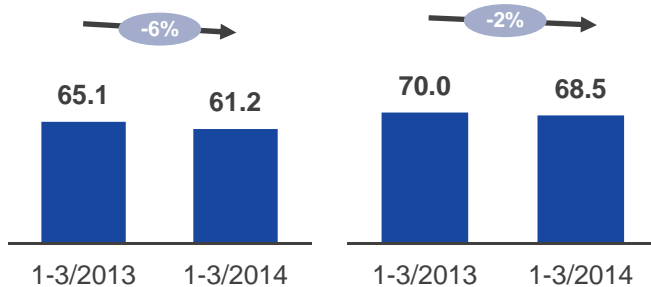
Market region CIS/Eastern Europe

Generics sales (in € million)

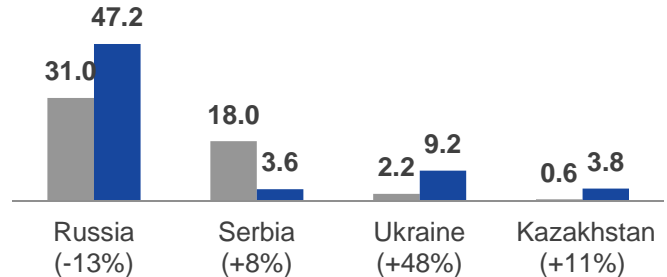
Branded product sales (in € million)

Most important countries (Sales in € million)

Total 1-3/2014: €130.0 million (-4%, adjusted¹⁾ +9%)



■ Generics
■ Branded products



Market

Outlook STADA 2014

- Russia: demand hampered by CIS crisis, sales particularly burdened by devaluation of ruble (-17%)
- Ukraine: stockpiling in advance of the introduction of VAT

- Sales growth
- Operating profitability adjusted for currency effects above Group average

1) Adjusted for changes in the portfolio and currency effects.

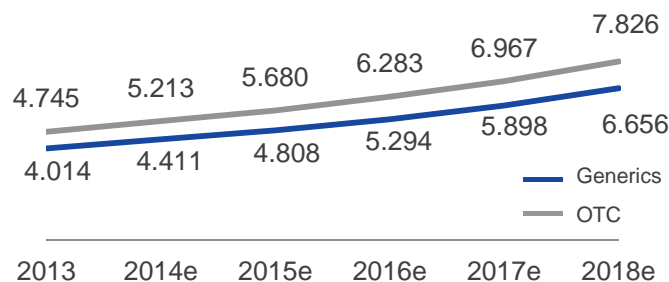
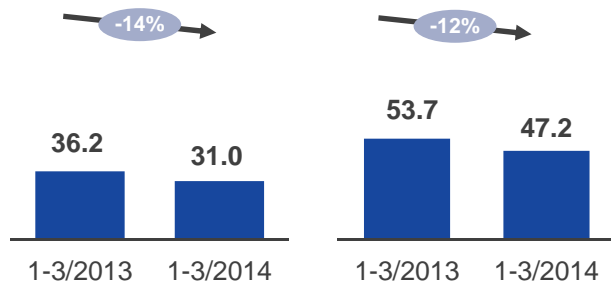
Development of Russia

Generics sales (in € million)

Branded product sales (in € million)

Development of the Russian pharmaceutical market (in € million)

Total 1-3-2014: €78.2 million (-13%, adjusted¹⁾ 0%)



- Average annual rate of sales growth in 2013-2018 of approx. 10.7% for OTC and generics
- STADA: No. 2 among local suppliers/producers
- 84% of the market are "out of pocket" (STADA: 93%)
- High traditional awareness of the Nizhpharm and Hemofarm brands
- Limited government regulation ("vital and essential drug list")
- Concentration on niche markets

Source: STADA, Broker Research.

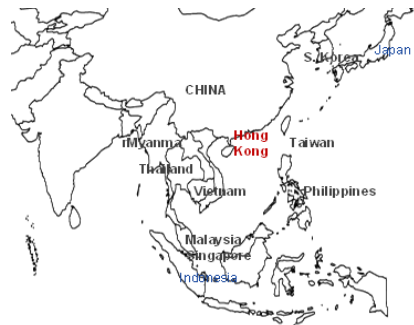
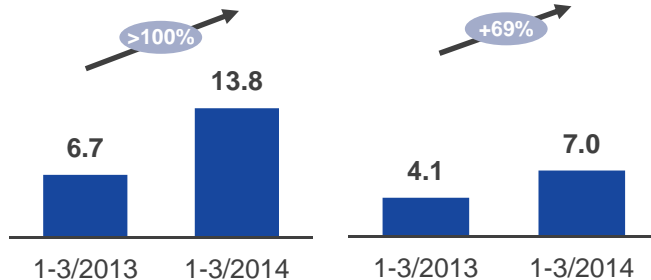
1) Adjusted for changes in the portfolio and currency effects

Market region Asia & Pacific

Generics sales
(in € million)

Branded product sales
(in € million)

Total 1-3/2014: €22.4 million (+81%, adjusted¹⁾+3%)



Highlights







- Control acquired over STADA Joint Venture Vietnam
- Initial consolidation of STADA Beijing
- Still on growth path
- IMS forecast market growth 2013-2018: 14% (constant exchange rates)

Outlook STADA 2014

- Sales growth
- Operating profitability above Group average

1) Adjusted for changes in the portfolio and currency effects.

