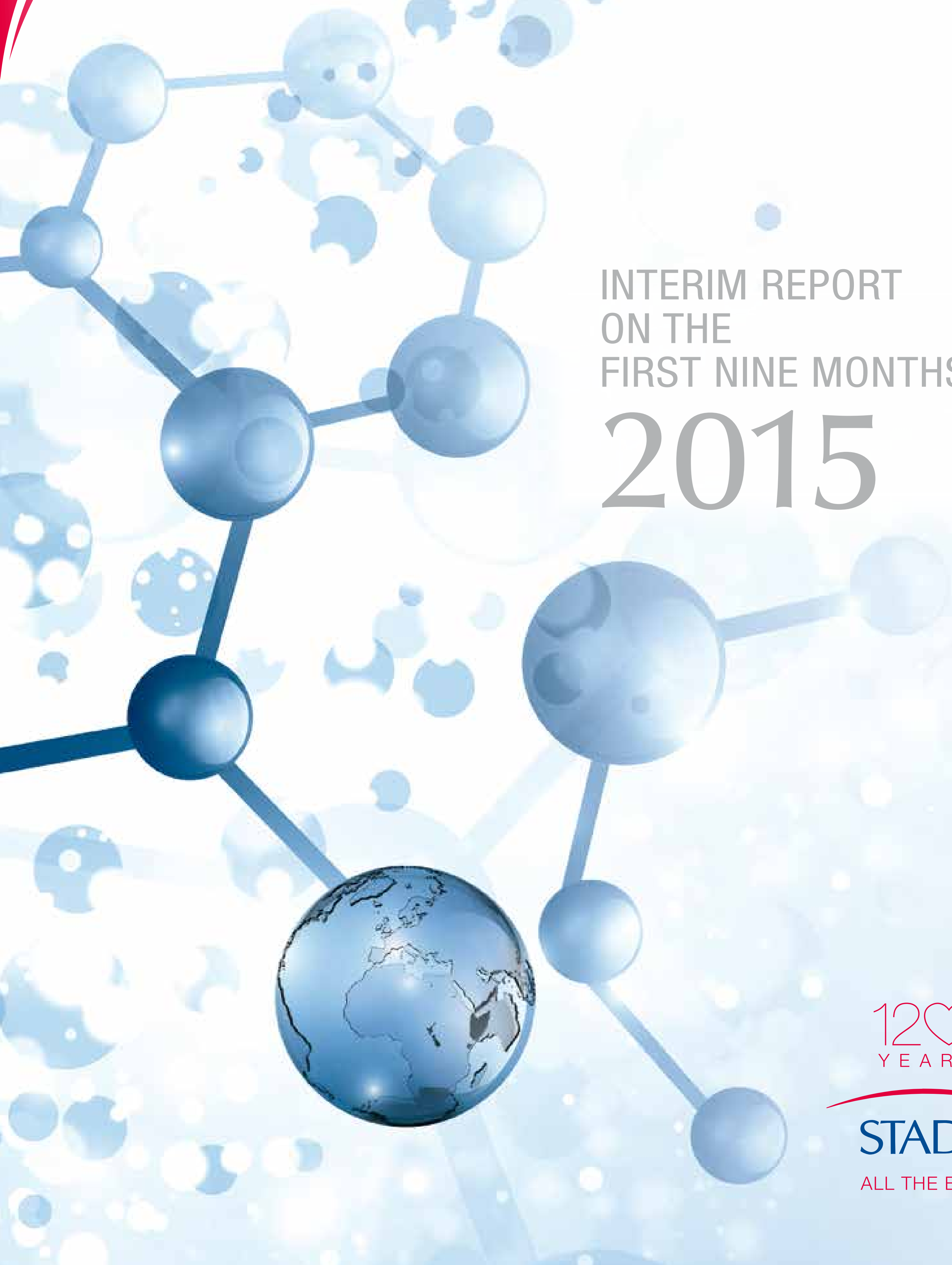

INTERIM REPORT ON THE FIRST NINE MONTHS 2015

120 YEARS

STADA

ALL THE BEST

STADA KEY FIGURES

Key figures for the Group in € million	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	± %
Group sales	1,533.5	1,482.7	+3%
• Generics (core segment)	896.2	884.2	+1%
• Branded Products (core segment)	605.3	565.8	+7%
Operating profit	179.8	185.5	-3%
Operating profit, adjusted [1)2)]	*217.8*	*232.6*	*-6%*
EBITDA (Earnings before interest, taxes, depreciation and amortization)	281.2	293.6	-4%
EBITDA (Earnings before interest, taxes, depreciation and amortization), adjusted [1)2)]	*293.8*	*316.2*	*-7%*
EBIT (Earnings before interest and taxes)	180.8	186.5	-3%
EBIT (Earnings before interest and taxes), adjusted [1)2)]	*218.8*	*233.5*	*-6%*
EBT (Earnings before taxes)	129.6	137.3	-6%
EBT (Earnings before taxes), adjusted [1)2)]	*170.1*	*182.7*	*-7%*
Net income	89.9	99.1	-9%
Net income, adjusted [1)2)]	*126.9*	*136.1*	*-7%*
Cash flow from operating activities	137.7	123.8	+11%
Capital expenditure	100.0	211.3	-53%
Depreciation and amortization (net of write-ups)	100.4	107.1	-6%
Employees (average number calculated on the basis of full-time employees)	10,410	10,127	+3%
Employees (as of the balance sheet date calculated on the basis of full-time employees)	10,447	10,211	+2%

Key share figures	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	± %
Market capitalization in € million (as of Sep. 30)	1,995.0	1,907.4	+5%
Closing price (XETRA®) in € (as of Sep. 30)	32.00	31.51	+2%
Average number of shares (without treasury shares, Jan. 1 – Sep. 30)	61,431,877	60,372,323	+2%
Earnings per share in €	1.46	1.64	-11%
Earnings per share in €, adjusted [1)2)]	*2.07*	*2.25*	*-8%*
Diluted earnings per share in €	1.46	1.62	-10%
Diluted earnings per share in €, adjusted [1)2)]	*2.07*	*2.22*	*-7%*

1) The deduction of such effects which have an impact on the presentation of STADA's earnings situation and the derived key figures aims at improving the comparability of key figures with previous years. To achieve this, STADA uses adjusted key figures, which, as so called pro forma figures, are not governed by the accounting requirements in accordance with 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.
2) Within the context of this interim report, adjustments in connection with operating profit, EBITDA, EBIT, EBT, net income, earnings per share and diluted earnings per share generally relate to one-time special effects.

CONSOLIDATED INTERIM MANAGEMENT REPORT

Overview

In the first nine months 2015, the STADA Group recorded business development that was within the scope of expectations. In the two market regions Central Europe and Asia/Pacific & MENA, STADA achieved pleasing increases in sales. Although the Group continued to be faced with difficult framework conditions in the market region CIS/Eastern Europe, it was also able to achieve a sales increase in local currency. As regards one-time special effects, the Group had to report a total amount of € 13.7 million before or € 13.6 million after taxes in connection with currency translation expenses recorded in the income statement as a result of the weak Russian ruble, the strong devaluation of the Ukrainian hryvnia and an extremely weak Kazakhstani tenge.

Reported Group sales in the first three quarters of the current financial year increased by 3% to € 1,533.5 million (1-9/2014: € 1,482.7 million). Reported EBITDA declined by 4% to € 281.2 million (1-9/2014: € 293.6 million). Reported net income decreased by 9% to € 89.9 million (1-9/2014: € 99.1 million). Adjusted EBITDA went down by 7% to € 293.8 million (1-9/2014: € 316.2 million). Adjusted net income decreased by 7% to € 126.9 million (1-9/2014: € 136.1 million).

The financial position of the STADA Group remained stable in the period under review. Net debt was at € 1,329.0 million as of September 30, 2015 (December 31, 2014: € 1,327.5 million). The net debt to adjusted EBITDA ratio in the first nine months of 2015 was at 3.4 on linear extrapolation of the adjusted EBITDA of the reporting period on a full-year basis (1-9/2014: 3.4). In the first quarter of 2015, STADA had placed an additional corporate bond at favorable conditions for the refinancing of a corporate bond which reached maturity in April 2015.

The Executive Board confirms its outlook for financial year 2015, according to which slight growth in Group sales adjusted for currency and portfolio effects as well as a significant decrease in adjusted EBITDA and adjusted net income is to be expected.

Sales development of the STADA Group

Group sales increased by 3% to € 1,533.5 million in the reporting period (1-9/2014: € 1,482.7 million).

When effects on sales based on changes in the Group portfolio and currency effects are deducted, Group sales grew by 6% to € 1,557.9 million in the first three quarters of 2015.

In detail, these effects on sales, which result from changes in the Group portfolio and currency effects, were as follows:

- Portfolio changes had a total share of € 22.6 million or 1.5 percentage points in the sales increase in the first nine months of the current financial year.
- Applying the foreign exchange rates from the first three quarters of 2015 compared with those from the corresponding period of the previous year for the translation of local sales contributions into the Group currency euro, STADA recorded a negative currency effect for Group sales in the amount of € 54.7 million or -3.7 percentage points, because the development of two of the three most important national currencies for STADA was weaker as compared to the Group currency euro. In this context, the development of the Russian ruble was significantly weaker and the development of the Serbian dinar was slightly weaker. However, the Group's third most important national currency, the British pound sterling, had a positive currency effect in the reporting period. Furthermore, the Ukrainian hryvnia recorded a significantly weaker development while the value of the Vietnamese dong and the Swiss franc increased significantly. The currency relations in other countries relevant for STADA only had a small influence on the translation of sales and earnings in local currencies into the Group currency euro.

To the extent that adjusted sales figures are reported in the following, this refers to sales adjusted for these portfolio effects and currency fluctuations respectively.

Earnings development of the STADA Group

Both reported key earnings figures and adjusted key earnings figures recorded a decrease in the reporting period. This development was primarily attributable to negative currency effects from the considerable weakness of the Russian ruble as well as the strong devaluation of the Ukrainian hryvnia and the Kazakhstani tenge.

Reported operating profit decreased by 3% to € 179.8 million in the reporting period (1-9/2014: € 185.5 million). **Reported EBITDA** declined by 4% to € 281.2 million (1-9/2014: € 293.6 million). **Reported net income** recorded a decrease of 9% to € 89.9 million (1-9/2014: € 99.1 million).

After adjusting the key earnings figures for influences distorting the period comparison resulting from one-time special effects, **adjusted operating profit** decreased by 6% to € 217.8 million in the first nine months of 2015 (1-9/2014: € 232.6 million). **Adjusted EBITDA** declined by 7% to € 293.8 million (1-9/2014: € 316.2 million). **Adjusted net income** decreased by 7% to € 126.9 million (1-9/2014: € 136.1 million).

One-time special effects amounted to a net burden on earnings of € 40.5 million before or € 37.0 million after taxes in the first three quarters of 2015 (1-9/2014: net burden on earnings due to one-time special effects in the amount of € 45.4 million before or € 37.0 million after taxes).