Generics

Belgium: #1	Eurogenerics	
Serbia: #1	Hemofarm	
Russia: #2 ¹⁾	Nizhpharm, MAKIZ	
Germany: #3	ALIUD, STADApHarm	
Spain: #4	Laboratorio STADA	
Italy: #5	EuroGenerici	

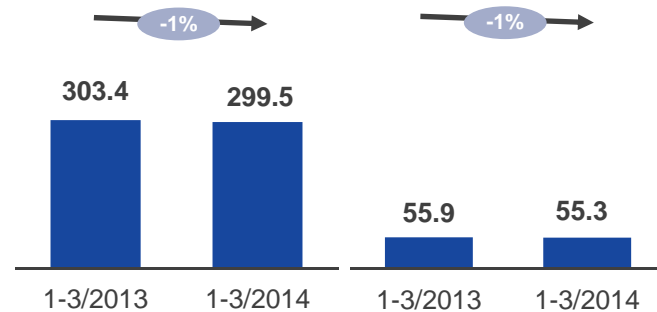


1) Local suppliers/producers

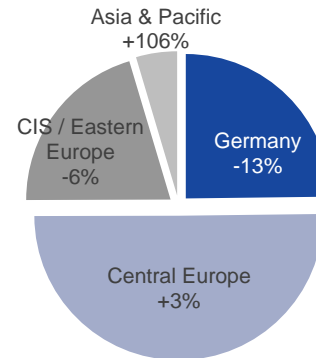
Generics

Sales
(in € million)

Adj. EBITDA
(in € million)



Regional Development



2013

Strategy

- Germany difficult, focus on costs
- CE benefiting from increasing penetration
- CIS/Eastern Europe with sales growth in local currencies despite CIS crisis (+6.6%)
- Asia & Pacific: jump due to consolidations

- Set priority on growth markets with high share of self payers, e.g. CIS, Asia and MENA
- Build portfolio of biosimilars based on risk-averse in-licensing approach
- Production focus on Serbia
- More in-house development

Environment analysis

Growth markets health care & pharma

- Global population growth
- Aging society in industrialized countries
- Medical progress
- International pharmaceutical market prognosis to 2018: 5 to 7% p.a.¹⁾

Growth opportunities for generics

- Progressive generics penetration
- Continuous patent expirations, especially in biologicals with high sales potential
- Expansion in attractive growth markets
- World generics market prognosis to 2018: up to 10.0% p.a.²⁾



Growth opportunities

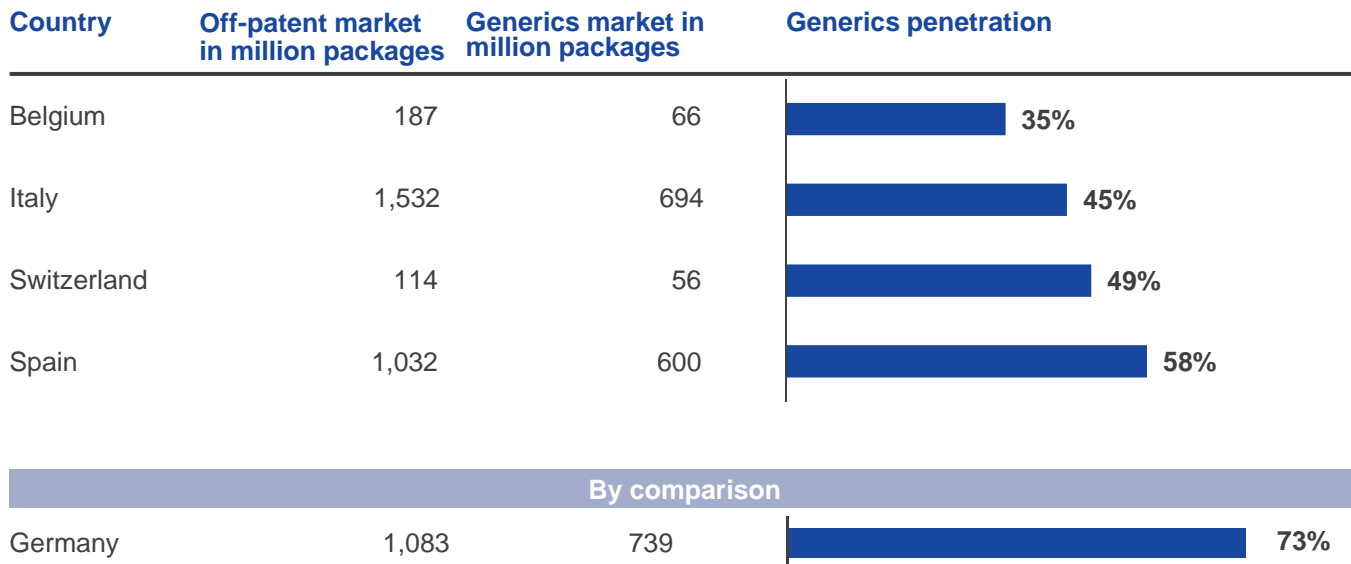
Specific challenges and additional risks

- Government regulation
- Exchange rate volatility
- Default risks, among other things

1) IMS Market Prognosis, September 2013; IMS Market Prognosis Global, September 2013; IMS Syndicated Analytics Service (September 2013; prepared for STADA March 2014.

2) IMS Market Prognosis, September 2013; IMS Market Prognosis Global, September 2013; IMS Syndicated Analytics Service (September 2013; prepared for STADA March 2014. The market data on generics fluctuate in some cases substantially due to differing market definitions from source to source

Still low penetration rates



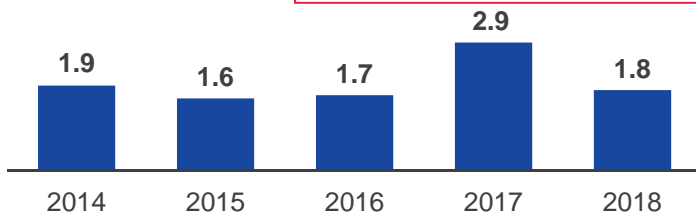
Source: STADA estimate at ex-factory prices based on market data provided by various international market research institutes for 2013

Growth driver patent expiry

New sales potential becoming available for generics competition (in €billion)

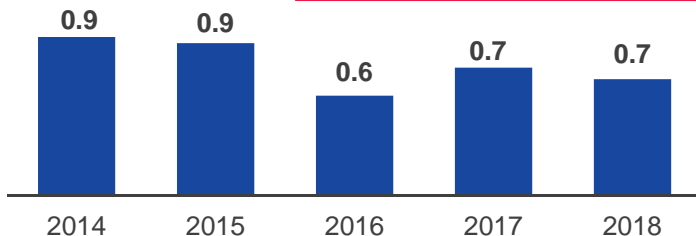
Central Europe¹⁾

Small chemical entities only –
excluding biologics



Germany²⁾

Small chemical entities only –
excluding biologics



Source: STADA estimate of sales volumes at ex-factory prices.

1) Here: France, Italy, Spain, UK. Source: IMS MIDAS (Q4/2013)

2) IMS MIDAS (Q4/2013)

Product launches

- Launch of 724 individual products worldwide in 2013 (717 in 2012)
- 148 new products in 1-3/2014 (140 in 1-3/2013)

Rich pipeline:

- Planning horizon: > 2022
- > 1,100 current approval procedures for > 150 active ingredients for > 50 countries worldwide
- Over 900 pharmaceutical ingredients, over 16,000 product packagings marketed by the Group

Optimization in the area of development

- Expansion of Vrsac (Serbia) as an additional development center (approx. 55% of current own development)
- Establishment of development contracts in India (currently four projects)

Branded Products

Outperforming the market

STADA is the fastest growing OTC company in the top ten – T&R will further accelerate expansion

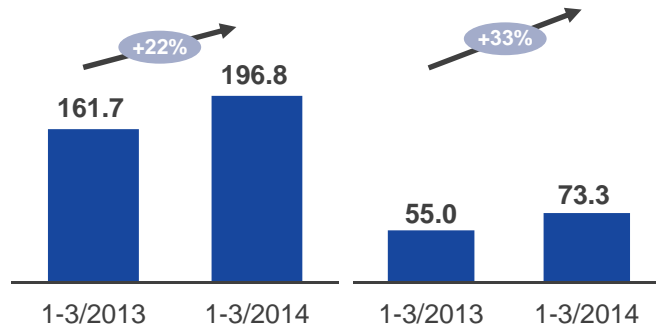
OTC corporation	Sales in €m	Growth in %
1 NOVARTIS	1,566	6.6
2 BAYER	1,225	1.5
3 SANOFI	1,170	2.6
4 JOHNSON & JOHNSON	968	-0.3
5 TEVA	616	7.5
6 RECKITT BENCKISER	497	5.2
7 GLAXOSMITHKLINE	484	0.0
8 BOEHRINGER INGELHEIM	473	6.1
9 STADA¹⁾	405	7.3
10 ABBOTT	392	0.1
Total	21,425	3.2

Source: IMS Health Midas – EU28+CH+RU – Year 2013

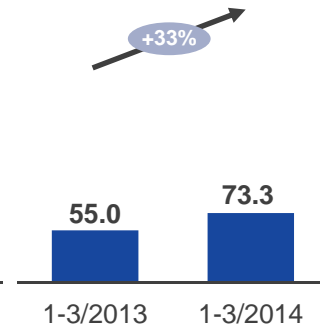
1) OTC sales of Thornton & Ross retrospectively calculated for full-year 2013.