In the third quarter of the current financial year, there was a net burden on earnings in the amount of € 6.6 million before or € 5.6 million after taxes (third quarter of 2014: net burden on earnings of € 16.1 million before or € 13.7 million after taxes), which can be broken down as follows:

- a net burden in the amount of € 5.1 million before or € 6.6 million after taxes in connection with currency translation expenses and currency translation income recorded in the income statement resulting from the fluctuation of the Russian ruble as well as further significant currencies of the market region CIS/Eastern Europe
- a burden in the amount of € 4.3 million before or € 3.8 million after taxes resulting from additional scheduled depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions taking a base level of financial year 2013
- a burden in the amount of € 2.6 million before or € 1.1 million after taxes from value adjustments netted of write-ups on intangible assets after impairment tests
- a net burden in the amount of € 0.7 million before or € 0.4 million after taxes from several extraordinary expenses and income, among other things, from damage claim payments made and received and in connection with the disposal of the German logistics activities
- a net relief in the amount of € 6.1 million before or € 6.3 million after taxes in connection with the measurement of derivative financial instruments and the underlying transactions

In the charts below, further essential key earnings figures of the STADA Group as well as the resulting margins are presented both as reported figures as well as adjusted for aforementioned one-time special effects for the first nine months of 2015 with the corresponding period of the previous year to allow for comparison.

Development of the STADA Group's reported key earnings figures

in € million	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	± %	Margin[1] 9 months 2015 Jan. 1 – Sep. 30	Margin[1] 9 months 2014 Jan. 1 – Sep. 30
Operating profit	179.8	185.5	-3%	11.7%	12.5%
• Operating segment result Generics	121.9	118.8	+3%	13.6%	13.4%
• Operating segment result Branded Products	121.3	105.1	+15%	20.0%	18.6%
EBITDA[2]	281.2	293.6	-4%	18.3%	19.8%
EBIT[3]	180.8	186.5	-3%	11.8%	12.6%
EBT[4]	129.6	137.3	-6%	8.5%	9.3%
Net income	89.9	99.1	-9%	5.9%	6.7%
Earnings per share in €	1.46	1.64	-11%		
Diluted earnings per share in €	1.46	1.62	-10%		

Development of the STADA Group's adjusted[5] key earnings figures

in € million	*9 months 2015 Jan. 1 – Sep. 30*	*9 months 2014 Jan. 1 – Sep. 30*	*± %*	*Margin[1] 9 months 2015 Jan. 1 – Sep. 30*	*Margin[1] 9 months 2014 Jan. 1 – Sep. 30*
Operating profit, adjusted	*217.8*	*232.6*	*-6%*	*14.2%*	*15.7%*
• Operating segment result Generics, adjusted	*124.1*	*131.7*	*-6%*	*13.8%*	*14.9%*
• Operating segment result Branded Products, adjusted	*148.6*	*134.7*	*+10%*	*24.6%*	*23.8%*
EBITDA[2], adjusted	*293.8*	*316.2*	*-7%*	*19.2%*	*21.3%*
• EBITDA Generics, adjusted	*160.3*	*169.1*	*-5%*	*17.9%*	*19.1%*
• EBITDA Branded Products, adjusted	*181.4*	*171.7*	*+6%*	*30.0%*	*30.4%*
EBIT[3], adjusted	*218.8*	*233.5*	*-6%*	*14.3%*	*15.7%*
EBT[4], adjusted	*170.1*	*182.7*	*-7%*	*11.1%*	*12.3%*
Net income, adjusted	*126.9*	*136.1*	*-7%*	*8.3%*	*9.2%*
Earnings per share in €, adjusted	*2.07*	*2.25*	*-8%*		
Diluted earnings per share in €, adjusted	*2.07*	*2.22*	*-7%*		

1) Related to relevant Group sales.
2) Earnings before interest, taxes, depreciation and amortization.
3) Earnings before interest and taxes.
4) Earnings before taxes.
5) Adjusted for one-time special effects.

Selling expenses increased by € 21.6 million to € 343.7 million in the reporting period (1-9/2014: € 322.1 million). This development resulted particularly from increased marketing expenses in the British and Italian market.

General and administrative expenses rose to € 130.8 million in the first nine months of 2015 as compared to the corresponding period of the previous year (1-9/2014: € 112.1 million). The increase resulted from earnings within personnel expenses from past service cost in the amount of € 15.9 million in the previous year in connection with a change in the defined benefit plan for the Chairman of the Executive Board and the resulting changes with regard to the benefits awarded in accordance with the former benefit plan.

Other expenses decreased to € 47.9 million in the reporting period as compared to the corresponding period of the previous year (1-9/2014: € 49.7 million). This development was primarily based on a decline in net currency translation expenses.

The decrease in **financial income** in the first nine months of 2015 as compared to the corresponding period of the previous year to € 1.2 million (1-9/2014: € 4.1 million) was due to net income from the measurement of derivative financial instruments in the previous year in the amount of € 1.6 million. In the reporting period, there was a net expense in the amount of € 2.5 million, which is reported under financial expenses.

Development of segments

Sales of the two **core segments** Generics and Branded Products increased by 4% in the first three quarters of the current financial year. Their share in Group sales thus amounted to a total of 97.9% (1-9/2014: 97.8%). Adjusted for portfolio effects and currency influences, sales of the two core segments increased by 6% as compared to the corresponding period in the previous year.

Sales of the core segment **Generics** recorded a slight increase of 1% to € 896.2 million in the first nine months of the current financial year (1-9/2014: € 884.2 million). This development was mainly based on strong sales growth of the German subsidiary ALIUD PHARMA GmbH as well as a significant sales growth in the British, Spanish, Dutch and Vietnamese companies. Sales in euro generated with generics in the Russian market, which belongs to the market region CIS/Eastern Europe, and in the Belgian market, which belongs to the market region Central Europe, showed an opposing development. Generics contributed 58.4% to Group sales (1-9/2014: 59.6%). Adjusted, generics sales in the Group increased by 3%.

Sales of the core segment **Branded Products** in the reporting period recorded an increase of 7% to € 605.3 million (1-9/2014: € 565.8 million). This growth was primarily based on the positive development in the United Kingdom and Vietnam. Sales in euro generated with branded products in the Russian market, which belongs to the market region CIS/Eastern Europe, showed a contrary development. Branded products contributed 39.5% to Group sales (1-9/2014): 38.2%). Adjusted sales of branded products in the Group rose by 11%.

In the **Commercial Business** segment, which is not part of the core segments, sales decreased by 2% to € 32.0 million in the reporting period (1-9/2014: € 32.7 million).

In the first three quarters of 2015, **reported operating segment profit** of **Generics** increased by 3% to € 121.9 million (1-9/2014: € 118.8 million). This development resulted, among other things, from significant growth in the operating result of the German company ALIUD PHARMA, the Spanish subsidiary Laboratorio STADA S.L. and the British STADA activities. A regulatory change in Belgium had an opposite effect leading to price reductions. Furthermore, the difficult market situation in France due to the increase in maximum permitted discount amount led to a burden on the key earnings figures despite a volume growth, because the functional costs increased in accordance with the volume growth. Furthermore, the share of the products with lower margins in the total sales of the Generics segment rose in the Russian market due to a changed sales mix. The **reported operating profit margin** of **Generics** amounted to 13.6% (1-9/2014: 13.4%).

Adjusted operating segment profit of **Generics** decreased by 6% to € 124.1 million in the first nine months of 2015 (1-9/2014: € 131.7 million). **Adjusted EBITDA** of **Generics** declined by 5% to € 160.3 million (1-9/2014: € 169.1 million). This development primarily resulted from the aforementioned developments in Belgium, France and Russia. The weaker development of adjusted key figures compared to the reported key figures was based on higher adjustments in the corresponding period of the previous year, which mainly relate to currency translation expenses of the CIS subgroup recorded in the income statement. The **adjusted operating profit margin** of **Generics** was at 13.8% (1-9/2014: 14.9%).

Reported operating segment profit of **Branded Products** in the reporting period increased by 15% to € 121.3 million (1-9/2014: € 105.1 million). This development was primarily attributable to a significant increase in the operating profit of the British and Italian companies. Operating profit of Branded Products in the market region Asia/Pacific & MENA also improved. In contrast, the operating segment profit of Branded Products in the market region CIS/Eastern Europe declined in euro due to the weak ruble. The **reported operating profit margin** of **Branded Products** amounted to 20.0% (1-9/2014: 18.6%).

Adjusted operating segment profit of **Branded Products** increased by 10% to € 148.6 million in the first three quarters of 2015 (1-9/2014: € 134.7 million). **Adjusted EBITDA** of **Branded Products** increased by 6% to € 181.4 million (1-9/2014: € 171.7 million). Both developments resulted from the reasons already mentioned in connection with the reported operating profit of Branded Products in the market region Central Europe as well as Asia/Pacific & MENA. In addition, there was a higher decrease in adjusted operating profit than in reported operating profit due to lower one-time special effects as compared to the corresponding period of the previous year, which mainly relate to the currency translation expenses of the CIS subgroup recorded in the income statement. The **adjusted operating profit margin** of **Branded Products** amounted to 24.6% (1-9/2014: 23.8%).

Reported operating segment profit of **Commercial Business** decreased to € 0.3 million in the first nine months of the current financial year (1-9/2014: € 0.8 million).

Development of the market regions

The following depicts STADA's business development in the four market regions Central Europe, CIS/Eastern Europe, Germany and Asia/Pacific & MENA in the reporting period. Furthermore, within the individual market regions, the development of the most important countries according to sales within these market regions is described.

Market region Central Europe

In the **market region Central Europe**, sales recorded an increase in the reporting period – with varying developments of the countries included – of 5% to € 728.2 million (1-9/2014: € 691.0 million). Sales generated in this market region had a share of 47.5% in Group sales (1-9/2014: 46.6%). Of the sales generated by market region Central Europe, € 33.9 million was attributable to export sales (1-9/2014: € 26.8 million). Adjusted sales in this market region declined by 1%.

For financial year 2015, the Executive Board expects a growth in sales with operating profitability at Group average in the market region Central Europe.

The business development of the five largest markets according to sales within this market region is described below.

Sales generated in **Italy** increased by 6% to € 140.9 million in the first nine months of the current financial year (1-9/2014: € 132.5 million).

Sales generated with generics in the Italian market recorded an increase of 2% to € 113.7 million (1-9/2014: € 111.0 million). Generics had a share of 81% in local sales (1-9/2014: 84%).

Sales generated with branded products in Italy grew by 27% to € 27.2 million, particularly due to acquisitions (1-9/2014: € 21.5 million). Branded products contributed 19% to sales in Italy (1-9/2014: 16%).

Sales generated in the **United Kingdom** in the reporting period increased by 28% applying the exchange rates of the previous year. In euro, sales recorded growth by 41% to € 131.2 million due to a positive currency effect of the British pound sterling (1-9/2014: € 93.1 million). The increase in sales was also based on the acquisition of the British company Internis Pharmaceuticals Ltd. in the fourth quarter of 2014, the production and distribution rights for the branded product portfolio Flexitol® that were acquired in the second quarter of 2014 as well as the launch of the branded product Ladival® in January 2015. Adjusted, sales increased by 10%.