Branded Products

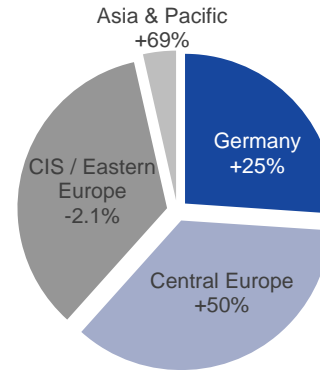
Sales
(in € million)



Adj. EBITDA
(in € million)



Regional Development



2014

- Germany with stronger profitability
- CIS/Eastern Europe with sales growth in local currencies despite CIS crisis (+16.7%)
- Thornton & Ross highly dynamic
- ApoGo® on the growth path

Strategy

- Internationalization of leading brands
- Opportunistically driven expansion with focus on growth niches
- Support through advertising and strong position in pharmacies

Strong Brands in 1-3/2014

No.	Branded Product	Growth in %	Sales in €million	Indication
1.	Ladival® (OTC)	+17	13.3	Sun Protection
2.	Grippostad® (OTC)	+3	12.4	Cough and cold
3.	ApoGo® (RX)	+13	11.2	Parkinson
4.	Vitaprost® (RX)	+18	5.9	Prostate hyperplasia
5.	Chondroxide® (OTC)	+34	5.5	Muscular and joint pain
6.	Tranexam® (RX)	-24	5.0	Anti-bleeding
7.	Kamistad® (OTC)	+58	4.8	Inflammatory disorders (mouth)
8.	Care® (OTC) ¹⁾		4.7	Umbrella brand
9.	Hirudoid® (OTC)	+8	4.1	Inflammation of the veins
10.	Aqualor® ²⁾ (OTC)		3.9	Rhinitis
All Branded Products		+22	196.8	

1) Umbrella brand for various indications such as skin care, cold medicine, gastrointestinal disease, pain medication, among others.

2) Sales of Aqualor®: initial consolidation as from March 1, 2014.

Thornton & Ross

- Purchase of the British OTC manufacturer Thornton & Ross in Q3/2013
- Net purchase price approx. € 226 million¹⁾
- Sales growth in financial year 2013 in local currency in lower ten percent area
- #5 OTC pharmacy business in the UK
- Employees approx. 500
(December 31, 2013: 447)
- Sales within the Group consolidated since September 01, 2013



¹⁾ According to the exchange rate valid the day the ad hoc update was published.

Aqualor®

- Takeover successfully completed on February 28, 2014
- 2013 another strong year Sales of € 39.6 million (+41.8%, in local currency +50.9%)
- Sales contribution in march 2014: € 3.9 million
- Positive EPS contribution from first day of consolidation (no acquisition of production/personnel)