Sales generated in the British market with branded products recorded growth of 35% to € 112.8 million (1-9/2014: € 83.3 million). Branded products thereby contributed 86% to sales achieved in the United Kingdom (1-9/2014: 89%).

In the United Kingdom, sales reported with generics, where STADA is a niche provider of selected generics with only a few active pharmaceutical ingredients, increased despite strong competition by 87% to € 18.4 million (1-9/2014: € 9.8 million). Generics contributed 14% to local sales (1-9/2014: 11%).

Sales recorded in **Spain** recorded a rise – despite continued high price competition – of 5% to € 90.4 million in the first nine months of 2015 (1-9/2014: € 86.0 million). This development was based on a new cooperation with an important Spanish wholesaler and on product launches of high-sale pharmaceutical ingredients.

Sales recorded with generics in the Spanish market showed a plus of 5% to € 80.2 million (1-9/2014: € 76.3 million). Generics contributed 89% to local sales (1-9/2014: 89%).

Sales achieved in Spain with branded products also increased by 5% to € 10.2 million (1-9/2014: € 9.7 million). Branded products contributed 11% to local sales (1-9/2014: 11%).

In **Belgium**, sales decreased by 25% to € 83.5 million in the first three quarters of the current financial year (1-9/2014: € 112.0 million).

In light of a decrease in volume and as a consequence of price reductions as of March 1, 2015 for a large part of the local generics portfolio as well as discounts granted, sales reported with generics in the Belgian market decreased by 28% to € 76.5 million (1-9/2014: € 105.6 million). Generics had a share of 92% in local sales (1-9/2014: 94%). With a view to the looming volume increase in the fourth quarter of 2015, STADA expects that the significant sales decrease in the Generics segment in the Belgian market in the first nine months of 2015 will weaken over the full year.

Sales achieved in Belgium with branded products increased by 9% to € 7.0 million (1-9/2014: € 6.4 million). Branded products had a share of 8% in local sales in Belgium (1-9/2014: 6%).

Sales generated in **France** decreased slightly by 1% to € 63.3 million in the reporting period (1-9/2014: € 64.2 million).

Sales generated with generics in the French market increased by 4% to € 55.6 million (1-9/2014: € 53.2 million). Despite a strong price competition as well as, as a consequence, high discounts and the reduction of reimbursement amounts, this development resulted from a growth in volume. The share of generics in local sales was at 88% (1-9/2014: 83%).

Sales reported in France with branded products decreased by 29% to € 7.8 million (1-9/2014: € 11.0 million), mainly due to the portfolio optimization carried out at the end of 2014. Branded products contributed 12% to sales in France (1-9/2014: 17%).

Market region CIS/Eastern Europe

In the **market region CIS/Eastern Europe**[1)], sales in the first three quarters of 2015 increased by 16% applying the exchange rates of the previous year. As a result of negative currency effects, sales in euro recorded a decrease of 8% to € 353.6 million (1-9/2014: € 384.2 million). Sales generated in this market region had a share of 23.0% in Group sales (1-9/2014: 25.9%). Of the sales generated by the market region CIS/Eastern Europe, € 8.0 million was attributable to export sales (1-9/2014: € 7.8 million). Sales adjusted for portfolio and currency effects in this market region increased by 17%.

For financial year 2015, the Executive Board expects an increase in sales in the market region CIS/Eastern Europe applying the exchange rates of the previous year. Operating profitability adjusted for negative currency effects is expected to be above Group average.

The development in the two largest markets according to sales within this market region is described below.

In **Russia**, sales rose by 18% in the reporting period applying the exchange rates of the previous year. As a result of a clearly negative currency effect of the Russian ruble, sales decreased in euro by 14% to € 202.4 million (1-9/2014: € 236.1 million). But while sales in the first quarter of 2015 in local currency had declined by 21%, they recorded growth of 18% in the second quarter, and an increase of 60% in the third quarter. This development was achieved regardless of an unchanged reluctance to buy among the end consumers, with whom approx. 93% of STADA's sales in Russia are generated. In addition to a low comparable basis of the corresponding period of the previous year, the development in the Russian market was primarily based on the invoicing of high seasonal orders that served to strengthen and further expand the strategic competitive position in the distribution channels. Sales generated in the context of the state program for the reimbursement of selected medicines for individual population groups (DLO Program), which accounted for about 5% of the Russian sales, were above the level of the previous year in local currency. In contrast, sales primarily generated with branded products, which have higher margins, in the self-pay market, declined. Approx. 2% of sales were achieved directly or indirectly with other state clients, particularly via tenders.

Sales generated in the Russian market with generics declined by 25% to € 57.5 million (1-9/2014: € 76.9 million). Generics had a share of 28% in local sales (1-9/2014: 33%).

Sales generated with branded products in Russia declined by 9% to € 144.9 million (1-9/2014: € 159.1 million). Branded products contributed 72% to sales achieved in the Russian market (1-9/2014: 67%).

The further development of the currency relation of the Russian ruble to the euro will continue to have a strong influence on sales and earnings contributions of the Russian STADA business activities in the future. In addition, the continued bleak prospects for the Russian economy and the corresponding strong devaluation of the Russian ruble present an increased risk in terms of consumer sentiment and consumer spending.

1) So-called CEE countries (Central and Eastern Europe) including Russia.

In **Serbia**, sales in the first nine months of the current financial year increased slightly by 1% applying the exchange rates of the previous year. As a result of a negative currency effect of the Serbian dinar, sales decreased in euro by 2% to € 66.3 million (1-9/2014: € 67.9 million). A general shift from generics to branded products can be observed in the sales mix of the Serbian market.

Sales recorded with generics in Serbia decreased by 7% to € 51.7 million (1-9/2014: € 55.5 million). This development resulted from reduced reimbursement prices as of January 1, 2015. Generics contributed 78% to sales in Serbia (1-9/2014: 82%).

Sales achieved with branded products in the Serbian market recorded an increase of 17% to € 14.5 million (1-9/2014: € 12.4 million). Branded products contributed 22% to local sales (1-9/2014: 18%).

In the first quarter of 2014, the insolvency administrator of Velefarm Holding and Velefarm VFB took legal action in Belgrade's commercial court against Hemofarm A.D., a subsidiary of STADA Arzneimittel AG, and Velefarm Prolek, a company of the Velefarm group. STADA and Hemofarm still believe the lawsuit to be unfounded.[1)]

STADA generally believes that the operating business in the Serbian market is stable and that it offers further growth opportunities. However, sales and earnings contributions in Serbia will continue to be influenced substantially by the currency relationship of the Serbian dinar to the euro as well as by the local liquidity situation of the wholesalers and distribution partners in the future.

Market region Germany

In the **market region Germany**, sales in the reporting period increased slightly by 1% € 345.0 million (1-9/2014: € 341.6 million). This development was achieved despite the fact that export activities to the MENA region are no longer disclosed in the market region Germany due to the grouping together[2)] of the activities from the MENA region and the former market region Asia & Pacific as of January 1, 2015. Overall, the market region Germany contributed 22.5% to Group sales (1-9/2014: 23.0%). Of the sales generated in this market region, € 24.6 million was attributable to export sales (1-9/2014: € 45.8 million). Adjusted sales in this market region were also slightly above the level of the corresponding period of the previous year.

Sales generated in **Germany**, i.e. sales excluding export sales of the market region Germany and excluding sales of other market regions in Germany, recorded an increase of 8% to € 320.4 million in the first three quarters of the current financial year (1-9/2014: € 295.8 million).

Despite the continued difficult local framework conditions for generics, which resulted from the strong competition in tenders for discount agreements from public health insurance organizations, sales in the German Generics segments increased by 14% to € 226.1 million in the reporting period (1-9/2014: € 198.5 million). Sales generated in Germany with generics had a share of 71% in the overall sales achieved in the German market (1-9/2014: 67%). The market share of generics sold in German pharmacies by volume in the first nine months of 2015 was slightly below the level of the corresponding period of the previous year with approx. 12.7%[3)] (1-9/2014: approx. 13.7%[3)]). Overall, the STADA Group continues to be the clear number 3[3)] in the German generics market.

Sales achieved with generics in Germany are almost exclusively generated with the sales companies ALIUD PHARMA GmbH, STADApharm GmbH and cell pharm Gesellschaft für pharmazeutische und diagnostische Präparate mbH. Sales achieved by ALIUD PHARMA in the first nine months of 2015 recorded an increase of 24% to € 143.2 million (1-9/2014: € 115.7 million). Sales generated by cell pharm, a special supplier for the indication areas oncology and nephrology, decreased by 9% to € 21.4 million (1-9/2014: € 23.5 million).

1) See the Company's ad hoc release of February 14, 2014.
2) Since January 1, 2015, the former market region Asia & Pacific has been grouped together with the activities of the MENA region and reported in the market region Asia/Pacific & MENA.
3) Data from IMS Health based on pharmacy sales to customers (source: IMS/Pharmascope national).

Sales generated with branded products in the German market – primarily with the two sales companies STADA GmbH and STADAvita GmbH – decreased by 3% to € 94.3 million in the reporting period (1-9/2014: € 97.3 million).

Overall, branded products contributed 29% to the sales achieved in the German market in the first nine months of the current financial year (1-9/2014: 33%).

In financial year 2014, STADA had already signed a letter of intent for handing over the German logistics activities to the global leading logistics company DHL.[1] The respective contract was signed in the first quarter of 2015.[2]

In consideration of the reclassification of profits in the MENA region, the Executive Board expects sales in the market region Germany for financial year 2015 to be below the level of the previous year. Adjusted for this reclassification, the Executive Board expects sales at the level of the previous year. Operating profitability is expected to be below Group average.

Market region Asia/Pacific & MENA

As of financial year 2015, the former market region Asia & Pacific has been expanded by substantial parts of the business activities in the Middle East and North Africa (MENA region). In doing so, the activities in this region, which used to be allocated mainly to the market region Germany, should be largely centralized. In light of this, this market region has been referred to as market region Asia/Pacific & MENA since then.

In the **market region Asia/Pacific & MENA**, sales in the first nine months of the current financial year showed a growth of 62% to € 106.8 million (1-9/2014: € 66.0 million). This development was primarily based on an increase in Vietnam. Here, sales could be increased despite greater price pressure through gains in local tender processes. Furthermore, the sales growth was attributable to the previously mentioned grouping together of the former market region Asia & Pacific and the activities of the MENA region. In light of this, disclosures for the subsidiaries STADA MENA DWC-LLC, based in Dubai and consolidated since January 1, 2015, and STADA Egypt Ltd., based in Cairo and consolidated since January 1, 2015, are also included under this region. The sales contribution of this market region to Group sales was at 7.0% (1-9/2014: 4.5%). Adjusted sales in this market region increased by 34%.

For financial year 2015, the Executive Board expects a sales increase in the market region Asia/Pacific & MENA with operating profitability above Group average.

Development, production and procurement

Research and development costs amounted to € 47.9 million in the first three quarters of 2015 (1-9/2014: € 44.4 million). These costs relate only to development costs as STADA, due to its business model, does not carry out any research into new active pharmaceutical ingredients. Furthermore, the Group capitalized development costs for new products in the amount of € 18.8 million in the reporting period (1-9/2014: € 14.7 million).

Worldwide, STADA launched a total of 405 individual products in the individual national markets in the first nine months of the current financial year (1-9/2014: 459 product launches).

In consideration of the well-filled product pipeline, the Executive Board expects to be able to continuously introduce new products to the individual national markets of the respective market regions in future as well. The focus here will remain on generics in the EU countries.

1) See the Company's press release of October 10, 2014.
2) See the Company's press release of March 23, 2015.

As a general rule, STADA makes appropriate investments to ensure that all Group-owned production facilities and test laboratories are maintained at the level required by legal stipulations and technical production considerations. Investments in the expansion and renewal of production facilities and plants as well as test laboratories were € 23.4 million in the reporting period (1-9/2014: € 13.3 million).

Financial position and cash flow

The financial position of the STADA Group remains stable. As of the balance sheet date of September 30, 2015, the **equity-to-assets ratio** was 30.7% (December 31, 2014: 27.1%) and thereby satisfactory in the view of the Executive Board.

Net debt amounted to € 1,329.0 million as of September 30, 2015 (December 31, 2014: € 1,327.5 million). The **net debt to adjusted EBITDA ratio** was at 3.4 in the reporting period on linear extrapolation of the adjusted EBITDA of the first three quarters of 2015 on a full-year basis (1-9/2014: 3.4).

The long-term refinancing of the Group as of September 30, 2015 was provided for by a five-year corporate bond that was placed in the second quarter of 2013 in the amount of € 350 million with an interest rate of 2.25% p.a. as well as a bond[1)] placed in the first quarter of 2015 in the amount of € 300 million and a term of seven years with an interest rate of 1.75% p.a. Furthermore, as of September 30, 2015, there were promissory notes with maturities in the area of 2016 – 2019 with a total nominal value in the amount of € 527.0 million. In order to ensure a balanced financing structure, promissory notes are staggered in terms of their volume and terms.

Intangible assets increased by € 17.9 million to € 1,649.4 million as of September 30, 2015 (December 31, 2014: € 1,631.5 million). This growth was attributable to currency effects in the context of converting financial statements of foreign subsidiaries with a reporting currency other than the Group currency euro as well as on the inclusion of SCIOTEC Diagnostic Technologies GmbH and STADA MENA DWC in STADA's scope of consolidation. As of the balance sheet date of September 30, 2015, intangible assets included € 384.6 million goodwill (December 31, 2014: € 372.3 million).

Financial assets declined as of September 30, 2015 by € 1.1 million to € 0.9 million (December 31, 2014: € 2.0 million). This development was primarily attributable to the inclusion of STADA MENA DWC and STADA Egypt in the scope of consolidation of STADA Arzneimittel AG.

Inventories increased by € 31.7 million to € 530.5 million as of September 30, 2015 (December 31, 2014: € 498.8 million). This resulted, among other things, from translation effects in the United Kingdom as well as the reluctance to buy in the Russian market.

Current other financial assets decreased to € 78.4 million as of September 30, 2015 (December 31, 2014: € 86.9 million). This development was mainly attributable to the repayment of a loan of the associate BIOCEUTICALS Arzneimittel AG and the decrease in the measurement of derivative financial instruments.

The increase of **current other assets** of € 7.6 million to € 45.5 million as of September 30, 2015 (December 31, 2014: € 37.9 million) was, among other things, based on increased sales tax receivables as well as prepaid expenses/deferred charges which increased during the year.

Compared to December 31, 2014, **share capital** and **capital reserve** of STADA Arzneimittel AG rose by € 4,460,924.00 to € 162,090,344.00 and by € 23,765,809.71 to € 514,166,798.88 as of September 30, 2015. This development resulted from the increase in the number of shares in the first half year of 2015, which was attributable to the exercise of 85,787 options from STADA warrants 2000/2015. The share options from the STADA warrants mentioned had expired as of June 26, 2015, therefore there were no more warrants outstanding for subscription as of September 30, 2015. As a consequence, the number of shares as of the balance sheet date of September 30, 2015 did not increase further as compared to June 30, 2015.

1) See the Company's press release of April 1, 2015.

Other provisions include results recognized directly in **equity**. This relates, among other things, to foreign exchange gains and losses resulting from the currency translation recognized in other comprehensive income of financial statements of companies included in the Group, which are recognized in the statement of changes in shareholders' equity under provisions for currency translation. In the reporting period, income of € 31.8 million recognized directly in equity arose, which is primarily composed of the following effects: Due to the appreciation of the currencies British pound sterling and Swiss franc since December 31, 2014, income recognized directly in equity from the currency translation of financial statements of companies reporting in the respective currency was recorded.

As of September 30, 2015, the Group's **current and non-current financial liabilities** in the amount of € 178.1 million and € 1,253.6 million (December 31, 2014: € 448.7 million and € 1,043.0 million) primarily include promissory notes which have a nominal value in the amount of € 527.0 million (December 31, 2014: € 552.5 million), a bond with a nominal value in the amount of € 350.0 million and a bond with a nominal value in the amount of € 300.0 million (December 31, 2014: two bonds of € 350.0 million each). The change in financial liabilities was mainly based on the placement of an additional bond in the first quarter of 2015 for the refinancing of a corporate bond which reached maturity in April 2015. Furthermore, the borrowing of current financial liabilities exceeded repayment.

Non-current other financial liabilities increased to € 9.1 million as of September 30, 2015 (December 31, 2014: € 5.3 million). This was particularly due to a measurement effect of derivative financial instruments.

Current other financial liabilities declined as of September 30, 2015 by € 53.7 million to € 203.7 million (December 31, 2014: € 257.4 million). This was primarily due to outstanding purchase price payments for the acquisition of the Russian branded product portfolio Aqualor®, the Russian branded products AndroDoz® and NeroDoz® as well as the British company Internis Pharmaceuticals as of December 31, 2014.

Cash flow from operating activities – which consists of changes in items not covered by investing activities – financing activities or by changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation, amounted to € 137.7 million in the first nine months of 2015 (1-9/2014: € 123.8 million). The increase of € 13.9 million as compared to the corresponding period of the previous year was mainly based on a decreased cash-efficiency in the area of other net assets as well as a lower cash-effective decrease in trade accounts payable. In contrast, there was a lower cash-effective decrease in trade accounts receivable.

Cash flow from investing activities – which reflects the cash outflows for investments reduced by the inflows from disposals – amounted to € -127.1 million in the reporting period (1-9/2014: € -186.7 million). Cash flow from investing activities was particularly influenced by payments for investments in intangible assets in the corresponding period of the previous year, which primarily related to the acquisition of the Russian branded product portfolio Aqualor®. In the first three quarters of 2015, the settlement of outstanding payments for the acquisition of the Russian branded product portfolio Aqualor®, the Russian branded products AndroDoz® and NeroDoz® and the British company Internis Pharmaceuticals had an impact on cash flow from investing activities. Furthermore, purchase price payments from the acquisition of the Austrian company SCIOTEC Diagnostic Technologies are included in cash flow from investing activities.

Free cash flow amounted to € 10.6 million in the reporting period (1-9/2014: € -62.9 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals amounted to € 68.6 million (1-9/2014: € 75.6 million).

Cash flow from financing activities in the reporting period amounted to € -85.5 million (1-9/2014: € 57.6 million). This development was particurlarly characterized by opposing movements regarding the borrowing and settlement of financial liabilities. In the first quarter of 2015, a corporate bond with a nominal value in the amount of € 300 million was placed for the refinancing of a corporate bond with a nominal value of € 350 million which reached maturity in April 2015. Overall, the borrowing of current financial liabilities in the first nine months of 2015 exceeded repayment.

In addition, the exercise of options from STADA warrants 2000/2015 in the first half of 2015[1] led to an increase in cash flow from financing activities by € 28.2 million. In contrast, cash flow from financing activities decreased due to dividend payments.

Net cash flow for the period is the balance of cash inflows and outflows from cash flow from operating, investing and financing activities as well as from changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation and amounted to € -61.5 million in the reporting period (1-9/2014: € -8.5 million).

Acquisitions and disposals

STADA pursues an active acquisition policy to accelerate the Group's organic growth with external growth impulses. In this context, the Group concentrates, on the one hand, on the regional expansion of business activities with a focus on high-growth emerging markets. On the other hand, the Group focuses on the expansion and internationalization of the core segments, in particular Branded Products, as they are generally characterized by better margins and less regulatory interventions than the generics area.

Regardless of this active purchasing policy, profitability and the purchase price must strike a good balance. For larger acquisitions or cooperations with capital investments, appropriate capital measures continue to be imaginable if the burden on the equity-to-assets ratio from such acquisitions or cooperations is too high.

Already in the fourth quarter of 2014, the Russian STADA subsidiary AO Nizhpharm had signed the purchase agreement for the two branded products AndroDoz® and NeroDoz®, which are positioned in the area of men's health. The purchase was completed in the first quarter of 2015.[2]

In the third quarter of 2015, STADA acquired SCIOTEC Diagnostic Technologies including the associated sales structures to strengthen its branded product portfolio. The company is primarily focused on the development and marketing of prescription-free (OTC) products against enzymatic food intolerances (histamine, fructose and lactose intolerance).[3] The purchase price totaled € 17.2 million in cash. The sellers were a number of private owners, a sales company and an investment company. Sales expectations for the products acquired within the scope of the transaction for 2015 are approx. € 5.8 million, whereby the current sales are, for the most part, generated in equal parts in Germany and Austria as well as about 20% internationally through distributors. Product sales have been consolidated in the STADA Group since September 1, 2015.

STADA share

In the first nine months of 2015, the STADA share price recorded a very pleasing development. Despite the declining development that could be noticed in the global financial markets in the third quarter of 2015 with high volatility at the same time, the STADA share price recorded a total increase of 27% in the first nine months of 2015. Whereas the share price closed 2014 at € 25.25, it amounted to € 32.00 at the end of the first nine months of 2015. While STADA's market capitalization amounted to € 1.531 billion at the end of 2014, it was € 1.995 billion after the first nine months of 2015.

As of September 30 2015, the subscribed share capital of STADA Arzneimittel AG amounted to € 162,090,344.00 (December 31, 2014: € 157,629,420.00) consisting of 62,342,440 registered shares with restricted transferability[4] (December 31, 2014: 60,626,700 registered shares with restricted transferability), each with an arithmetical share in share capital of € 2.60. The changes in the first three quarters of 2015 were based on the exercising of 85,787 warrants 2000/2015[5].

In the first nine months of 2015, the Group published all of the received voting rights notices in accordance with Section 26 of the German Securities Trading Act (WpHG). These eight received voting rights notices, as well as any received later, can be viewed on the website at www.stada.de or www.stada.com.

1) The share options from the STADA warrants mentioned had expired as of June 26, 2015, therefore there were no more warrants outstanding for subscription as of December 31, 2015.
2) See the Company's press release of February 4, 2015.
3) See the Company's press release of August 26, 2015.
4) Under the Company's Articles of Incorporation, STADA's registered shares with restricted transferability can only be entered into the share register with the consent of the Company and, pursuant to the statutes, grant one vote each in the Annual General 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 General Meeting and to exercise voting rights. No shareholder and no shareholder group shall have any special rights.
5) The share options from the STADA warrants mentioned had expired as of June 26, 2015, therefore there were no more warrants outstanding for subscription as of September 30, 2015.