аквалор

ПРОДУКТЫ ЗАБОЛЕВАНИЯ ПОЧЕМУ АКВАЛОР? ВОПРОСЫ ГДЕ КУПИТЬ

Первая помощь при насморке

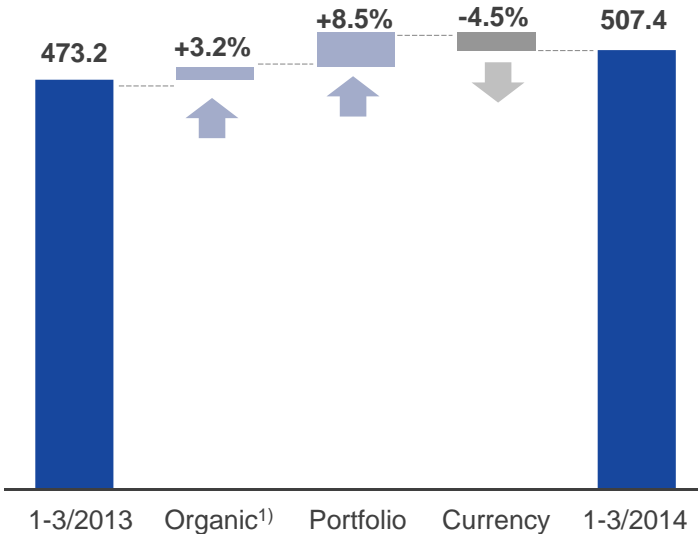
100% натурально

КАК ДЫХАЕТ НОС КАК ВОЗНИКАЕТ ЗАЛОЖЕННОСТЬ АКВАЛОР БЕЗВРЕДНО ДЕЙСТВУЕТ КОМУ АКВАЛОР

Financials

Development of Sales 1-3/2014

Group sales in €



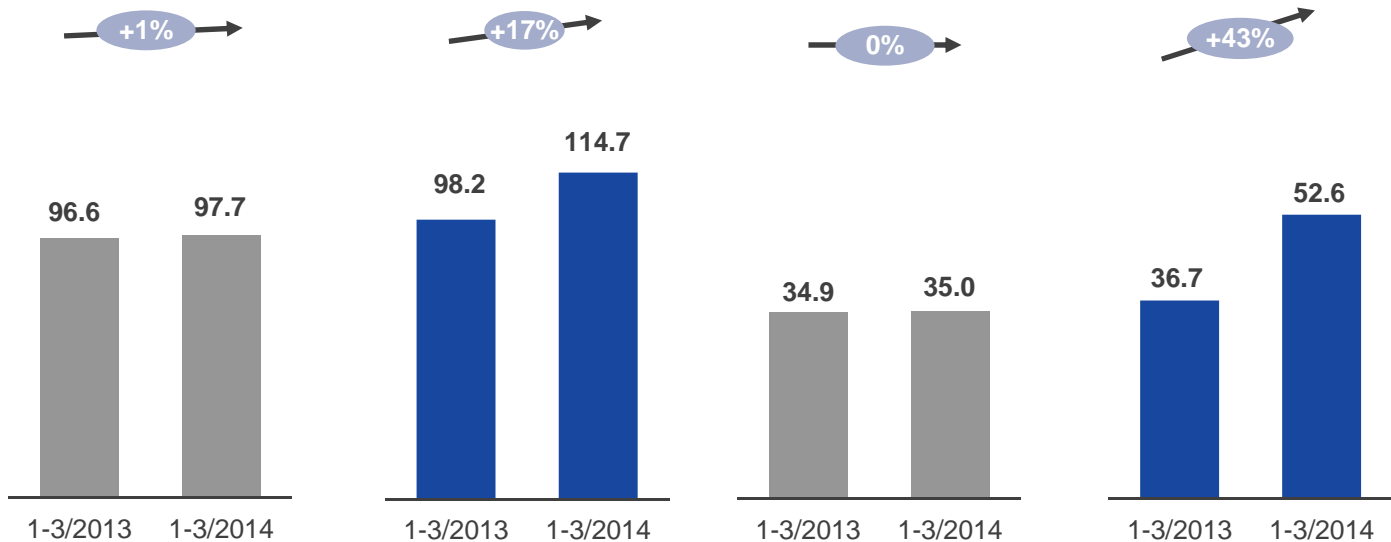
- Sales increase 1-3/2014 of 7.2%
- Organic¹⁾ sales growth 3.2%
- Portfolio effects:
+8.5 percentage points, among others, due to the consolidation of STADA Vietnam, Pymepharco, Spirig HealthCare AG (wholesale business) in Switzerland, the purchase of British OTC supplier Thornton & Ross and Aqualor® in Russia
- Currency effects:
-4.5 percentage points, appreciation of the pound sterling could not compensate for the devaluation of the Ukrainian hryvnia, the Kazakhstani tenge and, in particular, the Russian ruble

1) Adjusted for changes in the Group portfolio and currency effects.

Key earnings figures 1-3/2014

EBITDA (in €million) 1-3/2014 vs. 1-3/2013
reported adjusted¹⁾

Net income (in €million) 1-3/2014 vs. 1-3/2013
reported adjusted²⁾

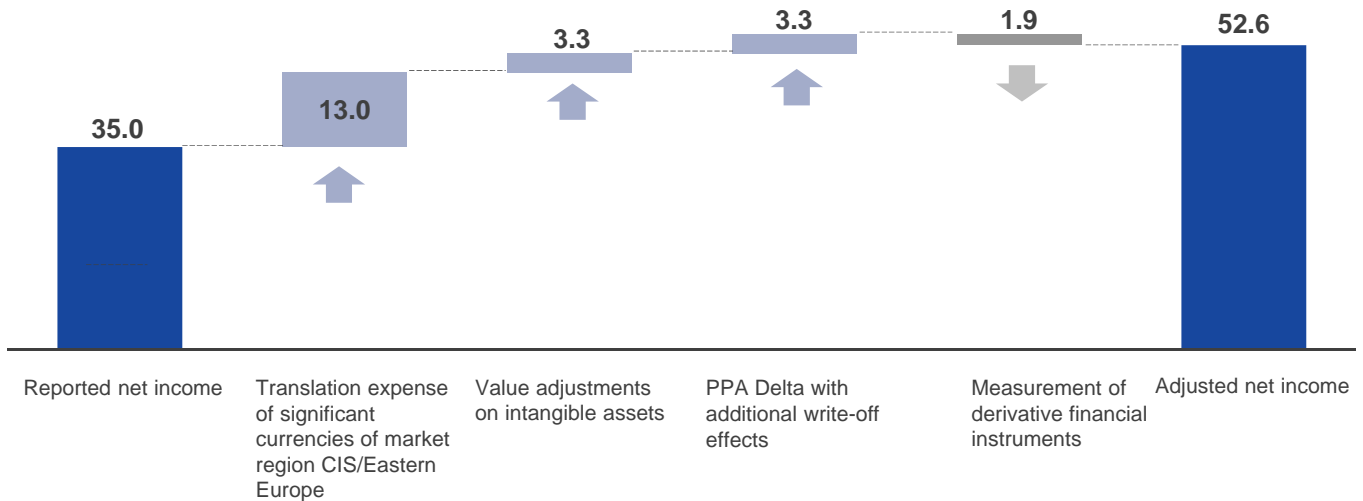


1) Adjusted for one-time special effects.

2) Adjusted for one-time special effects and non-operational effects from the evaluation of derivative financial instruments.