Report on expected developments and associated material opportunities and risks

The Executive Board confirms the outlook for financial year 2015 and the opportunities and risk report published for the Group in the Management Report of STADA's Annual Report 2014. Together with the supplements and updates listed in this interim report, it gives, in the view of the Executive Board, an up-to-date overall picture of the opportunities and risks for the STADA Group.

Accordingly, STADA's business model is generally geared towards markets with long-term growth potential in the healthcare and pharmaceutical markets. Inseparably linked to this, however, are risks and challenges resulting in particular from changed or additional state regulation and intensive competition. In view of this, in the Executive Board's assessment, far-reaching regulatory interventions, a high level of competition, default risks and significant margin pressure can continue to occur in individual markets of the respective market regions in the future. The latter applies primarily to the increasing volume of business activities characterized by tenders in the Generics core segment.

In addition, the Group will continue to be confronted by non-operational influence factors in the future. As a consequence, relevant Group currency relations, in particular of the Russian ruble, the Serbian dinar and the British pound sterling to the euro, will affect the Group's development in financial year 2015. Furthermore, STADA will still have to deal with residual effects of the global financial and economic crisis as well as the effects of the CIS crisis. Against this backdrop, the Group certainly continues to prepare itself, within the realm of possibility, for specific potential risks in this regard, such as a significantly increased default risk of business partners, subsidies to crisis-prone competitors that distort competition or strong volatility in interest rate levels and currency relations that are relevant for the Group. However, in view of the residual effects of the global financial and economic crisis as well as the effects of the CIS crisis, resulting burdens such as one-time special effects from impairment losses on intangible assets and property, plant and equipment, payment defaults, non-operational burdens on earnings from currency influences – in particular from the devaluation of the Russian ruble and the Ukrainian hryvnia – as well as a curbed or further decreasing demand in the Russian pharmaceuticals market cannot be ruled out. With regard to the existing sanctions against Russia, STADA, however, does not currently see any significant direct effects on the Group's business activities.

Overall, the future sales and earnings development of the Group will continue to be characterized by both growth-stimulating and challenging framework conditions in the individual markets of STADA's respective market regions. In the current financial year, the Group has been confronted with very difficult framework conditions, especially due to the ongoing CIS crisis. In light of this, for financial year 2015, the Executive Board expects to be able to achieve slight growth in Group sales adjusted for currency and portfolio effects. Due to the development of the Russian ruble and increased risks in connection with consumer mood and the general market situation, however, it anticipates a decreased earnings contribution from Russia. Taking these developments into account and based on currency relations at the time the preliminary outlook[1)] was published, the Executive Board expects a substantial decrease in adjusted EBITDA and adjusted net income. The Executive Board expects the ratio of net debt excluding further acquisitions to adjusted EBITDA to be at a level of nearly 3 in 2015.

H. Retzlaff H. Kraft Dr. M. Wiedenfels

1) See the Company's ad hoc release of February 19, 2015.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST NINE MONTHS OF 2015 (ABRIDGED)

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement for the period from Jan. 1 to Sep. 30 in € 000s	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	3rd quarter 2015 July 1 – Sep. 30	3rd quarter 2014 July 1 – Sep. 30
Sales	1,533,546	1,482,735	507,661	479,943
Cost of sales	794,110	779,837	262,406	256,917
Gross profit	**739,436**	**702,898**	**245,255**	**223,026**
Selling expenses	343,670	322,120	107,984	102,810
General and administrative expenses	130,785	112,127	42,349	26,742
Research and development expenses	47,933	44,375	14,321	15,099
Other income	10,668	10,913	3,705	2,413
Other expenses	47,918	49,659	16,617	16,498
Operating profit	**179,798**	**185,530**	**67,689**	**64,290**
Result from investments measured at equity	944	802	99	170
Investment income	62	153	2	2
Financial income	1,248	4,128	580	351
Financial expenses	52,465	53,332	16,302	18,313
Financial result	**-50,211**	**-48,249**	**-15,621**	**-17,790**
Earnings before taxes	**129,587**	**137,281**	**52,068**	**46,500**
Income taxes	34,428	34,400	14,132	12,590
Earnings after taxes	**95,159**	**102,881**	**37,936**	**33,910**
thereof				
• distributable to shareholders of STADA Arzneimittel AG (net income)	89,928	99,076	36,305	32,325
• distributable to non-controlling shareholders	5,231	3,805	1,631	1,585
Earnings per share in € (basic)	1.46	1.64	0.58	0.54
Earnings per share in € (diluted)	1.46	1.62	0.58	0.53

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income in € 000s	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	3rd quarter 2015 July 1 – Sep. 30	3rd quarter 2014 July 1 – Sep. 30
Earnings after taxes	95,159	102,881	37,936	33,910
Items to be recycled to the income statement in future:				
Currency translation gains and losses	33,046	-10,385	-67,297	-9,615
thereof				
• income taxes	117	541	468	491
Gains and losses on available-for-sale financial assets	-22	-1	-21	-3
thereof				
• income taxes	5	0	5	1
Gains and losses on hedging instruments (cash flow hedges)	857	957	218	399
thereof				
• income taxes	-260	-354	-53	-147
Items not to be recycled to the income statement in future:				
Revaluation of net debt from defined benefit plans	-	-9,196	-	-4,127
thereof				
• income taxes	-	3,407	-	1,529
Other comprehensive income	33,881	-18,625	-67,100	-13,346
Consolidated comprehensive income	129,040	84,256	-29,164	20,564
thereof				
• distributable to shareholders of STADA Arzneimittel AG	122,389	76,225	-29,324	14,815
• distributable to non-controlling shareholders	6,651	8,031	160	5,749

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet as of Sep. 30 in € 000s Assets	Sep. 30, 2015	Dec. 31, 2014
Non-current assets	**2,042,457**	**2,013,819**
Intangible assets	1,649,390	1,631,516
Property, plant and equipment	320,317	305,430
Financial assets	863	2,036
Investments measured at equity	12,394	10,569
Other financial assets	13,440	11,729
Other assets	3,878	3,130
Deferred tax assets	42,175	49,409
Current assets	**1,274,281**	**1,321,639**
Inventories	530,524	498,785
Trade accounts receivable	483,147	502,794
Income tax receivables	33,742	30,711
Other financial assets	78,372	86,943
Other assets	45,497	37,866
Non-current assets and disposal groups held for sale	334	331
Cash and cash equivalents	102,665	164,209
Total assets	**3,316,738**	**3,335,458**

Equity and liabilities	Sep. 30, 2015	Dec. 31, 2014
Equity	**1,017,693**	**903,339**
Share capital	162,090	157,629
Capital reserve	514,167	490,401
Retained earnings including net income	612,237	561,376
Other provisions	-339,193	-371,851
Treasury shares	-1,472	-1,504
Equity attributable to shareholders of the parent	**947,829**	**836,051**
Shares relating to non-controlling shareholders	69,864	67,288
Non-current borrowed capital	**1,467,774**	**1,246,693**
Other non-current provisions	30,481	30,097
Financial liabilities	1,253,591	1,042,998
Other financial liabilities	9,050	5,259
Other liabilities	2,180	1,640
Deferred tax liabilities	172,472	166,699
Current borrowed capital	**831,271**	**1,185,426**
Other provisions	17,815	17,442
Financial liabilities	178,064	448,703
Trade accounts payable	301,854	340,847
Income tax liabilities	35,032	33,726
Other financial liabilities	203,745	257,403
Other liabilities	94,761	87,305
Total equity and liabilities	**3,316,738**	**3,335,458**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement in € 000s	Sep. 30, 2015	Sep. 30, 2014
Net income	95,159	102,881
Depreciation and amortization net of write-ups of non-current assets	100,397	107,141
Income taxes	34,428	34,400
Interest income and expenses	48,758	50,776
Result from investments measured at equity	-644	-802
Result from the disposals of non-current assets	-212	14
Additions to/reversals of other non-current provisions	1,023	-25,317
Currency translation income and expenses	14,546	20,307
Other non-cash expenses and gains	197,962	192,552
Gross cash flow	**491,417**	**481,952**
Changes in inventories	-59,882	-48,302
Changes in trade accounts receivable	9,889	57,098
Changes in trade accounts payable	-48,544	-64,650
Changes in other net assets, unless attributable to investing or financing activities	-177,619	-221,223
Interest and dividends received	3,469	3,520
Interest paid	-46,928	-47,862
Income tax paid	-34,103	-36,770
Cash flow from operating activities	**137,698**	**123,763**
Payments for investments in		
• intangible assets	-60,443	-155,838
• property, plant and equipment	-39,716	-26,218
• financial assets	-98	-61
• business combinations according to IFRS 3	-29,457	-10,317
Proceeds from the disposal of		
• intangible assets	1,193	1,961
• property, plant and equipment	1,138	3,785
• financial assets	239	-
Cash flow from investing activities	**-127,144**	**-186,688**
Borrowing of funds	635,033	597,261
Settlement of financial liabilities	-705,932	-498,339
Dividend distribution	-46,570	-42,542
Capital increase from share options	28,224	1,495
Changes in non-controlling interests	3,756	-348
Changes in treasury shares	35	29
Cash flow from financing activities	**-85,454**	**57,556**
Changes in cash and cash equivalents	**-74,900**	**-5,369**
Changes in cash and cash equivalents due to the scope of consolidation	222	2,064
Changes in cash and cash equivalents due to exchange rates	13,134	-5,198
Net change in cash and cash equivalents	**-61,544**	**-8,503**
Balance at beginning of the period	**164,209**	**126,163**
Balance at end of the period	**102,665**	**117,660**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Consolidated Statement of Changes in Shareholders' Equity in € 000s

2015	Number of shares	Share capital	Capital reserve
Balance as of Sep. 30, 2015	62,342,440	162,090	514,167
Dividend distribution			
Capital increase from share options	1,715,740	4,461	23,763
Changes in treasury shares			3
Adjustments of the previous year on current account			
Changes in retained earnings			
Changes in non-controlling interests			
Changes in the scope of consolidation			
Other income			
Net income			
Balance as of Jan. 1, 2015	**60,626,700**	**157,629**	**490,401**
Previous year			
Balance as of Sep. 30, 2014	60,533,360	157,387	489,108
Dividend distribution			
Capital increase from share options	90,860	236	1,259
Changes in treasury shares			6
Changes in retained earnings			
Changes in non-controlling interests			
Changes in the scope of consolidation			
Other income			
Net income			
Balance as of Jan. 1, 2014	**60,442,500**	**157,151**	**487,843**

Retained earnings including net income	Provisions for currency translation	Provisions available for sale	Provisions for cash flow hedges	Treasury shares	Equity attributable to shareholders of the parent	Shares relating to non-controlling shareholders	Group equity
612,237	-338,083	0	-1,110	-1,472	947,829	69,864	1,017,693
-39,955					-39,955	-7,831	-47,786
					28,224		28,224
				32	35		35
1,177					1,177		1,177
						3,756	3,756
-92					-92		-92
-197	31,823	-22	857		32,461	1,420	33,881
89,928					89,928	5,231	95,159
561,376	**-369,906**	**22**	**-1,967**	**-1,504**	**836,051**	**67,288**	**903,339**
602,250	-252,574	31	-2,529	-1,519	992,154	61,135	1,053,289
-39,832					-39,832	-2,710	-42,542
					1,495		1,495
				23	29		29
					-		-
					-	333	333
-381					-381		-381
-9,276	-14,528	-4	957		-22,851	4,226	-18,625
99,076					99,076	3,805	102,881
552,663	**-238,046**	**35**	**-3,486**	**-1,542**	**954,618**	**55,481**	**1,010,099**

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 European Union (EU).