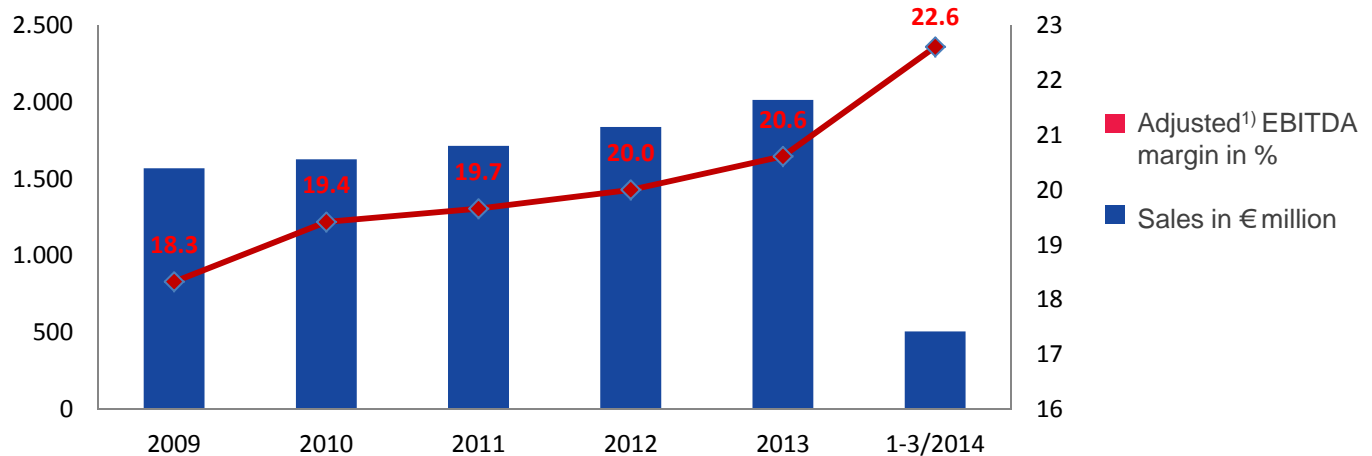
Net income adjustments in 1-3/2014¹⁾

in €million



1) For a detailed definition, see STADA's Interim Report 1-3/2014.

Development of sales and margins



- Expansion of self-pay portfolio
- Shift to high margin product/country mix
- Economies of scale effects (volume gains)

1) Adjusted for one-time special effects (2009-2014) and non-operational effects from currency influences (2009/2010)

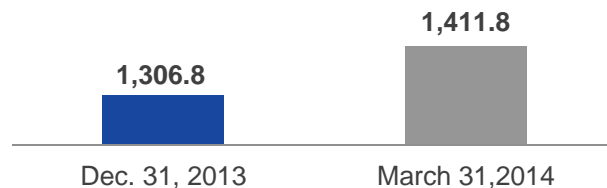
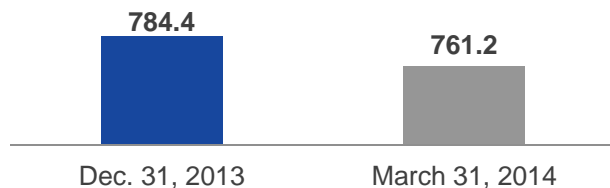
Stable balance sheet structure

Assets in €million	March 31, 2014	Dec. 31, 2013
A. Non-current assets	2,147.9	2,060.0
B. Current assets	1,361.9	1,353.2
Total assets	3,509.8	3,413.2

Equity and liabilities in €million	March 31, 2013	Dec. 31, 2013
A. Shareholders' equity	1,016.7	1,010.1
B. Non-current liabilities	1,631.7	1,358.4
C. Current liabilities	861.4	1,044.7
Total equity and liabilities	3,509.8	3,413.2

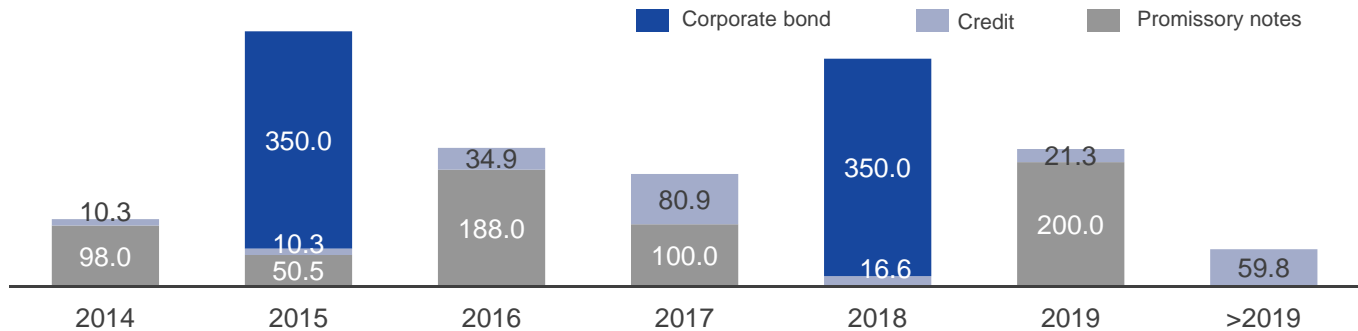
Net working capital in €million

Net debt in €million



Balanced and stable financing structure

Remaining maturities of financial liabilities due to banks as of March 31, 2014 in €million