The consolidated interim management report was prepared in consideration of the applicable WpHG regulations. The consolidated interim financial statements as of September 30, 2015 were prepared under consideration of the regulations outlined in 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, 2014 was selected.

All IFRS' published by the International Accounting Standards Board (IASB) and endorsed by the EU which are mandatory for financial years starting as of January 1, 2015 have been observed by STADA.

In these consolidated interim financial statements – with the exception of the changed accounting policies listed in Note 1.2. –, the same accounting policies and methods of computation are applied as in the consolidated financial statements for financial year 2014. With regard to the principles and methods used in the context of Group Accounting we generally refer to the Notes to the consolidated financial statements of the Annual Report 2014.

1.2. Changes in accounting policies

In the first nine months of 2015, STADA observed and, if relevant, applied the following pronouncements and amendments to pronouncements published by the IASB and endorsed by the EU which were first applicable as of January 1, 2015, which had no or no significant effect on the presentation of STADA's business, financial, earnings situation or cash flow:

- **IAS 19 "Employee Benefits":** The amendment introduces an option for the accounting of defined benefit plans, where employees make mandatory contributions. Accordingly, it is now permitted to recognize employee contributions linked to service which are independent of the number of years of service in the period in which the related service is rendered rather than attributing them in accordance with the "projected unit credit method".

- **Amendments in the course of the "Annual Improvements to IFRSs 2010–2012 Cycle":**
  IFRS 2 "Share-based Payment": The amendment includes a clarification regarding the definition of "vesting conditions" through the definition of "performance conditions" and "service conditions". Since there is no share-based payment at STADA, revised versions of the standard or amendments are not relevant.
  IFRS 3 "Business Combinations": The amendment includes a clarification that contingent consideration should only be classified as a liability or as equity if the contingent consideration in the course of a business combination meets the definition of a financial instrument. The standard was further amended so that all non-equity contingent consideration shall subsequently be measured at fair value, with all resulting effects recognized in profit or loss.

IFRS 8 "Operating Segments": If business segments are aggregated to reportable segments, the judgments made by management for the identification of the reportable segments shall be disclosed. Furthermore, there was a clarification that a reconciliation of segment assets to the amounts recognized in the balance sheet shall only be carried out if this information is regularly reported to the chief operating decision maker.
IFRS 13 "Fair Value Measurement": This amendment includes a clarification that short-term receivables and payables shall not be discounted if they are immaterial.
IAS 16 "Property, Plant and Equipment"/IAS 38 "Intangible Assets": The amendment clarifies how to determine accumulated amortization/depreciation as of the measurement date if the revaluation model is applied. In the context of the revaluation, there may be changes to historical costs of acquisition and production as well as to amortized carrying amounts on the basis of available market data. As a result, the cumulative changes do not change proportionally, but the change of the amortization/depreciation results from the difference of the revalued depreciation/amortization. A non-proportional change to the amortization/depreciation also arises if value adjustments were made in previous periods. The amendment to this standard applies to revaluations carried out in financial years at or after the date of initial application, as well as to such that were carried out in the immediately preceding period.
IAS 24 "Related Party Disclosures": The standard is amended to include an expanded definition. Accordingly, the standard also applies to entities that provide key management personnel services to the reporting entity themselves or through a group company. Separate disclosures are required for the services rendered. Compensation by the management entity to those employees that are in charge of management responsibilities at the reporting entity, however, shall not be disclosed.

- **Amendments in the course of the "Annual Improvements to IFRSs 2011–2013 Cycle":**
  IFRS 1 "First-time Adoption of International Financial Reporting Standards": The amendment clarifies the meaning of the "effective date". If there are two published versions at the transition date (a currently effective one and one that will only be mandatory in the future but is already available for voluntary early application), a first-adopter of IFRS has the choice between these versions. As STADA already prepares the consolidated financial statements according to IFRS, revised versions of the standard or amendments to it are not relevant.
  IFRS 3 "Business Combinations": The amendment includes a clarification that the existing exception applies to all joint arrangements, but only in the financial statements of the joint arrangement.
  IFRS 13 "Fair Value Measurement": When controlling a group of financial assets and liabilities on the basis of its net market risk or its net credit risk, the standard allows to determine the fair value of this group using the measurement of its net risk position by market participants. The amendment clarifies that the exception applies to all contracts in the scope of IAS 39 or IFRS 9, even if they do not meet the definition of a financial asset or a financial liability.
  IAS 40 "Investment Property": The amendment includes a clarification that the standard is to be regarded separately from the scope of IFRS 3, so they are not mutually exclusive. Thus, the acquisition of an investment property shall be examined to determine whether it is an individual asset, a group of assets or a business operation as defined in IFRS 3. Furthermore, a review is required to determine whether it is an investment property as defined in IAS 40 or an owner-occupied property.

- **IFRIC 21 "Levies":** The interpretation provides guidance on when a liability shall be recognized for a levy which is imposed by the government. The interpretation is effective for levies at a known point in time and in a known amount, but also for provisions, contingent liabilities and contingent assets pursuant to IAS 37. However, IFRIC 21, does not apply to taxes, the payment of fines, etc. that are within the scope of another standard. Thus, the interpretation clarifies that the obligating event that gives rise to the recognition of a liability is the activity described in the legislation that triggers the payment obligation. Performing this activity due to "economic constraints" under the going concern assumption in the future, is expressly not an obligating event. Since levies are not accounted for at STADA, there are no resulting effects from IFRIC 21.

1.3. Scope of consolidation

The consolidated financial statements of STADA have been prepared for STADA Arzneimittel AG as parent company.

As of January 1, 2015, the subsidiary located in the United Arab Emirates, STADA MENA DWC-LLC, Dubai, as well as the Egyptian subsidiary STADA Egypt Ltd., Cairo, were included in STADA's scope of consolidation.

In the first nine months of 2015 there were also changes in the scope of consolidation due to the merger of the consolidated subsidiary Hemofarm Sabac d.o.o, Sabac, Serbia, with Hemofarm A.D., Vrsac, Serbia, also a consolidated subsidiary.

In addition, the acquisition of the Austrian company SCIOTEC Diagnostic Technologies GmbH was completed in accordance with corporate law in the third quarter of 2015. The initial consolidation of the acquired company as a subsidiary occurred on September 1, 2015. The initial inclusion of the Russian company Dialogfarma LLC as an associated company took place as of August 1, 2015.

In the consolidated interim financial statements of the STADA Group, 78 companies were thereby consolidated as subsidiaries and four companies as associates as of the balance sheet date on September 30, 2015.

1.4. Business combinations

In the first nine months of 2015, the finalization of the purchase price allocation for the following business combination as defined in IFRS 3, which will be explained in detail further on, was carried out.

In the fourth quarter of 2014, STADA acquired the British company Internis Pharmaceuticals Ltd., London, United Kingdom, which is active in the prescription area of therapeutic treatment of vitamin D3 deficiency. STADA achieved control upon conclusion of the contract on December 19, 2014.

The purchase price amounted to GBP 49.0 million and was completely paid in cash or cash equivalents. It contained certain contingent purchase price components. The conditional purchase price components amounted to a total of GBP 20.0 million and divided equally into two purchase price conditions. The first purchase price condition was to obtain a regulatory drug approval. The final purchase price was determined by the date of achieving the approval. The determination of the final purchase price of the second contingent purchase price component depended on certain changes regarding competitive parameters and determined sales targets. The amount recognized as of the acquisition date for the conditional consideration amounted to GBP 19.8 million. Due to the achievement of the regulatory drug approval at an early date and to unchanged competition parameters, the final purchase price amounted to GBP 49.0 million and included conditional purchase price components in the amount of GBP 20.0 million. The difference between the amount recognized for the conditional consideration and the final value of the conditional purchase price components in the amount of GBP 0.2 million was recognized under other expenses in the income statement.

In the context of the purchase price allocation, goodwill in the amount of approx. € 7.9 million resulted from the business combination and was broken down as follows:

in € million	
Purchase price for 100% of the shares of the company approx.	62.0
Proportionate fair values of the assets and liabilities acquired approx.	54.1
Goodwill	**7.9**

Goodwill here resulted primarily from the expansion of the presence and the sales activities in the market region Central Europe, as well as from taking over a highly qualified workforce.

For the assets acquired and liabilities assumed in the context of the business combination, the following fair values were recognized at the acquisition date:

Fair values in € million	
Intangible assets	64.5
Other non-current assets	1.2
Trade accounts receivable	2.6
Other current assets	1.2
Cash and cash equivalents	4.9
Assets	**74.4**
Deferred tax liabilities	12.5
Other non-current liabilities	2.8
Other current liabilities	5.0
Liabilities	**20.3**

Fair values were determined on the basis of observable market prices. To the extent that market prices could not be determined, income or cost-oriented procedures were used for the measurement of acquired assets and liabilities assumed.

Sales generated in the market region Central Europe with the company Internis Pharmaceuticals amounted to approx. € 14 million in the first three quarters of 2015. The operating profit of this business combination adjusted for the effects of the purchase price allocation (approx. € 2 million) amounted to approx. € 5 million in the reporting period.

Moreover, in the first nine months of 2015, there was an additional significant business combination in the context of the purchase of SCIOTEC Diagnostic Technologies, an Austrian pharmaceuticals company based in Tulln, which is primarily specialized in the development and marketing of non-prescription (OTC) products against enzymatic food intolerances, including relevant sales structures in order to strengthen STADA's branded product portfolio. The purchase price for this business was € 17.2 million.

In the context of the preliminary purchase price allocation, goodwill in the amount of € 5.3 million resulted from this business combination and was broken down as follows:

in € million	
Purchase price for 100% of the shares of the company including relevant sales structures approx.	17.2
Proportionate fair values of the assets and liabilities acquired approx.	11.9
Goodwill	**5.3**

Goodwill thereby resulted primarily from strengthening the sales presence in the Austrian market, which belongs to the market region Central Europe.

For the assets acquired and liabilities assumed in the context of the business combination, the following fair values were recognized at the acquisition date:

Fair values in € million	
Intangible assets	11.4
Other non-current assets	0.2
Other current assets	2.5
Assets	**14.1**
Deferred tax liabilities	1.5
Other non-current liabilities	0.2
Other current liabilities	0.5
Liabilities	**2.2**

Fair values were determined on the basis of observable market prices. To the extent that market prices could not be determined, income or cost-oriented procedures were used for the measurement of assets acquired and liabilities assumed.

Sales achieved with the company SCIOTEC Diagnostic Technologies in the market region Central Europe have amounted to approx. € 0.5 million since September 1, 2015. The operating profit of this business combination adjusted for effects from purchase price allocations amounted to approx. € 0.2 million in the reporting period. If STADA had already purchased SCIOTEC Diagnostic Technologies as of January 1, 2015, sales of approx. € 4 million and operating profit, adjusted for effects from the preliminary purchase price allocations (approx. € 0.2 million), of approx. € 2 million would have been achieved in the first nine months of 2015 assuming a linear development.

2. Notes to the Consolidated Income Statement

2.1. Sales

The increase in sales compared to the corresponding period of the previous year resulted primarily from the sales growth in the markets of the United Kingdom, Spain and Italy, which belong to the market region Central Europe, as well as the market region Asia/Pacific & MENA. The influences of exchange rate effects and portfolio changes on the sales decrease amounted to a total of -2.2 percentage points in the reporting period. Details on how sales are broken down according to segments and regions can be found in segment reporting (see Note 5.) and in additional information (see Note 6.).

2.2. Selling expenses

Selling expenses increased by € 21.6 million to € 343.7 million in the reporting period (1-9/2014: € 322.1 million). This development particularly resulted from increased marketing expenses in the British and Italian market.

2.3. General and administrative expenses

General and administrative expenses rose to € 130.8 million in the first nine months of 2015 as compared to the corresponding period of the previous year (1-9/2014: € 112.1 million). The increase resulted from earnings recorded within personnel expenses from past service cost in the amount of € 15.9 million in the previous year in connection with a change in the defined benefit plan for the Chairman of the Executive Board and the resulting changes with regard to the benefits awarded in accordance with the former benefit plan.

2.4. Other expenses

Other expenses decreased to € 47.9 million in the reporting period as compared to the corresponding period of the previous year (1-9/2014: € 49.7 million). This development was primarily based on a decline in net currency translation expenses.

2.5. Financial income

The decrease in financial income in the first nine months of 2015 as compared to the corresponding period of the previous year to € 1.2 million (1-9/2014: € 4.1 million) was due to net earnings from the measurement of derivative financial instruments in the previous year in the amount of € 1.6 million. In the reporting period, there was a net expense in the amount of € 2.5 million, which is reported under financial expenses.

3. Notes to the Consolidated Balance Sheet

3.1. Intangible assets

Intangible assets increased by € 17.9 million to € 1,649.4 million as of September 30, 2015 (December 31, 2014: € 1,631.5 million). This growth was attributable to currency effects in the context of converting financial statements of foreign subsidiaries with a reporting currency other than the Group currency euro as well as the inclusion of SCIOTEC Diagnostic Technologies and STADA MENA DWC in STADA's scope of consolidation. As of the balance sheet date on September 30, 2015, intangible assets included € 384.6 million goodwill (December 31, 2014: € 372.3 million).

3.2. Financial assets

Financial assets declined as of September 30, 2015 by € 1.1 million to € 0.9 million (December 31, 2014: € 2.0 million). This development was primarily attributable to the inclusion of STADA MENA DWC and STADA Egypt in the scope of consolidation of STADA Arzneimittel AG.

3.3. Other financial assets

Non-current other financial assets increased by € 1.7 million to € 13.4 million as of September 30, 2015 (December 31, 2014: € 11.7 million). Current other financial assets decreased to € 78.4 million as of September 30, 2015 (December 31, 2014: € 86.9 million). This development was mainly attributable to the repayment of a loan of the associate BIOCEUTICALS Arzneimittel AG and the decrease in the measurement of derivative financial instruments.

3.4. Inventories

Inventories increased by € 31.7 million to € 530.5 million as of September 30, 2015 (December 31, 2014: € 498.8 million). This resulted, among other things, from translation effects in the United Kingdom as well as the reluctance to buy in the Russian market.

3.5. Other assets

The increase of current other assets of € 7.6 million to € 45.5 million as of September 30, 2015 (December 31, 2014: € 37.9 million) was, among other things, based on increased sales tax receivables as well as prepaid expenses/deferred charges which increased during the year.

3.6. Share capital/Capital reserve

Compared to December 31, 2014, share capital and capital reserve of STADA Arzneimittel AG rose by € 4,460,924.00 to € 162,090,344.00 and by € 23,765,809.71 to € 514,166,798.88 as of September 30, 2015. This development resulted from the increase in the number of shares in the first half of 2015, which is attributable to the exercise of 85,787 options from STADA warrants 2000/2015. The share options from the STADA warrants mentioned had expired as of June 26, 2015, therefore there were no more warrants outstanding for subscription as of September 30, 2015. As a consequence, the number of shares as of the balance sheet date of September 30, 2015 did not increase further as compared to June 30, 2015.

3.7. Other provisions

Other provisions include results recognized directly in equity. This relates, among other things, to foreign exchange gains and losses resulting from the currency translation recognized in other comprehensive income of financial statements of companies included in the Group, which are recognized in the statement of changes in shareholders' equity under provisions for currency translation. In the reporting period, income of € 31.8 million recognized directly in equity arose, which is primarily composed of the following effects: Due to the appreciation of the currencies British pound sterling and Swiss franc since December 31, 2014, income recognized directly in equity from the currency translation of financial statements of companies reporting in the respective currency was recorded. Furthermore, other provisions include an adjustment of the previous year recognized directly in equity on current account in the amount of € 1.2 million in connection with a company accounted for at equity.

3.8. Financial liabilities

As of September 30, 2015, the Group's current and non-current financial liabilities in the amount of € 178.1 million and € 1,253.6 million (December 31, 2014: € 448.7 million and € 1,043.0 million) primarily include promissory notes which have a nominal value in the amount of € 527.0 million (December 31, 2014: € 552.5 million), a bond with a nominal value in the amount of € 350.0 million and a bond with a nominal value in the amount of € 300.0 million (December 31, 2014: two bonds of € 350.0 million each). The change in financial liabilities was mainly based on the placement of an additional bond in the first quarter of 2015 for the refinancing of a corporate bond which reached maturity in April 2015. Furthermore, the borrowing of current financial liabilities exceeded repayment.

3.9. Other financial liabilities

Non-current other financial liabilities increased to € 9.1 million as of September 30, 2015 (December 31, 2014: € 5.3 million). This was particularly due to a measurement effect of derivative financial instruments. Current other financial liabilities declined as of September 30, 2015 by € 53.7 million to € 203.7 million (December 31, 2014: € 257.4 million). This was primarily due to outstanding purchase price payments for the acquisition of the Russian branded product portfolio Aqualor®, the Russian branded products AndroDoz® and NeroDoz® as well as the British company Internis Pharmaceuticals as of December 31, 2014.

4. Notes to the Consolidated Cash Flow Statement

4.1. Cash flow from operating activities

Cash flow from operating activities – which consists of changes in items not covered by investing activities, financing activities or by changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation – amounted to € 137.7 million in the first nine months of 2015 (1-9/2014: € 123.8 million). The increase of € 13.9 million as compared to the corresponding period of the previous year was mainly based on a decreased cash-efficiency in the area of other net assets and a lower cash-effective decrease in trade accounts payables. In contrast, there was a lower cash-effective decrease in trade accounts receivable.

4.2. Cash flow from investing activities

Cash flow from investing activities – which reflects the cash outflows for investments reduced by the inflows from disposals – amounted to € -127.1 million in the reporting period (1-9/2014: € -186.7 million). Cash flow from investing activities was particularly influenced by payments for investments in intangible assets in the corresponding period of the previous year, which primarily related to the acquisition of the Russian branded product portfolio Aqualor®. In the first three quarters of 2015, the settlement of outstanding payments for the acquisition of the Russian branded product portfolio Aqualor®, the Russian branded products AndroDoz® and NeroDoz® and the British company Internis Pharmaceuticals had an impact on cash flow from investing activities. Furthermore, purchase price payments from the acquisition of the Austrian company SCIOTEC Diagnostic Technologies are included in cash flow from investing activities.

4.3. Cash flow from financing activities

Cash flow from financing activities in the reporting period amounted to € -85.5 million (1-9/2014: € 57.6 million). This development was particularly characterized by opposing movements regarding the borrowing and settlement of financial liabilities. In the first quarter of 2015, a corporate bond with a nominal value in the amount of € 300 million was placed for the refinancing of a corporate bond with a nominal value of € 350 million which reached maturity in April 2015. Furthermore, two new loans were taken out in the third quarter. Overall, the borrowing of current financial liabilities in the first nine months of 2015 exceeded repayment.

In addition, the exercise of options from STADA warrants 2000/2015 in the first half of 2015[1)] led to an increase in cash flow from financing activities by € 28.2 million. In contrast, cash flow from financing activities decreased due to dividend payments.

4.4. Net cash flow for the period

Net cash flow for the period is the balance of cash inflows and outflows from cash flow from operating, investing and financing activities as well as from changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation and amounted to € -61.5 million in the reporting period (1-9/2014: € -8.5 million).

5. Segment information

5.1. General information

The measurement approaches for segment reporting are in accordance with the financial reporting methods used in the IFRS consolidated financial statements. Services between the segments are charged based on market prices.

Reported segment result corresponds to the operating profit of the income statement of the STADA Group in accordance with IFRS. Reporting of individual non-current assets according to segment as well as segment liabilities is waived, as this information is not used for Group monitoring.

1) The share options from the STADA warrants mentioned had expired as of June 26, 2015, therefore there were no more warrants outstanding for subscription as of December 31, 2015.