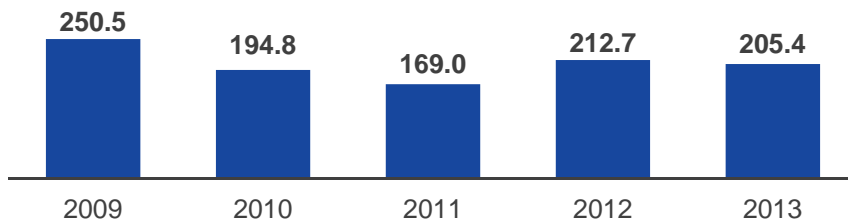
- In the first quarter of 2014, STADA was able to secure promissory notes in the total amount of €200 million with a term of five years.
- Net debt to adjusted EBITDA ratio as of March 31, 2014 remains stable at 3.1 (December 31, 2013: 3.1)
- Cash and cash equivalents including current securities: € 158.8 million (December 31, 2013: € 126.2 million)
- Access to committed credit lines from banking partners for many years

1) Adjusted for one-time special effects and on linear extrapolation of the first quarter on a full year basis.

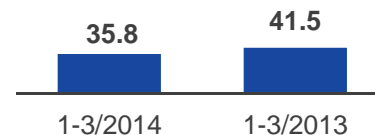
Cash flow from operating activities and adjusted free cash flow

Cash flow from operating activities (in €million)

2009-2013

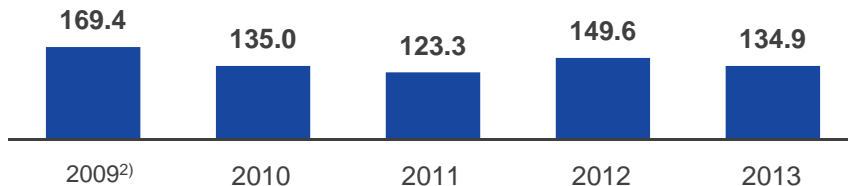


1-3/2014 vs. 1-3/2013

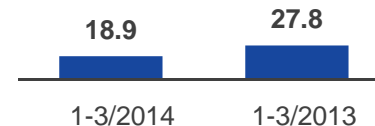


Adjusted free cash flow¹⁾ (in €million)

2009-2013



1-3/2014 vs. 1-3/2013

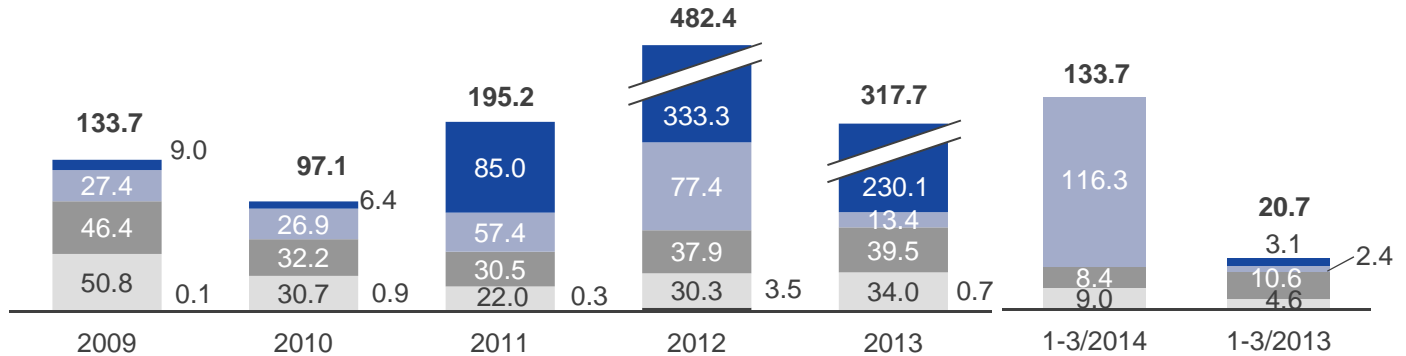


- 1) Free cash flow comprises cash flow from operating activities and cash flow from investing activities, adjusted for payments for significant acquisitions and proceeds from significant disposals
2) Additionally adjusted for influences outside of the reporting period

Expenses for capital expenditure

Total expenses 2009-2013 €million

1-3/2014 vs. 1-3/2013



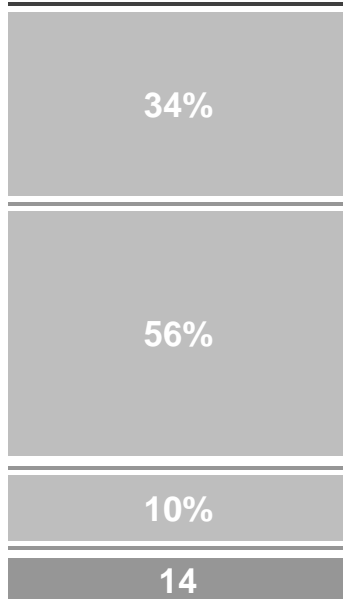
Proceeds

- 1-3/2014: 0.5 Mio. €
- 2013: 5.2 Mio. €
- 2012: 14.0 Mio. €
- 2011: 8.0 Mio. €
- 2010: 4.7 Mio. €
- 2009: 27.3 Mio. €