5.2. Information by operating segment

in € 000s		9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30
Generics	**External sales**	**896,187**	**884,225**
	Sales with other segments	323	464
	Total sales	896,510	884,689
	Operating profit	121,858	118,808
	Depreciation/amortization	37,096	37,374
	Impairment losses	502	4,030
	Reversals	-	-
	Other significant non-cash items within operating result	-175,803	-210,160
Branded Products	**External sales**	**605,350**	**565,841**
	Sales with other segments	-	-
	Total sales	605,350	565,841
	Operating profit	121,335	105,095
	Depreciation/amortization	44,894	46,650
	Impairment losses	5,220	6,271
	Reversals	-	-
	Other significant non-cash items within operating result	-21,837	-22,112
Commercial Business	**External sales**	**32,009**	**32,669**
	Sales with other segments	-	-
	Total sales	32,009	32,669
	Operating profit	288	798
	Depreciation/amortization	97	103
	Impairment losses	-	-
	Reversals	-	-
	Other significant non-cash items within operating result	-118	-111
Reconciliation Group holdings/other and consolidation	**External sales**	**-**	**-**
	Sales with other segments	-323	-464
	Total sales	-323	-464
	Operating profit	-63,683	-39,171
	Depreciation/amortization	6,135	8,151
	Impairment losses	6,453	4,562
	Reversals	-	-
	Other significant non-cash items within operating result	-1,667	15,768
Group	**External sales**	**1,533,546**	**1,482,735**
	Sales with other segments	-	-
	Total sales	1,533,546	1,482,735
	Operating profit	179,798	185,530
	Depreciation/amortization	88,222	92,278
	Impairment losses	12,175	14,863
	Reversals	-	-
	Other significant non-cash items within operating result	-199,425	-216,615

5.3. Reconciliation of segment results to net profit

in € 000s	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30
Operating segment profit	243,481	224,701
Reconciliation Group holdings/other and consolidation	-63,683	-39,171
Result from investments measured at equity	944	802
Investment income	62	153
Financial income	1,248	4,128
Financial expenses	52,465	53,332
Earnings before taxes, Group	**129,587**	**137,281**

6. Additional information

6.1. Information by market region

Sales by market regions in € 000s	9 months 2015 Jan. 1 – Sep. 30	9 months 2014 Jan. 1 – Sep. 30	±%[1]	±% *adjusted*[2]
Central Europe	**728,182**	**690,952**	**+5%**	***-1%***
• Italy	140,907	132,469	+6%	*-0%*
• United Kingdom	131,217	93,129	+41%	*+10%*
• Spain	90,354	85,996	+5%	*+5%*
• Belgium	83,518	111,984	-25%	*-25%*
• France	63,346	64,212	-1%	*+2%*
• Switzerland	41,484	39,262	+6%	*-8%*
• The Netherlands	32,390	28,374	+14%	*+13%*
• Ireland	18,409	16,539	+11%	*+11%*
• Austria	15,548	14,961	+4%	*+2%*
• Poland	14,470	16,263	-11%	*-11%*
• Other/Rest of Central Europe	62,604	61,007	+3%	*+2%*
• Export sales of the market region Central Europe	33,935	26,756	+27%	*+13%*
CIS/Eastern Europe	**353,621**	**384,215**	**-8%**	***+17%***
• Russia	202,385	236,082	-14%	*+20%*
• Serbia	66,278	67,855	-2%	*+1%*
• Kazakhstan	17,489	10,070	+74%	*+55%*
• Ukraine	17,473	19,141	-9%	*+46%*
• Bosnia-Herzegovina	11,352	10,036	+13%	*+12%*
• Other/Rest of CIS/Eastern Europe	30,691	33,190	-8%	*+9%*
• Export sales of the market region CIS/Eastern Europe	7,953	7,841	+1%	*+6%*
Germany	**344,955**	**341,568**	**+1%**	***+1%***
• Germany	320,398	295,761	+8%	*+8%*
• Export sales of the market region Germany	24,557	45,807	-46%	*-46%*
Asia/Pacific & MENA	**106,788**	**66,000**	**+62%**	***+34%***
• Vietnam	67,935	50,093	+36%	*+15%*
• China	11,140	9,089	+23%	*+3%*
• United Arab Emirates	6,261	-	-%	*-%*
• Saudi Arabia	5,242	-	-%	*-%*
• Other/Rest of Asia/Pacific & MENA	15,991	6,684	>100%	*+80%*
• Export sales of the market region Asia/Pacific & MENA	219	134	+63%	*+35%*

1) Calculated on thousand euro basis.
2) Adjustments due to changes in the Group portfolio and currency effects.

7. Disclosures about fair value measurements and financial instruments

The subsequent chart shows how the valuation rates of assets and liabilities measured at fair value were determined:

Fair values by levels of hierarchy in € 000s on a recurring basis	Level 1 Quoted prices in active markets		Level 2 Valuation methods with input parameters observable in the market		Level 3 Valuation methods with input parameters not observable in the market	
	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014
Available-for-sale financial assets (AfS)						
• Securities	-	29	-	-	-	-
Financial assets held for trading (FAHfT)						
• Currency forwards	-	-	-	-	6,105	749
• Interest rate/currency swaps	-	-	-	-	25,353	32,501
Financial liabilities held for trading (FLHfT)						
• Currency forwards	-	-	-	-	1,074	5
• Interest rate/currency swaps	-	-	-	-	3,367	453
Derivative financial liabilities with hedging relationship						
• Cash flow hedges	-	-	-	-	1,549	2,666

In the context of the preparation of the financial statements, STADA reviews the allocation to the respective hierarchy levels according to information available on the determination of the fair values. If the need for reclassification is determined, the reclassification is carried out as of the beginning of the reporting period.

The fair values are analyzed in the context of the preparation of the financial statements. For this purpose, market comparisons and change analyses are carried out.

In the previous year, available-for-sale financial assets (AfS) related to shares for which market prices were available for measurement. Derivative financial assets (FAHfT) and derivative financial liabilities (FLHfT) include positive or negative market values of derivative financial instruments (interest rate/currency swaps and foreign exchange swaps) not part of a hedging relationship. The fair values were determined using appropriate valuation models by external third parties. This includes the application of discounted cash flow methods, which are largely based on input parameters observable in the market. The cash flows which are already fixed or calculated by means of the current yield curve are discounted to the measurement date with the discount factors determined by means of the yield curve valid on the balance sheet date. The same applies for the calculation of the fair values of the derivative financial liabilities with a hedging relationship, which reflect the negative market values of the interest rate swaps used as hedging instruments.

The subsequent chart shows how the valuation rates of assets measured at fair value on a non-recurring basis were determined:

Fair values by levels of hierarchy in € 000s on a non-recurring basis	Level 1 Quoted prices in active markets		Level 2 Valuation methods with input parameters observable in the market		Level 3 Valuation methods with input parameters not observable in the market	
	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014
Non-current assets and disposal groups held for sale	-	-	334	331	-	-

The assets held for sale comprise real estate held by a STADA subsidiary in Serbia. The non-recurring basis for the determination of fair value is based on an appraisal prepared by an independent expert and was largely determined based on input parameters observable in the market.

As STADA utilizes pricing information from external third parties without further correction in the determination of the fair value, and therefore does not produce any quantitative, non-observable input factors, the option of IFRS 13 to waive the disclosure of quantitative information on such input factors is taken.

Financial assets and liabilities allocated to hierarchy level 3 and recognized at fair value developed as follows in financial year 2015:

in € 000s	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance as of Jan. 1, 2015	**33,250**	**-3,124**
Reclassification from level 2	-	-
Currency changes	-	-
Total result	-7,449	-3,113
• in the income statement	-7,449	-4,230
• directly in equity	-	1,117
Additions	-	-
Realizations	5,657	241
Reclassification in level 2	-	-
Balance at Sep. 30, 2015	**31,458**	**-5,996**
Income recognized in the income statement	**-7,449**	**-4,230**
Other income/other expenses	2,551	-1,270
thereof		
• attributable to assets/liabilities held as of the balance sheet date	4,027	-1,028
Financial result	-10,000	-2,960
thereof		
• attributable to assets/liabilities held as of the balance sheet date	-9,723	-2,960

Financial assets and liabilities allocated to hierarchy level 3 and recognized at fair value developed as follows in financial year 2014:

in € 000s	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance as of Jan. 1, 2014	**10,520**	**-5,619**
Reclassification from level 2	-	-
Currency changes	-	-
Total result	4,156	1,713
• in the income statement	4,156	402
• directly in equity	-	1,311
Additions	-	-
Realizations	1,049	321
Reclassification in level 2	-	-
Balance at Sep. 30, 2014	**15,725**	**-3,585**
Income recognized in the income statement	**4,156**	**402**
Other income/other expenses	3,035	-49
thereof		
• attributable to assets/liabilities held as of the balance sheet date	3,025	-133
Financial result	1,121	451
thereof		
• attributable to assets/liabilities held as of the balance sheet date	1,121	451

The following disclosures are made for financial assets and financial liabilities whose fair value differs from the carrying amount as of September 30, 2015:

in € 000s	Carrying amount Sep. 30, 2015	Fair value Sep. 30, 2015	Carrying amount Dec. 31, 2014	Fair value Dec. 31, 2014
Amounts due to banks	260,495	263,150	243,596	245,914
Promissory notes	525,777	563,393	550,834	592,749
Bonds	645,383	657,520	697,271	715,750
Financial liabilities	**1,431,655**	**1,484,063**	**1,491,701**	**1,554,413**

Financial liabilities shown in the chart are allocated to the valuation category "Financial liabilities measured at amortized cost" in accordance with IAS 39. There have been no changes regarding the division of financial assets and financial liabilities into valuation categories in accordance with IAS 39 in the first nine months of 2015 as compared to the presentation in the Annual Report 2014.

For all other financial assets and liabilities not displayed in the chart above, the carrying amounts – approximately or based on valuation methods taking as basis the listed prices on active markets or observable input parameters in the market – correspond to the respective fair values of the individual assets and liabilities.

8. Contingent liabilities and other financial obligations

Contingent liabilities describe possible obligations with respect to third parties which result from past events and which may lead to a future outflow of resources depending on specific events. As of the balance sheet date, these contingent liabilities were considered improbable and are therefore not recognized.

As compared to the contingent liabilities described in the Annual Report 2014, there were no significant changes in the first nine months of 2015.

In addition to the contingent liabilities, there were other future financial obligations, which can be broken down as follows:

in € 000s	Sep. 30, 2015	Dec. 31, 2014
Operating lease liabilities	78,052	72,892
Other financial obligations	31,779	31,536
Total	**109,831**	**104,428**

Other financial obligations primarily included as of September 30, 2015 a guarantee amounting to € 25.0 million toward Hospira Inc., Lake Forest, Illinois, USA, in connection with a supply agreement between Hospira and the shares in the associated company BIOCEUTICALS Arzneimittel AG which are recognized according to the equity method. STADA, as guarantor, recognized this guarantee as of September 30, 2015 as a financial guarantee in accordance with IAS 39 with its fair value in the amount of € 0.3 million (December 31, 2014: € 0.3 million).

Liabilities from operating leases related particularly to IT equipment and vehicles. In addition, there are liabilities from long-term rental agreements for office buildings.

9. Related party transactions

STADA continues to provide the associated company BIOCEUTICALS Arzneimittel AG with a credit line facility with an interest rate that is partly usual for risk capital and which was not utilized as of September 30, 2015 (December 31, 2014: utilization in the amount of € 3.3 million).

Furthermore, no significant changes occurred with regard to related parties compared with the situation as described in the Annual Report 2014.

10. Significant events after the balance-sheet date

No material events have occurred since the reporting date that could have a significant effect on the Group's business, financial and earnings situation.

Publisher: STADA Arzneimittel AG, Stadastrasse 2–18, 61118 Bad Vilbel, Germany, Phone: +49 (0) 6101/603-0, Fax: +49 (0) 6101/603-259, E-mail: info@stada.de

Forward-looking statements: This Interim Report of STADA Arzneimittel AG (hereinafter referred to as "STADA") contains certain statements regarding future events that are based on current expectations, estimates and forecasts of STADA's company management and on other information which is currently available. They imply various known and unknown risks and uncertainties, which may result in actual earnings, the business, financial and earnings 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 results of clinical studies; 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.

Rounding: The key performance indicators presented in this interim report are generally 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.

Contact: STADA Arzneimittel AG · STADA Corporate Communications · Phone: +49 (0) 6101/603-113 · Fax: +49 (0) 6101/603-215 · E-mail: communications@stada.de

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