- Purchase of consolidated companies and business combinations
- Essential investment in intangible assets for short-term expansion of the product portfolio
- Investment in other intangible assets (support organic growth)
- Investment in property, plant and equipment
- Investment in financial assets

Concentration of the production processes

Share of production volume 2009



Own production locations

Market region Germany

- Bad Vilbel (Germany)
- Pfaffenhofen (Germany)

Market region CIS/Eastern Europe

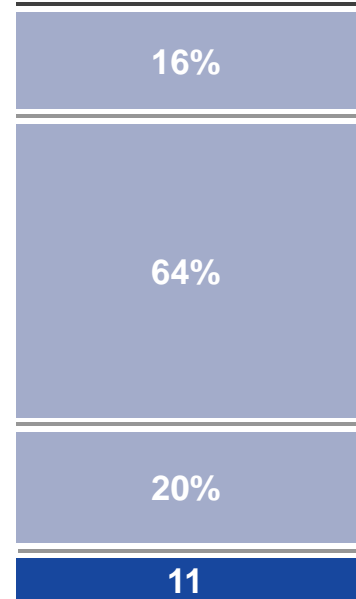
- Vrsac (Serbia)
- Sabac (Serbia)
- Dubovac (Serbia)
- Banja Luka (Bosnia-Herzegovina)
- Podgorica (Montenegro)
- Nizhny Novgorod (Russia)
- Obninsk (Russia)

Market region Asia/Pacific

- Ho-Chi-Minh-City (two locations in Vietnam)
- Tuy-Hoa-City (Vietnam)

Number of production sites¹⁾

Share of production volume 2013

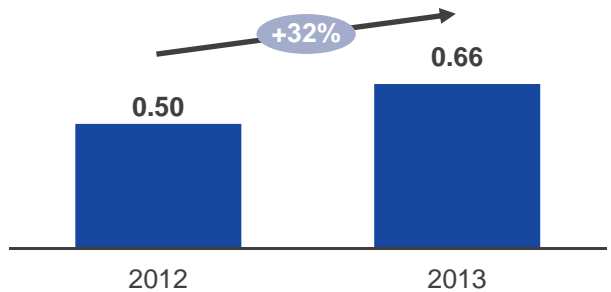


● Locations or parts of the locations are EU-GMP certified.

1) Without site Huddersfield (UK): Purchase as of August 2013 with the acquisition of Thornton & Ross and without local site Peking

Dividend proposal

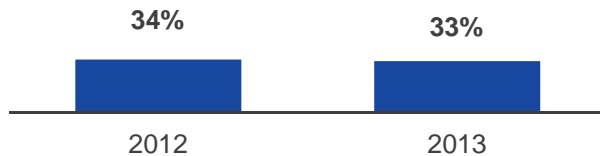
Dividend per STADA common share in €



Dividend payout 2013: € 39.8 million
(2012: € 29.6 million)

Dividend policy Appropriate share of reported net income to shareholders

Pay-out ratio



Notes

P&L details 1-3/2014

In €million	1-3/2014 in €million	1-3/2014 in % of Sales	1-3/2013 in €million	1-3/2013 in % of Sales
Gross profit	249.4	49.2	232.5	49.1
Selling expenses	109.3	21.5	109.4	23.1
G&A expenses	41.8	8.2	39.8	8.4
R&D expenses	13.9	2.7	13.1	2.8
Financial Result	-12.3		-14.4	
Taxes on income	15.0		20.3	

- Gross margin, G&A expenses and R&D expenses nearly stable; general and administrative expenses decreased
- Tax rate adjusted for special effects for 1-3/2014 at 26.3% significantly improved as a result of the tax optimization program (1-3/2013: 36.2%)
- Average weighted interest rate for all Group financial liabilities as of March 31, 2014 at 3.8% above the level of the previous year due to the financing of Aqualor® in foreign currency (December 31, 2013: approx. 3.3%)

Share capital and shareholder structure

March 31, 2014

STADA shares ¹⁾²⁾	60,442,500
Potential number of shares from warrants 2000/2015 ³⁾	1,947,720
Amount of treasury shares	91,183

Current shareholder structure on Dec. 31, 2013

- 100% free float
- Approx. 60% institutional investors
- Current notices with regard to the exceeding of the legal reporting threshold of > 3% of shareholdings are published on STADA website (www.stada.com)
- Approx. 11% pharmacists and doctors

1) Owners of registered common shares with restricted transferability must be recorded in the shareholders' register in order to be able to exercise their shareholders' rights. Recording in the shareholders' register is only possible with the approval of the Executive Board.

2) Additional authorized capital of 29.4 million common shares.

3) Exercise price for subscription of 20 common shares: € 329.00.

Your Contact

STADA Arzneimittel AG

Investor Relations

61118 Bad Vilbel, Deutschland
Telefon: +49 (0) 6101 603-113
Telefax: +49 (0) 6101 603-506
E-Mail: communications@stada.de
www.stada.de

Vice President Investor Relations

Dr. Markus Metzger
markus.metzger@stada.de